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Chair

Mr. Gerry Ritz

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● (0905)

[*English*]

The Chair (Mr. Gerry Ritz (Battlefords—Lloydminster, CPC)): Good morning, ladies and gentlemen. Thank you for your attendance here today.

We'll continue with our meetings. This is number eight, our biannual appearance of the Pest Management Regulatory Agency.

Welcome, Ms. Dodds. You have a presentation, I understand. You have an hour here, with some questions to follow.

We have a bit of a mixed bag today. There are a lot of comings and goings at the committee, so bear with us.

Please begin.

Ms. Karen Dodds (Executive Director, Pest Management Regulatory Agency): Thank you very much for the opportunity to appear before you today and to provide an update on the activities of Health Canada's Pest Management Regulatory Agency since we were here last June.

[*Translation*]

As requested by the Standing Committee, I have submitted a report that indicates the number of new pesticides approved, the number of older pesticides that were re-evaluated, the number of minor use pesticides that were approved, the number of temporary and emergency registrations, our cost-recovery figures and staffing requirements. I or my colleague Richard Aucoin, the Acting Chief Registrar, would be pleased to answer questions on this material. I would also like to take this opportunity to highlight some of our work and achievements that we believe will be of benefit to Canadian growers.

[*English*]

Shortly after our last appearance here, within the agency we established some priorities for ourselves. An important one for the agriculture sector is the commitment to improve relations with our stakeholders. I've tried to meet with grower groups from across the country to learn more about the concerns they have regarding pesticide regulation in Canada. I met separately with the grain and forestry industries in December, the Conseil québécois de l'horticulture in January, the Ontario Fruit and Vegetable Growers' Association last summer and again in January. We've had regular meetings with the Canadian Horticulture Council, and I've travelled to Alberta and B.C. and met with a variety of grower groups there.

These meetings have really been helpful in improving my understanding of their experiences and the challenges regarding the availability and use of pesticides. I've also provided them with information on our priorities, and received a great deal of helpful information on how we should proceed in achieving them.

In collaboration with growers, we are working on removing regulatory barriers, prioritizing the evaluation of products for minor crop uses, and looking for ways to improve access to new products already available to their U.S. competitors. Bill C-28, which received royal assent last fall, will make the Canadian process of setting pesticide maximum residue limits more efficient. This will allow pesticide maximum residue limits to be established directly under the new Pest Control Products Act, rather than having to go through a regulatory process under the Food and Drugs Act, which currently can take 12 to 24 months to come into effect.

With the new process, we could establish an MRL in as little as three months, allowing farmers likely to use products at least a growing season ahead of time.

We had a very productive session with growers during our first national crop protection meeting in March of this year, which we co-hosted with Agriculture and Agri-Food Canada and the Canadian Horticulture Council. During that meeting, we announced some initiatives we believe will be helpful in closing the technology gap that currently exists between Canada and the U.S. These initiatives are largely based on our ongoing regulatory cooperation with the U. S. Environmental Protection Agency, or EPA. We announced we are streamlining data requirements for residue trials.

In two locations we have amalgamated subzones, so we will no longer differentiate subzone 5 from subzone 5b or subzone 1 from subzone 1a. This provides more flexibility in deciding where required residue studies are located while continuing to maintain a high degree of protection against excessive residue limits for pesticide-crop combinations grown in those regions.

We are developing ways to register more minor crop uses in Canada in a shorter timeline. By making greater use of existing foreign reviews, which we can do more of in an internationally harmonized regulatory environment, we can significantly reduce the timelines for arriving at a regulatory decision.

For example, we are piloting the evaluation of some active ingredients of significant minor use interest based on the U.S. EPA reviews of these active ingredients, which are similar to program one under our re-evaluation program. These evaluations would be done by teams dedicated solely to these submissions.

We expect this innovative evaluation method will result in a regulatory decision in six months, rather than the standard eighteen months.

Additional incentives, such as extended data protection granted for minor use registrations, are also under consideration. Any revisions to the User Requested Minor Use Registration or URMUR program based on the outcomes of the pilot project will be made in consultation with the grower and industry communities.

As you see, we're continuing to seek ways to further harmonize with the U.S. EPA in order to keep closing the pesticide technology gap that can hinder our growers' global competitiveness. We're also continuing to increase our capacity to cooperate on the evaluation of new products and the reassessment of products already on the market, whether it's through joint review or sharing of the evaluation work.

This year, four out of twelve active ingredients, or 33% of new registrations, were joint reviews. When manufacturers take advantage of the joint review program and submit the application for registration to both countries, we can bring new products onto the market at the same time in both countries.

Under the NAFTA technical working group, we also have agreed to a 25% reduction in the number of field trials required for a joint review. I've heard estimates that this will save the industry up to $1 million per active ingredient under the joint review program. That's a very positive incentive for industry to use joint reviews.

It's not just with the U.S. We anticipate an expansion of the joint review work through the Organization for Economic Cooperation and Development over the coming years. Richard has been working with colleagues on the first global review, which I think is due for receipt this fall.

● (0910)

[*Translation*]

We are moving forward with the revocation of the default 0.1 ppm Maximum Residue Limit for pesticides, in favour of setting specific MRLs for each pesticide/crop combination registered in Canada. The US residue limits, or what they call tolerances, that have been established after the US Food Quality Protection Act went into effect will guide the establishment of these new specific MRLs for Canada, thus harmonizing with the US more closely. We'll be releasing another document on this topic for consultation with stakeholders in the very near future.

[*English*]

Using the U.S. tolerances and adopting them wherever possible both moves us forward in harmonization and favours farmers in having access to the same product.

As some of you are aware, the experience with the own-use import program since 2005 raised a number of divergent issues that we felt needed to be addressed. Growers want access to pesticides that are priced similarly to those in the U.S., while manufacturers want assurance that their investment in the data used to support the registration of their products is protected.

In the midst of that, there were also concerns about the potential impacts on human health and the environment from things such as improper container disposal. To resolve these and other issues, the PMRA formed a task force that represented a wide cross-section of stakeholders, including a number of growers, the pesticide industry, health and environmental organizations, and officials from federal and provincial governments, to identify the issues and to work through them.

The task force has met 13 times since November of last year, and I am pleased to say it is very close to consensus on a package that will provide growers with access to competitively priced products while simultaneously achieving data protection for manufacturers. The task force is looking at ways of ensuring ongoing access to own-use importation in a way that will address all of the key issues identified.

[*Translation*]

In the past year, one of our main priorities has been the coming into force of the new Pest Control Products Act. The new Act is based on three key principles: strengthening health and environmental protection, making the pesticide regulatory system more transparent and strengthening the post-registration control of pesticides that are already on the market.

● (0915)

[*English*]

The work related to bringing the new act into force has been very significant, and work on new regulations continues. For example, four sets of proposed regulations were published in the *Canada Gazette*. These included proposed regulations for safety information; adverse effects reporting, which we're now calling mandatory incident reporting; sales information reporting; and revised and updated pest control products regulations. Comments received after Part I publication in *Canada Gazette* have helped us to refine the proposals. The updated Pest Control Products Regulations we expect to be published in part II soon, and the act will soon be in force.

Perhaps the most significant changes in the new Pest Control Products Act are provisions for increased transparency and public participation in the pesticide regulatory system. Under the new act, growers themselves will also be able to access information on applications made for new products or new pesticide uses, as well as the estimated timeline for registration. This increased transparency in the regulatory system will be useful to growers when they go about planning. It will allow them to start considering at a much earlier timeframe the additional minor uses they might like to have related to any particular registration application.

A couple of weeks ago PMRA officials, Canadian growers, and industry representatives participated in a meeting with their counterparts in the U.S. At this meeting they committed to exploring a common label for pesticides sold on both sides of the border. A short list of candidate products was established, and Canadian and U. S. officials will work on the elements to make the common NAFTA label possible.

With a common label for pesticides sold in NAFTA countries, pesticides would be able to move across borders more easily, thereby evening the playing field among NAFTA partners and making them more globally competitive. This is an initiative growers have looked at with great anticipation, and the pesticide industry CropLife members are also doing a key part there.

[*Translation*]

Looking ahead, Health Canada's vision for pesticide regulation is to continue to work towards a more open and transparent regulatory system that is responsive to the needs of growers and more predictable. This will be more helpful to growers as they make their business decisions. In addition to that, we will continue to make credible, science-based regulatory decisions that are protective of human health and the environment. We will also strive to make better linkages with our stakeholders, provincial/territorial governments and international counterparts.

[*English*]

In closing, I would like to say that we hope our already productive dialogue with the agriculture sector and growers continues to be fruitful in the next year.

The Chair: That's a nice choice of word, that “fruitful” thing. Horticultural guys love it. Thank you so much for your presentation.

Mr. Aucoin, do you have anything at this time?

Mr. Richard Aucoin (Chief Registrar, Pest Management Regulatory Agency, Department of Health): No, thank you.

The Chair: We'll start with the opening round of seven minutes.

Mr. Easter will begin.

Hon. Wayne Easter (Malpeque, Lib.): Thanks, Mr. Chair.

Welcome, Karen and others.

I would say in the beginning that I think your outreach program, for lack of a better word, is being productive. We're hearing much better reports back on PMRA than we heard a couple of years ago—and that's not due to the new government, Mr. Anderson; that's due to PMRA's outreach program. I think that's really good.

On page 3 you talked about the pilot project basically harmonizing the regulatory environment and regulatory systems. Does that just involve the U.S., or does it involve Mexico as well? Can you give us a little more detail? Is it the intent to basically move to a much more harmonized system between the three countries? If so, do you expect to make that pilot permanent, and if so, when?

Ms. Karen Dodds: For clarification, I will say a few words about our work under NAFTA and then I will turn to Dr. Aucoin to discuss the pilot, which is referring to some minor uses and builds upon our NAFTA work.

We have made considerable progress under the NAFTA technical working group; that is, Canada, U.S., and Mexico. It isn't really an even threesome. Mexico is there. Mexico has recently developed its own law and regulation and is still sort of feeling its way as to how it can work in the NAFTA context. But it's involved very much in our discussions, and one of the big benefits of that NAFTA forum is it doesn't impede close work and progress between Canada and the United States.

The NAFTA work has evolved from first looking at things such as what the data requires and working to harmonize the data requirements, which is a big benefit for the industry, to considering how we evaluate the data, making sure criteria are consistent, all the way to this program of joint reviews.

A number of us think the program of joint reviews is a very solid point for the future. What's really happening is that the companies are bringing a submission to both the U.S. and Canada at the same time. We divvy up the submission and it's agreed that Canada will review certain aspects of the file and the U.S. will review other aspects of the file, then we come together and discuss our respective decisions.

In discussions, both within Canada and the U.S., we've been clear that not one of us can abrogate to the other the responsibility of making a decision. A very clear example for us in the Canadian context is that we have to look at things such as our Species at Risk Act, and in the United States they have to look at their Endangered Species Act. We know that at times there will be some differences, but the intent is to minimize any differences that are under our control and to maximum the harmonization across the two.

Going forward, we hope that will address the fact and reduce the increase in this technology gap. The problem is that the history shows that Canada didn't approve as many products, mostly because industry wasn't bringing them to us for those uses, and this is where we think this kind of pilot project will have some pay-offs.

I'd ask my colleague Richard to make some comments on that.

● (0920)

Hon. Wayne Easter: While Mr. Aucoin is commenting as well, will this do anything for the backlog of products? Because I think at one time it was estimated it would take 12 to 18 years to get rid of the backlog. Will this process also get rid of the backlog and get us up to even speed?

Ms. Karen Dodds: In terms of a backlog of submissions, it's actually been addressed and we can provide a graphic to you about that. But I think it was probably by 2001 that the backlog had been addressed. Our timelines now for receipt of a submission and through to decision are very comparable. Indeed, before the U.S. had their PRIA, we were better than the U.S. Addressing the backlog was a huge challenge that the agency faced in the late 1990s, but we don't have a backlog right now.

Mr. Richard Aucoin: With respect to the technology gap, and I think that's of very much interest to you, we're really taking two approaches. We do have a bit of a retrospective approach. We do recognize that there's some significant catch-up to do in terms of the kinds of registration approvals available in the United States versus Canada, particularly in the area of minor uses, particularly for the horticultural uses. So this pilot program that we've been talking about is heavily focused on trying to encourage submission to Canada of those active ingredients that hold a huge minor use potential, a huge promise for additional minor uses for Canadian growers.

We've been trying to identify, with help from the Canadian Horticultural Council and others, what exactly the priority chemicals are that we need to encourage to come to Canada. We're going to, in a way that we've tried to do in the past, largely base our evaluations using the U.S. EPA data packages. All the data and information that was submitted to the EPA will be provided to Canada. We will base our decisions largely on that information when we can.

I and others have often described the situation of Canada with the United States in a way that says we're substantially harmonized when it comes to the agricultural chemical requirements for registration. I think I've occasionally got into trouble for using that adverb "substantially", because then people want to know what I mean by "substantially".

Over the last number of years we got to a point right now where the kind of information that we need to make our decisions in Canada is so close to the U.S. information package that this will be a real test of our ability to use those U.S. EPA packages, and what specifically, in addition, do we actually need for Canada? We've narrowed that down to a point where it really is hopefully just at that point where, as Karen says, there are certain areas, like endangered species, where we may have to have specific information, but we're really hopeful that we can move ahead with the U.S. EPA data package. So we're really putting a lot of our eggs in the basket of this pilot program over the next year.

Prospectively, looking ahead, we're also very active in promoting and encouraging joint reviews, not just Canada and the United States, but globally. As Karen mentioned, we have global reviews, in-house, coming into PMRA this summer that are going to be... Canada, the U.S., and Australia. We have one in-house now, and we have another one coming in June. In September we'll be working on a joint review with Canada, the United States, and Austria on behalf of the European Union. In January of next year, the first truly global review will come in, which is Canada, U.S., Europe, Australia, New Zealand, Hungary, Italy. It's very global, so we're really encouraging that as a way of moving ahead and trying to encourage those minor uses to come into Canada at the same time as those other countries.

● (0925)

Ms. Karen Dodds: Perhaps I may just elaborate a bit. This is a new approach for PMRA, and I would be interested in any comments that members have on it. In this past year, and looking at the situation for the agriculture sector, and specifically the technology gap, and knowing that the gap exists mostly for newer products that are safer for humans at large and safer for the environment at large, the conclusion I came to, and it was supported by colleagues in the agency, was that it was worth putting our resources up front into our doing this kind of analysis. We're the ones who have asked the EPA for their reviews. We're the ones who, before our registrant has come to us, are looking at it and saying, do we think this poses any problems, or do we think it really is simply a kind of formality?

The growers we've discussed it with say they think it's a good approach, but it is a different use of public moneys. I think it's been justified, given the technology gap, given that these are newer products. These are for minor uses, which the industry typically doesn't find to its financial advantage for them to do all of the work. It also is in a collaboration with Agriculture's Pest Management Centre, where, if we need some research work, again, there's the opportunity to look at that. So it really is an investment of public funds in trying to achieve some reduction in a significant way on that technology gap. We're clear we're looking for newer products, where we can say they're safer for human health and they're safer for the environment. So from my perspective, it's a win across all sides.

The Chair: Thank you.

Madame DeBellefeuille.

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Thank you very much for your statement.

In order to understand your work, I will use a very concrete example. There is in my riding a producer of miniature lettuce who exports 90% of his production to the US in summer. In winter, he produces in Florida. Here is how he explained the issue to me. Since we don't have the same standards or products as in the US, we don't have the same regulations or standards and it was very difficult for him to bring back to Canada 4 or 5% of his Florida production. Do you think that the work you have done about the technological gap will allow this producer to export and import his lettuce more easily? I would like to understand the practical effect of what you have explained in your statement.

Ms. Karen Dodds: There are two aspects to what we do about harmonization. First, there is the issue of product registration, and there is the issue of Maximum Residue Limits.

[*English*]

Both of those can present challenges to producers, to exporters, and to importers. All of our work focuses on both, and we're clear with our colleagues in the U.S. that the best world for us is not just one in which we have the same pesticides approved, but one in which we have, as much as possible, the same MRLs

[*Translation*]

for pest control products in both countries.

[*English*]

At times, because of the different climatic conditions or agricultural conditions, they may need pesticides in the United States that we do not need. In southern Florida, the pest pressures may be quite different from what they are in Canada. In that situation, the Americans or Canadians can ask that we establish what's called an "import MRL".

What we've been doing again with our revocation of the 0.1 parts per million MRL is to try to make sure, if it's a product that our farmers could use and would like to use, that we're not establishing just an import MRL, but that we're actually working to give our farmers access to the product. But we will still continue to see some instances in which there will be just an import MRL.

● (0930)

[*Translation*]

Mrs. Claude DeBellefeuille: In the case of minor use — I'm not talking about major grain production but about vegetables — would it not be possible to set up joint reviews? Producers tell me that the tests are different in the US and Canada. However, some producers operate in both countries and they find it difficult to and costly to have to go through different tests for new products. You talked about joint reviews and I would like to know if both countries look jointly at different aspects? Is there a common review process with the same tests in both countries?

[*English*]

Ms. Karen Dodds: There are still a few areas for which we require information about the Canadian situation. One of them is the case of the residue trials. Residues left from a product used in a field in Quebec might be quite different from those left if the product were used in a field in Florida. We want to try to have the appropriate residue.

Now, this has been recognized as a challenge not just between Canada and the U.S., but more broadly. So there are efforts under way to see what, if anything, can be done about that, to both respect what are called "good agricultural practices", which will differ, depending upon the area, the climate, etc., and the relation between these good agricultural practices and the maximum residue limits. But we are very aware, especially for minor uses, that it is this testing that's needed that raises costs.

This project tries to make sure that we're looking at finding the minimum that would be needed, or determining whether any is needed at all in the Canadian situation. We're also looking at other approaches to addressing that situation. We're working with the U.S. on crop groupings, and potentially what are called "super-crop groupings". So again, if within this group of crops you've done tests on two, you'll get an approval for all 15 crop types, as an example.

It remains a challenge, but it's a challenge we're working on.

[*Translation*]

Mrs. Claude DeBellefeuille: Organic farming is expanding at a rapid pace. It is very trendy in California where many products come from organic farming. We've heard recently that even big stores like Wal-Mart want to introduce organic products, and more and more consumers are asking for them. Is PMRA working proactively to make sure that our farmers have access to the tools they need to practice organic farming?

Ms. Karen Dodds: There are huge challenges in organic farming. For example, Richard went to the US last month to meet with representatives of their organic pesticides sector. He has also met with the people from Agriculture and Agri-Food Canada.

[*English*]

the Pest Management Centre, over the past year. They've been developing more of a focus on bio-pesticides, the biologics, recognizing that the pesticide sector is very small, and the grower sector is small, growing, and has challenges.

The Chair: Mr. Bezan is next, for seven minutes.

Mr. James Bezan (Selkirk—Interlake, CPC): Thank you, Mr. Chair.

Thanks for the presentation. I was listening to some of the answers you were giving, and you told Mr. Easter that there was no backlog currently at PMRA. In the past at this committee we heard that a number of registrations were held up, in the chute, not getting looked at, and some of them had been there for a number years.

I'm just wondering how we got rid of the backlog. Did they get approved, did they get rejected, or did the companies withdraw them because it was just taking too long to get the approvals?

● (0935)

Ms. Karen Dodds: That was before my time, so I will ask Richard if he has more information than I do.

I know we have a graphic. My colleague has a few copies, so maybe he can give the clerk a copy. We'll provide it later in both languages with an explanation.

It looks at time and registration timelines from the date of receipt to the decision, and it is very clear to somebody who didn't come into the world of pesticides until 2005 that there really were problems in the 1990s. There is one product that took over 20 years from receipt of the submission to the registration decision. I believe the year break will be at sort of 2001 or 2002. There were still a number that were actually above 10 years—10, 11, 12—and a few up around 14 years.

With the management of submission policy and receipt of new resources in late 2002, the PMRA really did put attention to addressing the backlog. Again, part of the reason for the creation of the agency and the focus was to address that. This shows that the backlog was addressed by 2000.

Mr. James Bezan: I appreciate the data you've tabled today, but when these data are presented to committee I wish they would include more of an historic perspective. How many product registrations were applied for over the timeframe? I think you're talking about length of time to be received. How does that get final approval? How does that compare to other jurisdictions around the world, not just the United States and our NAFTA partners?

You mentioned in your presentation that we have to be globally competitive. This is an issue that I keep hearing about from our farmers across the country—that we have to be able to address where we stand. I think it's a breath of fresh air that you recognize that, Karen. You said it in your presentation. I don't think we've necessarily had that in the past in presentations by your predecessors.

One of the things farmers have been getting around is the cost differential that exists, especially in glyphosates and some of the other farm products out there. They've been using own-use import permits under that program. There was talk that it was going to be restricted. Do you have an update for us on what is going to be happening with that program?

Ms. Karen Dodds: It's the task force I referred to that's been examining the issues and coming to a consensus on making recommendations. I do think that the report will be coming out very shortly.

As I understand it, the consensus is that the program should continue, but with some changes addressing the issues raised, so that there still would be access to products outside of registration. From a regulator's point of view, we know we've addressed our responsibility for ensuring that there aren't problems for human health and the environment.

Regarding the evolution, I don't have the details, which will be in the report, but as I understand it, everybody is clear that some form of this program should and will continue. We have continued the own-use import program for this year, 2006. We made some minor adjustments to the requirements for the permit and so on, to help address the situation with container disposal. The intent is to have a migration from the current to the future program, in a way that has the least perturbation upon the system.

Mr. James Bezan: You said that the approval time has been fairly quick compared to the U.S. What type of timeframe are we looking at, on average, for products to get approved or rejected, to make those decisions?

Ms. Karen Dodds: I can ask my colleague Richard Aucoin to talk about comparability, in terms of the numbers of actives and new uses, and of the timelines with the United States and others, because he's much more familiar with the international environment than I am.

● (0940)

Mr. Richard Aucoin: In terms of the timelines you spoke to earlier—Canada's timelines for a brand-new active ingredient, a brand-new chemical—we have a review period of about 18 months, which is our standard review time for a conventional chemical. That would compare with Australia's, which is 14 months, and with the United States', which is about 22 months. In the European Union, you're looking at about 18 to 24 months for a similar approval for a brand-new chemical.

In Canada, we deal with about 12 to 15 new chemicals each year. Fortunately, about one-third of those have recently been done jointly with the United States, and we're hoping to increase the number done jointly with other countries around the world.

We're meeting our expectation on those 18-month timelines in Canada about 85% to 90% of the time. In fact, with most of the joint reviews we're conducting with the U.S. EPA now and looking ahead to the future, we'll be done in less than 18 months, in part because of the efficiencies of sharing the workload.

Also, as almost an incentive to companies to come in for these joint or global reviews, we're trying to keep those timelines as tight as possible. The global review, which I spoke to earlier, will have an approximate 12-month to 13-month timeline.

Mr. James Bezan: I applaud you for moving down that path. I think the more we can do with harmonization and joint registrations with other countries, the more it will benefit our farmers and level the playing field when it comes to products.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Bezan.

I have a point on Mr. Bezan's questioning. You talked about our timelines being very comparable with those of our trading partners, but how about costs?

Mr. Richard Aucoin: The actual registration cost, the fees associated with the Canadian registration, relative to the United States is much less than half the cost of a U.S. registration.

The Chair: Thank you.

Mr. Atamanenko, seven minutes, please.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): In preparation for this, I talked with the president of the B.C. Fruit Growers' Association. You may have answered some of these questions, but I'll just run down....

For the first one, he talked about measuring the performance of how changes are impacting the new registration in Canada. Has there been a marked rise in performance? Are we seeing more registrations —I think you said yes—of more pesticide companies wanting to register their product...more access? That's the first question.

Ms. Karen Dodds: One of the good indicators.... We had a NAFTA technical working group that met with stakeholders in Charleston last December. I actually had a number of American companies approach me and say, for the first time, that they were interested in bringing products to Canada. There had been such discussion about joint reviews and the comparability of our two systems before, but they saw the Canadian regulatory regime as an unknown and as a small market, and they simply weren't interested in coming. The fact that they're now saying they're interested is good, and Richard has been down there and has met with some of them, and we'll continue to encounter them at the NAFTA forums.

With our Canadian registrants, the challenge is pretty obvious. Minor use is an issue everywhere around the world. It still is an issue in the big markets, like the United States and the European Community, so when you are such a small market compared to the United States, minor use is a huge challenge.

Again, we're just at a good spot now where we can say that the new chemicals are better and that we want the farmers to be able to access those new chemicals because they're better for them, they're better for health, and they're better for the environment.

So as regulators, we see great advantage to us and our stakeholders in working to increase harmonization and international regulatory cooperation right now.

Mr. Alex Atamanenko: Apparently, some new products are flowing, and we talked about that, but it still takes much longer in Canada than in the U.S. Can you comment on that?

Mr. Richard Aucoin: That's actually something we hear quite often, that it takes longer in Canada than in the United States, but typically what it means is that it has actually come to Canada later than it has come to the United States. Given the economic situation—the small Canadian market—the big place to go with your product is the United States. There might be a market for that product in Canada later.

It actually comes into Canada later, and by the time we've reviewed it and it's accessible to Canadian farmers, it appears to have taken longer.

● (0945)

Mr. Alex Atamanenko: The process itself is not longer; it's the fact—

Mr. Richard Aucoin: The fact that it came later is typically the problem.

Mr. Alex Atamanenko: The fear of harmonization was mentioned to me. How do we get past this fear? Can we get more harmonization to have more products registered simultaneously? You've touched on this, but that's a question.

Ms. Karen Dodds: Again, there are some standards in Canada that Parliament has given us that are different from standards that Congress has given the U.S. EPA. That's outside my authority to change, and it's outside the authority of my colleague in the U.S. EPA.

What we've committed to do is to say that anything that's within our sphere of authority, we'll address. In terms of international regulatory cooperation and harmonization, the agriculture sector is an example that sees all the benefits of harmonization. Some health and environmental people would be concerned that if we have to adjust standards, we might adjust them down, and in the States they would ask whether, in adjusting standards, you're adjusting them down.

The finding is typically that when you work collaboratively internationally, you both migrate to the higher standard, and neither of you moves down. I know from talking with many of the scientists who are actually involved in doing the joint reviews with their colleagues that they find it very helpful to have the direct conversation with other expert scientists who have looked at the same data. So there are lots of benefits to us from working in a harmonized fashion.

Mr. Alex Atamanenko: Apparently, products approved in the U. S. are automatically approved in Chile. Is that the case? And if it is, should we be striving for this, and if so, would that lower our standards?

Ms. Karen Dodds: I don't know about the situation with respect to Chile. I do comment to stakeholders interested in the pesticide regulatory system that the new Pest Control Products Act, which was given royal assent in 2002 and was one of the outcomes of the pesticide review in 1990, requires a Canadian registration. It gives me my instructions too, and it says that we need to do the scientific evaluation that we consider necessary. The new act is good in that it is clear. It says to do the evaluation that is necessary, so it provides us with flexibility. If we have confidence in the U.S., we can look at their review and say that yes, this looks good, and accept it. But we can't just say that they said yes, so we'll say yes.

Mr. Alex Atamanenko: It's not an automatic approval, then, which is obviously in our best interest, I would imagine.

Ms. Karen Dodds: Again, I can tell you quite clearly that whether or not you think an automatic yes is in our best interest will depend on what sector of the stakeholders you come from. But I can tell you that on the joint reviews, in every situation we've come to we can register, and we can register for essentially the same conditions. Even though there have been some differences in standards, when we've worked in a collaborative fashion on joint reviews with the EPA, the experience is that we've come to the same decision at the same time.

Mr. Alex Atamanenko: This question has been asked of me before.

Certain products in the U.S. are grown—apples, for example—with specific chemicals not approved in Canada. We import these products, yet our people can't use the same pesticides or chemicals. Can you comment on this? Is this not a danger to our health, then?

Ms. Karen Dodds: There are a number of reasons that situation could occur.

Again, under both the current and the new act, our responsibility in approving pesticides in Canada is that we've addressed human health from a number of different perspectives. We have to look at occupational health and safety. We have to be reasonably certain that there will not be harm to the farmers or workers who are using the products, or to bystanders, or of course, the people who might be exposed through consumption of food or water.

We also have to look at the environment. If we have a concern that it's inappropriate to approve the pesticide because of environmental effects, we'll say no. We can then say that the U.S. has approved a product that we might have said no to because of concerns about occupational health or about the environment, but that it doesn't present a food safety concern. We might have set an import MRL under those conditions.

The other thing is this general default that I mentioned, which we have already proposed revoking. If they use a product that isn't approved and the residue on the product is below 0.1 parts per million, at the moment it can come in legally—any residue can come in if it's below the 0.1 parts per million.

● (0950)

Mr. Alex Atamanenko: I have a few more seconds, so I'll ask a general question.

How do we strive for this harmonization without giving up our sovereignty? I know it's a philosophical question. Obviously, you're working on that. Could you comment on that, please?

Ms. Karen Dodds: It's really beneficial to have the discussions directly with my U.S. colleagues. When we have the NAFTA meetings, Jim Jones, who's director of the EPA's office of pesticide programs, is there. They have the same issue. Americans don't want to lose their sovereignty. So we come at this from exactly the same place. We want to approve pesticides that are appropriate. We want the economic sectors such as agriculture to have the tools they need, while recognizing that we might have some different standards, whether they're environmental or something else.

If it's the Species at Risk Act in Canada and the Endangered Species Act in the States—they do have differences—you'll see a difference in pesticide approval. But it will likely be the smallest difference, whereas we are working from an historical background. I believe there was a pest control products act as early as 1927, so you're bringing together 70 years during which we weren't closely together. Now we've been working very closely in the last decade, and joint review has been a good experience in the last four or five years.

The Chair: Thank you, Mr. Atamanenko.

Just on a point of clarification, Ms. Dodds, you're talking about the new regulatory regime that was passed in 2002, which is still not in play. Now, as I understand it, it has to be gazetted, and it takes roughly four years plus to run through that process.

You're shaking your head. How long until we actually see that come into force? I mean, it's four years old already.

Ms. Karen Dodds: The initial strategy for bringing the act into force was to have developed and to gazette essentially all of the new regulatory schemes authorized under the new act. Last year we developed a new strategy with stakeholders for implementation, recognizing the length of time it has taken and saying that we want that act to come into force as soon as possible. We've asked, what's the minimum required? The minimum required was that we revise the current regulations, develop and publish the list of formulants and contaminants of concern, and have an order.

We had the revised regulations proposed in the *Canada Gazette* part I last November. The intention is clearly that they're turned around and published in the *Canada Gazette* part II. We expect that will happen very shortly and that the new act will be in force shortly.

The Chair: Thank you.

Mr. Merasty, five minutes please. I'll turn the chair over to Mr. Bellavance while I run over and table a report.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Thanks for your presentation. I think everybody around the table agrees that putting emphasis on working in partnership with the stakeholders, the open and transparent process that you're talking about, is absolutely critical in moving forward.

I have one quick question before I pass it over to Roger. I think in the past farmers have raised concerns with re-evaluated products not being replaced. Has any progress been made in that area?

Ms. Karen Dodds: I think it was about a year ago that we initiated teleconference calls every four months with stakeholders interested in our re-evaluation program. The numbers of stakeholders interested in the status of re-evaluation, the timelines and what's happening, has grown. I think there are now over 40 participants on those regular calls.

One of the intents of those calls is to get the earliest notice of whether it is a problem if a use is withdrawn, and what we can do to help by way of a transition strategy.

Again, that's one of the benefits of the new act. It is clear that those transition strategies are very appropriate, that we need to work with different user groups, when it's a critical use, to be able to say as much as possible that we won't take a tool away from you until you have a replacement tool. It will not always be possible. I want to be clear, if a re-evaluation indicates there really is a strong health concern or an environmental concern, we may not be able to do that. But most of the time now, with newer pesticides, you are seeing that there's something in the pipeline that will be able to help smooth a transition strategy.

Mr. Roger Valley (Kenora, Lib.): I have a couple of quick questions.

Thank you for your presentation.

I understand that the fees for minor registration, minor uses, are quite high. Do you have any suggestions? Can they be staged or can they be advanced so it's not quite such a burden?

● (0955)

Ms. Karen Dodds: The actual cost they have to supply us for looking at a minor use is very small. It's in the range of $150. It's the cost of generating the data in Canada. If there's a Canada-specific data requirement, that's more of a barrier.

That's where, again, Agriculture Canada under its Pest Management Centre program of setting national priorities and having the Pest Management Centre address a lot of that research has been very helpful. The crop groups will be helpful. The pilot will be helpful.

Mr. Roger Valley: You talked about all the harmonization. You talked about common labels. Looking into the future, can you tell us how far away those labels are? You mentioned the benefit of them, so we'd like to know when we can expect the benefit and how far it would go.

Mr. Richard Aucoin: We met in Washington three weeks ago with our U.S. EPA colleagues and with grower organizations, both from Canada and the United States, and with some of the major CropLife representatives there. It was only three weeks ago that we really started to get some candidates to look closely at this. Certain products are probably identical on both sides of the border. There's a series of meetings planned between now and December, and I think between now and December we'll show some real progress on NAFTA labels.

Mr. Roger Valley: You would expect that to happen in the coming year after that, or—

Mr. Richard Aucoin: Yes.

Mr. Roger Valley: Okay.

There's been a lot of talk about harmonization. You comment on working on different files—Canada takes some files, the EPA takes some files. You mentioned the different acts you have to work with—I think the Species at Risk Act was the one you mentioned for Canada, and I don't remember the other one you mentioned for the United States—in working towards harmonization. How far will harmonization go? Will we end up being 75% harmonized? Is there a target, or is it simply something we strive for to reduce costs?

Ms. Karen Dodds: I don't think the goal of harmonization is simply reduced costs. As a regulator, I mentioned talking with scientists who were involved first-hand in the discussions with their colleagues. It builds their confidence. It builds their understanding. So from the very basic level of reviewing the pesticides, there's a benefit to working internationally and harmonized.

There is clearly a benefit to sectors such as agriculture, which is competitiveness. It's not reduced costs, it's competitiveness. It's their having access at the same time to the same products. This is a key tool. And the more we assist them in that framework, the better off we are. And as I said, it's a propitious timeframe because there is this general recognition now that newer pesticides, generally speaking, are safer for humans and/or for the environment.

I have met, for example, with the Sierra Club and with the Environmental Defence League and discussed pesticides and discussed our approach to harmonization, and they recognize that newer products are generally safer, so they also want us to increasingly see the registration and use of newer products in Canada and the elimination of some of the older more problematic products.

[*Translation*]

The Vice-Chair (Mr. André Bellavance (Richmond—Arthabaska, BQ)): Thank you, Mr. Valley. Your time is up.

Thank you very much, Mrs. Dodds and Mr. Aucoin, for your presentation. I thank you for having answered the members' questions again this year. We'll probably meet again next year.

We'll have a short break before welcoming our next witnesses.

● (0958)

(Pause)

● (1003)

The Vice-Chair (Mr. André Bellavance): Our next witnesses are Bob Bartley, Director of Grain Growers of Canada, and Mrs. Christine Moran, Executive Director, as well as Mr. Hepworth, President of CropLife Canada, and Peter MacLeod, Director. Lady and gentlemen, welcome.

You have ten minutes for your statement and you can share that time as you wish. Afterwards, the members of the committee will have the opportunity to ask questions.

Mr. Hepworth, you have the floor.

[*English*]

Mr. Lorne Hepworth (President, CropLife Canada): Thank you, Mr. Chair and members of the committee.

We appreciate the opportunity to come before you today. We're the trade association that represents the developers, manufacturers, and distributors of plant science products—that is to say, pest control products, and plant biotechnology for use in agriculture, urban and public health settings. Our goal and mission is to support innovative and sustainable agriculture in Canada.

Today I would like to use my time with you just to raise six areas that we think are relevant to our industry and to you as a committee.

First, it's important that Canada achieve its goal of becoming a global leader in agriculture and agri-food innovation. The plant science industry and our partners believe that future technological innovation at the farm gate level has a pivotal role to play in addressing the challenges facing society and our farmers. We believe the future will be defined by what many call the “bio-economy”.

While crops will always be a source of food and feed, in this new agriculture of the future, plants will also serve as the platform for the production of biofuels, bio-materials, bio-plastics, industrial oils, vaccines, drugs, functional foods, and nutraceuticals, representing a true transformation of agriculture as we know it today.

By our calculation, this emerging bio-economy could have a value of roughly $700 billion by 2015. That compares, Mr. Chairman and members of the committee, to the current market of $55 billion for crop protection products and the plant biotech and seed market of today.

There is an increasing global demand for biofuels, both ethanol and biodiesel. From the plant science industry standpoint, we're working on genetically transforming wheat, corn, and canola to improve fuel yields or make them more amenable to biofuel production. These solutions for society are in addition to the work going on that is specific to the interest of our immediate customer, the farmer. If Canada's agriculture industry is to benefit from a bio-based economy, farmers will need new technologies and innovations from our industry.

Our industry's advancements and technologies are not the only answer to today's pressures on farm income, but I would submit that supporting innovation in agriculture and bio-economy is one meaningful response to the current situation.

The challenge for you and for us is to ensure that Canada attracts and sees commercialization of its fair share of this potential $700 billion bio-economy for the benefit of Canadian farmers as well as for the benefit of Canadian society.

The second area I would like to address is the technology gap that we heard about from Dr. Dodds this morning. It's accepted that pest control products are an important tool for Canadian farmers to produce abundant, affordable, high-quality crops. So that Canadian farmers are competitive, they should have access to the same array of leading-edge, competitively priced pest-control products as do farmers in other countries, especially in the U.S. Reduced-risk, minor-use, and, I would submit, micro-use products have increasing importance in the production of lower-volume, higher-value crops such as plant-made pharmaceuticals and industrial products.

The current gap in pest management technology between Canada and the U.S. is felt by many to be the result of two main issues: the size of the Canadian market, and the regulatory differences that still exist between the two countries. Canada, despite the size of our agricultural sector, is about 3% of the world market. It is recognized that only five crops drive product development in Canada: wheat, canola, barley, pulse crops, and corn. The remaining hundreds of crops are minor uses, or even micro uses.

A multi-stakeholder committee has been struck to address key areas of the technology gap between Canada and the U.S. Currently, farmers have identified the gaps, farmers have prioritized their needs, and now farmers, CropLife Canada members, and the government, Agriculture and Agri-Food Canada and PMRA, must work together to address these gaps. I can say to you, the members of the committee, we're committed to addressing this issue.

The third area I would like to speak to is harmonization. Given the global market for food crops, having common regulatory approaches with our NAFTA trading partners makes sense. Many regulatory differences exist between Canada and the U.S, which are impacting agriculture industry's access to new technologies. As Canadians we cannot afford to have regulatory policy create a lag behind our major trading partners in innovation and technology.

It must be noted that the PMRA has made significant progress in moving forward on harmonized data requirements and regulatory procedures for pest control products. However, more needs to be done, and there needs to be a commitment to immediate implementation. Harmonization can be interpreted in many ways, but on behalf of Canadian farmers we have one simple goal. The goal is one data package, one data evaluation, and synchronous registration decisions between Canada and the U.S. This will allow both a reduced time requirement for registration and unnecessary duplicate evaluations for the same products.

● (1005)

I have a few words on efficacy, a long-standing issue. I can say we're pleased to be working closely with the PMRA on the issue of efficacy data requirements. Value and efficacy assessment help ensure that only those products that make a positive contribution to pest management are registered. However, the issue of data requirements has been seen as an added cost in time to the regulatory process and ultimately to the pesticide product itself.

Both farmers and CropLife Canada have expressed this concern to further examine and deal with this issue. A working group with PMRA and CropLife has been struck, and we're encouraged by the progress to date through this working group, with a better understanding of what is needed, especially from the safety standpoint. After that, we believe farmers are in a very good position to make judgments about which products work and which do not work.

A fifth area, own-use import, was touched on by Dr. Dodds. I would just say the multi-stakeholder task force addressing this issue has been very diligent in its work. We're very close to consensus. As the final report has the finishing touches put to it, I think it will be a win, win, win for all the stakeholders at the table, in that there will continue to be an own-use import program, but as well, as part of that package, a modernization of the generic registration system in Canada and further headway—fast tracking, if you like—of the NAFTA harmonization. You put all this together and we look at this not just as an own-use import issue, but as part of a larger pesticide competitiveness package. Once that report is issued, we will be seeking the support of members of Parliament for those recommendations.

Finally, a few words to acknowledge progress by the PMRA on a number of other important fronts. CropLife Canada believes it's important to recognize the progress made over the last few years. It is clear the leadership of Dr. Dodds, executive director, has had a positive impact on the agency and its efforts. A key advancement is evident upon examination of the PMRA performance timelines. This year over 90% of the major submissions made to the PMRA met the applicable review performance timelines. This positive move forward, along with the continued improvement and commitment by PMRA, is essential in ensuring our companies are able to provide farmers timely access to a wide array of products.

I can say, Mr. Chairman, and to the others on the committee here, over the past years I think this is the first time I have appeared before the Standing Committee on Agriculture when we didn't have the issue of timelines in our brief.

The second area I would want to acknowledge improvement on is in the area of the PMRA being more proactive in its communications. We've heard Dr. Dodds' take about stakeholder relations, and we applaud that initiative as well. With the new act and these new regulations, we feel it's important not only for the industry, our immediate stakeholders, and our farmer customers to know about all these new, important safeguards for public health and the environment, but that it's important for all society to know about the first-class regulatory system we have here in Canada, especially given the changes represented by the new act and the new regulations. We encourage the PMRA to continue these communication efforts that will continue to build the public's confidence in their federal regulatory system.

Finally, Mr. Chairman, I would just close by saying we supported the new act. We are working with them diligently on putting together the regulations so this act can be brought fully into force, and we're committed to the speedy implementation of this new act.

Thank you, Mr. Chairman and members of the committee.

● (1010)

[*Translation*]

The Vice-Chair (Mr. André Bellavance): Thank you, Mr. Hepworth.

We will now hear the representatives of Grain Growers of Canada. Gentlemen, you also have ten minutes for your statement.

[*English*]

Mr. Bob Bartley (Director, Grain Growers of Canada): Thank you, Mr. Chair.

Good morning, members, and thank you for the opportunity to speak to you this morning on an issue that is critical to Canadian agriculture, and in particular to Canada's grain and oilseed producers.

My name is Bob Bartley. I am a director of the Grain Growers of Canada. I farm at Roland, Manitoba.

The Grain Growers is an umbrella organization that serves as the national voice of grains and oilseeds producers, devoted solely to representing grain producers' interests on policy issues, including domestic support, regulatory issues, market access, and trade policy, as well as on practical issues such as investment in the sector and transportation.

We have member associations in every region of Canada and represent 90,000 grains and oilseeds producers. As an organization, we have been very active on issues related to pesticide regulation and approvals, given the importance of having timely and affordable access to crop inputs.

I would like to state for the record that Canadian grain and oilseed producers recognize the utility of a sound, science-based regulatory system to protect Canadians, including farmers who use these products on their land and in close proximity to our families, from potential hazards associated with chemicals such as pesticides and herbicides. We will continue to support a science-based regulatory system as a means to manage potential environmental and human health risks and we would also go on record as promoting the responsible use of these products.

Canadian grain and oilseed farmers use these products in a responsible manner, recognizing that there are risks associated with them, and we actively take steps to reduce or to mitigate those risks. This is not only part of sound and sustainable agriculture practice but is also a sound business practice, for these products represent major costs in our operations.

I would like to speak for one moment about the types of business risk, as a means to describe the backdrop against which Canadian farmers are operating.

It is no secret that Canadian producers are facing difficult circumstances. This committee has heard in recent weeks about the income crisis in Canadian agriculture, where producers are facing rising costs and receiving declining prices for their products. Key reasons for the decline, and indeed the reasons for the rise in costs, are beyond the control of producers.

Grain Growers considers that one of the key factors in the decline in our reference margins is the use of subsidies by our trading partners and competitors. These have the effect of overstimulating production and depressing prices. We are pleased that the Prime Minister and the Minister of Agriculture recognize the income problem by honouring the commitment to the grains and oilseeds sector made by the last government and by committing new funding to agriculture, but we note that it is also important to turn to policy solutions to alleviate the problem too.

One of the practical problems facing grain and oilseed producers is the issue of timely access to affordable inputs such as pesticides. The Grain Growers of Canada is committed to eliminating disparities in access to pesticides between Canadian and American producers, as well as between producers in different parts of Canada.

Members of this committee may know that the Grain Growers was an active participant in the work on the own use import task force. Through access to own use Imports, producers were able to save $2 per litre for one particular product when it was imported from the United States through OUI. This may seem like a small amount, but when you consider an average use pattern of approximately 1.5 litres an acre of that product and calculate the savings per acre against an average farm, say one that would be just under 3,000 acres, a producer could save more than $9,000.

When you consider this in light of the crunch producers face from declining prices, you begin to understand the reason producers turned to such a program in record numbers in 2005. However, the Grain Growers recognize that this is a complex issue and that our producers need a reliable supply of product and access to new products.

We recognize there are problems with the own use import program, no matter how much cost saving there is on an individual farm basis. Among other things, from a producer's perspective the program is not easily accessed by individual producers. Obtaining an equivalency declaration can be a complicated, time-consuming, and costly endeavour.

● (1015)

As a solutions-based organization, the Grain Growers strive to find constructive policy solutions to challenges facing grains and oilseed producers. For this reason, we welcomed the smart regulation initiative and we are pleased that the government has decided to enhance cooperation with our American and Mexican neighbours under the security and prosperity partnership.

We see these as important and concrete steps to improve the situation for producers in the long term. In fact, regulatory cooperation with a view to working towards real harmonization and a single North American market for pesticide products is, as far as we can see, the real solution to some of the problems related to pesticides facing Canadian agriculture producers.

Regulatory harmonization through cooperation and mutual recognition is the key to closing the technological gap for many producers. It is puzzling that Canadian regulators would establish a maximum residue limit for chemicals on imported products that will be consumed by Canadians but not approve these same chemicals for use by Canadian farmers on the same Canadian-grown products.

This issue speaks to the increasingly globalized nature of our market. Canadians eat food from many parts of the world every day, just as Canadian food is consumed the world over. As such, Canadian producers are well aware of the perils of regulatory measures used as non-tariff barriers to trade. We take measures to ensure that our producers meet the requirements of our customers and we rely on Canadian rights under the WTO's agreement on sanitary and phytosanitary measures to defend Canadian products from unfair measures. The SPS agreement, along with requiring that measures be based on science, encourages harmonization between countries as a means to reduce non-tariff trade barriers. For this reason, we see the natural progression of the own-use import task force, which has examined the problem from a number of angles, should lead to regulatory harmonization in North America.

The PMRA has taken several steps towards this through the NAFTA working group on pesticide harmonization, but we would encourage the agency to move towards mutual recognition of regulatory decisions as a means to improve the business environment for agricultural producers, while ensuring the protection of Canadians and the environment. We considered that reducing the regulatory burden would ultimately improve access for Canadian producers by ensuring access to new products at the same time as our American counterparts, and this should ultimately reduce the cost to producers. Regulatory fees would be recuperated by passing them on to the users and consumers of the products, namely farmers.

I'm sorry that Mr. Easter has gone. I wanted to talk about Wayne's wild oats.

Prince Edward Island and Quebec are areas that lack wild oat herbicides in wheat. I'm a farmer from Manitoba. We have access to several wild oat herbicides that will take the wild oats out of the wheat; Quebec and Prince Edward Island lack that. So we need some harmonization between provinces and among the regions across Canada too.

In short, as we have stated before, grains and oilseed producers do not believe that the government owes farmers a living, though we do believe that government owes us the industry policies that will allow us to make a living. These policies are within our grasp. One of these policies is the improvement of the regulatory system for agricultural crop inputs.

Thank you, Mr. Chair.

● (1020)

[*Translation*]

The Vice-Chair (Mr. André Bellavance): Thank you very much, Mr. Bartley.

We will start the first round of questions with Mr. Valley, for seven minutes.

[*English*]

Mr. Roger Valley: Thank you.

Thank you for the presentation.

My first question is for Mr. Hepworth.

We talked a bit before about minor use. Micro use, I wasn't familiar with that term. I don't normally sit on this committee, so could you take one minute and explain that to me?

My main question to you is this. We've talked an awful lot about harmonization. We know there are benefits, and there are always concerns, but I think it was the first time I heard the word "synchronization". My question was how long is it going to take us to get there? How fast are we going to do this? What I take out of your comments is that "synchronization" means automatic in one country or the other—when they do, it's the same in the next country. So could you explain just exactly what you meant by synchronization, if I have that right? And could you give me a very brief explanation of the micro use? I'm not familiar with it.

Mr. Lorne Hepworth: Thank you.

As I said in my remarks, the pesticide manufacturers and developers, the process market base, typically look upon Canada as having big acres of wheat, oats, barley, and canola. Ergo, with the $200 million or $300 million that it takes to develop a molecule from the beginning to the end, you can economically advance into those marketplaces. However, other crops that are termed as minor use are very important. They have emerged over the last 10 to 15 years to the point where you and I might view them as major crops, yet they're still viewed as minor crops. I'm thinking of chick peas, lentils, the pulse sector, canary seeds, and all those crops that have become very important, especially in the prairie basin.

As we go forward with this new agriculture of the future, where you start to grow crops not only for food and feed but for some of these very specific uses, we see emerging low transfat canola, functional food crops, and nutraceuticals. Some of these very precise crops may be from very small acres but are of very high value.

Those that would fall into that category are what I would call a micro crop. The term by which they are identified in our industry is "micro crops of the future". All the challenges that we have for minor use will be just as big or greater for the micro crop. We think that is very important for the future of agriculture.

On the term "synchronous registration", I'm trying to come to the same point that I think Dr. Dodds was at. We recognize that Canada will probably never be in a position, and rightly so, to abrogate the final decision to another jurisdiction or another sovereign country. If we can take the same data, evaluate it in the same way, and ultimately come up with the same decision at the same time—i.e., synchronicity or whatever—that would be a pretty good end point for us.

That would be a simple way of describing our goals on harmonization. I don't know if my colleague, Peter MacLeod, has further comments on that.

● (1025)

Mr. Roger Valley: Before Peter answers, if I could take it to the step of synchronization, do you ever see the day when we don't have two agencies, we have one agency that is staffed by both countries, and it's done in that way? I know there is different legislation in different countries, but there has to be a lot of work that we could do together.

Peter, do you want to comment on that?

Mr. Peter MacLeod (Executive Director, CropLife Canada): There is a lot of activity. I guess the vision for the future, which we've articulated in the brief but not spoken about, is that there will be one package of data, whether it is Canada-U.S. or from a global perspective. There will be one evaluation that can then be shared through various science-based organizations, whether it's in the European Union, the United States, or Canada. The decision will be up to the individual country, based on specific requirements.

We have a cold climate here. It helps us eliminate some pests that they don't have in the U.S., but the use patterns are sometimes different. If there is a good reason for a difference, it's certainly very valid. But 99% or 95% of the time, there should be no reason that a synchronous or simultaneous decision can't be made in each country in the future.

Mr. Roger Valley: Thank you.

Mr. Bartley, we heard from the PMRA this morning. First, we heard comments from both groups that things have improved. We were under the impression there was an awful backlog, but that impression was cleared up this morning.

As somebody who is on the ground, have you seen that things are improving as fast as we would like, or is there more we can do in getting new products to markets?

I have another short question after that.

Mr. Bob Bartley: My understanding is there are 135 active ingredients registered in the States that we do not have access to. That number is probably a couple of years old now, and I haven't heard the latest one. It is for all sectors of horticultural production in Canada.

Mr. Roger Valley: Who would be able to get us that information? Who do we specifically ask about the 135 products that are available there, which we don't have access to for whatever reason? How do we find that out?

Peter is offering to answer that one.

Mr. Peter MacLeod: The list that I think Mr. Bartley is referring to was created through the Canadian Horticultural Council, which coordinated with other grower groups across Canada to come up with this list. I have seen the list, and we can make sure it's provided to the clerk for distribution. I don't have it with me today.

I know that list of 135 has been prioritized down to a group of 70 and then further prioritized down to a group of 30 really critical needs for Canadian growers. I would be happy to provide it to the committee and the clerk when I get it. I don't have it with me today.

Mr. Roger Valley: I think it's important for us to understand just how big this gap is. If you can provide that information, we'd appreciate it.

I'll come back to Mr. Bartley. You talked about something we're well aware of at the federal level: there are many instances in which there is no harmonization between provinces. We like to point outside our federal borders and talk about who's not doing what and who's not cooperating and why it hurts our producers, but it seems almost absurd that we still have those issues between the borders of the provinces. We have them in health care; we have them all over the place.

You mentioned Quebec and P.E.I. Are there any other instances you could identify for us, just to show us how much work we have to do inside our own borders here first?

Mr. Bob Bartley: Yes, there are. I'm involved in that, too; with my wheat, I have lots of wild-oat herbicides. I'm a corn producer, also.

When corn herbicides come for registration, they always get registered for the area of large acreage—Ontario, Quebec, eastern Canada. The label will read “eastern Canada only”.

Because corn is a minor crop in Manitoba—maybe 150,000 acres—the focus of the company is not to get registration for such a small number of acres. I have lots of wild-oat herbicide for my wheat, my cereal, but I lack the products or tools that eastern Canada has for corn. Any herbicides that we have for corn production in Manitoba have all come through the minor-use registration process. In respect to corn, it is the Manitoba Corn Growers Association that has to go out and pursue those registrations.

● (1030)

[*Translation*]

The Vice-Chair (Mr. André Bellavance): Thank you, Mr. Bartley.

Mrs. DeBellefeuille.

Mrs. Claude DeBellefeuille: Thank you very much for your presentation.

As you may know, Quebecers are very strong on environmental values. Many farmers in my riding are moving to organic farming for some of their production.

Someone explained to me a while ago that no Canadian industry is developing technologies to produce pesticides that could be classified as organic.

Mr. MacLeod, since Quebec consumers like to buy organic products — products that are less damageable to the environment since their production standards are very high — is your industry planning to encourage the development of new technologies that would allow for pesticides to be classified as organic?

The United States is far ahead of Canada on this.

[*English*]

Mr. Lorne Hepworth: I can start, and my colleague may be able to fill in more detail.

To start at the top, globally the approach of our industry today is very much, I would say, to research and develop for commercialization what are typically referred to as reduced-risk products, ones that have a much smaller environmental footprint, are safer to human health, and biodegrade much more quickly with little or no residue at any point.

As part of that, some of those products may qualify for organic demarcation by various organic bodies. At the end of the day, from a regulatory standpoint, all pesticides—whether they're synthetic chemicals, natural chemicals, biopestide, or even some mechanical-type approaches—have to meet the world-class standards at Health Canada for health and safety. After that, if some consumers and/or some farmers choose to pursue organic production, then obviously that is their choice.

Our members are best known for our synthetic chemistries, for example, and our biotechnologies—the interesting enigma for me always is bacillus thruingiensis, which is very much an organic product that's okay for organic certification but also very much a useful tool in biotechnology—but although we're best known for synthetic technologies, our members on a global basis pursue the new technologies, whether they're biological or otherwise, in the name of pursuing better, safer products.

Peter, do you have anything to add to that?

Mr. Peter MacLeod: A number of the biological pesticides or organic pesticides that growers are looking for are part of this list of 135 we were talking about. There are a lot of these micro-use pesticides, and that is a problem. The U.S. market for biological and organic pesticides is larger than Canada's. It's the same for the conventional pesticides. But the PMRA has specific programs for this type of product that include reduced cost for submission and streamlined data requirements so these products can come to Canada.

It is in its infancy. These products are being developed. They're very high-tech, although organic—to have very precise biological control is a very scientific thing. But I believe there are programs in place to deal with these products. The trick will be to reduce barriers by utilizing the U.S. data evaluations, and have similar data requirements in Canada as for the U.S.

● (1035)

[*Translation*]

Mrs. Claude DeBellefeuille: Thank you.

Mr. Bartley, you stated that one solution would be to reduce the regulatory burden for producers. Could you tell me if there is a tendency to lower our standards so that they be harmonized with those of the Americans? Would we want to eliminate our regulations which may be more demanding for producers but might also be more compatible with our Canadian values? My fear is that in order to harmonize we would lower our standards in order to close the gap with the US.

Could you put my concerns to rest and tell me what is the position of producers?

[*English*]

Ms. Christine Moran (Executive Director, Grain Growers of Canada): That is certainly a question that needs to be answered. We're looking to work with the PMRA to ensure that we are addressing those issues. Obviously there are a number of stakeholder concerns, and we're addressing them strictly from the producer perspective. We're looking at the issue of access to products. We're looking at the question of cost to our producers as well, especially considering the economic and fiscal backdrop against which we're operating.

So we recognize that there could be concerns and there are a number of questions to address. However, we do see that for a number of them the solution could be greater harmonization.

[*Translation*]

The Vice-Chair (Mr. André Bellavance): Thank you, you only have fifteen seconds left.

Mrs. Claude DeBellefeuille: Thank you, that's all I had.

The Vice-Chair (Mr. André Bellavance): Mr. Anderson.

[*English*]

Mr. David Anderson (Cypress Hills—Grasslands, CPC): I would like to clear up one thing here today. In the past when the PMRA came, I understood that even as late as 2003 and 2004 we had a tremendous backlog of products. This morning we heard that wasn't true, apparently. Now you're telling me there are 30 critical products in the pipeline that haven't been approved. Do we have a backlog or not, from your experience?

I guess this would be aimed toward Mr. Hepworth.

Mr. Peter MacLeod: I will take that. That's a difficult question.

What was commonly referred to as the backlog occurred at a time in the pesticide regulatory experience when a submission was received by the government, and because of various reasons, resources being one, it was not a complete package and they couldn't finish their evaluation, so it sat.

One of the things the PMRA did in the late 1990s and into 2000 was take those submissions and find out if they had enough information to make decisions on the products. If they did, they made the decisions; if they didn't, they were taken out of the system.

So the backlog was dealt with in two ways. If they had enough information they went ahead and registered the product; if they didn't they took it out of the system.

Mr. David Anderson: Do you have any idea of the percentage that went either way? What percent was approved, and what percent was just removed from the application process?

Mr. Peter MacLeod: I don't have those numbers for you. I do know that some of the submissions that were removed from the system have since come back in. When enough information was generated they came back into the system, but I don't have those statistics. Perhaps the regulatory agency could provide them.

Mr. David Anderson: This morning Ms. Dodds talked about the goal of setting minor-use registrations, getting them down to six months. Is that realistic? Is that a good timeframe for you folks?

Mr. Peter MacLeod: The process we talked about earlier, looking at one package of data, having it evaluated, and using foreign evaluations, is a key part of that. Most, if not all, of these minor-use crops in this technology gap have been registered in the U.S., so they've had sufficient information to have the registration granted by the U.S. EPA. So critical to the process to get that speed down to six months is utilizing those evaluations and only picking up Canadian parts where it's absolutely critical. We recognize that we don't want to lower the standards of safety in Canada, so it's very important to make sure that we have similar standards, but to make sure that there's no additional data that's not absolutely critical to make that safety determination.

● (1040)

Mr. Lorne Hepworth: If I could add on to your question about the backlog, you referenced the 30, and just to put that in perspective, I don't know that it's part of the backlog. Those are the critically identified priorities they'd like to see into the system, if I understand it correctly.

Mr. Peter MacLeod: Those haven't been submitted. Those 30 that I was talking about, going from the 130 down to these priority substances that are in the U.S., are ones that are not even in the submission process in Canada. They're yet to be applied to the PMRA.

Mr. David Anderson: Apparently we're told that there aren't any backlogged. The ones that have been applied for have basically been cleared out of the system. Is that your understanding?

Mr. Peter MacLeod: The timeline for a typical new product is a year and a half, and the recent statistics I've seen that were presented this morning are in fact true from our perspective. About 90% of the time for these major new products and new evaluations, they are meeting the standard that they've prescribed of 18 months. For joint reviews, they're meeting them 100% of the time.

Mr. David Anderson: Okay. That's a big change from the past.

Mr. Peter MacLeod: It sure is.

Mr. David Anderson: I just have a couple of questions about maximum residue levels, and I'd like your opinion on this.

I had a chance to go to Japan around Christmas-time, and they were bringing in some new regulations that covered a whole pile of products with some fairly onerous regulations. Do you see an international movement towards this? Do you see that as being positive or negative for producers, as well as for your industry?

I have another concern: that those don't end up being used as trade barriers in a new age.

Mr. Peter MacLeod: There is a system of global maximum residue limits through the Codex, through the FAO. Unfortunately, not every country recognizes that global standard, and in fact that global standard is sometimes not appropriate for each individual country because the use pattern is different.

Maximum residue limits is largely not a health or scientific process. It's really how the product is used in that individual country. So we promote a synchronous MRL process between Canada and the U.S. and our major trading partners so there are not barriers to trade. It is an unfortunate area that can sometimes creep in where there is a maximum residue limit that would create a barrier. I believe we need to look at this from a global perspective to make sure it doesn't happen.

Mr. David Anderson: One of the problems seems to be if you've got, as we talked about earlier, different residue goals in different areas, climatic or geographic, then you always end up picking the strictest one as a standard, and that means everybody has to apply it, and that can get to be a problem in the long run.

I was going to ask you, do you consider 2,4-D to be a safe herbicide?

Mr. Lorne Hepworth: I can lay in on that one. The 2,4-D molecule is one that has been used by farmers for—I'm guessing—60 years, as a first point.

As a second point, it's probably the most exhaustively studied and restudied and tested and retested and evaluated and re-evaluated molecule in the pesticide industry. Although a final report on yet another re-evaluation of that molecule is pending here by PMRA in Canada, in their own words when they released their preliminary assessment a few months ago, 2,4-D when used only according to label directions can be safely used.

The EPA, Europe, virtually every international highly reliable regulatory community has weighed in on this one. So if we say it can be safely used if used according to directions, not only can we speak with confidence relative to the Canadian situation, but we have the advantage of all of these other very stringent regulatory agencies that have also weighed in on this molecule, because it is one that's used globally.

I could further go on to say that it doesn't matter whether it's this molecule or any other molecule, farmers and our industry have no interest in putting products in the marketplace that are unsafe to human health or that would propose an unacceptable risk to human health or the environment.

If international, peer-reviewed, legitimate science demonstrated that there is an unacceptable risk, the farmers, we as the industry, and for sure the regulators would want that risk managed, and if that meant eliminating the use or eliminating the product, that's the way it is. That's the commitment I think we've had and that's the track record of safety this industry enjoys.

I would make that comment relative to 2,4-D or any other of the 6,000 registered products we have here. It's to ensure this that we have re-evaluation, so that an old molecule, so to speak, meets the new tests of the new science. That's why we're willing go through these re-evaluations, so that the public can be assured, whether it's a homeowner or a farmer who's using it, or a public health authority that's using it.

● (1045)

[*Translation*]

The Vice-Chair (Mr. André Bellavance): Mr. Atamanenko, you have seven minutes.

[*English*]

Mr. Alex Atamanenko: Thank you very much.

I would like to bring this down to the level of the individual farmer, to see specifically how this affects a person. You mentioned initially, Mr. Hepworth, the data package, data requirements specific.... I'm wondering what you are saying here with respect to Mr. X who is farming in Manitoba or Saskatchewan. What should there be to make his life easier?

That's my first question. Maybe I'll let you answer that.

Mr. Lorne Hepworth: Standing back a bit to look at that individual farmer, we need to be competitive, and it's increasingly competitive out there. There are two issues for him. One is the technology gap—some other farmers, particularly in the U.S., have products we don't have here, and that's more or less the case with the horticultural council list—and how we can address it. There's a structure there now to be put in place. Part of it is that, whether we like it or not, it's sometimes a very small market here, and so there's the cost of getting the product registered and how we can manage through it.

So that's one goal for the farmer: I want to get the same products my competitors have. The second part is—and this is very much, I think, a tribute to the innovation of Canadian farmers—they also want the newer, safer, better products, these reduced-risk ones, because they want to be able to produce food and the other products of agriculture in a very sustainable fashion.

That speaks to the new innovations. In some instances those may be to make sure they have a full armamentarium to deal with these clever pests that keep mutating, etc. So they need to have the newest innovations as well.

If I'm a farmer—I think I can put myself in that category—I want to make sure I have everything that's available to my competitors out there, but more than ever I think the big push is to make sure the innovation and the research are going on, so that I'm going to have the newer, better, safer products into the future.

Mr. Alex Atamanenko: Obviously there's been an improvement—that's the impression I'm getting—over the last ten years or so.

By having better access to these new products, how much in savings could a farmer...? Maybe, Mr. Bartley, you can give me an idea. In your operation, you're spending so much on chemicals: how much of a savings could you expect if we really made the system work well? Just give a rough idea.

Mr. Bob Bartley: That's a hard question to answer, because I don't know what the cost is across the line, what it would cost to bring it into Canada. I can tell you that I spend $50,000 to $60,000 a year on pesticides on 1,200 acres.

So the most important thing is that we are competitive with our neighbours, and with the subsidy program in the United States it's coming in at a lower price than we can produce. It costs us more to produce it, so we need the newest chemical. It may be cheaper and crop tolerance may be better, so it doesn't injure the crop as much. We need every advantage we can possibly get to survive, because they have that advantage.

Mr. Alex Atamanenko: Also, I think you mentioned the maximum residue levels, for example, and this is the same example I used when I was talking about the fruit growers earlier. There are products grown in the United States on which they can use certain pesticides, yet we're competing with these people and can't use the same pesticides here.

I understand how this relates to the apple industry, because we import a lot of apples. Which products in the grains and oils sectors does that cover? I thought most of our produce is either consumed domestically or exported. Are we competing with import grains or pulse crops that use these chemicals?

● (1050)

Ms. Christine Moran: There would be some chemicals. Certainly we can look at a number of them, which are available in the United States. I think that speaks to improving the timelines and also to improving our access to some of the generic products used there. With our integrated market, we are constantly consuming food back and forth over the border, for value-added processing, for consumption, etc. So it is certainly a concern to us that incoming products are using products we would like.

As my colleague Bob noted, it's a question of levelling that playing field. We are up against so much in terms of competing with our U.S. neighbours, and we do need to ensure we have access.

Quite frankly, it's very difficult for us to pinpoint a savings on a theoretical basis, because sometimes the savings is actually in the form of a higher yield or a better crop, etc. That's difficult for us to measure.

May I make a specific comment on the MRL issue? We referred to the global MRLs, for example, in global cooperation. I think it's important to note that there's regulatory cooperation to be done, not just in the area of synchronicity or harmonization, but also in terms of accepting and finding a science basis for those MRLs. From our perspective, 80% of Canadian grains are exported. So those MRL issues do touch us on a daily basis, and our farmers are extremely savvy in terms of which products they can use for which destination markets. They need to control that very closely.

So we need to ensure that those MRLs are not posing additional barriers to our products in the form of non-tariff barriers. We already have such an uphill climb on the tariff barriers, which we continue to strive to reduce. Nevertheless, at the end of the day, we still need to ensure that we are not faced with non-tariff barriers in the form of MRLs.

Mr. Alex Atamanenko: So which products specifically come—

[*Translation*]

The Vice-Chair (Mr. André Bellavance): There's no time left, Mr. Atamanenko. As a matter of fact, we only have five minutes left and that will not be enough for a full round. However, if my colleagues have very short questions, I might accept a few.

Mr. Gourde, do you have a question?

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): We hear lots of talk about harmonizing pesticides regulations. Some farmers in my riding say that the price of pesticides has not come down despite the increase in value of the Canadian dollar. If I remember correctly, 10 litres of pesticides cost $115 three years ago and should cost $80 to $85 today but the price is $125. Considering the increase in value of the Canadian dollar, farmers are wondering why the price of pesticides has not come down.

Ms. Christine Moran: That's a question I can't answer. Our producers are also worried about that. It's a matter of economics and I have no answer.

[*English*]

Mr. Lorne Hepworth: As a trade association, the issue of pesticide prices or how our members market them, as you might suspect, is not an area we engage in, nor do we want to, but we must be seen to be making sure that we are not offside with any competition law.

That said, there are studies done on a regular basis by Agriculture and Agri-Food Canada. I think Ridgetown College, for example, collaborates with the USDA. In any given year, there are pricing studies out in the marketplace relative to pesticides as well as other inputs.

My experience over the years, reading those studies, is that in any given year you will find that there are some pesticides in the U.S. that are cheaper and some in Canada that are cheaper. Obviously, in that timeframe you will have fluctuations up and down.

The observation you made now I can't corroborate, because we ourselves don't track them, but others might make the reverse observation. When the Canadian dollar was really, really low and manufacturers were buying active ingredients with a really devalued dollar, many could make the observation, perhaps, that during that time there was no increase in pesticide prices.

What I'm trying to come to is that there are a number of factors, including the types of pesticides that our growers want to use in terms of the sophisticated approach they tend to take, and I think some of the studies have shown that for certain Manitoba growers versus their counterparts right across the border.

It's a complex issue, not one that trade associations typically engage themselves in, but it gets back to some of the comments that were made earlier by our colleagues and ourselves. At the end of the day, what we're talking about here is that with harmonization a lot of these issues go away.

● (1055)

[*Translation*]

The Vice-Chair (Mr. André Bellavance): I want to thank you for your presence in front of the Standing Committee on Agriculture and Agri-Food.

I'll give the Chair back to Mr. Ritz who probably has some information to give to the members of the committee.

[*English*]

The Chair: Thanks, André.

Just before we adjourn for the day, folks, there is a little bit of a housekeeping issue.

The other day when Rothsay was here, they invited the committee to join in the tour of their new plant in Montreal on, I believe, July 20. We do have a committee meeting that morning, but it's possible we could apply for a travel budget and charter a bus or something, and everybody could head over and do the tour and come back later that afternoon or evening, if there's interest from the committee to do that. I just want to put that before you.

Did I say July? Sorry, I'm thinking summer here. I should have said June 20. Thank you, Alex.

Mr. Roger Valley: I have no problem sending the committee wherever.

The Chair: Thanks, Roger, but we will come back; that's the trick.

[*Translation*]

Mr. André Bellavance: Mr. Chairman, would it be a whole-day trip?

[*English*]

The Chair: No, actually we wouldn't. We do have a committee meeting slated for Tuesday, June 20, that will finish at 11 o'clock. It's an hour and a half to Montreal. I'm not sure how much farther the venue is. I really don't know. We'd have to do the logistics of it. But we would get there mid-afternoon, do the tour, and then travel back and be home that evening, unless there are votes or some such thing, which there could be on the Tuesday.

I don't know. I didn't want to have someone come up later and ask why we didn't do that.

Mr. David Anderson: Mr. Chair, it may be possible to leave early in the morning and get back by mid-afternoon or early afternoon or something.

The Chair: Well, we have a committee meeting slated for June 20, at this point, do we not?

Mr. David Anderson: We could have it on the bus.

The Chair: Well, whatever. I'm not even sure what the meeting is that day. I don't have it in front of me.

Oh, the meeting on the 20th is on transportation again.

Mr. Gary Merasty: A perfect meeting to have on the bus.

The Chair: Good point, Gary.

So we can give that a bit of thought. We'll meet again on Tuesday morning and we can finalize it then. It's getting pretty tight to run a budget by the liaison committee, and so on. I don't think it's even slated to meet. The executive can, but anyway....

Alex.

Mr. Alex Atamanenko: If we were going to do this we would have to restructure our schedule for the rest of the session to fit in transportation somehow. I don't think we can do that.

The Chair: I'm saying we would have our committee meeting in the morning from nine to eleven. Then we could head out right after that, if possible, if there weren't votes that night or something. I can't foresee that.

Mr. Alex Atamanenko: We could have a proposal to leave early, so if we were doing that—

The Chair: Yes. But I'm saying we can do both. We can multi-task. It's not that far, as I understand it. We'd have to do the logistics.

Mr. David Anderson: If you go you'll likely have to cancel your committee meeting. That's part of committee business. You can consider it to be your committee business for the day if you go. It's up to the committee to make the decision, I guess.

The Chair: Do you want to think about it over the weekend and finalize it on Tuesday? Okay.

Roger wants us to go. He doesn't want to go by himself.

Thanks, folks. This meeting stands adjourned.

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