



CEO REPORT

by Dennis Thompson, CEO • dthompson@ilcrop.com

What is on our minds and on our plates this quarter?

Neither business nor organizational administration is seldom in and of itself glamorous. Yet, for the company to remain viable and focused on meeting future industry needs, our platform must remain sound and progressive even during these somewhat uncertain economic times. During the current quarter, significant time and resources have been devoted to this end.

You may view this update as being “mundane” and perhaps it is. However, I trust you will be interested to learn more about the intentional efforts of the board of directors and management team as we strive to keep the IL Crop business platform sound.

What has been on our minds and on our plates this quarter? Check it out!

- Analyzing impacts on IL Crop due to client business model changes related to the OECD Corn Accreditation program participation.
- Designing and implementing a modest staff and work-hour reduction program in Illinois. We currently have 18 permanent staff in Illinois and 9 in Puerto Rico. In addition, we also rely on many seasonal and agency staff. All program and support areas continue to be maintained.

- Periodic review and update of Employee Handbook and IL Crop personnel policies.
- Routine review and update of policies and procedures necessary to remain compliant with our IRS 501(c)(5) non-profit income tax status.
- Routine maintenance of facilities and equipment in both our Illinois and Puerto Rico locations.
- Periodic review of commercial insurance coverage’s in our Illinois and Puerto Rico locations.
- Periodic review of 401(k) retirement plan investment offerings.
- Restructuring the administration of Human Resource functions and offerings to improve employee service and to gain corporate efficiency.
- Re-enrolled in a community (Illinois) electricity purchasing cooperative and pre-enrolled in a new natural gas purchasing cooperative.
- Participated in the ASTA Annual Meeting, Scottsdale, AZ.
- Represented IL Crop as “vested member” at AOSCA Annual Meeting in Portland, OR. Hannah Hudson,

Operations Manager, represented IL Crop on the “Certification Council” of AOSCA during the annual meeting.

- Convened the initial planning session for the upcoming IL-IN Seed Conditioning Workshop to be held March 3, 2010 in Champaign.

During the 2009 IL Crop Annual Meeting, Doug Baird, Baird Seed Company, Williamsfield, IL, was newly elected to the Board of Directors. Re-elected for two-year terms were: T.J. Hale, Chuck Simmons, Bill Rice, John Rayapati and immediate past President Tom Hunsley. Mid-term directors include: Phil Jordan, Nels Kasey, John Hiser, Mike Vanausdoll, Gene Swartz, Larry Lewis and Ken Heinzmann.

Newly elected officers of the IL Crop Board of Directors include: Phil Jordan-President; T.J. Hale-Vice President; Nels Kasey-Secretary and John Hiser-Treasurer.

Calendar of Events

November 7-10, 2009

Western Seed Association Conference
Web: westernseedassociation.org/conference.html

December 8-11, 2009

ASTA Seed Expo
Chicago, IL
Web: amseed.com

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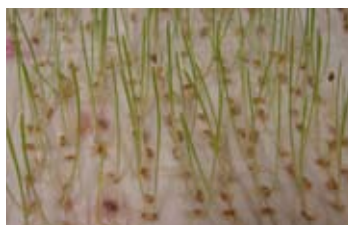
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Wheat Seed Quality

Germination

Wheat seed with scab or Fusarium spp. infection continues to be a major problem this year. Standard germination average for this year's wheat is running at 85.5 % overall. Although the actual seed quality varies considerably between lots, we have had a little better quality wheat in the northern part of the state. The range in germination results varies from 25% to 99%, with the majority falling in the 70's and 80's for unconditioned samples. Conditioning and seed treating are doing a very good job of improving seed quality even in seed lots with the highest level of Fusarium infection; however, the amount of clean-out on some lots may not be financially feasible.



Light Fusarium Infection



Heavy Fusarium Infection



Fungicide Treated with Good Fusarium Control

Seed Treatment

In a recently completed survey of 55 lots in our seed laboratory that had seed quality issues, the average germination was 71.7% untreated and 88.5% treated. No cleaning of samples was done prior to treating with either Raxil MD or Dividend Extreme. The average germination increase was 16.8% with extreme range being a 40% increase.

Due to the withdrawal from the market of some chemicals being used this year and in years past, we were asked to do some experiments using the current chemicals and some newer materials we hope will be a good substitute. The six chemical or chemical combinations used in this experiment are (Bayer) Raxil[®] MD with LSP, (Syngenta) Dividend[®] Extreme with LSP, (Syngenta) Maxim[®] 4FS, (Chemtura) Rancona[™]

Apex, (BASF Corp) Charter[®] w/Acquire and (BASF Corp) Charter[®] w/Acquire and Stamina. Normal labeled rates were used for all chemicals. Rates and results are listed in the charts at the bottom of the page.

All seed treatments performed very well in controlling Fusarium infection. The only exception was treatment #5 on sample #5, one of the most heavily infected samples. The other treatments were essentially equal in the ability to control the fungal infection in this experiment. The information is based on four replicates of 100 seeds and is in the process of being repeated to accumulate more data. The lower germinating lots would need moderate to severe conditioning in order to improve seed quality for sale.

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Wheat Seed Treatment Experiment 2009a -Chemical Rates-

Treatment # / Description	Measurements		
	Ingredient ¹	Ingredient ²	Ingredient ³
1 Raxil MD ¹ w/LSP ²	6.5 fl oz/100 cwt	0.25 fl oz/100 cwt	
2 Dividend Extreme ¹ w/LSP ²	2 fl oz/100 cwt	0.25 fl oz/100 cwt	
3 Maxim 4FS ¹	0.16 fl oz/100 cwt		
4 Rancona Apex ¹	5.0 fl oz/100 cwt		
5 Charter ¹ w/Acquire ²	3.5 fl oz/100 cwt	.15 fl oz/ 100 cwt	
6 Charter ¹ w/Acquire ² & Stamina ³	3.5 fl oz/100 cwt	.15 fl oz/ 100 cwt	.38 fl oz/100 cwt

Wheat Seed Treatment Experiment 2009a -Results-

Sample #	Un-treated	Treatment #						Average
		#1	#2	#3	#4	#5	#6	
1	76	94	96	94	96	96	94	95
2	71	89	87	88	88	86	89	87.9
3	52	78	79	79	80	80	81	79.5
4	83	97	96	96	96	98	96	96.5
5	57	86	84	88	88	79	85	85
6	95	97	96	97	98	96	97	96.9



Valuable Insight Gained from Attending the World Seed Conference

I recently had the honor of representing the Society of Commercial Seed Technologists (SCST) at the second World Seed Conference in Rome, Italy. It was a great opportunity to meet seed professionals, plant breeders and policy makers from around the world. The meeting was organized by International Union for the Protection of New Varieties of Plants (UPOV), Organization for Economic Cooperation and Development (OECD), International Seed Federation (ISF), International Seed Testing Association (ISTA), and the Food and Agriculture Organization of the United Nations (FAO).

The most striking feature of the meeting was the distinct line drawn between private and public organizations and the roles that they play.

The expert forum consisted of speakers from around the world regarding plant breeding, genetic resources, plant variety protection, seed quality and facilitating of trade. The most striking feature of the meeting was the distinct line drawn between private and public organizations and the roles that they play. Access to genetics and resources was a pointed topic. Opinions ranged from “patented plant materials should be freely available for the development of new varieties” to “plant variety protection is not strong enough, necessitating the use

of patents.” These interesting topics can be better understood by reviewing the conference presentations at <http://www.worldseedconference.org/en/worldseedconference/home.html> and Plantum’s position on patents at http://www.plantum.nl/pdf/Standpunt_octrooi_kwekersrecht_UK.pdf.

The subject that was of most interest to me was the importance of seed quality in agriculture. Developing countries often lack the infrastructure for seed testing, a key component of improving crop productivity and food security. These countries often look to more developed nations for resources and training. However, a survey presented at the meeting by Professor John Hampton, First Vice President of ISTA, revealed some disturbing facts. In North America, Australasia and Asia, recent seed analyst vacancies have been difficult to fill. While vacancies attract applicants, few have any experience. A survey of the ISTA member laboratories revealed that only 16% of the staff analysts had previous seed experience.

In North America, the reasons given for a shortage of seed analysts were a lack of training opportunities, the amount of training required to become a certified/registered seed analyst, salaries versus training requirements and lack of emphasis by career advisors. Interest in seed testing at the international level was also found to be lacking

as on the job training was deemed unattractive and generally lower in pay than a professional accreditation. The most exciting question posed was some form of training that is recognized internationally and would allow analysts

There is a global shortage of seed professionals who are willing to make the commitment to work in seed testing.

to more readily move within or among countries to work as analysts.

There is a global shortage of seed professionals who are willing to make the commitment to work in seed testing. However, I also see that the accreditation of analysts has finally reached a level of awareness outside of North America. Internationally, seed testing has been focused on laboratory accreditation. While this is an excellent tool, IL Crop’s ISO/IEC 17025:2005 accreditation would be much more difficult without competent staff with Registered and Certified professional accreditations in the areas of seed testing and genetics. IL Crop is proud to apply both laboratory and analyst accreditations to all of its testing endeavors.



Left to Right: Paul Zankowski (US PVP Office), Dave Ellis (National Center for Genetic Resources Preservation), Doug Miller (SCST President), Anita Hall (SCST Executive Director), Perry Bohn (USDA AMS), Andy Lavigne (ASTA President & CEO), Mike Stahr (AOSA President), Tim Johnson (ISF Second Vice President)



IL Crop Expands Quality Systems Knowledge

August and September were busy months for Quality Systems activities throughout Illinois Crop Improvement Association.

The week of August 17-21 saw five staff members complete the ISO 9001:2008 Lead Auditor Training Course at our Champaign facility. Instructed by Leigh Brand of Brand Consulting Group, this group encountered a fast-paced, intensive classroom experience to give them an understanding of Quality Management System language, auditing principles, and lead auditor skills. They added to this by preparing for and performing an audit of a selected IL Crop process.

Successfully completing the course were: Hannah Hudson, Operations Manager; Lizandro Perez, Puerto Rico Winter Farm Station Manager; Steve Beals, Seed Lab Assistant Director; Matt Raymond, Field Services Assistant Director and Dave Rambow, Field Services Assistant Director.

In addition, three staff members participated in a refresher course to review principles learned in the course in 2003. Participating in this segment were: Dennis Thompson, CEO; Doug Miller, Field Services Director and John McKinney, IPG Lab Director.

Even with this substantial number of trained assessors, it must be emphasized that IL Crop is not intending to serve as auditors to the ISO 9001:2008 standard as a primary service. We will, however, utilize

the knowledge gained to continue to provide auditing services to clients on various special projects. These skills will also be used to expand our Internal Auditing programs to ensure that our systems function properly.

We quickly went from auditor to auditee mode on August 24, when our laboratories underwent our first surveillance assessment since receiving our accreditation to ISO/IEC 17025:2005 last fall. I am pleased to report that the review was completed with no non-conformances and our accreditation is valid for another year.

The week of September 28 served as a kick-off for implementation of new policies and procedures at the Puerto Rico Farm to lead toward meeting the criteria of Excellence Through Stewardship® and additional client requirements. Dennis Thompson and I traveled to the farm to provide initial training activities for ETS and to review applicable policies and procedures for maintaining plant product integrity. Review activities included techniques for receiving, handling, and storing seed; procedures for field activities, including equipment cleanout; post-harvest handling principles; and our Incident Response Plan. While this is geared toward work with regulated

materials, many of the practices are applicable to our routine business.

Below: Our recent training session in Puerto Rico aimed at putting our PR farm closer to meeting the criteria of Excellence Through Stewardship



Five Staff Members Complete Lead Auditor Training Course



Left to Right: Hannah Hudson, Lizandro Perez, Steve Beals, Matt Raymond and Dave Rambow



Happenings on the Farm

Spraying equipment evaluated, ETS progressing, new inspector hired, wheat trial successful.....

Another season for the winter farm is around the corner. We are in the process of field preparation, getting supplies and checking equipment to ensure a reliable operation. Fertilization program has been reviewed to decide if changes need to be made. Scott Bretthauer, Extension Specialist, Pesticide Safety Education Department of Agricultural and Biological Engineering, visited the farm last August to evaluate our spraying equipment.



Scott Bretthauer, Eddie Rivera & Joel Fernandez

He went through all the processes from calibration to spray coverage showing us areas that can be improved and advised us on nozzle types for the different crops we are growing. In general, this very productive visit gave us the chance to refresh our knowledge, learn new

things and get an update about new technologies on spraying systems. I want to say thanks to Scott for taking time out of his busy schedule to visit the farm and helping us to improve our spraying program.

Excellence Through Stewardship® (ETS) is progressing. Last August, I spent one week at Champaign taking the ISO 9001:2008 Lead Auditor Training Course. Now I have a much better understanding about how to implement and keep quality management systems, not only for the biotechnology side, but for the conventional breeding programs too. Dennis Thompson and John McKinney are coming to the farm in October for staff training on items related to ETS. In the next newsletter, I'll give more information about the progress for the ETS certification. On a related theme, the governor of Puerto Rico signed a law promoting agricultural biotechnology in Puerto Rico in August 2009.

In terms of equipment, we do not need any additions. So far, we are ok on equipment needs unless changes happen during the season. We are adding an inspector that is going to be working part-time on the North West side of the island inspecting the fields that need certification or phytosanitary inspection in that area. He is an agronomist with over 12 years experience in the seed business. We may use him to help us with the implementation of ETS, because he also has experience with quality management systems. The rest of our staff remains the same and I am very pleased with the work they are doing. Crops remain the same, but wheat planting may increase. Last season's wheat trial was successful and for this season, more material for generation advance was moved to IL Crop Farm. If yields are ok, we may be doing small wheat increases for the 2010-2011 season.

Notes:

Note #1: John McKinney, Quality Manager, and Dennis Thompson, CEO, traveled to Puerto Rico to initiate Quality Management Systems (QMS) training September 28-October 2. The QMS was designated as being "live" on October 1st. Quality systems are necessary for IL Crop to meet client stewardship expectations and requirements and be integral in obtaining ETS accreditation. McKinney and Thompson have made two prior visits to Puerto Rico in preparation for the October "Kick-off."

Note #2: Doug Miller, Director of Field Services, recently led a successful effort that resulted in the re-accreditation of IL Crop to perform field phytosanitary inspections under the auspices of the National Seed Health System.

The service provided by IL Crop in Puerto Rico on our farm, as well as on the farms of several clients, is accredited under our comprehensive program.

**To read more about the
"Law for the Promotion and Development of Agricultural
Biotechnological Businesses in Puerto Rico"
visit www.bio.org/news/pressreleases/newsitem.asp?id=2009_0812_02**



Illinois Seed Trade News

by Tom Newman, ISTA President • tnewman@wyffels.com

A Call to Action

I am proud to serve as your association President for 2009-2010. The Illinois Seed Trade Association, a group I have learned over the years, is energetic, focused and passionate about seed. Your association represents you in many areas of interest in the state; not the least of which is the legislative activities of the current House and Senate. We have heard about budget discussions and how they affect many of the state's agencies. In particular, the Illinois Department of Agriculture, the Illinois Environmental Protection Agency, the Illinois Department of Transportation and the Illinois Department of Natural Resources all have fewer employees to accomplish an increasing

work load. Each of these agencies have some regulatory impact on agriculture and therefore, directly or indirectly on the seed industry. But what we don't hear enough about are the numerous bills submitted by the House and the Senate that could directly or indirectly affect our production practices. Some Senators or Representatives, who are unfamiliar with agriculture, may introduce bills that are intended to inform or protect consumers, yet actually regulate some part of production agriculture and can negatively impact the seed business. Our association's lobbyist begins working on bills as they are introduced to inform and educate House and Senate committee members as to the benefits or adverse affects on

agriculture in general and the seed industry in particular. Many well meaning bills that adversely affect the seed industry have been stalled, stopped, withdrawn and/or voted down because of the lobbying effort of our association. In addition, your association has introduced bills that directly benefit our members. This past year a bill to extend the germination date of cool season grasses was introduced and passed. This bill aided members who market cool season grasses in the state.

These benefits result from our legislative fund and our lobbyist working for your association. Have you made your annual donation to the Illinois Seed Trade Voluntary Legislative Fund? This is a separate fund from your Illinois Seed Trade

dues and is used directly for lobbying efforts. All of our members benefit from this lobbying effort and so your board is asking for an annual and continuing contribution to this fund. This lobbying effort may be the most important function of the association on your behalf. A disproportionately small number of seed companies support this fund. So, if you haven't contributed in the past, we are asking for support in the critical effort to monitor legislation and educate our Representatives, Senators and their staff on issues that impact our seed business and agriculture in general. Please contact one of our board members or our Executive Secretary, Richard Denhart, for more information on this important Illinois Seed Trade function.

2009-2010 ISTA Board of Directors

Position	Name	Company
President	Tom Newman	Wyffels Hybrids, Inc.
Vice President	Ron White	Precision Soya of Central Illinois, LLC
Secretary	Dave Tierney	Monsanto Company
Treasurer	Dennis Brown	Brown Seed Enterprises, Inc.
Past President & Director	Don Rhoads	Burrus Brothers & Assoc. Growers
Director	Phil Laymon	MBS Genetics, LLC
Director	Doug Swartz	Wilken Seed Grains, Inc.
Lobbyist	Michael McCreery	
Executive Secretary-Treasurer	Richard Denhart	



IL Crop News Continued.....

Wheat Seed Quality

Seed Treatment

(continued from page 2)

Any comments or questions about seed testing and seed quality issues can be directed to the IL Crop Seed Laboratory. Please contact the Seed Laboratory Assistant Director, Steve Beals, or myself at the Illinois Crop Association office.

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Quick Note on Samples for Testing

As testing season approaches, we would like to emphasize that samples shipped in boxes that were used to store pesticides is strongly discouraged. Even if the health risk is low, the appearance of reddish tinged sample bags and boxes is a source of exposure to your staff and ours.

Remember to submit dual samples for seed lab and greenhouse testing. This twin sample approach allows for more efficient routing in the system and timely planting of your seed. The samples will retain the same IL Crop number and report format as in the past. If you have any questions, please feel free to call the office at 217.359.4053.

Winter Farm Reservations are Currently Underway

For more information on how you can participate in this program and to access a pdf copy of our current price list and services booklet, please visit www.ilcrop.com/wntfarm/wntfarm.htm.

Now taking reservations for our Puerto Rico Winter Farm.

Illinois Crop Improvement Association
888.455.3105
www.ilcrop.com

Illinois Crop Improvement Association
Puerto Rico Winter Farm

Price List & Services
2009-2010

PR Crossing Services

The PR soybean crossing team has been hard at work. This past summer demonstrated that IL Crop has a skilled and ambitious team ready to meet your soybean crossing needs. Ninety-five percent of the crossing combinations requested were successful. Ninety-two percent met or exceeded the target number of seeds specified by the client in their crossing plan. These statistics also come from the first regulated nursery for IL Crop. Under an exclusive agreement, IL Crop provides stewardship, management and services as a bridge between licensees and a major trait developer. Soybean has become a major part of the PR winter farm. As evidenced by commitments to ETS, soybean crossing and laboratory testing, IL Crop is a leader in soybean research and production services.



Above: Wilberto inspects progress of the soybean crossing nursery.



Right: Pod set is verified for a cross.



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