

Q1 2023 Foodservice Facts/Insights

Is the commercial foodservice industry recovering from the pandemic?

The U.S. restaurant industry continues its recovery from the impact of Covid restrictions and pandemic-related closures, reports [The NPD Group](#)*. Although still down from pre-pandemic counts, the number of restaurants in the U.S. grew by 18,000 locations, according to NPD's fall 2022 restaurant census, which includes restaurants open as of September 30, 2022. Total foodservice traffic, restaurants and retail foodservice combined, was up 2%, and restaurant visits were up 3% in January over visit losses due to the omicron variant last year. Foodservice consumer spending rose 7% in the month compared to a year ago.

In January, dine-in visits at restaurants were up 24% over a gain of 41% in January 2022. Even with the increases, dine-in or on-premises traffic is still recovering from the steep pandemic-related declines in 2020. Off-premises, primarily drive-thru and delivery, was a default beneficiary of pandemic restrictions, and visits for both order modes remain up, 9% and 88%, respectively, versus three years ago. Traffic at morning meal, including breakfast and A.M. snack periods, has fully recovered from pandemic declines. Restaurant visits at breakfast and A.M. snack increased in January by 13% compared to a year ago, and are up 3% versus three years ago, reports NPD.

Case shipments from broadline foodservice distributors to restaurants and retail foodservice outlets increased by 7% in January compared to January 2021 and were up 4% from three years ago. Quick service restaurant operators grew their broadline foodservice case shipment orders by 6% in the month over a year ago, which is 9% above the pre-pandemic orders in January 2020. Broadline foodservice case shipments to full service restaurants, which took the brunt of pandemic dine-in restrictions, increased by 10% in January versus a year ago and are within 1% of recovering from pandemic losses.

“Although the pandemic is still informing the foodservice industry narrative, there are areas of meaningful growth and recovery,” says [David Portalatin, NPD food industry advisor and author of *Eating Patterns in America*](#). “Consumers still need and want foodservice experiences and convenience, and we see the light at the end of this long tunnel peek through.”

Are any dairy-focused menu items assisting in the recovery?

Since 2019, the following dairy-centric menu items showed double-digit growth in orders across eating establishments in the U.S. This means that all the menu items listed below are driving the recovery.

		Orders % Chg 2022 vs. 2019
1	Yogurt Drinks	49%
2	Burrito Bowl	39%
3	Cheese Bread/Breadsticks	25%
4	Cottage Cheese	19%
5	Total Chicken Sandwiches	14%
6	Macaroni & Cheese	13%
7	Fettuccine	12%
8	Breakfast Sandwiches	12%
9	Iced Cap/Esp/Latte	11%
10	Burritos	11%
11	Shakes/Malts/Floats	11%
12	Total Cheese	11%
13	Taquito	10%

The dairy-centric menu items below have also assisted the restaurant industry's recovery. These items have shown notable growth in orders since 2019.

	Orders % Chg 2022 vs. 2019
Bagels with Cream Cheese	9%
Chimichanga	8%
Total Specialty Coffee	7%
Reuben	7%
Nachos	5%
Tacos	5%
Cheeseburgers	4%
Quesadillas	4%
Smoothies	4%

* The NPD Group recently merged with Information Resources, Inc. (IRI®) to create a leading global technology, analytics, and data provider.