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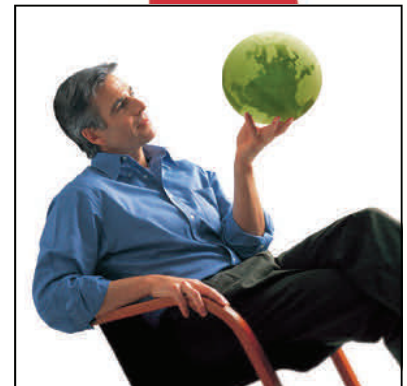


## Consumer Trends

### Bakery Products in Canada



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▶ **MARKET SNAPSHOT**

- ▶ The bakery market in Canada, including frozen bakery and desserts, registered total value sales of C\$8.6 billion and total volume sales of 1.2 million tonnes in 2011. The bakery category was the second-largest segment in the total packaged food market in Canada, representing 17.6% of value sales in 2011. However, the proportional sales of this category, relative to other sub-categories, experienced a slight decline in each year over the 2006-2011 period.
- ▶ The Canadian bakery market saw fair value growth from 2006 to 2011, but volume growth was rather stagnant. In addition, some sub-categories, such as sweet biscuits, experienced negative volume growth during the 2006-2011 period. This stagnant volume growth is expected to continue over the 2011-2016 period.
- ▶ According to Euromonitor (2011), value growth during the 2011-2016 period will likely be generated from increasing sales of high-value bakery products that offer nutritional benefits. Unit prices are expected to be stable for this period, despite rising wheat prices.
- ▶ Innovation in the bakery market has become an important sales driver in recent years, particularly for packaged/ industrial bread, due to the increasing demand for bakery products suitable for specific dietary needs, such as gluten-free (Euromonitor, 2011).
- ▶ The increasing demand for special dietary products can be found in innovation trends in the Canadian bakery market. For example, the major flour and starch ingredients diversified over the 2006-2012 period. There was an increasing number of new products containing flour types other than wheat (i.e. rice flour and chia flour) launched during this period. This trend was particularly significant for biscuits and cookies. There were also higher numbers of new products in recent years claiming to contain ancient grains such as chia and quinoa, to improve nutritional value. These ingredient names were also used in product branding.
- ▶ Despite significant decreases in value and volume consumption, there were active introductions of new products within Canada's frozen dessert market. The majority of the new frozen bakery and frozen dessert launches were cakes, pastries, and sweet goods. The key claims for these segments focused on kosher and convenience.

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## ▶ RETAIL SALES

### *Retail Sales Overview*

- ▶ The total value sales of bakery products, including frozen bakery and desserts, reached C\$8.6 billion in 2011. This market expanded at a compound annual growth rate (CAGR) of 3.3% during the 2006-2011 period. Total volume sales were slightly less than 1.2 million tonnes in 2011, with a CAGR of 1.4% over the 2006-2011 period.
- ▶ The largest sub-category by value sales was bread, with total sales of C\$3.5 billion, including C\$2.2 billion for packaged/industrial bread, C\$1.2 billion for unpackaged/artisanal bread and C\$73.1 million for bread substitutes such as crisp bread or snack bread. Over the 2006-2011 period, the bread sub-category expanded at a CAGR of 5% in value terms, and at a CAGR of 2.5% by volume. The frozen bakery category also showed strong growth with a CAGR of 5% during the 2006-2011 period, reaching total sales of C\$253 million in 2011.
- ▶ By volume terms, most of the sub-categories in the Canadian bakery sector showed limited growth during the 2006-2011 period. The major reason for this is the maturing market. Frozen desserts experienced declining sales both by value and volume from 2006 to 2011.

### *Retail Sales Forecasts*

- ▶ The bakery product market in Canada is expected to reach C\$9.6 billion in value sales by 2016, expanding at a CAGR of 2.3% during the 2011-2016 period. In terms of volume growth, it is expected to be stagnant at a CAGR of 1.4%. However, some sub-categories, including sweet biscuits, which experienced a volume decline over the 2006-2011 period, are expected to show a turnaround during the 2011-2016 period, but value sales growth will likely remain stable.
- ▶ The unpackaged/artisanal bread category will continue to show relatively strong growth compared to other sub-categories. During the 2011-2016 period, this category is expected to show the largest growth both in value and volume terms. This segment is expected to be a C\$1.4 billion market by 2016, with a CAGR of 3.7% from 2011 to 2016. Volume sales are forecast to reach 190,000 tonnes by 2016, with a CAGR of 2.5% over the same period.
- ▶ The frozen bakery segment is expected to have fair growth compared to other sub-categories, to reach total value sales of C\$292.4 million, and volume sales of 27,300 tonnes, registering CAGRs of 2.5% in value and 2.2% in volume, over the period. Frozen desserts will experience negative growth both by value and volume terms. Cakes, pastries and biscuits are expected to experience limited growth both in value and volume terms during the 2011-2016 period.



Source: Shutterstock



▶ **RETAIL SALES (continued)**

**Canada's Bakery Products, Market Size by Retail Value Sales  
(Historic/Forecast) in C\$ Millions**

Category	2006	2011	2012	2016	2006-11 CAGR*	2011-16 CAGR*
Bakery products total	7,332.1	8,636.0	8,837.7	9,584.3	3.3%	2.3%
Baked goods	4,527.0	5,535.1	5,669.2	6,180.0	4.1%	2.2%
Bread	2,742.3	3,503.3	3,608.8	4,013.0	5.0%	2.8%
Bread substitutes	58.1	73.1	75.1	81.5	4.7%	2.2%
Packaged/industrial bread	1,718.4	2,202.0	2,255.1	2,459.7	5.1%	2.2%
Unpackaged/artisanal bread	965.8	1,228.1	1,278.6	1,471.8	4.9%	3.7%
Cakes	705.9	759.8	766.6	804.9	1.5%	1.2%
Packaged/industrial cakes	277.4	279.0	279.8	282.6	0.1%	0.3%
Unpackaged/artisanal cakes	428.4	480.8	486.8	522.3	2.3%	1.7%
Pastries	1,078.8	1,272.1	1,293.8	1,362.1	3.4%	1.4%
Packaged/industrial pastries	549.5	624.9	632.7	655.0	2.6%	0.9%
Unpackaged/artisanal pastries	529.3	647.1	661.1	707.1	4.1%	1.8%
Biscuits	1,274.0	1,392.7	1,417.9	1,506.5	1.8%	1.6%
Savoury biscuits and crackers	466.4	537.9	550.9	596.1	2.9%	2.1%
Sweet biscuits	807.6	854.8	867.0	910.4	1.1%	1.3%
Chocolate coated biscuits	57.4	56.5	56.7	57.5	-0.3%	0.3%
Cookies	243.6	263.1	267.4	281.8	1.5%	1.4%
Filled biscuits	27.9	23.4	22.7	20.5	-3.5%	-2.6%
Plain biscuits	275.3	319.9	328.2	358.3	3.0%	2.3%
Sandwich biscuits	203.4	191.9	192.1	192.3	-1.2%	0.0%
Breakfast cereals	1,239.5	1,377.7	1,411.9	1,542.7	2.1%	2.3%
Hot cereals	146.1	179.9	184.5	202.4	4.3%	2.4%
Ready-to-eat cereals	1,093.4	1,197.8	1,227.4	1,340.3	1.8%	2.3%
Children's breakfast cereals	247.0	222.2	223.7	230.5	-2.1%	0.7%
Family breakfast cereals	846.4	975.6	1,003.7	1,109.8	2.9%	2.6%
Frozen bakery	202.3	253.0	268.5	292.4	5.0%	2.5%
Frozen desserts	89.3	71.6	70.3	62.7	-4.3%	-2.6%

Source Euromonitor International, 2012  
\* CAGR: compound annual growth rate



▶ **RETAIL SALES (continued)**

**Canada's Bakery Products, Market Size by Retail Volume Sales  
(Historic/Forecast) in Thousands of Tonnes**

Category	2006	2011	2012	2016	2006-11 CAGR*	2011-16 CAGR*
Bakery products total	1,074.1	1,150.2	1,167.5	1,231.0	1.4%	1.4%
Baked goods	733.2	804.5	817.9	867.3	1.9%	1.5%
Bread	500.7	565.3	576.9	620.1	2.5%	1.9%
Bread substitutes	5.9	6.8	6.9	7.3	2.9%	1.4%
Packaged/industrial bread	344.0	390.5	398.0	422.9	2.6%	1.6%
Unpackaged/artisanal bread	150.8	168.0	171.9	190.0	2.2%	2.5%
Cakes	79.2	77.9	78.1	79.0	-0.3%	0.3%
Packaged/industrial cakes	32.0	29.6	29.5	28.9	-1.5%	-0.5%
Unpackaged/artisanal cakes	47.2	48.3	48.6	50.1	0.4%	0.7%
Pastries	153.4	161.3	162.9	168.2	1.0%	0.8%
Packaged/industrial pastries	79.0	83.2	83.9	85.4	1.0%	0.5%
Unpackaged/artisanal pastries	74.4	78.1	79.1	82.8	1.0%	1.2%
Biscuits	133.1	133.2	134.3	138.0	0.0%	0.7%
Savoury biscuits and crackers	49.1	52.1	52.5	53.7	1.2%	0.6%
Sweet biscuits	84.0	81.1	81.8	84.3	-0.7%	0.8%
Chocolate coated biscuits	4.5	4.1	4.0	4.0	-2.2%	-0.5%
Cookies	25.1	24.5	24.7	25.1	-0.4%	0.5%
Filled biscuits	3.2	2.5	2.4	2.1	-4.5%	-3.6%
Plain biscuits	30.6	32.3	33.0	35.9	1.1%	2.1%
Sandwich biscuits	20.6	17.7	17.6	17.2	-3.0%	-0.5%
Breakfast cereals	175.9	179.6	181.9	191.6	0.4%	1.3%
Hot cereals	34.1	37.4	38.1	40.7	1.9%	1.7%
Ready-to-eat cereals	141.8	142.2	143.8	151.0	0.1%	1.2%
Children's breakfast cereals	30.6	25.3	25.3	25.2	-3.7%	0.0%
Family breakfast cereals	111.2	116.9	118.5	125.7	1.0%	1.5%
Frozen bakery	20.9	24.5	25.2	27.3	3.2%	2.2%
Frozen desserts	11.0	8.5	8.2	6.7	-5.1%	-4.6%

Source Euromonitor International, 2012  
\* CAGR: compound annual growth rate





## ▶ MARKET SHARE BY COMPANY

- ▶ The major leading companies in the Canadian bakery market have stable and established sub-categories that support their sales and growth. For example, George Weston Ltd. has been the top manufacturer in bread and bread substitute categories since 2006, with three major packaged bread brands including Wonder Bread, D'Italiano and Country Harvest. In breakfast cereals, Kellogg Canada Inc. has represented the majority of the market, helping it maintain top position within the total bakery market. For biscuits, Kraft Foods Inc. maintained the top position, representing 42.5% of the total biscuit market in 2010\*.
- ▶ George Weston Ltd. was the top player with 7.9% of the total bakery market in 2011. The company remained in the leading position within the baked goods sub-category with a 12.7% share in 2010, and the largest share in bread substitute products, representing 51% of the market in 2010\*. George Weston Ltd. is expected to be the major player within packaged/industrial bread during the 2011-2016 period.
- ▶ Kellogg Canada Inc. maintained the second position within the bakery product market, supported by the strong sales of breakfast cereals. The company accounted for 7.6% of the total bakery market in 2011, and a 43% value share within the breakfast cereal sub-category in 2010. In terms of brand share, Kellogg's Special K was the leading brand with a 12% share in the breakfast cereal market in 2010.
- ▶ According to Euromonitor (2011), Canada's bakery market is becoming more fragmented as artisanal bakery manufacturers expand their activities. This trend was especially dominant within the bread, cakes and pastry sub-categories, of which artisanal bakery accounted for a 42% share. In addition, private labels showed strong performance during the 2006-2011 period.

**Canada's Bakery Products, Market Share by Company - % of Retail Value Sales\*\***

Companies	2006	2007	2008	2009	2010	2011
George Weston Ltd.	7.1	7.5	7.6	7.8	8.0	7.9
Kellogg Canada Inc.	7.5	7.7	7.7	7.7	7.7	7.6
Maple Leaf Foods Inc.	6.5	6.8	7.0	7.3	7.4	7.3
Kraft Foods Inc.	9.3	9.4	7.5	7.4	7.2	7.0
General Mills Inc.	3.5	3.3	3.1	3.0	2.8	2.8
Saputo Inc.	3.1	3.0	2.9	2.9	2.8	2.7
PepsiCo Inc.	2.3	2.3	2.3	2.4	2.4	2.4
Dare Foods Ltd.	2.6	2.6	2.5	2.4	2.4	2.3
Ralcorp Holdings Inc.	-	-	1.8	1.8	1.7	1.6
Campbell Soup Co.	0.6	0.6	0.6	0.6	0.6	0.6
Associated British Foods Plc. (ABF)	0.4	0.4	0.4	0.4	0.5	0.5
Hostess Brands Inc.	-	-	-	0.3	0.3	0.3
Milano Foods & Biscuits Ltd.	0.2	0.2	0.2	0.2	0.2	0.2
B & G Foods Inc.	-	0.1	0.1	0.1	0.1	0.1
Sara Lee Corp.	0.1	0.0	0.0	0.0	0.0	0.0
Interstate Bakeries Corp.	0.6	0.4	0.4	-	-	-
Danone, Groupe	0.6	-	-	-	-	-
Artisanal	28.2	28.4	28.6	28.7	28.9	29.2
Private Label	15.1	15.1	15.3	15.5	15.7	15.5
Others	12.3	12.1	11.7	11.4	11.3	12.0

Source Euromonitor International, 2012

\*Note: The latest available market share data for all bakery sub-categories is 2010.

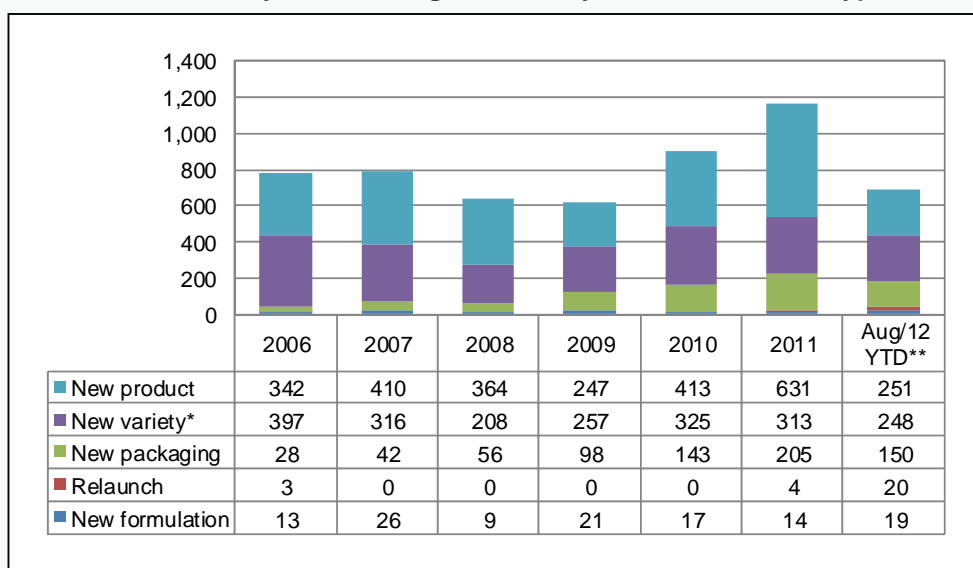
\*\*Note: The market share data is based on aggregate retail value for the bakery categories, excluding frozen bakery and desserts. The market share for frozen bakery and desserts is not available.



## ▶ NEW BAKERY PRODUCT LAUNCHES

- ▶ According to Mintel, there were 5,590 new bakery and frozen bakery products launched in Canada between January 2006 and August 2012, with the largest number of new products (1,167) coming to market in 2011.
- ▶ Traditionally, “novel” and “new variety/range extension” are the most popular launch types for bakery products. For example, more than 90% of new products launched between 2006 and 2008 were classified as novel and new variety/range extension, while new packaging accounted for only 5.7%. Since 2009, an increasing number of products with new packaging were introduced in the market. Relaunches were most active from January 2012 to August 2012.

**New Bakery Products Launched in Canada  
from January 2006 to August 2012, by Year and Launch Type**



Source: Mintel, 2012

\* Note: New variety includes range extension. \*\*YTD: year-to-date

### New Bakery Products Launched in Canada from January 2006 to August 2012, by Top 10 Companies

Company	Number of Products
Loblaws	434
Sobeys	188
Kellogg	158
General Mills	153
Wal-Mart	145
Kraft	124
Dare Foods	115
Safeway	104
Metro Brands	100
Weston Bakeries	72

Source: Mintel, 2012

### Major Companies

- ▶ The bakery market in Canada is highly fragmented with many players and products. While the top 10 companies represented 28% of the new launches (1,593 new products), the other 938 companies introduced 3,397 new products (72%) during the 2006-2012 period.
- ▶ For all product categories, Loblaws had the most launches with 434 products, accounting for 7.8% of new launches between 2006 and 2012. Loblaws had the most launches within the sweet biscuits/cookies category with 112 products, followed by cakes, pastries and sweet goods with 92.
- ▶ For the bread and bread products category, Weston Bakeries and Loblaws had the most new launches with 71 products each. Kellogg had the most new launches in cold cereals with 133 products.

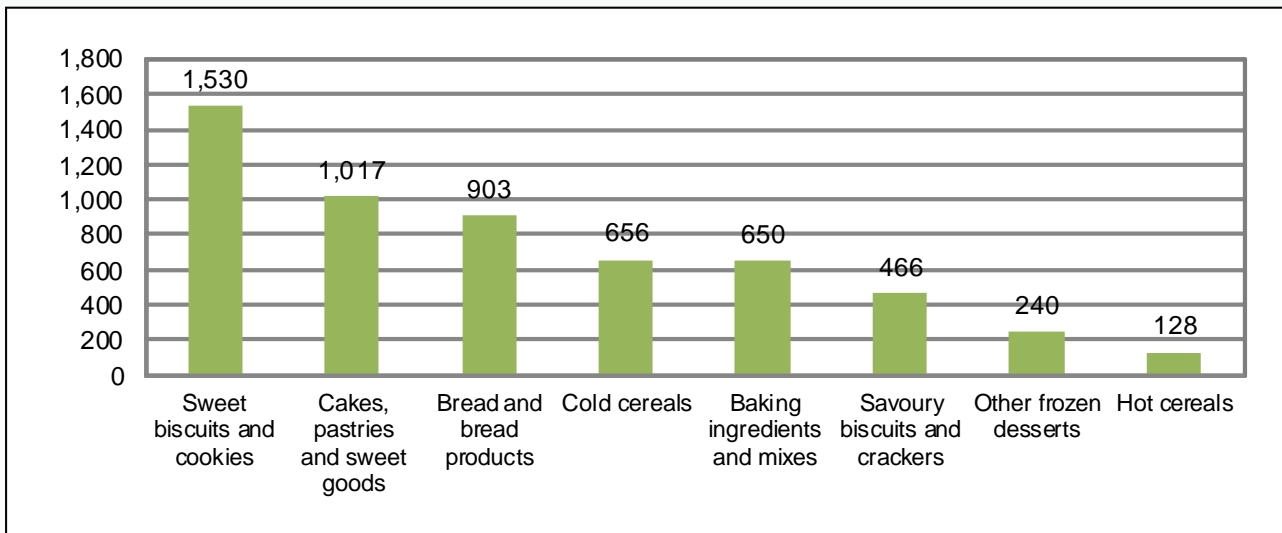


▶ **NEW BAKERY PRODUCT LAUNCHES (continued)**

**Major Categories**

- ▶ The sweet biscuit and cookies category was the most active for new product launches. There were 1,530 new sweet biscuits and cookies launched between 2006 and 2012. The cakes, pastries and sweet goods category followed with 1,017 new products. While most of the categories showed a growing number of new launches, cold cereals, savoury biscuits and crackers experienced a slight drop in new launches in 2011.

**New Bakery Products Launched in Canada from January 2006 to August 2012, by Product Category**



Source: Mintel, 2012

**New Bakery Products Launched in Canada from January 2006 to July 2012 by Top 15 Claims**

Claims	Number of Products
Kosher	1,724
Low/no/reduced trans fat	1,178
No additives/preservatives	823
Enviro. friendly package	785
Wholegrain	751
Low/no/reduced fat	592
Low/no/reduced allergen	517
Organic	469
High/added fiber	376
All natural product	376
Low/no/reduced saturated fat	345
Low/no/reduced cholesterol	330
Gluten-free	308
Microwaveable	256
Children (5-12)	222

Source: Mintel, 2012

**Major Claims**

- ▶ The product claims for new bakery products focus on dietary suitability, natural ingredients and low/no/reduced elements.
- ▶ Throughout the 2006-2012 period, kosher was the most popular claim, appearing on 1,724 products. This claim was particularly common within baking ingredients and mixes, sweet desserts, including cakes, pastries, sweet goods, sweet biscuits and cookies, and frozen desserts.
- ▶ The next most common claim was low/no/reduced trans fat with 1,178 products. This claim appeared most often on savoury biscuits and crackers.
- ▶ As the number of new products with new packaging increased, so did the number of new products claiming to have environmentally friendly packaging. During the 2008 to 2010 period, the number of new products claiming environmentally friendly packaging doubled every year.





▶ **NEW BAKERY PRODUCT LAUNCHES (continued)**

**Flavours**

- ▶ For most bakery product categories, the most common flavour was unflavoured/plain. For sweet bakery products, including cakes, pastries, frozen desserts, sweet biscuits and cookies, chocolate and chocolate varieties were the most popular flavours.

**Ingredients**

- ▶ While many products use blends of multiple flour types, wheat flour was the most common flour ingredient used in 2,400 products, including 1,909 products with regular wheat flour, 330 products with whole wheat flour, and 160 products using other various types of wheat flours.
- ▶ Since 2009, an increasing number of bakery products claimed to have rice flour. Of 290 products with rice flour launched during the 2006-2012 period, 40% were cold cereals (116 products), 22% were sweet biscuit/cookies (65), and 12.8% were cakes, pastries and sweet goods (37). Among the 290 products, 29% (85) were gluten-free.
- ▶ Globally, there were many new bakery products developed or reformulated to increase nutritional value using innovative alternative grain, flour and starch ingredients such as chia and quinoa. Even though there were limited new bakery products available with chia (21) and quinoa (10) in Canada, more with these ingredients have been introduced in the market in recent years, especially, for cereals, biscuits and cookies.



**Milton's Smart Seeds Crispy Snacks** claim to have toasted chia seed, (which is known as an ancient super food) and to be high in fibre. This product was launched in August 2012.  
**Source:** Mintel, 2012



**Cie's Ameriks' Gogo Quinoa Chocolate Chip Quinoa Cookies** are free from wheat and gluten. These organic cookies are suitable for vegans. This product was launched in April 2011.  
**Source:** Mintel, 2012

**New Bakery Products Launched in Canada from January 2006 - August 2012, by Sub-category\* and Flavour**

Sub-category	Flavours	Number of Products
Sweet biscuits and cookies	Chocolate (unspecified)	260
	Unflavoured/plain	113
	Milk chocolate	65
	Dark chocolate	58
	Vanilla (including bourbon/Madagascar)	44
Cakes, pastries, and sweet goods	Chocolate (unspecified)	132
	Unflavoured/plain	78
	Blueberry	54
	Apple	39
	Cinnamon	29
Bread and bread products	Unflavoured/plain	553
	Garlic	25
	Cinnamon and raisin	18
	Cheese (unspecified)	11
	Rosemary	7
Cold cereals	Unflavoured/plain	202
	Honey	28
	Honey and nut	22
	Raisin	19
	Berry	17
Baking ingredients and mixes	Unflavoured/plain	186
	Chocolate (unspecified)	101
	Vanilla (including bourbon/Madagascar)	26
	Dark chocolate	14
	Milk chocolate	12
Savoury biscuits and crackers	Unflavoured/plain	147
	Cheddar cheese	25
	Vegetable	21
	Sesame (unspecified)	15
	Cheese (unspecified)	13
Frozen desserts	Chocolate (unspecified)	40
	Tiramisu	14
	Cheesecake	9
	Vanilla (including bourbon/Madagascar)	9
	Raspberry	8
Hot cereals	Unflavoured/plain	62
	Apple and cinnamon	19
	Maple and brown sugar	15
	Peaches and cream	7
	Multiple flavour	5

**Source:** Mintel, 2012 **\*Note:** Mintel does not code frozen bakery in its own separate category, so new frozen bakery products are included here, as applicable (i.e. frozen garlic bread is under bread and bread products).



## ▶ NEW BAKERY PRODUCT EXAMPLES

The following are some examples of the new bakery products launched in Canada between January 2012 and August 2012, from the Mintel Global New Products Database (2012).



### Sundried Tomato Basil English Muffins

**Company:** Oakrun Farm Bakery  
**Brand:** Oakrun Farm Bakery  
**Sub-Category:** Bread and bread product  
**Launch Type:** New variety/range extension

**Price (C\$):** 2.00  
**Packaging:** Flexible, plastic  
**Date Published:** August 2012

**Position Claims:** Low/no/reduced cholesterol, kosher, low/no/reduced fat, low/no/reduced trans fat, low/no/reduced saturated fat

**Ingredients:** Flour (enriched), waters, yeast, sundried tomato (sulfites), glucose fructose syrup, tomato basil paste, tomato paste, (parmesan cheese, dried romano cheese (modified), salt, food enzymes, celluloses), low erucic acid rapeseed oil, garlic, basil, salt, modified starches, tomato powder, soybean oil, corn oil, spices, silicon dioxide, potassium sorbate, citric acid (food acids), natural flavouring substance, corn flours, maize meals, malt, barley flour, gluten, vinegars, soybean oil, calcium propionate, vegetable mono and diglycerides, calcium dihydrogen phosphate, fumaric acid (food acids), diacetyl carbonate, calcium silicate, calcium sulfate, amylases, xylanase

**Product Description:** Oakrun Farm Bakery Sundried Tomato Basil English Muffins are low in fat and saturated fat and are free from cholesterol and trans fat. This kosher-certified product claims to be perfect for sandwiches, snacks, hamburgers, and mini pizzas, among others. It retails in a 340 gram pack.



### Mango & Coconut Temptations

**Company:** Loblaw's  
**Brand:** President's Choice  
**Sub-Category:** Sweet biscuits and cookies  
**Launch Type:** New variety/range extension  
**Position Claims:** No additives/preservatives, kosher, environmentally friendly package

**Price (C\$):** 2.99  
**Packaging:** Plastic (unspecified)  
**Date Published:** June 2012

**Ingredients:** Wheat flour (enriched), butter, icing sugar, white sugar, mango filling (white sugar, glucose fructose syrup, sorbitols, mango puree), waters, pectins, natural flavouring substance, salts (E331), natural colour, citric acid (food acids), polydimethylsiloxane, toasted coconut, palm oil (modified), palm kernel oil (modified), dairy products (excluding cheese, modified), corn starch, dried eggs (whole, dry), ammonium hydrogen carbonate, sodium hydrogen carbonate, citric acid (food acids), salt, lecithin, natural colour

**Product Description:** President's Choice Mango & Coconut Temptations are described as crunchy cookies made with creamery butter, real mango purée and shredded toasted coconut. This kosher product contains no artificial flavours, and retails in a 350 gram recycled pack.



### Chunky Chip Cookies

**Company:** Voortman Cookies  
**Brand:** Voortman  
**Sub-Category:** Sweet biscuits and cookies  
**Position Claims:** Kosher, low/no/reduced fat

**Launch Type:** New formulation  
**Price (C\$):** 2.69  
**Packaging:** Flexible, plastic  
**Date Published:** May 2012

**Ingredients:** Wheat flour (enriched), chocolate chips (cocoa liquor, white sugar, lecithin, vanilla), white sugar, vegetable oils (low erucic acid rapeseed oil, soybean oil, palm oil (modified), palm kernel oil (modified), sunflower seed oil), glucose fructose syrup, sodium hydrogen carbonate, salt, dried eggs (whole), ammonium hydrogen carbonate, natural and artificial flavouring, whey powder, colour

**Product Description:** Voortman Chunky Chip Cookies are available with an improved formula. This kosher-certified product contains zero trans fat, and retails in a 400 gram pack.

**Source for all:** Mintel, 2012



▶ **NEW BAKERY PRODUCT EXAMPLES (continued)**



**Low Fat Granola**

**Company:** Kellogg  
**Brand:** Kellogg's Special K  
**Sub-Category:** Cold cereals  
**Launch Type:** New variety/range extension  
**Position Claims:** Kosher, low/no/reduced fat, low/no/reduced trans fat, wholegrain, environmentally friendly package, slimming

**Price (C\$):** 2.97  
**Packaging:** Flexible, plastic  
**Date Published:** August 2012

**Ingredients:** Oats (wholegrain), white sugar, glucose syrup, oat bran, rice, honey, modified starches, soy grits, molasses, dextrin, natural flavouring substance, corn flours, gum arabic, salt, soybean proteins, oat fibre (dehulled, source of dietary fibre), cane sugar (evaporated), malt (corn flours, barley malt extract), sesame flour, colour, distilled monoglycerides, butylated hydroxytoluene, micronutrients (iron, niacinamide, calcium pantothenate, zinc oxide, thiamine hydrochloride, pyridoxine hydrochloride, folic acid)

**Product Description:** Kellogg's Special K Low Fat Granola contains fibre and whole grains, and has 50% less fat per serving than the leading granola. It is a source of eight essential nutrients and iron, provides 32 grams of wholegrain per portion, and is trans fat free. This kosher product retails in a 553 gram pack, which is made from 100% recycled paper fibres.



**Cinnamon and Brown Sugar Bread Pudding & More**

**Company:** MeMeMe  
**Brand:** Marcy's  
**Sub-Category:** Baking ingredients and mixes  
**Launch Type:** New product  
**Packaging:** Flexible stand-up pouch, metalized film

**Price (C\$):** 4.19  
**Packaging:** Plastic (unspecified)  
**Date Published:** August 2012  
**Position Claims:** microwaveable

**Ingredients:** Calabrese bread (wheat flour-enriched, water, salt, yeast, barley malt flour (malted), alpha-amylase, vitamin C-food acids), white sugar, raisins (raisins, vegetable oils), low erucic acid rapeseed oil, spices, salt

**Product Description:** Marcy's Cinnamon and Brown Sugar Bread Pudding & More is microwaveable. This product is made with natural ingredients and retails in a 250 gram pack that features two recipes on the back: a traditional one, and summer berry bread pudding variation.



**Organic Multigrain Crackers**

**Company:** Partners  
**Brand:** Partners Blue Star Farms  
**Sub-Category:** Savoury biscuits and crackers  
**Launch Type:** New variety/range extension

**Price (C\$):** 4.79  
**Packaging:** Flexible, plastic  
**Date Published:** February 2012

**Position Claims:** Low/no/reduced trans fat, environmentally friendly package, environmentally friendly product, organic, kosher, wholegrain

**Ingredients:** Flour (organic, unbleached), butter milk (organic), low erucic acid rapeseed oil (organic), whole wheat flour (organic), corn flours (wholegrain, organic), cane sugar (organic, evaporated), amaranth flour (wholegrain, organic), quinoa flour (wholegrain, organic), linseed (meal, organic), water, sea salts, sodium hydrogen carbonate, kosher salt

**Product Description:** Partners Blue Star Farms Organic Multigrain Crackers are stone ground and made with flax, quinoa, and amaranth. The organic- and kosher-certified product contains no hydrogenated oils and retails in a 142 gram recyclable pack. The company is committed to recycling and sustainable forestry practices, and 100% of the electricity used in production comes from green power sources.

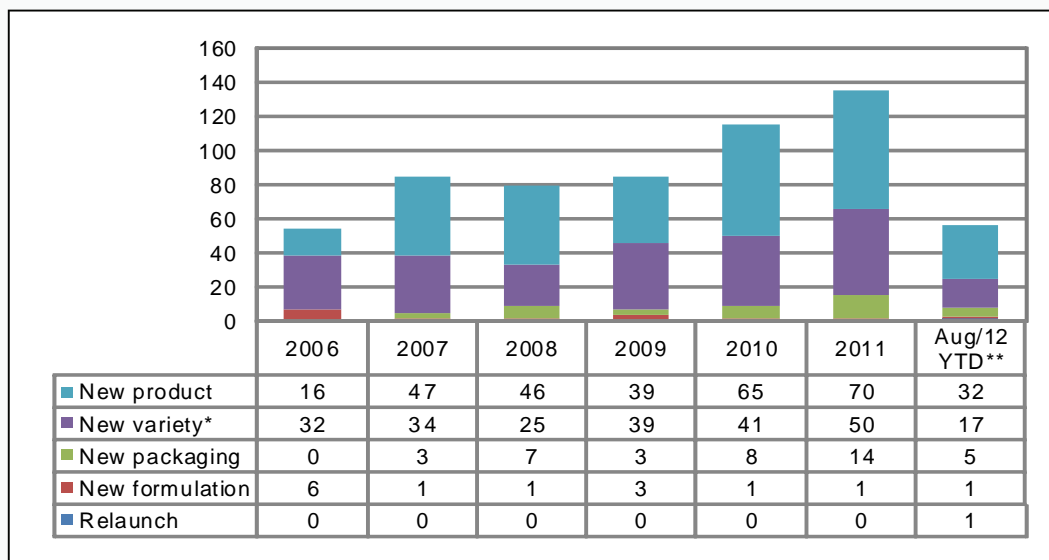
Source for all: Mintel, 2012



▶ **NEW FROZEN BAKERY AND DESSERT PRODUCT LAUNCHES**

- ▶ According to Mintel, there were 608 new frozen bakery and frozen dessert products launched between January 2006 and August 2012 in Canada. Of the 608 products, 315 were classified as novel (51.8%), 238 were new variety/range extensions (39.1%) and 40 featured new packaging (6.6%). The largest number of new launches with 135 products occurred in 2011. During the January 2012-August 2012 period, the number of new launches for frozen bakery and frozen dessert decreased by approximately 42% compared to the same eight-month period in 2011.
- ▶ By sub-category, frozen desserts had the largest number of new launches with 234 products (38.5%), followed by cakes, pastries, and sweet goods with 217 products (35.7%). There were also 85 bread and bread products (14%), 59 baking ingredients and mixes (9.7%), 10 sweet biscuits and cookies (1.6%) and 3 hot cereals (0.5%) launched.

**New Frozen Bakery Products Launched in Canada from January 2006 to August 2012, by Launch Type**



Source: Mintel, 2012. \*New variety includes range extension. \*\*YTD: year-to-date

**New Frozen Bakery Products Launched in Canada from January 2006 to July 2012 by Top 10 Claims**

Claims	Number of Products
Kosher	148
Low/no/reduced trans fat	76
Low/no/reduced allergen	73
No additives/preservatives	71
Microwavable	70
Ease of use	52
Gluten-free	48
Wholegrain	42
Enviro. friendly package	40
All natural product	37

Source: Mintel, 2012

**Major Claims**

- ▶ The most popular claim for frozen bakery and desserts was kosher, appearing on 148 products. The next was low/no/reduced trans fat, appearing on 76 products. Other common claims were low/no/reduced allergen (71 products), no additives/preservatives (71) and microwaveable (70).
- ▶ Ease of use was the most popular claim for baking ingredients and mixes. For frozen cakes, pastries, and sweet goods, microwaveable was the most common convenience-oriented claim, appearing on 45 products.





▶ **NEW FROZEN BAKERY AND DESSERT PRODUCT LAUNCHES (continued)**

**Major Companies**

- ▶ There were 167 companies introducing frozen bakery and frozen dessert products between January 2006 and August 2012.
- ▶ For the total category, Loblaw's had the highest number of new launches with 67 products (11%). M&M Meat Shops was the next with 36 products (5.9%), followed by Sobeys with 35 products (5.8%).

**Flavours**

- ▶ There were 231 flavours for new frozen bakery and dessert products launched between January 2006 and August 2012. The most common flavour in this category was unflavoured/plain with 90 products, followed by chocolate (77 products), and blueberry (21). Other common flavours were apple with 15 products, and tiramisu with 14.

**New Frozen Bakery Products Launched in Canada from January 2006 to August 2012, by Sub-category and Top 5 Company**

Sub-category	Company	Number of Products
Frozen desserts	Loblaw's	35
	Sobeys	18
	M&M Meat Shops	14
	Elite Sweets	14
	Turtle Mountain	11
Cakes, pastries and sweet goods	Loblaw's	21
	M&M Meat Shops	17
	Vitalicious	14
	Sobeys	14
	Wal-Mart	9
Bread and bread products	Kim & Scott's Gourmet Pretzel	8
	Nature's Path Foods	7
	Loblaw's	6
	Rubicon Food Products	4
	La Brea Bakery	4
Baking ingredients and mixes	General Mills	9
	Bonté Foods	6
	Kokopelli Kitchen	4
	GlutenFreed's	4
	Canada Bread	4
Sweet biscuits and cookies	Fraser Valley Gourmet	3
	Quejo's Cheesebuns	3
	Udi's Gluten Free Foods	2
	M&M Meat Shops	1
	Locker	1
Hot cereals	Loblaw's	2
	Les Plats du Chef	1

Source: Mintel, 2012



**Loblaw's S'mores Cream Pie** is a ready to serve frozen dessert, launched in June 2012.  
Source: Mintel, 2012



**Compliments' Tart Shells (by Sobeys)** can be used for any type of sweet or savoury tarts. The product was launched in June 2011.  
Source: Mintel, 2012



**M&M Meat Shops' Lemonicious Lemon Square** is a frozen dessert made with tangy lemon filling on butter shortbread crust, launched in November 2011.  
Source: Mintel, 2012





## ▶ NEW FROZEN BAKERY AND DESSERT PRODUCT EXAMPLES

The following are some examples of the new frozen bakery and dessert products launched in Canada between January 2012 and August 2012, from the Mintel Global New Products Database (2012).



### Chocolate Chip Lava Cookies

**Company:** Chudleigh's  
**Brand:** Chudleigh's Delicious Rewards  
**Sub-Category:** Cakes, pastries and sweet goods  
**Launch Type:** New product  
**Position Claims:** Microwaveable, ease of use, social media

**Price (C\$):** 9.89  
**Packaging:** Flexible  
**Date Published:** July 2012

**Ingredients:** Wheat flour (enriched), white sugar, chocolate cream (white sugar, soybean, palm oil, palm kernel oil), alkaline cocoa (processed, potassium carbonates, lecithin, salt, natural flavouring substance), salted butter, vegetable fats (palm oil, soybean, palm oil (modified)), liquid eggs (whole), chocolate (white sugar, cocoa liquor, dextrose anhydrous, cocoa fat, lecithin, vanilla extract), black strap molasses, salt, natural flavouring substance (natural), sodium hydrogen carbonate

**Product Description:** Chudleigh's Delicious Rewards Chocolate Chip Lava Cookies are fully baked. This soft, buttery chocolate chip cookie can be microwaved for 45 seconds, oven-baked, or simply thawed and served. Each pack comes with eight individually wrapped units and features a Facebook link.



### Olive Garlic Ciabatta

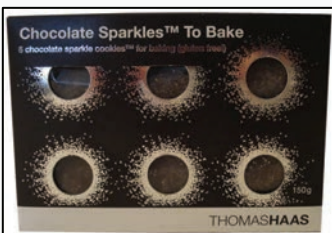
**Company:** Furlani's Food  
**Brand:** Furlani  
**Sub-Category:** Bread and bread products  
**Packaging:** Flexible, plastic (unspecified)

**Launch Type:** New product  
**Price (C\$):** 4.19  
**Date Published:** August 2012

**Ingredients for bread:** Wheat flour (enriched), water, green olive (olives, water, salt, lactic acid (food acids), potassium sorbate, citric acid (food acids)), sourdough rye (dry, rye flour, yeast, bacterial culture, salt), wheat flour (fermented), yeast, salt, extra virgin olive oil, barley malt extract (malted), glucose, calcium propionate, barley malt flour (malted), vitamin C (food acids), amylases, lipases, oregano (dry), basil (dry)

**Ingredients for spread:** Soybean oil, water, palm oil, garlic (dehydrated), salt, whey powder, distilled monoglycerides (distilled), natural flavouring substance, citric acid (food acids), parsley (dehydrated), potassium sorbate, colour

**Product Description:** Furlani Olive Garlic Ciabatta is described as a ciabatta loaf with olives and garlic bread. The bread can be grilled or toasted, and retails in a 340 gram pack that features the Hazardous Analysis and Critical Control Points (HACCP) quality supplier logo. Also available is Parmesan Garlic Bread.



### Chocolate Sparkle Cookies to Bake

**Company:** Thomas Haas Chocolate  
**Brand:** Thomas Haas  
**Sub-Category:** Baking ingredients and mixes  
**Packaging:** Flexible, plastic (unspecified)  
**Position Claims:** Gluten-free, low/no/reduced allergen

**Launch Type:** New product  
**Price (C\$):** 10.99  
**Date Published:** June 2012

**Ingredients:** Cocoa powder, dark chocolate, eggs, almond, butter, white sugar, blackberry honey, salt

**Product Description:** Thomas Haas Chocolate Sparkle Cookies to Bake are gluten-free and can be oven baked within eight to ten minutes. When ready, they can be dusted with icing sugar and served warm. The product retails in a 150 gram pack containing six cookies.

Source for all: Mintel, 2012



## ▶ NEW FROZEN BAKERY AND DESSERT PRODUCT EXAMPLES (continued)



### Baklava Cheesecake

**Company:** Arahova  
**Brand:** Arahova  
**Sub-Category:** Frozen desserts

**Launch Type:** New product  
**Price (C\$):** 12.79  
**Date Published:** March 2012

**Ingredients:** Cream cheese filling (cream cheese (dairy products), bacterial culture, salt, carob bean gum), whip topping (waters, palm kernel oil (hydrogenated), white sugar, celluloses, polysorbate, polyglycerol esters of fatty acids (food acids), salt, xanthan gum, propylene glycol esters of fatty acids (food acids), lecithin, artificial flavouring substance (food colours), cream (cream, milk, glucose, carrageenan, white sugar), graham crumbs (wheat flour, graham flour, white sugar, brown sugar, vegetable fats), fancy molasses, sodium hydrogen carbonate (powdered), salt, ammonium hydrogen carbonate, invert sugars, natural and artificial flavouring, spices, salt, modified starches, sodium hydrogen carbonate (powdered), sorbitan monostearate, polyoxyethylene (20), caramels (food colours), propylene glycol, sorbitols, annatto, sodium propionate), topping (honey, nuts, waters, fillo dough (flour, waters, modified starches, salt, glucose, low erucic acid rapeseed oil, sodium propionate, potassium sorbate, butter, cinnamon)

**Product Description:** Arahova Baklava Gâteaux Au Fromage (Baklava Cheesecake) retails in a 660 gram pack that provides six servings.



### Vachon's May West Cake

**Company:** Saputo Bakery  
**Brand:** Vachon May West  
**Sub-Category:** Frozen desserts  
**Launch Type:** New product

**Price (C\$):** 5.99  
**Packaging:** Carton (solid white board)  
**Date Published:** March 2012

**Ingredients:** Glucose-fructose syrup, palm kernel oil (hydrogenated), wheat flour (enriched), liquid eggs (whole), vegetable margarine (modified palm oil, palm kernel oil), egg whites (liquid), cocoa powder, sodium hydrogen carbonate (powdered), corn starch, mono and di-glycerides of fatty acids, salt, dairy products (modified, excluding cheese), sodiumcarboxymethyl cellulose, xanthan gum, lecithin, artificial flavouring substance, colour (tartrazine)

**Product Description:** Vachon's May West Cake is described as one big cake to share. It retails in a 360 gram pack containing six to eight servings. Jos Louis and Ah Caramel varieties are also available.



### Banana and Chocolate Muffin Bars

**Company:** Ange gardien  
**Brand:** Les aliments ange gardien  
**Sub-Category:** Cakes, pastries and sweet goods  
**Launch Type:** New variety/range extension  
**Position Claims:** High/added fibre, kosher, low/no/reduced trans fat, low/no/reduced allergen, environmentally friendly package, vegan, no animal ingredients, prebiotic

**Price (C\$):** 4.99  
**Packaging:** Flexible, plastic (unspecified)  
**Date Published:** April 2012

**Ingredients:** Flour (mixed, wheat flour (unbleached), whole wheat flour), soy beverage (water, low erucic acid rapeseed oil, soybean flour), banana puree (pure, banana, vitamin C), cane sugar, chocolate (white sugar, cocoa liquor, lecithin, vanilla extract), inulin, soybean oil margarine, sodium hydrogen carbonate (powdered), sodium hydrogen carbonate, citrus fibre (source of dietary fibre), guar gum, xanthan gum, sea salts

**Product Description:** Guardian Angel Foods Banana & Chocolate Muffin Bars are made with real fruit and are suitable for vegans. They are a source of omega-3 and fibre, and contain prebiotics. They are also trans fat free and have no peanuts, nuts, dairy or eggs. This certified kosher product retails in a 210 gram recyclable pack containing five individually wrapped units. Also available in the same range are: Intense Chocolate Muffin Bars; and Oats & Raspberry Muffin Bars.

**Source for all:** Mintel, 2012



## ▶ SOURCES

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## ▶ ANNEX: DEFINITIONS

The following definitions are used by Euromonitor International (2012) for the categories of bakery, and frozen bakery and desserts.

- ▶ **Bakery** is the aggregation of baked goods, biscuits and breakfast cereals.
- ▶ **Baked Goods** is the aggregation of bread, pastries and cakes.
- ▶ **Biscuits** is the aggregation of sweet biscuits, savoury biscuits and crackers.
- ▶ **Breakfast Cereals** is the aggregation of ready-to-eat and hot cereals.
- ▶ **Frozen Bakery** includes morning goods/breakfast items (croissants, pain au chocolate, rolls, waffles, buns, bagels, pastries), pizza crusts, pie crusts, pastry shells, bread, frozen garlic bread and others that are all sold frozen. This category also includes semi-baked products. Frozen cakes, pies and tarts are excluded (see frozen desserts).
- ▶ **Frozen Desserts** include cakes, pies/tarts, chocolate cake, strawberry cake, black forest cake, lemon tarts and others, excluding ice cream-based desserts.

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