



## Presentation to Senate Committee on Banking, Commerce and the Economy

RE: Bill C-280

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Quinton Woods

Fruit and Vegetable Growers of Canada (FVGC)

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### Massimo Bergamini – Introduction and Context (2 minutes)

Good morning, madame Chair, members of the Committee. My name is Massimo Bergamini, and I am the new Executive Director of the Fruit and Vegetable Growers of Canada (FVGC).

I am joined by Mr. Quinton Woods who is a member of our Board, and Sales and Plant Operations Manager, Gwillimdale Farms of Bradford, Ontario.

The Fruit and Vegetable Growers of Canada represents growers across the country. Our members are involved in the production of over 120 different types of crops on more than 14,000 farms, with a farm gate value of \$6.8 billion in 2022.

I want to thank this Committee for the opportunity to present on Bill C-280.

Fruit and Vegetable Growers of Canada has advocated for the financial protection found in C-280 for almost 40 years.

The fruit and vegetable sector deals with perishable products and short sales windows. The simple reality is that current insolvency laws offer no protection to growers who can't reclaim goods that quickly lose value.

Bill C-280 fills this gap.

The concerns we raise today and have been raising for almost 40 years are not theoretical. The **2023 bankruptcy of Lakeside Produce** in Leamington, Ontario, left over \$188 million in unpaid liabilities to growers and suppliers.

The sudden collapse of the company sent shockwaves through the growing community, with **some individual growers reporting losses of up to \$500,000** in unpaid invoices.



For small and medium-sized family farms, these losses were devastating.

Had Bill C-280 been in place, it would have offered immediate financial protection from the catastrophic loss of income. I will now ask Quinton Woods to share his perspective.

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### **Quinton Woods – Grower Perspective and Impact (3 minutes)**

Thank you, Massimo, and good morning.

Bill C-280 also has the potential to pave the way for reinstating the Perishable Agricultural Commodities Act (PACA) protection for Canadian growers by the United States. In 2014, my company Gwillimdale Farms faced significant financial loss due to a US customer stopping payment. We had no choice but to launch a formal complaint against this company through PACA in the US. Unfortunately, the day 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 USD. We were not in the position to post the required \$200,000 USD bond and were forced to walk away from our claim.

If Canada had in place, a financial protection system we would have been able to proceed with our complaint without the requirement to post a bond.

Reinstating PACA protections would mitigate such risks in the future.

This legislation does not cause financial liability or require backstopping from the Government. It serves as a form of Business Risk Management that requires no government funding while providing significant benefits to growers.

It will bolster the stability of the produce sector, promoting fairness in business practices and long-term viability and growth.

A robust and secure domestic produce industry is essential for Canadian food security and food sovereignty. By protecting growers, Bill C-280 helps ensure a sustainable supply of fresh produce for Canadian consumers.

In this context, it's important to highlight that in the absence of this financial risk mitigation tool, Canadian producers will increasingly see the US as a safer base for their production because, of the security provided by US insolvency protection.



In 2021, 40% of Canadian produce was exported to the US. Bill C-280 aligns with the Government of Canada's goal of increasing exports, growing domestic production and, food security by fostering a resilient domestic produce industry.

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. This provides growers with an additional layer of protection and ensures fairness and equitability in these often-complex dealings.

We urge this Committee to consider the benefits of Bill C-280 for the Canadian produce sector, domestic consumers and overall market stability and ensure its speedy adoption. I look forward to answering any questions you may have.