



RevEx is...

...a comprehensive review of revenues and expenditures in the
Agrichemical Management Bureau
of the Department of Agriculture, Trade and Consumer Protection

What is RevEx?

The Agrichemical Management Bureau's RevEx project is a comprehensive review of revenues from fees and surcharges, and expenditures of those revenues. The goal is to ensure that we are assessing fees and surcharges equitably, collecting them efficiently, and spending them effectively.

Fees and surcharges under review are:

- **Pesticide** registration, business location, commercial licensing and restricted use dealer fees
- **Fertilizer** and **soil/plant additive** license, permit and tonnage fees
- **Feed** license and tonnage fees
- **Agricultural Chemical Cleanup Program (ACCP)** surcharges

Why RevEx?

The bureau's programs are supported almost entirely by industry fees. As part of our routine program evaluation and improvement efforts, we identified several issues related to fees and surcharges that need to be resolved together with industry.

How does RevEx work?

We have a broad oversight work group and several subcommittees. Subcommittees examine the most complex issues and those particular to only a subset of stakeholders. The full work group reviews subcommittees' work and discusses matters important to all members.

Who is involved?

Work group members include pesticide registrants, business locations and commercial applicators; fertilizer manufacturers and distributors; feed manufacturers and distributors; farmers and growers; and industry associations. Subcommittees draw members from both the full RevEx work group and other industry stakeholders.

Completed meetings

Full work group: 10/1/15, 3/08/16

Pesticide subcommittee: 10/21/15

ACCP subcommittee: 11/12/15, 1/6/16, 2/22/16, 4/13/16

Feed subcommittee: 2/11/16, 3/30/16

Fertilizer permits subcommittee: 4/7/16

Upcoming meetings

Full work group: TBD

Expected outcomes

The RevEx work group and its subcommittees will provide DATCP with recommendations to include in a budget issue paper for consideration during the 2017-2019 biennial budget process.

Any changes included in the biennial budget would be effective starting in July 2017.

For more information

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RevEx Issues Summary

ISSUE #1 (full work group): The ACM fund is a collection of fee revenue from pesticide, feed, fertilizer, soil and plant additive (SPA), and lime licenses that fund all the operational expenses for the bureau. The work group and ACM subcommittee will evaluate whether or not revenues collected align with program expenditures from the fund.

ISSUE #2 (pesticide registration): The current pesticide manufacturers and labelers licensing process--particularly for nonhousehold pesticide products over \$75,000--is very complex and not auditable. The work group and pesticide registration and licensing subcommittee will evaluate alternative licensing methods to determine a less complex, auditable fee collection process.

ISSUE #3 (pesticide registration): All pesticide program licenses renew January 1. The work group and pesticide registration and licensing subcommittee will evaluate if the bureau can change the timing of one or more pesticide licenses to provide staffing efficiencies.

ISSUE #4 (ACCP): The ACCP has experienced declining reimbursement needs and changes to eligibility. In addition, the fund continues to carry an excess balance. The work group and ACCP subcommittee will evaluate the entire ACCP, including funding issues.

ISSUE #5 (ACCP): ACCP surcharges are currently collected by dealers and paid by registrants via the pesticide manufacturers and labelers, pesticide business location, restricted use dealers, commercial applicator and fertilizer licenses. The bureau has been requested to evaluate alternatives to the current collection method. The work group and ACCP subcommittee will discuss this issue.

ISSUE #6 (Feed tonnage): Currently, the department collects a feed inspection fee from the first entity in the distribution chain. In addition, there is no minimum feed inspection fee payment; some licensees pay \$0.25, which is less than the costs associated with processing the paperwork. The ACM work group and feed subcommittee will evaluate feed inspection fee and tonnage reporting options, including who should pay (first in distribution chain, last in the distribution chain or something else) and how to assess licensees with very low or no tonnage.

ISSUE #7 (Combined with Issue #6, feed tonnage): The department is issuing an increasing number of pet food licenses to small, custom pet food/treat manufacturers. The existing regulatory structure is very complex for some of these businesses. The ACM work group and feed subcommittee will evaluate licensing options for this segment of the feed industry.

ISSUE #8 (Fertilizer/SPA permits): Fertilizer and SPA permits do not have an expiration date. It is difficult to know what products are actually in the marketplace and who should be reporting tonnage on what products. The ACM work group and fertilizer/SPA subcommittee will evaluate permit renewal options for fertilizer and SPA products.