

INAgLaw

Indiana Agricultural
Law Foundation

ANNUAL
UPDATE

2016

Indiana Agricultural Law Foundation, Inc.
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Indiana Agricultural Law Foundation, Inc.

2016 Update

“Defending our growing industry”

Indiana Farm Bureau established the Indiana Agricultural Law Foundation (INAgLaw) to become more actively engaged in the judicial branch of government on behalf of Indiana agricultural producers. INAgLaw formally received its 501(c)(3) not-for-profit status determination from the Internal Revenue Service in April of 2005. This distinction recognizes INAgLaw as a charitable foundation whose purpose is to broaden the understanding of legal issues impacting Indiana farmers, landowners, the legal community and the general public. Contributions to INAgLaw are considered tax-deductible charitable contributions.

Indiana farmers operate in a complex legal environment. Federal, state and local laws, statutes and regulations present difficult challenges to Indiana agriculture. Lawsuits, often initiated by interest groups opposed to production agriculture, can threaten the very existence of the family farm. Navigating the legal landscape has become an essential facet of modern agriculture. Throughout its existence, INAgLaw has effectively promoted a better understanding of legal issues facing Indiana agriculture through educational programming and support of precedent-setting litigation.

Applicants to INAgLaw can request support for educational programs, legal research and litigation assistance. To receive support from INAgLaw, applicants present their request to the INAgLaw Advisory Committee, which bases its decision largely upon the likelihood of establishing favorable legal precedent for Indiana agriculture or furthering the understanding of complex legal issues. The Committee makes recommendations to the INAgLaw Board of Directors for final determination. The INAgLaw Advisory Committee for 2016 was:

Steve Maple, Chair
Philip Springstun
Harold Parker
Kevin Ousley
Dave Wyeth
Dan Gordon, Esq.
Josh Trenary, Esq.
Ed Yanos
Jeremy Barron
Don Lamb

Indiana Agricultural Law Foundation Activity in 2016

CASE SUMMARIES

Indiana Fence Law - Belork (Starke Co.) - This application came from Mr. John Belork and involves the application of Indiana's fence law. Mr. Belork was represented by attorney John Schwarz of the Schwarz Law Office in Hudson, Indiana. Attorney Todd Janzen of Janzen Ag Law, Indianapolis, Indiana was also involved in the case and drafted an Amicus Curiae brief supportive of Mr. Belork's position.

This case presented relatively simple facts. Belork, a cattle farmer, brought suit against the Starke County Davis Township Trustee, seeking an order requiring the Trustee to adhere to her statutory duty to see that partition fences between Belork and his crop-raising neighbors were completed in accordance with Indiana Code 32-26-9. The trial court ruled against Belork, reasoning that the neighbors did not "use" the fences and therefore could not be compelled to build half of them. Belork appealed, and the Court of Appeals affirmed the trial court's opinion, ruling the fence was used only to keep Belork's cattle out of the neighbor's fields, and therefore the neighboring landowners did not need to construct, maintain, or pay for the partition fence. In doing so, the Court of Appeals relied on Illinois law interpreting an Illinois statute. Illinois' statute imposed some level of reasonableness and fairness in partition fence disputes. Indiana's statute is much different.

This holding was a significant departure from the accepted law and long-standing agricultural practice in the State of Indiana, which provide that as long as one property is agricultural, neighboring property owners must share the costs of maintaining a partition fence, regardless of whether both owners raise livestock. Courts in states with fence laws like Indiana have consistently required adjoining property owners to share in the costs of maintaining a partition fence.

Indiana's fence law has been debated and generates differing opinions among agricultural stakeholders. The issue supported by INAgLaw is that changes to existing, well-settled law should come from the legislature not the judiciary.

Upon the Court of Appeals' ruling, INAgLaw engaged Todd Janzen to assist in the drafting of an Amicus brief in support of Belork. In cooperation with Mr. Schwarz, it was decided that a Petition for Rehearing by the Court of Appeals was the best strategy.

In April, the Court of Appeals, on rehearing, ruled that Belork's neighbors' position misinterpreted the law. The Court relied on and quoted extensively from the Amicus brief submitted by INAgLaw. Specifically, the law does not require "use" by both neighbors to qualify as a partition fence. Another way to look at the issue is that a partition is a "use". Belork's proposed fence along the boundaries of his property constitute partition fences and the neighbors must build or fund their respective halves of the fences – just as Indiana's fence law requires.

One judge dissented from the majority opinion, believing that the majority gave too much weight to INAgLaw's brief and should have relied more on arguments presented by the parties. The case also shows the value of a well-drafted Amicus brief, a legal tool often used by INAgLaw.

IDNR Duty to Maintain lake Level – Houin v. IDNR (Marshall County) - This application was submitted by Marvin Houin based on his ownership of farmland adjacent to Lake of the Woods located southwest of Bremen, Indiana. This matter has been a source of controversy between IDNR and Houin’s for a number of years. Houin is represented by Janzen Ag Law.

In 1986, the Marshall County Circuit Court ordered the Indiana Department of Environmental Resources (“IDNR”) to maintain the Lake of the Woods water level during the growing season (May 15 to September 15) at an average of 803.85 feet. This was a compromise between the local farmers (including Marvin Houin), who wanted the lake to be lower so their fields would properly drain, and the lake residents, who wanted the water higher so they could have more time boating on the lake. That Court Order remains in place.

For the last several years, the IDNR has not maintained the required 803.85 feet average water level. The United States Geology Survey (“USGS”) used a gauge to monitor the Lake water level until late 2015. The water level at Lake of the Woods exceeded the court-ordered (803.85 feet) level on 195 of the available 248 days during the 2014 and 2015 growing seasons. Stated simply, 4 out of every 5 days during the summer growing season the water level was above the court ordered average. The IDNR has not abided by the 1986 Court Order.

Houin farms land just northwest of the Lake. That land historically drains into the Lake of the Wood via two ditches. The high Lake level floods back into those ditches, preventing the fields from properly draining. This has caused damage to Marvin Houin’s (and other farmer’s) crops, agricultural property, and field tile drains in the fields near the Lake of the Woods. Despite repeated requests from Marvin Houin and other farmers, the IDNR still has failed to maintain the court-ordered lake level during the growing season.

In May, Houin filed a Motion for Rule to Show Cause against the IDNR in Marshall to ask the Court to order the IDNR into Court to explain its lack of action. The Motion for Rule to Show Cause sought prospective relief—i.e., that the IDNR start obeying the Court Order. In July the Court held a hearing on the issues.

Unfortunately, the Court held that the 1986 order narrowly defined IDNR’s role to be “preparing plans for the repair, renovation or replacement of the control structure for Lake of the Woods and sponsoring its construction”, in spite of the fact that IDNR had demonstrated a historically more active role in maintaining the water level.

In February 2017 Houin filed a complaint against the IDNR alleging an unconstitutional taking, trespass, nuisance, and negligence. That suit seeks past damages, including but not limited to past lost yields, damage and sedimentation to field tiles, and attorneys’ fees. The complaint is pending.

Unified Sewer Rates – Niemeyer v. The Board of Trustees of Allen County Regional Water and Sewer District (Allen County) - This application was filed by Don Niemeyer and other Hoagland Sewer District Customers in response to a sewer rate ordinance imposed on the Hoagland district by the Allen County Regional Sewer District (“ACRS”). Whether ACRS’s rate ordinance is just and equitable under IC 13-26-11-9(a) is the primary issue of the case. Niemeyer is represented by attorney David Hawk of Ft. Wayne.

Plaintiffs are individuals and businesses that own property in the Hoagland Sewer district, which is a part of the ACRSD. The Hoagland Sewer District serves approximately 400 sewer service customers in this primarily rural, agricultural area. Hoagland maintains an existing, stand-alone sewer treatment facility. The treatment facility has been well-maintained, efficient, lower cost and in good working order.

The Defendant, ACRSD proposed a Sewer Rate Ordinance introduced in December 2015, which called for significant rate increase for Hoagland. A public hearing was held in January 2016 and Plaintiffs objected to rate increase. Next, the Plaintiffs petitioned the Allen County Commissioners to hear their concerns. The Commissioners ultimately approved the Sewer Rate Ordinance. Per Statute, Plaintiffs filed a petition in the Allen County Circuit Court. Their Petition challenging the Ordinance was dismissed on Summary Judgment.

INAgLaw supported the Plaintiffs' case knowing that a tough road was ahead. Historically, Indiana courts have held that "rate making is a legislative, not a judicial function"; and the standard of review for rate challenges is "arbitrary, capricious, or contrary to law" and "patently unreasonable" which are difficult legal standards to overcome. However, Hoagland presented additional considerations. One such consideration involves the Indiana Finance Authority (IFA).

The IFA manages the State Revolving Fund Loan Program ("SRF"). The purpose of the SRF program is to provide low cost financial assistance to Indiana communities to enable the construction of necessary and environmentally sound clean water infrastructure as well as maintain a fiscally self-sufficient program as a continuing source of funding for improvements of water quality and public health in Indiana. In the Hoagland matter, Plaintiffs submitted a letter they obtained from SRF to ACRSD which describes how SRF is "troubled" by the lack of consistency in sewer rates in the district – implying a single rate system may be required to access SRF funds. It appears ACRSD may have considered this in their Hoagland rate. Hoagland ratepayers were concerned with the equity of their footing the bill for other, less efficient or more expensive systems and the apparent requirement of a unified sewer rate.

This case is pending before the Allen County Circuit Court.

Standing to Challenge a CAFO Broshears – BZA Appeal (Jackson Co.) - This application was submitted by Kyle & Leah Broshears and involves an organized challenge against the granting of a special exception by the BZA for a 4,000 head swine CAFO in Jackson County. The Broshears are represented by James Federoff of Carson Boxberger in Ft. Wayne, Indiana. Mr. Federoff is regarded as one of the top zoning attorneys in the state.

A petition was filed by surrounding neighbors requesting judicial review of the Jackson County BZA approval of the special exception. Three other CAFO projects prior to the Broshears case were challenged by this organized opposition group as well. Each proposed CAFO was stopped or withdrawn. Many of the plaintiffs and arguments against the Broshears' CAFO were present in the prior cases. The Jackson-Jennings Cooperative, now a part of the Premier Ag Cooperative, has been very supportive of the Broshears' effort as the cooperative would contract to own and market the pigs produced at the site.

In this case, the plaintiffs alleged that they were aggrieved by the BZA Decision because: (i) their property values would be diminished, (ii) their potable water supplies would be

contaminated by discharges from the Broshears CFO, (iii) their health would be harmed because of airborne emissions, and (iv) the odor of manure, in and of itself, would harm them.

The central reason INAgLaw backed the case was the issue of legal standing. Standing is the legal capacity of a party to bring suit in court. At the heart of standing is the requirement that a plaintiff has sustained or will sustain direct injury or harm and that the harm is redressable in a court. Mr. Federoff challenged each of the Plaintiffs as lacking standing to bring the lawsuit. In October four days of hearings were held specific to the issue of standing. Utilizing appraisal experts, odor-modeling technology from Purdue University, strong cross examination of opposing medical testimony and common sense, Mr. Federoff demonstrated how many of the plaintiffs simply lacked legal standing and should be removed from the case.

On February 19, 2016 the Jackson County Circuit Court ruled that 12 of the plaintiffs lacked standing. Three families and one individual plaintiff were able to show that they did have standing. However, the most active and financially responsible plaintiffs were among those removed from the case. The case then returned to the Circuit Court for a review of the BZA approval of the special exception. In August, the Circuit Court affirmed the BZA's approval in its entirety. Both the application of the standing doctrine and the approval of the BZA findings were clear victories for Broshears and created good law for the livestock industry.

Whitestown Annexation (Boone County) - This application comes from a group of approximately 20 Boone County property owners challenging Whitestown's involuntary annexation of 621 acres of rural land. The landowners were represented by Kent Frandsen of the Parr Richey Obremskey Frandsen & Patterson firm in Lebanon, Indiana.

INAgLaw was contacted following an adverse Court of Appeals decision. Mr. Frandsen requested an Amicus brief in support of their Petition to Transfer to the Indiana Supreme Court. Our discussions with Mr. Frandsen centered on explaining to the Court why farmland is different than adjacent urban property.

The remonstrators were successful at the trial court level, but lost with the Indiana Court of Appeals. The two primary issues were the "significant financial impact" detailed in IC 36-4-3-13(e)(2)(B) and "needed for its development in the reasonably near future" requirement of IC 36-4-3-13(c)(2) provisions of Indiana's involuntary annexation law. These issues have been present in nearly all involuntary annexation cases.

INAgLaw's brief contrasted the needs of adjacent farmland verses adjacent urban property. When looking at the history of annexation disputes, the cases have almost exclusively involved attempts of municipalities to annex adjacent urban territory. Adjacent urban territory has the same characteristics as land already within the municipal limits and shares a need for the same types of services and use restrictions common to dense populations. The agricultural community had little interest in such annexations, because farmland bore very little resemblance to developed neighborhoods. The annexation of farmland generally occurred on a voluntary basis when a developer had purchased the property and was seeking city services to enable the development of the property.

In just the last few years, annexations have changed. There have been a number of recent involuntary annexations involving farmland. Part of this may be due to the fact, that like the

Whitestown annexation, farmland requires few services, so there is little additional cost incurred by the municipality by bringing that land into the city.

While adjacent “urban” property shares many of the characteristics of the property within the municipal limits, farmland does not. Ordinances regulating the conduct within more densely populated areas: such as limits on hunting, open burning, noise, lighting, smell are not appropriate for agricultural pursuits. Further, the owners of farmland, when annexed, have little voice in municipal government because votes are based on population and farms consist of hundreds of acres with no population. Clearly, farmland should be treated differently.

IC 36-4-3-13(c)(2) provides that to annex agricultural land, a municipality must establish “that the territory sought to be annexed is needed and can be used by the municipality for its development in the reasonably near future.” The General Assembly has not specifically defined what is meant by the “reasonably near future,” but it has to mean something. Two Indiana courts of appeals have held that the potential for the “long term inevitability” of annexation satisfies the statutory requirement that the municipality needs and can use the annexation territory for its “development in the reasonably near future.” Our brief, filed on November 12, also explained how this broad standard conveys too much discretion to municipalities.

Unfortunately, in May the Indiana Supreme Court denied transfer and declined to hear the case. While disappointing, it is clear that our state’s highest court read our brief and has some understanding of how agriculture is impacted by involuntary annexations. This case illustrates the inequity of Indiana’s involuntary annexation statute as applied to agricultural land.

Public Trust Doctrine, Ordinary High Water Mark – Homeowners Association v. Town of Long Beach (LaPorte County) - This application was submitted by a group of Lake Michigan lakefront landowners/homeowners association (LBLHA, LLC) located in Long Beach, Indiana and their attorney Michael Knight of Barnes & Thornburg (South Bend). Mr. Knight represents landowners along the southern shore of Lake Michigan.

In this case, the homeowners association sought to enforce their property rights as shown by their deeds, challenging the town’s resolution mandating that the local police not enforce laws protecting private property below the ordinary high water mark. The issue of the case is the legality of town’s adoption of IDNR’s position that the dividing line on Lake Michigan (where the state’s regulatory jurisdiction lies and to determine where public ownership or use begins and/or ends) is the ordinary high watermark. The landowners believe that the northernmost property boundary is water’s edge, and that there is no public right, access, trust or ownership burdening their property. The trial court ruled in favor of the town and held that the town’s resolution adopting IDNR’s position is not a claim adverse to the landowner’s property rights nor does it constitute a taking, it is merely a statement of policy and does not speak to ownership of land.

Numerous procedural maneuvers took place through 2015-16. Despite these procedural moves, the issue has not changed. The issues are: how far does the landowners’ title extend in relation to Lake Michigan? Where is the public trust right on the navigable waters and soils beneath or on land abutting the navigable waters? What is the public trust right - traditionally the right for navigation and commerce (fishing) on navigable waters or something more on land abutting navigable waters?

On September 8, 2016, the Indiana Court of Appeals held oral argument on the issues. On December 7, 2016, the Court of Appeals issued a mixed order. Most concerning was a holding expanding the public trust doctrine to protect “recreational activities, such as swimming, picnicking, sunbathing, or walking and all other activities incident thereto, along the shores of Lake Michigan.” The positive of the case was a finding that the landowners owned land “to the ordinary low water mark”. Mr. Knight has filed a petition for rehearing with the Court of Appeals, which was denied.

The case is pending as the landowners consider a petition to transfer to the Indiana Supreme Court.

EDUCATIONAL ACTIVITY HIGHLIGHTS

Estate and Succession Planning Event - Estate and succession planning impacts every farm in the State of Indiana. INAgLaw recognizes the important role we can play in educating farm families in this area. July 21, 2016 marked the third installment in our annual series. This year’s event focused on the succession aspect of the planning process while highlighting other basic estate planning techniques and considerations. CLE credit was offered to attending attorneys. The program was sponsored by Farm Credit Mid-America, Indiana Pork, Schrader Real Estate and Auction Company, Indiana Farm Bureau Insurance and Indiana Farm Bureau, Inc.

Dr. Ron Hanson, a professor from the University of Nebraska at Lincoln, highlighted the event. Dr. Hanson gave an emotional presentation documenting his family’s struggle with transition of farm ownership. He also discussed how his family story has led to his passion to help other farm families learn from the mistakes and lack of communication his family experienced.

Valuation of land assets and leasing value play an important role in the estate and succession planning process. Dr. Jason Henderson, Associate Dean and Director of Purdue Extension, discussed Indiana farmland values and how Purdue assists ag stakeholders in determining rental values.

Attorneys Gary Chapman, Bose McKinney & Evans, and Dan Gordon of Gordon & Associates are both a frequent speakers on estate and succession planning and elder care issues. Both represent numerous farm families in Indiana. They educated our audience on the practical tools and strategies regarding both estate and succession planning and elder care issues. The conclusion of the program featured Mr. Chapman, Mr. Gordon and Dr. Hanson answering audience questions. INAgLaw is excited for next year’s program which will be held on July 20.

Common Law Research Project – INAgLaw funded a major research project devoted to an assessment of the state of the common law in Indiana as it relates to property law. After a request for proposal to conduct the research was requested, Indiana attorney Fred Biesecker was selected. Mr. Biesecker has significant experience in constitutional law issues and serves as General Counsel to the City-County Council. Mr. Biesecker did extensive research and provided INAgLaw with a final product that will provide guidance for years to come.

Generally, the idea of common law is that courts decide a series of cases with deference to previous cases to formulate legal principles that can be followed and treated as law. However,

these principles are often modified either by statute or by a judicial decision. This creates a problem because if there are parts of the common law you like, they can be tough to preserve.

That brings us to why INAgLaw decided to fund the common property law research project. If Indiana courts have been deferring to common law principles in some areas and overturning them in others for 200 years now, and if the general assembly has been creating laws that are also overturning common law principles, what is left of the common law in Indiana that is actually still valid? For agriculture, no single area of the law impacts more of what we do than property law.

To know what we are losing as judges and lawmakers carve away at common law principles, we need a snapshot of where the common law stands currently as it relates to property. That is exactly what Mr. Biesecker's work provides.

Part of the charge of INAgLaw is to support educational efforts. Giving Indiana's agricultural community a clearer picture of how their property is treated in Indiana is a great educational goal. If the ag community ever wants to protect certain areas of property law to ensure their continued existence, it is important that they first know what law applies to them in the first place.

This research can also be viewed as a benefit to INAgLaw in its role as a supporter of precedent setting litigation. Most cases considered by INAgLaw will involve property rights at some level. Having a clearer picture of what law applies and from where that law is derived, can help INAgLaw gain a sense of potential vulnerabilities in Indiana's property law as a whole, which can help prioritize which cases to support.

Utility Line Easements – Landowners Rights - With Indiana's vast agricultural landscape, electrical utilities installing transmission lines in Indiana naturally look to farmland for rights-of-way. INAgLaw receives numerous calls regarding landowner rights when confronted with a utilities effort to acquire easements in order to survey, construct, operate, and maintain their lines over a landowner's property.

Last year Lafayette attorney James Schrier prepared an excellent and practical guide for landowners faced with dealing with electrical utilities seeking an easement on their property. This year with the support of INAgLaw, Mr. Schrier updated his landowner guide and participated in presentations to landowner groups facing expansions of existing utility lines. Mr. Schrier's guide was distributed to many Indiana farmers this year and continues to be a valuable resource made possible by INAgLaw.

Syngenta Corn Lawsuit – The Syngenta corn lawsuit generated more calls and requests for information than any other topic this year. Corn producers all over the state received multiple communications from attorneys seeking to represent their interests.

While not advocating that Indiana corn producers join the lawsuit, INAgLaw played a key role in educating Indiana farmers as to their options, statutes of limitations, fee agreement considerations and general information about the litigation.

In September, a Kansas federal court judge has ruled that hundreds of thousands of corn farmers' claims against Syngenta may proceed as a class action. This ruling generated even more questions from Indiana corn producers. INAgLaw was fortunate to work with co-lead counsel in the class action lawsuit as well as lead counsel for the State of Indiana – the result was quality, timely information that was passed on to Indiana corn producers. INAgLaw will continue to monitor the case and update Indiana producers as needed.

Agricultural Employment Publication - INAgLaw funded an update of the “Legal Considerations for Agricultural Employers” checklist in 2013. The publication was updated in 2016. The publication contains pre/post hiring guidelines, annual requirements, references, labor law and regulatory compliance thresholds and contacts. This detailed checklist provides agricultural employers with detailed information related to employment process. The document is made available upon request and continued to provide practical guidance to farmers in 2016.

“Before You Build a Livestock Barn” Project – INAgLaw approved funding in 2013 to help produce a publication designed to help farmers make good decisions when building livestock operations and to proactively elevate some of the problems associated with the siting and operation of a livestock facility. IFB, Inc.’s Justin Schneider worked with IN Pork, ISDA, Indiana Soybeans and Indiana Corn to develop this useful publication.

The materials explain in detail permitting, regulatory process, zoning, dealing with lawsuits, dealing with OEA appeals, being a good neighbor and communications with media and government officials. IFB, Inc. Livestock specialist Greg Slipher routinely uses the publication when working with farmers contemplating a new livestock barn.

The guide bears the INAgLaw logo (along with other sponsors) and continued to provide important guidance to Indiana livestock producers in 2016.

The Spotlight Newsletter - The Spotlight is a monthly e-newsletter providing readers with current information about activities of the INAgLaw and other important legal issues such as high-profile court cases. The Spotlight covers articles on legal issues important to farmers and related agribusinesses.

AALA Symposium Sponsorship - INAgLaw provided sponsorship funds for the American Agricultural Law Association (AALA) annual symposium held in Oklahoma City, Oklahoma in October 2016. The AALA is a significant legal organization created for attorneys who are engaged in agricultural law.

Indiana State Bar Association (ISBA) Agricultural Law Section – INAgLaw continues to be supportive of the ISBA Agricultural Law Section. INAgLaw previously donated funds for the production of the Agricultural Law Section Attorney Directory, used by many attorneys today.

FUNDRAISING

Indiana Agricultural Law Foundation Campaign Highlights: In 2015, the INAgLaw made the decision to convert to a calendar year system of campaign accounting. The reason for this change was to allow future campaign years to end on December 31. 2016 marks the first year of a campaign calendar year. Completed 2016 financials are included below.

Considerable time was spent in 2016 communicating the function, role and value of INAgLaw to Indiana agricultural stakeholders. Great strides were made in 2016 in this regard. INAgLaw is recognized as a positive force and Indiana agriculture is seeing the value.

INAgLaw created the Livestock and Poultry Field of Interest Fund in 2016. This new fund is available to donors most interested in legal issues specific to the production of livestock and poultry. These funds will be utilized in support of legal cases involving livestock or poultry or educational programming geared towards these issues. INAgLaw received \$20,000 this year in donations to this new fund.

The county Farm Bureaus are the most consistent and committed supporters of the INAgLaw. Since its establishment in 2005, the counties have sustained the Foundation and enabled us to play a key role in shaping the legal landscape for Indiana's agricultural stakeholders. In 2016, 76 of the 92 counties contributed to INAgLaw in the total amount of \$45,500. The generosity and commitment to the future of Indiana agriculture by the county Farm Bureaus is greatly appreciated by the INAgLaw and more importantly, by Indiana farmers. INAgLaw especially thanks the Indiana Farm Bureau Regional Manager team for their effort in communicating with the county Farm Bureaus and coordinating donations.

2016 saw a significant increase in corporate donations, totaling \$36,700 – an increase of approximately \$18,000 over last year. A listing of corporate donors is included below. Indiana agribusiness donation will be a priority for 2017. The message to businesses is simple: What is good for Indiana farmers is good for their business as well. INAgLaw sincerely thanks the listed corporate donors for their confidence and commitment to the INAgLaw mission.

The Indiana Farm Bureau Young Farmers Committee designated INAgLaw as the recipient of funds generated by the 2017 Indiana farm Bureau Convention silent auction. This year the auction raised \$6,500 and provided excellent exposure for INAgLaw. INAgLaw thanks the Young Farmer Committee for their hard work in conducting the auction and including us as the beneficiary.

This year again brought several cases (described above) that present significant legal issues important to Indiana agriculture. As a fundraising tool, INAgLaw has spent considerable time communicating INAgLaw's role in these cases. Each case provides a concrete example of how INAgLaw stands with Indiana's farmers and works diligently to help establish favorable legal precedent benefitting Indiana agricultural stakeholders.

Our educational programs discussed above were professional, high quality and well-attended showcases for the Foundation. Throughout the course of 2016 the INAgLaw had the opportunity to speak at many IFB events including State Convention, District meetings, county Board meetings and other IFB educational programs. INAgLaw was represented at numerous state-wide agricultural programs and conferences. Each event created an opportunity to tell the INAgLaw story to new listeners, or reinforce the Foundation's mission.

Late in 2016 INAgLaw formalized its relationship with Bloomerang, a donor management software company. Bloomerang will allow better management, communication and reporting of donations and donor/prospect contacts. The software will also enable donations to be made online. INAgLaw is already seeing the benefit of this new tool.

INAgLaw thanks each of the donors listed in the donor recognition section below. INAgLaw will be stewards of the funds donated and use the resources for the betterment of Indiana agriculture.

Summary

INAgLaw again thanks each of our valued donors for their generosity and commitment to Indiana agriculture. Our mission is made possible by you.

As stewards of the funds entrusted to INAgLaw, we strive to support litigation and educational programming offering the most practical benefit to Indiana's farmers.

2016 was a successful year for INAgLaw, but there will always be much more to do. Legal issues will arise, interest groups will continue to initiate challenges to modern production agriculture and the need for clarification of important agricultural law issues will increase. INAgLaw was created to address these challenges on behalf of Indiana farmers.

John Shoup, Director
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(317) 692-7801

Thank you to our 2016 Campaign*
County Farm Bureau Donors

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**The 2016 Campaign runs from January 1, 2016 through December 31, 2016.*

Thank you to our 2016 Individual Donors

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Thank you to our 2016 Business Donors

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Rose Acre Farms	Helena Chemical Co.
Fortville Against Forced Annexation	IFB – Ag in the Classroom
FarmCredit	

Indiana Agricultural Law Foundation Inc.
Statement of Financial Position
December 31, 2016

	<u>2016</u>	<u>2015</u>
Assets		
Cash, HUCU	\$135,940	\$79,179
Cash, Fifth Third	192,204	234,572
Cash, Farm Bureau Bank	191,245	290,421
Cash, Stock Yard Bank	205,775	205,059
Cash, PayPal	0	3
Investments	<u>519,936</u>	<u>472,329</u>
Total Assets	<u>\$1,245,101</u>	<u>\$1,281,563</u>
Net Assets		
Unrestricted net assets	757,238	790,950
Designated Funds, Livestock	20,000	0
Restricted funds, Cy Pres	<u>467,863</u>	<u>490,613</u>
Net Assets	<u>1,245,101</u>	<u>1,281,563</u>
Total Liabilities and Net Assets	<u>\$1,245,101</u>	<u>\$1,281,563</u>

Indiana Agricultural Law Foundation Inc.
Statement of Activities
For the year ending December 31, 2016

	<u>2016</u>	<u>2015</u>
Revenue		
Contributions Unrestricted	\$93,075	\$175,514
Contributions, Silent Auction	6,286	0
Contributions, Livestock & Poultry FOI	20,000	0
Registration Fees, Seminars	2,935	3,685
Income, Sponsorship	2,000	3,500
Interest income	<u>4,923</u>	<u>4,956</u>
Total Revenue	\$129,219	\$187,655
Operating Expenses		
Payroll expenses, administrative	10,374	16,274
Office expenses	118	507
Dues and subscriptions	991	600
Legal and accounting	23	187
Insurance, corporate	937	1,323
Travel	2,148	146
Other expenses	<u>0</u>	<u>275</u>
Total Operating Expenses	14,591	19,313
Fundraising		
Payroll expenses, fundraising	43,250	42,810
Travel, fundraising	83	110
Software, fundraising	855	0
Other expenses, fundraising	<u>122</u>	<u>0</u>
Total Fundraising Expense	44,310	42,920
Program Expenses		
Payroll expenses, programs	39,343	49,413
Travel and meals, programs	0	175
Case, Legal & Research		
Legal - High Fenced Hunting	0	4,888
Legal - Annexation	5,000	3,000
Legal - Property rights, water (OHWM)	10,000	0
Legal - BZA Jackson County	10,000	10,000
Legal - Fence law	9,725	5,000
Legal – Regulation lake level (DNR)	5,518	0
Legal – Rate setting authority	<u>10,000</u>	<u>0</u>
Total Case, Legal & Research	50,243	22,888
Education		
Education - CLE sponsor	0	500
Education - Estate Planning Seminar	3,720	3,503
Education - Big Data Seminar	0	1

Education - Transmission line easement	225	1,000
Education – Common Law Research	<u>12,750</u>	<u>0</u>
Total Education	16,695	5,004

Grants

Grant – Conference sponsorships	<u>500</u>	<u>0</u>
Total Grants	<u>500</u>	<u>0</u>
Total Program Expenses	<u>106,780</u>	<u>77,481</u>
Total Expenses	<u>165,681</u>	<u>139,713</u>
Change in Net Assets	<u><u>\$ (36,462)</u></u>	<u><u>\$ 47,942</u></u>