



The Fertilizer Institute

Nourish, Replenish, Grow

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TFI advocate

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Fertilizer Supply and Demand Is Hot Topic

The fertilizer supply and demand situation has taken center stage in virtually every sector of The Fertilizer Institute's (TFI) activities. Farm groups are concerned about the availability of fertilizer for the spring season and congressional offices on Capitol Hill are seeking answers as to what has led to this historically tight market.

In an effort to best educate congressional staff members, TFI has held two briefings on Capitol Hill in recent weeks – one for staff members on the House Agriculture Committee and other House agriculture staffers and a similar one for staff members in the Senate. During both briefings, TFI Vice President of

Economic Services Dr. Harry Vroomen explained the market factors driving the fertilizer supply and demand situation.

“World nutrient demand, high natural gas costs, increased U.S. demand for fertilizer, transportation costs and the value of the U.S. dollar all factor into the price U.S. farmers are paying for fertilizer,” said Vroomen. “Fertilizer prices were 130 percent higher in January 2008 than they were in January 2000. However, to put that in perspective, corn prices were 125 percent higher, wheat prices were 242 percent higher and soybean prices were 138 percent higher.”

TFI's Vroomen also conducted a Webinar for members of the National Association of Corn Growers. Vroomen explained the many factors affecting fertilizer prices to the corn farmers on the call.

TFI recently updated its fertilizer prices brochure, which details the primary factors driving the current fertilizer market. Copies are complimentary to members and are available on TFI's Web site at www.tfi.org or by contacting TFI Public Affairs Specialist Estelle Grasset by telephone at (202) 515-2721 or via e-mail at egrasset@tfi.org.

For more information on the fertilizer market situation, please contact TFI's Vroomen by telephone at (202) 515-2702 or via e-mail at hvroomen@tfi.org.



TFI Vice President of Economic Services Dr. Harry Vroomen explained the market factors driving the fertilizer supply and demand situation, as well as the potential impact that new climate change legislation could have on fertilizer prices. Representatives from approximately 20 congressional offices were on hand at the event.

Terra Industries' Mike Bennett Tapped as TFI Chair

At The Fertilizer Institute's (TFI) recent annual meeting, the Board of Directors elected Michael L. Bennett, president and chief executive officer of Terra Industries, Inc., to serve a two-year term as its chairman. In addition, the board tapped Robert P. Jornayvaz III, founder and managing partner of The Intrepid Companies to serve a two-year term as vice chairman. The gavel was passed to Bennett by outgoing chairman, and PotashCorp President and Chief Executive Officer William J. Doyle, at a Feb. 6 board meeting held in conjunction with TFI's 2008 Fertilizer Marketing Business Meeting in Orlando, Fla.

Bennett is president and chief executive officer of Terra Industries, Inc., a leading international producer of

nitrogen fertilizer products. Prior to being named Terra's president and CEO in April 2001, Bennett served as Terra's executive vice-president and chief operating officer and has spent 30 years with the company.

Jornayvaz is founder and managing partner of The Intrepid Companies, which he founded in 1984. The Intrepid Companies includes Intrepid Mining, LLC, which is the largest producer of potash in the United States. The Intrepid Companies also includes Intrepid Oil & Gas, LLC and Intrepid Production Corporation.

TFI's Board of Directors is comprised of 40 directors plus three honorary directors.



Terra Industries, Inc., President and Chief Executive Officer Michael L. Bennett is TFI's Chairman.



The Intrepid Companies Founder and Managing Partner Robert P. Jornayvaz is TFI's Vice Chairman.

TFI BOARD OF DIRECTORS

- Farouk Chaouni, Agrifos Fertilizer, Inc.;
- Michael Wilson, Agrium Inc.;
- Nicholas Adamchak, Ameropa North America, Inc.;
- Vladimir Nikolaenko, Belarusian Potash Company;
- Robert Brown, Calamco;
- Stephen Wilson, CF Industries, Inc.;
- Richard Wilkinson, CF Martin Sulphur;
- Cheryl Schmura, CHS Crop Nutrients;
- Brian Harlander, ConAgra International;
- Stanley Riemann, CRV Energy, Inc.;
- Steven Liebelt, Dakota Gasification;
- William Barnett, Dyno Nobel Inc.;
- Phil Gough, El Dorado Chemical;
- David Benefield, Frit Industries, Inc.;
- Ronald Bryan, Great Salt Lake Minerals Corporation;
- James Spradlin, GROWMARK, Inc.;
- Qamar Bhatia, Honeywell Resins and Chemicals;
- Stephen Stallons, I.C.E.C.;
- Robert Jornayvaz, Intrepid Mining LLC;
- William Whitacre, J.R. Simplot Company;
- Mark Roberts, K+S North America;
- Melih Keyman, Keytrade AG;
- Carroll Kirby, Kirby Agri, Inc.;
- Steve Packebush, Koch Nitrogen Company;
- Billy Joe Miles, Miles Farm Supply;
- Robert Jones, Mississippi Phosphates Company;
- William J. Doyle, PotashCorp;
- John Ambrose, Rentech Development;
- Fred Gill, Saskferco Products Inc.;
- Hugh Loomans, Sylvite Sales Inc.;
- Juan Ariztia, SQM North America Corporation;
- Michael L. Bennett, Terra Industries, Inc.;
- Jordan Burns, Tessengerlo Kerley, Inc.;
- Denny Addis, The Andersons, Inc.;
- James Prokopanko, The Mosaic Company;
- Ronald Stanton, Transammonia Inc.;
- Richard Warner, Warner Fertilizer;
- William Willard, Willard Agri-Service of Frederick, Inc.;
- Pete Valesares, Yara North America Inc.;
- Terry Roberts, International Plant Nutrition Institute*;
- Rene Pinel, Western Plant Health Association*;
- Mona Bond, Agribusiness Association of Iowa*

* Honorary Board Member

Connecting on Climate Change

It's difficult nowadays to pick up a newspaper, read a magazine or listen to any news program and avoid news regarding climate change and its impact on our environment. As is often the case, news like this seems to take little time to arrive on Capitol Hill legislators' doorsteps and even less time to find its way into new Congressional proposals. Many of these proposals including "America's Climate Security Act" (S. 2191), which was introduced last October in the U.S. Senate would have an impact on the fertilizer industry and its farmer customers. Climate change is not just a federal issue, every state is working on programs to reduce greenhouse gas (GHG) emissions, many with a regional focus and some states, such as California have as many as 20 programs.

Efforts have already been made to pass climate change legislation this Congressional session. Even if a bill does not go to President's desk this year, one will make it there sooner than we think; one only has to listen to the Presidential candidates to understand that policies surrounding climate change are here to stay. It is our mission to tell the fertilizer industry's story and highlight our efforts to be good stewards of the environment. Our nitrogen production plants are more efficient than most worldwide, using less natural gas and energy than ever before. Our members are also actively mapping their carbon footprints, as a guide to identify possible reductions in all phases of the supply chain. For example, nitric acid producers are examining nitrous acid abatement technologies; and some have already committed to implementing these technologies, which would greatly reduce nitrous oxide emissions, a potent GHG. In the field, we have reached greater nutrient use efficiency from 1980 to 2005, producing 74

"It is our mission to tell the fertilizer industry's story and highlight our efforts to be good stewards of the environment."

percent more corn with 10 percent fewer nutrients applied.

On the regulatory front, the Environmental Protection Agency's (EPA) climate change inventory which is published on a yearly basis, discusses U.S. agriculture and fertilizer emissions in the agency's annual U.S. Greenhouse Gas Inventory. We are engaged on this front and recently commented to EPA requesting a number of changes to its recording methods including appropriately factoring climate change emissions reductions in the field from the use of best management practices and at the production sites from increases in ammonia production efficiency.

Our efforts on climate change also include work to educate farmers and members of Congress about today's high fertilizer prices and the potential impact current federal legislative proposals could have on increasing farmers' energy and input costs, and on a farmer's or agribusiness's bottom line. To date, many farm groups have only been focusing on the opportunity to sell carbon credits and not the cost of increased inputs tied to climate change legislation. We are working daily to raise awareness on this important issue.

In that vein, we are working with Doane Agriculture Services to assess the impact of higher energy prices on the costs of essentially all crop production inputs. Some of the costs are very direct

and fairly easy to measure while others impact production costs indirectly. The purpose of this TFI-Doane study is to estimate the impact of higher energy prices on production costs for the major U.S. crops and then use this data to continue our outreach.

As is often the case on complex issues that reach across multiple federal and state legislative and regulatory jurisdictions, our approach to address climate change has been science-based and multi-pronged. Through regular interaction with members of our climate change task force, as well as the staff of the Canadian Fertilizer Institute and the International Plant Nutrition Institute, we are receiving the kind of valuable input that will help us educate policymakers on the impact of climate change legislation on our industry and prepare a set of fertilizer best management practices that will reduce GHG field emissions.



TFI President Ford B. West

TFI Hosts 2008 Fertilizer Marketing Business Meeting

The Fertilizer Institute (TFI) held its 2008 Fertilizer Marketing Business Meeting in Orlando, Fla., Feb. 4-6, gathering more than 630 delegates. During his annual report, TFI Chairman William J. Doyle shared highlights of the Institute's regulatory and legislative accomplishments in 2007. Prior to the chairman's annual report, TFI's membership elected its new board of directors.

While at the meeting, delegates had the opportunity to attend top-notch breakfast sessions. Former Florida Governor Jeb Bush was the keynote speaker at Tuesday's breakfast session. He offered his insight on the keys to successful leadership and his perspective on the presidential elections. On Wednesday morning, Richard Brock, president of Brock Associates, an agricultural commodity

advisory firm that has been helping farmers, farm owners and agribusinesses make educated grain marketing and purchasing decisions for 25 years addressed delegates on the current commodity outlook.



PotashCorp's Mose Payne (left) talks with Former Governor of Florida Jeb Bush prior to the latter's presentation on successful leadership.



Illinois Fertilizer and Chemical Association President Jean Payne (left) talks with The Andersons' Steve Eberly (center) and PotashCorp President and CEO Bill Doyle prior to Tuesday's breakfast session.



Former Governor of Florida Jeb Bush signs a Bush family Christmas card from the 1960s for Kansas Agribusiness Retailers Association President Tom Tunnel (left).



TFI Chairman and Terra Industries President and CEO Mike Bennett (left) introduces Richard Brock to Fertilizer Marketing Business Meeting delegates on Wednesday morning.



TFI President Ford B. West (left), Florida Fertilizer and Agrichemical Association President Mary Hartney (center) meet with Former Governor of Florida Jeb Bush.



TFI Board of Directors member and Yara North America, Inc., President Pete Valesares (left) meets with Jeb Bush prior to the latter's keynote address.



Richard Brock discusses agricultural markets with PotashCorp Senior Vice President Stephen Dowdle (center) and TFI Chairman and Terra Industries President and CEO Mike Bennett (right) following his presentation Wednesday morning.



The Andersons' Plant Nutrient Group President and TFI Executive Committee member Denny Addis talks with another delegate.



The Board of Directors of the Nutrients for Life Foundation met in Orlando, Fla., in conjunction with TFI's Fertilizer Marketing Business Meeting to review the organization's ongoing education programs and activities.



Delegates at TFI's 2008 Fertilizer Marketing Business Meeting discuss fertilizer issues prior to Wednesday morning's breakfast session.

Dig It! The Secrets of Soil Smithsonian Exhibit Opens July 19

In just a few short months, the Smithsonian Institution's National Museum of Natural History will unveil its Dig It! The Secrets of Soil exhibit. The exhibit, which is scheduled to open to the public on July 19, is a 5,000 square-foot exhibition which showcases the important role of soil in our lives. The Fertilizer Institute (TFI), through the Nutrients for Life Foundation, is the lead sponsor of the exhibit, having committed \$1 million to the program.

"Nutrients - N, P, and K - in soil are an essential component of what makes soil so vital to our world," said TFI President Ford B. West. "The exhibit will feature a section on agricultural production and we hope that many people in the fertilizer industry and the entire agricultural sector will make the trip to Washington, D.C., to see the exhibit."

Over most of the Earth's land, and under some shallow waters, lies a thin layer of soil. This "skin" is a complex and variable mixture of minerals, air, water, decaying remains of life, and countless living organisms. The exhibit will advance public understanding of the importance of soil for daily life and the role nutrients play in maintaining soil quality.

Visitors of the exhibit, which runs



At a soils exhibit planning meeting, (left to right) the Smithsonian Institution's Carolyn Margolis, IPNI's Tom Bruulsema, the Smithsonian's Pat Megonigal and TFI's Bill Herz review preliminary posters for the soils exhibit.

from July 2008 to September 2009, will take a journey through the living world in the soils under our feet. An interdisciplinary approach to the subject will provide a new context to explore the Museum's diverse collections including the many organisms that live in soil, the geological and environmental conditions that produce soil, and the cultures that rely on soil.

Through dioramas, soil cross-sections or monoliths from all U.S. states and territories, cultural artifacts, and hands-on activities, the soils exhibit will

examine the physical and biological characteristics of soil, the processes that transform rocks to soil; the uses and benefits of soil; the global links of soil to air, water and climate, and the influence of soil on culture. The public will be surprised at the range of colors and patterns that are found in intact soils, and the many ways in which soils touch our everyday lives.

For more information, please contact TFI Vice President of Public Affairs Kathy Mathers by telephone at (202) 515-2703 or via e-mail at kmathers@tfi.org.

RE-CLASSIFICATION OF ANHYDROUS AMMONIA IN CANADA MOVES FORWARD

After many years of discussions between U.S. and Canadian fertilizer industries and Transport Canada, final regulations to reclassify anhydrous ammonia in Canada were published on Feb. 20 in the *Canada Gazette II*. TFI worked closely with the Canadian Fertilizer Institute (CFI) throughout this process. The regulations state that after Aug. 31, anhydrous ammonia transported in Canada must be

marked with either the Class 2.3 toxic gas placard or the unique anhydrous ammonia placard (UN 1005, black numbers on a white background with the gas cylinder symbol). All containers using the unique placard must also display the words "Anhydrous Ammonia, Inhalation Hazard" on two sides. Coming into the United States, containers can use either Canadian placard; traffic going to Canada can use either Canadian placard but

cannot use the U.S. 2.2 placard.

The changes in the Canadian regulations do not affect the transborder movement of ammonia from Canada to the United States. The U.S. Department of Transportation (DOT) regulations recognize Canada's classifications and for many years DOT has applied reciprocity in its regulations.

TFI Member Willard Named to EPA Agricultural Advisory Committee

The Environmental Protection Agency (EPA) has named The Fertilizer Institute (TFI) Board of Directors member William F. (Billy) Willard to the agency's first-ever Farm, Ranch and Rural Communities Advisory Committee. As a member of the committee, Willard will advise EPA Administrator Stephen L. Johnson on environmental policy issues impacting farms, ranches and rural communities. Willard was nominated by TFI for service on the committee and was selected by the agency from a group of more than 200 applicants for this 30 member committee.

Willard is the co-owner of the family business, Willard Agri-Service, in Frederick, Md. In response to high levels of public scrutiny over water safety in the Chesapeake Bay area, Willard Agri-Service has developed an innovative system of monitoring

nutrient use efficiency, while building state-of-the-art facilities which minimize agricultural run-off and waste. Under his leadership, Willard Agri-Service is bringing leading edge technologies in high yield agriculture and environmental stewardship to its farmer customers.

"Billy Willard is uniquely qualified to bring an agricultural retailers' perspective to EPA's advisory committee," said TFI President Ford B. West. "With more than 30 years of professional experience, Billy knows about the vital link retailers play in bringing cutting-edge tools of environmental stewardship to the nation's farmers."

Willard Agri-Service has developed HighQ, a proprietary software program that provides measurable and cost

efficient evidence of the effectiveness of fertilizers which is currently helping farmers combat agricultural run-off in local waterways. The overall goal of this software is to increase both profits of the farmer, and to sustain environmental habitats.

Willard Agri-Services' commitment to protecting the environment has not gone unnoticed within the agricultural industry. In 2003, this family-owned company was awarded the Environmental Respect National Award, an honor that recognizes excellence in environmental stewardship.

"As a supporter of farmers' use of the right fertilizer product in the right place at the right time and in the right rate, Billy Willard will make an excellent addition to the EPA committee," said TFI President Ford B. West.

TFI ANNUAL REPORT HIGHLIGHTS 2007 EFFORTS

The Fertilizer Institute (TFI) released its 2007 Annual Report at its Fertilizer Marketing Business Meeting in Orlando, Fla., Feb. 5 highlighting a year focused on legislative, regulatory and public affairs efforts.

"The global fertilizer supply and demand situation grabbed headlines in 2007. While global factors affect the fertilizer market and constantly change its outlook, our direction as an association remains the same - to provide the best results possible for our members," said TFI President Ford B. West. "The best of 2007 came from three separate areas - passage of ammonium nitrate legislation, gaining international approval for the nitrate,

sulfate, phosphate and ammonia groups, and donating \$1 million to the Smithsonian Institution's Museum of Natural History for its upcoming soils exhibit."

In addition, TFI submitted 22 sets of comments to federal agencies to ensure that regulations are fair and take unique aspects of the fertilizer industry into consideration, and fielded several hundred media calls properly positioning the fertilizer industry in the trade press and major news outlets.

TFI's 2007 Annual Report includes notable achievements and progress in the areas of member services, congressional relations, regulatory services, public affairs,

environment and nutrient use, economic services, conferences, the Nutrients for Life Foundation and administration activities.



TFI's 2007 Annual Report can be viewed on TFI's Web site at www.tfi.org. To order complimentary copies of the report, contact TFI Public Affairs Specialist Estelle Grasset by telephone at (202) 515-2721 or via e-mail at egrasset@tfi.org.

PERSON OF THE MONTH

Billy Pirkle, Agrium, is TFI's Person of the Month



JAMES BILLY PIRKLE, JR.
DIRECTOR, ENVIRONMENTAL HEALTH
& SAFETY
AGRIUM

YEAR HIRED: 1990

JOB DESCRIPTION

Direct regulatory efforts for transportation, Occupational Safety and Health Administration, Environmental Protection Agency, and administrative services for property, leases, contracts and claims.

JOB PHILOSOPHY

My philosophy is to create compliance and administrative tools which protect our greatest asset, our people.

WHAT IS THE MOST CHALLENGING ASPECT OF YOUR JOB?

To be involved with our stewardship efforts without stifling the creativity of the staff or organization.

WHAT DOES FERTILIZER MEAN TO YOU?

Fertilizer is providing products and services which allow growers to be competitive in a global market. I started my career with IMC in a Quality Control Lab and always use a quote attributed to William Foster "Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives."

WHAT ASPECT OF YOUR JOB DO YOU ENJOY MOST?

This may seem corny, but working with people in agriculture is most rewarding. Their roots are tied to the simple things in life; growing food and products that feed the world.

WHAT COMMUNITY ACTIVITY DO YOU TAKE MOST PRIDE IN?

My local Church, Phil Juestock and I share life principles with 3rd 4th and 5th graders. To see these young people grow in their faith, friends and community is truly rewarding

CALENDAR

TFI-IPNI Nutrient Use Task Force Meeting

March 6-7
Denver, Colo.

Dig It! The Secrets of Soil Opens

July 19
Washington, D.C.

TFI World Fertilizer Conference

Sept. 7-10
Seattle, Wash.

North American Fertilizer Transportation Conference

Oct. 19-21
Tucson, Ariz.

TFI Fertilizer Outlook and Technology Conference

Nov. 11-13
Charleston, S.C.

TFI *advocate*

TFI Advocate is published monthly for members of The Fertilizer Institute. For more information about the items appearing in the newsletter, please contact: TFI President Ford B. West or Vice President for Public Affairs Kathy Mathers.

Harriet Wegmeyer, Editor

The Fertilizer Institute
820 First Street N.E., Suite 430
Washington, D.C. 20002

Tel: (202) 962-0490
Fax: (202) 962-0577

www.tfi.org