



KEYSTONE AGRICULTURAL PRODUCERS

March 3, 2025

Pest Control Products Fees and Charges Regulations Amendments

pmra.regulatory.affairs-affaires.reglementaires.arla@hc-sc.gc.ca

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of all Manitoba farmers, including 6,000 individual and 20 commodity association direct paying members.

Pesticides play an integral role in a farmer's operation. Not only do pesticides protect plants from diseases but also help ensure a sustainable, cost-effective method of production. As such, KAP is pleased to respond to Health Canada's proposed amendments to the Pest Control Product Fees and Charges Regulations.

Fee Increase

The proposed amendments represent a substantial increase to the current pest control product registration charge. Although the PMRA decreased its original proposed registration fee compared to 2024, concerns remain. Health Canada acknowledges that the proposed fees will mean some registrants will pay a "significantly higher" annual charge than in previous years. Government will collect an additional \$89 million because of higher fees. A higher fee means registrants bear a greater share of the annual charge revenue. Health Canada states that higher fees will increase the timeliness of post-market review activities. Better turnover would certainly assist registrants. But Health Canada made the same argument about timeliness in 2017 when it increased the registrant fees.¹ In 2025, registrants still have concerns about timeliness despite previous fee increases and assurances by Health Canada, leading to delays and unnecessary costs for industry. Industry groups and farmers still find themselves in a similar situation. Ultimately, these higher fees negatively affect two groups: farmers and registrants.

Impact on Registrants

KAP has heard from several pesticide companies expressing concerns with the proposed fee increase. Registrants have concerns about competitiveness and innovation regarding the proposed changes. Both competitiveness and innovation matter not only for registrants but also for farmers. Innovation requires funding. If registrants see barriers to innovation in Canada (e.g., a lengthy and costly registration period), then this can affect competitiveness within agriculture. Additionally, if registrants view the Canadian market as too costly and unpredictable, then this may affect what pesticides become available to Canadian farmers. In other words, higher fees add to existing challenges faced by registrants and may continue to disincentive them from doing business in Canada. Based on the discussions we have had, we believe that such decisions on pesticide registration are likely to directly affect product availability to farmers in a significant way.

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¹ <https://canadagazette.gc.ca/rp-pr/p2/2017/2017-02-22/html/sor-dors9-eng.html>

The Canadian Market

Regarding innovation and competitiveness, the PMRA needs to recognize the uniqueness of the Canadian market. Canada is not the United States. The PMRA needs to consider the Canadian market as a whole. The proposed fee increase according to the PMRA “would increase alignment with the U.S. fee regime.” But the Canadian market pales in comparison with the U.S. market: Canada has 87 percent fewer registered pesticide products compared to America. Considering that the United States comprises 15 percent of the global pesticide market, companies operating in America have an advantage in accessing a larger market and are better positioned to absorb fees mandated by the EPA. Given these differences, Canada requires a regulatory framework that accommodates these differences while fostering innovation and competition.

Impact on Farmers

Pesticides represent not only a critical component for crop production but also a substantial cost for farmers. Without pesticides, farmers would encounter increased pests and disease pressures along with lower yields. According to the Government of Manitoba’s cost of production report, pesticide costs comprise 1-17 percent of their total operating costs, depending on the crop.² For example, pinto beans comprise 17 percent of operating costs while red spring wheat comprises 10 percent. Some of these pesticide costs are higher than other operating costs (e.g., fuel, labor, crop insurance, or storage). The analysis statement from the PMRA states that pesticides consist of approximately four percent of operating costs. KAP has concerns about these stated pesticide costs and the additional costs farmers could incur from higher registrant fees. The PMRA analysis statement reviews previous fee increases to the cost of pesticides, but challenges inevitably occur by using the pesticide price index and trying to determine which variables ultimately affect pesticide prices. Given the critical nature of pesticides for farmers, we do not anticipate farmers to significantly change their purchase of pesticides if costs were to increase. But farmers are price takers and lack the ability to pass these increased costs to the end user—further adding to rising input costs under the context of lower commodity prices. This is in addition to the product availability component outlined in the “Impact on Registrants” section.

Cost Sharing

KAP agrees that the pest control product registration should be shared responsibility between taxpayers and registrants. But cost sharing should recognize the public benefit provided by farmers through the availability of pesticides. Through pesticide use (e.g., glyphosate), farmers have increased the number of zero-till acres in the past 35 years, resulting in increased carbon sequestration, reduced erosion, and improved water quality. Farmers have also seen increased yield growth with pesticides thereby growing more food while reducing pressures on adjacent lands. And pesticides have ensured food remains affordable for Canadians. The proposed cost share does not reflect these public benefits and places an additional burden on both registrants and farmers.

Conclusion & Recommendation

KAP does not support the proposed changes to the Pest Control Products Fee and Charges Regulations, given the concerns highlighted above. And considering the possibility of future U.S. tariffs on Canadian goods, additional regulatory costs present further challenges for Manitoba farmers. Rather than building on its reputation as a global leader in science-based pesticide evaluation, the PMRA’s current direction threatens to cripple the regulatory system and drive innovation out of Canada without any benefits for health and environmental protection.

² <https://www.gov.mb.ca/agriculture/farm-management/cost-production/pubs/cop-crop-production.pdf>

The agriculture sector—and indeed Canada as a whole—is facing an existential threat from potential tariffs from the U.S. Now is not the time to add additional unnecessary layers of regulatory burden that will stifle business and innovation and add unnecessary cost to farmers. Instead, the Government of Canada should be focusing on reducing red tape.

We recommend that the PMRA and Health Canada immediately pause these proposed amendments while continuing to consult with stakeholders to find a cost sharing structure that is timely, fair, and competitive for the Canadian market.

Thank you for the opportunity to provide feedback on the proposed amendments to the Pest Control Products Fees and Charges Regulations. If you have any questions about these comments, please contact KAP policy manager, Neil Van Overloop, at neil.vanoverloop@kap.ca.

Sincerely,

A handwritten signature in black ink, appearing to read "Colin Hornby". The signature is stylized with a large, sweeping flourish at the end.

Colin Hornby

General Manager, Keystone Agricultural Producers Inc.