



CANADIAN SEED TRADE ASSOCIATION

L'ASSOCIATION CANADIENNE DU COMMERCE DES SEMENCES

39 Robertson Road., Suite 505, Ottawa, Ontario K2H 8R2

Email: csta@cdnseed.org

<http://www.cdnseed.org>

Telephone (613) 829-9527

FAX (613)829-3530

February 4, 2011

Honourable Gerry Ritz
Minister, Agriculture and Agri-Food
Government of Canada
House of Commons
Parliament Hill
Ottawa, Ontario K1A 0A6

Dear Minister Ritz:

On behalf of the Board of Directors and staff of the Canadian Seed Trade Association, I would like to thank you for taking the time to meet with us on February 1, 2011. We were encouraged by the overall commitment that you expressed, to creating a policy, regulatory and trading environment that fosters investment and innovation to boost productivity and profitability of Canada's farmers.

As was noted in our discussions, the private sector is a very significant investor in plant breeding and research, to bring new, more productive and environmentally beneficial varieties to farmers. In 2007, our members invested about 26% of their combined operating budgets in plant breeding and research, and by 2012, the private sector expects to be investing about \$106 million annually in plant breeding and research.

However, over 95% of that investment will be in three crop kinds: canola, corn and soybeans where the IP protection and regulatory tools exist to allow companies to recover the costs of variety development and commercialization, and where funds can be generated for re-investment. While the opportunities exist for substantial improvements in other crops such as cereals, the tools required to generate the necessary investment do not.

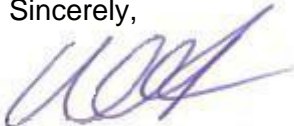
Our Board made four requests during the meeting:

1. **Open, Science Based Trade** – We are very pleased that you and your government have placed a high priority on facilitating international trade for Canadian products, including seed. Your recent advocacy efforts in the European Union around its approval system for products of biotechnology, and the development and implementation of a trade facilitating policy on the low level presence of GM products, is much appreciated. Zero tolerance levels for GM material that has been proven safe, are already very negatively impacting Canada's exports of forage seeds. It is our hope that your international efforts will be successful and will be expanded to include products for environmental release (seed).
2. **Regulatory Efficiency and Flexibility** – CSTA appreciates your government's ongoing commitment to science based regulatory systems both inside and outside of Canada. It is its basis in sound science makes our health and safety regulatory system the envy of many countries around the world. However, as we pointed out during our meeting, the system is also cumbersome and slow to change. In order to respond to very quickly changing science and market demands, the system needs to be more flexible and adaptable. We appreciated your commitment to following up on one important issue, the placement of crop kinds within the new variety registration system. We look forward to hearing from your office on that issue.

3. **Intellectual Property Protection Tools** – In order to create an environment that encourages investment, the seed industry, both private and public need competitive tools to protect intellectual property. As Board members pointed out to you, Canadian farmers are losing opportunities to access new genetics for crops such as cereals because both domestic and international developers cannot protect intellectual property for these crops as effectively in Canada as they can in other countries. We look forward to working with you, your staff and departmental officials to move forward with amendments to Canada's Plant Breeders' Rights Act in order to conform to the most recent convention of the International Union for the Protection of New Plant Varieties (UPOV).
4. **Sharing the Costs of Innovation** – We appreciated the opportunity to discuss, once again, the concept of a tax incentive for producers who purchase certified seed. CSTA and the other supporters of this concept believe that this is the best way to facilitate farmer access to all of the benefits of certified seed, and at the same time generate the funds for investment in new varieties that will benefit farmers, consumers and the economy of Canada. The CSTA Board took very seriously your challenge to demonstrate farm support for the concept in order to move forward, and will ensure that your office clearly understands the growing level of support for a certified seed tax incentive. We hope this will help to pave the way towards implementation of this concept.

Once again, on behalf of the CSTA Board, thank you for the open and frank discussion of our issues. We look forward to a continued dialogue and working relationship that will result in benefits for the agriculture industry and the economy of Canada.

Sincerely,



Wayne Unger
President

c.c. CSTA Board of Directors