



2018

Annual Report



Annual Report to the Membership



NCSA President
John Fleming

2018 was an eventful year for the North Carolina Soybean Producers Association. Weather often presents challenges in our business, but last year saw some very difficult conditions and significant damage. Hurricanes Florence and Michael impacted soybean growers, as well as the entire agriculture industry and much of the state, with unimaginable amounts of water in back-to-back storms and record flooding. The full extent of the devastation will not be known for some time, but projections are for 10-25 percent damage to the soybean crop. The board and Association pray for the impacted communities, and especially for those who experienced major damage or loss. If there is one thing I have learned it is that farmers persevere, so I have faith we will weather this storm too.

Beyond the hurricanes, there were other weather impacts, including extremely wet conditions in northeastern N.C. in the spring and a very dry summer in the southeastern part of the state prior to the hurricanes.

Weather often presents challenges...but this year saw some very difficult conditions...



But, there were bright spots in the year as well. 2018 saw the retirement of longtime NCSA advocate, mentor and friend, Dr. Jim Dunphy. The Association will miss Dr. Dunphy, but wishes him well as he begins his next chapter. In turn, the Association welcomed Dr. Rachel Atwell Vann to the soybean extension role and looks forward to continued partnership. In response to some feedback Vann received as she was visiting farmers across the state, a dedicated Piedmont Soybean Field Day was held in October, which was a welcome learning opportunity for soybean growers in Central and Western N.C.

For the first time in 2018, the NCSA published a N.C. Soybean Production Guide. The book has been well-received by growers, who have eagerly used the information to help make the best decisions on their farms. Another first in 2018 was a communications effort to soybean first purchasers funded through a United Soybean Board grant. The program allowed the Association to cultivate relationships with this important audience, with whom we normally only interact during regular audits, and communicate the opportunity to build our business together through a focus on soy quality and value.

As you read this, I will have just ended my term as the president of the NCSA. I have enjoyed my time leading the Association and hope that some of the enhancements made to our research and advocacy efforts will pay dividends for many years to come. I am proud of what we have accomplished together, proud to have served the soybean farmers of North Carolina as a steward of our checkoff funds and proud to call you my friends.

Sincerely,

John Fleming, President

Dr. Dunphy, Longtime Soybean Extension Specialist Retires

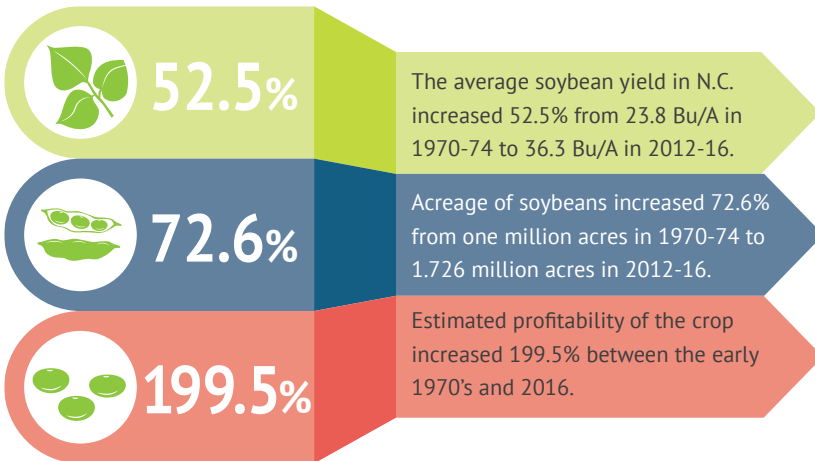


Dr. Dunphy received ASA's Pinnacle Award in Mar. 2018

Dr. Jim Dunphy retired as Professor of Crop Science and Soybean Extension Specialist at N.C. State University in April 2018. Much changed during his years of service to the soybean farmers of N.C. When Dunphy started working at N.C. State University in 1975, the seed source was mostly public varieties with no GMO seed. There was no post-emergence weed control. N.C. State, Duke and Carolina jointly owned one

computer. Sudden Death Syndrome (SDS), stem canker and Asiatic Soybean Rust had not been detected in N.C. and few farmers had heard of Palmer amaranth.

Dunphy worked tirelessly to help soybean producers improve their efficiency, profitability and yields. What happened during his tenure?



Many factors contributed to these trends, such as increased no-till production, decreased row widths, decreased plant populations, improvements in weed control and insect management, and an increase in the use of cover crops, but Dr. Dunphy helped educate growers about these practices. His research demonstrated N.C. growers could reduce soybean plant populations and still maintain high yields, and also identified the point at which the population was too low and would impact yield. This research resulted in farmers planting an average of 16.5 fewer pounds of soybean seed in 2006 than 2001, saving \$12.9 million at 2006 prices and gaining 1.58 Bu/A in yield. The checkoff funds invested in the project returned \$334 per dollar invested when completed, and continues to help farmers minimize seed costs and maximize yields.

Dunphy promoted row spacing studies in the 1990's which demonstrated a 14% or greater yield increase from planting in narrow rows versus wide rows, data still used to make planting decisions. He also became the nation's leading expert on double cropping soybeans with wheat and prioritized researching ways to improve yields in this system.

Helping address problems facing N.C. soybean farmers and sharing results was what Dr. Dunphy most enjoyed about his job. He appreciated the support of the NCSA and its members, who funded research through the national checkoff since 1991 and from state assessments before that. He acknowledged the help he received from county Extension agents and two capable and supportive technicians on campus, Donnie Hinnant and Michael Buffaloe. Dunphy believes NCSA members make a difference, not just by investing in soybean research at N.C. State, but also in advocating for important issues.



John Fleming and Dr. Dunphy present yield contest awards to Kevin Matthews

Farmers Top 100 Bushels per Acre, Break Record

At the NC Commodities Conference in Jan. 2018, growers from two North Carolina farms were honored for beating the state's long-standing goal of 100 bushels per acre. Kevin Matthews had the winning yield entry of 107.4 bushels per acre, topping the previous state yield record by 14.1 bushels. Doug and Billy Mercer of Pasquotank Cty. achieved 100.2 bushels per acre. In addition, Steve Meads of Pasquotank Cty. recorded 97.7 bushels per acre, also higher than the previous state record yield.

107.4
bushels per acre
KEVIN
MATTHEWS

100.2
bushels per acre
DOUG & BILLY
MERCER

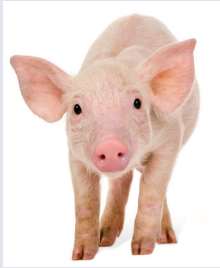
Matthews received \$5,000 from the NCSA for winning a contest established in 2006 to honor the first farmer in the state with yields over 100 bushels per acre. He also won a plaque and a trip to Commodity Classic in Anaheim, Ca. for winning the state yield contest.

The NCSA salutes these soybean producers for their record-breaking yields! It takes hard work, diligence and attention to detail, not to mention the right conditions and a little luck to achieve such yields. The Association is proud to steward North Carolina's checkoff resources to ensure needed research is conducted and cultural practices identified which have contributed to significant increases in yield over time and helped make 100 bushels per acre soybean yields possible.

97.7
bushels per acre
STEVE
MEADS

Supporting Soy's Top Customer

Soy's top customer, the animal agriculture industry, faced significant challenges in North Carolina in 2018 from lawsuits against Smithfield Foods awarding hundreds of millions of dollars in damages to several hog farm neighbors who claimed to have suffered unreasonable nuisances due to odors, flies and loud trucks. The NCSPPA stands in support of all North Carolina farmers and the important animal agriculture industry here. As such, the Association is working to help our friends in animal agriculture by promoting messages about the importance of agriculture in the state and through collaborative research with the NC Pork Council. Stay tuned for more information in the coming months.



Growing markets for N.C. soybeans is a primary activity of the NCSPPA

Growing Soybean Business

Growing markets for N.C. soybeans is a primary focus of the NCSPPA and there were several activities to accomplish this last year. A group of soybean industry representatives from China, including crushers, grain buyers and feed mill operators, paid a visit to North Carolina in Sept. while in route from the Global Trade Exchange & Midwest Specialty Grains Trade Show in Kansas City. During their visit they spent time at board member Isaac Boerema's farm in Pantego, where they learned about the benefits of N.C. soybeans. Topics discussed included sustainability, storage options, protein levels and infrastructure. The group had never visited East Coast soybean farms before.

The NCSPPA also hosted potential soybean buyers from Pakistan to learn about N.C. soybean production processes and benefits, and from Turkey to discuss options for non-GMO soybeans and containerized shipping capabilities.

A program was implemented to build business and relationships with first purchasers in N.C. Through a grant from United Soybean Board, the importance of knowing, measuring and understanding the industry was promoted, so N.C. soybean farmers can continue to deliver the quality end users demand. The efforts included direct mail to all first purchasers in N.C., premium items with collateral and personal visits. In addition to communicating the importance of soy quality and value, the NCSPPA also sought to enhance relationships as a trusted partner with N.C. first purchasers.



Board member Isaac Boerema hosts Chinese Trade team



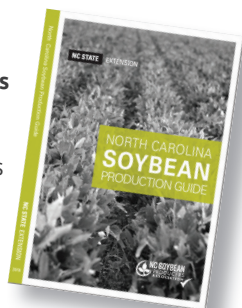
Board Vice President Jeff Tyson educates buyers from Pakistan on N.C. soybeans

Keeping Members Informed

Most NCSOA communications are directed to its members, all soybean producers in N.C. In 2018, the Association continued to increase communications efforts to ensure members are aware of research project results funded through N.C. State and other channels and the implications of the research for their fields. The regular channels the Association uses to communicate this information are the blog at ncsoy.org, the News Roundup bi-weekly email and the quarterly newsletter.

Make sure to register at ncsoy.org/updates to receive the News Roundup for lots of useful information!

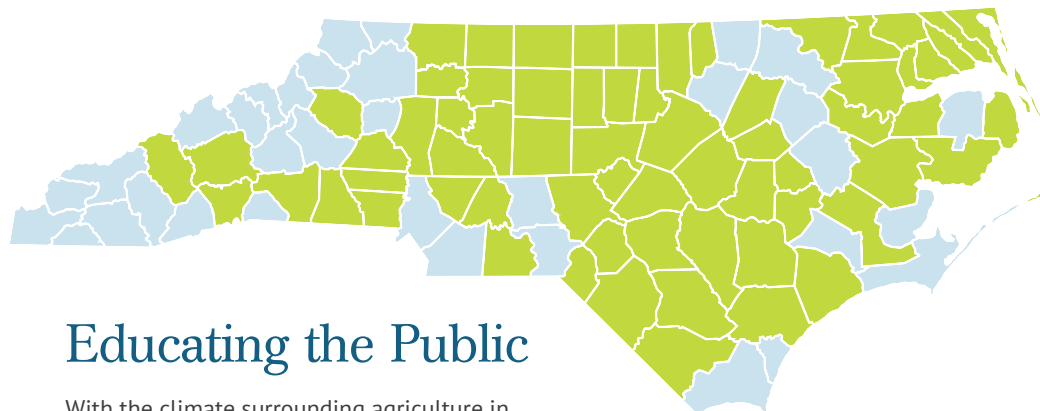
This year the major communications initiative for members was the publication of the first-ever soybean production guide. Its purpose is to provide information on N.C. soybean production to help producers make better decisions and increase yields and profits. Copies are available at local Extension offices and there is an electronic version available at ncsoy.org. The Research Report, mailed to all growers each year, provides comprehensive results of all the checkoff-funded research projects and information to improve yields and save money. This year the Association also sent a postcard to producers to make them aware of the locations of research projects for 2018 and invite them to view the plots.



The NCSOA also participates in many events to be able to meet and interact with soybean growers. Last year those included crop production meetings across the state during the winter months, field days throughout the summer, including the Northeast Ag Expo and Blacklands Farm Managers Tour, and the Small Farms AgriShop Series of meetings at N.C. A&T State University in Greensboro.

The Association also met with future farmers and members of the agriculture industry through many presentations to 4-H camps, the N.C. 4-H Congress, FFA groups in middle and high schools and the FFA Convention in Raleigh June 19-21 with over 3,000 attendees.

One of the best opportunities for growers to get information on research and more is at the NCSOA's annual meeting, held at the N.C. Commodities Conference, Jan. 9-11, 2019, at the Sheraton Imperial in Durham, N.C. The NCSOA will also be at the Southern Farm Show, booth #4117, Jan. 30-Feb. 1, 2019, and many extension winter grain meetings.



Educating the Public

With the climate surrounding agriculture in North Carolina over the last year, the NCSOA board continues to believe it is also a high priority to educate consumers about the importance of agriculture. To do so, the NCSOA

participates in many events such as Ag Day at N.C. State at the football game vs. Georgia State. At booths in the Fan Zone and the CALS Tailgate, fans could answer a question about agriculture or soybeans and win a prize. The Association had two videos on the jumbotron during the game and radio commercials throughout the state educated fans during all N.C. State football and basketball games. An interview with board member Derek Potter discussing the importance of agriculture in N.C. aired during the N.C. State vs. Clemson game on Oct. 20.

Several events were added in 2018 to reach out to consumers in new ways. These included participation in the Got to Be NC festival at the N.C. State fairgrounds May 18-20 with Feed the Dialogue NC and an exhibit for the first time at a N.C. State women's basketball game on Feb. 11. The Association also helped to start two brand new Ag Day events at the Downeast Wood Ducks in Kinston on June 8 and at the Carolina Mudcats in Zebulon on Aug. 5. These events were excellent opportunities to promote the importance of agriculture to new audiences.

NCSOA outreach has an exhibit every year at some especially popular events that allow the Association to talk to hundreds or even thousands of people about agriculture. Some of these include N.C. State University's Farm Animal Days in Raleigh Mar. 21-23, which attracted around 10,000 attendees; the Future Me Fair and a Science of Soybeans event at Marbles Kids Museum in Raleigh, the Touch-A-Tractor event at North Hills in Raleigh, the Mountain State Fair, the N.C. State Fair, numerous health fairs and many, many more.

If you know of an opportunity in your area at which it would be beneficial to have the NCSOA involved, please contact Laura Rogers at 919-839-5700.

66

counties visited

183

events attended



Laura Rogers, outreach education coordinator, teaches children about soy

Over
62,000

people reached

2018-2019 North Carolina ASA/Corteva Young Leader



Simmy Williams of Shiloh, N.C. is North Carolina's ASA Corteva Agriscience Young Leader for 2018-2019. This will be the 36th year the NCSA has participated in the program sponsored by ASA and Corteva

Agriscience, formerly known as the ASA DuPont Young Leader program, which identifies and recognizes prospective agricultural leaders.

Williams graduated from N.C. State University with a B.S. in agricultural business management. He farms soybeans and corn with his father at Bear Garden Farms, LLC in Camden Cty. He serves on the board of directors of the NCSA, is a member of the Currituck County Farm Bureau Young Farmers and Ranchers and also is active in the South Camden Fire Department.

Williams' goal in all of this is to continue to be a good steward of the land and resources...

Sustainable farming practices are an integral part of Williams' operation. They use extensive scouting to address issues with weeds, insects and disease. Bear Garden is a no-till operation, which allows them to plant all soybean acreage with a single tractor, reducing fuel and equipment costs. The practice also enables them to plant earlier to maximize light interception to enhance growth and yields. They plant winter cover crops to take advantage of soil nutrients and increase soil biomass. Planting earlier maturing varieties helps Williams decrease the possibility his crop will be impacted by corn earworm, reducing the need for pesticide applications.

Williams' goal in all of this is to continue to be a good steward of the land and resources, but it helps them be more profitable as well. He also strives to promote agriculture to the non-farm community. He hopes through his participation in the Young Leader program he can help increase growth and consumption of soybeans on a local and national level.

The first segment of the Young Leader program was held in Johnston, Ia., from Nov. 27 – 30, 2018. Williams will complete his training at Commodity Classic in Orlando, FL., from Feb. 26 -Mar. 2, 2019.

NC Soy Alliance Advocates for N.C. Farmers



Michael McPherson, Chris Naylor, John Fleming, Jimmy Thomas and Gary Hendrix (l to r) advocate for N.C. soybean growers in Washington, D.C.

The N.C. Soybean Producers Association has been expanding its efforts to advocate for policies favorable to N.C. soybean growers over the past year in a variety of ways. Most notably, five new partners, BASF, Bayer, Terrell Seed, Farm Credit and Asgrow, have been added to support activities on behalf of the organization and educate members about their offerings.

NC Soy Alliance takes advantage of every opportunity to advocate for N.C. soybean producers. As part of NC Soy Alliance activities in 2018, a group of board members traveled to Capitol Hill and discussed legislative priorities for N.C. soybean growers with N.C. legislators or their staff.

Five new partners have been added to support NCSA activities

Board of Directors 2018

John Fleming, Scotland Neck - President
 Jeff Tyson, Nashville - Vice President
 David Heath, Dover - Secretary
 Jeff Peed, Aurora - Treasurer
 Jacob Parker, Columbia - USB Director
 Derek Potter, Grantsboro - USB Director
 Jimmy Thomas, Timberlake - ASA Director

Reggie Baker, Monroe
 Mart Benson, Pantego
 Angela Berben, Pantego
 Andy Bland, Dover
 Isaac Boerema, Pantego
 Ray Bullard, Stedman
 Jessica Burgess, Eure
 Bert Dixon, Maury
 Sydney Edwards Dunn, Edenton
 Curtis Furr, Albemarle
 Gary Hendrix, Raeford
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 Trey Liverman, Columbia
 Greg Manning, Nashville
 Kevin Matthews, East Bend
 Dan McDuffie, Lake Waccamaw
 Michael McPherson, Mebane
 Ben Moses Jr., Conway
 Christopher Naylor, Clinton
 Cody Paul, Bayboro
 Shane Revelle, Murfreesboro
 Craig Seaman, Manson
 Christopher Seymour, Kinston
 Philip Sloop, Mt. Ulla
 Jason Starnes, Salisbury
 Reggie Strickland, Mt. Olive
 Simmy Williams, Shiloh

Annual Report of the Treasurer

Jeff Peed, Treasurer

FISCAL YEAR 2017-18, ENDED AUGUST 31, 2018	AMOUNT
REVENUE	
Assessments – Net	1,669,763
Investment Income/(Loss)	189
Other	145,962
TOTAL REVENUE	1,815,914*
TOTAL EXPENSES	1,761,242
NET INCREASE/(DECREASE)	54,672
NET ASSETS – AUGUST 31, 2017	4,492,844
NET ASSETS – AUGUST 31, 2018	4,547,516
CURRENT ASSETS	
Cash on hand in banks	4,176,959
TOTAL CURRENT ASSETS	4,176,959
PROPERTIES AND ACCUMULATED DEPRECIATION	
Automobile	55,736
Office Furniture and Equipment	57,850
Office Building	168,206
Total Property	281,792
Less Accumulated Depreciation	-173,321
Total Property - Net	108,471
OTHER ASSETS (INVESTMENTS)	360,168
TOTAL ASSETS	4,645,598
CURRENT LIABILITIES	
Accounts Payable	-0-
Assessments Payable	98,082
TOTAL CURRENT LIABILITIES	98,082
TOTAL NET ASSETS	4,547,516
TOTAL LIABILITIES & NET ASSETS	4,645,598

*Cash Income FY 2016-17 - \$1,539,102



Have a Student at N.C. State Who Plans to Work in the Soybean Industry?

The NCSPA is seeking applicants for the N.C. Soybean Research Scholarship, awarded annually to rising sophomores, juniors and seniors majoring in agriculture or a related field. To qualify, students must demonstrate how their studies and work experiences will impact soybean production and/or research in their future career and show a strong interest in soybean production. The one-time scholarships range from \$2,500 to \$5,000.

Applications will be accepted at
<https://ncsu.academicworks.com/opportunities>
(search soybean) through Feb. 15, 2019.



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