



**Minutes of the Nutrient Research & Education Council Research Committee
February 1, 2013
Office of the Illinois Fertilizer & Chemical Association**

Committee Members Present:

Dale Hadden, Chair of Research Committee
Howard Brown
Ed Corrigan
Jessica Dexter
Matt Duncan (arrived at 9:50 am)
Jim Larkin
Cindy Skrukrud
Marcia Willhite
Bob Hoeft
Jean Payne

German Bollero was absent but excused due to a meeting conflict. Chair Hadden called the meeting to order at 9:00 am.

Approval of Jan 18 Research Committee Meeting Minutes: Dale presented the minutes of the Jan 18th Committee meeting. Motion to accept the minutes by Ed Corrigan, seconded by Howard Brown, motion carried.

Funding Update: Jim Larkin provided a handout from IDA stating that IDA had invoiced fertilizer registrants at total of \$1,556,930.00 based on tonnage reports received as of January 31, 2013. As tonnage reports are received, IDA sends out NREC invoices every Friday. Actual monies received by NREC according to latest IDA records are \$650,190 because of invoices still to be paid; these will continue to come in over the next month and IDA will need to follow up with those who do not pay on time. Some registrants report zero tonnage because they do not sell to the end user. Fertilizer registrants who sell small packages also do not report NREC tonnage, they remit a \$20 product registration fee and \$50 inspection fee since they sell fertilizer in small packages, mostly to a specialty market. All of these fees are deposited into the Fertilizer Control Fund; prior to the new changes in the Fertilizer Act these fees went to the General Revenue Fund.

Discussion of Funding Level for First Year: Based on historical fertilizer tonnage, NREC has the potential to collect \$2.8 million from the Fall 2012 tonnage assessment and the upcoming Spring 2013 assessment; less the administrative expenses of NREC, approximately \$2.6 million could potentially be available for the first year of funding. The committee discussed its concerns with approving projects not knowing what the spring weather will be, and thus what spring tonnage will be. After discussion, the Council determined it would be prudent in the first year to award only money that is in hand and has been collected from fall tonnage sales which is \$1,556,930 million. This will also allow NREC the ability to fund on-going projects as well as new projects in 2014. The Council also discussed paying the recipients quarterly. If NREC provides 25% of funding requests for approved projects, it ensures that receivables to NREC coming in from fall tonnage will all be in place before the subsequent quarterly payments come due. The Committee felt it

would be helpful to state in the RFP next year that those applying to NREC submit a quarterly budget. Jessica Dexter made a motion that for 2013, NREC allocate funds for projects based on tonnage invoiced from July 2012 to December 2012 (fall tonnage). For 2014, NREC would then allocate funds invoiced for January 2013 – July 2013 (spring tons) and also the July 2013 - December 2013 (fall tons) with quarterly payments provided to approved projects in 2013. Motion was seconded by Ed Corrigan, motion carried.

Recap of Project Rankings from Jan 18 Research Committee Meeting: Working with a \$1,556,930 budget for the first year, the committee reviewed the spreadsheet of 18 projects that the committee had previously determined should be considered for funding based on NREC priorities and potential quality of the projects. Nine of the 18 projects had been sent for peer review, and Bob Hoeft discussed the importance of protecting the anonymity of the peer reviewers. Bob provided the overall ranking of the peer review team on the spreadsheet. The Committee discussed the projects that had received the strongest support from the peer reviewers.

Project #6 & #7 (Cover Crops): These projects involve research on cover crops. #7 is focused on determining the value of cover crops relative to production and was ranked very high in peer review; #6 studies cover crops as well as their possible impact on water quality but it has only a single site and will be newly tile drained; its peer review ranking was not as high. Farmers are very interested in cover crops and the committee discussed the need for research to keep pace with what farmers are learning themselves by testing crop crops in their own production systems. There was concern that #6 being a newly tile drained site will take many years before relevant information can be determined vs. sites already in production in #6. The committee felt #7 should receive funding.

Projects #16 & #19 (P & K Recommendations; P Application Methods and Runoff Study): Both of these projects also ranked high in the peer review. There was some concern that the principal investigator on these projects may not be with UI for much longer. However, there are co-investigators and capable grad students on the projects and #16 has been on the high priority list for FREC for years. #19 has been an on-going project funded by FREC, and CBMP had given money to #19 to continue this research when FREC money was not available. The Committee discussed the need to fund #19 so that it can be concluded and results shared with the industry. #16 is also a project of key interest to farmers. The committee felt both should be funded.

Project #13 (Watershed Modeling): This ranked high in peer review for its research protocols; the committee discussed the value of modeling and had some concern about how that type of information directly helps farmers. They felt if money is available this should be funded and moved it to the “possible” list.

Project #1 (Ammonia Safety Training for Farmers). An increased rate of accidents when farmers are transporting and applying ammonia has raised concern with IEPA, IDA and the industry groups. The industry is developing this program to provide easily accessible, specific training to farmers in an on-line format. The committee felt the project should be funded and it will be available very shortly.

Project #2 (Keep it for the Crop): The committee discussed the importance of demonstration and education on nutrient practices and environmental responsibility. This program needs to continue to look at new methods and practices to bring innovative concepts to growers in the priority watersheds. The committee felt it should be funded and include a concerted effort to ensure more promotion and recognition of KIC in the ag industry and to the public.

Project #4 and #3 (Discovery Farms): Project #4 is very broad and did not receive high peer review. Project #3 needs to be better defined but it has the support of ag groups and of the Discovery Farm personnel with similar projects in Minnesota and Wisconsin. It would need start-up funding to hire a water quality

specialist to better define the monitoring protocols. This led to a discussion of project #17 which is also a water monitoring/partnership project between the ag industry and point source community. After discussion, the committee felt that enough funding should be provided (less than requested, however) to allow start-up of #3 and also #17 due to the importance of farmer and ag industry involvement in these projects to evaluate ag practices that can improve water quality.

Projects #8, #12, #15, #18, #22, #23, #24 and #26: These are a mixture of water quality and crop production projects; of those sent for peer review, they did not receive a high ranking. Some have already been done or are being funded by other sources such as the IL Soybean Association or FREC. Due to these reasons and limited funds, the committee discussed not funding these projects.

In looking at the available funds of \$1,556,930 and the considering the discussion, the committee recommended funding the following projects at these levels:

#1:	\$105,000
#2:	550,000
#3:	200,000
#7:	187,000
#16:	200,700
#17:	26,750
#19:	151,000
	<u>125,000</u> (estimated NREC administrative costs)
	\$1,545,450

The committee also determined that if the full Council wanted to exceed the committee's recommendation of \$1,556,930 in funding for the first year, then these projects should receive funding, or additional funding:

#17:	\$121,500
#3	185,000
#13:	42,000
#18:	50,000
#26:	<u>16,000</u>
	\$414,250

Chair Hadden asked for motion to accept this list of recommended projects and the option to provide additional funding for the other specified projects if the full Council expresses that desire. Marcia Willhite made the motion, seconded by Howard Brown, motion carried.

The committee discussed meeting in the summer of 2013 to discuss refining the RFP process and how NREC can better communicate with the research community to ensure that we solicit projects that meet our objectives of improving agricultural production and ensuring environmental responsibility.

Chair Hadden asked for a motion to adjourn at 12:30 pm. Jim Larkin made the motion, seconded by Matt Duncan, motion carried.

Minutes recorded by Jean Payne