

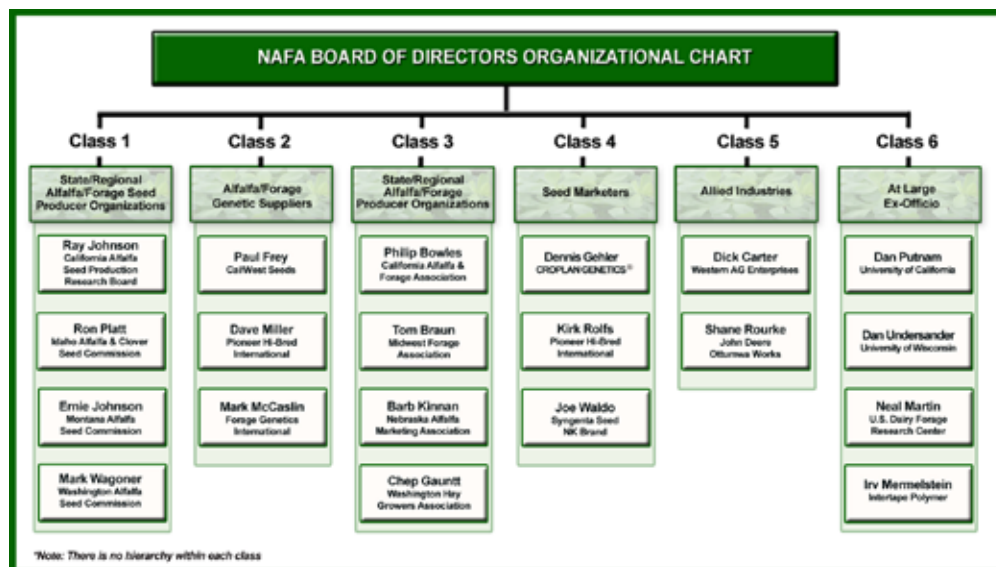


National Alfalfa & Forage Alliance 2007-08 Annual Report

NAFA Reorganizes and Adds New Class of Membership

The National Alfalfa & Forage Alliance (NAFA) was officially formed on April 6, 2006, to serve as an “umbrella” organization for alfalfa/forage interests. The objective of NAFA is to be a forum for consensus building among the various stakeholders and to be an effective advocate on behalf of the alfalfa/forage industry.

In July 2007, NAFA reorganized and added a new class of membership, seed marketers. In addition, the NAFA headquarters moved to St. Paul, MN, under the leadership of Beth Nelson, NAFA President. The Kennewick, WA, office remains the Training/Education office, under the leadership of Rod Christensen, Executive Secretary.



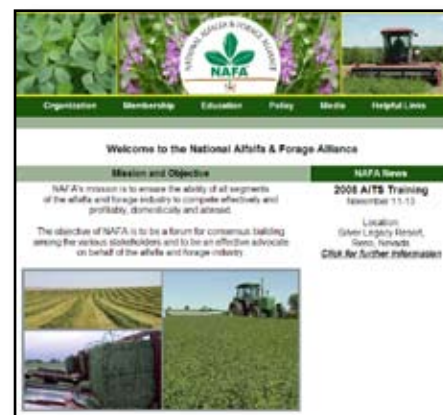
In the past year, NAFA made great strides in bringing broader recognition to the nation’s third most valuable crop. Attention was focused in the areas of policy issues, research, education, and public relations.

PUBLIC RELATIONS

New Website: Your Resource for NAFA News

The NAFA website now offers industry-pertinent information in an easy-to-use menu format. The goal was to provide a greater collection of information in a standardized, easy-to-access manner. Visit www.alfalfa.org or www.alfalfa-forage.org today to learn more about the following:

- **NAFA Organization/Membership** - NAFA membership brochure, Board of Directors chart, and NAFA organizational information
- **Education** - access to AITS training seminar, NAFA publications and Variety Leaflet
- **Policy** - access to NAFA policy events and initiatives (i.e., Bioenergy, Biotechnology)
- **Media** - listing of NAFA press releases
- **Helpful links** - easy search to other industry-related organizations.



National Alfalfa Symposium & Mid-America Alfalfa Expo

In February 2008, NAFA participated in the two-day National Alfalfa Symposium and the Mid-America Alfalfa Expo in Kearney, NE. At the Symposium, several speakers mentioned NAFA which encouraged attendees to stop by the NAFA booth. Visitors were pleased to learn there was an organization of this magnitude working to bring the whole industry together to promote all of the benefits that alfalfa has to offer.

Regional/State Affiliate Meetings

In January 2008, the NAFA President was asked to speak at the Annual Meetings of several of its affiliates: Idaho Alfalfa & Clover Seed Commission, the Washington State Hay Grower’s Association, the Northwest Alfalfa Seed Growers Association, and the Midwest Forage Association. Having the opportunity to meet producers and industry members is an effective way to broaden industry awareness of NAFA initiatives and to seek input for the future direction of NAFA.

NAFA BOARD OF DIRECTORS

Philip Bowles

CA Alfalfa & Forage Assoc.

Tom Braun

Midwest Forage Assoc.

Dick Carter

Western Ag Enterprises

Paul Frey

Cal/West Seeds

Chep Gauntt

WA State Hay Growers Assoc.

Dennis Gehler

Croplan Genetics

Ernie Johnson

MT Alfalfa Seed Comm.

Ray Johnson

CA Alfalfa Seed Prod. Rsch. Bd.

Barb Kinnan

NE Alfalfa Mktg. Assoc.

Neal Martin

USDA-ARS

Mark McCaslin

Forage Genetics Int'l

Irv Mermelstein

Intertape Polymer

Dave Miller

Pioneer Hi-Bred Int'l

Ron Platt

ID Alfalfa & Clover Seed Comm.

Dan Putnam

University of California

Kirk Rolfs

Pioneer Hi-Bred Int'l

Shane Rourke

John Deere

Dan Undersander

University of Wisconsin

Mark Wagoner

WA Alfalfa Seed Comm.

Joe Waldo

Syngenta Seeds NK Brand

MISSION STATEMENT

To ensure the ability of all segments of the alfalfa and forage industry to compete effectively and profitably, domestically and abroad. The objective of NAFA is to be a forum for consensus building among the various stakeholders and to be an effective advocate on behalf of the alfalfa and forage industry.

POLICY INITIATIVES

BIOENERGY

Bioenergy Systems...Alfalfa, the Sleeping Giant - Washington, D.C.

In August 2007, NAFA presented a biofuels summit featuring speakers from DOE, ARS, congressional offices, the National Corn Growers Association, and Abengoa. The action plans developed from the round table discussions are being used in an effort to catalyze the use of alfalfa as a candidate crop in the production of cellulosic ethanol, as well as to secure further research funding to examine and address any barriers in doing so. For complete details on the Summit, visit www.alfalfa-forage.org.

Infocast's Cellulosic Ethanol Summit - Washington, D.C.

In October 2007, NAFA joined with others including the National Association of Wheat Growers, the National Sorghum Producers, Clean Fuels Development Coalition, and the National Corn Growers Association to sponsor a Cellulosic Ethanol Summit. In addition to continuing to increase alfalfa's exposure in this arena, it was a great opportunity for NAFA to have a booth and receive recognition as a national association on par with the other national commodity associations.

ARS Bioenergy Planning Meeting

In September 2007, NAFA was invited to participate in the ARS Bioenergy Customer/Stakeholder Workshop in St. Louis, MO. The event was held to give stakeholders the opportunity to recommend priority research areas over the next five years to enable or expand the sustainable, commercial production of bioenergy from agricultural materials. The meeting was the first of its kind in which NAFA was asked to participate, demonstrating its growing reputation within the agricultural community as the preeminent alfalfa/forage organization.

BIOTECHNOLOGY

NAFA Board Resolution

NAFA formally adopted the following biotechnology resolution:

The National Alfalfa and Forage Alliance (NAFA) strongly supports the availability and continued use of biotechnology in agriculture. These advances will allow American farmers to effectively compete in the world market and will enable American farmers to supply abundant, safe, high quality food, fiber and renewable fuel desired by global consumers.

NAFA acknowledges and respects different markets and methodologies of food, fiber and renewable fuel production. We believe that science based stewardship management practices allow for the coexistence of these different markets and methodologies in production agriculture.

NAFA believes collaborative efforts among all stakeholders are required to develop methodologies that enable coexistence.

Adopted by NAFA board of directors 4/26/07


Mark Wagoner, NAFA Chairman

APHIS Amended Order

NAFA worked closely with USDA's Animal and Plant Health Inspection Service (APHIS) as it worked to amend its administrative order requiring individual bale tagging of all Roundup Ready® alfalfa. After a NAFA hosted conference call to glean grower input in an effort to ease the requirements of individual bale tagging, APHIS filed a "petition for reconsideration" amending the original order. Subsequently, most of the amendments suggested by NAFA were incorporated into the Supplemental Administrative Order, issued December 18, 2007, giving producers additional options for the production, shipping and labeling requirements for Roundup Ready alfalfa. Throughout this process, NAFA acted as an intermediary between APHIS and the alfalfa industry in an effort to facilitate a feasible solution to the issue that was acceptable to both producers and APHIS.

Peaceful Coexistence: Creating a Strategy for Harmony Among GM, Organic, and Conventional Alfalfa Producers

In October 2007, NAFA hosted a Peaceful Coexistence Meeting in Denver, CO. The meeting was intended to craft a strategic plan aimed at fostering a peaceful coexistence among growers of organic, conventional and biotech alfalfa. The meeting brought together more than 80 researchers, industry representatives and producers. Following the meeting, a steering committee, consisting of producers, industry experts, and scientists met to refine the contributions of the event's participants into a comprehensive strategy for the ultimate purpose of creating an environment in which growers of organic, conventional, and biotech alfalfa can coexist. For complete details, visit www.alfalfa-forage.org.

Coexistence Strategy Documents

Work products developed as a result of the Coexistence Meeting:

- Gene Flow in Alfalfa: Biology, Mitigation, & Potential Impact on Production (CAST, 2008; in press)
- Best Management Practices for Roundup Ready® Alfalfa Seed Production (NAFA, 2008)
- Coexistence for Alfalfa Hay Export Markets (NAFA, 2008)
- Coexistence for Alfalfa Seed Export Markets (NAFA, 2008)
- Coexistence for Organic Alfalfa Seed and Hay Markets (NAFA, 2008)

FARM BILL

Conservation Stewardship Program

NAFA has been working to raise the awareness in Congress of the environmental benefits of alfalfa. As a result, the Conservation Stewardship Program (CSP) in this year's Farm Bill has new language providing for additional payments to producers who adopt "resource-conserving crop rotations."

"Subchapter B – Conservation Stewardship Program

(f) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS.—

(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt resource-conserving crop rotations to achieve beneficial crop rotations as appropriate for the land of the producers.

(2) BENEFICIAL CROP ROTATIONS.—The Secretary shall determine whether a resource-conserving crop rotation is a beneficial crop rotation eligible for additional payments under paragraph (1), based on whether the resource-conserving crop rotation is designed to provide natural resource conservation and production benefits.

(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain beneficial resource-conserving crop rotations for the term of the contract.

(4) RESOURCE-CONSERVING CROP ROTATION.—In this subsection, the term 'resource-conserving crop rotation' means a crop rotation that—

- (A) includes at least one resource conserving crop (as defined by the Secretary);
- (B) reduces erosion;
- (C) improves soil fertility and tilth;
- (D) interrupts pest cycles; and
- (E) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation."

EPA

NAFA met with Environmental Protection Agency (EPA) officials to discuss the alfalfa seed producers Pesticide Environmental Stewardship Program (PESP) and new chemistry products under 24C. In the process, the Western Alfalfa Seed Grower's Association (a NAFA affiliate) was assigned a new liaison with whom NAFA staff had a prior relationship. Linda Murray, affectionately known as "Pineapple" within the agency, is NAFA's new liaison.

Washington Delegation Visit

In May 2008, a contingent of NAFA representatives took to the nation's capital to meet with Congressional offices and USDA representatives regarding a wide range of issues related to the alfalfa/forage industry. The contingent included Tom Braun – Chairman, Beth Nelson – President, Jon Dockter – Associate Director, Rod Christensen – Executive Secretary, Chep Gauntt – director, Mark McCaslin – director, and Mark Wagoner – director.

2007-2008 MEMBERS/SPONSORS

\$20,000+

Cal/West Seeds
Forage Genetics International
Pioneer Hi-Bred International

\$10,000 - \$19,999

America's Alfalfa
CA Alfalfa Seed Prod. Research Brd.
CROPLAN GENETICS®
ID Alfalfa & Clover Seed Comm.
Syngenta Seeds NK Brand
WA Alfalfa Seed Commission
W-L Research

\$5,000 - \$9,999

Intertape Polymer Group
John Deere
MT Alfalfa Seed Committee
New Holland
Producer's Choice
Western Ag Enterprises
WY Alfalfa Seed Council

\$1,500 - \$4,999

Bayer Crop Science
Midwest Forage Association
NV Alfalfa Seed Commission
WA State Hay Growers Assoc.

\$500 - \$1,499

CA Alfalfa & Forage Association
CT&T Enterprises
DJ and R
FMC
ID Hay & Forage Association
NE Alfalfa Marketing Association

NAFA STAFF

Beth Nelson
President

Rod Christensen*
Executive Secretary

Alyssa Andrews
Event Coordinator

Jon Dockter
Associate Director

Shane Johnson*
Education Director

Jenna Larson
Communications Director

Sheri Nolan*
Publications Director

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Best wishes from Herb Kohl



Delegation with Secretary of Agriculture Ed Schafer.

Agency meetings included: EPA – discussed Integrated Pest Management plans related to alfalfa seed production; ARS – discussed the optimum use and allocation of the existing forage research positions within the agency; and APHIS – discussed the progress of the Environmental Impact Statement related to the deregulation of Roundup Ready alfalfa.

Highlights of the Washington visit included personal meetings with both Senator Herb Kohl (WI) and the Secretary of Agriculture Ed Schafer. NAFA members took advantage of their time with the Secretary to discuss the direction of alfalfa/forage related research at USDA’s ARS, the need for increased research funding, and the important role alfalfa/forage crops can play in the production of cellulosic ethanol.

RESEARCH

Unprecedented... Alfalfa Specifically Mentioned in the Farm Bill Research Title

NAFA was successful in securing language in the 2008 Farm Bill authorizing an alfalfa/forage research program. NAFA now needs to concentrate on working with ag appropriators to secure funding for the program.

“(50) ALFALFA AND FORAGE RESEARCH PROGRAM.—Research and extension grants may be made under this section for the purpose of studying improvements in alfalfa and forage yields, biomass and persistence, pest pressures, the bioenergy potential of alfalfa and other forages, and systems to reduce losses during harvest and storage.”

Dairy Forage Center - Western Positions

NAFA is working closely with the Agricultural Research Service (ARS) to create two new forage research positions in California which would be satellite positions to the U.S. Dairy Forage Research Center in Madison, WI. It is believed that such a move would bring greater value to the alfalfa/forage industry as the research undertaken would focus on irrigation practices prevalent in the west.

Lygus Bug Initiative

Lygus bug is the number one pest pressure for alfalfa seed producers. Thus, NAFA is in the beginning stages of creating a coalition with other specialty crops, sharing this economic pest pressure. NAFA is planning a strategy meeting at which a coherent plan to secure research funding will be established.

Logan Bee Lab Request

NAFA requested a \$400,000 increase in funding from ag appropriators for the Pollinating Insects – Biology, Management, and Systematics Research Unit (PIRU) of USDA’s Agricultural Research Service in Logan, UT. The appropriation increase would provide funds to improve current management systems for bees, which are vital to alfalfa and alfalfa seed production.

Prosser Funding Request

NAFA joined 41 other agricultural organizations to request continued funding from ag appropriators for USDA’s ARS Prosser, WA, location. Research at the Prosser location is devoted to water use efficiency, water quality, biofuel feedstock production, forage crops, disease resistance in edible legumes and potatoes. A total \$1.24 million was requested for the Prosser location to support continued funding of these projects.

EDUCATION

Variety Leaflet

NAFA continues to publish its listing of the winter survival, fall dormancy and pest resistance ratings of alfalfa varieties eligible for certification by seed certifying agencies. It contains information on more than 240 alfalfa varieties from 43 companies. The leaflet is available online at www.alfalfa-forage.org.



AITs - Boise, ID

In November 2007, NAFA’s Alfalfa Intensive Training Seminar (AITs) was again a success featuring the latest information on genetics, varieties, seed production, growth and development, soils, fertility, and a host of other topics intended to give participants the knowledge needed to make the most of their alfalfa investment. The seminar featured nationally recognized speakers: Dr. Garry Lacefield, University of Kentucky; Dr. Dan Undersander, University of Wisconsin; Dr. Glenn Shewmaker, University of Idaho; and Dr. Neal Martin, U.S. Dairy Forage Research Center, Madison, Wisconsin.