

# CANADA'S PRODUCE TOP 10

**CPMA**  
CANADIAN PRODUCE  
MARKETING ASSOCIATION

  
**Canadian  
Horticultural  
Council**

From the farm gate to the dinner plate, the fruit and vegetable industry is a major contributor to Canada's GDP and job creation from coast to coast to coast. We are also proud to provide Canadians and families around the world with safe, nutritious food products that offer tremendous health benefits. In a time when health and food security are top of mind for Canadians, here are some of the ways the federal government can support Canada's fresh produce industry and make it easier to fill Half Your Plate with fruits and vegetables.



## 1. Business Risk Management

BRM tools are essential to the viability of Canada's agriculture sector. For many growers, the challenges posed by COVID-19 have had a major negative impact on the 2020 harvest. It is essential that Canadian growers are able to make necessary business decisions with the knowledge that the government has programs in place to support them if necessary. AAFC must work with industry to ensure BRM programs, particularly AgriStability and production insurance options, are effective.



## 2. Financial Protection

for Produce Sellers – Canada's fruit and vegetable farmers and sellers have no financial protection from losses resulting from insolvent buyers. In short: because fresh produce is highly perishable and spoils more quickly than other food commodities, unlike other sellers, fresh produce sellers cannot recover product from incomplete sales as enabled under current provisions of the Bankruptcy and Insolvency Act (BIA). In the COVID business environment that has and will drive businesses into bankruptcy, it is crucial that the government provides all possible safeguards for the food supply chain, including a deemed trust mechanism in Canada.



## 3. Labour

For decades, producers have relied on the Seasonal Agricultural Worker Program (SAWP) and the Temporary Foreign Worker Program (TFWP) to address chronic domestic labour shortages in the agriculture and agri-food sector and meet their workforce needs. In both the short and longer term, the government must work to improve service standards and processing times for applications under these programs and ensure sufficient resources to efficiently manage the flow of incoming employees. At the same time, the government's COVID-19 support programs need to take a focused approach to reduce unintended consequences and impacts to business, including challenges accessing domestic labour.



## 4. Sustainability

The fresh fruit and vegetable sector supports the Food Policy for Canada's commitment to the promotion of long-term social, cultural, environmental and economic sustainability. Partnerships with federal and provincial governments can position the industry for long-term sustainability as we strive to recover from the economic impacts of the COVID-19 pandemic. The need for infrastructure that supports harmonized recycling and a circular economy, recognition and support of environmentally sustainable practices, a pragmatic approach to problematic plastics, and reduction in food waste are all efforts where collaboration with industry can ensure effective, long-term solutions to these challenges.



## 5. Crop Protection

Crop protection tools are essential to the fresh produce industry to ensure not only the health of crops, but also the safety of Canadians and Canada's overall food security. The agency responsible for regulating these vital tools, the Pest Management Regulatory Agency (PMRA), is in need of critical resources. Comprehensive data, including environmental monitoring, is needed to support a modernized regulatory system. Crop protection policies and programs must facilitate market access and promote economic viability and competitiveness, while taking into account the long-term needs of Canadian growers.



## 6. Innovation & Infrastructure

A strong and growing Canadian produce industry will depend on our ability to leverage innovation. A lack of digital infrastructure and sector-specific innovation funding are major roadblocks for many in the fresh produce industry – particularly as e-commerce continues to rise in the COVID business environment. The government's announced funding for rural broadband and irrigation infrastructure must be rapidly deployed across the country, along with dedicated funding for future innovations in the fresh produce supply chain and support for critical infrastructure in rural communities, to bolster the industry and foster our ongoing competitiveness.



## 7. Ensuring Meaningful Consultation in Regulatory Modernization

While the government's move toward increased consultation with industry is welcome, work remains to be done to ensure that these consultations provide benefit to both government and stakeholders. A collaborative approach to find workable solutions for industry and government is the backbone to success for regulatory and policy compliance. A comprehensive review of the regulatory modernization process would allow the government to better facilitate thorough stakeholder participation, to better understand the administrative or other costs of proposed changes, and to develop effective regulations that meet the needs of both industry and the Canadian public without stifling economic competitiveness.



## 8. 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 trading partner harmonization of crop protection regulation, products, and residues. Canada must work with its partners at USDA to eliminate non-tariff trade barriers and ensure stable and open trade with our largest trading partner. 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 goods across our border. The high perishability of fresh produce means that the movement of these essential goods and those critical to our supply chain must be made a priority in the event of a labour issue or other delay.



## 9. Agriculture & Agri-Food Data Strategy

Data is a key input for ensuring global competitiveness. Unfortunately, detailed Canadian agricultural data is difficult to find, incomplete or too expensive for associations and businesses to purchase. A comprehensive, long-term, and fully funded agriculture and agri-food data strategy will fuel our competitiveness and inform key strategic decisions for the fresh produce industry.



## 10. Taxation

From the farm gate to the dinner plate, the fresh fruit and vegetable industry has incurred unprecedented operational costs due to the COVID-19 pandemic. While announced federal funding measures are welcome, they are insufficient to address the scope of the economic challenge facing our sector. A PPE tax credit and extended customs duty relief for PPE would support industry in procuring the equipment they need to keep workers and the public safe. At the same time, additional tax measures are necessary to support Canada's fruit and vegetable farmers, over 80% of which are small businesses relying on the Small Business Deduction (SBD) to stay competitive and further grow their business. Changes are required to the Small Business Deduction and to taxation laws to support succession planning for farm businesses and allow viable transfer of operations to family members.

## DID YOU KNOW?

- A 2019 Royal Bank of Canada (RBC) report found that with the right combination of skills, capital and technology, agriculture could add \$11 billion to Canada's GDP by 2030. The RBC report also found that Canada's share of global ag-tech investment is only 3.4%, falling behind countries such as Brazil and India.
- Horticulture, including production of fruits and vegetables, generates on average 12% (\$6.7 billion) of Canada's farm cash receipts. Agriculture and Agri-food Canada, 2019

- 80% of Canadians say supporting fruit and vegetable production is a high priority. Grassroots Public Affairs Research, 2020.
- 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
- The produce industry and its supply chain had an estimated economic impact of \$13.9 Billion in real GDP in 2016 dollars. Conference Board of Canada, 2017

- In 2016, the produce industry supply chain supported 181,600 jobs in the Canadian economy. Conference Board of Canada, 2017
- Due to the economic impact of the COVID-19 pandemic, the value of complaints filed under the U.S. Perishable Agricultural Commodities Act for non-payment to produce sellers has risen by 52% in 2020 compared to 2019 – and is expected to rise even further in the 4th quarter of this year. USDA, 2020