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For immediate release

CANADIAN FOOD SECTOR CALLS ON GOVERNMENTS TO ACT ON FOOD SOVEREIGNTY AS GLOBAL PRICE INCREASES HIT CANADIAN PROCESSORS

[VANCOUVER, BRITISH COLUMBIA - May 7, 2026] - A wave of cost increases driven by the largest oil supply disruption in modern history is moving toward Canadian food and beverage manufacturers.

Canada's small and medium processors, who make up 91% of the sector, hold just 15 to 18% of the domestic market and are entering this period with rising input costs and no meaningful targeted federal or provincial support. The federal government's May 4 announcement of \$1.5 billion in tariff-response measures provides important relief for steel, aluminum, and export-focused manufacturers, but does not address the global price pressures hitting Canadian-owned food and beverage processors.

The Small Scale Food Processors Association (SSFPA) is calling on federal and provincial governments to recognize Canadian-owned food producers as critical food sovereignty infrastructure, and to act now with coordinated investment, regulatory reform, and direct financial relief.

More than 8,000 Canadian-owned micro, small, and medium food manufacturers act as the backbone of the sector. They produce food sold in farmers' markets, independent retailers, and specialty channels across the country. They are also the businesses most capable of sourcing locally and feeding their communities when global supply chains break.

"Ninety-one percent of Canadian food manufacturers are small businesses," said Aaron Davis, SSFPA Executive Director. "They produce 15-18% of the food Canadians buy, not because demand isn't there, but because the system isn't built for them."

A growing gap between policy and reality

In January, Prime Minister Mark Carney stated at the World Economic Forum that a country must be able to "feed itself, fuel itself, and defend itself." Yet Canada's Defence Industrial Strategy released by the federal government in February identified key sovereign capacities without including food, highlighting the growing gap between policy and reality.

SSFPA is asking federal and provincial governments to align policy with that very principle, by investing in the domestic manufacturing capacity required to ensure Canadians can access Canadian-made food in every region.

The price pressures the sector is walking into have not yet been reflected on grocery shelves. The Strait of Hormuz, which carried roughly one-third of the world's oil shipments before this year, has been effectively closed since the spring. The International Energy Agency has called the disruption the largest in the history of the global oil market. Gasoline in Canada surged 21% in a single month in March, the largest one-month increase on record. The World Bank is projecting a 24% jump in global energy prices in 2026 and a 31% jump in fertilizer prices, driven by the cost of natural gas. Fuel and fertilizer move every ingredient, every pallet, and every finished product for every food and beverage manufacturer in this country.

"These food processors are told they are essential and then left to figure it out alone," said Davis. "If they cannot survive what is coming, the people who feed Canada are going to end up in the same food bank lines as the people they were supposed to feed."

What SSFPA is calling for

SSFPA is urging coordinated federal and provincial action in four key areas:

1. Direct financial support (Federal)

- Dedicated non-repayable relief funding for Canadian-owned processors
- Existing tariff-response programs, including the May 4 \$1.5 billion package, are not designed for food manufacturing cost pressures
- Small businesses cannot take on more debt to absorb global price shocks

2. Infrastructure investment (Federal and Provincial)

- HACCP-certified shared-use manufacturing facilities across all regions
- Investment in cold storage, co-packing, and distribution networks
- Capital invested in production capacity, not in advisory services

3. Market access reform (Federal)

- Enforce equitable access to retail markets
- Address concentration in grocery distribution
- Set a national target: at least 30% domestic market share for Canadian-owned processors

4. Interprovincial trade and procurement (Provincial)

- Standardize labelling and regulatory requirements across provinces
- Remove barriers that prevent Canadian-made products from being sold nationally
- Prioritize Canadian-owned processors in public procurement

A sector ready to scale, if conditions change

Small and medium processors already exist in every region of the country. They are producing, employing, and supplying local markets. What they lack is access to infrastructure, to markets, and to coordinated policy support. SSFPA represents a growing national network of manufacturers, partners, and organizations working to change that.

"The sector is ready. The strategies are ready," said Davis. "Together, we feed Canada. We need governments at the table now."

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About the Small Scale Food Processors Association

The Small Scale Food Processors Association (SSFPA) is Canada's only national organization representing micro, small, and medium food and beverage manufacturers. SSFPA supports more than 8,000 Canadian-owned businesses producing food sold in communities across the country. *We Feed Canada is SSFPA's national rallying call for food sovereignty, led by and for the Canadian-owned small and medium food and beverage manufacturers who feed this country.*

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