

November 5, 2024

Dear Senators,

On behalf of members of the Canadian agri-food sector, we are writing to express our support for Bill C-280, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act* and to urge you to reject the amendments put forth by the Senate Standing Committee on Banking, Commerce and the Economy. **These amendments would seriously undermine the fundamental objectives of this important piece of legislation, which was passed with nearly unanimous support in the House of Commons.**

It is essential to underscore the pivotal role of Bill C-280, which seeks to establish financial protection for all produce sellers. Ensuring this protection would foster an environment of fairness and equity in the marketplace, promote stability within our supply chains and bolster the resilience of our agricultural sector. Indeed, safeguarding every link in the supply chain, from growers to distributors, not only supports our domestic industry, but also encourages international commerce, enhancing Canada's standing in the global market.

Under the original provisions of Bill C-280, all suppliers would benefit (or not) equally, and all suppliers would be given equal access to an insolvent company's "trust assets" on a pro-rated basis. The proposed amendments to Bill C-280 would effectively limit access to protection to the first level of sale, which goes against the legislation's aim to promote fair trade practices and enhance market stability across the fresh produce supply chain.

Importantly, limiting the scope of protection under Bill C-280, as in the proposed amendments, would fail to create an equivalent protection to that provided to the industry in the United States under the *Perishable Agricultural Commodities Act* (PACA), and would therefore fall short of what is necessary to obtain the reinstatement of Canadian produce sellers' preferential access to the U.S. dispute resolution mechanism for fresh fruit and vegetables under PACA – a core objective of the original legislation.

Preferential access to PACA, which Canadian produce sellers enjoyed until 2014, is an important financial tool to enable Canadian growers and shippers to export produce to our largest trading partner with assurances of fair treatment that will not financially cripple them in the event of a dispute with U.S. buyers. U.S. Department of Agriculture officials have confirmed that a Canadian financial protection mechanism equivalent to PACA, which covers all suppliers along the chain, is the only remaining requirement for Canada to secure reinstatement of preferential access to PACA. The original, unamended Bill C-280 would meet this criteria.

The amendments put forward by the Senate Banking Committee simply do not reflect the interconnectedness of the chain that ensures the supply of fresh fruits and vegetables from farm to table. Contrary to popular belief, growers do not generally sell directly to retail stores. Packers, wholesalers, brokers and others act as critical intermediaries between growers and retail and foodservice, and it is essential that they receive the necessary protection to ensure that payments flow down the chain and, ultimately, to growers.

Our members across the country are strong supporters of the original Bill C-280 and strongly urge all Senators to reject the proposed amendments and adopt this important Bill into law.

Sincerely,

