

Speaking Notes for the Grain Growers of Canada – Finance Committee

September 16, 2009

Mr. Chairperson, Honourable members, and guests.

My name is Richard Phillips. I have a farm in Saskatchewan and I'm with the Grain Growers of Canada. With me today and sharing our time, is Sheri Strydhorst, a farmer from Alberta, with the Alberta Pulse Growers.

If there is one thing that unites the 80,000 farmers in the Grain Growers of Canada, it is the issue of more funding for public research.

In Canada, approximately three quarters of the farmland is planted to crops developed by public sector plant breeders.

The private sector does invest in corn, soybeans and canola, but for 5 of Canada's 6 largest crops, 98% of the research is publicly funded.

In the last 15 years, Federal contributions to Ag Canada's research branch have been stagnant with no increases for inflation. In 2009 dollars, this means funding has dropped from 458 to 280 million dollars today, nearly a 50% cut.

The number of frontline scientists has dropped more than 10% in just the last couple years.

Our request to you today is two-fold.

First, we are asking for a doubling of A-Base funding to Ag Canada.

This would cost 280 million dollars phased in over 10 years, \$28 million a year.

This will allow Ag Canada to upgrade labs and equipment; bring on new staff and help ensure proper succession plans for continuity of corporate memory.

For example, a retiring pathologist who studies crop diseases needs to overlap with his replacement to ensure knowledge transfer.

Let us share with you two success stories of public breeding.

Almost 100% of the small red, black, and great northern beans grown in southern Alberta were developed by Ag Canada's bean breeding program.

These varieties meet market demand, incorporate disease resistance, have high quality, and most importantly these varieties have improved farmers bottom lines.

Public research has been integral to the success of Canadian farmers. For example, one recent wheat variety, AC Barrie developed by Ag Canada, has been planted on over 50 million acres the last 10 years.

The gross value of this wheat was over 1 billion dollars and contributed over \$540 million in incremental farm gate revenue because of its improved yield and disease resistance.

Looking ahead, there are a number of key areas that Canadian farmers and consumers want work done on.

Traits like:

- drought resistance in the southern prairies
- cold tolerance in the northern prairies and in corn
- disease resistance – Ug99 which is threatening the worlds wheat supply, fusarium in much of the wheat west of Saskatchewan
- insect resistance to reduce the use of pesticides, for example flea beetles and wheat midge
- improved utilization of nitrogen to reduce fertilizer use and fertilizer runoff into water sources
- healthier food – availability of iron in peas and beans, omega 3's and reduced trans fats.

There is tremendous potential to make our food healthier for consumers. For example, peas and beans can help reduce diabetes, cardiovascular disease and obesity.

Secondly, we are asking for an incentive to spur the use of certified seed.

The sale of certified seed is what provides the royalties back to plant-breeders, whether they are in the public or private sector.

Crops like peas, wheat, barley and oats have traditionally seen a very low use of certified seed and so there has been little interest from the private sector.

Increasing the use of certified seed will directly lead to increased private sector investments as well.

We would like to recommend that the next budget contain a tax credit to encourage farmers to buy new certified seed on a regular basis.

In summary, our request is for 280 million dollars over the next 10 years to be invested in A-Base funding at Ag Canada and secondly that a tax credit be implemented to encourage the use of certified seed.

Thank you again for the opportunity to be here and we look forward to your questions.