

IFCA NEWS



ILLINOIS FERTILIZER & CHEMICAL ASSOCIATION

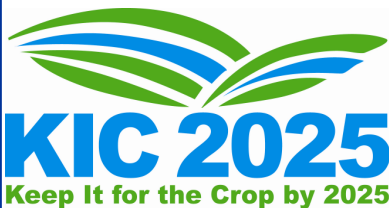
Our Mission Statement: *To assist and represent the crop production supply and service industry while promoting the sound stewardship and utilization of agricultural inputs.*

Spring 2011 Newsletter IFCA Chairman's Report by Rodney Phelps

Greetings! As I write my first Chairman's report, I am pondering how another planting season can be here already and we have the same weather issues as the past 1, 2, 3, 4 years? I am quickly reminded Mother Nature is in charge and we will play by her rules. With the thought of frost tonight in northern Illinois, I can only imagine what lies around the corner. We have some corn planted and are wondering if in the ground or in the bag was the right move today. We had a great fall and are sitting in a good spot for spring 2011.

I had the opportunity to attend Ag Day at the state capitol in March with several of my fellow board members and Jean. I think we were all amazed at the process that goes on in Springfield. It did not take us long to realize the issues we are facing in the state of Illinois and how important it is to stay connected to the Representative and Senators in your districts. I am proud to say that I am part of IFCA in Springfield. When I or any of the other attendees were asked who we were with and we responded with IFCA the immediate response was "oh we sure enjoy working with Jean." They were not just saying that to make us feel good, they truly meant it. It is amazing to observe how politics work and how we can get things done because of the work Jean, Kevin, and Leslie do daily to keep IFCA in the forefront of the Springfield dynamics.

Even with all of the negative press and actual fund sweeping going on, Jean was able to pass SB 2010 through the Senate with a unanimous vote. This is a giant leap toward getting the funds out of Springfield and in private hands allowing for educated deployment of nutrient research money. With the times our state and federal government are in, this is a milestone victory for the fertilizer and ag industry! Please don't assume I am anti-Springfield or anti-Washington DC, but I am realistic, knowing now more than ever we need to be connected and united with the people that are representing us at the local, state and federal levels. IFCA is here for you and working hard to keep agriculture on the right path. I want to thank all of the members of this great organization and encourage you to recruit anyone that is not a member to help us continue to grow and be a presence for the future. In closing, I hope all of you have a great and safe spring. Please call our office if you have any questions or comments; we want to hear from you. See you in August at MAGIE!



Illinois Agriculture Announces Nutrient Stewardship Strategy

Since September 2010, IFCA and other agricultural organizations have participated in numerous nutrient stakeholder meetings hosted by the Illinois EPA. IEPA is under pressure from USEPA to set restrictive water quality standards for nitrogen and phosphorus in streams, which would impact water treatment plants and manufacturing facilities that have permits to discharge as well as urban and agricultural non-point sources that also have a stake in nutrients in the environment.

Rather than succumb to a severe regulatory approach that water quality standards would bring about, we have an opportunity to come up with innovative approaches to reduce losses of N and P to Illinois waters. The Illinois ag industry has responded by formulating a **Enhanced Nutrient Stewardship Strategy** that we have named "**KIC 2025: Keep it for the Crop by 2025.**" This strategy outlines steps the ag input industry and producer organizations will collectively take beginning in the fall of 2011, building upon research and implementation of nutrient efficiency practices through 2025 to minimize losses of N and P from agricultural production activities. We presented the plan to IEPA and other nutrient stakeholders (municipal water treatment plants, environmental groups) in April to demonstrate that Illinois agriculture is committed to targeted and innovative non-regulatory approaches to reduce nutrient losses. It only makes sense to protect these nutrients for plant uptake, which will further enhance agriculture's productivity and protect water quality.

IFCA played a significant role in the development of this document and is taking the lead on SB 2010 which is legislation that will protect and enhance the funding mechanism for critical nutrient efficiency research, as well as the implementation of technologies and practices to "Keep it for the Crop." A more public announcement of the strategy document is coming soon; call Jean if you have questions.



**Illinois Fertilizer &
Chemical Association**
Supply • Service • Stewardship

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IFCA WELCOMES NEW MEMBERS

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 Kyle Payne, CHS, Inc., Springfield, IL
 Ted Reilly, American Welding & Tank, Fremont, OH
 Michael Brito-Amador, Agricultural Solutions, Wheaton, IL
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 Ray Woodrey, Ag Sync, Inc., Wakarusa, IN
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 Jeff Bald, CF Industries, Sioux City, IA
 Zane Hampton, Koch Nitrogen, East Alton, IL
 Larry Martin, Koch Nitrogen, Henry, IL
 John Pruitt, Koch Nitrogen, Mattoon, IL
 Tom Bayer, Sikich LLP, Springfield, IL
 Ron Boyd, Agri Business Support Co, Georgetown, TX
 Jon Phillips, BELPARK, LTD, Vandalia, IL
 Jim Shelton, Strategic Agricultural Co, Juda, WI
 Tom Atkins, Illinois Road Contractors, Jacksonville, IL
 Tony Kuebrich, M & M Service Company, Marine, IL
 Tod Anderson, River Valley Cooperative, Geneseo, IL



Legislative Update



The state legislative session is in the final stretch; the legislature is supposed to adjourn on May 31, 2011. The Senate introduced almost 2,500 bills and the House 3,500. Discussion about how to get the state budget turned around have yet to begin in earnest, so it makes us a little anxious to see what might be in the budget bill at the very end of the session. Here are highlights of major issues IFCA is working on this year:

Sales Taxes: We continue to remain vigilant in defending the need for sales tax exceptions for production agriculture inputs and machinery. Agriculture is a manufacturing process, and as such, items used in the production of the final end product should not be subject to tax, the final end product is where the tax determination should be. There was an attempt early in the legislative session to put a sunset of December 31, 2012 on all sales tax exceptions and credits, including those in agriculture. This amendment failed by one vote in the Revenue Committee. We are keeping our eyes and ears open as the budget process begins; in the past attempts to eliminate sales tax exemptions were included in the final state budget bill, making it extremely challenging to eliminate certain portions of a massive piece of legislation that often legislators do not have time to fully read before they are asked to vote on it.

SB 2010: This bill was initiated by IFCA and is sponsored in the Senate and House by the respective Chairpersons of the Ag Committees. SB 2010 will eliminate the Fertilizer Research & Education Council and replace it with the Nutrient Research & Education Council, creating more of a check-off system where the fertilizer tonnage fees will be collected as a provision of The Illinois Fertilizer Act, but remitted to the industry to manage, thus protecting the funds from being swept. Since 2007, almost \$1 million has been swept from the IDA Fertilizer Control Fund (where tonnage fees are deposited for research programs) to the General Revenue Fund, making it all but impossible to have any kind of sustainable or productive fertilizer research and education program. All the agriculture associations support SB 2010, as does the IDA, IEPA as well as the environmental organizations. SB 2010 passed the Senate unanimously and now goes to the House for consideration. SB 2010 will be the foundation of funding for the KIC by 2025 program (see page 1).

Other: SB 2010 is taking up most of our time this year, but we're also following a bill to further regulate municipal sewage sludge (often applied to crop land), and we opposed legislation that would have required a special label on all products that contain any ingredients that were genetically modified. IEPA is also seeking authority in SB 1357 to penalize companies up to \$3,000 if they fail to comply with a compliance commitment agreement following an environmental release. IEPA feels that having some penalty authority will give them more flexibility in assuring compliance rather than having to refer companies to the Attorney General for failure to comply with a compliance commitment agreement.

IFCA CALENDAR

2011 IFCA Golf Outings

Thursday, July 28, @ WIU Golf Course, Macomb
 Thursday, August 4 @ Oak Ridge Golf Course, Seneca
 Thursday, August 11 @ Scovill Golf Course, Decatur

National Agronomic Environmental Health & Safety School

August 23-24 @ Double Tree Hotel, Bloomington, IL

MAGIE 2011

August 24-25 @ McLean County Fairgrounds, Bloomington, IL

2011 Fall NH3 Safety Schools

Tuesday, September 27 @ Rock Falls Hotel, Rock Falls, IL
 Wednesday, September 28 @ Holiday Inn City Center, Peoria, IL
 Thursday, September 29 @ Northfield Inn & Suites, Springfield, IL
 Friday, September 30 @ Holiday Inn & Suites, Bloomington, IL



IFCA Legislative Committee member Jim Disney (Rosens), Senator Sam McCann (R-Carlinville), and Jean Payne at the annual IFCA Legislative Breakfast held April 7, 2011.



Important Industry Issues



The Asmark Institute Offering New Anhydrous Training Course

The Asmark Institute will be offering a new training course designed specifically for personnel responsible for the maintenance and repair of anhydrous ammonia installations and field equipment. The course spans three days and provides hands-on training using real equipment. Asmark has moved an entire ammonia installation indoors for the course, which is planned to be offered 12 times a year in Owensboro, KY. Incident investigations from recent years involving ammonia equipment reveal that improperly installed and/or maintained equipment is a contributing factor in a substantial number of accidental releases. Need for a course such as this has been steadily growing over the years as the majority of ammonia training courses offered are primarily geared toward safety, handling, first aid and emergency response procedures. The Institute plans on offering these courses from June through January. We will keep you posted.

Illegal Transportation of Anhydrous Uncovered in Missouri

There are some things that happen in this world that you just can't make up. The picture to the right is a farmer in Missouri using a 1950's model modified railcar strapped to a flatbed to transport anhydrous ammonia directly to the farm field, where it was transferred into nurse tanks then applied with a toolbar. The incident happened earlier this spring according to the Missouri Commercial Motor Vehicle unit. They received several reports of individuals utilizing railcar tanks to receive bulk amounts of anhydrous ammonia at which point the farmer then transports this tank via flatbed and semi from farm to farm refilling their nurse tanks.

Since these are potentially rail car tanks, they are DOT vessels that are much heavier and can hold a larger quantity of ammonia than the standard MC 330-331 cargo tanks that normally transport ammonia on a highway. The Missouri Highway Patrol also expressed serious concern over the fact that there is no emergency water, labeling, placards or markings of any kind and the method of securing the tank is also more than questionable. Initially, these types of vessels may actually be mistaken as a water unit or some other non-hazardous pressurized tank, thus leaving emergency responders totally unprepared. By the end of the day of receiving this information, IFCA was notified that MO law enforcement was addressing the issue, at least with the railcar pictured here. While a final report will be forthcoming, at least this individual has been stopped from transporting anhydrous ammonia in this manner. The problem with this situation is it appears that they may be more than just one of these rigs out there.



IFCA To Collect Portable Refillable Containers (PRCs) in September 2011

IFCA, in partnership with the IL Dept of Ag and Tri-Rinse, are planning several Portable Refillable Container (mini-bulk) recycling locations scheduled for September 2011. With the deadline approaching for compliance with the pesticide container containment (PCC) regulations, there is definitely a need for another series of collection sites throughout Illinois this year. IFCA plans to have at least four collection sites for outdated or unusable PRCs with capacity of 30 gallons or more, or if you enough tanks to fill a truck we can come directly to you. IDA will also conduct the 2.5 gallon collection sites in Illinois over the summer. We will send information and tank registration forms to our members this summer which will contain detailed instructions for cleaning the tanks. There will be a \$15 charge for each mini-bulk tank registered for pickup, or you may also coordinate with IFCA to deliver your tanks directly to Tri-Rinse in St. Louis and reduce the per tank charge. Please re-view the many useful documents posted in Minibulk Regulations section on the IFCA homepage for information about the PRC rule which goes into effect in August 16, 2011.



Jean Payne at the 2009 collection site at Burroughs Ag in Toluca. "Sure beats a day at the state capitol" she said.

Regulatory Update *by Kevin Runkle*



NPDES Permit Compliance Delayed

The House of Representatives passed H.R. 872, "Reducing Regulatory Burdens Act of 2011", which exempts FIFRA-compliant pesticide applications from Clean Water Act point source permitting requirements. H.R. 872 was passed on a 292 to 134 vote, paving the way for the Senate to consider the issue next. The vote occurred just days after the court granted the EPA's request for a 6 month stay of the decision from April 9, 2011 to October 31, 2011. The U.S. Senate took a step forward in fixing the problem when Senator Pat Roberts (R-KS), introduced the "Regulatory Responsibility for our Economy Act," or S. 358, to also ensure that Clean Water Act permits are not needed for the application of pesticides, and it amends FIFRA by stating that no permit shall be required for the use of a pesticide that is registered under FIFRA. Although the compliance date for this requirement has been extended to October 31, 2011, there is still a lot of work to be done to ensure pesticide applicators do not have to comply with this burdensome regulation in the future. If these legislative efforts fail, anyone who applies a pesticide directly to water will have to obtain a NPDES permit from IEPA.

USDOT Stepping Up Enforcement

The Commercial Vehicle Safety Alliance (CVSA) along with the federal Department of Transportation (DOT) enforcement personnel are increasing their inspections of ammonia facilities and specifically facilities with nurse tanks. A recent inspection by USDOT officers found that of the 113 nurse tanks at a facility, 78 of those were found to have serious issues. This facility was not located in Illinois, but Illinois is not immune from visits from federal inspectors. The spring season will only get busier and nurse tanks will continue to receive a lot of attention, so if you have questions about the nurse tank inspection program or any other ammonia or DOT regulations, please contact IFCA.

EPA Pesticide Container & Containment Regulations

Now referred to by USEPA as Portable Refillable Containers (PRCs), mini-bulk containers must meet the following criteria no later than August 16, 2011. PRC's must meet USDOT design, construction and marking requirements. One-way valves or tamper evident devices are required on PRC's. They must have a unique method of identification such as a serial number or other ID code. Stationary bulk tanks must meet USEPA requirements by August 16, 2011. Stationary bulk pesticide storage tanks can not have external sight gauges and they must have vents that limit evaporation as well as a lockable inlet/outlet valve. Storage tanks must also be anchored or elevated or contain enough product to counteract buoyancy.

After Aug 16, 2011, PRC's must be properly cleaned between uses unless the tamper evident device and/or one-way valve are intact and the tank is filled with the same product. PRC's must be on an approved list from the registrant and the EPA establishment number and net contents must be on the product label affixed to the tank. You must also keep records each time you inspect and fill a PRC. Please pay close attention to your 2011 Pesticide Repackaging Agreements, which will contain information on the types of tanks that will be acceptable for continued use under the new USEPA rules.

USDOT Proposes New Loading/Unloading Rules for Nurse Tanks

DOT's Pipeline and Hazardous Materials Safety Administration (PHMSA) is proposing additional requirements for loading and unloading cargo tanks, such as nurse tanks used for anhydrous ammonia. The proposal includes the following requirements for those engaged in loading and unloading cargo tanks: Assess the risks of loading and unloading operations, develop written operating procedures, annual training on operational procedures, annual certification of hazmat employees who perform loading and unloading operations, develop a periodic maintenance schedule to prevent the deterioration of equipment, conduct periodic operational tests to ensure equipment functions as intended, and ensure equipment meets the performance standards for specification cargo tanks. The deadline for comment is May 10, 2011. IFCA and other members of the agriculture industry will be submitting comments.

From the President's Desk by Jean Payne

The other day I told my colleagues at the Illinois Farm Bureau “*Welcome to the world of the regulated community.*” They are upset about a recent determination from USDOT that farmers are considered “for hire” carriers when they take grain to an elevator in a 50-50 cost share arrangement. As such they could not put farm plates on their grain trucks and would have to be enrolled in a drug and alcohol program, keep driver files, etc. USDOT also indicated it’s illegal for a farmer to take a tractor and grain wagon to an elevator. That’s because taking grain to an elevator is considered interstate commerce if the elevator exports any of the grain. The farmer is the first leg of interstate commerce when he delivers to the elevator, and because tractors aren’t commercial motor vehicles, the farmer would be in violation of the FMCSA regulations. Last year DOT told IFCA a similar thing, saying that crossing state lines with ammonia nurse tanks is interstate commerce and since nurse tanks can’t meet the FMCSA safety appurtenance requirements, it’s illegal. These issues remain in limbo while the ag industry and USDOT try to figure out what’s really going to happen in terms of enforcement. Regardless, it’s another indication that agriculture faces more regulations and we can’t take for granted any of the exceptions that we have fought hard to secure. Whether it’s the hours of service exception, sales tax exemptions, motor fuel refunds, etc., I’ve experienced many days when your world turns upside down based on one bureaucrat’s decision, and you have to drop everything and fight like mad to get back what we had already fought for and won. IFCA has a great track record when it comes to keeping things in check, but we can’t spend all of our time just playing defense either. More regulations are coming, like it or not. There are big challenges ahead with nutrient use, and I’m proud to part of the leadership role IFCA is taking to ensure that we offer productive solutions that are beneficial to agriculture and to society, rather than letting others decide how we should manage nutrients. The positive relationships we built with agencies, legislators and even environmental groups over the years further enhances the influence IFCA will have on these issues.

How about we make the government and activists respond to our ideas and our stewardship programs for a change, rather than us reacting to and working off their proposals? If that sounds like a great idea to you, then I’m pleased to report that this is exactly what your Association is doing with SB 2010 and KIC by 2025. Stay tuned.

I suppose leadership at one time meant muscles; but today it means getting along with people.—Mohandas Gandhi

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