**ILLINOIS CORN MARKETING BOARD**

**Minutes of a Meeting**

**Held March 7-8, 2018**

A meeting of the directors of the Illinois Corn Marketing Board was held at the Illinois Corn office on March 7-8, 2018.

 Directors present were:

 Paul Jeschke Don Duvall

 Dan Cole Don Murphy

 Roger Sy Tom Mueller

 Pat Dumoulin Lou Lamoreux

 Jim Reed Mark Wilson

 Jim Raben Bill Long

 Dirk Rice Mike Wurmnest

 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 10:30 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 January 15, 2018 and the full board meeting that was held on January 15-16, 2018.

 **It was moved by Dirk Rice and seconded by Lou Lamoreux**

**THAT the minutes of the January 15, 2018 Executive Committee be approved and placed on file.**

 **The motion carried.**

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

**THAT the minutes of the January 15-16, 2018 full board meeting be approved and placed on file.**

 **The motion carried.**

TREASURERS REPORT

Roger Sy reviewed the financial statements for the period ending February 28, 2018.

 **It was moved by Roger Sy and seconded by Don Murphy**

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

 **The motion carried.**

EXECUTIVE DIRECTORS REPORT

We think we are past all of the irregular policy book changes and should be back to our regular routine in July. We did have some excellent debate on farm bill issues this year.

ICGA is going to Washington, DC on Sunday. Trade will be a high priority issue in discussions. The House is probably going to roll out a marker bill in a couple of weeks. Rod still does not think we will have a Farm Bill before the 2018 election. It will probably be hard to get a farm bill through the House. Crop insurance will be a major part of the debate.

We have heard that maybe something will happen on infrastructure after the midterm election but the funding structure will not look like what it has in the past.

Bill Northey was sworn in last night as USDA undersecretary. Now that he has been sworn in, other positions within USDA can be filled under him.

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.

GOAL REVIEW

The board did a goal review for Industrial Committee Goal 2. When the presentation was complete, 85% of board members thought the committee had accomplished this goal. The board did a goal review for Exports Committee Goal 3. When the presentation was complete, 36% of board members thought the committee had accomplished this goal.

EXECUTIVE COMMITTEE REPORT

Jim Raben reported for the committee.

***Evaluation of Goals***

The Exports Committee will be reviewing Goal 3. The Industrial Committee will be reviewing Goal 2.

***Review of Commodity Classic***

The committee discussed the contract that NCGA had with the hotel in Anaheim. We will work with the Commodity Classic event coordinator to plan for larger meetings in our suite in the future.

Sonny Perdue, Secretary of Ag, was at the event for two days. There was some tension around the RINS cap issue that came up in Washington, DC the day prior.

There was a lot of good discussion during Corn Congress this year. There was a lot of meaningful debate on the floor this year.

It was clear at the trade show that the information management sector was the new big thing. The food was very good at the trade show this year.

***Executive Programs***

The county Farm Bureaus run the Gateway/Food for Thought program. The ag media people work together at the state fair to do the Master Showmanship program. We typically fund these programs annually.

**It was recommended by the committee**

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

 **Gateway/Food for Thought $1,000**

 **Master Showmanship $250**

***Communications Plan***

We use discretionary media budget for miscellaneous sponsorships, etc. that come up throughout the year. We typically print general corn brochures annually and will need funds approved to continue doing so. We will be distributing the ICMB annual report soon.

 **It was recommended by the committee**

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

 **General Corn Brochures $4,500**

 **Discretionary Media $20,000**

 **Annual Report $25,000**

We do some specific campaigns for producer education including the “Trade Matters” campaign that we are working on currently. These campaigns typically include postcards, brochures, and educational materials in different publications.

 **It was moved by the committee**

**THAT we approve up to $100,000 for Producer Education in the communications plan budget for FY18.**

 **Producer Education $100,000**

 **The motion carried.**

***Syngenta Leadership Academy***

Applications for the Syngenta Leadership program are due on March 30. ICMB typically submits one candidate and we may consider submitting two candidates. Marty Marr will be representing ICGA.

***Budget Process for 2018-2019***

The audit committee will work with Suzie to come up with a draft budget in May and we plan to approve this at our June meeting. We typically approve committee budgets and the overall budget in July. We plan to hear funding proposals from US Grains Council, NCGA and ICGA in August.

***Past Director Event***

The committee discussed ways to engage the past board members and get them more involved in PAC fundraising. Staff will brainstorm ways to create more interaction for the event this year.

***Other***

US Grains Council applications are due on March 15.

 **It was moved by Bill Long and seconded by Tom Mueller**

**THAT the report of the Executive committee be approved including all committee recommendations with a total budget impact of $150,750.**

 **The motion carried.**

EXPORTS COMMITTEE REPORT

Mike Wurmnest reported for committee.

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

Rod and Jim attended the WCI spring symposium in DC last week. The meeting was not as optimistic as it could have been after the transportation plan was unveiled on Monday. The plan does not look good for river transportation. The 2018 budget will likely pass in an omnibus bill which does include a robust operation and maintenance budget.

Jim Raben shared a quick update from the recent NCGA Market Access Action Team meeting. Korea would like to buy all U.S. corn. Japan is upset that they are number two exporters and not number one. The team is considering a visit to Olmsted when it opens.

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

Phil shared an update of the recent US Grains Council meeting in Houston. During the meeting, Phil and farmers worked diligently on the trade policies and the extra effort seemed to really help the flow of the policy meeting at Commodity Classic.

Randy Stauffer reported recent activity by Field to Market. This program remains the best to prove the farmers are raising crops in a sustainable manner.

Precision Conservation Management just hired their fourth PCM specialist. There is still a lot of interest from other people and groups about expanding. The program is expanding into Piatt, Macon, and DeWitt Counties in 2018. The new position there will be advertised later this year. Piatt County Soil and Water Conservation District will be the employer. PCM is getting close to a deal with Mars and Pepsi and they are looking for PCM farmers to help them meet their sustainability promises.

Nick Geiser has been promoted within NCGA to the VP of Stewardship and Sustainability so they are looking for someone to fill his former position. Soil Health Partnership has been looking for a way to build out their research platforms to include paired fields and split fields. This would include more farmers, more acres and more regions.

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

The committee discussed the current Goal 3 and what topics should be included in a replacement. In the end, the committee determined that our work in this area is not yet complete.

**It was moved by the committee**

**THAT ICMB work on the following export goal 3: “Inform a growing world population of the benefits of the improving technology of food production”.**

 **The motion carried.**

Rod shared an update of the likelihood of getting a farm bill passed in 2018, what changes we anticipate in policy and crop insurance, the politics behind getting a bill passed, changes in baseline, and other details.

Bill Long shared an update of Dicamba trainings in his area.

Don Duvall shared a quick update on the NCGA Freedom to Operation Action Team. Most of the last meeting was spent going over the policy book. Additionally, the committee discussed Chrome and Duracade that still lack approvals in other countries.

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

We are pursuing the Sustainability Ingenuity Grant through USDA, NRCS. If we receive it, this money will be used to integrate SHP and PCM. A proposal for the grant has been submitted.

We are trying to put together a conference on June 19 with American Farmland Trust, the Nature Conservancy, Zea Mays, NREC, and many others. The goal of the conference will be to talk about sustainability and weather variability.

Last year farmer members of ICGA received a sample of Bayer’s fluency agent and we received good comments on that program. We plan to do it again.

**It was recommended by the committee**

**THAT ICMB commit $3,000 for postage and shipping to send the Fluency Agent to members.**

Travis showed the board an example of the information available via the USGS Monitoring station that helps give an early signal about drinking water quality. ICMB sponsors a couple of these stations.

 **It was moved by the committee**

**THAT ICMB commit $115,000 to the Lake Springfield watershed superstations.**

 **The motion carried.**

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

Some directors will be traveling to China July 9-18 for a mission with US Grains Council.

 **It was recommended by the committee**

 **THAT ICMB commit $30,000 for the July 2018 China mission.**

There is a mission to Paraguay on December 8-15 and a mission to Australia and New Zealand on January 11-26, 2019.

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

USMEF has submitted a proposal for a special project concerning US Beef and Pork Promotions in Japan.

**It was recommended by the committee**

**THAT ICMB commit $50,000 for USMEF special project in Japan.**

USAPEEC has submitted a proposal for a special project investigating overcoming worldwide trade barriers for US Poultry and eggs.

**It was recommended by the committee**

**THAT ICMB commit $50,000 for USAPEEC special project on worldwide trade barriers.**

**It was moved by Mike Wurmnest and seconded by Dirk Rice**

**THAT the report of the Exports Committee be approved including all committee recommendations with a total budget impact of $248,000.**

 **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.*

Currently, ethanol production in the US is over 16 billion gallons annually, even though the RFS has us locked in at 15 billion gallons. Ethanol exports have increased substantially with this increase in production. Margins are currently around twenty-two cents per gallon the ethanol industry.

Renewable Identification Numbers are what makes the Renewable Fuel Standard work and provides the “currency” for the RFS volume numbers. RINs are the credits that obligated parties use to demonstrate compliance with the standard. Obligated parties must obtain sufficient RINs for each category in order to demonstrate compliance with the annual standard.

The committee suggested that we put together a one-pager on RINs for ICGA and be prepared to discuss them next week. These are crucial to the RFS and we need our growers to understand how they work.

The Administration wants to cap RINs based on the fact that they drove one refinery into bankruptcy. One way to mitigate that is to grant the RVP waiver. We need it in the future if we want to move to higher octane fuels that the autos can benefit from. NCGA, Growth, ACE and RFA send a letter the USEPA about a month ago on the RVP waiver issue.

We met with Underwriters Laboratory since the last time our board met. We reviewed the soak test results together. They would like to move the E25 certification up to E40. They will have the proposal done by March and submitted to the review committee. The certification should be done by July or August.

American Lung does promotions on clean air choices every year, including ethanol.

 **It was moved by the committee**

**THAT we commit $75,000 to American Lung Association to support their efforts to promote the clean air benefits of E-85 and mid-level blends of ethanol. (Goal 1F2)**

 **The motion carried.**

There will be a Crappie Masters tournament on Rend Lake in Whittington, IL on May 5. ICGA may investigate getting legislators to the event.

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

We utilize ProExporter for a lot of data. We need more information to be prepared for important issues that are coming up including the RVP waiver, issues at white house, etc. There are opportunities to grow corn demand through ethanol/octane but we need more data to support it. The ProExporter annual seminar is March 25-26 in Kansas City this year.

 **It was recommended by the committee**

**THAT we commit $35,000 to support contract work through PRX to prepare Blue Sky Models assessing ethanol demand impacts around potential changes to the RFS or other regulatory changes impacting ethanol demand. Goal 2A**

We had one meeting at USDA since our last board meeting. We also met at NCERC and invited USDA to join us. USDA and NCERC are looking at some joint projects. USDA has a couple of technologies/new products from corn starch that could be close to commercialization. They are trying to work with NCERC and NCGA to help facilitate that. We are feeling a lot better about NCGA’s working relationship with NCERC now.

All Ag Auto Ethanol group funding is in place except for RFA. The mid-term evaluation should be around April, 2018. We are hoping that the autos would have a say in future CAFE standards. There will likely be some kind of comment period. Ideally, the Ag industry will be in lock-step with the autos. It would also help if some friends in Congress would be on board with what we want to do with high octane low carbon fuel.

The committee reviewed goal two and evaluated options for setting a new goal.

 **It was moved by the committee**

**That we update our Goal 2 to “By 2021, increase from 1,224 million bushels to 1,600 million bushels of corn processed for food, feed,** **bioproducts and fuel in the state”.**

 **The motion carried.**

*Goal 3: Increase the yield of corn ethanol by 15% from 2.8 gallons/bushel to 3.22 gallons/bushel from both starch and fiber conversion by 2019.*

MAHLE just announced a technology that incorporates putting a small electrical circuit into the fermenter that accelerates the conversion of CO2 into ethanol. They have been working on this for a couple of years and have tested it in the sugar cane industry. The technology is in a commercial plant in Brazil now. Their preliminary work shows that it works just as well or better on corn. The next step is to bring that technology to NCERC and bring in ethanol industry to see it.

Dave would like to get a feel for other current technologies out there and see where they could go. Three such technologies have already been developed and we will access and evaluate these different options and find out which plants in Illinois are utilizing which of the three technologies.

 **It was recommended by the committee**

**THAT we provide up to $20,000 to NCERC to assess and review the three major technologies regarding corn kernel fiber to ethanol and determine what plants are investing in the different technologies. Goal 3C**

*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 are targeting Labor Day to release our Illinois Runs on Homegrown Corn brand anthem video.

There is a new documentary on Science Moms that is around thirty minutes long. We would like to provide free downloads for this video.

We are working on some ideas for pollinator habitat improvement. We are recruiting twenty-five farmers who are planting milkweed for the project. The idea would be “we can save the monarch together”.

We will discuss participating in another millennial event such as the Illinois Spirits Festival next fiscal year. We will talk more about this at our June board meeting.

Tricia gave a year-end update on Illinois Farm Families. The program is doing a good job reaching influencers.

Big 10 project-nebraska has had great results with this project. We funded with other states. Far above average click through rates. Mos tpeople who watch the video are watching the whole things. NE has committed additional funds to do work in EPA non-attainment areas. We have some designated funds left for ethanol promotions so we could help support that.

Mary Hagan from NCGA presented a proposal for the Consumer Engagement Action Team.

 **It was moved by the committee**

**THAT we commit to the CEAT team $75,000 to the Hunger U program; $75,000 to the Corn Reputation project, and $50,000 to the Common Ground program, with all funding contingent upon NCGA filling any budget shortage on Common Ground and Corn Reputation so that those programs be fully funded ahead of any other CEAT team portfolio projects.**

 **The motion carried.**

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

There were thirteen states on a letter to USEPA to urge them to update their numbers related to the life cycle analysis of corn-based ethanol. We are convinced that corn-based ethanol is 40-50% better than base gasoline and we feel the EPA should reflect this in their numbers as it would be beneficial for ethanol exports/trade.

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

**THAT the report of the Industrial Committee be approved including all committee recommendations with a total budget impact of $330,000.**

 **The motion carried.**

Paul Jeschke, Jim Raben and Don Murphy gave a report on their South Africa mission.

Mike Wurmnest gave a report on his mission to Morocco with US Grains Council.

Rod presented a management contract note that should be included in our FY17 audit. This note was a recommendation from our auditors.

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

 **THAT we adopt the management contract note as presented.**

**The motion carried.**

**It was moved by Mark Wilson and seconded by Bill Long**

 **THAT we adjourn the meeting.**

**The motion carried.**

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 Dirk Rice, Secretary