



To: Members of the House of Commons Standing Committee on Agriculture and Agri-Food

Dear Committee Members,

On behalf of the Canadian Produce Marketing Association (CPMA) Board of Directors and our membership, I am writing to outline our position on the Grocery Code of Conduct and the need for this tool within the Canadian marketplace.

This has been a long and complex process. It has now been four years since the federal government and provincial governments supported the request for a code and asked industry to develop a model to support the needs of a complex food business. CPMA has been engaged with our industry partners throughout, navigating the complexity of how food is produced, sold, and traded in Canada.

Our business relies on trust, contract certainty, and transparency to be successful. The principles-based code provides these key tools to ensure that industry is able to clearly understand the rules of business when entering into a contract with a trading partner. In the event that a contract is not effectively adhered to, the Code serves as a backstop to educate, identify issues, and provide remedies to rectify them.

All parties agree that the beginning of the process is education and the need to ensure companies can find resolution between one another before even entering into a dispute resolution mechanism outlined within the Code parameters. However, if this is not possible, the Code is there to support a dispute resolution model, working with our adjudicator, Karen Proud.

The end result of our work is a voluntary Code—this model is unique to Canada and not an easy mechanism to implement. We must recognize provincial divisions of power and Canadian contract law, which will supersede the outline of the Code. There is concern from a few small segments of the food industry that retail is working to opt out of certain aspects of the Code through contracts. In discussions with our retail members, there is no intent to circumvent or undermine the dispute resolution mechanism. The Code is designed to support and adjudicate disputes within a contract between members, and retail recognizes the value of the Code and how the Code of Conduct office supports the market in the event a concern on contracts is raised. As the Code is written, the adjudicator has the power to enforce if the provisions of the Code are not followed.

The Code is based on principles. This principle-based model is clear: to reduce friction between business partners, and I am very hopeful that we will see a Code of Conduct in action as of January 2026. However, given its voluntary nature, it is important to recognize the distinction between contract law in Canada and the voluntary Code.

CPMA has been actively engaged in the development of this Code since its inception and initial presentation to Ministers of Agriculture from across Canada in 2020. The Code of Conduct is essential to our fruit and vegetable sector to expand upon our existing tool—the Fruit and Vegetable

Dispute Resolution Corporation—which supports internal trading and importing to allow for fair and ethical trading practices within the fresh produce sector.

While the voluntary Code has room to grow and develop, it provides the necessary elements to ensure transparency and contractual certainty within the food sector. Much of the heavy lifting has been accomplished; however, further refinement is needed, particularly regarding the dispute resolution process. We recognize that nothing is perfect, and we are committed to supporting all members of the industry to ensure effective representation. It seems there are some within the food sector who have misinterpreted what the voluntary code can and cannot accomplish. It is essential that we move to incorporate the current dispute resolution mechanism and advance the Code of Conduct. This will allow us to test the model over the next 18 months and make necessary adjustments for the betterment of our industry.

Thank you for your attention to this important matter.

Sincerely,

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

Ron Lemaire
President
Canadian Produce Marketing Association