



September 16, 2025

RE: Anticipatory consultation on potential relaunch of FTA negotiations with MERCOSUR

To Whom It May Concern:

On behalf of our members across the fresh fruit and vegetable supply chain, the Canadian Produce Marketing Association is pleased to offer comments to Agriculture Canada on the potential relaunch of FTA negotiations with MERCOSUR. As a highly globally integrated industry, we are supportive of the Canadian government's progressive trade agenda and its commitment to strengthen our trading partnerships globally.

About CPMA

Based in Ottawa, the Canadian Produce Marketing Association (CPMA) is a not-for-profit organization representing companies active in the marketing of fresh fruit and vegetables in Canada, from the farm gate to the dinner plate spanning the entire produce industry. The Association's members include major growers, shippers, packers, and marketers; importers and exporters; transportation and logistics firms; brokers, distributors and wholesalers; retailers, and foodservice distributors; and fresh cut operators and processors. Founded in 1925, CPMA is proud to represent over 900 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada, including both organic and conventionally grown products.

On behalf of the Canadian Produce Marketing Association (CPMA), we are pleased to provide comments regarding potential trade agreements with MERCOSUR countries.

General Comments:

Historically, Canada has shipped potatoes to Venezuela, demonstrating that there is both precedent and demand for Canadian produce in the region. Looking ahead, we see significant opportunity for Canadian growers and exporters to expand beyond potatoes and access new markets for other commodities, particularly apples and potatoes.



Discussion Question: Which products represented by your organization/company/members are currently being exported to MERCOSUR? Please indicate products (with HS code at the 8 level if possible) and the respective destination countries

Historically, Canada has shipped both seed and fresh potatoes (HS code 0701.90) to MERCOSUR and associated countries. While seed potatoes were once exported, this trade has become increasingly difficult due to soil testing requirements from PEI, which most growers are unwilling to complete for the small volumes involved.

- Brazil: Previously imported Canadian potatoes, but the last significant volumes were in 2017–18. Shipments were discontinued primarily due to difficulties in receiving payment.
- Uruguay: The only MERCOSUR country to receive Canadian potatoes in recent years (2023–24). Shipments have since ceased due to costly import requirement testing and the very limited number of seed loads shipped

Discussion Question: Which products represented by your organization/company and members could potentially be exported to these markets if all trade barriers were removed? If so, to which countries?

Among associated MERCOSUR countries, opportunities are more promising:

- Panama: Currently a large importer of fresh potatoes from PEI. While there are occasional payment intricacies, transactions are generally completed successfully. However, the applied duty of 81% significantly limits growth potential. Despite this, Panama remains a market that has continued to expand.
- Guyana: Another associated country currently importing Canadian potatoes.

If all trade barriers were removed, potatoes (HS code 0701.10) and apples (HS code 0808.10) could become competitive exports to MERCOSUR markets.

Discussion question: What specific issues, if any, would you like to see addressed in order to be able to take full advantage of an FTA with the trading partners you mentioned above?

- Apples: One ongoing challenge in the apple sector is that fruit sizing varies from year to year. While much of the North American market demands larger fruit, Canadian growers wish to sell the full manifest of their crop regardless of size. Opening MERCOSUR markets to accept a wider range of apple sizes would reduce waste, improve grower returns, and ensure better use of the full Canadian harvest.
- Potatoes: The key issues for Canadian potato exports include Phytosanitary restrictions that create uncertainty or require costly compliance, payment challenges, especially in markets



such as Brazil, differing customs practices across countries and lack of trust in the stability of import permit requirements, which undermines confidence in long-term trade.

- Domestic political barriers: In some countries, local potato growers, and in some cases other crop sectors, strongly oppose imports in order to control the domestic market and maintain high prices. These growers cannot fully supply demand in either volume or quality, yet they successfully influence policies that restrict Canadian imports.
- Harvest-date restrictions (Panama): Panama requires certain fresh commodities (including potatoes, onions, and apples) to be consumed within 90 days of harvest, with a mandatory harvest-date tag on containers. This is not feasible for crops like potatoes and apples that can be stored long-term. For Canadian exporters, this restriction is especially problematic because harvest occurs in September/October, but the bulk of exports ship in November–January. The rule effectively blocks a large share of potential shipments. CPMA therefore urges the Government of Canada to address this issue as a priority in negotiations.
- Container restrictions (Panama): Panama will only accept 925 (50 lb) bags per container, although a container can hold approximately 1,234 bags. This limit increases shipping costs for Canadian potatoes.

In closing, CPMA emphasizes that an agreement between Canada and the MERCOSUR countries offers the potential for expanding export opportunities. We look forward to working collaboratively with the government to ensure that the agreement supports the growth and stability of the produce sector while addressing the critical issues noted above.

We thank you for taking the time to review our comments and would be pleased to answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ron Lemaire'.

Ron Lemaire
President
Canadian Produce Marketing Association