

**RESOLUTION 9-21  
PROTECT FARMERS RIGHTS TO USE FARM SAVED SEED**

**WHEREAS:** Agriculture and Agri-Food Canada (AAFC) and the Canadian Food Inspection Agency (CFIA) conducted consultations on implementing a system to collect royalties on farm saved seed in 2018/19; and

**WHEREAS:** Paying royalties on farm saved seed will increase the price of seed and decrease profit margins for farmers; and

**WHEREAS:** Royalties on farm saved seed could limit seed choices for farmers as seed companies move to deregister old varieties, which could mean farmers would be forced to pay royalties and to grow only newer varieties; and

**WHEREAS:** AAFC and CFIA have not outlined details on how much a royalty would be, how it would be collected or how royalties would be dispersed; and

**WHEREAS:** The Canadian Plant Technology Agency launched a pilot project in spring 2020 to test value use agreements whereby farmers would be required to pay royalties on farm saved seed; and

**WHEREAS:** A royalty system has potential to decrease farmers' ability to make sound agronomic decisions and operate profitably; and

**WHEREAS:** Other options to fund crop variety research are available, including increased investment of grain commission check-off funds in variety research; and

**WHEREAS:** Options other than royalty systems to increase investment in crop variety development are required in order to maintain Canada's competitive advantage in the global market; and

**THEREFORE, BE IT RESOLVED  
THAT ALBERTA'S AGRICULTURAL SERVICE BOARDS REQUEST**

Agriculture and Agri-Food Canada abandon the proposal to implement the adoption of End Point Royalties or farm saved seed "trailing royalty contracts" and pursue investment options for globally competitive crop variety development that have direct and tangible on farm benefits.

**SPONSORED BY:** Parkland County

**MOVED BY:** \_\_\_\_\_

**SECONDED BY:** \_\_\_\_\_

**CARRIED:** \_\_\_\_\_

**DEFEATED:** \_\_\_\_\_

**STATUS:** Federal

**DEPARTMENT:** Canadian Food Inspection Agency

## Background

In 2018, Agriculture and Agri-Food Canada conducted a series of consultations on proposals for royalty collection models for cereal grains. The royalty collection models are one mechanism to fund cereal grain variety development. Historically, the majority of cereal grain variety development was conducted by public institutions with public funds. However, public cereal variety research and development has decreased over time.

In order for Canada to remain competitive in the international cereal grain market, new variety research is required. With the reduction in public funding for this research, new funding models for variety development are required.

The new seed royalty proposal brought forward by the federal government will require farmers to pay additional seed royalties on farm saved seed. Previously farm saved seed could be kept, cleaned, conditioned, and grown by farmers for years without having to pay royalties back to seed companies or the original plant breeders.

The new seed royalty proposals are end point royalties or trailing royalties otherwise known as the Seed Variety Use Agreement (SVUA). End point royalties will mandate that farmers pay seed royalties on Plant Breeders' Rights protected varieties at the time the crop is sold, while trailing royalties or the SVUA will have Canadian producers paying an annual fee that grants them the permission to grow their own farm saved seed each year. It is unclear how royalties would be collected if a farmer sells seed to a neighbor.

The intended use of these new royalties is to fund plant breeding and research by private industry. Similar royalty schemes have been implemented in Australia and France.

The royalty amount and method they are paid are still unknown, however, pilot projects on royalty collection are being conducted by the seed industry.

The proposed changes to the current seed royalty regulations being brought forward will have a negative financial impact on Canadian farmers.

The change to seed royalties will essentially take away "Farmers Privilege," which was the term used for farmers to freely grow farm saved seed. Government will argue that farmers are still entitled to the "Farmers Privilege," although now it is a privilege that must be paid for.