Required Report: Required - Public Distribution **Date:** July 13, 2026

Report Number: CA2026-0016

Report Name: Food Service - Hotel Restaurant Institutional Annual

Country: Canada

Post: Toronto

Report Category: Food Service - Hotel Restaurant Institutional

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Report Highlights:

Canada remains one of the two largest markets for United States consumer-oriented agricultural products, with U.S. exports of approximately $20 billion in 2025. The U.S. share of Canada's consumer-oriented imports declined to roughly 51 percent in 2025, from 55 percent in 2024, under the combined pressure of a weaker Canadian dollar, a strengthening "buy Canadian" movement, and provincial restrictions on U.S. alcoholic beverages. Canada's roughly $89 billion foodservice sector nonetheless expanded 5.9 percent and continues to favor U.S. premium proteins, non-alcoholic and ready-to-drink beverages, and value-oriented convenience products. Distribution is concentrated nationally yet competitive regionally. U.S. exporters that secure a Canadian distributor or broker and enter one region at a time remain well positioned to capture this demand.

Executive Summary:
Canada is a high-income country and, in 2025, its GDP reached approximately $2.28 trillion, ranking it among the world's ten largest economies and a key regional market for U.S. agricultural and food products. A major producer of food and agricultural products, Canada has an agriculture sector deeply integrated with the United States, and in 2025 it ranked among the top two markets for U.S. agricultural exports at $28.7 billion.

Consumer-Oriented Agricultural Imports

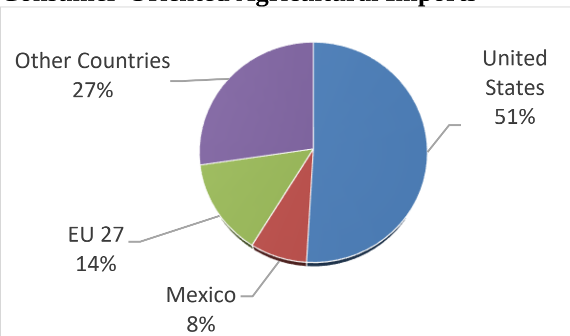


Chart 1: Top Exporting Countries to Canada (2025)

Food Retail Industry:
Canada's food retail sales grew to $125 billion in 2025, supported by food price inflation. The market is mature and highly consolidated: five leading retailers - three traditional grocers and two general merchandisers - command over 75 percent of the grocery market, with more than 6,900 independents and 27,000 convenience stores making up the remainder.

Food Processing Industry:
Canada's food processing industry consists of about 7,900 establishments, roughly 92 percent of them small companies with fewer than 100 employees. It remained Canada's largest manufacturing sector by GDP and employment in 2025, with sales surpassing $125 billion, led by meat, dairy, grain and oilseed milling, and beverage manufacturing.

Foodservice Industry:
Canada’s total foodservice and on-premise beverage sales reached $89 billion in 2025, with commercial foodservice up 5.9 percent over 2024. After adjusting for 3.2 percent menu inflation, real commercial and non-commercial foodservice sales grew 2.9 percent, recovering from persistent affordability pressures. Full-service outperformed quick-service in 2025, reversing the downturn trend.

Quick Facts CY 2025

Imports of Consumer-Oriented Products
$39.4 billion

List of Top 10 Growth Products

1) Multicultural foods	2) Plant-based proteins
3) Non-alcoholic bev.	4) Ready to drink bev.
5) Premium baked goods	6) Prepared meals
7) Premium items	8) Low-alcohol bev.
9) Clean-label products	10) Frozen produce

Food Industry by Channels (Billion USD)

Retail Food Industry	$125
Food Service-HRI	$89
Food Processing	$125
Food and Ag Exports (U.S. to Canada)	$29

Top 10 Retailers (by sales)

1) Loblaws (28 percent)	2) Sobeys (19)
3) Metro (11)	4) Costco (9)
5) Walmart (8)	6) Overwaitea (4)
7) Co-ops (3)	8) Couch-tard (2)
9) North West Co. (1)	10) Dollarama (1)

GDP/Population
Population *(Million)*: 41.7
GDP *(Billion USD)*: ~$2,284
GDP per capita *(USD)*: ~$54,800

Sources: Statistics Canada; Restaurants Canada; Trade Data Monitor; Euromonitor International; International Monetary Fund; Bank of Canada.

Note: Canadian dollars converted to U.S. dollars using Bank of Canada annual average exchange rates (2023: 0.7409; 2024: 0.7300; 2025: 0.7154).

Strengths/Weaknesses/Opportunities/Threats

Strengths	***Weaknesses***
- Well-established market with modern distribution channels - Over 98 percent of U.S. products enter duty-free under USMCA	- Heightened consumer price sensitivity - Strengthened “buy Canadian” sentiment
Opportunities	***Threats***
- Strong demand for value, high-quality U.S. products - Domestic-tourism surge redirecting spend to Canadian foodservice	- U.S.-Canada tariff disputes raising contractual costs - As of October 2025, eight of ten provinces restricted U.S. alcoholic beverages

Section I: Market Summary

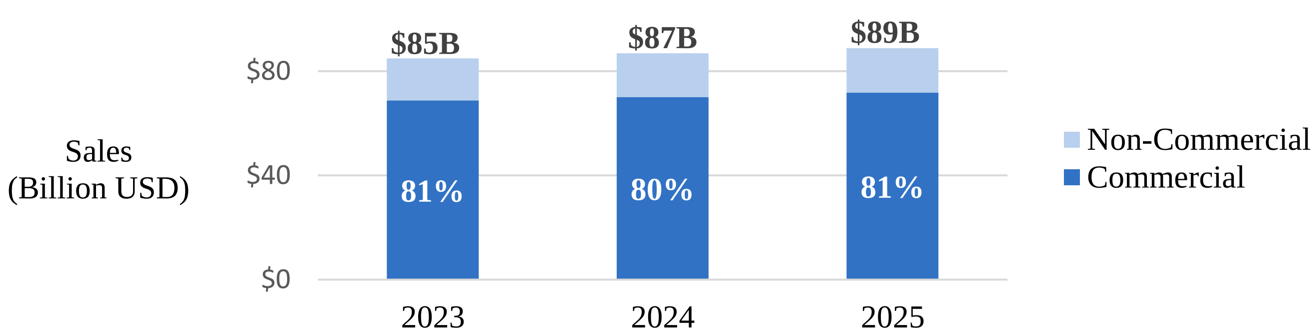
Canada's foodservice sector posted nominal growth in 2025, reaching more than $89 billion in total sales, though significant structural headwinds persist. Commercial foodservice and on-premise beverage sales led the 5.9 percent expansion to about $73 billion, representing an 81 percent share of total sales. Non-commercial sales remained relatively stable at about $17 billion, accounting for the remaining 19 percent. After adjusting for 3.2 percent menu price inflation, real commercial sales grew a modest 2.9 percent. The sector served an average of 23 million customers daily, purchased about $43 billion in food and beverage products annually, and directly employed 1.2 million workers, ranking it as Canada's fourth-largest private-sector employer.

In early 2025, affordability was Canadians' top concern, compounded by uncertainty from trade tensions with the United States. A "K-shaped" divergence emerged with higher-income consumers able to remain with full-service and fine dining segments, while lower-income households cut dining frequency. Between 2023 and 2025, disposable income growth in Canada ranged from about 2 percent for the lowest income quintile to 12 percent for the highest, with higher-income households seeing gains well above the 7 percent average grocery and shelter inflation rate.

Additionally, reluctance to travel abroad increased domestic tourism and redirected spending toward Canadian foodservice. In 2025, real tourism GDP grew 2.2 percent, outpacing the 1.6 percent economy-wide rate. The provinces of Ontario and Quebec, which together account for close to 60 percent of national sales, saw more modest gains, reflecting broader trade headwinds in certain goods-producing industries. Meanwhile, Alberta and British Columbia posted stronger growth.

Looking ahead, sector growth is projected to reach 3.1 percent in 2026 - provided the Canadian dollar stabilizes or strengthens - as persistent affordability pressures, supply chain challenges, and labor shortages continue to temper expansion. According to StatsCan, a third of operators identified "reducing operational and supply costs" as their primary focus, with over half citing costs as the leading barrier to growth.

Chart 2: Annual Foodservices and On-premise Beverage Sales in Canada



Source: Restaurants Canada and StatsCan.[1]

[1] Canadian currency converted to U.S. dollars at Bank of Canada annual average rates (2023: 0.7409; 2024: 0.7300; 2025: 0.7154).

Table 1: Advantages and Challenges of the Canadian Foodservice Market

Advantages	Challenges
Deep supply-chain integration gives U.S. exporters reliable, consistent access; most products enter duty-free under the USMCA.[2]	The “buy Canadian” sentiment and U.S.-Canada trade tensions have encouraged domestic and other sourcing.
Canadian consumers value U.S. quality and safety standards.	U.S.-Canada tariff uncertainties are raising contractual costs.
U.S. food products are generally aligned with Canadian tastes and are familiar to Canadian consumers.	A weaker Canadian dollar makes U.S. goods more expensive.
Consumers value the strong, diverse, and innovative food culture in the United States.	Competition is strengthening from lower-cost suppliers, such as Mexico and overseas exporters.
Canada's ethnically diverse population provides opportunities for specialty products.	Established Canadian brokers and distributors have strong leverage in negotiations.
A K-shaped market sustains strong full-service and premium/fine-dining demand among higher-income diners, favoring quality U.S. ingredients.	Canada's population is a tenth of the United States and more geographically dispersed, causing marketing and distribution challenges.
Demand for convenience-with-value (partially prepared and heat-and-eat foods) plays to U.S. strengths in processed and ready-to-use products.	Landing costs (e.g., transportation, taxes, and customs clearance charges) are significant, making it challenging to launch a new product in smaller volumes.
Persistent labor shortages drive uptake of value-added, labor-saving U.S. products.	Service-industry labor is scarce, and workers are expensive to hire and retain.
A domestic-tourism surge has redirected spending to Canadian foodservice.	Health-conscious eating and demand for "clean-label" or sustainable products are trendy, and fast food, often associated with American food, is sometimes seen as "junk."

[2] USMCA review is scheduled to commence in the second half of 2026.

Section II: Roadmap for Market Entry

Entry Strategy

To facilitate export success in Canada, the Foreign Agricultural Service in Canada (FAS Canada), recommends that U.S. exporters study the foodservice landscape at both national and provincial levels. Distribution is highly concentrated nationally, with greater competition among regional distributors. Given the market's maturity and consolidation, a focused, well-researched entry strategy is recommended.

Before entering Canada, U.S. companies should assess their "export readiness," whether the product is well-established domestically and whether the company has the resources and staff capacity to service a foreign account reliably. Exporters should also keep Canada's market scale in perspective. It is a mature market with a consumer base roughly one-tenth the size of the United States, concentrated in urban centers primarily along the U.S. border. Reaching that dispersed base can be costly, which is why a focused entry - targeting one of the three primary regions (Ontario, Quebec, or British Columbia), or even a single province or city at a time - is typically more effective than a national launch.

Suggested considerations and steps include:

- Review relevant FAS Canada Global Agricultural Information Network (GAIN) Reports, including the 2025 Exporter Guide and the 2025 Food and Agricultural Import Regulations and Standards (FAIRS) Country Report. The Exporter Guide profiles the Canadian market and offers practical entry strategies for U.S. agricultural businesses, while the FAIRS Country Report details the labeling, certification, and documentation requirements food products must meet to clear Canadian import controls. For additional information on export requirements, consult the 2025 FAIRS Export Certificate Report.

- Understand Canada's food safety, labelling, and import regulations early, as compliance is a prerequisite to market entry. The Canadian Food Inspection Agency (CFIA) administers food safety, labelling, and import requirements. Before pursuing entry, consult Canada's Automated Import Reference System (AIRS) to determine if the product(s) can be exported to Canada.

- The importer must hold a valid Safe Food for Canadians (SFC) license. U.S. exporters have options: the Canadian buyer or distributor can serve as the licensed importer (the simplest path), or the U.S. exporter can hold its own license and act as the legal importer of record as a non-resident importer, referred to as an NRI. The latter offers greater control over brand, pricing, and customer relationships, but the exporter then assumes the importer's usual responsibilities - such as maintaining a Preventive Control Plan, ensuring traceability, meeting food safety requirements, and accepting liability for compliance of the imported product. In addition, all importers, including non-resident importers, must register in the Canada Border Services Agency's Assessment and Revenue Management (CARM) system - a step usually handled by customs brokers.

- Adherence to CFIA's food labeling requirements and Health Canada's Front-of-Package (FoP) are also essential. The FoP nutrition labeling requirement took effect January 1, 2026, and requires a front-of-pack symbol on prepackaged foods determined to be high in saturated fat, sugars, or sodium; this applies primarily to retail products rather than food service formats, but exporters supplying both channels are expected to confirm compliance.

- Explore export programs supported by FAS and administered by the State Regional Trade Groups (SRTGs) and FAS Market Development Program Cooperators. The SRTGs offer one-on-one counseling and educational seminars to help U.S. businesses navigate market entry, while cooperator associations conduct overseas market promotion, consumer advertising, trade servicing, and market research to build demand for U.S. agricultural products in markets like Canada. Many SRTGs and Cooperator associations maintain an in-country presence to support and grow their markets in Canada.

- U.S. businesses that qualify as small and medium-sized enterprises (SMEs) can explore FAS's Market Access Program (MAP). MAP partners with U.S. agricultural trade associations, cooperatives, and SRTGs to share the costs of overseas marketing and promotional activities - helping build commercial export markets for U.S. agricultural products and commodities.

- Consider locating a Canadian foodservice distributor or broker - often the single most important factor in market success. The right partner identifies and opens valuable accounts, navigates provincial regulatory and demand differences, manages logistics and customs clearance, and communicates product value to operators amid heightened "buy Canadian" sentiment. Exporters should evaluate partners on geographic coverage (national broadline distributors versus regional specialists), channel and sub-sector fit, category expertise, and existing account relationships.

- Attending Canadian trade and consumer shows can help U.S. exporters better understand the market. USDA endorses SIAL Canada, the largest food innovation trade show in Canada, but exporters may also consider several other shows and conferences. Major foodservice and hospitality trade shows upcoming in Canada include:

  - NEXT Foodservice + Hospitality Expo - Calgary, Alberta, September 13-14, 2026; a new B2B foodservice and hospitality expo serving the Western Canada market.

  - Restaurants Canada Show - Mississauga, Ontario, March 7-9, 2027; Canada's leading foodservice and hospitality event, drawing over 27,000 industry professionals.

  - SIAL Canada - Toronto, Ontario, April 27-29, 2027; said to draw 850 exhibitors and brands from 55 countries and traffic of 26,000 visitors. SIAL Toronto 2027 will be hosting a USDA-endorsed U.S.A. Pavilion.

For customized support and guidance on entering the Canadian market, contact FAS Canada, with offices in Ottawa, Montreal, and Toronto. See contact information at end of report.

Market Structure

Canada's foodservice market is divided between commercial (quick-service and full-service restaurants, caterers, bars) and non-commercial (accommodation, institutional, and other) subsectors. Demand is heavily concentrated: Ontario and Quebec together account for close to 60 percent of national sales, with British Columbia and Alberta the next largest provincial markets. Consumer behavior in 2025 was shaped by affordability pressure and a K-shaped economy; in the first half of the year quick-service traffic rose 4.3 percent and delivery surged 13 percent, while full-service traffic dipped 0.7 percent, and independents outpaced large chains. A temporary Goods and Services Tax / Harmonized Sales Tax (GST/HST) holiday on restaurant meals (December 15, 2024 - February 15, 2025) lifted January sales 8.6 percent and added an estimated 24,000 foodservice jobs, underscoring demand sensitivity to price.

Table 2: Snapshot of Canada's Foodservice Market Structure

Market Structure Indicator	2025
Total foodservice sales	$89 billion
Commercial share of foodservice	81% quick-service, full-service, caterers, bars
Non-commercial share	19% accommodation, institutional, other
Provincial concentration	Ontario and Quebec account for 59% of national sales. BC (17%) and Alberta (13%) follow.
Leading commercial format	Quick-service restaurants account for 53% of market and 80% are chain-driven.
Outlook	Commercial growth projected to slow to 3.1% in 2026

Source: Restaurants Canada and StatsCan.

Commercial Sub-Sector

The commercial sub-sector reached approximately $73 billion, representing 81 percent of total foodservice sales in 2025, growing 5.6 percent nominally over 2024. After adjusting for 3.2 percent menu price inflation, real commercial sales growth was a more modest 2.3 percent. Quick-service restaurants remain the largest format at approximately $34 billion - up 5.9 percent nominally in 2025 - driven by chains such as Tim Hortons, McDonald's, Starbucks, and Restaurant Brands International banners. Full-service restaurants also posted strong nominal growth of 5.9 percent, reaching approximately $31 billion, with fine dining recording the largest traffic growth of any segment, reflecting a K-shaped divergence in consumer spending. Bars and other primarily on-premises drinking establishments continued to contract, declining 2.4 percent in 2025. Looking ahead, commercial foodservice growth is expected to slow to 3.1 percent in 2026, provided the Canadian dollar stabilizes or strengthens, as persistent affordability pressures, supply chain challenges, and labor shortages continue to temper expansion.

Table 3: Commercial Foodservice Sales in Canada, 2025 (Million USD)

Restaurant Format	**2023 Sales**	**Percentage Change (2023 - 2022)**	**2024 Sales**	**Percentage Change (2024 - 2023)**	**2025 Sales**	**Percentage Change (2025 - 2024)**
Quick-service restaurants	$31,431	+11.1%	$32,659	+5.2%	$33,822	+5.9%
Full-service restaurants	$30,184	+11.8%	$30,178	+1.3%	$31,239	+5.9%
Caterers	$5,320	+20.9%	$5,593	+6.5%	$5,769	+5.5%
Bars	$1,862	+6.5%	$1,790	-2.6%	$1,709	-2.4%
Total Commercial	**$68,797**	+12.0%	**$70,220**	+3.4%	**$72,538**	+5.6%
Menu Inflation	-	6.5%	-	4.1%	-	3.2%
Real Sales Growth	-	**+5.2%**	-	**-0.6%**	-	**+2.3%**

Source: Restaurants Canada and StatsCan.

Non-Commercial Sub-Sector

In 2025, non-commercial foodservice sales reached approximately $17 billion, growing 3.8 percent nominally over 2024 - a moderation from the stronger post-pandemic rebound years of 2022 and 2023. After adjusting for 3.2 percent menu price inflation, real non-commercial sales growth was a modest 0.6 percent, reflecting a sector that has largely normalized following the travel and institutional recovery of prior years. Accommodation foodservice remained the largest non-commercial format at approximately $6.7 billion, up 3.9 percent, supported by continued strength in domestic and international tourism. Institutional foodservice grew 3.2 percent to approximately $4.7 billion, while other foodservice - encompassing travel, healthcare, and education - posted the strongest growth within the sub-sector at 4.2 percent, reaching approximately $5.6 billion. Non-commercial foodservice accounted for the remaining 19 percent of total sector sales in 2025. Looking ahead, growth is expected to remain stable, though a weaker Canadian dollar and softening consumer confidence may temper expansion across accommodation and travel-related segments.

Table 4: Non-commercial Foodservice Sales in Canada, 2025 (Million USD)

Restaurant Format	2023 Sales	Percentage Change (2023 - 2022)	2024 Sales	Percentage Change (2024 - 2023)	2025 Sales	Percentage Change (2025 - 2024)
Accommodation foodservice	$6,343	+22.6%	$6,627	+5.8%	$6,730	+3.9%
Institutional foodservice	$4,511	+7.7%	$4,695	+5.4%	$4,740	+3.2%
Other foodservice	$5,319	+4.5%	$5,473	+4.2%	$5,574	+4.2%
Total Non-commercial	**$16,173**	+11.9%	**$16,795**	+5.2%	**$17,044**	+3.8%
Menu Inflation	-	6.5%	-	3.6%	-	3.2%
Real Sales Growth	-	**+5.1%**	**-**	**+1.5%**	-	**+0.6%**

Source: Restaurants Canada and StatsCan.

Distribution
U.S. exporters generally do not sell directly to Canadian foodservice operators; they reach them through intermediaries. National distribution is highly concentrated among a few broadline distributors, with more competition at the regional and provincial level, where dozens compete. The main routes to market (with examples listed) are:

- **National broadline distributors:** Sysco Canada and Gordon Foodservice (GFS) provide national coverage and serve major chains and large institutions.
- **Regional and specialty distributors:** Flanagan Foodservice (Ontario), Pratts Foodservice (Western Canada), and Colabor (Quebec/Atlantic) compete on regional service and specialty lines.
- **Brokers and importers:** represent exporters in the market, handling product introductions, retail/foodservice cross-listing, and account development. A broker can be an efficient entry point for firms without an established Canadian presence.
- **Direct-to-chain procurement:** large chains source ingredients through established procurement systems, often favoring suppliers already integrated into U.S. supply chains.

Sub-Sector Profiles
Canada's foodservice operators span three main sub-sectors: hotels and resorts, institutions, and restaurants and fast food. Leading operators and associations are useful starting points for mapping potential accounts:

- **International chain hotels and resorts:** Marriott International; Hilton; Accor (incl. Fairmont); IHG Hotels & Resorts. Industry body: Hotel Association of Canada.
- **Institutions:** healthcare, education, and travel foodservice are served largely through contract caterers: Aramark Canada; Compass Group Canada; Sodexo Canada.
- **Restaurants and fast food:** Restaurant Brands International (Tim Hortons, Burger King, Popeyes); McDonald's Canada; Recipe Unlimited. Sector association: Restaurants Canada.

Table 5: Leading Foodservice Restaurant Chains

Top Restaurant Chains	Market Share	Restaurant Banners
Restaurant Brands International, Inc.	18.9%	Tim Hortons, Burger King, Popeyes, Firehouse Subs
McDonald’s Corporation	15.1%	McDonald’s
Recipe Unlimited Corporation	6.9%	Swiss Chalet, St. Hubert, Montana’s, East Side Mario’s, The Keg, New York Fries
A&W Foodservices	4.5%	A&W
Doctor’s Associates Inc.	4.4%	Subway
Yum! Brands, Inc.	3.7%	KFC, Pizza Hut, Taco Bell
Other	46.5%	Independent and regional operators

Source: Euromonitor International.

Section III: Competition

As a mature market with a highly integrated supply chain, much of the competition for Canadian market share is with other U.S. and Canadian products already established in the market. U.S. exports of consumer-oriented products to Canada reached approximately $20 billion in 2025, a decrease of about 4 percent from 2024, with Canada remaining one of the two largest markets for U.S. high-value, consumer-oriented products.

On a Canadian import basis, global consumer-oriented imports climbed to $39.4 billion, yet the U.S. share fell to roughly 51 percent from 55 percent in 2024. This was the first full year in which tariff uncertainties and the “buy Canadian” movement - which intensified in February 2025 - registered in the trade data, alongside a weaker Canadian dollar that raised the landed cost of U.S. product. The trend held into early 2026: U.S. shipments fell 6.1 percent from January through April year-over-year, while European Union shipments rose 10.3 percent, signaling accelerating third-country competition under the Comprehensive Economic and Trade Agreement (CETA).

Implementation of Canada's trade agreements with third-country blocs - CETA with the European Union and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) - continue to intensify competition. European suppliers are increasingly competitive in premium dairy, chocolate, and processed foods, while Mexican and South American suppliers gain share in fresh produce, where Canada's climate limits year-round domestic supply.

Table 6: Canadian Imports of Consumer-Oriented (C.O.) Products (Million USD)

Year	C.O. Imports - Global	C.O. Imports - U.S. Value	U.S. Share
2021	$31,784	$17,585	55%
2022	$34,773	$19,195	55%
2023	$35,017	$19,672	56%
2024	$37,835	$20,964	55%
2025	$39,440	$20,085	51%

Source: Trade Data Monitor and Statistics Canada.

Table 7: Canada's 2025 Imports of Leading Consumer-Oriented Products (Million USD)

Product Category	Global $	U.S. Share	Leading Competitors
Bakery goods, cereals and pasta	4,007	68%	Italy, China, Mexico
Soup and other food preparations	2,388	78%	China, Switzerland, Thailand
Fresh vegetables	2,865	54%	Mexico, China, Guatemala
Fresh fruit	4,944	31%	Mexico, Peru, Guatemala
Dog and cat food	1,342	87%	Thailand, China, Italy
Dairy products	1,888	61%	Italy, New Zealand, France
Chocolate and cocoa products	3,029	50%	Malaysia, Indonesia, Germany
Beef and beef products	2,026	43%	Australia, New Zealand, Mexico
Pork and pork products	939	78%	Italy, Denmark, Brazil
Non-alcoholic beverages	1,319	72%	France, Italy, Austria

Source: Trade Data Monitor. Global data reflects total Canadian imports from the world in each category; U.S. share is the U.S. share as a percentage of that global total.

Section IV: Best Product Prospects

Top Consumer-Oriented Products Imported from the World

Canada's largest consumer-oriented imports are fresh vegetables (tomatoes, lettuce, cucumbers), fresh fruits (berries, citrus, tropical), bakery goods and cereals, prepared foods, and pet food. Because Canada's climate limits year-round domestic produce, the market depends structurally on imported supply, primarily from the United States and Mexico.

Top Consumer-Oriented Products Imported from the United States

The leading U.S. consumer-oriented exports to Canada mirror this demand: bakery goods, cereals, and pasta ($2.7 billion); fresh vegetables ($2.0 billion); fresh fruits ($1.8 billion); non-alcoholic beverages ($1.5 billion); and food preparations ($1.4 billion).

Products Present in Market with Good Sales Potential

- **Premium proteins and specialty beef cuts:** fine dining and full-service growth is driving demand among higher-income consumers.
- **Non-alcoholic and low-alcohol beverages:** the "sober-curious" trend continues to accelerate, with non-alcoholic beverage imports reaching roughly $1.32 billion in 2025, approximately 72 percent supplied by the United States, even as traditional alcohol consumption declines and ready-to-drink formats gain share.
- **Plant-based proteins:** Consumer interest in alternative proteins remains a notable trend across foodservice segments; however, the sector has experienced uneven performance. While demand for plant-based options continues to grow in certain categories and demographics, several high-profile brands and products have faced declining sales, retail distribution pullbacks, and profitability challenges in recent years.
- **Multicultural and specialty foods:** Middle Eastern, Asian, and Latin American flavors are among the fastest-growing categories in Canada's diverse urban markets.
- **Snack foods and convenience items:** growth in off-premises and delivery (64 percent of Canadians ordered delivery in the past six months) favors snack and ready-to-eat formats.

Products Not Present in Market with Good Sales Potential

Specialty and regional U.S. products represent underpenetrated opportunities as Canadian operators and consumers increasingly seek authentic, origin-specific foods. Promising categories include artisanal cheeses (which enter duty-free up to the dairy quota limit[3]), specialty condiments, regional sauces, and niche snacks. These products compete on distinctiveness rather than price, so smaller exporters can often establish a foothold through independent grocers, specialty retailers, and foodservice distributors before approaching the national chains.

Products Not Present in Market due to Significant Barriers

Dairy beyond quota limits, along with supply-managed poultry and eggs, faces steep barriers under Canada's supply management system. Once imports exceed the negotiated quota volume, over-quota tariffs are high enough to make additional shipments uncompetitive, effectively closing the market above the quota.

U.S. alcoholic beverages face the most direct barrier. In response to 2025 trade tensions, provincial liquor boards were directed to remove U.S. products from their shelves and suspend wholesale distribution; as of October 2025, eight of ten provinces continued to enforce the ban first implemented in March 2025, with only Alberta and Saskatchewan having lifted their restrictions in

[3] U.S. cheese and other dairy products enter Canada under the USMCA dairy tariff rate quota, which permits a set annual volume at the low in-quota rate and applies prohibitive duties on anything above it.

June 2025. Because provincial liquor boards control distribution in most of the country, this measure effectively removes U.S. wine, beer, and spirits from retail and foodservice channels in the affected provinces.

More broadly, select U.S. products subject to 2025 retaliatory tariffs now carry elevated duties that erode their price competitiveness. Because these schedules and provincial measures continue to change, exporters should confirm current tariff treatment with the Canada Border Services Agency (CBSA) for duty rates, the CFIA for import requirements, and the relevant provincial liquor board for alcohol distribution status before shipping.

Section V: Key Contacts and Further Information

Local Government and Regulatory Agencies

- Canadian Food Inspection Agency (CFIA), which enforces food safety, labelling, import, and licensing requirements.
- Agriculture and Agri-Food Canada (AAFC), for agricultural sector policy, market access, research, and trade.
- Health Canada, which sets food safety and nutrition standards, including front-of-package labelling.
- Canada Border Services Agency (CBSA), for customs, tariff classification, and import clearance through the Assessment and Revenue Management system (CARM).

Data Sources

- Statistics Canada, for foodservice, retail, trade, and population data.
- United States Department of Agriculture, Foreign Agricultural Service, Global Agricultural Trade System (USDA FAS GATS), for United States agricultural trade statistics.

Canadian Foodservice Resources

- Restaurants Canada is an active national sector association. Their Buyers' Guide is a useful resource.
- For local foodservice industry news and trends consider visiting the Foodservice and Hospitality and RestoBiz outlets.

Select Foodservice Distributors

Canada's distribution sector includes thousands of firms; the companies below illustrate the major broadline players by region.

- **National:** Gordon Foodservice and Sysco Canada, the two dominant broadline distributors operating coast to coast, and Dot Foods Canada, a redistributor carrying both U.S. and Canadian supplier brands, among others.
- **Ontario:** Flanagan Foodservice, Empire Foods, Morton Foodservice, and Findlay Foods

(Eastern Ontario), among others.
- **Quebec and Atlantic Canada:** Colabor, Altra Foods (Quebec), Capital Foodservice (New Brunswick), and F.J. Wadden and Sons (Newfoundland and Labrador), among others.
- **Prairies and Western Canada:** Pratts Foodservice (Manitoba and Western Canada), Sevco Foodservice, and CFI Foods (Alberta), among others.
- **British Columbia:** First Choice Foods and Yen Brothers Foodservice, among others.

Select Natural, Organic, and Specialty Distributors

The following select distributors carry natural, organic, and specialty product, including U.S.-sourced brands, and are useful entry points for differentiated U.S. exports.

- **United Natural Foods Incorporated (UNFI) Canada** (national), natural, organic, and specialty grocery, with distribution centers across Canada.
- **Tree of Life Canada** (national), natural, organic, gourmet, and specialty foods across retail and foodservice.
- **Dot Foods Canada** (national), redistribution of U.S. and Canadian supplier brands to distributors and operators.
- **Horizon Grocery and Wellness** (Western Canada), organic and natural foods and supplements.
- **Greenline Distributors** (Saskatchewan), bakery, natural, and organic products.
- **Snow Cap** (British Columbia), baking ingredients.

Post Contact Information

For further market intelligence and regulatory guidance, consult FAS Canada's reports in USDA FAS's Global Agricultural Information Network (GAIN) library. For customized support on entering the Canadian market, contact FAS Canada.

For U.S. Mission Canada news and social media accounts, visit U.S. Embassy and Consulates in Canada.

Agricultural Affairs Office Physical Address: 490 Sussex Drive, Ottawa, Ontario K1N 1G8 http://www.fas.usda.gov	Phone: (613) 688-5267 Email: AgOttawa@usda.gov

Attachments:

No Attachments