

## Written Submission for the House of Commons Finance Committee Consultation in Advance of the Fall 2025 Budget

**Submitted By: Canadian Produce Marketing Association** 

Date: August 1, 2025

## Recommendations

In the fall 2025 Federal Budget, the Government of Canada should:

- Support a strengthened food system and food security for all Canadians by adopting a whole-of-government approach to agriculture and food production, prioritizing food production and access to food in legislation, policy and crisis management, and by establishing an Agri-food Supply Chain Advisory Council to serve as a standing forum to support Cabinet in advancing this cross-departmental effort.
- Commit resources to advance Canada's free and fair trade agenda, including a robust North American
  free trade agreement, remove regulatory barriers impeding Canada's competitiveness in the global
  marketplace, and enable further expansion of mutual recognition efforts with other key trading
  countries.
- 3. Prioritize the implementation of Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*, to provide critical financial protection to produce sellers.
- 4. Deliver sufficient, ongoing capital investment under the National Supply Chain Strategy and the National Trade Corridor Fund to enable trade and transportation infrastructure improvements, including the enhancement of cold chain infrastructure.
- 5. Establish priority lanes at ports of entry and implement a dedicated Trusted Trader pilot program to further streamline the movement of essential and perishable products across the Canadian border.
- 6. Implement measures to prioritize the movement of food and essential goods through ports of entry in the event of emergency events or disruptions, and work to address the root causes of labour disruptions impacting critical supply chain infrastructure.
- 7. Provide targeted support for agriculture and food businesses to adopt innovative AI tools and implement cybersecurity measures to protect Canada's food supply chain.
- 8. Deliver sufficient, dedicated federal funding to invest in rural infrastructure, including roads, energy, affordable housing, public transportation and service infrastructure.
- 9. Invest in the health of Canadians using a "Food as Medicine" approach and support measures to reduce diet-related diseases and hunger and mitigate health care costs associated with food insecurity and poor nutrition.
- 10. Advance measures promoting the Canada Food Guide recommendation to fill *Half Your Plate* with fruits and vegetables, including in public procurement and government programming.
- 11. Facilitate the timely delivery of funding allocated in Budget 2024 and work with the provinces and territories to advance the development and implementation of a national school food program,

- ensuring that enhancing nutrition and promoting healthy eating practices, including through the consumption of fresh fruits and vegetables, are core objectives of the program.
- 12. Advance a National Workforce Strategy to meet immediate labour needs and generate future interest in careers across the food supply chain through education, training and skills development.
- 13. Maintain a stable agricultural workforce by preserving the distinction between SAWP and other streams within the TFW program, and by establishing a permanent Recognized Employer Program under the TFWP.
- 14. Return and make permanent the previous temporary measure that allowed employers in key industries demonstrating labour shortages, including food manufacturing, to employ up to 30% of their workforce through the TFWP.
- 15. Drive North American and global conversations to align efforts, standards and systems to effectively achieve our environmental sustainability goals, while ensuring that economic and social considerations are treated as equal pillars of long-term sustainability.
- 16. Deliver federal funding and resources for expanded efforts to reduce food loss and waste across the fresh produce supply chain, building upon the work of the Surplus Food Rescue Program and the Food Waste Reduction Challenge.
- 17. Provide federal leadership and funding to support the development of harmonized, efficient and cost-effective recycling and composting collection within communities across Canada, including through the introduction of efficacious and nationally harmonized recycling and waste data collection.
- 18. Support and invest in industry innovation efforts to develop, certify and scale up the availability of sustainable food packaging solutions, including compostable PLU stickers, to offset costs that would otherwise need to be passed on to consumers.
- 19. Create an enabling regulatory environment for new products, technologies and business practices to support and de-risk the adoption of more sustainable solutions, including through a focus on the harmonization of product registration across North America, and a commitment to ensure that the Pest Management Regulatory Agency is sufficiently resourced to fulfill core functions including premarket applications, re-evaluations and minor use registrations.
- 20. 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.
- 21. Enhance regulatory coordination across federal departments and other levels of government to reduce cumulative regulatory burden and reinforce the importance of dutiful industry consultation by all federal departments, including adherence to minimum consultation periods and consideration for stakeholder business cycles in consultation timing.

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 the fall 2025 Federal Budget.

Prioritizing access to food and food production (Recommendation 1)

Growing political uncertainty with our largest trading partner, a series of port disruptions, escalating severe weather events and continuing consumer concerns about the cost of food have all contributed to significant challenges for the Canadian fresh produce sector. More federal support and a whole-of-government approach are needed to make food a federal priority and to create the conditions necessary to enable an environmentally, socially, and economically sustainable fresh produce industry in Canada, while ensuring our competitiveness in the global marketplace.

Enabling trade opportunities for Canadian produce (Recommendations 2-3)

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 offers huge economic growth opportunity for Canadian businesses and provides Canadians with access to safe and healthy fresh food options year-round. Every effort should be made to remove unnecessary regulatory barriers to trade and support the competitiveness of Canadian products. In addition, revenue from existing retaliatory tariffs on certain U.S. produce items should be re-invested in supporting impacted industry members.

Following decades of advocacy, CPMA welcomed the passage of Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*, which received Royal Assent in December 2024. This important legislation establishes a financial protection mechanism for fresh produce sellers in Canada and opens the door to reciprocal protection to those selling to the U.S. market.

Fueling a competitive and resilient produce supply chain (Recommendations 4-8)

The fresh produce supply chain is one of the most highly globally integrated supply chains in the world, and international trade is critical to the success of the Canadian fresh produce industry. 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.

It is also important to recognize that the high volume and perishability of fruits and vegetables means that longer dwell times at ports can not only delay delivery and increase costs for industry, but can also result in lost sales, product spoilage, and ultimately food waste. Therefore, the smooth flow of essential products through Canada's marine ports and other ports of entry is critical to supporting both our economic competitiveness and food security across the country.

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 many technological solutions becoming available. 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.

Increasing produce consumption for healthier communities (Recommendations 9-11)

Even prior to recent inflationary pressures on the cost of food, year over year, Canadians are eating fewer vegetables and fruits. In addition to negative health impacts, the annual economic burden attributable to low produce consumption in Canada grew to almost \$8 billion in 2021<sup>1</sup>.

CPMA's <u>Half Your Plate</u> campaign works to increase fresh produce consumption in Canada, but more support is needed. The National School Food Program and a "Food as Medicine" approach are important investments in the health of our children and our communities.

## Workforce (Recommendations 12-14)

Bridging the labour gap is critical to ensuring the success of the Canadian fresh produce sector in the short and long-term. The future fresh fruit and vegetable industry will require a domestic and international workforce with a wide range of skills, including an increasing focus on expertise in areas such as robotics and artificial intelligence, software engineering and programming, green energy systems and data analysis. The federal government has an important role to play in supporting educational efforts and raising awareness, especially among young and urban Canadians, about the significant and diverse opportunities available in our sector.

The fresh fruit and vegetable industry relies upon thousands of workers coming into Canada as part of the Temporary Foreign Worker Program (TFWP) and the Seasonal Agricultural Worker Program (SAWP). These federal programs are essential but currently fall short of fully addressing the unique needs of the fresh produce industry, which require a specialized, timely workforce to manage perishable products and avoid delays or shortages that may directly impact food quality and availability.

## Sustainability (Recommendations 15-18)

Across the agri-food sector, ambitious targets are being set to reduce the environmental footprint of producing and supplying food. However, the lack of standardized methodologies to measure and report sustainability performance, coupled with the proliferation of different sustainability certifications and varying reporting requirements from customers and/or governments, add cost and complexity to the food supply chain without effectively advancing sustainability outcomes.

Recognizing the globally integrated nature of the fresh produce supply chain, the Government of Canada should undertake direct engagement with the fresh produce sector to develop appropriate, data-driven sustainability tools and objectives that reflect our specific needs, challenges and opportunities. A balanced approach is necessary to ensure that environmental goals are pursued in tandem with economic viability and social well-being. This pragmatic lens is essential to maintaining food affordability while also aligning with international and North American frameworks to support our sector's competitiveness and overall resilience.

<sup>&</sup>lt;sup>1</sup> <u>The Economic Burden Attributable to Low Fruit and Vegetable Consumption in Canada</u>, H. Krueger & Associates Inc., 2023

Primary packaging is integral to the sustainability of the global produce supply chain. The fresh produce supply chain in Canada has the complex task of moving a wide variety of perishable products, often over long distances, in a way that ensures Canadians have access to safe, high quality and affordable fruits and vegetables. The Canadian produce industry continues to be deeply engaged in efforts to reduce and mitigate the use of plastics and other packaging. The Government should undertake direct engagement with the sector and must also address the challenge of fragmented collection systems across the country that do not effectively collect and recycle the materials that could be utilized in the circular economy.

Regulatory Modernization and Enhancing Competitiveness (Recommendations 19-21)

Innovative tools and alternative technologies are needed to help the produce sector fight climate change while remaining globally competitive. Greater funding is also required for research into newer alternatives that are safer for humans and the environment than the deregistered crop protection products that urgently need to be replaced. In addition, a regulatory environment that facilitates the North American harmonization of product registration is essential to ensure timely and cost-effective access to safe, effective solutions, and to avoid placing Canadian producers at a competitive disadvantage.

Regulators should consistently undertake dutiful consultation, 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.

CPMA appreciates the Committee's consideration of our recommendations for the fall 2025 Federal Budget and would be pleased to answer any questions.