

AMERICAN
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People. Policy. Profitability.

A PUBLICATION OF THE AMERICAN SOYBEAN ASSOCIATION



SOY FUTURES
North Dakota Farmer Adds
Value, Diversity with Food
Grade Soybeans

SOY FORWARD
Farm and Food Policy Go
Hand-in-Hand to Fight
Hunger in Farm Bill

INDUSTRY PERSPECTIVE
Food Companies Begin
GMO Labeling Transition


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The American Soybean Association (ASA) represents all U.S. soybean farmers on domestic and international issues of importance to the soybean industry. ASA's advocacy, education and leadership development efforts are made possible through voluntary membership in ASA by farmers in states where soybeans are grown.



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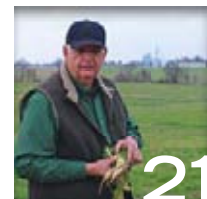
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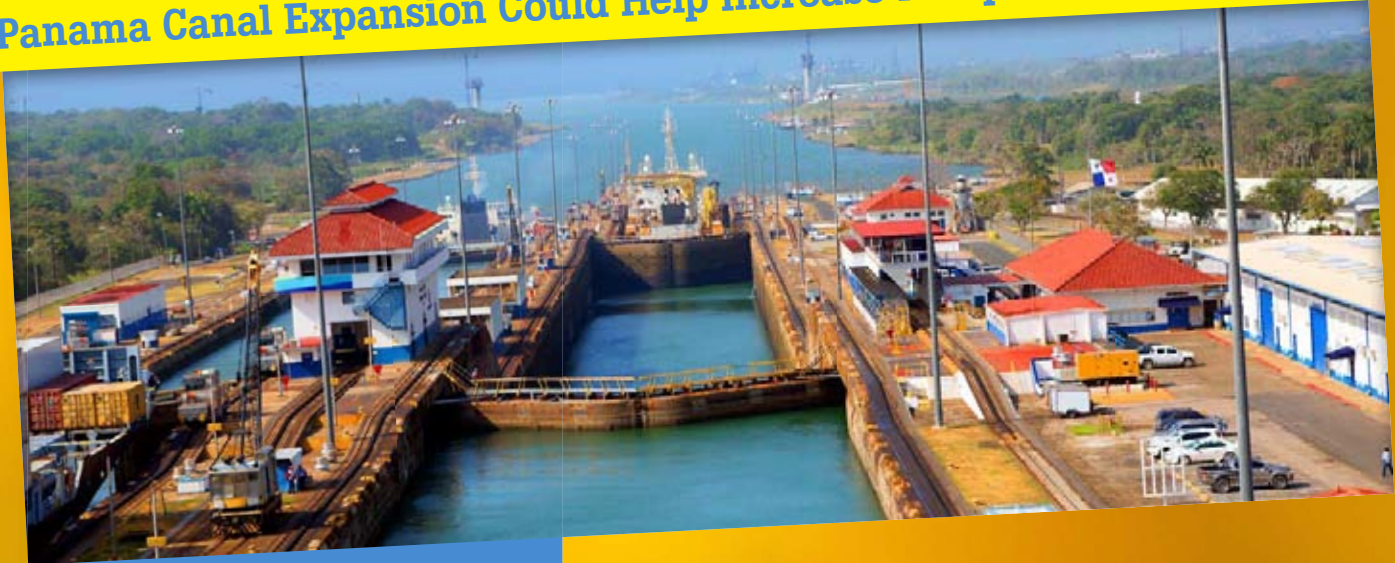
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SOY news

Panama Canal Expansion Could Help Increase Prospects for U.S. Soy



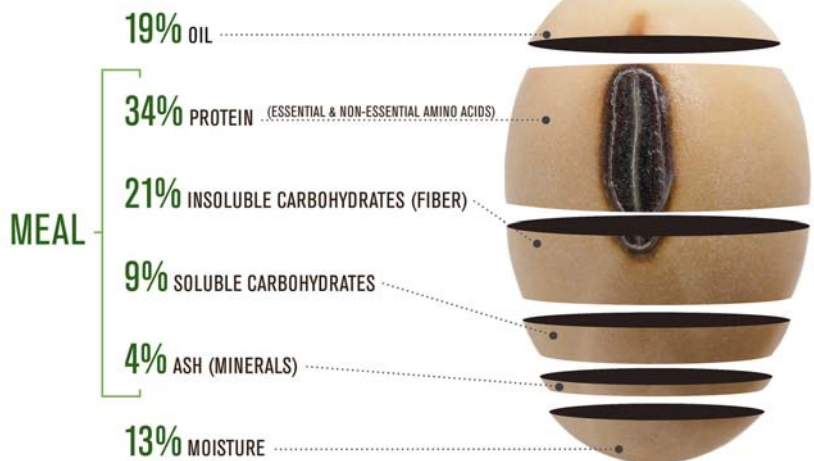
The much-anticipated Panama Canal expansion opened in summer 2016, doubling the waterway's capacity. The new, larger lane allows more freight to be loaded on each vessel, decreases transit time and lowers transportation costs overall when compared to the original canal.

Transportation is a key competitive advantage for the U.S. soy industry. For international buyers, the timeliness of deliveries matters as much as the price. With its superior transportation system, the U.S. currently has a significant competitive advantage over South American soy suppliers.

The Panama Canal is essential to the movement of U.S. soy, with 44 percent of total U.S. soy exports traveling through it. Each year, approximately 600 million bushels of U.S. soybeans move through the canal, which makes soy the top U.S. agricultural commodity using the Panama Canal.

Source: U.S. Soybean Export Council (USSEC)

AVERAGE SOYBEAN SEED COMPOSITION



Data as of October 2015



BY THE NUMBERS



6.43 percent

The percentage compound annual growth rate the global soy food market is expected to increase during the period 2016-20. *(Soyfoods Association of North America)*

48 pounds

The amount of protein rich meal produced by a bushel of soybeans. *(Soy Stats)*

59 percent

The percentage of U.S. soybean crops exported in 2015. *(United Soybean Board)*

\$25.58 billion

The amount of revenue generated by U.S. soy exports in the most recent marketing year. *(United Soybean Board)*

\$362.8 billion

The amount U.S. farmers spent on agricultural production in 2015, down 8.8 percent from 2014. *(USDA)*

\$58.5 billion

The amount producers spent on animal feed in 2015. *(USDA)*



Harnessing the Power of the Sun to Increase Yields

RIPE is developing soybeans with light green leaves to allow light to penetrate the canopy to improve photosynthesis in the lower leaves.

Photo credit: Francesca Stubbins/Clemson University

During the Green Revolution, scientists developed a new generation of seeds and put them in the hands of farmers across the globe. This period of agricultural innovation is credited for saving millions of lives. But today's farmers must feed billions more mouths on fewer acres.

Realizing Increased Photosynthetic Efficiency (RIPE) is an international research project that aims to engineer crops—including soybeans—to more efficiently turn the sun's energy into food. Half a century of research has provided us

with the knowledge and tools to resolve bottlenecks in this process: computer models identify weak links; genetic engineering resolves them. According to models, RIPE's work could increase yields by 60 percent.

Half a century ago, the Green Revolution transformed global agriculture. With the support of the Bill & Melinda Gates Foundation, as well as Syngenta Crop Protection, RIPE is helping usher in the next Green Revolution. **Visit ripe.illinois.edu to learn more.**

Source: University of Illinois at Urbana-Champaign

SoyFutures

North Dakota Farmer Adds Value, Diversity with Food Grade Soybeans

By Jordan Bright

Charles Linderman (right) checks soybean growth with fellow North Dakota Soybean Council grower Lucas Rode (left). Linderman started growing food grade soybeans to expand his operation without adding acreage. Photo courtesy of the North Dakota Soybean Council



Charles Linderman has become quite familiar with the inside of his combine since he started growing food grade soybeans 12 years ago.

“You don’t realize, until you’re trying to clean out one of those machines, how many places things can hide in there,” he said. “I’m kind of a perfectionist and picky about things, my wife can tell you that. I guess that’s why I can grow food grade—I’ve got the personality to do it.”

Growing food grade soybeans may entail extra hours and attention to details, but Linderman said it’s worth it. He always knew he wanted to be a farmer. After earning a degree in agricultural engineering from North Dakota State University, he worked for the U.S. Department of Agriculture (USDA) Agricultural Research Service (ARS) for several years and then began farming in Carrington, N.D. in 1976.

Linderman grows soybeans, corn and wheat. In the past, he’s included specialty crops like proso millet,

buckwheat, flax and sunflower seeds. Linderman’s wife, Ellen, is an active partner in the operation. She does much of the bookkeeping, in addition to tractor and combine driving.

Their crops span 1,500 acres—some owned and some rented from retired relatives.

“Growing up, my dad’s farm wasn’t a very big farm so it was a little bit of a challenge putting the resources together to get going, but eventually it worked out,” he said.

And he’s continued to look for ways to keep his operation growing, which is why he started growing food grade soybeans.

“In my neighborhood, our farm is moderate size, so we look for opportunities to expand without having to take out more acres—especially when you get a premium,” Linderman said. “It involves a little more work, to keep things identity preserved, but it was something I was willing to do as an alternative

to finding more acres.”

Linderman added food grade beans to his crop rotation in 2004, when he heard Sinner Bros. & Bresnahan (SB&B) was looking for sign-ups for food grade acres, and he’s been working with them ever since.

SB&B is a family-owned agribusiness that produces, processes and exports food grade products. They provide the seed and Linderman delivers the beans to their processing plant, about 125 miles from his farm.

All the little details

The demand for food grade beans is strong, primarily in Asia, but is increasing in the U.S. The upper Midwest supplies about 60 percent of all the natto beans exported to Japan. Different varieties of beans are used to grow certain food products, like tofu, soy milk, tempeh and more.

Linderman grows nearly 400 acres of food grade beans, which are mostly

small natto beans for buyers in Japan, where the fermented soybeans are extremely popular, and some go to Taiwan. He also grows some soy milk beans that go to Vietnam.

“The natto is a lot smaller than most soybeans,” Linderman said. “The main thing you notice about that, is when you’re planting, you only plant about half as much volume, which can be a challenge for planting equipment.”

There are other challenges when growing food grade soybeans, including product segregation and identity preservation—which takes extra time and effort to keep equipment clean and beans separate.

He carefully cleans his equipment when going from one variety to another and from commodity to food grade. He always harvests non-food grade soybeans last to avoid any potential problems.

“We have two or three different varieties we might grow in a given year, and you have to make sure you clean up everything and keep it separate when you’re planting and at harvest, clean out everything in your combine, all your trucks and grain handling equipment,” he said.

But Linderman said his biggest challenge is weed management. Most commodity beans are herbicide resistant and food grade beans are not—so they require extra effort for weed control.

“The other stuff, like identity preservation and segregating them from others—it’s a lot of work, but I can do it,” he said. “The weeds—sometimes I get up against things. I’ve had common milkweed as a

problem—it seems to love the way we farm. Some of those weed control problems, I feel like I haven’t gotten them solved yet.”

Linderman added that most times food grade beans take a little bit of a yield loss, but you have to consider the tradeoff for a little bit of a lower yield and the advantage of a premium.



Charles Linderman said adding food grade soybeans to your farm will involve extra work and time, as you have to carefully clean equipment and preserve identity—but it’s work that’s worth it. *Photo courtesy of the North Dakota Soybean Council*

There are also some challenges when it comes to exportation. Like many sectors of the agriculture industry, transportation can be a problem when it comes time to move the beans. Scott Sinner, partner and procurement manager at SB&B, said trekking containers back and forth from the container yards, and container repositioning costs due to trade imbalance in rural America, are among the challenges that can lead to inefficiency and extra costs.

The bottom line

Several years ago, SB&B Foods organized a trip to Japan and Linderman had the opportunity to visit with the

customers who buy his soybeans. He and other farmers watched how they processed the beans and tasted some of the products they make.

Linderman said his most memorable moment in Japan, was when he stopped in a shop to buy souvenirs for his children. As they checked out, the cashier asked where they were from and what they did for a living.

“That lady got so excited and said ‘oh soybeans, oh natto, natto!’ She told everyone in the store, ‘these people are farmers, they grow soybeans!’” Linderman said. “They were really excited about it. That was a big deal to her.”

Growing food grade soybeans may have added extra work to Linderman’s load, but also extra value to his farm.

“We get a pretty healthy premium for some of the varieties, and they have a little bit less yield but a better price,” he said.

Linderman said food grade soybeans are something to consider adding to the mix—even if it’s a few acres to help diversify your operation.

“If you’re interested in it, think about how it’s going to take a little bit of extra time, and if you have to stretch to get everything done on time it might not work out for you,” he said, “But if you can spend a few more hours in each field to do the identity preserve, it might be worth it.” □

Do you know someone who represents the diverse, changing face of agriculture that should be featured in Soy Futures? If so, send an email to jbright@soy.org.



2017 Commodity Classic: Get Ready to “Farmer Up”!

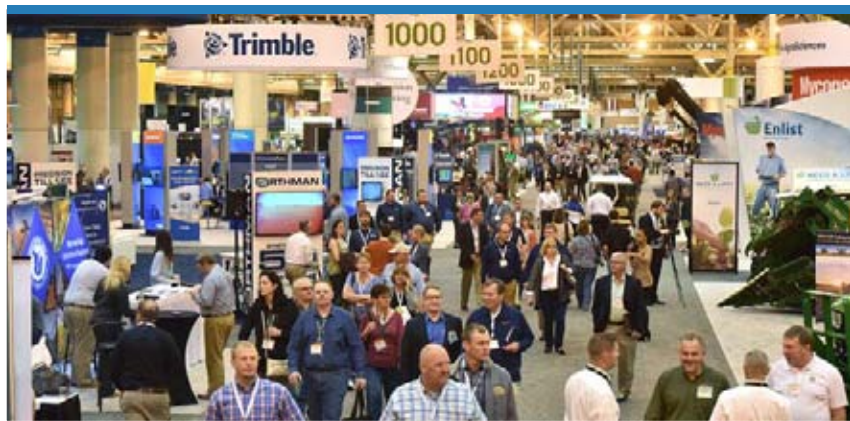
Commodity Classic is where America’s best farmers go to become even better! So get ready to “Farmer Up” at the nation’s largest farmer-led, farmer-focused convention and trade show when Commodity Classic returns to San Antonio, Texas, March 2-4, 2017. Top-notch education. A huge trade show. Thought-provoking speakers. And the chance to meet innovative farmers from across the country—just like you!

“These are challenging times for soybean farmers, so it’s critically important that we all become as efficient and educated as possible,” said Ed Erickson, Jr., a soybean farmer from Milnor, ND, and 2017 Commodity Classic co-chair.

“Commodity Classic is where all of us can ‘farmer up’ and discover the new technology, ideas and innovations that will help us not only survive tough times, but thrive in them.”

Education is a hallmark of Commodity Classic, with a full slate of learning sessions, speakers and “What’s New” presentations that provide insight on everything from soil health to marketing, from nutrient management to precision technology, and new equipment to genetics.

The AG Connect Main Stage on the trade show floor, presented by Commodity Classic and *Successful Farming* offers a full slate of sessions, as well as including presentations by industry leaders, panel discussions and well-known agricultural speakers. “The fact that Commodity Classic is farmer-led makes a difference when it comes to the educational sessions,” Erickson



added. “Actual farmers are selecting the topics and presenters, so you can be assured that the sessions will be relevant, current and meaningful to your operation.”

The huge trade show at Commodity Classic is one of the main attractions. “Agribusiness companies large and small know that America’s best farmers are walking the aisles at the trade show, so they bring out their best in terms of equipment, technology and people to make sure farmers get the information they need to make good decisions,” Erickson said. “If it’s new, it’s at Commodity Classic. If you need to know about it, you’ll learn it at Commodity Classic.”

Attendees consistently remark that the opportunity to network with other farmers is a major benefit of Commodity Classic. “I know from experience that I learn a great deal just by talking with other top-notch farmers from across the nation,” Erickson said. “There is such a positive atmosphere at Commodity Classic that you’re sure to go home even more passionate and

committed—and you’ll be ready to ‘farmer up’ and take on the challenges that lie ahead.”

The Commodity Classic experience includes an evening of entertainment, tours of area attractions and other activities that add some fun to your “business trip.” Commodity Classic also serves as a business meeting for the presenting commodity membership associations. “You don’t have to be a member of a commodity association to attend Commodity Classic. All farmers are welcome regardless of what they grow or their membership in an association,” Erickson said.

Established in 1996, Commodity Classic is presented by the American Soybean Association, National Corn Growers Association, National Sorghum Producers, National Association of Wheat Growers and Association of Equipment Manufacturers.

It doesn’t matter what you raise, when you attend Commodity Classic you’re sure to raise your expectations for your farm! Discover more and sign up for email updates at commodityclassic.com. □

SoyTown Hall

We asked farmers:

“How Do You View Your Connection to Consumers Through the Food They Buy?”



Here's what they said:

Jeff Adams, Urbana, Ohio

“The soybeans our farm produces are primarily used for livestock feed, biodiesel and parent seed for the following year. The corn we produce is either used for ethanol or livestock feed. Therefore, a consumer doesn't directly buy our products, creating a slight disconnect. However, as a producer, that doesn't change the fact that I want to produce products that are safe and responsibly raised, both environmentally and ethically. In the same way a produce grower wants to grow a safe product to be directly consumed, I want my products and byproducts to be of the highest quality as well!”

Jenny Dewey Rohrich, Ashley, N.D.

“I believe even though we may not be direct marketing our products we grow on our farms to consumers, as farmers we have a responsibility to take a seat at the table and have a conversation with consumers. These conversations don't have to be anything grandiose or in depth. Just simply listening to consumer concerns and letting them know as a farmer you care is huge. And it's ultimately how we will connect with them.”

Brad Kremer, Pittsville, Wis.

“I view the connection as the consumer is my boss. When they purchase an item they make a decision. Those decisions influence my decisions as a producer. We try to grow the best dairy and grain products in the world and we thank the consumer for their purchase of our products. Everyone has a boss, for farmers it's the consumer!”

Kate Lambert, Brookfield, Mo.

“I catch myself thinking of the 'consumer' as someone I read statistics and stories about, but don't actually know. The reality of my connection to consumers is that a person is actually fueling their body with nutrients that came right out of the dirt off my farm. And, at any given time, that consumer could be my friends, my family, my children.” ▣

**Have a question for ASA's Soy Town Hall?
Send it to jbright@soy.org, and it could be
in an upcoming issue of this magazine.**

ASA in Action

Soy Growers Convene in D.C., Hear from Industry Influencers

The American Soybean Association (ASA) Board of Directors met in Washington, D.C. in July, where members heard from a number of agriculture influencers.

Ambassador Darci Vetter, chief agricultural negotiator from the office of the U.S. Trade Representative (USTR), spoke about the importance of a timely passage of both the Trans-Pacific Partnership (TPP) and Transatlantic Trade and Investment Partnership (TTIP) and the impact both trade agreements have on U.S. agriculture. Following Vetter, House Agriculture Committee Chairman Michael Conaway briefed the board on the national GMO labeling bill, which finally passed this summer and is awaiting implementation from the U.S. Department of Agriculture (USDA).

ASA also presented the Soy Champion Award to Rep. Mike Pompeo (R-KS) for his work in authoring legislation establishing the national framework for the GMO labeling bill, as a member of the House Energy and Commerce Committee.



House Agriculture Committee, Nutrition Subcommittee Ranking Member Jim McGovern spoke about nutrition and the importance of the Supplemental Nutrition Assistance Program (SNAP) in the upcoming farm bill.

Panels at the board meeting included a farm bill discussion featuring representatives from the National Cotton Council, National Milk Producers Federation and United Fresh Produce Association. *Agri-Pulse's* Philip Brasher and Spencer Chase also joined in a panel focusing on the upcoming election, the role agriculture is poised to play in it, and what the rural route to 1600 Pennsylvania looks like.

Directors and members from all 30 soybean-growing states affiliated with ASA then met with their congressional delegations and the board meetings concluded with a reception held in the historic Kennedy Caucus Room of the Russell Senate Office Building. ▣



◀ (From left to right) ASA Directors from Ohio, Jerry Bambauer and Jeff Sollars, meet with Rep. Bob Gibbs, along with Ohio Soybean Association Executive Adam Ward, during Hill visits in Washington, D.C. in July.



▲ ASA Vice President Ron Moore (*far right*) explains the different ways soybeans are used from fuel, to food and beyond, to attendees who stop at ASA's booth during the 2016 Ag Media Summit in St. Louis.



Members of ASA's Biotech Working Group discuss how farmers can better engage with consumers during the annual meeting, where they also met with Dow Agro Sciences CEO Tim Hassinger and several other members of the Dow team.



Farmer-leaders Casey Youngerman (left) and Brent Gatton (right) discuss different leadership styles during Part I of the 2016-17 Leadership At Its Best program in North Carolina. Leadership At Its Best, sponsored by Syngenta, recognizes up-and-coming soybean farmer-leaders and provides them with extensive training to further develop their leadership skills, and provides additional education on communication styles, strategic planning, forecasting, media training and business etiquette.



(From left to right): Sen. Joni Ernst (IA) chats with ASA President Richard Wilkins and Vice President Ron Moore during the 2016 Farm Progress Show in Boone, Iowa. The leaders fielded nearly 30 interviews and spoke on *Agri-Pulse* panels hosted at the Case IH booth, in addition to *AgriTalk's* live broadcast from the DeKalb tent.



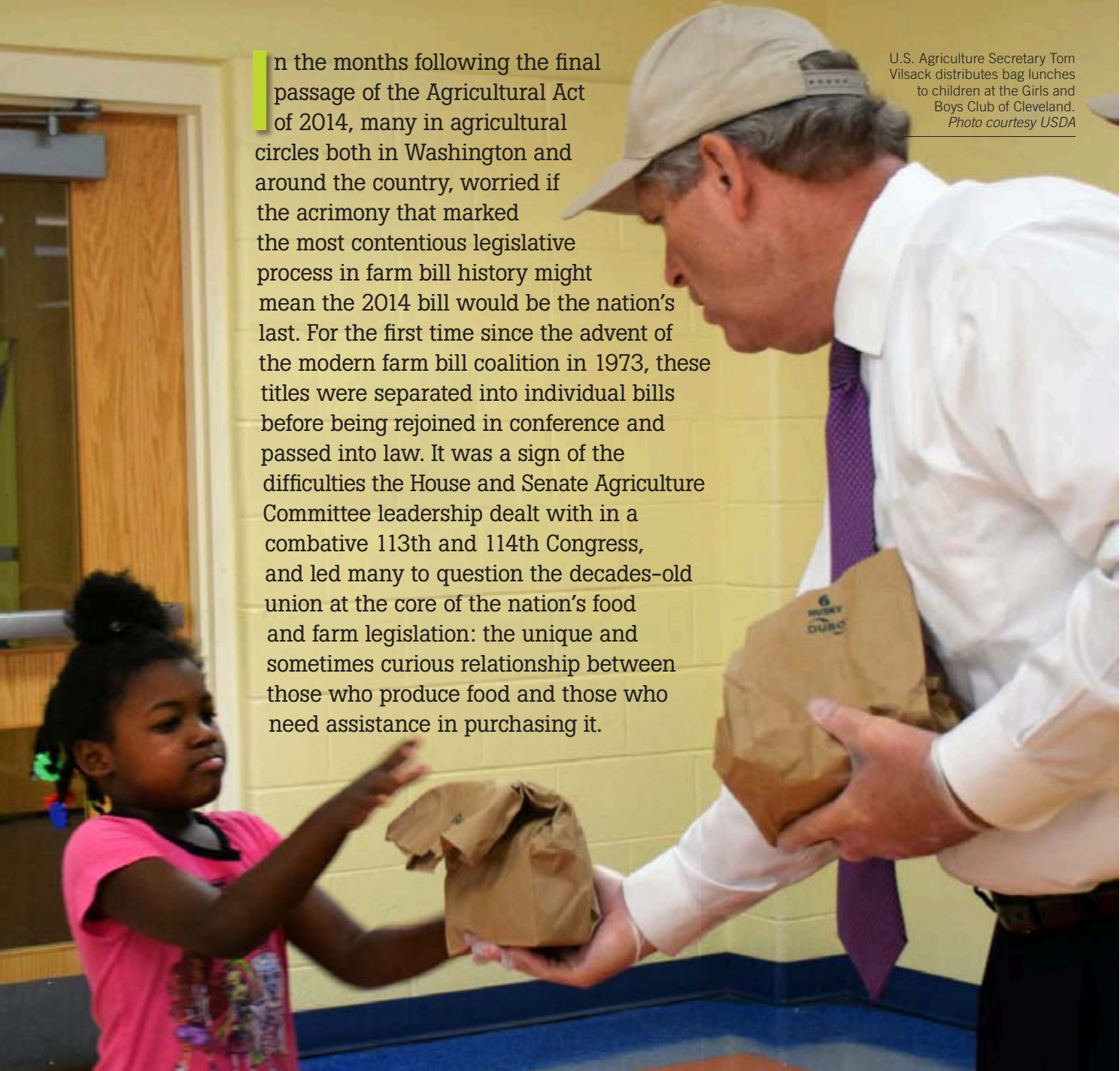
ASA Director Lawrence Sukalski answers questions about the U.S. soy production market during the 2016 U.S.—China Grains & Oilseed Forum in Beijing, co-sponsored by the U.S. Soybean Export Council (USSEC).
Photo courtesy of USSEC

FARM TO TABLE:

Hunger, Nutrition and Farm Programs in the Farm Bill

In the months following the final passage of the Agricultural Act of 2014, many in agricultural circles both in Washington and around the country, worried if the acrimony that marked the most contentious legislative process in farm bill history might mean the 2014 bill would be the nation's last. For the first time since the advent of the modern farm bill coalition in 1973, these titles were separated into individual bills before being rejoined in conference and passed into law. It was a sign of the difficulties the House and Senate Agriculture Committee leadership dealt with in a combative 113th and 114th Congress, and led many to question the decades-old union at the core of the nation's food and farm legislation: the unique and sometimes curious relationship between those who produce food and those who need assistance in purchasing it.

U.S. Agriculture Secretary Tom Vilsack distributes bag lunches to children at the Girls and Boys Club of Cleveland.
Photo courtesy USDA



| By **Patrick Delaney**

The history of the farm and food partnership goes back more than three-quarters of a century to the Great Depression. In an effort to assist the unemployed in purchasing food, and aid in the distribution of surplus farm commodities, Congress authorized the Federal Surplus Relief Corporation in the Agricultural Adjustment Act of 1933.

As the nation emerged from the Depression in 1939, United States Department of Agriculture (USDA) Secretary Henry Wallace and President Franklin Roosevelt established the Food Stamps Plan, which provided low-income Americans with vouchers to purchase foods in surplus. That program continued through and after World War II, and was formally codified in the Food Stamp Act of 1964.

The act also marked establishment of a political partnership between urban and rural interests. At the time the act was introduced, House leaders were also debating a bill to benefit cotton and wheat farmers that needed votes to pass that chamber. Leadership paired the two measures together, drawing urban support for the cotton and wheat bill, and lending rural support to the Food Stamp Act.

"We had great trouble passing farm legislation at that time," recalled former Senate Majority Leader Bob Dole, then a member of the House Agriculture Committee representing Kansas' "Big First" Congressional District. "Combining the two was an act of necessity, and it enabled us to pull in Democratic votes from members who would not ordinarily support farm-specific issues. Since then, the marriage has continued."

According to University of Illinois professor Jonathan Coppess, one must look at the changing dynamics of the country at the time to appreciate these developments. Coppess, who worked on the 2008 and 2014 farm bills, suggested that while much has been made of the migration of rural to urban and suburban areas and the

corresponding reduction in rural congressional districts, this trend accelerated in the post-WWII boom of the 1950s and '60s, which served to weaken the rural vote, particularly in the House. The large migration of African-Americans out of the Jim Crow south to northern cities also contributed to the marked decrease in exclusively rural congressional districts. Finally, according to Coppess, the holdover Depression-era farm policy of the time based on the parity concept that coupled price supporting loans with acreage controls, was falling apart. That led to production of massive commodity surpluses and an extremely difficult environment in which to defend farm programs.

It would be another nine years before the Agriculture and Consumer Protection Act formally paired federal farm and nutrition programs in 1973. For the forty years and eight farm bills that followed, until the debate on what became the 2014 farm bill, the agricultural and hunger and nutrition communities coexisted relatively untested.

Today, it is a relationship that some malign as all-too-characteristic of Washington horse-trading. But, said Agriculture Secretary Tom Vilsack, the cooperation between urban and rural constituencies in the farm bill and on other issues reflects its core purpose.

"The nature of a farm bill is to provide support for America's farmers in terms of being able to promote new market opportunities, to expand existing markets, to help create demand for the products American farmers produce so that prices remain stable and farmers can stay profitable," Vilsack said.

Pointing to the food stamp program, now called the Supplemental Nutrition Assistance Program (SNAP), Vilsack noted that, "Part of what SNAP does is it enables people to go into grocery stores and purchase more. Currently, more than 43 million Americans are enrolled in the SNAP



A World War II-era poster from USDA explains the connection between food stamps and agricultural surplus. Photo courtesy USDA, National Agriculture Library

(continued on page 14)

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program and through it are able to purchase more food than they otherwise could. That of course creates greater demand.”

Senate Agriculture Committee Ranking Member Debbie Stabenow of Michigan said the farm bill creates a connection based on mutual need and protection by setting up backstops against tough times for both farmers and consumers.

“We’ve purposely put programs in place to support farmers when there’s a downturn, just as we’ve put them in place to support families in the same situation,” Stabenow said.

Vilsack added that redemption of SNAP benefits boosts economic activity at all points along the supply chain.

“The more food SNAP recipients purchase, the more has to be packed, processed, shipped, trucked and ultimately produced,” he said “SNAP creates an additional level of support just in the same way we promote exports, in the way we have the Commodity Credit Corporation to purchase surplus product to stabilize prices, and just in the way that we now have risk management payments in the form of the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. It’s part of a strategy to make sure there is continued demand for whatever it is American farmers are producing.”

But there are some who would like to see the bill split into two separate parts: a nutrition bill and a farm program bill. That approach, said Senate Agriculture Committee Chairman Pat Roberts of Kansas, misses the mark.

“Instead of having conversations about splitting the farm bill and dividing nutrition and agriculture programs we should focus our



Senate Agriculture Committee Ranking Member Debbie Stabenow, left, and Chairman Pat Roberts, right, during a hearing on the implementation of the 2014 Farm Bill. Photo courtesy USDA

energies on reviewing what works and what doesn’t, and then advance reforms that work for the entire agriculture and food value chain,” Roberts said.

To Roberts, that whole-chain approach represented by the partnership between farmers and the anti-hunger community is critical to connecting with lawmakers and eventually moving the next farm bill.

“As soybean farmers know, the number of folks producing food is far less than the number of folks consuming food. That disproportion is reflected in what some members of Congress hear from constituents,” Roberts said. “However, these constituencies are tied to one another, so lawmakers have to find ways to reach across the aisle and throughout the value chain to move a farm bill across the finish line and to the President’s desk.”

Fellow Kansan Dole agreed. “Aggies need to expand our coverage,” he said. “So many that live in cities go into the grocery store and grab a box of cornflakes without a thought as to how that box actually got there.

Farmers need to better explain how they prepare the land, plant the seed, watch it grow and hope for no damaging conditions, then how they harvest, process and transport it. But more importantly, farmers need to explain how this is done at a very low cost, and how that in turn keeps food affordable for consumers. Food is at its most affordable in the United States because of the effectiveness of American farmers.”

The key to ensuring passage of a farm bill is finding a way for farmers to connect with consumers in the urban and suburban areas that carry proportionately greater representation in Congress.

Vilsack said the partnership between urban and rural needs to be strengthened as the farm bill has a very wide scope. “It’s not just a farm bill, it’s a jobs bill, it’s a research bill, it’s an energy bill, it’s a forest bill, it’s a conservation bill, it’s a nutrition bill,” he said. “The result of which is that you can build a very strong coalition of supporters if you’re smart about it.”

Roberts said farmers also need to do a

better job connecting with lawmakers and explaining their practices.

"I commend the many soybean farmers who participate in the legislative process," he said. "We need more folks speaking to their elected officials and to consumers about the importance of and the struggles associated with production agriculture."

Many of the American Soybean Association's (ASA) state affiliates have created programs that foster this connection at the local level.

The "Soy in the City" program—a collaboration between the Illinois Soybean Association and the Illinois Pork Producers Association—donated 800 pounds of ground pork to the Bloom Township Food Pantry in Chicago Heights. The Missouri Soybean Association works alongside the CommonGround program to hold educational dinners on a working dairy farm with local health and nutrition professionals in urban and suburban Kansas City. The Nebraska Soybean Board's Bean Team organizes consumer outreach through interactive displays on the health

benefits of soy foods in grocery stores in urban Lincoln and Omaha. The Alabama Soybean Producers donated \$5,000—which Feeding America matched through its Invest an Acre initiative—to the Alabama Food Bank Association. In the Glass Barn, an award-winning interactive learning tool developed by the Indiana Corn Growers Association and Indiana Soybean Alliance, visitors to the Indiana State Fair in Indianapolis can see, through a virtual grocery store aisle, which products in the aisle contain soybeans and corn, and how they help to keep food affordable.

At the national level, ASA and Feeding America lead an effort of the nation's agriculture and anti-hunger and nutrition groups to put farm and food policy advocates at the same table—to foster collaboration and constructive discussions leading to the next farm bill.

Still, the threat of splitting the farm bill persists, as spending-hawks look to target the federal farm and nutrition programs they view to be prime examples of government spending run amok, while some in the agriculture

community look at nutrition programs as unrelated to the bill's intent and thus a barrier to its passage. That viewpoint, warned Vilsack and Dole, can have significant unintended consequences for farm programs.

"Some may be under the mistaken impression that if you were to separate the nutrition title from the rest of the bill it would make it easier to pass a farm bill, and would result in more money coming to farmers through other programs," Vilsack said. "That is a mistaken belief. First, because those resources would not stay within the farm program, but would be redirected to other priorities outside of the farm bill. And second, because you would have a much harder time securing the votes for crop insurance, margin protection programs, and things of that nature, if you were relying on a document that speaks only to rural interests and not those of urban and suburban communities as well."

Dole put it more bluntly. "If you take food stamps out of the farm bill, you're not going to pass a farm bill." ▣

Rural Congressional Representation in Decline

The proportion of rural congressional districts is at its lowest point in American history, according to research conducted by the American Sugarbeet Growers Association. The research, which analyzed the most recent United States Census data, alongside data from the 2012 Census of Agriculture, shows only one of the 435 districts in the U.S. House of Representatives—Kentucky's fifth congressional district represented by House Appropriations Committee Chairman Hal Rogers—is comprised of more than 75 percent rural population, and only another 33 districts have more than half of their populations in rural areas. The research defines rural as a community with 2,500 or fewer residents.

The percentage of Americans living in rural areas declined from more than 60 percent in 1900 to less than 20 percent in 2010, while the percentage of Americans living in major

metropolitan areas rose from more than 40 percent to approximately 80 percent over the same time period.

This issue is more impactful legislatively for soybean farmers, given that within the top 10 soybean producing states, there are only six majority-rural congressional districts, with Iowa, North Dakota, South Dakota and Kansas lacking a single district defined as rural.

All is not lost for farmers and rural policy advocates, however. Research from political scientists Gerald Gamm and Thad Kousser shows that at the state level, lawmakers from smaller jurisdictions (less than 10,000 residents) are almost twice as likely to pass legislation than their counterparts from metropolitan areas with populations of more than 500,000. ▣

Issue Update

Trans-Pacific Partnership Faces Murky Outlook in 2016

| By **Hanna Abou-El-Seoud**



Few issues are more important to the American soybean farmer than the demand created by international trade. Soybeans are the number one agricultural export in the United States, and in 2015, more than 1.69 billion bushels left the country bound for international consumers. Because of the importance of global trade, the American Soybean Association (ASA) has kept a watchful eye on the developments of the Trans-Pacific Partnership (TPP).

The TPP is a multi-lateral trade agreement between the U.S. and Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam, and together, its partner countries represent more than 40 percent of the world's gross domestic product (GDP). Under

a TPP agreement, tariffs on U.S. soybeans and soy products would be eliminated either immediately or within a set time frame in each market.

ASA supports the TPP because it creates demand for soybeans in three distinct ways: first, through the increased sales of soybeans, meal and oil to TPP partner nations; second, by the increased sale of poultry, pork, dairy and other livestock products that require soybean meal to produce; and finally, through the long-term market development of the TPP partner nations, which results in increased buying power and demand for additional meat protein.

But despite its promise, the TPP faces a rocky path to approval. With the passage of Trade Promotion

Authority (TPA) in the summer of 2015, the White House and Congress are currently working through predetermined steps to bring the TPP agreement to Congress for a vote. On Oct. 5, 2015 negotiators on the TPP were completed, and on Feb. 3 of this year, all 12 countries signed the TPP deal. Then in May, the International Trade Commission (ITC) released its report, which showed positive outcomes for the U.S. under TPP, with the agriculture industry having the greatest gains. With the completion of the ITC report, President Barack Obama—in accordance with TPA—can now send the draft TPP text to Congress for consideration.

However, political opposition to the TPP continues to pose challenges to final passage. Democratic members of Congress have been



hesitant to support the TPP deal out of fears that the TPP does not protect U.S. jobs and is not tough enough on environmental and labor concerns. This sentiment has been deepened by Democratic presidential nominee Hillary Clinton's opposition to TPP. Similarly, Republican lawmakers have been hesitant to bring TPP up for a vote in Congress because they are fearful of providing a win to a Democratic administration prior to a Presidential election. This hesitation is further entrenched considering that Republican Presidential nominee Donald Trump is staunchly opposed to TPP.

There was much discussion about whether TPP will be placed on the Lame Duck Congressional session agenda after the November elections, however this too is uncertain. Senate Majority Leader Mitch McConnell has resisted committing to a vote before the end of the year, saying, "I haven't made that call but I have to say the chances are pretty slim."

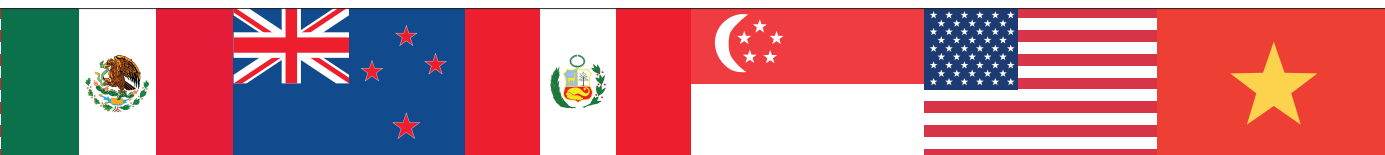
Regardless of what Congress chooses to do—or perhaps more detrimentally, not to do—it is clear that other nations within the TPP will press ahead for its approval. Both Japan and Mexico have made public statements saying each will move to ratify later in 2016 or in early 2017. Even with their ratification, however, the TPP cannot go into effect without the U.S., as a result of the partnership's requirements with regard to the percentage of GDP represented by the ratifying countries. The language of the TPP states that when ratified, the agreement must represent at least 85 percent of the total GDP of the original 12 TPP nations. That means that without approval from either the U.S. or Japan—which together represent 80 percent of the agreement's GDP—the TPP cannot come into force. As a result, not only is the Congress failing to lead by example in moving the TPP, our nation's inaction could hinder the ability for any other country to reap the benefits of TPP as well. If this were to happen, it would significantly impair the U.S. standing with the other 11 TPP member countries, and could set us back in being able to implement future trade deals. This is another

reason it is imperative Congress move to approve the TPP as quickly as possible.

Despite the resistance from Capitol Hill, the Obama Administration has doubled its efforts to promote the positive outcomes from TPP for President Obama and his administration. Particularly the Office of the U.S. Trade Representative (USTR) and the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA) have been resolute in their efforts to highlight the need to shape the inevitable force of globalization with trade rules that benefit U.S. businesses and workers.

Similarly, ASA remains dedicated to its approval as well because the stakes are simply too high for soybean farmers to accept anything less. Most recently, ASA partnered with the National Oilseed Processors Association to produce a leave-behind brochure that the two groups will deliver to all 535 lawmakers in Washington. The piece showcases the benefits of the TPP not only for soybean farmers directly, but indirectly as well through increased sales of pork, poultry and other products that require soybean meal as animal feed. In the remaining months of the 114th Congress, ASA will visit with Congressional allies and those opposed to TPP in an effort to clarify misunderstandings about the agreement and ensure that lawmakers understand what TPP can provide for soybean farmers nationwide.

ASA argues that it is beneficial to note that the process of crafting and ratifying trade agreements between players in the global marketplace goes on regardless of whether the U.S. has a seat at the table. Furthermore, ASA says, it's worth remembering that competing soybean farmers in Brazil and Argentina are only too happy to step in and craft agreements with nations where they see they can gain ground on the U.S. in the absence of our own trade agreement. In the weeks and months to come, ASA will continue its push to gain congressional support for the TPP in the hopes to help capture this promise for American soybean farmers. ■



Soy SHOTS

Submit Your Soy Shots at:

membership@soy.org

After a long day, Adam Hendricks brings in the last load of soybeans during harvest 2015 on his farm in Russellville, Ky.
Photo courtesy of Adam Hendricks



Anna Polson snapped this shot one late September evening during soybean harvest on her farm in Northeast Kansas.
Photo by Anna Polson



Hadley Grills (*right*) helps uncle Hunter Grills (*left*) harvest soybeans on the family farm in Newbern, Tenn. *Photo courtesy of Hunter Grills*



Two-year-old Eva Gerner stands in her family's soybean field in south central Wisconsin during harvest 2016. Eva likes to help her mom Melissa co-pilot the combine.
Photo courtesy of Melissa Gerner



Bob Worth (*third from left*) took a break during harvest 2015, to host a China trade team for an afternoon of riding combines and talking soybeans on his farm in Lake Benton, Minn. *Photo courtesy of Bob Worth*

Industry Perspective

Food Companies Begin GMO Labeling Transition

| By **Barb Baylor Anderson**

With more than 75 percent of foods estimated by industry watchers to contain genetically modified corn or soybeans, consumers will see more companies adjusting their packaging to comply with new, national labeling laws for genetically modified organisms (GMOs). The U.S. Department of Agriculture (USDA) has about two years to finalize the rules, based on legislation passed earlier this year that requires foods to carry text or symbols on labels, or an electronic code readable by smartphone that indicates whether foods contain GMOs.

"The law will provide stability in the marketplace for both producers and consumers, while avoiding a messy patchwork of state laws," said Richard Wilkins, soybean farmer from Greenwood, Del., and American Soybean Association (ASA) president.

Companies will have a period of time to comply once rules are finalized. Through the transition, Grocery Manufacturers Association (GMA) representatives said they will continue to "advocate for safe and effective use of agricultural biotechnology to increase the food supply while lowering cost." GMA officials want consumers to understand the safety, prevalence and benefits of genetic modification technology and "make informed choices for themselves and their families."

Officials at Campbell companies believe the national standard for labeling requirements will better inform consumers about the GMO issue. Campbell recognizes GMOs are



safe, not nutritionally different from other foods and play a crucial role in feeding the world.

"Campbell has been engaged in conversation about GMO labeling for several years, and has taken action to provide consumers with more information about how our products are made, including the presence of GMOs, through efforts like the website www.whatsinmyfood.com," said Tom Hushen, senior manager, external communications. "The overwhelming majority of Americans support labeling, and we will print clear, simple language on all U.S. products."

SmartLabel is the technology being implemented by Mondelez Global, LLC, said Tracy Mihas, director, corporate and government affairs.

"We plan to disclose the presence of GM ingredients in applicable products through SmartLabel internet sites and on-pack QR codes. We expect the SmartLabel sites for our U.S. brands to be live by the end of 2016, and on-pack QR codes linking to those sites by the end of 2017. We will make adjustments as there is more clarity on compliance with the new law," she said.

Nestlé USA will also use SmartLabel. Chairman and CEO Paul Grimwood sees benefits for everyone in the food supply chain, from farmers and

manufacturers to retailers and consumers.

"The SmartLabel platform allows us to communicate directly to consumers in a way we've never done before. Beyond GMOs, this tool gives us an entirely new way to share information about ingredients, allergens, ingredient sourcing, portion guidance and more," he said.

What is SmartLabel?

SmartLabel was created by manufacturers and retailers to give consumers instantaneous access to information about thousands of products. Consumers get details by scanning a bar code, doing an online search or going to www.smartlabel.org to reach a landing page with information about ingredients and other attributes. Each product will have its own landing page, and all SmartLabel landing pages will be organized in a similar format, with a consistent look.

As of early September 2016, 13 companies (77 total brands) were using SmartLabel on more than 2,225 products. GMA said projections are for about 34,000 food, beverage, personal care, pet care and household products to use SmartLabel by the end of 2017. Within five years, more than 80 percent of consumer products are expected to use SmartLabel. ■

SoyWORLD

Brazilian Farmers Visit ASA for Discussion on Ag Data, Technology

New technologies and products are constantly entering the marketplace and generating millions of bits of data about farmers' fields, crops and equipment.

In the past two years, the American Soybean Association (ASA) joined industry leaders and other farm groups to decide what to do with all of this data and establish a common position for farmers and companies on privacy.

ASA recently hosted a group of growers from Brazil to share information and lead discussion on ag data and technology.

Brazil is second to the U.S. in world soybean production, producing 31 percent or 3,674 bushels in 2015, according to the U.S. Department of Agriculture (USDA).

During the meeting, ASA Washington Representative Bev Paul discussed establishing the privacy and security principles for farm data. The Brazilian group was interested in the process for developing the principles and how farm groups and ag tech providers were able to come to consensus.

Paul also reviewed the Ag Data Transparency Evaluator, a tool designed to help farmers understand how their data will be used when they adopt precision agriculture technologies. The evaluator was created to help producers understand where their data is going and who has access and control over it. The Transparency Evaluator is hosted on the Farm Bureau website.

Jeremy Wilson, of Crop Information Management Services (IMS), also presented an update on precision ag and data management in the U.S., giving examples from his own farm. Wilson discussed how he sends data on yield to his local co-op and in return they send maps, custom products and handle soil sampling.

Wilson said farmers must be willing to consider new emerging technologies, like Unmanned Aerial Vehicles (UAVs), but make sure there's a return of investment for their business.

Ricardo Manoel Arioli Silva represented the Association of Soy Producers Brazil (Aprosoja Brazil) and discussed how farmers use technology. Silva translated during the meeting so both the Brazilian and U.S. growers and representatives could share ideas and ask questions.

Former ASA Director Dean Campbell, an Illinois farmer, also discussed benefits and concerns regarding technology and ag data on his farm.

ASA Industry and Stakeholder Relations Manager Michelle Hummel provided an overview of the U.S. soybean family structure and how ASA works together with the United Soybean Board (USB), U.S. Soybean Export Council (USSEC) and state associations. Hummel also provided an overview of ASA's top issues such as biotech, trade and sustainability. ▣

Soybean Growers from 11 States to Lead ASA's WISHH Program in 2016-17

American Soybean Association (ASA) President Richard Wilkins recently confirmed 15 soybean growers from 11 states to serve as ASA's World Initiative for Soy in Human Health (WISHH) Program Committee in 2016-17. WISHH Officers are Chairman Daryl Cates (IL); Vice Chair Levi Huffman (IN); Treasurer Stan Born (IL); and Secretary E.L. Reed (MO). WISHH develops long-term markets for U.S. soybean farmers while fueling economic growth and value chain development.



WISHH Program Committee, *front row from left*: George Goblish (MN); Treasurer Stan Born (IL); Secretary E.L. Reed (MO); Vice Chair Levi Huffman (IN); President Daryl Cates (IL); and Jim Wilson (MI). *Back row from left*: Tim Bardole (IA); U.S. Soybean Export Council (USSEC) Ex-officio Member Marypat Corbett; Roberta Simpson-Dolbeare (IL); Kurt Maurath (KS); Jeff Lynn (IL); USB Ex-officio Member Keith Kemp (OH); and WISHH Executive Director Jim Hershey. Not pictured: Ryan Cahoon (NC); Steve Reinhard (OH); Dawn Scheier (SD); Art Wosick (ND); and Bill Wykes (IL).

Sustainability

Across the Country, Conservation is Key

By Jessica Wharton

A sustainability pioneer, Kentucky farmer Jerry Peery began implementing soil conservation practices on his operation, Springhill Farms, in the early 1960s. He saw success while planting wheat with legumes and implementing the concept of crop rotation and no-till farming, practices that weren't widely adopted in the U.S. until the next decade.

Today, Springhill Farms is 100 percent no-till and plants cover crops on all acres of land, while also implementing border strips and permanent seeded waterways. Peery also utilizes soil sampling, plant tissue testing, nitrogen management and yield mapping.

"Since there is great value in protecting the environment, we have implemented numerous best management practices to protect the water quality on and downstream from Springhill Farms," Peery said.

In addition to protecting water, Peery has proven that soil health conservation is not only a worthy endeavor, but imperative, adding that "soil is a farmer's greatest asset, and we need to protect our soil from erosion."

He said that Springhill Farm's best management and conservation practices reduce erosion, improve soil tilth and improve water use efficiency and quality.

After devoting the last 60 years to producing food and feed that is grown sustainably at Springhill Farms, Peery has been recognized for his conservation efforts and is the recipient of both the 2014 Kentucky Leopold Conservation Award and the 2014 American Soybean Association South Region Conservation Legacy Award.

The accoladed conservation pioneer doesn't let his past successes and awards keep him from learning new soil health techniques and implementing the latest technologies on Springhill Farms. He makes sure family and farm workers are part of the learning process so they'll be able to continue utilizing farming practices that encourage soil and water conservation in the future.



Jerry Peery's Springhill Farms is 100 percent no-till and he plants cover crops like these radishes on all acres of land, while also implementing border strips and permanent seeded waterways. Photo courtesy of the Kentucky Soybean Association

His advice to other farmers? "Don't stop learning your trade, and take all the opportunities you can to learn from other farmers and farm agencies, and you don't have to incorporate all new ideas at one time—making one change at a time can be very effective," Peery said.

Five states and over a thousand miles away, Daniel Berglund and his son are also focusing on water and soil conservation techniques on their farm in Texas.

From implementing modern tillage practices, like vertical and reduced tillage, and precision technology, to the utilization of roll poly pipe and drainage control structures, the Texas farm has implemented countless efforts to minimize soil erosion and maximize irrigation efficiencies.

Looking to the future, Berglund plans to continue increasing irrigation and drainage efficiencies, and reduce soil compaction, all while increasing yields and yield consistency.

For Berglund, implementing new sustainability practices over the last decade, and into the future, is an economical and environmental decision, noting that to continue farming for years to come it's crucial to "take care of the soil and other natural resources."

Regardless of where farmers are producing the nation and world's food and feed supply, one thing is apparent—water and soil conservation is vital, and the key to continued, successful farming across the U.S. ■

"Soil is a farmer's greatest asset, and we need to protect our soil from erosion." – Jerry Peery, Kentucky farmer

SoyForward

Farm and Food Policy Go Hand-in-Hand to Fight Hunger in Farm Bill

By **Diana Aviv**

It's no secret that hunger is a global problem. What is less known, however, is that it's also a significant problem in our own backyards. One in eight people in America face hunger. They live in every single county in this country—urban, suburban and rural. Hunger impacts families, children and seniors. Chances are, it affects someone you know.

At Feeding America, we are committed to ending hunger in our country. As the largest, domestic hunger-relief organization, we reach every county and community in America through our nationwide network of 200 food banks and 60,000 food pantries and meal programs. Last year, we provided 4 billion meals to people in need. We work hard in the fight against hunger, but to truly end it we need your help—the help of America's farmers who not only feed our nation, but serve as pillars of our communities.

We know farmers have always helped their neighbors in need. You maintain strong partnerships with your local food banks and donate hundreds of thousands of pounds of food. Thanks to recent legislation, donating food is easier than ever. At the end of 2015, Congress strengthened the food donation tax deduction to include all businesses, large and small, as well as farmers using cash-basis accounting. This legislation helps ensure it does not cost growers and producers more to donate food than to leave it in the field. We hope this encourages further donations from the agricultural community, and urge you to reach out to your local food bank to learn more.

Food banks and other charities help ensure our neighbors get the fuel they need to grow, get back on their feet or reach their full potential. But food banks alone cannot provide enough meals to end hunger – we need government programs like SNAP (formerly known as food stamps) to ensure all Americans can meet their basic, nutritional needs.

We believe effective farm and food policy through the Farm Bill should be built on a shared commitment that struggling Americans are able to put food on the table and responsible farm businesses are able to stay in operation during hard times. While the economy slowly improves, many families continue to struggle. Opportunity, full-time

employment and an adequate household income remain out of reach for millions of people. SNAP serves as a short-term support to help families get back on their feet, while providing an economic boost to ensure access to and demand for quality food won't fall hard if our economy does. A similar farm safety-net guarantees that through recession or growth, farmers like you, will have the resources necessary to continue to feed our nation.

Thank you for everything you do. Your partnership with food banks plays an invaluable role in the fight against hunger, and as community leaders, your support will help us make a lasting difference. Like you, Feeding America is deeply committed to helping our neighbors in need. Working together, we can end hunger—both across the U.S. and in our own backyards. ■



Diana Aviv

Diana Aviv is the chief executive officer of Feeding America

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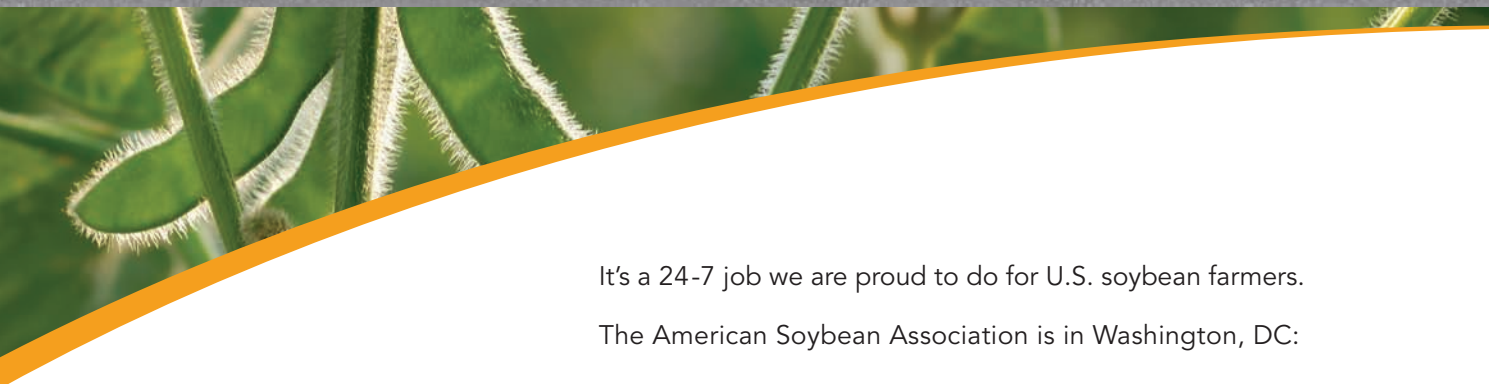
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