

MEMORANDUM TO IFCA RETAILERS

TO: IFCA Retail Members
FROM: Patrick D. O'Rourke and Jean Payne
DATE: July 8, 2008
RE: Fall Nitrogen Economic Impact Survey

We are conducting the FREC funded research study "*The Practice of Fall Applied Nitrogen: Economic Implications to Illinois Agriculture.*" Each passing year brings greater scrutiny on fall nitrogen application and this scrutiny will likely increase as a result of the growing demand for corn and subsequent demand for nitrogen. The USEPA recently released its recommendations for reducing the size of the Hypoxia zone. The report concludes that nutrient losses attributed to agricultural production in the Upper Midwest are a factor and that nitrogen application practices (particularly fall applied N) need to be better managed to reduce losses.

This study is designed to provide important economic impact information to policy makers on the dramatic costs and changes in fertilization practices that would occur if fall N were reduced or eliminated.

ISU researchers Patrick O'Rourke and Randy Winter have compiled Illinois N use data as well as a survey to solicit your input regarding what the implications would be for your business if fall application of nitrogen for corn were to be banned. Enclosed are:

- A map with estimates by county and by crop reporting district for the average annual percentage of nitrogen applied in the fall versus the spring. It is a 4-year average of N use beginning with Fall 03 data and ending with Spring 07 data. The number in each county and district is the best estimate of the % of nitrogen applied in the fall based on Illinois fertilizer tonnage reports. Unfortunately we are not able to separate fall N applied for corn from N applied on wheat. Because Illinois does not require application reporting, we need your estimates to ascertain the accuracy of these reported numbers. Please provide your estimates for the % of total N applied for corn in the fall in the counties in which you operate.
- A survey. We need your responses regarding changes to your business if fall N for corn were no longer an option. This first phase survey, asking for your individual input, will help us develop more detailed scenarios to address in the next phase of this study.

Please review these two documents and respond to the single page survey. You can hand-write your responses on the enclosed survey form or go to the IFCA Website at www.ifca.com to download the document in Word which you can complete and return in the enclosed postage paid return envelope. Individual responses will be held confidential and will not be identified by source. Thank you for your time and please give us a call or email if you have any questions or comments.

Sincerely,



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