

OHIO SOYBEAN COUNCIL

2015 INVESTOR REPORT







PATRICK KNOUFF

CHAIRMAN OF THE BOARD
OHIO SOYBEAN COUNCIL

As you may already be aware, when your soybean checkoff dollars are collected, (one half of 1 percent of the bushel price) half of those dollars go to the United Soybean Board. The other half remains here in the state to be invested in programs intended to increase the profitability of Ohio soybean farmers. The Ohio Soybean Council (OSC) is the organization responsible for that mission and is directed by a group of volunteer farmers, elected by their peers, from around the state.

For the past two years, I have had the privilege to serve as chairman of OSC and work closely with my fellow board members to take our organization to the next level. This group of farmer-leaders is always looking ahead and seeking more opportunities to support the soybean industry.

As part of that vision, we have created a new organizational structure that better reflects the focus on actionable programs that produce results. This year's investor report is divided by communication/education, demand and research, and will hopefully give you a better understanding of the breadth and depth of our work.

While I recently passed the torch to a new chairman, Terry McClure, I remain on the board and look forward to seeing what we as an industry can accomplish next. Thank you to my fellow farmer-leaders and all of you for your continued support throughout my term.

Sincerely,

A handwritten signature in dark ink that reads "Patrick A. Knouff". The signature is written in a cursive, flowing style.

Patrick A. Knouff

YEAR ENDED SEPTEMBER 30, 2015

ASSESSMENT RECEIPTS FROM FIRST PURCHASERS

\$14,079,383

LESS

ASSESSMENT RECEIPTS REMITTED TO THE UNITED SOYBEAN BOARD

\$6,295,362

ASSESSMENT RECEIPTS REMITTED TO OTHER STATES

\$1,310,016

NET ASSESSMENT RECEIPTS

\$6,474,005

INVESTMENT INCOME

\$5,053

GRANTS

\$150,111

TOTAL ADDITIONS TO FUND BALANCE

\$6,629,169

ADMINISTRATIVE DISBURSEMENTS

\$655,576

TOTAL DEDUCTIONS FROM FUND BALANCE

\$7,193,135

NET DECREASE IN CASH INVESTMENTS

\$(563,966)

BEGINNING CASH INVESTMENTS

\$10,502,178

ENDING CASH INVESTMENTS

\$9,938,212

TOTAL PROGRAM DISBURSEMENTS

\$6,537,559

DOMESTIC MARKETING

\$2,201,235

PRODUCTION RESEARCH

\$1,709,271

COMMUNICATION

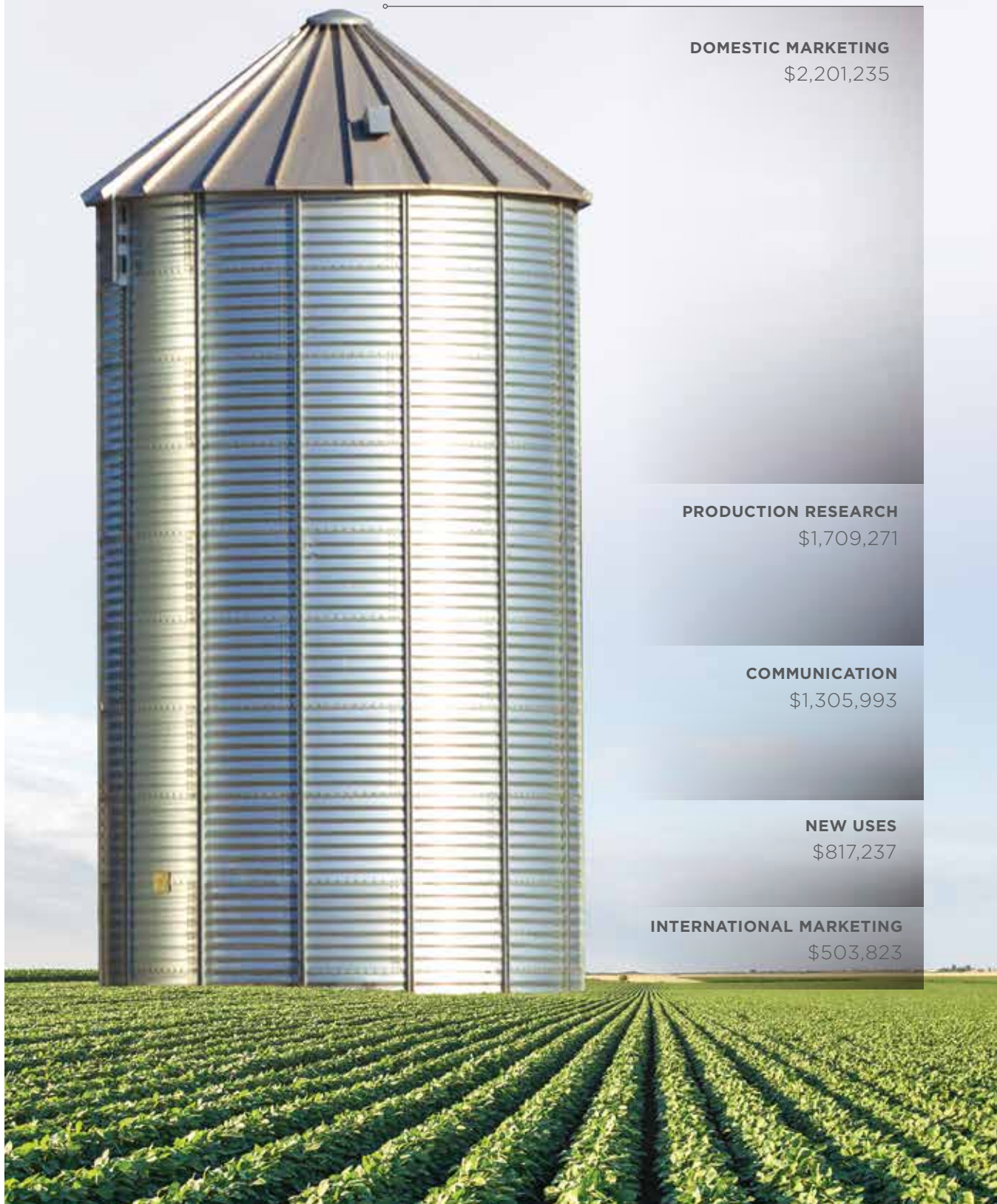
\$1,305,993

NEW USES

\$817,237

INTERNATIONAL MARKETING

\$503,823





DEMAND

Driving demand for soybeans continues to be a top priority for the council, and we are pushing hard on multiple fronts.

OSC CONTINUES TO FUND AND WORK ON PROJECTS WITH THE
NATIONAL BIODIESEL BOARD
AIMED AT USING MORE BIODIESEL
IN CARS AND TRUCKS, BUSSES,
LOCOMOTIVE ENGINES AND HEATING OIL.

RESIDENTIAL HEATING OIL IS ROUGHLY A 4 BILLION GALLON MARKET. A 5% STAKE FOR BIODIESEL WOULD MEAN A MARKET SHARE OF 200 MILLION GALLONS, WHILE A 20% BLEND WOULD LIFT DEMAND TO 800 MILLION GALLONS.



**INCREASE
TURKEY
EXPORTS**

International buyers from several countries visited Ohio for meetings with Ohio turkey producers, along with the USA Poultry and Egg Export Council and Ohio Poultry Association, to increase turkey exports.



PRODUCT COMMERCIALIZATION

**2 PRODUCT
PATENTS**

THE OHIO SOYBEAN COUNCIL HAS RECENTLY FILED TWO PATENTS ON THE DEVELOPMENT OF A **BPA FREE SOY RESIN** FOR CAN COATING AND OTHER INDUSTRIAL APPLICATIONS AND A **MATERIAL PROCESS TO REMOVE ALL OLIGOSACCHARIDES** FROM SOYBEAN MEAL FOR USE IN FISH FEED FOR AQUACULTURE. OSC IS PROACTIVELY SEEKING COMMERCIALIZATION PARTNERS FOR THESE TECHNOLOGIES TO CREATE INCREASED DEMAND FOR SOYBEANS.



UNDERSTANDING CRITICAL INFRASTRUCTURE

IN 2015, OSC WORKED TO BETTER UNDERSTAND OHIO'S CRITICAL INFRASTRUCTURE THREATS AND OPPORTUNITIES, AND THEN DEVELOPED A LONG-TERM STRATEGY. **IN 2015, OSC INITIATED TWO PROJECTS UNDER THE STRATEGIC UMBRELLA DEVELOPED IN 2014:**

**DIGITAL
COMMUNICATION**

IDENTIFIED CURRENT AND FUTURE DIGITAL COMMUNICATION NEEDS.



**EVALUATE THE
ECONOMICAL
POTENTIAL OF INCREASING
NATURAL GAS
USE BY OHIO SOYBEAN FARMERS**

OSC REPRESENTATIVES DRIVE DEMAND FOR OHIO SOYBEANS AROUND THE WORLD

**INTERNATIONAL TRADE MISSIONS:
SPAIN, ITALY AND ROMANIA**

This past summer, OSC board members traveled to Europe with the U.S. Soybean Export Council (USSEC). Presentations were made at feed industry conferences in Spain, Italy and Romania about the benefits of using U.S. soybean meal to help drive demand for soybean exports.



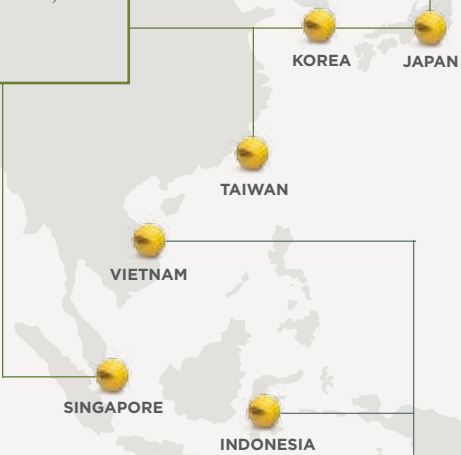
**CONTINUING PARTNERSHIP PROJECTS:
JAPAN**

OSC and Ohio Pork Producers, together with the U.S. Meat Export Federation, are working with Japan to increase pork exports to that country.



**CONTINUING PARTNERSHIP PROJECTS:
JAPAN, TAIWAN, SINGAPORE AND KOREA**

For the past 15 years, we have continued to focus on increasing sales of food grade soybeans throughout Asia, especially in Japan, Taiwan, Singapore and Korea.



**CONTINUING PARTNERSHIP PROJECTS:
GHANA**

World Initiative for Soy in Human Health (WISHH) met with supply chain partners in sub-Saharan Africa who import U.S. soy protein, as well as representatives promoting isolated soy protein in West Africa. In 2014, countries with importers cultivated by WISHH and OSC imported over \$1 million in value added soy products from the U.S.



**CONTINUING PARTNERSHIP PROJECTS:
NICARAGUA**

With support from OSC, USSEC helped a beverage distributor increase sales of powdered soy milk throughout Central America by 11.13 percent last year and forecasts growth of about 15 percent this year – driving demand for isolated soy protein.



**CONTINUING PARTNERSHIP PROJECTS:
MEXICO**

OSC has partnered with USA Poultry and Egg Export Council (USAPEEC) to increase chicken exports to Mexico.



**INTERNATIONAL TRADE MISSIONS:
INDONESIA AND VIETNAM**

For the first time, OSC traveled to Indonesia and Vietnam. In Indonesia we met with buyers and key industry contacts to discuss opportunities for increasing sales of commodity- and food-grade soybeans. The goal in Vietnam was to learn more about that emerging market, which has great potential for Ohio soybeans.



RESEARCH

Advancing soybean science through innovative research and development creates value for Ohio soybean farmers and provides solutions for consumers.

SOYBEAN CYST NEMATODE

(SCN) IS IMPACTING SOYBEANS GROWN IN OHIO OVER A LARGE NUMBER OF ACRES.

SOIL SAMPLES SHOW SCN IS **NOW FOUND IN VIRTUALLY EVERY SOYBEAN GROWING COUNTY IN THE STATE**, INCLUDING FIELDS WHERE CORN AND WHEAT ARE ROTATED WITH SOYBEANS. • NUMEROUS STUDIES ARE UNDERWAY BY RESEARCHERS AT THE OHIO STATE UNIVERSITY TO ADDRESS KEY QUESTIONS AROUND HOW TO MANAGE THIS PEST.



Soybean Cyst Nematode and egg.



Segment of soybean root infected with soybean cyst nematode. Signs of infection are white to brown cysts filled with eggs that are attached to root surfaces.



Stunting and yellowing are above-ground symptoms of SCN. Photo credit: Iowa State University.

THE CONDITIONS THAT FAVOR CHARCOAL ROT ARE ALSO IDEAL FOR SOYBEAN CYST NEMATODE.

Charcoal rot, which is caused by a **soilborne fungal organism**, has been observed recently in a number of fields in southern Ohio. It can cause severe yield losses under dry, hot conditions. • Drawing on soybean cyst nematodes research by colleagues at OSU, Dr. Terry Niblack is studying the interaction between the two diseases, and working on management options for farmers facing this dual threat.



Tiny, dark fungal structures (microsclerotia) on stem and root tissue of infected plants look like charcoal dust. Photo credit: Doug Jardine, Kansas State University.



Premature yellowing of plants infected with *M. phaseolina*. Photo credit: Carl Bradley, University of Illinois.

PRODUCT RESEARCH



OSC AND BATTELLE ARE WORKING TOGETHER TO SCALE UP OSC'S IMPROVED TECHNOLOGY TO REMOVE OLIGOSACCHARIDES FROM SOYBEAN MEAL, IMPROVING THE HEALTH AND GROWTH OF FISH, WHILE INCORPORATING MORE SOYBEAN MEAL IN FISH DIETS.

The technology was validated with yellow perch and is currently being evaluated with shrimp, trout and salmon. • **Global aquaculture currently consumes 15 million tons of soybean meal annually**, and this new technology offers the potential to significantly increase consumption.

SOYBEAN RESEARCH: COLLABORATION IS KEY

“STEPPING-UP” SOYBEAN PROJECT

Laura Lindsey, SOYBEAN AND SMALL GRAINS SPECIALIST, OSU

- Dr. Lindsey is conducting an omission trial to determine which management practices lead to higher soybean quality traits and yields.
- Identify yield-limiting factors through a statewide survey of soil quality, pests and management practices.
- Inform and train Ohio soybean growers to identify yield-limiting factors on a field-by-field basis through soybean workshops, newsletters and Extension meetings.

TRI-STATE FERTILIZER RECOMMENDATION UPDATE

Steve Culman, STATE SPECIALIST IN SOIL FERTILITY, OSU

- Dr. Culman is working to revise the Tri-State Fertilizer Recommendations originally published in 1995
- Fertilizer costs are a significant portion of a farmer’s input costs. Revising these recommendations will help farmers better understand how they should be investing their nutrient dollars.

REVISING THE OHIO PHOSPHORUS RISK INDEX

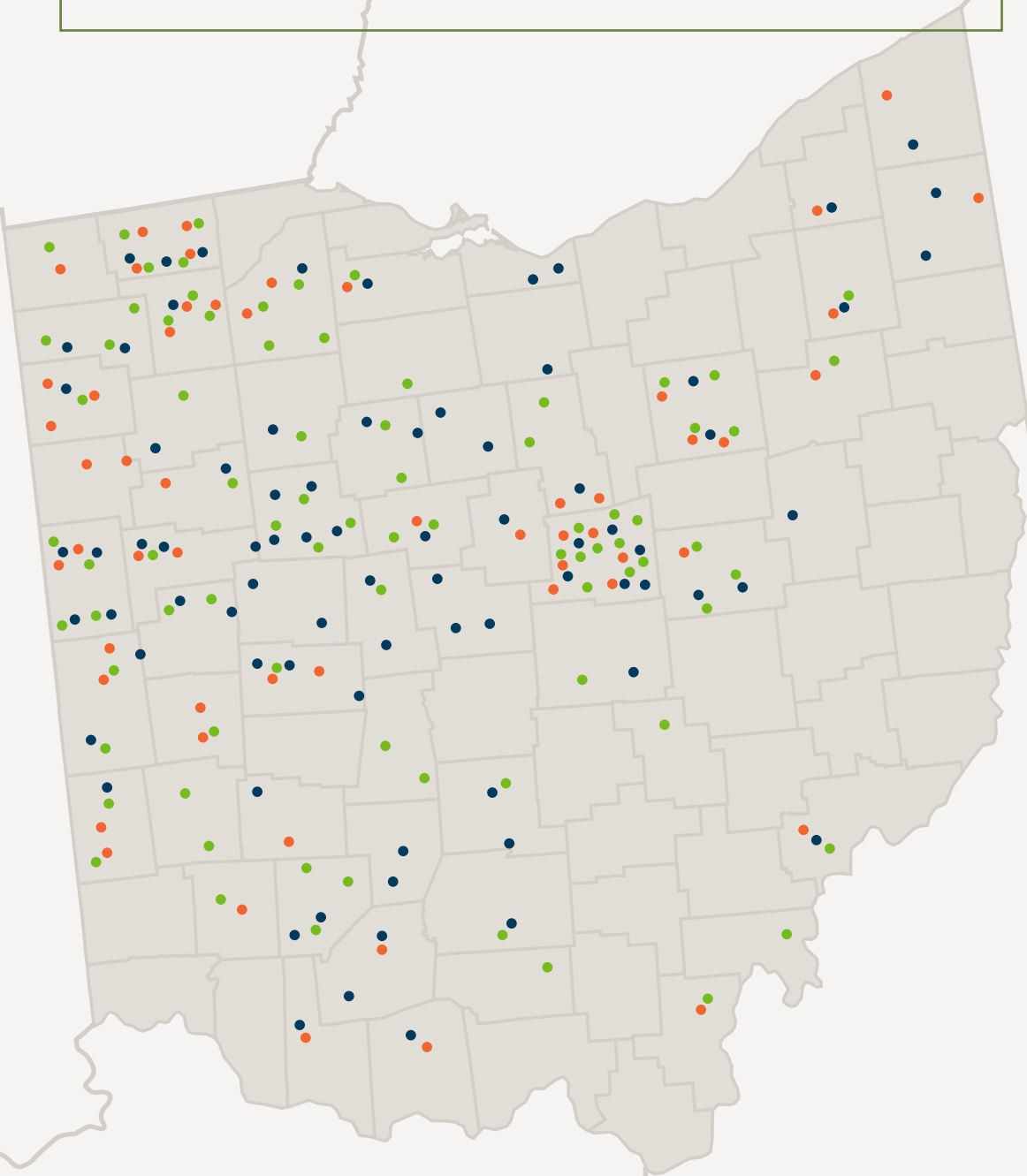
Elizabeth Dayton, RESEARCH SCIENTIST, OSU

- Dr. Dayton is working to evaluate and revise the Ohio P Index so it accurately reflects runoff risk of phosphorus
- She is also working to integrate more management options into the Ohio P Index to further reduce runoff risk
- Ultimately, this research will result in the broad implementation of revised and improved phosphorus recommendations to protect Ohio surface water quality.

ASSESSING THE STATUS OF SOIL PHOSPHORUS, POTASSIUM AND pH FOR SOYBEAN PRODUCTION IN OHIO. Aaron Brooker and Laura Lindsey

A statewide survey of farmer’s soybean fields was conducted from 2013 to 2015 to collect soil samples and determine soil-test phosphorus, potassium and pH values. Fields were selected on a volunteer basis and represent the major soybean production regions of Ohio.

● 2013 fields ● 2014 fields ● 2015 fields





COMMUNICATION AND EDUCATION

OSC supports many programs to help tell your story to those who are unfamiliar with agriculture, as well as to educate the next generation.

GROW NEXT GEN BRINGS SCIENCE AND AGRICULTURAL CURRICULUM TO THE CLASSROOM TO ENGAGE THE NEXT GENERATION

36 EVENTS TO DATE, INVOLVING
1,447 TEACHERS
AND IMPACTING AN ESTIMATED
160,617
STUDENTS PER SEMESTER

PROVIDES TEACHER-LEADER
PROFESSIONAL DEVELOPMENT

COLLABORATING WITH
COLUMBUS COUNCIL ON
WORLD AFFAIRS (CCWA)


DEVELOPED TWO NEW CAREER
VIDEOS, FIVE NEW E-LEARNING
COURSES AND 11 NEW UNITS
OF CURRICULUM IN 2015



GROW
NEXT GEN


1,500 LIKES

OSC has worked to increase its presence on social media with their Ohio Soybean Farmers brand. With nearly 1,500 likes, OSC has kept its followers up to date with the latest news from the checkoff as well as stories from real farmers. During the Farm Science Review, the “Why Water Matters” campaign was showcased on Facebook with farmers holding up a sign telling their followers why water matters to them.


WHY WATER MATTERS

OSC partnered with Ohio Corn and Wheat Growers in 2015 on a print, social and digital media campaign to communicate with farmers and consumers about water quality issues.

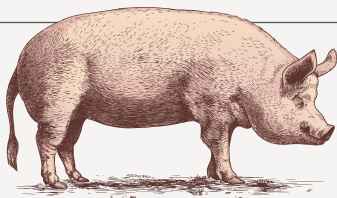
- The campaign, called “Why Water Matters,” ran around the anniversary of the algae bloom on Lake Erie to help combat some of the negative press.

AUTHENTIC VOICES

Eight Ohio soybean farmers put their authentic voices to work by speaking to civic organizations throughout the state. A total of **18 PRESENTATIONS WERE HEARD BY 973 OHIOANS.**

56% of respondents said they **increased their knowledge** of soybeans and related topics.

97% of the respondents said they would **recommend OSC speakers** to other groups.



NEARLY 350,000
FAIRGOERS VISITED OUR BOOTH IN THE
AG AND HORTICULTURE BUILDING AT THE
2015 OHIO STATE FAIR.

Pig races and a virtual reality flight down the Ohio River were crowd favorites. OSC also sponsored a day at the fair and was on hand to greet the more than 112,000 fairgoers who attended the fair that day.



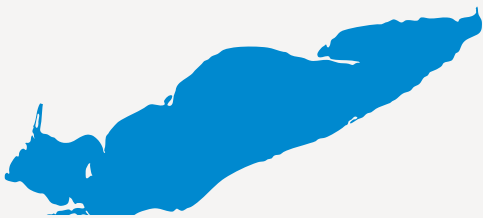
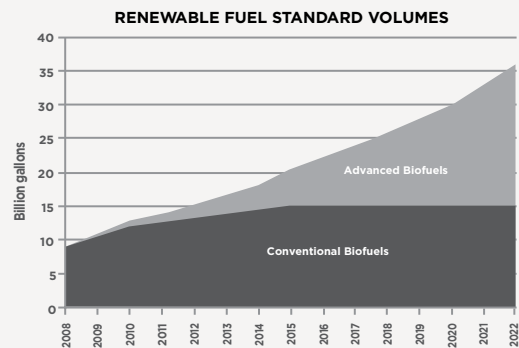
While consumer communications are a priority for OSC, we also **keep farmers in the know** with the latest information on soybean production and value-added opportunities through ads in Ohio Soybean News and the Leader Letter, as well as the Soybean Rewards web page and occasional e-bulletins. This year topics included integrated weed management and high oleic soybeans.



OHIO SOYBEAN ASSOCIATION

The Ohio Soybean Association provides leadership for Ohio's soybean farmers in promoting effective policies and legislation to help ensure a growing and profitable industry.

WORK BY OSA AT THE STATE AND NATIONAL LEVEL HAS HELPED KEEP THE **RENEWABLE FUEL STANDARD ON THE RISE.**



OHIO'S STATE LEGISLATURE PASSED **SENATE BILL 1** TO DEAL WITH NUTRIENT MANAGEMENT IN THE WESTERN LAKE ERIE BASIN.

OSA has partnered with other ag organizations in the state to prevent overly burdensome regulations on farmers.



THE U.S. CONGRESS IS CONSIDERING CHANGES TO LAWS PERTAINING TO THE LABELING OF FOOD PRODUCTS DERIVED FROM PLANTS THAT HAVE BEEN GENETICALLY MODIFIED.

THE **AMERICAN SOYBEAN ASSOCIATION** AND **OHIO SOYBEAN ASSOCIATION** HAVE BEEN WORKING TOGETHER TO PREVENT A "WARNING-STYLE" LABEL FROM BEING PLACED ON FOOD PRODUCTS CONTAINING GMOS. • ASA AND OSA ARE ALSO WORKING TO COMMUNICATE THE BENEFITS OF GMOS TO KEY MEMBERS OF THE LEGISLATURE.



Ohio Soybean Council
Foundation

OHIO SOYBEAN COUNCIL FOUNDATION

The foundation supports agricultural education and scientific research with an eye toward career opportunities in the soybean industry.

SCHOLARSHIP PROGRAM

OSCF AWARDED A TOTAL OF \$36,000, INCLUDING EIGHT UNDERGRADUATE AND TWO GRADUATE SCHOLARSHIPS, FOR THE 2015-2016 ACADEMIC YEAR

SCIENCE FAIR

OSCF AWARDED \$4,800 TO SUPPORT 16 MIDDLE AND HIGH SCHOOL DISTRICT SCIENCE FAIRS.

Projects included feeding soybean meal to crickets and studying the effects of row spacing on soybean production.



INVENTION CONVENTION

OSCF SPONSORED THE EVENT AND PROVIDED SCHOLARSHIPS TO THE WINNERS.

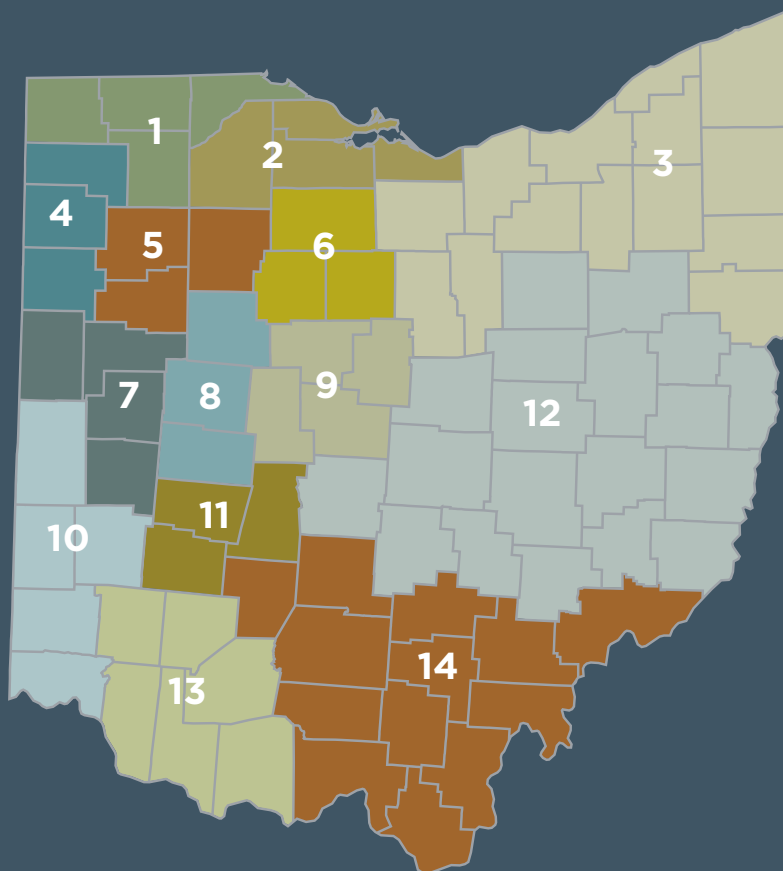
Three regional events with over 900 elementary school kids participating with a focus on STEM.

AG BIOTECH ACADEMY

CO-SPONSORED WITH **DUPONT PIONEER**, THIS TWO-DAY EVENT IS DESIGNED TO HELP TEACHERS **BETTER UNDERSTAND BIOTECHNOLOGY**. TEACHERS WERE SENT HOME WITH LAB EQUIPMENT THEY COULD USE IN THE CLASSROOM.







2015 OFFICERS

Chairman

PATRICK KNOUFF
District 7, Shelby Co.

Vice Chairman

TERRY MCCLURE
District 4, Paulding Co.

Treasurer

STEVE REINHARD
District 6, Crawford Co.

Secretary

GRETCHEN MOSSBARGER
District 14, Ross Co.

BILL BATESON

District 5, Hancock Co.

BILL BAYLISS

District 8, Logan Co.

DANIEL CORCORAN

Ex-Officio, Pike Co.
United Soybean Board

AMY SIGG DAVIS

District 13, Warren Co.

BRET DAVIS

District 9, Delaware Co.

SCOTT DENLINGER

District 10, Montgomery Co.

DAVE DOTTERER

District 12, Wayne Co.

NATHAN ECKEL

District 2, Wood Co.

KEITH KEMP

Ex-Officio, Preble Co.
United Soybean Board

JEFF MAGYAR

District 3, Ashtabula Co.

JOHN MOTTER

Ex-Officio, Hancock Co.
United Soybean Board

DALE PROFIT

Ex-Officio, Van Wert Co.
United Soybean Board

RANDY ROSEBROCK

District 1, Defiance Co.



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**To learn more about the Ohio Soybean Council
and its programs to support Ohio soybean farmers,
please visit our website: SOYOHIO.ORG.**



The Ohio Soybean Council (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, education and promotion projects.