



Political Papers

MAY 2011

CONGRESSIONAL CALENDAR

- May 30—June 5: Recess
- June 27-July 5: House Recess
- July 4-10: Senate Recess
- July 18-24: House Recess
- Aug 8—Sept 5: Recess
- Sept 26—Oct 2: Recess
- Oct 7-10: Senate Recess
- Oct 17-23: House Recess
- Oct 24-30: Senate Recess
- Nov 7-13: House Recess
- Nov 21-27: House Recess
- Dec 8: Target House Adjournment

GENERAL ASSEMBLY CALENDAR

- May 31—Scheduled Adjournment

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FRAMING THE FUNDING DEBATE

During Illinois Corn's Farm Bill Listening Sessions last fall, we learned that 86 percent of you believe that there will be less money available for producer payments in the future. We also know that almost 100 percent of you believe it's important for Congress to address the budget deficit and be-

tween 85 and 90 percent are willing to take cuts to ag programs assuming equitable cuts to all other programs.

This places you on the cutting edge.

Right now, the debates in Washington, DC range from crop insurance and direct payment discussions

to extending tax credits for ethanol to continuing Foreign Market Development funding. And in every case, the backdrop of the discussions is that there is less money available in every line item, in every program, in every case.

What that means for you is that prioritization of your

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CORN FARMERS IN WASHINGTON

During the Illinois Corn Growers Association March 2011 visit to Washington, DC, 29 Illinois corn farmers and IL Corn staff made 86 visits to congressional offices, federal agencies, associations, and non-governmental organizations.

By splitting into eight teams, we focused on crop insurance, trade, world hunger, ethanol, livestock, water quality, and waterway infrastructure.



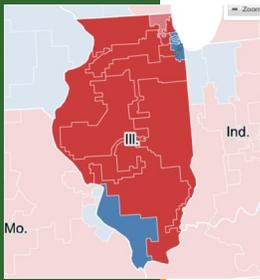
Ken Beck, Mendota, speaks with freshman Congressman Adam Kinzinger about the importance of trade to IL corn farmers.

This yearly visit to the Hill gives your leadership some valuable experiences. Not only does the visit provide leadership training opportunities, but IL Corn reaps the benefits of having constituents make face to face visits to their Congressmen for the remainder of the year.

As a result of the visit, we have seen some positive outcomes:

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Political Action Committee 101



In the April 2011 issue of Illinois Issues, Kevin McDermott tackled a big issue that will become more and more important to Illinois corn farmers.

The November Gubernatorial election proved that a clear cut line is being drawn not only

between Democrat and Republican, but also between urban and rural.

This could mean big trouble. Not only does it drastically affect our elections, the politicians we have to work with, and how they view working with rural-based organizations, but it fur-

ther demonstrates the chiasm between urban and rural constituents and that we simply don't understand each other.

Read more of Kevin's article at <http://illinoisissues.uis.edu/archives/2011/04/newsouth.html>

IL Corn is being included in federal policy debates because of our realistic approach to budget constraints, ag programs, and what Illinois corn farmers really need as a safety net for their farms.

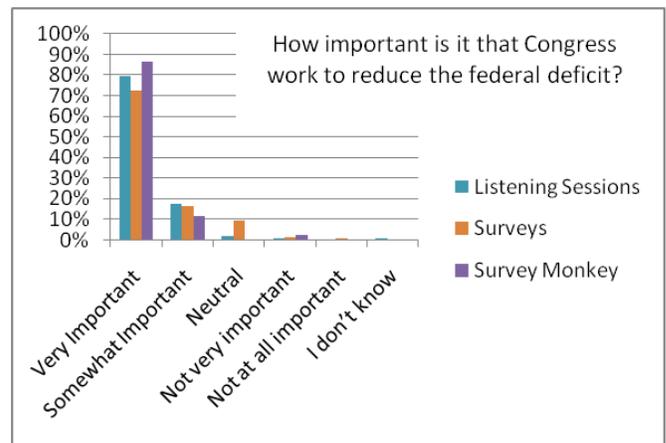
FRAMING THE DEBATE (cont.)

(from page one)

programs is key. You told us last fall that crop insurance is more important to you than direct payments. We are also arguing that tax credits for ethanol can be variable, depending on need, thus costing less money across the board.

We are also focusing our federal policy wish list on policies that provide market access with minimal federal investment like free trade agreements and increased allowable ethanol blends. These asks, in place of requests for more funding, are perceived well by Illinois members of Congress.

Regardless, the fact that IL Corn can go into Con-



IL Corn survey work in the fall of 2010 indicated that you felt strongly that Congress needed to reduce the federal deficit and that you were willing to endure cuts in ag spending that were equitable across all sectors of the budget.

gressional offices and begin a conversation saying that we know cuts are necessary and we are willing to endure equitable cuts places us right in the middle of the debates. We hope you will continue to think about tradeoffs. The agricul-

tural baseline will decrease and IL Corn wants to help Illinois farmers best prioritize their needs.

See more of our member survey data at:

<http://www.ilcorn.org/farm-policy/1-farm-bill-2012/>

WILL WE SEE CONG APPROVAL OF FTAs?

The Colombia, Korea, and Panama Free Trade Agreements are priorities for IL Corn during this current session of Congress.

In 2010, the United States exported \$98 million of yellow corn to Colombia. Under the Agreement, Colombia will provide immediate duty-free access through a **2.1 million metric ton** tariff rate quota with 5 percent annual growth.

The Korean market, now the fifth largest market for agricultural exports, is also positioned for US gain. Their increased exports are likely to come from the US meat sector; farmers would receive higher prices as a result of higher demand for meat. Luckily, the US finally has bipartisan support to see all three FTAs approved by the end of 2011. The administration is interested in finishing

them by the end of 2011 while the Republicans are ready to push them through sooner.

Regardless, farmers will hopefully soon enjoy the fruits of new market opportunities with increased trade to Korea, Colombia, and Panama.



KEY ISSUES IN IL LEGISLATURE:

SB 4, House Committee Amendment # 1 (in Revenue Committee)

- Continuing to monitor this bill which, at one time, was being used to eliminate sales tax exemptions for agriculture
- Agriculture cannot pass along costs to its customers the way that other industries can

HB 1979 (Bradley) Gasohol Definition tied to Federal Clean Air Act – higher % blends

- Automatically moves Illinois to higher level for use when EPA acts to allow
- Prudent to be ready to move to higher blend levels when approved at national level
- Does not mandate marketing

of higher blend—is truly an incentive to market it!

SB 2010 (Frerichs) Illinois Fertilizer Act

- Creates new Nutrient Research and Education Council
- Increases fertilizer tax to pay for research and support regulatory program related to fertilizer within Illinois Department of Agriculture

- Producers groups voluntarily support this as a way to support important programs

SB 2012 (Frerichs) New Council For Agricultural Research Act

- Revamps CFAR to allow private funding to support research program

- Puts in place competitive research grant program (old one distributed funds to universities under a formula system—did not necessarily meet priorities and industry desires for research on key issues.

State Budget:

- Support for Department of Agriculture budget, and related to New Fertilizer Act proposal (SB 2010)
- Need continued focus on the fact that Illinois must provide a friendly business climate.
- Need for fiscal discipline over a long period of time

HB 1979 adjusts the definition of “gasohol” to account for higher allowable blends of ethanol in gasoline. It does not mandate marketing of the higher blend, but provides an incentive to market it!

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FARMERS IN DC (cont.)

(from page one)

- Auto companies and ethanol industries are now working together to determine a future plan of action for higher ethanol blends.
- Efforts are in progress to create a relief effort opportunity for Japan, creating good will and educating farmers about our largest trading partner.
- Congressional offices are excited to work with IL Corn as we are realistic about future ag funding and requests.
- Opportunities for PAC do-

nations were realized while in DC, and still other opportunities have presented themselves since making connections in March.



Paul Taylor testifies at an EPA public meeting that better science must be used to create useful regulations that accomplish their intended purposes.

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