RBC
Thought
Leadership

Food first:

How agriculture can lead a new era for Canadian exports

Key takeaways

U.S. trade tensions have cast a spotlight on Canadian food trade: American tariff threats pose a special challenge to Canadian agriculture and agri-food exports, as they now account for 20% of U.S. agri-food imports.

60%

Exports to the U.S. are growing: Over 60% of Canada's agriculture and agri-food exports go to the U.S.—and the value of those exports has quadrupled since 2000.

But Canada's falling behind competitors globally: Canada's position in global agriculture and agri-food trade has slipped to 7th from 5th place, and could drop to 9th by 2035 if corrective measures aren't taken.

Rivals are gaining ground in the world's top growth markets: Emerging competitors like Brazil have gained ground in Africa and the Middle-East, while traditional rivals like Australia are gaining market share in Southeast Asia.

Canada can increase our global share by 30%: With the right investments, Canada can increase global share from 3.7% to 4.8% to regain 5th place in exports, according to new modelling by RBC and the Boston Consulting Group's Centre for Canada's Future. That could add $44 billion[a] to agriculture and agri-food's export value by 2035.

A clear plan is critical: To gain market share, Canada needs to focus on innovation, investment, export-oriented infrastructure, digital infrastructure, and overseas agri-food promotion.

Canada has become overly reliant on the U.S. for agri-food exports

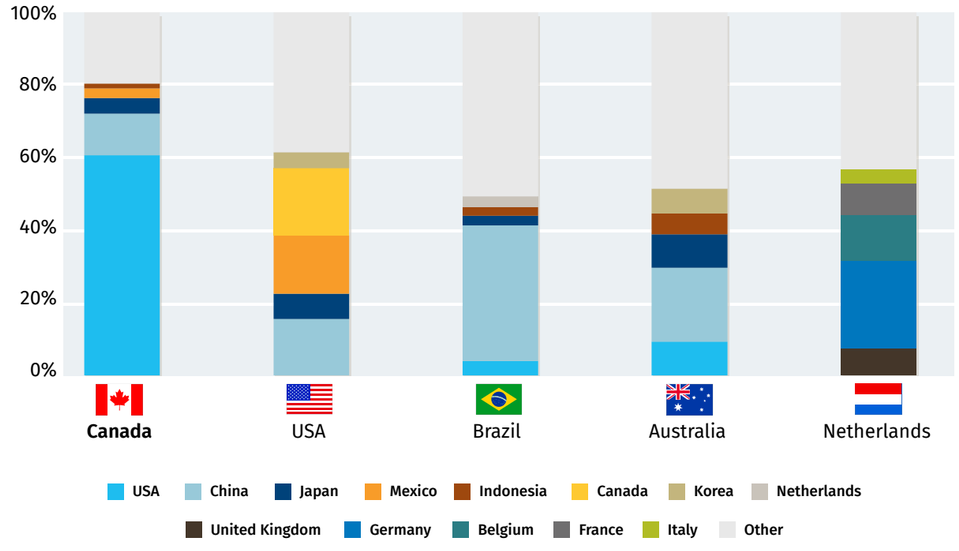
Steel, autos, lumber and oil: The growing trade conflict between the United States and Canada has focused on the backbone of our blue-collar economy. But check any border crossing, and you're just as likely to see food and agriculture products—be they lobsters trucked from Nova Scotia to Maine, or muffins from Toronto to Chicago, or cattle from Alberta to Montana.

More than $100 billion worth of agriculture and agri-food products cross the border every year, with the U.S. importing nearly 60% of this trade.[1] [b]And thanks to a surge in agri-food processing investment over the last 20 years, that trade gap is growing. The value of Canadian exports to the U.S. has quadrupled since 2000, and Canada is now the source of 20% of U.S. agriculture and agri-food imports.[2]

This quiet transformation has helped the Canadian agri-food sector become the country's largest source of manufacturing revenue.[3] No longer just a bulk commodity producer, we are now a dominant foreign supplier to America's grocery aisles and dining tables, as Canadian farmers and processors have become more advanced in developing new products and marketing them to Americans.

Canada's exports are less diverse compared to key competitors

Select top exporters and the distribution of their top 5 agri-food export destinations



Source: UN Comtrade, RBC Thought Leadership

Take canola, for instance, used for cooking and biofuels and meal for animal feed. Thanks to large crushing facilities, roughly 96% of Canada's canola oil and 65% of canola meal export volumes went to the U.S. in 2024.[4] And then there's potash, which is key to American fertilizers. Canada supplies 85% of U.S. needs, which could go higher if it pulls back from Russia and Belarus, its only other major suppliers.[5]

Both countries have benefitted. The U.S. has had priority access to Canada's production and processing that has a comparative advantage for products including prepared cereals and vegetable oils.[6] Canada's large production base in the Prairies, as well as the scale and proximity of manufacturing and processing hubs in Ontario and Quebec, have been key to the large inflows of investment capital in recent years. In addition, consistent, high volumes and a lower dollar have propped up Canada's ability to be a preferred importer. Historical growth in the efficiency of Canadian farms and food processors has further strengthened Canada's position as a reliable and efficient place to source agriculture and agri-food products from. The result: Canadian food manufacturing has increased its value-add ratio—its production minus its consumption—by 71% between 2014 and 2023.[7]

These advantages are now in question with the threat of large-scale tariffs. If they're applied to agriculture and agri-food products, they will make Canada a less desirable trade partner to the U.S., as our position as a low-cost exporter of agriculture and agri-food products relative to others, including China and the Netherlands, will suffer. Agri-food manufacturing may also struggle to maintain investment levels, as one of its biggest selling features has been its preferential access to the world's largest market.

Such challenges will force Canadian producers to make a choice: accept the cost of tariffs to access the U.S. market, or search for more demand abroad.

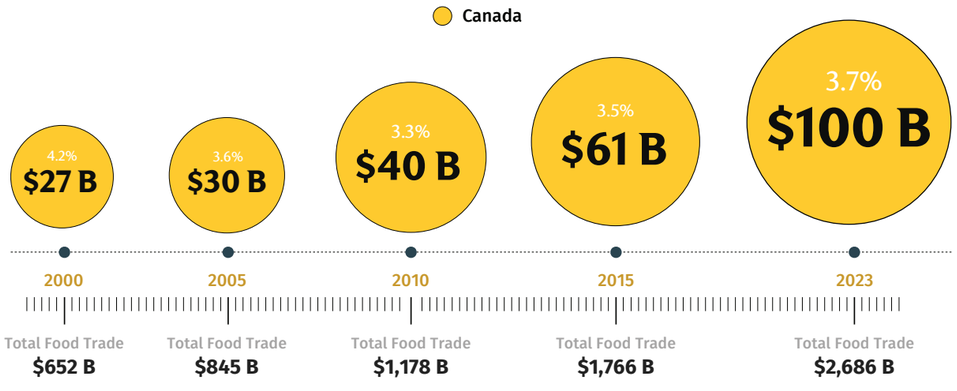
Meanwhile, our global competitiveness has slipped

For generations, Canada has been a global leader in agriculture—wheat shipments to China during that country's post-revolutionary struggles, pork to Japan as its economy took off, lentils to India as it looked to feed its rapidly growing cities, and maple syrup to Europe as it opened its markets. Canadian potash, fertilizer and seeds have also been critical to the ability of the world's farmers to grow more for their own markets. Thanks to decades of export growth—ahead of most of Canada's economic sectors—our agriculture and agri-food sector entered the 21st century as a productivity leader. But with so much focus on the U.S. market, many Canadians didn't realize that the rest of the world was catching up, and in some categories, overtaking us.

Here's where we stand today on the global leaderboard: over the first quarter of this century, we've slipped from 5th to 7th place, bumped by China and Brazil.[8] And under a business-as-usual scenario, we could drop to 9th place over the next decade. A global model developed by the Boston Consulting Group's Centre for Canada's Future and RBC shows Canada's market share since 2000 has declined, relatively, by 12%. Our exports are still growing—they've quadrupled during that time. It's just that we're not keeping pace with the rest of the world, which saw agriculture and agri-food exports grow five-fold over the same period.[c,d]

Canada grows in value, but market share falls

Canada's agriculture and agri-food market share and export value



Source: UN Comtrade, BCG, RBC Thought Leadership

This relative decline could be an early-warning signal that our agriculture and agri-food exports are not only overly dependent on the U.S., they're likely to face even greater competition abroad in the decades ahead. Other countries such as Brazil and Chile have taken big bites of markets including meat and fish, where Canada has been competitive in the past.

Ecuador is another case worth studying. It has a highly concentrated inland aquaculture industry, outside the city of Guayaquil, where advancements in shrimp genetics have led to production volume increases of 18-fold since 2000.[9] Today, shrimp accounts for roughly 24% of Ecuador's total exports and 25% of the global crustacean export market, including shrimp and lobster.[10] Similar trends can be seen in blueberries from Peru, pasta from Türkiye and soybeans from Paraguay. Such focused, aggressive growth from our competitors has contributed to Canada losing market share in two-thirds of the sectors that make up agriculture and agri-food trade—including meat (-2%), live animals (-5%) and beverages and spirits (-2%). The result for Canada, according to our model: $23 billion in forgone export value in 2023 as a result of market share loss from 2000, which is worth more than the steel and iron Canada exported to the U.S. in 2024.

An important battleground to watch is Southeast and South Asia. India and Southeast Asia's global agriculture and food consumption is expected to grow to over 31% of global consumption within the next decade.[11] Much of the region has also been a long-time reliable market for Canadian producers, be it soybeans to Vietnam or wheat to Indonesia or peas to India. But the region is increasingly turning to other suppliers. A free trade agreement between Australia, New Zealand and the Association of Southeast Asian Nations (ASEAN) eliminated tariffs on 99% of New Zealand exports to Indonesia, Malaysia, the Philippines, and Vietnam. Through this agreement, Australia has steadily built up its exports to ASEAN, now accounting for 23% of its agriculture and agri-food export value.[12] [13]Brazil is another competitor to watch. Its enhanced trade promotion has not only made it a bigger supplier to ASEAN; it's accelerating its presence in Africa and the Middle East—the world's fastest growing regions—where its export values jumped by 24.4% and 20.4%, respectively, from 2023 to 2024.[14]

That re-ordering of global food trade occurred largely during a period of liberalized global trade—but that era may now be fading. If tariff and non-tariff barriers become normalized, and trade becomes more politicized, Canada's ability to compete internationally may be challenged anew, including by growing exporters like Kazakhstan that are seeking to gain market share, especially in Asia and the Middle East.

Last year set a record US$45 trillion in global merchandise trade value, yet year-over-year growth in volumes[e] have been on a downward trend since 2000.[15] Average annual growth in trade volume was 2% between 2016 and 2025, slower than 3.45% in the previous decade.[16] A key factor driving the slowdown is a deviation from a rules-based system, making way for protectionist-like policies.

For example, harmful trade interventions for cereals have increased by 2.5 times relative to liberalizing interventions since 2009, driven by financial grants, state loans, and import tariffs.[17] Agriculture and agri-food often bear the brunt of such policies, given the political importance of food prices and also the political power in many countries of food producers. Average tariffs by a World Trade Organization member charged on an agriculture product is 14.8%, compared to 8% for non-agriculture products.[18] A slowing appetite for trade, fewer new trade agreement opportunities, and disruptions to Canada's North America-first export strategy are among the biggest challenges we may need to consider in the years ahead.

How to diversify: Play to our strengths, grow with new allies, invest in old markets

The opportunity is clear. Our model estimates that Canada's share of the global export pie could grow by 30% by 2035[f], adding $44 billion to total exports, if we pursue three main trade objectives: grow where Canada has market access, expand in the world's best growth markets, and maintain existing relationships through strengthened "food diplomacy."

The first challenge is straightforward, which is taking advantage of what we have. Canada has 15 free trade agreements providing access to over two-thirds of the global economy. Through these agreements, there is room to make better use of Canada's market access in Europe, Asia, and Latin America. For example, the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) is gradually phasing out most tariffs on seafood. Before CETA, EU tariffs for fish and seafood averaged 11%, with highs of 25%. These will be fully phased out within the next five years.[19]

Taking on new growth markets, with more ambition, is our next challenge. That can start in the Asian markets mentioned in the previous section. Consumers in Southeast and South Asia are expected to have more to spend on higher value products over the next decade, thanks in part to expectations for economic growth that will be among the best in the world, with GDP per capita forecast to rise 3.9%, annually, between 2024 and 2033, up from 2.6% in the previous decade.[20] India is one of the clearest opportunities — a market of 1.5 billion people whose economy and standard of living are growing rapidly. This market will increasingly be an opportunity for Canada's agri-food processing industries, especially plant-based proteins driven by Canada's production of legumes – peas, lentils, and soybeans.

Canada's oilseed and agriculture waste processing can also help meet expected growth in biofuel demand in Southeast Asia, where blending rates of biofuels with fossil fuels in markets such as Indonesia are expected to stay above 30%. That would raise biodiesel demand by 56% over the next decade in that country.[21] Sub-Saharan Africa, the Middle East, North Africa, and Latin America are also expected to see large GDP expansions. For these regions, we can expect to see total and per capita consumption not only rise, but shift towards more nutrient-dense foods, including animal protein, vegetables, and legumes. One way to help: Canada can contribute to linking global marine transportation to local supply chains by helping to build up food corridors and port infrastructure in Türkiye, United Arab Emirates, and Saudia Arabia as key points of entry to growth markets.

Thirdly, Canada can strengthen and grow current partnerships. These markets include the U.S., Japan, China, and Mexico—the first three of which are projected to have food trade deficits over the next decade that surplus producers like Canada will compete for. Our advantage is established business networks and consumer confidence in our products. In particular, the U.S. is expected to expand its imports of fresh produce, fish, and vegetable oil over the next decade.[22] Driving production and processing in these domains will help position Canada as a strategic as well as a reliable partner, if we can make some of the investments we'll outline in the following sections.

4 countries to watch

Brazil – The Investor

- Now the second largest exporter of agriculture and agri-food products, Brazil is taking exceptionally large bites out of global oilseed and meat exports, with an approximate 20% and 11% rise in value shares, respectively.[23]
- Row cropping in Brazil nearly doubled between 2000 and 2014, primarily from pasture conversion (80%), but forested land as well (20%).[24] Brazil is also improving yields per inputs such as land, fertilizer use, and labour, with agriculture total factor productivity growing by 53% between 2000 and 2022. For comparison, Canada's productivity grew by 27%.[25] [9]An industrial policy regime took a pro-business support model during the early and mid-2000s that attracted investment from multinational agri-businesses and life science companies, and helped finance growth in domestic storage, transportation infrastructure, and processing capacity.[26]
- Brazil has taken an aggressive approach to marketing and promotion in growth markets and in expanding its market share in China. On the other hand, the European Union, Brazil's second largest market, is set to enforce a zero-deforestation regulation by the end of 2025, prohibiting select imports, including soy, beef, and coffee products associated with deforestation post-2020.[27] The regulation and other similar environmental policies tied to trade could present compliance challenges for Brazil even as domestic deforestation rates fall.
- For the next decade, Brazil's industrial policy playbook, Nova Industry Brazil, will drive innovation and sustainability with agri-food supply chains as a top priority for growth.

Australia – The Trader

- Australia has used its 18 free-trade agreements with 30 countries to diversify, expand and adapt its agri-food export flows. The value of Australia's agri-food exports to India increased +106% between 2022 and 2023 after the Australia-India Economic Cooperation and Trade Agreement (ECTA) entered into force in December 2022. In 2023, Australia took advantage of lower tariffs for meat in the Korea-Australia Free Trade Agreement, raising sheep and goat sales by ~50% in value relative to 2022.[28]
- It's diversifying its production to align with growth in export markets such as canola, and support that with trade promotion. Its new cross-sector agribusiness expansion initiative is a $85-million-dollar fund aimed at expanding and diversifying agri-food exports.[29]
- An active participant in the Codex Alimentarius Commission, which is a collection of internationally adopted food standards. Alignment on food standards between trading partners is essential to avoid non-tariff barriers.

Spain – The Scaler

- The country positioned itself as the go-to market for fruit, vegetables, and pork in the European Union, by focusing on production scale, quality, and regionalized production.
- Propelled itself as a leader in agri-food reaching its EU and international customers via its 46 ports.[30]
- Spain scaled production to meet export volume demands through growing productivity and a shift towards farm commercialization. This is evident through its centralized greenhouse production, optimized for regional market access and trade. However, this production cluster is primarily reliant on road transportation, creating vulnerabilities in logistics.
- Spain will remain one of Canada's top competitors in expanding in the European market, if it were to optimize its use of CETA.

Kazakhstan – The Grower

- While not yet cracking the top 50 list of exporters, Kazakhstan's agriculture and agri-food export value has grown by nine-fold since 2000.[31]
- Over the next decade, if Kazakhstan's agriculture land use trends mirror other agriculture powerhouses such as Brazil, Canada, and the U.S., we can expect to see its pastureland, which accounts for roughly three-quarters of all agricultural land, to, in part, be transformed into cropland, strengthening their place in global cereal and oilseed markets. [32]
- Under the Ministry of Agriculture 2021-2030 agricultural development plans, Kazakhstan plans to boost productivity in meat and dairy production, increasing carcass weights and milk outputs per animal, with sights on increasing their exports.[33]
- Its agriculture sector has significant potential for growth, but is underdeveloped and underfinanced. With meaningful investments scaled through state-owned financial institutions such as KazAgroFinance, Kazakhstan will be one to watch for cereals, oilseeds, beef and sheep.[34]

Leveraging global strengths to ensure food security at home

Canada's agriculture and agri-food sector is not just an exporter; it's a source of high quality, affordable, and nutritious food for a growing domestic population. We produce more than we need, positioning ourselves as a net exporter of agriculture and agri-food products by $32 billion in 2023.[35] However, the production mix of an export-oriented sector may not round out a healthy diet for all Canadians.[36] A balanced approach is needed.

Canada has formed trade relationships with countries that specialize in producing foods such as fruit at a more competitive and productive rate. As a result, Canada runs a production deficit in fruits and vegetables, as well as sugar and confectionary products. Technology can help, in this case through the rise of modern, controlled environment agriculture. Pockets of production in Ontario, Quebec, Alberta and British Columbia have led to greenhouse fruit and vegetable production volumes increasing by roughly five times since 2000.[37] This growing industry can play a critical role in closing the production gap, where vegetable production would need to double and fruit production would need to grow by five times to feed domestic demand.[38]

Canada will need to enable this growth through sufficient utilities, especially water, energy, and waste management. Expanding and decarbonizing Canada's electricity grids will be essential, and could require provinces to invest

nearly $160 billion to double their electricity supply with clean energy.[39] Such investments create ripple effects in decarbonizing Canada's food system by reducing the carbon intensity of energy used in storage, processing facilities and transportation.

Other areas for growth to meet domestic demand and regain global market share can be found in meat processing as well as fish and seafood production and processing. Meat production nearly doubles Canada's average consumption rate, while fish and seafood production are just above consumption averages.[40,41]

These industries have been challenged by high operation costs, volatile commodity prices, labour shortages, and a challenging policy environment for aquaculture. Yet, there is a growing domestic and international demand for sustainable, Canadian-made proteins, which means the efficiencies created through global operations in Canada can help improve the cost and availability for domestic consumers.

Betting on Canada to feed the future may prove to be a safe environmental bet, too. While no country is immune from the negative impact of climate change on crops and animals, yield growth scenarios that account for increasing effects of climate change suggest Canada is projected to increase its role as a global breadbasket of staple crops such as wheat, soybeans, and corn.[42] Canada is also well endowed with natural resources, and home to efficient production systems that responsibly use them. Canada's agriculture water use for agriculture remains low at 11% of total freshwater withdrawal, compared to 67% in Australia and 40% in the United States.[43]

Canada's land use for agriculture also pales in comparison to the United States and Australia, which represents over half of their total land masses, while Canada's agricultural land covers 6% of the country, underlying the limitations that other agriculture powerhouses face in meeting competing land demands for housing, energy, and food.[44,45,46]

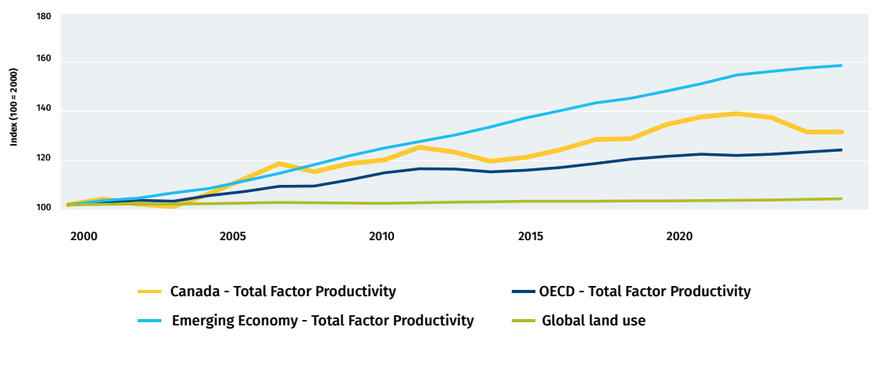
Five keys to unlocking Canada's export potential

1. Innovation

We're a production leader and an innovation commercialization laggard. However, Canada is now also facing a productivity slowdown in agriculture production. Creating room for innovation in efficiency is the next reboot in productivity.

Canada exceeds OECD counterparts on agriculture productivity, but lags emerging economies

3-year moving average, index 2000 = 100



Emerging economies = Argentina, Brazil, China, India, Indonesia, Kazakhstan, Philippines, Russia, South Africa, Ukraine and Viet Nam.

Source: OECD, USDA Economic Research Service, RBC Thought Leadership

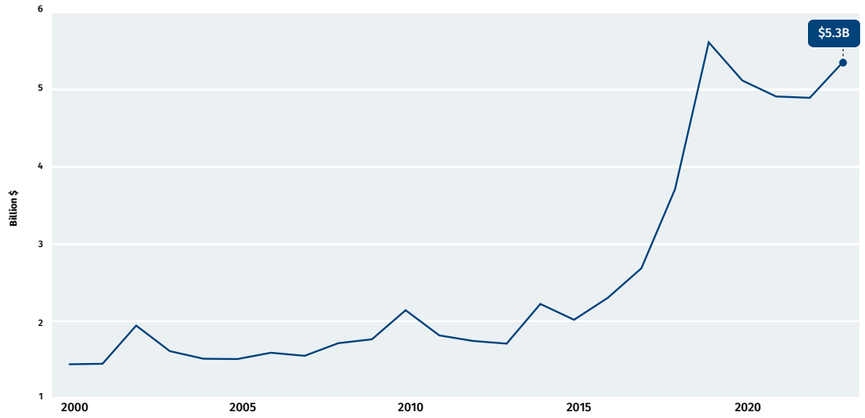
Adoption is one area for improvement. Take automated steering for tractors and variable rate technology for fertilizers and seeds, as examples. Adoption rates for both remain low at 27% and 16%, respectively.[46] We also need greater connectivity among researchers, start-ups, funders, and companies, preferably within agri-food innovation hubs like the ones grown in the U.S. Mid-West and Netherlands. That will require us to address the widening gap between private and public resourcing, which threatens Canada's ability to develop partnerships in IP and commercialization. Government spending on agri-food research and development has declined by 9% on average, annually over the past decade.[47]

2. Capital

Canada is in the top 10 countries for investments in agri-food technology and innovation.[48] We could be in the top five, if annual investments in Canadian-based startups doubled. That could be tougher in a tariff world, which is inherently risky to foreign capital, but the returns on overseas exports could be enough to offset those North American challenges. Further expanding Canada's agri-food processing sectors will also require upfront investments. Protein Industries Canada estimates we could own 10% of the global market share of plant-based foods by 2035, which would add $25 billion to annual sales. To achieve this ambition, Canada will need 10 to 15 new plant-based food processing facilities and $6 to $9 billion of capital investment for ingredient manufacturing alone.[49] Scaling capital in Canada will also require us to beef up the business case, with more competitive approaches to tax and regulation. We can also do more to tell our story and reposition ourselves as a value-add producer, competing on price, quality, and volume. Developing company, region, and industry case studies (see box) that explicitly showcase what in Canada is ripe for growth, can contribute to attracting a new wave of investors.

A rise in manufacturing investments since 2015 signal a domestic shift from commodities to value-added agri-food products

Value-add investment in current dollars



Source: Statistics Canada, RBC Thought Leadership

3. Digital access

Canada needs to fix our 5G gaps. The use of precision agriculture tools highlights the importance of strong wireless connections in rural Canada. These tools rely on app or web-based platforms to improve use of feed, seed, fertilizer, and pesticide, so we can produce more with less. That requires high-speed internet and strong 5G cell reception, which rural Canada is lagging in. Deetken Insights estimates that if all Canadian farmers had access to 5G, it could add between $2.7 billion and $3.5 billion to Canada's GDP by 2030, through input efficiencies and enhanced

automation on farm.[50] Canada's Connectivity Strategy, a national vision for IT infrastructure, has propelled projects across Canada to expand access. Yet, two key agriculture producing provinces, Saskatchewan and Manitoba, have only 50% and 30% rural coverage, respectively, when it comes to 5G.[51] Redeploying Canada's rural connectivity funds to focus on rural and remote 5G access could be the initiative needed to unlock the digital economy for Canadian farmers.

4. Export infrastructure

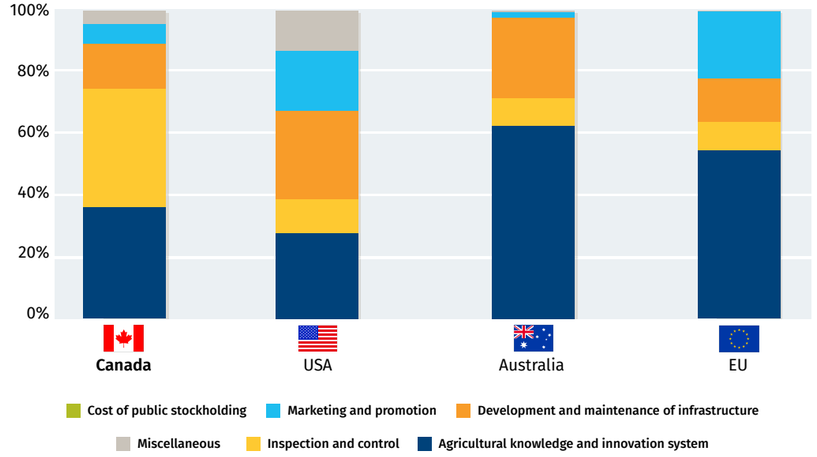
Turnaround times at Canada's ports are slower than many large competitors, averaging 2.7 days in 2022 while the United States, Brazil, and Australia, had average turnaround times of 2.1, 1 and 2 days, respectively.[52] The Port of Vancouver, Canada's largest port, has had longstanding infrastructure bottlenecks from the Second Narrows Bridge to the Thornton tunnel, which mechanisms such as the National Trade Corridors Fund or Canada Infrastructure Bank could help transform—if they have transformational funding. Currently, Canada's roughly $20-billion a year investment on transportation infrastructure lags agriculture competitors such as Australia and the United Kingdom. Keeping up with these economies would require additional investments of between $13-20 billion.[53] While ports are our main connection to global markets beyond the U.S., Canada's rail system is a major domestic connector, and it is challenged with limited routes and rising labour disputes, that too require a rethink for growth. There are smaller opportunities, too, such as container logistics and inland terminals, as simple problems like container storage can clog our ports and rails.

5. Global marketing

Canada is suffering from a dilution effect in its market development and access approach—with limited resources to boot. The U.S. spends close to 20% of its agriculture support services budget on marketing and promotion, or triple Canada's share of 6%.[54]

Canada spends roughly 40% of its agriculture services budget on inspection and control

% of public expenditures on general services to agriculture in 2023



Source: OECD, RBC Thought Leadership

In a similar vein, gaining market share requires robust inspection and control services that ensure food safety and agriculture production's protection against new diseases and pests. Canada has a strong reputation, but also must come to grips with a dilemma: even though we allocate 40% of that agriculture support services budget to inspection and control, we still face market access issues and duplicative inspections.[55] One approach would be to pick the top five products for export potential and develop priority market assessments, such as Europe for seafood. Pooling public-private resources, the federal government could work with industry associations, companies, and provinces in region-specific, agile taskforces to promote exports and inform regulatory bodies on what's needed to support growth. A complementary option: position regulatory bodies such as the Canadian Food Inspection Agency to proactively develop standards recognition and harmonization in the identified growth markets.

Canada in 2035

In just 10 years, the world will need to feed close to nine billion people, and many of them will have more income, and appetite, for higher quality foods like the kind Canada is known for. To meet this demand, the world will need to produce 14% more food, feed, and biofuels than we're delivering today, and do it in a more disruptive trade environment.[56]

To feed this future, agriculture must also compete with climate change, urban sprawl and rising land use needs from energy production. Moving from short-term reactionary tactics to strategic growth, Canada can use the U.S. tariff threats as a wake-up call to leverage agriculture and agri-food as a driving force for trade diversification while building Canadian self-sufficiency.

Under a high growth scenario, we estimate Canada could return to our position as the world's 5th largest exporter, regaining our international clout from the early 2000s. In such a scenario, Canada in 2035 would need to expand value added agri-food exports by 50% and grow agriculture commodity exports by 10%.[h]

If we achieve this growth, we can imagine a Canada in which:

- The Atlantic aquaculture industry doubles in production and processing, feeding our European neighbours and the ones just next door;
- Alberta, home to 80% of the country's beef output, advances the resilience of its feedlots and supply chains, contributing to Canada becoming the second largest source of meat in Japan, just behind the U.S., from fourth place today.[57,58]
- Our greenhouse sector, with aspirations of doubling its acres over the next decade, moves Canadians closer to their fresh produce at an affordable price.
- Finally, all these products are delivered to consumers via transportation systems with fewer bottlenecks from rail to port and fewer constraints, from on-farm internet to non-tariff trade barriers.

Agriculture is often left off the plate in Canada's economic strategy discussions. This needs to change if we are to build resilience at home and regain our presence abroad. By acting on these ideas, and others, with precision and speed, the next decade can see a boom in productivity, an unprecedented scale of manufacturing, and a new path for growth through diversified markets. For every part of the country, the opportunity is ripe for growth.

How to be a global champion

AGT Food and Ingredients—The value of processing clusters

Pulses and plant-based product supplier exports to more than 100 countries.

- **Primary markets:** Türkiye, Algeria, Iraq and the U.S.
- **Growth markets:** India, South Africa, Saudi Arabia, and United Arab Emirates.
- **Export strategy:**

  —Its ability to handle and process high volumes of pulses grown in close proximity to processing facilities in western Canada has boosted its export ambitions.

  —AGT has an integrated supply chain from farm gate to global distribution, and has expanded its ownership into export-oriented packaged foods and value-added processing infrastructure and bulk and containerized freight handling and transportation.

  —International business has also been driven by expanding offices and processing capacity in Türkiye, Kazakhstan, United Kingdom, Australia, Europe, U.S., South Africa, and India.

- **Growth strategy:**

  —Acquisitions and new capacity to expand processing within production clusters have enabled AGT to become a global exporter of value-added pulse and durum wheat food products. It has also positioned AGT to go from a buyer and exporter of commodities to retail products with over 21 facilities across Western Canada.

  —AGT is investing and engaged in research and development to create novel products and processing systems.

Maple Leaf Food—The value of efficiency

Protein company with products sold in roughly 20 countries.

- **Primary markets:** U.S., China, and Japan.
- **Growth markets:** Philippines, Singapore, and Vietnam.
- **Export strategy:**

  —Advanced market and supply chain integration with the U.S extends its geographical reach.

  —Market access and development between Canada and U.S. has also been strengthened through mutual standard recognition on animal welfare, biosecurity, and quality.

  —The quality of Canadian pork has been well established and enjoys a strong reputation in existing Asian markets.

  —Setting up offices have helped support market development in Asia. It has enabled MLF to work closely with trade commissioners in Asia for market access and development, and resolving local market issues.

- **Growth approach:**

  —Recognized portfolio of brands and strong leadership, especially within North American and Asian markets.

  —Vertically integrated supply chains with a prioritization of reinvesting in the business to expand capacity and improve operational and supply chain efficiencies.

  —Over the years, MLF has used acquisitions to achieve greater scale but also to acquire major competing or complementary brands.

  —Highly focused on production efficiencies through automation and developing centres of excellence where processing plants specialize on particular product lines, taking advantage of scale.

McCain—The value of networks

Products are sold in over 160 countries.

- **Export strengths and approach:**

  —Developed local sales offices in Tokyo and Osaka, and distribution centers throughout Japan to ensure on-time delivery

  —Close relations between international office and processing facilities to ensure reliable and consistent supply that responds to international customer needs.

  —In the event of a product shortage due to a force majeure event, such as transportation delays or crop-related issues, they are able to propose an alternative product in a timely manner, since they have production bases in various countries.

- **Growth approach:**

  —Developed strong, long term relationships with farmers through direct contracts, allowing McCain to be nimble in responding to production and supply chain disruptions and build business resilience.

  —Invested in regional-specific agriculture resilience to help key supply sheds mitigate and adapt to climate change and other disruptions.

  —Expanded processing facilities and logistics to existing and emerging agriculture production hotspots. This approach is demonstrated through their recent investment in processing facilities in southern Alberta.

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Explanatory Notes

[a]Estimates are conservative and based on 2023 nominal value.

[b]Trade data is converted from USD to CAD using Bank of Canada's average annual rates.

[c]Agriculture commodities include HS codes: 01, 03, 06, 07, 08, 10, 12, 14.

[d]Agri-food products include HS codes: 02, 04, 05, 09, 11, 13, 15, 16-24.

[e]Total trade of all goods. This category is inclusive of agriculture and agri-food.

[f]Model estimates a high growth scenario of Canada's market share growing from 3.7% in 2023 to 4.8% in 2035.

[g]Based on a 3-year moving average.

[h]Scenarios are developed for HS codes 1-24, from 2024 to 2035. Growth in global trade is based on the latest OECD-FAO Agricultural Outlook (projected export tonnage growth at 2023 prices) individually for Cereals, Oil Seeds, Fats, Sugars, Meat and Fish. Global exports in all other categories are assumed to grow at 1% per-year based on OECD-FAO's projected growth for agricultural commodities overall.

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