



Fresh Produce at a North American Crossroads

*Economic Footprint of Canada's Fresh Produce
Sector and the Cost of Potential U.S. Tariffs*

Key findings

- In 2024, the fresh produce sector added \$18.6 billion to Canada's GDP. The sector created positive spillover effects, with \$1.06 of GDP generated per dollar of output compared to \$0.94 in the broader agri-food sector.
- 188,000 jobs were supported by the fresh produce sector in 2024, adding \$11.6 billion in labour income.
- The sector contributed \$5.1 billion in tax revenues across all levels of government. 62 per cent of these contributions were income taxes and social insurance contributions.
- The U.S. and Mexico supplied 70 per cent of Canada's fresh produce imports in 2024, while 88.4 per cent of fresh produce exports went to the U.S.
- The U.S. market for imported fresh produce is expected to grow as the population increases and U.S. production of fresh produce decreases. However, reliance on exports to the U.S. market has made Canada vulnerable to changes in trade policy.
- Canada-United States-Mexico Agreement (CUSMA)-compliant Canadian fresh produce have been exempt from U.S. tariffs to date. With CUSMA scheduled for review in 2026, continued duty-free treatment for fresh produce is a critical source of stability for the sector.
- If fresh produce exports to the U.S. were subject to a 10 per cent tariff, the sector's contribution to Canadian GDP would decrease by \$214 million (1.1 per cent), 2,332 jobs would be lost, payrolls would be reduced by \$139 million, and tax revenues would be down by \$57.6 million.
- Under 25 per cent tariffs, the sector's losses would increase. GDP contributions would fall by \$535 million (2.8 per cent), 5,830 jobs would no longer exist leading to a decline in wages of \$348 million, and governments would lose \$144 million in revenue.

This report was prepared by Signal49 Research (formerly the Conference Board of Canada), with financial support from the Canadian Produce Marketing Association. Contact Shannon Sommerauer, Senior Director of Government Relations and Industry Technology at ssommerauer@cpma.ca to request a copy of the full report.

