



Minutes of the Nutrient Research & Education Council Meeting (Conference Call) January 7, 2014

The Nutrient Research & Education Council (NREC) convened via conference call at 1:00 p.m. on January 7, 2014. Inclement winter weather and unsafe travel conditions were the reasons for a conference call instead of a face to face meeting as previously scheduled.

Participating in the call were:

Voting Members:

Dale Hadden, Gary Hudson, Matt Hughes, Howard Brown, Ed Corrigan, Matt Duncan, Dave Creech, Chris Matlock, Jim Larkin

Non-Voting Members:

Marcia Willhite, Jessica Dexter, Cindy Skrukruud and German Bollero.

Also participating were Jean Payne (NREC Administrator), Caroline Wade and Ted Mottas from Illinois Corn Growers and Lauren Lurkins from Illinois Farm Bureau.

Chairman Gary Hudson called the meeting to order and proposed to amend the agenda to deal only with items related to the NREC budget, project funding and the audit. **Motion to approve the revised agenda made by Matt Hughes, seconded by Dale Hadden, motion carried unanimously.**

Approval of August 13, 2013 Meeting Minutes & August 13, 2013 Annual Meeting Minutes

The Council reviewed the minutes of the August 13, 2013 Council meeting as well as the August 13, 2013 NREC annual meeting. **Dale Hadden made a motion to accept the minutes, Ed Corrigan seconded, motion carried unanimously.**

NREC Budget

NREC Treasurer Matt Hughes presented the profit & loss statement and balance sheet from the 2013 NREC fiscal year which ended December 31, 2013. Matt also reviewed the proposed 2014 budget for expenses and estimated income. Matt reported \$2.2 million in cash carryover into the 2014 year. Jim Larkin reported that in calendar year 2014, the IDA expects to collect \$1.9 million for the fall 2013 fertilizer assessment, and historically would collect approximately \$1.6 million on the spring 2014 fertilizer assessment. Counting the carryover from 2013, this would result in approximately \$5.7 million in income for NREC for 2014. Gary Hudson asked for a motion to approve the financial report and 2014 budget. **Motion made by Dale Hadden, seconded by Ed Corrigan seconded, motion carried unanimously.**

2014 Research Projects

Research Committee Chair Dale Hadden reported that the Research Committee had a thorough and productive meeting on December 17, 2013 to review the 26 project proposals received by NREC. The minutes of the December 17, 2013 Research Committee meeting had previously been sent to the Council members and the minutes reflected the discussion and decisions made by the Research Committee on each project.

Specifically, the Research Committee voted to approve projects 3,6,7,9,10,11,14,15,16,18,20,21,24 & 26 and reduce each project budget by 10%. **Dale Hadden made a motion to approve these projects for funding as recommended by the Research Committee. Dave Creech seconded the motion.** Chairman Hudson asked for discussion which ensued as follows:

Project #6: Matt Hughes asked about the nitrogen treatments being proposed in this and noted that the researchers had provided an updated work plan and budget since the Dec 17, 2013 meeting. Jean stated that the revised plan and budget was due to Dr. Hoeft (NREC Research Coordinator) asking for these changes on behalf of the Research Committee. Matt asked about the use of urease inhibitors on post applied nitrogen. Ed Corrigan and Howard Brown both stated that this is a common practice utilized by farmers.

Gary Hudson asked if projects #6 and #10 should be coordinated as much as possible since they both seek to study impacts on water quality from various nitrogen management practices. He suggested NREC appoint a task force to facilitate the interaction between these two projects. **Dale amended the original motion to add that the NREC Chair will appoint a task force to help facilitate interaction between the researchers on the treatments and activities in projects #6 and #10; Ed Corrigan seconded the motion, motion carried.**

Discussion continued on the following projects:

#11: Is this buffer project different from a FREC project previously funded? Jean said she would pull the past FREC project report and send to the Council, but from memory felt that the project objectives were different.

#18: This corn residue project is also a study previously funded by FREC, but which NREC did not fund in 2013 due to lack of available dollars. **Matt Hughes made a motion to remove #18 from the approved project list, Jim Larkin seconded. After more discussion, the committee members voted; the majority voted to leave the project on the approved list.**

#21: This P runoff study is in its second year of NREC funding. Matt Hughes asked about the practicality of this project on P runoff since it takes a great deal of water on minimal slope farmland to generate P runoff. German Bollero clarified that the rainfall simulators are intended to produce a major rainfall event of 1-2 inches which can cause runoff, and they want to determine how much P is lost in these types of rainfall events.

#24: This is a project to develop a corn research center in Illinois to allow for the study of products claimed to enhance or stabilize nitrogen or reduce nitrogen losses. There was discussion about companies paying fees to the center to have their products tested. Howard Brown clarified that these would be plot fees similar to the seed variety testing program, not research fees.

#8: This is an aerial imagery study to determine nitrogen loss that was not recommended for funding by the Research Committee. Matt Hughes felt that aerial imagery is something that farmers are very interested in. German Bollero stated that while aerial imagery is helpful, there is little that can be done from a nitrogen application standpoint after the imagery shows that nitrogen loss has occurred. Ed Corrigan concurred with that statement. Gary Hudson asked if the Council should consider funding this project; **Matt Hughes made a motion to fund #8, Chris Matlock seconded. The Council voted and the majority voted to not fund this project.**

#25: Gary Hudson noted that in the minutes of the Research Committee meeting, there was a very close vote as to whether to fund this project on updating P & K crop removal rates. The committee discussed

that farmers are very interested in removal rates and it also factors in to P & K recommendations, which is also a project recommended for 2nd year funding. Howard Brown stated that a major reason the project was not recommended for funding was that the committee did not feel they had enough available dollars left to fund the project, but in light of the 2014 budget report, there would be available funding. **Howard Brown made a motion to amend the original motion on approved projects to add #25 to the list of recommended projects; Chris Matlock seconded. The voice vote was not clear, and a role call was performed. 5 Council members voted “yes” to fund this project, 4 voted “no”. Having a majority vote, the original motion is amended to add #25 to the list of recommended projects.**

Chairman Hudson then suggested that the Council vote on the motion on the floor to approve projects including #25 and the appointment of a task force on projects #6 and #10. Gary then asked that project #14 for Discovery Farms be voted on separately. The reason for this is that Illinois Corn Growers has an employee who will be working on this project and the budget includes payment for her time; Gary stated because he is representing Illinois Corn Growers on the Council that he wished to abstain from voting on that project. **Matt Duncan made a motion to vote on the list of approved projects numbered 3,6,7,9,10,11,15,16,18,20,21, 24, 25 and 26 and the appointment of a task force on projects #6 and #10. Dale Hadden seconded the motion, motion carried unanimously.**

Jim Larkin then made a motion to approve #14 for funding. Ed Corrigan seconded the motion, motion carried with Gary Hudson abstaining.

Jean reported that the list of projects approved brings the total 2014 project costs to \$2,558,750.59 and that this would be reflected in the 2014 NREC budget as an expense item under Research Contracts.

Dale made the Council aware that the Research Committee had suggested a 10% budget cut for each of the recommended projects. Howard Brown stated that this may no longer be necessary given the new information on NREC income that the Research Committee was not aware of on December 17. Howard expressed a concern that a directive to the researchers to reduce each budget total by 10% would result in future proposals to NREC being inflated 10% by researchers in an attempt to offset this possibility in future years. Howard stated that Dr. Hoeft would be working with the researchers throughout the year to determine any unnecessary budget costs as the projects commence. The Council discussed this and determined that the motion to approve project costs of \$2,558,750.59 was acceptable.

NREC Audit

Jean had asked IAAA for an engagement letter to audit the 2012-2013 NREC fiscal year activity. The cost to perform an audit and prepare the tax return would be approximately \$5,000 to \$6,000 dollars and IAAA indicated they could begin the audit in February 2014. **Matt Hughes made a motion to have IAAA audit the NREC 2012-2013 activity, Ed Corrigan seconded, motion carried.**

Future Meeting Dates

Gary asked Jean to send out a poll and determine a date in the near future for a face to face meeting to address the remaining items on the January 7, 2014 meeting agenda. The NREC annual meeting will be August 12, 2014 at 2:00 pm at the Illinois Department of Agriculture, during the State Fair.

Gary thanked everyone for their participation in the conference call, and asked for a motion to adjourn. **Motion to adjourn made by Howard Brown, seconded by Dale Hadden, motion carried and the meeting adjourned at 2:55 p.m.**

Minutes recorded by Jean Payne, reviewed by Secretary Dale Hadden.