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ILLINOIS FIELD & BEAN

A PUBLICATION OF THE ILLINOIS SOYBEAN ASSOCIATION

COVER STORY

Connect the Dots
Illinois soybean checkoff dollars are invested in meat and poultry export promotion. That’s because hogs consume 85 percent of the soybean meal fed in Illinois, and poultry eat about half of the U.S. soybean meal consumed nationwide. Connect the dots from feed to protein.

Not Just Beginner’s Luck
A strong and seasoned team, a solid plan and intensive management helped a father-son duo from Urbana, Ill., set a new verified state soybean yield record at 108.3 bushels per acre. Read about the program that helped surpass the previous highest state yield.

Serious Soybean Power
Livestock producers may be the biggest buyers of soybean meal, but it is biodiesel that gets the Illinois soybean oil spotlight. Soybean checkoff investments in biodiesel research and promotion ensure fuel reliability and dependability. Find out who in Illinois is getting the benefits from biodiesel, and how other users can get involved in the ongoing success story.

Bridging the Gap
Sustainability has become a common topic of conversation in the country, but for all the talk, there’s not enough listening and learning. Read about the innovative way the Illinois Soybean Association (ISA) spends checkoff funds to close the gap between producers and consumers.

Illinois Feed Mills Add Value to Illinois Soybeans
Manufacturing animal feed, such as soybean meal at Illinois feed mills, contributes billions of dollars to local economies, along with more than 10,000 state jobs. Feed millers offer their insights into the added value soybeans can provide to the state’s livestock and poultry producers.

PROFITABILITY MATTERS

Economist Offers Crop Margin and Farm Financing Tips
U.S. net farm income may have dropped as much as 36 percent in 2015. Learn what one economist has to share to help Illinois soybean farmers secure a financially stronger 2016.

DID YOU KNOW?

The Soybean Summit, which is funded by Illinois soybean checkoff dollars, will be held in 3 locations in 2016; Effingham, Jan. 29; Peoria, Feb. 25; and Rockford, March 11. Register at www.ilsoy.org/summit.

ABOUT THE COVER
Livestock and poultry are the top customer for Illinois soybean meal. The Maschhoffs headquartered in Carlyle, Ill., is the largest family-owned pork producer in North America. Daniel Schumacher is one of the company’s site managers.

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Peek into our Portfolio of Projects

You may have children or grandchildren this time of year who might like to sneak a peek at where your gifts are hidden. Anticipation and curiosity run high during the holidays.

As soybean farmers in Illinois, however, you don’t need to sneak around or wait for an invitation to peek into the portfolio of projects your soybean checkoff funds. Any time of year is a good time to appreciate the returns the Illinois Soybean Association (ISA) works to provide farmers not only on the production front, but also on the demand side of the business as well.

In general, the Illinois soybean checkoff funds efforts focused on building soybean demand, increasing production and profitability and protecting farmers’ access to markets and technology. For this particular issue of Illinois Field & Bean, we are focusing on projects related to market development and promotion. Take a peek inside to learn more about these efforts.

Determining which projects to fund is based on specific priorities set by the board:

- We place a high priority on helping promote Illinois livestock production and U.S. meat and poultry exports. Our cover story features checkoff investments we make with the U.S. Meat Export Federation (USMEF) and U.S.A. Poultry and Egg Export Council (USAPEEC). Hogs and poultry especially are large consumers of Illinois soybean meal. So supporting efforts to sell more animal protein means those animals need more feed.
- International market development takes a coordinated effort. Illinois soybean checkoff dollars help support activities worldwide with such organizations as the U.S. Soybean Export Council (USSEC), United Soybean Board (USB) and World Initiative for Soy in Human Health (WISHH).
- ISA uses checkoff funds to share the benefits of livestock production in Illinois through events, outreach and advertising to encourage community support for animal agriculture. Read more about some of the work we do to boost local attitudes toward livestock expansion, increase local markets for soybean meal and reduce transportation costs.
- Biodiesel is a long-term success story for Illinois soybean farmer return on investment. You can learn about efforts to promote the alternative fuel in the pages ahead. For example, ISA continues to see success with its “Get Pumped Up” about biodiesel campaign that has increased awareness of biodiesel’s availability and use.

Other projects also are rolled into the other pages of this issue. You can learn more about our portfolio of projects at ilsoy.org. I also invite you to attend the Illinois Soybean Growers annual meeting, Feb. 5, 2016, at the ISA office in Bloomington, Ill. Finally, on behalf of the staff and farmer leaders associated with the Illinois Soybean Association, I wish you Happy Holidays and a Happy New Year. •

DARYL CATES
ISA Chairman
After more than a decade, Illinois soybean farmers are gaining a foothold in new markets for U.S. soy-based livestock feeds as well as human foods. This progress is made through their investment in the American Soybean Association’s World Initiative for Soy in Human Health (WISHH). ISA cooperated with other state soybean checkoff organizations to create WISHH in 2000. During that time, WISHH has worked in 23 countries, and will explore three new markets in 2016.

In its early years, WISHH focused on adding high-protein soy products, like textured soy protein and soy flour, to human foods. Today the role has expanded to include other areas and some 55 soy food products that have been developed for commercial application around the world.

As an ISA Soy Ambassador about five years ago, I saw WISHH’s work firsthand. I traveled to Central America and met with WISHH-assisted company representatives who were incorporating value-added soy products into meats, beverages and more. I also met with people who benefited from improved nutrition after having consumed U.S. soy.

ADM in August 2015 reinforced the value of such early market development for our soybeans with their announcement to expand the company’s footprint in Central America. ADM decided to open distribution and merchandising offices in El Salvador and Guatemala.

At the time, Federico Gorbea, president and general manager of ADM Latin America, stated, “We want to get closer to our customers by offering them a full supply chain solution for their grain, meal and oil demand, taking advantage of ADM’s unique, fully integrated transportation network and enhanced distribution capability in each market. We are excited about the opportunities we see to expand our business in these two countries and elsewhere in the region.”

WISHH’s work in these markets complements opportunities for U.S. soy in poultry exports, too. I represent ISA on the U.S.A. Poultry and Egg Export Council (USAPEEC), and was pleased when USAPEEC’s efforts lined up with WISHH’s. For example, USDA funded WISHH’s poultry and feed development project in Ghana — a USAPEEC targeted market.

USAPEEC members believe U.S. support of the Ghanaian poultry industry and other agricultural development programs are part of an important relationship between Ghana and the U.S. This will allow for a healthy trade environment between the two nations.

In 2014, Ghana imported more than $80 million of U.S. frozen poultry. As Ghana and other developing countries grow their economies, I hope they will continue to buy poultry from the United States. WISHH can add value as it helps develop future markets for U.S-grown soy.

It is important that we diversify the marketplace for our soy products. While it is great we move a lot of soybeans to China and Mexico, the more countries we can get a foothold in the better. Remember we used to export to Russia, and now that market has dwindled. Some markets may develop slowly at first, but WISHH has and will continue to enhance our efforts.

Gary Berg, an ISA district director from St. Elmo, Ill., who also serves on the American Soybean Association’s World Initiative for Soy in Human Health (WISHH) Program Committee.
Feeding Animals for Export Sells Soybeans

BY BARB BAYLOR ANDERSON

Illinois soybean checkoff dollars are invested in meat and poultry export promotion. And why not? Hogs consume 85 percent of the soybean meal fed in Illinois, and poultry eat about half of the U.S. soybean meal consumed nationwide.

The U.S. Meat Export Federation (USMEF), one of the organizations checkoff dollars supports, believes increasing U.S. meat exports is an effective way to grow demand for Illinois soybeans. U.S. pork exports in 2014 accounted for 26.5 percent of U.S. pork production.

"We are proud of our 30-year partnership with the Illinois Soybean Association (ISA). Through combined efforts, USMEF makes certain soybean producers benefit from the world's growing appetite for U.S. red meat," says John Hinners, USMEF assistant vice president of industry relations. "USMEF sees value-added red meat exports as an increasingly more critical component for profitability in American agriculture. Buyers worldwide demand the highest quality, safest meat and continue to look to the United States as a consistent, reliable supplier."

John Hagenbuch, soybean farmer from Utica, Ill., ISA director and member of the USMEF executive board, agrees. "Illinois soybean meal feeds our livestock, and Illinois is uniquely positioned within the U.S. to efficiently raise, pack and ship meat around the world," he says. "Promoting U.S. pork and other meat exports ensures local markets for our soybeans."

The same is true of the U.S.A. Poultry and Egg Export Council (USAPEEC). Gary Berg, soybean farmer from St. Elmo, Ill., ISA director and member of the USAPEEC board.

"We export so many soybeans to China, but the best of all worlds is when we feed soybeans to poultry also and export the meat to China and other countries," Berg says. "Many USAPEEC projects we support are matched by USDA, so our money goes further. Not everyone buys our soybeans, but the more countries we can export soybeans in one form or another, the better."

Soybean checkoff funds support U.S. broiler and turkey exports through technical programs, trade shows, poultry science courses, recipe contests and retail promotions. The program focuses primarily on Mexico, Peru, Jordan, United Arab Emirates (UAE), Korea and Singapore.

"We've been extremely fortunate to have ISA as a member of USAPEEC for nearly 20 years," says USAPEEC President Jim Sumner. "ISA is an ideal partner in USAPEEC's efforts to open, develop and protect our markets around the world. U.S. poultry and egg exports in 2014 reached $5.8 billion and accounted for the equivalent of more than 160 million bushels of soybeans."

POULTRY MARKET: MEXICO

Since FY2011, USAPEEC has reached more than 92 percent of Mexican meat processors and seen 20 new products launched. USAPEEC during the next three years expects U.S. poultry imports into Mexico to rise two to three percent. Already as the largest market for U.S. poultry exports in 2014, the U.S. sold the equivalent of 36.9 million soybean bushels as poultry.

USAPEEC assists the Mexican processing industry in using U.S. poultry as a raw ingredient. The training encourages Mexican companies to not only use more U.S. poultry for their new ready-to-cook and ready-to-eat products, but updates them on processing, packing and storage technologies to help them meet international standards.

POUR MARKET: MEXICO

Checkoff dollars have been invested in USMEF work in Mexico for three years. Mexico's per capita pork consumption has risen an average 3.3 percent each year. Mexico in 2014 set U.S. pork records with a nine percent increase in volume and 27 percent increase in value purchased.

Last year, checkoff funds helped create a new TV spot showing simple-to-make, mouthwatering pork dishes. USMEF also provided promotional point-of-sale (POS) materials. With continued checkoff support, USMEF's program has a new spin, focusing on pork convenience and practicality with new recipes and cooking applications. The hope is that Mexican consumers will see pork as something they easily can prepare using ingredients they already have on hand.
BEEF MARKET: CENTRAL AMERICA

USMEF presented its comprehensive red meat certification program last year in Guatemala and El Salvador to boost beef demand. The program included two training courses that were presented to importers, distributors, processors, retailers and foodservice managers to learn about U.S. beef quality and proper merchandising and handling techniques.

POULTRY MARKET: MIDDLE EAST

One of the primary USAPEEC projects the soybean checkoff supports is the Gulfood trade show held in Dubai every year. It is one of the world’s fastest-growing food and beverage expositions with more than 4,800 exhibitors and 85,000 visitors from 170 countries in 2015. The Illinois soybean checkoff helps sponsor a double-decker pavilion and a booth for poultry and egg cooking demonstrations.

The U.S. exported $903 million of U.S. poultry and eggs to the Middle East and Africa in 2014, and estimates new sales for the next 12 months could add $6 million more. The Middle East, particularly Jordan, Oman, Qatar and UAE, is a growing market for U.S. poultry exports. USAPEEC hopes to expand geographic distribution and volume and variety of U.S. poultry, and educate people about High Pathogenic Avian Influenza (HPAI).

POULTRY MARKET: PERU

To fully seize opportunities created through the USA-Peru Free Trade Agreement of 2006, USAPEEC is evaluating current market opportunities. USAPEEC is targeting retail and foodservice sectors with information to bolster future U.S. chicken and turkey sales. Efforts include conducting in-store promotions with leading supermarkets, while foodservice work includes chef training workshops about how to use U.S. poultry in local recipes.
PORK MARKET: JAPAN

Soybean checkoff sponsorship of USMEF work in Japan is new for 2016. The goal is to help consumers understand the safety, quality, convenience and freshness of U.S. pork products to increase demand for U.S. pork and grow U.S. market share.

Japan is a competitive marketplace for pork-exporting countries because Japanese consumers demand premium pork. U.S. exporters face competition from the European Union (EU), so USMEF has a series of targeted promotional activities that fully capitalize on the advantages of chilled U.S. pork and the unique versatility that differentiates it. USMEF also has introduced more value-added and branded U.S. pork options with a new U.S. pork logo.

PORK MARKET: CHINA AND HONG KONG

USMEF’s foodservice program for U.S. pork kicked into high gear last year with a series of U.S. pork menu promotions aimed at improving overall consumer awareness of the U.S. pork brand. USMEF identifies and partners with highly-influential restaurants and well-known chains in China to maximize the effect and reach of its pork promotion activities.

POULTRY MARKET: SOUTH KOREA

With HPAI in U.S. flocks, South Korea placed a ban on imports of uncooked frozen U.S. poultry products. The ban was a significant blow to U.S market growth, but heat-treated products can enter the market with proper health certificates. This provides an opportunity to focus on uncooked frozen meat products not previously marketed sufficiently. USAPEEC plans to conduct an HPAI safety seminar, online consumer cooking contest and offline cooking class.

This little piggy eats soy protein

So do chickens, turkeys, cows and fish.

In fact, animal ag is your No. 1 customer - consuming 97 percent of your soybean meal. That’s bringing home the bacon.

Learn more at www.ILSOY.org/animalag
A SOYBEAN DISCUSSION IS HAPPENING ACROSS ILLINOIS.

JOIN THE CONVERSATION NOW.

At ILSoyAdvisor.com, you’ll find management and production tips, the latest research, market information, weather forecasts and more. It’s always relevant and from local experts—and it’s all within a click of a button. Visit ILSoyAdvisor.com today for the tools to help increase your yields.

DID YOU KNOW?

YOUR CHECKOFF FUNDS are establishing a partnership with Illinois Certified Crop Advisers to share knowledge and spark discussions that are useful to Illinois soybean producers.

Find out more at ILSoyAdvisor.com
International Top Customer Roundup

**TOP PORK EXPORT MARKETS FOR 2014**

1. Mexico
2. Japan
3. Canada
4. South Korea
5. China

**SOYBEAN OIL BY BUSHEL EQUIVALENT**

- Mexico: 42.1 million
- Dominican Rep.: 26.5 million
- Peru: 21.9 million
- Venezuela: 15.0 million
- Morocco: 13.3 million

**SOYBEAN MEAL BY BUSHEL EQUIVALENT**

- Mexico: 77.8 million
- Philippines: 67.1 million
- Colombia: 37.6 million
- Venezuela: 34.8 million
- Canada: 33.7 million
WHOLE SOYBEANS BY BUSHELS

<table>
<thead>
<tr>
<th>Country</th>
<th>Bushels</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1.1 billion</td>
</tr>
<tr>
<td>Mexico</td>
<td>126.3 million</td>
</tr>
<tr>
<td>Japan</td>
<td>73.9 million</td>
</tr>
<tr>
<td>Netherlands</td>
<td>69.0 million</td>
</tr>
<tr>
<td>Indonesia</td>
<td>68.9 million</td>
</tr>
</tbody>
</table>

TOP TURKEY EXPORT MARKETS
1. Mexico
2. China
3. Canada
4. Hong Kong
5. Benin

Source: USDA, FAS
Optimize® and TagTeam® LCO are teeming with hard-working microbes for your soybean crop. Optimize is a dual-action inoculant utilizing LCO technology and specially selected rhizobia to help boost root growth and nitrogen fixation. TagTeam LCO goes one step further by adding the phosphate-enhancing qualities of Penicillium bilaii to give you a true MultiAction™ inoculant. It’s time to use nature’s farmhands to help protect and maximize your yield potential.

Discover more at MonsantoBioAg.com
Not Just Beginner’s Luck
Teamwork with Plant Health Focus Smashes 100-Bushel Soybean Mark

> BY MARK D. INGBRITSON

With the second highest Illinois corn yield in 2014, Jason Lakey and his father, Robert, are no strangers to pushing high yields. But 2015 was the first year they entered the Illinois Soybean Association’s (ISA) checkoff-funded Yield Challenge.

A strong team, a solid plan and intensive management helped the father-son duo from Urbana, Ill., set a new verified state soybean yield record of 108.3 bushels per acre.

“We’ve always said soybean yields have greater upside potential with the right management,” says John Longley, soybean farmer from Aledo, Ill., and ISA Production Committee chair. “The new record is a prime example that management matters for beans just as it does for corn.”

100 BUSHELS AND BEYOND
The Lakeys started with premium genetics, in this case Asgrow’s AG4135 with a 4.1 maturity, protected by fungicide and insecticide seed treatments and a seed inoculant. Their Yield Challenge plot was planted April 24 on 20-inch rows and a population of 145,000 seeds per acre.

“We wanted those plants to stay green as long as possible to collect more sunlight and maximize yields,” says Lakey. “Early planting with full-season beans is important to making that happen.”

The team paid extra attention to plant health, according to Shelby Kaufman, agronomist with Ehler Bros. Co., in Thomasboro, Ill. “We scouted regularly,” she says. “We monitored plant height, counted trifoliates and pods, and we adjusted our approach as needed to encourage growth and keep the plants free of stress.”

LESS STRESS, BIGGER YIELDS
“Our overall approach is to start with high-yield genetics for the situation and then do everything we can to manage stress and keep plants healthy and happy to maximize their genetic potential throughout the season,” confirms Jason Watson, StollerUSA in Villa Grove, Ill.

The team added the foliar nutrient spray, Bio-Forge, along with a fungicide and insecticide spray about two weeks after the glyphosate application. They also applied Bio-Forge with the fungicide and insecticide at the R2 to R3 growth stages to help promote flowering and vegetative growth. Finally, they came back with more foliar nutrition, Sugar Mover, at R5 to help stimulate pod fill.

“We learned a lot this season,” concludes Lakey. “You have to take some chances and then see what can be applied to the rest of your farms.”

SUCCESS VERIFIES SOYBEAN CHECKOFF EFFORT
The Lakeys weren’t alone in pushing soybean yields higher this season. Several participants in ISA’s Yield Challenge achieved yields in the mid-to upper-80 and 90-bushel-per-acre range.

The Lakey family, Jason, Mary and Robert (left to right), recorded the highest soybean yield in Illinois in 2015.

“Seeing so many farmers reaching those high yields shows the value of the checkoff,” says Don Meyer, Illinois State University lecturer and ISA Yield Challenge advisor. “This really verifies what ISA has been saying – that management matters for beans just like it does for corn. We hope these results help Illinois soybean farmers be more successful and more profitable.”

Complete results, including state and regional winners, will be available in January 2016.

MORE INFORMATION AVAILABLE
Visit www.ILSoyAdvisor.com for more information about the Yield Challenge, including a behind-the-scenes Q&A on the drive for 108-bushel beans. Watch for the February issue of Illinois Field & Bean for more tips on how to boost yields and break yield barriers.
SERIOUS SOYBEAN POWER
Biodiesel Continues to Fuel Growing Industry

From crayons to cleaning products and cosmetics to car upholstery, soybeans are used in a variety of industries and a variety of ways. That versatility has created a number of value-added markets — notably biodiesel — which supports soybean prices and helps bolster farmer profitability.

"Livestock producers remain the largest soybean consumers, specifically the protein-rich meal that comprises about 80 percent of the soybean. But in the early 2000s, Illinois soybean checkoff funds helped launch the biodiesel industry, which created more consistent demand for soybean oil, which is about 18 percent of the soybean," says Austin Rincker, a soybean farmer from Moweaqua, Ill., and ISA director. Annual investments in biodiesel research and promotion ensure fuel reliability and dependability. Today’s biodiesel industry includes production plants in 38 states capable of cumulatively producing more than two billion gallons per year. And while biodiesel can be made from a number of vegetable oils and animal fats, soybean oil accounts for roughly half of the U.S. biodiesel produced. A recent checkoff-funded Informa Economics study found demand for biodiesel has added $18.8 billion to the soybean industry, increasing soybean prices by 63 cents per bushel.

**BENEFITS BEYOND THE FIELD**
Outside of its beneficial impact on soybean demand, biodiesel provides reliability, power and green qualities. Favorable Illinois state tax policy on biodiesel blends higher than 10 percent creates an additional benefit.

"We initially were attracted to the fuel for our school buses because of the economic savings it offers over petro diesel, but have since grown to appreciate its other values," says John Benish, Jr., chief operating officer at Cook-Illinois Corporation.

According to the U.S. Environmental Protection Agency, biodiesel reduces greenhouse gas emissions by 57 to 86 percent. Running biodiesel in the 2,100 Cook-Illinois buses reduces carbon dioxide emissions equivalent to the planting of roughly 3,000 trees.

Cook-Illinois is among an elite group of fleets comprising the B20 Club — a club launched in January as a partnership between ISA, with soybean checkoff support, and the American Lung Association in Illinois. The goal is to recognize and reward Illinois-based fleets running on blends of B20 or greater.

In its inaugural year the B20 Club welcomed nine members: City of Elmhurst, City of Evanston, City of Moline, Cook-Illinois Corporation, G&D Integrated,
Peoria CityLink, R&N Trucking LLC, S.K. Davison and Village of Oak Park. Together, club members represent more than 3,000 vehicles running on more than 2.8 million gallons of B20 each year.

The City of Evanston’s fleet includes 145 diesel vehicles. Running on B20 helps contribute to the city’s overall sustainability initiative, says Lisa Gray, city fleet operations coordinator.

“The nature of municipal work means that fleet vehicles have to sit idle from time to time,” Gray says. “Running the vehicles on B20 means we are putting fewer greenhouse gases in the air, which is better for air quality and the people of Evanston.”

“Biodiesel technology continues to be the most efficient and clean energy available in the transportation sector and one that clearly helps farmers’ bottom lines. With biodiesel production expected to increase for the next couple of years, the greater demand should mean more dollars coming back to our farms and cleaner air in our communities,” says Rincker.
Bridging the Gap

Roundtable Connects Sustainability Conversation from Field to Fork

> BY MARK D. INGBRITSON

Sustainability has become a common topic of conversation — from farms and local coffee shops, to corporate boardrooms. But for all the talk, there’s not enough listening and learning.

That’s why the Illinois Soybean Association (ISA) invested checkoff funds earlier this year in hosting a Soy Talk Sustainability Roundtable event at Kent and Janet Hodel’s farm near Metamora, Ill. In attendance were past and present ISA directors and representatives from non-government organizations, agribusiness companies, food processors and retail food companies. The goal was to share perspectives about sustainability and begin to bridge the gap between supply chain needs and soybean production realities.

“Our farmers’ stories about their on-farm practices are critical to helping these segments of the food supply chain demonstrate continuous improvement to their consumer audiences,” says ISA CEO Craig Ratajczyk. “We seldom have a chance to connect both ends of the system, but it is vital farmers are integrally involved in conversations and decisions affecting their operations.”

“We all hear about sustainability and the drive for documenting on-farm practices,” adds Doug Winter, soybean farmer from Mill Shoals, Ill., and United Soybean Board (USB) director. “This was a great chance for farmers to share their experiences and perspectives with high-level decision makers in the food supply chain. It is important they understand where we are coming from, so we all are working towards the same goals and working together.”

Following the event, industry representatives say they benefitted from the Soy Talk discussion and lauded ISA efforts to bring together all aspects of the food chain.

“I always am keenly interested in conversations that engage industry and farmers,” says Anita Foster, corporate responsibility manager, The Mosaic Company. “We appreciate ISA helping connect us to farmers and other stakeholders. This is increasingly critical to meet all aspects of the food chain.”

Rod Snyder, president of Field to Market, says meetings like the Soy Talk Roundtable are imperative for the long-term success of the U.S. food industry.

“Field to Market’s mission is to create opportunities for collaboration across the agricultural supply chain, advancing and demonstrating farmers’ continuous improvement in productivity, environmental quality and human well-being. We sincerely appreciate ISAs efforts. Bringing these groups together is absolutely key to maintaining trust in America’s food system,” he says.
Illinois has become the top soybean producing state, edging out Iowa for most bushels in 2013, 2014 and likely in 2015. Soybean checkoff dollars are exploring new ways to position that production leadership, from local farmers to international buyers, and every step in between.

ISA CEO Craig Ratajczyk shares his thoughts about the new program:

**Q: Who is the target audience for Soy from Illinois?**

**A:** Soy from Illinois is aimed at everyone in the supply chain, from farmers to foreign and domestic soybean buyers, along with soybean processors, food companies, legislators, business leaders and other consumers in Illinois and beyond.

**Q: What is Soy from Illinois?**

**A:** Soy from Illinois is an identifiable, cohesive approach to build awareness and demand for Illinois soybeans and, ultimately, better profits for our farmers.

**Q: How was Soy from Illinois developed?**

**A:** For the last two years, Illinois has been the nation’s leading soybean-producing state. Our reliable supply, consistent quality, sustainable production and efficient transportation options help make our farmers the most competitive soybean producers in the world, and we need to promote that. This new platform lets us tell our story in a more consistent way that incorporates everything we do to invest farmer checkoff dollars.

**Q: Where will Soy from Illinois information and materials be shared?**

**A:** The Soy from Illinois message will be shared on ISA trade missions and with trade teams who visit Illinois. It also will be featured in the Illinois Department of Agriculture’s promotional magazine this month and in multiple other outlets with multiple audiences. This includes local, regional, national and international audiences. You can expect to see a lot more of Soy from Illinois in the coming months and years.

“I SA is committed to working with our entire industry on sustainability goals; our successes are intertwined.”

CRAIG RATAJCZYK
ISA CEO
ILLINOIS FEED MILLS ADD VALUE TO ILLINOIS SOYBEANS

> BY LAURA TEMPLE

The U.S. Census of Agriculture counts more than 4.6 million hogs, 5.5 million chickens and turkeys, 1.1 million beef and dairy cattle and 85,000 sheep and goats in Illinois. And they all have to eat.

Illinois and nearby state feed mills supply most of that animal feed — combining protein, carbohydrates, fat, vitamins and minerals into carefully balanced animal diets. The primary protein source is soybean meal.

“Soybean meal is a staple protein source for livestock,” says Darwin Wohltman, vice president of feed and livestock for The Equity, based in Effingham, Ill. “It’s the second largest ingredient in our rations. Although other ingredients provide protein, soybean meal always will be needed. It is about one-sixth of our total feed volume.”

The Equity makes 225,000 tons of feed a year for hogs and dairy cattle in east central and southern Illinois, serving as a toll miller for multiple hog integrators. Wohltman says they have seen a shift to farmers buying complete feed instead of mixing it on-farm.

Eastland Feed & Grain, based in Shannon, Ill., custom mixes feed for a diverse livestock population at its mill for independent farmers in northwest Illinois and beyond.

“We feed hogs, dairy cows, beef cattle, brown egg layers, turkeys, sheep and even dairy goats,” says general manager Roger Coulthard. “We use about 100 to 125 tons of soybean meal, 10,000 bushels of corn and 75 tons of distillers grain daily.”

Coulthard says they turn another 600 to 700 bushels of whole soybeans into a premium feed additive every day with their soybean extruders. “Adding fat via soybean oil benefits specific diets. For example, it increases egg size for layers, digestibility for weaned piglets and energy for dairy cows,” he says.

Eastland Feed & Grain and The Equity each use soybean meal from roughly 30,000 acres of soybeans annually, adding value to the commodity — and their communities.

“Our nutritionists help farmers realize production bumps with minor adjustments to feed at almost no cost, benefitting their businesses,” says Coulthard. “Plus, we bring jobs and a stable agriculture environment to our area.”

Wohltman adds, “If we’re not making feed here, the soybeans and corn have to go somewhere else, probably farther away.”

Manufacturing animal feed at Illinois feed mills contributes $3.6 billion and more than 10,600 jobs to the Illinois economy, with much

The Eastland Feed & Grain feed mill in Shannon, Ill., uses 100 to 125 tons of soybean meal and 600 to 700 bushels of whole soybeans daily for livestock and poultry feed.
of that investment in rural Illinois communities, according to the 2015 Illinois Agriculture Economic Contribution Study, which was partially funded by the Illinois soybean checkoff.

GROWTH POTENTIAL
Both Coulthard and Wohltman see opportunity to expand their feed businesses. “As the world population grows and needs more high-quality protein, we will need more livestock and soybeans to feed them,” Wohltman says, adding that crops and livestock work well together. “Raising livestock diversifies farms, provides crop nutrients and offers opportunities for the next generation to farm. We can judiciously increase production in Illinois to help meet those needs and add value to our communities.”

The soybean market would benefit from such growth. According to industry estimates, requests from Illinois farmers to build or expand barns in 2014 and 2015 represented a potential 12,500-ton increase in soybean meal demand. Hog barns are going up throughout Illinois, and turkey producer Farbest Foods recently announced plans for 20 percent growth during the next two years, requiring a 20 percent increase in soybean meal.

YOUR MISSION:
Because Profitability Matters.

It’s a mission of epic proportions: Increase yields and profitability in some of the most challenging times in agriculture’s recent history. The keys to success are here, at the 2016 Illinois Soybean Summit.

FRIDAY, JANUARY 29
KELLER CONVENTION CENTER, EFFINGHAM

THURSDAY, FEBRUARY 25
PEORIA CIVIC CENTER, PEORIA

FRIDAY, MARCH 11
GIOVANNI’S CONVENTION CENTER, ROCKFORD

FREE TO ILLINOIS SOYBEAN FARMERS

Funded in part by the Illinois soybean checkoff, these one-day summits encourage participants to examine and explore various soybean management techniques such as:

- DOUBLE-CROP SOYBEANS
- THE FUTURE OF PHOSPHORUS MANAGEMENT
- DRONES IN AGRICULTURE
- TECHNOLOGY TO IMPROVE PROFITABILITY
- PRACTICAL FARM RESEARCH ON GROWING HIGH-YIELD SOYBEANS
- MANAGING SOYBEANS IN AN ERA OF HIGH RESIDUE

Enjoy great food and conversation! You’ll be eligible to WIN a limited edition Mission: Yield Carhartt jacket and hat just for attending!

Questions? Call Dustin Scott at (309) 808-3603 or email scottd@ilsoy.org.

Funded in part by the Illinois soybean checkoff.
According to the USDA Economic Research Service, U.S. net farm income may decline by 36 percent in 2015. Commodity prices are not expected to improve for the foreseeable future. Farm Management Specialist Steven Johnson, Ph.D., with Iowa State University Extension and Outreach, shares his insights on commodity markets, risk management plans and steps Illinois soybean farmers can take to ensure a financially strong 2016.

After consecutive years of high soybean prices and production, farmers face the challenge of tighter margins. What are your recommendations to better manage risk?

Farmers are going to see more financial stress in the next six months, but they have many resources available to stay ahead of the curve on finances. The key is working with your ag lender to update your financial statement and creating both a financial and risk management plan. My top recommendation is to start early. This winter, farmers can work to refinance, stretch out payments on machinery and land, free up working capital and fix their interest rates.

What is your forecast for 2016 crop costs?

Crop costs will drop roughly two to three percent overall in 2016, estimates Iowa State University Extension. Most of those declines will be adjustments to cash rental rates. Overall, we do not see a significant drop. A reasonable goal I recommend to farmers is to cut five to 10 percent of their costs over a two-year period. Start with fixed costs; land, machinery and family living. You won’t reach your goal with your seed dealer and fertilizer and chemical dealer. Go to your fixed cost structure to find the cuts. If you’re not there yet, December is an ideal time to start.

How can farmers estimate potential profit margins and plan for next season?

Most farmers know roughly what their total costs are, but they don’t know their cost per bushel. Looking ahead, farmers need to have a good recordkeeping system so they can calculate fixed and variable costs on a per farm, per crop, per crop rotation and per field basis. We’re headed in the direction of big data, and making those calculations for your records will not only increase profitability, but also help you better understand crop value for marketing purposes.

What are the most common mistakes farmers make managing costs during downturns?

We’re coming off some of the best years in row crop history, but farmers need to prepare for the highs and the lows. I frequently see farmers make one of two mistakes in trying to conserve cash. Farmers will try to store their way to prosperity or borrow their way to profitability. Neither option works in the short run. Unless we experience a major weather event, it is unlikely we will have a spring rally great enough to justify long-term storage. Another problem arises when farmers have split lines of credit — if they owe the seed dealer, the co-op and the bank. Some farmers spread out borrowing so no one lender sees the working capital constraint. Talk with a primary ag lender to ensure they see all your costs to advise the best action plan.

For more tips, tune into RFD Radio or your local farm radio station this winter for Profitability Matters. The Illinois soybean checkoff-funded radio series can help Illinois soybean farmers manage their operations and improve on-farm profitability. Interviews with the experts can be found at ilsoy.org/profitability or at ILSoyAdvisor.com.

“Financial management is the key to riding the storm out, because I think 2016 looks a lot like 2015 for row crop agriculture.”

STEVEN JOHNSON
Ph.D., farm management specialist with Iowa State University Extension

PHOTO SUBMITTED BY STEVEN JOHNSON.
Soybean Checkoff Sponsors Biodiesel Scholarships

The Illinois soybean checkoff sponsored two student scholarships, a learning session and engaged participants in biodiesel trivia at this year’s Illinois College Automotive Instructors Association (ICAIA) Conference held at Southern Illinois University Carbondale, Oct. 8 and 9. ISA representatives also shared checkoff-funded biodiesel curriculums with teachers via flash drives. The open-source curriculum helps instructors educate the next generation of diesel technicians.

Ag Secretary Appoints ISA Directors to United Soybean Board

U.S. Ag Secretary Tom Vilsack appointed 17 new members and one alternate member to the United Soybean Board (USB) in late October, including two ISA directors; Lynn Rohrscheib, Fairmount, Ill., and Gary Berg, St. Elmo, Ill. Both will be officially appointed at the USB annual meeting this month in St. Louis, where they will begin their first terms on the board. The group works to invest soybean checkoff funds on behalf of all U.S. soybean farmers in projects to improve farmer profit potential.

University of Illinois Addresses Soybean Breeding in Africa

Soybean breeding in Sub-Saharan Africa is not well developed. As a result, farmers there do not get access to high-yielding seed varieties similar to American farmers. University of Illinois researchers created a program to help train and educate soybean breeders from Ghana, Ethiopia and Zambia so they can develop their own, better varieties.

“In the past, we’ve put technology in the hands of the farmers, forgetting that agricultural research has been gutted in these countries. This program...is focused on helping researchers in developing countries...to change the foundation of the soybean system,” says Peter Goldsmith, University of Illinois economist and principal investigator of the USAID’s Soybean Innovation Lab. Learn more from soybeaninnovationlab.illinois.edu.

Illinois Farmer Credits Illinois Agri-Women for Success

Krista Lottinville, a farmer from Sheldon, Ill., won Syngenta’s Drive to Thrive contest this fall, which challenged participants to describe how agriculture drives their communities. Lottinville, a member of the Illinois-Agri Women, used her essay to describe how agriculture nurtures the talents of young women with leadership potential and personally to foster her own professional growth.

“It is an industry that thrives, in part, because of the community of women who are committed to creating more opportunities for female students and other young leaders,” she says. Lottinville donated her prize to the Women Changing the Face of Agriculture group. Syngenta also will also donate $1,000 to the group.

ASA Director recognized as Champion of Change at White House Event

American Soybean Association (ASA) Director Mark Jackson was honored at the White House Champions of Change in Agriculture event, along with other growers whose efforts in sustainability are helping address climate and environmental challenges. Jackson, of Rose Hill, Iowa, was nominated for teaching and practicing sustainable and climate-smart agriculture and was part of the ceremony at the White House in October. •

CALENDAR OF EVENTS

ASA Soybean Leadership College
> Jan. 5-7 • St. Louis, Mo.

Northern Illinois Farm Show
> Jan. 13-14 • DeKalb, Ill.

Illinois Fertilizer and Chemical Assoc.
> Jan. 19-21 • Peoria, Ill.

Midwest Ag Expo
> Jan. 27-28 • Gordyville USA

Illinois Soybean Summit
> Jan. 29 • Effingham, Ill.
Attention Illinois Soybean Growers (ISG) Members

ISG Policy Session
All ISG members are invited to attend the ISG Policy Session Friday, Feb. 5, 2016, at the ISA office located at 1605 Commerce Parkway, Bloomington, IL 61704, from 8 a.m.–11 a.m.

The purpose of this session is to allow ISG members and the ISG Board of Directors to review the current American Soybean Association (ASA) Resolutions for changes and amendments that will be presented at Commodity Classic in New Orleans, La., in March 2016.

The resolutions are available for viewing at www.ilsoygrowers.com by clicking on “Download 2015 ASA Resolutions” at the top of the home page. You may also contact Judy Smith at smithj@ilsoy.org or at 309-808-3612 and she will email you the file.

ISG Annual Meeting of Members
Pursuant to Article III, Section 3, of the Bylaws of Illinois Soybean Growers, notice is hereby given that the annual meeting of the members of the Illinois Soybean Growers will be held Friday, Feb. 5, 2016, from 11 a.m. – 12 p.m. at the Illinois Soybean Association office located at 1605 Commerce Parkway, Bloomington, IL 61704. All ISG members are invited.

The purpose of the annual meeting is to provide reports on association activities, approve the acts and deeds of the directors and staff, and to transact such other business as may properly come before the meeting.

ISG members are invited to attend lunch from 12 p.m. – 1 p.m. Contact Dustin Scott at scottd@ilsoy.org, 888-826-4011 or 309-808-3603 by Tuesday, Feb. 2, 2016, if you plan to attend.

DATED THIS 11TH DAY OF DECEMBER 2015
Sincerely,

Illinois Soybean Growers Secretary

Register in 3 easy steps:
1 Visit VoiceforSoy.org
2 Click “Join Us”
3 Complete the registration form

To learn more information about ISAs Corporate Partner’s Program visit ilsoygrowers.com
I'M A LEADER

Animal Agriculture Advocate

Julie Maschhoff

The Maschhoffs LLC, is the largest family-owned hog production network in North America. The company is headquartered in Carlyle, Ill., and is owned by fifth generation family members Dave and Karen Maschhoff and Ken and Julie Maschhoff. Julie leads the company's communications and public relations efforts. She has a passion for advocating for sound ag policy at the state and national levels. The Maschhoffs partner with nearly 550 family farmers across the Midwest to collectively produce enough pork to feed more than 16 million consumers annually.

WHY HAS THE MASCHHOFFS ASSUMED A LEADERSHIP ROLE IN THE PORK INDUSTRY?

This is our heritage. Our ancestors first came to Illinois in 1851, and began a family farming tradition. Ken and Dave, along with their parents, Wayne and Marlene, have always been passionate about promoting agriculture and serving on local and state committees. Karen and I also learned the importance of agriculture from our respective farm families. Now, Dave and Karen and Ken and I are working to pass these ideals along to our children.

As part of my role with The Maschhoffs, I explain safe food production to consumers and communicate about the regulations and laws we follow so consumers understand what we do. Our environmental team is focused on sustainability by delivering responsible and progressive environmental management strategies to reduce odor, protect water resources and enrich land. We lead the industry in environmental advancements by doing things like participating in university studies to reduce phosphorus levels in manure and working toward improvements in constructing environmentally sound buildings.

WHAT IS THE VALUE OF A SOLID RELATIONSHIP BETWEEN SOYBEAN FARMERS AND PORK PRODUCERS?

For both soybean farmers and pork producers to be successful, we must continue to forge a close link between our businesses. I have seen Illinois soybean leaders in action promoting the soybean and pork industries together. I was in Cuba this fall on the Illinois Cuba Working Group (ICWG) mission, and was impressed to see Illinois soybean farmers not only looking at opportunities to sell more soy, but also to export more U.S. pork products. They understand the value of exporting pork versus trying to build Cuban pork production. Together we can export soybean meal and other soy products and sell value-added pork loin, bacon and sausage.

WHAT ISSUES CAN WE PARTNER ON TO ADVANCE PROFITABILITY FOR THE SOYBEAN AND PORK SECTORS?

Rural development, Waters of the United States (WOTUS), exports and free trade. These all are issues that affect both our industries. In many cases livestock producers also are soybean farmers and are naturally interested in challenges that affect the profitability of both sectors.

HOW CAN FARMERS SUCCESSFULLY TALK WITH CONSUMERS ABOUT ISSUES LIKE FOOD SAFETY OR MANURE MANAGEMENT SO THEY ARE ASSURED AGRICULTURE STRIVES TO DO THE RIGHT THING?

A tremendous number of resources exist, including this magazine, which can help farmers tap into more information. I like to scroll through various news sources and save stories that tell the truth about farming and then share those stories with others. Take advantage wherever you are of the people you run into every day, and make that human connection between farming and food. Talk about what you do to produce safe, healthy food and answer questions honestly.
Make soybean cyst nematodes useful. Turn them into fertilizer.

While other seed treatments claim to be effective against soybean cyst nematodes (SCN), Clariva® Complete Beans seed treatment, a combination of separate products, is the only broad-spectrum seed treatment proven to kill them all season long. As it acts to destroy SCN, it also reduces damage from sudden death syndrome (SDS). All this lethal power comes from a tough nematicide paired with the unbeaten insect and disease protection of CruiserMaxx® Beans with Vibrance® seed treatment, a combination of separately registered products. So contact your Syngenta representative or visit ClarivaCompleteBeans.com. And take back your fields.

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