

# CANADA'S PRODUCE TOP 10



From the farm gate to the dinner plate, the fruit and vegetable supply chain contributes billions of dollars to Canada's GDP and supports thousands of jobs in rural and urban communities from coast to coast to coast.

We know that Canadians are concerned with the rising costs of essentials, including fresh produce. Government support is needed to keep produce accessible to Canadians and make it easier to fill *Half Your Plate* with healthy and nutritious fruits and vegetables.



## 1. Prioritizing Access to Food

In the fresh produce sector, substantial and compounding increases in costs and delays along the supply chain are further complicated by the high perishability of our products. These costs cannot be fully borne by the industry and have already begun to be passed to consumers – most affecting those who can least afford it. To ensure uninterrupted access to food and essential goods for all Canadians, the Government of Canada should make food production and access to food and essential goods a priority in legislation, policy, and crisis management.

## 2. Financial Protection for Produce Sellers

The high perishability of fresh produce and the industry's longer payment terms mean that Canada's *Bankruptcy and Insolvency Act* does not effectively protect fresh produce sellers when buyers go bankrupt. Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*, would provide a critical support for Canada's fresh fruit and vegetable industry, and would open the door to the reinstatement of preferential treatment under the *Perishable Agricultural Commodities Act* when selling products to the U.S – all with no cost to the government. We urge all Members of Parliament to vote in favour of Bill C-280.

## 3. Supply Chain Resiliency

The pandemic, devastating weather events, and disruptions at ports of entry have shone a light on the vulnerabilities in our supply chains and their impacts on food availability in Canada. Fortunately, these challenges have also demonstrated that effective solutions can be achieved when government departments and other stakeholders work together with urgency and dedicated focus. Recommendations made in the National Supply Chain Task Force report, including the establishment of a Supply Chain Office to unify federal government efforts, can serve as the starting point for addressing disruptions, fostering resiliency, and helping ensure Canadians can continue to put our essential products on their tables.

## 4. Sustainability

The fresh produce sector has shown leadership in implementing sustainable practices to address areas such as biodiversity, greenhouse gas emissions and carbon sequestration, food loss and waste, renewable energy, soil health, water conservation, sustainable packaging and more. Collaboration with industry can ensure effective and long-term solutions, including through reasonable and fair recognition for past efforts to reduce greenhouse gas emissions and implement more environmentally sustainable practices, a pragmatic approach to problematic plastics and the necessary harmonized systems to support a circular economy, clear policy and programs to address food loss and food waste, and the development of a long-term sustainable water management strategy.

## 5. Crop Protection

It is critical that the government commit to increasing funding of the Pest Management Regulatory Agency (PMRA), so that the Agency may continue its core evaluation activities as well as the collection of pesticide use and water monitoring data. Without the necessary data, PMRA has had to deregister vital crop protection products. At the same time, a funding freeze for at least the past ten years has led to research declining at the Pest Management Centre. This has curtailed the Centre's ability to research alternative crop protection tools, without which Canadian fruit and vegetable growers will be unable to sustainably control insect pests, plant diseases and weeds in their crops.



## 6. Labour

An effective National Agricultural Labour Strategy will require a total supply chain lens to ensure that all aspects of the agriculture and agri-food sector – from the farm to the dinner plate – are considered and supported. Businesses in the fruit and vegetable sector rely on the Seasonal Agricultural Worker Program and the Temporary Foreign Worker Program to address chronic labour shortages. We are encouraged by the government's commitment to creating a Trusted (Recognized) Employer Model, but we need to ensure employer representatives are included in the design of the program. ESDC and IRCC need not only more resources but a more holistic and cross-department approach to manage the flow of international workers in a timely manner.

## 7. Trade & Market Access

Free and fair international trade in fresh produce offers huge economic growth opportunity for Canadian businesses and provides Canadians with access to safe and healthy fresh food options year-round. Increasing market access and sustainability of the Canadian fresh fruit and vegetable industry requires mutual recognition of food safety systems, and international harmonization of crop protection regulation, products, and residues. At the same time, the supply chain linkages of transportation, border access and ports of entry and exit are key to ensuring the smooth flow of our highly perishable and essential goods across our border.

## 8. Innovation & Research

A strong and growing Canadian produce industry will depend on our ability to leverage innovation. Companies are investing in automation and new systems, but implementation of these types of innovations requires financial and human resources that the pandemic, supply chain disruptions and the current inflationary environment have made more difficult to find for many. Funding for rural broadband infrastructure must be rapidly deployed across the country, along with dedicated funding for future innovations in the fresh produce supply chain, to bolster the industry and foster our ongoing competitiveness.

## 9. Business Risk Management (BRM)

BRM tools are essential to the viability of Canada's agriculture sector. We are encouraged by the government's decision to increase the compensation rate under AgriStability and are hopeful that further improvements can be made to improve accessibility to the program by increasing the trigger level. We know that the government is looking at incorporating environmental plans into BRM programs under the Next Policy Framework. In order to make investments in environmental adaptation and mitigation, producers need the assurance of effective risk management tools. We support investments in environmental adaptation and mitigation, but not at the expense of critical risk management programming.

## 10. Regulatory Modernization

Regulatory modernization is necessary to maintain and strengthen the fresh produce industry's global competitiveness. While the government's move toward increased consultation with industry is welcome, work remains to ensure that these consultations provide benefit to both government and stakeholders. Resources such as Treasury Board's Competitiveness Assessment Tool should be deployed across the government to allow a better understanding of the administrative or other costs of proposed changes and the development of effective regulations that meet the needs of both industry and the Canadian public.

## DID YOU KNOW?

- In 2021, 15.9% of households in the ten provinces experienced some level of food insecurity in the previous 12 months. *PROOF, 2022.*
- Supply chain disruptions and unfavourable growing conditions pushed fresh fruit prices up 9.6% in March 2022 compared with the same month last year. *Statistics Canada, 2022.*
- More than 26% of Canadians have reduced their consumption of fruits and vegetables in the past year due to price increases. *University of Guelph, 2022.*

- The Ontario Farm Input Monitoring Project conducted by University of Guelph's Ridgetown Campus illustrates the dramatic increases in input costs for crop production from May 2021 to May 2022, with key inputs like diesel and nitrogen fertilizer increasing by 100% or more.
- 49% of consumers now consider sustainability when purchasing food and beverage products. *Kerry Research, 2022.*
- In an October 2021 member survey, labour shortages were reported by 92% of growers, 75% of wholesalers, and 100% of retailers, with the most significant gap reported in warehouse

- labour. These shortages were reported in both rural and urban communities. *Canadian Produce Marketing Association, 2021.*
- The farm gate value of fruits and vegetables produced in Canada was \$5.7 billion in 2020. *Statistics Canada, 2021.*
- In 2019, the produce industry supply chain supported 249,000 jobs in the Canadian economy. *RIAS Report, 2019*
- Close to 80% of Canadians are not eating enough fruits and vegetables as recommended by Canada's Food Guide, resulting in an economic burden calculated at almost \$4.4 billion. *Krueger Report, 2017*