CM&E

CANADIAN MANUFACTURERS & EXPORTERS

MANUFACTURING MANITOBA'S FUTURE

LEVERAGING MANITOBA'S MANUFACTURING SECTOR TO DRIVE ECONOMIC GROWTH

NOVEMBER 2025

HELPING MANUFACTURERS GROW

In Manitoba and across Canada, Canadian Manufacturers & Exporters (CME) is unequivocally the voice of manufacturing. For more than 150 years, CME has been shaping the future of Canada's manufacturing and exporting communities and helping them grow. The association directly represents more than 2,500 leading companies nationwide. More than 85 percent of members are small and medium-sized enterprises. CME's membership network accounts for an estimated 82 percent of total manufacturing production and 90 percent of Canada's exports.

In addition to advocacy, CME provides supports in the areas of Lean and Productivity, Workforce Development, Advanced Manufacturing, Trade and Business Development, Safety and more.

Learn more about us and our initiatives at **CME-MEC.CA**

THE COMPANY WE KEEP

By manufacturers, for manufacturers, CME represents every subsector and companies of all sizes. Our membership is hundreds strong, led by an advisory board of leading manufacturing firms based in the province. This board represents a cross section of manufacturing and demonstrates CME's role as the definitive voice of manufacturing. Special thanks to these companies for believing that a strong Manitoba can and must have a strong manufacturing sector at its heart.

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INTRODUCTION

Message from Jillian Einarson
Head of Policy and Government Relations, Prairies
Canadian Manufacturers & Exporters

Manufacturing is the backbone of Manitoba's economy. It drives innovation, creates high-quality jobs, and fuels the growth of communities across the province. From small, family-owned operations to global exporters, manufacturers build the products that keep Manitoba moving forward.

Manufacturing Manitoba's Future was created to chart a path toward a stronger, more competitive, and more innovative manufacturing sector. The goal of this initiative was to listen directly to manufacturers, to understand their challenges, capture their ideas, and work together to build practical solutions that will strengthen Manitoba's economy for years to come.

Over two months, we held seven roundtable sessions across the province, meeting with participants from 44 organizations. These discussions were open, collaborative, and solutions-focused, reflecting the strength of Manitoba's manufacturing community and the importance of working together to create real change. The insights shared through these sessions formed the foundation of this report and have directly shaped the recommendations we are bringing forward.

The results are significant. The findings of Manufacturing Manitoba's Future highlight both the opportunities and the barriers facing our sector and the critical steps we can take to ensure that manufacturers in Manitoba continue to grow. This report reflects not just the state of our industry today, but the collective vision for what it can become tomorrow.

Thank you to Loewen Windows, Mandako Agri Marketing, and Kroeker Farms for opening their doors and hosting us during the consultation process. I would like to sincerely thank Megan Hoskins, Lead, Protein Sector Policy & Communications with CME, for leading the research and writing of this report. I would also like to thank Alan Arcand, CME's National Chief Economist, for his assistance with the economic data and analysis that helped inform this work. Thank you as well to Andrew Wynn-Williams, Divisional Vice President, CME, and CME staff for supporting the engagement process. Finally, thank you to all the manufacturers who participated in the consultations for your time, honesty, insight, and commitment to building a stronger future for Manitoba.

Together, we are shaping the future of manufacturing in Manitoba—and that future is bright.

RECOMMENDATIONS SUMMARY

Workforce and Training

1. **Manufacturing in the Classroom:** Establish a province-wide K–12 program to connect students with modern manufacturing careers through hands-on learning, projects, co-ops, and internships.
2. **Manitoba Manufacturing Skills Partnership Program**: Create a partnership between post-secondary institutions, manufacturers, and industry associations to align curriculum and experiential learning with real-world manufacturing needs.
3. **Streamlined Immigration Pathways for Critical Manufacturing Trades:** Develop a Skilled Trades Fast-Track under the Manitoba Provincial Nominee Program for high-demand manufacturing roles, with employer sponsorship options.
4. **Additional Funding for Training and Up-skilling:** Introduce an Employer Training Tax Credit or expand the Canada-Manitoba Jobs Grant to support workforce upskilling in advanced manufacturing technologies and leadership skills

Competitiveness and Taxation

1. **Manitoba Manufacturing Reinvestment Tax Incentive:** Provide tax deferrals or rebates for manufacturers reinvesting profits into workforce training, technology, or facility modernization.
2. **Family Succession Planning:** Advocate for federal reforms to reduce or defer capital gains taxes on intergenerational transfers of manufacturing businesses to support family-owned operations.
3. **Strengthen Manitoba's Tax Competitiveness for Manufacturers:** Explore measures to reduce tax barriers and align Manitoba's tax environment with other competitive provinces and U.S. jurisdictions to encourage investment and growth.

Investment and Growth

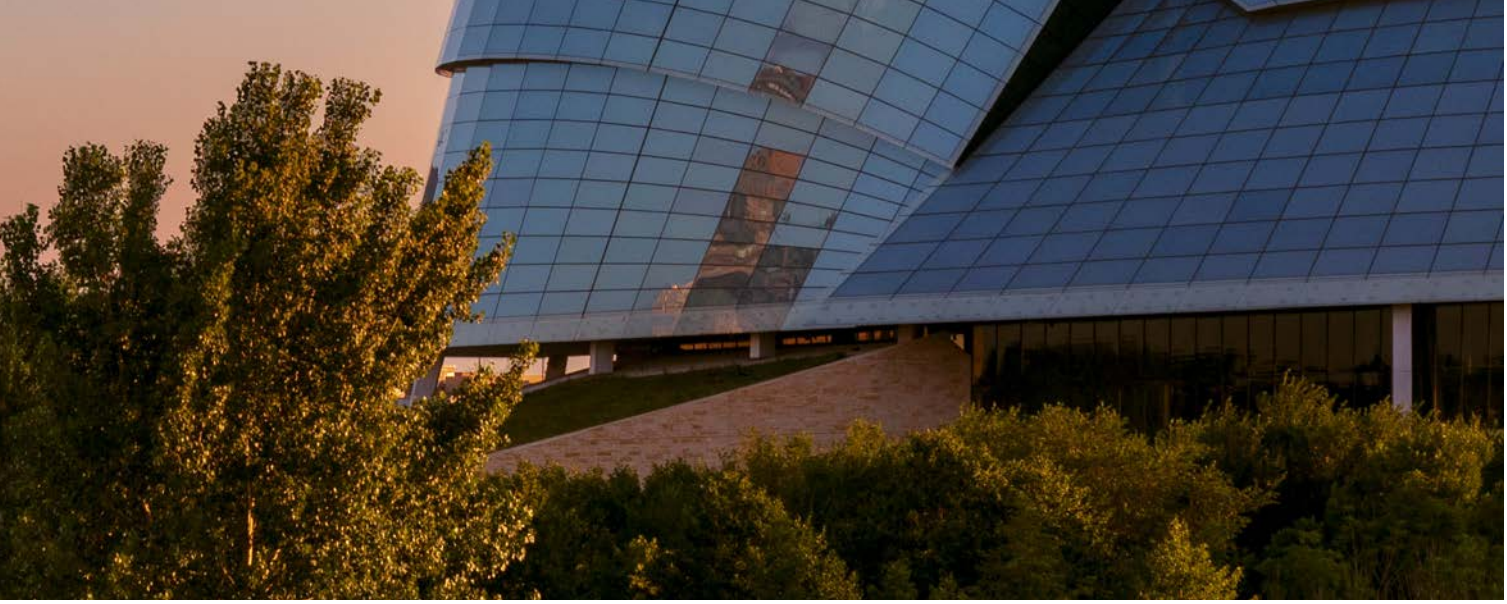
1. **Grant & Incentive Hub:** Create a centralized platform for all provincial business grants, loans, and incentives, including support staff to help navigate programs.
2. **Maintain Funding for the Made-in-Manitoba Program:** Ensure ongoing support for marketing and promotion of locally made products to expand market access and visibility.
3. **Manitoba Manufacturing Productivity Grant (MMPG):** Offer matching grants to SMEs for adopting automation, robotics, AI, and other productivity-enhancing technologies, including readiness assessments.
4. **"Buy Canada" Public Procurement:** Implement provincial procurement policies prioritizing Canadian-made goods where quality, price, and delivery standards are met.

Red Tape and Regulatory Efficiency

1. **Streamlined Hydro Access and Industrial Capacity Planning:** Review Manitoba Hydro's industrial connection processes to reduce delays, improve communication, and provide predictable timelines for industrial electricity access.
2. **Harmonized Inter-Provincial Standards:** Lead efforts to align provincial standards, permits, and certifications to reduce regulatory barriers for manufacturers.
3. **Centralized Regulatory Support Hub for Industry:** Create a one-stop hub for regulatory guidance, approvals, and compliance support to simplify navigation of provincial and federal regulations.

Protein Sector Focus

1. **Modernizing Canada's Regulatory Framework for Food Ingredients and Novel Products:** Advocate federally for faster, predictable, and transparent approval processes for new protein products, including low-risk pathways similar to the U.S. GRAS model.
2. **Flexible Agricultural Parcel Sizes and Expanded Exemptions:** Allow municipalities flexibility on agricultural parcel sizes or expand exemptions to better support protein and value-added operations.
3. **Industry-Driven Applied Research Partnerships for Protein Manufacturers:** Establish a fund to encourage collaboration between protein manufacturers, post-secondary institutions, and researchers to align applied research with industry needs



MANITOBA'S ECONOMIC SITUATION

Manufacturing remains one of Manitoba's key economic drivers, accounting for a significant share of provincial GDP, employment, and exports. The sector's strength amplifies across supply chains, supporting thousands of indirect jobs and underpinning activity in transportation, logistics, retail and professional services.

Impact of Manufacturing

	Canada	Manitoba
Number of establishments (Dec. 2024)	95,725 51,808 with employees	2,493 1,397 with employees
Total manufacturing sales	$852.4 billion	$26.9 billion
Share of total GDP	9.2%	9.6%
Direct employment	1.849 million	71,800
Average weekly earnings	$1,341	$1,250
Wage premium	6.4% above the all-industry average	9.3% above the all-industry average
Exports (% share of total)	$466.9 billion (59.8%)	$13.9 billion (66.6%)
Investment intentions (2024)	$38.4 billion	$864.2 million

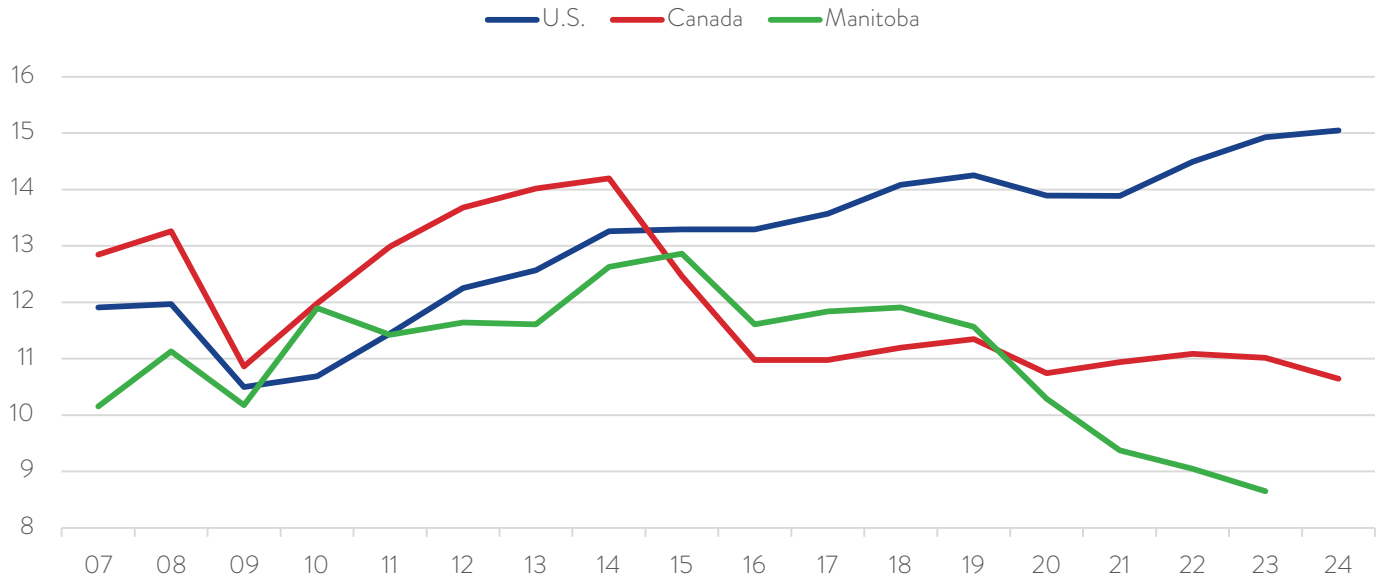
Source: CME, Statistics Canada.

Manufacturing contributes roughly one in every ten dollars of provincial GDP, and employs over 71,800 Manitobans.

INVESTMENT PERFORMANCE

A key structural issue for Manitoba is its chronic underperformance in private investment. Since the collapse of oil prices in 2014, Canada's overall non-residential business investment has fallen sharply relative to the United States. That gap has widened to a record high in 2024, and the divergence is even more pronounced in Manitoba.

Non-residential Business Investment as a share of GDP (%)



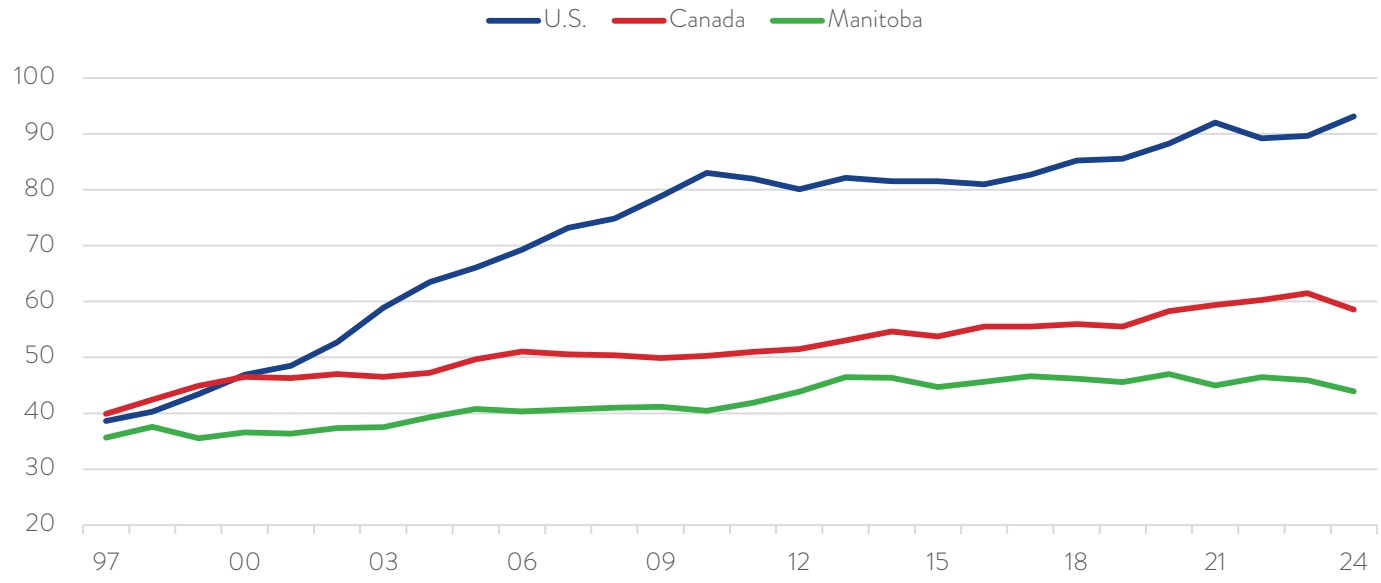
Source: Statistics Canada, U.S. Bureau of Economic Analysis

PRODUCTIVITY AND LIVING STANDARDS

Productivity remains the defining challenge for Manitoba's competitiveness. When translated to living standards, Manitoba's real GDP per capita ranks 59th out of 63 jurisdictions across Canada and the United States, leaving the province near the bottom of both Canadian provinces and the majority of U.S. states. GDP per capita serves as a broad indicator of overall living standards, reflecting the combined effects of productivity, investment, and labour market performance.

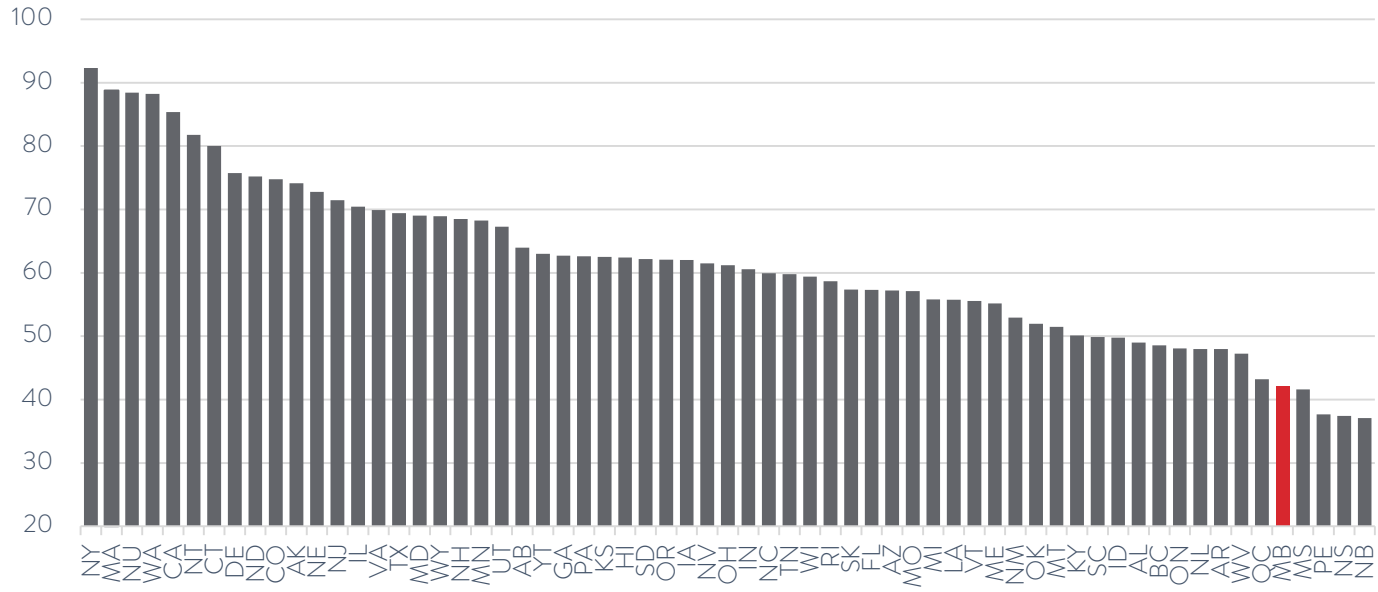
This gap is not due to lower work effort or population dynamics, it's primarily a capital and productivity story. Manitoba firms operate with fewer resources and lower technology adoption, which limits efficiency gains and, ultimately, per capita income growth.

Labour Productivity in Real GDP per Hour Worked



Source: Statistics Canada, U.S. Bureau of Economic Analysis, CME.

Real GDP Per Capita in 2024 (US$, 000s)



Source: Statistics Canada, U.S. Bureau of Economic Analysis, CME.

Manitoba ranks 59th out of 63 jurisdictions, placing its living standards on par with those of Mississippi.

CONCLUSION

Manitoba's economic fundamentals remain strong, but the province faces clear structural challenges. Weak private investment, lagging productivity, and heavy reliance on U.S. trade continue to limit growth and income potential. Reversing these trends will require coordinated action between industry and government to create the conditions for capital investment, innovation, and long-term competitiveness. With the right policies and partnerships in place, Manitoba can build a stronger, more resilient economy that supports growth, opportunity, and prosperity across the province.

EXECUTIVE SUMMARY

Manufacturing Manitoba's Future is a provincial strategy developed by Canadian Manufacturers & Exporters (CME) to support growth, innovation, and competitiveness in Manitoba's manufacturing sector. The report draws on insights from seven consultation sessions held in Steinbach, Winnipeg, virtually, and with the CME Manitoba Advisory Board, the Sustainable Protein Board, the Westman Manitoba Operations Council, and the Southern Manitoba Operations Council.

59 participants representing 44 organizations shared their perspectives on the challenges facing the sector and the programs or initiatives that could help it thrive.

PERSISTENT AND URGENT CHALLENGES

Consultations revealed that Manitoba manufacturers face persistent and urgent challenges. Workforce shortages and skills gaps were consistently cited, alongside difficulties accessing capital, adopting new technology, and navigating complex regulations. Rising costs, infrastructure limitations, and barriers to scaling operations were repeatedly mentioned.

MANUFACTURERS WANT TO FEEL HEARD

Beyond identifying challenges, they offered bold ideas to stimulate growth, including innovative workforce development programs, productivity incentives, and strategies to drive growth. They emphasized that these programs and investments must reflect the realities of operating on the shop floor while supporting long-term competitiveness. Across all sessions, a clear message emerged: addressing these challenges is essential not only for individual business success but for the health of Manitoba's manufacturing sector as a whole.

SOLUTIONS

During the consultation process, manufacturers confirmed longstanding issues confronting the sector while highlighting new challenges, such as scaling barriers, infrastructure limitations, and regulatory complexity. Manitoba companies are competing not only with the nation's best, but also with global manufacturers.

To thrive, they need a business environment that supports growth, innovation, and competitiveness. Manufacturing Manitoba's Future provides a clear pathway with actionable solutions organized under five key themes:

1. Workforce and Training
2. Competitiveness and Taxation
3. Investment and Growth
4. Regulatory and Red Tape
5. Protein Sector Focus

NEXT STEPS

CME looks forward to presenting this report to government and engaging with industry partners to implement these recommendations. The consultations highlighted both the challenges and opportunities facing Manitoba's manufacturers. By addressing workforce gaps, reducing barriers to investment, and fostering innovation, Manitoba can build a stronger, more competitive manufacturing sector that is ready for the future.

WHAT WE HEARD

Manufacturers expressed optimism about Manitoba's potential as a hub for manufacturing but also voiced serious concerns about the growing barriers to competitiveness, investment, and workforce growth in our province.

Workforce challenges dominated nearly every conversation. Employers across regions and subsectors reported difficulty finding and retaining skilled workers. Not just in traditional trades such as welding, machining, and industrial mechanics, but also in emerging technical roles like automation, robotics, and production management. Many noted that existing training programs are not aligned with the realities of the shop floor, and that new graduates often lack the applied skills or hands-on experience needed to be productive in manufacturing environments. Members stressed the need for better collaboration between industry and educational institutions to ensure training reflects actual workplace demands.

Participants underscored the importance of early engagement and awareness in developing the next generation of skilled workers. Many suggested that younger Manitobans are unaware of the rewarding, high-tech, and stable career opportunities available in manufacturing. Stakeholders called for stronger partnerships with K-12 schools, more visible outreach programs, and classroom resources that highlight manufacturing as a modern, innovative, and valuable career path.

Manufacturers highlighted the administrative burden associated with accessing training supports such as the Canada-Manitoba Jobs Grant, noting that funding levels and program scope are often too limited to meet current demand.

Several consistent themes emerged throughout Manufacturing Manitoba's Future consultations regarding the challenges and opportunities facing the sector:

- Workforce skill gaps and skilled worker retention.
- Youth engagement and awareness.
- Coordination, accessibility, and support from government programs.
- Manitoba's tax structure, competitiveness, and rising costs.
- Regulatory barriers to business growth and investment.

Manitoba manufacturers are ready to invest, grow, and hire. The sector is calling for bold, practical action to secure a strong manufacturing future.

Another common theme was the lack of coordination and accessibility in government programs. Many companies reported having to dedicate significant internal resources to navigate grants, incentives, and application processes, often finding the programs too fragmented, inconsistent, or narrowly focused. Smaller manufacturers said they struggle to access the same level of support as larger firms with dedicated administrative staff.

Businesses also raised serious concerns about the overall competitiveness of Manitoba. Rising input costs, increasing red tape, and an uncompetitive tax environment were frequently cited as major barriers to growth. They described Manitoba's tax structure as uncompetitive and that it discourages reinvestment in local operations and equipment. The cumulative impact of payroll taxes, property taxes, and capital gains on reinvested earnings were described as major disincentives to expansion, modernization, and job creation. Manufacturers also expressed concern about interprovincial and international trade barriers, particularly the cost impact of tariffs and the slow pace of regulatory alignment between provinces.

Manufacturers consistently raised concerns about the burden of red tape and regulatory complexity. Navigating permits, licensing, and compliance requirements consumes significant time and resources, diverting focus from production, innovation, and growth. Smaller companies, in particular, struggle to access support and navigate programs that are often fragmented, inconsistent, or narrowly focused, creating barriers to investment and expansion. Streamlining regulatory processes and improving program accessibility would allow manufacturers to focus on scaling operations and competing effectively.

Targeted sessions with ProteinMB associates highlighted the unique challenges facing Manitoba's sustainable protein sector. Associates emphasized that while demand for locally produced plant-based and alternative proteins is rapidly growing, regulatory approvals and limited coordination across municipal, provincial, and federal frameworks are slowing product development, restricting market access, and discouraging investment. Participants also pointed to limitations in current land-use planning regulations and a disconnect between post-secondary institutions, researchers, and the sector's needs, underscoring the importance of stronger collaboration to support innovation and growth.

Across all discussions, one message was clear: Manitoba manufacturers are ready to invest, grow, and hire; but they need government to be a collaborative partner in creating a predictable, competitive, and responsive environment that supports that growth. From workforce development and immigration to taxation, innovation, and red tape reduction, the sector is calling for bold, practical action to secure Manitoba's manufacturing future.

WORKFORCE AND TRAINING

Workforce challenges dominated every discussion with manufacturers across Manitoba, emerging as the single most frequently mentioned issue throughout the Manufacturing Manitoba's Future engagement sessions.

Manufacturers described persistent labour shortages at every skill level, from entry-level production workers to highly specialized tradespeople. Many participants said they are operating below capacity because they simply cannot find enough qualified workers, while others noted that high turnover and difficulty retaining staff in both rural and urban settings have only compounded that strain.

The skills gap was a recurring concern, with manufacturers emphasizing that the training and education currently available in Manitoba is often misaligned with the skills needed on modern shop floors. Participants described a disconnect between what post-secondary institutions are teaching and the real-world demands of advanced manufacturing, particularly when it comes to automation, CNC machining, robotics, and quality control. Several members noted that graduates often arrive without sufficient hands-on experience or understanding of how to apply theoretical knowledge in a production environment, forcing companies to invest heavily in retraining or training their own new hires.

Manufacturers also highlighted barriers to recruitment and retention that extend beyond technical training. Many spoke about the challenges of keeping workers in Manitoba, especially younger employees who may be lured to larger markets or other industries with higher wages. Immigration and work permit delays were mentioned repeatedly as

RECOMMENDATIONS

Manufacturing in the Classroom: Establish a province-wide K–12 program to connect students with modern manufacturing careers through hands-on learning, projects, co-ops, and internships; page 13.

Manitoba Manufacturing Skills Partnership Program: Create a partnership between post-secondary institutions, manufacturers, and industry associations to align curriculum and experiential learning with real-world manufacturing needs; page 14.

Streamlined Immigration Pathways for Critical Manufacturing Trades: Develop a Skilled Trades Fast-Track under the Manitoba Provincial Nominee Program for high-demand manufacturing roles, with employer sponsorship options; page 15.

Additional Funding for Training and Up-skilling: Introduce an Employer Training Tax Credit or expand the Canada-Manitoba Jobs Grant to support workforce upskilling in advanced manufacturing technologies and leadership skills; page 15.

key obstacles preventing companies from filling critical positions. Some businesses said they have job offers sitting unfilled for months due to slow federal processing times, while others expressed difficulty navigating complex programs and inconsistent credential recognition for internationally trained workers.

Participants also emphasized the need for more targeted supports and incentives to hire, train, and retain workers. Several suggested expanding programs like the Canada-Manitoba Jobs Grant or introducing new funding streams that help employers offset the cost of upskilling existing staff.

Many manufacturers emphasized the importance of introducing young people to the opportunities available in modern manufacturing well before they enter the workforce. Participants said that by the time students reach post-secondary programs, many have already dismissed manufacturing as an outdated or unattractive career option. To change that perception, manufacturers recommended creating classroom-based programs and outreach initiatives that showcase the innovation, technology, and career diversity within the sector.

Manitoba needs a coordinated, forward-looking approach to workforce development that connects education, industry, and government more closely. Manufacturers want to see practical, hands-on training that reflects real industry needs; incentives that make it easier to recruit and retain skilled workers; and clear, accessible pathways for young Manitobans and newcomers to build rewarding careers in manufacturing. Building out the workforce of the future in this way will not only address today's labour shortages but also strengthen Manitoba's economic competitiveness for decades to come.

RECOMMENDATION 1

Manufacturing in the Classroom

To address Manitoba's labour shortages, skills gaps, and the declining public perception of manufacturing careers, the Province should establish a Manufacturing in the Classroom initiative, a province-wide education and outreach program modeled after the highly successful Agriculture in the Classroom (AITC) program. This initiative would build stronger connections between education and industry by providing students and teachers with hands-on learning opportunities that demonstrate how manufacturing helps fuel Manitoba's economy.

Like AITC, Manufacturing in the Classroom would deliver age-appropriate, curriculum-aligned programming for K–12 students. In the early grades, activities could focus on sparking curiosity and creativity, showing students how everyday products are made and how design, teamwork, and problem-solving come together in modern manufacturing. As students advance, the program would introduce them to emerging technologies such as robotics, automation, and 3D printing through classroom kits, project-based learning, and visits from local industry partners.

At the high school level, the initiative could offer on-the-job experiences, such as short-term co-ops, job-shadowing placements, or summer internships with Manitoba manufacturers. These placements would allow students to see firsthand the wide range of employment opportunities available, from skilled trades and machining to engineering, logistics, design, marketing, and management. Students would gain valuable experience, manufacturers would gain early access to motivated young talent, and communities would benefit from stronger connections between schools and local employers.

To deliver the program, Manufacturing in the Classroom would partner directly with manufacturers, industry associations like CME , post-secondary institutions, educators and government. Together, they could co-develop classroom materials, sponsor field trips, host teacher training sessions, and create digital learning tools such as virtual factory tours or career exploration videos. This partnership model would ensure that educational content reflects the realities of modern, high-tech manufacturing, not outdated perceptions of the industry.

Beyond workforce development, the program would play a critical role in educating Manitoba's youth about the many opportunities within the manufacturing sector. Students would learn that manufacturing is not just about working on a factory floor, it is about innovation, technology, sustainability, and creativity. By showcasing real people, real companies, and real success stories, the initiative would foster a sense of pride in Made in Manitoba products and inspire more young Manitobans to see a future for themselves in manufacturing.

RECOMMENDATION 2

Manitoba Manufacturing Skills Partnership Program

The creation of a Manitoba Manufacturing Skills Partnership Program, held inside of either the department of Business, Mining, Trade and Job Creation or the department of Advanced Education, is recommended to strengthen the connection between post-secondary education and the practical needs of Manitoba manufacturers, ensuring students graduate with the skills and experience required to succeed on modern shop floors.

This program would bring together post-secondary institutions, manufacturers, and industry associations to co-design curriculum, training modules, and experiential learning opportunities that reflect current and emerging industry practices. By integrating real-world industry input directly into the classroom, students would gain a deeper understanding of the technologies, tools, and processes they will encounter in the workforce, while also cultivating a mindset of innovation and problem-solving that will serve Manitoba's broader economy. The program is inspired by similar initiatives internationally, such as the Manufacturing Skills Queensland program in Australia, which has successfully partnered with industry and post-secondary institutions to align training with current manufacturing needs and emerging workforce demands.

The program could be administered by a dedicated Manitoba Manufacturing Skills Council, a public-private advisory body composed of representatives from provincial government departments, post-secondary institutions, trade associations, and manufacturers of various sizes and sectors. Oversight of the program would sit within either the Department of Business, Mining, Trade and Job Creation or the Department of Advanced Education to ensure alignment with both economic development and workforce development priorities. The council would be responsible for overseeing program design, approving funding allocations, coordinating curriculum updates, and monitoring performance metrics such as graduate employment rates, employer satisfaction, and skill alignment with industry needs. An operational secretariat within the responsible department would manage day-to-day administration, including liaising with schools, employers, and regional training hubs, processing applications for placements and micro-credentials, and coordinating reporting and evaluation.

The program would expand co-op placements, apprenticeships, internships, and short-term work experiences, giving students hands-on exposure to manufacturing operations and providing employers an early opportunity to identify and cultivate future talent. Educators would be encouraged to participate in

temporary placements within manufacturing facilities to maintain teaching that is aligned with industry realities and technological advancements. Regional training hubs equipped with modern machinery, automation equipment, and simulation technology could serve multiple post-secondary institutions, providing students with access to state-of-the-art facilities regardless of their home campus, while also allowing manufacturers to pilot new technologies and methods in partnership with education providers.

Building out Manitoba's workforce for the future in this way not only addresses immediate skills gaps but strengthens the province's economy as a whole. A well-trained, adaptable, and connected workforce attracts investment, fosters innovation, and ensures that Manitoba companies can compete globally while creating high-quality jobs locally. By investing in the next generation of skilled workers today, we are securing a more prosperous and resilient Manitoba for tomorrow.

RECOMMENDATION 3

Streamlined Immigration Pathways for Critical Manufacturing Trades in Manitoba

Manitoba should establish a targeted Skilled Trades Fast-Track under the Manitoba Provincial Nominee Program (MPNP) specifically designed to address critical labour gaps in the manufacturing sector, including machinists, welders, industrial mechanics, and automation technicians. The current MPNP framework already provides skilled worker pathways that are locally driven and employer-supported, using mechanisms such as the In-Demand Occupations list and Expression of Interest draws to match labour market needs with immigration nominations. Building on this existing foundation, the Fast-Track would create dedicated nomination rounds for priority manufacturing occupations, with allocations informed by ongoing employer engagement to ensure nominations reflect the province's most urgent shop-floor and technical needs.

The Fast-Track would also integrate an employer sponsorship component similar to the existing Skilled Worker in Manitoba stream, allowing businesses with verified long-term job offers and structured workplace training plans to secure candidates quickly and reliably.

By building out this pipeline of qualified, work-ready talent, Manitoba would position itself to meet the evolving demands of modern manufacturing, improve rural workforce retention, and ensure that both new and established companies have the human capital required to grow and innovate.

RECOMMENDATION 4

Additional Funding for Training and Up-skilling

The introduction of an Employer Training Tax Credit or Rebate, or the expansion of the Canada-Manitoba Jobs Grant, is recommended to provide Manitoba manufacturers with a meaningful financial incentive to invest in the continuous development and upskilling of their workforce.

While the Canada-Manitoba Job Grant currently supports employers with partial funding for training costs, Manufacturers fell that it does not have enough funding to meet demand and does not fully address the broader expenses associated with comprehensive skill development. Existing provincial programs that provide additional support for training are often limited in scope, targeting very specific industries, occupations, types of training, or are limited to students or apprentices, which leaves many employers without access to meaningful financial assistance. This proposed increase could come as

an expansion of the existing grant or as an additional provincial program, covering eligible costs such as tuition for technical courses, purchase of training equipment, and release time for employees to participate in skill-building programs. By reducing the financial burden on employers, this program would enable manufacturers to train employees in advanced manufacturing technologies, including automation, robotics, CNC machining, quality control, lean manufacturing practices and other critical skills, while also enhancing leadership, problem-solving, and operational knowledge.

Providing a clear financial incentive for workforce training would help address current skills gaps, improve employee retention, and boost productivity on shop floors across the province.

COMPETITIVENESS AND TAXATION

Manitoba manufacturers consistently identified the province's tax environment as a critical factor influencing competitiveness, investment decisions, and long-term business growth.

Businesses reported that corporate taxes, payroll taxes, capital gains considerations, business inheritance rules, and multi-level taxation significantly reduce the funds available for reinvestment, modernization, and expansion. This financial pressure makes it more difficult for companies to compete effectively both nationally and internationally.

Several participants noted that other jurisdictions, such as the United States and select Canadian provinces like Alberta and Saskatchewan, provide more favorable tax environments, allowing companies to reinvest more freely in their operations and grow more efficiently.

Tariff uncertainty and cross-border trade issues with the United States and China further exacerbate competitiveness challenges, introducing unpredictability that complicates investment planning, capital expenditures, and market expansion. Companies operating in export-dependent sectors described difficulty forecasting profitability and scaling operations due to fluctuating tariffs and trade rules.

Manufacturers also reported that inconsistent and overlapping tax requirements, combined with misaligned federal and provincial policies, create administrative complexity and financial risk. The lack of predictability in taxation not only affects existing operations but also discourages new investment, as businesses struggle to assess the true costs of expansion or modernization.

RECOMMENDATIONS

Manitoba Manufacturing Reinvestment Tax Incentive: Provide tax deferrals or rebates for manufacturers reinvesting profits into workforce training, technology, or facility modernization; page 18.

Family Succession Planning: Advocate for federal reforms to reduce or defer capital gains taxes on intergenerational transfers of manufacturing businesses to support family-owned operations; page 18

Strengthen Manitoba's Tax Competitiveness for Manufacturers: Explore measures to reduce tax barriers and align Manitoba's tax environment with other competitive provinces and U.S. jurisdictions to encourage investment and growth; page 19.

Feedback from multiple sessions emphasized that Manitoba risks falling behind other regions in attracting and retaining businesses if these taxation challenges are not addressed. Manufacturers stressed that reforms to lower the effective tax burden, simplify multi-level taxation, provide predictable long-term rules would directly improve competitiveness, support innovation, and increase the province's ability to retain and attract employers. By creating a more competitive, stable and predictable tax environment, Manitoba could empower companies to reinvest back into the province they call home.

RECOMMENDATION 1

Manitoba Manufacturing Reinvestment Tax Incentive

The creation of a Manitoba Manufacturing Reinvestment Tax Incentive is recommended to encourage manufacturers to reinvest capital back into their operations, workforce, and technology, supporting long-term growth, competitiveness, and workforce development across the province. Under this program, Manitoba-based manufacturing companies that reinvest profits, whether from the sale of assets, retained earnings, or other reinvestable capital, into eligible manufacturing activities would qualify for a provincial tax deferral or rebate on those reinvested funds.

Eligible activities could include workforce training and upskilling, investments in automation, machinery, robotics, or modernization of facilities to improve productivity, efficiency, and competitiveness. By reducing the immediate tax burden on reinvested capital, the program would unlock funds that businesses often hold back due to concerns about tax implications and high operational costs.

Encouraging reinvestment in Manitoba manufacturing would generate multiple positive outcomes for the province. It would increase the number of high-quality jobs, strengthen the skills and capacity of the local workforce, and improve overall productivity and competitiveness in the sector. By demonstrating that reinvestment is financially advantageous and strategically supported by government policy, the program would help change the business culture toward proactive growth and modernization, making Manitoba an attractive place for investment, entrepreneurship, and innovation.

RECOMMENDATION 2

Family Succession Planning

The Province of Manitoba should advocate for federal reforms to enable better family succession planning for operations, ensuring that intergenerational ownership transfers of manufacturing and agricultural businesses are not penalized under current tax law.

Many family-owned operations face significant challenges when transitioning ownership to the next generation because of deemed disposition rules that treat the transfer of shares as a sale, triggering capital gains taxes even when the business remains within the family. This can create an immediate and substantial tax burden that forces families to sell part or all of their operations to pay the tax bill, threatening local jobs and long-term economic continuity.

While recent federal amendments through Bill C-208 improved the tax treatment of intergenerational transfers, these measures remain limited and inconsistent, particularly for manufacturing firms with complex ownership structures or significant physical assets. True tax fairness for family business succession requires additional federal changes, which Manitoba can champion through intergovernmental advocacy and by aligning its own tax framework to support those outcomes.

The Province should work with the Government of Canada to advance reforms that either defer or eliminate capital gains taxes on genuine intergenerational transfers of active manufacturing firms, if ownership and operational control remain within the family for a defined period (for example, five years). As an additional safeguard, any capital gains or implied capital gains realized during the transfer could be limited or deferred if reinvested directly into the business, for instance through new machinery, facility upgrades, workforce training, or technology adoption, to ensure that tax relief supports the long-term health and competitiveness of Manitoba-based companies.

Although primary responsibility for these rules lies with Ottawa, Manitoba has a key role to play in pushing for a fairer framework. By leading a coalition of provinces and industry stakeholders, Manitoba can advocate for a federal-provincial approach to intergenerational business continuity, ensuring that family-owned manufacturers are not disadvantaged compared to large or foreign-owned firms. This advocacy would demonstrate the province's commitment to supporting local entrepreneurs, preserving good jobs, and keeping ownership rooted in Manitoba communities for generations to come.

RECOMMENDATION 3

Strengthen Manitoba's Tax Competitiveness for Manufacturers

Manufacturers in Manitoba consistently highlighted that the province's overall tax environment creates challenges for scaling operations, attracting investment, and remaining competitive nationally and internationally. While Manitoba has recently adjusted the payroll tax threshold in its 2025 Budget, many manufacturers still view the cumulative tax burden, including corporate income taxes, payroll taxes, and other levies, as a factor that slows hiring, expansion, and reinvestment.

In comparison, other western provinces offer more competitive tax regimes that manufacturers find attractive. Alberta has no provincial payroll tax and a lower general corporate income tax rate, encouraging business growth and investment. Saskatchewan has lower overall effective business taxes and supports modernization through targeted tax measures. British Columbia provides refundable tax credits for manufacturing and processing and regional investment, supporting productivity improvements.

In addition, manufacturers repeatedly highlighted that the United States presents a much more favorable tax environment overall. Lower corporate tax rates, simpler structures, and more generous capital cost allowances in U.S. jurisdictions allow companies to reinvest profits more easily, scale operations faster, and compete globally. This contrast makes retaining and attracting investment in Manitoba more difficult and contributes to a perception that the province is less competitive than its southern neighbors.

To strengthen Manitoba's tax competitiveness, we recommend that the province explore measures to reduce barriers for business growth and reinvestment. By aligning Manitoba's tax environment more closely with the competitiveness seen in Alberta, Saskatchewan, British Columbia, and the United States, the province can encourage manufacturers to invest locally, grow their operations, and create high-quality jobs, ultimately strengthening Manitoba's economic resilience.

INVESTMENT AND GROWTH

Throughout the consultation sessions, manufacturers emphasized that Manitoba's manufacturing sector has enormous potential for growth but is constrained by an increasingly challenging investment environment.

Many businesses expressed optimism about the provinces central location, cheap and green energy, and strong base of manufacturing expertise, but also frustration with the structural barriers preventing them from scaling and reinvesting.

Participants described how rising input costs, outdated tax policies, and complex regulatory requirements are eroding competitiveness and limiting the ability of manufacturers to modernize or expand. Small and medium-sized firms reported that accessing capital for equipment upgrades, productivity improvements, or plant expansions has become increasingly difficult. The result is that many companies are deferring investment or losing opportunities to competitors in other provinces and countries with more supportive business climates.

Stakeholders also pointed to inefficiencies and unpredictability in government programs designed to support business growth. They noted that while several grant and incentive programs exist, the application processes are often cumbersome, timelines unclear, and eligibility criteria too narrow. This administrative burden discourages participation and limits the reach of programs intended to drive investment and innovation. Manufacturers repeatedly called for more streamlined, coordinated, and outcomes-focused supports that help them adopt new technologies, expand production, and enter new markets.

RECOMMENDATIONS

Grant & Incentive Hub: Create a centralized platform for all provincial business grants, loans, and incentives, including support staff to help navigate programs; page 21.

Maintain Funding for the Made-In-Manitoba Program: Ensure ongoing support for marketing and promotion of locally made products to expand market access and visibility; page 22.

Manitoba Manufacturing Productivity Grant (MMPG): Offer matching grants to SMEs for adopting automation, robotics, AI, and other productivity-enhancing technologies, including readiness assessments; page 22.

"Buy Canada" Public Procurement: Implement provincial procurement policies prioritizing Canadian-made goods where quality, price, and delivery standards are met; page 23.

Participants highlighted concerns about Manitoba's trade-enabling infrastructure, noting that transportation bottlenecks, and aging road networks are limiting the province's ability to support growth in both domestic and export-oriented manufacturing. Companies described delays in moving goods due inconsistent road conditions and challenges with oversized load corridors that vary widely by region. Several manufacturers said they struggle to expand due to lack of adequate servicing, including water, wastewater, and electricity capacity. Manufacturers stressed that efficient trade is essential to keeping Manitoba competitive.

Participants also spoke about the importance of strengthening the culture of buying Canadian and particularly Manitoba-made products. Many manufacturers noted that while Manitoba produces world-class goods, local businesses often struggle to compete against imported products, even within domestic supply chains and public procurement systems. Stakeholders urged governments at all levels to take a more proactive approach in promoting and prioritizing local manufacturing through procurement policies, marketing initiatives, and public awareness campaigns. They emphasized that every dollar spent on locally made products multiplies within the provincial economy by creating jobs, supporting suppliers, and generating tax revenue.

Overall, participants said that Manitoba must signal clearly that it is open for business. They want a policy environment that encourages investment, rewards productivity, and provides certainty for long-term planning. By reducing costs, improving access to capital, and aligning government programs with industry realities, the province can strengthen confidence and unlock the full growth potential of its manufacturing sector.

RECOMMENDATION 1

Grant & Incentive Hub

We recommend the creation of a centralized Manitoba Business Grants and Incentives Hub, designed to serve as a single, accessible point of entry for all provincially administered business funding programs. The Hub would consolidate information on available grants, loans, tax incentives, and other financial support into one user-friendly platform, reducing the current administrative burden faced by businesses when navigating a complex and fragmented funding landscape. Currently, many companies, especially small and medium-sized enterprises, spend substantial internal resources attempting to identify, understand, and apply for programs. These processes often require extensive paperwork, lengthy reporting, and ongoing compliance checks, which diverts attention and funds away from core business operations such as hiring, training, investment in new technologies, and market development.

The Hub would provide businesses with comprehensive, up-to-date, and searchable information on all available programs, including eligibility criteria, deadlines, application guidance, and reporting requirements. It would also host a dedicated support team of grant navigators and financial advisors who can offer personalized guidance, help businesses identify programs best suited to their needs, and assist with application preparation, submission, and compliance.

By reducing the complexity of navigating multiple program and department websites, obscure eligibility rules, and deadlines, the Hub would save businesses significant time and resources, making it easier for them to access the financial support necessary to grow, innovate, and compete both domestically and internationally.

RECOMMENDATION 2

Maintain Funding for the Made-in-Manitoba Program

Consultations with Manitoba manufacturers consistently highlighted the importance of promoting locally made products and raising awareness of Manitoba's manufacturing excellence. The Made-in-Manitoba program, operated by Canadian Manufacturers and Exporters in partnership with the Manitoba Government, plays a critical role in achieving this goal by providing firms with marketing support, promotional opportunities, connections and enhanced visibility that help them reach new customers and strengthen their brand recognition.

Consultations also highlighted ongoing challenges related to tariffs, trade barriers, and market access, which can increase costs and complicate business growth. By maintaining dedicated funding for the Made-in-Manitoba program, the province can ensure that manufacturers continue to receive critical support in navigating these challenges and promoting their products to broader markets. The program provides a centralized resource that firms of all sizes can rely on, allowing manufacturers to focus on production, innovation, and workforce development.

By keeping the program fully funded, the province ensures continued support for these businesses, protecting a key mechanism for industry promotion and economic resilience. Maintaining the Made-in-Manitoba program demonstrates the government's commitment to Manitoba manufacturing, preserves an industry-led approach that is responsive to sector needs, and helps strengthen the province's economy by supporting firms in their marketing, visibility, and competitive positioning efforts.

RECOMMENDATION 3

Create a Manitoba Manufacturing Productivity Grant

Through consultations with Manitoba manufacturers, a recurring theme emerged: companies are keenly aware that adopting automation, robotics, AI, and other productivity-enhancing technologies is critical to remain competitive, reduce reliance on labor, and address future workforce challenges. However, many firms indicated that they lack the internal capacity, guidance, and confidence to get to the point of actually adopting these technologies. They need structured support to understand their readiness, identify opportunities, and make the initial investments safely.

The Province of Manitoba should establish a Manitoba Manufacturing Productivity Grant (MMPG), administered by CME on behalf of the province, to support small and medium-sized manufacturers in adopting productivity-enhancing technologies, reducing costs, improving competitiveness, and accelerating growth. The program would be modelled on the Alberta Manufacturing Productivity Grant (AMPG), which offers SMEs in Alberta up to $30,000 in matching funding covering up to 50 percent of eligible costs plus an operational technology assessment to guide investment decisions.

Under the proposed Manitoba program, eligible manufacturers, for example those with 5 to 750 employees physically located and operating in Manitoba, would first complete a readiness assessment conducted by CME to identify opportunities for automation, robotics, machine learning, or other digital technologies. Phase two would provide a matching grant, for example up to $30,000 or up

to 50 percent of eligible costs, to invest in new production assets and technologies including equipment purchases, installation, training on new equipment, and consulting professional services. The program would target readiness in addition to investment so that companies are prepared to successfully adopt and integrate the new technologies.

The creation of the MMPG would send a strong signal to Manitoba manufacturers that the province is serious about modernizing the sector, improving productivity, and enabling firms to compete globally.

RECOMMENDATION 4

"Buy Canadian" Public Procurement

Through our consultations, manufacturers consistently emphasized that promoting Canadian-made products and strengthening domestic demand are critical to supporting growth, improving competitiveness, and sustaining high-quality jobs. In response, we recommend that the Manitoba government adopt a "Buy Canadian" approach to public procurement.

This initiative would ensure that provincial government departments, Crown corporations, the healthcare system, and all provincially funded projects prioritize Canadian suppliers whenever quality, price, and delivery standards are met. By embedding domestic content requirements and preferential procurement rules, Manitoba can help strengthen Canadian manufacturing supply chains and create additional, stable demand for local producers.

The federal government's newly announced Buy Canadian Policy provides a strong foundation for Manitoba to align its efforts. This policy requires federal departments, Crown corporations, and funding streams to prioritize Canadian suppliers and domestic content when procuring goods and services, and it offers a roadmap for provinces and municipalities to apply similar standards within their own jurisdictions.

By adopting this framework at the provincial level, Manitoba can ensure its manufacturers are well-positioned to compete for both federal and provincial contracts, strengthen supply chain resilience, and support job creation across the country. Aligning Manitoba's procurement strategy with the federal Buy Canadian initiative would demonstrate the province's commitment to local industry, increase the visibility of Canadian-made products, and enhance the competitiveness and resilience of Manitoba's manufacturing sector within the national economy.

RED TAPE AND REGULATORY EFFICIENCY

Throughout our consultations, Manitoba manufacturers consistently highlighted regulatory complexity and administrative burdens as major constraints on growth, innovation, and competitiveness.

Companies reported that navigating multiple layers of provincial and federal regulations, inconsistent standards across jurisdictions, and lengthy approval processes creates uncertainty and diverts significant time, money, and resources away from operations.

For example, manufacturers noted difficulties in obtaining oversized load permits across provinces, interprovincial differences in environmental regulations, lengthy permitting processes for building expansions, challenges in securing planning approvals, significant delays in approvals for new product lines, and obstacles in accessing the necessary power to grow from Manitoba Hydro, as just a limited selection of issues raised.

Smaller and medium-sized enterprises are particularly affected, as they often lack dedicated compliance teams and must divert staff from production to manage bureaucratic requirements. The feedback emphasized that these regulatory challenges limit the ability of companies to adopt automation and new technologies, expand operations, or take advantage of market opportunities.

RECOMMENDATIONS

Streamlined Hydro Access and Industrial Capacity Planning: Review Manitoba Hydro's industrial connection processes to reduce delays, improve communication, and provide predictable timelines for industrial electricity access; page 25.

Harmonized Inter-Provincial Standards: Lead efforts to align provincial standards, permits, and certifications to reduce regulatory barriers for manufacturers; page 26.

Centralized Regulatory Support Hub for Industry: Create a one-stop hub for regulatory guidance, approvals, and compliance support to simplify navigation of provincial and federal regulations; page 26.

Manufacturers stressed that regulators are sometimes out of touch with day-to-day business realities, and that federal and provincial policies are not always aligned with their needs, leading to confusion and inefficiency. Overall, conversations with Manitoba manufacturers make it clear that improving regulatory efficiency and reducing red tape is essential. Modernizing governmental approval processes at all levels would support a thriving, competitive manufacturing sector across the province.

RECOMMENDATION 1

Streamlined Hydro Access and Industrial Capacity Planning

Throughout consultations, Manitoba manufacturers consistently raised concerns about frequent delays and uncertainty in accessing electricity from Manitoba Hydro, identifying these issues as significant barriers to growth, expansion, and modernization. Companies reported that obtaining new industrial connections often involves unpredictable timelines, extensive approval processes, and inconsistent communication from Hydro, all of which divert considerable time, resources, and capital away from productive operations. These delays are particularly costly for manufacturers looking to adopt automation, implement energy-intensive processes, or expand facilities, as uncertainty around power availability prevents them from making timely investment decisions and limits their ability to scale efficiently.

Manitoba Hydro represents one of the province's most important competitive advantages for attracting investment. Its clean, renewable, and low-cost electricity positions Manitoba as an environmentally responsible and economically efficient location for energy-intensive manufacturing and advanced technology operations. In theory, Manitoba Hydro should serve as a cornerstone for industrial growth, providing companies with predictable energy costs and a green branding advantage in increasingly sustainability-conscious markets. However, consultations revealed that manufacturers are concerned that the potential of this asset is undermined by delays, administrative inefficiencies, and insufficient prioritization of industrial demand. While Manitoba's Affordable Energy Plan and Hydro's 2025 Integrated Resource Plan outline intentions to expand capacity and manage load growth, industry stakeholders expressed skepticism about whether these plans adequately address industrial connection timelines and enable manufacturers to leverage Hydro as a true economic asset.

The provincial government should undertake a thorough review of Manitoba Hydro's industrial connection processes, capacity planning, and engagement protocols with the manufacturing sector. This review should explicitly include an analysis of the amount of time industry clients are waiting for service, with a focus on reducing delays and improving communication. Establishing clear and enforceable timelines for new connections, predictable approval processes, and proactive collaboration with manufacturers would reduce uncertainty, allow companies to plan expansions and automation investments confidently, and ensure Manitoba's energy infrastructure lives up to its potential as a competitive, clean, and cost-effective advantage for the province.

RECOMMENDATION 2

Harmonized Inter Provincial Standards to Reduce Barriers for Manufacturers

Throughout our consultations, Manitoba manufacturers consistently raised concerns about differing standards, permitting requirements, and certification processes between provinces. Companies reported difficulties moving equipment, obtaining environmental approvals, and meeting varying regulatory requirements across jurisdictions, all of which create unnecessary delays, increase costs, and reduce competitiveness. For example, manufacturers highlighted challenges in moving oversized loads across provincial borders, navigating divergent environmental requirements, and accessing timely approvals for new product lines. These regulatory inconsistencies divert significant time, money, and resources away from operations and innovation.

To address these issues, Manitoba needs to continue to play a leading role in inter provincial discussions and collaborations aimed at breaking down barriers and harmonizing standards across jurisdictions. The province should advance these efforts both at the Council of the Federation table and in discussions with the federal government. Manitoba's recent actions, including the passage of The Fair Trade in Canada (Internal Trade Mutual Recognition) Act (Bill 47), and signing memorandums of understanding with other provinces demonstrate progress but more work remains to align standards affecting manufacturers. By continuing to lead regulatory alignment and mutual recognition agreements, Manitoba can reduce administrative burdens, accelerate approvals, and ensure its manufacturing sector remains competitive nationally and internationally.

RECOMMENDATION 3

Centralized Regulatory Support Hub for Industry

Manitoba manufacturers consistently reported that navigating regulatory requirements, approvals, and compliance across multiple levels of government is a major constraint on growth and competitiveness. Companies face complex permitting processes, inconsistent standards between provinces, and delays in approvals for critical operations, which create uncertainty, divert significant time and resources, and increase costs.

To address these challenges, we recommend the creation of a Centralized Support Hub for Industry. This hub would serve as a one-stop resource for manufacturers, providing guidance on provincial and federal regulations, coordinating approvals, and tracking timelines. Dedicated staff within the hub would liaise directly with businesses, regulators, and industry associations and provide clarity on compliance requirements. The hub could also collect and report on common industry challenges, such as approval delays or inter-provincial inconsistencies, helping the province prioritize efficiency improvements.

By centralizing support and acting as a primary point of contact, the hub would free manufacturers to focus on growth, investment, and workforce development. It would improve transparency, predictability, and responsiveness, while complementing Manitoba's ongoing efforts to harmonize standards across provinces. This approach would strengthen Manitoba's competitiveness, encourage investment, and make it easier for businesses of all sizes to succeed in the province.

PROTEIN SECTOR FOCUS

Throughout the Manufacturing Manitoba's Future consultations, deliberate efforts were made to include ProteinMB associates to capture the perspectives of Manitoba's protein sector.

A separate consultation was also held with the Sustainable Protein Board, which provides strategic guidance to ProteinMB and helps advance Manitoba as a leader in sustainable-protein production.

Companies consistently highlighted that navigating complex federal and provincial regulatory frameworks, particularly Health Canada and Canadian Food Inspection Agency (CFIA) requirements for labelling, certification, ingredient approvals, and food safety compliance, create significant uncertainty that often slows product launches, and adds substantial administrative and financial burden. Many associates noted that current processes often fail to align with the pace and needs of industry, delaying innovation and market entry for new products.

Associates also emphasized the ongoing disconnect between post secondary education, applied research, and the practical needs of food processing operations. Graduates often lack the hands-on skills or experience required to operate advanced production lines, implement quality control systems, or contribute to research and development projects

They noted that often, what is currently being researched in post secondary programs is off base from their needs, and is limiting the sectors' ability to innovate with new protein products. Additional concerns raised included raw material sourcing pressures, exposure to tariff volatility, and the challenges of export compliance, which collectively affect

RECOMMENDATIONS

Modernizing Canada's Regulatory Framework for Food Ingredients and Novel Products: Advocate federally for faster, predictable, and transparent approval processes for new protein products, including low-risk pathways similar to the U.S. GRAS model; page 28.

Flexible Agricultural Parcel Sizes and Expanded Exemptions: Allow municipalities flexibility on agricultural parcel sizes or expand exemptions to better support protein and value-added operations; page 29.

Industry-Driven Applied Research Partnerships for Protein Manufacturers: Establish a fund to encourage collaboration between protein manufacturers, post-secondary institutions, and researchers to align applied research with industry needs; page 29.

competitiveness in both domestic and international markets. ProteinMB, operated by CME and funded by the Sustainable Canadian Agricultural Partnership (S-CAP), serves as a critical hub for Manitoba's sustainable-protein ambitions, providing leadership, networking, and sector-specific resources to help position the province as a global leader in protein production.

Consultations derived from these engagement sessions, alongside insights gathered from previous ProteinMB stakeholder engagements, have informed the development of the following recommendations, which are specifically tailored to address the unique challenges and opportunities within Manitoba's sustainable-protein sector.

RECOMMENDATION 1

Modernizing Canada's Regulatory Framework for Food Ingredients and Novel Products

Throughout consultations with Manitoba's sustainable-protein sector, companies repeatedly highlighted the urgent need for a more efficient, transparent, and predictable regulatory environment. Stakeholders emphasized that slow, inconsistent, and opaque processes within the CFIA and Health Canada significantly delay innovation, deter investment, and limit the competitiveness of Manitoba's growing protein industry.

Entrepreneurs developing new ingredients, functional foods, and alternative protein products face pre-market approval requirements for each product or ingredient individually, a process that can stretch into years and create significant administrative and financial burden. Companies also reported limited communication with regulators, inconsistent interpretation of standards, and little recourse when delays occur, which disproportionately affects small and mid-sized Manitoba processors attempting to scale innovations already being adopted internationally.

Participants contrasted the Canadian framework with the U.S. "Generally Recognized as Safe" (GRAS) model under the Food and Drug Administration (FDA), which allows companies to move forward with commercialization once safety and quality are demonstrated under transparent, evidence-based guidelines. The GRAS process provides clear timelines, predictable procedures, and the ability for companies to self-certify low-risk ingredients which enables faster market entry while maintaining rigorous safety standards. By comparison, Canadian firms must navigate a fragmented system of individual products and ingredient approvals with no equivalent fast-track mechanisms for low-risk or previously validated ingredients, limiting the sector's agility and competitiveness on a global scale.

We recommend that Manitoba actively advocate to the federal government to modernize Canada's regulatory approach for sustainable protein and related food products. Manitoba should lead efforts to develop formal service standards for approval timelines, and create a clear pathway for low-risk or previously assessed ingredients similar to the U.S. GRAS system. These changes would reduce unnecessary administrative burden, accelerate product development and commercialization, and provide Manitoba manufacturers with the regulatory certainty needed to innovate.

By taking a proactive role in federal discussions, Manitoba can strengthen its position as a global leader in sustainable protein manufacturing and help its companies compete effectively in domestic and international markets.

RECOMMENDATION 2

Flexible Agricultural Parcel Sizes and Expanded Exemptions for Protein Operations

Throughout consultations with Manitoba's protein and food-manufacturing stakeholders, companies highlighted the challenges posed by rigid parcel-size limits under the Planning Act, which restricts new agricultural operations to 80 acres. Participants noted that these requirements create financial and operational barriers for emerging protein producers and other intensive or value-added agricultural ventures, limiting the province's ability to support innovation and growth in high-value sectors.

We recommend that Manitoba consider a more flexible, locally responsive approach to agricultural parcel sizes, similar to frameworks in other provinces such as British Columbia, where rural municipalities can set minimum lot sizes based on regional agricultural conditions, operation type, and the intensity of production. By allowing municipalities to determine parcel sizes on a case-by-case basis, the province could better accommodate a diversity of agricultural business models, including sustainable-protein operations, while maintaining farmland protection goals. In addition, if the provincial 80-acre minimum remains in place, the province should broaden the exemptions to include a wider range of protein and value-added agricultural operations.

Clearer criteria and expanded eligibility for exemptions would reduce uncertainty, support smaller-scale intensive operations, and help Manitoba's protein sector scale efficiently to meet domestic and international demand.

RECOMMENDATION 3

Industry-Driven Applied Research Partnerships for Protein Manufacturers

Consultations with ProteinMB associates and the Sustainable Protein Board consistently highlighted a disconnect between academic research and the practical needs of Manitoba's protein and food-manufacturing operations. Companies reported that graduates and research outputs often do not align with on-the-floor production requirements, limiting innovation, slowing technology adoption, and creating barriers to scaling operations.

To address this, we recommend establishing a Protein Industry Applied Research Partnership Fund that encourages collaboration between protein manufacturers, post-secondary institutions, and research organizations. The fund would support projects such as developing new plant-based or alternative protein formulations, optimizing processing techniques, improving food safety and quality control systems, and piloting automation and sustainable production methods. By providing access to shared facilities, technical expertise, and funding for prototyping and experimentation, this initiative would reduce the cost and risk of innovation for protein companies.

This partnership model would accelerate the commercialization of new products, strengthen Manitoba's applied research ecosystem, and help ensure that the province's protein sector remains globally competitive. Aligning research with industry priorities would also provide post-secondary students and researchers with hands-on experience in cutting-edge protein production, fostering a workforce ready to meet the sector's evolving needs.

CONCLUSION

The Manufacturing Manitoba's Future consultation sessions made one thing very clear, Manitoba manufacturers are eager to grow, innovate, and compete, but they face real and ongoing challenges and need help overcoming them. From workforce shortages and skills gaps to limited access to capital and new technology, businesses shared detailed insights about what is holding them back and what would help them succeed.

The recommendations in this report are precisely the kinds of targeted initiatives manufacturers have told us would make a meaningful difference. They reflect the innovation, support, and investment needed for Manitoba manufacturers to grow, scale, and compete both nationally and internationally.

A strong and recurring message from the consultations was that manufacturers want to be heard. They want government partners to understand not only the broader economic and policy challenges but also the day-to-day realities of running a business in Manitoba. They are asking for programs that reflect the realities of the shop floor, that support workforce development, and that help businesses succeed today and in the years to come.

CME looks forward to bringing this report forward to government and engaging in ongoing discussions about its recommendations. Thank you to all participants who took the time to share their experiences, insights, and ideas. Their contributions have been invaluable in helping to shape a vision for the future of manufacturing in Manitoba.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