

Illinois Fertilizer & Chemical Association

Supply • Service • Stewardship

Securing our Fertile Future in a Regulated World

IFCA's Mission Statement: To assist and represent the crop production supply and service industry while promoting the sound stewardship and utilization of agricultural inputs

- <u>1,100+ Members Including:</u>
- Ag Retailers
- Fertilizer & Pesticide
 Manufacturers
 and Distributors
- Equipment Suppliers
- Input Transporters



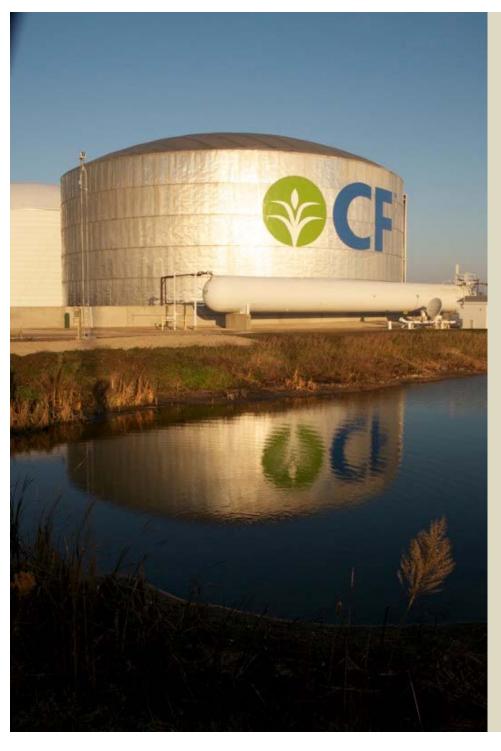
About Illinois.....

 Ag is \$14 billion industry with 21 million acres in production, mostly corn & soybeans

 Nearly 5 million tons of agricultural fertilizer used per year; 650 retail outlets

 72% of nitrogen used for crops is in the form of anhydrous ammonia

• 13 million people in a mostly agricultural state



Issues & Concerns Regarding N P & K

Recent Trends

Fall 2008 - Wet

Spring 2009 - Wet

Fall 2009 – Wet

Spring 2010 – Normal Planting

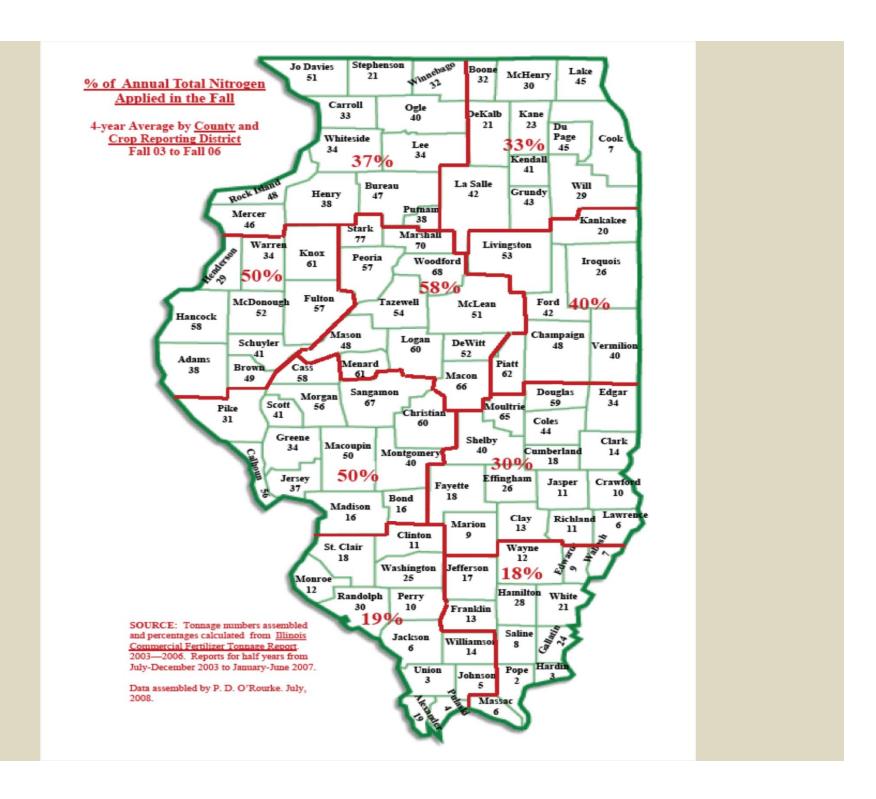
Fall 2010 – Normal Fertilizer/Tillage Work

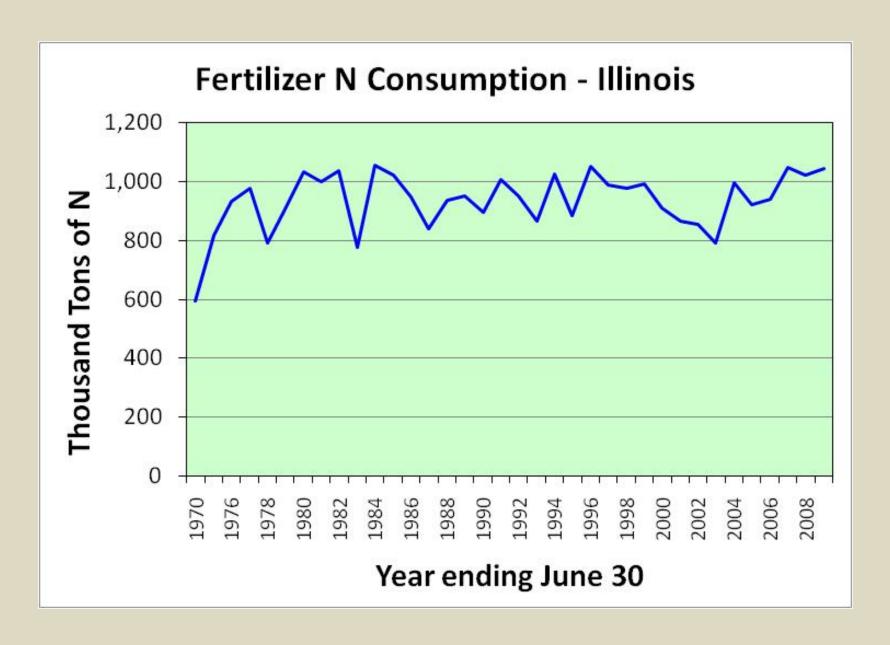
Spring 2011 – Wet Then Hot, low yields, less corn in 2012?

Illinois' Distribution
System for NH3

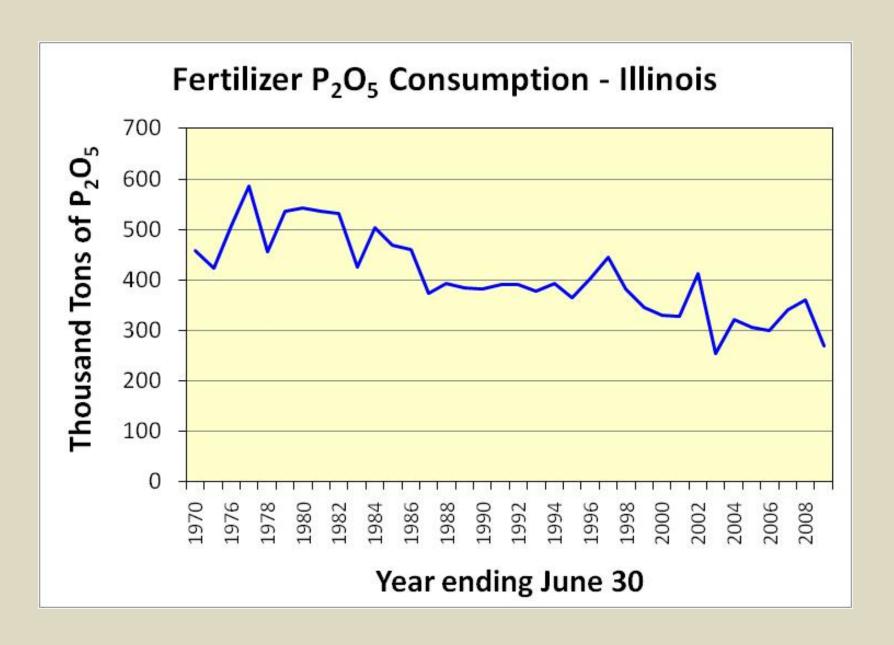
- Illinois blessed with 11 ammonia terminals
- Most fed by barge & pipeline, one by rail (75,000 tons)
- Only 5 ammonia barges available
- River Terminals Require special Security Clearance



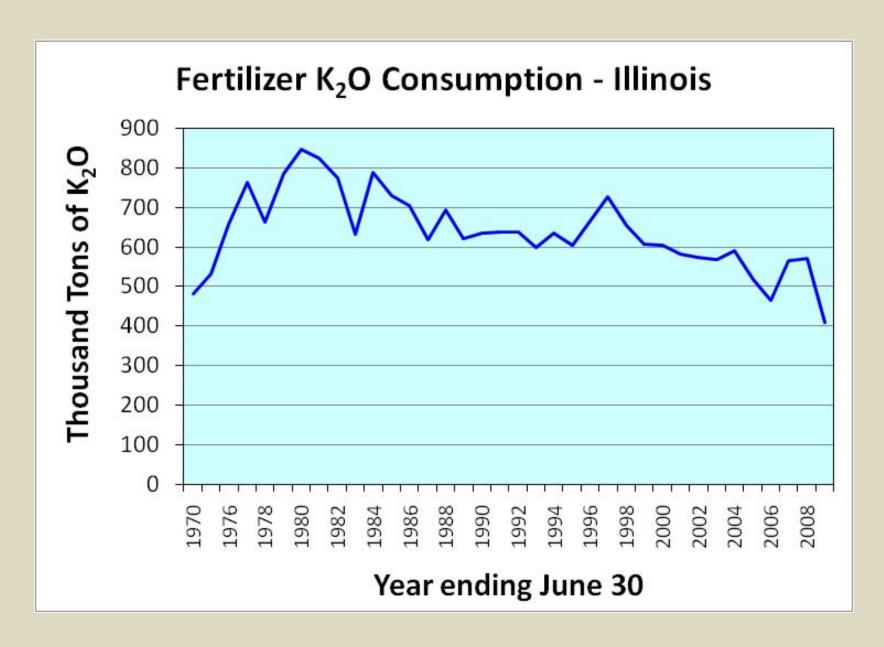




Data sources: AAPFCO, TFI



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Lots of Enforcement in Illinois



Il Farm Bureau President Phil Nelson, FMCSA Administrator Anne Ferro & Jean Payne discuss ag retail operations and implements of husbandry, Aug 2011

- FMCSA & Implements of Husbandry
- Hours of Service
- Nurse Tank Inspections

 USEPA Penalties for Ammonia Releases We handle transportation, crop protection issues (NPDES permits, spray drift issues, pollinators, containment and minibulk regulations, etc.), taxes, legislative efforts, safety training

And then there's....

NUTRIENT ISSUES

The New york Times Reprints

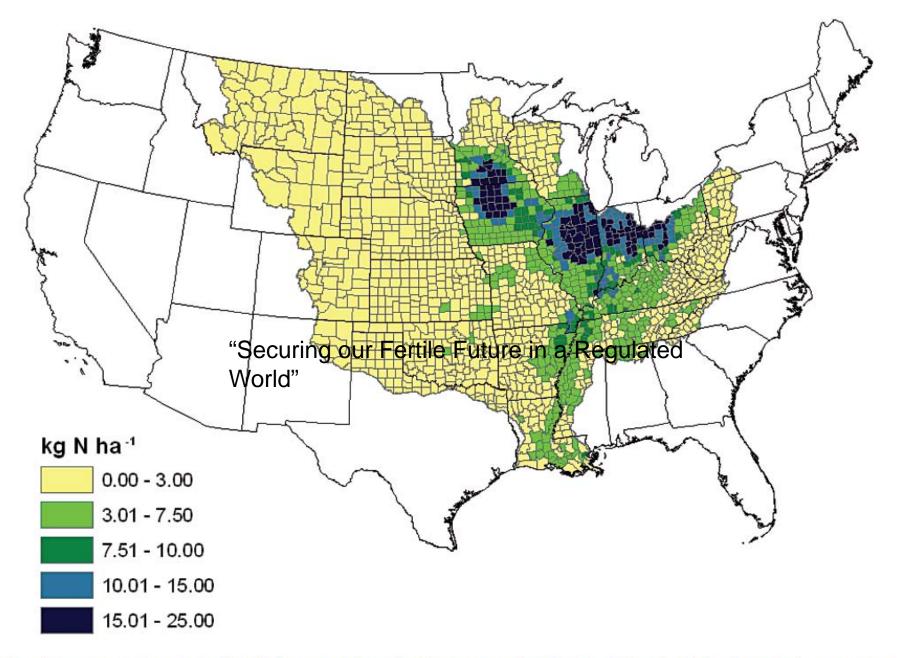
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October 20, 2010

For as long as farmers have been farming in the Midwest, they have been laying drainage tile — often perforated plastic tubes installed 2 feet to 4 feet below the surface — to drain wetlands and create arable fields in places that would normally hold standing water. The problem is that the system also sluices away nitrogen fertilizer, which eventually flows through tributaries into the Mississippi and ends in the Gulf of Mexico.

Mark David, a University of Illinois researcher, observed that "farmers are not to blame." We agree. Tiling is as old as Midwestern farming. What's needed now is more research and direct incentives from the Agriculture Department to find ways to mitigate this problem.

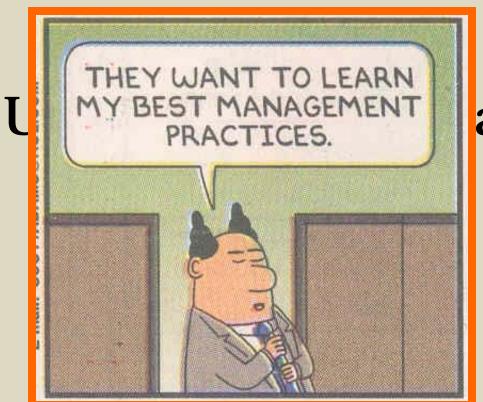
These include: restoring wetlands, where possible; growing cover crops to absorb water in the spring, when runoff is heaviest; different methods of applying fertilizer; and even methods of treating the runoff before it reaches creeks and rivers. Sacrificing life in the gulf for corn in the fields is a trade-off that has to stop.



Predicted average riverine nitrate N yield, January to June, for all counties in the Mississippi River basin for the period 1997 to 2006.







• A 45% reduction in both N and P loads to the Gulf is needed.

Nutrient Lawsuits

• In 2009 Florida Wildlife Federation sued State of Florida for not enacting standards to protect water quality...and they won.

• In 2008 The USEPA set standards for the states in the Chesapeake Bay to meet water quality standards for nutrients

Nutrient Lawsuits, cont.

- Wisconsin agreed to rules for nutrient regulations on phosphorus application by agricultural producers, contingent upon cost-share funding
- In Illinois, we are under threat of lawsuit similar to Florida as well as Region 5 USEPA threatening to take over the IEPA NPDES program for point sources that discharge N & P



Ag Coalition that Developed KIC



- * Illinois Farm Bureau
- * Illinois Corn Growers Association
- * Illinois Soybean Association
- * Illinois Pork Producers Association
- * Illinois Fertilizer & Chemical Association
- * Syngenta Crop Protection

KIC's Development

- Started in September 2010; IEPA held "Nutrient Summit." In total 3 meetings
- Point sources will be required to upgrade treatment systems to remove N & P by 2025 – costing millions
- IEPA asked ag industry to come up with plan for agricultural nutrient reductions

Issues & Concerns Regarding N P & K

Lots of Factors in Play:

Tile Drainage

Farmer Preference for N Type

Logistics

Equipment / Personnel Challenges

Weather





Illinois
Priority
Watersheds
to
Reduce
Nutrient
Loss







Watershed	Target Nutrient
Lake Bloomington	Total Phosphorus
	Nitrate
Lake Vermillion	Total Phosphorus
	Nitrate
Lake Decatur	Total Phosphorus
	Nitrate
Vermilion River	
(Illinois Basin)	Nitrate
Salt Fork Vermilion	
River (Wabash Basin)	Nitrate
Lake Mauvaisse Terre	Total Phosphorus
	Nitrate











- Education program to reduce nutrient losses
- Provide education programs to farmers, suppliers, youth and communities
- Dedicate resources to nutrient research and Best Management Practices validation
 - Critical to developing practices to reduce nutrient losses



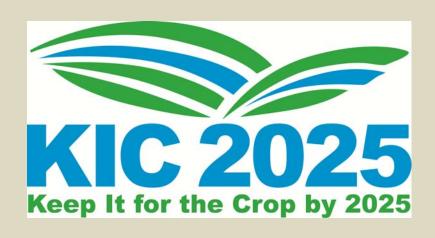
Legislation to Address the Challenge

SB 2010: Creates and Funds the Nutrient Research & Education Council (NREC) in public-private partnership with IDA to protect fund from sweeps and transfers. \$5 – 9 Million per year from tonnage fee on fertilizer sales

SB 2010 provides the foundation for the Illinois Ag Industry's Nutrient Stewardship Strategy to enhance nutrient efficiency for producers and to reduce nutrient losses from the ag sector to protect water quality.

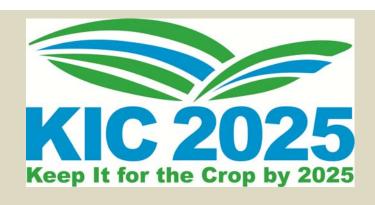
SB 2010 Supporters

Illinois Environmental Protection Agency Illinois Chapter of Sierra Club Environmental Law Policy Center Illinois Department of Agriculture Illinois Fertilizer & Chemical Association Illinois Farm Bureau **Illinois Corn Growers Association Illinois Soybean Association** Illinois Seed Trade Association Illinois Association of Drainage Districts **Grain & Feed Association of Illinois**



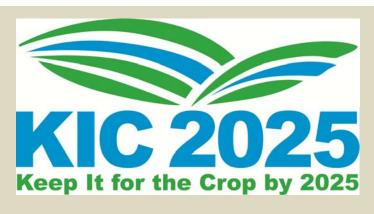


- Program 2011
 - Initiate awareness program on U of Illinois research for fall applied Nitrogen
 - Promote use of nitrogen loss inhibitors/stabilizers for fall applied nitrogen
 - Identify priority watersheds based on nutrient losses and sources
 - Work with agencies and stakeholders on nutrient stewardship practices
 - Develop strategy to implement practices





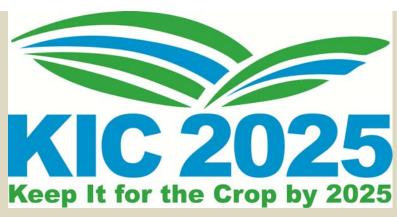
- 2012-2013
 - Utilize MRBI projects to identify educational programs and Best Management Practices
 - Collect fertilizer data to measure changes and adoption in future years
 - Target priority watersheds for implementation due to limited resources
 - Develop plans to initiate research on needs identified in priority watersheds
 - Redefine current programs to address needs





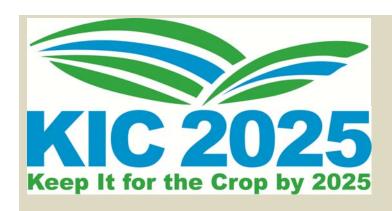
• 2014

- Work with NRCS, IEPA to develop and initiate incentive programs to encourage nutrient BMP adoption
- Develop costs and benefits data to educate farmers, agencies and public
- Utilize NREC to develop strategic plan specific to nitrogen and research that is needed, and to fund needed research



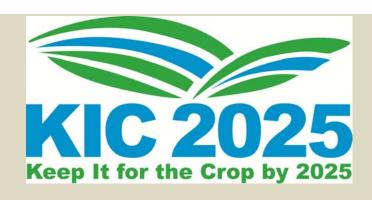


- 2015
 - Document the increase in farmers utilizing enhanced nutrient stewardship practices
 - Utilize research results and media to increase education and adoption in priority watersheds
 - Evaluate programs to improve education and increase adoption of successful practices
 - Develop economic model to show reduction of nutrients to Gulf of Mexico based on adopted BMP's that are shown to work





- 2016-2020
 - Evaluate programs and research to identify obstacles that may impede increasing adaption
 - Evaluate and target practices that have improved water quality in priority watersheds
 - Expand education programing statewide based on evaluation of what has worked
 - evaluate research priorities, projects to improve nutrient loss reduction





- 2020-2025
 - Evaluate programs and projects to increase adoption, improve education and document improved water quality
 - Continue to educate farmers, agencies,
 organizations and the public on the best nutrient
 stewardship practices

What is IFCA's Role?

- Hiring Director of Nutrient Stewardship
- Securing Funding for the KIC Program
- Administrative Support for Program
- Training on 4R's for the CCA's & Retailers

If I've learned anything.....

NEVER ASSUME THE GOVERNMENT (OR MOST PEOPLE) UNDERSTANDS AGRICULTURE



FMCSA Attorney: "I thought the practice of crop sharing ended with the civil war" followed by

"You mean you don't take ammonia nurse tanks down the interstate at 65 mph?"