**ILLINOIS CORN MARKETING BOARD**

**Minutes of a Meeting**

**Held August 20-21, 2019**

A meeting of the directors of the Illinois Corn Marketing Board was held at the Illinois Corn office in Bloomington, IL on August 20-21, 2019.

 Directors present were:

 Don Duvall Jon Rosenstiel

 Dan Cole Roger Sy

 Pat Dumoulin Tim Lenz

 Jim Reed Mark Wilson

 Bill Long Dirk Rice

 Dale Haudrich Rob Elliott

 Jeff Scates Paul Jeschke

 Mike Wurmnest

 Also present were:

 Rodney Weinzierl Laura Gentry

 Dave Loos Jim Tarmann

 Lindsay Mitchell Phil Thornton

 Kayla Veeder Tricia Braid

 Travis Deppe Megan Dwyer Collin Watters

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

ELECTION OF OFFICERS

Jim Reed nominated Roger Sy for Chairman.

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

**THAT we close nominations and cast a unanimous ballot for Roger Sy as Chairman.**

 **The motion carried.**

Mark Wilson nominated Dirk Rice for Vice Chairman.

 **It was moved by Jim Reed second by Jon Rosenstiel**

**THAT we close nominations and cast a unanimous ballot for Dirk Rice as Vice Chairman.**

 **The motion carried.**

Jim Reed nominated Mark Wilson for Treasurer.

 **It was moved by Jon Rosenstiel and seconded by Dirk Rice**

**THAT we close nominations and cast a unanimous ballot for Mark Wilson as Treasurer.**

 **The motion carried.**

Mark Wilson nominated Jim Reed for Secretary.

 **It was moved by Don Duvall and seconded by Jon Rosenstiel**

**THAT we close nominations and cast a unanimous ballot for Jim Reed as Secretary.**

 **The motion carried.**

SECRETARYS REPORT

Mark Wilson reviewed the minutes of the July Executive Committee meeting.

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

**THAT the minutes of the July 9, 2019 Executive Committee meeting be approved and placed on file.**

 **The motion carried.**

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

**THAT the minutes of the July 9-10, 2019 full board meeting be approved and placed on file.**

 **The motion carried.**

TREASURERS REPORT

Dirk Rice reviewed the financial statements for the period ending July 31, 2019.

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

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

 **The motion carried.**

EXECUTIVE DIRECTORS REPORT

Rod Weinzierl reported that USMCA seems to moving forward. We will a better idea after Labor Day when Congress comes back from recess. The House will likely take it up during the second week of October.

The USDA yield estimate for Illinois is 181 bu/ac. It may be difficult for NASS to maintain their trust with farmers if their yield estimates are way off at the time of harvest. A more transparent process for yield estimates would help build that trust.

We expect a lot of pressure on crop insurance in the next farm bill. The high prevent plant acres this year will likely haunt us in the future when it comes to the prevent plant program.

FY18 AUDIT

IAA submitted final settlement numbers for the separation, initiated with the termination of the Management Services Agreement in 2018.

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

 **THAT we place the FY18 audit on file.**

 **The motion carried.**

ADMINISTRATIVE REPORT

Kayla welcomed recently elected directors, Rob Elliott and Jeff Scates to the board.

Tim Thompson is interested in seeking election in District 10 and also attended the meeting as a guest.

EXECUTIVE COMMITTEE REPORT

Paul Jeschke reported for the committee.

***NCGA Corn Board Election Results***

The committee discussed the results of the NCGA Corn Board election and the voting process at the meeting itself. The committee would like to explore other options for voting procedures when electing Corn Board directors.

***US Grains Council Election Results***

The committee discussed the results of the US Grains Council election. Jim Raben attended the meeting and gave an update on US Grains Council activities.

***NCGA Action Team Appointments***

We will submit our Action Team state prioritization form to NCGA after the leaders review applications that were received. A-Team appointments should be announced in early October.

***FY19 Audit Engagement***

We are set to start our FY19 audit in October. We received an engagement letter from the firm who completed our FY18 audit and the quote is the same as last year.

 **It was recommended by the committee**

**THAT we commit $17,500 to engage with [Dunbar, Breitweiser & Company to complete our FY19 audit.](http://www.dbc-llp.com/)**

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

The committee discussed funding for Executive Committee programs.

 **It was recommended by the committee**

**THAT we commit $1,000 for SIU Ag Industry Day Executive Programs from the FY20 budget.**

The committee discussed the Ag in the Classroom program. The committee would like more ownership in the program and would like to have more involved relationships with county farm bureau offices. We would like to schedule a side meeting with Susan Moore and Kevin Daugherty during the Farm Progress Show to discuss options.

The committee discussed the Taste of Illinois event at the Illinois Farm Bureau meeting last year. We are interested in participating again this year. ICMB and ICGA will split the sponsorship.

 **It was recommended by the committee**

**THAT we commit $2,500 for the 2019 IFB annual meeting from the FY20 budget.**

Lindsay Mitchell will begin working on the FY19 annual report very soon.

 **It was recommended by the committee**

**THAT we commit $25,000 for the FY19 annual report from the FY20 budget.**

 **It was moved by the committee**

 **THAT we commit $100,000 for producer education from the FY20 budget.**

 **The motion carried.**

 **It was recommended by the committee**

 **THAT we commit $30,000 for RFD from the FY20 budget.**

The Farm Assets Conference is scheduled for the week of Thanksgiving, but we may need to think about timing of this event due to a late harvest this year. ICGA will have more discussion at their board meeting this week.

The committee discussed location options for the January board meeting. The consensus of the group was to travel to the Edwardsville/St. Louis area in January. A tour of the National Corn to Ethanol Research Center would be incorporated into the meeting. The committee also discussed inviting Missouri Corn to participate in some activities.

***September Executive Committee Meeting***

The Executive Committees of ICMB and ICGA will meet to continue working on the strategic plan on September 5 or 6. The ICGA Executive Committee will choose the date at their meeting tomorrow.

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

**THAT we approve the report of the Executive Committee with a total budget impact of $176,000 from the FY20 budget.**

 **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.*

Jim Tarmann shared a lock and dam update. Major rehab has started at LaGrange. The WRDA 2020 bill is the next opportunity to edit the cost share (federal and Inland Waterways Trust Fund) to a 50-50 share.

Don Duvall discussed the July Market Access Action Team. USMCA is their top priority.

*Goal 2: Increase domestic and foreign demand for corn and corn based products through improved sustainability of corn production and uses regarding it’s carbon footprint, water, nutrient inputs and other sustainable measures by 400 million bushels.*

Megan Dwyer updated the committee on our land use change project with NCGA and other states to challenge the tool EPA is using to evaluate land use change. She also updated the committee on the life cycle analysis project.

Randy Stauffer, the consultant managing Field to Market work for IL Corn, updated the group about the project for new committee members. The Field to Market calculator has added new categories to best address the conservation work on their fields. The work with Field to Market also opens an opportunity to work with big corporations on Greenhouse Gas Emissions like PepsiCo and Cargill.

A Precision Conservation Management update included sharing some new data that addresses the twenty farmers selling to PepsiCo today, looks at their practices, and makes estimates on their corn acres about GHG emissions.

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

Rod Weinzierl provided a crop insurance update during his report and Lindsay Mitchell shared a social media campaign by the Crop Insurance and Reinsurance Bureau.

**It was moved by the committee**

**THAT ICMB commit up to $75,000 to crop insurance initiatives from the FY20 budget.**

 **The motion carried.**

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

The committee received an update on the cover crop program and the difficulties we’ve had because of the delayed planting/prevent plant problems.

Lindsay has been sending regular legal updates from Kurt Reeg to the committee and asked for any evaluation or suggestion for engagement to pass along.

**It was moved by the committee**

**THAT ICMB commit $150,000 to the field laboratory and infrastructure from the FY20 budget.**

 **The motion carried.**

*Goal 5: Increase corn, DDGs, and other corn co-products exports to 3.5 billion bushels by 2020.*

Collin Watters has been reconnecting with many grain elevators as he gets situated in his new position.

**It was recommended by the committee**

**THAT ICMB commit $1,000 for trade team engagement in Illinois from the FY19 budget.**

**It was recommended by the committee**

**THAT ICMB commit up to $10,000 for an executive director mission from the FY20 budget.**

*Goal 6: Increase corn and corn co-product usage by the domestic and international livestock sector by 25 percent by 2022.*

Lindsay Mitchell shared an update on a new USMEF analysis that shows the value of red meat exports back to corn, with some of the data specific to Illinois.

Lindsay reviewed our partnership with IPPA and IBA at the state fair and ask for opinions and input on how that should proceed in the future.

Lindsay shared a copy of a full-page ad in BEEF magazine as a part of the Beef Marketing and Promotion line.

COOPERATOR FUNDING

**It was moved by the committee**

**THAT ICMB amend the FY20 Export Committee budget to increase ICGA core funding to $315,000.**

 **The motion carried.**

**It was moved by the committee**

**THAT ICMB commit $385,000 to USGC base funding for FY20.**

 **The motion carried.**

**It was moved by the committee**

**THAT ICMB commit $1,150,000 to USGC portfolio funding FY20 as follows:**

**Trade Policy and Education - $200,000**

**BioTech Education - $150,000**

**DDGS exports - $100,000**

**Valued added exports - $75,000**

**New Market Development - $50,000**

**Ethanol exports - $575,000**

 **The motion carried.**

**It was moved by the committee**

**THAT ICMB commit 1,000,000 to the Illinois Corn Growers Association FY20 as follows:**

**$315,000 for core funding**

 **$149,000 for Goal 1**

 **$70,000 for Goal 2**

 **$77,500 for Goal 3**

 **$215,000 for Goal 4**

 **$73,500 for Goal 5**

 **$100,000 for Goal 6**

 **The motion carried.**

**It was moved by the committee**

**THAT ICMB commit $597,500 base funding to National Corn Growers Association for FY20.**

 **The motion carried.**

**It was moved by the committee**

**THAT ICMB commit $205,000 portfolio funding to NCGA for FY20 as follows:**

**$50,000 for river transportation initiatives**

**$30,000 for Ethanol Exports**

**$65,000 for Crop Insurance work**

**$35,000 for technology access**

**$25,000 for Soil Health Partnership work.**

 **The motion carried.**

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

**THAT the report of the Exports Committee be approved including all committee recommendations with a total budget impact of $1,000 from the FY19 budget and $3,572,500 from the FY20 budget.**

 **The motion carried.**

INDUSTRIAL COMMITTEE REPORT

Jim Reed reported for the committee.

*Goal 1: Expand cornstarch to ethanol usage to 6.5 billion bushels by 2022.*

Dave Loos notified the committee that Center Ethanol shut down and will likely be closed permanently.

The committee reviewed an RFS Refinery Waiver update from NCGA. Since early 2018, EPA has granted 85 RFS exemptions to refineries for the 2016, 2017 and 2018 RFS compliance years, totaling 4.04 billion ethanol-equivalent gallons of renewable fuel. Instead of a continued growth, both actual ethanol consumption and the ethanol blend rate experienced a first ever year-over-year decline from 2017 to 2018, even as gasoline consumption increased. The D6 RIN price dropped down to eleven cents since our July board meeting.

Renewable Volume Obligation (RVO) numbers were released on July 5. The due date for comments is August 30. We expect NCGA, Growth, and RFA to submit comments. There were no reallocation of previous SRE waivers.

The committee discussed the RFS reset rule. Dave Loos does not see the reset rule as being favorable to ethanol. EPA will officially take authority over statutory volumes in the RFS. We would like to have some funds ready to respond and complete some technical analysis in response to the proposed RFS Reset Rule when it comes out of OMB.

 **It was recommended by the committee**

**THAT ICMB commit up to $50,000 from the FY19 budget to support development of technical analyses and responses to USEPAs proposed reset rule which is currently at OMB.** G1A

Dave Loos reported that all Bennett pumps have successfully passed the E40 soak test at U/L lab.

Sam Odeh is expanding in the Chicago area and would like some funding to cover E15 and E85 infrastructure.

 **It was recommended by the committee**

**THAT ICMB commit $50,000 from the FY19 budget for E-85 and E-15 infrastructure projects.** G1B

*Goal 2: 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.*

Kentucky Corn has volunteered to manage sponsorships for Growth, RFA, and ACE sponsorships for annual meetings, etc.

 **It was recommended by the committee**

**THAT ICMB commit up to $2,500 from the FY19 budget for Kentucky Corn Growers to coordinate corn state sponsorships for Growth, RFA, and Ace annual meetings.** G2G3

Kristy Moore works with us and other states on new ASTM standards and fuel quality issues. She works with the state weight and measures department, the Ag-Auto Ethanol working group, and others on our behalf. She is currently working on the new ASTM standard for a 100RON fuel.

 **It was recommended by the committee**

**THAT ICMB commit up to $20,000 from the FY19 budget to Kristy Moore for the ethanol fuels work that is underway.** G2G3B

We have been facilitating conversations to get NCERC, USDA, and the University of Illinois to work together on projects that could be mutually beneficial. Yesterday we took business plan to Chancellor at SIU Edwardsville. The plan presents an incentive program to get companies to move into Illinois that would utilize corn and/or soybean products as feedstocks. ADM has been a big proponent on legislation to incentivize companies to come to Illinois and produce products made from corn.

 **It was recommended by the committee**

**THAT ICMB commit $40,000 from the FY19 budget for the third phase of developing a roadmap for the scale-up, and commercialization of new corn-based products developed and produced in Illinois.** G2B

Steffan Mueller continues to work on the MOVES model. A resolution was added to the NCGA policy book this year, making this update a priority for the organization. Kathy Bergren put together a meeting to try to get appropriations for this from USDOE.

 **It was moved by the committee**

**THAT ICMB commit up to $160,000 from the FY20 budget to support the University of Chicago-Biofuels Research Center for continued work on updating the MOVES Model to move higher blends of ethanol into the market.** G2C

 **The motion carried.**

Low Carbon High Octane legislation is being drafted now and will start circulating on the House side. ACE is not quite on board with the language yet because they want a further reduction of greenhouse gas emissions per plant.

 **It was moved by the committee**

**THAT ICMB commit up to $300,000 from the FY20 budget to work on identifying and addressing the regulatory barriers to high octane fuels.** G2G4

 **The motion carried.**

MAHLE representatives presented their technology to increase efficiency in ethanol plants. They are currently using the technology in sugarcane plants in Brazil and think it could be utilized in corn-based ethanol plants in the US. We are trying to get NCERC to work with the technology on an experimental basis.

We continue to work on getting the f-factor updated as it relates to FFV fleets.

 **It was recommended by the committee**

**THAT ICMB commit up to $50,000 from the FY20 budget to work with the Auto industry on securing new CAFÉ credits for FFV vehicles.** G2F

 **The motion carried.**

*Goal 4: Amplify IL Corn’s goals and the efforts of partner organizations’ consumer outreach programing as it relates to building confidence and trust in corn farmers and corn farming methodologies through sponsorships, programs, and training.*

Tricia Braid gave an update on Illinois Farm Families. The coalition is beginning the budgeting process for next year and would like our commitment for funding.

 **It was moved by the committee**

**THAT we commit $160,000 from the FY20 budget to the Illinois Farm Families coalition for FY20 base program funding. G4B**

**The motion carried.**

Lindsay Mitchell will begin hiring fall and spring interns to focus on social media initiatives for the organization.

 **It was recommended by the committee**

**THAT we commit $15,000 from the FY20 budget to support fall 2019 and spring 2020 semester internship programs to support social media initiatives. G4D2**

Jim Tarmann gave an overview of the 2019 FFA visit to Washington, DC. The committee thought the program went very well this year and the educational experience was extremely valuable to the students.

**It was recommended by the committee**

**THAT we commit $25,000 from the FY20 budget to the Illinois FFA to support an educational visit to Washington DC in conjunction with IL Corn in 2020.**

The committee discussed the new structure that the CornBelters team is under this year. We will evaluate our sponsorship again when we have a better feel for changes the new management team makes. ISU did a community survey about the value of the CornBelters. Results stated that the community thought the venue, atmosphere, prices, etc. were all good but few community members actually visit.

**It was moved by the committee**

**THAT we commit $175,000 from the FY20 budget to the Normal CornBelters baseball team for the 2021 season Corn Crib stadium naming rights.**

**The motion carried.**

Jim Tarmann presented a program that would place some interns in Washington, DC. Internships could be with agencies, agribusinesses, or could be legislative. We intend to get other agribusinesses to cost-share these internships with us.

Tricia announced that Illinois Corn was awarded the 2019 Digital & Social Media Award from AAEA the Ag Communicators Network in July, 2019 for our brand anthem video.

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

We have a proposal for work that would demonstrate and accelerate the idea that ethanol should be the octane of choice.

 **It was moved by the committee**

**THAT ICMB commit up to $100,000 from the FY20 budget to analyze and report on the reductions in aromatics that high octane fuel using mid-level blends of ethanol can achieve.** G5G

**The motion carried.**

We received a proposal from Prairie Gold requesting seed money that would be utilized for an engineering study to analyze the way their systems would work if they installed new equipment. The plan is to install a new centrifuge, a new evaporator, and possibly make updates to the boiler.

The project failed to be funded for lack of a motion.

COORDINATOR FUNDING

Bill Leigh responded to questions regarding ICGA funding.

 **It was moved by the committee**

**THAT ICMB commit $230,000 from the FY20 budget for ICGA portfolio funding from Industrial Committee, Goal 1.**

 **The motion carried.**

 **It was moved by the committee**

**THAT ICMB commit $125,000 from the FY20 budget for ICGA portfolio funding from Industrial Committee, Goal 2.**

 **The motion carried.**

 **It was moved by the committee**

**THAT we commit $150,000 from the FY20 budget for ICGA portfolio funding from the Industrial Committee, Goal 3.**

 **The motion carried.**

**It was moved by the committee**

**THAT ICMB commit $130,000 from the FY20 budget for ICGA portfolio funding from the Industrial Committee, Goal 5.**

**The motion carried.**

**It was moved by the committee**

**THAT ICMB commit $315,000 from the FY20 budget for ICGA core funding for FY20 work.**

**The motion carried.**

Neil Caskey responded to questions regarding NCGA funding. Staff will go through the committee budget and match up portfolio funding requests with committee goals in preparation for consideration at the December board meeting.

**It was moved by the committee**

**THAT ICMB commit $597,500 from the FY19 budget for NCGA base funding for FY20 work.**

 **The motion carried.**

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

**THAT the report of the Industrial Committee be approved including all committee recommendations with a total budget impact of $760,000 from the FY19 budget and $1,935,000 from the FY20 budget.**

 **The motion carried.**

Ag in the Classroom coordinators, Susan Moore and Kevin Daugherty, were at the meeting to give an update on the program and answer questions and respond to concerns.

**It was moved by Dan Cole and seconded by Pat Dumoulin**

**THAT we commit $90000 from the FY19 budget for the Ag in the Classroom program for their 2019 program of work.**

 **The motion carried.**

Rod reviewed the key takeaways from meeting. The takeaways were as follows:

* New tariffs are in effect for Chinese imports and China has retaliated by raising import duties in $110 billion of U.S. goods.
* EPA and the Administration may look favorably on the autos requesting flex fuel vehicle credit reinstatement.
* Market Facilitation Program: USDA announced county payment rates on July 25. The first payment should be hitting mailboxes anytime, with payments equaling $15 or 50% of the county rate, whichever is higher.
* USDA Acreage Estimate Update: ICGA released a statement – “IL Corn does not have an in-house methodology to either confirm or contradict the NASS estimates. So, minus the opportunity to consult a crystal ball, we’re in this just like everybody else and we won’t know what 2019 corn production is until it’s in the bin and reported by farmers.**”**
* Hypoxia zone: The 2019 zone is a direct reflection of record heavy rain followed by historical flooding through the Mississippi Corridor. Such events can overwhelm the system. Farmers aim to always minimize impact.

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

**THAT we bring back the tabled, amended motion from the July, 2019 board meeting, “THAT we amend the motion on the floor to, “THAT we cover expenses for ICMB directors to represent ICMB on NCGA, USGC, USMEF & USAPEEC boards for the duration of their term if they are an ICMB director when first elected.”**

**The motion carried.**

**The board discussed the amendment, voted, and the motion carried.**

**It was moved by Dan Cole and seconded by Pat Dumoulin**

**THAT we cover expenses for ICMB directors to represent ICMB on NCGA, USGC, USMEF & USAPEEC boards for the duration of their term if they are an ICMB director when first elected.**

 **The motion carried.**

**It was moved by Tim Lenz and seconded by Dirk Rice**

 **THAT we go into executive session.**

**The motion carried.**

**It was moved by Dan Cole and seconded by Pat Dumoulin**

 **THAT we exit executive session.**

**The motion carried.**

**It was moved by Jim Reed and seconded by Pat Dumoulin**

 **THAT we adjourn the meeting.**

**The motion carried.**

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 Jim Reed, Secretary