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Chair

Mr. Bev Shipley

Standing Committee on Agriculture and Agri-Food

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• (1100)

[English]

The Chair (Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC)): Colleagues, I'd like to call the meeting to order pursuant to the order of reference of today, which is Bill C-18, an act to amend certain acts relating to agriculture and agri-food.

With that, colleagues, I also welcome our witnesses for our panel.

Mr. Chidi Oguamanam is a professor in the Faculty of Law and is here in person.

We also have a video conference. I welcome each of you. From the Canadian Association of Agri-Retailers, we have Delaney Ross Burtneck. From the Agricultural Credit Corporation, we have Jaye Atkins, and from the Compost Council of Canada, we have Susan Antler.

I'm going to leave the professor until last just in case we have a video interruption, so that gives us a little time should something go wrong with our video.

I will start with the Canadian Association of Agri-Retailers and Delaney Ross Burtneck, who is the president and chief executive officer.

Ms. Delaney Ross Burtneck (President and Chief Executive Officer, Canadian Association of Agri-Retailers): Good morning.

Thank you, Mr. Chairman, and members of the committee, for the opportunity to join you today and share CAAR's position regarding Bill C-18 on behalf of the Canadian agri-retail association and industry.

My name is Delaney Ross Burtneck. I am the president and CEO of CAAR, the Canadian Association of Agri-Retailers. We represent the trusted support network for Canadian farmers, including agri-retailers large and small, as well as the crop input manufacturers, agronomy experts, transportation companies, and other service providers who support agri-retailers across Canada.

You are surely aware that Canada is well-positioned to be a global leader in meeting the burgeoning need to produce a higher volume of high quality, affordable food in order to feed a growing world population. However, projections of global demand in the next 35 years will require food producers to nearly double the amount of food currently produced. This is an unprecedented level of growth that will require significant innovation. For crop producers, success in achieving that goal will begin with access to the best possible crop inputs, including new crop varieties.

The proposed amendments to nine acts put forward in Bill C-18, particularly those proposed for the Plant Breeders' Rights Act, are a valiant and critical step forward in generating investment in agricultural innovation and securing Canada's future as a leader in agriculture. CAAR recognizes the crucial role that innovation in seed varieties will play in the ability of Canadian agriculture to meet future demand. We applaud the Government of Canada for bringing Canada's Plant Breeders' Rights Act into compliance with the 1991 Convention of the International Union for the Protection of New Varieties of Plants, UPOV, a commitment signed by Canada in 1992, and only now being brought into effect. This step will bring Canada in line with its trade partners around the world and stimulate much-needed investment in future crop varieties that will be the foundation of increased food productivity and production efficiency.

As the trusted advisers to Canadian farmers, CAAR also recognizes the importance of protecting the inherent right of every farmer to have the choice to invest in the newest and best seed technology available on the market or to utilize their own grain as seed for the next growing season. We are pleased to see that the proposed amendments will now explicitly protect our customers' option to use saved seed on their farm, while protecting the companies that bring forward significant investment in seed technology.

In addition, CAAR is pleased to see proposed amendments that will strengthen the competitiveness of agricultural inputs in Canada. It's CAAR's mission to enhance the business of Canadian agri-retail. We agree with the CFIA's assessment that the proposed amendments in Bill C-18 related to feed, seed, fertilizers, livestock, and plants will strengthen the safety of agricultural inputs, reduce the administrative burden for our industry, promote economic growth in the agricultural sector, and increase trade in agricultural products. CAAR did note, however, that the amendments indicate registrations and licences may be required in future for persons or establishments, authorizing them to conduct a prescribed activity in respect of fertilizers, feeds, or other products.

While this may only be intended as enabling legislation, and perhaps this system change will not be implemented, such a change could have a detrimental impact on retailers, particularly if multiple licences are required for a single establishment. If the government intends to pursue a registration and/or licensing system, we would appreciate the opportunity to join all vested parties, including fellow industry groups, like the Canadian Fertilizer Institute, as well as retailers of fertilizer, feed, and other products impacted by such a system, in working closely with the government to assess the full impact of such changes well before any licensing or registration system is developed and implemented.

We join the supporters of the amendments proposed in Bill C-18, including the Canadian Seed Trade Association, the Canadian Fertilizer Institute, CropLife Canada, and the many grower and industry group partners that form Partners in Innovation, to commend the Government of Canada in taking this step forward to advance innovation in Canada and moving us toward our collective goal of enhancing the Canadian agriculture industry.

Thank you. I would be pleased to answer any questions.

•(1105)

The Chair: Thank you very much, Ms. Ross.

Now we'll move to the Agricultural Credit Corporation, Jaye Atkins, CEO. Six minutes, please.

Mr. Jaye Atkins (Chief Executive Officer, Agricultural Credit Corporation): Thank you, Mr. Chairman.

First of all, thank you very much for the opportunity to sit in front of this committee today and to share some of our thoughts in regard to Bill C-18.

My name is Jaye Atkins. I am the chief executive officer of Agricultural Credit Corporation, a not-for-profit organization that administers the commodity loan program for the provincial government and also the advance payments program on behalf of the federal government through Agriculture and Agri-Food Canada. The Agricultural Credit Corporation, ACC, is the second largest administrator of the advance payments program and the only administrator currently administering the program in every province across Canada.

We administer the advance payments program to producers of over 250 commodities which, due to various sizes or types, translates into over 4,000 individual product listings.

Agriculture continues to change due to increased technology, improved genetics, causes and effects of world markets, new and improved growing practices, and the increased demand for products, particularly in the areas of biomass and products that are now being sourced for new and innovative uses. It is important that the ability to finance these crops and subsequent products through channels that do not overburden the producer and reflect the changing financial landscape is available to producers nationally.

In reference to Bill C-18, our organization believes strongly that the changes brought forth in regard to the advance payments program assist in updating the Agricultural Marketing Programs Act and better reflect the common and acceptable practices of today's financial industry. Due to the increased costs of production, particularly in the last decade, changes that are proposed will assist in maximizing the eligible advances producers may receive under the program by allowing them more flexibility in the manner in which they qualify for, secure, and repay a loan.

Also proposed changes, particularly in the area of recognizing the changing of many farm operations from sole proprietorships to corporations, cooperatives, and registered partnerships, while still maintaining clear attribution guidelines, reflect current financial institution practices and more commonly reflect the changing ownership structures of many of the farms in production today.

As an organization, we are very pleased with the changes that are proposed and believe they will greatly improve our ability to administer this program. Although there are areas in which we would like to see more changes, particularly in regard to proof of sales and a more reflective calculation of administrator's liability, we completely understand the limitations that may exist to prevent this.

My request to the committee is that once enacted, the act be implemented, defined, and applied consistently to all organizations that administer the program, so all producers nationally are treated equally and fairly, and that all administrators are required to adhere to the act and the guidelines without exception.

I want to thank the committee for the opportunity to be here today. I, too, will take any questions you may have.

•(1110)

The Chair: Thank you very much, Mr. Atkins.

We'll now move to the Compost Council of Canada, Susan Antler, executive director.

Madam Antler.

Ms. Susan Antler (Executive Director, Compost Council of Canada): Thank you.

We're affected by this act through our relationship with the Canadian Food Inspection Agency, and specifically the Fertilizers Act. Compost falls under schedule II, as well as digestate, which has to be registered.

The Compost Council of Canada is a national non-profit organization dedicated to convincing Canadians that organic residuals do not go to the landfill, but should be returned to the earth for the health of the soil. Nowhere in any of the various acts that are going to be affected by this proposal is there any reference to the health of the soil. We can go ahead and put any inputs we want and prove the inputs that we are going to be allowed to use, but there is absolutely no concern for the integrity of the soil. That's where compost fits in, to get it back into the soil.

The work of the members of the Compost Council of Canada reflects Agriculture and Agri-Food Canada, Environment Canada, every provincial and territorial ministry of the environment, and every municipality across the country, including industry. Our concern is that with the reduction in the concern for efficacy from CFIA it's now up to industry to stand up and take care of our own matters. To that end we have developed a program called the compost quality alliance, which goes above and beyond the requirements of government, to go ahead and test for the agronomic properties of compost, making sure that the consumer trust that now has been given to the industry, versus having oversight from the government, is maintained by our industry.

We are looking for your collective support to increase your attention to the health of the soil with respect to organic residuals, to make sure that they get back to the soil to provide the best possible means for all these new products to have integrity in their long-term viability in the Canadian marketplace, and very importantly, for you to start to get the message out that it's no longer dirt, it's soil. It's the only thing that really matters. Everything that we as Canadians draw upon comes from our soil. As a collective entity, we need to bring more attention to the health of the soil and propel the need for organic recycling in Canada.

Thank you.

The Chair: Thank you very much, Madam Antler.

I'll now move to Mr. Oguamanam, professor, faculty of law, University of Ottawa. You have six minutes, please.

Mr. Chidi Oguamanam (Professor, Faculty of Law, University of Ottawa, As an Individual): Thank you, Chair.

It's such a privilege to be able to speak to this bill before the committee. I will restrict my intervention to issues bordering on farmers' rights.

As you have noticed throughout the process, there have been a lot of organizations that claim to represent farmers and farmers' interests. They make overlapping claims in relation to breeders, producers, and every other stakeholder in the agricultural industry. This has been reflected in the way they have spoken in relation to the issue of farmers' rights and farmers' privileges, but it also speaks to the very nature of the complicated framework in which we conduct agricultural production in the 21st century.

I want us to pay close attention to what could be the distinction between farming and breeding. They overlap and that is very important as to how we will capture the interests of farmers.

The private sector and technology-driven industrial stakes and investments in agriculture have constituted some degree of pressure to constrain the farmers' ability to use and save seeds and exchange farm-saved seeds. This is understandable because Canada is an industrial agricultural country. Trying to upgrade our law to UPOV 91 has the potential to advance our global competitiveness and also reflects the highly industrialized nature of agricultural production.

There are other benefits regarding enhanced plant breeders' rights. Those benefits are essentially inconclusive and highly contested, but just by the industrialized nature of agricultural production we still have smallholder farmers. Those are the incarnates of historic family farmers. They use, they exchange, and they share farm-saved seeds, including traditional land uses and even those of propagating varieties.

This group of small farmers conducts informal research and development and they are practising conservation. We need them for sustainable agriculture because history shows us that industrial agriculture, genetic modification of plant genetic resources for food and agriculture could sometimes run into crisis.

I invite the committee to consider section 5(3)(2) of the bill. It speaks in relation to farmers' rights or privileges as described in the bill. The rights referred to are in paragraphs 1(a) and (b), which are the breeders' rights:

—do not apply to harvested material of the plant variety that is grown by a farmer on the farmer's holdings and used by the farmer on those holdings for the sole purpose of propagation of the plant variety.

What this means is that it speaks to only a category of farmers and these are farmers we could call hobby farmers. These are farmers who do not want to do anything commercial with their harvest. They are balcony farmers, actually downtown farmers. These are not the smallholder farmers we should be speaking to.

These smallholder farmers are very critical. They may not afford royalty fees, but in my view they do not constitute a threat to breeders and breeders' rights. So instead of outright banning commercial activity which some UPOV nations have done, some have also followed the path of looking at the size of holding, the size of harvest, and percentage of annual income in relation to smallholder farmers who use propagating varieties in order to determine whether they fall under that exception for farmers' privilege.

I want to draw the committee's attention to article 9 of the FAO 2001 International Treaty on Plant Genetic Resources for Food and Agriculture. Canada is a party to that treaty and that treaty speaks of famine and agriculture from a conservation perspective. It also recognizes the role of traditional knowledge in farming practices. As much as Canada has decided to go through the UPOV 91 model, there is still a lot in the international treaty on plant genetic resources that speaks to farmers' rights, which we can actually help incorporate into this bill in order to ensure that we protect those farmers who are hardly spoken for, who are very critical to the conservation of plant genetic resources for food and agriculture.

I'm happy to welcome questions. Thank you.

•(1115)

The Chair: Thank you very much, and I thank all of the witnesses for adhering to the time.

Now I'll go to my colleagues. I'll start with Mr. Allen for five minutes, please.

Mr. Malcolm Allen (Welland, NDP): Thank you, Chair, and thank you to all the witnesses.

Professor, the tail end of your conversation was about the two different places where you see conservation. You talk about UPOV 91 in one sense being one structure. Can you highlight for us if other nations...? You kind of alluded to the sense that UPOV 91, which has been adopted elsewhere...that there's room to manoeuvre inside of that in a national sense, if you will, for a national government to make changes to it and it would still be recognized that you've accepted UPOV 91. Is that correct? If so, can you outline some things that others may have done differently, that may have protected what you see as small farm holdings? To be clear, I think what you're saying is a backyard, balcony farmer is not necessarily a small farmer in the sense that we need to protect somebody with two plants on their balcony.

•(1120)

Mr. Chidi Oguamanam: Let me speak to one country that has not gone with the UPOV 91 model, and that is Norway. Norway stuck to UPOV 78, which is where we're trying to move from right now. The United States is a model for UPOV 91. France is a model for UPOV 91, but what France has done is completely eliminate the farmers' privilege. In the United States, what they have done is measure the ability of a farmer to be exempt from the farmer's right on the basis of the percentage of his income that is derived from the use of proprietary seeds. In itself, that is consistent with the UPOV that has allowed national governments to determine the extent of privileges they will grant to smallholder farmers.

There are several extremes to date: France is one. The United States appears to be the middle ground. Norway stuck to UPOV 78. I believe it is possible to recognize that the international treaty for the protection of plant genetics for food and agriculture, in article 9, helps us to really speak to farmers' rights in a meaningful way, that to also recognize that before plant breeding we had traditional landraces, which is a national patrimony, that may not yet have been affected by agricultural biotechnology. And those can constitute buffers for some crisis situations. We want to support these kinds of farmers, and also recognize that they also do informal research and development. These are the kinds of people who appear not to have been pre-empted by section 5.

Mr. Malcolm Allen: Inside of those, what you see is different exemptions.... It's not a holistic piece of UPOV 91, accept all of the pieces or else none. There are variances that you've articulated, so would you recommend to us that there's a sense that perhaps we need to look at the Canadian identity of farms, if you will, and make a decision as to whether we should have some room to manoeuvre inside of the acceptance of UPOV 91 around what's being called, in this bill, a farmer's privilege? I'm not really sure that's the term we should use, but that's the term that's in the bill.

Mr. Chidi Oguamanam: Yes, farmers' privilege and farmers' rights. We are party to a treaty that speaks to farmers' right, and then party to a treaty that speaks about a farmer's privilege.

In my view, if we look at article 9 of the international treaty, the FAO treaty, to which we're full party, we could begin to look at how we could recognize that in our own country there are traditional systems of farming, there is traditional knowledge. We have traditional patrimonies. We have landraces that are part of our unique national identity, particularly among aboriginal communities and smallholder farmers, which are even the foundation of agricultural biotechnology.

In essence, we could possibly begin to think about how to make sure that this critical chain in our agricultural evolution is not completely wiped away. My sense would be that we should begin to recognize that these people can actually participate in agricultural research and development, albeit through informal ways of using seeds creatively. These people are custodians of our environment. They are sensitive to conservation. They recognize what happens between one seed and another in an incremental form of evolution of knowledge. We don't want to throw that away, because it's part of our history and it's still consistent.

My point would be that we should not completely forbid smallholder farmers from operating in our own agricultural landscape. We should be able to give them the right to use and save seeds to the extent that we can manage their farm holdings, so that we create a compromise between them and the interests of breeders.

The Chair: Thank you very much.

Now we'll go to Mr. Lemieux. Five minutes, please.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Thank you very much, Mr. Chair, and thank you to our witnesses for being here today to talk about Bill C-18.

Professor, I would like to follow up on some of your comments, as well. Certainly in previous studies the committee has done we've come to know and understand some of the tremendous costs, in terms of both money and resources, to develop a trait that is desirable to farmers so that they will actually purchase that technology to their benefit. It can be in the range of \$100 million, or perhaps more. It can take 10 to 15 years, or perhaps longer, to basically bring a new trait to fruition onto the marketplace.

When I read your comments, I don't quite understand where the conflict is. You mention that UPOV is exclusionary and rigid. It's a closed regime of protection, and it alienates the interests and contributions to innovation made by indigenous and local community farmers. But, to me, the first thing I think I would point out is that—

•(1125)

Mr. Chidi Oguamanam: Where did you see this in my brief or my intervention to this committee? Where were you reading that?

Mr. Pierre Lemieux: No, that was off your blog.

The first thing I'll point out is the fact that this move from UPOV previous to now, to the 1991 regime is not imposing plant breeders' rights that weren't there before. It's simply extending them from 18 to 25 years. So it's not as if the agricultural sector has not seen plant breeder protection. It's been in full operation under the current UPOV regime. This is simply extending it.

That's one of the reasons I don't quite understand why extending it by seven years all of a sudden could be perceived as a flashpoint. It's a dramatic change. To me, it's offering better protection to the plant breeder for the investments they're making to the ultimate benefit of farmers, because it's farmers who choose to buy or not buy that technology.

That actually leads to the crux of my question. The farmer still has the freedom to decide whether to buy that technology or not, to sign a contract or not. It rests with the farmer to decide what he wants to purchase, and if he wants to purchase anything at all. I don't find it exclusionary.

At the end, and what we're hearing from witnesses, is that by better protecting plant breeders' rights we're actually going to offer farmers more choice, not less. If a farmer chooses to not buy the technology or not pay the premiums or royalties, then so be it. Don't. Work with publicly available seed.

You've mentioned here that sometimes indigenous and local community farmers have also contributed to seed development, which I understand and respect. But sometimes it's not always marketable in a large marketable sense. In other words, it can be a community-type endeavour, but it doesn't necessarily mean that what they have discovered has been made marketable and sellable to farmers all across the country or to farmers in other countries, etc.

I'm just wondering if you can comment on these comments I've made.

Mr. Chidi Oguamanam: We want to recognize that agriculture is essentially an endeavour that recognizes some degree of epistemic plurality. One of them is the industrial model of agricultural production. Definitely, as an immigrant country and civilization, we had no choice when we moved over here and needed to really feed the population.

We are a highly industrialized country, as well. But whenever you have a system that supports only one epistemic way of knowing or doing something, and that one is dominant, the pathway we are treading is one whereby in the next 10 years there might not be anybody who is even dealing with traditional landraces. What we're trying to do is to let them have the opportunity to operate competitively or somehow or other to be self-sustaining in the market. And food is also about culture.

The point I've been making is that we can have the two systems coexist, but we do not want to muzzle the farmer's ability to use farm-saved seeds, even—

Mr. Pierre Lemieux: I don't think we are, though.

I think the advantage of incorporating the farmer's privilege in a federal act is that it is now defined, which is a good thing because that cannot be taken away through a contractual mechanism, whereas now it's somewhat undefined. I would say the farmer is more at risk right now of a contract that's placed in front of him that doesn't leave him the alternative to have a farmer's privilege.

• (1130)

The Chair: Thank you very much for your time.

Now I'll go to Mr. Valeriote for five minutes, please.

Mr. Frank Valeriote (Guelph, Lib.): Thank you, Professor, for coming before us, and thank you to all of the witnesses.

There is concern, and it has partly been addressed by Mr. Lemieux, that plant breeders are given rights, while farmers' seed-saving is reduced to a privilege.

You addressed this, Professor.

The minister maintains that this is a misunderstanding and that farmers will continue their abilities to save and clean seed as before.

My question is this, and I'm quoting the minister. The minister assures this committee that:

The farmer's right to save seed for future planting is protected and includes storage and/or cleaning of the seed. This is why it is important to update to UPOV 91 standards. A farmer does not need to seek permission from the rights holder to store farm-saved seed for replanting in future years. Let me repeat that: a farmer does not need to seek permission. Recognizing this fact, our government has heard from stakeholders that the language could be improved to make it

absolutely clear that storage of seed by the farmer is included in farmer's privilege. Our government will be bringing forward an amendment in that vein.

He goes on to say that confusion comes from the different language spoken as between lawyers and farmers; in other words, they don't speak the same language.

Now, I'm a lawyer. You teach at the university I went to. Can you speak to that linguistic uncertainty? Is there a difference between "privilege" and "right"? Would you change the wording of the legislation to make it clear?

Mr. Chidi Oguamanam: Thank you very much.

Of course there is a difference between privilege and rights. But when a privilege is enacted and specifically provided for, as in Bill C-18, it looks as if it gets teeth to bite with. To that extent, I'm not losing sleep over whether we choose "privilege" or "right", because under the international treaty, governments or nation states have the liberty to determine how to legislate on farmers' rights. If a country such as Canada decides to call it a "privilege", I have no problem with that.

The main issue I want us to pay attention to is in proposed section 5, which does not, in its spirit and letter, accommodate the ability of smallholder farmers to sell their harvest. It completely forecloses that. I think this can be improved upon; we can accommodate that.

If I plant something in my garden and use it to teach my kids how stuff grows, and eventually we take it back in and eat it, it's entirely different. We don't have any ambition to sell that. But there are still people in rural communities who do not have the technical know-how to begin to process licensing an agreement. These are traditional people, smallholder farmers. They can do accidental innovation in a process. We want to accommodate those people.

Mr. Frank Valeriote: You're suggesting, then, that we should better define "smallholder farmer"?

Mr. Chidi Oguamanam: Yes, if need be.

Mr. Frank Valeriote: You have no doubt heard from associated groups, the smallholder farmers in other countries. What have you heard from those groups in other countries that have already adopted UPOV 91 about the success or pitfalls of this legislation in its impact on them as smallholder farmers?

Mr. Chidi Oguamanam: One can speak to a few of them, to the extent that they are interested in how many acres qualify for a smallholder farm and the complex nature of administering that kind of system. Sometimes it might be by way of harvest: what is the percentage of income that a smallholder farmer earns in his annual reporting? Then, what kind of threshold do we need in order to make him liable to be licensed for the seeds he has used?

Mr. Frank Valeriote: What threshold would you suggest? Would it be a matter of income, or acreage, or both?

Mr. Chidi Oguamanam: I would suggest, seriously, that we pay attention to that. It would take us to really understanding the landscape for agricultural production in our country. Some have used 10 acres; some have used something in that neighbourhood. Some have said, well, you might have 10 acres, but for this harvest you are reporting that the percentage of your income from farming is x , and then that is the threshold.

One good thing about this bill, which I recognize, is that there is a lot of room for subsidiary regulation. Much of this will happen through that model.

• (1135)

Mr. Frank Valeriote: I see.

The Chair: Thank you very much, Mr. Valeriote.

Now we'll move to Mr. Zimmer, for five minutes, please.

Mr. Bob Zimmer (Prince George—Peace River, CPC): Thank you all for appearing at Ag committee today.

The first question goes to Jaye. I appreciate your presentation. I notice that you spoke a little bit about this in your opening as well, your suggestions for an amendment to what we currently have. I just want a bit of a reason as to why you want the amendment within the current legislation.

Please go ahead.

Mr. Jaye Atkins: Thank you, Mr. Zimmer.

I believe the act certainly allows us better clarification of some of the things that in administering the program today we find very difficult, things like better and clearer definitions around attribution rules, and for those who are not familiar with it, the ability to have a connected or a related producer in another business or another company, and trying to ensure that the benefit of the first \$100,000 interest-free money is not abused.

That's one example. On the example of looking at adding specific products, I'll use the example of goats, of moving that into livestock—whereas today it's classified as an animal and may be restricted by the reference margin on AgriStability—allowing those producers to increase or improve their ability to get financing for their operation. We look at that today. Particularly in the industries that we offer the advance payments program in, we look at them a little bit as some of the peripheral industries, such as goat production and biomass production.

Many of the products we administer are products that are not actively pursued by financial institutions. We certainly stay away from the quota industries, and those types of things. I think some of the places in the new act, such as the example I've given, give us more clarification so that the interpretation is more clearly adhered to, or can be adhered to. It also provides consistently the same message to all administrators so that we as administrators do not have to translate the act per se in order to accommodate what we're trying to do.

Mr. Bob Zimmer: Thank you.

The next question goes to the professor. I appreciate your opening comments. But in one of your comments you questioned whether farmers would be able to operate competitively under the new regime. I guess I'm not quite clear. I think my colleague Mr. Lemieux brought it up as well, that there is competition. You can either use publicly available seed or the proprietary seed, or whatever kind of seed you wish. You just will have to pay more for it. I guess I'm a little unclear about what you mean about the lack of competition.

You brought up other countries, but, with respect, we're concerned about what's good for Canadian farmers. I am, on this side, because I

have Canadian farmers where I'm from, and I represent them. So I'm not quite clear on how you say this is in some way an obstacle to competition.

Mr. Chidi Oguamanam: Maybe that's not exactly what I meant. But the whole idea of not allowing people who farm, who may be family farmers, smallholder farmers, who could possibly be organic farmers.... It's the whole idea of not telling us that they have a privilege. But that privilege forbidding them from going to the market with their harvest is something I really want us to pay attention to.

Mr. Bob Zimmer: How are they prevented from taking...to the market?

Mr. Chidi Oguamanam: If you look at clause 5, that I read out to you, it has not accommodated the ability of a smallholder farmer. Let's talk about this idea of saving seeds, the big advantage of saving seeds. We know what happened in Monsanto. Somebody could have had something come on to their farm, and maybe after harvest they never cared about it and it grows in this harvest season, and eventually they can be bushwhacked, they can be pre-empted by breeders.

I'm trying to say that we could at least accommodate smallholder farmers, however we want to define them, and allow them to go to the market with their harvest. In that way we recognize there are other actors in an agricultural process, sorters, and breeders, and high-tech agricultural corporations.

One of the issues around UPOV 91, and I agree with you as a Canadian that our agriculture is highly industrialized and we need to protect that heritage as well, but then—

The Chair: Thank you very much, Mr. Zimmer. We're well over.

I'm going to go to Madame Brosseau. Five minutes, please.

• (1140)

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Thank you, Chair.

I'd like to thank all of our witnesses for their presentations today on this important bill.

Something I'd like to speak to you about, Professor, is that we've had witnesses before committee who said that with UPOV 78 we are fulfilling our international obligations and that it is not necessary to go in that direction. Is it true that we are officially fulfilling our international obligations again with UPOV 78?

Mr. Chidi Oguamanam: With UPOV 78, we are good. In all fairness to international trade and global competition, most of our trading partners have upgraded to UPOV 91 even though it is not what I would be inclined to do. As a Canadian, in a global competitive market, coming to UPOV 91 puts us at par with our trading partners, but we do not need to do that because UPOV 78 is good enough for us and that's what happened in Norway.

Ms. Ruth Ellen Brosseau: With the comment you were making before, talking about smaller farmers and small holdings, it seems that we need to pay more attention to the different types of farming we do in Canada and that this is not a “one size fits all”. I know when the minister was before committee, in the first meeting we had studying C-18, he said, “don't worry, I'm going to bring in an amendment and I'm going to make sure that this is stronger and we are protecting farmers' privilege”. I think that we are all looking forward to this amendment and it would be nice to finally have it, to talk to witnesses about it, and to make sure that it is actually strong enough and that the concerns from industry and farmers and certain groups are resolved with this strengthening of the bill.

I was wondering if you could talk to us about what varieties of cereal are protected under plant breeders' rights.

Mr. Chidi Oguamanam: The bill is clear. I don't know of any specific cereal, to the extent that a breeder has been able to add a certain degree of improvement to a variety and have a proprietary claim. As we said time and again, plant breeders' rights are not patent rights because they allow breeders to do research with their products, but they exclude farmers from partaking. The question becomes about people who do breeding and also do farming. The multiple layers of interest in agricultural landscape means that, when the bill really becomes a law, there will be a lot of issues. That's why I like the idea of a law to border on subsidiary regulation. I go back to article 9 of the International Treaty on Plant Genetic Resources. It says clearly that parties to this convention would ensure that farmers will participate in any decision that affects their interest. I'm interested in whether the regulatory process would be sophisticated enough to enable this kind of participation of every dimension of interest, particularly with smallhold farmers.

Ms. Ruth Ellen Brosseau: Could you comment on what kind of royalty collection you would recommend for the cereal industry here in Canada? I know other countries have different regimes. I was wondering what you would see as best for the Canadian industry?

Mr. Chidi Oguamanam: Unfortunately, I haven't really paid attention to that and I would not want to mislead the committee.

Ms. Ruth Ellen Brosseau: Okay, thank you.

The Chair: One minute.

Ms. Ruth Ellen Brosseau: I'd like to bring up something new: patent infringement. There have been several high profile cases where it's happened naturally. Do you think it has to be proven that producers intend to infringe patent laws?

• (1145)

Mr. Chidi Oguamanam: Our law has a very high standard of infringement, so innocent infringement is not tolerated under our Patent Act.

Ms. Ruth Ellen Brosseau: Okay.

The Chair: Thank you.

Now we'll go to Mr. Hoback for five minutes, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

Maybe I'll just keep going on patent infringement. When Roundup Ready canola first hit the prairies—of course there are some very famous lawsuits that went on at the time with Percy Schmeiser in that scenario—one thing that was very, very clear when you took on

that seed was that you signed a contract and that contract gave you no privilege. You had no privilege to use that seed the next year, you had to sell every bushel you grew.

In UPOV 91 there will be privilege. When you look at privilege, in that scenario, then the farmer would actually have the ability to save that seed. Canola has gone to hybrid, so I don't see that option pertain. Isn't it actually worse right now because a contract could be created for a seed at this point in time that would restrict you and your ability to replant that seed and UPOV 91 is the only way to fix that?

Fix it with the farmer privilege portion of UPOV 91. It actually gives you the privilege to save seed. Well, you don't have that privilege right now. In fact, the contract that we created—

Mr. Chidi Oguamanam: If you look at UPOV 78, you do have that even though it didn't specifically call it farmers' privilege.

Mr. Randy Hoback: As I said, in the scenario of Roundup Ready canola, from Monsanto, they created a contract that you had to sign in order to get access to the seed, and it was a technology use agreement. You paid so much an acre for that agreement, and in that agreement it said you could not save seed. It was in contract that you couldn't.

I think now under the new UPOV 91 they wouldn't actually be able to do that style of contract. Is that not true?

Mr. Chidi Oguamanam: A common law of contracts in Canada would always give us freedom of contracts, in which case we can contract out of statute. It really depends. A contract is really a contract.

Mr. Randy Hoback: Okay, well, I'm not going to debate you on contracts because you're a lawyer and I'm not. But I guess you can see the dilemma that I'm looking at where I can see a cure with UPOV 91 where right now we don't have it.

Mr. Chidi Oguamanam: Yes.

Mr. Randy Hoback: I'm actually going to move on to Susan Antler.

I liked your comment about the use of the word “soil”. I had an agronomist friend who said “dirt blows, soil grows”. So it's very true about that, and I used to call it “dirt” and he used to correct me every time.

One thing you talked about was compost and organic matter. That's one thing I think the Prairies have been very successful on, actually increasing their organic matter through things like no-tillage, direct seeding. In the late eighties, early nineties, there were huge workshops all over the Prairies. I can remember being a part of field days. I went to workshops, the Manitoba-North Dakota Zero Tillage Farmers Association's workshops.

One thing about UPOV 91 that I think is going to be interesting is the new genetics that we're going to bring in that will actually do the same thing in reducing the amount of soil erosion and increase organic matter. Would you not agree with that?

Ms. Susan Antler: I can't speak specifically about that, but I know that in terms of your focus on the priority of retaining organic matter and making sure that is as strong as possible is absolutely paramount to any success in any type of agriculture.

One of the issues for us is the fact that we need to take more proactive efforts. Through the Compost Quality Alliance, we have taken on the initiative, the vision of the government in terms of taking on a program where we are going to make sure that our products are efficacious and they are tested well, and they have consumer confidence so that those who are going to purchase different types of compost know they are coming from licensed facilities, certified through the CQA program. Again, it all gets into consumer trust, whether it's a farmer or an urban dweller. It gets into recognizing that there's a trust component. If that's going to be withdrawn from certain aspects and certain agencies, then industry and others have to step forward.

Mr. Randy Hoback: Going on to one part of Bill C-18 are the changes to the cash advance program, and, of course, the ability now to use any commodity or cash from any source to pay back your advance.

Plus, I think another advantage is also the fact that you can go to one single source now and get all your advances for all your crops or livestock. How's that going to affect the farmers? It used to be a hassle, and you had to go to different areas or different people to get different sign-offs to get your advances. Do you see that now changing and becoming more efficient?

Mr. Jaye Atkins: I think one of the things that will make it more efficient is exactly what you've just said, where you can administer the program for a number of different commodities.

At ACC, for example, we administer for different commodities in each province. It seems sometimes a duplication of the producer's efforts to have to get a portion of his loan from us and a portion of an advance from maybe another unit or another administrator in that area.

I believe that allowing administrators to advance on those products today.... As I said earlier, we cover about 4,500 products, so we are advancing on a lot of them. Again, there are areas where we can provide more of a specialized service, where that administrator may not be there today, which allows us to go in and do the administration with the experience that we have.

• (1150)

The Chair: Thank you, Mr. Hoback.

I'll now go to Madam Raynault. Five minutes, please.

[Translation]

Ms. Francine Raynault (Joliette, NDP): Thank you, Mr. Chair.

Mr. Oguamanam, can you explain to us how UPOV 78 allows seeds to be saved and used?

[English]

Mr. Chidi Oguamanam: Under UPOV 78, we can keep and save seeds without necessarily asking permission from the breeder. The breeder could not have access to our harvests. He could not have surveillance over our harvests. We could actually save seeds to the extent the breeder could not.

UPOV 91 has to...even our harvests. The breeder can put surveillance on it.

But under UPOV 78, I don't think the breeder's right to encroach upon our harvest or exercise so much of a degree of surveillance and control is guaranteed.

[Translation]

Ms. Francine Raynault: Can you also talk to us about the farmer's privilege under UPOV 91?

How would you like that provision to be enforced?

[English]

Mr. Chidi Oguamanam: How to enforce farmers' privilege under UPOV 91? That's exactly what Canada has done to enact farmers' privilege under UPOV 91.

Enforcement is a matter of subsidiary regulation. A lot of power has been given to breeders in terms of licensing, in terms of surveillance, in terms of making claims over harvests, and in terms of the ability to collect end point royalties, and so on.

Enforcement, for me, is probably a matter of a subsidiary regulation and a normal framework through which laws are enforced in the country. The truth of the matter is that breeders have a lot of surveillance over what farmers do. We need to really understand that there are many farmers: who does what, and whose interests are activated, at what point in time? These are very convoluted and complicated.

I took an audit of all organizations that speak to and represent farmers. You need to look a little closer and begin to ask what kinds of farmers they are talking about. We have used farmers in generic terms, but we recognize that there are farmers and there are farmers. This is really a huge issue.

• (1155)

[Translation]

Ms. Francine Raynault: Thank you.

I was a farmer too. Our farm was not very big, but we were still thought of as farmers. That allowed us to sell our products at the market and at the house. We did not own thousands of acres, of course. The crops we grew were to feed people. So I fully understand how producers must be protected.

You are right to say that there are all kinds of producers. I have met people you might call weekend farmers. They had an interest in the area and wanted farms to be kept for farming, even though it was not a source of income for them. Our small agricultural producers have to be protected. They do not all have the means to buy up thousands of acres, especially in Quebec.

More and more, people are preferring local produce. They do not want fruit to be shipped from foreign sources thousands of kilometres away. If we can grow it ourselves, so much the better. The farms growing potatoes or apples are generally not the large ones. In the west, the situation is quite different. Quebec farms, for example, may not be as impressive as the ones in Alberta or Saskatchewan, but that is how we make our living at home.

[English]

The Chair: Thank you, Madame Raynault. We're well over.

I'll now go to Mr. Payne. Five minutes, please.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you, Chair.

Thank you to the witnesses for coming.

It is a very interesting discussion on Bill C-18.

I want to go back to you, Mr. Atkins. You talked about the APP, and I believe you said that currently you're the only organization that has advanced money right across the 10 provinces.

Mr. Jaye Atkins: We are the only administrator that administers the advance payments program in each province. There are 50-plus administrators across Canada that do this, but we are the only ones in every province today.

Mr. LaVar Payne: As I understand—and I caught only part of your comment—in terms of UPOV 91, you said something about assisting and updating common and acceptable practice. Could you talk a little bit more about that for me?

Mr. Jaye Atkins: I talked about the way that corporations—for example, under the advance payments program—provide guarantees through farm organizations that have become corporations, or registered partnerships, or limited liability companies.

Certainly, with Bill C-18, it does allow a more reflective ability, still taking into account the fact that each of the guarantors does have to provide a guarantee for the loan. But for areas such as signatures, and those specific areas, it does allow some flexibility to give those rights to the person who is the majority shareholder, who owns controlling interest of that organization.

Certainly today in most businesses that opportunity exists, and should exist under the advance payments program for individuals who do have the signing authority, have the majority shareholders, or have authority granted by the board in order to commit that company to an agreement.

Mr. LaVar Payne: Okay, thank you.

Ms. Burtneck, you talked a bit about protection of customers, options, strength and safety, and increasing trade. Perhaps you could just tell us a little bit more about your comments regarding that.

I also know you talked about Canadian seed—CFI and CropLife. Perhaps you could expand your comments on that for me.

Ms. Delaney Ross Burtneck: Sure, in terms of how we are supportive of the positions they're taking...? Is that what you're asking?

• (1200)

Mr. LaVar Payne: Yes.

Ms. Delaney Ross Burtneck: Great. I'll start with the inputs because there are a few components there and I want to make sure I address them all.

In terms of the inputs and the empowerment that's been given to the CFIA, in particular, to ensure that those inputs are safe for use, that's obviously a significant focus for us, and certainly it's a significant focus for Canadians. As well, allowing the CFIA the

opportunity to use data that is sourced externally to Canada, not having to be reproduced, and to use data that is from a country that is considered to be equivalent to the standards in Canada is, I think, a significant improvement in terms of allowing the CFIA the freedom to operate, and reducing that administrative burden of recreating data that would be already acceptable in terms of identifying the safety and the ability to use that product in Canada.

In terms of the protection of plant breeders' rights, the innovation that we would expect would grow from that by allowing innovators to come into Canada and know that the investment they make in the seed they produce is protected, and that they are able to continue innovation with the funds that are brought in from plant breeders' rights. I think that is going to be critical in terms of moving forward and meeting the goals of feeding 9 billion by 2050. It all starts with the seed.

I would also agree with Ms. Antler that it also all starts from the soil. Being an agronomist myself, I have great respect for the soil—it is not dirt—and that is making sure that the soil is as productive as possible, and that the seed planted in that soil has the highest possible potential for yield, and then that the inputs applied to that are as safe and effective as possible. That is the only way we're going to achieve the goal of doubling our production.

The Chair: Thank you very much.

Thank you, Mr. Payne.

I want to thank all of the witnesses for being with us in the first hour.

We need to bring in new witnesses and get the video set up, so we'll recess for a couple of minutes.

- _____ (Pause) _____
-
- (1205)

The Chair: I'll call the members back and we will start our second hour.

With us we have, from CropLife, Dennis Prouse, vice-president, government affairs, and Stephen Yarrow, vice-president, plant biotechnology; from the Fédération des producteurs de cultures commerciales du Québec, we have William Van Tassel, first vice-president, and Salah Zoghalmi, adviser, agronomic research; and, also from Quebec, Les AmiEs de la Terre de Québec, with Ariane Gagnon-Légaré, community adviser.

Welcome.

I'm going to start with the video conference just in case we have any technical problems.

Madam Légaré, please, for six minutes.

[Translation]

Ms. Ariane Gagnon-Légaré (Community Organizer, Les AmiEs de la Terre de Québec): Good afternoon.

In Les AmiEs de la Terre de Québec, we are working towards a society that is green, united and just. We are concerned by the way in which Bill C-18 may or may not encourage a transition towards viable development.

Just like the federal government, we want to encourage innovation and prosperity. The innovation and prosperity we want improves the quality of the food the public consumes and fosters the well-being of those working in the agri-food sector, not just in Quebec and Canada, but also internationally.

The provisions that attract our attention are those dealing with plant varieties and those seeking to bring Canada's legislation into line with the UPOV 91 standard. We will discuss their impact on agricultural biodiversity, the recognition of the common good, innovation, citizen engagement and food sovereignty.

First, our fear is that the provisions governing plant varieties will adversely affect the free management of seeds. The provisions allow restrictions on the storage and distribution of seeds with a plant variety certificate. In reality, it is mostly the large companies that have the resources and the culture to do the administration required to obtain such certificates.

In recent decades, we have seen agricultural biodiversity eroding at an unprecedented rate. According to the Convention on Biological Diversity's agricultural biodiversity work program, the reduction in biodiversity is the result of the homogenization of agricultural production systems through the intensification and specialization of cultivation and breeding, and the standardization implicit in globalization.

Historical data show that, until now, the diversity of farming, especially the coexistence of many small farms, each of which chose and managed its seeds, while sharing them widely, fostered diversity among plant varieties, whereas the industrialization of agriculture introduced by large companies has contributed to a severe curtailment of agricultural biodiversity.

Therefore, by adopting standard UPOV 91, Canada could reduce the number of players involved in managing seeds, thereby further weakening the creativity of those players and adversely affecting the current level and the expansion of agricultural biodiversity.

The seeds we use today are the result of the work and the ingenuity of millions of farmers who, over millennia, have selected varieties that best match their conditions of climate and geography, their way of life and their taste. As the result of centuries-old processes of innovation and diversification, agricultural biodiversity and the seeds that contain it should be recognized as a common heritage of mankind. We feel that this heritage should not be patented, or almost patented, by plant variety certificates. Imposing a monopoly of that kind on certain varieties of seeds would not show deference to the collective work from which they emerged.

To stimulate innovation, rather than rehashing the traditional system of patents and copyrights by means of plant variety certificates, Canada would do much better to look for inspiration to the open-source software movement and the data liberation movement. Technology and electronics are eloquent demonstrations of how distributing source code stimulates collective intelligence into producing efficient tools while generating wealth. Data

liberation is also being adopted by many government administrations and hundreds of universities and research institutions. Currently, data liberation is providing a host of examples of its relevance and its productivity. Adopting standard UPOV 91 would run counter to that movement.

Moreover, seeds are the basis of our food supply, one of the pillars of our survival and quality of life because of its effect on our environment, our health and our mental faculties. In our view, therefore, public management of seeds is critical.

In that context, we are concerned by two points in the bill. First, as we have highlighted above, the changes in plant variety management that Bill C-18 envisages, in addition to their negative effects on biodiversity, do not encourage public participation in seed management.

Additionally, it is critical in our view that the development of new plant varieties must in no way be in the hands of companies motivated by financial gain. We feel that a wider range of players, motivated by a much wider range of incentives rooted in a diversity of communities and contexts, are better able to bring about development in a way that will meet the needs of present and future generations. In that sense, always mindful of the vital role of agriculture and food supply, we would like public authorities to have responsibility for seed innovation and to respond to the directions set out as a result of public debate.

Through the points we have just presented, that is, our concern for agricultural biodiversity, recognizing it as a common heritage of mankind, free access to, and the democratic and participatory management of, seeds, what we fundamentally want to advocate is food sovereignty. La Via Campesina defines it as the right of peoples to healthy and culturally appropriate food produced through sustainable methods and their right to define their own food and agriculture systems.

●(1210)

A people or a state has achieved food sovereignty if it has “the right, the freedom and the ability to define its own unique agricultural, labour, fishing, food and land policies”. That is to say that a population's food sovereignty cannot be achieved to the detriment of others.

Food sovereignty puts agrifood matters in local hands. Food supply and agriculture must therefore, by definition, be collectively managed in order to be tailored to the environmental, social, economic and cultural characteristics of the communities.

This concept therefore is somewhat removed from current economic trends in which agriculture and food production are subject to economic rules that are disconnected with their social and environmental consequences. Food sovereignty represents a legitimate reason, for example, to adopt measures to protect local production, distribution and marketing and to set criteria for employment standards and for environmental respect. Measures that traditional economists may perceive as protectionist therefore become the basic tools of community development.

Adherence to the principle of food sovereignty means that the disappearance of small holdings observed in recent decades can be combatted. It is a way to stimulate the economy of rural regions and shield them from the vagaries of global markets. Encouraging small agricultural operations can also be a tool that provides access to fresh and high-quality local produce. Just like participation in agricultural activity, that high-quality produce can play a role in promoting healthy lifestyle habits.

I only have one more sentence to go.

[English]

The Chair: I'll have to ask you to wrap up, please.

Ms. Ariane Gagnon-Légaré: I will.

[Translation]

Starting from seed management, the vision we propose is one that considers environmental justice, public health and poverty reduction in broader terms. In our vision, our food system, given the critical role it plays in economics, the environment, regional vitality and public health is determined by debate and decisions made at community level for the benefit of present and future generations.

[English]

Thank you.

The Chair: Thank you very much.

I'll go to Mr. Prouse from CropLife Canada, please, for six minutes.

Mr. Dennis Prouse (Vice-President, Government Affairs, CropLife Canada): Mr. Chair and members of the committee, thank you for inviting us here today. With me is my colleague Dr. Stephen Yarrow, our vice-president of biotechnology. It's our pleasure to offer some remarks to you today on Bill C-18, the agricultural growth act, on behalf of our members and answer any questions you might have.

CropLife Canada is the association representing the manufacturers, developers, and distributors of plant sciences technologies, including pest control products and plant biotechnology, for use in agriculture, urban, and public health settings. We strive to ensure that the benefits of plant science innovation can be enjoyed by farmers and consumers. CropLife Canada promotes sustainable agricultural practices, and we're committed to protecting and promoting human health and the environment.

We also work very closely with a number of stakeholder groups. We're very proud of the fact that all of Canada's major farmer-based grower groups are members of our GrowCanada partnership. We are strongly supportive of Bill C-18, and hope that the House of Commons and Senate can pass it promptly.

We are particularly pleased about the potential to amend the current Plant Breeders' Rights Act, a key plank of the bill. We are also very encouraged by the portions of the agricultural growth act that relate to providing the Canadian Food Inspection Agency with the authority to consider foreign reviews, data, and analyses during the approval or registration of new products in Canada. Both these elements, after all, have certainly been a long time coming. As committee members know, Canada is still operating under the

provisions of the Plant Breeders' Rights Act that was passed in 1990. That act, however, only conforms to UPOV 78, not to the updates of the UPOV convention that took place in 1991. I believe only New Zealand and Norway join us on the list of developed countries not currently conforming to UPOV 91.

Our lack of conformity to UPOV 91 has had consequences. It acts as a disincentive to bring to Canada plant varieties that have been developed elsewhere. An associated issue is that it builds in an incentive to invest outside of Canada. As we've pointed out to this committee in the past, agricultural innovation is going to take place, and is taking place, globally. The question becomes, will Canada provide the environment that encourages this innovation to take place in our country? Bill C-18 takes a long overdue step to correct this issue.

Encouraging the development of new varieties of plants is not just a corporate issue. It has direct benefits for Canadian farmers, who use innovation to both increase yields and improve sustainability. Only a modern legislative framework for intellectual property protection, one that brings us into alignment with our global trading partners, can encourage the kind of investment that leads to innovation.

The introduction of Bill C-18, even before it has become law, has already had a positive impact on the environment for investment in innovation. Just last month one of our member companies performed the sod-turning on another new research facility, this time for wheat breeding, near Saskatoon. The prospect of Bill C-18 and the adoption of UPOV 91 was a critical factor for this global company to consider when deciding on where best to invest its research dollars. Other companies are actively working to bring new varieties to Canada, as they can now be assured that Canada will be in line with international standards.

The real-world implications of not modernizing our laws are clear; when these investments in innovation are made elsewhere, immediate benefits, such as increased yield or improved disease resistance, go to farmers who are global competitors of ours. It is well worth noting that universities, government departments, and smaller independent breeders, of which there is an increasing number, also benefit from compliance with UPOV 91. Almost half of Canadian plant breeders' rights applications come from public institutions, and royalties will continue to accrue to them.

There is a need to address the issue of farmer-saved seed and the myth that somehow this bill will prevent this from taking place. This is, of course, completely untrue. Ironically, the current version of the legislation does not address farmer-saved seed in any way. Bill C-18 explicitly addresses it and provides a clear farmers' exception for the saving and planting of farmers' own seed.

Those are some of the areas around plant breeders' rights in Bill C-18. There are other stakeholders who can give you very fulsome explanations of this issue. I gather that at one of your first meetings you heard from Cereals Canada, the Canadian Canola Growers Association, and the Barley Council. We believe the Canadian Seed Trade Association will also provide some very helpful testimony to the committee on a number of fronts.

The less-discussed element of Bill C-18 that we believe deserves attention, and indeed praise, is the portion that provides CFIA with the authority to consider foreign reviews, data, and analyses during approval or registration of new products in Canada.

• (1215)

A key challenge moving forward for the CFIA will be their efforts to streamline and modernize the approvals process. We know that the number of approvals for consideration by the CFIA will continue to rise. This is good news. It clearly demonstrates modernization and confidence in Canada.

The challenge will come in assuring that these approvals and registrations are considered in a timely and predictable manner. Canada needs to work with other nations that adhere to global standards on science-based regulation. There's absolutely no need for Canada to collect a second set of data, perform yet another review, and conduct yet another analysis when it has already been performed by another nation whose standards meet ours. It is needless waste and duplication that can and should be eliminated.

By explicitly granting this authority to the CFIA, Canadian consumers will be far better served, and Canada continues to become an attractive place to invest and do business due to a predictable, timely, science-based regulatory system. It's a common-sense step forward that we support fully.

To conclude, Mr. Chair, as one of the leading agricultural producers and exporters in the world, we believe it's critical that Canada modernize its legislative framework to encourage innovation and investment. To do otherwise would be a tremendous disservice to Canadian farmers, consumers, and our economy as a whole.

The potential for Canadian agriculture is immense. There's a growing world population that is anxious for quality Canadian agriculture and agrifood exports. We have the land, the climate, and the people to fill that need. There's never been a better time to be part of agriculture in Canada. To realize our potential, however, we have to constantly move forward and modernize, keeping pace with our global competitors. Bill C-18 is an important step in that process.

Thank you, Mr. Chair. We would be pleased to answer any questions the committee has.

• (1220)

The Chair: Thank you very much.

Now I'll move on to William Van Tassel, please, for six minutes.

Mr. William Van Tassel (First Vice-President, Fédération des producteurs de cultures commerciales du Québec): Thank you very much for inviting my federation here.

I'll give my presentation in French, but I'll answer in whatever language you want, in either one of the two.

[*Translation*]

Founded in 1975, the Fédération des producteurs de cultures commerciales du Québec is made up of 14 regional associations that can be found anywhere in Quebec that grain is grown. The federation has more than 11,000 members. The grain sector generates about \$1.1 billion in farm income.

Let me give you a summary of grain production in Quebec.

In Quebec, almost a million hectares is devoted to grain production. For 2014, the area under cultivation is estimated at 910,000 hectares. The two main crops are corn and soybeans, with 39% and 38% of the total acreage respectively. The diagram in my presentation shows the relative extent of the principle grain crops in Quebec. Corn and soybean production is greater in the south and centre of the province. Other crops are more prevalent in regions to the north and the east.

Genetically modified crops take up about 300,000 hectares for corn, from a total of 355,000 hectares and 200,000 hectares for soybeans, from a total of 345,000 hectares. Almost 57% of the area under cultivation uses biotechnology, with the remainder using conventional production methods. For the first production method, the applicable legislation is the Patents Act, while for the second production method, the applicable legislation is the Plant Breeders' Rights Act, the PBRA. I will give you more details about that later.

I am now going to talk about our understanding of Bill C-18, and grain research.

Although Bill C-18 proposes changes to several laws related to the agricultural sector, the federation is particularly concerned with the proposed changes to the PBRA. The federation supports those changes, which would make the PBRA consistent with the 1991 convention of the International Union for the Protection of New Varieties of Plants (UPOV), which governs breeders' rights and protects the intellectual property resulting from research into the development of new crop varieties. This harmonization is necessary in an environment where research collaboration is increasingly global and no longer restricted by geographical borders.

Our position is also evident in our commitment to Partners in Innovation, which brings together 20 groups and represents most of the agricultural producers in Canada. Moreover, all partners welcome the update to the regulatory environment to bring Canadian laws into compliance with UPOV 1991.

The federation believes that protecting intellectual property can only encourage investment in research by various stakeholders in the grain industry, which will offset the reduction in public efforts in scientific agricultural research. It is also an incentive for researchers from different UPOV countries to make their research findings available to Canada, thereby promoting the diversity of genetic resources and the availability of varieties for Canadian and Quebec grain growers. With a diverse range of genetic resources, the industry can be more responsive to market needs and maintain farm competitiveness.

I would like to share a few figures that show the need for another law so that suppliers, that is to say those who produce the seed, are better protected. In 92% of cases, certified seed is used for canola crops. Of course, it is a hybrid and producers have to use it. The fact remains that in Canada the percentage of investment is 74% in the case of canola. For small-grain crops, barley and wheat among others, the percentage of producers who use certified seed is 18%. In total, private investment in small-grain production totals 2% in Canada. We can see that these crops need better protection if we want to see more investment.

I am now going to talk about genetic research in Quebec. Quebec has several public and private institutions that specialize in plant breeding research. These institutions work in the area of genetic selection and are the first to be affected by the section of Bill C-18 amending the PBRA.

These companies are relatively small compared to multinationals that produce and distribute grain seed. As mentioned previously, companies that target niche markets that do not use genetically modified crops are essential to ensure a seed supply to more northern parts of the province that are focused primarily on grain production.

• (1225)

These crops are less attractive to multinationals specializing in seed production because of the low return on investment and small market share compared to GM crops. This supports the arguments for such a research model in order to meet producers' needs for all grain crops. Better protection of plant breeders' rights is therefore essential to ensure the presence of small companies in the market.

In Quebec, our crop insurance forces us to use certified seed.

I will now discuss the federation's involvement in the grain network and the link with everything involving the PBRA.

In Quebec, cash crop producers contribute to grain research through levies on grain sales. A research fund, managed by the federation, was created to co-fund the CEROM, Centre de recherche sur les grains, a grain research centre. The federation also funds the Canadian Field Crop Research Alliance.

Since I have to pick up the pace, I am becoming nervous.

[English]

The Chair: You're well, well over. We won't have time for questions if we keep going.

As the committee knows, we'll go in camera for business at 12:45 or so.

Madame Raynault, you have five minutes, please.

[Translation]

Ms. Francine Raynault (Joliette, NDP): Thank you, Mr. Chair.

There are about 15 minutes left for questions. That is not much time.

Ms. Gagnon-Légaré, you said that seed was used to create new varieties, and that these were the outcome of the work of several generations of farmers. Could you tell us more about that, please?

Ms. Ariane Gagnon-Légaré: In fact, from the beginning, humanity has co-evolved with its environment. I am not an historian, but a biologist. We know that in the beginning, human beings were more nomadic. They began to select seeds and fruit in their environment. Since that time, they have contributed to creating biological varieties.

So this work has been going on for thousands of years and was not subject to obtaining a plant variety certificate. To a certain extent, when individuals or a business appropriate a seed, that is not recognized.

Moreover, it is that development which took place in the whole of humanity over thousands of years that leads our organization to support the recognition of seed as a common good that belongs to humanity.

• (1230)

Ms. Francine Raynault: You know that industrialization reduced the number of potato varieties. We know that in Ireland, for instance, there was a serious problem in that regard and a lot of Irish people came to live in Canada.

It is possible that farmers' prerogatives might be curtailed and lead to a certain food insecurity. What do you think?

Ms. Ariane Gagnon-Légaré: Yes, that is what we think, to some degree. There is a program under the United Nations' Convention on Biological Diversity to deal with this very issue. Historically, if you look at the trends over the past decades, you see a decrease in agricultural biodiversity and a homogenization of genetic stocks.

In fact, when this capacity to choose and share seed belongs to a greater number of actors, we see greater biological diversity. It is through these processes that biological diversity was created, and not through plant variety certificates or the patents that are being promoted today.

Ms. Francine Raynault: So it is important for us to maintain our food sovereignty if we want to avoid famines.

Ms. Ariane Gagnon-Légaré: That is our first concern.

Ms. Francine Raynault: Mr. Van Tassel, you wanted to add some things to your presentation.

What would you like to add that you did not have time to tell us?

Mr. William Van Tassel: In Quebec, crop insurance requires the use of certified seed. For that reason, companies invest because there is a certain return on their investment. There are some small companies in Quebec, but there are also research centres such as Ceresco, Semican et Céréla. The producer has to pay a levy on the seed. This funds research and related work. That is what I meant. This is done elsewhere, to some extent.

This act will mean that the companies will focus more on grain. Personally, I farm in northern Quebec, in the Lac-Saint-Jean area. We produce grain. More work needs to be done to increase yields and to develop varieties that have a certain resistance.

You mentioned the disease that blighted the potatoes in Ireland. In a case like that one, you would need something that would bring about improvement, that is to say a company that would work to make the potato resistant to the disease.

And that is in summary why we need people who work on developing new varieties that are good for the producers, and for everyone generally.

For instance, regarding wheat, we could develop plants that are resistant to fusariosis, but that would require some considerable investments.

Ms. Francine Raynault: That is correct.

I believe that in Saint-Amable they can no longer produce potatoes because there is a disease in the soil. Potatoes are no longer viable in that area.

[English]

The Chair: Thank you very much.

I'll go to Mr. Dreeshen, please, for five minutes.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair.

Welcome to all of our guests. I have just a couple of things.

We've talked about food security and we've talked about biodiversity.

Mr. Van Tassel, you were speaking about some of the advances in Quebec and how corn and soybeans are key components. Of course, you also talked about the significance of the yield increases that you've had because of GMOs and other opportunities and advancements.

Also, Ms. Gagnon-Légaré, I believe that you are taking the opposite approach on these types of things with the way you have spoken about your concerns about agriculture and how it doesn't follow some anthropological and historical approach.

I guess I'm looking at the conflict that both organizations must have in order to advance this further, because we have had people who have come forward with petitions to say that you want to save your seed, which of course is what this is designed to do, but we have all these conflicting issues.

Mr. Van Tassel, one of the things you mentioned that I found very significant was that for your crop insurance you needed to have

certified seed. You must have a great bank of information with respect to yields you're getting by using the certified seeds versus what you would get with second-generation seeds. Do you have information in that regard?

• (1235)

Mr. William Van Tassel: We don't have information, really, from our crop insurance; the Financière agricole takes care of our crop insurance. We do not have information because normally the farmer is obliged to use certified seed, so right away if you have a problem and you're not using certified seed, well, you don't have a payment. Normally they have to get it.

Like I was saying, though, and like you're talking about, corn has been a hybrid since the 1930s. The yield increase is around 2% per year. Wheat is not really...well, now it's going to be a little more protected for the breeders, but on the yield increase, if it's 1%, it's the maximum, and it's probably less than that. As for what we're seeing in Quebec and why there's so much more corn than soybeans, it's because of the return on investment for the farmers. It's not there for wheat, barley, or oats, because the increase in yields is not there as much.

Mr. Earl Dreeshen: Mr. Prouse, you were talking about some of the groups in your organization and the things they're looking at as far as increase of crop yields and crop resistance go, and also working as the global trade demands.

I'm just wondering if you could describe how the proposed changes in plant breeders' rights will encourage investment in research and development.

Dr. Stephen Yarrow (Vice-President, Biotechnology, CropLife Canada): I think my colleague Dennis Prouse explained fairly well in his presentation that the plant breeders' rights do increase the possibility for greater investment in Canada and greater innovation and so on. It's about protecting the investments. That's the key thing for us.

Mr. Earl Dreeshen: Are we going to start finding more plant breeders coming into Canada, then, and developing products that are made for the Canadian market?

Dr. Stephen Yarrow: That's what our members are informing us of. That's what we anticipate, yes.

Mr. Earl Dreeshen: So these are the positive aspects you see with regard to that?

Dr. Stephen Yarrow: Yes.

Mr. Dennis Prouse: Just to elaborate on that very quickly, globally there's competition. I alluded to that a little. In fact, our member companies will tell you that there's competition within their companies: what country is going to receive that investment? Is it going to be Canada? Is it going to be Argentina? Is it going to be Brazil? Is it going to be the United States?

That's why Canada has to be the most attractive place that it can possibly be to attract this investment. As I say, that agricultural innovation is taking place. There is growth, there is innovation, and it's going to take place somewhere. We'd like it to be in Canada.

Mr. Earl Dreeshen: You were talking about the CFIA and different foreign reviews. I wonder if you could expand upon that.

Mr. Dennis Prouse: I'll let Stephen answer that.

Dr. Stephen Yarrow: Personally, that's the most exciting part of these proposed amendments from our perspective, so just very quickly, to create a plum of novel traits through biotechnology or other modern plant breeding techniques, a number of steps need to take place to ensure safety: the environmental assessment, the food safety assessment, and the feed safety assessment.

Bill C-18 has a proposal specifically for the feed side of it to allow the regulators to take into account safety assessments done by other jurisdictions. We think that is going to be extremely encouraging, provided of course that the standards of those other jurisdictions are equivalent to Canada's, that this is going to be very beneficial for our member companies and other developers of products of modern plant breeding. It will save resources, both from the developers' perspective in terms of the information they would be submitting to the regulators, and also, in our view, on the regulators' side because they're not having to duplicate the risk assessments that are done by other jurisdictions that have equivalent—

• (1240)

The Chair: Thank you very much, Mr. Dreesen.

Now I will move to Mr. Eyking for five minutes, please.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Thank you, Chair.

Thank you, guests, for coming.

As many of you know, our country needs some modern legislation, and this bill has a lot in it. I guess, in a way, it would have been better to separate some of the bill because recently when dealing with witnesses it's mostly been UPOV; that seems to be the main issue here. At the end of the day, every time we bring in witnesses, that's where it goes. As was mentioned before, we seem to have two different philosophies. Some would say it's all or nothing to be with the rest of the world, and then we have other groups coming forward here that are not happy at all and would sooner just see the thing removed.

That's not going to happen at the end of the day. As a committee, we are going to try to have some amendments here that could probably work for everybody. That's usually the problem we have, as a committee.

That being said, with CropLife—and I know you represent a lot of big companies and companies that produce the seed—do you think there is any wiggle room to change some of terminology so we can all be half-satisfied in this country with this new bill? The minister said he was open to changing some of the wording on rights and privileges and whatnot.

Mr. Dennis Prouse: I read that as well, and I gather some of those changes would be about farmer-saved seed. I really believe that our friends at the Canadian Seed Trade Association could best address them.

I guess, Mr. Eyking, we're looking at this from more of a 40,000-foot level. What encourages investment in Canada, what recognizes innovation, what encourages innovation, and how might some of those compromises get made? Have we given a tremendous amount of thought to that? No. Have we given some thought to the fact that

Canada desperately needs to get in line with UPOV 91? Yes, we've given a lot of thought to that, and we think we do.

Hon. Mark Eyking: It's to not only to go to 40,000 feet but also to stay at ground level because that's where the soil is, right?

Mr. Dennis Prouse: Absolutely.

Hon. Mark Eyking: Mr. Van Tassel, you represent a large group of farmers and agricultural people in this country in Quebec. We've had witnesses before, talking about European countries because most European countries have this legislation for UPOV already. Some would say there are problems in France with that; a lot of farmers are against it.

Quebec and France have a lot of similarities besides language. There is passion for food; a lot of their food is produced locally. What do you know about what's happening in France and other European countries, and how are they dealing with UPOV? To put some of the naysayers at ease, what is your sense of the UPOV changes?

Mr. William Van Tassel: For Quebec, when you look at UPOV and the changes between 1978 and 1991, I do not think it's a huge concern. I'm talking about some small farmers; I don't think they know too much about it, but for the average farmer in Quebec, I don't think it's a huge difference. The farmer's ready to pay \$250 a bag for corn. Why? It's because he'll have a return on his investment. He's ready to pay an amount for certified seed as long as he has a return on investment.

We have had an obligation to use certified seeds since 1991 to have crop insurance, so for us, I don't think it will make a huge difference. Most of the farmers use crop insurance. For some soybeans, yes, the farmer goes around it and doesn't use it. Anyway, he hides it there, but normally the majority do it, so I don't think it will make a huge difference to the farmers of Quebec.

Maybe Salah could talk about that because France is far away from where I live, and I don't know what's happening there.

[*Translation*]

Ms. Salah Zoghalmi (Advisor, Agronomic and Research, Fédération des producteurs de cultures commerciales du Québec): Forgive me, but I am going to have to speak French, because I find it easier to communicate my ideas that way.

In France, like everywhere else in the world, we always have to weigh the pros and cons of laws or new bills. Basically, all of the statistics in the world indicate that by 2050, the world's population will have reached 9 billion. World agricultural production will thus have to be double what it is now. Consequently, for the same parcel of land, we have to double our potential.

Of course, there is mechanization and technology, but we also have to take into account the plant's potential, in this sense that it has to produce more. For it to produce more, there has to be more research, and we have to put more effort into it. In order to put more effort into things, we have to have a guarantee that there will be a reward. It is quite a simple equation.

The objective of food safety is to be able to feed everyone. The farmer is the main actor in all this, and we must have productive agriculture. In order to have productive agriculture we must have the necessary tools. Consequently we must have genetic plant material that meets market needs and consumption needs. Be it in France or elsewhere, I think that logic has to prevail over any ideological or nostalgic speculation.

•(1245)

[*English*]

The Chair: Thank you, Mr. Eyking.

I want to thank the witnesses for being a part of this hour.

We will now go in camera to discuss committee business.

[*Proceedings continue in camera*]

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