



January 25, 2010

Wesley Kennedy
Policy, Communications and Regulatory Affairs Directorate
Pest Management Regulatory Agency
Health Canada
2720 Riverside Drive
Address Locator 6607D1
Ottawa, Ontario K1A 0K9

Dear Mr. Kennedy,

Re: Pre-publication of the proposed Regulations Amending the Pest Control Products Regulations published in the Canada Gazette, Part I, on November 14, 2009.

Please consider this letter to be our official input into the Gazette 1 step of the regulatory process.

Our organizations have been active participants for a number of years on the GROU steering committee and have a strong appreciation of the need to balance the interests of producers, generic manufacturers and innovators.

We feel the proposed regulations strike an acceptable balance between these competing interests and therefore support the changes as published in the Canada Gazette. Please note the following comments with regard to the key areas addressed:

1. Negotiation timelines

We believe the proposed dispute resolution process for 120 days of negotiation and 120 days for arbitration is the key piece in the new regulations. It will provide a clear and predictable path forward that industry (both generics and innovators) can prepare for and meet.

We strongly support this proposal.

2. Escrow

Providing an escrow option after the 120-day negotiation period is an important option to ensure the timely registration of new generic products. It may allow a product to come to market in the immediate season, which might otherwise be delayed by the four-month arbitration process.

By having the innovator's last offer as the escrow amount, it will ensure the generic is fully committed to following through with the process, and provides surety of compensation to the innovator.

We support the proposal on escrow.

3. Provision for extension of exclusive use period based on minor use labeling

The Canadian Canola Growers and Grain Growers believe it is important to encourage diversification and new crops, many of which require pest controls to be viable cropping options. Therefore, it is in the best interests of Canadian farmers that there be some incentive in place to encourage innovators to continue to invest in minor use registrations.

Specifically, we feel extending the ten-year exclusive use period at a rate of one additional year for three minor uses (to a maximum of five additional years) for grower-requested minor uses added on or after August 1, 2007 sufficiently weighs the interests of innovators, generics and all types of producers. As proposed, this will provide adequate incentive for minor use registrations. However, we urge you not to deviate from this formula and date, as we do not want this provision to delay the availability of major use generic products.

4. The transition period

We understand there are a number of products in the queue and we support any efforts to facilitate moving them through the negotiation process as quickly as possible as long as this does not in any way delay the implementation of these regulations.

Accelerating the removal of the backlog will provide tangible evidence to farmers as to the degree of reform the federal government has embarked on with regards to pesticides.

However, if the process to deal with the backlog will result in a delay to the implementation of these regulations, we would encourage you to prioritize the regulations as is, and not risk having to re-draft and re-Gazette.

5. Statutory review timeline

Given the extensive changes and the difficulty in anticipating all potential outcomes, we strongly recommend a statutory review of the regulations after three years instead of the normal five-year period to ensure they are not unduly impeding the timely registration of

new generic products, they are providing fair compensation to innovators and that they are delivering the value to Canadian farmers as intended.

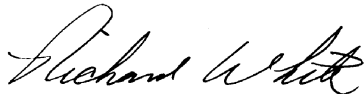
In Conclusion

We urge you to proceed through the Gazette process as quickly as possible so that negotiations under the new regulations may begin this summer and new generics may be marketed in Canada as early as this fall.

Timely implementation must be the first priority.

We congratulate you on finding a path forward that considers the varying and diverse interests involved.

Sincerely,



Rick White
General Manager
Canadian Canola Growers Association



Richard Phillips
Executive Director
Grain Growers of Canada