June 30, 2026

The Honourable Heath MacDonald, P.C., M.P.
Minister of Agriculture and Agri-Food
1341 Baseline Road
Ottawa, ON K1A 0C5

(submitted via email to aafc.npf-pcs.aac@agr.gc.ca)

Dear Minister MacDonald,

Thank you for providing the opportunity to comment on the development of the Next Policy Framework (2028-2033) for Canada's agriculture and agri-food sector.

This submission is jointly provided by the Business Council of Alberta (BCA) and the Saskatchewan Chamber of Commerce (SCC). Together, our members represent a significant share of the two provinces' private sector investment, job creation, exports, and research and development. We are committed to offering pragmatic, non-partisan solutions to improve Canada's investment climate and prosperity.

Agriculture and agri-food are among Canada's most important economic drivers and strategic assets. The sector supports around one in nine jobs across the country, contributes $150 billion annually to Canada's GDP, generates significant export revenue, and is vital for food security and affordability. Saskatchewan alone contains over 40% of the country's cultivated farmland, producing a record 41.9 million tonnes in 2025, and is a global leader in supplying lentils, durum wheat, dry peas, and potash. Alberta, which accounts for nearly a third of Canada's total farmland, is a world-class exporter of wheat, barley, and beef. Together, the two provinces are a core reason why Canada is the fifth-largest agricultural exporter in the world.

Even so, we believe Canada has not yet come close to realizing its true potential in agriculture. Agriculture is one of the country's biggest strategic assets, alongside energy, critical minerals, and other natural resources. That's why, in March 2025, the Western Business Coalition — made up of BCA, SCC, and the Business Councils of British Columbia and Manitoba — released *Untapped Potential: Driving Canadian Prosperity Through Natural Resources*. The report highlighted the importance of strengthening Canada's natural resource sectors, including agriculture, through improved competitiveness, investment attraction, infrastructure development, and regulatory modernization. Many of the themes identified in that report remain highly relevant to the development of the Next Policy Framework.

The SCC and BCA believe that, with the right policies, priorities, and investments, Canada can become a true global powerhouse in agriculture — not just in food production, but also associated innovation, research, commercialization, technology development and adoption, and manufacturing. Our overarching recommendation is that the Next Policy Framework, and all subsequent five-year plans, focus with single-minded purpose on that goal.

That means addressing, through focused and targeted policy action, the ongoing pressures and challenges facing the sector. These include input cost volatility, rising operating costs, climate instability, and increasingly fragmented global trade. It also means removing constraints on growth: infrastructure bottlenecks, regulatory barriers, access to labour, and limited private sector investment.

Finally, transforming Canada into a global agricultural powerhouse means harnessing the potential represented by technology and innovation. Other nations such as the United States, China, and those in the European Union are investing heavily in advanced agricultural technology such as AI, automation, and digital infrastructure to improve productivity, resilience, and competitiveness. The Next Policy Framework represents an opportunity to create the investment climate and policy framework for Canada to do the same.

We are encouraged by the extent to which the current federal government is prioritizing economic growth, competitiveness, and national resilience, including through initiatives like the National Food Security Strategy and AI Strategy. The Next Policy Framework can build on this momentum by recognizing agriculture as a strategic national priority, and by focusing on targeted, impactful policies and investments that achieve maximum impact.

In our view, that means strengthening trade-enabling infrastructure, improving regulatory competitiveness, attracting private investment, addressing labour constraints, and leveraging Canada's water advantages. As such, the focus of our submission (contained in the Appendix attached to this letter) is on high-level recommendations to help guide the vision and priorities of the Next Policy Framework towards those ends. We leave it to others to comment on specific issues such as the design and funding of Business Risk Management programs.

Thank you for the opportunity to contribute to this consultation process. BCA and SCC are committed to working with the federal and provincial governments to advance policies that unleash the full potential of agriculture in Canada. We believe the Next Policy Framework can be the first step in that direction.

We welcome the opportunity to discuss our recommendations further at your convenience.

Sincerely,

Adam Legge

Prabha Ramaswamy

Adam Legge
President
Business Council of Alberta

Prabha Ramaswamy
CEO
Saskatchewan Chamber of Commerce

cc: Hon. Mélanie Joly, P.C., M.P., Minister of Industry
Hon. Dominic LeBlanc, P.C., M.P., President of the King's Privy Council for Canada and Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs, Internal Trade and One Canadian Economy
Hon. Tara Sawyer, Minister of Agriculture and Irrigation (Alberta)
Hon. David Marit, Minister of Agriculture (Saskatchewan)
Lawrence Hanson, Deputy Minister, Agriculture and Agri-Food Canada
Philip Jennings, Deputy Minister, Innovation, Science and Economic Development Canada
Jeannine Ritchot, Assistant Deputy Minister, Multilateral Relations

Appendix: BCA and SCC Official Submission for Next Policy Framework Consultations

Introduction

BCA and SCC are pleased to see the federal government focusing on strengthening and growing Canada's agriculture and agri-food sector while engaging with industry voices in the development of the Next Policy Framework. Our organizations believe that, with the right policies and supports in place, Canada can be a world leader in agriculture.

That's why we have long advocated for agriculture to be treated as a true national priority, with a focus on removing regulatory barriers, supporting innovation, building trade-enabling infrastructure, and strengthening workforce capacity. The Next Policy Framework is an opportunity to advance these aims and work towards transforming Canada into a global powerhouse in agriculture production, innovation, and export. Our focus in this submission will be on achieving this broader strategic purpose, rather than technical, specific issues.

Global Context

The long-term potential for the sector is considerable. A consensus emerged by the early/mid-2010s that, to support the expected population growth until 2050, the world would need to produce more food over the next 40 years than it had in the previous 8,000. Meeting this need would require producers to increase food production by 60 to 70 percent. But this growing demand has collided with finite land, people, and investment coupled with the high costs of technological adoption and implementation.

Now, more than a decade closer to 2050, food insecurity is an increasing concern in many countries and food production is no longer seen as just an economic activity; it's increasingly viewed as a strategic asset tied to domestic security, affordability, and supply chain resilience.

Recent geopolitical volatility only adds to the global challenge and Canada's opportunity. The disruption of Ukrainian grain supply, the rise in trade protectionism and tariffs from south of the border, as well as energy and fertilizer shortages stemming from the conflict in Iran, are just a few examples illustrating the value of a high-quality, reliable, and trustworthy supplier like Canada.

The Importance of Agriculture in Canada

Canada is already a significant supplier of agricultural products to the world. Because of its relatively small domestic market, it is one of the world's top net exporters of agri-food products, exporting over half of its agricultural output each year and supplying global markets with essential commodities such as cereal crops, canola, pulses, and animal products.

As a result, agriculture and agri-food are among Canada's most important economic sectors and strategic assets, supporting approximately one in nine jobs nationwide while contributing $150 billion annually to Canada's GDP, generating significant export revenue.

In Western Canada, the sector plays an especially important role, driving innovation and long-term growth while being a cornerstone of provincial identity.

The Challenge

With the right policy environment, Canada has the potential to even further expand production and exports, helping meet the rising global demand for food and increasing global competition. Canada has a competitive advantage on innovation, technology, and efficiency, as well as access to water and energy. However, many challenges remain to be overcome.

At a fundamental level, climate and geography place natural limits on overall production volumes and crop types. The sector also faces numerous operational challenges including input cost volatility, rising operating costs, climate instability, and increasingly fragmented global trade. And constraints on growth need to be addressed as well: infrastructure bottlenecks, regulatory barriers, access to labour, and limited private sector investment. Moreover, Canada is falling behind as other countries make significant investments in advanced agricultural technology such as AI, automation, and digital infrastructure.

Making Canada a Global Leader in Agriculture

The good news is that the federal government has clearly shifted its policy focus, placing greater emphasis on economic growth, competitiveness, and national security. The National Food Security Strategy is a positive illustration of this, bringing together a range of initiatives to strengthen Canada's food system, particularly its commitments to improving the timeliness and efficiency of regulatory processes at the Canadian Food Inspection Agency (CFIA) and Pesticides Regulatory Directorate (PRD). These measures respond directly to long-standing industry concerns and signal a meaningful effort to enhance competitiveness and innovation in the food sector.

However, food production is only one component of a much broader agricultural economy. Canada's agriculture and agri-food sector also depends on strong performance in areas such as primary production, export development, supply chain infrastructure, and market access. To fully realize its economic and strategic potential, the sector requires a comprehensive, industry-wide strategy that integrates food policy within a larger framework addressing these interconnected priorities.

With the right policies in place, Canada can be a global leader in all these areas. The Next Policy Framework should focus with single-minded purpose on achieving that goal.

Recommendation:

- The Next Policy Framework should be explicitly anchored to a national economic strategy aimed at making Canada a global agricultural powerhouse. All framework priorities, investments, and performance measures should be aligned with advancing Canada's leadership in food production, innovation, research, commercialization, technology development and adoption, value-added processing, and manufacturing.

Agriculture as a National Priority

The first step in this process is to signal to Canadians that agriculture is a top national priority for the country's economy and security. We are encouraged by recent developments that demonstrate the federal government is moving in that direction, exemplified by the recently-released National Food Security Strategy. The Next Policy Framework can build on this momentum by further embedding agriculture as a strategic national priority.

The federal government has taken important steps recently to elevate the role of agriculture, recognizing it as a strategic sector that underpins economic growth, food security, and trade competitiveness. However, more must be done to fully position agriculture as a national priority, including increasing the long-term, predictable funding for agricultural research, strengthening support for commercialization, removing barriers to investment in productivity-enhancing technologies, attracting and enabling private and patient capital, and investing in trade-enabling infrastructure and market access.

Ultimately, positioning agriculture as a strategic economic and security priority would help ensure that policy, regulatory, and investment decisions are aligned with pragmatic long-term national objectives. By doing so, the federal government can provide the visible, sustained leadership necessary to reinforce the sector's critical economic and strategic importance.

Recommendation:

- Explicitly state in the Next Policy Framework that agriculture, agri-food production and exports are a strategic economic and security priority for Canada, and ensure that government investment and policy supports align with this priority.

Strategic Focus in Implementation

It's not enough to recognize the importance of agriculture at a high level; that recognition needs to be backed up at the implementation level as well. That means using the five-year plans represented by the Next Policy Framework as steps towards a longer-term goal of making Canada a global leader in agriculture.

The agricultural sector has a strong understanding of the key actions required to make it a global leader; the primary challenge lies in straightforward execution and maintaining focus amid competing demands.

The National Food Security Strategy is a positive step in this direction, providing a clear national vision for an elevated agricultural sector and strengthened long-term resilience. However, there is a risk that additional strategies and frameworks could contribute to an increasingly fragmented policy landscape. This reflects a concern among industry stakeholders that previous approaches to agricultural frameworks have been too diffuse, with efforts spread across too many priorities. The result is a sprinkling of resources across various goals, limiting Canada's ability to achieve meaningful outcomes in any of them.

The Next Policy Framework, and Canada's policy approach to agriculture generally, should concentrate on a small number of clearly defined objectives which would have the biggest economic impact. Canada's agricultural framework cannot solve all problems all at once, and doesn't need to.

Future policy should focus on strengthening the foundations of the sector and responding to global demand, particularly within Canada's primary export markets. Clear priorities should be pursued, rather than attempting to address every issue simultaneously. Improved accountability and clearer outcome measurement are also essential, and stated intentions must translate into timely, predictable outcomes.

Achieving meaningful outcomes will ultimately depend on effective execution. Without strong internal alignment and buy-in across departments and agencies, even well-designed policies risk being delayed or diluted in practice. Consistent and effective execution is critical for ensuring value for money and effective use of public resources.

Recommendations:

- Instead of spreading funding across a wide range of constituencies, focus Next Policy Framework resources on targeted, clearly-defined interventions that will have the greatest impact, especially for export-driven sectors.
- Ensure that all departments and agencies within the federal public service are aligned to these priorities, ensuring that well-designed policies are not delayed or diluted.
- Create a series of publicly-available, regularly updated performance metrics to track the progress Canada's Next Policy Framework supports are making towards the goal of becoming a leader in global food supply.

Trade Infrastructure

Trade infrastructure is critical for Canada's competitiveness, export capacity, and affordability. Efficient, cheap, and reliable infrastructure and transportation ensure that our agricultural products can move from farms and processing facilities to domestic and international markets in a way that supports investment and expansion in the sector, as well as affordability for consumers.

Key priorities within this space include strengthening export infrastructure such as ports and railways, improving trade corridors, and enhancing access to key markets. In particular, there is an urgent need to address bottlenecks in Canada's most important trade corridors, especially those connecting Saskatchewan and Alberta to West Coast export gateways. The corridor to the Port of Vancouver is of national importance, yet it is constrained by key choke points for agriculture exporters, including the Second Narrows Bridge, Thornton tunnel, anchorage constraints, and overall rail access limitations. These constraints result in lost export opportunities and reduced economic returns.

Improving this trade corridor is essential for supporting Canada's role as a major agricultural exporter globally and ensuring that producers can meet and benefit from international demand. The federal government needs to adopt an approach to trade infrastructure investment that focuses on maximizing economic impact and long-term strategic objectives, rather than fragmented, piecemeal initiatives.

Recommendation:

- Concentrate infrastructure spending on high-impact projects through a coherent and coordinated, longer-term plan that directly supports export growth and supply chain efficiency to ensure Canada's trade transportation systems remain globally competitive.

Regulatory Competitiveness

The regulatory burden remains a challenge for the agricultural sector, with requirements and processes that can be slow, complex, and costly for businesses wanting to invest or expand operations. The current regulatory framework, while robust in ensuring safety, often presents challenges that can impede the timely introduction of new agronomic tools, including seeds, fertilizers, and pest control products. This not only stifles sector innovation but also limits farmers' ability to grow diverse crops in changing conditions and manage pests effectively. Delaying the availability of advanced solutions for farmers creates an environment of uncertainty and financial pressures that undermine the sector's ability to compete and expand. Improvements are needed to maintain a system that protects health and the environment while also building predictable entry pathways for the innovative products being created.

The federal government has recently taken important steps to streamline regulatory processes for major infrastructure and resource projects, recognizing that timely, predictable approvals are essential to driving investment, economic growth, and national competitiveness. The agriculture and agri-food sector would benefit significantly from being viewed through this same strategic lens, with timely approvals for fertilizers, pesticides, novel ingredients and value-added agricultural products, and AI-enabled systems.

Within the agricultural sector, stakeholders cite a wide range of barriers to investment, such as burdensome administrative processes, a complex compliance environment, insufficient intellectual property protections, and an uncompetitive tax system. With such barriers in place, Canada will not be able to attract investment, innovate, or compete on a global scale.

Recommendations:

- Apply a "major project" mindset to agriculture and agri-food innovation and investment to accelerate the adoption of new technologies, unlock private investment, and position Canada more effectively in an increasingly competitive global food system.
- Recognize agriculture as a sector of national importance that warrants timely, responsive regulation as well as efficiency and coordination across departments.
- Eliminate regulatory irritants that hinder efficiency, innovation, and investment in agriculture.

Investment Climate and Innovation

Despite its strong potential, a key constraint on the growth and development of Canada's agriculture and agri-food sector is the limited flow of capital investment. According to a recent RBC report, public investment in agriculture knowledge generation, which includes research and development (R&D), has declined by 15% since 2010. Private sector outsourced R&D to universities is down 77% over the past five years, and the number of enterprises conducting R&D in the past decade has shrunk by 29%. In fact, in 2024 Canada's venture capital investment in the agriculture sector totaled approximately $270 million, roughly one-tenth of U.S. levels on a population-adjusted basis.

This decline comes at a time when expanded research is urgently needed across a wide range of areas, including machinery innovation, precision agriculture using GPS, digital imaging, artificial intelligence, and soil science. Added to this, the agriculture sector requires not just capital, but patient capital that reflects the realities of long production and innovation cycles.

From crop development to on-farm adoption and market integration, returns often materialize over many years and decades rather than quarters or political cycles. The government must be prepared for these longer timelines when developing the Next Policy Framework.

R&D capital alone is not enough for the industry, greater support for commercialization is also critical to ensure that discoveries are translated into market-ready products and widely adopted on farms. Bridging the gap between innovation and market deployment through targeted funding, partnerships, and incentives will be key to attracting private investment, accelerating adoption, and fully realizing the economic and productivity gains of Canadian agricultural research.

Recommendations:

- Design tools and programs to enable the utilization of patient capital in agricultural innovation, including mechanisms that provide tax credits to investors who fund eligible startups.
- Offer greater support for commercialization of agricultural innovations by adopting a 'buy Canadian innovation' approach – enabling tax advantages or procurement preferences for local technology adoption to reduce risk and incentivize long-term investment.

Labour Constraints

The availability of labour is crucial to a stable, secure, and competitive agricultural sector.

But persistent labour shortages are an ongoing challenge, largely due to an aging workforce and difficulties attracting and retaining workers to rural areas. Addressing these challenges will require coordinated labour market, immigration, and training strategies that reflect the specific needs of the sector and its long-term growth potential.

Producers are increasingly using precision agriculture, data analytics, robotics, AI, and automation to improve productivity and competitiveness. Robotics and automation can help address persistent labour shortages while improving productivity. However, their successful deployment requires a sophisticated workforce with the technical skills needed to operate, maintain, and maximize the value of these technologies.

We are encouraged to see the federal government recognize the role that advanced technology can play in improving labour productivity, including through its recent AI Strategy. To fully realize these benefits, agriculture producers must be able to find the skilled labour needed to utilize this technology, while ensuring existing workers have opportunities to develop and adapt to these advancements.

Recommendations:

- Tailor immigration pathways to agricultural and agri-food labour needs to address structural shortages and support long-term workforce stability.
- Invest in labour upskilling and workforce development to support the adoption of new technologies and improve productivity across the sector.

Water and Irrigation

Canada's water endowment represents a strategic opportunity to strengthen the country's long-term agricultural capacity, competitiveness, and food security in an increasingly resource-constrained world. As key agricultural regions globally face mounting pressure from water scarcity, aquifer depletion, and competing demands from urban and industrial use, Canada is uniquely positioned to expand into higher-value crop production and value-added livestock operations.

By proactively developing its water resources, Canada can contribute meaningfully to domestic food security and affordability, ensuring that Canadian consumers benefit from a more resilient and diversified agricultural system. However, effective water management is about having the right amount of water at the right time and place, and producers across Canada face challenges from both too little and too much water. In some regions, this means expanding irrigation while in others it means improving drainage. Appropriate investments to address these opposite problems can position Canada to capture future growth opportunities in currently small or niche markets, and to respond to shifting global demand.

Alongside the development of water resources, the industry requires greater stability and precision in water quality monitoring. Strengthened methodologies, standardized data collection, and consistent long-term tracking of the relationship between land use and water quality are essential to support effective regulation and timely approvals of industry inputs. Reliable, high-quality data is critical to ensuring that decisions are based on real-world evidence and firmly grounded in sound science, rather than uncertainty or modelling alone. This foundation of sound, evidence-based decision-making is critical to unlocking sustained innovation, investment, and long-term growth across Canada's agricultural sector.

Recommendations:

- Develop a proactive, coordinated approach to irrigation expansion, water infrastructure development, and the evolution of crop insurance products and technical expertise to support producers transitioning into more diverse and higher-value systems.
- Invest in enhanced water quality monitoring and testing by improving methodology, standardizing data collection, and maintaining long-term monitoring to ensure regulatory decisions are grounded in robust scientific evidence.

Conclusion

With the right priorities and focus, Canada can become a world leader in agriculture.

The Next Policy Framework gives Canada an opportunity to unlock the potential of Canada's agricultural sector for the benefit of the country's economy and national security.

The challenge is not a lack of understanding but of prioritization, sustained focus, and implementation. Previous approaches have been fragmented and too broadly focused, which has limited progress on the most important structural issues facing the sector.

The Next Policy Framework should therefore focus on a small number of high-impact, foundational priorities: improving trade infrastructure, reducing regulatory barriers, unlocking investment, and addressing labour and skills constraints. Doing so will improve the sector's productivity and competitiveness, while delivering both economic and security benefits for Canada.