

Food and
Beverage
Canada



Aliments
et boissons
Canada

Written Submission for the House of Commons Standing Committee on Finance 2025 Pre-Budget Consultations

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List of Recommendations:

RECOMMENDATION 1: Convene a national agri-food regulatory summit and launch a “Reverse Burden of Proof” regulatory modernization process.

That the federal government, through the Treasury Board, Health Canada, the Canadian Food Inspection Agency and Agriculture and Agri-Food Canada, convene a National Agri-Food Regulatory Modernization Summit and commit to a reverse burden of proof regulatory review with the food and beverage manufacturing industry.

RECOMMENDATION 2: Secure Canada’s food and beverage manufacturing workforce through immediate permit extensions and a sector-specific foreign labour program.

That the federal government:

- Implement an immediate bridging mechanism to extend expiring work permits for foreign workers currently employed in food and beverage manufacturing facilities, to avoid labour losses while permanent immigration solutions are developed;
- Create clear, permanent pathways to residency for eligible foreign workers in the food and beverage manufacturing industry;
- Maintain the 20% cap (at minimum) on the proportion of Temporary Foreign Workers (TFWs) that can be hired for food and beverage manufacturing occupations; and
- Collaborate with industry to design a dedicated, industry-specific foreign labour program tailored to the year-round, permanent nature of jobs in food and beverage manufacturing.

RECOMMENDATION 3: Provide an immediate competitiveness boost to the food and beverage manufacturing industry through tax policy adjustments.

That the federal government:

- Expand Capital Cost Allowance (CCA) programs to allow rapid write-offs for machinery and equipment investments, aligning with U.S. measures to encourage reinvestment and modernization.
- Introduce targeted tax credits to incentivize automation, modernization, and productivity enhancements.

RECOMMENDATION 4: Establish a \$200M processing fund and a long-term commitment of \$2 billion over five years to modernize Canada’s food and beverage manufacturing capacity.

Food and Beverage Canada (FBC-ABC) is the national industry association representing Canada's domestic food and beverage manufacturers. Representing more than 1,850 food and beverage manufacturing businesses across the country, its members include Canada's six provincial and regional food and beverage manufacturing associations as well as leading Canadian food and beverage companies, big and small.

As **Canada's largest manufacturing industry**, the industry plays a pivotal role in our nation's economic landscape. It employs over 322,000 Canadians, generates almost \$120 billion in annual revenue, and exports \$60 billion worth of agri-food products each year. Our industry also **underpins Canada's food security**, supplying approximately 80% of all processed food and beverage products and supporting primary agriculture by directly purchasing more than half of the country's agricultural production.

Furthermore, **with 80% of Canada's agri-food exports destined for the U.S.**, the evolving trade relationship highlights an urgent need to strengthen the domestic food and beverage manufacturing industry. To address this, we need policies that enhance **competitiveness**, address chronic **labour shortages**, reduce **regulatory burdens**, and support **innovation**. This will empower Canadian manufacturers to meet growing demand in the Indo-Pacific and other key international markets. Ultimately, strengthening domestic production will **bolster Canada's resilience against trade disruptions** and reinforce its position as a reliable global supplier of high-quality, safe agri-food products.

As we approach Budget 2025, it is vital to prioritize the creation of a **Domestic Food Processing Fund** with financial commitments that reflect the sheer size and needs of our industry. This fund would be essential for **addressing long-standing productivity challenges** and establishing a long-term vision for the sustainability of the food and beverage manufacturing industry.

RECOMMENDATIONS:

RECOMMENDATION 1: Convene a national agri-food regulatory summit and launch a "Reverse Burden of Proof" regulatory modernization process.

Budget Ask: That the federal government, through the Treasury Board, Health Canada, the Canadian Food Inspection Agency and Agriculture and Agri-Food Canada, convene a National Agri-Food Regulatory Modernization Summit and commit to a reverse burden of proof regulatory review with the food and beverage manufacturing industry.

Rationale: Outdated, duplicative and misaligned regulations are straining industry operations, slowing productivity, increasing compliance costs, and preventing innovation adoption. In many cases, these regulations provide little to no additional value in terms of food safety or consumer protection yet significantly undermine the competitiveness of

Canadian food and beverage manufacturers. Examples of these regulations include the Federal Plastics Registry and newly introduced amendments to the Competition Act that target “Greenwashing”. We would also argue that the additional reporting burdens imposed on our industry has negatively affected productivity, as evidenced by the fact that the [goods-producing sector declined by 7% between 2020 and 2024](#) despite advancements in technology and artificial intelligence that should have driven growth.

A government-led summit, supported by industry and building on existing momentum (i.e. the ongoing Red Tape review), would enable departments to work together to identify immediate opportunities to streamline regulations and align timelines with innovation. A reverse burden of proof regulatory review – where industry identifies redundant and/or anti-competitive regulations and government must justify their continuation – could reduce regulatory burden quickly while maintaining food safety standards.

RECOMMENDATION 2: Secure Canada’s food and beverage manufacturing workforce through immediate permit extensions and a sector-specific foreign labour program.

Budget Ask: That the federal government:

- Implement an immediate bridging mechanism to extend expiring work permits for foreign workers currently employed in food and beverage manufacturing facilities, to avoid labour losses while permanent immigration solutions are developed;
- Create clear, permanent pathways to residency for eligible foreign workers in the food and beverage manufacturing industry;
- Maintain the 20% cap (at minimum) on the proportion of Temporary Foreign Workers (TFWs) that can be hired for food and beverage manufacturing occupations; and
- Collaborate with industry to design a dedicated, industry-specific foreign labour program tailored to the year-round, permanent nature of jobs in food and beverage manufacturing.

Rationale: Labour shortages continue to threaten production, investment, and the resiliency of Canada’s food supply. For a significant number of foreign workers in food and beverage manufacturing facilities, their work permits have expired, and many more face expiry in the coming months, with no clear path to remain as a result of recent changes to the Temporary Foreign Worker Program, the cancellation of the Agri-Food Pilot and cuts to provincial nominee programs. A short-term solution is urgently needed to avoid major disruptions, while a long-term, industry-specific immigration program is developed.

RECOMMENDATION 3: Provide an immediate competitiveness boost to the food and beverage manufacturing industry through tax policy adjustments.

Budget Ask: That the federal government:

- Expand Capital Cost Allowance (CCA) programs to allow rapid write-offs for machinery and equipment investments, aligning with U.S. measures to encourage reinvestment and modernization.
- Introduce targeted tax credits to incentivize automation, modernization, and productivity enhancements.

Rationale: Accelerated capital cost allowance (CCA) provides businesses with immediate cash flow, enabling reinvestment in capital expenditures, research and development, and other growth initiatives. For example, under recent legislation in the U.S., specifically the "One Big Beautiful Bill Act", accelerated depreciation, including 100% immediate expensing for certain assets, were permanently restored. Aligning Canada's CCA regime with, or even surpassing, U.S. measures would therefore significantly enhance Canada's competitiveness, making it a more attractive destination for businesses seeking to invest in cutting-edge machinery and infrastructure expansion. Furthermore, targeted tax credits would also directly incentivize businesses to adopt automation (e.g., robotics, AI-driven systems), modernize operations, and boost productivity, ensuring their agility and competitiveness within our rapidly evolving global economy.

RECOMMENDATION 4: Establish a \$200M processing fund and a long-term commitment of \$2 billion over five years to modernize Canada's food and beverage manufacturing capacity.

Budget Ask: That the federal government launch a Domestic Processing Fund, with an immediate investment of \$200 million over one year and a long-term commitment of \$2 billion over five years, to catalyze competitiveness through infrastructure upgrades, productivity investments, capacity expansion, robotics, artificial intelligence integrations and innovation in Canada's food and beverage manufacturing industry.

Rationale: In an increasingly complex global trade landscape, marked by rising tariff and non-tariff barriers in key export markets, the competitiveness of Canada's food and beverage manufacturing industry is not just an industry concern - it is a national imperative. Strengthening this industry is essential to safeguarding Canada's economic resilience, advancing innovation, and ensuring long-term prosperity. Aging equipment and the high capital costs of modernization continue to hinder growth. In the absence of a dedicated federal fund, a critical investment gap persists - stalling shovel-ready projects and putting into question whether future investments will remain in Canada.

To address this, Food and Beverage Canada proposes the creation of a Domestic Processing Fund - a targeted initiative to support critical infrastructure upgrades and expand Canada's capacity to turn what we grow into the food we eat, sell, and export. Our association, in

consultation with our members, has developed a proposal which we are pleased to share with interested Committee members.

