

**ILLINOIS GRAIN INSURANCE CORPORATION
BOARD OF DIRECTORS
MINUTES**

March 28, 2024

I. Welcome

Jerry Costello, Director of the Illinois Department of Agriculture (IDOA) and President of the Illinois Grain Insurance Corporation called the meeting to order at 10:02 a.m. on Thursday, March 28, 2024, with all parties appearing in-person or virtually through video conference as listed below. The agenda was posted prior to the meeting and distributed to the Board members and attendees. The virtual meeting was open to the public at 9:55 a.m. prior to the call to order.

II. Roll Call

Secretary Designee Vanessa Minson called the roll. Present in-person were Julie Rachford, Board Member and designee for the Director of the Department of Insurance; Vanessa Minson, Board Member, Board Secretary and designee for Attorney General Kwame Raoul; Elizabeth Turner, Board Member, Board Treasurer, and designee for State Treasurer Michael Frerichs; and Judy Vollmar, Board Member and Chief Fiscal Officer Illinois Department of Agriculture. Jerry Costello, President of the Illinois Grain Insurance Corporation was present and appeared virtually via video conference.

III. Introduction of Attendees and Advisory Committee

Others present included the following members of the Advisory Committee and staff of the IDOA:

Joe Small –

Chief of the Bureau of Warehouses, Illinois Department of Agriculture

Dave Gleason –

Illinois Department of Agriculture Representative

Joe Kapraun –

Grain & Feed Association Representative, Advisory Committee Member

Spencer Janssen – *Appeared Virtually**

Grain & Feed Association Representative, Advisory Committee Member

Mark Bunselmeyer –

IL Corn Grower Association Representative, Advisory Committee Member

Richard Carroll –

IL Farm Bureau Representative, Advisory Committee Member

Dave Ramsey –

IL Farmers Union Representative, Advisory Committee Member

Dwayne Anderson – *Appeared Virtually**

IL Soybean Association Representative, Advisory Committee Member
Jeff Adkisson – *Appeared Virtually**
Grain and Feed Association Executive Director, Industry Member
Bill Bodine – *Appeared Virtually**
IL Farm Bureau Legislative Representative, Industry Member

IV. Treasurer’s Report

Prior to the meeting, Elizabeth Turner, designee for the State Treasurer, distributed an investment report indicating that the balance of the Illinois Grain Insurance Corporation’s Illinois Fund’s account as of February 29, 2024 was \$9,879,171.47. The average interest rate for the month of February 2024 was 5.399%

Treasurer Turner’s reports indicate that the rate increased from last year’s report where the average interest rate for the month of February 2023 was 4.481%.

Vanessa Minson moved to approve the treasurer’s report, and Judy Vollmar seconded the motion. The motion passed without objection. Treasurer’s report dated March 8, 2024 was approved and attached to the minutes as page seven (7).

V. Secretary’s Report

- A. The minutes of the March 30, 2023 meeting were distributed prior to the meeting. No additions or corrections being requested or presented.
- B. Elizabeth Turner moved to approve the minutes and Julie Rachford seconded the motion. There being no further discussion, the minutes were approved.
- C. The minutes will be made available on the IDOA website.

VI. New Business

Joe Small, Chief of the Bureau of Warehouses, provided the following information as of February 29, 2024 and stated that the funds have been growing:

- A. Illinois Grain Insurance Fund Balance
 - Cash: \$9,879,171.47
 - Equity: \$9,895,879.97
 - Difference: \$16,708.50
- B. Regulatory Fund Account Update
 - Balance: \$469,001.51
- C. Grain Indemnity Trust Account Update
 - Balance: \$154,118.93

Before the meeting, Small distributed the Bureau of Warehouses March 28, 2024 IGIC Annual Report and information as included below in section D.

D. Update on Illinois Grain Insurance Fund Assessments as provided by Joe Small:

Bureau of Warehouses (WHS) March 28, 2024 IGIC Annual Report

IGIF Balance Update			
Illinois Grain Insurance Fund Balance	06/30/23	02/29/24	Difference
Cash	\$9,473,404.31	\$9,879,171.47	\$405,767.16
Equity	\$9,474,675.31	\$9,895,879.97	\$421,204.66
Difference	\$1,271.00	\$16,708.50	

Regulatory Fund Account Update			
	06/30/23	02/29/24	Difference
Regulatory Fund Balance	\$403,433.25	\$469,001.51	\$65,568.26

The balance in the Regulatory Fund consists of the collection of licensing fees that must be used to implement and monitor Grain Code programs. The \$65,568.26 increase is mainly due to \$58,100 in licensing fees and \$15,650 in interest collected along with \$8,150 in expenses paid.

Grain Indemnity Trust Account Update			
	6/30/23	2/29/24	Difference
Grain Indemnity Trust Fund Account	\$137,466.03	\$154,118.93	\$16,652.90
Includes Grain Asset Preservation Fund	\$49,789.00	\$49,789.00	\$0.00

The balance in the Grain Indemnity Trust Fund Account consists of various collateral posted to the Department by licensees, liquidated assets associated with failed licensees, and the Grain Asset Preservation money. The \$16,652.90 account balance difference is mainly due to a licensee posting \$23,371.00 in collateral for a financial deficiency violation and the Department returning \$6,718.00 to a licensee that regained compliance.

Update on IGIF Assessments			
IGIF Assessment Revenues	7/1/21 to 6/30/23	7/1/23 to 2/29/24	Est. 7/1/23 to 6/30/24
Newly Licensed - Grain Dealer Assessment	\$53,501.00	\$961.00	\$9,961.00
Newly Licensed - Grain Warehouse Assessment	\$2,726.00	\$342.00	\$342.00
Permanent Capacity Assessment	\$27,972.00	\$18,953.00	\$19,622.00
Temporary Capacity Assessment	\$35,942.00	\$33,178.50	\$33,707.00
Emergency Capacity Assessment	\$6,450.00	\$3,331.00	\$3,331.00
Penalties	\$500.00	\$500.00	\$500.00
Printers Fees	\$2,300.00	\$2,300.00	\$2,300.00
Interest on Illinois Funds	\$347,903.10	\$351,147.61	\$526,721.00
Services in Kind From IDOA	\$18,780.00	\$0.00	\$19,780.00
Recovery on Claims Paid	\$17,540.88	\$10,491.55	\$16,653.00
Total	\$513,614.98	\$421,204.66	\$632,917.00

Grain Dealer and Warehouse Licensure			
	As of 2/28/23	As of 2/29/24	Difference
Total Permanent Storage Capacity in Bushels	1,619,153,000	1,617,681,000	-1,472,000
Number of Licensed Companies	223	212	-11
Number of Licensed Locations	995	960	-35
Number of Grain Dealers	218	206	-12
State Licensed Warehouses	173	159	-14
Federal Licensed Warehouses - (2/28/22 - 13 participate in the fund and 6 do not)	19	17	-2

Small indicated that there were not any failures and continued increase in interest rates from the Treasurer's office has mainly led to the balance increase. Illinois grain storage capacity has maintained. Regulatory fund usage is typically used to pay for examiner travel and training expenses and public notice costs.

Director Costello added there has been ongoing effort made to increase staff hiring for the Bureau of Warehouses.

E. Bureau of Warehouses Staffing Level

The Bureau of Warehouses has a current staff level of fourteen (15).

3 office staff consisting of the Administrative Assistant, the Warehouse Examiner Supervisor, and the Bureau Chief.

12 Warehouse examiners in the field across the state.

Currently, working through State hiring process for examiner position in Bureau County.

VII. Old Business

Before the meeting, Joe Small provided the following written update on outstanding failures:

Failures associated with SGI Agri-Marketing

SGI Agri-Marketing LLC, a grain dealer in Gibson City Illinois (Ford County), had its license revoked at an administrative hearing on 11/9/16 for financial deficiencies and failure occurred on 11/1/16 which was the date the license was denied. The producer claim deadline was 1/29/17. Warehouses (WHS) had five requests for claim hearings in which one was finalized in Circuit Court in favor of the Department and one still in the court process. The total value of the remaining case that went to Circuit, Appeals, and Supreme court was \$83,210.18 or \$70,728.65 at the statutory 85% coverage rate.

- On 3/15/21, the Circuit Court of Ford County ruled in favor of the Department on the remaining case. The claimant appealed the ruling, and the Appeals Court ruled in favor of the claimant on 4/26/22. On 1/17/24, the Illinois Supreme Court heard arguments, and we are awaiting a court decision. Therefore, \$83,210.18 or \$70,728.65 at the statutory 85% coverage rate is the outstanding case amount.

During the meeting, Joe Small announced that on Thursday, March 21, 2024 the Illinois Supreme Court decided in favor of the Department and neither amount of \$83,210.18 nor \$70,728.65 will have to be paid

Dave Ramsey asked over the course of the last two years whether there has been a notice in decline of industry health. Joe Small responded that there has been an increase in interest charges that must be managed, and this has put pressure on the net income of companies.

Dwayne Anderson asked if the Department had any “watchlist” for dealers showing whether the company numbers increase or decrease. Joe Small responded this watchlist for the Bureau of Warehouses is not something that is disclosed to the public and that the watchlist for the bureau is only done in a manner of watching companies so that mitigation can be done in advance to prevent failures and to the protect the fund and farmer, but is not something for grain companies or the public.

VIII. Adjournment

There being no further business, President Costello provided the next annual Grain Insurance Board Meeting date, set Thursday, March 28, 204 at 10:00 a.m.

Elizabeth Turner made a motion to adjourn. Julie Ratchford seconded the motion. There being no further discussion, the meeting was adjourned at 10:18 a.m.

Respectfully submitted,

Dated: March 28, 2024

/s/ Vanessa Minson
Assistant Illinois Attorney General
Secretary- Designee
Illinois Grain Insurance Board



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

March 8, 2024

TO: Illinois Grain Insurance Corporation Board
FROM: Illinois State Treasurer Michael W. Frerichs
Elizabeth Turner Designee

Investment Report:

The balance in the Illinois Grain Insurance Corporation's Illinois Fund's account as of February 29, 2024, is \$9,879,171.47.

The average interest rate for the month of February 2024 is 5.399%.

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State Capitol
Room 219
Springfield, IL 62706
Phone: (866) 458-7327
Fax: (217) 785-2777
TTY: (866) 877-6013

555 West Monroe Street
14th Floor
Chicago, IL 60661
Phone: (866) 458-7327
Fax: (312) 814-5930
TTY: (866) 877-6013

Marine Bank Building
1 East Old State Capitol Plaza
Springfield, IL 62701
Phone: (866) 458-7327
Fax: (217) 524-3822
TTY: (866) 877-6013

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