

# Growing Our Future



# Annual Report To The Membership



My name is Jimmy Thomas and I am a farmer from Person County, North Carolina. January marks the completion of my first term as president of the North Carolina Soybean Producers Association. The association has had a stellar year of growth and improvement. The association has worked hard on strategic priorities and increased its capacity to do good work. We are implementing the best principles and practices to ensure accountability, openness and success.

We made major commitments in soybean research and promotion in 2011. I would like to share a few of those with you.

Throughout the last two years of near-crisis for state and federally funded research, we maintained our capacity to invest the checkoff in research priorities that are most important to farmers. We strengthened our partnership with North Carolina State University and responded when asked to do more to support the university. Our research investment has grown to \$600,000 for the upcoming year, up from \$430,000 in 2011. The soybean checkoff supports practical research projects across all aspects of soybean production. Projects that receive funding are selected primarily because they address farmers' priorities.

Leadership skills are important resources for farmers today, and not just for preparing farmers to volunteer on checkoff boards. The last couple of years have witnessed an explosion of books, articles, documentaries, and media events questioning if what we do can rightfully be called farming. We realize people have questions. Our association is helping to prepare farmers to engage with fellow citizens and tell the story of farming. We need to be able to work within our own communities, and work through dialogue with the leading voices in other commodity groups and farm industries. By training farmer leaders in important leadership skills, we will help support our own success and freedom to operate in years to come. The checkoff will be investing more in training our leaders over the coming year to prepare for these challenges.

You have no doubt noticed that we are striving to keep you informed about the soybean checkoff's investments and impacts. We provide all growers with a report each year on our research investments and project impacts. The association website and newsletter are continuously being improved, and we are making more investments in reaching farmers at county and statewide industry events. One of the most exciting new events is the Soybean Producers Forum at the Southern Farm Show in Raleigh. Last year Kip Cullers, soybean world record producer, addressed an overflowing room filled with farmers. The third annual Soybean Producers Forum returns to the Southern Farm Show in February 2012.

The soybean checkoff works hard to build markets in North Carolina and around the world. We have had a long running effort to promote and facilitate export sales of North Carolina soybeans. In 2011, we sent farmers to China and Vietnam, and to Brazil to see how our competition farms. But, our biggest customers are the millions of animals on North Carolina farms. To support this most important customer, the association took a leading role in the North Carolina Animal Agriculture Coalition. By creating and sharing messages about safe, modern livestock production, the N.C. Animal Agriculture Coalition helps support all of us – soybean farmers and livestock farmers.

By law, the checkoff cannot be used to influence public policy, but our association does use non-checkoff funds to advocate for policies that benefit soybean farmers. Together with our checkoff-funded research and promotion, these efforts help maintain your freedom to operate. Our board and staff works hard to keep both checkoff and non-checkoff programs working together for you. Just one example is our new NC SoyPAC, launched in 2011, which has greatly increased our policy capacity.

I hope that you have a prosperous 2012. Let me know if the soybean association can do anything to assist you.

Best regards,

Jimmy Thomas, President

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## Board of Directors – 2011

Jimmy Thomas (President) – Person County  
Bernard Lennon (Vice President) – Columbus County  
Jeff Peed (Secretary) – Beaufort County  
Bobby Joe Fisher (Treasurer) – Nash County  
Wyatt Whitford (ASA Director) – Craven County  
Earl Hendrix (USB Director) – Hoke County  
Jacob Parker (USB Director) – Tyrrell County  
Kenneth Bartlett – Lenoir County  
Jerry Batten – Columbus County  
Lon J. Beasley – Duplin County  
Elbert Dixon – Greene County  
John Fleming – Halifax County

Bryan Foster – Washington County  
Matt Grissom – Vance County  
Jimmy Harrell – Greene County  
David Heath – Craven County  
Steven C. Mayes – Iredell County  
Phillip McLain – Iredell County  
Jeremy McSwain – Stanly County  
Richard Landon Moore – Robeson County  
Carey Parrish, IV – Chowan County  
Derek Potter – Pamlico County  
Jay Revelle – Hertford County  
Cliff Rountree – Camden County

Dave Sawyer – Pitt County  
Morris Shambley – Alamance County  
Ward Shaw – Columbus County  
Brian Stallings – Pasquotank County  
Travis Starnes – Union County  
Reginald Strickland – Wayne County  
Charles Tooley – Hyde County  
Jeff Tyson – Nash County  
Henry Walker – Davie County  
Sam Walton – Robeson County  
John Weaver, Jr. – Johnston County



## NC Animal Agriculture Coalition Update

In October 2011, leaders in North Carolina's livestock industry, including the North Carolina Soybean Producers Association, launched the North Carolina Animal Agriculture Coalition (NCAAC) to lead the public discussion about the changes in the state's livestock farms over the last several decades and how those changes benefit the animals, the environment, consumers, and North Carolina communities. Other founding member organizations are the North Carolina Pork Council, North Carolina Poultry Federation, North Carolina Cattlemen's Association and the North Carolina Farm Bureau.

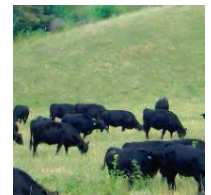
The mission of the NCAAC is to increase public awareness and support for livestock farmers and responsible animal agriculture in North Carolina through public education, media outreach, stakeholder engagement, and collaborative, positive communication efforts.

It has become increasingly important for the NCSPA and other agricultural organizations to seek new avenues to build relationships and educate consumers about their commitment to producing safe and wholesome food, especially as consumers become more interested in how

food is produced. NCAAC partners spent the first part of 2011 developing the Coalition and its structure, recruiting agricultural organizations as members and creating communications materials, including a new logo, a brochure, presentations and talking points for members and farmers, and press announcements, as well as a website, [www.NCAnimalAg.com](http://www.NCAnimalAg.com). Training sessions were also held on public speaking and social media for farmers who want to engage at the local level.

The Coalition launch began with distribution of printed materials to visitors at the North Carolina State Fair in October 2011. At that time, the group also began communicating with key audiences through online channels, media outreach and meetings with stakeholders.

To learn more about the coalition, visit the website at [www.NCAnimalAg.com](http://www.NCAnimalAg.com). Farmers are encouraged to engage on these issues in their local communities and join the public discussion about today's farms and today's food. The NCAAC will provide the tools and resources to support that effort, including additional opportunities for training and outreach.



## Market Development

The goal of the association's marketing programs is to develop new business opportunities for soy growers. In 2011, these programs focused on developing a study of vegetable soybean production and marketing, and on increasing the opportunities to export commodity soybeans to foreign customers.

The second year of the vegetable soybean project concluded with the association receiving a trial run of frozen, bagged edamame soybeans, accompanied by agronomic data and production documentation from farm to table. This year's production was grown on a Buncombe Co. farm and hand-harvested. The goal of the project is to determine the feasibility of mechanically harvested vegetable

soybeans, and blanching, freezing and packing them. Since the product is handled like other fresh or frozen vegetables, the project examines costs and practices at the farm, processor, wholesale and retail levels. The project has already resulted in discovery of domestic production costs and retail pricing versus imports of foreign product, and has resulted in a detailed analysis of the steps and stages in freezing and bagging the product.

The association's international efforts have focused for several years on increasing exports of commodity soybeans loaded in shipping containers. The NCSPA worked with the North Carolina Department of Agriculture & Consumer Services to collect crop quality

samples, and helped the department's effort to put additional grading equipment in the Elizabeth City, N.C. grading lab. The association also sent two directors on the soybean board to China and Taiwan as part of Agriculture Commissioner Steve Troxler's trade mission in March 2011 and assisted in hosting the Korean Ambassador to the United States in North Carolina to discuss how free trade between the two countries would benefit farmers. Support for the U.S. Soybean Export Council continued in 2011 through membership and participation in USSEC activities.

## Research Highlight on Dominic Reisig



Dominic Reisig joined N.C. State University as the Field Crops Entomologist based out of the Vernon James Center in Plymouth, N.C. two years ago, where he is responsible for studying insect pests on soybeans, corn and small grains, and shares responsibility for cotton. He came to N.C. State from the University of California, Davis, after earning a Master's Degree in Integrated Pest Management and a Ph.D.

In his role, he supports extension centers across the state by providing the scientific information they need to combat pests in their local areas. This includes work with extension agents and growers. In this capacity, he quickly identified a need at extension centers for insect identification training, especially among new agents, and equipment to properly identify insects. Doing so can be a huge savings to farmers, helping them treat insects with the right pest management techniques at the appropriate time.

He sought funds from the North Carolina Soybean Producers Association for this purpose and used those funds to leverage an additional grant from the Office of University Extension and Engagement. Reisig said, "My goal was to take a small amount of money [to begin the project], gather data and [use it to] get funding from other sources to ensure longer term impact." Next summer, he will begin training agents on the new equipment.



Reisig is also focused on research on pests that are new and/or particularly detrimental to N.C. crops. Currently he is conducting research on the brown marmorated stink bug and the kudzu bug.

This stink bug has not been seen in North Carolina yet, but has been a problem in other states on the eastern seaboard and is expected to become an issue in N.C. When it does, it could result in lower soybean yields because like other stink bugs, it can slow the rate of maturation of soybean plants. Reisig is

collaborating with researchers from other states to determine how many stink bugs it takes to cause yield loss and the threshold for applying pest management treatments.

The kudzu bug is also likely to be a major problem for N.C. soybean farmers in the near future, and is also a focus of Reisig's research. The pest is new to the United States, with the first kudzu bug discovered in 2009 in Georgia. It is spreading rapidly, first feeding on kudzu and then moving to soybeans. The pest was first identified in North Carolina on kudzu in one county in 2010 and the majority of counties in 2011, as well as on soybeans in ten counties, primarily around the Gaston, Lincoln and Cleveland county areas. It is expected in soybeans throughout the state in 2012.

The pest is extremely invasive, tapping into the stem that shuttles nutrients to the plant, and causes significant damage. The bug can be treated but it reinvades. Trials in Georgia, where the kudzu bug was first identified, showed an average yield loss in 2010 of 19%, with the highest yield loss in one trial at 30%. Reisig is collaborating with researchers in Georgia and South Carolina to determine the best way to manage the pest and threshold levels. There is hope research in Georgia may have identified the right time to treat the pests so they do not reinvade.

Reisig strives to focus on the pests that are the biggest issues for growers, but this can be challenging because the priorities can vary from year to year. Much to Reisig's credit, he does not take the changing nature of the pest landscape in North Carolina as a problem, but instead views it as an exciting challenge. "There is something new to learn and new to do every day. It makes for interesting days and really keeps you charged," Reisig said. With this passion for helping North Carolina soybean producers address their pest issues, Reisig will continue to make a positive impact on soybean farming in the state.



## 2011 Communications & Outreach

In 2011, the North Carolina Soybean Producers Association communicated to its membership in a variety of new ways to support its long-term communications objective of increasing farmer knowledge of checkoff activities. These programs included holding what has become an annual meeting at the Southern Farm Show in Raleigh, the Soybean Producers Forum; the introduction of a new Research Report; a Website update; the creation of a new brochure, website and video promoting the impact of animal agriculture; and the development of communications materials supporting the positive benefits of soybean production for North Carolina's economy.



### SOYBEAN PRODUCERS FORUM AT THE SOUTHERN FARM SHOW

The 2011 Soybean Producers Forum, was held on February 4, 2011 at the Southern Farm Show. Kip Cullers, the world record holder in soybean yield at 160.1 bushels per acre, was the keynote speaker. He educated farmers about how he achieved his world record yield and achieves higher yielding soybean crops year after year. He emphasized the importance of keeping plants healthy and stress-free for the entire growing season by using a variety of techniques, including herbicides, seed inoculants, fertilizers and well-timed irrigation. Jimmy Sneed, a United Soybean Board director from Mississippi, also spoke at the Soybean Producers Forum on global opportunities with the organization.

The 2012 Soybean Producers Forum is slated for February 3, 2012, in the Martin Building at the N.C. State Fairgrounds in Raleigh. The keynote speaker will be Dan Smith of Top Third Ag Marketing. Smith is a weekly contributor to CNBC and Bloomberg. He will engage with farmers on the latest grain market trends and advice for sellers.

### RESEARCH REPORT

A new annual research report with full color graphics and illustrations was introduced in 2011 to highlight the results of the important investments the North Carolina Soybean Producers Association makes in research in partnership with N.C. State University. The objective of this research is to support plant breeding and the production of elite germplasm, to demonstrate commercial varieties and product efficacy, to refine soybean production techniques, and to provide knowledge on efficient and effective pest management. Many of the projects result in useful information farmers may be able to implement on their farm in the short-term, while some of the projects are long term investments in strategies to increase yield and manage plant stress.

The NCSPA board of directors established a priority for all growers to have access to research information regularly, so the Research Report will be produced and distributed to farmers on an annual basis.

### WEBSITE UPDATE & ELECTRONIC DATABASE OF MEMBERSHIP

Electronic media is an important tool for communicating to growers. The association refreshed its website in 2011 so visitors can easily find important information, added new photography and content, and reformatted pages for improved viewing on widescreen monitors.

Following completion of the web updates, the association collected email contact information for its members. The electronic information is important to have when the Association needs to communicate with members quickly, such as when events in the industry may impact individual farms. If you would like to be added to the database, please contact lgrogers@ncsoy.org. The information won't be shared and will only be used for communicating important updates.



### ANIMAL AGRICULTURE PRINTED MESSAGES

New data was released in 2011 about the impact animal agriculture has on the economy of North Carolina and across the country. Animal agriculture is the largest customer for soybean meal in North Carolina, so large that North Carolina ranks second in the nation in soybean meal usage. Animal agriculture uses all of the meal produced in the state and still sources another 25 million bushels out of state. This creates \$13.6 billion of economic impact to the state, as well as jobs, tax dollars and household income.

The impact of animal agriculture is so great, the NCSPA created a brochure promoting the information to farmers. It was distributed at a Murphy Brown vendor expo in March, as well as in several other places, and will continue to be distributed at events soybean producers attend.



### NC SOYPAC COMMUNICATIONS

In late 2010, farmer leaders on the association's board founded the NC SoyPAC to advocate federal policies favorable to N.C. soybean production, trade and profitability, and support candidates that support N.C. farmers. Using its non-checkoff resources, the association supports the NC SoyPAC group with communications materials and assistance with events planning. This is an example of the non-checkoff functions of the association supporting the work of the checkoff. The mission of NC SoyPAC is to maintain the soybean farmers' freedom to operate and market access.



## David and Ivy Heath, North Carolina ASA/DuPont Young Leaders for 2011-2012

North Carolina's DuPont Young Leader Award recipients for 2011-2012 are David and Ivy Heath of Dover. The program, sponsored by the American Soybean Association and DuPont, identifies and recognizes prospective agricultural leaders. 2011-2012 will be the 29th year the North Carolina Soybean Producers Association has participated in the program.

Heath holds a Bachelor of Science degree in Agriculture Business Management, from N.C. State University. He also completed the Executive Program for Agriculture Producers at Texas A&M, as well as the N.C. State University Agricultural Leadership Program. He farms 115 acres of soybeans and 720 acres of other crops on a third generation farm, Bountiful Blessings Farm, and also manages the operations of Heath Farms following his father's retirement in 2009.

Ivy Heath holds a Bachelor of Science degree in Biology from Meredith College and received her Doctor of Veterinary Medicine degree from N.C. State University. She is a veterinarian with her own practice, Faithful Friends Veterinary Hospital in Grifton, and volunteers with the Lenoir County SPCA.

The Heaths are active in Grainger Baptist Church and enjoy spending time with their three children. David is a volunteer with the Fort Barnwell RVFD. He began serving on the N.C. Soybean Producers Association Board of Directors,

the Cotton Producers Board of Directors and the North Carolina Department of Agriculture & Consumer Services Agricultural Infrastructure Committee in 2011. He served on the Craven County Farm Bureau Board of Directors from 2001-2008 and the N.C. Farm Bureau Young Farmer & Rancher State Committee from 2001-2002 and 2004-2005.

Heath believes it is important to find common goals between commodity groups to move the agricultural industry forward. He feels all commodity organizations should work together to educate producers and the public; address local, state, and federal government issues; and seek solutions to environmental concerns.

The Heaths participated in the first portion of the ASA/DuPont Young Leader program, leadership training at Pioneer Headquarters in Johnston, IA, from November 29-December 2, 2011, and will complete the program February 28-March 3, 2012 in Nashville, Tennessee at Commodity Classic. "The social media training challenged me the most," Heath said of his experience. "You can't depend on anyone else to tell the positive story of modern agriculture, so we have to do it ourselves. A good way to push the story out is through social media."

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— David Heath



## 2011-2012 ASA/Syngenta Leadership At Its Best Program Participant, John Fleming

John Fleming of Scotland Neck, N.C. in Halifax County is the North Carolina Soybean Producers Association participant in the Syngenta Leadership At Its Best program for 2011-2012. The first session was held in August in Minnesota, and the second session will be held in Washington, D.C. in March. Those participating are a key group of state and national leaders who will learn to effectively address Congress and the media on policy issues impacting soybean farmers.

"I found the policy training sessions in the first portion of the program particularly interesting, and also enjoyed thinking through planning responses for a variety of future scenarios that could happen at the industry and farm levels." Fleming said.

Fleming farms 1,600 acres of soybeans, cotton and wheat with his brother Rob. He graduated from North Carolina State University with a Bachelor's Degree in Agriculture Business Management. He is a founding member and Chairman of the NC SoyPAC. He is a member of the First Baptist Church in Scotland Neck.

He believes the soybean industry does a good job of developing global market opportunities, although there is always room for improvement. Fleming believes the industry needs to be more aggressive about promoting the needs of farmers with legislators in Washington, D.C., given the current political climate and the realities of deep budget cuts.

## Soy Nutrition Outreach In The Community

### Counties Where Soy Nutrition Programs Were Held In 2011

Carteret  
Craven  
Davie  
Durham  
Edgecombe  
Gaston  
Hoke  
Johnston  
Nash  
Pasquotank  
Perquimans  
Person  
Polk  
Sampson  
Wake  
Wilkes  
Yadkin

Soy nutrition educational programs reached new and diverse audiences in 2011, with outreach to community agriculture days, presentations at local extension centers, as well as a new event at the North Carolina Extension Association annual meeting in Rocky Mount. Also new for 2011, healthy holiday cooking with soy was demonstrated at the Harvest Festival at the Durham Museum of Life & Science, a Holiday Festival at Nash County Co-op Extension and Sampson Regional Medical Center's Sampson County Care Fair. Samples of edamame from the market development project were distributed as part of the Care Fair.

Children are always a focus of soy nutrition programming, and 2011 was no exception. Numerous demonstrations were made to YWCA summer camps in Wake County to introduce campers to soyfoods. In addition, more than 650 children received samples of soyfoods at the Hoke County Ag Field Day in Raeford.

Participants always appreciate learning more about soy and farming, and many have very little exposure to either. Soy nutrition programs have been the North Carolina Soybean Producers

Association's primary outreach to consumers, and are an important investment of time and resources.



## Protecting Farmers' Freedom to Operate

The future of the farm safety net and the heavy burden of federal regulation were two concerns that farmers voiced frequently throughout 2011. As the year ended, proposals for regulatory changes and safety net programs remained undecided. The North Carolina Soybean Producers Association stayed abreast of policy and implications for all checkoff paying soybean producers. The association can use the checkoff to monitor programs, analyze them and communicate about important marketing and regulatory impacts on soybean producers. To influence policy, the association cannot use checkoff resources by law, but must rely on its non-checkoff sources of funding to send farmers to Washington, D.C. to support or oppose policy initiatives.

## Annual Financial Statement

FISCAL YEAR 2010-11 Ended August 31, 2011	AMOUNT
<b>REVENUE</b>	
Assessments – Net	1,198,599
Investment Income	26,281
Other	167,779
<b>TOTAL REVENUE</b>	<b>1,392,659*</b>
<b>TOTAL EXPENSES</b>	<b>1,116,248</b>
<b>NET INCREASE</b>	<b>276,411</b>
<b>NET ASSETS – AUGUST 31, 2010</b>	<b>2,496,999</b>
<b>NET ASSETS – AUGUST 31, 2011</b>	<b>2,773,410</b>
<b>CURRENT ASSETS</b>	
Cash on hand in banks	2,570,738
<b>TOTAL CURRENT ASSETS</b>	<b>2,570,738</b>
<b>PROPERTIES AND ACCUMULATED DEPRECIATION</b>	
Automobile	24,012
Office Furniture and Equipment	54,489
Office Building	168,206
Total Property	246,707
Less Accumulated Depreciation	-113,208
Total Property - Net	133,499
<b>OTHER ASSETS (INVESTMENTS)</b>	<b>356,374</b>
<b>TOTAL ASSETS</b>	<b>3,060,611</b>
<b>CURRENT LIABILITIES</b>	
Accounts Payable	219,602
Assessments Payable	67,599
<b>TOTAL CURRENT LIABILITIES</b>	<b>287,201</b>
<b>TOTAL NET ASSETS</b>	<b>2,773,410</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>3,060,611</b>

\*Cash Income FY 2010 - \$1,562,230



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**Now that's using  
our bean.**



Soybeans are already one of North Carolina's most important crops, and it's the NCSPA's job to keep thinking of and uncovering new ways to keep them growing and profitable. Through investing in research to exploring new market opportunities for you, our growers. Together we can keep the industry moving forward and your profits rising. To our way of thinking, that's a pretty big job, and we're glad we can help make it happen.

[www.ncsoy.org](http://www.ncsoy.org)

(800) 839-5775