

An Economic Account of Innovation Policy in Canada: A Comparison of Canola, Wheat, and Pulses

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There is significant evidence that investments in agricultural research generate gains to farmers and the economy as a whole. The objective of this paper is to provide an assessment of the biotech industry in Canada including an update of producers' benefits from herbicide tolerant canola, comparisons of gains with other crops, and the need for government involvement. The study also assesses the evolution of research policies in Canada over time, exploring the role of government in today's crop research. The study develops a framework to analyze options for agricultural research, including property rights, subsidies to private researchers, and public research in the context of three representative case studies: canola (a large crop with significant privatization in plant breeding), wheat (a large crop without significant privatization), and pulses (a small crop with adequate crop development funding through check-offs). Current challenges and opportunities facing crop innovation are also discussed.

Key words: .