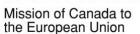
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Government of Canada Gouvernement du Canada



Mission du Canada auprès de l'Union européenne

Canada

Consultation on Regulations Identifying Criteria for

Endocrine Disruptors

Potential Trade Impacts: Canada

Summary of Canadian Comments

- 1. Overview of international and Canadian context.
- 2. Key concerns of decision based solely on hazard rather than risk analysis.
- 3. Potential impacts on setting of MRLs and setting of precedents.
- 4. Potential impacts on Canada-EU trade.
- 5. Decision-making based on internationally-accepted standards and consistent with EU's WTO obligations.

International Context

- Proposed criteria based solely on hazard rather than risk analysis.
- Inconsistent with internationally accepted <u>risk-based</u> assessment practices.
- Commitment to the World Trade Organization and the multilateral trading system as well as participation in international standard setting bodies (i.e. Codex).
- Most international governments utilize a risk-based approach.

Endocrine Disruptors Canadian Approach to Assessment

- Risk-based rather than hazard-based approach to assess pesticide safety.
- Takes into account both the hazard and exposure <u>under</u> <u>specific use conditions</u>, including any potential endocrinespecific effect.
- Risk assessment informs whether a product may be registered.
- A product may be registered if the level of human exposure for both dietary and non-dietary scenarios is of no health risk concern, and the exposure to organisms and the environment is of no environmental risk concern.

Risk = Hazard x Exposure

- E.g. Myclobutanil
 - <u>Hazard</u> included reproductive toxicity in animals
 - Level of human <u>exposure</u> is far below the amount that would result in harmful effects based on hazard testing
 - No health or environmental <u>risk</u> of concern identified -> therefore registration continued
- E.g. Lindane
 - <u>Hazard</u> included:
 - altered hormonal levels in developing animals
 - developmental & reproductive effects in fish & wildlife
 - <u>Exposure</u> levels:
 - estimated human exposure not sufficiently below amount causing harmful effects in animals
 - relevant environmental concentrations within levels for potential effects in fish & wildlife
 - Both health and environmental <u>risks</u> of concern identified -> therefore deregistered

Potential Impacts: Maximum Residue Limits

• Regulation 1107/2009

Hazard-based criteria for approval of pesticides

- Regulation 396/2005
 - Establishes MRLs for food/feed
- Relationship between regulations could negatively impact how MRLs are established/renewed.
 - Regulation 1107/2009 references default MRL values of Regulation 396/2005

Canadian Context

- Canada a world export leader of
 - Pulses (\$3.18 billion), Wheat (\$7.95 billion), Corn (\$491.8 million), Soybeans (\$1.97 billion), Rapeseed (\$5.19 billion)
- Supplies many EU processors with high quality inputs
 - E.g. Italy uses our durum wheat to make pasta
 - E.g. Corn for EU animal feed
 - E.g. Soybeans and Pulses used in value-added agri-food products such as soy milk, hummus.
- Canada has strong regulatory oversight, with pre- & post-market processes in place that ensures a life-cycle approach to pesticide regulation.
- Consistent with internationally-accepted practices using risk-based assessment ensures
 - a predictable trading environment
 - high quality and safe foods
 - environmental protection and human health and safety

Potential Impacts: Canada & the EU

- Strong bilateral agriculture and agri-food trade relationship.
 - EU agricultural exports to Canada: €3.11 billion (CDN\$4.56 billion)
 - EU agricultural imports from Canada: €2.24 billion (CDN\$3.28 billion)
- EU Imports from Canada
 - Used as inputs in many industries (processing, feed for livestock).
 - Potential to unnecessarily disrupt bilateral trade in agriculture and agri-food and feed products on which chemicals containing endocrine disrupting properties are safely used.

EU Imports 2014	From Canada (Canadian Dollars)	Quantity (tonnes)
Wheat and Durum	\$1 Billion	2.5 Billion
Soybeans	\$455.7 Million	1.25 Million
Corn	\$356.3 Million	1.4 Billion
Pulse	\$305.6 Million	303,929
Rapeseed	\$38 Million	64,846
Cranberries/Blueberries	\$3 Million	697
Fresh Cherries	\$7.2 Million	1,050

Potential Impacts: EU Context

- The EU is world's biggest ag exporter...
- ... But is also largest importer
 - Depends on third-country supply to meet demands of internal market.
- Potential negative impacts...
 - Restricted access to certain products.
 - Increasing costs for shipping, testing, inspections.
 - Competitiveness of EU processing industry and feed and livestock sectors.

Potential Impacts:

Global Trade & Multilateral Institutions

- Shared commitment to multilateral rules-based system (WTO, Codex, etc...).
- Obligation to base SPS measures on an assessment of risk, taking into account international risk assessment techniques.
 - The proposed options do not include a risk-based approach.
- WTO Members shall not adopt measures that are more trade restrictive than necessary to fulfill the legitimate objective.
 - Potential to unnecessarily disrupt trade in food, feed and agricultural products.
- Concern with global impact and precedent of any decision.

Conclusion

- Canada and the EU are both global traders with a strong history of bilateral trade.
- We are all interested in having high quality and safe food, ensuring environmental and human health is protected.
- We also wish to see trade continue to occur in an open, fair and consistent manner.
- Measures establishing MRLs for any plant protection product should be based on science-based risk assessment and consistent with international trade obligations.