

February 14, 2019

Standing Committee on Industry, Science and Technology
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6

Re: Impacts of Canada's Regulatory Structure on Small Businesses

Dear Members,

The Canadian Canola Growers Association (CCGA) has been closely following the federal government's regulatory proposals related to small businesses. CCGA represents 43,000 canola farmers from Ontario to British Columbia on national and international issues, policies, and programs that impact farm profitability. Canola is a Canadian-made crop developed by researchers at the University of Manitoba and Agriculture and Agri-Food Canada in the 1970s. It is now the most widely planted crop in Canada, on a fifth of all Canadian cropland. In 2017, canola generated the highest farm cash receipts for any agriculture commodity.

More than 95% of Canadian farm corporations are family owned. Small business owners are the foundation of the Canadian canola industry. As a trade exposed industry, that exports over 90% of its production, our growers are price takers in the global marketplace. As a result, Canadian regulatory structures that could render farmers less competitive threatens the livelihoods of Canada's 43,000 growers, as well as the 249,000 jobs¹ and \$26.7 billion² the broader canola industry contributes to the Canadian economy every year. If Canada's agriculture industry is to reach \$75 billion in agri-food exports by 2025, as outlined in Budget 2017, a level playing field with global competitors is needed.

One of our industry's most important regulatory structures is enforced by the Pest Management Regulatory Agency (PMRA), and its enabling legislation, the Pest Control Products Act (PCPA). CCGA fully supports the PMRA in its mandate to protect the health of Canadians and the environment. The manner in which PMRA re-evaluates pesticides has strong impacts on our members' small business competitiveness and ability to innovate. Health and safety for Canadians and the environment must remain PMRA's top priorities. However, re-evaluations of pesticides should consider the economic impacts they will have on our members' small businesses.

¹ LMC International Ltd, *The Economic Impact of Canola on the Canadian Economy*, for the Canola Council of Canada (Oxford: 2016) at 17 online: < [http://www.canolacouncil.org/news/canola-now-worth-\\$267-billion-to-canadian-economy/](http://www.canolacouncil.org/news/canola-now-worth-$267-billion-to-canadian-economy/)>

² *Ibid* at 9

When cancellation of uses is proposed or decided upon, there is currently no consideration of the availability of viable alternatives or their impact on grower competitiveness. The PMRA has the mandate to do comparative analysis but does not do so as a time-saving measure to reduce the time required to reach a decision.

CCGA supports the Economic Strategy Tables' September 2018 joint interim report which identified the need 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."

Consistent with this call to action, the direction laid out in the Government of Canada's Fall Economic Statement 2018 includes supporting innovation through greater collaboration between regulators and business, as well as making competitiveness a permanent part of regulatory mandates.

If PMRA were to account for the competitiveness of the grains sector, including on re-evaluation and special reviews, it would have significant positive impacts on our members small businesses. It is absolutely critical that Canadian growers have and retain access to the same tools as competing exporters if aggressive export targets are to be met.

PMRA also has an increasingly important role in using its unique and specialized expertise in crop protection to advance Canada's trade and economic interests in the area of international trade and maximum residue levels (MRLs). CCGA is concerned that missing and misaligned MRLs are a growing obstacle to trade that threaten our competitiveness. Additional and dedicated PMRA resources are needed to advance the Canadian value chain's international interests at Codex and in other international MRL fora.

Thank you for consideration of this submission. Canola growers are committed to the highest standard of human health and environmental safety. We support the PMRA in its mandate and look forward to continued engagement with your committee in the future.

Sincerely,



Rick White
Chief Executive Officer
Canadian Canola Growers Association