

asta
first-the seed[®]

2007
ANNUAL
REPORT



MESSAGE TO THE MEMBERS

In a changing global environment, members of the American Seed Trade Association (ASTA) want to know one thing: What makes ASTA different? The totality of the Association is what sets us apart. It is not any one commodity, region or product. It is our ability to harness expertise and experience and deliver. We do so at every conference, every workshop and every meeting.

We are a complete association – a diverse membership, with proven leadership and committed volunteers selflessly serving and giving back to the industry that supports and affects agriculture as no other.

It is this combination of a few simple facts that together describe the power of ASTA. We are an Association positioned to win the essential themes of this era. We are poised to address the political and cultural issues of intellectual property rights, affect the impacts and promises of technology, enhance awareness and respect for the environment and address a growing need for effective stewardship. All of these issues directly affect and relate to the realities associated with a global economy and growing population.

We are leaders. No Association is more dependent on, and appreciative of, its volunteer base than ASTA. Via your hard work and selfless service, ASTA is able to perform, deliver results, position the seed industry, and ensure success with resolve and passion. Through our educational programs with Purdue University, workshops at government agencies, such as the U.S. Department of Agriculture (USDA), representation on government advisory councils and interaction with a wide array of stakeholders at the international, federal, state and local levels, ASTA provides proven leadership and articulates united policies and commitment.

Your elected leaders and staff continue to work hard to enhance services by the Association and to optimize opportunities and identify challenges now and in the future. In 2006 and 2007, we did so with conviction and your help. A new initiative, *Beyond the Seed*® Program was launched as an effort to promote the value and importance of intellectual property rights protection. Also, the Future Seed Executive (FuSE) Program continued to excel and provided new and unique programs to supplement the training and share the experiences of veteran seed professionals with young and aspiring seed executives.

Along the way, we streamlined conventions and conferences, fine-tuned programming and sought and secured innovative and accomplished speakers on topics of the day. We took advantage of member input, and the results reinforced subsequent actions and recommendations. Two new standing committees, Communications and Stewardship, were established reflecting common themes and opportunities for the seed industry and ASTA members. A number of additional activities and accomplishments are outlined in this report. Please take a moment to review just a few of the significant achievements this past year. As you will note, it is ASTA members that identify issues and chart the Association's course.

ASTA will continue its mission to become the Association that its members, stakeholders, consumers, customers and regulators look to for unmatched excellence. An anniversary celebration is nearing, and on this eve of 125 years since our founding, ASTA remains on sound footing and poised for continued success.



A handwritten signature in black ink, appearing to read "Harry Collins".

Harry Collins
Chairman



A handwritten signature in black ink, appearing to read "Mike Peterson".

Mike Peterson
First Vice Chairman



A handwritten signature in black ink, appearing to read "Kelly S. Keithly".

Kelly Keithly
Second Vice Chairman

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OVERVIEW



first -the seed

Seeds are the foundation of human and animal life on earth – the foods we eat, the fibers we wear and most of the products we use in our daily lives are created from a seed. As the delivery mechanism for new plant technologies and varieties, seeds are the foundation of agriculture.

ASTA's motto, "first – the seed," expresses the basic premise that underlies the seed industry: There is no substitute for quality seed – a fact of life dating back to the early settlers who knew it as the difference between survival and disaster. Quality seed is essential for growing quality crops.

Our Mission

ASTA's mission is to be an effective voice of action in all matters concerning the

development, marketing and free movement of seeds, associated products and services throughout the world. ASTA promotes the development of better seeds to produce better crops for a better quality of life.

Who We Are

Founded in 1883, the American Seed Trade Association (ASTA) is one of the oldest trade organizations in the United States. Its membership consists of approximately 750 companies involved in seed production and distribution, plant breeding and related industries in North America. As an authority on plant germplasm, ASTA advocates science and policy issues of industry-wide importance.

What We Do

ASTA, directed by its members, is involved in nearly all issues relating to plant germplasm. There are three primary areas important to the industry which includes:

- regulatory and legislative matters at international, national and state levels;
- new technologies impacting all crop species; and
- communications and education of members and appropriate public audiences regarding science and policy issues affecting the seed industry.

ASTA activities include:

- enhancing the visibility of seed issues in the public arena;
- advocating industry-wide positions on

policy issues;

- informing members about environmental and conservation issues;
- discussing new developments in plant breeding, such as the use of modern biotechnology;
- conducting meetings to inform members about seed issues, such as those involving regulatory concerns;
- encouraging fellowship among seed professionals;
- promoting global sales of U.S. seeds;
- funding select research programs;
- maintaining positive working relationships with related professional organizations; and
- addressing intellectual property protection concerns.

Our Beliefs

As outlined in our strategic plan, ASTA values center around these beliefs:

- Diversity of membership in terms of company size, products and geographic area served is beneficial to the culture of ASTA, resulting in one company, one vote.
- Development of policies and positions keep both traditions and visions of the future in mind.
- Well thought-out decisions usually result from a climate that is open, relaxed, participatory and deliberate, but continually active.
- Intellectual property rights must be protected, and members who invest in them should expect a return.
- Conflicts are best resolved via the ad

hoc committee method.

- Members must be strongly motivated and committed to profitability and growth in the seed industry.
- ASTA must have good, visionary leadership with strong member involvement. We must be pro-active and pragmatic.

Benefits

In general, ASTA benefits its members and the seed industry in numerous ways, by:

- Providing a strong, effective voice in support of the seed industry's interests;
- Informing members about research developments, industry trends, legislation and regulations;
- Creating forums for sharing ideas, information, opinions and concerns with professionals who have mutual interests; and
- Delivering services and professional development programs specific to the seed industry that may not be available from other trade associations.



OVERVIEW

Membership Profile

ASTA has about 750 member companies, including roughly 782 members that are directly involved in seed production or distribution and research and development, 508 corresponding members that produce or distribute seed outside of North America, 17 affiliate members that are related associations and agencies, and 173 associate members that provide products or services for the seed industry. Approximately 85 percent of ASTA's active members are small businesses that report annual sales of less than \$15 million.

Most active, affiliate and associate members are headquartered in North America, predominately in the United States. ASTA values and promotes diversity of membership, in terms of company size, products and geographic area served.

Leadership

ASTA is driven by its membership, which is represented by a Board of Directors. The Board is led by the Chairman, along with the First and Second Vice Chairmen. Seven Regional Vice Presidents and Directors-at-Large, Chairmen of the International, Biotechnology, Environmental and Conservation Seed, Legislative and Legal Concerns, and Intellectual Property Rights and the Division Chairmen round out the Board of Directors. For continuity and benefit of experience, select past Presidents and the past three Chairmen comprise

the Board. The Board of Directors meets following the Annual Convention and the Vegetable and Flower Seed Conference.

The Executive Committee includes the Chairman, First and Second Vice Chairmen, the three most recent past Chairmen and the Regional Vice Presidents. Directors-at-Large also participate in the activities of the Executive Committee, which meets in April and September.

ASTA members elect officers at the Annual Convention. Nominees are sought from the general membership and a Nominating Committee led by the immediate past Chairman, who is supported by the past two Chairmen. A slate of proposed officers is presented to the general membership at the Annual Convention in June. Officers elected include the Second Vice Chairman and any regional vice president vacancies. Committee officers are appointed by the Chairman, and Division members elect their respective officers.



ASTA FACTOIDS

- ASTA is one of the oldest trade associations in the United States, tracing its roots back to 1883.
- Membership in ASTA provides an opportunity to participate in the International Seed Federation's activities and policy development.
- ASTA is a cooperator with the U.S. Department of Agriculture and receives funds for marketing, special projects, phytosanitary and trade, and intellectual property rights activities designed to enhance and advance the seed industry.
- The Supreme Court has considered and ruled on many cases affecting a wide-range of issues. Seed has been the specific subject twice and both rulings were favorable affecting future case law affecting intellectual property rights protection, patents and plant variety protection.
- ASTA's diverse membership represents every major commodity, from alfalfa to zucchini, from nearly every state and companies from Europe, Asia, North and South America and Africa.
- More than 3,700 attended ASTA meetings and workshops in 2006 and 2007. The Vegetable and Flower Seed Conference's attendance has doubled since 1990, and the Corn, Sorghum and Soybean Seed (CSS) Research Conference and Seed Expo, held each December in Chicago is the largest gathering of seed professionals in the world.



- ASTA's Lawn Seed and Farm Seed Divisions have been meeting with the Western Seed Association in Kansas City for more than 50 years.
- ASTA is the only trade association that supports, balances and effectively represents the interests and opportunities afforded to organic agriculture, conventional plant breeding and emerging technologies, such as biotechnology.
- Seed is highly regulated and is done so at the state, federal and international levels. In the United States, multiple agencies and departments regulate seed, including the U.S. Department of Agriculture, the Food and Drug Administration and the Environmental Protection Agency. Dozens of agencies and departments also purchase seed for use in conservation, national security, wildlife and transportation projects.
- ASTA funds member-identified research projects and works to secure funding for germplasm collection and distribution at the federal level.



STRATEGIC PLAN

Progress continues in the implementation of the ASTA Strategic Plan. Since its adoption by the Board of Directors in 2005, the Association has been moving forward with a clear sense of direction and purpose. While change continues to affect and shape the seed industry, and agriculture in general, the guidance afforded by the strategic plan has helped to ensure an achievable pace and sustainable momentum.

Ten strategic issues shape the strategic plan and drive daily operations for the Association. They include the following components:

- **Global Agriculture Policy** – provide effective leadership globally, in addition to domestic, agricultural trade and other policies affecting the seed industry.
- **Domestic Policy** – provide effective leadership on domestic policy and funding issues important to the seed industry in general and to ASTA members in particular.
- **Intellectual Property** – advocate and defend the intellectual property of the U.S. seed industry domestically and internationally, including education to dealers, growers, legislators, government officials and customers.
- **State and Local Issues** – manage effectively the increasing number of state and local government actions affecting the seed industry.
- **ASTA Publics** – interact more effectively with media, government, industry, customers and the public at large with increasing emphasis on supporting seed industry views deeper in the value chain.



- **Seed Association of the Americas** – establish and support the Seed Association of the Americas to improve effectiveness and value of the seed trade among and within countries in the Americas.
- **Membership** – achieve growth in numbers, increasing member involvement and managing the diversity of members (size, geography, crop, etc.) in ASTA.
- **Responsiveness** – increase the responsiveness of ASTA in identifying and resolving issues affecting members.
- **ASTA Staff** – keep staff current in number and skill-sets to accomplish ASTA goals in a changing commercial and policy environment.
- **Financial Health** – continue to strengthen the financial health of the Association to achieve and maintain targeted financial reserves.

The action plan associated with the strategic plan assigns program areas to specific staff and is reviewed at each Executive Committee and Board of Directors meeting. This ongoing discussion and summary provides opportunities for the priorities and issues identified in the strategic plan to remain current and in keeping with the members' input and needs.

MAJOR ACTIONS APPROVED

by ASTA Board of Directors in 2006-2007

North American Seed Trade Rules (NORAM)

The ASTA Brokers and Agents Division recommended that the ASTA Board of Directors approve the NORAM Seed Rules as revised. The revised rules will require an amendment to the ASTA Bylaws and coordination and consultation with the Canadian Seed Trade Association. The Brokers and Agents Division recommended that the Board approve a motion to support the creation of a domestic arbitration chamber using the revised NORAM Seed Rules. The Legislative and Legal Concerns Committee further recommended that the Board provide sufficient notice to the membership prior to the NORAM Seed Rules becoming effective.

Use of Molecular Markers in Distinct, Uniform and Stable (DUS) Testing

ASTA supports changes that increase the efficiency, speed, information available and/or reduce transaction costs of the current DUS procedures while maintaining, or increasing, current levels of protection afforded by Plant Variety Protection (PVP). ASTA currently believes that morphological characteristics should continue to provide the foundation for DUS. There are a number of reasons for this belief, including familiarity and experience with morphological traits.

The use of molecular markers in plant breeding and plant variety identification has increased considerably in many crop

species. Progress has been made in terms of technologies, cost, species and information available. ASTA believes that DUS testing authorities should begin considering and addressing issues that could arise, if molecular marker data would, in the future, be incorporated into the DUS system.

Member companies foresee the potential usefulness of marker applications for DUS. However, there are a number of issues that will need to be addressed to facilitate the utilization of molecular markers in DUS. Further studies should be conducted to address issues such as: public availability of informative markers, differences between crop species for availability of markers, levels of technological expertise and resources between breeders, the molecular level at which a variety distinct from another variety, the extent to which markers need to define the phenotype to be useful for DUS and cost, amongst others.

Until these studies are conducted, ASTA believes that morphological traits should remain the foundation for determining DUS.



MAJOR ACTIONS APPROVED

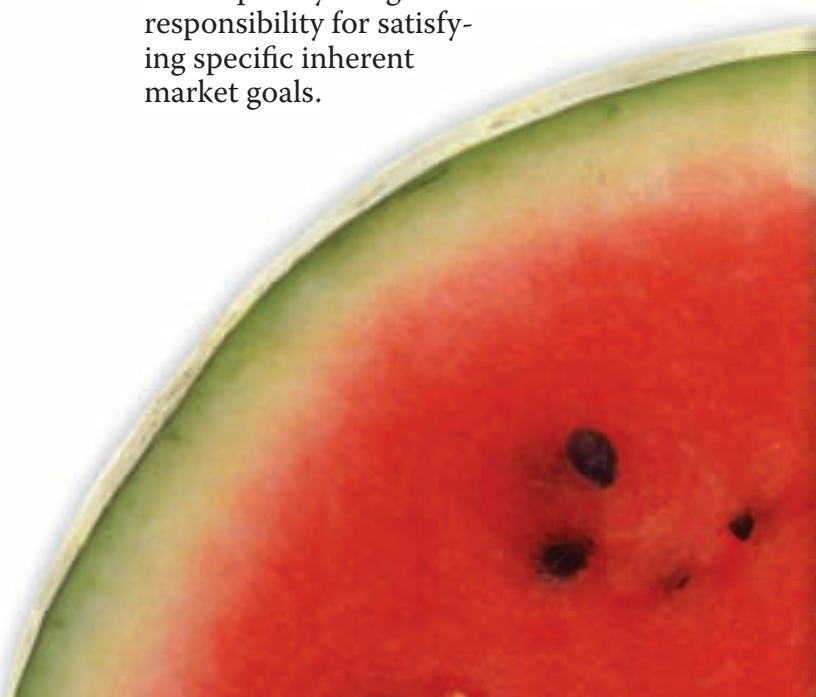
by ASTA Board of Directors in 2006-2007

Agricultural Co-existence

Co-existence has been defined as existing together (in time or place) and to exist in mutual tolerance.

Principles of Co-existence for Agriculture

1. Co-existence in agricultural production systems and supply chains is not new.
 - Different agricultural production systems have been successfully practiced in proximity to one another for many years and in many parts of the world.
 - Successful co-existence of all agricultural systems is achievable and depends on cooperation, flexibility and mutual respect for each system.
 - Agriculture has a history of innovation and change, and farmers have always adapted to new approaches or challenges by utilizing appropriate strategies, farm management practices and new technologies.
 - The seed trade industry has used co-existence as the basis to deliver high quality differentiated products for over a century.
2. All growers must implement the principles and strategies for co-existence, regardless of whether they adopt or choose not to grow a particular crop.
 - The goal of co-existence is to enable the growers and non-growers of a particular crop to meet reasonable market goals while providing farmers with full access to all available options, including new technologies, such as biotech crops.
3. Co-existence of different production systems is a pre-condition of choice.
 - No form of agriculture, be it conventional, organic or agriculture using GMOs, should be excluded in the European Union. The ability to maintain different agricultural production systems is a pre-requisite for providing a high degree of consumer choice.
4. The responsibility for implementing practices to satisfy specific market standards or certification must lie with that farmer who is growing a crop to satisfy a particular market.
 - This is true whether the goal is high-oil corn, white corn/sweet corn or organically produced yellow corn for animal feed. In each case, the grower is seeking to produce an “identity preserved” crop that is supported by price premiums. Consequently the grower assumes responsibility for satisfying specific inherent market goals.
- Appropriate management practices that allow for co-existence must be developed on a case-by-case basis. These practices will be dependent on a number of factors including the crop, the region and the growing environment.



*The following resolutions
were passed by ASTA.*

Support for 15-Month Test Period for Cool Season Grasses

Whereas, the members of the Lawn Seed Division of the American Seed Trade Association support the development of uniform state labeling requirements for all grass seed products that are acceptable in all states; and

Whereas, Section 201.22 of the Federal Seed Regulations permits the interstate shipment of certain specified cool season grass seed for a 15-month period; and

Whereas, the Association of American Seed Control Officials has amended language in Section 2 (c) of its Recommended Uniform State Seed Law (RUSSL) that requires that specified cool season grasses be labeled with a "SELL BY" statement that may not exceed a 15-month period, excluding the month of the test; and



Whereas, the members of the Lawn Seed Division have previously offered support of the 15-month test period for cool season grass seed in the form of a resolution; and

Whereas, many states have already amended their seed laws to require a 15-month SELL BY date statement for cool season grass seed;

Therefore, be it resolved that the Lawn Seed Division of the American Seed Trade Association reaffirms its continued support for the 15-month test period for cool season grass seed and urges that all states adopt the 15-month SELL BY statement as outlined in the Recommended Uniform State Seed Law.



MAJOR ACTIONS APPROVED

by ASTA Board of Directors in 2006-2007



U.S. Ratification of the International Treaty on Plant Genetic Resources for Food and Agriculture

ASTA supports U.S. ratification of the International Treaty on Plant Genetic Resources for Food and Agriculture with the following conditions:

- The U.S. government, in particular USDA, should remain actively engaged in any Food and Agriculture Organization (FAO) discussions concerning implementation and revision for the standard material transfer agreement.
- An ad hoc working group, under the Intellectual Property Rights Committee should continue to monitor and actively engage in standard material transfer agreement developments.
- ASTA should continue its role as an

advisor to the U.S. government both during the ratification process and during any future discussions.

- ASTA should reach out to other organizations, such as the Biotechnology Industry Organization (BIO) and the American Farm Bureau Federation and should consider their positions regarding U.S. ratification.

Marketing and Advertising Seed Products

Since ASTA last published a position paper on product representation in the marketplace, the depth and breadth of information available to seed customers has increased, and vast changes in information technologies have dramatically altered how companies market and otherwise represent products. *Principles of Product Representation: A Statement of Position by the American Seed Trade Association to Promote Public Trust* was approved in 1985, and in 2007, the Board approved a revised statement after a thorough review and input by ASTA divisions and committees. Four basic beliefs were reaffirmed in the revised paper. They include:

- product labeling shall be truthful,
- labeling requirements must be flexible to permit customers to purchase products of their choice at reasonable cost,
- labeling requirements must not impede introduction of new varieties into the market, and
- labeling requirements must not require breeders and developers of new products to divulge proprietary trade secrets.

2007 ANNUAL CONVENTION



A STA Chairman Harry Collins presided over the 124th Annual Convention at the Omni Interlocken Resort from June 23-27, 2007. Over 540 attended the convention which featured a full Trading Room with 22 exhibitors, broad sponsorship support and a series of networking events. Division and committee meetings showcased an impressive line up of speakers discussing member identified issues and priorities. A special State and Regional Workshop drew a record attendance where awards were presented to several state and regional executives for a “job well done.”

Highlights of the programming included a keynote address by Guy Kawasaki of Garage Technology Ventures, one of the founding team members of the Macintosh computer. Other general sessions featured two panel discussions, focusing on processors and growers impacted by the decisions made and products developed by the seed industry. Panelists represented included: National Corn Growers Association; National Cotton Council; National Renewable Energy Laboratory; International Food Information Council and ConAgra.



2007 ANNUAL CONVENTION



ASTA Presents Highest Honors to Members and Industry Leaders

Chairman Harry Collins presented four of the highest honors ASTA bestows at the 124th Annual Convention. David Hegwood of the U.S. Department of Agriculture and Richard Matteis, formerly with the California Seed Association, each received the Distinguished Service Award. Don Wertman of Seedway and Francois Korn of SeedQuest each received the Honorary Lifetime Member award.

Dairyland Seed Honored for Century of Service

A special “Century of Service” award presentation was made at the Annual Convention in Denver in honor of Dairyland Seed Company’s 100th anniversary. Tom, Steve, John and T.J. Strachota were on hand to

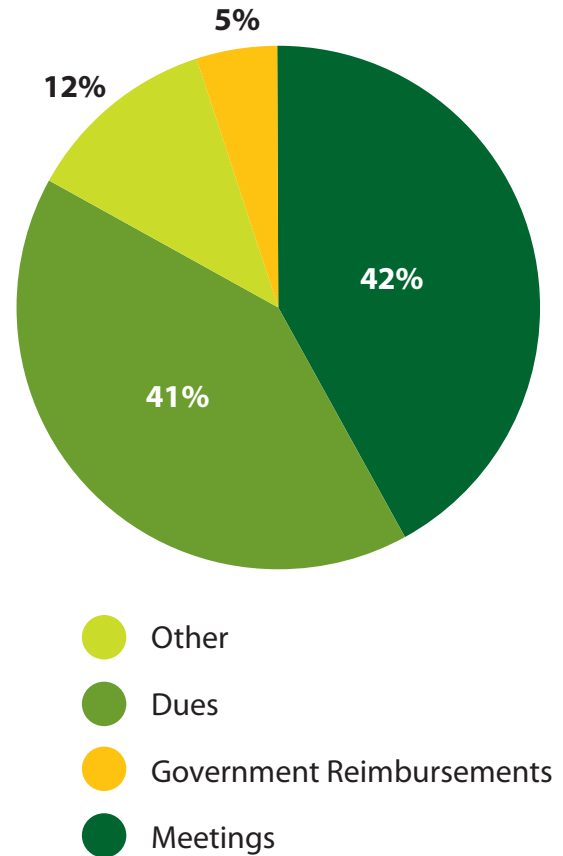
receive the award. A third generation seed company established by Simon and Andrew Strachota, the company originally began as an accumulator of locally grown clover seed. One hundred years later, Dairyland Seed has evolved into a company that is unique in the seed industry.

FINANCIAL HEALTH

The ASTA audit was conducted in accordance with U.S. generally accepted auditing standards by Strack Stanfield, LLC. The 2007 audit confirmed the financial health of the Association. ASTA began its fiscal year with unrestricted net assets of \$3,569,230 and ended with \$4,660,891 an increase of almost \$1,091,661.

Revenues	
Dues	\$2,108,788
Meetings	1,888,904
Exhibits	289,171
Assessment	71,052
Government reimbursements	252,950
Miscellaneous	35,583
Administrative service fees	25,000
Investment income	548,142
TOTAL REVENUES	\$5,223,490
Expenses	
Corn and Sorghum Research Meeting	\$176,695
Soybean Research Meeting	42,459
Farm Seed	8,268
Lawn Seed	9,055
Vegetable and Flower Seed	86,147
Export market development	121,494
Management Skills	80,144
Foreign Agricultural Service	255,950
Convention	688,476
FuSE	13,405
Other programs	65,817
General and administrative	2,583,919
TOTAL EXPENSES	\$4,131,829
Change in Net Assets	\$1,091,661

ASTA Revenue Sources

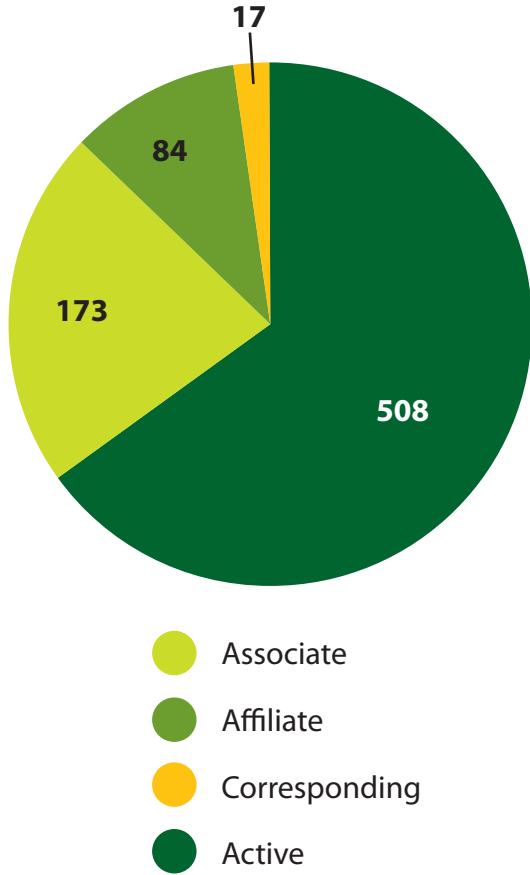


Investment Policy

The main objective of the ASTA Investment Policy is to preserve and protect invested assets of the Association. The second objective is to build reserves through capital appreciation and interest dividends. Thirdly, the aim of the policy is to build reserves to cover two years of operating budget with surpluses and investment gains, in case of economic disruptions. Finally, the goal is to provide a source of funds to cover unbudgeted and extraordinary expenses brought about by unanticipated challenges or opportunities.

MEMBERSHIP

ASTA has four membership categories: Active (including Brokers), Associate, Affiliate and Corresponding. By category, the number of members at the end of 2006-07 was:



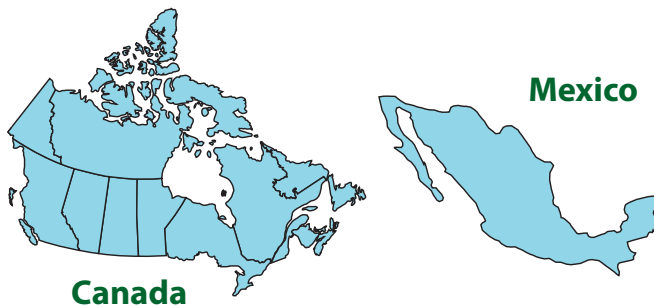
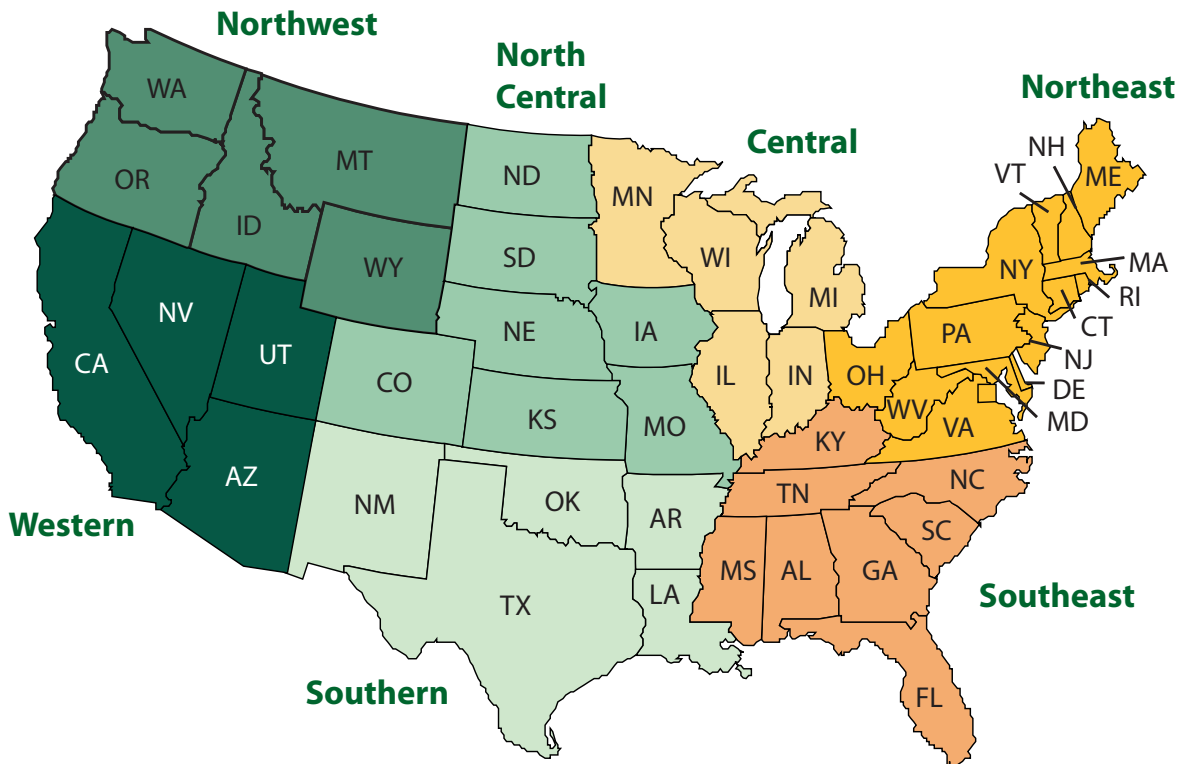
The broad base of the ASTA membership is also evident by the number of members in each seed type.

Seed Types	
Seed Corn	220
Farm Seed	191
Soybean Seed	178
Vegetable Seed	171
Alfalfa Seed	164
Field Grass Seed	136
Lawn Seed	138
Clover Seed	106
Sorghum Seed	93
Flower Seed	92
Sunflower Seed	46
Cotton Seed	15
Peanut Seed	7
Tree Seed	10
Native Grasses	19
Wildflower Seed	16
Rice Seed	1



Companies by Region

Canada, Mexico, and Foreign	52
Central	204
North Central	159
Northeast	73
Northwest	78
Southern	51
Southeast	52
Western	113



SPECIAL INITIATIVES & PROGRAMS



Market Choices™

Owned and managed by ASTA, the Market Choices™ mark is a part of a stewardship program especially tailored to market biotech crops for the export market.

The program:

- was created by ASTA member companies committed to providing support, education and information to farmers,
- is supported by the National Corn Growers Association, with information on the program linked to www.ncga.com and other farm sites, and
- is recognized in the United States and abroad as a responsible program that reinforces ASTA's commitment to stewardship.



You're buying more than just seed. You're getting value today and innovation for tomorrow.

COMMITMENT. INNOVATION. PERFORMANCE.

Beyond the Seed®

The program is a new initiative for ASTA and provides an important forum, materials and message promoting the value of and need for strong intellectual property rights. Beyond the Seed® materials have been displayed at the American Farm Bureau Federation's annual meeting and also at the Commodity Classic, which brings together the American Soybean Association, the National Association of Wheat Growers and the National Corn Growers Association. Major themes of the program center around the commitment, innovation and performance of quality seed developed and marketed by ASTA members.



Education and Training: FuSE

Future Seed Executives, or FuSE, was launched in 2005 as a subcommittee of the Management Skills Committee. Its focus on education and networking activities helps to accelerate the development of young seed professionals while identifying and attracting new talent to the seed industry. In 2006-07, FuSE offered three educational units that were hosted by ASTA



SPECIAL INITIATIVES & PROGRAMS

member companies in conjunction with local universities. Over 80 seed industry professionals took part in these dynamic and enriching events.

Educational Unit Hosts

Pennington Seed, Inc. and Oregon State University

Pioneer Hi-Bred International, Inc. and Iowa State University

Dow AgroSciences and Purdue University

In addition to Educational Units, FuSE also conducted four Roundtable Discussion Group calls on pressing industry topics. These one hour calls allow young executives to participate in engaging educational opportunities without having to leave their work environments.

Roundtable Discussion Group Topics

- Protecting Intellectual Property in a Global Marketplace
- Regional Companies Winning in a Global Market
- Soil Erosion and Organic Matter Retention
- Management Skills (Managing New Talent)

FuSE also launched the Campus Connections program at the 2007 Annual Convention. Campus Connections provides grants for undergraduate students to attend the ASTA



Annual Convention. The students are paired with senior industry executives who serve as mentors during the conference. In 2007, three students were selected as participants in the inaugural program.

Scholarships

ASTA resumed its scholarship program to support students in relevant areas of agriculture. ASTA provided matching funds to provide scholarships from the following state seed associations:

- Seed Trade Association of Arizona
- Kansas Seed Improvement Association
- Illinois Seed Trade Association
- Mississippi Seedsmen's Association
- Wisconsin Agri-Service Association
- Oregon Seed Trade Association
- Missouri Seedsmen Association
- Texas Seed Trade Association
- Iowa Seed Association

SPECIAL INITIATIVES & PROGRAMS

Certified Crop Advisor (CCA) Credits

Following last year's inaugural offering, ASTA members attending the 2006 Corn, Sorghum and Soybean Conference were able to earn Certified Crop Advisor Credits. The CCA program is the largest certification program in agriculture with more than 14,000 individuals certified throughout the United States and Canada. The CCA credits were granted by the International CCA Board, a division of the American Society of Agronomy.

ASTA Management Academy

ASTA continued its longstanding relationship with Purdue University's Center for Food and Agricultural Business to offer the 20th ASTA Management Academy. The Academy focuses on the practical application of general management concepts critical to the long-term success of seed firms. The core management courses form the foundation of the Academy and are designed to broaden the general management abilities and perspective of participants.



FEDERAL ACTIVITIES & ISSUES

Environmental Protection Agency’s (EPA) Announcement of Proposed Rulemaking for Plant Incorporated Protectants (PIPs)

ASTA supported the U.S government’s science-based approach to regulation as part of the Coordinated Framework for Regulation of Biotechnology. EPA regulates plant-incorporated protectants under the provisions of two federal statutes – the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and Section 408 of the Federal Food, Drug, and Cosmetic Act (FFDCA) – that address potential adverse effects on human health or the environment that might be presented by PIPs. Potential environmental and other agricultural effects of the plant itself are regulated by the U.S. Department of Agriculture under the Plant Protection Act and the safety of the whole food produced by the plant is reviewed by the U.S. Food and Drug Administration.

ASTA believes that the registrants of PIPs should continue to be primarily responsible for maintaining appropriate records and meeting the other requirements of FIFRA. In other words, members of the seed chain who are involved in the production of seed containing registered PIPs should not be directly subject to FIFRA– including site registration, record keeping, inspection and other pesticidal requirements. These members of the seed chain should only be indirectly involved in these requirements, if at all, as part of grower agreements or other conditions that are part of licensing

or other arrangements with the registrants. EPA has sufficient authority to obtain whatever information is necessary to ensure the safe production and use of registered PIPs through the PIP registrant as a condition of registration.

ASTA’s preferred way to achieve such regulation governing the production of seed containing registered PIPs is to interpret the relevant pesticide provisions involving “produce” and similar terminology so as to exclude or exempt the subject seed production activities and to more accurately and appropriately reflect the characteristics of PIPs and how they are made. This would require a focus on: how PIPs are originally produced in the laboratory, how PIPs are contained in plant propagative (including seed) material, and how the propagative material is normally produced by licensed seed companies and planted by farmers under contract with the registrants or licensees.



FEDERAL ACTIVITIES & ISSUES

ASTA Welcomes Release for Comment of USDA Biotechnology Regulatory Impact Statement

In June, the ASTA welcomed the release by the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) of an environmental impact statement that outlines potential revisions to APHIS regulations governing agricultural biotechnology.

ASTA believes that innovative tools such as biotechnology are key to the continued ability of the U.S. seed industry to provide farmers and consumers with higher yielding, better quality and value-added products. APHIS has been part of the robust U.S. regulatory system that oversees their safe development and use. Ensuring that these regulations reflect the science of the day is vital to the agency's ability to regulate and safeguard agricultural biotechnology products, including seed.

Stewardship

At the direction of the Board and ASTA members, stewardship was identified as a top priority for the Association and a new committee was established. The Stewardship Committee was charged to move forward on a strategy and program to address the issues and actions associated with stewardship.

The Stewardship Committee included 17 members, representing ASTA's diverse divisions and committees and commodities. Monthly conference calls and meetings at



ASTA events as well as with stakeholders resulted in a comprehensive document that provides guidance for the development of seed quality management practices. The scope of the guidance covers those stages of the plant product life cycle from incorporation of a trait into a plant, through the breeding program and subsequent commercial seed sales. The guide includes:

- breeding in contained facilities and in the field;

FEDERAL ACTIVITIES & ISSUES

- variety and trait testing;
- breeder seed and seed stock development;
- planting preparations, and
- commercial seed sales.

As the plan moves forward and is fully developed and reviewed, the Board advised the Committee to work with key organizations to find appropriate solutions to work effectively on stewardship.

Germplasm for the Enhancement of Maize (GEM)

In 2006 and 2007, ASTA's Corn and Sorghum Basic Research Committee successfully requested that Congress add funding to the \$1.5 million appropriated for the Germplasm for the Enhancement of Maize program. ASTA staff and member companies visited dozens of Congressional offices advising staff and Members on the merits of the program.

GEM breeding material is likely to provide a long-term source of native genetic diversity and unique genes that will contribute to future needs of genomics and bioinformatics efforts. GEM material provides a source of native gene diversity that would otherwise not be available to genomics research scientists.

GEM includes 24 private cooperators and universities in 22 states which have entered into agreements for public cooperation and access and research to GEM material.

Farm Bill Reauthorization

No legislative initiative or discussion affects agriculture and the seed industry, in general, more than the Farm Bill. The 2002 Farm Bill expired in September, 2007, and is currently being debated in both the U.S. Senate and House of Representatives. ASTA's Executive Committee and Environmental and Conservation Seed Committees met with Congressional staff and leaders about seed industry concerns and opportunities.

ASTA has advocated that hybrid corn seed producers are treated equitably for farm program benefits. In addition, Association policies on support and development of specialty crop research, invasive species management, arbitration and intellectual property rights in general were also articulated. Finally, due to the increasing



FEDERAL ACTIVITIES & ISSUES

spotlight on energy and alternative sources and uses, conservation and organic agriculture, ASTA maintained a steady and balanced dialogue.

Immigration Reform

ASTA was engaged with a number of coalitions and groups interested in and supportive of immigration reform. Due to political wrangling and timing, immigration reform has not been achieved and the issue remains. Agriculture is a major component in reform discussions, and therefore, the seed industry is directly affected.

Patent Reform

For a number of years, Congress has been debating the merits of patent reform. During each Congress, measures are introduced and users of patents and those affected by patents weigh in with opinions and suggestions. ASTA participated in a broad intellectual property rights coalition to advance meaningful and practical changes. To date, the debate continues, and a final resolution is not imminent.

Environmental and Conservation Seed Committee Workshop

The fifth joint ASTA and U.S. Department of Agriculture Conservation Workshop was held in March 2007, with 17 seed

professionals in attendance. Representatives from the Bureau of Land Management, Plant Materials Centers, Forest Service and Natural Resource Conservation Service briefed ASTA members on various conservation programs and challenges. Presentations and discussions focused on: conservation reserve policies, ethanol's impact on conservation acreage and the pending Farm Bill. ASTA members account for providing over 90 percent of the seed purchased by government managers for select forest, wildlife and transportation projects.

Members of the committee also submitted comments to a Forest Service Federal Register Notice outlining its forest resource management policies.

ASTA members provided input on definitions of native and non-native seed, ecotypes and invasive species.

Animal and Plant Health Inspection Service Workshop

ASTA and the U.S. Department of Agriculture teamed up for another workshop with the Animal and Plant Health Inspection Service (APHIS) in March 2007. Four issues dominated the workshop where 15 ASTA members participated. They included: grass seed issues with Australia, re-exportation, pilot e-phyto system, and plant pests e-permits.



STATE & LOCAL ISSUES

Legislative and regulatory activity in all of the states seemed to carry common themes across the nation. A few side tangents did arise, such as the approval of Bt corn for sale for the first time in the state of Maine or a ruling in Minnesota that could have changed the definition of field crop signs which would have been considered labels rather than advertising. However, the majority of the issues in the states fell into five categories:

Pre-emption of State and Local Laws (*support*)

Uniformity in the labeling and standards applicable to seed becomes increasingly important with globalization of seed marketing. Such uniformity is necessary to ensure proper use of seed by commercial customers and consumers, and also to enable efficient production and distribution. Labeling requirements unique to seed distributed within a political subdivision therein would result in restricted sales in the state and undermine the goal of uniformity without providing commensurate benefit.

Strict Liability (*oppose*)

Strict liability laws create a “pass through” of liability from farmer to the manufacturer, even though the handling of the seed is out of control of the manufacturer. Generally, the bills create a right of action and subsequent damages for a private nuisance claim against a manufacturer of a genetically engineered plant part, seed or plant that cross-contaminates a person’s land and limits the liability of knowing and unknowing users and possessors of a genetically engineered plant part, seed or plant.



Labeling Requirements (*oppose*)

These bills require that seed (or other food products) sold or distributed in or from the state bear a label that is plainly visible on the principal display panel which contains the conspicuous words “genetically engineered.” Not only is this onerous for intrastate commerce compliance, it places an unnecessary warning on a product fully approved by all state and federal laws for consumer safety.

STATE & LOCAL ISSUES

Public Record Access (*oppose*)

These bills authorize various government entities to allow public access to seed test results, including proprietary and proponent's information. Open records accessibility seems to be the proponent's logic for the legislation. This data would definitely be used by anti-biotech factions against the seed industry. Obviously, established PVP and patent protections rights would override the legislation, although not without additional conflict.

General Anti-Biotech Initiatives (*oppose*)

A wide variety of bills were introduced in almost every state that either ban or create moratoriums for use of genetically engineered products in the state. Most bills are not voted down without a great deal of effort. Although these bills generally do not directly address seed, often it can be interpreted for inclusion. As an example, genetic modifications of wild rice in Minnesota have been banned. Using spiritual arguments to support these proposed genetic modification bans, legislation came close to passing in Hawaii which would have created a moratorium on poi research and another bill would have done the same for maize in New Mexico. It is anticipated that this tactic will continue to be used in future ban attempts.



International Activities

ASTA's International Executive Committee (IEC) began the process of identifying priority issues and markets to help guide ASTA's international programming.

The IEC identified three priority issues:

- Intellectual Property Rights
- Phytosanitary
- Adventitious Presence

Key markets identified by the IEC were:

- China
- India
- Argentina
- Brazil

The priorities identified by the IEC were further refined through surveys of ASTA's Intellectual Property, Phytosanitary and Biotechnology Committees.



International Seed Federation

The 2007 International Seed Federation (ISF) Congress was held in Christchurch, New Zealand, from May 19 – 24, 2007. ASTA was well represented in the ISF sections and committees:

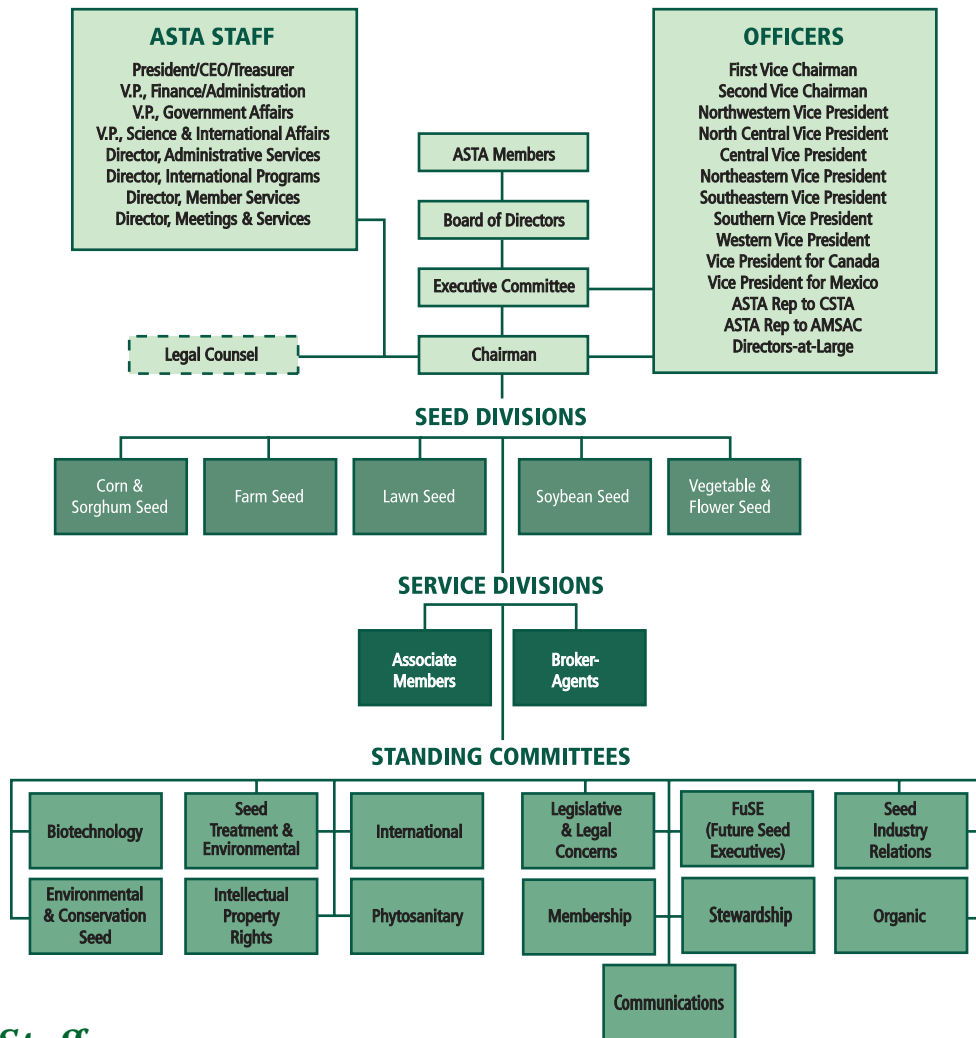
- Tim Johnson, Chairman of the ISF Breeders' Committee and ISF Board of Directors
- Mike Gumina, Chairman of the Maize and Sorghum Section and ISF Board of Directors
- Roger Krueger, Chairman of the Sustainable Agriculture Committee
- Kater Hake, Chairman of the Industrial Crops Section

Seed Association of the Americas

The Seed Association of the Americas (SAA) held its first Congress in Buenos Aires, September 2007. The Congress featured speakers on intellectual property rights and phytosanitary regulations in the region.

ORGANIZATIONAL STRUCTURE

ASTA members identify issues and priorities for the Association. ASTA has seven divisions to which any member can belong. Each division has its own governing body, elected by its members that identify relevant issues and projects. ASTA standing committees and divisions address key seed science, policy and education issues.



ASTA Staff

Andrew W. LaVigne	President and CEO
Leslie Cahill	Vice President, Government Affairs
Nikki Clifford	Associate Director, Meetings and Services
Alexis Ellicott	Director, International Programs
Ann Jorss	Vice President, Finance/Administration
Jason Laney	Director, Membership Services
Jennifer Lord	Director, Meetings and Services
Candice McCullough	Staff Assistant
Pat Miller	Director, State and Regulatory Affairs
Bernice Slutsky	Vice President, Science and International Affairs
Barbara Surian	Director, Administrative Services

2006-2007 Regional Vice Presidents

(Members of the ASTA Board of Directors and Executive Committee)

Northwestern Western	Kevin Turner	<i>The Scotts Company</i>
Central	John Schoenecker	<i>Harris Moran</i>
Southeastern	Tim Johnson	<i>Seed Genetics</i>
Southern	Marion Hawkins	<i>Gold Leaf Seed</i>
Northeastern	Jerry Monk	<i>Warner Seeds</i>
North Central	Wayne Gale	<i>Stokes Seeds</i>
Canadian	Wayne Vassar	<i>Sharp Brothers</i>
Mexico	Raymond Walker	<i>Moore Seed Processors</i>
Vice President to Canada	Ed Aguilar	<i>Sakata Seed Mexico</i>
	Bryan Gerard	<i>JGL</i>

Directors at Large (Members of the ASTA Board of Directors and Executive Committee)

Dean Oestreich	<i>Pioneer Hi-Bred, International</i>
Pete Siggelko	<i>Dow AgroSciences</i>
John Sorenson	<i>Syngenta</i>

2006-2007 Division and Committee Chairs/Board of Directors

*Environmental and Conservation Seed Committee Wayne Vassar <i>Sharp Brothers</i>	Organic Committee George Hansen <i>Snow Seed</i>	*Farm Seed Division Don Kinkhorst <i>Allied Seeds</i>	Past Chairmen & Members of the Board of Directors Sonny Beck <i>Beck's Superior Hybrids</i>	Owen J. Newlin <i>Pioneer Hi-Bred, International</i>
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*Intellectual Property Rights Committee Mike Chapman <i>Pioneer Hi-Bred, International</i>	Seed Industry Relations Committee Greg Kegler <i>Syngenta</i>	*Soybean Division Hunt Wiley <i>Dairyland Seed</i>	Nathan Boardman <i>Crosbyton Seed Company</i>	William Schapaugh <i>Trenton, MO</i>
*International Committee Brad Shurdut <i>Dow AgroSciences</i>	*Corn & Sorghum Division Scott Beck <i>Becks Superior Hybrids</i>	Soybean Basic Research Committee John Soper <i>Pioneer Hi-Bred, International</i>	Steve Byrum <i>Charlotte, NC</i>	John Studebaker <i>BioWorks, Inc.</i>
Phytosanitary Committee Bill Dolezal <i>Pioneer Hi-Bred, International</i>	Corn & Sorghum Export Development Committee Steve Hageman <i>Remington Hybrid Seed</i>	*Vegetable and Flower Seed Division Merv Selvidge <i>Synergene</i>	Steve Byrum <i>Charlotte, NC</i>	James L. Sutherland, Jr. <i>Laurinburg, NC</i>
*Legislative and Legal Concerns Committee Wayne Gale <i>Stokes Seeds</i>	Corn & Sorghum Basic Research Committee Hobart Beeghly <i>Monsanto</i>	*Associate Division Patrick Clem <i>ALMACO</i>	Fred Clark <i>World Seeds</i>	Robert L. Thedinger <i>St. Joseph, MO</i>
Management Skills Committee Don Threet <i>Emergent Genetics</i>	Corn Variety Identification Committee Steve Thompson <i>Dow AgroSciences</i>	*Brokers & Agents Santee Sinnott <i>Peterson Genetics</i>	Owen Gilbreath <i>Lubbock, TX</i>	Jim Tobin <i>Monsanto</i>
Future Seed Executives (FuSE) Karen Withers <i>Pennington</i>		Joint Corn & Sorghum and Soybean Machinery Committee Jonathan Popp Popp Engineering	George L. Jones <i>Minneapolis, MN</i>	Don Wertman <i>Seedway</i>
		*ASTA Board of Directors Member	Noble Koepp <i>Triumph Seed Company</i>	Bill Whitacre <i>J.R. Simplot Company</i>
			Bill Latham <i>Latham Seed Company</i>	John Zajac <i>Mountain View Seeds</i>
			Harvey W. Mauth <i>Idaho Falls, ID</i>	
			Don McGilvray <i>Bloomington, IL</i>	



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