



A Year To Remember

**2012 Annual Report
of the North Carolina
Soybean Producers Association**





Annual Report To The Membership

The 2012 soybean crop will be remembered as one of North Carolina's best. We had a good situation with weather and climate when it mattered most. Our good fortune in the field coincided with an opportunity to market beans at prices elevated by the drought gripping much of the country. We are very fortunate that 2012 was the year we were not plagued by drought in N.C., although we confronted new insect pests, a brief period when soybean rust moved into the state and the late season Hurricane Sandy.

We mailed a copy of this Annual Report to all N.C. soybean growers in our records. We want you to know how your soybean research & promotion checkoff dollars are being invested. The North Carolina Soybean Producers Association is governed by 30 directors who are elected by soybean farmers, and these directors are responsible for getting the most marketing and promotional value out of your checkoff. We are seeing good results.

If you are a checkoff paying soybean producer in North Carolina, then you are a member of the North Carolina Soybean Producers Association. That is the only requirement for membership. Increasingly, there will be times when you want to stand up and be heard. Although we cannot use the soybean checkoff for influencing policy, the NCSPA has other resources to advocate for farm, transportation, environmental and other policies that impact you. One of these resources is you, the NCSPA members. We need to hear from you when you experience challenges to your freedom to operate. We want you to receive information from us about the checkoff's investment in research, marketing and promotion, and especially about the association's advocacy for you and your right to farm.

Our best opportunities to speak with you are at the Annual Commodity Conference every January and at the Southern Farm Show in February. These are the events where we talk to growers from across the state and inform everyone about the accomplishments of the checkoff. I'm extremely confident that much of the agricultural information generated by the checkoff is reaching you through Cooperative Extension, through agronomists and crop advisors, and through agricultural conferences, journals and meetings. However, it is always nice to be able to hear from you directly when possible. Please visit with us or call on us when you get an opportunity.

Looking forward into 2013, I'm excited about a new initiative called Weed Free N.C. It will persuade farmers to get aggressive with herbicide resistant weeds. I'm also excited about our partnership with the animal agriculture industry aimed at keeping our biggest customer viable. Along with the N.C. Pork Producers Council, the association is sponsoring a new farming installation at the Marbles Kids Museum in Raleigh. It will incorporate the image of modern farm production. We have much more planned that we will look forward to communicating to you in next year's report.

Please rely on this Annual Report and our other communications to keep you informed about projects supported by your checkoff dollars. You are always welcome to call your soybean association officers, directors and staff to learn more!

Yours,

Jimmy Thomas, President

"The 2012 soybean crop will be remembered as one of North Carolina's best."
— Jimmy Thomas



NC Animal Agriculture Coalition Update

The North Carolina Soybean Producers Association continued work in 2012 to support its largest customer, animal agriculture, through the North Carolina Animal Agriculture Coalition (NCAAC). The primary audience for the communications efforts is influencers, people who care about the way food is produced and influence the opinions of others, either because of leadership positions they hold or personal positions they take.

A new series of meetings, Agriculture Impact Forums, was created to reach and educate this audience on the economic importance of animal agriculture in local communities. Economic development officials, county commissioners, school system superintendents, other elected officials and more were among the invitees. Meetings were held in areas including and adjacent to high concentrations of livestock and soybean farms, Wilmington, Elizabeth City, New Bern and Greensboro and invitations were extended to influencers in surrounding rural counties. They were well attended and well received by the audience.

While the primary audience for NCAAC efforts is influencers, it is also important to reach consumers who are exposed to messages about animal agriculture every

day. The NCAAC had a booth May 17-18, 2012 at the Got To Be NC Festival promoting agriculture at the N.C. State Fairgrounds in Raleigh. Attendees at the booth at the festival could spin a game wheel, answer a question about animal agriculture and win a notepad that communicated facts about the importance of animal agriculture in N.C. An NCAAC representative was on hand to speak to people about animal agriculture and distribute NCAAC informational brochures. Notepads and brochures were also distributed at the N.C. State Fair in Oct. 2012.



Market Development

International soybean buyers value protein, and North Carolina is ideally suited to produce high protein beans. In cooperation with our partners at North Carolina Department of Agriculture & Consumer Services (NCDA&CS) and North Carolina Cooperative Extension, we collected protein and oil data from seed samples from more than 70 N.C. farms and entered them in the annual U.S. Soybean Quality Survey. Samples were also independently tested at the NCDA&CS Elizabeth City grading lab. The protein and oil averages for North Carolina's crop are useful in promoting quality soy to foreign customers in markets like Taiwan, China and Indonesia.

Food-grade soybeans are a niche

product, and N.C. is relatively new as a supplier of food beans. Exceptional varieties with the seed size, color and processing characteristics desired by food producers are being perfected in the state. The association not only supports developing varieties for the food-bean market, but actively supports marketing activities in Japan where North Carolina suppliers are attempting to establish a foothold in the natto bean (a fermented soy product) and tofu bean markets.

Soybeans continue to be the number one agricultural export nationally. North Carolina farmers were part of a delegation at events promoting the 30th anniversary of the U.S. soybean industry's trade office in China. The trade servicing mission

underlined the importance of China as the single largest customer for U.S. soybeans.

Edamame soybeans show potential as a high-value food crop destined for the U.S. fresh / frozen market. The association commissioned a two acre on-farm production trial and followed with a commercial scale processing and marketing trial aimed at U.S. consumers. The study established budget baselines for mechanized harvesting, post-harvest and freezing operations. It also showed the product was suitable for retail, food service and further processing into innovative soy products.



Cooling edamame beans from the field



Mechanical harvesting



Quick frozen edamame ready to market

A Track Record of Experiments to Enhance Yield



Contributor: Dr. Jim Dunphy

Supported by annual funding from the soybean checkoff, researchers have looked for opportunities to increase soybean yield and protect yield from losses due to pests. The program has probably been most successful at protecting the yield farmers have, and distributing the research results to farmers to use in their operations.

Even with many years of research, big increases in yield potential have been elusive. The program has tested several products that claim to increase soybean yield which can be applied either foliarly or as a seed treatment, but most have had a modest to negligible influence on yield. However, these results are important in demonstrating the on-farm utility of products.

The program has been very successful at finding ways to save money without decreasing yield. Dr. Jim Dunphy, Soybean Extension Specialist, has documented and publicized extensively that seeding rates can be reduced substantially without reducing yields. By adopting reduced seeding rates farmers save money on seed costs while maintaining yields consistent with much higher seeding rates.

Some of the biggest advances have been in effectively managing pests, both old (e.g. corn earworm, stink bugs, cyst nematodes, and frogeye leaf-spot) and new (e.g. kudzu bug, brown marmorated stink bug, Asiatic soybean rust, and aerial blight). Increasing the frequency of farmer communications about the latest recommended threshold levels and treatments has also been important. Checkoff support has helped Cooperative Extension expand the capability to get status reports about pests, and in recent years about soybean rust, to farmers and their advisors.

Variety selection is another important facet of yield. The data produced every year on variety selection is extensive. Sharing the information with farmers helps them determine which varieties are better when planted full season, which rank higher double crop, which varieties are better in low yielding environments and which are better in high yielding environments. The variety tests also indicate resistance to diseases such as frogeye leaf-spot, sudden death syndrome (SDS) and stem canker. Perhaps most important, this information is given to the state's seed dealers and county Extension agents, who are able to give farmers the best advice on variety selection.

Although state average yield has only increased slightly, the experiments have demonstrated higher yielding varieties that prove exceptional, great advances have been made in protecting farmers' yields from pest losses and farmers and their advisors have received useful production information through the research.



2012 Communications & Outreach

New communications initiatives were implemented by the North Carolina Soybean Producers Association in 2012, and many focused on supporting new strategic priorities to educate consumers about agriculture and support animal agriculture. Member outreach also continued to be an important part of the association's communications initiatives.

NEW COMMUNICATIONS & MATERIALS



The association mailed a 2012 pocket calendar to more than 8,000 checkoff-paying farmer members. The calendar not only showed appreciation for members and their checkoff, but also was a new vehicle to

communicate the activities and strategic priorities of the association. The project received positive reviews and in late 2012 the association worked on an improved 2013 pocket calendar.

The association developed new communications materials for the North Carolina Animal Agriculture Coalition. The materials were distributed at the Agriculture Impact Forums and in consumer outreach events including the Got To Be NC Festival and N.C. State Fair. Graphic art is an effective way to reach consumer audiences, and the association developed banner art and messages for the NCAAC to be used at events and tradeshows. The art and messages were incorporated into a pocket notepad given away at events to promote the Coalition and the impact of animal agriculture.



CONSUMER COMMUNICATIONS

Because it is a priority of the North Carolina Soybean Producers Association board of directors to educate the public on today's agriculture and promote a positive perception of farming, the association initiated a partnership with Wolfpack Sports Marketing to include soybean farmer commercials in N.C. State University football and basketball game broadcasts on radio and a live interview with a soybean farmer during a football game.

N.C. State fans are a receptive audience for positive messages about farming because of the University's strong ties and deep roots to agriculture in N.C. Sponsored by the soybean checkoff, radio commercials were created to air in the broadcasts that promote this connection and the good work farmers do every day to bring food to N.C. tables.

Wyatt Whitford, NCSA board member, ASA director and Craven County farmer, participated in a live interview during the N.C. State vs. Wake Forest football game on Nov. 10, 2012. He discussed the economic impact and other benefits of agriculture in N.C., the fact that most farms are still family-owned, the environmental stewardship and other best practices undertaken by N.C. farmers, and the work they do to deliver safe, abundant food to N.C. tables.

EVENTS

The checkoff continues to bring soybean farmers together on an annual basis at the Soybean Producers Forum at the Southern Farm Show to learn about topics important to growers and the work of the NCSA and United Soybean Board. The 2012 event was held Feb. 3 and featured Dan Smith of Top Third Ag Marketing, who discussed the latest grain market trends and gave advice to sellers.

Also at the Southern Farm Show, the NCSA had an exhibit on-site at the show. The exhibit provided significant exposure for the NCSA and its programs among a farmer audience, and was funded through a grant from USB. USB representatives helped staff the event, along with NCSA staff and board members.

The NCSA will participate in the Southern Farm Show again in 2013 in partnership with USB, and will also hold the Soybean Producers Forum at the event. Please stop by the soybean association tent at the Southern Farm Show any time Jan. 30 through Feb. 1, 2013 near the waterfall outside the Dorton Arena. All soybean producers are invited to attend our RSVP-only event, the Soybean Producers Forum, on Fri., Feb. 1, 2013, in the Martin Building at the N.C. State Fairgrounds in Raleigh to hear Richard Brock, author of the *Brock Report*, speak and join the NCSA for lunch following Brock's presentation.

Michael and Renee McPherson, North Carolina ASA/DuPont Young Leaders for 2012-2013

Michael and Renee McPherson of Mebane are North Carolina's DuPont Young Leaders for 2012-2013. The program identifies and recognizes prospective agricultural leaders. 2012-2013 marks 30 years that the North Carolina Soybean Producers Association has participated in the program, which is sponsored by the American Soybean Association and DuPont.

The McPhersons both graduated from the Agriculture Business Planner program through Carolina Farm Credit and Farm Credit University in 2011, attended the Agricultural Leadership Institute Program of Carolina Farm Credit in 2011 and are graduates of the Farm Bureau LEAD program with Associates degrees in Industrial Management and Horticulture. They farm 160 acres of soybeans, 350 acres of other crops and raise cattle on a family-owned third generation farm. Michael McPherson also co-owns a landscaping business. Renee McPherson works outside the farm as a Production Planner at GKN Driveline, an automotive parts manufacturer.

In addition to serving on the board of the NCSPA and being a member of the American Soybean Association, Michael McPherson has served on the board of the Alamance County Farm Bureau since 2009 and has held the position of vice president since Nov. 2010. Renee McPherson was appointed to serve on the Orange County Agricultural Preservation Board in May 2012 and has been a member of the Alamance County Farm Bureau Women's Committee since 2009. They both enjoy camping in their spare time, and Renee also enjoys gardening and working in the couple's hobby greenhouse.

The McPherson's farm operation is 100% no-till, and they also employ crop rotation, soil sampling and the latest technology to ensure their land will be sustainable for future generations. They participate in a land conservation easement to ensure their farm will be used for agriculture indefinitely. In the future, Michael McPherson hopes that soybean farmers will be able to produce crops more efficiently, increase yields and increase acreage as land becomes available.

The McPhersons participated in the first segment of the Young Leader program at Pioneer Headquarters in Johnston, IA, from Nov. 27-30, 2012, and will complete their training Feb. 26-Mar. 2, 2013 in Kissimmee, FL at the Commodity Classic.

Michael said they enjoyed the first training session and are looking forward to the next session in a few months. He appreciated the opportunity to refine his public speaking skills in sessions on how to conduct interviews and speak in public forums. "You can never have too much training in public speaking," McPherson said. "We were taught not to be afraid to tell our story and tell it as often as we can."



"We were taught not to be afraid to tell our story and tell it as often as we can."

— Michael McPherson

Soy Nutrition Programs



The North Carolina Soybean Producers Association continues to promote soy and nutrition through educational outreach at events from health fairs to presentations in schools to demonstrations at county extension centers. Audiences in 2012 were especially interested in the edamame project undertaken by the NCSPA, and the fact that edamame can be grown, processed and sold locally. Participants in cooking classes and health fairs enjoyed learning more about edamame and samples of the product were very popular.

As always, many of the NCSPA's soy nutrition programs reached an agricultural audience at Farm Ag Days, Farm Ag Career Days, Cooperative Extension Ag Field Days, other Cooperative Extension group meetings and 4-H programs. Nutrition programs in schools also continued to be a major outreach for the Association, and cooking programs were also held for children during the summer.

Nutrition program attendees are increasingly interested in learning about eating healthy foods and how soy can play a part in their diet. A highlight of the NCSPA's nutrition programming in 2012 was a cooking class held in Polk County, in which twenty male attendees were very interested in learning how to prepare healthy foods. This engagement was also found at other health-related events, including health fairs and wellness expos.

Counties Where Soy Nutrition Programs Were Held In 2012

Alexander	Nash
Alleghany	Polk
Craven	Sampson
Davie	Surry
Granville	Swain
Jackson	Wake
Johnston	Wayne



Annual Report of the Treasurer

Bobby Joe Fisher, Treasurer

Board of Directors – 2012

- 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
- Ryan Cahoon – Tyrrell County
- Elbert Dixon – Greene County
- Randy Edwards – Wake County
- John Fleming – Halifax County
- Bryan Foster – Washington County
- Matt Grissom – Vance County
- Jimmy Harrell – Greene County
- David Heath – Craven County
- Sherrill Jernigan – Harnett County
- Wesley Johnson – Surry County
- Phillip McLain – Iredell County
- Michael McPherson – Orange County
- Jeremy McSwain – Stanly County
- Richard Landon Moore – Robeson County
- Derek Potter – Pamlico County
- Jay Revelle – Hertford County
- Cliff Rountree – Camden County
- Dave Sawyer – Pitt 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

FISCAL YEAR 2011-12, ENDED AUGUST 31, 2012	AMOUNT
REVENUE	
Assessments – Net	1,178,392
Investment Income	44,807
Other	141,133
TOTAL REVENUE	1,364,332*
TOTAL EXPENSES	1,407,682
NET INCREASE (DECREASE)	(43,350)
NET ASSETS – AUGUST 31, 2011	2,773,410
NET ASSETS – AUGUST 31, 2012	2,730,060
CURRENT ASSETS	
Cash on hand in banks	2,897,245
TOTAL CURRENT ASSETS	2,897,245
PROPERTIES AND ACCUMULATED DEPRECIATION	
Automobile	24,012
Office Furniture and Equipment	57,165
Office Building	168,206
Total Property	249,383
Less Accumulated Depreciation	-123,473
Total Property - Net	125,910
OTHER ASSETS (INVESTMENTS)	376,769
TOTAL ASSETS	3,399,924
CURRENT LIABILITIES	
Accounts Payable	606,341
Assessments Payable	63,523
TOTAL CURRENT LIABILITIES	669,864
TOTAL NET ASSETS	2,730,060
TOTAL LIABILITIES & NET ASSETS	3,399,924

*Cash Income FY 2011 - \$1,392,659



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The little-bitty bean
with really big benefits.

The soybean is one powerful crop for North Carolina. It's actually the biggest acreage crop we have. But that's not where its impact ends. This major resource feeds livestock, too—one of our state's largest industries. It even creates thousands of jobs and impacts the state by bringing in more than a billion dollars in revenue every year. So it just goes to show you that even though the soybean is small in stature it can still make a huge difference to our economy.

Learn more about this amazing bean at www.ncsoy.org



(800) 839-5775