



CANADIAN BEEF DRIVING ECONOMIC SECURITY: TRACEABILITY AND NORTH AMERICAN MARKET ACCESS

Canada's beef sector is an economic asset, but continued market access depends on strong traceability, food-safety assurance, and stable science-based rules at the border.

Issue

Beef is an agri-food asset that contributes to Canada's economic security through export earnings. Maintaining predictable access to key markets depends on sustained buyer confidence in Canada's ability to regulate traceability and ensure food safety. As global non-tariff requirements tighten and the priorities of the Canada-United States-Mexico Agreement (CUSMA) evolve, Canada must continuously monitor and evaluate the infrastructure underpinning beef production and livestock traceability to preserve competitiveness and reduce the risk of trade disruption. This need is heightened as other issues, such as defence spending and critical minerals, increasingly dominate Canada's broader security agenda.

Background

Federal recognition of the importance of traceability and food exports: In the [2025 Federal Budget](#), the federal government's planned expenditure for the Canadian Food Inspection Agency (CFIA) to increase traceability standards and accelerate export processing speed and market access reflects federal recognition of the importance of traceability and food exports of agri-food products, including beef. This also underscores the importance of agri-food exports for Canadian economic security.

Export performance of Canadian beef and cattle: In [2024](#), Canada produced 3.49 billion pounds of beef, and exports were valued at \$4.93 billion. Canada exported 52% of total beef and cattle production, and, excluding slaughter cattle, 45% of Canadian production was exported.

Export to the USA: In [2024](#), the United States was Canada's main beef export market, taking about 76% of total exports. That same year, Canada shipped 797,091 head of cattle to the U.S., and most were slaughter cattle (about 78.5%).

Integrated supply chain: Canada and the United States have [the world's largest two-way trade](#) in live cattle and beef. Many U.S.-born cattle are raised in Canadian feedlots and then sent back to the U.S. for processing. According to the [United States Department of Agriculture reports](#), Western Canada has available feedlot pen space, and feeders look to supplement their numbers with U.S. feeder cattle imports.

Importance of CUSMA: Under CUSMA, [Canadian agricultural and agri-food products benefited](#) from duty-free access for nearly 89% of U.S. tariff lines and 91% of Mexican tariff lines.

Animal health-induced trade risk: Canada's [2003 BSE case](#) is a clear precedent for how animal health events can trigger rapid trade restrictions and justify food safety traceability initiatives.

Comparative prioritization: Canada's framing of critical minerals for economic security, echoed in [federal investment materials](#), combined with the planned increase in [budgeted defence spending](#) of \$8.1 billion over the next five years, starting in 2024-25, and \$73 billion over the next twenty years, dwarfs the focus on agriculture, a critical avenue for Canadian economic security.

Current Status

Current traceability program: Under the Health of Animals Act and its regulations, CFIA operates [Canada's national livestock traceability program](#). Producers and industry partners use the [Canadian Livestock Tracking System](#) (CLTS), managed by the Canadian Cattle Identification Agency (CCIA), as the national database for tracking livestock.

Reputational strength: Canada has a strong global reputation as a [trusted supplier](#) of safe, high-quality food, enhancing Canadian beef's potential for trade and market access worldwide.

Increased non-tariff barriers: According to [OECD reports](#), agro-food products face significantly higher Most-Favoured Nation (MFN) tariffs than other sectors, as well as quantitative restrictions and a higher prevalence of non-tariff measures, which may have trade-limiting effects.

CUSMA review: The CUSMA joint review is scheduled to begin in [July 2026](#). Canadian agri-food stakeholders have already communicated [priorities urging that CUSMA remain unchanged](#).

Australian prioritization of traceability: The [Australian government](#) considers livestock traceability systems key to preserving biosecurity

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and enhancing exports. Australia has an ongoing reform agenda to ensure these systems not only meet but also surpass future needs.

Key Considerations

Trade risk mitigation: The Canadian Cattle Association [claims](#) that the sooner animal health concerns are fully investigated, the sooner trade disruptions can be resolved, and exports can resume. This justifies calls for business-friendly updates to traceability regulations. In the current global trade context, where non-tariff barriers are increasing, traceability regulatory upgrades can help Canada mitigate trade risks.

Science-based cross-border considerations for CUSMA: [CUSMA's Sanitary and Phytosanitary Measures Chapter](#) (Chapter 9) includes an explicit "Science and Risk Analysis" provision. Signatory parties recognize the importance of ensuring that SPS measures are based on scientific principles. Participants from the agriculture sector in the [CUSMA review consultation](#) also reiterated the importance of integrated supply chains for livestock and food production, as well as the scientific standards associated with them. This indicates a favourable mindset for upgrades to the traceability regulations.

Impact of policy on the highly integrated North American beef industry: [Discussions at the February 2026 CattleCon](#) underscored the interconnectedness of policy, trade, and market-access decisions in the North American beef industry. Therefore, updates to traceability regulations should consider jurisdictional issues and trade sensitivities associated with potential changes.

Prospects of regulatory upgrades: With CFIA's Forward Regulatory Plan (2025–2027) explicitly linking proposed regulatory amendments to increasing industrial competitiveness, there is a favourable environment for regular review and periodic updates to traceability regulations. [The Canadian Cattle Association](#) is advocating for similar regulatory updates.

The need for trade diversification: With a high concentration of beef exports going to US markets and a farmers' survey for The Simpson Centre's "[Voices from the Field](#)" project reporting that 79.16% of surveyed farmers across Canada most frequently selected "Trade and Market Access" as one of their top 3 policy priorities for 2025, the need for trade diversification has never been higher. Continuous monitoring and evaluation of traceability regulations might yield market-access-related benefits and help ensure economic security.

EDITORIAL PRACTICES STATEMENT

This manuscript is a rapid contribution to the policy conversation that has been open-reviewed by at least one University of Calgary faculty member prior to publication.