CropLife AMERICA

Annual Report 2017

Friends and colleagues,

As we look to what the future holds for agriculture, it is important to recognize how far we have come. One American farmer today can grow enough food to feed 155 people, representing a 1,450 percent increase from the amount of food one farmer could produce in 1930. This growth in agricultural efficiency did not occur overnight – it is the result of extensive research and experimentation in technology and agronomic practices, collaboration between public and private institutions committed to agriculture, and farmer ingenuity. Today's agricultural methods and tools improve the amount, quality and variety of fresh food available year-round, while reducing back-breaking labor and conserving more resources than ever before. Traveling this path we have learned that the future of farming is ours to create, for the better.

While many believe the lingering misperception that agriculture is slow to change, investors have not hedged their bets on farming. Investment in agricultural information/digital technology has continued to grow and now exceeds $25 billion globally. From the growth in applications of GPS technology to robots on the field, it's safe to say the agricultural landscape is changing and advancing.

CropLife America (CLA) represents the great ideas and creativity of our members. The crop protection products developed, produced and distributed by CLA member companies help farmers efficiently grow the crops we depend upon for nourishment, clothing and fuel. The expertise and commitment of the CLA board of directors helps drive the organization's activities, and the combined advocacy, outreach, research and action of CLA's committees and staff help to achieve the organization's goals. Our collaboration, expertise and guidance is what moves "food forward."

Sincerely,

Diane Allemang
FMC Corporation
CLA Board Chair

Jay Vroom
President and CEO
CropLife America

Action

CLA's goal is to be recognized as the association that speaks for, defends and engages on crop protection issues for its members. One of the most important ways the association meets this goal is by its engagement in lawsuits, to help defend EPA's regulation of crop protection products. In 2016, CLA continued its work in this area, successfully leading a team of grower and agricultural industry groups who joined in federal litigation to support EPA's regulation of seed treatment products. The court ruled in favor of EPA, CLA and the other ag groups, and against the activist plaintiffs. CLA has played an active role in several other litigation actions that continue to make their way through the courts.

The legal department also acts strategically with other CLA departments to represent the industry in preparing comments on proposed government action, and petitioning the government to consider policy actions that CLA and its members support. For example, the legal department worked closely with CLA's Endangered Species Issue Management Team to prepare comments on proposed biological evaluations on the first pesticide products to undergo nationwide review of their potential effects on endangered species under an approach recently adopted by EPA and the other relevant government agencies. The involvement of the legal department was critical given the high likelihood of endangered species-related litigation.

The legal department's involvement in CLA's work on synergy has also been instrumental. Recently, EPA has begun to examine claims of synergy made in pesticide patents filed with the U.S. Patent and Trademark Office, looking for any potential relevance of those claims in the context of EPA's risk assessment. CLA's legal department has worked closely with our science and regulatory department and member company scientists to ensure that the companies' freedom to operate is protected, while EPA has the relevant information it needs to conduct risk assessments in a science-based and efficient manner.

After more than a three-year battle against Montgomery County, Maryland's ban on lawn and garden pesticide use on private property, RISE (Responsible Industry for a Sound Environment) along with resident and professional co-plaintiffs, including CropLife America, won its case on August 3 with a strong court opinion. The opinion, delivered from the bench by Judge Terrence McGann in the Circuit Court for Montgomery County, gives our industry a legal precedent for pesticide preemption in Maryland. RISE and CropLife America team leads, Karen Reardon, RISE vice president, public affairs and Rachel Lattimore, CLA senior vice president and general counsel coordinated our legal challenge with our Beveridge and Diamond team to deliver a win.

Research

Are we better off than we were 10 years ago? What can we enhance? CLA and its members always have an eye toward improving agricultural tools to make even greater strides in farming. CLA's Science and Regulatory Affairs team directs and manages research studies and projects each year to continually move agriculture forward. A sample of 2017 projects includes the:

- Examination of the criteria for data quality and study design for epidemiological studies. Epidemiology, or the study and analysis of causes and effects of health and disease conditions in populations, plays a role in shaping policy decisions. This research will help provide foundational information for work with the EPA on the integration of epidemiological data into risk-based human health risk assessment.

- Assessment of the role of oxidative stress in cancer potential, as part of risk assessment for health impacts. The International Agency for Research on Cancer has focused attention on oxidative stress as one key characteristic of cancer development associated with exposure to pesticides. Given the variety of elements that impact cancer initiation, it is important to understand the relative role of oxidative stress in human tissues apart from any chemical-specific exposure. Oxidative stress as one characteristic is not unique to chemical or pesticide exposure.

- Impact of pesticide application spray drift is part of an ecological risk assessment under FIFRA and, increasingly, ESA. A missing component of EPA's assessment of spray drift has been multi-swath study data to include in its risk assessment. CLA supported a study to collect multi-swath field data to provide primary data for EPA modeling and to document its impact on pesticide residues in fields.

- EPA has convened several FIFRA Scientific Advisory Panels (SAP) on the use of epidemiologic data in human risk assessments. SAP recommendations are being assessed for EPA follow-up and its use in refined human risk assessments for organophosphate pesticides and other pesticide classes. It is essential that EPA takes this expert advice seriously as it develops its approach of integration of epidemiological data into its human risk assessments. CLA will continue to support use of expert scientific advice from FIFRA SAP and other Federal Expert Panels.

Conducting research is only the first step in this scientific dialogue. Discussion about the latest science and exploration and use of the outcomes in advocacy are equally important! The CLA and RISE Regulatory Conference is an annual event that brings experts from regulatory agencies, academia, industry and the scientific community together to explore a vast range of crop protection topics. Our 2017 Regulatory Conference theme, Partnering for Progress, encouraged open communication and partnerships among the pesticide industry, government and other stakeholders. We hosted 308 attendees over the two-day conference, with approximately 70 speakers during more than 20 sessions, focused on topics like policy on endocrine disrupting compounds and international trade, laboratory testing and the search for alternative in vitro methods, approaches to regulatory decision-making, environmental risk assessment and endangered species, pollinator health, pesticide labeling, and more.

Accomplishing goals almost always takes more than one person – or organization! CLA has a long history of partnerships with other organizations to amplify messaging and further our reach for the benefit of the crop protection industry. From collaborating with sister organizations around the world, to engaging key regulatory authorities, to actively participating in stakeholder coalitions to educate about American agriculture and crop protection, CLA

understands that through these discussions and relationships we may discover new perspectives and progressive partnerships to forge comprehensive solutions to agricultural progress in the future.

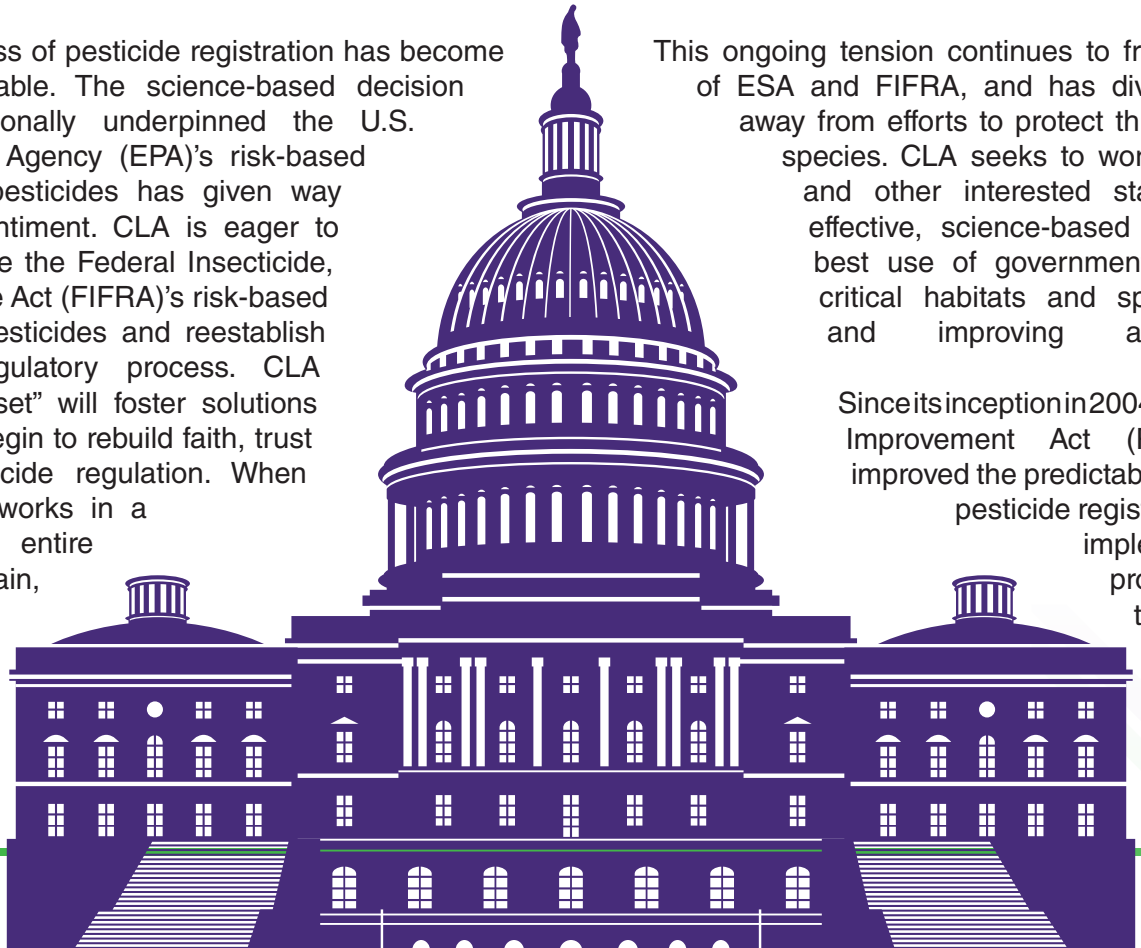
Over the last 18 months, CLA has taken on a monitoring role regarding U.S. work on endocrine disruptors as associate members in the Endocrine Policy Forum (EPF). CLA maintains a strong connection to the scientific exchange on the work of the Endocrine Disruptor Screening Program (EDSP), and its impact on risk assessment for registration and registration review of pesticide active ingredients. The EDSP is managed by the EPA and is seen as a global example of how to assess the human health risk of endocrine disruption from potentially endocrine active substances. The EPF currently advocates for the scientific approach taken by the EPA in its endocrine assessments. CLA also actively participates in the work CropLife International is doing on endocrine disruptors, as part of its Human Health Committee, to express major concerns with the European hazard-based cut-off criteria for trade in pesticides under its endocrine criteria approach. We continue to actively support and advocate for the U.S. risk-based approach to human risk assessment.

CLA and RISE Regulatory Conference By the Numbers

Advocacy

Working from the ground up, CLA advocates for an industry that impacts everyone on the planet every day. Through CLA's advocacy efforts, we're able to hear the concerns and thoughts about American agriculture straight from growers, applicators, our industry and consumers. Armed with this knowledge, we can effectively reach policymakers at all levels of government to provide information and resources about today's agriculture and the crop protection products farmers rely on. In addition to local issue management, we add our collective voice to global issues affecting modern agriculture to ensure that science and common sense prevail against activist campaigns and duplicative regulation.

In recent years, the process of pesticide registration has become increasingly less predictable. The science-based decision making that has traditionally underpinned the U.S. Environmental Protection Agency (EPA)'s risk-based approach to regulating pesticides has given way to politics and public sentiment. CLA is eager to work with EPA to preserve the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)'s risk-based approach to regulating pesticides and reestablish a more predictable regulatory process. CLA believes a "regulatory reset" will foster solutions for all stakeholders and begin to rebuild faith, trust and confidence in pesticide regulation. When the registration process works in a predictable manner, the entire agriculture supply chain, including consumers, benefits, resulting in more agriculture jobs and more nutritious food on plates.



The government protects the nation's threatened plants, animals and their habitats through enforcement of the Endangered Species Act (ESA), administered by the U.S. Fish and Wildlife Service (FWS) and the National Marine Fisheries Service (NMFS), collectively the Services. The purpose of the ESA is to ensure that federal actions do not jeopardize endangered species or adversely modify their critical habitats. Under FIFRA, EPA already conducts reviews of environmental effects of pesticides during the registration process, thereby creating a duplicative process that hampers innovation and progress in crop protection leading to delay and regulatory uncertainty.

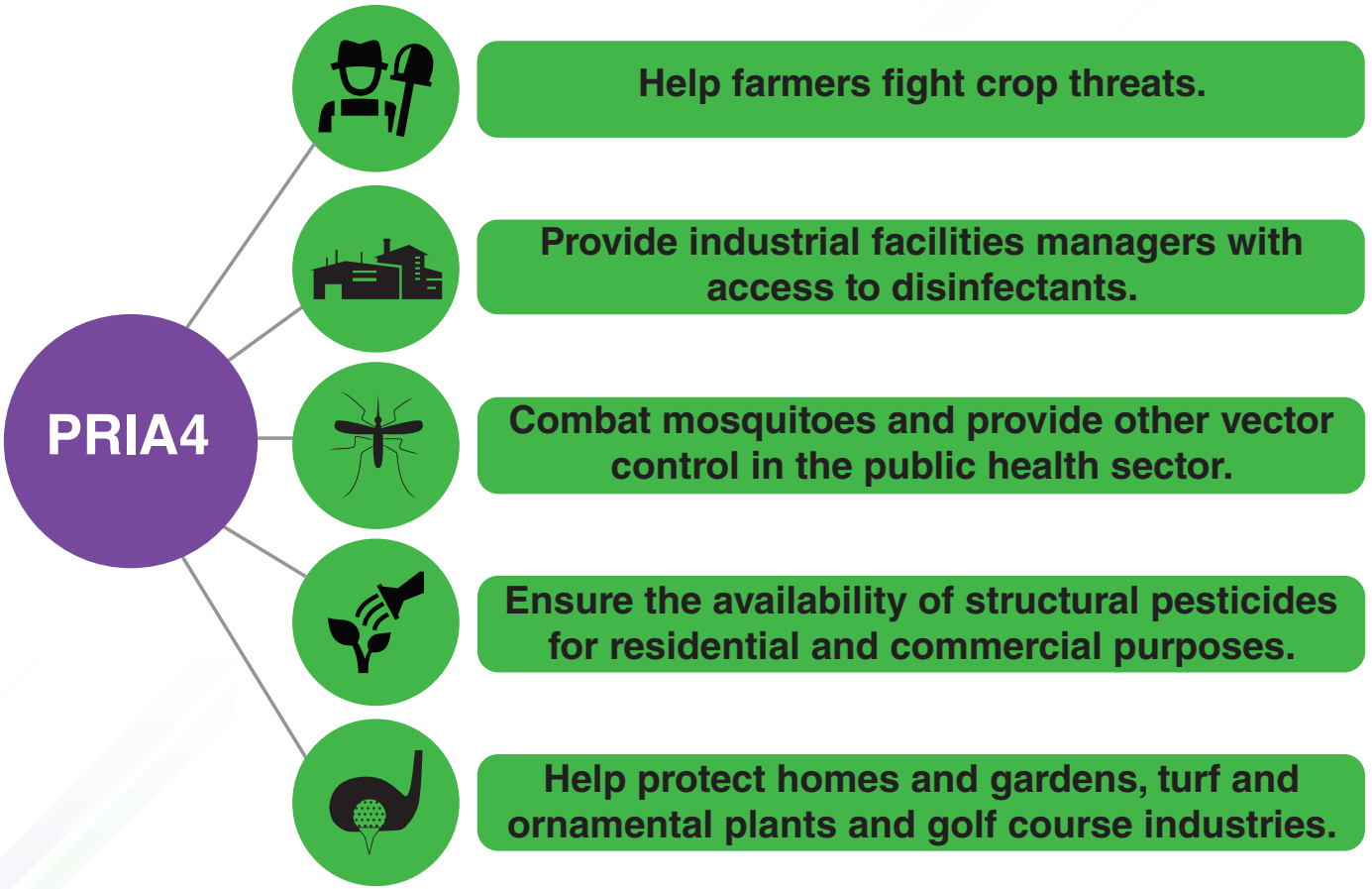
This ongoing tension continues to frustrate the harmonization of ESA and FIFRA, and has diverted valuable resources away from efforts to protect threatened and endangered species. CLA seeks to work with EPA, the Services and other interested stakeholders to create an effective, science-based process that makes the best use of government resources and protects critical habitats and species, while maintaining and improving agricultural productivity.

Since its inception in 2004, the Pesticide Registration Improvement Act (PRIA) has significantly improved the predictability and speed of the EPA's pesticide registration process. Prior to the implementation of PRIA, the process lacked structure and time-lines which often led to frustration and uncertainty. This uncertainty manifested in reduced

incentive to invest in research and development of new chemistries, hindering innovation. Today, PRIA has led to process improvements in the EPA's Office of Pesticide Programs (OPP), established a dedicated funding stream for the Agency, created specific block grants for training and education programs, and created business certainty that keeps the wheels of innovation turning, leading to new jobs in the agriculture sector.

The new Pesticide Registration Enhancement Act (PREA-4), is bipartisan legislation that improves PRIA to ensure that transparency, consistency, and efficiency remains within EPA's pesticide registration process. The bill reauthorizes the industry's fee-for-service program that expires on September 30, 2017.

The legislation helps ensure that pesticide products will be available to:



Outreach

Today's agriculture is all about choice: different agricultural methods that produce a variety of healthy produce year-round, different tools farmers can use to grow their crops sustainably, and different ways to talk about modern agriculture. Much of CLA's activities this year include providing employees of member companies, allies and the public with facts and information about today's agricultural practices through infographics, videos, memes, workshops and more. Whether it's online or in person, CLA provides the tools to those passionate about agriculture, so they can communicate the benefits of crop protection confidently and accurately with others.

CLA's recently launched AgVocate initiative recognizes the importance of giving a voice to individuals who work in the industry. CLA members appointed 24 AgVocate representatives to act as liaisons to CLA and lead crop protection conversations at their companies by providing employees with relatable facts and strategic ways to communicate. AgVocates are equipped with information on hot topics in agriculture like pollinators and conservation, as well as CLA support to facilitate critical dialogue during town halls, networking events and on social media. AgVocates facilitate discussions about American agriculture and promote the beneficial practices of responsible pesticide use through interactive events and discussions within their community.

CLA is also engaging congressional communications staffers on Capitol Hill through lunch n' learns and networking events. Through these outreach efforts, CLA aims to build relationships with Hill communications staffers who may or may not deal with agricultural issues on a regular basis. CLA aims to gain visibility on Capitol Hill and provide communications materials that highlight top issues and provide answers to constituents' questions. With personalized, face-to-face conversations, CLA hopes to educate a diverse audience about today's agriculture and shed light on the importance of crop protection tools.

What can be more invasive than stinkbugs? Misinformation! CLA brings a dose of humor to crop protection through a series of witty and informative videos that promote the hashtag #GiveACrop. The video campaign explores the reasons why U.S. farmers and ranchers use pesticides and the importance of these tools to fight pests that can infect and destroy their crops. The campaign has helped start conversations with consumers, food bloggers, farmers, chefs, foodies, journalists and others interested in food production on social media. The "mascot" of the #GiveACrop video series, or The Pest, is a common nuisance who attempts to destroy farmers' crops and derail consumers' plans. Despite The Pest's hijinks, the core message remains that farmers can effectively fight pesky crop pests with the responsible use of pesticides, and with accurate information, everyone can and should #GiveACrop.

Campaign Snapshot

AgVocate

27
number of AgVocates

20
member companies represented

9
in-person events held to-date

1,593
number of people reached

Immeasurable
level of enthusiasm

#GIVEACROP

50,760
videos views

5,264
giveacrop.org page views

2:00
average length visit to site

800
used on social media

Sept. 26, 2016
campaign launch date

#AgLoudAgProud

#AgLoudAgProud helped those involved in ag show pride in their work & the industry

2,000+
used on social media

Who used the hashtag?

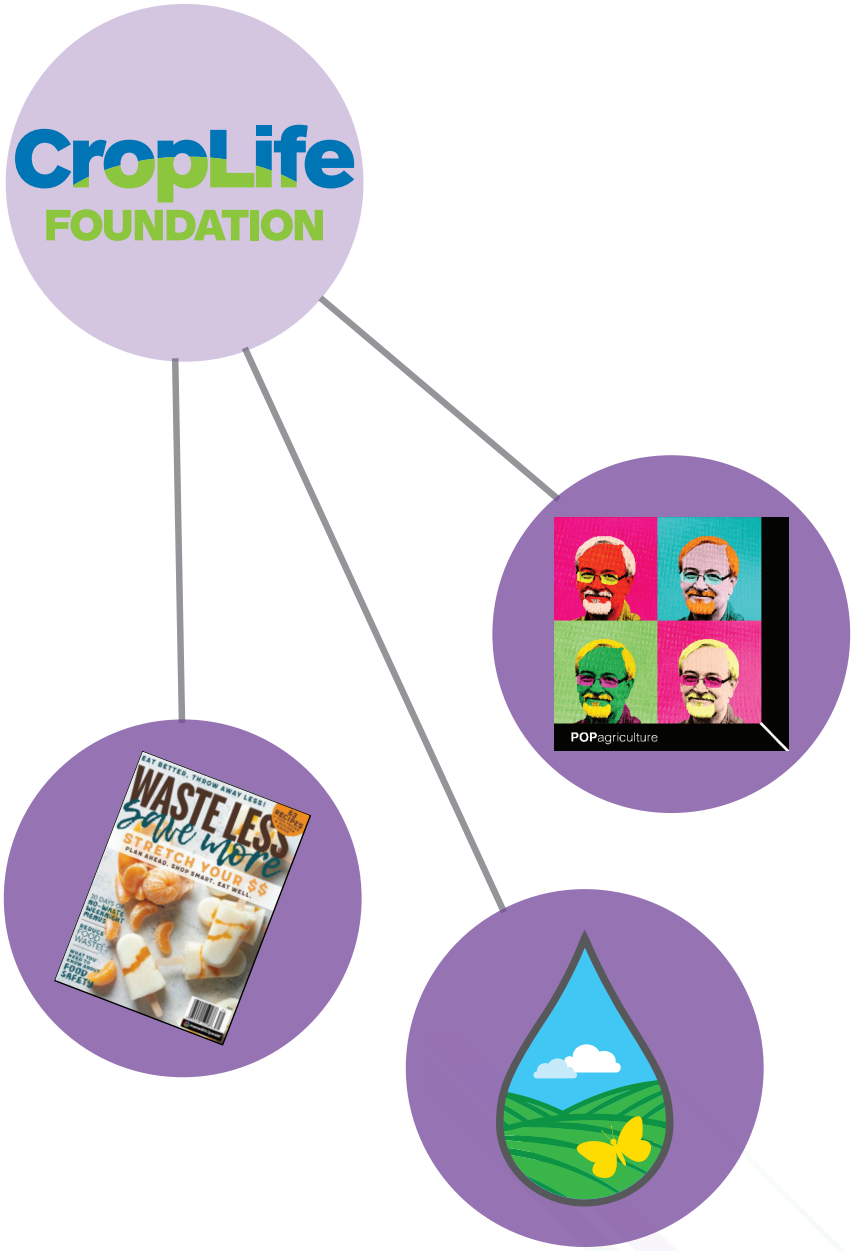
- American Seed Trade Association
- National Association of State Departments of Agriculture
- Washington Friends of Farms & Forests
- ...and many more!

CropLife Foundation

We often talk about providing growers with the “tools” necessary to grow food, and now we want to use all the communications tools available to talk about agriculture and crop protection! Over the past few years, podcasts have experienced a surge in popularity with 40 percent of Americans over the age of 12 tuning in. This year, CropLife Foundation launched a new podcast, POPAgriculture, with plant pathologist and food and agriculture blogger, Steve Savage. Steve expertly melds agricultural history, farm technology and pop culture into short, easily accessible and entertaining bi-weekly episodes available on POPAgriculture.org, giveacrop.org and iTunes.

Two other areas of focus for the Foundation are food loss on the farm and the Precision Prairie project. In 2017, the Foundation partnered with Meredith Corporation and FLM+ to create the ‘Waste Less, Save More’ campaign. The campaign is designed as a resource for policymakers and others involved in reducing global food loss to highlight the role agriculture plays in sustainable farming. The Foundation is excited to be a part of a global solution to reduce food loss and resource waste.

The Precision Prairie project is progressing, with more than 100,000 acres expected to be impacted over the next five years. The Foundation thanks CharlestonlOrwig for their guidance, in-kind marketing and communications support for this initiative. We look forward to the Precision Prairie project being a resource to agricultural producers, helping them to maintain the viability and productivity of their farms.



CLA Operational Overview

CLA's strategic plan and the resulting prioritization of issues allows the association to plan and monitor where CLA resources are allocated for the benefit of our members. Tracking these priorities and the time spent on each helps to identify emerging challenges. The following chart depicts the major issues CLA dedicates resources to managing as part of its business plan during the first half of 2017.

State and Local Issues Management: 21%
FIFRA Reset (eg ESA v FIFRA): 15%
Crop Protection Benefits: 15%
Human Health Issues: 12%
Pollinator Health Issues: 8%
Regulation Process and Resources: 6%
Macro Water Policy Issues: 6%
Environmental Quality Issues: 5%
Regulatory Harmonization: 4%
Registration Policy: 3%
Intellectual Property Protection: 3%
Sustainability and Stewardship: 2%

CLA Members (as of June 5, 2017)

ADAMA USA
AgData, L.P.
Agrian, Inc.
AgriCapital Corporation
AgriMarketing Magazine
Albaugh, LLC
American Beverage Association
American Spice Trade Association
AMVAC Chemical Corporation
ARCADIS U.S. Inc.
Arent Fox LLP
Arnold & Porter
Arysta LifeScience North America Corp.
Asmark Institute
Bader Rutter and Associates
BakerHostetler LLP
Barnes & Thornburg, LLP
BASF Corporation
Bayer
Bergeson & Campbell, P.C.
Beveridge & Diamond, P.C.
BioConsortia Inc.
BMO Capital Markets
Bradley Arant Boult Cummings, LLP
The California Association of Pest Control Advisers
Charleston Orwig, Inc.
Citrus Products, Inc.
CNI
The Coca-Cola Company
Compliance Services International
Context Network
Cool Planet
Critical Path Services, LLC
Crop Data Management Systems, Inc.
Crop Production Services, Inc.
Crowell & Moring, LLP
Dentons U.S., LLP
Direct Ag Source, LLC
Douglas Products
Dow AgroSciences LLC
Dr. Pepper Snapple Group
Drexel Chemical Company
DuPont Crop Protection
EAG Laboratories
Envigo
Exponent, Inc.
Faegre, Baker, Daniels LLP
Farm Journal
Farmer, Lumpe + McClelland
Fine Americas Inc.
FMC Corporation
GfK Kynetec
Gowan Company, LLC
GROWMARK, Inc.
Helena Chemical Company
Helm Agro US, Inc.
Illinois Corn Growers Association
Intrexon Corporation
Intrinsik Environmental Sciences, Inc.
Isagro USA, Inc.
ISK Biosciences Corporation
Iteris, Inc.
John Deere
Kadant GranTek Inc.
K-I Chemical U.S.A. Inc.
Kincannon & Reed
Koch Agronomic Services
LANDIS International, Inc.
Latham & Watkins LLP
Lonza Agro Ingredients and Solutions

Marrone Bio Innovations, Inc.
McCormick & Company, Inc.
MGK
Mitsui & Company USA, Inc.
Monsanto Company
The National Confectioners Association (NCA)
Nestle USA
NewLeaf Symbiotics
Nichino America, Inc.
Nisso America Inc.
Noble Research Institute, LLC
Nossaman LLP
Novozymes
Nufarm Americas, Inc.
Oro Agri US
PBI/Gordon Corporation
PepsiCo
Phillips McDougall
Pinnacle Agricultural Holdings LLC
Plant Impact Plc
Precision Laboratories, LLC
Pyxis Regulatory Consulting Inc
RiceCo LLC
Schertz Aerial Service, Inc.
Schirm USA, Inc.
Scotts Miracle-Gro Company
SePRO Corporation
Sidley Austin, LLP
SipcamRotam LLC
Smithers Viscient, LLP
Squire Patton Boggs LLP
Steptoe & Johnson LLP
Stone Environmental, Inc.
Syngenta Crop Protection, Inc.
SynTech Research
The Tea Association of the USA
Technology Sciences Group Inc.
Tenkoz, Inc.
Tessenderlo Kerley, Inc.
Tide International USA, Inc.
TriEst Ag Group, Inc.
United Phosphorus, Inc.
Valent USA Corporation
Vestaron Corporation
Vive Crop Protection
Waterborne Environmental, Inc.
Wilbur-Ellis Company
Wiley Rein LLP
Willowood USA
WinField
XS, Inc.

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