

SOYBEAN SCENE

September 2019

Updates from the North Carolina Soybean Producers Association

CEO Update: Circles of Control and Strategic Planning

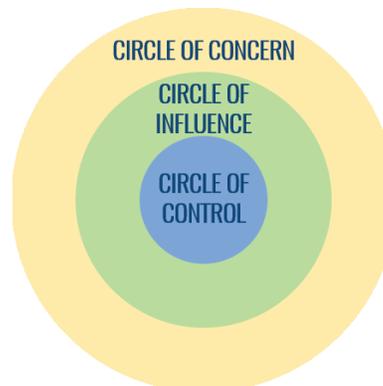
In his book “The 7 Habits of Highly Effective People, Stephen Covey introduced the idea of “Circles of Control”, which suggests focusing energy on things within one’s control, rather than worrying about things that are not. This concept isn’t particularly groundbreaking, rather it simply put words to widely accepted conventional wisdom. It also provides a good operational framework for the NCSPA staff at a time when the agricultural sector faces many challenges and resources are limited.

The first factors everyone deals with fall under the “Circle of Concern.” In the soybean industry, these are the many things that impact the profitability of North Carolina agriculture tremendously, but over which we have little control, such as commodity cycles, the macroeconomy, trade wars and swine fever. These things largely cannot be controlled and will turn in our favor eventually, so attempts to influence them will be largely wasted effort.

“Circle of Influence” are things the Association can attempt to steer but may require the cooperation of others. Such factors include legislative outreach, community outreach and marketing efforts to help raise basis. These tasks are carried out by Ashley Thomas, Laura Rogers and me.

Lastly, “Circle of Control” are elements where results are based on our own merits, such as industry competitiveness and the ability to produce quality soybeans at a competitive price. These require expertise from farmers and research funded by the Checkoff, in partnership with N.C. State University and others, and are overseen by Dr. Katherine Drake Stowe. Strong governance of the Association by the executive committee, me and Beth Holleman also fall into this category.

While the staff works to ensure the NCSPA mission as defined by the board is achieved, the board must on occasion reaffirm or redefine its strategic priorities. The board last did this in 2012 and will undertake this process again in the coming year. The process began at the July board meeting and a new strategic plan is expected to be complete in early spring of 2020. The staff is excited to facilitate the process in which the board can formalize its current strategic priorities and lead the charge to continue to advance the soybean industry in North Carolina.



UPCOMING EVENTS

October 26, 2019

NCSPA participates in the N.C. State Fair Special Cooking Contest, Raleigh, N.C.

November 11-12, 2019

NCSPA Board of Directors Meeting, Durham, N.C.

January 8-10, 2020

N.C. Commodities Conference & Board of Directors Meeting, Sheraton Imperial Hotel Durham, N.C.

February 5-7, 2020

Southern Farm Show Raleigh, N.C.

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NCSPA Sponsors Summer Field Days

The NCSPA was pleased to sponsor and participate in several field days throughout the state recently.

As is often the case, the Northeast Ag Expo was among the first field days of summer, held on July 25 at Roberts Brothers Inc. in Shawboro, N.C. The weather was a perfect summer day without too much heat or humidity, and a large crowd attended. Presentations included topics such as optimizing planting dates by maturity groups, pre-plant and R1 fertility of groups III and IV, soybean disease and foliar fertilizer management.



Farmers listen to speaker at the Blackland Farm Managers Tour

The Blackland Farm Managers Tour was held on Aug. 7 at Coastal Carolina Gin in Fairfield. The 300 growers in attendance learned about early-maturing varieties, the OVT program and soybean agent projects, as well as insect and weed control in soybean. A representative from the American Soybean Association attended as well.

The NCSPA has also sponsored many other field days, including Southeast Regional Farm Tours on Aug. 15 in Dunn, Aug. 29 in Kinston and Sept. 4 in Lumberton; the Corn & Soybean Field Day on Aug. 17 in Shelby; and the Southern Piedmont Corn & Soybean Field Day on Aug. 30 in Monroe. The Association is pleased to be a part of these events to provide the soybean farmers of North Carolina the opportunity to hear about the latest soybean research and management issues in soybean so they can use the information to improve yield and profits.

Board of Directors Holds July Meeting

The NCSPA board of directors had productive summer meeting sessions July 11-12 in Raleigh. The Research, Communications and Marketing, Advocacy and Resource Development Committees all took up their respective business and put forward recommendations for programs for the coming months to the full board. In addition, the board received an update on N.C. grain markets, reports about United Soybean Board and American Soybean Association business and an update on the activities of the NC SoyPAC and its efforts to advocate for federal policies that are favorable to soybean growers and support congressional candidates that support farmers.

Over the course of the next several months the board will be developing a new strategic plan to chart the course of the organization for the foreseeable future. The process for this work was outlined and approved during the meeting.

The board also approved a budget for the 2019-2020 fiscal year to address the impact of current soybean prices. Growers may notice that some programs are being reduced or cut, including a reduction from four newsletters per year to two, in an effort to be as efficient and fiscally responsible as possible. The Association will continue to serve the interests of N.C. growers in the best manner possible and ensure its mission of maximizing their profitability in an environmentally and economically sound manner is upheld.

Soybean Scene is an official communication of the North Carolina Soybean Producers Association, Inc., the Qualified State Soybean Board designated by the United States Department of Agriculture to administer the soybean checkoff program in North Carolina. One-half of checkoff funds collected in the state are invested in research, market development and producer communications projects to benefit North Carolina soybean producers. The remaining one-half of funding is remitted to the United Soybean Board (USB), whose 73 farmer-directors oversee soybean check-off investments on the national level. Comments, questions, and change of address notifications are welcomed.

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USB Director	Derek Potter (Grantsboro)
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Simmy Williams, Shiloh

STAFF:

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Laura Rogers, *Outreach Coordinator*
Beth Holleman, *Accounts Manager*
Greg Marvin, *Compliance Auditor*

Katherine's Corner

Planning for Cover Crops

Interest in cover crops is increasing given that higher yields and improved soil health have been achieved by incorporating them. However, adopting cover crops is not a one-size-fits-all solution, and there are many different options that may provide different benefits for different operations.



Cover crops have many potential benefits, such as:

- Reducing soil erosion
- Reducing soil compaction
- Controlling weeds
- Managing nitrogen
- Preserving soil moisture

Many of these benefits are the result of a long-term investment in cover crops and likely would not be seen after only one year of use. The specific benefits of a cover crop depend on the species grown, as well as the environment. Cover crops require management and planning, just like any farm practice, and several steps should be considered before implementation, including:

1. **Determine what you want to accomplish by planting a cover crop.** This may be improving erosion or controlling weeds. Goals may be different for different fields or farms.
2. **Select the right species of cover crops to help you reach your goals.** Each species has a distinct set of characteristics that make it useful for different goals. Selecting the wrong species can lead to more problems than it solves.

Grasses (including winter cereals such as rye, wheat, barley, triticale) are the most common cover crops in corn and soybean cropping systems. The extensive fibrous root system produced by grass cover crops make them well-suited for stabilizing soil (preventing erosion).

Legumes (including hairy vetch, field pea, lentil, Crimson clover, red clover) are popular for their ability to fix N. The amount of N accumulated varies by species but is directly proportionate to the biomass produced.

Brassica (including mustards, tillage radish) have grown in popularity for their ability to provide many of the same benefits as grasses, but with residues that break down more quickly in spring. Tillage radish is becoming known for its ability to produce a large taproot that may be effective at breaking up soil compaction.

3. **Have a plan.** Think about what is needed to successfully incorporate cover crops, including earlier-maturing varieties, early harvest, labor, seed acquisition and herbicide programs.
4. **Think small when first starting out.** Select a field or a few areas that will benefit most from a cover crop and start experimenting there first.

As you consider incorporating cover crops into your soybean rotation, keep the specifics of your operation, climate, and location in mind. Talk to other local growers who are successfully using cover crops and start small. By experimenting on a few fields to start you can determine which practices work best for your operation.

Dr. Katherine Drake Stowe, Research Coordinator



Educating Consumers About Ag

Everyone knows summer brings fun, and NCSPA outreach takes advantage of the many events happening in warm weather to reach consumers with positive messages about ag. The NCSPA began a sponsorship of minor league baseball teams last summer and they were so successful that more involvement was planned this year. The Association sponsored the AAA Durham Bulls with in-game soy trivia contests at several games and the agriculture-themed State Fair Night on June 2. Ag trivia facts appeared on video boards throughout the game and the NCSPA had a booth to engage with fans. Jeff Tyson, NCSPA president, did a live interview about the importance of agriculture in N.C. and the Association was recognized on-field during the game, with CEO, Owen Wagner, participating.

With school out, there are also many opportunities to educate families and children about what farmers do and why. One such event is an NCSPA outreach favorite, Touch-a-Tractor at North Hills shopping center in Raleigh. This year kids could do agriculture-related activities, sit on real tractors, get in the Northeast Ag Expo's Agri-pride farming simulator and talk to farmers. Hundreds of kids and caregivers attended the event on June 25 and many other commodity and industry groups participated as well.

The NCSPA and USB also sponsored N.C. Soil & Water's national Envirothon, an environmental education competition for high school students, in early August in Raleigh. The Association had a booth at the event to interact with students and other attendees, as well as talk to them about the sustainable practices soybean farmers employ.



Karen Wing, Laura Rogers & NCSPA president Jeff Tyson (l to r) exhibiting at Durham Bulls ag night



Touch-a-Tractor event at North Hills in Raleigh

Meet the Board: Sydney Dunn



Sydney Dunn with her husband Lee, and children, Bear and Penny

Sydney Dunn of Edenton, N.C., has served on the NCSPA board of directors for four years, and was previously the chair of NC SoyPAC. She graduated from N.C. State and has been farming six years, growing soybeans, tobacco, sweet potatoes, wheat and corn.

Farming is all about family for Dunn. She works with her husband, Lee, at Intracoastal Ag LLC, and with her parents, brother and cousin at Lake Wendell Farming Co. LLC. She says working alongside family members makes managing the ups and downs of agriculture easier. This philosophy is also demonstrated in the quote she says reflects the way she approaches life, "It's not what happens to you but how you react to it that matters."

Dunn stays busy outside of farming too. She and Lee have a three-year-old son, Bear, a one-year-old daughter, Penny, and a baby due in October. They serve on N.C. Farm Bureau's Young Farmers & Ranchers committee. Dunn owns her own business as well, the Lost Colony Cotillion, a chapter of the National League of Junior Cotillions, in which she teaches children etiquette in Edenton, Nags Head and Wilson. When not working, she loves being out on the water of the Albemarle Sound near her home.

As the environment around agriculture grows more complicated, Dunn believes being able to have considerate, educated conversations with neighbors, industry partners and consumers is a necessary skill. She wishes consumers understood more about "corporate" farms, and that the majority are family-owned but have the "corporate" benefits of better organization, higher quality and greater efficiency, leading to safer products and people.

Growers Advocate for N.C. Soybeans on Capitol Hill



Board members Jimmy Thomas, Philip Sloop, Chris Naylor, Michael McPherson and Gary Hendrix (l to r) pictured in Washington, D.C. during their July Congressional visits.

Five growers from North Carolina visited the state's Representatives and Senators in Washington, D.C. in late July as part of the American Soybean Association's (ASA) summer board meeting. North Carolina's ASA representative, Jimmy Thomas; board secretary, Gary Hendrix; NC SoyPAC chair, Michael McPherson; and NCSPA executive committee members, Chris Naylor and Philip Sloop, made the trip during this busy time of the year to make sure the voices of N.C. farmers were heard.

The group met with Congressman David Rouzer and Congressman Richard Hudson, and with staff from the offices of Senator Burr, Senator Tillis, Rep. Meadows, Rep. Foxx, Rep. Walker, Rep. Holding, Rep. Butterfield, Rep. McHenry and Rep. Price.

Passage of the **United States Mexico Canada Agreement** was a major focus of the meetings, and representatives from both parties assured the NCSPA delegation they support the agreement and understand its importance to N.C.

Another trade-related topic discussed was increased funding for the **Market Access Program and the Foreign Market Development Program** because funding levels for those programs have not changed since 2001 and 2006 respectively. Given the current trade environment, board members emphasized the importance of these programs on a continued basis and not only when markets change.

Other items covered were **labor reform, USDA's Soybean & Nitrogen Fixation Unit** and **Federal Disaster Aid**. The group stressed the need for **labor reform** within guest worker programs. They expressed appreciation for the administration's newly-released rules, but explained that the adverse wage rate continues to rise, making it difficult for farm to be efficient. The group advocated for additional funding for USDA's Soybean & Nitrogen Fixation Unit in Raleigh, a soybean research location key to keeping the southeast competitive in soybean production with its unique capability to test extremes, sometimes in the same year. The delegation thanked legislators and staff for their work on Federal Disaster Aid given the great need for it and its importance in helping farmers rebuild.

Board members also visited the USDA and met with **Under Secretary of Farm Production & Conservation, Bill Northey**. He discussed the second round of Market Facilitation Payments and when county rates were expected to be released, which happened the morning after the meeting. He also shared that the registration process would ideally be the same and administered by the Farm Service Agency. The group discussed Federal Disaster Aid and expected timing of details on the program with Northey as well. Priority issues in N.C. were reiterated, including labor and MAP & FMD funding levels.

As part of the ASA meeting, a Soy Issues Forum was held, which the growers also attended. At the meeting, North Carolina Pork Council CEO Andy Curliss presented information on the nuisance lawsuits targeting N.C. hog farms to soybean growers and state staff from across the U.S. Attendees appreciated learning details of the case to understand and prepare.

North Carolina is very fortunate to have farmer leaders who are passionate about agriculture and willing to advocate for their peers, even when it means work on their own farm halts for a few days to do so. It is important to continue these efforts at both the federal and state levels so the voices of N.C. soybean farmers are heard and agriculture is well-represented.

Visits to Washington D.C. and other NCSPA advocacy efforts are possible because of growers who are members of the NC Soy Alliance. Membership dues support policy and advocacy efforts in the interest of N.C. farmers and the agricultural community.

Not a member of the NC Soy Alliance? Sign up online at www.ncsoy.org/soy-alliance to enable soybean growers in N.C. to continue to represent you.

Activities to Increase N.C. Soybean Exports

North Carolina has never been a major soybean exporter because it has one of the largest deficits of protein for animal feed of any state. The state exports much less than 10% of soybeans produced in most years, while the U.S. exported almost 50% before the recent trade wars. The state's livestock industry will always be the soy sector's "Plan A," but it is still important to foster export markets to keep the door open and domestic buyers on their toes. Trade data suggests there is room to improve, as export totals have been fairly stagnant at 2-4 billion bushels in recent years, down from nearly 6 billion bushels in 2013.

Overreliance on one or two large buyers in the state weighs on the basis and the price farmers receive for grain. Soybean needs that cannot be met in-state are usually filled by rail shipments from Indiana and Ohio. While those states have soy surpluses, farmers there still enjoy higher prices than in N.C. because they have many more marketing options. Anecdotal evidence backed up by NCDA-reported numbers suggest crush margins at the Fayetteville plant are usually considerably better than the national average because Cargill can pass on a freight premium for meal they sell, but are not compelled to offer one on the N.C. beans they purchase. Exporting more of the state's soybean production would require Cargill to rail more beans in from the Eastern Corn Belt at a higher cost and may help improve their appreciation of local production.

This summer, the NCSPA's new CEO, Owen Wagner, explored several avenues to address this challenge, including promoting N.C. soybeans to countries that are increasing their appetite for U.S soy and exploring port options to increase exports. The U.S. has significantly increased exports to Europe since early 2018, increasing market share 30% to 80% there, and N.C. is in a strong geographic position to supply Europe. While a restoration of trade relations with China could impact this, some of these changes are likely to be permanent and could work in North Carolina's favor.

Given these changes, Wagner travelled to the United Kingdom in June. There he met with Britain's National Pig Association, the British Poultry Council and the Agricultural Industries Confederation, which represents the country's feed compounders, while also joining an NCDA delegation meeting with USDA's Agricultural Attaché office. In addition to strengthening relationships with decision-makers abroad, Wagner also promoted N.C. soybeans as a high quality, high protein bean that can be landed into the U.K. competitively. Wagner made the same pitch to a mostly Asian audience when he attended the USSEC global trade event in Chicago in August.

Wagner also visited the Port of Wilmington and at Morehead City this summer to learn more about the infrastructure there. Wilmington is home to the state's container shipping capabilities, as well as a bulk grain import facility since 2002, which gives majority-owner Smithfield more leverage over the rail companies. Morehead City, meanwhile is bulk only but currently has no means of receiving grain by truck or storing it. A feasibility study conducted by the port suggests adding these capabilities at Morehead would cost roughly \$5 million.



Smithfield bulk import storage, Port of Wilmington

2019 Corporate Partners

The corporate partnership program enables agricultural industry companies to support the Association in its efforts to support and advocate for farmers. These relationships give growers and companies the chance to connect at various events. Support of the Association by our partners is invaluable and provides a unique way to share success stories from the field and gain input from producers. The NCSPA extends special thanks to our 2019 corporate partners!





unitedsoybean.org

MAINTAINING OUR REPUTATION TO DELIVER

Whether shipping by river, road or rail, the soy checkoff is committed to ensuring America's infrastructure is a significant advantage for U.S. soybean farmers. We're looking inside the bean, beyond the bushel and around the world to keep preference for U.S. soy strong. And it's helping make a valuable impact for soybean farmers like you.

See more ways the soy checkoff is maximizing profit opportunities for soybean farmers at unitedsoybean.org



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NCSPA in the Community

The NCSPA attends events across North Carolina, so please join us! Just a few are listed below. We'll have educational materials and fun for all!

- Oct. 4: Orange County FFA Ag Fest, Hillsborough
- Oct. 5-7: Hoke Count Ag Day, Raeford
- Oct. 22-24: Stanly County Ag Day, Albemarle
- Nov. 6: Northeast Regional FFA Ag Expo, Williamston



Kids learn about agriculture at North Hills' Touch-A-Tractor event in Raleigh

**DON'T WANT
TO MISS
SOYBEAN SCENE?**

Look for issues in March and October in 2020

Moving forward the NCSPA newsletter *Soybean Scene* will be published two times per year in March and October, instead of four. This will help reduce costs that we can return to our members in other ways, such as production research and other programs that will help our members increase yield and profits.

You will still be able to find resources on our website at ncsoy.org any time. If you want to receive timely news and updates more frequently, be sure to sign up at ncsoy.org by clicking the "Sign up for Updates" button in the top bar.