



DELIVERING ON YOUR INVESTMENT

For more information about Illinois corn checkoff programs, visit www.ilcorn.org or call (309) 827-0912.



CORN CHECKOFF ANNUAL REPORT

REGULATIONS

In a survey of corn farmers, 'the cost of regulations' was identified as a major challenge in the future. What no one really had a handle on was what regulations really do mean to the average farmer. That's not the case anymore, as an ICMB designed study provided the answer. With good data in their back pockets, your corn advocates can now go to Springfield and Washington, DC, with real world examples of what burdensome and unnecessary regulations mean on your farm.



E-15 GAINS FULL APPROVAL

In 2012, the U.S. EPA finally approved E-15 as a new fuel for cars and light trucks, 2001 and newer. E-15 is now the most comprehensively tested fuel ever brought to market. Add NASCAR's more than 3 million miles driven on E-15 and there's conclusive evidence that ethanol makes for a high-power, environmentally aware, homegrown fuel that's good for our economy. In 2013, look for dedicated E-15 pumps coming to retailers in your neck of the woods.

ILLINOIS CORN MARKETING BOARD STATEMENT OF FINANCIAL POSITION • September 30, 2012 and 2011

ASSETS	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	\$ 88,398	\$ 64,568
Investments in repurchase agreements (See note 1)	2,387,457	3,703,829
Accounts Receivable:		
Related party	6,839	123,076
Other	78,057	167,007
Accrued Interest Receivable	4,083	4,966
Prepaid rent (See note 2)	13,918	13,918
Prepaid expense	38,305	7,523
Total current assets	\$ 2,617,057	\$ 4,084,877
NON-CURRENT INVESTMENTS		
Investments in repurchase agreements designated for contingency (See note 3)	\$ 500,000	\$ 600,000
Prepaid rent	167,012	180,930
	\$ 667,012	\$ 780,930
OFFICE EQUIPMENT		
Office equipment	\$ 422,027	\$ 403,467
Less accumulated depreciation	268,766	237,241
	\$ 153,261	\$ 166,226
	\$ 3,437,328	\$ 5,031,823
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Due to related party	\$ 8,008	\$ 28,446
Expenses accrued and payable	468,985	887,204
Deferred revenue	76,711	76,711
Research grants payable	0	8,854
Total current liabilities	\$ 553,604	\$ 1,002,215
LONG-TERM LIABILITIES		
Accrued post-retirement benefits	\$ 224,111	\$ 166,688
	\$ 224,111	\$ 166,688
NET ASSETS		
Unrestricted- Designated for contingency	\$ 500,000	\$ 600,000
Unrestricted- Designated for projects in process (See note 4)	1,280,268	1,401,518
Unrestricted- Designated	879,345	1,861,402
	\$ 2,659,613	\$ 3,862,920
	\$ 3,437,328	\$ 5,031,823

ILLINOIS CORN MARKETING BOARD STATEMENT OF ACTIVITIES • September 30, 2012 and 2011

	2012	2011
Changes in Unrestricted Net Assets		
Operating revenue and other support:		
Check-off receipts, net of first purchaser handling commissions (See note 5)	\$ 6,654,807	\$ 7,393,749
Less check-off refunds to producers	206,216	181,948
Net check-off receipts	\$ 6,448,591	\$ 7,211,801
Project co-funding revenue	143,000	175,831
Total unrestricted operating revenue and other support	\$ 6,591,591	\$ 7,387,632
Operating expenses:		
Program services	3,905,007	3,980,570
Industrial programs	3,359,828	3,024,304
Export programs	199,809	232,703
Communications plan (see note 6)	101,680	93,642
Executive programs (see note 7)	7,566,324	7,331,219
Management and general	239,034	247,476
Total expenses	\$ 7,805,358	\$ 7,578,695
Excess (deficit) of operating revenue and other support	\$ (1,213,767)	\$ (191,063)
Nonoperating revenues (expenses):		
Interest income	\$ 10,440	\$ 12,535
Unrealized loss on investments	20	1,276
Other	10,460	13,811
Increase (decrease) in net assets	\$ (1,203,307)	\$ (177,252)
Net assets at beginning of year	3,862,920	4,040,172
Net assets at end of year	\$ 2,659,613	\$ 3,862,920

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 \$250,000 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: This is a reserve of \$500,000 which has been established to maintain funding for research and market development projects in case of an unforeseen decline in check-off receipts.

Note 4: Represents amount committed, but not yet disbursed, for projects which were funded in previous fiscal years.

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 community.

THE RIGHT TOOL FOR THE RIGHT JOB!

CROP INSURANCE

Insuring corn farmers' profitability is the Illinois corn checkoff's bottom line. And this year, improvements to crop insurance helped achieve this goal. Working with experts at the University of Illinois, the ICMB invested checkoff dollars to demonstrate that the crop insurance program could work more efficiently and should be updated to reflect increasing yield trends. The corn checkoff-designed 'Yield Trend Endorsement' was chosen by 82% of those with crop insurance policies.

INFRASTRUCTURE

Improving transportation infrastructure is a primary concern of the ICMB because it's a primary concern of Illinois corn farmers. At the top of the list is the state's waterways infrastructure, particularly updating locks and dams on the Upper Mississippi and Illinois Rivers. The drought of 2012 brought widespread awareness to this issue, as river transportation was jeopardized due to low water. Illinois corn checkoff investments have yielded solid education of our policymakers and influential people, meaning that when the River went lower, a team was ready to work for you to keep the River moving.



LIVESTOCK EXPANSION

Livestock continues to be a vital customer for Illinois corn. In fact, much of the corn consumed in the Texas cattle market is railed directly from Illinois. And Illinois is the number one source of U.S. corn for Mexico. But right here at home, the Illinois corn checkoff is encouraging and supporting livestock farmers, as well. To bring attention to opportunities in the hog market within our state, ICMB developed a brochure to encourage engagement between hog and corn farmers.

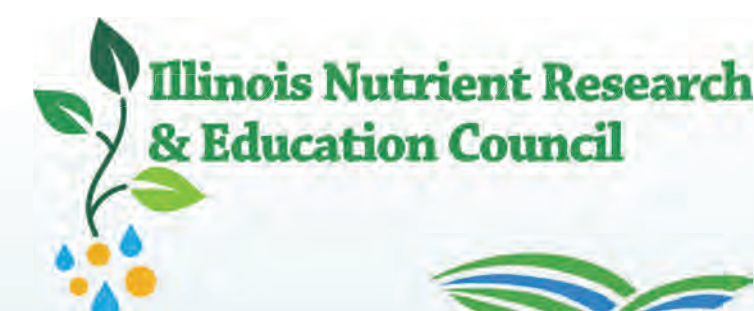
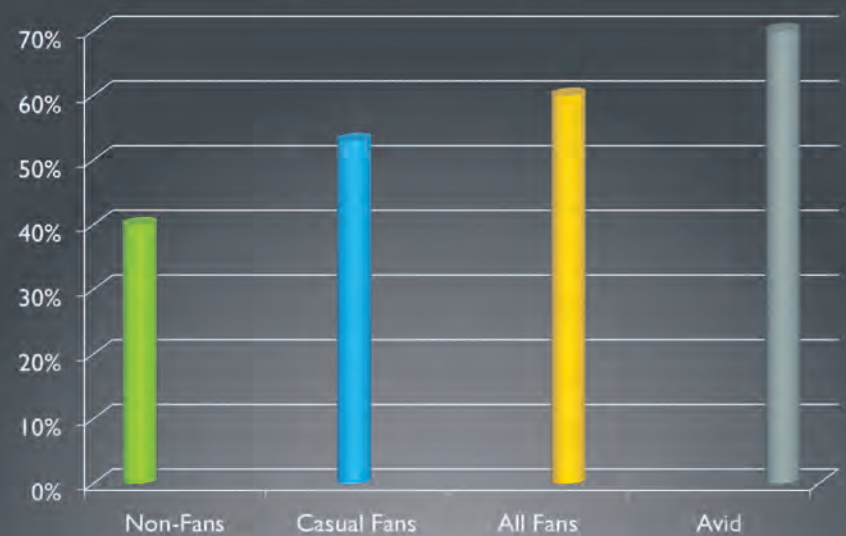


CONSUMER PERCEPTIONS

Whether it's the GMO debate, ethanol myths, or the role HFCS may or may not play in obesity, just about everyone has an opinion on what we do in agriculture. When those opinions start unjustly affecting policy, however, is when we really have a problem. Your corn checkoff dollars are being invested in quality programs to change the way influential people think about farmers and farming. From the IL Farm Families program to the NASCAR ethanol promotion, we're changing minds and influencing people.



70% OF AVID FANS SUPPORT USING ETHANOL IN THEIR OWN CARS



NREC/KIC

The Nutrient Research and Education Council (NREC) was established in 2012 and KIC (Keep it For the Crop) became an even stronger force. These efforts deal with voluntary nutrient management. Critical eyes are focused on the waterways in Illinois as many believe your tile patterns and fertilizer choices are having a negative impact downstream. ICMB, with your corn checkoff dollars, will continue to support research and education that puts voluntary efforts rather than mandated compliance at the forefront of doing more with less.



Looking Ahead at Your Priorities for 2013



PRIORITIES 2013

Take action to address the nation's inadequate & failing river transportation (locks & dams) system by elevating the public discussion to bring more awareness

Actively engage and dispute with hard evidence the U.S. EPA enacting nonsense burdens on water and air quality, impeding your "Right to Farm"

Strengthen the trust and relationships between urban and rural Illinoisans, creating and maintaining a positive perception of farmers and farming, both crops and livestock

Initiate programs, provide necessary research, and pursue full market penetration for E-15 and other higher ethanol blends, to help the market absorb increased corn yields and protect against price pressure based on larger carryout