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www.ndsoybean.org

Report to the 2021 North Dakota Legislative Assembly Senate & House Agriculture Committees

PURPOSE

Led by a board of 12 elected farmer directors, the North Dakota Soybean Council (NDSC) is charged with representing all North Dakota soybean producers and directing soybean checkoff investments in programs designed to increase profitability. NDSC operates under the authority of the federal Soybean Promotion Research and Consumer Information Act, which requires checkoff funds to be used for soybean education, promotion, market development, communications and research.

ECONOMIC IMPORTANCE OF SOYBEANS

- Soybeans provided an annual economic impact of \$1.7 billion dollars to North Dakota in 2019.
- Soybeans in 2019 were the leading crop in terms of cash receipts in North Dakota, accounting for 22%.
- North Dakota ranked 5th in soybean acres planted and harvested in the U.S. in 2020.
- U.S. soybean farmers receive \$12.34 in return of investment value for every dollar they invest in the soy checkoff.

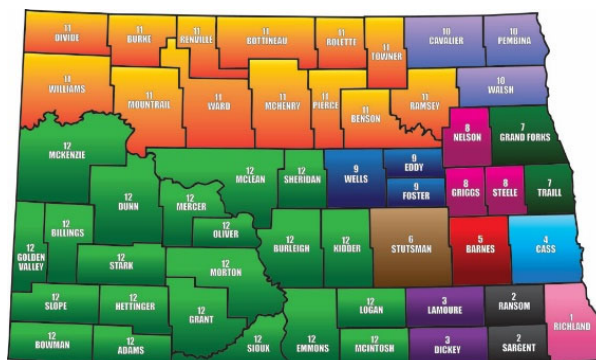
2019 ND Soybean Production (USDA)	2020 ND Soybean Production (USDA forecast)
➤ 170.1 million bushels	➤ 188 million bushels
➤ 5.40 million acres harvested	➤ 5.7 million acres harvested
➤ Average yield of 31.5 bushels per acre	➤ Average yield of 33 bushels per acre

CREATION OF CHECKOFF

- NDSC was established during the 1985 Legislative Session.
- In 1991, the national checkoff was created, and NDSC was certified by USDA as the collector and administrator of the soybean checkoff program within the state.
- Soybean producers participate in the checkoff at the rate of one-half of one percent per bushel of the net value of the sale, collected at first point of sale.
- Fifty percent of the total checkoff collected in North Dakota is forwarded to the United Soybean Board (USB), and 50 percent is retained for programs directed by NDSC.
- NDSC, according to federal law, is required to receive an annual financial audit and compliance review to ensure all business operations of the checkoff are compliant with the Federal Act and Order.
- NDSC is subject to North Dakota state laws and an annual financial audit.
- NDSC does not receive any state appropriations.
- All NDSC projects and programs are reviewed and approved by USB annually.

ORGANIZATION

Soybean producer elections are held annually in four districts. NDSC County Representatives elect district directors who comprise the 12-member NDSC board. NDSC's election process is conducted by mail and overseen by NDSU County Extension Offices to ensure impartiality. Directors can serve no more than two three-year terms. Five full-time employees administer NDSC's checkoff programs and activities.



PROGRAM OVERVIEWS AND HIGHLIGHTS

MARKET DEVELOPMENT

International market development remains one of NDSC's top priorities. Each year approximately 70% of North Dakota soybeans are exported by rail to the Pacific Northwest then shipped to overseas markets, primarily in Southeast Asia and China. North Dakota is the number two exporter of whole soybeans in the nation – second only to Illinois. NDSC is extremely reliant on relationships with our U.S. trading partners to ensure a strong global demand for North Dakota soybeans.

Key market development initiatives supported by NDSC include:

- International trade teams visited North Dakota during harvest in 2019. These opportunities allow global buyers of soybeans to visit North Dakota farms and talk with producers on the quality and size of the current soybean crop. In 2020, videos were utilized featuring soybean producers and their growing season.
- As a member of The Northern Soy Marketing, LLC board, NDSC supports the Essential Amino Acids (EAA) project. This project is designed to educate soybean buyers to recognize critical amino acid values, rather than crude protein, as the true indicator of soybean feeding value. The goal is to not discount northern-grown soybeans exported from the Pacific Northwest due to the lower crude protein.
- NDSC continues a partnership with the Northern Crops Institute to provide valuable courses for international customers on North Dakota soy utilization.
- The World Initiative for Soy in Human Health (WISHH) program promotes U.S. soy protein for use in human and animal diets in emerging markets across the globe. WISHH recognizes that the developing nations of today are tomorrow's customers for U.S. soy and soy protein.
- NDSC partners with the Specialty Soya and Grains Alliance to ensure that market channels for food grade soybeans are secure, including those grown and exported from North Dakota.
- The North Dakota Livestock Alliance (NDLA) works with agriculture industries across the state to develop and to expand animal agriculture. NDSC is a member of the NDLA.



- NDSC remains optimistic that a soybean crushing facility will be built in the state. A crushing facility would benefit producers by expanding markets for whole soybeans crushed as meal to provide both a local feed source for livestock producers and develop a new export channel. In addition to soybean producers, a crushing facility would also provide significant economic benefits to the state of North Dakota.

BIODIESEL

Biodiesel is a clean-burning, non-toxic renewable fuel and can be used in any diesel engine without modification. Biodiesel helps drive demand for U.S. soy oil, which continues to serve as the primary feedstock for biodiesel production.

Highlights of NDSC's biodiesel efforts include:

- As a member of the National Biodiesel Board (NBB) board, NDSC works to create biodiesel growth through education, communication, technical and quality assurance programs.
- Through partnerships, NDSC provides biodiesel technical support, education and promotion to North Dakota's diesel mechanic students, fuel distributors and the diesel industry. Thanks to these partnerships, North Dakota has seen an increase of support and usage of biodiesel.
- Grand Forks and East Grand Fork's Cities Area Transit (CAT) buses began using a B20 blend this past summer. B20 is a blend of 20 percent biodiesel and 80 percent petroleum diesel. To help introduce residents to biodiesel and how North Dakota soybean farmers contribute to sustainability, a full wrap was added to one of CAT's buses.
- A study co-funded by NDSC found that biodiesel demand increases the soybean price by \$0.63 per bushel.



PRODUCTION AND PLANT BREEDING RESEARCH

A priority for NDSC is to fund research that provides best management options to protect the environment and soybean yields from losses due to disease, insects, weeds and nematodes.

NDSC's priority research funding areas include:

- Breeding for improved germplasm for new and improved cultivars
- Improving Soybean Cyst Nematode management
- Reducing iron-deficiency chlorosis in soybeans
- Using cover crops to reduce erosion, improve soil health and weed control



Key production and plant breeding research supported by NDSC include:

- The soybean breeding program at NDSU has released early maturing glyphosate resistant varieties, such as ND17009GT, with good disease resistance. This variety is a good fit for the northern and western areas of North Dakota and provides lower cost seed options for farmers.

- Areas of research critical to the future of North Dakota's soybean production include management of invasive and noxious herbicide-resistant weeds; disease control; and sustainable production practices including cover crops.

NEW USES FOR SOYBEANS

Soybeans provide a sustainable alternative for many products used every day.

- Thanks to NDSU researchers and support from NDSC, a soybean-based dust retardant for roads has been patented and is in the final stages of commercialization to be used in heavy traffic areas, including Western North Dakota.
- Researchers at NDSU are developing biobased, degradable flowerpots made from soy. This NDSC funded project provides inherent fertilizer for the plant's growth and promotes plant health and increased yield for plants such as tomatoes and peppers.
- The soy checkoff partners with manufacturers to commercialize new soy-based products like Goodyear tires, Sketcher shoes, sandals and soy-based foam seats in vehicles.



CONSUMER OUTREACH

With numerous food and farming-related topics on consumers' minds, it's important for NDSC to engage consumers with accurate and positive stories of today's soy and agriculture industry.

Highlights of NDSC's consumer outreach efforts include:

- Along with other North Dakota commodity groups, NDSC continues to support CommonGround ND. As an educational resource for families about food and farming, CommonGround ND efforts include starting conversations between farmers and consumers by sharing farmers' personal experiences, along with science and research.
- A new virtual farm exhibit at the Gateway to Science museum in Bismarck was funded by NDSC in 2020. This exhibit will demonstrate how farmers use science and technology in decision making on their farms.
- The annual North Dakota Soyfoods and Farm Tour invites dietitians, nutritionists and health experts to Fargo to learn how soy ingredients can be part of a nutritious diet.



- At the 2020 North Dakota Academy of Nutrition and Dietetics and the North Dakota Nutrition Council annual meetings, soyfoods were featured with a scientific presentation and food demonstration.

PRODUCER EDUCATION

NDSC uses several means to update soybean producers and industry about checkoff-funded projects and programs.

Education and communication tools include:

- The annual Northern Corn and Soybean Expo provides producers the opportunity to increase their education, network, and witness new developments in the soy and corn industry. The 4th annual Northern Corn and Soybean Expo will be held virtually in two back-to-back morning sessions, February 23 and 24, 2021.
- NDSC sponsors and provides multiple educational opportunities to producers annually, including: Getting it Right Soybean Production Meetings; Best of the Best in Wheat and Soybean Research Meetings; Soybean Trading and Risk Management Seminars; Midseason Market Outlook; and Soybean Marketing Seminar for Women.
- The official publication of NDSC continues to be The North Dakota Soybean Grower Magazine, published six times per year.
- Checkoff funded tools and resources can be accessed online at www.ndsoybean.org and via social media at:

Facebook.com/NDsoybeanCouncil	Twitter.com/NDsoybean
Instagram.com/ndsoybean	YouTube.com/NDsoybeanCouncil
Pinterest.com/ndsoybean	Linkedin.com/company/north-dakota-soybean-council



PROJECTED ACTIVITIES FOR NEXT BIENNIUM

NDSC will continue to provide North Dakota soybean producers quality programming in the next biennium. Because of COVID-19, NDSC shifted many programs to virtual formats in 2020. Due to the successful response of participation in NDSC's virtual programming, we will explore continuing to offer online options for farmers to attend programs in the future.

The outlook for high-quality North Dakota soybeans remains strong. NDSC will continue to work with producers to deliver a reliable supply of North Dakota soy to meet the demands of the global marketplace. NDSC looks forward to an exciting future for North Dakota soybean producers, who can trust we'll remain steady in our commitment to find new and innovative ways to leverage checkoff investments.

If you have questions or would like to learn more about the North Dakota Soybean Council, please contact:

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NORTH DAKOTA SOYBEAN COUNCIL
Fargo, North Dakota

STATEMENT OF PROJECTED REVENUE AND EXPENDITURES
For the Bienniums Ending June 30th
UNAUDITED

Prepared by the North Dakota Soybean Council

	19-21 Biennium	21-23 Biennium
Beginning Balance	\$ 2,945,656	\$ (286,448)
REVENUES		
Gross Assessment Revenue	15,998,411	16,798,331
Less		
Assessments Remitted to other States	507,750	533,138
Assessments Remitted to the United Soybean Board	<u>7,959,925</u>	<u>8,357,921</u>
Net Assessment Revenue	\$ 7,530,736	\$ 7,907,273
Interest Income	181,107	190,162
Other Revenue	<u>293,137</u>	<u>293,137</u>
Total Revenues	<u>\$ 8,004,980</u>	<u>\$ 8,390,572</u>
EXPENDITURE		
Program Expenditures		
Marketing	2,855,823	2,998,614
Communications	1,892,804	1,987,444
Research	<u>4,284,678</u>	<u>4,498,912</u>
Total Program Expenditures	\$ 9,033,305	\$ 9,484,970
Administration/Operations	<u>2,203,780</u>	<u>2,203,780</u>
Total Expenditures	<u>\$ 11,237,084</u>	<u>\$ 11,688,749</u>
Excess of Revenues Over (Under) Expenditures	\$ (3,232,104)	\$ (3,298,177)
Ending Balance	\$ (286,448)	\$ (3,584,625)