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People. Policy. Profitability.

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ON THE



THE ROAD TO RECOVERY  
Infrastructure  
Upgrades Needed  
for Competitiveness

SUCCESSION PLANNING  
Making Ownership  
Transition Easier

SOY CHAMPION  
Senate Agriculture  
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SOY FORWARD  
EPA Administrator  
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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.



If you believe, belong.

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# 22 Road to Recovery

## Infrastructure Upgrades Needed to Keep U.S. Soy in the Game

### CONTENTS

#### FEATURES

- 10 Soy Champion** A profile of U.S. Senator Debbie Stabenow, D-Mich., chairperson of the Senate Agriculture Committee.
- 12 Soy Horizons** A look at how precision ag technology has helped the Worth family transition from one generation to the next.
- 15 eLegacyConnect** New ASA member benefit aids in succession planning.
- 20 Soy Checkoff News** Update on projects funded through the United Soybean Board.
- 22 Road to Recovery** An in-depth look at the nation's infrastructure on which soybean farmers depend—from highways to rail to waterways.



#### COLUMNS

- 32 Extension Insight** Post-harvest alternatives for your soybean crop.
- 33 Issue Update** Alternative funding for inland waterways.
- 34 SoyForward** EPA administrator Gina McCarthy encourages dialogue between farmers and EPA.



#### DEPARTMENTS

- 4 Soy News** A quick review of soy-related news from across the nation and around the world.
- 6 Soy Town Hall** Soybean farmers from around the nation comment on the impact of increased truck weight limits.
- 8 SoyState Update** A roundup of selected state news.
- 16 ASA in Action** How your membership association is making a difference for American soybean farmers.
- 18 SoyShots** Photos and images submitted by ASA members across America.
- 28 SoyWorld** A close-up look at ASA's international marketing initiatives.
- 30 Industry Perspective** Cargill executive weighs in on inland waterway improvements.



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# SOY news

## ASTA, CropLife Release Seed Treatment Guide

As part of an effort led by the American Seed Trade Association (ASTA) and CropLife America (CLA), ASA endorsed the release of The Guide to Seed Treatment Stewardship, an industry-wide initiative to promote the safe handling and management of treated seed.

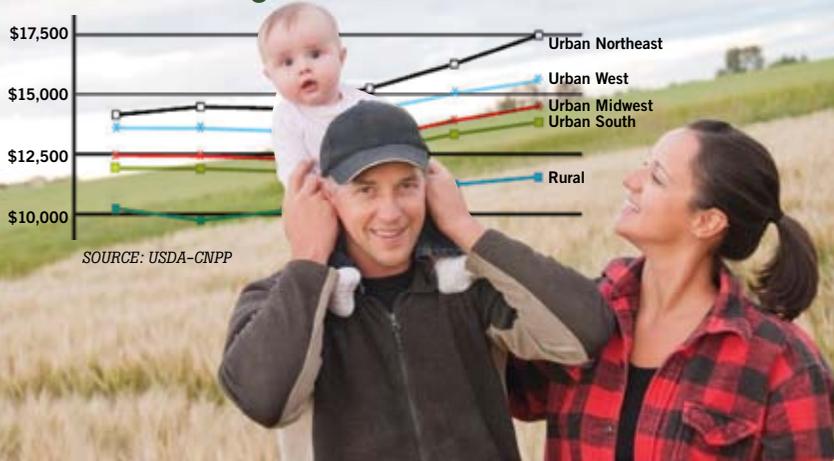


The Guide provides farmers and seed companies with critical information and up-to-date guidelines for managing treated seed effectively to further minimize the risk of exposure to non-target organisms.

For more on the guide, visit [www.Seed-Treatment-Guide.com](http://www.Seed-Treatment-Guide.com)

SOURCE: ASTA

## Cost of Raising Children Lowest in Rural America

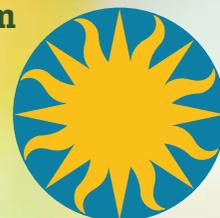


An August report from the U.S. Department of Agriculture's Center for Nutrition Policy and Promotion (CNPP) finds that childcare **costs for Americans living in rural communities are less than their suburban and urban counterparts.** On average, according to CNPP, raising a child from birth to age 18 in a rural community will cost between just under \$10,000 and \$12,500 annually. The study looked at the costs of housing, food, transportation, clothing, health care, and child care and education, as well as a miscellaneous category.

## Smithsonian Seeks Stories from the Farm

As part of its American Enterprise exhibition, the Smithsonian National Museum of American History is looking to hear from farmers on how innovation and technology have helped to advance the agriculture industry. The exhibition is supported by a \$1 million grant from the United Soybean Board. Farmers may submit their stories, photographs and memorabilia at [www.AmericanHistory.SI.edu/agheritage](http://www.AmericanHistory.SI.edu/agheritage).

Source: USB



Smithsonian



## AU Students Riding in Style with Biodiesel

**A**s American University students returned to campus in August, they were treated to sustainable and stylish new rides in the form of three new biodiesel-powered shuttle buses. According to AU and the National Biodiesel Board (NBB), the buses showcase the university's commitment to sustainability with custom-designed wraps touting the biodiesel use and other campus sustainability initiatives. AU transitioned to biodiesel for its entire diesel fleet in December 2012, after obtaining an on-campus 1,000-gallon storage tank.—Source: NBB



## BY THE NUMBERS

**350%** – The percentage increase in the planted acreage of cover crops from 2008 to 2012, according to a survey from the Conservation Technology Information Center (CTIC) and the USDA North Central Region Sustainable Agriculture Research and Education (SARE).

**\$120.6** billion – The projected net farm income for 2013, per August estimates from USDA's Economic Research Service. If realized, the inflation-adjusted total would be the second highest in four decades.

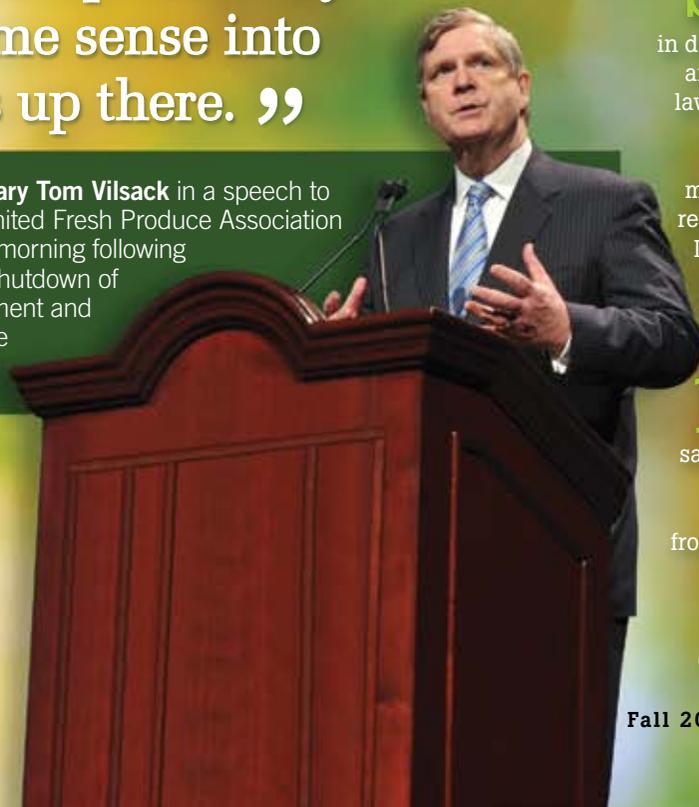
**1,105** – The median size, in acres, of the average farm in the United States, compared to a median size of 589 acres in 1982, according to an August study from USDA's Economic Research Service.

**\$1.9** billion – The amount in damages claimed by Philip Falcone and Harbinger Capital in an August lawsuit against Deere & Co., Garmin International, Trimble Navigation, Ltd., and other GPS technology manufacturers. The suit comes as a result of the industry's opposition to LightSquared, a Harbinger-backed project to build a nationwide wireless network, which filed for bankruptcy in May 2012.

**1.5** – The weight, in pounds, saved by the use of soy-based body sealer in the 2014 Jeep Cherokee. The foam blocks unwanted noise from entering the vehicle cabin with less density than conventional material, resulting in lower production costs, better fuel economy, and improved handling.

“Have you had enough of this? It shouldn't be just polite conversation. As patriots you have a responsibility to knock some sense into folks up there.”

**Agriculture Secretary Tom Vilsack** in a speech to members of the United Fresh Produce Association in Washington the morning following the simultaneous shutdown of the federal government and the expiration of the 2008 Farm Bill.



# SoyTown Hall

**N**ext year, the federal surface transportation bill, also known as the highway bill, is due for re-authorization. ASA and many other business and industry groups would like the highway bill to include a provision introduced several times as the Safe and Efficient Transportation Act (SETA), which would expand truck weight limits on federal interstate highways to a minimum of 97,000 pounds, provided that there is a sixth axle.

ASA has long advocated for the nationwide expansion of this more efficient weight limit because it would enable farmers to increase productivity and profitability by moving more bushels of soybeans in fewer trips. While it may seem counterintuitive at first, studies and experience in other countries have shown that increasing weight limits with the addition of a sixth axle actually improves safety and reduces truck traffic.

**We asked soybean farmers from around the country what an increased weight limit on trucks would mean for their business:**

**NEBRASKA**

**Joel Lipp** (Laurel, Neb.) - "In Nebraska, we have a harvest exemption to our state weight limits that allows us to up our weight by 10 percent. That, however, only gets us to 88,000 pounds and it only lasts for 60 days. The rest of the year we are struggling to find lighter trucks so that with rising fuel and labor costs we can still transport the same amount of grain."

**SOUTH DAKOTA**

**Kevin Scott** (Valley Springs, S.D.) - "Heavier limits mean more efficiency, for one. Fewer trips on the road are another benefit. There'd be some expense in the form of adding a third axle to trucks, because we don't want to carry more weight on the same two axle setup. It would certainly be beneficial to farmers in my situation. I'm all for it."

**MICHIGAN**

**Adam Wagner** (Monroe Center, Mich.) - "In Michigan we can ship 1,800-bushel loads instead of 1,000-bushel ones. It makes our freight a lot cheaper."

**KANSAS**

**Bill Manville** (Winchester, Kan.) - "I'm a taxpayer, and I recognize that we've got to maintain our roads. On the one hand, I see the rutting of the roads that so-called 'superloads' can contribute to, so we haul only legal loads at 85,500 pounds. On the other hand, though, larger loads would help us out because they'd give us more capacity. If they'd give us three axles to distribute the weight better, that would get us to 90,000 pounds and would be beneficial. We're team players though and everything's got to balance."

**What ASA members are saying about issues important to soybean farmers.**



You can't always be here.  
But ASA can.

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**The American Soybean Association** is looking out for the best interests of U.S. soybean growers by doing important farm and trade policy work on Capitol Hill:

- ASA fights for biodiesel tax incentives
- ASA advocates legislation fair to soybean farmers
- ASA promotes trade agreements for soy exports

The law says your soybean checkoff can't do these things.  
But ASA can.

If you believe this work is important to your bottom line, make sure you belong to ASA and your state soybean association. Become a member today at [soygrowers.com](http://soygrowers.com).



If you believe, belong.

Visit [soygrowers.com](http://soygrowers.com) or contact the American Soybean Association at 800.688.7692



# SoyState UPDATE

## StatusINDIANA



Indiana soybean farmers welcomed thousands of visitors to the Glass Barn, a new permanent exhibit at the Indiana State Fairgrounds in Indianapolis. The Glass Barn provided visitors to the 2013 fair a clear look at what farmers do on their farms every day. The building featured a series of interactive exhibits, including daily chats with farmers in the field via FaceTime, and a one-of-a-kind video game that challenged



Photo by Indiana Soybean Alliance

players to plant a soybean field and make critical management decisions while competing with others to grow the most soybeans. The Glass Barn will be used throughout the year to host school field trips and other groups as part of the Indiana State Fair's educational program.

## StatusMICHIGAN



Beth Oliver joined the Michigan Soybean Promotion Committee (MSPC) staff as its full-time communications director. Oliver's strong agricultural background stems from experience on her family's farm, where they raise hogs, beef cattle and row crops. Oliver majored in agri-business management with an agronomy specialization at Michigan State University, and while at MSU, she was an employee of the College of Agriculture and Natural Resources Communications department. Oliver was previously the MSPC's Soybean Management and Research Technology (SMaRT) research technician where she implemented data collection and documentation for the SMaRT trials across the state.

## StatusMID-ATLANTIC



The Mid-Atlantic Soybean Association (MASA) supported legislation in New Jersey that will encourage the use of biodiesel in the Garden State. New Jersey State Sen. Bob Smith, Chairman of the Environment and Energy Committee introduced Senate Bill 2268, the Bio-Based Heating Oil Act. MASA supported the National Biodiesel Board in their efforts to require biodiesel fuel sold in New Jersey to meet standards established by American Society for Testing and Materials D6751 specifications. The bill also establishes a requirement that heating oil sold in New Jersey contain a minimum 5 percent biodiesel after July 1, 2014.





## StatusMISSISSIPPI

Mississippi Soybean Association (MSA) President Jeremy Jack and Vice President Tim Clement, along with ASA President Danny Murphy, First Vice President Ray Gaesser, Chairman Steve Wellman and Washington Representative John Gordley met with Senate Agriculture Committee Ranking Member Thad Cochran (R-MS), Agriculture Legislative Aide Daniel Ulmer, and staff from the Agriculture Committee to discuss Farm Bill options and relay MSA priorities for the new farm bill. The MSA contingent stressed that the bill must provide an effective safety net, not distort planting decisions and honor the United States' World Trade Organization commitments.



## StatusOHIO

The Ohio Soybean Association (OSA) recently had a presence at the Ohio State Fair and Ohio Farm Science Review. This was an opportunity to engage current members as well as future members. Farmers stopped by the OSA display and learned how important it is to become a member and also how OSA is working to solve current and future issues facing Ohio soybean farmers. In addition, those who signed up for OSA membership were eligible to win 50 hours on an 8600 CAT tractor.



## StatusWISCONSIN

On Oct. 14, the Wisconsin Soybean Marketing Board (WSMB) hosted a Soybean Pod to Plate Tour for 35 Wisconsin dietitians and chefs. The tour, pictured below, gave participants a first-hand understanding of how soybeans grow in farm fields, are utilized as feed for livestock and poultry operations and as food for human consumption. Tours to Arndt Farms, MacFarlane Pheasants and The DeLong Company showed how soybeans are an important part of Wisconsin agriculture.

Additionally, Dr. Mark Messina, Executive Director of the Soy Nutrition Institute, shared the latest health and nutrition research on soy protein.



Photo by WSMB



# SoyChampion

## Senate Agriculture Committee Chairwoman Debbie Stabenow

By Patrick Delaney

If you ask a farmer to tell you what's on his or her mind, you may not get a long, wordy answer, but you can be certain that what you will get will be as genuine as it is wise. Farmers have long addressed their issues through direct communications and purposeful action. It's a brand of coffee-shop diplomacy that places a higher premium on thoughtful deeds rather than grandiose promises.

It is fitting, then, that the Agriculture Committee hearing room in the Russell Senate Office Building in Washington is a study in understatement amid a town known all too often for its perceived excesses. Its occupants debate legislation not on a raised dais, but seated face-to-face, around a communal table. It is a dynamic that one former committee staffer describes as "conducting business around the kitchen table."

Photo by National Milk Producers Federation

At the head of that table is Committee Chairwoman Debbie Stabenow. Since 2009, the Michigan Democrat, with her calm demeanor and trademark smile, has guided the Agriculture Committee through a fiscal cliff, a federal shutdown and three farm bill negotiations, one of which fell victim to the politics of a contentious presidential election. Despite growing partisan gridlock on Capitol Hill, Stabenow has forged excellent working relationships with her colleagues of all political stripes to affect policy that represents a broad and diverse range of constituents. And in return, those constituents praise the Chairwoman's accessibility and willingness to work together, regardless of the issue.

"Meeting with Chairwoman Stabenow numerous times, what stands out to me is that you can always count on her to listen intently and offer good and thoughtful advice, always with the best interests of farmers in her heart," says Danny Murphy, the American Soybean Association's sitting president, who, along with Chairman Steve Wellman and immediate past chairman Alan Kemper, each served as the association's president during Stabenow's tenure as committee Chairwoman.



From her seat at the head of the Senate Agriculture Committee's table, Chairwoman Stabenow has been a singular champion for soybean farmers.

"Chairwoman Stabenow has always had a statesmanlike approach to policy," said Kemper. "She knows the delicate balance between when to stand on principle, and when to compromise for the good of farmers, her constituents, and the nation as a whole."

"Since day one, Chairwoman Stabenow has been extremely dedicated to completing a new long-term farm bill that will provide certainty to farmers and consumers, and that is reflected in the consistent accessibility and accountability of both herself and her staff to farmers," adds Wellman.

And there is certainly no shortage of farmer voices for Stabenow to hear, as the Chairwoman hails from the nation's second most agriculturally-diverse state. In addition to being a key producer of soybeans, Michigan produces more than 200 different crops, livestock and food products, and leads the nation in the production of everything from cherries and cucumbers to dry beans and houseplants.

Still, her constituents point to the same openness and willingness to exchange ideas. "Chairwoman Stabenow is very aware just how many Michigan jobs are connected to agriculture, as well as the importance of the farm bill not only to Michigan farmers, but to all U.S. farmers and business connected to agriculture.



"She has gone above and beyond to bring this farm bill to fruition," said ASA's Michigan Director Andy Welden, from Jonesville.

In 2012, Chairwoman Stabenow introduced the "Grow it Here, Make it Here" initiative to advance the emerging bio-based manufacturing industry. Her legislation has been hailed by bio-based advocates and increases access to capital for manufacturers, improves bio-based product marketing, spurs the commercialization of new innovations, and strengthens USDA's Biopreferred Program.

"The Chairwoman has always expressed great interest in learning about the work we do and the diversity of projects made from soybeans," added Gail Frahm, executive director of the Michigan Soybean Association and Michigan Soybean Promotion Committee. "She is a true proponent of Michigan and its ag industry as a whole."

John Gordley, head of ASA's Washington office, agrees.

"Chairwoman Stabenow has been a singular champion for soybean farmers throughout the farm bill process and beyond," he says. "She has supported agriculture unswervingly on the unique needs of our farmers, and whatever soybeans are able to achieve in the farm bill will come as a result of the Chairwoman's support and leadership."

As so many in the industry attest, the Chairwoman has consistently worked alongside farmers to ensure that their well-being remains at the forefront of every decision the committee makes. For that reason, the 22,500 farmers of the American Soybean Association are proud to recognize Senate Agriculture Committee Chairwoman Debbie Stabenow of Michigan with the Soy Champion Award. ■

## Generations of tradition add

| By **Adam Williams** Photos by Greg Smith



**B**ob Worth scrolls through the unread emails showing on the display of his smartphone. He reads a couple of them. Then he glances forward, out of the air-conditioned cab of his auto-guided New Holland, to see how much ground is left before the turn at row's end. He's spraying one of the 60 fields he works with his son, Jon, to produce soybeans, corn and wheat. He also serves as vice president of ASA and chair of the association's Membership and Corporate Relations Committee. Bob taps out a quick email reply; a busy man, fitting in what he can for maximum efficiency.

The Worth men represent the third and fourth generations of their farming family in Lincoln County, Minnesota. They operate separately, yet work together under the Worth Farms name. In total, they farm 2,300 acres, with 1,300 of them belonging to Bob and his wife, Gail. The rest belong to Jon and his wife, Shanna.

Those acres bear the accumulated sweat, fortitude and persistent productivity of nearly a century of Worth farming—a century that has seen innovation like no other.

"My dad saw a lot of changes," Bob says. "He went from horses to four-wheel-drive tractors and spraying chemicals. He saw a lot of change. I thought I'd never see that much. Boy, was I wrong. I have seen all kinds of change, too.

"When I started, we were just getting into the cab era. We had been using open tractors. You were out in the dirt, and you had the noise of the muffler barking.

# Worth to family farming operation.

"In the late 1970s, they came out with soundguard cabs. They were very quiet. Then they came with air conditioning. It was very strange for us to have that. Before, we got used to knowing that you'd be cold some days, or very wet, sitting in a drizzle all day."

Considering many of today's cabs include an air-ride seat, a computer outfitted with GPS (global positioning system) and auto-guidance capability that ensures an inhumanly straight drive path, times have indeed changed on the farm.

## Farming Side by Side by Side

Bob Worth joined his father, William, upon graduating from high school in 1970. He juggled full-time farming and National Guard service for eight years. All the while, Worth & Son grew their operation, adding land by a quarter here and a quarter there.

"We got up to a thousand acres," Bob says. "But we had cattle and hogs at that time, too. That's a lot of acres to keep up with when you still have livestock."

Their cash crops were wheat, flax and barley, as soybeans had yet to take hold in the region. Bob and his

father would start growing beans by the late 1970s.

When William semi-retired in 1981, Bob and Gail, who had married and started a family in 1972, took the operation over. William and wife Maxine moved to the nearby town of Lake Benton, and Bob and Gail moved to the farm house where Bob grew up to raise their growing family.

When Jon, Bob's son, was a sophomore in high school, he started farming with Bob, with the echo of Worth history ringing clearly. Upon his high school graduation, Jon started working full time on the farm and, with his father, began to add land to the Worth Farms partnership. Jon also studied his way to a two-year degree in farming management at Canby Vo-Tech (now Minnesota West Community and Technical College) a half-hour drive north of home.

Three generations of Worth men farmed side by side by side through the mid 1990s. William Worth was not one to truly retire from the life.

"Farming was my dad's passion. It was all he wanted to do," Bob says. "Not many people get to say they work with their dad and their son at the same time."

For four years, Jon learned the good and the interesting about farming alongside living history. "It was good because my grandpa knew how to fix everything. He couldn't do it anymore, but he could tell me how to fix stuff," Jon says. "It was interesting because I had two bosses and didn't always know which one to listen to."

Bob laughs and says it's true. His father offered guidance on the family farm business up until he passed away at the age of 80.

After Jon and Shanna married in 2007, a family meeting was called, and plans were made for transition. Two years later, the younger Worths moved to the same Lincoln County farm where Jon and Bob grew up, and began introducing their own young sons, William and Robert, to farming. The cycle of change—and Worth family tradition—continues. Bob and Gail now live in Lake Benton, a mile away.

(continued on page 14)



(continued from page 13)

## Invaluable Progress

The Worth operation spreads across 20 farms within a nine-mile radius. Bob and Jon use auto-guidance for driving razor-straight lines up and down their many fields.

"After we got autosteer—man, it's amazing. I don't think I'd go back to the old way," Bob says. "You turn around on the end, push a button and it drives to the other end. On a half-mile, it takes about 10 minutes to go across the field. You can get a lot of emails checked, and can get some responses out. It's a big asset."

The precision of today's capabilities also would have amazed Bob's father. The increases in productivity and the savings in the costs of seed, fuel, wear and tear on equipment, time spent in the field and doing paperwork when out of it are hardly believable to those who lived the less-than-precise days of farming.

Using a yield monitor in their combine, the Worths can see where they need to tile or spend more time with fertilizer. The data they collect using a GPS device on their combine is invaluable, saving them from mind-numbing number-crunching at harvest's end.

"We take our disk in to the crop insurance people and they download all the information they need," Bob

says. "Each farm has to be kept separate and have its own data. When we combine, we go field to field to field, farm to farm to farm. In the past, as the fall got on and we got more tired and just wanted to see the end, we didn't always keep the best records. But now everything is mapped precisely and we can download it to our computer."

Jon's boys may choose to become the fifth Worth generation to till the soil of southern Minnesota. If so?

"If it has changed this much in my lifetime and in Jon's lifetime, and what my dad had to do and his dad had to do," Bob says, "I can't imagine what my grandsons will be able to do. It's mindboggling what they could have. It's something so completely different, you can't even imagine."

Whatever it is, the boys won't be able to farm that future without knowing its past. The Worths keep the four previous generations' tractors in the shed, including a 1929 McCormick-Deering 22-36 and a 1947 International Harvester. They still run.

"I don't want my sons to forget why we do things differently than we used to," Jon says, "And how farming has evolved in the last 100 years."

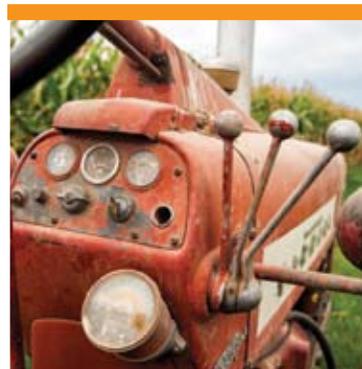
"Agriculture is one of the few areas this tradition of generation to generation

can happen," Bob says. "It would be a great honor to see my grandsons take over the farm I and my father had. I hope I get to have the chance to be like my dad, where we can have three generations working together again."

One day.

In the mean time, Bob keeps scrolling through emails on his smartphone, sneaking peeks at the row ahead while letting his New Holland hold the course.

It's not quite time for another turn. ▣



As the Worth family's tractors have advanced, so have the controls.



"I don't want my sons to forget why we do things differently than we used to." - Jon Worth



# 5 Things You Should Do to Ensure Success

| By Kevin Spafford

“How am I going to keep it together? Land prices are sky high and only one of my four kids is involved in the farm.” – John A., Soybean Farmer

John’s email above was not unlike most we receive. Unfortunately for John and many farmers like him, the situation seemed overwhelming and beyond hope. Multigenerational success is difficult and rare. History tells us 70 percent of first generation family operations will not transition to a second. Of those that do, 90 percent will not go to a third. And, of the meager few remaining after that, 96 percent will not go to a fourth.

**There are five keys critical to your family’s planning success:**

- 1. Utilize Good Communication Skills:** Communication is the heartbeat of family business. Learning to connect in a respectful and constructive manner is necessary for success. Communication is more than talking points. It’s listening to learn, and then using actions to support your message. It’s important to understand the wants, needs and intentions of others.
- 2. Define Common Objectives:** Human nature sways us to focus on our own needs first. For a family business, unchecked self-interest can be the beginning of the end. Each person in the family must agree that decisions made and actions taken in the succession planning process should benefit the operation first—and above all, should cause no harm.
- 3. Overcome Common Obstacles:** A succession plan must overcome the hurdles that are common to every family in business, and provide solutions to the complex puzzles which plague most family business owners. Early in the succession planning process, each family must confront and then help devise solutions to the obstacles that most owners face.

- 4. Fortify the Operation:** If each person speaks for their own self-interest, who speaks for the operation? If the operation is going to survive and continue to endow the family with financial security, future opportunities, farming lifestyle and a lasting heritage, it must have a voice in the discussion. The strength and long-term health of the business must be a first priority.
- 5. Take Definitive Action:** Good intentions without action are hollow promises. Succession is about gaining confidence and eliminating the unknown. A comprehensive plan ensures a smooth ownership transition and provides financial security for you and your family.

Most farmers are fiercely independent and self-reliant. They pride themselves on being capable and hard working. The American Soybean Association is dedicated to strengthening farmers, maintaining a healthy organization and continuing prosperity for the industry. To help you plan for succession, ASA has partnered with eLegacyConnect to offer ASA members a discounted annual subscription to eLegacyConnect, a succession planning web community. For details visit [SoyGrowers.com/belong](http://SoyGrowers.com/belong) and click on Membership Benefits

**Kevin Spafford** is the founder of eLegacyConnect. ■



# ASA in Action

## Members of 2013 ASA/DuPont Young Leaders Meet in D.C.



ASA photo by Christine Lueif

A select group of the 2013 class of ASA/DuPont Young Leaders participated in Part 3, which took them to Wilmington, Del. for tours of DuPont facilities.

Select members of the 2013 class of ASA DuPont Young Leaders met in July in Washington, D.C., and Wilmington, Del., to learn more about the process of developing legislation, increase awareness of how issues are identified and prioritized, and gain a better understanding of DuPont.

The Young Leaders participated in ASA's Legislative Education and Issues Forum and visited congressional offices on Capitol Hill. The Young Leaders were: Christopher Worsham, Georgia/Florida Soybean Association; Lynn Rohrscheib and Doug Kirk, Illinois Soybean Association; Howard and Sandy Reyburn,

Mid-Atlantic Soybean Association; Brian and Kim Fruechte, Minnesota Soybean Growers Association; Jeff Heimerl, Ohio Soybean Association; Hunter Grills, Tennessee Soybean Association; and Nick Moody, Virginia Soybean Association. Following the legislative forum the group traveled to Wilmington, Del., for a tour of DuPont's Experimental Station and Stine-Haskell Research Center. A tour of Wilmington's Hagley Museum and Gardens completed the week.

"The ASA DuPont Young Leader Program has a legacy of developing strong leaders for the soybean industry and all of agriculture," said Brian Buckallew of Pioneer. "It's critical that we provide these leaders with the tools they need to maintain a strong agricultural voice."

## ASA Board Meets, Hosts Legislative Forum in Washington, D.C.

The ASA Board of Directors met in July in Washington, D.C. to conduct its summer Board meeting. ASA also hosted the Legislative Issues and Education Forum, sponsored by Monsanto, on July 9.

ASA President Danny Murphy welcomed participants to the forum, which included ASA Board members and staff, state affiliate leaders and staff, representatives of the 2013 ASA/DuPont Young Leader program, and members of the media.

House Agriculture Committee member Steve King (R-Iowa) kicked off this year's forum by providing an update on House consideration of the 2013 Farm Bill. As part of Rep. King's remarks, meeting attendees were the first in the agriculture community to hear that the House would officially separate the farm bill into two



ASA photo by Cassandra Langley

freestanding farm and nutrition bills. The farm-only bill would pass just days after the meeting. Next, attendees heard about the future of aquaculture from Maine Aquaculture Association Executive Director Sebastian Belle.

Following an update on United Soybean Board projects and research

by USB Vice Chairman Jim Call, John Deere representatives spoke to the group about agricultural technology issues, including broadband access. Senate Agriculture Committee member Sherrod Brown (D-Ohio) then provided an update on the Senate's progress on agricultural issues.

Cuban Ambassador to the U.S. José Cabañas Rodríguez took the podium to tell attendees about bilateral trade relations with Cuba, followed by a presentation on international trade from U.S. Chamber of Commerce Director-Americas Jose Raul Perales.

After an issues briefing update from ASA Washington staff, the farmer-leaders took to Capitol Hill to meet with their representatives and advocate for top soybean industry priorities.



**LEADERSHIP  
AT ITS BEST**

**ASA's Leadership at its Best  
Kicks off in Minneapolis**

Part I of ASA and Syngenta's Leadership at its Best program kicked off August 5-8 in Minneapolis. Fifteen soybean producers participated in the program, which is designed for current directors and committee members at the state level to support their organizations' efforts to build for the future by helping to develop and train their leaders.

The 2013-2014 Leadership at Its Best participants are Josh Kirkpatrick (Ind.), Rolland Schnell (Iowa), Kyle Jeschke (Kan.), Barry Alexander (Ky.), Heather Feuerstein (Mich.), Wayne Stafford (Md.), Mike Skaug (Minn.), Matt Wright (Mo.), Robert Johnston (Neb.), Michael McPherson (N.C.), Craig Olson (N.D.), Mike Heffelfinger (Ohio), John Horter (S.D.), Rusty Grills (Tenn.), and Don Lutz (Wisc.).

Participants in the LAIB program learn how to enhance their leadership skills to be strong voices for the soybean industry. They learn how to address legislative issues, interact with the media, manage diverse communications styles, plan and strategize for the future and improve productivity. Assisting this year's class was ASA Chairman Steve Wellman, First Vice President Ray Gaesser, Executive Director Member & Industry Relations Bill Schuermann, and Project Coordinator Kathie Mullen.

"The LAIB program helps us network with other producers across the agriculture community," said Olson. "We come together and work on strengthening ourselves as individuals to lead our organizations to a great future."

Part II will be held in Washington, D.C., in March in conjunction with the ASA Board meeting. Participants will concentrate on the importance of communicating with members of Congress, parliamentary procedure and key legislative issues affecting soybean farmers, before meeting with members of Congress from their respective states.

**Biotech Working Group Addresses  
Global Challenges in St. Louis**

ASA farmer-leaders and representatives from industry came together in St. Louis in September to address the challenges presented by inconsistent regulatory frame-works within different markets for U.S. soy around the world as part of a meeting of ASA's Biotech Working Group (BWG).

Leading off the meeting was a presentation on efforts to establish a global low level presence (LLP) policy for biotechnology, led by Lisa Zannoni of the Global Alliance for Ag Biotech Trade (GAABT). Following a discussion of the regulatory challenges here in the United States, ASA President Danny Murphy and First Vice President Ray Gaesser updated the BWG on recent missions to China and to Paraguay to address similar challenges in those countries. Consultants David Green and Benno van der Laan examined the range of issues affecting American soy in the European Union, and ASA Treasurer Richard Wilkins reviewed his mission to Romania, as well as his work on ASA's biotech priorities in the larger negotiations on the Transatlantic Trade and Investment Partnership (TTIP). ASA CEO Steve Censky rounded up the meeting with a discussion of the current status of the soy value chain's Memorandum of Understanding (MOU) on Biotech Communication.

**ASA Presses USDA  
to Resume Oilseed Reports**



ASA First Vice President Ray Gaesser, left, speaks with Agriculture Secretary Tom Vilsack at the 2012 Farm Progress Show. In a July 1 letter to USDA's National Agricultural Statistics Service (NASS), ASA expressed its support for the service to conduct a new information collection, the 2013 Current Agricultural Industrial Reports (CAIR), specifically the M311J and M311K Oilseed and Oilseed Products reports.

ASA photo by Cassandra Langley



A late summer visitor to Dean Kjesbo's farm in Grant County, Minn.

# Soy SHOTS



Submit Your Soy Shots at:

[membership@soy.org](mailto:membership@soy.org)

A bird's-eye view of Mark Jackson's farm on an early morning in Rose Hill, Iowa

Dennis Bogaards unloads the day's harvest in Pella, Iowa.



Farming wind and soybeans in Indiana. Photo by Ximena Yopez.



The results of this year's harvest on Danny Murphy's Canton, Miss., farm.

Ron Robbins finishes another row in Sacket's Harbor, N.Y.





This striking image of a truck waiting for a fill during harvest under a full moon was submitted by Karen Ball of Bloomfield, Ken.



## Two distinctly different organizations working for soybean farmers.

### COMPLEMENTARY MISSIONS

**American Soybean Association** The ASA mission is to serve farmers by protecting and increasing the market value and opportunities for soybean farmers.

**Soybean Checkoff** The United Soybean Board/soybean checkoff mission is to effectively invest and leverage soybean checkoff resources to maximize profit opportunities for U.S. soybean farmers.

### DIFFERENT INVESTMENT BY SOYBEAN FARMERS

**American Soybean Association** A voluntary membership organization. Soybean farmers choose to become dues paying members of ASA and their state soybean association.

**Soybean Checkoff** A mandatory assessment of 0.5 percent of the market price for every bushel of soybeans sold by the farmer.

### DIFFERENT RESPONSIBILITIES

**American Soybean Association** Responsible for legislative, policy and regulatory efforts in Washington D.C. on behalf of U.S. soybean farmers.

**Soybean Checkoff** Responsible for research and promotion for U.S. soybeans. By law, soybean checkoff dollars cannot be used to fund policy or lobbying activities.

### DIFFERENT GOVERNANCE

**American Soybean Association** Governed by a Board of soybean farmers elected by 26 state soybean associations.

**Soybean Checkoff** Administered by the United Soybean Board made up of soybean farmers appointed by the U.S. Agriculture Secretary.

## Biodiesel Production Benefits Everyone

Consumers shouldn't worry. They can have biodiesel fuel and eat food, too.

According to the National Biodiesel Board (NBB), a common myth is that biodiesel production contributes to rising food prices. But a U.S. Department of Agriculture study says the opposite is true. As more soybean oil is needed for biodiesel production, more soybeans are crushed, resulting in more soy meal available for livestock feed. The majority of each soybean crushed becomes protein-rich meal while the oil represents only a small portion of the bean.

"Demand for biodiesel creates demand for soybean oil, which in

turn lowers the cost of soybean meal and the price of rations for our poultry and livestock farmers," says Lewis Bainbridge, United Soybean Board secretary and a soybean farmer from Ethan, S.D.

Decreasing the price of meal for poultry and livestock farmers helps lower prices consumers pay at the supermarket for meat, milk and eggs.

Apart from benefiting our economy, the production of biodiesel also benefits the environment and reduces U.S. dependence on foreign oil. Biodiesel is non-toxic and burns cleaner than petroleum diesel, making it better for human health.



Thanks in part to the soy checkoff's efforts, U.S. biodiesel production has increased from nearly 500,000 gallons in 1999 to nearly 1.1 billion gallons in 2012. For the third year in a row, biodiesel production is projected to surpass 1 billion gallons, according to the National Biodiesel Board. ■



## Increase in Bioheat® Use in New York State's Future

It's been more than six months since the New York City Bioheat requirement went into effect, and the use of the B2 blend (2 percent biodiesel, 98 percent heating oil) has been successful, according to Paul Nazzaro, National Biodiesel Board liaison with the petroleum industry. In June, the Empire State expanded its requirement statewide.

New York uses more heating oil than any other state, and with the new requirement, all heating oil sold in the state will contain at least 2 percent biodiesel by October 2015. This is good news for U.S. soybean farmers, as continued growth in the biodiesel industry provides additional

value to soybean oil, and Bioheat is a market with lots of room for expansion.

"It would be great to eventually get to 100 percent biodiesel used in heating oil someday," says soy checkoff farmer-leader Gregg Fujan, a soybean farmer from Weston, Neb. "But for now, even at low levels, Bioheat should help increase U.S. soybean farmers' profitability."

People in New York currently use about 2 billion gallons of heating oil every year. The 2 percent requirement will guarantee the use of at least 40 million gallons of biodiesel annually.

Rhode Island recently passed its own B2 requirement, which should improve biodiesel and soybean oil demand even more.

"People recognize the benefits of using Bioheat as an alternative to conventional heating oil," says Nazzaro. "That expansion speaks volumes for the bullish market potential on the East Coast."

Soybean oil remains the primary feedstock for U.S. biodiesel production. To increase demand for U.S. soy oil, the soy checkoff partners with the National Biodiesel Board on biodiesel and Bioheat research and promotion.

"Bioheat creates jobs, stimulates economic activity and helps decrease our reliance on foreign oil," says Fujan. "It also benefits our environment." ■

## Biodiesel Recognized for Improved Quality

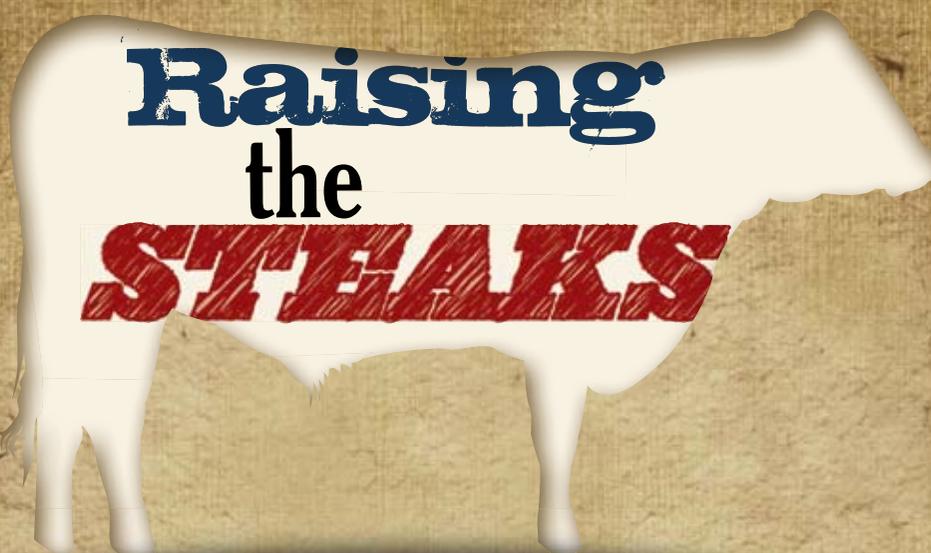
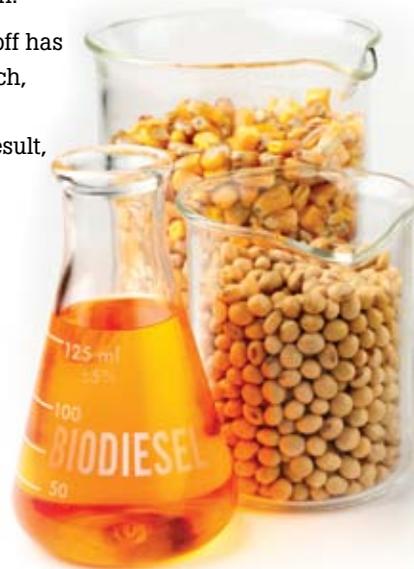
Recent U.S. government testing illustrates the quality of 100 percent biodiesel. Nearly all U.S. biodiesel tested during recent research by the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) met fuel-quality standards.

Survey results published by NREL show that 95 percent of B100 samples tested met the American Society for Testing and Materials (ASTM) International fuel quality specifications (ASTM D 6751). That's a 10 percent improvement since the first round of NREL quality testing in 2004. In a news release, NREL attributed this quality growth to the voluntary BQ-9000 quality-improvement program and stricter quality requirements.

Quality-testing on biodiesel began in August 2011. For six months, researchers collected fuel samples from 53 producers and 14 terminals from across the United States.

The samples were tested for critical properties such as free and total glycerin, flash point, cloud point, oxidation stability, cold soak filterability and metals. Soy biodiesel represented half of the mixed feedstocks tested in research.

For 20 years, the soy checkoff has invested in biodiesel research, focusing on quality and performance testing. As a result, biodiesel is one of the most tested renewable fuels on the market. U.S. biodiesel production has increased from 112 million gallons in 2005 to nearly 1.1 billion gallons in 2012. ■



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# ROAD TO RECOVERY...

## Infrastructure Upgrades Would Help

The cost of delivering soybeans to the elevator goes beyond the fuel you put in your truck tank. You also pay some of the transportation cost of getting those beans to customers.

While you may not see the actual dollar-and-cent discount on your delivery ticket, transportation infrastructure deterioration takes its financial toll on cash soybean prices. And without critical upgrades along the delivery chain, stakeholders say U.S. global competitiveness is threatened.

“Farmers traditionally have a parochial and myopic perspective on their global impact and U.S. transportation as a whole. Farmers may believe that transportation problems are solely the responsibility of elevators or processors, but the truth is this is a farmer problem as well. Increased transportation costs are disproportionately rolled back onto farmers, even though the loss may be opaque,” says Mike Steenhoek, executive director of the Soy Transportation Coalition (STC) based in Ankeny, Iowa. The STC comprises the American Soybean Association, United Soybean Board, and the state boards from 12 soy-growing states.

“You would be hard pressed to find an industry with a more diverse and elongated supply chain and that creates unique transportation challenges,” Steenhoek continues. “We are heavily vested in the use of rural roads, interstates and highways, rail, waterways and ports.”

### Model T Mentality

Steenhoek believes transportation problems can begin as soon as the truck leaves the farm for the local elevator. Crumbling bridges and roads and truck weight limits lower efficiencies. In fact, he says STC research finds decaying roads, bridges, railroads and transit systems cumulatively cost the U.S. economy about \$129 billion annually.

“While a lock failure at harvest may be the most heart-stopping problem that could develop, we have seismic concerns about the rural infrastructure. We have 21st century agriculture using early 20th century roads, and that is no longer effective. Once problems develop on rural roads, it can have a domino effect on the other modes of transportation along the journey,” he says.



# Keep U.S. in the Game

| By **Barb Baylor Anderson**

Steenhoek stresses the lack of U.S. investment is evident throughout its soybean producing regions. For example, the state of Illinois has more than 140,000 miles of roads—the third highest total in the country—and more than 70 percent of them are rural roads.

The Illinois Department of Transportation and Federal Highway Administration report more than 2,100 bridges in Illinois were structurally deficient in 2012, and almost 1,800 were functionally obsolete. Yet a study funded by the Illinois Soybean Association finds the combined benefits of replacing only 12 failing bridges in the state would be more than 10 times greater than the costs to repair them. For each dollar invested, an average estimated return of \$10.24 would be added to each local economy as a result of the annualized cost to build and maintain the select bridges.

The Soy Transportation Coalition will release a report later this year that examines the condition and shortcomings of the nation's rural infrastructure and a proposal to address them.

"Some people suggest farmers shoulder the entire burden of upgrading rural roads and bridges. I think

we need other options. Perhaps we close some roads and convert them back into productive farm ground, which turns a liability into an asset," says Steenhoek. "The goal is to get on a path to more productive discussion so 10 years from now we have a rural infrastructure that is more useful."

More funding also is needed for highways and interstates, which Steenhoek says has not been done in decades. Taxes on gas and diesel that pay for upgrades have not been increased at the state or federal levels, while the cost of building roads has gone up in the last 20 years.

"The lack of increased revenue with rising costs has created funding gaps," he says.

One solution supported by STC is to increase semi weight limits from 80,000 pounds and five axles to 97,000 pounds and six axles. This is a solution for which ASA advocates in Washington as well.

"We think expanding weight limits is a reasonable approach to help the soybean industry," Steenhoek says. "Trucking demand in the next decade is

(continued on page 24)

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projected to increase 77 percent while miles of new roads have increased just 4.5 percent since 1980. In addition, the trucking industry is not able to find enough qualified drivers under current, more restrictive rules and regulations.”

Ken Eriksen, senior vice president of Memphis-based Informa Economics, agrees increasing current weight limits would decrease by 20 percent the need for drivers moving agricultural products and save \$84 million across the agricultural industry per year.

“It is ultimately the farmer who suffers from these problems,” Eriksen says. “Lower transportation capacity means higher rates, which means lower farmer returns.”

## Rail on Right Track

Steenhoek says if a bright spot among transportation segments exists, it may be rail lines. STC research finds rail carloadings of U.S. soybeans will rise 36 percent by 2020-21.

“Freight rail is operating at the highest level. It is privately financed, and companies do a good job investing in their network and infrastructure,” says Steenhoek. “The concern for agriculture is companies in recent years have understandably only invested in those areas that show promise for return. Fewer miles of track in a state mean not every grain elevator has rail access. That puts more pressure on rural roads, as farmers must travel farther to deliver grain.”

Looking for solutions, Steenhoek says it is up to the soybean industry and other stakeholders to look for ways to



“Freight rail is operating at the highest level. It is privately financed, and companies do a good job investing in their network and infrastructure,” says Steenhoek.

make rural areas more attractive for rail investment, including tax credits.

"Farmers can't shift their production base to the rail line, so we have to find ways to bring rail service back where it makes economic sense. Our concern is availability," he says.

Kevin Kaufman, BNSF Railway group vice president for agricultural products, based in Fort Worth, Texas, says the variable export shipping period for soybeans driven by seasonal global competition increases volatility and makes it difficult for rail providers to accurately forecast and allocate the necessary resources.

BNSF transports millions of bushels of soybeans annually, he adds, serving production areas west of the Mississippi River and delivering to export markets in the Pacific Northwest, Texas Gulf and domestic processing plants.

"BNSF has the most aggressive capital investment program in the industry. We have invested more than \$42 billion since 2000 in infrastructure, equipment and technology, including a record \$4.3 billion in 2013," he says. "In addition to maintaining and expanding our core network and related assets, BNSF plans to acquire new locomotives, freight cars and other equipment and invest in intermodal expansion and efficiency projects to enhance productivity and velocity."

Kaufman says being able to capture market opportunities for customers and farmers is a top priority. The goal is for customers to reach the best market, whether export or domestic.

"BNSF has always been committed to agriculture. We continue to grow our railroad to meet our customers' demand for capacity," he says.

"We encourage farmers to be aware of the complexity of the supply chain, the roles we all play and the magnitude of the asset base required. It is incumbent upon our customers to help us correctly forecast timing and volume for demand."

## Waterways Vulnerable to Failure

Like rail, waterways use is seasonal, and with seasonality comes a greater threat of catastrophe. Since 80 percent of U.S. soybean exports occur between September and February when South America supplies are offline, the system is vulnerable. STC's Steenhoek cites Hurricane Katrina as an example when soybean prices in the Midwest dropped dramatically due to Gulf of Mexico export terminal closures. He says a lock failure would be no different.

(continued on page 26)



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“Waterways are very problematic. Lack of investment in locks and dams—not building new locks or maintaining old ones—makes the system less reliable,” he says. “We see more unexpected shutdowns, and you just can’t transfer those beans to another mode of transportation.”

“Barge transportation largely is out of sight,” Steenhoek continues. “Legislators and constituents don’t see the delays and don’t believe they are inconvenienced by them. That makes it hard to get widespread support. There is a major consequence to our competitiveness if this is not fixed.”

And if soybeans are successful in traveling the inland waterways to the Gulf, efficiency faces further challenges at export ports. “We see a constant battle over getting shipping channels dredged. About 58 percent of soybean exports leave through the Mississippi Gulf. A two hundred-mile stretch there from barges to ocean vessels constantly needs dredging,” he says.

ADM is the largest soybean exporter from the U.S., shipping from facilities in New Orleans, the Texas Gulf, the Pacific Northwest and the Great Lakes. Wes Uhlmeier, ADM vice president of export trading at the

company’s headquarters in Decatur, Ill., says one of ADM’s biggest priorities is to ship agricultural commodities from the farm to international destinations as cost-effectively as possible.

“Having a well-developed and efficient transportation system is a competitive advantage that the U.S. market currently enjoys, especially in comparison to some other major soybean exporting countries. An efficient logistics system allows U.S. soybeans greater access to international markets and ultimately returns producers a higher selling price for their crops,” he says.

Uhlmeier adds while it is easy to take a navigable river system for granted, problems amplify the weaknesses of the system. “In recent years, we have experienced a range of challenges with our river transportation system,” he says. “Some were naturally-occurring weather conditions, such as low water problems and flooding. Others, such as infrastructure problems with locks and dams, are the result of inadequate funding. American agriculture must ensure this important waterway-infrastructure resource receives appropriate funding to maintain, improve and/

or rehabilitate locks and dams and ensure adequate channel, port and levy maintenance.”

As many challenges with various modes of transportation are addressed, Steenhoek urges farmers to think outside of the box for solutions. He notes the Texas Transportation Institute estimates annual U.S. expenditures for all modes of transportation total about \$75.6 billion: \$66.7 billion is spent on highways and roads, of which \$30 billion comes from the federal government and \$36.7 billion comes from state and local governments. About \$6.4 billion is privately financed on freight railroads and \$2.5 billion is spent on ports, harbors and interior waterways.

STC analysis shows cost savings to the soybean and grain industries from investments in transportation infrastructure would total nearly \$146 million on an average annual basis.

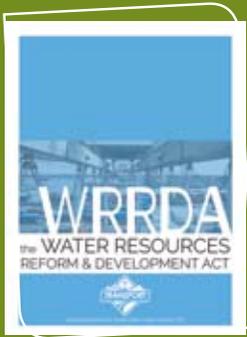
“We don’t want to be known as an industry that solely asks for government money. We also focus on promoting good stewardship of taxpayer money while exploring other potential sources of funding,” he says. “If we don’t pursue new strategies, we will get the same poor results.” ■

“An efficient logistics system allows U.S. soybeans greater access to international markets and ultimately returns producers a higher selling price for their crops,” says Uhlmeier.



# Soybean Input Key as Waterways Bill Enters Conference

| By **Tom Hance**



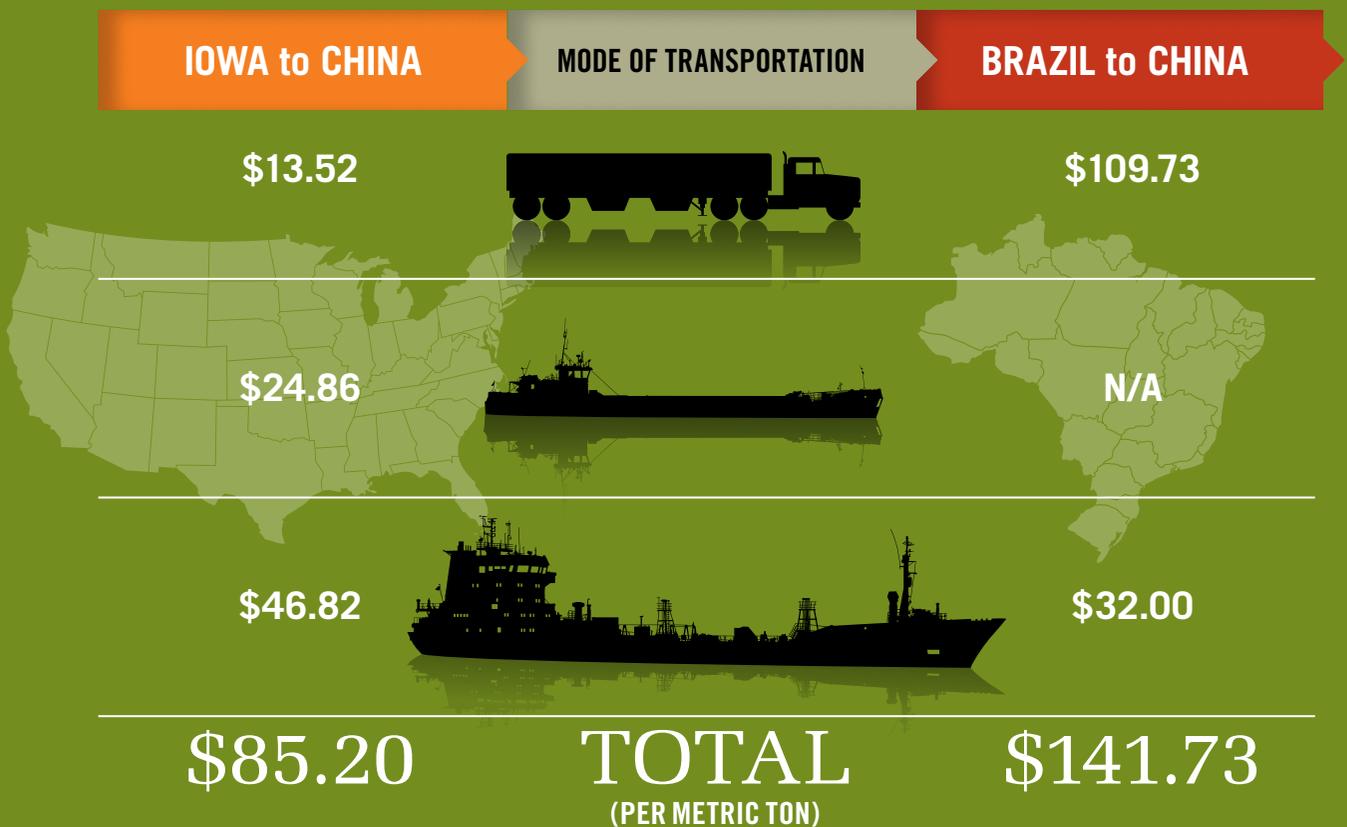
The cost and importance of transportation to the U.S. soybean industry is a frequently-cited factor in the discussion of the House's recently-passed Water Resources Reform & Development Act (WRRDA).

Thanks in part to ASA and the Soy Transportation Coalition

(STC), the House Transportation & Infrastructure (T&I) Committee, led by Chairman Bill Shuster (R-Pa.) along with Water Resources Subcommittee Chairman Bob Gibbs (R-Ohio) and Ranking Member Timothy Bishop (D-N.Y.), has utilized soybean exports as an example of why the WRRDA bill is important and the potential impact it has on the U.S. economy. ASA, together with the STC, shared our priorities on waterways infrastructure with T&I committee and subcommittee leadership and staff, and continue to work with staff in both the House and Senate as conferees work to pass a final bill.

An analysis of the state of our waterways infrastructure commissioned by the STC compared the cost of shipping a ton of soybeans from Davenport, Iowa, to China, with the cost of shipping a similar ton of soybeans to China from Mato Grosso, Brazil (Brazil is the chief competitor for U.S. soybean farmers in the global market, and China is the leading global customer for soybeans). The comparison showed that, while Brazil has a cheaper cost of production, the U.S. soybean farmer makes up for that with access to a lower cost transportation system. However, with our competitors investing in their transportation infrastructure while ours is neglected, that advantage in the global market will dissipate.

Chairman Shuster seized on this as part of his message to enlist support for enactment of WRRDA, and has included the soybean example and a graphic in the promotional materials the committee is utilizing to generate support for the bill. ▣



# SoyWORLD

## ASA Joins Taiwanese Envoy as Part of Agricultural Trade Goodwill Mission

**A**SA Vice President Bob Worth met with representatives from the Taiwanese Economic and Cultural Representative Office (TECRO) in Washington in September as part of Taiwan's Agricultural Trade Goodwill Mission to the United States.

TECRO acts as the Taiwanese embassy in countries that have



diplomatic relations with China, and a key component of TECRO's mission was to sign letters of intent to purchase American soybeans, as well as other commodities. Last signed in 2011, the letters of intent are signed every

few years between representatives of Taiwan and different sectors of American agriculture.

Currently, Taiwan imports the majority of their agricultural products from the U.S., and in Marketing Year 2012, Taiwan was the sixth-largest importer of whole U.S. soybeans, valued at \$768 million. ■

## ASA Representatives Tour Chinese Operations as Part of Global Partnership Mission

ASA President Danny Murphy and First Vice President Ray Gaesser joined United Soybean Board Secretary Lewis Bainbridge and Director Dwain Ford, and U.S. Soybean Export Council Director Vanessa Kummer in visits to industry organizations and soy operations in Beijing, Harbin, Qiqihar and Nenjiang in late August as part of the Global Partnership Mission to China.

While in Beijing, Murphy and Gaesser discussed the biotechnology approvals process before meeting with Zhang Taolin, Vice Minister of China's Ministry of Agriculture. Vice Minister Zhang reiterated to the American contingent that cooperation is of mutual benefit to both countries and that the Ministry would proactively support cooperation between the Chinese and American soybean industries. The vice minister also noted that the U.S. advantage on biotechnology research and production, and China's rapidly-growing plant breeding program create a natural opportunity to share information for mutual benefit,

although he did note that certain social barriers to biotech still remain.

Murphy, Gaesser and the American group visited with the Heilongjiang State Farm Bureau in Harbin, which imports 5.5 million metric tons (approximately 202 million bushels) of soy each year. While in Harbin, the group also toured the facilities of 93 Group, a processing and ingredient company that makes tofu, soy milk,

isolates, lecithin and other soy-based products. Additionally, the group toured growing operations, research and equipment stations and a co-op.

"The Chinese market is so, so important to American soy," said Murphy. "Trips like this one help American farmers better understand our Chinese counterparts, and help us to find those areas of mutual benefit in which we can work together." ■



ASA President Danny Murphy is greeted by Vice Minister of Agriculture Zhang Taolin in Beijing before the meeting with agricultural officials of the Chinese Ministry of Agriculture in Beijing on August 19, 2013. (Photo courtesy USSEC)

## ASA, WISHH, USDA Participate in OCGAA Oilseed Conference



Robin Tilsworth, USDA Minister-Counselor for Afghanistan, presents at the OCGAA Oilseed Conference in Kabul.

Photo by World Initiative for Soy in Human Health

World Initiative for Soy in Human Health (WISHH) Executive Director Jim Hershey addressed more than 100 attendees at the Oil Crop Growers Association of Afghanistan (OCGAA)

Oilseed Conference in August. The meeting was designed to build awareness and membership in a trade association that includes soybean and other oilseed businesses.

Government and industry leaders presented a wide array of information about production, trade and consumption of vegetable oil and other oilseed products. Also presenting at the conference was Robin Tilsworth, USDA Minister-Counselor for Afghanistan. The conference was one component of the USDA-funded Food for Progress' Soybeans in Agricultural Renewal in Afghanistan Initiative (SARAI), a three-year project led by ASA/WISHH to build a soybean value chain in Afghanistan. ■

## WISHH Participates in South African Soy Seminar

ASA's World Initiative for Soy in Human Health (WISHH) Executive Director Jim Hershey and Project Officer for Africa Josh Neiderman went to South Africa the first week of September to participate in the Vaal University of Technology's three-day soy seminar and workshop held in Vanderbijlpark. During the event, Hershey chaired a session of presenters from the private sector, including DuPont Solae and Sunopta.

Soyfoods and the entire soy industry is a growing sector in South Africa. Sunopta, for example, is exporting



approximately 100 metric tons of U.S. value-added soy products each month to South Africa. ■

Participants at the Vaal University of Technology's Centre for Sustainable Livelihoods recent conference "Imagine the Possibilities with Soy" inspect machinery and witness a demonstration of grain puffing.

WISHH is a program operated by ASA to promote exports of U.S. soy protein for use in human diets in developing countries. Visionary soybean checkoff boards and other state soybean grower organizations founded WISHH in 2000.

# Industry Perspective

**Rick Calhoun** President of Cargill's marine and terminal division based in Minneapolis, Min.



| By **Candace Krebs**

It's no secret that infrastructure upgrades are badly needed for the river and barge sector.

Much like the farm bill, an overdue Water Resources Reform and Development Act (WRRDA) languished in Congress in recent years, along with new sources of funding for inland waterway improvements. A broad coalition of trade groups has proposed the fuel tax be increased from 20 cents to as much as 29 cents to pay for repairs and upgrades. Revenues from these user fees would be matched by the federal government, generating \$50 to \$100 million a year in new funding.

backed up, and the basis on corn and soybeans went down 25 or 30 cents a bushel overnight," he explained.

"The cost of railcars went up \$2,000 overnight. There was a rationing of transportation assets and grain was piled on the ground, including soybeans and corn as far away as Western Nebraska. The river sets the price and the basis for most commodities, so if you take away an effective river, you will see different pricing structures than what you see today."

Sixty percent of exported grain travels down the river, and the percentage for beans is even higher. Competitive freight provided by the

Calhoun added, as the infrastructure ages, the delays and backlogs grow every year and increase the cost of moving these goods.

"You don't read about it in the paper, but it's happening every day," he said. "When it comes to natural disasters, like the 100-year flood followed by the 100-year drought, we've had some pretty nasty pitches thrown at us the last few years. We've been able to keep river open, but the costs are going up, and they have to be absorbed into the system."

Calhoun said in general, nobody thinks investment in infrastructure is a bad idea.

"The real issue is determining where the money comes from," he said. "As we face budgetary constraints, choices have to be made. The government spends money everyday, but we don't like to think of what we're asking for as 'spending.' It's investing, or even reinvesting, with the idea that it will give us returns that far exceed the amount we invest."

Calhoun compares the transportation of bulk commodities, to a "three-legged stool," referring to truck, rail and barge movements.

"We need them all. Without all three, it tends to topple over," he said.

"Everybody likes options. It's nice to have choices on how to do things." ■



"A lot of these locks and dams were built many, many years ago, and we actually have infrastructure that is falling into the river today," said Rick Calhoun, president of Cargill's marine and terminal division based in Minneapolis, Min.

"It's critical to act now to prevent a catastrophic failure that will reverberate across agriculture nationwide," he added.

"After Hurricane Katrina, when the Port of New Orleans was shut down for a period of time, the system

inland water system insures farmers get the best possible price for their products, while helping maintain competitive prices to foreign buyers around the world.

"It's one of our inherent trade advantages," Calhoun said. "We've got to make sure we get ahead of this game. Many projects take 10 to 20 years to build, so we need to get these projects started. Here we are, a nation that the world models itself after. China is investing billions in its infrastructure. Brazil too. Our competitors are not sitting still."

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# ExtensionInsight

## Post Harvest Alternatives



By **Ed Usset**, University of Minnesota  
Edward Usset is a Grain Marketing Specialist at the University of Minnesota Center for Farm Financial Management. He authored the book, *Grain Marketing is Simple, (It's Just Not Easy)* and leads Commodity Challenge, an online trading game at [www.commoditychallenge.com](http://www.commoditychallenge.com). He also teaches at the University and blogs about grain marketing at Ed's World, <http://edsworld.wordpress.com>.

With harvest rolling, now is the time to consider your marketing alternatives for soybeans. Your choices are simple: sell your crop at harvest or store soybeans for sale later in the crop year. Call options add a twist—the opportunity to re-own a sale and protect the upside. Here are my thoughts on your post harvest marketing choices in 2013:

### Harvest Sales

When we think harvest, we think low prices. This year is different. Thanks to a late August price rally, cash soybean prices are very attractive for harvest. Since 1980, the national average soybean price in October beat the May

price in one out of four years, so harvest highs are not a rare occurrence. Sometimes a harvest sale can be your best alternative, and I think you should take advantage of the bulge in the market and sell a portion of your crop at harvest.

### Store and Sell Later

The other choice is to store grain and hope for higher prices in the months ahead. What are the chances that cash prices will be higher next spring and summer? You already have the answer. If October prices are higher than May in one out of four years, then the opposite must also be true: May prices beat October in three out of four years.

The chart shows a strong seasonal tendency for soybean prices to rise after harvest, and this seasonal tendency seems to be getting stronger. Since 2000, corn and soybean prices have risen an average of nearly 20 percent from harvest to late spring. These averages are skewed by several remarkable years like 2003, 2007 and 2010. But it is a fact that over the last 13 years, the price of soybeans

Seasonal Patterns in the National Average Soybean Price  
1980 - 2011 Crop Years



has increased from harvest to spring in all but two years. If I have access to on-farm (i.e. cheaper) storage, I would hold a portion of my crop in storage for sale later in the year.

### Re-Own with Call Options?

If you sell soybeans at harvest, you take away my opportunity to benefit from a post harvest rally in prices. Should you be worried about upside potential?

The way I see it, you have two ways to “protect the upside” after harvest. The first way is the ever-popular re-ownership strategy with call options. An at-the-money July 2014 call option will cost 80 cents per bushel or more in soybeans. Good luck.

Let me suggest a different way. Write a pre-harvest marketing plan for your 2014 soybean crop – next year’s crop. Should the market rally, you get to make some early and profitable sales for 2014 delivery. This approach allows you to benefit from a price rally after harvest and it won’t cost you a penny. The choice is yours. ▣

## Alternative Funding for Inland Waterways: A Long Lost Solution?

By **Mike Steenhoek**, the executive director of the Ankeny, Iowa-based Soy Transportation Coalition (STC). The STC is comprised of the American Soybean Association, the United Soybean Board, and twelve state soybean boards; and exists to improve the transportation climate for the entire soybean industry.

Unfortunately, we are a spending nation, not an investing nation. As government agencies at the federal, state, and local levels continue to struggle to find the resources and, perhaps even more scarce, the will to devote much-needed investment to upgrade and enhance our infrastructure, a growing segment of stakeholders are exploring the potential of engaging alternative sources of funding—including private investment and foreign capital—to address many of our transportation challenges. When examining this concept further, it becomes quickly evident that many policymakers and proponents of private or foreign investment in infrastructure are of the opinion that many of our transportation problems will evaporate upon the involvement of those investors.

If only it were that easy. As we set foot on this path, it is essential that we perform some needed due diligence so that our eyes are open and receptive to the potential benefits and likely trade-offs that will result from such a concept. Soybean farmers possess both the standing and credibility to call greater attention to this important discussion.

The Soy Transportation Coalition recently initiated a research project, funded by the soybean checkoff,



to further examine the feasibility of such a public-private or public-foreign investor approach for our nation's inland waterway system. Scheduled to be completed at the end of December, the analysis will highlight examples of lock and dam sites where alternative sources of funding could be applied and where they could not.

Alternative sources of funding—whether private or foreign—could be helpful if they result in more efficient and less bureaucratic project execution and delivery. Such an approach could also decrease the likelihood of cost overruns since funding would be provided in a more certain, predictable manner.

On the other hand, just because the door is opened to private and foreign sources of funding does not mean these sources of funding will want to walk through that door. For such investment to occur, the potential investors must be confident that a positive return on investment can be achieved. Does our lock and dam system provide that level of optimism for potential investors? If not, what changes need to be made to make it an attractive investment opportunity? Will that require our nation and the stakeholders who depend upon the inland waterway system to accept trade-offs? Will an enhancement in one area require giving something up in another?

As this discussion proceeds, it is essential for soybean farmers and others who rely on well-maintained locks and dams to be realistic and provide quality feedback to ensure any new funding arrangement will result in a system that enhances, and does not diminish, our competitiveness in a dynamic marketplace. ■



# SoyForward

## Developing a Dialogue Between Farmers and EPA



By Gina McCarthy

In August, I traveled to the Iowa State Fair to speak with farmers and families, and to recognize their efforts using conservation practices on their farms.

The trip to Iowa was one of the first official visits I made as the new administrator of the Environmental Protection Agency. I made this trip a priority because I am committed to ensuring that EPA and the agricultural community continue to work towards our shared goals of successful growing operations and cleaner water, cleaner air and cleaner land.

Today, soybean growers and agricultural producers across the country are working harder than ever in the face of emerging environmental threats like climate change. Weather events that threaten agriculture and contribute to billions of dollars in damage to crops, as we saw in 2012, are becoming more intense and more common—and scientists say this trend will continue.

Earlier this summer, President Obama announced a national climate action plan to address carbon pollution and protect our communities from the impacts of climate change. This action plan will cut pollution that is harmful to our health and our planet through a series of common-sense steps, while equipping our communities with the resources they need to adapt to extreme weather events. Adapting to a changing climate, while difficult, presents us with

unique economic opportunities: innovation, slashing costs, and developing new technologies that better protect the land you work on every day.

As your EPA administrator, I am committed to taking advantage of every innovation and cost-effective opportunity to address our nation's environmental challenges while ensuring soybean growers are able to help grow the food and fuel that keep our nation moving.

To do that, we need your input. We need to know what's working, what isn't, and where you need more flexibility from EPA. Together, we can focus on our common goals of protecting the environment and protecting the livelihood of soybean growers and agricultural producers across the country. You know, as I do, that one leads to the other.

On behalf of EPA, thank you for your work so far and I look forward to our work ahead. ■



Gina McCarthy

EPA Administrator Gina McCarthy, right, meets with Iowa Governor Terry Branstad, left, and Lieutenant Governor Kim Reynolds, center, at the 2013 Iowa State Fair. Photo credit: Joe Murphy, Iowa Soybean Association.

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and ASA member.



Jeremy Jack, Belzoni, Miss.

I am a soybean farmer,  
trade advocate,  
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Diane Becker, Madison, Neb.

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