

Established: August 17, 1966

Serving the legislative interests of Ohio soybean farmers for 48 years.

May 2015



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LETTER FROM *the president*



For two years now, we've experienced higher than normal snowfall during the winter months. For me, this makes the turn of the seasons to Spring even better. But what I like best about Spring is finally getting started on the new crop.

Another planting season brings more opportunities for Ohio soybean farmers. As an Ohio Soybean Association (OSA) member, you are supporting proactive policy by making your voice heard in the legislative process. In fact, Ohio soybean farmers regularly report that regulatory policy and legislative issues are top of mind when they think about the future success of their farms. Staying up-to-

date on these issues and other industry trends will keep you ahead of the competition and better prepared for the future.

With that in mind, I want to remind everyone that the Ohio Soybean Association (OSA) offers a Policy Connection e-newsletter, an exclusive benefit for OSA members only. *OSA Policy Connection* provides bill action alerts, industry news, regulatory updates, meeting and event schedules and much more directly to your email. To sign up, just visit www.soyohio.org/connection. Don't worry OSA will never share or sell your personal information.

Stay safe this planting season.

Tommie Price
President
Ohio Soybean Association



LEGISLATIVE *update*



Brought to you by Seed Consultants.

ASA Looks Ahead as TPA Bill Emerges from House, Senate Committees

Following the passage of a bill by the House Ways and Means Committee and the Senate Finance Committee that would grant trade promotion authority to President Barack Obama, the American Soybean Association (ASA) is calling on both chambers to pass the bill and give the administration what it needs to forge ahead with key trade agreements around the globe.

"Agreements like the Trans-Pacific Partnership and others that expand market access are of vast importance to American soybean farmers as we look to maintain our position at the vanguard of the world's agricultural trade, however we can't conclude agreements without trade promotion authority. That's always been step one," said Wade Cowan, ASA president and a soybean farmer from Brownfield, Texas.

The Bipartisan Congressional Trade Priorities and Accountability Act was introduced last week by Senate Finance Committee Chairman Orrin Hatch (R-Utah) and Ranking Member Ron Wyden (D-Ore.), as well as House Ways and Means Committee Chairman Paul Ryan (R-Wis.).

The measure passed the Senate committee late Wednesday, and the House committee late Thursday, and will head to the floors of both chambers potentially as early as next month, per indications from House and Senate leadership.

"This bill is something that both sides of the aisle have come together on," added Cowan. "It's a bipartisan bill that hears the concerns of Right and Left, of multiple industries and of multiple constituencies, including our nation's soybean farmers. It gives USTR the bandwidth it needs to get the best deal possible for American farmers and businesses, and it provides Congress the involvement and oversight it needs to ensure each deal works for everyone. It is a piece of legislation that both the Senate and the House should take up and pass as quickly as possible."

Trade promotion authority is among the top policy priorities for ASA in the 114th Congress. Soybean farmers, who exported over half their crop with an export value of \$30.5 billion in 2014, are the largest agricultural exporters in the U.S.



Soybean Research Maximizing Checkoff Dollars

Though it may seem counterproductive for one researcher to breed soybeans and another researcher to kill them, it is exactly this unique synergy of efforts that is taking place to benefit the profitability of Ohio soybean growers.

“I am a soybean breeder and geneticist so I aim to develop cultivars with a good profile of disease resistance as well as good yield and good quality traits. A lot of the cultivars we develop are for the food grade industry so they need high protein and large seed size,” said Leah McHale, director of the Ohio State University Soybean Breeding and Genetics Lab.

“Then I try to kill what she develops, literally,” said Anne Dorrance, OSU Extension plant pathologist. “That is because we want it to grow in Ohio. Ohio has many soil types that are heavy clay and poorly drained so there are a plethora of problems. With that in mind, we screen for resistance in the lab trying to identify the lines that will hold up under Ohio’s tough conditions. We need to grow varieties that can stand up to a whole season to get a high yield and a profit at the end of the season. Especially in the low price years, it is really important to get the highest yield, and that is what it is all about.”

Though they work at opposite ends of the soybean life cycle, both McHale and Dorrance are funded by Ohio Soybean Council checkoff dollars to bring a better soybean seed to the market for farmers to plant in their fields. There is tremendous cooperation required for success – even across completely separate areas of study – for the development of soybean genetics with a strong disease package.

“We first have to identify what sources of resistance should be used. We have to identify where the starting point should be. The second part is that we go and develop these populations where we identify the genetic regions to find those markers that are associated with that source of resistance,” Dorrance said. “That facilitates not only the breeding that goes on here at Ohio State but there are also companies using that information as well in the development of their own cultivars.”

In terms of the soybean breeding program at Ohio State, it has been a busy and successful year.

“We released four cultivars this year, which is the most that we have released in any year since I have been here,” McHale said. “These came from disease screening that Anne had

done. She screened hundreds of potential breeding lines for us and these four rose to the top as being the most resistant. They also have high yield and two of them are for the food grade market so they have high protein and other traits that are important for tofu production.

“In our yield trials we do not always have the same disease pressure that you’d find on Ohio farms, that is where Anne comes in. We used to only send Anne the top yielding varieties for her to evaluate, but she was killing them all. Now we send her hundreds of lines and she goes through and screens all of those for resistance. We pick the best ones.”

The key diseases being studied in Dorrance’s research include *Phytophthora* and *Pythium*.

“In a year we are individually inoculating an acre of plants one by one – that is 180,000 to 220,000 plants. There are multiple things coming out of that effort,” Dorrance said. “We are identifying sources of resistance for future varieties and finding markers associated with the genes so companies can use that to identify genetic regions that are controlling the resistance in their lines. We have multiple purposes for



OSU researchers Anne Dorrance and Leah McHale work together on different ends of the soybean life cycle to bring a better soybean seed to the field.

everything we are doing.”

Though they work on different OSU campuses, McHale and Dorrance regularly talk to stay informed about what is happening in their separate labs.

“Everybody can’t be an expert on everything so I take on the breeding and genetics part and Anne takes on the pathology part. We are happy to be experts in our own fields and to benefit from each other,” McHale said. “We meet with each other regularly and work together well. We even finish each other’s sentences sometimes – I don’t hold it against her for killing my plants.”

It takes this kind of teamwork and joint efforts across a wide range of research fields to create a complete portfolio of research to enhance overall soybean profitability. With this in mind, the decisions about what research should be funded to maximize the return on investment of the soybean checkoff require careful consideration.

For more, visit the Soybean Rewards web page at www.soybeanrewards.org. Also, see the related video at ocj.com by searching for keywords “Soybean synergy.”

NOMINATE AN OHIO SOYBEAN FARMER

(AGE 21-45) AS A BECK'S YOUNG Farm Leader

Each quarter, the Ohio Soybean Association and Beck's Hybrids will select a Young Farm Leader to feature the individual's leadership, both on and off the farm in Ohio agriculture publications.

One of the Beck's Young Farm Leaders will be selected as the 2015 Beck's Young Farm Leader of the Year and receive a trip for two (\$2,000 value) to the 2016 Commodity Classic in New Orleans, Louisiana. Beck's Young Farm Leaders may also be chosen to attend OSA and/or Beck's Hybrids leadership training programs, board meetings, events and other relevant activities.

QUARTERLY NOMINATIONS ARE DUE:

July 29, 2015

October 5, 2015

**To apply or nominate someone, visit
www.soyohio.org/becksyoungfarmleader**



Research Creating High Value Products from Glycerine Glut Receives 2015 Innovation Award

With the rapid growth of global biodiesel consumption leading to significant amounts of glycerine being added to the market, a French researcher's work to turn that glycerine glut into high value-added products was honored at the 2015 Annual Meeting of the American Oil Chemists' Society (AOCS).

Dr. Franck Dumeignil, Full Professor at Lille University and Deputy Director of the School's Unit of Catalysis and Solid State Chemistry, is the winner of the 2015 Glycerine Innovation Award, sponsored by the American Cleaning Institute (ACI) and the National Biodiesel Board (NBB).

The ACI/NBB Glycerine Innovation Award recognizes outstanding achievement for research into new applications for glycerine, with particular emphasis on commercial viability.

Prof. Dumeignil undertook his research in the context of the rapid growth of the biodiesel industry worldwide creating an urgent need to quickly and effectively convert crude glycerine into value-added chemical products. The research has enhanced the value of glycerine by successfully tackling many bottleneaking problems, with his research showing the potential to mass produce high value products from glycerine.

"The use of crude glycerine, much less costly than purified glycerol, is still a problem as its impurities are detrimental to the whole process efficiency," said Prof. Dumeignil.

Glycerol is a syrupy and sweet-tasting chemical obtained by glycerine refining.

"Within my research team, we are developing innovations around new catalysts and new processes to tackle these issues. We work with industrial stakeholders to be as close as possible to the industrial reality and to fit with the market and customers' demands. We are now moving to the pilot scale for some technologies we demonstrated at the lab scale."

The Award has done more than honor winners – it has provided like-minded researchers with the names of yet unknown colleagues, as Prof. Dumeignil acknowledged with his group's cooperation with another Award winner.

"We are now collaborating with the 2014 Glycerine Innovation awardee, Dr. Xiaofei "Philip" Ye, to gather our respective expertise in a profitable synergy toward optimized industrial glycerol applications."

Prof. Dumeignil's recent research in this area has been published in such journals as *ACS Catalysis*, *Applied Catalysis B: Environmental*, *ChemSusChem* and *Green Chemistry*.

The Glycerine Innovation Award includes a plaque and a \$5,000 honorarium. It was presented at the AOCS Industrial Oil Products Division luncheon during the AOCS 2015 Annual Meeting in Orlando, Florida.



The Tradition Continues.
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Program

NO MATTER HOW YOU SLICE IT, WE'RE RAISING DEMAND FOR YOUR BEANS.



From promoting biodiesel that's used in city busses and home heating fuel, to feeding livestock halfway around the world, the Ohio Soybean Council (OSC) is laser focused on investing your checkoff dollars wisely.

\$15 BILLION

INCREASE IN SOYBEAN OIL REVENUES BETWEEN 2006 AND 2012 BECAUSE OF BIODIESEL.

THE OHIO SOYBEAN CHECKOFF

supported soybean and product prices by an average of **5% ABOVE** what they would have been without the checkoff. • Boosted the level of soybean, soybean meal and soy oil exports by 5%, 15% and 24%, respectively. • Reduced the severity of market downturns in bad years and added growth and profitability in good years.

SOYBEAN EXPORTS UP 5% ●●●●●	SOYBEAN MEAL EXPORTS UP 15% ●●●●●●●●●●	SOYBEAN OIL EXPORTS UP 24% ●●●●●●●●●●●●●●●●
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OSC was founded in 1991 to manage the Soybean Promotion and Research Program, more commonly known as the soybean checkoff. OSC is governed by a volunteer farmer board, which directs the investments of the checkoff. The program's primary goal is to improve soybean profitability by targeting research and development, and education and promotion projects.



RFS Advocacy in High Gear Ahead of June Proposal

The National Biodiesel Board (NBB) will host its annual membership meeting in Washington, D.C. on June 15-17. The timing of the meeting-coming just after the Environmental Protection Agencies (EPA) June 1 deadline for releasing its Renewable Fuel Standard (RFS) volume proposal-makes it a particularly important time for biodiesel stakeholders to show Congress and the Administration the importance of a strong RFS.

The timing of the release of the new RFS numbers will coincide with the Ohio Soybean Association (OSA) being in Washington, DC in June and July. A strong RFS is a priority issue for OSA.

“Increasing the biodiesel volume under the program is the most practical, cost-effective way to ensure continued growing domestic production of Advanced Biofuel, which under RFS standards must reduce greenhouse gas emissions by at least 50 percent,” said Jerry Bambauer, OSA chairman and soybean farmer from Auglaize County. “As the EPA and other administration officials make final decisions regarding the proposal, NBB and OSA has been working aggressively in recent weeks to make the best case for meaningful growth in both the Biomass-based Diesel and the overall Advanced Biofuel sectors of the RFS.” added Bambauer.

The draft proposal from the EPA was sent to the White House Office of Management and Budget (OMB) on May 7. The EPA has confirmed that the proposal includes Biomass-based Diesel volumes for 2014-2017 and other RFS volumes for 2014-2016. In confirming that it sent the proposal to OMB, the EPA released a statement that said: “The Agency is committed to issuing the proposals by June 1 and finalizing volume standards by the end of this year, so we can provide for long-term growth of renewable fuels. Biofuels are an important part of the president’s energy strategy, helping to curb our dependence on foreign oil, cut carbon pollution, and drive innovation.”

Once the proposal is signed and announced publicly, it will be published in the Federal Register 5-7 days later. From the date of publication, NBB anticipates a 60 day comment period and a public hearing. Working through the Required Volume Obligations (RVO) Working Group, OSA and NBB will submit comments on behalf of the industry along with updated studies regarding feedstock availability, greenhouse gas reductions and price modeling. We will also work with members to present testimony at the public hearing.

NBB has been in regular discussion with EPA officials but currently have no further information about the volumes that have been drafted. On April 23, NBB and several biodiesel company representatives from a RVO Working Group met with the EPA to make a case for strong growth. Specifically, the group advocated NBB’s consistent position in recent years that the EPA should grow



the Biomass-Based Diesel volume standards by about 300 million gallons per year while also establishing meaningful growth in the overall Advanced Biofuel category to accommodate continued anticipated increases in imports from countries such as Argentina. A letter on NBB’s request included the following statement:

There are four main issues to consider as we work with your team to move this process forward in a seamless way that will create a growing biodiesel industry and that meets the Administrations goals on

addressing climate change, reducing our dependence on oil and improving our fuels policy.

1. The impact of biodiesel and renewable diesel on the cost to consumers of transportation fuel and on the cost to transport goods. *Under the RFS, biodiesel and renewable diesel help lower the cost of diesel fuel at the truck stop and gas pump, which is evidenced by the number of discretionary blenders that use the product because it is economically beneficial for them to do so. Each year, approximately half of the volume of biodiesel is marketed through discretionary blenders, companies not required to use the product. They do so because they are able to add biodiesel to the marketplace at costs lower than petroleum diesel.*

2. The impact of biodiesel and renewable diesel on other factors, including job creation, the price and supply of agricultural commodities, rural economic development, and food prices. *Our team has conducted a complete macroeconomic analysis of the impact of responsibly increasing the volume of biodiesel and renewable diesel, which shows that it can be done in a way that does not negatively impact the many economic factors EPA is required to evaluate.*

3. Increasing Imports – Imports of biodiesel and renewable diesel are increasing. *In 2013 and 2014 combined, more than 825 million gallons of biodiesel and renewable diesel were imported into the United States. We anticipate those volumes will grow due to the fact that EPA has made it easier for large volumes of biodiesel from Argentina to qualify for the program. Additionally we anticipate that already mature biodiesel and renewable diesel markets from Singapore, the European Union and South Korea will continue to ship product to the U.S. at increasing levels over the next three years.*

4. Our goal since 2009 – when the volume program began - has been to responsibly grow production, and that remains our goal today. *Our industry now has an opportunity to work with you on a four-year program that grows from last year’s production to a reasonable volume through 2017. As producers, it is necessary that the program grows each year for both the Biomass-based Diesel program and the “Advanced Biofuels” program.*

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IN THIS

Issue



May 2015

- RFS Advocacy in High Gear Ahead of June Proposal
- Soybean Research Maximizing Checkoff Dollars
- Research Creating High Value Products from Glycerine Glut
- Receives 2015 Innovation Award

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