E-commerce International Pathfinder for Canadian Food and Beverage Companies

April 2021

This Pathfinder report aims to help Canadian businesses better understand the international e-commerce landscape in key markets, including opportunities, constraints, and strategies to adopt an e-commerce or digital approach to business expansion.

Agriculture and Agri-Food Canada
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Canada

Contact

If you have questions about e-commerce or exporting your agriculture and food products, please contact the Market Access Secretariat at aafc.mas-sam.aac@agr.gc.ca.

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Government of Canada Catalogue Number: A22-276/2021E-PDF
International Standard Book Number (ISBN): 978-0-660-39294-3
Agriculture and Agri-Food Canada Number: 13077E

Disclaimer

Contents

Industries included in this study

- **Packaged Food and Beverages** are the aggregate of the four following industry sectors: Packaged Food, Non-Alcoholic Beverages, Alcoholic Beverages, and Pet Food.

- **Packaged Food** is the aggregate of Cooking Ingredients and Meals, Dairy Products and Alternatives, Snacks, and Staple Foods. There are 16 subcategories that layer below these four main categories in Euromonitor International's Packaged Food system (see Appendix section for detail).

- **Non-Alcoholic Beverages** (N/A Beverages) is the combination of:
  - Soft Drinks is the aggregate of Bottled Water, Carbonates, Concentrates, Juice, RTD (ready-to-drink) Coffee, RTD Tea, Energy Drinks, Sports Drinks, and Asian Specialty Drinks.
  - Hot Drinks are dried, bagged products and is the aggregate of Coffee (fresh, pods, and instant), Tea (black, fruit/herbal, green, instant), and Other Hot Drinks (flavored powder or plant-based powder).

- **Alcoholic Beverages** is the aggregate of Spirits, Wine, Beer, Cider/Perry, and RTDs (premixed drinks with 5% to 10% alcohol content by volume).

- **Pet Food** is the aggregate of Dog Food, Cat Food, and Other Pet Food (i.e. birds, reptiles, etc.)

Scorecard and geographies covered

A customized scorecard was developed to analyze the relative attractiveness of the e-commerce opportunity for packaged food and beverages across ten geographies. It utilizes cross-country comparable indicators, which allow users to easily compare packaged food and beverage and e-commerce potential across the markets and within each market.

There were a total of 35 metrics included in the scorecard, which covered category metrics (market sizes and growth rates), channel metrics (e-commerce size, share, and growth rates), competition metrics (level of market concentration), socioeconomic metrics (GDP growth and consumer expenditure), and trade metrics (value and growth rate of Canadian imports).

Out of 700 possible points per market, the scorecard tool shows the following:

Rank	Country	Score	% of Possible Points
1	China	608	87%
2	USA	504	72%
3	United Kingdom	468	67%
4	France	432	62%
5	South Korea	404	58%
6	Canada	396	57%
7	Germany	372	53%
8	Mexico	344	49%
8	India	344	49%
10	Japan	332	47%

Please note that this report only includes data for the ten selected geographies and is relative to only these markets over the period of analysis; 2015-20 in the case of related e-commerce data. Investment considerations for Canadian producers should not be strictly limited to these nine export markets.

Terminology/Definitions

- **Retail Value Sales**: This project only considers retail sales, which is defined as sales through establishments primarily engaged in the sale of fresh, packaged and prepared foods for home preparation and consumption. This excludes hotels, restaurant, cafés, duty-free sales and institutional sales (canteens, prisons/jails, hospitals, army, etc.).

- **E-commerce**: Sales of consumer goods to the general public via the internet. This includes sales through personal computers, laptops, mobile phones, and tablets. Internet retailing includes sales generated through pure play e-commerce web sites and through sites operated by store-based retailers. Sales data is attributed to the country where the consumer is based, rather than where the retailer is based.

  - **Pure play websites** – Digital-only retailers with no physical consumer-facing storefront.

  - **Click-and-collect or Buy-online-pickup-in-store (BOPIS)** – The definition of e-commerce is agnostic as to where the actual payment takes place: If an order is initiated online, it is considered to be an e-commerce transaction, even if the order is ultimately paid for in-store (or elsewhere). As a result, all 'click-and-collect' and 'buy-online-pickup-in-store' transactions are counted as e-commerce sales.

  - **Marketplaces** – Marketplaces are websites that allow multiple merchants to sell on the marketplace website, with the marketplace operator processing the transactions, but many marketplaces offer other services as to help with shipping, handling, payment, and product storage. Examples include Amazon, Alibaba, Rakuten, etc.

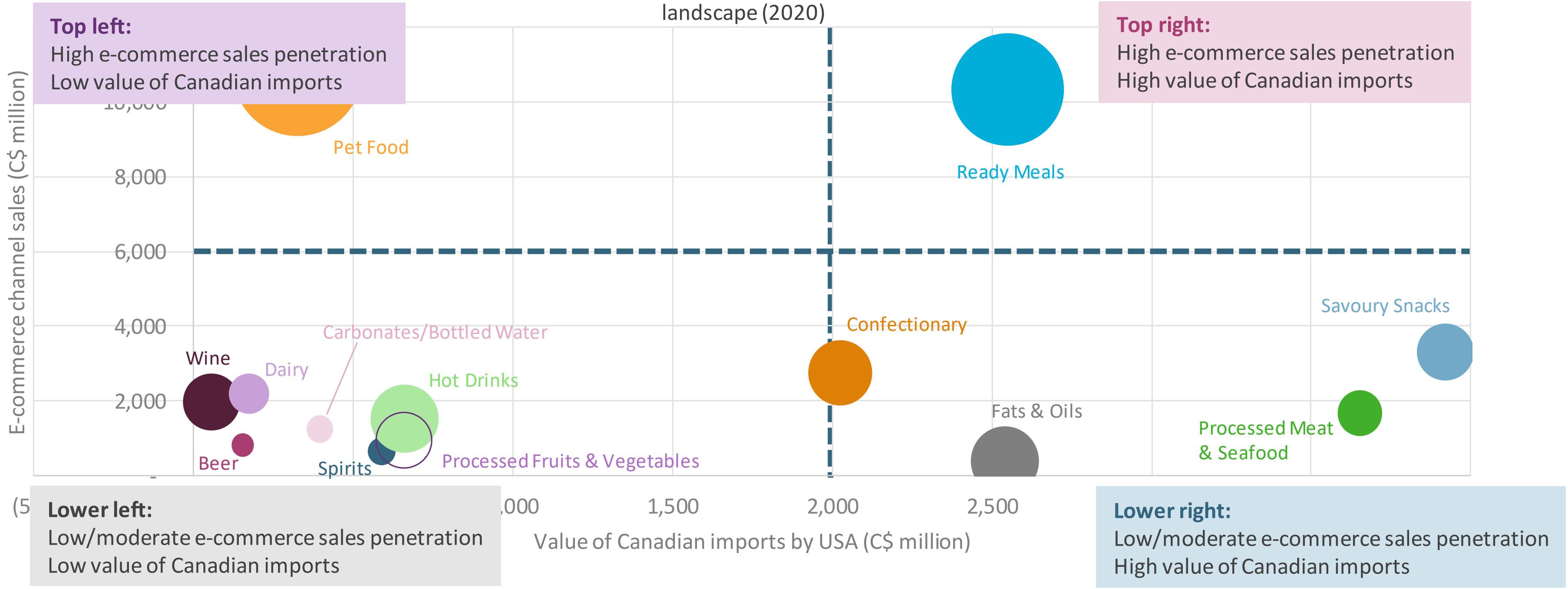
Terminology/Definitions

- **Compound Annual Growth Rate (CAGR)**: Compound annual growth rate to express the rate of growth over a set period of time, typically five years, and is applied to both the historic review period and forecast period.
- **Canadian Imports**: Data is based on the World Trade Organization's General Agreement on Trade in Services (GATS) collected through the United Nations Comtrade database.
- **E-commerce Channel Per Capita Size by Value**: A custom calculation of the e-commerce market size divided by the population of 18-65 year-olds living in that particular geography.
- **All Other Companies Share**: To gauge the level of market concentration, this considers the share of sales within an industry captured by all brand owners that fall outside the top five in Euromonitor International's industry company share estimates.
- **Via**: A proprietary tool, developed by Euromonitor International, which continuously tracks online product pricing, assortment and features, organized by country, category, supplier (brand owner), brand, stock-keeping unit (SKU), and retailer. Via extracts online retailer data on a daily basis, providing continuous updates to product assortment and price changes. For this study, the number of SKUs by retailer by industry (alcoholic drinks, hot drinks, soft drinks, packaged food, pet food) were reviewed on a given day in March 2021 to provide a view of the e-commerce websites with the largest assortment by country.

How to interpret the bubble chart that appears in Country Snapshots

Please note that relative positions of information presented in the bubble charts are not directly comparable across markets

Comparative analysis of select products imported by the US and how these product categories perform in the US e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020. Larger bubbles indicate that e-commerce accounted for a larger share of that product's overall distribution.

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Key takeaways for readers

- The 10 countries under review registered C$189 billion in packaged food and beverage sales through the e-commerce channel in 2020
- **China** is the largest e-commerce market overall with value sales of C$77 billion in 2020 and lead in three of the four industry sectors under review (packaged food, alcoholic drinks, non-alcoholic beverages), owing to a large customer base and developed e-commerce giants such as Alibaba, JD.com, Tmall, Meituan, Pinduoduo, and others
- On an adult per capita basis, consumers in the **United Kingdom** spent the most on packaged food and beverage on e-commerce sites in 2020, at more than C$460 per adult, while **France** is second (C$335), and **US** third ($264)
- **Canada's** e-commerce packaged food and beverage market size was $3.0 billion in 2020, equal to 1.6% of the 10-country aggregate
- **India** (C$1.5 billion) and **Mexico** (C$1.1 billion) packaged food and beverage e-commerce were the smallest in 2020, but both have been growing tremendously at 63% and 41% 2015-2020 CAGR, respectively, and are poised to be high performers in the years ahead
- At a sector level, Pet Food e-commerce sales have quintupled from 2015 (C$4.1 billion) to 2020 ($20.0 billion) and the 49% review period CAGR is double that of the packaged food sector
- All countries represent export opportunities for Canadian producers, even if the country ranked poorly in the scorecard tool. For example, **Germany** is a very fragmented market across industry sectors; **Japan** is the third largest importer of Canadian food and beverage products; and **South Korea** is the most developed country of the 10 in terms of e-commerce share of total retail distribution

Cross-Country Comparison

Understand the relative attractiveness and characteristics of the packaged food and beverage e-commerce landscape across the 10 countries included in the study

Sector Snapshot – Scorecard Rankings*

Packaged Food

Rank	Country	Score
1	China	108
2	USA	104
2	United Kingdom	104
4	France	96
5	Canada	76
5	Japan	76
5	India	76
8	Germany	72
8	South Korea	72
10	Mexico	56

N/A Beverages

Rank	Country	Score
1	United Kingdom	116
1	China	116
3	South Korea	100
4	USA	96
5	Canada	80
6	France	72
7	Germany	68
7	Mexico	68
9	Japan	64
10	India	60

Alcoholic Drinks

Rank	Country	Score
1	China	120
2	United Kingdom	108
3	Germany	100
3	France	100
5	USA	96
6	Canada	88
7	Mexico	72
8	Japan	64
9	South Korea	48
10	India	48

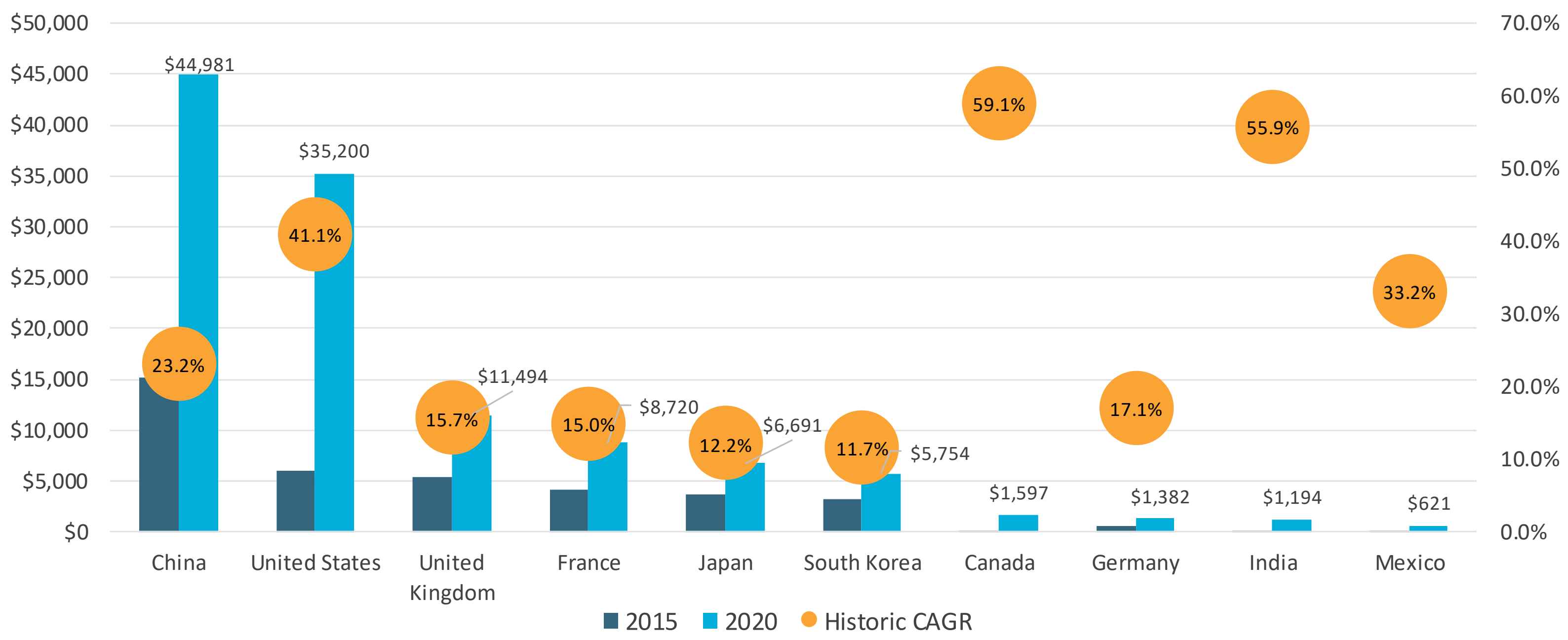
Pet Food

Rank	Country	Score
1	China	124
2	USA	112
3	Canada	96
4	South Korea	92
5	France	88
6	Germany	80
7	United Kingdom	68
8	Mexico	64
8	India	64
10	Japan	52

** Sector scorecard maximum score was 140 points per market*

Combined Packaged Food e-commerce channel size for all 10 countries rose at a 25% CAGR from C$38.3 billion in 2015 to C$117.6 billion in 2020

Size of packaged food e-commerce market across geographies (2015 – 2020; C$ million)

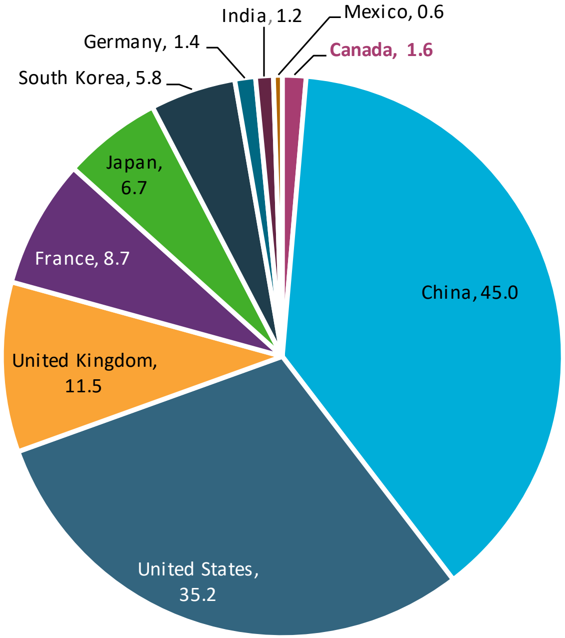


Source: Euromonitor International Packaged Food Passport Database

China and USA accounted for 68% of packaged food e-commerce channel size in 2020 among the 10 countries under review

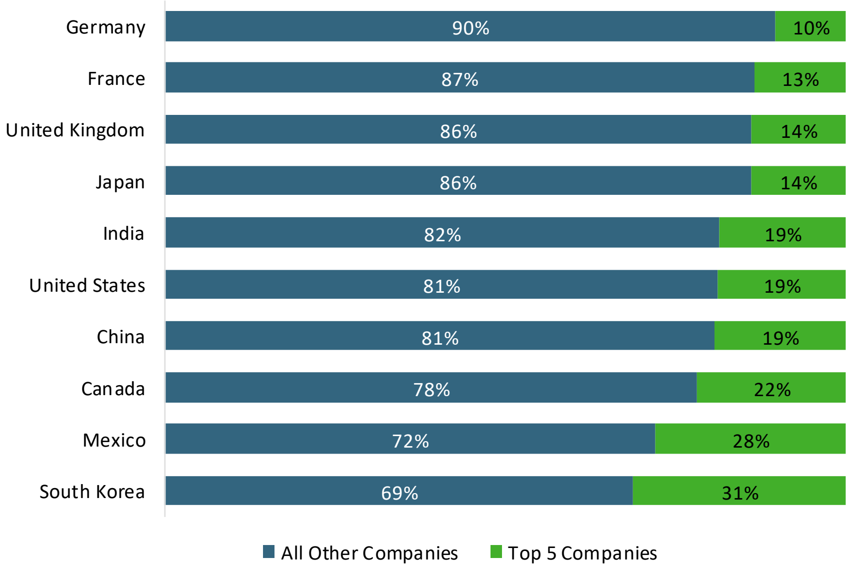
Canada's packaged food e-commerce channel size of C$1.6 billion is larger than Germany, India and Mexico

Packaged food e-commerce channel size (2020; C$ bn)



The three European markets have the largest share of sales for non-Top 5 companies

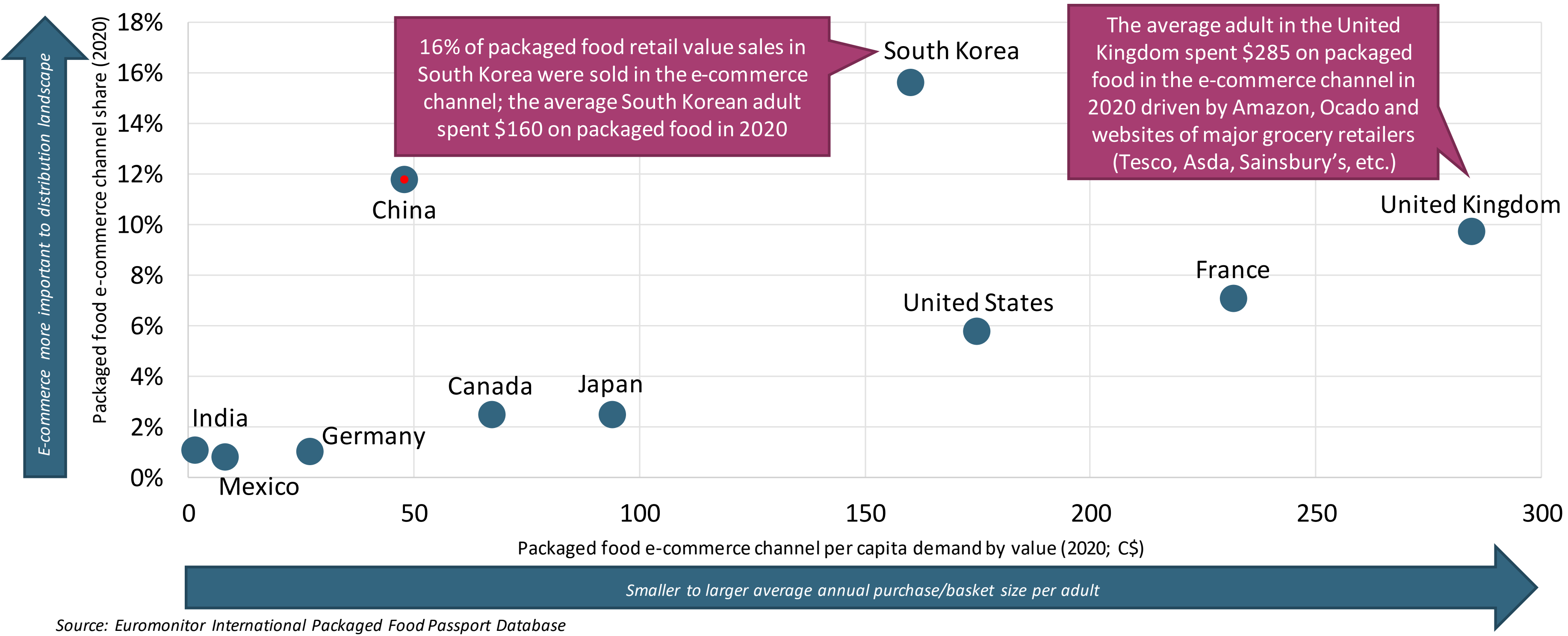
Company market share concentration - Packaged food (2020)



Source: Euromonitor International Packaged Food Passport Database

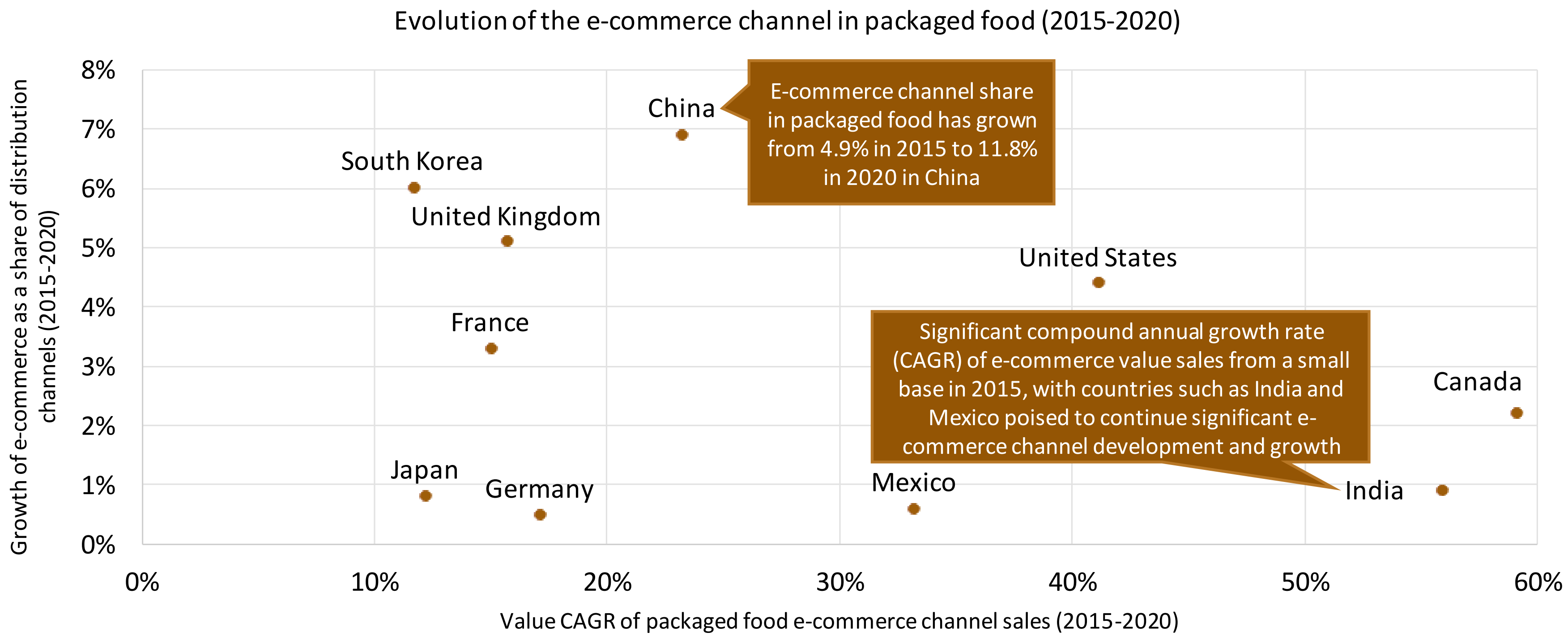
E-commerce channel share of distribution for packaged food is highest in South Korea, while per capita e-commerce spend on packaged food is greatest in the United Kingdom

Cross-country comparison of e-commerce development in packaged food (2020)



Source: Euromonitor International Packaged Food Passport Database

China's packaged food e-commerce channel share of distribution has grown the most in the past five years, while Canada registered highest CAGR for packaged food e-commerce

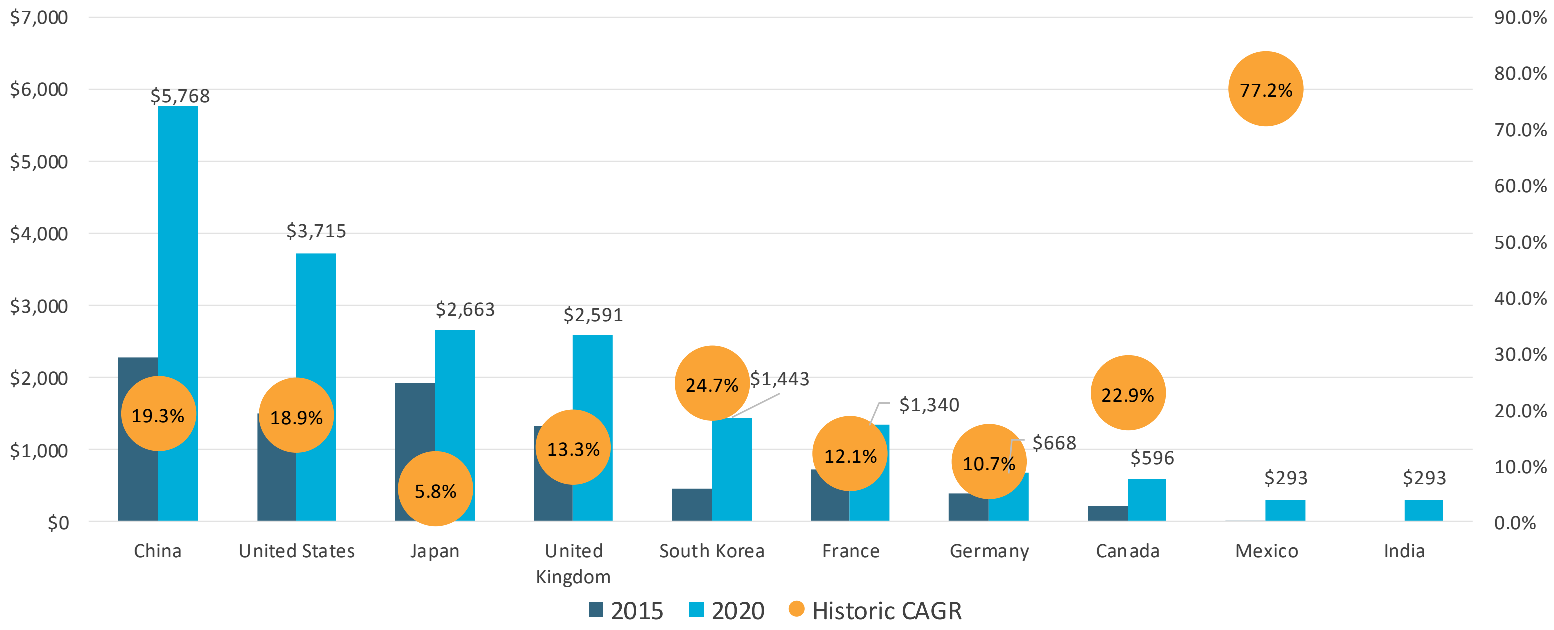


Source: Euromonitor International Packaged Food Passport Database

Combined non-alcoholic beverages e-commerce channel size for all 10 countries posted a 17% CAGR from C$8.8 billion in 2015 to C$19.4 billion in 2020

Size of non-alcoholic beverages e-commerce market across geographies (2015 – 2020; C$ million)

Note: India does not include CAGR as the database did not estimate any e-commerce sales in 2015.

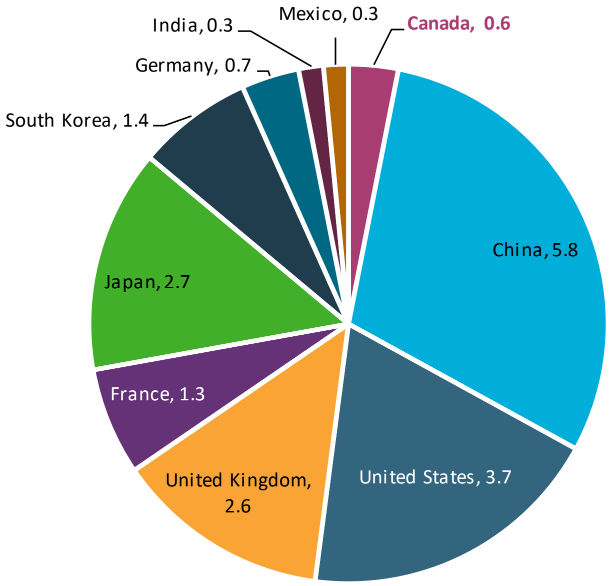


Source: Euromonitor International Soft Drinks and Hot Drinks Passport Databases

China accounted for 30% of e-commerce channel size in non-alcoholic beverages in 2020 across the 10 countries under review

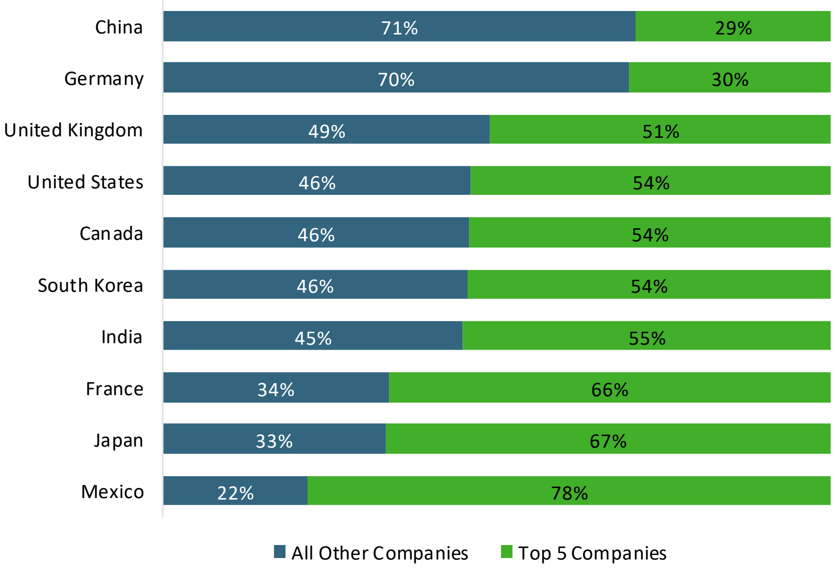
Canada's non-alcoholic beverages e-commerce channel size of C$0.6 billion is only larger than India and Mexico

Non-alcoholic beverages e-commerce channel size (2020; C$ bn)



China and Germany are the only markets where non-Top 5 companies account for over half of industry retail value sales

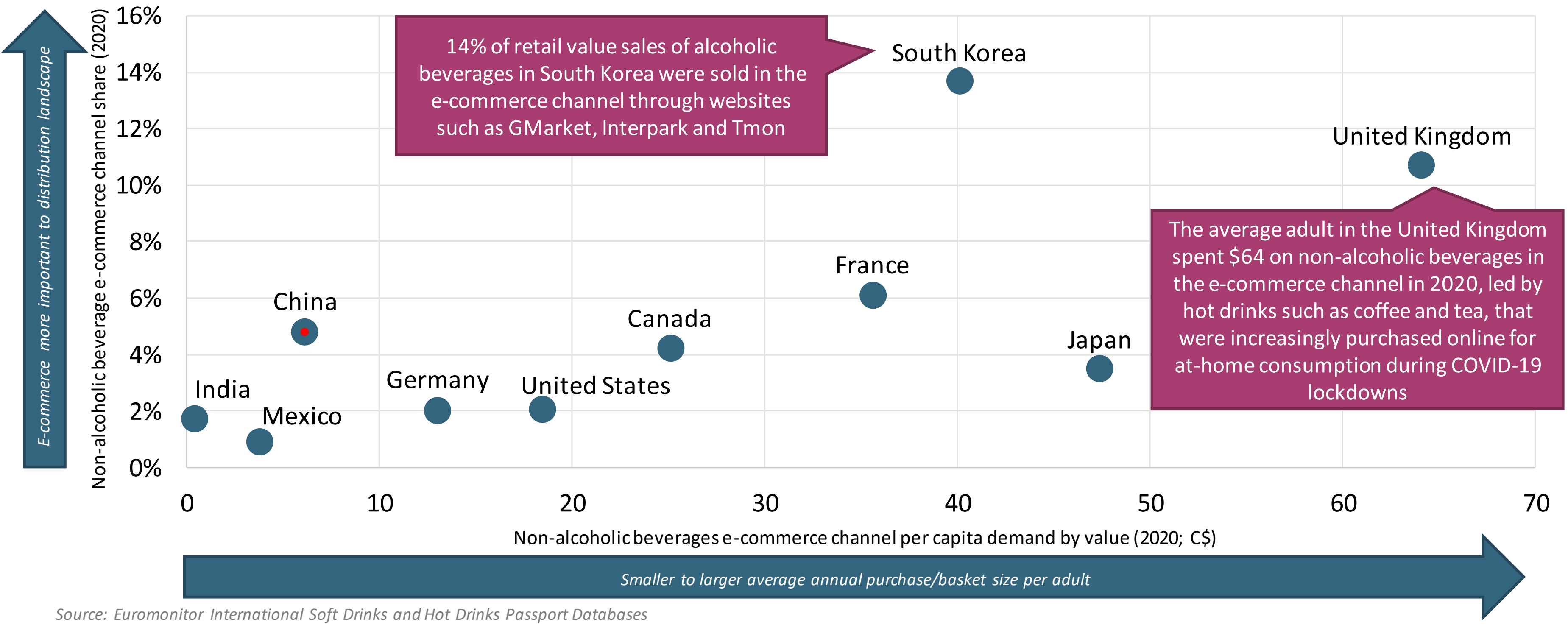
Company market share concentration - Non-alcoholic beverages (2020)



Source: Euromonitor International Soft Drinks and Hot Drinks Passport Databases

E-commerce channel share of distribution for non-alcoholic beverages is highest in South Korea, while per capita e-commerce spend for the industry is greatest in the United Kingdom

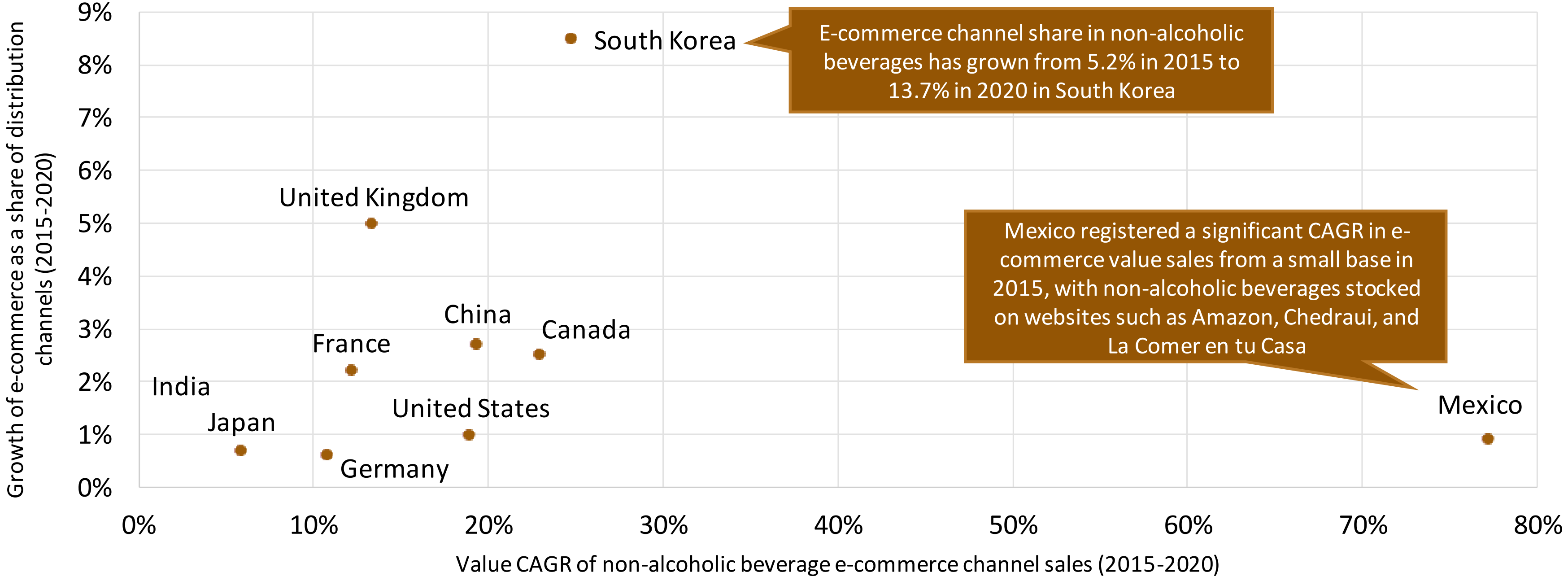
Cross-country comparison of e-commerce development in non-alcoholic beverages (2020)



Source: Euromonitor International Soft Drinks and Hot Drinks Passport Databases

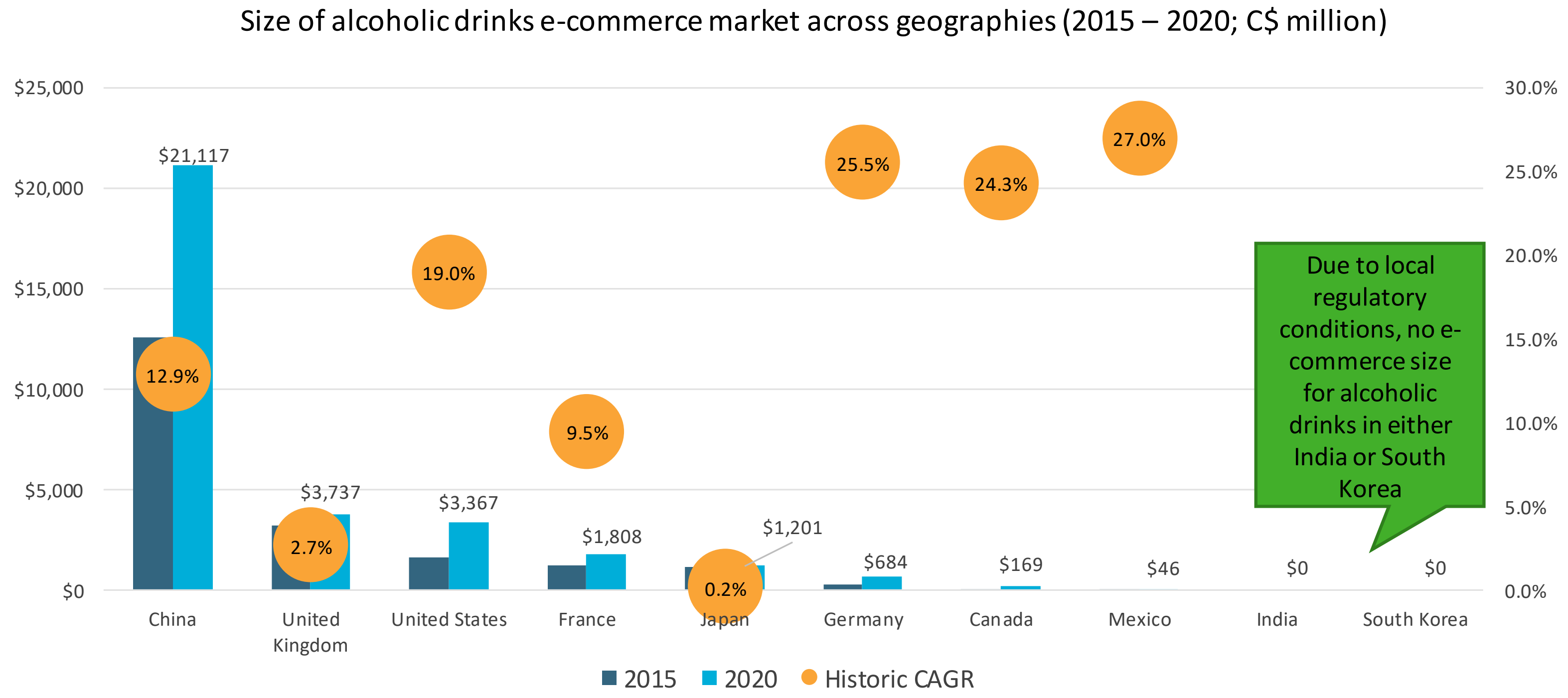
South Korea's e-commerce channel share of distribution of non-alcoholic beverages has grown the most in the past five years, while Mexico had the highest channel CAGR

Evolution of e-commerce channel in non-alcoholic beverages (2015-2020)



Source: Euromonitor International Soft Drinks and Hot Drinks Passport Databases

Combined alcoholic drinks e-commerce channel size for all countries under review rose at a 12% CAGR from C$20.1 billion in 2015 to C$32.1 billion in 2020

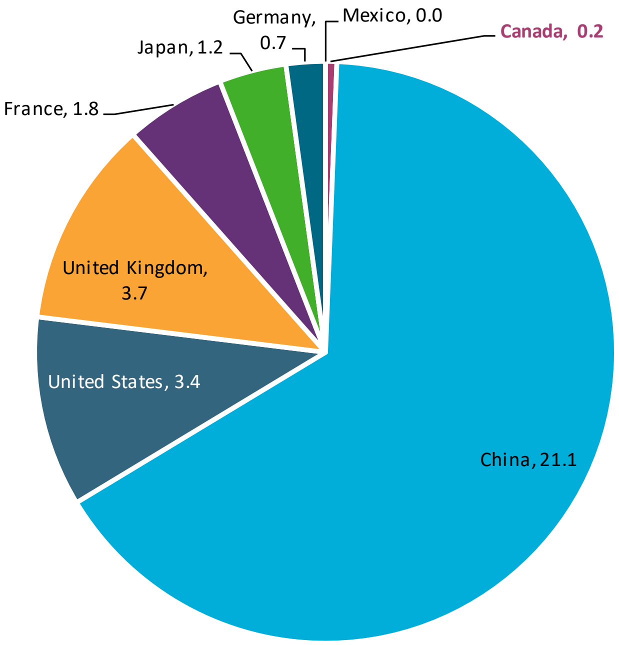


Source: Euromonitor International Alcoholic Drinks Passport Database

China accounted for two-thirds of e-commerce channel size in alcoholic drinks across the 10 countries under review

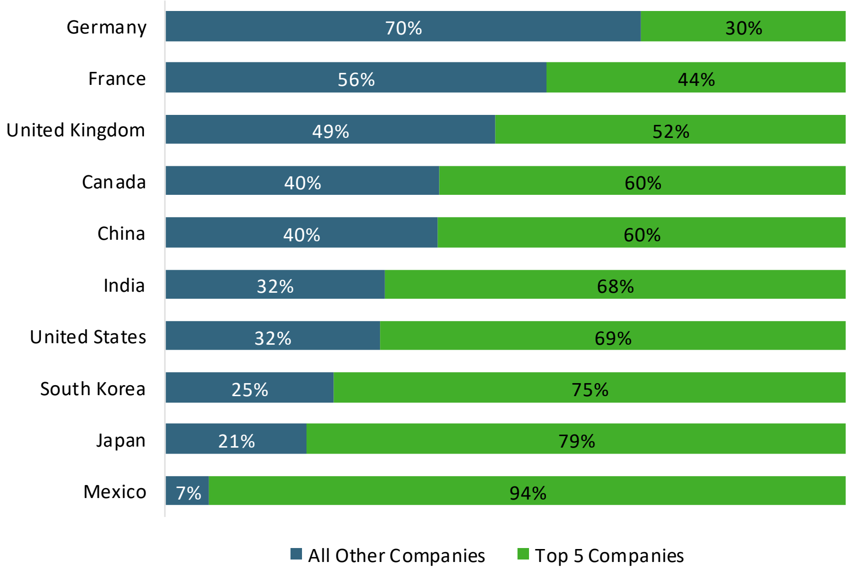
Canada's alcoholic drinks e-commerce channel size of C$0.2 billion is only larger than Mexico, India and South Korea

Alcoholic drinks e-commerce channel size (2020; C$ bn)



China and Germany are the only markets where non-Top 5 companies account for over half of industry retail value sales

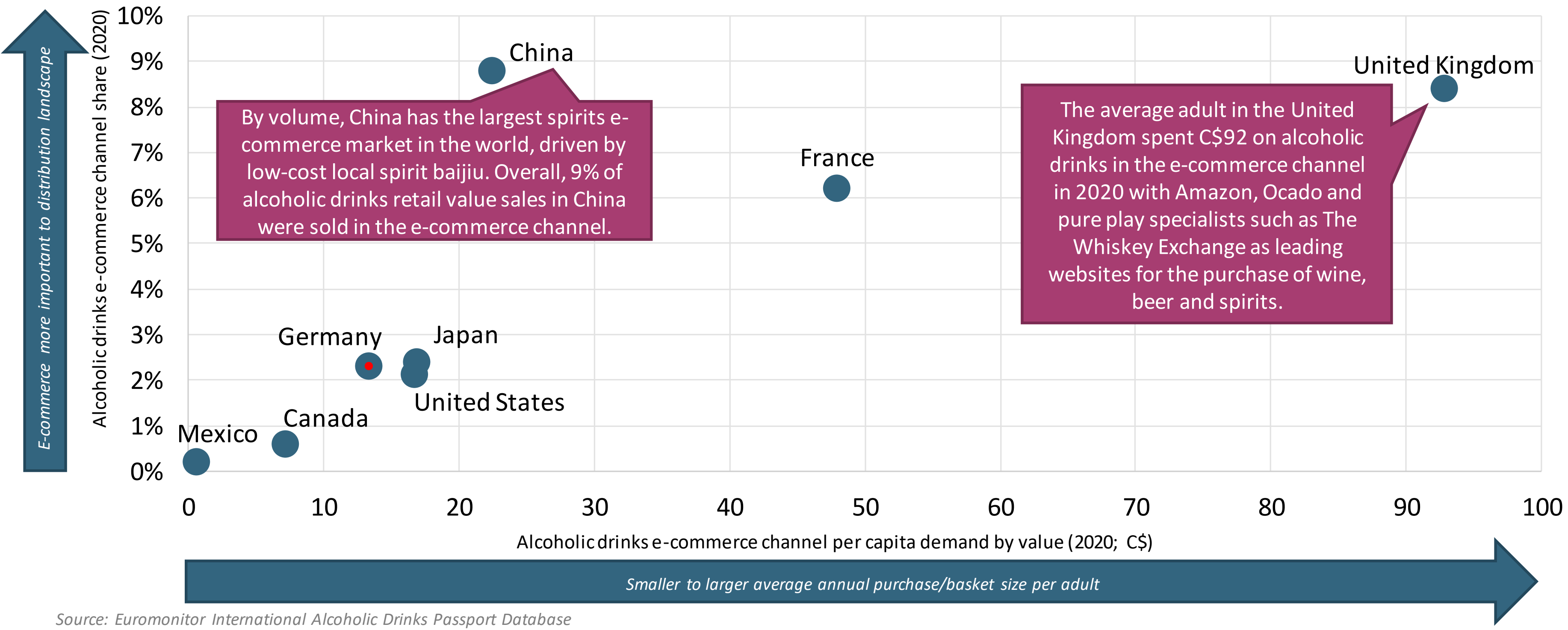
Company market share concentration - Alcoholic drinks (2020)



Source: Euromonitor International Alcoholic Drinks Passport Database

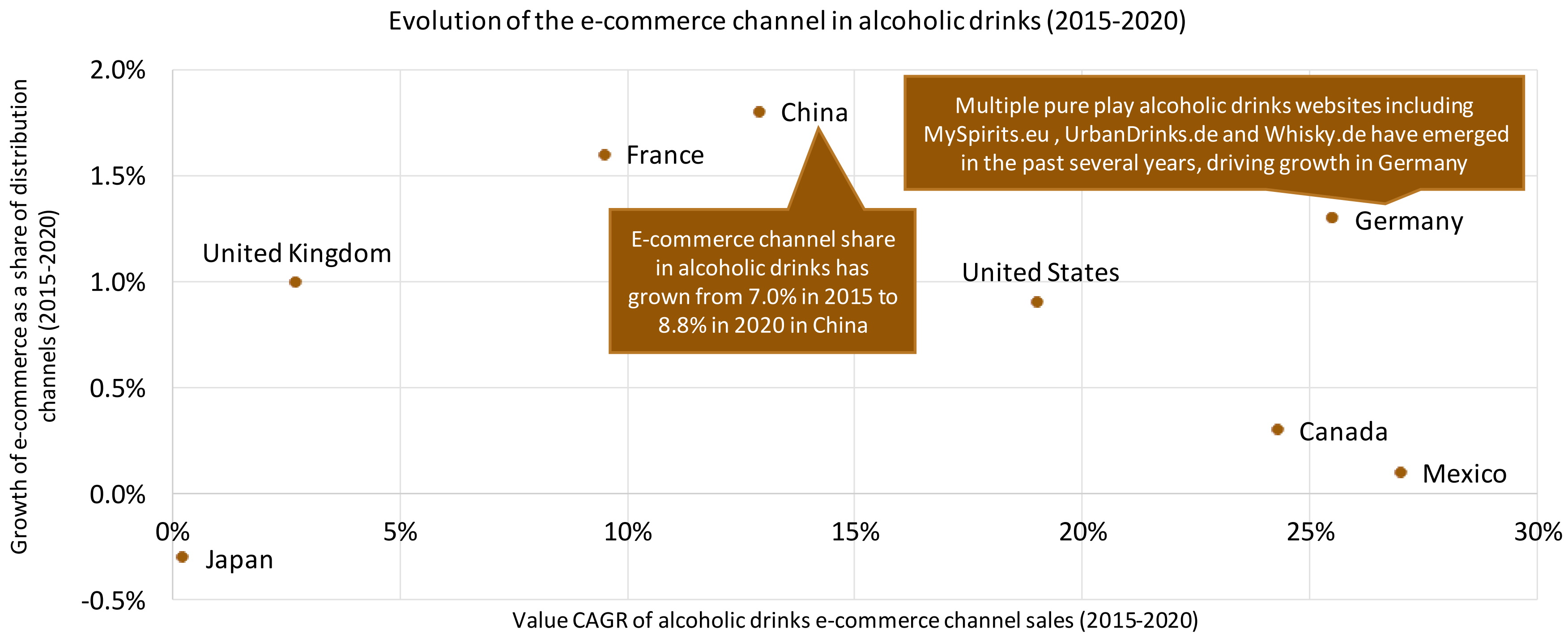
E-commerce channel share of distribution for alcoholic drinks is highest in China, while per capita e-commerce spend on alcoholic drinks is greatest in the United Kingdom

Cross-country comparison of e-commerce development in alcoholic drinks (2020)



Source: Euromonitor International Alcoholic Drinks Passport Database

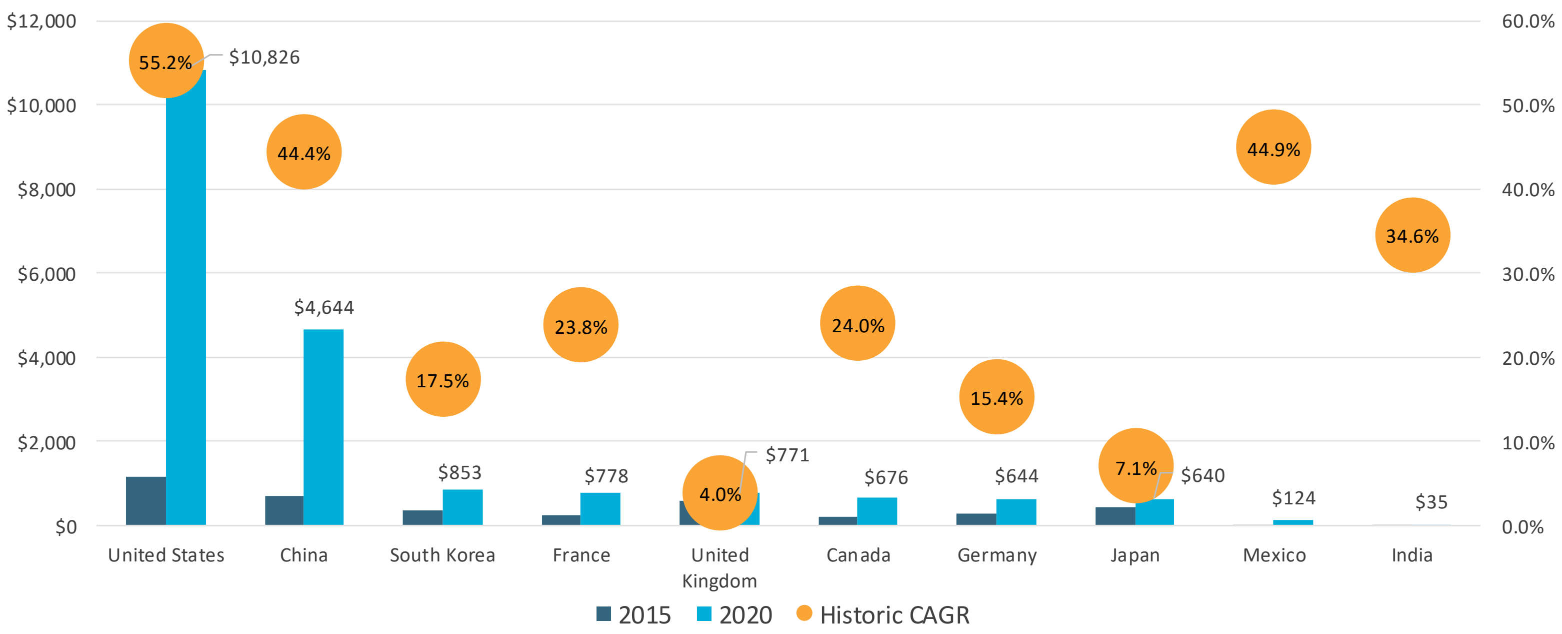
China's alcoholic drinks e-commerce channel share of distribution has grown the most over the past five years, and Mexico had the highest CAGR for alcoholic drinks e-commerce



Source: Euromonitor International Alcoholic Drinks Passport Database

Combined 10-country pet food e-commerce channel size rose at a 49% CAGR from C$4.1 billion in 2015 to C$20.0 billion in 2020

Size of pet food e-commerce market across geographies (2015 – 2020; C$ million)

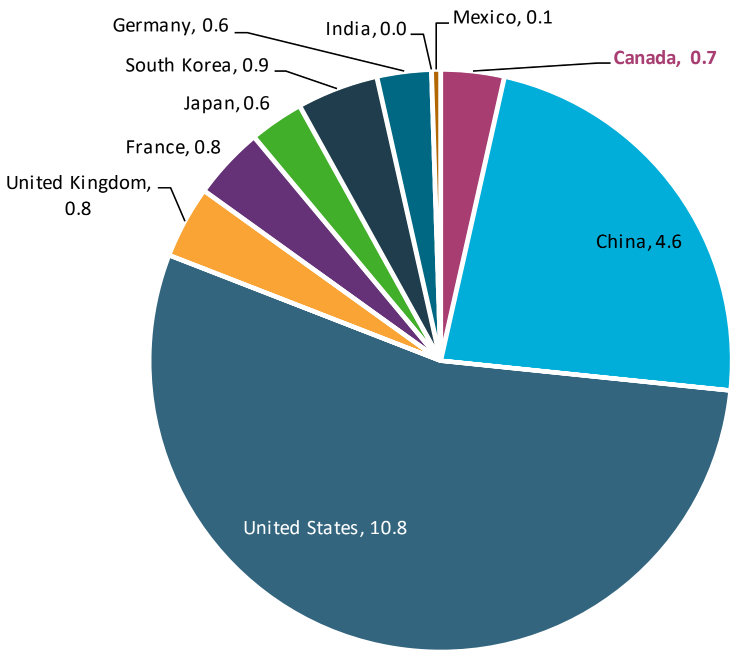


Source: Euromonitor International Pet Care Passport Database

US accounted for over 54% of pet food e-commerce channel size in 2020 across all 10 countries under review

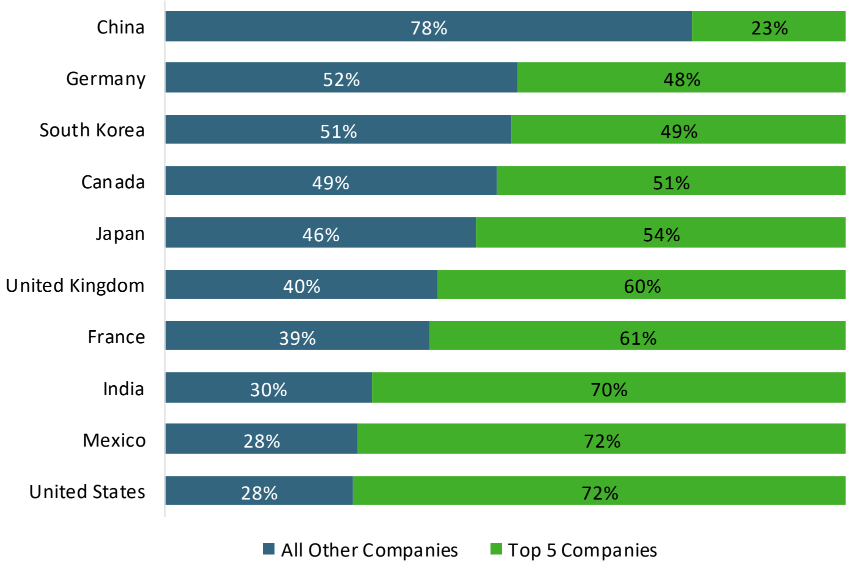
Canada's pet food e-commerce channel size of C$0.7 billion is larger than Germany, Mexico and India

Pet food e-commerce channel size (2020; C$ bn)



China is the most fragmented market by split of pet food retail value sales from non-Top 5 companies

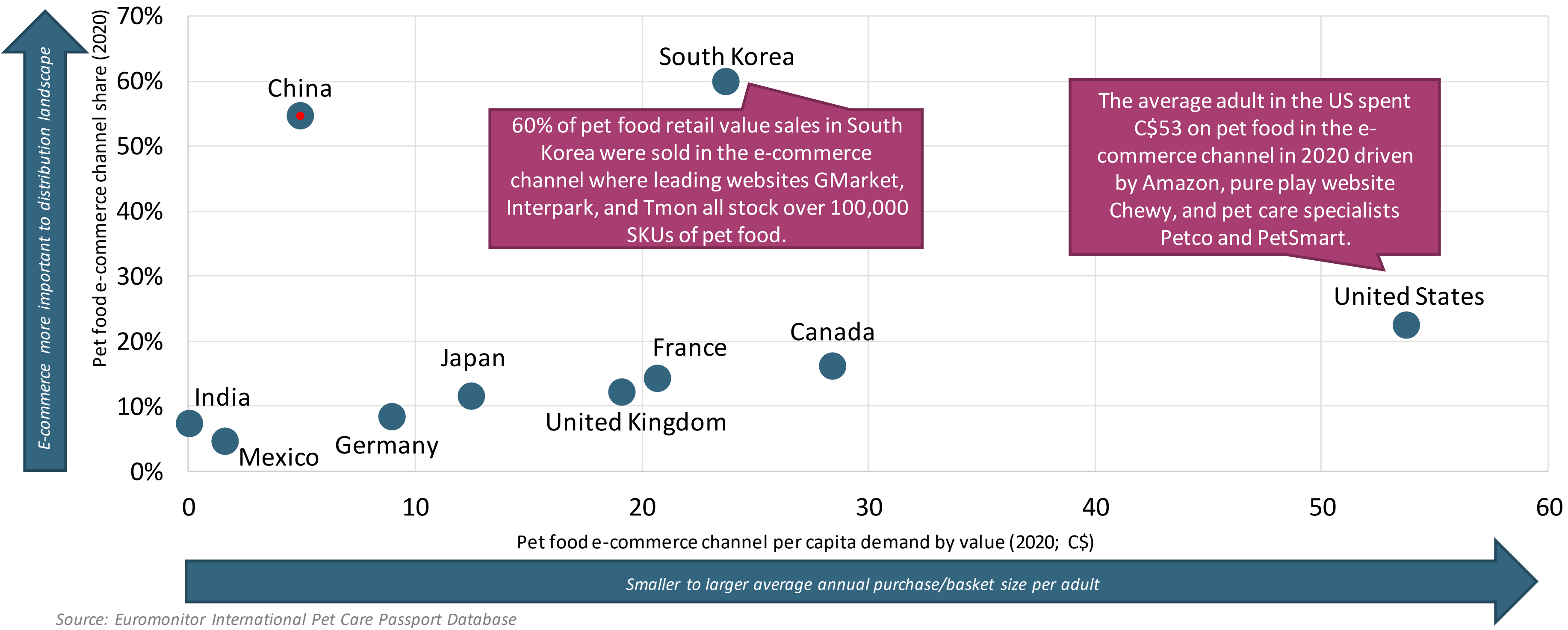
Company market share concentration - Pet food (2020)



Source: Euromonitor International Pet Care Passport Database

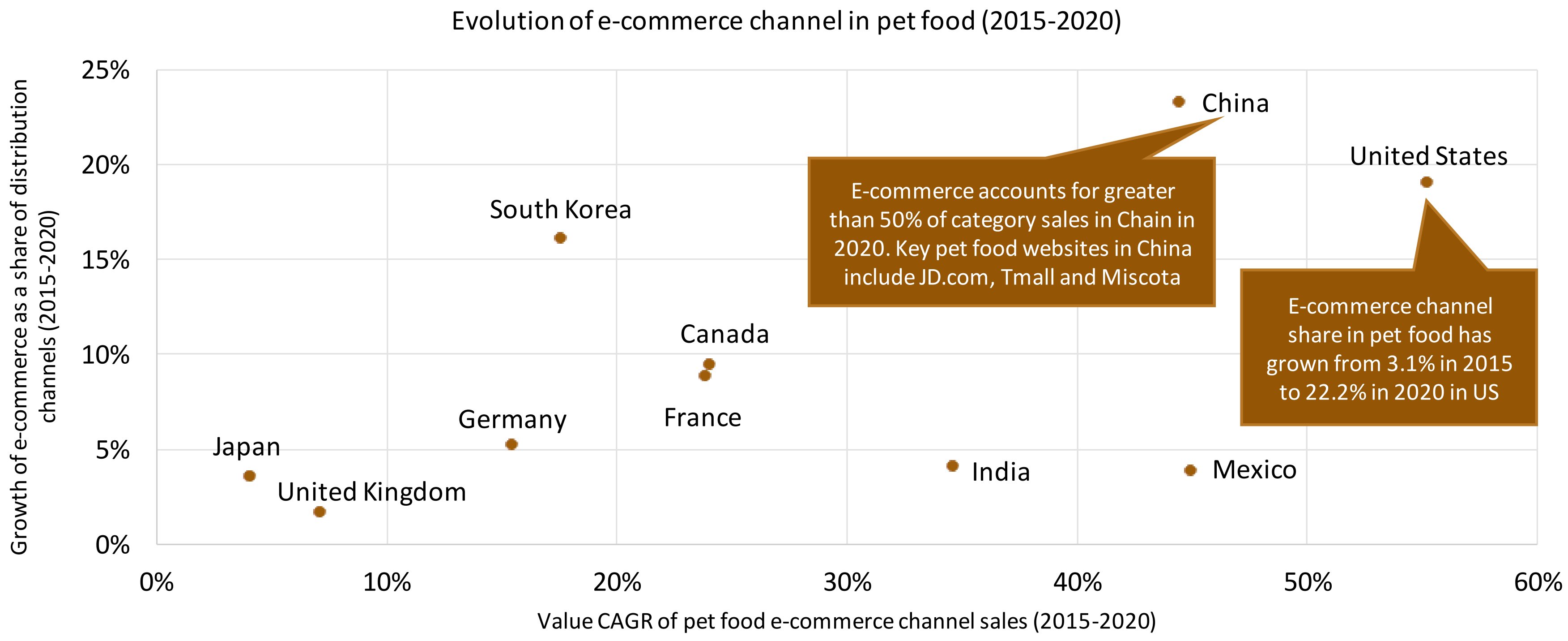
E-commerce channel share of distribution for pet food is highest in South Korea, while per capita e-commerce spend on pet food is greatest in the US

Cross-country comparison of e-commerce development in pet food (2020)



Source: Euromonitor International Pet Care Passport Database

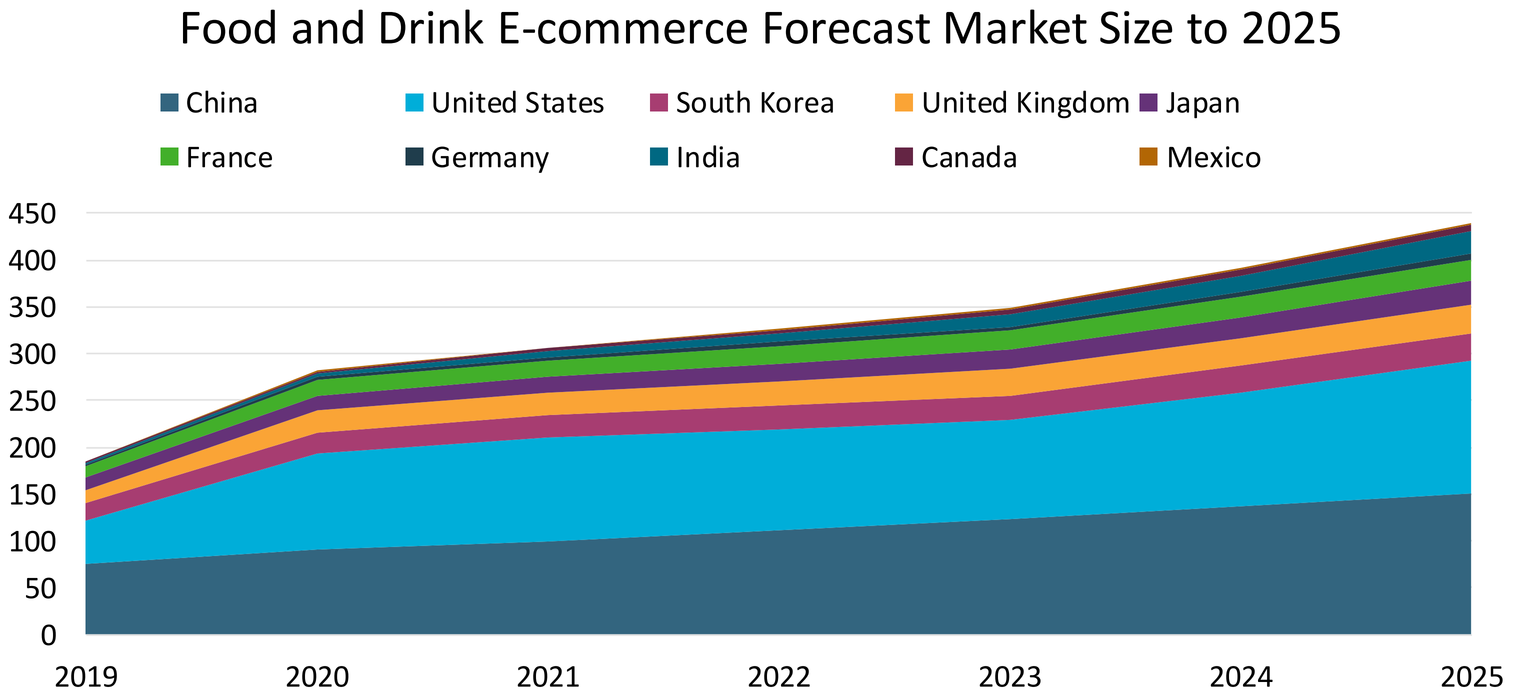
Pet food e-commerce share of category distribution in China, US and South Korea have each increased more than 15% since 2015



Source: Euromonitor International Pet Care Passport Database

Looking ahead to 2025, it is forecast that the fastest e-commerce growth will come from markets that were fairly small in 2020, including Canada and India

Please note this forecast e-commerce data comes from a separate database than others used in the scope of the analysis and **EXCLUDES** Pet Food



Source: Euromonitor Retailing Database (E-Commerce by Product Category)

Food & Drink E-Commerce

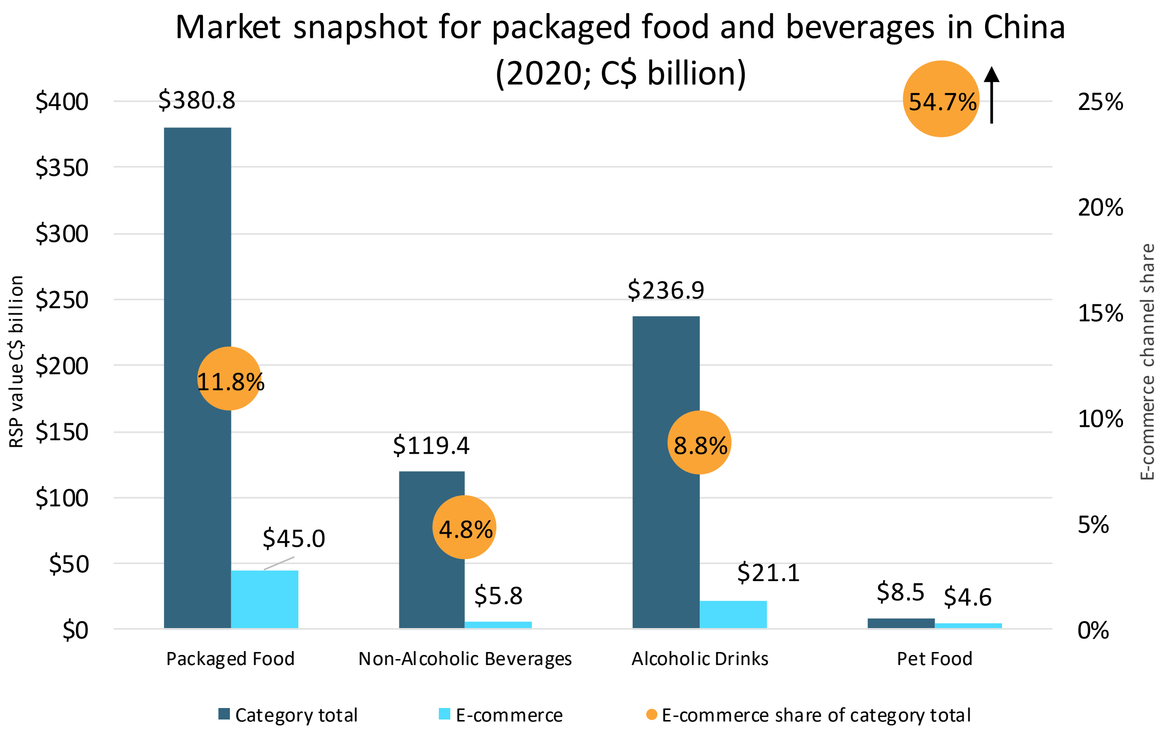
Market	2020-25 Size Gain (C$ bn)	2020-25 CAGR
Mexico	$1.2	17.8%
Canada	$4.7	23.3%
India	$20.4	46.4%
Germany	$2.0	8.9%
France	$6.8	7.2%
Japan	$10.9	11.7%
United Kingdom	$4.9	3.6%
South Korea	$6.7	5.4%
USA	$40.1	6.8%
China	$60.4	10.8%

Contents

China Country Snapshot

China is the #1 country in the scorecard, and consumers are very comfortable buying packaged food and beverages through digital channels

China is the largest global market for e-commerce channel sales in Packaged Food, Non-Alcoholic Beverages, and Alcoholic Drinks



Source: *Euromonitor International*

C$745.6 bn

Total Packaged Food and Beverage Market in 2020 (rank: 2nd of 10)

C$76.5 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 1st of 10)

10.3%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 2nd of 10)

China is the second largest importer of Canadian packaged food and beverage products, behind only the US

Top five Canadian packaged food and beverage products imported by China (2018)

Product Category	Imports from Canada (2018; C$ million)	Historic CAGR (2014-18)
Fats & Oils	$1,227.1	16.8%
Processed Meat & Seafood	$1,098.3	28.0%
Food Preparations	$96.3	45.3%
Dog & Cat Food	$91.4	370.4%
Processed Fruit & Vegetables	$30.5	-11.5%

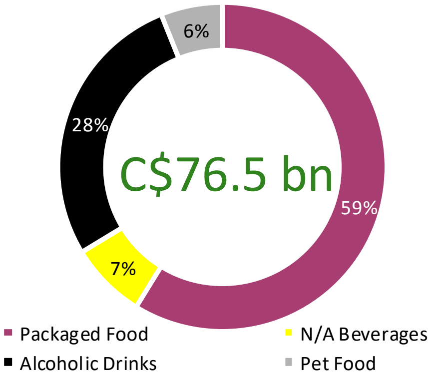
C$2,687 mn

Size of Canadian Packaged Food and Beverage Imports in 2018 (rank: 2nd of 10)

Top five packaged food and beverage products sold in the Chinese e-commerce landscape (2020)

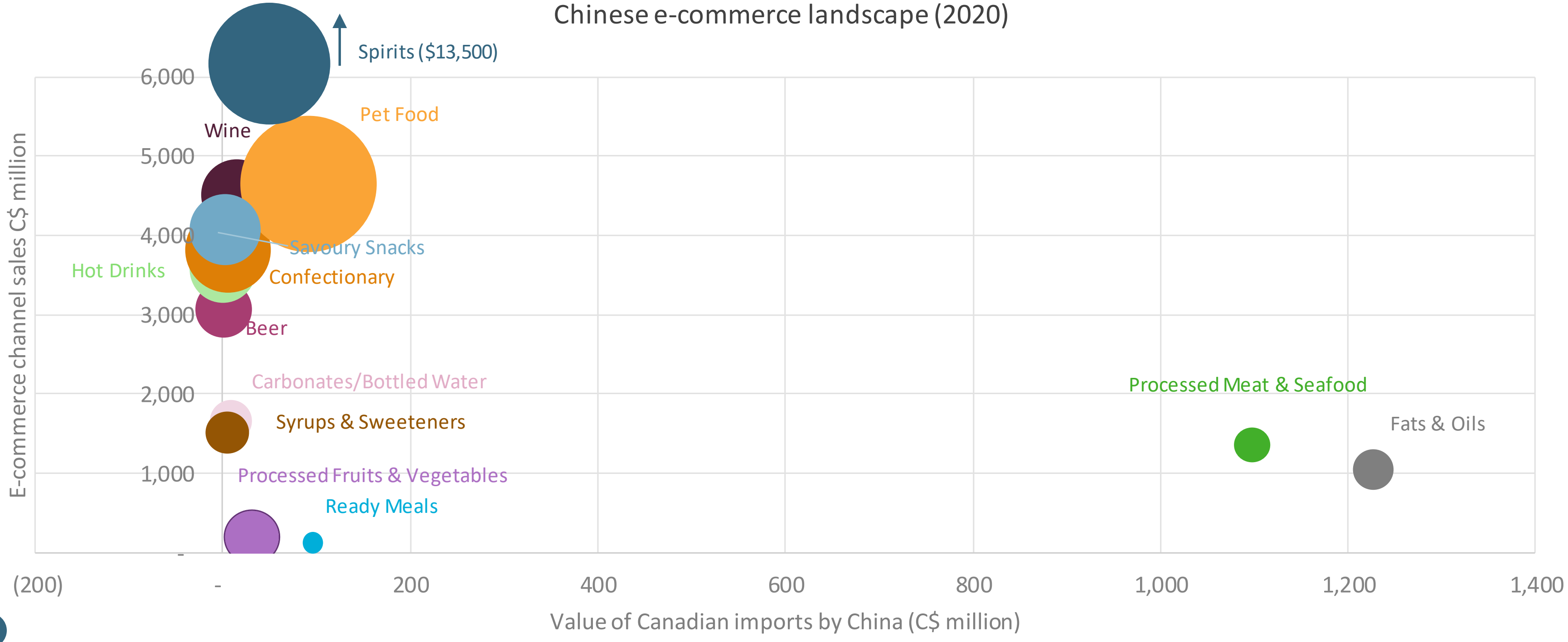
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Spirits	$13,556	9.9%	13.5%
Dairy	$6,212	7.7%	27.2%
Noodles	$5,844	17.6%	31.7%
Baked Goods	$4,880	10.7%	47.5%
Pet Food	$4,644	54.7%	44.4%

Industry split of packaged food and beverage e-commerce channel sales in China (2020)



Ten product categories sold over C$1 billion via e-commerce in 2020; over C$1 billion of Canadian Processed Meat & Seafood and Fats & Oils products were imported by China

Comparative analysis of select products imported by China and how these product categories perform in the Chinese e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – China

Packaged Food

The increase in at-home food consumption boosted sales of products suitable for home cooking, and particularly staple items such as rice, edible oils and noodles. Frozen processed meat and seafood, a category that has struggled to overcome Chinese consumers' strong preference for fresh products, also benefited, as did shelf-stable processed fruit and vegetables.

Supermarkets and hypermarkets worked closely with food delivery platforms such as Meituan.com and Ele.me in order to make up for losses through store-based sales.

N/A Beverages

Most soft drink categories experienced a slowdown in growth due to home seclusion and a ban on social gatherings. Coffee is anticipated to register robust growth thanks to the growing coffee culture and demand for specialist coffee, taking sales from more traditional hot tea products.

Thanks to the wide availability of non-alcoholic beverages in major online business-to-consumer channels such as Tmall and JD.com, e-commerce witnessed robust growth in 2020 due to the lengthy period of lockdown and home seclusion, with the digital shift expected to stick in 2021 and beyond.

Alcoholic Drinks

By volume, China has the largest spirits e-commerce market in the world. During the pandemic, e-commerce became the primary channel for purchasing alcohol. Chinese millennials in first-tier cities buy almost everything online, including foreign beer, due to the convenience of the well-developed delivery system in first-tier cities.

Both alcoholic drinks players and online platforms usually offered amount-based discounts on purchases as part of a number of promotions, as well as free delivery service, which helped make internet retailing the fastest-growing channel even before the pandemic.

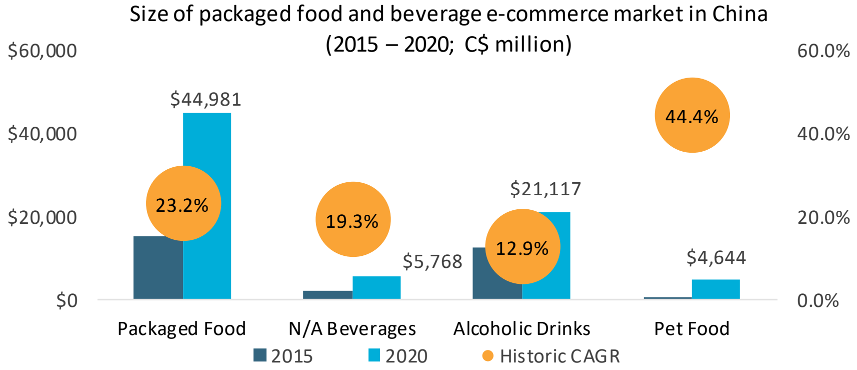
Pet Food

E-commerce remained the most important distribution channel for pet care in 2020, accounting for over half of total retail sales, and is likely to dominate sales by the end of the forecast period (2025). General e-commerce platforms such as JD.com and Tmall are hugely popular, while online pet specialists such as Miscota are also popular, with many trusting these retailers to offer high quality and authentic brands.

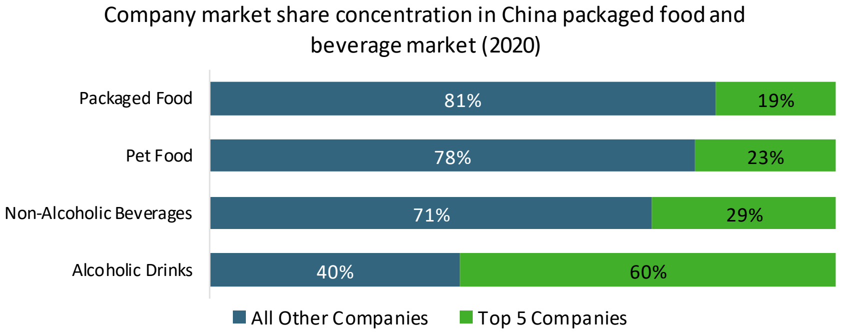
Demographic trends and changing perceptions of pet ownership are resulting in an ongoing boom in the pet population, especially cats, as there are stricter laws in place related to dog ownership.

Chinese consumers rapidly adopted food and drink e-commerce during the lockdown, as everyone turned to home cooking, with value growth at 19% from 2019-20

E-commerce size and growth



Competitive environment



Key e-commerce websites in China

Rank (SKUs* on Via)	Packaged Food	Non-Alcoholic Beverages	Alcoholic Drinks	Pet Food
1	JD (108.8k SKUs)	JD (18.3k)	JD (17.3k)	JD (12.1k)
2	Suning (34.8k)	Suning (9.8k)	Suning (7.9k)	Miscota (10.8k)
3	Redbaby (8.8k)	Amazon (4.4k)	Jiuxianwang (6.7k)	VIPShop (0.7k)
4	Amazon (7.4k)	VIPShop (1.1k)	VIPShop (1.3k)	DangDang (0.4k)
5	VIPShop (2.4k)	DangDang (0.7k)	DangDang (0.3k)	Amazon (0.3k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Newfound interest among Chinese consumers in processed meat, seafood and vegetables during the pandemic aligns with existing Canadian import supply lines.

N/A Beverages: Some beverage manufacturers leveraged COVID-19 to introduce new products with health claims and expand flavor offerings. Beverage products making functional claims are expected to resonate as health and wellness comes into greater focus.

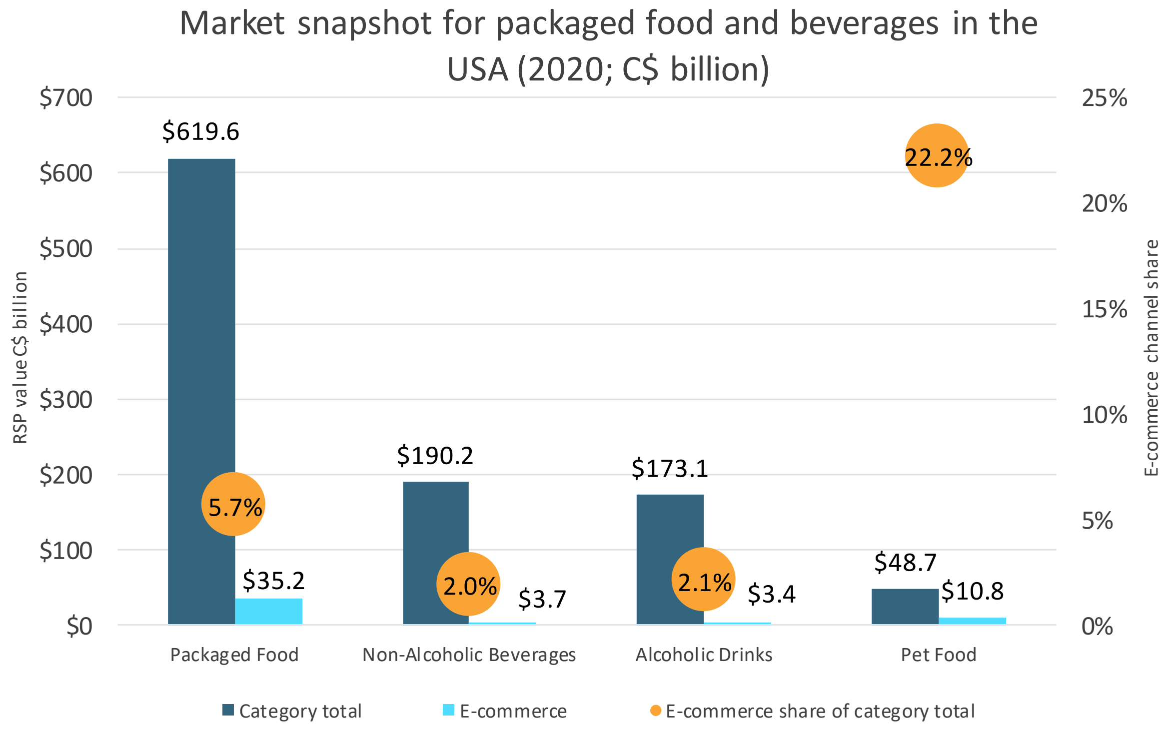
Alcoholic Drinks: Local spirit baijiu dominates, but Chinese consumers are drinking less baijiu due to health concerns or switching to other spirits, which could open the door for Canadian offerings, such as whisky.

Pet Food: Many smaller domestic brands start out online, with e-commerce opening up sales to lower tier cities for these brands – a similar approach could work for an international manufacturer as well.

USA Country Snapshot

Canada’s #1 trade partner registered e-commerce sales exceeding $50 billion in 2020 for packaged food and beverage products

Valued at C$35 billion, the US Packaged Food e-commerce market is second largest in the world, behind only China



Source: Euromonitor International

C$1,031.7 bn

Total Packaged Food and Beverage Market in 2020 (rank: 1st of 10)

C$52.1 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 2nd of 10)

5.1%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 5th of 10)

There were five product categories that exceeded C$2.5 billion in imports by the US in 2019

Top five Canadian packaged food and beverage products imported by the United States (2019)

Product Category	Imports from Canada (2019; C$ million)	Historic CAGR (2014-19)
Savoury Snacks	$3,919.0	15.8%
Processed Meat & Seafood	$3,652.1	9.5%
Chocolate & Confectionary	2,626.4	7.0%
Food Preparations	$2,548.5	7.0%
Fats & Oils	$2,540.7	5.3%

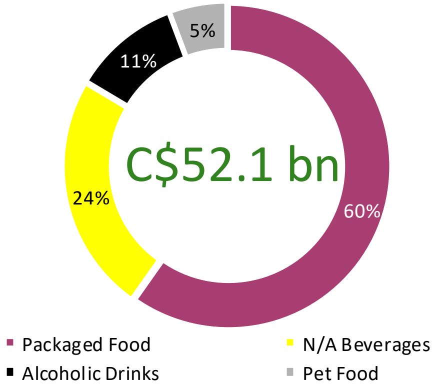
C$22.4 bn

Size of Canadian Packaged Food and Beverage Imports in 2019 (rank: 1st of 10)

Top five packaged food and beverage products sold in the United States e-commerce landscape (2020)

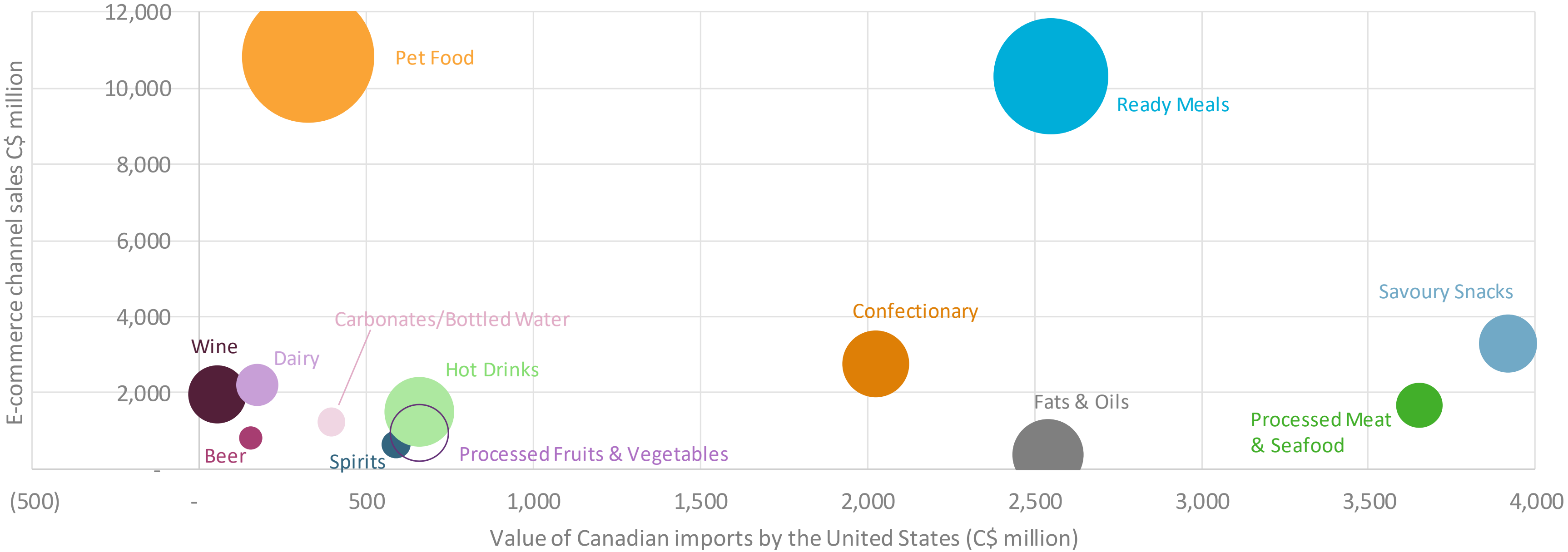
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Pet Food	$10,825.6	22.2%	55.2%
Ready Meals	$10,321.9	17.0%	52.6%
Baby Food	$3,339.7	31.0%	52.9%
Savoury Snacks	$3,302.9	4.3%	45.8%
Confectionary	$2,775.8	5.6%	35.4%

Industry split of packaged food and beverage e-commerce channel sales in the United States (2020)



Ready Meals sales via e-commerce exceeded C$10 billion as COVID-19 altered American lifestyles and eating habits

Comparative analysis of select products imported by USA and how these product categories perform in the US e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – USA

Packaged Food

Historically, the US has lagged behind most other developed markets in terms of online grocery penetration, but the pandemic has rapidly accelerated the pace of adoption, to the point where year-on-year food and drink e-commerce sales grew 119% in 2020, and COVID-19 caused a particularly large spike across packaged food categories in 2020.

For example, ready meals sold through e-commerce increased by C$4 billion from 2019-20 to reach C$10 billion sold through the online channel.

N/A Beverages

Hot drinks have done well via e-commerce (C$1.5 billion in 2020 sales) because coffee and tea are dry, shelf-stable goods which are relatively easy to ship.

E-commerce is expected to continue growing into the forecast period, boosted by higher rates of at-home consumption. This is bolstered by the fact that many independent tea and coffee shops diverted sales of their original blends to online channels during the crisis, often offering monthly subscription deliveries.

Alcoholic Drinks

E-commerce registered positive growth prior to the pandemic but had yet to take off for alcohol like it did with other consumer goods.

Potential growth had been slowed by the cost of shipping voluminous and heavy beverages, restrictive regulations governing interstate sales of alcohol, in addition to the consumer preference for tapping into the knowledge of an expert salesperson in store when purchasing more premium alcoholic beverages.

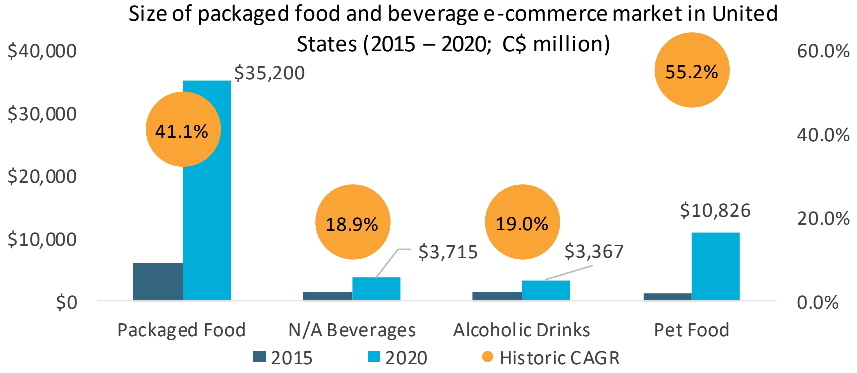
Pet Food

E-commerce sales of pet food in the US neared C$11 billion in 2020, more than twice the size of the second largest market (China at C$4.6 billion).

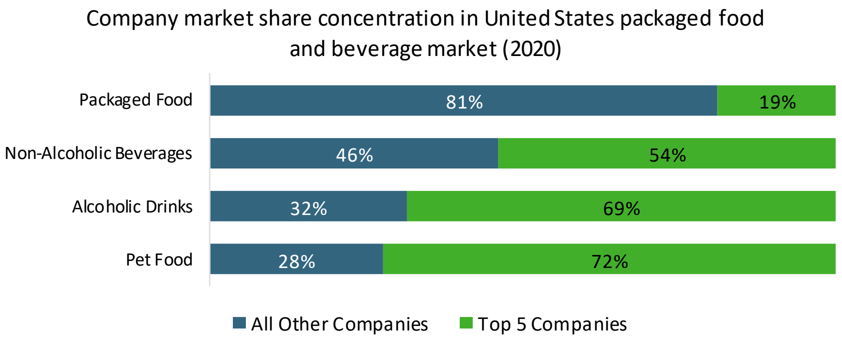
E-commerce continues to gain share from other distribution channels in pet care. As pet food can be bulky in nature and requires replenishment at regular intervals, subscription-based shopping models have been growing in popularity. Programs such as Chewy Autoship or Amazon Subscribe & Save offer both convenience and attractive pricing for pet owners.

Double-digit CAGR growth was seen over the review period for e-commerce sales across all four packaged food and beverage sectors

E-commerce size and growth



Competitive environment



Key e-commerce websites in the United States

Rank (SKUs* on Via)	Packaged Food	Non-Alcoholic Beverages	Alcoholic Drinks	Pet Food
1	Amazon (80.3k SKUs)	Amazon (43.1k)	Binny's (11.3k)	Amazon (16.0k)
2	Walmart (11.6k)	Walmart (4.1k)	Hy-Vee (1.7k)	Chewy (9.6k)
3	Harris Teeter (11.5k)	Harris Teeter (2.1k)	Wegmans (1.5k)	Petco (7.2k)
4	Giant Eagle (10.3k)	Fred Meyer (2.0k)	Harris Teeter (1.1k)	PetSmart (4.9k)
5	Wegmans (10.2k)	Giant Eagle (1.9k)	Walmart (0.9k)	Walmart (3.7k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Savoury, salty snack imports from Canada and sales via e-commerce both exceed $3 billion; processed meat and seafood is another category with significant imports and greater demand brought on by more at-home meal preparation.

N/A Beverages: Coffee and tea could be shipped directly from Canada to the US through e-commerce subscription customers.

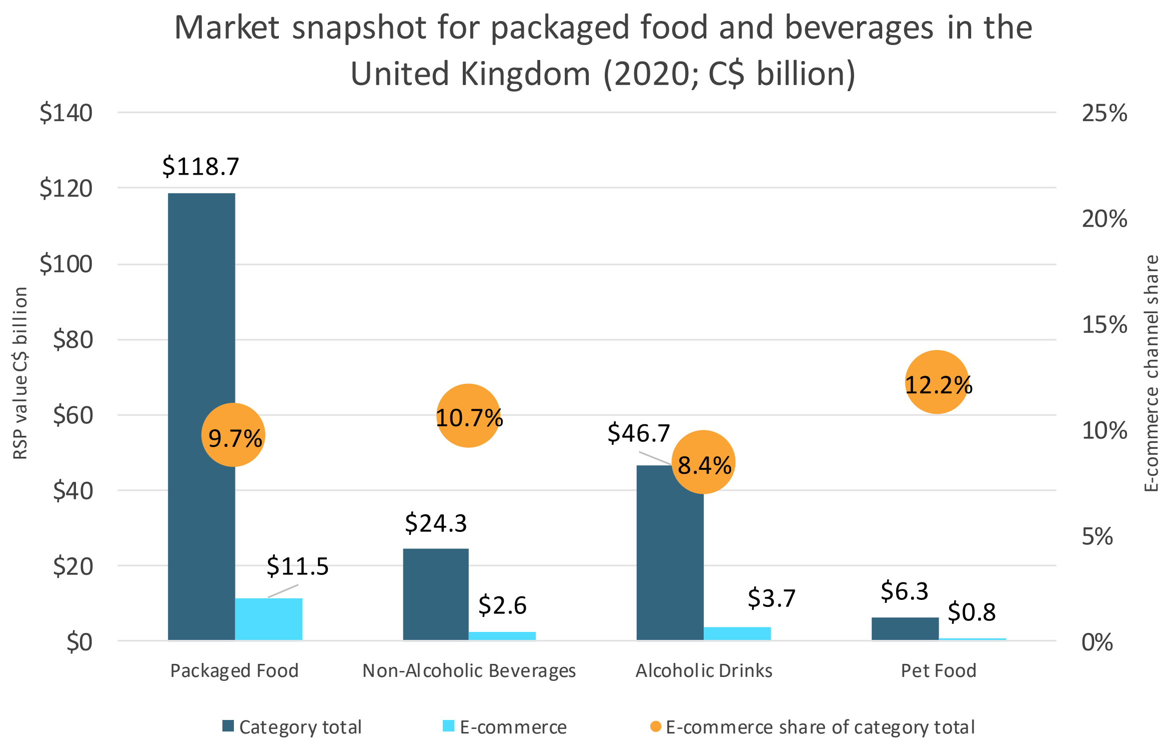
Alcoholic Drinks: Canadian Whisky accounted for 23% of total Whiskies sales in the US, reaching C$3.8 billion; to consider for partnerships, there is increasing use of pure play alcoholic drinks delivery services such as Drizzly and Cocktail Courier by US consumers.

Pet Food: Chewy.com is the #2 site for pet care e-commerce in the US and would be a pure play partner; in contrast, a marketplace such as Amazon (#1 site for Pet Care) includes a lot of third-party sellers, many of which are located internationally.

United Kingdom (UK) Country Snapshot

Largest e-commerce market in Europe for packaged food and beverage products

E-commerce penetration is well established across all four industry sectors in the United Kingdom



Source: Euromonitor International

C$196.0 bn

Total Packaged Food and Beverage Market in 2020 (rank: 5th of 10)

C$18.6 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 3rd of 10)

9.5%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 3rd of 10)

Processed Meat & Seafood is the #1 product category for Canadian imports and e-commerce sales, but import value has been on the decline since 2014

Top five Canadian packaged food and beverage products imported by the United Kingdom (2018)

Product Category	Imports from Canada (2018; C$ million)	Historic CAGR (2014-18)
Processed Meat & Seafood	$164.2	-5.5%
Savoury Snacks	$55.3	13.2%
Syrups/Sweeteners	$20.3	9.0%
Food Preps	$19.5	24.4%
Processed Fruit & Vegetables	$11.3	0.3%

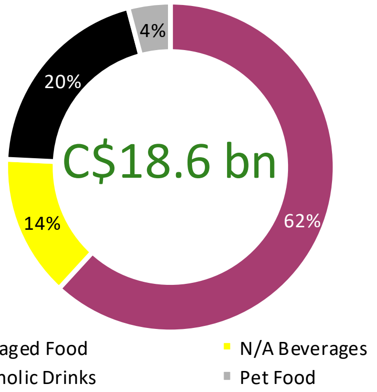
C$311 mn

Size of Canadian Packaged Food and Beverage Imports in 2018 (rank: 6th of 10)

Top five packaged food and beverage products sold in the United Kingdom e-commerce landscape (2020)

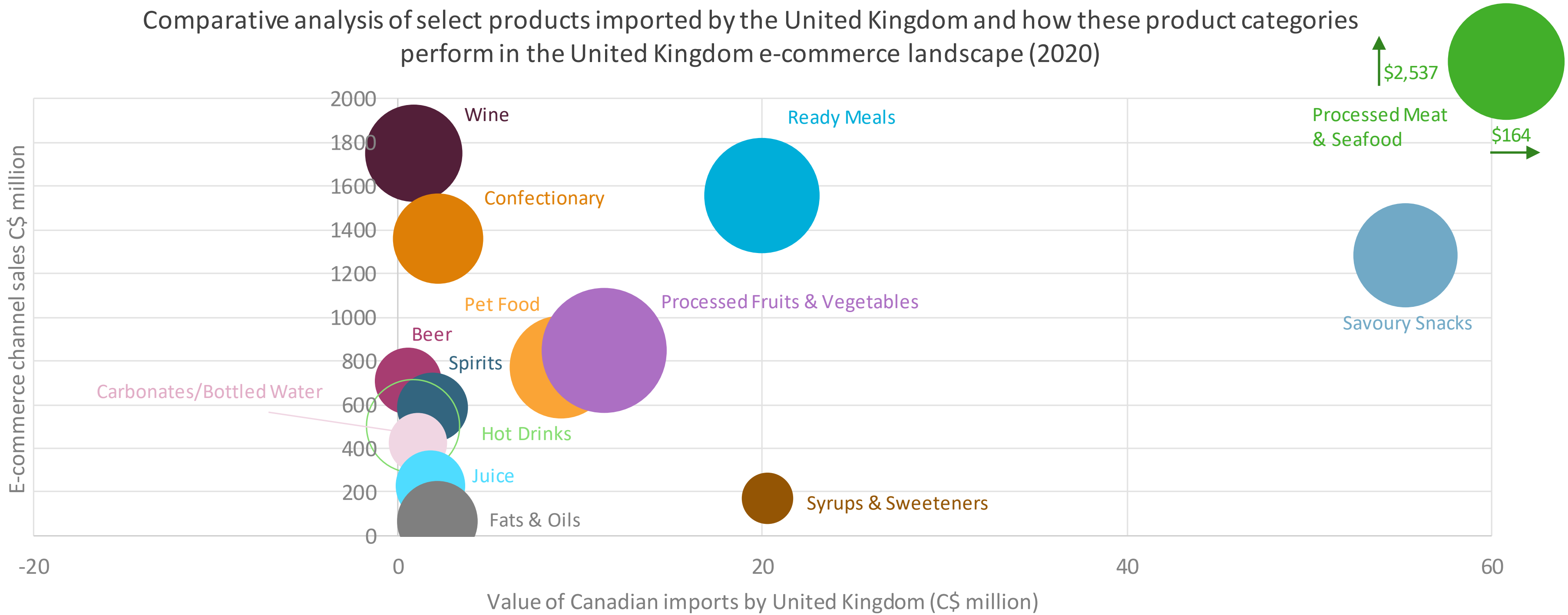
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Processed Meat & Seafood	$2,536.8	15.8%	20.0%
Wine	$1,752.2	10.8%	5.0%
Ready Meals	$1,559.2	15.4%	26.5%
Confectionary	$1,361.2	9.5%	19.8%
Savoury Snacks	$1,286.5	12.6%	19.3%

Industry split of packaged food and beverage e-commerce channel sales in United Kingdom (2020)



Five product categories exceeded C$1 billion in e-commerce sales in the United Kingdom

Comparative analysis of select products imported by the United Kingdom and how these product categories perform in the United Kingdom e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – United Kingdom

Packaged Food

Demand for groceries online experienced 78% current value growth in 2020. Spending more time at home and committing more time to cooking routines has particularly benefitted cooking ingredients and products used to prepare breakfast, such as sweet spreads, butter, and breakfast cereals, as well as processed meat such as bacon and sausage.

At the same time, consumer desire for indulgence during long hours at home underpinned a rise in consumption of snacks and take-home ice cream.

N/A Beverages

COVID-19 had a positive impact on demand for retail sales of hot drinks, which prior to the emergence of the coronavirus had been declining overall due to the strong café culture in the United Kingdom. Facing the closure of their local cafés, Britons were more willing to recreate an at-home barista experience, purchasing premium coffee and tea, despite increasing price sensitivity due to declining levels of disposable income.

In soft drinks, concentrates, carbonated RTD tea (kombucha) and RTD coffee witnessed increased sales as these products benefited from their indulgence aspect, natural energy functional positioning, and health preventative perception.

Alcoholic Drinks

The United Kingdom ranks #2 to China in terms of the market value of alcoholic drinks sold through e-commerce in 2020. Wine is the type of alcohol most commonly purchased online, with increased at-home consumption in 2020 encouraging bulk purchasing, which is more convenient when delivered.

Online retailers such as Amazon are growing in volume and value terms, while also becoming the exclusive retailer for several spirits brands. The largest alcohol e-commerce sites are major supermarket chains, with the largest specialist alcohol e-commerce site being Naked Wines.

Pet Food

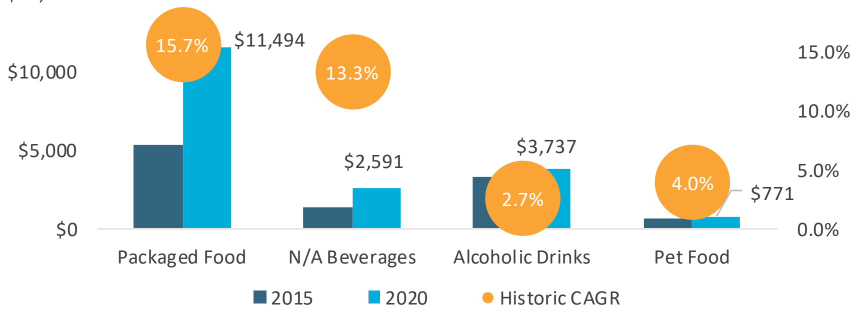
While most pet food is sold through modern grocery retailers, e-commerce continues to gain value share from the main channels in both pet food and pet products due to the wide product variety available online, as well as reasonable prices and the convenience of home delivery of what can be heavy and bulky products.

The pet care subscription model is becoming more popular as this type of online pet specialty store, such as Tails.com, offers consumers a variety of products specifically tailored for their pet, delivered to their doorstep.

Amazon and large grocery chains are the leading websites for online packaged food and beverage product sales in the United Kingdom

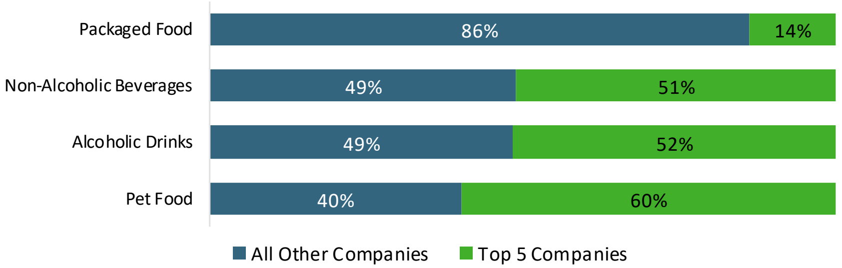
E-commerce size and growth

Size of packaged food and beverage e-commerce market in United Kingdom (2015 – 2020; C$ million)



Competitive environment

Company market share concentration in United Kingdom packaged food and beverage market (2020)



Key e-commerce websites in the United Kingdom

Rank (SKUs* on Via)	Packaged Food	N/A Beverages	Alcoholic Drinks	Pet Food
1	Amazon (60.6k SKUs)	Amazon (29.5k)	The Whiskey Exchange (6.1k)	Amazon (16.9k)
2	Ocado (13.4k)	Ocado (2.3k)	Amazon (5.4k)	Zooplus (4.2k)
3	Tesco (9.8k)	Sainsbury's (1.6k)	Ocado (2.0k)	Asda (0.7k)
4	Sainsbury's (8.5k)	Tesco (1.4k)	Tesco (1.3k)	Tesco (0.6k)
5	Asda (8.4k)	Waitrose (1.1k)	Sainsbury's (1.0k)	Morrisons (0.4k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Large grocery chains such as Tesco, Sainsbury's and Asda already had established omnichannel strategies prior to the pandemic, and along with Amazon are the key players for packaged food e-commerce distribution in the United Kingdom.

N/A Beverages: The increase of online coffee sales recorded during 2020 driven by the rise in working from home is expected to continue, as many companies have invested in direct-to-consumer platforms and partnerships with third parties to meet consumer demand.

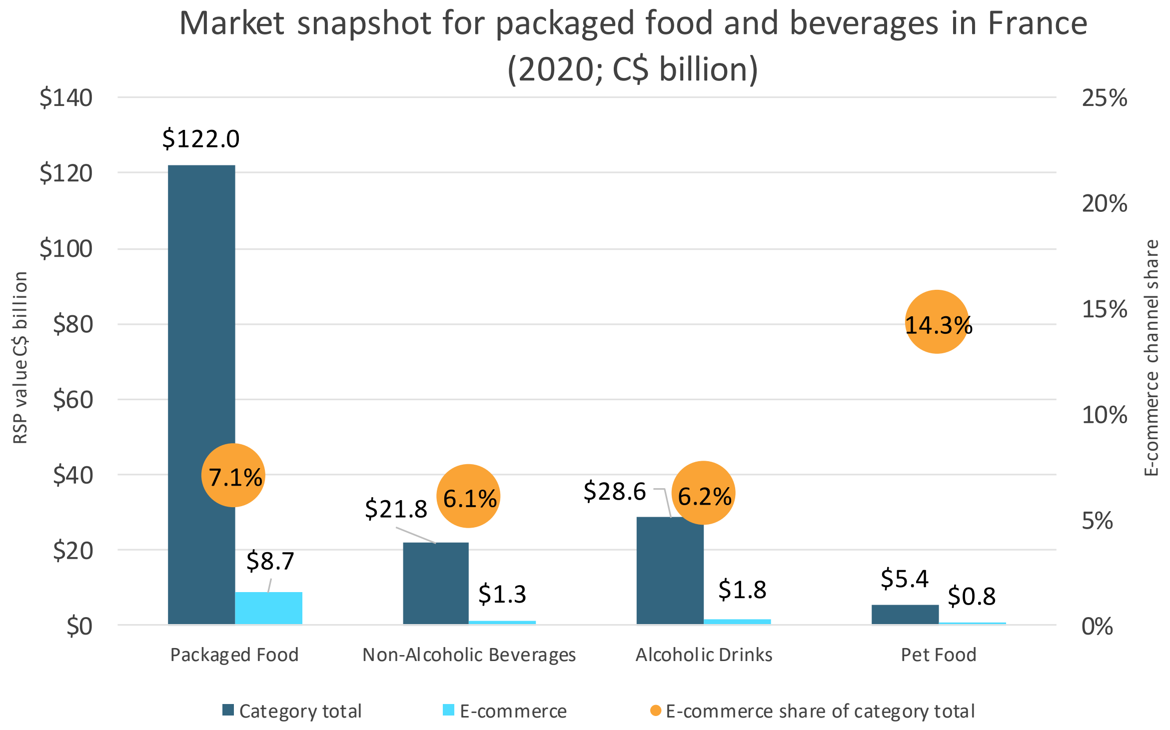
Alcoholic Drinks: In addition to The Whiskey Exchange, there are several other spirits-focused online retailers in the United Kingdom that would carry Canadian whisky, including Master of Malt, Drink Supermarket, The Bottle Club, and Shop4Whisky.

Pet Food: Despite volume sales decreasing, value sales increased again in 2020 driven by premiumization with British pet owners becoming more discerning label readers, seeking fresh, natural and "free-from" cues in their pet food and treats.

France Country Snapshot

Well-developed e-commerce distribution for packaged food and beverages, with 4th largest channel size and share for online value sales in 2020

Packaged Food accounts for 70% of France's packaged food and beverage e-commerce sales in 2020



Source: Euromonitor International

C$177.8 bn

Total Packaged Food and Beverage Market in 2020 (rank: 6th of 10)

C$12.6 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 4th of 10)

7.1%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 4th of 10)

Processed and pre-prepared food products are the most popular Canadian products imported into France

Top five Canadian packaged food and beverage products imported by France (2018)

Product Category	Imports from Canada (2018; C$ million)	Historic CAGR (2014-18)
Processed Meat & Seafood	$98.0	4.9%
Ready Meals	$30.2	59.0%
Processed Fruits & Vegetables	$26.9	6.8%
Pet Food	$18.0	14.1%
Syrups & Sweeteners	$15.5	8.9%

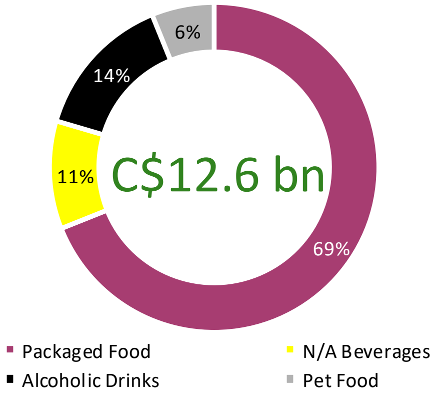
C$217 mn

Size of Canadian Packaged Food and Beverage Imports in 2018 (rank: 7th of 10)

Top five packaged food and beverage products sold in the French e-commerce landscape (2020)

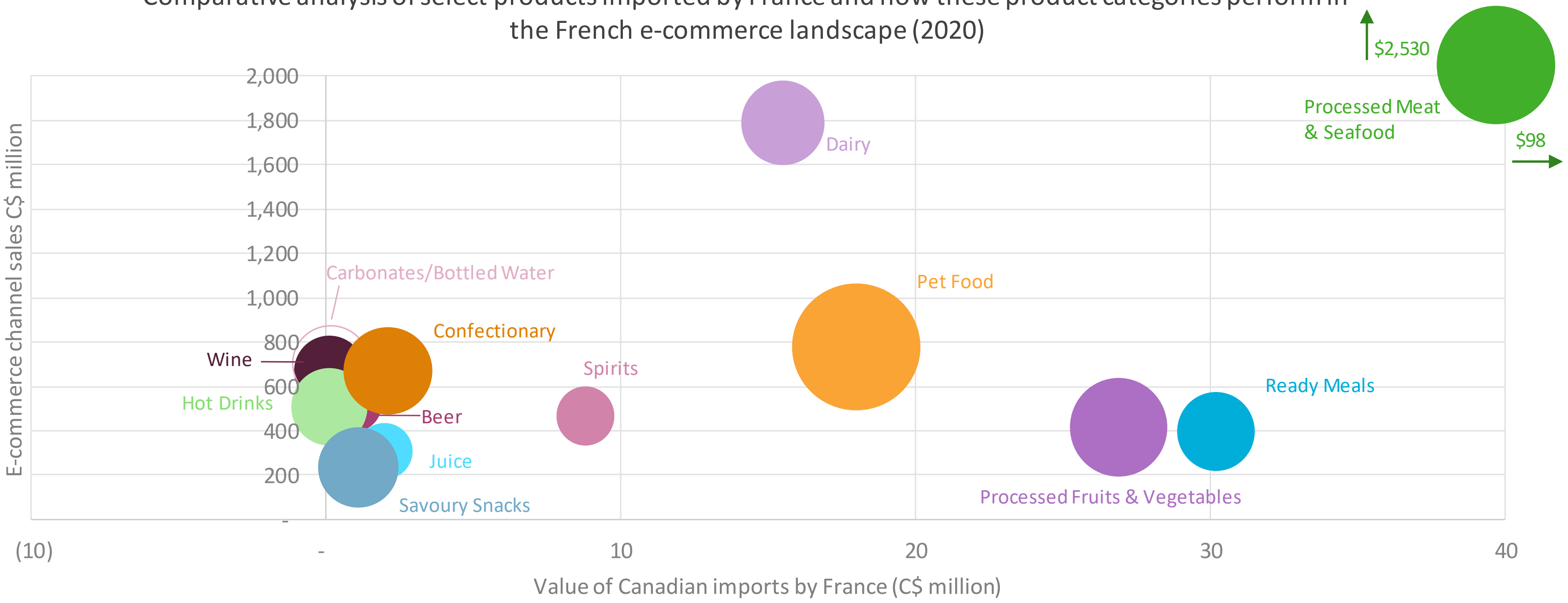
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Processed Meat & Seafood	$2,530.3	11.4%	17.5%
Dairy	$1,788.4	6.2%	13.3%
Pet Food	$777.9	14.3%	23.8%
Wine	$671.9	4.3%	9.5%
Confectionary	$670.1	6.8%	16.4%

Industry split of packaged food and beverage e-commerce channel sales in France (2020)



Processed Meat & Seafood is the largest import product category by France as well as the largest packaged food and beverage category sold through e-commerce

Comparative analysis of select products imported by France and how these product categories perform in the French e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – France

Packaged Food

Increased time at home since the onset of the pandemic has favored categories such as ready meals, sauces, snacks, and staple foods, and reversed pre-COVID declines in processed meat and seafood.

Many supermarket and hypermarket chains invested in improving their digital platforms and provide click-and-collect services, known colloquially in France as “drive.” Confectionary manufacturers such as Lindt partnered with third-party delivery services to ensure seasonal sales.

N/A Beverages

Amid the COVID-19 situation, bottled water in larger pack sizes benefited from home delivery from online channels. Longer term impacts are likely to involve more at-home daily beverage occasions, with focus on products with health and wellness benefits.

The strong coffee drinking culture led most consumers to maintain their daily consumption, taking their coffee at home instead of the café, which benefitted e-commerce sales as fresh beans became a regularly ordered item within online grocery receipts.

Alcoholic Drinks

Sales of beer and whiskey have strongly increased via click-and-collect at major retailers, as part of general grocery shopping, and are set to benefit from the switch after the crisis. Much of this increase has come from new consumers (older generations over 60), who began ordering online for the first time during the pandemic.

Despite a growing niche market of online wine sellers, pandemic lockdowns have dented the overall wine category’s performance, yet it remains the largest contributor to Alcoholic Drinks e-commerce size in France.

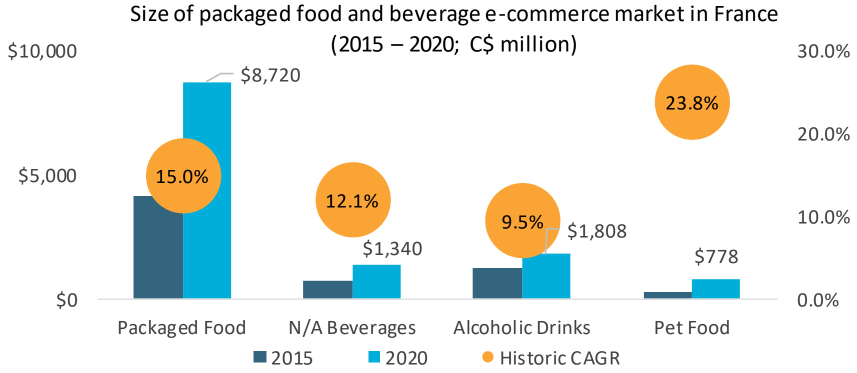
Pet Food

E-commerce sales are rising in all areas of pet care in France, enabling new online pet care businesses to emerge, especially in the lucrative pet food category. Customers can order direct home delivery of heavy products, such as dry dog food in bulk, and can compare prices.

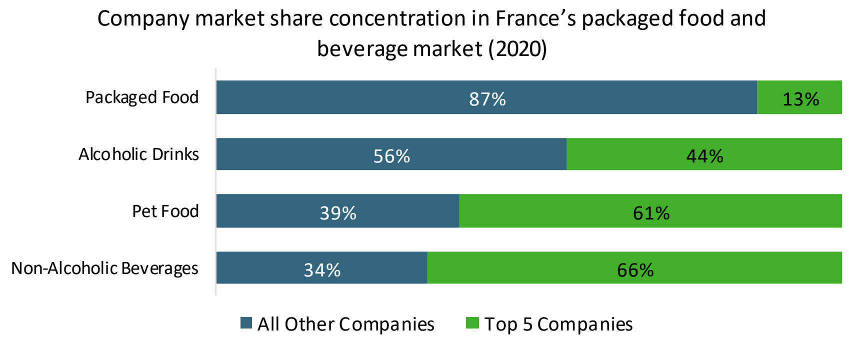
The introduction of more private-label pet food includes online platforms and other services such as monthly subscription boxes and automatic ordering, which are becoming increasingly popular and continue to affect sales in traditional channels.

Large supermarket/hypermarket retail chains are also key players for e-commerce placement of packaged food and beverage products in France

E-commerce size and growth



Competitive environment



Key e-commerce websites in France

Rank (SKUs* on Via)	Packaged Food	N/A Beverages	Alcoholic Drinks	Pet Food
1	Amazon (15.1k SKUs)	Amazon (5.7k)	Amazon (7.0k)	Amazon (17.9k)
2	Carrefour (8.6k)	Carrefour (1.9k)	Carrefour (2.6k)	Miscota (11.8k)
3	Casino (6.1k)	Casino (1.0k)	Auchan (2.2k)	Zooplus (7.6k)
4	Courses U (4.3k)	Cora (0.9k)	Cora (1.1k)	Truffaut (3.0k)
5	Auchan (3.1k)	Courses U (0.7k)	Cdiscount (1.1k)	Croquetteland (2.7k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Economic uncertainty has French consumers seeking value-priced groceries, which has led to an increase in private label product sales, but also bodes well for prepared ready meals and processed/frozen meat and seafood that is considered cheaper than making protein-rich meals with fresh ingredients from scratch.

N/A Beverages: France remains a coffee culture, with this category expected to be the largest of any non-alcoholic beverage with more than C$2 billion in retail sales by 2025. Bottled water is 2nd largest and is expected to reach C$4.6 billion in 2025.

Alcoholic Drinks: Canadian Whisky sales have actually been on a slight decline in France, whereas Canadian beer imports have increased at a 17.6% CAGR over the past five years.

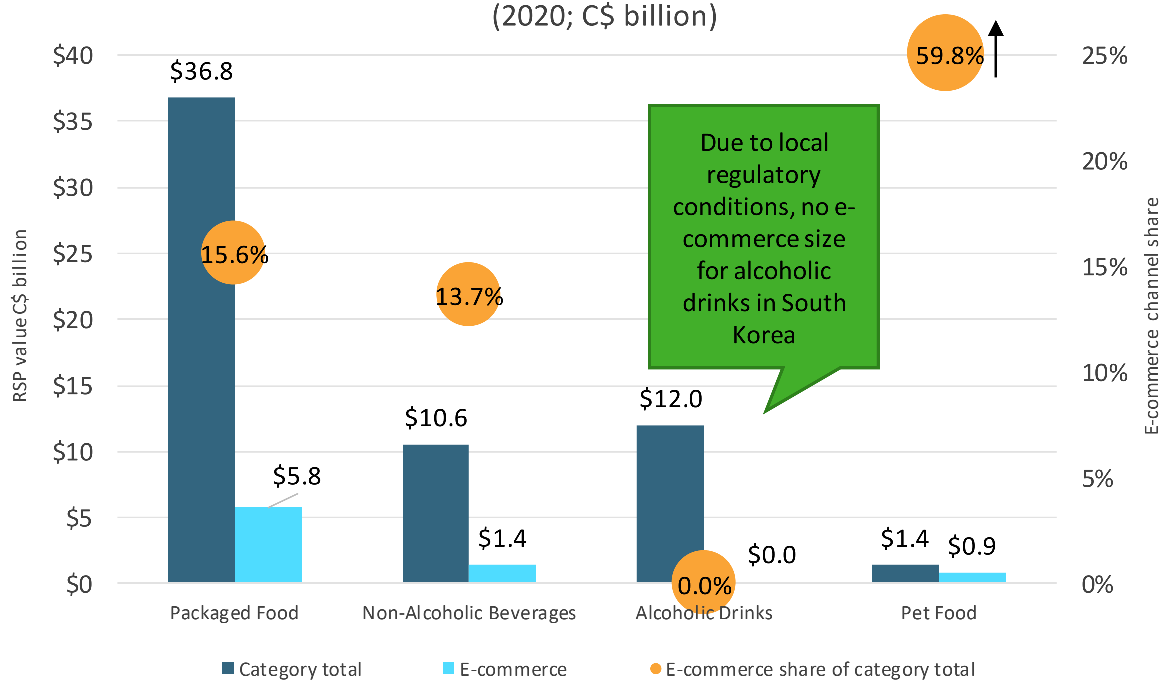
Pet Food: In addition to Amazon, pure play pet care websites Miscota and zooplus are substantial contributors to e-commerce sales of pet food in France.

South Korea Country Snapshot

The most developed market in terms of packaged food and beverage sales through e-commerce in 2020

South Korea is the smallest market in terms of total market demand, but most penetrated in terms of e-commerce as a distribution channel

Market snapshot for packaged food and beverages in South Korea (2020; C$ billion)



Source: Euromonitor International

C$60.8 bn

Total Packaged Food and Beverage Market in 2020 (rank: 10th of 10)

C$8.0 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 6th of 10)

13.2%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 1st of 10)

Double-digit annual growth was seen in the size of leading Canadian product category imports by South Korea

Top five Canadian packaged food and beverage products imported by South Korea (2019)

Product Category	Imports from Canada (2019; C$ million)	Historic CAGR (2014-19)
Fats & Oils	$157.5	13.5%
Processed Meat & Seafood	$150.5	26.7%
Food Preparations	$123.0	13.2%
Processed Fruit & Vegetables	$40.6	32.8%
Dog & Cat Food	$24.8	32.4%

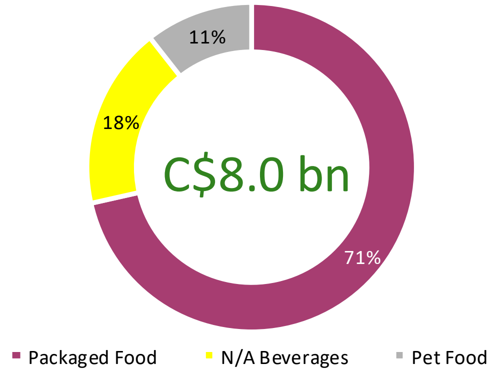
C$529 mn

Size of Canadian Packaged Food and Beverage Imports in 2019 (rank: 4th of 10)

Top five packaged food and beverage products sold in the South Korean e-commerce landscape (2020)

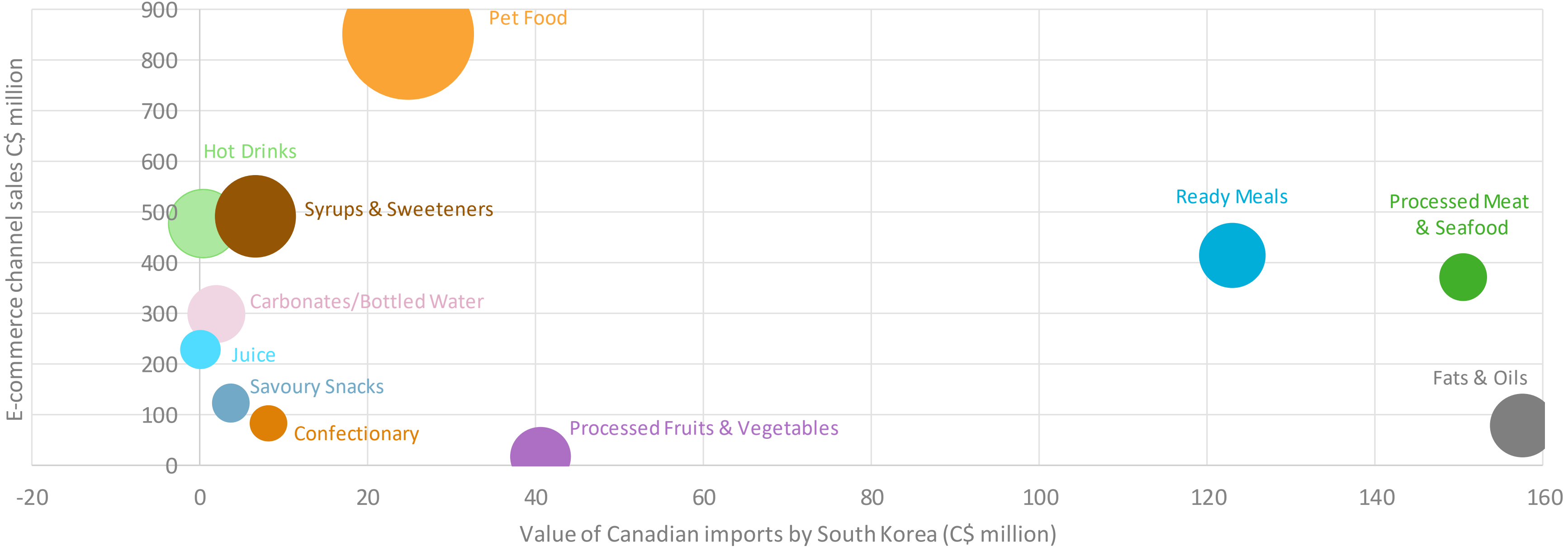
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Dairy	$1,233	19.9%	15.6%
Pet Food	$852	59.8%	17.5%
Sauces, Dressings, Condiments	$493	23.4%	27.5%
Ready Meals/Food Preps	$415	15.3%	22.2%
Processed Meat & Seafood	$373	35.5%	67.2%

Industry split of packaged food and beverage e-commerce channel sales in South Korea (2020)



No product category reached C$1 billion in e-commerce channel sales in 2020

Comparative analysis of select products imported by South Korea and how these product categories perform in the Korean e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – South Korea

Packaged Food

Ready meals recorded a spike in value growth in 2020 thanks to offering convenient home meal replacements and restaurant meal replacements amid the COVID-19 pandemic.

With both adults and children spending more time at home, confectionery, sweet biscuits and savory snacks have all experienced increased consumption. Moving forward, ready meals, processed meat and seafood, and processed vegetables are expected to see further market growth.

N/A Beverages

The pandemic brought about a greater shift to e-commerce which offers convenience, greater price competition, and home delivery of bulky items with a wider range of packaging formats.

Both retailers and manufacturers shifted toward e-commerce, with multiple soft drink players introducing direct-to-consumer online sites, particularly for bottled water. In the short term, more "at-home" products are expected to see strong performance through e-commerce in South Korea, with larger formats remaining popular to serve an entire family.

Alcoholic Drinks

While the Korean tax authorities made an allowance for consumers to purchase alcohol online in April 2020, it is strictly a buy-online-pickup-in-store (BOPIS) program and thus not considered true e-commerce sales.

Also in 2020, the South Korean government introduced a new volume-based excise tax system for all alcoholic drinks, and this is expected to benefit locally produced beer, enabling craft beer to be more competitive.

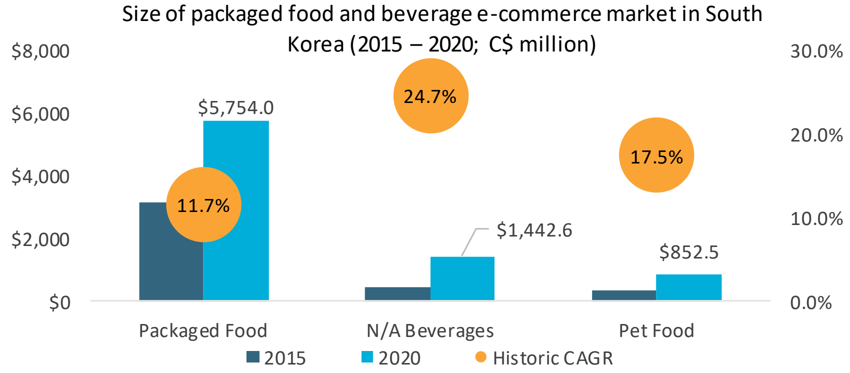
Pet Food

The main trends underpinning growth in the past few years and moving forward are the expansion of the pet population, especially cats and small breed dogs, and the increasing propensity of Korean pet owners to pamper and humanize their pets, offering them food that is human grade, organic and/or holistic.

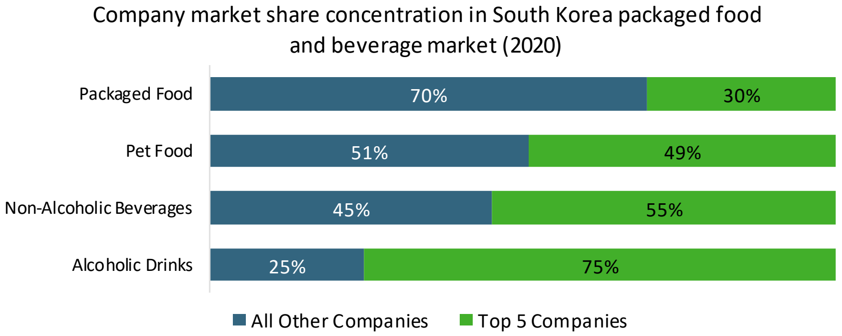
Nearly 60% of pet food was sold via e-commerce in 2020, as many Korean pet owners are now in the habit of purchasing all of their pet care products online due to the convenience of home delivery, especially for bulkier, heavier food packages.

South Korean websites list hundreds of thousands more packaged food and beverage SKUs than any of the other nine markets under review

E-commerce size and growth



Competitive environment



Key e-commerce websites in South Korea

Rank (SKUs* on Via)	Packaged Food	N/A Beverages	Alcoholic Drinks	Pet Food
1	GMarket (614.1k SKUs)	GMarket (277.9k)	GMarket (619)	GMarket (167.9k)
2	Interpark (506.1k)	Interpark (207.8k)	Interpark (166)	Tmon (154.5k)
3	Tmon (484.5k)	Tmon (158.6k)	Tmon (111)	Interpark (101.6k)
4	Lotte (111.7k)	Lotte (26.2k)	Lotte (48)	CJ Mall (20.3k)
5	11th Street (30.1k)	11th Street (10.3k)	11th Street (13)	GS Shop (19.4k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: The leading Canadian import product categories are the same ones that will benefit from more at-home meal consumption, namely ready meals and processed meats & seafood, thanks to their time-saving convenience for younger Koreans.

N/A Beverages: The three leading e-commerce sites offer over 600,000 non-alcoholic beverage SKUs, an indication of the willingness to stock a wide array of products and brands. Over the forecast period, bottled water (7.9% 2020-25 value CAGR) and sports drinks (5.3%) are expected to see the highest growth.

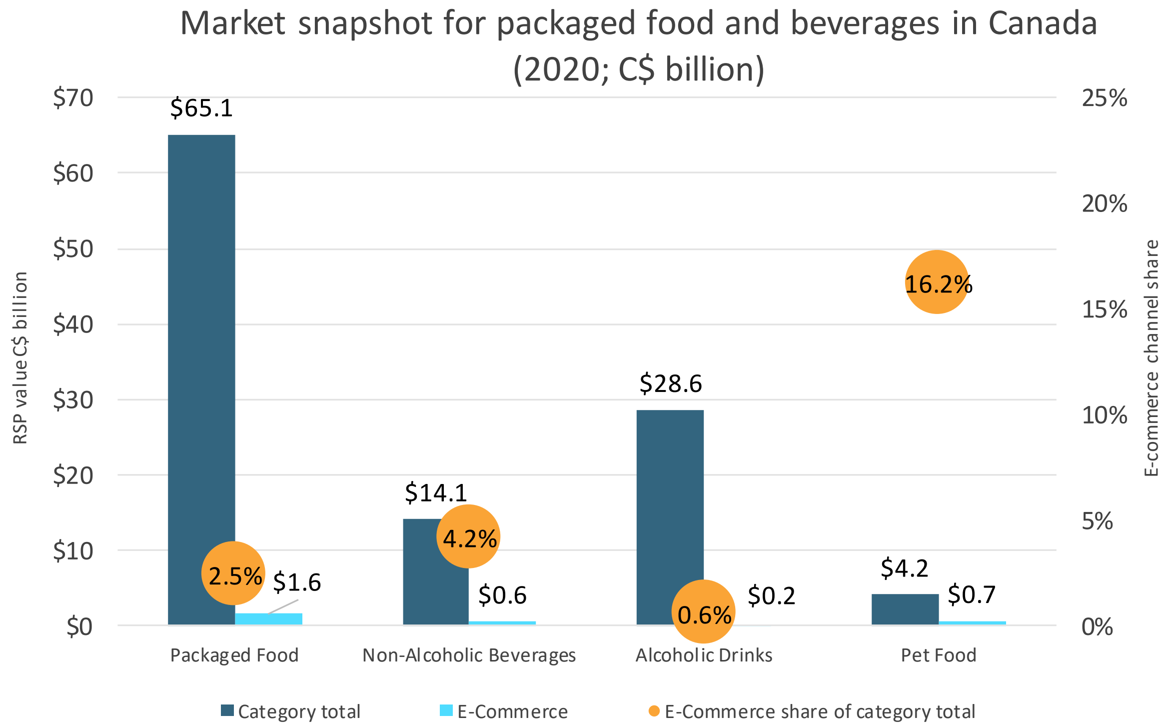
Alcoholic Drinks: True e-commerce fulfillment is not allowed in South Korea; market entry for an international manufacturer requires sales through physical retail outlets or on-trade establishments.

Pet Food: The South Korean pet product market is far more fragmented than in most developed countries, with dynamic local players presenting a strong challenge to global leaders.

Canada Country Snapshot

Online grocery value sales grew by 105% from 2019-20, but less than 3% of total packaged food and beverage sales came from online channels

Canada's e-commerce penetration is highest in Pet Food



Source: Euromonitor International

C$112.0 bn

Total Packaged Food and Beverage market in 2020 (rank: 9th of 10)

C$3.0 bn

E-commerce channel size of total Packaged Food and Beverage in 2020 (rank: 8th of 10)

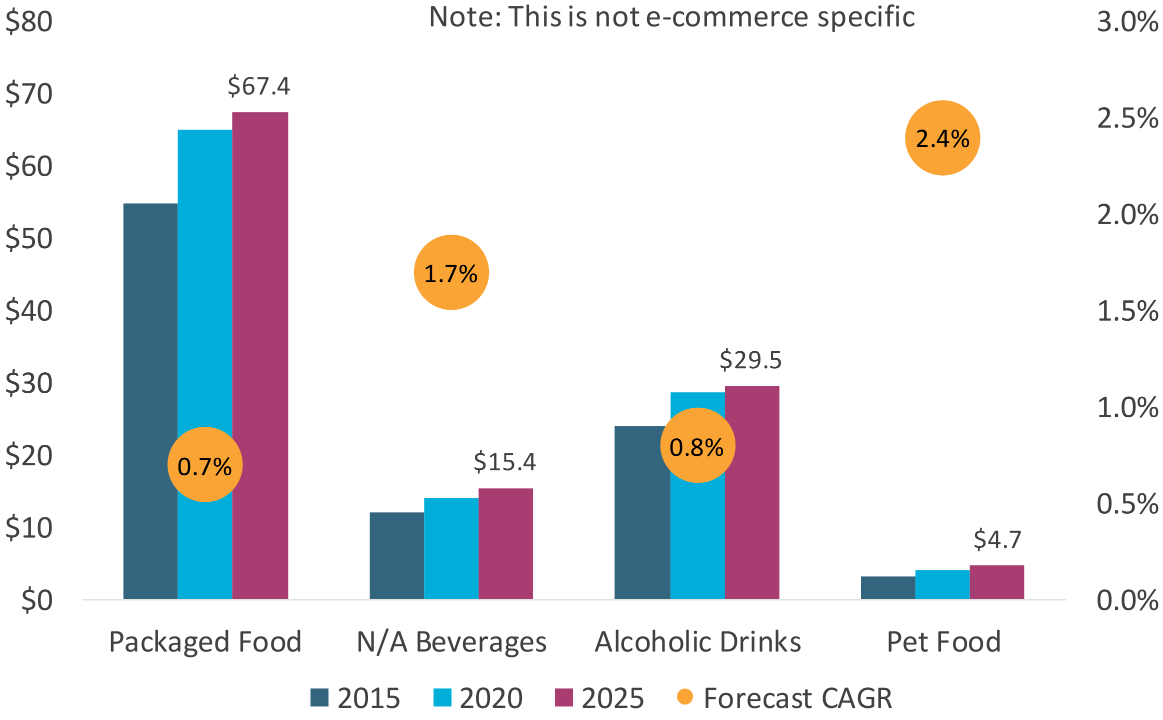
2.7%

E-commerce channel share of total Packaged Food and Beverage in 2020 (rank: 7th of 10)

Canadian packaged food and beverage market is projected to grow by more than C$5 billion by 2025, with much of this growth expected to come from e-commerce

Total Canadian packaged food and beverage market size (2015 – 2025; C$ billion)

Note: This is not e-commerce specific



Source: Euromonitor International

Forecast Absolute Gains by Sector (2020 – 2025 in C$)

Packaged Food	$2,275 mn (5th of 10)
N/A Beverages	$1,275 mn (8th)
Alcoholic Drinks	$903 mn (5th)
Pet Food	$527 mn (4th)

Food and beverage e-commerce outlook in Canada: Investments from key players in digital transformation such as Walmart and Loblaw's and other retailers have worked out the kinks for selling groceries online.

Demand for packaged food and beverages e-commerce will increase and expand at an expected CAGR of 23% through 2025, well outpacing the overall category growth.

Sector Snapshot – Canada

Packaged Food

Online grocery sales value grew 105% in 2020 with many grocery retailers partnering with delivery platforms (i.e. Instacart), offering click-and-collect or curbside pickup.

While e-commerce has traditionally been offered by larger stores, smaller players are adapting their online offerings to respond to new demands from consumers.

Rice, pasta and noodles, ready meals, cooking sauces, frozen produce, snacks and dairy products all witnessed rising overall demand, especially via sales through e-commerce platforms.

N/A Beverages

The share of e-commerce in soft drinks is fairly small, and in 2020, despite the growth, will continue to only comprise a small portion of soft drink distribution share.

Hot drinks e-commerce has seen the strongest increase in sales in 2020, as it was viewed as both safe and economical. Looking ahead, fortified and functional hot drinks could reach levels of mainstream popularity that have thus far not been observed. Health-conscious consumers will favor fruit/herbal teas and functional variants that offer either a stimulating or calming effect, or claim to boost immunity.

Alcoholic Drinks

All alcoholic drink categories saw off-trade volume growth in 2020. Moving forward, beer is expected to be the only category to see a decline in total volume growth through 2024, while RTDs is expected to see a dynamic double-digit increase.

Sales of alcoholic drinks via e-commerce were very low prior to 2020; however this channel's share rose strongly during the pandemic. Consumer interest in e-commerce prompted more players to launch or improve their e-commerce sites, with Liquor Control Board of Ontario (LCBO), The Beer Store (TBS) and Société des Alcools du Québec (SAQ) offering online sales, and Uber Eats even joining the fray.

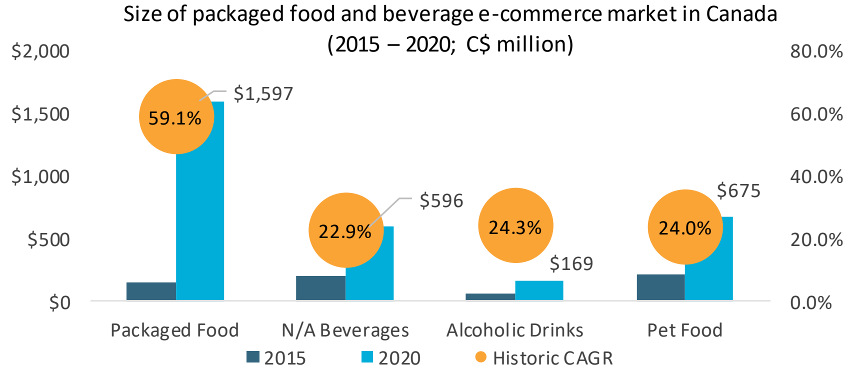
Pet Food

The growth of e-commerce is expected to continue in pet care, changing the competitive environment. Consumers value this channel due to convenience, a wide product range and the benefit of having these often heavy goods such as pet food delivered to the door.

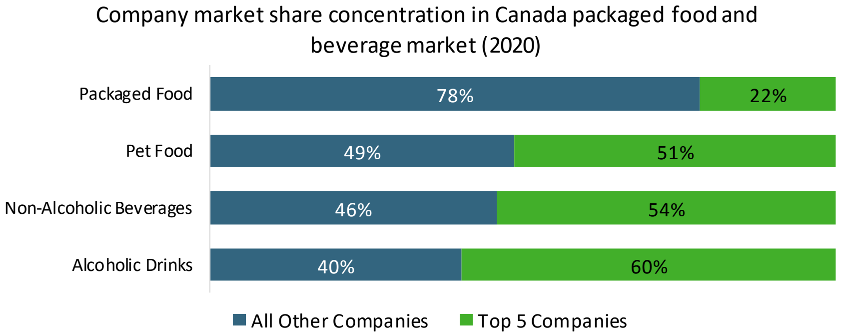
In addition to e-commerce-only players, brick-and-mortar stores are revamping their sales strategies and putting greater emphasis on e-commerce, which is expected to drive strong growth in this channel.

Amazon and the larger grocery retailers are main websites for online groceries in Canada

E-commerce size and growth



Competitive environment



Key e-commerce websites in Canada

Rank (SKUs* on Via)	Packaged Food	N/A Beverages	Alcoholic Drinks	Pet Food
1	Amazon (60.2k SKUs)	Amazon (17.8k)	IGA (419)	Amazon (8.7k)
2	Loblaws (7.9k)	Loblaws (1.6k)	Grocery Gateway (261)	Miscota (8.2k)
3	Real Canadian (7.0k)	Real Canadian (1.3k)	Amazon (51)	Walmart (0.5k)
4	IGA (4.8k)	IGA (1.1k)	Loblaws (19)	Real Canadian (0.4k)
5	Grocery Gateway (4.8k)	London Drugs (1.0k)	Real Canadian (11)	Loblaws (0.3k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Ready meals accounted for 60% of the packaged food e-commerce channel sales in 2020 in Canada as at-home meal consumption spiked during periods of restricted mobility.

N/A Beverages: RTD coffee and RTD tea are expected to post the highest growth across beverages over the forecast period, with an 11.5% and 6.8% value CAGR through 2025.

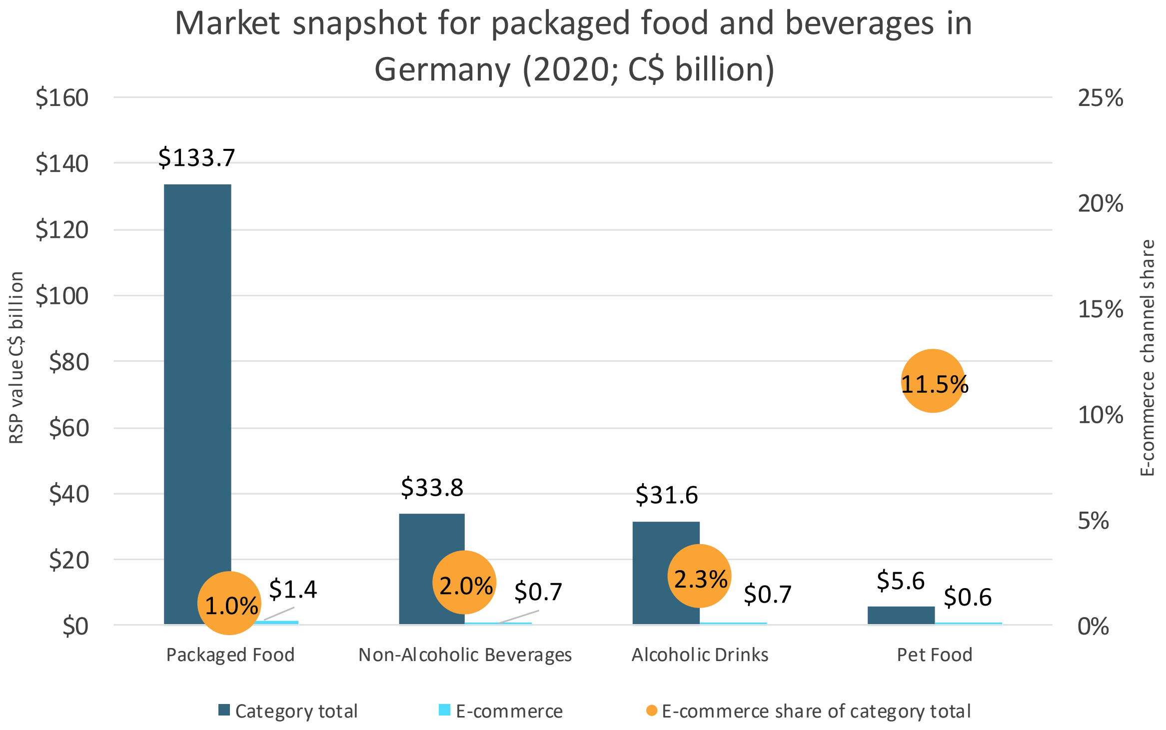
Alcoholic Drinks: Cannabis-infused non-alcoholic beer is a new product development opportunity with potential, and a chance for Canada to potentially take a global lead in this emerging product category.

Pet Food: E-commerce will also benefit from the advance of subscription-based shopping for dog food, such as from online pet specialist retailer Fetch & Stay.

Germany Country Snapshot

A large retail market for packaged food and beverage, but behind in terms of e-commerce sales of these products

E-commerce channel share in Packaged Food is considerably less developed than other European markets such as the United Kingdom (9.7%) and France (7.1%)



Source: Euromonitor International

C$207.7 bn

Total Packaged Food and Beverage Market in 2020 (rank: 4th of 10)

C$3.4 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 7th of 10)

1.7%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 8th of 10)

German imports of Canadian maple syrup surpassed $24 million in 2018, second only to the US

Top five Canadian packaged food and beverage products imported by Germany (2018)

Product Category	Imports from Canada (2018; C$ million)	Historic CAGR (2014-18)
Processed Fruits & Vegetables	$64.1	9.1%
Syrups & Sweeteners	$31.6	11.1%
Processed Meat & Seafood	$27.1	-7.4%
Pet Food	$15.6	-0.5%
Ready Meals	$14.3	19.1%

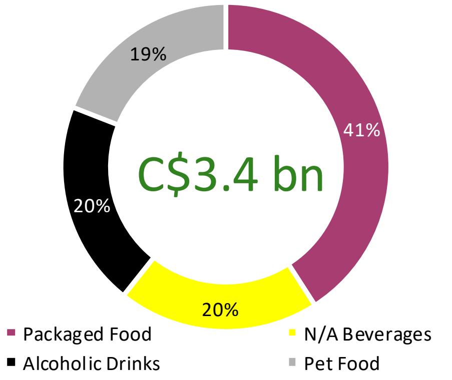
C$178 mn

Size of Canadian Packaged Food and Beverage Imports in 2018 (rank: 8th of 10)

Top five packaged food and beverage products sold in the German e-commerce landscape (2020)

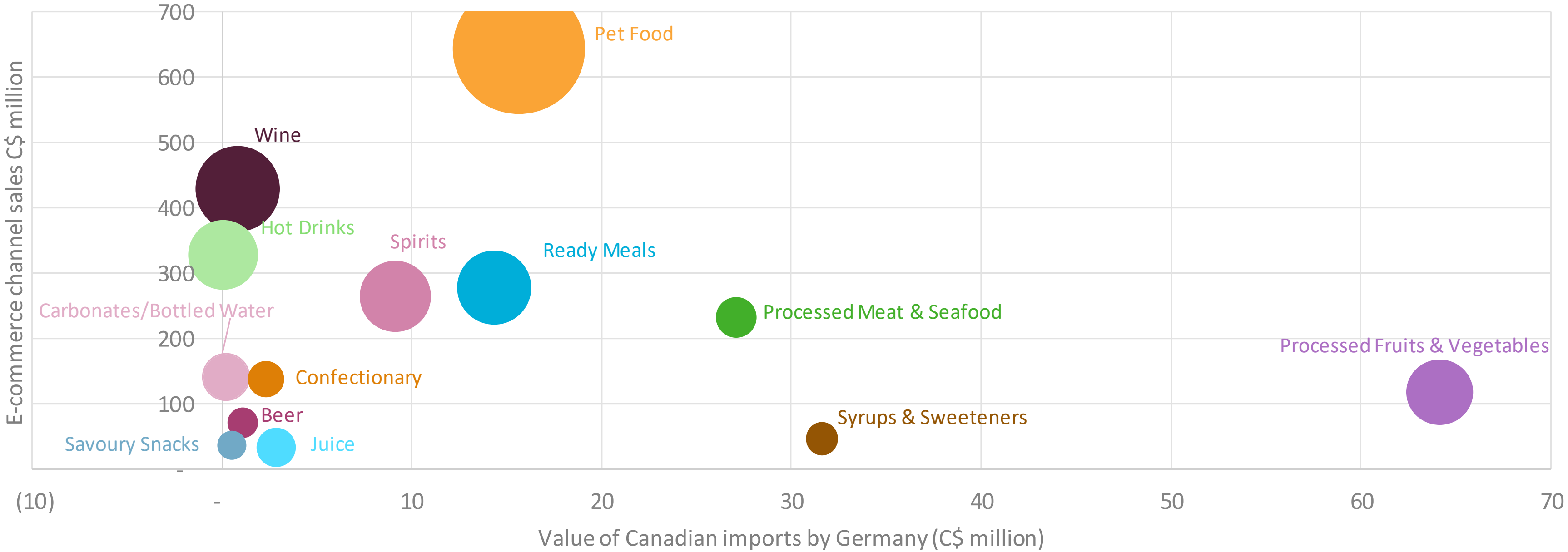
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Pet Food	$644.1	11.5%	15.4%
Wine	$429.9	4.8%	28.0%
Ready Meals	$277.3	3.6%	32.8%
Dairy	$264.1	0.9%	31.8%
Processed Meat & Seafood	$231.5	1.1%	10.2%

Industry split of packaged food and beverage e-commerce channel sales in Germany (2020)



Six product categories exceeded C$200 million in e-commerce value sales in Germany

Comparative analysis of select products imported by Germany and how these product categories perform in the German e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – Germany

Packaged Food

Before COVID-19, Germans were slow to adopt e-commerce, preferring to purchase groceries quickly on the way home, mainly because they value choosing fresh foods themselves. In 2020, interest in e-commerce rose as COVIDS-19 forced consumers to seek convenient and safer shopping options from their home.

Dinner meal kits in particular will continue to gain in popularity and play an increasingly important role within ready meals. The pandemic put a spotlight on foods that promote health and immunity, which will drive sales of processed fruits and vegetables.

N/A Beverages

During the onset of COVID-19, stockpiling behavior boosted sales of bottled water, coffee, tea and juice in 2020. Juice experienced a resurgence as it moved from being seen as a rather unhealthy, high-sugar beverage to one offering high vitamin content and potential immune system-enhancing benefits.

More consumers used the e-commerce platforms of grocery retailers such as Rewe Markt's to order non-alcoholic beverages and avail themselves of delivery or click-and-collect services.

Alcoholic Drinks

Germany is the 5th largest international market for spirits by volume sold through e-commerce, having multiple pure play alcoholic drinks websites including MySpirits.eu, UrbanDrinks.de and Whisky.de. Both Flaschenpost, a provider of at-home alcohol delivery with a 2-hour delivery window, and Hawesko, the leading wine e-commerce site, saw a boost in sales in 2020 as consumers remained cautious about socializing at on-trade establishments when they reopened.

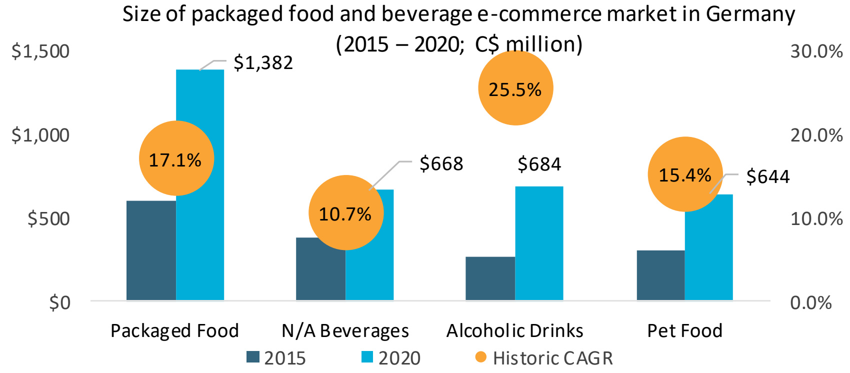
Pet Food

Dominated by the pure player Zooplus, e-commerce continues to become an increasingly popular channel in pet care, notably due to its convenience for bulky purchases in dry cat and dog food and as a result of aggressive price promotions.

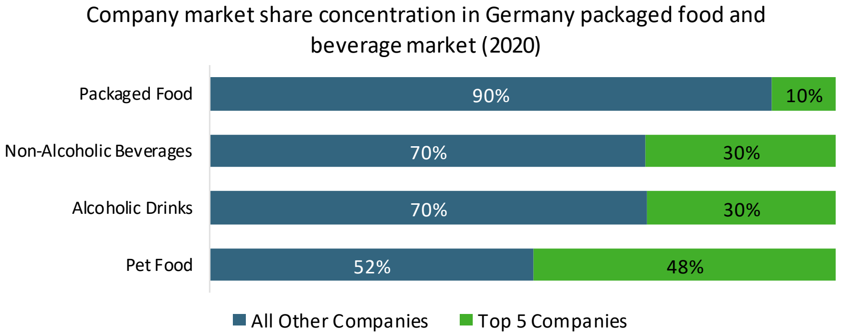
Manufacturers are also increasingly developing their own e-commerce platforms in order to sell directly, and to collect more data about their customers, notably by offering subscription models. Premiumization continues to drive value growth, notably with a focus on natural ingredients and clean labels.

German competitive landscape in packaged food and beverage has least market concentration in terms of share of five largest companies

E-commerce size and growth



Competitive environment



Key e-commerce websites in Germany

Rank (SKUs* on Via)	Packaged Food	N/A Beverages	Alcoholic Drinks	Pet Food
1	Amazon (20.6k SKUs)	Amazon (30.9k)	Amazon (15.7k)	Amazon (14.1k)
2	Bringmeister (6.0k)	Bengmeister (1.8k)	Real (7.6k)	Miscota (11.5k)
3	Mytime.de (4.1k)	Rewe (1.6k)	Rewe (1.6k)	Zooplus (7.9k)
4	Rewe (2.4k)	Mytime.de (0.7k)	Hawesko (1.4k)	Fressnapf (5.3k)
5	Edeka (2.4k)	Edeka (0.5k)	Bringmeister (1.4k)	New Pharma (0.8k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Ready meals are the largest category for e-commerce channel share (3.6%) and sales ($277 million) in Germany, with historic channel CAGR of 31.6% (2015-20).

N/A Beverages: From 2021-2025, consumers are increasingly likely to make orders via specialist websites for hot drinks, where they will find coffee available in bigger packs and access to more specialist products as well as fair trade and organic coffees and teas.

Alcoholic Drinks: Retail spirits sales remained aligned with pre-pandemic predictions, with strong growth projected for gin and whiskey. Consumers in Germany spent more than C$20 million on Canadian whisky in 2020, but demand has been flat over the past five years.

Pet Food: Demand for more nutritious pet food, particularly recipes with high meat content, is increasing. Treats are expected to experience the strongest growth and are increasingly seen as an integral part of a pet's diet.

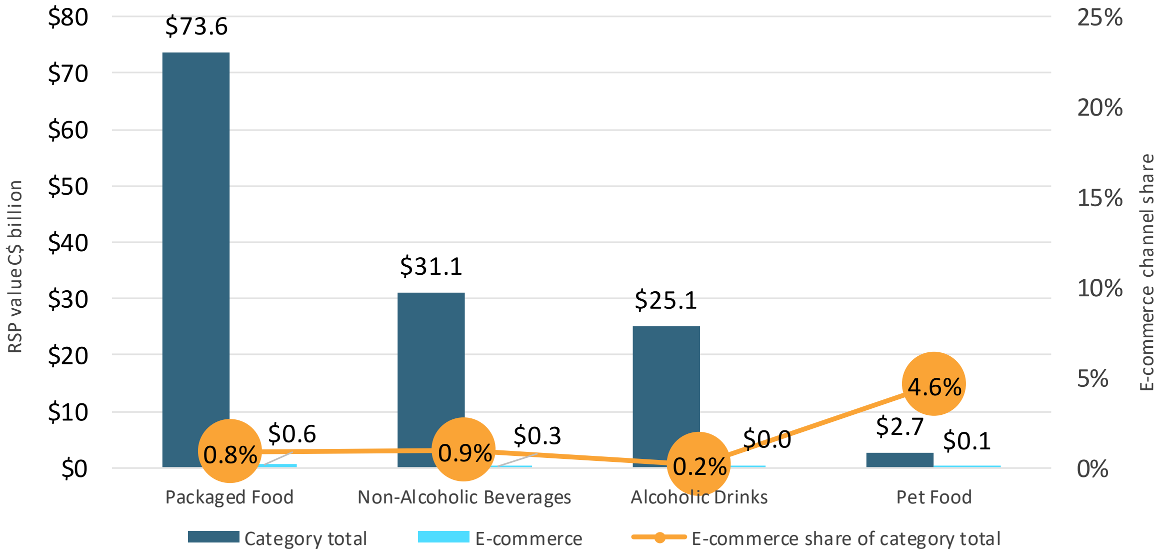
Mexico Country Snapshot

Smallest e-commerce market size for packaged food and beverages, as Mexican consumers appreciate the social aspect of grocery shopping in physical stores

Mexico is only market where e-commerce share in packaged food and beverage has not reached 1% of total category sales

Note: Many consumers in Mexico were more resistant to the transition to e-commerce for a range of factors. These included concerns with security centered around safety of payment information on online portals and distrust regarding home delivery, which has translated to the popularity of click-and-collect options. Additionally, from a cultural standpoint, going to the grocery store multiple times a week is often seen as an important part of one's social life in Mexico, and it is difficult to replace that experience with an app or website.

Market snapshot for packaged food and beverages in Mexico (2020; C$ billion)



Source: Euromonitor International

C$132.4 bn

Total Packaged Food and Beverage Market in 2020 (rank: 8th of 10)

C$1.1 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 10th of 10)

0.8%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 10th of 10)

Processed Fruit & Vegetables is the largest Canadian import category by Mexico

Top five Canadian packaged food and beverage products imported by Mexico (2019)

Product Category	Imports from Canada (2019; C$ million)	Historic CAGR (2014-19)
Processed Fruit & Vegetables	$129.4	21.8%
Ready Meals	$103.4	13.6%
Savoury Snacks	$82.1	14.0%
Chocolate & Confectionary	$44.7	5.5%
Processed Meat & Seafood	$42.6	13.7%

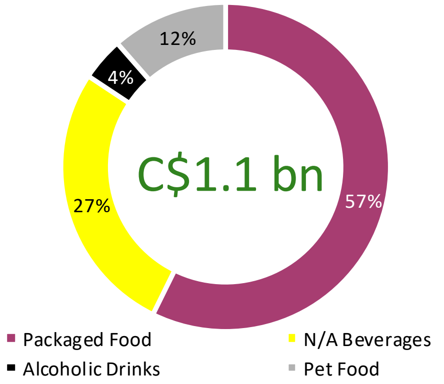
C$458 mn

Size of Canadian Packaged Food and Beverage Imports in 2019 (rank: 5th of 10)

Top five packaged food and beverage products sold in the Mexican e-commerce landscape (2020)

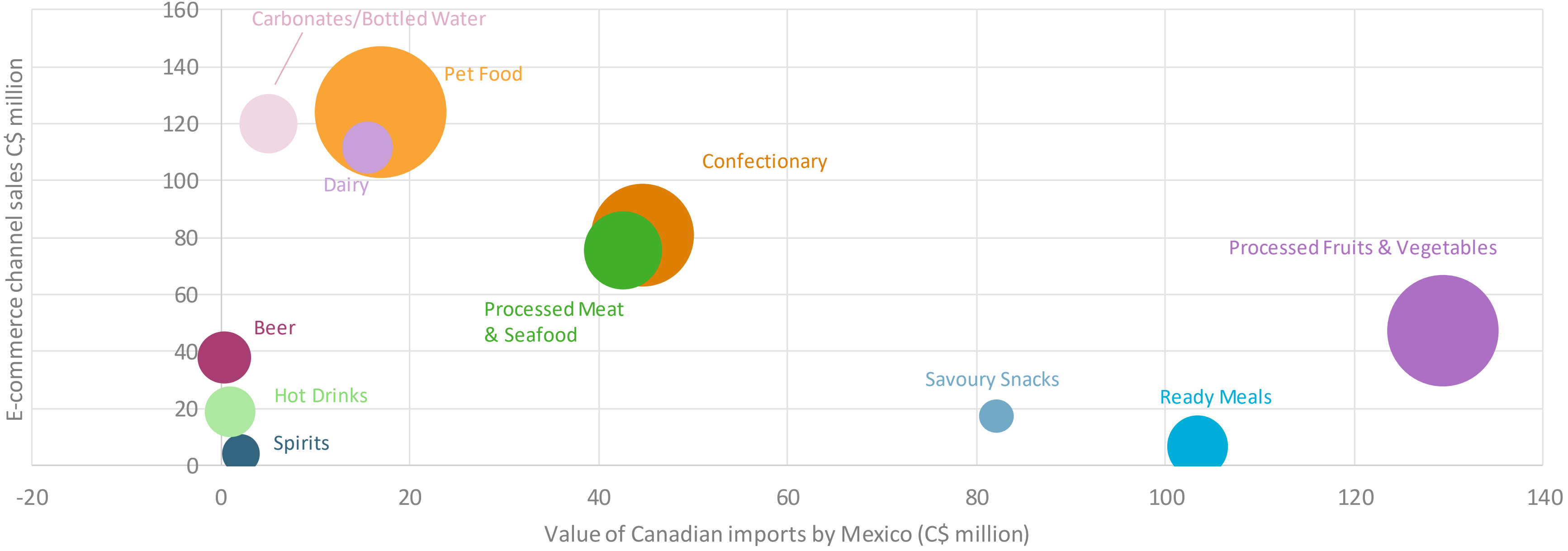
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Pet Food	$124.2	4.6%	44.9%
Sauces, Dressings & Condiments	$124.0	2.8%	34.9%
Carbonates	$120.4	0.9%	26.0%
Dairy	$111.6	0.7%	47.5%
Processed Meat & Seafood	$75.4	1.6%	40.7%

Industry split of packaged food and beverage e-commerce channel sales in Mexico (2020)



Larger format Carbonates/Bottled Water were sold via e-commerce in 2020 as Mexicans sought to stockpile amid times of limited mobility

Comparative analysis of select products imported by Mexico and how these product categories perform in the Mexican e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – Mexico

Packaged Food

Packaged food was a strong beneficiary of the boost in e-commerce due to COVID-19. While independent grocery retailers (35.7% channel share) remained the leading channel in 2020, e-commerce was the channel to see the greatest uplift in growth, doubling in size vs. 2019 to reach C$621 million in 2020.

As a consequence of COVID-19 stay-at-home regulations, sales of packaged food increased for those foods deemed essential such as bread, beans, tinned foods and rice, with consumers stockpiling goods with a long shelf life.

N/A Beverages

Third party retailers with their own e-commerce platforms and digital apps such as Rappi were success stories that drove growth in soft drinks e-commerce in Mexico in 2020. At the same time, major players leveraged their bulk water distribution networks to make home deliveries of other products, including carbonates and milk. Ordering channels became more diverse as a response, and also included phone orders and WhatsApp messages directly to the delivery staff.

Alcoholic Drinks

General stockpiling of alcohol at the start of the pandemic expanded to online ordering so that producers of alcoholic beverages, alcoholic drinks specialist stores, and grocery retailers all saw their e-commerce sales of alcohol spike.

Sales through last mile delivery services, such as Rappi, also increased dramatically. However, e-commerce for alcoholic drinks remains incredibly low at less than C$50 million in channel sales in 2020, only larger than countries such as India and South Korea that completely prohibit the sale of alcohol online.

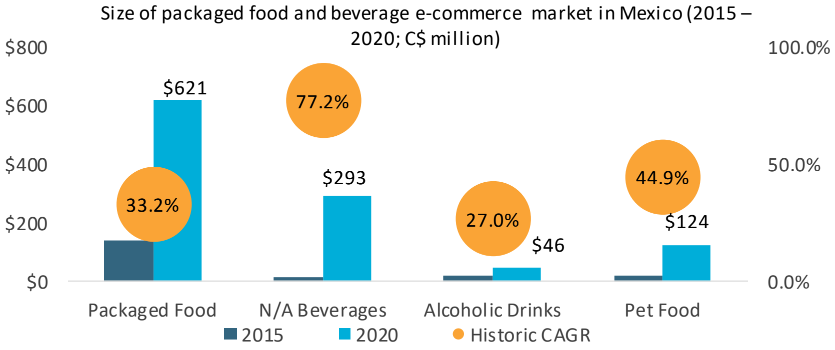
Pet Food

Pet food is the only industry where e-commerce channel share exceeds 1% in 2020, but the 4.6% share ranks 10th among the 10 countries under review. E-commerce continues to grow steadily in Mexico as retailers such as Amazon create more trust in online sales among consumers who appreciate the convenience of e-commerce.

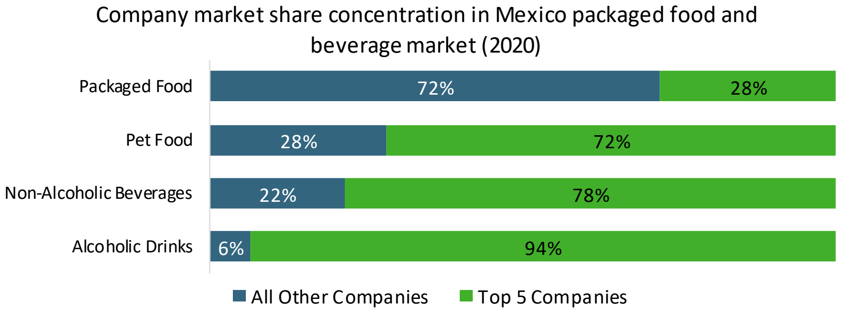
In general, online consumers are more tech-savvy and better educated, thus boosting premium pet food demand, particularly as pure e-commerce retailers tend to offer a wide product range.

E-commerce channel size registers tremendous growth, albeit rising from a very small base in 2015

E-commerce size and growth



Competitive environment



Key e-commerce websites in Mexico

Rank (SKUs* on Via)	Packaged Food	N/A Beverages	Alcoholic Drinks	Pet Food
1	Chedraui (7.3k SKUs)	Amazon (2.1k)	Amazon (1.7k)	Maskota (10.6k)
2	La Comer en Tu Casa (6.9k)	Chedraui (1.6k)	Chedraui (1.5k)	Amazon (9.6k)
3	Walmart (6.3k)	La Comer en Tu Casa (1.5k)	La Comer en Tu Casa (1.0k)	Mercado Libre (1.6k)
4	H-E-B (4.7k)	Walmart (1.3k)	El Palacio de Hierro (0.9k)	Walmart (0.3k)
5	Amazon (4.5k)	Superama (0.8k)	Linio (0.8k)	La Comer en Tu Casa (0.3k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: A new labelling regulation that came into force in October 2020 requires the use of black seals to clearly identify products high in sugar, calories, sodium or fat, and this is expected to increase consumer focus on health.

N/A Beverages: Bottled water, juice and concentrates saw a strong performance during the pandemic, while RTD tea and coffee sales declined due to their higher price points and unessential status.

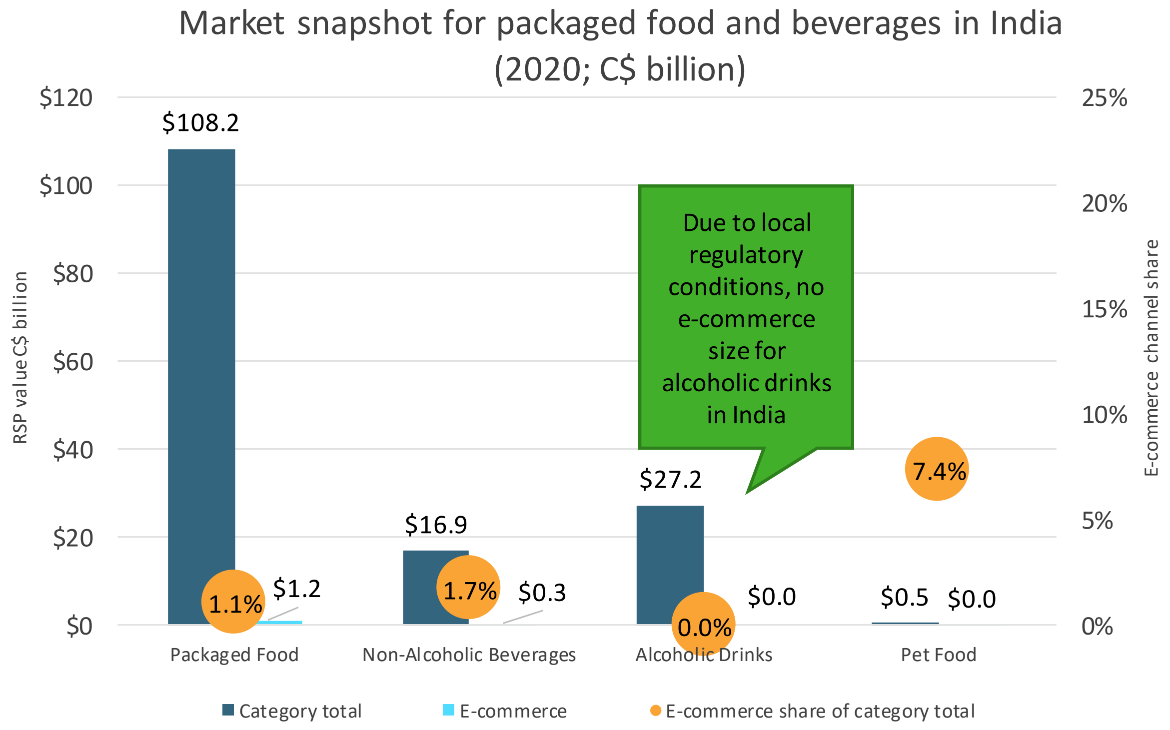
Alcoholic Drinks: Extremely consolidated market with AB InBev and Heineken accounting for 90%+ share; approximately the same value of maple syrup as distilled spirits was exported from Canada to Mexico in 2019 (C$2.1 million).

Pet Food: Maskota offers more SKUs for pet food than Amazon. Additionally, new pure play pet care websites such as Petsy and Petngo are emerging as well.

India Country Snapshot

Packaged food and beverage sales are expected to rise at a CAGR of 8.0% through 2025, twice the rate of China, the second fastest-growing market

India’s e-commerce market size in 2020 was larger only than Mexico



Source: Euromonitor International

C$152.8 bn

Total Packaged Food and Beverage Market in 2020 (rank: 7th of 10)

C$1.5 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 9th of 10)

1.0%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 9th of 10)

Three packaged food categories surpassed C$200 million in e-commerce sales in 2020

Top five Canadian packaged food and beverage products imported by India (2018)

Product Category	Imports from Canada (2018; C$ million)	Historic CAGR (2014-18)
Fats & Oils	$14.0	44.9%
Syrups & Sweeteners	$4.3	6.9%
Food Preparations	$2.4	10.2%
Prepared/Preserved Seafood	$1.6	170.1%
Dog & Cat Food	$1.4	78.2%

C$25 mn

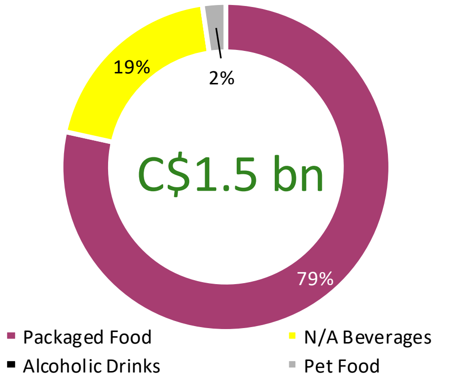
Size of Canadian Packaged Food and Beverage Imports in 2018 (rank: 9th of 10)

Top five packaged food and beverage products sold in the Indian e-commerce landscape (2020)

Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Dairy	$269	0.8%	Not available (N/A)
Ready Meals/Food Preps	$207	33.2%	35.4%
Rice	$204	1.9%	135.6%
Confectionary	$81	1.6%	40.5%
Baby Food	$78	6.5%	N/A

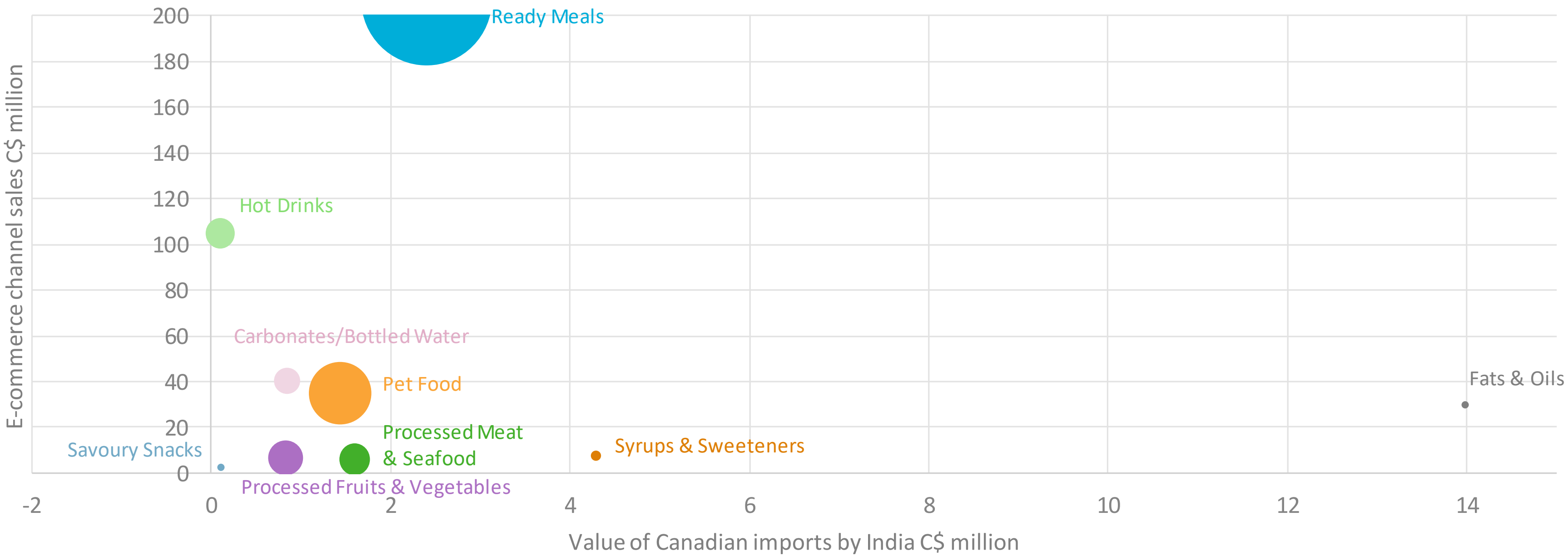
Note: N/A for Historic CAGR means that e-commerce sales of the product did not exist in 2015

Industry split of packaged food and beverage e-commerce channel sales in India (2020)



Ready Meals sales via e-commerce doubled in value sales from 2019-20 in India

Comparative analysis of select products imported by India and how these product categories perform in the Indian e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – India

Packaged Food

Categories benefiting from the lockdown and greater in-home dining included butter, soft cheese, herbs and spices, and staples such as rice and edible oils. Convenience and ease of preparing and cooking food have also been the main drivers of categories such as noodles, pasta, spreads, and breakfast cereals.

Products such as olive oil, soybean oil, and fortified packaged food products such as bread experienced much higher demand in 2020 as Indian consumers perceived them as beneficial to their health, making them more resistant to the coronavirus.

N/A Beverages

E-commerce gained share during the pandemic, with particularly strong growth for carbonates and concentrates, benefiting from the availability of bulk pack sizes at low prices. Both PepsiCo and Coca-Cola partnered with Common Services Centres (CSC) to list their products on the Grameen e-Store, a leading site for online groceries. In hot drinks, most major players registered 100% growth through their e-commerce channel. Something Brewing launched an e-commerce marketplace offering a variety of coffee equipment in addition to domestic and international coffee brands.

Alcoholic Drinks

In the beginning of the COVID-19 lockdown, the Indian government prohibited alcohol sales for a short time, while governments in 18 states implemented a “Corona Cess” tax on food/drink/tobacco specialists that ranged from 10% to 75% on alcohol, which priced beer outside the reach of most consumers.

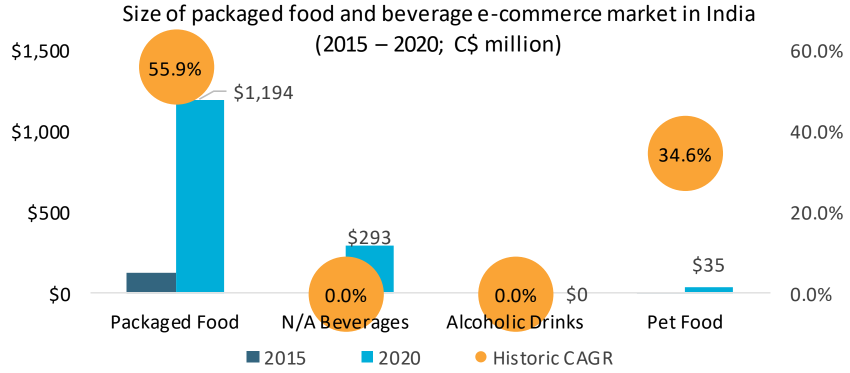
India prohibits the sale of alcoholic drinks via e-commerce, but as of late 2020, some Indian states have decided to make alcohol more available through online sales and on-demand delivery or in-person pickup.

Pet Food

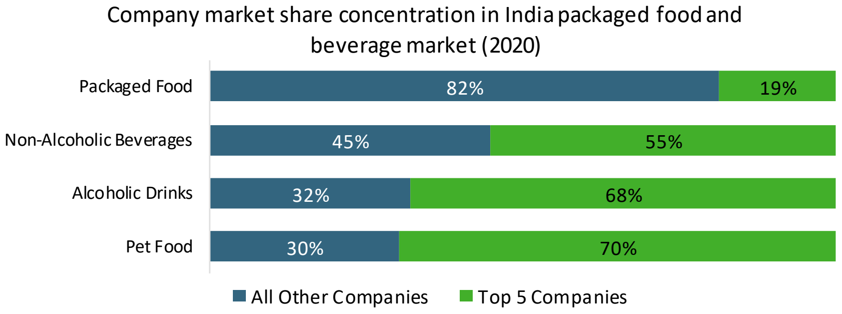
2020 retail value sales for pet food was less than C$500 million, which makes it the smallest market for pet food across the 10 countries under review. Pet ownership is increasing in India due to urbanization and rising disposable incomes among middle-class households, coupled with changing attitudes in regards to pets. Most owners in India still feed their dogs and cats non-prepared food, but for the minority that purchase packaged pet food, there is a growing focus on delivering optimum nutrition.

While the size of e-commerce only reached C$1.5 billion in 2020, this is a ten-fold increase versus 2015, when only $131 million of packaged food and beverage was sold online

E-commerce size and growth



Competitive environment



Key e-commerce websites in India

Rank (SKUs* on Via)	Packaged Food	N/A Beverages	Alcoholic Drinks	Pet Food
1	Flipkart (12.3k SKUs)	Amazon (4.1k)	Nature's Basket (140)	Miscota (10.6k)
2	Amazon (7.3k)	Flipkart (2.1k)	Amazon (70)	Amazon (5.1k)
3	Big Basket (5.6k)	Big Basket (1.1k)	Flipkart (44)	Flipkart (2.9k)
4	Spar (2.0k)	LuLu (0.2k)	Big Basket (14)	Big Basket (0.3k)
5	Nature's Basket (1.3k)	Spar (0.2k)	LuLu (11)	Grofers (0.1k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Amazon with Amazon Pantry and Flipkart with Flipkart Supermart launched online grocery businesses in India and encouraged millennials and affluent consumers to move from shopping in physical stores to online.

N/A Beverages: Bottled water and juice are expected to be the best-performing categories over the forecast period and reach 53% of total non-alcoholic beverages sales in 2025.

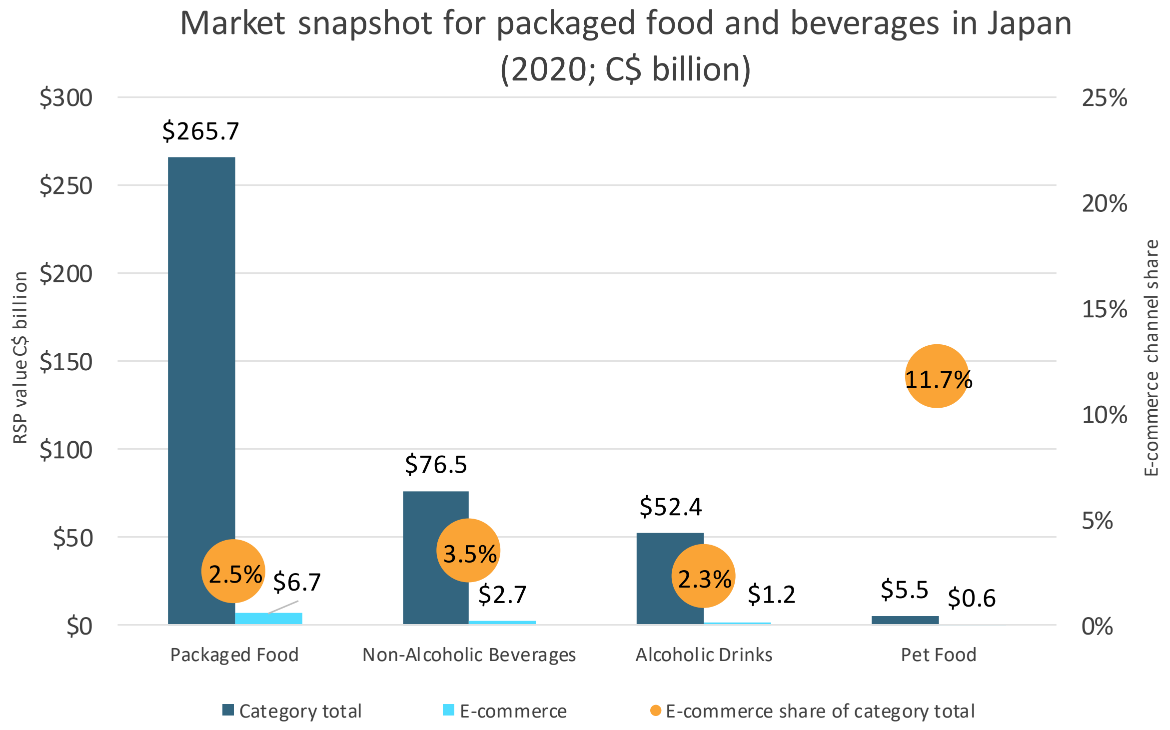
Alcoholic Drinks: E-commerce players such as Amazon, Swiggy, Zomato and Big Basket began delivering alcohol to consumers from stores for a fee, with this trend likely to continue into 2021 and beyond. Going forward, changes to regulations around the sale of alcoholic drinks via e-commerce could come to the fore with this channel's capacity and infrastructure being developed to serve consumers in India.

Pet Food: In addition to leading pure play specialist Miscota, MyPetStation and other chains of pet shops such as Heads Up For Tails (HUFT) are taking an omnichannel approach to retailing in order to reach more consumers and provide greater convenience.

Japan Country Snapshot

Japan is the 3rd largest importer of Canadian packaged food and beverages and represents the 3rd largest market in 2020 in terms of total retail value sales

Size of e-commerce is large, but the channel share in the overall retail environment is low and has not grown as fast as other markets under review



Source: Euromonitor International

C$400.0 bn

Total Packaged Food and Beverage Market in 2020 (rank: 3rd of 10)

C$11.2 bn

E-commerce Channel Size of Total Packaged Food and Beverage in 2020 (rank: 5th of 10)

2.8%

E-commerce Channel Share of Total Packaged Food and Beverage in 2020 (rank: 6th of 10)

Processed Meat & Seafood is largest Canadian import and e-commerce category in Japan

Top five Canadian packaged food and beverage products imported by Japan (2018)

Product Category	Imports from Canada (2018; C$ million)	Historic CAGR (2014-18)
Processed Meat & Seafood	$388.0	1.4%
Ready Meals	$125.1	0.2%
Processed Fruits & Vegetables	$82.1	-2.0%
Fats & Oils	$72.7	8.7%
Syrups & Sweeteners	$44.1	-6.2%

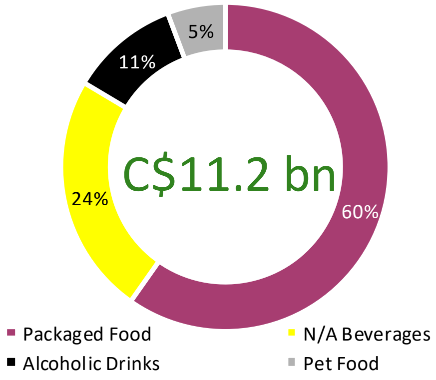
C$865 mn

Size of Canadian Packaged Food and Beverage Imports in 2018 (rank: 3rd of 10)

Top five packaged food and beverage products sold in the Japanese e-commerce landscape (2020)

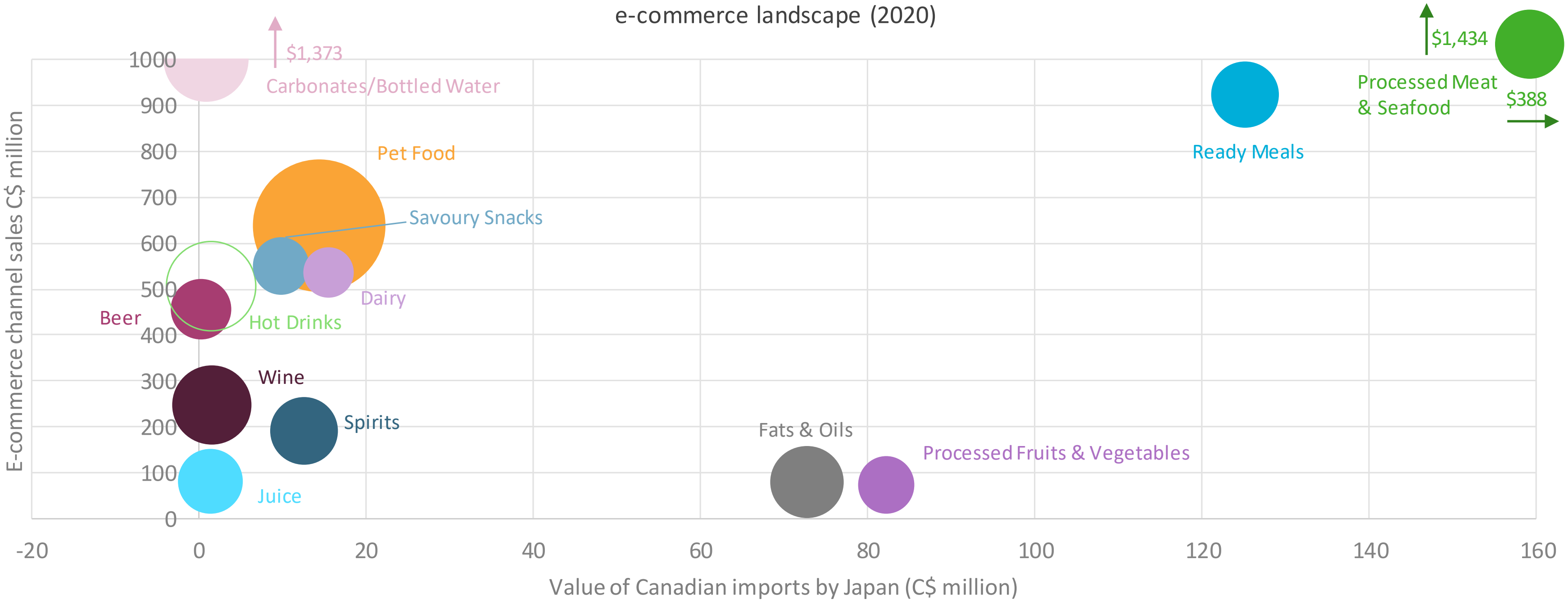
Product Category	E-commerce Channel Sales (2020; C$ million)	Share of E-commerce of all distribution (2020)	Historic E-commerce CAGR (2015-20)
Processed Meat & Seafood	$1,434.2	2.4%	7.8%
Carbonates/Bottled Water	$1,373.4	8.5%	5.5%
Ready Meals	$923.3	3.0%	18.7%
Sauces, Dressings & Condiments	$699.6	2.8%	11.4%
Pet Food	$639.5	11.7%	7.1%

Industry split of packaged food and beverage e-commerce channel sales in Japan (2020)



Processed Meat & Seafood and Ready Meals benefit from the strong Canada-Japan trade relationship, while size of category distribution via e-commerce is significant

Comparative analysis of select products imported by Japan and how these product categories perform in the Japanese e-commerce landscape (2020)



Bubble size represents the e-commerce channel share (%) of all distribution channels in 2020

Source: Euromonitor International (e-commerce channel sales) and UN Comtrade (Canadian import data)

Sector Snapshot – Japan

Packaged Food

As the pandemic hit, many people chose to avoid physical stores entirely, switching to e-commerce and home shopping channels, both of which witnessed a surge in demand. As a result, grocery home delivery providers such as Oisix and Co-opdeli Consumers' Co-operative Union enjoyed a strong sales increase. Products such as noodles, frozen packaged foods and meal kits were among the categories to see the strongest spikes in home deliveries.

N/A Beverages

There are many soft drinks in Japan, and their main target group is consumers in the workplace, which is reflected in their marketing. Yet, the emergence of COVID-19 forced many players to rethink their strategies and reposition their products in order to stave off a more significant drop in sales.

Due to home seclusion, consumers shifted from on-the-go RTD options for hot drinks (coffee, tea) to ones that could be prepared at home, which are now frequently purchased via e-commerce.

Alcoholic Drinks

Japan is the 3rd largest market globally for Spirits volume sold through e-commerce in 2019, with 19 million liters sold online. Beyond Rakuten and Amazon, pure play alcoholic drinks specialist e-commerce sites exist in Japan and could be approached about product placement. These include Musashiya, Saketry and Single Malt World.

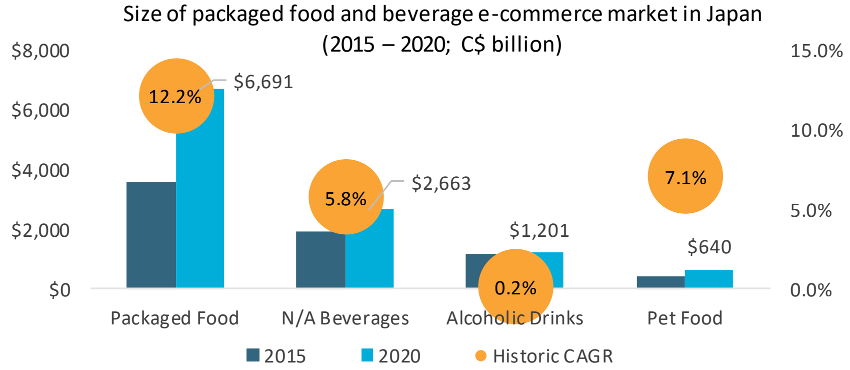
Pet Food

At over 10% share of distribution, e-commerce is becoming increasingly important in pet food, as consumers appreciate the convenience of ordering products online and having them delivered to their homes.

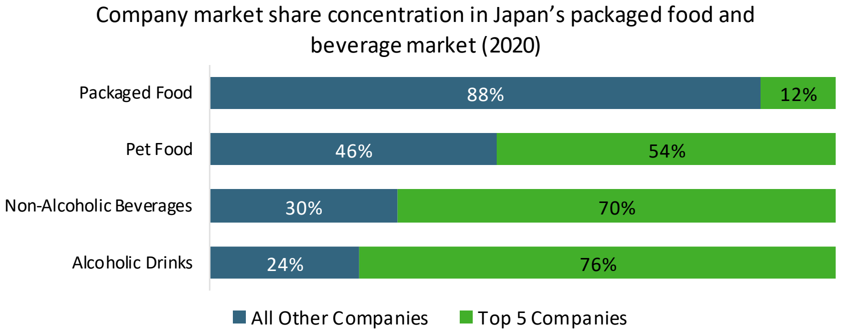
Cat ownership is on the rise, and within cat food, cat treats were the most dynamic part of the category in 2020 as consumers increasingly look to indulge their pets rather than simply provide basic nutrition.

Rakuten and Amazon are leading websites for food and beverage e-commerce placement in Japan

E-commerce size and growth



Competitive environment



Key e-commerce websites in Japan

Rank (SKUs* on Via)	Packaged Food	Non-Alcoholic Beverages	Alcoholic Drinks	Pet Food
1	Rakuten (203.1k SKUs)	Rakuten (103.1k)	Rakuten (118.0k)	Rakuten (136.6k)
2	Amazon (76.5k)	Amazon (31.0k)	Amazon (22.3k)	Amazon (23.7k)
3	Lohaco (18.1k)	Lohaco (6.7k)	Yodobashi Camera (3.9k)	Miscota (10.4k)
4	Yodobashi Camera (11.3k)	Yodobashi Camera (4.5k)	Bic Camera (2.7k)	Lohaco (9.9k)
5	AEON (5.0k)	AEON (0.9k)	Lohaco (2.2k)	Yodobashi Camera (6.7k)

** SKU data comes from Euromonitor International's proprietary Via data extraction tool, and was extracted in March 2021*

Key highlights for Canadian producers

Packaged Food: Processed meat & seafood and ready meals e-commerce demand are growing due to consumer lifestyle adjustments amid COVID-19 and were the two largest Canada-to-Japan imported packaged food and beverage categories.

N/A Beverages: On an overall industry basis, health-oriented functional waters, juices and concentrates are expected to grow in soft drinks over the forecast period, while increased work-from-home arrangements drive demand for fresh coffee and tea in hot drinks.

Alcoholic Drinks: This market is dominated by large Japanese trading houses, but there could be opportunity to grow Canadian Whisky demand through specialist retailers that carry international spirits.

Pet Food: Overall cat food sales are projected to increase at a 4.0% CAGR to 2025 (vs. 0.9% for dog food) as owners seek premium products to treat their "members of the household."

Appendix

Packaged Food sub-category definitions

Packaged Food sub-category definitions

Cooking Ingredients and Meals

- **Edible Oils** – This is the aggregation of olive oil and packaged liquid/fluid cooking oils made of seeds/fruits other than olives. Includes olive, corn, palm, rapeseed, soy, sunflower, and combination oils.
- **Ready Meals** – This is the aggregation of shelf stable, frozen, dried, chilled ready meals, dinner mixes, frozen pizza, chilled pizza and prepared salads.
- Note: Ready meals are products that have had recipe ''skills'' added to them by the manufacturer, resulting in a high degree of readiness, completion and convenience. Ready meals are generally accepted to be complete meals that require few or no extra ingredients, however, in the case of canned/preserved ready meals, the term also encompasses meal ''centres'; for dinner mixes, the term encompasses part meals.
- **Sauces, Dressings and Condiments** – This is the aggregation of tomato pastes and purees, bouillon/stock cubes, herbs and spices, monosodium glutamate (MSG), table sauces, pasta sauces, cooking sauces, dry sauces, ketchup, mayonnaise, mustard, oyster sauces, salad dressings, dips, pickled products, and other sauces, dressings and condiments.
- **Soup** – This is the aggregation of shelf stable, dehydrated, instant, chilled and frozen soup.
- **Sweet Spreads** – This is the aggregation of jams and preserves, honey, chocolate spreads, nut-based spreads, and yeast -based spreads.

Dairy Products and Alternatives

- **Baby Food** – This is the aggregation of milk formula, prepared, dried and other baby food. Prepared includes pureed food, yoghurts, chilled desserts, soup, desserts, ice cream marketed for babies
- **Dairy** – This is the aggregation of butter and margarine, drinking milk products, cheese, yoghurt and sour milk drinks, and other dairy products. Drinking milk products also includes non-dairy milk alternatives (i.e. almond, soy, coconut, oat, hemp, etc.)

Packaged Food sub-category definitions

Snacks

- **Confectionary** – This is the aggregation of chocolate confectionery, sugar confectionery and gum.
- Note: Retail sales measurements are confined to packaged sales. However, exceptions are made to seasonal chocolate, where unpackaged/artisanal sales are included. Pick ‘n’ mix sales are also included. Finally sales from chocolatiers, typically displayed loose and later packed (usually in boxes) are also included.
- **Ice Cream and Frozen Desserts** – This is the aggregation of all sales of ice cream and frozen desserts. Ice cream is further broken down by impulse ice cream, take-home ice cream, frozen yoghurt and artisanal ice cream. Note: Soy, oat, bean, and rice-based ice creams are included in dairy ice cream.
- **Savoury Snacks** – This is the aggregation of chips/crisps, extruded snacks, tortilla/corn chips, popcorn, pretzels, nuts and other sweet and savoury snacks
- **Sweet Biscuits, Snack Bars and Fruit Snacks** – This is the aggregation of biscuits (chocolate coated biscuits, cookies, filled biscuits, plain biscuits, and wafers), snack bars (fruit and nut bars, protein/energy bars, cereal bars) and fruit snacks (dried and processed fruit snacks).

Staple Foods

- **Baked Goods** – This is the aggregation of bread, pastries, dessert mixes, frozen baked goods and cakes. Note: Baked goods from in-store bakeries are classified under unpackaged/artisanal, not packaged/industrial. While they may be finished on-site, they are often prepared, then frozen or par-baked, at other locations.
- **Breakfast Cereals** – This is the aggregation of ready-to-eat (RTE) and hot cereals. RTE Cereals are the aggregation of children’s and family breakfast cereals, including flakes, muesli and granola. Hot Cereals includes porridge and instant hot cereals e.g. oat, wheat, rice, etc. Instant hot cereals are defined by the fact that they can be made in a dish with added water or milk and can be microwaved.
- **Processed Fruit & Vegetables** – This is the aggregation of shelf stable fruit and vegetables and frozen fruit and vegetables.
- **Processed Meat & Seafood** – This is the aggregation of processed meat, processed seafood and meat substitutes.
- **Rice, Pasta and Noodles** – This is the aggregation of rice, noodles and pasta. Includes: Pre-packaged noodles. Excludes: Any noodles, pasta or rice bought loose, bulk and/or unpackaged. Excludes: Any noodle-based ready meals, which would be tracked under ready meals.