

2017
**ANNUAL
REPORT**



The North Carolina Soybean Producers Association



"We are proud to be the only commodity in N.C. with a dedicated research coordinator on staff."

ANNUAL REPORT TO THE MEMBERSHIP

2017 was a big year for the NCSPA. Dr. Charles Hall, NCSPA CEO for 11 years, left the NCSPA to relocate to Germany with his family, where his wife took on a new role in her company. Hall oversaw significant growth for the association and implemented many new ideas and programs that have served the organization well. We salute Dr. Hall and his service, and you can read more about his accomplishments on the last page.

We are also preparing for the departure of Dr. Jim Dunphy, Professor of Crop Science and Soybean Extension Specialist at N.C. State University, who will retire on April 30, 2018. He has worked tirelessly to help N.C. soybean producers improve their efficiency, profitability and yields. Our farmers have benefitted greatly from his research and teachings.

However, Dr. Hall and Dr. Dunphy are leaving the organization in capable hands and with a 2017 crop that was excellent in most areas. Jeff Jennings took over as CEO in July. He brings a wealth of agricultural marketing experience to the role and is charting a strong course for the future. He is keenly interested in maximizing the resources and impact of the association.

In addition to its strong leadership, the NCSPA has continued to enhance its research projects to ensure they address the needs of N.C. farmers. We are proud to be the only commodity in N.C. with a dedicated research coordinator on staff. Having this knowledge in-house is invaluable to provide farmers with the information and resources they need to improve yields and profits.

Community education remains important to us. Our robust outreach program educates consumers across our state about N.C. soybeans and agriculture's importance.

In late 2017, we launched an all-new membership incentive program through the NC Soy Alliance that rewards new members, and those who renew their support, with great rebates from our seed company partners.

All this is made possible by the strong leadership of our board of directors and their vision to boldly move the organization forward through new hires and expanded capabilities. The 35-member board is elected to serve counties across the state. One director also represents N.C. in the American Soybean Association, the organization that represents the interests of soybean farmers in Washington, D.C. Two members are directors of the United Soybean Board, which administers the activities of the soybean checkoff nationally. Not only is our board a diverse group in terms of geography, but also in terms of the crops they grow, the size of their farms, their age, gender and more. We value the diversity of opinions they bring to the table and appreciate their expertise and guidance.

Finally, you may have noticed a new logo on the cover of this year's annual report. The logo debuted in September. We view this change as an outward sign of the excitement occurring within the association, which also provides a new brand that enhances our work.

While it can be difficult after so many years to see valued soybean leaders move on, we are happy for them as they begin their next chapters, and excited about the direction in which the NCSPA is headed. We look forward to a successful 2018!

Sincerely,

John Fleming, President



RESEARCH SUCCESS RESULTS IN THE RELEASE OF NEW SOYBEAN VARIETIES

The NCSA had 25 active research projects in 2017. One such project in which the association invested over several years resulted in a major breakthrough for N.C. soybean growers. There have historically been few options in N.C. to combat drought stress, especially given that less than 5% of the soybean acreage in N.C. is irrigated. Help in the form of **drought-resistant soybeans** is coming. The release of the first slow-wilting cultivar, USDA-N8002, and three related high-yielding N.C. State varieties were announced within the last year as a result of years of research funded by the NCSA and USB, through the checkoff. This breeding project demonstrates that while soybean research can extend over many years, it can have a strong return-on-investment and pay big dividends for growers who can improve their yields and profits.

Research into drought tolerance in soybeans started in 1982 as a joint project of the U.S. Department of Agriculture (USDA) and N.C. State University between Doug Gross, N.C. State Crop Science Dept., and Tommy Carter, USDA Research Leader and Research Geneticist. At the time there was little natural variation in farm cultivars for drought tolerance, so Carter and Gross started screening exotic soybean types from Asia for this trait.

After testing many hundreds of genotypes, they identified an exotic Asian soybean that had the desired response to drying air. Most plants would shrivel when exposed to dry air, straining for moisture, but one type stayed healthy by conserving water within itself. This was the soybean type from Japan, P(lant) I(ntroduction) 416937. Carter teamed with Bob Patterson and later Tom Rufty and Tom Sinclair, all from N.C. State, to determine why this plant could withstand drought.

Carter discovered the soybean under study was not only drought-resistant, but just as importantly, also contained rare yield-enhancing genes that helped it to thrive in normal conditions. This fortuitous plant breeding discovery of novel Asian genes led to the development of new USDA breeding lines, germplasm releases and varieties in maturity groups VII and VIII. Andrea Cardinal with the N.C. State soybean breeding program expanded

the yield gene study to maturity group VI by hybridizing new exotic genetics from Carter's USDA materials with "normal" elite breeding lines from Arkansas, Maryland and Tennessee. The resulting varieties from N.C. State and those from the USDA program will give N.C. farmers new tools in their arsenal to combat drought-related stress and provide a potential yield boost in extreme weather. These varieties and others developed by the University of Georgia from the same exotic source now top the non-GMO yield trials in maturity groups early VI, late VI, VII and VIII. And, they beat GMO varieties in many cases as well.

The new N.C. State varieties were named in honor of soy industry leaders for their service. The early group VI breeding line, named NC-Dunphy for N.C. State Extension Specialist Dr. Jim Dunphy, averaged 4.5 bu/A better than the check, NC-Roy, when evaluated in over 27 environments across the southeast. The late group VI breeding line, NC-Dilday, named for Beaufort County seedsman Marion Dilday, averaged 2.6 bu/A better than the check, NC-Roy, when evaluated in over 42 environments. And the mid group VII variety, NC-Wilder, honoring Jim Wilder, longtime CEO of the NCSA, was the highest-yielding variety of any released check cultivar in that maturity group in 32 environments evaluated.

Each of these varieties trace 12.5% of their pedigrees to the original Japanese cultivar from Dr. Carter's research, PI 416937. They will provide N.C. growers with high-yielding, non-GMO options in late maturity groups and are sure to be important parental stock in breeding programs. It is anticipated these new varieties will be available for farmers to begin using in 2019.

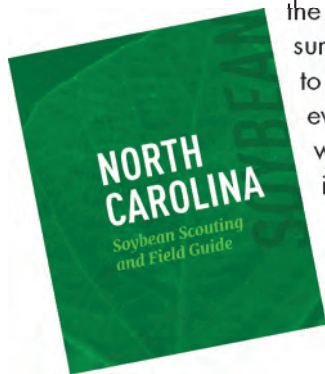
This checkoff-funded research is proof that looking outside the box for solutions to problems N.C. farmers face can have big benefits and demonstrate how collaboration between the USDA, N.C. State and the NCSA can benefit growers. In fact, private industry has taken note and is using some of this genetic material in their breeding programs. NCSA members can be proud of the investment they make in research and can enjoy the results of using these new varieties produced through it.



COMMUNICATIONS TO MEMBERS AND CONSUMERS

Research continued to be the focus of many of the NCSPA's communications efforts in 2017. It is the largest single investment of

the NCSPA, so it is important to make sure members can use the research results to make informed decisions. Our first ever **Scouting Guide** was produced with valuable insect and weed identification information. The **"Management Matters"** brochure series educated producers on soybean cyst nematodes and implementing practices to maximize yields. Special mailings featured tips



on reducing damage from auxin herbicides, and we let growers know the locations of all NCSPA-sponsored research projects. The annual pocket calendar included tips on seasonal sustainability. An all-new **soybean production guide** has been in development that will be available to growers in early 2018.



The blog at ncsoy.org is also a key tool to share the latest research results and news, and the Grower Resources section on the website continues to add resources and research.

The NCSPA publishes this Annual Report and a Research Report each year to inform members of its activities and research results. Growers can also attend the association's annual meeting at the **N.C. Commodities Conference**, Jan. 10-12 in 2018, at the Sheraton Imperial in Durham, N.C., **the Southern Farm Show**, booth #4117, Jan. 31-Feb. 2, 2018, and many extension winter grain meetings to learn more.

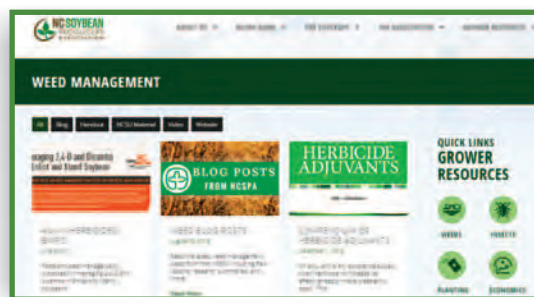


NCSPA Booth at CALS Tailgate



Fan Zone exhibit at Ag Day

In addition to the many communications efforts for farmers, the association continued to educate consumers about N.C. soybeans and build positive perceptions of modern agriculture by sponsoring University of North Carolina and N.C. State University athletics. The NCSPA also sponsored the Ag Day football game at N.C. State on September 9, with booths in the Fan Zone and CALS Tailgate. Researcher Dr. Katherine Stowe was featured on the stadium's jumbotron too! N.C. soybean commercials aired during all U.N.C. basketball and N.C. State football and basketball games. The commercials also reached N.C. farmers with messages about resources available to improve yields. A live on-air interview with one of our farmers during the N.C. State game on Nov. 4 was a bonus!



Register at
ncsoy.org/updates
to get research news and association
updates emailed every other week.

NCSPA IN THE COMMUNITY

The outreach program of the NCSPA educated over **35,000** people in N.C. about soybeans and agriculture in 2017, more than ever before! The association's community outreach coordinator, Laura Rogers, conducted **23% more programs in 2017** than 2016, with 158 programs in 70 counties. These included events for children at schools, summer camps, FFA events, 4-H events, ag days and ag expos. She also conducted events for adults, such as cooking classes, agriculture festivals and corporate wellness health fairs. Rogers also participated in events at four of the agritourism farms



Elementary School in Mecklenburg County. Other highlights of the outreach education calendar were Ag Days in Stanly County and Hoke County. Third graders visited our exhibit while rotating through stations to learn more about agriculture.



where the NCSPA has educational exhibits.

Our annual Touch-A-Tractor event at Raleigh's North Hills shopping center on August 1 was more popular than ever, and a second event was held as part of Ag Science Days at Lebanon

The NCSA was the primary sponsor of the "Got to be NC" tent at the **N.C. State Fair**. Visitors could work digital puzzles featuring

soybean planting, harvesting and products. The association enjoyed significant exposure on banners outside the tent, as well as in a beautiful exhibit featuring a giant field of soybeans. Volunteers in the exhibit answered questions about agriculture, and distributed stickers and soybean activity books to children.

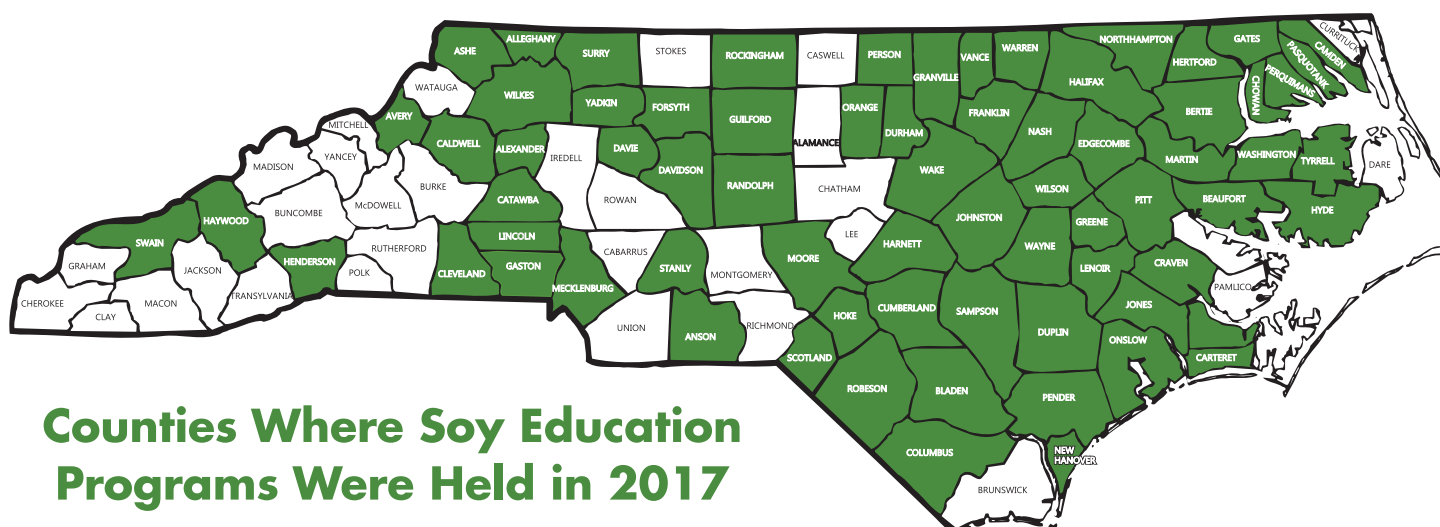


Reaching members is also a big part of the NCSA's outreach efforts. Events for farmers in 2017 included the N.C.

Commodities Conference, the Southern Farm Show, the Blackland's Farm Tour, the Northeast Ag Expo and 25 crop production meetings. The NCSPA also participated in Legislative Ag Day in Raleigh with the N.C. Department of Agriculture and Consumer Services in March.



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



2017-2018 NORTH CAROLINA ASA/DuPont Young Leaders

Philip and Lindsay Sloop, of Mt. Ulla, N.C. are North Carolina's ASA DuPont Young Leader Award recipients for 2017-2018. This marks the 35th year the NCSPA has participated in the program, which identifies and recognizes prospective agricultural leaders. The program is sponsored by the American Soybean Association and DuPont.

Philip Sloop graduated from N.C. State University with a B.S. in Agronomy. He serves on the board of directors of the NCSPA and is a member of the American Soybean Association. Lindsay Sloop earned her B.A. in Biology from Erskine College and her M.S. in Speech Pathology from the Medical University of South Carolina, and works as a speech pathologist. They are members of Back Creek Presbyterian Church. They enjoy spending time with their young son, Beau.

Sloop farms 2,200 acres of soybeans and 1,300 acres of other crops, including corn, wheat and malting barley with two partners. They aim to increase profitability while improving long-term sustainability. It is a completely no-till operation, and they use cover crops to prevent erosion, increase organic matter, suppress weeds and enhance the soil's capacity to hold moisture. They also employ GPS technology to apply inputs only where

needed, and use it for soil testing as well.

Sloop believes the most pressing issues facing the soybean industry are combatting herbicide resistance, improving crop insurance protections, educating consumers about what farmers do and engaging them in the process.

The Sloops participated in the first segment of the Young Leader program at Pioneer Headquarters in Johnston, Ia., in November 2017, and will complete their training at the Commodity Classic in Anaheim, Ca.



NCSPA TRAVELS TO VIETNAM



Soy producers and USSEC staff at the Interflour Mill at the Cai Mep Port near Ho Chi Minh City.

In March 2017, three NCSPA board members, Ryan Cahoon, Brett Medlin and Simmy Williams, participated on a trade team to increase consumption of U.S. soy in Vietnam. The trade mission was organized by the U.S. Soy Export Council (USSEC) and included growers from eight other states. The group visited meat and aquaculture processing plants, feed mills, soy processors and aquaculture farms, and the 2017 Grain Transportation Conference in Ho Chi Minh City.

Vietnam is a large producer of farm-raised fish, and the use of soy feed ingredients in aquaculture is growing. A one-hectare farm in the Mekong Delta of south Vietnam produces 360 tons of fish each year, and their feed is approximately 30% soy. USSEC is working to help improve the efficiency of aquaculture farms in the region.

In addition to being a strong and growing market for aquaculture, Vietnam is the world's fifth largest pork producer. The country imports 70% of its feed ingredients including soy. All of this creates a sizeable opportunity for U.S. soy producers, and NCSPA board members were excited to see this first hand.



ANNUAL REPORT OF THE TREASURER

Jeff Peed, Treasurer

Fiscal Year 2016-17, Ended August 31, 2017		AMOUNT
REVENUE		
Assessments – Net		1,394,700
Investment Income/(Loss)		3,702
Other		140,700
TOTAL REVENUE		1,539,102*
TOTAL EXPENSES		1,962,859
NET INCREASE/(DECREASE)		(423,757)
NET ASSETS – AUGUST 31, 2016		4,916,601
NET ASSETS – AUGUST 31, 2017		4,492,844
CURRENT ASSETS		
Cash on hand in banks		4,269,957
TOTAL CURRENT ASSETS		4,269,957
PROPERTIES AND ACCUMULATED DEPRECIATION		
Automobile		55,736
Office Furniture and Equipment		57,850
Office Building		168,206
Total Property		281,792
Less Accumulated Depreciation		-157,751
Total Property - Net		124,041
OTHER ASSETS (INVESTMENTS)		383,072
TOTAL ASSETS		4,777,070
CURRENT LIABILITIES		
Accounts Payable		200,185
Assessments Payable		84,041
TOTAL CURRENT LIABILITIES		284,226
TOTAL NET ASSETS		4,492,844
TOTAL LIABILITIES & NET ASSETS		4,777,070
*Cash Income FY 2015-16 - \$1,428,996		

Board of Directors 2017

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

Mart Benson, Pantego
 Isaac Boerema, Pantego
 Jessica Burgess, Eure
 Ryan Cahoon, Fairfield
 Bert Dixon, Maury
 Sydney Edwards Dunn, Edenton
 Curtis Furr, Albemarle
 Gary Hendrix, Raeford
 Lance Herndon, Parkton
 Chris Hester, Bladenboro
 Robert Hyman, Oak City
 Wesley Johnson, Dobson
 Ryan Kennedy, Hope Mills
 Greg Manning, Nashville
 Dan McDuffie, Lake Waccamaw
 Michael McPherson, Mebane
 Brett Medlin, Indian Trail
 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
 Logan Watson, Monroe
 Simmy Williams, Shiloh

The North Carolina Soybean Producers Association



211 E. Six Forks Rd., Ste. 102
Raleigh, NC 27609
919.839.5700
www.ncsoy.org

Non-Profit
Organization
U.S. POSTAGE
PAID
Raleigh, NC
Permit No. 2106

ADDRESS SERVICE REQUESTED

To assist us in maintaining an accurate address file and reduce postage costs, please notify the N.C. Soybean Producers Association (919-839-5700) of any address changes or corrections. Comments and suggestions are also welcome.



2017 ANNUAL REPORT DEDICATED TO CHARLES HALL

Charles Hall served the NCSPA for 11 years before moving to Germany in June 2017. He was well respected throughout the soybean industry and made many friends along the way. Under Hall's leadership, the NCSPA initiated several projects including the development of new soybean varieties, enhancing and developing leadership tools for the board of directors, and improving communication to the state's farmers. New outreach programs were implemented during his tenure, such as distributing thousands of educational backpacks to kids, creating a new agricultural exhibit at Marbles Museum in Raleigh and co-founding Feed the Dialogue NC.

Hall's interest in and knowledge of international trade was essential as N.C. farmers sought to learn more about world soybean markets. Hall led several trips overseas to explore opportunities for N.C. soybeans and learn how other countries utilize U.S. soy. In addition, he was a great advisor to many, and his expertise was sought on numerous boards and organizations in our state.

For all these reasons and more, the 2017 Annual Report is dedicated to Dr. Charles Hall.

