



CUSMA Consultations
Global Affairs Canada
North America Trade Policy
John G. Diefenbaker Building
111 Sussex Drive
Ottawa, Ontario K1N 1J1
Submitted via email: CUSMA-Consultations-ACEUM@international.gc.ca

November 3, 2025

RE: Consulting Canadians on the *Canada-United States-Mexico Agreement* (CUSMA)

To Whom It May Concern:

On behalf of our members across the fresh fruit and vegetable supply chain, the Canadian Produce Marketing Association is pleased to offer comments to Global Affairs Canada regarding the *Canada-United States-Mexico Agreement* (CUSMA). As a highly globally integrated industry, we are supportive of the Canadian government's progressive trade agenda and its commitment to strengthening our trading partnerships across the continent and around the world.

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 900 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada.

General Comments

CPMA is pleased to provide comments regarding the CUSMA agreement and its significant impact on the fresh produce sector. The fresh produce industry is a major economic driver across North America. In Canada, the fresh produce supply chain generates \$18.6 billion in GDP and supports more than 187,400 jobs in rural and urban communities from coast to coast to coast¹. As a key stakeholder in the North American food supply chain, we recognize the importance of CUSMA in facilitating trade and ensuring market access for our industry.

As noted above, the fresh produce supply chain is highly integrated around the globe and relies on a harmonized flow of goods across borders. In Canada, our climatic limitations and shorter growing season means that we rely upon imported product to ensure that Canadians are able to put a variety of fruits and vegetables on their tables year-round. Therefore, to ensure the ongoing viability of Canada's food system, we need a strong domestic and global strategy. Free and fair international trade in fresh produce

¹ Conference Board of Canada, 2025



offers huge economic growth opportunity for Canadian businesses and provides Canadians with access to safe and healthy fresh food options.

CPMA cannot understate the critical importance of CUSMA in supporting our integrated supply chain. Our partners in CUSMA, particularly the United States, are by far Canada's largest trading partners when it comes to fresh produce – in both imports and exports. There are also many companies which operate across all three jurisdictions. The CUSMA agreement plays a vital role in supporting this integration, benefiting both producers and consumers by ensuring the availability of high-quality produce and maintaining competitive markets.

Of particular significance, the North American fresh produce industry is highly integrated, with economic, health and food security benefits for all three countries. In 2024 alone, Canada imported close to \$5.5 billion in fresh produce from the United States, representing a little less than half of all fresh produce imports. Canada also imported another \$3 billion in fresh produce from Mexico. Just as important, Canadian companies exported just over \$4.5 billion in fresh produce to the United States, comprising more than 97% of all fresh produce exports. These figures highlight the critical interconnectedness of our agricultural economies.

Following the coming into force of the agreement in 2020, there has been a notable increase in both imports and exports within the North American produce industry, a trend that has been significantly influenced by the trade framework provided by CUSMA. Based on trade data from Statistics Canada, fresh produce exports to the United States and Mexico have risen by nearly 64% since 2019. At the same time, fresh produce imports from the United States and Mexico have risen by 26%.

It is also important to highlight the complementary nature of fresh produce trade across North America. For example:

- Canada's leading export commodities to the United States include cucumbers, peppers, tomatoes and mushrooms, while imports from the United States are led by lettuce, strawberries, nuts, grapes, cauliflower and broccoli.
- Canada's produce exports to Mexico are led by apples and legumes, while leading import commodities from Mexico include peppers, tomatoes, avocados, and berries².

The upward trading trend noted above highlights the importance of CUSMA in supporting the supply chain, supporting food security by ensuring the availability of fresh produce for Canadians year-round, and maintaining strong trade relationships with our partners. As with the former NAFTA agreement, CUSMA has proven to be an essential element in supporting the growth and integration of our sector across North America and around the globe.

Recommendations for consideration in the CUSMA review

As noted above, free and fair international trade in fresh produce not only offers huge economic growth opportunities for businesses but also provides consumers with access to safe, affordable and healthy fresh food options year-round that are crucial to addressing chronic health challenges.

² Statistics Canada, 2025



Unfortunately, recent trade tensions have introduced volatility to this model. Tariffs directly translate into higher grocery prices and reduced availability and variety of fresh produce, making healthy eating more expensive and limiting consumer choice. Given the protective effect of fruits and vegetables on reducing the risk for many chronic diseases, it is clear that supporting access to these nutritious foods across the continent can contribute substantially to the health and well-being of our communities.

For exporters, tariffs make products less competitive and can lead to decreased sales and market loss. The perishable nature of fresh produce intensifies these challenges, as disruptions to the "just-in-time" supply chain can lead to spoilage and financial losses. The inherent uncertainty and volatility of tariff policies further hinder long-term planning and investment across the entire North American agricultural sector, jeopardizing the viability of the small and medium-sized enterprises that form the backbone of our industry.

It is therefore imperative that the Government of Canada continues to engage in regular and ongoing consultation with our industry, and with our North American trading partners, to emphasize the important benefits for all three economies stemming from free and fair trade across the continent and to work together to reach a long-term agreement that will restore a stable trading environment for our essential products. In addition, revenue from the retaliatory tariffs on certain U.S. produce items that were in place between March 4 and August 31 should be re-invested in supporting impacted industry members.

It is important to note that there have been recent attempts to impose seasonal tariffs on certain produce to protect US domestic producers from perceived unfair competition from imports. Between 2020 and 2022, the U.S. International Trade Commission (USITC) undertook a safeguard investigation into blueberry imports, as well as fact-finding investigations regarding cucumber and squash imports. Investigations into strawberry and bell pepper imports were also launched, but ultimately stalled. The recent anti-dumping case regarding Canadian mushroom exports has raised concern that we will see these types of investigations again. Fortunately, the Commission's findings were ultimately in the Canadian industry's favour, and while the Canadian government and the Canadian industry incurred significant costs in legal fees and other resources, the USITC investigations also demonstrated that CUSMA allows for effective, fair resolution when concerns between trading partners arise.

CPMA emphasizes that consistent adherence to the current rules-based trade system under CUSMA protects businesses in all three countries and avoids the severe unintended consequences for growers, sellers, and consumers, and impacts to supply and pricing that can arise from trade volatility. **We therefore urge the Government of Canada to work to maintain the current Agreement's provisions with respect to fresh fruits and vegetables to ensure continuity of the principle of rules-based, tariff free access for fresh produce across North America.**

While our primary focus is on ensuring the maintenance of the existing CUSMA provisions for fresh produce, CPMA would offer the following additional points for consideration in future discussions with the United States and Mexico:

- **Plant health and pest risk management is one potential area for strengthened regulatory collaboration.** Canada's free trade agreements, including CUSMA, 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. Phytosanitary and other requirements that are not science-based or essential to security effectively act as effective non-tariff trade barriers. We have long encouraged a North American perimeter approach to plant health and pest management, which would allow for the effective, science-based management of these challenges, while reducing burden for the industry.

- **There is opportunity to invest in border and trade infrastructure and collaborate on initiatives to enhance supply chain fluidity and facilitate the movement of fresh fruits and vegetables across the continent.** The supply chain linkages of transportation, border access and ports of entry and exit are key to ensuring the smooth flow of our perishable and essential goods across borders.
- **The implementation of Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act* will provide critical financial protection to produce sellers in Canada and open the door for reciprocal protection for Canadian sellers in the United States under the U.S. *Perishable Agricultural Commodities Act (PACA)*.** The review of CUSMA may be an opportunity to urge Mexico to adopt a similar financial protection mechanism and establish reciprocity across the continent.

In closing, CPMA emphasizes that the continuation of a robust, trilateral free trade framework for fruit and vegetables is vital to realizing food security and economic benefits across North America. It is also critical that the Government of Canada support all Canadian agriculture and food products in trade negotiations and avoid prioritizing certain agricultural sectors to the detriment of others.

As representatives of a highly globally integrated fresh produce industry, CPMA is strongly supportive of the Government's progressive trade agenda which aligns to business growth and market access. We look forward to working collaboratively with the government to ensure that the Canada-United States-Mexico Agreement continues to support the growth and stability of the produce sector. We would be pleased to meet with you to discuss these important issues further and to answer any questions you may have.

Sincerely,

A handwritten signature in dark ink, appearing to be 'RL' followed by a horizontal line.

Ron Lemaire
President
Canadian Produce Marketing Association