

**ERIC WINTEMUTE**

Good morning and thank you all for joining us today to discuss American Vanguard's third quarter and our outlook for the future. We appreciate your interest in our company as we continue to build momentum and deliver improved results. Today we want to discuss several topics.

First of course, we want to describe our quarterly and year-to-date business and financial performance. Second, I want to discuss with you two of our more important initiatives namely the use of our granular soil insecticides with our proprietary application equipment systems and our superior herbicide, Impact together providing comprehensive crop protection to the corn market. Finally, I want to mention other key differentiating factors that we believe will benefit the Company's results and improve our enterprise value.

As described more fully in our earnings release, third quarter results were quite positive. With sales up 11%, operating income up 32% and net income up 28% it is clear that we are realizing the steady improvement that we have predicted from last year's challenging environment. Our nine-month year-to-date performance also reflects that building momentum and we expect to deliver solid results as we proceed through the balance of 2007 and into the year 2008.

As we discussed in previous conference calls, our new products Impact® and Counter® are contributing significantly to our performance. Bidrin® and Dibrom® sales have been below normal levels in 2007, because of acreage declines in cotton and limited mosquito infestation in the South East due to their record drought conditions.

Now Jim, would you please give us more specifics on our quarterly and year to date financial results?

**JIM BARRY**

Thank you Eric. Good morning and good afternoon to everyone.

As our Earnings Release announced and Eric underscored, net sales for the third quarter increased 11% to \$56.6 million as compared to \$51.2 million in the third quarter of 2006. Gross profit margins declined slightly to 43% for the third quarter of 2007 as compared to 44% in 2006 due to the changes in the sales mix of the Company's products. Operating expenses as a percent of sales were 25% for the third quarter of 2007 as compared to 29% in 2006 while operating income improved to \$10 million from \$7.6 million.

Interest costs before capitalized interest and interest income were \$1.1 million in the third quarter as compared to \$717 thousand in the same period of 2006 due to higher overall debt levels and increased interest rates.

Net income improved to \$5.4 million in the third quarter as compared to \$4.3 million in the same period in 2006.

For the nine-month period, net sales rose 6% to \$147.6 million compared to \$138.7 million for the first nine months of 2006. Gross profit margins improved to 44% for the first nine months of 2007 as compared to 42% in 2006 also due in large part to the changes in the sales mix of the

Company's products. Operating expenses as a percentage of sales were 28% for the nine months ended September 30, 2007 compared to 29% for 2006. Net income was \$11.2 million for the nine months ended September 30, 2007 as compared to \$10 million in 2006.

Cash provided by operating activities for the first nine months of 2007 was approximately \$46 million. The Company used approximately \$5 million in investing activities and approximately \$38 million in financing activities during the first nine months of 2007.

As of September 30, 2007, the Company had approximately \$74 million in working capital, stockholders' equity of \$132 million and total debt of \$59 million.

We expect to file our Form 10-Q timely as usual which is targeted for tomorrow afternoon, Pacific Time.

I'll now turn the call back over to Eric Wintemute.

**ERIC WINTEMUTE**

Thank you Jim.

Now, I would like to take a moment to talk about our comprehensive effort to provide crop protection benefits to corn growers through the use of our granular insecticide products, our proprietary application equipment and our superior herbicide, Impact.

Over the past few years, corn grower emphasis has been focused on the use of genetically modified seeds to reduce the damage caused to crops by insects such as the Corn Rootworm and Corn Borer. By embracing bio-technology that concentrated on these primary pests, it has been felt by some that chemical remedies for comprehensive pest protection in corn were no longer necessary.

As we have discussed previously, in order to inhibit the development of resistance in these insects, it is important to establish so-called "refuge acres" where a portion of the pest population can survive to propagate future generations that remain susceptible to the genetic defense incorporated into the seed. The requirement has been to "set aside" 20% of the intended planting area as refuge acres and many growers mitigate pest impact on this portion through chemical applications. Cross licensing of traits may lead to reduction of the 20% requirement, but not its elimination. We believe more emphasis will be placed on refuge acre compliance in 2008 and beyond.

We feel we are in a strong position to be a major supplier for these refuge acre requirements. The use of our half dozen insecticides and our closed delivery equipment has given growers safe, effective and economical control of this critical resistance management effort. Additionally, in certain key corn areas, there is the potential for corn plant root damage to occur as the result of secondary insects that are not specifically addressed by current genetic modifications. These secondary pests, such as nematodes, warrant a chemical response and are ideally suited for control for such applications with products like our Counter insecticide.

In recent preliminary trials, where our corn soil insecticides were used as a supplement to genetically modified plantings, the resulting root damage was measurably less. We continue to await the season-end harvest assessment of corn yield. We have a few preliminary yield results. These results, while too early to draw conclusion, show promise of an economic benefit from the use of our soil insecticides as a yield boost to genetic trait corn. Over the next few months we hope to quantify an opportunity for American Vanguard. Whether on refuge acres or as a potential adjunct to GMO plantings, growers will be faced with a choice concerning which chemical insecticide to utilize and which application system with which to deploy it.

We believe that our portfolio of owned and licensed granular insecticides provides the most effective chemical treatment when compared to other solid or liquid forms available. Similarly, we believe that our proprietary equipment systems, SmartBox®, Lock 'n Load®, and EZ Load®, provide superior application results that are considerably more targeted, more economical and far safer than other available systems. The combination of the right choice of chemicals and the most effective type of application equipment should give American Vanguard the inside tract to capturing a significant share of this dynamic business. We are also successfully penetrating other crops with our systems such as potatoes, peanuts, vegetables, cotton and sugar cane.

Our service to the corn market does not end there. In order for the corn crops to thrive, the plants need to access moisture and nutrients from the surrounding soil. Contending for such resources we have the weeds. Growers now often contend with challenging, "tough-to-control" weeds that have emerged in recent years to partially circumvent the control by widely used glyphosate herbicides. To help them we have demonstrated the utility of our Impact product to address these species and again complement and add value to the prevailing crop treatment regiment. We expect that Impact will continue to grow in the corn market as an important tool for weed management.

Now, let me reiterate several additional points about our strategy going forward. First, American Vanguard will continue to pursue the very effective business model that it has used for many years. Namely, acquiring or licensing specific products that allow us to fill critical market needs. We find that the opportunities to procure such additional products continue to present themselves and we intend to actively pursue many of them. Based on recent work in this area, we hope to be making an announcement concerning such product acquisition in the next couple of months.

Secondly, we want to continue to employ our domestic based manufacturing capabilities to produce our own materials and where appropriate to manufacture for others. Our recent announcement regarding the acquisition from BASF of an important production facility in Hannibal, Missouri, underscores this conviction. We believe that such United States production units, provide a level of quality assurance, expedited delivery and overall cost effectiveness that is superior to those offered by many offshore producers.

Thirdly, we will be looking for growth opportunities in additional world markets where we think that our skills in both products and equipment will allow us to gain a meaningful advantage. We may pursue this independently or as mentioned previously, we may do some of this international expansion in concert with others, where mutual interests warrant.

In conclusion, I must say that as the head of American Vanguard and as Chairman of our trade association CropLife America, I am very impressed by the strength of the agricultural industry as we enter 2008. As the world's demands for food, fiber and fuel continue to grow, the opportunities for our industry and our Company are expanding. The significant valuations being placed on well positioned agricultural chemical companies in recently announced transactions reflects well on the continuing importance of our Industry. I believe there is demand and global relevance for the crop protection industry to provide for the needs of humanity.

I am confident that the actions we are taking to expand on the strengths of American Vanguard will position it to be a significant player in this industry's future and that the ultimate enterprise value of this firm will amply reward the Company's employees and its shareholders.

I will now be happy to address any question that you may have.

**Caller Mike Judd (Greenwich Consultant)**

<Q – Mike>: Good afternoon.

<Eric>: Good afternoon.

<Q – Mike>: My question is about the mosquito adulticide which was down due to the weather not being as inclement this year relative to other years. I just wanted to know if you could provide a little more detail on that. In other words, what sort of magnitude changes were there in volumes and then I have a follow up question.

<Eric>: Sure. The number one state that sprays for adult mosquitoes utilizing our product is Florida. They suffered, what I understood to be the biggest drought of 30 years this year. Last year was not strong either and we had 2004 and 2005 that were both hurricane years and usage of our adulticide was very, very strong. Predictions were strong for storms this year and they just never materialized. Quantifying, we are talking several million dollars worth of sales, the product has better than average profit margins. Most of those sales occur in 3<sup>rd</sup> quarter.

<Q – Mike>: So from a volume perspective is it fair to say that sales were down like 20% or so.

<Eric>: Yes. From last years third quarter, which wasn't particularly strong either, from an average stand point I would say that sales were probably down 50% of a normal 3<sup>rd</sup> quarter.

<Q – Mike>: Ok, so the sales were down 50%, but what part was volume and what part was price? Or was price up and volume down even more?

<Eric>: It's really strictly volume, there was a modest price increase, but this is definitely a volume issue.

<Q – Mike>: Do you actually have a breakdown, I know you will be submitting the 10Q tomorrow, but do you have the revenue numbers and the gross profit numbers for both crop and non-crop?

<Eric>: We do. Jim, do you want to provide that?

<Jim>: Are you focused on the third quarter only?

<Q – Mike>: Yes please, I've got the historical information.

<Eric>: On a quarter basis, I want to say it was something like 11% and it is more typically around 20%.

<Jim>: The crop sales for the quarter was just under \$50 million and the balance was non-crop.

< Q – Mike >: And what about on the gross profit?

<Jim>: On the gross profit, crop was approximately \$21 million and the balance going to non-crop.

< Q – Mike >: Ok, great. Thanks for the help.

<Jim>: You are welcome.

**Caller Mark Gully (Soliel Securities)**

<Q – Mark>: Good morning guys, I've got two or three questions. First of all, Eric if we exclude the sales growth in acquisitions, that benefited this quarter that were not in last quarter, would the organic sales growth be about flat?

<Eric>: Ok so I'm thinking the only product we are talking about is Counter, so if you exclude Counter, let see. Counter was in the quarter just a couple million then we are at about 7% organic growth.

<Q – Mark>: Secondly, in the press release you do talk about strength in the corn side and of course Counter is a new product to you, but can you kind of gauge for the sales gains for some of the key products in the corn belt. Then, if the corn acres are expected to be down next year what the corn acres are likely to be.

<Eric>: We are at 93 million acres this year and 78-80 million acres the previous year. We have a lot of penetrating to do, regardless of where the market ends up next year, whether it is 88 million as I've heard some projections. Counter was at one time the number one corn soil insecticide and it was basically pulled out of that market, so we really have a reintroduction to put back into the marketplace. It has a strong fit for nematodes and I think we are looking now to quantify what might be the most economic blend between genetic and insecticide use. That is something that we think we are spearheading as far as what the true position is for insecticides in this increasingly genetically engineered market.

<Q – Mark>: But the penetration is still very low, than it's not an acreage game, it is a penetration game.

<Eric>: Right.

<Q – Mark>: Can you highlight some of the sales gains of your key products in the corn belt? Are you going to reach 25% of your sales in corn this year?

<Eric>: On the insecticide line, from the beating we took last year, our efforts are to reposition our insecticides into the refuge acre as an adjunct or yield enhancement to corn. So that is really repositioning our product and shifting forward. We do hope the gains in 2008-2009 continue to grow as that repositioning occurs. In the herbicide piece we had substantial gains in 2007 versus 2006 with Impact and all performance indicators are great. We have virtually had no complaints with the product, it has performed extremely well, and we see a great opportunity for this product to continue to grow.

<Q – Mark>: Lastly, are you able to point to where we can find this preliminary data that shows the efficacy of some of your products on the secondary.

<Eric>: Yes, maybe we can put that on our website. The University of Illinois published a paper on the root rating rates, which are available. Nobody that I know of, has published anything on the yield information, because that is just starting to come in now. We can make available the University of Illinois article on root ratings immediately.

<Q – Mark>: Thank you.

**Caller Jay Harris (Goldsmith and Harris)**

<Q – Jay>: Good morning Eric.

<Eric>: Good morning Jay.

<Q – Jay>: When you look at the corn insecticides was that business down again this year versus last year and if so by how much?

<Eric>: It is difficult to say, because we do not have through the whole year. We will have fairly significant sales in the fourth quarter and we believe those sales will exceed fourth quarter sales of 2006.

<Q – Jay>: Then do you have an estimate of how many acres were treated with SmartBox this year?

<Eric>: Yes, I think we were just about flat with those sales.

<Q – Jay>: If memory serves me right, around September last year distributor's started to indicate that they would not be buying forward ag chemicals the same way as they had in prior years. What kinds of revenues were deferred from the September quarter under this program to buy more closely to grower use?

<Eric>: Certainly there were a couple factors there. Distribution was saying they were loaded to the gills, and wanted to bring down inventories, and I believe most distributors did a pretty good job of that. Inventories of our corn soil insecticides in the marketplace are well below where they were this time last year. There is a fair amount of grower money that has been placed in distributors hands for pre-purchase and we will participate in that for the first time. We will be offering some discount for cash and we have already obtained some of our sales in third quarter that have taken advantage of that. Part of what we have seen in the past, interest being what it is, we would like to manage our accounts receivables a little better, so we have a program to

take in some cash. I do not think the climate this year is quite as bad as it was last year and frankly, I think distribution has been getting the 2007 performance under their belt specifically more through fertilizers than maybe chemicals, but I think distribution has gotten a little bit better at this point than they were last year at this time.

<Q – Jay>: Do you have any kind of an assessment quantification of products that you would have sold in September of this year, but because of the way distribution was handling their purchases have slipped over into the fourth quarter?

<Eric>: I think our corn soil insecticides, we didn't do much in the third quarter this year so we will probably do more of them in the fourth quarter of this year.

<Q – Jay>: How about metam sodium?

<Eric>: Metam Sodium is a take and use position, so third quarter was good and fourth quarter looks good as well, so that is not a positioned product.

<Q – Jay>: Good enough, thank you.

**Caller Bruce Winter (Private Investor)**

<Q – Bruce>: Hi. What was the reason behind your express optimism for metam sodium going into the fourth quarter.

<Eric>: Potato growers and most farmers are making money and they have money to fumigate. There have not been super dry conditions so there has been water available to make applications in the pacific northwest. So overall the market for metam this year looks fairly strong. We are doing a little better in the penetration of the foreign markets as well. We are still not there, as we have the balance of this month and some sales in December, but our expectations are that we will have a pretty good year with metam this year.

<Q – Bruce>: Good, how did your non-corn non-soybean SmartBox applications perform this year?

<Eric>: They performed well, this is a cultural change and we received some acceptance in the vegetable market in California, in the sugar cane market in Florida, and potatoes in the Pacific Northwest. So a lot of this is reconfiguring the equipment they were using, but performance wise I think people are very pleased with it. That is something that we think we will be building each season in each area and gain more and more. We don't see any down sides to it and we have not heard any major complaints, so we think we have great opportunity there.

<Q – Bruce>: Great. Can you give us some insight into your business model for SmartBox and where you are trying to take those into the future?

<Eric>: EZ Load, that is the new one that we incorporated this year, we just received our first orders with EZ Load for Thimet. We talk about the idea of taking the concept of bag in the box and basically incorporating that into the SmartBox system, meaning it would be the deliverer of the material, but we would still have the computer delivery system. We think there is good opportunity there and we are looking at the potential of taking this equipment outside the United

States, maybe down into South America or over into Europe. As the success has been here and we have been promoting it we have heard some interest, we don't have any licenses or any specifics per se. We do have Lock 'n Load that is being utilized with both Thimet and Counter outside the United States. These are great opportunities that we have and we are also trying to perfect, with the University of Purdue, use of our Seed Tube Technology, which is where the computer delivers the insecticide with the seed. We are hopeful that over the next year we will have something available to commercialize that will allow us to be even more prescriptive in our delivery of granular insecticide.

<Q – Bruce>: If all your hardware business were a stand alone business, would it be a good business?

<Eric>: Well the way we position it, probably not, because we inherited a little bit of the, give the razor away and make your money selling the razor blades mentality. We are certainly a little better than that, if we were to take the equipment business and sell that off to somebody they could probably do something a little more with it. We are probably more focused, as it is today, more on our profitability through the on-going use of our chemicals, than we are on the equipment itself.

<Q – Bruce>: Great. Well, it looks like an exciting 2008.

<Eric>: Thank you.

**Caller Mike Judd (Greenwich Consultant)**

<Q – Mike>: A follow up question. In the non-crop area given the drought in Florida, obviously the weather there stays warm well into December, do you expect there will be year over year volume impacts in December quarter versus last year?

<Eric>: Let me see, 2006 fourth quarter sales in Dibrom were fairly small, approximately one million dollars. So I don't think there will be much of an impact.

<Q – Mike>: So that's not much of a material impact on that. The figure I have for non-crop revenue last year was around 6 million dollars, so what are some of the other products in that area? As we think about seasonality, is there anything we should be thinking about volume wise as it relates to the December quarter this year versus last year?

<Eric>: Metaldehyde granules, snail and slug bait, for the non-crop area is more of a spring business in California, but there are some fourth quarter sales. PCNB, used for turf, I don't think there will be anything unusual there. So I don't see that we will have any big impact on non-crop use in fourth quarter.

<Q – Mike>: Ok. Then moving into crop, obviously corn acres were up huge this year, but I guess in the December quarter in terms of restocking for the cotton business, what are some of their early indications of how cotton acreage might look next year? I think most people are expecting soy acres to be up, corn to be down slightly, but I have not heard much on the outlook for cotton.

<Eric>: Well the smart money says that cotton is going to be down next year. Myself and our Director of Sales and Marketing are a couple people who actually believe it will be up some, because there was a fair amount of cotton growers that planted corn this year that had their corn basically dry up and not deliver for them. I think it will be a function of cotton pricing. Right now farmers have a number of opportunities where they are to plant profitable acres. So it becomes a function of what is most profitable. If soybean prices are at \$10, weed up, cotton at \$0.60 cents is not too attractive which is why a number of cotton growers switched to corn. There are articles out there saying the demand for cotton on a worldwide basis is very strong going into the year. Inventories are low and that cotton prices will exceed \$1.00. If that is the case, I think you are going to see cotton acreage up from this last year. I ask that question to all our peers in other companies and I think most of them believe that cotton will be flat or down next year.

<Q – Mike>: Lastly, I know how difficult it is to forecast what is going to happen in the middle of next year, so sticking a little closer to home here in terms of looking at the differentials. Last year from September to December in the crop area there was an increase in revenue of almost nine million dollars. I'm just wondering, as you look at the December versus September quarter, is it possible given inventory levels, restocking needs, this that and the other, that the magnitude of the increase in revenue sequentially for the December quarter could be at a similar magnitude or is that really too much this year?

<Eric>: I'm sorry is your question, "Will the increase in Q4 be comparable to the increase of" which period?

<Q – Mike>: Last year from September of 2006 to December of 2006 there was about a nine million dollar increase in revenues and what I am wondering is if a similar absolute, you know nine million delta, from September 2007 to December of 2007 is realistic this year, given what you have said about current inventory levels as well as demand and things like that.

<Eric>: Ok when you say September are you talking about just the third quarter or are you talking about third and fourth quarter combined?

<Q – Mike>: What I am really saying is that last year in the third quarter versus the fourth quarter...

<Eric>: Ok, so I understand.

<Jim>: The crop portion for fourth quarter 2006 was roughly \$49 million. I think what Mike is asking is how will that compare to what we expect this year. Is that correct Mike?

<Q – Mike>: Yes, that's correct. Really the factors here are volume, I would not expect a lot of price, but the issue last year I guess was that throughout the chain there was a need for inventory restocking ahead of what was expected to be extremely high corn demand. In September of 2006 your crop revenue was around \$40.8 million The fourth quarter of 2006 was around \$49.4 so that is roughly about a nine million dollar increase sequentially in fourth quarter versus the third quarter last year. We already know the revenue in crop in the third quarter this year was roughly \$49 million. So the question is should the revenues in the December quarter increase by a similar magnitude as last year and end up being around \$59 million dollars? Or

are there other circumstances that are specific to last year that led to that big increase in revenues in the fourth quarter?

<Eric>: I haven't looked at it that way and I don't want to go out and project our fourth quarter, as I'm conservative by nature, but I would say it is certainly possible that our crop areas might be similar. I have not quantified and looked at it that way.

<Q – Mike>: What would be some of the factors? In other words, volume, low inventory levels, high inventory levels, what are some of the things we should be thinking about?

<Eric>: As I said, I think our corn soil insecticide levels will be up from last year and inventories are lower than they were last year. Last year, I think we had more corn soil insecticide in the third quarter. We have offered a program where if people buy in third and fourth quarter they can pay cash and receive a time and money discount, and I think there is more cash available this year, because of the position of where growers are. It is a little early to see how well that works however, based on how people are taking advantage of the offer in the third quarter it looks like a successful program so far. As we position and move more SmartBox systems in this quarter I think that will help stimulate demand, because when growers sign up for a new SmartBox system they sign into a three year contract. If they are looking to prepay they will contact their dealer and say I just bought a system, I'm going to need the following products, so that helps stimulate demand as well. From your position I don't know that you could look at it and say here's something great. One area would be if the snow fall hits strong in potato growing areas, that would be Idaho, Washington, Oregon the Dakota's, they do not have all of their fumigation down yet and if snow hits heavy they will have to stop. If not, then they will probably continue to do fumigation even into December. That could be something to look for.

<Q – Mike>: The weather has been pretty cooperative so far, hasn't it?

<Eric>: It has.

<Q – Mike>: Thanks for the help.

**Caller Jim Bartlett (Bartlett Investors)**

<Q – Jim>: Can you give us a little more detail on the purchase from BASF on the MO site? Why you decided to do it, the cost of the site, and the capacity of the plant?

<Eric>: Well the cost of the site was not disclosed. We negotiated the option for this at the time that we made the acquisition of Counter. We looked at a variety of factors in making a decision to go forward. Essentially this is where both Thimet and Counter have been made historically for years of service not only in the US but world markets. We looked at off shore supply which had attractive prices. We saw cost increases in China and in India, as we see both currency swings and cost of doing business in those countries, increasing. Value added tax, a benefit to Chinese producers, which is being eliminated in the 10-16% range. We looked at the raw materials side and basically gained commitments from the domestic suppliers of our raw materials that they would prefer to supply domestically to us instead of transporting these to other countries. So we felt our raw material position was stronger.

However, the most overriding piece was that this site has a state of the art waste disposal, which is incineration. While that is more expensive it is by far the most environmentally sound method of disposing of waste and we therefore felt on a long term bases that we would prefer to have control of manufacturing of these two important products and we see a great growth potential with both of them. That coupled with the ability to look at similar chemistries as well, on a tolling basis or potentially for ourselves down the road, led us to conclude that this was the right decision. It is a strategic site, assuming our growth with the corn soil insecticides does go in the right direction and we position ourselves well with the genetic and refuge, we would probably look to move our SmartBox and delivery system filling and distribution center out of Hannibal, MO instead of Axis, AL. So for a variety of factors we felt it made sense. It is not what we would consider to be a significant financial investment on our part, however we think it is the long term sustainable approach that fits our model.

<Q – Jim>: Ok. What kind of capacity do you have at this plant?

<Eric>: They are currently running at 33-35% of capacity. Initially, we have an agreement that BASF and their personnel will run the facility for us as needed and if at some point we desire we would staff it with our own employees.

<Q – Jim>: Your sales of Counter this year as compared to last, how would you describe that?

<Eric>: Last year we just had the month of December. Is your question as far as BASF sales versus our sales?

<Q – Jim>: Yes, that is the question.

<Eric>: I think there is a shift. There were some sales in Europe that we knew when we purchased that were not going to occur, yet we picked up sales in corn in the US that they had not had. Our sales are going to be relatively comparable, I believe.

<Q – Jim>: You mentioned in your earlier statement that you were optimistic with the refuge acre compliance. Why do you have that optimism?

<Eric>: In talking with the genetic seed companies, National Corn Growers Association, and with EPA the feeling we are getting is that there will be more effort, which we will be participating in, on getting the message out for the need and necessity for compliance with the refuge requirement. It is basically from our discussions with EPA and the seed companies.

<Q – Jim>: Can you talk a little more about Impact? How many acres were you on last season and what are you looking forward to the new season?

<Eric>: Our estimates are somewhere between 2.2 and 2.5 million acres from about 375-400 thousand acres the previous year. We are not publicizing what our forecast is for 2008, but we do see significant growth for us, for this upcoming year.

<Q – Jim>: Thank you

**Caller Mark Gully (Soliel Securities)**

<Q – Mark>: Eric, can you update us on some of the efforts you have underway to collaborate with some of the majors in terms of tank mixes or collaborating on crop labels with respect to corn soil insecticides.

<Eric>: Explain what you mean by collaborating on crop labels with respect to corn soil insecticides.

<Q – Mark>: One of the majors may indicate that it might be good to use your product in conjunction with something they do.

<Eric>: We have had discussion, but until any sort of agreement is reached it is preliminary on our part and I would not feel comfortable elaborating. You never know until something is available. Certainly, if we do reach an accord with any of the companies for co-promoting the product we would make the announcement. Just as when Pioneer, John Deere and AMVAC collaborated back in 2006. If something similar were to occur we would put it out in some sort of press announcement, but at this point, all of our discussions have not resulted in an agreement today.

<Q – Mark>: Thank you

**Caller Jay Harris (Goldsmith and Harris)**

<Q – Jay>: Eric I would like to go back to Hannibal, MO. By taking ownership of the facility, I presume you get a lower cost of goods sold on Counter and Thimet than you have this year.

<Eric>: We don't have a lower cost of goods sold. We believe it will be similar, but what we are looking at is, we think in the future we will be in better control of our costs than we would if we were relying on third parties.

<Q – Jay>: I guess there will be some insights on what you paid for that plant when you file your 10K for the year.

<Jim>: There will be some insights, because most people that are on this call will be able to look at our cash flow statements and expenditures for the period and be able to tell roughly what we paid.

< Q – Jay >: Does the value that you acquired bear any relationship to the value that you acquired when you acquired the Axis, AL facility?

<Eric>: I think there are a lot of parallels between the two, not just cost, but again it is a facility where we are acquiring a unit within and we are sharing services. We saw the opportunities as fairly similar.

<Q – Jay>: I know after you had been operational at Axis for a while that you indicated the replacement value and some idea of what you had put into it. Are those ratios going to be similar for Hannibal?

<Eric>: I don't know that Hannibal is quite as expensive as far a replacement is as Axis. I don't think we have had our insurance adjusters go in and estimate replacement costs at this point, but my guess is they will find a lesser value. Again, at Axis they put in all the SmartBox equipment in addition to the synthesis side and the synthesis has a little higher technology. This is specific to more a P<sub>2</sub>F<sub>5</sub> chemistry in which there are a variety of chemicals that fit in that arena. It is something that we could do at Axis that would require a greater investment than what we are looking at here.

<Q – Jay>: What is your best thinking? In terms of pre-cash flow generation in the fourth quarter, whether that will have more than covered your acquisition costs?

<Eric>: We do not have that analysis.

<Q – Jay>: Thank you.

**Caller Matthew Gretch (Gretch Capital)**

<Q – Matthew>: Thank you. I am trying to get a handle on how you are looking at organic chemical growth for 2008. I know there are a lot of moving parts for 2008, but I'm trying to understand how in 2007 your organic revenue growth is around 7% with a very easy compare if you will considering the toughness of 2006. I don't want to pin you down to a tenth of a decimal point here, but I want to know if it is on the order of 5% or 20%? I just don't have a grasp of that and I am wondering how you guys have talked about this internally for 2008.

<Eric>: There are some products that we go through and we say there is opportunity for growth and there are others that have challenges just to maintain. We would expect Impact, Bidrin, and Dibrom to grow and believe both Counter and Phorate have opportunities for growth as well. How successful we are in positioning our corn soil insecticides will make a difference on Aztec®, Fortress®, Force® and Lorsban® and that is probably a little early still to call. We are seeing some good signs now, but it is still a little early to tell.

<Q – Matthew>: When you use terms like grow. Are we talking about GDP type of growth or are we talking about GDP plus higher penetration, therefore resulting in like 20% growth.

<Eric>: I think some products have the potential to grow more than 20% and others are maybe 5-10%. We have a draft of a budget by product line and we have historically stayed away from anything other than what we have said of double digit growth, which would be 10%. I don't think that we have even gotten into what growth will be generated on a prospective basis by x% from organic and x% from acquisition growth and I do not know that we will change that approach and guidance for 2008. I don't know what would make us do that.

<Q – Matthew>: Ok. Lastly, in the release you kind of alluded to, in very general terms, the potential of international growth. Can you go into a little more detail there?

<Eric>: Our Mexico business has preformed real well for us this year. They seem to have really caught stride and are moving forward. A couple of acquisitions have occurred that I think have gotten them to a critical point of moving forward. There is potential for other acquisitions that have international consequences. We do expect to and are ramping up in 2009 where we will be managing our own Central American business for both Thimet and Counter. BASF has been

and will be distributing this business for us in Central and South America for 2007 and 2008. We think Mexico and Central America has the strongest growth potential for us for the next couple of years.

**Caller Donald Tolbert (Private Investor)**

<Q – Donald>: Good morning.

<Eric>: Good morning, how are you?

<Q – Donald>: Pretty good. I'd like to congratulate you on the great quarter and my question is how much of the growth in the third quarter would be contributed to international and also going forward with a weak dollar how will this help international growth?

<Eric>: While Jim looks up the international piece, we are seeing, as I mentioned specifically with China and India, where the currency swings, it puts us in position to participate in markets where we have not in the past. This is why we believe we have better opportunities for our international market. You are correct, we have not quantified what that amount would be, we compete with European based companies some of the international business for metam sodium so that we see as potential growth for us as well. We have products such as DDVP that we make down where you are that we think have some international growth as we see prices of DDVP start to firm up in the international side. As far as our growth after the third quarter?

<Jim>: It's in the neighborhood of 15-19% of the total increase. That's the range, I do not have everything broken out.

<Eric>: That is certainly above our 11% overall.

<Q – Donald>: One last question. Do you see substantial growth in the domestic market going forward in 2008 or do you see more growth in the international market, and if so which international markets do you see this growth in?

<Eric>: We think there are some pretty good growth opportunities domestically for us. Again we are hopeful that we have hit the low level of the corn soil insecticides so that we can reposition them, which would be good growth for us. We think, as I've said, that our corn herbicide still has a ways to go before we reach more optimal levels. In the international side I think our biggest growth will come from Mexico and Central America over this next year.

**ERIC WINTEMUTE**

Again, on behalf of American Vanguard I would like to thank each of you for listening. We look forward to our next conference call and will put out press releases on any exciting news that we have between now and then.