

Promoting Domestic Trade of Agricultural and Agri-Food Products by Reducing Interprovincial Barriers
House of Commons Standing Committee on Agriculture and Agri-Food
Canadian Seed Trade Association
February 24, 2015

Speaking Notes

Good afternoon, Mr. Chairman and Committee Members. Thank you for the opportunity to appear today to offer the seed industry's perspective on barriers to domestic trade. My name is Patty Townsend. I am the CEO of the Canadian Seed Trade Association.

CSTA is the national voice for the seed industry in Canada. Our association represents 130 companies involved in all aspects of the seed industry. CSTA members are engaged in all production systems - conventional, organic, and systems using modern biotechnology. We work with over 50 different crop kinds and our members range from small, family owned companies to large multinational firms.

CSTA's mission is to "foster seed industry innovation and trade". We work to create a regulatory and trade environment that encourages investment and provides opportunities for our members to conduct their businesses – domestically and internationally. We focus a lot on international barriers to the trade of seed, but it's also important to look in our own back yards. We appreciate that you have undertaken this study.

Generally speaking seed trades pretty freely domestically. However, the barriers that we do face are or have the potential to very negatively affect competitiveness.

Canada has a robust and internationally respected science based federal regulatory system overseen by the Canadian Food Inspection Agency Agriculture and Agri-Food Canada, Environment Canada, Health Canada and others. These regulatory bodies have the jurisdiction, expertise and resources to create regulations, provide oversight and enforce the regulations when needed.

However, there are some provinces that have, or are planning to, implement additional provincial regulations that are not in step with other provinces; run contrary to federal regulations and are not based in science. Most of this presentation will focus on science.

One major issue that our seed company members and their farmer customers have been dealing with for over a decade now is the province of Alberta's strict regulations on *Fusarium graminearum*, a fungal pathogen mostly of cereal crops.

As you have already heard from Cereals Canada, in 2002 the Alberta government, believing that Alberta was free from *Fusarium*, launched by regulation, an enforceable management plan in an effort to prevent its establishment. Now, more than ten years later *Fusarium* is present and well established in Alberta despite the existence of the management plan. It is being found increasingly in wheat, durum and barley in widespread areas of the province.

The current Fusarium Management Plan requires that in order for farmers to have access to seed, the seed must be tested and found to be “non-detect”. Given the presence of Fusarium in other provinces and in the United States, it is difficult to source higher generation pedigreed seed from which seed growers in Alberta and elsewhere can produce seed for Alberta farmers.

In addition, seed produced in Alberta that presents even with very low levels of Fusarium need to be moved out of the province and sold as grain instead of seed at much lower prices.

Recent scientific reviews concluded that tolerance levels for seed with up to 5% Fusarium could protect those areas in Alberta that are relatively free of Fusarium. Tolerances of up to 10% would not affect infection levels in those areas where Fusarium is already established.

Yet, despite the science, the non-detect requirement remains. A rough analysis by CSTA members indicates that retail prices for wheat seed in Alberta range from 12% to 19% higher than in Saskatchewan and Manitoba. There are cases where the inability to source seed of new varieties has meant that Alberta farmers do not have access to those new varieties and are at a competitive disadvantage to farmers in Saskatchewan and Manitoba.

Provincial Crop Protection Regulations:

Keeping with the need to base decisions on science, I need to state again that In order to be successful and remain competitive as an industry, we rely on government and regulators at every level to make decisions based on sound, reputable science. Sound scientific principles are measurable, reproducible and predictable. Regulatory assessments and approval processes based on science ensure that all products are assessed consistently, giving confidence to consumers and to the developers of innovation.

Health Canada and specifically the Pest Management Regulatory Agency (PMRA) is charged with evaluating, approving and then cyclically re-evaluating crop protection products to ensure that they meet health, safety and environmental standards using a strict science based approach. PMRA has the mandate, expertise and resources to carry out this work.

However, there is a growing trend in some provinces that feel that they require additional regulations that do not conform to a science based approach and rather loosely apply their own interpretation of the precautionary principal.

Practically ignoring the federal regulatory processes, provinces can and are creating their own regulations, resulting in a regulatory patchwork that puts seed companies and growers at a competitive disadvantage not only from other provinces but also from the United States.

Variety Registration

CSTA’s seed company members invested \$110 million in plant breeding and variety development in Canada in 2012. In order to continue to expand that investment, all plant breeders, private and public need clear, transparent and uniform regulatory systems.

With a few exceptions, seed may not be sold in Canada unless it is of a registered variety. Variety registration is overseen by the Canadian Food Inspection Agency, but recommendations for registration are made by committees that are provincially or regionally based.

This means that varieties can be registered for sale in some regions and not others. When combined with the Canadian Grain Commission's listing of varieties eligible for classes, this creates a tremendous amount of confusion and makes for a less transparent system for variety developers and for farmers.

For example, of the 144 varieties listed in the Grain Commission's Canadian Eastern Red Spring Wheat Class, 45 are not registered in Quebec, 23 are not registered in Ontario and 17 are not registered in either province. Many others are not registered in the Atlantic Provinces.

Looking at the Canadian Food Inspection Agency's list of registered varieties of spring wheat, it gets even more complicated. 46 spring wheat varieties are registered only in western Canada. 4 varieties are registered only in Quebec; 2 only in Ontario. Bringing Atlantic Canada into the mix just increases the confusion.

It is not legal to sell seed of unregistered varieties. CSTA is hopeful that modernization of Canada's variety registration system will address this situation.

I know I have gone over my time, so I will stop here. I look forward to questions.