



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.

February 2015



LETTER FROM *the president*

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Ohio Farmers Cannot Afford to Sit Idle on Water Quality

Since last August, I doubt there is one Ohio farmer that has not read, watched or heard something about the Toledo drinking water crisis and how it might impact how Ohio farmers conduct their business. The Ohio Soybean Association (OSA) knew that it needed to be ready and it didn't take long before the legislature began drafting water quality legislation.

The agricultural community had already seen the passage of a nutrient application certification program that requires all farmers who apply phosphorus to be certified. After Toledo, House Bill (HB) 490 was introduced and contained additional restrictions and rules, some of which would have been both unnecessary and

overly burdensome to Ohio family farmers. OSA and other agricultural organizations immediately began discussions with legislators and lobbied strongly on your behalf. While OSA was pleased with the changes made to HB 490, other completely unrelated regulations were attached to it at the last minute that effectively caused the legislature to kill it.

HB 490 was an immediate reaction by legislators to address major concerns and issues with water quality, especially in the Lake Erie Watershed. Unfortunately, because it did not pass, this new session brings with it a renewed effort by legislators to address water quality and it's coming at us from multiple fronts. We are seeing efforts in the legislature to bring back many of the rules that were in HB 490, but with more stringent and far-reaching implications. Additionally, Gov. John Kasich is considering options in this budget

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LEGISLATIVE

update



Brought to you by Seed Consultants.

Bipartisan Bill Promotes using International Tax Reform to Fund Infrastructure

A bipartisan group of lawmakers has outlined a call for giving U.S. corporations a tax break on profits earned overseas. Led by Congressman Patrick Delaney (D-MD) and Senator Roy Blunt (R-MO), the proposal estimates an additional \$170 billion in new revenue for infrastructure projects of which \$120 billion would be utilized by the Highway Trust Fund for the next six years. Presently, the revenue generated by the federal fuel tax is not sufficient to cover current highway spending. Lawmakers propose using the remaining \$50 billion to create an American Infrastructure Fund that would provide loans and other financing tools to states and cities.

Presently, U.S.-based corporations with foreign subsidiaries are taxed on profits earned in the U.S. and overseas. Profits

earned overseas are subject to the 35 percent corporate tax rate upon repatriation to the U.S. As a result, foreign earnings are often kept in overseas accounts to postpone the tax liability. The legislative proposal suggests that lowering the tax rate on repatriated income would incent U.S. corporations to bring overseas profits back home. An analysis by Bloomberg found that in 2014 more than 300 U.S.-based companies held approximately \$1.95 trillion in profits overseas.

Transportation experts consider a downside to this proposal the fact that in six years the trust fund would be broke again. Other critics argue that the significantly lower federal tax revenue – due to the lower rates on repatriated income – would increase the budget deficit.



Checkoff Helps Commercialize 33 New Soy-Based Products

Farmer-funded projects drive innovations in soy chemistry, keep industrial demand growing

What does foam that keeps floors from squeaking have in common with NASCAR racing tires? Both contain soybean oil. Both are on the list of 33 new products commercialized in 2014 with soy checkoff support. And both are driving demand for U.S. soybeans.

All together, more than 800 soy-based products have been developed with checkoff support since 1990. Dale Profit, Ohio Soybean Council board member and United Soybean Board Director from Van Wert County has seen many advancements firsthand and anticipates even more soy-based product development in the future.

"Some new uses, like biodiesel, are high-volume," said Profit. "Other products, like carpet backing, paint and concrete-release forms, may use smaller amounts of soy,

but have higher value. The market for ingredients like soy polyols keeps increasing in industries ranging from automotive to furniture manufacturers, which increases the demand for U.S. soy at home and abroad."

Checkoff-funded research continues to pay dividends as manufacturers look for ways to displace industry standards like petroleum, latex, mineral oil and other possibly carcinogenic materials in their products. Raw materials from sustainable soy provide environmental benefits and have been proven to perform as well as the ingredients they replace in a wide range of products, at a comparable cost. In fact, some perform even better.

New soy-based products and ingredients introduced in 2014 as a result of checkoff support include:

PLASTICS

Eco Ultimate Silencer™ – Foam underlayment and carpet cushion by Foam Products Corp.

Eco Silencer HD FOF™ – A high-density-foam underlayment for floors by Foam Products Corp.

BETAFOAM™ Renue – Sound-deadening foam by Dow Chemical that is used in cars

Automotive seating for GM cars – Foam made with soy polyols by Lear Corporation

TSE EcoWIND™ – A polyurethane resin with soy oil for filament winding by TSE Industries, Inc.

RUBBER

NASCAR Racing Tires – Soybean oil used in rubber compounds by Goodyear Tire & Rubber

COATINGS /PRINTING INKS

Avicor® 384 and Avicor® 385 – Low-VOC architectural latex paints by Celanese

Beckosol AQ® 400 – Traffic line paint by Reichhold

ADHESIVES

Liquamelt® – A new adhesive system for wood by H.B. Fuller

CedarSafe® – 4'x8' flakeboard panels used to make cedar closets made with Soyad® soy-based adhesive by Giles & Kendall, Inc.

Hardwood plywood panels – Made with Soyad® soy-based adhesive by States Industries, LLC, and available in home-improvement stores

Pangua PureGlue™ – Plywood with Soyad® soy-based adhesive made by Panguaneta S.P.A.

NU GREEN® – Particleboard and thermofused laminates by Uniboard Canada that replace formaldehyde with Soyad® soy-based adhesive

PAPER

AW-130SB™, AW-140SB™, AW-150SB™ – Soy wax emulsions for paper and packaging applications by A&W Products

PSA50MA™ and A5060™ – Binders for paper and paperboard made by Applied Protein Systems

SOLVENTS

Elevance Clean™ 1200 – Zero-VOC metal degreaser made by Elevance Renewable Sciences

ECO-300™ and MFS-Green™ – Oil-storage-tank cleaners made by FloTek industries

LUBRICANTS

GEOlube SCO™ – Oil-well-drilling lubricants by GEO Specialty Chemicals

Concert™ GC-350 – A grease-processing aid made by Elevance Renewable Sciences

EMERGING INDUSTRIAL OPPORTUNITIES

StimOil® FBA M, StimOil® FBA Plus, StimOil® EC, and StimOil® EN – Downhole crude oil recovery aides by FloTek industries

Azelaic acid – A soy-derived product by Emery Oleochemicals that is used in Nylon 6.9 and greases

Pelargonic acid – A soy-derived product used in paints, inks and greases by Emery Oleochemicals

WAX

Soy-based candles – Bennington Candle Company

Soy-based candles – Coyer Candle Company

Soy-based candles – Prize Candle Company

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cycle that will impact how Ohio farmers apply nutrients.

Long story short – this issue is not going away and the fight to keep regulations science-based and not overly burdensome on Ohio farmers has only just begun. Public pressure, Toledo and the algae blooms are pushing the legislature to act and they will. Change is coming. The big question for Ohio farmers now is what will this change look like?

Water quality legislation has been OSA's top priority and that will continue in 2015. As the organization that operates with member dues and NOT checkoff dollars (which by law cannot be used for lobbying), we have the freedom to lobby on your behalf and tell our representatives in Columbus just how much farmers are committed to action. That was demonstrated when hundreds of farmers attended the very first nutrient application certification training session last year. Yet, while we take every opportunity to show farmers' commitment and concern, we are ready to stand up to legislators and tell them when these bills go too far.

How can you help us? Get certified to apply nutrients on your farm as soon as possible, or ensure whoever applies nutrients for you are following all recommended guidelines. Research is being conducted to learn more about which practices best reduce runoff, but until that is complete, there are still things you can implement on your farm today. These include following the 4Rs (right rate, right nutrient, right time and right place) when applying any nutrient to your fields, as well as utilizing cover crops and conservation tillage. Ask your local extension representative for additional tips.

We cannot ignore what is happening around us on water quality, but we can help direct it toward common sense, science-based, long-term solutions that work. Let's show legislators and our neighbors that farmers WILL step up and do their part to keep our waterways clean.

Sincerely,
Tommie Price
President
Ohio Soybean Association

BIODIESEL
on the move



More Vehicle Options Mean More Biodiesel Use

Options for vehicles that can be found on Ohio roads running on biodiesel continue to expand which is good news for soybean farmers who earn an extra 74 cents per bushel due to biodiesel's impact on soybean oil demand.

Automakers gave a sneak peek to attendees at the 2015 National Biodiesel Conference as to what is currently available and will be available soon.

Volkswagen was an early adopter of the diesel engine in their models and plans to continue that commitment. A representative from Volkswagen was at the Biodiesel Vehicle Showcase standing next to a red VW Beetle convertible to say that their strategy is to have a diesel engine in all of their models available in North America. This commitment extends to their other luxury brands as well.

"These modern diesel engines are so refined that they fit in a luxury car very well," says Stuart Johnson from Volkswagen.

The automakers are also excited about the National Biodiesel Board's commitment to quality through the BQ-9000 retailer program which ensures biodiesel quality through the entire process. Volkswagen is supportive of



using biodiesel in their vehicles now that they have programs in place to ensure that the fuel performs well in their diesel engines. The Ford Motor Company is equally excited about using green fuel in their vehicles.

Ford has been working with biodiesel for 20 years and will be producing F-650s and 750s this summer that will be biodiesel

compatible. Additionally, they launched a new transit van this year that can run on a number of different fuel types including biodiesel.

"The plumber, the florists, the bakers, and the guys who fix your air conditioning, they need to be able to use biodiesel, too," says Jon Coleman, a sustainability and technology manager with Ford.

"It is exciting for Ohio soybean farmers to see these options that will be running on biodiesel from their soybean oil continue to grow," said Jerry Bambauer, Ohio Soybean Association Chairman and soybean farmer from Auglaize County. "More vehicles mean more biodiesel demand, and since soybean oil is the largest feedstock in biodiesel...that works for Ohio soybean farmers."

ASA Pushes Congress to Take Up and Pass TPA

The American Soybean Association (ASA), as part of a larger coalition of agriculture and food industry organizations, sent a letter this month to members of Congress encouraging them to support the immediate introduction and enactment of Trade Promotion Authority (TPA) legislation. Congressional action on TPA is needed to help ensure high-standard outcomes in the Trans-Pacific Partnership (TPP) negotiations, which the United States and 11 other Asia-Pacific countries are striving to complete.

In the letter, the groups pointed to TPA as a critical tool in establishing and expanding trade agreements with foreign partners, without undue legislative and bureaucratic barriers. Specifically cited were the ongoing negotiations over the Transatlantic Trade and Investment Partnership (TTIP) and TPP.

The groups used the opportunity to illustrate the significant benefits of trade to the domestic farm sector.

"As a result of trade agreements implemented since 1989, when the U.S. began using bilateral and regional trade agreements to open foreign markets to our goods, U.S. agricultural exports have nearly quadrupled in value and now stand at a record \$152.5 billion (fiscal 2014)," said the groups. "During that period, earnings from U.S. agricultural exports as a share of cash receipts to farmers have grown from 22 percent to over 35 percent."

The groups also cited the impressive economic multiplier effect and job creation of farm and food exports.

"Every \$1 in U.S. farm exports is estimated to stimulate an additional \$1.27 in business activity... Exports of \$152.5 billion in fiscal 2014 therefore generated another \$194 billion in economic activity in the U.S., bringing the total benefit to the economy to \$347 billion."

"Every \$1 billion of U.S. agricultural exports," continued the groups, "... requires the full-time work of approximately 6,600 Americans throughout the economy. Exports in fiscal 2014 therefore supported over 1 million full-time jobs."



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.



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:

April 17, 2015

July 29, 2015

October 5, 2015

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



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