



Kody Blois, Chair
Standing Committee on Agriculture and Agri-food
House of Commons
Ottawa, ON K1A 0A6

June 15, 2023

Dear MP Blois and Committee members,

On behalf of the Canadian Produce Marketing Association (CPMA) and Canada's fresh fruit and vegetable industry, I am writing regarding the House of Commons Standing Committee on Agriculture and Agri-food study on Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*.

CPMA and our members are strong supporters of Bill C-280. We thank the Committee for the invitation to speak to this study and looks forward to appearing at an upcoming meeting. In the interim, we also wish to voice our support for the letter submitted to the Committee by the Fruit and Vegetable Growers of Canada (FVGC) on June 15, 2023, regarding a suggested friendly amendment to the definition of "supplier" under Bill C-280.

CPMA is in a unique position as an organization representing companies 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. In fact, CPMA's more than 830 domestic and international members are responsible for 90% of fresh fruit and vegetable sales in Canada.

It is from the perspective of this diverse membership that CPMA would like to emphasize the importance of maintaining the existing provisions of Bill C-280 that provide financial protection to all suppliers of fresh produce. As noted by FVGC, all suppliers across the fresh produce supply chain are vital to the stability of the market. Packers, wholesalers, brokers and others act as critical intermediaries between growers and retail and foodservice, and it is essential that they receive the necessary protection to ensure that payments are able to flow down the chain and, ultimately, to growers.

During the Committee's June 12 meeting, there were concerns raised that Bill C-280 would benefit retailers. It is true that large retailers often operate in closed ecosystems where produce is bought by distribution centres and sold to corporate stores or franchises, in effect operating as a wholesaler. However, it is also important to recognize that this business arrangement still ultimately results in fresh fruit and vegetable growers receiving payment for their product – payments which could be jeopardized if deemed trust protection is limited to the first level of sale.

Under the provisions of Bill C-280, all suppliers would benefit (or not) equally, and all suppliers would be given equal access to an insolvent company's "trust assets" on a pro-rated basis. As noted above, a

deemed trust would promote fairness and financial stability along the entire supply chain and support the payment of suppliers all the way back to the growers.

CPMA would also like to echo FVGC's concerns that limiting the definition of "supplier" under Bill C-280 would not create an equivalent protection to that provided to the industry in the United States under the *Perishable Agricultural Commodities Act (PACA)*, which covers all suppliers along the chain, and would therefore hinder Canada's ability to obtain the reinstatement of reciprocal protection for Canadian sellers under PACA.

On behalf of the fresh fruit and vegetable supply chain, CPMA is grateful to the Committee for the opportunity to share our comments in relation to Bill C-280. We look forward to appearing at the Committee to provide further remarks and to answer any questions members may have.

Sincerely,

A handwritten signature in black ink, appearing to be 'R Lemaire', followed by a horizontal line extending to the right.

Ron Lemaire
President
Canadian Produce Marketing Association