



**Written Submission for the House of Commons Finance  
Committee Consultation in Advance of the 2024 Budget**

**Submitted By: Canadian Produce Marketing Association**

**Date: August 4, 2023**

## Recommendations

In Federal Budget 2024, the Government of Canada should:

1. Support a strengthened food system and food security for all Canadians by adopting a whole-of-government agriculture and food production lens and making food production and access to food a whole-of-government priority in legislation, policy and crisis management.
2. Prioritize implementation of the National Supply Chain Task Force report recommendations, including the establishment of a Supply Chain Office, and ensure that the National Supply Chain Strategy reflects the needs of the fresh produce supply chain and the movement of our highly perishable products.
3. Advance measures promoting the Canada Food Guide recommendation to fill Half Your Plate with fruits and vegetables, including through funding for the development of a National School Food Policy and a school nutritious meal program.
4. Commit sufficient, ongoing capital investment to enable infrastructure improvements, including at Canadian ports, and allocate dedicated funding to projects supporting agri-food supply chains, including the enhancement of cold chain infrastructure.
5. Support measures to enhance government oversight of Canada's ports and provide resources for government departments to work proactively with port authorities and other stakeholders to implement a formalized process to allow the movement of food and essential goods through ports of entry in the event of emergency events or disruptions - including implementing a provision to allow the movement of fresh produce similar to that in place for grains under the Canada Labour Code.
6. Establish priority lanes at ports of entry and expand Trusted Trader programs to further streamline the movement of essential and perishable products across the Canadian border.
7. Create a limited statutory deemed trust, as established in Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*, to provide critical financial protection to produce sellers.
8. Provide financial support through the first two to three years for the creation of a Grocery Code Adjudication Office, which will be critical to advance the training, education, dispute resolution services, and oversight necessary to implement an industry-led Grocery Industry Code of Conduct that operates alongside the Fruit and Vegetable Dispute Resolution Corporation.
9. Make strategic investments in tools such as the National Index on Agri-food Performance, the Pest Management Centre, the new Canada Water Agency and others, to support an effective Sustainable Agriculture Strategy.
10. Support businesses in identifying and navigating available environmental programs, and provide reasonable recognition for past efforts to reduce greenhouse gas emissions and implement more environmentally sustainable practices.
11. Develop a long-term strategy for sustainable water management for all Canadians, including ensuring a secure source of water for agriculture.

12. Deliver federal funding and resources for expanded efforts to reduce food loss and waste across the supply chain to build upon the work of the Surplus Food Rescue Program and the Food Waste Reduction Challenge.
13. Collaborate with industry on a systems approach to find solutions to reduce packaging waste that are evidence-based, and include a combination of education, innovation, and critical infrastructure investments.
14. Support and invest in industry efforts to develop, certify and scale up availability of compostable PLU stickers to offset costs that would otherwise need to be passed on to consumers.
15. Provide federal leadership and funding to support the development of harmonized, efficient and cost-effective recycling and composting collection within communities across Canada.
16. Commit funding for the implementation of a National Agricultural Labour Strategy that considers the current and future workforce and skills requirements of the entire food supply chain.
17. Advance the development and implementation of a Trusted Employer Program to further streamline and standardize the Labour Market Impact Assessment application process, and make permanent the temporary measure that currently allows employers in key industries demonstrating labour shortages to employ up to 30% of their workforce through the TFWP.
18. Provide innovation funding and whole-of-government support specific to the fresh produce supply chain, to bolster our industry's ongoing competitiveness.
19. Ensure sufficient, dedicated funding to support the rapid expansion of 5G infrastructure and cell phone service coverage for all Canadians and Canadian businesses.
20. Deliver sufficient, dedicated federal funding to invest in rural infrastructure, including roads, energy, affordable housing, public transportation and service infrastructure.
21. Implement a consistent competitiveness lens to regulation-making and review, and commit to the cross-department deployment of resources, such as the Treasury Board's Competitiveness Assessment Tool and AAFC's Journey Mapping toolkit, to foster better government understanding of the impacts of proposed policy and regulations, consider cumulative regulatory burden, and ensure that one department's regulations do not hinder compliance with another department's regulations or industry's ability to meet government targets.
22. Allocate ongoing, predictable resources to enable the cyclical review of the Canadian Organic Standards and take a more active and strategic role in the establishment and maintenance of the organic production standards and their harmonization with our largest trading partners.

CPMA represents the entire fresh produce supply chain, with members responsible for 90% of fruit and vegetable sales in Canada. We are pleased to offer our recommendations to the House of Commons Finance Committee's consultation in advance of Federal Budget 2024.

### *Prioritizing Access to Food (Recommendations 1-6)*

We know that Canadians are increasingly concerned with the rising costs of essentials, including fresh produce. In fact, 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 economic burden of produce under-consumption has been calculated at almost \$4.4 billion annually (*Krueger Report*, 2016). With food insecurity on the rise, this figure is undoubtedly getting worse.

CPMA's [\*Half Your Plate\*](#) campaign is working to increase fresh produce consumption in Canada, but more support is needed. A National School Food Policy and school nutritious meal program are critical investments in the health of our children and our communities.

The federal government must also implement programs and policies that address the significant challenges impacting our sector's ability to produce fresh fruits and vegetables, such as the availability and costs of labour, production inputs and transportation.

Efforts and substantial funding in the U.S. related to the *Inflation Reduction Act*, ocean shipping reform, USDA's Food System Transformation Framework, as well as the National Strategy on Hunger, Nutrition and Health offer examples of cross-department action to support the food system. In Budget 2024, the federal government should leverage the National Supply Chain Strategy and other policy and regulatory initiatives to show similar leadership to make food a federal priority and ensure uninterrupted access to food for all Canadians.

### *Sector Stability (Recommendations 7-8)*

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. The lack of an effective financial protection mechanism in Canada also means that Canadian fresh fruit and vegetable growers and sellers are unable to access protection under the U.S. *Perishable Agricultural Commodities Act* when selling to an American buyer without incurring prohibitive costs.

[\*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 *PACA* when selling products to the U.S – all with no cost to the government.

Since 2021, CPMA has been on the Steering Committee working to develop a Grocery Code of Conduct that works in harmony with the existing Fruit and Vegetable Dispute Resolution Corporation (DRC). Federal funding is required to support the launch and implementation of an effective and inclusive Code.

### *Sustainability (Recommendations 9-12)*

CPMA is proud to represent an industry that has shown sustainability leadership in addressing areas such as biodiversity, greenhouse gas emissions, carbon sequestration, food loss and waste, renewable energy, soil health, water conservation, and more.

Government and industry require more robust data to support and enable sustainability efforts. The government must leverage tools including the [National Index on Agri-Food Performance](#), which will provide a benchmark of sector progress in meeting national and international goals, demonstrate Canada's leadership, and capture better metrics to inform supporting policy, innovation, and research priorities.

Innovative tools and alternative technologies are also needed to help the produce sector fight climate change while remaining globally competitive. Greater funding is required for Pest Management Centre research into newer alternatives that are safer to humans and the environment than the deregistered crop protection products that urgently need to be replaced.

Finally, water supply and access are increasingly pressing issues for growers around the world. The Canada Water Agency must be sufficiently resourced to support the development of a long-term strategy for sustainable water management for all Canadians, including in the sustainable production of food.

### *Packaging (Recommendations 13-15)*

The Canadian produce industry is deeply engaged in efforts to reduce and mitigate the use of plastics and other packaging. CPMA has been a leader in this space through the work of our [CPMA Packaging Working Group](#) and partnership in the [Canada Plastics Pact](#).

The government can best support and build on these efforts by applying an economic, societal and environmental lens to its regulatory and policy initiatives that:

- aligns with global practices and policies to ensure the sustainability and competitiveness of the agri-food industry,
- offers federal and provincial incentives for industry efforts,
- secures access to safe food by all Canadians, and
- does not unintentionally increase food waste or add additional packaging to the Canadian food supply.

Of utmost importance, Canada must also address the challenge of fragmented collection systems across the country that do not effectively collect and recycle the materials 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.

### *Labour (Recommendations 16-17)*

Bridging the labour gap is critical to ensuring the success of the Canadian fresh produce sector in both the short and long-term. CPMA's 2021 report, *Workforce Needs in the Produce Supply Chain* found labour

shortages reported by 92% of growers, 75% of wholesalers, and 100% of retailers, in both urban and rural areas of Canada.

The future fresh fruit and vegetable industry will require a workforce with a wide range of skills. An effective National Agricultural Labour Strategy will require a total supply chain lens that ensures all aspects of the agriculture and agri-food sector – from the farm to the dinner plate – are considered and supported.

#### *Innovation and Infrastructure (Recommendations 18-20)*

A strong and growing Canadian produce industry will depend on our ability to leverage innovation. Companies are investing in automation and innovative new systems, but their implementation requires both financial and human resources, and more federal support is needed.

The lack of digital infrastructure remains a major roadblock to innovation and renders many businesses in rural communities unable to reap the full benefits of digitization or of many innovative technological solutions becoming available. The accelerated growth of e-commerce and government digitization efforts make access to broadband and cell phone coverage even more important for business success.

All Canadian communities must also have the necessary critical infrastructure in place to support economic development, strengthen climate resiliency, and better enable the attraction and retention of workers, now and moving forward.

#### *Regulatory Modernization (Recommendations 21-22)*

CPMA supports the government's ongoing regulatory modernization efforts. A collaborative approach to find workable solutions for industry and government is essential to success. Regulators should consistently apply a competitiveness lens and consider cumulative regulatory burden to avoid unintended negative impacts to food production, food security, international trade or capacity to meet government targets and priorities.

Finally, the Canadian Organic Standards provide the regulatory foundation for a strong organic sector, and a critical tool in negotiating beneficial equivalency arrangements with our trading partners. Greater federal support is required to ensure these Standards can continue to fulfill these important roles.

CPMA appreciates the Committee's consideration of our recommendations for Federal Budget 2024 and would be pleased to answer any questions.