

Legal Guidance for Canada's Market Diversification Program

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The Market Diversification for Small and Medium-Sized Enterprises program is a federal funding stream under the **AgriMarketing Program** that supports Canadian agri-food businesses seeking to expand into new international markets, alongside broader initiatives under Canadian Agricultural Partnerships.



The program provides financial assistance for market development activities. Participation is governed by structured eligibility requirements and binding contribution agreements that must be carefully managed.

Legal counsel plays a key role in helping businesses navigate these obligations, manage compliance requirements, and ensure funding arrangements align with broader commercial and cross-border expansion strategies. Proper structuring at the outset can reduce risk and improve the effectiveness of market entry initiatives.

The opening of the applications was **February 13, 2026**, and subject to available funding will close on **September 30, 2030**.

Objective: Reducing Market Risk

Aiming to help Canadian producers, processors, and agri-product businesses reduce their reliance on unstable or limited markets and grow into new markets, the program is designed to support expansion into high growth regions.

Eligibility: Activities vs. Exclusions

Focused on market development activities, the funding supports actions a business takes to **enter a new market or expand its presence** in an existing one. The intention is to reach new customers, understand market conditions, and position products for success in that region.

Equipment, production costs, and routine business operations are not covered. Eligible activities include:

- Attending trade fairs
- Buyer meetings in new markets

- Developing market research
- Creating or adapting promotional materials for foreign audiences
- Packaging and labelling for out-of-country regulatory compliance

Cost Sharing

Funding is shared between the applicant and Agriculture and Agri-Food Canada. Businesses must cover at least 30%, with a minimum total project cost of \$20,000 over an 18-month period.

Protect Your Expansion: Where Legal Counsel Helps

Legal support is most effective when engaged early. A company's broader business structure often plays a critical role in supporting successful market expansion.

Thompson Dorfman Sweatman LLP assists agri-food businesses with Contribution Agreements and related matters, including:

- Market Entry Compliance
- Contract Review
- Regulatory Compliance
- Commercial Relationships
- Growth Strategies
- Intellectual Property
- Audit Preparation

If you are considering international expansion, understanding how program requirements intersect with **business law** is essential. Our team supports clients navigating **cross-border opportunities** and regulatory frameworks.

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