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Impact of Biotech and
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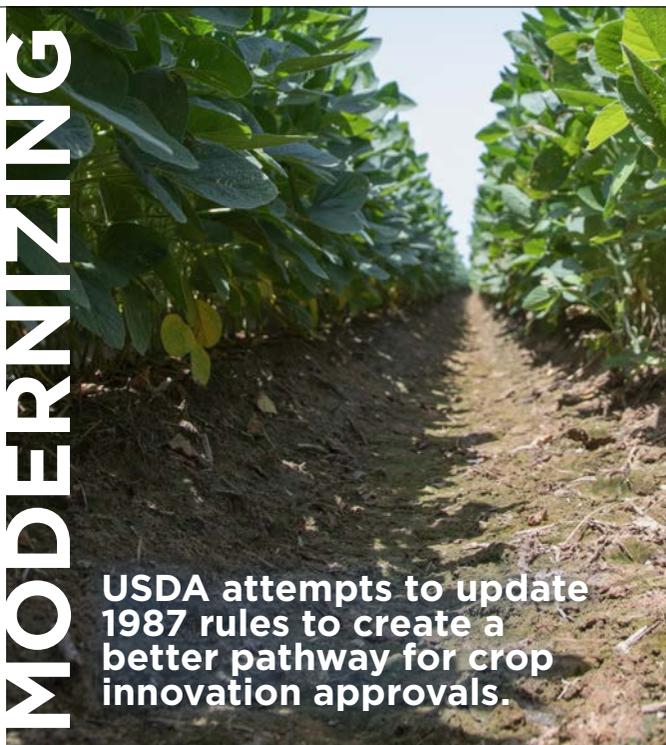
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The American Soybean Association (ASA) represents U.S. soybean farmers on domestic and international policy issues important to the soybean industry. ASA has 26 affiliated state associations representing 30 states and more than 300,000 soybean farmers.

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ASA leadership corner

Growing up on a Michigan farm, I spent a lot more time walking soybeans and hoeing weeds than I did studying Greek. But, occasionally, I was exposed to the foreign language, my guess being it was likely a basic biology course where I learned that “bio” comes from the Greek work “bios,” which means “life.”

Looking at the work in which ASA is currently engaged, bio is everywhere. Biotechnology is critical to farming today. Biodiesel is growing into an important liquid fuel for the United States. And, while we don’t call it the “bio-bean,” I have seen, during my travels to Central America, the impact soy protein can have on improved human nutrition globally. The impact is twofold: first, through plant-based foods and second, by improved production and increased availability of poultry, fish and livestock.

Biotechnology has played an incredible role in transforming farming. The last 20 years, for conservation practices alone, we’ve experienced a remarkable impact from biotechnology. And, the next generation of biotechnology has the potential to be even more transformative. Unfortunately, some of our friends in the grain trading business are recalcitrant to accept biotechnology at the local elevator if not approved in nearly every country of export. This mindset has to change, and we have to determine how farmers can grow domestically-approved crops regardless of whether a small country exists that has not yet accepted a certain variety. Our friends on the seed development side have likewise skirted development of biotechnology

at times, and this, too, is an area where we hope to see change.

There are real and prohibitive barricades to biotech progress, including regulatory uncertainty and fear of lawsuits. Meantime, farmers anxiously await innovative products on the biotechnology front. Now is the time for everyone in agriculture to lean in collectively to advance biotechnology. We can best solve biotech trade problems if we work together. Think of how farmers could benefit from new seed products and consumers could experience better food. The solution is perhaps as simple as all of us pushing together to impact “bios,” or “life.”

Biodiesel consumed a lot of President Trump’s time earlier this year. Issues with Small Refinery Exemptions (SREs) eroding the Renewable Fuel Standard (RFS) lit a fire under farmers, and their engagement to protect the RFS raged. The administration reached a compromise in early October, but not before we learned how much biodiesel means to many rural communities, and controversy over details of that compromise continues.

There is a lot of talk in Washington, D.C., right now about carbon and its impact on weather. I cannot predict exactly where that discussion will go, but I’m confident biodiesel is a near-term solution. Agriculture often evokes warm pictures of bucolic barns and farmland, but in reality, our industry is most often on the forefront of solving problems for our society, whether biotech innovations or, in this case with biofuels, finding ways to utilize more biodiesel in our liquid fuel sources to dramatically cut down on carbon emissions. The

Ryan FINDLAY



Ryan Findlay, ASA CEO

idea that we can grow soybeans, process the oil into biodiesel and use that liquid fuel in our vehicles and equipment is not only a major point of pride for farmers in rural America, but also has significant impact on the lives of all Americans.

This fall, I gave a presentation in which I explained my belief that agriculture is the backbone of our society. Take a look at a global map. We are sending soybeans all over the world. The U.S. Soybean Export Council and ASA’s World Initiative for Soy in Human Health are developing pathways to allow more U.S. soybeans into more countries than ever before. We’re active in Central America, sub-Saharan Africa, Europe, the Middle East, Asia and Southeast Asia. Farmers truly make up the social and economic backbone of the community in which they live and work—but that impact goes beyond county and state borders. The reverberation of the beans you’re growing on the lives of others around the world may be difficult at times to comprehend, but know you are impacting the “bios” of hundreds of thousands of people.

ASA’s farmer-leaders have volunteered countless hours to advance soybeans. We invite you to join us in getting engaged with the bio issues facing soybeans that are indeed impacting life.

NEWS **soy**S

There's a Stat—and an App—for that!

Look no further than your phones and other mobile devices for all the latest soy statistics, including planting data, yield and production reports, crush history, meal and oil records, and more.

The annual SoyStats report has long been the definitive guide to soybeans by the numbers. But now, those seekers of soy knowledge can find these figures not only in the yearly hard copy booklet, online at soystats.com and ASA website soygrowers.com, but also in a handy new app.

"This is a fun project we've worked on for our industry and other interested parties—including media—that will bring more convenience to those persons by providing data with literally one click-access," said American Soybean Association (ASA) CEO Ryan Findlay.

Access your app store and look for "SoyStats" to find the aforementioned information, along with biodiesel reports, export and international movement, historical data, and much more as you need it. The app, sponsored by Illinois Soybean Association, is downloadable now for both Apple and Android devices.



Deeper Channels Show Potential to Deliver Deeper Profits for U.S. Soy Farmer

The United Soybean Board (USB) has approved funding to support environmental assessments and education about the importance of channel depth to the waterway infrastructure system located near the Port of New Orleans.

"Our exploratory research on deepening the Mississippi River ship channel has the potential to improve global competitiveness and capabilities, which in turn makes it easier to deliver our product to customers and enhance farmer profitability," said Keith Tapp, USB chair.

The project sets the foundation needed to improve the draft of the lower Mississippi River from 45 feet to 50 feet. According to a report by the Soy Transportation Coalition, the change would increase the competitiveness of the leading export region for U.S. soybeans. The current depth of 45 feet on the lower Mississippi River is typically dredged to at least 47 feet to ensure the vessels do not hit the bottom of the riverbed. The report concludes deepening the channel to 50 feet will allow a load increase from 66,000 metric tons to 78,000 metric tons, saving upward of \$20 per metric ton when loading

greater volumes onto one ship. The savings are expected to translate to a margin of 13 cents per bushel for barge river elevators exporting soybeans and increase revenues by \$461 million.

USB is providing \$2 million to help offset the research, education and promotion costs related to the project. The Soy Transportation Coalition and several state soybean groups are also partnering to carry the project beyond USB's initial investment. The physical work to dredge the river would ultimately be paid by state (25%) and federal (75%) governments. Project work would begin after federal funding is secured.

"The Mississippi River is the top exit spot for U.S. soy," Tapp said. "Maintaining and expanding our international customers will require enhancing each link in the supply chain. This is a great example of the entire soy industry working together to reach a shared goal that carries significant benefits for all farmers." *Source: United Soybean Board*



ASA *in* action

WHITE HOUSE



(From left) ASA Governing Committee Members Brad Doyle (AR), Ronnie Russell (MO), Joe Steinkamp (IN), Bret Davis (OH) and Brad Kremer (WI) meet with White House officials to talk biodiesel during the ASA July board meeting.

PENTAGON



(From left) Willard Jack, ASA director (MS); R.D. James, assistant secretary of the Army for Civil Works; Brad Doyle, ASA director (AR) and Mike Steenhoek, executive director of the Soy Transportation Coalition, meet at the Pentagon in July to discuss infrastructure issues.

HILL VISITS



(From left) ASA Director Pam Snelson (OK), Rep. Frank Lucas, ASA Agricultural Communications Team member Jean Lam and Ag Voices of the Future student Abbie Wooten discuss trade, infrastructure and other issues important to Oklahoma soybean growers during Hill visits at the ASA July board meeting. Photo Credit: Jean Lam

CHILE



OIL SEED DIALOGUE



(From left) ASA CEO Ryan Findlay, U.S. Soybean Export Council's Roz Leck and ASA President Davie Stephens (KY) tour soybeans near Sittingbourne, England to wrap up the 2019 International Oilseed Producers Dialogue in June.

FARM FEST



ASA Director Joel Schreurs (right) from Minnesota joined an ag policy panel to discuss trade, the Market Facilitation Program and other top soybean policy issues this past summer at the Minnesota Farm Fest. Photo Credit: Minnesota Soybean Growers Association

AQUACULTURE



(From left) ASA Director George Goblisch (MN) and United Soybean Board Director/Demand Action Team Chair Meagan Kaiser (MO) discuss aquaculture during the U.S. Soybean Export Council's MENA (Middle East and North Africa) conference. Photo Credit: U.S. Soybean Export Council

BIODIESEL



(From left) ASA Director Matt Stutzman (MI); Jerry Steiner, CoverCress, Inc.; Farzad Taheripour, Dept. of Agricultural Economics, Purdue University; and James D. Carstensen, DuPont, testify this past summer at a field hearing hosted by the Environmental Protection Agency in Michigan, emphasizing that the agency is sending a negative signal to the biodiesel industry by proposing flat volumes and then rolling them back through retroactive small refinery exemptions.



ASA Director Willard Jack (MS) provides a U.S. soybean grower's perspective to a crowd of South American buyers during a recent conference in Chile organized by the U.S. Soybean Export Council and the U.S. Grains Council. Photo Credit: U.S. Soybean Export Council





GLOBAL TRADE



(From left) ASA CEO Ryan Findlay; ASA Governing Committee Member Joe Steinkamp (IN); ASA President Davie Stephens (KY); ASA Secretary Bret Davis (OH); ASA Governing Committee Member Kevin Scott (SD) and ASA Director Daryl Cates (IL) join several other ASA farmer-leaders to participate in the U.S. Soybean Export Council's Global Trade Exchange conference in Chicago this past August, engaging with more than 500 international buyers interested in U.S. soybeans.

ACT TRAINING



(From right) Matt Wright (MO), Jordan Scott (SD), Steve Pitstick (IL) and Darin Johnson (MN) complete a social media exercise during Agricultural Communications Team (ACT) training in D.C.

TRADE TOUR



ASA Director/U.S. Soybean Export Council Vice Chairman Monte Peterson (in the hat) and his wife Penny welcome guests from Pakistan and Bangladesh to their North Dakota farm during an international trade tour of the upper Midwest to Pacific Northwest in June. Photo Credit: Lisa Humphreys

AG VOICES



The Ag Voices of the Future program, sponsored by Valent U.S.A. and ASA, gives students an inside look at how ag policies are made in Washington. This year's class includes: (Front row, from left): Sarah Dintelman, Lora Wright, Maria Brockamp and Brooke Beinhart. (Back row, from left): Kolesen McCoy, Claire Eggerman, Abbie Wooten, Allie Lock, Leah Mosher and Tyler Zimpfer.

CHINA SUMMIT



(From left) U.S. Soybean Export Council (USSEC) Regional Director-Greater China Xiaoping Zhang and ASA/USSEC Director Kevin Scott (SD) look over information during the China Global Cereals & Oils Industry Summit. Photo Credit: U.S. Soybean Export Council

YOUNG LEADERS



(From left) Brent Greenway (SD), Mollie Greenway (SD), Joshua Stutrud (ND), Kyle Schlenker (AR), Andrew Pulk (MN), Heidi Pulk (MN), Mitchell Rice (MO), Andrea Rice (MO) and Stuart Sanderson (AL) of the 2019 Young Leader class, sponsored by Corteva Agriscience and ASA, during the third phase of training in Washington in July.

Update on USDA's Regulatory Policy for Biotechnology

On June 5, 2019, the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) proposed a revision to regulations, formally referred to as "Part 340," that changes how certain genetically engineered (GE) organisms are regulated. This update has been a long time coming. New biotech traits are regulated and approved under the Coordinated Framework developed in the 1980s by USDA-APHIS, the Environmental Protection Agency (EPA) and the Food and Drug Administration (FDA). Now, 30 years later, APHIS is proposing to modernize the regulatory system and provide regulatory relief.

The proposed rule is meant to streamline the regulatory process and focus on new biotech traits that may pose risks as a plant pest. The proposal shifts from a system that focuses on the process of developing a new trait toward a system that focuses on the properties of the GE organism itself. APHIS also proposes several exemptions to what is often a costly and time-consuming process:

- Certain changes to the plant genome done through gene editing technology, or plant breeding innovations.
- GE plants with plant-trait-mechanism of action (MOA) combinations that have previously been evaluated and found unlikely to pose a plant pest risk.



In other words, if a certain GE soy trait has already gone through the regulatory process and not been deemed a plant pest risk, then a developer would not have to go through the regulatory process for the same trait a second time. They could self-determine based on the criteria laid out by USDA and go straight to commercialization. They also would have the option of requesting a "letter of commerce" to confirm that they self-determined correctly.

If a GE organism is not exempt under the conditions above, a developer could either get a permit or go through the regulatory status review to determine if the new GE plant falls under regulations or if it is exempt.

Comments were due Aug. 5, 2019. Those submitted by the American Soybean Association (ASA) asked for more clarity on certain definitions in the

rule, a stronger stance on gene editing technology, and more transparency. Specifically, ASA asked that the exemptions for certain applications of genome editing be expanded to, "explicitly exempt traditional plant breeding methods, as well as plants from genome editing that could be found in nature or be done through those same traditional methods." Furthermore, ASA commented that, to ensure USDA is aware of available products in the marketplace and to prevent trade disruption, APHIS should set up a system for developers of either an exempt plant breeding innovation or previously deregulated plant-trait MOA to notify USDA before large-scale commercialization. USDA is currently reviewing comments by ASA and other stakeholders. A final rule could be issued in the next few months.

RFS, Biodiesel Tax Credit Stuck in Uncertainty

It continues to be a tumultuous and challenging time for biodiesel, both commercially and on the federal biofuels policy front. President Trump and the Administration are grappling with the Renewable Fuels Standard (RFS) Small Refinery Exemptions (SREs). There has been significant backlash to the decision by EPA to grant an additional 31 retroactive SREs in August. The SREs (aka RFS waivers) undermine the RFS volume requirements and result in reduced demand for biofuels, especially biodiesel. Members of Congress, governors and industry stakeholders, including the American Soybean Association (ASA), made it known to President Trump the extent of the impacts that these decisions have had on the ag and biofuels industries, resulting in a series of meetings at the White House to discuss remedies. ASA joined with our biofuels industry partners in support of a set of policy actions needed to address the damaging SREs.

The most important action needed has been a mechanism to ensure waived RFS volumes are reallocated, followed by increases in future RFS volumes for biomass-based diesel and Advanced Biofuels categories beginning in 2020. To be meaningful and provide certainty, the industry has insisted that the volume increases must be combined with such a mechanism to ensure any volumes waived by retroactive SREs are reallocated.

The Environmental Protection Agency and U.S. Department of Agriculture announced on Oct. 4,

POLICY UNCERTAINTY = BIODIESEL PLANT CLOSURES

Policy uncertainty is forcing biodiesel producers across the country to close or cut production.

- 240 million gallons offline
- More than 250 workers furloughed
- More than 7,500 jobs impacted nationwide
- Demand for 160 million bushels of soybeans lost

Company	State	Capacity
REG	TX	15
FHR Duonix Beatrice	NE	50
Kolmar	CT, TX	15
W2 Fuels	IA, MI	25
World Energy	PA	45
World Energy	MS	72
World Energy	GA	18
TOTAL		240

a supplemental proposed rule, with public comment pending, to the 2020 Renewable Volume Standards and the Biomass-based Diesel Volume for 2021. This new agreement seeks to address the impacts of SREs by incorporating into the RFS volumes a projection of expected waivers. The plan outlined by the White House would still allow SREs in the future—the RFS law allows for waivers—but it would account for the waived gallons on a 3-year rolling average.

The RFS is not the only source of uncertainty. The biodiesel tax credit is still lapsed and awaiting congressional action on an extension. The \$1.00 per gallon tax credit expired at the end of 2017 and the industry has had to deal with the uncertainty of if, and when the credit will be reinstated. ASA continues to reiterate to members of Congress the importance of the tax credit and the need to enact a multi-year extension as soon as possible. Members of the ASA Biodiesel Advocacy Team participated in a biodiesel fly-in Sept. 17-18, meeting

with 22 congressional offices to push for action on the tax credit. House and Senate leaders have indicated their intent to pass a tax extenders package in 2019, although the timing is likely to be at the end of the calendar year.

Yet another challenge on the biodiesel policy front is the pending decision by the Department of Commerce to roll back counter-vailing duties that were placed on imports of subsidized biodiesel from Argentina that were unfairly displacing domestic production. Following a flood of imports from Argentina in previous years, Commerce initially imposed anti-dumping and countervailing duties to offset the illegal subsidies being provided to Argentina biodiesel producers. However, in response to a request and pressure from the government of Argentina, the Department of Commerce is considering relaxing the countervailing duties. ASA has joined with the National Biodiesel Board in requesting a meeting with Commerce Secretary Ross prior to a final decision being made.



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BIOTECH INNOVA

It's no secret that farmers love regulations about as much as a root canal. Especially when rules seem outdated and lack common sense, or sound science.

The current administration has made it a priority to reduce regulations where possible. And revamping long overdue biotechnology regulations gained priority after President Trump signed the Modernizing the Regulatory Framework for Agricultural Biotechnology Products Executive Order in June.

U.S. Secretary of Agriculture Sonny Perdue summed up the moment: "Our current regulatory

framework has impeded innovation instead of facilitating it. This will modernize our regulatory framework so that it works for our farmers, ranchers, and consumers. We need all the tools in the toolbox to meet the challenge of feeding everyone now and into the future. If we do not put these safe biotechnology advances to work here at home, our competitors in other nations will," he said.

Modernizing ag biotech's regulatory framework is no easy task. Many previous administrations have tried and failed to streamline these

32-year-old rules among the three federal agencies that regulate products of food and ag technology: U.S. Department of Agriculture (USDA), Food and Drug Administration (FDA), and Environmental Protection Agency (EPA). USDA provides oversight responsibilities and the regulatory environment, with a focus on protecting plant health; FDA monitors food and feed safety; and EPA regulates pesticides.

The executive order directed the three agencies to review their respective biotech regulations to streamline the processes and remove overly burdensome regulations.



TION at Risk?

USDA attempts to update 1987 rules to create a better pathway for crop innovation approvals

By Kurt Lawton

ASA promotes science and trade

USDA took the proverbial bull by the horns and collected a lot of stakeholder input to create new proposed rules, assisted by the American Soybean Association (ASA), United Soybean Board (USB), U.S. Soybean Export Council (USSEC) and many other ag groups, companies and organizations, according to Renee Munasifi, ASA biotech representative.

From this came USDA-Animal and Plant Health Inspection Service's (APHIS) proposed "Movement of Certain Genetically Engineered Organisms" or SECURE rule, Part 340, which completed its public comment period in August.

ASA President, Davie Stephens, writes in his letter to USDA's regulatory administrator about the importance of swift action on this rule "to keep the U.S. and our agriculture industry as the leader on biotechnology and innovation globally. USDA, along with FDA and EPA, need to be coordinated in their approach to biotechnology, especially the emerging technologies like gene editing, and work with other countries to develop compatible regulatory frameworks rooted in science that encourage robust trading relationships and prevent disruptions in the global marketplace."

(continued on page 14)



USDA's proposed biotech regulation revisions will eliminate inefficient regulatory burdens without compromising safety—a plus for both farmers and seed trait developers. Photo Credit: Corteva Agriscience

As breeding evolves, the regulations or the policies with respect to breeding need to evolve, said Andy LaVigne, president/CEO of the American Seed Trade Association (ASTA). “Without the continued investment by American seed companies and continued evolution of the strong base-genetics foundation of varieties that farmers count on, current challenges of climate extremes and pest resistance will compromise global food security.”

The proposed revisions by USDA are expected to promote efficiency by allowing APHIS to focus resources on the oversight of genetically engineered (GE) organisms with potential plant pest risks and reducing oversight of GE organisms that are unlikely to pose risks, because they’ve already been proven safe. This will eliminate inefficient regulatory burdens without compromising safety. And it allows APHIS to bring a level of oversight that is consistent with the degree of risk associated with GE organisms.

“These proposed changes are very encouraging, both for trait developers and for farmers,” said Kevin Diehl, seed regulatory platform director for Corteva. “The data requested, and the review

time will be much shorter for the more familiar, already-approved traits like Bt and herbicide tolerance. And for the newer technologies, regulators can focus more on these to ensure they have the right safety packages. It’s very science-based and very proportionate with risk.”

For more details on the USDA-APHIS SECURE Part 340 Proposed Ruling, see ASA’s Update on USDA’s Regulatory Policy for Biotechnology on page 9.

Climate, pests, sustainability

The larger concern, if regulations continue to lag behind technology development, is overall sustainability of farmers whose livelihood depends on improved technology to help deal with climate extremes—from floods and drought to changing weed, disease, and insect problems made worse by such extremes.

“Biotechnology is an essential tool in farmers’ quest to produce enough food to meet the needs of 9.7 billion people by 2050, while placing less of a strain on our natural resources,” Stephens said. “More than 90% of soybeans grown in the U.S. contain at least one trait derived from



Biotech crops have changed the way weeds, insects and diseases are controlled in soybeans, and now the next wave of technology, like Corteva’s Enlist E3 soybean platform, will only improve well into the future. Photo Credit: Corteva Agriscience

biotechnology, which allows farmers to use less inputs on fewer acres to produce more food.”

Such high adoption of these crops is due to decades of proven monetary and environmental value to farmers in the form of higher and more consistent yields and improved weed and insect control from using fewer crop protection products per acre.

“Herbicide tolerant technology, when used correctly, has enabled farmers for decades to improve weed control at lower costs, as well as reduce tillage and expand no-till acres,” Diehl says. “Thanks to biotech crops, these tools really changed the way weeds, insects and diseases are controlled in soybeans, corn and other crops. We’re seeing the next wave of technology coming into soybean weed control now, like our Enlist E3 soybean platform, which will only improve well into the future.”

Because of biotech crops, less reliance on tillage for weed control has led to reduced fuel use, less soil compaction, less soil and water runoff, and fewer greenhouse gas (GHG) emissions.

According to a 2016 Field to Market National Indicators Report for soybeans, soil conservation improved by 47% and energy use decreased by 35% (from 1980 to 2015). GHG also improved by 45%, reduced from 13.6 pounds CO₂-equivalent gas per bushel in 1980 to 7.5 pounds CO₂-equivalent gas per bushel in 2015.

The reduced risk of yield extremes proven by biotech crops has given farmers greater confidence to change practices that benefit their business. A 2018 Soybean Checkoff study of farmers found 59% had changed their production practices to increase the sustainability of their business, and 32% believed that improving soil health is the most important thing that will increase the sustainability of soybeans.

Seed breeders also are excited about growers and landowners increasing the health of their soils. “As biotech genetics move toward greater nutritional values in many crops, we’re learning that improved soil biology will help deliver more of these crop benefits to the end user consumer,” LaVigne said.

“Possible biotech improvements to cover crops also intrigue genetic researchers, due to the soil health and water quality capabilities of these crops,” he added. “It’s exciting to think about using gene editing to perhaps help cover crops get a quicker stand before first frost, or help plants send roots even deeper into the soil.”

Consumer food transparency

These revised regulations also are designed to add greater transparency to educate both domestic and international markets, as well as consumers, about the new technology. “At this point, we have decades of confidence in the safety and efficacy of biotech products on the market,” LaVigne said. “As we evolve to using newer breeding methods like gene editing (CRISPR) and other technologies, these regulations must help build confidence in consumers so they are not afraid of science-based innovation.”

Because seed genetic researchers have a much greater understanding of plants, using newer tools like molecular marker techniques or gene editing like CRISPR Cas, they are able to target the good genetics and breed away from the bad genetics so there’s less backcrossing in the future. “So, as we continue conversations with consumers and the public, the better they understand the fact that a tool like gene editing helps focus on those plant characteristics that are naturally occurring, the better their acceptance,” LaVigne added.



Significant biotech efforts are underway to resolve the citrus greening problem that is devastating 75% of groves in Florida and the southern U.S. Photo Credit: American Seed Trade Association

“These new gene editing tools, using a plant’s own genetic material instead of foreign material to actually improve resistance to disease, for example, should help consumers relate to biotech value,” Diehl added. “In some cases, biotech solutions can help save an industry, like citrus. Significant biotech efforts are underway to resolve the citrus greening problem that is devastating 75% of groves in Florida and the southern U.S. We’re truly excited about the biotech creativity happening in labs all over the world that will result in new and better products that consumers will value,” he said.

There is a whole genetic breeding evolution that is booming, LaVigne believes, and we have a great opportunity to bring solutions to America’s farmers—and to global consumers—if we get these regulations right.

Holistic future

As farmers expand further into new biotech crops, soil biology, precision application of inputs, data-driven practices, improved weather forecasting and whole-farm business analysis, the next wave of agriculture will be all about holistic sustainability.

“Connecting the next generation of biotech crops to the growing wave of digital

information will help maximize the utility of a farmer’s given situation,” Diehl said. “We’re excited about the next wave of digital technology, like our Granular suite of tools, that’s totally outside of biology, but connected to it. When you can connect that information—what you’re planting, where you’re planting it, what sort of management decisions are you making to deliver a yield—and then take it a step further into business analysis software, that will help farmers be really successful.”

Pivotal time for biotech

Jim Greenwood, president and CEO of Biotechnology Innovation Organization (BIO) sums up this pivotal time for biotechnology:

“America is on the threshold of entering a new era of sustainable agriculture and food production, and it’s important we get this right for farmers, consumers, U.S. companies, and the world as a whole. With prudent regulations, we can foster American innovation and bring to market biology-driven solutions that are improving nutrition, reducing food waste, increasing crop yield, combating debilitating crop diseases, and advancing environmentally friendly farming practices.

INDUSTRY

perspective



Basis: The Most Misunderstood Marketing Term

One of the most important things to remember is that **basis is unique to a specific location and a specific delivery time.** The basis level at elevator “A” can be different than the basis at processor “B,” even though these two companies are located across the road from each other.

The word basis often comes up in discussions about crop prices, but many people still struggle to understand how to interpret this important term. Most farmers understand the mathematical definition of basis; basis = local cash market price—futures market price. However, this definition does not help us understand how to make informed marketing decisions.

In the classroom, instructors often describe basis as the difference between cash market prices, which summarizes local supply and demand conditions,

and futures market prices, which summarizes expectations for national supply and demand conditions in the future. While this is more descriptive and technically

correct, it still doesn't help our understanding about how to use the information.

An alternative way to think about basis is to view it as your local cash market trying to regulate the flow of grain. I often ask farmers, “What time of year do you normally see the weakest (most negative or least positive) local basis levels?” The answer is usually, “At harvest.” So, why are basis levels typically weakest at harvest? Because the inflow of grain into the local market is faster than the outflow or use of grain. Farmers can harvest and

deliver grain much faster than a local elevator or processor—like a feed mill, oilseed crushing plant or ethanol plant—can receive and re-ship or process the crop. Your local cash market is attempting to slow the flow of grain by lowering the local price and providing an additional incentive to store the crop for delivery later, when the local market can more efficiently manage the grain.

I then ask farmers, “What time of year do you normally see the strongest (least negative or most positive) basis levels?” The answer is often, “During spring planting.” So why are basis levels typically strongest during spring planting? Because farmers are busy with spring work and the inflow of grain into the local cash market is slower than the desired outflow or use of grain. Your local cash market is now providing an incentive to

Basis is the cash market’s way of trying to signal when and where grain is needed and when and where grain is not needed. **Farm managers can use basis levels as a signal about when to store and when to deliver (regulating the flow of grain across time).**

bring grain out of storage and deliver it to a local elevator or processor.

A common misconception is that local cash market prices

can be calculated by subtracting transportation costs, storage costs and insurance costs from the respective futures market price. Under normal market conditions, this calculation process will not provide an accurate estimate of local cash prices. This calculation is only accurate when the futures market contract goes into delivery near the end of the contract’s life. The process where the cash market and futures market for the same commodity becomes increasingly synchronized over time is called convergence. Most grain dealers and processors have stopped using the contract to help price local grain before the futures market contract enters delivery.

The reason this calculation process does not normally work is because the cash grain market and the futures market for the same grain are two separate markets,

(continued on page 18)



(continued from page 17)

with different market participants and different contract specifications. The futures markets trade very specialized contracts where almost all contract terms are pre-specified and non-negotiable. The grain quantity and quality, as well as the time of delivery and delivery location, are all fixed. The only negotiable part of a futures market contract is the price. In contrast, all the contract terms in the cash market, for the same grain, can be negotiated between a buyer and seller. It is also very unusual for a futures market speculator, like a hedge fund manager, to trade in the cash market.

One of the most important things to remember is that basis is unique to a specific location and a specific delivery time. The basis level at elevator “A” can be different than the basis at processor “B,” even though these two companies are located across the road from each other. For example, processor “B” may have already contracted with farmers for the delivery of soybeans in January to meet all their processing needs for the month. In contrast, elevator “A” may have sold soybeans to an export terminal and arranged freight for delivery but not yet purchased



the soybeans needed to fill the rail cars or barge. The local basis level at elevator “A” will be stronger (less negative or more positive) than processor “B” because the elevator wants the soybeans to “flow” to them, not the processor. The processor already has its needs filled and does not need more soybeans in January.

In this example, basis levels are helping to regulate the flow of grain across time and across delivery locations. Basis is the cash market’s way of trying to signal when and where grain is needed and when and where grain is not needed. Farm managers can use basis levels as a signal about when to store and when to deliver (regulating the flow of grain across time). Farm managers can

also use basis as a signal about where to deliver—an elevator 15 miles away or a processor 45 miles away (regulating the flow of grain across location). And, remember a farm manager must also consider the cost of storage and delivery costs when deciding where and when to deliver grain.

The next article in this two-part series will describe how a local grain elevator determines basis levels and the impact that transportation costs—from the elevator to a distant processor or export terminal—can have on local basis levels.



unitedsoybean.org

KEEPING THE FUTURE OF SOYBEANS BRIGHT

From researching new uses for soybeans to identifying new markets for U.S. soy, the soy checkoff is working behind the scenes to create new opportunities and increase profits for soybean farmers. We're looking inside the bean, beyond the bushel and around the world to keep preference for U.S. soy strong. And it's helping make a valuable impact for soybean farmers like you.

See more ways the soy checkoff is maximizing profit opportunities for soybean farmers at unitedsoybean.org

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Soy-Based Products are on Leading Edge of Sustainable Housing

Higher performance, increased sustainability and lower cost—these are just a few of the demands that today’s modern customers expect from the home improvement industry. For companies relying on petroleum or formaldehyde in their products, this can seem like a challenging ask. But many find their sustainable solution in soy.

“Choosing soy is a win-win,”

Soy has already proven successful in this segment, and many of the success stories can be found in and around the home. A growing list of large and small companies already implement soy in their products and reap the benefits of how effective it can be. In fact, there are more than 1,000 soy-based products currently on the market, from flooring and roofing products to candles and carpets.

said Lee Walko, biobased business developer and technical advisor to the United Soybean Board. “Corporate sustainability initiatives and consumer demand for safe products drive soy technology development to replace petrochemicals and other additives.”

Although several biobased ingredients can appear as suitable replacements for petrochemicals, manufacturers need the most cost-effective and highest-performing ingredients, which in many cases presents an opportunity for soy. Not only is soybean oil traditionally more affordable than canola or sunflower oil, its abundance of C-18 links (linolenic acid, etc.) and its fatty-acid profile make soybean oil very versatile. These qualities have allowed countless leading industrial product makers to successfully introduce soy, replacing chemicals based in petroleum while reducing volatile organic compounds.

Several leading biobased home products using soybeans include:

Plywood:

A decade ago, the International Agency for Cancer Research reclassified formaldehyde from a suspect carcinogen to a known carcinogen. Plywood producers who used formaldehyde to bond wood needed an alternative. With the support of USB, researchers developed a soy-based, formaldehyde-free resin that bonds wood naturally and tightly. Since 2005, the technology has spurred production of more than 100 million formaldehyde-free plywood panels at a price comparable to urea-formaldehyde panels.

“Our customers want to know what they’re buying, how it was made, what it was made with and where it’s from,” said Todd Vogelsinger, with Columbia Forest Products, which is a business utilizing soy in their PureBond plywood products. “We’re proud to say we shrank our environmental footprint with U.S. soy.”

“Not only is soybean oil traditionally more affordable than canola or sunflower oil, its abundance of C-18 links (linolenic acid, etc.) and its fatty-acid profile make soybean oil very versatile. These qualities have allowed countless leading industrial product makers to successfully introduce soy, replacing chemicals based in petroleum while reducing volatile organic compounds.”

Roofing Products:

Roof Maxx is the first soy-based, roof-rejuvenating spray treatment, developed by Battelle Labs, that is formulated with natural soybean oil to penetrate roof materials. This application restores a roof's flexibility and waterproofing protection, extending the life of a roof by up to 15 years and

resistance of wood stains, making it a great option for outdoor applications.

“From a marketing standpoint, our products give a beautiful finish, which is a byproduct of the soybean oil,” said Jessica Bahn, brand manager at Rust-Oleum. “The soybean oil is like the secret sauce. It gives a beautiful end result, and it's easy to apply due to the viscosity.”

“Environmental regulations and consumer demands are only going to grow stronger in the coming years,” Walko said. “So, it's worthwhile for companies to get ahead of the curve now and invest in biobased solutions for their products.”

Companies interested in learning how soy can be used in specific products and applications can contact the United Soybean Board

reducing both the waste created from disposing of an old roof and the waste generated by manufacturing new roof shingles. Due to its incorporation of soy, Roof Maxx provides a safe option for people, pets, property and the environment.

“Today, with all the environmental concerns, it only makes sense to look at renewable resources [like soy] to extend the life of anything,” said Roof Maxx Technologies CEO Mike Feazel.

Wood Stains:

Long used by the coating industry, soybean oil is now a hit in wood stains and finishes, including those produced by Rust-Oleum. Rust-Oleum's Varathane® wood stains deliver in both sustainability and performance. The soy-based stain line has seen their products penetrate wood twice as deep as other products on the market due to the properties soybean oil brings to the stain. Soy's hydrophobic nature also increases the water

Sealers:

Soy-based sealers have a superior ability to penetrate and protect a variety of porous substrate surfaces such as concrete, wood and grout. Biobased sealers create an integral bond and seal that allow the substrate to breathe while providing outstanding repellency. Because these sealers are nontoxic and high performing, they meet both consumer and producer needs.

Insulation:

Environmentally friendly and energy-efficient insulation is possible with the introduction of soy. Demilec Inc.'s closed-cell spray foam polyurethane insulation contains 14% renewable and recycled materials, which is appealing to homeowners. The insulation also provides multiple control layers into a single application, saving both time and money in construction costs.

or visit the soynewuses.org.

USB's 73 farmer-directors work on behalf of all U.S. soybean farmers to achieve maximum value for their soy checkoff investments. These volunteers invest and leverage checkoff funds in programs and partnerships to drive soybean innovation beyond the bushel and increase preference for U.S. soy. That preference is based on U.S. soybean meal and oil quality and the sustainability of U.S. soybean farmers. As stipulated in the federal Soybean Promotion, Research and Consumer Information Act, the USDA Agricultural Marketing Service has oversight responsibilities for USB and the soy checkoff. For more information on the United Soybean Board, visit unitedsoybean.org.

Source: United Soybean Board



Looking at Biodiesel Through a Chicken House Window

Biodiesel production provides an often-overlooked benefit to poultry and livestock farmers—savings on soybean meal to feed their animals. Animal producers look for the best feeds at the most competitive prices, and biodiesel helps keep the cost of high-quality soybean meal competitive.

As biodiesel demand rises, so does the demand for soybean oil. The added demand increases soybean crush volume, which puts more soybean meal on the market. With more meal supply comes lower prices.

“When soybean oil demand is higher, there is going to be more meal available,” said Walter Godwin, a Pelham, Georgia farmer who raises both chickens and soybeans.

“That extra crush affects soybean meal prices and makes an impact on the input costs to my chickens.”

Godwin, a farmer-leader on the United Soybean Board, raises more than 45,000 breeder chickens as part of an integrated operation. He says he emphasizes the quality of U.S. soybean meal as a protein source whenever the facility manager chooses feed rations for his chickens.

“The people mixing feed rations look for the best nutrients and protein but can only use what is affordable,” explained Godwin. “Because biodiesel brings more soybean crush to the table, the meal is kept more competitive, and animal ag producers have a better opportunity to benefit from soybean meal’s quality.”

Operating near a biodiesel plant isn’t necessary to take advantage of the benefits the industry provides poultry and livestock farmers. Biodiesel’s demand for soybean oil impacts the entire soybean meal market.

“I benefit from lower meal costs as a chicken farmer,” Godwin added. “Animal ag producers are getting value from the biodiesel industry, regardless of where they live or whether they also grow soybeans or not.”

The fats from processed poultry and livestock can also be used to make biodiesel, boosting their value. This provides even more value for poultry and livestock farmers.

Source: United Soybean Board

WORLD

WISHH Trade Teams from Three Continents Will Build Demand for U.S. Soy

The American Soybean Association's World Initiative for Soy in Human Health (WISHH) summer 2019 U.S.-based training programs introduced 18 strategic partners from Central America, Asia and Africa to new ways to grow demand for feed or food products made with U.S. soy.

Multiple participants hold purchasing power in companies with \$1 billion-plus food or feed product offerings while the government agency staff represented national nutrition programs that reach thousands of people.

Esi Amoafu, deputy nutrition director of the Ghanaian government's public health agency, attended the 2019 training at the Northern Crops Institute and visited a Minnesota farm as part of the WISHH-organized program.

"I'm taking home with me the knowledge that we can literally dream anything in the area of food processing, and the technology and solid science is there to enable us to add soya to any food or beverage product," Amoafu said. "We visited Zack Johnson's farm, and we saw that technology and solid science are also on the soya farms. This allows U.S. farmers to grow soya with sustainable cropping practices, which preserves soya's nutrients and benefits my people."

Arkansas Soybean Promotion Board Chairman Rusty Smith experienced his first face-to-face introduction to strategic partners in September when WISHH brought a group of Ghanaian feed and poultry industry representatives to the University of Arkansas for training and a feed nutrition conference. Ghana's poultry industry has suffered from high production costs and low



WISHH's trade team visits Zach Johnson's Minnesota farm in addition to participating in a training course at the Northern Crops Institute. Zach, his father Nate and Minnesota Soybean Research and Promotion Council Director of Market Development Kim Nill shared the benefits of U.S. soybean production that contribute to quality feed and food ingredients.

domestic consumption of eggs. Poultry and eggs that are more affordable, accessible and available to the Ghanaian consumer will drive demand, requiring imports of feed ingredients.

"With China so out of the market, we have to invest in other parts of the world," said Smith. "The group seemed very interested in what the conference had to offer."

The trade team members told Smith that Ghana currently uses soybean meal in poultry rations, but they're interested in using more, including as a replacement for fish meal and other lesser-quality feed ingredients. With U.S. Department of Agriculture (USDA) funding, WISHH has implemented a poultry project in Ghana that trained farmers, feed

millers and others on the value of consistently quality feeds.

WISHH works with the companies and other strategic participants before, during and after their U.S. training by leveraging Qualified State Soybean Board funding with USDA's Foreign Agricultural Service programs. The trade teams reported that trainings drive their innovation and investments in livestock feeds, as well as food processing to make a wide array of soy-based foods ranging from tortillas to protein drinks, to yogurts and breads. WISHH also took participants to the ZFS Creston soy processing plant in Iowa and the U.S. Soy Global Trade Exchange & Specialty Grains Conference in Chicago.

To connect trade and development, WISHH brought a trade team from the West African country of Ghana to participate in a feed nutrition conference in Arkansas. WISHH introduced the team to Arkansas Soybean Promotion Board Chairman Rusty Smith.



Planting Frustration Leads to Cost-Saving Invention



Rusty Kordick stands with a John Deere air seeder using his IntelliDrive add-on system.

Rusty Kordick was planting soybeans around a terrace in an Iowa field in 2015 when he realized he only needed to plant two more rows. The problem was he had 17 rows on his planter.

The rural Iowa farm equipment salesman was helping a customer with fieldwork and was bothered by the amount of overlap and seed waste the planter created.

So, he did something about it.

Kordick invented an electric, GPS-enabled manifold, now known as the IntelliDrive system, which tamps down and eliminates skips and overlaps that are

unavoidable in mechanical seeders and box drills. The result: lower seed costs and better yield potential.

"After helping with that planting, I started looking at some of my south-central Iowa farmer customers' planting maps versus harvest maps and noticed about 10-12 percent overlap," said Kordick, who is based in Prole, Iowa. "I really wanted to help eliminate the problem."

Jason Myli, sales manager at Bodensteiner Implement Co., Cresco, Iowa, was not surprised. Myli hired Kordick as an account

manager about a decade ago at the Indianola location of what was then Barker Implements and what is now Agrivision Equipment Group.

"He was immediately a very energetic individual, very dedicated. He has a passion for production agriculture and the producers who make up production agriculture, and that passion and those producers made him so strong as an account manager," Myli said. "We always had a gap in the air seeder tech to have individual section control. He recognized that and, through his

relationships, was able to connect with the right guy to come up with a solution.”

Kordick, who has a degree in business, joined up with friend Ryan Hanrahan to devise the answer. Another friend, engineer Justin Kean, also played a role in the project. While Kordick did not grow up on a farm, he helped his father in a rural construction business and worked for a construction equipment dealership before going to work at the John Deere dealership. Hanrahan had a building on his property where they were able to fabricate the invention.

The innovators worked with custom and traditional equipment parts to develop a prototype. The concept was entered in the 2016 University of Iowa Venture School competition, a program that assists startup companies with launching inventions and ideas. The manifold won first place. Shortly after, Kordick filed a patent pending and was awarded the patent in April 2019. “The prototype eventually became a production model we were able to successfully test and even begin selling to area farmers,” Kordick said. His company, Ag Manufacturing & Technology (AMT), is a precision ag technology and equipment

company that sells the IntelliDrive system through the John Deere dealer network for use on John Deere 1690/1990 air seeders.

“It was a learning curve to go from selling tractors to taking a new product from conception to commercialization,” he added. “We worked through some production hiccups during the 2017 season and rolled out the system with good results in 2018. IntelliDrive was used on 1 million acres in 2019 and now can be found in 15 states and two Canadian provinces.”

Again, Myli is not surprised. “From what I’ve always seen, he’s committed not to the sale but to the result, and he’s always delivered exceptional results,” he said. “He’s what our ag industry needs. A lot of guys sell a product and walk away. Rusty saw an opportunity, a need in the ag industry. I would tell you the passion is more for helping the producers than helping himself. That was always how it was when I was working with him. And as a result, he had a good following.”

Kordick’s knowledge of equipment also has been instrumental to his success. “He’s one of those people who could sell a combine or a seeder and then go out and start the combine up, set it, calibrate the seeder,

optimize it and make sure it was optimized to be the best quality combine and seeder,” Myli said. “Not a lot of guys, in reality, can get out and use the machinery they’re selling. He could show you how to run it, and that builds a lot of confidence for a customer to see an account manager go out and demonstrate the equipment in real conditions.”

So far, IntelliDrive has been exclusive to John Deere. The add-on is controlled by proprietary software that is displayed on the Deere split screen, a monitor or tablet. IntelliDrive is targeted at larger growers planting soybeans, wheat, cotton, canola, rice, hemp, peas and cover crops.

“We have found it pays for itself after planting about 1,500 acres,” Kordick said. “It is one of the few farm technology products today that has such a quick return on investment. Farmers have instantly found they can save money by not using as much seed and by seeing better yields.”

Several early adopters were willing to try out the system in 2017, which Kordick said led to more sales the following year. He was amazed word-of-mouth support prompted neighbors of first users to buy IntelliDrive right away once they knew the savings it could provide.

(continued on page 26)



FOYACES

“Farmers share with each other how they can save on seed and input costs. The technology is very dependable and reliable for variable rate seed control,” he said. “The key to farming is taking equipment you own and maximizing it to its fullest potential. That’s what we do.”



The IntelliDrive system is directed by proprietary JCA Electronics software that displays as an interactive on John Deere split screens or any monitor.

Now Kordick has his eyes on expansion. He will adapt the IntelliDrive system to work with Case IH and New Holland air seeders next. He also started selling the system for use with larger John Deere commodity carts in Canada that cover more acres with one-pass seed and fertilizer. The next-generation manifold, IntelliDrive PLUS, is used with John Deere 1900/1910 commodity carts and promises farmers a short return on investment with cost reductions up to 20%.

“Our current distribution area runs from Nebraska to Delaware and from Canada into Tennessee. We hope to move into the Southeast and Delta for not only soybeans, but also hemp, cotton and rice,” Kordick said. More information can be found at intellidriveusa.com.



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USMCA Gets Social Boost

In early fall, ASA participated in a joint push for U.S. Mexico Canada Agreement (USMCA) ratification resulting in 108 Tweets from members of the Trump Administration, 162 Tweets from Congress, and other significant online traffic. The social push

coincided with the USMCA rally on the Hill facilitated by Farmers for Free Trade in September. Search #RallyforUSMCA for more coverage of the event.

ASA continues advocating, both on the Hill and social platforms, for Congress to pass

this important agreement without further delay. Please join the conversation on social media using [#USMCAnow](#) and [#PassUSMCA](#), and follow [@FarmersForTrade](#), [@USMCACoalition](#) and [@PassUSMCA](#).



Follow the American Soybean Association on:

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ASA to Recognize its Centennial

The American Soybean Association (ASA) will celebrate its 100th anniversary in 2020. ASA was founded at a soybean field day and meeting on Sept. 3, 1920, when brothers Taylor, Finis and Noah Fouts hosted about 1,000 people on their Soyland Farms in Camden, Ind.

ASA will be celebrating this milestone centennial anniversary throughout 2020. In coming months you'll hear more about ASA's history and various events and activities recognizing the organization's 100 years.

Near the end of 2019, **ASA will launch a special 100th anniversary website** to provide a variety of ASA historical information and share stories about farming and soybean production. The website will include an ASA history timeline, photos and information about all ASA past presidents, information about the state soybean associations, video interviews with leaders, family farm histories and photos from across the country, congratulatory messages and more.

The address for the website will be announced when it launches in December 2019.

Tell Us About the HISTORY of Your Farm

We want to showcase the farms and farm families that represent agriculture in the United States. Email us a bio about the history of your farm. Whether your farm is 100-plus years old, fifty years old or just 15 years old, we want to hear about it.

Also, email us photos of your farm. Send both the old farm photos and more current ones. We are interested in showing changes over the years in farming—the equipment and the homesteads. ASA will be posting bios and photos on our 100th anniversary website.

Be sure to include your name and the city and state where you live. Also, include descriptions to go with all photos you send. Tell us what is happening in the photo and year (or approximate year) the photo was taken. **Email your farm bio and photos to ASA@soy.org.**

JOIN US for ASA's 100th Anniversary Celebration at Commodity Classic

Come to Commodity Classic, Feb 27-29, 2020 in San Antonio, Texas and help ASA celebrate its 100th anniversary. ASA will have a large booth at the trade show. It will incorporate multiple elements, including a variety of ASA historical photos, information and displays; a spin-the-wheel soy trivia game with prizes; a photo booth; giveaways; and complementary soy smoothies and soy cookies. Complementary copies of a commemorative ASA 100th Anniversary history book will also be available.

The **ASA Awards Banquet on Feb. 28 at Commodity Classic** will be an evening of fun and celebration, with interactive elements, entertainment, humor, awards and special presentations that tell the story of ASA's 100 years. In addition, many ASA past presidents will be present and recognized at the ASA banquet.

Register for Commodity Classic at commodityclassic.com.

SHARE Your Farming Memories

We want to hear your memories and stories about farming. Do you remember when soybeans were first grown on your farm? What stories did the older generation of your family tell you about farm life and/or growing soybeans? How has farming changed over the years? Why do you grow soybeans? What do you love most about farming and living on a farm? What are your memories about being a young farmer?

Or tell us about a memorable experience connected to ASA or your state soybean association. It could be about an event you attended or people you met through the soybean organizations. Maybe it's a memory about how you first got involved or what you learned from serving in an officer's position for the organization.

Share your memories and stories with us for posting on our 100th Anniversary website. Include your name and city and state where you live. **Email your information to ASA@soy.org.**

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By Donnell Rehagen

The RFS is Your Frenemy

I've often said the biodiesel industry is not for the faint of heart. This year has been tougher than others. One reason is that the Environmental Protection Agency (EPA) is changing the Renewable Fuel Standard (RFS) rules and sending mixed messages to the biodiesel industry.

Under the RFS, EPA must ensure that certain percentages of advanced biofuel and biomass-based diesel (BBD) are used each year in the United States. The program helps biomass-based diesel grow sustainably over time. For instance, EPA must set the required BBD volume 14 months in advance; so, when the agency finalizes the percentages for 2020 this coming November, it will also set a biomass-based diesel volume for 2021.

The annual rulemaking, which usually starts in June, sends important signals to the biodiesel industry, including soybean growers and crushers. When EPA creates more market space under the RFS—as it did in 2018—the biodiesel industry can plan, invest and grow with confidence. Biodiesel producers increased production by more than 300 million gallons in 2018 and put plans in place for further expansion.

EPA's signal, however, was scrambled in transmission. While providing growth for advanced biofuel and biodiesel on one side, the agency rolled it back

on the other by indiscriminately handing out small refinery exemptions. The exemptions allow small oil refineries to escape the requirements of the RFS—even if they are owned and operated by large, integrated refiners. And because EPA is issuing them retroactively at the end of each year, they are giving more and more refiners an "out" that undercuts future demand and growth.

There are dozens of small, independent biodiesel producers that can be put out of business by the loss of demand from a single small refinery exemption. And unfortunately, that's happening.

In August 2019, EPA handed out 31 exemptions impacting hundreds of millions of gallons of biomass-based diesel. The agency handed out 54 exemptions for the previous two years. And it also sent a signal that it intends to flatline growth in the biodiesel industry for the foreseeable future. In June, EPA proposed RFS volumes that looked exactly like those it finalized for the prior year.

As a direct consequence, nine U.S. biodiesel producers have announced production cutbacks or plant closings since March this year, taking 240 million gallons of capacity offline.

When biodiesel producers shut down, soy growers and crushers lose a market for their surplus soy oil. INTL FCStone, a financial services organization, estimates that biodiesel production supports



Donnell Rehagen is CEO of the National Biodiesel Board

13% of the price of a bushel of soybeans. When demand for surplus oil is lost, soy crushers must pay to store the oil or find a new market for it—costs that must be recovered in the price of feed or food products.

The biodiesel industry got its start because crushers needed a new market for surplus oil. Right now, the U.S. oversupply of oil looks very similar to what the industry faced back then.

NBB, ASA and state soybean associations have been pressing EPA to keep small refinery exemptions from destroying demand for biodiesel. The biodiesel industry needs to continue growing alongside the soy industry to ensure there is a viable, sustainable market for surplus oils in the United States.

It's easy to make more on your soybeans.

Find the connections you need to see your profits grow. Thankfully, SoybeanPremiums.org already did the hard work of finding them for you. Food-grade, identity-preserved and non-GMO, connect with premium programs and buyers in your area today.

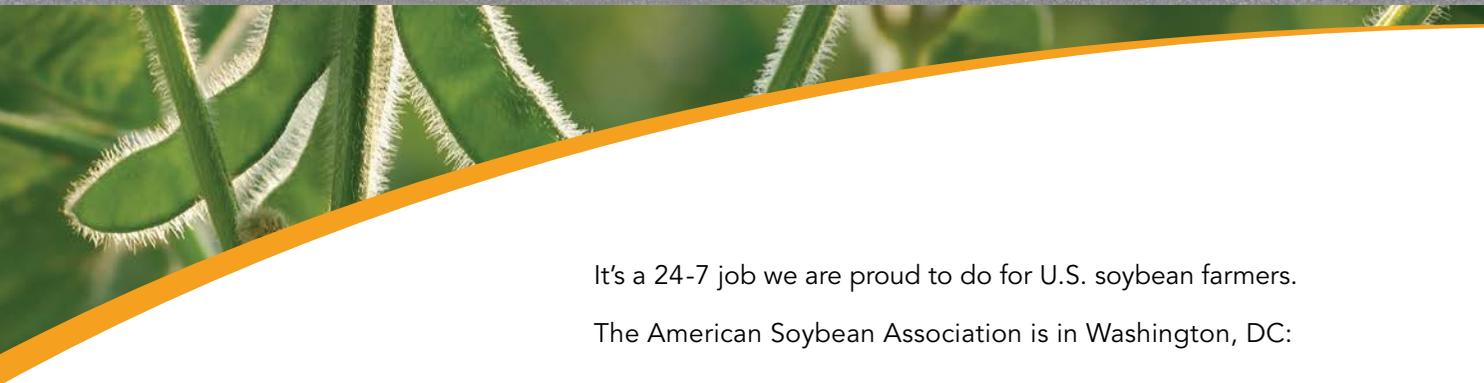


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