



Canadian Produce Marketing Association (CPMA)
Pre-Budget Submission to the House of Commons Standing Committee on Finance
August 5, 2017

The Canadian Produce Marketing Association (CPMA) represents Canadian and international members who are responsible for 90% of the fresh fruit and vegetable sales in Canada. Our diverse membership is made up of every segment of the produce industry supply chain. From grower-shippers, to packers, distributors and foodservice operators, to the local retailers, CPMA members bring fresh fruit and vegetables from the farm gate to the dinner plate for Canadian families, right across the country.

CPMA is fortunate to represent a sector that is a **significant economic driver for communities** that also **improves the health and productivity of Canadians**. There are only a rare, few sectors that offer such important, tangible benefits to Canadians and their communities both economically and in their physical well-being.

Helping Canadians Maximize their Contributions to Canada's Economic Growth

As the Prime Minister wrote in his mandate letter to the Minister of Health, "When Canadians are in good physical and mental health, they are able to work better, be more productive, and contribute more fully to our economy while living healthier, happier lives." A balanced diet rich in fruits and vegetables is a cornerstone of good health and an important line of defense against chronic disease and excess weight. Despite this evidence, Canadians consume fewer than the number of servings of fruits and vegetables recommended in Canada's Food Guide.

Low consumption of fruits and vegetables has consequences, both for the health of Canadians and for our economy. Chronic diseases – diabetes, cancer, stroke, cardiovascular and respiratory illnesses – and excess weight are major public health issues in Canada and elsewhere. They account for approximately 67% of health care spending in Canada, including \$68 billion in direct health care costs and \$122 billion in indirect income and productivity costs.

For this reason, CPMA and the Canadian Public Health Association (CPHA) are calling on the federal government to **establish a Government of Canada policy statement supporting the goal of increasing the fruit and vegetable consumption of Canadians by 20% by 2020**. This is equal to one additional serving per day for all Canadians.

The economic burden of low fruit and vegetable consumption is estimated at \$4.4 billion annually. A 20% increase in fruit and vegetable consumption could result in a reduction in economic burden of approximately \$878 million/year.

A successful fruit and vegetable consumption policy would improve access and affordability to quality fruits and vegetables for all Canadians and especially rural, remote, First Nations, Métis and Inuit communities. High-risk and vulnerable populations, including those groups, are among the most disadvantaged in terms of access to affordable fruits and vegetables. Current government programs like Nutrition North show little evidence they are meeting their goal of improving the availability and affordability of nutritious food. New, innovative solutions are needed.

Children are especially vulnerable to nutrition-related health problems. Children are a critical target group because the positive habits and behaviours that are established in childhood may continue into adulthood when combined with affordable, accessible, and available fruits and vegetables. We have an opportunity to

ensure that the next generation of Canadians does not suffer the same diet-related health risks that are negatively affecting our population today.

Assisting Canada's Businesses to Expand, Innovate and Prosper

Canada's fresh fruit and vegetable sector already makes an important contribution to national economic output and employment. In 2013, the fresh fruit and vegetable sector supported 147,900 jobs, created \$11.4 billion in real GDP and contributed \$1.3 billion in personal income tax and \$840 million in corporate taxes. Yet significant potential for growth exists.

According to the Conference Board of Canada, increasing fresh fruit and vegetable consumption by every Canadian aged two and over by one portion per day can would lift Canada's GDP by \$1.6 billion. Support for innovation and infrastructure in the community are essential to making that happen.

Supporting innovation in the produce industry can enable social entrepreneurship in the sector that will reduce food insecurity in rural and remote communities and help bring cheaper, healthier food to all Canadians. Innovation in the produce industry supply chain can support long-term gains in food distribution and storage infrastructure for rural and remote communities. Investment in energy efficiency, packaging, production techniques and seed varieties supports improvements in flavour and taste of produce as well as increases in yields, and supports improvements to provide better, more sustainable products. Innovation can also help the industry meet climate change targets and support climate change adaptation.

Infrastructure investments are a critical component of supporting innovation in the sector. Ensuring access to renewable energy is an important issue in the produce sector. The high cost of transporting fruit and vegetables to rural and remote communities is a substantial barrier to access for these populations. New technologies like vertical farming and greenhouses can allow these communities to grow more fruits and vegetables locally, creating jobs while addressing a critical population health issue. Investments in innovation and infrastructure can also help existing Canadian farms and fruit and vegetable businesses reduce input costs, allowing them to grow and produce more for both domestic and international markets.

Fruits and Vegetables for Healthy Canadians and a Healthy Economy

CPMA Federal Budget 2017 Request

- Financial support through the re-profiling of existing funds for a fruit and vegetable policy statement with the goal of increasing the fruit and vegetable consumption of Canadians by 20% by 2020.
- Investments in innovation and infrastructure to grow the Canadian produce industry along the supply chain and to support efforts to address food insecurity in rural and remote communities.

Access to affordable, nutritious food is a prerequisite for healthy families and communities. The evidence is clear that increasing the consumption of fruits and vegetables can support positive change to improve the lives of Canadians today and for future generations. Canada is the only G7 country without a national fruit and vegetable consumption scheme. By working together to get Canadians to eat more produce, we can create a win-win-win opportunity resulting in: increased industry growth and prosperity; decreased health care costs for the Canadian government; and healthier, more productive Canadians.

CPMA requests the opportunity to testify before the House of Commons Finance Committee during its pre-budget consultations in Ottawa, or if required, any other suitable location.

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