FRUIT & VEGETABLE GROWERS OF CANADA | PRODUCTEURS DE FRUITS ET LÉGUMES DU CANADA

Submission to the Department of Finance Canada's 2026 Pre-Budget Consultations

Submitted by:

Fruit and Vegetable Growers of Canada (FVGC) and

the Canadian Potato Council (CPC)

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The Fruit and Vegetable Growers of Canada (FVGC) represents growers across Canada who produce more than 120 different commodities, including apples, tender fruit, grapes, berries, field vegetables, potatoes, and greenhouse-grown vegetables.

The Canadian Potato Council (CPC), operating under the Fruit and Vegetable Growers of Canada (FVGC), represents the interests of Canada's potato industry. CPC brings together provincial potato organizations from across Canada's major producing regions to provide a unified national voice for Canadian potato growers and advance shared priorities on trade, plant health, crop protection, research, and regulatory issues.

Summary of Recommendations

The Fruit and Vegetable Growers of Canada (FVGC) and the Canadian Potato Council's (CPC) joint Pre-Budget Submission to Finance Canada proposes five recommendations for inclusion in the 2026 federal budget.

Recommendation 1:

Embed a food lens in all federal government decision-making.

Recommendation 2:

Provide timely access to effective crop protection tools by ensuring the government's commitment to consider food security in Canadian Food Inspection Agency (CFIA) and Pesticides Regulatory Directorate (PRD) decisions is implemented in a practical, transparent manner, and restore the capacity of the Minor Use Pesticides Program.

Recommendation 3:

Modernize Business Risk Management programs to include mitigation measures and deliver timely support for fruit and vegetable growers facing extreme weather, pests, diseases, and other emergencies.

Recommendation 4:

Maintain CUSMA and treat perishable fruit and vegetable products as a distinct priority during trade disruptions by strengthening safeguards, competitiveness supports, domestic processing capacity, and market stabilization tools.

Recommendation 5:

Protect labour stability for fruit and vegetable production by preserving and strengthening the Seasonal Agricultural Worker Program (SAWP), improving labour compliance inspection practices, and investing in rural infrastructure.

Introduction

Food security cannot be taken for granted. Trade disruptions, global instability, rising input costs, labour pressures, extreme weather, pests and disease are placing significant strain on Canada's growers. It is becoming unprofitable to be a fruit and vegetable grower in Canada.

As Canadians continue to face rising food insecurity, the federal government must prioritize the competitiveness of domestic food production. This requires more than agriculture-specific programming - decisions across government must be made through a food lens.

A food lens means assessing federal policies, regulations, and programs based on impact on domestic food production, supply chains, grower competitiveness, and access to healthy food. Decisions on regulation, trade, labour, infrastructure, and program funding all affect whether Canada can maintain a secure supply of Canadian fruit and vegetables.

FVGC and CPC supports the federal government's recent National Food Security Strategy, launched by the Prime Minister in June 2026. Together, FVGC and CPC applauds the government for the development of the first ever food security strategy for Canada and welcomes the strong focus on the edible horticulture sector.

FVGC and CPC's five recommendations strengthen the Canadian produce sector and food security for all Canadians.

Recommendation 1:

Embed a food lens in all federal government decision-making.

A food lens cannot be a principle applied after decisions are made. It must shape how regulatory and policy priorities are set, risk is assessed, service standards are met, and the impact on domestic food production is weighed.

The federal government's recent commitment in Bill C-30 to consider food security in Canadian Food Inspection Agency (CFIA) and Pesticides Regulatory Directorate (PRD) decision-making is an important step. However, food security must not be considered only in isolated decisions or within a limited number of departments. Federal policies across government can directly affect Canada's food security. The Cabinet Directive on Regulation should therefore also be amended to embed a food lens in all federal regulatory decision-making.

FVGC and CPC recommends the Government of Canada:

Embed a food lens in all federal decision making, including updating the Cabinet Directive on Regulation, so policy and regulations support domestic food production, grower competitiveness, and farm viability, while requiring departments and agencies to assess avoidable food waste and lost market access as core regulatory impacts.

Recommendation 2:

Provide timely access to effective crop protection tools by ensuring the government's commitment to consider food security in Canadian Food Inspection Agency (CFIA) and Pesticides Regulatory Directorate (PRD) decisions is implemented in a practical, transparent manner, and restore the capacity of the Minor Use Pesticides Program.

The food security commitment outlined in Bill C-30 is a strong first step, however, to be meaningful, it must be implemented through clear direction, a practical understanding of Canadian fruit and vegetable production, and with adequate resources that are not dependent on cost-recovery.

Growers need timely access to effective tools to manage pests, diseases, weeds, invasive species, and extreme weather pressures to increase agricultural productivity. Without such tools, Canada risks reduced crop yield and quality, higher food losses, greater dependence on imports, and weakened domestic food security. For horticulture crops, this requires restoring capacity to AAFC's Minor Use Pesticide Program and ensuring PRD decisions are grounded in the reality of Canadian fruit and vegetable production across diverse environments.

FVGC and CPC recommends the Government of Canada:

- Increase the Minor Use Pesticide Program budget by $7 million annually, based on inflationary erosion, to restore capacity to Growing Forward (2008–2013) levels, and support timely access to crop protection tools for fruit and vegetable crops.
- Direct PRD to prioritize resources for registration applications, including minor-use, to ensure service standards are met, and growers can access new tools on time.
- Ensure PRD decision-making reflects real-world evidence (i.e. actual use patterns, residue data and grower input) so decisions are risk-based, practical, and grounded in Canadian fruit and vegetable production.

Recommendation 3:

Modernize Business Risk Management programs to include mitigation measures and deliver timely support for growers facing extreme weather, pests, diseases, and other emergencies.

The financial situation of Canadian fruit and vegetable operations has deteriorated over the last decade. Persistent inflation, rising production costs, labour pressures, downward pressure on farm gate prices, the cumulative impact of more frequent extreme weather events, and growing uncertainty in the U.S. market have all intensified pressure on growers.

Existing Business Risk Management (BRM) programs do not adequately meet the evolving needs of fruit and vegetable growers. Many programs are designed around normal production years and are poorly adapted to catastrophic events, regional differences, and the realities of horticulture.

Modernized BRM programs must do more than respond post-loss. They should also help growers reduce risk before disaster strikes with mitigation measures including investments in prevention and resilience. Climate adaptation, pest and disease preparedness, and investment in resilience-building and controlled environment adaptation can reduce the need for future emergency payments, while simultaneously strengthening the long-term viability of Canadian fruit and vegetable production. This shift would position BRM not as a reactive program expense, but rather as a strategic capital investment in risk reduction, domestic food production, and food security.

Without targeted adjustments, Canadian fruit and vegetable operations will face increasing financial pressure, with direct consequences for domestic food production, food security, and the availability of Canadian-grown fruits and vegetables.

FVGC and CPC recommends the Government of Canada:

- Strengthen Business Risk Management programs for edible Horticulture
    - Permanently restore the AgriStability trigger to 85% of the reference margin.
    - Review AgriStability reference margin calculations to better account for the growing frequency of extreme weather events.
    - Permanently increase the AgriStability advance payment percentage to 75%, the compensation rate to 90%, and the maximum payment limit to $6 million.
    - Expand AgriInsurance coverage for all fruit and vegetable producers, including greenhouse production systems, with programs adapted to the specific needs of horticulture and made more affordable for growers.

    - Replace AgriRecovery with an alternative disaster loss model that is more flexible and effective.
    - Permanently increase the interest-free portion of the Advance Payments Program to $350,000, with extended repayment terms.
    - Examine alternative financing models that improve access to low-cost capital.
    - Provide direct support to fruit and vegetable growers through top-ups to existing AgriInvest accounts.

- Allow provinces and territories greater flexibility to implement tailored programs that reflect regional production, varied climate systems, and marketing realities.

- Create a dedicated horticulture capital fund to support proactive risk mitigation investments in water management, storage and processing capacity, food safety, climate adaptation, applied research and innovation, and plant pest and disease preparedness. This fund would reduce dependence on emergency BRM payments.

Recommendation 4:

Maintain CUSMA and treat perishable fruit and vegetable products as a distinct priority during trade disruptions by strengthening safeguards, competitiveness supports, domestic processing capacity, and market stabilization tools.

Canada's fruit and vegetable sector is highly exposed to trade disruptions, border delays, import surges, and changes in international market access, particularly within the North American market. Many fruits and vegetables are highly perishable and difficult to redirect once market-ready. When border closures, inspection delays, tariffs, dumping or sudden import surges occur, growers cannot simply store products and wait for improved market conditions.

Federal trade policies must reflect these realities and ensure Canadian growers can compete fairly, access export markets, and maintain a strong domestic supply of Canadian-grown fruit and vegetables. Within future CUSMA negotiations, Canada must prioritize predictability in the North American trading relationship, recognizing the highly integrated nature of produce supply chains. This includes protecting the federal services that support trade (e.g. Destination Inspection Service), inspection and market confidence, particularly as the government reviews operational spending.

FVGC and CPC recommends the Government of Canada:

- Maintain CUSMA and protect the stability, predictability and market access that fruit and vegetable growers rely on within existing highly integrated North American supply chains.

- Ensure the fruit and vegetable sector is explicitly reflected in federal trade policy, trade negotiations, export diversification initiatives and market-access programming.
- Invest in domestic processing capacity for produce to strengthen market options and reduce vulnerability during trade disruptions.
- Improve monitoring and safeguards against import surges, dumping and non-compliant imports that undermine Canadian growers. Develop early-warning systems to track import volumes, pricing trends, and market displacement risks for fruit and vegetable products.
- Pursue regulatory alignment with key trading partners, or equivalent import standards, to prevent Canadian regulations from shifting production, investment and jobs outside Canada.
- Reverse the decision to end the Destination Inspection Service, which plays an important role in supporting competitive trading practices and dispute resolution in the fresh produce sector, and ensure federal austerity measures do not weaken CFIA services that support exports, market access, inspection and import oversight.
- Create a targeted relief program for trade interruptions caused by border closures, tariffs or inspection delays affecting fruit and vegetable products.
- Offset rising domestic costs through targeted competitiveness programs, including tax credits for efficiency improvements, digital agriculture support, and greenhouse modernization and production enhancements.
- Create a market stabilization fund for fruit and vegetable growers affected by trade disruptions. Increase federal support to secure and maintain market access for Canadian produce exports, including resources for phytosanitary inspections, export certification, pest surveillance, compliance with importing-country requirements, and memoranda of understanding with key trading partners to improve the cost and predictability of inspection services.
- Advance a Canada-U.S. Perimeter Strategy as a risk mitigation tool to strengthen plant health prevention, regulatory alignment, pest risk assessment and response capacity.

Recommendation 5:

Protect labour stability for fruit and vegetable production by preserving the Seasonal Agricultural Worker Program and investing in rural infrastructure.

Labour is a significant and persistent challenge facing Canada's fruit and vegetable growers. The sector depends on access to workers to plant, manage, harvest, pack and ship highly perishable crops within narrow, seasonal production windows for outdoor crops and continuous production cycles in greenhouse systems. When labour is unavailable, delayed or uncertain, growers face immediate operational risk, including lost crops, reduced production, and weakened competitiveness.

Federal policy must also ensure that compliance systems protect workers while providing fair, timely, and consistent treatment for compliant employers. Investments in worker housing, healthcare access, transportation and other rural infrastructure are also essential to support recruitment, retention, and worker well-being in agricultural communities.

FVGC and CPC recommends the Government of Canada:

- Preserve the Seasonal Agricultural Worker Program (SAWP) as a pillar of Canada's fruit and vegetable production system.
- Maintain and reinforce the AgStream of the Temporary Foreign Worker Program and introduce flexibility of the SAWP (e.g. transfer process from SAWP).
- Improve transparency, communication, and service standards across federal departments (i.e. IRCC, ESDC, AAFC, CRA) and with external industry partners involved in agricultural labour programs to reduce delays, red tape, and uncertainty for growers.
- Remove the Job Bank advertising requirement for agricultural labour.
- Invest in rural agricultural infrastructure, including worker housing, healthcare access and transportation, to support recruitment, retention and worker well-being in agricultural communities.

Conclusion

By applying a food lens to federal decision-making, modernizing risk management, protecting perishable products in trade policy, and supporting labour stability, the federal government can ensure Canadian growers have the tools, programs, and policy environment they need to continue feeding Canadians. FVGC and CPC urge the Government of Canada to include these recommendations in Budget 2026.

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