Ministry of Agriculture and Food

Discussion Paper on encouraging food processing inside the Agricultural Land Reserve

August 18, 2026

The engagement period has been extended to September 18, 2026.

July 23, 2026

This paper presents a change to policy under consideration by the provincial government. Feedback is invited until September 3rd, 2026.

All British Columbians benefit when the province strengthens food security and our ability to stand on our own two feet. Food security requires agriculture, and agriculture requires many things, including continuity and opportunity. Continuity of access to land, water and energy; opportunity for farming and food businesses to succeed. Now and for generations to come.

For more than fifty years, the Agricultural Land Commission (ALC) has protected and encouraged farming on more than 4.5 million hectares of land, known as the Agricultural Land Reserve (ALR). This land includes the best land for farming in the province and covers less than five percent of British Columbia's (B.C.) land base.

The ALR is not only made up of pristine farm land. It also includes a diverse mix of land types and uses, including farms, greenhouses, and farm buildings; ranches and grazing land; wetlands, water bodies and forests; housing and commercial buildings; roads and infrastructure; and much more. In fact, less than one-quarter of the ALR consists of prime agricultural soil (classes 1-3). Land in the ALR ranges from that prime farmland to land that has no capacity for producing crops or for grazing (class 7).

There are portions of the ALR that are not well suited for primary production but are well suited for other uses such as food processing.

Unlike other non-farming activity, food processing is essential to food production. Food processing has always been part of B.C. agriculture. It is also modernizing rapidly and has become a major industry in the province. By sales, food processing is the second largest manufacturing sector in B.C. It generated an estimated $14.3 billion in 2024, contributing $3 billion to GDP. The food and beverage manufacturing sector is also a driver of employment in the province, creating 37,430 jobs in 2024.

Today, BC has many successful food processors, both inside and outside of the ALR. Right now, farmers across this province can already process their farm products on ALR land. For example, a berry grower can make jam; a dairy farmer can make cheese; and a vegetable grower can wash, package, and prepare product for market. The rule that protects this opportunity in the ALR is known as the "50 percent rule."

The rule is simple and of great value to farmers: if at least half of what a farm processes comes from the farm itself (or from a fellow co-op member), they can process right there on the land without objection from the ALC. In fact, the ALC encourages this type of processing.

And so, the question before us is not whether food processing belongs in B.C.'s agricultural landscape; it does. The question is how we grow that capacity thoughtfully — in a way that strengthens our food system and our farmers, without compromising the land that makes it all possible.

More processing capacity of the right kind, rooted in B.C. agriculture, means more of that value stays here creating jobs, attracting investment, and supporting a food supply that is more secure, diversified, and resilient.

This is more important than ever with the events of the past few years. We are facing significant trade uncertainty with our neighbours to the south, and with global conflicts that are disrupting traditional supply chains. We've seen major climate events, the COVID-19 pandemic and other major disruptions. All of this has laid bare the necessity to strengthen our food security here at home.

This paper presents a way to further encourage and increase food processing in B.C.

The proposal is to create a new "5 percent rule" that would encourage food processing on land in the ALR that is not well suited for primary production, while protecting prime farmland in B.C.

The proposed rule is as follows:

> *On class 5-7 soil (and class 4 if the parcel is serviced by the date this rule is implemented), ALC approval is not necessary to build food processing plants in the ALR, so long as 5 percent of the primary product used in the processing is grown or raised in the province.*

Key considerations

- Government recognizes that food processing facilities can create land-use, servicing and cumulative-impact concerns in the ALR; this proposal is therefore designed as a limited exception, not a general industrial-use pathway.

- Food processors may require large land parcels, close to agricultural inputs, transportation, labour, and lower land costs than are often available in industrial zones.

- The five percent threshold is the proposed minimum for purposes of this discussion paper. It is presented as a gateway condition to spur development, not a ceiling on local sourcing. Five percent ensures the supply chain for the processing facility is structurally compatible with B.C. primary production. It sets a threshold minimum, not a maximum.

- Agricultural capability varies significantly across the ALR, and almost all classes of ALR land can have agricultural value. This proposal therefore does not assume that lower-capability land lacks any agricultural potential; rather, it seeks feedback on whether limited food processing opportunities can be enabled on certain lower-capability or already-serviced parcels while maintaining existing protections for higher-capability farmland. Soil capability is proposed as one of several criteria intended to ensure that any new processing activity is directed away from the province's most productive agricultural land.

- This proposal would not affect any approvals required from provincial agencies or local governments. Those seeking to build new food processing facilities would still need to apply for building permits from local governments and may require permits from the Ministry of Water, Land and Resource Stewardship and the Ministry of Environment and Parks.

- Under this proposal, “serviced” means that the parcel is already adjacent to an access road and utilities including municipal water and municipal sewage; and sufficient electricity is already accessible. “Processing” is as defined under the Agricultural Land Reserve Use Regulation: the storing, packing, preparing and processing of farm products.

- The proposal would require an assessment from a registered Professional Agrologist that the soil classification meets the rules. This assessment must be kept on file by the proponent and be available for inspection by the ALC if requested. Likewise, the 5% minimum threshold must be verifiable. The ALC, upon complaint, already has the authority to verify rules are being adhered to and assess penalties if inot.

- The soil classification condition in this proposal would exclude about 90 percent of ALR farmland in the Lower Mainland and Fraser Valley. In other words, that land would retain the same ALC protection currently in place.

- Under this proposal, an estimated 500-1,000 hectares of land in the Lower Mainland and Fraser Valley would be newly available for food processing development (excluding protected riparian zones and land unavailable because services are not in place).

- The 50 percent rule, which benefits farmers, would remain in place on all other land in the ALR.

- Government will cap the maximum amount of land eligible under this proposal to no more than 0.25% of the 2.1 million hectares of privately owned ALR land.

- B.C.'s proposal to increase food processing aligns with the federal government's recent announcement of a national Food Security Strategy and will increase opportunities for new investments and jobs in the province.

Conclusion
This proposal aims to encourage more food processing in the ALR, while protecting and strengthening the ALR's primary purpose of agricultural production. It ties food processing in the ALR back to farming in the ALR. When done right, processing does not compete with farming, it creates new markets for farmers. This drives more investment back to B.C. growers.

This is the goal of the proposal: to protect farmland while growing a processing sector that makes that farmland more productive and that strengthens food security for all British Columbians. In doing so, the proposal aims to support farmers, encourage food processing and production, create jobs, and help ensure that future generations inherit a province capable of feeding itself.

Over the next six weeks, the provincial government will discuss this proposal with local governments, First Nations, farmers, food processors, and key stakeholder organizations.

Feedback by interested parties can also be sent directly to government by email to AF.Minister@gov.bc.ca.

More information:

- Information on soil classifications is available here.