

**MINUTES OF THE AUGUST 7, 2012, MEETING OF THE AGRICULTURE COMMITTEE OF THE
BOARD OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the "Board") of the Illinois Finance Authority (the "IFA"), pursuant to notice duly given, held an Agricultural Committee (the "Committee") Teleconference Meeting at 9:30 a.m. on Tuesday, August 7, 2012, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson, Suite 2555, Chicago, IL 60601.

Board Members Participating:

Michael W. Goetz
Edward Leonard, Sr.
Roger Poole
Bradley A. Zeller

Staff Participants:

Christopher Meister, Executive Director

By Telephone:
Sohair Omar, Policy & Operations Analyst
Lorrie Karcher, AG Program Coord./Office Mgr.

Others Participating:

Acting Director, IL Dept.
of Ag – Bob Flider

I. Call to Order and Roll Call

Committee Chairman Leonard called the Committee to order at 9:30 a.m. and asked Ms. Karcher to call the roll. Ms. Karcher called the roll with the above Members present. Mr. Leonard declared the quorum met.

II. Review and Approval of July 3, 2012, Agriculture Meeting Minutes

The Agriculture Committee reviewed the Minutes of the July 3, 2012, Agriculture Committee Meeting. Mr. Poole moved to approve the Minutes and Mr. Goetz seconded the motion. The motion was followed by unanimous approval of the Committee.

III. Project Discussions

No projects were presented for approval.

IV. Other Business –

Director Meister welcomed and introduced Acting Director, Bob Flider from the Illinois Department of Agriculture. Meister continued to thank Director Flider for working closely with IFA along with the Governor's office to support the drought stricken counties.

Mr. Flider provided an update to the Committee by indicating the drought conditions continue to worsen with over 42% of Illinois corn crops to be rated as very poor per the August Crop Survey, the worse it had been seen since the survey began. He continued by describing the drought having tremendous impact on the agriculture sector including livestock producers with commodity prices escalating due to lack of availability even with such an optimistic early planting season. He reported that over 98 counties had been declared and qualifies for Federal Secretarial Disaster relief assistance. Due to the depressed prices the end user, consumers, will eventually be impacted by high prices in the grocery stores.

Director Flider added that trends are showing hog producers selling their heads and will look to re-establish once the environment stabilizes. Flider went on to say that the Farm Bill needs to be passed to extend programs that have expired and will continue to push allowing the Farm Service Agencies and USDA to work together in providing aid to the agriculture community.

Director Meister indicated that IFA has built an infrastructure allowing program support to the areas not covered by federal assistance. He said it was critical that the Illinois Drought Task Force, USDA, along with IFA's Agriculture Committee continue to look for options to target the needs and to successfully implement programs to the grain producers as well as the livestock and agri-businesses affected by the drought stricken areas within the State.

Committee Member Mr. Goetz asked Director Flider what types of assistance the producers would be looking for from the state. Director Flider advised a variety of low cost programs from working capital, loans, and grants as well as the Federal assistance. He went on to say that crop insurance is a dependable way to re-coup costs to grain producers including approximately 48% Federal subsidizing of crop insurance however livestock producers don't have the same options available. Information will become clearer once the farmers head into harvest.

Director Flider thanked IFA for their support and program direction regarding the challenges from the drought as well as the readiness to implement and act.

Next on the agenda, Director Meister presented the IFA's Task Force Strategy plan for approval. Mr. Meister indicated it had been prepared with the input and support of Sohair Omar, Jim Senica, Lorrie Karcher and IFA's outside marketing consultant, Marj Halperin Consulting Group. The plan outlines re-engaging our current partners which are the community banks as well as our agriculture groups such as Illinois Bankers Association, Community Bankers Association, Corn Growers, Farm Bureau, and Beef & Pork Associations and so on. He then asked Lorrie Karcher to give an overview of the plan to the Committee.

Ms. Karcher began by describing the plan as two parts – one with our current prospects which involves the most involved end-users for IFA programs and one with our outstanding customers that has used programs in the past but not as often.

Through both groups IFA Ag staff along with outside marketing consultants would initiate and restore lapsed relationship and create new alliances with lenders unfamiliar with IFA services through outward contacts and relationship building through direct mail, media placements, calls, emails, updated program materials, etc. with primary focus on putting IFA literature on their desk and in the hands of lenders when talking with their borrowers regarding their year-end financing needs as well as next year start up costs.

Karcher went on to describe the other aspect of the plan would create an industry team to assist in quickly spread information and bring borrowers into IFA Ag programs. The support team or Task Force would consist of approximately 15 – 20 members from the outside agriculture groups. They would also assist in program evaluations and community outreach via communication tools.

She indicated the two-tiered marketing plan will address short-term needs and build long-term awareness for IFA programs. Committee member Goetz indicated and agreed the plan needed to address both short-term and longevity. Mr. Poole added he agreed with the need of a formal plan which needed to be implemented but strengthened as it progressed.

There being no other discussion, Chairman Leonard asked for a motion to adopt the Strategy Plan and present to the Committee of the Whole on August 14, 2012. Mr. Goetz moved to approve the plan and Mr. Poole seconded the motion. The motion was followed by unanimous approval of the Committee.

V. Adjournment

Committee Chairman Mr. Leonard asked if there was any other business before the Board. Hearing none, Mr. Leonard asked for a motion to adjourn. Mr. Goetz moved to adjourn the meeting and Mr. Zeller seconded the motion. The motion was followed by unanimous approval of the Committee. The meeting adjourned at 10:15 a.m.

Minutes submitted by:

Lorrie Karcher
Agriculture Program Administrator