

# There's Power in Numbers

MAFSI Measures the Foodservice Industry



**2015**  
**MAFSI**  
Market Forecast  
**REPORT**

[www.MAFSI.org](http://www.MAFSI.org)

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## MAFSI Market Forecast for 2015

MAFSI REPS are now setting their sights on 2015 and forecasting healthy growth of +4.1%, albeit a bit more conservative than the 2014 forecast.

2014 will finish short of the forecasted growth of 4.9% by about 0.5%. This is largely due to an abnormally cold winter which deeply affected sales in the Northeast and South and a less than hot summer which cooled refrigeration and ice machine sales in many areas. Regional variations were very much apparent throughout the year. Although overall business picked up in the second half, it was not vigorous enough to compensate for the first half lag.

Growth is expected across all regions of North America and all product segments (weighted average), including our new expanded equipment sub-categories (also weighted.) Geographically, the Northeast is forecasted at 4.1%, Midwest at 4.6%, South at 4.0%, West at 4.8% and Canada at 3.4%. By product, reps forecast Tabletop at 4.3%, Supplies at 4.7%, Furnishings at 3.1%, and Equipment at 4.1%. (Note, Equipment is 76% of the market according to NAFEM's "Size & Shape of the Industry Study.")

Though the numbers are beginning to dampen out, this forecast predicts another year of continued growth since the "The Great Foodservice Recession." Through reps' continued efforts to move the market with increased quoting and a steady consultant pipeline; 2015 continues to indicate another strong market for E&S.

For 2015, 62% of reps expect to quote more work, with only 12% reporting less. Also in 2015, 43% expect an increase in consultant activity, while only 14% see less. To handle this increase in volume, the average rep firm added 0.7 personnel in 2014, and plans to add 0.9 people in 2015. Continuing to grow portfolios, the average firm plans to add 0.8 lines in 2014; a full tenth of a percent higher than last year.

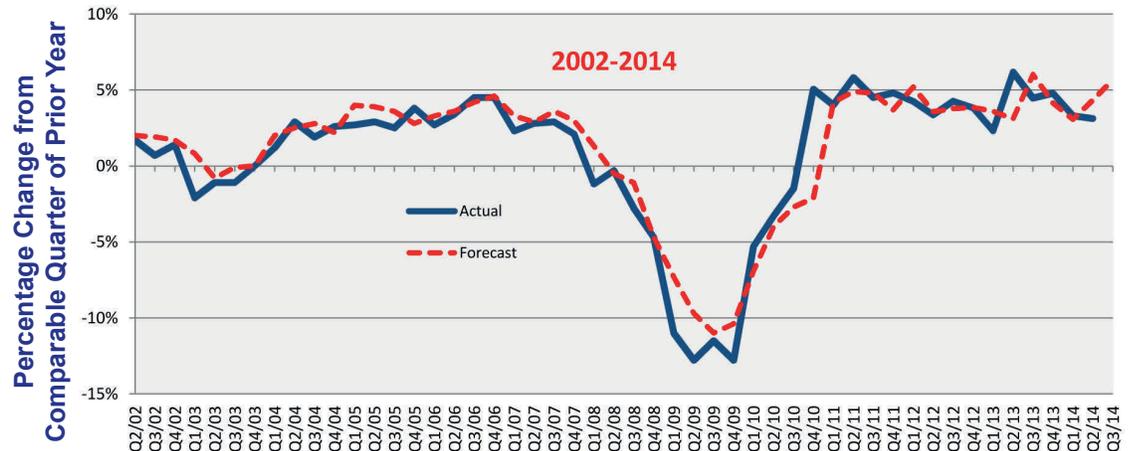
The MAFSI Market Forecast remains congruent with the overall state of the US economy. Though 2015 is poised to be better than 2014, it likely won't be better by much. Overall GDP is forecasted at +4.1%, (with our forecast at +4.1.) Fortunately, due to domestic crude oil production, prices are now less than \$75 a barrel. This translates to an annual savings of \$500 per family and hopefully a few more trips to restaurants. Labor remains strong with the unemployment rate finally reduced to pre-recession levels. Auto sales are healthy as is the housing market and consumer confidence. The outlook in Canada strikes a similar cord, with the economy like the US predicted to outpace most of the G7.

In contrast to this positive outlook, expect continued conflict among policymakers in 2015 as a result of the recent congressional shift in power. With the stock market hitting all-time highs, Japan in a recession, Europe stalling, and China slowing down, many commodity prices are falling and we may be approaching a tipping point after 4 years of advances. ISIS and Ebola lead the list of other significant concerns.

Special thanks to Michael Posternak, PBAC, Eastchester, NY for his 2015 forecast write-up. We also extend a sincere thank you to our industry partners at FER, FE&S, F&H, Technomic, and AutoQuotes for sharing their data in our forecast report.

Visit [MAFSI.org](http://MAFSI.org) to learn more

## MAFSI Business Barometer History Overall Sales Per Quarter for 2002-2014



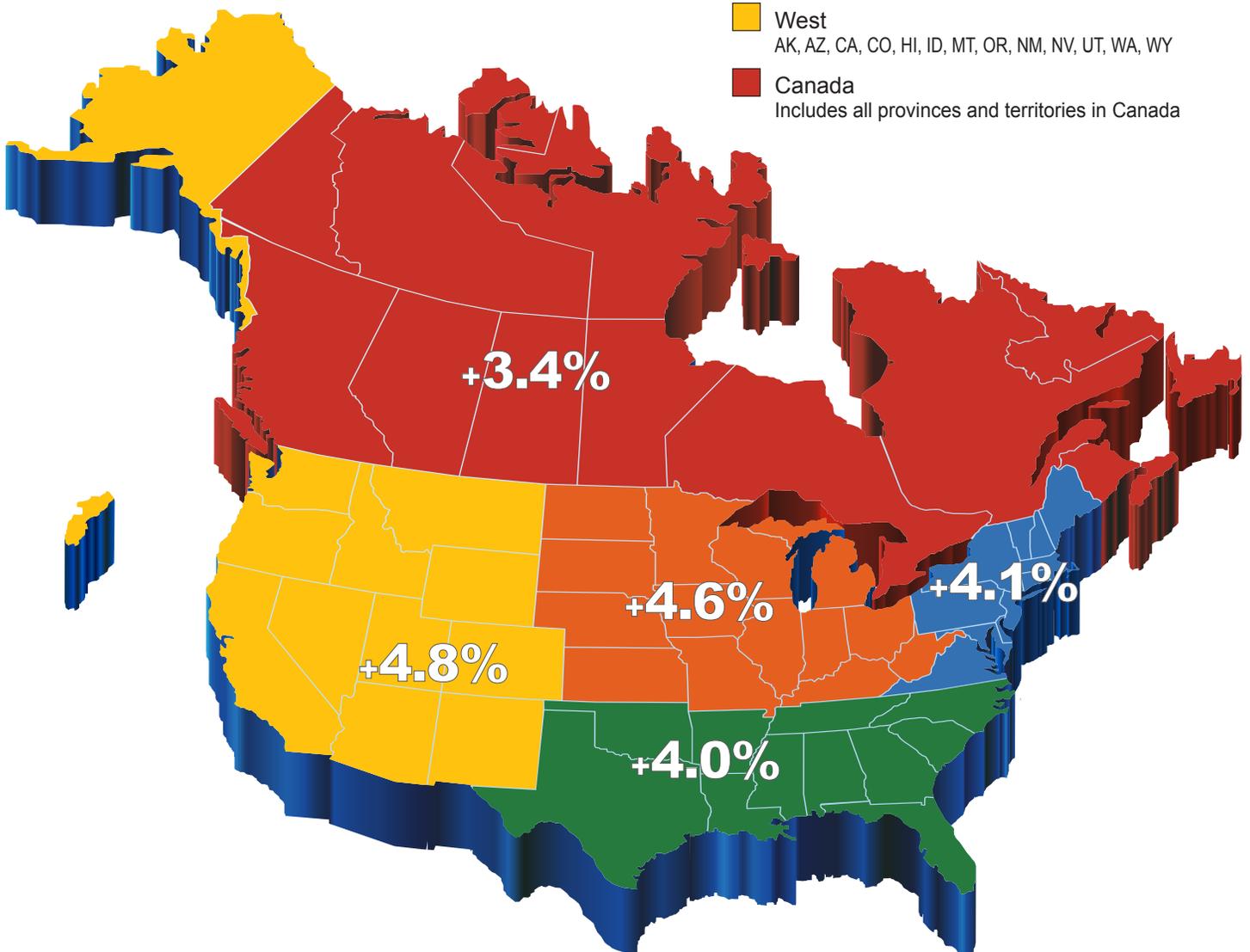
# 2015 MAFSI MARKET FORECAST

## 2015 vs. 2014 Overall Sales Forecast for North America

# +4.1%

## 2015 vs. 2014 Overall Sales Forecast by Region

- Northeast**  
CT, DC, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT
- South**  
AL, AR, FL, GA, LA, MS, NC, OK, SC, TN, TX
- Midwest**  
IA, IL, IN, KS, KY, MI, MN, MO, ND, NE, OH, PA, SD, WI, WV
- West**  
AK, AZ, CA, CO, HI, ID, MT, OR, NM, NV, UT, WA, WY
- Canada**  
Includes all provinces and territories in Canada



# 2015 MAFSI MARKET FORECAST

## 2015 vs. 2014 Product Category Sales Forecast - Overall



**Equipment**  
**+4.1%**



**Supplies**  
**+4.7%**



**Tabletop**  
**+4.3%**



**Furnishings**  
**+3.1%**



**Overall**  
**+4.1%**

## 2015 vs. 2014 Product Category Sales Forecast by Region

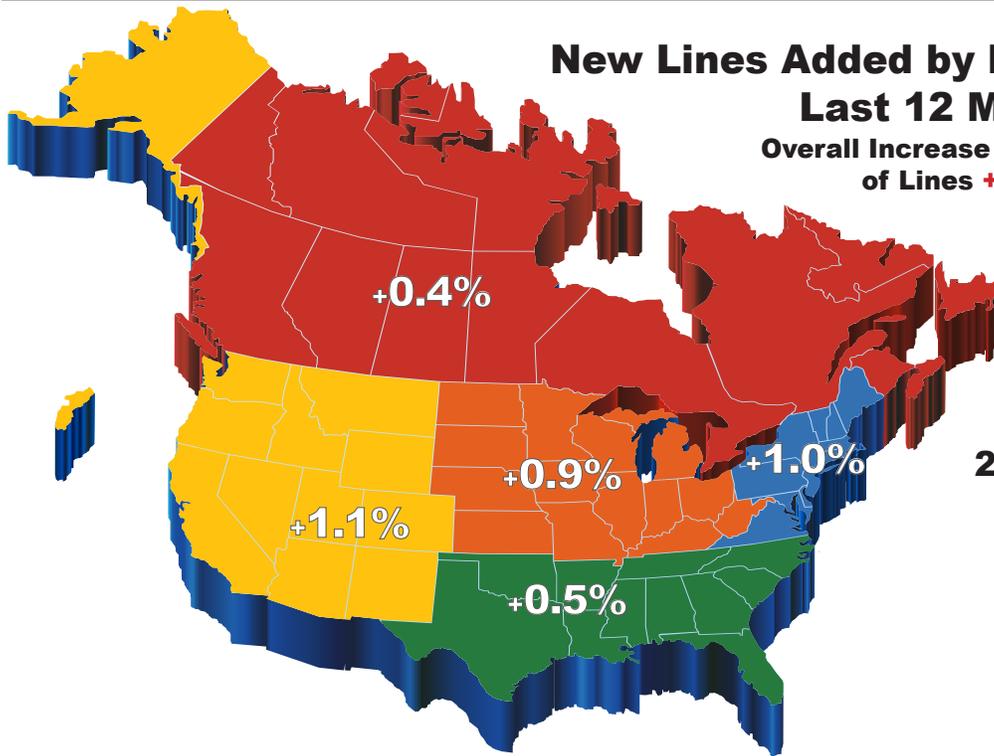
	 Equipment	 Supplies	 Tabletop	 Furnishings	 By Region
<b>Northeast</b>	<b>+3.9%</b>	<b>+4.3%</b>	<b>+5.6%</b>	<b>+3.1%</b>	<b>+4.1%</b>
<b>South</b>	<b>+4.1%</b>	<b>+4.6%</b>	<b>+4.0%</b>	<b>+1.8%</b>	<b>+4.0%</b>
<b>Midwest</b>	<b>+4.7%</b>	<b>+5.1%</b>	<b>+3.3%</b>	<b>+4.6%</b>	<b>+4.6%</b>
<b>West</b>	<b>+4.9%</b>	<b>+4.7%</b>	<b>+4.5%</b>	<b>+3.8%</b>	<b>+4.8%</b>
<b>Canada</b>	<b>+3.2%</b>	<b>+4.7%</b>	<b>+4.3%</b>	<b>+2.6%</b>	<b>+3.4%</b>

## 2015 vs. 2014 Product Equipment Sub-Categories Sales Forecast

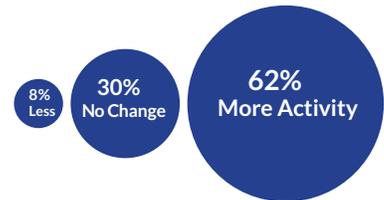
	 Primary Cooking Eq.	 Refrigeration & Ice Machines	 Storage & Handling	 Food Prep Eq.	 Serving Eq.	 Warewashing & Sanitation Eq.	 Ventilation	 Eq. Total
<b>Overall</b>	<b>+4.2%</b>	<b>+4.8%</b>	<b>+4.0%</b>	<b>+4.3%</b>	<b>+4.0%</b>	<b>+3.9%</b>	<b>+3.9%</b>	<b>+4.1%</b>
<b>Northeast</b>	<b>+3.4%</b>	<b>+4.9%</b>	<b>+3.1%</b>	<b>+3.5%</b>	<b>+4.0%</b>	<b>+3.5%</b>	<b>+5.3%</b>	<b>+3.9%</b>
<b>South</b>	<b>+4.2%</b>	<b>+4.2%</b>	<b>+4.3%</b>	<b>+3.4%</b>	<b>+4.1%</b>	<b>+3.9%</b>	<b>+3.9%</b>	<b>+4.1%</b>
<b>Midwest</b>	<b>+5.1%</b>	<b>+5.2%</b>	<b>+4.0%</b>	<b>+4.3%</b>	<b>+4.0%</b>	<b>+4.2%</b>	<b>+2.8%</b>	<b>+4.7%</b>
<b>West</b>	<b>+5.4%</b>	<b>+4.8%</b>	<b>+5.5%</b>	<b>+4.4%</b>	<b>+3.8%</b>	<b>+5.4%</b>	<b>+4.5%</b>	<b>+4.9%</b>
<b>Canada</b>	<b>+3.5%</b>	<b>+2.9%</b>	<b>+3.1%</b>	<b>+4.8%</b>	<b>+2.6%</b>	<b>+3.3%</b>	<b>+3.3%</b>	<b>+3.2%</b>

The overall sales forecasts are calculated using a weighted average based on the percentage of the total sales volume for the overall industry represented by the various sales categories: Equipment (76%), Supplies (7%), Tabletop (11%), and Furnishings (6%) and Primary Cooking (27%), Refrigeration/Ice (30%), Storage/Handling (9%), Serving (17%), Food Prep (6%), Warewashing (11%) from (NAFEM) biennial "Size & Shape of the Industry" study. Ventilation not weighted.

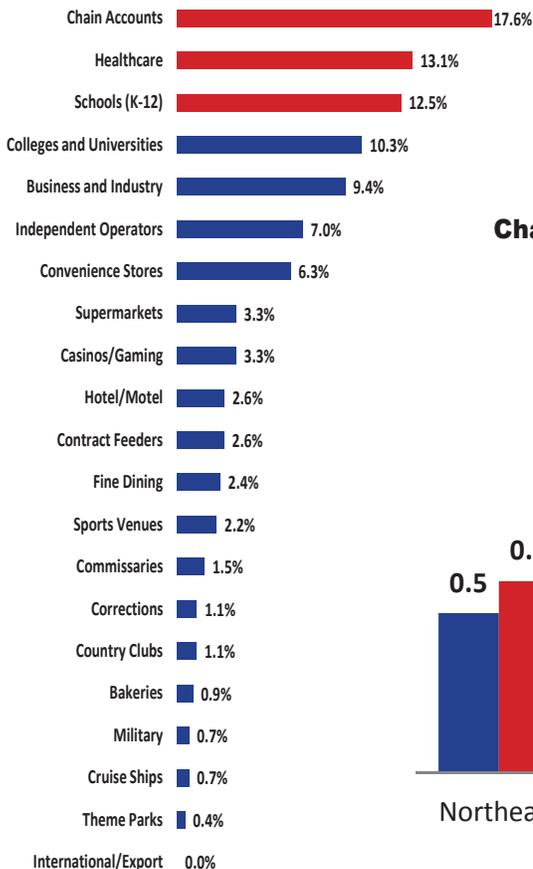
# 2015 MAFSI MARKET FORECAST



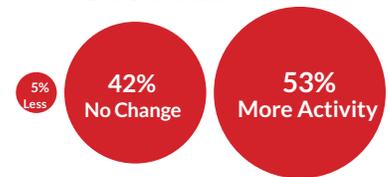
### 2015 Quoting Activity Forecast



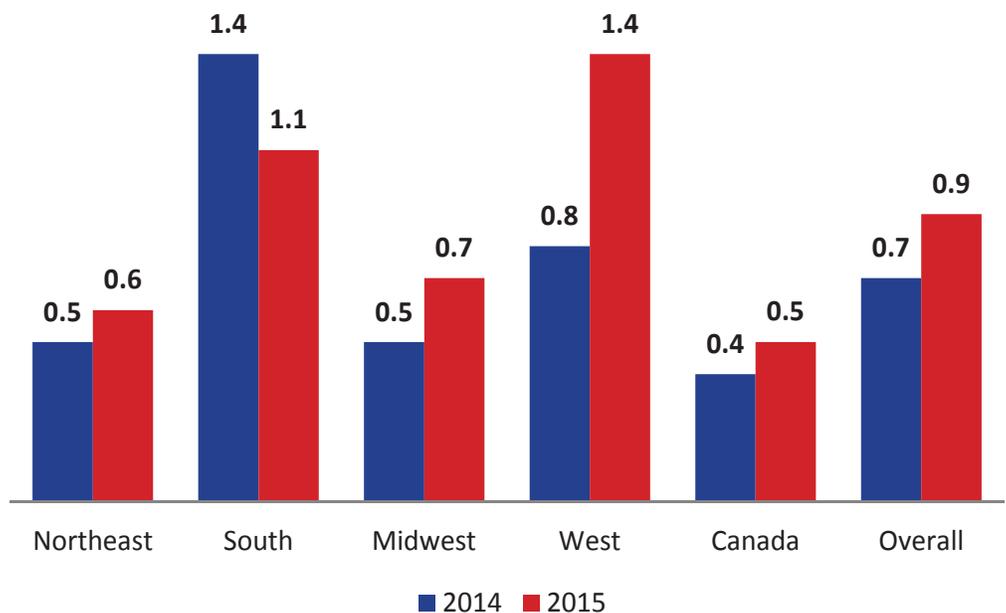
### 2015 Fastest Growing Segments By Percentage of Respondents



### 2015 Consultant Activity Forecast



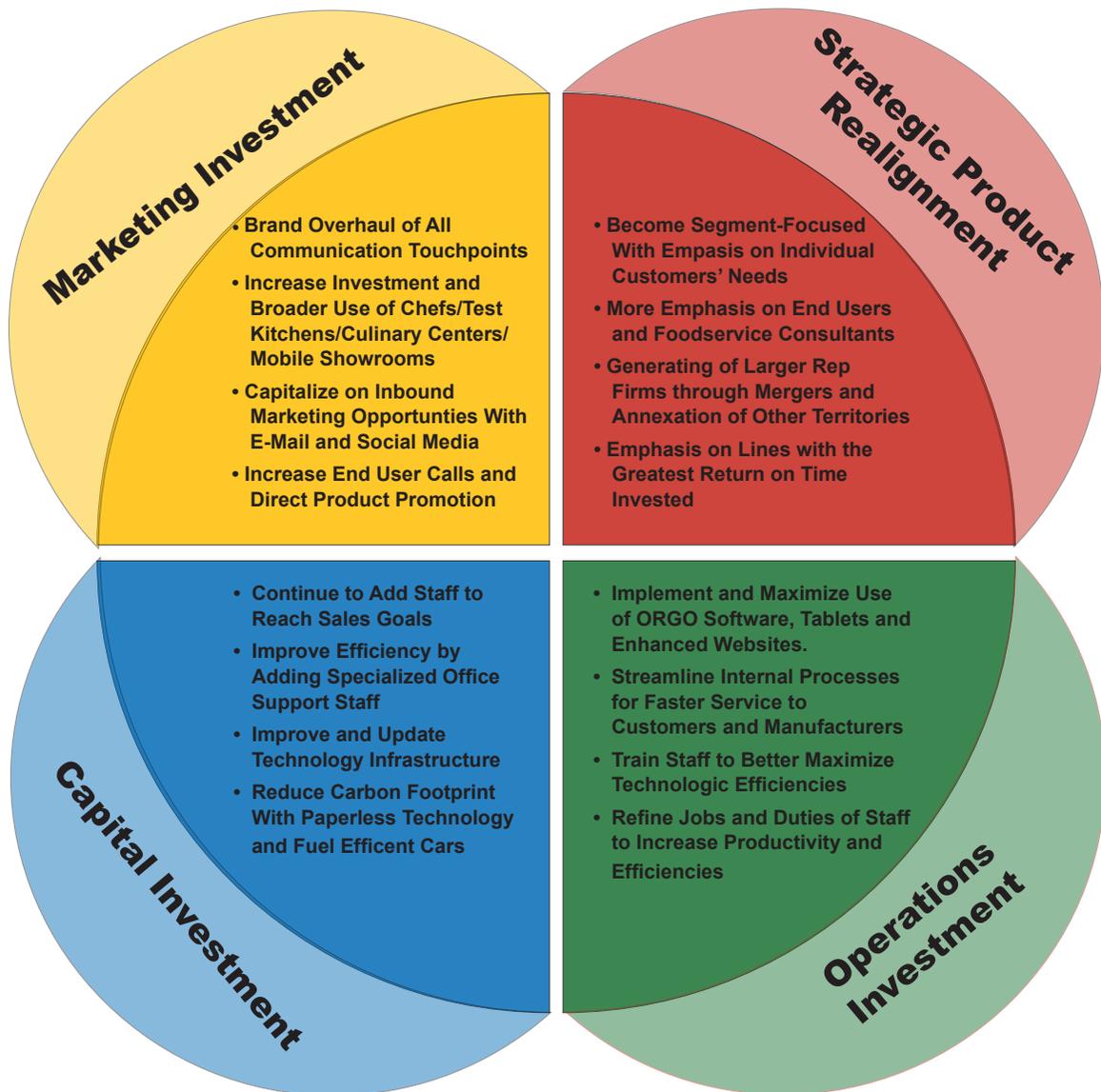
### Change in Rep Firm Staff for 2014 and Forecast for 2015 by Region



## How MAFSI Reps Will Move with the Market in 2015

MAFSI REPS were asked to identify significant actions taken an/or planned for 2014-15.

The leading responses were:



# 2015 MAFSI MARKET FORECAST

## 2015 FER Forecast for Equipment, Supplies, Tabletop and Furnishings

<b>FOODSERVICE EQUIPMENT reports</b>	<b>% of Market</b>	<b>2015 FER Sales Dollar Forecast</b>	<b>Nominal Growth</b>	<b>Prices</b>	<b>Real Growth</b>
<b>Equipment</b>	<b>76%</b>	<b>\$8,112.558</b>	<b>4.9%</b>	<b>2.4%</b>	<b>2.5%</b>
<b>Smallwares</b>	<b>7%</b>	<b>\$686.168</b>	<b>4.7%</b>	<b>2.3%</b>	<b>2.4%</b>
<b>Tabletop</b>	<b>11%</b>	<b>\$1,163.773</b>	<b>4.4%</b>	<b>2.1%</b>	<b>2.3%</b>
<b>Furnishings &amp; Custom Fabrication</b>	<b>6%</b>	<b>\$669.136</b>	<b>4.0%</b>	<b>2.0%</b>	<b>2.2%</b>
<b>Total Industry</b>	<b>100%</b>	<b>\$10,631.635</b>	<b>4.8%</b>	<b>2.3%</b>	<b>2.5%</b>

## 2015 FER Forecast for Equipment Sub-Categories

<b>FOODSERVICE EQUIPMENT reports</b>	<b>% of Equipment Market</b>	<b>2015 FER Sales Dollar Forecast</b>	<b>Nominal Growth</b>	<b>Prices</b>	<b>Real Growth</b>
<b>Primary Cooking Equipment</b>	<b>27%</b>	<b>\$2,175.668</b>	<b>5.2%</b>	<b>2.4%</b>	<b>2.8%</b>
<b>Refrigeration &amp; Ice Machine</b>	<b>30%</b>	<b>\$2,452.752</b>	<b>5.0%</b>	<b>2.5%</b>	<b>2.5%</b>
<b>Storage &amp; Handling Equipment</b>	<b>9%</b>	<b>\$740.799</b>	<b>4.4%</b>	<b>2.0%</b>	<b>2.4%</b>
<b>Serving Equipment</b>	<b>17%</b>	<b>\$1,355.551</b>	<b>4.9%</b>	<b>2.3%</b>	<b>2.6%</b>
<b>Food Preparation Equipment</b>	<b>6%</b>	<b>\$461.679</b>	<b>4.5%</b>	<b>2.3%</b>	<b>2.2%</b>
<b>Warewashing &amp; Sanitation Equipment</b>	<b>11%</b>	<b>\$926.108</b>	<b>4.6%</b>	<b>2.2%</b>	<b>2.4%</b>
<b>Total Industry</b>	<b>100%</b>	<b>\$8,112.558</b>	<b>4.9%</b>	<b>2.4%</b>	<b>2.5%</b>

- Base Year 2011

- Market numbers are based on the North American Association of Food Equipment Manufacturers biennial "Size & Shape of the Industry" study.

- Sales are \$Millions. Thus smallwares sales are \$686,168,000

- Sales include export sales and part sales and are a reflection of North American sales and market size.

- Growth estimates and forecast are copyright 2014 Foodservice Equipment Reports.

# 2015 MAFSI MARKET FORECAST

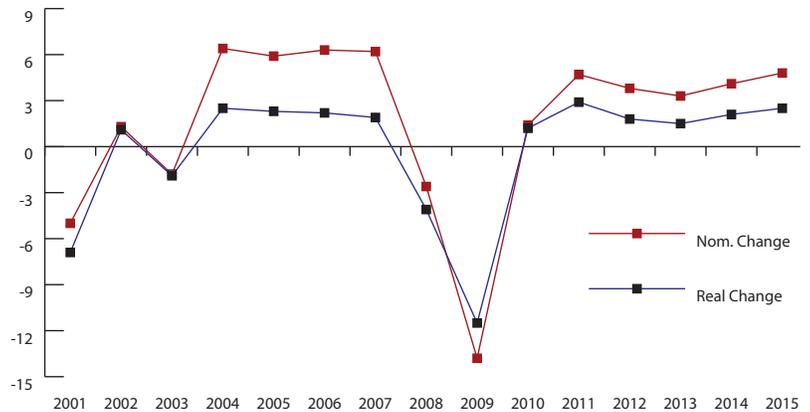
## FER 2015 Commercial Foodservice Market Forecast

By Robin Ashton, Publisher, Foodservice Equipment Reports

**FOODSERVICE  
EQUIPMENT**  
reports

We at *Foodservice Equipment Reports* believe the foodservice equipment and supplies market in 2015 is poised to have one of its best years since the end of the Great Recession, and one of the best in the past 15 years. We forecast the E&S market at the manufacturers' level will grow 4.8% in current dollars next year and, after factoring out price increases, increase by 2.5% in real terms. This will be the third consecutive year of nominal dollar growth exceeding 4% and real growth above 2%. Growth for 2014 is currently forecast at 4.4% nominal and 2.3% real.

### The E&S Market — 2001-2015



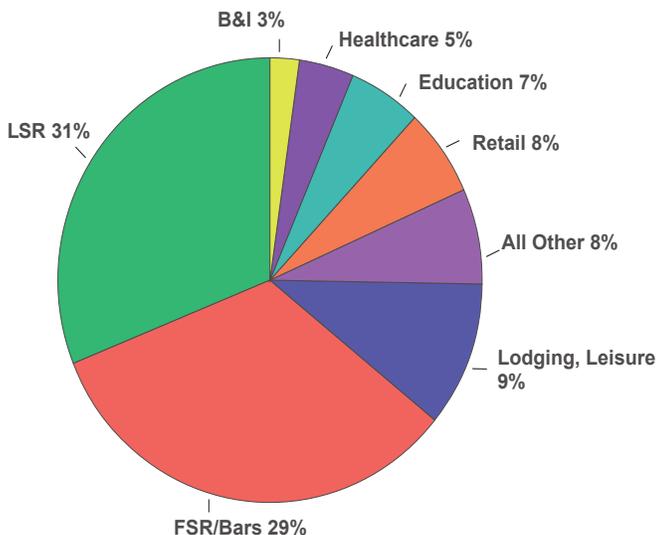
Several factors underlie this upbeat outlook, in spite of a forecast for 2015 from Technomic, of moderate growth for foodservice operator sales. In May, Technomic forecast operator sales growth of 3.1% in current dollars and 1.2% in real terms for 2015. They have stuck by that forecast since.

markets, such as schools, public healthcare, business and industry, corrections and others. Many of these segments are dependent on public funding for capital projects and state and local budgets have finally recovered, thanks to several years of improving tax receipts. MAFSI Barometer quotation and consultant activity numbers are running at very strong levels as well.

A key driver of E&S sales is the recovery, finally, of many of the foodservice non-commercial

Technomic also forecasts that nearly all the noncommercial segments, save corrections, will see good growth in "sales" next years. Noncommercial and other so-called "spec" markets such as hotels, casinos, sports venues and the like, drive as much as 35% of all E&S sales.

### US Foodservice Sales by Market Segment



And in spite of flat traffic counts and slow sales growth, most restaurant operators continue to spend for equipment and supplies. The two capital expenditure indicators that are part of the National Restaurant Association's Restaurant Performance Index have been running at or near pre-recession levels for nearly two years.

The need to constantly renovate to stay competitive, left-over pent-up demand for equipment replacement and the constant stream of new menu items from the chains are the primary drivers of continuing commercial operator E&S purchases. Fast-casual restaurant chain concepts also continue their rapid build-out, taking share and pressuring both traditional quick-service and full-service concepts to upgrade.

One other key factor is driving E&S growth overall, though not necessarily in the domestic US market: The continuing globalization of foodservice, led by US-based global restaurant and hotel brands and their key E&S suppliers.

Second, E&S prices are likely to rise more than they have since the end of the recession. Nickel, stainless steel, copper and aluminum prices have all seen surprising run-ups this year in the 15% to 30% range. Manufacturers will have no choice but try to raise prices.

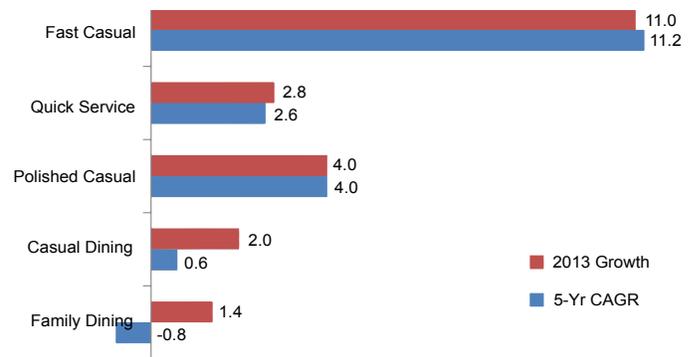
The impact can be clearly seen in a comparison of numbers for the first and second quarters of 2014 for equipment sales growth as tracked in the MAFSI Barometer and the five publicly reporting E&S companies we follow. With the brutal winter impacting the US market, equipment sales, as reported by MAFSI reps, grew only 3.3% in the first quarter and 2.9% in the second. The public equipment companies, on the other hand, saw sales gains of 9.5% in the first quarter this year and 8.4% in the second. More chain oriented, these companies have 20% to 30% of their sales offshore.

Despite these challenges, we expect 2015 to be a very good year for the E&S market.

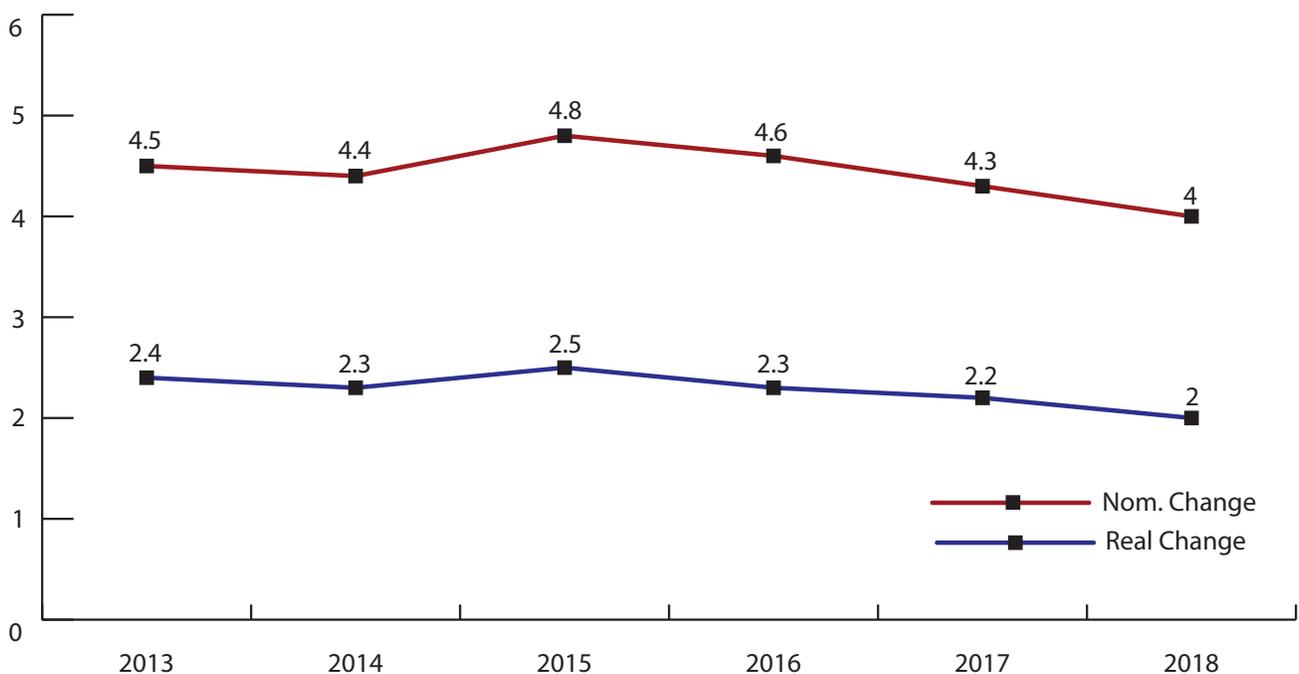
*For information on FER's annual President's Preview forecast seminar, held late July or early August each year, or to inquire about purchasing FER's research and forecast products, call 800/986-9616, or e-mail Robin Ashton at [rashton@fermag.com](mailto:rashton@fermag.com).*

Two other factors to bear in mind during the coming year: First, operators are stressed by big run-ups in food and labor costs this year. Overall wholesale food prices rose 6.1% for the past 12 months, but prices for beef, pork and dairy are running in the 25% to 30% range. This cuts into margins and capital formation.

**Top 500 Chain Segment Trends**  
Sales Growth Rates By Service Type, Technomic Top 500



### FER E&S Market Forecasts 2013-2018



# 2015 MAFSI MARKET FORECAST

## FE&S' 2015 Commercial Foodservice Market Forecast

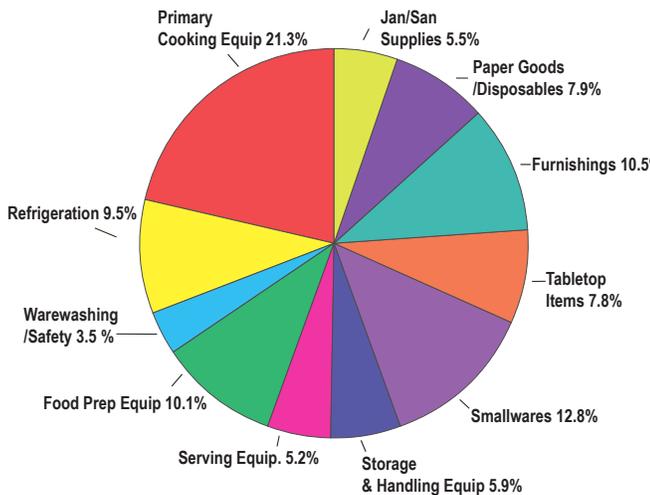
By Joe Carbonara, Editor In Chief, Foodservice Equipment & Supplies



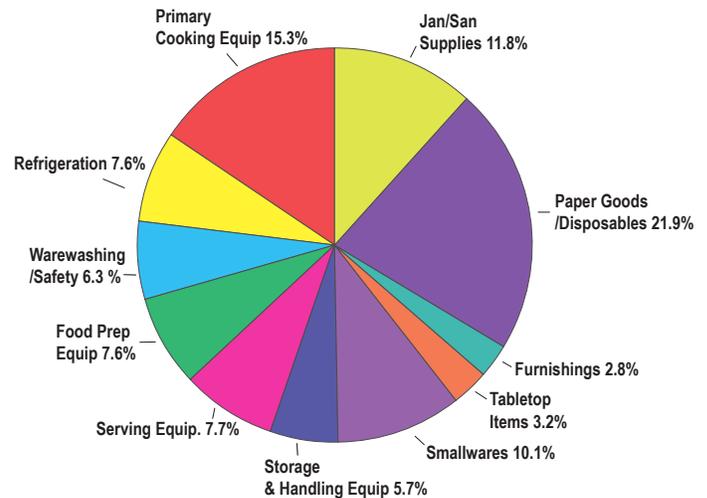
### Operator Outlook

For 2015, 55 percent of foodservice operators project their sales increase and 32 percent anticipate their revenue levels will be on-par with 2014's levels. Among those operators projecting a sales increase, the average rate is 2.74 percent. Key factors driving operators' anticipated sales growth include higher customer traffic areas, a stable

**2015 E&S Commercial Market Budget**



**2015 E&S Non-Commercial Market Budget**

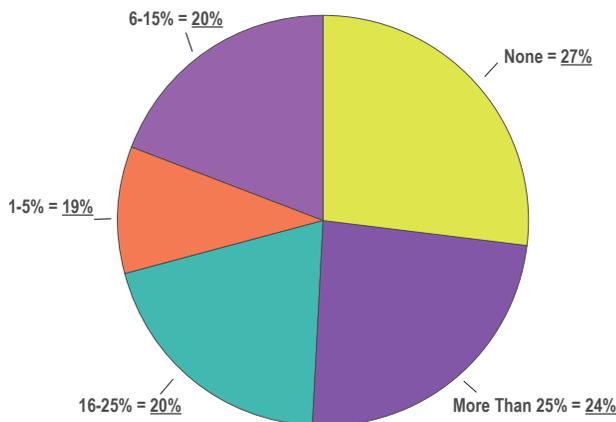


economy in the markets they service and adding services such as catering, delivery, online ordering, etc.

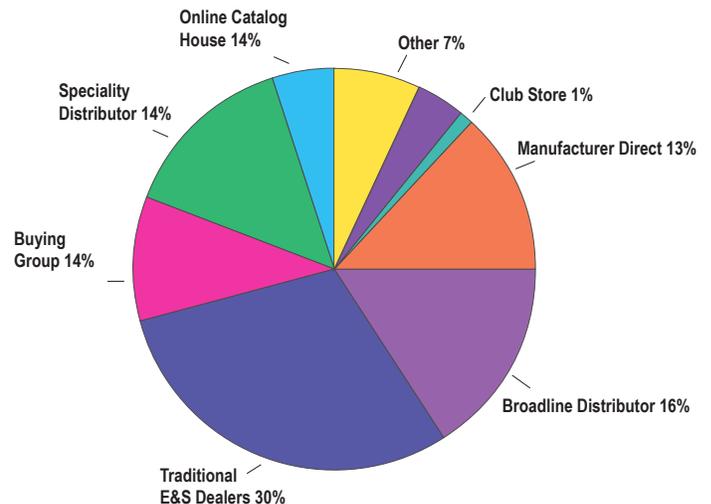
In terms of their foodservice equipment and supplies budgets, 39 percent of operators anticipate spending more in this area during 2015 and 42 percent anticipate their expenditures will remain consistent with 2014's levels. Only 19 percent of operators project spending less on foodservice equipment and supplies in 2015. Among those planning to spend more on foodservice equipment and supplies, the average increase is 1.64 percent.

The percent of operators making foodservice equipment and supplies purchases online tripled during the past

**Foodservice Operators E&S Purchases Made Online**



**2015 E&S Purchases by Channel**



year. Consequently, the number of foodservice operators reporting they do not purchase equipment and supplies declined by more than 40 percent.

### Dealer Outlook

Sixty five percent of dealers project their sales will increase in 2015, down 15 percent from last year. Only 7 percent of dealers expect their sales to decline in 2015. Among those dealers projecting higher sales, the average increase is 4.86 percent.

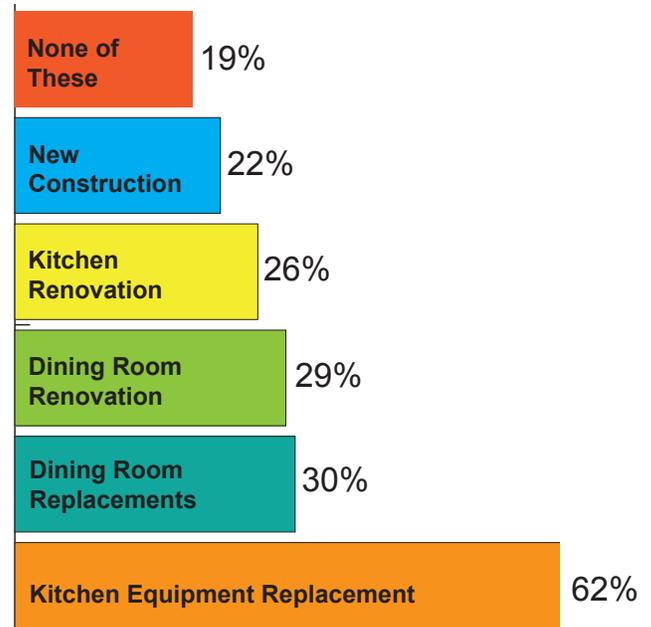
Fifty two percent of dealers report they have more business booked for the coming year than they had at this point 12 months ago. And 31 percent of dealers report they have the same amount of business booked for the coming year as they did at this time in 2013.

The four operator segments representing the greatest opportunities for dealers are casual dining, fast-casual dining, family dining and, new to the top four this year, traditional QSRs. The fastest declining segments, according to the dealer community, are fine dining, military foodservice, grocery/deli and correctional foodservice.

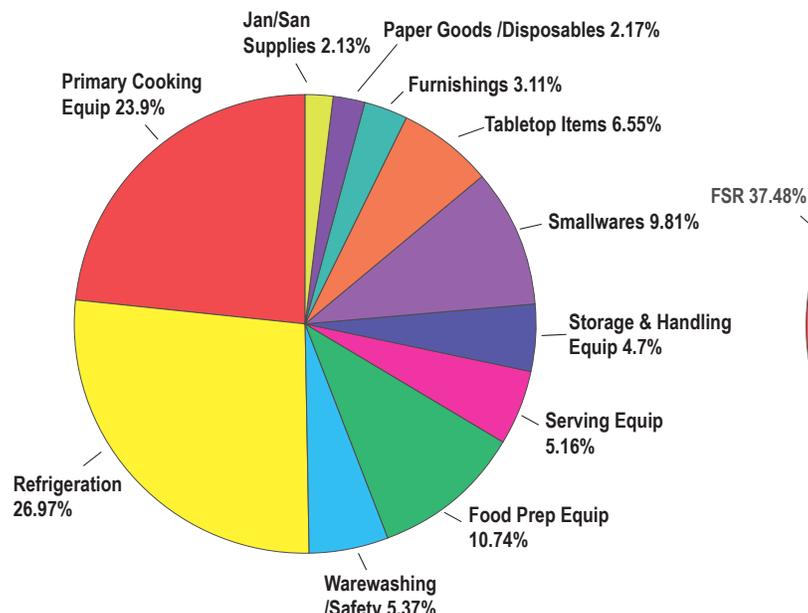
In addition, 44 percent of dealers project an increase in gross profit for 2015 and another 52 percent project their gross profit levels will remain constant with 2014 levels. Still, dealers continue to feel significant margin pressure resulting from having to compete with the internet pricing model, a slow down in the specific geographic markets they serve and competitors who they perceive as selling solely on price.

For more information on the FE&S' 2015 Forecast studies call us at 800-630-4168, or e-mail Joe Carbonara at [joe@zombagroup.com](mailto:joe@zombagroup.com).

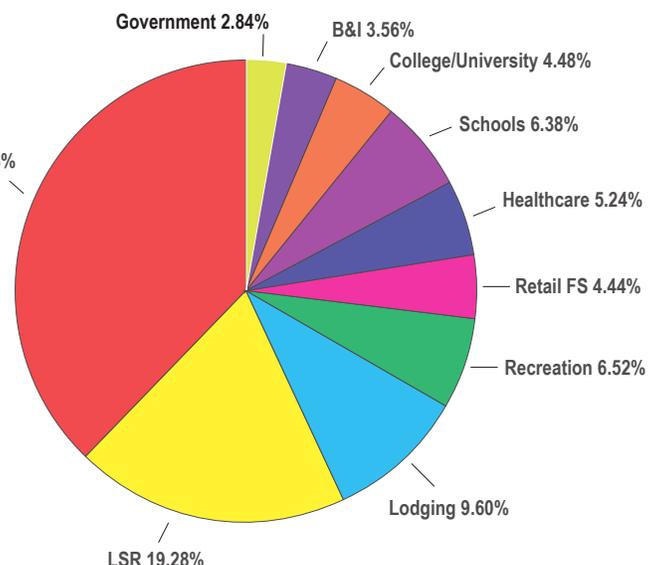
### Operators' Activities Planned for 2015



**2015 Dealer Sales Projected by Product Category**



**2015 Dealer Opportunities by Market Segment**



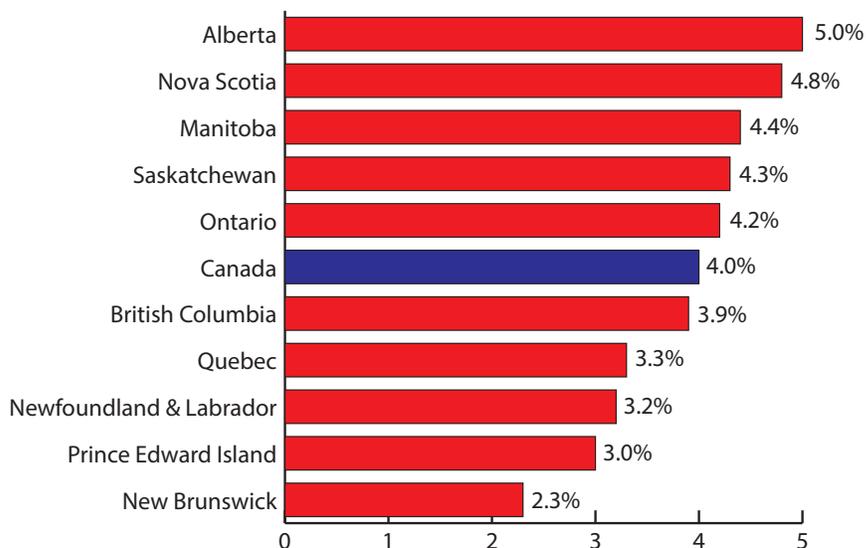
## Foodservice & Hospitality 2015 Canadian Commercial Foodservice Market Forecast

**FOODSERVICE AND HOSPITALITY**  
CANADA'S HOSPITALITY BUSINESS MAGAZINE

With files from Restaurants Canada, Technomic Inc., The NPD Group and *Foodservice and Hospitality*

Taking a look back on 2014, it's been a year of fairly healthy sales growth. And next year, Toronto-based Restaurants Canada projects commercial foodservice sales will reach a record \$59.8 billion, 4.0-per-cent higher than its estimated \$57.5 billion total for 2014. According to the association's annual Industry Forecast, the contract-caterer segment will come out on top. Thanks to increased demand for remote foodservice, driven by the natural resource industry, rising college/university enrollment and health-care facilities, caterers are expected to post an average sales growth of 5.3 per cent per year between 2014 and 2018. Meanwhile, industry sales overall are predicted to grow an average of 4.0 per cent per year between 2014 and 2018. Alberta will lead foodservice sales, with average growth of 5.1 per cent expected between 2014 and 2018.

### Growth in Commercial Foodservice Sales: 2015



In 2014, traffic to foodservice outlets was relatively flat, according to Robert Carter, executive director at the NPD Group in Toronto. "There was not a lot of growth in customer traffic, only about 1.0 per cent," he says. "So a lot of the [sales] growth is coming from increases in the amount of money people are spending per occasion. The average eater check seems to be increasing." This could be in part due to slightly better consumer confidence in the face of a slowly (but surely) rebounding Canadian economy. At the end of August 2014, unemployment stood at 7.0 per cent — a 0.5-per-cent increase compared to 12 months earlier, not much of an increase, but an increase nonetheless. Real GDP growth hovered just above 3.0 per cent for Q2 and was expected to be approximately the same for Q3 2014, according to data from CIBC World Markets Inc.

### GROWTH IN TRAFFIC AT RESTAURANTS

	2013 over 2012	Total Growth 2008 to 2013	
<b>TOTAL RESTAURANT MARKET</b>	<b>-0.8%</b>	<b>2.8%</b>	↑
Quick - service	-1.1%	6.5%	↑
Family/Mid-scale	1.4%	-5.8%	↓
Casual-dining	-0.1%	-5.3%	↓
Fine Dining	-6.0%	-7.2%	↓
Retail	-1.7%	1.6%	↑

CIBC's "Economic Insights" report from September 2014 sums up the state of the economy as such: "Though employment continues to seriously disappoint, the economy appears to be expanding at a solid clip. Growth is poised to post two consecutive quarters of growth above 3.0 per cent, with available data pointing to upside risks to our current 3.2-per-cent Q3 call. Canadians are, however, tapped out on credit, having already dipped into savings. A moderation in consumer spending could temper Q4 growth. But Canada's exports are coming alive, with reasons to hope that related business investment is on its way."

## The Top 200 Chains

Canada's top 200 restaurant chains, comprising nearly 60 per cent of the country's food-service sales, achieved sales of \$29.2 billion in 2013. According to Chicago-based research firm, Technomic, and Kostuch Media Ltd.'s annual report, The 2014 Canadian Chain Restaurant Report, the top 200 chains grew sales by four per cent in 2013, while the number of units grew by 3.0 per cent, to a total of 25,710 units. The top-three restaurant chains of 2013 were Tim Hortons, (\$6.7 billion); McDonald's Restaurants of Canada Ltd. (an estimated \$3.8 billion); and Subway (\$1.6 billion). Meanwhile, fast-casual concepts increased their presence on the list, growing sales by 14 per cent to \$795 million.

## GROWTH IN DOLLARS SPENT AT RESTAURANTS

	2013 over 2012	Total Growth 2008 to 2013	
<b>TOTAL RESTAURANT MARKET</b>	<b>2.2%</b>	<b>10.7%</b>	↑
Quick - service	3.0%	16.5%	↑
Family/Mid-scale	2.2%	7.4%	↑
Casual-dining	1.0%	5.6%	↑
Fine Dining	-2.5%	-7.6%	↓
Retail	3.5%	14.9%	↑

SOURCE: THE NPD GROUP INC.\FOODSERVICE\CREST@TOTAL CANADA\YE NOVEMBER

## Fastest-Growing Fast-Casual Restaurants - (Source: Technomic)

Chain	Sales (\$MM)	Sales Growth (Percent)	Unit Growth (Percent)	Concept Positioning
Panera Bread Co.	\$17	85	33	Upscale fast-casual bakery cafe'
Five Guys Burgers and Fries	\$63	49	32	No-frills menu of signature hamburgers
Thai Zone	\$30	40	50	Quick and convenient Thai concept
Hero Certified Burgers	\$39	37	46	Preservative-free 100% Angus beef burgers
Thai Express	\$80	32	20	Thai dishes served in a speedy format

"Growth in the fast-casual sub-segment is intensifying," according to Darren Tristano, EVP of Technomic. "Burger, Mexican and Asian fast-casual concepts are poised for greater expansion. With a focus on freshness, quality, customizable menu offerings and an appealing ambiance, they are in a sweet spot between fast food and full service. In a highly competitive climate, differentiation is key, and fast-casual restaurants are hitting the mark."

## Equipment Trends

Combi-ovens are hogging the spotlight as one of the top equipment trends of 2014, according to the Less is More equipment trends story in the September issue of F&H. "More and more restaurants are buying combi-ovens as the price comes down and they become more user-friendly," says Bernard Casavant, a chef and culinary manager for Okanagan College's Culinary Arts program in Kelowna, B.C. At large-scale operations, purchasing decisions are largely focused on equipment that allows cooks to prep large quantities of food ahead of time, while saving on labour, time and costs. Blast chillers not only offer energy efficiency and space savings, but they are a must, given stringent health-code requirements for advance meal-prep activities. On the warewashing side, expect to see more low-temperature machines that have less environmental impact and use less chemicals, Casavant says. It's not just the back-of-the-house equipment that's capturing operator attention. The latest innovations in the quick-service restaurant (QSR) world are in the front of the house, says Rob Fussey, senior director of Concept Innovation at Vancouver-based A&W Food Services of Canada Inc. "Digital menu boards and self-ordering kiosks are coming to the forefront," he says.

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# 2015 MAFSI MARKET FORECAST

## U.S. Foodservice Industry Forecast

Revised as of May 2014

TECHNOMIC

Segment	2014 Retail Sales Equivalent (\$ Billions)	Nominal Growth 2014 (R)	Nominal Growth 2015 (F)
<b>Total Restaurants and Bars</b>	<b>\$431.562</b>	<b>3.0%</b>	<b>3.0%</b>
Limited Service	238.535	3.5	3.5
Full Service	189.682	2.5	3.0
Bars and Taverns	3.345	2.5	2.5
<b>Total Beyond Restaurants and Bars</b>	<b>\$209.865</b>	<b>3.9%</b>	<b>3.2%</b>
Retail Hosts (Supermarket Foodservice, Convenience Stores, All Other Retailers)	40.612	4.6	4.3
Travel and Leisure (Recreation, Lodging, Transportation)	55.512	4.5	4.1
Business and Industry	13.966	2.8	2.6
Education (Primary/Secondary Schools, Colleges/Universities)	34.352	3.0	2.0
Healthcare (Hospitals, Long-Term Care, Senior Living)	24.822	3.3	4.4
All Other (Vending/Office Coffee Service, Caterers, Military, Corrections, Other Segments)	40.601	2.3	2.0
<b>Total U.S. Foodservice</b>	<b>\$641.427</b>	<b>3.3%</b>	<b>3.1%</b>

## Canadian Foodservice Industry Forecast

Revised as of October 2014

Segment	2014 Retail Sales Equivalent (\$ Billions)	Nominal Growth 2014 (R)	Nominal Growth* 2015 (F)
<b>Total Restaurants and Bars</b>	<b>\$48.995</b>	<b>4.2%</b>	<b>4.3%</b>
Limited Service	23.660	4.1	4.5
Full Service	23.292	4.4	4.2
Bars and Taverns	2.044	(1.0)	.7
<b>Total Beyond Restaurants and Bars</b>	<b>\$28.197</b>	<b>3.6%</b>	<b>4.2</b>
Retail Hosts (Supermarket Foodservice, Convenience Stores, All Other Retailers)	5.834	3.0	3.6
Travel and Leisure (Recreation, Lodging, Transportation)	13.087	4.0	4.9
Business and Industry	2.052	4.5	5.0
Education (Primary/Secondary Schools, Colleges/Universities)	1.300	1.7	1.6
Healthcare (Hospitals, Long-Term Care, Senior Living)	3.811	4.4	4.4
All Other (Vending/Office Coffee Service, Caterers, Military, Corrections, Other Segments)	2.114	1.7	2.2
<b>Total Canadian Foodservice</b>	<b>\$77.193</b>	<b>4.0%</b>	<b>4.3</b>

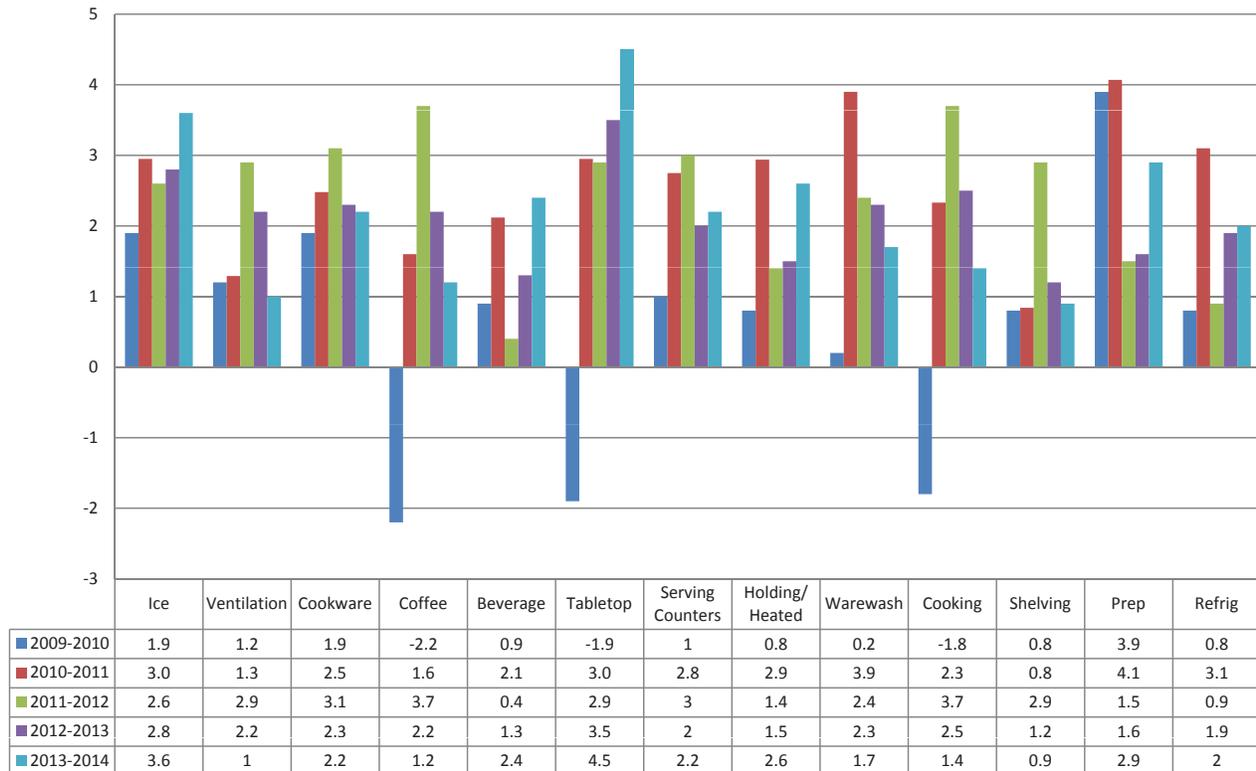
# 2015 MAFSI MARKET FORECAST

## Pricing Trends

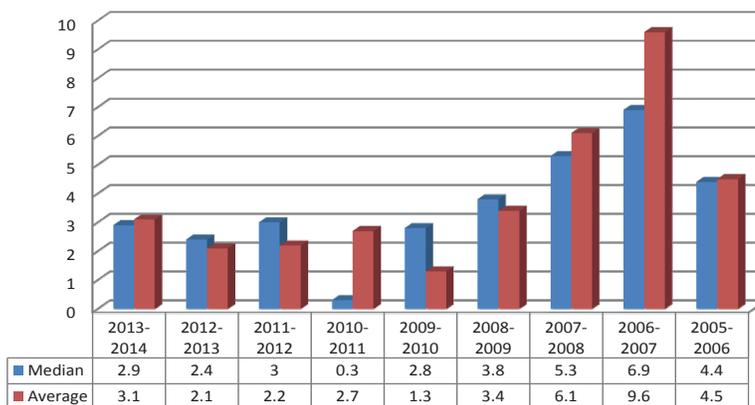
By Kent Motes, CEO, AutoQuotes



### Yearly Price Changes By Category



### Yearly Price Increases



Price inflation has been modest in the past 12 months from June 2013 to July 2014. Average list prices increases were 3.1% versus 2.1% in the previous year. The median increase (in the middle, with half above and half below) was 2.9% versus 2.4% in 2013. The 2014 bump was marginally higher than the past 5 years, but well below average in the past decade.

We track the list price changes on 450,000 products from the 500+ manufacturers in the AutoQuotes Database.

The actual Sell Prices are lower than List Price, but the percentage increase in Sell Prices and in the List Prices is regularly the same. Even at modest single digit changes, 80% of the products had a price increase, 4% had a decrease, and 16% had zero change. For the past several years there has been 20-40% zero change models.

There is no indication of aggressive price increases by any manufacturers or by any category of products, but annual incremental price increases for almost all products occur. Some price increases this spring were in response to increases in the cost of stainless, aluminum, copper, nickel, and other raw materials. In April 57 manufacturers published price increases, which is 37% more than in 2013. Some raw material costs have abated, but averages remain higher and may impact manufacturer prices by 2015. Forty percent of all manufacturer price increases occur in the months of January and February.

Price changes by category show no significant trends. All the categories have increases, but most are within a 1-3% range. Only Tabletop, with a 4.5% increase, shows a more aggressive trend in 2014 and in the past years, possibly because raw materials costs impact Tabletop models more than in the other categories.

# Thank You!

MAFSI Reps have their fingers on the pulse of the markets they serve, giving them an inside look at regional and national sales trends. Our Market Forecast would not be possible without you; the dedicated members of MAFSI. Many thanks to the firms below for participating in this year's forecast.

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