



To: Members of the House Agriculture, Finance and Policy Committee

From: Riley Titus, CropLife America

Date: 4/6/2021

RE: H.F. 1524, Agriculture Appropriations

Chair Sundin, and distinguished members of the Agriculture, Finance and Policy Committee:

Thank you for the opportunity to submit written testimony regarding HF 1524. We respectfully oppose Article 2, Sec. 8 and Sec. 9 of this bill and request removal from H.F.1524.

Article 2, Section 8 (Registration application and gross sales fee)

We support and promote science-based policy and regulatory processes necessary for the regulation of pesticide products at both the state and federal level. The manufacture, sale, and use of pesticides is extensively regulated by the Minnesota Department of Agriculture (MDA), and U.S. Environmental Protection Agency (EPA).

Pesticide registrants registering a pesticide in the state of Minnesota are required to pay a fee of \$350. This fee is allocated to the Minnesota Department of Agriculture (MDA). As part of that funding, MDA ensures safe and proper pesticide use in the state through registration of pesticides, licensing of pesticide applicators, and through research, inspection, and enforcement activities. The state pesticide law under MDA's jurisdiction comprehensively regulates virtually every other aspect of labeling, distribution, sale, storage, transportation, use and application, and disposal of pesticides in the state. The Minnesota Office of the Legislative Auditor (OLA) evaluated Minnesota MDA pesticide regulation in 2006 and made several recommendations to MDA. The 2020 reevaluation found that MDA fully implemented eight of ten recommendations from the 2006 report, and that the Department had partially implemented the other two recommendations.

Increasing the percentage of tax levied, nearly double, from 0.55 to 0.9 percent on the annual gross sales of pesticide products in the state, is unnecessary and capricious. This would increase revenue approximately 60 percent. While we support a robust regulatory department and oversight, we believe MDA has sufficient funding based on its current budget, and recent lab and equipment upgrades making Minnesota a premier state regarding lab quality and testing ability.

The agricultural economy has struggled recently due to myriad factors, including the pandemic, weather, trade, climate change, and prior low commodity prices. Raising prices on Minnesota farmers and the tools and technologies they need to remain competitive, sustainable, and moreover viable, moves counter to supporting the second largest economy in the state.

Minnesota received more than \$4 billion dollars from the Federal COVID relief aid bill (H.R. 1319, American Rescue Plan Act of 2021) passed earlier this year. Based on current budget projections, Minnesota is projecting one of the largest budget surpluses in state history. We request the committee remove this provision or support additional funding through federal COVID relief aid dollars, or those provided through the Arts & Cultural Heritage Fund. While we support the work and oversight done by MDA, we must oppose such a dramatic increase

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in fees that would ultimately affect the farmer.

Article 2, Section 9 (Treated seed)

Mandating additional cautionary statement on the label of seeds treated with neonicotinoid pesticides is redundant and unnecessary for seed labels with existing cautionary statements already regulated by EPA and its registration under Section 3 of the Federal Insecticide Fungicide Rodenticide Act (FIFRA). Requiring additional instructions on the labels of seeds treated with federally labeled and registered pesticide products moving through interstate commerce would likely violate the Interstate Commerce Clause of the Constitution and unduly burden manufacturers of seed supplied to one state - Minnesota - when the same seed coatings are subject to uniform regulations by the EPA and USDA and supplied in a consistent manner to all other states.

Seed treatments are an important tool that provide farmers with an economical means of protecting seeds and seedlings against early-season insect pests and diseases. There is no question that today's seed treatments are enabling America's farmers to realize greater yields and healthier crops than ever. At the same time, seed treatment technology is reducing potential risks to the environment, thanks to their highly targeted approach to controlling pests. It is important to note that pesticides applied as seed treatments undergo rigorous testing and review by federal and state regulators to ensure their safety to applicators, wildlife, and the environment.

Additional actions have been taken to protect pollinators. Examples are application processes to increase pesticide adherence to seeds, flowability agents that help minimize seed coat abrasion (dust-off) during planting, and an American Seed Trade Association-led stewardship campaign (<https://seed-treatment-guide.com/>).

Federal seed laws (specifically the Federal Seed Act) regulate the sale and movement of seed in the U.S., and seed companies must abide by those regulations. Within the Federal Seed Act, there are requirements about the labeling of treated seed. The tags on a package of treated seed must include identification of what the seed has been treated with, requirements of special guidance dependent upon the toxicity classification of compounds within the treatment recipe or risk assessment, label statements based on worker protection standards, and other applicable labeling requirements¹.

Thank you for your consideration. Please contact me with any questions.

Sincerely,

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CropLife America (CLA) represents the manufacturers, formulators and distributors of crop protection products in the United States. CLA member companies produce, sell and distribute virtually all the crop protection products used by American farmers.

¹ Label Review Manual: Revised September 2013, Chapter 18: Unique Product Labeling, United States Environmental Protection Agency, https://www.epa.gov/sites/production/files/2014-06/documents/chap-18_0.pdf