December 10, 2002

UPDATE ON VALENT'S 2002 CALIFORNIA BOLERO STEWARDSHIP PROGRAM

Dr. John S. Sanders
Chief
Environmental Monitoring Branch
Department of Pesticide Regulation
California Environmental Protection Agency
P.O. Box 4015
1001 I Street
Sacramento, CA 95812-4015

Dear Dr. Sanders:

Per your May 29, 2002 request for an end-of-the-year update, Valent U.S.A. Corporation would like to provide you with the results of our 2002 California Bolero 10/15 G stewardship program and product distribution summary.

As you are aware, in 2002, Valent completed our transition from Bolero 10 G to Bolero 15 G formulations. Valent introduced this higher % a.i. formulation to provide California rice growers with a product that is applied at lower rates (product lbs) per acre with reduced dustiness and reduced product packaging (bags) disposal. To ensure an effective transition from one formulation to the other with minimal remaining 2002 Bolero 10 G inventory, Valent employed a multi-faceted marketing program comprised of:

- Distributor and Grower Education Programs: Starting the in the winter of 2001, Valent conducted educational meetings with Distributors, consultants and growers. During these meetings, we informed attendees of the upcoming introduction of Bolero 15 G and product specific information relevant to its usage (use rates, handling, application parameters, etc.). Valent utilized these meetings as a venue to educate and remind growers of the importance of proper water management practices. In addition, we asked growers to voluntarily restrict the usage of Bolero 10 G in 2002 and use Bolero 15 G in the following areas:
  - Within 1 mile of the Sacramento, Feather, Bear and Yuba Rivers
  - Within a 2 mile radius of the sampling site at CBD5 (at the intersection of Hwy. 20 and Lone Star Road)
Within a 1 mile radius of the sampling site at BS1 (at the intersection of Hwy. 20 and Tarke Road)

- Within the Sutter Bypass

Valent Product Bulletins: To reinforce the information provided at our education meetings, Valent, in conjunction with the California Rice Commission, created and distributed a Bolero product bulletin (attached) targeted at California rice growers. This bulletin was distributed at all of our meetings as well as through crop consultants and Distributors.

2001 Bolero 10 G Late Season Sales: In the fall of 2001, Valent met with our key Bolero Distributors and developed a plan for them to purchase all of our remaining Bolero 10 G inventory by the end of the year. This product was placed into the Distributor warehouses several months before the 2002 season. This product was strategically positioned to avoid the sensitive/restricted areas mentioned above. In non-restricted areas, Bolero 10 G was the first material sold to growers in 2002, followed by Bolero 15 G. This strategy ensured minimal year-end Bolero 10 G inventories.

Valent is pleased to inform the Department of Pesticide Regulation that our 2002 Bolero 10/15 G product stewardship program was highly successful. The program effectively consumed all existing stocks of Bolero 10 G in the 2002 season and has resulted in almost no remaining inventories (Distributor and Valent owned) of Bolero 10 G product. Although we believe there may be some inventories of Bolero 10 G product still at the grower level, these quantities are minimal (less than 50,000 lbs). To ensure label compliance with any Bolero 10 G product that may be used next season, Valent will maintain our state and federal product labels in 2003 and discontinue them in 2004.

According to 2002 CDMS records, Bolero 10 G and 15 G were used in the following counties:

<table>
<thead>
<tr>
<th>County</th>
<th>Bolero 10G Treated Acreage</th>
<th>Bolero 15 G Treated Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butte</td>
<td>6,097</td>
<td>17,005</td>
</tr>
<tr>
<td>Colusa</td>
<td>35,439</td>
<td>38,187</td>
</tr>
<tr>
<td>Fresno</td>
<td>4,209</td>
<td>80</td>
</tr>
<tr>
<td>Glenn</td>
<td>8,896</td>
<td>11,151</td>
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<tr>
<td>Merced</td>
<td>2,901</td>
<td>74</td>
</tr>
<tr>
<td>Sacramento</td>
<td>2,821</td>
<td>3,454</td>
</tr>
<tr>
<td>San Joaquin</td>
<td>0</td>
<td>542</td>
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<tr>
<td>Solano</td>
<td>0</td>
<td>775</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>0</td>
<td>594</td>
</tr>
<tr>
<td>Sutter</td>
<td>11,714</td>
<td>19,166</td>
</tr>
<tr>
<td>Yolo</td>
<td>5,093</td>
<td>10,756</td>
</tr>
<tr>
<td>Yuba</td>
<td>1,857</td>
<td>162</td>
</tr>
<tr>
<td>TOTAL</td>
<td>79,025</td>
<td>101,946</td>
</tr>
</tbody>
</table>
This information corresponds to our internal 2002 total product sales records.

Valent is currently refining our 2003 Bolero 15 G product stewardship program and will be providing DPR with an update shortly.

We hope this information is useful for your annual Rice Pesticide Program Report. If you have any questions, please do not hesitate to contact me at (925) 256-2808 or Brent Solomon in our Washington D.C. office at (202) 872-0955.

Sincerely,

Zenna Burke  
States & Labels Manager  
Registration & Regulatory Affairs  
Valent U.S.A. Corporation

Enclosure (1)
A Message from the California Rice Commission...

WHAT'S THE PROBLEM?

Rice herbicide detections in Sacramento River trending upward since declines in 1995 - 1999:
- Sacramento city residents filing taste complaints
- Performance goals are being exceeded in some instances
- Levels, measured in parts per billion, are still far below health standards but creating a concern with drinking water agencies in Sacramento

POTENTIAL CAUSES OF DETECTIONS

Incorrect Water Management Practices:
- Early water releases after herbicide applications and prior to end of required water holding periods.

Important for growers to contact their county agricultural commissioners and request an "emergency water release" when high winds or unseasonable precipitation threaten levees or crop damage -- counties can then account for pesticide detections that may occur in the drains

Off-site movement:
- Spray drift: ground or aerial
- Mixing and loading practices
- Seepage

GROWERS NEED TO BE AWARE THAT ADDITIONAL FIELD INSPECTIONS AND INCREASED WATER SAMPLING WILL BE CONDUCTED IN RICE GROWING AREA IN 2002
VALENT PRODUCT BULLETIN

Valent in cooperation with the California Rice Commission is advocating a stewardship initiative to mitigate the possible off-target movement of Bolero 10 G. Grower participation in this initiative is voluntary and indicates the commitment of the California rice producer to environmentally sound agronomic cultural practices.

The initiative involves voluntarily NOT applying Bolero 10 G to rice grown in the following areas:

- Within 1 mile of the Sacramento, Feather, Bear and Yuba Rivers
- Within a 2 mile radius of the sampling site at CBD5 (at the intersection of Hwy. 20 and Lone Star Rd.)
- Within a 1 mile radius of the sampling site at BS1 (at the intersection of Hwy. 20 and Tarke Rd.)
- Within the Sutter Bypass

Bolero 15 G should be used in the above specified areas. If you have any questions please contact Cheryl Norton (530) 673-7537, Don Balkema (517) 699-1096, Tom Dewitt (559) 244-3964 or Lance Beem (530) 666-4837

Aerial application of herbicides in California rice has been a standard practice for many years. Responsible application includes practices such as the following:

- Applying as close to target plants as practical
- Adjusting swath width to compensate for downwind movement
- Not making application when wind speeds are in excess of 8 MPH
- Not applying if winds are gusty
- Proper calibration of equipment and inspection of all equipment for situations that could cause granule attrition (breakdown)