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ICMB 2009 Officers: (left to right) Jim Rapp, Vice Chair; Donna Jeschke, Chair; Scott Stirling, Treasurer; Jim Robbins, Secretary

CAPITALIZING ON YOUR

CPI-Food and PPI-Farm Products - ERI Food (1/06 - 12/08) Cft Food (1/67 - 10/06) Trend CPI Faut (1/66 - 12/66) Source Ruman of subor Statistics

ttack The Grocery Manufacturers Association (GMA) launched an attack against corn and corn-based ethanol; ICMB responded with the largest radio campaign in their history. Not only did we fund radio spots on The Chicago Bears Radio Network, but we have also worked to provide the facts to consumers through "Food Dude"

spots and "Filler Up Phil" spots in both the Chicago and St. Louis markets. If you missed these radio spots, check them out at www.ilcorn. org by clicking on the "About" Gary Fencik, who played safety for the 1985 tab and select-

Thicago Bears Super Bowl Championship team, ing "Podcasts." was the voice of the Illinois Corn Marketing Board on the Bears Radio Network and promoted E85 throughout the 2008 season. The truth is that most members of

average profits in 2008 and want to continue that trend. More attacks are expected, but ICMB is staying ahead of the curve by working on a national PR campaign to improve the image of corn farmers by provid-

ing facts.



the GMA have seen above

	Asof	Most Recent Quarter	Change from Previous Year		
Campbells	3/11/08	589 million net carnings	+ 45%		
3	9/27/05	\$612 million operating profits	+ 9%		
Kelloggis	10/29/98	5342 million net carnings	+ 12%		
KRAFT	10/29/08	\$10.5 billion net revenues	+ 19%		
Sarafee	11/5/08	\$353 million operating income	+ 21%		

ivestock Livestock continues to be our largest customer and throughout this year, we have worked hard to maintain an open line of communication with these partners. We have

also invested heavily in their industry. 2008 saw the largest investment in DDGS research in ICMB Use Impact of Corn history and even more resources have been allo-Ethanol Produced at cated for 2009.

www.agrinews-pubs.com

Additionally, we have worked with Western Illinois University to develop www.value-added.org



which provides a place for livestock producers to gather information about the nutritional content of DDGS from various ethanol plants. More funds have been allocated in the coming year to expand this website and provide more information from more ethanol plants.

Illinois Pork Producers Association's Pork Power was an important project for 2008. ICMB funded the processing of over 100,000

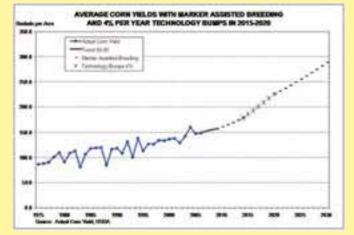
pounds of donated pork and helped to feed the hungry **OWEY** throughout Illinois.

Clobal Warming Global warming and land use concerns

will be an ever present reality for our new administration in this new session of Congress. ICMB has prepared for the battle by funding two important studies: The Global Warming and Land

the Illinois River Energy Center by Steffan Mueller and The Potential Role for Corn Ethanol in Meeting the Energy Needs of the United States in 2016-2030 by Ross Korves. Both are available at www.ilcorn. **org** by clicking on the "Resources" tab and selecting "Research."

Both studies will arm ficient our collaborators with needed information to prove that cornbased ethanol is a green industry that is becoming more and more efficient with time unlike its counterpart, petroleum.

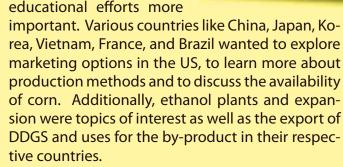




rade

INVESTMENT

ICMB staff and directors hosted more trade teams than ever this year as travel to the US became more economical for foreign guests and educational efforts more



Corn checkoff dollars are also used to increase export opportunities by funding the US Grains Council, the US Meat Export Federation, and the USA Poultry and Egg Export Council. In fact, ICMB increased funding to USMEF and USAPEEC by 29% for 2009. The export of corn is of significant interest to the state of Illinois as Illinois exports 50% of its corn production each year.

keting Board launched a new website, complete with an interactive calendar, general audience podcasts, and the ability to read the research we've funded online.





Since the site launched, traffic has continually increased, hitting a high in October with 182,607 total hits and 12,745 visits from individual computers. The October boost in numbers was due to the press conference ICMB held in Chicago regarding the release of our research on corn's global warming footprint. The effort resulted in extensive positive media coverage in the U.S. and internation-

In the future, ICMB hopes to continue providing excellent resources for media and collaborators to prove that corn is a sustainable, efficient, GREEN product.

"At the same time the studies found conclusively that the global warming ICMB Annual Report by Donna Jeschke, ICMB Chair impact of the modern ethanol plant is 40 percent lower than gasoline."

hockey player plays where the puck is. A great hockey player plays where the puck is going to be'. Wide swings in corn prices, input costs, weather issues, and a barrage of negative media made 2008 a challenging year for agriculture. However, the ICMB did make significant progress as we worked

to determine where our industry is headed.

Perhaps the most visible challenge was the food and fuel story which had the media blaming stronger corn prices for soaring food costs. ICMB responded immediately with a fact-based consumer oriented radio campaign that brought you the likes of The Food Dude and Filler-Up Phil.

The state-wide advertising effort that had a heavy focus on Chicago and St. Louis from May to September, ended up being the largest single communications program in ICMB history, and expanded your checkoff investment in public education ten fold. The good news is that it worked and we helped turn the tide of public opinion.

We played to our strengths by spreading the gospel of abundant, safe and affordably priced food and corn products produced in an increasingly

we will continue to tell it in 2009.

We are growing more from less....a lot more from less. Corn farmers in the U.S. grow six times as much corn today as they did in the 1930's on 10% less land. And our productivity is accelerating all while using less fertilizer, herbicide and even fuel. And ICMB helped stimulate the research to prove

ICMB funded two independent studies from reputable sources, detailed in this report, to investigate The Potential Role for Corn Ethanol in Meeting the Energy Needs of the United States in 2016-2030, and The Global Warming and Land Use Impact of Corn Ethanol Produced at a modern ethanol plant.

This effort provides scientific documentation that the modern ethanol industry has a superior environmental and economic profile versus gasoline and helps us direct the public debate rather than reacting to it. There were two resounding findings from the work: Ethanol production creates smaller carbon footprint than gasoline and Increases in corn supply will

According to the infamous Wayne Gretzky, 'a good sustainable way. We have a great story to tell, and meet food demand and stimulate renewable **fuel growth.** At the same time the studies found conclusively that the global warming impact of the modern ethanol plant is 40 percent lower than

> This kind of data will be critical as we seek to quality and nutritional aspects. maintain and grow a healthy ethanol industry and push through the Blend Wall which is developing rapidly as the 10% ethanol market becomes saturated. ICMB's efforts have included an E85 coupon program being done in partnership with the American Lung Association; working with ethanol plants to install E85 load-outs that allow retailers to get fairer pricing straight from ethanol producers; and advancing a pro E85 message on WBBM radio and the Bears Radio network.

move more ethanol into the marketplace, as well as the continuing need to physically upgrade our infrastructure to distribute corn and corn product via rail and river. ICMB clearly sees the growing need for efficient transportation and has a formal goal of providing the needed infrastructure to allow for 35% percent more corn to travel efficiently within state, country and across the globe.

With tight corn supplies in 2008 we worked closely with the Illinois Corn Growers Association in hosting a record number of trade teams, virtually all of which were focused on assurances we would have corn to export and to learn more about access to Distillers Dried Grains (DDGS) and its production,

Wecontinuetoworkcooperativelywiththelivestock industry on DDGS research to provide a steady stream of data on consistency of the product and nutritional analysis to help with feed formulation. Increasing our corn usage through expanded meat demand overseas remains a priority for the board and this was reflected in increased funding of the U.S. Meat Export Federation and the U.S. Poultry and Egg Export Council this year.

This report addresses a few of these efforts to I would encourage you to contact myself or your Director on the ICMB with questions on your checkoff program, and to utilize our new web site - www.ilcorn.org - as a means of following our program and activities. Thank you for your support of corn checkoff which makes all of this possible.

Illinois Corn Marketing Board STATEMENT OF FINANCIAL CONDITION September 30, 2008 and 2007

ASSETS		2008		2007
Cash and each equivalents	\$	66,200	\$	90,053
Cash and cash equivalents		2,950,000	Ş	2,025,000
Investments in repurchase agreements (See note 1)		2,930,000		2,023,000
Accounts Receivable:				
Related party		33,224		7,301
Other		402		1,700
Accrued Interest Receivable		33,944		58,029
Prepaid rent (See note 2)		13,918		13,918
Prepaid expense		7,731		9,499
Total current assets		3,105,419	_	2,205,500
	_		_	, , , , , , ,
NON-CURRENT INVESTMENTS				
Investments in repurchase agreements	\$	600,000	\$	600,000
designated for contingency (See note 4)				
Prepaid rent		222,682		236,600
		822,682		836,600
OFFICE EQUIPMENT				
Office equipment	\$	279,199	\$	257,256
Less accumulated depreciation	_	181,482		152,461
	\$	97,717	\$	104,795
	\$	4,025,818	\$	3,146,895
LIABILITIES AND NET ASSETS CURRENT LIABILITIES				
Due to related party		6,255		36,867
Expenses accrued and payable		349,588		150,848
Deferred revenue		100,000		40,000
Research grants payable		448,850		22,500
Total current liabilities		904,693		250,215
LONG-TERM LIABILITIES				
Research grants payable		40,000		-
Accrued post-retirement benefits		133,526		143,507
	\$	173,526	\$	143,507
NET ASSETS				
Unrestricted- Designated for contingency	\$	600,000	\$	600,000
Unrestricted- Designated for projects		1,761,387		516,636
in process (See note 3)		506 363		1 626 527
Unrestricted- Designated	<u>,</u>	586,212	<u>,</u>	1,636,537
	\$	2,947,599	\$	2,753,173
	\$	4,025,818	\$	3,146,895

STATEMENT OF ACTIVITIES September 30, 2008 and 2007

		2008		2007
CHANGES IN UNRESTRICTED NET ASS	ETS			
Operating revenue and other suppo	rt:			
Check-off receipts , net of first purchaser handling commissions (See note 5)		7,180,192	\$	4,545,492
Less check-off refunds to producers		188,846		126,099
Net check-off receipts		6,991,346	\$	4,419,393
Project co-funding revenue		0		9,500
Total unrestricted operating revenue and other support		6,991,346	\$	4,428,893
Net assets released from restrictions:				
Satisfaction of program restrictions		-		-
Total unrestricted operating revenue, other support and reclassifications		6,991,346	\$_	4,428,893
OPERATING EXPENSES:				
Program services				
Industrial programs		3,254,655		1,816,688
Export programs		2,904,079		2,102,828
Communications plan (see note 6)		507,030		159,661
Executive programs (see note 7)		86,776		39,270
		6,752,540		4,118,447
Management and general		170,539		167,299
Total expenses		6,923,079		4,285,746
Excess (deficit) of operating revenue and other support	\$ _	68,267	\$_	143,147
Nonoperating revenues (expenses):				
Interest income	\$	105,156	\$	159,359
Unrealized loss on investments		-		-
Other		21,003	_	488
	\$_	126,159	\$	159,847
Increase (decrease) in net assets before adoption of FASB Statement No. 158	\$	194,426	\$	302,994
Effect of adoption of recognition provisions of FASB Statement No. 158		0		8,817
Increase (decrease) in net assets	\$	194,426	\$	311,811
Net assets at beginning of year		2,753,173	Ų	0
NET ASSETS AT END OF YEAR		2,947,599	\$	311,811
Modern M. Ento Or TEAM	\$_	_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	–	J,J

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 \$100,000 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 ir 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 com-