

Here we Grow



OHIO SOYBEAN COUNCIL | 2020 INVESTOR REPORT



BILL BATESON

2020 CHAIRMAN OF THE BOARD
OHIO SOYBEAN COUNCIL
HANCOCK COUNTY

In 2019, many of us faced one of the most challenging seasons of our lives. Then 2020 came along and brought its own twists and turns no one saw coming. As farmers, our work has always been essential but this year, that became even more evident. When the world stopped, we kept going. And so did the Ohio Soybean Council (OSC) and our soybean checkoff.

Despite this year's challenges, OSC had an excellent year, yielding many exciting successes. We kicked 2020 off with a freshly revised strategic plan to guide us on our mission of maximizing the value of soybeans and increasing profit opportunities for Ohio farmers.

International markets are critical for our state's soybean industry. Fortunately, this year's travel limitations didn't hold us back, as we leveraged virtual opportunities to connect with foreign buyers and support market expansion efforts overseas. We also continued to support animal agriculture as Ohio soybeans' number one customer.

OSC's very own research facility, Airable Research Lab, celebrated its first anniversary this year. The pandemic didn't stop their momentum as our research team safely continued their work developing new soy-based products and formulations to increase demand for Ohio soybeans.

Plant research also continued in partnership with the soybean research team at The Ohio State University (OSU). As farmers, the results of these research projects arm us with the best knowledge, tools and technologies we can use to tackle challenges in the field.

To build understanding among consumers and students, we offered many virtual education opportunities about modern agriculture and soybean farming. We also focused on ways we could share more tools and information with Ohio's farmers to help keep them competitive and make informed decisions for their operations.

2020 required ingenuity and resilience from all of us, including OSC. It was inspiring to witness the persistence of our state's farmers and an honor to serve alongside my fellow board members in this unique time. As we reflect on the accomplishments of 2020, I look forward to seeing this exciting momentum continue in 2021. Thank you for your continued support of the soybean checkoff. It is an important, strategic investment for the future of our farms and the industry as a whole.

Sincerely,

William L. Bateson

Bill Bateson



YEAR ENDED SEPTEMBER 30, 2020

ASSESSMENT RECEIPTS FROM FIRST PURCHASERS

\$10,558,277

LESS

ASSESSMENT RECEIPTS REMITTED TO THE UNITED SOYBEAN BOARD

\$4,802,929

ASSESSMENT RECEIPTS REMITTED TO OTHER STATES

\$599,903

NET ASSESSMENT RECEIPTS

\$5,155,445

INVESTMENT INCOME

\$5,977

GRANTS

\$57,964

TOTAL ADDITIONS TO FUND BALANCE

\$5,219,386

ADMINISTRATIVE DISBURSEMENTS

\$575,303

TOTAL DEDUCTIONS FROM FUND BALANCE

\$6,317,188

NET DECREASE IN CASH INVESTMENTS

\$1,097,802

BEGINNING CASH INVESTMENTS

\$9,403,385

ENDING CASH INVESTMENTS

\$8,305,583

TOTAL PROGRAM DISBURSEMENTS **\$5,741,885**

DEMAND \$1,677,984

RESEARCH \$2,224,851

COMMUNICATION/EDUCATION \$1,839,050



YOUR CHECKOFF DOLLARS

in action

While you focus on the day-to-day of your operation, your checkoff investment works behind the scenes to create opportunities for the soybeans in your fields. Throughout the year, OSC and the soybean checkoff persistently seek new and innovative ways to increase profitability for Ohio soybean farmers like you.



DRIVING INNOVATION

The innovative work of OSC helps position the Ohio soybean industry as a cutting-edge leader, giving a unique advantage to Ohio soybean farmers through leading agronomic research, technological advancements and the development of new soybean products.

EXPANDING MARKETS

Whether building relationships with international buyers or increasing domestic awareness of high-value Ohio soybeans, OSC advocates for your crop across the globe. These market expansion efforts provide more opportunities for you to sell your soybeans and grow your business.

BUILDING UNDERSTANDING

OSC plays a major role in building consumer understanding of modern agriculture through education. It's also committed to providing direct value to farmers through effective communication of checkoff programs, opportunities, research findings, industry updates and more.



PLANT RESEARCH

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DRONE RESEARCH

Dr. Scott Shearer of OSU is leading a research project that will expand the agronomic capabilities of drones to identify weed escapes, disease pressure and pest populations. With drones becoming increasingly available to farmers and with advances in analytical tools, these identification methods, which are traditionally inefficient, expensive and time consuming, would be accomplished with greater speed and accuracy.

WEED CONTROL

Throughout the growing season, Dr. Mark Loux of OSU worked with farmers around the state, monitoring and identifying their weed pressures and providing best practices. In 2020, the most common weed problems were waterhemp followed by Palmer amaranth.

SOYBEAN BREEDING

Checkoff-funded soybean breeding research led to the development and release of 10 new soybean cultivars, most of which were food-grade soybeans to increase opportunity in premium and international markets.

Researchers at OSU are conducting checkoff-funded research that will yield helpful technologies and insights to give Ohio soybean farmers an edge in the field.



Todd Hesterman,
2020 Research Committee Chair,
Henry County

“

As the economy has struggled in the wake of the pandemic, it's become even more important to carry out the work of the checkoff and what it can do for our ag community. For example, we started our very own research lab last year, and luckily we did, because we were able to continue working on projects even as the pandemic unfolded and develop new uses for soybeans.

CHECKOFF-FUNDED RESEARCH led to the development and release of **10** NEW SOYBEAN CULTIVARS

OSC **12TH** WON ITS R&D 100 AWARD IN 2020

OSC-OWNED AIRABLE RESEARCH LAB has licensed **2** NEW TECHNOLOGIES IN ITS FIRST YEAR OF OPERATION





PRODUCT RESEARCH

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OSC is an industry leader in soy-based product development. These products fulfill needs for various consumers and industries, while increasing profitability for Ohio soybean farmers.



OSC HAS WON **7** R&D 100 AWARDS in the last **7** YEARS

THIS YEAR'S AWARD-WINNING IDEA CAME FROM TWO FARMER BOARD MEMBERS THREE YEARS AGO.

AIRABLE RESEARCH LAB

The doors of Airable Research Lab, OSC's own research facility, officially opened in November 2019. Since then, it has leveraged checkoff-funded research to conduct soy-based product R&D, developing many new uses for soybeans as well as licensing two technologies. The lab's formulation for soy-based soap and hand sanitizer met the escalated demand prompted by the pandemic. Additionally, two excellent soy-based products have been developed for the construction industry: structural adhesives with a high bond strength to a variety of materials and sealants that allow concrete to breathe but prevent water from entering.

R&D 100 AWARD

OSC won its 12th R&D 100 Award thanks to research efforts funded with checkoff dollars. We collaborated with OSU to develop a handheld sensor, earning an award in the Software/Services category. This technology allows farmers to evaluate the quality of crops in the field within seconds. Compared to the traditional testing methodology of sending samples to a lab, this technology makes the process much more efficient and cost-effective, while providing accurate results on the spot. This is the first time OSC has led the licensing and commercialization of a product, which makes the checkoff investment go even further.



ANIMAL AG

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Soybeans are an integral part of the animal agriculture industry. OSC partnered with organizations both internationally and domestically to boost the consumption of animal products because when animal agriculture succeeds, soybean farmers succeed.

Animal agriculture uses the meal of nearly 30 million bushels of Ohio soybeans for feed every year.

LEE'S CHICKEN PARTNERSHIP: THE ULTIMATE PROTEIN TEAM

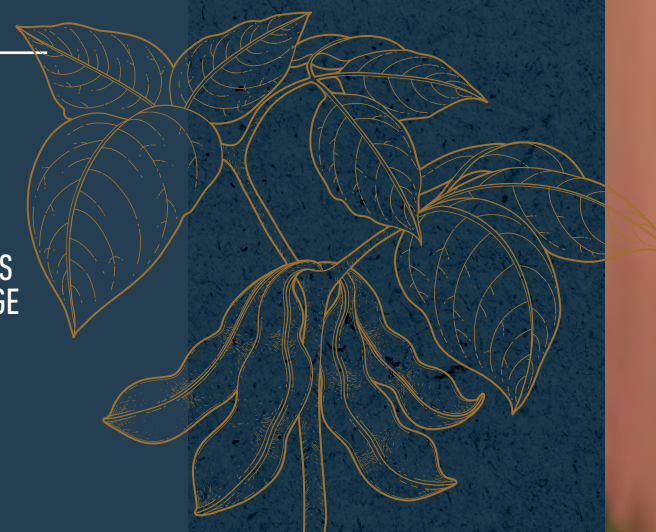
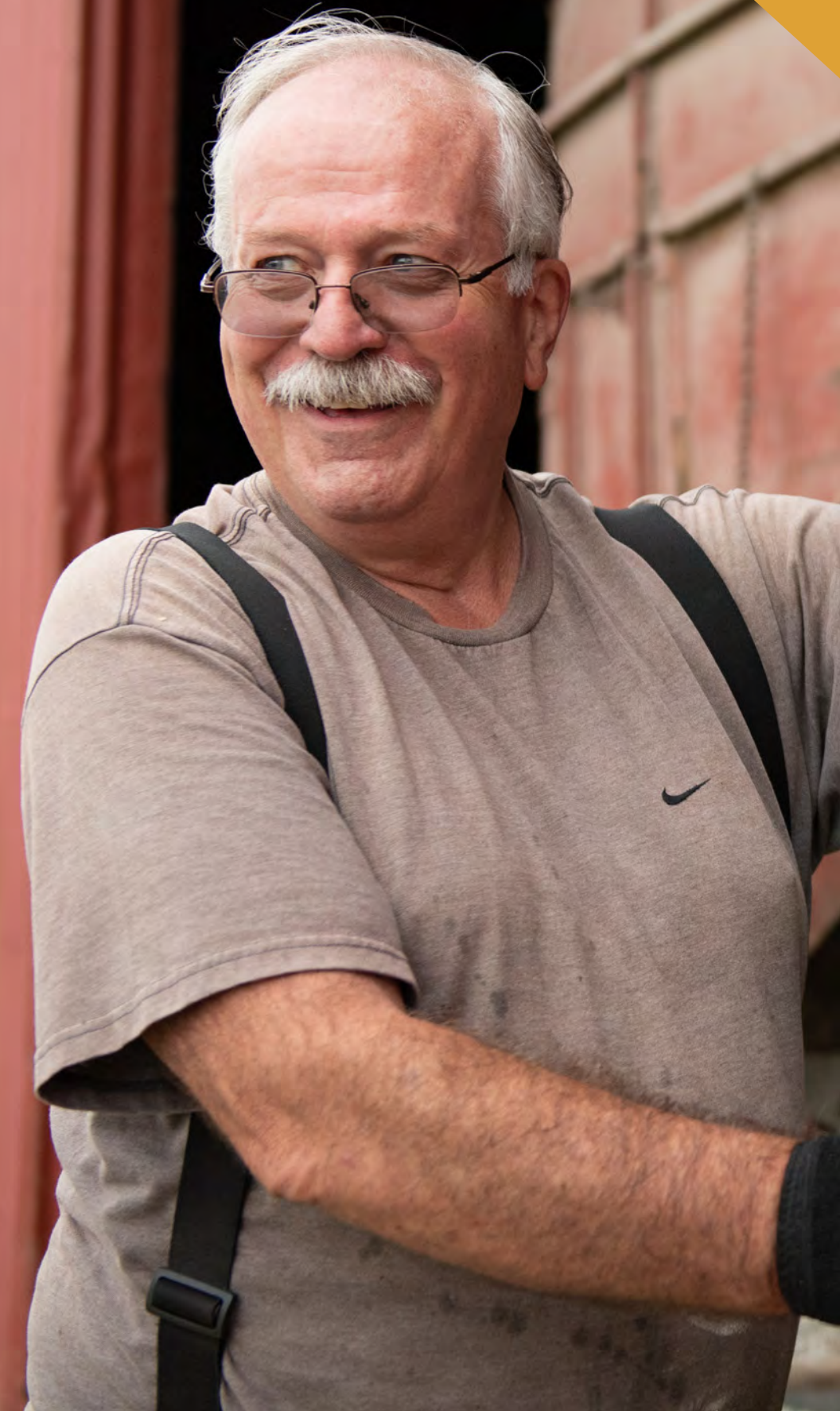
Launched in March 2020, this initiative emphasized the teamwork between Ohio soybean farmers, poultry farmers and consumer-facing foodservice entities, like Lee's. This partnership supported an increase in chicken consumption which, in turn, increased demand for Ohio soybeans, even during the pandemic.



Bob Suver,
2020 Demand Committee Chair,
Clark County

“

We've been able to take advantage of what a crazy year 2020 has been to show our international partners that the U.S. continues to be a sustainable and reliable source of high-quality soybeans, even in the face of a global pandemic.



ENGAGED WITH **749** INTERNATIONAL GUESTS FROM **67** DIFFERENT COUNTRIES AT USSEC'S VIRTUAL GLOBAL TRADE EXCHANGE



PORK MARKET DEVELOPMENT PROGRAMS IN JAPAN
U.S. Pork Fairs

To expand demand for U.S. pork, OSC supported Consumer Cooperative Stores with a U.S. Pork Fair at 208 member retailers across Japan. Throughout the month of April, U.S. pork items were featured, including tenderloin and back ribs. This effort led to a 200% increase in U.S. pork sales from a year prior.

“Eat at Home” Campaign

As with many regions around the world, more Japanese consumers were purchasing meat for in-home dining amid the pandemic. To increase preference for U.S. pork over domestic pork, OSC and the U.S. Meat Export Federation encouraged consumers to buy U.S. products through a promotional campaign, which generated 907 MT in U.S. pork sales, an increase of 23% compared to the same period in 2019.

EXPANDING U.S. POULTRY EXPORTS TO MEXICO

In 2019, Ohio’s poultry and egg exports translated into 2.4 million bushels of soybeans, 29% of which were exported to Mexico. To further expand this opportunity, OSC supported USA Poultry and Egg Export Council in a program that assists companies as they develop value-added products made with U.S. poultry and egg products. In 2020 alone, this program supported five local food processing companies, which are projecting an increase of about 1,300 MT of U.S. poultry and egg ingredients annually.

Although international efforts looked much different this year without an ability to travel, OSC was able to connect with potential buyers virtually, continuing to build important relationships and generate Ohio soybean sales.

VIRTUAL SOYBEAN TRADE EVENTS

OSC attended four virtual trade events, engaging with nearly 3,000 individuals in the global market. These events provided unique and timely opportunities for buyers and users of Ohio soybeans to learn more about Ohio’s strong soybean products.

JUNE 8–10

VIRTUAL ASIA FOOD SUMMIT

JUNE 15–18

VIRTUAL ASIA TRADE EXCHANGE

JULY 3–6

VIRTUAL U.S. GRAINS AND SOY BUYERS CONFERENCE

AUGUST 24–27

U.S. SOY GLOBAL TRADE EXCHANGE AND SPECIALTY GRAINS CONFERENCE

More than **1,000 individuals** attended this conference, including **749 global customers** and soybean industry representatives from **67 countries**. Due to productive conversations and sessions, **50% of soybean buyers in attendance purchased U.S. soybeans because of the conference.**



Transportation

Safe, reliable transportation is essential for leveraging and expanding soybean market opportunities. OSC supported two important ongoing projects in 2020 to ensure that Ohio’s soybeans can be transported safely, efficiently and economically.



BIODIESEL

Biodiesel provides substantial market opportunities for Ohio soybean farmers. To grow this opportunity, OSC is actively involved in projects aimed at expanding the use of the biofuel.

ENGINE CALIBRATION STUDY

To ensure more biodiesel users are able to leverage the biofuel’s full environmental benefits, OSC is supporting the National Biodiesel Board in a study assessing the ability to reduce CO₂ emissions when a diesel engine calibration is modified for biodiesel blends, taking advantage of the soot reduction, lower hydrogen by carbon ratio and higher cetane of biodiesel.

DREDGING LOWER MISSISSIPPI RIVER

Checkoff-funded research by Soybean Transportation Coalition showed this dredging work would save 13 cents per bushel of freight, while increasing the load by 500,000 bushels per ocean vessel, bringing an additional \$461 million in revenue to U.S. soybean farmers. This important project kicked off on July 31, 2020, and deepening work officially began on September 11, 2020. The first phase is expected to be completed in fall 2021.

RURAL BRIDGE REPLACEMENT & REPAIR

Bridge engineers will identify 10 rural bridges to replace and 10 rural bridges to repair throughout Ohio. The bridges will be selected based on their cost saving potential and accessibility.

Ohio ranks *sixth* in the top 10 state markets for biodiesel.

ECONOMIC IMPACT OF BIODIESEL IN OHIO

To show just how important biodiesel is to Ohio’s economy, OSC supported a study that illustrated the industry’s impacts. Study findings:

- Ohio ranks sixth among the top 10 state markets for biodiesel.
- Expanded biodiesel production would add an additional 6,449 jobs and \$2.42 billion to the Ohio economy.
- Increased use of biodiesel would reduce CO₂ emissions from the heavy-duty transportation sector by 15.3%.

EDUCATION INITIATIVES



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Building consumer understanding and educating the next generation about the importance of agriculture is crucial for the future of the industry. OSC is involved in Ohio schools and colleges to help grow understanding throughout the state.

GrowNextGen

GrowNextGen is a resource for Ohio teachers to turn to for agriculture curriculum they can use in the classroom. Given the circumstances of 2020, this program successfully pivoted to help teachers through virtual learning, which led to substantial growth of online resources.

- Career exploration videos garnered more than 2,200 views.
- E-learning courses were viewed more than 4,100 times.
- Three virtual farm tours received 190 teacher registrations, reaching 277 classrooms.
- ChickQuest engaged and trained 175 teachers.
- Ag Biotech Academy trained 27 teachers virtually.

PRECISIONAGREVIEWS.COM
now has more than

4,100 VERIFIED
REVIEWS

VIRTUAL FARM
TOURS REACHED
MORE THAN

277
OHIO CLASSROOMS

AG BIOTECH ACADEMY TRAINED

27 TEACHERS
to teach ag science
lessons in the classroom.



Nathan Eckel,

2020 Communication/Education
Committee Chair,
Wood County

“

This year, we diversified our communication strategy and, in doing so, have been able to reach a much broader audience. We're farmer driven and farmer funded so it's important we get our message out to those we're serving. We also continued to grow our online learning platform, GrowNextGen, which had even more success this year due to the increase in virtual classes.



Communication Initiatives



Staying on top of the latest research, innovations and industry opportunities is critical for farmers who want to maintain a competitive edge. OSC has designed several programs and platforms to help farmers access those kinds of insights.

PRECISION AG REVIEWS

A non-biased, independent platform to help farmers make decisions about precision ag purchasing decisions, Precision Ag Reviews grew substantially this year with an increase in reviews of 410%. To accompany the website, several other extensions were launched including a weekly blog, a bi-weekly podcast and a monthly newsletter. Access the helpful feedback and insights at PrecisionAgReviews.com.

WEBINARS

Two informative webinars were held this summer to guide Ohio farmers through the uncertainty brought on by the pandemic.

WEBINAR 1
IN PARTNERSHIP WITH THE OHIO STATE UNIVERSITY
STATE OF SOY: WHAT ARE THE MARKETS LOOKING LIKE?

WEBINAR 2
IN PARTNERSHIP WITH OHIO AGRIBUSINESS ASSOCIATION
HOW TO INTERACT WITH YOUR AG RETAILERS IN THE AGE OF COVID-19
BOTH WEBINARS ARE AVAILABLE TO VIEW AT
SOYOHIO.ORG/HEREWEGROW.



OHIO AGRICULTURE CONSERVATION INITIATIVE (OACI)

In a large collaboration with other commodity and environmental groups, OSC supported the launch of OACI to highlight the water quality improvement efforts of farmers and incentivize continued growth. To learn more about OACI and how the initiative is supporting Ohio's farmers, visit ohioaci.org.

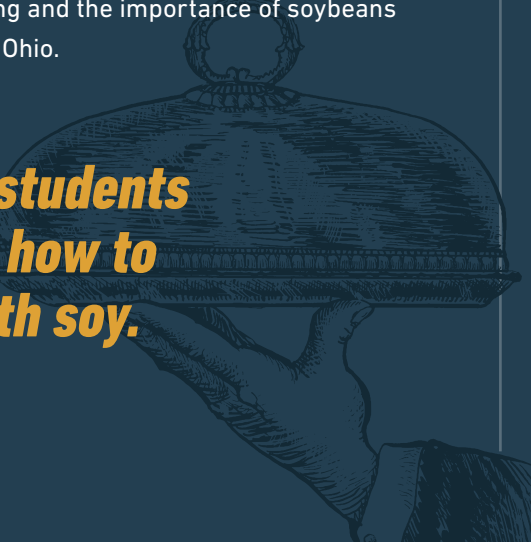
FIELD LEADER

OSC continued working with Ohio's Country Journal to keep farmers informed on the latest soybean news, innovations and research findings in the state. This year alone, 141 new articles were published, and a podcast will be coming soon. Check out these articles and stay up to date at OhioFieldLeader.com.

SOY-BASED COOKING DEMO

To connect with college students, OSC hosted a cooking demo with a professional chef at OSU in February 2020. The chef taught students how to refine their culinary skills using soy-based foods and animal proteins, and an OSC farmer board member also attended to talk to the students about soybean farming and the importance of soybeans for the state of Ohio.

45 OSU students learned how to cook with soy.



GENE EDITING WORKSHOP

OSC partnered with the Center for Food Integrity and the Agriculture Communicators of Tomorrow chapter at OSU to provide a workshop where students were trained on how to effectively educate consumers about gene editing.

OHIO FARM BUREAU MEMBER MEETINGS

OSC representatives attended 32 OFB county annual meetings to share the purpose and impact of the soybean checkoff.



Ohio Soybean Association

As a grassroots organization, the Ohio Soybean Association (OSA) works to provide leadership for Ohio's soybean farmers by promoting policies and legislation that ensure a growing and profitable industry.

OSA ADVOCATED FOR FEDERAL AND STATE ASSISTANCE

for farmers to weather the challenges brought on by the pandemic, including the Coronavirus Food Assistance Program, the CARES Act and the Paycheck Protection Program.

OHIO AGRICULTURE CONSERVATION INITIATIVE (OACI)

OSA was among the leading organizations in the development of OACI, an unprecedented alliance of agriculture, conservation and environmental groups along with state and federal government and universities, that highlights the work farmers are doing to improve water quality and encourages continuous improvement.

FEDERAL BIODIESEL TAX CREDIT

Along with the American Soybean Association and National Biodiesel Board, OSA advocated for the renewal of the federal biodiesel tax credit. The \$1/gallon tax credit was reinstated back to 2018 and extended through 2023, creating stability and growth opportunities for biodiesel.

H2OHIO PROGRAM

OSA advocated for state funding for the H2Ohio program to provide cost-share funding for farmers who implement best management practices to improve nutrient management and water quality in the Western Lake Erie Basin watershed.

DICAMBA

After an abrupt court ruling, OSA advocated at the federal and state levels for a way to allow farmers to apply dicamba to soybeans. As a result, federal regulators allowed a path forward and Ohio regulators allowed application.

Ohio Soybean Council Foundation

For many years, the Ohio Soybean Council and the Ohio soybean checkoff have supported scientific research and educational programs that promote the long-term health of the Ohio soybean industry. The Ohio Soybean Council Foundation was established in 2007 to extend these efforts through special initiatives and endowments that advance the application of science and technology to agriculture, today and tomorrow.

SCHOLARSHIPS

For the 13th year, OSCF proudly awarded \$44,000 in scholarships to 13 Ohio college students. To date, the OSCF scholarship program has awarded \$390,000 to students studying agriculture-related fields.

SCIENCE FAIRS

To support the future scientists and innovators of Ohio, OSCF awarded nearly \$7,000 in prizes to 49 individual state science fair winners.

AG BIOTECH ACADEMY

Along with OSC and Pioneer, OSCF helped fund the 2020 Ag Biotech Academy, which introduced 27 teachers to the ways biotechnology is used in agriculture. To date, this program has trained 250+ teachers and contributed over \$100k in classroom supplies to Ohio schools to help teachers incorporate agricultural sciences curriculum.



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OHIO SOYBEAN
COUNCIL ✓

To learn more about the Ohio Soybean Council and how your soybean checkoff works for you, visit SoyOhio.org.

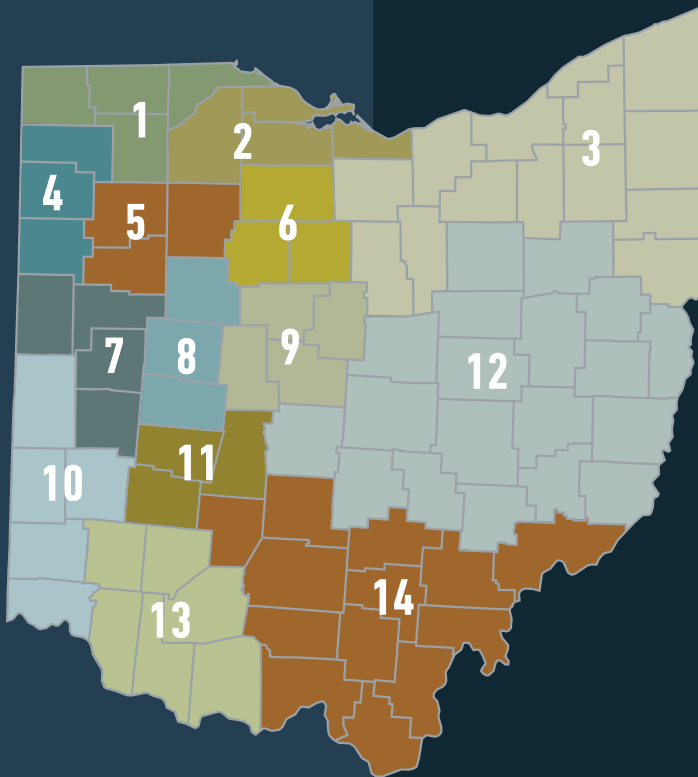
OHIO SOYBEAN COUNCIL

918 PROPRIETORS ROAD, SUITE A
WORTHINGTON, OH 43085

888-SOY-OHIO

PHONE: 614-476-3100

SOYOHIO.ORG



2020 OFFICERS

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Vice Chairman

JEFF MAGYAR

District 3
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United Soybean Board (USB) Director

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BILL BAYLISS

Ex-Officio
Logan County
United Soybean Board (USB) Director

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DAVE DOTTERER

District 12
Wayne County
United Soybean Board (USB) Director

TODD HESTERMAN

District 1
Henry County
Soy Transportation Coalition (STC)
Representative

NATHAN ECKEL

District 2
Wood County

MIKE HEFFELFINGER

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National Biodiesel Board (NBB)
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District 10
Montgomery County

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in Human Health (WISHH)
Representative

DAVID CLARK

District 13
Warren County
North Central Soybean Research
Program Representative

SCOTT METZGER

District 14
Ross County
Soy Transportation Coalition (STC)
Representative

STEVE REINHARD

Ex-Officio
Crawford County
United Soybean Board (USB) Director

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.