



Treasury Board of Canada Secretariat
Submitted via email to regulation-reglementation@tbs-sct.gc.ca

June 27, 2022

RE: Consultation on *Breaking down inter-jurisdictional regulatory barriers*

To Whom It May Concern:

On behalf of the Canadian fresh fruit and vegetable industry, we welcome the opportunity to provide comments to the Treasury Board's consultation on *Breaking down inter-jurisdictional regulatory barriers*.

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 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 proud to represent over 800 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada.

Comments

CPMA supports the Government of Canada's ongoing efforts towards regulatory modernization, which is necessary to maintain and bolster the fresh produce industry's global competitiveness. Our comments below speak to addressing inter-jurisdictional barriers within Canada, between Canada and our trading partners, and in international standards.

Addressing inter-provincial barriers

- Many Canadian businesses across the fresh produce supply chain operate across multiple provinces or indeed across the country. The removal of inter-provincial regulatory barriers is critical to supporting not only our sector's economic growth and competitiveness, but also Canada's food security.

Harmonizing spring weight restrictions on highways

- The produce industry transports goods from coast to coast to coast in order to provide Canadians with healthy, quality products and has continued to do so throughout the challenges of the COVID-19 pandemic. However, substantial and compounding increases in costs and delays along the supply chain threaten Canada's domestic food security and the long-term economic viability of the fresh produce sector.
- The lack of alignment of spring weight restrictions on highways during the thaw (February to May annually) further increases the costs of moving product interprovincially. As a result of differing

spring weight restrictions across the country, additional trucks must be sent out to make up for the lost weight when shipping interprovincially. The cumulative cost of this lack of alignment across the entire fresh produce industry is another in a series of incremental costs that threaten the domestic food supply.

- This issue had previously been included in the work plan for the Regulatory Reconciliation and Cooperation Table under the *Canadian Free Trade Agreement*. Federal leadership on this file can help reduce regulatory barriers and costs faced by grower/packer/shippers in the fresh produce industry. Particularly given the massive increase in shipping and other costs over the past two years and the resulting rise in food prices, as well as an ongoing shortage of truck drivers, all efforts should be made to remove barriers to the movement of food across provincial borders.

Mitigating problematic plastics

- CPMA and the fresh fruit and vegetable sector recognize that a sustainable environment is essential to the future viability and growth of our industry and Canada as a whole, and are supportive of the Government of Canada's efforts to address climate change under the Pan-Canadian Framework on Clean Growth and Climate Change and the Strategy on Zero Plastic Waste.
- The Canadian produce industry continues to be deeply engaged across all segments of the supply chain to reduce and mitigate the use of plastics. CPMA has deliberately taken a leadership role in this space through the work of our [CPMA Plastic Packaging Working Group](#) and as an implementation partner with the [Canada Plastics Pact](#) to assist the produce industry in navigating the highly complex goal of utilizing plastic packaging in the most economically and environmentally responsible means possible while also considering the food safety and food security implications of reducing the use of plastics for fresh produce.
- The CPMA Plastics Packaging Working Group was established in May 2019 to begin the process of identifying a path forward to address the use of plastics within the produce sector, including identifying efforts already undertaken by industry, determining best practices, and developing an industry-supported roadmap to maintaining food quality and safety while reducing the environmental impact of plastics.
- In December 2019, the CPMA Plastics Packaging Working Group released a *Technical Report and Roadmap*, detailing steps we are taking to achieve our vision of keeping plastics in the economy and out of the environment. This means driving plastic packaging innovation while also working to increase recycling rates and explore other sustainable packaging alternatives, like composting and packaging reuse. In June 2020, the Plastics Packaging Working Group published the *CPMA Preferred Plastics Guide*. This guide is intended to help inform and support CPMA members in their packaging decision-making processes, and will be updated as developments in packaging materials, design and recycling capabilities warrant. A more comprehensive *CPMA Material Selector Guide* was published in November 2020, designed to help our members choose the packaging materials that can provide the food safety and shelf life benefits they need to keep fresh fruit and vegetables on Canadian tables while making the least environmental impact.
- Current Working Group efforts are focused on the creation of additional resources to inform industry decision-making and to address sustainability concerns with PLU stickers used on bulk

produce through supporting a transition to the use of industrially compostable stickers. In addition, a national pilot project is underway to develop a strategy that will encourage effective pathways to migrate from current packaging with limited recyclability to an array of sustainable packaging form factors and related materials. The work done on this project will also include the consideration of barriers to desired food and produce packaging in particular circumstances or conditions. This pilot, undertaken in partnership with Food and Beverage Canada, will help to advance the collective efforts of Canada's produce and food sector in reducing the environmental impacts of food and produce packaging.

- As noted, the fresh produce industry has been deeply engaged and invested in reducing the use of problematic plastic packaging. However, one consistent, significant challenge we face is the lack of harmonization in collection and recycling capacity/practices across the provinces. For businesses selling packaged products across Canada, identifying a packaging solution that is consistently recyclable across jurisdictions while also meeting shelf-life and food safety needs can be exceedingly difficult, if not impossible.
- CPMA emphasizes that federal and provincial alignment and cooperation is necessary to enable the necessary recycling systems to mitigate and reduce the use of problematic plastics across Canada. The federal government's efforts relative to single-use plastics (SUP) prohibitions and increasing post-consumer recycled (PCR) content in certain plastic manufactured items must therefore be complemented by efforts to dramatically improve both the infrastructure to support PCR availability (i.e. recycling), as well as consumer education. Without a concerted effort in both areas, efforts to ban certain packaging forms, and to improve the PCR content of others, will never achieve the targets set.
- CPMA strongly encourages the Government of Canada to promote the use of common standards, best practices, and consumer and industry education at a national level to create a harmonized approach to increasing recycled-content and reduce the impact on the environment. Product performance standards for plastic products and packaging can contribute significant value to generating a sufficient, stable and predictable supply of materials to support a viable secondary plastics markets and investments in recovery infrastructure in Canada.
- It is also imperative that the Government of Canada take both a leadership role, as well as a coordinating role, in providing mechanisms to incentivise and support collection and recycling consistency across the country. Without formalized national coordination to support provincial and territorial implementation, Canada's success in these efforts may be hindered.
- CPMA strongly emphasizes the importance of recognizing that regulation alone will not be effective in shifting the plastics system, either within Canada or globally. Instead, for impactful change to occur, Canada must also address the challenge of fragmented collection systems across the country that do not effectively collect and recycle the materials currently in circulation that could be kept and utilized in the circular economy. Without this critical infrastructure in place, industry transitions to recyclable or compostable packaging materials will be rendered futile.

Strengthening regulatory alignment with our trading partners

- Regulatory alignment with our trading partners is vital to bolstering economic competitiveness within the fresh fruit and vegetable sector, which is highly integrated around the globe.
- To increase market access and support the long-term sustainability of the Canadian fresh fruit and vegetable industry, the harmonization of pesticide regulation, products, and residues must occur. This requires collaboration both within Canadian governmental agencies, and between the Canadian government and other governments with which we trade. It is critical that this process takes place during trade negotiations to prevent technical barriers arising following the signing of trade agreements.
- Strengthening regulatory alignment with our trading partners also includes the harmonization of food safety standards and systems that support the mutual recognition of food safety systems, such as that which occurs between Canada and the U.S. This recognition removes unnecessary and costly duplication within both the international supply chain and government and supports competitiveness of Canadian products in the international marketplace. To position Canada for success, CPMA emphasizes the importance of designating resources to CFIA to enable further expansion of these mutual recognition efforts with other key trading countries.
- Similarly, CPMA would like to emphasize that the harmonization of Maximum Residue Limits (MRLs) between Canada and its trading partners remains essential to the removal of non-tariff trade barriers. Phytosanitary requirements that are not science-based or essential to security act as effective non-tariff trade barriers between countries and must be eliminated. Consumer confidence in the safety of the food supply is also eroded when jurisdictions have different regulations, or if there is not sound science behind them. Consistent, evidence-based MRLs will serve to boost trade for producers while allowing a variety of healthy, safe, fresh produce choices to continue to be available to consumers around the world. CPMA therefore urges the Government to work with all trading partners to ensure that any phytosanitary requirements for fruit and vegetable imports be based on sound science and an appropriate risk-based approach.
- CPMA also echoes the recommendation made by Fruit and Vegetable Growers of Canada (FVGC) to increase the number of joint registrations of new crop protection products between the United States Environmental Protection Agency (USEPA) and Canada's Pest Management Regulatory Agency (PMRA). As noted by FVGC, further harmonization between USEPA and PMRA could be achieved through greater alignment of review and decision-making processes related to new crop protection products, as well as in regulatory decisions for crop protection products that are subject to re-evaluation.
- Global advancements in agricultural biotechnology pose challenges that will be amplified with gene-editing systems and tools for plants. CPMA emphasizes that the Canadian fresh fruit and vegetable sector needs access to utilize these tools in order to stay competitive globally. The U.S. has moved to exempt agricultural innovations that are the products of plant genome editing from being regulated. The European Union has also recently demonstrated greater openness towards a risk-based approach, rather than a precautionary one, for plants that are genetically modified. CPMA is strongly supportive of Health Canada's recently released guidance related to the regulation of novel foods in Canada, which will better enable these products to enter the Canadian market and maintain the Canadian industry's competitiveness, and which reflects the successful

safety record of plant breeding in Canada and across the globe. We strongly urge the government to proactively defend its decisions based in sound science and to help educate Canadians on the safety and long-term benefits of these new technologies, which can help farmers and food processors adapt to changing climate and pest pressures while continuing to grow safe, high quality, affordable food.

- Finally, CPMA is strongly supportive of the Canadian involvement in multilateral investigation and enforcement efforts to ensure fair and ethical business practices by international shipping companies, including the work of the Competition Bureau to join the competition authorities of the United States, Australia, New Zealand, and the United Kingdom in sharing information to identify and prevent potentially anticompetitive conduct. Collaboration with our trading partners is critical to effectively addressing ongoing supply chain disruptions while also ensuring that these efforts do not create an economic incentive for companies to redirect their business to other countries or put Canadian businesses at a competitive disadvantage.

Adopting international standards

- As noted above, international standardization between government bodies is critical to the success of Canadian industry, particularly to the fresh produce sector, which is one of the most global supply chains in the world.
- In any efforts to harmonize and standardize between governments, it is essential that government also considers the existing international standardization integrated in business. Where business has developed international/global standards – standards tested by commercial application – government must ensure that, wherever possible, the standards it chooses to implement in services and solutions reflect those business-driven and tested standards. To achieve this, as government considers new solutions, a key piece of that effort should be early engagement with business stakeholders to understand the standards which already exist and have been implemented across international supply chains.
- For example, as part of the Agri-food and Aquaculture Roadmap Policy and Program Initiatives and Novel Approaches, CFIA’s focus on Reducing Risk and Improving Trust using Distributed Ledger Technology (Blockchain) aligns with exploratory efforts in other key trading party countries. As CFIA explores the potential to adopt a data-exchange platform based on blockchain, it is crucial that impacted stakeholders are engaged early in the process to ensure that market capacity and business reality is a key component of discussions and of any eventual implementation. Also critical to this effort is the understanding that blockchain is, at its core, simply another methodology for sharing data. What is key is the data itself and, in particular, wherever possible, ensuring that a common language (data) is used to harness the power of any data sharing efforts. It is critical that “Made in Canada” solutions align with international efforts, particularly with our largest trading partners. While Canadian-focused solutions can support the domestic market, lack of alignment with efforts abroad will limit private sector engagement – and ultimately the initiative’s effectiveness – as industry seeks out more international solutions.
- As another example, the Government of Canada should monitor and identify emerging international standards which will have direct and indirect impact on the effectiveness of

packaging-related initiatives in Canada. Given that a large percentage of fresh produce trade is international in nature, a large portion of produce packaging traverses borders. International standards, guidelines and trade considerations are especially important to ensure that any changes to Canadian packaging requirements do not adversely impact the importation of foreign produce in the winter season or the export of Canadian produce during growing season. An ongoing global assessment can help position Canada as a leader in supporting a transition to a circular economy, while avoiding the creation of market access barriers for Canadian industry.

- Finally, as noted in the framing of this consultation, the Canadian Government participates in multiple international fora, including CODEX Alimentarius and the International Plant Protection Convention (IPPC), that create guidance and standards to support regulations; this participation often involves significant resources as well as consultative involvement from stakeholders. CPMA supports the Government's participation in these bodies and recognizes the importance of this work in ensuring that Canada is a leader in implementing global best practices and standards. It is therefore imperative that the Government of Canada prioritizes the implementation of the agreed-to outcomes of these bodies, rather than implementing regulation out of line with the international standard, which creates confusion and puts Canadian industry at a competitive disadvantage.


Other Comments

- As part of its efforts to break down inter-jurisdictional regulatory barriers, CPMA urges the Government of Canada to undertake a whole-of-government review of its consultation processes in order to better facilitate thorough stakeholder participation to support more effective outcomes.
- The complexities and unique considerations of the fresh produce sector, related to the nature and perishability of our product as well as time-sensitivity across the supply chain, can often mean that a one-size-fits-all regulatory approach will be ineffective, inefficient and impose undue burden on industry, with little benefit to the Canadian Government or indeed the Canadian public. The Government of Canada should therefore utilize a more business-focused lens to regulatory modernization and should draw upon the expertise of industry to avoid unintentional errors in the creation of regulations resulting from a lack of industry-specific knowledge.
- In addition, industry stakeholders are often engaged in, and have visibility to, regulatory initiatives on the horizon across government departments and/or jurisdictions, which may be more siloed from each other. Leveraging this knowledge base can help government to take a more holistic, cross-government approach to planning implementation, reducing duplication and mitigating unnecessary regulatory burden.
- The recent AAFC Agile Regulations Table Regulatory Journey Mapping exercise conducted under the auspices of the Agriculture and Agri-food Canada Agile Regulations Table, in which the Treasury Board Secretariat participated, offers a promising model to enable effective collaboration between industry and government and thereby support regulatory compliance. CPMA strongly supports the Table recommendation to promote and participate in journey mapping to help transform government-industry collaboration and address cumulative regulatory burden and

ensure that this toolkit is integrated into the suite of Government of Canada regulatory policy tools, making it available to all regulators.

We thank you for taking the time to review our comments. Where possible, the Government of Canada should engage with the fresh produce industry as it determines proposed models and implementation plans for the key areas noted in this submission. CPMA and Canada's fresh produce industry are keen to partner with government to ensure the success of its Regulatory Modernization agenda and would be pleased to answer any questions you may have.

Regards,

A handwritten signature in black ink, consisting of a stylized 'R' followed by a horizontal line.

Ron Lemaire
President
Canadian Produce Marketing Association