

**Syngenta Submission to the Standing Committee on Finance –  
Growing Stronger: Aiming for Resilience in our Canadian Food System**

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**Date:**

July 30, 2020

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Dear Members of the Standing Committee on Finance,

In response to your call for submissions for the 2021 budget, Syngenta Canada is pleased to present our ideas for how the Government of Canada can foster resilience, competitiveness, and sustainability in Canada's food system as the Canadian economy recovers from the COVID-19 pandemic.

Our recommendations highlight small but consequential regulatory changes that will bolster Canada's food supply while preserving the quality of crops, without causing undue damage to the environment. These minor changes will help unleash the potential of the Canadian agriculture and agri-food sector, which represents 7.4% of contemporary economic growth and 1 in 8 Canadian jobs.

Syngenta Canada is committed to the safe and effective development of crop protection products that keep production and consumption costs low for farmers and everyday Canadians. We hope the Committee will consider our submission.

Sincerely,

Syngenta Canada

## Summary

To improve competitiveness and reach the government's stated goal of increasing our agriculture and agri-food exports to \$75 billion annually by 2025, the following key recommendations are made:

- Health Canada amend the strategic priorities and mission statements of both the Pest Management Regulatory Agency (PMRA) and the Canadian Food Inspection Agency (CFIA) to include the facilitation of competitiveness and innovation as core parts of their mandate. Consideration of economic impact (without negating their primary remit of protecting the health and safety of Canadians and the environment)
- Health Canada act immediately to complete Treasury Board's regulatory roadmaps and work with industry to enact modernized regulatory policies for plant breeding innovations, including gene editing, to help spur investment and innovation in the Canadian plant sciences sector.

## Introduction

Syngenta AG is a global leader in agricultural technology at the forefront of sustainable farming development and innovation. Syngenta has dedicated \$2 billion globally over five years to innovation targeted at delivering change in agricultural stability and adapting agriculture to meet the goals of the Paris Agreement on Climate Change. Syngenta Canada's team is nearly 300-strong, supporting products and services for the country's major crops, including wheat, barley, canola, corn, potatoes, soybeans, and specialty crops.

Syngenta has been a proud part of the agriculture innovation agenda, enhancing Canadian competitiveness and trade. We are research and industry innovation leaders, with a global commitment to deliver at least two technological breakthroughs to the market each year, supporting sustainable and responsible agriculture through initiatives like the Good Growth Plan ([www.goodgrowthplan.com](http://www.goodgrowthplan.com)).

The COVID-19 pandemic has given us all an opportunity to see our agricultural sector respond to a global crisis. It has presented an opportunity to better understand what parts of our regulatory frameworks need updating to promote economic growth in the COVID-19 recovery period.

## Sustainable Agriculture and Innovation

Pesticides and biotechnology are important tools that help farmers to contribute to an economic and environmentally balanced farming operation, which can help Canada achieve its Sustainable Development Goals. Agricultural productivity can increase without using more land or water when growers are able to protect their crops from insects, weeds, and diseases through agricultural innovation. In turn, this contributes to Canada's economy, feeds both local and global populations, and leaves more wildlife habitats, forests, wetlands, and grasslands untouched.

In Canada, it is estimated that food production would fall by some 40% without pest control products.<sup>1</sup> These technologies contribute to the health of crops and enable the crop to deal with abiotic stress such

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<sup>1</sup> RIAS Inc. The Value of Plant Science Innovations to Canadians. 2015.

as cool soil temperatures, dry conditions, and other environmental stresses throughout the growing season.

Enhanced farm productivity contributes to an affordable food supply. Today, Canadians spend approximately 10% of their income on food, which is down from approximately 18% in the 1960s. Without pest control products and other modern agricultural technologies, it is estimated that consumers would pay up to 55% more for food – roughly \$4,400 per family each year.<sup>2</sup>

Pesticides play an important role in the sustainable intensification of land currently being farmed. Without the use of pest control products and plant biotechnology, it is estimated that Canada would need to turn 35 million more acres into agricultural land to generate the same production it currently does, more than the total area of New Brunswick, Nova Scotia and P.E.I. combined.<sup>3</sup> The ability to improve productivity means growers can produce more food without expanding the land base needed for agricultural production, which protects biodiversity.

### **Agricultural Sector – Engine for Growth**

Canada's agricultural sector is a major component of Canada's economy, accounting for nearly 1 in 8 jobs and 7.4% of Canada's GDP. The agriculture sector has significant room for growth, highlighted in the greater than 3% annual growth targets proposed in the Report of Canada's Agri-Food Strategy Tables (The Barton Report<sup>4</sup>). Currently, however, the Report shows that the Agricultural sector is disadvantaged by "...internal regulatory barriers that hinder competitiveness."

In measures of the Global Competitiveness Index, Canada ranks 14<sup>th</sup> among OECD countries, partly due to substantial regulatory burden on agricultural companies. The Report recommends that Canada needs to "...fundamentally transform regulatory processes to bolster Canada's agri-food competitiveness by reforming regulators' mandates to include innovation, growth and overall sector competitiveness as a core consideration."

To achieve this, and to attain the Report's goal of making Canada a top 10 country in the OECD on ease of government regulations, Syngenta has compiled recommendations that we believe will help push the Agricultural sector to realize its full potential, and the high level of economic growth we know is possible.

### **Recommended Regulatory Changes for a Post-COVID-19 Canada**

In a post-COVID-19 Canada, our economy will need significant support from government and key corporate players to ensure a return to strong growth. The altering, clarifying, or transparentizing of regulations and regulatory practices could have significant positive impacts on the economy by providing a clearer framework for agricultural companies in which to operate. As such, Syngenta offers the following recommendations for targeted regulatory reviews, on the Red Tape Reduction Act, and on legislative changes to regulator mandates for improving the regulatory framework for Canada's crop technology industry.

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> <https://www.budget.gc.ca/aceg-ccce/home-accueil-en.html>

## ***Targeted Regulatory Reviews***

### **Crop Protection**

As the pandemic has shown, strong international collaboration is key to good policy. Additionally, through their pandemic response, the Government of Canada has demonstrated the value of public consultations, the importance of making changes to policy when needed, and the efficacy of targeted policies. Syngenta recommends the following approaches to the crop protection products re-evaluation program and international standards:

- Make improvements to the scoping period that precedes the initiation of a re-evaluation
- Develop and publish separate proposed risk assessments and risk mitigation plans and allow for public consultation on each, prior to publishing final decisions
- Consider more targeted cyclical re-evaluations rather than re-evaluations that are focused on all aspects of health, environment, and value standards for individual active ingredients
- Actively pursue opportunities to strengthen collaboration with other regulatory agencies; specifically, the US Environmental Protection Agency (EPA) in order to share the workload of post-market regulatory reviews and to harmonize (where possible) regulatory decisions with Canada's largest trading partner and agricultural competitor
- Canada should lead by example and adopt Codex Maximum Residue Levels (MRLs) where they exist and include provisions for harmonization of MRLs or acceptance of both countries' standards in trade agreements. Increased regulatory cooperation between Health Canada's Pest Management Regulatory Agency (PMRA) and the EPA on establishing MRLs is required as is increased funding and cooperation with key trading markets to help facilitate knowledge transfer and acceptance/harmonization of regulatory standards

### **Biotechnology**

To improve regulation clarity, Syngenta recommends the following approaches to advance the regulation of biotechnology in plant breeding:

- Clarify Canada's regulatory triggers for plants with novel traits, novel foods and feeds, so that plant breeders can confirm within a reasonable time frame whether their products are subject to pre-market assessment
- Support global regulatory alignment by moving Canada toward the approaches of our like-minded partners, including the US, Japan, and Australia. If countries do not align around a common regulatory approach for gene edited crops, the resulting complexity of the global trading environment will limit the use of a powerful genomic tool at a time when the agriculture sector can help countries recovery from COVID-19 related economic realities.
- The Canadian regulatory framework would benefit from a tiered approach to reviews and approvals, so that some products can move through the approval process quickly, with less onerous data requirements than products that are less familiar, while still being protective of human health and the environment.

- Legislative authority should be introduced into Acts that govern pre-market assessment and approvals of products of biotechnology (*The Seeds Act*, *The Feeds Act* and the *Food and Drugs Act*) to ensure that Canadian regulators can enter into mutual agreements and recognize equivalent approvals taken by other countries.

### ***Review of Red Tape Reduction Act***

Regulatory action is one of the main ways that government can ensure Canadian firms operate in the best interest of Canadians. Syngenta is happy to work with our regulators to ensure these standards are met. However, some regulatory measures are labour intensive without providing substantial value to the agri-food industry or to the protection of human and environmental health. These regulations often have the undesirable effect of rendering Canadian agricultural companies non-competitive in the international marketplace.

We request that the Health Canada and the regulatory bodies (e.g. PMRA, Health Canada, CFIA, etc.) consider the principles set out in the Treasury Board Secretariat's Policy on Limiting Regulatory Burden on Business when proposing regulatory or policy changes or requesting information from industry to avoid increased regulatory burden on the sector without any meaningful benefit to the health of Canadians or the environment.

### ***Legislating changes to regulator mandates***

Currently, the mandates of the PMRA, Health Canada, and CFIA do not include the innovation of the agri-food sector and competitiveness of Canadian farmers. As these agencies govern the availability of new technologies in the Canadian market their mandates should, with the appropriate balance, reflect the strategic economic importance of the agricultural sector.

We recommend that the Government of Canada formally amend the remit of these organizations to include provisions for competitiveness across their registration processes. Canadian growers must have access to the same technologies as the U.S. and other exporting nations to remain competitive. This can be achieved by a modernized regulatory framework that is optimized for environmental and societal benefits. The inclusion of a cost-benefit analysis in regulatory decision making would be a reasonable vehicle to achieve this goal.

### ***Investment in Rural Broadband in Support of the Agriculture Sector***

As the pandemic has shown, access to reliable, high-speed broadband internet is essential to the proper functioning of organizations and businesses of all kinds. Internet access is an important topic to the agricultural sector, in large part due to the rural location of many farmer and sector stakeholders

Promoting rural development has the potential to unlock \$2 trillion of annual economic output globally by 2030<sup>5</sup>, and the Government of Canada has the capacity to be a significant part of this. Syngenta recommends the federal government:

- Rollout broadband to all locations in Canada and fill the financial gap where there is not a business case for the private sector to do so.
- Introduce programs, funding, and incentives for technology adoption in Canadian businesses to improve productivity.

<sup>5</sup> [https://eiu Perspectives.economist.com/sites/default/files/Unleashingruraleconomies\\_0.pdf](https://eiu Perspectives.economist.com/sites/default/files/Unleashingruraleconomies_0.pdf)

Investments in this area will be critical to realizing the sector's potential in everything from digital and precision agriculture, to supply chain capacity to mental health.

## **Conclusion**

The current pandemic has highlighted the pressures on our agriculture systems. Agriculture can continue to be a driver for Canada's economy and unlocking and supporting innovation in our field will be key to achieving our economic and sustainability goals. There is now a real opportunity for Canada, as it rebuilds the economy, to create a modern, nimble, and well-resourced regulatory system that will support agriculture in our country for decades to come.