

## **ELIMINATING THE 50-50 RULE TO STRENGTHEN FOOD SECURITY AND AGRIFOOD PROCESSING IN B.C.**

### **Issue**

British Columbia's 50-50 rule restricts food processors operating in the Agricultural Land Reserve (ALR) from achieving year-round operations, stifling innovation, investment, and local food security. Modernizing this rule is essential to strengthening B.C.'s resilience against climate disruptions, geopolitical instability, and global supply chain pressures.

### **Background**

Today's global food system is under increasing strain from climate change, geopolitical instability, and persistent labour shortages. These pressures underscore the need for a more resilient and sustainable local food supply. B.C.'s reliance on long global supply chains not only increases vulnerability but contributes significantly to greenhouse gas emissions, with food systems accounting for up to 30% of global emissions.<sup>1</sup>

The 50-50 rule requires processors on ALR land to source at least half of all inputs from the same property. While designed to protect farmland, this rule creates significant barriers to scaling agrifood processing. In practice, this rule restricts processors from operating year-round when local crops are out of season, limits their ability to adapt to seasonal variation, and prevents the formation of efficient supply chains.

In an era of climate volatility, geopolitical instability, and trade uncertainty, modernizing this framework is essential to strengthen farm incomes, expand local processing capacity, and enhance B.C.'s food security.

As a result of this rule, B.C. has already lost millions in AgTech and food production investment to more flexible jurisdictions, such as Alberta. Entire commodity processing sectors, including potato and pea processing, have shifted operations out of province due to regulatory inflexibility.<sup>2</sup> Public support for expanding food production and processing on ALR land is strong. Recent polling shows that more than 73% of British Columbians support maximizing agricultural output and increasing local processing capacity to strengthen food security.<sup>3</sup>

Modernizing land-use regulations can unlock more than \$1 billion in food processing investment while reducing reliance on the United States for essential food products.<sup>4</sup> The current rule forces some growers to ship crops to the U.S. for processing, only to re-import them at higher cost, undermining both economic and climate goals. This also increases emissions related to unnecessary food transportation.

Allowing processors to supplement local inputs with out-of-province ingredients would enable continuous operations, provide a consistent food supply, enhance food security, and attract investment in AgTech and food processing.

Reforming the 50-50 rule would support farming incomes and strengthen the economy while aligning with the federal government's target of doubling non-U.S. trade and B.C.'s goal to increase agricultural exports by 25%.

---

<sup>1</sup> <https://www.unido.org/stories/new-research-shows-food-system-responsible-third-global-anthropogenic-emissions>

<sup>2</sup> <https://www.boardoftrade.com/files/advocacy/2025-building-bc/building-bc-2025.pdf>

<sup>3</sup> <https://researchco.ca/2025/09/03/alr-bc/>

<sup>4</sup> The \$1 billion figure reflects commercially sensitive data provided by companies interested in investing or expanding in British Columbia.

Consideration of Soil Quality and Land Classification

Some stakeholders caution that not all ALR land should be treated equally.

Critics suggest that soils Class 1 and 2 should remain primarily dedicated to traditional crop production, while lower-quality land could be prioritized for value-added processing.

This approach mirrors the “Green Heart” concept in the Netherlands, where central high-quality farmland is protected for food production while surrounding areas allow more flexible agricultural use. Including soil-based safeguards would ensure modernization strengthens the ALR without compromising the most productive land.

The Premier’s 2019 Food Security Task Force report<sup>5</sup> echoed this, recommending an opportunity to modernize the ALR by allocating lower quality agricultural land (soil type 4-7), equating to approximately 0.25% of the province’s Agricultural Land Reserve (ALR) for agricultural-industrial use.

**THE CHAMBER RECOMMENDS**

That the Provincial Government:

1. Eliminate the 50-50 rule to enable year-round, scalable food processing on ALR land.
2. Establish clear approval pathways for food processing on low-quality farmland to unlock economic investment.
3. Collaborate with industry and municipal governments to ensure regulatory certainty and investment competitiveness.
4. Continue to protect high quality farmland, especially Class 1 and 2 soil.

---

<sup>5</sup> P. 12 <https://engage.gov.bc.ca/app/uploads/sites/121/2020/01/FSTF-Report-2020-The-Future-of-Food.pdf>