**ILLINOIS CORN MARKETING BOARD**

**Minutes of a Meeting**

**Held May 30, 2019**

A meeting of the directors of the Illinois Corn Marketing Board was held at the Illinois Corn office on May 30, 2019.

 Directors present were:

 Paul Jeschke Don Duvall

 Dan Cole Roger Sy

 Pat Dumoulin Tim Lenz

 Jim Reed Mark Wilson

 Bill Long Mike Wurmnest

 Dirk Rice Jon Rosenstiel

 Dale Haudrich

 Also present were:

 Rodney Weinzierl Laura Gentry

 Dave Loos Jim Tarmann

 Lindsay Mitchell Phil Thornton

 Suzie Rogers Kayla Veeder

Don Duvall, chairman, called the meeting to order at 7:30 a.m. and the board reviewed the agenda.

Dr. Gary Schnitkey called in and updated the board on prevent plant options/scenarios.

SECRETARYS REPORT

Mark Wilson reviewed the minutes of the following meetings.

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

**THAT the minutes of the March 6, 2019 Executive Committee be approved and placed on file.**

 **The motion carried.**

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

**THAT the minutes of the March 6-7, 2019 Executive Committee be approved and placed on file.**

 **The motion carried.**

TREASURERS REPORT

Dirk Rice reviewed the financial statements for the period ending April 30, 2019.

 **It was moved by Mark Wilson and seconded by Jon Rosenstiel**

 **THAT we place the Treasurers Report on file.**

 **The motion carried.**

EXECUTIVE DIRECTORS REPORT

Rod discussed planting progress and planting conditions around the state. He reported that the Gulf is not getting enough corn to fill orders right now.

Jon Doggett visited the IL Corn office recently. He committed to visiting himself or sending an NCGA Vice President to visit each state office every year. The conversations went very well and Jon listened to issues specific to our state.

The HOLC mailing that we sent out was very well received. We have a Water Transportation piece going out soon as well.

Rod reviewed current refund rates and strategies to reduce our refund rates. We really need to focus on our wins and communicate them well.

Governor Pritzker is focusing on his priorities and attends to get them passed in the next few days. We will be hearing more about tax issues in Illinois soon.

Rod gave an update on SB1407, which addresses the union labor issue during ethanol site construction. This bill would negatively impact growth in the ethanol industry and would disincentivize ethanol plants from building in-state.

Suzie reviewed the proposed FY20 budget. We will discuss more at the July board meeting.

ADMINISTRATIVE REPORT

Kayla Veeder reviewed the ICMB election process for Districts 3, 6, 9, 12 and 15. Candidates should send a copy to Kayla and to the Department of Ag.

U of I Agronomy Day is August 22 this year. The IFB Farm Income and Innovations conference is on July 31 this year.

EXECUTIVE COMMITTEE REPORT

Paul Jeschke reported for the committee.

***ICMB Election***

The ICMB election will be on July 2, 2019. Absentee ballots will be available from Illinois Department of Ag beginning on June 2. Petitions were received for Rob Elliott (D3), Dirk Rice (D6), Dan Cole (D9), Roger Sy (D12), and Jeff Scates (D15) and their names will be on the ballot in their respective districts.

***Proposed FY20 Meeting Dates***

The board reviewed the proposed FY20 meeting dates. The committee discussed moving the June board meeting back a week. NCGA is proposing a change to two Action Team meetings a year instead of three. We may need to evaluate the dates of our January board meeting if they decide to make this change.

***July Meeting***

The July board meeting will be in Grayville, Illinois. Chairman, Don Duvall, reviewed the agenda for the July board meeting.

***NCGA Corn Board Elections***

We will invite NCGA candidates to our caucus before Corn Congress in July. The board discussed candidates and how many seats are up for election this year.

***NCGA Corn Congress***

Our caucus will be Wednesday morning at 6:30am, as it is usually scheduled.

***Funding for Executive Programs & Communications Plan***

Rod reviewed our involvement at the IFB annual meeting last year. The committee discussed the benefits of being present and decided to postpone action on funding the meeting until our next board meeting.

***Proposed FY20 Budget Process***

The board reviewed the FY20 budget process and reviewed a couple of different budget scenarios. We will likely wait to see how planting is progressing to decide upon an income number.

***August-Past Director Event***

Past directors have found the educational part of this event to be valuable. ICGA and their PAC committee is evaluating ways to raise money at the event, such as a silent auction.

 **It was moved by Paul Jeschke and seconded by Jon Rosenstiel**

 **THAT we approve the report of the Executive Committee.**

 **The motion carried.**

EXPORTS COMMITTEE REPORT

Jon Rosenstiel reported for committee.

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

The committee will review their progress on Goal 1 at a future meeting in lieu of our time constraints at this meeting.

Jim Tarmann shared an update of lock and dam issues, including the President’s budget, a NESP briefing in DC, a NESP letter to appropriators, an ISA push for P3s in Illinois, congressional support for NESP and lock funding changes, and a sentiment to not employ user fees.

 **It was recommended by the committee**

**THAT ICMB commit $50,000 for 2019 dues to the Waterways Council Inc.** (G1, A,1)

The Chiefs Report to deal with Asian Carp in the Great Lakes will be released soon. It will propose $832 million to be spent mitigating Asian Carp risk.

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

**It was recommended by the committee**

**THAT ICMB commit $30,000 to support the ethanol export work done by Kristy Moore.** (G2, A, 4)

Dr. Laura Gentry shared a Precision Conservation Management Program update including a new specialist, a couple of new articles on FarmDoc Daily on tillage and nitrogen, the PCM booklet inserted into Prairie Farmer in June, and some specific analysis Laura and Gary Schnitkey are working on for future communications and recommendations.

Travis Deppe has been named the Director of PCM. He will manage oversight of the business aspect of the program, as well as Debbie Malloch to do administrative work for the program.

**It was moved by the committee**

**THAT ICMB commit $500,000 to fund Precision Conservation Management growth and program development.** (G2,F)

 **The motion carried.**

 **It was recommended by the committee**

**THAT ICMB commit $25,000 to sponsor FarmDoc Daily’s conservation and PCM coverage for 2020.** (G2,F,1)

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

Rod Weinzierl reviewed a project with NCGA and other conservation groups that intersects conservation policy and farm policy.

Jim Tarmann and Phil Thornton reviewed a meeting with Mary Boote of the 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.*

ICGA wants to continue two cover crop programs targeted both to farmers new to growing cover crops and to ICGA members. The goal of both programs is to encourage farmers trying cover crops in their management practices.

**It was moved by the committee**

**THAT ICMB commit $100,000 to the ICGA member cover crop program as well as the reduced cost cover crop program with Beck’s Seed for fall 2019.** (G4, B, 1)

 **The motion carried.**

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

Phil Thornton discussed the future of trade with China with the committee.

Lindsay Mitchell shared the details of the elevator poster mailing with the committee.

Phil summarized some recent trade team activity in Illinois and an ethanol onboarding program for USGC consultants.

We have a proposal to do some economic analysis utilizing PRX data. We haven’t done economic analysis like this for a while. NCGA and other states are interested in participating.

 **It was moved by Dan Cole and seconded by Tim Lenz**

**THAT ICMB commit $5000 to Farm Insights to do economic studies utilizing PRX data.** (Goal 5F)

 **The motion carried.**

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

Lindsay Mitchell shared an update of the USMEF summer meeting including a trade update and an African Swine Fever update.

Lindsay reviewed an upcoming hearing in Henry, IL, Marshall County regarding the Buffalo Run Swine Farm on June 4 at 6 pm. We need supportive farmers there.

Lindsay shared the dates of the Illinois Beef Association summer meeting in Effingham. ICMB needs at least one farmer present on June 15 to be recognized as a sponsor for the event.

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

**THAT the report of the Exports Committee be approved including all committee recommendations with a total budget impact of $710,000.**

 **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.”*

Dave Loos reviewed current ethanol production numbers on an annualized basis. The committee then reviewed USEPA proposed Renewable Volume Obligation (RVO) numbers for 2020.

USEPA sent the proposed RFS reset rule to the OMB office on May 20. The reset rule will set the stage for how USEPA adjusts the RFS in 2023.

Dave did an update on small refinery exemptions. There are thirty-nine pending exemption petitions from 2018 that USEPA must rule on. Some of the exemptions are expected to be announced right after the RVP waiver announcement. NCGA and the ethanol industry estimate that exemptions have resulted in a 2.6-billion-gallon loss in renewable fuel blending.

We expect an announcement on the RVP waiver for higher blends of ethanol on May 31. Illinois growers submitted over five hundred comments to USEPA by the April 29 deadline. Region V reached out to Illinois Farm Bureau to schedule an event in Illinois as part of the announcement. The official announcement will be in Iowa.

**It was moved by the committee**

**THAT ICMB commit up to $100,000 to work with the American Lung Association to support new stations offering E15 and higher blends of ethanol after the RVP announcement. (Goal 1D)**

 **The motion carried.**

Angela Timm with the American Lung Association is involved in the Chicago Clean Cities Program. Local government automobiles are required to use alternative fuels and this program is involved in that in Chicago. Angela is working on ramping up ethanol use in the program again.

 **It was recommended by the committee**

**THAT ICMB commit $5,000 to support the American Lung Association through membership in the Chicago Area Clean Cities Program to promote E15 and higher blends of ethanol. (Goal 1F)**

ICGA continues to work on education on higher blends of ethanol and has requested additional funds to continue their work.

 **It was moved by the committee**

**THAT ICMB commit $100,000 to ICGA for educating and informing agencies, government officials and others of the benefits of higher blends of ethanol through a high-octane standard. (Goal 1F)**

 **The motion carried.**

Crappie Masters will be on May 4 at Rend Lake.

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

Dave gave an update on the MOVES model. We are moving ahead with developing appropriation language to include in USDOE’s FY21 budget.

**It was recommended by the committee**

**THAT ICMB commit $16,000 for the second phase of developing a roadmap for the scale-up, and commercialization of new corn-based products developed and produced in Illinois. (Goal 2B)**

The committee reviewed the proposed legislative outline for the Low Carbon High Octane Standard. The standard proposes a 98 RON standard by MY24. The octane must have 30% less carbon than baseline gasoline. It would allow for an RVP waiver for all blends above E10. It would establish an R-factor of 1. The standard states that all dispensers would be warranted for at least 30% blends. It would also reestablish credits for FFVs.

 **It was recommended by the committee**

**THAT ICMB commit up to $50,000 to support the development of a fuel specification or standard for High Octane Low Carbon Fuel that will limit high health risk aromatics to create a no backsliding provision for the high-octane fuels of the future using higher blends of ethanol. (Goal 2G2)**

Oak Ridge is doing testing on a Terrain right now.

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

Dave reviewed the work that Steffen Mueller is current doing on our behalf. Steffen and the U of I-Chicago Energy Resource Center is a tremendous resource for IL Corn. He is currently working on the MOVES model, health impacts of ethanol versus gasoline in the US, serving as an international consultant for US Grains Council, a land use change assessment for corn grower states and NCGA to be used by USEPA, life cycle analysis of corn ethanol to continue updating improvements. He shares his studies with USEPA, California Air Resources Board, the ethanol industry, autos, and environmental groups.

 **It was recommended by the committee**

**THAT ICMB commit up to $30,000 to University of Illinois Chicago for a student worker to assist Steffen Mueller on life cycle analyses of corn ethanol, health impact studies, land use change assessments, and in reporting the results.** (Goal 5A/B $15,000 each)

 **It was moved by Mark Wilson and seconded by Jon Rosenstiel**

**THAT the report of the Industrial Committee be approved including all committee recommendations with a total budget impact of $301,000.**

 **The motion carried.**

**It was moved by Paul Jeschke and seconded by Dan Cole**

 **THAT we adjourn the meeting.**

**The motion carried.**

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 Mark Wilson, Secretary