



The Produce Sector and Trade

Goal

The enabling of open, barrier free trade that takes into account the unique aspects of the produce industry, including perishability and phytosanitary and food safety requirements. Given the high degree of integration and interdependence between the Canadian, US and Mexican produce industries, trade should not only be protected but the establishment of a North American perimeter approach which would ensure a smooth and improved trading relationship.

Action Needed

- Closer alignment with the United States on plant health, customs and continued recognition of food safety systems.
- Adequate resources for AAFC and CFIA, in particular for plant health e.g. soil, to ensure access to international markets for both import and export.
- When negotiating trade agreements, ensure that sanitary and phytosanitary requirements are science based and not used as a cover for protectionism.
- Support for produce industry needs when existing trade agreements, including NAFTA, are renegotiated.
- Continue the development of mutual food safety system recognition arrangements with Canada's trading partners in addition to the United States.

Impact

- A dynamic Canadian produce industry that will ensure exporters have access to world markets, and that Canadian consumers are provided with the best quality produce at the best possible value.

Background

- Trade in fresh produce is critical to ensuring that Canadians have access to the fruits and vegetables they want year round, as well as to ensuring the growth and economic sustainability of domestic growers.
- In 2014, Canada imported \$8.1 billion in fresh produce, with the US and Mexico being our largest suppliers.
- Canada exported \$2.1 billion in 2014, representing 52% of all Canadian production.
- With most produce trade already tariff free, barriers to trade within the sector are principally non-tariff and require support from the federal government to address.
- The ability to export to or import from a new market is dependent on assessments of risks and recognition of plant protection systems by the trading countries' plant health regulators.
- Trade in fresh fruits and vegetables in North America is highly integrated across the entire supply chain.
- Differences in regulatory requirements in Canada, the United States and Mexico can result in a loss in trade opportunities for the Canadian fresh fruit and vegetable industry.
- Unnecessary regulatory differences between these countries relating to such things as customs, plant health and delayed recognition of food safety systems can lead to delays, increased costs for both business and consumers and even lost product.
- Continued improvement to the level of integration between the three countries is essential to the competitiveness of the Canadian produce industry.
- Requirements that are not scientifically-based or essential to security act as effective non-tariff trade barriers between countries and must be eliminated.
- Increased cooperation and alignment in these areas can facilitate trade and provide benefits to both industry and consumers, while protecting Canada's security, people and environment.

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