

**The Conference
Board of Canada**

Finding Balance

Canadian Beverage Association's
Balance Calories Initiative



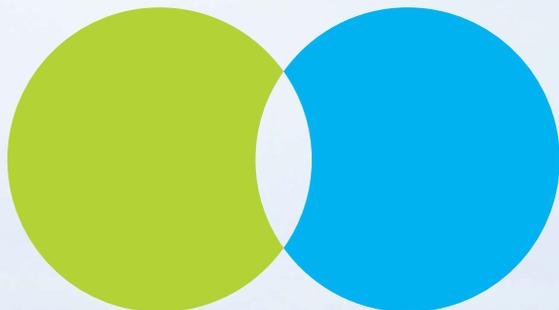
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Key findings

- The Canadian Beverage Association is making progress on its Balance Calories Initiative (BCI). The initiative aims to reduce the daily calories that Canadians consume from non-alcoholic/non-dairy beverages by 20 per cent between 2014 and 2025. From 2014 to 2019, Canadians consumed 16 per cent fewer calories from liquid refreshment beverages (LRBs).
- Performance is mixed across the segments of the industry. Canadian consumers have reduced the calories they take in every day from carbonated soft drinks, enhanced and flavoured packaged water, juices, nectars, and still drinks. However, calories consumed from iced tea, sports drinks, energy drinks, and iced coffee have increased over the last five years.
- The reduction in consumption of calories seems to be driven by changes in the calorie intensity of beverages, rather than reduction in volumes consumed. While the total volume of beverages consumed increased by 4 per cent between 2014 and 2019, average calories per litres across total beverages fell by 19 per cent.
- Many segments of the beverage industry are increasing the share of low-calorie options they offer, which has helped Canadians reduce the calories they consume. Over the past five years, the share of low-calorie options has increased from 42 per cent of total beverage volume to 49 per cent. In addition, packaged water makes up a larger share of total volumes, also supporting the reduction in overall beverage calories.
- Much of the progress in reducing the consumption of calorie content, both for total beverages and beverage segments, occurred over the first three years of the reported period, 2015 to 2017, with progress slowing over 2018 and 2019.



Introduction

In 2014, the Canadian Beverages Association (CBA) launched the Balance Calories Initiative (BCI). The initiative's goal is to reduce (by 20 per cent) non-alcoholic beverage calories consumed per person in Canada by 2025. Most of the calories in these beverages are due to sugar. Therefore, the initiative entails reducing the amount of sugar that Canadians consume each year.

The Conference Board of Canada has been an independent third party to verify the initiative's progress. This briefing tracks the progress over the reported period 2014 to 2019. Earlier Conference Board reports indicated that the 10 years prior to the initiative had already seen a reduction of calorie consumption by 20 per cent (pre-BCI period).¹

The previous reports also found that after the initiative was launched, there was a 10 per cent reduction in calories from liquid refreshment beverages (LRBs) consumed between 2014 and 2016.² The methodology adopted for the study is outlined in [Appendix A](#).



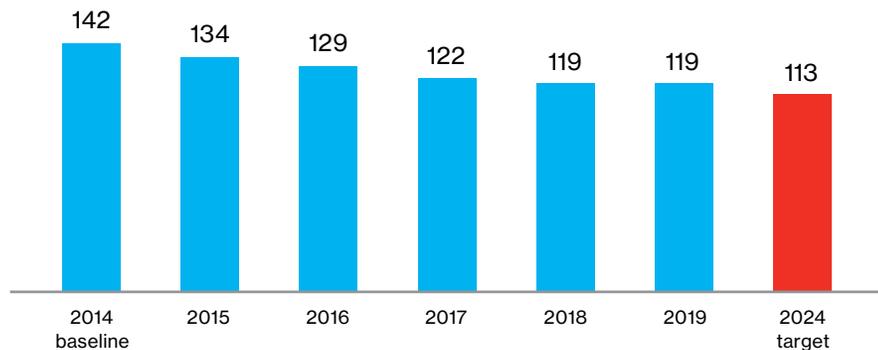
¹ Grant, *Canadian Beverage Association Balance Calories Initiative: Baseline Report*.

² Grant, *Canadian Beverage Association Balance Calories Initiative: Tracking Report*, 7.

Industry is making progress

The Canadian beverages industry has made progress in reducing the consumption of calories by Canadians across non-alcoholic beverages.³ Since 2014, there has been a reduction of 16 per cent in the daily per person LRB calories consumed.⁴ With five years remaining to meet the 20 per cent reduction target, the BCI is on track to achieve its goal. (See Chart 1.)

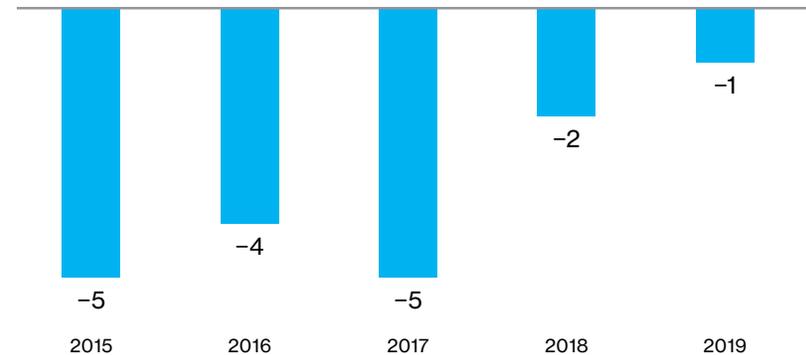
Chart 1
Daily consumption of calories fell by 16 per cent from the baseline
 (daily per person calories)



Sources: The Conference Board of Canada; GlobalData; Statistics Canada, CANSIM 051-0001.

The decline was the steepest in the first three years of the tracking period. Daily calorie intake fell by 5 per cent in 2015, 4 per cent in 2016, and 5 per cent again in 2017. This accounted for most of the 16 per cent reduction. (See Chart 2.) Thus, most of the reduction achieved to date occurred in those years. The last two years of the tracking period saw a lesser decline in the daily calories consumed. In 2018, there was a reduction of 2 per cent in the daily per person calories consumed and of 1 per cent in 2019.

Chart 2
Most of the decline in calorie consumption occurred over three years
 (annual change in daily per person calories across all LRBs, per cent)

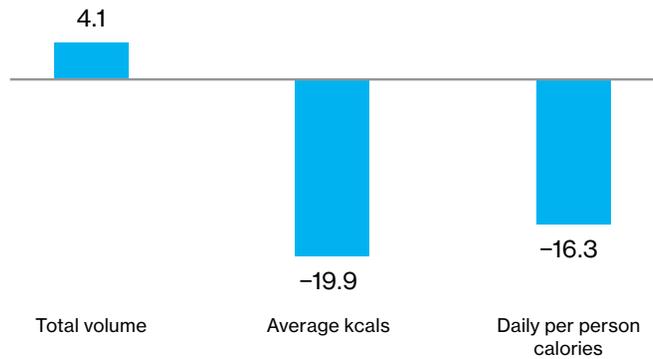


Sources: The Conference Board of Canada; GlobalData.

3 Progress in achieving the goal is measured by assessing the trend of daily per person calories from the baseline of 2014. For more information, see the detailed methodology in [Appendix A](#).
 4 The baseline values for 2014 and the target for 2025 were revised due to revised volume and calorie data from GlobalData and revised population estimates from Statistics Canada. This does not change the reduction goal or the verification of results since the reduction goal is a percentage reduction of the base year.

Reductions in daily per person LRB calories consumed can be due to a decline in average calorie content of the beverages, a decline in liquid refreshment beverages volumes, or a combination of both. Average calories per litre, across all LRB beverages, fell by 19 per cent between the 2014 baseline and 2019. (See Chart 3.) In contrast, total volumes of all liquid refreshment beverages consumed increased during this same period by 4 per cent.

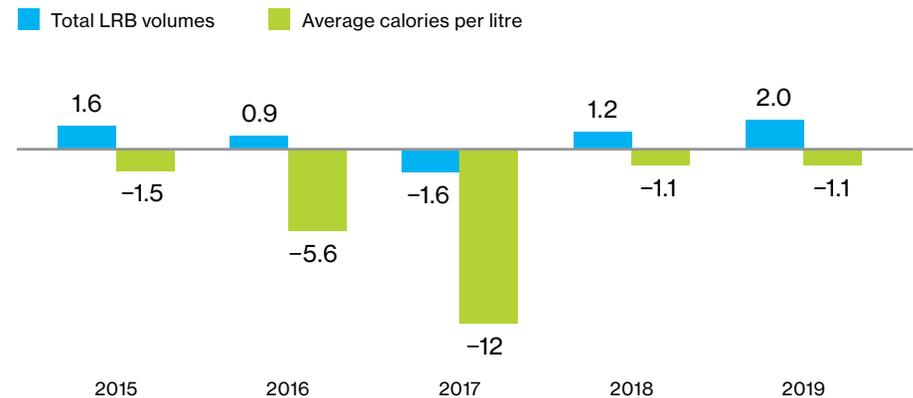
Chart 3
Falling average calories, rather than volumes, drove the fall in daily calories consumed, 2014–2019
 (percentage change across all sectors)



Sources: The Conference Board of Canada; GlobalData.

Chart 4 indicates that, with the exception of 2017, every year has seen an increase in total LRB volumes consumed. Average calories per litre have fallen every year from 2014 to 2019, though the steepest falls occurred in 2016 and 2017. Therefore, the reduction in average calories could be driving the decline in daily calories consumed per person over the reported period. The slowdown in 2018 and 2019 seems to be due to a combination of increasing volumes and average calories not declining to the same extent as in the previous years.

Chart 4
The fall in average calories was the main driver behind declining daily calorie consumption
 (annual change, per cent)



Sources: The Conference Board of Canada; GlobalData.



Increased health consciousness among consumers is one of the reasons for reduced consumption of high-calorie drinks.



Progress across market segments is mixed

The progress in reducing the consumption of LRB calories across each of the 10 different market segments is mixed. (See Table 1.) The beverage segments that contributed the most to the reduction of calories consumed are carbonates (i.e., carbonated soft drinks), juices, nectars (i.e., drinks containing some juice), and ready-to-drink (RTD) tea. Encouragingly, the calories consumed from carbonates, juices, and nectars have decreased significantly between 2019 and the baseline year of 2014, thereby being a key driver of the overall reduction trend. Recent data released by Statistics Canada support the finding on the overall reduction of of LRB calories consumed. It noted in a release of *The Daily* that increased health consciousness among consumers is one of the reasons for reduced consumption of high-calorie drinks.⁵ The other beverage segments that have reduced their daily calorie consumption across this period include enhanced and flavoured packaged waters and still drinks. (See [Chart 5](#).)

Table 1

Mixed performance across beverage segments in reducing consumption of calories

(average daily per person calories; percentage change)

	2014	2015	2016	2017	2018	2019	Percentage change
Carbonates	64.4	62.2	59.5	56.3	55.8	55.1	-14.4
Packaged water (plain)	0	0	0	0	0	0	0
Enhanced and flavoured packaged water	1.0	0.9	0.8	0.7	0.7	0.7	-29.5
Juice	38.1	34.5	32.8	30.5	29.3	28.5	-25.3
Nectars	17.7	15.4	13.7	13.1	12.1	11.6	-34.5
RTD tea drinks	9.2	9.2	9.0	8.8	9.2	9.6	4.7
Still drinks	5.6	6.4	5.9	5.7	5.6	5.5	-1.5
Sports drinks	2.9	2.9	3.0	3.0	3.1	3.7	28.9
Energy drinks	3.5	3.7	3.8	3.8	3.8	3.9	9.8
RTD coffee drinks	0.1	0.3	0.3	0.4	0.5	0.5	332.9

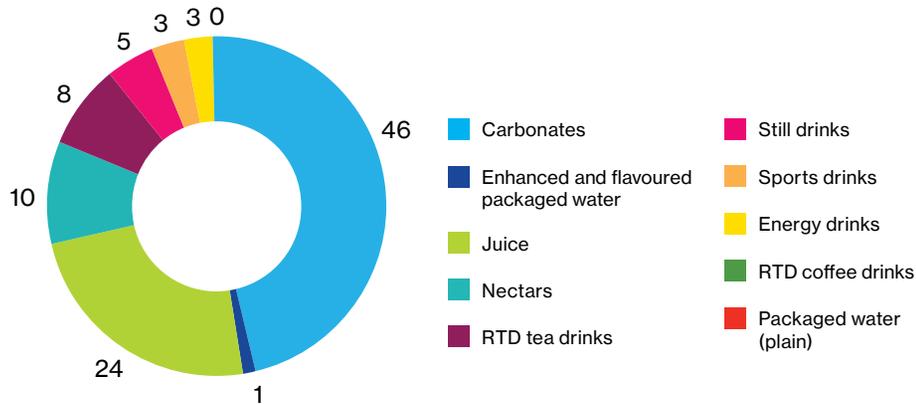
Sources: The Conference Board of Canada; GlobalData.

⁵ Statistics Canada, "Food Availability, 2019." The Statistics Canada soft drink coverage is for carbonated drinks only.



The segments that have seen an increase in LRB calories consumed are ready-to-drink coffee drinks (332.9 per cent), sports drinks (28.9 per cent), and energy drinks (9.8 per cent).⁶ RTD tea has experienced an increase in its daily contribution to LRB calories by 4.7 per cent, and now accounts for 9.6 per cent of total LRB calories consumed per day. Sports drinks and energy drinks each account for 3.0 per cent of total daily per person LRB calories. RTD coffee is the lowest contributing segment and constitutes only 0.5 per cent, but is the fastest-growing segment. Therefore, in the longer term, RTD coffee could impact the trend of calorie reductions.

Chart 5
Carbonates and juices contribute the largest share in daily calories consumed, 2019
 (share of daily per person calories, per cent)

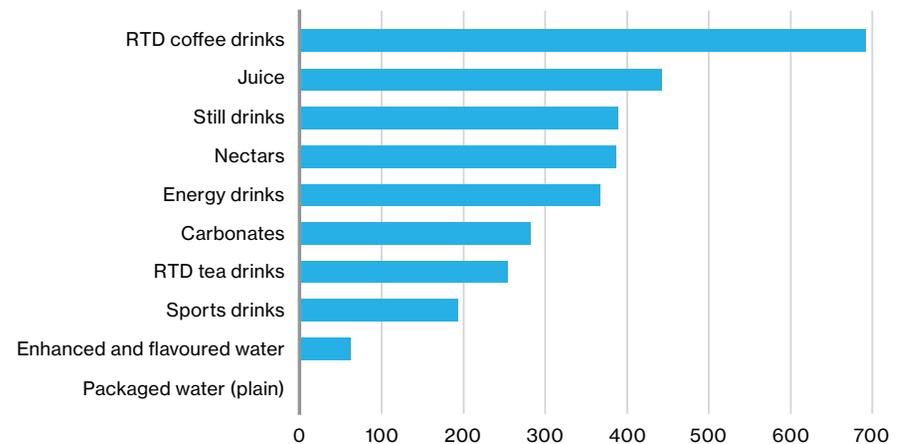


Note: Packaged water (plain) contains no calories, so it does not show in this chart. Results have been rounded up to the nearest whole number. The share of RTD Coffee is 0.5% and therefore shows as 0% in the chart.
 Sources: The Conference Board of Canada; GlobalData.

⁶ Energy drinks referred to in this briefing are caffeinated energy drinks.

Assessing calorie intensity (measured as average calories per litre) and LRB volumes allows us to unpack some of the driving forces behind the trends. Ready-to-drink coffee, juices, still drinks, and nectars are some of the most calorie-intensive drinks. (See Chart 6.) Despite the high calorie intensity, however, RTD coffee and still drinks constitute a low share in the LRB calories consumed per day. This is due to their share of total volumes being lower. (See Chart 7.) Juices and nectars are calorie-intense and also constitute a high share of total volumes. They contribute to higher daily per person LRB calories and drive the overall trend. Carbonates—despite having lower average calorie intensity than many other segments (due to the larger share of no- and low-calorie carbonated soft drinks)—constitutes the largest share of liquid refreshment beverages calories consumed daily. This is because carbonates are a high-volume segment, accounting for 33 per cent of total volumes in 2019.

Chart 6
RTD coffee, juices, still drinks, and nectars are the most calorie-intensive drinks, 2019
 (average calories per litre)

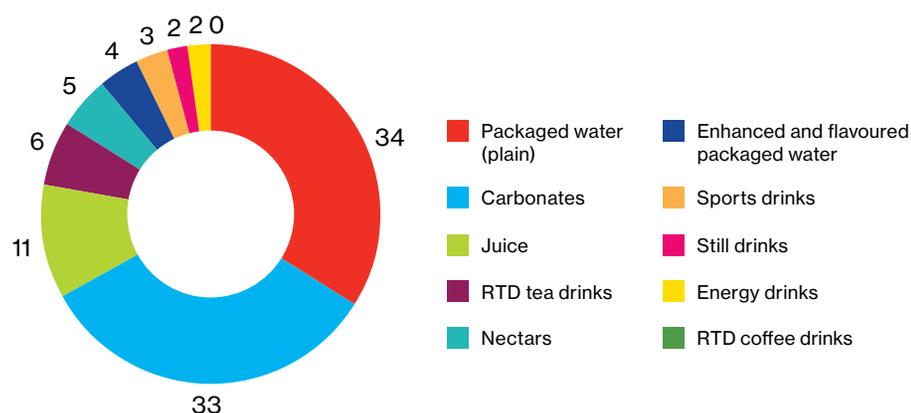


Sources: The Conference Board of Canada; GlobalData.

Packaged water has no calorie content. Therefore, despite being the largest component in terms of volumes, it does not contribute to consumption of calories. Over the period 2014 (baseline) to 2019, packaged water volumes have been increasing and this segment has overtaken carbonates as the largest volume category. This growth in packaged water volumes, along with the other factors, has contributed to the reduction in the overall daily calories in LRB beverages.

Chart 7
Packaged water and carbonates constitute the largest share in total volume of LRBs, 2019

(share of LRB market segments in total LRB volumes, per cent)



Note: Results have been rounded up to the nearest whole number. The share of RTD Coffee is 0.1% and therefore shows as 0% in the chart.

Sources: The Conference Board of Canada; GlobalData.

Across most of the LRB segments where there has been reduction in daily per person calories, much of the progress was in the earlier part of the period tracked thus far. (See Table 2.) This is the case for carbonates, enhanced and flavoured packaged waters, juices, and nectars.

Table 2
Much of the progress in daily per capita calorie reductions is across the first three years

(annual change in daily per capita calories, per cent)

Activity	2015	2016	2017	2018	2019
Carbonates	-3.5	-4.2	-5.5	-1.0	-1.1
Enhanced and flavoured packaged water	-9.0	-13.1	-10.4	-0.2	-0.4
Juice	-9.5	-4.9	-7.2	-3.8	-2.7
Nectars	-13.1	-10.0	-5.3	-7.6	-4.2
RTD tea drinks	-0.1	-1.5	-2.4	4.3	4.4
Still drinks	13.8	-6.5	-4.0	-2.3	-1.3
Sports drinks	0.0	21.0	-0.6	4.7	2.4
Energy drinks	5.4	0.6	0.4	1.4	1.7
RTD coffee drinks	127.8	11.7	35.2	11.7	12.6

Sources: The Conference Board of Canada; GlobalData.

Low-calorie serving shares increasing

Low-calorie servings now constitute 49 per cent of total beverage volumes. This share has steadily increased in the past five years and is up from 42 per cent in 2014. This shift to low-calorie servings has been a significant contributor to the reduction in the total number of daily per person calories. However, there is variation across individual segments.

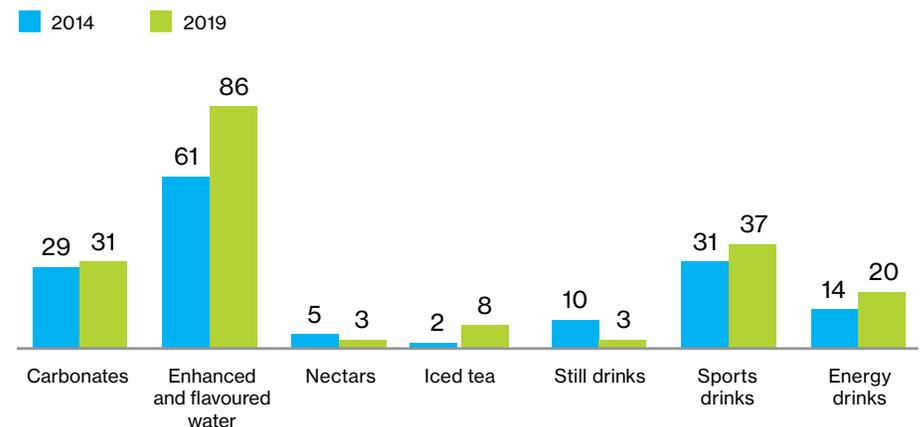
For most LRB segments, low-calorie servings constitute a minority of total volumes. Packaged water has only low-calorie servings, while low-calorie servings account for the majority of volumes in the enhanced and flavoured packaged water segment. Juices and RTD coffees have no low-calorie servings.



Most LRB segments have seen low-calorie servings accounting for an increasing share of volumes between 2014 and 2019. (See Chart 8.) This has been one of the drivers of declining calorie intensity and, in turn, declining daily calories across these segments.

Chart 8
Some low-calorie servings have increased their share from 2014 to 2019

(shares of low-calorie servings, per cent)



Sources: The Conference Board of Canada; GlobalData.

Conclusion

Daily per person calories consumed across all all non-alcoholic/ non-dairy beverages fell by 16 per cent between 2014 and 2019. Given the “20 per cent reduction by 2025” target, the initiative is on track. The decrease seems to be driven by reductions in calorie intensity per litre, rather than a decrease in volumes consumed. While average calories per litre have fallen by 19 per cent, total LRB volumes consumed have increased by 4 per cent over the past five years.

Most of the decrease in daily LRB calories consumed occurred in the first three years of the period being reported. The contributions to this reduction in consumption of calories is mixed across beverages segments. Carbonates, enhanced and flavoured packaged water, juices, nectars, and still drinks showed a reduction in consumption of calories per person. Ready-to-drink tea, sports drinks, energy drinks, and coffee are beverage segments where there has been an increase in consumption of daily calories.

Packaged water has overtaken carbonates, and now accounts for the largest share of liquid refreshment beverages volumes. In turn, this has contributed to the reduction in total daily per person calories. Across the segments where there has been progress in reducing per person calories consumed daily, most of the progress occurred in the first three years of the tracking period.

Low-calorie servings account for a growing share of volumes across most segments. However, low-calorie servings continue to be a much lower share than the high-calorie servings. Overall, across all LRBs, low-calorie servings comprise an almost equal share to high-calorie servings mainly because packaged water accounts for the largest share of total volumes.



Appendix A

Methodology

Data on LRB volumes and average calories were provided by GlobalData. This included data on total volumes of beverages consumed and also separately for each of the 10 segments of beverages:

- carbonates
- packaged water
- plain, enhanced, and flavoured packaged water
- juice
- nectars
- RTD tea drinks
- still drinks
- sports drinks
- energy drinks
- RTD coffee drinks

For each of these segments, data were provided for low-calorie (≤ 40 kcal per 237 ml serving) and full-calorie (> 40 kcal per 237 ml serving) subcategories.⁷

The LRB calories consumed within the total low-calorie subcategory and the total high-calorie subcategory for each of the segments was calculated by multiplying the respective total volumes in litres with the average calories per litre for the applicable subcategory. This was then divided by the annual population for each year to calculate the annual per person per day consumption of calories within both low- and high-calorie servings. Then, these figures were divided by the number of days in the year (accounting for the leap year in 2016) to obtain the per day, per person consumption of calories for each subcategory—low-calorie and high-calorie.

Once the daily per person calories consumed within the total high-calorie servings and the total low-calorie servings were calculated, these values were summed up to obtain the total daily per person calories for the segment. The same methodology was used for each of the LRB segments. Initially, the daily per person calories for the low-calorie and high-calorie servings were calculated. These were then summed up to obtain the total daily per person calories within each of these segments.

A couple of points need to be noted, though. First, the calculations have used Statistics Canada's annual population estimates as of July 1 for each year. Second, the baseline values for 2014 and the target for 2025 were revised due to revised volume and calorie data from GlobalData and adjusted population estimates from Statistics Canada. Finally, the previous reports calculated the daily per person calories using values for the total aggregate LRB volume and average calories per litre across all LRB segments. But this was in contrast to the methodology of summing up the low- and high-calorie daily per person values from each segment employed for this analysis. The decision to aggregate the low-calorie and high-calorie values was taken to ensure the highest accuracy of the results. These adjustments do not change either the terms of the Balance Calories Initiative or the verification of progress results, since the BCI goal is a percentage reduction from the baseline year.



⁷ For the purposes of this study, kilocalories and calories are both used interchangeably.

Appendix B

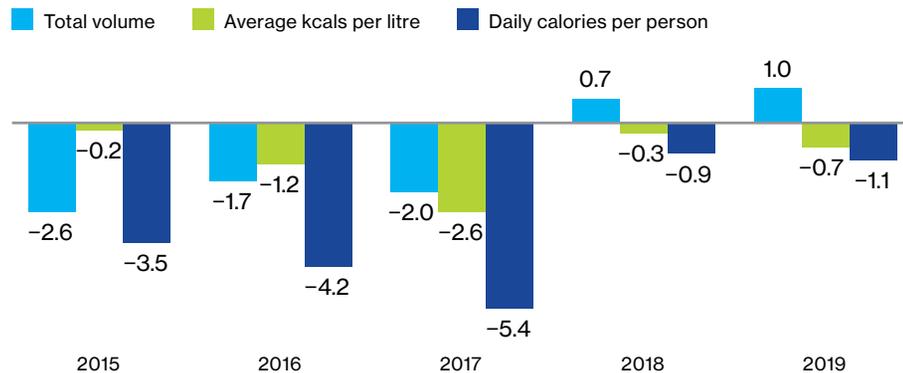
Trends across segments

Carbonates

Within carbonates (carbonated soft drinks), high-calorie carbonates constitute a large share of volumes, although the share of low-calorie carbonates has been gradually increasing. There has been a decline in daily per person calories contributed by carbonates over the past five years. However, most of this occurred prior to 2018 when there was a sharper decline in average calories and volumes. (See Chart 1.) Since then, volumes have increased, and the decline in average calories has been less steep. If this trend continues, the progress achieved in terms of reducing daily per person LRB calories could be affected. This is primarily because carbonates are the highest-volume component and the LRB segment with the largest daily per person calorie content.

Chart 1

Carbonates volumes have been increasing over the last two years
(percentage change)



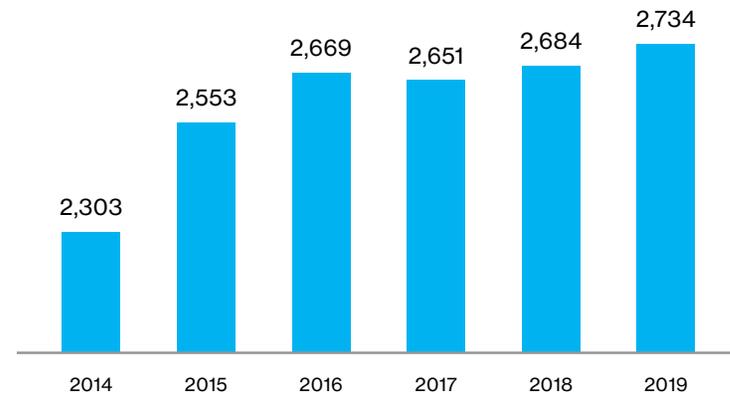
Sources: The Conference Board of Canada; GlobalData.

Packaged water

Packaged water constitutes the largest share of liquid refreshment beverages volume, and this share increased between 2014 and 2019. (See Chart 2.) Because the packaged water segment of LRBs has no calories, this has contributed to the reductions in daily per person calories. However, most of the increase in volumes occurred prior to 2017. Since then the volume increase has been marginal.

Chart 2

Volumes of packaged water have been increasing, but the most growth happened prior to 2017
(millions of litres)

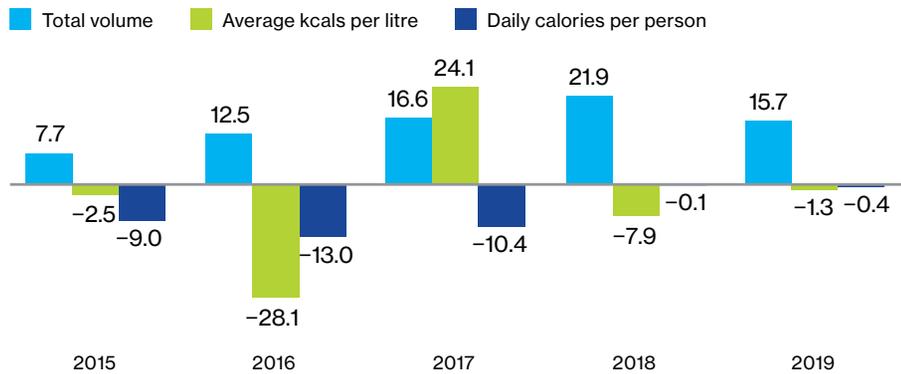


Sources: The Conference Board of Canada; GlobalData.

Enhanced and flavoured packaged water

The daily per person calories has decreased by 29 per cent overall during the period tracked by this briefing. Apart from 2017, most other years had a decline in daily per person calories. (See Chart 3.) This segment remains a low share in total volumes.

Chart 3
Calories from enhanced and flavoured packaged water have declined across most years
 (percentage change)

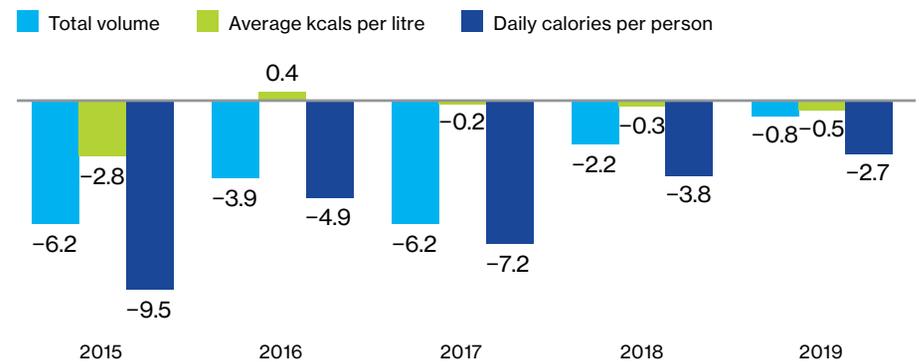


Sources: The Conference Board of Canada; GlobalData.

Juices

Juices are the second-largest contributor to total LRB daily per person calories (24 per cent), after carbonates. Juices constitute 10 per cent of the share of total volumes of LRBs. The decrease in daily per person calories has been driven by both the decline in volumes and in average calories per litre, although most of the progress has been in the early part of the period reported. (See Chart 4.)

Chart 4
Fall in daily consumption of calories in juices
 (percentage change)



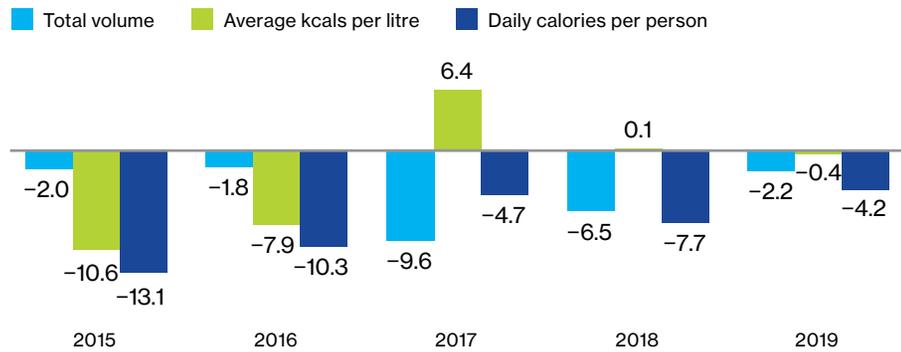
Sources: The Conference Board of Canada; GlobalData.



Nectars

After carbonates and juices, nectars (beverages with juice content) contribute the most to LRB daily per person calories. The daily per person calories contributed by nectars has been decreasing, although most of this decline occurred prior to 2017. (See Chart 5.)

Chart 5
The decline in daily per person calories within nectars has been the steepest in 2015 and 2016
 (percentage change)

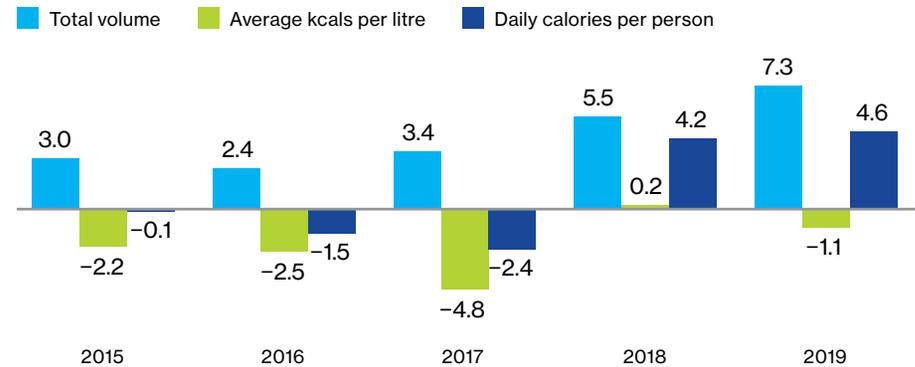


Sources: The Conference Board of Canada; GlobalData.

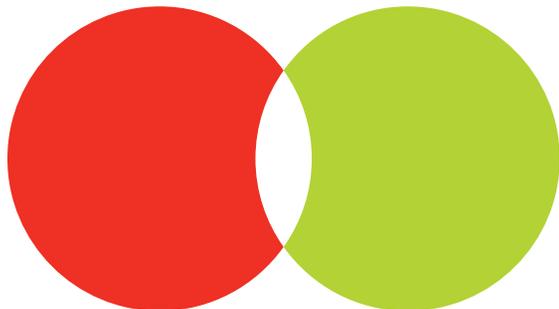
RTD tea

The volumes of RTD tea drinks have consistently been increasing over the period 2014 (baseline) to 2019. (See Chart 6.) The first three years saw a decline in daily per person calories since the reductions in average calories per litre were higher or on par with the increases in volumes. The last two years, however, have seen an increase in daily per person calories in this segment, mainly driven by increases in volumes.

Chart 6
Daily per person calories of RTD tea
 (percentage change)



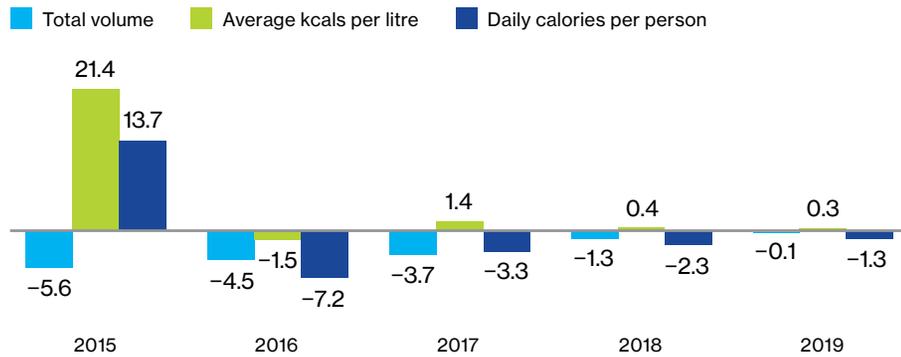
Sources: The Conference Board of Canada; GlobalData.



Still drinks

The daily per person contribution to calories from still drinks (non-carbonated LRB beverages) saw a major increase in 2015, mainly due to an increase in average calories per litre, but have been declining every year since then. (See Chart 7.)

Chart 7
The steepest increase in daily per person calories for still drinks
 (percentage change)

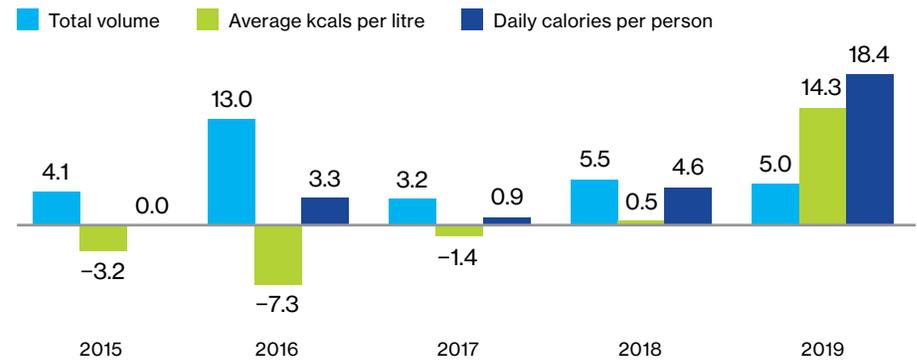


Sources: The Conference Board of Canada; GlobalData.

Sports drinks

Daily per person calories from sports drinks have generally increased over the tracking period, and the last two years have seen steeper increases than in the previous years. (See Chart 8.)

Chart 8
Daily per person calories for sports drinks are on the upswing
 (percentage change)



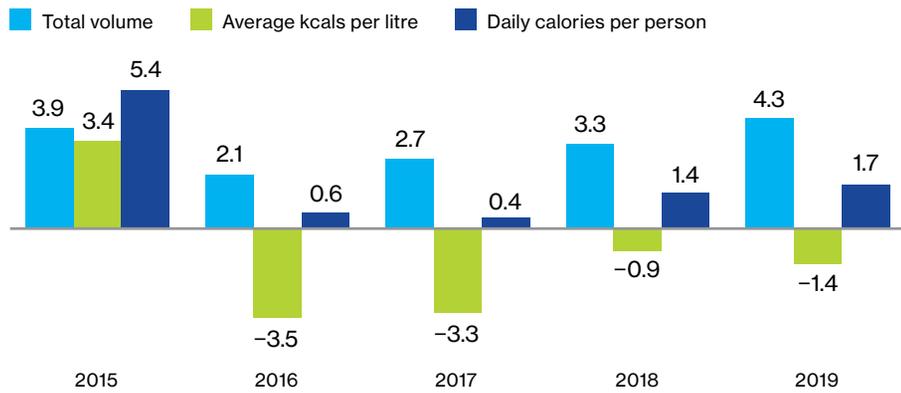
Sources: The Conference Board of Canada; GlobalData.



Energy drinks

Daily per person calories from caffeinated energy drinks have been increasing consistently over the period reported, mostly driven by an increase in volumes. (See Chart 9.)

Chart 9
Daily per person calories of energy drinks
 (percentage change)

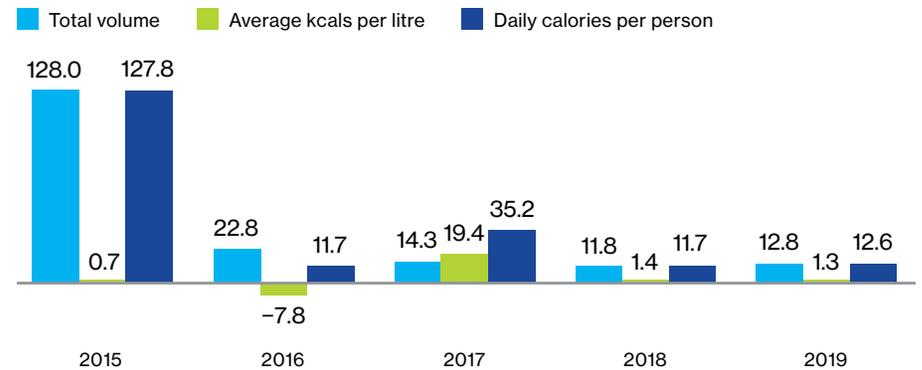


Sources: The Conference Board of Canada; GlobalData.

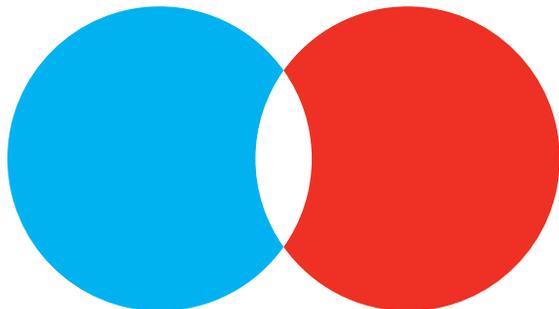
RTD coffee

Though RTD coffee is the most calorie-intense LRB, it constitutes a small share of volumes and daily per person calories within LRBs. The daily per person RTD coffee calories have increased by more than 300 per cent over the past five years, but most of this increase took place in 2015, due to higher volumes. (See Chart 10.)

Chart 10
The largest increase in daily per person calories has been in 2015 for RTD coffee
 (percentage change)



Sources: The Conference Board of Canada; GlobalData.



Appendix C

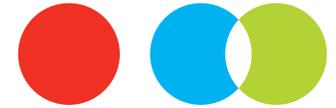
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Finding Balance: Canadian Beverage Association's Balance Calories Initiative

Swapna Nair

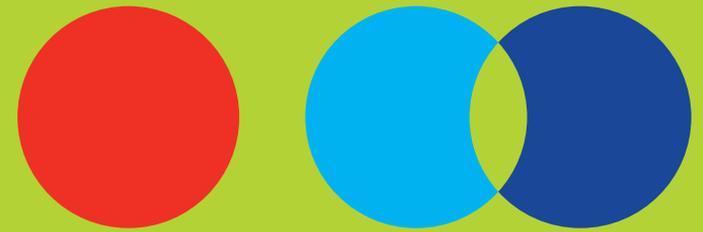
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