



Promoting Economic Growth Through Agricultural Innovation

Submission to the House of Commons Standing Committee on Finance

Syngenta Canada Inc.

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INTRODUCTION

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 28,000 people in over 90 countries are working to transform how crops are grown. We are committed to rescuing land from degradation, enhancing biodiversity and revitalizing rural communities. Our ambition is to bring greater food security in an environmentally sustainable way by creating a worldwide step-change in farm productivity.

The Syngenta Canada team is approximately 275 people strong, supporting products and services for the country's major crops, including wheat, barley, canola, corn, potatoes, soybeans and specialty crops.

In 2013, we launched The Good Growth Plan (www.goodgrowthplan.com), which includes six specific commitments to help address critical challenges the world faces in feeding its population. In collaboration with others, we have committed to:

- Make crops more efficient;
- Rescue more farmland;
- Help biodiversity flourish;
- Empower smallholders;
- Help people stay safe; and
- Look after every worker.

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.

We are pleased to participate in this pre-budget consultation and to see that innovation and rural infrastructure are a part of this discussion.

What federal measures would help Canadians generally – and such specific groups as the unemployed, Indigenous peoples, those with a disability and seniors – maximize, in the manner of their choosing, their contributions to the country's economic growth?

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.

Recommendation 1: We ask the Government of Canada to continue their positive and constructive role on asynchronous regulatory approvals and LLP, and that they take additional steps to advance MRL establishment and harmonization internationally in order to facilitate trade.

What federal actions would assist Canada's businesses – in all regions and sectors – meet their expansion, innovation and prosperity goals, and thereby contribute to economic growth in the country?

Regulators at the federal level should, by and large, be commended for keeping science and evidence-based decision-making at the core of what they do. Additional regulatory burdens that ignore, fail to recognize or outright contradict the expertise, roles and responsibilities of national regulators create uncertainty from a business, investment and innovation perspective.

The Government of Canada has indicated its intention to keep science and evidence-based decision making central to the process, which we support. If commercialization and adoption of new and innovative products are seen to be at unreasonable risk, it becomes more challenging to make the case to continue or increase investment in research and development and, by extension, innovation in Canada.

Any discussion of the importance of innovation and our regulatory system would be incomplete without mention of the imperative of the system's continuing ability to adapt and be ready and responsive to new technologies, which are critical to continued innovation success. In the context of crop production agriculture, this includes but is not limited to new breeding techniques and risk assessment frameworks. As part of this, we need to enable and support the education and training of our regulators regarding new and innovative technologies that will be introduced in the future and continue to modernize our regulatory system in support of new science and innovations.

Recommendation 2: We ask that the Government of Canada continue to ensure that science and evidence-based decision-making remain at the core of the regulatory system in order to ensure predictability and certainty for business, industry and the public alike.

Recommendation 3: We ask the Government of Canada to invest in the education and training of regulators regarding new technologies and ensure that regulatory system modernization keeps pace with innovation.

What federal measures would ensure that urban, rural and remote communities throughout Canada enable residents to make their desired contribution to the country's economic growth and businesses to expand, prosper and serve domestic and international customers in order to contribute to growth?

This Government has laid out an ambitious infrastructure agenda for the next several years which presents a significant opportunity for strategic investments in Canada's rural economies.

Canada, as a country, is blessed with many attributes, including an endowment of natural resources which, in turn, and in combination with other factors, contribute to a globally recognized agricultural sector, most of which is inextricably linked with our rural communities. If these communities are to continue to be the backbone of our sector, as well as other elements of our economy and society, there are critical infrastructure needs to be addressed.

Recently, we supported the development of a report by the Economist Intelligence Unit (EIU) that estimated that promoting rural development has the potential to unlock \$2 trillion of annual economic output globally by 2030. The research examined methods to develop stronger rural economic growth in several overseas countries and concluded that rural policy, land rights and infrastructure - both operational and social - are key to realizing the potential of rural economies.

We are currently in the process of replicating this work for Canada. We would welcome the opportunity to share the results with you when it is completed.

As noted previously, Syngenta is committed to enhancing food security and the commitments laid out as part of The Good Growth Plan. In order to succeed, however, we are and will continue to enter into partnerships and collaborations with a wide variety of stakeholders including government, academia and NGOs.

Here in Canada our interest in collaborations extends to working with the Government of Canada to ensure the sector's ability to conduct necessary research and development and bring innovative products and technologies to market. We also believe that Canadian policymakers have an important opportunity to focus on rural development as a critical part of economic growth and social well-being.

Recommendation 4: We ask the Government of Canada to formally include and incorporate rural infrastructure as part of its broader infrastructure agenda.

Conclusion

As the Government continues to advance Canada's growth and innovation agenda, it is crucial that the necessary steps are taken to further enable and empower research and development in agriculture, while removing barriers to the success of farmers. While developing the budget, and exploring ways to improve economic outcomes for Canadians, we urge the Government to carefully consider how appropriately addressing Non-Tariff Trade Barriers, Regulations and our Regulatory System, and Rural Infrastructure can be important enablers of the Government's growth and innovation agenda.

At Syngenta, we look at farming from the ground up to develop innovative solutions that transform the performance of farms, both large and small. Accordingly, we support and encourage the Government of Canada in the development and implementation of a strong and robust agriculture innovation agenda. In order to continue to act as Canada's backbone, our rural communities and our farmers need support to ensure continued access to new technologies that enable them to remain competitive domestically, here in North America, and beyond.

We welcome the opportunity to discuss the recommendations contained in this submission.