



SOYBEAN
RESEARCH



LIVESTOCK



BIODIESEL



TRANSPORTATION



GLOBAL
UTILIZATION



SOY-BASED
PRODUCTS &
TECHNOLOGIES



FREEDOM
TO OPERATE



SOY
OHIO
Ohio Soybean Council



2013
INVESTOR
REPORT



FOUNDATION



LETTER FROM THE CHAIRMAN

JOHN MOTTER



Every year, our mission is to maximize profits for Ohio soybean farmers, and in this year's investor report you will find highlights from a variety of efforts focused on this mission. In 2013, the Ohio Soybean Council (OSC) made several advances in a number of important areas as well as developed new initiatives that helped us achieve our goals.

Water quality and nutrient management continue to be a priority for OSC, as we recognize these issues are of growing importance for Ohio soybean farmers. Farmers have expressed a willingness to be part of the water quality solution by supporting a three-year, edge-of-field research project conducted by The Ohio State University (OSU) that will review and revise the Ohio Phosphorus Risk Index.

The Council has also invested significant time into a comprehensive education project in order to address the need to educate our youth on both the importance of and opportunities available in the agriculture industry.

New use research remains a priority for OSC and we are pleased to be a part of a study at Battelle researching different properties and potential uses of high-oleic soybeans.

The OSC Board of Trustees shares in the commitment Ohio soybean farmers have for producing a safe and healthy food supply. With this vision in mind, we continue to focus on priorities to help ensure the long-term viability of the Ohio soybean industry.

2013 Financial Review

Year ended September 30, 2013

Assessment receipts from first purchasers:
\$16,933,781

LESS:

Assessment receipts remitted to the United
Soybean Board: **\$7,492,776**

Assessment receipts remitted to other states:
\$1,535,413

Net assessment receipts: **\$7,905,592**

Investment income: **\$7,992**

Grants: **\$63,939**

Total additions to fund balance: **\$7,977,523**

Administrative disbursements: **\$718,625**

Total deductions from fund balance:
\$6,216,111

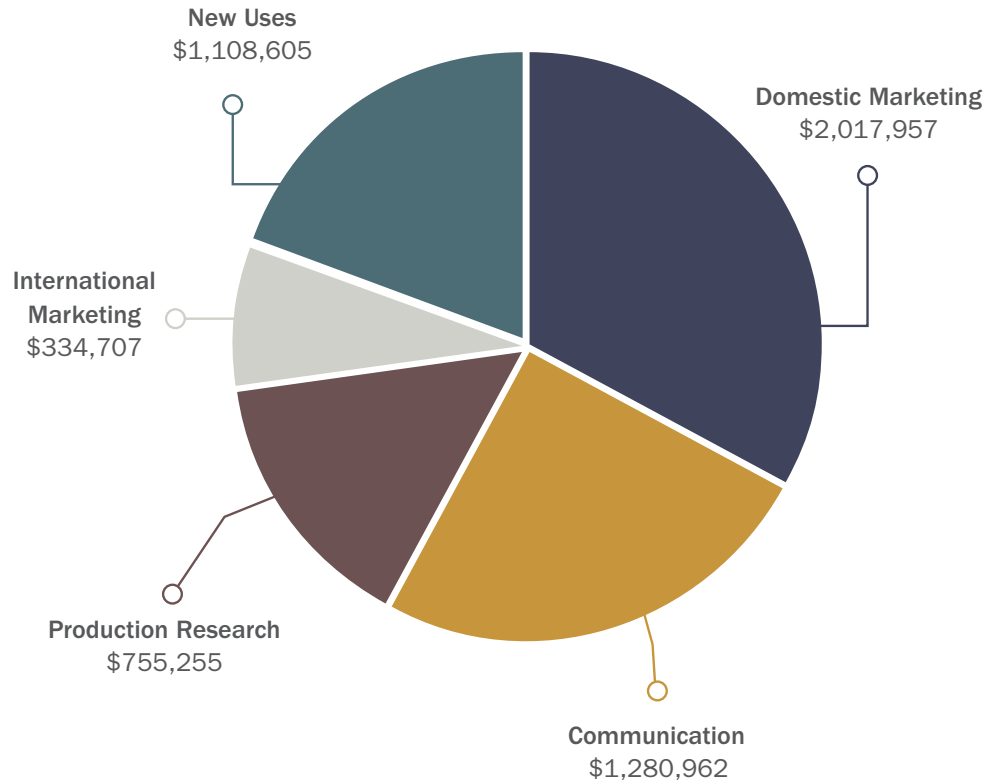
Net increase in cash and investments:
\$1,761,412


Beginning cash investments: **\$7,790,692**

Ending cash and investments: **\$9, 552,104**

Program Disbursements

Total program disbursements: \$5,497,486



A close-up photograph of green soybean leaves, with some leaves showing signs of insect damage (holes).

DIGGING DEEPER TO OPTIMIZE SOYBEAN PRODUCTIVITY

Management Practices Affecting Yields

OSC is funding research with OSU to determine management practices that lead to higher soybean yields and quality traits using a new type of experimental design called an “omission trial.” Via a statewide survey of soil quality, pests and management practices, yield-limiting factors are being assessed. Through workshops and digital media, this data will be used to inform Ohio soybean farmers on how to identify yield-limiting factors on a field-by-field basis.

Phosphorus Project

OSC is also partnering with OSU to validate and, as necessary, revise the Ohio P Risk Index by establishing field-scale, edge-of-field monitoring facilities around Ohio. This project is important to farmers because it is quantifying where the phosphorus is coming from and further determining what practices should be used to ensure they continue to be good stewards of the land.

Key Accomplishments:

- Continued research in the area of production allows discoveries that lead to increased yields and reveal better production practices.
- Research in the area of phosphorus management will help farmers optimize their nutrient management practices.



SOYBEANS CONTINUE TO FIND NEW WAYS INTO THE MARKETPLACE

High-Oleic Soybean Oil

OSC worked with Emery Oleochemicals to convert 750,000 lbs. of high-oleic soybean oil into oleic acid and ozonolysis products. The result of the study revealed that high-oleic soybean oil can be used not only for food grade purposes, but also for industrial uses.

From the Lab to the Marketplace

Battelle and OSC have created a soy-based polymer by combining soybean meal and plastics. Biobent Polymers is now successfully marketing this technology that can replace up to 40 percent of the petroleum used in plastics.

Key Accomplishments:

- Work continues to find commercialization opportunities for products made from high-oleic soybean oil.
- OSC collected royalties on technology licenses of nearly \$100,000 in fiscal year 2013 bringing the total collected to over \$500,000 to date.



PARTNERSHIP HELPS CREATE NEW BIOHEAT MANDATE

Promoting Bioheat

Along with the National Biodiesel Board (NBB), Ohio farmer leaders traveled to New York to see the implementation of the new bioheat mandate. Bioheat is a blend of biodiesel and heating oil, and the growing demand in the Northeast will help drive production demand in Ohio and benefit Ohio soybean farmers. The governor of Rhode Island signed legislation to mandate a 2 percent blend starting in July of 2014 with plans to expand that to 5 percent in 2017.

Continued Partnership with the National Biodiesel Board

OSC continues to partner with the NBB to promote the production and use of biodiesel. This partnership has made great strides in the area of bioheat education and other benefits to using biodiesel.



Key Accomplishments:

- With help from the Advanced Biofuel Initiative, the Renewable Fuel Standards for 2013 were increased.
- Continued to increase awareness of biodiesel both nationally and locally.
- Almost 2 billion gallons of biodiesel were produced this year.



MAINTAINING KEY PARTNERSHIPS FOR CONTINUED SUCCESS

Feasibility Studies

OSC worked with the Ohio Pork Producers Council on a task force and commissioned a feasibility study to evaluate the prospect of bringing pork packing facilities into Ohio. They have also been expanding their work in the poultry industry and have recently finished a feasibility study about the prospect of bringing more broilers to Ohio.



Promoting the Meat Industry

Once again, OSC supported and partnered with Ohio livestock and poultry groups to promote their products through a variety of special events and promotions including the Ohio State Fair Pork Rib-off and Columbus Clippers' Beef at the Ballpark.

Key Accomplishments:

- Successful partnerships with pork, poultry and cattle groups to promote their products.
- Expanding opportunities for livestock and poultry farmers and increasing economic impact for animal agriculture in Ohio.



STRENGTHENING RELATIONSHIPS AT HOME AND ABROAD

Projects with the U.S. Soybean Export Council, U.S. Meat Export Federation and U.S. Poultry and Egg Export Council

OSC continues to promote soyfoods in India, U.S. meal in Europe, U.S. pork to Asia and U.S. poultry to Mexico. Positive partnerships with these organizations allow OSC to continue their mission of promoting the use of soy beyond the United States.

Key Accomplishments:

- Strengthened customer relationships in Taiwan.
- Successfully positioned Ohio as a capable food-grade soybean supplier for Korea.

Korea and Taiwan

Two Ohio soybean farmer leaders traveled to Korea and Taiwan with the ultimate goal of highlighting Ohio as a supplier of high-quality soybeans. Korea recently signed a Free Trade Agreement and is identified as a potential market for food-grade soybeans. Taiwan has a history of being a strong market as well as having a longstanding partnership with Ohio.

Japan Partnership Team Visits Ohio

The Japan partnership team visited Ohio this year to learn about high-oleic soybean production. They visited a local Ohio farm, a grain elevator that accepts high-oleic soybeans and attended a summit-style meeting at OSU where the leadership of the American Soybean Association and the United Soybean Board were present to educate the partnership team on issues related to high-oleic soybeans.



UNITING TO HELP BRIDGE THE GAP FOR TRANSPORTATION

Ohio River Tour

OSC was a sponsor of a joint state river tour between Indiana and Kentucky. On the tour, farmers, community leaders and elected officials were educated on the locks and dams system. Trip attendees also gained a better understanding of the infrastructure that makes up the transportation system and the importance of its maintenance.

Prioritizing Bridge Repair

Along with the Ohio Department of Transportation and the County Engineers Association of Ohio, OSC has begun work to identify bridges near grain elevators that are in need of repair. The work will then shift to the Ohio Soybean Association (OSA) to advocate for these bridges to be a priority for repair.

Northwest Ohio Transportation Trip

This past summer, OSC and OSA visited the Port of Toledo, the Andersons and the CSX Intermodal Facility in North Baltimore. The goal of this trip was to help farmers understand the logistics and challenges transportation infrastructure is facing.

Key Accomplishments:

- OSC recognizes the need to maintain a solid transportation infrastructure and is making great strides in improving it for farmers.
- OSC assisted in the attainment of a \$65,000 grant for Deshler Farmers Elevator Company in Henry County to study containerization feasibility.

EDUCATING FOR THE FUTURE

Key Accomplishments:

- Launch of the education portal, GrowNextGen.org.
- Development of more than 20 curriculum units to be used in the classroom.
- Water quality promotion resulted in more than 90 media pick-ups in the form of print, online, radio and television.
- Hosted the first state Food Dialogues event with more than 100 local influencers in attendance.

Water Quality

As water quality and nutrient management become of increasing interest to Ohio soybean farmers, OSC continues to make water quality projects a high priority. Partnered with the Ohio Corn and Wheat Growers Association and others, OSC has invested in a number of projects related to water quality research. The 4R Tomorrow program, created by the Ohio Federation of Soil and Water Conservation Districts with the support of OSC, aims to educate and promote wise nutrient management to conserve water quality and soil health using the 4R nutrient stewardship principles and conservation practices. To achieve its goals, the 4R concept incorporates the right fertilizer source at the right rate at the right time and in the right place. 4R nutrient stewardship requires the implementation of best management practices that optimize the efficiency of fertilizer use.

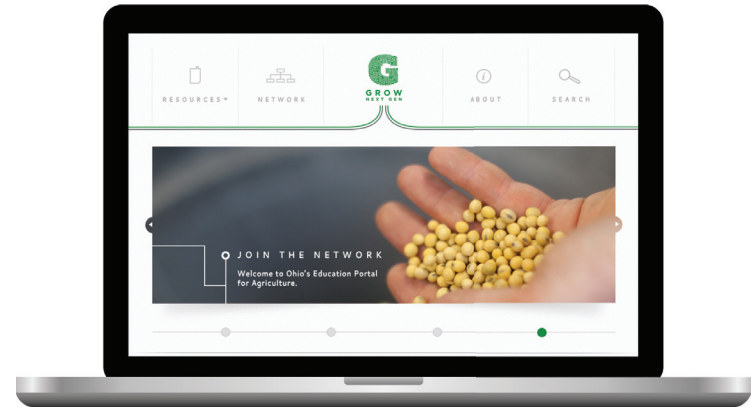


Education

In addition to supporting teacher networks across the state of Ohio, an online interactive educational portal has been developed to provide teachers access to curriculum related to soybeans and science, and to connect the classroom to industry professionals. Along with relevant classroom curriculum, portal users will find e-learning courses, agriculture-focused career videos and interactive elements.



grownextgen.org



Food Dialogues®: Ohio

In August, OSC partnered with the Ohio Farm Bureau Federation to organize The Food Dialogues: Ohio. The event included a dynamic and interactive conversation on topics related to GMOs and sustainability. Emphasis was placed on presenting all sides and viewpoints. To create a diverse conversation, each panel was made up of local farmers, consumers and experts in the food and health industries.





CONTRIBUTIONS HELP THE FOUNDATION GIVE BACK TO STUDENTS AND TEACHERS



OSCF's scholarship program encourages undergraduate students at Ohio colleges and universities to pursue degrees in one of the many academic fields that support the future of the soybean industry including science and technology, economics, communication, education, business and leadership. This year's winners are (from left to right) Shelby Mann (Wilmington College), Emily Limes (OSU), John Schoenhals (OSU), Stephanie Verhoff (OSU), Mike Hannewald (OSU), Rhiannon Schneider (OSU), Nicholas Callow (University of Akron) and Stacie Seger (OSU).

Ag Biotech Education

The Ohio Soybean Council Foundation (OSCF) received a \$30,000 grant from the DuPont Pioneer Giving Program to host the Ag Biotechnology Academy. This program introduced 41 science teachers to the content and skills necessary for teaching biotechnology and other related agriculture topics.

Invention Convention

The OSCF awarded \$5,000 in total scholarships to the Invention Convention, which involves a regional science event designed to encourage students to apply basic science skills in a creative and productive manner.

Key Accomplishments:

- Awarded \$35,000 in scholarships.
- Forty-one science teachers have been introduced to the content necessary for teaching biotechnology and other topics related to agriculture.
- Further educating our youth on the importance of the soybean industry through the emerging bioproducts arena.



Cool Beans: It's Soyence!

An educational program funded by OSC brought over 600 6th grade Newark school kids to Devine Farms in Hebron, Ohio to learn about soybean science. They used hula hoops to predict yields, made bio-based lip balm, engineered egg catchers and ran putt-putt boats using biodiesel. Developed by OSC, "Cool Beans: It's SOYence" is a STEM-based agriculture education program featuring curriculum to teach Newark middle school students about opportunities in the soybean industry through the emerging bioproducts industry.

OSA TEAMS UP TO PROVIDE LEGISLATIVE SUPPORT TO SOYBEAN GROWERS

A red combine harvester is shown from a low angle, moving through a green field. The harvester's complex machinery, including the header and auger, is visible. The background shows a line of trees under a cloudy sky.

Commercial Activity Tax (CAT)

Along with a coalition of other agricultural groups, a joint letter was written to stop lowering the limit of the CAT threshold. Their efforts were successful in allowing the threshold to remain at \$1 million without any additional changes.

Senate Bill 150

The Ohio Soybean Association (OSA) participated in Soybean Advocacy Day at the statehouse to lobby for the passage of a version of Senate Bill 150. The new version of the bill will require farmers to be certified to apply fertilizer, but it will exempt any fertilizer applied during planting.

Beck's Young Farm Leader Program

OSA launched the Beck's Young Farm Leader program this year to highlight young farmers that have the desire to be the future leaders of the soybean industry.

Key Accomplishments:

- Engaged in productive conversations with state officials on issues important to farmers.
- Continuing to improve communication with Ohio farmers on issues that are a priority for the Association.



Nathan Brown of Highland County



2013 Beck's Young Farm Leader of the Year

Kerrick Wilson of Preble County



Jeff Adams of Champaign County

2013 Beck's Young Farm Leaders

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