



May 21, 2025

Manitoba's Economic Development Strategy – Submission

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of all Manitoba farmers and 20 commodity associations.

Economic development matters. Manitoba producers play a key role in driving the provincial economy. With over 14,500 farms in the province, the agriculture and agri-food sector contributed \$5 billion to the GDP in 2023: representing 7.2 percent of the GDP. The sector is diverse. Commodity production diversity (e.g., hogs, wheat, canola, cattle, honey, dairy, and fruit) ensures the sector remains competitive and attractive to buyers, whether in Winnipeg, Cleveland, Tokyo, or Manila. Between 1990 and 2023, total farm cash receipts experienced a five-fold increase in Manitoba. The sector has proven itself as a reliable, innovative, integral part of the Manitoba economy. As the Government of Manitoba drafts an economic strategy, the needs of Manitoba's producers must be considered. KAP is pleased to provide recommendations to the Government of Manitoba regarding its future economic development strategy.

Develop Sector Specific Strategies

Each economic sector in Manitoba has its own challenges and opportunities. Developing a Manitoba-wide economic development strategy represents a positive step forward. A broad strategy should encourage other government departments to draft their own sector specific economic development strategies within a set of consistent, guiding principles. The Government of Manitoba has 20 departments. And these departments all play an economic development role. An economic development strategy requires an approach that focuses not only on the whole of government but also specific industries. The economic strategies developed by the Government of Alberta provide an excellent example on how to move forward on various issues requiring a strategy (e.g., critical minerals, forestry, and agriculture).

Increase Collaboration between Governments

An economic development strategy pillar ought to include strong collaboration between all government levels. Working in silos benefits no one. Municipal, provincial, and federal governments may have different economic growth approaches. These approaches can include bylaws, taxes, infrastructure priorities, tax credits, and legislation. But not all approaches may suit stakeholders' needs: one level of government develops a new public policy, but this policy has little stakeholder impact due to various reasons (e.g., poor implementation, conflicting local bylaws, or limited stakeholder interest). Collaboration can prove challenging—particularly with dissenting stakeholders. But economic growth depends on governments' working together and responding and adapting to challenges, leveraging each others' strengths, including relationships, areas of expertise, and existing strategies and investments.

Enhanced Domestic Collaboration with Other Jurisdictions

Manitoba should strengthen its capacity for collaboration with the federal government and other provincial and territorial (FPT) governments to ensure that provincial interests are effectively represented and integrated into comprehensive national initiatives. One interest area includes trade and its impact on agriculture. By aligning with other jurisdictions, Manitoba can leverage collective strengths and perspectives to advocate for policies that support the diverse needs of this critically important sector. Prairie provinces in particular share unique interests, sectoral needs, and priorities—a common voice among provinces would strengthen national influence. This collaborative approach will enhance Manitoba's influence in shaping national strategies, including on trade, and strengthen the advancement of provincial agriculture sector priorities.

Strategically Invest in Post-secondary and Industry Training

Manitoba agriculture faces a chronic labor shortage. The Canadian Agricultural Human Resources Council estimates that in 2017 1,100 agricultural jobs went unfilled resulting in \$367 million in lost sales.¹ These in-demand jobs range from food processing workers to large-animal veterinarians. By 2029 the number of unfilled agricultural jobs is predicted to reach 5,100, thereby creating further industry losses. The reasons for this labor gap are complex, multi-faceted and encompass several categories including capacity building, skills, recruitment, and retention. Government has a role here. E.g., its expenditures can target training and skill development for industries already facing chronic labor shortages.

Expand Value-Added Capacity

Manitoba has diverse commodities ideal for value-added processing. But our canola seeds ship to China to become canola oil, our chilled pork to Japan to become butadon, our red spring wheat to Nigeria to become Agege bread, our soybeans to Vietnam to become fermented soybean paste, and our oats to the United States to become oatmeal. Manitoba farmers produce high-quality, safe, affordable products, and there exists significant potential to further increase our value-added capacity while complementing our raw commodity exports. Flours, frozen foods, alcoholic beverages, canned goods, plant oils, animal foods, and biofuels are some examples of Manitoba's value-added potential. Value-added benefits not only consumers (e.g., buying more local products) but also farmers through increased competition among buyers. And more value-added capacity increases job opportunities, keeps more tax revenue in Manitoba, attracts investments, and makes the agricultural sector more resilient.

Target Core Infrastructure Needs

An efficient supply chain requires a well-maintained infrastructure network. In the decades following WWII, provinces including Manitoba made significant investments in its infrastructure network. Since this time, exports and trade have expanded significantly. But around “the 1980s [in Canada], the ratio of infrastructure investment to trade volumes has been steadily declining.”² Every infrastructure project has a lifespan. Government expenditures for maintaining its current infrastructure increase every year. But repairing and replacing ageing infrastructure is only half the solution. A more strategic approach is required. Beyond replacing and repairing deteriorating infrastructure, government should make focused investments in key infrastructure needs (e.g., increasing RTAC routes, widening highways in bottleneck areas, and drafting a multi-decade-infrastructure plan). Supply chain functioning relies (in a large part)

¹ https://cahrc-ccrha.ca/sites/default/files/2021-11/factsheet_MB_E_web.pdf

² https://tc.canada.ca/sites/default/files/2022-10/supply-chain-task-force-report_2022.pdf

from a reliable physical infrastructure, but government cannot forget how data collection, regulation, governance, and labor supply all affect commodity movements.

Increase Export Capacity

Manitoba's agricultural growth relies heavily on international buyers: nearly half Manitoba's exports came from agri-food in 2024. Now farmers face a significant challenge with U.S and Chinese tariffs plus retaliatory Canadian tariffs. That 65 percent of Manitoba's total agri-food exports flow to China and America creates more challenges during rising geopolitical tensions. Manitoba's agricultural production has steadily increased due to advances in plant breeding, genetics, farm practices, and technology. And agricultural production will continue to increase as further technological improvements occur.

International markets rarely appear overnight—but markets can close overnight. Every country has various agricultural import restrictions (e.g., tariffs, accepted products). And every country has specific importer preferences or requirements—some agri-food destinations may be better suited for Manitoba products than others. Agri-food destinations are not equal. E.g., despite Manitoba's closeness to eastern ports and European markets, Manitoba exporters predominately ship red spring wheat through the Port of Vancouver due to the premium price paid by Asian buyers. Market access and development require the work of government, and the province can play a valuable role promoting its agricultural products. Increasing export capacity can come through attending trade shows and missions, establishing trade offices in key countries (e.g., China, Japan, Mexico, and South Korea), and partnering with producers and exporters to better understand their needs.

Address Farmland Ownership Challenges

Manitoba's young farmers report that the largest barrier for entry is farmland access.³ Rising farmland values have made it increasingly more difficult for young/beginning farmers to rent or purchase farmland. For example, over the last 20 years the average cost per acre for farmland in Pembina Valley has risen over 700%.⁴ This has occurred under a context of decreasing farm numbers while the average farm size has increased over the last several decades. According to the Statistics Canada, Manitoba has the highest proportion of young farmers in Canada.⁵ The Government of Manitoba does offer benefits, programs, and training directed towards young farmers. But no provincial program exists that links tax credits to farmland selling or renting with beginning/young farmers. Similar programs have been implemented in Ohio, Minnesota, Iowa, and Pennsylvania. These programs provide landowners an incentive to rent or sell their land to beginning farmers.

Remove Inter-Provincial Trade Barriers

To further economic growth, the strategy should focus on removing provincial trade barriers as a key objective. Manitoba prides itself as the Keystone province—ideally located as a junction between important markets. But Manitoba's location and resources have limited value if inter-provincial trade barriers hinder goods flowing. The Government of Canada reports that removing inter-provincial trade barriers could increase the Canadian economy by \$200 billion.⁶ The number of inter-provincial trade barriers is immense. Several barriers have relevance to agriculture: (1) new farm construction requires National Building Code of Canada adherence while Alberta and Saskatchewan provide an exemption; (2) provincially inspected meat cannot be sold outside Manitoba; (3) licenced professionals (e.g., veterinarians) are limited to working in their registered province; (4) and provincial governments implement the National Safety Code differently across Canada.

³ https://link.springer.com/chapter/10.1007/978-3-031-15233-7_3

⁴ <https://www.fcc-fac.ca/en/reports/2023-historic-farmland-values-report-e>

⁵ <https://www150.statcan.gc.ca/n1/pub/96-325-x/2021001/article/00007-eng.htm>

⁶ <https://www.canada.ca/en/intergovernmental-affairs/news/2025/02/government-of-canada-removing-more-than-half-of-federal-exceptions-to-the-canadian-free-trade-agreement-to-strengthen-interprovincial-trade.html>

Invest in Water Infrastructure

Manitoba's freshwater resources are immense. Yet Manitoba's agricultural water use pales in comparison to other provinces: Alberta has over 1.3 million irrigated acres, Saskatchewan 431,000 acres. Between Quebec and BC's west coast, Manitoba has the lowest irrigated farmland acres.⁷ Water infrastructure has several meanings: irrigation, drainage, culverts, dams, and livestock watering systems. All these systems have immense value for farmers. Dams hold back water and minimize flooding; culverts and drains direct water off farmland; watering systems ensure safe, clean, reliable water sources; and irrigation provides adequate moisture for crops. Whether now or later, farmers will continue to face extreme weather events (e.g., droughts, floods) severely affecting their revenue. In 2011, Manitoba Agricultural Services Corporation (MASC) paid \$326 million in indemnities. Ten years later, MASC paid \$589 million in indemnities. These payments stem from drought and excess moisture.

Water infrastructure investments cost significant money. But the cumulative indemnities for extreme weather events faced by farmers are also costly. Additional investments in water infrastructure not only increase resiliency but also drive productivity and efficiency—farmers benefit. Better by far to make strategic investments in water infrastructure than to rely heavily on insurance-based solutions. Being proactive often betters being reactive.

Research and Innovation

Significant advances in agriculture do not occur without research and innovation. Research and innovation affect sustainability, economic growth, food security, productivity, and economic growth. Farmers not only face increasing pressure to produce commodities more sustainably but also aim to produce increased volumes (e.g., bushels, heads of livestock) while using the same land base. Canadian agriculture has large potential as highlighted in the 2017 Barton Report. But Canadian public funding in agricultural research has been decreasing over the past 30 years.⁸ Plus, Canada ranks 19th among OECD countries when reviewing R&D gross domestic spending as a GDP percentage.⁹ Significant Canadian agricultural research and innovation successes have occurred. Soybean development at the University of Manitoba created varieties adaptable to Manitoba's climate. And in Winnipeg, Dr. Baldur Stefansson created the first low erucic acid, low glucosinolate cultivar—a plant later named canola. Research and innovation dollars should not stagnate but increase. Previous successes have shown the benefits for consumers, government, and farmers.

Thank you for the opportunity to provide feedback on Manitoba's economic development strategy. If you have any questions about this letter, please contact KAP policy manager, Neil Van Overloop, at neil.vanoverloop@kap.ca.

Sincerely,



Colin Hornby

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⁷ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3810024101>

⁸ <https://www.aic.ca/publications/an-overview-of-the-canadian-agricultural-innovation-system/>

⁹ <https://www.oecd.org/en/data/indicators/gross-domestic-spending-on-r-d.html>