United States Department of Agriculture
Animal and Plant Health Inspection Service
Biotechnology Regulatory Services
4700 River Road, Unit 147
Riverdale, Maryland
20737-1236

February 24, 2011

PII
Betaseed, Inc.
1788 Marschall Road
PO Box 195
Betaseed
Shakopee, Minnesota 55379

Dear PII

Your notification request has been acknowledged and may be executed according to 7 CFR § 340.3(c). You are authorized to perform the movement of the regulated article between February 24, 2011 and February 24, 2012. All activities related to this introduction (except for any monitoring periods) must be completed by the expiration date (i.e. all shipments must have arrived at their destination, plants harvested, and all remaining plants and plant parts are either destroyed or moved into contained facilities).

In the event of any accidental and/or unauthorized release of the regulated article, contact BRS Compliance Evaluation and Enforcement Branch by phone (301) 734-5690, fax (301) 734-8910, or e-mail at BRSCompliance@aphis.usda.gov

If you have a general question regarding your notification, contact BRS Permits unit by phone (301)734-5690 or e-mail BRSPermits@aphis.usda.gov

Some key details of your notification are shown here:

Interstate Movement
Notification No. 11-026-106n (BTS11-09-m-HT)
Regulated Article - Sugarbeet

Destination - Idaho, Michigan, Minnesota, Nebraska, North Dakota, Wyoming

This acknowledgement letter must be provided to all cooperators.

Important - Import Notifications Only

Imports may require a phytosanitary certificate from the country of origin, a phytosanitary certificate of re-exportation (e.g. Ships from South Africa to France, then France to the U.S.), a Plant Protection and Quarantine (PPQ) permit, and/or other certifying PPQ documents. Also, some interstate movement and release notifications may also be subject to PPQ domestic permit and/or quarantine requirements. Please call PPQ at (877) 770-5990 for additional assistance in regards to their requirements.

Planting Report Information - All Releases & Movement / Release Notifications Only

APHIS requires that responsible parties submit a Planting Report no later than the 15th day of the month that follows the date the environmental release occurred (e.g., a planting any time April 1-30 must be reported by May 15). This report provides APHIS with additional details about the actual releases that have taken place under an acknowledged notification. The report

must include: the Notification number; name of the regulated article; trial site location data (provide state, county, northwest GPS coordinate, and site identification number (if available); acreage of regulated article planted; and planting date for each location. For additional information on planting reports see the Notification Users Guide: http://www.aphis.usda.gov/biotechnology/downloads/notification_guidance_0810.pdf

Additionally, the planting report should list any sites included in the original notification that will not be planted. If there are multiple planting dates, you may submit reports monthly no later than the 15th day of the month that follows planting to inform APHIS of any new plantings. Planting reports can combine information from multiple notifications; i.e., only a single report need be submitted that lists all the plantings for the previous calendar month. Reports need not be submitted when no planting occurs.

The planting report should be submitted via email to BRSCompliance@aphis.usda.gov, or via mail (preferabley on compact disc) or fax to:

Permits and Programs Services
Biotechnology Regulatory Services
USDA-APHIS, Unit 91
4700 River Road
Riverdale, MD 20737
Fax: (301) 734-8910

Final Field Test Reports - All Release & Movement / Release Notifications Only

Field test reports must be submitted to APHIS within 6 months after termination of the field test. Field test reports shall include the APHIS reference number, methods of observation, resulting data, and analysis regarding all deleterious effects on plants, nontarget organisms, or the environment. (7 C.F.R. § 340.3(d)(4)).

All environmental releases of regulated articles under notification require the submission of a field test report within six months of the termination of the field test. Because APHIS does not always know the actual termination date in advance, APHIS considers the field test report to be due no later than six months after the expiration of the notification.

The following information must be included in the field test report:

- APHIS Notification number
- Location Name
- County
- State
- Indicate if any of the planted material was destroyed before harvest
  If so, provide the pre-harvest destruction completion date and describe how the pre-harvested material was destroyed
- Indicate if any of the planted material was harvested and if so provide the harvest completion date. Describe how the harvested material was terminated
- If the material was terminated in the field and not removed from the field, provide the date the field test was completely terminated and describe the method of termination
- If material was removed from the field and terminated off site describe how it was disposed and provide the date of off site destruction.
- If material was removed from the field and placed in storage, provide the amount of

material that was stored and provide a description of the storage location
- Describe any other disposition Methods that may be applicable
- Describe any deleterious effects on plants, non target organisms, or the environment
- Describe methods of observations and resulting data and analyses
- Indicate if you have submitted any of the following:
  1. A report on the accidental or unauthorized release of the regulated article;
  2. A report that characteristics of the permitted species are substantially different from those listed in the application; or
  3. A report of any unusual occurrence.

For additional guidance on these requirements, see the BRS User's Guide for Notifications at http://www.aphis.usda.gov/biotechnology/downloads/notification_guidance_1109.pdf

You must comply with the performance standards as stated in 7 CFR 340.3(c) and transcribed below:

1. If the plants or plant materials are shipped, they must be shipped in such a way that the viable plant material is unlikely to be disseminated while in transit and must be maintained at the destination facility in such a way that there is no release into the environment.
2. When the introduction is an environmental release, the regulated article must be planted in such a way that they are not inadvertently mixed with non-regulated plant materials of any species which are not part of the environmental release.
3. The plants and plant parts must be maintained in such a way that the identity of all material is known while it is in use, and the plant parts must be contained or devitalized when no longer in use.
4. There must be no viable vector agent associated with the regulated article.
5. The field trial must be conducted such that:
   (i) The regulated article will not persist in the environment, and
   (ii) No offspring can be produced that could persist in the environment.
6. Upon termination of the field test:
   (i) No viable material shall remain which is likely to volunteer in subsequent seasons, or
   (ii) Volunteers shall be managed to prevent persistence in the environment.

To ensure compliance with performance standards, you or any of your cooperators who will be involved in handling the regulated article must be prepared with a written description of the methods to be employed to meet each performance standard. Although not requirements, all packages should be clearly labeled as to content, and the notification number should be prominently displayed on the package. Regulated articles introduced under notification are subject to the performance standards in the regulations even after the or expiration date of the notification.

A copy of this letter of acknowledgement will be sent to the relevant State Regulatory

United States Department of Agriculture
Animal and Plant Health Inspection Service
Biotechnology Regulatory Services
4700 River Road, Unit 147
Riverdale, Maryland
20737-1236

Officials.

Sincerely,

Permits and Program Services Branch
Regulatory Operations Programs
Biotechnology Regulatory Services

cc:

PII East Lansing, MI; PII Boise, ID; PII Lincoln, NE; PII Cheyenne, WY; PII Bismarck, ND; PII St Paul, MN; PII Boise, ID; PII St. Paul, MN; PII Lansing, MI; PII , MN

11-026-106n

Evaluation of Permit Application for Consistency with APHIS' Determination Decision regarding Monsanto/KWS' Petition for Partial Non-Regulated Status for glyphosate tolerant (Roundup Ready®) H7-1 sugar beets, the Final Environmental Assessment and the Finding of No Significant Impact.

Monsanto Company and KWS SAAT AG Supplemental Request for Partial Deregulation of Sugar Beet Genetically Engineered to be Tolerant to the Herbicide Glyphosate

United States Department of Agriculture
Animal and Plant Health Inspection Service

In a notice published in the Federal Register (75 FR 67945-67946, Docket No. APHIS-2010-0047) on February 8, 2011, United States Department of Agriculture (USDA) and the Animal and Plant Health Inspection Service (APHIS) announced its determination to partially deregulate Roundup Ready® sugar beets developed by the Monsanto Company (Monsanto) and KWS SAAT AG (KWS), designated as event H7-1. Under this partial deregulation, all H7-1 sugar beet seed production activities remain subject to all of the procedural and substantive requirements of 7 CFR Part 340.

As specified in our February 8th Final EA, FONSI, and Determination Decision, in reference to seed production activities, APHIS decided to deny the Petition for a Partial Deregulation of H7-1 sugar beets seed production activities and instead decided to allow all seed productions activities to be conducted pursuant to APHIS' Part 340 regulations. APHIS also notified the public of its intent to evaluate each complete Part 340 permit application or notification prior to issuing the permit or acknowledging the notification for consistency with the Final EA, FONSI, and Determination Decision. Specifically, APHIS indicated that prior to issuing any Part 340 permit or notification, APHIS would evaluate and make a determination about whether the requested permit or notification corresponds with all of the required conditions and provisions as mandated by APHIS' Determination Decision and as described and evaluated in the Final EA and the FONSI.

This document serves as the formal documentation of APHIS' review and evaluation process to ensure that the requested permit or notification corresponds with all of the required conditions and provisions as mandated by APHIS' Determination Decision and as described and evaluated in the Final EA and the FONSI.

Consistency with APHIS' Determination Decision and the Scope of the Final EA.

As identified in the PPRA, the Final EA and FONSI, and pursuant to APHIS' February 8th Determination Decision regarding all H7-1 sugar beet seed crop production activities, such seed production activities can be "released into the environment" (planted/grown/harvested, transported, etc.) pursuant to a Part 340 permit with specific mandatory conditions and requirements. Moreover, the importation into the United States and/or the interstate movement within the United States of H7-1 sugar beets associated with seed production activities (H7-1-

derived sugar beets, seeds, stecklings, and/or other plant material) can be allowed pursuant to a Part 340 notification. Thus, Part 340 permits may be issued for the environmental release (planting, etc.) of H7-1 sugar beets associated with all seed production activities in the States of Arizona, Colorado, Idaho, Michigan, Minnesota, Montana, Nebraska, North Dakota, Oregon, Washington, and Wyoming. The environmental release of H7-1 sugar beets will be limited to sites that have been in agricultural production for a minimum of 3 years. Moreover, Part 340 notifications may be "acknowledged" for the importation and/or interstate movement of H7-1 sugar beets associated with seed production activities (H7-1-derived sugar beets, seeds, stecklings, and/or other plant material). These Part 340 permits and/or notifications required by APHIS' Determination Decision for all RRSB seed production activities will be enforced pursuant to APHIS' Part 340 regulations and the PPA.

APHIS may issue a Part 340 permit and/or notification for any seed production activity to any organization, association, corporation, institution or any other entity that is in the business of growing and/or producing H7-1 sugar beets. This includes, but is not limited to, seed companies producing H7-1-derived sugar beets, seeds, stecklings, and/or other plant material. These entities that apply for a Part 340 permit or notification for seed production activities will likewise be applying for the permit on behalf of all their respective members, farmers, transport drivers, etc. The entities producing sugar beets that apply for a Part 340 permit or notification for seed production activities are required to add to their respective "growers' and/or transport contracts" a legally binding contractual requirement whereby the respective farmers, growers, transport drivers, and/or other individuals must adhere to all the mandatory requirements and conditions imposed by APHIS' Part 340 permit and/or notification. Accordingly, both the seed production entities that that are issued a Part 340 permit and/or notification as well as all their respective members, farmers, transport drivers, etc. are legally obligated to abide by all the mandatory requirements and conditions imposed by the permit and/or notification and all of them collectively and/or individually can be held responsible and accountable by APHIS for any non-compliance or other violation of all the mandatory requirements and conditions imposed by the permit and/or notification. Because of the logistical impossibilities of dealing with the huge number of potential individuals involved in growing and transporting H7-1 sugar beets, APHIS does not envision issuing Part 340 seed production permits and/or notifications to individual farmers, transport drivers, or other individuals.

The Specific Mandatory Conditions/Restrictions Imposed on Seed Production Activities.

The following mandatory conditions and restrictions will be imposed on H7-1 sugar beets intended for seed production activities. As identified in the Final EA and FONSI, the following mandatory permit conditions will be imposed on plantings of H7-1 sugar beets intended for seed production via permit conditions where the seed producer (permit holders) will acknowledge and adhere to these mandatory conditions:

1. Planting of H7-1 sugar beets is not allowed in the state of California and the following counties in Washington State: Clallam, Clark, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Skamania, Snohomish, Thurston, Wahkiakum, and Whatcom.

2. A four-mile separation distance shall be maintained between male *fertile* H7-1 sugar beets and all other commercial *Beta* seed crops (i.e., table beets, Swiss chard) US wide.
3. An inventory of H7-1 male *fertile* planting locations shall be provided to APHIS within two weeks of planting.
4. A four-mile separation distance shall also be maintained between male *sterile* H7-1 sugar beets and all other commercial *Beta* seed crops US wide. During flowering, fields shall be scouted for male sterile H7-1 plants that shed pollen and such plants shall be destroyed.
5. A visual identification system, such as labeling, that accompanies the regulated material (e.g. basic seed, stock seed, stecklings, and commercial seed) throughout the production system, is required.
6. A companion seed-lot based tracking and tracing system that is fully auditable shall be maintained. Records must be retained for five years.
7. Other than non-GE *Beta* seed material used in the production of hybrid-seed, all H7-1 material shall be physically separated from non-regulated material to prevent commingling at all points throughout the production process.
8. Planting, cultivation, and harvesting equipment shall be cleaned to prevent H7-1 stecklings or seed from being physically transferred out of production areas or mixed with non-GE *Beta* material by inadvertent means.
9. All unused H7-1 stecklings shall be treated as regulated articles until devitalized and discarded.
10. All H7-1 seed and steckling material shall be moved in contained transport systems to avoid inadvertent release into the environment. Vehicles or movement containers shall be thoroughly cleaned after transport and any regulated material recovered shall be devitalized.
11. Sexually compatible varieties (e.g. chard/red beet) cannot be planted or produced in the same location (the same field) as H7-1 in the same growing year.
12. Planting/cultivating/harvesting equipment that might be used in chard/red beet seed production shall not be used for regulated GE material in the same growing year.
13. Measures to force same year sprouting of H7-1 seed left in production fields are required. Any seed which sprout from such leftover seed shall be destroyed. Fields shall be monitored for three years and any volunteer beet plants shall be destroyed. If the same land is used for crop cultivation during the three-year volunteer monitoring period, that crop shall be visually distinct from sugar beets or the fields left fallow.
14. A management plan shall be submitted and followed. The management plan will set forth best practices for oversight of the movement, transportation, and confined field production of H7-1 seed. The management plan shall include, but not be limited to, required resources, training of relevant personnel, monitoring of growers, record keeping, and verifying compliance with the permit conditions. The applicant shall also provide the SOPs that will be utilized to conduct the field trials and comply with the permit and permit conditions.
15. No H7-1 seed shall be cleaned or processed in any processing facility that also cleans and processes red beet or Swiss chard seed.
16. Interstate movement of H7-1 sugar beet stecklings and seed may only be authorized with a movement notification or permit consistent with regulations described in 7 CFR 340.

17. The applicant shall ensure that all site cooperators/growers have received the permit conditions and are trained in all the processes and procedures.
18. The applicant shall maintain records of all the activities authorized under the permit to demonstrate adherence to 7 CFR 340, the permit, and the permit conditions. These records shall be made available to APHIS/BRS.

Specific Permit Request.

APHIS has received a permit application/notification from Betaseed Inc. requesting APHIS to authorize the environmental release/movement of H7-1 sugar beet seeds/stecklings for H7-1 seed production from Idaho, Minnesota, and Oregon to Idaho, Michigan, Minnesota, Nebraska, North Dakota, and Wyoming.

Determination of Consistency with APHIS' Determination Decision, Final EA and FONSI.

APHIS has reviewed the information submitted by the applicant and has determined that the request for a Part 340 permit and/or notification for seed production activities submitted by the applicant is consistent with all of the required conditions and provisions required by APHIS' Determination Decision and indentified within the scope of and evaluated by the Final EA and FONSI. Therefore, APHIS has determined that approving this part 340 permit application and/or notification is consistent with APHIS' Determination Decision, Final EA and FONSI, and it is not necessary for APHIS to supplement or revise the Final EA or FONSI, or prepare any other additional NEPA documentation or analysis prior to issuing this permit and/or notification.

Sidney W. Abel
Assistant Deputy Administrator
(NAME and TITLE of APHIS-BRS Official)

2/18/2011
DATE

Done at :(City, State) Riverdale, Maryland