

Tariffs





Executive Order 14193 of February 1, 2025

Imposing Duties To Address the Flow of Illicit Drugs Across Our Northern Border

"I hereby determine and order:....

Sec. 2. (a) All articles that are products of Canada as defined by the Federal Register notice described in subsection (e) of this section (Federal Register notice), and except for those products described in subsection (b) of this section, shall be, consistent with law, subject to an additional 25 percent ad valorem rate of duty. Such rate of duty shall apply with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time on February 4, 2025,...

(b) With respect to **energy or energy resources**, as defined in section 8 of Executive Order 14156 of January 20, 2025 (Declaring a National Energy Emergency), and as otherwise included in the Federal Register notice, such articles that are products of Canada as defined by the Federal Register notice shall be, consistent with law, subject to an additional **10 percent ad valorem rate of duty**.



February 1st. 2025

The Government of Canada is moving forward with 25 per cent tariffs on \$155 billion worth of goods in response to the unjustified and unreasonable tariffs imposed by the United States (U.S.) on Canadian goods.

The first phase List of products from the United States subject to 25 per cent tariffs effective February 4, 2025

A 2nd list of goods was scheduled to be finalized for February 28th, 2025



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Executive Order 14197 of February 3, 2025

Progress on the Situation at Our Northern Border

Sec. 3. Pause. (a) In recognition of the steps taken by the Government of Canada, and in order to assess whether the threat described in section 1 of this order has abated, the additional 25 percent ad valorem rates of duty, and 10 percent ad valorem rates of duty as to energy products, **shall be paused and will not take effect until March 4, 2025**,



February 3rd, 2025,

Prime Minister announced Counter Tariffs List one will be paused for at least 30 days



Executive Order 14226 of March 2, 2025

Amendment to Duties To Address the Flow of Illicit Drugs Across Our Northern Border

Duty-free de minimis treatment under 19 U.S.C. 1321 is available for otherwise eligible covered articles described in subsection (a) and subsection (b) of this section. Such duty free de minimis treatment shall cease to be available...

March 4th, 2025

Executive Order 14193 comes into effect. 10% on Canadian Energy, 25% on all other goods.



March 4th, 2025

Canada implements 25% tariffs on List 1 (Does not include fertilizers or pesticides)

<u>List 2 goods</u> published for comment till April 2nd. (Includes fertilizers, does not include pesticides). List 2 is not in effect.

March 4th, 2025

Canada files Complaint with WTO under General Agreement on Tariffs and Trade 1994 (DS634)

"As some of the products subject to the above-referenced import duties are classified as agricultural products concerns a matter of urgency relating, inter alia, to perishable goods.Government of Canada requests that, in accordance with Article 4.8 of the DSU, the consultations be held within 10 days of the date of delivery of this request."



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Executive Order 14231 of March 6, 2025

Amendment to Duties To Address the Flow of Illicit Drugs Across Our Northern Border

Sec. 2. Product Coverage.

(a) Articles that are entered free of duty as a good of Canada under the terms of general note 11 to the Harmonized Tariff Schedule of the United States (HTSUS), including any treatment set forth in subchapter XXIII of chapter 98 and subchapter XXII of chapter 99 of the HTSUS, as related to the **Agreement between the United States of America, United Mexican States, and Canada**, shall not be subject to the additional ad valorem rate of duty described in section 2(a) or section 2(b) of Executive Order 14193.

(b) The additional rate of duty on potash that is not subject to subsection (a) of this section shall be reduced to 10 percent in lieu of 25 percent.

So, are tariffs in effect? YES

- Goods imported into the USA from Canada or Mexico that do not meet USMCA rules of origin are subject tariffs.
- > Goods imported into Canada from USA that are on List 1 are subject to tariffs.

Where to find Tariff codes and fees



Harmonized Tariff Schedule (footnote: Free 1/ "See 9903.88.03" = The duty provided in the applicable subheading + 25%



Find the tariff applicable for your product | Canada Tariff Finder



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PMRA Updates

- ✓ Continuous Oversight/Proportional Effort✓ IT Modernization/e-Index Builder
- ✓ Proposed & pending Amendments to PCPR
- ✓ Audit of sales records



PRO2024-01 Proposed policy on continuous oversight of pesticides

4 key actions under Continuous Oversight proposal

- 1. Scientific literature and regulatory information.
- 2. Pesticide incident reporting program.
- 3. Pesticide water monitoring.
- 4. Chemistry information for technical grade active ingredients.

Next Steps

- Public Webinar on Final Policy and Phase 1 implementation (Spring 2025?)
- Launch of Phase 1, 20-30 pesticides per year (Spring 2025)
- First Public Disclosure of Continuous Oversight (September 2025?)



PRO2024-01 Proposed policy on continuous oversight of pesticides

4. Chemistry information for technical grade active ingredient (TGAI) products

PMRA Actions

Will require registrants to submit:

- Updated Statement of Product Specification Form (SPSF) Form 6003 including the concentration of the active ingredient, impurities and/or contaminants.
- Detailed description of the current manufacturing method (DACO 2.11.1-2.11.4, M2.8, M2.9).
- Recent commercial production data, such as quality control data, indicating the active ingredient concentration, manufacturing location and date as well as impurities or contaminants monitored during the production process. (DACO 2.13.3, M2.10).
- <u>List of Active ingredients for Chemistry Verification 2025-2029</u>



PRO2024-01 Proposed policy on continuous oversight of pesticides

How PMRA will use relevant information collected through continuous oversight

Applications to register or amend the registration of a pesticide

"in addition to the submitted data and information from the applicant, the PMRA will consider the information collected through continuous oversight (for the scientific literature, foreign regulator decisions)."

For the following application types,

Category A.2.0 – Major new use.

Category B.3.1 – Application rate increase.

Category B.3.2 – Change to application timing.

Category B.3.12 – Label use expansion (new use).

Category D.3.2 – User requested minor use label expansion.

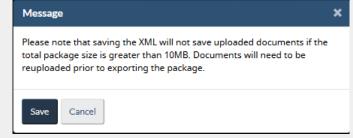
"If the assessment of the submitted information and **the information collected as part of continuous oversight trigger the need** for additional information from the applicant, **the submission will be put on hold** to request the information as per the Management of Submissions Policy."

Proportional Effort Policy (PE)

- PE is the alignment of resources and effort to prioritize the review of pesticides of higher priority and streamline that of lower priority ones based on their level of risk
- All ~700 registered active ingredients will be subject to the same process to be placed in a high or low priority category.
- Priority Risk Category will be based on Human Health, Environment and General Criteria developed in consultation with Science Advisory Committee (SAC).
- PMRA will maintain a public list of all registered active ingredients and their priority designation.
- Public Webinar on proposed PE Policy targeted for Spring 2025, consultation through summer
- Final policy targeted for Fall 2025

IT Modernization: New web-based e-Index builder. <u>Challenges</u>

- Must have internet connection
- <u>Limit of individual record size that can be saved for a draft e-Index (.xml)</u>



- Saving a PMRA Regulatory Zip file (PRZ) file does not automatically create an XML (eIndex file).
- May crash or long lag times if using VPN or Cloud sources.
- The package size limit is 100 245 MB.
- Java based eIndexes will not be accepted after August 1, 2024

Recommendations

- Download all files to laptop/desktop and build e-Index & PRZ file from there, do not do it through VPN or cloud
- Do not load files until you are ready to create (Export Package) the final PRZ file

Problems with E-Index Builder?

pmra.innovation-arla@hc-sc.gc.ca



Regulations Amending the Pest Control Products Fees and Charges Regulations (Annual Charge)

Proposed regulations published for comment (Closed March 6th, 2001)

First two registrations - \$6,130 CAD per product

Registrations 3 to 25 - \$4,598 CAD per product

Registrations 26 to 75 - \$5,211 CAD per product

Registrations 76+ - \$5,517 CAD per product

> Small Business mitigation: \$2,000 CAD per registration

➤ Biopesticides: \$1,000 CAD per registration

Niche products: \$1,000 CAD per registration

BPIA Comments

- The BPIA supports the proposed fee mitigation measures in section 9.04 for semiochemicals, microbial and non-conventional pest control products and the PMRA acknowledgment that 54% of all those current registrations are held by small businesses. These fee mitigations will continue to support these new and innovative technologies for products with lower risk profiles.
- ➤ The BPIA supports the proposed fee mitigation measures in section 9.07 for a three year exemption to new Technical Grade Active Ingredients and associated End Use products to continue to support new and innovative technologies and market access for Canadian users.



Regulations Amending the Pest Control Products Fees and Charges Regulations (Annual Charge) Next Steps

- Comments will be analyzed and considered as the proposal is refined.
- Target was to publish the final regulation in Fall 2025 for implementation by April 1, 2026.
- March 21, 2025 Notice to Stakeholders;

"In 2024, the PMRA began work on a proposal to update the fees paid by industry for the regulatory services it provides. Since that time, the economic and global trade landscape has changed significantly. We acknowledge that this is a difficult and uncertain time for many stakeholders, and appreciate your extensive engagement during the Canada Gazette, Part I consultation period, which closed on March 6, 2025.

Your input is invaluable, and we are carefully considering the perspectives and considerations you have shared. We want to ensure they are thoroughly assessed before moving forward. Given this, the PMRA will take the time that is required to consider all the feedback we have received, and, if necessary, engage in additional discussions. **As a result, final publication in Canada Gazette, Part II and coming into force may be delayed.**"

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Regulations Amending the PCPR (Exclusive Rights and Compensable Data)

- Came into force on December 4, 2023; data compensation for previous Re-evaluations & Special Review decisions
- Guidance for registrants and data holders for use or reliance on test data considered in support of re-evaluation and special review decisions published before 4 December 2023

Regulations Amending the Pest Control Products Regulations (Antimicrobial-treated Medical Devices)

Target Fall 2025

Regulations Amending the PCPR (Pest Control Devices)

- PRO2025-02, Pre-Consultation Proposed Amendments to the Pest Control Products Regulations (Pest Control Devices)
- Will update and clarify which devices require registration, which are exempt without conditions, which are exempt with conditions.
- Comments due May 6
- Proposed amendments targeted for Fall 2026
- Final amendments target for Spring 2026



Regulations Amending the PCPR (Product Exemptions)

- PRO2025-01, Pre-consultation Proposed amendments to the Pest Control Products Regulations (product exemptions)
- Exempt nitrogen stabilizers that act on soil bacteria, as such products regulated under the Fertilizers Act.
- Indigenous and non-indigenous macro-organisms for plant protection, would instead be regulated by the CFIA under the Plant Protection Act.
- Imported treated seed, codify current practice by authorizing importation of treated seed, if the active is registered or otherwise authorized in Canada for use as a seed treatment within application rates.
- Supplements regulated under the Fertilizers Act

Proposal to amend item 2 of Schedule 2 of the Pest Control Products Regulations to authorize supplements the same way fertilizers are authorized.

PCPR Schedule 2 (2) "A fertilizer that is subject to the Fertilizers Act, if the pest control product contained in it is registered under the Act."

- Comments due May 6
- Proposed amendments targeted for Fall 2025
- Final amendments target for Spring 2026



Regulations Amending the Pest Control Products Regulations (Research)

- Expand the scope of the provisions to include all research on pest control products to permit a greater range of research.
- Streamline and clarify certain aspects of the research provisions.
- Add exemptions for research on microbial agents.
- > an exemption for all research involving microbial agents that meet that current criteria for research notifications & does not involve human subjects & are not human, animal and plant diseases or pathogens.
- Proposed amendments targeted for Fall 2025.
- Final amendments targeted for Spring 2026.

Regulations Amending the PCPR (Strengthening the Regulation of Pest Control Products in Canada)

- Make it easier to access confidential test data (CTD) for research and re-analysis purposes.
- Codifying information requirements for MRL limits for imported foods.
- Provide the explicit authority to require to submit information on the cumulative effects on the and require consideration of this information when an environmental risk assessment is conducted.
- Provide the explicit authority to submit information on species at risk.
- Proposed regulations were published for public comment period from June 15 to August 24, 2024.
- Final amendments targeted for Spring 2025.

Access to Confidential Test Data (CTD)

Public may inspect data used in support of a decision to

- Register or amend a pest control product.
- Continue a registration or cancel a registration after a re-evaluation or special review.

Under the Pest Control Products Act CBI may only be declared for

- Formula, manufacturing or quality control processes relating to a pest control product.
- Methods for determining the composition of a pest control product.
- The monetary value of sales and other financial or commercial information provided pursuant to the Act & Regulations.
- The identity and concentration of the formulants and contaminants in a pest control product, other than those considered to be of health or environmental concern that are identified on a list to be made available to the public.
- Information that can be refused under Access to Information Act.



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Access to Confidential Test Data (CTD)

Current process to inspect test data

Person wishing to inspect the data must

- Submit application form.
- Submit an affidavit under oath stating the purpose of the inspection and a declaration that they do not intend to use the test data or make it available to others to register or amend a pesticide in Canada or elsewhere.
- No fee.

Registrants

- Are notified an application has been received and the affiliation, but not identity of the requestor.
- This is a notification only, no right to consent or object.

Inspection of data

In person in Ottawa at PMRA's reading room.

- Electronic devices such as cell phones, laptops, digital cameras, and personal digital assistants are not permitted in the Reading Room. Data is provided in electronic format with computers ports disabled, no internet of Wi-Fi access.
- No right under PCPA S.43 to make copies of data. Handwritten notes may be made but PMRA will retain photocopies of notes.

Remote inspection (pilot project since at least 2020)

- Encrypted USB provided to requestor. Additional digital rights management measures prevents copying, sharing, and printing features watermarking, document expiry, environmental controls, verification of document access, and password protection.
- Must be received in person by requestor and signed for.
- USB must be returned to PMRA.





Access to Confidential Test Data (CTD)

Individuals accessing CTD would be required to:

- be a resident of Canada;
- access the CTD only from within Canada;
- store the CTD in a secure location in Canada; for example, by storing the CTD as a password-protected file on a password-protected USB key or computer, and not "in the cloud"
- ensure the CTD remains within Canada. Individuals would not be allowed to bring copies of the CTD outside of Canada;
- destroy the CTD when the research or reanalysis is completed, the access period has ended, or the access revoked by the PMRA, and notify the PMRA within 15 days that they have done so.
- not be able to publish the CTD or disseminate the CTD to any other entity or person, beyond those who have taken part in a joint request; or
- use the CTD to register a pest control product in Canada or elsewhere, or to amend a registration, or provide the CTD to another person to do so.

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Regulations Amending the Pest Control Products Regulations (Labelling Modernization)

- Goal is to develop and standardize label content for Pest Control Products
- PMRA has been running pilot project for online (xml) based label templates for;
 - Agricultural Commercial
 - Agricultural Domestic
 - Structural Commercial
 - Structural Domestic
- PCPR amendments anticipated to provide
 - consistency in information presented in labels
 - improve readability of labels
 - > permit the use of electronic labels and internationally aligned standards.
- Proposed amendments targeted for Winter 2027.
- Final amendments targeted for Fall 2027.

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Fertilizers

- √ Trade Memoranda updates
- DCD and NBPT label warnings Environmental Safety Claims





CFIA Fertilizer Updates

T-4-128 – Customer formula fertilizers: updated March 31, 2025

• Updated to clarify when a mixture containing a customer formula fertilizers is exempt or require registration.

Are exempt from registration only **if**:

- > each registerable supplement is registered for the proposed use of the mixture.
- > the directions for use of the mixture are consistent with those of the registered product (for example, target crop, use pattern, application rate, frequency and method) and
- ➤ all active ingredients in the mixture are either registered for the proposed use of the mixture or are exempt from registration (for example, exempt as a customer formula fertilizer and/or exempt supplement).

Requires registration if:

- > the directions for use of a registered supplement product are **not** consistent with the proposed use of the mixture.
- the mixture contains a product that requires registration but is not registered.



CFIA Fertilizer Updates

T-4-130 – Labelling requirements for fertilizers and supplements: updated March 31, 2025

- New example labels:
 - N: Mixture of a customer formula fertilizer and a registered supplement.
 - S: Growing media containing exempt fertilizer and supplement materials.
- Section 3.2 Guaranteed Analysis:
 - ▶guidance for sub-guarantees text
 - >clarification that moisture should be guaranteed on an actual or maximum basis.
- Section 3.3 Directions for Use: expanded the example for Product D (micronutrient) to improve clarity of consistency of uses of mixtures.
- Section 5 Customer Formula Fertilizers: updated to clarify the requirements for exempt mixtures that contain a customer formula fertilizer.
- Section 6: explanation of the narrow range permitted in guaranteed proportions of solely peat, peat moss, sphagnum moss, coconut coir, tree bark, perlite or vermiculite], may include a narrow range in the guaranteed proportions due to moisture level fluctuations



CFIA Fertilizer Updates

T-4-127 – Regulation of nitrification and urease inhibitors under the Fertilizers Act and Regulations

Unofficial update: label warning for DCD and NBPT products

"Do not use in livestock feed. Keep livestock off treated areas until after 14 days or 1 inch (25 mm) of rainfall has accumulated. Urea and UAN may be toxic to livestock when ingested."

- A result of DCD and/or an NBPT being detected in the milk of cows in New Zealand.
- Not yet included in either T-4-127 or T-4-130.
- Not being applied retroactively but will be required on DCD & NBPT labels going forward.

Environmental safety claims

- Environmental safety claims (for example, reduced nitrogen leaching, volatilization or runoff)
- Require substantiating data.
- Applies to any fertilizer or supplement making Environmental safety claims.

Registrant responsibilities – Canada

Your product has been registered.

What are your responsibilities as a registrant?

- Fertilizers, supplement, biofertilizers and biostimulants CFIA
- Pesticides, biopesticides, preservatives and antimicrobials PMRA



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Fertilizers

Post registration obligations



Fertilizers – Canadian Food Inspection Agency (CFIA)

Section 7 of the Fertilizers Regulations states that:

"A person shall not change the label, chemical composition or ingredients of a fertilizer or supplement that is registered, if the change could reasonably be expected to affect its performance as a fertilizer or supplement, its safety or its use, unless the registration is amended accordingly."

Minor amendments are reserved for changes in:

- the name or address of the registrant or
- · the product name

Major amendments are required for all changes that could reasonably be expected to affect the performance of a product as a fertilizer or supplement, its safety or use.

Changes that will not affect product identity as a fertilizer or supplement, safety or use can be made without prior approval from the CFIA, and they do not require notification

• Ex. changes to the colour or format of the label and the declaration of net weight Ref. T-4-122 – Service delivery standards for fertilizer and supplement registration-related submissions under the Fertilizers Act and regulations



Fertilizers

Suppliers of Input Materials

New Regulations: Guide to Submitting Applications for Registration under the Fertilizers Act Fertilizer Safety, Section 2.3.1.1 "Multiple sources of an ingredient may be identified at the time of product registration and used interchangeably during the manufacture of the product."

Note: any changes to the ingredients, their sources or their supplier(s) or changes to the formulation after registration require a major amendment unless the CFIA first approves a submitted notification of source change.

Ingredient Source Change Inquiry (ISCI)

A proponent may change the source of an ingredient in their product (not the ingredient itself) but be uncertain if that change could affect product safety should submit a ISCI to the CFIA. The outcome of a ISCI will either be:

- i) Approve the change in the source of ingredient(s)
- ii) CFIA determines the change may impact the safety or identity of the product and direct registrant to submit major amendment before implementing the change in source

No fee for an ISCI, service delivery standard is 30 working days.



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Fertilizers

MyCFIA and signing authority, delegated representatives and Canadian agents (Trade memo T-4-95)

It is imperative that the CFIA be notified immediately of any changes to the signing authority/delegated representative list or Canadian Agent(s). This will allow the Agency to protect confidential business information and facilitate ongoing effective communication in regards to the submission.



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Pesticides

Post registration obligations



Pesticides – Pest Management Regulatory Agency (PMRA)

Annual charge package

- Issued in February each year, due April 1 each year
- If no or low sales are reported for products, expect to be audited for sales reports later in the year

Annual sales report

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- Issued in January each year, report due June 1 of same year
- Reports quantity (kg or L) of each product sold in each province
- Registrants that do not file by June 1, will be referred to Pesticide Compliance Program for follow up and escalating enforcement actions; warning letters, compliance orders and administrative monetary penalties (\$10,000)



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Pesticides – contacts

Contact updates

- Registrants required to submit to the PMRA any changes to contact information, product ownership, or regulatory contact information
- No PMRA application fee
- 45-day PMRA processing time

Registrant contact

A person who works within the registrant company that own the pesticide registration

Regulatory contact

- When the company is not located in Canada, an agent located in Canada is required
- This is the contact that will get the regulatory mail; sales reporting notices, annual fees notice, renewals, re-evaluations etc.



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Pesticides – manufacturing

Site of manufacture

- The specific plant name and location (street address) at which a Technical Grade Active Ingredient (TGAI) is produced
- A new site of manufacture of a TGAI requires an amendment with supporting chemistry data

Site of formulation

- The specific plant name and location (street address) at which an End Use Product (EP) or a Manufacturing Concentrate (MC) is produced
- A new site of formulation (including 100% repacks), require a Notification to add the new site.
 No data requirements

Site of packaging and labelling

- Other than a pest control product that is a microbial agent, sites of packaging and labelling are not required to be notified
- Records must be kept for 5 years after registration, amendment of renewal
- SOR/2022-241 17 November 2022 amendments

New source of TGAI in an End Use Product

- Alternate equivalent TGAI can be added through a Notification
- Alternate source of TGAI that is not equivalent requires amendment to add an alternate formula

New formulant (Inert) supplier

- New suppliers of equivalent formulants for an EP do not need to be notified
- Records must be kept for 5 years after registration, amendment of renewal
- SOR/2022-241 17 November 2022 amendments





Pesticides – labels & packaging

Label changes to the registrant's address, regulatory mailing address or the name or address of the Canadian agent

- Changes to Registrant/Regulatory/Canadian Agent address on the label must be notified
- Changes to consumer access information and emergency contact information may be made without Notification

Addition of marketing text to the principal display panel

- Requires Notification
- Text that requires substantiation requires an amendment

Changes to container size/net content

- Smaller sizes can be added to any class of products (TGAI, EP, MC) through Notification
- Larger sizes can be added to TGAI and MC though Notification
- Larger size for an EP requires an amendment



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Questions



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