

Regulatory Review  
Regulatory Affairs Sector  
Treasury Board Secretariat of Canada  
90 Elgin Street, 5th floor  
Ottawa, Ontario  
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September 15, 2018

**RE: SEED SYNERGY PARTNERS SUBMISSION TO THE 3-YEAR TARGETED  
REGULATORY REVIEW PROCESS FOR AGRI-FOOD AND AQUACULTURE.**

The Seed Synergy Partners are six major national seed industry organizations: the Canadian Seed Growers' Association (CSGA), the Canadian Seed Trade Association (CSTA), the Canadian Seed Institute (CSI), the Commercial Seed Analysts Association of Canada (CSAAC), the Canadian Plant Technology Agency (CPTA) and Crop Life Canada. These organizations represent the certified seed system value chain beginning with research & development, marketing, production & processing, through to sales & distribution.

The Partnership was formed to initiate positive change in the overall Canadian seed system and is guided by a vision of a reformed, industry-led, government-enabled seed system that effectively attracts investment, fosters innovation, and delivers new and tailored seed traits to customers efficiently. The goals and objectives embedded in this vision recognize the opportunity that exists now to move forward with the kind of improvements to the seed regulatory system that will position producers, innovators, and ultimately the entire agricultural value chain to succeed in a highly competitive and innovation driven global marketplace.

The recent work of the Partnership has produced a promising package of mutually reinforcing seed policy and regulatory and institutional reform proposals. These proposals provide a potential road map for attracting increased investments to plant breeding innovation in Canada. Their adoption and implementation would serve to ensure that Canadian farmers receive the uninterrupted stream of seed based innovation they require to remain economically viable and internationally competitive in the future, in the process supporting Canada's ambitious agriculture sector growth targets.

## Proposals

Each of the four appended issue profiles describes a priority area where the seed sector and governments urgently need to work together to advance policy and regulatory review and reform.

They are:

1. An Integrated and Streamlined Seed Program (Single Window)
2. A Predictable, Aligned and Risk Based Seed Safety Assessment Program (Plant Breeding Innovation)
3. A Strengthened Intellectual Property Regime (Value Creation)
4. A Modernized Seed Certification Program (Enhanced Traceability)

The anticipated outcomes of pursuing these reforms are respectively:

1. A more efficient organization and utilization of public and private sector resources devoted to seed system governance and management, enhanced system transparency and traceability, increased system responsiveness and value added to users, and reduced administrative and regulatory burden on users.
2. Faster and more predictable access to safe, cutting edge seed innovation and the associated economic benefits.
3. A stronger intellectual property regime that offers improved return on investment for breeders of protected varieties of key crop kinds, enhanced system transparency and traceability, and more cost effective enforcement.
4. Increased system responsiveness and value added to users, lower system operating costs, reduced administrative and regulatory burden on users, enhanced system transparency and traceability, increased system responsiveness and value added to users, and more efficient and effective regulatory oversight.

The appended issue profiles are designed to respond to the question:

- “In your view, are there existing regulatory requirements or practices that impede economic development, competitiveness, or growth for your firm or sector? What are their impacts? How should the Government address these irritants?”

In responding to the aforementioned core question, we attempt to respond to the following supplementary questions, where applicable:

- “Are there existing or emerging technologies, processes, or products in your firm or sector facing barriers because of federal regulations? What changes or tools should the Government consider to facilitate the development, integration, or approval of these technologies, processes, or products for Canadians?”
- “Do you see opportunities for regulatory experimentation in your sector, and if so, what would this look like.

## **Background**

### **The Economic Importance of the Seed Sector**

The Canadian seed industry is large. It employs nearly 60,000 Canadians and accounts for \$3.2 billion in seed sales to Canadian farmers and to overseas customers. In addition to providing advanced genetics for commercial farm operations, this value of sales supports over \$6.0 billion in annual economic activity and employment in many value added sectors of the economy. These seed sales are an integral input into the \$33 billion in annual crop production sold by farmers into markets, as well as the crops used as home-grown feed and forages on livestock operations.

The seed sector is key to continued productivity improvements in the Canadian agriculture and food sectors. A steady stream of new varieties that increase yields, offer pest and drought resistance and other qualities that improve farmers per acre returns and provide attributes required by buyers of grains and oilseeds are required to ensure the competitiveness of the agriculture sector in domestic and export markets.

### **Seed Regulation and Investment in Innovation**

Over the course of the last 40 years the leadership focus, design and delivery of Canada’s seed regulatory system has evolved substantially, with: legislative and regulatory authorities transferred from Agriculture and Agri-food Canada to the Canadian Food Inspection Agency; the establishment of intellectual property protection for new plant varieties through the enactment of and recent amendments to the Plant Breeders Rights Act ; the introduction of a globally unique “novel products” approach for ensuring the environmental, food and feed safety of new plant genetics entering commerce and; the delegation of government responsibility for the regulated components of seed quality assurance to an increasingly fragmented array of para-public and private entities.

In parallel, while investment in government and producer funded breeding programs in Canada continues at substantial levels (current estimates \$80 million/year), its overall relative importance to Canadian agriculture has diminished as private sector investment in plant breeding innovation has grown (current estimates \$125 million/year). Increasingly, the future of plant breeding innovation in Canada and the associated profitability and growth potential of Canadian crop based agriculture is dependent upon attracting higher levels of private sector investment to plant breeding and varietal development and ensuring that public sector investment is directed to where it is most needed as a catalyst for private sector growth.

## **The Seed Synergy Collaboration Project**

The Seed Synergy Collaboration Project body of work is well documented and accessible via our website, <https://www.seedsynergy.net/home/>. It includes: the product of initial efforts to accurately describe and explain the operation of Canada's complex seed system to those less familiar with it; the identification of issues affecting the performance of the system and the exploration of remedial options (the Green Paper); stakeholder feedback from consultations on the Green Paper; and recommendations stemming from a comprehensive economic assessment and risk analysis of options derived from it, including international comparisons.

It is important to note that while stimulating investment to unlock the innovative potential of the Canadian seed and agricultural sectors is a core Seed Synergy Collaboration Project driver, it is not the only one. Others include: increasing transparency within the system; meeting diverse customer needs and driving growth throughout the agriculture value chain; enabling industry to assume a more coherent focussed and effective role in seed regulatory system management and governance; and allowing government to re-allocate resources to areas of highest risk and collective benefit.

**The Project's next step is the development of a successor White Paper that aspires to translate the insights and learning of the last three years work into a detailed blueprint for seed policy, regulatory and institutional reform that are aligned with priority Government of Canada regulatory and innovation policy objectives.**

### **Optimizing Regulatory Resource Allocation – Third Party Delivery**

Re-allocating resources to areas of highest risk and collective benefit is of critical importance to any regulatory program, with the ongoing operation of CFIA's seed related regulatory programs being no exception. Housed within an Agency on the front line of managing and mitigating enormous food safety, animal health and plant health program risks, "lower risk" seed related regulatory programs have historically faced ongoing resource pressures.

These challenges were met in a variety of ways over time, including through relatively high rates of cost recovery in such areas as Plant Breeders Rights administration. However, by far the most impactful strategy for dealing with cost pressures has been to privatize specific seed program elements, in the process freeing up government resources for reallocation to higher priority areas, most notably with the authorization of private, accredited seed laboratories to test seed for import release purposes (1976) and then for official certification purposes (1986), followed in 1997 by the creation of the industry governed Canadian Seed Institute and again in 2012 with the decision to privatize seed crop inspections.

Arguably, the policy decisions made between 1976 and 2012 were consistent with the original seed program privatization decision in 1904, when the Canadian Seed Growers' Association (CSGA) was established. Over time, the CSGA assumed legislative authorities and regulatory responsibilities within the formal seed certification regulatory framework and now works in partnership with the CFIA, the CSI, the new authorized seed crop inspections services, Canada's plant breeding community and its other Seed Synergy partners to deliver the Canadian seed certification program.

In retrospect, what is perhaps most surprising is that responsibility for the entire seed certification system was not transferred to a third party much sooner and in a planned way. If it had been, Canada's seed system of today may have resembled more closely that of the world leading Dutch and French models where core seed system functions are delivered efficiently and effectively through robust national seed organizations and broadly supported industry governance models.

While subject to strict regulation and close government oversight, these organizations (the NAK in Holland and GNIS in France) deliver or facilitate seed quality assurance certification, seed phytosanitary certification, royalty collection, market development, training and education and other important functions that drive investment in their agriculture sectors. These vibrant third party delivery models are the product of decades of evolution and iterative change that benefitted from a foundational vision; where the respective roles and responsibilities of industry and government in the partnership were well defined, understood and broadly supported from the start.

**Recognizing that this is perhaps what Canada now needs to ensure that in the near future others will be inspired by our story; the Seed Synergy Collaboration Project partners offer the outcome of our work to date as a starting proposal for a new dialogue with government on a road map for comprehensive seed system regulatory and institutional reform.**

Sincerely,

  
  
  


  
  
  


  
  
  
