



Illinois Corn Growers Association

2017 ANNUAL REPORT





**PERSEVERING IN SPITE OF
OVERWHELMING OBSTACLES**

LETTER FROM THE PRESIDENT

Our association kept me busy in 2017! There were always comments to write, legislators to call, events that needed farmer representation, and opportunities to educate others about corn. I loved every minute of it.

Every year in our policy survey, you tell us that you belong to this association because "it's the right thing to do." And I know that as prices decline, that membership check gets harder and harder to write. But I can assure you that joining your voice with mine, and corn farmers throughout Illinois is indeed the right thing to do.

Building demand is the number one opportunity for your association to impact corn prices, and we're working on that every single day. As your President, we have taken every opportunity to sell more ethanol, both domestically and internationally. Domestically, arbitrary regulations continue to be an obstacle, but we removed one of those this year! We were successful removing the E10 tax credit in Illinois so that E10 and E15 are on a level playing field at the pump. That's a win.

Internationally, we're trying to sell more ethanol, more corn, more meat, poultry and eggs. We

certainly have our work ahead of us clearing the way for more trading opportunities in this administration, but I know with these farmer leaders and staff, ICGA is up for the challenge. We've continued to talk positively to the administration and our congressmen and senators about the positive impact trade can have for the agricultural industry, and we will continue to work promoting NAFTA, other free trade agreements, and increased export market development funding.

I believe our second priority is to eliminate the barriers that cost farmers money. That's the other key way we can help increase the margins for you on the farm. This includes preventing mandatory water quality regulations, preventing additional paperwork and permits, and setting you up to make the best decisions for your farm and your resources.

We're working diligently on this, but there's an opportunity for you to get involved here too. To prevent mandatory regulations, farmers must prove that they will voluntarily fix issues with water quality. Have you changed the way you're farming even a little to address your nutrient loss?



I have. I am using the FieldPrint Calculator by Field to Market to monitor my environmental footprint and I'm discovering ways to make my farm more sustainable. Many of these changing practices can save us money, but we've all got to take the time to experiment and figure out what will work best on our land.

Farmers all over Illinois are persevering in spite of overwhelming obstacles. We've got low prices, volatile weather patterns, regulatory threats, and changing farm policies in the future. But I have faith that by joining our voices together in this association, we will emerge stronger and ready for the future.

Thank you for the opportunity to lead your association.

Justin Durdan

A handwritten signature of Justin Durdan in black ink.

**POWERING
OUR NATION**

GA



Increased ethanol sales are one of the fastest ways we can build demand and impact your corn prices, so ICGA stays particularly involved in this area.

Arbitrary limits and roadblocks continue to stand in between ethanol and complete access to the marketplace, but we work every day to eliminate those roadblocks, one at a time.

During the Illinois state budget negotiations, ICGA was able to help secure \$1 million for the National Corn to Ethanol Research Center (NCERC) in Edwardsville, IL. NCERC is a research center that facilitates the commercialization of new technologies for producing fuel ethanol more effectively.





This fall, ICGA was excited to provide comments to the U.S. EPA regarding their midterm review of greenhouse gas emissions standards for the cars being made in the near future. *We urged the EPA to develop a pathway for higher blends of ethanol to be incorporated in the U.S. fuel future.*



There are many benefits of using ethanol to offer Americans a high octane, low carbon fuel, and we've been discussing those with the Illinois Congressional Delegation every opportunity we get.

Pictured are President Justin Durdan, Congressman Adam Kinzinger, and Vice President Aron Carlson after an ethanol discussion in Washington, DC.

YES!



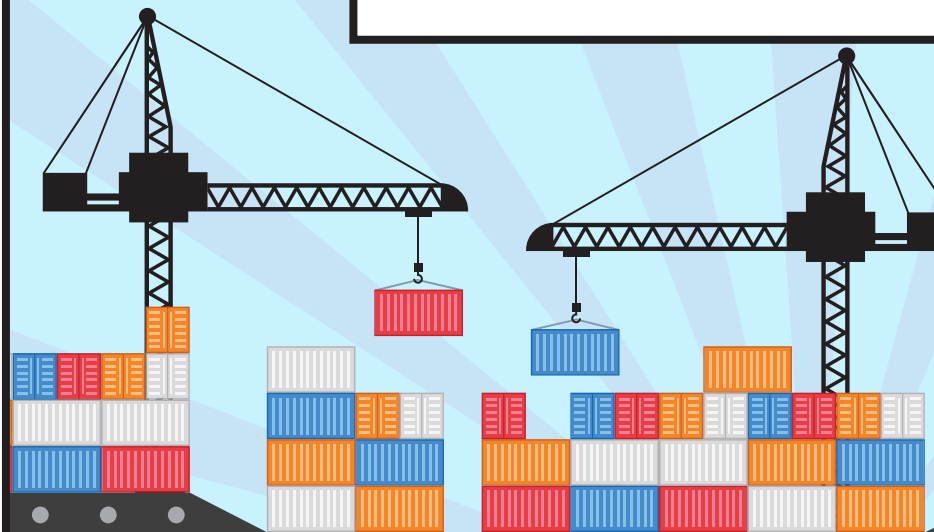
E15 is now on a level playing field with E10 thanks to a change in the sales tax incentive passed in IL this year. With the E10 sales tax incentive removed, over the objections of "big oil", E15 is priced very similar and will be a higher octane fuel that customers love to use.

SALES TAX INCENTIVE!

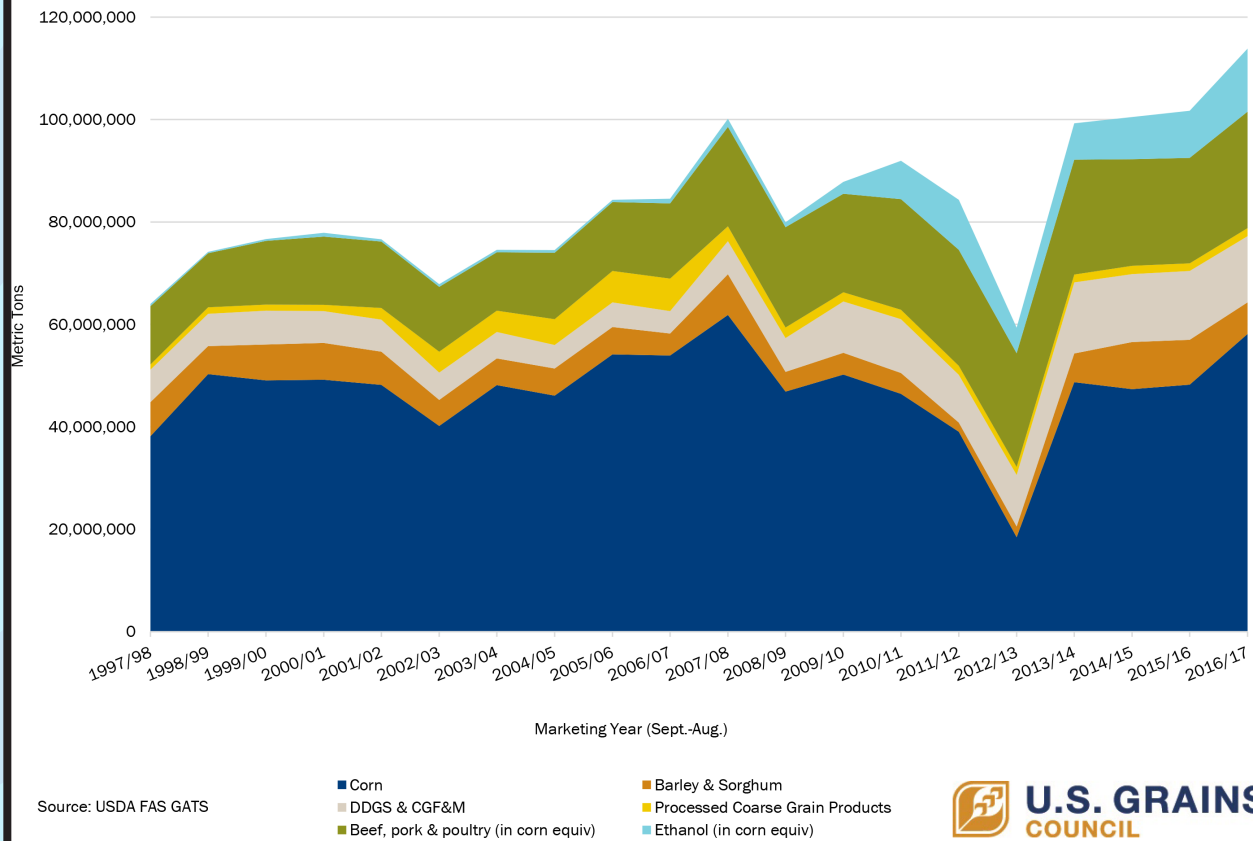
BUILDING DEMAND THROUGH TRADE

You consistently tell us that trade and the transportation system that moves your product to its international customers are among your top priorities. We take that seriously, advocating for new export markets, maintaining a membership with the U.S. Grains Council (which promotes the export of corn and ethanol around the globe), and continually sharing the need for upgraded locks and dams on the Mississippi and Illinois Rivers. Increased exports are one answer to the need for increased demand and higher corn prices.

While ICGA never took a formal position on the Great Lakes Basin Proposed New Rail Line, they were engaged this year, watching how the railroad could impact the farmers in Northern Illinois counties. ICGA provided comments advocating for farmers to have more time to consider the proposal. We eventually watched as the transportation board killed the idea late in the year.



Global U.S. Exports of Feed Grains In All Forms Breaks Record



While the country talks about the value and merit of trade for the U.S., corn farmers have simply continued growing corn and their international customers have continued buying. The United States exported 114.1 million metric tons of feed grains in all forms from September 2016 to August 2017, a 12 percent increase from the prior year and a new record for the category.

Elected officials in the beltway saw Paul and Donna Jeschke featured in a video promoting the need for locks and dams on the Mississippi and Illinois Rivers early this year. The Jeschke's farm in Mazon, IL and send most of their grain down the Illinois River for export, like so many other Illinois farmers. ICGA continues to advocate for this very important priority.

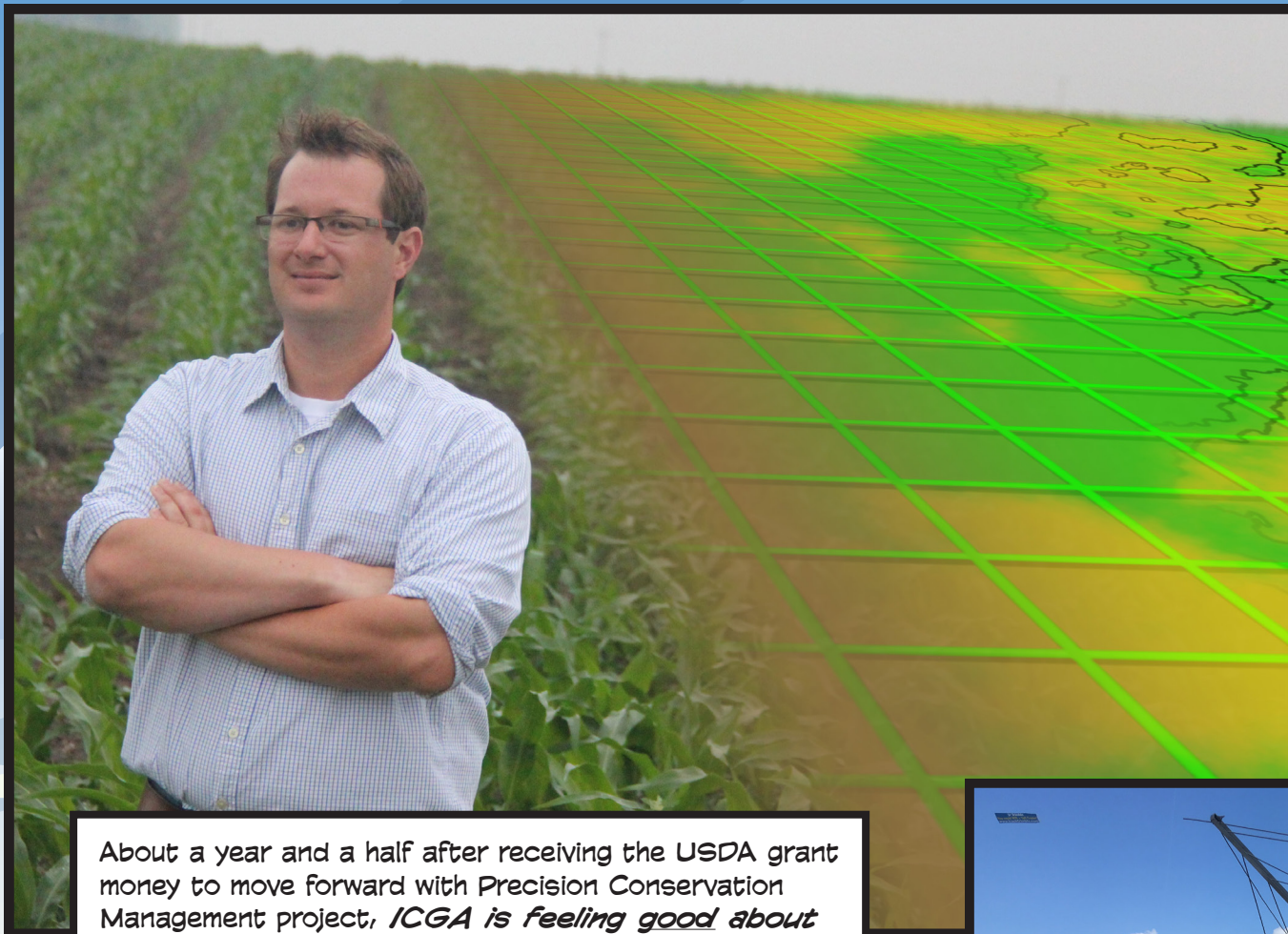


PARTNERS IN CONSERVATION

Your association has been very active in the conservation space as we work with the Illinois EPA to minimize nutrient loss before regulations change the way you farm. The work that we're most proud of is the relationships we've built with nontraditional partners that are impacting this goal and others. Partners like the Nature Conservancy, the Walton Foundation, and even the Environmental Defense Fund are interested and invested in the work farmers are doing on the farm, and as a result, they are more willing to support farmers on other issues - like crop insurance - when debates arise.



If you're a member of the Illinois Corn Growers Association, you received a cover crop coupon for reduced cover crop seed, as a part of our effort to help farmers offset the costs of trying new crop management techniques. Cover crops can make a significant difference in minimizing nutrient run off, bettering your bottom line, and improving soil health.



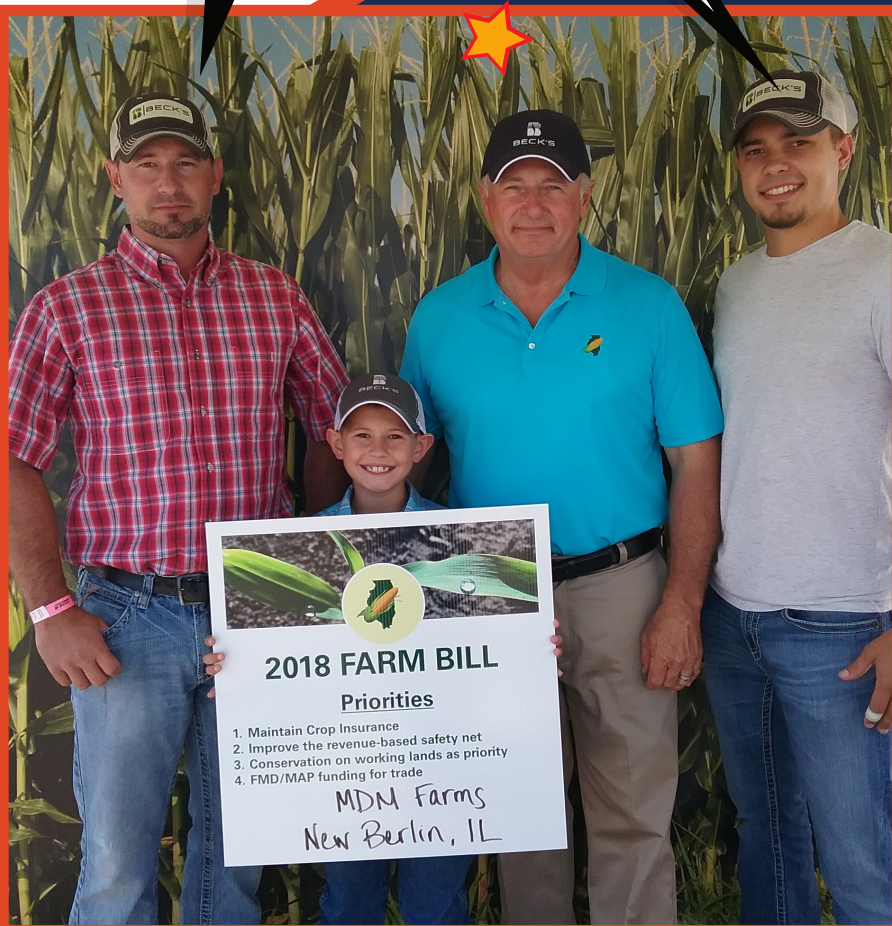
About a year and a half after receiving the USDA grant money to move forward with Precision Conservation Management project, *ICGA is feeling good about the momentum behind the project and the farmers they have involved.* The conservation data being collected, in combination with financial data from Farm Business Farm Management, will give us a picture of the conservation practices that will make a big difference on your farm, both for your resources and for your pocketbook.

Because Farm Progress Show is such an excellent avenue to educate farmers, we brought our conservation messages with us! Free water testing was available for members who brought us water samples, but among the most interesting displays was the *"soil your undies" campaign*. White cotton briefs were planted in different fields under different management techniques. The more disintegrated the undies, the better the microbial activity in the soil. *Healthier soils equal healthier crops!*



FARM BILL BREAK THROUGH

ICGA District 10 director Marty Marr and his sons were one of 85 farmers and farm families that sent photo comments to the U.S. House Agriculture Committee expressing their personal priorities for the 2018 Farm Bill. The messages resonated with House members and social media users alike as they flooded Facebook and Twitter on August 29-31.





Your ICGA leadership has already begun discussing your Farm Bill priorities with key legislators like Rep. Cheri Bustos who represents Illinois District 17 on the U.S. House Agriculture Committee. During a meeting with her in March, Randy DeSutter of Woodhull, Dave Rylander of Victoria, and Aron Carlson of Winnebago explained which aspects of the current farm program are working for Illinois farmers and which need improvement.



During our farm bill listening sessions, we heard our membership loud and clear!

crop insurance is the most important risk management program you have access to and you want it preserved.

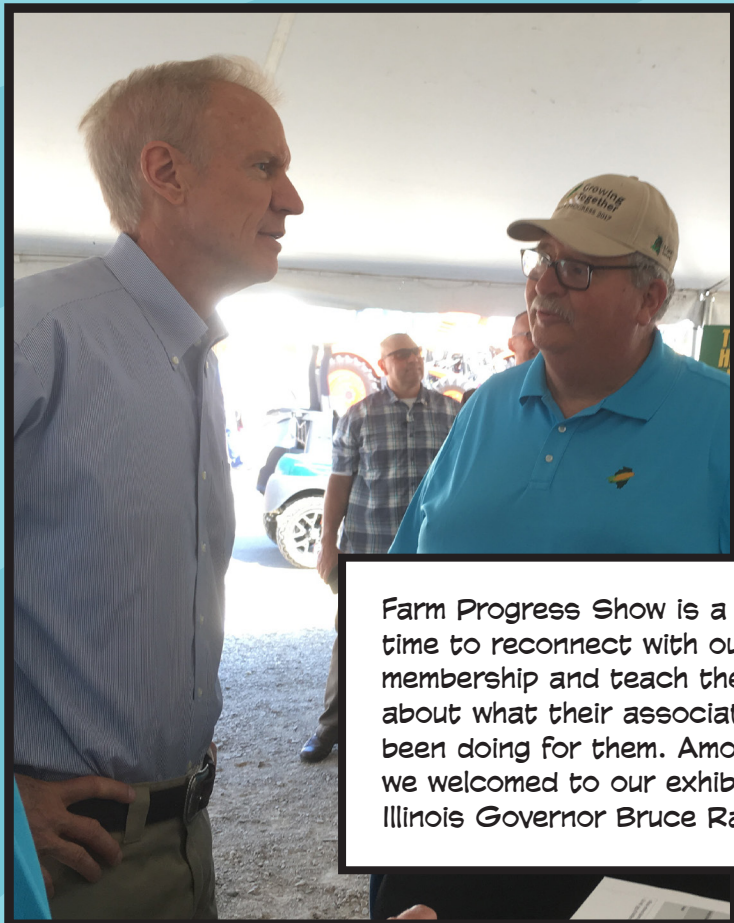
This will be our number one policy priority as we look to negotiate a workable farm bill in 2018.



In the upcoming Farm Bill 2018 negotiations, your association will focus on the following priorities:

- Protect crop insurance
- Foreign Market Development and Market Access Program funding for trade
- Improve the revenue-based safety net
- Conservation on working lands as a priority over non-working lands

EDUCATION FOR THE WIN



Farm Progress Show is a great time to reconnect with our membership and teach them more about what their association has been doing for them. Among those we welcomed to our exhibit was Illinois Governor Bruce Rauner, who



left with a better understanding of the infrastructure needs and regulatory changes that will allow higher blends of ethanol into Illinois markets. Roger Sy, Newman, IL, is pictured talking with the governor.

Your leadership got better acquainted with the newest Secretary of Agriculture, Sonny Perdue when he visited the Farm Progress Show in Decatur, IL. The Secretary was happy to learn more about IL Corn priorities in conservation, water quality, and Farm Bill 2018.

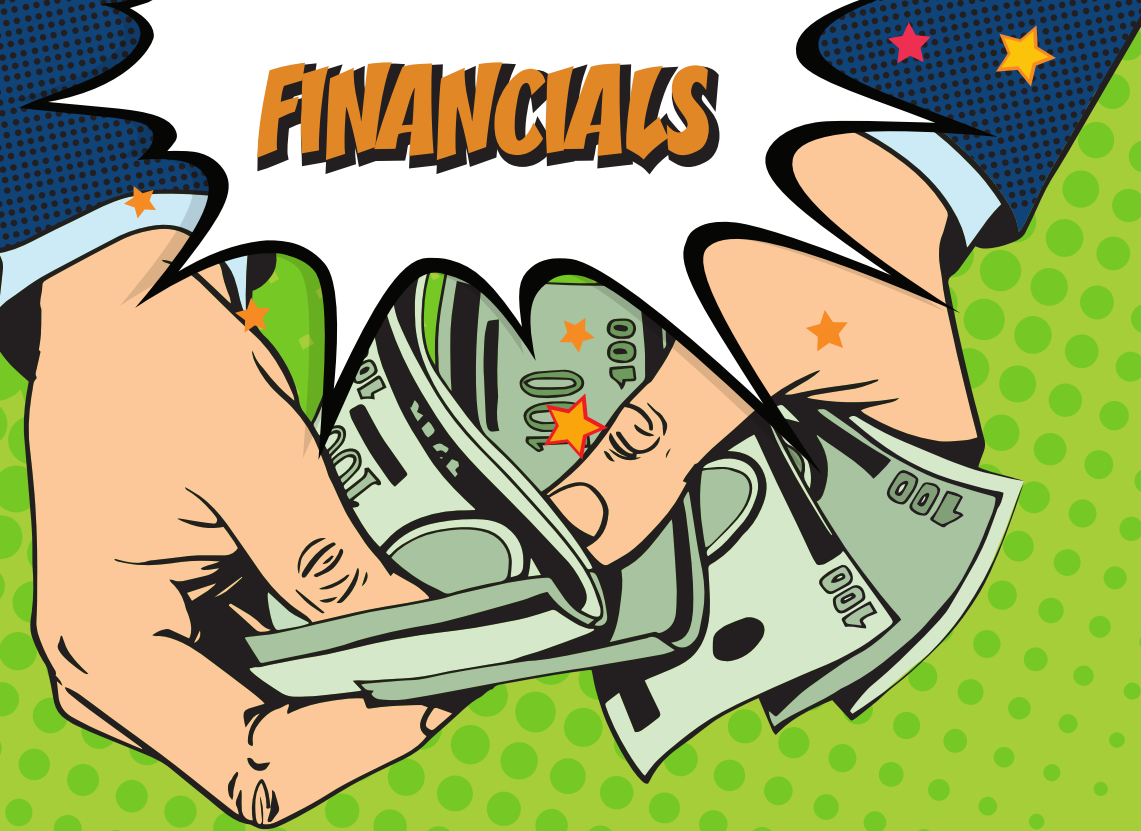


We've restructured our website to make it easier for farmers, media, and even non-farmers to learn more about corn farming and its farmers in Illinois. Our daily news story - Today's News - is now a primary feature with an opportunity to target other news articles that will interest visitors and keep them on our site longer.

Our farmer volunteers and staff loved the opportunity to host the Illinois Association FFA leadership in Washington, DC this summer. Our programming for the students gave them a glimpse of how they can use their advocacy knowledge to talk to the people that legislate and regulate farmers in Washington, DC.



FINANCIALS



ILLINOIS CORN GROWERS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

YEAR ENDED SEPTEMBER 30, 2017

ASSETS

CURRENT ASSETS

CASH AND CASH EQUIVALENTS*	\$232,903
SHORT TERM INVESTMENTS	1,889,000
ACCOUNTS RECEIVABLE	70,155
GRANT RECEIVABLE	161,275
PREPAID EXPENSES	15,712
OTHER CURRENT ASSETS	1,930

TOTAL CURRENT ASSETS 2,370,975

INVESTMENTS

79,458

NET PROPERTY, PLANT AND EQUIPMENT 641,787
OTHER NONCURRENT ASSETS 17,166

TOTAL ASSETS \$3,109,386

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$84,128
DEFERRED REVENUE	930,648
ACCRUED EXPENSES	120,133
TOTAL CURRENT LIABILITIES	1,134,909

LONG-TERM LIABILITIES

MANAGEMENT SERVICES CONTRACT LIABILITY	576,228
DEFERRED RENTAL REVENUES	213,743
TOTAL LONG TERM LIABILITIES	789,971

NET ASSETS

UNRESTRICTED - BOARD DESIGNATED	59,000
UNRESTRICTED	1,125,506
TOTAL NET ASSETS	1,184,506

TOTAL LIABILITIES AND NET ASSETS \$3,109,386

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

REVENUES

DUES	\$134,378
CORPORATE PARTNERS	475
INTEREST	3,896
GRANT AND PROJECT FUNDING	1,575,000
RENTAL	8,221
SPECIAL PROJECTS	525,605
COUNTY PROJECTS	30,000
EQUITY INCOME (LOSS)	(28)
UNREALIZED LOSS ON MARKETABLE SECURITIES	(1,512)
OTHER	5,208

TOTAL REVENUES

\$2,281,243

EXPENSES

PROGRAM SERVICES

EXPORTS COMMITTEE	502,439
GRASSROOTS COMMITTEE	537,560
INDUSTRIAL COMMITTEE	535,120
SPECIAL PROJECTS	566,758

MANAGEMENT AND GENERAL 166,338

TOTAL EXPENSES

\$2,308,215

NET INCREASE (DECREASE)

IN UNRESTRICTED NET ASSETS (26,972)

YOUR VOLUNTEER LEADERSHIP

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THEY ROCK!



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