HUMA Testimony

Food Price Inflation and the National School Food Program
Canadian Produce Marketing Association
Ron Lemaire, President & Sue Lewis Vice President Marketing and Events

Ron Lemaire | Opening and food affordability context

Mr. Chair and members of the committee, thank you for the opportunity to appear today.

CPMA represents over 900 companies across Canada's fresh fruit and vegetable supply chain responsible for 90% of fruit and vegetable sales in Canada, from the farm to the dinner plate.

We appreciate the committee examining food price inflation alongside the National School Food Program because, from our perspective, these issues are closely connected.

Canadians need access to affordable, nutritious food. At the same time, the businesses responsible for growing and moving that food are operating in an increasingly challenging cost environment.

Fresh produce is unique. It is highly perishable, frequently travels significant distances, requires specialized handling and refrigeration, and flows within an integrated North American and global supply chain.

That means costs associated with labour, transportation, fuel, packaging, energy, regulatory compliance and infrastructure can ultimately influence the cost of putting fruits and vegetables on Canadian tables. Our message to the committee is that food affordability policy must therefore look at the entire supply chain.

At the same time that our sector faces geopolitical uncertainty, supply chain disruptions and escalating severe weather events, we know many Canadians are struggling with the cost of food. CPMA's consumer research on price perception has found that the steeper price spikes reported two to three years ago have given way to a feeling of a steady creep upwards. In the third quarter of this year, eight in ten Canadians reported seeing produce prices increase over last year. Unlike many consumer goods, families cannot simply defer purchasing nutritious food when costs rise, so they are adapting by increasing their visits to discount stores and purchasing more frozen and canned fruits and vegetables.

If government wants to sustainably reduce pressure on food prices and enable an effective school food program, we need to examine the cumulative costs of bringing food from the farm and distributors to the consumer network, while maintaining Canada's food safety, environmental and labour standards.

We should also be looking at Canada's food distribution infrastructure.

CPMA believes resilient food terminals, food hubs, efficient transportation corridors and modern distribution systems should be considered part of Canada's critical food infrastructure. Strengthening that infrastructure can improve resiliency and help reduce unnecessary costs and disruptions throughout the system.

Food affordability is whole-of-supply-chain issue and, increasingly, a Canadian food security issue.

I will now turn it over to Sue to speak specifically about children's healthy eating and the National School Food Program.

Sue Lewis | School food, nutrition and recommendations

Thank you, Ron.

When we talk about food affordability, we also need to talk about access to nutritious, culturally appropriate food.

Canada's National School Food Program provides an important opportunity to support children and families while encouraging healthy eating habits at an early age. Fragmented systems are part of the challenge to bring fruits and vegetables into the education system.

But our experience across the produce supply chain, including supporting the federal Surplus Food Rescue Program, tells us that a successful national program needs to consider more than simply purchasing food.

We need to think about how food gets to schools and how it is stored. Does the school have the necessary infrastructure? How frequently does food need to be delivered? How is waste minimized and how can schools access seasonal and locally available products while maintaining year-round variety? There is also a consideration of who manages the program within the school to ensure it is consistent, efficient and maximizes the limited resources available.

Fresh produce presents specific logistical challenges because it is highly perishable. Procurement systems therefore need sufficient flexibility to account for seasonality, availability, transportation distances and regional differences across Canada. To support year-round healthy eating and availability of culturally appropriate food, this will include not only locally grown products, but also products we do not grow in Canada, such as bananas, oranges and other easy to eat commodities.

We would encourage the federal government to work closely with provinces, territories, school authorities and the food industry to make the program as efficient as possible with a connected national framework and to ensure that healthy food reaches children without creating unnecessary administrative costs or food waste.

There is also an educational opportunity. Providing children with fruits and vegetables is important, but helping them understand food, nutrition, food skills and where their food comes from can have benefits that extend well beyond the school day. That matters because fruits and vegetables help reduce the risk of heart disease, stroke and certain cancers, yet almost 80% of Canadians don't eat them five times a day. Low

consumption costs Canada close to $8 billion a year. Building healthy habits early is an investment in children's health and in lower long-term health care costs.

Ron Lemaire | Closing recommendations

Mr. Chair, we would leave the committee with four recommendations.

First, address food affordability through a whole-of-supply-chain lens, including transportation, fuel, labour, regulatory and infrastructure costs. Thie will include multiple departments.

Second, recognize food distribution, transportation and storage infrastructure as critical components of Canada's food-security strategy.

Third, ensure the National School Food Program recognizes fruits and vegetables as a core component of healthy school meals and provides sufficient procurement flexibility to reflect Canada's regions, seasons and supply chains.

Finally, engage Canada's food industry directly in implementation. There is tremendous expertise already available throughout the produce supply chain that can help governments and schools improve procurement, logistics, food safety and waste reduction.

Canada produces and imports an extraordinary variety of healthy fruits and vegetables. Our collective challenge is ensuring Canadians can continue to access them at prices families can afford.

Food affordability, healthy eating, food security and the school food program should not be treated as separate policy objectives. They are parts of the same food system.

CPMA and our members are ready to work with parliamentarians and governments across Canada to help achieve those objectives.

Thank you. We would be pleased to answer your questions.