CANADIAN SEED TRADE ASSOCIATION
L'ASSOCIATION CANADIENNE DU COMMERCE DES SEMENCES
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Notes for a Meeting with
Hon. Vic Toews
Minister of Justice and Attorney General of Canada
M.P. Provencher, Manitoba

Dorothy Murrell
President, Canadian Seed Trade Association

Background

Seed's Contribution

- 4,000 growers produce certified seed on 1.2 million acres of land annually
- The seed industry generates more than $770 million in sales annually – 75% consumed domestically and 25% exported
- It is estimated that the seed industry contributes over $200 million to the economy of Manitoba annually

Plant Breeding is the Foundation of Innovation

- Plant Breeding brought Marquis wheat which led the way to a productive wheat industry in western Canada
- Over 60 years, corn yields have increased by 400%; wheat yields increased 22% in thirty years.
- Canola, a Canadian developed crop now returns almost $2 billion to the Canadian economy annually
- Globally, biotech crops have returned $27 billion to farmers ($13 billion to developing country farmers), and have reduced CO2 by more than 10 billion kg (equivalent of removing 5 million cars from the road for a year)

Some Examples of Recent Innovation from Plant Breeding

- Monsanto's Vistive™ soybeans virtually eliminate the need for hydrogenation, eliminating trans-fats in fried foods, baked goods and other processed products
- Bayer and Cargill's new high performing, high yielding, canola varieties which produce oil that does not require hydrogenation
- Agricore United's NuLin™ flax has 20% more omega 3 in its oil – for heart health
- The University of Saskatchewan's waxy, hulless barley, developed under contract for Agricore United, has twice the cholesterol lowering beta glucan content of regular barley
- New drought, salinity and herbicide tolerant plant varieties not only improve productivity for farmers but help to protect the environment.
- Plant products now make up a large part of many non-food products, not just biofuels, but plastics, foam fillers, candle wax, lubricants and paints, solvents and cosmetics just to mention a few

On the Near Horizon *(just a few examples)*

- Fusarium resistant wheat varieties are currently in field trials (Syngenta working cooperatively with Academic institutions)
- CSTA's corn seed members have, in the pipeline, corn varieties that are resistant to a wide array of insects including corn borer, rootworm, cyst nematode and aphid
- Crops that make better use of nutrients to improve returns and reduce the environmental impact of nitrogen and phosphate run-off

The Seed Industry Invests in Innovation

- Private sector invests over 13% of its returns in research and development – compared to 5% in the automotive sector and about 1% in food processing
- It costs about $1 million to develop a new variety
    - Thompsons example: FT Wonder (Soft Red Winter Wheat) - 9 years and $926,814 to develop. The three year margin on sales of FT Wonder was $418,125.

Barriers to Seed Industry Innovation

Costs

- The costs of innovation are currently borne by only the farmers who purchase certified seed (through royalties)
    - Puts Canada at a disadvantage to other regions and countries where other systems are in place to share the costs of innovation
        - Australia's end point royalty system
        - U.K. collects royalties on farm saved seed
        - Quebec has a system of cross compliance – must use certified seed to get crop insurance
        - Certified seed tax credit spreads the costs through the tax base – because all of Canada benefits from innovation

Regulatory

- Variety registration system does not reflect the needs of the industry – the effort to modernize has been underway for over 20 years, and we are still in "consultations"
    - industry requires flexibility in variety registration options
    - including the continued option to be exempt from registration
    - including no merit testing requirements
    - where pre-registration merit testing, funding needs to be adequate to insure that there are adequate facilities and time resources to collect the necessary data

Kernel Visual Distinguishability

- Winter wheat breeders in western Canada have not had a new hard red winter wheat variety supported for registration for 5 years because all their material is failing KVD requirements. At the same time in Ontario since KVD requirements were removed in 1989, 20 new varieties of red winter wheat have become available to Ontario farmers. These varieties account for over 80% of the wheat acreage in the province

Inconsistencies in Legislation and Regulation

- Seeds Act prohibits the use of variety names on anything but certified seed but the Grain Commission and the CWB require identification of grain by variety name

- CFIA is charged with enforcing Seeds Act, but does not enforce on variety names
- Seeds Act, Grain Act, CWB Act and others need to be reviewed with a view to facilitating a smooth transition from seed to grain

Inconsistencies with the United States

- U.S. farmers have access to varieties not available in Canada and vice-versa increasing the potential of import of non-registered varieties. Better harmonization is required

International

- Biggest barrier to expanded international markets is AP – international standards need to be developed for low level adventitious presence of GE products already authorized as safe in one or more countries

Intellectual Property Protection

- Plant Breeders' Rights Act in Canada is not consistent with UPOV 1991 – disadvantage for users of PBR in Canada vs. countries that are consistent with UPOV 1991
- IP tools available to plant breeders in other countries (eg. patents and trademarks) are not available in Canada