**ILLINOIS CORN MARKETING BOARD**

**Minutes of a Meeting**

**Held January 15-16, 2018**

A meeting of the directors of the Illinois Corn Marketing Board was held at the Illinois Corn office on January 15-16, 2018.

Directors present were:

Paul Jeschke Don Duvall

Dan Cole Don Murphy

Roger Sy Tom Mueller

Karen Neff Pat Dumoulin

Jim Reed Mark Wilson

Jim Raben Bill Long

Dirk Rice Lou Lamoreux

Also present were:

Rodney Weinzierl Laura Gentry

Dave Loos Jim Tarmann

Lindsay Mitchell Phil Thornton

Suzie Rogers Travis Deppe

Tricia Braid Kayla Veeder

Paul Jeschke, chairman, called the meeting to order at 8:00 a.m. and the board reviewed the agenda.

SECRETARYS REPORT

Dirk Rice reviewed the minutes of the ICMB Executive Committee meeting that was held on November 29, 2017 and the full board meeting that was held on November 30-December 1, 2017.

**It was moved by Dirk Rice and seconded by Tom Mueller**

**THAT the minutes of the November 29, 2017 Executive Committee be approved and placed on file.**

**The motion carried.**

**It was moved by Tom Mueller and seconded by Don Murphy**

**THAT the minutes of the November 30-December 1, 2017 full board meeting be approved and placed on file.**

**The motion carried.**

TREASURERS REPORT

Roger Sy reviewed the financial statements for the period ending December 31, 2017.

**It was moved by Roger Sy and seconded by Dan Cole**

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

**The motion carried.**

EXECUTIVE DIRECTORS REPORT

Rod provided a recap of the IFB annual meeting. There was some discussion about the termination of the management services agreement and it seems as though IFB is getting some blow back from their membership about this decision.

We are hearing that the farm bill will likely slip into 2019, or at least until after the election. We will be doing presentations to different groups on how to get the conservation title into the farm bill.

Tax reform legislation passed. We will continue to study this legislation and figure out the implications for corn growers.

The infrastructure bill could also slip into late summer or right ahead of the election. We will continue to watch this closely.

We are still watching to see how the Undersecretary of Ag appointment will play out. Senator Kruz is not relenting to Bill Northy relative to his appointment as Undersecretary. The three positions under the Undersecretary will not be filled until the Undersecretary is appointed. This includes the Risk Management Agency Administrator, NRCS Chief Administrator and the FSA Administrator.

ADMINISTRATIVE REPORT

Petitions for the upcoming ICMB election are due to the Department of Ag by May 15. We have petitions available in the office. The election will be on July 5 this year.

Illinois Ag Legislative Day will be on April 11 this year.

EXECUTIVE COMMITTEE REPORT

Jim Raben reported for the committee.

***Business Services Committee Report***

The committee briefly discussed the Business Services Committee meeting that was held on January 11. The committee discussed different options for employee benefits and will discuss these options in more detail during our joint board meeting with ICGA.

***Petition Availability***

Districts 2, 5, 8, 11 and 14 are up for election this year. District 2, 8 and 11 will be open seats. We sent a notification of the vacancy to members in those three districts.

***Funding for Programs***

We typically have an exhibit by Gate 1 at the State Fair with a raised bed of corn and some promotional/educational material on display.

***Executive Programs***

**It was recommended by the committee**

**THAT we approve the following executive program for FY18:**

**State Fair $2,000**

***Communications Plan***

We typically have an intern who focuses on Ag in the Classroom during the summer months and we will begin the hiring process for this position soon. The committee discussed the possibility of printing a large quantity of placemats that can be used at different events.

**It was recommended by the committee**

**THAT we approve the following communications plan programs for FY18:**

**Summer Ag Intern $5,000**

**Corn Education Supplies $8,000**

**Exhibits/Displays $3,500**

**Captain Cornelius $1,000**

The committee discussed potentially offering a scholarship in Mike Plumer’s name or an environmental award. Staff will investigate options for this.

***NCGA Priorities & Emerging Issues Report***

NCGA went through their strategic plan, including NCGA priorities at the conference. The consensus of those who attended was that eventually we will have to stop doing so much planning and start having some action. There will be more discussion about this at the state presidents meeting.

***Corn Congress Meeting-Anaheim***

We have a list of resolutions from Iowa that were proposed deletions in the latest copy of the policy book. Policy group leaders will take a look at which resolutions Iowa would like to keep in the book and decide if we agree. We will also be reviewing new proposed resolutions from other states as we get them.

The American Agri-Women have asked us to sponsor their conference that will be November 15-18 this year at the $2,500-$5,000 level. We will figure out how much material/time we can get on their agenda and will evaluate sponsorship at our next board meeting.

**It was moved by Dirk Rice and seconded by Dan Cole**

**THAT the report of the Executive committee be approved including all committee recommendations with a total budget impact of $19,500.**

**The motion carried.**

Dennis Bowman gave a brief U of I extension update.

EXPORTS COMMITTEE REPORT

Karen Neff reported for committee.

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

Arty James is on record supporting the Navigation Ecosystem Sustainability Program (NESP) and is helping us move it forward because of a coordination between Illinois Corn, Senator Duckworth’s office and Congressman Davis’s office.

Jim Tarmann and Marty Marr were in DC just before the holiday talking about infrastructure and trying to keep everyone’s mind focused on our priorities before the long break. Congressional staff seemed completely unengaged and checked out during these meetings.

Ten Senators signed a Dear Colleague letter, including Durbin and Duckworth, to EPW Director Mulvaney supporting locks and dam funding.

Recently, the Lt. Governors of Michigan, Minnesota, and Wisconsin asked for a permanent barrier for $6 million that would eliminate Asian carp traffic from the Great Lakes.

The Market Access Action Team started out talking about priorities and action plans, but Jim feels like they talk a lot and don’t get a lot done. Sonny Beck provided a presentation on how he built Beck’s Seed Company and a new idea for how we approach trade. The committee also heard an update on locks and dams.

There will be a Waterways Council meeting in DC on February 13-15.

There will be a ISA Waterways Infrastructure Meeting in Springfield on February 15.

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

The US Grains Council meeting in Houston is a couple of weeks away. IL Corn continues to work with USGC on ethanol exports and are working with Mexico and Japan a lot right now. Kristy Moore will be in Houston to share updates on her work on ethanol exports.

Kristy Moore came into committee to share her recent work. She and Ryan from USGC are working in Mexico City. They have recently gotten the law changed so that E10 is allowable in the entire country except three big cities. The biggest fight right now is ethanol verses MTBE.

According to Kristy, the first twenty minutes of every meeting is spent apologizing for our current President. Mexico does not appreciate President Trump. She always talks about how important agriculture trade is, and she is also pushing for an ethanol chapter of the free trade agreement.

Kristy and USGC are also working in China, which is about 33-40% of the U.S. gasoline market.

Randy Stauffer is working with Marquis Energy to tie together their strength in being ISCC certified, our work in Field to Market and PCM to try to show increased value and market access. This is a pilot project starting with Marquis and hoping to grow to other ethanol plants in the future.

There are currently 112 enrollees in Precision Conservation Management (PCM) Illinois and twelve in Kentucky, for a total of over 12,000 fields and 115,000 acres enrolled. Clay Bess serves the eastern region specialist, Jacob Walker in the northern region, and we have just closed the search for a specialist for central Illinois (Christian, Macoupon, and Sangamon Counties). We’ve gotten more serious about expanding PCM into McLean, Piatt, and DeWitt Counties.

Resource Analysis Assessment Plans are the current focus for the PCM team. This is the first year that there are several years of data available for specialists to evaluate for farmers and start to see meaningful details and results. Farmers are expecting to receive their RAAP on February 1.

Using a USDA cost match grant, we are also working on analyzing all of this data and come up with some financial/environmental conclusions for Illinois farmers.

The Soil Health Partnership is a NCGA project with 28 sites in Illinois, mostly managed by Jim Eiserman. A new manager was hired for Southern Illinois, Abigail Peterson. There is a Soil Health Summit later this week in Chicago.

Travis Deppe talked the committee through some reallocation of funds.

**It was recommended by the committee**

**THAT ICMB reallocate up to $46,000 originally allocated to developing a baseline Field Print Calculator Index in Illinois in March 2015 to fund ongoing work with Waterborne Environmental to expand the utility of modeling data under Goal 4.**

**It was recommended by the committee**

**THAT ICMB reallocate $14,238.00 originally allocated to working with FFA for water quality efforts in January 2016 to fund Western Illinois University Illinois Soil Health Curriculum Project under Goal 4 contingent on the pilot program being available to ag instructors from each IL Corn district.**

**It was recommended by the committee**

**THAT ICMB reallocate $25,000 originally allocated to a U of I Land Grant Research effort in June 2016 to fund an ISU graduate student to monitor and sample demonstration farm sites under Goal 2.**

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

Rod predicts that it will be harder to pass a farm bill in the House this year than before. A Farm Bill will not pass without Democrat support. We are advocating for a lot of working lands programs and working with conservation groups significantly in an attempt to ensure we have the support of the Reps and Dems in the middle. We know we will not get the far right (against entitlements) or the far left (not enough entitlements).

Dr.Gary Schnitkey has the platform ready to evaluate any changes to farm programs and crop insurance as the debate occurs. He will first begin to evaluate Harvest Price Election.

Rod reviewed the Dicamba trainings going on around the state. These are posted on our website. Travis shared an “application quick guide” that IDOA shared at the Ag Legislative Roundtable for farmer reference.

Don Duvall shared a quick update on the Freedom to Operate Action Team. This team mostly focuses on mergers, Dicamba, and regulations. Take Action Program is a partnership with soybeans to help fight herbicide resistance development and the program has recently been expanded to include bT technology.

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

We have two cover crop specialists in place for the Illinois Sustainable Ag Partnership program. They are funded by Zea Mays and do a lot of work with Universities and Junior Colleges. Illinois Sustainable Ag Partnership serves as a hub that everyone can channel research through and use for dissemination.

ICMB funds a scholarship for students pursuing an education in Natural Resources and Environmental Sciences. This year, two students are receiving a $5,000 scholarship from ICMB. The students are screened by interested farmers on the board. We are interested in making this a longer-term scholarship opportunity, with students being able to receive scholarship funds over the course of their undergraduate career in order to keep them in NRES. We are also interested in providing more funding if needed.

Laura has the authority to research with the dean whatever changes might need to be made to make this scholarship program work.

We are also interested in naming one of these scholarships to honor Mike Plumer.

**It was recommended by the committee**

**THAT ICMB commit $15,000 for scholarships for students studying Natural Resources and Environmental Sciences in 2018.**

Travis Deppe updated the committee on the cover crop program that we do in coordination with Beck’s. We offered three different programs this year. A reduced cost cover crop opportunity provides a terminal cover crop mix on about 40 acres of land per accepted farmer. Farmers had to be first time cover crop users. This is the first year that we expanded the program state-wide which led to additional challenges finding enough pilots. We have had no negative feedback so far.

The second program offered a cover crop coupon and partnered with seven cover crop seed companies across the state. 126 farmers activated their coupon and used cover crops on about 22,000 acres.

**It was moved by the committee**

**THAT ICMB commit $60,000 to the 2018-2019 cover crop program in partnership with Beck’s.**

**The motion carried.**

We have tested 1,131 water samples in 2018 to date. Some counties are more involved than others and we will be trying to focus in on the counties that aren’t using their equipment and reallocating to other counties that want to start sampling.

**It was recommended by the committee**

**THAT ICMB commit $10,000 to continue the water quality testing program through 2018.**

We will be partnering with Bayer once again to get their new fluidity agent into the hands of farmers. This product eliminates dust and lubricants that are known to be harmful for bees. This year we’ll be giving product to 200 people with a potential option for a coupon for additional interested farmers.

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

Phil gave an update on the South Africa and China missions.

The Grain and Feed Association of Illinois is having a meeting in Peoria on Feb 18-19.

ICGA is working to pull all the Illinois legislature together to sign a memorandum of support for NAFTA.

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

**It was recommended by the committee**

**THAT ICMB commit $10,000 for board member expenses for USMEF trade mission travel.**

The committee forgot to pass a motion for USAPEEC travel but intended to do so.

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

**THAT ICMB commit $5,000 for board member expenses for USAPEEC travel.**

**The motion carried.**

Lindsay shared the executive summary of the recent Illinois Livestock Development Group meeting.

Phil reminded the board about the NCERC co-products testing website project that Iowa is getting involved as well.

Dirk shared an update of his recent participation in media events for Pork Power. He was present for the Midwest Food Bank donation and a donation at the University of Illinois basketball game.

**It was recommended by the committee**

**THAT ICMB commit $2,500 to Illinois Milk Producers Association Dairy Days for 2018.**

**It was moved by Karen Neff and seconded by Don Duvall**

**THAT the report of the Exports Committee be approved including all committee recommendations with a total budget impact of $102,500.**

**The motion carried.**

INDUSTRIAL COMMITTEE REPORT

Jim Reed reported for the committee.

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

The committee had conference calls with Matthew Nichols from Thorntons, Nathaniel Doddridge from Casey’s and Adam Gustafson from Boyden Gray & Associates.

The committee reviewed the ethanol production numbers for 2017. The US produced 15.8 billion gallons and set records for domestic blending and exports. Total demand was 15.7 billion gallons for the year, which was also a record.

We have a meeting on January 24 with Gilbarco and our partners who have been negotiating standardization agreements. We will talk about the results of the E30 and E40 testing that was just completed at Underwriters Laboratory and how we can move the certification for trees higher than E25. We will also investigate whether or not the certification could be retroactive for pumps that are already in use.

Growth Energy, BIO, RFA and NCGA are working closely to convince EPA that they have the authority to grant the RVP waiver. Boyden Gray helped to point out the language in the statute that gives EPA that authority. EPA is reluctant to take this on right now.

Congressman Shimkus held a hearing last week with the Department of Energy about restructuring some of their programs. David Beudreau with DCLRS called this hearing to our attention and we were able to get information out to several of the automobile manufacturers, NREL and Oakridge Lab.

The FFA vehicle is up for lease in April. FFA typically keeps the vehicle in Springfield but it is used often for state officers to travel to meetings. Our sponsorship of this vehicle strongly shows our support for FFA and their efforts.

**It was recommended by the committee**

**THAT we sponsor the Illinois FFA vehicle for $6,360. (Goal 1F)**

Jim Reed gave an update on the NCGA Ethanol Committee.

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

ProExporter will hold a workshop in Kansas City on March 26-27 in Kansas City. Marty Roika will provide two free registrations for anyone in the auto industry who wants to attend.

We recently approved funding for a post-doc at NCERC. One applicant has accepted an offer but is having problems with their visa.

CHS is Rochelle is going to contract with Syngenta to purchase Enogen corn in the area. This will be a large contract for Syngenta.

In 2016 new vehicles fell short of meeting the fleetwide 2016 GHG performance standard by about 3%. The autos had enough credits to cover the shortage, but penalties and cost of credits will increase as time goes on. Penalties after 2022 are going to be much more expensive so the autos will have to figure out how to meet the standard.

Kristy Moore gave an ASTM update. The group is working to put together the fuel formulas that would transform their specification fuel into a market-ready fuel. This will get commercial groups, EPA and the regulatory body engaged. The group is working to change state regulations in Nevada to offer an E15 market in Las Vegas and Reno. This regulation change will likely be approved in the second quarter of 2018. Canada is also balloting right now to offer up to E15. Canada has been our top exporter of ethanol. The group is making great progress with Mexico. The national law was changed to allow E10 but the MTBE lobby filed an injunction and the judge granted it. There is currently a court case that fights to allow PamEx to use E10. The US Grains Council is providing as much technical counsel as is legal.

*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.*

We will begin the hiring process for our summer interns soon.

**It was recommended by the committee**

**THAT we commit $25,000 for our 2018 summer interns. (Goal 4D1)**

In recent years we have partnered with FFA to take the state officers and the section presidents to Washington, DC with us in July. We would like to find a way to ensure that we have the opportunity to talk about our issues when the students are in our meetings.

It was recommended by the committee

**THAT we commit $25,000 to take the state FFA officers and section presidents to Washington, DC in July.**

NCGA will have a funding ask for us for the Consumer Engagement Action Team at our March board meeting. Mary Hagan will likely be at our next board meeting to give the proposal.

We will discuss doing another event for millennials in Chicago at our next board meeting. There are other state corn organizations interested in partnering with us to do another event.

*Goal 5: By 2020 demonstrate a 60% reduction in greenhouse gas emissions of corn starch ethanol compared to 2005 base gasoline.*

Two of the plant breeder fellows that we sponsor at the U of I will be graduating this year, one with a master’s and one with a PhD. They are bringing in twenty new students to apply for the program next week.

**It was moved by the committee**

**THAT we commit $180,000 for our U of I corn breeder fellowships at the University of Illinois.**

**The motion carried.**

**It was moved by Jim Reed and seconded by Dan Cole**

**THAT the report of the Industrial Committee be approved including all committee recommendations with a total budget impact of $236,360.**

**The motion carried.**

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

**THAT we adjourn the meeting.**

**The motion carried.**

Kenny Hartman gave an update on NCGA activities.

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

**THAT ICMB commit to funding travel costs associated with Jim Raben’s potential secretarial position with the US Grains Council past his tenure on ICMB.**

**The motion carried.**

The board recessed until their joint meeting with the Illinois Corn Growers Association, in which they discussed the termination of the management services agreement between IFB and IL Corn. The boards were presented with recommendations on a new employee benefits package from the Business Services Committee.

**It was moved by Tom Mueller and seconded by Don Duvall**

**THAT we partner with TriNet, a Professional Employer Organization (PEO), to act as a co-employer with the Illinois Corn Marketing Board, who would sub-contract with the Illinois Corn Growers Association to split the associated costs equally.**

**The motion carried.**

**It was moved by Mark Wilson and seconded by Jim Reed**

**THAT we offer our employees group health, dental, vision and life insurance as presented.**

**The motion carried.**

**It was moved by Jim Reed and seconded by Dirk Rice**

**THAT we carry short-term and long-term disability insurance with TriNet and continue our current wage continuation strategy for disability leaves.**

**The motion carried.**

**It was moved by Dan Cole and seconded by Roger Sy**

**THAT we keep our current Paid Time Off (PTO) accrual strategy as presented.**

**The motion carried.**

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

**THAT we contract with Benefits Planning Consultants (BPC) to provide our employees a retirement program as presented.**

**The motion carried.**

**It was moved by Dan Cole and seconded by Roger Sy**

**THAT the balance of undedicated “Post Healthcare Retirement” funds be redirected for “Post Management Services Agreement” for the purpose of covering the costs of vesting current employees in the retirement program upon their fifth anniversary of employment with the organization as well as other costs deemed appropriate by the Business Services Committee.**

**The motion carried.**

**It was moved by Jim Reed and seconded by Dan Cole**

**THAT we authorize the Business Services Committee to negotiate a contract with our Executive Director that will be presented to the full board for approval.**

**The motion carried.**

**It was moved by Tom Mueller and seconded by Mark Wilson**

**THAT we adjourn the meeting.**

**The motion carried.**

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Dirk Rice, Secretary