

Agriculture Industry Input into Canada’s National Food Security Strategy

Introduction

Canada’s agriculture and agri-food system is one of the country’s most important strategic assets and a driver of economic growth and food security. The National Food Security Strategy presents an opportunity to establish targeted, meaningful, and long-term investments that will strengthen domestic production and access to affordable, nutritious food; improve productivity; support stable consumer prices and enhance supply-chain resilience.

Agriculture and agri-food as a driver of national economic growth

Canada’s agriculture and agri-food system contributes nearly \$150 billion annually to Canada’s GDP and supports 2.3 million jobs—more than the automotive, forestry, steel and aluminum, and oil and gas sectors combined. From primary production to advanced food manufacturing, the sector anchors rural communities, employs both skilled and non-skilled workers, fuels exports, and strengthens supply chains in transportation, energy, biotechnology, and advanced manufacturing.

Agriculture and agri-food must also be recognized as a strategic pillar of national security—alongside energy, critical minerals, and supply-chain resilience—positioning Canada as a dependable global supplier. However, Canada is vulnerable in several areas, including limited domestic production capacity in key agricultural inputs such as seed, crop protection products, fertilizer, farming equipment, and agricultural machinery, as well as veterinary healthcare tools. To help address this, Canada must create the conditions for increased investment through predictable regulations, timely regulatory decisions as well as supportive tax and economic policies.

The National Food Security Strategy must also recognize the importance of international trade to food security. Organizations including the United Nations and World Trade Organization highlight trade’s role in enhancing availability, affordability, and stability. Canada’s position as a major agriculture exporter strengthens both its economic influence and diplomatic importance.

Despite its scale and strategic importance, the sector faces a significant challenge: a marked slowdown in productivity growth. Farm Credit Canada (FCC) reports that after peaking at over 2% in the 1990s and early 2000s, productivity gains fell to roughly 1.3% in the 2010s and could drop below 1% without renewed investment. Restoring productivity growth to historic levels could unlock up to \$30 billion in additional farm income and strengthen the broader economy.¹ Improving productivity is therefore a key pillar of long-term food security and affordability.

¹ <https://www.fcc-fac.ca/en/about-fcc/media-centre/news-releases/2025/canada-agriculture-productivity>

With the right investment in domestic production, value-added processing, technology adoption, and exports, Canada's agriculture and agri-food sector could generate an additional \$100 billion in GDP growth over the next decade, bringing total GDP to approximately \$250 billion by 2035.

Focus areas for Canada's National Food Security Strategy

To unlock the full potential of Canadian agriculture, the National Food Security Strategy should position Canada as a world leader in food and agriculture products by expanding Canada's production capacity, creating further opportunities in domestic markets and restoring Canada's position as a top five global exporter of agriculture and agri-food products.

Achieving this requires prioritizing investment in high-impact, future-focused areas where Canada can lead globally and ensure resilient and diversified supply chains, including:

Ensuring farmers and food production remain at the centre of Canada's food security

- **Prioritize Canadian food:** Prioritize Canadian-grown and Canadian-processed food across federal programs and institutions, creating predictable domestic demand in a manner consistent with Canada's international trade commitments.
- **Predictable access to capital:** Increase the interest-free portion of the Advance Payments Program to ensure farmers have access to operating capital commensurate with rising input costs and make these enhancements permanent.
- **Stabilize input supply chains:** In consultation with industry, develop a new Critical Farm Input Strategy to ensure that Canadian producers have and maintain access to safe and effective crop inputs through a long-term, stable source of supply of seed, crop protection products, breeder stock, fertilizer, energy and veterinary healthcare tools, needed to produce high quality agriculture and agri-food products.
- **Protect farmland:** Mandate Agricultural Impact Assessments (AIAs) for all major federal infrastructure projects, including defence-related projects, and federal land claim decisions that may affect the quality or availability of agricultural land in Canada.
- **Institute a National Soil Strategy:** Establish a National Soil Strategy with a mandate to protect and conserve Canada's agricultural soils as a strategic asset, without compromising the agricultural productivity that is central to food security.

Streamlining approval processes and improving access to innovation, plant science, and animal genetics

- **Mandate regulators to consider economic growth:** Mandate all federal regulators, including Health Canada and Environment and Climate Change Canada, to

systematically incorporate economic growth considerations and cumulative regulatory burden into their decision-making. The UK Growth Duty, which requires regulators to consider the economic impact of their decisions, provides a strong model for Canada. Adopting a similar approach would ensure regulations support growth, balance compliance costs with benefits, and give agri-food businesses confidence for long-term investments.

- **Improve access to veterinary healthcare tools:** Work with farmers, veterinarians, and product manufacturers to implement consensus solutions to improve Canadian access to a wide variety of veterinary healthcare tools. This will help address antimicrobial resistance, maintain the health of animals, and address Canada’s competitive disadvantage compared to countries who do have access to these tools.
- **Strengthen animal and plant disease preparedness:** Increase investment in prevention, surveillance, and response capacity for major disease threats. This should include prepared financial resources, the signing of international zoning agreements, coordinated federal-provincial industry response plans to maintain market access and update regulatory frameworks to reflect Canada’s global plant and animal health status.
- **Accelerate access to new technologies:** Leverage trusted jurisdictions’ risk and science-based decisions to ensure faster and more predictable registration and approval timelines so new tools can reach Canadian farmers and processors sooner. Where appropriate, use conditional approvals and real-world testing environments (“sandboxes”) to help safe, innovative products get to market faster while protecting human health and the environment.
- **Reduce uncertainty and attract investment:** Ensure clear and predictable service standards, approval timelines, and regulatory pathways across federal departments so companies know what to expect.

Making Canada the top global destination for investment in value-added processing

- **Strengthen domestic food processing capacity:** Expand the Domestic Food Processing Fund to \$2 billion over five years, with a focus on modernizing infrastructure, expanding domestic food and beverage manufacturing, and ensuring growth in processing capacity is accompanied by increased primary production. This should include targeted support for small- and medium-sized processors facing unique financial pressures.
- **Address labour shortages:** Ensure the agricultural streams of the Temporary Foreign Worker Program (TFWP) are maintained to support farmers’ seasonal and temporary needs, while at the same time supporting pathways to permanent residency for experienced temporary foreign workers in year-round occupations in primary agriculture, food and beverage manufacturing by reintroducing the Agri-Food Pilot and making it permanent.

- **Ensure predictable and cost-effective packaging regulation:** Work with the provinces and territories to harmonize provincial extended producer responsibility (EPR) programs and packaging requirements, while eliminating redundant reporting requirements under the Federal Plastic Registry and exempting farmers from any single-farm plastics reporting requirements under Phase II of the Registry.
- **Reduce energy and carbon cost pressures:** Exempt the agri-food sector, including all primary agricultural production, from the negative effects of the industrial output-based pricing system (industrial carbon tax) and implement a refundable tax credit for production and transport energy costs.

Becoming a leader in the development, adoption and export of ag-tech innovation

- **Modernize innovation incentive programs:** Build on Budget 2025 commitments by expanding SR&ED eligibility to make it easier for projects to be approved in areas such as ag-biotech, precision agriculture technologies, robotics, gene editing, and advanced food-processing technologies. This should include a shift in focus toward commercial application of new innovations (vs. scientific knowledge) while at the same time exploring means of reducing administrative burden for SMEs.
- **Create incentives for businesses to invest:** Extend immediate expensing for manufacturing and processing buildings to include all agricultural buildings. Similarly, make the Accelerated Investment Incentive permanent and allow those in the agriculture and agri-food sector to depreciate 100% of their capital allocated to purchases of equipment and machinery for the first fiscal year. This will act as an incentive for the sector to remain globally competitive and for Canada to reach its productivity objectives through the adoption of innovative technologies.

Modernizing Canada's transportation and trade infrastructure to improve supply chain efficiency

- **Get products to market faster:** Prioritize investments in rail, port, rural road, and cold-chain infrastructure, working with provincial and territorial legislators, where practical, to reduce regulatory barriers. Given the agriculture sector's critical contribution to Canada's GDP, national projects should be prioritized when they have a direct and demonstrable impact on agriculture, ensuring that investments maximize economic and food security benefits. This should include targeted mechanisms for mid-scale, regionally significant agriculture infrastructure projects that fall between innovation programs and large-scale national financing tools.
- **Maintain capacity for trade facilitation:** Ensure authorized government personnel are available and continue to provide destination inspection services to enable timely, fair, and equitable access for the trade of agricultural products.
- **Support Indigenous food security:** Establish a new \$25 million Indigenous Agriculture Fund, to be administered through the National Circle for Indigenous

Agriculture and Food, to support scaling up of indigenous-led projects that support food security outcomes.

What a National Food Security Strategy must avoid

As the government advances work on a National Food Security Strategy, it is equally important to be clear about what the strategy must *not* do.

A durable food security strategy must avoid interventions that distort markets, further suppress margins and farm-gate prices, or create compliance and cost pressures that fall disproportionately on both processors and producers. Instead, the strategy must focus on removing barriers to investment, growth, and innovation and commit to systemic solutions that expand Canada's productive capacity, enhance supply-chain resilience, and address affordability through growth, trade, competitiveness, and innovation. In addition, Canada's Competition Bureau must be provided the legislative authority and resources to review proposed mergers and acquisitions to prevent business practices that would lessen competition across the agriculture and agri-food supply chain, including measures to protect the resilience and diversity of Canada's food supply.

The strategy should not exclusively focus on food production, recognizing the role of the entire value chain, while also avoiding inadvertently impacting non-food agriculture, including ornamental horticulture, nurseries, and greenhouse production, in policy, program, or strategy development. To avoid unintended consequences and advance collaborative solutions, it is imperative that government consult closely with industry throughout the development of the strategy.

A whole-of-government approach is essential

While Agriculture and Agri-Food Canada (AAFC) plays a critical role and is a focal point across the Government of Canada in supporting the sector, several key policy, regulatory, and program levers that shape agricultural competitiveness are governed by multiple federal departments and agencies. This includes competition policy and oversight of market concentration across the food supply chain, both of which can have significant implications for producers, processors, and consumers alike. As a result, placing the full burden of sector competitiveness solely on AAFC creates structural limitations and leaves major regulatory levers unaligned.

Aligning regulatory and policy levers across departments strengthens competitiveness, reduces duplication, accelerates approvals, and ensures federal investments achieve maximum impact for food security. To operationalize this whole-of-government vision, it is recommended that the Treasury Board Secretariat amend the [Cabinet Directive on Regulation](#) to ensure federal regulations fully reflect the economic and competitiveness interests of the sector and assess the impact on food security.

Amending the Cabinet Directive on Regulation would ensure that all federal regulatory development explicitly incorporates the economic, competitiveness, market-access, and growth potential of the Canadian agricultural and agri-food sector. This would embed food security and sector competitiveness into the federal regulatory architecture, reducing unintended barriers to production, innovation, and growth opportunities.

Setting ambitious targets is essential to drive focus

Establishing clear national targets would help drive coordinated progress across federal departments and agencies and provide measurable benchmarks for the growth of Canada's agriculture and agri-food sector. Potential targets for consideration could include:

- Increasing total agricultural and agri-food GDP to \$250 billion by 2035, with at least half of that growth coming from value-added processing vs. raw commodity output;
- Increasing the share of Canadian farm production that is processed domestically by 10% by 2035; and
- Doubling Canada's global share of agri-food exports to 8% by 2035.

Together, such targets would provide a clear signal of federal ambition while aligning policy tools across government to strengthen domestic processing capacity, expand exports, and support Canadian producers and food businesses.

Conclusion

Canada has a significant opportunity to reinforce domestic food security while establishing itself as one of the world's most reliable and competitive food suppliers in an increasingly unpredictable global environment. Meeting this imperative requires more than an AAFC-led initiative or a few federal programs—it calls for a sustained, whole-of-government commitment and strategic investments that unlock the full potential of the Canadian agriculture and agri-food sector.

The architecture outlined here should serve as the long-term foundation for that commitment. By integrating strategic investment, regulatory modernization, and whole-of-government coordination, Canada can secure its food supply, grow its agri-food economy, and reinforce its standing as a trusted global supplier, benefiting every Canadian.

The agriculture sector looks forward to collaborating with the Government of Canada to ensure the National Food Security Strategy delivers lasting, meaningful benefits for farmers, consumers, and the national economy and achieves the goal of strengthening food security and access to affordable, nutritious food.

March 16, 2026

Sincerely,

Canadian Cattle Association
Canadian Federation of Agriculture
Canadian Meat Council
Canadian Produce Marketing Association
Croplife Canada
Fertilizer Canada
Food and Beverage Canada
Food, Health & Consumer Products of Canada
Fruit and Vegetable Growers of Canada
National Cattle Feeders' Association
National Circle for Indigenous Agriculture and Food