

Manitoba Agri-Food Business Market Development & Trade Strategy Survey

Project Overview

The Manitoba (MB) Government is developing a provincial economic development strategy to support MB companies foster employment, and enter, expand and diversify domestic and international markets.

Manitoba Agriculture (AGR) engaged agri-processors through the EngageMB portal to ensure that the agri-food industry perspectives are included in the future strategy.

Engagement Overview

On January 27, 2025, an invitation to participate in the survey was sent to 118 small, medium and large agri-food businesses in MB. The invited participants were selected based on company size (sales revenue), domestic and/or international trade experience and interest in expanding into new markets or existing markets outside of MB. The survey closed on February 7, 2025. A total of 38 small and medium sized businesses completed the survey.

Objective:

Improved agri-food industry economic development by fostering employment and entering, expanding and diversifying markets by identifying the:

- the types of agri-food products that are or will be interprovincially and internationally traded by market within 5 years
- the types of market development and trade activities that agri-food business plan to participate in to enter and expand interprovincial and international markets
- the role that the provincial and federal government should play in market development and trade.

What We Heard

Distribution of Domestic, United States (U.S.), International Exports from MB Companies

This survey captured responses from 38 small and medium sized businesses, with participation relatively evenly distributed between participants who market exclusively in Canada (12 participants), in Canada and the U.S. (12 participants), and in Canada, the U.S., and internationally outside the U.S. (10 participants). Four participants exclusively sell in MB.

Company Size	Company Annual Revenue (000's)*	% of Companies by Size
Micro	\$0.0 - \$29.9K	0.0%
Small	\$30.0K - \$5.0M	55.3%
Medium	\$5.1M - \$20.0M	44.7%
Large	\$20.1M+	0.0%
Total		100%

*Statistics Canada definition

Company Size	Company Annual Revenue (000's)*	% of Company Sales in Domestic Markets	% of Company Sales in Domestic & U.S. Markets	% of Company Sales in Domestic Markets & International Markets Outside of U.S.	% of Company Sales in Domestic, U.S. and International Markets
Small	\$30.0K - \$5.0M	42.9%	33.3%	0.0%	23.8%
Medium	\$5.1M - \$20.0M	23.5%	29.4%	11.8%	35.3%
Total		66.4%	62.7%	11.8%	59.1%

*Statistics Canada definition

Respondents stated that they are reliant primarily on Manitoba and Canadian markets for their revenue.

- 72% of respondents' sales revenue comes from a domestic market
- 17% of respondents' sales revenue comes from the U.S.
- 11% of respondents' sales revenue comes from an international market outside of the U.S.
- 34% of respondents who identified marketing their products in the domestic market recorded 25% or less of their revenue coming from this market.
- 11.5% of respondents who identified marketing their products in the U.S. recorded 25% or less of their revenue coming from this market.
- 7.7% of respondents who identified marketing their products internationally outside of the U.S. recorded less than 25% of their revenue from this market.

	% of Small and Medium-Sized Business Sales Revenue by Market				
Market	0-25%	26-50%	51-75%	76%+	Total %
MB	18.3%	3.8%	7.7%	8.7%	38.5%
Canada	16.3%	4.8%	5.8%	6.7%	33.7%
U.S.	11.5%	3.8%	1.9%	0.0%	17.3%
International Outside of the U.S.	7.7%	1.9%	0.0%	1.0%	10.6%
Total	53.8%	14.4%	15.4%	16.3%	100%

Business Interest in Expanding Markets

In general, respondents were interested in expanding into new or existing markets into one or more Canadian, U.S., and/or international (outside U.S.) market.

When asked to identify markets for future diversification, respondents stated:

- Domestic: Western Canada (comprising of Saskatchewan, Alberta, and British Columbia), Ontario, and Quebec were identified as top priorities.
 - 78% of respondents who expressed a desire to enter or expand into Canadian markets stated they would like to do so within the next year.
- International markets outside the U.S.: Europe, Mexico, Asia, and the Middle East were identified as top priorities.
 - 25% companies stated that they plan on expanding agri-food product sales into international markets within the next year.

Respondents identified grain, oilseeds, and processed foods¹ as major products to be traded in domestic, U.S., and international markets (outside of U.S.) over the next five years.

How do businesses approach entering/expanding markets?

Respondents identified B2B trade shows, and trade missions as their main methods to enter markets and/or expand market share for their products. Respondents stated that that government has a role to play in market access, market development opportunities and funding opportunities.

Impact of Potential U.S. Tariffs on Respondents

The U.S. remains a key market for companies, with 15 companies planning to expand into the U.S. within the next two years, and seven planning to do so within the next year. Respondents have identified concerns over potential declines in sales revenues, sales contracts, and gross margins and a decrease in products exported to the U.S. should the U.S. increase tariffs on agri-food products.

¹ Processed products include bakery, prepared appetizer, entrée and/or side dish alcoholic and non-alcoholic beverages, petfood, meal replacement, protein ingredient, starch and/or fibre, condiment, sauce, topping and/or syrup and snack food.

Respondents identified the following actions for the government:

- Negotiate with U.S. for tariff reductions or exemptions
- Improve infrastructure to support global market access
- Facilitate Market diversification initiatives
- Develop tax incentives for agri-food exporters

It is noted that this survey was conducted during the tensions around the U.S. enacting tariffs onto Canada, but before additional pressures from China.

Next Steps

AGR will work directly with Manitoba Business, Mining, Trade and Job Creation (BMTJC) to discuss this report and potential incorporation into the Manitoba economic development strategy.

Questions?

If you have questions or comments regarding this What We Heard Report, please contact:

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