



January 19, 2009

Trade Negotiations Consultations (European Union)
Foreign Affairs and International Trade Canada
Regional Trade Policy Division (TBB)
Lester B. Pearson Building
125 Sussex Drive
Ottawa, Ontario K1A 0G2

**Consultations on Possible Comprehensive Economic Agreement Negotiations with the
European Union
Canada Gazette Part I
December 20, 2008**

Please accept this letter as the input of the Canadian Seed Trade Association to the consultations on a possible economic agreement with the European Union.

The Canadian Seed Trade Association brings together 140 companies involved in research, development, distribution, marketing and trade of seed. Our member companies work with seed of over 50 different crops, and range from small, farm based, family owned operations to large grain handling companies and multi-national organizations. The CSTA has as a key strategic goal, to improve the market access for and trade of seed.

An Important Market for Canadian Seed - EU member states are important markets for many of CSTA's member companies. In 2007-08 the value of Canada's seed exports to EU member states was over \$81 million. The EU is Canada's largest export market for yellow dent corn seed. The value of Canadian corn seed exports to EU member states in 2007-08 was over \$20 million. It is also a very significant market for many of CSTA's forage seed companies. In 2006-07 Canada exported over \$10 million of alfalfa seed and almost \$3 million in timothy grass seed to the European Union. CSTA believes there is potential for increased exports to the European Union, and encourages the Government of Canada to keep the seed sector in mind as these negotiations progress.

Phytosanitary Issues - In the past, many of the trade issues faced by seed exporters in the European Union have been non-tariff barriers, particularly phytosanitary measures. For example, until recently Canadian alfalfa seed exports were hindered by phytosanitary measures imposed by EU member states for Bacterial Wilt in Alfalfa. CSTA appreciates the long term and consistent effort by the Canadian Food Inspection Agency on our behalf, which resulted in recognition by the EU that Canada is free of Bacterial wilt. Canada will no longer be required to provide additional declaration on the Phytosanitary Certification for the disease.

However, this was a very lengthy process requiring substantial human and financial resources from the CFIA and of CSTA members. It will be important to have a process established in the agreement with the EU to deal with these kinds of issues on a timelier basis, and to ensure that sanitary and phytosanitary measures are based on internationally recognized, sound science.

Authorized Exporter - CSTA and the CFIA have been working diligently to put in place a permanent Authorized Exporter program which allows the CFIA to authorize industry participants to sample, seal, label, and test seed for certification pursuant to the OECD Seed Schemes which facilitate trade into the European Union. The effectiveness of this program depends heavily on the agreement by the EU to accept seed analysis certificates based on the Association of Official Seed Analysts (AOSA) in addition to International Seed Testing Association (ISTA) certificates. Despite the EU agreement, some EU member states still do not accept AOSA certificates. We hope to continue to work with the CFIA on this issue, and urge negotiators to keep it in mind as a means to facilitate and improve access for Canadian seed exports.

Products of Biotechnology – in 2003 Canada joined Argentina and the United States to challenge the EU moratorium on imports of products of biotechnology. This non-science based measure had negative impacts on Canada's canola, soybeans and corn industries, and on the seed sector. The CSTA supported the decision to challenge the EU, and was pleased with the WTO Dispute Settlement Panel ruling that European communities must undertake biotech approvals without undue delay. At this time, the process to approve varieties containing genetically modified (GM) traits in the EU remains unpredictable, inconsistent and experiences undue delays. In addition some EU member states continue to ban the import of GM seed, grain and other products even when EU regulatory authorities have given a positive safety assessment based on science. In short, the EU is still not in compliance with the WTO ruling. The CSTA submits that compliance with the ruling resulting in a functioning science based approval system will be a very important component of any agreement to strengthen the economic partnership with the EU.

Along with the implementation of an timely approval process based on sound science, the CSTA submits that negotiators must ensure that other non-tariff barriers such as labeling requirements, are not put in place against Canadian seed exports.

Additionally, work needs to continue to build support for common risk assessment processes for low level presence of GM material approved in the exporting country but not in the importing country. A negotiated, science based and acceptable threshold for the presence of GM material of other species in forage seed exports is also an important component of negotiations with the EU.

CSTA appreciates the opportunity to make input to the consultations around potential negotiations with the European Union. Should you wish to discuss the points raised in this letter further, or should you have any questions, we would be most pleased to meet with staff at the Department of Foreign Affairs and International Trade at any time.

Sincerely,



Jeff Reid
President

c.c. CSTA Board of Directors
Hon. Gerry Ritz, Minister of Agriculture and Agri-Food
Mr. Steve Verheul, ADM Multilateral Trade Policy, Agriculture and Agri-Food Canada