



OHIO SOYBEAN
COUNCIL

OHIO SOYBEAN COUNCIL

2017 INVESTOR REPORT



TERRY MCCLURE
CHAIRMAN OF THE BOARD
OHIO SOYBEAN COUNCIL



With a new strategic plan in place, the Ohio Soybean Council (OSC) hit the ground running in 2017 by building on successful initiatives and creating new ones that are demonstrating positive returns for Ohio soybean farmers' checkoff dollars.

Water quality continues to be a priority issue for us. And we're working with Ohio soybean farmers to make sure they are part of the solution. With the help of partners like Ohio Corn and Wheat, The Ohio State University, soil and water conservation districts, Ohio Farm Bureau, Ohio AgriBusiness Association, Ohio's livestock groups and the Ohio Department of Agriculture, OSC continues to invest in water quality research and communication.

OSC also continues our commitment to plant and product research as well as discovering new uses for soybeans. This year, the council partnered with The Ohio State University to establish a soybean research center, one of only six in the United States. OSC has also supported research to combat soybean aphids. As a result, the entire soybean aphid genome has been sequenced based on soybean aphids collected across the north-central United States by collaborators participating in the soybean aphid research group led by researchers at The Ohio State University.

Other exciting results of our research investments include development of Enzomeal™ technology that has the potential to revolutionize aquaculture by creating a more digestible soybean meal fish food. Cumulative royalties collected from our patents passed the \$1,000,000 milestone in 2017, thanks in part to a soy-based plasticizer licensed in Brazil.

It has been my honor to lead our board through 2017. I extend my gratitude to all team members for the many efforts that are rewarding our investments in research, marketing and education. And I especially wish to thank my fellow soybean farmers for your continued support of the Ohio soybean checkoff.

Sincerely,

Terry McClure

YEAR ENDED SEPTEMBER 30, 2017

ASSESSMENT RECEIPTS FROM FIRST PURCHASERS
\$13,334,069

LESS

ASSESSMENT RECEIPTS REMITTED TO THE UNITED SOYBEAN BOARD
\$5,976,980

ASSESSMENT RECEIPTS REMITTED TO OTHER STATES
\$1,228,314

NET ASSESSMENT RECEIPTS
\$6,128,775

INVESTMENT INCOME
\$28,995

GRANTS
\$40,046

TOTAL ADDITIONS TO FUND BALANCE
\$6,197,816

ADMINISTRATIVE DISBURSEMENTS
\$752,657

TOTAL DEDUCTIONS FROM FUND BALANCE
\$6,144,309

NET DECREASE IN CASH INVESTMENTS
\$53,507

BEGINNING CASH INVESTMENTS
\$9,838,535

ENDING CASH INVESTMENTS
\$9,892,042

TOTAL PROGRAM DISBURSEMENTS
\$5,391,652

DEMAND
\$1,408,320

RESEARCH
\$1,880,056

COMMUNICATION/EDUCATION
\$2,103,276





DEMAND

Driving demand for soybeans continues to be a top priority, and we are pushing hard on multiple fronts.

PRECISION AG TECHNOLOGY

AS PRECISION AG TECHNOLOGY HAS BEEN RAPIDLY EVOLVING, OSC DEVELOPED AND LAUNCHED OUR NEW PRECISION AG REVIEWS WEBSITE AT PRECISIONAGREVIEWS.COM.



From reviewing farmers' ratings on specific software and equipment to educational videos on up-and-coming technologies, this site helps farmers make more informed decisions about precision agriculture technologies and equipment.

IN COLLABORATION WITH OSU AND BATTELLE, OSC HAS DEVELOPED NEXT-GENERATION SOY METHYL ESTER TECHNOLOGY TO HELP RESTORE AND CLEAN ASPHALT SHINGLE ROOFS.

A PROVISIONAL PATENT FOR

SOY FUSION™
Technology

WAS FILED IN LATE SUMMER OF 2017.

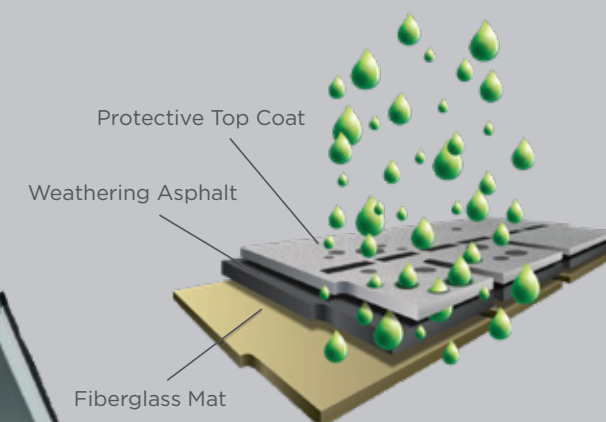
This innovative product not only reduces the need for expensive roof replacements, it also helps keep asphalt shingles out of landfills.

VISIT ROOFMAXX.COM
FOR MORE DETAILS.

AS PART OF OUR COMMITMENT TO

“SUSTAINING LIFE AND RESPECTING NATURE,”

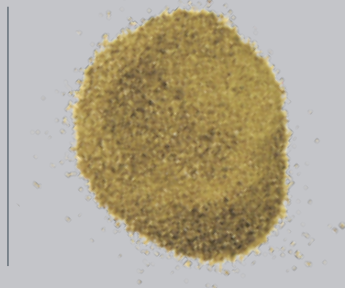
RoofMaxx™ is an all-natural, soy-based shingle rejuvenator that is spray applied to aging roofs to extend roof life for five years with a single application.





ENZOMEAL™ TECHNOLOGY,

AN IMPROVED SOYBEAN MEAL REMOVES NON DIGESTIBLE CARBOHYDRATES (OLIGOSACCHARIDES) WITHOUT COMPROMISING AMINO ACID COMPOSITION, **MAKING IT EASIER FOR FISH TO DIGEST.**



In 2017, OSC scaled up Enzomeal efforts and is now evaluating results with catfish, Asian sea bass and tilapia. A patent has been published, and OSC is actively seeking commercial partners. Learn more at enzomeal.org.



CATFISH



ASIAN SEA BASS



TILAPIA



In 2017, OSC partnered with the Ohio Pork Council to increase the demand for meat across Ohio. The initiative included a City BBQ promotion, social media outreach and statewide Costco support.

OSC HAS INVESTED IN A PROGRAM TO DETERMINE THE COST-BENEFIT FOR FARMERS IN ACCESSING NATURAL GAS.

In partnership with OSU, OSC offers farmers calculation tools that can calculate costs, annual savings and the estimated pay off period for making the switch to natural gas. Farmers can learn more by visiting the website below.

<https://energizeohio.osu.edu/farm-energy-management/evaluating-natural-gas-utilization-agriculture>

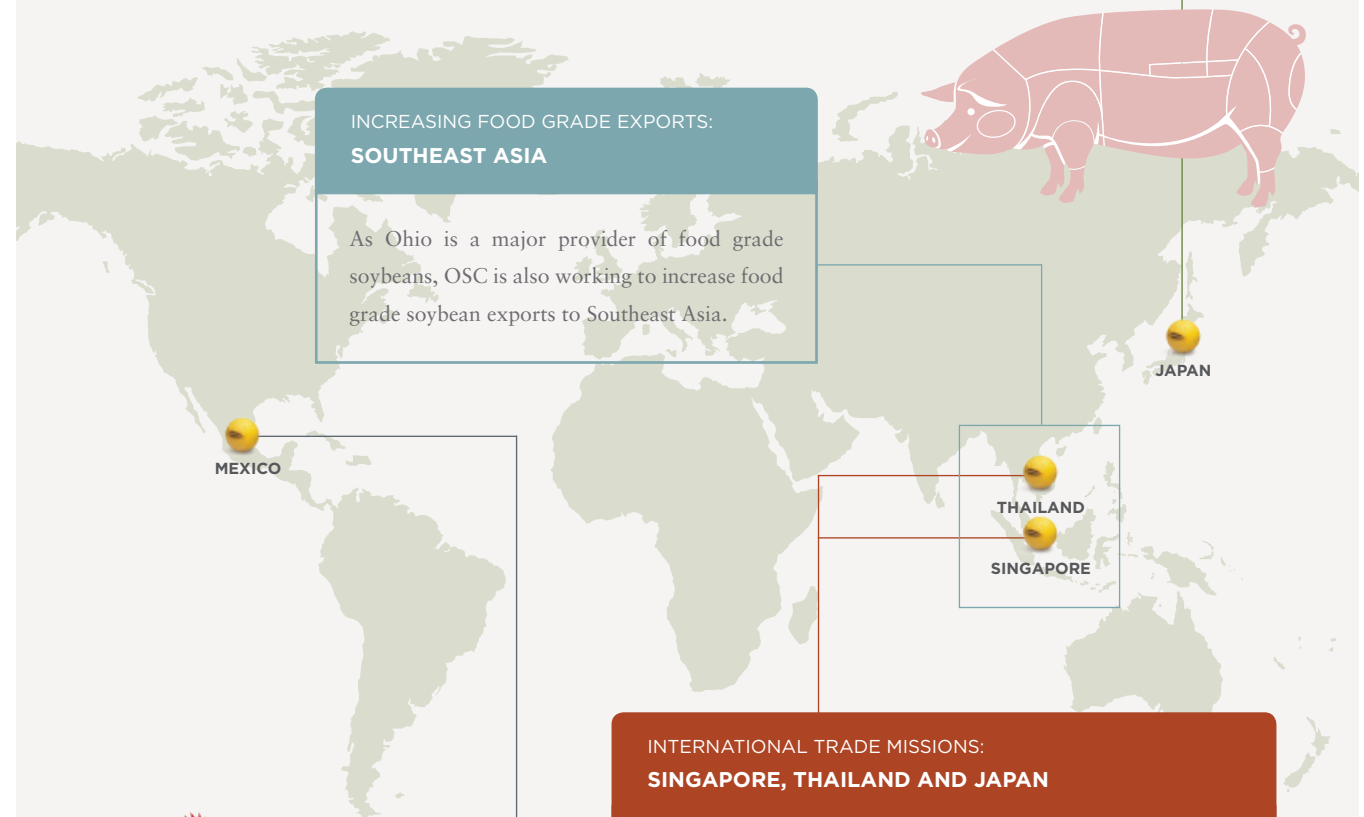
INTERNATIONAL DEMAND

CONTINUING PARTNERSHIP PROJECTS: JAPAN

OSC partnered with the U.S. Meat Export Federation to increase pork exports and also partnered with the U.S. Soybean Export Council to increase food grade exports to Japan.

INCREASING FOOD GRADE EXPORTS: SOUTHEAST ASIA

As Ohio is a major provider of food grade soybeans, OSC is also working to increase food grade soybean exports to Southeast Asia.



INTERNATIONAL TRADE MISSIONS: SINGAPORE, THAILAND AND JAPAN

In 2017, OSC built and supported new markets and relationships in Singapore and Thailand.

CONTINUING PARTNERSHIP PROJECTS: MEXICO

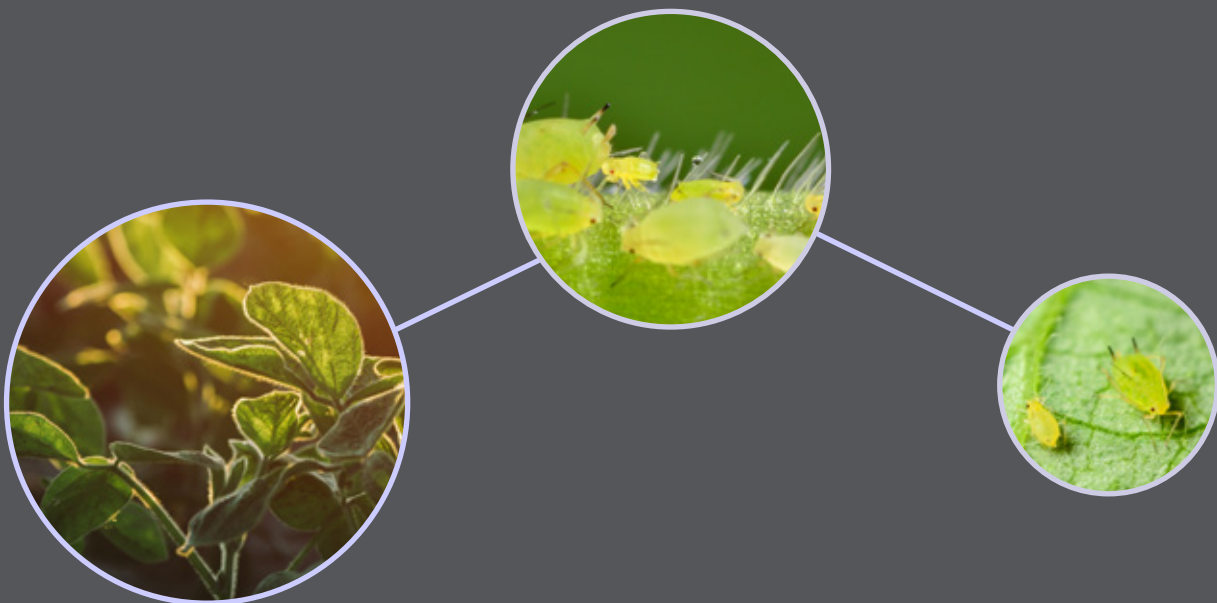
With a goal to increase chicken exports to Mexico and turkey exports to Latin America, OSC partnered with the USA Poultry and Egg Export Council and the Ohio Poultry Association.






RESEARCH

Advancing soybean science through innovative plant and product research is adding value and creating exciting new solutions for customers and industries around the world.



IN COLLABORATION WITH OTHERS, DR. LEAH MCHALE, OF THE OHIO STATE UNIVERSITY, IS LEADING A PROJECT **TO INCREASE GENETIC GAINS IN SOYBEANS WITH THE HOPES OF DISCOVERING WAYS TO INCREASE YIELDS FASTER.**

Soybean aphids are an ongoing threat to soybean yields and OSC has supported research to combat this pest. As a result,

 **THE ENTIRE SOYBEAN APHID GENOME HAS BEEN SEQUENCED**

based on soybean aphids collected across the north-central United States by collaborators participating in the soybean aphid research group, led by Dr. Kelley Tilmon at The Ohio State University.

Dr. Chris Taylor of The Ohio State University is currently partnering with 3Bar Biologics in efforts to better fight soybean cyst nematodes in the soil.



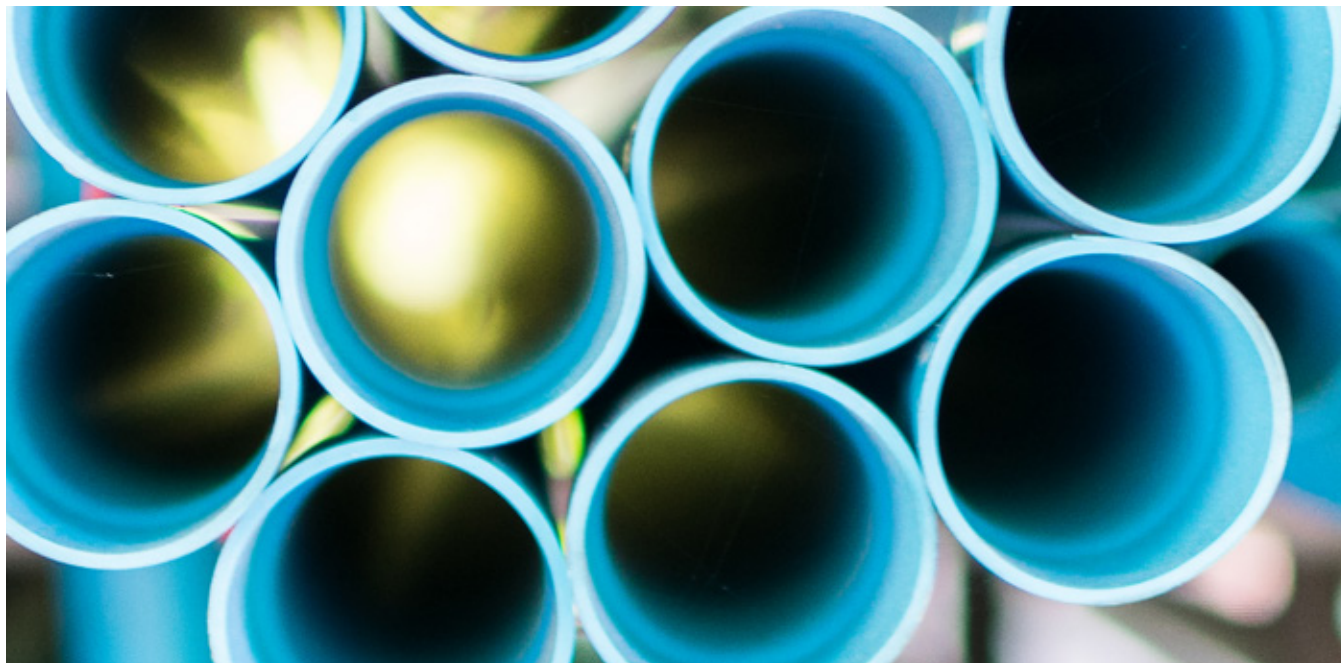
Soybean cyst nematode and egg.

THIS YEAR THE COUNCIL PARTNERED WITH THE OHIO STATE UNIVERSITY TO ESTABLISH A UNIVERSITY SOYBEAN RESEARCH CENTER - ONE OF ONLY SIX THAT CURRENTLY EXISTS IN THE UNITED STATES.

IN 2017, OSC WON AN INTERNATIONAL IPM AWARD OF EXCELLENCE.



Most recently led by Dr. Kelley Tilmon, this team researches and develops integrated soybean insect management strategies. The recipients of this award are individuals or teams who were ranked highest for achieving exceptional accomplishments relating to economic benefits of IPM adoption, reducing potential human health risks and demonstrating minimal adverse environmental effects.



\$1M

OSC HAS REACHED THE \$1M MARK IN ROYALTIES FROM PRODUCTS DEVELOPED WITH RESEARCH PARTNERS.

The soy-based plasticizer licensed in Brazil for applications such as vinyl siding, medical uses and piping helped put OSC over the top. Royalties collected are reinvested in continued research, scholarships and education programs like the Ohio Soybean Council Foundation.

OSC, IN PARTNERSHIP WITH BATTELLE, KENTUCKY STATE UNIVERSITY AND REDWOOD INNOVATIONS WON AN R&D 100 AWARD FOR A TECHNOLOGY CALLED ENZOMEAL. KNOWN AS THE “**OSCARS OF INNOVATION**” IN THE SCIENCE AND TECHNOLOGY WORLD, THE ANNUAL AWARDS RECOGNIZE THE MOST SIGNIFICANT TECHNOLOGIES THE NATION’S SCIENTISTS AND ENGINEERS CREATE.



OSC INVESTED IN TWO PROJECTS

with Reichhold, a global supplier to the composite and coating industry, that could require 30-40 million lbs. of soybean oil equaling 3-4 million bushels of soybeans.



PROJECT 1

Creating a new waterborne soybean oil modified urethane product that would have lower **VOLATILE ORGANIC COMPOUNDS (VOC) THAN CURRENT COMMERCIAL PRODUCTS** to better comply with government regulations.



PROJECT 2

The second project would create a waterborne soy-based alkyd copolymer latex coating with improved stain blocking for commercial and residential indoor applications.



3Bar Biologics’ Bio-YIELD wins USDA SBIR grant as a result of OSC support. In June 2017, **3BAR WAS AWARDED A USDA SBIR II GRANT OF \$600,000** to support systems and technology for biologic control of soybean cyst nematodes.

OSC INVESTED IN RESEARCH TO DEVELOP

SOY-PK

A PATENT-PENDING RESIN TECHNOLOGY TO REPLACE PETROLEUM BASED BISPENOL A USED IN FOOD AND BEVERAGE CANS.



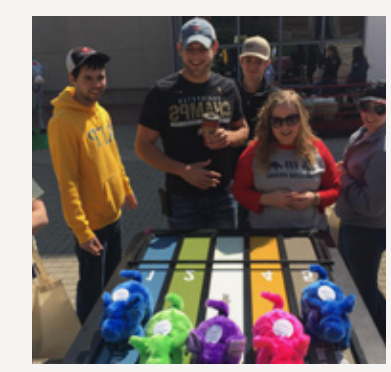
INCREASED USERS OF GROWNEXGEN BY **20%**

REACHING 12,630 USERS



GROW
NEXT GEN

OSC conducted 39 GrowNextGen outreach events, *reaching thousands of teachers and students*. Through the use of entertaining and educational tools and GrowNextGen materials, OSC helped make learning fun and reached thousands of fairgoers during Soybean Day at the Ohio State Fair, offering GrowNextGen materials and a virtual-reality tour about soybean production.



COMMUNICATION AND EDUCATION

OSC supports many programs and communication efforts to help educate today's consumers as well as the next generation.

OSC SUPPORTED THE NIGHT FOR YOUNG PROFESSIONALS

at both Wilmington College and The Ohio State University *reaching over 200 students*. The event allowed OSC to meet and interact with college students and gave them the opportunity to network and develop professional skills.

OSC RECEIVED A GRANT FROM BATTELLE to help fund training for pre-service ag teachers at OSU, Wilmington and Central State.

OSC continues to INVEST IN WATER QUALITY COMMUNICATION

and outreach. Our efforts encourage farmers to adopt practices that help protect and improve water quality.





OHIO SOYBEAN COUNCIL FOUNDATION

The foundation supports agricultural education and scientific research with an eye toward career opportunities in the soybean industry.



OHIO SOYBEAN ASSOCIATION

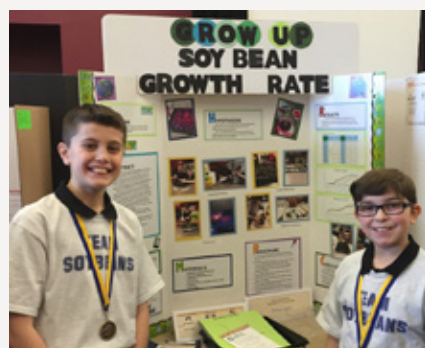
The Ohio Soybean Association provides leadership for Ohio's soybean farmers by advocating for effective policies and legislation that help ensure a growing and profitable industry.

AG BIOTECH ACADEMY

Along with OSC, the Foundation and DuPont Pioneer sponsored the Ag Biotech Academy, which was designed to help teachers understand biotechnology. It is estimated that over 14,000 students will be impacted by their teachers' participation in this academy, now celebrating its fifth year.



OSCF AWARDED A TOTAL OF \$44,000 IN SCHOLARSHIPS – both graduate and undergraduate – for the 2017-2018 school year. This is the 10th year for the OSCF Scholarship Program, which was created to encourage undergraduate students to pursue degrees or graduate-level research in one of the many academic fields that support the future of the soybean industry. These include agriculture, business, communication, economics, education, science and technology.



OSCF AWARDED SCHOLARSHIPS THROUGH THE INVENTION CONVENTION, A PROGRAM DESIGNED TO HELP K-8 STUDENTS FOSTER CURIOSITY AND ENGAGE IN THE INVENTION PROCESS.

OSCF ALSO AWARDED SCHOLARSHIPS TO STUDENTS PARTICIPATING IN STATE AND DISTRICT SCIENCE FAIRS.

WATER QUALITY

The Ohio Soybean Association (OSA) advocated for science-based solutions that take farmers' nutrient needs into consideration so they can grow a profitable crop. Ohio farmers have been at the table during policy discussions to make sure new regulations are not overly burdensome.

BIODIESEL

OSA has advocated for a stronger Renewable Fuel Standard that continues to increase demand for soybeans. U.S. biodiesel production reached over 2 billion gallons in 2016, adding 63 cents in value to every bushel of soybeans sold.

TRADE

Exports accounted for 62 percent of all U.S. soybean production in 2017 and OSA continues to advocate for increased market access and free trade agreements.

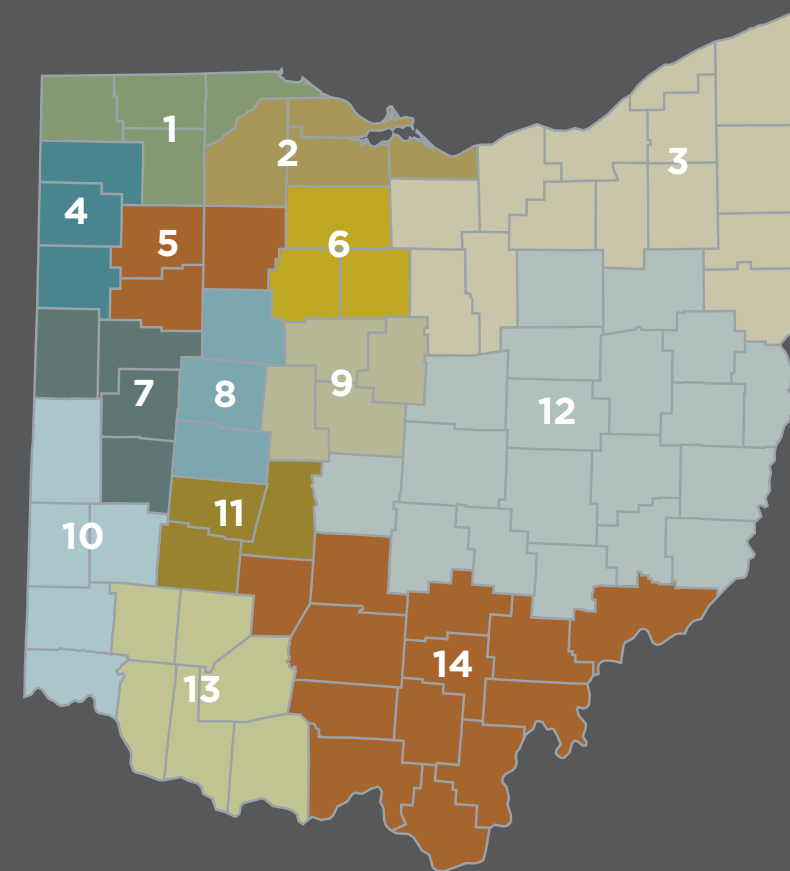
BIOTECH

In order to give Ohio soybean farmers freedom to choose from a wide variety of seeds and biotech tools, OSA advocates for swift approval of new biotech traits in U.S. and international markets.



CAUV REFORM

OSA supported important Current Agricultural Use Value (CAUV) reforms included in the 2017 state budget bill that ensure a more accurate and less burdensome CAUV valuation.



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SCOTT METZGER
District 14

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Ex-Officio

JOHN MOTTER
Ex-Officio



**OHIO SOYBEAN
COUNCIL**

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**To learn more about the Ohio Soybean Council
and its programs to support Ohio soybean farmers,
please visit our website: SOYOHIO.ORG.**



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The Ohio Soybean Council (OSC) was founded in 1991 to manage the Soybean Promotion and Research Program, more commonly known as the soybean checkoff. OSC is governed by a volunteer farmer board, which directs the investments of the checkoff. The program's primary goal is to improve soybean profitability by targeting research and development, education and promotion projects.