



Annual Report To The Membership

I am a soybean farmer like many of you. Like you, I consider myself to be a businessman and I value the independence and perseverance of our family farm operation. I also think about my independent family farm business and its role in the community and in the state.

Here is something more challenging to think about: consider how all our family farms are linked together in one soybean industry, where soybean farmers through their Checkoff provide for statewide and nationwide initiatives to improve the industry. Now think about the things that would benefit your soybean operation, your neighbor's soybean operation and the other soybean operations in North Carolina.

This is the purpose of the soybean Checkoff – to provide those benefits by improving our industry. The North Carolina Soybean Producers Association works everyday for this purpose with your Checkoff dollars. In 2013, the association accomplished two major objectives and many smaller objectives. The first major objective was to fund practical agricultural research to

generate knowledge and technologies that can be shared with farmers. We worked hard to support projects promising real, practical applications on the farm, and we made investments to communicate the knowledge and the technologies to farmers. Our long standing partnership with North Carolina State University's College of Agriculture & Life Sciences, its research faculty and administrators made this possible in 2013.

The second major objective in 2013 was to move the needle on issues

impacting our freedom to operate and communicate to our stakeholders. By stakeholders I mean our N.C. citizens that purchase our products and have a say in how our industry is governed. By move the needle, I mean to promote thoughtful messages and conversations about genetically modified organisms, livestock production, on-farm conservation and stewardship to build positive perceptions among consumers. If you don't think our freedom to operate matters to our industry and to your farm business, imagine the ways that farming could get harder and more costly if more people understood farming less.

The association is your advocate in Raleigh and Washington, D.C. when policies are debated that impact our industry. By law we cannot use the soybean Checkoff to influence governmental policy. We depend on your support and your voice, and the support of our corporate partners to work on issues such as regulatory approvals of new seed traits and crop protection products, on federal and state funding for agricultural research, and on the many policies and programs authorized in the federal Farm Bill.

All of this work is important. The soybean Checkoff is such a productive resource and the association spends more than 80% of its time on Checkoff programs in the areas of research, marketing and communications. We aim to be good stewards of the North Carolina soybean Checkoff and return real value to our industry and to your farm operation.

Sincerely, Bernard Lennon

Bernard Lennon, President

"Consider how all our family farms are linked together in one soybean industry."

Bernard Lennon

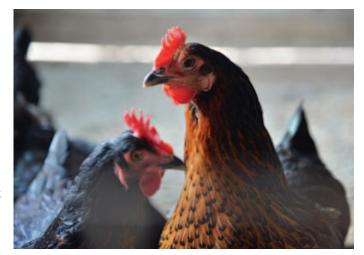


NC Animal Agriculture Coalition Update

Animal producers in North Carolina's swine, poultry, beef and aquaculture sectors are THE customers for North Carolina soybean meal. With soybean crush plants in Fayetteville, Raleigh, Cofield, Kershaw, South Carolina and Chesapeake, Va. receiving North Carolina beans and providing high protein meal to the state's animal industry, grain and feedstuffs utilization in N.C. rivals that of many nations.

The soybean association together with North Carolina's beef, pork and poultry commodity associations and the North Carolina Farm Bureau created a flexible, adaptable program to communicate to decision makers and people who think, speak and write about food. This program is the North Carolina Animal Agriculture Coalition. It achieved a high water mark in 2013 by hosting the Food Dialogues North Carolina on September 19. The Food Dialogues is a program of the U.S. Farmers & Ranchers Alliance where food writers, farmers, chefs and industry leaders come together for a live studio broadcast where they address consumers' most challenging questions about food and farming. The Food Dialogues North Carolina garnered nearly 1,000 participants at the Raleigh Convention Center and viewers of the live Internet broadcast. Panel discussions led by North Carolina media personality Lynda Loveland are viewable on the website www. fooddialogues.com.

The coalition partners are working on new high-impact events for 2014 including a screening of Oscar-winning producer James Moll's documentary *Farmland* in Raleigh, on regional impact forums targeting municipal and county officials, and an increased social media presence targeted to people who write or blog about food and have questions about animal and grain production.





Sustainability

A new sustainability initiative was launched by the North Carolina Soybean Producers Association in 2013 to help manage herbicide resistant weeds in North Carolina by encouraging farmers to take a zero tolerance policy against resistant weeds and ultimately, improve soybean yields and profits. Resistant weeds are a major problem in N.C. and the problem will only get worse if row crop farmers do not think strategically and act locally to manage and remove weeds like Palmer pigweed from their fields.

Eliminating resistant weeds may seem like an insurmountable challenge, but with the right amount of effort and intense vigilance on the farm, the Weed Free N.C. vision for management of resistant weeds can become a reality. To help accomplish this, the NCSPA promoted the Weed Free NC campaign from the beginning of planting season through late summer via radio spots on the Southern Farm Network

across the state, in online ads on Websites such as DTN and AgWeb and in online searches, and in print publications targeted to farmers. A new Website was created for the promotion at www.weedfreenc.com. The campaign will continue in 2014.

Weed Free NC communications materials recommended the following best practices for eliminating resistant weeds:

- Start clean. Use a burndown and then use residuals to reduce the need for post emergence herbicides.
- Change to a different mode of action and do not

- use a single mode of action for an entire season.
- Add residual herbicides to weed control efforts, including pre-plant incorporated and pre-emergence.
- Use full label rates.
- Target weeds before they get too large.



Research Highlight

By Dominic Reisig

Dr. Dominic Reisig, Field Crops Entomologist at N.C. State University, studies insect pests in soybeans, corn, small grains and cotton. The studies conducted by Reisig are an important part of the research efforts at N.C. State and are supported by the Checkoff. In fact, research is the single largest investment of the North Carolina Soybean Producers Association.

Dr. Reisig conducts research on insect pests, including work on corn earworm flowering thresholds and insecticide efficacy. He also trains county agents to distinguish between different types of insects and how to manage them. Kudzu bug studies have been a priority for Dr. Reisig and the NCSPA in recent years. Research was done in 2013 to determine the impact on planting date and maturity group in kudzu bug, and to examine if any soybean varieties are more resistant than others to kudzu bug and other pests. An insect identification guide was also created in 2013 to help producers manage pests on their farm.

Impact of Planting Date and Maturity Group on Kudzu Bua

The kudzu bug is a new invasive insect pest and yield losses as high as 76% have been verified in soybean. Research support from the NCSPA in 2013 helped identify different soybean planting dates and maturity group selections impacting kudzu bug infestations. The study found a kudzu bug preference for early-planted (April-planted) soybeans. These experiments documented the first known yield loss (3.98 bushels per acre) in 2012 due to the presence of primarily kudzu bug adults, rather than immature kudzu bugs.

Kudzu bug was most attracted to soybeans planted in April and some in May. Assuming 25% of the soybeans

Increasing Soybean Yields Using Insect-Resistant Varieties

The only known effective management tactic for the kudzu bug is application of broad-spectrum insecticides and pest avoidance by planting later. The identification of varietal characteristics of soybeans that can reduce kudzu bug incidence will provide another management tactic for producers to manage kudzu bugs.

Preliminary analyses showed a huge difference in the preference of kudzu bugs to different soybean varieties and the impact of different varieties on the ability of nymphs to develop. For example, the broad leaf variety NC-Raleigh had 4.2 nymphs per sweep, but narrow leaf varieties such as Vance and N7103 had fewer than one nymph per sweep. Similar effects were seen with pubescent varieties and with very densely pubescent varieties harboring more insects. Sprays were found effective to reduce the number of insects compared to unsprayed plots.

Soybean Insect Identification Guide

A new soybean insect identification guide was created in partnership with the NCSPA, the Virginia Soybean Board, the United Soybean Board, N.C. State University and Virginia Tech. This new guide contains photos and descriptions for the identification of 29 different soybean pests and beneficial arthropods, as well as a description of the damage they can cause. It is available as a high-quality printed pocket-sized flip-book and online at http://www.ncsoy.org/RESOURCES/ NC-Insect-Guide.aspx.



2013 Communications & Outreach

In 2013, the North Carolina Soybean Producers Association implemented several new programs to reach consumers to build positive perceptions of farming, and educate them on soybean production and its importance to North Carolina. We continued to target influencers who care about the way food is grown through the N.C. Animal Agriculture Coalition, and as always, communications to NCSPA members remained a top priority.

Consumer Communications

Answering consumer questions about how food is grown has become increasingly important to protecting our right to farm. The association has sought places to build consumer understanding of agriculture today, and in 2013 sponsored an exhibit at Marbles Kids Museum in Raleigh to do so among approximately 400,000 visitors each year. The N.C. Pork Council co-sponsored the exhibit and other industry partners also contributed, including the N.C. Egg Association, Hog Slat and Altech. The association also has a quarterly program at Marbles called "Meet the Farmer." where children can meet and interact with a real farmer.

The NCSPA continued its sponsorship of N.C. State basketball and football in 2013, reaching Wolfpack fans with radio advertising during game broadcasts. An interview with board member Michael McPherson also aired during a football game. The NCSPA sponsored N.C. State's inaugural Ag Day football game, which is a celebration of the agriculture industry. The day included agriculture-related exhibits and equipment in the Fan Zone; agriculture-themed giveaways; farmers featured on the video board during the game, including NCSPA board member

Phillip McLain; and recognition at halftime of those involved in agriculture to a round of thunderous applause.



A new exhibit at the N.C. State Fair was sponsored by the NCSPA to educate consumers about modern farming practices and different types of agriculture. The exhibit featured a soybean fountain; a photo backdrop of a soybean field with Nash County farmer, Jeff Tyson; informational posters answering consumer

questions about agriculture; profiles of farm families; and soybean facts. Exhibit attendees could participate in a scavenger hunt to win a rain gauge. The association received significant exposure as a sponsor of the exhibit through N.C. State Fair media and promotions, and on signage at the Fair.

Farmer Communications

The association continued to communicate with members in 2013 to make them aware of Checkoff investments and programs to

help improve yield and profitability. The NCSPA's annual Research Report, mailed to members in October, provided updates on the research projects the association funds at N.C. State University. The NCSPA also provided members with a 2014

pocket calendar to communicate information on key projects and upcoming industry meeting dates.

Events were also held where producers could learn more about NCSPA initiatives and timely topics impacting the soybean industry, including a booth at the Southern Farm Show in Raleigh. This was funded in part by a grant from the

United Soybean Board. The association also held the Soybean Producers Forum on Feb. 1, 2013 featuring Richard Brock of the Brock Report, where farmers could learn about grain marketing.

Please make plans to stop by the booth at the Southern Farm Show Feb. 5-7, 2014, between 9 a.m. and 4 p.m. at booth 4117 in the equipment tent. All soybean producers are invited to attend the Soybean Producers Forum on Feb. 7, 2014 in the Martin Building at the N.C. State Fairgrounds in Raleigh, to hear Dereck Whittenburg, Director of Player Development on the N.C. State University men's basketball coaching staff, speak and join the NCSPA for breakfast. An RSVP is required to attend at 800-839-5775.





Bryant and Courtney Jennings, North Carolina ASA/DuPont Young Leaders for 2013-2014

North Carolina's DuPont Young Leader Award recipients for 2013-2014 are Bryant and Courtney Jennings of Camden, N.C. This year will be the 31st year the North Carolina Soybean Producers Association has participated in the program, which is sponsored by the American Soybean Association and DuPont. The program identifies and recognizes prospective agricultural leaders.

Bryant Jennings graduated with a Bachelor of Science degree in Agriculture Extension and an Associate degree in Business Management from N.C. State University. He serves on the board of the North Carolina Soybean Producers Association, is president of FFA and serves on the Farm City banquet committee. Courtney Jennings received her Doctor of Pharmacy degree from the University of North Carolina at Chapel Hill and a Bachelor of Science degree in Biology from Campbell University. She is a member of the Camden Women's Club, a UNC Pharmacy preceptor and a member of the American Pharmacy Association. The Jennings are members of Sawyer's Creek Baptist Church.

Jennings farms with John E. Ferebee Farming Inc. in northeast N.C. They grow corn, wheat, soybeans and potatoes on almost 4,400 acres, including 1,193 acres of soybeans. They use technology wherever possible to increase yields and reduce inputs, and work hard to ensure their operation is sustainable.

As a soybean leader, Jennings believes that educating the public about agriculture and where food comes from is going to be crucial to the health of the agriculture industry moving forward. He believes we need to educate people at an early age about agricultural production to ensure they understand modern farming, and that farmers need to work hard to ensure the health of the environment.

The Jennings participated in the first segment of the Young Leader program at Pioneer Headquarters in Johnston, IA, from Nov. 19-22, 2013, and will complete their training Feb. 25-Mar. 1, 2014 in San Antonio, TX at the Commodity Classic.



Soy Education & Promotion

The community outreach efforts of the North Carolina Soybean Producers Association were greatly expanded in 2013 with the addition of a new staff position dedicated to the task. The association dramatically increased the number of events in which it participates and the number of people reached, with over 20,000 people reached directly in 2013.

A highlight was a new program debuted to educate N.C. school children in upper elementary through middle school grades on agriculture in N.C. and soybeans while on field trips to Raleigh and the N.C. Museum of History. Students from Title I schools in rural under-served counties are given a short program on soybeans and farming, as well as educational materials to take home, a NCSPA-branded drawstring pack, a soybean seed germination kit, and a bottle of water. Students participating in the program have been very appreciative and have enjoyed learning more about N.C. soybeans.

Many other programs were implemented, including educational presentations in schools, cooking classes for kids and adults and an exhibit at the Museum of Life & Science in Durham's Science of Eats event. The NCSPA also worked extensively with students in the culinary arts program at Johnston Community college who made soy food samples for hospital patients and employees. This program was

featured in the Smithfield Herald and Clayton News.

The NCSPA participated in more agriculture-related events in 2013 as well. These included soybean and corn production meetings, Ag Days, Farm to City Weeks, the N.C. FFA Convention in Raleigh and Small Farms Week at N.C. A & T State University.

The expanded outreach efforts of the NCSPA have been very successful and well received by local communities. If you know of an event in your local community where you think it would be valuable to have a soybean presence and at which soybean education would be welcome please contact Laura Rogers at 800-839-5775.

Counties Where Soy Education Programs Were Held In 2013

Alexander Johnston Camden **Jones** Chowan Lenoir Craven Nash Cumberland **New Hanover** Currituck Northampton Davie **Pasquotank** Duplin **Perguimans** Durham Person **Edgecombe** Polk Franklin Rowan Gates Rutherford Granville Sampson Guilford Stanly

Surry

Wake

Wilson

Yadkin

Washington

Halifax

Harnett

Hoke

Hyde

Iredell



Board of Directors - 2013

Bernard Lennon (President)-Columbus County Jeff Peed (Vice President)-Beaufort County John Fleming (Secretary)-Halifax County Jimmy Thomas (Treasurer)- Person County Wyatt Whitford (ASA Director)-Craven County Morris Shambley (USB Director)-Orange County Jacob Parker (USB Director)-Tyrrell County Kenneth Bartlett - Lenoir County Jerry Batten - Columbus County Lon J. Beasley - Duplin County Mart Benson - Beaufort County Terry Blalock - Stanly County Isaac Boerema - Beaufort County Ryan Cahoon – Tyrrell County Randy Edwards - Wake County Bryan Foster – Washington County Matt Grissom - Vance County Jimmy Harrell - Greene County David Heath - Craven County Lance Herndon - Robeson County Bob Hyman - Martin County Bryant Jennings - Camden County Sherrill Jernigan - Harnett County Wesley Johnson – Surry County Phillip McLain - Iredell County Michael McPherson - Orange County Derek Potter – Pamlico County Jay Revelle - Hertford County Chris Seymour - Lenoir County Ward Shaw - Columbus County Brian Stallings - Pasquotank County Travis Starnes - Union County Reginald Strickland - Wayne County Jeff Tyson - Nash County Henry Walker - Davie County Sam Walton - Robeson County

Annual Report of the Treasurer

Jimmy Thomas, Treasurer

FISCAL YEAR 2012-13, ENDED AUGUST 31, 2013	AMOUNT
REVENUE	
Assessments – Net	2,163,124
Investment Income/(Loss)	(31,816)
Other	97,040
TOTAL REVENUE	2,228,348*
TOTAL EXPENSES	1,345,107
NET INCREASE (DECREASE)	883,241
NET ASSETS – AUGUST 31, 2012	2,730,060
NET ASSETS – AUGUST 31, 2013	3,613,301
CURRENT ASSETS	
Cash on hand in banks	3,733,433
TOTAL CURRENT ASSETS	3,733,433
PROPERTIES AND ACCUMULATED DEPRECIATION	
Automobile	24,012
Office Furniture and Equipment	46,500
Office Building	168,206
Total Property	238,718
Less Accumulated Depreciation	-121,267
Total Property - Net	117,451
OTHER ASSETS (INVESTMENTS)	326,395
TOTAL ASSETS	4,177,279
CURRENT LIABILITIES	
Accounts Payable	441,673
Assessments Payable	122,305
TOTAL CURRENT LIABILITIES	563,978
TOTAL NET ASSETS	3,613,301
TOTAL LIABILITIES & NET ASSETS	4,177,279

^{*}Cash Income FY 2012 - \$1,364,332



211 SIX FORKS ROAD, SUITE 102 RALEIGH, NORTH CAROLINA 27609

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ADDRESS SERVICE REQUESTED



To assist us in maintaining an accurate address file and reduce postage costs, please notify the N.C. Soybean Producers Association (1-800-839-5775) of any address changes or corrections. Comments and suggestions are also welcome.

