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ASA Summary of Accomplishments for Soybean Growers in 2011

The American Soybean Association (ASA) – working with our state affiliates, the soybean checkoff, and industry partners – advanced soybean farmer interests in numerous areas in 2011. Below are some of the key accomplishments in 2011 in which ASA fulfilled its mission, “To serve farmers by protecting and increasing the market value and opportunities for soybean farmers.”

GOAL #1 – POLICY & ADVOCACY: ASA members play an effective role in domestic and international policy development.

ASA’s Proposal Made Part of Draft Farm Bill – ASA developed the Risk Management for America’s Farmers (RMAF) proposal that would complement crop insurance and help farmers manage risk. ASA then worked successfully with the Agriculture Committees to include this revenue-based program in the farm bill that they developed as part of the Super Committee process. The United Soybean Board’s Global Opportunities Committee funded important analysis that ASA’s Farm Bill Task Force utilized in the process. The revenue-based program that the Agriculture Committees settled upon reflected the essential elements of ASA’s RMAF proposal. Although the Super Committee process failed and the Agriculture Committees now will attempt to write the 2012 Farm Bill under “regular order” procedures, the bill they developed in 2011 will be an important starting point for their work.

Free Trade Agreements with South Korea, Colombia, and Panama Passed – ASA successfully pressed the Administration to submit and the Congress to pass the FTAs with South Korea, Colombia, and Panama. These agreements represent nearly \$3 billion of additional agricultural exports to these trading partners, and provide for increased market access for U.S. soy and meat exports. Importantly, these agreements will allow the United States to increase soy, meat, and other agricultural exports to these countries.

Biodiesel Tax Incentive Extended – ASA’s and the biodiesel industry’s dogged persistence on the need to extend the biodiesel tax incentive paid off when Congress included the biodiesel tax credit extension in omnibus legislation passed late in 2010. As a result, the U.S. biodiesel production reached record levels in 2011 (see related story under Goal #3).

Addressing the EU’s Renewable Energy Directive – ASA -- along USB, USSEC, and soy exporters -- led efforts to maintain access for U.S. soybeans exports to the European Union (EU) that otherwise would be negatively affected by the EU’s Renewable Energy Directive (RED). The U.S. Government and the EU have agreed to enter into bilateral negotiations on how U.S. soybeans can be deemed compliant with RED requirements. The U.S. Government also has issued official documents attesting to the sustainability of U.S. soybeans.

Protection of GPS Signals and Equipment for Farmers – ASA is a leading member of a coalition of agricultural groups that has urged the Federal Communications Commission (FCC) and

Congress not to approve LightSquared's proposed broadband network until testing demonstrates that the GPS signals used by farmers won't be harmed. As a result, additional testing has been mandated.

Biotechnology Policies and Industry Communication Advanced – ASA and NCGA organized and led two Biotech and Grain Trade Forums to bring together biotechnology providers and the grain trade. These groups increasingly have been at odds over biotechnology policies and commercialization, and we have been concerned that this rift threatens both new technology commercialization and export markets. ASA worked with NCGA, the North American Export Grain Association, the National Grain and Feed Association, and the American Seed Trade Association to develop a draft Memorandum of Understanding (MOU) that establishes a more formal consultative process among growers, biotech providers, and the grain trade on biotechnology stewardship, regulatory, export market, and other issues. The MOU is expected to be finalized and implemented early in 2012.

Biobased Product Label Rolled Out – USDA announced a voluntary biobased product labeling program that will help consumers identify biobased products made from renewable resources, and will promote increased sale and use of soy-based products in the commercial market. This labeling program is the direct result of successful ASA efforts in the 2008 Farm Bill to require such a program.

Estate Tax Provisions Passed - ASA-supported provisions passed Congress late in 2010 that raised the exclusion level to \$5 million per spouse and lowered the tax rate on estates exceeding the exclusion to 35 percent. Without these new estate tax provisions, the exclusion amount would have gone to \$1 million with a tax rate of 55 percent on Jan. 1, 2011.

Additional Resources to Keep Mississippi River Gulf Shipping Channels Open – ASA and a coalition of other agricultural groups succeeded in forcing the Corps of Engineers to reallocate the resources necessary to maintain dredging operations to keep Gulf shipping channels open.

Budget – ASA consistently and repeatedly delivered the message to Congress that soybean farmers support bipartisan efforts to address our Nation's fiscal situation, that all programs must be on the table, and that agricultural spending should not be cut disproportionately.

GOAL #2 – MEMBERSHIP: ASA provides value, opportunities, and benefits to serve and engage members in association activities and to increase industry strength.

Member Re-Visioning Examination – ASA's Membership Re-Visioning Task Force has painstakingly examined over the last nine months ASA's overall membership approach. The Task Force has concluded: 1) the current membership structure is still the right structure for ASA; 2) the current level of dues is not an issue; and 3) the area of member recruiting is in major need of changes and additional resources. The Task Force has made a number of recommendations that will be implemented in 2012.

Increased Focus on Recruiters – ASA implemented two new programs focused on rewarding recruiters. The first was a special Recruiter Reception held at Commodity Classic and the second was a special All-Star summer event held for recruiters.

Association Management System Development – ASA continued to develop additional functional aspects of the iMIS system so that it can be a more powerful, useful tool for both ASA and state associations.

GOAL #3 – DOMESTIC AND INTERNATIONAL USE OF SOY: ASA’s domestic and international market development and humanitarian initiatives benefit soybean farmers.

Record U.S. Production and Export Values Achieved – U.S. soybean production value reached a record \$38 billion and U.S. soy exports set another record at \$26 billion. These achievements were made possible in part by ASA’s long-time work to develop domestic and international demand, maintain a competitive transportation infrastructure, advance new technologies, and farm bill policies that have allowed farmers to plant for the market rather than for government programs. International markets for U.S. soy are being successfully developed by the U.S. Soybean Export Council through ASA’s investments of Foreign Agricultural Service funds and checkoff investments being made by USB and state checkoff councils.

Record Biodiesel Production – U.S. biodiesel production through October was in excess of 800 million gallons and could reach nearly 1 billion gallons by year’s end. Production through October is more than double the 345 million gallon level obtained last year and surpasses the previous record of 690 million gallons set in 2008. This record-level of production – and demand for soybean oil as a feedstock – is the direct result of ASA’s, NBB’s, and the biodiesel industry’s success in establishing a Renewable Fuel Standard for biodiesel and extending the biodiesel tax incentive. Our efforts have been supported by strong soybean checkoff investments in research and promotion.

Market Development Programs Protected, \$12 Million in FY12 Funds Obtained for Soy – Despite cuts in many programs, ASA and other foreign market development cooperators successfully lobbied Congress to maintain funding for the Foreign Market Development Cooperator Program and Market Promotion Program. As a result of maintaining these programs at authorized levels, ASA received an allocation of \$12 million under these programs for FY12 for soy market development activities. Soy market development activities are carried out on behalf of ASA by USSEC and ASA’s WISHH program.

ASA’s World Initiative for Soy in Human Health (WISHH) Continues Expansion – Three years ago, ASA and the WISHH Committee gave the direction that ASA should work to expand WISHH programs and budgets to do the kind of long-term development work that builds markets for U.S. soy. We’ve been very successful in doing so, with WISHH program funding in FY12 reaching \$8.7 million, up from just \$2.4 million in FY10.

China Biotech & Food Security Conference Implemented – ASA, USB and USSEC sponsored and organized the 2011 International Ag Biotechnology & Food Security Conference in Beijing, China. With the aim of improving China’s biotech approval process, presentations and discussions

took place on developments in North American and South American biotechnology; how biotechnology supports agricultural sustainability; and benefits of world commodity trade to Chinese agriculture and food security. China is the largest buyer of U.S. soybeans.

Development of new Biotech Events, Continued Access to Foreign Markets – ASA’s biotech stewardship and market access work continued strongly in FY11. ASA continued to engage technology providers on the soybean biotech events they are developing. ASA implemented missions and activities to help biotech providers obtain overseas clearances while at the same time insisting on proper stewardship practices to protect export markets while overseas clearance are pending.

GOAL #4 – INDUSTRY & CONSUMER RELATIONS: ASA works with industry partners and allied organizations to benefit the entire soybean industry.

ASA Action Partnership (ASAAP) Launched –ASA successfully held in August the “transitional” meeting between ASA’s sun-setting Agri-Business Program and our new Action Partnership Program. The goals of ASAAP are to enhance the level of collaboration between industry partners and ASA to achieve priorities important for the future success of the U.S. soy industry, and to secure the resources needed to pursue those priorities.

ASA-USB Memorandum of Understanding, Code of Conduct Developed and Signed – ASA and USB worked diligently in 2011 to restore a positive working relationship between our organizations for the benefit of soybean farmers. This work culminated in a Memorandum of Understanding and Code of Conduct that was developed and then signed by both organizations. Both Executive Committees have met jointly, the Joint Committee envisioned under the MOU has met, the ASA and USB Boards met jointly several times in December, and collaboration efforts continue to expand.

ASA-USSEC Management Agreement Established – ASA and USSEC signed a two-year management agreement to further enhance the communication and relationship between ASA and USSEC. ASA believes USSEC is moving forward in a very positive and effective manner under USSEC’s new board and staff management.

Coalition Efforts on Farm Bill – ASA partnered with the National Association of Wheat Growers (NAWG), National Corn Growers Association (NCGA), National Barley Growers Association (NBGA), National Sunflower Association (NSA), U.S. Canola Growers Association (USCGA), and the U.S. Dry Pea and Lentil Council (USDPLC) to request that a revenue-based safety net program be included in the 2012 Farm Bill, and to express concerns about a target price-based program. ASA leaders and staff continue working on farm bill issues with these and other groups.

GOAL #5 – LEADERSHIP DEVELOPMENT & GROWER EDUCATION: ASA delivers leadership training and educational programs that position growers to serve the soybean industry and safeguard grower opportunities to be successful.

Another Highly Successful, Record-Setting Commodity Classic - ASA co-implemented with NCGA another highly successful Commodity Classic. Total registrations were 4,826 (up more than 6 percent over the previous record set in Las Vegas in 2004) and a record number of 1,601 growers

(up more than 5 percent over the previous record set in Nashville in 2008). The number of first timers this year was 626, which is the largest increase in first timers since 2004 in Las Vegas with 450. The trade show featured 871 booths representing 222 companies. Media registrations were 125.

Highly Successful Leadership & Training Programs - Throughout the year, ASA implemented a plethora of leadership, development, and training programs for state and national leaders. These programs helped identify and train emerging leaders, provide solid training to state leaders and boards, and helped enable members to be active in their communities, states, and at the national level.

GOAL #6 – ASSOCIATION STRENGTH: ASA will maintain a world-class association to benefit members and the soybean industry.

Record SoyPAC Revenues Raised - A record 450 people registered for the ASA Soy Social and a record amount of \$96,543 was raised at the event. The proceeds are used in ASA's political action committee, SoyPAC, to support Senators and Congressman who champion soybean farmer priorities.

Staff Reorganization To Strengthen Capabilities – ASA implemented a staff restructuring plan that is designed to strengthen ASA's capabilities while not adding to the total number of staff. The restructuring is designed to enhance ASA's work in grassroots membership and recruitment, communications, state relations, and project development.

While ASA – working closely with our state affiliates, industry partners, and the soybean checkoff -- had a highly year successful 2011 year for our members and soybean farmers, 2012 promises to be a year full of challenges. Listed below are just a few of the key policy issues on which ASA will be focusing in 2012:

Policy Issues

- 2012 Farm Bill Development
- Defense of Biodiesel's Renewable Fuel Standard and Extension of the Biodiesel Tax Incentive
- Defending Farmers' Freedom to Operate by Fighting Regulatory Overreach
- Budget, Appropriations, & Sequestration Issues to Protect Key Federal Investments in Agriculture
- Biotech Approvals and Market Access in Key Markets Worldwide
- Increasing Market Access through the Trans Pacific Partnership Negotiations
- Maintaining a Competitive Transportation Infrastructure System
- Addressing Commercial "Sustainability" Demands and Systems
- Maintaining Market Access in the EU by Addressing the Renewable Energy Directive
- Maintaining Market Access to China and Opposing Ill-Conceived Currency Legislation