

Service bulletin

Food Services and Drinking Places

2009



Highlights

- Total operating revenue for the food services and drinking places industry in Canada reached \$45.8 billion in 2009, up 0.7% from 2008. This increase was solely attributable to an overall growth in operating revenue from limited-service restaurants.
- Limited-service restaurants, where meals are ordered and paid for mainly at the counter, was the only category to increase its operating revenue in 2009, up 3.0%. Full-service restaurants (where patrons order and pay for meals at their table) were down 0.8%. The special food services sector, which includes food contractors, caterers and mobile food services, fell 2.0% while drinking places revenue dropped 0.1%.
- Total operating expenses for the industry as a whole reached \$43.7 billion, up 0.6% from the previous year. This increase was largely the result of a rise in the largest expense item, cost of goods sold.
- Costs of goods sold represented 35.8% of total operating expenses while salaries, wages and benefits made up 33.9%.
- The operating profit margin for the industry edged up from 4.4% in 2008 to 4.5% in 2009.
- Operating revenue increased in all provinces but Alberta (-1.4%). Saskatchewan (7.3%), New Brunswick (6.5%) and Newfoundland (5.8%) showed the largest growth.
- Together, the full-service and the limited-service industry groups comprised 85.3% of the total operating revenue of the industry (43.5% and 41.8%, respectively).
- Sales of food and non-alcoholic beverages continued to generate the majority of operating revenue in the industry (82.1%), followed by sales of alcoholic beverages (13.9%).

Statistical tables

Table 1
Summary statistics for food services and drinking places industry

	Operating revenue	Operating expenses ¹	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfoundland and Labrador	564.0	532.5	173.8	5.6
Prince Edward Island	156.2	149.3	49.0	4.4
Nova Scotia	1,200.7	1,137.3	380.3	5.3
New Brunswick	915.2	862.4	283.8	5.8
Quebec	9,524.3	9,097.7	3,045.6	4.5
Ontario	16,951.0	16,378.4	5,299.2	3.4
Manitoba	1,294.3	1,212.3	406.4	6.3
Saskatchewan	1,306.7	1,212.4	396.8	7.2
Alberta	6,341.7	5,934.0	2,020.4	6.4
British Columbia	7,338.2	7,039.0	2,327.0	4.1
Territories ²	F	F	F	F
Canada	45,755.3	43,712.6	14,437.4	4.5
2008 ^r				
Newfoundland and Labrador	533.3	508.1	162.4	4.7
Prince Edward Island	154.1	147.7	48.5	4.2
Nova Scotia	1,194.4	1,131.2	382.1	5.3
New Brunswick	859.2	809.1	270.1	5.8
Quebec	9,492.9	9,018.7	3,182.4	5.0
Ontario	16,908.7	16,421.4	5,336.5	2.9
Manitoba	1,259.8	1,183.1	398.7	6.1
Saskatchewan	1,218.1	1,132.2	381.1	7.0
Alberta	6,431.5	6,003.9	2,073.2	6.6
British Columbia	7,254.0	6,952.6	2,335.6	4.2
Territories ²	F	F	F	F
Canada	45,443.9	43,440.5	14,621.1	4.4
2007 ^r				
Newfoundland and Labrador	504.2	492.2	156.0	2.4
Prince Edward Island	146.0	138.4	45.4	5.2
Nova Scotia	1,096.4	1,040.1	334.6	5.1
New Brunswick	814.7	771.3	252.8	5.3
Quebec	8,980.5	8,633.1	2,966.9	3.9
Ontario	15,877.5	15,463.7	4,801.2	2.6
Manitoba	1,186.6	1,120.7	361.3	5.5
Saskatchewan	1,104.1	1,036.4	328.4	6.1
Alberta	6,068.1	5,692.8	1,890.2	6.2
British Columbia	7,023.5	6,715.7	2,266.3	4.4
Territories ²	124.5	118.2	43.7	5.1
Canada	42,926.0	41,222.7	13,446.8	4.0

1. Operating expenses include cost of goods.

2. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 722). See "Data source, definitions and methodology" for the definition of terms. Due to rounding, components may not add to total. Please note a change in the methodology: commencing with 2001, the annual data are no longer benchmarked to the Monthly Survey of Food Services and Drinking Places.

Table 2
Summary statistics for food services and drinking places industry – Full-service restaurants

	Operating revenue	Operating expenses ¹	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 p				
Newfoundland and Labrador	150.3	144.3	47.1	4.0
Prince Edward Island	57.7	56.2	19.7	2.6
Nova Scotia	393.7	377.6	130.8	4.1
New Brunswick	297.5	284.9	96.1	4.2
Quebec	4,805.7	4,643.0	1,613.0	3.4
Ontario	6,711.7	6,556.5	2,089.0	2.3
Manitoba	577.8	552.8	194.8	4.3
Saskatchewan	623.1	587.2	199.4	5.8
Alberta	2,792.0	2,623.2	929.6	6.0
British Columbia	3,414.4	3,309.5	1,115.1	3.1
Territories ²	F	F	F	F
Canada	19,877.9	19,187.6	6,452.8	3.5
2008 r				
Newfoundland and Labrador	146.9	143.0	44.1	2.6
Prince Edward Island	60.7	59.3	20.5	2.4
Nova Scotia	402.4	385.5	133.6	4.2
New Brunswick	275.5	265.5	92.1	3.6
Quebec	4,839.7	4,656.4	1,731.3	3.8
Ontario	6,794.8	6,695.9	2,129.2	1.5
Manitoba	568.0	539.7	190.2	5.0
Saskatchewan	584.3	550.3	191.8	5.8
Alberta	2,910.2	2,738.0	980.1	5.9
British Columbia	3,416.1	3,301.6	1,150.6	3.4
Territories ²	F	F	F	F
Canada	20,043.1	19,378.4	6,678.3	3.3
2007 r				
Newfoundland and Labrador	140.5	136.4	43.2	3.0
Prince Edward Island	55.9	53.5	18.9	4.4
Nova Scotia	364.4	354.6	116.3	2.7
New Brunswick	260.8	253.3	86.8	2.9
Quebec	4,632.9	4,512.2	1,658.9	2.6
Ontario	6,342.7	6,244.8	1,937.4	1.5
Manitoba	553.6	530.4	181.0	4.2
Saskatchewan	543.0	522.1	171.1	3.8
Alberta	2,795.0	2,634.5	922.4	5.7
British Columbia	3,311.2	3,202.0	1,125.6	3.3
Territories ²	37.6	11.5	35.6	5.6
Canada	19,037.6	18,479.4	6,273.2	2.9

1. Operating expenses include cost of goods.

2. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 7221). See "Data source, definitions and methodology" for the definition of terms. Due to rounding, components may not add to total. Please note a change in the methodology: commencing with 2001, the annual data are no longer benchmarked to the Monthly Survey of Food Services and Drinking Places.

Table 3
Summary statistics for food services and drinking places industry – Limited Service Eating Places

	Operating revenue	Operating expenses ¹	Salaries, wages and benefits	Operating profit margin
	millions of dollars			percent
2009 ^p				
Newfoundland and Labrador	291.0	275.2	87.8	5.4
Prince Edward Island	85.4	81.0	25.5	5.1
Nova Scotia	631.0	596.3	188.9	5.5
New Brunswick	510.7	478.4	152.0	6.3
Quebec	3,095.1	2,911.8	931.5	5.9
Ontario	8,038.9	7,675.8	2,402.6	4.5
Manitoba	593.7	547.8	169.0	7.7
Saskatchewan	522.0	472.2	153.3	9.5
Alberta	2,643.4	2,475.9	788.8	6.3
British Columbia	2,686.7	2,535.2	787.0	5.6
Territories ²	F	F	F	F
Canada	19,131.8	18,083.6	5,697.2	5.5
2008 ^r				
Newfoundland and Labrador	264.1	251.2	79.3	4.9
Prince Edward Island	82.9	78.6	24.8	5.2
Nova Scotia	602.0	568.0	183.1	5.6
New Brunswick	480.3	446.5	141.9	7.0
Quebec	2,989.9	2,799.8	904.5	6.4
Ontario	7,914.8	7,548.7	2,363.8	4.6
Manitoba	578.2	537.7	169.0	7.0
Saskatchewan	481.6	441.5	145.9	8.3
Alberta	2,555.2	2,369.5	766.8	7.3
British Columbia	2,586.2	2,435.7	767.8	5.8
Territories ²	F	F	F	F
Canada	18,569.6	17,510.4	5,558.0	5.7
2007 ^r				
Newfoundland and Labrador	249.6	243.9	75.6	2.3
Prince Edward Island	80.1	75.6	23.4	5.7
Nova Scotia	550.6	511.4	157.1	7.1
New Brunswick	450.2	417.7	131.6	7.2
Quebec	2,754.9	2,601.4	799.3	5.6
Ontario	7,392.2	7,105.8	2,103.8	3.9
Manitoba	531.1	495.0	146.5	6.8
Saskatchewan	436.9	396.9	126.1	9.2
Alberta	2,376.9	2,226.9	689.2	6.3
British Columbia	2,509.0	2,358.5	733.1	6.0
Territories ²	30.2	9.5	28.7	5.2
Canada	17,361.8	16,461.8	4,995.2	5.2

1. Operating expenses include cost of goods.

2. Territories include: Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 7222). See "Data source, definitions and methodology" for the definition of terms. Due to rounding, components may not add to total. Please note a change in the methodology: commencing with 2001, the annual data are no longer benchmarked to the Monthly Survey of Food Services and Drinking Places.

Table 4
Operating expenses by selected expense statistics for the food services and drinking places industry, by province, 2009

	Total food services ¹	Full-service restaurants	Limited-service restaurants
	percent		
Canada²			
Cost of goods sold	35.8	35.5	36.2
Labour remuneration	33.9	34.5	32.3
Repair and maintenance	2.6	2.8	2.4
Rental and leasing	7.2	7.0	8.2
Utilities and telecommunications	2.8	3.3	2.6
Advertising and promotion	2.8	2.6	3.5
Depreciation	3.0	3.0	3.2
Newfoundland and Labrador			
Cost of goods sold	37.4	39.6	37.7
Labour remuneration	33.4	33.6	32.3
Repair and maintenance	2.6	2.8	2.6
Rental and leasing	6.1	5.0	7.4
Utilities and telecommunications	2.5	3.3	2.4
Advertising and promotion	2.8	1.9	4.1
Depreciation	2.5	3.5	2.1
Prince Edward Island			
Cost of goods sold	36.8	36.7	37.1
Labour remuneration	33.4	36.4	31.6
Repair and maintenance	2.9	2.7	2.9
Rental and leasing	4.2	4.2	4.0
Utilities and telecommunications	3.6	4.2	3.3
Advertising and promotion	3.2	2.8	3.5
Depreciation	2.6	2.8	2.4
Nova Scotia			
Cost of goods sold	36.5	36.8	36.7
Labour remuneration	34.2	35.5	32.5
Repair and maintenance	2.7	2.8	2.8
Rental and leasing	6.5	5.7	7.4
Utilities and telecommunications	3.0	3.6	2.8
Advertising and promotion	2.8	2.3	3.6
Depreciation	2.8	3.0	2.8
New Brunswick			
Cost of goods sold	37.3	36.6	37.8
Labour remuneration	33.4	34.4	32.1
Repair and maintenance	2.8	3.2	2.6
Rental and leasing	5.6	4.5	6.4
Utilities and telecommunications	3.2	4.0	3.0
Advertising and promotion	3.4	3.7	3.7
Depreciation	3.1	3.6	3.0
Quebec			
Cost of goods sold	37.0	37.1	36.9
Labour remuneration	34.3	35.5	32.6
Repair and maintenance	2.8	2.9	2.4
Rental and leasing	6.6	6.1	8.0
Utilities and telecommunications	2.9	3.3	2.6
Advertising and promotion	2.4	2.0	3.5
Depreciation	3.0	2.8	3.3
Ontario			
Cost of goods sold	35.1	35.5	35.4
Labour remuneration	33.5	32.9	32.3
Repair and maintenance	2.6	3.0	2.4
Rental and leasing	7.7	7.5	8.5
Utilities and telecommunications	2.9	3.5	2.7
Advertising and promotion	2.9	2.8	3.4
Depreciation	3.0	3.2	3.0

See notes at the end of the table.

Table 4 – continued

Operating expenses by selected expense statistics for the food services and drinking places industry, by province, 2009

	Total food services ¹	Full-service restaurants	Limited-service restaurants
	percent		
Manitoba			
Cost of goods sold	35.9	35.0	37.0
Labour remuneration	34.2	36.2	31.2
Repair and maintenance	2.5	2.6	2.5
Rental and leasing	6.4	5.6	7.7
Utilities and telecommunications	2.7	3.4	2.3
Advertising and promotion	2.8	2.0	3.8
Depreciation	2.9	2.8	3.2
Saskatchewan			
Cost of goods sold	36.7	35.1	36.5
Labour remuneration	34.0	35.3	33.1
Repair and maintenance	2.3	2.6	2.3
Rental and leasing	6.7	6.7	7.9
Utilities and telecommunications	2.8	3.3	2.5
Advertising and promotion	2.9	2.7	3.7
Depreciation	2.6	2.5	3.1
Alberta			
Cost of goods sold	34.1	33.4	36.1
Labour remuneration	34.7	36.1	32.2
Repair and maintenance	2.5	2.6	2.4
Rental and leasing	7.5	7.1	7.6
Utilities and telecommunications	2.7	3.1	2.6
Advertising and promotion	3.3	3.2	3.9
Depreciation	3.2	3.0	3.5
British Columbia			
Cost of goods sold	36.5	34.5	36.9
Labour remuneration	33.7	34.3	31.7
Repair and maintenance	2.6	2.7	2.4
Rental and leasing	7.5	7.9	9.1
Utilities and telecommunications	2.5	3.0	2.3
Advertising and promotion	2.6	2.7	3.2
Depreciation	3.0	3.0	3.6

1. Total food services includes special food services and drinking places.

2. Canada totals include the Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 722). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Estimates are preliminary. Preliminary data are subject to revision. Please note a change in the methodology: commencing with 2001, the annual data are no longer benchmarked to the Monthly Survey of Food Services and Drinking Places. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 5
Distribution of total revenue for the food services and drinking places industry, by province, 2009

	Sales of alcoholic beverages	percent	Sales of food and non-alcoholic beverages
Canada ²			
Total food services ¹	13.9		82.1
Full-service restaurants	19.5		77.8
Limited-service restaurants	0.6		96.7
Newfoundland and Labrador			
Total food services ¹	9.4		85.6
Full-service restaurants	15.5		78.8
Limited-service restaurants	0.0		97.3
Prince Edward Island			
Total food services ¹	9.5		88.6
Full-service restaurants	17.5		79.5
Limited-service restaurants	x		99.1
Nova Scotia			
Total food services ¹	10.7		86.2
Full-service restaurants	18.7		79.5
Limited-service restaurants	0.2		97.6
New Brunswick			
Total food services ¹	8.8		87.2
Full-service restaurants	11.2		86.1
Limited-service restaurants	0.0		98.7
Québec			
Total food services ¹	16.5		78.8
Full-service restaurants	17.6		79.3
Limited-service restaurants	0.8		95.9
Ontario			
Total food services ¹	12.0		84.5
Full-service restaurants	21.7		76.4
Limited-service restaurants	0.4		96.5
Manitoba			
Total food services ¹	8.9		86.4
Full-service restaurants	15.4		78.1
Limited-service restaurants	0.4		98.0
Saskatchewan			
Total food services ¹	15.0		79.8
Full-service restaurants	20.5		74.7
Limited-service restaurants	0.1		98.5
Alberta			
Total food services ¹	13.7		81.9
Full-service restaurants	19.7		76.9
Limited-service restaurants	0.9		96.8
British Columbia			
Total food services ¹	17.4		79.3
Full-service restaurants	19.5		78.9
Limited-service restaurants	1.0		96.6

1. Total food services includes special food services and drinking places.

2. Canada totals include the Yukon, Northwest Territories and Nunavut.

Note(s): According to the North American Industry Classification System (NAICS 722). See "Data source, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Estimates are preliminary. Preliminary data are subject to revision. Please note a change in the methodology: commencing with 2001, the annual data are no longer benchmarked to the Monthly Survey of Food Services and Drinking Places. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Food Services and Drinking Places industry in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all establishments classified to the Food Services and Drinking Places industry (NAICS 722) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in preparing meals, snacks and beverages, to customer order, for immediate consumption on and off the premises.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2009 was 2,953 collection entities.

Definition

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 76.9 %. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

355-0005 Food services and drinking places, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (350 series)

355-0007 Food services and drinking places, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (1470 series)

Survey(s)

Definitions, data sources and methods: survey number 4704 - Annual Survey of Service Industries: Food Services and Drinking Places.

Publications

Service Industries Newsletter, Catalogue no, 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no, 63F0002X.

Release date: April 2011

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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