



Ohio
SOYBEAN
ASSOCIATION

LEADER letter

OHIO SOYBEAN ASSOCIATION MEMBER NEWSLETTER

Established: August 17, 1966

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

December 2014



LETTER FROM *the president*



It's hard to believe we are already approaching 2015! Inside this December issue of the *Ohio Leader Letter*, you will find a list of highlights that could not have been possible without your membership support. Policy plays an important role in agriculture. Come to

think of it, without policy advocates, successful legislative action such as the Farm Bill, wouldn't happen.

Speaking of policy, several Ohio Soybean Association (OSA) board members recently attended the biodiesel advocacy fly-in day. The group met together in the morning then went to Capitol Hill for individual meetings with House and Senate members to share the message of the importance of quick extension of the biodiesel tax incentive. Shortly after meetings with House and Senate members, the Senate passed a one-year

extension of multiple tax incentives and credits, including several that affect soybean farmers. Reinstatement of the tax incentive was one of the National Biodiesel Board's top legislative priorities for the year. The bill is expected to be signed into law by President Obama in the coming days. The passage is a testament of the agriculture industries strength as a united industry that has maintained support from lawmakers.

I also want to personally congratulate Bret Davis, one of our own, for being selected as Vice President of the American Soybean Association (ASA). Bret serves on the OSA Board of Trustees and is representing Ohio very well at a national level.

In closing, I wish you the best as you continue offseason planning, and wish you and your family a very Merry Christmas.

Tommie Price
OSA President
Putnam County soybean farmer

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LEGISLATIVE

update



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Davis Named Vice President of the American Soybean Association

The American Soybean Association (ASA) recently announced the 2015 officers and committee assignments. Among the group of volunteer soybean farmers was Bret Davis, Delaware County soybean farmer who was elected to serve as Vice President.

"I am really honored to have been elected and look forward to working with the other officers," said Davis. "Soybean checkoff dollars cannot be used for lobbying, therefore, membership with the Ohio Soybean Association (OSA) and ASA is extremely important."

Davis currently serves on the OSA Board of Trustees. He also serves on the Board of Trustees of the state soybean checkoff organization, the Ohio Soybean Council. In addition to his leadership positions with state and national soybean organizations, Bret is an active member of the Delaware County Farm Bureau and Ohio Corn and Wheat Growers Association.

ASA's nine-member executive committee now consists of Secretary Ron Moore, Ill.; Treasurer Davie Stephens, Ky.; Vice Presidents Kevin Hoyer, Wis.; Bret Davis, Ohio; Joe Steinkamp, Ind. and John Heisdorffer, Iowa.

ASA also confirmed that Wade Cowan from Brownfield, Texas, as its newest President and moved outgoing President Ray Gaesser from Corning, Iowa, to the position of Chairman. Board members also elected Richard Wilkins, Greenwood, Del., to serve as First Vice President.

"I'm pleased with the team we elected and think it's an important step toward a world class standard as an organization," Cowan said. "We will work together this year to unify and move agriculture forward."

Gaesser said he looks forward to working with the newly elected leaders this year.

"We have a great team elected for leadership at ASA," he said. "We're excited about being proactive and addressing those issues that impact soybean farmers."

Elections were held in St. Louis at ASA's annual winter board meeting, and the meeting also served as a venue to celebrate the retirements of Alan Kemper, Jim Andrew, Robert Ross, Dean Campbell, Danny Murphy, Bob Worth and Ron Bunjer.



Ohio Farmer Attends Soy Buyers Outlook Conferences, Attracts 350 Participants in Japan

The U.S. Soybean Export Council (USSEC) recently held a two-day Soy Buyers Outlook Conference in Tokyo, Japan. Sponsored in part by the Ohio Soybean Council (OSC) and soybean checkoff, the November event hosted a total of 350 Japanese crushers, feed millers, soy food processors, traders and media. Topics covered included the annual U.S. soy crop quality update, soy health benefit information, market outlooks and soybean meal quality.

OSC board member, Jeff Magyar of Ashtabula County, attended the conference in Tokyo to speak with soybean buyers about Ohio's crop progress, quality and availability of specialty varieties.

"The theme of the conference and the conversations we had with Japanese buyers was quality," said Magyar. "Of course price is always a hot topic, but quality is something that the market in Japan is very concerned about and is willing to pay a premium for in many cases."

The path to market success in Japan is much different than some other well-known markets. While China is growing at a rapid rate in both population and demand, Japan's population is declining. However, where the overall demand is not expected to increase, their demand for quality, premium products is increasing.

"Japan may not be the high volume commodity market like China, but its demand for specialty products with traceability and high protein content makes it a high value, premium market," said Magyar. "Markets like this give soybean farmers the opportunity to add a



A group of crushers, feed millers, soyfood processors and traders at a press conference during the U.S. Soy Buyers Outlook Conferences held in Tokyo, Japan.

specialty soybean to their operation and seek a premium for it, like many Ohio soybean farmers are already doing."

Protein levels are extremely important for many domestic and international markets and concern about declining protein levels from the U.S. as a whole is a topic of conversation among all stakeholders. This is especially true of markets like Japan that are specifically focused on those levels.

Ohio is uniquely positioned to fulfill this demand. Thanks to the climate and soils of the state, Ohio soybean farmers consistently produce soybeans with higher protein levels than other states in the western half of the Corn Belt. Additionally, long-standing relationships with buyers have given Ohio an excellent

reputation for a consistent supply. Ohio is currently one of the largest producers of food-grade soybeans among U.S. states.

"Events like this outlook conference are valuable to both the soybean buyers and the soybean growers because it's an opportunity to meet face-to-face," said Magyar. "I spoke with many grain buyers and soy food manufacturers during the conference who were delighted to see pictures of my farm and watch a video of our soybean harvest. They asked great questions about the weather, prices, quality and availability of food-grade varieties. While it may seem like a small thing, building these relationships and keeping Ohio top of mind among the big players in this market is so important if we want to continue to maintain these opportunities for Ohio soybean farmers."

CONNECTIONS Considers How to Get More Value from Soybean Meal

Due to its historic emphasis on volume, the U.S. soybean industry has been an extremely efficient system, serving customers with a reliable and consistent supply of soybean meal. However, it could be time for the industry to take some of the importance off of yield and put it instead on component quality, such as higher-protein soybean meal. The size and value of the market for animal protein sources are huge, but competing products and sources will continue challenging U.S. soy's market share.

Production growth of lower quality protein sources like DDGS and canola meal, combined with cheaper synthetic amino acids, have displaced significant amounts of soybean meal per ton in formulated feed. The U.S. soy market has offset this loss by expanding into Asian markets, but it will need to focus on taking back domestic market share to ensure future success.

Industry representatives discussed this topic and more at CONNECTIONS 2014, an industrywide strategy meeting of soy stakeholders held in St. Louis on Dec. 10. Besides value-

added meal, participants also discussed technology acceptance and the industry's approach to soybean research.

The issues affect everyone in the U.S. soy value chain, starting with farmers.

"With 569,998 U.S. soybean farmers growing crops to serve both new and long-standing industries, the future of this crop is essential," said John Motter, Hancock county soybean farmer who sits on both the Ohio Soybean Council and United Soybean Board (USB).

"USB is looking to gather input to guide investments in meal that will maximize profit opportunities for U.S. soybean farmers," added Motter. "The conversations and input from industry and state soy checkoff boards we got at CONNECTIONS will help set the checkoff's direction going forward."

For more information, visit www.unitedsoybean.org/connections2014

John Schartman Receives Outstanding Achievement Award

Each year the Ohio Soybean Council (OSC) and the Ohio Soybean Association (OSA) host the Ohio Soybean Industry Dinner. The annual event brings together industry partners and legislators to highlight both OSC and OSA accomplishments and recognize those who have made a positive impact over the year. One person or organization is recognized that has significantly contributed to the goals of OSC and OSA, and helped create new opportunities for Ohio soybean farmers. This year, John Schartman, Senior Marketing Manager of DuPont Pioneer was chosen and received the Outstanding Achievement award.

“John has a strong desire to work in agriculture and has always had a passion for agriculture,” said Patrick Knouff, OSC chairman and soybean farmers from Shelby County. “I congratulate John on being selected to receive the Outstanding Achievement Award.”

John prepared for his career by attending The Ohio State University and graduating in 1985 with a bachelor of science in agriculture. Starting as a young professional with Shell, an agriculture chemical company, John spent two years as



John Schartman (left) is joined by Patrick Knouff, OSC chairman during the 2014 Soybean Industry Dinner. John was this year's recipient of the Outstanding Achievement Award.

a field representative for eastern Ohio and western Pennsylvania. John then transitioned to DuPont Crop Protection in a similar position and worked western and central Ohio, dedicating a total of 16 years helping his customers improve their farming operations.

After DuPont completed their purchase of Pioneer in 1999, John spent two years as an agronomist for central and northern Ohio and then took an area manager role covering the entire state. For the past five years in his current position, John is serving 26 states in the eastern part of the U.S.

Beyond his role with DuPont Pioneer, John has also had the opportunity to serve as an industry expert and advisor for OSC and OSA. He has been a significant contributor to many different programs and initiatives, and his expertise has helped both organizations in setting their strategic direction.

For him, working with OSA and OSC is about the farmer, and how he can help contribute to the future success of the rural lifestyle and Ohio agriculture.

As he said himself, agriculture is “the right place for me.”

OSA Thanks Retiring Board Members

Several Ohio Soybean Association (OSA) board members will retire this month and should be commended for their dedication and commitment to improving the soybean industry. Thank you for all you have done!

Kathy Alvarez has been a member of the OSA Board of Trustees since 2005 as an Industry Affiliate representing Bunge North America. Since that time, she has been an active member of OSA and helped to provide valuable insight. Most recently she served on the OSA Communications Committee. Kathy holds a Bachelor of Arts degree in Spanish and Sociology from Heidelberg College and resides in Milan, Ohio.

Mike Heffelfinger of Van Wert County also joined the OSA Board in 2005. He has held multiple leadership positions, including most recently as Vice President on the Executive Committee. He recently served on the Policy Committee and as Chair of the OSA Political Action Committee. He grows soybeans, corn and wheat on his farm near Van Wert, Ohio.

Lane Osswald of Preble County joined the Board in 2012 and is a former ASA/DuPont Young Leader. He has been a

valuable member of our board since that time, most recently serving on the Policy Committee. He is active in multiple agricultural organizations, including in the Preble County Ohio Farm Bureau and Ohio Farm Bureau Federation Board. Lane grows soybeans and corn on his farm near Eldorado, Ohio.

Bob Slicker of Wayne County has been an Industry Affiliate representative on the OSA Board since 2002. His insight, perspective and experience have been valuable assets to OSA for 12 years. He has held multiple committee appointments during his tenure on the board, most recently as part of the Membership Committee. Bob currently operates Slicker Farms where he grows soybeans, corn and wheat on his farm in Canal Fulton, Ohio.

Bill Tom with Trupointe Cooperative has served on the OSA Board of Trustees as an Industry Affiliate since 2012. Thanks to his experience in the industry, OSA has gained valuable information and advice from Bill over the past several years. Bill holds a Bachelor of Science degree in Animal Science from The Ohio State University and resides in Spring Valley, Ohio.

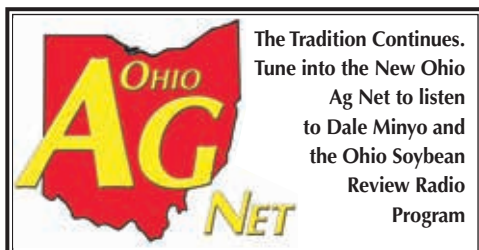
OSA Hails Senate Passage of One-Year Tax Extenders Package

The Senate passed a one-year extension of multiple tax incentives and credits, including several that have direct impacts on soybean farmers. The Ohio Soybean Association (OSA) and American Soybean Association (ASA) welcomed passage of the bill, which would extend the dollar-per-gallon Biodiesel Tax Incentive, as well as the Section 179 expensing provision that farmers and other business owners use when purchasing new equipment and infrastructure, among other items.

"The recent passage of the tax extenders bill is a welcome relief to farmers as we close our books on 2014," said Wade Cowan, a farmer from Brownfield, Texas, and the new president of ASA. "While it's not the long-term fix we need, the legislation does include the dollar-per-gallon biodiesel tax credit, expensing for farm equipment and infrastructure under Section 179, and bonus depreciation on farm assets, all of which provide greater certainty and a more stable climate for the farmers and producers who make use of these programs."

In noting ASA's approval of the one-year extension, Cowan pushed Congress to redouble its efforts to pass a longer-term tax extenders package. "These aren't solutions that benefit farmers in some years and not in others; we need them every year on every farm," he said. "So we encourage both chambers of Congress to come together and find a solution that extends these beneficial provisions for the long term. What we need is certainty in the tax code, not a guessing game."

Also included in the package was language from the House's Achieving a Better Life Experience (ABLE) Act, which carried with it a provision to increase the barge fuel fee by nine cents a gallon to fund needed waterways infrastructure projects. The fee, which is supported by those in the waterways industry, dedicates funds to new waterways infrastructure construction and major rehabilitation of the inland waterways system through the Inland Waterways Trust Fund.



**EVERY DROP OF BIODIESEL
DRIVES MORE VALUE FOR
YOUR SOYBEANS.**



**2 BILLION
GALLONS
OF BIODIESEL
WERE PRODUCED NATIONALLY
FROM SOYBEANS IN 2013.**

This represents a growing component of the annual U.S. on-road diesel market of about 35-40 billion gallons. Consistent with projected feedstock availability, the industry has established a goal of producing about 10% of the diesel for the transportation market by 2022. • There are currently about 200 biodiesel plants across the country — from Washington state to Iowa to North Carolina — with registered capacity to produce some 3 billion gallons of fuel. • The industry is supporting more than 62,000 jobs, generating billions of dollars in GDP, household income and tax revenues. • OSC has worked closely with the National Biodiesel Board to drive development of additional uses for biodiesel. One example: home heating fuel. New York City is already the nation's largest municipal user of biodiesel and recently implemented a 2% biodiesel blend mandate on heating oil.

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, and education and promotion projects.



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Ohio Soybean Association Year in Review



Beck's Young Farm Leader Program

In partnership with Beck's Hybrids, the Ohio Soybean Association (OSA) continued the Beck's Young Farm Leader Program. Now in its second year, the program was founded to highlight the hard work, dedication and leadership of young Ohio farmers. This year's winners included Matt Aultman of Darke County, Andy Wentling of Stark County, Andrew Hollenback of Licking County and Ryan Rhoades of Marion County. Pictured above is Ryan Rhoades who was chosen as the overall winner, and named 2014 Beck's Young Farm Leader of the Year.



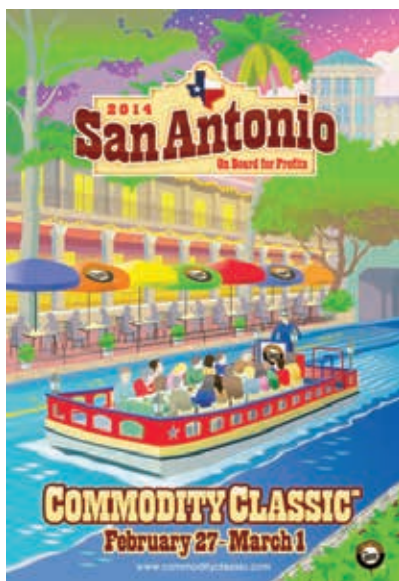
Advocating on Ohio Farmers Behalf

OSA farmer-leaders lobbied at the Ohio Capitol and U.S. Capitol and met with legislators or legislative representatives. Representing Ohio soybean farmers at a state and national level remains a priority of OSA.



Harvest Classic

OSA hosted the annual Harvest Classic golf outing to benefit the Soy Political Action Committee. This year's winners included Jim Ballenger, Roger Tedrick, Dave Miller and Jim Scheid (pictured above).



2014 Commodity Classic

During the 2014 Commodity Classic, the ASA held its annual delegate voting session to set its policy direction for 2014-2015. OSA farmer-leaders represented Ohio as delegates.



Ohio Grain Farmers Symposium

The 2014 Ohio Grain Farmers Symposium was held on December 18th at The Ohio State University Nationwide and Ohio Farm Bureau 4-H Center. The event brought together farmers, researchers and industry experts who offered insight into key agricultural issues such as agricultural transportation, 2015 grain market outlook, crop program decisions, genetically modified organisms and the Lake Erie algae bloom. Attendees also heard updates from the Ohio Corn and Wheat Growers Association (OCWGA), National Corn Growers Association, National Association of Wheat Growers and American Soybean Association (ASA).



Senate Bill 150

OSA worked closely with OCWGA and others on Senate Bill 150, the nutrient management and water quality bill. Thanks to this effort, OSA was able to significantly reduce the burdensome regulations that were in the original bill. The bill will require a certification to apply commercial fertilizer, and that process has begun. The first training saw hundreds of attendees.

Happy Holidays from the Ohio Soybean Association

Are Neonicotinoid Investments Really Benefiting You?

Neonicotinoids are insecticides chemically related to nicotine. Neonicotinoids are effective against sucking insects such as aphids and against chewing pests such as beetles and cutworms. Due to its water solubility, these chemicals are highly systemic in the plant roots and new leaf tissues and have been utilized for seed treatment since the 1990s.

Recently, the Environmental Protection Agency (EPA) conducted a study of soybean seeds that have been treated with neonicotinoids versus not receiving any insect control treatment with an outcome that, in most cases, yield was not affected.

The EPA also found that treatments do not overlap with the more important Ohio pests, as treatment only lasts the first three to four weeks after planting. The more problematic pests such as slugs, bean leaf beetles and seed corn maggots are not affected by neonicotinoids.

Dr. Andy Michel, The Ohio State University Ohio Agricultural Research and Development Center professor of entomology, sympathizes, "I know growers might be reluctant to do away with seed treatment, but their return on investment might be minimal."

Neonicotinoids have been up for review and concerns about their presence in water as well as their effect on the decreasing population of honeybees continue to raise awareness. Michel states that it's important for growers to know that this is not an outright ban on neonicotinoids, but encourages farmers to try an alternative.

Soybean Rewards
Knowledge to Grow



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.



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