



Election 2019 – Canadian Produce Marketing Association Questionnaire to Political Parties

About CPMA

Based in Ottawa, the Canadian Produce Marketing Association (CPMA) is a not-for-profit organization representing companies active in the marketing of fresh fruit and vegetables in Canada, from the farm gate to the dinner plate spanning the entire produce industry. The produce industry generates over \$17 billion annually in economic activity throughout the supply chain and supports over 249,000 jobs across Canada. The Association's members include major growers, shippers, packers and marketers; importers and exporters; transportation and logistics firms; brokers, distributors and wholesalers; retailers and foodservice distributors; and fresh cut operators and processors. Founded in 1925, CPMA is today proud to represent over 850 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada.

Below you will find key questions on which the produce industry is looking for leadership from our political parties. We kindly ask for your response by end of day **Monday, October 7th** as we hope to distribute responses received to our members and post them on our website that week.

Financial Protection for Produce Sellers

Due to the unique nature of our supply chain, current provisions in the *Safe Food for Canadians Act and Regulations* and the *Bankruptcy and Insolvency Act* do not provide a workable mechanism for suppliers of perishable fresh fruit and vegetables when buyers become insolvent.

This problem presents significant financial risk not only for domestic produce sales, but also extends to Canadian produce sellers who sell to U.S. buyers. Because of this, since 2014, Canadian produce sellers have been unable to gain preferential access to the US *Perishable Agricultural Commodities Act (PACA)* dispute resolution mechanism for cases of slow-pay or no-pay by US buyers. In fact, Canadian produce sellers must now post a bond equivalent to 200% of the claim – a sum that is often unaffordable for small produce businesses. In order to regain preferential access to the *PACA* dispute resolution mechanism, the U.S. requires Canada to develop a reciprocal bankruptcy insolvency tool to ensure that produce sellers get paid in the event that a buyer goes bankrupt.

Since the 2015 federal election, both the House Agriculture and Agri-Food Committee and the House Finance Committee have recommended the creation of a *PACA*-like deemed trust in Canada for produce sellers. Additionally, a poll conducted by Abacus Data found that 82% of Canadians would support the government in creating new rules to protect produce sellers such as the creation of a deemed trust.

1. Should you be elected, will your party commit to protecting Canadian produce sellers by creating a bankruptcy insolvency tool in the form of a deemed trust in Canada?

2. Will your party commit to working with your U.S. counterparts to restore this non-regulatory reciprocal arrangement thereby reinstating Canadian shippers' preferential access to the U.S. PACA Trust?

Labour

The labour gap in horticulture is becoming a crisis, with the gap expected to increase to 46,500 jobs by 2025 – the largest labour gap in the agricultural sector.

3. Will your party commit to implementing a Trusted Employer program to facilitate expanded and more efficacious access to foreign labour, and will your party commit to expanding the definition of primary agriculture to allow for access to the Ag Stream of the Temporary Foreign Workers Program for pack houses that do not have an on-farm operation?

Plastics

To be successful in reducing the use of unnecessary and problematic plastics, industry and government collaboration is essential to achieve long-term, sustainable change. Legislation or regulation on the use of these plastics, if enacted and applied to all plastics, poses potentially enormous challenges to industry. It is also critical that government commit to working with industry to find solutions that consider the food safety and food security implications of reducing the use of plastics for fresh produce.

4. Should your party form government, will you commit to working with industry to find a science-based approach and solution to mitigate the use of unnecessary and problematic plastics in Canada's food system that is aligned with provincial and territorial efforts?
5. What is your party's position on unnecessary and problematic plastic packaging and how will you address the collection, design and reduction of these plastics in Canada?

Data and Innovation

Sound data is the foundation of decision making in the produce industry and across the agri-food sector as a whole. Unfortunately, there are significant gaps in the data available to industry, particularly in agriculture and agri-food, often leaving Canadian industry at a competitive disadvantage on the global stage.

The Government of Canada has set an ambitious agri-food export target of \$75 billion by 2025. Our industry can achieve this goal, but our success will depend on our ability to leverage innovation moving forward.

6. Will your party commit to the expansion of data collection, analysis and delivery to industry by the federal departments who are stakeholders in this area?
7. What is your party's policy on enabling small and medium-sized businesses (SMEs) in the fresh produce industry to access innovation funding? What funding will you make available to SMEs across the fresh fruit and vegetable supply chain?

Crop Protection

In order to increase market access and sustainability of the Canadian fresh fruit and vegetable industry, harmonization of pesticide regulation, products, and residues must occur. This requires collaboration both within Canadian governmental agencies, and between the Canadian, American, and other governments with which we trade. Industry recognizes that pesticides must be used within the guidelines of good agricultural practices, which consider the needs of environmental quality, human health, agricultural stability, and effective pest management. In addition, the assurance of an affordable supply of quality food for Canadian consumers as well as the continued viability of Canadian agriculture and domestic food processing industries must remain a priority in a competitive global trading environment.

8. Will your party work towards harmonization and commit to having the Pest Management Regulatory Agency (PMRA) work with the US Environmental Protection Agency (EPA) to establish a joint schedule for pesticide re-evaluations of older chemistries?
9. Will your party commit to harmonize maximum residue limits (MRLs) between Canada, the US and other trading partners?
10. Will your party commit to fulfilling PMRA Regulatory Directive DIR 98-02 to further regulatory harmonization by considering chemistry reviews by the EPA as acceptable to MRLs here in Canada?
11. Will your party commit to continued funding to Agriculture and Agri-Food Canada's Minor Use Program and harmonize the Minor Use Program and the US IR-4 program which will allow for the acceptance of US registrations in Canada for minor use crops?
12. Will your party commit to improved efficiencies in PMRA and remove impediments to the introduction of newer, safer, more effective crop protection products?

Trade

The Government of Canada has set an agri-food export target of \$75 billion by 2025. At the same time, market access remains a significant issue for the fresh fruit and vegetable industry.

13. Should you be elected, how will your government ensure greater market access for fresh produce commodities, including in countries such as China?
14. Will your party endorse a North American perimeter approach to trade, including for inspections, plant health and crop protection?
15. Is your party committed to ensuring FPT regulatory alignment? If so, what is your plan to achieve greater regulatory alignment across the country?

Finance and Taxation

Small businesses are the life blood of the Canadian economy, and the Small Business Deduction greatly benefits small businesses in the fresh produce industry. However, the federal business limit has not been changed since 2009 and the capital asset limits have not been adjusted since their establishment in 1994.

16. Will your party commit to increasing the federal and capital asset limits to 2019 levels, accounting for inflation, and tying both limits to increase annually at the rate of inflation?

National Food Policy Council

A National Food Policy Council is essential to ensure good governance of the Food Policy and to represent all actors in the Canadian food system. A National Food Policy Council will also allow for the continuity of the Food Policy, regardless of which party is in government. A whole-of-government approach to food is vital to the success of the Food Policy.

17. Is your party committed to implementing and funding the announced National Food Policy Advisory Council and ensure multi-stakeholder participation?
18. What is your party's position on the development of a national school food program as part of Canada's National Food Policy?

Spring Weight Restrictions

The produce industry is active in transporting goods from coast to coast to coast in order to provide Canadians with quality products. The current lack of harmonization of spring weight restrictions on highways across the country during the thaw, (February to May annually), is a significant financial burden on the fresh produce industry. Exemptions to these restrictions have been provided for certain agricultural sectors, such as dairy and poultry.

19. Will you commit to taking a leadership role in working with the provinces and territories to harmonize spring weight restrictions on highways, including an exemption to these restrictions for the fresh produce industry, as has been done for other sectors?