



Canada-Mercosur Trade Consultations  
Global Affairs Canada  
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January 26, 2026

RE: Consulting Canadians on the resumption of free trade 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 the Government of 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.

#### **Introduction**

The fresh produce industry is a major economic driver across North America. In Canada, the fresh produce supply chain generates \$18.6 billion in GDP and supports more than 187,000 jobs in rural and urban communities across Canada<sup>1</sup>.

While the fresh fruit and vegetable production is a vital part of the fabric of our rural and urban landscape, supporting the growing and selling of a range of Canadian-grown products, we also rely heavily on our global partners to supply Canadians with our safe and healthy products year-round. In fact, due to our colder climate and shorter growing season, coupled with a demand for a wide variety of products, 4 out of 5 dollars spent on fresh fruit and vegetables in Canada is spent on imported product.

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<sup>1</sup> Conference Board of Canada, 2025

On behalf of the Canadian Produce Marketing Association (CPMA), we are pleased to provide comments regarding the resumption of free trade negotiations with Mercosur (Argentina, Brazil, Paraguay and Uruguay).

### **Trade History**

Canada has historically exported both seed potatoes (HS 0701.10) and fresh potatoes (HS 0701.90) to Mercosur and associated countries. However, trade has become increasingly difficult due to soil testing requirements from Prince Edward Island, which most growers are unwilling to complete given the small shipment volumes involved.

Within Mercosur, Brazil and Uruguay previously imported Canadian potatoes. Brazil last received significant volumes in 2017-18, with shipments discontinued primarily due to payment challenges. Uruguay imported Canadian potatoes as recently as 2023-24; however, shipments have since ceased due to costly import testing requirements and the limited number of seed loads shipped.

### **Non-Tariff Barriers, Technical Barriers to Trade, and Sanitary and Phytosanitary Measures**

Phytosanitary restrictions are the key issue affecting Canadian potato exports to Mercosur. These requirements can be costly to comply with and create uncertainty due to inconsistent application or frequent changes in import regulations. Differing customs practices across countries and lack of trust in the stability of import permit requirements further reduce exporters' confidence in long-term trade.

It is also important to note that, 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.

In the apple sector, one ongoing challenge 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. Canadian growers need access to markets that will accept a wider range of apple sizes in order to market their full crop.

### **Promotion of Environmental Protection and Conservation**

Opening Mercosur markets to accept a wider range of apple sizes, as noted above, would not only provide market opportunities and returns for growers, but would also reduce waste and ensure better use of the full Canadian harvest.

In closing, free trade negotiations could offer Canadian growers and exporters opportunities to expand beyond historical trade and increase exports of fresh produce, particularly seed potatoes (HS 0701.10) and apples (HS 0808.10), provided key barriers are addressed. We look forward to working collaboratively with the government to ensure that any 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