



OSF Position Statement – Interprovincial Trade

Background:

For over 25 years, the provincial meat industry has been advocating for interprovincial trade of meat within Canada. Meat processed in provincially licensed plants cannot be sold outside the province or within national grocery chains, even when regulatory standards are comparable to those in other provinces. This has long limited growth opportunities for Ontario's meat processors.

The Canadian sheep industry only supplies 40% of the domestic market demand for lamb. Ontario is the leader in Canadian lamb processing and the third largest lamb processing region in North America. Over 52% of Canadian sheep and lambs are processed in an Ontario plant and the majority of processors in Ontario are provincially inspected.

Interprovincial trade will benefit Ontario's provincially inspected plants by opening access to national retail stores that are currently out of reach because they are federally regulated and inspected. The competitive landscape for Ontario's processors from out of province lamb will not change significantly, as the largest Canadian processors of lamb outside of Ontario are already federally inspected and supply the Ontario market with lamb through the national grocery chains today.

In 2023, the government of Ontario initiated conversations within the meat sector on the role of provincial meat plants to learn whether there was support both provincially and across Canada for an interprovincial trade pilot program.

In 2024, OMAFA proposed three pilot programs to address key concerns of the Ontario livestock and meat industries:

1. Ontario-Quebec Pilot: to address the lack of slaughter capacity for farmers in Eastern and Northern Ontario that could be accessed across the provincial border in Quebec
2. Ready to Grow Pilot: to address the shortage of domestically produced lamb in national grocery chains by offering meat plants with a demonstrated demand to grow beyond Ontario to access national markets
3. Ontario-Manitoba Pilot: to engage Indigenous communities to explore opportunities to improve food security in the North

Ontario Sheep Farmers has supported these structured interprovincial trade pilot programs that were proposed to address market access concerns and market demand while upholding a strong, science-based food safety system in Canada and not jeopardizing trading relationships with other nations.

When the pilots were developed, one requirement was domestic movement must be at the same quality standard as imported product requirements. Interstate movement of goods in the US and trade



within the EU, is required to meet the federal/EU standard, even if under local (state or country) oversight.

The recent federal Free Trade and Labour Mobility in Canada Act legislation which received Royal Assent on June 26, 2025, is designed to reduce federal barriers to interprovincial trade and labour mobility by recognizing and applying comparable provincial/territorial regulatory requirements. In short, it aims to make it easier for Canadian businesses to move goods, provide services, and access opportunities across the country.

OSF Position on Interprovincial Trade

The position of Ontario Sheep Farmers is that equivalency of provincial food safety standards with the federal food safety regulations must be considered before opening provincial trade of highly regulated products like lamb and mutton.

Ontario Sheep Farmers is in support of interprovincial trade of meat from provinces of origin where the provincial food processing standards are scientifically equivalent to the federal processing standards and imported product standards as determined by the Canadian Food Inspection Agency. Furthermore, OSF is in support of interprovincial trade as long as it does not compromise Canada's export market access.

OSF also continues to support the three original pilot program ideas proposed by the Ontario Ministry of Agriculture, Food and Agribusiness as a means of easing into interprovincial trade.