



**Soybean Board**

*Produce*

*Protect*

*Promote*

**2019 Stakeholder Report**



## From the Chairman:

The Kentucky Soybean Board invests checkoff dollars to create opportunities for increased profitability for Kentucky's soybean farmers. As you read this annual stakeholder report, you will see that for Fiscal Year 2019 (which ended June 30), the Kentucky Soybean Board had many options for investing the check-off dollars with which the Board is entrusted. The board strives to make good decisions, and we believe that we have built a diverse portfolio of investments that will benefit Kentucky's soybean farmers over the long term.

There is no question that it's been a tough couple of years for Kentucky's soybean farmers, and we are certainly paying attention to the bottom line. We will continue to provide our farmers the same level of service you know you can count on. From Intensive Soybean Management Workshops and our exhibits at the Kentucky State Fair and the National Farm Machinery Show, the Kentucky Soybean Board was created by farmers to serve farmers' best interests, and that's just what we will continue to do.

I have been fortunate to serve as a director on the Kentucky Soybean Board for a few years now, and I am impressed with way our marketing efforts are distributed among the many organizations that are dedicated to specific uses and interests. We support the US Soybean Export Council, The National Biodiesel Board, The United States Meat Export Federation, the U.S.A. Poultry and Egg Export Council, The Soy Aquaculture Alliance, the Soy Transportation Coalition and many more organizations that are striving to increase demand and preference for U.S. soy on a targeted basis.

Looking forward, the Board has voted to invest more heavily in domestic market development while continuing our strong support of international marketing opportunities. We will continue to be proponents of animal agriculture, and we have several production research projects in our Fiscal Year 2020 investment plan.

The members of the Kentucky Soybean Board are committed to the Board's motto: "Produce, Protect, Promote" and we are pro-actively trying to help bridge the gap between farmers and consumers through a variety of methods. We encourage you to do the same.



**RYAN BIVENS**  
Chairman  
Kentucky Soybean Board



## 2019 Financial Overview

Year ended June 30, 2019

### **Gross Income:**

Assessment receipts from first purchasers: **\$4,373,415**

Miscellaneous revenue: **\$ 130,682**

*Total support and revenue:* **\$4,504,097**

### **Expenses:**

Assessment receipts remitted to the United Soybean Board: **\$1,884,722**

Assessment receipts remitted to other states: **\$ 523,135**

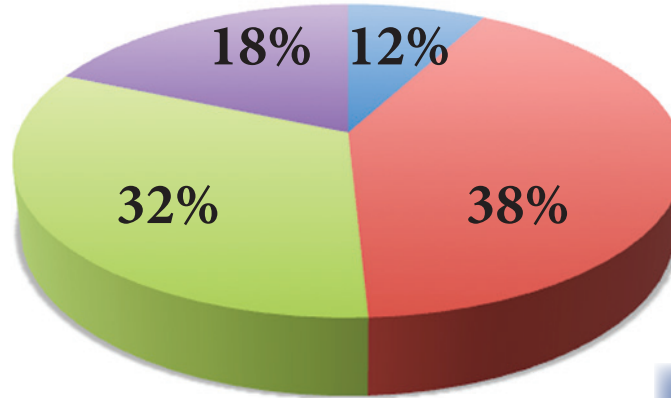
Admin. Disbursements: **\$ 150,519**

Program Disbursements: **\$2,010,599**

Depreciation: **\$ 32,287**

*Total Expenses:* **\$4,601,262**

## Fiscal Year 2019 Program Disbursements



### *Domestic Market Development*

- Animal Agriculture
- Aquaculture
- Biodiesel
- FFA and 4-H
- Classroom Education/Ag in the Classroom
- Mobile Science Activity Center
- Partnership in Numerous Soybean Collaborative Efforts (i.e. US Meat Export Federation, etc.)
- Kentucky State Fair
- National Farm Machinery Show
- Soybean Meal Information Center

### *International Marketing*

- USSEC in-country representation (Thailand)
- Global Trade Exchange
- Latin American Buyers Conference
- World Initiative for Soy in Human Health
- Other International Marketing Projects

### *Producer Communication*

- Website, [www.KySoy.org](http://www.KySoy.org)
- Intensive Soybean Management Workshops
- Information in the Kentucky Soybean Sentinel
- Social Media
- Newspaper/Radio
- Producer Information Meetings
- Extension Field Days
- Brochures/Exhibits
- Yield and Quality Contest
- Kentucky Commodity Conference
- Murray State Soybean Promotion Day

### *Research*

- Pests (weeds, insects, disease)
- Cover Crops and Herbicides
- Edge-of-Field Monitoring (Blue Water Farms)
- Increasing Double-Crop Yields
- Soybean Variety Trials
- Use of Plant-Promoting Microbes for Improved Yield and Stress Tolerance
- Herbicide Resistance
- High-Yielding Soybeans
- Soybean Meal Utilization in Feed for Largemouth Bass
- Investigation of the Influence of Low Drift Nozzles and Weed Density on Herbicide Deposition and Efficacy

# Produce

The Kentucky Soybean Board partners with the University of Kentucky and Kentucky State University on soybean production research projects. Our directors, who serve as trustees of our state's soybean checkoff dollars, take their responsibility to invest those dollars wisely quite seriously.

The Board also believes that having the results of the research funded conveyed to the producers in a timely and easily understandable manner is vital. One way that we get that information back to the producers is to sponsor field days, including UK's annual Corn, Soybean and Tobacco Field Day.

A wide variety of research was funded for Fiscal Year 2019. Included were numerous projects on pests, soil health, disease management, cover crops, white-tailed deer damage, root rot, stinkbugs and more. The Board endeavors to fund projects that find real-world solutions to the problems that Kentucky's soybean farmers are facing.

One project that we are very interested in is the Blue Water Farms Edge-of-Field Monitoring system that has been installed on some Kentucky farms by University of Kentucky's Dr. Brad Lee (left) and his team. This system monitors nutrient runoff following a significant rainfall event.

This project includes an established partnership with the USDA NRCS Environmental Quality Incentives Program (EQIP) eligible producers who want to participate in this voluntary monitoring practice. As Board secretary/treasurer Larry Thomas said, "as farmers, we want good, unbiased information to help us produce a crop in the safest, most efficient way possible. If there is a water quality issue being caused by farmers, we need to know about it so that we can work

toward a solution. But at the same time, if there isn't an issue, we don't want to accept blame for something that we are not causing."

An opportunity that remains top-of-mind for farmers is the constant push to produce a higher-yielding, higher-quality soybean without breaking the bank on input costs. While this is a lofty goal, breaking the hundred-bushel yield barrier can be done. Phillip Meredith did it in 2017 with 107.76 bushels per acre, but his record only stood for one year.

Waller Brothers Farms of Union County, represented by Darrell Cowan, above, with Board Chair Ryan Bivens and UK Specialist Dr. Carrie Knott, beat the state record in crop year 2018 with 108.39 bushels per acre.



The Kentucky Soybean Board co-sponsors the annual Yield and Quality Contest, and statewide and area winners are recognized during the Awards Banquet during the Kentucky Commodity Conference.

Just as important as yield is the quality of the soybeans our growers produce. The contest also awards prizes for those with the top percentages of oil and protein.

Fiscal Year 2019 marked the fifth year for our very popular Intensive Soybean Management Workshops.

The first workshop was held the day prior to the Kentucky Commodity Conference in Bowling Green and featured Randy Dowdy,

who always draws a big crowd. As usual, Dowdy asked some hard questions of the farmers in attendance about their data and how familiar they are with the numbers that can make or break a crop.

The second workshop was held in Lexington and featured noted speaker Kevin Matthews. This location was the farthest east we've gone, and the farmers in that area appreciated the Board's efforts to bring a soybean specific workshop to them.

We'll host Intensive Soybean Management Workshops for the sixth year in 2020. Three dates, two locations, in January and February. Attend one, two or all three!

These workshops are funded by your soybean checkoff, and we've put together a winning lineup which includes John McGillicuddy in Bowling Green on January 15 and Missy Bauer in Princeton on February 4 and Winchester on February 5. Visit our website, [www.kysoy.org](http://www.kysoy.org), for details and to register.

In the western portion of the state, Murray State University Soybean Promotion Day is always a big event. This year was no exception, as the committee brought in John Phipps of US Farm Report. Phipps touched on the topic of conflicts of interest and safety nets. "The Farm Bill is not



the best safety net," he said. "Commodity organizations like this one are the best safety net! If you want to put your brain in a good place, have friends and be a friend to the people who you stand with. Go to the darn meeting!"

One of the most compelling portions of Phipps' presentation for some was the concept of information optimization. We are overrun with information daily, and, Phipps said that many of us are lacking basic data skills. "We have all of this data, all this information," he said, "but what does it MEAN? Is there value to the information?"

Phipps was followed on the program by Ryan Findlay, who gave an overview update of the state of the soybean association at the national level, including trade, international marketing and what market or new use might be the "next big thing" for soybean farmers in the U.S.





# Protect

One of the most important things that the Kentucky Soybean Board can do as a check-off organization is to protect your rights as a farmer.

Increasingly, this includes protecting the markets that farmers and the national checkoff



Davie Stephens and Keith Tapp

we fund have worked so hard to create and maintain.

Though policy matters, including trade policy, fall under the purview of the Association side of the commodity coin, our farmer-leaders have been involved in high-level talks with the Administration to explain just what the trade disruption means at the farm gate level.

As you likely know, Kentucky had a big year for leadership at the national level in 2019. At the December 2018 American Soybean Association meeting, Davie Stephens of Clinton was elected President. The very next day, the United Soybean Board elected Keith Tapp of Sebree as Chairman.

Kentucky had not, until that time, held either of the top spots, and the same state having both leadership positions is a rarity. Davie and Keith have spent a great deal of time away from the farm this year, meeting with buyers and talking to anyone who will listen about the superiority of U.S. soy over soy sourced from other countries.

Our high protein content and consistent supply set us apart from our competitors in the global marketplace, and the U.S. Soy Sustainability Assurance Protocol has been a key point of differentiation for our product. Sustainability is a big factor for buyers, and the U.S.

is the first country to voluntarily create a sustainability certification, thanks to our partners at the U.S. Soybean Export Council (USSEC).

While much of the trade talk in recent months has centered on China and the United States/Mexico/Canada Trade Agreement (USMCA), it is important to note that USSEC has been working long before the recent trade disruption to develop new markets and increase U.S. market share for soybeans in a number of markets. Studies indicate that ninety-three percent of U.S. soy-related trade value lies in expansion and mature markets. The Kentucky Soybean Board supports USSEC as a member and funds projects with market growth in mind.

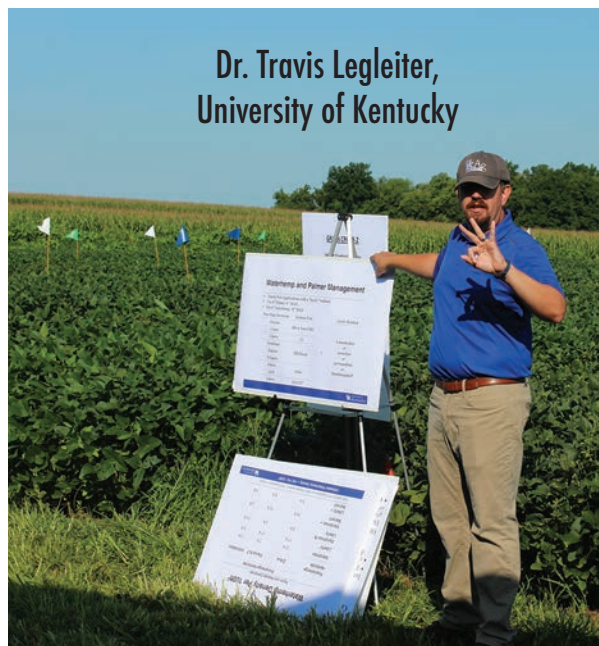
Dicamba is not a “sure thing,” despite its label extension, and the Kentucky Soybean Board continues to invest in research that will increase our understanding of how weed density, specifically with waterhemp and Palmer Amaranth, influence herbicide disposition and efficacy when using a low drift nozzle.

Protecting the very presence of this chemistry in the toolbox continues to be a priority.

At the March research meeting, funding was allocated to continue investigating control of Palmer Amaranth and waterhemp with the new generation of glyphosate-, glufosinate-, and dicamba-resistant soybean varieties. Dr.

Travis Legleiter, pictured below, has spent a great portion of his career researching how to best control resistant weeds, and because of the Board's funding, he is able to continue not only researching these weeds, but explaining to Kentucky farmers how to best control them here in the Commonwealth.

In addition, Dr. Chad Lee is comparing the soybean systems that are available for weed management in the U.S. The study will compare yields from Roundup Ready, the Roundup Ready 2 Xtend, and Liberty Link systems. Herbicide programs that match each technology group will be used post emergence.



Another important element that must be protected is our yield. While yield is always an important factor in the profitability equation, in a period of lower prices, the difference in even a few bushels per acre can determine profit or loss on any size operation.

Soybean Cyst Nematode (SCN) causes greater annual yield losses in Kentucky than any other soybean pathogen. The last time a formal survey was conducted in Kentucky, 2006-2007, approximately 75 percent of soybean fields in the state were infested with SCN. Although

above-ground symptoms such as stunting and yellowing caused by SCN can occasionally be observed, affected soybean plants generally appear to be healthy.

Our resident SCN expert, Dr. Carl Bradley, says that management of SCN has gotten much more complex in the last few years, as SCN populations have adapted to the use of SCN-resistant varieties.

To control SCN, Bradley recommends the following:

Test your fields to know the number of SCN eggs in your fields. The best time for SCN sampling is in the fall or spring.

Rotate to non-host crops, such as corn, wheat, or grain sorghum.

Consider using nematode-protectant seed treatment.

The Kentucky Soybean Board is supportive of the recently relaunched SCN Coalition, which is a multi-state initiative funded by the soybean checkoff to promote awareness of the damage caused by SCN and the importance in managing this pathogen.

More information is available at the coalition's website, [www.theSCNcoalition.com](http://www.theSCNcoalition.com). For Fiscal Year 2020, which began in July 2019, the Kentucky Soybean Board allocated funding to help pay for SCN sampling. Contact your County extension agent for details.



# Promote



The Kentucky Soybean Board is blessed with an abundance of interested, engaged farmer-leaders who volunteer their time for events like the National Farm Machinery Show, media interviews, working booths at local exhibits and shows, and much more.

One of the biggest farmer-to-farmer promotional events for the Board each year is the National Farm Machinery Show, held in February at the Kentucky Exposition Center in Louisville.

In addition to looking at new equipment and getting a sneak peek at the newest and best technology, farmers stop by the Kentucky Soybean Board exhibit to see what's new in the world of this versatile crop.

This year's display included (left) a popular attraction – chicken

mini-golf! The game attracted both children and adults to our exhibit, and there they learned or were reminded that animal agriculture – especially poultry here in Kentucky – is the number one customer for soybean meal.

As previously stated, Fiscal Year 2019 began in July of 2018, so the Kentucky State Fair in August 2018 was one of the first events of the fiscal year. In 2018, the Kentucky State Fair Board launched a new concept they named AgLand, putting all of agriculture together for more than an acre of educational exhibits all





under one roof. It was a big success, and the Kentucky Soybean Board was pleased to be a Platinum sponsor.

Our exhibit, on the facing page, was a show-stopper as many fair attendees were unfamiliar with grain bins. Inside, we showed our “Soybeans Through the Seasons With a Kentucky Farmer” video, which was shot on location at Cundiff Farms in Trigg County and gave an overview of field prep, including the termination of cover crops, planting, the growing season, and finally cab-view footage of harvest.

Beyond that, farmer-leader Barry Alexander (who hosted the video) explained the processes, equipment, and the many uses of soy along the way. You may view the video on our website, [www.kysoy.org](http://www.kysoy.org) under News or find it on YouTube.



Barry Alexander

While the checkoff cannot, by law, be involved in any lobbying nor policy efforts, one of its main purposes is to educate. One way in which the Kentucky Soybean Board educates is during its annual Legislative Luncheon in Frankfort.

Farmer-leaders and staff have served up BBQ lunches for the entire staff – from Senators and Representatives to aides and security staff and even the custodians – for six years now, and it’s become an annual tradition that includes the distribution of literature and numerous conversations. This year, we served a record 576 people.



# Exporting Kentucky beans through U.S. Beef and Pork

**B**eef and pork exports added 85 cents per bushel to the price of soybeans and 39 cents per bushel to the price of corn in 2018, according to the latest report by World Perspectives, Inc. (WPI). This three-year study was funded by the U.S. Meat Export Federation (USMEF).

Among new information included in the latest report are statistics that point to the value of red meat exports to U.S. soybean producers. According to WPI, the market value of pork exports to the soybean industry in 2018 was \$783 million. WPI's updated study shows that without red meat exports, U.S. soybean farmers would have lost \$3.9 billion last year and U.S. corn growers would have lost \$5.7 billion.

The updated report includes a projection of domestic feed use impacts based on both the long-term 10-year baseline projections for meat exports, as well as a special analysis on the critical importance of the proposed U.S.-Japan trade agreement. USMEF has also prepared state-specific statistics on

the value of red meat exports to the top 15 soybean states and top 10 corn states.

"The World Perspectives study has been a very useful tool in quantifying the importance of red meat exports to our corn and soybean member organizations," said USMEF President and CEO Dan Halstrom. "Results of the study and the subsequent updates demonstrate that maintaining global market access for U.S. beef and pork is critical to continued growth and to the continued value that meat exports bring to corn and soybeans."

The updated study also looks forward, projecting that U.S. pork exports are expected to generate \$8.68 billion in market value to soybeans from 2019 to 2028. Red meat exports are expected to generate \$19.1 billion in market value to corn and \$3.1 billion in market value to distiller's dried grains with solubles (DDGS) during that same period.

"When the original study came out a few years ago, it gave us a good look at the value of U.S. beef, pork and lamb exports to corn and soybean farmers," said Dean Meyer, a corn, soybean and livestock producer from Rock Rapids, Iowa. Meyer, a member of the USMEF Executive Committee, noted that the study continues to support the fact that exporting red meat drives demand for livestock, in turn driving demand for livestock feed.

"The updated study offers a fresh look at corn and goes a little deeper into soybean meal and what red meat exports mean for soybean growers. As grain farmers, we are aware that meat exports add value by increasing the volume of soybean meal and corn used to feed cattle and hogs, but the numbers in this study provide a clear picture of just how important those exports really are," said Meyer.







# Exporting Kentucky Soybeans through U.S. Pork



In 2018, the market value of pork exports to  
**KENTUCKY SOYBEANS**

**\$17.8 million**

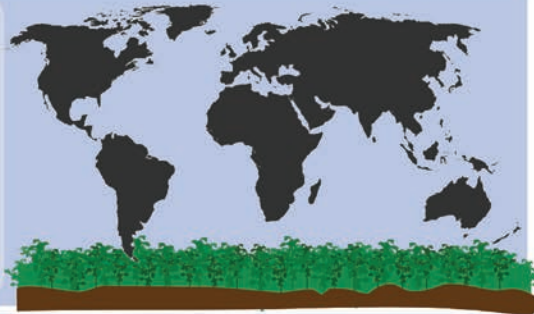
(soybeans consumed by pork exports \* annual avg soybean price)

In 2018 pork exports added **9%** of bushel value



**\$48 million**

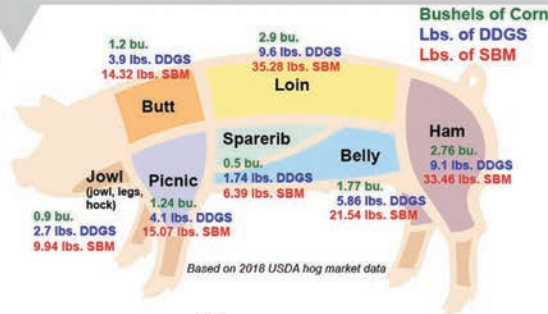
The projected market value of pork exports to Kentucky soybeans from 2019-2028



## Feed Cut Out for Pork

Without pork exports, Kentucky soybean farmers would have **lost \$89 million in soybean revenue in 2018**

(state soybean production \* \$0.85/bushel)



## HIGHLIGHTS FROM THE UPDATED WPI STUDY INCLUDE:

- Since 2015, meat exports represent the fastest growing category of corn and soybean meal use.
- In 2018, exports accounted for 14.6 percent of total U.S. beef production and 25.7 percent of U.S. total pork production, and accounted for 459.7 million bushels of corn utilization – with a market value of \$1.62 billion at the year-average market price – and 2 million tons of soybean meal disappearance, which is the equivalent of 84.2 million bushels of soybeans with a market value of \$783 million.
- It is estimated that in 2018 beef and pork exports added \$0.39 to the average 2018 corn price of \$3.53/bushel. Similarly, it is estimated that pork exports added \$0.85 per bushel to the average 2018 soybean price of \$9.30/bushel.
- Since 2015, one in every four bushels of added feed demand for corn was due to beef and pork exports and one in every 10 tons of added feed demand for soybean meal use was due to pork exports.
- Over the next 10 years, meat exports are forecast to generate a projected \$30.8 billion in cumulative annual market value to corn and soybeans based on USDA's long-term forecast for crop prices.

## HIGHLIGHTS FROM THE UPDATED WPI STUDY SPECIFICALLY FOR KENTUCKY SOYBEANS:

- U.S. pork exports generated a market value of \$17.8 million to Kentucky soybeans in 2018 (soybeans consumed by pork exports multiplied by annual average soybean price)
- U.S. pork exports are expected to generate a market value of \$48 million to Kentucky soybeans from 2019 - 2028
- Without pork exports, Kentucky soybean farmers would have lost \$89 million in soybean revenue in 2018 (state soybean production multiplied by \$0.85/bushel)

## Kentucky Soybean Board Directors

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**Chair**

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*Graves County*

**Brent Gatton**

*Muhlenberg County*

**Gerry Hayden**

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ONTACT US

## KENTUCKY SOYBEAN BOARD

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Cover photo taken at Sweazy Farms in Bloomfield, Kentucky.  
Back cover photo at Gilkison Farms in Winchester, Kentucky.



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