



I.D.E.A. Position Regarding ClearOut 41 Plus

November 18, 2005

ClearOut 41 Plus is a broad spectrum herbicide produced abroad, exported to the United States and re-exported to Canada. Commonly known as glyphosate, ClearOut 41 Plus, similar in nature to name brands such as Roundup, is available in the form of isopropylamine salt. However ClearOut 41 Plus has not undergone the same review process as the products it resembles for sale in Canada and displaces the use of Roundup and other registered products.

After a major chemical warehouse fire in Manitoba in the early 1980s, Canadian federal and provincial governments worked with manufacturing, distribution and agri-retail associations to build a system where agricultural chemicals were handled and stored with limited risk to surrounding populations and limited risk of groundwater pollution. The current system includes a comprehensive regulatory framework mandating specifics related to storage, handling, transport, paperwork, staff training, etc.

A February 2005 decision by the Health Canada's Pest Management Regulatory Agency (PMRA) accepted a proposal prepared by Farmers of North America Inc. (FNA) to bring ClearOut 41 Plus into the Own-Use Importation (OUI) Program. The PMRA is the federal agency responsible for the regulation of pest control products in Canada. As the federal authority under the Pest Control Products Act (PCPA), the PMRA also develops pest management policies and guidelines and its mandate is to prevent unacceptable risks to people and the environment from the use of pest control products. FNA is a self-proclaimed member-ship based buying group, supplying farm fuel, harvest parts, and a small array of other inputs.

The OUI Program was implemented in 1993 and was intended to help Canadian farmers gain direct access to American products when special needs arise. Under the OUI Program, a registered product in the United States can be imported for personal use and is exempt from registration in Canada under the Pest Control Products Act (PCPA) if two conditions are met: (1) the product must be chemically equivalent to a Canadian registered product and (2) the product must have an approved label that is equivalent to a Canadian registered product.

The PMRA determined ClearOut 41 Plus met the requirements for acceptance into importation under the OUI program and said there was no increased risk to health or the environment from the importation and use of ClearOut 41 Plus in Canada. The PMRA determined interested pesticide users may now apply to import a declared quantity of ClearOut 41 Plus for their own use during the 2005 use season. PMRA stated the product is not for resale or distribution in Canada, and the intended use of ClearOut 41 Plus must be specified by the user.

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However, I.D.E.A. believes FNA is essentially acting as a retailer in the redistribution of ClearOut 41 Plus to Canadian farmers, and as a result, places FNA on an unfair playing field in which independent agriculture retailers (dealers) are not able to compete.

Independent agricultural retailers operate within the current regulatory framework, ensuring agricultural chemicals are housed, handled and transported in a safe manner. In fact, the strict environmental standards the independent agricultural dealer is subject to represents millions of dollars in capital costs and thousands of dollars in annual compliance costs. Such compliance does not appear to be the case with handlers and shippers of ClearOut 41 Plus, namely FNA and its farmer members. FNA and its farmer members are distributing, and in some cases selling, ClearOut 41 Plus to other farmers. This is not in the spirit or letter of the OUI Program. One group should not be responsible for bearing the costs of the regulatory framework and a healthy environment while another group bears no cost.

Licensed chemical retailers are restricted to selling only those products licensed by the PMRA (after a multi-year, multi-million-dollar registration process has been followed) with no opportunity to import products under any circumstances. The Canadian Food Inspection Agency polices retailer warehouses through on-site inspections to ensure such is the case. However, through the OUI program, I.D.E.A. believes FNA and its farmer members are acting as unlicensed chemical dealers and distributing unlicensed products with impunity while licensed dealers are restricted from doing the same. In addition, Canadian retailers can not legally be engaged in the sale of agricultural chemicals without owning and maintaining a licensed warehouse, carrying the attendant property and business taxes. With the OUI program, FNA and its farmer members are permitted to engage themselves in the business without adhering to warehousing regulations and the associated costs.

Further, the independent agricultural retailer is responsible for recycling empty chemical containers. ClearOut 41 Plus containers, once emptied, have no home, no recycling option, and will add to the problem of on-farm pollution, a problem which the retailers and manufacturers have been asked to help resolve. It is wrong to absolve unlicensed dealers of the recycling responsibility.

The current regulatory framework for agricultural retailers is both complicated and costly, but has been accepted by the participants as necessary to protect Canada's environment and its people. However, through the OUI Program, PMRA has provided a way for a select group to avoid the rules and expenses others have accepted for many years. The Canadian government is ignoring their own guidelines and the industry progress in agricultural chemical handling by allowing unrestricted direct shipping from the United States.

As a result, I.D.E.A. believes the current situation is unacceptable and the PMRA must eliminate ClearOut 41 Plus from the OUI Program and re-evaluate the OUI program altogether.