



FOR IMMEDIATE RELEASE

PRODUCE INDUSTRY ISSUES CALL TO ACTION

February 22, 2011 - The North American Trade Committee (NATC) met last Thursday in Washington, DC as part of ongoing trilateral meetings to address issues impacting the trade of produce within North America. A long standing issue which is no closer to resolution is the need for a mechanism that will provide the type of protection afforded by the PACA Trust for sales in the Canadian marketplace. While certain mechanisms are available to help mitigate and help resolve claims on produce (for example Dispute Resolution Corporation - DRC, Canadian Food Inspection Agency - CFIA, the courts) there is virtually nothing available to mitigate and offset losses arising from payment problems. Canadian exporters enjoy the protection of the PACA Trust when shipping to the U.S. while there is no reciprocal treatment of U.S. exporters to Canada. "When it comes to doing business in Canada, everyone is at risk," said Matt McInerney, EVP Western Growers and NATC co-chair. "Our frustration level continues to grow as financial losses in the Canadian marketplace continue to accumulate with no resolution in sight."

Given the experience in the U.S. market over the last 25 years the NATC is calling for the establishment of financial risk mitigation provisions in Canada similar to the existing mechanisms available under the PACA Trust. There is a need for tools in Canada that will provide industry with the same outcomes to deal with slow pay, partial pay and no pay situations. In the U.S. it is estimated the PACA Trust has saved produce sellers (including Canadian exporters) over \$1 billion.

"This is a trade issue and we are most concerned that our exporters may be at risk if we don't find a suitable financial risk mitigation tool for implementation in the Canadian marketplace," stated Ken Forth, Chair, of the Canadian Horticultural Council's Trade & Industry Standards Committee. "Our exporters can use the PACA trust provisions to cover their sales to U.S. receivers. In addition, they can use the PACA formal dispute settlement service without having to post a bond in twice the amount of the claim. No other foreign country outside of Canada enjoys this particular privilege of not having to post a bond."

The North American Trade Committee (NATC) is comprised of industry organization representatives from across Canada/U.S./Mexico. The NATC focus is to develop industry consensus on issues impacting fresh fruit and vegetable trade in North America with the objective of facilitating trade and providing respective governments with industry counsel and consensus on key issues. Membership includes the Canadian Horticultural Council, Canadian Produce Marketing Association, California Strawberry Commission, Dispute Resolution Corporation, Florida Fruit & Vegetable Association, Fresh Produce Association of the Americas, Northwest Produce Council, Produce Marketing Association, Texas Produce Association, United Fresh Produce Association and Western Growers Association.

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For more information, please contact:

Anne Fowlie
Canadian Horticultural Council
(613) 296-8383
afowlie@hortcouncil.ca

Danny Dempster
Canadian Produce Marketing Association
(613) 226-4187, ext. 216
ddempster@cpma.ca

Robert Guenther
United Fresh Produce Association
(202) 303-3400, ext. 409
rguenther@unitedfresh.org

John Anderson
NATC Co-Chair
The Oppenheimer Group
(604) 461-6779
johan@oppy.com

Ken Forth
Canadian Horticultural Council
(905) 961-0769
ken_forth@sympatico.ca

Kathy Means
Produce Marketing Association
(302) 738-7100
kmeans@pma.com

Matt McInerney
NATC Co-Chair
Western Growers Association
(949) 885-2263
mmcinerney@wga.com