		App	rovedN	March 20,	1991
		**bb		Date	
MINUTES OF THE Sena	te COMMITTEE	ON Agricul	ture		
The meeting was called to o	rder bySenat	or Jim Allen			a
	,	Cł	nairperson		
10:10 a.m./XXn. on	March 7		_, 19 <u>9</u> 1 <sub>in ro</sub>	om 423-S	_ of the Capitol
All members were present 🛭	кеерк				
Committee staff present: Re	ney Gilliland, nne Holt, Legis				
-	ll Wolters, Rev				

Conferees appearing before the committee:

Senator Allen called the Committee to order and called for action on  $\underline{SB}$   $\underline{203}$  which would place aquaculture under the definitions of agriculture. The Chairman called attention to amendments suggested by Senator Karr who had requested the bill.

Committee discussion and comments included that aquaculture should not be placed within the laws of corporation farming law statutes and thus it was suggested that no action be taken, at this time, on the amendment to  $K.S.A.\ 17-5903$  as requested by Senator Karr.

Senator Brady made a motion that the Committee approve the amendment to K.S.A. 47-1402 by adding the words, "aquatic organisms" and that within SB 203 the word "fish" be changed to "aquatic organism". Motion was seconded by Senator McClure. Motion carried.

Senator Brady made a motion the Committee recommend SB 203 favorably for passage as amended. Seconded by Senator Montgomery. Motion carried.

The Chairman called attention to information provided the Committee ( $\underline{\text{attachment 1}}$ ) concerning  $\underline{\text{SB 279}}$ . The information explained that the State of Illinois had seen the proposed  $\underline{\text{SB 279}}$  and had approved the wording and that an identical bill has been presented to the Illinois Legislature. The Chairman called for action on  $\underline{\text{SB 279}}$ .

Committee comments noted that  $\underline{SB\ 279}$  would become effective upon publication in the Kansas Register.

Senator Harder made a motion that SB 279 be recommended for passage; seconded by Senator Sallee; motion carried.

The Chairman turned Committee attention to SB 308 and noted the listing provided for the Committee of persons opposing  $\underline{SB}$  308 and also  $\underline{SB}$  322 (attachment 2).

Senator Lee made a motion the Committee amend SB 308 so as to read that the County Commissioners may set the cost of chemicals sold to be between 50% and 100% of the cost to the county for the chemicals and that cost is to include the cost of handling and storage. Senator Brady seconded the motion. Motion carried.

Senator Sallee made a motion the Committee recommend SB 308 favorable for passage as amended. Senator Lee seconded the motion. Motion carried.

The Chairman called for Committee action on  $\underline{SB}$  323 and noted that it had been suggested that the bill be amended to be correct when a federal soybean check-off should become effective.

Senator Daniels made a motion that staff amend SB 323 so that it will be worded correctly should a federal soybean check-off become effective;

#### CONTINUATION SHEET

MINUTES OF THE Senate	COMMITTEE ON	Agriculture	,
room <u>423-S</u> , Statehouse, at <u>10:1</u>	<u>0</u> a.m. <b>₩</b> XX on	March 7	, 19_91

the amendment would allow for the state to keep one-half of the check-off fees and that the state, since a refund upon request is in place would continue to make refunds of the check-off paid if requested. Motion was seconded by Senator Sallee. Motion carried.

Senator Montgomery made a motion the Committee recommend SB 323 favorable for passage as amended. Seconded by Senator Sallee; motion carried.

The Chairman turned Committee attention to  $\underline{SB}$  322 and information provided the Committee ( $\underline{attachment}$  3) from the State Board of Agriculture concerning federal regulations about bulk chemicals and containment requirements and other related information.

Committee comments suggested that counties should get out of the chemical selling business and let professionals handle those sales.

Senator Montgomery made a motion that the Committee recommend SB 322 favorable for passage. Senator Doyen seconded the motion. Motion carried.

Senator Allen called for Committee action on minutes.

Senator Daniels made a motion the minutes of March 5 be approved. Senator Harder seconded the motion. Motion carried.

Senator Allen declared the Committee adjourned at 10:50 a.m.

### GUEST LIST

COMMITTEE: Senate Agriculture DATE: March 7, 1991

DDRESS	ORGANIZATION
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Topella	ils BA
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Lyndon	KUMA
Dopeha	KUMA
Topelin	Ks Grin & Freedles
Toxeka	KLA
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	- CALLED



### KANSAS VETERINARY MEDICAL ASSOCIATION, INC.

712 South Kansas Avenue, Topeka, Kansas 66603, (913) 233-4141 FAX: (913) 233-2534

Dr. Russell Frey President 2113 Blue Hills Road Manhattan, Kansas 66502

Dr. Steve Mosier President-Elect 3301 Elm Hays, Kansas 67601

Dr. Mike Whitehair Vice President 902 N. Olive Drive Abilene, Kansas 67410

Dr. Terry Turner Trustee-At-Large 909 Stone Street Great Bend, Kansas 67530

Dr. Frank Fishburn Treasurer Rt. 7, Box 242F Manhattan, Kansas 66502

Catharine A. Deever **Executive Director** 712 South Kansas Avenue Topeka, Kansas 66603

March 5, 1991

Senator Jim Allen, Chairman and Members of the Senate Committee on Agriculture 1st Floor, State Capitol Topeka, Ks. 66612-1594

Dear Senator Allen and Members of the Senate Committee on Agriculture:

Attached is correspondence from Greg Dennis, an attorney who provides legal services to our association, and H.W. Hannah, the attorney representing the Illinois State Veterinary Medical Association. Parties involved have waived our privileged communication so that you may be informed that the veterinarians of Illinois are satisfied enough with the intent and language of Senate Bill 279 that they are having that bill revised for their own purposes and introduced for consideration by the Illinois Legislature.

Respectfully yours,

Catharine A. Deever

Executive Director

Sensts agrécultur Committee 3-7-91 attachment /

MAR- 5-91 TUE 9:09

PERRY & HAMILL

Attorneys at Law

4650 College Boulevard, Third Floor
Post Office Box 7933
Overland Park, Kansas 66207
Phone: (913) 491-5500
Facsimile: (913) 491-3341

FACSIMILE TRANSMISSION COVER SHEET

TO:	Catharine A. Deever,			
	Kansas Veterinary Medical Association, Inc.,			
PHONE NO.:	233 - 4141			
TELEX NO.:	233 - 2534			
FROM:	Gregory M. Dennis			
FILE NOS:	P&H: 90-4281.010-GMD YOURS			
from Mr. Hard regarding the ture. I thou worded" and t Medical Assoc to the Illino assistance in that Mr. Hann and his comme	Catharine: Please find attached a copy of a letter received today ld W. Hannah, author of the "Legal Brief" in the A.V.M.A. Journal proposed Kansas veterinarian-client privilege before the Legislaght Mr. Hannah's comments that he felt the Kansas Bill was "properly hat he was going to be passing it on to the Illinois State Veterinary lation's Legislative Committee for inclusion in its possible revisions is Practice Act might be of some interest to you and maybe of some seeking to have the Kansas Bill become law. There can be no doubt ash's credentials in the area of veterinary law are very impressive ents on the proposed Kansas law should be of some value.			
DATE:	March 5 , 1991			
We are submitt	ing two pages (including this transmission cover sheet).			
(913) 491-55   (913) 491-33	trouble receiving or sending during business hours, please call 600 and ask for Communications Center. Our facsimile number is 61 and is available to receive any responses or other trans- 61 anty-four (24) hours a day, seven days a week.			

CONFIDENTIALITY NOTICE: The materials enclosed with this facsimile transmission are private and confidential and are the property of the sender. The information contained in the material is privileged and is intended only for the use of the individual(s) or entity(ies) named above. If you are not the intended recipient, be advised that any unauthorized disclosure, copying, distribution, or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this facsimile transmission in error, please immediately notify us by telephone to arrange for return of the forwarded documents to us.

MAR- 5-91 TUE 9:10

P.02

H. W. HANNAH LAWYER

TEXICO, ILLINOIS 62889 TELEPHONE 618 266-7291

March 1, 1991

Gregory M. Dennis Perry & Hamill P O Box 7933 Overland Park, KA 66207

Dear Gregory:

It was thoughtful of you to send to me the proposed Kansas legislation providing for a Veterinarian-Client Privilege.

I have read the proposed addition carefully and feel that it is properly worded. If you have any questions about its wording, I would like to have them, because I'm going to pass this on to our Illinois State Veterinary Medical Association legislative committee which will be considered revisions to our practice act. As you may know, Illinois has a sunset law which terminates all professional licensing acts every ten years. Our veterinary medical practice act expires on Dec, 31, 1993, so the folks in our Association will be busy studying the current law to see if any changes or additions should be made before it is submitted to the legislature for reenactment.

Sincerely,

H. W. Hannah

HWH/vch cc: Eve Larocca, ISVMA - HA 1988 HOTELTICE HOLIDAYINN

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FAX ADDITIONAL COPIES TO:

Senato Ogriculture Committee 1989 Hotelecopy, Inc. 3-17-91

Dmar Senator Allen:

We feel that you may want to know of other Counties that support the testimony given on Tuesday March 5th in opposition to Senate bills 322 and 308. The following people oppose these bills.

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Dmar Scrator: Allen:

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We feel that you may want to know of other Counties that support the testimony given on Tuesday March 5th in opposition to Serate bills 322 and 308. The following people oppose these bills.

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Gail Pamersy	Labette. Kearny	Durector
Steve Pounds	Rapublic	Director
Dennis Douley Pail Osbona	Ellsworth Marsall	Nox Ward Director Commissioner
Lyine Britain	marion	Commusconer Director
Randy Barten Thomas A. Dodges	Dickinson	Oirector
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Dear Senator Allen

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We feel that you may want to know of other Counties that support the testimony given on Tuesday March 5th in opposition to Senate bills 322 and 308. The following people oppose these bills.

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Dear Senator Allen:

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We feel that you may want to know of other Counties that support the testimony given of Tuesday March Sth in opposition to Senate bills 322 and 300. The following people oppose these bills.

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Dear Senator Allen:

We feel that you may want to know of other Counties that support the testimony given on Tuesday March 5th in opposition to Senate bills 322 and 308. The following \_\_ people oppose these bills.

NAME TITLE COUNTY County Commissions
( selso & A C Board number Fernon C. Wendelken arthur Deutscher Zemis Ne Welster Director ... Lander Marton D'irector FRANKlin Overtar Ostawa DIRATOR JACKOON Read Naury 1. L

Dear Menator Allen:

We took that you may want to know of other Counties that support the testimony given on Tuesday March 5th in opposition to Senate bills 322 and 508. The following people oppose these bills.

NAME COUNTY TITLE Weed Street Janeer Co Comm Weed Director Weed Director Weed Director Word Director Pattowiatemie County Commissioner Cr. Commosony WEED DIRECTOR MIAMI Weed Director Helper 3he4111011 DIRECTOR ASSIST. Director



## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C. 29460

MAR 4 1991

MEMORAHDUM

PESTICIDES AND TOXIC SUBSTANCES

SUBJECT:

Amendment to the July 11, 1977 Enforcement Foliogram

applicable to Bulk Shipment of Pesticipes will

FROM:

John J. Waylan III, Director

Policy and Grants Division

Office of Compliance Monitoring

TO:

Addressage

Attached is an amendment to the July 11, 1977 Enforcement Policy Applicable to Bulk Shipment of Pesticides. We appreciate your timely response to the January 18, 1991 draft emendment. The amendment allows repackaging of any quantity of pesticides into containers which hold greater than 55 gallons or 100 pounds provided all conditions of the July 11, 1977 policy and the amendment are met.

Because of the need for better information on the extent of cross contamination and either benefits or problems resulting from the Bulk Policy including the amendment, we are interested in information from the States and Regions regarding results of inspections at dealers which fill containers under the Bulk Policy. Inspections to assure compliance with the conditions of the Bulk Policy should be part of dealer inspections. Regions are requested to make sure inspections address this as part of engoing activities. We will be providing you with specific reporting guidance at a later date. We are also interested in receiving feedback from the States and the Regions on the extent this amendment is achieving its intended effect of reducing the number of containers being used and subsequently disposed of.

We have also attached a report by the State of Iowe on the results of last year's Iowa Pilot Project: A number of cases of cross-centamination were identified.

Please note that upcoming regulations proposed under section of FIFRA will likely allow the use of smaller size containers for refilling while at the same time imposing new requirements on all containers and bulk storage sites.

If you have any questions concerning this amendment, please contact David Stangel of my staff at Mrs 198-8295.

Attachments

Senate agraculture Committee 3-7-91 attachment 3

### Amendment to the July 11, 1977 Enforcement Policy Applicable to Bulk Shipment of Pesticides

The July 11, 1977, Bulk Policy is hereby amended to allow repackaging of any quantity of peaticides into resillable containers, provided:

- 1) the container is designed and constructed to accommodate the return and refill of greater than 55 gallons or 100 pounds of the product; and
- 2) either: (a) the containers are dedicated to and refilled with one specific active ingredient in a compatible formulation, or (b) the container is thoroughly cleaned according to written instructions provided by the registrant to the dealer prior to introducing another chamical to the container in order to avoid cross-contamination; and
  - 3) all other conditions of the July 11, 1977 policy are met.

This amendment does not preside States or territories from developing more stringent restrictions to this policy or from disallowing the application of this amendment/policy and taking appropriate state enforcement action for violations.

Repackaging in accordance with this policy does not exempt the repackager from the Child Resistant Packaging Rule, 40 CFR 187, Subpart B, if applicable.

Footnote 1 on page 1 of the July 11, 1977 policy is amended by the deletion of the first sentence.

#### Rationala

EPA is smending the July 11, 1977, policy to address the changes that have taken place in the distribution of pesticide formulations that could be applied in greatly reduced quantities. The Agency is concerned with the difficulties of container disposal which is becoming a growing problem in many areas. By placing no lower limit on the quantity of pesticide that may be introduced into refillable bulk containers, the Agency will significantly reduce the number of containers requiring disposal and will minimise leftover pesticide product that results from sales in predetermined quantities.

All other provisions of the policy remain in effect as a means of safeguarding product integrity and accountability of the parties involved. The Agency remains concerned with the issue of cross contamination and is thus requiring that the bulk

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containers either be dedicated to a particular active ingredient which is compatible to other formulations with the same active ingredient, or that registrants involved in the bulk shipment and transfer of posticides provide the dealer with written instructions to follow for cleaning the container prior to introducing enother posticide into the container.

JAN 4 1991 JOARD OF ACAC LITTER DIV. OF PLANT HEALTH

# QUESTIONS/ANSWERS CONCERNING BULK PESTICIDES REPACKAGING AND CUSTOM BLENDING

Ouestion: What is "bulk pesticide"?

Answer: For purposes of the EPA bulk policy, "bulk" has been defined as any volume of pesticide greater than 55 gallons or 100 pounds held in an individual container.

Question: Why did EPA develop a bulk policy?

Answer: EPA recognized that manufacturers and distributors of pesticides preferred to handle pesticides in bulk rather than in small individual containers for the following reasons: the need to properly dispose of excess numbers of containers is eliminated; less warehouse space is required; labor and handling costs are reduced; and inventories can be more accurately controlled. In the interest of energy and resource conservation and of improved safety measures in pesticide handling, EPA developed a bulk policy to permit dealers to repackage and sell pesticides in bulk without having to register the repackaged product, PROVIDED the dealer met several conditions. The bulk policy is therefore an exemption from the FIFRA Section 3 registration requirements.

## <u>Question:</u> <u>Answer:</u>

What conditions must the dealers meet?

(1) register each of the repackaging sites owned or operated by him as a "pesticide-producing establishment";

(2) obtain written <u>authorization</u> from the product's registrant to repackage the pesticide and use the registered label;

(3) place the dealer's EPA-assigned establishment number on the product's label\*, and the net contents;

(4) provide product's label and labeling to the end-user;

(5) keep records as required by Section 8 of FIFRA (shipping and receiving, sales, etc.); and

(6) report annually to EPA the types and amounts of pesticides produced (repackaged) by him. The EPA annual report is mailed to the company headquarters of the registered establishment by certified mail, usually in November or December.

Question: Why does EPA say that I am a producer if all I do is transfer the pesticide from my bulk container to the minitank?

Answer: The word "produce" has been defined by EPA as "...to manufacture, prepare, propagate, compound or process any pesticide...or to repackage or otherwise change the container of any pesticide or device."

<u>Question:</u> Can the dealer sell 56 gallons of pesticide in a 55-gallon container?

<u>Answer:</u> No. This practice does not meet DOT requirements.

Question: As a service to the customer, can the dealer dilute the pesticide according to label directions?

Answer: No. Any change to the pesticide formulation -- including the addition of water -- will require full product registration. A dealer who performs this service is subject to nonregistration charges and the imposition of civil penalties.

Ouestion: If a dealer purchases a pesticide in bulk and uses all the pesticide through custom application work, must be registered as a pesticide-producing establishment?

Answer: No. A custom applicator is simply applying the product (not repackaging it).

<u>Question:</u> What if the dealer custom applies AND sells pesticides in bulk quantities for someone else to apply?

<u>Answer:</u> The dealer must register as a pesticide-producing establishment, but must report to EPA only those pesticides which are repackaged in bulk.

Question: Who can grant authorization for a dealer to repackage
in bulk?
Answer: ONLY the basic registrant of the pesticide can
authorize a dealer to repackage its product and use its label.

<u>Question:</u> What penalties are assessed for not complying with the bulk policy?

<u>Answer:</u> Penalties of up to \$5000 per charge can be assessed for failing to comply with any of the terms of the bulk policy, and for violating any other provisions of FIFRA.

Question: A customer returned a partially used pesticide for credit. Can I resell the unused pesticide?

Answer: The dealer cannot lawfully sell a pesticide which has been opened and partially used. Only if a bulk pesticide, packaged in a sealed minitank, is returned can the dealer lawfully resell the pesticide, and that may be done only if the registrant of the bulk pesticide permits it. The dealer must keep in mind, though, that under the bulk policy statement, he must sell more than 55 gallons or 100 pounds of the pesticide. If smaller amounts are needed, prepackaged containers should be sold.

Question: Can a customer return for credit unused pesticides?

Answer: Unused pesticides purchased in bulk may be returned if the registrant of the bulk pesticide and the dealer agree that a return is acceptable. Again, the bulk policy statement permits sale of bulk pesticides only in quantities of more than 55 gallons or 100 pounds.

Question: How can one obtain information on diking around bulk pesticide tanks? The Midwest Agricultural Chemicals Association (MACA) has developed model regulations which incorporate diking and secondary containment recommendations for the Midwest. You may wish to request a copy from Dr. Ev Waller, MACA, P.O. Box 2125 Northside Station, Sioux City, Iowa 51104-0125, Phone: 7380. The National Fertilizer Solutions Association (NFSA) also publishes suggested guidelines in a pamphlet entitled On-Site Product Containment Guidelines for Fluid Fertilizers and Agri Chemicals". You may obtain a copy by writing Mr. Burleson Smith, NFSA, 339 Consort Drive, Manchester, Missouri 63011 or by calling 314-256-4900. The cost of the pamphlet is \$14.50. Also, your state environmental agency may have specific requirements or guidance and a number of state fertilizer and agricultural associations have recommendations which are state-specific.

Question: At the end of the season a dealer has a few gallons of registered pesticide remaining in his bulk tank. He wants to clean out the tank for a new product next season. What are his options for disposing of the leftover pesticide?

Answer: Depending, of course, on the amount of pesticide remaining in the tank, the dealer may (1) dispose of it according to label directions; (2) return it to the manufacturer; or (3) apply it at the recommended diluted rate to a site named on the label.

Question: A dealer sells repackaged pesticide in bulk to a customer. Because of adverse weather conditions, the grower is unable to use all of the pesticide for the desired use, such as the stage of plant growth prevents use of the product. Can the customer return the remaining products to the bulk repackager?

Answer: The registrant of the bulk pesticide and the dealer must agree to accept the remaining pesticide. The purpose of the bulk policy is to permit sale of pesticides repackaged in bulk quantities greater than 55 gallons or 100 pounds. Any record of sale which shows a credit that would not meet this minimum amount must document the reasons why the pesticide was returned, i.e., the reasons the pesticide could not be used.

Question: When can a dealer reuse mini-bulk containers?

Answer: When the tank is used to contain the same pesticide it previously contained, and container labeling does not prohibit such reuse. The residue remaining from a previously packaged pesticide could result in illegal tolerances or could cause damage to the crop to which it is applied. The registrant's written authorization may give you specific instructions on reuse of mini-bulk containers.

<u>Question:</u> A bulk pesticide dealer owns several branch locations and repackages pesticides at each of those locations -- is each facility required to be a registered establishment?

Answer: Yes.

Question: A bulk pesticide dealer owns several locations and one of those locations runs short of its bulk supply. Can dealer A transfer pesticide in bulk to dealer B for resale by dealer B?

Answer: Yes. Records should reflect a bulk transfer to the branch location. If the bulk pesticide is being transferred to dealer B for repackaging purposes (i.e., dealer B will transfer the pesticide to the customer's tanks), then dealer B must comply with the bulk pesticide policy. Dealer B must be registered with EPA as a bulk pesticide producing establishment, have written authorization from the registrant to repackage the pesticide, provide a copy of the end-use label to the customer, and place the EPA-assigned establishment number on the pesticide container. Reports must be filed annually with EPA concerning the types and amounts of bulk pesticides repackaged.

Question: Can a customer come up to a bulk facility and put 250 gallons of a product in his own application equipment?

Answer: Any transfer of bulk pesticide is the responsibility of the dealer. Regardless of whose container the pesticide is packaged into, whether the dealer's or the customer's, and regardless of who does the transferring, the dealer must be registered as a pesticide-producing establishment, must comply with the recordkeeping and reporting requirements of all producers, and have written authorization from the registrant to use the registered label.

<u>Question:</u> If a company owns several bulk pesticide producing establishments, must each establishment have written authorization from the registrant?

<u>Answer:</u> Yes, and a copy of the written authorization must be maintained at each establishment.

Question: How long must I retain the written authorization?
Answer: For the period the authorization covers.

<u>Question:</u> A dealer sells a pesticide in bulk to an applicator who applies it to three or four places. The dealer individually bills the landowners. What must the dealer do to comply with EPA regulations?

Answer: If the pesticide is classified as a restricted use pesticide (RUP), the dealer must comply with the governing RUP sales recordkeeping requirements and EPA's bulk repackaging policy, as described above. If the pesticide is not classified as an RUP, the dealer must comply only with EPA's bulk repackaging policy. In both cases, to show the actual transfer of the pesticide (to the applicator) was in an amount greater than 55 gallons or 100 pounds, the dealer should indicate on the individual invoices the related tickets. It is the dealer's responsibility to be able to provide documentation that the repackaging transaction to each applicator was actually for an amount greater than 55 gallons or 100 pounds. This procedure will allow for split billing, a common practice.

<u>Ouestion:</u> If a registrant sells bulk pesticide to a dealer and the product is being stored in the dealer's holding tank, whose establishment number should appear on the holding tank?

<u>Answer:</u> The registrant's establishment number should be on the holding tank.

<u>Ouestion:</u> If a dealer transfers pesticide in bulk to the customer's mini-bulk tank whose establishment should appear on the mini-bulk tank?

Answer: The dealer's establishment number.

Revised 5/23/89

<u>Ouestion:</u> A dealer uses some pesticide from a 55-gallon container in his custom application work. What can he do with the rest of the pesticide?

<u>Answer:</u> He must use it in his future applications. It cannot be sold.

Question: What is a "custom blend?"

Answer: A custom blend is a mixture of a pesticide (s) and fertilizer(s), a mixture of end-use formulations derived from registered pesticides, or a mixture of animal feed and feed-through pesticide(s) (if the pesticide used in the blend bears directions providing for use of the product in such a blend), which are prepared according to the specifications of the user for use by the user.

Question: Why did EPA need to establish a custom blend policy?

Answer: FIFRA requires that all pesticide products be registered and that facilities where pesticides are produced be registered establishments. "Produce" is defined as manufacturing, preparing, propagating, compounding, processing, or repackaging any pesticide. The blending of a pesticide with feed or fertilizer constitutes repackaging in that the pesticide is changed from its packaged container into another form.

Because EPA recognized the constraints upon the blender to comply with product and establishment registration requirements, and in view of the extent to which this practice is used, the Agency decided to exempt custom blenders from certain requirements of product and establishment registration PROVIDING certain conditions are met. The Agency's custom-blend policy is really an exemption from registration requirements.

Question: What conditions must be met in order to be exempted from product registration requirements?

Answer: (1) The blend is prepared to the order of the user and is not held in inventory by the blender; and (2) the blender.

and is not held in inventory by the blender; and (2) the blend is to be used on the customer's property (including leased or rented property); and (3) the pesticide(s) used in the blend bears end-use labeling directions which do not prohibit the use of the product in such a blend, or the blend is recommended in writing by an appropriate State or Federal Agency official; and (4) the blend is prepared from registered pesticides; (5) the blend is prepared in a registered establishment; and (6) the blend is delivered to the user together with (a) a copy of the end-use labeling of the pesticide(s) used in the blend, and (b) a statement specifying the composition of the mixture.

Question: What must the custom-blender do to comply with establishment registration requirements?

Answer: If the entire production is confined to custom blending activities, the custom blender must only register with its EPA regional office as a pesticide-producing establishment. The custom blender is not required to file annual production reports or place the establishment number of his facility on the blended products, as other producers must.

Question: Does EPA consider mixing of a diluent with a pesticide (no fertilizer) as a custom blend?

Answer: Not at the present time. Preparing a pesticide for sale or distribution with a diluent is beyond the scope of the Agency's custom blend policy and is not permitted. Doing so will subject the user to product registration requirements since he will be changing the pesticide from its original state.

<u>Question:</u> Can I add diluent to a custom-blend product (pesticide AND fertilizer blend) in order to make it a ready-to-use mixture? Answer: Yes, if the diluent is added to the mixture according to the pesticide's label directions.

Situation: A father/son ag chemical dealership has been reorganized so that the son owns the fertilizer business and the father owns the pesticide business. The father intends to lease bulk pesticide storage tanks from his son and maintains full ownership of the bulk pesticides stored in these tanks. The son also runs a custom crop spray ag service.

Question 1: Assuming the father has an EPA establishment registration allowing for repackaging bulk product, does the son have any responsibility to EPA, since he owns but leases the tanks to his father?

Answer: Assuming the bulk repackaging will be done at the father's establishment and the son will not be doing any bulk repackaging, only the father need to comply with the bulk policy.

Question 2: Can the son fill his sprayers with product from his father's bulk tanks in a purchase-as-needed basis, assuming the quantity metered into the sprayers is 55 gallons or less?

Answer: No. Quantities must be of amounts greater than 55 gallons or 100 pounds

— See New Tule

Question 3: Could the situation described in question 2 be considered as a custom blend, if the son metered product from his father's bulk tanks and completed the tank mix with fertilizer or water from his own facilities?

Answer: No. A custom blend (which cannot be held in inventory) is prepared specifically by the custom blender for use by the customer.

Situation: An ag chemical dealer ships a 110-gallon minibulk tank of herbicide to Farmer A who uses 30 gallons of product and ships the remainder to Farmer B who uses 50 gallons of product and ships the remainder to Farmer C who uses the remaining 30 gallons. The dealer bills each farmer separately.

Question: Is this practice considered acceptable within the bulk repackaging guidelines and policies?

Answer: No. Such a practice would be considered a circumvention of the bulk policy. Farmers A and B would be distributing an unregistered pesticide and subject to civil penalties. Since the dealer has fulfilled his requirements of complying with the bulk policy (by shipping an amount greater than 55 gallons), his records would have to reflect this. If his records show "sales" of less than 56 gallons to each customer, he could be charged with a violation of the bulk policy.

<u>Situation:</u> Dealer A owns three bulk tanks and Dealer B owns three bulk tanks located at the same site. Each dealer's tanks will hold products from different manufacturers.

Question: Dealer A wants to repackage bulk products from Dealer B's bulk tanks and vice versa. Is this practice acceptable? If yes, what conditions do both dealers need to meet in order to legally repackage product from each other's bulk tanks?

Answer: No. It is assumed the establishment where the tanks are stored is owned and registered to only one of the dealers. Additionally, the written authorization to repackage pesticides would cover only one of the dealers and the situation as described would not allow for accountability of the product.

<u>Situation:</u> Dealer A has met the requirements for repackaging bulk pesticides.

Question: Can Dealer A repackage product into minibulk tanks and sell these to Dealer B for resale purposes?

Answer: If Dealer B is not repackaging the product (i.e., will be distributing Dealer A's repackaged product) then such a transaction would be in compliance with the bulk policy. Dealer B cannot repackage the product and then distribute it.

A dealer sells 60 gallons of a bulk pesticide to a farmer (and complies with all the requirements of the bulk policy). The farmer uses the product but finds he needs another 30 gallons to complete the application. Can the dealer make a sale of only 30 gallons of a bulk pesticide to the farmer? The Agency recognizes that it may not always be possible to calculate exactly the amount of pesticide needed for a particular job. In keeping with the Agency's concept of minimizing pesticide and pesticide container disposal problems, the Agency would allow this practice under certain conditions. The dealer must show (through written documentation) that the second sale was actually to complete an initial sale and application of a bulk pesticide. The dealer should document why the second repackaging was necessary and to what application site it was applied. The second sale would have to be made within a reasonable amount of time so there would be no doubt that it was to complete an initial transfer and application.

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