

AMERICAN soybean

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People. Policy. Profitability.

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CLOUDS LOOMING

State of the Farm
Economy Will Cast a
Long Shadow on
Next Farm Bill

SOY FUTURES

Young Grower is
Optimistic Despite
Gloomy Ag Economy

SUSTAINABILITY

Necessity Sparks
Sustainability Journey

SOY FORWARD

A Time for Farmers to
Sharpen Their Pencils

INDUSTRY PERSPECTIVE

Accessing Credit to
Invest in Success

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



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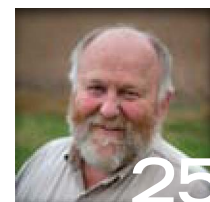
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SOY news

Fewer Leaves On Soybean Plants Is A Good Thing?



Researchers manually cut off new leaflets to decrease leaf area by just 5 percent and increased yields by 8 percent.
Photo Courtesy of the University of Illinois

Using computer model simulations, scientists have predicted that modern soybean crops produce more leaves than they need, to the detriment of yield—a problem made worse by rising atmospheric carbon dioxide. They tested their prediction by removing about one third of the emerging leaves on soybeans and found an 8 percent increase in seed yield in replicated trials. They attribute this boost in yield to increased photosynthesis, decreased respiration, and diversion of resources that would have been invested in more leaves than seeds.

“The reduction in leaves allows more sun light to penetrate through the canopy making the whole plant more productive, and it also reduces crop water demand,” said the project lead Praveen Kumar, Lovell Professor of civil and environmental engineering at the University of Illinois.

Next, the researchers will bioengineer plants or search for varieties that naturally have fewer leaves to test these preliminary findings on a larger scale. They will also continue exploring ways to optimize other aspects of this crop’s canopy of leaves—such as the distribution and angle of leaves—to design better soybean plants that yield more without the need for more water and other resources.

Source: Claire Benjamin/University of Illinois

2017 U.S. Infrastructure Report Card Shows Slight Improvements to Inland Waterways, Ports

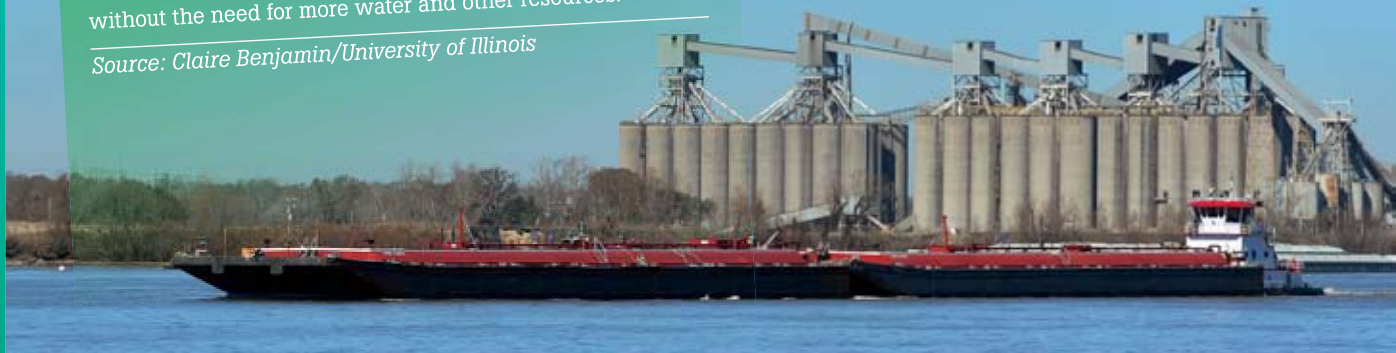
The American Society of Civil Engineers (ASCE) recently released its 2017 Infrastructure Report Card at a press event in Washington, D.C. Once every four years, America’s civil engineers provide a comprehensive assessment of the nation’s major infrastructure categories. In addition to Inland Waterways, the categories are Energy, Schools, Public Parks & Recreation, Transit, Roads, Rail, Ports, Bridges, Aviation, Wastewater, Solid Waste, Levees, Hazardous Waste, Drinking Water and Dams.

The Inland Waterways category improved its grade from a D- in 2013, when the last report card was issued, to a D this year. The improved grade was based upon increased investment in the waterways system in recent years, but upgrades on the system still take too long to complete. Ports received a grade of C+, up from a grade of C in 2013. America’s cumulative grade point average (GPA) for infrastructure is once again a D+. ASCE said there is a \$2 trillion investment gap for American infrastructure that impedes economic growth.

The inland waterways system is critically important to America’s soybean producers and their competitiveness. According to the Soy Transportation Coalition, “For much of the key soybean growing regions of the country, barge transportation is the most economical, efficient mode for transporting soybeans to [U.S.] export terminals.” More than 60 percent of the U.S. soybean crop is exported annually.

See ASCE’s full report card at InfrastructureReportCard.org

Source: Waterways Council, Inc.



BY THE NUMBERS



4.31 billion

The number of bushels produced by U.S. soy growers in 2016. *(American Soybean Association)*

1862

The year Abraham Lincoln signed into law an act of Congress establishing a U.S. Department of Agriculture. *(U.S. Department of Agriculture)*

1.66 million

The number of people employed by biotechnology firms across the U.S. *(United Soybean Board)*

70

The percentage food production must increase by the year 2050 to feed the growing population. *(U.S. Farmers & Ranchers Alliance)*

256

The percentage increase of food production by modern farmers using 2 percent fewer resources, since 1950. *(American Farm Bureau)*

9,303

The total number of attendees at the 2017 Commodity Classic in San Antonio, Texas. *(American Soybean Association)*



Soy Protein Has Beneficial Effects on Metabolic Syndrome

A systematic review published by the *The Journal of Nutrition* compared the impact of plant and animal protein on the conditions that constitute metabolic syndrome in humans. Metabolic syndrome is a series of conditions that increase the risk of heart disease, stroke and diabetes. The researchers found that soy protein intake with isoflavones led to a 3 percent greater decrease in both total and low-density lipoprotein (LDL) cholesterol compared with animal protein ingestion. These results were especially prevalent in individuals with high fasting cholesterol concentrations.

The researchers did not find this effect in soy protein without isoflavones or other plant proteins such as pea, lupine or wheat gluten. When included in a mixed meal, plant protein (wheat gluten, soy protein) produced a lower insulin response after the meal than did whey protein (from dairy). This systematic review supports previous evidence that soy protein with isoflavones may prevent the onset of risk factors associated with metabolic syndrome (i.e., hypercholesterolemia and hyperglycemia), in humans.



Source: Soyfoods Association of North America

CLOUDS LOOMING:

State of the Farm Economy Will Cast a Long Shadow on Next Farm Bill

| By Patrick Delaney

It is the fall of 2011. As farmers begin the harvest season, their representative farm groups in Washington are in the earliest stages of conversations with members of Congress on the shape of the next farm bill. As is the case every five years, each group brings to the bargaining table a list of demands informed by the current economic climate for its member farmers. Lawmakers then weigh those concerns and specific “asks” from each group and produce the twelve titles of the nation’s farm legislation, authorizing everything from agricultural export market expansion to plant-based energy research to rural economic development.

The opening title of the farm bill, Title I, focuses on the structure and operation of the risk management framework for commodity grains,

oilseeds and cotton. It is arguably the most important single chapter of legislative language for farmers of these crops among any piece of legislation, and it is intimately affected and undeniably shaped by the landscape of the farm economy. While the farm bill is, as one long-time Washington agriculture correspondent described, a way to mark the time in D.C., each version of the legislation is also an economic time capsule—a snapshot of the farm economy in which it is written.

In 2011, times are good—very good. At the outset of farm bill field hearings in the early fall, the U.S. Department of Agriculture’s (USDA) Agricultural Research Service forecasts net farm income for the year at a record \$103.6 billion, up more than 30 percent over 2010. The year would go on to exceed expectations, with soybean prices

hovering between \$13 and \$14 per bushel and net farm income at an eye-popping \$113.5 billion.

Jump to early spring 2017, and the contrast between economic conditions could not be starker. As farmers prepare to plant—and similarly as farm organizations prepare to negotiate reauthorization of the farm bill—they do so in an economic environment that is merely a shell of its 2011 self. While per-bushel soybean prices have averaged only slightly under \$10 for most of the spring, overall 2017 net farm income is projected to decline almost nine percent, to \$62.3 billion dollars, representing almost a 48 percent decrease from 2011 and its lowest point in 15 years.

As a result, organizations like the American Soybean Association (ASA), the National Cattlemen’s Beef

Association, the National Cotton Council, the American Farm Bureau Federation, the National Association of Wheat Growers and dozens of other groups prepare to march up Capitol Hill not with the economic winds at their back, but against a driving hail of financial uncertainty from farm country.

For soybean farmers, fixes to the language of Title I programs like the Agriculture Risk Coverage Individual and County Options (ARC-IC and ARC-CO, respectively) will be essential to their success in the next version. Specifically, ASA will look to replace the use of yield data from the National Agriculture Statistics Service (NASS) with data generated through the federal crop insurance program by USDA's Risk Management Agency (RMA). Additionally, ASA will look into the possibility of lengthening the number of season average prices used in the benchmark formula to include some of the higher price years prior to 2014.

"Tweaks and strategic fixes to Title I programs like the change in the source of yield data is a small element, but part of a larger priority

that has become more important in light of the continuing downturn in the farm economy," said Bret Davis, chair of ASA's Farm Bill Task Force and a grower from Delaware, Ohio.

Davis also raises the significant issue of the impact of the lagging farm economy on farmers' ability to access credit, citing the extended delay before farmers receive payments under both ARC and the Price Loss Coverage (PLC) program.

"In some areas, farmers are having to wait most of two years to receive payments under these two programs, but need access to operating capital before planting a crop. With continued low prices expected in 2017 and beyond, this disconnect needs to be addressed," Davis said.

Keeping market policy out of the farm bill

By contrast, while the market conditions for the nation's livestock industry are similarly mercurial, the approach to the farm bill by the National Cattlemen's Beef Association (NCBA) remains relatively unchanged headed into early negotiations. Colin Woodall, the group's vice president of

government affairs says that the Cattlemen view the legislation as the incorrect vehicle to address the industry's most pressing major concerns.

"The cattle markets have been extremely volatile over the past two years," Woodall said. "As a result, NCBA has spent more time with the Commodity Futures Trading Commission (CFTC), CME Group, and our own members crafting ways to respond. Those include things such as a push for more cash trade, working on changes to mandatory price reporting, and proposing changes to the cattle futures contracts. In regards to our farm bill approach, however, we have not made any changes. We are working to keep market policy out of the farm bill. We don't believe the farm bill is the place for things such as Country of Origin Labeling (COOL), USDA's Grain Inspection Packers and Stockyards Administration (GIPSA) marketing rule, packer ban, and others."

Still, while Woodall points out that is one of NCBA's priorities to ensure that a specific livestock title is not included in the farm bill, he does note that the Cattlemen support many aspects within the bill that impact the larger agricultural economy and the farm industry as a whole, and that support is calcified considering the state of the farm economy.

"The current market situation underscores the needs for these programs," Woodall said. "For the cattle industry, supporting research, conservation programs, and the permanent disaster programs are important in giving us tools to help us be as efficient and successful as possible in both the good and bad times."



From where Bret Davis sits, crop insurance and Title I programs are the subject of significant misinformation.

Photo Courtesy of Bret Davis

(continued on page 8)

“Disasters like droughts and wildfire wreak havoc on livestock operations, and the farm bill is one avenue to help ranchers,” says NCBA’s Colin Woodall.



Photo courtesy of National Cattlemen’s Beef Association

Facing a unique set of challenges

For cotton growers, the coming farm bill represents an opportunity to remedy an ongoing crisis throughout cotton country, and one that Reece Langley, vice president of Washington operations for the National Cotton Council (NCC) says is urgently needed.

“Passage of the 2014 Farm Bill, which included significant changes to cotton policy, also coincided with a steep, prolonged decline in global cotton prices,” Langley said. “As a result, U.S. cotton producers have been struggling with the economic consequences since late 2014.”

This decline in prices has led to a corresponding decline in acreage, which in turn has led to a problem unique to the cotton industry. While standard grain elevators can accommodate a range of crops like soybeans, wheat and others, the ginning infrastructure in place for harvested cotton is not so versatile. Gins are also expensive, with some estimates at \$10 million to build and bring a new gin online. Thus when acreage declines significantly in a producing area, and the local gin closes as a result, that infrastructure is not so easily replaced. The lack of a geographically-convenient gin then leads to further decline in plantings and production.

To remedy this, Langley points to NCC efforts to provide a backstop for his farmers by ensuring cotton and/or cottonseed is brought back into the Title I commodity policies in the next farm bill, if not earlier. Part of this strategy is to include cottonseed as a covered commodity eligible for ARC and PLC, a request supported by ASA and other groups. If successful, says Langley, the change would provide severely needed economic support to cotton producers; put cotton on par with other major crops in terms of eligibility for safety net programs; and maintain critical budget baseline funding needed for developing an effective and comprehensive commodity policy in the coming farm bill.

“Due to the prolonged, depressed market conditions, the industry is focused on ensuring cotton producers again have access to the full complement of risk management tools in the next farm bill, including price and revenue protection programs like ARC and PLC,” Langley said.

Cotton growers are also concerned, Langley says, with attempts to further reduce payment limitation levels or tighten program eligibility requirements, citing USDA’s rule on actively engaged farmers as an example.

“The current definition of family member used for actively engaged determinations is excessively restrictive, and should be broadened to include extended family members so that these individuals are not denied access to the safety net due to family changes in the ownership of the farm,” Langley said.

Balancing individual needs

Another group faced with a unique challenge in the farm bill is the American Farm Bureau Federation (AFBF). Because the Farm Bureau represents such a broad membership, Senior Director of Congressional Relations Mary Kay Thatcher notes that requests on behalf of specific crop groups or certain regions become more complicated.

“Certain wins in the upcoming farm bill are a difficult ask because, as a general farm organization, we represent all sectors of agriculture,” Thatcher said. “Unfortunately, all sectors are hurting right now. Some have a poor safety net where others have a pretty good one, but prices are low for virtually all commodities. Our biggest hurdle will be balancing all the individual needs.”

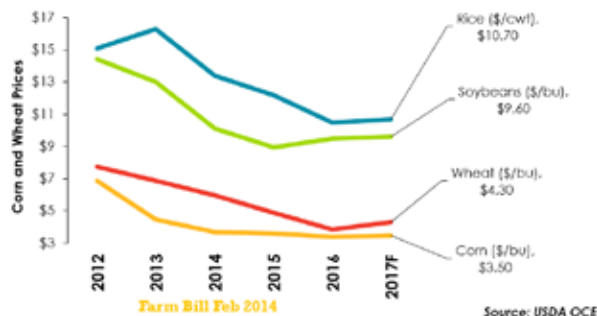
Thatcher points out, though, that with bleak news and challenging times comes a more energized and motivated membership, and says that will be key in connecting with all lawmakers to convey the seriousness of the challenge facing farm country.

“In order for all of us to be successful in writing a robust farm safety net, Congress, especially urban and suburban members, needs to understand the stress in farm country,” Thatcher said. “USDA recently released numbers showing a debt to income ratio—which indicates farmers’ ability to pay down liabilities and is a leading indicator of the health of the farm sector—of four to five times, which is concerning on its own, yet USDA predicts that ratio to rise above six times in 2017. By comparison, the debt-to-income ratio in the late 1970s reached similar levels prior to the 1980s farm crisis.”

"We don't have a crisis yet, but with poor yields or continued low prices, that crisis might not be far off," Thatcher added. "We must have a robust safety net to help farmers and ranchers in bad times."

Last Farm Bill Written At A Time of Record High Prices, Next One Will Be Written At A Time of Low Prices

Actual and Projected Commodity Prices
2012 to 2017F



Courtesy of Farm Bureau

'A perfect storm'

Facing declines in both acreage and prices, the National Association of Wheat Growers (NAWG) has its sights set squarely on the coming farm bill as an avenue to allay what President David Schemm calls a "perfect storm" in the industry. Schemm, who farms near the Colorado border in Sharon Springs, Kan., points to the combination of historically low prices, including competition from countries like China that violate their trade commitments and from bigger-than-expected crops here in the U.S. and in other major wheat-producing countries. Following a drop in prices sufficient to trigger marketing assistance loans and loan deficiency payments for several months, primarily in the hard red winter wheat growing areas of Kansas, Oklahoma, Texas, Nebraska and Colorado, Schemm said NAWG has been framing the upcoming farm bill reauthorization process with these difficult economic conditions as important context for the need for farm support programs.

"Whether wheat is \$10 a bushel or \$2.50 a bushel, American farmers need a safety net and risk management system in place to help them through difficult times," Schemm said. "The last couple of years have presented firm evidence of that fact, and shows the need to continue to maintain a revenue and price support system, as well as an effective crop insurance program to enable farmers to manage their risk."

Schemm also points out that wheat farmers benefit from a choice in Title I programs, an important illustration headed into negotiations. As opposed to soybean and corn farmers who largely opted to enroll in the ARC-CO program—by 97 percent and 93 percent of base acres respectively—wheat farmers chose to split enrollment between the two programs at least somewhat more evenly, with 56 percent of acres opting for ARC-CO and 42 percent for PLC, with 2 percent enrolled in ARC-IC.

"Maintaining producer choice between revenue and price support is important because of different needs of different regions," Schemm said. "We also need to ensure that ARC data is accurate, that the wheat PLC reference price is tied to cost of production, and that the current strong structure of the crop insurance is maintained."

Schemm's attention to and concern over crop insurance is one that many organizations share. The program has long been targeted by both Democrats and Republicans on Capitol Hill as an area for cuts, but one that the industry contends the most basic functionality of which is misunderstood.

"Crop insurance is not a profit center for farmers," ASA's Davis said. "We don't get a check."

Instead, Davis points out that the federal crop insurance program exists as a lifeline for farmers affected by catastrophic weather events, much in the same way disaster assistance exists to keep Woodall's cattle ranchers afloat in the event of a similar catastrophe.

"If you've got to take a crop insurance or a disaster indemnity, it's because your operation is facing an existential threat—because you wouldn't be around to farm the next season without it," added Davis. "This talking point that the program helps the rich farmer get richer is completely false."

Davis also adds that the lifeline nature of both the crop insurance program and Title I programs are made more essential in the context of a struggling farm economy.

"You look across the country and farmers are hurting financially," Davis said. "Prices are down, revenue is low, income continues to lag, yet at the same time input costs are flat, land is expensive and credit is hard to come by. Add to that a flood or a drought or serious hail and we're done for. What's that do to food prices? What's that do to rural communities? The idea that these programs are here to help farmers milk the system is just plain incorrect." ■



Soy Growers *farmer up* at Commodity Classic 2017



ASA President Ron Moore (*left*) talks about top soybean policy and agriculture issues with emcee Mark Mayfield (*right*) during the Presidents' Roundtable at the General Session. *Photo Credit: Steve Dolan*



(*From left to right*) ASA Past President Ron Heck (*left*) watches as spotter John Buck (*center*) and auctioneer/ASA director Eric Maupin (*right*) call out a bid during the annual ASA Soy Social and Auction. The auction raises money for SoyPAC, which supports lawmakers who champion soybean farmer policies that protect and increase the market for growers. *Photo Credit: Steve Dolan*



(*From left to right*): John Jenkinson, of *The Ag Network*, talks with Daryl Cates, chairman of the World Initiative for Soy in Human Health (WISHH); Stan Born, WISHH treasurer/ASA director; and E.L. Reed WISHH secretary/ASA director in the ASA booth at Commodity Classic. The group discussed WISHH projects to enhance protein intake in various countries, through market development, education and research. *Photo Credit: Steve Dolan*



Wisconsin state delegate Dan Roe (*left*) and ASA director Brad Kremer (*right*) discuss ASA resolutions during the voting delegates session in San Antonio. *Photo Credit: Steve Dolan*



ASA Vice President John Heisdorffer (left) gets his caricature drawn during Syngenta's Welcome Reception that kick started the week's events. *Photo Credit: Steve Dolan*



(From left to right): The Sollars family including, Claire, Bridget and ASA director Jeff, enjoy appetizers during the Welcome Reception at Commodity Classic. Claire was the recipient of the 2017 ASA Soy Scholarship award, which was presented to her at the ASA awards banquet in San Antonio. *Photo Credit: Steve Dolan*



During the Evening of Entertainment, featuring Grammy-nominated country singer Pat Green, ASA director Gerry Hayden throws out "save the date" T-shirts to get the crowd excited for next year's Commodity Classic, which will be in Anaheim, Cal. from Feb. 27 to March 1, 2018. *Photo Credit: Steve Dolan*



Association presidents meet with U.S. Congressman Mike Conaway, chairman of the House Committee on Agriculture, who spoke during the General Session at Commodity Classic. From left to right: Dennis Slater, American Equipment Manufacturers (AEM) president; Don Bloss, National Sorghum Producers (NSP) chairman; Ron Moore, American Soybean Association (ASA) president; Chairman Mike Conaway; Gordon Stoner, National Association of Wheat Growers (NAWG) president; and Wesley Spurlock, National Corn Growers Association (NCGA) president. *Photo Credit: Steve Censky*



ASA President Ron Moore (left) presents Rob Joslin's posthumous Lifetime Achievement Award-Association Focus to his wife Ellen Joslin (center) and daughter Gail Joslin Kelley (right) at the ASA awards banquet in San Antonio. Joslin was a member of the American Soybean Association for nearly 30 years, and was active on the ASA Board for a decade, serving as president in 2010. *Photo Credit: Joe Murphy*

Save the Date! Commodity Classic

2018



ANAHEIM, CA

ASA in Action



Following ASA's board meeting in March, soy growers met with congressional leaders to discuss prospective progress on soybean issues. From left to right: ASA Vice President John Heisdorffer; ASA Chairman Richard Wilkins; ASA Washington Representative Bev Paul; ASA Director Charles Atkinson; Senate Agriculture Committee Chairman Pat Roberts (seated); ASA President Ron Moore; former Senate Majority Leader Bob Dole (seated); ASA CEO Steve Censky and ASA Washington Representative John Gordley. *Photo Courtesy of John Heisdorffer*

ASA President and Illinois farmer Ron Moore and his wife Deb took part in the inaugural parade for President Donald Trump in Washington in January, driving a tractor alongside other agriculture leaders as part of RFD-TV's "Rural Tractor Brigade." *Photo Courtesy of RFD-TV*



The 2017 Class of Young Leaders includes: Cade Grace (AL); Layne & Ryane Miles (AR); Brock Willard (IL); Jonathan & Derika Spaetti (IN); Alex Brownlee (IA); Casey Schlichting (IA); Brandon & Blair Geiger (KS); Brett Neibling (KS); Kyle Bugg (KY); Mike & Lindsey Gaspard (LA); Angela & Wenceslaus Provost (LA); Andrew Crawford (MI); Matthew & Jessica Swoish (MI); Trevore Brekken (MN); Chad & Monica McCollough (MO); Blake Hokamp (NE); Leslie Hamilton & Dan Stein (NY); Greg Manning & Jessica Harris (NC); Kasey Bitz (ND); Trish Levering (OH); Jean Lam (OK); Jeff & Janie Harrison (Ontario, Canada); Justin & Jessica Rivers (SC); Nick & Shelly Lorang (SD); Rob Holman (TN); Doug & Britni Singleteary (TN); Grayson Kirby & Cindy Dykes (VA); Wes & Amanda Marshall (VA); and Tony & Katie Mellenthin (WI). *Photo Credit: Joe Murphy*



Innovations in plant breeding (PBI), global low-level presence (LLP) and biotechnology policy both domestically and abroad were on the agenda in Raleigh, N.C., as members of the American Soybean Association's (ASA) Biotech Working Group met for their annual winter meeting. Hosted by Bayer CropScience, the meeting gave farmers and industry members an opportunity to explore many of the most pressing issues within the field of biotechnology and examine how these issues affect soybean farmers. *Photo Credit: Chris Luelf*

The 2017 Leadership At Its Best Class graduated in March during training in Washington, D.C. Front row (left to right): Laurie Isley (MI); Chris Naylor (NC); Scott Metzger (OH); Leon Dorn (NE); and Morey Hill (IA). Back row (left to right): Casey Youngerman (TN); Howard Reyburn (PA); Brent Gatton (KY); Peter Rost, Jr. (MO); Brandon Wipf (SD); Paul Dahlseng (MN); Craig Williams (IN); John Mark Looney (MS); and Ryan Findlay, North America Industry Relations Lead with Syngenta. *Photo Credit: Michelle Hummel*





Meet the new faces in Washington

The 2016 election sent 58 new members to Washington as part of the 115th Congress. Of that incoming class, 51 represent soy-growing states, and of those, 13 lawmakers from soybean country will assume new seats on the House and Senate Agriculture Committees. As the new Congress approaches its various priorities, these new members represent opportunities for farmers to connect and share expertise on the range of issues that impact agriculture and the soybean industry.

The American Soybean Association (ASA) will pursue an aggressive legislative agenda in the 115th Congress that will move the needle for soybean farmers. Through our eight Advocacy Teams, each led by a dedicated team of experienced farmer-leaders, ASA's legislative efforts will focus on expected congressional action on a farm bill that protects and strengthens the risk management framework, tax reform that recognizes farms as the rural economic engines they are, and the transportation infrastructure that represents a clear advantage over our competition.

Outside of the legislative arena, the new Congress will prove a vital ally as ASA works with the administration to pursue regulatory work that focuses on rolling back Obama-era regulations on water quality, defending the Renewable Fuel Standard (RFS), and improving the regulatory approval timeline both in the U.S. and in our export markets for new biotech traits. And we will rely on both Republicans and Democrats that understand the value of export markets and global trade to the American soybean industry as we continue our effort to establish and expand trade relationships with our partners abroad.

This 4-page insert is designed to give you a head start on recognizing new members of Congress from your state, and knowing how to reach them. Also included is a list of ASA's Legislative and Regulatory Priorities for 2017.

ALABAMA

Sen. Luther Strange (R)

 @lutherstrange

202-224-4124

Committees:

Agriculture, Nutrition & Forestry; Budget; Energy & Natural Resources



DELAWARE, DISTRICT AT-LARGE

Rep. Lisa Blunt Rochester (D)

 @RepBRochester

202-225-4165

Committees:

Agriculture; Education & The Workforce



FLORIDA, DISTRICT 13

Rep. Charlie Crist (D)

 @RepCharlieCrist

202-225-5961

Committee: Space, Science & Technology

FLORIDA, DISTRICT 10

Rep. Val Demings (D)

 @RepValDemings

202-225-2176

Does not serve on committees of jurisdiction on ASA issues

FLORIDA, DISTRICT 2

Rep. Neal Dunn (R)

 @DrNealDunnFL2

202-225-5235

Committees:

Agriculture; Space, Science & Technology



FLORIDA, DISTRICT 1

Rep. Matt Gaetz (R)

 @mattgaetz

202-225-4136

Committee: Budget

FLORIDA, DISTRICT 5

Rep. Al Lawson (D)

 @RepAllawsonJr

202-225-2301

Committee:

Agriculture



FLORIDA, DISTRICT 18

Rep. Brian Mast (R)

 @BrianMastFL

202-225-3026

Committees: Foreign Affairs; Transportation & Infrastructure

FLORIDA, DISTRICT 7

Rep. Stephanie Murphy (D)

 @RepStephMurphy

202-225-4053

Does not serve on committees of jurisdiction on ASA issues

FLORIDA, DISTRICT 19

Rep. Francis Rooney (R)

 @RepRooney

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Committees: Education & The Workforce; Foreign Affairs

FLORIDA, DISTRICT 4

Rep. John Rutherford (R)

 @jrutherfordfl

202-225-2501

Does not serve on committees of jurisdiction on ASA issues

FLORIDA, DISTRICT 9

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 @USRepSoto

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Committees:

Agriculture; Natural Resources



GEORGIA, DISTRICT 3

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 @RepDrewFerguson

202-225-5901

Committees: Budget; Education & The Workforce; Transportation & Infrastructure

ILLINOIS, DISTRICT 8

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 @CongressmanRaja

202-225-3711

Committee: Education & The Workforce

ILLINOIS, DISTRICT 18

Rep. Darin LaHood (R)

 @replahood

202-225-6201

Committees: Natural Resources; Space, Science & Technology

ILLINOIS, DISTRICT 10

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202-225-4835

Committee: Foreign Affairs

ILLINOIS

Sen. Tammy Duckworth (D)

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202-224-2854

Committees: Commerce, Science & Technology; Energy & Natural Resources; Environment & Public Works

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Rep. Jim Banks (R)

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202-225-4436

Committee: Space, Science & Technology

INDIANA, DISTRICT 9

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202-225-5315

Does not serve on committees of jurisdiction on ASA issues

INDIANA

Sen. Todd Young (R)

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202-224-5623

Committees: Commerce, Science & Technology; Foreign Relations; Health, Education, Labor & Pensions

KANSAS, DISTRICT 1

Rep. Roger Marshall (R)

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202-225-2715

Committees:

Agriculture; Space, Science & Technology



KENTUCKY, DISTRICT 1

Rep. James Comer (R)

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202-225-3115

Committee:

Agriculture



LOUISIANA, DISTRICT 3

Rep. Clay Higgins (R)

 @CaptClayHiggins

202-225-2031

Committee: Space, Science & Technology

LOUISIANA, DISTRICT 4

Rep. Mike Johnson (R)

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202-225-2777

Committee: Natural Resources

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Sen. John Kennedy (R)


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202-224-4623

Committees: Appropriations; Budget


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202-225-8699
Committee: Natural Resources

MARYLAND, DISTRICT 8

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MARYLAND


Sen. Chris Van Hollen (D)

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Committees:
Agriculture, Nutrition & Forestry; Budget



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Rep. Jack Bergman (R)

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202-225-4735
Committees: Budget; Natural Resources

MICHIGAN, DISTRICT 10

Rep. Paul Mitchell (R)

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202-225-2106
Committees: Education & The Workforce; Transportation & Infrastructure

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Rep. Jason Lewis (R)

 @RepJasonLewis
202-225-2271
Committees: Budget; Education & The Workforce; Transportation & Infrastructure

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Rep. Trent Kelly (R)

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Committee:
Agriculture



NEBRASKA, DISTRICT 2


Rep. Don Bacon (R)

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Committee:
Agriculture



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Rep. Josh Gottheimer (D)

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Committee: Foreign Affairs



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Committees: Education & The Workforce; Foreign Affairs

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Rep. John Faso (R)

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Committees:
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Rep. Thomas Suozzi (D)

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Rep. Brian Fitzpatrick (R)

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Committee: Foreign Affairs


PENNSYLVANIA, DISTRICT 16

Rep. Lloyd Smucker (R)

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Committees: Budget; Education & The Workforce; Transportation & Infrastructure

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TEXAS, DISTRICT 19


Rep. Jodey Arrington (R)

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TEXAS, DISTRICT 15

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Committees: Education & The Workforce; Foreign Affairs

VIRGINIA, DISTRICT 4

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Committee: Natural Resources


VIRGINIA, DISTRICT 2

Rep. Scott Taylor (R)

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Visit Soygrowers.com to learn about the top legislative issues the American Soybean Association (ASA) is working on. Call ASA's Washington, D.C. office with any questions. 202-969-7040

ASA Legislative and Regulatory Priorities

2018 Farm Bill Priorities

- ASA will work closely with other farm organizations to strengthen the farm safety net in order to offset the significant reductions in farm prices and income incurred since 2013.
- ASA will oppose reducing premium subsidies or imposing means testing under the crop insurance program.
- ASA supports keeping the farm/rural and nutrition titles of the next farm bill intact.
- ASA supports reauthorizing Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC), and giving producers a choice to sign up for either program on a crop-by-crop and farm-by-farm basis.
- ASA supports giving producers options to maintain current crop acreage bases, reallocate bases to reflect more recent plantings, or update bases to include all acres planted to program crops.
- ASA supports maintaining the current policy of “decoupling” under which payments under both ARC and PLC are based on recent historical crop production on base acres rather than on current-year planting.
- ASA supports fixing the cotton program, including a new cottonseed program and decoupling generic (former cotton base) acres.
- ASA supports full funding of the Agriculture and Food Research Initiative (AFRI) and other agricultural research programs as well as the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP).
- ASA supports doubling funding for the Foreign Market Development (FMD) program and Market Access Program (MAP) over the life of the next farm bill.
- ASA supports authorizing and funding the Bioenergy Program for Advanced Biofuels, the Biobased Market Program, and the Biodiesel Education Program.

Trade Expansion

- Work with the Administration and Congress to ensure continued positive trade with China and North American Free Trade Agreement (NAFTA) partners. Provide insight and assistance during renegotiations of current trade agreements.
- Enhance U.S. trade relations with Asia-Pacific countries, including through bilateral or multilateral agreements.
- Support legislative efforts to remove barriers to trade with Cuba, including ending the embargo.
- Improve the timeliness and predictability of regulatory approvals for new biotech traits by China and the European Union (EU), including a comprehensive agreement for agriculture within the Transatlantic Trade and Investment Partnership (TTIP) negotiations.
- Develop low-level presence (LLP) policies that facilitate trade and innovation in biotech products.
- Support a doubling of funding for the Foreign Market Development program and the Market Access Program.
- Support global food security provisions in the next farm bill that provide the U.S. Department of Agriculture (USDA) and the U.S. agriculture industry a central role in developing and implementing international agricultural development programs.

Tax Reform

- Ensure tax reform efforts reflect the unique nature of farm operations, including: maintaining cash accounting method for farmers, allowing full and immediate expensing of capital investments, repealing estate tax or increasing exemption levels indexed for inflation, maintaining Section 1031 provision for Like-Kind exchanges, and extending and restructuring biodiesel tax credit.

Environmental Regulations

- Support Congressional efforts to abolish the Waters of the U.S. proposed rule.
- Support efforts to improve pollinator habitat; oppose efforts to ban neonicotinoid crop protection products.

Biotech and Food Regulations

- Work with USDA to ensure that the Final Rule for implementing the Bioengineered Food Disclosure Act excludes products that are derived through new plant breeding techniques from being labeled as biotech.
- Work to develop and implement regulatory reforms that: (1) enhance the timelines of biotech trait approvals and companion herbicides without disrupting foreign market approvals or U.S. agricultural exports; and (2) do not require pre-market approvals for plant breeding innovations (e.g., gene editing).
- Oppose efforts to restrict the branding and marketing of soymilk.

Biodiesel Demand

- Extend the biodiesel tax incentive in 2017 and shift it from a blender to a production credit.
- Seek optimal levels of annual Renewable Fuel Standard (RFS) volumes for biomass-based diesel and Advanced Biofuels, and appropriate enforcement of RFS and World Trade Organization (WTO) requirements for imported biodiesel.

Transportation and Infrastructure

- Ensure agricultural industry priorities, such as upgrades to locks and dams, ports, and harbors are included in any large-scale infrastructure funding initiatives.
- Continue to increase funding for programs and projects supporting and upgrading infrastructure for inland waterways, ports, and harbor maintenance.

FY-2017 Budget and Appropriations

- Protect funding for crop insurance, export market development programs (FMD and MAP), food aid, agriculture research, conservation practices on working lands, and Inland Waterways and Harbor Maintenance Trust Funds.

Aquaculture

- Support implementation of the National Oceanic and Atmospheric Association’s (NOAA) Gulf of Mexico Fishery Management Plan to develop an environmentally sound and economically sustainable aquaculture fishery.

SoyTown Hall

We asked farmers:

“What is one operational change you’ve made in light of the economic downturn?”



Here’s what they said:

Kevin Hoyer – West Salem, Wisconsin

“I added a third crop into my rotation on limited acres. Spreading my risk.”

Trish Levering – Fredericktown, Ohio

“We will plant a specialty soybean to take advantage of a premium price at our elevator. In 2016, we planted one-fourth of our soybean acres to Plenish soybeans. We were very pleased with the agronomic traits and the yield performance of the Plenish soybeans, so we will be planting 100 percent Plenish in 2017. It is an easy way for us to receive a premium price, simply by delivering to our normal elevator.”

Casey Schlichting – Clear Lake, Iowa

“Operationally we are not making many if any changes, it is difficult to save your way to a good crop. As far as machinery and technology goes, that will be put on hold unless absolutely necessary.”

Jim Miller – Belden, Nebraska

“I really don’t feel you can cut back on crop nutrients too much as long as you are following your soil analysis. This year I plan to pay more attention to plant health by doing tissue sampling on a few fields to look at more of the micro nutrient levels to see if I can find what it takes to move me up to the next yield level. I am wanting to see if micro nutrients have any impact on some disease issues we have been experiencing like White Mold or Sudden Death Syndrome.”

Matt Stutzman – Adrian, Michigan

“With troublesome weeds like roundup resistant marehail in our part of the country, we’ve needed to incorporate other chemistries to handle outbreaks until we are spending as much on herbicide as a conventional program. So we are attempting to raise some public, non-GM varieties to determine if there is enough benefit between buying seed and saving our own. If the yields are similar, the savings will be significant.”

Morey Hill – Madrid, Iowa

“My plan is to forgo any equipment upgrades. As I am looking toward the end of my farming career, I have decided to get by with my current line of machinery, even though it has some age. Hopefully nothing catastrophic occurs.”

Pam Snelson – Wann, Oklahoma

“Because of the current situation, we are refurbishing our equipment rather than upgrading as previously planned. Another thing in consideration is to fallow some acreage that is less productive.” ■

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

SoyFutures

Young Grower Embraces Ups and Downs After Return to Family Farm

By Jordan Bright

Brandon Wipf, a grower from South Dakota, remains optimistic about farming in the economic downturn.



Brandon Wipf says he can't imagine doing anything but farming and he sees the current downturn in the ag economy as an opportunity for young producers to invest in areas that would otherwise be difficult.

Photo courtesy of South Dakota Soybean Association

Brandon Wipf assumed he'd return to the farm one day when he was ready—but as he embarked on a different career path, the farm called him home a bit sooner than he anticipated.

Wipf grew up north of Huron in east-central South Dakota. His grandfather, Willis, started the family farm in 1955, and his father, Nolan, went to work alongside him. When Wipf graduated high school in 2004, he went to Dordt College to earn a degree in electrical engineering instead of joining the family business. But when his family faced an extremely late and difficult harvest in 2009, he headed home to help.

"I saw my then 80-year-old grandfather still working hard, and my parents under a lot of stress and had to ask myself how much longer

they would be able to operate like this. I knew that unless something changed, the writing was on the wall," Wipf said.

So he left his job working on video systems for sports stadiums, and he's been farming ever since—growing soybeans, wheat and corn, along with managing hay and conservation land. He experienced the highs of the family business when he first came back during a stronger agriculture economy, and now the lows with the current downturn.

But Wipf doesn't regret his decision to come back to farming. He said he's learned that farming is a lifestyle and a lifelong choice.

"It's something you have to grow into. There are times when we are working long hours, and the weather just isn't cooperating that I think

about how different life could have been," he said. "But I'm glad that I chose to stay and start learning the business side of the farm from my father. I really can't believe I ever thought about doing anything else."

Wipf said he feels fortunate that he and his father get to be stewards for the family which has deep roots in agriculture.

"It's a strange mixture of being proud of your heritage, while at the same time humbled at the enormous responsibilities that go along with that," he said. "Society is trusting us with perhaps the most important job of all; we can't let them down."

'Farm less' for success

Wipf said young producers need to be cautious in the current agriculture economy, as lower margins make it

difficult on everyone. But he is also optimistic and thinks this is the best time for aspiring young farmers to begin.

“The downturn in the ag economy offers young producers opportunities to invest in areas that would otherwise be difficult,” he said.

“Young producers have an easier time spotting new opportunities because they don’t have to overcome years of preconceived notions and bias.”

On his farm, Wipf is taking the bad with the good. He said it’s important to take what is perceived as your weakness in business and find a way to turn it into a strength.

One way Wipf is doing this is by taking a closer look at his farmland. For the last few years, his operation has identified some of the toughest land on their farm, where they were perennial losers on regular cash crops—and found a better way to use it.

“Salt-tolerant alfalfa has shown promise, as well as native grasses,” he said. “Not only are we saving the annual costs of cash crops on those acres, but as we take the poor land out of the equation, our average yields start going up in a hurry. The decision to ‘farm less’ was a hard sell several years ago when grain prices were high, but with a few years of lower margins under our belts we can look back on that choice as one of our best moves during this downturn.”

From farm boom to downturn

One of the challenges Wipf faced when he first started farming was admitting that he didn’t always know best.

But he said he’s glad he listened to his father and grandfather or things could have ended up much worse for

their farm in the down economy.

“During the peak of the farm boom, when it seemed like everyone else was expanding their farms or making big improvements, I remember sometimes feeling like we were sitting on the sidelines, and missing out on a good thing,” he said. “With the experience I’ve gained in the past couple years, I can now say that those strategies make a lot more sense now. Things would probably be a lot more painful during this downturn if they had let 25-year-old-me call the shots.”

Young South Dakota soybean grower Brandon Wipf advises young farmers who are just getting started during this agricultural economic downturn to surround themselves with trustworthy people and not get too caught up in comparisons to other farmers.

He advises young farmers who are just getting started in the downturn to surround themselves with trustworthy people and not get too caught up in comparing to other farmers.

“If you play that game, you will lose every time. Remember that your situation is unique and you have to define for yourself what success looks

like and how you want to get there,” he said.

He also encourages young farmers to stay in learning mode.

“No matter your background, there is at least one and probably several key areas where additional education would benefit your business,” he said. “The more you learn, the more value you will demonstrate to those around you. Your ideas will carry more weight with older, more experienced farmers. More doors will open to you, and when they do, you will be better prepared to take full advantage.”

Wipf, who today lives 10 miles away from the family farm with his wife Mandy and dog Sarge, said it’s important that farming is a passion shared with the whole family—because there will inevitably be up and down years that impact everyone.

“You really have to have a passion for farming, otherwise it doesn’t work. There are going to be those years where you work hard and get nothing to show for it,” he said. “If you can go through that and still love what you’re doing, then I’d say you’ve done all the research you need. I do, however, think that young farmers need to be very good at crunching the numbers and should always go into it with an idea of what kind of lifestyle they will be able to have. If you’re committing your entire life to this profession, definitely don’t do so lightly. Remember that it’s not just about you; there are often spouses and children that also have to believe in what the family is doing.” ■

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

Issue Update

The Hard Cost of Bad Infrastructure

| By **Mike Steenhoek**, Executive Director, Soy Transportation Coalition



The nation's locks and dams are eroding and according to the U.S. Department of Agriculture (USDA), an unanticipated closure can result in a drop in soybean prices up to 44 cents per bushel. *Photo courtesy of the Army Corp of Engineers*

It is either a facilitator of farmer profitability or an impediment to it. The multi-modal transportation system consisting of rural roads and bridges, highways and interstates, freight railroads, the inland waterway system and ports allows individual soybean farmers—often located 1,000 to 1,500 miles from our nation's export regions—to be among the most international of enterprises. The condition of each mode and farmer proximity to it significantly determines whether an operation is profitable. After all, a viable soybean

industry is not simply a function of abundant supply or robust demand. It also is a function of connectivity between supply and demand. Our transportation infrastructure provides that connectivity.

Dilapidated rural bridges: A costly detour

According to the American Road and Transportation Builders Association, over 55,000 bridges in the United States are found to be deficient. A higher percentage of these problematic bridges are

located in rural areas and owned by counties or municipalities. Many of these bridges are load restricted or closed altogether, which can result in a journey from the farm to the local elevator becoming a 30-mile trip verse a 10-mile trip. This is consequential to the soybean farmer, not only in terms of lost time but also in lost revenue.

A research project focused on rural bridges funded by the Iowa Department of Transportation, Iowa State University and the Soy Transportation Coalition, highlighted

the cost of a detour due to a closed or restricted access rural bridge. If a single truck each day transporting soybeans or another commodity would incur a five-mile detour due to a closed or restricted bridge, the total annual cost to those drivers of that five-mile detour would be \$4,891. If eight trucks were impacted by that same five-mile detour each day, the total annual cost would be \$39,128.

In addition to promoting greater investment in our nation's rural bridges, the Soy Transportation Coalition is working with individual state soybean associations to promote the greater utilization of bridge testing technology to improve accuracy when evaluating bridges—reducing the potential for unnecessary bridge closures or load limits and increasing the likelihood that scarce taxpayer funding is directed toward the bridges that are in the most degraded condition.

Limiting truck efficiency = limiting profitability

According to the Soybean Checkoff funded analysis, "Farm to Market: A Soybean's Journey," 100 percent of the soybean deliveries from the farm to the elevator occur via truck, or to a much lesser extent, grain wagon. Eighty-five percent of deliveries from the elevator to the processor, rail loading facility, or barge loading facility occur via truck. Therefore, if trucking is inefficient, farmers will be inefficient, and profitability will decline.

The American Soybean Association (ASA), the Soy Transportation Coalition and other agricultural stakeholders continue to promote the allowance on federal interstates and state roads of six-axle, 91,000 pound semis—an increase from the five-axle, 80,000-pound limit that persists in many areas of the country. Research by the Soy Transportation Coalition and other organizations consistently



Many problematic bridges are owned by counties or municipalities and are load restricted or closed altogether, which means a journey from the farm to the local elevator becomes a 30-mile trip verse a 10-mile trip. Photo by Joe Murphy

highlight that doing so will result in greater motorist safety, decreased infrastructure wear and tear and greater cost savings and efficiency gains for farmers and other shippers.

A comparison of farmers from Illinois and Iowa—the top two soybean producing states—offers a compelling example of how more restrictive semi weight limits can have tangible consequences on profitability.

Truck weight limits on federal and state roads within Illinois are restricted to 80,000 pounds. An Illinois farmer producing 135,000 bushels (110,000 bushels of corn + 25,000 bushels of soybeans) will require 142 truckloads (114 loads for corn, 28 loads for soybeans) to deliver to the elevator. If the elevator is 25 miles from the farm (50 miles roundtrip), 7,100 miles will be driven to deliver the total farm production.

In contrast, Iowa state and local roads allow six-axle, 90,000-pound semis. An Iowa farmer, therefore, producing an identical 135,000 bushels (110,000 bushels of corn + 25,000 bushels of soybeans) will require 126 trips (101 trips for corn, 25 trips for soybeans) to deliver to the elevator. If the elevator is equally 25 miles from

the farm (50 miles roundtrip), 6,300 miles will be driven to deliver the total farm production.

Therefore, an Illinois soybean farmer producing the same number of bushels will incur 16 additional trips—driving 800 additional miles—to get his or her production to market compared to an Iowa farmer. Depending upon the area of the country, the cost to operate a semi can range from \$1 to \$2 per mile. Therefore, the 800 additional miles of driving will cost the Illinois farmer \$800 - \$1,600 each year simply due to lower trucking efficiency. For grain elevators delivering to processors, barge terminals, etc., the cost savings and efficiency gains become exponentially higher.

Greater trucking efficiency also permits farmers greater access to more distant delivery locations that may offer a higher price per bushel. Many farmers would like to deliver to an inland river terminal or a large soybean processor, but distance from the farm may make the delivery cost prohibitive. Increasing trucking efficiency will increase marketing options and increase profit opportunities for farmers.

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Lock and dam failure: Widening basis

Our nation's inland waterways allow a significant percentage of U.S. soybeans to be efficiently transported hundreds of miles to export terminals near the Gulf of Mexico. Research consistently highlights how the price farmers receive for soybeans and corn increases the closer in proximity one is to the barge loading facilities located along our inland rivers. Two farmers can equally be 1,000 miles from an export terminal. However, if one is located near the river, and the other is not, the profitability of the two will significantly differ.

This benefit of being located in proximity to an inland waterway can diminish if one of the key locks and dams that accommodate barge transportation were to fail for a significant duration of time. According to the U.S. Department of Agriculture (USDA), an unanticipated closure of a lock and dam can result in a drop in soybean prices up to 44 cents per bushel. Farmer profitability will diminish, not due to any mistake on his or her part, but simply due to breakdown in the supply chain. If barge transportation is unable to occur, barge loading facilities will resort to discouraging deliveries from farmers by lowering the per bushel price offered.

Given the importance of locks and dams to farmer profitability, the ASA, the Soy Transportation Coalition and others continue to promote sufficient federal funding to ensure the system is well maintained and reliable.

Railroads: An expedited or cumbersome route

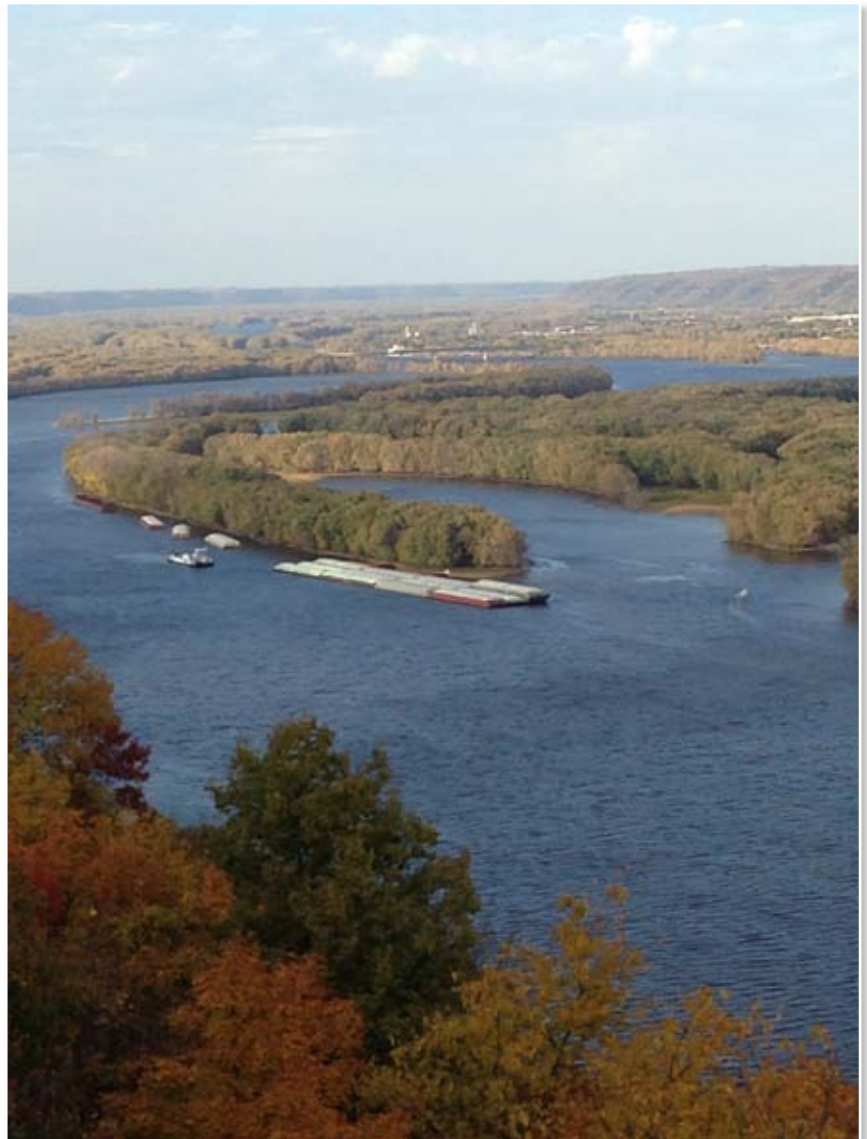
The rail investment linking the Pacific Northwest with North Dakota, South Dakota, Minnesota, Nebraska, Kansas and other states, has provided

international marketing opportunities to a key soybean producing region that years earlier did not exist.

Overall, rail service over the past several years has been considerably efficient and predictable. However, in 2014, a number of events converged to result in a significant decline in rail service. Farmers in many of these states experienced a widening basis that impeded their profitability.

It should always be the aspiration of the Soy Transportation Coalition and its member organizations like

ASA to examine each mode of transportation soybean farmers rely upon and ponder, "How can costs be removed, efficiency increased, or reliability enhanced?" The reality of a commodity industry, like soybeans, is that success is largely the result of transporting product from origin to destination in the most cost effective and reliable manner. This allows U.S. soybeans and soy products to be attractive to our customers, and of utmost concern, it helps enable farmers to remain profitable. ▣



If barge transportation is hindered, barge loading facilities will resort to discouraging deliveries from farmers by lowering the per bushel price offered. *Photo courtesy of the Soy Transportation Coalition*

Industry Perspective

Accessing Credit to Invest in Success

By **Jessica Wharton**

To most young and beginning farmers, applying for and accessing credit isn't just about commencing operations, it's about investing in future successes.

While several years of low commodity prices are making life more challenging for many in rural America, what is it that young and beginning farmers need to access credit and begin their operations?

Financial understanding and a plan

"It all starts with a solid financial plan," said Bill Gordon, a 13-year farm accountant and American Soybean Association (ASA) board member. "Everyone looking to get involved in agriculture has a passion for the land and the work we do, but it's important for new farmers to realize that farming is still a business, especially in times like these."

Farm Credit agreed, and believes that helping farmers start a successful operation isn't simply about offering credit at lower interest rates or lending standards, but also providing opportunities for financial training.

"Providing financial skills and training for men and women looking to begin farming has proven very effective," said Gary Matteson, vice president of young, beginning and small farmer education and outreach at Farm Credit. "They may have relevant degrees or previous experience, but they don't always necessarily know how that translates to real life on-farm finances."

Farm Credit relies on partnerships at the local level and works with land grants across rural America

to provide financial planning training and tools for new farmers, like AgPlan from the University of Minnesota and the Virginia Foundation for Agriculture Innovation and Rural Sustainability.

Gordon stressed the importance of utilizing extension office and university resources and added that seeking an accountant's help during the early years of a farming operation is especially important to keep track of a financial plan and take advantage of any and all tax provisions.

A relationship with the lending office

Matteson recommends that anyone thinking about starting a farming operation creates a relationship with their loan office before they're ready to ask for money, as it shows a degree of intent, commitment, preparedness and interest in planning that a loan officer is looking for.

"Once you've established a relationship, it's a lot easier to look at accessing credit as a negotiation, and not just a one way street," Matteson said. "The idea is that a beginning farmer is trying to find a mutually beneficial agreement for both parties, and that is exactly what a good lender is trying to do."

When it comes to speaking and negotiating with a loan officer, Gordon said young farmers need to know every piece of their business—what their costs are, what their breakeven point is and most importantly, where the profit is.

"Lenders are looking for young, excited producers," Gordon said.



Bill Gordon
accountant/ASA director



Gary Matteson
vice president of young, beginning and small farmer education and outreach at Farm Credit

"But it's also important to remember that red flags go up when someone is too excited to purchase big, new equipment and expensive land right away. Lenders don't want to see that money being spent frivolously."

Patience and optimism

It's long been said that good things come to those who wait. Gordon agrees, and urges young and beginning farmers to be patient when starting their operations and work to put themselves in positions to take advantage when opportunities come their way.

"People need farmers and growers to produce their food and there is opportunity to grow all over the countryside," Gordon said. "In the meantime, keep producing, keep focused on your mission and your business and it will be worthwhile." ■

SoyWORLD

10 WISHH 'Trailblazer for Trade' Successes for U.S. Soybean Farmers in 2016



- 1. Sub-Saharan African feed and food markets are growing.** U.S. soybean and soybean meal exports to the region have increased at an average rate of 22 percent (6,232 metric tons) per year from 2011 to 2016, indicating slow, steady market growth and the impact of World Initiative for Soy in Human Health (WISHH) programs. WISHH is hard at work in Nigeria, Senegal and Ghana, which accounted for 99 percent of U.S. soybean and soybean meal exports to sub-Saharan Africa in 2016.
- 2. U.S. soybean and soybean meal exports to Cambodia and Pakistan exceeded 208,000 metric tons.** Pakistan—an Asian export market that WISHH graduated to U.S. Soybean Export Council (USSEC) management—imported 166,368 metric tons of whole soybeans in 2016. Meanwhile, the leading food processing company in Myanmar continues its \$200 million joint-venture agreement with the Mitsubishi Corporation of Japan. The joint venture has multiple projects involving soy.
- 3. Central American innovation leads growth in demand for U.S. soy products.** WISHH worked with companies and government programs in El Salvador, Guatemala, Honduras and Nicaragua on food uses for soy protein. Guatemala's largest food processing company imported approximately 4,900 metric tons of soy flour and has extensive research and development underway for new soy-based products. In Nicaragua, a company producing powdered soymilk has increased sales of their flagship product throughout Central America at a growth rate of just over 10 percent per year over the past two years and forecasts continued growth.
- 4. 54 feed and food processing companies committed to further research and soy product development.** Eighty-five percent of these 54 companies are conducting product research and development with soy protein for commercial applications.
- 5. Graduated Bangladesh and Pakistan to USSEC.** WISHH and USSEC have developed a system to shift management of market development for activities in countries that have grown from WISHH Program supported, early-stage market development into larger markets.
- 6. Mapped new feed and food market opportunities.** WISHH-led market assessments in 2016 helped create roadmaps for future U.S. export growth opportunities to Cambodia, Pakistan and Sri Lanka as well as select countries in Africa. WISHH executed four U.S. Department of Agriculture Emerging Markets Programs and two Quality Samples Programs. These programs generated information and provided material to support early-stage market development for U.S. soy.
- 7. 19 feed, food or nutrition leaders participated in six WISHH trade missions.** Individuals from Africa, Asia and Central America met with U.S. soy industry and land grant university leaders.
- 8. 6 grower leaders from the ASA and WISHH-funded Qualified State Soybean Boards (QSSBs) traveled to Africa to promote U.S. soy exports and to learn about long-term market development opportunities.**
- 9. More than 854,500 individuals received meals containing soy through WISHH-assisted commercial transactions.** WISHH achieved a major breakthrough with the school feeding program in Cote D'Ivoire with an order of 180 metric tons of textured soy protein (TSP) to a program with high potential for future sales.
- 10. WISHH is active in countries that use U.S. soy.**
 - **Latin America:** El Salvador, Guatemala, Nicaragua and Honduras
 - **Africa:** Burkina Faso, Cote d'Ivoire, Ghana, Kenya, Mozambique, Nigeria, Senegal and Uganda
 - **Asia:** Cambodia, Myanmar, and in coordination with the U.S. Soybean Export Council, Bangladesh, Pakistan and Sri Lanka

Sustainability

Silk from a Sow's Ear: Necessity Sparks Sustainability Journey

By **Barb Baylor Anderson**

When Andy Bensend started farming full-time in the 1980s near Dallas, Wis., he faced low farm prices and high interest rates. The result was financial failure right out of college. So Bensend reset the economic clock and started farming with fewer resources and limited tillage.

"It was tough at first, but then I started to see positive things happening with the soil," he said. "It is possible to be conservation-minded and to do everything right from a soil quality and health standpoint without operating at a loss. Over time, we have seen our yields improve faster than our neighbors. There is no doubt conservation and profit can co-exist."

Bensend was named the 2017 American Soybean Association (ASA) National Conservation Legacy Award winner earlier this year. He has developed a successful formula based on no-till, integrated pest management, crop rotation, cover crops and perseverance. His enterprises include more than 4,000 acres of corn and soybeans in a no-till/strip-till system; a custom farming business that serves area dairy producers; and an agronomic consulting service for area farmers.

"The first thing is to stop looking only at increased production per acre for increased profits. Look at margins per bushel," Bensend said. "I have built profit margins by producing more bushels from the same acre by correcting soil pH and feeding the soils according to what was taken out. You get a lot of natural help from the soil biome. I call that the tailwinds that push you along."

Bensend springtime strip tills within a system where he only applies below the soil surface the sulfur, phosphorus and potassium needed using variable rate technology. Nitrogen is sparingly applied early and followed with variable adjusted rates later as estimated by modeling weather and growing season conditions for each management zone.

"Marry the technology with sustainability principles. We do aggressive soil sampling, and have 12-15 years of

yield data we used to build our management zones to maximize nutrient use," he said. "You have to allocate your fertilizer resources to get the most bang for your buck."

Bensend uses seven million gallons of manure he obtains from four dairy farms each year. While the application process is not cheap, he is able to inject manure straight from the pits with a new Bazooka brand applicator, eliminate compaction and get nutrients right into the root zone.

"Potassium is limiting on my farm. As we add more, yields go up. My average gain is about one bushel per year for the last 12 years, and I think I can go higher," Bensend said. "My 2016 fuel costs were only \$11-12 per acre for planting, spraying, fertilizer, harvesting and trucking to market."

Bensend has significantly increased cover crop acres as well, planting cereal rye, winter wheat and/or barley to protect the soil until planting time. He is evaluating ways to establish cover crops in growing crops while addressing the challenges presented by slugs and the crop canopy.

"We will try planting on our second nitrogen pass in late June or July this year and get the cover crop established," Bensend said. "I like seeing progress. Sustainable progress is the right way to do it." ■



ASA 2017 National Conservation Legacy Award Winner Andy Bensend says there is no doubt that conservation and profit can co-exist.

Photo Credit: Dean Houghton, Corn+Soybean Digest

"Marry the technology with sustainability principles." – Andy Bensend

SoyForward

A Time for Farmers to Sharpen Their Pencils

By Dallas P. Tonsager

Many farmers are facing challenging times as farm incomes retreat from the peaks attained in 2013. The squeeze farmers are experiencing is real. Input prices are adjusting to the new crop price environment with a lag. With the exception of fertilizer and fuel prices, most crop input prices are only slightly lower or even higher than they were back in 2013.

Many people are asking how the current period of stress compares to the 1980s. I don't believe we are headed for a crisis or anything resembling the situation experienced in the 1980s. But I do believe we could be facing a very challenging period for the next three to five years. Farming is a risky business and those risks ebb and flow over time. I believe the uncertainties now facing American agriculture are considerable. Among them are uncertain future trade, farm and biofuels policies. Growing production capacity overseas makes marketing our products more competitive. And economic growth potential appears to be moderating in the face of an aging population. This higher risk environment calls for a management response.

Fortunately, many producers entered this period of adversity from a position of strength after several years of strong incomes. Nevertheless, working capital is eroding on many farms, making it necessary to take decisive steps to reduce costs and enhance efficiencies. This may involve selling unneeded equipment, negotiating lower cash rents and reducing family living expenses, where possible. And, of course, all this economizing must take place in a rising interest rate environment, which will only add to the pressure to reduce costs.

Sharpening one's pencil applies to both the cost side and the revenue side of the business. Greater emphasis will have to be placed on eliminating the least profitable enterprises and ensuring that one's marketing program is well-conceived and disciplined.

Access to credit can be critical to producers experiencing cash flow difficulties. A key step to ensuring one's access to credit is to communicate with one's lender early and keep him or her informed of any issues that may affect the farm's financial position. Making sure one's records are in good order and complete is also important. Also, generating realistic income and cash flow projections under alternative

scenarios will help the farmer and his or her lender better understand the risks that must be managed going forward.

This can be a tough time to get started in farming. However, I believe it can be done with proper planning, access to mentors and a lot of hard work. Acquiring the necessary experience can be the most difficult hurdle to scale for those aspiring to farm. A second challenge is acquiring access to the resources, land and equipment needed to have a viable operation. Frequently, having an off-farm source of income will be instrumental to having a successful start in farming.

Clearly, beginning farmers should use credit prudently. All Farm Credit System institutions have credit programs designed to meet the needs of young, beginning and small (YBS) farmers and ranchers. I suggest anyone considering launching a farming or ranching business contact their system branch office to find out about their YBS lending program and any other resources that may be available.

Having grown up on a dairy farm and managed a grain operation in South Dakota, I can attest to the challenges associated with farming in a risky environment. But challenges also bring rewards. Facing those challenges can make us stronger managers and position us to take advantage of the opportunities that come our way during the next cycle. ■



Dallas Tonsager

Dallas P. Tonsager is Board Chairman and CEO of the Farm Credit Administration.



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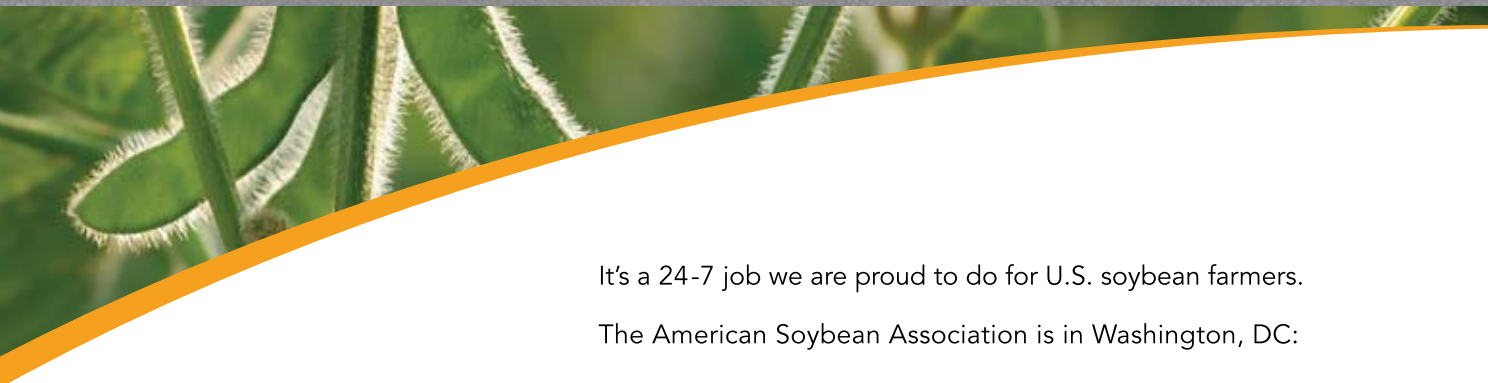
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