

Outlook 2026

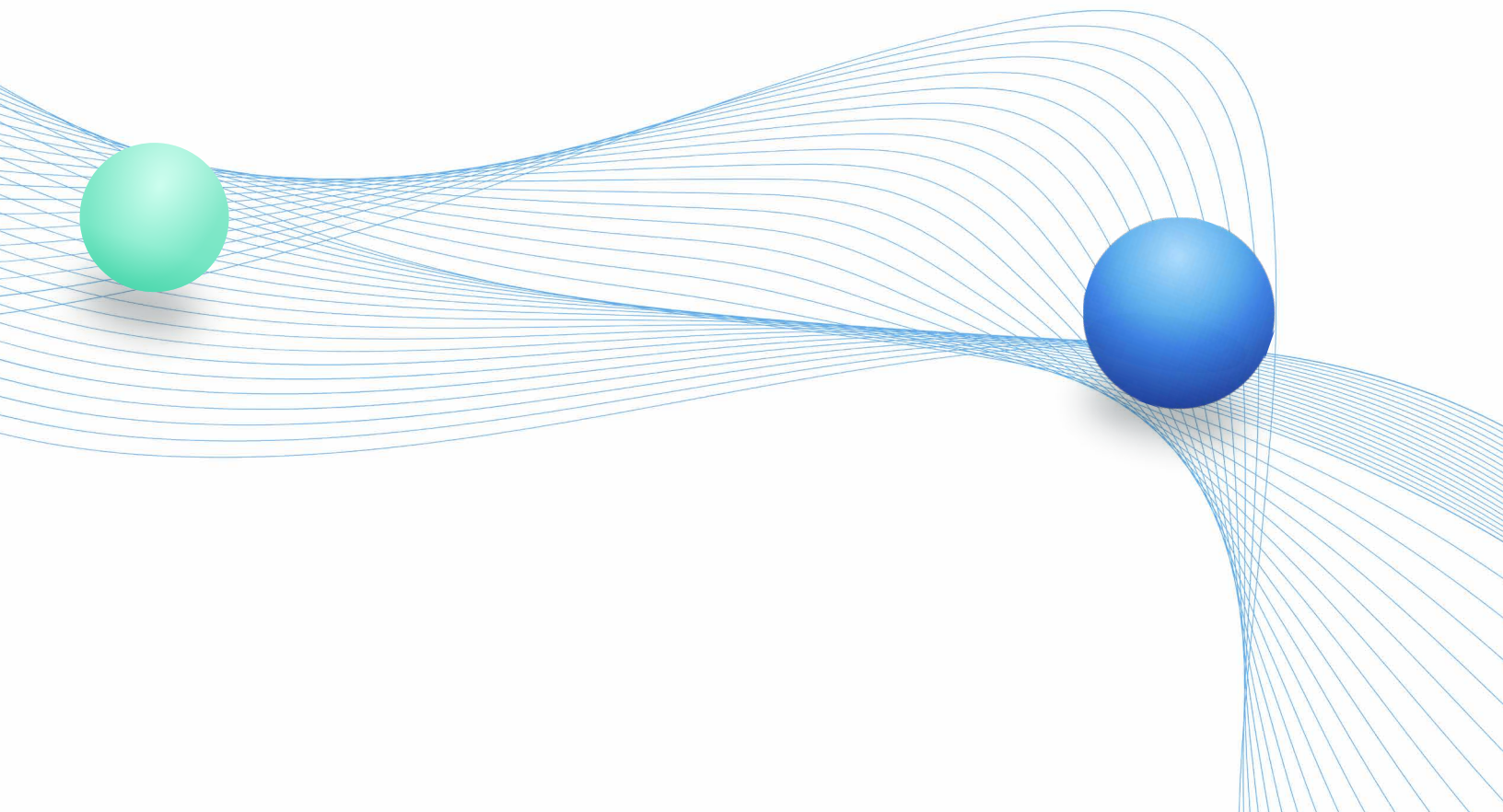
Agribusiness

Organizational risk maturity will help counter widespread economic uncertainty and boost profits, employee vitality and resiliency.



What to Expect in 2026

Tariffs and economic uncertainty will affect profitability for Canadian food and beverage producers, as well as forestry and wood manufacturing. Industry leaders are facing labour shortages, climate change, cyberattacks and product safety issues. But there are opportunities: Businesses that focus on improving their supply chain resilience, tackling labour challenges and implementing enterprise risk management (ERM) tactics that improve an organization's risk maturity can thrive in 2026.



Profitability

Rising costs will disrupt profits, but agribusinesses will have options to help them thrive.

While Canadian policy changes related to tariffs have hit agribusiness hard, forward-thinking operations will take creative solutions to help ensure profitability in 2026.

The U.S. has always been Canada's primary import partner, and 2025 was no exception. However, imports from the U.S. are down 2%, a difference of nearly \$6 billion.¹

Even before additional costs from tariffs, food costs were rising faster than the general rate of inflation at 3.5% as of August 2025.² Although many food and beverage companies are reporting revenue growth, price increases are driving that growth, as sales volumes have declined. The grain and oilseed sector has been particularly hard hit, with sales down more than 10% in the first half of 2025.³

Some companies have shied away from raising prices, instead reducing product sizes while keeping prices level, also known as "shrinkflation."⁴ But prices have jumped for several products, including coffee, which rose more than 28% in 2025.⁵

It's not just foodstuffs that are seeing price hikes. Tariffs on aluminum and steel — two essential elements in food packaging — are hitting food and beverage companies' bottom lines on both sides of the border as the materials become more expensive.⁶

Forestry and wood production companies are also struggling with profitability. Exports of forestry products and building materials fell 10% in August 2025, although lumber was down nearly 25% — the lowest level since 2020.⁷ While the impact is still unclear, tariffs are likely to affect profits in 2026 due to the cross-border nature of the industry.

Agribusiness industry leaders are also concerned about the effect of environmental and climate-related events, according to HUB International's 2026 Profitability & Resilience Executive Survey.⁸ More than 60% of respondents across North America cited weather- and climate-driven disruptions as the greatest threat to profitability in 2026, the highest of all industries surveyed.

*To help deal with tariffs and rising prices, **agribusinesses can strengthen their local and international supply chains.***

Still, agribusinesses can fortify 2026 profits by moving up the risk maturity curve. Forging stronger partnerships with both international and local suppliers — and seeking new ones — can help cope with tariffs and rising prices. Similarly, agribusinesses should seek alternative financing to improve cash flow.

Agribusiness companies should consider [trade credit insurance](#), which protects policyholders from non-payment of invoices. The demand for this coverage is growing, so agribusinesses will need to work hand-in-hand with an insurance broker with deep expertise in trade credit to find the right coverage at an affordable cost.

Profitability

1. CBC News, "[How Canada's imports and exports have changed since Trump](#)," August 19, 2025.
2. Loblaw Companies Limited, "[Food Inflation Report](#)," September 2025.
3. Farm Credit Canada, "[Food and beverage manufacturing sales losing momentum: 2025 mid-year update](#)," September 24, 2025.
4. MarketWatch, "[Kraft Heinz takes \\$9 billion charge for its stock's 'sustained decline' as it ponders strategic options](#)," July 30, 2025.
5. CTV News, "[We are expecting other chains to follow suit': Tim Hortons increases coffee prices](#)," October 6, 2025.
6. Reuters, "[Conagra says tariff costs will hit annual profit](#)," July 10, 2025.
7. Statistics Canada, "[Canadian International Merchandise Trade, August 2025](#)," October 7, 2025.
8. The HUB International 2026 Profitability & Resiliency Executive Survey polled 350 industry leaders and executives across North America on the issues facing them on profitability and resilience.

Even as labour shortages improve, agribusinesses' personalized benefits will bolster engagement and stability.

Largely due to lower production, the labour shortage in food and beverage production has shrunk significantly — in late 2025, job vacancies in the sector fell below 3% for the first time in a decade.⁹ That represents a stark turnaround from the end of 2024, when 59% of food and beverage makers reported difficulty in finding skilled labour.¹⁰

However, workforce availability in food processing is unpredictable, especially with tariff uncertainty and changing immigration policies,¹¹ both of which can result in disruptions to operations. To help ensure compliance and maintain productivity, agribusinesses may turn to third-party labour contractors as a reliable staffing option.

Many agribusinesses will also turn to automation to ensure they aren't caught short when business picks up. Although not every role can be automated, robots can handle heavy tasks like packaging and palletizing goods.¹²

So-called “cobots” that work with human intervention are also being employed in food and beverage processing to help ease the labour shortage. However, automation comes with its own challenges, not the least of which is finding skilled labour to operate, maintain and repair machines.¹³

Yet agribusinesses have options to boost employee recruiting and retention efforts. Benefits are key:

According to the [HUB 2025 Canadian Workforce Vitality Gap Index](#), 73% of employees feel that a comprehensive, personalized benefits program would increase the likelihood they'll stay at their current organization.

*Nearly **three-fourths of employees** say personalized benefits will improve the likelihood they'll remain at their employer.*

In addition, personalized benefits can be a game-changer. As worker vitality in 2026 will rest on a base of retention and productivity, personalized benefits can include retraining and upskilling to help employees adjust to increased automation and offering legal help if necessary.

Ultimately, personalized benefits — whether that includes training, flexible work arrangements or improved healthcare coverage — will help separate agribusinesses that can thrive from those that merely survive.

9. FCC, “[Trade disruptions stifle growth for Canadian food and beverage manufacturers: FCC reports](#),” October 7, 2025.
10. Careers in Food, “[Challenges Surge in Canada’s Food and Beverage Sector: Labour Shortages, Inflation Hinder Industry Growth and Innovation](#),” December 13, 2024.
11. CIC News, “[Major changes announced in IRCC’s 2025-2026 Departmental Plan](#),” June 26, 2025.
12. Food Engineering, “[Finding the Right Applications for Cobot and Robot Technology](#),” March 24, 2025.
13. SACA, “[Robots and Cobots Finding Niche in Food Manufacturing](#),” May 13, 2025.

Resiliency

As exposures grow, improved risk maturity and strong insurance will help fortify agribusiness resilience.

Agribusinesses in 2026 will face ongoing challenges to resiliency, but the year will bring risks with far more at stake than rising insurance premiums.

Greater risk from climate change, supply chain breakdowns, worker shortages and unstable economies and geopolitics represent only some of the heightened issues that will demand agribusinesses move up the risk maturity curve, especially to help business continuity.

Ongoing drought conditions have affected crops and livestock production¹⁴ which forces higher input costs for food and beverages. In addition, tariffs on products from the U.S. will bring more pressure on profits. Experts anticipate food prices to continue to increase long term.

However, the overall 2026 insurance outlook for Canadian agribusiness is generally positive, with rates declining in the sector. Individual coverages will have different outcomes. Mirroring the overall decline in property insurance premiums, rates will fall in 2026, although there will be volatility throughout the year, with premiums stabilizing by year-end.

Product recall coverage insurance rates will be stable, with rates falling or rising no more than 5%. Agribusinesses with American customers could see the largest premium increases, while Canada-only businesses will see stable or falling rates.

Underwriters are concerned about the increased number of severe weather events¹⁵ that damage facilities, long repair times on equipment due to parts shortages and infrastructure in need of replacement.

Insurers will focus on best-in-class agribusinesses with favourable claims histories. Organizations that demonstrate strong [enterprise risk management \(ERM\)](#) will secure coverage at an affordable cost; those

lacking risk management strategies will pay more for coverage and may have to seek alternative risk transfer arrangements.

Insureds with favourable claims histories and strong ERM are likely to secure affordable coverage.

With the specter of instability from weather, geopolitics and economics hanging over agribusiness, maintaining business continuity will be especially important in 2026. Business continuity plans will need to account for the risk from upstream suppliers as well as from downstream clients that receive and sell the final product.

For example, not only will food production operations need disaster-proof manufacturing facilities, but also take extra steps to ensure the supply chains of businesses that provide the tin cans or cardboard boxes for packaging remain intact.

Working with an experienced broker with deep industry knowledge can help agribusinesses find the weak spots in their risk management plans, find solutions and procure coverage that will help them stay resilient in 2026 and beyond.

14. CTV News, "[Lack of rain in eastern Ontario affecting farmers' crops.](#)" August 22, 2025.

15. Global News, "[Unseasonably warm temps fuelling wildfire, affecting crops in Maritimes.](#)" October 6, 2025.

Preparedness

As exposures grow, improved risk maturity and strong insurance will help fortify agribusiness resilience.

Ransomware and data breaches have long been a major issue in agribusiness, with the JBS Foods incident in 2021 perhaps being the most well-known example.¹⁶ And food and product safety will always be a risk that agribusinesses must address.

Despite organizations' best efforts, ransomware and data breaches still represent a major vulnerability,¹⁷ with data breaches costing Canadian companies about \$7 million per incident in 2025.¹⁸ For the food and beverage industry, cyberattacks doubled in the first quarter of 2025 compared to the first quarter of 2024.¹⁹

Agribusiness' move toward automation and artificial intelligence (AI) leaves the sector more vulnerable to cyber threats. Both a lack of employee education and reliance on legacy tech systems have resulted in security gaps.

The industry has options to combat these risks. They can strengthen their secure remote access and educate employees on network security to protect the entire business from harm. Underwriters are demanding such measures before issuing policies for cyber coverage, an essential backstop against risk.

In fact, the HUB International 2026 Profitability & Resiliency Executive Survey noted 39% of agribusiness industry leaders say they are considering increased insurance coverage for tech and cybersecurity risks. That's more than for any other risk, including environmental risk (33%) and rising operating and labour costs (30%).

Food safety has always been a preparedness issue, and there are more food recalls in Canada than a decade ago. However, the number has remained steady over the past five years, due to more reliable methods of identifying issues and modernized food regulations.²⁰ The leading causes of recalls are allergen contamination, bacterial contamination and foreign objects.

Cyberattacks on the food and beverage industry doubled from the first quarter of 2024 compared to the first quarter of 2025.

Although product recall coverage is more affordable than in the past, business leaders should consider a return to more stringent safety protocols to minimize the risk — even if it comes at a cost. Recalls not only cause monetary damage, but also reputational damage that may take years to overcome.

16. Claroty, "[Cyber Attack Overview: JBS Foods Ransomware Incident](#)," April 3, 2023.

17. Wisdium, "[8 recent cyber attacks on food production and agriculture](#)," October 6, 2024.

18. IBM, "[IBM Report: Canadians' Data Security Under Increased Threat, While Breach Costs Surge](#)," July 30, 2025.

19. The Record, "[Ransomware attacks on food and agriculture industry have doubled in 2025](#)," May 2, 2025.

20. National Post, "[Why food recalls have increased so drastically in the last decade in Canada](#)," August 20, 2025.

Moving Your Organization Forward

HUB agribusiness industry insurance, risk management and employee benefits specialists will work with you to develop a tailored strategy to protect your bottom line, support the vitality of your workforce and build resiliency for 2026. Here are some initial considerations:

Accelerate your risk maturity.

1

Risks in agribusiness have increased — and so have insurance premiums. Consider taking a higher deductible on some coverages, which reduces premiums and improves experience rating, or think about alternative risk transfer vehicles to lower costs. Ask your broker what kind of insurance strategy meets your risk profile and budget.

Increase engagement through benefits.

2

Employees expect you to support their health, safety and wellbeing. A benefits strategy based on personalization and fostering [quality employee experiences \(QEX\)](#) will boost engagement, recruiting and retention and lower risk.

Understand your loss trends.

3

Understand the root cause of your large losses and explain to carriers what you're doing to prevent future losses. Develop a strategy with HUB to determine the best time and frequency to review alternative markets.

Be transparent with your broker.

4

Let your broker know what changes you've made to the business, so there are no surprises at renewal. Review exposures and insurance needs at least 90 days prior to policy renewal, so your broker can identify the best options.

Agribusiness Rate Guide – Canada

HUB International’s rate guidance comprises an analysis of proprietary national survey data and interviews with HUB commercial insurance brokers and risk services consultants who specialize in the agribusiness industry.

Below are projections of rate increases that we anticipate in 2026. It’s important to discuss your business’ exposure with your insurance broker and understand what to expect well in advance of your next renewal.

Coverage	2026 Agribusiness Rate Guide	Insights
Liability Lines	-10% to Flat	<p>Liability rates across transportation and directors and officers (D&O) coverage are expected to align with broader industry trends, with no significant deviations anticipated in the near term.</p> <p>For general liability (GL), premiums are expected to remain stable, particularly for organizations that demonstrate strong risk-management practices and claims experience, resulting in more favourable rates. Generally, insureds may find opportunities to increase GL limits with little or no changes in premiums.</p>
Product Recall	-5% to +5%	<p>Product recall coverage is expected to see upward rate adjustments as the frequency of recall events continues to rise across multiple industries.</p> <p>Organizations with significant U.S. sales exposure are likely to face greater pricing pressure, while Canada-only businesses should continue to benefit from a relatively stable rate environment.</p>
Property Insurance	-10% to Flat	<p>The property insurance market is experiencing continued downward rate pressure, fueled by an influx of capacity and renewed competition among carriers. Several insurers have expanded their underwriting appetite, intensifying competition — particularly within the forestry and agricultural sectors.</p> <p>This increased capacity has already led to rate reductions across many accounts. However, despite these favourable conditions, volatility is likely to persist through mid-2026, with rates expected to stabilize toward year-end as the gap between claims activity and earned premium begins to narrow.</p> <p>Within the forestry sector, underwriters are closely monitoring the impact of tariffs on U.S. exports. Plant closures and idle operations are reducing premium volume, contributing to stable or modestly declining rates. Risk management performance remains a key differentiator, with companies demonstrating strong controls benefiting from more favourable terms and conditions.</p>

Agribusiness Rate Guide – Canada

Coverage	2026 Agribusiness Rate Guide	Insights
Agriculture and Food Overall	-10% to Flat	<p>The agriculture and food industries continue to benefit from the “Buy Canadian” movement, which has boosted revenues and strengthened demand for domestically produced goods.</p> <p>Even so, the sector faces emerging headwinds. New duties on canola — one of Canada’s most significant crops — coupled with an oversupply of lumber and persistently high building costs, have tempered construction activity and reduced demand for wood products.</p> <p>In response, many farms and mills are diversifying operations and investing in vertical integration to drive efficiency and protect margins. This evolution is prompting underwriters to take a more holistic view of agricultural risks, evaluating not only traditional exposures but also operational resilience and sustainability practices.</p> <p>Climate-related perils — including drought, flooding and wildfire — remain an ongoing concern, particularly for agricultural operations. As these threats intensify, parametric insurance solutions are gaining traction as effective tools to stabilize exposure to variable yields and unpredictable revenue streams while enhancing long-term risk resilience.</p>
International Expansion	Varies	<p>As international sales expand, so too does operational complexity. Heightened logistics challenges and cross-border exposures are reinforcing the need for robust multinational capacity to support global growth strategies.</p>

NOTE: Rate is typically defined as the amount of money necessary to cover losses and expenses while providing an insurance company with a profit for a unit of exposure. **Exposure** refers to a business’ or an individual’s susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.

HUB Agribusiness

When you partner with us, you're at the center of a vast network of experts who will help you reach your goals. For more information on how to manage your insurance costs, reduce your risk and take care of your employees, talk to a HUB Agribusiness insurance specialist.

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