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Subject: FVGC Response to Economic Security Consultation - International Trade Barriers in Agriculture

To Whom It May Concern,

On behalf of the Fruit and Vegetable Growers of Canada (FVGC), we are pleased to provide input on the ongoing consultation regarding measures to strengthen Canada's economic security and supply chain resilience.

This issue is critically important to our growers, as inconsistent market access and regulatory barriers, like varying pesticide residue standards, directly affect their ability to compete in international markets. These barriers increase costs, limit market opportunities, and undermine the hard work of Canadian farmers who are dedicated to producing high-quality, safe, and nutritious food. The impact extends beyond individual farms; it affects Canada's ability to maintain a robust and resilient food system. Ensuring fair, transparent, and predictable access to global markets is essential not only for the growth of the agriculture sector but also for securing our nation's food supply and strengthening the economy. By addressing these barriers and aligning standards internationally, we can support our growers in reaching new markets, boosting productivity, and contributing to Canada's overall economic prosperity and food security.

Below are our key concerns and recommendations, which address the specific questions raised in the consultation:

Tariff and Non-Tariff Barriers

We continue to face challenges with increased tariffs on Canadian fruit exports, particularly in countries where tariffs put our products at a significant competitive disadvantage. Additionally, phytosanitary regulations in key markets, such as the European Union, impose non-tariff barriers that increase costs for Canadian growers without equivalent measures for imports from these countries. We recommend closer alignment on phytosanitary standards with our trade partners to ensure fairness and reduce unnecessary certification and testing requirements.



Border Delays and Infrastructure

Delays at border crossings, especially for perishable goods, present a significant threat to our industry. Perishable products like fruits and vegetables suffer from reduced shelf life and quality due to border inefficiencies. Investments in modernizing cross-border trade infrastructure and streamlining customs procedures are essential to address these issues.

Unfair Trade Practices

Significantly lower prices of apples from Washington in Canada at prices below production cost continues to undermine the competitiveness of Canadian apple growers. This issue severely impacts their market share and profitability. We recommend enhanced trade remedies to address dumping, which harms our domestic innovation and intellectual property rights.

Labour Shortages

Access to skilled labour remains a critical issue for Canadian fruit and vegetable growers. Inconsistent visa and work permit processes for foreign workers, coupled with skilled worker shortages in essential areas like machinery operation and pest control, place our growers at a disadvantage compared to foreign competitors. Streamlining immigration and labour policies for the agricultural sector is vital to ensuring sufficient seasonal and skilled labour.

Supply Chain and Cold Storage Infrastructure

Supply chain vulnerabilities and the lack of adequate cold storage facilities in export markets further exacerbate the risk to our exports. These weaknesses compromise product quality, making Canadian exports less competitive. Domestically, rail and port bottlenecks continue to hinder our ability to get products to market efficiently. We urge the government to prioritize investments in supply chain infrastructure, both domestically and in key export destinations.

Water Availability and Infrastructure

Access to reliable and sufficient water resources is a critical issue for Canadian fruit and vegetable growers, particularly in regions affected by drought, water shortages, or aging infrastructure. Inconsistent water access can reduce crop yields and product quality, putting Canadian growers at a competitive disadvantage compared to growers in countries with more advanced water management systems. The lack of investment in modern irrigation and water storage infrastructure further exacerbates these challenges, especially when competing in international markets where water access is more reliable or subsidized. To address this, we recommend that the Government of Canada prioritize investments in water infrastructure, including modern irrigation and storage solutions, to ensure that Canadian growers remain competitive globally. Without these improvements, Canadian exports risk being outcompeted by countries with better access to essential



water resources, undermining our ability to maintain and expand market share in critical export markets.

Market Access Challenges and Inconsistent Pesticide Residue Standards

Inconsistency in allowable pesticide residues between markets creates unnecessary barriers for Canadian growers. This issue is particularly significant with the European Union's Maximum Residue Limits (MRLs), which have been tightening in recent years. These increasingly strict MRLs often result in Canadian products meeting domestic standards but failing to meet EU regulations, leading to potential rejection or the need for additional costly testing. This creates an uneven playing field and limits our growers' access to key international markets.

To address this, we recommend standardizing international residue requirements and advocating for science-based MRLs that are consistent across major trading partners. Aligning these standards would reduce trade barriers and ensure that Canadian growers are not unfairly penalized for meeting domestic regulations that differ from those abroad. This would help facilitate smoother access to global markets and ensure Canadian products remain competitive internationally.

This must also be done in concert with supporting internationally recognized science-based risk assessment processes for regulating pesticides in Canada and promoting similar approaches abroad. Canada's ongoing participation in joint reviews with the US Environmental Protection Agency and at the global level reinforces market access and reduces trade barriers and should be further encouraged.

Diversification of Export Markets

To mitigate the risk of over-reliance on a few key markets, Canada should actively pursue diversification strategies, particularly in emerging markets. This will reduce vulnerability to protectionist policies and economic coercion by major trading partners.

Recommendations for Policy Measures

We support exploring the following measures to protect Canada's economic security:

- **Enhanced trade remedies** to prevent unfair trade practices, such as dumping, that harm Canadian industry.
- **Investment in critical infrastructure**, such as cold storage and transportation networks, to strengthen the supply chain for perishable goods.



- **Stricter enforcement of intellectual property rights** to safeguard Canadian agricultural innovations.
- **Labour security measures**, including streamlined immigration processes and support for skilled worker development in the agricultural sector.

Balancing National Security and Competitiveness

While we understand the need for national security measures, it is crucial that such policies do not negatively impact the competitiveness of Canadian agriculture. Any measures should ensure that our growers remain on a level playing field in global markets, without unnecessary administrative burdens.

In conclusion, FVGC welcomes the Government of Canada's commitment to enhancing economic security and resilience. We look forward to continued collaboration to ensure that the unique challenges facing Canadian fruit and vegetable growers are addressed through responsive and fair policy measures.

Thank you for considering our input. Please do not hesitate to contact us if you require further information or clarification.

Sincerely,

Amy Argentino

Director of Operations
Fruit and Vegetable Growers of Canada

The Fruit and Vegetable Growers of Canada (FVGC) represents growers across the country involved in the production of over 120 different types of crops on over 14,000 farms, with a farm gate value of \$6.8 billion in 2022. FVGC is an Ottawa-based voluntary, not-for-profit, national association, and, since 1922, has advocated on important issues that impact Canada's fresh produce sector, promoting healthy, safe, and sustainable food, ensuring the continued success and growth of the industry.