

PRESS RELEASE

Fresh Produce Alliance welcomes passage of Bill C-280 into law

December 10, 2024 (Ottawa, ON) – Yesterday evening, the Canadian Produce Marketing Association (CPMA), the Fruit and Vegetable Growers of Canada (FVGC), and the Fruit and Vegetable Dispute Resolution Corporation (DRC) were thrilled to see Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*, pass at third reading in the Canadian Senate.

Bill C-280, introduced in the House of Commons by Member of Parliament Scot Davidson and sponsored in the Senate by the Honourable Michael MacDonald, establishes a deemed trust financial protection mechanism for fresh produce sellers in Canada. This deemed trust will help secure payment in the event of buyer bankruptcy, providing stability and support to the industry while safeguarding Canadian food security.

"The passage of Bill C-280 has been the result of decades of advocacy by organizations and industry members across the fresh produce supply chain and in the broader agriculture sector," said CPMA President Ron Lemaire. "We are grateful to all who have supported this work over the years, and greatly appreciative of the efforts of Bill C-280's sponsors and Parliamentary champions in moving this important legislation forward."

"From the farm to the dinner plate, fresh produce sellers make significant contributions to local economies across the country, and provide Canadians with safe, nutritious fruit and vegetable products," said FVGC Executive Director Massimo Bergamini. "The establishment of a deemed trust for all fresh produce sellers will strengthen food security in Canada and help ensure that that our sector can continue to fulfill its important roles."

In addition to its impact on domestic produce sales, the lack of a financial protection mechanism for fresh produce sellers in Canada has meant that Canadian sellers have been unable to utilize the preferential treatment they previously enjoyed under the United States *Perishable Agricultural Commodities Act* (PACA). Instead, Canadians selling fresh produce to our biggest trading partner must currently pay double the bond on the shipment to access the PACA dispute resolution mechanism – a cost that is simply untenable for many Canadian businesses. The establishment of financial protection under Bill C-280 now paves the way for the U.S. Department of Agriculture to restore Canadian produce sellers' preferential access under PACA.

"The positive impact of Bill C-280 on the highly integrated fresh produce industry cannot be overstated," said DRC President and CEO, Luc Mougeot. "The lack of a financial protection mechanism in Canada has been a pain point in our trading relationship with the United States for many years. We look forward to working with our U.S. counterparts to put in place reciprocal protection and provide stability for produce sellers on both sides of the border."

CPMA, FVGC, and DRC thank all Senators for their work in considering this important legislation and express their appreciation to both Chambers of Parliament for their recognition of the positive impact that Bill C-280 will have on the fruit and vegetable supply chain in Canada.

For more information, please contact:

Candace Knights
Manager, Communications and Market Research
Canadian Produce Marketing Association
Cell: 613-878-3312
Email: cknights@cpma.ca

Ashley Peyrard
Communications Manager
Fruit and Vegetable Growers of Canada
Telephone: 613-621-2195
Email: a Peyrard@fvgc.ca

Luc Mougeot
President and CEO
Fruit and Vegetable Dispute Resolution Corporation (DRC)
Email: LMougeot@fvdrc.com

About the Canadian Produce Marketing Association

Based in Ottawa, Ontario, The Canadian Produce Marketing Association (CPMA) is a not-for-profit organization that represents a diverse membership made up of every segment of the produce industry supply chain who are responsible for 90% of the fresh fruit and vegetable sales in Canada. CPMA is fortunate to represent a sector that is both a significant economic driver for communities and that also improves the health and productivity of Canadians.

About the Fruit and Vegetable Growers of Canada

The Fruit and Vegetable Growers of Canada (FVGC) represent growers across the country involved in the production of over 120 different types of crops on over 14,000 farms, with farm cash receipts of \$5.9 billion in 2021. They are an Ottawa-based voluntary, not-for-profit, national association, and, since 1922, have advocated on important issues that impact Canada's fresh produce sector, promoting healthy, safe, and sustainable food, ensuring the continued success and growth of their industry.

About the Fruit and Vegetable Dispute Resolution Corporation (DRC)

The Fruit and Vegetable Dispute Resolution Corporation (DRC) is a non-profit, membership-based organization serving the produce trade. DRC provides harmonized standards, procedures and services to help members avoid commercial disputes, as well as consultation, mediation and arbitration services when disputes arise. The DRC can help with disputes that arise between members domestically or internationally and deals with all types of disputes, including condition, contract and payment issues. We work closely with industry associations and governments on behalf of our members to reform legislation, make federal inspections more accessible, develop best practices, and level the playing field for participants.