



Bayer CropScience

The future of Canadian agriculture and public policy



As a world leader deeply committed to Canada, we owe our customers an active stance on issues that affect their livelihood. This publication outlines Bayer CropScience's vision on four public policy issues vital to the future of Canadian agriculture.

Bayer CropScience Canada a partner for progress

We made a promise to Canadian growers, the same promise Bayer CropScience makes to growers worldwide.

We promised our customers to be *Your partner for growth*. This is much more than just a slogan. *Your partner for growth* is a corporate covenant that guides our actions in all facets of the business. This holds true in research, product development, distributor relationships, sales and marketing, environmental stewardship, employee development and beyond.

This commitment extends to public policy that affects agriculture. By advocating policies that support the long-term success and sustainability of Canadian agriculture, Bayer CropScience Canada is keeping a promise to our customers.

While the issues of the day will change over time, you'll know Bayer CropScience Canada by the consistency of our approach in advocating public policy that supports safety, innovation and long term sustainability of Canadian agriculture.

We think internationally.

As a global company, we see Canada as one of the most progressive and confident nations in bringing innovation to agriculture. As a member of the international community, we bring a global view to Canada, and take Canada's best practices to the world. Bayer CropScience advocates and delivers high standards of corporate governance, ethical corporate behavior, diverse workplaces and integrity in all business dealings.

We think long term.

Bayer CropScience Canada plans to work with producers far, far into the future. The greater their future success, the more successful we are. Accordingly, we seek durable solutions to maintain and enhance the competitiveness of Canadian agriculture. We take responsibility for life cycle management of our products and advocate our industry's stewardshipFirst™ commitments.

We believe in partnerships.

The interdependency of the food production chain is complex. The best long-term results will come from the exchange of ideas — and an alignment — among governments, producers, agribusiness, food manufacturers, consumers and trade partners. Similarly, Bayer CropScience employees are considered corporate partners, making progressive employee development a touchstone of our success.

Inside this publication, you'll find our company's recommendations on four key policy issues for Canadian agriculture: 1) the regulatory process, 2) international trade, 3) research and development and 4) encouraging innovation. This publication is intended as a focus for dialogue, and as an invitation to discuss these issues in greater depth.

Bayer CropScience Canada looks forward to working in a spirit of partnership, to help create sustainable success for Canadian agriculture, for the benefit of all Canadians.

1

Canada's Regulatory Process

Meeting Today's Needs and Preparing for the Future

To maximize social and economic benefits to Canadians, the country's regulatory system must foster innovation and deliver a competitive advantage.

A robust, timely, transparent, science-based regulatory system is essential. This will ensure that Canadians have timely access to safe products, enhance international competitiveness and attract substantial R&D investment.

A regulatory system must address product safety, while actively keeping pace with emerging cutting edge technologies that Canadian businesses and public research institutions are creating every day.

Inevitably, innovation will be a catalyst for change. Throughout this change, Canadians must continue to have confidence in the regulatory system. Therefore, government, industry and the public must partner to encourage dialogue and resolution on emerging socio-economic issues that are consistent with an objective, science-based regulatory approach. This will build confidence among Canadian and international consumers and stakeholders.

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Canada should seek greater synchronization with our major trading partner, the United States, for the review and approval of new products. This will improve regulatory efficiency, avoid duplication and provide Canadian industry and producers with competitive equality.

In terms of technology development and regulatory policy, Canada should improve alignment between government departments and regulatory agencies. Canada's regulatory agencies must engage in active consultation with industry customers in order to keep pace with business and technology trends.

To increase efficiency, Canada must better utilize the regulatory capacity and competent regulatory authority reviews of other jurisdictions (e.g. U.S.-EPA, OECD). The Smart Regulation



agenda must drive momentum and direction for implementing improvements now and for preparing for the dynamics of the future.

The Government of Canada should encourage regulatory efficiency and create greater accountability and transparency on service fees and performance standards.

2 International Trade Towards 2010

Maintaining a Level Playing Field

Canada's agriculture sector is dependent on external market access. We must therefore be vigilant in protecting against unwarranted trade barriers that inhibit innovation.

Canada must use every opportunity to promote a level international playing field, by supporting a reduction of agricultural export subsidies, and capturing real and substantial market access improvements for all agriculture and food products.

Canada must promote and brand its safe high-quality products and the systems that produce them responsibly and sustainably.

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Canada should continue to pursue solutions with the European Union and the World Trade Organization on trade-restrictive practices and legislation in biotechnology.

Canada should support the objectives of the Cartagena Protocol, however a ratification decision should be delayed until trade restricting issues on seed and commodity trade are fully addressed. Bilateral trade arrangements should be sought with our most important trading partners as insurance to facilitate trade.

Canadian regulators must commit to finding solutions for trade restricting technical barriers imbedded in regulatory policy (i.e. Maximum Residue Limits, zero tolerance for adventitious presence).

3 Research and Development

Creating Opportunities

A supportive environment for research along with a modern regulatory system allows Bayer CropScience to attract research and development to Canada. Increased research and development opportunities will enrich Canada's infrastructure and national expertise.

To remain global leaders, and to provide the economic and social benefits that the crop science industry brings to Canada, we must seriously consider increasing capital investment in this sector.

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Canada needs internationally competitive intellectual property protection rights that provide assurances of a fair return for R&D investment in Canada.

The industry for its part, must work with its federal and provincial partners to find new ways to secure the capital needed to commercialize new discoveries.



A diverse production and market infrastructure creates opportunities for innovators to develop new technologies. Diversity within the marketplace gives producers and consumers greater choice.

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The Government of Canada should focus policy direction on the coexistence and shared prosperity of traditional and new technology in agriculture.

Industry, through dialogue with government and stakeholders, must take the lead in developing guiding principles and best practices for early market analysis; addressing issues of market preference that will occur in a diverse, sustainable agricultural and bio-based economy.

4 Meeting Market Preferences

Innovation Creates Options for Producers and Consumers

Canada will be well served by having a diverse, sustainable agricultural system, that benefits from both traditional and new technologies for the production of food and bio-products that meet diverse domestic and international markets.

Canada should adopt an agri-food framework that accommodates different and often competing production methods.



Partner for Growth

About our Company

Headquartered in Monheim, Germany, our 19,400 employees work in more than 120 countries. Bayer CropScience benefits significantly from its position within the global Bayer Group as one of the group's three core businesses, along with Bayer Healthcare and Bayer MaterialScience, all focused on innovation and growth.

Bayer CropScience has three business groups to meet the needs of different markets:

Crop Protection develops and markets high-performance trusted and innovative fungicides, herbicides, insecticides and seed treatment products.

BioScience uses plant biotechnology and conventional breeding to offer sustainable, high value solutions for agriculture, nutrition, health and biomaterials.

Environmental Science offers solutions to control pests and weeds efficiently and to improve the quality of life of professional users and consumers.

In Canada

Bayer CropScience is a leader in crop production in this agriculturally rich and diverse country. The company employs over 250 people with headquarters in Calgary. Other locations include a formulation plant in Regina, a seed-breeding facility in Saskatoon, an eastern Canada operations center in Guelph and a regulatory office in Ottawa. The company is currently building a new seed processing facility in Lethbridge for our leading InVigor hybrid canola seed.

An integrated product portfolio of crop protection products, seed treatment technologies and plant biotechnology offers Canadian farmers a wide choice of solutions. In fact, we are among the world's leaders in applying advances in plant biotechnology to increase crop quality, yields and promoting safe practices for the environment, farmer and consumer.

60,000 Canadian growers look to Bayer CropScience technology for many of their crop production products including herbicides (Puma^{®120} Super, Buctril[®] M, Liberty[®], Option[®]), fungicides (Rovral[®] Flo, Folicur[®], Stratego[™], Flint[®]), insecticides (Decis[®], Sevin[®] XLR, Alette[®], Admire[®]), seed treatments (Raxil[®], Prosper[™], Poncho[®]) and canola seed (InVigor[®] hybrid canola).

For more information on Bayer CropScience Inc. Canada, please visit our website at www.bayercropscience.ca.



Bayer CropScience Inc., #100 - 3131 114 Ave S.E., Calgary, AB T2Z 3X2
T. 1 888 283 6847 F. 1 800 880 9481 www.bayercropscience.ca

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