**July 30, 2026**

**Jeanne Pratt**
**Interim Commissioner of Competition**
**Competition Bureau Canada**

Submitted via online portal.

**Subject: Examination of competition across Canada's food supply chain**

Dear Commissioner Pratt:

The Fruit and Vegetable Growers of Canada (FVGC), the Greenhouse Produce Alliance of Canada (GPAC), and the Canadian Potato Council (CPC) are pleased to provide our members' joint perspectives on the Competition Bureau's examination of competition across Canada's food supply chain.

We welcome the Competition Bureau's decision to look beyond the retail shelf and examine production, processing, transportation and distribution. For growers, the central competition issue is buyer power. Many growers have few practical outlets for large volumes of fresh product, while a small number of buyers control access to national retail shelves and, in some cases, important wholesale and distribution channels. The result is not a negotiation between parties of comparable size and leverage. It is frequently a choice between accepting the buyer's terms or losing access to a major market.

This distinction matters. Competition policy must examine not only whether consumers have several store banners from which to choose, but also whether suppliers have meaningful choices about where and on what terms they can sell. Harm can occur long before it appears as a higher shelf price. Suppressed farm returns, unpredictable or unreasonable deductions, delayed payment and the transfer of commercial risk to growers reduce investment, discourage production, and can cause farms to abandon fresh fruit and vegetable production for less exposed alternatives. Over time, this weakens domestic supply and security, reduces consumer choice, and increases Canada's exposure to disruptions in imported food.

The Government of Canada's recently released National Food Security Strategy correctly recognizes that farmers need more places to sell, independent grocers need more places to source products, and Canadians need greater access to nutritious food produced in Canada. The Strategy also recognizes concentration in retail and wholesale markets, limited distribution alternatives, and the importance of growing, processing and selling more domestically produced food in Canada. These goals cannot be achieved while dominant buyers are able to shift disproportionate financial, operational and climate risk onto primary producers.

The signatories' have identified a range of systemic issues and practices that merit close examination. These include unilateral fees, penalties, rebates and deductions imposed without meaningful negotiation; product refusals where quality assessments are not transparent or consistently applied by retailers' warehouse receivers; imposition of long-term price and volume commitments that do not allow grower-suppliers to adjust when weather or costs of major inputs (e.g. fertilizer, fuel) increase; mandatory supplier participation in retailer promotions or loyalty programs; charges for shelf access and product placement; retrospective changes to commercial terms; and the use of delisting or reduced access to shelf space as an implicit or explicit consequence of challenging those terms.

Recent purchasing changes in the fresh produce sector illustrate the concern. Growers have reported a move from fixed, cost-recovery rejection fees to fees calculated as a percentage of the product's purchase price, with determinations based on retailer-controlled criteria rather than independent inspection standards. Growers have also faced pressure to accept payment terms of up to sixty days for highly perishable products that have already been delivered, accepted and sold, sometimes through a financing arrangement presented as voluntary. In addition, annual requests for proposals can require growers to establish pricing for a full year before input costs, labour availability, transportation costs, crop yields and weather effects are known.

These practices may appear to be contractual matters between private parties, but their prevalence and uniformity can reflect a wider failure of competition. A grower dealing with a perishable product cannot simply wait for a better offer, hold inventory indefinitely, or redirect large volumes without loss. When several large buyers impose similar terms, the theoretical ability to refuse does not amount to meaningful market choice.

The Grocery Sector Code of Conduct is an important effort to improve predictability, transparency and fair dealing. However, its effectiveness will depend on whether growers can use it without placing their commercial relationships at risk. A process that relies primarily on individual suppliers filing individual complaints will be underused. Most growers do not have dedicated legal teams, and many reasonably fear commercial retaliation. Credible producer associations should therefore be permitted to bring representative, systemic complaints on behalf of affected members, supported by anonymized evidence and clear verification requirements. This would protect growers, improve the quality of evidence, and allow systemic practices to be addressed efficiently.

The joint signatories therefore collectively recommend that the Competition Bureau:

1. **Examine buyer power as a central competition issue.** The Bureau should assess market concentration from the primary agriculture supplier's perspective (i.e. food producer/farmer/grower), including the number of realistic buyers available for specific commodities, regions, seasons and volumes. The analysis should include vertical

integration among retail, wholesale and distribution activities. Competition should also be analyzed from a regional perspective as this may vary across the country.

2. **Examine supplier concentration across the entire agricultural supply chain.** The Bureau should recognize that buyer power is not limited to grocery retailers. It can also exist at the processor level, particularly in commodity-specific and regional markets where growers have very few purchasing options. Processing potatoes are a clear example: growers may make specialized, long-term investments in land, storage, equipment and crop production while having access to only one or a small number of processors. The Bureau should examine whether this concentration limits meaningful negotiation, enables one-sided contract terms or transfers disproportionate production and market risk to growers.

   The examination should also assess concentration among suppliers of essential agricultural inputs and services, including fertilizer, crop protection products, seed, packaging and transportation. Growers can be price-takers both when selling their products and when purchasing the inputs needed to produce and deliver them. Competition issues therefore extend across the entire food supply chain and should be assessed together, including regional market conditions, barriers to entry, switching options and the cumulative effect on farm viability, domestic food production and food security.

3. **Examine procurement practices and contractual risk allocation.** The Bureau should seek evidence on fees, deductions, rejection procedures, payment periods, financing arrangements, annual tendering, supplier-funded promotions, loyalty programs, retrospective changes, exclusivity arrangements and delisting practices. The question should be whether these practices would be commercially sustainable in a market with meaningful competition for supply.

4. **Establish safe channels for evidence.** The Bureau should accept confidential and anonymized information from growers and permit national and provincial producer associations to aggregate data and demonstrate systemic patterns. Fear of retaliation is itself evidence of the market power imbalance that the examination must address. If voluntary engagement does not yield sufficient evidence, the Bureau should advise the Minister of Industry that a formal market study is required.

5. **Assess mergers, acquisitions and bankruptcies throughout the food supply chain.** Merger review should consider effects on suppliers, local and regional markets, access to inputs, processing, transportation, distribution and wholesale services, and the resilience and diversity of domestic food production. Smaller transactions can have significant effects in rural or commodity-specific markets even when they do not attract national attention.

6. **Evaluate whether voluntary measures are sufficient.** The Bureau should assess whether the Grocery Sector Code of Conduct can effectively constrain the exercise of buyer power. Its recommendations should include representative complaints, meaningful protection against retaliation, transparent reporting of aggregate compliance and dispute data, and a statutory fair-dealing framework if voluntary arrangements do not produce measurable results. It is recommended that the Bureau conduct in-depth analysis now that the Code has been operational to determine whether the Code is working as designed and subsequently determine if a more regulated model is required in Canada.

7. **Recommend measures that create genuine alternatives.** Stronger competition requires investment in regional wholesale markets, food hubs, cold storage, processing, transportation and logistics infrastructure, as well as action against property controls, exclusivity arrangements and other barriers that limit independent retailers and new entrants. More buyers and more routes to market will improve outcomes for growers and consumers more effectively than rules that merely manage an unchanged imbalance of power.

The signatories also encourage the Bureau to examine retail pricing practices in connection with procurement practices. Loyalty discounts, promotions and other consumer-facing offers should not be assessed in isolation if their costs are transferred to suppliers that have little ability to refuse. Retail competition that is financed through unilateral deductions from growers is not sustainable competition.

In addition, the signatories are interested to participate in the Bureau's planned roundtables and to provide further evidence, including examples from growers and commodity organizations.

In sum, a competitive food supply chain must allow Canadian growers to invest, innovate and remain in production. Protecting that capacity is essential to domestic access to nutritious food, resilience and Canada's long-term food security. We collectively urge the Bureau to place supplier choice, buyer power and fair allocation of risk at the centre of its work.

Sincerely,

**Marcus Janzen**
President, Fruit and Vegetable Growers of Canada

*The Fruit and Vegetable Growers of Canada (FVGC) represents growers across the country who produce more than 120 different commodities, including apples, tender fruit, grapes, berries, field vegetables, potatoes, and greenhouse-grown vegetables. FVGC is a not-for-profit national association, and, since 1922, has advocated for a competitive fruit and vegetable sector, promoting food security for all Canadians.*

**Bill Zylmans**
Chair, Canadian Potato Council

*The Canadian Potato Council (CPC), operating under the Fruit and Vegetable Growers of Canada (FVGC), represents the interests of Canada's potato industry, a robust sector comprising approximately 1,100 producers who generate around $1.45 billion annually.*

*With a vision of a thriving Canadian potato industry, the CPC serves as a unified voice for potato growers, dedicated to advancing their economic interests through strategic advocacy, policy development, and research investment. The CPC works closely with governments, processors, industry, and consumers to support the global competitiveness of Canada's potato sector, aiming to enhance industry profitability and drive sustainable success for potato producers nationwide.*

**George Gilvesy**
Chair, Greenhouse Produce Alliance of Canada

*The Greenhouse Produce Alliance of Canada (GPAC) is the national voice of greenhouse fruit and vegetable growers, representing a sector that contributes $6.3 billion annually to Canada's economy and supports nearly 42,000 jobs. GPAC advances grower priorities through national leadership, policy engagement, and industry collaboration, helping strengthen food security, economic competitiveness, climate resilience, and Canada's leadership in greenhouse production.*

For additional information or questions please contact:

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