Chemical Inhibitor for NH3 to deter methamphetamine production.

News Conference comments – Dave Coppess

October 9, 2006

Good Afternoon, my name is Dave Coppess. I'm a VP for Heartland Co-op, headquartered in WDM. I'm here today representing Heartland Co-op and the Agri-Business Association of Iowa. Also, I'm currently serving as Chairman of the Ag Retailers Association, a national organization headquartered in Washington, DC.

Heartland Coop has 27 anhydrous ammonia sites throughout central / E central Iowa with approximately 4000 tons of storage capacity. We use a fleet of approx. 1100 nurse tanks, to accommodate the safe and timely distribution of product to our customers.

Our industry has taken strong measures to assure that these facilities and our equipment are properly maintained, that our employees are well trained, and we adhere to all the proper guidelines to insure the public's safety so we may continue maintain this product within our communities.

Unfortunately, NH3 has also become a prime precursor chemical in the illegal production of methamphetamine. Theft of NH3 from our storage facilities and nurse units has been on the rise and spreading throughout the country, adding to the overall security issues facing ag retailers since 9/11.

You may ask, why do we keep anhydrous ammonia around?

Anhydrous Ammonia is an 82% nitrogen compound that is used extensively around the world for industrial and agricultural purposes. In the Midwest, and especially in the western cornbelt, NH3 is directly applied as an essential crop nutrient supplement to feed the insatiable demand that corn requires to produce the large yields we currently enjoy.

Anhydrous Ammonia is the N source of choice by many farmers because it represents the least-cost product available to them, commonly costing $.10 / lb. of N less then other available alternatives.

The physical nature of NH3 requires that it be stored under -28 degrees Fahrenheit or in a pressurized vessel, like the nurse tank on display today, to remain in a liquid state that is optimal for handling purposes.

Consequently, the DOT classifies NH3 as a "Hazardous material", and requires additional procedures for transporting, handling, and storage of this product.

Through the help of the Agri-Business Association of Iowa, we've been able to work closely with the Iowa Dept. of Ag and Land Stewardship, Governor's Office of Drug Control Policy, and other support organizations, to promote voluntary deterrent efforts that have reduced the thefts of Anhydrous Ammonia.

Heartland Co-op has worked closely with the Iowa Department of Agriculture, in particular, John Whipple, the Ag Department's Director of the Plant Management and Technology Division, and Iowa State University, during the past 6 years, to test various compounds that could be used as a chemical additive to inhibit meth production.

We, as ag retailers, are extremely pleased that the research efforts have successfully brought us this latest technological breakthrough. This additive has the potential to provide tremendous help for us in preventing the theft and use of NH3 in illegal meth production.

Our industry is proud to have worked closely with Senator Harkin and Senator Chuck Grassley to secure funding for this research effort. The Iowa Agri-Business Association, ARA, TFI, and others want to thank these Congressmen for their extraordinary help. Obviously, this breakthrough is another positive measure that helps deter theft and improve public safety.

However, the ag community cannot relax our efforts. We want to eliminate the use of NH3 as a component of methamphetamine production. Today's announcement represents a milestone in this process. We are excited about the adoption of Calcium Nitrate as another tool we can use to accomplish this task.

The test work we did at Heartland indicates that CN-9 can be successfully added and maintained in our storage and nurse tanks without creating any disruption or concerns. We have had no adverse effects on our equipment, and since it is a crop nutrient, itself, there are no negative agronomic effects.

How quickly will ag retailers adopt the voluntary use of CN-9? That remains to be seen. The logistics and economics of product use are still being evaluated and discussed. The savings in damaged equipment and potential for reduced insurance premiums will offer some economic incentives to move forward. ARA intends to work closely with the members

of Congress and the Administration to secure funding that will help cover part of the costs related to the purchase of this additive. The need to assure the public's safety makes it imperative that we move ahead quickly.

Again, on behalf of the Iowa Agri-business Association, and the entire ag community, we wish to thank everyone that has had a hand in this innovative breakthrough.

Thank you.