



2009 Annual Report To Members

ENSURING ABUNDANT AND AFFORDABLE FOOD AND FIBER, NOW AND FOR THE FUTURE...

CropLife America is dedicated to ensuring crop protection products are recognized for their vital role in the protection of public health and meeting the urgent need for food and fiber for a rapidly growing and hungry world. We realize this vision by advocating for and promoting the responsible use of innovative, safe and environmentally sound crop protection technologies that protect public health and are essential to the global production of safe, affordable and sustainable food, fiber and renewable energy. Through effective and efficient technical expertise, along with advocacy and issue management, we advance our members' ability to develop, produce and supply essential crop protection products to America and the world's farmers.

MARK YOUR CALENDARS!

For more information, please visit www.croplifeamerica.org/events

Pesticide Regulation Conference

November 3- 4, 2009

Join CropLife America and Latham & Watkins for the first annual Pesticide Regulation Conference at the Hyatt Regency Crystal City on November 3 - 4, 2009. For more information, please visit www.lw.com/events

CLA and RISE Spring Conference

Join CropLife America and RISE for their annual Spring Conference, April 15 -16, 2010 in Crystal City, Virginia.

Government Policy Weekend

Join CropLife America's Government Affairs Staff for the annual Government Policy Weekend, September 24 - 26, 2010 in Naples, Florida.

CropLife America 2010 Annual Meeting

Join CropLife America for our Annual Meeting, September 26 - 29, 2010 in Naples, Florida.

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A Letter From the Chairman and the President

Dear Members and Friends:

The mission of CropLife America has always been, and still is, to educate and inform our legislators, our customers, our suppliers and the public that CropLife America members represent the best of the global agricultural community. Our members base their business decisions on sound science and help each other to produce abundant, safe, high quality crops to provide food, fiber and fuel to an ever growing world population. While the financial structure of the world shakes, the real estate market collapses, and leisure activities come to a grinding halt, one immutable truth remains evident: the most basic and necessary commodities are, and will always be, food and fuel.

It is said that there is as much opportunity in an economic collapse as in an economic bonanza. For the industry serviced by CropLife America and its members, the current restructuring of the world's economy is ultimately in our favor, and acts to the advantage of the world's population. The glory days of public offerings for companies in operation less than a year, of re-financing real property in anticipation of appreciation, and of foregoing compensation for dubious equity ownership are likely behind us. The world is again looking for real and true value, and is re-assessing the relative importance of industries. Once again, there is recognition that there can be no greater priority than feeding the population, protecting it from disease, and providing fuel for its sustenance.

This year has seen the return of a "back to basics" attitude for many. People who have lost their jobs, and are losing their homes, worry about not having enough food and fuel. People who still have jobs and money do not want to make speculative investments; they want to see industries that "really make something" and provide a service or product the world cannot do without. The crop protection industry presents many factors that meet this re-found interest in "real" industries.

The primary and top tier objective of CropLife America is to continue to actively convey the many crucial benefits that we provide as an industry. Our members manufacture chemicals that support the most important industry in the world, the agricultural industry. Our products not only help to feed the world, but protect it from disease as well. In a time in which "healthcare" is a pivotal issue, our members provide the ultimate prevention to disease and illness: good, healthy and abundant food.

CLA has a long history in this business and industry. Our membership is at one of its highest levels in 76 years. Collectively, we have a greater representation of the crop industry in the United States than ever before. We are therefore poised to be the best and most fully informed representation of our industry and its goals. Our members are informed, engaged and energized as never before. Our committees and board are well-filled, and working aggressively to pursue our collective interests. There is solidarity of voice, particularly in the face of the economic adversity that is affecting the world.

CLA's staff has reached a level of expertise, experience and energy previously only dreamed of. CLA's operations boast a transparency and focus that invites confidence and assurance, not only to our members, but to the many sectors that rely on CropLife, including the government, its agencies, other countries and the public.



Jay Vroom
President & CEO

Eric Wintemute
Chairman

We are at the forefront of scientific knowledge regarding our industry and our products. Through CLA's communications department, we have retained the market research firm of Charlton Research to investigate and disseminate the many positive advancements of our industry. Through our members, we are continuing to take responsibility for protecting the health and safety of workers, consumers and the environment through scientific research, innovative delivery systems and packaging, recycling and stewardship associated with our products and industry.

During this turbulent year, CLA was able to continue to advocate and advance the position of its members. Funding for the National Agricultural Statistics Service surveys was reinstated at our behest. CLA played a key role in the EPA's decision to consider existing data in the Endocrine Disruption Screening Program, greatly reducing costly, duplicative testing requirements. CLA conducted comprehensive testing of public perception and sentiment regarding crop protection products, and has created an accessible website to provide such information on an industry wide basis. Perhaps most important in a heavily regulated industry, CLA continued to seek and obtain congressional support for the crop protection industry and its members.

While much progress has been made this year, we've experienced some losses. The passing of Norman Borlaug, American agronomist, humanitarian, and Nobel laureate, whose discoveries in agricultural research and production techniques have saved millions of lives worldwide, is profoundly mourned (see back cover). In addition, the loss this year of Jack Eberspacher, president and CEO of the Agricultural Retailers Association and a steady and willing partner in so many of our coalition activities, has left a major hole in the fabric of the larger agricultural community. Both Norman and Jack's contributions will be much missed.

CLA and its members are proud of the role we play in one of the most important industries in the world, the supplying of food, fiber and fuel. In times of prosperity, people need to eat, and in times of economic downturn, people still need to eat. We never forget the significance of this fact, and are dedicated to ensuring that this basic need will always be met.

Your membership is what gives CropLife America purpose and power. We thank you for your participation and support, and look forward to a healthy and prosperous future together.

SAFE, SUSTAINABLE AGRICULTURE

Over the past year, federal legislation has moved environmental concerns front and center and with it the importance of highlighting modern agriculture's support of and contribution to conservation and sustainability efforts. While our industry is continuously working toward technological advancements to meet environmental considerations, these achievements are often underestimated. Cutting-edge crop protection technologies and practices are helping to reduce the environmental footprint of agriculture and contribute significantly to a more sustainable use of our earth's natural resources. Continued investment in the research and development of innovative crop protection tools and inputs produced and manufactured by CropLife America's members, result in more food produced on fewer acres, decreasing farming's land use and preserving natural resources and habitats for wildlife.

CropLife America's Science and Regulatory team has worked steadily this year to ensure that the evaluation of crop protection products with regard to ecological concerns, human health protection, data collection and registration remain firmly based in verifiable and valid science. Our work with the Environmental Protection Agency's (EPA) Endocrine Disruption Screening Program's (EDSP) science and policy development process have solidified our overall goals of sound science and transparency. We continue to work toward reducing potential financial, time, and resource burdens on both industry and the agency in the creation and implementation of new EPA programs and processes. We've actively participated in roundtables, forums and key discussions in the critical issues that impact our industry – endangered species, ecological risk assessment, and human health. Our input and advocacy has been an influencing factor in farmers' continued access to our members' valuable products.

Isi Siddiqui

VICE PRESIDENT, SCIENCE
AND REGULATORY AFFAIRS



Eric Mauer (Cheminova), Ray McAllister, and Patrick McCain (Syngenta) following an April Pesticide Program Dialogue Committee (PPDC) Meeting.

A Few of Our 2009 Achievements...

- President Obama announced his Administration's commitment to Scientific Integrity, issuing a Presidential Memorandum on the subject shortly after his inauguration in January. In response, CLA's Science and Regulatory staff urged the Administration to ensure the highest level of scientific integrity in all aspects of the Executive Branch's involvement with scientific and technological processes. Among other recommendations, this included using a weight of evidence approach when scientific data and information are inconclusive; adoption of Good Laboratory Practice Standards (GLPS) across federal agencies; the public release of scientific or technological findings used by agencies to support regulatory decisions; and the development of guidance to ensure complete clarity regarding the rationale for including or excluding specific data or information.
- CLA played a key role in EPA's commitment to use a weight-of-evidence approach to evaluate Tier 1 data as part of the EDSP. In addition, EPA agreed to allow citation of existing data in response to test orders, as well as the use of newer computational tools, such as the ToxCast initiative, to help pre-screen compounds slated for testing.
- CLA made gains in developing and gaining approvals for North American Free Trade Agreement (NAFTA) labels as part of NAFTA Technical Working Group (TWG). Offering comments to EPA's Office of Pesticide Programs (OPP) on the "Proposed Five-Year Strategy 2008-2013" for the Technical Working Group on Pesticides under NAFTA, CLA noted a number of additional areas where the NAFTA TWG and its stakeholders could effectively focus its efforts. These included harmonizing technical data requirements, reducing and eliminating trade irritants, aligning pesticide registration systems among NAFTA partners, and coordinating work on re-registration and re-evaluation.
- CLA coordinated with the EPA, Fish & Wildlife, National Marine Fisheries Service (NMFS) and United States Department of Agriculture (USDA) along with

our allies in agriculture, via CropLife's Eco Roadmap initiative to address interrelated risk assessment factors and processes, including non-endangered and endangered species, spray drift, water and air.

- CLA defended industry and EPA against proposed restrictions near habitats of certain endangered species resulting from NMFS biological opinions (BiOps). CLA asserted that the BiOps did not use extensive risk assessments and data compiled by state and federal regulators, including EPA. CLA emphasized the BiOps lack of a solid scientific basis for concluding authorized uses of chemical compounds which poses an actual risk to endangered west coast salmon and other species.
- CLA furthered efforts to identify and compile residue data to determine the effects of adjuvant use on

"CLA's Endangered Species Issues Management Team (ES-IMT) is a multidisciplinary group that tackles one of the most significant issues our industry is facing and one that will potentially impact the agricultural community for many years. Through a holistic approach that utilizes expertise from across CLA (e.g., regulatory, legal, federal affairs, state affairs, and various technical groups) we have been able to provide strategic direction for endangered species policy, regulations, communication, and risk assessment. The ES-IMT is a highly effective group that strives for a process that will be compliant with FIFRA and ESA as well as advancing risk assessment methods so that the safety of our products is accurately portrayed."

*— Endangered Species Issue Management Team Chair
Tilghman Hall, Bayer CropScience*



Scott Rawlins (MANA), Jay Vroom, Kristin Rury, Ray McAllister, Allan Noe, and Jean Reimers (Bayer) discussing steps to achieve better operating and policy coordination between CLA and the Ag Container Recycling Council as well as the California Department of Pesticide Regulation rule-making relative to its recycling program.

pesticide residues in treated crops, in order to support rational policies on corresponding label statements.

- CLA facilitated the combined efforts of our member companies, the American Seed Trade Association, and the Association of Equipment Manufacturers to address pollinator protection and seed treatment with pesticides.

For more information on these and other issues in which Crop Life America's Science and Regulatory Department are engaged, contact CropLife America or visit www.croplifeamerica.org.



CropLife Canada and America teams with US Embassy Ag officials outside the US Embassy in Ottawa. The two associations raised several issues with officials, including its support of the new MRL database for the benefit of US fruit and vegetable exports into Canada and its view on NAFTA harmonization and work sharing between US and Canada. Embassy representatives included Darlene Desureault, Ag Specialist (second from left) and Robin Tilsworth, Ag Minister Counselor (sixth from left).



Steve Goldberg (BASF), Cindy Baker (Gowan), Diane Allemang (Chemnova), and Allen James (RISE) meet with 2008 EPA Assistant Administrator for the Office of Prevention, Pesticides, and Toxic Substances (OPPTS), Jim Guilliford (center).



Reducing Soil Erosion, Energy use, and Carbon Output: How Crop Protection Products Play a Part

Crop protection products have contributed significantly toward reducing agriculture's environmental footprint. One way in which this energy efficiency is being achieved is via the use of herbicides. Herbicide usage allows farmers to till less often, or only minimally, conserving both labor and fuel resources and positively impacting the environment by reducing soil erosion, increasing organic matter in soils and improving water quality while using less energy. Before the development of herbicides, which remove and prevent the growth of weeds in a field, farmers had to till fields more often with heavy cultivators. These efforts not only meant increased fuel consumption and the resultant carbon output in the atmosphere, but also often impacted the environment in other ways, such as accelerating soil erosion.

USDA data show that the average tilled crop acre erodes at a rate three tons higher than an acre where the weeds are instead controlled by herbicides. With 60 million acres in no-till, the reduction in erosion due to herbicide use is at least 360 billion pounds/year. Additionally, a single herbicide application substitutes for two cultivation trips requiring four times the fuel. While reducing the need for fuel has a direct result on climate and the environment, reducing tillage also results in less carbon output. Each time land is tilled, soil releases carbon into the atmosphere. By tilling less, or not at all, less carbon is released and environmental affects are mitigated.

Crop protection products ~ like herbicides, insecticides and fungicides ~ also help maximize profit by eliminating pests that impact yields, reducing the need to convert other acreage for crops and preserving natural resources and habitats for wildlife.



James Moseley (Former Deputy Secretary of USDA), Doug Nelson, A.G. Kawamura (Secretary of the Department of Food and Agriculture of California), and Bill Kuckuck at a United Nations Foundation symposium to explore opportunities toward developing a process for farms, ranches and forests to meet global food and fiber needs while also achieving climate change and conservation goals.



Jeff Case, Scott Rawlins (MANA), Jerry Miller (Nufarm), Representative Bob Etheridge (D - NC, 2nd District), Dennis Pfeiffer (Cheminova) and Pete Irwin (BASF) during May D.C. Hill visits by CropLife America staff, members and leadership from the Southern Crop Production Association (SCPA).



COMMUNICATING THE BENEFITS OF CROP PROTECTION

As crop production demands escalate to meet renewable fuel, fiber and food needs, it is more important than ever that these essentials remain affordable to sustain a growing world population. Without the benefits of many of the products produced, manufactured and distributed by CropLife America members, crop production not only in America but worldwide would see dramatic annual losses due to the effects of weeds, pests and diseases.

Thanks to modern agriculture, farmers have doubled the production of world food supplies since 1960, tripled the output of foods such as cooking oils and meats, and increased per-capita food supplies in the developing world by 25 percent.

Still, many, from the average American consumer to policy leaders and health experts, are misinformed on the safety and benefits of these products. Seizing an opportunity to change the dialogue, CropLife America this year launched a landmark Pesticide Benefits Outreach Campaign Research project. The goal? To determine how the crop protection industry is perceived by key audiences, how best to address and resolve public concern and educate regulators and policy makers on the advances, benefits and achievements of modern agriculture and the products that support it. The results were eye-opening and provided new and useful insights that will allow us to better target and refine our communications messages for a wide array of audiences in 2010 and beyond.

Our industry has a positive story to tell. Our Communications team is excited about incorporating lessons learned from this research in ongoing efforts, beginning with the re-launch of a newly designed CLA website. By engaging Americans in the narrative of modern agriculture ~ industry innovation, smart sustainability, product safety, supporting and expanding the world's food supply ~ we can have an immediate impact on the favorable perception and understanding of crop protection products.

Rex Runyon

VICE PRESIDENT, COMMUNICATIONS

A Few of Our 2009 Achievements...

- CropLife America's communications department undertook an extensive research project to target and understand current public perception of the industry and how best to communicate the positive benefits of crop protection to effectively influence key demographics.
- Communications redesigned CLA's website, bringing messaging up-to-date and incorporating recommendations from CLA's Pesticide Benefits Outreach Research, as well as key visual elements to better brand CLA and its image and influence.
- Led U.S. coordination and filming for the video initiative "Sharing the Story," a joint effort by CropLife America and CropLife International focusing on why farmers need and embrace the technologies of plant science, both crop protection and biotechnology. The videos will appear on both organizations' websites and will be used in other proactive media outlets.
- Issued more than 33 news releases thus far in 2009 on CLA advocacy efforts, executive speeches, meetings, the benefits of crop protection products, product innovations, awards, legislative and regulatory positions and other initiatives supporting modern agricultural production. Releases generated not only further coverage for CLA, but resulted in reporter inquiries and requests for Op-Eds on subjects ranging from Colony Collapse Disorder, the National Pollution Discharge Elimination System, conservation agriculture practices in support of ecological health and sustainable food supplies, and the



Tyler Wegmeyer (American Farm Bureau), Leonard Gianessi (Crop Life Foundation) and Jay Vroom following a national news conference on CLF's study "The Value of Insecticides in U.S. Crop Production" at the National Press Club in Washington, D.C.



National Marine Fisheries Services' Biological Opinions on pesticide effects on endangered species.

- Orchestrated and conducted a major news conference

"I believe the Communications Outreach Committee has had one of the most productive years in our history. We have conducted the first major crop protection benefits research in more than a decade and have engineered a complete web site overhaul that for years to come will serve as the primary vehicle for educating and informing our members, stakeholders and the general public about the importance of what we do and the issues we face."

— Communications Committee Chair Jack Boyne, Bayer CropScience

for the Crop Protection Research Institute (CPRI) on the results of its comprehensive study "The Value of Insecticides in U.S. Crop Production" resulting in several news stories in trade and national media outlets.

- In 2008, CropLife International embarked on a blog participation project to track the important conversations that take place in the "blogosphere", in which our industry and the issues important to it are discussed. CropLife America's Communications team, as active members of this project, brings perspective to these discussions by commenting in forums in the U.S. and overseas in more than 40 actively tracked blogs.

For more information on these and other issues in which Crop Life America's Communications Department are engaged or to learn more about the benefits of crop protection, contact CropLife America or visit www.croplifeamerica.org.



Jay Vroom being video-interviewed by Dave Frabotta, Farm Chemicals International (FCI) magazine editor, at FCI's third annual Trade Summit in Buenos Aires, Argentina.



Members of CLA Communications Outreach Committee Meet to Discuss Communications Strategy and Pesticides Benefits Research Initiatives: Clockwise, from back left: Ariane Jones, Gary Eilrich (ISK Biosciences Corporation), Bill Kuckuck, Jack Boyne (Bayer CropScience), Neil DeStefano (FMC Corporation), Linda Frerichs (Arysta LifeScience), Susan Helmick, Rex Runyon, and Scott Rawlins (MANA).



Jake Secor (DOW) and Jay Vroom with Tom Vilsack, Secretary of the U.S. Department of Agriculture (USDA), at a dinner celebrating National Agriculture Day.



A Hungry Planet: Feeding Millions While Keeping Food Inexpensive and Abundant

Without the crop protection products that preserve our nation's and the world's farmlands from insects, fungi and weeds, billions of pounds of crops would be lost around the world and millions would go hungry. New and innovative crop protection technology continues to play a key role in producing more food with less. Using more effective inputs ultimately provides ongoing answers to future pressing agricultural needs. The need for a safe, secure, varied, healthy and affordable diet is among the crop protection industry's foremost priorities.

Between 20 to 40 percent of the world's potential crop production is lost annually due to the effects of weeds, pests and diseases. Twice that rate would be lost without the use of crop protection products. New technologies are continually being developed to further sustainable agriculture and to contribute to reasonable food costs. Constant investment in innovation and cutting-edge agricultural solutions continue to improve production of and access to food, fiber and renewable fuels.

In early 2009, Nobel laureate Norman Borlaug, widely acknowledged as the "Father of the Green Revolution," called for a second, more extensive, rebellion against world hunger. An October 2008 Oxfam report found more than 900 million people worldwide suffer from malnutrition because of the high cost of food. According to a recent United Nations Environment Programme's (UNEP) report, food production may decline as much as 25 percent by 2050, while world food prices could rise by 30 to 50 percent. These findings raise serious concerns about how global, agricultural stakeholders should work together to better produce, store, and distribute food.

It's essential to advance and invest in farming methods and technologies, like crop protection, to meet the unique challenges faced by agriculture and consumers. Crop protection products support high quality, high yield fruit, vegetables and other essential food staples so that a healthy diet remains affordable for all.



John Atkin (Syngenta COO), former Senator and US Ambassador to the FAO, George McGovern, former Congressman Charles Stenholm, and Jay Vroom at the Syngenta Presidential Inaugural reception, where Mr. Atkin spoke of the crucial role of technology's response to global hunger. Mr. McGovern, along with Obama Ag transition team leader Marshall Matz, also co-authored a newspaper op-ed on the role of US ag in feeding people.



Past President of the National Corn Growers Association and Illinois corn farmer, Leon Corzine, speaks about the needs and role of crop protection products and the benefits of the plant science industry as part of proactive news media initiative "Sharing the Story," a joint effort by CropLife America and CropLife International.

BUILDING ALLIANCES & LEADING COALITIONS TO ACCOMPLISH COMMON GOALS

The importance of agriculture has been recognized by American Presidents since our nation's first President, George Washington, stated he knew "of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture." American agriculture is continually rising to the challenge of ever-increasing demand. It's vital that our lawmakers and regulatory officials recognize and protect this essential role in maintaining a strong economy when making the important policy decisions on legislative issues impacting crop protection and production agriculture.

Change in our industry has continued apace largely because of the crop protection industry's regulation by and cooperation with government agencies such as EPA, USDA and others. With so many complex and intertwined issues confronting our industry ~ from taxes and energy to federal regulatory policy and climate change ~ CLA's Government Relations staff proactively pursues all outreach opportunities. CLA, with our commodity allies, leads several stakeholder coalitions, working closely with Members of Congress in both parties to educate Members and staff on the special needs of agriculture. Reaching out to those federal and state elected officials who determine and implement agriculture and environmental policy and regulation is crucial to farmers' and ranchers' continued access to chemical crop protection solutions. The use of sound science ~ a key goal of the Obama Administration ~ resonates with all aspects of our industry and member companies, and our continued involvement in this conversation is diligent and critical.

As our industry's issues play out in this 111th Congress, CropLife America's dedicated Government Relations team continues to fulfill its role in working with the new Administration, our elected friends and allies in both parties and within our alliances and coalitions to further the future of American agriculture.

Beau Greenwood

EXECUTIVE VICE PRESIDENT,
GOVERNMENT RELATIONS AND PUBLIC AFFAIRS



Representative Allen Boyd (D - FL, 2nd District) and Jay Vroom discuss ag issues during CLA's Spring Legislative Rally.

A Few of Our 2009 Achievements...

- CLA worked closely with USDA and Secretary Vilsack, as well as with House and Senate Agriculture Committees, to communicate to EPA the impacts of the Sixth Circuit Court's ruling in *National Cotton Council v. EPA* on American agriculture. CLA led a coordinated effort to reach-out to the stakeholder community impacted by this ruling, including agriculture commodity organizations and non-agricultural entities. The State Affairs Committee also played an integral role in advocacy efforts surrounding the ruling, generating more than 50 letters from 25 states to EPA, the U.S. Department of Justice and Members of Congress requesting a rehearing in this matter. The State Affairs Committee worked especially close with the National Association of State Departments of Agriculture (NASDA), an important ally for demonstrating the enormous obstacles to implementing the Sixth Circuit's ruling.

"In making a solid commitment to being a stronger advocate for our industry, this past year the Federal Affairs Committee, in conjunction with CLA staff, has devoted more time in the strategic development and tactical implementation of lobbying efforts with Congress and the Executive Branch to assure that the key priorities of the CLA business plan are addressed in an effective manner."

*– Federal Affairs Committee Chair,
Jake Secor, Dow AgroSciences, LLC*

- While implementation of the Department of Homeland Security's Chemical Facility Anti-Terrorism Standards (CFATS) rule continues, the Congressional

leadership has determined that additional layers of regulation are necessary to protect citizens from threats of terrorist attack. Provisions, including an Inherently Safer Technology (IST) mandate and new authority for citizen action suits, are of concern. As legislation advances in multiple congressional committees, CLA has coordinated with the American Chemistry Council (ACC) and the American Petroleum Institute (API) to consider legislative options in the House and develop legislative strategies for eventual Senate consideration. CLA is a leading member of the Agriculture Security Working Group that includes the American Farm Bureau Federation, National Council of Farmer Cooperatives, Chemical Producers and Distributors Association, National Agriculture Aviators Association, The Fertilizer Institute, National Corn Growers Association, and Agriculture Retailers Association.

- President Obama affirmed the Administration's commitment to sound science when the White House issued the Presidential Memorandum on Scientific Integrity shortly after his inauguration. CLA responded to the call for public comments and has engaged the Obama Administration and the Congressional Science Committees to establish sound science as the foundation of good public policy.
- CLA led a stakeholder coalition to ensure USDA-National Agricultural Statistics Service (NASS) Chemical Use Surveys funding was successfully restored for fiscal year 2010 following elimination of funding for this important program in fiscal year 2008. In fiscal year 2009, \$2.45 million was secured to restart this data collection and the current appropriations cycle has included the remaining \$5.75 million to fully fund program opera-



Representative Marion Berry (D - AR, 1st District) speaks with Cindy Baker (Gowan) and Eric Wintemute (AMVAC) as Peg Cherny (Bayer) looks on during CLA member and executive visits to the Hill.

tions. Final action on fiscal year 2010 appropriations is expected later this year.

- CLA initiated discussions with EPA's Deb Edwards (Office of Pesticide Programs) and Ephraim King (Office of Science and Technology) on a new, national methodology for ecological risk assessments for pesticides. CLA hopes this new methodology will replace the flawed Great Lakes Methodology for establishing aquatic toxicity criteria for pesticides in ground water currently used by Minnesota Department of Agriculture. CLA believes a national standard is preferable to a state-by-state strategy. This effort is also closely coordinated with and led, in part, by CLA's Clean Water Issue Management Team.
- The CLA State Affairs Committee (SAC) and government affairs staff addressed 52 anti-pesticide bills during the 2009 state legislative sessions and have actively monitored another 150 pieces of legislation. The bills cover a wide range of issues including pesticide use bans and restrictions, human and environmental exposure, inerts and state preemption. States that have been active this year include California, Florida, Hawaii, Maine, Minnesota, New York and Oregon. Of particular note were the number of proposals to raise state registration fees due to state budget challenges. CLA and SAC have worked closely with our state and regional affiliate organizations in addressing a broad range of state issues.

For more information on these and other issues in which Crop Life America's Government Affairs and Public Affairs Department is engaged, contact CropLife America or visit www.croplifeamerica.org.



CLA's Beau Greenwood with Representative Mark Schauer (D - MI, 7th District), Jim Byrum (Michigan Agri-Business Association) and RISE's Allen James.



Senator Pat Roberts (R- KS) makes a humorous point while (from left) Diane Allemang (Cheminova), John Cummings (FMC), Bill Kuckuck, and Jeff Case laugh in appreciation during meetings with lawmakers on Capitol Hill during CLA's Legislative Rally.



Marty Mascianica (BASF), Jay Vroom, Valdemar Fischer (Syngenta), Martin Petersen (Cheminova), Senator Kay Hagan (D-NC), Bill Lewis (Arysta LifeScience), John Rabby (MANA), Bill Culpepper (SePRO), and Bill Buckner (Bayer) at a meeting during CropLife's first-ever North Carolina Crop Protection Agricultural Summit.

The Importance of Sound Science

CropLife America continually seeks to enhance the integrity of scientific information used in governmental decision making and has been a vocal advocate of President Obama's commitment to base Administration decisions on the best, scientifically-valid data and evidence available. Determining and setting criteria for the quality and validity of scientific evidence used to support regulatory decisions allows for better coordination and effectiveness among all agencies that rely on the results of scientific analysis for direction.

One of the primary signatures of science is objectivity. With issues ranging from climate change and endangered species, to human health and environment, the best available, peer-reviewed science, conducted in accordance with sound and objective scientific practices, supports essential rationale for regulatory and policy-decision making.

Scientific capability is limited to the techniques available at any given moment, but sound science promotes unbiased, repeatable results. A "weight of evidence" approach when scientific data and information are inconclusive and the adoption of Good Laboratory Practice Standards (GLPS) across federal agencies is critical. Transparency is also paramount in the scientific process. By making public scientific or technological findings used by agencies to support regulatory decisions, those affected by resulting regulation and policy decisions receive fair and equitable treatment.

At its essence, science comprises systematic measurements of the physical world. The strength of a truly scientific process is that data and interpretations can be objectively scrutinized and verified. By enhancing the integrity of scientific information used in governmental decision-making, federal agencies ensure the integrity of the scientific process and resulting decisions.

PRESERVING THE TOOLS OF THE AMERICAN FARMER

As a visible and vocal member of the crop protection industry, CropLife remains dedicated to ensuring American farmers have continued access to the essential agricultural tools needed to meet escalating demand.

The issue of National Pollutant Discharge Elimination System (NPDES) permits and the Clean Water Act (CWA) has taken center stage in 2009. Questions over permitting requirements for pesticide applications “on, over or near” water could hamper farmers’ abilities to apply pesticides. CWA ambiguities leave uncertainties about the more indirect results of beneficial pesticide applications, like spray drift.

Everyday around the world, farmers, mosquito control officials and pest managers for waterways, forests and parks, rely on the application and benefits of high-value pesticides. In the United States, approximately two million of these private and commercial applicators, agricultural or pest control operators defend this nation’s farms and woodlands from the diseases and pests that might otherwise adversely impact crops and waterways ~ even the health and welfare of American citizens. Now, faced with the potential for new and possibly onerous permitting requirements, many urgent pesticide programs and applications could be impeded.

In addition, continued lawsuits brought against the EPA alleging the agency’s violation of the Endangered Species Act (ESA) threaten the registration for use of crop protection and specialty pesticide products. Pressure groups attempt to circumvent pesticide registrations and legal uses by attempting to force the implementation of interim restrictions on the use of crop protection and specialty pesticide products in and adjacent to endangered species habitat with no evidence of actual harm.

CLA and its Law Committee are actively engaged in safeguarding the ability to apply crop protection products and remain committed to ensuring that these tools, many of which serve other beneficial purposes besides agricultural uses, can continue to be used for their intended purposes.

Doug Nelson

EXECUTIVE VICE PRESIDENT &
GENERAL COUNSEL

A Few of Our 2009 Achievements...

- Filed an amicus brief with the Second Circuit Court of Appeals supporting a lower court’s ruling that an NPDES permit is not required prior to application of pesticides.
- CLA, and other industry petitioners and intervenors, will pursue an appeal with the U.S. Supreme Court of the three-judge panel’s decision to strike down the NDPEs Rule.
- CLA engaged EPA in the development of a general NPDES permitting system. We have had several meetings with EPA over the scope and structure of such a system; and organized the drafting of a white paper outlining CLA’s views.
- CLA organized and submitted comments on a comprehensive review of the Endangered Species Act’s consultation procedures by the Department of the Interior. CLA’s comments emphasized, among other points, EPA’s scientific expertise in the registration of pesticides; and requested EPA and the Services reconcile their differences in analyzing the best scientific data available when consulting on the potential effects of pesticide registrations on endangered species.
- CLA authorized and funded the filing of a detailed, legal-oriented petition with EPA challenging certain aspects of the Agency’s proposed Endocrine Disruptor Screening Program (EDSP) highlighting EPA’s failure to follow proper rulemaking procedure under the Administrative Procedure Act (APA), and requesting EPA submit the test orders to the Office of Management & Budget for review. CLA’s petition persuaded EPA to postpone the issuance of test orders, delaying the onset of expensive testing by registrants which is estimated to reach up to \$2 million per compound.
- CLA submitted comments opposing the imposition of injunctive relief absent a finding of legal liability as a result of settlement negotiations with EPA and plaintiffs regarding the effects of at least 46 Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) registered pesticides on 11 listed endangered and threatened species in 12 counties in the San Francisco Bay Area and claims EPA violated Endangered Species Act by failing to consult with the Fish & Wildlife Service (FWS).



- CLA filed an amicus brief outlining industry's view on the importance of EPA following Section 6 cancellation procedures and the lack of due process in regard to EPA's seeking to ban the sale of certain rodenticides without following FIFRA's cancellation procedures.

For more information on these and other issues in which Crop Life Legal Department is engaged, contact CropLife America or visit www.croplifeamerica.org.



"The CLA Law Committee works to ensure that the interests of the crop protection industry are well-represented before state and federal authorities. I particularly have been impressed with the time and effort devoted by members of the Law Committee to defend our industry against challenges brought by activist groups under the Endangered Species Act over the last few years. With support from industry scientists and CLA staff, the Law Committee has been carrying out a legal strategy designed to focus the courts, the regulators, and policy-makers on good science in carrying out the important objectives of the ESA. The depth of experience and the quality of the counsel offered by the talented lawyers on the Law Committee clearly are having a positive impact on this challenging situation."

— Law Committee Chair Michael Grisham, Dow AgroSciences



Lee Van Wychen (Science Policy Director, Weed Science Society of America), Kellie Bray (CLA), Dr. Phyllis Windle (Union of Concerned Scientists) and Jeff Eisenberg (Public Lands Council) following a panel as part of the 10th Annual National Invasive Weeds Awareness Week in Washington, D.C.



CLA executives Doug Nelson (fourth from left) and Beau Greenwood (third from left) brief the USA Rice Federation on action related to CWA NPDES permits and the recent 6th Circuit ruling as former House Agriculture Committee Chairman, Larry Combest (R-TX) looks on.



CLA Board Chairman Eric Wintemute (AMVAC) greets Dr. Debbie Edwards Director of EPA's Office of Pesticide Programs (OPP) as part of discussions and events held during CLA's Winter Board Meeting.



Guest speaker Dan Botts (Florida Fruit and Vegetable Association) here with Cindy Baker (Gowan), Steve Goldberg (BASF), and Diane Allemang (Chemnova) following his presentation in June to the SOC on Maximum Residue Limit (MRL) Harmonization.

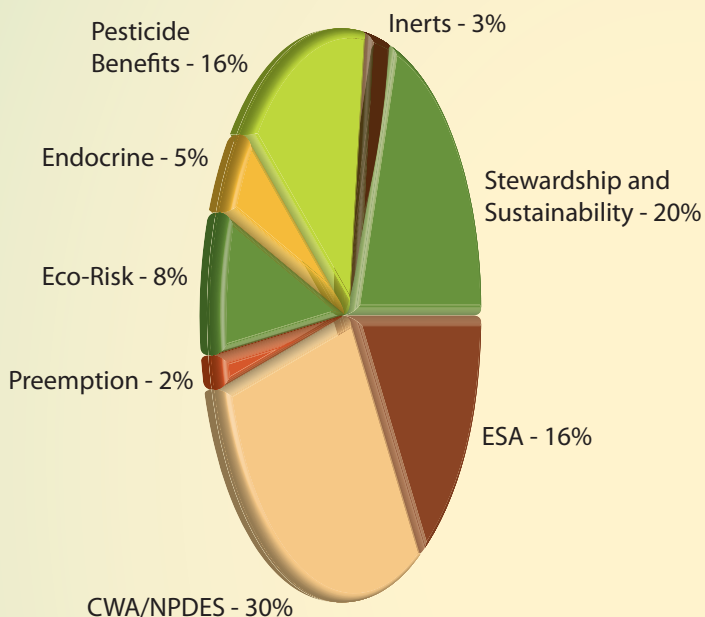
ISSUES ALLOCATION - HALF YEAR 2009

CropLife America’s strategic plan of issue priorities allows the association to plan for and monitor where all CLA resources are deployed and how our issues are tracking on a monthly basis. These tools have been helpful to identify emerging issues and prevent “mission creep.”

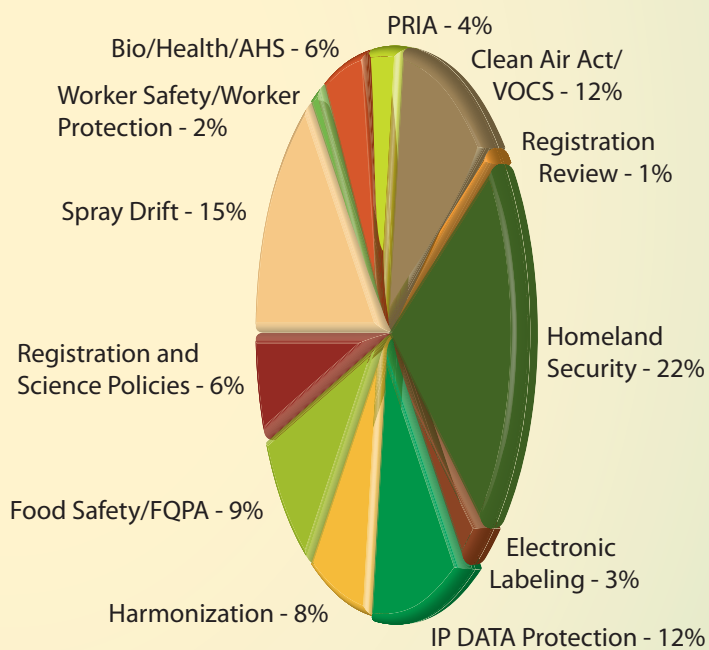
The following pie charts show where staff dedicated time in the three tiers of activity in CropLife America’s business plan during the first half of 2009.

Below: Average percentage of time spent by CLA staff on tier 1, 2, & 3 issue management

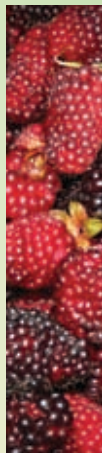
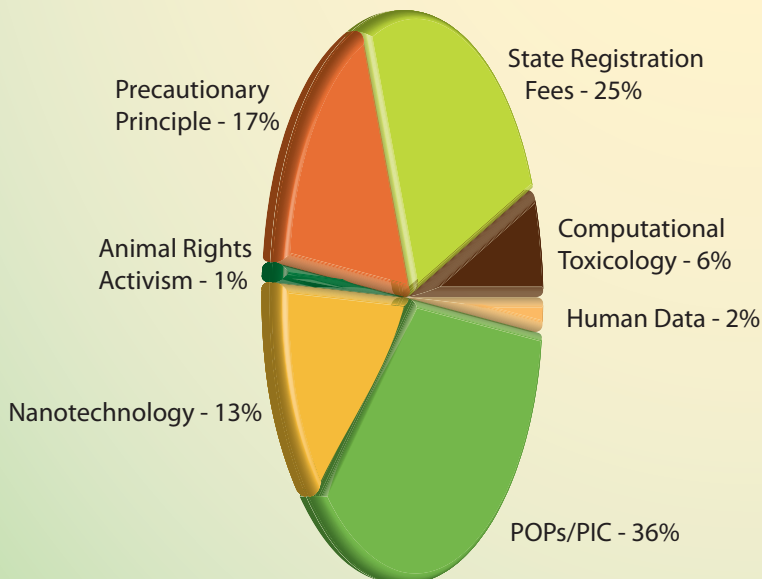
Tier 1 Issues



Tier 2 Issues



Tier 3 Issues



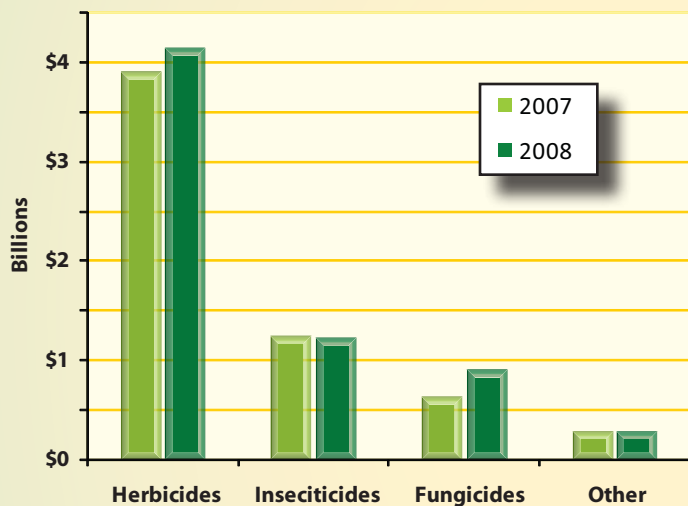
CROP PROTECTION MARKET OVERVIEW

In 2008, the global market for crop protection products is estimated to have increased by 21.2 percent to over \$40 billion, according to data from market research firm Phillips McDougall.

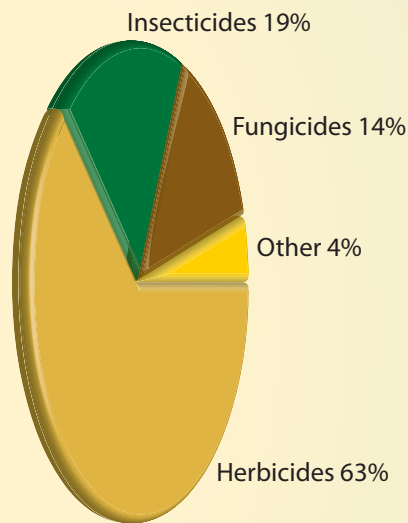
Worldwide, as in the U.S., fungicides, benefitting from new product introductions, led the sector with growth of 28.4 percent. Insecticides saw growth of 20.7 percent with growth in Latin America being a key driver. Herbicides, which led in overall market share, saw growth of 18.5 percent boosted by a rapidly expanding Brazilian market.

Over the next 5 years, it is expected that fungicides will continue to lead market growth. While new products should sustain a positive market for insecticides, herbicides are expected to come under pressure from changing crop patterns and maturing product portfolios.

U.S. Crop Protection Market Growth



U.S. Crop Protection Market



Source: Phillips McDougall 2009



CropLife Foundation

The CropLife Foundation (CLF or the Foundation) is a not-for-profit organization, which actively conducts educational outreach programs advancing sustainable agriculture and the environmentally sound use of crop protection products, promoting product stewardship through certification and training programs and funding scientific research into modern agricultural practices. By working with industry, farmers, private and public researchers, and educators, the foundation aims to identify both the problems as well as the appropriate solutions toward establishing a sustainable, environmentally sound, and economical global agriculture.

In March 2009, CPRI issued its insecticide benefits study “The Value of Insecticides in U.S. Crop Production,” the culmination of a three year effort focusing on 50 crops and examining the value of insecticides to production by crop, by state and by growers nationally. One in a series of pesticide benefit studies conducted by CPRI staff and funded by CropLife America and its member companies, the study demonstrated the enormous impact insecticides have in protecting the yields of numerous crops in the U.S. demonstrating the tremendous and wide-ranging benefits of crop protection use in American agriculture.

RISE

RISE (Responsible Industry for a Sound Environment), since 1991 a principal partner of CropLife America, is the national not-for-profit trade association representing producers and suppliers of specialty pesticides and fertilizers. RISE and CropLife America’s strong partnership and common objective to advocate for our members on behalf of the equitable and science based regulation of pesticides, provides a strong, unified voice for our members and the pesticide industry.

CropLife International

CLA is a leading association member of our global federation, CropLife International (CLI). CLI represents the plant science industry via regional and national associations in 91 countries. This vital network allows us to reach out to stakeholders, develop dialogue and form partnerships across borders, creating physical and virtual synergies that allow for international advocacy on policies essential to US agriculture and farm exports and benefiting our industry, customers, and consumers alike.



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*(*as of July, 2009)*

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- **Bill Kuckuck**, Executive Vice President & COO
- **Douglas Nelson**, Executive Vice President, General Counsel, Secretary, President ~ CropLife Foundation
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- Vance Publishing
- The Weinberg Group Inc.
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- Winfield Solutions LLC
- XS, Inc.

(*as of March 2009)





Dr. Norman Borlaug and CropLife America's Isi Siddiqui following an April 2006 United States Agency of International Development (USAID) Symposium where Dr. Borlaug underscored the need for a "wakeup call against hunger."

Dr. Norman Borlaug

March 25, 1914 – September 12, 2009

***American Agronomist, Humanitarian, Nobel Laureate,
Father of the "Green Revolution"***

Dr. Borlaug's discoveries in agriculture and agricultural production techniques are credited with saving a billion lives from starvation. His hard work, creativity and invention to the greater purpose of serving the needs of people, especially those less fortunate, is a powerful example to all of how the work of one person can make such a profound difference to the lives of so many.

In addition to the Nobel Peace Prize, Dr. Borlaug received numerous other honors and awards including the Congressional Gold Medal, the highest civilian award granted in the United States. He was also a recipient of the Padma Vibhushan, India's second-highest civilian honor, the U.S. National Academy of Sciences' Public Welfare Medal, and the National Medal of Science. His legacy lives on in the World Food Prize, established in 1986 by Dr. Borlaug to recognize individuals who have improved the quality, quantity or availability of food around the globe.

"Food is the moral right of all who are born into this world."

– Dr. Norman Borlaug



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