



NREC Council Meeting

January 16, 2015

Asmark Agricenter, Bloomington Illinois

Council Members Present: Gary Hudson, Ed Corrigan, Jim Larkin, Matt Hughes, Howard Brown, Dale Hadden, Chris Matlock, Dave Creech, Marcia Willhite, Dr. German Bollero, Cindy Skrukud.

Council members absent but excused: Matt Duncan and Jessica Dexter.

Others in Attendance: Dr. Bob Hoelt (NREC Research Coordinator), Jean Payne (NREC Administrator) and guests Lauren Lurkins (IFB), Dick Breckenridge (IEPA) and Jennifer Tirey (CBMP).

Call to Order

Chairman Gary Hudson called meeting to order at 10:05 am. Gary asked for a motion to amend the agenda to combine agenda items #4 and #5 pertaining to discussion of projects into one agenda item. Ed Corrigan made the motion, Howard Brown seconded, motion carried unanimously.

Approval of August 12, 2014 Minutes

Secretary Dale Hadden reviewed the minutes of the August 12, 2014 NREC meeting. Jim Larkin made a motion to approve the minutes, Dale seconded, motion carried unanimously.

Financial Report

Matt Hughes presented the financial report. He reported that \$897,000 was transferred from cash to CDs as per the NREC policy to keep cash at approximately \$500,000. Matt reviewed the balance sheet including income and expenses. For the 2015 budget, Matt explained that fall tonnage sales are expected to be about 30% lower and discussed the proposed budget.

Jim Larkin discussed the tonnage assessment process, indicating there are some issues with IDA's computer system and also a vacancy in position that manages the tonnage reports which they hope to rectify soon. IDA will be sending delinquent notices to registrants who have not remitted the NREC assessment and will schedule administrative hearings if a company wishes to protest. Otherwise, unless the assessments are paid the IDA will cancel the fertilizer registrant's license. There are approximately 35 registrants who are delinquent in their payments although the amounts due to NREC are not significant. Dale moved to approve the balance sheet and the 2015 budget, Jim seconded the motion. Motion carried unanimously. Matt made a recommendation that Clifton Larson Allen perform the 2015 NREC audit. It was discussed that the Treasurer and the Administrator should meet with the auditor together. Matt made a motion to that point, Ed seconded, motion carried.

NREC Project Discussion

Dr. Hoelt and Dale Hadden (Research Committee Chair) proceeded to present the proposed 2015 projects. The Council had been provided the Research Committee's recommendations from their December 12, 2014 meeting. The Council discussed the projects that the Research Committee recommended which are as follows:

2015-01: Turf BMP Guide (ISU & UI): This is a new project that seeks to provide guidance materials on proper nutrient management for turf and specialty fertilizer applications. Bob went back to the project

investigators with specific questions from the research committee, and they agreed the publication will be digital instead of print copies. This reduced the budget by \$11,510 dollars; they will also conduct four statewide meetings to present the program, which increased meetings cost by \$4,800. The authors will define the BMPs but also seek input from the industry professionals. The total budget for 2015 is \$37,319.34; this is a two year project. Chris Matlock spoke to the need of this guide for the industry to not only help educate the professionals but give a reference to the customers when a professional makes a nutrient recommendation. Marcia agreed this fits well into the Illinois Nutrient Loss Reduction Strategy (INLRS) to educate on nutrient losses from the turf industry. Jean stated that, according to her rough calculations, specialty fertilizer registrants are paying in approximately \$18,000 each year into NREC and have been since the assessment began in fall 2012.

2015-02: Multifunctional Buffers (UI): This is an on-going project and involves planting perennial crops in buffers to capture nutrients as well as produce a marketable specialty crop. The project leaders provided additional information on the project per Bob's request. The budget for 2015 is \$116,700. 2015 is the 2nd year of this five year project.

2015-03: Analysis of N Management Practices (ISU): This is an on-going survey project that seeks to determine how farmers make their N decisions and their current nitrogen management practices. The survey return rate in year one is good and will be compared to information provided by ag retailers regarding nitrogen management (source, rate, time and placement of fertilizers) to determine 4R trends over time in the Lake Bloomington watershed. The budget for 2015 is \$33,486.00; this is the second year of a proposed three year project.

2015-04: Nitrogen Management in Tile Drained System (UI): The purpose of this on-going project is to ground truth the ILNRS regarding various nitrogen management techniques and impact on water quality exiting the field tiles. The on-farm site is in Douglas County. Dale raised questions from the Research Committee regarding protocols matching that of the ISU project, the delay in expending grant money, the presence of an agreement with the landowner/tenant, and a concern regarding purchasing assets with research money. Bob responded that the treatments are aligned with that of a similar study being conducted by ISU in McLean County. Because the site at Douglas County was not located until August, there will be some surplus dollars and the equipment installed in the fall of 2014 also came in under budget. The Council discussed the need for a report on what was spent in 2014 to see what is remaining, and track the equipment that was purchased and installed; Dr. Bollero explained the UI procedures for purchasing equipment with grant money; once installed the equipment becomes the property of the UI but can be used in the future on other projects. With regard to the landowner agreement, Dr. Hoeft responded that the landowner will enter into a contract with UI but cannot realistically commit to never selling the property. Dr. Hoeft will visit with the researchers to see what budget needs are for 2015 for the 2nd year of this 5 year project; the proposed budget is for \$101,152 for 2015.

2015-05: Nitrogen Loss Study Evaluating Cover Crops & Bioreactors (UI). This is a new project and seeks to evaluate the effectiveness of activities suggested in the INLRS, including cover crops and bioreactors in a crop rotation. This is an on farm project and the farmer has already installed some of the bioreactors with financial assistance from NRCS. The 2015 budget for this project is \$162,629; this is a proposed two year project.

2015-14: Agronomic & Environmental Assessment of Cover Crops (UI): 2015 will be the third year of this five year project. The first two years were a challenge getting cover crops established at the sites, but a good stand in 2014 is now producing data for the project. The budget for 2015 is \$211,694.

2015-15: 4R Specialty Certification and 4R Code of Practice (IL CCA and IFCA): This new project seeks to educate certified crop advisers and ag retailers statewide on the goals of the INLRS and prepare them for a new 4R CCA certification designation, as well as educate all input suppliers on a new 4R Code of Practice adopted by the IFCA regarding nutrient management recommendations for farmer customers to reduce nutrient losses. Everyone is welcome to attend the meetings and the project will also incorporate distance learning via webinars and websites. It was discussed that IFCA and IL CCA will provide the farmer organizations calendars of the planned meetings and distance learning opportunities. The 2015 budget for this one year project is \$75,200.00.

2015-16: Tracking Soil N Availability (UI): This is a new project. New UI Assistant Professor of Agronomy Dr. Cameron Pittelkow will be assisting Dr. Nafziger with the project. This project aligns with the N-WATCH program that NREC has supported through CBMP. Dale noted concerns raised by the Research Committee, including the inability to currently use the N-WATCH data, and the question as to whether the research project would be worthwhile without the other body of data. Howard Brown indicated GROWMARK Inc.'s intention to put in place a farmer agreement in 2015 so that N-WATCH results (from both 2014 and 2015) can be shared with UI to align the industry efforts with sentinel N-WATCH sites established and tracked by UI. Howard Brown is helping to develop the farmer agreement and he reported it should be ready by middle of February 2015, and would also help to facilitate use of previous N-WATCH results within this project. Individual field results from N-WATCH sampling will not be revealed but the aggregated information for study by UI will be possible with the farmer agreement. The 2015 budget for this project is \$151,281 for this 3 year project.

2015-17: Soil Quality in Corn/Soy Rotation (UI): This is the 2nd year of this 3 year project; data has been collected and is currently being analyzed and there are not yet results to share at this point as this project is on-going. The budget for 2015 is \$58,423 for the 2nd year of this three year project.

2015-18: Updating P & K Crop Removal Numbers (UI): This is the second year for this project; they had great participation from farmers and the industry in collecting corn, soy and wheat grain samples at harvest and the data is being analyzed at this time. The budget for 2015 is \$97,694.00 for year two of this 3 year project.

2015-21: Residue Management, Tillage and N Response in Corn Production (UI): This is the 2nd year of this NREC funded project although it continues a long-term study that FREC had previously funded and is now in its 10th year. It has produced a great deal of valuable information on residue and nitrogen management in corn production, including publications. 2015 will be the last year for data collection; this study is expected to be completed in 2016. The budget for 2015 is \$46,940 for year two of this three year NREC funded project.

2015-22: Comprehensive Corn Nitrogen Research Program (UI): This on-going project funds N-rate trials partnering with farmers and allows the data collected to continue to improve the Maximum Return to Nitrogen (MRTN) nitrogen rate calculator. The study produces information helpful in the evaluation of different sources and timings of N to achieve optimum economic return to the farmer and support for the MRTN as a recommended practice in the ILNRS. The budget for 2015 is \$79,717 for the second year of this three year project.

2015-23: Assessment of NOx Emissions and Nutrient Utilization (UI): This is a new project by a new researcher (Dr. Pittelkow) to look at nitrous oxide emissions from various nitrogen management systems. The Council discussed that this is an air quality vs. water quality study but felt it would be good to be out in front on air issues as Marcia indicated air quality is next on the agenda relative to agricultural practices and contributions to NOx. The budget for 2015 is \$75,507 for this 3 year project.

2015-26: Demonstration and Monitoring of Wetlands for N Removal (The Wetland Institute): This is a new project. Bob has been discussing their proposed budget following questions raised by the Research Committee. The Council discussed how this will result in practical implementation of wetlands by farmers. Wetlands are part of the INLRS and additional work to determine if they can be practically implemented to reduce nitrogen losses is the goal of this study; the project includes demonstration of wetlands in agricultural production systems. Marcia felt wetlands are a practice that works and it could result in additional information and outreach on wetlands; Howard felt it would be good for NREC to help to vet this because wetlands are in the INLRS. The budget for 2015 is \$140,000 for this 2 year project.

2015-29: Nitrogen Management Systems in Tile Drained System (ISU): This is the second year for this project. Bob reported there is very good progress being made and treatments were put in place in 2014 and a demonstration day was also held at the site in August 2014. Cover crops were established this fall as well and water quality from the field tiles is being evaluated. The budget for 2015 is \$118,609 for the 2nd year of this project, which has potential for an eight year project.

2015-30: Keep it for the Crop Education and Outreach Program (CBMP): This program is investing in education (to farmers, agribusiness, general public and youth), training (including cover crop training with the addition of a fourth regional cover crop specialist), demonstration (including on-farm demonstration sites and a partnership with the Soil Health Partnership), Communication and Collaboration. CBMP supports IFCA's Keep it 4R Crop program, which is a separately funded project, geared at educating crop advisors about nutrient and water quality issues. As stated in the grant proposal, CBMP has the ability to subcontract the work on N-Rate trials and N-WATCH with IFCA or other subcontractors. If the work of other subcontractors is desired, their work can be approved by NREC. Gary noted that it is important that Illinois agriculture build significant expertise across the state on work such as the N-Rate trials and N-WATCH. Dale added that CBMP's work in providing education and outreach to farmers is critical to the success of the NLRS and NREC. Marcia added that CBMP's work is a very useful tool, and what is needed for our state's success in the NLRS. The 2015 budget request is \$690,250. There is no established year for project completion as this is an on-going educational and outreach effort.

2015-31: Management of Nitrogen for Corn in Southern Illinois (SIU-C): This is the third year for this project, which studies the later application of nitrogen in corn to reduce nutrient loss potential and improve yields. The 2015 budget request is \$84,457.

2015-32: Effect of Cover Crops on Water Quality (ISU): This is the second year for this project, which is evaluating a paired cover crop study and water quality impacts on a stream tributary to Lake Bloomington from cover compared to non-cover fields. The first year was spent locating participating farmers and cover crops will be established in fall 2015. The 2015 budget request is \$22,646.

2015-33: N Leaching in Cover/No Cover Fields in S Illinois (SIU-C): This is a new project that seeks to determine the impact of cover crops and various tillage systems to reduce nitrogen leaching losses in southern Illinois. The 2015 budget request is \$99,797 for this 2 year project; Bob will discuss the use of some unexpended funds from the other SIU-C study that may be able to be allocated to this project.

Dale wrapped up the discussion by stating that these projects were all recommended for funding by the Research Committee and if anyone desired to go back and discuss projects received that were not recommended by the Research Committee. Matt Hughes asked about project **2015-24: Indian Creek Water Quality Evaluation** which was a new project that also received favorable scoring from the Research Committee but missed the initial cut by only one point in the evaluation process. The Council discussed the project and all agreed it was a very visible project with work on-going that has been

supported by the ag industry groups, CTIC and IEPA and it would be valuable to include NREC as a partner. The project would provide financial support for additional water quality evaluation to determine the impact of the conservation practices in place in the project on water quality in the watershed. Given that Bob was able to work with other project leaders to reduce their budgets, Matt felt it would be feasible to add this to the NREC approved list, and the Council agreed. The 2015 budget request for this project is \$24,810.

Dale made a motion that the Council accept the Research Committee's recommendation to fund the 12 on-going projects plus seven new projects be considered for funding in 2015 for a total of 19 projects. Matt Hughes moved to accept Research Committee's recommendation and to add project 2015-24 to the approved list for a total of 20 projects. Jim Larkin seconded the motion, discussion then ensued.

2015-04: Nitrogen Management in Tile Drained System (UI). Dale raised the issue of needing a report on the breakdown of costs and the status of unexpended funds in project Dale suggested NREC establish a policy on unexpended project funds, whether these monies are carried over, returned to NREC or subtracted from future payments until the previous year's monies are expended. The Council discussed that NREC may also want to consider establishing a policy on equipment purchased using NREC funds in order to provide clarity on that subject, and such a new equipment purchase policy could be applied for future projects but not be retroactive. A policy on renewing the research and administration contracts should also be considered since the contracts currently expire on December 31, but NREC does not meet to address 2015 funding and work plan until mid-January. The Council discussed having the research and administration contracts extend 18 months, from January 1 to March 31 the following year. Project reports are due by mid-February, which is already in the NREC project contracts. By consensus, the Council agreed to work on enacting policies on these topics at a future NREC meeting.

Contingency Discussion: Regarding project 2015-04, given the late start to this nitrogen management project and the large amount of funding allocated in 2014 for that work, Jim made a motion that a budget report be provided to NREC on this project before a contract is executed in 2015; Ed seconded the motion, motion carried unanimously.

On project 2015-16, Matt Hughes moved that there also be a contingency placed on funding this project until the farmer agreement is finalized to ensure the ability of UI to evaluate possible prior and future N-WATCH results. Dale seconded the motion, motion carried unanimously.

On these two projects, Bob and Jean will update the Council via email when these issues are resolved, and the Council can remove the hold on funding these two projects via an email vote.

Gary called for a vote on approving the 20 projects for funding with contingencies on a few as discussed: motion carried unanimously.

The Council discussed the need to begin soliciting the ag industry and other stakeholders on ideas to better define the RFP process for 2016 and be more specific in soliciting projects to address research and education gaps. It was discussed to have a meeting in June to accomplish this objective.

Gary suggested the NREC Executive Committee meet on February 20th at 8 am at the Illinois Farm Bureau office to discuss future needs of NREC regarding administration and public relations work.

NREC Administration

The Council reviewed and discussed a proposal from Dr. Hoeft to continue work as the NREC Research Coordinator in 2015 and moved to accept Bob's proposal of an annual fee of \$40,000 plus expenses for his services. Dave Creech made a motion to accept, Chris Matlock seconded, motion carried

unanimously. The Council then reviewed IFCA's offer to continue as administrator of NREC for \$75,000 which is the same annual rate for their work in this capacity in 2013 and 2014. Howard made a motion to approve the contract with IFCA for 2015, Matt seconded, motion carried unanimously.

The Council also discussed future needs for the administration of NREC. Jean has been providing these services but with the growing number of projects and communication needs, the task has become difficult for Jean to manage given her full time position with IFCA. The NREC Executive Committee will meet in the near future to discuss a process to facilitate finding the best way to ensure the ongoing administrative needs of NREC.

Meeting Schedule

Gary reported that NREC would review the committee roster annually at the August meeting; Bob and Jean will work to finalize a 2014 annual report in April 2015. Gary suggested that NREC meet next in March to develop additional policies as discussed earlier. He asked Jean to send out a poll to the Council members to establish a date for this March 2015 meeting. The annual meeting of NREC will be held on August 18 during the State Fair. Jean briefly reviewed the terms of the current NREC Council members.

Having no further business, Gary asked for a motion to adjourn; motion made by Ed, seconded by Chris, motion carried unanimously and meeting adjourned at 3:15 p.m.

Minutes recorded by Jean Payne, approved by Dale Hadden.