

Americas Partnership for Economic Prosperity (APEP) Consultations Global Affairs Canada Trade Negotiations — North America (TNP), Americas Branch (NDS) John G. Diefenbaker Building 111 Sussex Drive Ottawa, Ontario K1N 1J1 Submitted by email to: <u>APEP-Consultations-PAPE@international.gc.ca</u>

May 9, 2023

RE: Americas Partnership for Economic Prosperity (APEP) Consultations

To Whom It May Concern:

On behalf of the Canadian Produce Marketing Association (CPMA), it is our pleasure to provide comments to the Government of Canada to inform negotiations on the Americas Partnership for Economic Prosperity (APEP). As a highly globally integrated industry, we are supportive of the Canadian government's progressive trade agenda and its commitment to strengthen our trading partnerships across the Americas.

About CPMA

Based in Ottawa, 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 850 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada.

General Comments

Promoting international trade and investment with export markets is a priority for the Canadian fresh fruit and vegetable sector. Due in large part to the limitations of our climate on the Canadian growing season and on the products able to be grown here, it is estimated that approximately \$4 out of every \$5 spent on fresh produce is spent on imported product. Therefore, to ensure the ongoing viability of the Canadian food system, we need a strong domestic and global strategy. 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.

The Americas play a particularly important role as both import and export markets for the Canadian produce sector. In 2022, trading partners across the Americas accounted for 7 of Canada's top 10 import sources for fresh vegetables and 6 of our top 10 import sources for fresh fruit. The United States and the Dominican Republic, as well as Trinidad and Tobago and Saint Lucia, were among our top export

markets¹. CPMA is therefore strongly supportive of the Government of Canada's efforts in negotiating the Americas Partnership for Economic Prosperity – and of the four core pillars of "Regional Competitiveness", "Resilience", "Shared Prosperity" and "Inclusive and Sustainable Investment", as outlined in the U.S. White House Fact Sheet and the *Canada Gazette I* notice.

Pillar I – Regional Competitiveness

CPMA emphasizes that the APEP can and should support regulatory harmonization that can lead to the adoption of higher standards and regulations across countries, ensuring that products and services meet the same safety and quality standards, while also reducing regulatory burden and associated compliance costs for businesses.

While it is understood that the APEP negotiations are not expected to establish a free trade agreement, include tariff reductions or make broad market access commitments, under Pillar I, "Regional Competitiveness", CPMA encourages the Government of Canada to explore opportunities for mutual recognition of food safety systems and harmonization of crop protection regulation, products and residues, which are critical to strengthening market access and supporting the competitiveness of Canadian products in the international marketplace. Additionally, under Pillar I, the APEP should recognize that phytosanitary and other requirements that are not science-based or essential to security act as effective non-tariff trade barriers between trading partners and must be eliminated.

Pillar II - Resilience

CPMA emphasizes that the APEP poses an important opportunity for the Government of Canada to strengthen Canada's food security through a whole-of-government approach that prioritizes access to food and food production. Indeed, the assurance of an affordable supply of quality food for Canadian consumers as well as the continued viability of Canadian agriculture and agri-food industries must remain a priority in a competitive global trading environment.

Increasing overall access to a variety of nutritious food for all communities across Canada, year-round, means supporting the entire agri-food value chain. The COVID-19 pandemic, as well as recent devastating weather events and disruptions at ports of entry, have shone a light on the serious potential impacts of such events on food availability in Canada. 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.

The supply chain linkages of transportation, border access and ports of entry and exit are key to ensuring the smooth flow of essential goods across our border. The <u>Global Coalition of Fresh Produce</u>, including associations across the Americas, recently released a report calling upon national and international policymakers to urgently implement a number of measures to safeguard the supply of affordable fresh fruits and vegetables to consumers worldwide – and ensure the viability of a sector that is an important contributor to the economies of developed and developing countries alike². CPMA strongly encourages the Government of Canada to leverage opportunities under APEP Pillar II, "Resilience" to work collaboratively with our partners across the Americas to address these challenges and to support resilient supply chains and a strengthened Canadian food system.

¹ <u>Trade Data Online</u>, Government of Canada, 2023.

² <u>Global Value Chains for Produce: An Urgent Call for Policy Measures</u>, Global Coalition of Fresh Produce, January 2023

CPMA also emphasizes that the APEP must support, and in no way hinder, efforts to ensure the longterm economic, social and environmental sustainability of the Canadian food system, including the fresh produce sector.

Pillar III – Shared Prosperity

CPMA is supportive of efforts under the Government of Canada's progressive trade agenda to strengthen labour standards and address forced labour in supply chains. Particularly given the complexity and highly integrated nature of fresh produce supply chains, international collaboration is critical to effectively meet these challenges. Under APEP Pillar III, "Shared Prosperity", CPMA encourages the Government of Canada to work collaboratively with its partners on information collection and sharing, policy and enforcement, and to establish tools to support industry education and compliance.

Thank you for taking the time to review our comments above. We would be pleased to answer any questions you may have and emphasize that, where possible, Canadian negotiators should engage with the produce industry as they determine proposed models and implementation plans for the key areas noted in this submission.

CPMA and our members are keen to partner with the Government to ensure the success of the APEP and strengthened trading relationships across the Americas.

Regards,

Ron Lemaire President Canadian Produce Marketing Association