Value Creation:

Driving Plant Breeding Innovation

CSGA's Board has endorsed AAFC and CFIA's proposed contract model over the alternative End-Point Royalty model as the best path forward to increase royalty flows to breeding institutions. Here's why.

The importance of ensuring a steady source of revenue for seed research and development cannot be overstated. Ongoing research leads to increased access to new high performing varieties, bred specifically for success in Canada. Plant breeding is a numbers game – the more work that is done, the better the chance of developing improved varieties. More funding leads to more research, which results in more higher performing seed varieties tailored to Canadian needs. This in turn is good for seed growers, their customers and for a competitive Canadian agriculture and food sector. So good, in fact, that a recent study found that for every $1 million invested in plant breeding in cereals, pulses, and special crops, producers benefited by $7.1 million to $11.5 million.[1]

Determining the best way to increase returns to plant breeding has been a hot topic over the past couple of years. Debate has centred on potential changes to Canada's *Plant Breeders' Rights* (PBR) Regulations and the so-called "farm saved seed" question. Discussion has been fueled by concerns over declining cereal acres in Canada relative to crops with higher returns (and Pedigreed seed use) such as corn, canola and soybeans, with the primary focus being on finding ways to increase investment flows to Canadian cereal breeding. Raising the proportion of Pedigreed versus common seed sales in cereal crops would help to achieve that objective. Collecting royalties on successive generations of "saved" seed from protected varieties, rather than only once, would also contribute.

The merits of introducing an amendment to the PBR Regulations that would enable the collection of royalties on successive generations of "saved" seed from protected varieties is currently being explored by Agriculture and Agri-Food Canada (AAFC) and the Canadian Food Inspection Agency (CFIA). As part of this exploration process, AAFC and CFIA have just launched a tightly-focused engagement process designed to solicit stakeholder feedback on two potential delivery models: An End-Point Royalty (EPR) model based on the collection and remittance of royalties on delivered commercial grain of protected varieties, and a Seed Variety Use Agreement model based on contracts between pedigreed seed sellers and buyers.

The latter model has been endorsed by the Canadian Seed Growers' Association (CSGA) and Canadian Seed Trade Association (CSTA) Boards of Directors and their Seed Synergy partners, the Canadian Seed Institute, the Commercial Seed Analysts Association of Canada, CropLife Canada and the Canadian Plant Technology Agency. AAFC and CFIA's decision to initiate consultations now, stems in large part from the Seed Synergy Partners encouragement to start the conversation sooner rather than later.

This is without a doubt a controversial topic and the options proposed carry risks for the pedigreed seed industry, but also potential rewards. Putting off or avoiding this discussion altogether carries its own risks, not the least of which is the

continued on page 18