Canadian Food Innovation Network's inaugural Ecosystem Report maps $4.1B in Canadian agrifoodtech funding, key sector challenges and opportunities

The Canadian Food Innovation Network's Foodtech in Canada 2025 Ecosystem Report offers a reflection of the sector's growth and a road map for global leadership.

GUELPH, ON, February 4, 2025 – Today, the Canadian Food Innovation Network (CFIN) has released its inaugural Foodtech in Canada 2025 Ecosystem Report, offering the most comprehensive overview of Canada's foodtech ecosystem to date.

The report leverages foodtech data intelligence from Forward Fooding, a global foodtech ecosystem platform, and provides an extensive review of over 9,950 global companies and 320 Canadian companies. Enriched by expert insights from Canada's leading food industry figures, it offers a comprehensive reflection on the progress of the Canadian foodtech ecosystem and serves as a road map for advancing Canada's leadership on the global foodtech stage. An overview of the report's findings can be found below.

"Canada's foodtech ecosystem has made remarkable progress over the last decade, driving transformative innovations that enhance sustainability, boost economic productivity, and create jobs nationwide," says Dana McCauley, CEO of CFIN. "However, to truly realize our potential as a global foodtech superpower, we must address the pressing challenges that remain. CFIN is fully committed to empowering homegrown innovators and fostering solutions that will shape the future of food technology in Canada."

Public support drives foodtech growth, but private capital lags in Canada

The report charts over $4.1B CAD ($2.9B USD) in Canadian agrifoodtech investments between 2014 and 2024, in which $2.3B CAD ($1.6B USD) went specifically to foodtech projects.

While Canadian foodtech has seen a healthy inbound of investments, with an 8.4% compound annual growth rate (CAGR) compared to -2.6% globally, the report found an unbalanced funding distribution between public and private funding.

Over the past four years, approximately 60% of foodtech investment rounds in the UK and the U.S. have been backed by venture capital, compared to just 40% in Canada. However, public grants play a much more significant role in Canada, comprising nearly one-third (30%) of all foodtech funding rounds — significantly higher than the 5% in the UK and 8% in the U.S.

Canada's unique strengths: plant-based, biotech (food processing), and food waste solutions

The plant-based sector has become the top foodtech domain in Canada, with a 49.5% five-year CAGR and over 60 companies delivering the next generation of food and drinks, such as New School Foods, No Meat Factory, and Smallfood. On the global stage, the report shows that Canada has a larger pool of plant-based protein innovators, representing 26% of the Canadian foodtech ecosystem, compared to the 14% global average.

More and more Canadian startups are developing solutions to address the country's 21 million tonnes of food waste, ranging from repurposing the 'outcasts' of the food industry to converting waste into syrup. This growth is reflected across the 11 food waste management companies examined in the report such as Flashfood, Knead Tech, and Crush Dynamics, with this domain achieving a 40.7% five-year CAGR.

Canada's biotech sector has seen significant growth in food processing, with 18 companies using innovative biotech processes to produce nutrient-dense proteins for infant formulas, cognitive health supplements, and other food products. Notable companies in this field include Mara Renewables and Chinova Bioworks, driving this segment's 24.7% CAGR over a five-year period.

Growth capital gap, labour shortages, supply chain issues hinder foodtech growth

While Canada's venture capital round sizes for pre-seed and seed rounds closely align with the UK and the U.S., a notable decline in later stages poses challenges for Canadian foodtech companies in accessing growth capital. On average, Series A and B deal sizes are about twice as large in the UK and the U.S. compared to Canada. Series C rounds in the U.S. are three times higher than Canada's.

Labour shortages and supply chain complexities pose significant challenges for Canada's food system, with manufacturers, restaurants, retailers, distributors, and foodtech companies struggling to find talent amid an aging workforce, low national birth rate, reduced immigration and temporary foreign worker levels, and steep competition.

Canada's journey to global foodtech leadership

With strengths like access to quality agrifood systems, world-class foodtech expertise, a strong network of research and innovation hubs, and government-backed programs for foodtech innovation, Canada's foodtech ecosystem has made notable strides over the last decade. However, critical obstacles remain to be addressed throughout the sector, hindering opportunities to scale promising ventures and adopt their novel innovations.

"As a farmer myself, I've seen how the sector has changed over the years when it comes to technology, and how folks everywhere are looking for better and more sustainable agri-food products. This report will help businesses, researchers, and investors learn the lay of the land

and bring more of our top-quality products from the farm to the table with cutting-edge innovations," says the Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food.

CFIN's inaugural 2025 Foodtech in Canada 2025 Ecosystem Report outlines the Canadian foodtech sector's growth and investments between 2014 and 2024, as well as its key challenges and opportunities ahead. The full report can be accessed at https://cfin-rcia.ca/yodl-content/cfin-reports/foodtech-in-canada-2025-ecosystem-report.

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ABOUT THE CANADIAN FOOD INNOVATION NETWORK:

The Canadian Food Innovation Network (CFIN) is a national organization stimulating transformative and transferrable innovation within the Canadian food sector. With 6,000 members and counting, CFIN has built the country's fastest-growing and most engaged food business community. Their members come from across the globe and represent all parts of the food value chain. CFIN's free membership includes access to exclusive funding programs, five Regional Innovation Directors, and YODL.

CFIN was established in 2021 and is supported by the Government of Canada.

ABOUT FORWARD FOODING:

Forward Fooding is the world's first collaborative platform for the food and beverage industry, fostering innovation via foodtech Data Intelligence and corporate-startup collaboration. Headquartered in London with satellite offices in Barcelona and Rome, Forward Fooding acts as an ecosystem enabler to provide support and velocity to foster meaningful collaborations and partnerships between established food organizations and agrifoodtech startups and scale-up companies. Forward Fooding is the creator of the Foodtech 500 – the Fortune 500 of the agrifoodtech industry.