



Our soybean checkoff.
Effective. Efficient. Farmer-Driven.

EASTERN REGION SOYBEAN BOARD
ANNUAL REPORT
FISCAL YEAR 2014



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EASTERN REGION SOYBEAN BOARD

2014 - 2015 DIRECTORS

William Beam*

Chairman, Elverson, PA

Michael Gerhart

Vice-Chairman, Ephrata, PA

Steve Hykes

Secretary/Treasurer, Greencastle, PA

Daryl Alger

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Andy Fabin

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Brian Kreider

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Jim Musser*

Mount Joy, PA
Ex-officio member

Bill Bibus

Chesterfield, NJ

Del Voight

Penn State Extension
Ex-officio member

*Also serves on the United Soybean Board



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EASTERN REGION SOYBEAN BOARD MISSION STATEMENT

The Eastern Region Soybean Board is committed to advancing soybeans in Connecticut, Florida, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and West Virginia, and investing soybean checkoff dollars in programs and initiatives that fund research; outreach and education; promotion and alternative uses.

WORKING FOR YOU: THE SOYBEAN CHECKOFF

The purpose of the soybean checkoff is straightforward: to maximize the profit opportunities for all U.S. soybean farmers.

The Eastern Region Soybean Board is funded by the national soybean checkoff under an assessment program, approved by Congress in 1990, under which soybean farmers contribute 50 cents of every \$100 they receive for their beans at the first point of sale. Funds are used to develop markets, educate consumers, and research new ways to utilize and produce soybeans more efficiently. By law, checkoff funding cannot be used for lobbying or political purposes.

Soybean farmers from Connecticut, Florida, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, and West Virginia contribute to the Eastern Region Soybean Board. In order to maximize funds available for projects to promote the profitability of soybean farmers within the region and to reduce overhead costs, the Eastern Region Soybean Board participates in a shared-executive arrangement with the Pennsylvania Soybean Board. The shared office is in Harrisburg, Pa.

Checkoff Funds Split Half and Half

Half of the checkoff funding from soybean growers in these states goes to the Eastern Region Soybean Board, and half goes to the United Soybean Board for national and international programs designed to benefit all U.S. soybean farmers. As stipulated in the federal Soybean Promotion, Research and Consumer Information Act, the USDA Agricultural Marketing Service has oversight responsibilities for the United Soybean Board and the soy checkoff.

On a national level, the 70 farmer-directors who volunteer their time to serve on the United Soybean Board invest and leverage checkoff funds to meet four key strategic areas that will increase the value of U.S. soy meal and oil, to ensure U.S. soybean farmers and their customers have the freedom and infrastructure to operate, and to meet the needs of U.S. soy's customers.

The farmer-leaders who serve on the Eastern Region Soybean Board are responsible for managing the region's share of funds received from the nationwide Soybean Checkoff program.

CHECKOFF GRANTS AVAILABLE

Research into production issues and new uses, educational outreach and international access are just some of the soy checkoff's many focus areas designed to put money back into the pockets of U.S. soybean farmers.

The Eastern Region Soybean Board funds research projects specifically designed to benefit soybean farmers in Florida, West Virginia and the New England states by solving production problems and improving efficiency. Proposals are also considered for projects that serve to inform, educate, explore new uses and expand market opportunities.

All proposals must demonstrate benefits for soybean farmers. We encourage the broadest possible participation in the grant process, and welcome new and challenging ideas for growing, using or marketing soybeans.

To apply for a grant, go to the Eastern Region Soybean Board website at www.easternregionsoybean.org. An online Request for Proposal form is available under the "Forms" tab.

FISCAL YEAR 2014

Oct. 1, 2013 through Sept. 30, 2014

Income

FY'13-FY'14 Assessments \$109,917
Total Income..... \$109,917

Expenses

50% of FY'13-FY'14 Assessments
to United Soybean Board..... \$54,958
Administration, Compliance,
Audits, Insurance \$ 9,907
Communications..... \$ 9,709
Promotion/Education \$ 7,500
Total Expenses..... \$82,074

Carryover available for FY'14-FY'15..... \$27,843



EASTERN REGION SOYBEAN BOARD CHAIR ELECTED TO USB EXECUTIVE COMMITTEE

Eastern Region Soybean Board chair Bill Beam has been elected to serve on the United Soybean Board's (USB) executive committee, and will chair the USB Freedom to Operate Action Team. Beam will join eleven other farmer/leaders from throughout the nation on the USB executive committee in overseeing the soybean checkoff to keep it effective, efficient and farmer-driven.

As the leader of the USB's Freedom to Operate Action Team, Beam will oversee the checkoff investment in education and research into the obstacles that affect a farmer's freedom to operate. These issues are critical to farmers' profitability, and the checkoff is there to address them on behalf of farmers and their customers. Some of the issues the soy checkoff monitors involve biotechnology acceptance, sustainability demands, transportation infrastructure breakdowns and public opinion of today's farming practices.

QUALITY OF U.S. SOYBEAN CROP EVEN HIGHER

The average protein and oil levels in the 2013 U.S. soybean crop ticked upward, according to the soy-checkoff-funded Crop Quality Survey. Average oil levels jumped to 19 percent, a 0.5-point increase from 2012 levels, while average protein levels grew by 0.4 percentage points to 34.7 percent.

U.S. soy's biggest customer, the global animal agriculture sector, takes note of the protein content in the soybeans it uses.

"Our customers buy our soybeans for the components: protein and oil," says Laura Foell, chair of the United Soybean Board's Meal Action Team, who farms in Schaller, Iowa. "The animal agriculture sector uses protein to feed animals, and the food industry uses the

majority of soybean oil for human consumption and the rest for industrial-like biodiesel. The more protein and oil we have in our soybeans, the more product we have for our end-customers. And more demand could lead to a better price for our crop."

The study found less regional variation in protein and oil levels in 2013 than in



previous years. These typical regional differences result from climate events and other factors outside of farmers' control.

Foell says farmers should talk with their seed representatives about soybean varieties that will produce higher levels of protein and oil without sacrificing yield.

The U.S. soy industry provides its customers with a total quality experience: high-performing products delivered by a reliable, consistent and sustainable soy supply chain. And the checkoff's international arm, the U.S. Soybean Export Council (USSEC), will use the results of this year's crop quality survey to help build and maintain a preference for U.S. soy products in the international market.

AND HERE'S A LOOK AT YOUR NATIONAL CHECKOFF INVESTMENTS.



MEAL

NEARLY 98% OF U.S. SOY MEAL FEEDS SOYBEAN FARMERS' NO. 1 CUSTOMER - POULTRY, SWINE, CATTLE AND AQUACULTURE.

The soy checkoff funds projects to:

- Improve the nutritional value of U.S. soy meal for animal consumption
- Increase exports of U.S. meat and poultry
- Work with decision makers to incorporate soy meal into feed rations



OIL

THE FOOD INDUSTRY USES ABOUT 70% OF U.S. SOY OIL.

The soy checkoff supports efforts to develop:

- High-oleic soybean varieties, which produce oil that helps farmers reclaim market share among food manufacturers
- Industrial soy oil markets, such as the biodiesel industry and heating-oil industry in its use of Bioheat, which helps diversify U.S. soy oil demand



FREEDOM TO OPERATE

U.S. SOYBEAN FARMERS' PROFITABILITY DEPENDS ON OBSTACLES THAT AFFECT THEIR FREEDOM TO OPERATE.

The soy checkoff studies:

- Biotechnology acceptance
- Sustainability demands
- Consumer opinion of today's farming practices

The soy checkoff also addresses these issues on behalf of farmers and their customers.



CUSTOMER FOCUS

U.S. SOY CUSTOMERS DON'T BUY SOYBEANS, THEY BUY SOY MEAL OR OIL.

Whether it's a protein-rich meal to feed a chicken or high-oleic oil for cooking a healthier potato chip, customers need soy's components. Farmers should keep this in mind to build their markets.

The checkoff also researches ways to increase and protect U.S. soybean yields and makes sure farmers see the results.

HIDDEN COSTS OF HERBICIDE-RESISTANT WEEDS

Herbicide-resistant weeds are a known threat to American soybean farmers. Spreading quickly across the country, these weed varieties threaten yields and increase management costs.

However, other often overlooked factors add to the financial implications of these pests. For example, farmers who do not have a comprehensive weed-management program can also suffer from reduced land values and lost rental agreements.

"Herbicide-resistant weeds can pose a critical problem for farmers," says Clyde Smith, a field development representative for United Phosphorus Inc., a supplier of crop-protection and plant products. "People have lost the land they were renting and have even gone out of business because they failed to control weeds."

Allowing weeds to take control of a field can tarnish a farmer's reputation with other potential landlords.

"Those who don't implement effective weed management will affect the land value and can affect their ability to rent that land," Smith explains.



"I have seen landowners forced to lower rates by 30 percent because their renters didn't control the weeds on their farm." Farmers who own the land they operate are not immune to the financial woes herbicide-resistant weeds can create. If farm ground has a history of weed mismanagement, that can impact the price of the property if it comes up for sale.

"Land values are impacted by poor weed-management practices because of the high costs to clean up fields overrun with weeds," says Jeffrey Hignight, a professional farm manager and real estate broker for Glaub Farm Management in Jonesboro, Arkansas. "When a piece of land becomes available and the weeds are out of control, people take that into consideration when pricing a property."

Cleaning up land overrun with weeds takes a significant commitment of both time and money. "To keep weeds out, you need to use both pre- and post-emergence herbicides and spread residuals every chance that you get," Smith said. "This can cost from \$20 to \$30 more an acre, but the yields often make up the difference."

Hignight encourages farmers to adopt a zero-tolerance approach to weeds, which could mean removing them by hand, if necessary.

"Field perimeters are generally the most difficult areas to manage weeds," Hignight said. "Keeping ditches and turnrows mowed reduces weeds from going to seed. It's the seedbank for the next year, so it matters just as much as killing weeds in the field."

For more information about herbicide resistance and to use weed-management resources developed by the soy checkoff, visit the Take Action website at

takeactiononweeds.com.

CHECKOFF-FUNDED RESEARCH YIELDS 38 NEW PRODUCTS THAT ADD DEMAND FOR SOY

The checkoff helps manufacturers innovate with U.S. soy by supporting research and development of new products with the best chance of increasing demand for U.S. soy.



Last year, checkoff partnerships with manufacturers helped commercialize 38 new soy-based products and ingredients. The diverse list includes products ranging from a soy-based-plastic insert that slides into window frames for better insulation to a soy-based additive that protects oil wells from corrosion.

Soybean meal continues to be used primarily for animal feed, while most soybean oil goes to human food production. But versatile soy can also help manufacturers replace petrochemicals and possible carcinogens in their products. The checkoff is helping discover other products that can be made from soy to add to farmers' bottom lines.

Soy-based products are more renewable and environmentally friendly and, in some cases, even perform better. Check out more than 860 soy-based products, 142 feedstocks and 212 companies that sell them in the 2015 Soy Products Guide at **soynewuses.org**.