

Agribusiness in Québec



Québec is among the key agri-food hubs in North America. Its recognized expertise in food processing and dynamic innovation ecosystem foster investment and business growth in the sector.

Its geographical location is another factor contributing to its appeal. Its transportation infrastructure and Canada's numerous trade agreements make it a strategic gateway for companies seeking to expand beyond their home market.

Like any jurisdiction, Québec has certain regulatory requirements and considerations that should be taken into account when planning a project. This fact sheet outlines the key factors likely to affect the establishment of or investment in an agri-food business and the marketing of agri-food products in Québec.

A Shared Regulatory Framework

The agri-food sector is regulated by both the government of Québec and the government of Canada. Each has jurisdiction over specific areas, meaning that certain activities may be subject to provincial requirements, federal requirements, or both.

In Québec, the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec (MAPAQ) plays a central role in overseeing the sector. The Ministry administers a wide range of laws and regulations affecting, among other things, agricultural production, food processing, food safety, the protection of agricultural land, aquaculture and the marketing of products.

The federal government is primarily involved in areas related to the movement of food across the country and beyond Canada's borders. Importing, exporting and interprovincial trade are also governed by the *Safe Food for Canadians Act* and its regulations, administered by the Canadian Food Inspection Agency (CFIA).

For companies looking to do business in Québec, understanding this division of responsibilities will help them quickly identify the applicable requirements and avoid unnecessary steps.

Foreign Investment

Foreign companies considering acquiring a Canadian business or establishing a presence in Québec must consider the *Investment Canada Act*. This federal law regulates investments made by non-Canadians and, depending on the nature and value of the transaction, provides for a notification or review process administered by Innovation, Science and Economic Development Canada (ISED).

Certain significant investments may be subject to a review to determine whether they are likely to be of net benefit to Canada. The applicable thresholds vary based on factors including the investor's country of origin and status. For many investors from countries that have a trade agreement with Canada, including European Union member states, these thresholds are particularly high.

Even for investments falling below these thresholds, reporting obligations may apply. Direct acquisitions of control of Canadian businesses, as well as many indirect acquisitions, generally require notifying federal authorities.

Agricultural Land: A Protected Resource

One feature that distinguishes Québec from several other North American jurisdictions is its protection of agricultural land.

The *Act respecting the preservation of agricultural land and agricultural activities* aims to protect arable land and ensure the long-term viability of agricultural activities in Québec. The Act specifically regulates certain land uses in agricultural zones and assigns a central role to the Commission de protection du territoire agricole du Québec (CPTAQ).

Foreign investors must also navigate the rules governing the acquisition of agricultural land. Under the *Act respecting the acquisition of farm land by non-residents*, authorization from the CPTAQ may be required in certain circumstances. Projects targeting land or buildings located in agricultural zones therefore warrant special attention.

Food Safety: The System's Foundation

Food safety is the cornerstone of Québec's agri-food regulatory framework.

Québec's *Food Products Act* prohibits, among other things, the sale, distribution or transport of products intended for human consumption whose safety is uncertain or that do not comply with applicable legal requirements. This Act also imposes obligations on food business operators regarding cleanliness, hygiene, equipment, product handling and risk management.

Companies must also be able to ensure the traceability of their products and, if necessary, withdraw or recall them. These requirements aim to strengthen consumer confidence and ensure the integrity of the food chain.

Permits and Authorizations: An Approach Tailored to Specific Activities

Regulatory requirements vary depending on the type of activity. Québec legislation includes permit and authorization requirements for activities related to the processing, preparation, storage, distribution and sale of food products. Specific rules also apply to certain sectors, such as meat, seafood, dairy products, or food service establishments.

Important

An agri-food business's regulatory obligations do not depend solely on the products it markets. They also vary depending on the target markets, processing locations, distribution channels used and activities conducted in Québec and elsewhere in Canada. An agri-food business that imports a finished product and distributes it in Québec is not subject to the same requirements as one that processes food for the Canadian market as a whole.

Certain products are also subject to Canada's supply management system, which applies to sectors such as dairy, chicken, turkey and eggs. This system is based on mechanisms for controlling production, managing imports and allocating quotas. For foreign companies looking to acquire a Canadian business, invest in production, or expand in these sectors, this is crucial when assessing projects.

Importing, Exporting and Selling Elsewhere in Canada

Companies that want to market their products outside Québec must also consider the requirements that apply to trading food products interprovincially and internationally.

When food is imported into Canada, exported from Canada, or sold between provinces, specific federal rules may apply. Depending on the nature of the business activities conducted, a licence issued by the CFIA may be required. The requirements include food safety, traceability, preventive controls, labelling and product compliance.

Labelling: A Tool to Ensure Compliance and Consumer Trust

A product's label is often the first point of contact between a company and its consumers.

In Canada, food labelling rules allow consumers to distinguish between products, make informed choices and obtain accurate information about their content. The rules may require labels to include information about ingredients, allergens, nutritional value, product claims, or the product's origin.

In Québec, these requirements must also comply with the linguistic obligations set out in the Charter of the French Language, including the requirement that mandatory consumer information be available in French.



For companies distributing the same products across multiple jurisdictions, careful planning helps ensure that labelling solutions are tailored to all target markets.

Sustainability, Packaging and Circular Economy

Environmental considerations are becoming increasingly important in the agri-food sector.

An example is Québec's application of the principle of extended producer responsibility. Under this approach, certain companies that place products on the Québec market may be required to contribute to managing their products or related packaging at the end of their life cycle. In the agri-food sector, these requirements primarily affect the packaging and containers used when marketing products.

Depending on the nature of the products marketed and the volumes involved, certain obligations may apply regarding reporting, funding, or participation in recovery and recycling systems. These mechanisms aim to encourage waste reduction, packaging optimization, and the adoption of practices promoting a circular economy.

Innovation, Support and Government Assistance

Québec benefits from a well-established agri-food ecosystem that brings together research centres, educational institutions, sectoral organizations, accelerators and incubators, and innovation support programs. Companies can find partners there to support their research, automation, commercialization, productivity improvement and the adoption of sustainable practices.

The province also has a workforce with recognized expertise in agri-food science and technology, food processing, and digital technologies applied to production. This combination of know-how, guidance and public support helps create an environment that fosters innovation and supports business development and growth in the sector.

How Can Fasken Help You?

For over 50 years, we have advised companies operating in the agri-food sectors in Québec and across Canada. Thanks to our in-depth knowledge of the sector, its stakeholders, and its business environment, we help our clients make informed decisions and realize their projects in Québec.



Whether you are establishing operations, making an investment, acquiring a company, or commercializing new products, our team can support you at every stage of the process. We work closely with you to anticipate the requirements that apply to your business activities, obtain the required authorizations, and implement structures tailored to your business objectives.

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