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OPINION

Investing in the future of Canadian agriculture: a strategic imperative

Bold investment in agriculture and agri-food innovation can restore Canada's global leadership and drive economic growth.

Trevor Heck

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A soybean harvest in Manitoba in 2019. *Photograph courtesy of Syngenta Canada*

While Canada grapples with its economic uncertainty, one of our most powerful growth engines sits overlooked. Agriculture and agri-food—a sector that contributes $150-billion annually to our GDP and employs 2.3-million Canadians—isn't receiving the attention it deserves despite outperforming automotive, forestry, and even oil and gas in economic impact. If Canada wants to meet Prime Minister Mark Carney's ambition of being the fastest-growing economy in the G7, it must urgently recognize and invest in this undervalued economic powerhouse.

According to a report by RBC, Canada's global market share in agriculture alone has decreased by 12 per cent since 2000, while competitors like Brazil and Australia have gained ground in fast-growing markets. I witnessed first-hand how agriculture and agri-food can be prioritized when I traveled to Brazil earlier this year, seeing farmers, industry, and government working shoulder to shoulder to advance the sector.

What's needed in this country is clear: a focused strategy that brings together government and stakeholders to prioritize investments in the sector. This approach will directly support Canadian agriculture while driving progress across multiple national objectives: expanding our export markets and building our reputation as a reliable trading partner; establishing leadership in innovation; and bringing down the cost of food for Canadians.

A key reason Canada is losing ground on the world stage is that our agricultural research and development (R&D) spending is falling behind. It dropped from $0.86-billion in 2013 to $0.68-billion in 2022—ranking us last among the top seven OECD countries. We risk falling further behind without decisive action.

The government should prioritize creating a more attractive climate for private investment in agriculture. First and foremost, this includes bringing predictability and agility to our regulatory system, which will provide confidence for investors. While tax incentives for companies to invest in R&D for all sectors (e.g., SRED tax credits) are available, agriculture-specific tax provisions could better promote technology development and adoption. Bringing together farmers, scientists, and other sector stakeholders to co-develop and test innovative technologies and on-farm practices is critical. This will help foster adoption with technologies that are scalable and proven in the field.

The potential return on investment in agriculture is staggering; research by the Australian Bureau of Agricultural and Resource Economics and

Sciences shows that every dollar invested in agricultural R&D generates an almost eight-dollar return for farmers over 10 years.

Having worked in crop production my entire career, I've witnessed how investment in plant science innovation and new technologies, including artificial intelligence (AI), can transform the sector's productivity and competitiveness. Plant breeding innovations and crop protection products help Canadian farmers grow more on existing land, while AI can unlock enormous amounts of information to help growers make smarter crop choices and protect their fields.

In 2023, Farm Credit Canada (FCC) published a report that shows that this country's crop productivity growth peaked in the 2000s at an annual average rate of 2.9 per cent, but has since fallen to one per cent, with the decline projected to continue. This isn't just a statistic—it represents a direct threat to our food security, export potential, and economic prosperity. At the time of the report, FCC's chief economist, J.P. Gervais, said: "Developing innovative solutions, adopting new technology, and leveraging data and insights can boost productivity growth and pay off in a big way for Canadian farms."

Canadian growers are doing their part—they've long been at the forefront of technology adoption. The government should recognize agriculture and agri-food as the strategic sector it truly is by implementing a comprehensive strategy with three elements: fostering an attractive environment for private investment, streamlining regulatory processes to accelerate innovation access, and creating agriculture-specific tax incentives for R&D investment.

I urge policymakers to make agriculture and agri-food a cornerstone of Canada's economic strategy. Now is the time for bold thinking and swift action.

Trevor Heck is president of Syngenta Canada.

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