

MAY 2021

Illinois Field & Bean

A PUBLICATION OF THE ILLINOIS SOYBEAN ASSOCIATION

Rollin' Down the River: The Trade Issue



A photograph of two men in a field. An older man on the left, wearing a tan button-down shirt, looks down at a tablet held by a younger man on the right, who is wearing a light blue button-down shirt. They appear to be examining data or images on the screen. The background is a bright, overexposed landscape.

KEEPING THE FUTURE OF SOYBEANS BRIGHT

From researching new uses for soybeans to identifying new markets for U.S. soy, the soy checkoff is working behind the scenes to create new opportunities and increase profits for 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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Visit us online at www.ilsoy.org/magazine/illinois-field-bean.



COVER: Humbly dubbed "the back-bone of the transportation logistics system," the U.S. inland waterways efficiently, sustainably, cost-effectively, and safely transport agricultural goods to destinations within the U.S. and to deep water ports for export.
Photo Credit: Waterways Council, Inc.



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FROM THE BOARDROOM



RICK RUBENACKER | ISA Market Development Committee Chair

Tractor Cab Thoughts on Trade

This time of year marks the beginning of warmer weather, and on my family farm in McLeansboro, Ill., it also marks the start of yet another planting season. Some of the longest and busiest, yet most rewarding days, are spent in the field planting soybeans, corn, and wheat. As those seeds are planted, it's hard not to think about the growing season, harvest, and then our crop on the way to market to customers both domestically and abroad. Especially when I think of the soybeans we're putting in the ground – more than 60 percent of this crop will be exported to buyers around the globe.

There's a lot that goes into commodity trade, and it takes years of effort and relationship building. It also takes a great, sustainably grown product. Trade doesn't just happen naturally without any effort. At the Illinois Soybean Association (ISA), we are working year-round to ensure trade can happen efficiently for both our farmers and buyers. Trade is a relationship that builds over time with the mutual understanding of the demand of the buyer and the need of the farmer.

Illinois soybean trade should matter to us. Given the volume of soybeans going into export markets, it's important that we understand where our beans are going, and how we, as farmers, can help meet that demand. It's important that we understand our customers and their needs from our products, and it's always best when farmers hear from those export customers directly.

The demand for soybeans is continually growing, and as farmers, we must do our part to continue to foster those relationships. As farmers, we are often repeat customers to businesses where we connect and can see first-hand who is doing the work – it may be the relationships, not the product, that draw us in. The same is true for soybean exports, and here in Illinois, we want new customers to become repeat customers for generations.

ISA's market development committee has been looking at creative ways to meet buyers' needs over the past year. In a typical year, we host more than 35 international trade teams on farms across Illinois. This year was a bit different as we navigated our way through COVID-19, but the goal of connecting with soy buyers still remains. We are hopeful to return to those in-person visits soon, to ensure our global customers have the opportunity to walk fields and talk face-to-face with Illinois farmers.

Whether it's by road, rail, or river, our Illinois soybeans are on the move and making their mark on the world. Growing great soybeans is a priority on our farm, and you can take heart in knowing that trade is a priority at your state soybean checkoff program.

The Weight of Trade

How important is trade to an Illinois soybean farmer?

Every year, Illinois farmers send more than 60 percent of their soybeans to export markets, which adds up to approximately 363 million bushels. That means that our Illinois grown soybeans are playing on a global stage and serving vital needs in overseas markets like China and Egypt. Combine that thriving global demand with Illinois grown soybeans and our world class logistics framework that gets soybeans to market the most efficiently – and you have all of the conditions for true trade success.

That trade success certainly didn't happen overnight, and sometimes influencing those markets feels like two steps forward and three steps back (remember 2018?). It takes a high-quality product, good service, great relationships, and the collaborative energies of all kinds of partners around a table to make trade relationships grow and work. It's intricate work at times, but at the end of the day, it's rewarding. Illinois soybean farmers are winning every day as trade relationships are humming along and moving our soybeans around the globe.

The Illinois Soybean Association (ISA) has made it a top priority to ensure that we are continually working on nurturing existing relationships and establishing new customers for soy from Illinois. From hosting trade teams, both in-person and virtually at times, to working with global buyers to connect them to the soybean products they need, or working with trade consulates as we renew Letter of Intent agreements for future purchases – the work on trade never stops at your state checkoff association. And we aren't merely investing in trade, but also in the infrastructure required to help move soybeans from your fields to your customers, regardless of where you are. In fact, in fiscal year 2021, 38 percent of the checkoff's investment, and the biggest piece of our funding pie, went to market development activities. Our organization's strategic plan includes objectives to identify and grow markets for Illinois soy, and your checkoff investment makes that work happen every day.

As CEO, some of the most rewarding comments I hear about the Illinois soybean industry come from our buyers. There's a respect for Illinois grown soybeans, and an understanding that it's a high-quality, and sustainably grown product. There's an interest in the Illinois farmers that grow it, and every trade team we interface with relishes the opportunity to see our soybeans in the field first-hand. These are the types of conversations I could have all day, and I look forward to more of them in the future as we grow and flourish in the trade space.

As you read this issue, we know that planting season is underway and top of mind. As you plant those soybean acres this spring, think of the end destination for that crop and take pride that your soybeans are going global in big, bold, and important ways.

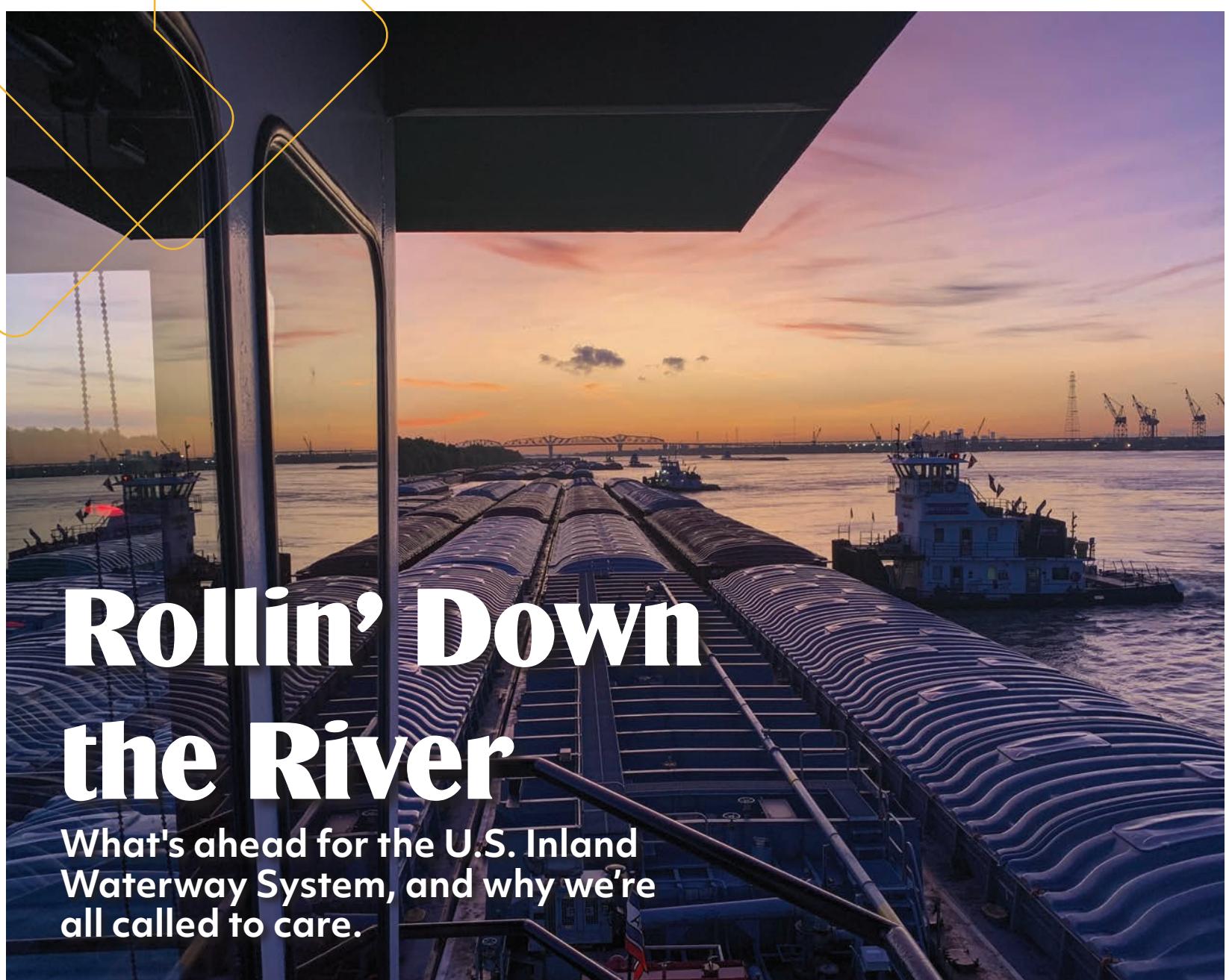


JOHN LUMPE | CEO | Illinois Soybean Association





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Rollin' Down the River

What's ahead for the U.S. Inland Waterway System, and why we're all called to care.

Evening calls harbor inhabitants in. Photo Credit: Captain Gooding

By Betsy Osman

If there's one thing America loves, it's healthy competition. And in the exports space, the U.S. inland waterways system has not only secured our role as a global leader, it has floated America's economic brawn for generations.

Humbly dubbed "the backbone of the transportation logistics system," the inland waterways efficiently, sustainably, cost-effectively, and safely transport critical commodities like agricultural goods, energy products,

building materials, and industrial chemicals to destinations within the U.S. and to deep water ports for export. Annually, 766.3 million tons of goods valued at \$507.3 billion are moved on the U.S. inland waterways system. By 2045, it is expected to increase by 23 percent to 942 million tons valued at \$871 billion. Barge transportation is the safest, most environmentally-friendly, economical, and fuel-efficient way to move our nation's goods for use domestically and for export. On a single gallon of fuel, one barge can move freight more than four times far-

ther than trucks, while releasing 10 times fewer emissions.

As the No. 1 soybean producing state, the system includes a vast network of 12,000 miles of connecting waterways, 218 locks, and 1,100 miles of navigable inland waterways.

Here are some cool facts you should know:

- The U.S. inland waterways system saves between \$7 to \$9 billion annually over the cost of other modes due to efficiency and low cost.
- The U.S. currently has a \$5.35-per-metric-ton advantage

over Brazil when shipping soybeans on the inland waterways system from Davenport, Iowa, to Shanghai, China.

▪ Illinois' Ports, Waterways, and Inland Waterways-Dependent Industries support nearly 236,000 jobs.

▪ Barges have the smallest carbon footprint among freight transportation modes.

"The inland waterways are simply the most cost-competitive way to move agricultural inputs and finished product for use domestically and for export from the United States," says Tracy Zea,



President and CEO of Waterways Council, Inc. "U.S. farmers enjoy that competitive advantage in global export markets in large part because of our nation's resilient transportation and infrastructure network that moves corn and soybeans, America's highest yielding crops."

The majority of locks and dams in the Mississippi and Illinois system were constructed during the 1930s and are operating well beyond their 50-year design life. And though the United States has long been the envy of the world with a robust and expansive transportation infrastructure, this resource is aging and deterioration is a very real threat. An aging and less reliable inland waterways infrastructure will result in lower effective transportation capacity. That lower capacity leads to higher freight rates for other modes. Those higher freight rates decrease farmer returns, leading to lower economic activity.

The last domino to fall in this sad chain-reaction is the impact on our farmers who will be faced with compromised competition on a global scale. They will be the ones pained when our transportation "backbone" has grown arthritic and can no longer bear the weight of our work.

To remain competitive in the global marketplace, U.S. agriculture must be able to rely on a steadfast transportation infrastructure system, including a well-functioning inland waterways system. Modernizing the nation's inland waterways system will not only support and create American jobs and increase U.S. exports, it will inject billions of dollars into the U.S. economy to power our growth and position the U.S. as an export leader.

"There are a multitude of reasons why the inland waterways must be reliable, efficient, and sustainable for the future, and investment in the system is key to that," says Zea. "While other countries are investing heavily in their inland waterways, the U.S. must invest at an even greater

rate ahead to remain at the top, or American farmers and other shippers will pay the price by falling behind. Delays can cost operators and shippers more than \$44 million annually."

The U.S. Department of Agriculture (USDA) released a study that quantifies the cost-savings and competitive advantages that would accrue from investing in long-delayed improvements to inland waterways locks and dams on the Upper Mississippi and Illinois River System. The study, entitled "Importance of Inland Waterways to U.S. Agriculture," addresses the critical connection between the inland waterways and the competitiveness of American agriculture and agribusinesses in global markets.

Today, Illinois exports 60 percent of its soybeans, estimating \$3.5 billion in value. And as many of those soybeans travel through the Illinois inland waterways, modernization and investment in inland restoration projects sit high on the priority list for the Illinois Soybean Association (ISA) and Illinois Soybean Growers (ISG).

In late 2020, ISG and ag groups joined together to encourage the passage of the Water Resources Development Act (WRDA). This legislation authorizes and provides funding for key infrastructure projects

on the inland waterways. In the bill, it shifts the cost share for new projects from 50-50 Federal treasury-waterways user fees to a 65-35 split. This shift will allow for more funds to flow to new projects on the inland waterways, specifically to projects on key locks and dams on the Mississippi and Illinois rivers.

"There is much to be hopeful about for the inland waterways," says Zea. "Over the last eight fiscal years of appropriations, full and efficient funding for the Corps of Engineers has been on the rise. Projects are advancing toward becoming operational after years of construction. Operations and maintenance funding has been at historic levels and has made a significant positive impact on reducing emergency outages on

the system. Policy changes have been implemented that create more efficiency in the project delivery system. And there is finally real potential for a meaningful infrastructure package in the Administration and Congress that could further modernize inland waterways locks and dams."

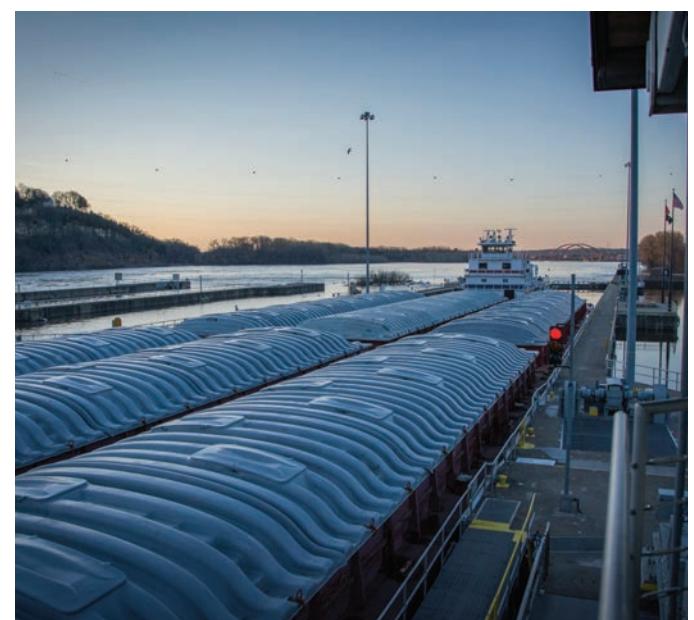
Continues Zea, "Within the state of Illinois, its ports, inland waterways, and inland-waterways-dependent industries support nearly 236,000 jobs, which gives rise to \$2.1 billion in state and local tax revenue. Illinois agriculture products and cereal grains totaled \$4.5 billion in the state. These figures will all surely increase in Illinois and throughout the nation with increased investment in our inland waterways infrastructure."



For an aging waterways system operating past its intended design life, deterioration is a real threat.



Increased investment in restoring waterways systems could mean increased opportunities for Illinois soybean farmers.



The Need to be Heard

I recently read an article that said, "perhaps even more than the elected officials who currently sit in national leadership positions, what Americans care about most is that they feel heard." In the wake of a bitterly contested presidential election, as our country remains tender-to-the-touch, voters say that those on the other side simply don't understand. And a shared sentiment between Democrats and Republicans alike seems to be that those who supported the other candidate have little or no understanding of people like them.

What a profoundly human response: the need to be heard and to believe that our greatest fears and deepest desires matter to others. We are hardwired to want to be understood.

Every year, the Illinois Soybean Growers (ISG) carefully craft and review political policies to be sure that we are not only making an impact at the national level, we want to know that the Illinois soybean farmer's voice is being heard. To do that successfully, we spend a lot of time listening to the ideas and the concerns of our farming communities, ensuring that the messages we take to Washington carry with them the authenticity of our farmers' deeply-held beliefs and agricultural ambitions.

We are mere stewards, shepherding the knowledge and expertise of our 43,000 Illinois soy growers who are hungry to click unmute.

This year's Commodity Classic event provided a perfect platform for the American Soybean Association (ASA) and ISG to review policies and participate in discussions around legislative priorities. Some of the most commonly occurring themes included: COVID-19 response, trade, environment, farm economy, biodiesel, ongoing federal biodiesel legislative priorities, Illinois biodiesel legislative priorities, transportation, and infrastructure. These issues are highest among ag organizations and growers across the nation, and are challenging members of ISG in new and unprecedented ways.

To meet the challenges and honor the priorities, the Illinois Soybean Growers Political Action Committee (ISGPAC) is preparing to flex some serious muscle. A new campaign titled "Challenge 250" is calling for 250 donors to make \$250 donations that will directly support ISGPAC's work to protect markets for our soybeans. Not only will these donations create meaningful opportunities for our leadership in Springfield and Washington, but they will also



MIKE LEVIN | Senior Director of Government Affairs |
Illinois Soybean Association

ensure our farmers have a voice in the future of Illinois farming. We won't stop until our elected officials have heard your messages of utilization, global responsibility, and next-level innovation.

I encourage you to consider making an online contribution to this effort when you visit: ilsoygrowers.com/challenge-250. If \$250 is too much, please consider a donation that feels most comfortable to you.

Your support will ensure Illinois farmers are heard. And when Illinois farmers are heard, the whole world wins.



ISA staff host Rep. Janet Yang Rohr, Rep. Michelle Mussman, Rep. Anne Stava-Murray, Sen. Laura Ellman, and Suzy Glowiak Hilton from DuPage County and the suburbs to discuss how biodiesel can help reduce emissions, help Illinois' economy, and promote energy independence at the DuPage Forest Preserve, a B20 Club member.

THANKS FOR LOGGING IN TO *Say* HELLO

Thank you to everyone who attended and helped make Say Hello: Home Edition, the 2021 Virtual Soybean Summit, a huge success. It may have looked a little different this year, but we were still able to bring farmers and experts together to share soybean advice and info to help you maximize yield and optimize business—and in a big way.



Thanks again. And we'll see you (hopefully in person) next year!

DID YOU MISS THE SUMMIT? ALL PRESENTATIONS ARE NOW AVAILABLE ONLINE.

Get caught up at ILSoyAdvisor.com on the events page.



Every Farmer Has a Story

Meet the Unsinkable, Edie Gaffner.

By Betsy Osman

In truth, Edith "Edie" Gaffner never wanted to be a farmer's wife. She had big dreams of becoming a school-teacher, venturing out into the world, and leaving behind the hard-knock life on a family farm. But some of the best stories include ironic plot-twists, roundabout self-discovery, and a quiet but confident hero.

This is Edie's story.

"As I was growing up, my people were dairy farmers, so I knew what a hard life that was," says Edie. "I wanted to be a teacher and adventure, but I married a farmer. But that's exactly what I did. C.W. and I were both involved in 4-H activities which is where we met. We then started dating and eventually got married."

Adds Edie with a laugh, "Sixty-three years later, I suppose

you could say it's been a long-term commitment."

Today, Edie and her husband, C.W. Gaffner, are the matriarch and patriarch of the Gaf-Fine Family Farm, a centennial farming operation located in Greenville, Ill.

"We have a long, multigenerational legacy that began with my grandfather operating a dairy farm, and the operation has since become a large grain farm," says Scott Gaffner, son of Edie and C.W., who spent years serving the Illinois State Police before returning home to help out with the family's agricultural endeavors.

Scott is joined by his brother, Jerry Gaffner, who has helped modernize and operationalize the family business.

"In the 80s, when I was in college, I had no desire to step into the world of agriculture. It wasn't until I had the op-

portunity to see what a family heritage meant that I realized," says Jerry. "When I realized if I didn't take part in the family business that it might cease. I really paused to reflect on my choices and how they might ultimately impact my parents and the legacy they'd built."

But moving from a second-generation to a third-generation farm wasn't a simple, rose-colored transition.

"When you're an educated person at the college level, you have these big ideas and you're incredibly excited to integrate new methods," recalls Jerry. "Then you have another generation, doing it the way my father had been doing it for many years. So we had this great collision in the mid-90s, trying to decide what we were going to do as a farm. I needed to honor and respect our father, but I also needed to push

forward ideas and systems that were going to help us roll into the next generation."

According to Scott, success of Gaf-Fine Farms hasn't been the product of higher education, strategic planning, or even modernization, but of the heart and intuition of his mother, Edie.

"She was the lynchpin of the whole thing," says Scott. "She fed us when we came in off the field and cared for each of us. She taught Sunday School, led a 4-H Club, and worked the farm all while studying to earn a degree in teaching. After she graduated, she worked part-time so she could help support the farm financially and ensure we had insurance to go to the doctor. I don't think she slept much during those years. She was just unsinkable."

Edie agrees that she stayed very busy when the children were young and busier during the farm transition.



Left Picture: C.W. and Edie Gaffner. Right Picture: Edie, C.W. Gaffner, and family.



"Looking back, it was a busy time but it was a happy time," remembers Edie. "Because the farm needed everyone's help, the children each played a part in running the operation. We had two sons and three daughters, and we taught them that it didn't matter if you were a boy or a girl, you had the same two hands as anybody else. Everyone had a role to play; everyone was important."

She continues, "I think growing up on the farm helped our kids learn life skills and the ability to stick with a job, and it helped my husband and me because we needed the extra hands. There were times I worried the kids didn't have time to be creative and daydream and think of the future, but today I think the fruits of their labor are visible to them."

Jerry goes on to describe that they grew up with an appreciation for hard work, but always felt loved and important. "I think having a centennial farm confirms two things: it validates that you have a family that is rooted deep into a culture and a community, and that you have been financially-wise enough to sustain a business for over a hundred years," says Jerry. "Success we've experienced let us know that we've done well. But it means the most to know



C.W. and Edie Gaffner, and their children.

that we've made our parents proud."

It's true that every farmer has a story. And if they're lucky, a mother like Edith "Edie" Gaffner, who reminds us all that happiness is a byproduct of a life relentlessly oriented around those we love most.

To Edie and to all the mothers, the true growers of the world, we wish you a Happy Mother's Day.



The Gaffner Family is one of many Illinois farm families featured in ISA's docuseries, ILSoystories, available on the ISA YouTube Channel: youtube.com/ilsoybean.



Trade-Offs

Is it risk or reward? Trade can sometimes feel like risky business but understanding the factors that impact success certainly helps.

Strategy and taking risks is vital to soybean trade and the success of Illinois farmers.

By Jill Parrent

For as long as there's been a United States of America, there's been trade. Whether that was the supplies brought over on ships from Europe in the 1700s, or exporting soybeans to Taiwan in 2020, our country's ties to trade are extensive, and ever growing. Today, U.S. soybean farmers ship their commodity around the world, but we're far from the only player in the game.

Over the years, countries like Brazil and Argentina have entered the soybean market, creating a steady and demanding competition. Competition between countries can be, and is, healthy but often comes with variable risks. Ken Dallmier, President and COO of Clarkson Grain Company in Cerro Gordo, Illinois, defines and places risks into three buckets when looking at trade.

Bucket 1: External Factors

Consider this: the small and independent local grocer is often the only store in rural areas and is relied upon as the most well-respected choice. When a large box store comes to the area, the new player changes

the dynamic for everyone. This shift could be positive as it brings new jobs to the area, but then negative as it takes business away from the local grocery. Opportunity and threat can be seen as the same thing.

This scenario is exactly what the U.S. has experienced with soybean trade since the 1970s when Brazil, Ukraine, and India came on to the soybean scene in a big way.

Consequently, competitive production countries can pose a potential threat to U.S. soybean exports.

For example, a soybean producing country may choose to sell soybean meal because their goal is to only manufacture oil for cooking. The country then sells the meal far below the cost of production, leaving us to question, how is the U.S. to react? With the U.S. market signals of soybeans being exported and soybean meal being imported, the effect can be damaging to our own domestic industry. An external market and its many dynamics beyond our control can be detrimental to the entire soybean

chain. Competition must drive soybean exporting countries like the U.S. to new strategies and opportunities so one does not rely solely on the same customers.

Bucket 2: Market Drivers

As farmers, we must focus on the important question Dallmier reveals, "As a farmer, how do I thrive in a market rather than just survive?" In order to succeed in the market, the U.S. must continue to be known as the supplier of choice. Farmers also need to ask, "What does my global customer want?" "Is there a commodity we need to shift away from?" "How can I grow soybeans that will not only sustain but grow my business?"

Farmers must continue to meet the demand of what the market wants. If a market prefers a non-genetically modified (non-GMO) product, the need must be met through the supply. If they want a valued-priced commodity, this can also be supplied. The market challenge is to be the supplier of choice instead of producing what has always been done. As Rear Admiral Grace Hopper

said, "The most dangerous phrase in the English language is 'we have always done it this way.'" Farmers must continue to progress, not regress, through technology, creativity, and cost analysis, and this couldn't be truer when applied to trade.

The drivers of the market – supply, storage, price, wants, needs, logistics, weather, transportation, and more – create an ever-changing focus and challenge. The U.S. can be the supplier of choice through careful and resourceful response to market demands.

Bucket 3: Internal Factors

Dallmier says that internally, we must look to other countries and problems they have so that we can avoid the same mistakes.

For example: Brazil, the top global producer of soybeans, often has trouble getting their soybeans to port. This could be because of deficient infrastructure, road damage, or not enough proper storage before the soybean quality declines and spoil diminishes their value to buyers. The soybeans run the risk of being damaged on their way to port.



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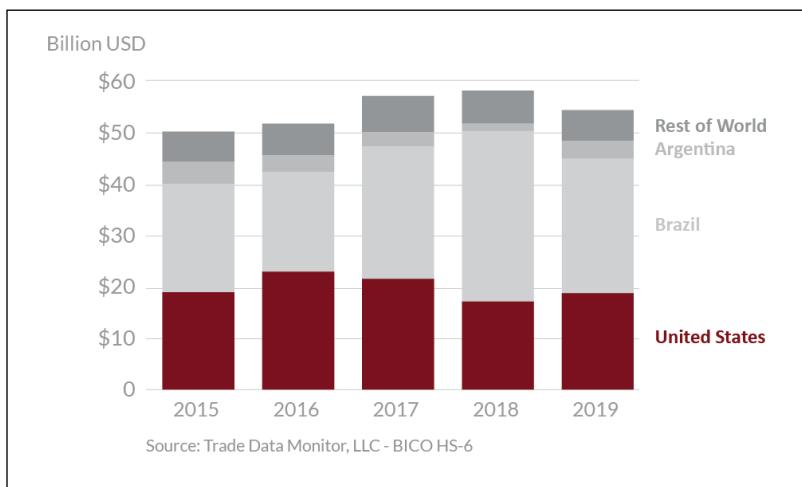
There the payment would be far less than expected for both damaged and non-damaged soybeans.

The U.S. can learn from that example. Domestically, we must be one step ahead looking to both maintain and improve transportation logistics such as rivers, maritime restrictions, railways, ports, and trucking.

"If soybeans can't get to a market, that market doesn't exist," says Dallmier.

The U.S. is also extremely cognizant of factors influencing soybean quality. We pride ourselves on growing some of the best soybeans in the world. We strive to deliver a clean grade soybean and a weed- and insect-free product.

Quality also means watching the soybean protein content. Dallmier mentions that, in general, U.S. soybeans are beginning to



Soybean Export Highlights, USA Foreign Agriculture Service

fall behind our global competition particularly in protein levels compared to Brazilian soybeans, and those items can inhibit us from satisfying export demand.

"As producers, we need to look at not only increasing soybean yield, but improving protein content and highlighting the digestibility of amino acids in our domestic soy to enable the U.S. to be the country of choice," he says.

Often, Illinois soybean farmers must strive to find success in additional ways than just bushels.

"Success can be found in the soil health or what maximizes net profit per acre," says Dallmier. "How can farmers do the basics exceptionally well and shift from surviving until next year, to thriving this year?"

In global trade, it's a game of risk and reward, and fac-



KEN DALLMIER | President and COO
| Clarkson Grain Company

tors to manage that are many times out of our control. But one thing farmers can control? Their ability to produce the best soybeans possible on each acre, sustainably. That's what will keep trade opportunities thriving for generations to come.

The DeLong Co., Inc.

Originating from farmer producers and elevators in the heartland of American agriculture, our grains and feedstuffs are trans-loaded into containers for shipments around the world.

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Bean There

There's a lot I remember about attending the Mt. Auburn Elementary School, but one thing that sticks out most in my memories is the Rand McNally pull-down world map at the front of each classroom. I'll bet many of you can picture the one. As a young Central Illinois kid, I remember that map showing me proof that the world was a lot bigger than I knew.

I've only seen a sliver of what this world has to offer, but I know that the work I do every day extends beyond the limitations of my passport, and it's because of Illinois farmers like you. Two out of every three rows of soybeans grown in Illinois are exported, going to markets around the world.

When it comes to being a world traveler, odds are that Illinois soybeans have **bean there**.

Soybean-filled containers headed to Taiwan? Yep, we've **bean there**.

A soybean-loaded bulk vessel leaving the Gulf of Mexico and headed to China? **Bean there**, done that.

Soybean-loaded railcars headed south to Mexico? We've **bean there**, too.

In short, Illinois-grown soybeans are making moves every day. And because trade is such an important component of a thriving soybean industry, we are talking about it in a myriad of ways in this May 2021 issue of Illinois Field & Bean.

When talking trade, we would be remiss if we didn't cover the topic of Illinois waterways. On page six and seven, read about how Illinois transports more than \$3.5 billion worth of soybeans down our river system annually.

We know that trade is dependent on demand, so we covered the soy industry's efforts to explore new underwater markets with aquaculture on page 18 and 19.

And one of my favorite features this month highlights the work we are doing with the USA Poultry and Egg Export Council (USAPEEC). Through our long, productive relationship with this organization, the Illinois Soybean Association checkoff program has sponsored more than 79 projects in 16 different countries focused on increasing soy-fed poultry markets globally. Read all about it on page 20 and 21.

Next time you take a look at a world map, take pride in the fact that your Illinois-grown soybeans are traveling to ports all over the globe. From feeding animal ag markets in China, to supplying tempeh markets in Indonesia – you can bet Illinois soybeans have **bean there**, and they are feeding the world in impactful ways.

Plant with purpose this spring, because your work is so much bigger than the 80-acre field you see through your tractor windshield. Illinois soybean farmers, you put us on the map every day and you make us proud.

I hope you enjoy "talking" trade with us on the pages of this issue. You can always continue that conversation by reaching us at ilsoy@ilsoy.org.



RACHEL PEABODY | Editor | Illinois Soybean Association





A DAY IN MAY

It was an average day in May — one that started like any other, when Cody Conrad was at work for an ag fertilizer company.

He was an assistant manager, and it was his next-to-last day on the job. They were understaffed that day, and Cody was filling in wherever he was needed.

He jumped in the truck to try and get ahead of the sprayer. Once the sprayer was in position, he hopped out to fill the tank with fertilizer.

He and his coworker inside the cab were unaware that the sprayer boom had either made contact or gotten too close to a power line.

7,400 volts of electricity traveled through the boom and electrified the equipment and ground where Cody was standing. Unfortunately, the unyielding stray voltage considered Cody's body as part of its electrical path to ground.

Since that day, Cody and Bailey began a tough road of recovery, together. For him, it was true grit, determination, and living the ups and downs that come with this type of recovery. For her, it was emotional strength and fortitude — witnessing Cody's setbacks and victories and supporting him through them all.

Cody took his first steps as part of his recovery four months later — days before their September wedding.

Cody and Bailey share their experiences to increase awareness about power line safety.

Electricity can travel through anything in its path. Unintended contact can happen in an instant.

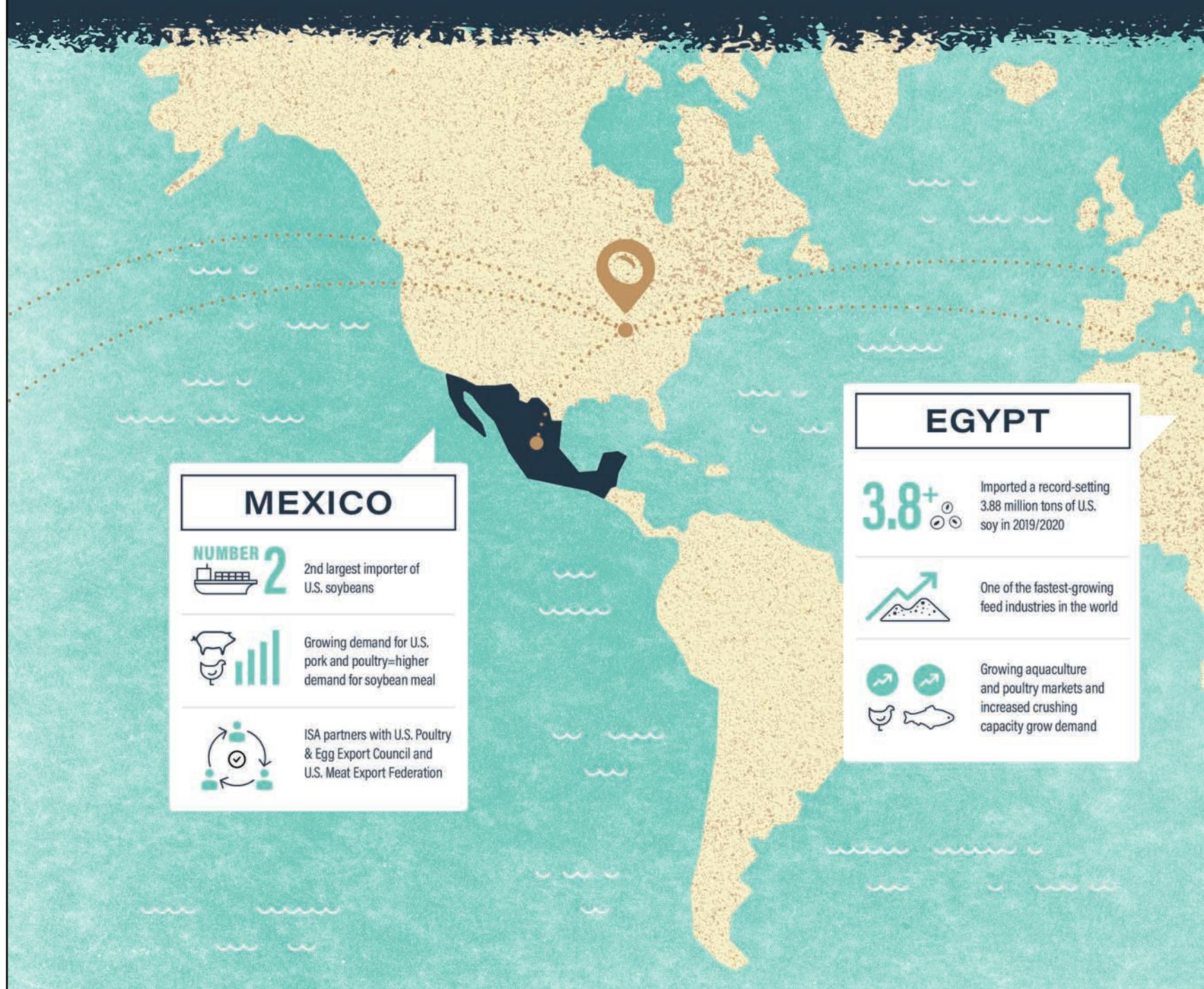
Learn more at:

**Safe
Electricity.org®**

ILLINOIS
SOYBEAN
ASSOCIATION
CHECKOFF & MEMBERSHIP
PROGRAMS

If Illinois Soy Goes There...

The Illinois Soybean Association (ISA) is connected to organizations and markets all over the world, elevating Illinois on a global scale as more than just the top-producing soybean state in the U.S. Through partnerships at home and abroad, ISA facilitates the nutrition resources, quality preference, and market demand that bring profit potential back to our farmers.



Developing Markets

- ISA continually works to explore untapped markets and find new opportunities for Illinois soybean farmers and their product.
- Countries like **Bangladesh** and **Sri Lanka** have increased protein demands thanks to an expanding population and a growing middle class.
- New export markets mean increased end uses for soybeans and more profit potential for farmers.

Visit ILSoy.org/TradeandExports

to learn more about our ongoing work to support U.S. trade and exports.

We've bean there! 

PAKISTAN

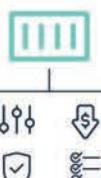
NUMBER
 6

World's sixth most populous country and mostly imports whole soybeans



Tremendous growth potential and continued trade market diversification means increased value for Illinois soybean farmers

INDONESIA



Asian countries increasingly rely on container shipments

- Smaller purchase quantities
- Minimized inventory investments
- Product quality preservation
- Buying for specialty attributes



Huge container supply from the Chicagoland area

TAIWAN



Long-standing trade relationship

\$1.1B

Recently signed letter of intent to purchase 96-97 million bushels of Illinois soybeans in 2020 and 2021, a \$1.1 billion purchase

ILLINOIS
SOYBEAN
ASSOCIATION
CHECKOFF PROGRAM



Funded by the Illinois Soybean Checkoff

What Lies Beneath

Soy is diving into underwater markets with aquaculture.



Doug Winter visited USSEC's In Pond Raceway System (IPRS) Feeding Demo Site in early 2020 in Jiangsu Province, China. Photo: Doug Winter

By Claire Weinzierl

For the agriculture industry, the past two years have put farmers and agribusiness professionals face-to-face with adversity. First there was political turmoil with international trade agreements, preventing U.S. export destinations from making purchases. Not long after, the entire world was faced with a global pandemic. Both of these catastrophic

events only heightened the need for diversified markets, particularly for U.S.-grown commodities like soy. Fortunately, there are existing organizations devoting resources to creating additional demand in exciting new markets. Let's take a deep dive into one of those organizations' work in creating demand for soy through aquaculture.

The U.S. Soybean Export Council (USSEC) helps build a preference for U.S. soybeans and soybean products, ad-

vocates for the use of soy in feed, aquaculture, and human consumption, promotes the benefits of soy use through education, and connects industry leaders through a robust membership program.

Doug Winter, fifth-generation soybean farmer in southeastern Illinois, was elected to the 2021-2022 USSEC Board of Directors in March during the organization's annual meeting. Winter serves as the Vice Chairman of the Executive Committee, Chair of the Gov-

ernance Committee, and Chair of the Strategic Plan Advisory Committee. USSEC's board is made up of 15 members representing stakeholders from the U.S. soy industry, including the American Soybean Association (ASA), the United Soybean Board (USB), and others. Winter will serve as one of four USB appointments.

A main priority of USSEC is its commitment to building demand and creating preference for U.S. soy while diversifying markets. Before trade purchas-



es by China started lacking, USSEC came up with a plan to diversify markets and posted global teams and experts around the world working on the part of U.S. soy farmers. But with the pandemic, many countries implemented lock downs, and USSEC was forced to transition all of its teams to a virtual environment.

"I've been really impressed with how well USSEC transitioned," says Winter. "All the while they've continued doing their work on behalf of U.S. soybean farmers. USSEC's transition to virtual events and meetings even had a better reach than in-person."

USSEC's Exploration of Underwater Markets

According to Winter, USSEC has a number of projects going on worldwide pertaining to aquaculture, with its focus on growing the use of soy in aquaculture diets and the differentiation between U.S. soy and other origins.

"For both land-based livestock and aquaculture, I think the Nutrient Value Calculator (NVC) is going to become a major player as it evaluates the amino acids contained in soybeans," says Winter. "Soybeans from producing countries outside of the U.S. have lower amino acid levels, and many feed mills have to add commercially produced amino acids."

The NVC is a software tool that can be used to evaluate the economic value of U.S. soybean meal in global markets using formulas representative of the regional feed manufacturers. Nutrient values and prices of all the other components of the diet are also used in the calculation.

"The calculator takes into account the amino acids present in soybeans and soybean meal," says Winter. "The neat thing about it is that feed millers and operators can plug their own numbers into it, making it easy for operators to plan the most economical and profitable rations."

USSEC also focuses on education and promotion efforts for the U.S. Soybean Sustainability Assurance Protocol (SSAP).

"SSAP has been invaluable as it has helped with sustainability and particularly in seafood operations," says Winter.

Key production regions for aquaculture include Central and South America, China, Southeast Asia, Europe, the Middle East and North Africa. One yellow catfish farm in the Jiangsu Province has become the world's first SSAP-BAP (Best Aquaculture Practices) certified fish farm. USSEC provided technical support for improving aquaculture practices and will continue to work to increase the number of farms



The IPRS is a full circle system that uses fish manure as fertilizer for papayas grown in the on-site greenhouse. Photo: Doug Winter



The IPRS has many benefits including improve fish production and survival, improved feed conversion ratio and feeding efficiency, reduced production costs, capture of 70 percent nutrients for removal and use as a crop fertilizer, and more. Photo: Doug Winter

and feed mills certified, add SSAP logos to feed bags, and help the certified farms get their products to major online platforms and supermarkets.

One technology widely used in freshwater aquaculture systems is the In Pond Raceway System (IPRS). The IPRS is a confinement feeding operation based in a pond, and the water is moved through aeration mats where the fish are fed. The fish swim in a current while consuming feed, which improves their meat development and makes harvesting more efficient.

"One other thing that we've seen in China are operations where the fish manure is collected when it drops to the bottom and is then used in hydroponic greenhouses," says Winter.

Importance of Aquaculture to Soy Industry

For many years, USSEC focused its research efforts on poultry and land-based livestock markets. As income increases around the world, a larger middle class is created and the first thing people devote the added income to are their diets, particularly increasing the amount of protein they consume. The most economical protein to add is fish or other seafoods. To meet the demand of a growing middle

class, fish need to be more efficiently farmed, and USSEC's emphasis on aquaculture and the use of soy in aquaculture diets becomes much more prevalent.

Illinois Farmers' Role in Export Markets

"Most of my soybeans that go to Mt. Vernon, Indiana, are sent to New Orleans via barge, and are then shipped overseas," says Winter. "Sixty percent or more of the crop I grow is exported, so it's invaluable to Illinois producers that they realize how much of our crop is exported and that much of the exported crop goes to aquaculture diets."

It's crucial for producers to realize that aquaculture and export markets are a really important part of their profitability.

"I've always been amazed with aquaculture, and as a farmer, I'm really impressed with the work that USSEC does around the world," says Winter. "Sustainability has become such a large factor of every part of the food chain, and U.S. soy is the most sustainable and nutritious way to supply it. Using science and research-based information, USSEC is very honest and efficient in its promotions and efforts."



Funded by the Illinois Soybean Checkoff



Success Enhances Opportunities

Partnerships around the globe are helping farmers here at home, in Illinois.

By Jill Parrent

Focusing on expanding the reach of soybeans around the world is essential to Illinois soybean farmers. By setting the goals of economic growth and encouraging the progression of technology to enhance soybean production, farmers can capitalize on their soybean story each year. Often, farmers do not comprehend the true reach their soybeans can have after they leave their field, the elevator, and find their way across the ocean.

Celebrating 25 Years

The year 2021 marks the 25th year the Illinois Soybean Association (ISA) has been involved

with the USA Poultry and Egg Export Council (USAPEEC). The ISA is one of the four longest standing partners of USAPEEC, with involvement reaching back to the inaugural year of 1996. During this time, the ISA has partnered with USAPEEC on more than 79 projects in 16 different countries.

At first glance, Illinois involvement with poultry may appear farfetched, but Shelby Watson, Manager of Allied Industry Relations at USAPEEC says it is a perfect fit.

"With poultry being the largest consumer of soybean meal, this surprising consumer utilizes 55 percent of all soybean meal, more

than any other commodity," says Watson.

Although significant numbers are not raised in Illinois, poultry raised worldwide rely on soybean production from Illinois.

Project Focus

One of ISA's funded projects is in Mexico. This particular project focuses on trade and education where they plan to continue with the intensive postgraduate poultry science and processing training program for the Mexican meat processing industry. The training encourages Mexican companies to not only use more U.S. chicken and turkey as a raw ingredient for processing new

ready-to-cook and ready-to-eat products, but it will update them on processing, packing, and storage technologies that meet international standards. The ultimate goal of this tactic is to provide training and education through a six-module program in the meat and poultry processing plants. Operators then develop value-added poultry products using U.S. poultry.

"This beginning to end approach including multiple state soybean boards along with the United Soybean Board educates meat processing organizations with an all-encompassing course," says Watson.

Mexico does not current-



Funded by the Illinois Soybean Checkoff

"ISA strongly supports the efforts of USAPEEC in Mexico, Korea and other countries worldwide and understands the importance of poultry to our market. Its international work maintains a strong demand for soybean meal. We continue to invest year after year in USAPEEC and its good work." — David Niekamp, Illinois Soybean Association District 8 Director

ly offer academic courses in meat processing, and therefore, all experience is gained while on the job. USAPEEC meets processing companies no matter the size or advancements utilized by choosing a small number of companies to participate.

Select students in the course receive education in raw meat materials, non-meat ingredients, classification of products and their processes, packaging materials, hazard analysis and critical control point (HACCP), and hands-on practice at Kansas State University. The last module, which brings students to the Kansas State campus, provides an experience at a state-of-the-art lab with equipment enabling them to assist their company in progressing technologically.

Students that graduate from this training program receive a diploma, "a prestigious honor they

don't take for granted," Watson clarifies. Today, this is a coveted opportunity in which companies strive to be a part.

This multi-year project in Mexico has a total of 45 industry professionals from 18 different processing plants attending the classes and, thanks to the technological tools available, were still able to come together in small groups for discussion and networking in 2020. The exports of raw chicken and turkey from the U.S. into Mexico for further processed poultry products equals around 900,000 bushels of soy used for this project.

The networking opportunities this project allows has increased trade to Mexico and expanded profitability for both farmers and meat processing organizations. The project has launched into retail opportunities in the marketplace and the knowledge these companies now have pays off as they are more likely to import from the U.S. This full-circle opportunity has already gained significant traction for both U.S. farmers and meat processors alike.

Soybean Involvement

USAPEEC is a sound soybean checkoff investment. When driving throughout Illinois, it is not common to see poultry farms, yet these farms are the largest consumers of Illinois soybean meal. Without poultry and egg use in the United States, soybean prices would decrease by 65 percent. There would be a 9 percent price



Students selected for the exclusive meat science program gain knowledge to take back to help grow and expand their companies. — Photo by: USAPEEC



USAPEEC is an exhibitor at trade shows focusing on promoting poultry worldwide.

— Photo by USAPEEC

decrease in soybeans if exports were discontinued.

USAPEEC's reach is extensive. From their focus of egg and poultry production to involving countries around the globe, soybeans play a significant role

to the success of the organization's goals. As farmers plant this spring, remember soybeans are a large entity that can change a farm, a community, an individual, an industry, a state, a country, and the world.

Illinois Soybean Board District Election Process

Illinois Soybean Association (ISA) seeks qualified candidates to fill board seats representing six districts that are up for election in 2021

District 2: Cook, DuPage, Kane, Kankakee, Lake, McHenry and Will counties District 10: Christian, DeWitt, Macon, Moultrie, and Shelby counties District 11: Champaign, Coles, Douglas, Edgar, and Piatt counties

District 14: Clark, Crawford, Cumberland, Effingham, and Jasper counties District 16: Clay, Edwards, Lawrence, Richland, Wabash, Wayne, and White counties

District 17: Jackson, Jefferson, Perry, Randolph, and Washington counties

The ISA board is comprised of 18 district directors and six at-large directors. Board members serve a term of three years and are eligible for up to three terms. Directors currently seated in all six districts are eligible for additional terms.

Eligibility to serve requires candidates be Illinois residents of legal voting age that contribute to the soybean checkoff. Candidates must also be residents within the district and maintain eligibility during their term(s). The time a director devotes to the organization depends on their level of leadership and representation needs.

The Illinois Soybean Association (ISA) represents the interests of more than 43,000 soybean farmers in Illinois through the state soybean checkoff and membership efforts. ISA, which is one of the entities of the ISA organization, manages and invests Illinois soybean checkoff funds.

To have your name placed on the ballot, petitions must be completed and filed with the Illinois Department of Agriculture (IDOA) in Springfield no later than 5:00 p.m. on May 15, 2021. A candidate's petition must carry the signatures of at least 250 of the qualified producers from the district where the candidate seeks office, or five percent, whichever is less. Petitions are available through IDOA in Springfield by contacting David Humphreys at david.humphreys@illinois.gov or 217-524-1083.

Those wishing to run as a write-in candidate must also meet the eligibility requirements and submit a Declaration of Intent to IDOA no later than 5:00 p.m. on June 29, 2021. This form is also available through IDOA in Springfield by contacting David Humphreys at david.humphreys@illinois.gov or 217-524-1083.

Elections will be held on July 6, 2021.

Please contact ISA Director of Operations, Dustin Scott, at scott@ilsoy.org or 309-808-3603 if you have questions or would like additional information.



The WRDA of 2020 greenlights continued investment in the U.S. waterways infrastructure.

Continued Investment

WRDA opens flood gates to waterway infrastructure upgrades.

By Barb Anderson

When the \$2.3 trillion "Consolidated Appropriations Act of 2021" was signed into law at the end of 2020, it created a pathway for much-needed inland waterways improvements. The act includes the Water Resources Development Act (WRDA) of 2020, which greenlights continued investment in the U.S. waterways infrastructure that will help modernize locks and dams and help Illinois soybean farmers remain competitive in the global marketplace.

"The most significant detail is that WRDA accelerates availability of funds for lock and dam projects," says Andrew Larson, ISA director of public policy and market development. "It adjusts the cost-share for lock and dam construction and for needed waterways infrastructure improvements which have been supported by Illinois soybean and corn farmers."

Specifically, the new law shifts cost-share for such projects from half federal government and half Inland Waterways Trust Fund (IWTF) funding to 65 percent federal government and 35 percent IWTF. The adjustment covers construction starts between fiscal year 2021 and 2031.

"Illinois Soybean Growers was thrilled to work with IL Corn and the Waterways Council and engage with the Illinois Congressional delegation to seek passage of the bill," says Larson. "Our members sent letters directly to

get support and also contacted representatives through the Voice for Soy Action Network. We saw strong support from both rural and urban districts."

The United States Army Corps of Engineers (USACE) Rock Island district completed simultaneous upgrades and repairs to six of the eight locks and dams on the Illinois River during 2020. Larson says next on the repair and replacement list for the 100-year-old infrastructure are projects at Mississippi River locks north of St. Louis and at LaGrange lock on the Illinois River.

"Replacing 600-foot locks with more modern 1,200-foot locks means 15-barge tows will not have to be broken apart to go through the locks," says Larson. "That will speed up river commerce and make the system more reliable and efficient. Eventually, that positive impact could reduce transportation costs."

That is good news for the state's farmers.

"The inland waterways system should be a huge priority for the country because it's the competitive advantage fueling our ag export powerhouse," says Rodney Weinzierl, Illinois Corn Growers Association executive director. "We must work together to make positive changes in WRDA and every other bill or report that will push modernization forward. Illinois Corn has brought attention to dilapidated locks and dams for decades, but we know corn isn't the only commodity going down the river. It just makes sense for us to work with other commodity

organizations, and even barge companies and other stakeholders, to make our coalition as big as possible to make new locks and dams a reality."

ISG also worked alongside American Soybean Association (ASA) farmer leaders during 2020.

"Our efforts helped generate both bipartisan and broad geographic support, with about 30 Democrats and 50 Republicans from 20 states participating, and the steady drumbeat for changes could be heard," says Kevin Scott, ASA president and farmer from Valley Springs, S.D.

ASA advocated for WRDA in October through its #SeeSoyHarvest campaign. Featuring six videos highlighting soy policy priorities, the campaign virtually guided

Congress through farmer fields during harvest in soybean-producing states. One video entitled "Even Stronger" specifically examined the role that access to overseas markets plays for U.S. soybean farmers and touched on the importance of investments in domestic infrastructure, such as supporting locks and dams on the Mississippi River, to keep transportation and biodiesel costs competitive.

Larson says ISA plans to work with all of the same groups to engage with the new assistant secretary of the Army that President Biden appoints to head the Army Corps, noting outgoing leader R.D. James helped set the table for a seamless continuation of the lock and dam work.

Inland Waterways Make a Mark

The Mississippi River system is America's primary inland waterways system, and includes the Mississippi, Arkansas, Illinois, Ohio, Tennessee Rivers, and Gulf Intracoastal Waterway. According to USDA, the waterways system handles 57 percent of U.S. corn exports valued at \$4.8 billion and 59 percent of U.S. soybean exports valued at \$12.4 billion. It also handles 55 percent of U.S. soymeal exports and 72 percent of distiller's dried grains with solubles exports.

USDA notes, "Without consistent, predictable funding, the grain and soybean export draw area around the waterways system could shrink from an average of 150 miles, currently, to as little as 75 miles under a constrained scenario, as the cost to ship on the river increases." USDA estimates delays on the Mississippi River could have up to a 24 cent-per-bushel impact on corn prices and up to a 25-cent negative effect on soybean prices.

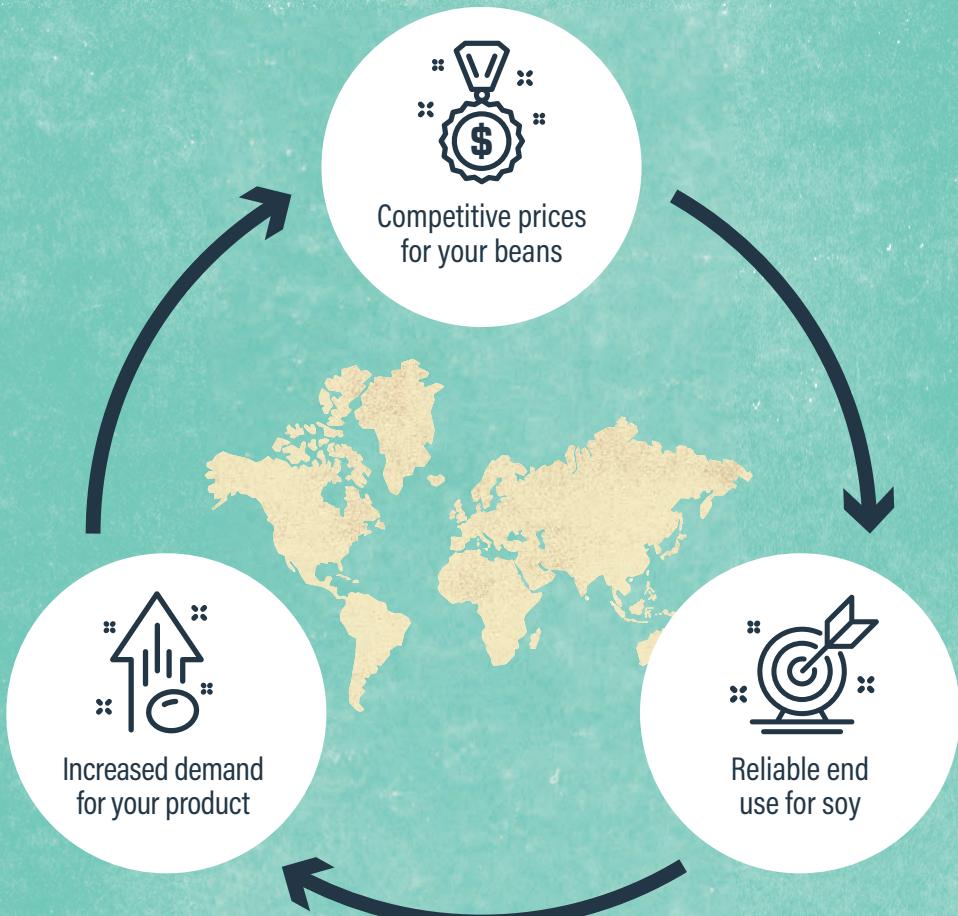
Trade and Exports: What's in it for Farmers?

Charting routes to greater ROI

The Illinois Soybean Association (ISA) knows how hard you work to produce a top-notch product, and we meet your efforts by working hard to create and sustain thriving export markets for your soybeans.

Direct returns from healthy trade markets

ISA works with the soy value chain to support transportation logistics and establish more delivery options for your soybeans. Whether its exported via bulk or container shipment to an international market, or sent to a crush facility in the U.S. for domestic consumption, your checkoff dollars work with the end users to ensure an end use for your product. ISA also works to identify new market opportunities and areas for expansion in countries where Illinois soy can support a growing need for protein by fostering relations with buyers and increasing preference for Illinois soybeans on the world stage.



Visit ILSoy.org/TradeandExports

to learn more about our ongoing work
to support U.S. trade and exports.

We've bean there!

The Art of Negotiation

Illinois Field & Bean Editor, Rachel Peabody, reflects on her own personal encounters with global soybean trade proceedings.

By Rachel Peabody

Some moments of your career you'll remember for the rest of your life. For me, that "some moment" is April 4, 2018 – the day China announced tariffs on U.S. products, including soybeans. I, along with ISA's Amy Roady, spent our day on the phone and with our laptops in a conference room hallway fielding media calls, prepping spokespeople, and putting out statements as our farmers, industry, and markets were jolted by the impact of potentially losing our top customer of U.S. soybeans. That day launched months of upcoming uncertainty as we watched China drop out of the market almost overnight, and soybean prices continued to fall.

For the rest of 2018 and most of 2019, soybean farmers made desperate pleas to turn the tap back on. Organizations like the Illinois Soybean Growers (ISG) and American Soybean Association (ASA) advocated with the Trump Administration and lawmakers to find resolution to the trade dispute, and that "trade, not aid" was the only real lasting solution that would do. Finally, in late fall 2019 as farmers were underway with harvest, we got the news that trade negotiations had resulted in renewed buying from China, including ag commodities and soybeans. Finally, on January 15, 2020, the Phase One Trade Deal with China was signed. The page was turned, and a new narrative for soybeans started. More than a year later, soybean farmers are back in the sunny days of trade where

demand is high and markets are hot.

What really happens behind the scenes

As farmers, you see the headlines, but there's always more to the story.

Someone who was there every step of the way and involved in the 33 negotiating sessions over 52 weeks was Gregg Doud, the former Chief Agricultural Negotiator in the Office of the United States Trade Representative (USTR), serving during the Trump Administration.

On a random Wednesday in Bloomington, Ill., I got the opportunity to sit down with Doud, now Vice President of Global Situational Awareness and Chief Economist at Aimpoint Research, a global, strategic intelligence firm that works with ISA and many other agricultural clients on advanced research and wargaming needs. Doud's work was instrumental in leading the U.S. to a successful China Phase One trade agreement.

He's the first person I ever interviewed with his own Wikipedia page entry, the most knowledgeable person on global trade I've ever met.

"The China Phase One agreement, Chapter 3, should be required reading for every farmer," said Doud. "The fact that this agreement happened is a landmark in itself. The U.S. has never had a trade agreement like this with any other country, and the entire process was unchartered territory." Read for yourself at ustr.gov.

Doud cites that he understood the historic nature of this



GREGG DOUD | former Chief Agricultural Negotiator
| Office of the United States Trade Representative

work early on in the process. He knew it would be big, and he also knew that it would take some historically bold leadership on the part of his bosses, Ambassador Robert Lighthizer and his boss President Trump, in order for an agreement to ultimately be reached.

"This agreement was constructed over 13 months of work, through both video conference and in-person sessions – 4-12 hours each time," said Doud. "The best experts related to trade and agriculture

for both countries were in the room. Hundreds of hours were logged in both Washington, D.C. and Beijing, and every sentence of the agreement was negotiated at least three times. The work was beyond tedious."

Tedious and mind-bending for sure, but rewarding all the same.

"The Phase One agreement outlined 57 agricultural trade related issues that our countries agreed to make structural changes to," he said. "As of early 2021, more than 50 of those issues are already fixed."

ASA representatives around the table

Serving as the U.S. soybean industry's voice on trade, we have the American Soybean Association (ASA) involved in the discussion.

Virginia Houston is Director of Government Affairs over the trade portfolio for ASA. As a representative of U.S. soybean farmers on the industry side, she's intimately involved with the trade negotiation process.

"When a trade negotiation is started, the administration must have the Office of the United States Trade Representative (USTR) notify Congress of the intent to negotiate," says Houston. "From there, the industry gets involved by submitting comments throughout the process. This is our way of being able to recommend changes that we would like to see negotiated," she says.

Houston explains that there are two main trade advisory committees that engage on ag trade issues — the Agricultural Policy Advisory Committee (APAC)

and the Agricultural Technical Advisory Committee (ATAC). Industry representatives and farmers sit on these committees and, on a classified basis, help inform the negotiator, like Gregg Doud, of what the industry needs from a particular trade agreement. They provide commentary and direction on trade titles, from bans on genetically modified (GM) crops to intellectual property rights and other issues, making sure that all facets of the industry's concerns are addressed.

Many of agriculture's top farmer voices were included in the Phase One proceedings, Houston notes, and their engagement helped push the agreement to completion faster. While the deal with China is not a free trade agreement (FTA) like USMCA—another ASA priority finalized last year—the result of the China Phase One negotiations is similar in that it opened up trade and allowed shipments of U.S. beans into China to resume.

"The U.S.-China agreement is not a traditional free trade agreement and did not go through the typical Congressional consultation, but the fact that it was completed so quickly does highlight its importance," says Houston. "By comparison, the average FTA takes 3-5 years to get across the finish line and ratified."

Export markets and pushing for free trade will always be key priorities for ASA

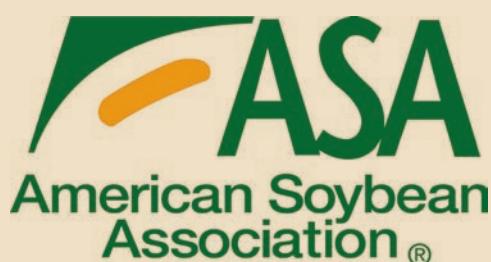


VIRGINIA HOUSTON | Director of Government Affairs | American Soybean Association

and lie at the heart of the organization's mission.

"We know it's part of our job to make sure that our farmers have overseas soybean markets," says Houston. "A free trade agreement like USMCA or major negotiation package like China Phase One are the icing on the cake of all the market development work that happens in our industry," she says.

Currently the U.S. has free trade agreements with 20 countries, according to USTR.



Farmers' voices on trade

Stan Born, Lovington, Ill. farmer, ASA Director and ASA Treasurer

"Trade agreements are truly hard work. ASA is always considering where we are engaged, including WISHH (World Initiative for Soy in Human Health) and USSEC (US Soybean Export Council), and making sure we are working in a variety of different countries at any point in time. We talk about these foreign markets that are full of opportunity whenever we are on Capitol Hill. As a soybean farmer, trade certainly has my attention because 60 percent of my crop is exported, and when I talk to legislators, I want them to know how important market development work is to our industry."

Josh Gackle, Kulm, N.D. farmer, ASA Director and ASA Governing Committee Member

"Being involved in ASA's work on the China Phase One deal was eye-opening. It's no secret that 2018-19 were difficult times for soybean farmers. To get to the resolution that we did, it was important that a farmer's voice was at that negotiating table. We were constantly in contact with officials who were engaged in ending the tariff



STAN BORN | Lovington, Ill. farmer | ASA Director and ASA Treasurer



JOSH GACKLE | Kulm, N.D. farmer | ASA Director and ASA Governing Committee Member

war. As a farmer, I helped continuously remind them that we needed a resolution that included an open and fair market, instead of more aid from the government, even though it was appreciated to help get farmers through. Our farmer voices were heard, and now I'm enjoying seeing China come back into the marketplace."



Funded by the Illinois Soybean Checkoff



The Next Hot Recruit

ISA is keeping an eye open for the next market for Illinois farmers.

By Jill Parrent

Always on the hunt for the newest recruit, ISA is continually focused on finding the next international market for Illinois farmers soybeans. Relying on more than one market to sell soybeans is crucial, and the next all-star market recently opened is not fresh but is making a comeback in a big way.

Turkey is making a crucial impact on the soybean mar-

ket. Once closed to most soy imports, they recently opened the doors to 3MMT soybean imports once again. U.S. soy has made entry.

"When looking for the next market, ISA looks for key identifiers to confirm our next soybean recruit." Eric Woodie, Illinois Soybean Association's Trade Facilitator and Analyst. "New markets are usually seen to be those from emerging economies. New households moving into the global middle

class often shift their diets from one of subsistence to increasing protein. That increased demand for protein gives way to competitive soybean imports – the U.S. farmer is here to meet those needs."

Along with protein demand, the U.S. needs market access and existing infrastructure to deliver the product. The market reopened in Turkey and is developing like never before.

According to the USDA Agricultural Biotechnology Annual

Report in 2020, although the prices for U.S. soy products were favorable, the concern of a Low Level Presence (LLP) detection caused importers to avoid buying soybeans from the United States. LLP detection is where seeds that function biologically occasionally contain low levels of recombinant DNA plant materials that have been reviewed for environmental risks in a country. This essentially blocked imports of U.S. soybeans into Turkey in 2019. Despite paying higher prices for feed materials,



Funded by the Illinois Soybean Checkoff

Turkish importers looked to other sources which had not yet commercialized newer biotech events, such as Brazil for soybeans and Argentina for soybean meal. To understand why this market is returning, a look at Turkish requirements was vital.

On April 1, 2021, Turkey reopened its markets to all commercialized genetically modified (GM) soybeans. This influential change is for the better for U.S. soybean farmers as GM soybeans were not permitted for human consumption within Turkey. Today, GM products have been approved for import and processing in Turkey.

"With a 3MMT soybean import market in Turkey, the U.S. will be able to capture a market share due to trade barriers being removed," says Woodie.

How does Turkey utilize soybeans? Animal feed and oils are the main uses of imported soybeans. Prior to April, no genetically engineered (GE) traits had been approved for human food use, so any GE presence in food products was prohibited. For feed, any approved product that had more than 0.9 percent GE had to be labeled as GE. While the market was at a standstill in Turkey, there were only 36 (10 soybean and 26 corn) products approved in

Turkey for only feed, not human consumption or cultivation. With this small percentage of products approved for a time, U.S. farmers had to focus on growing what Turkey would allow.

When contemplating where to buy, Turkey needs to look no further than the U.S. and Illinois. Soybean farmers in Illinois are some of the most reliable growers in the world because of the ability to grow the desired product, agility in delivering a timely product, and transportation infrastructure. ISA is confident in the ability to meet the needs of all global customers as well as the domestic demand. The U.S. supply chain is second to none. We are able to deliver via bulk, container, and rail internationally; most other countries are not able to do this. Reliability combined with consistent quality is the key to U.S. soy advantages worldwide.

The focus of Illinois farmers is growing the best soybean the market demands, and ISA's goal is to find where those soybeans should go. Finding the next soybean market recruit is never easy and is a continual process, but once a new or even returning player is on board, the ability to score points like never before is within reach.



Soybean meal usage continues to grow for both animal and human consumption in Turkey.



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From promoting the profitability of using high-quality soybean meal in India to training animal producers on nutrition in Colombia, the soy checkoff is working behind the scenes to develop more market opportunities for U.S. soy. 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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The Freedom to Choose

Since 1933, Baird Seed Company has provided Midwest farmers a choice in the marketplace. As the lone company in Illinois producing and marketing only parent and retail classes of non-GMO soybeans, we understand that not all seeds a farmer grows need to be traited.

We started asking the question, why should the farmer have to pay a technology fee for a traited variety when non-GMO may offer them more opportunities to increase their return on investment?

As a third-generation family-owned seed company, Baird is proud to offer a complete lineup of high-quality non-GMO soybean and wheat seed varieties. These non-GMO seeds are developed by independent and university plant breeder relationships and marketed as "Illinois Brand Seed." We process all of the non-GMO seeds at our family farm that we have owned since the late 1800s.

Baird boasts a 20,000-acre grower network, which adds up to big advantages for both non-GMO and organic soybean growers. We have been serving farmers and seed companies in Illinois, Indiana, Iowa, Wisconsin, Missouri, Kentucky, Nebraska, and Ohio with non-GMO soybean seed since 2012.

Baird is proud of the fact that we have exclusive use of the Illini Brand Seed from the University of Illinois. The university granted trademark privileges, as well as first-right-of-refusal, on all varieties coming out of their research and development program. In turn, a percentage of every bag of Baird Seed sold goes to support the university's programming and outreach.

For us and our customers, we truly "Root, root, root for the home team!"

Baird is well-known for reliable cover crop options, which improve soil's overall health by increasing the earthworm population and non-GMO matter concentration. Processed at our MCIA Organic certified facility located just outside of Williamsfield, Ill., our cover crops also reduce soil erosion and improve soil microbiology. Among these benefits, cover crops reduce nutrient loss from runoff and leaching into our most important waterways. Our



CURT HAYNES | GENERAL MANAGER OF SALES AND PRODUCTION
| BAIRD SEED COMPANY

soil-improving options include winter rye, soft red winter wheat, oats, grass, and clover seeds.

Our new double-crop wheat and soybean program, appropriately named "The Freedom to Choose," will soon offer farmers discount options for double-crop operations. A farmer who purchases Baird wheat seed for planting this fall will be given a discount coupon for purchasing soybean seed in the spring. Farmers who buy soybeans will receive a similar coupon for discounted wheat seed in the fall.

This program was developed because we want growers to feel the Freedom to Choose program is the best choice to meet their needs and to have the opportunity to choose which discounts they want to take advantage of. We believe farmers are the experts on their own operations.

Looking ahead, there are some truly exciting opportunities on the horizon that will ultimately benefit Illinois farmers as well as food production companies. We're looking to create new contract options for those growing non-GMO soybeans, as well as those companies buying soybeans in an effort to create more seamless supply and demand food chain relationships. It's an entirely new, big-picture approach to ag economics, and Baird Seed is thrilled to be leading the way.

Soon to be growing your way — contracts for very high protein soybeans, black soybeans, High Oleic soybeans — plus wheat varieties used for malting in the brewing and distillery business.

Follow us at bairdseedcompany.com.





Board member spotlight

Get to know ISA Director Mark Read.

Meet Mark Read, a fourth-generation farmer and ISA Director representing District 5, which encompasses Fulton, Knox, Marshall, Peoria, Putnam, and Tazewell counties.

Tell us about your farm.

I farmed about 2,000 acres in Putnam and Bureau Counties with my brother and sister in a family partnership from 1982 to 2019 raising corn and soybeans. We are just finishing up closing out our partnership, and we have divided our land. Our farm is a 4th generation farm. Actually, my grandmother was born in the house that my wife Gabriele and I live in. Farming has been our family's main occupation for many years. We also feed out cattle and have a small cow herd, but most of our land was on a corn-soybean or corn, corn soybean rotation. We had a variety of soil types ranging from sandy soils to good black soils. We had four center pivot irrigation systems on our sandy loam soils. We used strip-till and no-till farming practices on all of our land. The last few years we have experimented with planting various cover crops. I retired in 2020 and am renting my part of the farm to Jay Riddell, who is an experienced strip-till farmer from Sparland, Ill.

Tell us about your favorite memory on the farm. Some of my favorite memories on the farm come from being in the 4-H program: showing steers, hogs, and chickens as well as electrical projects at the local 4-H fair.

When did you know you wanted to farm? My father's dream was that my brother and I would graduate from college and start farming with him. Both my brother and I were fortunate enough to graduate from the University of Illinois and come back to the family farm. I did work as a farm manager and trust officer for a bank in Peoria for 5 years after graduation before coming back to the farm.

Why were you interested in representing the checkoff and membership boards?

I have been fairly active in the local community over the years. I have served on the local school board, Marshall-Putnam Soil and Water District, Putnam County Board of Review, Peoria and Marshall-Putnam Cooperative Extension Councils, and I am active on my church's board and various committees. I felt that I did not have enough time to do a good job on a state com-

mittee like the Illinois Soybean Association. So, after retiring (my wife says I am semi-retired), I felt that I would like to give back to the farming community on a statewide basis, so I ran for a director position.

What checkoff project are you most excited about this year? One important checkoff project that we will be funding along with the Illinois Corn Growers is the study of the locks and dams, as we feel it is vital to promote how important modernizing our water transportation system is to not only agriculture but to the State of Illinois. If President Biden gets his infrastructure plan passed, we need to get a good allocation of that money to improving our waterway system, so now is the time to push for that.

What do you love about agriculture/the soybean industry? What I love about the soybean industry is that soybeans have so many uses, and that we are continually looking for more. It is exciting to be a part of promoting soybeans both locally and around the world.

Favorite place in your district? I do enjoy being close to

Peoria – minor league baseball, Civic Center events, riverfront activities, and more.

What has been the biggest change you've encountered during your years of farming? The technology would be the greatest change I have encountered over the years. For some reason, my rows are now straight, emergence is uniform, crop yields keep increasing – this is not by accident. Technology, seed genetics, and time all play a part.

What are you listening to in the truck? I am an avid sport fan, so I will listen to the White Sox, Bears, and Illinois games when they are on the radio. Also farm broadcasting, markets, and ag news are a mainstay.

Who has been the biggest influence in your life? My father was my biggest influence in my life.

What do you like to do in your free time? In my free time, I like to play tennis and pickleball.

What are you looking forward to in 2021? Looking forward to a great farming year - good crops and profitability.

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