

Gaining Ground

The 2010 Annual Report
of the North Carolina
Soybean Producers Association



Annual Report To The Membership



I am delighted you are taking the time to read about the accomplishments of your state soybean checkoff and your state soybean association. A recent farmer survey found that many soybean producers report being unfamiliar with the activities of their state checkoff. I wonder if this is due to the checkoff message not reaching the audience. North Carolina's checkoff investments in research, marketing and promotion are certainly putting benefits back into farmers' wallets. It is our job as the association and board to make sure you know when checkoff activities benefit you.

I am happy to report that your state soybean association implemented three new ways to provide you information about checkoff activities. The first way is this, our second Annual Report, providing a broad overview of the association's work, mailed to nearly 9000 farmers statewide. Another new tool was our first ever Research Update report mailed in August 2010, which presented our research portfolio at North Carolina State University in easy-to-understand language. The final way was the creation of an annual event called the Soybean Producers Forum at the Southern Farm Show, a face-to-face meeting to familiarize farmers with checkoff programs. The Forum will again be held in 2011 at the Southern Farm Show in February.

One of the most pleasing things I witnessed in 2010 was the excellent dialogue and common purpose among state commodity associations. Your soybean association understands that farmers, leaders, and agricultural associations must pull together to seek common goals in the face of increasing regulatory challenges. As a result, the soybean association launched an animal agriculture initiative with the North Carolina Pork Council, the North Carolina Cattlemen's Association, the North Carolina Poultry Federation and the North Carolina Farm Bureau, to support the future of the livestock industry in our state. Also in 2010, as part of our partnership and collaboration with the N.C. Cotton Producers Association, the N.C. Small Grain Growers Association, and the Corn Growers Association of North Carolina, a joint strategic visioning exercise was held, setting the

stage for more cooperation among the row crop partners in advocacy and policy efforts for the next several years.

As association president, I made research funding my top priority. The types of projects we fund with checkoff dollars at North Carolina State University have greatly expanded to encompass many aspects of soybean production, plant pests, animal utilization, and soybean new uses. However, state budget pressures on the University and the College of Agriculture & Life Sciences are increasing and threatening to impact what can be achieved in the future. This will make it even more important for your soybean association to invest in the highest priority soybean projects with the best potential for applications in the field. As state budgets for practical agricultural research diminish, commodity associations like yours are asked to do more to fill the gaps.

Thank you for allowing me to lead your association for the previous two years. We have seen some typical N.C. weather and production in that time. While we set a production record for soybeans in 2009, it looks like the 2010 average per acre yield will be slightly lower than the 10 year average. While some things like weather are out of our hands, we often have to do more with fewer resources to maintain and increase our gains in areas we can impact. For those things that keep us moving forward – the research, the marketing, partnerships across commodity associations and with policy leaders – I feel we made great progress in 2010. My hope for the soybean association is closer collaboration with others in the agricultural industry, more positive gains from research, and more innovative marketing projects to help find a home for our products.

Please remember you are represented on the soybean board by a farmer from your county or a county near you. If you have questions about the association, the checkoff or its activities, please ask that farmer or call your state soybean association at 1-800-839-5775.

Warmest Regards,

Bobby Joe Fisher, President

Board of Directors – 2010

Bobby Joe Fisher (President) - Nash County
Jimmy Thomas (Vice President) - Person County
Bernard Lennon (Secretary) - Columbus County
Jacob Parker (Treasurer) - Tyrrell County
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Kenneth Bartlett (USB Director) - Lenoir County
Jerry Batten - Columbus County
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Elbert Dixon - Greene County

John Fleming - Halifax County
Bryan Foster - Washington County
Matt Grissom - Vance County
Steven C. Mayes - Iredell County
Randy McCullen - Wayne County
Phillip McLain - Iredell County
Jeremy McSwain - Stanly County
Richard Landon Moore - Robeson County
Carey Parrish, IV - Chowan County
Jeff Parks - Wayne County
Jeff Peed - Beaufort 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
Sam Walton - Robeson County
John Weaver, Jr. - Johnston County

Reducing The Impact Of Soybean Cyst Nematode

Research to help North Carolina farmers increase yields and profitability remains a top strategic priority of the North Carolina Soybean Producers Association. Since Soybean Cyst Nematode poses one of the top production threats to N.C. farms, causing farmers to lose an average five percent yield annually, the NCSPA invests significantly in research efforts to address SCN. These efforts are led by Dr. Steve Koenning, a plant pathologist at North Carolina State University.

Over the years, research has shown that cultural practices on the farm, including double cropping, planting early varieties, and the use of cover crops, can reduce losses due to SCN. With improvements from these practices, further research is being done in some areas, such as crop rotation using mixtures of SCN resistant and susceptible varieties, as well as breeding projects using SCN resistant varieties. Currently varieties listed as resistant are not resistant to all races of SCN, and this is particularly true of common races found in North Carolina.

“If we can develop [SCN] resistant varieties, that would be the number one impact we could have,” said Koenning. “It can be done whether by molecular techniques, breeding or a combination of these.”

Koenning was optimistic research will lead to better solutions for SCN. For instance, current research on cover crops could identify a crop that would improve yield losses by 1-2% and other projects, such as those on resistant varieties, may further reduce losses. Koenning stressed, “We have to use every tool in our tool kit and add tools to the kit [to limit SCN damage] on a regular basis.”



NCSPA board member Jacob Parker examines plant pathogens at a research station.

Animal Agriculture Coalition Launched in 2010

The North Carolina Soybean Producers Association partnered with the North Carolina Pork Council, North Carolina Poultry Federation, North Carolina Cattlemen’s Association, and the North Carolina Farm Bureau to found the N.C. Animal Ag Coalition in November 2010. The coalition is supported by funding from the partner organizations and aims to communicate positive animal agriculture messages to industry stakeholders, thought leaders, policy makers and the public.

The coalition will be governed by five co-chairpersons representing the five founding partners. The commodity organizations and Farm

Bureau share common objectives and believe a unified approach is critical to building the trust necessary for long-term freedom to operate. This is especially important for soybean farmers interested in ensuring a healthy future for farming in North Carolina, given their strong ties to animal agriculture. Additional N.C. commodity organizations will be invited to become supporting members of the coalition.

The Animal Ag Coalition is working with CMA Consulting, a leader in food and agricultural communications, to begin implementation of the coalition’s program. The coalition’s strategic plan focuses on reaching opinion leaders to

promote a positive image of farmers, encouraging the use of new media outlets by farmers, and constructing briefing programs targeted at public policy makers. The coalition will also become a member of the Center for Food Integrity (CFI) to use their communications training programs for farmers. CFI conducted initial interviews in May 2010 that led to identification of major challenges facing the livestock industry in North Carolina. A central element raised in interviews was changing public perception and demands impacting farmers’ ability to produce food and be profitable.



Developing New Markets for North Carolina Soybeans

In 2010, the association responded to growing demand for consumer-ready vegetable soybean products in the United States, and continued to promote high-protein North Carolina soybeans shipped in ocean containers to soybean processors and feed mills in China, Taiwan and Indonesia.

EDAMAME PROJECT

The edamame soybean project aims to increase producer knowledge about growing, harvesting, handling and packing vegetable soybeans for the fresh & frozen produce trade. Edamame is the Japanese word for green soybeans on the stalk. The beans are commonly prepared by boiling and seasoning with salt and are eaten from the pod. The U.S. market for both fresh and frozen edamame beans has dramatically expanded. Fresh local edamame is usually sold through farmers markets. The volume of frozen edamame sold through supermarkets is much greater, but much of this product originates in China.

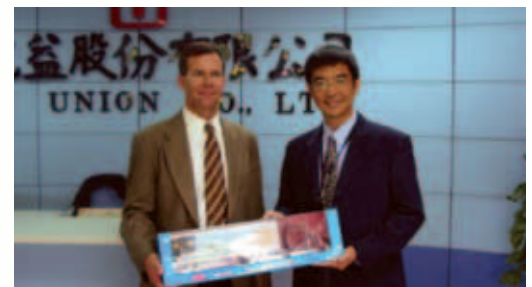
The soybean association contracted with Smith Mills to undertake a close examination of the requirements for growing and shipping fresh and frozen vegetable soybeans. Mill's report was reviewed at the board's November 2010 meeting. Going forward, learning from the project will provide growers, packers and retailers with a comprehensive analysis of the many critical decision points for profitably growing and marketing soybeans for the produce market.

INTERNATIONAL MARKETING

In 2010 the North Carolina Soybean Producers Association joined the United States Soybean Export Council (USSEC) to take advantage of export marketing services available from ASA International Marketing staff around the world.

Work to build overseas demand for N.C. soybeans also progressed in 2010. Marketing efforts included a two-week trade mission to China, Indonesia and Taiwan to meet key customers and strengthen relationships. The association worked closely with the N.C. Department of Agriculture & Consumer Services (NCDA&CS) International Trade Office and with ASA International Marketing representatives in each of the three countries to promote the higher protein of N.C. beans and their overall cleanliness. Export customers are realizing the advantages of a cleaner, higher protein bean, shipped in containers from elevators near east coast ports.

Availability of locations capable of loading beans into ocean containers for export shipping has been identified as a crucial next step in expanding export sales. As such, the association and the NCDA&CS promoted opportunities for gaining the capability to load soybeans into ocean containers to N.C. elevator operators. As more elevators are able to load ocean containers, international shippers will see an increased opportunity to source high quality North Carolina soybeans for international customers.



2010 Communications & Outreach

In 2010 the North Carolina Soybean Producers Association undertook many new initiatives to enhance communications with producers and the community. These included the development of new communications tools to inform growers regularly of checkoff-funded activities conducted to improve yield and profits, meetings to provide direct communication and important updates, consumer outreach at the N.C. State Fair and the first-ever study to quantify wildlife damage to N.C. crops and related efforts to publicize the results.

RESEARCH UPDATE REPORT

Results of research projects funded in partnership with NC State University through the checkoff have been communicated through a variety of channels, however, the NCSPA board of directors established a priority for all growers to have access to research information regularly, in an easily understandable format. The result was the Association's first annual Research Update Report in August 2010.

The report summarized the results of all 2009-2010 research projects in a user-friendly format, and provided next steps on ongoing research. It will be published on an annual basis when research results are available from the prior year to ensure producers understand the projects being funded and how they can benefit from the findings.

NORTH CAROLINA SOYBEAN PRODUCERS ASSOCIATION BROCHURE

A new brochure was created in the summer of 2010 to educate a variety of constituencies on the mission and programs of the NCSPA. It will be used at trade shows, other events and to distribute in local communities. The brochure highlights focus areas from the NCSPA's strategic plan, research, market development and advocacy. It also promotes N.C. soybean producers and their commitment to delivering safe, nutritious food using sustainable agriculture practices.



SOYBEAN PRODUCERS FORUM AT THE SOUTHERN FARM SHOW

The Southern Farm Show, held every year in early February in Raleigh, is one of the most widely attended events in agriculture in North Carolina. For the first time in 2010, the NCSPA took advantage of growers coming from across the state to attend the popular event, hosting what will be an annual meeting there. Regional meetings were also held with growers in Duplin and Washington Counties early in 2010.

The Soybean Producers Forum at the Southern Farm Show provides growers timely information on key issues facing the soybean industry, as well as the opportunity to meet one another, share ideas and dine together. The 2011

Soybean Producers Forum will be held on

Feb. 4, 2011 at 10 a.m. in the Martin Building at the N.C. State Fairgrounds. The keynote speaker will be Kip Cullers, the Missouri soybean producer who holds the world record yield of 160.6 bushels per acre.



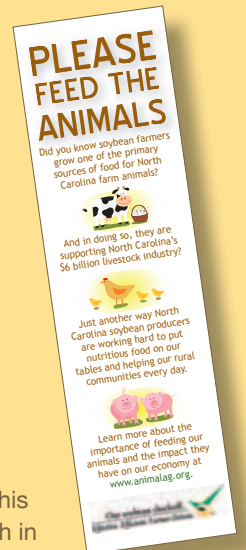
NORTH CAROLINA STATE FAIR

The N.C. State Fair brings the people of North Carolina together with its agricultural heritage each October, making it the perfect place to promote key messages and issues facing the soybean industry. In 2010, the NCSPA capitalized on this opportunity with a booth in the Green NC tent at the fair, manned by student volunteers from area agricultural clubs. The booth promoted production processes on the typical farm and farmer's important roles in producing safe, sustainable, nutritious food through a diorama, a trivia game and promotional giveaways.

WILDLIFE DAMAGE SURVEY AND COMMUNICATIONS

A benchmark study was conducted in 2009 to determine the level of wildlife damage to major row crops. The study, a joint effort of the North Carolina Department of Agriculture & Consumer Services, the North Carolina Soybean Producers Association, North Carolina Wildlife Resources Commission, North Carolina Small Grain Growers Association, the North Carolina Peanut Growers Association and the North Carolina Agricultural Advancement Consortium, found that wildlife accounted for \$29.4 million in crop damage on N.C. farms.

Following the release of study results in early 2010, NCDA&CS developed a brochure and publicized the results to the media. The NCSPA also developed a public relations effort promoting the significance of the damage caused by wildlife targeted to newspapers in key soybean growing areas and agricultural media. Since that time, the NCSPA has begun work with the NCDA&CS, the N.C. Wildlife Federation and the Wildlife Resources Commission to test ideas to reduce the amount of crop damage caused by wildlife.



Isaac And Leah Boerema, North Carolina ASA/DuPont Young Leaders for 2011

The North Carolina Soybean Producers Association is proud to announce North Carolina's ASA/DuPont Young Leader Award recipients for 2011, Isaac and Leah Boerema of Pantego. The program, sponsored by the American Soybean Association and DuPont, identifies and recognizes prospective agricultural leaders. The NCSPA has participated in the program for 28 years.

Isaac Boerema holds a B.A. in AgBusiness and Plant Science from Dordt College in Sioux Center, Iowa. He farms 1,200 acres of soybeans, as well as corn and wheat, with his father and uncle. He is the vice president of the Blackland Farm Managers Association, a position he has held since 2008. He has also served on the board of directors of the Farm Bureau for Hyde County since 2007.

Boerema understands there are important issues facing the soybean industry today. From a producer's perspective, he thinks herbicide resistant weeds are a top concern. From a consumer perspective, he would like to see the industry do a better job of managing the food versus fuels debate, as well as promote a positive image for modern agriculture.

He strives to be innovative in his production and marketing of soybeans.

The Boeremas participated in the first portion of the ASA/DuPont Young Leader program, leadership training at Pioneer Headquarters in Johnston, IA, from December 5-8, 2010. Isaac Boerema valued the experience, especially content on effective communications and meeting producers from across the country and learning about their operations. "We enjoyed the opportunity to see what other people [around the country] do as far as soybean production, but also knowing there's a network of people we can work with to improve our industry," said Boerema.



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— Isaac Boerema



2010-2011 ASA/Syngenta Leadership At Its Best Program Participant, Jeff Tyson

Jeff Tyson of Nash County was selected as the North Carolina Soybean Producers Association participant in the Syngenta Leadership At Its Best program. The program provides specialized training to develop a key group of state and national leaders to effectively address Congress and the media on policy issues impacting soybean farmers. The first training session was held in August in Greensboro, N.C., and the second session will be held in Washington, D.C. in March.

"[Participation in the Syngenta Leadership program] has already helped me in many ways," Tyson said. "Parts of the curriculum I found most valuable were in the areas of time management, understanding easier ways to express views and developing relationships before you need them."

Tyson farms 5,000 acres with his father, with crops including soybeans, corn, tobacco, cotton, cucumbers and sweet potatoes. He graduated from North Carolina State University with an Associate's Degree in Agriculture Business Management. He has served on the board of directors of the North Carolina Soybean Producers Association since 2009 and was part of the association's delegation that made U.S. Congressional visits in July 2010.

He also serves on the Nash County Soil and Water Conservation board of directors and the Nash County Farm Bureau board of directors. Tyson has also been actively involved with Cooper Volunteer Fire and Rescue since 1997 and currently sits on the board of directors of the Fire Department.

As a young agricultural leader, Tyson considers it important to think globally about the soybean industry, to address its broadening needs. He also feels being involved politically is becoming much more important than it was for previous generations, and will play a critical role in the future of the soybean industry and agriculture in general.

Soy Nutrition Outreach In The Community

Counties Where Soy Nutrition Programs Were Held In 2010

Alexander
Beaufort
Caswell
Chowan
Craven
Davie
Duplin
Edgecombe
Harnett
Granville
Greene
Hoke
Johnston
Lincoln
Macon
Nash
Northampton
Pasquotank
Perquimans
Robeson
Rockingham
Sampson
Scotland
Surry
Vance
Wake
Washington

An important outreach effort of the North Carolina Soybean Producers Association continues to be the promotion of soyfoods through education on nutrition and healthy lifestyles. The program uses soyfoods to educate children on nutrition and teaches them to make better food choices in order to prevent childhood obesity, juvenile diabetes and a host of other issues that arise from poor diet. The program also works with Agriculture in the Classroom to deliver materials to teachers and provide information about agriculture and modern farming practices for use in the public school curriculum.

The demand for soy nutrition programs increased greatly in 2010, with programs being held in over half of N.C. counties. Programs are now routinely conducted at N.C. Cooperative Extension offices, local health departments, health fairs and local hospitals as part of health education offerings, as well as in schools.

If you know of an organization that would benefit from a soy nutrition program or would like to participate as a producer, please contact Laura Rogers at 800-839-5775.



Annual Report of the Treasurer

Jacob Parker, Treasurer

FISCAL YEAR 2009-10 Ended August 31, 2010	AMOUNT
REVENUE	
Assessments – Net	1,418,163
Investment Income	65,544
Other	78,523
TOTAL REVENUE	1,562,230*
TOTAL EXPENSES	1,076,159
NET INCREASE	486,071
NET ASSETS – AUGUST 31, 2009	2,010,928
NET ASSETS – AUGUST 31, 2010	2,496,999
CURRENT ASSETS	
Cash on hand in banks	2,367,249
TOTAL CURRENT ASSETS	2,367,249
PROPERTIES AND ACCUMULATED DEPRECIATION	
Automobile	24,012
Office Furniture and Equipment	45,499
Office Building	168,206
Total Property	237,717
Less Accumulated Depreciation	-110,888
Total Property - Net	126,829
OTHER ASSETS (INVESTMENTS)	359,575
TOTAL ASSETS	2,853,653
CURRENT LIABILITIES	
Accounts Payable	251,146
Assessments Payable	105,508
TOTAL CURRENT LIABILITIES	356,654
TOTAL NET ASSETS	2,496,999
TOTAL LIABILITIES & NET ASSETS	2,853,653

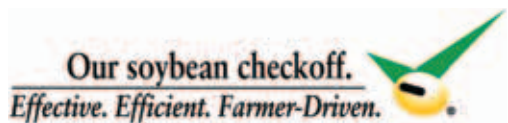
*Cash Income FY 2009 - \$1,424,866



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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.



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



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