## <u>CPMA President Ron Lemaire's Address to the House of Commons Standing</u> <u>Committee on Health – Tuesday, May 5, 2020</u>

Honorable Members of the Standing Committee on Health, on behalf of the Canadian Produce Marketing Association (CPMA), I would like to thank you for the opportunity to speak today about the Canadian response to the outbreak of COVID-19.

CPMA is a 95-year-old not-for-profit trade association representing over 860 member companies doing business in Canada. Supporting roughly 249,000 jobs, we are responsible for 90% of fresh fruit and vegetables purchased by Canadians. Our comments reflect a complex supply chain that works tirelessly to provide fresh fruit and vegetable across Canada.

I will speak to the impact of COVID-19 as it relates to the continuity and integrity of the fresh produce supply chain and food security in Canada. These areas of impact include consumer sentiment, mental health, food security, food labelling, infrastructure, regulatory modernization and trade, and sustainability, including plastic packaging.

To understand how the current pandemic is affecting consumers, and by extension, the fresh produce supply chain, I will note what CPMA's polling firm, Abacus Data, found when they surveyed Canadians just over 12 days ago:

- o No surprise, 76% of Canadians feel anxious and 45% feel lonely.
- The majority of Canadians feel this pandemic will last beyond 3 months, putting greater mental stress upon them.
- o Additionally, 47% of Canadians are feeling an impact financially.

CPMA has seen Canadians doing more targeted shopping, resulting in larger baskets with a focus on longevity – so, more shelf-stable products like canned and frozen items – and for fresh items, the focus is on the more traditional staples such as potatoes, root vegetables, and apples.

What we also know is Canadians are focused on safety and, for many, this translates to more packaging – which I will talk to later.

Interestingly, the pandemic has also driven more consumers to do more home cooking. CPMA's consumer program, Half Your Plate, is aligned with Canada's new food guide, and given that 54% of consumers are now cooking more at home, CPMA has developed tools to support them, including:

- A one-page produce storage guide that simplifies the best methods to store your fruits and vegetables.
- <u>Information</u> on how to safely and properly handle produce when you arrive home from the store.
- Advice related to involving <u>children in the kitchen</u>, including easy recipes, tips for parents and links to resources.
- And while there is a perception that all fruit and vegetables are expensive, the association provides Canadians with shopping tips to maximize the value of their basket.

With Canadian buying patterns shifting during the pandemic, we have seen retail sales up 8% for vegetables and 5% for fruit. However, consumers are spending less time "browsing" grocery stores for unique items and the sales for short shelf-life products or specialty items are lower.

Also, given the closure of many foodservice operations, there has been a dramatic impact to the entire sector, which represents 30% of our market. There has been some rebound, with delivery options, but the market is still very fragile. In a recent industry survey, Canadians say that they look forward to visiting restaurants again but are concerned about personal safety once businesses reopen.

While consumer buying patterns have changed, food security has been top-of-mind during the pandemic. With many Canadians' employment status changing, there is an increased reliance on food banks.

The produce industry is aware of this issue and has significantly increased the level of donations to help. Unfortunately, food banks and other food charities still have gaps. While there is plenty of food to donate, many charities do not have the necessary cooler facilities to handle the volume of fresh produce, resulting in losses of donated products, or the charity declining the offer of product donation. Also, the lack of volunteers who would normally support their services to receive, pack and ship much of the product is still a challenge.

Throughout everything, there are positives, including the flexibility in labelling. The larger format items, typically destined and labelled to foodservice establishments, are now allowed to be sold through other channels. We are aware that work is also being done by the CFIA to enable some flexibility in consumer package labelling where it does not affect health and safety. This is also supported by CPMA.

I'd like to now turn to recovery. Business continuity will be challenging, as we transition into the post-COVID-19 world. The simple decision to reopen for some parts of our supply chain will be the first step, and for many, may not be possible.

Government programs created to support the produce industry must be based on flexibility and longevity to minimize losses for the industry. The complexity and variability of the industry means program adaptability, on both the large and small scale, must be incorporated into any programs.

To that end, another area of impact to the produce supply chain which influences food production is foreign labour. Access to temporary foreign workers (or TFWs) which, early in the pandemic was the single most significant threat to food production, food security and the integrity of the food supply chain, remains an issue. While the issue of labour has been addressed to a point, there is a need to revisit the protocols for the workers in Canada. TFW protocols vary from municipality to municipality; more work must be done to support an efficient model for managing and streamlining isolation protocols. Audits from multiple levels are also now being implemented and consistency is essential. The addition of rapid testing for essential farm workers to ensure business continuity and production is also an area of interest.

From the start of the pandemic in Canada, CPMA members worked diligently to develop and implement measures that will protect employees, the public and the food system. In a recent member survey, access to personal protective equipment (PPE) is the number one area of concern. Public health and public safety guidelines have resulted in member companies' need for much greater access to cleaning, sanitation products and PPE.

A new supply chain for these products is vital; organizations cannot continue to operate without appropriate cleaning and sanitation measures to ensure food and employee safety. A self-sufficient Canadian PPE supply chain should be one of government's long-term goals.

We are also supportive of the Public Health Agency of Canada's (PHAC) developing guidance regarding which types of PPEs are required based on the risks associated with various activities and environments found in Canadian businesses.

Testing of employees for the COVID-19 virus or symptoms of infections should be available to employers within our sector, which is designated as an essential

service. Once sufficient and affordable testing equipment is available, PHAC should create guidance to support businesses implementing point-of-care tests.

Earlier, I noted plastics as packaging. CPMA is deeply engaged in addressing problematic single-use plastics in our sector. These are important tools to help minimize contact between consumers and commodities/food items.

Since the COVID-19 outbreak, consumers have demonstrated a desire for plastic packaging, by increasing their purchases of these items. We do not know how this will change post-COVID-19, but we need to recognize this shift today and the need for systems to address collection and recycling of these products.

I would urge government not to add plastics to the Canadian Environmental Protection Act's list of toxic substances, as more review is necessary. We suggest a focus on working with industry to identify and eliminate problematic single-use packaging while improving recycling and recovery of plastics across Canada, which will provide the best possible outcomes.

During this pandemic, we have also realized our reliance on global trade. To ensure the ongoing viability of the food system, we need a strong domestic and global strategy. Market access is critically important to the Canadian produce sector. To successfully access key markets, the supply chain linkages of transportation, border access and ports of entry and exit must be maintained. In addition, international trade agreements, phytosanitary rules and cooperation between governments must continue and be harmonized. The supply chain is multinational, so a failure in one area has consequences along the entire chain.

CPMA encourages government to undertake a pandemic post-mortem, in partnership with industry, to help understand how this crisis affected Canadians and Canadian industry, so we can all be better prepared for the next occurrence. Overall, we have all gone through tremendous change in an accelerated timeline. The new business environment has added cost to our entire supply chain, which will be difficult to quantify and to bear. In the end, we do know one thing: food will cost more.

In closing, I want to recognize the extraordinary efforts by government, both elected and public servants, throughout these unprecedented times. Thank you for your time, and I would be happy to answer any questions you may have.