

# Strengthening Agricultural Sustainability through Economic Considerations in Regulatory Frameworks

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## Issue:

The increasing complexity and cost of regulatory changes by CFIA and PMRA are disproportionately burdening agricultural producers, particularly small and family-owned operations. This is leading to the closure of many operations, threatening both food security in Canada and the broader agricultural economy.

Without considering the economic impact, these regulations risk undermining the sustainability of the agriculture sector and diminishing Canada's capacity to feed its population.

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## Background:

Canada's agriculture and agri-food sector contributes significantly to the national economy, providing 2.3 million jobs and contributing \$143.8 billion—or 7.4%—to GDP<sup>76</sup>. Ensuring the sector's continued competitiveness is essential for long-term prosperity and addressing food security concerns within the Canadian population, as well as the rest of the world Canadian agriculture supplies to.

However, the current regulatory framework often overlooks the economic challenges faced by agricultural producers. Policies focused solely on health and safety concerns, without considering the financial feasibility of implementation, are placing undue strain on small operators and risking the closure of vital food production operations.

Adopting an economic impact assessment for all agricultural regulations should mandate that the agencies evaluate both the short-term and long-term costs to producers, especially smaller operations, and identify whether these regulations can be implemented without significant financial hardship. To successfully ensure significant financial hardship does not occur with stakeholders, especially those of small family farms, the policies should be shaped with input from those who will be directly impacted by them.

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<sup>76</sup> <https://chamber.ca/policy-matters-advancing-canadas-agriculture-and-agri-food-sector/>

Ensuring that producers' needs and concerns are heard will create more practical, cost-effective regulations that support the long-term sustainability of the sector. Adding in the necessity of an economic lens into the Values and Ethics Code of the Public Service<sup>77</sup> will require that new regulations affecting the agricultural sector must ensure minimal economic disruption to producers.

By incorporating economic considerations into the regulatory process, the Government of Canada can protect both the financial stability of agricultural producers and the security of our food systems. These actions will help ensure that Canada remains a global leader in agriculture while preserving the viability of the family farms and smaller operations that form the backbone of our food supply.

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**The Alberta Chambers of Commerce recommends that the Government of Canada:**

1. Integrate Economic Considerations into the Public Service Values and Ethics Code by amending the Values and Ethics Code of the Public Service to include “Economic values and impact”;
2. Require a Comprehensive Economic Impact Assessment for All Agricultural Regulations before implementing new regulations; and,
3. Consult with small scale to large scale agricultural and agri-food industry producers, operators, industry representatives and post-secondary institutions before implementing new regulations and to assess existing regulations to address economic impacts and unintended consequences such as increased cost and compliance burdens.

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<sup>77</sup> <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=25049>