

Deep Dish #6:  
COVID-19 Restrictions on the Retail Food and Hospitality Industry  
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The COVID-19 pandemic has created a constantly shifting landscape of rules and regulations for the food retail and hospitality industry in Ontario. Given the need to rapidly respond to the virus, the Province of Ontario has adopted a flexible model to enable the resumption of most economic activity.

Early in the pandemic, the province established a three-stage system of restrictions that were implemented in consultation with local public health units. Stage 1 rules were the strictest with restaurants, bars, and other hospitality only being able to operate in a takeout and delivery model. Grocery stores and other food and beverage retail were limited in their capacity. Stage 2 rules relaxed restrictions on retail capacity, and allowed many restaurants and cafes to reopen with patio-only service. Stage 3 finally allowed many establishments reopen for indoor service.

*Interview Insights: "Owner: I've got an emergency plan and a pandemic plan. Got everything in place. Different plans, actually, for one I open as well, and it's quite detailed.*

*Interviewer: And is that the one provided by the province?*

*Owner: No... there was a [provincial] guideline that was pretty flimsy... I work in emergency management, that's my background... they're taking all our business away" – Restaurant Owner, June 18<sup>th</sup>*

Amendments to the Reopening Ontario Act in October 2020 introduced a new colour-coded response framework to provide a visual cue of the active rules and restrictions (Figure 1). There are five levels to the response system, assigned at a regional level by the local public health unit:

- Prevent (Green): Minimal restrictions
- Protect (Yellow): Limits on operating hours, limits on serving alcohol, 6 maximum to a table, and contact tracing for all visitors
- Restrict (Orange): Further limits on operating hours and serving alcohol, 4 maximum to a table, and contact tracing for all visitors
- Control (Red): Outdoor dining permitted, maximum of 10 seated indoors, no live performances or dancing
- Lockdown (Grey): Takeout and delivery service only

Currently, Toronto and Peel remain in lockdown (grey), with much of the Greater Toronto Area in control (red), and the rest of the province in either restrict (orange) or protect (yellow) levels of restrictions. The only prevent (green) zones are: Algoma, Cochrane, Lanark, Leeds and Grenville, Nipissing, Parry Sound, Renfrew, and Timiskaming.

Figure 1. Reopening Ontario Act conditions for hospitality - [Link](#)

These varying operating conditions have forced many restaurants and other food-based hospitality entities to pivot to alternative business models such as offering new products, digitizing their business, adding a retail component to their operations, or operating only on takeout and delivery regardless of the pandemic condition. Some even are establishing their own “circuit breakers” to preemptively shutdown or scale back their operations based on the restrictions. For example, a popular Kitchener pub in November chose to close their doors preemptively when Waterloo Region was designated a red zone ([source](#)).

*Interview Insights: “At full seating capacity, we had an occupancy of 28 café tables spread throughout... when this all hit we closed our storefront. We were only through pre-order, so can either order it for pickups or let us know you were here so we would run it out to a table we had waiting that was right on the sidewalk... We are seeing the same spend pre-COVID versus post-COVID, it is just an increase in foot traffic because we worked as hard as we did to become accessible, even in a time where nobody wanted to be out and about.” – Pastry Shop, August 5<sup>th</sup>*

The new pandemic restrictions may provide clarity for businesses on their operating conditions. However, without projections of the timeline to return to orange, yellow, or green conditions, many operators report frustration in planning for their business. In addition, the overhead costs associated with contact tracing leave many in the hospitality industry frustrated given the same standards are not applied to food retailers (Figure 2). Moreover, cyclical lockdowns and red zone designations often renders many investments in personal protective equipment and infrastructure to enable indoor dining as ineffective in supporting business success. Given the pandemic situation will likely still be of serious concern in 2021, improvement of Ontario’s reopening framework should be a priority for supporting the Ontario food retail and hospitality industry.

Figure 2. Reopening Ontario Act conditions for retailers - [Link](#)

## References

1. Government of Ontario. (2020). Reopening Ontario (A Flexible Response to COVID-19) Act. Retrieved from <https://www.ontario.ca/laws/statute/20r17>
2. Government of Ontario. (2020). O.Reg. 263/20: Rules for Areas in Stage 2. Retrieved from: <https://www.ontario.ca/laws/regulation/200263>
3. Government of Ontario. (2020). Map of COVID-19 Zones: December 8, 2020. <https://www.ontario.ca/page/covid-19-response-framework-keeping-ontario-safe-and-open>