

From: Jason McLinton [<mailto:jmclinton@retailcouncil.org>]
Sent: Friday, March 28, 2014 04:59 PM
To: Vanasse, Nathalie
Subject: RCC Comments on the Proposed Strawberry Market Development Promotion Agency

Bonjour Nathalie – Please find attached RCC’s comments in response to the *Association des producteurs de fraises et framboises*’ submission to the Farm Products Council of Canada to establish a Canadian Strawberry Promotion and Research Council. I would be pleased to provide a statement on behalf of RCC’s members at the April 23 hearing in Montreal. Thank you once again for the opportunity to provide input, and please do not hesitate to contact me with any questions you may have.

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March 28, 2014

Nathalie Vanasse, Hearing Secretary
Farm Products Council of Canada
Central Experiment Farm Building 59
960 Carling Avenue
Ottawa, ON K1A 0C6

Dear Ms Vanasse:

Re: Proposed Strawberry Market Development Promotion Agency

The Retail Council of Canada (RCC) is pleased to provide the following comments in response to the *Association des producteurs de fraises et framboises* (the Association) submission to the Farm Products Council of Canada to establish a Canadian Strawberry Promotion and Research Council. RCC members, as Canadian importers, do not support the creation of a Canadian Strawberry Promotion and Research Council. We do however encourage the Association to work with existing organizations such as the RCC and the various produce marketing associations on a voluntary basis on research and marketing campaigns.

RCC has been the Voice of Retail in Canada since 1963. We speak for an industry that touches the daily lives of Canadians in every corner of the country — by providing jobs, career opportunities, and by investing in the communities we serve. We are a not-for-profit, industry-funded association representing more than 9,000 organizations with over 45,000 store fronts of all retail formats across Canada, including department, specialty, discount, and independent stores, grocers and online merchants. RCC is a strong advocate for retailing in Canada and works with all levels of government and other stakeholders to support employment growth and career opportunities in retail, to promote and sustain retail investments in communities from coast to coast, and to enhance consumer choice and industry competitiveness.

While our members are dedicated to supporting local producers, they do not support the creation of a Canadian Strawberry Promotion and Research Council for the following reasons. Our members believe that:

1. The proposed levy represents an additional cost to importers and retailers, and yet another cost to Canadian consumers, making it more difficult to access a nutritious food.
2. As the Association has stated in their application, RCC members have seen important increases in strawberry sales in recent years making the creation of the proposed agency to carry out domestic promotion and export development completely unnecessary.
3. Demand for domestic product already outpaces supply, again making the creation of the proposed agency to carry out domestic promotion and export development unnecessary. Members are also of the belief that, unfortunately, domestic production cannot meet consumer demand. Year after year, members' observations are that consumers seek to buy domestic fresh strawberries but have no choice but to purchase imported product.
4. Strawberries and berries in general have grown dramatically over the years and have become one of the top categories for most retailers. Retailers have done an excellent job promoting strawberries, creating increases in consumption year over year. Retailers run seasonal themes in store to highlight



product and drive consumption. There are numerous promotional campaigns that render additional promotion redundant. For example:

- RCC partnered with Health Canada on the Eat Well campaign (<http://healthy Canadians.gc.ca/eating-nutrition/healthy-eating-saine-alimentation/shopping-epicerie-eng.php>) which provided information to consumers on nutritious food choices, includes fruits and vegetables, in a variety of formats, including in-store promotions;
- Metro promotes its “My Healthy Plate with Metro” campaign (<http://www.metro.ca/products-services/health-program/my-healthy-plate-with-metro/index.en.html>) and “Harvest from Home” and “Le Québec on en mange”, for example, and Co-op Atlantic promotes its “Local Strawberry Display Contest”.
- Regional associations also promote the consumption of fruits and vegetables. Foodland Ontario, the Canadian Produce Marketing Association (CPMA – programs such as “*Reach for it!*”, “*5 to 10 a day -for better health!*”, “*Mix it Up!*” and “*Half Your Plate*”), Ontario PMA (e.g. “*The New Fast Food*”), Calgary PMA, BC PMA, Quebec PMA (e.g. “*J'aime 5 à 10 portions par jour*”), Mangez Quebec, Atlantic Grown, etc. are all associations and marketing programs we support.

There is therefore no need for an additional marketing agency to promote further consumption at the expense of the Canadian consumer.

5. There is no evidence to demonstrate return on investment or sustainability, particularly when collection, administration and salaries are factored in.
6. Other agencies are already conducting research that is publicly available. For example, the California Strawberry Commission has funded research and development of University of California strawberry varieties, all of which are in the public domain and are used around the world. There are a number of strawberry nurseries in Canada that receive new plant varieties from the US. Since 2003, the Commission has funded \$3.0 million in nutrition research in the U.S. and internationally, the results of which are published in peer-reviewed scientific journals and available worldwide. A recent example is David Jenkins, MD, PhD, at the University of Toronto, who received funding from the Commission for a clinical study on the role strawberries play in cholesterol regulation. (Jenkins, et al, *Am J Clin Nutr* 2006; 83:582–91). The Commission has funded \$21 million in production research since 1986, all of which is in the public domain, accessible through their website and in peer-reviewed research annual reports. In addition, the Canadian produce industry has the ability to partner with world class research facilities such as Guelph University or Vineland Research Center, and many growers have robust research and development teams partnering with buyers to bring the best varieties to market.
7. The proposed levy would impact importers disproportionately. Imports can be tracked easily, but domestic production is more difficult with many local growers being very small, often servicing customers through “you picks” or direct store deliveries unless production is large enough to deliver to warehouses win the season.
8. There are serious concerns with regards to the collection and handling of extremely sensitive confidential business information such as market share.



9. The proposed Agency would be of little benefit to importers or consumers. The proposed goals, governance structure and levy system favour domestic producers. It would essentially subsidise domestic producers at the cost of importers and, ultimately, Canadian consumers.

For greater certainty, the following RCC member importers do not support the creation of a Canadian Strawberry Promotion and Research Council:

Co-Op Atlantic
123 Halifax Street
Moncton, NB E1C 8N5

Costco Wholesale-Canada
415 West Hunt Club Road
Ottawa, ON K2E 1C5

The Grocery People Ltd. (Federated Co-operatives Ltd.)
1405 Yellowhead Trail
Edmonton, AB T5L 3C4

Loblaws Inc.
1 President's Choice Circle
Brampton, ON L6Y 5S5

Metro Inc.
11 011, boul. Maurice-Duplessis
Montréal, Québec H1C 1V6

Sobeys Inc.
1680 Tech Avenue, Unit #1
Mississauga, ON L4W 5S9

Sobey's West Inc – Safeway Operations
1020 - 64th Avenue NE
Calgary, Alberta T2E 7V8

Walmart Canada Corp.
1940 Argentia Road
Mississauga, ON L5N 1P9

While our members, as Canadian importers, stand in strong opposition to the creation of the proposed Canadian Strawberry Promotion and Research Council, they remain dedicated to supporting local producers. Most carry local strawberries throughout the growing season from start to end pending availability, and will continue to do so. RCC and its members will also continue to work with all levels of Government and other associations to promote the consumption of fresh produce, including fresh strawberries. We encourage the Association to work with existing organizations, such as the RCC and the various produce marketing associations, on a voluntary basis on potential research and marketing campaigns of mutual benefit to producers and retailers.



I would be pleased to provide a statement on behalf of RCC's members at the April 23 hearing in Montreal. Thank you once again for the opportunity to provide input, and please do not hesitate to contact me with any questions you may have.

Yours sincerely,

Jason McLinton
Senior Director, Federal Government Relations