



Ohio
SOYBEAN
ASSOCIATION

LEADER letter

OHIO SOYBEAN ASSOCIATION MEMBER NEWSLETTER

Established: August 17, 1966

Serving the legislative interests of Ohio soybean farmers for 46 years.

May 2013



LETTER FROM the president



Hello spring! Farmers are making progress as we continue into the 2013 planting season. While planting is on everyone's mind, I hope you will consider entering the Ohio Soybean Association (OSA) Soybean Yield and Quality Contest by August 31, 2013.

Entrants can choose to enter one or more of four categories including conventional tillage, no-till, non-GMO soybeans conventional tillage and non-GMO soybeans no-till. As a reminder, please sign up for both the yield and quality contests which can be completed with one entry.

In last month's issue of the *Leader Letter*, I reminded you about the new program OSA launched in partnership with Beck's Hybrids. The third quarter applications are due August 1, 2013. Young leaders selected may be chosen to attend OSA and Beck's Hybrids leadership training programs, board meeting or other relevant activities. Recognizing young

Ohio leaders is vital to the continued success of the Ohio soybean industry.

As we get crops planted, I would also like to encourage all of you who have been working hard over the years implementing soil conservation practices on your farm to apply for the 2013 American Soybean Association Conservation Legacy Award. The program is open to all U.S. soybean farmers and winners from three regions will receive an expense-paid trip for two to the 2014 Commodity Classic Feb. 27–March 1, in San Antonio. Submissions are due by Aug. 5 and if you would like a brochure or online application you can visit www.SoyGrowers.com/clap.

The Senate and House Agriculture Committees are scheduled to start crafting a new farm bill this month. See page 5 for an insightful look into some overarching considerations on the U.S. crop safety net policy and the current farm bill debate.

Have a safe planting season.

Jerry Bambauer
OSA President
Auglaize County soybean farmer

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LEGISLATIVE

update



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OSA Working to Improve Water Quality Issues in Ohio

The Ohio State House is abuzz with activity during the late spring and early summer. Governor John Kasich and the Ohio Legislature are required by the Ohio Constitution to pass and sign the Ohio operating budget, House Bill 59 (H.B. 59) for fiscal years 2014-2015 before midnight on July 1st. The Ohio House of Representatives has passed their version of the budget, and committees of the Ohio Senate are reviewing the provisions of H.B. 59.

Among the provisions in the bill is the creation of the "Lake Facilities Authority", a governing body that may be created by county commissioners to oversee improvement or remediation of an impacted watershed. The Ohio Soybean Association (OSA) continues to actively engage Ohio legislators and regulators to ensure solutions to Ohio's water quality issues do not unfairly burden Ohio's farm families.

OSA has also partnered with the Ohio Corn and Wheat Growers Association to comment on proposed regulatory authority brought forth by members of Governor Kasich's cabinet. Directors of the Ohio Department of Natural Resources, Agriculture, and Environmental Protection have been working with agricultural leaders

to come up with legislative recommendations to help remedy water quality problems in Lake Erie and Grand Lake St. Marys. Members of the OSA Board of Trustees will be visiting Ohio legislators on June 19th to discuss OSA legislative priorities for the 130th General Assembly.

OSA is also working in partnership with the Ohio Soybean Council to ensure that all Ohio soybean growers are aware of the steps that need to be taken to do our part by ensuring responsible nutrient stewardship.

Along with the heavy activity in the Ohio Statehouse, Capitol Hill is heating up too. The U.S. House of Representatives and the U.S. Senate are putting together their respective Farm Bill proposals during the middle of May. Also, the U.S. Senate considered the Water Resources Development Act during May. The bill is critical to the streamlining activities of improving the locks and dams on U.S. rivers.

OSA leaders will be travelling to Washington in July to meet with the Ohio delegation regarding a vast array of issues including Farm Bill, trade policy, and biodiesel production.



Producer Communication

Ohio Agriculture Commits \$1 Million to Phosphorus Research

The Ohio Soybean Council (OSC) and soybean checkoff are committed to improving your bottom line by supporting research that improves soybeans in many ways. One recent research project involves water quality in the state of Ohio. While many factors and sources affect water quality, Ohio farmers want to be part of the solution and do their part to maintain and improve the health of Ohio waterways.

“Ohio farmers share the same environmental priorities as their fellow citizens and are committed to doing the right thing for their farms, their families and all Ohioans,” said John Motter, OSC chairman and soybean farmer from Hancock County.

As a result, farmers and other agricultural organizations are investing over \$1 million to commission a study to investigate phosphorus use in farming. This three-year project, led by The Ohio State University (OSU), OSU Extension and the U.S. Department of Agriculture (USDA) Agricultural Research Service (ARS), will determine how phosphorus is used in agriculture, how it leaves farm fields and how much of it is actually entering Ohio waterways.

How phosphorus moves from fields to waterways has never before been explored in such detail in Ohio.

“Farmers have answered the call to address water quality challenges in the past and they are committed to do so again,” said

Terry McClure, OSC board member and soybean farmer from Paulding County. “However, the issues we face with phosphorus today are different than those in the past. That is why research is a vital part of developing the necessary tools for every region, every farm and every watershed.”

Equipment has been placed in strategic locations at the edge of farm fields throughout the state to collect continuous and extensive data. OSU scientists will examine previous water quality studies, collect new data and provide farmers the information they need to make the right decisions for the environment and their farms.

Farmer and agricultural organizations that have provided funding for the research include the Ohio Soybean Council, Ohio Corn Marketing Program, Ohio Small Grains Marketing Program, The Andersons, Crawford County Farm Bureau, Deerfield Farm Services, DuPont Pioneer, Luckey Farmers Cooperative, Nachurs, Ohio Farm Bureau Federation, Paulding County Farm Bureau, Schlessman Seeds, Trupointe Cooperative and the United Soybean Board.

To date, all funding partners have committed over \$1 million to support the project. In 2012, the initial research funding was matched when OSU received a Conservation Innovation Grant of \$999,987 from USDA.

Agronomic Update

Insecticide Seed Treatments on Field Crops

By Ron Hammond and Andy Michel

Although almost all corn and a majority of the soybean seed now come with insecticide seed treatments, growers should not assume they will get much benefit from their application. Seed treatments have shown great control of seedcorn maggot, but only if and when that insect pest occurs.

Research over 20 years has shown that maggot populations only reach economic levels when a green, living organic crop such as an alfalfa field, grass cover crop, or heavy weed growth, or possibly manure, is incorporated into the soil. Tillage of green matter is what draws female flies into the field for egg laying, resulting in possible higher numbers. In those situations, seed treatments have been shown to work very well. However, for most of the other secondary pests, grower experience has shown the lack of adequate control.

True grubs and grubs of the Asiatic garden beetle are able to greatly damage corn that has been treated with the various seed treatments. Although labeled for black cutworm control, we still see significant injury from larvae, often needing an insecticide

foliar treatment for control; thus, the reason we state the need to always scout for black cutworm injury in no-till situations especially when winter annual weeds are present.

In soybeans, we do have good evidence that because of the systemic activity of seed treatments, they will offer control of foliar feeding insects such as the bean leaf beetle or soybean aphid in early spring. However, these pests are seldom if ever at high enough levels to cause concern in the spring in Ohio; the seed treatments are no longer effective and do not offer meaningful control in mid to late summer. In terms of bean pod mottle virus vectored by the bean leaf beetle in the spring, the jury is still out. At most, we only advise farmers growing seed or food grade soybeans to consider using them for this purpose, and at best that would only provide a limited amount of success. Thus, when given a choice, we usually do not recommend application of an insecticide seed treatment except for those specific situations mentioned above.

Producer Communication

Don't Miss Out!

The 2013 Ohio State Fair will run July 24th-August 4th. The Ohio Soybean Council (OSC) and soybean checkoff is excited to be one of the six presenting sponsors of the Ohio State Fair, 2013 Junior Livestock Shows, Rabbit & Poultry Pavilion, Voinovich Livestock Center and the O'Neill Swine Building. OSC will host the second annual Ohio Soybean Day at the fair on Saturday, August 3rd. Look for a voucher in the June issue of the *Ohio Leader Letter* to receive free admission on Ohio Soybean Day.

Ohio Soybean Association Announces 2013 Soybean Yield and Quality Contest

The Ohio Soybean Association (OSA) has announced the launch of the state's fourth Soybean Yield and Quality Contest for the 2013 growing season. The entry fee is \$100 and entrants may submit multiple entries in the contest.

The following companies will pay the entry fee for contestants that enter their varieties: Asgrow, Beck's Hybrids, CROPLAN, DKG Seeds, LG Seeds, Powell Seeds, R Farm Seeds, Rupp Seeds, Schlessman Seed Company, Seed Consultants, Stewart Seeds, Stine Seed Company and Wellman Seeds.

5 Reasons Why You Should Enter the 2013 Ohio Soybean Yield and Quality Contest

1. An overall state yield winner will be awarded along with category prizes for the top placing entrants.
2. Awards will be given to the top placing entrants in the quality contest based on the percentages of oil and protein.
3. The contest encourages productive management practices.
4. Select seed companies will pay your entry fee.
5. Because OSA wants to recognize you, an Ohio soybean farmer, for your hard work and dedication to making Ohio a great place to grow soybeans.

Entrants can choose to enter one or more of four categories that include:

- conventional tillage
- no-till
- non-GMO soybeans - conventional tillage
- non-GMO soybeans - no-till

Developed to promote the importance of oil and protein, the quality contest is optional to enter. However, a farmer must enter the soybean yield contest in order to enter the soybean quality contest. This contest is based on the overall highest percentage of oil and protein content in the state. Entrants in the quality contest must submit a two-pound sample of soybeans for testing.

All entry forms and entry fees must be received by **August 31, 2013**. The entry form along with a complete listing of contest rules can be downloaded at www.soyohio.org/yieldcontest. All prize packages will be announced in mid-July at www.soyohio.org/yieldcontest.

OSA would like to thank Asgrow, Beck's Hybrids, CROPLAN, DKG Seeds, LG Seeds, Ohio AgNet, Ohio's Country Journal, Ohio Soybean Council, Powell Seeds, R Farm Seeds, Rupp Seeds, Schlessman Seed Company, Seed Consultants, Stewart Seeds, Stine Seed Company, Wellman Seeds and Monsanto for sponsoring the 2013 contest.

Soybean Marketing and Production College Will Help Producers Capitalize on Agriculture Trends

The American Soybean Association (ASA) has created a new Soybean Marketing and Production College program to educate producers on how to capitalize on the growing trends and new technologies in agriculture to maximize on-farm profitability. The event takes place in Minneapolis, July 29-30. Growers do not have to be ASA members to participate.

"Global sustainability requirements, meeting world soybean demand, weed management and herbicide resistance issues, new precision ag technologies – these issues are all impacting the profitability of soybean growers," said ASA President Danny Murphy, a soybean farmer from Canton, Miss. "ASA's Soybean Marketing and Production College will give growers hands-on training in these areas, with breakout sessions and presentations from industry experts, in addition to a session on succession planning."

Ohio State University's Dr. Matt Roberts, industry consultant on grain, petroleum, and biofuels markets and policy, headlines the Opening General Session. Roberts will review the current supply and demand situation for grains and oilseeds globally, what that means for prices, and how growers can best take advantage of these trends in their own marketing decisions.

U.S. Farm Report host John Phipps will keynote the Closing General Session. Phipps will share strategies to not just endure, but prosper from an unpredictable future in agriculture by understanding which risks are worth worrying about.

Registration for ASA's Soybean Marketing and Production College is open now through July 9. Get more information and register online at www.SoyGrowers.com/MarketingProductionCollege.

Ohio Soybean Association Launches Beck's Young Farm Leader Program *Apply Today*



The Ohio Soybean Association (OSA) and Beck's Hybrids have partnered to create the Beck's Young Farm Leader Program to showcase the hard work, dedication and leadership of young Ohio farmers.

Interested in applying? There are only a few qualifications:

- Growers must be between the ages of 21-45.
- Any soybean grower may apply for the Young Leader program; however selected participants are required to have a current Ohio Soybean Association membership to take part in the program.
- Applicants should demonstrate an interest in pursuing leadership roles within the soybean industry.
- Applicants are not required to grow Beck's Hybrids products to be eligible to win.

One farmer each quarter will be recognized in a story published in several Ohio agriculture publications highlighting the individual's leadership roles, both on and off the farm, and how he or she has built a foundation for farming success.

At the end of the year, one of the Young Leaders will be selected as the 2013 Beck's Young Farm Leader of the Year.

The 2013 Beck's Young Farm Leader of the Year will receive a trip for two (\$2,000 value) to the 2014 Commodity Classic in San Antonio, Texas.

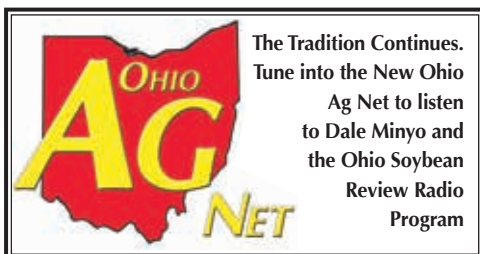
Young leaders may also be chosen to attend OSA and Beck's Hybrids leadership training programs, board meetings, events and/or any other relevant activities.

Visit www.soyohio.org/becksyoungharmlader to apply today!

Program Timeline:

August 1, 2013 3rd Quarter applications due

November 1, 2013 4th Quarter applications due



72% OF AMERICANS UNAWARE OF FOOD SOURCES

According to a July 2011 study by the U.S. Farmers and Ranchers Alliance (USFRA) – a grass-roots organization of farm and ranch families dedicated to leading a conversation that connects Americans to the source of their food – about farming among



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U.S. Crop Safety Net Policy: Overarching Considerations and the Current Farm Bill Debate

By Carl Zulauf

Department of Agricultural, Environmental and Development Economics The Ohio State University

Congressional markup of a new farm bill is currently expected to begin this month. This article examines some of the considerations that will underpin the debate and thus frame the details of the crop safety net.

Acreage Realignment

The mix of crops grown in the U.S. is in a constant state of flux. However, the elimination of annual acreage set asides in the 1996 Farm Bill allowed U.S. farms to decide what crops to produce, with the exception of restrictions on fruit and vegetable production. This policy change in concert with the development of the corn ethanol market has resulted in sizable acreage shifts among crops. Among what are often referred to as the major program crops, only corn and soybeans have more planted acres during the last 5 crop years (2008-2012) than in the 5 crop years preceding the elimination of set asides (1991-1995). Moreover, except for rice, these crops have experienced double digit declines. The same conclusion results when acreage shifts are examined from the perspective of farm policy by comparing 2008-2012 planted acres with program base acres which determine payments by some safety net programs. The importance of these acreage shifts to the current farm bill debate is that the U.S. corn and soybean sectors rarely ponder their potential disappearance from the American farm portfolio. Such is not the case with the other program crop sectors. At present, this concern is especially prevalent among the southern crops of cotton, peanuts, and rice. Needless to say, concerns over long term survivability will alter the perspective brought to the farm policy debate.

Elimination of Annual Acreage Set Asides

The elimination of set asides in the 1996 Farm Bill has created consequences with which the U.S. is still grappling. Annual acreage set asides allowed policy to be adjusted between Congressional Farm Bills. If costs increased for either crops in general or a specific crop, set asides could be increased in general or for the specific crop to reduce costs. The ability to annually adjust policy reduced the importance of accurately predicting program costs. In developing policy, we usually assume normal weather, both here and abroad. But, weather is rarely normal. In addition, technological change is difficult to forecast. Yield has trended up over time, but the trend often looks more like a staircase in which periodic jumps occur. Because forecasting is so difficult and despite the best intentions of policy makers, fixing support prices will generally lead to costs that exceed budgeted amounts or to a program that provides little assistance. Fixed prices that are high relative to market prices will affect the

mix of crops planted in the U.S. and shelter U.S. farms from making production adjustments. Since most U.S. crops are exported, farms in other countries will likely bear more of the adjustments. This outcome increases the likelihood of international trade law suits, such as happened when Brazil sued the U.S. over its cotton program.

Distribution of Spending by Program Type among Crops

An important feature of the debate surrounding the next farm bill is the proposed elimination of direct income payments. The commonly-accepted reason for this proposal is the difficulty in defending roughly \$5 billion in annual direct payments when crop income is at record high levels.

However, this proposal differentially affects the program crops.

Other farm safety net program categories are crop insurance and price risk programs. The latter are the Farm Bill Title 1 programs that make payments when price is below a support price. Currently, they are the counter-cyclical and marketing loan programs. Net payments by crop insurance are the difference between insurance indemnities paid to farms minus premiums paid by farms.

Sorghum and, especially upland cotton, rank high in each safety net program category in terms of payments expressed as a percent share of the value of production over the 2003 through 2012 crop years. In contrast, ranking of the other crops varies notably among the categories. Of particular interest to the current debate, direct payments are 16% for rice while net crop insurance payments are only 1% for rice. Direct payment share exceeds the net crop insurance share by 5 or more percentage points for sorghum, barley, and peanuts. For corn and soybeans, the difference is only 1 percentage point. Total farm safety net payments range from 45% for upland cotton and 27% for sorghum to 4% for soybeans and 3% for oats. Even excluding upland cotton, a notable spread exists in the role of the farm safety net by crop.

Summary Observations

The current U.S. farm policy debate must navigate itself through the concerns over the future of some crop sectors, must take into account the different payout structures for different crops by different farm safety net program designs, and must be aware of the desirability of annual adjustment mechanisms that reduce the likelihood of WTO challenges. Failure to navigate these concerns in a way that satisfies each crop sector will likely increase the odds that this year's debate will end up with last year's decision to extend the current farm bill for another year.

Pest Prevention

Whether you have already started or are preparing to plant, preparations for pest prevention are key. This season, keep your eye out for both the brown marmorated stink bug and newer invasive species of stink bugs. According to Dr. Ron Hammond, entomology professor at The Ohio State University, stink bugs are still a new pest that growers do not have much experience with. Ongoing research is being conducted to learn more about the pest's characteristics and the best management practices. Currently the best thing for you to do is to be on the lookout and take preventative measures. Stink bugs affect the plant by piercing

through the developing pod, causing the pod to abort, shrivel up, or reduce in size. The heaviest infected areas tend to be along the field borders, especially by wooded areas. Dr. Hammond suggests that you start scouting the fields from mid-July up until harvest and use any labeled insecticides when they reach a threshold of four per ten sweeps.

Soybean Rewards
Earning a premium just got easier.



Managed by the Ohio Soybean Council and soybean checkoff, the Soybean Rewards Program helps Ohio soybean farmers increase productivity, yield and profitability by providing information and research related to premium opportunities, new varieties, disease and pest management and conservation practices.

Ohio Soybean Association
918 Proprietors Rd., Suite A
Worthington, Ohio 43085
www.soyohio.org
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