Written Submission for the Department of Finance Canada Consultation in Advance of the 2026 Budget

Submitted By: Canadian Produce Marketing Association

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Recommendations

In the 2026 Federal Budget, the Government of Canada should:

1. Prioritize agriculture and food production as a strategic cornerstone of the government's broader Build Canada economic strategy and ensure a whole-of government approach and shared departmental ownership to bolster Canada's place as a food superpower.

2. Pursue a robust North American free trade agreement that safeguards the significant gains made for our industry under NAFTA and CUSMA and maintains tariff-free trade for all fresh produce commodities.

3. Accelerate market diversification by expanding mutual recognition efforts with other key trading countries and addressing regulatory and infrastructure barriers impeding Canada's competitiveness in the global marketplace.

4. Advance the implementation of Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*, to provide critical financial protection to produce sellers.

5. Leverage the National Food Security Strategy to position food distribution as national infrastructure, and invest in the development, expansion and enhancement of regional food hubs, including the Ontario Food Terminal and the proposed Pacific Gateway, as core strategic food system assets reducing barriers to the timely and efficient supply of fresh fruits and vegetables to urban, rural and remote communities across the country.

6. Prioritize the National School Food Program as a critical piece of food infrastructure supporting the health and wellbeing of families across the country and providing opportunities for Canadian produce businesses.

7. Deliver sustained capital investment to enhance trade and transportation infrastructure, including cold chain improvements, while ensuring federal border and inspection capacity incorporates service standards appropriate for time-sensitive goods such as fresh fruits and vegetables.

8. 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.

9. Establish priority lanes at ports of entry and implement a dedicated Trusted Trader pilot program to streamline the movement of low-risk perishable goods and reduce costs for industry, consumers and government.

10. Support agriculture and food businesses in adopting innovative technologies, including AI tools, and in implementing cybersecurity measures to strengthen supply chain resilience.

11. Promote the Canada Food Guide recommendation to fill Half Your Plate with fruits and vegetables through public procurement and government programs.

12. Invest in the health of Canadians by prioritizing the undertaking of a new *Canadian Community Health Survey-Nutrition*, and support measures to reduce diet-related diseases and hunger and mitigate health care costs associated with food insecurity and poor nutrition.

13. Attract and retain talent for the future fresh produce supply chain by building future skills for the diverse careers available and investing in the critical infrastructure needed to retain workers in communities across the country.

14. Maintain a stable agricultural workforce by preserving the Seasonal Agriculture Worker Program (SAWP) as a distinct labour stream, with a fit-for-purpose design, and by establishing a permanent Recognized Employer Program under the TFWP.

15. Ensure labour availability and address ongoing shortages by restoring the 30% TFWP cap for parts of the supply chain without an on-farm operation, including packing, wholesale and food manufacturing.

16. Work with industry to develop a federal strategy to reduce food loss and waste that prioritizes measures to address the economic and operational barriers that create surplus across the supply chain by improving logistics, expanding commercial and processing opportunities, and creating business incentives for better utilization of food production.

17. Provide federal leadership and funding to support the development of harmonized, efficient and cost-effective waste management systems in communities across Canada and eliminate duplicative reporting requirements under the Federal Plastics Registry by leveraging data already collected under provincial Extended Producer Responsibility programs.

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 development and adoption costs that would otherwise need to be passed on to consumers.

19. Create an enabling regulatory environment for new products, technologies, and business practices supporting sustainable solutions, including harmonized product registration across North America and adequate resourcing of the Pesticides Regulatory Directorate.

20. Reinforce regulatory coordination and predictability across federal departments to ensure initiatives affecting food production, trade, and perishable supply chains are delivered in a timely, coordinated manner supporting competitiveness and supply chain reliability.

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 more than 900 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada. We are pleased to offer our recommendations to the Department of Finance Canada's consultation in advance of the 2026 Federal Budget.

Background

Building Canada as a food superpower (Recommendation 1)

The fresh fruit and vegetable supply chain is a significant contributor to Canada's economy and food security, generating $18.6 billion in GDP and supporting 188,000 jobs across the country in 2024 alone[1]. 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 wellbeing.

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. A whole-of government approach and shared departmental ownership are needed to prioritize agriculture and food production as a strategic cornerstone of the government's broader Build Canada economic strategy and to unleash Canada's potential as a food superpower.

International trade (Recommendations 2–4)

The fresh produce supply chain is one of the most highly integrated and dynamic supply chains in the world, and international trade is critical to the success of the Canadian fresh produce industry. Of particular significance, the North American industry is deeply interconnected, providing 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 and another $3 billion from Mexico. At the same time, Canadian companies exported $4.6 billion in produce commodities, with nearly 98% destined for one market: the United States[2].

These figures highlight the integration of our agricultural economies and how heavily Canada relies upon the U.S. market for both imports and exports of fresh produce. In fact, it is estimated that, if Canada's fresh produce exports to the US were subject to a 10% tariff, the sector's GDP contribution would decrease by $214 million and more than 2,000 jobs would be lost. If 25% tariffs were imposed, GDP contribution would fall by $535 million and nearly 6,000 jobs would be lost[3].

Ongoing trade volatility with the U.S. and the inherent uncertainty of tariff policies hinder long-term planning and investment across the sector. The short Canadian growing season and perishable nature of fresh produce, coupled with export concentration, intensifies and complicates the search for alternative export markets.

Free and fair international trade in fresh produce provides economic growth for Canadian businesses and year-round access to safe, healthy foods for Canadians. Tariffs directly translate into higher grocery prices

[1] Signal49 Research (formerly Conference Board of Canada), 2026
[2] Statistics Canada, 2025
[3] Signal49 Research, 2026

and reduced availability and variety of fresh produce, making healthy eating more expensive and limiting consumer choice. The Government of Canada should seek to maintain the current CUSMA 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 the importance of the U.S. market cannot be understated, now is also the time to support Canadian businesses in securing important trading relationships and seizing new opportunities to grow our export markets. Increasing this market access requires mutual recognition of food safety systems and harmonization of crop protection regulations, products, and residue limits to remove duplication and unnecessary trade barriers. Furthermore, targeted investments in cold chain and supply chain infrastructure would help ensure that Canadian companies can meaningfully participate in new and emerging export markets.

Finally, following decades of advocacy, CPMA welcomed the passage of Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*. This legislation provides financial protection for fresh produce sellers in Canada and opens the door for reciprocal protections for those selling to the U.S. market. However, the government must prioritize advancing the *Act*'s regulatory implementation in the near term, to enable its intended benefits and strengthen the resilience of Canada's fresh produce sector.

Investing in food security infrastructure (Recommendations 5-10)

Ensuring overall access to a variety of nutritious food for all communities across Canada year-round means supporting the entire agri-food value chain through investments in critical pieces of food infrastructure. CPMA welcomed the government's announcement of the National Food Security Strategy, which has the potential to position our food system squarely among the government's policy and infrastructure priorities.

CPMA emphasizes that food security is not only about growing more food, but also about ensuring food can move efficiently, affordably, and reliably from where it is produced to where Canadians live. For fresh fruits and vegetables, which are highly perishable, infrastructure, cold chain capacity, logistics, and distribution efficiency are therefore fundamental components of food security.

Regional food distribution hubs can play a critical role in fostering market competition, supporting growers, small businesses and independent retailers, and improving access to fresh food in communities across the country. For example, CPMA data show that fresh produce sourced through the Ontario Food Terminal is distributed to communities in nine provinces, making this public market a core strategic asset in our food system. The proposed Pacific Gateway Food Terminal has the potential to strengthen food distribution capacity across British Columbia and throughout Western Canada while complementing existing private-sector infrastructure serving local growers, domestic distribution networks, and international trade routes through Canada's largest port. Access to land and appropriate land use zoning for food hubs should be considered as the Government rolls out investments under the National Food Security Strategy.

Another piece of core food security infrastructure, CPMA was pleased to see the National School Food Program made permanent. As implementation progresses, sustained and predictable funding will be critical to ensuring long-term success and meaningful impact for children and families across Canada. Our industry is keen to work with the government to secure a consistent supply of healthy food for children across Canada and create real opportunities for beneficial partnerships in our food system.

In complement to our domestic fruit and vegetable production, it is also important to recognize that, due to our colder climate and shorter growing season, coupled with Canada's cultural mosaic and demand for a wide variety of products, 4 out of 5 dollars spent on fresh fruit and vegetables in Canada is spent on imported product. In this context, the smooth flow of essential goods across our border is a critical part of strengthening our food security. Border operations must therefore be predictable, coordinated, and reflect perishable product needs.

Increasing produce consumption for healthier communities (Recommendations 11-12)

Even prior to recent inflationary pressures, Canadians were eating fewer vegetables and fruits year over year. In fact, the latest Statistics Canada data suggests that almost 80% of Canadians over age 12 are eating less than five servings per day[4], and current consumption levels remain well below Health Canada's 2019 Canada's Food Guide recommendation to fill half your plate with vegetables and fruit. This is deeply concerning, as vegetables and fruits provide a protective effect in reducing the risk for cardiovascular disease, including heart disease and stroke, and certain types of cancer[5].

In addition to the health impacts noted above, there are also economic consequences to low fruit and vegetable consumption: as fruit and vegetable consumption has decreased, the annual economic burden attributable to low produce consumption in Canada has increased from almost $5 billion in 2015 to close to $8 billion in 2021, a 60% increase in economic burden related to low produce consumption[6]. Supporting access to fresh, nutritious foods across all regions can improve health outcomes while helping reduce long-term health care costs. Initiatives such as CPMA's *Half Your Plate* consumer education program work to increase fresh produce consumption in Canada, but more support and a strategic government approach are needed.

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 in all regions of the country can contribute substantially to the health and well-being of our communities, while also significantly decreasing government health care spending.

The *Canadian Community Health Survey-Nutrition* (CCHS-Nutrition) dataset provides nationally representative food and nutrient intake data and critical insight into the dietary habits of Canadians. The last CCHS-Nutrition was conducted in 2015; a new survey will provide necessary data to inform impactful nutrition research and evidence-based regulatory and public policy and program development for the benefit of Canadians' health.

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[4] Statistics Canada, 2025

[5] Fruit and vegetable intake and the risk of cardiovascular disease, total cancer and all-cause mortality—a systematic review and dose-response meta-analysis of prospective studies, *International Journal of Epidemiology*, 46(3), 1029–1056, Aune, D., Giovannucci, E., Boffetta, P., Fadnes, L. T., Keum, N. N., Norat, T., Greenwood, D. C., Riboli, E., Vatten, L. J., & Tonstad, S., 2017

[6] H. Krueger & Associates, 2023

Workforce (Recommendations 13-15)

The current and future fresh fruit and vegetable industry requires a domestic and international workforce with a wide range of skills to realize our full economic potential. However, labour shortages in both rural and urban regions impact the sector's productivity and competitiveness. In fact, the Canadian Agricultural Human Resource Council (CAHRC) has found that labour shortages have cost the fruit and vegetable industry hundreds of millions of dollars[7].

Partnerships between industry and post-secondary institutions could be leveraged to expand agricultural skills programs and raise awareness of the diverse opportunities available, particularly for domestic and youth workers, and help bridge the gap between seasonal labour and permanent employment opportunities in agri-food.

In addition to our domestic workforce, 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) to plant, cultivate, process, harvest and pack our products. 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.

Finally, communities across Canada require greater investment in critical infrastructure to support to a growing and innovative Canadian produce industry. The lack of digital infrastructure also 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 have the necessary infrastructure in place to support economic development and better enable the attraction and retention of workers, now and moving forward.

Sustainability (Recommendations 16-18)

The federal government should drive Canadian and international conversations to align efforts, standards and systems to effectively achieve our environmental sustainability goals, while ensuring that economic and trade considerations are dutifully balanced with social and environmental considerations to deliver long-term sustainability of Canada's fresh produce supply chain.

While the National Food Security Strategy does not explicitly reference food loss and waste (FLW), CPMA believes mitigating and minimizing FLW is implicitly connected to many of the Strategy's stated objectives. In complement to food recovery and redistribution efforts, an industry-led approach to increase the value of surplus fresh produce can expand the potential pathways for surplus foods, providing efficient and effective access for commercial markets, processing, institutional procurement, food recovery, animal feed, composting or other value-generating outcomes. Such an approach would enable increased human consumption of surplus foods while simultaneously improving economic outcomes for producers, wholesalers, processors, retailers and food recovery organizations alike.

The Canadian produce industry also continues to be deeply engaged in efforts to reduce and mitigate the use of plastics and other packaging. Primary packaging is integral to the sustainability of the global

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[7] AGRI LMI, Canadian Agricultural Human Resource Council (CAHRC), 2019

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 packaging materials used in fresh produce packaging play many roles in supporting this effort – protecting food safety and plant health, preserving and extending product shelf life, and enabling product availability year-round.

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. At the same time, the federal government should focus on aligning the Federal Plastics Registry with existing provincial systems and an existing-data-first approach. Any future efforts should be preceded by comprehensive consultation and a thorough review of Phase 1.

Regulatory modernization and enhancing competitiveness (Recommendations 19-20)

Innovative tools and alternative technologies are needed to help the Canadian produce sector remain globally competitive. CPMA is strongly supportive of the government's efforts to reduce red tape to unleash the potential of Canadian businesses. To achieve effective regulatory modernization the government must apply the right tool to the right issue and consult with industry to help identify the challenge and workable solutions.

At the same time, the government must attend to the predictability and coordination of regulatory implementation across federal departments to ensure that well-intentioned policy objectives do not unintentionally disrupt supply chains or undermine Canada's competitiveness. The timing, sequencing and clarity of regulatory delivery can significantly affect industry's operational planning and investment decisions.

CPMA appreciates the Government's consideration of our recommendations for the 2026 Federal Budget and would be pleased to answer any questions.

Sincerely,

Ron Lemaire
President
Canadian Produce Marketing Association