

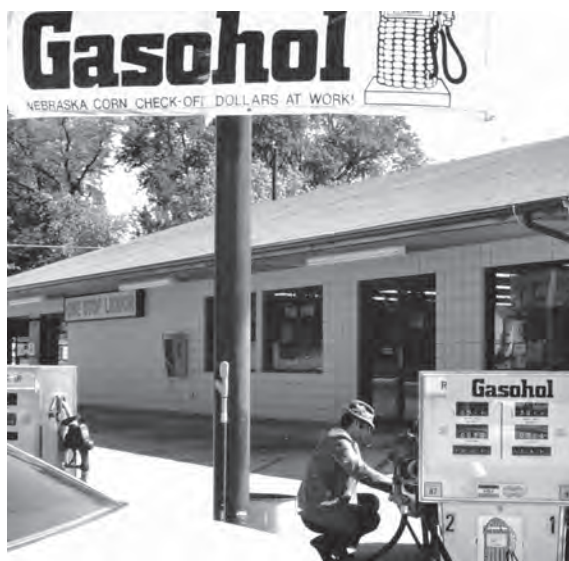
# Chapter Three

## MAJOR COOPERATIVE PROJECTS

In this chapter you will find the major projects or areas where both ICGA and ICMB focused their efforts over several of the past years. These areas include Ethanol, River Transportation, Biotechnology, and Water Quality. Since these were major areas which the boards focused on over several years, we thought it might be easier to follow the history of these main areas if they were listed in one place.

### ETHANOL

One of the most successful projects and the biggest user of corn has been ethanol, which in the beginning was called gasohol. Over the years both boards spent many of their resources in this area which had its ups and downs. Every time the boards would think they had a win and received approval, there would be a bump in the road. They learned that it was difficult to get policy changed when your biggest opposition happened to be the oil industry. Coalitions had to be built to get the industry where it is today.



Gasohol sign in Nebraska

The first mention in the minutes regarding gasohol was in February 1978 when President Main appointed a committee to monitor the gasohol picture. At the March 10 meeting, Maurie Gordon gave a brief report on gasohol, noting that further research was necessary. Maurie was appointed to be a representative on the National Gasohol Commission. In March of 1979, the ICGA board voted to continue participation in the activities of the National Gasohol Commission and Lewis Asher attended a meeting in Denver. The first promotional activity was selling gasohol bumper stickers at the IAA Annual Meeting in Chicago.

At the November 1980 meeting, the board voted to support the override of gasohol, tax relief veto, and if not successful, work to achieve passage of similar legislation in the next session. Gerald Carney attended a seminar of the Alcohol Fuels Association regarding on-farm alcohol production and its feasibility, along with spin-off products and their application. ICGA decided to become a member of the Illinois Fuel Alcohol Association. Fred Werts was appointed the ICGA representative.

In 1983 a full-page ad was placed in the Peoria paper on “Alcohol Fuels are Good for America” during President Reagan’s visit to Illinois. It was also during this year that the board voted to strongly encourage the State of Illinois to initiate and activate a cooperative economic stimulus program, emphasizing energy from renewable resources, and favored the exemption of alcohol fuels from any proposed state or federal tax increases.

Important legislation for corn was announced on December 1, 1983. SB 149 was passed with a 4 percent alcohol fuel tax exemption until 1992. ICGA played a major role in passage of this Senate Bill. Other action in relation to alcohol fuels was to designate John Campen to contact the City of Chicago regarding the alcohol fuel usage in their fleet operations. In April of 1984 the board decided to support the position of Alcohol Fuels Coordinator at the Illinois Department of Ag, asking the state to continue funding for one year. It was during this year that Lloyd Reeser from the American Agriculture Movement (AAM) made a presentation to the ICMB Board regarding his involvement in integrated programs on alcohol fuels, noting he felt it was his responsibility to make the board aware of what was available in ethanol fuel and associated processes. ICMB funded a research project from Western Illinois University on “The Economic Impact of Ethanol Production on the Illinois State Economy”.

*Alcohol in Aviation* - In June of 1984 the ICGA Board discussed the possibility of alcohol in aviation fuels for the first time. It was decided to draft a letter to the Renewable Fuels Association (RFA) requesting input and recommendations concerning ethanol feasibility for aviation fuels. An airplane converted to alcohol fuel was on display at the State Fair and at the DeKalb fair. Then, in November 1984 David H. Lewis, Deputy Director of the Department of Transportation’s Division of Aeronautics reported at the National Association of Farm Broadcasters (NAFB) meeting that if Illinois were to use a 10 percent blend of ethanol in its aviation gas and jet fuel, we could decrease our demand of foreign oil by 3,362,400 barrels. In Illinois alone, the sale of aviation gas and jet

Lewis Asher, Larry Werries,  
Greg Baise (IDOT), Scott Bidner  
in front of a helicopter





Ethanol tractor



David Meyer, Lewis Asher, & Glen Schrof pictured with an ethanol tractor

fuel was 700.5 million gallons per year. The Division had converted a 1977 192 Cessna with a Continental 0-470U naturally aspirated engine to operate on 290 proof ethanol alcohol, which had flown some 100 hours with two major cross-country flights. When the ICMB reviewed their research projects in 1985, they approved funding for the Alabama Aviation and Technical College ethanol/aviation project. It was noted that originally this project had been sent to NCDF, but it was returned to Illinois because of the unavailability of funds on the national level.

In 1988 ICMB funded a research project on ethanol blended fuels for aviation fuels by Skip Eveleth with the research to be done at the Alabama Aviation and Technical College in Ozark, AL. A preliminary study showed a host of benefits gained by using the ethanol blend when compared to current Jet A fuel. It was noted that in that period of time more than 20 billion gallons of aviation fuel were burned by the nation's civilian and military jet aircraft. By using a 10 percent ethanol-blended fuel for the entire U.S. jet fleet, a new market would be created for 800 million bushels of corn. With support of the Federal Aviation Administration, a meeting was put together in Springfield by SIU and Mark Werth of IDA, because it was thought that greater quantities of ethanol could be used in aviation fuel than had originally been thought. ICMB supported the IDA aviation/ethanol promotions at the Springfield Air Show which involved an ethanol airplane flown by Max Schuck, and ADM had a big display. ICMB also funded another research project "Combustion Properties of Ethanol Blended Jet Fuels" from SIU with researchers Eiff and Putz. In 1991 Sterling Saline, Bob Fitzpatrick and Rodney Weinzierl attended a meeting in Oshkosh regarding utilizing automotive fuels in aircraft.

1985 - During this year, the announcement from the U.S. Environmental Protection Agency to phase-out lead in gasoline opened a huge potential for ethanol as an octane enhancer. With this phasedown, the EPA would decrease lead content of regular gasoline by 50 percent on July 1 and by 90 percent by January 1, 1986. Corn growers filed a petition with the U.S. Customs on January 29 requesting that they immediately revoke prior rulings concerning the eligibility of certain fuel-grade ethanol for duty free entry under a Caribbean Basin Economic Recovery Act. A second petition was filed to amend the regulations allowing importers to bring ethanol into the U.S. to try to avoid paying duties by claiming it was for another use. On the home front, ICGA supported legislation that would not allow imported Brazilian ethanol to take advantage of the 4 percent tax



exemption. Mobil Oil Company announced they would replace regular leaded, regular unleaded and super unleaded gasoline with ethanol-enhanced gasoline. On July 1, 1985, ICGA, along with the ICMB and NCGA, launched a campaign to seek support for ethanol fuel at a press conference held at a west side park in Chicago. The NCGA Market Development Committee, working with Valentine- Radford, developed a turn-key promotional program on ethanol, which was a media spokesperson training program for each state to participate in.

*Ethanol use in tractors* - Fred Werts from ICGA reported to ICMB about a project by Ford Motor Company regarding the development of an ethanol powered engine. He noted that Ford began research on alcohol-fueled tractor engines in 1979 in Brazil and learned that these alcohol-fueled engines demonstrated excellent reliability, as well as thermal and overall efficiencies equal to those in comparable diesel-powered engines. In 1985 a meeting was held with Ford Tractor regarding their alcohol powered engine. Approval was given to survey the farmers of Illinois regarding their interest in an ethanol powered tractor. A postcard was developed, noting that Ford Motor Company would pay for the mailing of the postcard. After 55,000 of these cards were mailed out, it was reported that 708 responses had been received and 34 percent of those questioned indicated they would buy, and 22 percent indicated they would lease if an alcohol powered tractor were available. The main concerns were cost, reliability and serviceability as well as the efficiency of alcohol versus diesel. A press conference was held at the State Fair in August 1985 announcing that eight tractors were committed to the State of Illinois Department of Transportation for an ethanol test program. The tractors were to be used in Districts 5 and 6. ICMB committed \$24,000 for the eight tractors plus the cost of fuel for two tractors.

Director of Ag Larry Werries  
looking over an ethanol tractor



Procedures were adopted to use the IDOT Ford tractors at fairs and shows. During the years of 1986-1990, ICMB funded a couple of research projects by Professor Goehring at the University of Illinois on "Evaluation of an Ethanol-Fumigated Diesel Tractor". ICGA and ICMB had representatives attending the National Ethanol Meeting on July 18, 1988, in Nashville, Tennessee and one of Illinois' eight ethanol fueled tractors attracted a lot of attention during this conference. The IDOT tractors phased out at the end of 1995 because repair parts were difficult to find and fuel costs were higher than diesel.

1987 - Ethanol-blended gasoline sales reached a level of 29.7 percent of total gasoline sales in November 1986. Promotional programs began when ICGA ordered some ethanol bumper stickers which were included in a mailing of the Quarterly Report, along with orange and green ethanol cards. Also, full page ads, which were sponsored by NCGA, ICGA and various other State Corn Grower organizations, ran in eleven major metropolitan areas in an attempt to clear up confusion of the public regarding ethanol.

Mobil Oil discontinued its ethanol blending program in Illinois and Minnesota with the depletion of their current blends. Their decision was based on the reduced amount of tax incentive and the general decline in gasoline prices versus ethanol prices. GM contacted the RFA in May asking that the ethanol industry consider adding detergent to ethanol as a means of providing port fuel injection deposit prevention in many of the independent brands of gasoline. RFA secured commitments from producers and distributors of approximately 92 percent of the fuel ethanol supply sold in the U.S. to begin using the detergent additive package. Clark Oil Company introduced a new 91 octane premium grade with ethanol in its Chicago market. The board issued a challenge to the agribusiness industry to adopt ethanol blends as their automobile fuel for their fleets. A meeting was held in Chicago with Amoco marketing officials to discuss their anti-ethanol ad, and later in the year they agreed to omit "no alcohol added" signs on their Amoco gas pumps and in advertising and promotion messages. Also on the ethanol front, a ruling was made by the U.S. Court of International Trade in New York to prohibit ethanol toluene blended fuels from entering the U.S.

*E-Team Project* - A notable public relations project approved for funding by ICMB in 1987 was the Livingston County Farm Bureau E-Team project. The proposal was to cooperate with the Illinois Petroleum Retailer's Association and conduct an ethanol promotional activity. As a result of this project, a lot of media coverage was gained, and the E-Team appeared on talk shows and radio. The demand for their appearances kept them busy. In a later evaluation of the project, the board moved oversight from Livingston County to the ICMB Executive Committee and later to the ICMB Public Relations Committee. The project's name was changed when it was discovered the name "E-Team" was already registered to Commonwealth Edison. The board agreed to do this.



Picture of the E Team members



Picture of the E Team at an exhibit

ICMB allocated funding to the ICGA-ICMB Ethanol Study Committee to hire a consultant to compile statistics relative to the expansion of the Illinois ethanol industry. They also authorized an ethanol promotion created by Mona, Meyer and McGrath for a media tour and video news releases.

On a national level, the governor's task force in Colorado had a mandate in Denver for the use of ethanol from Nov. 1 to Mar. 9 of each year. The Quality Commission Task Force in Denver recommended the use of oxygenated fuels. In the winter of 1987, they required 1 ½ percent oxygenated fuel content and in 1988 that went to 2 percent. At that time, current sales of ethanol in Illinois were 25.6 percent while nationwide it was 7 to 8 percent. Monsanto was using ethanol in their fleet cars.

1988 - Amoco began an ad campaign in North Dakota promoting ethanol in a new 89-octane mid-grade unleaded product. Vice President George H. Bush announced a major policy initiative stating that alcohol fuels could provide significant reductions in automobile emissions while cutting the Ag surplus, as well as reducing American dependence on imported oil. The Colorado Air Quality Control Commission Subcommittee on Oxygenated Fuels voted on Feb. 26 to submit to the full Commission a recommendation seeking to establish the first oxygenated fuels mandate in the U.S. Some other groups adopting the use of ethanol included the North Boone School District 200, utilizing ethanol in their bus fleet, the DeKalb County Corn Growers Association, working to get the sheriff's and highway department to use ethanol blends, the Polo Methodist Church approved a resolution approving the use of ethanol and Nick Reding, President of Monsanto Agricultural Company, sent a memo to all employees urging the use of ethanol in fleet cars and personal vehicles. In 1988 approximately 30 percent of the gasoline sold in Illinois contained 10 percent ethanol.



Ethanol sign

1989 - New decals expanding on the theme “I Grow It I Use It” were developed. The decal was oval shaped and designed for bulk fuel tanks on the farm as well as use by distributors of ethanol. ICGA coordinated an effort to distribute the bulk tank decals along with other ethanol promotional materials through the membership of five organizations including American Agriculture Movement, The Grange, Illinois Farm Bureau, Illinois Farmers Union and the National Farm Organization. Many counties had programs to support ethanol. Grundy County put up a billboard along Route 47 near Morris and Will County designed a series of signs on ethanol which could be rotated. Also during this year, ICMB cooperated with ICGA in sponsoring mechanic seminars in DeKalb, Macon and Grundy Counties to provide information on ethanol fuel. It was noted that Illinois drivers used more than 134,000,000 gallons of 10 percent ethanol blended fuel in January 1989 which was nearly double the amount of any other state.

Representatives from ICMB and ICGA were sent to an Ethanol Seminar in Colorado where they learned that the public had accepted oxygenated fuels and it had been proven that 10 percent ethanol cleaned up the air. Iowa Corn had an ethanol promotion video which was to be adapted with Illinois information. In an effort to increase communication awareness about ethanol, ICGA and ICMB decided to sponsor McKee Racing Inc. and the Ethanol Racing Team. The racing team and the world’s fastest corn-powered car demonstrated the capabilities of corn-based ethanol on the competitive American Indy Car Series across the U.S. and Canada. The car did appear in the State Fair parade and was a big draw into the ICMB/ICGA exhibit in the Commodity Building at the fair. In addition, it was also on display at the Farm Progress Show. The race car and a Ford flexible fuel vehicle were on display side by side at the Illinois State Fair. Orion Samuelson from WGN drove the flex fuel car from Chicago to the State Fair and talked about this on his Noon Show. Fred Werts made the contacts to get the car. The McKee Racing program continued until April of 1991.



McKee race car at the State Fair

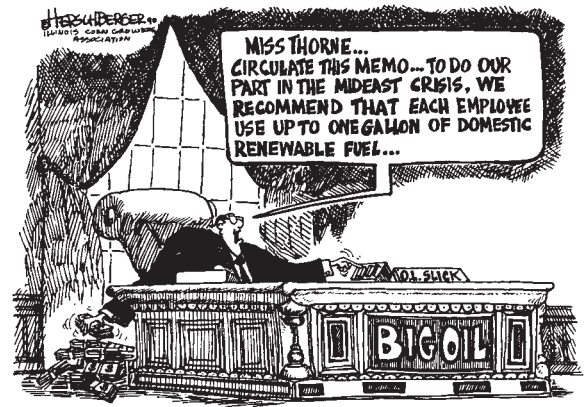


McKee race car on exhibit at the State Fair





Mideast Oil comic



Big oil cartoon



Billboard with the "Bush You Make the Call" slogan

1990 - President Bush proposed sweeping amendments to the nation's Clean Air Act. The 86th General Assembly of the State of Illinois passed House Bill HR731, praising President Bush for his positive approach toward clean air. General Motors announced they would endorse ethanol in their owner's manuals, beginning with the 1990 model year. A couple of ads on ethanol were run in Illinois Agri-News, with one being cost shared with other farm organizations. ICGA also provided some funding to Knox County Corn Growers for a racetrack ethanol promotion and to Lawrence County Farm Bureau for an ethanol promotion. It was also during this year that it was approved to support legislation to include MTBE in Illinois' pump labeling regulations. The prison started making ethanol signs for use on farms. A new teacher's workbook entitled "Ethanol and its Use as a Motor Vehicle Fuel" was written by a panel of educators in an effort to meet the needs of teachers to implement state goals in learning in science and social studies. Ethanol made from corn was featured in this publication, which was distributed through the Illinois State Board of Education.





GP Transit press conference with Darrel Kammeyer speaking



Picture of one of the Peoria Mass Transit ethanol buses

Captain Cornelius pictured  
with one of the ethanol buses



Group picture in front of the ethanol bus at the NCGA Corn Classic

*Ethanol Powered Buses* - The beginning of another project for ethanol started in 1990 with ICMB funding a research project for ethanol powered buses with the Greater Peoria Mass Transit District. Peoria Mass Transit was considering other projects for alternative fueled buses. However, ethanol was the only alternative fuel that was renewable. This was a five-year project to use fourteen buses with DDC engines running on 100% ethanol and thirteen buses with CAT engines with an ethanol adapter kit. Bradley University was committed to do an analysis on the cost of ethanol and what it meant to the consumer.

The Illinois Department of Energy & Natural Resources and Illinois Department of Transportation provided funding; engines were provided on a cost-shared basis with Detroit Diesel and Capital Machinery, Midwest Power Concept Company designed the kit. Pekin Energy also provided the ethanol at a reduced price. The estimated use of ethanol over the five-year duration of the project was \$1.6 million. ICGA marshalled support of legislators for the project, and the Iowa Corn Promotion Board also committed funds for the project. With the approval of a grant, a fleet of buses would be running in Peoria in 1991 on 100 percent ethanol. In 1993, one of the GP Transit ethanol buses traveled to the NCGA Corn Classic in San Antonio.

1991- In November 1990, the biggest success for ethanol was passage of the Clean Air Act and extension of tax exemptions for ethanol. Fiscal year 1991 saw ICGA testifying against a “warning status” label for ethanol on the pump in favor of a “contains ethanol” label on the fuel dispenser side. This made it consistent with USEPA regulations and board members felt it would remove the stigma that was inherent to a label required on the front of the fuel dispenser.

In cooperation with the U of I Experiment Station, Iowa State University, the National Center for Agricultural Research (USDA lab in Peoria) and Illinois Farmers Union, ICMB held an ethanol conference with about 115 in attendance. The intent of the conference was to position the U of I and Iowa State, in cooperation with the USDA lab, in a position to go after research dollars for Congressman Madigan’s \$100 million ethanol research. The ICMB Board also approved funding for the NCGA Ethanol Expansion Program which was primarily to get some valid testing results that could be sent to USEPA to make ethanol a viable fuel. The ICGA board voted in August to take a proposal to ICMB to seek funding for two flexible fuel or ethanol fueled vehicles to be used by ICGA/ICMB staff. Small plaques with “Powered by Ethanol” were presented to members of Congress who supported HB 3906. A media campaign was launched noting that Iraq’s invasion of Kuwait underscored the attractiveness of using ethanol fuels.

Picture of one of the ethanol cartoons





Billboard with the "Bush You Make the Call" slogan



Different ethanol stickers and a Gasoline manual



Downstream Alternatives  
"Gasoline Technical Manual"

Several promotional programs were launched during 1991. An ethanol supplier's directory was completed to make it easier to find ethanol, radio commercials were produced and aired throughout the state, informational placemats on ethanol were distributed to restaurants across the state and six of the state's major farm organizations joined together to run print advertising carrying the attributes of ethanol. The print ad was entitled "If You Grow Corn, You Should Use It." The supporting groups were AAM, The Grange, ICGA, IFB, IFU and NFO. In addition, technical bulletins regarding automobile issues, written by Bob Reynolds from Downstream Alternatives, were mailed to Illinois retail farm equipment dealers, service station managers, members of all new car dealers in Illinois and "Train the Trainer" program participants in cooperation with the Illinois Dept. of Ag and WIU. An ad was run in FarmWeek and IL Agri-News recognizing Growmark's support of ethanol.

ICMB and ICGA used Earth Day activities to launch an ethanol promotion and education efforts across the state. ICGA and EPA distributed more than 150,000 auto litter bags with a clean air-ethanol message to drivers in Chicago and St. Louis metropolitan areas. ICMB funded an ethanol billboard campaign to put up ten billboards on every major artery into Washington, DC and major areas throughout the state of Illinois. Funding was approved to distribute Downstream Alternatives "Gasoline Technical Manual" to dealership mechanics, upon request, by sending a mailing to service stations in the state with a reply card requesting the technical manuals. A joint program with Iowa, Missouri and Kansas was done as part of a Casey's ethanol/pizza promotion.



*Flex Fuel Vehicles* - Help was given to the City of Chicago in their efforts to purchase five ethanol vehicles to put into their fleet and Rodney Weinzierl met with Growmark regarding their interest to purchase five E85 cars for promotions at their Fuel 24 stations. It was announced at the State Fair that GM would be producing fifty cars to run on ethanol. One of the cars in the State Fair parade operated on E85. The Rock Island Farm Bureau billboard on ethanol was also in the parade.



Chevrolet Lumina E85 vehicle on display



Truck with the "Pollution Solution" billboard and the corn cart in front

Ethanol plants expanding during this year included ADM, Cargill and Pekin Energy. The USDA was moving toward forming a consortium to develop a new ethanol plant. RFA and NCGA were beginning to do emissions testing on ethanol. The State of Illinois added twelve Luminas running on E85 to the state fleet.

The Illinois Department of Energy and Natural Resources (IDENR) announced their intent for going into the fuel cell bus project. IDENR submitted a proposal to USDOE to obtain sole responsibility for testing over the road trucks for the U.S. on ethanol and was to sign contracts in Chicago for waste management trucks. It was noted that the initial trucks would be Detroit Diesel Corporation engines. PACE, the mass transit district serving the suburban area of Chicago, got permission to have Argonne design a bus to use ethanol.

State officials examining E85 Lumina engine with Dave Loos pictured second from right who at the time was on staff from IL Dept of Energy and Natural Resources





Gov Edgar speaking at press conference at Pekin Energy



Gov Edgar speaking at press conference at ADM  
with Greg Guenther on the left

With ICMB funding, a study was conducted at the Lake Area Vocational Technical Institute of Watertown, South Dakota. It showed that a wide range of small engines, from lawn mowers to chain saws, could run on ethanol with no materials compatibility or lubrication problems.

A new test facility that was announced, the “Alcohol Fuel User Test Facility,” to be established in 1993, posed a threat to corn-based ethanol. Funding came from the U.S. Department of Energy in association with the National Renewable Energy Laboratory. The facility was to be devoted to fermentation technology designed to make ethanol competitively from biomass such as wastepaper, wood, grasses and agricultural residue. Even though the facility posed no immediate threat, it pointed out the vigilance needed by corn interests.

Under Illinois legislation, there were four ethanol bills: 1) SB 1361 required all of the fuel in Illinois be an ethanol blend or 90 percent unleaded gasoline and 10 percent ethanol. Scott Durbin testified before a House subcommittee in regard to this bill which was for an ethanol mandate; 2) SB 1363 amended the State Occupation and Use Tax Acts, relating to taxes on ethanol which extended the sales tax exemption on ethanol beyond 1993; 3) SB 1364 directed the Illinois Department of Energy and Natural Resources to develop an aggressive public education program on the benefits of ethanol; and 4) SB 1365 prohibited the misrepresentation of the effect of ethanol on motor vehicle warranties.

1992 - The ethanol regulatory battle heated up early in 1992, with ICGA calling for immediate implementation of the Clean Air Act. Regulations detailing how the Clean Air Act was to be implemented were being developed and it was believed the interpretation of the law might downgrade or even exclude ethanol from the new fuel standards. ICGA encouraged members to send comments to the USEPA docket.



Bob Dole speaking at the Ethanol Rally



Crowd at Ethanol Rally with Keith Yohnka from Kankakee Co behind sign and Wayne Meyer at far right



Herb England from Sangamon County at the Ethanol Rally



Crowd at Ethanol Rally



Picture of the ethanol boat on display



Dignitary stage at Ethanol Rally with crowd



Some of the signs at the Ethanol Rally



ICGA decided to hold an ethanol rally in Peoria on July 6, 1992, to demonstrate the importance of ethanol to the economy and the environment. The hope was that this would send a message to Washington, DC that farmers wanted a positive ruling from the USEPA on ethanol in the Clean Air Act. On display at the rally were an ethanol-powered motorboat and an ethanol-powered race car.

In Illinois, a package of ethanol bills reflected strong support of the state. Bills awaiting Governor Edgar's signature were: Gasohol Fuels Tax Abatement Act; bill on illegal misrepresentation on the effect of ethanol blended fuel's effect on vehicle warranties; encouragement of all state government, state colleges and universities and downstate public transit authorities to use ethanol fuel; and an information and education program alerting drivers to the benefits of ethanol by the state and the Department of Energy and Natural Resources. SB 1634 (Tax Abatement Act), which phased in an increase in the percentage of ethanol blended fuel sold in Illinois, with a target of 50 percent market penetration by 1997, was signed. Ethanol was a controversial issue during the 1991 General Assembly, with strong opposition from the IL Petroleum Council and the IL Petroleum Marketers.

*E85* - An update during this year revealed that it would be at least one year before Ford and Chrysler were ready to put flexible fuel vehicles online. Volkswagen indicated it would be late summer before we could get a vehicle. So, the first flexible fuel vehicle received for use by staff was a Volkswagen Jetta. ICMB funded the promotion and related research of the car. A Governor's Cup bicycle race was held in Springfield June 22-23 and the car from the office was used as the pace car.



Picture of the first E85 vehicle for office use which was a Volkswagen Jetta



License plate on the E85 Jetta

1993 - Governor Edgar signed SB406 which allocated \$5 million for research for alternative fuels, with part of the money going toward ethanol research. Other programs funded included a project by Livingston County Corn Growers and Livingston County FS to help sponsor a race car running on 85 percent ethanol. This was a project through Great Lakes Governors Council. A grant was presented to the Children's Home Association of Illinois by the Governors Ethanol Coalition. Another ethanol program sponsored by ICGA/ICMB/IFB was a cooperative effort to build a relationship with IFB, enabling us to use resources they have available. Under the program 20,000 new ethanol brochures were printed with a message asking members to write President Clinton. These were distributed to county farm bureaus. In addition, commercials ran on RFD and articles were published in *FarmWeek* and *IL Agri-News*, with an editorial in *Prairie Farmer*.

Mechanics training seminars were held in Tazewell and Woodford Counties. It was decided to sell the E85 Volkswagen Jetta and apply those funds toward a Chevrolet E85 Lumina as well as leasing an E85 Lumina through Country Companies for staff to drive. E85 Luminas were also delivered to the state and Illinois DENR worked to get fuel tanks in place. During 1993 an E85/E95 strategic plan was developed.

1994 - The White House and EPA continued to work on resolving the reformulated gas (RFG) issue. Senator Moseley-Braun set up an Illinois meeting with U. S. Secretary Espy. Those included in the meeting were Kent Kleinschmidt, Alan Dale from IFB, Larry Quandt from IFU, Maureen Crocker from the Governor's Office and Illinois Director of Agriculture Becky Doyle. ICGA joined with IFB in conducting a concentrated campaign aimed at focusing the attention of the Clinton Administration on ethanol. All corn grower members were urged to call President Clinton asking him to support ethanol. In July, a lawsuit was filed by the petroleum industry asking for an injunction against the RFG rule.

Governor Edgar received recognition from the Illinois Ag and ethanol industry for all his help on ethanol. Bob Fitzpatrick testified at an ethanol hearing in Washington, which was coordinated closely with IFB Ron Warfield's testimony. Others testifying were Congressmen Poshard and Ewing. Surprisingly, no environmental group was present. Feb. 14 was the due date for all comments to be into the docket.

Some announcements made this year included: Marathon Oil announced an oxygenated fuel test program; Midwest Grain announced a major expansion of its ethanol production capabilities to take current ethanol production from 30 million gallons of corn-based fuel annually to 90 million gallons. New brochures on the Ford E85 Taurus were produced in cooperation with IL DENR.

Kent Kleinschmidt served on a panel at the Governor's Ethanol Coalition meeting. Governor Edgar retired from the Coalition and was given a donation to a charity of his choice from IFB, ICGA and the Illinois ethanol Industry.

Pictured are Jack Huggins from Pekin Energy, Governor Edgar, Kent Kleinschmidt, Stan Blunier, and a representative from Midwest Grain





Pictured with an E85 car are: IL Official, Vic Riddle, Greg Guenther, Cong Richard Durbin, Bill Bradley, Tim Rister, Daryl Reid



Pictured l-r: Norman Jordan (Macon Co), Steve Wentworth, Dennis Hughes speaker, Terry Ferguson, Vic Riddle, Scott Durbin

It was noted that HB 2555, , “The Clean Alternative Fuels & Conservation Act,” passed a year ago but was never signed by the Governor so it was to be reintroduced. Randy Adkins testified at a hearing in Chicago on HB 276, “The Alternate Fuels Act” which later passed in both houses, eventually to be signed by the governor. EPA released data showing that the oxygenated fuels program was working and accomplishing its goal of reducing carbon monoxide pollution in non-attainment areas during the winter months (during period Nov. 1992 to Jan. 1993).

Macon County Farm Bureau launched a campaign to become the first county to be designated “An All-Ethanol County”. Their goal was to encourage local governments to use an ethanol blend in their gas-powered vehicles, get all gasoline outlets in the county to offer an ethanol blend and have customers specifically ask for ethanol when filling up.



*Ethanol Vehicle Challenge* - This was a program sponsored by USDOE and the Governor's Ethanol Coalition where university students competed for awards for hybrid electric vehicles. They built these using ethanol by improving cold start capabilities, fuel economy, exhaust emissions and the overall performance of a car, with safety being a major factor. In 1994, ICGA approved funding to the Illinois Institute of Technology for this project. It was noted that the U of I would also have a vehicle built with different technology. This program was funded from 1994-2000, when it was decided to no longer participate.



Sign for the Ethanol Vehicle Challenge



Ethanol Vehicle Challenge Team from U of I-Chicago front view with Vic Riddle 2nd from left

Illinois Institute of Technology  
Ethanol Vehicle Challenge Team



Side view of U of I-Chicago Ethanol  
Vehicle Challenge Team



*Ethanol Pilot Plant* - Governor Edgar signed a bill in September 1994 providing authorization for up to \$5 million for alternative fuel research and IL Department of Commerce and Community Affairs (DCCA) targeted \$25 million for a pilot plant. In 1996, the USDA pledged \$500,000, and the State of Illinois an additional \$460,000, for a feasibility study to establish the need for an ethanol pilot plant. Those on the federal level supporting the pilot plant project were Congressman Durbin and Senators Carol Moseley-Braun and Paul Simon. At this point in time, there were ten research projects to be tested at such a plant. It was noted that over half of those would lower the cost of ethanol production. In 1997, Secretary Glickman announced funding of \$1.5 million for design and engineering for an ethanol pilot plant. In 1998, it was approved to hire Midwest Public Affairs to work on completion of funding for the pilot plant. A roadblock on funding for the ethanol research pilot plant was experienced because the Senate was against bricks and mortar projects.

1995 – The ROR requirement received a stay and Mark Lambert attended the Clean Cities Announcement in Peoria. The GP Transit ethanol bus was on exhibit at the Illinois Commodity Conference and was used as a mini theater to show an ethanol video, along with handing out travel mugs. Promotional programs during this year on ethanol included an ethanol ad on the back page of the GP Transit calendar, an ethanol advertising campaign on WGN regarding reformulated gas and gas line freeze and sending an ethanol video to grain elevators, county bureaus and service companies. Promotional items ordered were “Ethanol for Cleaner Air” bumper stickers and two new ethanol banners.

Marathon announced they would be selling ethanol in the Chicago area through three dealers in Illinois and one in Indiana. In addition, they announced they would be making Ethyl Tertiary Butyl Ether (ETBE) at their Robinson plant. Swedish delegates with an interest in building a 50-million-gallon ethanol plant in Sweden visited Mike Hoeft’s farm.

*E85 Program* - Ford announced they would be producing E85 Tauruses in 1995 and GM announced production of S-10 and Sonoma pick-ups. It was noted that a fuel infrastructure was going in at Dwight to be up and running by Jan. 1, 1996. Hewlett Packard committed to purchase ten ethanol cars. The IAA Board agreed to buy two or three E85 vehicles and put Ford Taurus on their selected list. The footage of the E85 fleet managers’ video was completed. ICGA supported IL DENR’s E85 proposal for a



U.S. Senator Paul Simon in an E85 vehicle

three-month program for the City of Chicago to contact fleet owners as potential customers for E85 fleet vehicles and Scott Bidner was contracted to carry-out the work. The NCGA Government Relations Committee set up a program for E85 refueling structure and the states of Illinois, Iowa, Minnesota and Missouri all committed to participate in the program, as well as IL DENR and Wisconsin DENR. The ICGA E85 Lumina was on display at the Farm Show in Peoria in a combined booth with WMBD Radio. ICMB voted to purchase a 1996 E85 Ford Taurus to replace the black E85 Chevrolet Lumina, which was later sold to Livingston County Service Company.

1996 - The Gasoline III publication from Downstream Alternatives, Inc., which was a publication for auto mechanics dealing with the RFG program and oxygenates, was purchased. An ethanol-media placement campaign in Chicago, utilizing Barbara Charnes of Coloradans for Clean Air and Tom Bridge of WIU for information, was funded. Funding was also approved by ICMB for a grant for a feasibility study for an ethanol plant in Southwestern Illinois.

*E85 Program* - Chrysler began talks about putting an E85 engine into a minivan. Jim Tarmann and Phil Shane attended the Ford roll-out for the new 1997 Ford Taurus. The National Ethanol Vehicle Coalition developed a list of 190 cities for infrastructure locations. An E85 station opened in Springfield and additional proposed sites were in Peoria, Rockford and the Quad Cities. Ford offered the use of a demo E85 Taurus to use with media people for a three-month period to Illinois Corn. Funding was also approved to convert a Ford Windstar van into a flexible fuel vehicle and lease it through Country Companies. A new program approved by ICMB in 1996, that is still funded today, was to provide a lease on an E85 vehicle for use by the Illinois FFA officers who travel around the state.

1997 - Phil Shane and Dave Loos from the IL Department of Commerce and Community Affairs (DCCA) went to Washington, DC to visit with Erick Vaughn and Bob Dinneen of the Renewable Fuels Association (RFA) in regard to fuel cell development. It was noted that the fuel cell contract ended in 1997, and the Department of Energy indicated fuel cell buses had to operate on gasoline, diesel, fuel cell ethanol and methanol.

A full-page ad was placed in Farm Week, in cooperation with IFB, asking corn producers to call their congressman stating why we needed the ethanol tax credit to remain like it was. Talking points were compiled for ICGA and IFB board members to use with media calls.



U.S. Senator Dick Durbin speaking for an ethanol event in the front area of IFB

*E85 Program* - It was noted that three sites were in progress: Chicago, Rock Island and Rockford and a press conference was held in Rockford announcing the opening of an E85 station. ICMB also voted to sponsor a Chrysler E85 vehicle for the American Lung Association of Metropolitan Chicago. ADM purchased some E85 vehicles, and it was noted that over 70% of Pekin Energy's cars would be E85 after their next purchase. Chrysler announced production of flexible fuel mini vans in the fall of 1997. A letter of support was sent for the Alternative Fuel Vehicles Outreach program, being funded by IL DCCA and USDOE, which was to promote E85 fuel in



municipalities. An update on the E85 initiative being done by Scott Bidner noted that Chicago had purchased fifteen E85 vehicles. The state had a rebate program for any government agency in a non-attainment area (Chicago mainly) who purchased an E85 vehicle. A Greenhouse Gas Emissions study revealed that E85 fuel was 20 to 35 percent lower in emissions than straight unleaded gasoline.

1998 - In California, a company called Tosco recommended banning MTBE because it was showing up in the groundwater and was not breaking down. RFA thought this might be an opportunity to get Tosco to join the program to use ethanol, but this would require raising the oxygenate cap in California.

The Illinois tax credit extension was to expire Dec. 1, 1999, and ICGA voted to support IFB's position to increase the oxygenate level to 3.5. A major ethanol education awareness advertising campaign was approved which included post cards stuffed into FarmWeek; shipping banners containing an ethanol message and signed by over 15,000 people at the Farm Progress Show, to President Clinton, Speaker Newt Gingrich, and others; utilization of DTN and radio in encouraging phone calls to congressmen; capitalizing on a study conducted by Ron Burke and the American Lung Association which revealed favorable benefits of ethanol in the Chicago market; insertion of seed tags into publications asking people to write a brief message to send to their Congressional representative, and to announce the program through a radio campaign. This proved to be a very successful campaign. Extension of the tax credit made it through the Illinois House Committee and the Senate worked out a compromise to extend it by four years. Requirements under the Clean Air Act began in 1998.



Vic Riddle promoting E85 vehicles in DC



Pictured behind Gov Edgar signing the ethanol bill at the office are Kent Kleinschmidt, Terry Wolf, Garry Niemeyer, Stan Blunier, Mike Clark, Steve Pigg, Vic Riddle, Dirk Rice (Champaign Co), John Fulton (Kankakee Co), Ron Fitchhorn, Greg Guenther

*E85 Program* - ICMB approved a grant to ICGA for the Chicago E85 Infrastructure Development Program with a budget of \$2 million, which included a coordinator, John Van Pelt. Through John's efforts, the Cook County Sheriff's Department purchased twenty-seven E85 vehicles. Other funds for this grant were committed by IL DCCA and USDOE. It was proposed to get additional funding from NCGA, Great Lakes and the ethanol industry. A new E85 display was developed by ICMB NCGA, Great Lakes and the ethanol industry. A new E85 display was developed.

1999 - A follow-up meeting was planned with USEPA Administrator Carol Browner in regard to MTBE.

Noted programs for the year included purchasing 5,000 ethanol stickers for the Bureau County ethanol pump promotion and launching an ethanol education campaign to target people with children who were conscious about the environment and people in charge of water facilities in the Cook County area.

*E85 program* - John Van Pelt, working on the E85 Initiative Program, identified the first ten retail locations to sell the E85 fuel and worked towards getting these installed. A fundraiser for the Clean Cities Program in Chicago was held and ICGA received an award for getting the ten E85 stations placed in Chicago. The U.S. Postal Service announced plans to use 10,000 E85 vehicles in Illinois or the Midwest, but it was noted in 2000 that their vehicles were having problems because the fuel pumps were not compatible with E85. Furthermore, it was noted that new fuel pumps would not be ready until Oct. 1, 2000. It was approved to continue sponsorship of the E85 vehicle for the American Lung Association in Chicago for another year.



U.S. postal E85 vehicle with John Adams, Fred Reichert, Ron Fitchhorn and George Flageole



U.S. Mail vehicle with Cong. Hastert and John Diedrich to the right of the car door

*Oxydiesel Program* - Phil Shane explained the oxy-diesel program with ADM having trucks using the fuel and noting that ADM would be running test trials. A meeting on an oxy-diesel program was held and needs were identified for a 500-hour durability test and emissions testing. Durability tests were conducted at the U of I. The emission results indicated further work was needed to determine the proper blend. The Chicago Transit Authority (CTA) participated in the oxydiesel project and had fifteen buses running on oxydiesel with emissions testing being done. Their buses were painted similar to the ethanol buses in Peoria. A press conference was held with remarks by Illinois Director of Agriculture, Joe Hampton, CTA president, Pure Energy, Floyd Schultz and the governor. There were two programs being run on E diesel, one with 15 percent ethanol and one with 10 percent ethanol, because it was noted that the 10 percent blend was more cost competitive with regular diesel. In the CTA buses, they found no noticeable difference in miles per gallon for the two blends. However, the CTA bus program ended in 2000 because of a change in administration.



Oxydiesel bus



Oxydiesel bus with Joe Hampton and Floyd Schultz on the left and George Ryan the second one from the right

In November of 1999, it was noted that the ADM trucks had 155,000 miles on them, and the mileage was running slightly under No. 2 diesel fueled trucks. Illinois DCCA met with a company called Navistart which manufactured engines in the U.S., and an agreement was made with the U of I for Navistart to make changes to diesel truck engines to use oxydiesel. A Ford F250 with an extended cab, which was to use oxydiesel, was ordered for delivery to the office the first part of March 2000 for use in promotions.

In June of 2000, it was noted that the oxydiesel name had to be changed, as it was already trademarked. Therefore, the name of the fuel was changed to E diesel.



Back of the E diesel truck



E diesel truck used by office staff

A new program was identified for a farm trial in the fall of 2000 to use two 9650 John Deere combines, one with E Diesel and the other with regular diesel, as well as two tractors with the same combination of fuel. The core group involved in the project included ADM, Williams Energy, Iowa Corn Promotion Board, GROWMARK, IL DCCA, IA DNR and ICMB. They hoped to get funding from other states, from the additive companies, RFA, ethanol companies and the balance from DOE. After running this farm trial for one year, results showed that use of the E diesel fuel caused an increase of about 18 cents per harvested acre. However, it was decided to continue with the project for another year. A positive for E diesel was the fuel didn't foam when filling the combine or tractors.





Steve Ruh, Lt Gov. Corinne Wood, Garry Niemeyer, Leon Corzine, IL Rep Raymond Poe, Ron Fitchhorn receiving a grant

It was noted that if market penetration with E diesel could reach the same level as the 10 percent ethanol blend in gasoline, corn grind would increase by 300 million bushels. A new E diesel exhibit was ordered.

By 2001, the ADM trucks had about 250,000 miles on them and using the 10 percent blend showed a .5 percent difference between regular diesel and E diesel. NCGA hosted a conference in St. Louis to educate other states on the fuel and to encourage them to work with us in the future. It was noted there was a flammability issue with the fuel that needed to be resolved and a health impact study was needed prior to the fuel being commercialized for over the road use. ICMB approved funding for the necessary tests.

In 2002, ICMB felt it was time to take this E diesel project to a national level by trying to work out an agreement with NCGA to manage this effort. A review of the demonstration program on the John Deere combine that had over 800 hours on it indicated wear was normal and injectors were better than expected. However, at another meeting, in regard to the emissions testing at Ricardo's in Chicago, it was noted numbers did not come back as well as anticipated. Nox emissions increased from 7 to 28 percent. Flammability tests at Southwest Institute came back as expected. The board voted to do further emissions testing at Ricardo's, to do tank testing at Southwestern Institute and to do a California stationary emissions test.

In 2003, it was noted that funding did not come through as originally thought. NCGA was managing the funds for this project, and it was felt that we needed to get them engaged on the legislative side to get this project higher on the list of appropriations for funding. In 2004, it was noted that it would be another two years before the project was completed. Then, in the June 2006 minutes, it was noted the project was put on the shelf until better work was done on the injectors.

2000 – Christian County adopted a resolution for using ethanol.

An ethanol outreach program was run in the year 2000 and included events for Presidential Candidate George W. Bush coming to Illinois and Vice President Al Gore traveling down the Mississippi. Pro-ethanol radio commercials ran daily focusing on urban audiences, large ethanol ads were placed in newspapers, a web site called “madaboutgas” was developed by Fred Stemme from Missouri and it was updated regularly. Bumper stickers, road signs, printed ads saying

“Illinois has energy to burn” were placed in targeted areas. T-shirts were passed out at the State Fair and other areas where presidential candidates were visiting with the saying “IL is Ethanol Country,” billboards were placed around the Farm Progress Show near Springfield with an emphasis on ethanol and seven hearings were held around the state on ethanol.

*E85 Program* - ICMB funded E85 infrastructure programs in Maryland and Wisconsin.

2001 - During this year, interest started to pick up for building new ethanol plants in Illinois. There were eight groups indicating an interest. ICGA decided to take a more active role in helping prospective ethanol cooperatives and established criteria for funding groups who met certain specifications. A Dry Grind Conference was put together in May with over 100 people in attendance. Adkins Energy received a grant from the state of Illinois and was hoping to break ground soon. ICMB contracted with Proforma to do economic analysis studies for ethanol plants. In addition, ICMB approved funding for feasibility studies for the following groups: Central Illinois Ag Coalition, Warren-Henderson Counties Partnership for Economic Development and the Big River Resources Coalition and Lincolnland Agri Energy. By the end of the year there were five ethanol plants in progress. Adkins Energy was 80 percent operational. The other groups were Big River Energy, Illinois River Energy, Central Illinois Ag and Lincolnland AgriEnergy. Eight ethanol plants received Agri-First funding. Equity drives started for ethanol plants in Fulton County and Crawford County with the group named Lincolnland.



Groundbreaking at Adkins Energy



Gov Edgar speaking at Adkins Energy  
with Doug Wilson third from the right

Packets were developed to recognize service stations who had been promoting ethanol. They contained a certificate of appreciation, ethanol pump stickers, some samples of letters to the editor and some fact sheets about ethanol. These packets were sent to county farm bureaus, county presidents and the directors.

As a result of negotiations between several groups, including the American Petroleum Industry, RFA, NCGA and AFBF, a Renewable Fuels Standard (RFS) was proposed to take the place of the oxygenate standard. HB 3671 had thirty-one co-sponsors with the Speaker's office interested in the bill. HB 3671 extended the sales tax credit to 2010 and added E diesel, E85 and biodiesel to the language of the bill. It was decided to engage the lobby firm, The Capitol Hill Group, to work the RFS.

*E85 Program* – The E85 Infrastructure project was nearing completion, with the last station to be put in place in January of 2001. Marathon indicated an interest for putting in five potential E85 stations in Chicago. It was noted that 10,000 gallons of E85 were sold in the Chicago area during January of 2001. Ford announced they would no longer be making the Ford Ranger or the Ford Taurus a flex fuel vehicle. It was also noted that Ford was still having problems with the fuel pumps on the postal vehicles. IL DCCA had grants for the E85 corridor program from Indiana to Chicago, with the remainder of money to go toward marketing plans, keeping existing facilities in business and dealer education.

*Ethanol Pilot Plant* – Thanks to the efforts of Speaker Hastert, Senator Fitzgerald, Governor Ryan, Governor Edgar and Senator Durbin, funding was finally approved. Groundbreaking took place for the Ethanol Pilot Plant in August of 2001 at Southern Illinois University at Edwardsville. Ron Fitchhorn and Garry Niemeyer participated in that event, along with Governor Ryan and Congressman Shimkus. In 2002, Garry Niemeyer and Roger Sy attended an event sponsored by Congressman Shimkus with Secretary Ann Veneman and FSA Director Bill Graff in attendance. At this point, a few groups had signed up to use the pilot plant. The pilot plant, named the National Corn to Ethanol Research Pilot Plant, was fully operational in 2004. The name was later changed to National Corn to Ethanol Research Center (NCERC).



Groundbreaking at the National Corn to Ethanol Research Pilot Plant with Ron Fitchhorn to the left of the sign and Joe Hampton to the right



Garry Niemeyer and Ron Fitchhorn to left of the sign for the Ethanol Pilot Plant





Garry Niemeyer, Cong Shimkus and Dirk Rice pictured in front of Ethanol Pilot Plant sign

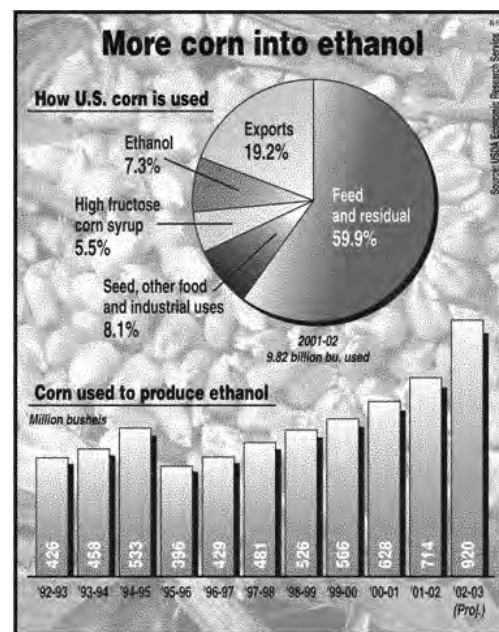


Chart showing ethanol into corn from 1992-2003

2002 - In March it was reported that the U.S. Senate began debate on the Energy Bill, which included the RFS. Three interest groups (NCGA, RFA and AFBF) worked on ethanol and MTBE and came up with the RFS. Included in the language of the bill was a phase-out of MTBE over the next four years, the one-pound Reid vapor pressure waiver and ethanol made from any feedstock in gasoline, diesel and biodiesel. June minutes noted that the Senate passed the RFS, calling for a five-billion-gallon market for renewables between now and 2012. For the next step, the bill went to Conference Committee, since the bills in each house were different.

**E85 Program** - In 2002, the program was in the process of working on grants for three new stations in Chicago, a marketing plan to promote E85 in existing stations who already sold E85 and for infrastructure in the Chicago area, as well as one new site in Joliet for the Dept. of Corrections.

2003 - NCGA organized an ethanol rally on March 18-20 and those from Illinois attending were Theresa Schmalshof, Donna Jeschke, Ken Kindler, Bill Bradley, Garry Niemeyer and Rob Elliott. Since the bills in the House and Senate on the RFS contained different language, the decision for a compromise was waiting for markup in Conference Committee. The NCGA Ethanol Committee took a position that they would like to see a starting point at three billion gallons. This bill would double corn utilized for ethanol, moving from 1 billion bushels in 2005 to 1.8 billion by 2012. It was noted that after the law passed there would be a 270-day rule-making process.

In Illinois legislation, a major victory for ethanol and corn growers came when two bills, SB 46 and HB 46, were signed by Governor Rod Blagojevich. Martin Barbre, Steve Pigg and Roger Sy participated in that signing. SB 46, which was introduced by Senator John M. Sullivan, (D-Quincy) extended the sales tax credit for ethanol made from corn, but at a reduced level. In addition, it eliminated the sales tax for the first time on biodiesel and E85. A companion bill,

HB 46, sponsored by Representative Dan Reitz (D-Steeleville) provided incentives in the form of grants to build or expand renewable fuel production. HB 46 was known as the “Illinois Renewable Fuels Development Program Act” and established a \$15 million appropriation to fund grants to new ethanol plants or expansion of existing plants.

It was noted that Iowa was starting a Renewable Fuels Association and that placed a hardship on the Big River Energy plant.

ICGA was commissioned by the USDA Rural Development Department, IL Department of Commerce and Economic Opportunity (DCEO) and IL Department of Ag (IDA) to write a study for the State of Illinois on the future of Illinois ethanol plants. Phil Shane and Ken Kindler worked on this study, and it was published as “The Economic Potential for Ethanol Production Expansion in Illinois”. The profile clearly spelled out how Illinois could use its strengths, such as corn supply and excellent transportation infrastructure, to maintain a leadership role in ethanol production.

The food and fuel issue came to a head during this year. Therefore, a new major public relations campaign was developed called “Our Crops, Our Fuels, Our Country” in cooperation with ICGA, ICMB, IL Soybean Association (ISA) and IL Soybean Checkoff Board (ISCB). The program successfully increased awareness of the importance of renewable fuels and increased usage of ethanol and biodiesel. The campaign included extensive radio and print advertising throughout the summer on RFD, ads appeared two different times in Prairie Farmer, IL Agri-News and Farm Week and commercial spots could be heard on the Illinois Corn web site. The campaign culminated with a large presence at the Farm Progress Show where shirts were passed out. The program continued into 2004 with additional ads being placed. Materials developed for the program included hats, bulk tank stickers and window stickers. Congressman Shimkus had a news conference at Troy Uphoff’s farm, and an update was given on the RFS and other issues. Steve Pigg, Leon Corzine, Tim Lenz and Martin Barbre participated.



**OUR CROPS  
OUR FUELS  
OUR COUNTRY**  
Illinois Corn Marketing Board • Illinois Soybean Checkoff Board

**Our Crops, Our Fuels, Our Country  
Renewable Fuels Kit Request Form**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
County \_\_\_\_\_  
Phone \_\_\_\_\_  
E-mail \_\_\_\_\_

Please check one:  
☐ I am enclosing a receipt for farm delivery of ethanol or biodiesel.  
☐ I would like to join or renew my membership in the Illinois Corn Growers Association and am enclosing a check for \$145 for 3 years.  
☐ I would like to join or renew my membership in the Illinois Soybean Association and am enclosing a check for \$150.

Mail to: Our Crops Our Fuels Our Country  
P.O. Box 1623 • Bloomington, IL 61702-1623

**Everyone complains about  
the high cost of imported oil!**

Today, the United States relies on foreign sources for nearly 65% of our oil needs. There is an alternative and Illinois corn and soybean farmers are growing it now. Ethanol, made from corn, and Biodiesel, made from soybeans, increase our energy independence, reduce harmful emissions, and help to grow the economy. Both renewable fuels are available at an increasing number of retail locations. To find E85 retail pumps visit [www.ilcorn.org](http://www.ilcorn.org) or to find biodiesel suppliers and retailers visit [www.ilsoy.org](http://www.ilsoy.org).

If you would like to receive a promotional kit containing an “Our Crops, Our Fuels, Our Country” cap, a window sticker, and bulk tank decals for your farm just fill out the coupon in this ad and return it to P. O. Box 1623 • Bloomington, IL 61702-1623.

To learn more about this checkoff funded promotion and education campaign contact Illinois Corn Marketing Board or Illinois Soybean Checkoff Board.

Illinois Soybean Checkoff Board  
[www.ilsoy.org](http://www.ilsoy.org)  
(309) 663-7692

ILLINOIS  
CORN  
MARKETING  
BOARD  
[www.ilcorn.org](http://www.ilcorn.org)  
(309) 827-0912

Advertisement



Picture showing the Our Crops program taken at the Farm Progress Show

*Ethanol Plants* - Through HB-46, ICGA helped resolve some of the labor issues that impeded ethanol plant construction in Illinois. Also, ICGA helped guide and monitor the USDA's Commodity Credit Corporation program, which provided millions of dollars to new ethanol facilities under production. An update on the plants at this time indicated Illinois River Energy's prospectus had been approved and they were beginning to sell stock. The Canton group hoped to break ground in the spring. Big River Energy hoped to begin production in the summer of 2004 and Lincolnland in Robinson was working on site preparation. Adkins Energy was at full production.

*E85 Program Update* - There were eleven locations in Chicago selling E85 with plans to add three more sites. Nicor Gas built and was operating their own E85 sites and using about 55,000 gallons a year. The E85 coordinator did a lot of work on educating the public and fleet managers about E85, and with funding from a grant of \$250,000, developed a big promotion program planned to increase sales of E85 as well as increased awareness of the fuel. GM announced a new program to promote E85 fuel at the State Fair and over 3,000 people received a kit that included a t-shirt, an E85 sticker and a compact disc explaining the benefits of E85. E85 debit cards were also distributed.

2004 - A major victory was scored for ICGA in the passage of the Volumetric Ethanol Excise Tax Credit (VEETC). Together with NCGA, ICGA worked successfully to include VEETC in the Highway Reauthorization and Excise Tax Simplification Act of 2004. The legislation passed in October and extended important incentives for ethanol users and producers, along with adding significant funding to the Highway Trust Fund (HTF). The VEETC Act of 2003 extended incentives for renewable fuel users to 2010, creating a new excise tax of 5.1 cents on 10 percent ethanol-blended fuels. VEETC generated more than \$3 billion per year in additional HTF revenues.



ICGA and ICMB committed to a new venture in facilitating the creation of a fifty-million-gallon ethanol plant in the Channahon/Morris area. ICGA made the decision to commit to this effort because it could potentially use the latest ICMB funded technology to increase co-product development. It was felt that together with the ICGA grant initiatives, funded by the State of Illinois and USDA Rural Development, this plant could become the model in Illinois. Donna Jeschke and Steve Ruh co-chaired the committee. Some of the tangibles already in place at the site included energy with natural gas, transportation for ethanol with rail, roads and a river in close proximity. The project first became known as Illinois Valley Ethanol (IVE) which changed to the Aux Sable Ethanol Plant, eventually to be purchased by American Ethanol. The hope was that if this plant actually became a reality, the ethanol plant would turn our investment, or part of it, into an equity position. However, ICMB couldn't take an equity position, and the board had discussions about ICGA setting up a "For Profit Company". It was noted that while this process was a huge learning experience for staff in dealing with different groups of people, it also gave them an inside opportunity to learn more about an ethanol plant. Following the sale of Aux Sable Ethanol to American Ethanol, in January of 2006, the ICGA Board voted to receive payment for their original grant of \$50,000 and to leave the other \$25,000 invested to receive 80,000 shares.

*E85 Update* - On the E85 Infrastructure Program, John Van Pelt was notified that his services were no longer needed. ICGA worked in cooperation with the IL DCEO, the National Ethanol Vehicle Coalition (NEVC), GROWMARK, and Qik N EZ to assist in the conversion of existing gasoline pumps to E85. Six new E85 facilities in Illinois were on board to sell E85 with Fast Stop locations in Waterloo and Mason City open for business. The Gateway Fast Stop was scheduled to open an E85 fueling tank and dispenser in Sparta, IL by the end of the year. Qik N EZ opened three new locations in the fall in Shelbyville, Lincoln and Bloomington. In May of this year, ICGA took part in an E85 for 85 cents campaign in Chicago that drew national attention. Eight locations pumped more than 8,000 gallons of ethanol during the four-hour promotion.

Jim Tarmann with the E85 vehicle and Cong Evans



*Ethanol Plant Update* - ICMB approved funding for a Business Advisory Service (subsidiary of CoBank) Economic model. This interactive model allowed proposed ethanol plants to plug in their numbers and determine whether it was feasible to move forward with starting a plant. It was noted the model had been used at Iowa State University and Kansas State University but would be specific to Illinois.

2005 – In August of 2005, after more than five years of grassroots efforts, President George W. Bush signed the Energy Policy Act of 2005 and put into place the Renewable Fuels Standard (RFS). The RFS provided a shot of adrenaline for the ethanol industry. It was noted it would likely double ethanol production in the next five to seven years. The Illinois Congressional delegation showed strong support for ethanol, with Speaker of the House Dennis Hastert and Senator Barack Obama playing key roles in passing the RFS.

President George W. Bush pictured  
at a stop in Bloomington, Illinois



John Kuhfuss testifying at an IL RFS  
news conference

On the state level, there was concern about the “Renewable Fuel Standard for Illinois” because of the state budget deficit situation. The thought was that the state would be looking for any kind of programs where they could cut the state budget, and eventually they would more than likely identify the state sales tax credit for ethanol. Therefore, the ICGA Lobbyist, Tom Madsen, began work to be on the offensive in trying to craft some type of legislation under a renewable fuels standard to replace this sales tax credit.

*E85 Program* - Consumer use of E85 reached an all-time high in 2005 thanks in part to the growing number of vehicle models on the road, easier access to the fuel and high oil prices that made E85 prices look very attractive. It was reported that a total of eighty-eight stations were in operation or preparing to open soon. IL DCEO received a \$500,000 grant from the American Fuels Foundation for E85 infrastructure. GM announced they would be giving each of the twenty-eight states affiliated with the Governor's Ethanol coalition a year's free lease on a 2005 Chevrolet E85 Avalanche. Since the state could not receive gifts, ICGA ended up receiving two vehicles to be used for E85 promotions. ICGA and ICMB joined with the American Lung Association of Illinois (ALA), IL DCEO and the National Ethanol Vehicle Coalition (NEVC) to conduct numerous special events linked to stations installing or converting E85 fuel pumps. One of the Chevrolet Avalanches was given to ALA for using in the E85 promotions. A major statewide advertising campaign was initiated, utilizing primarily radio during the busy summer driving season and promoting the benefits of ethanol and E85. ICGA also acted as a resource in providing E85 information to car dealers statewide.



Pictured in front of the Chevrolet Avalanche are Merle Miller, Angela Tin and Dave Loos



Billboard promoting E85 fuels and the Ford F-150 truck

*Ethanol Plants* - The ethanol plant in Rochelle broke ground. Illini Bio-Energy started a fund drive and talked about using coal fired technology. A Pittsfield group was looking at some new technology to incorporate into their proposed facility. ICMB approved a technical assistance grant to Adams County. Other plants on the horizon were Hennepin, Gilman, and Gibson City.

Illinois River Energy ethanol plant





2006 - IICMB funded a Bergfield Racing Promotion noting that exposure for the program was about 35,000 racing fans and the media exposure would be good. Also, their driver was a good spokesperson for ethanol. It was noted that in the Indy 500 race in 2006, all cars would be using 10 percent ethanol and 90 percent methanol, and in 2007 would go to 100 percent ethanol.

*E85 Program* - It was reported that over sixty flex fuel vehicles had been sold through the E85 dealer program. Gas City became the largest retailer of E85 in Illinois. GM had a “Think Green Go Yellow” campaign on television. Ford announced they were working with VeraSun to create a corridor along I-55 from Chicago to St. Louis, noting they were interested in putting E85 stations from the area south of Springfield to the river. In addition, the RFA and Illinois were looking for some grant money for another corridor from Ohio to Nebraska which would include the states of Iowa, Ohio, Nebraska and Illinois. ICGA voted to engage a lobbyist for two months to work on getting a federal grant for creating an E85 corridor from Ohio through Nebraska. Huck’s stations were new prospects for selling E85 in their eighty stations and Road Ranger was looking at adding ten E85 stations. American Lung continued to work on the E85 program and ICMB approved funding to help seed that program with funding from DCEO. In addition, funding was approved by ICMB for a Saunders Oil project to develop a kiosk at a fueling station for the E85 tank. It was noted that GM was trading out all the Avalanches, which meant we had two for sale.



Ross Pauli helping with an E85 promo in Bartonville, IL



Pictured is Angela Tin at an E85 promo in Bartonville

*Ethanol Pilot Plant* - An ethanol workshop was held at the pilot plant in conjunction with IL EPA and IL DCEO with about seventy people in attendance. Greg Guenther received an Agri-First grant to teach participants how to understand prospectuses for investment. These workshops focused on potential plants, either biodiesel or ethanol, for those looking to entice grower investments. In the budget process, the General Assembly did approve funding for additional ethanol and biodiesel renewable energy grants. Appropriations were also made for capital improvements at the pilot plant along, funding for plant operations, for corn kernel to ethanol research consortium at WIU, and for Illinois Environmental Protection Agency permitting processing.

2007 - This was a big promotion year for the Indy Racing League, with all of their cars running on 100% corn-based ethanol. ICMB voted to sponsor the Indy Racing League and committed

some funds toward a pre-Indy promotion and education program. An insert appeared in FarmWeek with the official program on the Indy Race and an ethanol summit took place prior to the race, attended by Leon Corzine, Scott Stirling and Mark Lambert. ICMB also voted to fund another racing team, the Mario Clouser racing team, whose goal was to try to switch the league they raced with to ethanol.

EPIC adopted an initiative to use Illinois as a pilot program for a new ethanol pump label. The Petroleum Marketers approved distribution of these new pump stickers to replace current pump labels.

In August 2007, it was noted that a first draft of a White Paper, written by Ross Korves from ProExporter, on low carbon analysis would be available shortly. The project looked at technologies as to how efficient corn production would be in 2030 and how efficient ethanol plants would be. Several companies contributed toward this project including Syngenta, Dow Chemical, John Deere, ICMB, ADM, NCGA, DuPont and Poet. This report indicated we would reach up to 15 billion gallons of ethanol for corn starch by 2015. Long term, we needed to show the carbon footprint on ethanol plants was as low as proposed plants for biofuels.

*E85 Program* - American Lung, in cooperation with DCEO, GM, Ford and Vera Sun, conducted a meeting with car dealers to educate as many dealers as possible on E85 and to get their help with marketing flex fuel vehicles. It was voted to lease two Ford Escape E85 hybrid electric vehicles on a two-year lease and build a marketing campaign. Funding of Phase I of the American Lung Association proposal regarding E85 was approved for funding by ICMB. This program talked about the health effects of the fuel. In addition, ALA committed to work with others who had done emissions testing and scheduled a conference to lay out the results, with the proceedings to then be published.

*Ethanol Plant Update* - Ethanol plants under construction were: Central IL Energy at Canton, Center Ethanol Company at Sauget, Marquis Energy at Hennepin and Patriot Resources at Annawan. IL River Energy was in the process of expanding. Other promising plants under consideration were: Western IL Ethanol at Griggsville, Anderson Grain considering at plant east of Champaign, Vera Sun at Litchfield and a plant in the Waltonville area.

Cong Bill Foster and Steve Ruh  
at Patriot Resources ethanol  
plant in Annawan



2008 - - The Energy Independence and Security Act passed right before Christmas which expanded corn-based ethanol to 15 billion gallons by 2015. Four different definitions of biofuels were included in the legislation. ICGA took the next step to turn back a waiver request from the Governor of Texas.

Legislation in Illinois, SB 2861 on IL Renewable Fuels sponsored by Senator Demuzio, was still under consideration. One of the main components of the bill was to provide grants to new ethanol plants at a flat rate of 10 cents per gallon up to \$10 million.

ICGA approved funding to host a meeting for the Illinois ethanol industry in Bloomington, with the goal to establish an Illinois Renewable Fuels Association. GovPlus was later hired to help with forming this association, and in 2009 they held their first official meeting in Springfield. The ILRFA engaged in writing letters to members of the state and national legislature, as well as writing comments to the U.S. EPA. Additionally, the group was well represented during various lobbying trips to Washington, DC and Springfield, IL. Members of ILRFA included ten of the ethanol plants in Illinois, with Ray Defenbaugh of Big River Resources-Galva serving as the first president.

A group called “25 by 25” was a coalition formed to promote 25 percent renewables by 2025, which included wind, methane digesters, ethanol, biodiesel, etc. The ICGA Board decided to join this group.

In helping to promote the use of ethanol in the racing field, ICMB approved funding for Spencer Racing, Clouser Racing (running in USAC) and Bergfield Racing. In 2010 USAC approved the use of E98 in the racing series for the sprint car.

On the Low Carbon Fuel Standard, ICGA voted to send representatives to New York and California to support the increased use of corn for ethanol through 2030 as a low carbon fuel.

*E85 Program* - An update on the flex fuel kits for updating older cars to burn E85 noted that a Lincoln model had been approved. It was noted that the UL still had not completed the certification process on the E85 pumps. ICMB approved funding through ALA for a pilot program in McLean and Will Counties to position E85 as a green fuel, and due to the success of this program approved an expansion of the program to the entire state. ICGA approved funding to Illinois River Energy and Center Ethanol for E85 load-out facilities to encourage the growth of E85 and later approved additional funds, noting the two in operation were working very well. In addition, ICMB set up a grant program to support the installation of E85 load-out facilities at up to two dry grind ethanol plants. An update on numbers for the E85 program indicated there were now a total of 153 E85 stations in Illinois.

*Ethanol Plant Update* - In regard to the Illinois EPA permitting process, it was noted that hearings for wastewater permits for Marquis Energy and Patriot Renewable Energy at Annawan were delayed. ICGA voted to fund a PR campaign to help three ethanol plants successfully receive their wastewater permits - Patriot Ethanol, Marquis Energy and the plant at The Andersons.



2009 – There was a complication in the ethanol world with the splitting of Poet, which created a new association called Growth Energy (GE). The National Ethanol Vehicle Coalition (NEVC) later absolved into GE. In November of 2008, it was reported that E10 was probably at 80 percent market share. GE was advocating going to a 15 percent blend, but it was noted that science didn't back this up. ICGA voted to retain the services of Tom Skinner, with Mayer Brown to work the rule making process for higher ethanol blends and to work the land use issue (mainly to find out what was needed to get EPA to approve E12). Growth Energy signed onto a waiver request to increase ethanol to E15, and EPA had 270 days to accept or reject the waiver request. It was noted that another avenue to try would be to get the ethanol blend ceiling level raised to E12 or E13, which was called "sub-sim".

An economic downturn in 2009 hit ethanol plants especially hard. Failures of banks all over the country led to a lack of credit availability for ethanol plants to weather the poorer months. Investment in ethanol was at an all-time low. ICGA worked with ICMB to deliver research into the hands of Secretary of Agriculture Tom Vilsack regarding how the USDA could help secure the future of ethanol in our country. The paper, completed by former USDA Illinois Rural Development Director Doug Wilson, offered several different opportunities for the USDA to utilize existing programs to the benefit of the sinking U.S. ethanol industry.

The comment period for the RFS II was announced, and ICGA worked to get an extension. To help spearhead this effort, Pat Sharkey was hired with the final goal to get corn to ethanol recognized as an advanced biofuel. Testimony presented by Pat Sharkey recommended that USEPA drop the rule. It was voted to petition EPA to consider the international land use portion of the rule on a separate track and seek co-funding from other states. In addition, ICGA voted to employ Doug Wheeler to work with us to insure proper representation on the Scientific Advisory Committee for indirect land use change. However, we lost on the California Air Resources Board (CARB) decision on indirect land use change. CARB's decision indicated ethanol from corn from the Midwest was worse than California based gasoline and about 15 percent worse than ethanol from sugar cane. It was noted that their data went back to 2001.

*E85 Program* - The state committed \$400,000 for E85 infrastructure and \$100,000 for blender pumps and ICGA began work on a pilot program for blender pumps across the state. The American Lung Association (ALA) coupon program on E85 was expanded to owners of E85 vehicles in twenty-one counties. It was noted that ALA was being used, as they had credibility from a clean air standpoint. Under Illinois legislation, Representative Rich Meyers sponsored HB 1130, a pilot program for blender pumps channeled through ALA. It was noted that Qik N EZ was looking at putting in blender pumps with the likelihood of the first one being in Bloomington. However, problems with UL approval for accessories on the pumps for E85 continued.

*Ethanol Plant Update* – It was noted that there was a total of fifteen ethanol plants under construction or expansion, which meant only four or five more plants could come online before we reached the 15-billion-gallon ceiling. On the Illinois EPA permitting process, pollution discharge permits were becoming a problem. If an ethanol plant started operation without this, it would cost them a lot of money. ICGA voted to hire someone, along with Farm Credit, to analyze the USDA Rural Development loans and grants money program for assisting ethanol plants.

Patriot Resources ethanol plant



*NCERC Update* - It was hoped to get the fractionation system to NCERC in the future to look at new technologies to convert to ethanol, in particular corn fiber to ethanol. SIU-E told NCERC they could no longer support them in the state budget and NCERC would have to raise its own funds. However, Congressman Shimkus was able to get some funding through USDA for them to continue with their baseline rates. Congressman Shimkus presented a grant for equipment at NCERC to help investigate the corn fiber to cellulose process. President Poshard was present at that event. Because of NCERC's work in this area, in 2013 the USEPA did approve corn kernel fiber as a cellulosic biofuel.

2010 – Since the country was using 12 billion gallons of ethanol in 2010, it was noted this would make it difficult to protect VEETC which was scheduled to sunset in 2010. In working this issue, ICGA learned that Congresswoman Biggert had signed onto the legislation and Congressmen Lipinski, Rush and Congresswoman Bean were also considering doing so.

The boards voted to move forward with a PR Campaign at a cost of up to \$50,000, contingent upon the outcome of the RFS II rules. It was proposed to insert cards into FarmWeek and IL Agri-News giving instructions for sending an ear of corn to EPA in a mailing tube, along with information showing why EPA was using false data to enforce their regulations. Work was being done toward trying to get the words “corn starch” taken out of the RFS II, and it was hoped this could be done through the regulatory process.

The USEPA denied the Texas Governor waiver request. UL certification was needed for 15 percent and some ASTM standards needed to be put in place. The “Sub-Sim” RFA White Paper indicated about 20 percent of ethanol plants were bankrupt or idle two years ago, but that was starting to turn around. It was noted that at this time about one-half of conventional gasoline in the U.S. contained E10. In January of 2010, California was to go to E10, but it was indicated they would probably be shipping that in from Brazil. RFA contracted with Southwest Research Institute and Ricardo to do a project “Technical Assessment of E15 Feasibility in U.S. Vehicle Fleet” to get information in relation to which vehicles could safely use E15. In addition, ICMB,

RFA and GE contracted for a health impact study, later showing positive results. As a side note, ADM recently asked USEPA to consider a 12 percent ethanol blend.

Under Illinois legislation,, it was noted that HB 4625, a tax credit for higher ethanol blends, passed in the House and Senate and was waiting for the governor's signature. However, the governor removed the tax credit using an amendatory veto.

Indirect land use change - Steffen Mueller from the U of I-Chicago was named to the advisory panel for the California Air Resources Board. Projects were funded through Argonne National Lab to work with satellite imagery to determine the level of error in USEPA's indirect land use calculations with Steffen Mueller and Ken Copenhaver at the U of I-Chicago on "Study to Establish a New IL Corn Ethanol Pathway under the California Low Carbon Fuel Standard. In addition, Tim Lenz and Jim Rapp talked to the California Air Resources Board and the governor's office on their visit to California previous to attending the Commodity Classic. Funding was approved to work with the USEPA on developing an independent panel for investigating international land use change and for USEPA to develop a pathway for corn kernel fiber to cellulosic ethanol. It was noted that the Midwest Governor's Association agreed to develop a carbon fuel standard for the Midwest. In addition, a corn kernel fiber to ethanol consortium had been set up and Michael Ladisch from Purdue was scheduled to run some tests at NCERC. He joined ICGA in DC, trying to lay the groundwork for the corn kernel fiber to ethanol technology to be considered as an advanced biofuel and to give folks an opportunity to determine how they were going to account for RIN's. Professor Ladisch noted that RINs for fiber ethanol should have a higher value than starch ethanol, and he felt that corn kernel fiber would be the bridge to the cellulose industry to using other feed stocks. RFA and Poet were involved with a lawsuit against CARB, and they won.

E85 & Blender Pump Program – ICMB approved additional funding to ALA to continue their efforts to educate the public on E85 and higher ethanol blends, as well as grant money for ten E85 blender pumps. A grand opening was held for the 200th E85 station which also had a blender pump. At this time there were two stations with blender pumps and one ready to go in.

*Ethanol Plant Update* - The state of Illinois successfully structured a program funded by U.S. Department of Energy federal stimulus money to make the ethanol industry eligible for funding. Most of those dollars helped with investments and energy efficiencies at the plants. Abengoa started grinding, and ICGA committed funding to help with ethanol publicity.



Picture of ICMB grant given to the station in Sullivan for installing a blender pump. Angela Tin of ALA is on the left and Leon Corzine is on the right holding the check.



## Copy of the Resolution

The Illinois House of Representatives of the 96th General Assembly adopted HR 1240 supporting biofuels. A copy of the resolution appears on this page.

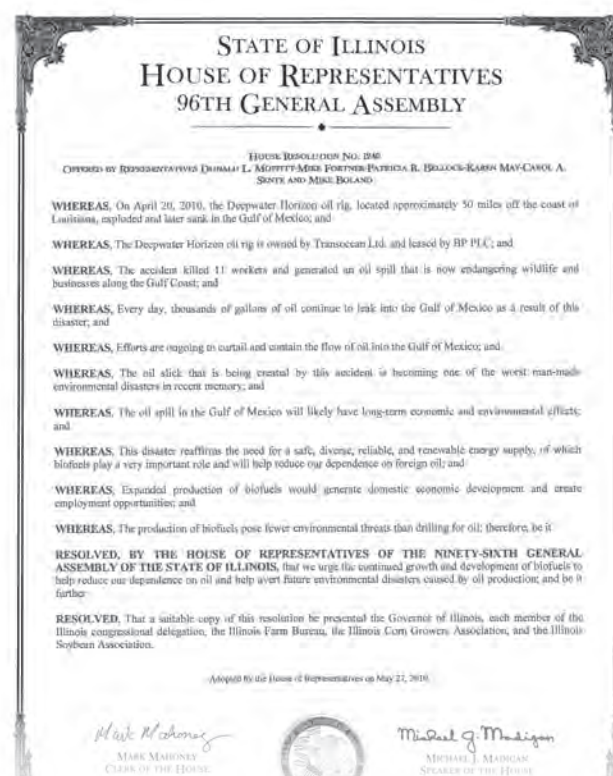
2011 - ICGA received an unrestricted gift of \$100,000 from Monsanto and approved to spend this on projects related to making corn starch ethanol an advanced biofuel.

Illinois Legislation – Gov Plus drafted legislation for moving the state sales tax exemption from 10 percent blends to E15, which would capture the savings realized from reducing the sales tax exemption from 20% to 10% and utilize a portion of those savings for programs that supported blender pump installation and infrastructure, research and ethanol plant investment. The legislation later got put into a shell bill which was in turn used for extending the Enterprise Zones. This really helped the ethanol industry but made it necessary to find another vehicle to make this legislation work for veto session. Opposition on this legislation came from the petroleum marketers and ABATE. Rich Clemmons worked with sponsors to draft new language into SB52 and HB 165, which had bi-partisan support. Efforts were made to build co-sponsors in the African American and Hispanic caucuses.

Federal Legislation – In January of 2011, the USEPA did approve an E15 waiver for the 2001 model year and newer. ICGA submitted strongly worded comments to the USEPA regarding their plan to put “warning” labels on E15 pumps, asserting the plan was inappropriate and would lead to consumer confusion. The final label incorporated those concerns. The United Laboratory, the primary sanctioning body for safety and insurance eligibility, certified the pump infrastructure and fueling components.

VEETC was set to expire at the end of 2011, but the boards felt that ethanol could compete with gasoline without VEETC. ICGA continued to work with legislators on market access opportunities for ethanol and defending the RFS II.

E85 and Blender Pump Program – The ICGA Board continued to explore creative options for working with independent gasoline marketers to promote blender pumps. Illinois DCEO had another grant for blender pumps, ICMB committed funding for grants for blender pumps and ALA continued to work toward getting more installed. A pilot program was developed



with Enterprise Rental Car for the Springfield, Litchfield and Jacksonville areas to promote E85 by placing a coupon hanging in the car for \$10 off the purchase of E85. This program was so successful that it was expanded to all central Illinois locations near an E85 station. Thornton's had converted seven stations in Illinois to E85 and work continued with Huck's and Road Ranger to expand the blender pumps in the state. There were 215 E85 stations and ten blender pumps in Illinois at this point in time.

E15 Program - A presentation was first made at the NCGA Priority and Policy Conference on the possibility of going to E15 in the 2011 season of NASCAR, which began in February. In the beginning, it was stated that if EPA approved the E15 blend, NASCAR would go to E20, as it was NASCAR's belief that it would be good to use a blend which was just out of reach of their fan base. NASCAR had about 60-70 million fans. After much discussion about this program on both the national level and individual state level, a contract was negotiated between NASCAR and Growth Energy. Then the NCGA Activation Committee signed a contract with Growth Energy. ICMB committed funding toward the program in August of 2010. ICMB approved additional funding to sponsor Kenny Wallace for two NASCAR Nationwide races in Illinois and to work with the Joliet Racetrack for a footprint. Missouri and ISA voted to partner with us. ISA agreed to be involved in the program to assist promoting farmer image. This commitment was considered as our involvement with the Family Farmers Coalition. There were two weekend races at the Chicagoland Speedway in Joliet, one in June and one in September. Illinois had an exhibit at Champions Park, plus a special membership event on the Saturday of the race in September. Kenny Wallace drove in the race on the Saturday in September. Overall, we were able to get the Family Farmer car involved in a total of five races.



Exhibit at the Joliet Speedway



Pictured on the track is the Corn Farmers race car and in the background is their pit area



Family Farmers car at the Talladega Race



Producer Education post card (front and back)

2012 - E15 proved to be a tough sell in Illinois because of the legislative process and politics in Springfield. ICGA continued to work hard to pass the legislation, now called “Consumer Fuel Choice Act,” to transfer the current E10 incentive to the highest blend allowable by the USEPA to be sold in the state. Because the state legislature was involved in other major issues during both 2012 and 2013, no action was taken on this legislation.

An update on E15 noted that a Court of Appeals threw out the case brought by the National Petroleum Refiners Association who said USEPA could not bifurcate the rule. So, unless that goes to the next level, E15 can be sold. We had retailers ready to put in tanks after the summer gas goes to winter gas. However, we weren’t sure if there would be enough ethanol to sell E15. ICMB did make a commitment for funding to the first petroleum marketer to sell E15. In 2013, the Pana Qik N EZ station installed an E15 pump as noted in the picture below.

Pictured is an E15 pump in Pana





In regard to the RFS, four democratic governors asked the Administration for a waiver. USEPA published this in the Federal Register for a thirty-day comment period. RFA and Growth Energy pushed back on the need for the waiver. The waiver ends twelve months after the date announced and an extension would probably not be easily done. Following the request of a waiver for the RFS II in late summer 2012, ICGA submitted comments and coordinated comments from other industry professionals and farmers on the issue. The official position of ICGA was to allow science and economics to drive the decision. This was one of biggest threats we had ever had in 2013. It was noted that production of ethanol was around 14 million gallons, which meant we had hit the blend wall.

In regard to NASCAR, Illinois' involvement included races at the Chicagoland Speedway in Joliet during the weekends of July 21-22 and September 15-16, which were the two weekends that the Family Farmers car participated. Since Illinois Corn was an entitlement sponsor, that gave us a lot of television exposure for American Ethanol. ISA cooperated with us on these events. Every camper at the Speedway was given an American Ethanol flag. Illinois also had a contract with Kenny Wallace, representing RAB Racing, and he drove a car in the race carrying the scheme of the Family Farmers Coalition. ICMB's investment in promoting E15 through NASCAR is estimated to have earned overall media valued at more than \$10 million.

In regard to flexible fuel vehicles, it was noted that fifty percent of the domestic auto industry were now producing flex fuel vehicles, but without Corporate Average Fuel Economy (CAFÉ) Standards they wouldn't be able to continue making flex fuel vehicles. It was noted that back in 2009 the autos had signed an agreement with the Administration to produce vehicles which got 54.5 miles per gallon by 2025. The two pathways to get to that point were electric vehicles or a much higher efficiency engine running on an octane of 95-96. Therefore, it was felt we needed to determine a higher blend that autos could work with to start designing vehicles to meet these standards. A big meeting was held on July 22 in Detroit with Ford, Chrysler and GM. ICMB committed funding toward a project "Determine the Benefits of Increasing Octane for Increased Gasoline Engine Efficiency," to be done in cooperation with RFA and the Cooperative Research Consortium composed of auto and oil. This was a way to take advantage of a higher blend of ethanol.

*Indirect land use change* - New data on reducing indirect land use went into the Purdue GTAP model. In working on documenting production agriculture, working with Monsanto, working on the co-product issue and working with the ethanol industry, results showed efficiency towards reducing the penalty placed on corn-based ethanol. RFA's initial work on a lawsuit really helped this case in the courts. This was a huge win for the ethanol industry and gave us some openings to work closely with California to make sure the next set of rules was correct. The ultimate goal was to get this new data into policy makers' hands to influence them to make changes. Funding was committed for the National Biodiesel Foundation project to help fund work at Purdue University, helping to decrease the charges on indirect land use change.

*Ethanol Plant Update* - Some ethanol plants, such as Marquis Energy in Hennepin, were exporting ethanol, creating a new value-added market for corn. To help with a certification process for exporting ethanol to the EU, Randy Stauffer was hired on a contractual basis to work on a self-certification program. In 2013, ICMB voted to continue to contract with Randy through August 2014 for work related to sustainability issues.

2013 – No one seemed to follow through during this year with their threats to the RFS II. However, ICGA continued to lay the groundwork with the Illinois Congressional delegation, encouraging and educating them regarding ethanol and the RFS. ICGA continued to feel that the ethanol market was a cornerstone to increased corn demand, higher prices and economic vitality in the rural areas and committed to continue working to keep corn demand from ethanol markets vibrant and growing.

As of December, all the ethanol producers in Illinois were members of ILRFA, including ADM. The total capacity of ethanol production in Illinois was listed at 1.6 billion gallons. The economic impact of the Illinois ethanol industry to the Illinois economy was \$5.3 billion.

ICGA received a grant from Monsanto and decided to use it towards projects related to classifying corn starch ethanol as an advanced biofuel. A meeting was held with USEPA in March where preliminary work sponsored to update energy numbers for the ethanol industry was presented. This information was critical to reduce the numbers for the corn starch technology and helped some ethanol plants expand their work.

The USEPA issued a notice of rulemaking. The end result, because of some of NCERC's work, was that the USEPA did approve corn kernel fiber as a cellulosic biofuel.

This year was the third year of involvement with NASCAR. It was noted that no other advertising we could have picked would have given us that many public impressions. It helped moved the needle toward E15 by gaining \$7 million in media exposure and thus moved the needle towards ethanol acceptance. Now we need to get the infrastructure in place. A similar presence was done in 2013 at the NASCAR Chicagoland Speedway race, as had been done the past two years. Funding was committed, however, for additional sponsorship to secure the 900th NASCAR start for Kenny Wallace at the Chicagoland Speedway NASCAR race on September 13, 14, and 15, 2013.



Picture of exhibit at NASCAR race in Joliet



Pictured in the model t are staff Lindsay Mitchell and Dave Loos

The process with USCAR was moving slower than we had hoped. However, since the USCAR meeting, Dominic DiCicco from Ford received approval from management to meet with USEPA. Iowa Corn started to look at this based on the two-page research plan Dominic put together. USCAR had a meeting with USEPA in the Ann Arbor office in June of 2013 to talk about the goals and objectives, present some of the research work done, lay out a plan on how to proceed for the future and get feedback on a recommended octane blend. Others participating in the meeting were from Syngenta, Monsanto, John Deere, Growth Energy and ACE. The ICMB Board had discussion about whether to continue with NASCAR or go the USCAR route. It was decided both programs were valuable and were not competitive with each other. It was indicated that USCAR was still probably five years out. ICMB did commit funding to Ford Motor Company of Oak Ridge National Laboratory as part of the USCAR Research Program to conduct engine testing on higher octane/higher blends of ethanol in optimized engines.

*E85 & Blender Pump Program* - ICMB committed additional funding for the installation of blender pumps and E85 infrastructure in an effort to break through the blend wall. The program was to be administered by The Lung Association of the Upper Midwest-Illinois (formerly called ALA). It was noted that there were currently 230 stations in Illinois with E-85 pumps. In the past, ICMB had approved funding toward E85 loadouts at Adkins Energy and Illinois River Energy and it was decided to renew that program by offering funding to other ethanol plants. E85 loadouts at ethanol plants allow petroleum marketers to bypass the terminal and avoid paying a premium when purchasing E85 to sell at their stations.



Picture of a blender pump

Ethanol Research - Several research projects were funded over the years. Some of them included:

1986	The Economic Impact of Ethanol Production	WIU
1991	Update of Ethanol Economic Impact Model	U of I
1992	Reid Vapor Pressure Study	Thermo Concepts, Inc.
	Reid Vapor Pressure of Gasoline	U of I
1993	Ethanol as the Fuel for the Auxiliary Power Unit of a Hybrid Electric Vehicle	U of I
	Hybrid Milling Technology for... Ethanol	



	Production	U of I
	Ethanol-Based Freon Replacement	L & R Research – Tim Lee
	Blended Fuels Training	WIU
	Milling Corn for Ethanol Production	NCGA
1994	Conversion of Corn Fiber to Ethanol	CGLG
	Plastic Composite Supports for Enhanced Ethanol	CGLG
	CLEER™ – Ethanol Based Refrigerant	L & R Research
1995	SAE Testing of CLEERTM	L & R Research
	Blended Fuels Training	WIU
	Lower Kaskaskia Ethanol Plant Feasibility	Southwestern IL Research Council
1996	Hydrated Ethanol...Advanced Fuel Process	
	Development of a Heavy Duty 4-stroke Compression...Ethanol	Arthur D. Little
	Grant for a feasibility study for an ethanol plant in Southwestern IL	
1997	Development of Advanced Ethanol Fuel Cell Power Plant for Transportation	ADL
1998	Use of Quick Fiber...Enhance Dry Grind Ethanol	U of I
2002	Germ Separation for Ethanol Dry Mills	MBI
2003	Marketing Quick Germ, Quick Fiber Technology	Jim Flinn
2005	Corn Oil and Dextrose Process” (Project is a cross between wet milling and dry milling for ethanol plants)	U of I
2008	Improving Feedstock Quality of Corn Hybrid Grain for Ethanol Production	U of I
	Global Warming Impact Analysis of IL River Energy, LLC	U of I-Chicago
	Back End Corn Oil Extraction from the Dry Mill Ethanol Process	Center Ethanol, LLC
	Estimate Land Use Effect for Corn Ethanol	RFA
	Evaluate Land Use Data	USDA
	The Ethanol Platform for the Production of Value Added Chemicals	NCGA
2010	Analyze the GWI of the Next Generation of Products Produced in Ethanol Process	U of I-Chicago
2013	Research on corn-based fuels and chemicals conducted by two post-doctorate researchers, two graduate assistants and two SIU-E faculty research fellowships	SIU-E/NCERC

## RIVER TRANSPORTATION

More than a decade of work has been done by both ICGA and ICMB on river transportation, especially work on the locks and dams issue. The current lock and dam system was constructed in the 1920's and 30's and has been inadequate for growth in barge shipments. Approximately 50% of Illinois corn for exports are shipped down the Upper Mississippi and Illinois Rivers.

The first organization that ICGA became involved with on the river issue was a group called MARC 2000. In 1993, Bob Fitzpatrick attended a MARC 2000 meeting where they were seeking input on rebuilding the lock and dam system on the Upper Mississippi. In 1995, Mike Hoeft, Doug Wilson and Mike Plumer served on the Mackinaw River Management Planning team. A speaker from MARC 2000 was subsequently invited to be a speaker at the Illinois Commodity Conference to talk about issues on the Mississippi River Transportation System. This was the first mention of concerns about the lock and dam system, the un-navigable water systems, and the fact that tows were longer today than when the system was originally built. Senator Moseley-Braun addressed the NCGA while in DC and in a meeting with Illinois delegates, she expressed an interest in river transportation.

Bill Bradley, Kent Kleinschmidt,  
Mike Hoeft and Floyd Schultz meeting  
with U.S. Senator Carol Moseley-Braun



The Army Corps of Engineers began conducting a Navigation Study on the Upper Mississippi and Illinois Rivers to determine whether to upgrade the lock. In addition, the U of I did an impact study on what river transportation means to Illinois. Illinois directors who served on the NCGA Transportation Task Force in the early years were Greg Guenther and Garry Niemeyer.

In 1996, an economic conference was held in Davenport, Iowa, where it was learned that the cost would be \$200 million to \$250 million per lock to update the lock system and the proposal was to start with five locks. ICMB funded radio messages regarding transportation on the Chicago radio stations as part of the "Food for Thought" Campaign.

Information from MARC 2000 about an engineer's study on the need for updating locks shared in 1997. This study concluded there was insufficient information to indicate a need for updating locks before the year 2020. The NCGA Transportation Task Force put together a list of objectives for a meeting in South America to see what they were doing on transportation systems. It was at this point that a suggestion was made to use the IRAM model to gather some facts and figures on

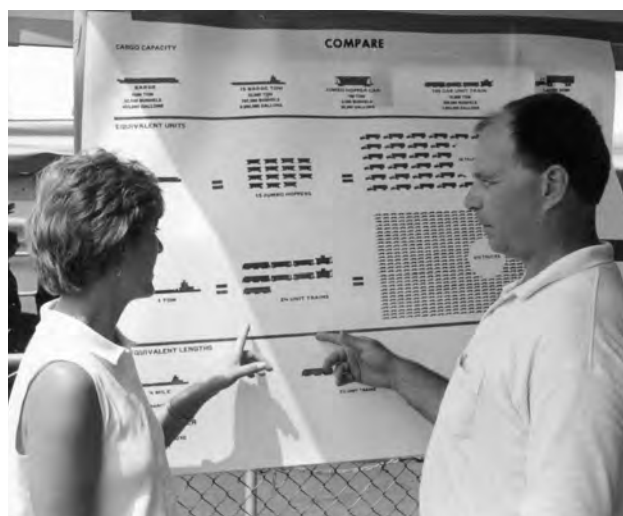
transportation. Co-funding was granted for a regional hypoxia meeting in St. Louis to educate Ag leadership. The first barge tour for a limited number of people was held August 5, with the idea being to get county officials and board members out for a ride to give them information on river transportation in general. A second tour was scheduled on August 7 for other organizations, such as IFB and other Ag organizations in the state. On these tours hypoxia and other issues related to the river were discussed. The barge tours went very well, and it was the consensus that we needed to keep working to get extra data to the Corps. The Army Corps of Engineers held some meetings which were attended by Rodney Weinzierl, Greg Guenther and Doug Wilson.

In March of 1998, an American Heritage Rivers program was held at the state office with Congressman Ray LaHood, R-Peoria, and Wesley Warren, Deputy Chief of Staff of the Council on Environmental Quality with the Executive Office of the President. Ten rivers were expected to be named American Heritage Rivers, and ICGA voted to support the nomination of the Chicago River and the Illinois River Watershed. Doug Wilson, who was a member of CBMP, was appointed to serve on the American Heritage Rivers Initiative Advisory Committee.

Since the barge tours last year were successful, ICGA joined forces with IFB and ISA to sponsor a series of six river barge tours in 1998. The first summer intern, Malena Sipka, was hired to help with scheduling the six barge tours planned with the charge for the tour at \$15, including bus transportation and lunch. One of the tours was held in conjunction with the congressional staff tour. The tours were publicized in Farm Week. ICMB worked with MARC 2000 on a public relations campaign tied into these tours and IFB worked to bring in local media. Missouri and Iowa sponsored their own barge tours. The total participants on the tours included between 1600 and 1700 participants on the Illinois River, 40 to 50 on the Mississippi River in Iowa and 30 to 40 Illinois people on the Mississippi River tour sponsored by Missouri. These tours received good media coverage. Notable people who participated in a barge tour included Senator Mosely-Braun on the Joliet tour, Secretary of State George Ryan on the Pekin-Peoria tour, and two state senators and eight state representatives on the Illinois tours.



U.S. Senator Carol Mosely-Braun, Greg Guenther on a barge tour, Larry Walsh on right



Greg Guenther in front of a chart used on a barge tour





Jim Tarmann talking with a barge tour participant



Jim Tarmann showing a tee shirt promoting new locks



Picture on the 2002 barge tour



crowd on a barge tour



crowd listening to a speaker on a barge tour

In the beginning, the six barge tours included morning and afternoon tours in Meredosia/Beardstown, morning and afternoon in Pekin/Peoria, and morning and afternoon in LaSalle/Ottawa. The barge tours continued to be successful over the next several years, from 1998-2011, with the format changing somewhat in the final years. ICMB provided funding for the barge tours each year and also funded MARC 2000's Public Education Campaign over the years. In 2003, tours were added on the Mississippi River at Quincy, IL, Burlington, IA, Bettendorf, IA and Dubuque, IA. Over the next several years, ICGA continued to hire barge tour interns to help with scheduling the tours. The tour in Peoria had some excitement in 2000, with a protest being staged by the Sierra Club. However, Greg Guenther and Leon Corzine were able to help diffuse their efforts. Another glitch happened in the year 2001 when notification came from the Coast Guard on the Thursday prior to the tours that they deemed these as "for hire events" and the only way to proceed was to refund the money paid. Although we returned the money, the Coast Guard did indicate it would be okay to give participants an opportunity to return the contribution if they so desired, and many of them did agree to pay the contribution. The tours in 2001 had more political figures involved than ever before.

By 2004, more than 15,000 producers, public officials, legislators and consumers had the opportunity to see first-hand what Illinois' inland waterway system meant to the state. In 2005, two new tours were added, one that highlighted the Upper Mississippi's newest structure, the Melvin Price Lock and Dam located in Alton, Illinois and the other in Clinton, Iowa. By the year 2006, the tow companies seemed to be backing off on their support. Therefore, for that year, three chamber tours were conducted in Joliet, Ottawa and Quincy. In 2007 specialized barge tours were done in an

effort to capture more media, like television, and the areas targeted were Alton, Peoria and Bettendorf. Two congressmen from Missouri and Congressman Shimkus and an aide for Senator Durbin participated in the Alton tour. In 2008, work was done with Indiana on organizing barge tours on the Ohio River, with a tour at Newburg, IN and another one at Olmsted, Illinois. The tours in Indiana continued up through 2011 with ICMB contributing funding. In 2011, a barge tour was conducted at the Alton Lock and Dam for Iowa leadership. Barge tours in 2012 were done in Indiana, Ohio and Kentucky.

The first report from the Army Corps of Engineers in 1999 was not favorable to updating the locks, but it was noted the study would not be released for another year. Later in the year the Army Corps of Engineers proposed eight alternatives that called for building locks, and hearings were held around the state. The House Water Appropriation Committee passed \$15 million for engineering work. ICMB funded an external study through NCGA for additional economic analysis verification and critiquing of the U.S. Army Corps of Engineers Navigation study and approved sending one Illinois representative and one NCGA representative to participate in the U.S. House Transportation Committee trip to South America to review their transportation system.

In 2000, ICGA approved supporting the "Illinois River 2020" program, a twenty-year Federal/State Initiative to restore and enhance the Illinois River Basin using voluntary and incentive-based programs. In addition, they voted to support WRDA 2000, only if authorization for locks on the Illinois and Mississippi Rivers were approved. The National Academy of Sciences admitted the model used to do the study on the locks was flawed, and the Academy gave the Corps suggestions on how to proceed.

ICMB approved major funding for a river transportation public education campaign in 2001 which included radio ads that ran over the Memorial Day and 4th of July holidays, as well as ads in FarmWeek and IL Agri-News. Again in 2002, a huge river transportation campaign was funded that included radio spots covering the entire state, television in specific markets, interviews and personal contacts through letters to the editor, brochures and the web site. Laborers donated money toward the media campaign that ran in the Quad Cities, Peoria, St. Louis and Chicago. Public hearings were scheduled in Peoria, St. Louis and the Quad Cities on locks, which was the number one issue for IFB this year. These hearings were successful. It was expected that authorization of the locks would be in WRDA 2002. Meetings were set up with laborers affected by the river transportation issue. At this point in time, it was decided by both boards to engage the lobbying firm, The Capitol Hill Group, to work the authorization of locks from July through elections. New brochures were distributed to county farm bureaus, grain elevators, etc.

Example of information for the public education campaign

In 2003, WRDA 2000 was basically considered dead with the best hope for lock construction now being in WRDA 2004. In October, the Army Corps of Engineers set a series of hearings to make comments on the feasibility study to modernize the lock and dam system. The AFL-CIO expressed interest in becoming part of this program and some of their unions showed up for these hearings. A plan was developed to have 870 semis of grain hauling in at the time of a hearing to show the importance of the river in keeping so many more trucks off the road. Funding was committed for another advertising program. The Mid Central Illinois Carpenter's Union contributed funding toward the program, in addition to helping generate over 10,000 letters into Congress through an ad placed in the St Louis Post Dispatch. The St. Louis District Council of Carpenters saw the ad and contributed money to the MARC 2000 campaign.

Through ICGA and ICMB efforts, by the year 2004 river transportation had been moved to a new level of prominence by gaining the support of the Illinois governor and key state agencies. Public hearings held in June of 2004 introduced the Corps' integrated preferred alternative for managing the upper Mississippi River basin for the next fifty years. ICGA spearheaded an effort to make sure there was a strong showing from pro-navigation interests present at each of the hearing locations. ICGA also continued its efforts to get elected officials in D.C. to support the transportation cause through visits to D.C. in February and March. After more than eleven years, the Corps of Engineers finally completed their work on the Navigation study and sent it to D. C. for the Chief's final review before the final report. ICGA and NCGA were successful in surfacing a Water Resources Development Act bill, however, Congress recessed before taking any action. ICMB approved funding toward USGC's promotional program to show foreign buyers our locks and dams.

In March of 2004, the new Master Manual for the operation of the Missouri River was put into place by the Corps of Engineers which dealt with low water service. Key issues facing Illinois producers revolved around attempts to circumvent this new plan through legislative action. Reports showed the Missouri River reservoirs were at an all-time low, and that could hinder navigational support on the Mississippi.

MARC 2000 was reorganized in 2005, and Paul Rohde was hired as president. Also during the year, the Army Corps of Engineers was under reorganization. The Water Resources Development Act (WRDA) which addressed the need to upgrade key locks on the Illinois River and Upper Mississippi River passed in the House in mid-July but was still awaiting floor action in the Senate. Disaster relief efforts and hurricane clean-up stalled many legislative initiatives and placed a large and unexpected burden on the federal budget. Farmers were paying for the inefficient river transportation every day, because this made corn less competitive to our foreign customers. Some figures noted were that more than 2.5 billion bushels of corn and soybeans were moved for export annually on the Upper Mississippi River System, and Illinois farmers were sending nearly 40 percent of their corn, and more than half of their soybean crops down the Illinois and Mississippi Rivers on barges to export markets.

In the year 2006, DC visits had a big emphasis on WRDA, with an added presence in DC in January and February. From the ICMB Board, Donna Jeschke and Bryan Fogerson participated in the DC visits in regard to WRDA along with representatives from MARC 2000 and Labor.





Picture showing the LaGrange Lock crumbling side wall



Close-up picture of crumbling wall

Educational ads were run in *IL Agri-News* and *FarmWeek* requesting members to place calls to USDA and others in DC in support of WRDA. At a meeting in DC on Feb. 14-16, Greg Guenther, Garry Niemeyer and Jim Tarmann were disappointed with remarks made by Secretary of Agriculture Mike Johanns, indicating locks and dams were in working order and should be operational for another fifty years. In fact, the following pictures show a crumbling side wall at the LaGrange Lock.

The ICGA board voted to start an organized media campaign to emphasize the importance of the passage of WRDA. This campaign included organized telephone calls to USDA, print ads in *IL AgriNews* and *FarmWeek*, emails to MARC 2000 and past barge tour participants, and the implementation of the “Why Corn” telephone number. A reception was held at the Carpenters’ Union to which Senators Obama, Durbin and Bond were invited to come speak. The WRDA bill passed the Senate on July 19, 2006. An ad was placed in *FarmWeek* and *IL Agri-News* to thank the congressional delegation for their help in passage of the bill. WRDA then went to Conference Committee. ICMB did approve funding to conduct an analysis assessing the true status and potential near term of South America’s transportation infrastructure development efforts.

A new source of advertising was used in 2007 when an ad was placed in the “Washington Roll Call” paper. In addition, an email was sent to the membership encouraging calls regarding WRDA. ICMB expressed their frustration because it seemed like the stall tactics in DC pretty much made it a dead issue. ICMB approved funding for a study to look at the impact of a catastrophic lock failure on the Mississippi and Illinois Rivers. The Illinois Chamber implemented this work. A contract was signed with FAPRI to do the study. At this point in time, MARC 2000 and the Waterways Council, Inc. merged, and Rodney Weinzierl was asked to be on the WCI board and executive committee.

Record exports in 2008 taxed the river transportation system and pointed out even more the importance of upgrades to the lock and dam system on the Mississippi and Illinois Rivers. A landmark decision came about in November of 2007 with the passing of WRDA. ICGA worked thirteen years to achieve this. Not only was it passed, but it was also the 107th presidential veto override in our nation’s history! However, WRDA appropriations moved slowly. It was noted that the

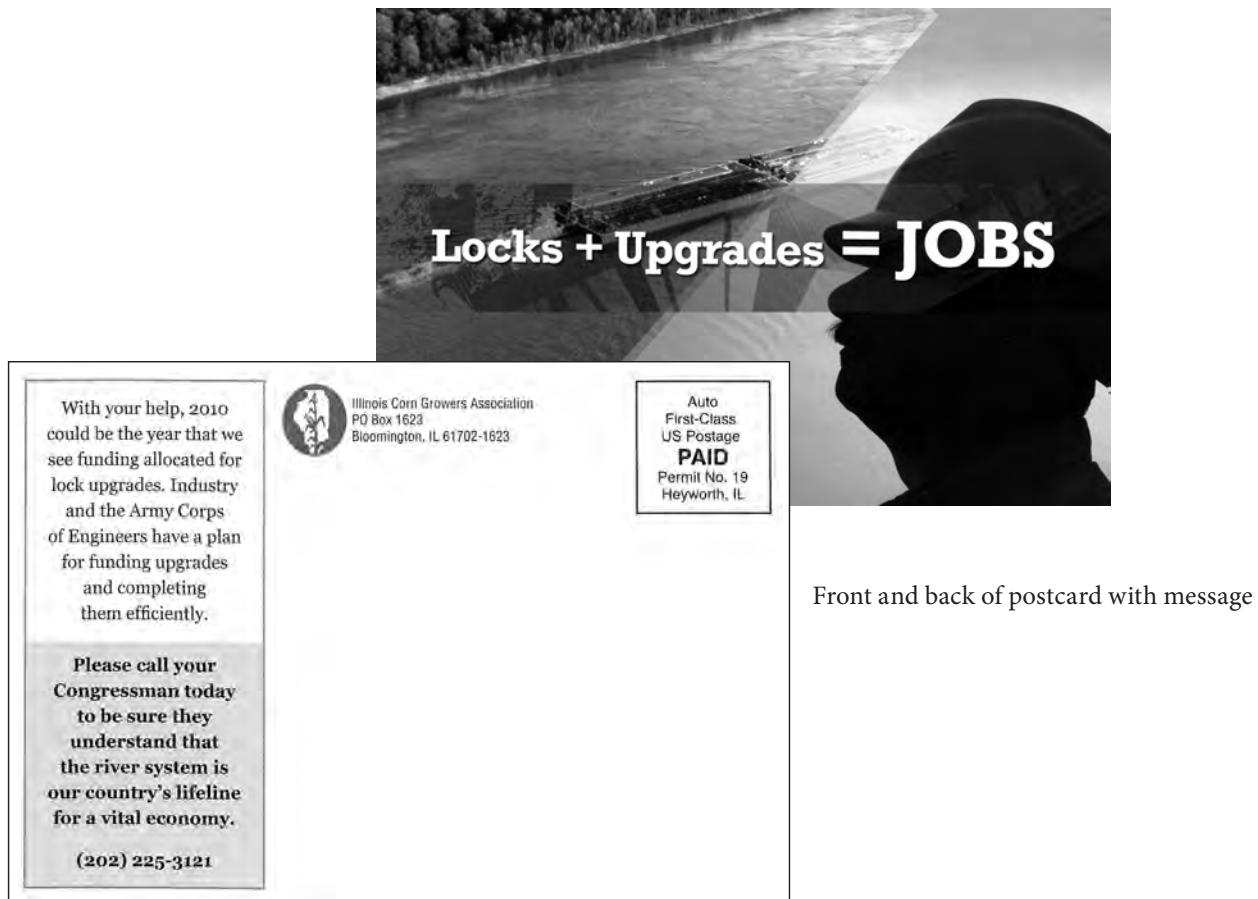
last lock wouldn't be done until 2029. Funding was approved from ICMB to intensify the education on the need for lock appropriations. It was noted that one of the problems with appropriations for the WRDA bill involved the Olmstead project, which at this writing was only half completed and need funding to complete other segments.

The Stimulus package that passed the House in 2009 included \$4.5 billion for the Army Corps of Engineers, but it was noted that amount did not cover new startups. The Senate bill was pretty close to the House version, although it had \$25 million for investigation. At this point, the board felt the only way to get the locks done was by fixing the funding for the Waterways Trust Fund. In working with the Waterways Council, Inc., ICGA used their lobbying power and other partnerships to garner funding for locks and dams modernization. The big winners under Major Rehabilitation were Locks & Dams 3, 11, 25 and 27 on the Upper Mississippi River and the Lockport Lock & Dam on the Illinois River, which received funding from the 2009 Appropriations plus the 2009 Stimulus. Those projects received almost half of the total stimulus funds for inland waterways navigation construction and major rehabilitation. However, significant work remained, especially considering the expansion of the Panama Canal and the potential to pass even larger shipments through the canal. ICMB committed funding toward the Waterways Council, Inc. public education campaign, and that funding continued through 2013. ICMB committed funding toward a major television PR campaign developed by WCI, which ran for three months in the DC area. This campaign focused on waterways, the carbon footprint, and how much more efficient barges were today and ran for three months in DC.

In 2010, it was noted that the funding mechanism and prioritization of projects was broken, and Congress indicated they would not provide any WRDA money until industry and the Corps of Engineers had fixed the problem. Jim Tarmann, Art Bunting and Paul Taylor participated in a fly-in to DC, along with nine other states, to create some buzz about river issues, lock and dam restoration and the capital investment plan.



Group participating in fly-in included Jim Tarmann (front row, third from right) and Art Bunting (behind lady in red plaid)



Front and back of postcard with message

Funding was approved for sending a post card to 8,000 people across the country as a “call to action” on the lock and dam issue. It was noted there was a pending resolution to be considered at NCGA Corn Congress in Anaheim regarding a twenty-cent increase in the barge fuel tax to expedite the proposed Inland Marine Transportation System Capital Investment Strategy schedule. WCI produced commercials of thirty second spots to run two times per day for thirty days, and ICMB approved funding to help with the cost.

A meeting Jim Tarmann and Bill Christ had with Secretary of Transportation Ray LaHood in 2011, turned out to be a locks and dams rally. Secretary LaHood indicated locks were not even on the radar screen. ICMB committed funding for the Indian Creek CTIC effort on the Mississippi River basin issue, for a capacity study by INFORMA to explore how much capacity we have so that perhaps we could use that as a reason to update the locks and dams, and one-third of the cost of 8000 gallons of fuel to sponsor a WWII ship to travel the Illinois River.

In 2012, both the ICGA and ICMB boards visited the Olmsted Locks and Dam in southern Illinois. At this point, Olmstead was not expected to be operational until at least 2024. The continued delays in the project, as well as the draining of the Inland Waterways Trust Fund, would prevent lock upgrades on the Mississippi and Illinois Rivers for the next decade unless significant changes were made.





Pictured are Martin Barbre, Bill Christ and Jim Raben in the back



Picture of the lock



Pictured from l-r are: Tom Groppe, Wayne Anderson, Gary Hudson and far left with blue coat is Larry Hasheider

Below is the timeline on the Olmsted project:

- 1988 Congress authorized the Olmsted project in WRDA 88 with an estimated total cost of \$775 million and seven-year construction duration beginning in fiscal year 1993
- 1989 Corps increased project's construction cost estimate to \$816 million and extended construction schedule to nearly 12 years
- 1991 "New start" construction funding provided
- 2003 Project cost had ballooned to \$1.06 billion with optimum completion date of 2010
- 2011 Project cost had risen to \$2.046 billion, and completion pushed back to 2016
- 2012 Project cost increased again to \$2.9 billion  
Approximately \$1.5 billion appropriated for the project to date, including \$150 million announced in the Corps FY2012 work plan for Olmsted  
At this rate of appropriations, project will take until at least 2022

Working with the Waterways Council, Inc. and our coalition of organized labor, environment and agriculture, a piece of legislation was introduced in the House of Representatives, sponsored by Congressman Whitfield of Kentucky. This legislation, WAV4, called for a complete overhaul of the lock and dam upgrade and maintenance delivery system. Other sponsors of the bill were: Congressmen Costello, Johnson, Shimkus, Kinzinger, Lipinski, and Jackson, Jr. However, the bill didn't move in 2012. WCI continued a public relations campaign in the Washington, DC Beltway. United Soybean Board agreed to join ICMB and provide funding for this campaign on the need for upgraded locks and dams.

In 2013, Jim Tarmann, Garry Niemeyer and Rodney Weinzierl attended a Waterways Council meeting in Houston where the big topic was on the low water issue on the Lower Mississippi and rock pinnacles. The Corps of Engineers indicated they could maintain traffic on the river, but the Coast Guard made the decisions to shut it down. The Corps believed the only option was to remove the rock and indicated they thought that would take sixty days. Since the Corps was not scheduled to start taking the rock out until February 4, ICGA worked to accelerate this process as well as pushing for getting more water released out of the reservoirs. A further consequence of this issue was causing the Ohio River basis to go up while basis on the Upper Mississippi and the Illinois River went down, in turn causing the cost of fertilizer to go up. Later, the Army Corps of Engineers came out saying everything had been solved. In order to pass an increase on the barge fuel tax, it was noted ICGA would have to work with House Republicans. The board voted to oppose a Water Resources Development Act that did not include an increase in the barge fuel tax. WRDA finally passed in the Senate, with almost everything in regard to locks being in the bill. However, only the House of Congress can initiate tax laws, so the barge fuel tax piece is not in the legislation. WRDA discussion in the House was pushed back to late July or early August. At this point, the legislation actually passed in the House and the Senate but remains in Conference Committee. However, as Jim Tarmann noted, “Even though this is a big victory, there is still a long road left ahead.”

A side issue that developed in 2010 was identified with Asian Carp. ICGA voted to contribute to the legal fund of the IL Chamber of Commerce to fight the Asian Carp/lock closure issue. “UNLOCK OUR JOBS” Coalition which included IFB, the IL barge industry, the IL Chamber of Commerce and private industry all committed to help. It was felt there was a likelihood that IL EPA would be sued on non-point source pollution in the waterways in the state, and we needed to begin building relationships between agriculture and municipalities, as the environmentalists were trying to get the municipalities on their side. In 2011, ICGA received a favorable ruling from the Administration on the Asian carp issue, which indicated they didn’t think the locks should be closed. In 2012, it was noted that Congress had given the Corps until 2015 to study and determine the best way to keep Asian Carp out of the Great Lakes. The board did commit to remain a participant in the coalition fighting to keep the locks open, “UnLock Our Jobs Coalition”.

## **BIOTECHNOLOGY**

Biotechnology became one of the major areas both boards dealt with when GMO products were produced, such as Bt corn. The first mention in the board minutes of GMO was in the late 1990’s. In 1997, Vic Riddle met with representatives from Germany who visited the U.S. to learn more about biotechnology. They visited dairy and beef producers as well as producers of Roundup Ready beans and Bt corn. Then in 1998, NCGA scheduled an Issues Forum in DC for Jan. 8-9 on GMO’s and biotechnology. During this year, NCGA reorganized and set up a Biotechnology Working Group. Several of the Illinois directors served on this working group over the years.

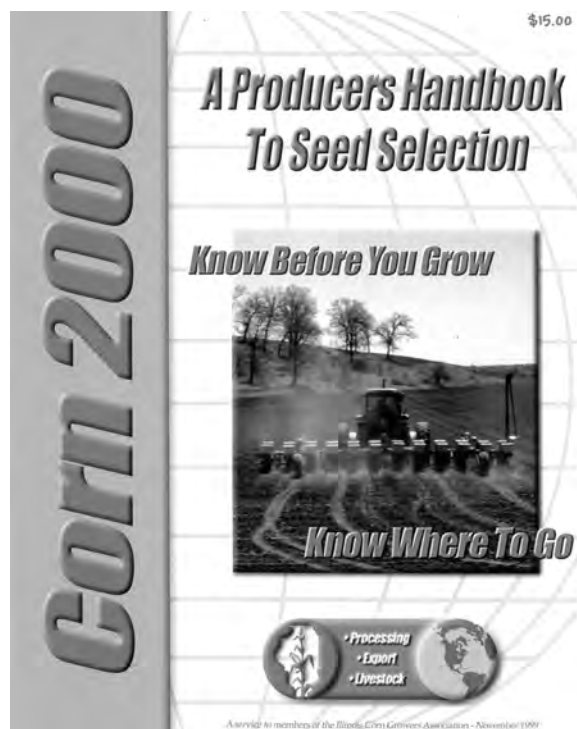
In 1999, ICGA joined IFB and ISA in sponsoring an informational ad in Farm Week listing the current corn/soybean hybrids that were available for production which had not yet been approved for export. The IL Medical Association and an Ag commodity coalition formed a Bio Illinois Initiative group for doing biotechnology research. Groups included in this Bio Illinois Initiative

were Alliance Net, Carle Foundation Hospital, IFB, IL Medical District Commission, ISA and ICGA. NCGA scheduled a meeting in Kansas City on GMO's and representatives from ICGA and ICMB attended. There was a big discussion on the GMO issue, with some board members meeting with representatives from Monsanto. It was noted that Monsanto's protocol for new products was that as long as producers buy, they would keep selling. ADM had a number of crystalline and fructose contracts canceled because they couldn't guarantee non-GMO product.

In 2000, a Council on Biotechnology was formed to deal with all the GMO issues. ICMB voted to become an associate participant by lending its name to the Council's outreach efforts to provide support and guidance. ICGA developed a brochure called "Corn 2000" which was a producer guide to seed selection to get up to date information to growers so that they could make educated planting decisions. The purpose of this manual was to raise grower awareness of the pros and cons of biotech as well as the increased responsibility that came with this production tool.

A new brochure, "Corn 2001," was completed which included an article on corn gluten feed. At this time, there was a lot of discussion on biotechnology and a meeting was held with Monsanto. Ads were run in *FarmWeek*, and *IL Agri-News* called "Know Before You Grow". The Grain and Feed Association of Illinois sent surveys out to first purchasers to see how they planned to handle biotech, and a good response was received to that survey. The Illinois Department of Ag held a number of meetings on approved and unapproved varieties. Steve Pigg, Leon Corzine, Ron Fitchhorn, Jim Tarmann, Ken Kindler and Rodney Weinzierl met with ADM discussing the GMO issue, producer certification, corn oil and ethanol. Monsanto conducted some focus groups and learned that people didn't know much about biotechnology. ICMB and others in the industry launched a large-scale education campaign on how biotechnology affects their lives in positive ways.

In late 2001, Illinois Corn and Iowa Corn identified the need for a Quality Assurance Initiative that would be a value-added initiative based on quality and insuring grain traits to the market. This would be a "For Profit" venture between Iowa and Illinois that would provide some sort of revenue stream back to corn grower members. A USDA value-added grant to match \$300,000 of funding from Iowa and Illinois was applied for and would give a total of \$600,000 capital for the project. Intentions were to get a pilot program going for the fall. ICGA and ICMB both became involved with this project. After it got formed in 2002, the legal name became Novecta, LLC and Chet Boruff became the first executive director. The goal was to build a credible system that allowed producers to participate and lead in shaping the value chain. It was designed to keep unwanted traits out, as well as selling value-added attributes. A couple of operational pilot



Cover of the Corn 2000 booklet



projects were Dow Agro-Sciences and Ursa Farmers Co-op. Training modules were put on CDs with testing being done on the Internet. Ursa Farmers Co-op was one of the first to receive an Agri-First grant for development work to get the training modules done. Dow Agro Sciences released Herculex, and they were the first customer of Novecta. Several projects were worked on following Novecta's inception. An example of one of those projects was "The Biotech Quality Management System", dealing with various certifications utilizing ISO-9000 and HACCP. Also, Novecta was instrumental in the export of ethanol to the European Union using the International Sustainability Carbon Certification.

A "Know Before You Grow Campaign" for 2002-2003 was developed and Monsanto initiated a new campaign with posters for elevators and points of origin, etc. To advertise the campaign television spots ran in the Chicago area geared toward the consumer. The "Corn 2002" booklet was sent out to the elevators by ICMB.

In 2003, the House Appropriations Committee approved a grant for a Novecta project. Martin Barbre served on the Novecta Board, and he noted an offer was made to bring in an additional staff person. Novecta did make an agreement with the Grain Inspection, Packers and Stockyards Administration (GIPSA) of USDA to develop protocols and training to assist growers wishing to achieve "Process Verified" status from the USDA via its voluntary program. ICGA created a value-added booklet to help with the seed purity issue, noting that GMO technology was likely to be very popular and would be blended into the entire corn market rather quickly. It was noted that as long as corn gluten feed was unrestricted, there wouldn't be a problem but if the EU put restrictions on corn gluten feed containing GMO's, we could expect reductions in our exports. Ken Hartman, Martin Barbre, Leon Corzine and Ken Kindler attended a biotechnology meeting at IFB and the biggest topic of discussion there was in regard to pharmaceuticals and cutting the costs for them by using commodity products. ICMB sent the "Know Before You Grow" publications to the grain elevators statewide again.

In 2004, a new publication "Corn 2004" was produced and distributed by ICMB. Biotechnology was one of the areas that ICGA concentrated on this year. The board discovered that biotechnological advances in corn were double edged with benefits and trade-offs associated with each new discovery. One of the biggest challenges was acceptance by the customers, particularly in export markets. Since Illinois was a big exporter of corn, there was much concern about the EU blocking exports of corn gluten due to biotech concerns, thus losing a market for corn equivalent to 250 million bushels. Another challenge was the discovery that corn was an excellent plant in which to produce pharmaceuticals. So much of the ICGA staff and board time was spent in figuring out how producers could benefit while protecting traditional commercial interests. Novecta marked their second anniversary and some of the projects they worked on were one with Monsanto on a USDA developmental grant, a project with Clarkson Grain and a project with John Deere.

In 2005, a limited number of the "Corn 2005" publication was printed, as this was now available on the Illinois Corn web site. However, a copy could be requested by those not having Internet access. An ad ran on market choices and ICMB and ICGA worked together to assure export customers visiting Illinois heard a clear and confident message that this technology was

safe and being managed properly. A group of seventeen international journalists, representing twelve different nations, visited Illinois to see applications of biotechnology in Illinois corn production. The group visited Ron Fitchhorn's farm in McLean County and Pat Dumoulin's farm in Hampshire. A television crew from one of Japan's most popular programs also came to Illinois where they learned about biotech from Len Corzine (NCGA president), John Kuhfuss (ICGA) and Ken Greene (ICMB).



Biotech team visiting farm of Pat Dumoulin who has her back to the camera



Picture of Japanese TV crew at the farm of John Kuhfuss (on right) and in back is Ken Greene

There was a lot of confusion as to which events were approved for feed and food and the 1 percent tolerance was another whole issue on refuge management, which became a bigger and bigger issue down the road with adoption of these events. One of the projects done through Novecta was a Japanese Wet Millers project, which the USGC had been involved with but backed away from in 2004. It was indicated that ICMB had the responsibility to find an end user for the program. Phil Thornton and a representative from Iowa met in New Orleans on this program, and Phil Thornton went to Japan in February 2005. A second year of funding on the project was also granted by ICMB along with co-funding from the Iowa Corn Promotion Board and USGC.

In 2006, Novecta discovered they could play a role in shipping by containers. Craig Buhrow was appointed to the Novecta Board to replace Kenneth Greene. Acceptance of biotechnology was growing annually and gaining momentum both in the U.S. and abroad. An International Biotech Conference called Bio 2006, was held in Chicago and Ag commodity groups were involved with an exhibit to educate those attendees about agriculture.

In 2007, there was discussion on the Syngenta rootworm product and the fact that Japan wanted to shut this off. This was an issue we needed to make producers aware of. However, later, Syngenta did receive a letter of approval from Japan on the Agrisure product. ICMB approved some funding for a U.S. Africa Agribusiness Forum to promote biotech in Africa.

In 2008, ICGA committed funding to Novecta for the purpose of researching traits and their acceptance in foreign markets. Information cards were distributed through FarmWeek on "Respect the Refuge" along with a mailing and push email to membership. Monsanto helped with funding this program that also included radio commercials.

In 2009, it was learned that the American Seed Trade Association suspended their market choices program, and producers were directed to visit the NCGA web site under the “Know Before You Grow” section to get a listing of the traits that were okay. ICMB approved funding to Novecta for the purpose of providing education and outreach on handling and movement of biotech crops.

Another International Biotech Conference was held in Chicago on May 3-6, 2010, and ICMB committed funding and offered an invitation to ICGA to have two growers attend. Countries opposed to GMO corn had a booth to try to get companies to manufacture products in their country. ICGA had opportunity for a small information display with IDA and DCEO. There was concern with corn amylase which passed the regulatory processes through DOA, EPA, etc., because there were questions in the industry as to whether or not this should get mixed in with other corn. Therefore, industry was holding up this trait from being deregulated, which set a precedent. In the NCGA Biotech Working Group, it was noted that refuge compliance was 82 percent this past year. DOW and Monsanto came up with an IRM calculation, but industry and farmers needed to work together. With the downturn in the economy, work had pretty well dried up for Novecta, so they were in the process of restructuring. ICMB voted to move forward with working with the Buffet Foundation in the biotech area, noting that the project could last from three to five years. An exhibit was located at the IFB Governmental Affairs Conference which focused specifically on refuge compliance.

Novecta restructured in 2010 and in 2011, it was indicated Novecta would remain as an entity so that if there was ever a purpose or need for the company, it could pick up and run. ICGA committed funding for doing refuge education through either a printed ad or post cards. The board focused on other areas rather than biotechnology in the last few years.

In 2012, a mission was scheduled for the EU from March 18-28. Representatives from Iowa and Nebraska also participated. The purpose of this mission was to look at biotech issues, livestock issues, the sustainability program and transportation issues.

In 2013, three public hearings were held in June about the GMO labeling bill in Springfield. ICGA members attended to balance out the crowd.

Pictured are board members who went on the EU Mission: Jim Rapp, Phil Thornton, Bill Long, and Eric Kunzeman





## Water Quality

In the late 1990's a new group called the Council on Best Management Practices (CBMP) was formed by IPPA, IFB, ISA, IFCA, ICGA and Novartis. The main purpose of this group was to deal with water quality issues. Over the years, the following ICGA members served as chairs on CBMP: Doug Wilson, Roger Sy, Jim Reed, Gary Hudson and Jeff Jarboe.

ICGA believed it was possible to maximize profitability while keeping soil particles and the chemicals and fertilizers attached to them out of the water supply. Beginning in 1997, the ICGA Board became involved in water quality issues, with Mike Hoeft serving on the Mackinaw River Watershed planning committee and Doug Wilson serving as an action team member. Through the efforts of ICGA and other groups, the Lake Springfield water shed was the one selected throughout the country to be the model project. ICGA hoped to act as a facilitator of information for landowners, companies and government entities interested in solving challenges in the watershed through the use of filter strips, no-till and other proven practices. A Best Management Practices brochure was created to take to the DC congressional visits.

In 1998, ICGA launched a major water quality initiative with the first phase being a producer education program focusing on implementation of best management practices. Timing on this effort was good because the USEPA had decided to enact clean water legislation, with the result that more watersheds than ever were on a list of needing work. Section 303(d) of the Federal Clean Water Act and the Water Quality Planning and Management Regulations were driving this effort. New guidelines increased the number of Illinois watersheds under scrutiny from 65 in 1996 to the new list which had segments of 707 different watersheds. Illinois EPA held a public hearing on their draft proposal in February 1998. In January 1998, ICGA recommended that NCGA investigate filing a lawsuit challenging USEPA's authority to implement regulations on non-point sources of pollution and to work with other Ag organizations to investigate legal strategies relating to implementation of Illinois' submittal. Sources indicated the USEPA had been hit with several lawsuits in twenty-eight states by environmental groups who believed the water quality initiatives were not moving fast enough.

During this year, a new CBMP manual was circulated which was announced at a press conference at the Illinois Commodity Conference. This manual was also mailed to the membership. Funding was committed for the CBMP Research and Coordination Watershed Project. ICGA proposed that Extension do the work on this project for best management practices research to ensure safe water, and Novartis committed funding for three years toward the project. A Nitrogen Fertilizer Worksheet was inserted into *IL Agri-News* and *Farm Week* with IFB and the Illinois Fertilizer and Chemical Association helping to cover the cost. A water quality forum was held in St. Louis, resulting in the formation of a Water Quality Task Force. George Czapar from the Extension Service was hired to work with CBMP on building plans for helping watershed improvements and water quality plans.

In 1999, ICGA voted to fund a study on the Illinois EPA 303d List of Impaired Waters. Jean Trobec from IFCA gave a presentation to the board regarding groundwater or surface water problems. The board voted to support the concept of the draft "Illinois Generic Pesticide Management Plan for Pesticides in Groundwater 1999" and to explore other Water Quality concerns and issues. CBMP conducted a campaign this year to put labels on anhydrous tanks.

In 2000, ICMB got involved with water quality when they voted to participate in the Lake Decatur nitrogen education campaign on water quality. In 2001, a Buffer Strip Initiative was announced at a press conference. Roger Sy replaced Doug Wilson on CBMP.

By 2004, CBMP entered its third year of conducting educational programs on the benefits of using “N with inhibitor” and was awarded a federal grant. One of the programs CBMP launched was a chemical tank recycling program which was well received. Roger Sy served as president until November 2004.

CBMP continued to work on water quality issues for the next few years with a representative from ICGA, along with Rodney Weinzierl, attending their meetings.

The next significant mention of activity came in 2010 when Novecta got involved in water quality, trying to position themselves to be the best resource on water issues. ICGA committed funding for more resources to deal with water issues. ICMB committed funding for three years to fund a water quality specialist at Novecta. In addition, ICMB committed funding to hire Mike Plumer to work on water issues, representing Illinois Corn at the Mississippi River Basin Initiatives, with Illinois EPA, USEPA and others relating to standards, regulations, etc. Funding was also approved for a project to assess the economic impact on farms as they had to develop individual nutrient management plans.

In 2011, a number of meetings were held on water quality with discussions on nutrient issues such as phosphorous and nitrogen. Phil Thornton and Jim Tarmann attended a meeting on water quality where they learned that nutrient run off had a number of players and was going to be a big issue for the future. The number one goal for the ICGA Grassroots Committee was to “Establish science based nutrient standards for phosphorus and nitrogen which make meaningful and measurable nutrient reductions without compromising future corn production potential by 2014”. USEPA pushed Illinois EPA to develop nutrient plans, and Mike Plumer worked part-time on a nutrient management plan with funding coming from ICMB.

CBMP came up with a plan “Leave it on the Land by 2040 Concept” which was supported by ICMB. At this point in time, Gary Hudson was serving as president of CBMP. He launched a new program called “Keep It on the Crop (KIC) by 2025” at the Farm Progress Show and ICMB committed funding toward this project. Funding was also being sought from companies such as John Deere, Case IH and Monsanto.



Press conference announcing the KIC 2025 program with Gary Hudson speaking, Dale Hadden from ILFB, Jean Payne from IFCA and Mike Plumer in background

The purpose of KIC 2025 was to delay implementation of heavy-handed regulations on nutrient management by implementing a research and educational program to help farmers understand best management practices for reducing nutrient runoff. The USEPA cracked down on nutrient runoff in the Chesapeake Bay area with some regulations that hit the farmers in that area pretty hard. ICMB committed funding to secure Mike Plumer's services on water quality issues through Aug. 3, 2012. In addition, a research proposal, "Survey of the Air and Water Permitting Processes and Fees in States Surrounding Illinois," was funded with survey work to be done by Weaver Boos Consulting, Inc. The states they surveyed were WS, IA, MN, IN, OH and IL.

In 2012, both Gary Hudson and Jeff Jarboe served on CBMP. A spring workshop was put together on nutrient use. A KIC by 2025 advertising spot ran during the fall, noting that the Discovery Farms were involved with this program. CBMP, including Gary Hudson and Jeff Jarboe, visited the Discovery Farms in Wisconsin and Minnesota June 18-20. At the Discovery Farms program in Minnesota, research had been conducted since 2001 by collecting data from farmland, prairie/pasture, and naturally wooded areas in regard to water runoff to determine how much nutrient runoff there was from each area and how much was coming from the tile. One interesting fact they discovered was that the nutrient runoff from the naturally wooded area was higher than the nutrient runoff from farmland. Also of note was that the biggest contributor of phosphorus runoff was cattle on pasture. Using the Wisconsin Discovery Farm as an example, CBMP decided to set up Discovery Farms in Lexington, Illinois to study the effects of many different best management practices on the soil profile and nutrient loss. It was noted that it would take about two years to get the informational pipeline to determine whether this was economical or a detriment to the farmer. Mike Plumer was contracted to coordinate and develop this research.



Pictured are Mike Plumer talking with others



As the result of a checkoff referendum on fertilizer to move it out of the IDA, a new board was set up called Nutrient Research & Education Council (NREC), and Gary Hudson, as representative of CBMP, was asked to sit on this board and was subsequently elected chairman. One of the programs they funded was KIC 2025. In regard to CBMP, it was noted fifty farmers had signed up for a nitrogen application replicated trial during the fall, working mostly in the area from Lake Decatur to Indian Creek. In regard to the GIS mapping program, which the boards have continued to fund, Mike Plumer worked to get watersheds and water quality information into the system. In addition, work was being done to add land use change into the system as well as digital plat books.

New players were added into CBMP in 2013 when Growmark and Monsanto joined. With the recent water nitrate issues, it was felt the USEPA was likely to move quickly to implement new regulations for farmers in regard to fertilizer usage. Currently, there was a lack of data to present as evidence to the USEPA in questioning farming practices, and this was an opportunity to start collecting that data. A meeting was held in March to document how water quality should be handled and how to document the reduction of nutrients leaching into Illinois waterways. More facts were needed to defend ourselves on this issue.

In 2013, several down-state cities were on the verge of going over 10 ppm nitrate levels in their finished water, even after water filtration. It was noted that if the nitrate levels went over 10 ppm, by law the city had to supply bottled water to all pregnant women and children under the age of eighteen months. Champaign, Bloomington, Decatur and Joliet had all exceeded 10 ppm nitrate levels in their unfinished water and were currently running their denitrification systems, which cost approximately \$15-20K per day to effectively denitrify the drinking water. Springfield was the only city listed without any capability of removing nitrates from water, and providing drinking water as specified above would cost them approximately \$100,000 per day. Consideration was being given to adding a soil scientist, a Discovery Farms manager, and contracting with the business that worked in the Chesapeake Bay area to try to get ahead of this issue. A significant nitrogen loss for the 2013 crop was reported, both from what was left from 2012 and what was fall applied because of the high amount of rain in the spring. So, everyone was now trying to come up with a plan that the USEPA would agree to in order to hold off Chesapeake Bay type regulations. The contract with Mike Plumer was renewed through August of 2014. ICMB also committed funding from their FY 2014 budget to analyze data related to corn production's impact on nutrients and water quality.