

# Gluten-Free Foods in Canada

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## Abstracts

The surge in celebrity endorsements of a gluten-free lifestyle, combined with growing awareness of celiac disease and gluten intolerance, has driven the Canadian gluten-free (GF) market to over \$450 million in 2012, with the market managing an impressive compound annual growth rate (CAGR) of 26.6% between 2008 and 2012. The growing market has also spawned a considerable number of new gluten-free products in the market, which has only served to further drive GF product sales in Canada. However, general popularity of gluten-free popularity will start to fade by 2014, resulting in single-digit growth for the Canadian gluten-free market in the latter half of the forecasted period. On the other hand, the core market of those who must maintain a GF diet for medical reasons will continue to grow, driving sales of gluten-free products in Canada to reach \$812 million by 2017.

This study contains comprehensive data on the Canadian market for gluten-free foods and beverages, including historical (2008–2012) and forecasted (2013–2017) retail sales data. The report discusses key trends affecting the marketplace, trends driving growth, and consumer demographics. In addition, the report profiles major gluten-free product producers.

## Report Methodology

The information in 'Gluten-Free Foods in Canada' is based on primary and secondary research. Primary research entailed in-depth, on-site examinations of retail outlets and interviews with companies, distributors, and retailers to obtain information on new product and packaging trends, marketing programs, distribution methods, and technological breakthroughs. Secondary research entailed data gathering from relevant sources, including consumer and industry publications, newspapers, government reports, company literature, and corporate annual reports. Sales of packaged products are based on available sales data from publicly traded marketers of gluten-free

products, estimates reported in the trade and consumer press, industry experts, and participating gluten-free manufacturers and retail outlets. Consumer findings are derived from Packaged Facts' proprietary survey conducted in August 2012 expressly for this report, which provides current data on consumers' purchasing habits, preferences, and perspectives.

## **What You'll Get in This Report**

'Gluten-Free Foods in Canada 'makes important predictions and recommendations regarding the future of this market, and pinpoints ways current and prospective players can capitalize on current trends and spearhead new ones. No other market research report provides both the comprehensive analysis and extensive data that Gluten-Free Foods in Canada offers. Plus, you'll benefit from extensive data, presented in easy-to-read and practical charts, tables, and graphs.

**How You'll Benefit from This Report** If your company is already doing business in the gluten-free and beverage market, or is considering making the leap, you will find this report invaluable, as it provides a comprehensive package of information and insight not offered in any other single source. You will gain a thorough understanding of the current market for gluten-free foods and beverages in Canada, as well as projected markets and trends through 2017.

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## About

### **U.S. Is the Largest Market of Most Major Canadian GF Companies**

An interesting aspect of the North American gluten-free market arises from the much larger consumer base of the U.S., and the fact that the North American Free Trade Agreement (NAFTA) makes it much easier for Canadian companies to also enter the U.S. market. The result of these two factors is that most major Canadian gluten-free manufacturers actually derive the bulk of their revenue from U.S. gluten-free sales. Most notable in this category are top Specialist gluten-free manufacturers Kinnikinnick, Glutino, and Food Directions, as well as health food marketer Nature's Path. In fact, the only major gluten-free manufacturer deriving the majority of its revenue from Canadian-based sales is El Peto who, apart from a few distributor relationships, derives all of its U.S. sales from its online store.

This facet of the Canadian gluten-free market leads to some interesting dynamics, such as companies like Nature's Path actually introducing new gluten-free products to their U.S. market well before they release those same products into their home market of Canada. It also means even Canadian manufacturers are going to focus on developing new products catering more to the American gluten-free market, rather than the Canadian gluten-free market. In particular, Packaged Facts' surveys of gluten-free consumers in the U.S. and Canada show U.S. gluten-free purchasers are more interested in buying GF foods because they believe them to be low carb or for weight management, while Canadian GF shoppers are more likely to purchase GF foods for their original purpose—because of celiac disease or gluten intolerance.

### **Gluten-Free in Drug Stores & Online**

There is a wide range in terms of the number of GF products the different drug store chains in Canada have for sale. One of the top chains is BC-based London Drugs. The chain sells over 70 different gluten-free products at its stores throughout BC and the Prairie Provinces. Rexall provides far fewer gluten-free products on its shelves, but does have a dedicated web page for gluten-free that makes it very easy to determine what the retailer does sell as well as providing its own private label GF products. At the other end of the spectrum, national chain Shoppers Drug Mart (which was purchased by Loblaws in 2013), does not provide any information on available gluten-free products.

There is also still relatively little available in terms of online shopping for gluten free

products, although the number has grown steadily in the last two years. In 2011, there were approximately six different Canadian online sites specializing in gluten-free products, with these sites being a mix of manufacturers selling their own products and online retailers. As of 2013, however, the number has more doubled, mostly from the addition of more online retailers, although more gluten-free product manufacturers are now selling online as well. Well-known online shopping sites include manufacturers Kinnikinnick and El Peto, and retail sites Well.ca, Canadian Alternative Foods, and The Specialty Food Shop operated by the Toronto Sick Kids Hospital.

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