**ILLINOIS CORN MARKETING BOARD**

**Minutes of a Meeting**

**Held June 5-6, 2017**

A meeting of the directors of the Illinois Corn Marketing Board was held at the Illinois Corn office on June 5-6, 2017.

 Directors present were:

 Jim Raben Paul Jeschke

 Dan Cole Mark Wilson

 Dirk Rice Lou Lamoreux

 Don Duvall Pat Dumoulin

 Roger Sy Jim Reed

 Bill Long Tom Mueller

 Also present were:

 Kayla Veeder Rodney Weinzierl

 Dave Loos Jim Tarmann

 Lindsay Mitchell Phil Thornton

 Suzie Rogers Tricia Braid

 Laura Gentry

Jim Raben, chairman, called the meeting to order at 9:45 a.m. and the board reviewed the agenda.

SECRETARYS REPORT

Roger Sy reviewed the minutes of the ICMB Executive Committee meeting that was held on March 8, 2017 and the full board meeting that was held on March 8-9, 2017.

 **It was moved by Roger Sy and seconded by Pat Dumoulin**

**THAT the minutes of the March 8, 2017 Executive Committee be approved and placed on file.**

 **The motion carried.**

 **It was moved by Roger Sy and seconded by Dirk Rice**

**THAT the minutes of the March 8-9, 2017 full board meeting be approved and placed on file.**

 **The motion carried.**

TREASURERS REPORT

Don Duvall reviewed the financial statements for the period ending May 31, 2017.

 **It was moved by Don Duvall and seconded by Jim Reed**

**THAT the treasurers report be placed on file.**

 **The motion carried.**

Kayla Veeder and Suzie Rogers reviewed the details of our recent fraud loss. Staff has implemented some new security practices to mitigate our risk of this happening again. Kayla will get a quote for a third party to look at the security of our network and programs.

EXECUTIVE COMMITTEE REPORT

Tom Mueller reported for the committee.

***Evaluation of Goals***

The Exports Committee will be reviewing Goal 5 and will bring a recommendation to the full board for an updated goal. The Industrial Committee will also be reviewing Goal 5 and will bring a recommendation to the full board for an updated goal.

***ICMB Election***

The 2017 commodity group elections will be on July 6. Absentee ballots will be available on June 6. Kayla Veeder sent out letters with a postcard that can be used to request an absentee ballot to all petition signers last week. There was no “City, State, Zip” column on the petitions this year so Kayla will discuss the layout changes with the Department of Ag.

***FY18 Meeting Dates***

The board reviewed the proposed list of meeting dates for FY18.

 **It was moved by Tom Mueller and seconded by Paul Jeschke**

**THAT we approve the proposed list of meeting dates for FY18, contingent upon approval of joint meeting dates by the Illinois Corn Growers Association board.**

 **The motion carried.**

***NCGA Corn Board Elections***

Harold Wolle, Gary Porter and Kenny Hartmann will be this afternoon and will have an opportunity to speak during the joint board meeting.

The board discussed which days directors should come in and depart from the July session of Corn Congress. It was decided that expenses would be paid for directors to arrive on Sunday and leave on Thursday evening. Expenses for staying in DC on Thursday night will only be paid if the director can prove that the cost of a Thursday flight is more than the combined total of a hotel room for Thursday night and a Friday flight.

***Business Services Committee***

We have not received the necessary documents from IAA yet so the Business Services Committee will schedule a meeting sometime between now and our July board meeting.

***Executive Programs & Communication Plan***

**It was recommended by the committee**

 **THAT we approve the following executive programs for FY17:**

 **SIU Ag Banquet $500**

 **IFB Annual Meeting $1,000**

 **Agronomy Day $500**

**It was moved by the committee**

 **THAT we approve the following Communications Plan programs for FY17:**

 **Producer Education $50,000**

 **Discretionary Media $10,000**

**The motion carried.**

***Proposed FY18 Budget Process***

Don Duvall and Suzie Rogers reviewed the proposed FY18 budget. We will review and approve the budget during the full board meeting.

 **It was moved by Don Duvall and seconded by Paul Jeschke**

 **THAT we approve the FY18 Administrative Budget as presented.**

 **The motion carried.**

 **It was moved by Don Duvall and seconded by Mark Wilson**

**THAT we approve the FY18 Executive Programs and Communications Plan budget as presented.**

 **The motion carried.**

We look forward to hearing from US Grains Council, NCGA and ICGA when they give their funding proposals in August.

***Past Director Event***

Illinois Corn will host a past director event on Tuesday, August 22, 2017 for all past leaders of the organization. We will also invite past directors to an “update” session that will get past directors informed on current ICMB and ICGA projects.

***Farm Progress Show discussion***

Illinois Corn will be partnering with Illinois Soy this year and will have a joint tent. We will still have a separate “corn tent” that will focus solely on our issues.

 **It was moved by Tom Mueller and seconded by Roger Sy**

**THAT the report of the Executive committee be approved including all committee recommendations with a total budget impact of $62,000.**

 **The motion carried.**

CHAIRMANS REPORT

Jim Raben presented the idea that we have a board member that would attend Illinois Soybean Association board meetings as a representative of Illinois Corn. We would also invite a representative from the Illinois Soybean Association board to attend our board meetings. The board will think about this more before the next meeting.

Jim reviewed the agenda for the board meeting he is hosting in July in Carbondale, Illinois.

EXECUTIVE DIRECTORS REPORT

Rodney Weinzierl started his report with giving an update on the Farm Bill Task Force. The task force will try to set a meeting sometime in June. We do not expect a farm bill in 2017. The cotton sector did attempt to increase funding for their programming in the recent budget bill but did not end up getting the increase. Cotton and Dairy will both be looking for more funding for their safety net programs. We should also start thinking about where funding will come from if Conservation Reserve Program (CRP) acres are raised. The odds of having more money for the farm bill are not great but a lot will depend on if we have an infrastructure bill before the farm bill and, if so, how much is allocated to it. The Administration has mentioned three changes to the farm bill including the elimination of Foreign Market Development (FMD) and Market Access Program (MAP) funding, elimination of the harvest price election in crop insurance and an Adjusted Gross Income (AGI) trigger of $500,000 and if that is hit, crop insurance subsidy for that farmer will be limited to $40,000.

We were asked to brief the Illinois delegation staff on NESP recently and we expect to see a much stronger engagement from them on this issue going forward.

Illinois did not pass a budget for this fiscal year. There is an expectation that when payroll time comes around in July they will probably pass something temporary. Schools are not currently but we expect this will be done by the time school starts again in August.

ADMINISTRATIVE REPORT

Kayla Veeder reported that U of I Agronomy Day will be on August 17 this year.

Corn Congress registration is open and directors should register themselves online if they plan to attend.

The Farm Income and Innovations Conference will be on July 26 in Normal.

The board did a goal review for Industrial Committee Goal 5. When the presentation was complete, 55% of board members thought the committee had accomplished this goal. The board did a goal review for Exports Committee Goal 5. When the presentation was complete, 77% of board members thought the committee had accomplished this goal.

INDUSTRIAL COMMITTEE REPORT

Dirk Rice reported for the committee.

*Goal 1: Expand cornstarch to ethanol usage to 5.5 billion bushels by 2017.*

Congress Shimkus has initiated meetings with stakeholders concerning the RFS. There were six congressmen in attendance, and several industry representatives. NCGA was not invited to the initial meeting but will be at the next one. Congressman Shimkus has communicated with Marathon that he will not do anything that will hurt the corn farmers of Illinois. As of right now, it is unlikely that they will initiate new legislation.

We are hopeful that the Senate will take up legislation to give corn ethanol an RVP waiver for blends higher than E10.

All pumps that are being produced by Dresser Wayne are now U/L certified for E25. Gilbarco has not been responsive to our offer so NCGA drafted a letter retracting the current offer. The door is open for them to renew negotiations. We have also made contact with Bennett Pumps to schedule some meetings and start negotiations.

The Gilbarco tree has passed all soak tests at E30 at Underwriters Laboratory. The second pump is in the soak test on E40 now. The Dresser Wayne tree passed the soak test at E30 but was missing valves so those are being soaked now.

SB 517 and HR 1311 have been introduced and would provide an RVP waiver to E15 that is similar to the waiver on E10.

 **It was moved by the committee**

**THAT we commit up to $70,000 to the American Lung Association of the Upper Midwest for their continued assistance with the USDA BIP Grants, the promotions of E-85 and higher blends of ethanol at station events, through coupon promotions and other events and meetings promoting the health and environmental benefits of ethanol.** ($60,000 from Goal 1B2, $10,000 from Goal 1E1)

 **The motion carried.**

NCERC and American lung both have their new vehicles that we provided funding for.

*Goal 2: By 2018, increase by 250 million bushels the amount of IL corn processed for food, feed, and fuel in state.*

We are still working with NCERC to figure out ways for them to do more public research, as they are now being dominated with private projects. The pilot plant has contracts for work through next year. NCERC has hired a new Research Director, Yanhong Zhang, PhD.

Oak Ridge National Laboratory plans to start work on an engine testing program that would help us develop a new certification fuel and help secure FFV credits for the Autos.

**It was moved by the committee**

**THAT we commit up to $70,000 for the new Vehicle and Engine Testing program involving a Ford F-150 at Oak Ridge National Laboratory in partnership with General Motors, Ford, Mahle, NCGA and Missouri Corn Growers.** ($50,000 from Goal 2G1, $20,000 from Goal 2B)

 **The motion carried.**

*Goal 4: Undertake a minimum of three public outreach programs each year for three years with the goal of expanding confidence and trust of farmers and their farming methodologies through openness and accessibility to the non-farm public.*

Tricia gave an update on Illinois Farm Families. Illinois Farm Families plans to increase their budget this year to engage more farmers. New funds will be used to execute in-person farmer spokesperson trainings as well as piloting new advertising mediums such as Hulu, PSAs or paid publisher sites such as Outbrain.

Tricia gave an update on the Illinois Runs on Homegrown Corn Consumer Trust Campaign. Messaging from this campaign was used at the Heartland Spirits Fest that we participated in. Millennials who were in attendance seemed to be receptive of our messaging at the event.

*Goal 5: Demonstrate a 60% reduction in Greenhouse Gas Emissions of Corn Starch ethanol compared to 2005 base crude oil by 2017.*

USDA has completed their Life Cycle Analysis of corn, showing a 43% reduction in greenhouse gas emissions.

Steffan Mueller has also been worked to show over a 50% reduction in greenhouse gas emissions from certain plants. This will be very helpful in discussions with Japan about exporting ethanol. Steffan has hired a post-doc that will help with the carbon index of corn starch ethanol and the MOVES model and will need some additional funding for this person.

 **It was recommended by the committee**

**THAT we commit up to $25,000 to University of Illinois-Chicago to hire a Post-Doc or assistant to Steffen Mueller to advance work on the MOVES Model, Life Cycle Analysis of Corn Ethanol, and preparing presentations, reports, and analyses for promoting exports of ethanol.** (Goal 5D)

The committee reviewed their current Goal 5 and discussed several ideas for an updated goal.

 **It was moved by the committee**

**THAT we update our Goal 5 to read, “By 2020 Demonstrate a 60% reduction in Greenhouse Gas Emissions of Corn Starch Ethanol Compared to 2005 Base Gasoline”.**

 **The motion carried.**

**It was moved by Dirk Rice and seconded by Mark Wilson**

**THAT the report of the Industrial Committee be approved including all committee recommendations with a total budget impact of $165,000.**

 **The motion carried.**

EXPORTS COMMITTEE REPORT

Mark Wilson reported for committee.

*Goal 1: Start construction of two new lock replacements within the Upper Mississippi River Basin by 2019.*

Jim reviewed the budget for locks and dams in the next fiscal year. We have almost enough funding to finish the Olmsted dam and then would just have to remove the old locks. The President’s budget was significantly less than FY17 for lock and dam infrastructure. This leaves Congress trying fill the gap and we’re still in an earmark ban situation so that will make everything difficult. There will be some discussion on whether or not this is called an earmark as it doesn’t just impact one congressional district, but the entire Midwest region.

Iowa and Illinois Corn are working together to put together a barge tour for Senator Duckworth and Senator Ernst in the Quad Cities area on August 4. This event would probably include a fundraiser and a press conference.

 **It was recommended by the committee**

**THAT ICMB commit up to $5,000 for the barge tour on August 4 with Iowa.**

**G1, B, 4**

*Goal 2: Increase the amount of corn and co-products leaving the state by 5 percent by 2017 through improved infrastructure.*

Phil provided an update on the grain tube project trainings that have been held so far. The Fire Safety Institute also now has a full outfitted rescue trailer to use for educational purposes. Sixty-two rescuers will have been trained by July.

*Goal 3: Inform a growing world population of the benefits of the improving technology of food production.*

Rod shared a proposal from the U of I to build a tool to help us evaluate changes to the farm bill. The tool would tell us the impact to a farmer in Illinois when a change is proposed.

 **It was recommended by the committee**

 **THAT ICMB commit up to $30,000 for farm bill analysis. G3, B, 1**

Jim and Lindsay shared an update from a recent meeting with Mary Boote of Global Farmer Network.

*Goal 4: Invest in research, demonstration, adoption, measurement and modeling of natural resource issues to promote science-based, voluntary solutions to regulatory concerns.*

Three of the four students that we offered a scholarship have accepted.

The Field labs are moving ahead, instruments are in place, and a research team is supposed to start in the lab this fall.

Gary Schnitkey and Dale Latz should have a working financial interface with PCM soon and they will begin analyzing the economics of different agronomic practices.

Illinois Corn has been asked to split a project with The Nature Conservancy that addresses buffers and cover crops to establish a baseline for future measurements.

 **It was recommended by the committee**

**THAT ICMB commit up to $24,000 for a joint project with The Nature Conservancy. G4, B, 5**

*Goal 5: Increase corn, ethanol, DDGS, and other corn co-products exports to 3.5 billion bushels by 2017.*

The committee reviewed Goal 5 and had discussion about potential new goals.

 **It was moved by the committee**

**THAT the new Export Committee Goal 5 read as follows: “Increase Corn, DDGS, and other corn co-products exports to 4 billion bushels by 2020.”**

 **The motion carried.**

Bill Long and Ted Mottaz will be going on a mission to Ukraine on August 12-19. Iowa, Nebraska and Ohio also have representatives attending.

 **It was recommended by the committee**

 **THAT ICMB commit up to $15,000 for a mission to Ukraine.**

Our South Africa mission will be January 20-29, 2018 and board member participant selections will be made soon.

US Grains Council will have a mission to New Zealand on September 9-15. Don Duvall is interested in attending.

 **It was recommended by the committee**

**THAT ICMB commit up to $20,000 for a mission to New Zealand with U.S. Grains Council. G5**

*Goal 6: Increase corn and corn co-product usage by the domestic and international livestock sector by 5 percent by 2016.*

Lou Lamoreux provided a quick update on the new President/CEO of USMEF, Dan Halstrom, as well as some new mission opportunities to China and Korea.

The Illinois Livestock Development Group annual meeting will be on Monday, June 12.

ICMB would like to move the ILDG membership to ICGA. There are increasing amounts of contentiousness with different livestock barn sitings, and ICMB wants some distance for corn checkoff refunders.

The committee reviewed an initial draft of the FY18 export committee budget including a more thorough review of the new Goal 2.

 **It was moved by the committee**

**THAT ICMB approve a new goal 2 as follows: “Increase domestic and foreign demand for corn and corn based products through improved sustainability of corn production and uses regarding its carbon footprint, water, nutrient inputs and other sustainable measures by 400 million bushel by 2020”.**

 **The motion carried.**

**It was moved by Mark Wilson and seconded by Dan Cole**

**THAT the report of the Export Committee be approved including all committee recommendations with a total budget impact of $94,000.**

 **The motion carried.**

Board members gave reports on their crops and recent meetings they had attended.

Bill Leigh, liaison from ICGA gave an update on ICGA programs.

 **It was moved by Dan Cole and seconded by Don Murphy**

 **THAT we adjourn the meeting.**

 **The motion carried.**

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 Roger Sy, Secretary