

October 27, 2020

Hon. Marie-Claude Bibeau, P.C., M.P.,
Minister of Agriculture and Food Canada,
1341 Baseline Road,
Ottawa, Ontario
K1A 0A6

Hon. Ernie Hardeman, MPP,
Minister, Agriculture, Food and Rural Affairs,
77 Grenville Street,
Toronto, Ontario
M7A 1B3

Dear Minister Bibeau and Minister Hardeman:

On behalf of our respective associations representing Canada's agri-food industry, we are writing to you in your capacity as the Co-Chairs of the next Federal-Provincial-Territorial Ministers of Agriculture and Agri-Food meeting in November.

Consolidation in the food industry has distorted what should be the norm of fair market practices. This has been a concern for the last few years, but as you are aware from recent widespread media coverage, has been of growing concern in the context of COVID-19. The most recent demands have been made by large retail chains such as Wal-Mart and Loblaws, who are now imposing:

- unilateral cost reductions on suppliers;
- the imposition of 'fines' on suppliers for any shortages to those retailers;
- the offloading of operating costs onto suppliers

These practices have and will continue to have, a significant impact on the ability of Canada's independent retail grocers, farmers, food and beverage producers and processors, to compete fairly and at the same time, innovate and invest in their own businesses. There is also no doubt that these practices, if left unchecked, will continue to impact food security, food prices and employment.

When excessive concentration similarly distorted market practices in the Canadian payments industry, government responded by developing a Credit and Debit Card Code of Conduct that applies to all stakeholders in the industry and was the result of consultation and collaboration with those same stakeholders. In our view, a similar enforceable code, needs to be adopted in Canada for our agri-food industry.

We are not recommending what elements should be in a Grocery Code of Conduct at this time---since we believe that an attempt should be made to begin a process of developing such a document that is inclusive and as collaborative as possible. All we are asking with COVID-19 and the corresponding challenges we all are facing in this industry, is that the seriousness of this issue warrants an immediate discussion by the Agriculture and Agri-Food Ministers.

It is time to protect Canadian consumers and jobs and to recognize the implications of this issue on food security in Canada. It is time to bring more fairness and predictability to our agri-food industry. Thank you for consideration of our request and we look forward to further discussions and engagement on this issue in the weeks ahead.



Canadian
Federation of
Independent
Grocers

Fédération
Canadienne
des Épiceries
Indépendantes

