

Bonsoir, Good evening.

Thank you, Mr. Chair and members of the Committee, for the invitation to appear before you today. Quinton and I appreciate this opportunity to address you on behalf of the Fruit and Vegetable Growers of Canada.

I am Rebecca Lee, Executive Director of the Fruit and Vegetable Growers of Canada. FVGC represents growers across the country involved in the production of over 120 different types of fruit and vegetable commodities on over 14,000 farms.

We are here today to express our strong support for Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*. As you all know, the produce sector has been pushing for this for many years. We greatly appreciated the support we've received from the committee members – from all parties – on this initiative. Speaking on behalf of Canadian growers, we strongly urge all parties to see to it that this Bill passes swiftly, so that it can provide the necessary safeguards to our growers in what is surely a volatile and uncertain time for our industry.

Our sector is quite unique and differs from other commodities in that our products are highly perishable and our window for sales are very narrow. This is why the existing protections for agricultural products in the Bankruptcy and Insolvency Act are not adequate, and in the event of a purchaser's insolvency or bankruptcy, our growers are left with limited recourse and significant losses.

A key aspect of this legislation is that once the proceeds from the sale of fresh produce are deemed to be held in trust for the supplier, they are not included in the company's property. This is significant because it means these assets would be protected and does not take away from other creditors' ability to access to their claims in the event of a restructuring or insolvency. This not only provides growers with an additional layer of protection, but it is also an instrumental tool in ensuring fairness and equitability in these often-complex dealings. Additionally, the definitions included in the legislation consider the realities of our industry. Acknowledging that the fruits and vegetables might be repackaged or transformed, yet remain the beneficial property of the supplier, is an important detail.

I will now let Quinton Woods, FVGC's Trade and Marketing Working Group Chair explain further.

I am Quinton Woods, as Rebecca mentioned, I am FVGC's Trade and Marketing Working group chair and Senior Sales and Plant Operations Manager of Gwillimdale farms, which is a premier grower packer shipper of Root vegetables, located on the North tip of the Holland Marsh.

Bill C-280 is a topic which I am highly passionate about and I want to point out that that this proposed legislation could pave the way for reinstating the Perishable Agricultural Commodities Act protection (PACA) for Canadian growers by the United States.

PACA had been a crucial protection for Canadian growers, ensuring prompt payment and offering a dispute resolution mechanism. The loss of this privilege in 2014 because of lack of reciprocity in Canada, dealt a significant blow to our industry, exposing our growers to increased financial risk.

Gwillimdale's operation was directly affected in 2014- coming out of the recession of 2009, a US customer with whom we have done business with for many years, stopped paying us. We were left with

no choice, but to launch a formal complaint against this company through PACA in the US. Unfortunately, the day on which we filed the Formal complaint, the United States pulled reciprocity for Canadian sellers. This change meant we were required to post a bond for twice the value of our claim. At the time our claim was \$100,000.00 USD and we were required to post a bond for \$200,000.00USD. We were not in the position to post the bond at that time and were forced to walk away from our claim. If Canada had implemented a system prior to the revocation of reciprocity, we would have been able to continue our formal complaint, without posting a bond.

The proposed legislation would be of no cost to the government, as they would not be required to carry financial liability or backstop any losses. However, it will provide significant benefits to growers, and one could argue, it is a form of Business Risk Management, but one that requires no government funding.

This legislation offers a framework that bolsters the stability of our industry and promotes fairness in business practices, ensuring the viability and growth of our sector for years to come. FVGC sees this bill as a game-changer, providing our members with much-needed protections and possibly leading to greater market opportunities. We urge you to consider these benefits as you deliberate on this legislation. Our members depend on it, and the bill will bolster the strength and sustainability of the Canadian produce sector at a time when it is sorely needed.

And we can't forget that these benefits are not restricted to our growers. A more robust and secure Canadian produce industry, backed by these protective measures, would help to address growing concerns about Canada's food security and food sovereignty.

Thank you for your time and consideration. Merci beaucoup!