

May 2008

The Experts' FORUM



**Is there such a thing as
an “average Canadian”?**

... what are they eating?

ETHNIC FOOD MARKET OPPORTUNITIES IN CANADA

The “face” of Canada continues to evolve through immigration and with that evolution comes a growing appetite for authentic tasting ethnic foods and prepared meals. Welcome news for Canadian dairy and food processors looking for ways to grow their product offerings!

Ethnic foods can be defined as foods and ingredients that reflect the unique flavours, preparation styles, tastes and traditions of a specific ethnic group. That being said, and according to Dr. Ralph Ashmead of Serecon Consulting Group: “We are all in an ethnic group.” Indeed, we all occupy a number of different segments within our population base, each with uniquely defined preferences for taste and meal choices.

This edition of The Experts’ Forum will provide Canadian dairy and food processors with an up-to-date review of the changing Canadian population and the opportunities it holds for the dairy and food industry.

THE CHANGING FACE OF CANADA

The Canadian population is ever changing. Canada has seen an influx of immigrants from all over the globe bringing with them a diverse set of customs, languages, cultures, and culinary preferences.

The *2006 Statistics Canada Census* revealed that 1.3 million Canadians identify themselves as South Asian (24.9% of the visible minority population, and 4% of the total Canadian population); which was the largest visible minority group in Canada in 2006. The South Asian group effectively surpassed the 1.2 million Chinese which now make up 24% of the visible minority population and 3.9% cent of the population in general.

Between 2001 and 2006, the visible minority population rose by 27.2% while the population as a whole only increased by 5.4%. Statistics Canada said that, at this pace, members of visible minority groups could account for roughly one-fifth of the total population by 2017.

A previous edition of the Census Survey indicated that Chinese and South Asian ethnicities are the most effective to study

when analyzing ethnic food consumption. However, while the number of Asian immigrants to Canada has increased over time, it is anticipated that this level will gradually level out or even decline as African immigrants become more prominent.

Immigration has and will continue to shape not only the Canadian population but food purchasing and consumption trends as well. These findings reinforce the need for authenticity when producing ethnic foods for specific niche markets.

2006 CANADIAN VISIBLE MINORITY POPULATION MAKE-UP (FROM A TOTAL OF 5,068,100)

South Asian	24.9%
Chinese	24.0%
Black	15.5%
Filipino	8.1%
Latin American	6.0%
Arab	5.2%
Southeast Asian	4.7%
West Asian	3.1%
Korean	2.8%
Japanese	1.6%

EMERGING CANADIAN FOOD TRENDS

What are the key emerging food trends among Canadians and how will this affect our outlook towards meal patterns and consumer choices?

Consider the following: Our population is becoming more diversified as increasing numbers of immigrants choose to call Canada their home. Socio-economic factors are having an impact, such as smaller household sizes, workforce participation, globalization, environmental awareness, media fragmentation and brands becoming more of an expression of individualization rather than a status symbol.

Shifting expenditures have resulted in less disposable income being spent on home cooked meals and more on prepared foods and take outs.

Meal patterns are becoming more sporadic and snacking and portability are gaining more and more attention for the sake of convenience. Food habits are shifting for the sake of health, which oftentimes includes more organic food choices.

Consumers are becoming more educated when it comes to label nutrition analysis and functional food selection. And last but not least, food is viewed more as an affordable indulgence which speaks to the increase in gourmet foods, boutique brands, slow foods, premium ingredients, nutrient value and smaller portions.

The fact that many consumers are searching for new culinary experiences either in the form of take home foods or exotic restaurant dishes suggests that there is a growing level of attraction on the part of our Canadian population when it comes to ethnic cuisine alternatives.

THE ETHNIC CUISINE FOCUS

As mentioned earlier, our culture is made up of a variety of unique "segments" from a marketing standpoint, with defined taste preferences, traditions, wants and needs. Ethnic diversity and a growing general fascination with ethnic foods have resulted in a wide variety of new food ingredients and flavours, adaptive cooking techniques and presentation styles, as well as new production and processing styles. Let's examine a few:

ETHNIC CUISINE MARKET SEGMENTATION

CDN scene: Chinese, Caribbean, Moroccan, Indian, Thai, Cuban-Thai, Creole-Mex...

INDIAN DAIRY FOOD PRODUCTS

There are over 50 different types of Indian dairy based product categories, some of which include desiccated semi-solid milk

products, fat rich butter oil like products, coagulated cheese like products as well as milk desserts and puddings. Indian dishes that we should all be familiar with at this point include gulab jamun, ras malai and kulfi.

CHINESE CONSUMPTION OF DAIRY

A new Canadian report suggests that the consumption of dairy products by Chinese Canadians is now at 20 kg/person and is expected to grow to 30 kg by 2015. Claims about lactose intolerance within this culture have been overstated and in fact these claims appear to be in decline.

Flavoured milks, yogurt, infant foods, ice cream, and more recently cheese are but a few of the dairy products with strong appeal to Chinese Canadians.

According to a recent report prepared for AAFC, the Chinese may not be huge cheese eaters but consume more yogourt than non-Chinese Canadians and eat about the same amount of butter, cream and milk. While Canadians generally consume more milk and cream than many Asian and African immigrants, it was noted that in middle income households, the result was surprisingly different. In fact, the behavioural study demonstrated 30% more dairy eating occasions on average compared to Canadians.

ETHNIC FOOD FOR THOUGHT

Canadian dairy and food product manufacturers would do well to view the Canadian population not only in terms of various ethnic cultures that exist but also in terms of market segments. Recently immigrated Chinese are enjoying the fine attributes of an aged cheddar cheese while natural born Canadians are sitting down to an exotic serving of tandoori chicken followed by a dish of ras malai for dessert.

With an ever increasing immigrant population there is still much opportunity to develop new ethnic dairy and finished food products. Authentic ethnic characteristics are a critical element not to be overlooked in specialized product development.

The Canadian foodservice industry has responded to consumer demand for more exotic flavour offerings by introducing a variety of fusion cuisines (the blending of international flavours and recipes with Canadian cuisine) which are appealing to both the recently immigrated and mainstream populations.

"People are much more sophisticated about what they eat," says Keith Chen, of Toronto's Culinary Destinations. He continues: "There is a real democratization of food, where so many people are exposed to everything from new restaurants to the Food Channel, that the freezer is an easy way of taking the exotic back home."

Case in point: Loblaws has developed a line of President's Choice authentic ethnic ready-made Indian, Thai and Chinese appetizers and entrées which cater to time constrained consumers.

The *Toronto Star* stated that "in Toronto, this means Malaysian cooking might be hailed as the new Thai food, which supplanted the popularity of Japanese food, which may have taken over from Vietnamese or Indian food, and so on. Trends such as Asian-Cuban cuisine in New York and Indian-Chinese in Toronto are all part of the mix."

With the immigrant population potentially growing to 1 in 5 Canadians in less than 10 years, it is clear that the evolution of ethnic foods will continue to thrive and grow. Great news for the dairy and food processing industry who want to introduce new and innovative consumer products for the Canadian market and beyond.

The Ethnic & Specialty Food Expo 2007: Key Industry Trends Report of January 2008 stated that 75% of ethnic food consumption in the United States is now supported by the mainstream population. The popularity of ethnic food in North America is projected to continue along its current growth pattern. In fact, ethnic food products already make up more than 12% of all retail food sales, with 5% annual growth.

South Asian consumer groups will also likely help drive continued demand for Indian, Pakistani, Bangladeshi and Middle Eastern cuisine. However, Chinese, Thai and Vietnamese cuisine currently remain the most popular ethnic fare in Canada.

While it can be said that in recent years Canada has seen a steady influx of mostly Asian immigrants, that trend is expected to change. According to a 2007 Agriculture and Agri-Food Canada's presentation entitled "Ethnic Dairy Consumption" it is anticipated that people originating from African nations will make up the greatest number of immigrants coming to Canada in the next few years.

This shifting demographic will bring with it another series of opportunities and challenges for dairy and food processors; to continue to adapt their products to satisfy the ever changing needs and taste preferences of consumers.

The statistics and comments reported in this article remind us of the importance of not just following the purchasing trends at the consumer lever but to take a few steps back to consider emerging trends/patterns in immigration and the influence that newly arrived immigrants are having on the overall Canadian population.

The introduction of new and innovative products designed to meet the rapid growth and demand for ethnic foods is in full swing. The Canadian Dairy Commission remains committed to helping companies keep pace with emerging trends by offering quick and easy access to funding programs and services that support dairy and food product development.

The Canadian Dairy Commission wishes to acknowledge the contributions of:

- ▶ Dr. Ralph Ashmead, Serecon Consulting Group
- ▶ Agriculture and Agri-Food Canada, Dairy Section

Additional reference sources featured in this article:

- ▶ Statistics Canada 2006 Census of Population
- ▶ Statistics Canada 2001 Census of Population
- ▶ The Toronto Star / 19-Nov-07 (Ethnic food for your freezer)

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Be sure to visit MILKingredients.ca for information on
all of the programs and services directed at the
Canadian dairy and food processing sectors.

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