



CropLife  
☆ AMERICA ☆

Advocates for Agriculture

CropLife America 2008 Annual Report to Members



## 75 Years of Agriculture & Advocacy...

For 75 years, CropLife America has communicated the benefits of pesticides to policy makers and the general public. Our mission, to provide effective and efficient technical expertise, advocacy and issue management to advance our members' ability to develop, produce and supply essential crop protection products, is the foundation of our success. CropLife vigorously pursues all available avenues ~ public policy, communications, lobbying, litigation, scientific studies and regulatory insight ~ in promoting the importance and benefits of crop protection to satisfying the needs of an ever increasing global population and enhancing American agriculture and society as a whole.

**WE ARE ADVOCATES FOR AGRICULTURE**



# A Letter from the Chairman and the President

Dear Members and Friends,

It's a great time for U.S. Agriculture. Our industry's contributions to farmers' ability to meet increased demand are a crucial component in providing food, renewable fuel and fiber for an ever-growing world population. The importance of protecting the value of and access to crop protection products has never been more critical. This year's annual report, **Advocates for Agriculture**, highlights our efforts and successes as the industry voice for the most critical and common issues to our membership, involving Congress, federal and state agencies and the news media.

Crop protection issues are challenging; but we have made considerable progress in 2007-08. In particular, CLA achieved major legislative objectives in the 2008 Farm Bill. The Farm Bill's passage enhances the future of American agriculture by providing overall continuity of farm program safety net, conservation and nutrition programs. It also helps to prevent bias against pesticide manufacturers and those who use their products.

The new Farm Bill also authorizes several programs intended to address concerns related to Colony Collapse Disorder (CCD) and other pollinator-related issues. CLA has been successful in balancing the CCD debate, educating members of Congress and the media on related industry initiatives, emphasizing the benefits of specific pesticides in protecting bees as well as highlighting the many other potential causes of CCD.

CLA has worked hard to underscore the concerns of agriculture as new Congressional legislative recommendations regarding chemical site security are proposed. In particular, we have highlighted the collaborative efforts of the crop protection chemicals industry and the Department of Homeland Security to implement Chemical Facility Anti-Terrorism Standards.

Throughout 2007 and 2008, CLA's initiatives have ensured a fair and balanced approach to the legislation and perception of the crop protection industry. While recording success on every one of our priority issues in the CLA business plan this past year, we still have much to accomplish.

The issue of sustainability has taken on unique angles, attracting new advocates. The focus has switched to a greater emphasis on environmental and organic issues. Along with product quality issues and life-cycle product packaging, measures such as transition plans for organic farming practices, targets for energy efficiency, greenhouse gas emission reductions and soil carbon storage are gaining ever more attention. These issues impact and affect our entire crop protection supply chain, including producers, distributors, and retailers. CropLife will work hard to emphasize current agricultural practices - including conservation tillage which conserves both labor and fuel resources; the reduction of soil erosion; and energy savings increasing organic matter in soils and improving water quality.

In addition, National Marine Fisheries Services' (NMFS) recently released a draft biological opinion under the terms of the settlement agreement that required it to respond to the Environmental Protection Agency (EPA) on the three insecticides --chlorpyrifos, diazinon and malathion -- with respect to their potential effects on threatened and endangered salmon. This opinion stated "overwhelming evidence" that their use interferes with fishes' ability to find food, reproduce and even swim. The report's intent was to provide useful information toward safeguarding marine species and habitats. However, it greatly overstates the predicted risk of these highly-regulated, registered and essential crop protection products, circumvents the intent of interagency consultation, and unnecessarily alarms the public.

Moving forward, NMFS must use the best available sound science and cooperate with EPA and registrants to certify that the most accurate data is used before finalizing its risk assessment of these products. As part of its ESA efforts, CropLife will work with all agencies involved, to ensure an accurate view of the safety of these pesticides to endangered salmon.

CLA is in excellent shape. Results from the third annual member survey were positive and will be fully analyzed by your Board at this year's annual meeting. We have a great staff, energized by new faces and ideas, and extraordinary member volunteer participation on our many committees, work groups, task forces and issue management teams. These contributions have meant quick and positive progression on numerous industry issues and opportunities.

Our future agenda includes many exciting prospects. We have been working for several years on a better portrayal of pesticides benefits and related messages. The annual survey this year told us our members are eager for more. We plan on meeting this need for proactive education along with CLI, RISE, and a host of other key partners.

In the coming year, we will increase the emphasis on the value of crop protection products in agriculture and improve our communications function to better identify opportunities for outreach as well as manage future threats. We will help our members prepare for and respond to these issues effectively. We will also maintain the strong regulatory relationships and proactive coordination that has resulted in exceptional positive legislative outcomes. Additionally, we will look for ways to better implement stewardship initiatives consistent with CLA's overall strategy.

We approach the coming year with enthusiasm and energy. Our initiatives, organization performance and strategic direction remain sound. Though big challenges are coming with the upcoming U.S. elections; no matter the outcome, there will be change. With the global economy facing economic uncertainty, international trade is vulnerable with the WTO Doha Round deadlocked as domestic concerns about perceived job losses from trade impacts remain a concern. Nonetheless, we remain strongly committed to working with all WTO members to restart negotiations and conclude the Doha negotiations. We'll do this alongside our CropLife International network partners. Though much is yet undecided, we are committed to effectively managing projects that drive for results, develop and maintain strong relationships with key stakeholders, and understand the most significant business implications to our member companies.

Finally, we thank you for your membership; your contributions and your continued commitment in helping us achieve our mutual goals. In addition, we want to thank all the CLA staff for exemplary work this past year. Your dedication has ensured that CropLife America continues to be the most effective voice for our industry.



**Eric Wintemute** (on right)  
Chairman  
CropLife America  
Board of Directors

**Jay Vroom**  
President & CEO  
CropLife America

# CROPLIFE AMERICA: YEAR IN REVIEW

In the past year CropLife worked diligently to increase its visibility and become a more effective voice for the crop protection industry by presenting a unified message, which positively impacts industry issues and regulation. The wide scope of work conducted daily on behalf of our many members is dedicated to guaranteeing the needs and concerns, benefits and goals of the crop protection industry are represented and understood from both the government and consumer perspectives.

As production demands on farmers increase to meet the renewable fuel, fiber and food needs of a growing global population, both the necessity for and focus on crop protection technology and tools will increase. Many issues, including ecological concerns, human health protection, data collection and registration, will have CropLife's attention in the coming year as the association continues its proactive involvement, political action and outreach activities toward ensuring the future of crop protection, and – in turn – farmer access to our products

Key to advancing and overseeing CropLife's objectives, The Board of Directors and Strategic Oversight Council (SOC) provides CropLife's management team and staff critical, cross-functional strategic direction. This guidance engages and mobilizes stakeholders, partners and alliances to focus on and reinforce the highest priority issues and key actions, making the most of all available resources and contributing significantly to CropLife's success.

CropLife's many committees, work group, task force and issue management teams also contribute significantly to the positive progression of the many issues and opportunities impacting our industry year over year and are key in effectively managing what matters most to our member companies. Our legislative, legal and scientific expertise on trends and legislation /regulation affecting agriculture as well as access to and relationships with principal decision makers in these areas continues to advance our members' business interests and produce countless benefits. In addition, our communications teams ensures our members are privy to the latest industry information via news releases, issue updates, position papers and publications while at the same time positively positioning our member companies in trade and national media. Our active legal involvement in the major litigation affecting our industry ensures that neither our opponents nor our government ignores our concerns or rights. Finally, CropLife's presence and voice are made more powerful as a result of its global reach as a network member of CropLife International (CLI), our international federation with associations in more than 80 countries, a network which provides innumerable collaborative opportunities and issue management synergies.



L to R: Jay Vroom, Iain Kelly (Bayer CropScience), and Stan Howell (Dow AgroSciences) at 2007 Annual Meeting awards presentation.



L to R: CLA Board Chairman Eric Wintemute (AMVAC Chemical Corporation), Diane Allemang (Cheminova), and Jay Vroom outside the White House.



L to R: Burluson Smith (USDA), Eric Wintemute, Stan Howell, Jay Vroom, and Jim Gulliford (EPA, OPPTS) at the 2007 Annual Meeting Board Luncheon.



L to R: Stan Howell, Beau Williamson (FFA), and Jay Vroom at the 2007 Annual Meeting.



L to R: Jay Vroom, Jake Secor (Dow AgroSciences), Iowa state legislator Sandy Greiner, and Mike Naig (Monsanto) at the 2008 Republican National Convention in Minneapolis- St. Paul.



L to R: CLA Board Chairman Eric Wintemute, Marshall Matz of the Obama Heartland (Food +Ag) Team, Venus Wintemute, Isi Siddiqui and Scott Shearer (Obama Heartland Team) at the 2008 Democratic National Convention.



L to R: Colorado Ag Commissioner John Stulp, CLA Board member Dave Tretter (Agrum UAP), and Jay Vroom at the 2008 Democratic National Convention in Denver.

## LEGAL, LEGISLATIVE & REGULATORY HIGHLIGHTS



L to R: Bill Culpepper (SePRO Corporation), John Chrosniak (DuPont Crop Protection), Senator Pat Roberts (R-KS), and Richard Martin (PBI/Gordon Corporation) at the 2008 Senate Legislative Rally.



L to R: Ed Duskin (SCPA), Senator Thad Cochran (R-MS), Jay Vroom, and John Chrosniak at the 2008 Senate Legislative Rally.



L to R: Allen James (RISE), Dallas Tonsager (Obama Ag Advisory Committee Co-Chair), Colorado Agriculture Commissioner John Stulp, Georgia Agriculture Commissioner Tommy Irvin, Alabama Agriculture Commissioner and NASDA President-elect Ron Sparks, Jay Vroom, Marshall Matz (Obama Ag Advisory Committee Co-Chair), Eric Wintemute, North Dakota Agriculture Commissioner Roger Johnson, David Tretter, Beau Greenwood, and Isi Siddiqui at the 2008 Democratic National Convention.



L to R: Jay Vroom, former USDA Secretary Jack Block (now co-chair of Farmers and Ranchers for McCain), Minnesota Ag Commissioner Gene Hughson, and CLA Board members Rod Schroeder (Winfield Solutions) and Eric Wintemute (AMVAC) at the 2008 Republican National Convention.

CLA takes a proactive approach to confronting challenges to the industry. This approach continued in 2008 as the CLA Law Committee and Board of Directors approved intervening in two significant lawsuits filed by environmental activists against the EPA registration and Endangered Species programs. CLA has also filed six amicus briefs with the U.S. Supreme Court and other major federal courts to ensure that the industry's voice is heard as attacks continue to mount against FIFRA cost-benefit protections and preemption of local legislation restricting pesticide use. We seek to recruit other allies in agriculture and related industries to join us in most of these suits and combine litigation work with active advocacy of the appropriate federal government legal representatives.

This year has seen significant success with a substantial victory to restore partial preemption by the Supreme Court (*Riegel v. Medtronic*) and active intervention in the recent activist challenges to CLA member re-registrations.



L to R: Cindy Baker (Gowan), Dennis Kelly (Syngenta), Kelli Ludlum (American Farm Bureau), and Dave Tierney (Monsanto) at the 2008 Republican National Convention.

continue to work closely with the Bush Administration and all other stakeholders to ensure that the Farm Bill is properly implemented. This continuing effort is especially important as it relates to the Goodlatte amendments.

**"We commend the leadership of the House and Senate Agriculture Committees for the dedication they have shown throughout the process to enact a Farm Bill which takes the correct steps toward ensuring America's farmers continue to have access to crop protection products critical to a robust agriculture."**

— Beau Greenwood, Executive Vice President, Government Relations

**"CLA was relentless in its pursuit of monitoring and actively engaging with key influencers in its attempts to make certain that the Farm Bill was beneficial to members of CLA and ensuring it did not contain language detrimental or discriminatory to pesticides."**

— Jacob Secor, Director, Federal Government Affairs, Dow AgroSciences, LLC

### Farm Bill

The long delayed passage in 2008 of the Farm Bill, officially, "The Food, Conservation and Energy Act of 2008," was a huge success for CropLife America, its members and allies. CLA, numerous commodity groups and members of the House and Senate Agriculture Committees and their staff worked tirelessly to bring closure to a difficult negotiation. The outcome provides needed certainty for American agriculture in a time of global economic instability. Amendments offered by House Agriculture Ranking member Bob Goodlatte (R-VA) ensure consistency with regulations under FIFRA (Federal Insecticide, Fungicide, and Rodenticide Act) by preventing a separate pesticide regulatory system at USDA for the approval of pesticides eligible to be used in USDA conservation programs. In addition, these amendments provide a definition of "integrated pest management" (IPM) consistent with language already in FIFRA. The purpose of these amendments is to eliminate bias against chemical crop protection tools available to growers and ensure the primacy of FIFRA over all pesticide use decisions.

Many other important elements of the Farm Bill - research, education, energy development, support of conservation programs and nutrition assistance - add clarity and certainty to U.S. farmers and those who serve them.

CropLife's efforts, along with the hard work of the many hundred groups that supported passage of this important legislation, ensure the future of American agriculture and our industry's place in it. CropLife will

### Chemical Site Security

Currently, the crop protection chemicals industry is working in close cooperation with the Department of Homeland Security (DHS) to implement the recently finalized Chemical Facility Anti-Terrorism Standards (CFATS) rule. CropLife believes this collaborative effort supersedes the immediate need for the establishment of new legislation and that the CFATS rule should be fully implemented and assessed before any new additional Congressional authority is granted. CropLife's concern is that H.R. 5577, as reported by the House Homeland Security Committee, could cause disruptions to the current partnership that exists between DHS and the private sector by adding unnecessary and burdensome new requirements. These could impede the ongoing implementation and increase the regulatory burdens on U.S. agriculture at a time of rising demand and input costs.

Specific industry concerns include:

- Inherently Safer Technology (IST): IST-like mandates are duplicative of the existing Federal Occupational Safety and Health Administration's Process Safety Management Program (PSM). CLA is opposing any new DHS authority to override industry security experts and chemical engineers regarding changes to chemical processes or formulations.
- Federal Preemption: The agri-business and commercial distribution/manufacturing sectors are particularly concerned that Congress could be encouraging the creation of a patchwork of conflicting rules. The DHS CFATS rules allow for states to exceed the federal limit but also

# LEGAL, LEGISLATIVE & REGULATORY HIGHLIGHTS

permit federal preemption where 1) there is an actual conflict between the two or 2) the state or local program “frustrates the purpose” of the federal program. Neither of these problems appears to be occurring with current implementation of existing state programs; consequently, CLA holds that Congress does not need to act further to empower states on chemical site security.

- Information Protection: Section 2108 of H.R. 5577 weakens certain information protection provisions and potentially exposes sensitive information to the public domain. CLA continues to emphasize that facility information should be treated as classified material and should not be made available to the general public as any resulting breach in the confidentiality of industry security information could influence business owners to withhold security details and inadvertently increase risk.

Throughout the coming year and through the next Congress, CLA will continue to work closely with members of the Agriculture Security Working Group, which include AFBF, TFF, NAAA, CPDA, NCF, ARA and CLA, to advance concerns of the agricultural sector and advise on these important issues as they relate to chemical site security. In addition, CropLife America applauds the comments of Rep. John Barrow (D-GA) for his recognition of the unique challenges faced by the farmers and ranchers engaged in the production of American agriculture. Rep. Barrow emphasized to the House Homeland Security Committee the importance of considering the concerns of agriculture as this issue makes its way through the legislative process. CLA and its member companies greatly appreciate his efforts in pursuit of a fair and balanced approach to any new chemical site security legislation.

## Colony Collapse Disorder (CCD)

The sudden disappearance of worker bees crucial to commercial pollination and agricultural production, known as Colony Collapse Disorder (CCD), has gained further attention over the past year. Pesticides continue to be mentioned in reports as a potential cause of CCD; stress, viruses and disease are also noted as likely contributors. CLA, an active member of the Native Pollinator in Agriculture Workgroup, is working with the USDA, Congress and other stakeholders to understand and reduce or eliminate threats to bee colonies while protecting agricultural interests.

The importance of CCD and other pollinator-related issues is illustrated in the recently enacted Farm Bill, which authorizes a multitude of programs intended to address these concerns. Among these are pollinator protection research and the inclusion of bees and honey production in agriculture disaster assistance programs.



L to R: Scott Shearer (Bockorny Group), Congressional Candidate Colleen Callahan (D-IL), Senator Dick Durbin (D-IL), and Jay Vroom at the April 2008 Callahan Fundraiser.



L to R: Former Michigan Governor and National Association of Manufacturers (NAM) President & CEO, John Engler and Isi Siddiqui at NAM-Trade briefing in April 2008.



L to R: Jay Vroom, Doug Nelson, Eric Wintemute, Secretary of Agriculture Ed Schafer, Steve Goldberg (BASF Corporation), and Beau Greenwood.

CropLife has voiced support for these new authorities and continues to emphasize the stewardship of its products and our industry’s commitment to ensuring that bees are protected. In June of this year, CropLife delivered written testimony to the House Agriculture Subcommittee on Horticulture and Organic Agriculture detailing these efforts as well as the many benefits to pollinator health attributable to the careful use of pesticides, i.e. miticides, used to protect bees from known natural threats. CLA is actively cooperating with government agencies and others in resolving this crisis to ensure the future of American agriculture and prevent the crop protection industry, already heavily regulated, from being unfairly penalized or inaccurately represented.

**“Bees are vitally important to agriculture, to our industry, and to the future of our Nation’s crops. The crop protection industry supports vigorous efforts to determine the cause of the decline in honey bee populations”**

— Jay Vroom, President & CEO CropLife America in testimony to the House Agriculture Subcommittee on Horticulture and Organic Agriculture]

**“We appreciate the proactive efforts of CropLife and the CL Foundation in educating the media, the public and key stakeholders on the facts about pollinators and pesticides.”**

— Jack Boyne, PhD, Director of Communications, Bayer CropScience

## Clean Water Expansion

Sponsored by Rep. James Oberstar (D-MN), the Clean Water Restoration Act of 2007 (H.R. 2421) seeks to amend the Clean Water Act to clarify jurisdiction over waters of the United States. H.R. 2421 would expand federal regulation from “navigable waters” to “all waters of the U.S.” dramatically expanding the reach of the Clean Water Act and giving federal agencies (EPA and the Corps of Engineers) unlimited regulatory authority over all intrastate waters, including waters now considered entirely under state jurisdiction. This change means that even ordinary roadside ditches, irrigation canals, stock tanks and ponds could be subject to extensive regulation and permitting, adversely affecting American farmers and ranchers.

CropLife and the Waters Advocacy Coalition (WAC) are working with Congressional friends and allies to oppose this expansion and push for reasonable and plain language in defining the waters covered in proposed bill. These efforts have been successful in preventing the bill from

## LEGAL, LEGISLATIVE & REGULATORY HIGHLIGHTS



L to R: Bob Anderson (Nebraska Agri-Business Association), Jay Vroom, Pat Miller (American Seed Trade Association), Alice Licht (Nebraska Agri-Business Association), Sarah Monke (The Fertilizer Institute) at the Twelve States Fly-In, July 2008.



L to R: Jay Vroom, Congressman Randy Neugebauer (R-TX), and Angus Kelly (Syngenta) at a July fundraiser for the Congressman.



L to R: Laurie Flanagan (DC Legislative and Regulatory Services - DCLRS), Allen James, Congressman Peter Roskam (R-IL), Jay Vroom, and Darren Pittman.



L to R: Mike Parrish (Monsanto), Sally Shaver (EPA Ag Advisor), Jay Vroom, Cindy Baker (Gowan), and Beau Greenwood at a July 2008 meeting.

moving forward in the 110th Congress, but CLA expects the bill may gain momentum when Congress reconvenes in 2009. CLA and WAC maintain that the enormous resources needed should the Clean Water expansion be passed would exacerbate the existing CWA funding gap, lead to longer permitting delays and negatively affect and impede a host of economic activities, including commercial and residential real estate development, agriculture, electric transmission, transportation and mining. Litigation could also increase as courts relying on the plain language of H.R. 2421 may likely conclude that "all waters" means "all and nothing less" which will cause state and local jurisdictions to file suit regarding regulatory authority.

CropLife believes the current Clean Water Act is working well. As a result of its passage in 1972, millions of acres of wetlands have been protected, and Americans enjoy cleaner, safer water. Combined with regulations already in place at state and local levels, as well as voluntary efforts, the Clean Water Act has achieved its purpose - to protect U.S. waters and the environment

from unnecessary pollutants and ensure a safe and abundant supply of safe water for all Americans.

CropLife in 2006 also successfully filed a lawsuit and intervened to oppose activist led lawsuits challenging EPA's recent National Pollution Discharge Elimination System (NPDES) rule. The ultimate goal of the activists' challenge is to require every application of agricultural pesticides to require a NPDES permit. The CLA Law Committee continues to actively litigate to block such a quagmire.

### Oceans-21

H.R. 21, officially the "Oceans Conservation, Education, and National Strategy for the 21st Century Act," is also known as Oceans-21. Introduced by Congressman Sam Farr (D-CA), Oceans-21 would grant the National Oceanic and Atmospheric Administration (NOAA) broad new authorities over land and water based activities by requiring that Federal agency certification regarding any covered action (federally authorized or funded programs including licenses and permits) is in compliance with the new standards. It essentially establishes a new regulatory regime, giving the Administrator of NOAA veto power over any other agencies' activities, permits or projects they perform or fund.

If enacted, CropLife believes Oceans-21 would create unnecessary levels of bureaucracy and potentially open a floodgate of litigation as multiple agencies are challenged on their interpretations of definitions and activities that could be viewed as harming the ocean or its resources. Of particular concern to our industry is the

fact that H.R. 21 would require agencies to apply the "precautionary principle" or worst-case approach rather than the "best available science" or risk-based system under which agencies are currently regulated. In letters to the Committee on Natural Resources and in conversations with Congressional representatives, CLA has expressed strong opposition to this legislation and emphasized its probable harmful impact to regulated industry given all federal actions, including pesticide registrations, Clean Water Act permitting and other farm-focused mandates, would be subordinate to Oceans-21 regulations.

Though CLA respects the intent behind H.R. 21, we continue to push for the Committee on Natural Resources to postpone further action until concerns with the bill's text and a greater understanding of its potential impacts are addressed. H.R. 21 appeared late on the Congressional calendar and while activity will be limited in the remaining weeks and months of the 110th Congress, CLA fully expects this legislation to return in the next Congress.

### NASS Chemical Usage Surveys

In late 2007, the U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) discontinued its Agricultural Chemical Usage Surveys. Prior to this cancellation, NASS had regularly collected and published agricultural chemical data. These reports have been the only reliable, publicly available source of data on pesticide and fertilizer use. Their elimination severely hampers the efforts of the USDA, the EPA, land grant scientists and state officials to perform pesticide risk assessments and make informed policy decisions on pesticide use.

CropLife and its allies in agriculture are urging USDA to restore NASS's capacity to provide regular and frequent reports on the use of crop protection chemicals in U.S. agriculture. NASS's objective and reliable data are critical to sound policy decisions on pesticide use in addition to countering misinformation about pesticide usage trends in American agriculture. Without this essential program, the American farmers' ability to serve the interests of agriculture and our industry's ability to track chemical usage trends is severely undermined.

While the appropriation process (which funds all federal programs) for Fiscal Year 2009 remains in limbo, CLA was nevertheless successful in working with House and Senate appropriators to include guidance in support of these important NASS surveys. CLA will continue to work closely with the current and subsequent administrations to ensure that this data collection is resumed.

# LEGAL, LEGISLATIVE & REGULATORY HIGHLIGHTS

## ipmPIPE Program

USDA's ipmPIPE program (integrated pest management Pest Information Platform for Extension and Education) is a promising new program that established a very effective early-warning system for Asian soybean rust infestations soon after this potentially devastating crop disease first appeared in the U.S. in late 2004. It was in the process of being launched for tracking additional pest problems when USDA announced in May that funding for ipmPIPE in FY2009 was in jeopardy. Then in late June we learned that as a result of adjustments to appropriated funding for research projects from USDA's Risk Management Agency, effective for the 2008 fiscal year, the ipmPIPE will lose funding for its operational budget beginning January 1, 2009. This will severely impact support for the web-based platform, risk/prediction models, education and extension outreach activities, research, pest monitoring operations, and communication efforts among scientists. Formal pest monitoring activities for soybean rust, soybean aphid and legume pests would not continue beyond 2008. CropLife America has participated actively with USDA and other stakeholders in a dialogue to explore possible solutions and stop-gap funding measures, while Congress debates whether to restore funding for ipmPIPE.



L to R: Jay Vroom, Keith Kennedy (Wyoming Agricultural Business Association), Pam Langley (Montana Agribusiness Association), Cress Hizer (Agribusiness Council of Indiana) at the Twelve States Fly-In of July 2008.



L to R: Allen James, Jay Vroom, and Senator Ken Salazar (D-CO).



L to R: Ray McAllister, Al Jennings (USDA, OPMP), and Kevin Black (GROWMARK, Inc) at April ipmPIPE meeting at the USDA.



L to R: John Massey (Alpine Group), Senator Mark Pryor (D-AR), and Jay Vroom.

## Container Recycling

CropLife has invested significant resources toward convincing the EPA to publish the pesticide container recycling rule before the end of the Bush administration. The rule would require all registrants of crop protection chemicals and specialty use chemicals to either participate in a recycling program conducted by the Ag Container Recycling Council (ACRC) or to have an equivalent recycling program of their own. Though publication of the rule has encountered unexpected roadblocks in the Office of Management and Budget (OMB), CLA is working with the leadership of the Senate and House Agriculture Committees to urge the Administration to proceed expeditiously and finalize the rule before the end of 2008, emphasizing that adoption of the rule would address the fairness issue as well as accrue environmental benefits.



L to R: Isi Siddiqui, Beau Greenwood, Jay Vroom and Ray McAllister with Diane Allemang (Cheminova), John Chrosniak (DuPont), John Rabby (Makhteshim-Agan), and Paul Schlegel (American Farm Bureau Federation) outside of OMB prior to container recycling meeting.

**"In October of this year, the ACRC will celebrate the collection and recycling of 100 millions pounds of HDPE plastic. This has been achieved through the efforts of ACRC member companies, dedicated contractors and our partnership with CLA. Container collection and recycling is the core mission of the ACRC, this successful program has historically been well aligned with CLA's stewardship initiatives providing significant value to the industry, the environment, as well as each organizations member companies. While ACRC has the technical knowledge and expertise on container management and recycling, CLA helps provide the "voice" with the ability to reach a broad audience of stakeholders."**

*- Doug James, Vice-Chair, ACRC Executive Board*





L to R: Isi Siddiqui, Debbie Edwards (EPA), Steve Bradbury (EPA), and Erik Janus at a meeting on pesticides and endocrine at EPA.



L to R: Geoff Grubbs (C&M Capitolink), Scott Jackson (BASF), Darren Pittman, Nick Poletika (Dow), Joy Honneger (Monsanto) at an EcoRisk assessment meeting with EPA.

### ECOLOGICAL ROADMAP

#### ESA, Spray Drift, Environment

Ecological issues incorporate several inter-related risk assessment factors and processes, including non-endangered and endangered species, spray drift, water and air. CropLife America approaches these issues comprehensively via its Eco Roadmap. A coordinated effort between CLA, the Hill, EPA, Fish & Wildlife National Marine Fisheries Service and USDA along with our allies in agriculture, CropLife's Eco Roadmap initiative is directed by a committee comprised of members of the SOC, the Ecological Risk Assessment Committee and Endangered Species, Spray Drift, and Water Issue Management Teams (IMT).

CropLife's **Spray Drift IMT** developed drift policy and label language and forwarded on as comments to EPA with regard to the PRN on drift policy and label language. The agency is expected to release in fall 2008. In addition, the IMT funded research at Ohio State University utilizing on-board tractor wind speed and direction measuring devices to study the practicality and acceptability of such devices by farmers in reducing drift. The IMT also obtained funds provided by Spray Drift Task Force toward the development of a drift model for ground applications and funded improvements to the WTDS model that after completion were shared with EPA.

CropLife's **Ecological Risk Assessment Committee (ERAC)** submitted the requested final general report and third-party review report on the Geospatial Tools and Access (GeoSTAC) database to EPA for

review. ERAC also funded a treatise paper on ecological protection goals, which is intended for peer-reviewed journal publication and presentation, and both the EPA and the Services have agreed to participate to discuss protection goals.

The **Endangered Species IMT**, in response to the needs of the CLA litigation team defending industry's interest in several ESA lawsuits, developed a manuscript designed to address Services' technical criticisms of EPA's risk assessment methodology to be used and serve as the basis for several peer-reviewed journal publications and for the Eco Roadmap. This manuscript was valuable in providing CLA legal representatives with technical information to defend industry and EPA risk assessments for endangered species.

In April 2008, after settlement of the Red-legged Frog litigation, the **California Red-legged Frog (CRLF)** Work Group developed and submitted comments to EPA on mitigation measures to protect the red-legged frog. Ongoing discussion between CLA and scientists from the Fish and Wildlife Service continue to address technical issues related to risk assessments for endangered species. In addition, the CRLF Work Group is developing maps showing the critical habitat, species locations and pesticide use for the frog and other species involved in the "Goby 11" case for use by the CLA legal team, greatly assisting CLA attorneys in settlement negotiations with EPA and plaintiffs who claim that EPA violated the Endangered Species Act by failing to consult with the Fish & Wildlife Service regarding the effects of at least 46 FIFRA-registered pesticides on 11 listed

endangered and threatened species in 12 counties in the San Francisco Bay Area.

**"CLA has done an excellent job in representing the industry in the legal, regulatory and legislative arenas in an attempt to ensure that the requirements of the Endangered Species Act and FIFRA are met in a way that does not unnecessarily restrict the availability of crop protection tools to growers. CLA has spearheaded the effort to have the best available science employed by the various agencies in reaching decisions on the impact of pesticides on endangered species."**

— Vincent Alventosa, Senior Counsel, Syngenta Crop Protection, Inc.

### HUMAN HEALTH

#### Endocrine Disruption Screening Program

In August, 1996, the statutory foundation of the EPA's **Endocrine Disruption Screening Program (EDSP)** was established with the passage of the Food Quality Protection Act and amendments to the Safe Drinking Water Act. These required the EPA to develop a screening program to determine whether the effects of certain substances were similar to effects produced in humans by naturally occurring hormones. Congressional appropriations language suggested the program be implemented by August, 2008, and in late 2007, EPA released draft program documents for public comment.

CLA collaborated with CLA member companies and stakeholders to provide the EPA with comments intended to keep the EDSP program focused on validated test systems designed to collect information on endocrine-specific effects. With assistance from member company scientists and experts, detailed comments were prepared and submitted to the Agency in March, 2008. Though CLA attempted to persuade the Hill, the EPA and the White House that the agency should either consider a truncated initial set of required tests or implement the EDSP in stages, by midsummer 2008, CLA was compelled to submit a petition to EPA. The petition stressed the importance of several issues to be considered prior to the inception of the EDSP, among them, compliance with the Congressional mandate to minimize unnecessary and redundant testing; fully validated individual assays and assay batteries as required under the program; and the development of protocols for interpreting, evaluating and prioritizing screening data. The petition concisely points out the legal risks EPA faces if it ignores these issues.

CLA recognized early on that our members were on the leading edge of a program that

## ISSUE ADVANCEMENT

could have dramatic implications throughout much of the chemical manufacturing industry. CLA remains dedicated to helping EPA keep this program on track, on schedule, and based on the best available science.

**“EPA’s requirement for an endocrine screening program does not mean that the Agency can rectify its procedural and substantive deficiencies in providing a fully validated battery of tests on the back of our industry. Our petition spells out the way to correctly implement the process and avoid unnecessary financial, time, and resource allocations. It’s important that all stakeholders have confidence in a scientifically validated approach or else legal challenges will definitely derail the effort.”**

— *Doug Nelson, Executive Vice President and General Counsel/Secretary*

**“CLA has strategically engaged the Agency emphasizing implementation of a validated and scientifically sound screening and testing program. In addition to these efforts, CLA has effectively interacted with the Agency to monitor progress of the extended development of Tier 1 screening assays and strongly advocated for the development of sensible policies and procedures for the EDSP.”**

— *Steven Levine, Science Fellow, Ecotoxicologist; Team Lead, Insect Bioassay, Monsanto*

### Biomonitoring

Major challenges still exist in determining the optimal means of measuring and interpreting chemical exposure data collected through biomonitoring programs. These programs, such as those carried out by the CDC and proposed by some states, generate strong responses from the news media, regulators, scientists, physicians and the public. They also pose unique challenges for product stewardship as well as for risk communication. Despite the societal benefits of this data, there is still insufficient information regarding the potential risks associated with any low level of chemicals found in human biomonitoring samples.

To address this information gap, CLA and its Public Health Forum partners provided support for a pilot program in 2007 to demonstrate a new methodology used to bridge conventional risk assessment with biomonitoring study data. Out of this process came a new screening tool for assessing biomonitoring data: the “biomonitoring equivalent” (BE). BE values are defined as the internal blood or urine concentrations of a chemical consistent with an external tolerable exposure point concentration, such as an EPA Reference Dose or ATSDR Minimal Risk Level. Measured values of



L to R: Jay Vroom, Jon Scholl (EPA), and Jim Moseley (FRRCC Committee Chairman) at the first meeting of the FRRCC in March 2008.



L to R: Scott Shearer, Phil Nelson (ILFB President), Richard Guebert (ILFB Vice President), and Jay Vroom at a February 2008 meeting with the Illinois Farm Bureau.



L to R: Howard Minigh (CIIT), John Costello (CNFA), Jason Scarpone (CNFA Africa) and Jay Vroom at CNFA presentation to CIIT in July, 2008.



L to R: Ray McAllister, Isi Siddiqui, Shivaji Pandey (FAO), Jay Vroom, and Doug Nelson at the Global Minor Use Summit in Rome, Italy.

chemicals found in human tissues can then be directly compared to the relevant BE value to help interpret human biomonitoring data.

With additional support in 2008, the BE concept was rolled out and brought to the attention of important global regulatory players. Successes from this past year of support include:

- Establishment of the [www.biomonitoringinfo.org](http://www.biomonitoringinfo.org) web site, a resource for policymakers, scientists, educators, workers, journalists and the public on the nature and premise of biomonitoring.
- Preparation and publication of several BE “dossiers” published in *Regulatory Toxicology and Pharmacology* and prepared as part of a CLA-funded Expert Panel Meeting in 2007.
- Engagement of EPA and CDC on the BE methodology.
- Multiple presentations to the international science community on the BE concept, including talks at major scientific society meetings both in the U.S. and abroad.

CLA is confident that by laying the informational groundwork for key regulatory players, the global academic community and the regulated community, the stage is set for greater understanding and regulatory application of the “biomonitoring equivalents.”



L to R: Angel Saavedra (CropLife Latin America), David von Hoogstraten (ECCA), Doug Nelson, and Gero Vaagt (FAO) at the Global Minor Use Summit.

## REGISTRATION & DATA REQUIREMENTS

### Global Harmonization

CropLife America and CropLife International played a pivotal role in making the Global Minor Use Summit, held in Rome in December, 2007, a success. CLA worked closely with the IR-4 Program, USDA’s Foreign Agriculture Service and our member companies to identify appropriate panel speakers from our industry. The summit, attended by approximately 250 pesticide regulatory officials, researchers, registrants, grower groups and others representing more than 30 countries, established the International Crop Grouping Consulting Committee to harmonize crop groupings in order to facilitate development of maximum residue limits (MRLs) for “orphan” minor crops. In CLA team’s meeting with Dr. Shivaji Pandey, Director of Crop Production and Protection Division of the Food and Agriculture Organization of the United Nations (FAO), Pandey stated publicly that crop protection chemicals were essential to achieving food security for its 191 member countries. FAO followed this



L to R: Steve Goldberg, John Rabby (Makhteshim Agan of North America), and Jean Reimers (Bayer CropScience) at SOC meeting in November, 2008.



L to R: Eric Klindt (NAAA), House Ag Committee Chairman Collin Peterson, Bob Bailey (NAAA President), Andrew Moore (NAAA), and Jay Vroom at National Ag Aviators Association Board Breakfast in February, 2008.

with a media release calling for “urgent action to provide small farmers in Low Income Food Deficit Countries (LIFDCs) that depend heavily on food imports, with improved access to inputs like seeds, fertilizer and other inputs to increase local crop production.”

**“Global Harmonization efforts, both in terms of the registration of products and MRL considerations, are increasingly important to our industry. It was great to see CropLife at the Minor Use Summit in such force.”**

— *Cindy Baker, Gowan Company*

### NAFTA Harmonization

Regulatory harmonization of pesticide review and registration between the North American Free Trade Agreement (NAFTA) countries is the goal of pesticide regulatory agencies and registrants in Canada, Mexico and the U.S. In recent years, CropLife America, CropLife Canada, grower groups and registrants have worked with EPA and Canada’s Pest Management Regulatory Agency (PMRA) to develop a joint NAFTA label. Joint labels for identical crop protection chemicals which are registered both in US and Canada and offered by registrants for joint labels under this program allow growers on both sides of the U.S.-Canadian border to import and use these products. To date, four pesticide products have been issued joint labels, and nine products are in stages of review and approval by EPA and PRMA. Due to the success of this cooperative effort, grower groups from the upper Midwest have not pushed their Congressional representatives to impose a legislative

solution to allow imports of identical Canadian registered pesticides into the U.S.

The demand for the two pesticides currently available under the EPA-approved Own Use Import Pilot Program has been nonexistent. While the strong Canadian dollar has contributed to less demand for the Own Use Import Program, efforts to provide regulatory harmonization, including the NAFTA labeling for identical pesticide products registered by our member companies, has prevented far more onerous legislation that was being considered just a few years ago.

**“CLA and company regulatory, legislative and legal teams pulled together to find a workable solution. Avoiding onerous NAFTA harmonization legislation was definitely a major success.”-**

— *Jean Reimers, Director of Government Relations, Bayer CropScience.*

### PRIA II

The Pesticide Registration Improvement Act (PRIA II) was enacted and implemented in October, 2007, extending the product maintenance fees and registration service fees programs for an additional five years. Registrant experience with the program since 2004 has been favorable, achieving a high degree of predictability in obtaining registration decisions from EPA.

Changes in the updated law include:

- Reinstatement of the minimum federal funding level in order to maintain authority to collect registration service fees;

- Creation of 50 new fee categories to better define registration actions;
- Addition of categories for approval of inert ingredients tied to new product registrations;
- Freezing the product maintenance fees at a total of \$22 million per year for the five years;
- Reduction in small business waivers to increase revenue from PRIA fees;
- 5% increases in the PRIA fees in each of FY2009 and FY2012;
- Additional set-asides from PRIA fees for programs of interest to other stakeholders (worker protection, applicator training and EPA grants).

**The PRIA Coalition** of eight allied trade associations lead by CLA maintains a high level of activity, monitoring PRIA implementation and intervening when necessary at EPA, OMB and Congress. The Coalition’s on-going dialogue with the leadership of EPA’s Office of Pesticide Programs (OPP) helps to resolve administrative issues experienced by individual registrants that could be indicative of broader potential problems. Refining the interpretation of registration categories is a continual effort, and the Process Improvements Work Group, mandated by PRIA, is an important medium for exploring, initiating and perfecting large scale efficiency gains in the registration process.

While PRIA II inadvertently eliminated the full waiver for IR-4 tolerance actions, this was quickly recognized and remedied by technical corrections to PRIA in March, 2008, through efforts of the Coalition. Although OMB has attempted to reinstate forbidden tolerance fees, eliminate the minimum federal appropriations requirement and dramatically increase registration fee levels, lobbying efforts of the PRIA Coalition have prevented any progress by these regressive measures.

**“We appreciate that EPA has recognized the value that PRIA brings and the attention they have paid to the PRIA implementation has been a key to its success. Also, without the unique stakeholder group of eight industry associations - of which CLA has been a critical role - and NGOs, there would not have been PRIA II; the PRIA Fee Coalition has been a crucial element in the creation and implementation of PRIA.”**

— *Greg Watson, NAFTA Fungicide and Insecticide Team Leader, Syngenta*

### Inert Ingredients

**The Joint Inerts Task Force (JITF)**, organized by CropLife America and the Chemical Producers and Distributors Association (CPDA), has involved 28 member companies (registrants and inerts suppliers). JITF

## ISSUE ADVANCEMENT

is focused on data support for 60+ surfactants whose tolerance exemptions were revoked in 2006 with a two-year delayed effective date. EPA recently extended the effective date of those revocations for supported ingredients by one more year (until August 8, 2009) in recognition of good faith efforts by the JITF in conducting the necessary studies. The JITF is adhering to an aggressive schedule to submit all data and petitions to EPA by January, 2009.

**The Inerts Steering Committee (ISC)**, another joint effort of CLA and CPDA, brings together registrants and inerts suppliers to address broader issues of interest to all pesticide producers, keeping members advised of regulatory conditions and policy changes affecting product formulations. The ISC, working with EPA, made significant progress in obtaining greater definition regarding approved inert ingredients and reducing the uncertainty and delays in formulating and registering pesticide products. As part of these efforts, the ISC is currently identifying CAS numbers for all food-use ingredients covered by tolerance exemptions for inclusion in the Code of Federal Regulations. Following years of discussion and negotiations between the ISC and EPA, a detailed scheme for data compensation for inert ingredients is expected from EPA within six months. The ISC, along with EPA, is exploring the best means of updating the Confidential Statements of Formula for all pesticide products to account for the current status of ingredient approvals.

### Electronic Labels

Previously slow progress on a variety of initiatives dealing with the submission, review and distribution of electronic pesticide product labels has been galvanized by EPA's aggressive effort over the past year to explore and promote web-based label distribution. Initiated in autumn of 2007, this effort has reached out to a wide range of stakeholder groups, seeking input on the possibilities, expectations and potential pitfalls of an electronic, web-based system. CLA has organized a multidisciplinary **Electronic Label Issue Management Team** to research, debate and formulate positions and policies, and to interface with EPA, state regulators, allies and other stakeholders. EPA recently organized a web-based labeling work group under the Pesticide Program Dialogue Committee to provide stakeholder advice on the variety of issues and concerns.

### Registration Review

In October, 2007, PRIA II modified the Registration Review program to require that the process be completed (not just initiated) within 15 years for all pesticide active ingredients subject to the program. This has necessitated that EPA increase the level of activity from 45 Registration Review "cases" initiated each year originally planned



L to R: Rich Matteis (Administrator of the California Farm Bureau Federation), Scott Rawlins (Makhteshim Agan of North America), and Bill Mahlburg (NuFarm) at the Sacramento SOC meeting.



L to R: Scott Rawlins, Mary-Ann Warmerdam (Director, California Department of Pesticide Regulation), Janis McFarland (Syngenta), and Jake Secor at the SOC meeting.



L to R: Beau Greenwood, Jeff Case, Doug Mosebar (President, California Farm Bureau Federation), and Jay Vroom at the SOC meeting.

in 2006 to 70 cases per year. As each "case" is anticipated to take years to work its way through the Registration Review process, CropLife has had few milestones at this stage with which to judge progress. EPA has continually asserted that Registration Review will be the administrative and regulatory vehicle used to implement two large-scale and controversial regulatory programs: endangered species review and testing for endocrine effects. The lack of definition explaining data requirements, procedures and methods of interpretation for these two programs remains a cloud of uncertainty over the progress and ultimate success of Registration Review. CropLife is actively monitoring this issue for its members and the industry at large.

**"While EPA's Registration Review program is in the very early stages of development and implementation, CropLife America legal, science, and regulatory committees have been proactive in working with the Agency, and other stakeholders, to ensure that the re-evaluation program policies and procedures incorporate the best science and risk assessment methodologies and allow for timely registrant participation throughout the review."**

— John Cummings, North America Regulatory Manager, FMC

### CropLife Foundation

The CropLife Foundation (CLF or the Foundation) is a not-for-profit organization, which specializes in research and education regarding pesticide benefits and stew-



L to R: Jay Vroom, Clete Boykin (DuPont), and John Cantlon (DuPont) at a February presentation on Invasive Weeds.

ardship projects related to crop protection chemicals. An important partner in CLA's efforts to perpetuate its pesticide benefits message, CLF engages in numerous outreach activities to convey this message to industry groups, policy leaders, scientific societies, university groups and regulatory agencies. During the past year, the Foundation participated in over 30 outreach events, which included engagements at the 234th National Meeting of the American Chemical Society, the Brookings Institution, the National Ag in the Classroom Conference as well as presentations given at BASF, Monsanto and Syngenta, among many member company offices.

The research conducted by the Crop Protection Research Institute (CPRI), a subsidiary of the Foundation, provides the basis for CLF's education and outreach efforts. CPRI is supported financially by 17 CLA member companies, CropLife America and CropLife International. In 2007-2008, CPRI has been focused primarily on two projects, the National Insecticide Benefits Study and Pesticide Use Trends Analysis. A multi-year, extensive research effort

L to R: Jay Vroom, Fred Worthington (SCPA President), John Chrosniak, and Ed Duskin at the 2007 SCPA Annual Meeting in Savannah, GA.



L to R: Jay Vroom, Audrae Erickson (Corn Refiners Association), Mark Lange (National Cotton Council), Gary Fioranelli, (U.S. Rice Producers), Jerome Peribere (Dow AgroSciences), John Gordley (Gordley and Associates), Stephen Censky (American Soybean Association), and Jake Secor at White House event to support Congressional approval of pending free trade agreements (FTAs).



L to R: Friedhelm Schmitter (ECPA), Burleson Smith (USDA), Jay Vroom, and David Richardson (UK Pesticides Safety Directorate) at an ECPA Workshop in Brussels, Belgium.

gleaned from thousands of articles and references, the National Insecticide Benefits Study documents the historical and current benefits of insecticide usage for 50 crops in the 48 contiguous states. Once finalized, the Study will be released at a press conference, and portions of the study will be published in national journals. The second project, the Pesticide Use Trends Analysis, has resulted in the establishment of two databases allowing CPRI to track and analyze the changes in pesticide use patterns as they relate to weather changes, the introduction of new pests, cropping changes by farmers, the emergence of resistant pest populations and other salient, related issues.

Other important endeavors and partnerships include CLF's active participation in the Pollinators in Agriculture Steering Committee; the Foundation's involvement in the EPA's Pesticide Worker Safety and Health initiative; its partnership with Ducks Unlimited and CLA members to protect and restore the fragile wetlands and habitats of waterfowl; and its work in conjunction with CropLife International to estab-

lish a global electronic library featuring hundreds of articles on pesticide benefits. This globally researched compendium can be found on CLI's website at <http://croplife.intraspin.com/Pesticides/index.asp>

The Foundation's stewardship initiatives are a continuation of its education and outreach programs. CLF spent much of 2008 developing the Africa Weed Control Project, a field project to be based initially in Malawi and Kenya. This unique program is a joint effort between CLA, CLI and CNFA, a Washington, DC-based, not-for-profit international organization dedicated to global rural development. The first phase of this project is focused on demonstrating the value of herbicides, currently used in less than 5% of African agriculture, by utilizing products donated by CLA members, incorporating an agridealer network maintained by CNFA in Malawi and Kenya and providing training to smallholder farmers in the proper application of herbicides. Additionally, CLF staff will engage in an extensive public outreach program to educate farmers on the benefits of herbicide usage versus the current use of hand-weeding by farmer families. The aim of phase two will be to extend this program to more farmers in sub-Saharan Africa region, with the overall goal of this important project being the improvement of the lives of African farm workers, especially women and children, as well as increased food production made possible by use of herbicides.

### RISE

The organization RISE (Responsible Industry for a Sound Environment) has been an integral partner of CropLife America since

the inception of RISE in the early 1990's. The two associations share many members, but more importantly a common vision for advocating on behalf of the science based regulation of pesticides and the many benefits of pesticide chemicals to agricultural and specialty applications. RISE and CLA have been successes in many ways because of our strong partnership on issues, communications outreach, ally relationships, and a long term commitment to pesticides' role in serving society. That partnership has never stood still—and is poised to take another significant step forward in 2009 and beyond. In each of our last 3 CLA member surveys RISE gets top ranking as the most crucial relationship CLA enjoys.

### CropLife International

CLA is a leading association member of our global federation, CropLife International (CLI). We actively serve on a number of major CLI committees and attempt to aggressively participate and support the federation's programs. While CLI is and has been headquartered in Brussels, Belgium, over the last year several CLI staff positions have migrated to CLA offices in Washington, DC. At CLA we're proud to have these CLI colleagues co-located in our suite of office space, and regard this as one more opportunity to create physical and virtual synergies that benefit our industry, customers, and consumers.

CLA regards our international advocacy as a core component of our domestic agenda in addition to the important overall precedents that international bodies' (i.e. Codex Alimentarius, FAO, OECD and WTO) policies can impose on US pesticide regulation. Harmonized pesticide residue standards in international trade are essential to our farm exports, and contribute to a healthy and vibrant US farm economy.

Among other pesticide specific international policy successes, we are also proud of the successes we've accomplished in gaining specific and robust pesticide data protection provisions in a number of recently negotiated US trade agreements. As globalization expands and the world continues to shrink--the global work we do between CLA and our CLI network partners will become ever more important to the viability of our industry.



# ISSUES ALLOCATION - HALF YEAR 2008

Every employee of CropLife America is an ambassador of our industry. Our staff dedicates itself to encouraging a clear, science-based understanding of industry issues and being a visible and active partner in helping our members achieve their most critical goals, while staying closely aligned with dozens of strategic partners and allies. Our staff also is our consistent and professional link to political allies and activity.

As one of CLA's largest resource components, and the association's most consistent force, the staff of CropLife must be focused. This crew of 30 dedicated individuals brings into focus a breadth of training, experience, energy, relationships, and passion to represent the US crop protection business. While our association has always had a long range strategic plan as well as an annual work plan of issue priorities, we've gotten much more disciplined about planning for and tracking where all

CLA resources are deployed. Much of this has been an outcome of our now three years' of input from our comprehensive member surveys—started by former CLA chairman Stan Howell in 2006.

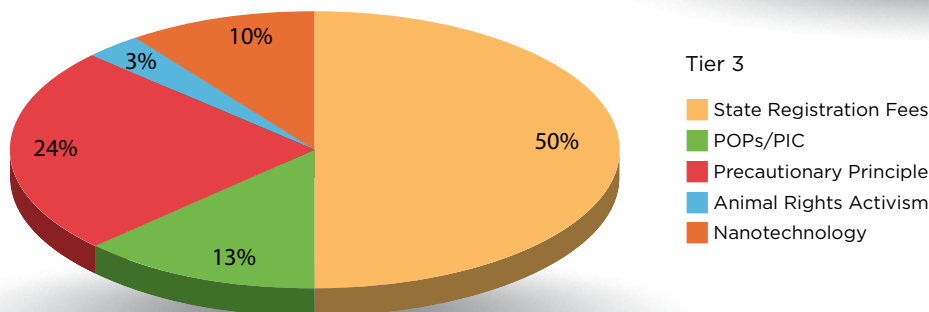
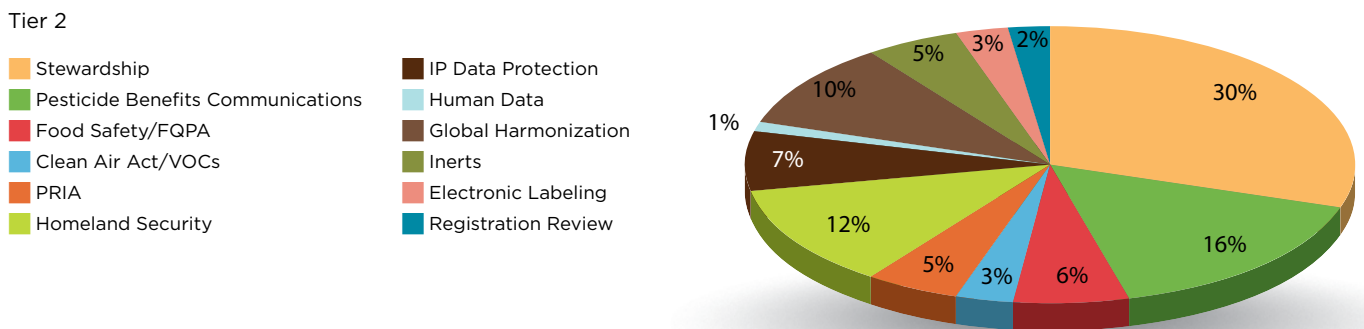
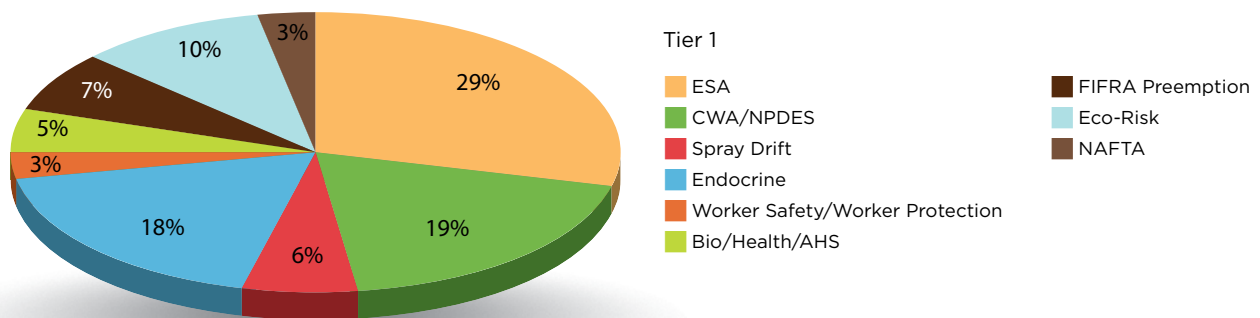
Such refined resource tracking gives management a better handle on measuring how our issues are tracking on a monthly basis, and our members and member leaders a degree of transparency we could never before deliver. It has been especially helpful to members' ability to measure the value of their support of CLA. And these tools have been helpful to identify emerging issues and prevent "mission creep".

The following pie charts show you how—through the first half of 2008—we were able to track staff time dedicated to each of our issues in the three tiers of activity in our 2008 business plan. This and more detailed cost accounting driven by these data

allow staff management, SOC and Board leaders to carefully monitor our activity—and drive adjustments as needed. This new refinement of management data has been enormously helpful to date—and continues to evolve as more is learned about the very best ways to effectively manage CLA resources—driving towards issue outcomes that support our members business needs and help keep critical crop protection tools available to American farmers, and in turn plentiful harvests to the benefit of consumers.

According to data compiled by the market research firm Phillips McDougall, the market value for conventional crop protection products in the United States rose .83% to reach more than six billion dollars. As in 2006, herbicides continued to take the largest share of the market, followed by insecticides and fungicides.

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



# CROP PROTECTION MARKET OVERVIEW

According to data compiled by the market research firm Phillips McDougall, the market value for conventional crop protection products in the United States for 2007 rose .85% to reach more than six billion dollars. As in 2006, herbicides continued to take the largest share of the market, followed by insecticides and fungicides.

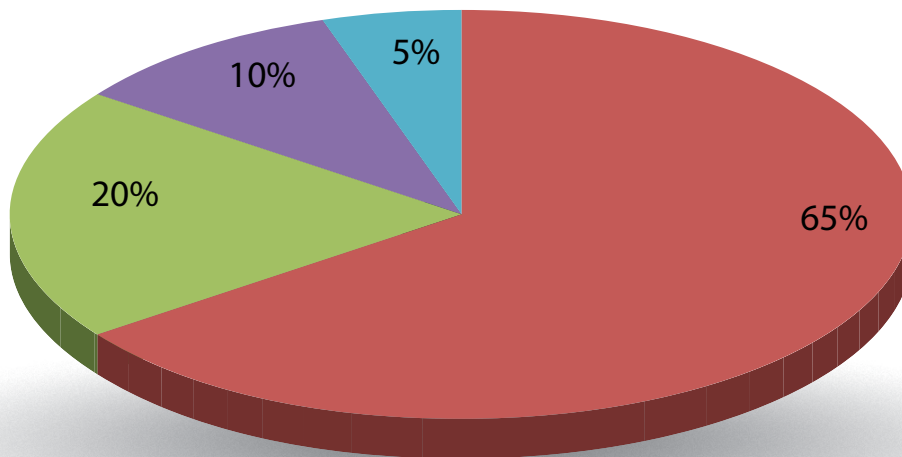
After growth in 2007, the outlook for the U.S. crop protection market in 2008 remains positive. After a number of years of decline, wheat acreages improved in 2007

and are expected to again in 2008, driven by higher prices and improved profitability, however US cotton planted areas are in decline, with some areas moving over to corn in 2007, a trend that appears to have continued in 2008. Although a shift back to soybeans could have a negative impact on the crop protection market due to lower overall input costs between the two crops, improving profitability for corn producers in 2007 resulted in a significant increase in fungicide usage on the crop in a drive to improve yield, a trend likely to continue

with continued corn crop price increases in 2008 – a clear positive for our industry. Overall it appears that our US crop protection market will show its first back to back gross sales increase years for 2007 and 2008 since the 1990's. While farmers are expressing general concerns about overall production cost increases, crop protection products continue to provide some of the highest return on investment of any purchased inputs—according to USDA data.

	2006 (\$b)	2007 (\$b)	Growth
Herbicides	3.881	3.914	0.85%
Insecticides	1.237	1.245	0.65%
Fungicides	0.624	0.632	1.28%
Other	0.284	0.286	0.70%
Total	6.026	6.077	0.85%

## U.S. Crop Protection Market 2007



- Herbicides
- Insecticides
- Fungicides
- Others

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**Rex Runyon** Vice President, Communications

\*as of September, 2008

## In Memoriam

In addition to progress and successes our industry has experienced in the past year, we've suffered some losses. While certainly not all inclusive, we make note of the following individuals who were deeply involved in our industry in their lifetimes, who died in the past year.

### ***Warren Stickle III 1943 - 2007***

Warren Stickle, former President of the Chemical Producers and Distributors Association (CPDA) from 1987 to 2006 and President Emeritus thereafter, served his industry with distinction until his death September 25, 2007. In addition to his work at CPDA, Warren worked as a lobbyist for the Chemical Specialties Manufacturers Association and published three books and more than 50 articles seen in history, business and trade magazines.

### ***Larry Miller 1946 - 2007***

Larry Miller devoted 35 years to the agriculture industry as a specialist in marketing management and product development. He worked for several international agricultural chemical companies, including Helena Chemical Company, Nissan Chemical, Sandoz, and BASF. Along with his many career contributions, Larry served in the U.S. Army in Germany from 1969 to 1971. His final position prior to retirement was as General Manager of Canyon Group, LLC in Yuma, Arizona.

### ***Bill Gurnee 1930 - 2007***

Bill Gurnee worked as Agricultural Division Counsel for Geigy Chemical Company and its successor Ciba-Geigy Corporation. He was one of the key industry lawyers involved in litigation decisions by CLA against EPA that established procedural and substantive rights of registrants and in developing the legal aspects of many industry positions during his more than 30 years of involvement in the activities of CLA.

### ***JR Simplot 1909 - 2008***

John Richard "Jack" Simplot, founder of agricultural supplier J. R. Simplot Company, was credited with pioneering the first commercial frozen French fry, supplying more than half of all french fries for the fast food chain McDonalds by 2005. Simplot retired as president of his company in 1973, but remained as chairman for the next two decades and held the title of Chairman Emeritus until his death.

### ***Gary Bormett 1968 - 2008***

Gary Bormett, North America Regulatory Manager for Dow AgroSciences, was with Dow for nearly 20 years in various R&D roles, and had most recently been based at the Indianapolis headquarters office. He recently served as a member of the CLA Registration Committee and made a lasting and positive impact in the lives and careers of many people at Dow AgroSciences.

Crop protection products are indispensable tools in creating sustainable American agriculture. More than ever before, our members' products play a vital role in increasing agricultural productivity and improving the quality of life for all Americans. From food to fuel to fiber, our industry's products touch every aspect of agriculture. By reaching out to stakeholders and developing dialogue, we will continue to be a partner in positively impacting and achieving our industry's goals.

## **WE ARE ADVOCATES FOR AGRICULTURE**



**WE ARE ADVOCATES FOR AGRICULTURE**



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