

Appearance Before Members of the Standing Committee on Agriculture and Agri-Food

Advancements of Technology and Research in the
Agriculture Industry that can Support Canadian
Exports



42nd Parliament, 1st Session

Tuesday, May 8, 2018, 1:45 p.m.

Roundtable with Stakeholders at the University of Guelph

Chris Davison

FIRST, LET ME THANK THE CHAIR, VICE-CHAIRS AND MEMBERS OF THE COMMITTEE PRESENT FOR THE OPPORTUNITY TO MEET WITH YOU TODAY AND THE FLEXIBILITY WITH YOUR SCHEDULING AS I WAS UNABLE TO JOIN YOU IN OTTAWA LAST WEEK.

MY NAME IS CHRIS DAVISON, AND I AM THE HEAD OF CORPORATE AFFAIRS WITH SYNGENTA CANADA WHOSE HEAD OFFICE IS BASED HERE IN GUELPH.

BEFORE I MAKE MY OPENING REMARKS I WOULD LIKE TO EXTEND CONDOLENCES ON THE LOSS OF YOUR COLLEAGUE AND FELLOW MP GORD BROWN LAST WEEK.

BY WAY OF BACKGROUND, SYNGENTA IS A LEADING AGRICULTURE COMPANY HELPING TO IMPROVE GLOBAL FOOD SECURITY BY ENABLING MILLIONS OF FARMERS TO MAKE BETTER USE OF AVAILABLE RESOURCES. THROUGH WORLD-CLASS SCIENCE AND INNOVATIVE CROP SOLUTIONS, OUR 27,000 PEOPLE IN OVER 90 COUNTRIES ARE WORKING TO TRANSFORM HOW CROPS ARE GROWN.

AT SYNGENTA, WE LOOK AT FARMING FROM THE GROUND UP TO DEVELOP INNOVATIVE SOLUTIONS THAT TRANSFORM THE PERFORMANCE OF FARMS AND ARE FOCUSED ON CREATING A STEP-CHANGE IN FARM PRODUCTIVITY AND RESOURCE EFFICIENCY.

THE SYNGENTA CANADA TEAM IS ALMOST 300 PEOPLE STRONG, SUPPORTING PRODUCTS AND SERVICES FOR THE COUNTRY'S MAJOR CROPS, INCLUDING WHEAT, BARLEY, CANOLA, CORN, POTATOES, PULSES, SOYBEANS AND SPECIALTY CROPS.

WE ARE PLEASED TO SEE THE COMMITTEE UNDERTAKE THIS STUDY AND RECOGNIZE THE IMPORTANCE OF ADVANCEMENTS OF TECHNOLOGY AND RESEARCH IN AGRICULTURE, AND THEIR IMPORTANCE TO INNOVATION, THE SUCCESS OF THE SECTOR AND SUSTAINABLE AGRICULTURE, INCLUSIVE OF THE LARGER CANADIAN ECONOMY.

AS THE SECOND REPORT OF THE GOVERNMENT OF CANADA'S ADVISORY COUNCIL ON ECONOMIC GROWTH, MORE COMMONLY KNOWN AS THE BARTON REPORT, ARTICULATED SO EFFECTIVELY, CANADA IS WELL POSITIONED TO TAKE A LEADING ROLE IN GLOBAL AGRICULTURAL INNOVATION AND IS ONLY BEGINNING TO REALIZE ITS FULL EXPORT POTENTIAL. AT THE SAME TIME, THE BARTON REPORT IDENTIFIED A NUMBER OF OBSTACLES OR BARRIERS TO REALIZING THIS VISION INCLUDING PRODUCTIVITY AND EXPANDING TRADE.

IT IS AGAINST THIS BACKDROP THAT WE OFFER THE FOLLOWING COMMENTS FOR THE COMMITTEE'S CONSIDERATION.

FOR SOME TIME NOW, THE AGRI-FOOD SECTOR HAS CALLED FOR IMPROVEMENTS TO VARIOUS ASPECTS OF CANADA'S REGULATORY REGIME IN ORDER TO ENCOURAGE INVESTMENT AND INNOVATION AND SUPPORT IMPROVED TRADE AND MARKET ACCESS. AS SUCH, WE SUPPORT THE RECENTLY ESTABLISHED AGRI-FOOD ECONOMIC STRATEGY TABLE'S CALL FOR A FORWARD-LOOKING, SYNCHRONIZED REGULATORY SYSTEM THAT SUPPORTS THE DEVELOPMENT AND COMMERCIALIZATION OF INNOVATIVE PRODUCTS AND THE RECOMMENDATIONS PUT FORWARD BY THE ADVISORY COUNCIL ON ECONOMIC GROWTH TO MODERNIZE CANADA'S REGULATORY AND TAX REGIMES SO THEY PROMOTE MORE INVESTMENT AND INNOVATION, ENABLING ENTERPRISES TO PURSUE GROWTH OPPORTUNITIES.

THE \$11.5 MILLION DOLLARS EARMARKED FOR REGULATORY REVIEW IN KEY CANADIAN SECTORS IN THE 2018 FEDERAL BUDGET PROVIDES A MEASURE OF SUPPORT TO ADVANCE THE AFOREMENTIONED RECOMMENDATIONS. WE ARE PLEASED TO SEE THAT CANADA'S AGRI-FOOD SECTOR WILL BE GIVEN PRIORITY DURING THIS REGULATORY REVIEW AND ENCOURAGE THE GOVERNMENT TO USE THIS OPPORTUNITY TO ADDRESS A NUMBER OF REGULATORY ISSUES.

WHILE WE APPRECIATE THAT BUDGET 2018 INCLUDES FUNDING FOR AN AGRI-FOOD REGULATORY REVIEW, SIGNIFICANT, NEW, LONG-TERM, PREDICTABLE FUNDING IS ALSO REQUIRED TO ENSURE THAT NATIONAL REGULATORS HAVE THE RESOURCES REQUIRED TO CONDUCT TIMELY PRE- AND POST-MARKET REGULATORY WORK, TO SUPPORT REGULAR DOMESTIC AND INTERNATIONAL ENGAGEMENT WITH VARIOUS STAKEHOLDERS, INCLUDING REGULATORS IN OTHER JURISDICTIONS, AS WELL AS PROVIDE ONGOING TRAINING REQUIRED TO KEEP THE AGENCIES AND THEIR STAFFS ON THE LEADING EDGE OF A SECTOR THAT IS AND WILL CONTINUE TO UNDERGO SIGNIFICANT TECHNOLOGICAL CHANGE AND ADVANCEMENT.

THIS IS NOT THE SITUATION TODAY. IN FACT, IT IS OUR UNDERSTANDING THAT AT LEAST ONE REGULATOR IS RELIANT ON A LINE DEPARTMENT TO SECURE INCREMENTAL RESOURCING. WHILE COLLABORATIVE, SUCH A PRACTICE IS NOT INDICATIVE OR EMBLEMATIC OF A WORLD-CLASS REGULATORY SYSTEM THAT IS AND NEEDS TO BE HELD UP AROUND THE WORLD AS A CALLING CARD FOR THE CANADIAN AGRI-FOOD SECTOR.

PREVIOUS WORK OF THIS COMMITTEE HAS ALSO HIGHLIGHTED THE IMPORTANCE OF IMPROVING MARKET ACCESS BY REDUCING NON-TARIFF TRADE BARRIERS.

TO ACHIEVE THIS GOAL, ONE OF THE THINGS THE COMMITTEE SUGGESTED WAS THAT THE GOVERNMENT PROMOTE AND DEFEND RULES AND SCIENCE-BASED TRADE ON THE INTERNATIONAL STAGE, WHICH WE SUPPORT.

THE NEED FOR REGULATORY ALIGNMENT WITH OTHER JURISDICTIONS, ESPECIALLY THOSE WITH WHOM CANADA ENJOYS A TRADING RELATIONSHIP, IS CRITICAL TO THE AGRI-FOOD INDUSTRY'S ABILITY TO BRING NEW INNOVATION AND TECHNOLOGY TO CANADIAN GROWERS.

ECONOMIC PROSPERITY IN CANADA'S RURAL COMMUNITIES DEPENDS SIGNIFICANTLY ON THE SUCCESS OF FARMERS. CANADIAN FARMERS COMPETE IN A GLOBAL MARKET. AS SUCH, IT IS IMPERATIVE THAT THEY HAVE SUPPORT TO OVERCOME BARRIERS TO SUCCESS. TO DATE, CANADA'S FREE TRADE AGREEMENTS HAVE DONE WELL TO REDUCE OR ELIMINATE TARIFFS, BUT THERE IS SIGNIFICANTLY MORE WORK TO BE DONE TO ADDRESS NON-TARIFF TRADE BARRIERS (NTBs).

AS THE NUMBER OF BILATERAL TRADE AGREEMENTS INCREASE, THERE ARE CORRESPONDING IMPLICATIONS ON OTHER SYSTEMS, INCLUDING TECHNICAL AND REGULATORY SYSTEMS.

NTBs ARE A BURDEN TO CANADA'S AGRICULTURAL SECTOR AND A DISINCENTIVE TO GROWTH AND INNOVATION. THEY ARE PARTICULARLY ACUTE IN TRADE AND EXPORT DEPENDENT SECTORS OF THE ECONOMY, AS IS THE CASE WITH CANADIAN CROP PRODUCTION. WHILE WE LAUD AND SUPPORT THE CONSTRUCTIVE ROLE THE GOVERNMENT OF CANADA HAS AND CONTINUES TO PLAY ON ISSUES SUCH AS ASYNCHRONOUS REGULATORY APPROVALS AND LOW LEVEL PRESENCE (LLP), MORE WORK IS REQUIRED ON THESE FILES AS WELL AS THE ESTABLISHMENT AND HARMONIZATION OF MAXIMUM RESIDUE LIMITS (MRLs), WHICH ARE INTENDED TO FACILITATE AND NOT INHIBIT TRADE FOR CANADA'S CROP PRODUCTION SECTOR.

ULTIMATELY, IF NEW PRODUCTS ARE NOT ABLE TO BE COMMERCIALIZED AND FULLY DEPLOYED, IN DOMESTIC AS WELL AS EXPORT MARKETS, RESOURCE ALLOCATION FOR FUTURE RESEARCH AND DEVELOPMENT EXPENDITURES IS LIKELY TO SUFFER.

ON THE SUBJECT OF RESEARCH AND DEVELOPMENT, SYNGENTA INVESTED APPROXIMATELY \$1.3 BILLION GLOBALLY ON RESEARCH AND DEVELOPMENT IN 2016, AN INVESTMENT COMMITMENT THAT INCLUDES SOME 5,000 SCIENTISTS AND 120 RESEARCH CENTRES AROUND THE WORLD. AS PART OF THIS INVESTMENT, CANADA IS HOME TO A NUMBER OF MAJOR RESEARCH SITES AND TYPICALLY CONDUCTS HUNDREDS OF RESEARCH TRIALS ACROSS THE COUNTRY EACH YEAR TO DRIVE AND SUPPORT INNOVATION.

OUR CONTRIBUTIONS TO ADVANCEMENT OF TECHNOLOGY AND RESEARCH ENCOMPASS REGULATORY AFFAIRS AND PRODUCT SAFETY, CROP PROTECTION AND SEEDS FIELD DEVELOPMENT, BREEDING, FORMULATION AND APPLICATION TECHNOLOGY, SEEDCARE, AND OTHER AREAS AND FUNCTIONS WORKING TOGETHER TO DELIVER INNOVATIONS FOR CANADIAN FARMERS, THAT ARE BASED ON CHEMISTRY, BREEDING AND TRAIT TECHNOLOGY PLATFORMS FOCUSED ON ADDRESSING NATURE'S ROADBLOCKS TO PRODUCTIVITY AND EFFICIENCY, BE THEY BIOTIC (BIOLOGICALLY OCCUR IN NATURE – WEEDS, DISEASES, INSECTS) OR ABIOTIC (NATURAL BUT NOT BIOLOGICAL – WEATHER, TEMPERATURE, ETC.).

I MENTION THE CONTRIBUTION OF PLANT BREEDING TO THE DEVELOPMENT OF SHORT SEASON VARIETIES TO SUPPORT THE SIGNIFICANT EXPANSION OF SOYBEAN ACRES IN WESTERN CANADA AND RESEARCH AND DEVELOPMENT EFFORTS IN SUPPORT OF HYBRID WHEAT, AS JUST TWO EXAMPLES OR ILLUSTRATIONS OF CURRENT ADVANCEMENTS THAT ARE AND/OR HAVE THE POTENTIAL TO SUPPORT CANADIAN EXPORTS.

WE ALSO WANT TO CONTINUE TO EMBRACE NEW TECHNOLOGIES TO ADVANCE THE SECTOR BE THEY DIGITAL BUILDING BLOCKS, ADVANCES IN SCIENCE, OR REFORMS TO THE PHYSICAL.

TWO EXAMPLES IN THIS SPACE INCLUDE RNAi TECHNOLOGY, WHICH ACTS THROUGH A NATURAL CELL PROCESS AND OFFERS NEW MODES OF ACTION FOR PEST CONTROL USING NATURALLY OCCURRING SUBSTANCES AND ANALYTICS WHICH CAN BE USED TO SUPPORT BETTER PRODUCT PLACEMENT, FASTER TRAIT CONVERSION AND IMPROVED YIELD.

THAT SAID, IT IS OUR VIEW THAT THERE IS SIGNIFICANT ROOM FOR IMPROVEMENT IN THE ESTABLISHMENT, ALIGNMENT, FUNDING, AND FRAMEWORKS TO SUPPORT THE ADVANCEMENTS OF TECHNOLOGY AND RESEARCH, AND ULTIMATELY CANADIAN EXPORTS, THAT WE ALL WANT TO SEE. THIS IS PARTICULARLY ACUTE AND NECESSARY WHERE THERE IS AN EXPECTATION THAT ACCOMPANYING INVESTMENTS AND OUTPUTS ARE AND SHOULD BE INDUSTRY-LED. WHEN SPEAKING WITH SOME OF MY COLLEAGUES IN ADVANCE OF MEETING WITH YOU TODAY, THEY WERE HARD PRESSED TO ARTICULATE WHAT THAT PROCESS IS AND LOOKS LIKE TODAY AS IT RELATES TO CANADIAN CROP PRODUCTION AND ADJACENT AREAS OF INTEREST.

BY WAY OF CONCLUSION, CANADA EMBODIES A UNIQUE COMBINATION OF FACTORS THAT IMPACT PRODUCTION AGRICULTURE INCLUDING FARM SIZE, VARIABILITY IN CLIMATIC CONDITIONS, MECHANIZATION AND TECHNIFICATION. TAKEN TOGETHER, THESE AND OTHER FACTORS REINFORCE THE STRATEGIC AND PRACTICAL IMPORTANCE OF CANADIAN PRODUCTION AND ITS PLACE IN GLOBAL AGRICULTURAL INNOVATION.

AT THE SAME TIME, WE WOULD DO WELL TO REMEMBER THAT WHILE THE CANADIAN AGRI-FOOD SECTOR IS INTEGRAL TO OUR ECONOMIC PERFORMANCE, CONTRIBUTING APPROXIMATELY 1 IN 8 CANADIAN JOBS AND 6.6% OF CANADA'S GDP, IN THE GLOBAL CONTEXT CANADA IS RELATIVELY SMALL AND THE INCREMENTAL COSTS AND INVESTMENTS ASSOCIATED WITH COMMERCIALIZING INNOVATIVE PRODUCTS AND TECHNOLOGIES IS NOT ALWAYS FAVOURABLE. THIS IS BORNE OUT IN PART BY THE FACT THAT CANADA CURRENTLY RANKS NEAR THE BOTTOM OF OECD COUNTRIES FOR BUSINESS EXPENDITURE ON RESEARCH AND DEVELOPMENT.

IN AN EXTREMELY COMPETITIVE GLOBAL ENVIRONMENT, INNOVATIVE PRODUCTS AND TECHNOLOGIES ARE CRITICAL, PERHAPS EVEN MORE SO TO SMALLER MARKET ECONOMIES LIKE CANADA. THEY ARE ALSO INTEGRAL TO MAINTAINING COMPETITIVENESS WITH OTHER JURISDICTIONS, MOST NOTICEABLY IN CANADA'S CASE, THE UNITED STATES. IF OUR FARMERS DO NOT GET AND/OR MAINTAIN ACCESS TO THE LATEST CROP PRODUCTION INNOVATIONS AND TECHNOLOGIES AT THE SAME TIME AS OTHER JURISDICTIONS WITH WHOM WE BOTH TRADE AND COMPETE, THEY WILL BE SIGNIFICANTLY DISADVANTAGED.

AS THE MAJORITY OF PRIMARY AGRICULTURE PRODUCTION IN CANADA IS EXPORTED, IT IS CRITICAL THAT CANADA BE AT THE FRONT END OF THE INNOVATION AND ADOPTION CURVE TO KEEP OUR GROWERS COMPETITIVE AND OUR STATUS AS ONE THE WORLD'S LARGEST AGRICULTURAL EXPORTERS, AND WITH AMBITION TO GROW.

THANK YOU FOR YOUR TIME. I LOOK FORWARD TO THE DISCUSSION.

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