

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 2012 Newsletter

IFCA Chairman's Report by Bill Romshek

As we begin the planting season of 2012 we tend to wonder how this spring season will be different than the previous planting seasons. All winter long we were all waiting for the weather to change. It was a mild winter and an early start to spring, so I wonder how Mother Nature will pay us back. March was a perfect month; the weather enabled us to get a jump on spring work with fertilizer application and tillage work. All we need now is the right date on the calendar! I took a trip recently to southern Illinois where I witnessed corn planted on March 17th that was up and looked almost perfect. We all keep thinking that something will change. The old saying goes if you don't like the weather today be patient, it will change; we live in Illinois after all. If you are like most of us our attitudes tend to improve when the spring season gets here, the grass gets green, and we are able to get outside and accomplish a few things.

So let's look at all the positives: we are involved in a terrific industry! With the product demands we are facing we are able to keep commodity prices up. This helps everyone involved in all aspects of agriculture. If we feel good about these accomplishments, everyone should also feel great about your IFCA. With my past years of service on the Board I recognize how fortunate we are in Illinois to have the organization we have. In March, we held our first board meeting in our new office west of Bloomington, IL. The office alone is a testimonial of the professional organization and staff we have to represent the industry. Along with the IFCA office, the Asmark Institute has started construction on the new training facility. All of this has come available due to the partnership IFCA has with Asmark and the services this organization also provides to the industry.

We all cultivate relationships daily with our customers and business partners. I recently experienced a great example of how Jean and her staff have cultivated relationships when I attended the Illinois Ag Legislative Day in Springfield on March 28th. We visited with local Representatives, Senators, Robert Flider (Illinois Director of Ag) as well as Lt. Governor, Sheila Simon. Everyone we visited expressed their appreciation to the IFCA. Jean and her staff work hard to stay connected with the individuals that are representing us at the local, state and federal levels.

The IFCA is here for all of you and is working hard for our industry. I want to thank all the members of this great organization. I hope all of you have a great and safe spring season.

New IFCA Headquarters

In March 2012, IFCA relocated the office to 14171 Carole Drive in Bloomington, IL. IFCA is now located 1.5 miles west of the McLean County Fairgrounds (home of MAGIE), just off Route 9. We share a business park with Illinois Corn Growers Association, Monsanto and Nichols Tillage. The Asmark Institute training center will be located directly behind the new IFCA office on 4.2 acres. IFCA's partnership with the Asmark Institute made the office move and the training facility possible.

Please update your records to reflect our new address:

IFCA, 14171 Carole Drive, Bloomington, IL 61705

If you are in the area, please stop by and visit us!



IFCA staff from left to right: Kevin Runkle, Leslie Forrest and Jean Payne



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

IFCA Board & Staff

2012 Executive Committee

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Vice Chairman

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Ryan Heldt, Dow AgroSciences, Peotene

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Jim McNelly, Christian County FS Inc., Taylorville

John Musser, Stephenson Service Co., Stockton

Jamie Southard, Effingham Equity, Effingham

Regan Wear, Shipman Elevator Co., Shipman

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Kevin Runkle, Manager Regulatory Compliance
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Please Note Our New Address

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Visit us on the web at www.ifca.com

IFCA WELCOMES NEW MEMBERS

Doug Baxter, Murray Equipment, Inc., Rochester, IN

Chris Kane, Becker Underwood, Marissa, IL

Kent Klinefelter, Linco-Precision LLC, El Paso, IL

John Meece, SFP, Leawood, KS

Ed Tanton, Tanton Farms, Bloomington, IL

Allen Scarborough, Bayer CropScience, RTP, NC

Paul Whitworth, PotashCorp, Northbrook, IL

Steve Sloan, MANA, Lincoln, IL

Anson Boak, Salford Farm Machinery Ltd, Salford, ON

Kurt Barman, Barman Seed Inc., Woodhull, IL

John Frazee, Biddle Soil Service, Newman, IL

Kelvin Feist, Intrepid Potash, Inc., Denver, CO

Jim Grebe, Hasselberg, Williams, Grebe & Snodgrass, Peoria, IL

David Justison, Justison Farms, Hillsboro, IL

Larry Edwards, Farmer City, IL

Dustin Ehler, Ehler Bros. Co., Gifford, IL

This Spring IFCA and IDA trained over 650 ag retail employees and emergency responders on anhydrous ammonia safety. If employees were hired after the ammonia schools, there is the option of the online ammonia training on the IFCA website.



IFCA CALENDAR

IFCA Golf Outings

July 26, 2012 @ Oak Ridge Golf Course, Seneca, IL

August 2, 2012 @ Scovill Golf Course, Decatur, IL

Asmark Institute Professional Applicator Training

July 30, 2012 @ Kirkland, IL

July 31, 2012 @ Ottawa, IL

August 2, 2012 @ Shipman, IL

August 3, 2012 @ Bloomington, IL

MAGIE: August 22-23 @ McLean Cty Fairgrounds, Bloomington

National Agronomic Environmental Health & Safety School

August 21-22 @ Asmark Institute Training Center, Bloomington, IL

IFCA Trap Shoot

September 13 @ Downer's Grove Sportsmen's Club, Morris, IL

September 20 @ Brittany Shooting Park, Bunker Hill, IL

IFCA Convention: January 21-23, 2013 Peoria Civic Center

Regulatory Update

Large Scale Issue

In March, Illinois ag retailers with large scale operations received a letter from Illinois Department of Agriculture Bureau of Weights and Measures requesting proof of a Certificate of Conformance (COC) to show your scale system conforms to the National Type Evaluation Program (NTEP) guidelines. It was our understanding that a COC would only be required for scales installed after 2002. IFCA met with IDA to clarify the regulation, and subsequently issued a second letter to owners of large scale operations notifying them that IDA was indeed re-evaluating the requirements set forth in the regulations. IFCA commends IDA for listening to our concerns. In partnership with the Grain & Feed Association of Illinois, IFCA met with IDA management and all agreed that an industry advisory committee be established to review the regulations and make recommendations on compliance issues. We are in the process of putting together this committee which will meet in early May. This issue of how NTEP may also apply to metering devices will also be addressed by this committee. We will keep you posted as we work with IDA toward our mutual goal of fairness for the industry and consumers in the weights and measure regulations.

USEPA Pesticide Container & Containment Regulations

The remaining requirements set forth in the USEPA Pesticide Container and Containment regulations became effective August 11, 2011. This rule applies to any company who repackages pesticide products. Highlights include:

- Portable Refillable Containers (PRC's) must be on the pesticide manufacturer's list of approved containers; containers used only in your custom application business are "service containers" and are exempt from this regulation.
- PRC's must be durably marked with a unique serial number or identifying code
- PRC's must have a tamper evident device and/or a one-way valve or both on each opening other than the vent
- The re-filler must record each time a PRC is filled noting the pesticide, amount, EPA#, date and tank serial #
- PRC's must be a USDOT approved container with a minimum packing group III designation or be on the pesticide manufacturer's approved list
- All tanks used for repackaging must be tested every 2.5 years according to DOT re-testing procedures
- If mini-bulks are marked "one-way or non-refillable" they can not be refilled

If you are not sure if your mini-bulk/PRC's meet USDOT packing group requirements, please contact Kevin at the IFCA office; he can come to your facility and help determine if your tanks meet DOT requirements.

CDL Medical Card Harder To Obtain

In 2008, a health panel recommended to the Medical Review Board that CDL medical certification be conditional based on body mass index (BMI). BMI is a statistical measure which compares a person's weight and height. Though it does not actually measure the percentage of body fat, it is used to estimate a healthy body weight based on a person's height.

The health panel recommended that truckers with a BMI of 30 or higher should be required to be tested for sleep apnea. It is not yet clear how strict a criteria Federal Motor Carrier Safety Administration (FMCSA) will give BMI in the DOT physical exam process; however, doctors have wide discretion in determining sleep apnea and many truck fleet owners use a BMI of 39 or higher to screen and disqualify driver applicants.

Other indicators of potential obstructive sleep apnea are neck size, enlarged tonsils and large tongue volume. Large neck circumference is measured at 16 inches for women and 17 inches for men. High BMI or large neck size are indicators of possible obstructive sleep apnea. Additional factors that predict obstructive sleep apnea are diabetes and high blood pressure. A driver presenting a combination of these conditions is likely to trigger suspicion of sleep apnea and the need for a sleep study in order to rule it out in order to complete the DOT physical exam process for CDL medical certification. Once again it is the discretion of the doctor issuing a CDL medical card to require a sleep apnea test based on BMI.



Important Industry Issues



NH3 Nurse Tank Inspection Program

In 2005 the industry worked together to develop a compromise with USDOT Pipeline HAZMAT Safety Administration (PHMSA) regarding anhydrous ammonia nurse tanks with missing or illegible data plates. What developed from those meetings with USDOT was the Nurse Tank Inspection Program (NTIP) Special Permit which allowed nurse tanks to remain in service provided they passed a hydrostat pressure test, thickness test and visual inspection by a certified Cargo Tank (CT) inspector registered with USDOT once every five years. Special Permit 13554 has since been absorbed into the USDOT HAZMAT regulations which still requires the tanks to be tested and inspected once every five years. Although it is no longer necessary to participate and register a facility into the NTIP and keep a copy of SP-13554 on file, nurse tanks must still pass the inspection program and the month and year the tank was tested must still be affixed to each nurse tank tested. A copy of the inspection report must also be maintained on file in the event of a PHMSA audit. A facility in Indiana received a \$200,000 fine due to lack of complying with the regulation. Over the last seven years several IFCA members have also received fines from USDOT for not testing nurse tanks with missing or illegible data plates.

Nurse Tank Maintenance Issues

PHMSA has also issued violation notices to six IFCA members found in violation for improper maintenance of nurse tanks. Improper maintenance issues cited by PHMSA include faulty bolts, faded paint and torn or faded placards. Security awareness training and HAZMAT training for anhydrous ammonia have also been at the top of the list in regards to violations cited by USDOT PHMSA. Typical fines can be as much as \$10,000 per violation.

Ammonia Training Offered at IFB Conference

On February 29, 2012 John Rebholz and John Zook with the Illinois Department of Agriculture's Bureau of Ag Product Inspection along with IFCA's Kevin Runkle developed a special 30 minute NH3 safety course for attendees at the Illinois Farm Bureau Government Affairs Leadership Conference. The training focused on properly connecting a toolbar to a nurse tank, safe NH3 transportation and in-field application, emergency response and first aid procedures for NH3 exposure. Nearly 300 IFB members attended the training session throughout the day.

A fog machine and air hose were used to simulate an anhydrous ammonia release due to improperly bleeding the hose prior to disconnecting. The piece of equipment in the picture is one of about 15 pieces of equipment that will be used in the Asmark Institute three day anhydrous ammonia training course.



Left to right: John Rebholz, John Zook and Kevin Runkle

Construction Begins On Asmark Institute Training Complex

At the end of March, construction began on the new Asmark Institute Training center behind the IFCA office. The 20,000 square foot training complex will offer an innovative three day anhydrous ammonia training course as well as an advanced ammonia technician course, innovative grain safety and maintenance course, courses on nurse tank testing, as well as house the Professional Applicator Training course taught by Dr. Bob Wolf. The presence of this training center in central Illinois will ensure that innovative training programs on subjects needed by the industry can and will be developed and delivered in a timely and professional manner. The training center will be available for use by anyone in the agricultural industry and is scheduled to be completed by August 2012.





Legislative Update



Hours of Service: What is Happening?

If it seems like we are always writing articles about the Hours of Service issue, that's because we are! Keeping this vital exemption for the ag industry has been a constant struggle. Although it is clear to us that current federal law includes all distribution points for agricultural supplies as being covered under the HOS exemption, bureaucrats disagree and assert it's only valid for retail to farm and farm to farm movement. When this brew-ha-ha erupted over HOS back in 2010, we secured a 2 year waiver to allow our industry to transport anhydrous from terminals to retail sites under the HOS exemption, but this waiver expires in October 2012.

So what now? We have two efforts taking place:

1. Language re-asserting that HOS applies to all distribution points exists in both the House and Senate version of the Surface Transportation Bill (the major US highway funding bill). Congress is still deciding if they are going to pass the entire bill or just do an extension of the funding.
2. We are preparing to request an extension of the waiver for anhydrous ammonia in case Congress fails to act to pass the Surface Transportation bill prior to October 2012. It is critical that we have this in place prior to fall season to provide certainty to the industry, because nothing on Capitol Hill is certain!

We will keep you posted on this issue over the summer. The leadership of the Ag Retailers Association and The Fertilizer Institute on this issue has been exemplary and we should all appreciate what our national trade groups do each day in D.C. to manage the issues for us back in the states.

Changes to the Illinois Fertilizer Act

Since 2004, nearly \$1 million dollars have been swept from the Fertilizer Research & Education Council (FREC) program into the General Revenue Fund. It's hard to run a nutrient research and education program when you never know how much money will be taken away and when. As our industry works to meet the challenges facing nutrient use, the IFCA leadership knows that it is vital to have resources available to fund science-based approaches to assure nutrient efficiency and enhance agricultural productivity in Illinois. Not to mention we need science-based data to defend our industry against those who believe agricultural nutrient use should be curtailed and regulated in a manner that is counter-productive to meeting the food needs for the US and the world.

To assure a prosperous nutrient research and education program in Illinois, IFCA initiated legislation that will privatize the FREC program to assure that these monies are not subject to fund sweeps. The bill also streamlines the paperwork requirements for custom blending and provides the necessary funds to the IL Dept of Ag to maintain the fertilizer quality, safety and registration programs. As we watch the IDA budget cut year after year, it is evident that industry needs to support these programs or they will cease to function adequately, putting our industry in a untenable position when it comes to stewardship, quality, safety and equity. HB 5539 is supported by IFCA, IL Farm Bureau, IL Corn Growers, IL Soybean Assoc, IL Grain & Feed Assoc, IL Seed Trade Assoc, IL Dept of Ag, IL EPA and the Soil & Water Conservation Districts. It has no opposition. In a nutshell, this bill:

1. Updates the IL Fertilizer Act to ensure definitions are consistent with those of the Assoc of American Plant Food Control Officials. The Act has not been substantially updated since 1961 and to ensure fluid commerce, definitions should mirror those used in neighboring states.
2. The bill eliminates the FREC program and replaces it with the Nutrient Research & Education Council (NREC). A portion of the tonnage fee will be deposited directly to the NREC, a private foundation, not to the Dept of Ag. The NREC Council is made up of 9 voting members from the industry and grower groups, and this Council will oversee funding of research and education programs. IFCA will provide administration of the NREC program. A separate portion of the tonnage fee will stay with IDA to support the fertilizer regulatory programs.
3. Instead of paying to register each custom blend, fertilizer dealers will pay an annual \$100 registration fee which covers all blending, storage and distribution activities.

HB 5539 is an extremely critical initiative coming at a time when pressure on the nutrient industry is also extreme. If you have questions please contact Jean Payne. HB 5539 has passed the House and is under consideration in the Illinois Senate.

Some Things Never Change by Kevin Runkle

March was an extremely busy month for the IFCA staff. We moved into our new office, the Asmark Institute training center broke ground and we had several IFCA members receive proposed penalty violations from USEPA and USDOT. The proposed violations from USEPA involved failing to notify the National Response Center of a reportable quantity (RQ) release of anhydrous ammonia within 15 minutes of knowledge of the release and Risk Management Program violations. The proposed penalties from USDOT involved Pipeline HAZMAT Safety Administration (PHMSA) violations and Federal Rail Administration violations.

For many of us in the industry, these violations seem frivolous, tantamount to getting a parking ticket. The fact of the matter is they are violations of federal regulations and there is an entire army of attorneys working for these federal agencies to ensure fines are imposed to keep a violation from occurring a second time. IFCA members do a great job being proactive and complying with state and federal regulations. Getting a fine for a proposed violation of a regulation can be disheartening to say the least. Getting a fine or being found in violation can make a person feel like they were not doing their job when they know they were doing the best they could with the resources given. When it comes to an auditor, whether state or federal, it is their job to find deficiencies and, for the most part they will, no matter how good of a job you have done. Unfortunately, this is the reality of the regulatory environment.

If you find yourself in receipt of a letter from a state or federal agency listing proposed fines for violations, I can't overstate how important it is to contact IFCA to assist with a response. Most initial letters will outline a timeframe for submitting a response ranging from two weeks to thirty days. It can be as simple as a phone call or a little more complicated involving letters sent certified mail. Either way, IFCA cannot assist our members without them contacting us first. The proposed fines in March and April of this year were negotiated toward a reduced fine. Part of the IFCA mission statement is, *To assist and represent the crop production supply and service industry*. The IFCA staff takes great pride in being able to assist our members from something as simple as lending an ear and listening to a member voice their opinion about regulations to making an appointment with USEPA Region V headquarters in Chicago and helping negotiate egregious probable violations and fines. When we are able to make an unreasonable fine more reasonable, it helps to keep proposed penalties reasonable for everyone; if we did nothing on these fines, the precedent is established and signals to the government that it's ok for them to take liberties with the regulatory process. It is our nature and our duty as Americans to fight for what we believe is right and make right what is wrong.

I wish I could say there will be less regulatory enforcement within the industry in the future, but I would be lying if such a claim was made. Most recently, the Senate Environmental and Public Works Committee held a hearing on EPA's 2013 budget where EPA Administrator Lisa Jackson was the sole witness. In the hearing, Senator James Inhofe (R-OK) highlighted an issue with EPA's enforcement against fertilizer retailers who claim exemption for reporting fertilizer on Tier II reports. Even though fertilizer held for sale to the ultimate consumer is not required to be reported on Tier II's EPA began citing facilities for not reporting it in 2010. EPA went as far as citing ag retail facilities for not reporting fertilizer in quantities of more than 10,000 pounds and for holding fertilizer at retail locations that do not qualify as "hazardous substances." Senator Inhofe is on record as saying in the hearing "Rural America has been hit especially hard by EPA's regulatory overreach." For those of you who don't remember, Senator Inhofe intervened in the 2005 Risk Management Plan issues we had in Illinois in which IFCA President Jean Payne testified before a committee regarding Region V EPA's aggressive approach to Illinois' RMP violations. Some things never change especially the fact that IFCA will always be here to assist and represent the crop production supply and service industry.

The best way to get a bad law repealed is to enforce it strictly —Abraham Lincoln

Stewardship Initiatives

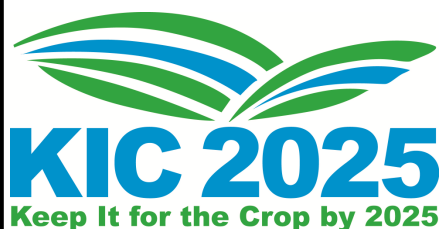
By Dan Schaefer, Director of Nutrient Stewardship, Illinois Council on Best Management Practices

After a warm and unusual winter, spring is here and the planters are running. This planting season is the earliest I can remember and may lead to a very early corn harvest this fall. With this crop year off to a great start fall will be on us before we know it. In the ag supply business there is no longer time off from the job of planning and advising farmers and very soon many of you will begin the process of contracting and planning N, P, K for the 2013 crop year.



When this process of planning for the 2013 crop begins let's try and lead the conversation with the grower in the direction of the new guidelines for fall NH₃ application that are found in the KIC program and the 24th Illinois Agronomy Handbook. This guideline includes waiting until the daily maximum temperature at the 4" depth is below 50 degrees, use N-Serve and utilize the MRTN N-Rate Calculator to determine the needed nitrogen rate.

Late summer is also a good time to discuss the 4R's of nitrogen management with the customer. We will soon have an app for the smart phones and I-pads available to us to use for nitrogen management. This app will compare a single application of a nitrogen source to a nitrogen management system using the right source, rate, time and place. The reason it is important for us to do this and begin to position this to our growers is this: In the past two weeks I had to defend our practice of fall NH₃ application to some of our critics. These are the people that would like to see regulations on our industry to the point of no nitrogen until March 15 and a nitrogen tax so high it would limit rates and cut grain production. Challenges like this to our toolbox of nutrient options are real and we need to recommend to our customers nitrogen management.



All the best management practices in the world will only be effective if we have farmer adoption. During the growing season I will be around to visit with many of you and I am always available to discuss the KIC program with you or your customers. Thanks to all of you who have welcomed me in this new role; you can reach me at 217.202.5173 or dan.schaefer@illinoiscbmp.org

AASA Program Coming To Illinois

In 2007 IFCA took over as administrator of the American Agronomic Stewardship Alliance (AASA). AASA is a not-for-profit organization that has taken the lead in developing a stewardship inspection program for agricultural retail facilities that store bulk, mini-bulk, and packaged crop protection products.

AASA has developed a single checklist and inspection schedule that replaced the duplicative bulk inspections of facilities conducted by manufacturers. Bulk pesticide facilities in Illinois facilities were last inspected in 2009 and will be inspected Summer 2012 making this the third time AASA inspections have been conducted in our state. Each ag retail site with bulk pesticides will receive a pre-inspection letter from AASA and an inspector from RCI/FarmChem will contact each location to schedule an appointment. For questions regarding the AASA program, please contact Jean or Kevin.

2012 Mini Bulk Recycling

If anyone has mini-bulk containers they would like to recycle this year, please contact Kevin at the IFCA office. We are trying to determine if there is enough interest to organize mini-bulk collections this year. Also, if anyone would like to host a collection site, please contact the IFCA office. Last year Effingham Equity in Montrose and Evergreen FS, Inc. in Bloomington hosted collection sites. Over 500 mini-bulk containers were collected and sent to Tri-Rinse in St. Louis for recycling.



Jamie Southard, Effingham Equity, looks on as Bill Garver of Brandt Consolidated, Inc. in Ashland, IL gives a tour of their bulk pesticide repackaging facility during the 2006 AASA kick-off event.

From the President's Desk by Jean Payne

I was honored recently to represent our industry at a groundbreaking ceremony at Rentech Nitrogen in East Dubuque, IL (see picture below). The company announced a \$100 million dollar expansion project which will increase their nitrogen production by 25%. Congratulations Rentech Nitrogen!

John Ambrose, Rentech's Chief Operating Officer and an IFCA member, spoke with enthusiasm about the project to the crowd of nearly 100 who attended, and I felt so proud for this company and their employees. To see a fertilizer manufacturing plant expand in Illinois was something I had never experienced.

Truthfully, very few Illinois citizens get to see or hear about any type of manufacturing plant expanding in Illinois so when it happens, it really is special.

In 2003, this plant's future was dim. Royster-Clark owned the plant when Governor Blagojevich proposed a sales tax on natural gas. At a time when the nitrogen manufacturing sector as a whole was on life support due to high gas prices, adding 6.25% on top of that would have been the end of it for this plant. We had to work hard at the state capitol to carve out a special exemption from the gas tax for this facility and we got it. I remember feeling very relieved to have been part of saving this plant from certain closure, but I also remember feeling terrible for all the other businesses who couldn't get an exemption and have been paying the natural gas tax ever since. We don't see many manufacturing facilities bouncing back the way this plant in East Dubuque has, and we need more groundbreaking ceremonies like this in Illinois—a lot more. At the Rentech event there were businessmen, union representatives, Democrat and Republican legislators and local officials all together in one place celebrating growth, new jobs, an expanding tax base and the prosperity that agriculture helped make possible. I hope what is happening at Rentech will inspire those who have all but given up on Illinois to realize that it isn't too late, that growth is possible bringing innovation, jobs and a bright future back to this State that we love. There's no question agriculture is willing and able to help make that happen.



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Return Service Requested