

**Seeding Success for Canadian Agriculture
Creating an Environment that Fosters Innovation
Submission to Hon. Gerry Ritz, Minister, Agriculture and Agri-Food
March, 2015**

*All the things that enhance our quality of life: Abundant, healthy food; Greener spaces; Cleaner fuels; Better fabrics;
All started with an idea that was nurtured and cultivated through science and innovation
They all started with seed
American Seed Trade Association 2014*

Introduction

The Canadian seed sector is a strong contributor to Canada's GDP. But it is also the foundation of a better future for the world.

Seed is a compact package that carries the innovation that the world's farmers will need to feed, fuel and clothe a population that is forecast to reach over 9 billion in 35 years.

We have taken some very important steps together in 2014. From the steadfast support of science as the foundation for regulatory and trade decisions to positive measures to create regulatory and intellectual property environments that will help to attract investment, we are confident that there is a clear vision of Canada as a world leader in innovation and competitiveness.

A Commitment to Innovation

Agriculture and Agri-Food Canada estimates that 9 out of every 10 bites of food taken around the world start with the planting of a seed. Seed is the foundation of the world's food supply and it is an important contributor to its supply of fibre, fuel, wellness and industrial products.

A study done for the National Seed Sector Value Chain Roundtable estimated that the Canadian seed sector contributed \$2.5 billion to Canada's GDP in 2013. It estimated the total economic impact of the Canadian seed sector to be over \$5.6 billion. Our industry is a strong contributor to Canada's economy, and to the health and well being of Canadian consumers.

Seed is also the foundation of a better future for the world's consumers. It is a compact package that carries the innovation that the world's farmers will need to feed, fuel and clothe a population that is forecast to reach over 9 billion in 35 years.

Canadian farmers are well positioned to lead the world effort to meet those challenges, and our seed sector is ready to deliver the tools that they will need: more productive varieties to produce abundant, healthy food; renewable fuels, fibre and industrial products, and to help protect and enhance the environment. However, in order to be successful, the seed industry must work in partnership with the entire agricultural value chain, and you: Canada's regulators and policy makers.

We have taken some very important steps together in 2014. From the steadfast support of science as the foundation for regulatory and trade decisions, to positive measures to create regulatory and intellectual property environments that will help to attract investment, we are confident that there is a clear vision of Canada as a world leader in innovation and competitiveness.

CSTA brings together 130 member companies that are united in support of CSTA's mission: "To Foster Seed Industry Innovation and Trade". Our Association's objective is to capture opportunities and deliver success to our members; to their farmer customers; and to the Canadian agriculture and agri-food value chain.

As governments increasingly look to the private sector to play a greater role to deliver new, more beneficial plant varieties to Canadian farmers, CSTA's members are ready to step up. The private sector has demonstrated that where it can generate a return, it invests.

In 2012, CSTA's private sector company members invested just under \$110 million in research, plant breeding, and variety development in Canada. That is more than 6% of their combined domestic sales and a 90% increase from 2007. Our members have signalled their intent to continue to increase investment in areas where they traditionally invest – canola, corn and soybeans; but also in crops like cereals where private sector investment has traditionally been low. This is a direct result of the optimism created, in part, by measures implemented or initiated in 2014.

A Commitment to Enabling Regulatory Systems

Variety Registration

A new, more efficient variety registration system for forages and soybeans has already positively impacted the number of new varieties available to farmers. However increased flexibility is still required for other crop kinds.

CSTA is generally supportive of the proposal developed by a government working group last fall, with one very important exception: Our members continue to strongly support the ability to exempt crop kinds from variety registration if that is the consensus of the value chain.

Where recommending committees and merit testing requirements remain in place, CSTA supports the development of new operating procedures to ensure that the system is efficient, flexible and predictable. We support a change in the structure of recommending committees to reduce the size and balance representation.

International Phytosanitary Standards

Canada's support of a regional phytosanitary standard for seed trading in North America, and continued positive participation in the effort to implement an international standard are appreciated.

Creation of a more efficient variety registration process for forages and soybeans was a long awaited measure that was implemented in 2014. Already the number of new varieties of forages and soybeans has increased.

Increased flexibility in the variety registration system is still required for other crop kinds. CSTA welcomed the government's proposals for a more efficient system. The proposals presented last fall are quite closely aligned with the position developed by CSTA's members, with one important exception: Our members continue to strongly support the ability to exempt crop kinds from variety registration. Not only must crops currently exempted (e.g. corn, non-oilseed type soybeans, lentils, turf species) maintain their exempt status, but exemption should continue to be an option if there is clear rationale and a consensus of support from the value chain to do so.

We welcome the direction from the government for a more streamlined process for crop kinds for which recommending committees and merit testing will still be required (Enhanced Registration). Specifically CSTA supports the development of new operating procedures to ensure that the system is efficient, flexible and predictable. The government's proposed model operating procedures which could achieve clearer criteria; less subjective voting; streamlined performance testing; the acceptance of private and foreign data; and a change in the structure of recommending committees to reduce the size and balance representation; is supported. We join with other associations including Cereals Canada and CropLife Canada to restate that change in the system should be led by the value chain. Our policy position defines the value chain as crop specific variety development, production, processing, marketing and trade.

Canada's participation in the North American Plant Protection Organization (NAPPO) process to develop a new regional phytosanitary standard for the movement of seed between Canada, the United States and Mexico has made the trade of seed more predictable in the region. Canada's support of the effort to also create an international standard for seed at the International Plant Protection Convention is welcomed by the CSTA and the seed sector.

Seasonal Agriculture Workers

Recent measures to give access to foreign workers for canola parental line seed production are very important for the canola industry in Canada.

A Commitment to Science

We appreciate that Canada's policy makers and regulators support science as the foundation for regulatory and trade decisions.

As stewards of technology, we appreciate the strong scientific foundation for decision making, even in the face of intense pressure from civil society.

For example, with the creation the new National Bee Health Round Table, policy makers and regulators have recognized that bee health is influenced by many factors: genetics, nutrition, disease, pests and pesticides. The round table is seeking solutions for all of these challenges, and CSTA is a very committed participant in the process.

Measures developed and implemented by the seed sector working with the PMRA have resulted in a very significant reduction in bee health incidents.

Bill C-18: the Agricultural Growth Act

Amendments contained in the recently implemented Agricultural Growth Act will only have very positive results for our sector and for Canada's crop sector in the future. We thank you and the government of Canada for taking the necessary steps to ensure that this very important Bill moved through the Parliamentary process.

CSTA appreciates the support for our efforts to give our pedigreed canola seed companies access to workers under the Seasonal Agricultural Workers Program. This very recent decision by Employment and Social Development Canada will ensure that seed of parental lines will be produced by skilled workers in an area where Canadian workers cannot be accessed.

Internationally recognized scientific principles are reproducible and measurable. Regulatory assessment and approval processes that are based in science ensure that all products are assessed in a consistent manner, giving confidence to consumers and to the developers of innovation.

Public opinion, market acceptance and other "socio-economic" or social license issues are not consistent over time or geography and must not enter into regulatory decisions made in Canada.

We appreciate that Canada's policy makers and regulators support science as the foundation for regulatory and trade decisions.

CSTA values its close working relationship with regulators. As stewards of technology, we appreciate the strong scientific foundation for decision making, even in the face of intense pressure from civil society.

The creation of the new National Bee Health Round Table is an excellent example of this. With the creation of the round table, policy makers and regulators have recognized that bee health is influenced by many factors: genetics, nutrition, disease, pests and pesticides. The round table is seeking solutions for all of these challenges, and CSTA is a very committed participant in the process. This is in sharp contrast to the decision by the government of Ontario to focus only on seed applied insecticides in its recent regulatory proposal. The proposal not only does not address the many issues facing bee populations, it puts farm production and the environment at risk.

CSTA has also worked very closely with the Pesticide Management Regulatory Agency (PMRA) to implement stewardship and education measures to mitigate the risk to bees posed by exposure to dust containing insecticides at planting. The result of these measures was a very significant reduction in bee health incidents in 2014.

CSTA and its partners in the crop value chain across the country joined in the celebration of a very major step towards an improved regulatory and intellectual property environment for Canada, when Bill C-18, the Agricultural Growth Act received Royal Assent and came into force. We are confident that this bill will only have very positive results for our sector and for Canada's crop sector in the future. We thank you and the government of Canada for taking the necessary steps to ensure that this very important Bill moved through the Parliamentary process.

Seed is a very highly regulated commodity. Our sector is directly impacted by more than 12 pieces of federal legislation and associated regulations. Amendments that were implemented with Bill C-18 will contribute to a more flexible regulatory system that could result in improved and more timely access to innovative new varieties for farmers, while still protecting the health and safety of humans, livestock and the environment.

More Efficient Regulations

Incorporation by Reference is an important advancement for the seed system. CSTA supports that the list of varieties subject to registration; the Weed Seeds Order; and the seed grade tables be moved out of regulation to allow for timely change, and to ensure that regulatory systems designed to protect Canada's agriculture and environment can be better aligned.

Plant Breeders' Rights

CSTA is very confident that amendments to Canada's Plant Breeders' Rights legislation will contribute to increased investments in plant breeding and variety development for Canada and will give our farmers access to superior varieties developed internationally.

PBR Next Steps

CSTA urges government to quickly take some important next steps to ensure that the new system can be effective.

CSTA supports setting up the PBR office as a cost recovery centre that reports directly to the Minister of Agriculture and Agri-Food.

It is important that the Minister's Advisory Committee on PBR be re-established quickly. It is important that the committee is small enough to be efficient and responsive and that it is made up of stakeholders that are directly impacted by Plant Breeders' Rights. Specifically, the users of the system who are the clients of PBR must be adequately represented.

Specifically, the ability to consider foreign data in approval systems could help to speed up approval systems; and the introduction of Incorporation by Reference to the Seeds Act are welcome.

Incorporation by Reference is an especially important tool. Elements of the seed system that are currently in regulation, including the list of crops subject to variety registration; the Weed Seeds Order and the Seed Grade Tables must evolve quickly to meet the needs of farmers and changing markets. Removing these elements from regulation could ensure that where there is the rationale and sufficient value chain consensus, change could be effected in a much more timely manner.

Incorporation by Reference could also help to prevent disconnects between regulations. For example, the Weeds Seeds Order and Canada's list of regulated plant pests are currently not aligned, putting our sector at risk for the introduction of potentially invasive plants.

For our sector, one of the most important elements of Bill C-18 was the section to amend Canada's Plant Breeders' Rights legislation. We are already seeing the results of these amendments.

- Superior varieties developed by international plant breeders will soon be accessible to Canadian farmers because international breeders now have the confidence to enter into agreements with Canadian companies. We expect to see the first of these varieties on the market very soon.
- Plant breeding companies now see Canada as a more attractive place to invest. This summer, sod was turned on a new cereal breeding facility in Saskatchewan. It was made very clear that this would not have happened without the promise of updated Plant Breeders' Rights.

Amending the legislation was a very positive and significant step to support innovation and investment. CSTA urges government to quickly take some important next steps to ensure that the new system can be effective.

It has been demonstrated internationally that updated PBR results in an increase in the number of applications for rights. In some cases the increase has been in the order of 20%. It is important that the Plant Breeders' Rights Office (PBRO) has the financial and human resources to handle the increased work load. CSTA's members, as users of the system support steps to set the PBRO up as a cost recovery centre to ensure that the revenue from application fees is retained within the PBRO to ensure its effective operation. The office should report directly to the Minister of Agriculture and Agri-Food.

We also urge you to very quickly re-establish the Minister's Advisory Committee on Plant Breeders' Rights. It is important that the committee's membership is small enough to be efficient and responsive, and that it is made up of stakeholders that are directly impacted by Plant Breeders' Rights. Specifically the users of the system, who are the clients of the PBR office, must be adequately represented.

Conclusion

The seed sector is excited about the future and the opportunities it will bring. The seed innovation pipeline is bulging with new and improved varieties developed through conventional plant breeding and advanced technologies. These new varieties can deliver increased productivity to farmers and bring improvements to food quality, health and the environment.

Whether these innovations are available to Canadian farmers and consumers on a timely basis depends on a strong commitment by the value chain, regulators and policy makers to an environment that facilitates investment and fosters innovation.

CSTA appreciates the many positive steps that have been taken over the past year, and looks forward to a continued constructive working relationship to position Canadian agriculture as a leader in the effort to deliver an abundance of healthy food; clean, renewable fuels; and industrial products to the world while protecting and enhancing the environment.