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# **“Would You Like Fries With That?”**

## **The Implications of Demographic Trends on the Demand for Frozen Potato Products in the United States and Canada**

**A Presentation to**  
**Cavendish Farms Executive Team**  
***Pre-strategy Meeting***

**By**  
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**President, R.A.L. Consulting Limited**

**Halifax, Nova Scotia**  
**July 15, 2008**



# Demographic Analysis

## Overview

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- Study of human populations
- Key factors of analysis:
  - » Sex
  - » Ethnicity/race
  - » Marital status and family structure
  - » Births and deaths
  - » Migration
  - » **AGE**

# Demographic Analysis

## Overview

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***To become an amateur demographer  
you must understand  
two assumptions***

# Demographic Analysis

## Assumptions

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### ***Assumption #1***

***Every year you get a year older***

# Demographic Analysis

## Assumptions

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### ***Assumption #2***

***You tend to act your age***

# Demographic Analysis

## Assumptions

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- *Acting your age:*

- » “Two-thirds of everything” (David K. Foot, *Boom, Bust & Echo 2000*)
- » Life cycle analysis of **economic behaviour**: how you spend your time and money
- » **Strategic and long-term** (10-20 years)
- » **Baseline analysis** (don't forget the survey research, economic forecasting, policy analysis, etc.)

# Demographic Analysis

## Today's Presentation

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- Major demographic trends in market areas served by Cavendish Farms:
  - Population growth
  - Population change: aging and diversity
- How demographic change creates opportunities and challenges for Cavendish Farms:
  - Shifts in consumer spending:
    - Frozen potato products
    - Food at home versus food away from home (sectors)

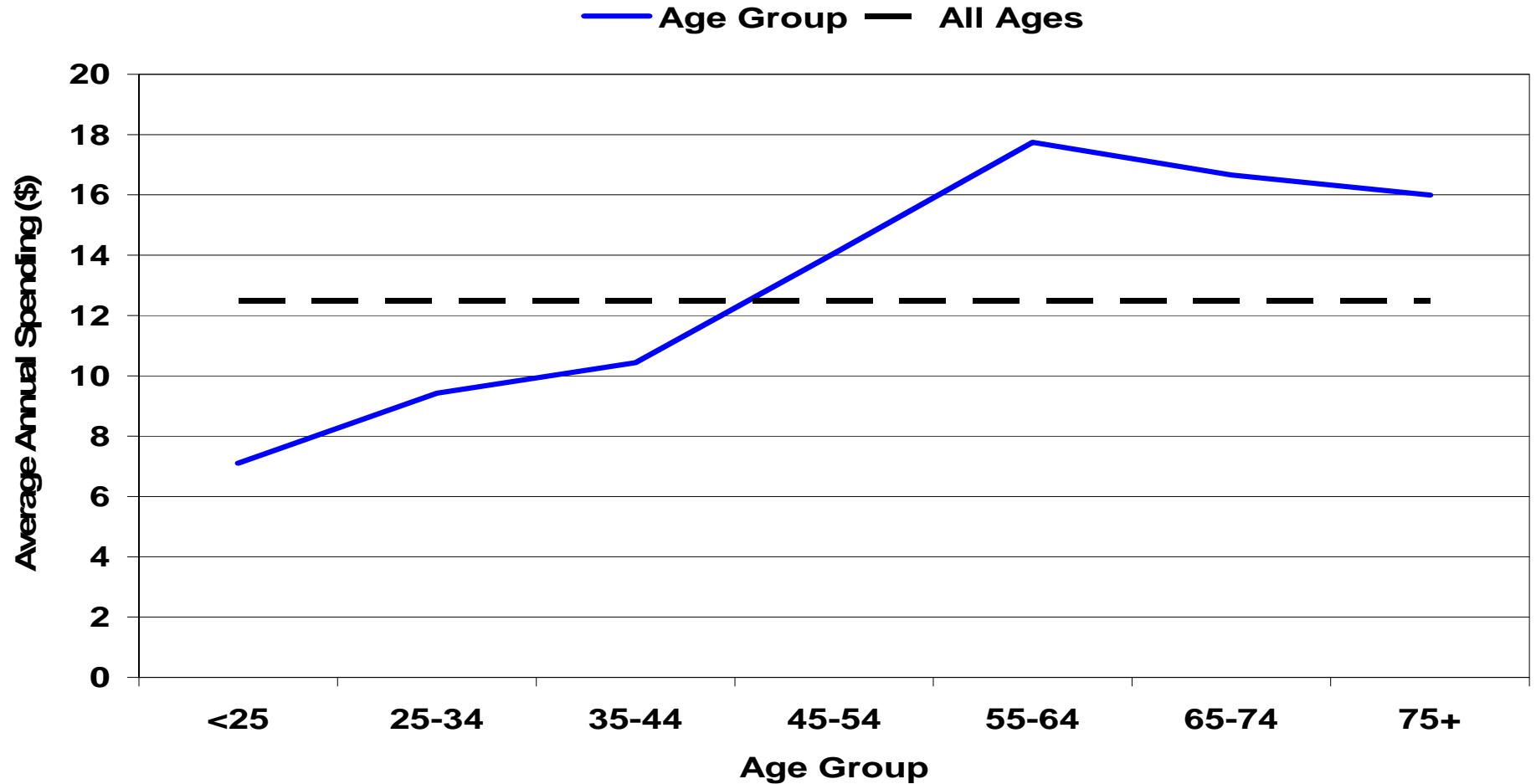
# Demographic Analysis

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***Who Buys Potatoes for  
Consumption at Home in the  
United States and Canada?***

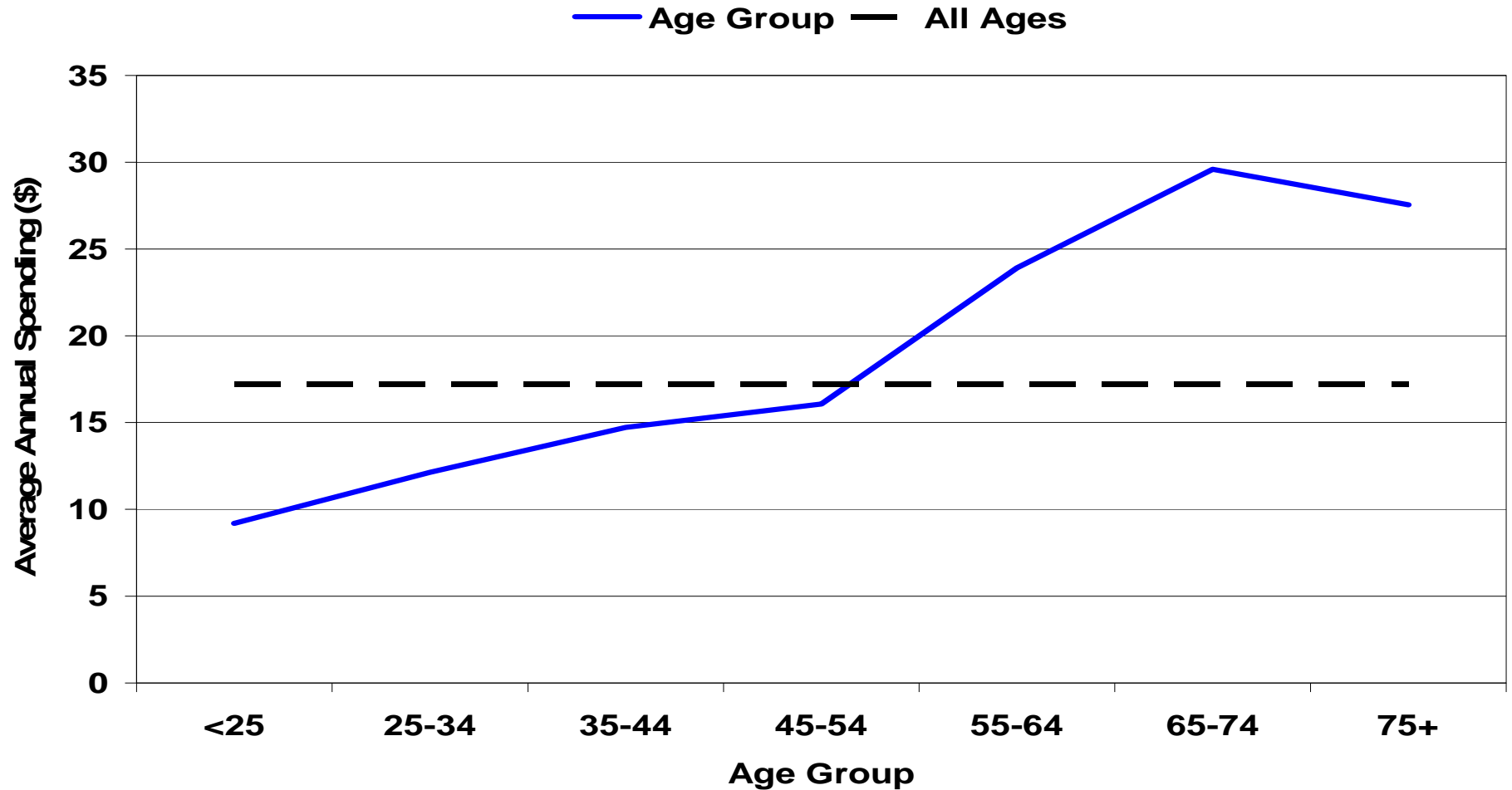
# Potatoes (fresh)

U.S.A., 2006 (\$ per person)



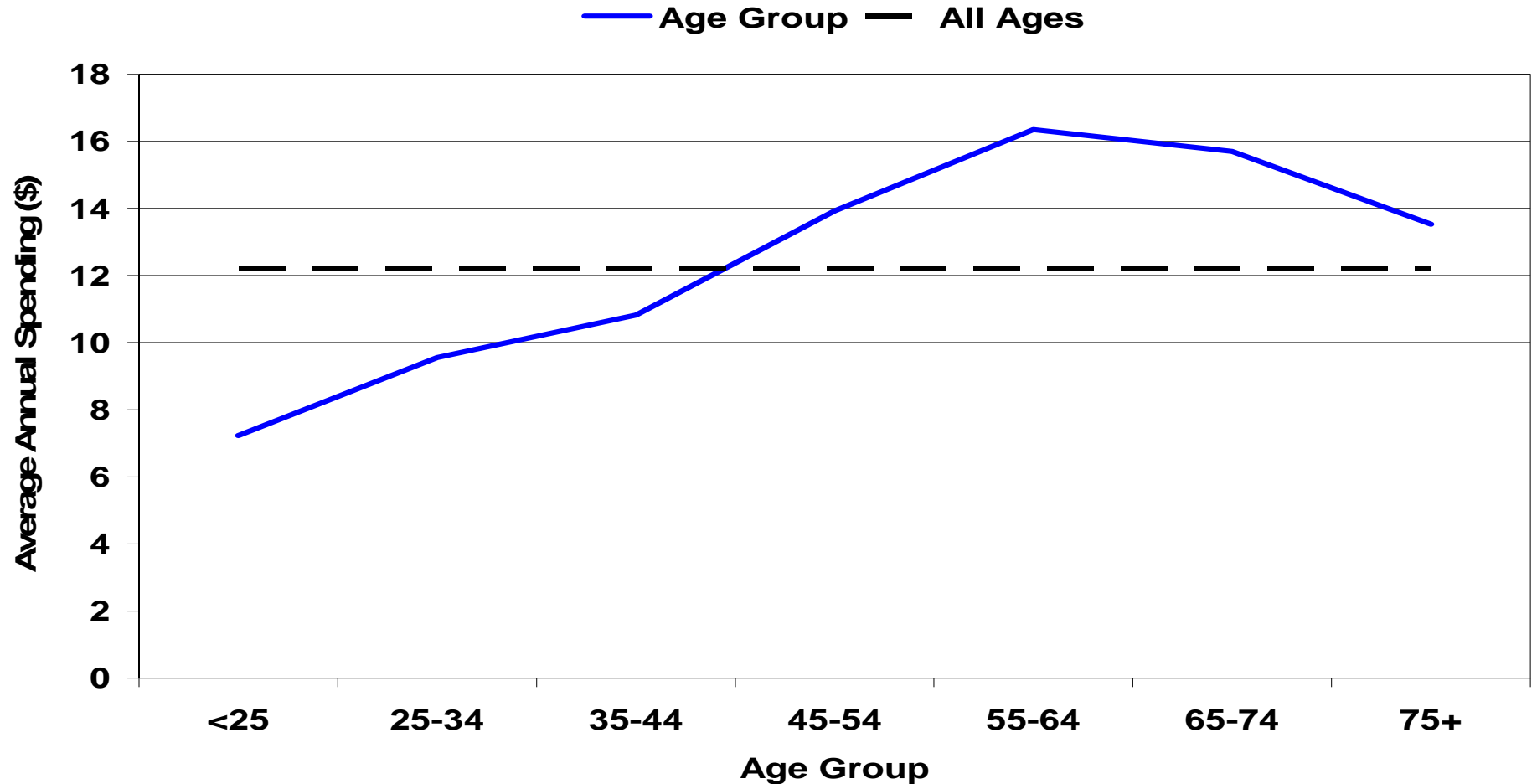
# Potatoes (fresh)

Canada, 2001 (\$ per person)



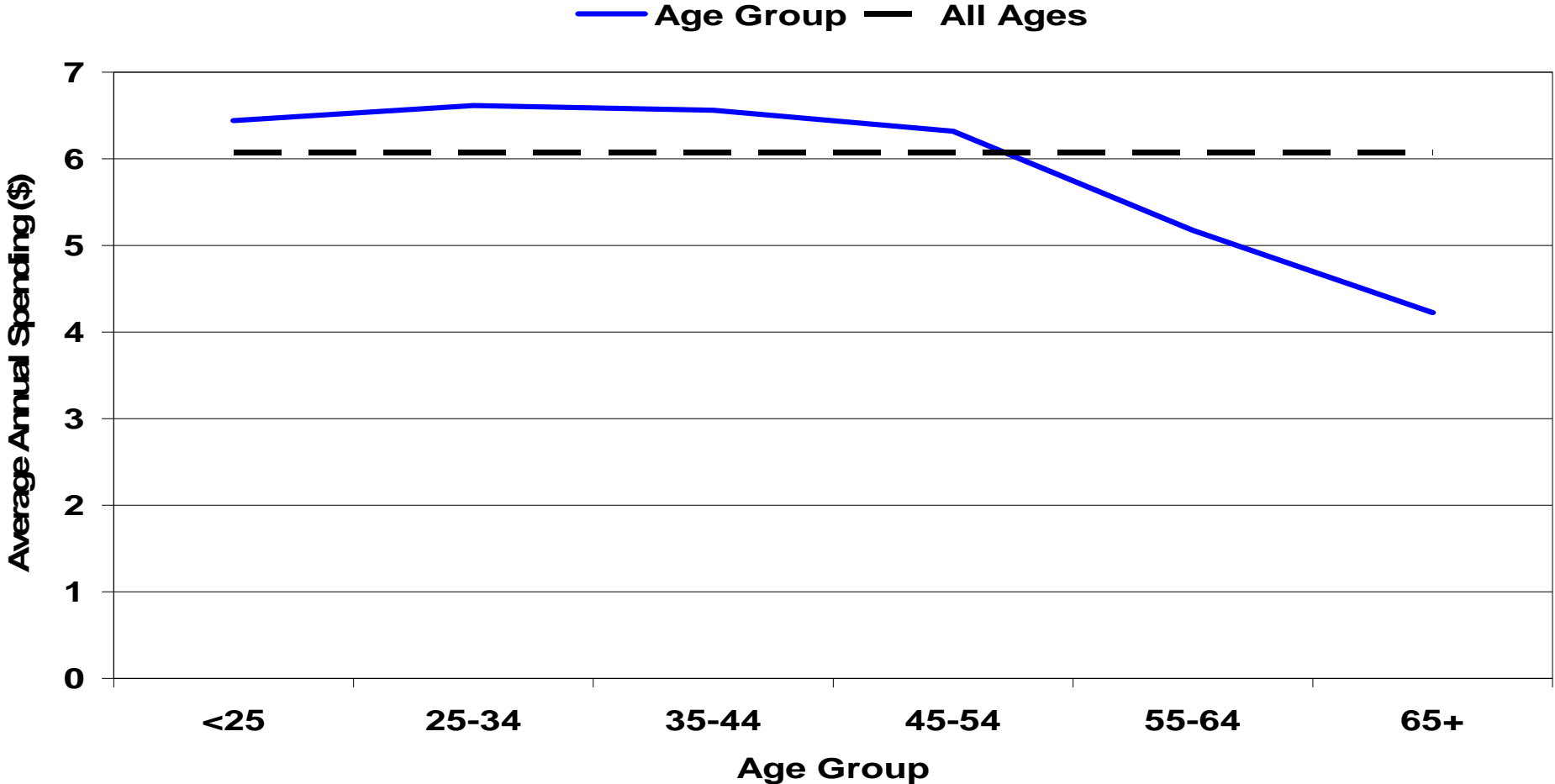
# Frozen Vegetables

U.S.A., 2006 (\$ per person)



# Frozen Potato Products

Canada, 2001 (\$ per person)



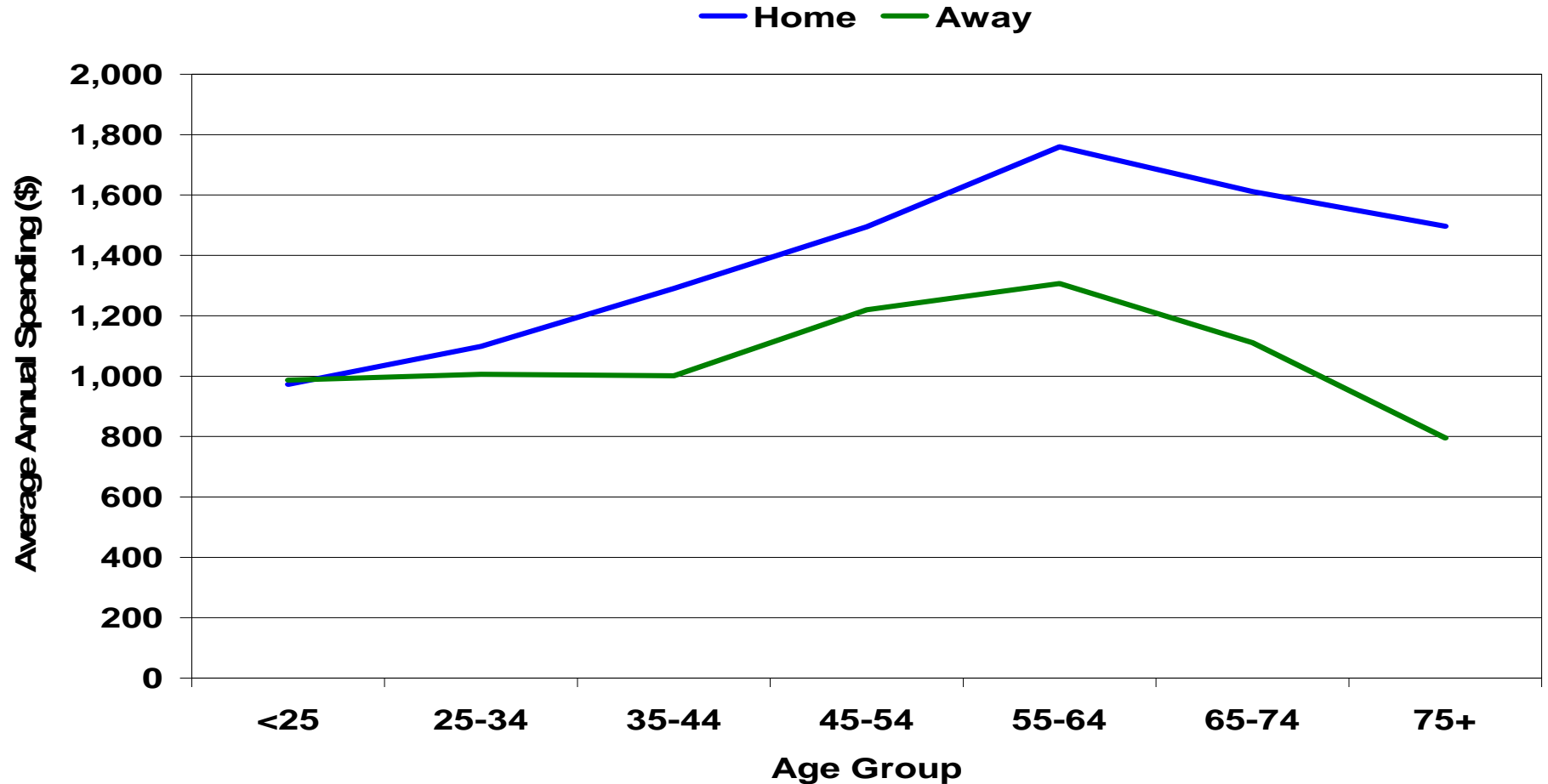
# Demographic Analysis

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***Where do American Consumers  
Purchase Food Away From Home?***

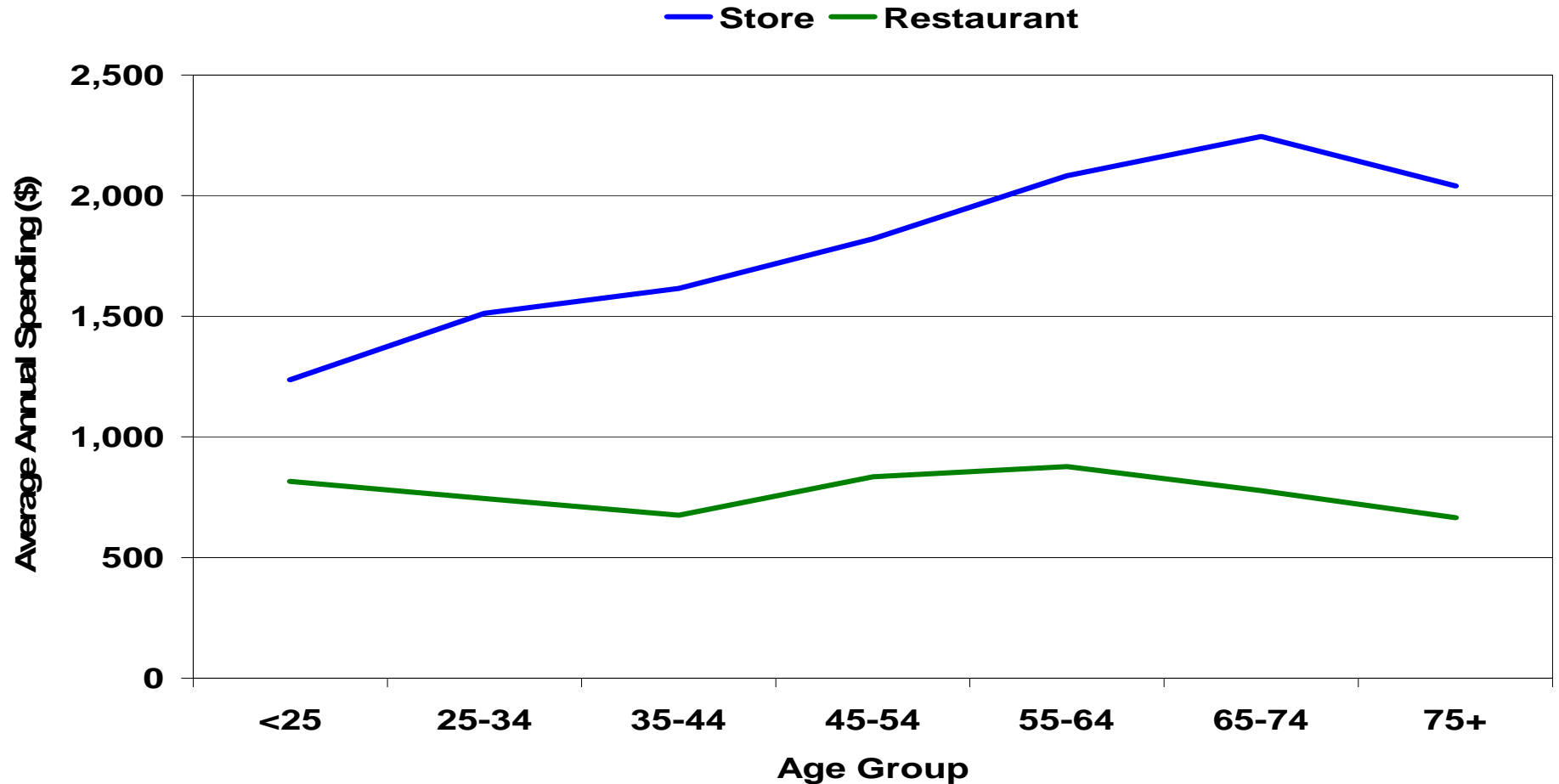
# Food: Home versus Away

U.S.A., 2006 (\$ per person)



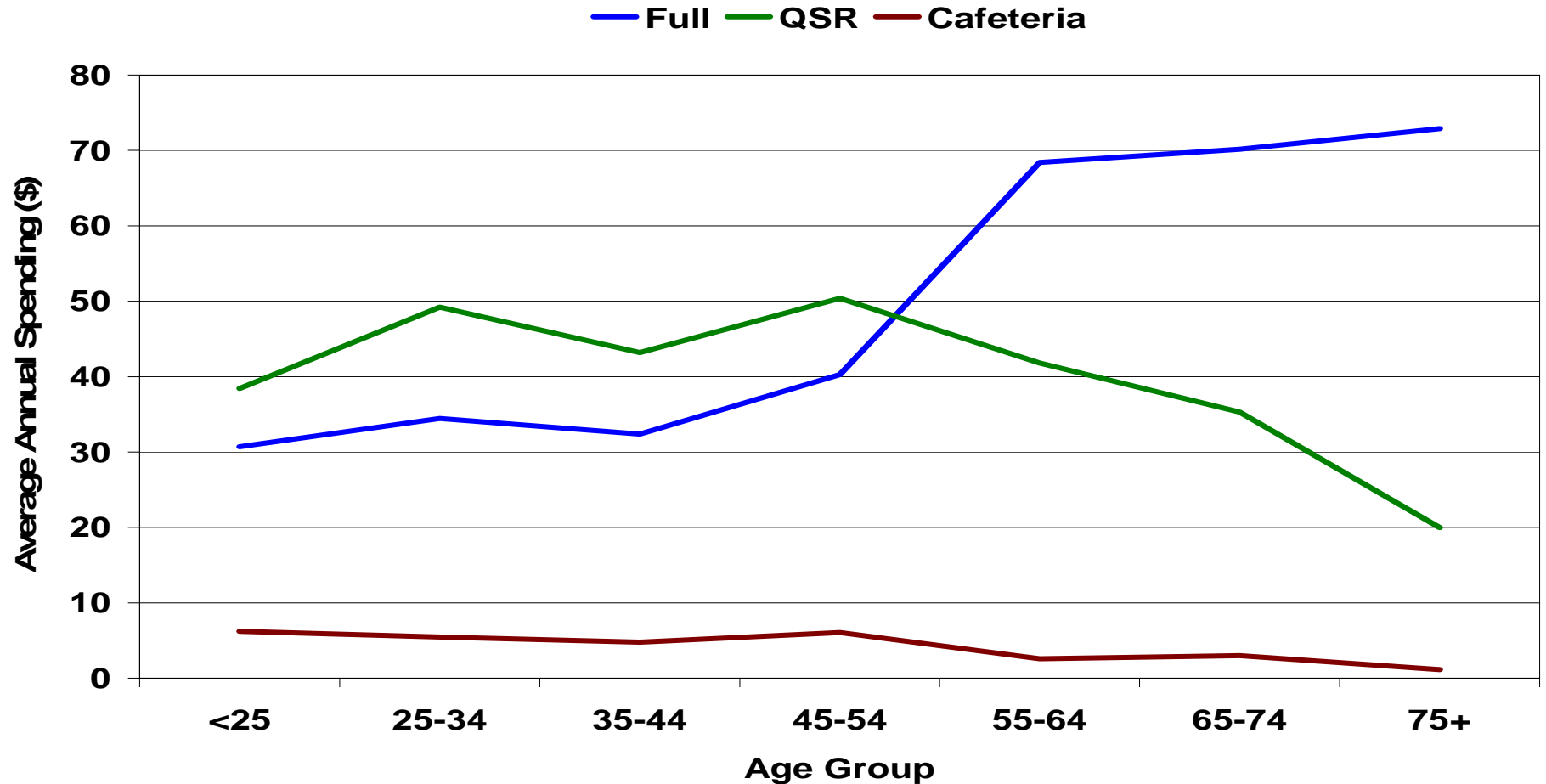
# Food: Store versus Restaurant

Canada, 2001 (\$ per person)



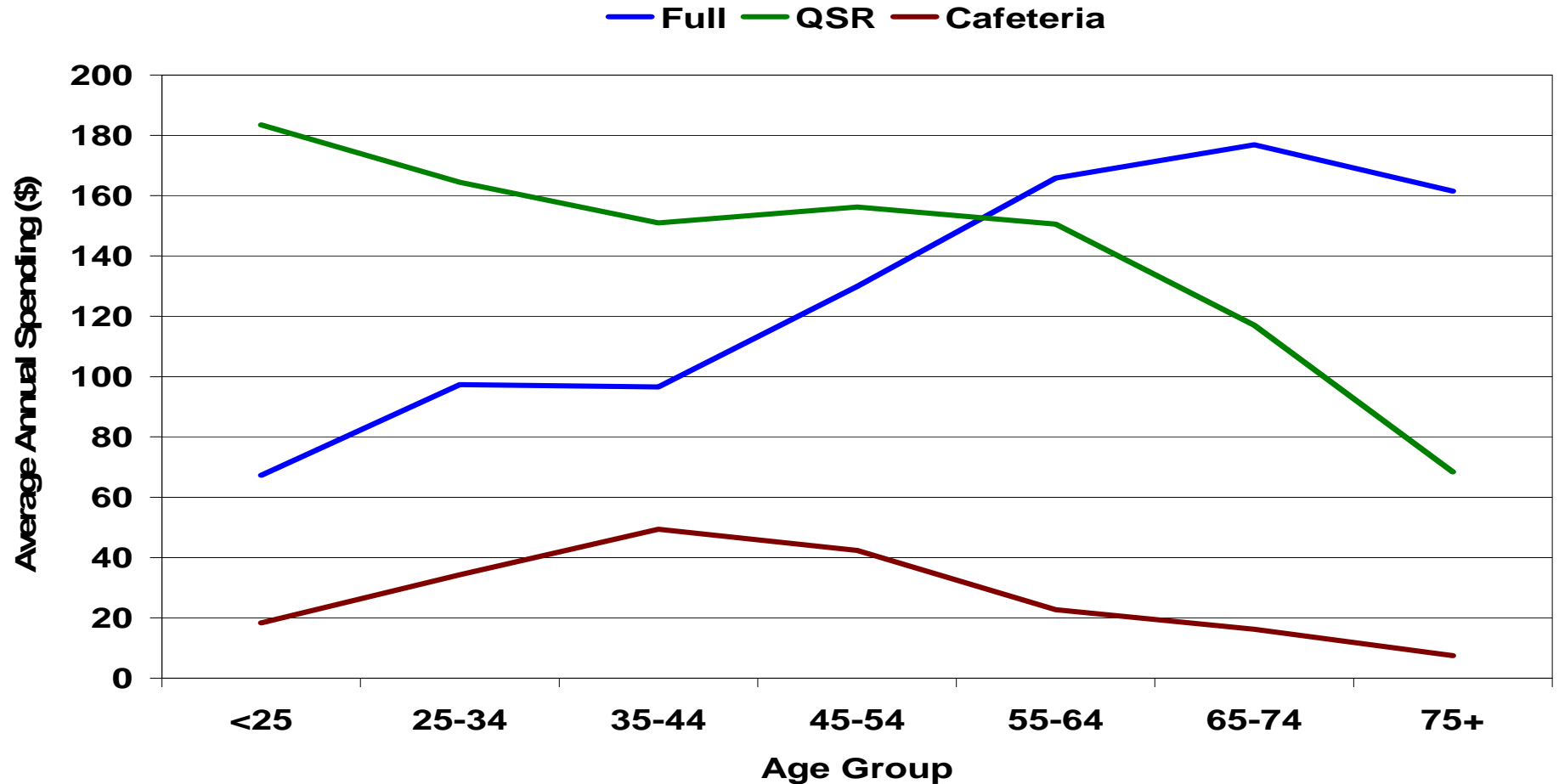
# Breakfast

U.S.A., 2006 (\$ per person)



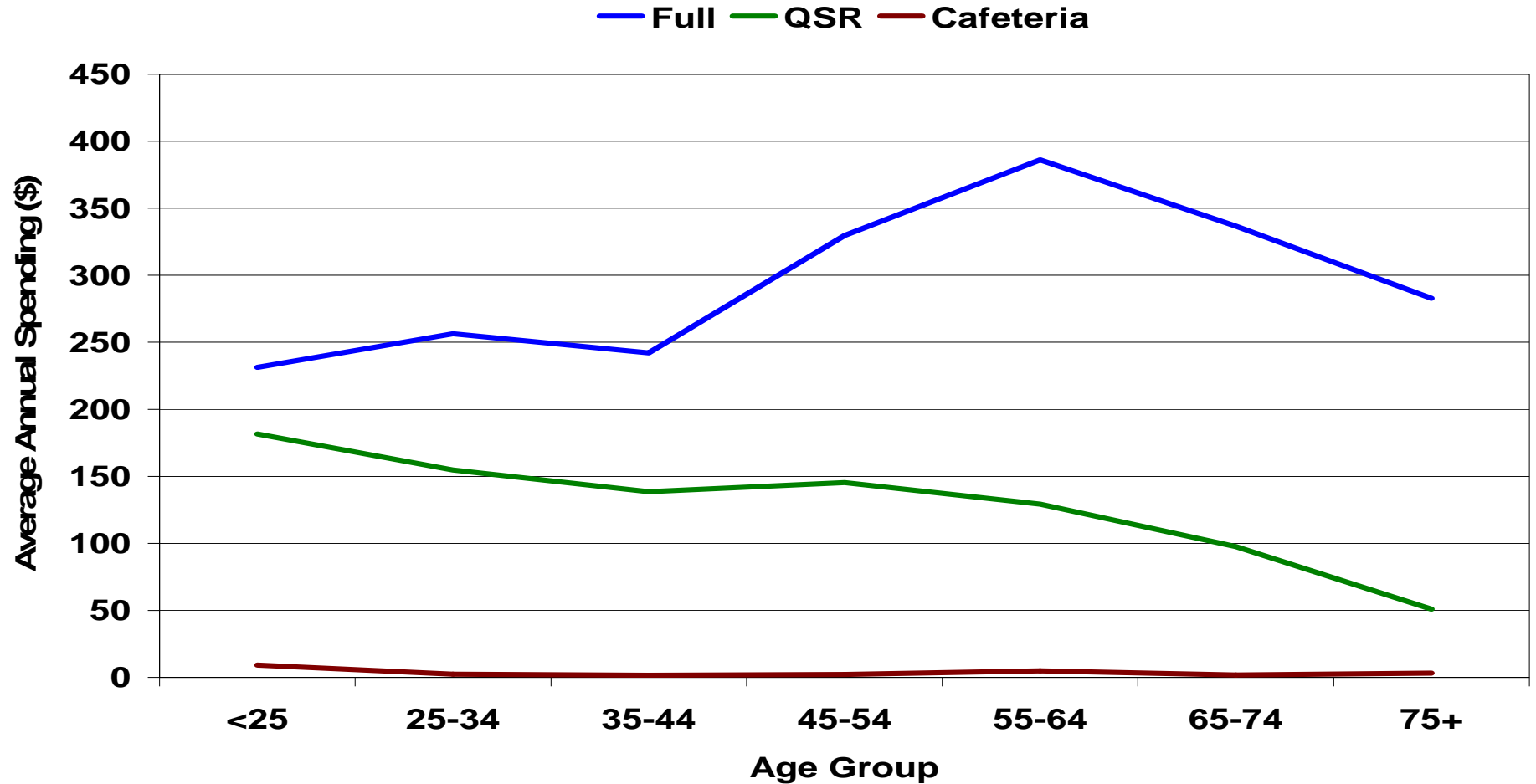
# Lunch

U.S.A., 2006 (\$ per person)



# Dinner

U.S.A., 2006 (\$ per person)



# Demographic Analysis

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## *Observations*

- ***Older consumers (55+) spend less:***
  - » ***On frozen vegetable products***
  - » ***On food away from home***
  - » ***On food from the QSR sector***

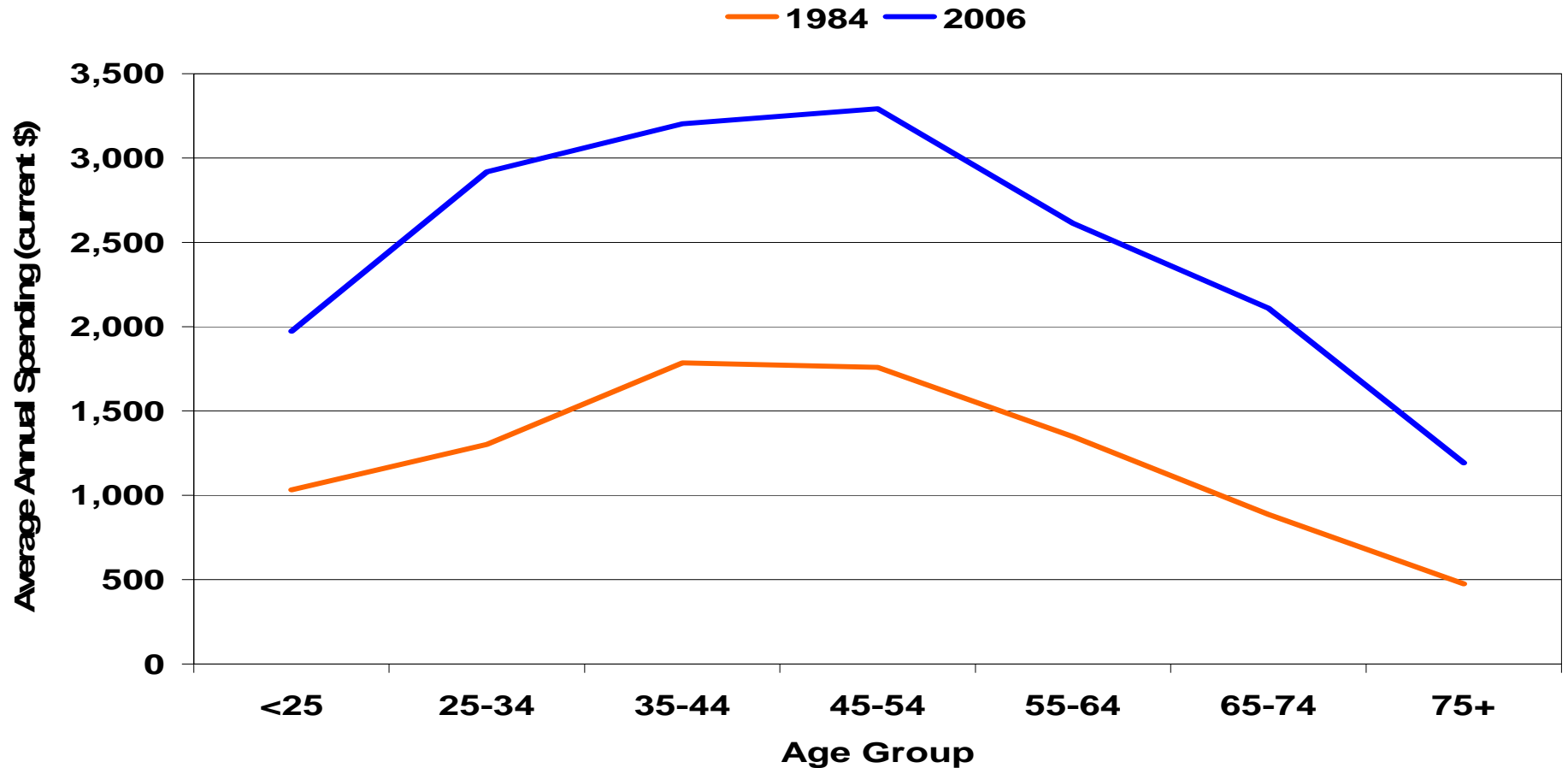
# Demographic Analysis

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***How Durable are the  
Household Spending Patterns?***

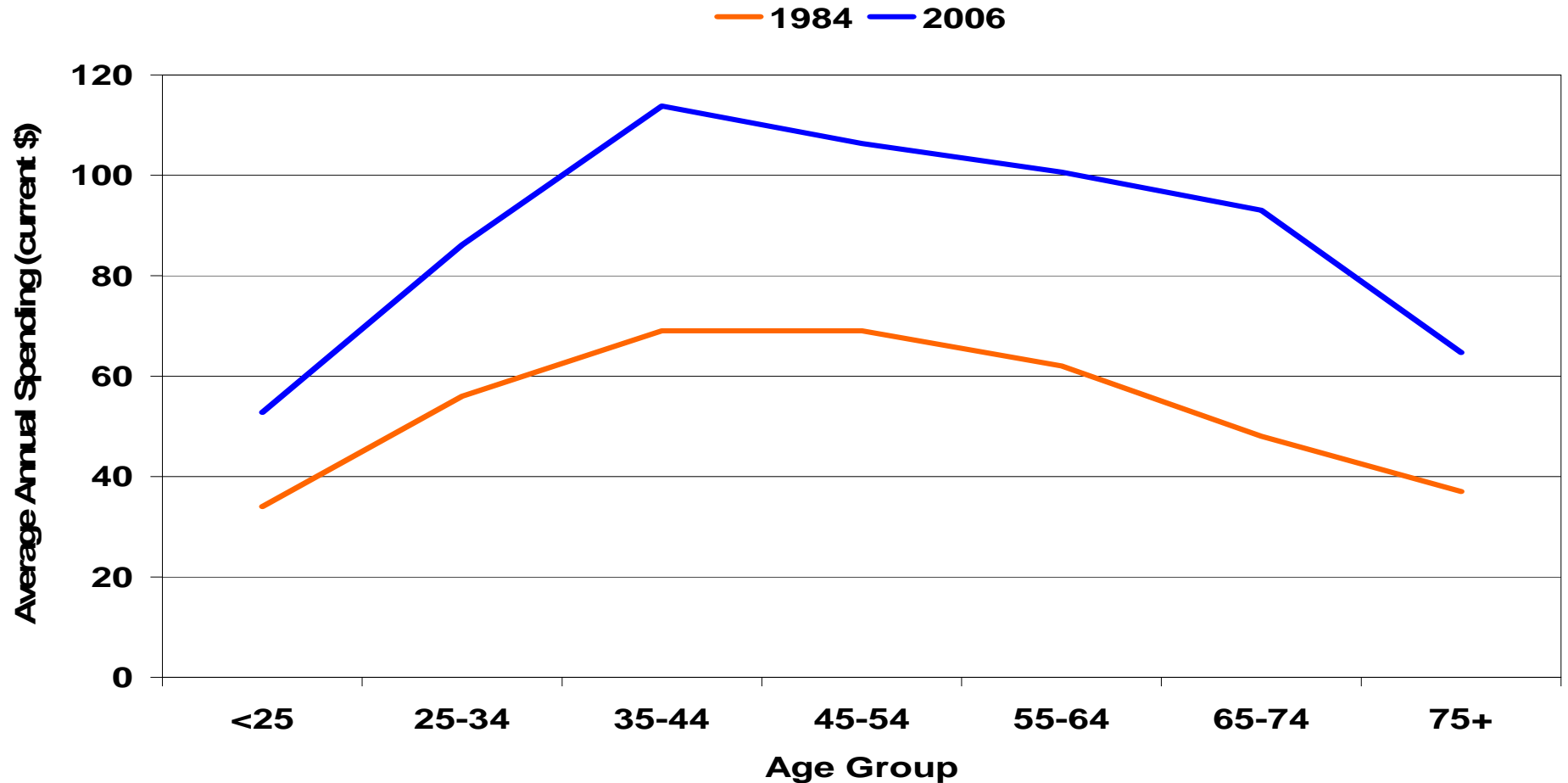
# Food Away From Home

U.S.A., 1984 versus 2006 (current \$ per household)



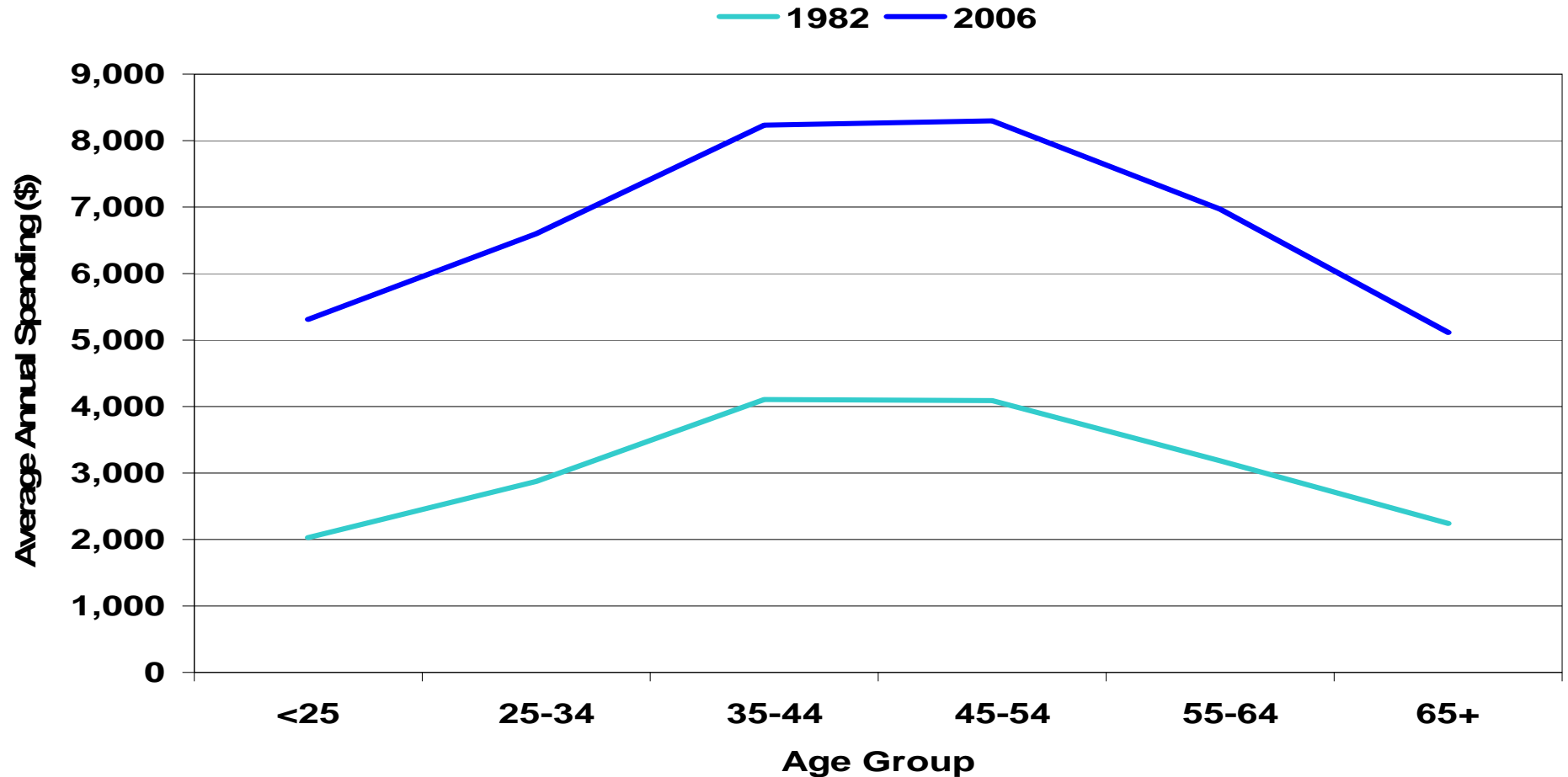
# Processed Vegetables

U.S.A., 1984 versus 2006 (current \$ per household)



# Food Purchased at Stores

Canada, 1982 versus 2006 (current \$ per household)



# Demographic Analysis

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***What are the Demographic Trends  
in the Major Market Areas of  
Cavendish Farms?***

# Demographic Analysis

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## ***Demographic Trends in the United States: Growth***

# U.S. Demographic Trends

## Regions and Divisions

<b>North</b>
New England
Middle Atlantic
<b>Midwest</b>
East North Central
West North Central
<b>South</b>
South Atlantic
East South Central
West South Central
<b>West</b>
Mountain
Pacific

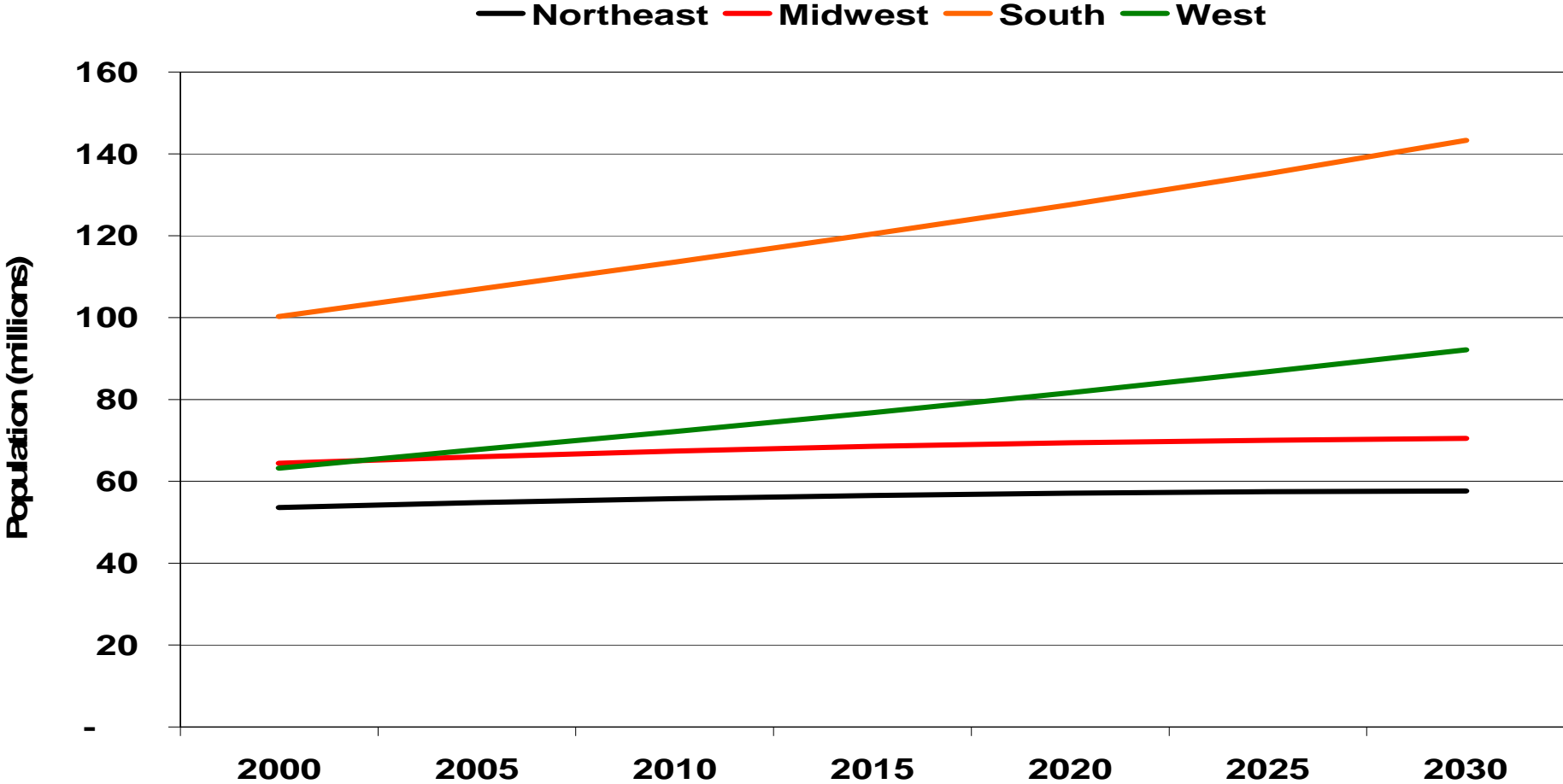
# U.S. Demographic Trends

## Divisions and States

<b>New England:</b>	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
<b>Middle Atlantic:</b>	New Jersey, New York, Pennsylvania
<b>East North Central:</b>	Illinois, Indiana, Michigan, Ohio, Wisconsin
<b>West North Central:</b>	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
<b>South Atlantic:</b>	Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
<b>East South Central:</b>	Alabama, Kentucky, Mississippi, Tennessee
<b>West South Central:</b>	Arkansas, Louisiana, Oklahoma, Texas
<b>Mountain:</b>	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
<b>Pacific:</b>	Alaska, California, Hawaii, Oregon, Washington

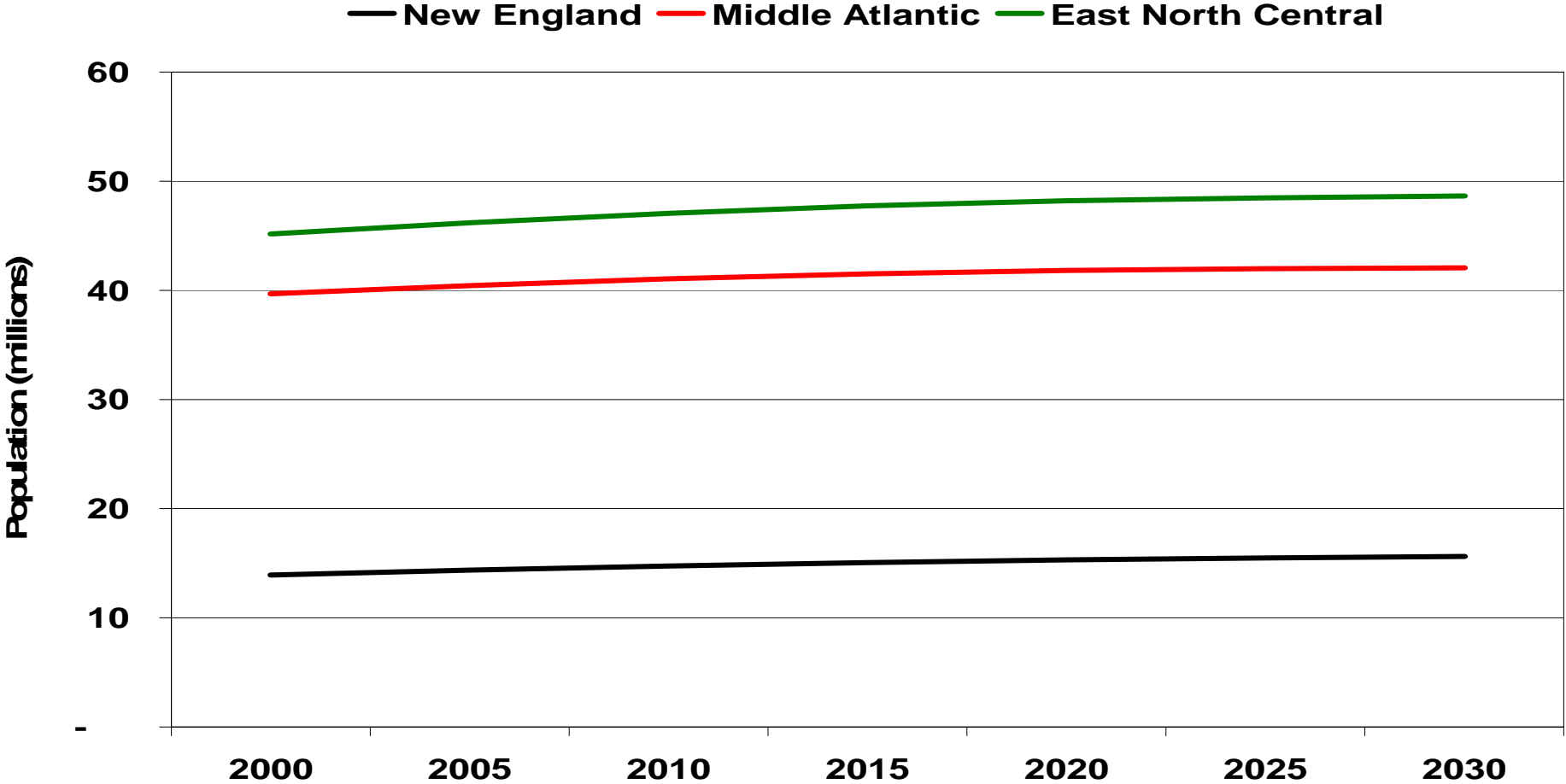
# Projected Population

Regions, 2000-2030 (millions)



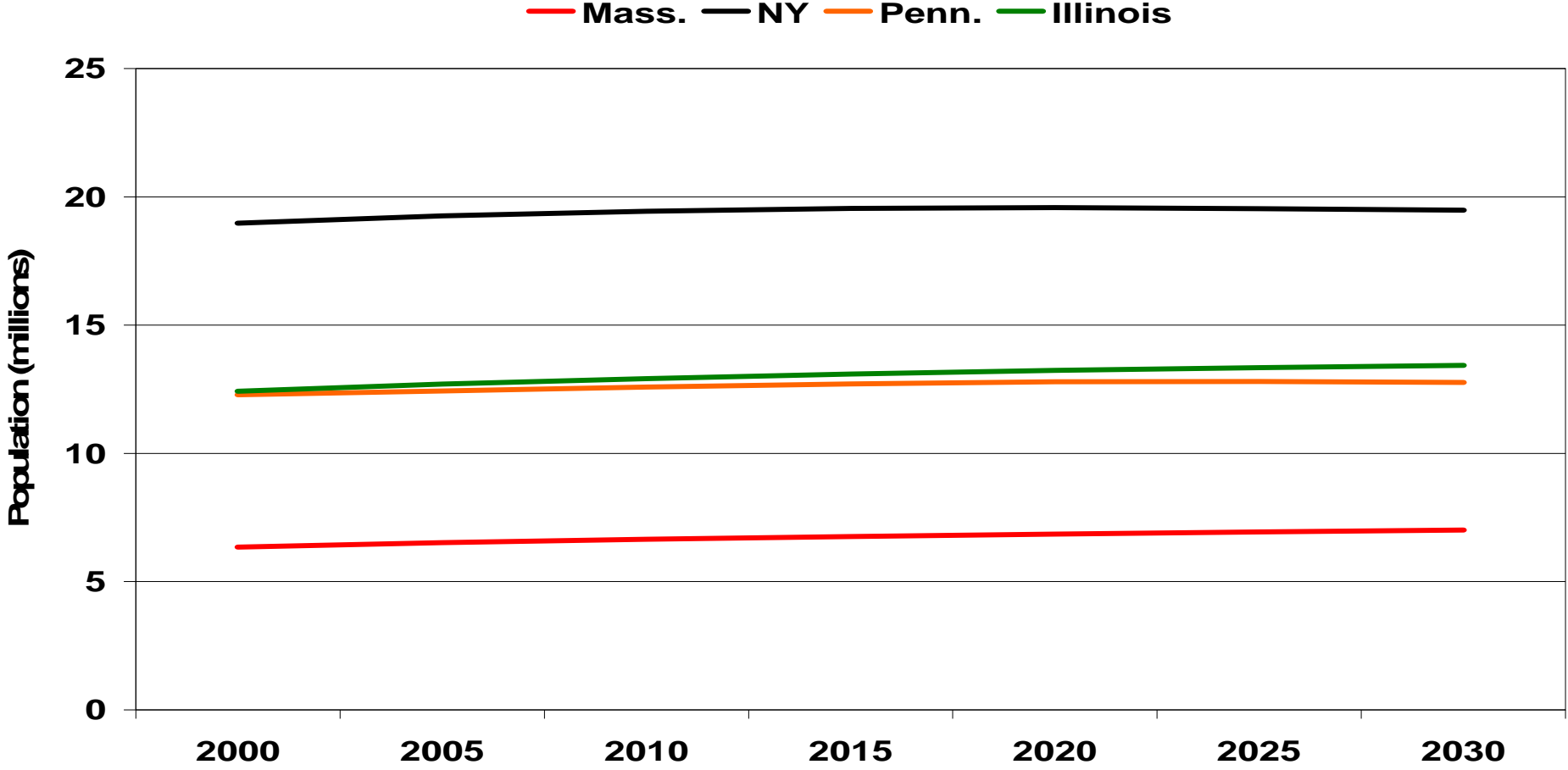
# Projected Population

Selected Divisions, 2000-2030 (millions)



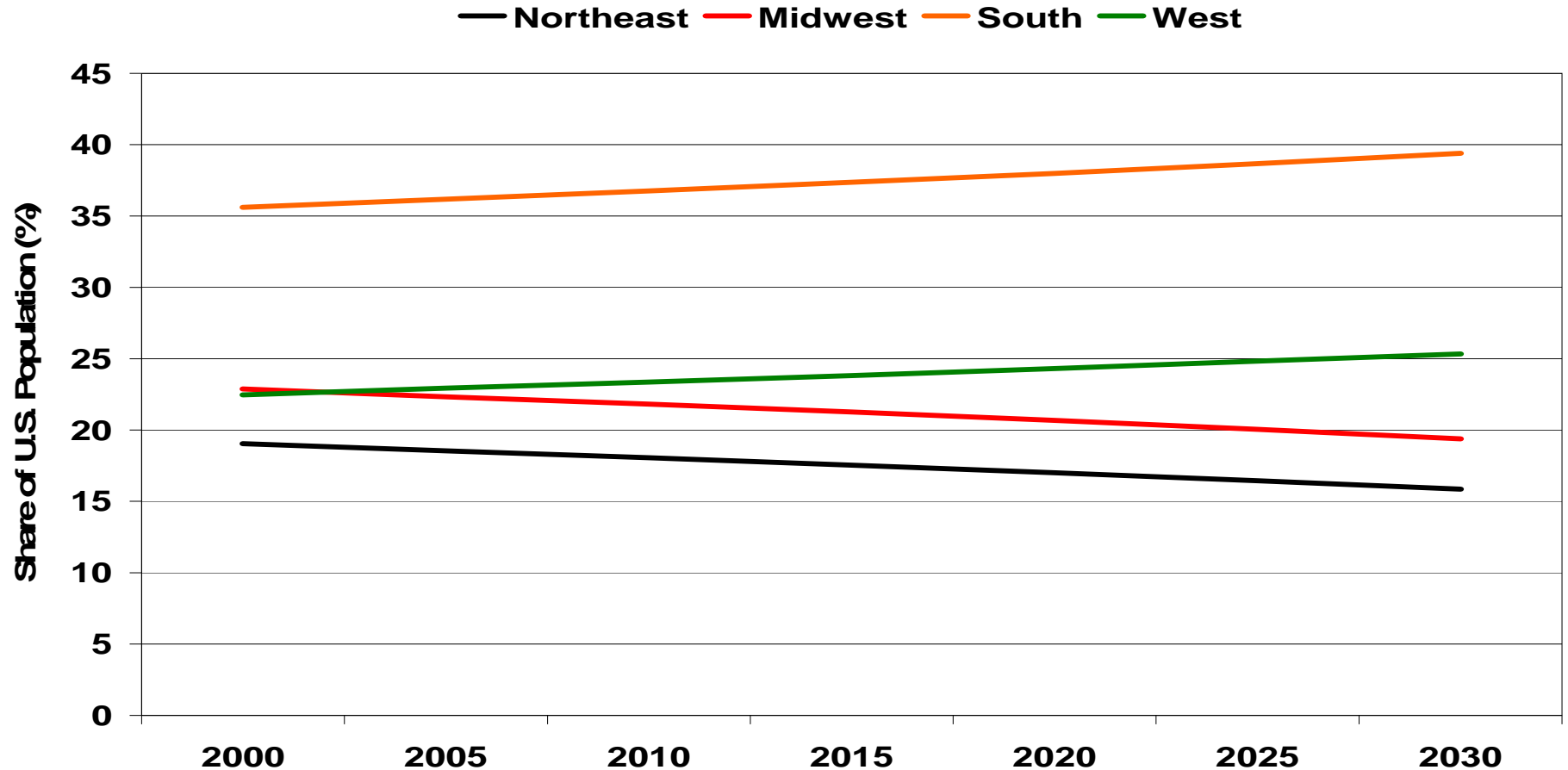
# Projected Population

## Selected States, 2000-2030 (millions)



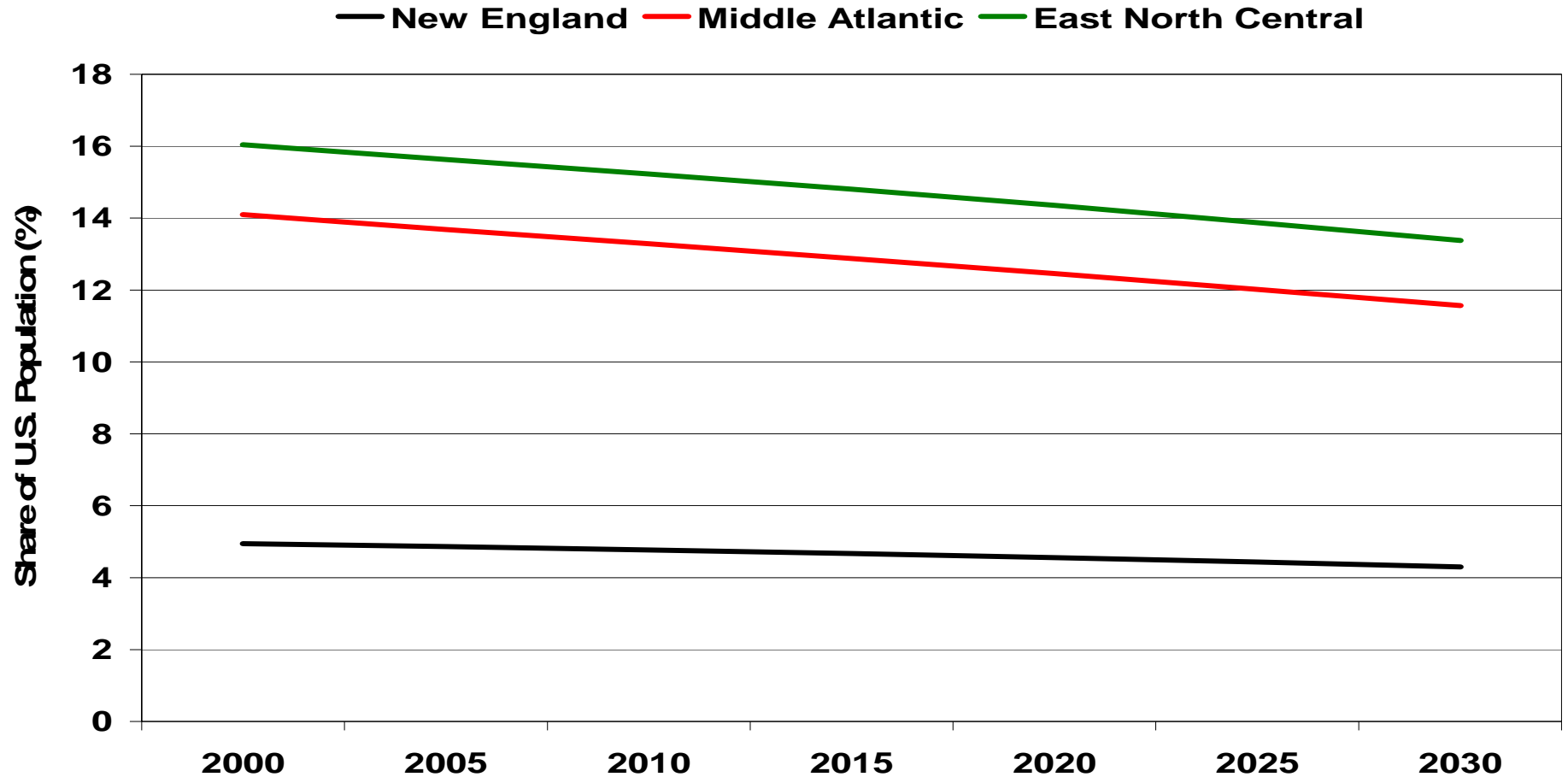
# Projected Population Share

## Regions, 2000-2030 (percent of U.S. population)



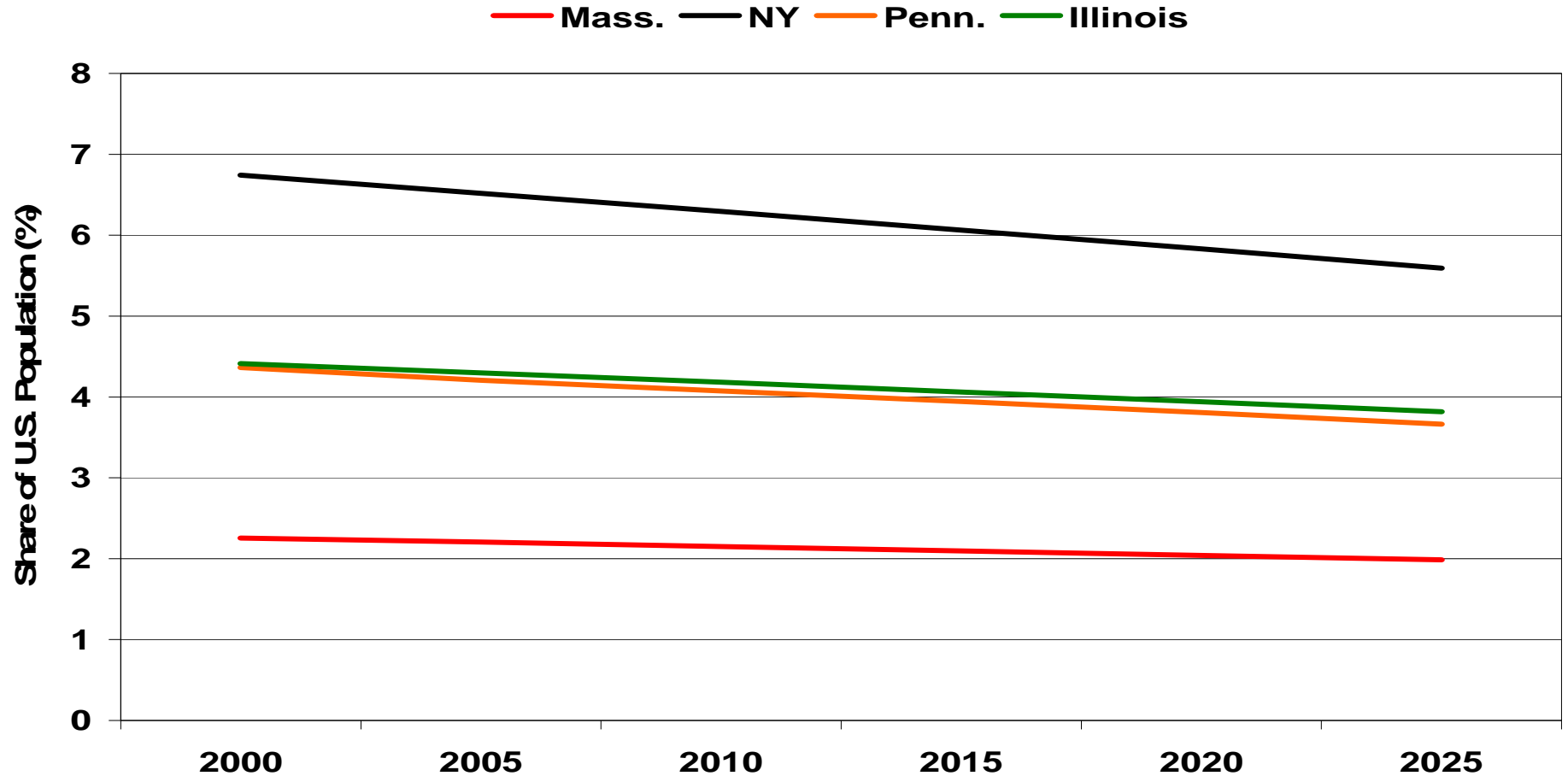
# Projected Population Share

Selected Divisions, 2000-2030 (percent of U.S. population)



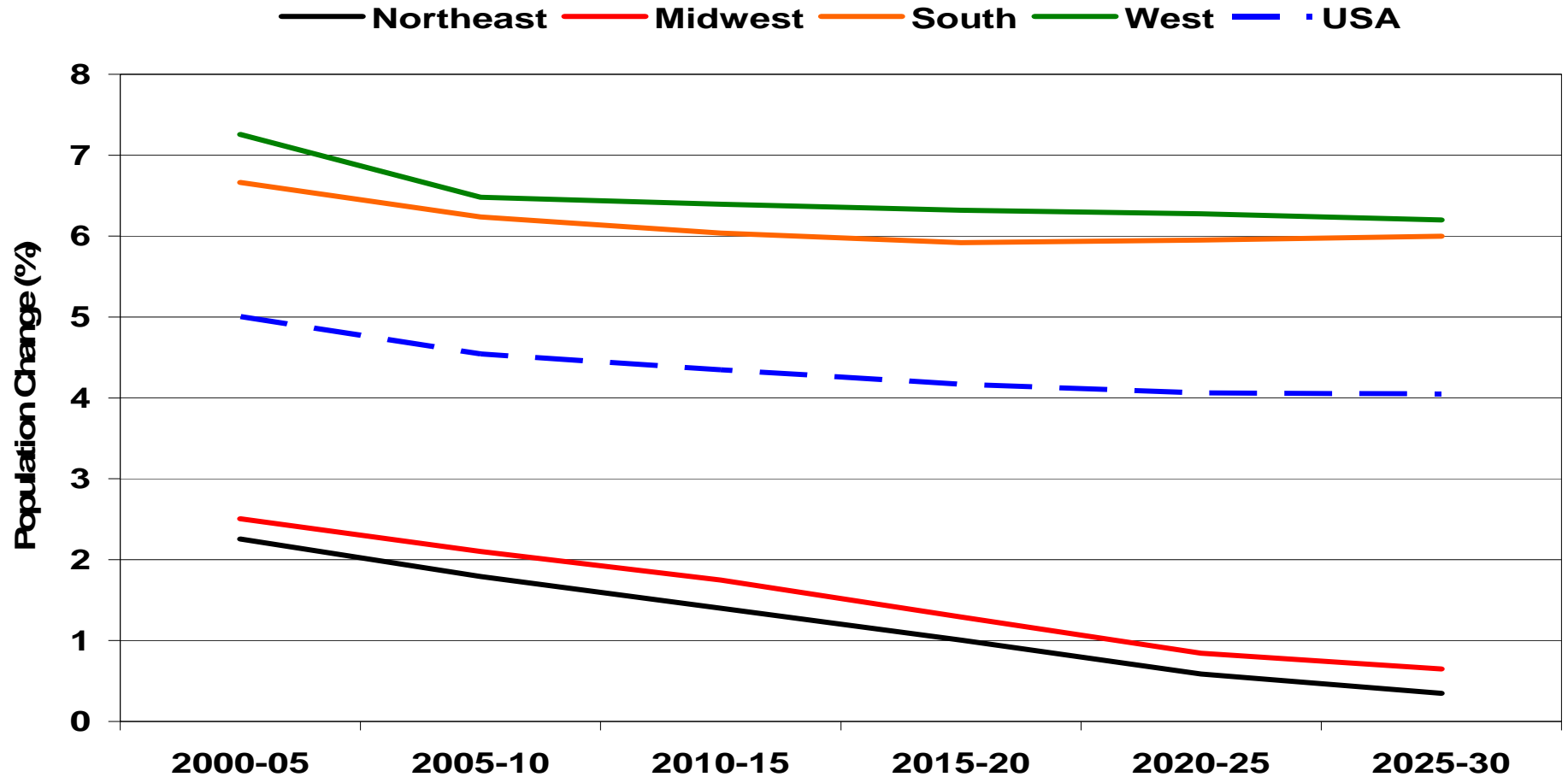
# Projected Population Share

Selected States, 2000-2030 (percent of U.S. population)



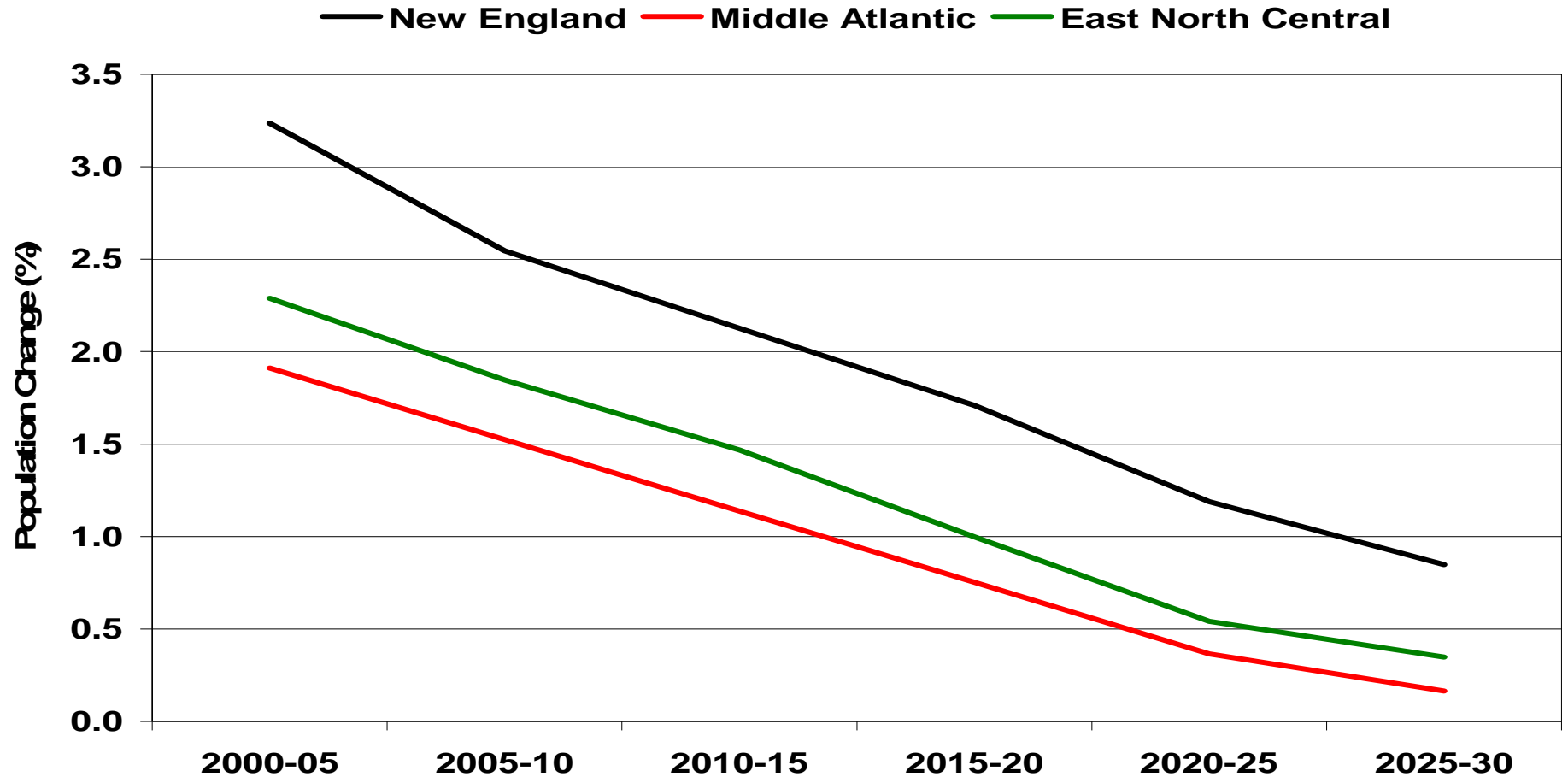
# Projected Population Growth Rate

## Regions, 2000-2030 (5-year percentage change)



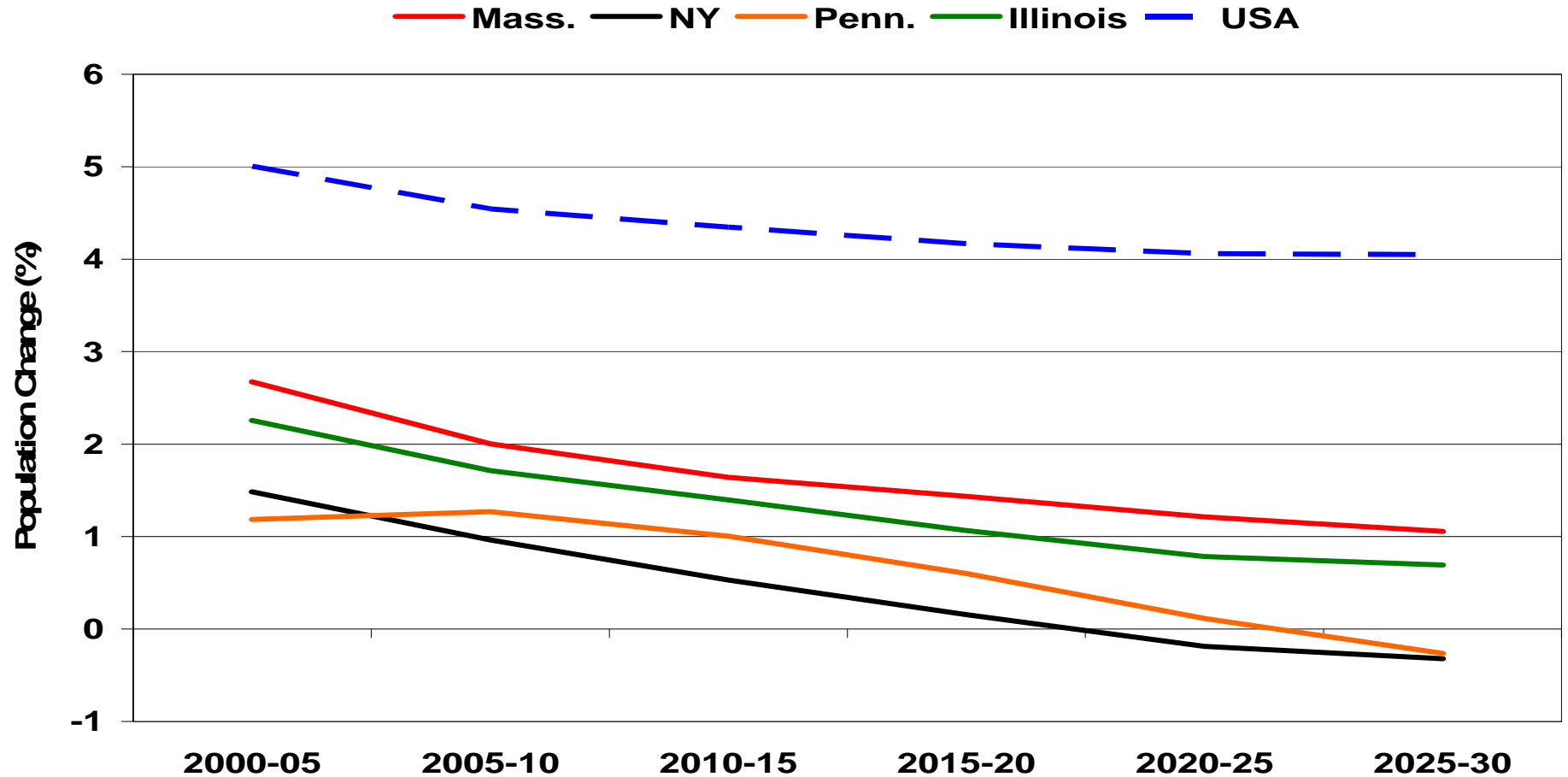
# Projected Population Growth Rate

## Selected Divisions, 2000-2030 (5-year percentage change)



# Projected Population Growth Rate

## Selected States, 2000-2030 (5-year percentage change)



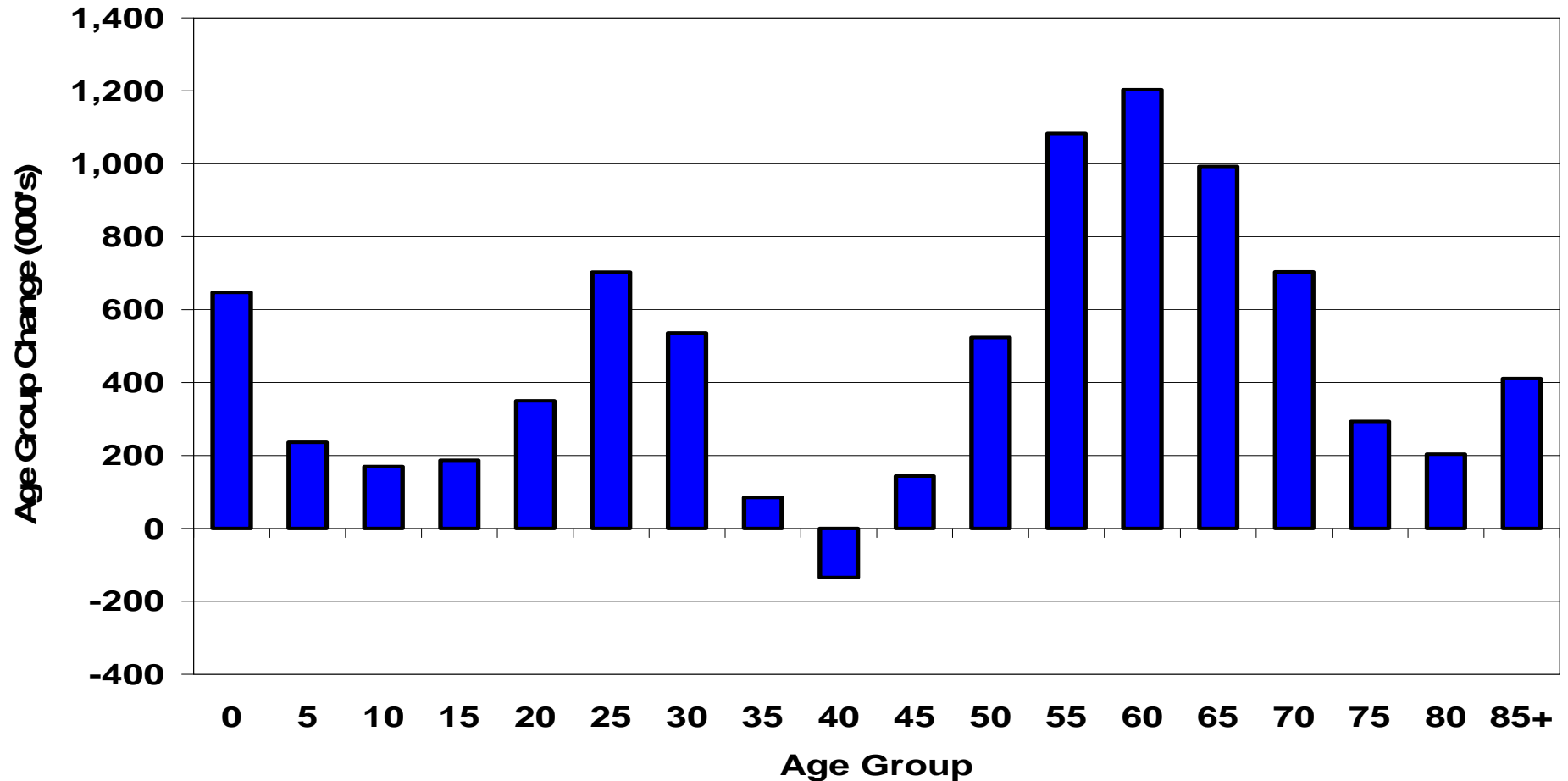
# Demographic Analysis

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## ***Demographic Trends in the United States: Aging***

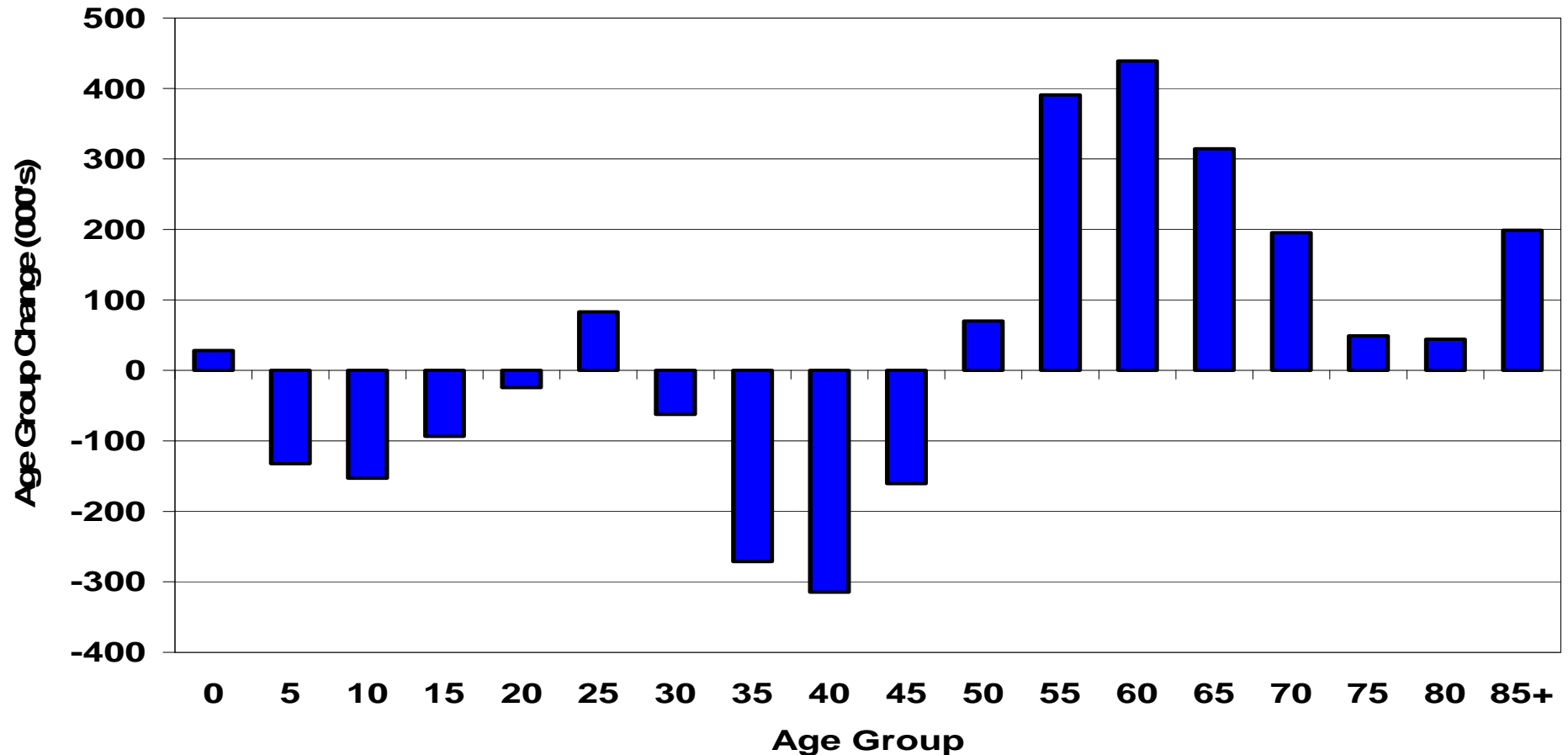
# Projected Population Change by Age Group

## California, 2000-2020 (thousands)



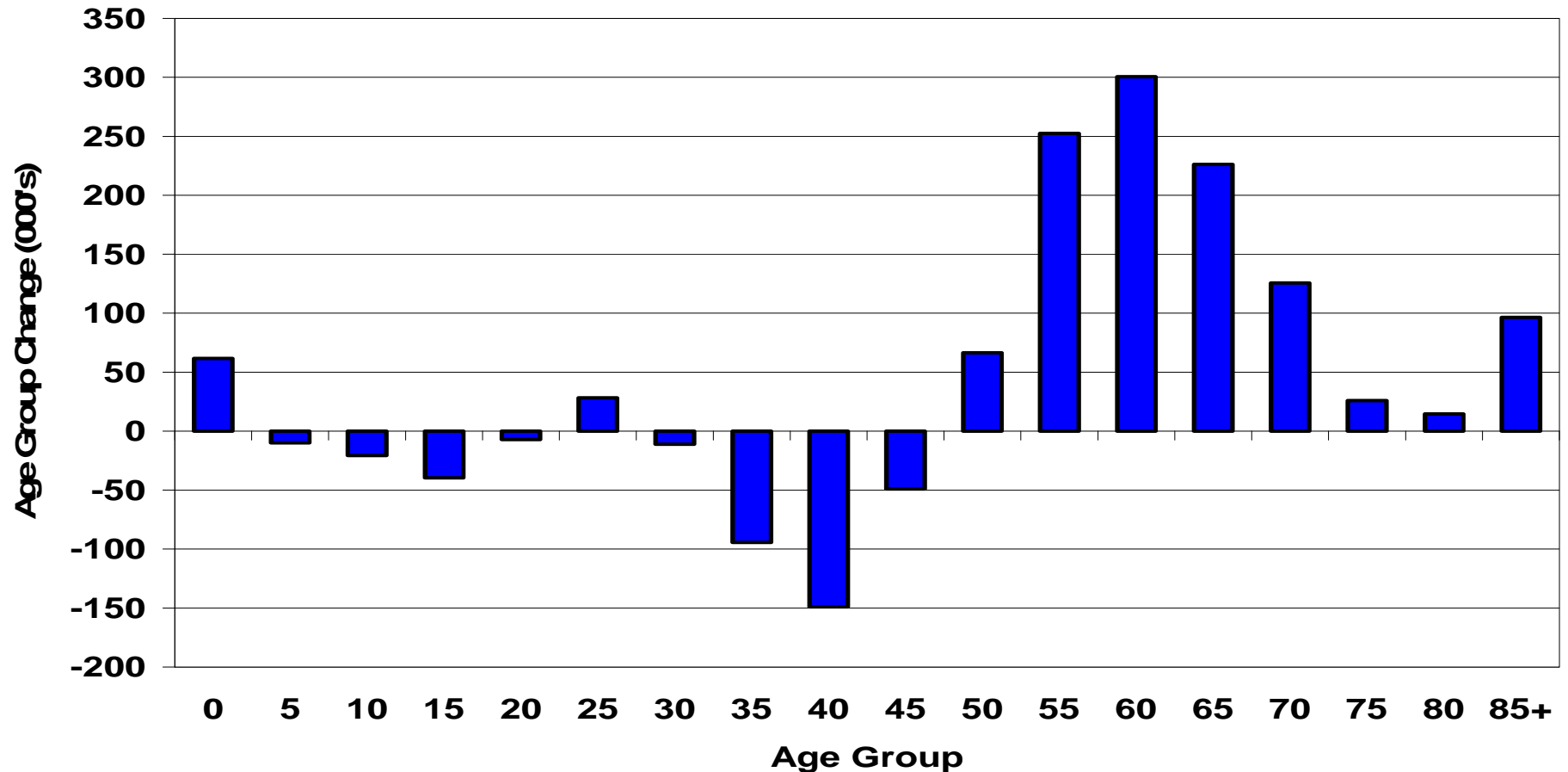
# Projected Population Change by Age Group

New York, 2000-2020 (thousands)



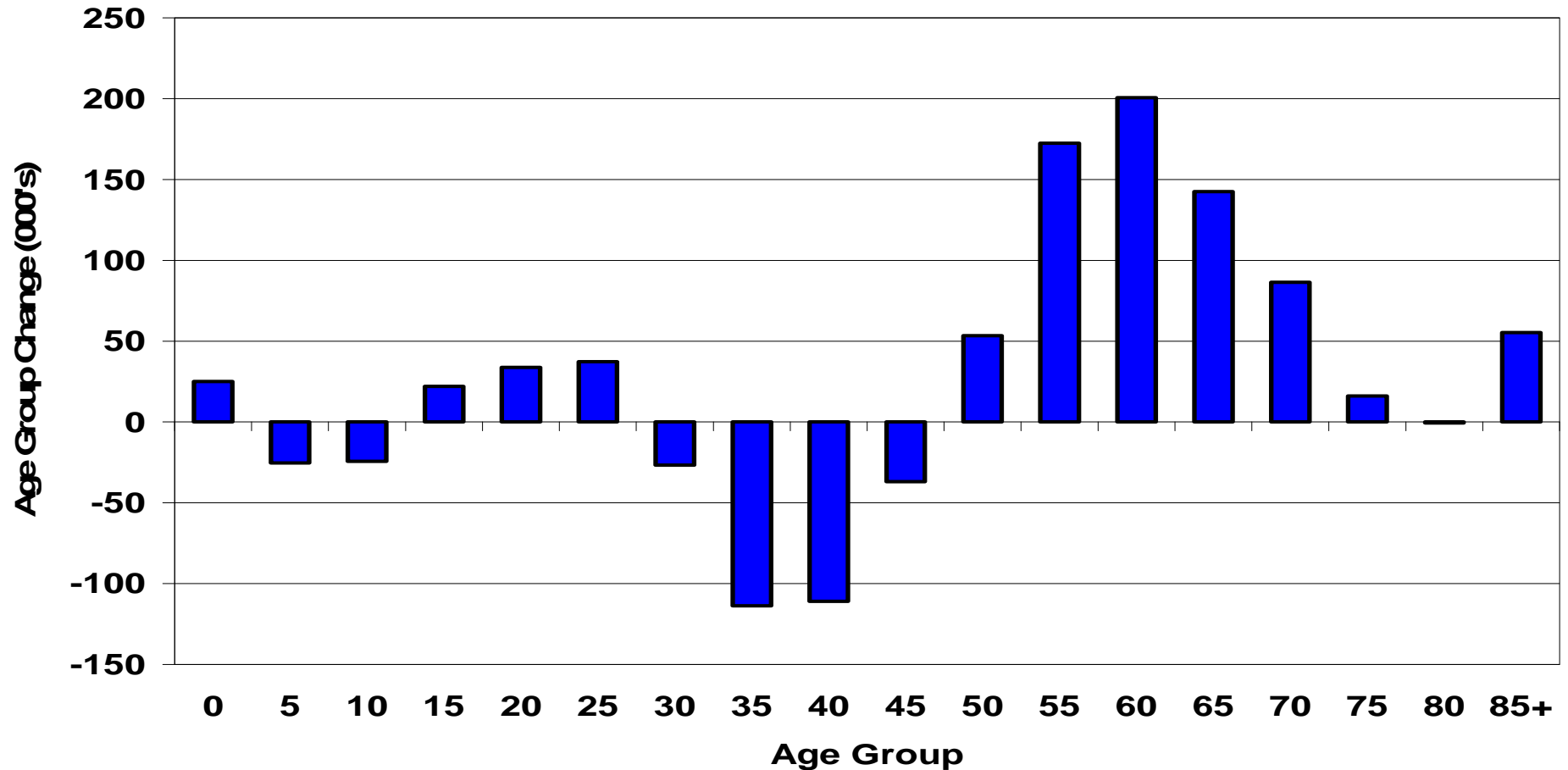
# Projected Population Change by Age Group

Illinois, 2000-2020 (thousands)



# Projected Population Change by Age Group

Massachusetts, 2000-2020 (thousands)



# Demographic Analysis

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## ***Demographic Trends in the United States: Diversity***

# U.S. Demographic Trends

## Population by Race and Ethnicity, 2000 and 2006



Statistical Portrait of Hispanics in the United States, 2006

**Table 1. Population by Race and Ethnicity: 2000 and 2006**

Universe: 2000 and 2006 resident population

	<b>2006 population</b>	<b>2000 population</b>	<b>Percent, 2006</b>	<b>Percent, 2000</b>
Hispanic	44,298,975	35,204,480	14.8	12.5
Native born	26,608,451	21,072,230	8.9	7.5
Foreign born	17,690,524	14,132,250	5.9	5.0
White alone, not Hispanic	198,127,062	194,527,123	66.2	69.1
Black alone, not Hispanic	36,431,992	33,706,554	12.2	12.0
Asian alone, not Hispanic	12,948,145	10,088,521	4.3	3.6
Other, not Hispanic	7,592,311	7,895,228	2.5	2.8
<b>Total</b>	<b>299,398,485</b>	<b>281,421,906</b>	<b>100.0</b>	<b>100.0</b>

Note: "Other, not Hispanic" includes persons reporting single races not listed separately and persons reporting more than one race

Source: Pew Hispanic Center tabulations of 2000 Census (5% IPUMS) and 2006 American Community

# U.S. Demographic Trends

## Population Change by Race and Ethnicity, 2000 and 2006



### Statistical Portrait of Hispanics in the United States, 2006

**Table 2. Population Change by Race and Ethnicity: 2000 and 2006**

Universe: 2000 and 2006 resident population

	2006 population	2000 population	Change, 2000-2006	Percent change, 2000-2006	Share of total change (%)
Hispanic	44,298,975	35,204,480	9,094,495	25.8	50.6
Native born	26,608,451	21,072,230	5,536,221	26.3	30.8
Foreign born	17,690,524	14,132,250	3,558,274	25.2	19.8
White alone, not Hispanic	198,127,062	194,527,123	3,599,939	1.9	20.0
Black alone, not Hispanic	36,431,992	33,706,554	2,725,438	8.1	15.2
Asian alone, not Hispanic	12,948,145	10,088,521	2,859,624	28.3	15.9
Other, not Hispanic	7,592,311	7,895,228	-302,917	-3.8	-1.7
<b>Total</b>	<b>299,398,485</b>	<b>281,421,906</b>	<b>17,976,579</b>	<b>6.4</b>	<b>100.0</b>

Note: "Other, not Hispanic" includes persons reporting single races not listed separately and persons reporting more than one race

Source: Pew Hispanic Center tabulations of 2000 Census (5% IPUMS) and 2006 American Community Survey (1% IPUMS)

# U.S. Demographic Trends

## Hispanic Population Share, Top Ten States, 2000 and 2006

**Table 14. Distribution of Hispanics Across States: 2000 and 2006**

*Top 10 states are listed in descending order of their share in the Hispanic population in 2006*

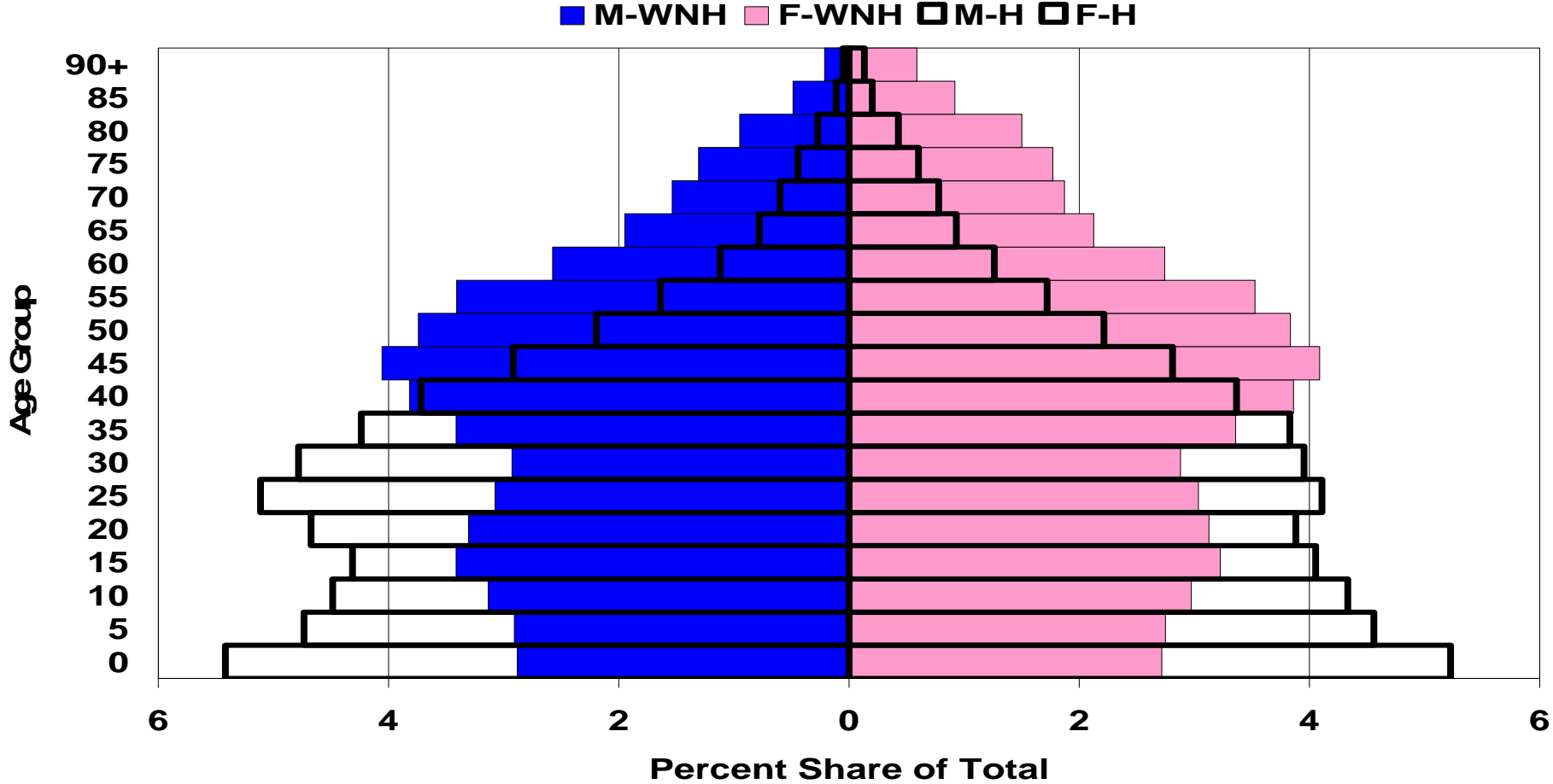
Universe: 2000 and 2006 Hispanic resident population

	<b>Percent, 2006</b>	<b>Percent, 2000</b>	<b>Change, 2000-2006</b>
California	29.5	31.0	-1.5
Texas	18.9	18.9	0.0
Florida	8.2	7.6	0.6
New York	7.1	8.1	-1.0
Illinois	4.3	4.3	-0.1
Arizona	4.1	3.7	0.4
New Jersey	3.1	3.2	-0.1
Colorado	2.1	2.1	0.0
New Mexico	2.0	2.2	-0.2
Georgia	1.6	1.2	0.4
Other states	19.2	17.7	1.5
Total	100.0	100.0	

*Source: Pew Hispanic Center tabulations of 2000 Census (5% IPUMS) and 2006 American Community Survey (1% IPUMS)*

# Population Pyramid - United States

White Alone Non-Hispanic versus Hispanic, 2006 (percent)



# U.S. Demographic Trends

## Median Age by Sex, Race, and Ethnicity, 2000 and 2006



### Statistical Portrait of Hispanics in the United States, 2006

**Table 8. Median Age in Years by Sex, Race and Ethnicity: 2006**

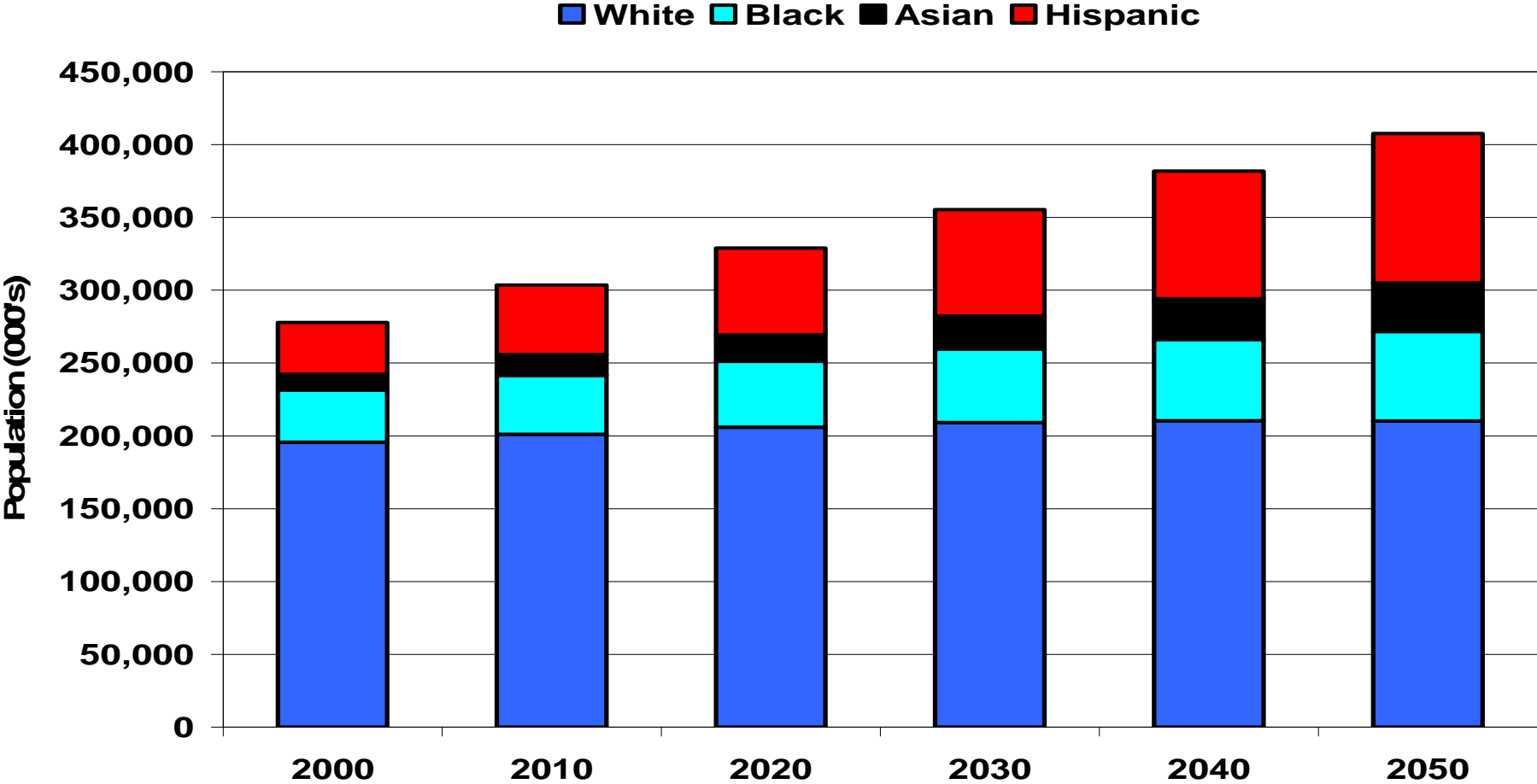
Universe: 2006 resident population

	All	Male	Female
Hispanic	27	27	27
Native born	17	17	18
Foreign born	36	35	37
White alone, not Hispanic	40	39	41
Black alone, not Hispanic	31	29	33
Asian alone, not Hispanic	35	34	36
Other, not Hispanic	23	22	24
All	36	35	37

Source: Pew Hispanic Center tabulations of 2006 American Community Survey (1% IPUMS)

# U.S. Demographic Trends

## Projected Population by Race and Ethnicity, 2000-2050



# Demographic Analysis

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## *Demographic Trends in the Canada: Growth*

# Canadian Demographic Trends

## Projected Population by Province, 2006-2031

	Population (000's )		Population Change, 2006-2031		Population Share	
	2006	2031	N (000's)	%	2006	2031
NL	516.0	506.5	-9.5	-1.8	1.6	1.3
PEI	138.1	149.3	11.2	8.1	0.4	0.4
NB	752.0	767.8	15.8	2.1	2.3	2.0
NS	937.9	979.0	41.1	4.4	2.9	2.5
QUE	7,598.1	8,381.8	783.7	10.3	23.5	21.6
ONT	12,541.4	16,002.9	3,461.5	27.6	38.9	41.2
MAN	1,177.6	1,349.6	172.0	14.6	3.6	3.5
SK	994.1	976.1	-18.0	-1.8	3.1	2.5
ALB	3,256.8	4,117.8	861.0	26.4	10.1	10.6
BC	4,254.5	5,460.0	1,205.5	28.3	13.2	14.1
YK	31.0	33.9	2.9	9.4	0.1	0.1
NWT	43.0	54.1	11.1	25.8	0.1	0.1
NUV	30.0	33.2	3.2	10.7	0.1	0.1
<b>CAN</b>	<b>32,270.5</b>	<b>38,812.0</b>	<b>6,541.5</b>	<b>20.3</b>	<b>100.0</b>	<b>100.0</b>

Source: Statistics Canada and R.A.L. Consulting Limited

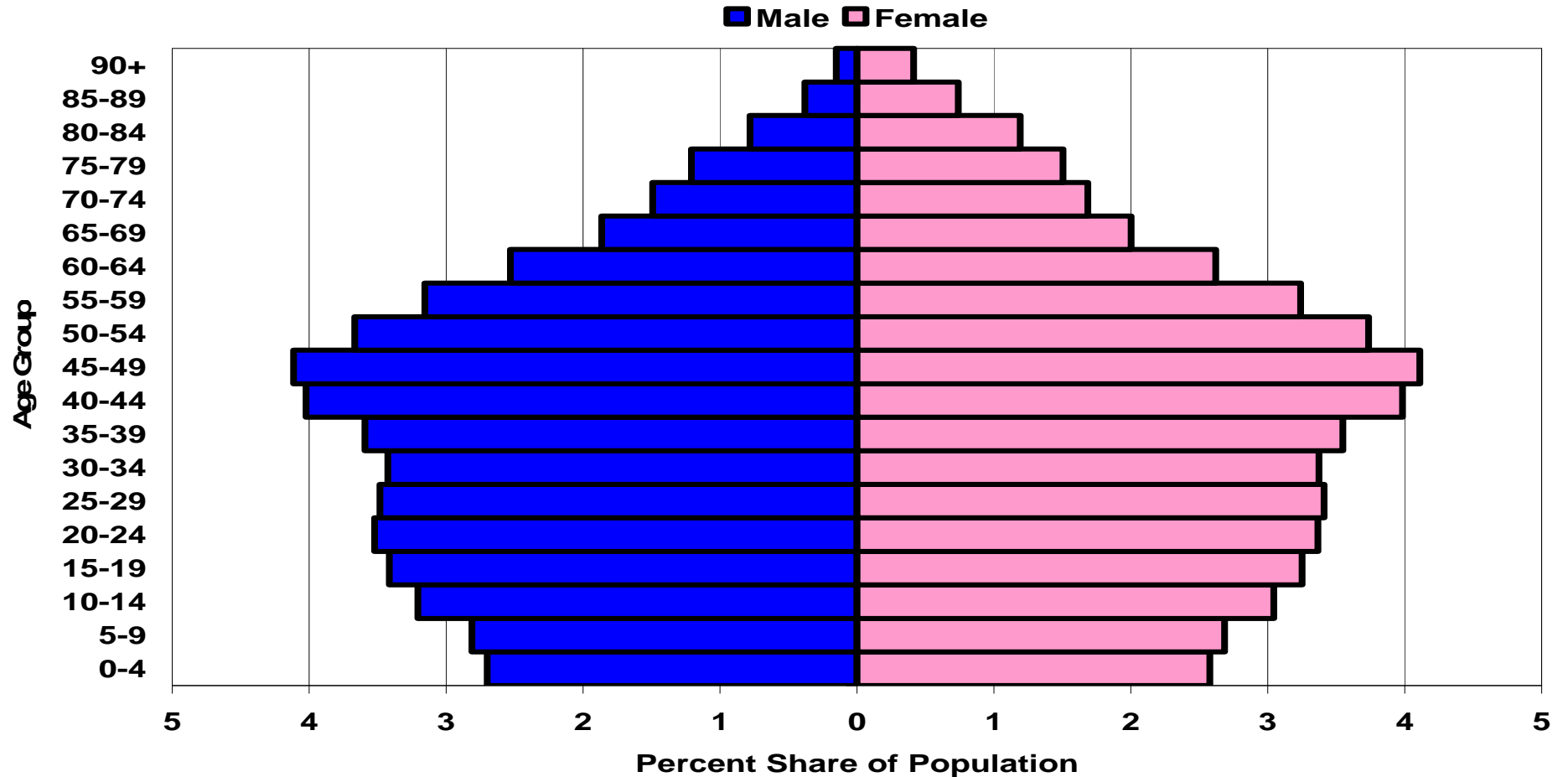
# Demographic Analysis

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## *Demographic Trends in the Canada: Aging*

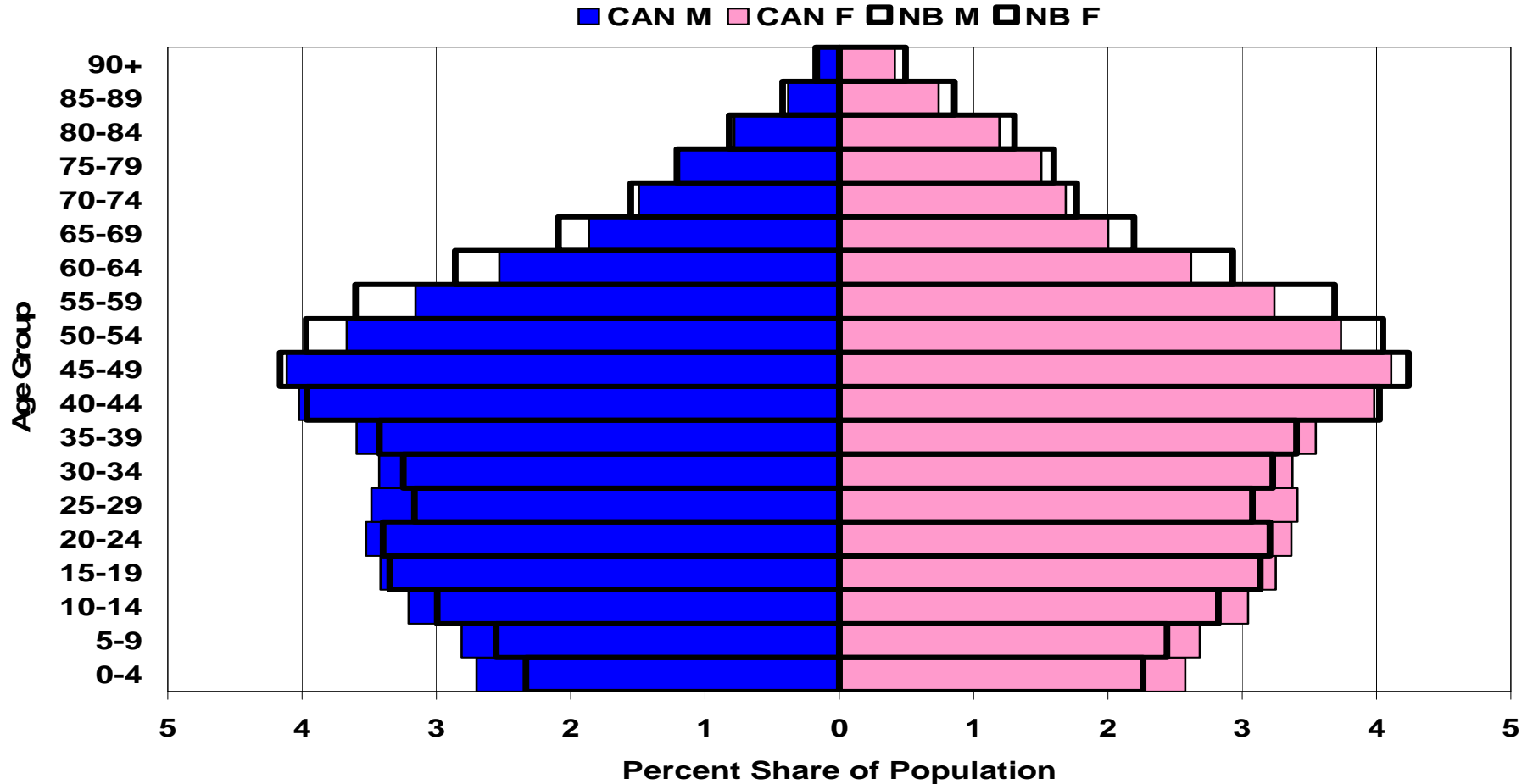
# Population Pyramid

Canada, 2007 (percent)



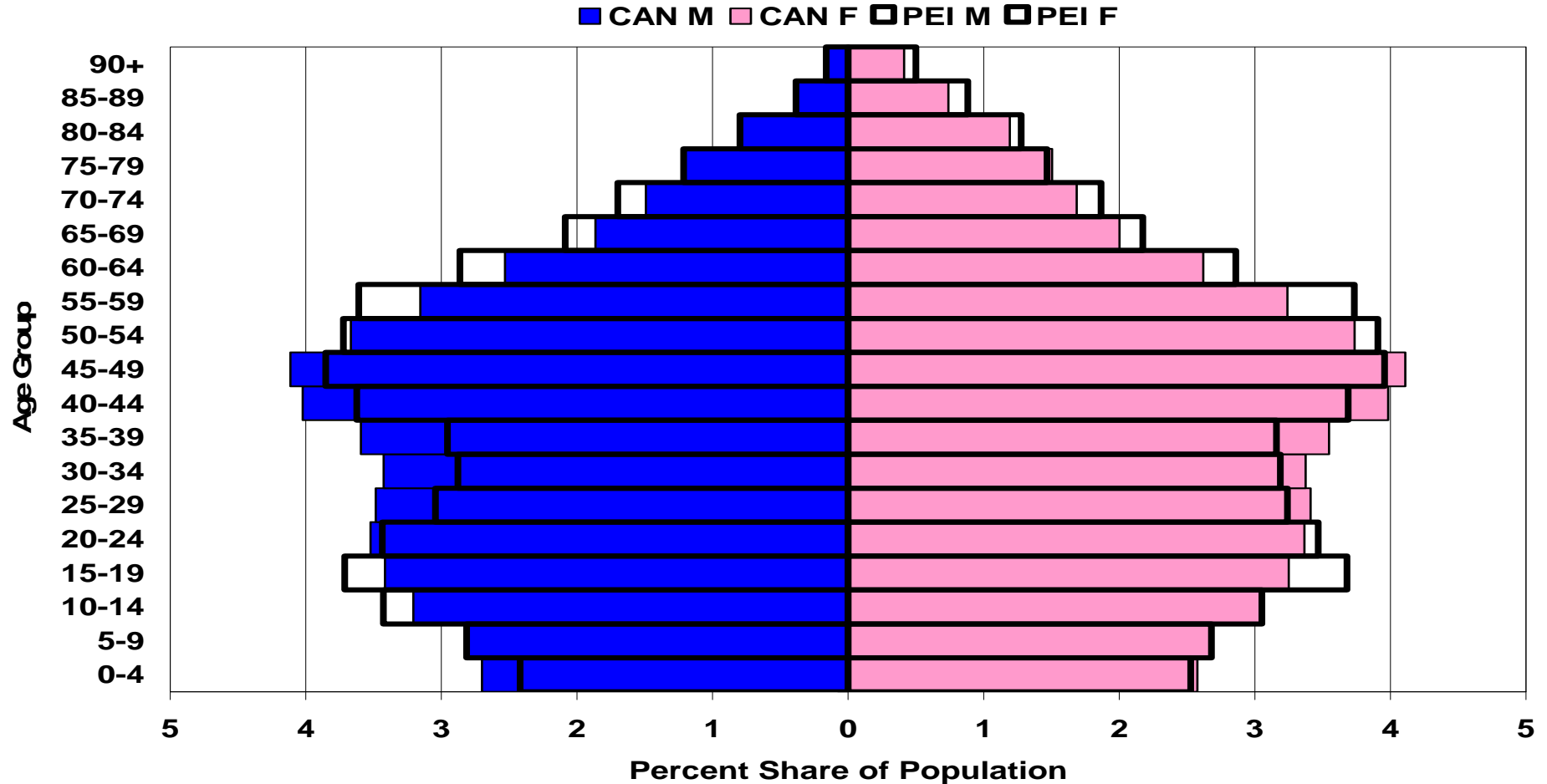
# Population Pyramid

New Brunswick (outline) versus Canada (colour), 2007 (percent)



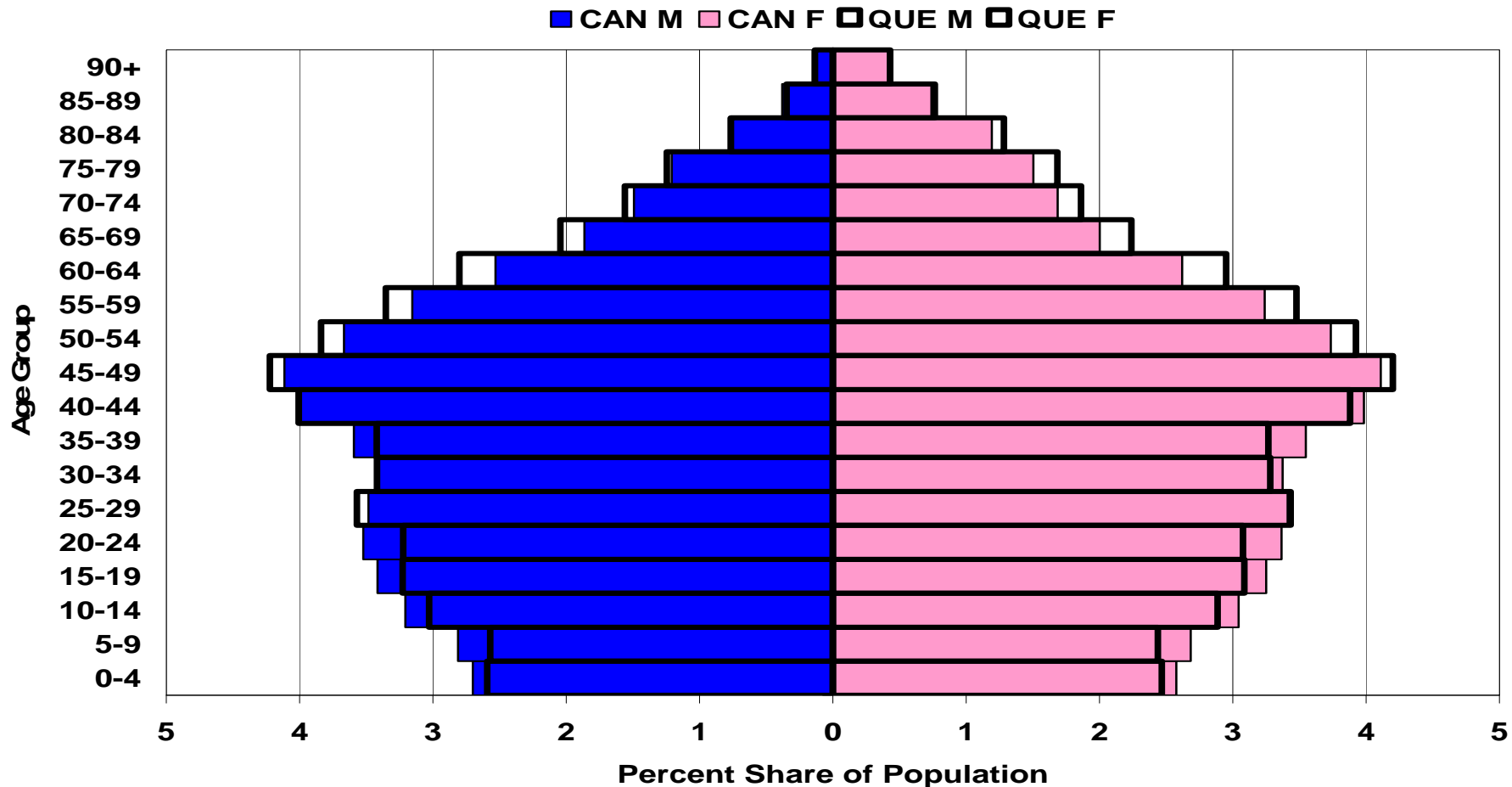
# Population Pyramid

P.E.I. (outline) versus Canada (colour), 2007 (percent)



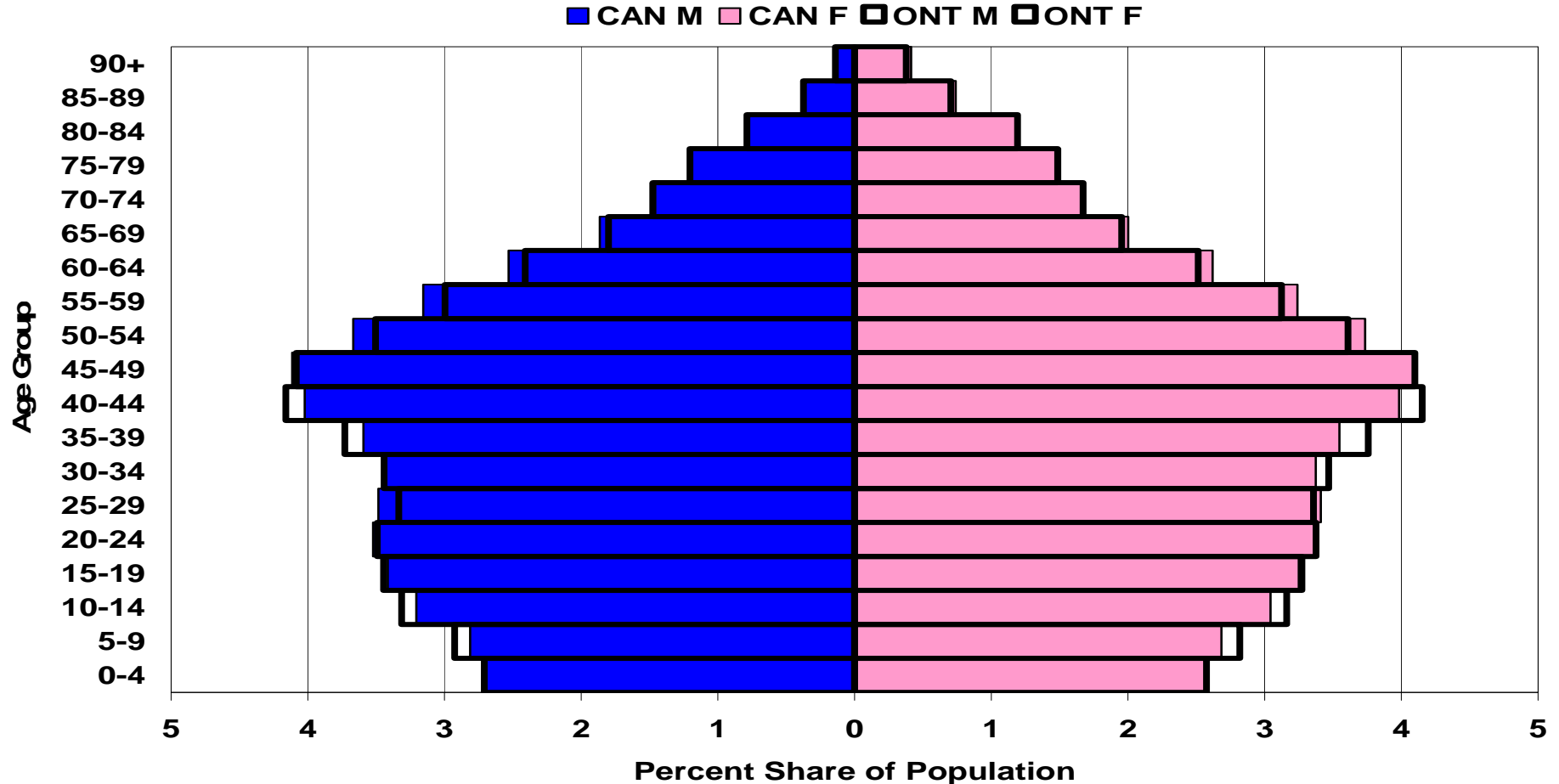
# Population Pyramid

Québec (outline) versus Canada (colour), 2007 (percent)



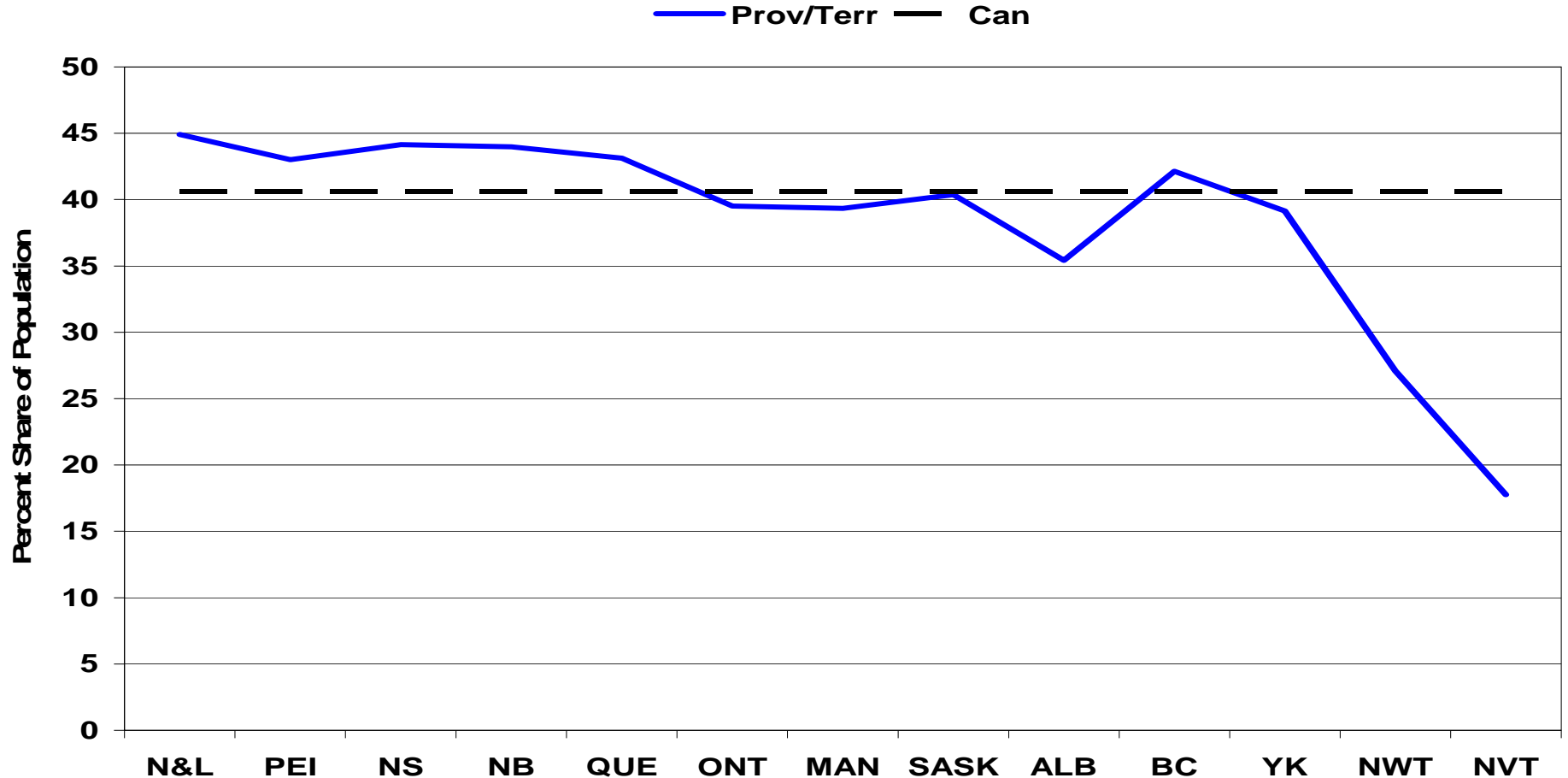
# Population Pyramid

Ontario (outline) versus Canada (colour), 2007 (percent)



# Canadian Demographic Trends

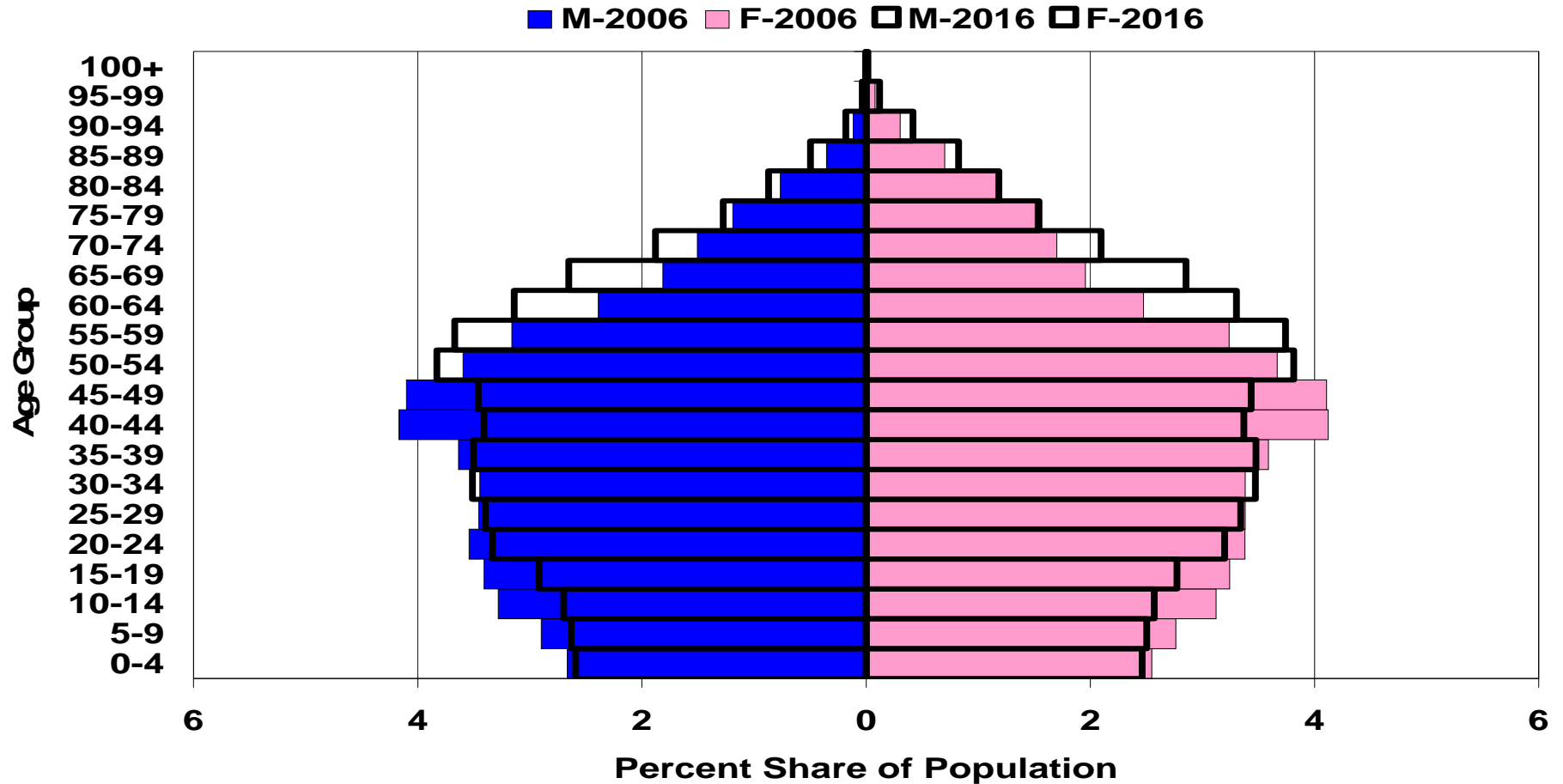
## Population 45+ by Province, 2007 (percent share)



Source: Statistics Canada and R.A.L. Consulting Limited

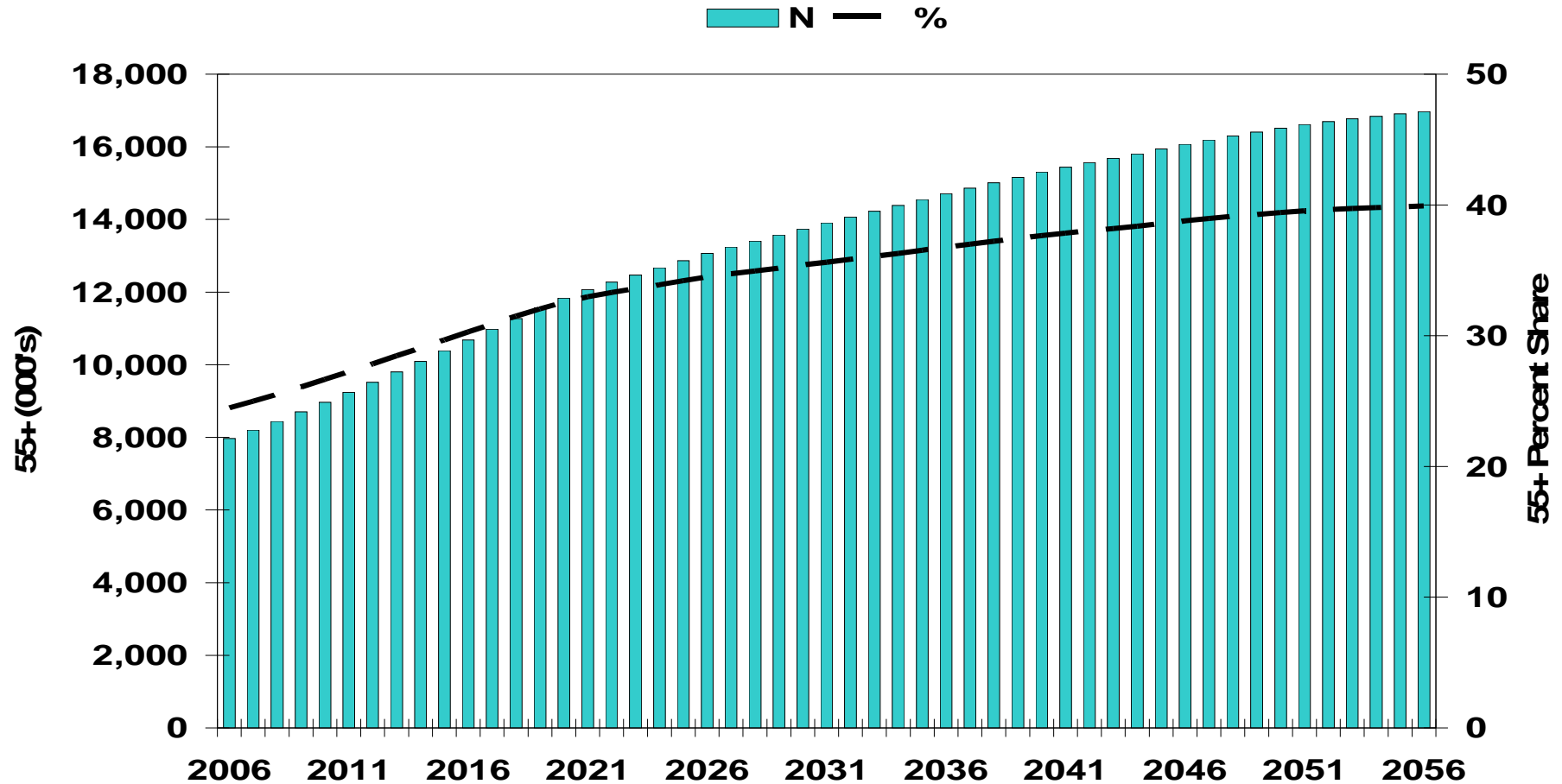
# Population Pyramid

Canada, 2006 (colour) versus 2016 (outline)



# Canadian Demographic Trends

## Projected Population 55+, 2006-2056 (N and percent share)



Source: Statistics Canada and R.A.L. Consulting Limited

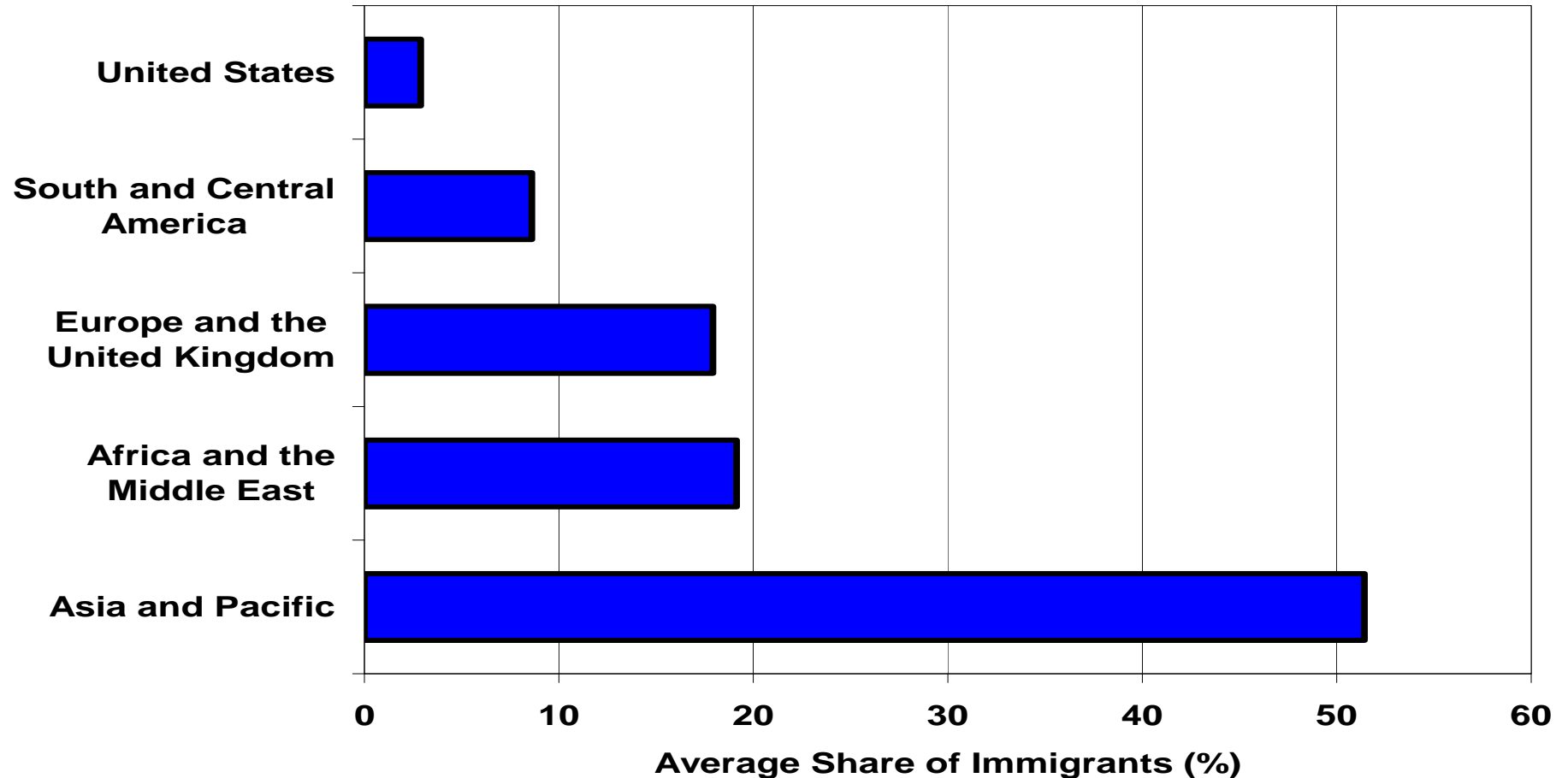
# Demographic Analysis

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## *Demographic Trends in the Canada: Diversity*

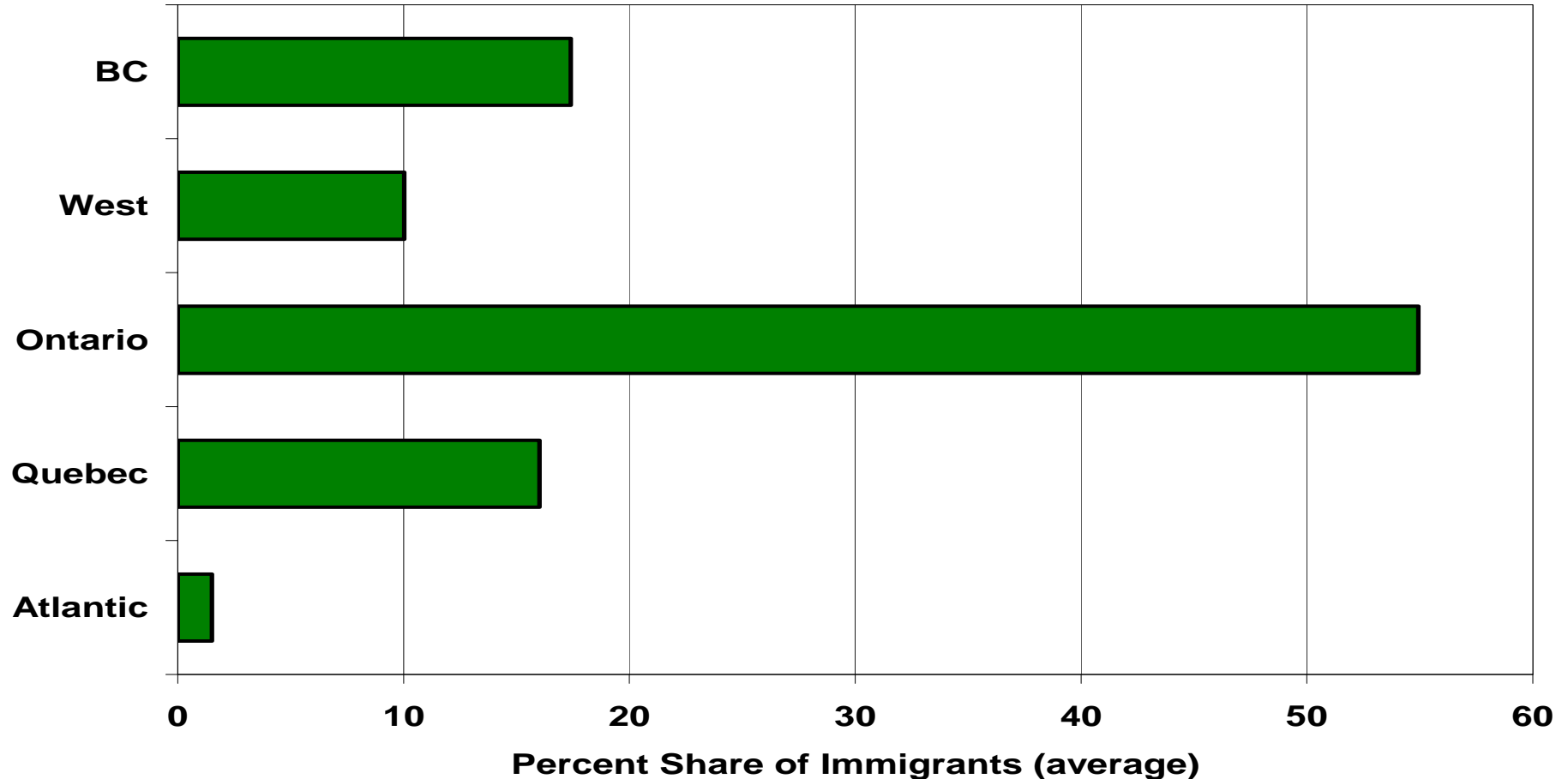
# Canadian Demographic Trends

Immigrants by Source Region, 1997-2006 (average percent share)



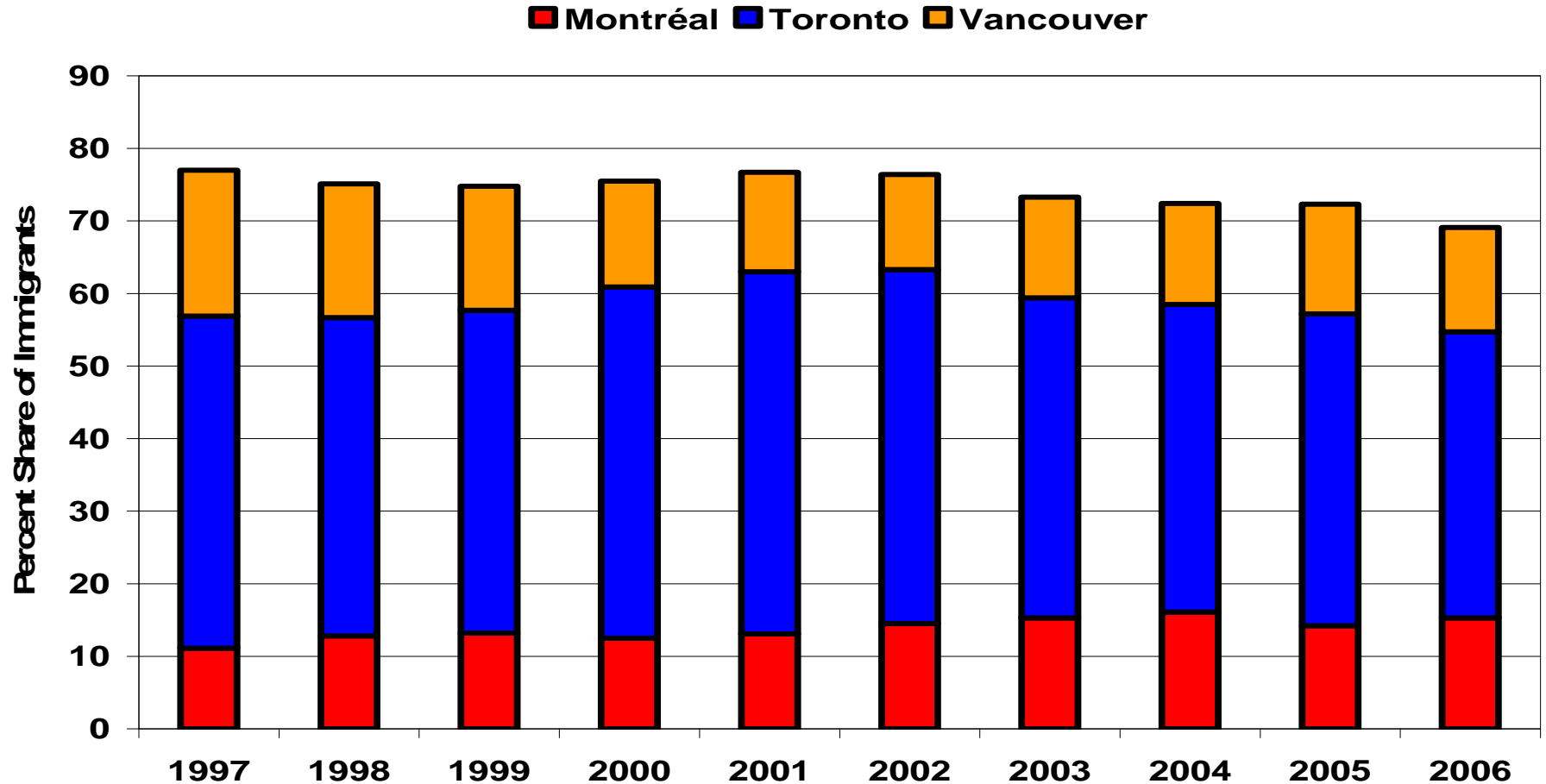
# Canadian Demographic Trends

Immigrants by Province, 1997-2006 (average percent share)



# Canadian Demographic Trends

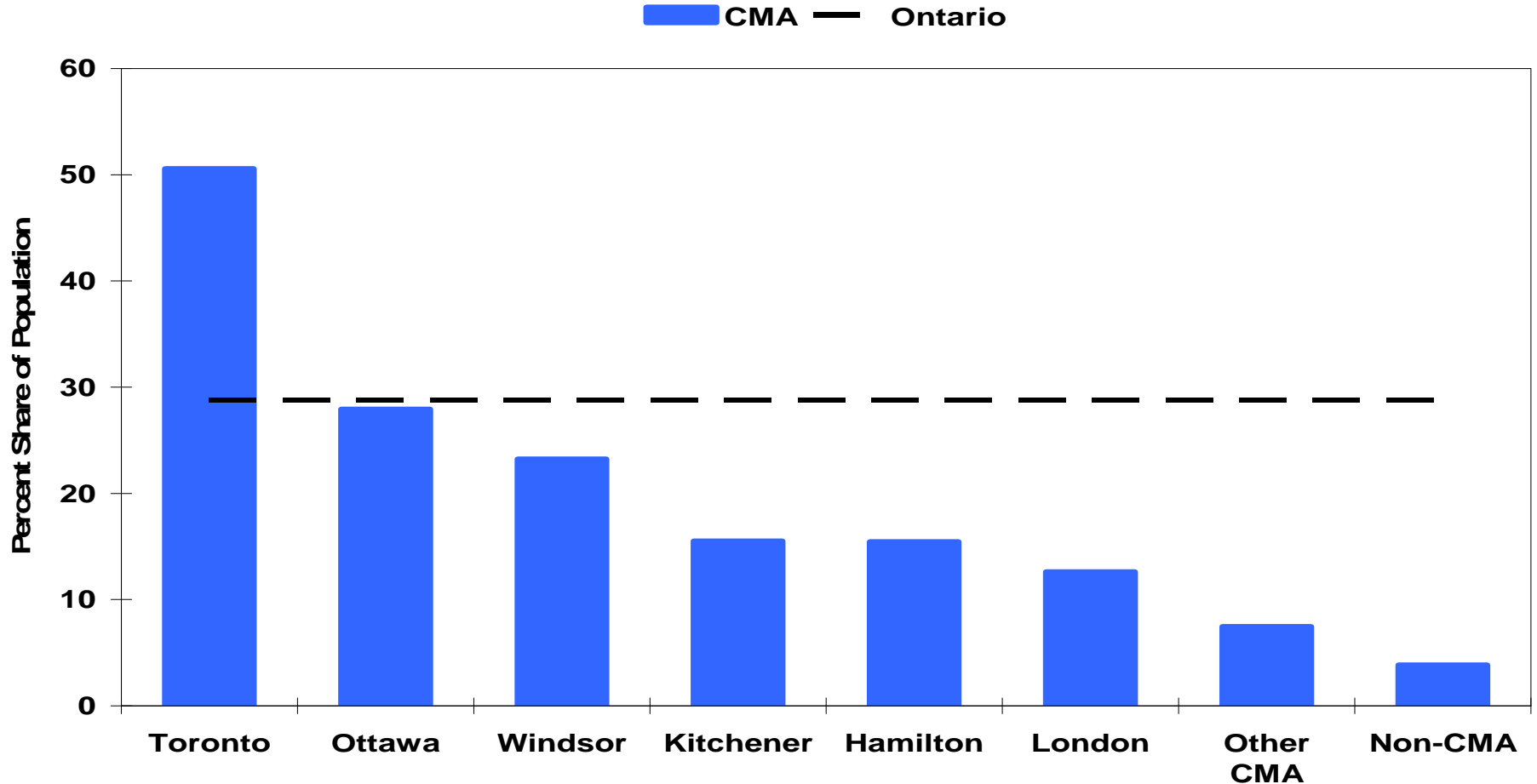
Immigrants by CMA, 1997-2006 (average percent share)



Source: Citizenship and Immigration Canada and R.A.L. Consulting Limited

# Canadian Demographic Trends

## Ontario, Visible Minority Population Share by CMA, 2017



Source: Statistics Canada and R.A.L. Consulting Limited

# What are the Data Telling Us?

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- ***Population aging has the potential to dampen demand for:***
  - » ***Frozen food products***
  - » ***Food away from home, especially in the QSR sector***
- ***With exception of Ontario, populations in major market areas of Cavendish Farms are aging and less diverse (growing youth element)***

# What are the Data Telling Us?

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- ***Ethnic and racial diversity:***
  - » ***Integration or change***
  - » ***Different groups in Canada and the United States***
- ***Meeting the needs of the older consumer:***
  - » ***Quality (taste, health)***
  - » ***Changing mix between food at home and food away***

# Disclaimer

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