



food, beverage & industry issues in Nova Scotia

Restaurant Association of Nova Scotia

May 15, 2019

Safety First in Cape Breton Symposium

About Restaurant Association of NS



- Established in 1947
- First office was located in Amherst, Nova Scotia
- 72nd year in operation
- Registered as a non-profit association in 1971
- About 350 members province wide

Continued

- We are primarily an independent operator business group
- 90% + are owner/operators (80% of revenue)
- Members are across the province similar to population footprint
- There are about 1550 food establishment licenses in NS
- Potentially there could be about 625 possible members
- NS has the highest members per capita in Canada

Our Communications Tool Box

- RANS.CA - Website
- savourfoodandwine.com
- Bite foodie - Consumer e-mail newsletter (monthly)
- Business bite - E-mail newsletter (monthly)
- Dine Nova Scotia restaurant guide book (yearly)
- Social media   

Interesting Numbers

- Approximately \$7 million donated to charities in NS yearly
- There are 1.4 million visitors to restaurants in Atlantic Canada daily
- \$690 million in NS food & beverages are purchased each year
- 1 in 5 youth (ages 15-24) work in the food & beverage sector
- 7,200 indirect jobs in related industries
- 22% of Canadians first jobs were in the restaurant sector
- NS serves 92 million meals a year

Restaurant Stats in Nova Scotia

Annual sales	\$1.6 Billion
GDP	4.5%
Employees	26,100
Share provincial employment	7%
Youth employees	11,300
Youth employment	17.5%
Restaurants, bars & caterers	1,570
Independently owned	65%

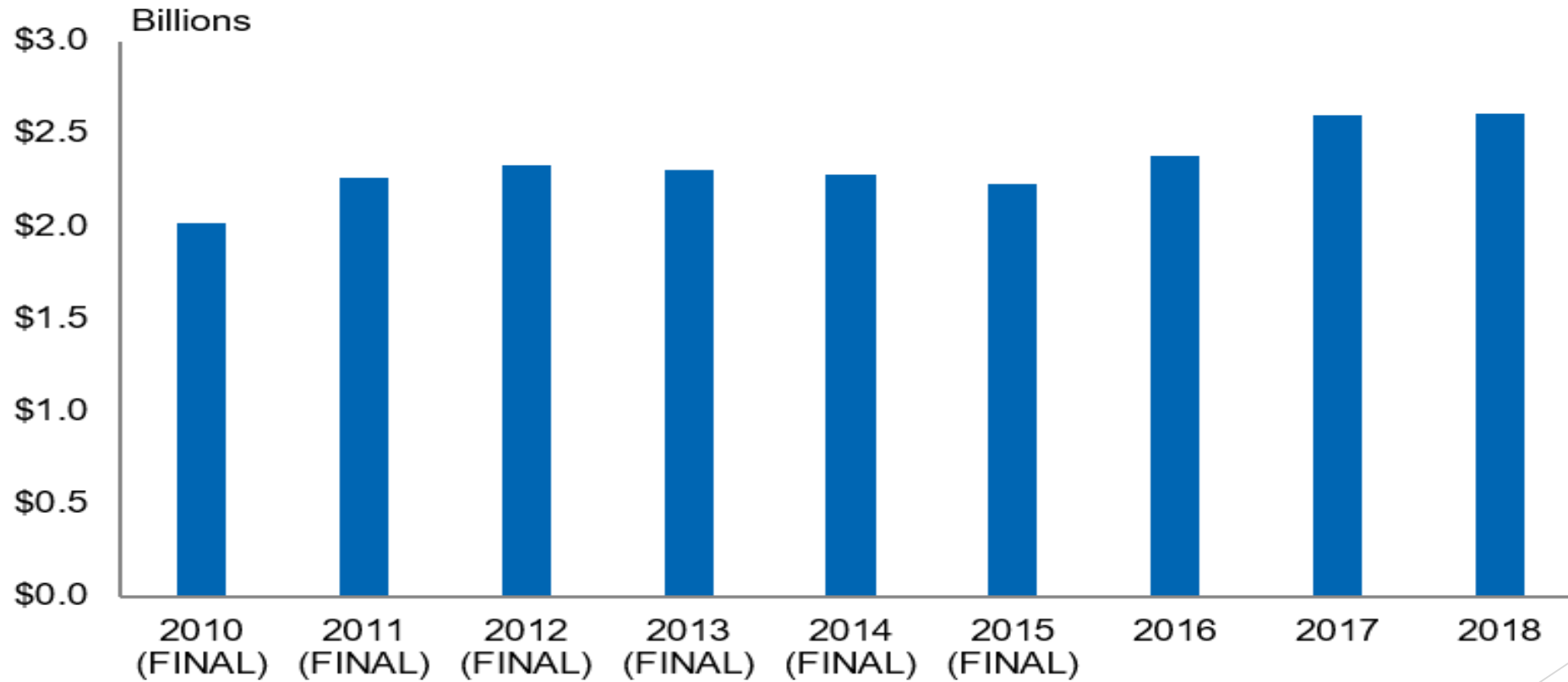
Tourism Revenue by Sector (\$2.6 billion)

Restaurants	18%
Vehicle operation	17%
Transportation	16%
Accommodation	15%
Shopping	14%
Groceries	8%
Sports, Culture, Entertainment	7%
Rental & Local Transportation	4%

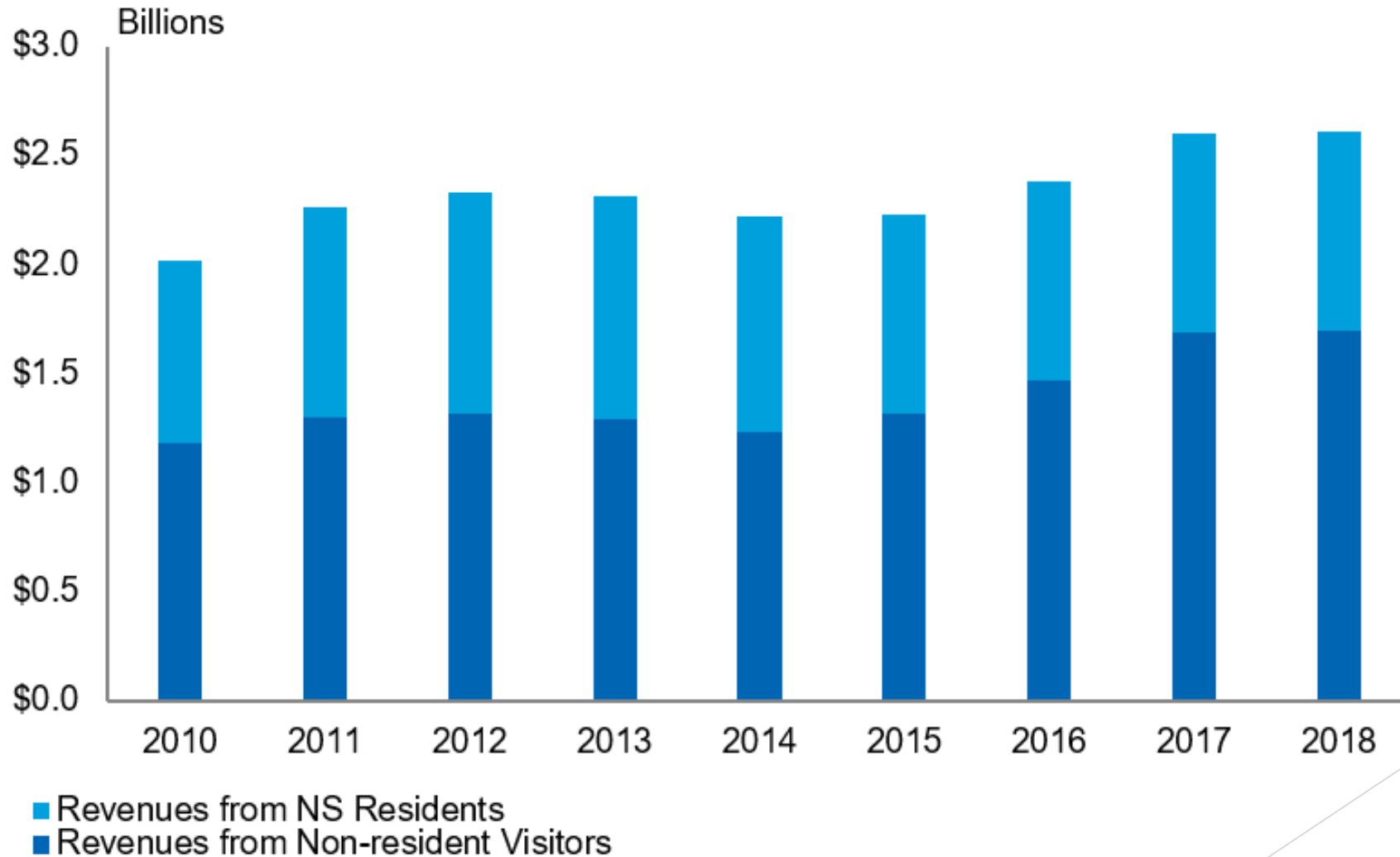
Tourism Revenue by Regions

Metro Halifax	53.5%
Fundy/Valley	14.5%
Cape Breton	12.3%
Northumberland	8.3%
South Shore	8.0%
Yarmouth/Acadian	2.2%
Eastern Shore	1.3%

Tourism Revenue Nova Scotia



Resident VS Non-Resident Travel



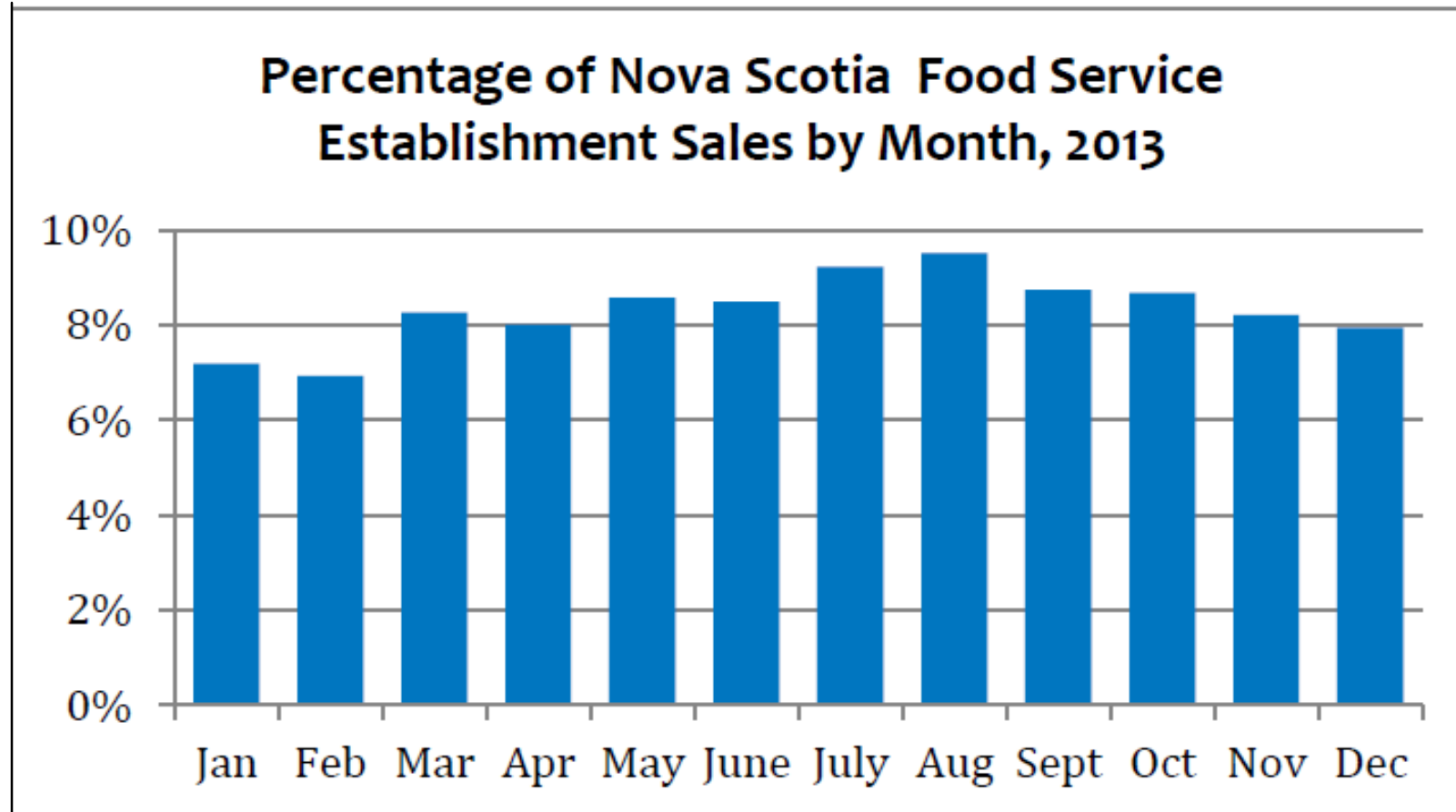
Non-Resident Visitation & Growth

YEAR	NON-RESIDENT VISITATION GROWTH	NON-RESIDENT TOURISM REVENUE GROWTH
2015	+5.6%	+2.6%
2016	+8.2%	+11.2%
2017	+8.8%	+15.1%
2018	-0.8%	+0.5%

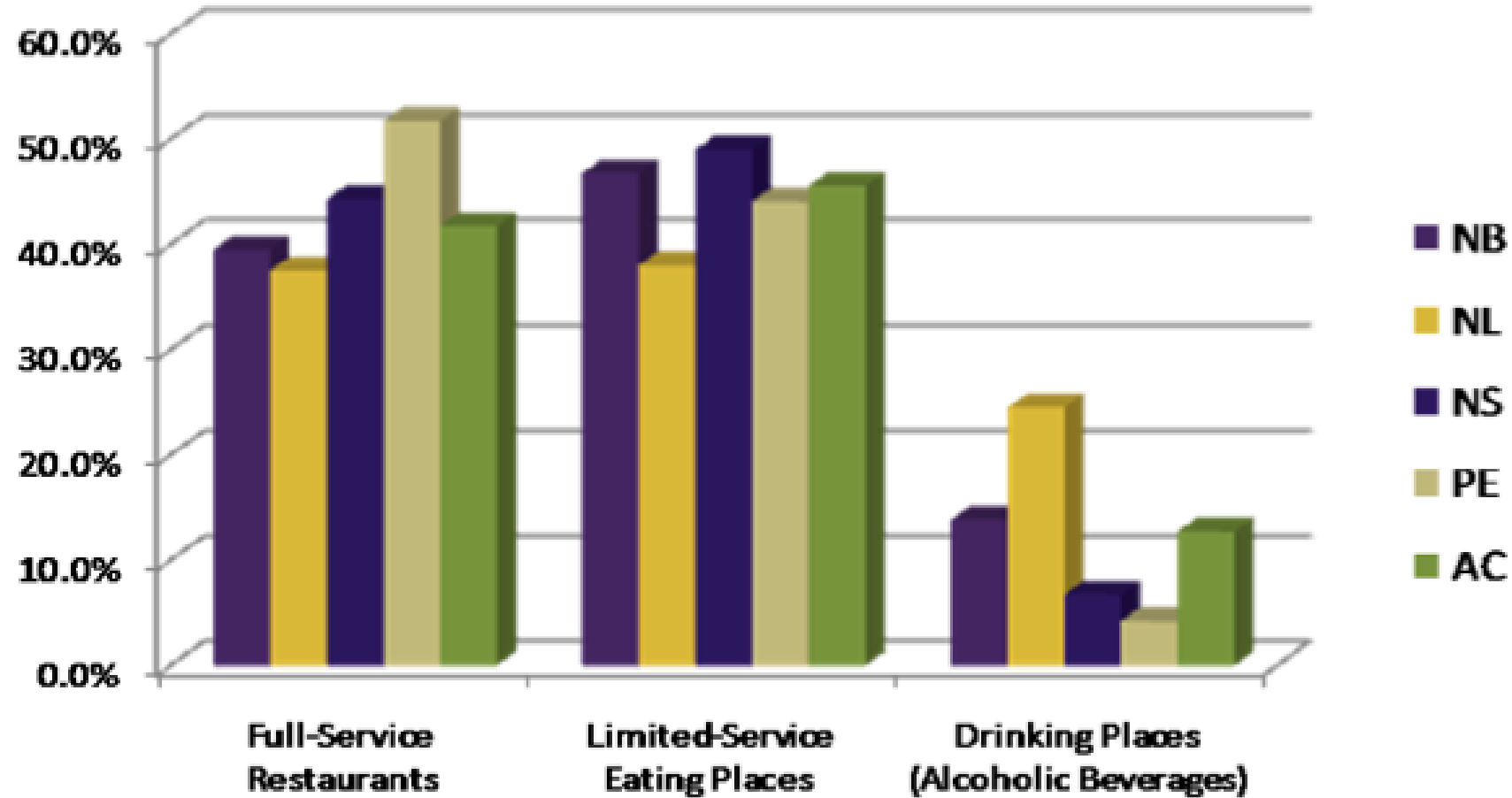
Current Trends

- **Limited-service eating places:**
 - ❖ 53% of total food services and drinking places
 - ❖ Increased 6.0 per cent (\$3.6 million) to \$65 million.
- **Full-service restaurants:**
 - ❖ 37% of total food services and drinking places
 - ❖ Increased 8.3 per cent (\$3.5 million) to \$45 million.
- **Special food services:**
 - ❖ 7% of total food services and drinking places
 - ❖ Decreased 1.6 per cent (\$0.1 million) to \$8 million.
- **Drinking places:**
 - ❖ 3% of total food services and drinking places
 - ❖ Decreased 12.7 per cent (\$0.5 million) to \$4 million.

Restaurant Sales Percent by Month



Provincial Comparisons



Atlantic Canada Sales Comparisons

Province	Beverage Sales	+ Food Sales	= F&B
NL	682,919,000	42,538,000	725,457,000
PEI	188,794,000	581,000	193,375,000
NS	1,267,406,000	57,819,000	1,325,226,000
NB	934,315,000	42,458,000	976,773,000
AC	3,073,434,000	147,396,000	3,247,831,000

Snapshot of Industry Numbers

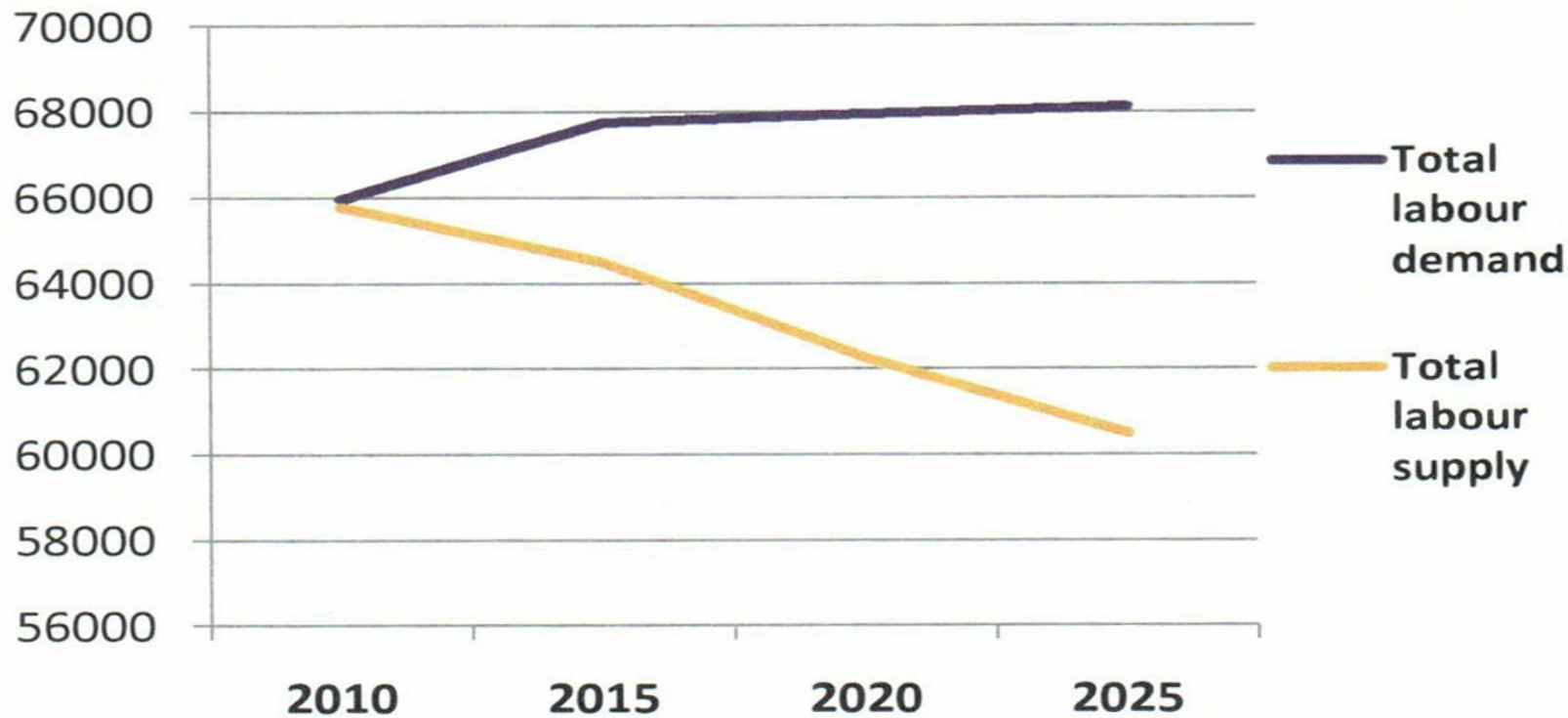
- Target is \$4 Billion revenue by 2024
- Current tally is \$2.61 Billion at the end of 2018
- Growth in revenue in 2018 versus 2017 is 0.3%
 - ❖ That is 2.2% of the current inflation rate of NS
- Given the current pattern it would take another 143 years to reach \$4 Billion
- Loss in visitors from 2017 to 2018 is 0.8% (19,500 fewer)
- Road visits are down by 3% (49,900 fewer)
- Air travel is up 4% (32,800 more)

Employment by Occupation

Position	AC	NB	NL	NS	PEI
Managers	11%	10.5%	11.1%	11.8%	9.2%
Supervisors	5.5%	6.0%	5.3%	5.4%	6.0%
Chefs	2.3%	1.6%	1.9%	3.0%	2.9%
Cooks	19.8%	22.9%	19.8%	17.6%	18.8%
Bakers	1.6%	1.5%	1.4%	1.8%	1.8%
Hosts	1.2%	1%	.9%	1.4%	1.8%
Bartenders	5.7%	4.1%	10%	5.5%	2.8%
Servers	21.1%	20.8%	19%	21.3%	25.4%
Counter/Help	31.7%	32.2%	29.8%	32.2%	30.8%

Shortages in Labour Force

Figure 8 : Potential Labour Demand and Supply in Atlantic Canada, 2010 to 2025



Source: CTHRC, March 2009

Current Industry Challenges

Critical labour shortage in kitchens

Profitability (sales vs. profitability)

Market conditions (consumer confidence, tourism)

Tipping / gratuity

Minimum wage increasing

Input costs (protein, services, alcohol)

Excise tax on alcohol

Current Provincial Issues

- Wholesale for beer and ready mix drinks
- Data and research of food & beverage sector
- Continue reduction of red tape for small business
- Creeping regulatory environment
- Changes of regulations
 - ❖ i.e. accessibility
- A plan for tourism & growth
 - ❖ Double tourism by 2024 to \$4 Billion

Current Federal Issues

- Tipping & gratuity
 - ❖ Revenue Canada
 - ❖ \$80 million of tips in NS
- Tip differential
 - ❖ Federal & provincial
- Air access
 - ❖ Critical Atlantic growth (China)
- Excise tax on alcohol
- Trans-border shipping of alcohol
- Rural online services
- Temporary foreign worker program
 - ❖ Access, faster, and need training

Trending in 2019



Wine bars

Wine isn't as intimidating as it used to be



Family-style and sharing plates

Meals served family-style



Veggie-forward restaurants

More than a side dish



Craft cider

Move over craft beer



Happy hours

With happy hour cocktail prices & epic drinks



Awareness about food waste

Both restaurants & consumers



Boutique size restaurants

Cost & labour driven



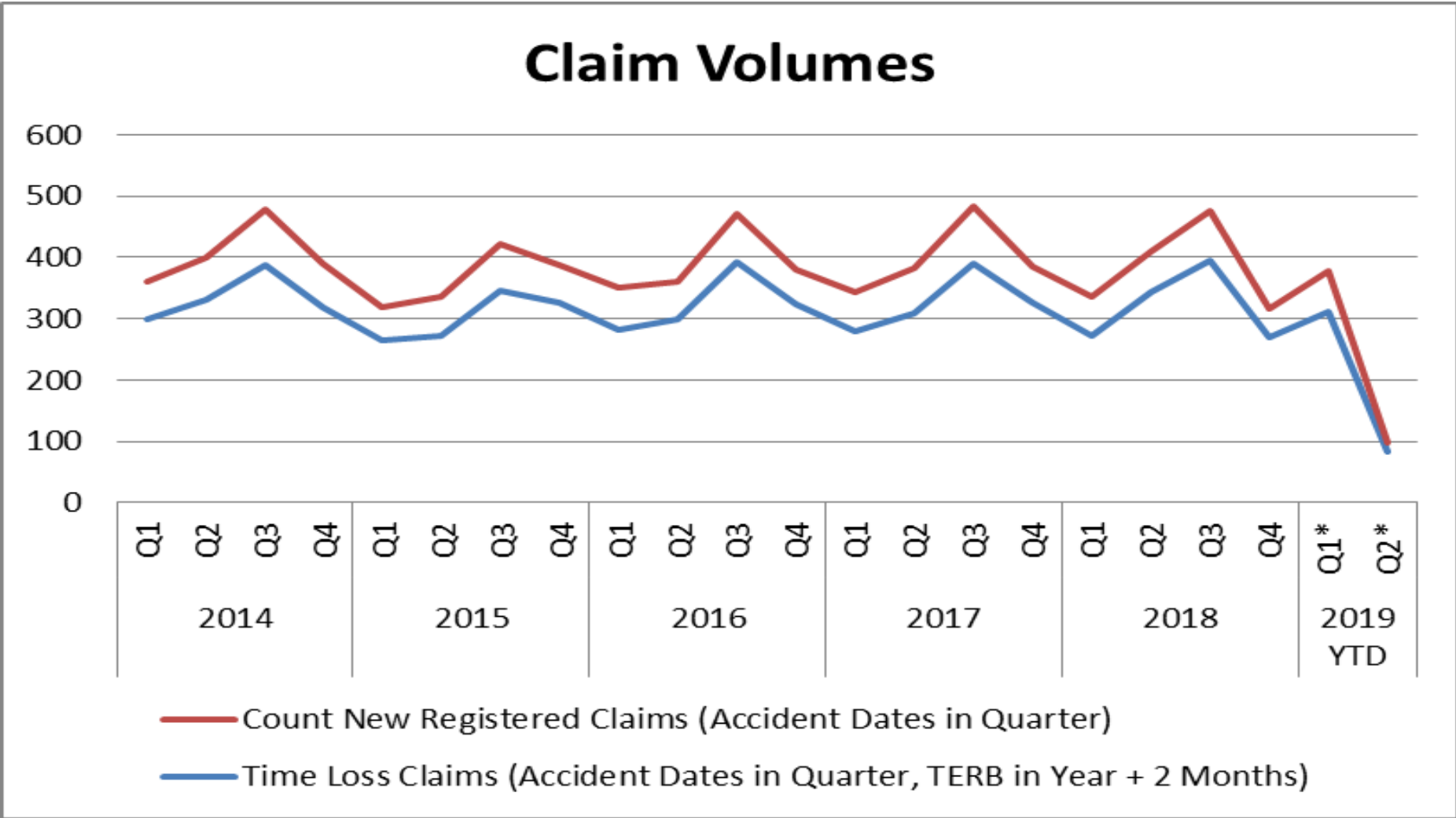
Local food & drink

All we can get

Food & Beverage SIC Codes

- 9211 - Licensed restaurants
- 9212 - Unlicensed restaurant / drive-ins
- 9213 - Take-out restaurants
- 9214 - Caterers
- 9221 - Taverns, bars, and night clubs

2014-2018 Claim Volumes



Annual Totals

Accident Year	Count New Registered Claims (RC)	Count New Time Loss Claims (TLC)	Total STD Weeks Paid on TLC in Acc. Yr. + 2 Months (Duration)	Total Benefits Paid on RC in Acc. Yr. + 2 Months	Assessable Payroll To Date
2014	1,339	292	1,590.54	\$1,025,765	\$416,995,353
2015	1,209	256	1,174.73	\$787,856	\$436,471,090
2016	1,303	264	1,208.64	\$812,855	\$463,242,467
2017	1,302	295	1,743.73	\$1,123,746	\$486,693,064
2018	1,279	263	1,201.08	\$842,596	\$513,093,868
2019 YTD	395	80	289.83	\$138,307	\$129,508,065

Top Occupations

Occupation Description	Count Time Loss Claims 2017 to 2019 YTD
Food service counter attendants and food preparers	128
Cooks	119
Food and beverage servers	45
Kitchen and food service helpers	37
Cashiers	35
Food service supervisors	19
Bakers	18
Sales and service occupations, uns.	17
Restaurant and food service managers	15

Top 10 Injury Sources

Source Description	Count Time Loss Claims 2017 to 2019 YTD
Bodily motion or position of injured, ill worker	114
Knives	49
Boxes, crates, cartons	44
Floors, walkways, ground surfaces, unspecified	40
Floor of building	27
Pots, pans, trays	26
Water	24
Fats, oils	20
Beverages, n.e.c.	17
Stairs, steps, unspecified	16

Top 10 Event Descriptions

Event Description	Count Time Loss Claims 2017 to 2019 YTD
Contact with hot objects or substances	96
Fall to floor, walkway, or other surface	82
Overexertion in lifting	71
Struck by slipping handheld object	45
Bending, climbing, crawling, reaching, twisting	37
Struck against stationary object	32
Slipping on something -without fall	22
Fall down stairs or steps	20
Struck by falling object	20
Rubbed or abraded by objects being handled	15

Thank you for your time...
Questions?

