

## Consulting Canadians on a possible Canada-ASEAN Free Trade Agreement

The Canadian Seed Trade Association (CSTA) welcomes the Government of Canada's invitation to provide comments regarding a potential free trade agreement with the Association of South East Asian Nations (ASEAN). The CSTA applauds the Government of Canada for continuing to explore trade diversification opportunities and supports entering trade talks with the ASEAN nations.

The commercial world seed market is assessed to be approximately \$48 billion USD a year according to the International Seed Federation, as of 2016. This is a global market where Canada has a lot of room to grow and expand our market share. Canada imports almost \$6 million in seeds for sowing from ASEAN markets and exports \$4.5 million. In the period between 2012/2013 and 2016/2017, trade with ASEAN has more than doubled in both imports and exports. Canada's biggest exports by crop type to Vietnam (our largest exporting partner) are canola, soy and flax.

CSTA's mission statement is to 'Foster seed industry innovation and trade' and as such we encourage the Government of Canada to continuously seek new trade deals. CSTA members export over cover 50 different crop kinds to more than 70 different countries annually. Trade deals help alleviate tariffs but, more importantly in the seed industry, they help to alleviate non-tariff trade barriers.

Seed generally trades with no or very low tariffs, and many countries do not bind or apply any tariffs on seed for sowing. While this is an advantage for our commodity type, the seed industry experiences issues with non-tariff trade barriers such as phytosanitary measures and low-level presence policies. Recently, the International Plant Protection Convention adopted a standard for the international movement of seed (ISPM 38) to tackle these issues globally. A favourable free trade agreement should take this standard into account to mitigate the following risks:

1. **Treatments:** Countries may require that shipments of seed be treated in a certain manner, such as through fumigation, to allow entrance to the importing country, but the treatment method the importing country prescribes is not approved in Canada. Some countries may also require seed be treated with a certain insecticide or fungicide which may not be registered in Canada.
2. **Pests:** Certain pests are viewed at a different threat level by different countries. Documentation, phytosanitary certificates, treatments and field inspections are sometimes required for pests that are not present in Canada, such as a tropical insect.
3. **Seed as a pathway:** Most countries view seed as a low phytosanitary risk due to the rigorous conditioning and controls in place. However, some countries view seed as a high risk and may require tests to be carried out using protocols not used or recognized in Canada.
4. **Zero Tolerances for Products of Biotechnology:** Canadian farmers have embraced modern biotechnology plant corn, canola and soybeans varieties containing biotech improvements, often called traits. These products receive approval for food, feed and environmental release in Canada however, some countries simply do not have the regulatory expertise necessary to approve biotech traits. For example, some have established a zero tolerance for the presence of any genetically

modified product that their own regulatory systems have not approved. The impact on the seed industry has been significant, some countries are requiring legal declarations that there is zero presence of unapproved product in seed shipments. Zero is not possible to achieve and seed trade is affected.

5. Low Level Presence: In instances where low-level presence contamination occurs, provisions should be established to determine a course of action; avoiding trade disruptions and increasing transparency.

CSTA was a strong proponent of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and encourages a similarly progressive trade agreement with the ASEAN nations. CSTA advocates for science-based decision making and supports the inclusion of provisions in free trade agreements that would commit signatory countries to science, transparency, and incorporating the concept of equivalence. Moreover, approval processes for products of biotechnology, mutual recognition of assessments and approvals, and a science based low level presence policy for seed should be a part of Canada's negotiating position for all trade negotiations.

In conclusion, Canada is a trading nation and agriculture is a global industry. Multilateral agreements that seek to establish rules-based-trade among major export markets is extremely important to the Canadian seed industry. CSTA members, their farmer customers and Canadians will benefit from reductions in tariff and non-tariff barriers on seed exports and will see many positive gains from access to new markets and agricultural innovations.

## About the CSTA

Founded in 1923, CSTA is a national trade association that brings together more than 130 company and association members engaged in all aspects of seed, from research and development to production and marketing and domestic and international trade.

CSTA members serve the needs of their farmer customers by developing seed utilizing all available production methods and range from small, family owned and operated companies, to large multi-national firms. Our members work with over 50 different crop kinds, ranging from field crops to garden and vegetables.

The total economic impact of the Canadian seed industry is valued at over \$6 billion with imports and exports of \$600 million, respectively. The industry employs nearly 60,000 Canadians.

Please do not hesitate to contact us if you should have any questions.

Sincerely,



Dave Carey, Executive Director