

Bill Kuser

Thank you very much. Welcome everyone to American Vanguard's 2008 third quarter and nine months earnings review. Our principal speaker today will be Mr. Eric Wintemute, President and CEO of the American Vanguard, Mr. David Johnson, the Company's our CFO.

Before beginning let's take a moment for our usual cautionary reminder. In today's call the Company may discuss forward looking information. Such information and statements are based estimates and assumptions by the Company's management and are subject to various risks and uncertainties that may cause actual results to differ from managements current expectations. Such factors can include weather conditions, changes in regulatory policy, competitive pressures and various other risks as detailed in the Company's SEC report and filing. All forward looking statements represent the Company's best judgment as of the date of this call and such information will not necessarily be updated by the company.

With that said we will turn this call over to Eric.

Eric Wintemute

Thank you, Bill.

Good afternoon to the east coast and good morning to everyone else. Thank you for joining us today. We are here to discuss American Vanguard's 2008 third quarter performance. We will cover financial matters and will also highlight several key points. First, this quarter's improved results again validate the balance in our business model between our mainstream crop business and new product additions, our international sales and expansion of our non-crop specialty items. Secondly, what we are doing to maximize use of our manufacturing facilities, maintain our profit margins through costs savings and pricing. Thirdly, what we are doing to successfully compete in a changing marketplace.

There is a Chinese proverb "May you live in interesting times". Well, the third quarter of 2008 will certainly go down in history as interesting. But at American Vanguard, we believe that our third quarter results reflect that our business plans and operations can withstand test by fire. We endeavored to establish a business model that reflects broad-based stability while maintaining and even boosting steady performance in our main agricultural product lines. We concurrently sought to increase international sales, development of new product sales and development of our line of non-crop applications over the last several years. Our international sales increased from roughly seven percent (7%) of American Vanguard's revenues to fifteen percent (15%) for the full year 2007. We do not

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expressly break out international sales on a quarterly basis, but this year's performance has reflected a thirty five percent (35%) improvement over last year's third quarter.

Our international team of sales and marketing is doing an excellent job in Mexico's vegetable crops with our metam soil fumigants, in Asia's vegetable and corn markets, with our insecticides Thimet® and Counter®, and in Canada with our turf fungicides Terrachlor® and Turfcide®. We are continuing to work to capture growth opportunities in Central America with our establishment of a new subsidiary in Costa Rica and through our own efforts and working with suppliers to make Central America a part of American Vanguard's success over the coming years.

Our non-crop business has also contributed to the continuing stability and success of our business mode. This quarter, increased sales of our mosquito adulticide, Dibrom® reflected our ready response to potentially massive insect infestation caused by hurricanes that battered the gulf coast states. Dibrom has shown significant technical superiority to the more traditional ground application of malathion. Traditionally Dibrom has been used extensively in Florida and Louisiana. In the face of increased threat of disease, FEMA, the Federal Emergency Management Agency, initiated aerial application of Dibrom in Texas, where previously, ground application of Malathion had been the norm. We expect that the introduction of aerial applied Dibrom in Texas will open an additional market for American Vanguard and this product in coming seasons.

The performance of non-crop products was also enhanced by expanded turf and ornamental applications both domestically and internationally. Our acquisition of Chemtura's PCNB fungicide business performed well for Amvac and reflects our continued commitment to well-differentiated, branded products that can contribute to our growth.

We have begun commercial sales of our Nuvan® Prostrips. Our strips provide professional pest control operators with effective economical residual pest deterrents as a follow-up procedure to the primary treatment of residential and commercial buildings. Our penetration of this professional and commercial market should result in significant sales in the coming years. We have also applied for registration of a "bed bug" label. This will allow hotels, hospitals, and universities to combat a persistent and growing problem in the hospitality and residential occupancy business. In short, these interesting times are exposing opportunities for American Vanguard, and we are well-poised to embrace them.

I will address more about our efforts in a moment, but at this time, let me turn the call over to David Johnson, our CFO, for a summary of the financials this third quarter.

David Johnson

Thank you Eric

Good morning and good afternoon to everyone.

For the quarter ended September 30, 2008, our sales are up 19%. Eric has already briefed you on the details, but I will add a couple of points:

- Sales of our new product lines (defined as ones with no sales in the comparable period) are performing slightly better than expected at approximately \$3.3m for the quarter, accounting for 30% of the sales increase.
- Corn is always a key issue for the Company and during the quarter we had two different dynamics:
 - Our corn soil insecticides performed at the expected level in the quarter, marginally better than last year.
 - Our Impact product had lower sales than last year, as customers managed their inventory levels. In fact, our field information says that pounds of product on the ground has improved. We are anticipating a reasonable final quarter on this important product.

Raw material price pressures continued to be a major issue for the Company. As previously reported, price pressure has been significant on petroleum, sulfur and phosphorus based raws.

We have worked at these issues in a number of ways including:

- Long term purchase agreements with key suppliers
- Decisions to purchase ahead of expected price increases accepting inventory pressure as an offset
- Making selective product line selling price increases

Overhead manufacturing costs have increased, driven by three factors:

- Labor costs impacted by inflation
- Various other factory costs are impacted by inflation, capital spending or one time costs
- The acquisition of two additional manufacturing sites when comparing to 2007

Overhead cost recovery performance is a major focus for Company management. The business has previously reported that we operate with some spare capacity which is inevitable when the business is

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growing and expanding its manufacturing footprint. We are making progress in bringing in house the manufacture of our own products (now more than 60%) and we are working on a small number of tolling agreements to manufacture product for 3rd parties where the chemistry involved is familiar to us.

Gross margin for the quarter is at 43% in 2008, unchanged from 2007. This emphasizes the success we have had with mix management, purchasing and inventory actions, cost control and working the overhead recovery issue.

Operating expenses which include freight are up 28% in the quarter as compared to 2007:

- Increases in advertizing, programs (really sales mix related), intangible amortization, product defense and product development,
- Offset by a long outstanding claim with an insurer related to the recovery of legal costs previously expensed.
- Freight expense is up significantly compared to the prior year. The main dynamics are:
 - Overall volume up 19%, including International sales up 35%
 - Significant expense in Q3 responding to urgent demand for our mosquito products
 - Sales mix shift compared to the prior year with higher %age of sales in our large volume products like Metam and PCNB
- Continued impact of fuel price increases.

Interest expense has ended almost at the same level as last year. Though we have benefited from a lower LIBOR rate (down an average 1.9%) we have offset that with a higher average indebtedness level up \$20m.

Effective tax rate is down at 37.5% for the quarter. This represents a catch up to the forecast 2008 annual rate of 38.06%. Our improved tax position reflects our domestic manufacturing and work on product development.

As reported in the earnings announcement net income is up 11% and EPS up 10%.

Eric has covered most of the factors but in addition,

- We have had a strong year with new products. Sales are up approx. \$12m accounting for 63% of our year over year sales growth.

Whilst our CoGS is flat for Q3 as detailed earlier, for the nine months our CoGS as a percentage of sales is up approximately 2%. Having said that, the drivers are very consistent – some significant price increases on key raw materials which we are handling with the same tactics detailed for the quarter, reasonably controlled factory expenses and continued effort to improve factory utilization.

As a result of these dynamics and the specific sales mix of our products, gross profit is down year on year by approximately 2% at 42%.

The drivers for operating expenses are similar to those detailed for the quarter.

Our interest expense is significantly lower in the nine month period compared to the prior year. Average borrowings are flat but LIBOR has been tracking about 2.4% lower, driving a cost reduction of approximately \$1.5m.

As reported in the earnings announcement net income is up 8.4% and EPS is up 7.3%

Given the current turbulent conditions in the financial world and given the dependence the Company has on its debt position I thought it useful to give some relevant information:

Our relationship with our bankers is of paramount importance at all times, but never more so than in times such as this.

- The Company has been with the Bank of the West (or its predecessors) for over 25 years.
- Bank of the West itself is a wholly owned subsidiary of French bank BNP Paribas.
- The bank is both the main lender and syndication manager for our loan facilities.
- We review the bank's creditworthiness on a monthly and quarterly basis and meet with key people at the bank regularly.
- The syndicate involves six additional lenders. We have debated the current position and appetite of each of the lenders with the bank of the west and directly with a three of the main lenders.
- The view is that the syndicate is strongly supportive of the Company and three of the bigger lenders have expressed the appetite to lend more in the right circumstances.

As you will see, in the 10Q statement, our borrowings at the end of September of about \$81m are higher than last year, but are lower than the end of Q2.

Based on the covenants to our loans we could increase our borrowings by 45% to 50%.

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Having said all that, I want to end with some comments specific to our year to date cash-flow and balance sheet.

Our cash-flow shows that during the current year we have generated \$22m compared to \$19m in 2007. However, we have increased our net assets and liabilities over the same period by about the same amount. We are at break even for the year to date. This compares with generating \$45m in the same period of 2007. There are two main dynamics driving this change:

- Our business is growing driving up the level of receivables we have at any point in time. Our average actual payment terms from customers is one day shorter at the end of Sept 2008 than last year, but our receivables are up \$11m compared to LY. With regard to cash flow for the year, the collections performance is affected by the introduction in Q4 of 2007 of programs designed to incentivize customers to accelerate payments. It remains to be seen how the current economic storm will impact customer decisions in the run up to the end of the current financial year.
- Inventory has increased by \$26m to a degree in support of our growing business, because of new products and because of strengthened market positions. Inventory is also up in value because of the price increases discussed in the review of our profit performance. Having acknowledged the reasons, management is working to reduce inventory levels.
- Furthermore, we have spent \$20m on acquiring new product lines and investing in our facilities.

Finally, last quarter I talked about hedging activities. During Q2 we established Euro based forward cover contracts which were favorable at the end of Q2 but have turned unfavorable as the dollar has strengthened. Furthermore, as LIBOR dropped away from our fixed rate interest derivatives on our real estate and term loans, we have also made market value based adjustments through OCI to reflect these rate changes. Both of these adjustments are timing and will reverse as either the purchase transaction occurs or the fixed interest rate derivative matures.

ERIC WINTEMUTE

Thank you David,

Earlier, I discussed how we have embraced opportunities. Now, I would like to discuss our manufacturing strategy. This year, and particularly this last quarter, has seen the problems with using foreign manufacturing sources come to a head. Quality control issues, such as have been seen in contaminated baby formula, environmental compliance issues and worker safety issues, and of course, the logistical issues and burgeoning cost of transportation and fuel, have drawn focus on the appeal of our North American manufacturing capabilities.

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A number of our peers in agricultural chemicals have announced additional investment in North American production, perhaps reversing a trend towards dependency on foreign manufacture and many have approached existing manufacturers like AMVAC for contract manufacturing arrangements. A Los Angeles Times article earlier this week stated: "Even before the global financial crisis, factory owners in China were straining under soaring labor and raw-material costs, an appreciating Chinese currency, and tougher legal, tax and environmental requirements. Government statistics show that 67,000 factories of various sizes were shuttered in China in the first half of 2008 and by year's end, more than 100,000 plants will have been closed."

At American Vanguard, we think this validates our commitment to our North American manufacturing facilities and reflects both a prudent strategy and an on-going strength. Modest capital investment has been required to acquire and maintain our four plant system. The capabilities of our operations in Southern California, Alabama, Missouri, and Idaho are extremely valuable to this company and our industry. We intend to maximize the utilization of these assets to the fullest. We intend to continue to improve operating efficiency and fixed cost overhead absorption by increasing internal production of some of our own products and by performing contract manufacturing production for others.

Escalating commodity raw material prices, rising utility rates and, of course, elevated fuel costs have taken a toll on traditional profit margin levels. Of necessity, we have first looked for internal opportunities for discretionary cost reductions, in both our operations and administrative functions. We have needed to selectively raise prices in a number of our product lines to maintain levels of profitability to remain a reliable supplier and to cover the continuing cost of product registration and environmental compliance. David mentioned several steps that we have taken to deal with raw material volatility. It should be noted, that over the past month, sulphur, energy and other building blocks have significantly decreased in cost. We therefore expect some raw material cost reductions going forward.

Regarding our initiatives in key market segments, as you know, the cotton market in the United States has been shrinking in terms of planted acreage over the past two years. None-the-less, we have managed to participate successfully throughout that period and with the addition of the Orthene® brand to our existing Bidrin® position, we have become a domestic market leader for insecticides in the cotton segment. With infestation rates that escalate for a variety of reason, we expect that our franchise in cotton will continue to provide an important contribution to our overall sales in the years ahead.

As we have discussed before, American Vanguard has an excellent opportunity to expand its scope in corn through a series of initiatives. These key programs include “refuge acre” management, “dual technology” yield enhancement and our Impact post-emergent herbicide for containing glyphosate resistant weeds and grasses.

In areas of moderate-to-high soil insect pressure, we have demonstrated that applying granular insecticides with efficient SmartBox equipment in conjunction with genetically-modified seeds can result in substantially enhanced yields. We are engaged in another round of field trials to validate last season’s impressive university results.

We will intensify our 2009 planting season promotions and we believe that on high infestation acreage this practice of using corn soil insecticides over trait seed will grow significantly in coming years.

Our Impact post-emergent herbicide for glyphosate resistant weed and grass containment continues to gain in reputation for its superior performance compared to all of the contenders in this category. Once again we intend to intensify our promotion of this excellent product for use in the post planting herbicide market and as a so-called “rescue treatment” for late season weed and grass growth.

We are also enjoying success in the soil fumigant market for a large number of crops. Our Vapam and K-Pam brands are market leaders and our recently installed production facility in Alabama extends our reach into the growing Southeastern region. We have been able to overcome rising raw material costs with necessary and appropriate price increases; we are introducing spray application equipment that reduces wasteful spray drift; and we continue to lead the industry in educational training for our customer’s workforce. This is an important part of our business and we are dedicated to it.

This is a time of volatility. Our past has shown that we have taken advantage of the opportunities that present themselves in times of change. Those steps we have taken in the past have secured our future. In this tight financial market we have been assured by our banks that they have an appetite to grow with us. If the right opportunities arise today we will continue to build upon our solid foundation for the future.

In conclusion, demand for our agricultural crop protection chemicals remains sound. Global demand for food, feed, fiber and fuel will continue to exceed supply and our value-added products are among the “tools” needed to improve agricultural productivity, enhance crop quality and defend against resistance development. We envision a continual expansion of our market position and in a world

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awash in equity insecurity I believe that the long-term value of this franchise and the potential for its future growth are both very promising.

And with that Rachel, I would like to open this up to any questions our callers may have.

Caller Salomon Kamalodine (B. Riley & Company)

<Q – Salomon>: First question is on Dibrom and its growth potential.

<Eric>: This year Texas was significant. Previously, Texas had not done a whole lot for nuisance type mosquitoes. This last round that came in based upon the performance that Dibrom had done in Katrina, really opened up. FEMA came in and took a number of the government Air Force planes, converted them and started fairly massive spraying. In fact that is probably the greatest area of spraying this season. To quantify it, which I know you want me to get to, I don't know that we can other than state that Dibrom was called upon to treat what was expected or could have been a disastrous situation and it passed with flying colors. So, I think some of the traditional mosquito personnel or responsible parties in Texas probably look at Dibrom in a more favorable light. They certainly have a large mosquito population that they deal with each year in Texas. Our people on the ground there think we have expanded into Texas in a way that we have failed in the past. It was a significant portion of our Dibrom this year, obviously weather related. Florida and Louisiana have always been strong supporters of Dibrom and use the product regularly. I think we will see Texas step up to a greater degree going forward.

<Q – Sal>: Ok, that's helpful thanks. Moving on to the comments surrounding higher input costs, as you have obviously pointed out, those raw material costs come down significantly. I am wondering if you could give us a sense for what that would mean to your margins if current prices were to stick at current levels. Also, if you could discuss whether some of the price increases you put in place during the quarter if you expect those to be able to stick, or if you would have to take some of those back, particularly in the fumigant business.

<Eric>: Well, in the fumigant business we actually have moved prices up this month. In addition there is certainly potassium, which is in our K-pam, continues to be at a high level. The sulphur has taken a turn, we have not seen that in our raw materials, but we do think we will see some relief there. Part of metam is freight and I certainly hope the oil and gasoline price that we have seen a reduction in, will reflect in our transportation cost in the fourth quarter. We have been playing catch-up all along here trying to get ahead of the curve and if we do see some softening then we could have the position that we were hoping to get to a little over a year ago.

<Q – Sal>: Thanks, finally on the non-crop side of the business, how big can this pest control business be and how much contribution would you expect if you built a channel with this new DDVP product?

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<Eric>: That's a very good question. Again, we offered this in third quarter and saw a great deal of activity and a variety of orders that I would say are not significant in contribution at their size, but are what I would consider trial orders. I think momentum will build for this as people become more comfortable. It is an ideal situation and we have produced a video which we hope to post on our website within the next few weeks. The video shows the key points for pest control operators, such as saving the number of return trips, fuel efficiency, and efficacy of having a leave behind product that can protect for up to four months, therefore increasing their profitability. This will be a practice, which again the early interest is very strong; that we believe will grow very strong once they are able to see their profitability. Our pest strip business is what I would consider to be relatively modest in the \$5m/year range over the last years, primarily because of the uncertainty with regulatory. Now this will primarily be for the professional market and I think synergistically it will feed off the retail market and we should have some strong growth. There is no doubt that this is a very efficacious, safe, effective way to deal with pests.

<Q – Sal>: Ok, thank you.

Caller Jay Harris (Goldsmith & Harris)

<Q – Jay>: How much were domestic revenues up for the quarter?

<Eric>: 65 percent of the increased revenues and the increased revenues were up 11%.

<Q – Jay>: Where do you think you are likely to end up in terms of debt levels at the end of the year?

<David>: Well, as I said in the comments, we are not able to predict what customers would do with regard to cash in the last quarter of 2008, it is a little bit difficult to predict at this point in time. We are running some numbers at the moment to try and look at that.

<Q – Jay>: Well, in the third quarter it was the capital spending that prevented you from generating free cash, does that continue into the fourth quarter?

<David>: The bulk of the capital spending this year we believe is done with exception to some residual spending on our Axis plant related to the new facility we are putting into place there. So there will be some trial expense with that.

<Q – Jay>: Can you explain to me what you were just saying in terms of the customers' use of cash?

<Eric>: Jay, I think we talked about this last year on previous calls. We offered a program to customers/distributors who wanted to pay early for product that they take in the fourth quarter where normally there are terms involved and that we would offer them a cash discount. Last year I'm going to say we collected somewhere in the vicinity of \$20m under this program. This has been a fairly common practice as farmers try to pay for input in the calendar year. We have the same program out this year and we have had some distributors come back and say they plan on participating and we have others say they are going to hold their cash until January. It doesn't make a whole lot of difference to us.

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<Q – Jay>: Last year, I think during this same conference call that early order cash purchase program had kicked in in September. So, have you seen that already, or is it occurring later this year?

<Eric>: Our primary focus is for fourth quarter this year. Last year we positioned Impact in third quarter and we did not offer that this year.

<Q – Jay>: Can you comment on how much growth you have seen on use of Impact this year?

<Eric>: I think we are up on pounds on the ground by about 15% year over year.

<Q – Jay>: Are there programs that you can count on to produce something like that or better next year?

<Eric>: Well, we believe the product is superior to the other products in the marketplace. As you know we did promote heavily in advertising. We do think some of the products that did not produce very well, but were promised to yield some opportunity for our growth there. We saw Impact being used to basically pick up failures in other products. We certainly have intent to grow that market this year.

<Q – Jay>: Coming back to cash management. Do you anticipate a significant reduction in inventory levels in the fourth quarter versus the current quarter?

<David>: Managing inventory levels is of course quite challenging and we are working at this as hard as we can, but I do not have a prediction of what it will be at the end of the year. I know you would like one, but I haven't got that.

<Q – Jay>: You have an exhaustive education of my wish list.

<Eric>: We will strive to make your wish list happy.

Caller Mark Gulley (Soleil Securities)

<Q – Mark>: Good morning guys. I have a couple of questions. One, Eric as you look at your corn strategy over the past year, between corn soil insecticides and herbicides, how would you rate the success of the overall emphasis of corn. Do you think you can take it to the next level next year or are there going to be some barriers there.

<Eric>: The real test will be as we get into December and we start seeing the results of all the university tests and the tests that we have out. I think if we see the results that we saw last year, which have been done on such a broad base this year, that we will get enough recognition for this approach and strategy that we should see significant increase. If we see mixed results, then we will see similar or maybe slightly up from where we are this year. We are tracking with new SmartBox Systems ahead of where we were last year, and last year was our second biggest year. We have people signing up for three year commitments and though we had seen more refuge systems last year than we have seen in previous years, so far the new sales that we have are mostly full systems. It's catching momentum and I think a second year of university trials showing similar results will get the recognition that we would like to see. As you know, it is difficult for us as AMVAC to swing the needle in a large way by our self, but Syngenta came out with their results, which were similar to our results, with their product Force,

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which we also sell in SmartBox. It is definitely something that people are aware of. How big that market is, where the infestations are, I think that is going to determine where our growth will be in the future.

<Q – Mark>: Without the results available, it may be tough to answer this question, but is there a threshold corn price in your mind where these results are pretty compelling and below which are just moderately interesting?

<Eric>: If the 12 bushels that we saw were the type of return, that is certainly a number regardless of where corn prices wind up, because we are talking about an investment of \$10-\$18/acre. If you get 10-12 bushels additional that would be a return on your investment. I don't know what your thoughts are, but I think corn prices will move back up for this upcoming season.

<Q – Mark>: That was another question. I think in some crop input areas farmers are going to sit on their hands this fall, given the uncertainty of corn prices. Is it the same sort of thing with respect to your crop protection chemicals or do you think you are selling to a different type of a buyer for different reasons where you would be able to dodge that?

<Eric>: We are not seeing a back off yet. I do know given the volatility of fertilizer, I think people are real nervous about committing to today's prices for delivery in the future. As far as our side is concerned we have not seen a softness occur. Our indications, based on SmartBox Systems that are being ordered and the programs we have in place for fourth quarter, are that people are responding well. I recognize there is credit tightness that exists in the farm community, but it hasn't as I see taken a dramatic effect. I think the demand for corn ethanol is still strong and I do not see that the bottom is going to move out of corn.

<Q – Mark>: I want to wrap up with pricing strategy for next year. One of your larger competitors has signaled that they are going to get a lot more aggressive with pricing the next year, which still means I think only a 6-7% price increase. Do you think you will have the ability to move the prices that much more aggressively next year, irrespective of raw material movement, to get your fair share?

<Eric>: Well, obviously it is our mandate to maximize our earnings. We have to look at some areas where we do increase prices and lower our sales by unit, what that will reflect. Certainly for last year, input for chemicals were relatively minor increases compared to fertilizer, seed and fuel increase. I do think we have moved prices forward in some of our products in ways that we have not been able to do in the past. At some point, if we would expect to see margins increase, we will react to what occurs in the marketplace. We have increased our prices for the 2009 year program and so far we have not seen resistance.

Caller Matt Hagerty (Pennant Capital)

<Q – Matt>: Could you quantify the non-crop increase year on year?

<David>: In the three months ended September 2008 non-crop sales were \$13m and in the same period of the prior year they were \$7m and on a year-to-date basis the nine months sales were \$36.4m and the prior year \$22.2m.

<Q – Matt>: During your commentary I think you spoke of a \$3.3m increase on new products, does that mean acquired products?

<David>: These are products where we did not have sales of the similar products in the prior comparable period. They are newly acquired products, yes.

<Q – Matt>: As I read the press release here it says new AMVAC offerings such as Terrachlor and Orthene.

<Eric>: We did not have Orthene or the Terrachlor in Q3 of 2007 we acquired them at the end of 2007.

<Q – Matt>: Finally, you mentioned a reversal of legal costs I think that impacted your operating expense for the quarter. Can you quantify that?

<Eric>: We had an insurance company that was insolvent and we reached a settlement. They sent us a check in the half million dollar range.

<Q – Matt>: Thank you, that's all I have.

Caller Salomon Kamalodine (B. Riley & Company)

<Q – Salomon>: Yes, just a couple of follow ups. I am trying to get some directional guidance on what your P&L may look like in fourth quarter. Can you discuss the seasonality of your main business line so that I may get a sense of what next quarter may look like relative to the September quarter?

<Eric>: If you look historically our fourth quarter is our strongest quarter and I don't think that we are sitting here today thinking that will be any different. As far as seasonality, there are products that are purchased for the upcoming season. Traditionally, our fourth quarter is also fairly strong for our soil fumigants as people are applying right now getting ready before the winter hits so they are ready to plant come springtime.

<Q – Salomon>: Would you expect the sequential increase that you experienced last year in the December quarter to be a good indicator of what we might expect this year around?

<Eric>: I don't know the answer to that question. I would hate to give you a direction, as there are a lot of variability's that occur and with still a month and a half to go we are unable to predict what our revenue and therefore earnings would be in the fourth quarter.

<Q – Salomon>: Are you seeing any indication that your main distributors may be impacted by what is going on with the tighter credit conditions?

<Eric>: I know one has collected more cash in advance than ever before and that one of our customers wants to hold onto their cash until after the first of year, they are and have been participating in our cash position. I think everybody is still questioning where things will break out. Demand is still strong, so I think it becomes a question of do you plant corn, soybeans, wheat; some of

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the same questions we had this year. The reserves are still at very low positions and it is not like our population is decreasing, so to me it is a trend that will continue to grow.

<Q – Salomon>: Thanks

Caller Norman Heyman (Technological and Investment)

<Q – Norman>: Two questions. One, I think it is value to have those plants domestically and as you say, there is unused capacity. I wonder if you do toll manufacturing whether you can fill that plant up fairly fast and will then need a new plant and if these contracts are shorter term can you turn them off. Does it really mean that much for you in terms of your manufacturing margins?

<Eric>: Are you asking if we were to invest in capital to manufacture for a third party would we be doing this on a one year basis or three years or five years and would we be able to recover any capital we put into the plant?

<Q – Norman>: The question is, you have kind of indicated that people are approaching you to do some of their manufacturing and I assume that is within the next year or two. So therefore, you will be using up some of your existing capacity, does this become a temporary source of operating margin leverage or is it something that can become permanent? I don't know what the margin in that kind of business would be.

<Eric>: They are typically lower than the margins we have on our own products. So temporarily the next 3-5 years that is certainly something we will take. I think there is a philosophical shift from being 100% dependent on Asia to doing some hedge manufacturing and having long term agreements in different parts of the world. There were a number of disappointments that occurred this year due to the volatility that occurred in Asia and I think people are saying as part of a long term strategy we need to have a footprint in another location. From our own personal philosophy, we believe manufacturing here makes good sound sense for American Vanguard going forward. The difference now is that we are seeing our peers step up in agreement this last year.

<Q – Norman>: So this is a program that exists for some extended period of time which will allow for you to plan for your own capital expenditures. It is not a modest one or two year fix; it is a program that you consider somewhat strategic?

<Eric>: That's correct.

<Q – Norman>: Secondly, maybe I did not fully understand the implication of the Monsanto interface with you, but last year when you talked about this you kind of alluded to the generalization that they have an army of sales people out there and this extended application beyond the main portion of the field that they would be out there selling for you. I know that is not exactly true, because of the programs, but didn't that have any effect on what happened this year?

<Eric>: I am not 100% clear on what you are alluding to. I don't know that I said Monsanto was going to be selling for us. They did promote from a stewardship standpoint on the refuge acre. They put out

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infomercials with testimonials of our SmartBox users utilizing some of our soil insecticides through SmartBox and how this makes good sense, was the easiest way to comply to with refuge and they got great performance. Those efforts will continue, they got a little of a late start last year, probably in the February/March standpoint. I understand that they are going to be doing similar runs this year, before the end of the year, and into the 2009 season. An additional piece was to get Impact added to the Roundup labels and that occurred at the end of April this year, which was just before the season to start application. Obviously our advertising will continue to promote that fact that this is a product that is on both PowerMax and WeatherMax Roundup labels.

<Q – Norman>: In a sense you are saying there is probably a modest impact, partly because of late starts and test results and therefore, next year you would probably would expect to see some measureable results from that effort?

<Eric>: Again, not just as far as Monsanto is concerned, but certainly the overall advisor community, that being university, USDA, and corn growers as a whole, looking at the results of tests which we did on a much more expanded level this year to see how well this, utilizing our insecticides through SmartBox over the top of genetic traits, enhances yields. I think in some areas we will see strong results that will result in a practice.

Caller Mark Gulley (Soleil Securities)

<Q – Mark>: A couple of follow ups if I may. First of all, with respect to what you just talked about any idea when those results will be published? Are those results expected on both Impact and Counter?

<Eric>: All the studies that we have done with Impact are already concluded, we have the results and we are very pleased with how we stacked up against other chemistries. As far as the corn soil insecticides, that is a yield condition and once the corn is harvested and written up I hope that by mid December we will have a pretty good understanding of what those results look like. Last year, we received some results by mid-December, however, we did not have all the results in until almost the end of February. We have had commitments from the universities that we will get results earlier this year and that is our wish.

<Q – Mark>: I know there is a big convention that is held I guess during the October time frame. What was the mood of that convention regarding the outlook for crop protection chemicals and as you alluded to in your press release, what is the outlook for your ability to collaborate with other industry participants?

<Eric>: I know at our trade booth we had a great deal of activity and excitement and there was a lot of awareness of what we were trying to accomplish. We had a full 36-row folded up system there, brand new genetic seed type of equipment and then we had a tractor that I think was 70-80 years old that had SmartBox on it too. We create a lot of awareness and we did get a fair amount of new SmartBox

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orders generated out of it. Generally the farmers seem optimistic, obviously farm pricing has come down, but these guys have made out pretty well in the last couple of years. I think corn, and grain farmers as a whole, are in a pretty good position.

Caller Jay Harris (Goldsmith & Harris)

<Q – Jay:> My question has been answered.

Caller Jim Bartlett (Bartlett Investors)

<Q – Jim:> You mentioned Impact is up about 15%, can you give us an idea of what your market share was and what kind of market growth you saw?

<Eric>: I don't know that we have data that shows what our market share was. I do know that we gained some ground on Callisto, but it did seem that Laudis, which was Bayers new launch did reasonably well, just a tad off of where we were, and I think Status did fairly well. I will say that we have a long way to go in my estimation.

<Q – Jim:> Can you give some quantification of the price increases that you have done this year and the total impact on revenues?

<Eric>: Price increases have been as high as 200% in some cases, but overall I don't know that we have measured what percent of our revenue, so far this year, is reflective in price increases. I would say it is probably more than \$10m of our revenue.

Eric Wintemute

I would like to thank everyone. We have spent a nice hour today and we look forward to updating you with further results and activities as we go forward. Thank you very much and have a great afternoon.