

## How Sustainability Can Improve Market Access

### What it Means to Your Food Business



Sustainability can touch every aspect of your food business – from sourcing sustainable ingredients and packaging, reducing food waste, upcycling, minimizing transportation, and providing transparency to the consumers throughout your operation.

Producing your products sustainably can significantly improve market access. Increasingly, consumers are seeking sustainable options, and in some markets, government regulations are also driving companies to assess sustainability throughout their supply chains.

Research shows that the popularity of positive environmental and sustainability claims around food production has risen substantially over the last number of years. Among Canadians, a recent survey found that 70 per cent look for environmentally sustainable food. Of these, 75 per cent look to the food label/package as the best way to identify sustainable products. Your label is a powerful marketing tool!

1. **Consumer Demand:** Consumers are looking for products that are environmentally friendly, healthy and ethically produced. By adopting sustainable practices, food producers can attract a growing customer base that values these qualities.
  - Eighty per cent of global consumers in recent polls report a willingness to pay a premium for sustainable products, with these types of product sales growing much faster than their traditional counterparts.
2. **Regulatory Compliance:** Some jurisdictions are implementing stricter regulations around the environment, waste and overall sustainability. Companies that adhere to these standards can gain easier access to markets with more stringent sustainability requirements. The European Union (EU), for example, has developed stringent guidelines around sustainability:
  - EU countries are increasingly demanding sustainability in food production and packaging. All food companies who wish to export into the EU must adhere to particular standards around sustainability.
  - The EU recently adopted the Packaging and Packaging Waste Regulation (PPWR), which came into force in February 2025. This regulation aims to reduce the use of primary raw materials within packaging, make all packaging recyclable by 2030, and promote the use of recycled content in packaging materials.
  - The PPWR is part of the EU's broader efforts to transition to a circular economy and achieve climate neutrality by 2050.
  - The initiative also targets the reduction of hazardous substances in packaging, such as PFAS chemicals. These efforts are expected to significantly reduce greenhouse gas emissions, water use, and the negative environmental impacts of packaging waste.
  - EU countries also have stringent sustainability requirements for food imports. The EU mandates that all food products, whether produced domestically or imported, must meet high standards to protect human and animal health, the environment, and consumers. These requirements also include regulations pertaining to food sanitation, consumer safety, and animal health.

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3. **Brand Reputation:** Sustainable practices can bolster a company's reputation, making it more appealing to consumers. This can, of course, lead to better market positioning and increased sales.
  - Trust plays a key role in influencing consumers' buying decisions. Brands that demonstrate genuine commitment to sustainability, and are transparent in their efforts, inspire consumer confidence and loyalty. Younger consumers, in particular, are voting with their dollars, and are making sustainability a priority when choosing products.
4. **Cost Savings:** Sustainable practices lead to more efficient use of resources like water and energy, reducing cost of production in the long run. These savings can be passed on to consumers in the form of lower prices, making your products more competitive.
5. **Investment Opportunities:** Companies with strong sustainability credentials are more likely to attract investment from funds and investors focused on environmental, social, and governance (ESG) criteria. This can provide the capital needed to grow and expand market reach.
6. **Market Differentiation:** In a crowded market, sustainability can help you get noticed. Products that offer sustainable packaging or those which have other genuine claims, stand out on store shelves. A package tells a story, so companies should make their story one of sustainability!

By integrating sustainability into all aspects of their operations, Canadian food producers can not only contribute to a healthier planet but also unlock new market opportunities at home and abroad, diversifying their markets and, ultimately, driving business growth.

Manitoba Agriculture can help you build your future in food. Our business development specialists offer consulting, pathfinding services, training and resources that will help you manage and grow your business.

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