Rethinking Buy Canadian

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Rising costs, regulatory burdens, and labour shortages have long challenged the stability of Canada's food, health, and consumer product manufacturing sector.

U.S. tariffs on Canadian imports add another layer of uncertainty, testing the ability of businesses to invest, expand, and create jobs in Canada. At the same time, reactionary calls to "buy local" at the expense of foreign investment oversimplify Canada's deeply interconnected supply chains and risk undermining the very industry they aim to support. The reality is clear: Canada's manufacturing sector thrives on a mix of local and global investment to remain competitive, sustain jobs, and ensure product availability.

Canada and the United States share one of the world's most integrated trade relationships, with supply chains developed over decades to facilitate seamless movement of goods. This interdependence fuels economic growth and ensures Canadians have access to a diverse range of high-quality products. Multinational manufacturers are not just sellers in Canada—they are employers, innovators, and critical contributors to our economy.

Consider Kraft Heinz Canada's one-million-square-foot facility in Mont Royal, Que., which employs more than 1,000 workers producing staple products that line the fridges and shelves of Canadian families— including Kraft Peanut Butter, Philadelphia Cream Cheese, and Heinz Ketchup. The facility also supports Canadian agriculture as Ontario's largest tomato purchaser, sourcing tomatoes from Leamington, Ont.

Similarly, Kenvue has a significant manufacturing footprint in Canada, which plays an important role in the company's global supply chain network. Hundreds of Canadians work to produce many essential, over-the-counter healthcare products—including Tylenol, Motrin, Benylin, and Sudafed —that serve the needs of consumers in Canada and around the world.

These investments are part of a broader trend: foreign direct investment in Canada's food manufacturing sector grew by $5.5 billion in 2023, while U.S. direct investment in Canada's food industry remains particularly strong, averaging $5.4 billion annually between 2021 and 2023. These are not foreign operations siphoning value from Canada—they are companies deeply invested in Canadian jobs, communities, and supply chains.

Calls to boycott multinational brands based purely on ownership fail to recognize the significant role these companies play in Canada's economy. The food, health, and consumer goods industry is Canada's largest manufacturing sector—bigger than automotive and aerospace combined— yet government investment in agri-food manufacturing remains disproportionately low. Prioritizing domestic ownership over domestic production risks limiting competition, reducing product diversity, and discouraging investment in an already highly regulated operating environment. Foreign investment is not a threat to Canadian manufacturing—it is a pillar of its success.

At the same time, consumers must take a more informed approach to the "Buy Canadian" movement. The focus should not be on who owns a company, but on where products are made, who they employ, and how they contribute to Canada's economic security. A key step in aligning consumer choices with domestic manufacturing is understanding the difference between "Product of Canada" and "Made in Canada" labelling claims—terms regulated by the Canadian Food Inspection Agency and Competition Bureau for food and non-food items, respectively.

A "Product of Canada" label means that all or virtually all (98%) major ingredients, processing, and labour come from within Canada. The only exceptions are minor ingredients that generally cannot be sourced domestically, such as vitamins or spices. By contrast, a "Made in Canada" claim applies when a product undergoes its final, substantial transformation within Canada, even if some ingredients are globally sourced. In these cases, the label must also include a qualifying statement, such as "Made in Canada from domestic and imported ingredients" or "Made in Canada from imported ingredients," to provide further clarity.

It's time to move beyond rhetoric that paints foreign manufacturers as adversaries to Canada's economic interests. Many raw ingredients must be sourced globally, but they are processed, assembled, and packaged in Canadian facilities by Canadian workers. The real measure of support for Canada's manufacturing sector should be production and employment—not nationalism.

Trade uncertainties make it all the more critical to build a resilient, self-sufficient food and consumer goods manufacturing sector. By prioritizing policies that welcome investment, remove barriers to growth, and ensure domestic production remains viable, Canada can maintain a strong, competitive industry that benefits workers, businesses, and consumers alike.

The path forward is clear: let Canada's makers make. It's not about where a company is headquartered—it's about ensuring that high-quality, affordable essentials are made here, by Canadians, for Canadians.

POLICYMAKERS MUST TAKE DECISIVE ACTION:

- Champion Affordability and Supply Chain Stability: Eliminate unnecessary taxes, fees, and policies that drive up costs and disrupt product availability.
- Cut Excessive Red Tape: Remove outdated regulations that add costs without delivering meaningful benefits to consumers or businesses.
- Encourage Investment and Growth: Foster a business climate that attracts capital, removes interprovincial trade barriers, and secures supply chains for essential products.