



**Written Submission for the House of Commons Finance
Committee Pre-Budget Consultations in Advance of the
2023 Budget**

Submitted By: Canadian Produce Marketing Association

Date: October 7, 2022

List of Recommendations

CPMA recommends that, in Federal Budget 2023, the Government of Canada should:

1. Support a strengthened Canadian food system and food security for all Canadians by making food production and access to food and essential goods a whole-of-government priority in legislation, policy and crisis management.
2. Establish a Supply Chain Office to unify federal government activities, as recommended in the final report of the National Supply Chain Task Force.
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 national 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 to help businesses more seamlessly access international markets through our commercial border.
6. Provide resources for government departments to work proactively with port authorities and other stakeholders to put in place a formalized process to allow the movement of food and essential goods through Canada's ports of entry in the event of emergency events or disruptions.
7. Expand Trusted Trader programs to further streamline the movement of essential and perishable products across the Canadian border.
8. 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.
9. Provide reasonable and fair recognition for past efforts to reduce greenhouse gas emissions and implement more environmentally sustainable practices, including in policy and the development of the carbon offset credit system.
10. Include sufficient resourcing to ensure the National Index on Agri-Food Performance meets its strategic purposes and support a government-industry partnership to leverage the sustainable practices of Canada's agricultural sector.
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 plastic waste that are evidence-based, and include a combination of education, innovation, and critical infrastructure investments.
14. Provide federal leadership and funding to support the development of harmonized, efficient and cost-effective recycling and composting collection within communities across Canada.
15. Commit funding for the development and implementation of a National Agricultural Labour Strategy that leverages the knowledge, expertise and recommendations of the work currently being undertaken by the Canadian Federation of Agriculture (CFA), Food and Beverage Canada (FBC) and the Canadian Agricultural Human Resources Council (CAHRC), to improve the labour situation in the agricultural and food processing sectors across Canada.
16. Advance the development and implementation of a Trusted Employer Program to further streamline and standardize the Labour Market Impact Assessment application process.
17. Improve service standards and processing times for applications under the Seasonal Agricultural Worker Program and the Agricultural Stream of the Temporary Foreign Worker Program.
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 high-speed internet 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. Commit to the cross-department deployment of resources, such as the Treasury Board's Competitiveness Assessment Tool, to foster better government understanding of the impacts of proposed regulations and promote a more effective regulatory modernization process.
22. Allocate ongoing, dedicated resources to enable the cyclical review of the Canadian Organic Standards.

The Canadian Produce Marketing Association (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 2023.

Prioritizing Access to Food (Recommendations 1-7)

The fresh fruit and vegetable supply chain is a major contributor to Canada’s GDP, and to job creation in rural and urban communities from coast to coast to coast. In addition to our sector’s economic contributions, we also provide Canadian families with safe and nutritious food that is crucial to supporting their health and well-being.

CPMA supports the targets of the Food Policy for Canada to promote long-term social, environmental and economic sustainability of the Canadian food system and increase Canadians’ consumption of safe and nutritious food. We know that close to 80% of Canadians are still not eating enough fruits and vegetables, resulting in an economic burden calculated at almost \$4.4 billion annually¹. 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 national school nutritious meal program are critical investments in the health of our children and our broader communities.

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. These costs cannot be fully borne by the industry and have already begun to be passed to consumers – often most affecting those who can least afford it.

Fortunately, the challenges of the past few years have also demonstrated that effective solutions can be achieved when government departments, international partners and other stakeholders work together with urgency and dedicated focus. Efforts in the U.S. related to ocean shipping reform, the 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. We are hopeful that the recently released [National Supply Chain Task Force report](#) can serve as the starting point for more effective cross-governmental collaboration to address supply chain disruptions in the short-term, foster resiliency in the longer-term, and help ensure Canadians can continue to put our essential products on their tables.

Financial Protection (Recommendation 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.

¹ *Krueger Report*, 2016

It is important to recognize that the implementation of a financial protection mechanism for fresh produce sellers is not strictly an issue for rural or traditional farming communities. Businesses selling fresh produce also operate in urban and suburban communities, and all communities that rely on fresh produce are left vulnerable to food insecurity if sellers cannot remain financially viable.

[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.

Sustainability (Recommendations 9-12)

CPMA is proud to represent an industry whose members that have been stewards of the land, and leaders in implementing sustainable practices, long before sustainability became a core value for organizations, government and society as a whole.

The fresh produce sector has shown leadership in addressing areas such as biodiversity, greenhouse gas emissions and carbon sequestration, food loss and waste, renewable energy, soil health, water conservation, and sustainable packaging.

A private-public coalition of over 40 diverse partners, including CPMA, is working to establish Canada's first agri-food sustainability index to demonstrate our country's rightful place as a leader in sustainable, safe, and responsibly produced food. The proposed [National Index on Agri-Food Performance](#) will provide an essential tool to benchmark Canada's food production against global best practices and environmental, social, and health priorities, and to align with global sustainability frameworks.

Water supply and access are also increasingly pressing issues for growers around the world. The Government of Canada must work proactively to ensure that water management is integrated into all plans to meet Canada's sustainability targets, including in the sustainable production of food.

Plastics (Recommendations 13-14)

The Canadian produce industry continues to be deeply engaged in efforts to reduce and mitigate the use of plastics. CPMA has deliberately taken a leadership role in this space through the work of our [CPMA Plastic Packaging Working Group](#) and partnership in the [Canada Plastics Pact](#) to assist the produce industry in reducing plastic use, while addressing the food safety and food security implications of doing so. Our work supports an environment of innovation and collaboration that the Government of Canada can harness and build upon to effectively reduce the use of unnecessary and problematic plastics.

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 15-17)

Bridging the labour gap is critical to ensuring the success of the Canadian fresh produce industry in both the short and long-term. Last fall, CPMA's report, *Workforce Needs in the Produce Supply Chain* found labour shortages reported by 92% of growers, 75% of wholesalers, and 100% of retailers, with the most significant gap reported in warehouse labour. These labour shortages were reported in both urban and rural areas of Canada.

In developing an effective National Agricultural Labour Strategy and identifying future skills and technology needs, the Government of Canada must apply a total supply chain lens to ensure that 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, but more investment is needed. Companies are investing in automation and innovative new systems to help address labour shortages, but it is important to note that investment in and implementation of these types of innovations requires both financial and human resources. The pandemic, supply chain disruptions and the current inflationary environment have made finding these resources more difficult for many.

The accelerated growth of e-commerce and increased government digitization efforts make access to broadband internet and cell phone coverage even more important. As noted by the [Agri-Food Economic Strategy Table](#), the lack of digital infrastructure remains a major roadblock to innovation for businesses in the fresh produce industry.

In addition, rural communities across Canada need greater investments in critical infrastructure to support their economic development and better enable them to attract and retain workers, now and into the future.

Regulatory Review and Modernization (Recommendations 21-22)

CPMA supports the Government of Canada's ongoing efforts towards regulatory modernization, which is necessary to maintain and strengthen the fresh produce industry's global competitiveness. A collaborative approach to find workable solutions for industry and government is the backbone to success for regulatory and policy compliance.

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

CPMA appreciates the Committee's consideration of our recommendations for Federal Budget 2023 and would be pleased to answer any questions members may have.

Sincerely,

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

Ron Lemaire
President