

CREATING AND MAINTAINING OPPORTUNITIES FOR ILLINOIS CORN GROWERS TO CAPTURE MORE VALUE FOR THEIR PRODUCT.

CORN CHECKOFF ANNUAL REPORT



CHANGE IS GOOD

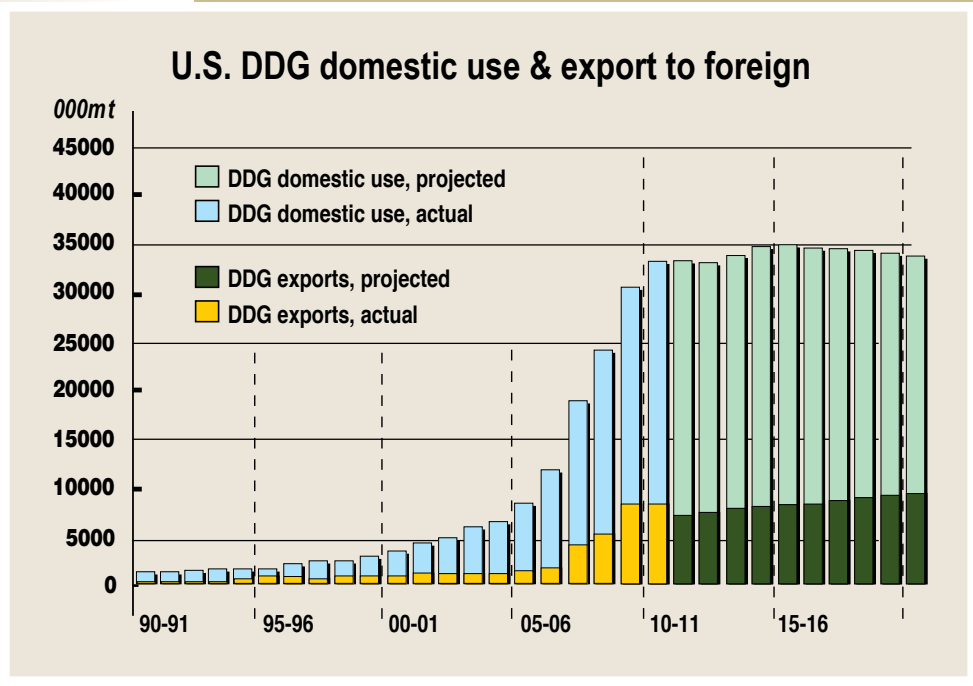
For more information about Illinois corn checkoff programs, www.ilcorn.org



Growing your food with care.

CORN CHECKOFF COOPERATES WITH OTHER FARM GROUPS

ICMB has invested your corn checkoff dollars in collaborative projects with other farm organizations to get things done more efficiently. For instance, the Illinois Farm Families program brings together the ICMB with four of the state's largest farm groups to change public perceptions about farming. The Corn Crib allows corn farmers and their industry partners and customers to publicly showcase our contributions to food, feed, and fuel. And Pork Power, a philanthropic program gives ICMB a chance to support the pork industry, the state's hungriest livestock consumer of corn.



DDGS EXPORTS ADD VALUE TO ILLINOIS CORN

At first, ethanol plants couldn't give away distillers dried grains with solubles (DDGS). The corn farmers that administer your corn checkoff dollars were certain that there was added value to be had, so it became a goal to improve the quality of DDGS, research its integration into livestock feed, make it available to the domestic livestock industry, and finally introduce the product to growing export markets. And export DDGS we have! What isn't being fed domestically, mostly as a replacement to whole corn, is finding a home overseas, and that means added value to the corn crop!

ILLINOIS CORN MARKETING BOARD STATEMENT OF FINANCIAL POSITION • September 30, 2011 and 2010

ASSETS	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	\$ 64,558	\$ 71,362
Investments in repurchase agreements (See note 1)	3,703,629	3,844,000
Accounts Receivable:		
Related party	123,076	1,249
Other	167,007	12,346
Accrued Interest Receivable	4,869	1,574
Prepaid rent (See note 2)	13,918	13,918
Prepaid expense	7,523	6,967
Total current assets	4,084,677	3,751,716
NON-CURRENT INVESTMENTS		
Investments in repurchase agreements designated for contingency (See note 4)	\$ 600,000	\$ 600,000
Prepaid rent	180,930	194,947
	780,930	794,947
OFFICE EQUIPMENT		
Office equipment	\$ 403,457	\$ 323,481
Less accumulated depreciation	237,241	258,742
	166,216	64,739
	<u>\$ 5,031,823</u>	<u>\$ 4,611,302</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Due to related party	29,446	2,193
Expenses accrued and payable	887,204	185,587
Deferred revenue	76,711	144,057
Research grants payable	8,654	64,490
Total current liabilities	1,002,215	396,327
LONG-TERM LIABILITIES		
Research grants payable	0	0
Accrued post-retirement benefits	186,685	174,533
	<u>\$ 186,685</u>	<u>\$ 174,533</u>
NET ASSETS		
Unrestricted- Designated for contingency	\$ 600,000	\$ 600,000
Unrestricted- Designated for projects in process (See note 3)	1,401,518	1,047,670
Unrestricted- Designated	1,851,402	2,362,302
	<u>\$ 3,852,920</u>	<u>\$ 4,010,172</u>
	<u>\$ 5,031,823</u>	<u>\$ 4,611,302</u>

ILLINOIS CORN MARKETING BOARD STATEMENT OF ACTIVITIES • September 30, 2011 and 2010

	2011	2010
Changes in Unrestricted Net Assets		
Operating revenue and other support:		
Check-off receipts, net of first purchaser handling commissions (See note 5)	\$ 7,393,749	\$ 7,416,204
Less check-off refunds to producers	181,948	180,794
Net check-off receipts	7,211,801	7,235,410
Project co-funding revenue	175,831	73,979
Total unrestricted operating revenue and other support	7,387,632	7,309,389
Net assets released from restrictions:		
Satisfaction of program restrictions	-	-
Total unrestricted operating revenue, other support and reclassifications	7,387,632	7,309,389
Operating expenses:		
Program services	3,880,570	3,124,477
Industrial programs	3,024,304	2,565,971
Export programs	232,703	175,504
Communications plan (see note 6)	63,642	330,246
Executive programs (see note 7)	7,331,216	6,196,168
Management and general	247,476	210,841
Total expenses	7,578,995	6,407,359
Excess (deficit) of operating revenue and other support	<u>\$ (191,063)</u>	<u>\$ 902,150</u>
Nonoperating revenues (expenses):		
Interest income	\$ 12,535	\$ 13,797
Unrealized loss on investments	1,276	2,130
Other	13,811	15,927
Increase (decrease) in net assets before adoption of FASB Statement No. 158	<u>\$ (177,252)</u>	<u>\$ 918,277</u>
Increase (decrease) in net assets	(177,252)	918,277
Net assets at beginning of year	4,040,172	3,121,995
Net assets at end of year	<u>\$ 3,862,920</u>	<u>\$ 4,040,172</u>

NOTES TO FINANCIAL STATEMENTS

Note 1: Repurchase Agreements are investments where ICMB purchases (and gets ownership of) bank owned, Government securities. These agreements secure ICMB funds over the \$250,000 FDIC insurance limits.

Note 2: ICMB has entered into a long-term rental agreement. Rent has been paid for the term of the agreement. On an annual basis, the rent is less than the annual amount paid prior to 1996 when this agreement started.

Note 3: Represents amount committed, but not yet disbursed including research projects which are funded for one (1) to three (3) years.

Note 4: This is a reserve of \$600,000 which has been established to maintain funding for research and market development projects in case of an unforeseen decline in check-off receipts.

Note 5: When the check-off is remitted on a timely basis, the first purchaser is allowed a 2% commission to defray collection and remittance costs.

Note 6: The ICMB Communications Plan works with major agricultural organizations on state, national and international market development efforts and the dissemination of timely industry information.

Note 7: Executive Programs provide sponsorship of agricultural related organizations and participates in educational and promotional activities within the agricultural community.



ETHANOL'S HIGH-PERFORMANCE FEATURED IN THE NATION'S MOST POPULAR SPORT

With more fans committed to supporting their sponsor's products than any other major league sport, NASCAR means big business for ethanol expansion. Combine that with the TV audience for each race and ethanol has entered the homes of 10's of millions of fans. These people aren't just any fans, they are true fan-atics! These avid fans can be expected to fuel up with ethanol on purpose, meaning a growing market for the nation's largest corn customer.

MORE ETHANOL IN THE PIPELINE

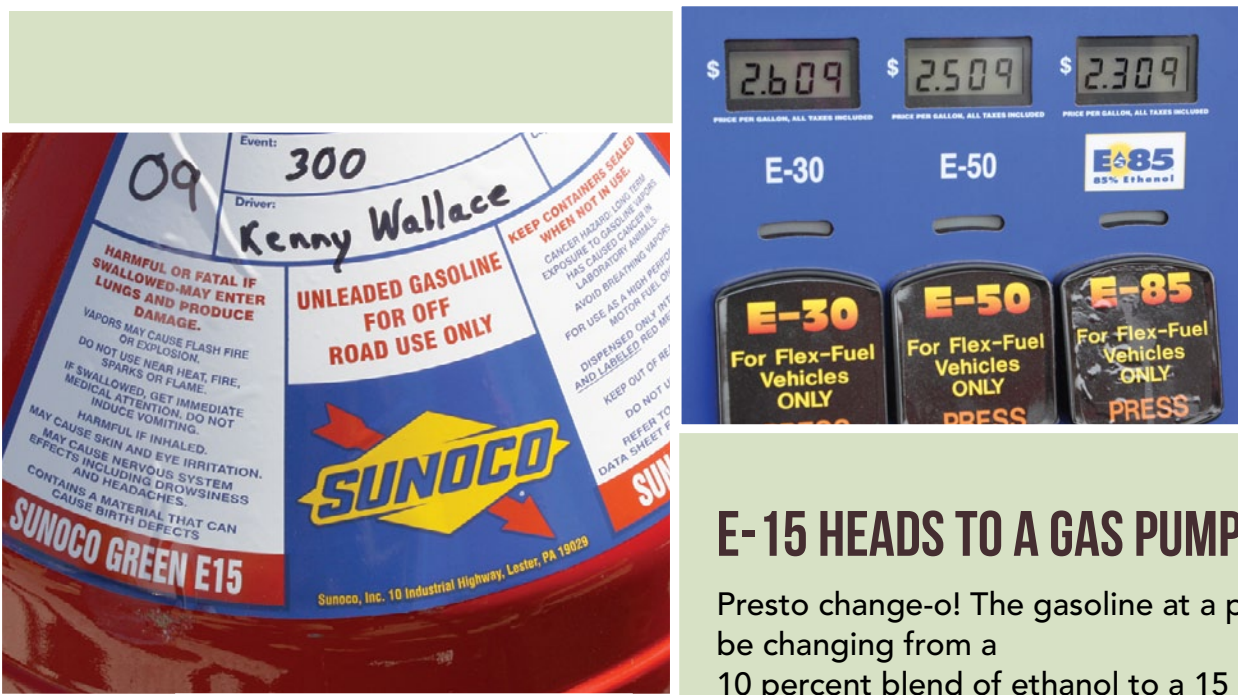
ICMB Goal ACCOMPLISHED!...Expand the Usage of Ethanol to a Minimum of 12 Billion Gallons by 2010

Moving more ethanol into more gas tanks is what it takes to expand this market! And this goal can be marked **ACCOMPLISHED!** Your corn checkoff dollars were invested in improving the E-85 fueling infrastructure, coupon programs to encourage E-85 use, installing blender pumps, doing the necessary research to have US EPA approve E-15, and promoting ethanol to consumer audiences, including those in racing programs like NASCAR, USAC, and the Nat'l Boat Racing Association.



E-15 HEADS TO A GAS PUMP NEAR YOU

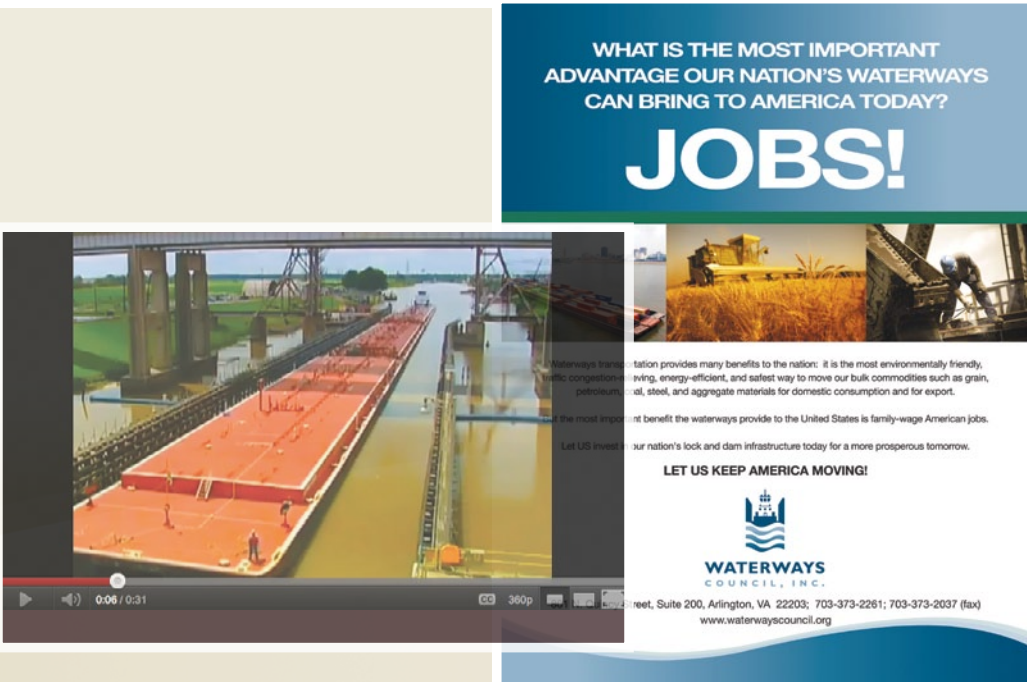
Presto change-o! The gasoline at a pump near you will be changing from a 10 percent blend of ethanol to a 15 percent blend. Just like NASCAR, cars around the country, model year 2001 and newer, will be running on half-again as much ethanol as they did in 2010, as gas pumps transition to E-15 by late 2012. Your Illinois corn checkoff contributed to this fuel transformation by funding research and development. And watch out for the changing face of gas stations as they install more blender pumps to fuel higher blends of ethanol!



LOCKS AND DAMS A NEW STAR OF THE SMALL SCREEN

Funding measures have kept lock and dam improvements from steaming ahead. But that didn't keep the ICMB from wisely investing your checkoff dollars to bring new supporters into the fold. Your Illinois corn checkoff dollars funded a well-crafted video meant to explain the consumer benefits of improved waterways transportation. Widely distributed on Capitol Hill and beyond, the video made its point that "change is good" when it comes to improving the waterways.

Visit www.waterwayscouncil.org and click the links on the left hand side of the homepage to watch the ICMB funded videos!



CARBON FOOTPRINT MYTHS? BUSTED!

ICMB Goal ACCOMPLISHED!...Demonstrate through research that the corn to ethanol carbon footprint can be reduced to 25,500 btu per gallon by 2012

- ICMB invested over \$450,000 in Research between 2008 and 2011
- This leveraged another \$250,000 from our funding partners
- Information and results of the research submitted to USEPA, National Academy of Science, California Air Resources Board
- USDOE and Argonne National Laboratory used data from this work in their own studies

