Kansas Soybean Commission
March 9, 2015
Report to the Kansas Senate

Chairman Love and members of the Kansas Senate agriculture committee:

I am Jerry Jeschke. My family farms in Doniphan County, and I am chairman of the Kansas Soybean Commission. I am here today with our administrator, Kenlon Johannes, and communications director, Brad Parker.

All U.S. soybean farmers participate in a checkoff, contributing a half-percent of the price we receive for each bushel, which is collected at the first point of sale. Half of all checkoff dollars collected in Kansas remain here and are controlled by the Kansas Soybean Commission. Nine of us soybean farmers are elected by our peers in our districts through a process the Kansas Department of Agriculture conducts. We volunteer our time to serve on the Commission and oversee the investment of checkoff funds in projects to benefit our industry. In fiscal year 2014, as you can see on page 3 of the *Soy Notes* newsletter in your handouts, our net collections were almost 4.2 million dollars, and we disbursed 4 million dollars.

The checkoff continues to provide soybean farmers with a self-directed, efficient and effective program for research and development on both the state and national levels. We overwhelmingly see the value in our checkoff. When the request-for-referendum vote happened last summer – as the federal Soybean Promotion, Research and Consumer Information Act requires every five years – the U.S. Department of Agriculture received only 324 valid requests. Those represented less than one-10th of 1 percent of all eligible U.S. soybean farmers – well short of the 10 percent needed to prompt a referendum.

The handouts also include our latest marketing plan, which summarizes this fiscal year's program, and a list of the partner organizations we have joined to leverage our time, talents and financial resources. A summary of our funded research is included, and those priorities are soybean genetics, utilization, pests and diseases, nutrients, weeds, and management systems. We recently have funded studies of charcoal rot disease at Wichita State University and high-oleic soybean oil at Pittsburg State University. We also have ongoing projects at Kansas State University and the University of Kansas.

International market development is crucial to our future. About every other row of soybeans is exported; therefore, overseas markets play a big role in our profitability. U.S. soy has the fewest trade barriers among all world agriculture exports, allowing soybeans to have more access than other

commodities. The U.S. soybean industry has taken advantage of that. Total U.S. soybean exports have doubled since 1984, from nearly 598 million bushels to 1.6 billion bushels in 2013. China is our biggest customer, spending more than 13 billion dollars on U.S. soy in 2013. The Commission's international marketing efforts primarily are enacted through the IGP Institute at K-State. We also work with export-marketing representatives within the state and federal governments. Further, our international humanitarian projects, such as our collaborations with the World Initiative for Soy in Human Health and the World Soy Foundation, aim to improve people's access to much-needed soy protein and soy-fed animal proteins.

Turning to education, we proudly support the Kansas Foundation for Agriculture in the Classroom, providing more than 10,000 dollars each year to maintain educational resources and provide new delivery methods and lesson plans for Kansas youth. Our own consumer-education program informs the public about convenient, healthful soyfoods and promotes industrial products like soy-based inks, adhesives, paints, stains, sealers and insulation. Our greatest success story in that area is biodiesel, which helps drive demand for U.S. soy oil and plays an important role in the nation's overall energy strategy by fueling state and municipal governments, school districts, the Defense Department, farming and mining equipment, cruise ships, commercial motor carriers, and home heating systems.

Domestic livestock industries use almost all of the U.S. soybean meal, and soybean demand is linked closely to those industries. Animal agriculture in Kansas used about 414,000 tons of soybean meal in 2013. If you enjoy meat and dairy, you can thank a Kansas soybean farmer. We are working closely with other organizations to educate Kansans about the social and economic importance of animal agriculture in our state and nationwide to help ensure its viability. To help you remember that point, we have shared pig-shaped, lighted keychains and turkey-shaped, stress-relief squeeze toys.

To address misconceptions about modern agriculture and today's farmers, we continue to work with the Kansas Corn Commission to facilitate the CommonGround Kansas program. We have eight volunteers across the state to answer questions, share facts, dispel myths, tell their personal stories, and build trust in America's farm families and food system as part of a national movement of farm women.

Currently distributed as an insert in the *Kansas Farmer* magazine, the quarterly newsletter in your handouts is just one example of our efforts to get the latest, most relevant information to our farmers. Eight radio stations cover the state with our weekly *Kansas Soybean Update*, and we frequently contribute to the *Ag A.M. in Kansas* and *Kansas Ag Report* television programs. We also have a website, social media and smartphone app.

In cooperation with the Kansas Soybean Association and K-State Research and Extension, we provide the annual Kansas Soybean Yield and Value Contests and Kansas Soybean Expo. Both allow us to share information that can help Kansas soybean farmers raise higher yielding and more profitable soybeans. Please mark January 6 on your calendars; we would be glad to have you join us at Expo 2016.

Our administrative budget includes the cost of collections, audits, elections and other Commission expenses. An outside, accredited accounting firm audits KSC's financial records each year, ensuring checkoff dollars are spent according to acceptable, efficient business practices. Our complete FY '14 audit is available at your request, and the handouts include several financial statements from the last two audits. In addition, we are audited for compliance with USDA regulations every three years by the United Soybean Board – the national checkoff organization overseen by 70 farmer-directors, including three Kansans. One of them, Bob Haselwood from Berryton, is this year's chairman.

As always, it is a pleasure to share this brief synopsis with you. More specifics are available at your request. On behalf of the state's soybean farmers, who generated 1.4 billion dollars in farm receipts from the 2014 crop, please accept our gratitude for your continued support. Thanks, also, for your service to our great state. Are there any questions about how our soybean checkoff continues to provide "progress powered by Kansas farmers"?

Jerry Jeschke, chairman
Robinson, Kansas

Kansas Soybean Commission
1000 SW Red Oaks Place
Topeka, KS 66615-1207

SOY NOTES

for Kansas soybean farmers

News from the Kansas Soybean Commission – the soybean checkoff | Winter 2015

Kansas Soybean Expo 2015 tries some new moves

More than 250 soybean enthusiasts gathered Jan. 7 in Topeka for Kansas Soybean Expo 2015. The Kansas Soybean Association (KSA) organized the annual event, with checkoff funding from the Kansas Soybean Commission (KSC), to coincide with the Topeka Farm Show at the Kansas Expocentre.

Soybean farmers (from left) Jim Zwonitzer, Horton; Brice Bunck, Topeka; Ron Ohlde, Palmer; and Gail Kueser, Garnett, volunteer to help keynote speaker Michele Payn-Knoper illustrate how to reach people.

"We were really excited to have so many farmers join us in Topeka," said KSA Director-at-Large Teresa Brandenburg, Osborne, who chaired the Expo planning committee. "It was a great day to connect and to learn."

KSA President Terry Reschke, Hiawatha, and KSC Chairman Jerry Jeschke, Robinson, welcomed the attendees. The opening session then featured updates from checkoff-partner organizations. The presenters were Mark Fowler, associate director of the IGP Institute at Kansas State University (K-State); Ed Beaman, chief program officer at the U.S. Soybean Export Council; and Jennifer Geck Ott, allied industry relations manager at the USA Poultry and Egg Export Council.

Michele Payn-Knoper, a farm–food advocate and change agent from Lebanon, Indiana, presented the keynote address, "Passion for Agriculture." She encouraged farmers to protect their freedom to operate by leading the dialogue with consumers. Farmers must open with an emotional connection and avoid scientific jargon in those conversations, she stated.

"People might forget what you say," she explained, "but they'll remember how you made them feel."

Part of her presentation involved teaching three kickboxing moves to some volunteers from the audience. A jab represented a quick contact; a hook, a more in-depth interaction; and a front kick, doing something unusual.

New this year, participants could attend two of three K-State Research and Extension (KSRE) breakout sessions. Dallas Peterson, Ph.D., weed-science specialist, offered "Future Weed-Control Technologies in Soybeans." Ignacio Ciampitti, Ph.D., cropping systems specialist, led "High-Yielding Soybean Production." Doug Jardine, Ph.D., plant pathologist, presented "Sudden Death Syndrome (SDS) 101: Identification & Management."

Lory Williams, farm director for KBUF-AM 1030 in Garden City, was the master of ceremonies at the luncheon. The featured speaker was Kansas Secretary of Agriculture Jackie McClaskey, Ph.D., who presented a long-term vision for the future of Kansas' water supply.

KSRE Southeast Area Agronomist Doug Shoup, Ph.D., who chairs the Kansas Soybean Yield and Value Contests committee, then announced the district and overall winners (see page 2).

The afternoon session featured a "Biodiesel in Pipelines" update from Scott Fenwick, technical director at the National Biodiesel Board. Roger McEowen, J.D., director of the Center for Agricultural Law and Taxation at Iowa State University, then presented "Estate Planning for Farm Families." He described the changing landscape in estate planning and listed some of the many nontax reasons to see an estate planner, including asset protection, long-term health care planning and business succession.

Expo photos and presentations are available via *http://KansasSoybeans.org/expo* on the Web.

Left: Jackie McClaskey, Kansas secretary of agriculture, addresses the luncheon crowd. Right: Roger McEowen from the Center for Agricultural Law and Taxation presents "Estate Planning for Farm Families."

99.8-bushel entry tops Kansas Soybean yield contest

Top: Bob Wietharn (center), Clay Center, receives his awards from NTOP's Keith Thompson (left), Osage City, and KSA President Terry Reschke, Hiawatha. Middle: Meredith Jeschke, Highland, receives her awards. Bottom: Ron Neff, Selden, receives Harold Koster's award.

Best farming practices and wisely selected seedstock varieties combined with favorable growing conditions to help Kansas farmers achieve high soybean yields and value in 2014.

"The annual Kansas Soybean Yield and Value Contests recognize outstanding Kansas farmers and provide fun incentives for them to improve," said Doug Shoup, Ph.D., K-State Research and Extension southeast area agronomist, who began coordinating the contests this year.

"They also allow the Kansas Soybean Association, with checkoff funding from the Kansas Soybean Commission, to share what participants learned to benefit all Kansas soybean farmers," he added.

The yield contest included 33 entries, down four from 2013. The 24 winners in 12 categories had verified yields averaging 74.89 bushels per acre, compared to the reported state average of 36 bushels per acre in 2014. The contest winners' average decreased by 0.72 bushel per acre, while the state average increased 1 bushel per acre from 2013.

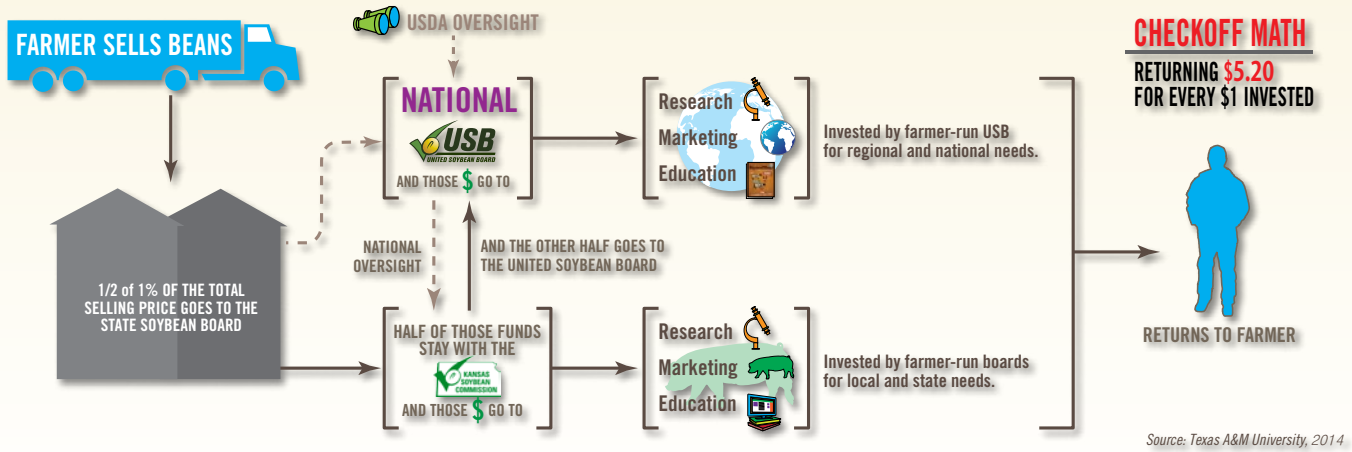
The value contest had 19 entries, five fewer than in the previous year. For their protein and oil contents, the top three entries averaged $1.52 (15.0 percent) in increased value over the $10.18 base cash price. In 2013, that average was $0.93 (7.1 percent) above a $13.05 cash price.

Bob Wietharn, Clay Center, topped the irrigated division with a no-till entry that made 99.81 bushels per acre. Meredith Jeschke, Highland, led the dryland division with a no-till entry of 84.30 bushels per acre. Harold Koster, Hoxie, won the value contest with $1.56 per bushel of increased value (15.3 percent over the cash price).

The Kansas Soybean Association (KSA) presented the state and district winners with plaques or certificates and monetary prizes from the Kansas Soybean Commission at the Kansas Soybean Expo, Jan. 7 in Topeka. The highest dryland and irrigated yields in the state each received a $1,000 award. In each district, first place won $300, second earned $200, and third received $100. No-till on the Plains (NTOP) supplied additional prizes for the no-till categories.

Complete results and award photos are available via *http://KansasSoybeans.org/contests* on the Web.

Explaining the Soybean Checkoff



#RealPigFarming tour takes influencers to Indiana farms

Dietetics and blogging influencers joined the Kansas Soybean Commission and Kansas Pork Association on the #RealPigFarming tour. The organizations co-hosted the Sept. 23–25, 2014, trip that included a visit to Fair Oaks Farm in Indiana.

At the farm – specially designed for visitors to get an up-close, hands-on experience – the group participated in both the pig and dairy adventures and heard from a Fair Oaks Farm employee about meat traceability from farm to plate. The tour also involved a visit to a soybean farm near Rensselaer, Indiana, and a group dinner in Chicago, Illinois.

The 15 tourgoers included Kansas lifestyle bloggers, registered dieticians, and staff members from the two state organizations and the National Pork Board. They used the #RealPigFarming hashtag to share the experience with their followers on Twitter, Instagram and Facebook.

Annie Shultz, a parent and lifestyle blogger, participates in Fair Oaks Farm's pig adventure.

Bellar among STC officers for 2015

New Soy Transportation Coalition (STC) officers took the reins at the organization's annual meeting Dec. 9, 2014, in Saint Louis, Missouri.

Mike Bellar, Howard, will serve as secretary–treasurer. He and his wife, Peggy, have five children and raise soybeans, corn, wheat, and swine. He also is the District 9 director on the Kansas Soybean Commission.

"I am looking forward to serving as secretary–treasurer," Bellar said. "I believe improving the transportation system for the soybean industry is one of the best ways to work on behalf of my fellow farmers."

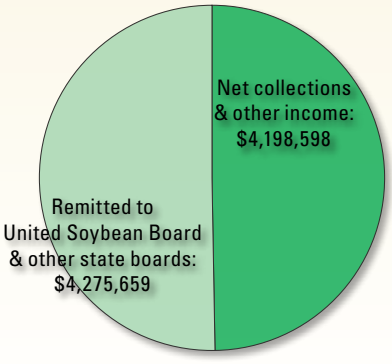
He will serve alongside Chairman Scott Gauslow from North Dakota and Vice Chairman Gerry Hayden from Kentucky. Executive Director Mike Steenhoek is based in the Iowa Soybean Association office.

To learn more, visit *http://SoyTransportation.org* on the Web.

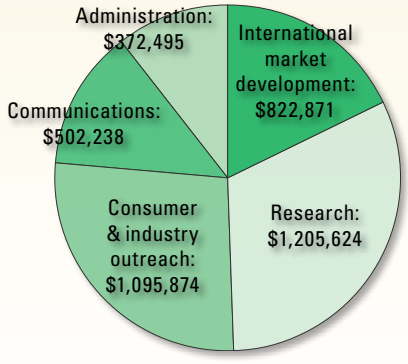
Mike Bellar

Kansas Soybean Commission
Fiscal Year 2014 Financial Summary

Income



Expenditures



KANSAS SOYBEAN COMMISSION

Soy Notes is a service of the Kansas Soybean Commission – the soybean checkoff.

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Kansans serving on USB use input from Connections meeting

Bob Haselwood


Ron Ohlde


Craig Gigstad

Kansas soybean farmer Bob Haselwood, Berryton, has been elected by his fellow United Soybean Board (USB) farmer-directors to lead them in investing soybean-checkoff funds during 2015. In addition to the support from the other 69 farmer-leaders, Haselwood also has input from the recent Connections 2014 meeting to help guide him.

"Having the feedback from the industrywide Connections meeting really helps us as farmer-directors to lay a path for the future of this organization," Haselwood said. "In addition to that, I've got a great group to help me lead this board, and we're excited to get to work."

Along with the 12 officers, USB's strategic management committee will continue to keep the checkoff's goals at the forefront. Ron Ohlde, Palmer, will be one of the six farmer-leaders serving on that committee.

Nineteen soybean farmer-leaders were sworn in as USB directors in December, after their recent appointments by U.S. Agriculture Secretary Tom Vilsack. They included five new appointees and 14 returning directors.

Craig Gigstad, Valley Falls, is one of the returning directors.

All appointees will serve three-year terms, beginning Dec. 11, 2014, when they were sworn in at USB's annual meeting in Saint Louis, Missouri. Qualified state soybean boards like the Kansas Soybean Commission nominated all of the appointees.

From across the nation, the volunteer farmers invest soybean-checkoff funds on behalf of all U.S. soybean farmers in projects to increase the value of U.S. soybean meal and oil, ensure U.S. farmers and their customers maintain the freedom and infrastructure to operate, and meet the needs of U.S. soy's customers.

Budget tops $86 million

Based on anticipated checkoff collections, USB's annual budget is about $86.5 million, according to Ohio's John Motter, the new treasurer. One of his priorities is to work on the public's acceptance of biotechnology.

"There are so many traits out there that either are good for the farmer or good for the consumer, and we need to be able to use those tools," Motter said.

Despite falling oil prices, Chairman Bob Haselwood is optimistic about soybean oil's role as the leading biodiesel feedstock.

"Oil prices have come down, and gasoline prices have come down, but the diesel market has stayed very consistent," Haselwood said, leading a conference call after the USB annual meeting in December. "That's the market we're competing in, so we are still able to compete at the levels [where] regular diesel fuel is selling."

K-State, USSEC partner to train soybean-meal importers

Japanese swine producers traveled to the IGP Institute at Kansas State University (K-State) in September 2014 for U.S. Soybean Export Council (USSEC) soybean-meal training. The Regional Animal Production Course (RAPCo) taught nutritional components and requirements and feed manufacturing for swine through lectures, workshops, guest speakers and field trips.

USSEC invited and sponsored the nine course participants to increase their knowledge of swine nutrition and feed manufacturing. They were able to explore amino-acid concepts, the importance of using soybean meal, nutritional differences among feedstuffs and feed production in swine diets.

The course included field trips to the Kansas Soybean Building in Topeka; Bob Haselwood's soybean farm near Berryton; the Triumph Foods pork-processing plant in Saint Joseph, Missouri; and Midwest Ag Services in Seneca. In addition, K-State animal-science faculty members spoke to the participants about different aspects of swine nutrition.

The IGP Institute offers specialized training in feed manufacturing and grain management. It also provides courses in grain marketing, risk management, flour milling and grain processing. To learn more, visit *http://grains.ksu.edu/igp* on the Web.

IGP returns 'Institute' to name

The International Grains Program (IGP) at K-State now is the IGP Institute, which stems from its original name.

Established as the International Grains Institute in 1978, IGP was modeled after the Canadian International Grains Institute. K-State also had a Food and Feed Grain Institute at the time. Because the names were so similar, stakeholders decided to start using "International Grains Program," which is how it was known until summer 2014.

Recently, IGP faculty and staff evaluated the program initiatives and determined it was time to return "Institute" to the name. An institute is a multifaceted program that has an outreach component, a research component and an academic component.

"When we looked at the direction our program is going, we are, by definition, an institute," Associate Director Mark Fowler said.

Kansas Soybean Commission
FY2015 Marketing Plan

The mission of the Kansas Soybean Commission is improving the profitability of Kansas soybean producers. The Commissioners have identified the following priorities to work toward that mission:

1. Breeding/Production/Environmental Programs focusing on the most economical/efficient cropping systems with minimal impact on the environment including best management practices and crop protection/pest management; replacement of existing controls/seed treatments.

2. Animal/Human Nutrition studies that will increase the utilization of soybeans in the livestock feeding industry and new and innovative uses of soybeans as vital components in human nutrition.

3. Value-Added Projects developing and commercializing competitive industrial uses for soybeans including private entity cooperation.

4. Marketing Extension Program including extensive educational training of soybean pricing, crop disappearance/market share, crop insurance options, yield protection, farm program considerations and options in marketing available to Kansas soybean producers.

5. International market development with a focus on utilizing Kansas soybeans.

In addition, the Soybean Commission through its own work and through a contract with the Kansas Soybean Association promotes the nutritional benefits of using soybean products to consumers and, because of its benefits to the environment, energy security, and the farm economy, promotes the use of biodiesel as an alternative to diesel fuel. It also informs Kansas soybean producers of its activities through producer communications efforts and participates in Industry Relations programs both statewide and nationally.

The Commission directly funds the following programs to reach their mission:

1. Kansas State University research and outreach:
    - K-State Soybean Production Schools for Kansas
    - Agronomic Maximization of Soybean Yield and Quality
    - Development of Genetic, Chemical and Population-Based Tactics to Manage Key Kansas Soybean Insect Pests
    - Breeding and Management of Soybean for Improved Performance
    - Phosphorus, Secondary and Micronutrient Fertilization of Soybeans in Kansas
    - Irrigation Regimes and Soil Oxygen Content: investigating Environmental Parameters Associated with SDS in Kansas
    - Evaluation of Micronutrients for High yield Soybean Production using Small Plot and Strip Trial Research
    - Risk of Stacked Dicamba and Glyphosate Resistance in Kochia and Best Management Practices
    - Agricultural Research Experiences for Teachers (RET) – Using Soybean as a Model System
    - Enhancement of Soybean through Genetic Engineering
    - Update for the Soybean Production Handbook (K-State)
    - Understanding the Genetic Basis of Glyphosate Resistance in Kochia (K. scoparia)
    - Promoting Cooking Oil-to-Biodiesel Process on K-State University Campus

2. Pittsburg State University research on:
    - Preparation of high oleic soybean oil by selective hydrogenation

3. The University of Kansas research on:
   - Expansion of Biodiesel Glycerin Based Hydrogen Rich Fuel Gas Production for Electrical Generation from an Internal Combustion Engine
   - Beyond the Book: Active Learning through Biodiesel (#ALT-B)

4. Wichita State University
   - Quantification of Disease Severity of Charcoal Rot in Plant Hosts by qPCR

5. FAM Enterprises Inc.
   - Managing Important Components of Intensive Production Systems in Soybean

6. Ohio Soybean Council
   - Industrial Uses of High Oleic Soybean Oil-Product Development

7. North Central Soybean Research Program

8. Ag in the Classroom, School Education Programs and state and county fairs

9. Youth Education Program

10. FFA program support

11. FACS education program

12. Biodiesel – Industrial Uses Advertising
   - Kansas State University Football network
   - WIBW – Kansas University Sports
   - Others as approved by the commission

13. Biodiesel
   - NBB Membership
   - NBB State Regulatory Project
   - NBB Biodiesel Fuel Quality Compliance and Enforcement
   - NBB Renewable Fuel Support: Technical & Economic
   - NBB Secure B20 Acceptance in Railroad Market
   - MEG Regional Petroleum Outreach Education
   - MEC Clean Cities Biodiesel Training and Outreach

14. Uses for Soybean Meal
   - Soymeal Information Center

15. Producer Radio, TV and Print Outreach
   - WIBW radio, Topeka
   - KRVN radio, Lexington, NE
   - KKOW radio, Pittsburg, KS
   - KFEQ radio, St. Joseph, MO
   - KFRM radio, Clay Center, KS
   - KBUF radio, Garden City, KS
   - KXXX radio, Colby, KS
   - KTWU radio America's Heartland
   - KPTS radio America's Heartland
   - AG am in Kansas on three TV stations in Kansas
   - Kansas Ag Report on five TV stations in Kansas

Possible spot ads and other sponsorships:
Kansas Agricultural Network

Print Ads for specific promotions. Advertise to educate producers of soybean checkoff program sponsored by the KSC, *Straight Rows*. Work on earned media with *Kansas Farmer, High Plains Journal, Farm Talk, Midwest Producer, Grass and Grain, etc.*

16. *Soynotes* Newsletter

17. Kansas Soybean Expo

18. No-till education including No-till On the Plains organization
    Utilizing Cover Crops in a Diverse Cropping System to Protect Water Quality

19. Field Days, Farm/ Trade Shows, Crop Tours

20. International Market Development work
    - Kansas State University
      - International Grains Program
    - WISHH Program
      - Kansas at the Forefront as the Pakistani Aquaculture Industry Evolves
      - Afghan Feed Mill Exploratory Orientation
    - USSEC Latin American, Chinese, and Aquaculture Program work
      - Latin America: U.S. Soy Promotion in Aquaculture-Aquaculture Investment Workshop
      - Japan –Animal Production and Soybean Meal Training Program -Swine
    - AGP, Inc., Gray's Harbor Export Program
    - USAPEEC
      - Expanding U.S. Poultry Products to Mexico's Meat Processing Industry
      - Building on QSSB Funding for Greater Impact in Mexico's Meat Processing Sector
      - Developing the Market for U.S. Poultry in Korea's Foodservice Sector
    - US Meat Export Federation Japan Pork Project
      - Putting U.S. Red Meat on the World's Table

21. Collection, meeting, administration and audit procedures

22. Program and administrative work by the Kansas Soybean Association
    (Attached projects including budgets for contracted and direct spending)

23. Leadership development and program management

24. First Purchaser Relations
    - Grain Grading Workshops
    - KGFA Annual meeting and trade show
    - KGFA meetings and golf outings
    - KARA
    - KCC

25. Soybean Production Yield Contest

26. USB Funded Cooperative Projects

27. Consumer Awareness Media Program

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	Kansas Soybean Commission
	Organizational Memberships
	2015
American Soybean Association Action Partnership (ASAAP)	
Center for Food Integrity (CFI)	
Central Kansas Clean Cities Coalition (CKCCC)	
Kansas Agriculture and Rural Leadership (KARL)	
Kansas Farm Food Connection (KFFC)	
Kansas Association of School Boards (KASB)	
Kansas City Regional Clean Cities Coalition (KCRCCC)	
Kansas Coop Council (KCC)	
Kansas Grain & Feed Association (KGFA)	
Kansas Motor Carriers Association (KMCA)	
Kansas Petroleum Marketers Association (PMCA)	
Mid-America Fleet Administrators (NAFA)	
National Biodiesel Board (NBB)	
North Central Soybean Research Program (NCSRP)	
No-till on the Plains (NTOP)	
Soy Aquaculture Alliance (SAA)	
Soybean Transportation Coalition (STC)	
USA Poultry & Egg Export Council (USAPEEC)	
US Farmers & Ranchers Alliance (USFRA)	
US Meat Export Federation (USMEF)	
US Soybean Export Council (USSEC)	
World Initiative for Soy in Human Health (WISHH)	

Kansas Soybean Commission

Managing important components of intensive production systems in soybean; *James H. Long (Kansas State University); ($16,700).* (jhlong@jr@live.com)

This project will develop improved management information as to the use of whole plant health, intensive farming techniques, and best management practices for soybean in Kansas. Recent research has identified several areas of need as to genetic differences in response to intensive management, the economics and effectiveness of using low-cost fungicide / insecticide alternatives in a production system, and refining several areas of production that are not well understood. This project will then take research findings to the field in simple strip plots to adjust them to real-world situations and speed acceptance in the farm community.

Project Objectives:

- Detect differences in genetic potential of soybean varieties in intensive production systems in soybean;
- Develop comparison guidelines for fungicides and insecticides in intensive production;
- Compare types and rates of plant growth regulators/hormones for high yielding soybeans; and
- Determine maximum yield potential for soybean within years and across years under irrigation and non-irrigated conditions.

Phosphorus, secondary and micronutrient fertilization of soybeans in Kansas; *David B. Mengel and Dorivar Ruiz Diaz (Kansas State University); ($26,080).* (dmengel@ksu.edu0 and (ruizdiaz@ksu.edu)

Kansas is a naturally phosphorus (P) deficient region. The soils of Kansas contain significant quantities of P, but it is generally present in relatively unavailable or slowly available forms. In the 50 years after original settlement, P availability decreased and crop yields gradually declined. Early work linked this trend in reduced yield to a decline in soil organic matter and nitrogen (N) availability. The key role of P mineralized from soil organic was yet to be realized. Workers in Iowa later showed that up to 50% of the P utilized by crops from soils came from mineralization of soil organic matter (OM). Thus as soil OM declined, the release of both N and P through mineralization would decrease.

The traditional soil test based fertilizer recommendations used in Kansas for the past 75 years have focused on economical crop response to P with little concern over impact of the recommendations on soil test (ST) levels. As a result, P applications are generally lower than crop removal at most ST levels, and ST levels equilibrate at levels below those considered adequate to meet the nutrient needs of most crops. The most recent surveys of ST labs working in Kansas show that over half the soils tested in 2010 had P ST levels below the currently used critical level of 20 ppm ST P, and crops would be expected to respond to direct applications of P (IPNI, 2010). Discussions with many Kansas soybean growers over the past five years have indicated that many growers believe soybeans will not respond to direct applications of P, especially starter fertilizer, and fertilizer is applied with the intent of supplying the nutrients needed for the corn or wheat grown in rotation with soybeans... The soybeans in the rotation are normally not fertilized directly, but are expected to benefit from an increase in

soil fertility, which may or may not occur. Especially when application rates on one crop, are substantially below removal from two.

Recent work in Kansas would suggest that these general beliefs are not correct, and failure to fertilize soybeans directly at low soil test levels is likely resulting in lower yields for many farmers. An on-going study initiated in 2006 and conducted at three locations in Kansas has addressed this issue of direct vs. residual response of soybeans. At the NC KS Experiment Field near Scandia, under supplemental irrigation, high yielding soybeans grown at low ST P levels, have consistently responded to an annual application of P, in addition to rotational applications applied to corn the previous year. A similar experiment conducted at the ECK Experiment Field near Ottawa though, has shown very different results. At much lower yield levels, but similar soil test levels, no response to the additional P applied to beans has been seen. This suggests that responses are likely to be more soil and region specific than previously believed.

Project Objectives:

- Quantify the response of soybeans and common crops grown in rotation with soybeans to phosphorus at varying soil test levels in Kansas. This process is commonly referred to as soil test correlation and calibration, and defines the soil test level above which no economic response to fertilizer would be expected, and the rate of fertilizer needed to optimize yield at soil test levels below the critical level;
- Determine at what soil test levels soybeans respond to direct fertilization as opposed to residual fertility or multi-year/ rotational fertilization;
- Determine if the use of starter fertilizer, particularly surface band applied starter fertilizer, will enhance soybean yield when used alone or in combination with broadcast applications of phosphorus fertilizer; and
- Examine the potential for response of Kansas soybeans to Sulfur, Zinc, Manganese, Iron and Boron and the effectiveness of soil tests at predicting potential response.

Evaluation of micronutrients for high yield soybean production using small plot and strip trial research; *Dorivar Ruiz Diaz, Doug Shoup, Randall Nelson, and Eric Adee Kansas State University); ($33,890).* (ruizdiaz@ksu.edu)

The use of micronutrients for soybean has been proposed in recent years particularly for high yield environments where yield responses to these nutrients may be higher. However, there is limited research in Kansas for soybean under optimum yield environment. Additional research is also needed under no-till systems where plant availability from the soil of some nutrients may be altered affecting yields. Increased nutrient demands from more intensive cropping practices and high yielding potential crops may also require additional micronutrient for optimum yield. The overall objective of this study is to evaluate soybean response to secondary and micronutrient fertilizer application to maximize yields.

Project Objectives:

- Assessment of soybean grain yield response to micronutrients with emphasis on high yield environments;
- Verify potential soil parameters that could be related to responses to secondary and micronutrients (B, Cu, Mn, S and Zn); and

- Evaluate tissue testing as a diagnostic tool to explain responses to micronutrient application.

Agronomic maximization of soybean yield and quality; *Kraig Roozeboom. Eric Adee and Randall Nelson (Kansas State University); ($9,280).* (kraig@ksu.edu)

Our hypothesis is that synergistic yield effects exist among management practices when multiple practices/inputs are placed into a production system. Each production environment is unique in the number and types of inputs needed to reach optimal yield and profitability; therefore, defining the specific interactions of products and management decisions in a broad range of production geographies (i.e., data from multiple cooperating states) will allow us to create both broad recommendations and recommendations tailored to specific environments. An understanding of potential return on investment for various products and management decisions which lead to optimal yield and profitability would be an extremely useful economic analysis for producers. The overall objective is to identify, study, and make comprehensive recommendations to growers regarding state-of-the-art management practices across a broad range of geographies as well as within specific production environments, in order to maximize yield and increase grower profitability in today's soybean production climate.

Project Objectives:

- Determine the best yield-protecting or yield-enhancing product or combination of the products to increase soybean yields using the maximum yield concept of "SOYA", Systematic Optimization of Yield-enhancing Applications. Products and systems will be evaluated on a large-scale regional basis as well as within specific production environments;
- Evaluate the interaction of these yield-enhancing products with next generation high-yielding varieties and current varieties, under both aggressive and standard soybean management practices to better understand how management interacts with variety choice;
- Evaluate the interaction of the "SOYA" treatments with plant population to better understand the impact of aggressive management on minimum required seeding rates and to broaden and verify minimum seeding rate recommendations determined in the project "Agronomy Limitations of Soybean Yield and Seed Quality in the US';
- Evaluate the interaction of yield-enhancing products with different row spacings under aggressive and standard soybean management practices to better understand how management interacts with row spacing; and.
- Educate soybean producers and agronomy professionals about the best yield-protecting or enhancing product, or combinations of these products, along with the best management practices that maximize soybean yield and increase grower profitability.

Breeding and management of soybean for improved performance; *William Schapaugh, Tim Todd and Harold Trick (Kansas State University); ($263,847).* (wts@k-state.edu)

This program will develop new soybean germplasm with superior traits or unique combinations of traits. This will help increase the competitiveness of U.S. soybean producers. Superior

genetics represent the foundation for increasing yield and protecting yield from pests and pathogens. We will focus on the development of Kansas adapted germplasm in conventional (non-gmo) backgrounds to minimize intellectual property rights issues. Some conventional lines will be developed with STS herbicide resistance. Our material will be available to public and private breeding programs and seed producers with limited or no restrictions.

Project Objectives:

- Develop and release soybean varieties/germplasm with improved seed yield under dryland and irrigated production; seed composition (high oil and protein and oleic acid); resistance to: Cyst Nematode (SCN) and Sudden Death Syndrome (SDS);
- Incorporate transgenic events into elite breeding lines;
- Characterize stress tolerance and improve selection efficiency in soybean; and
- Characterize the virulence diversity in Kansas populations of soybean cyst nematode.

Risk of stacked dicamba and glyphosate resistance in kochia and best management practices; *Phillip W. Stahlman and Mithila Jugulam (Kansas State University; ($23,592),* (stahlman@ksu.edu)

This research will establish a baseline of dicamba susceptibility in kochia prior to expected greater selection pressure following the commercialization of dicamba-resistant crops. Furthermore, the research will help determine whether populations from different geographical regions differ in response to dicamba and will measure differing response, if any, within populations. Results from field best management practices experiments will facilitate the development of effective management plans and stewardship guidelines for dicamba-tolerant crops. Results of these trials will be communicated to growers at Extension meetings and conference during winter months.

Project Objectives:

- Determine dose response profiles of multiple kochia populations from throughout Kansas to dicamba and glyphosate individually and in mixtures to investigate reports of possible stacked resistance to both herbicides; and
- Evaluate various management practices to determine the most effective Best Management Practices (BMPs) to prevent the evolution and spread of dicamba resistance in kochia and maintain the utility and effectiveness of dicamba-tolerant crop technology.

Developing charcoal rot resistant soybeans; *Daniel M. Zurek (Pittsburg State University); ($26,676).* (dzurek@pittstate.edu)

The objective of this project is to create soybeans partially or completely resistant to the charcoal rot fungus, with the ultimate goal of producing a transgenic soybean strain able to thrive in Kansas and other locations where charcoal rot is endemic and unavoidable. Charcoal rot is ranked the fourth most economically important soybean disease (after soybean cyst-nematode, Phytophthora root rot, and seedling diseases), and there are at present no efficient

control methods or resistant soybean cultivars to evade this pathogen. This disease is the top soybean crop disease in Kansas, costs Kansas farmers alone 50-60 million dollars each year, and can take a farm's entire crop during a year where the plants are experiencing high heat and drought stress. Treatment strategies to date have included crop rotation, reduced seeding, and irrigation. None of the treatment options are ideal. Therefore, the identification of charcoal rot resistant soybean plants is the goal of this project.

Project Objectives:

- Analyze the current set of plants to see that they in fact have the glucanase genetic construct, and are producing protein from it throughout the plant;
- Determine whether this protein retains antibiotic/antifungal activity in these plants; and
- Analyze the transgenic plants for charcoal rot resistance.

Cover crops and phosphorus management to protect water quality in corn-soybean rotations; Nathan *Nelson, Kraig Roozeboom, Gerard Kluitenberg and Peter Tomlinson (Kansas State University); ($25,000).* (nonnelson@ksu.edu)

The overall goal of the project is to determine the influence of cover crops and P fertilizer management on water quality and crop yields in a corn-soybean rotation.

Project Objectives:

- Determine the effect of winter cover crops on field-scale water balance, soil moisture, and crop growth;
- Determine the effect of winter cover crops on runoff volume, sediment, and nutrient losses; and
- Determine the effect of winter cover crops on P loss from fall broadcast vs. spring injected P fertilizer management.

Preparation of high oleic soybean oil by selective hydrogenation; *Alisa Zlatanic, Zoran Petrovic and William Shirley (Pittsburg State University); ($50,000).* (Zlantanic@pittstate.edu)

The main objective of this work is to produce high oleic soybean oil in an economic way which will be used for different industrial products such as highly defined precursors for the preparation of different soybean oil-based monomers. Oleic acid and its methyl ester may be used to obtain hydroxy oleic acid or its methyl ester, an attractive monomer in the field of polyesters and polyurethanes.

Polyols obtained from high oleic acid oils are similar to the expensive castor oil ones but without double bonds, and thus suitable for coatings with improved thermal and oxidative stability. Regular structure of these polyols is useful for producing polyurethane elastomers, adhesives and foams with excellent properties.

The idea of this project is to use a chemical transformation - a selective hydrogenation and to transform standard soybean oil containing linoleic and linolenic fatty acids into high oleic SBO with at least 70% oleic acid, and determine the composition of oils by modern analytical methods.

Project Objectives:

- Exploring the positional isomerization of double bonds - cutting the fatty acid chains of hydrogenated oils by ozonolysis and characterization of the products by GC/MS technique;
- Studying the structure of hydrogenated soybean oil: determining the triacylglycerol profile using HPLC/ELSD technique;
- Synthesis of lubricants from selected hydrogenated soybean oils;
- Synthesis of new polyols from hydrogenated soybean oil; and
- Testing the polyols in cast elastomers and polyurethane foams.

Irrigation regimes and soil oxygen content: Investigating environmental parameters associated with SDS disease in Kansas; *C.R. Little, E, Adee and D. Presley (Kansas State University); ($28,974).* **(**crlittle@ksu.edu)

Sudden death syndrome (SDS) is an economically important fungal disease of soybean that is widely distributed across the soybean growing regions in the United States and is spreading throughout the Midwest. In Kansas, yearly estimates provided by Extension Row Crops Pathology range from trace levels to 250,000 bu of yield loss. However, SDS has been a perennial cause of yield loss in irrigated soybean production in the Kansas River Valley and reported statewide numbers may be an underestimation of the impact that this disease can have in certain locations. Observations of plants infected during early pod development have often resulted in no pods visible at maturity. Yield losses of up to 100% have been attributed to the disease, with losses between 5 to 15% more common in affected fields.

Project Objectives:

- Determine the amounts and intervals of sprinkler irrigation treatments associated with the onset, development, and severity of sudden death syndrome (SDS);
- Determine if soil oxygen content influences SDS disease development and severity; and
- Determine if either irrigation treatment or soil oxygen content, or both, influence soil populations of the SDS pathogen *(Fusarium virguliforme).*

Development of genetic, chemical and population-based tactics to manage key Kansas soybean insect pests; *C. Michael Smith, Brian McCornack, William Schapaugh and Jeff Whitworth (Kansas State University); ($64,260).* (cmsmith@ksu.edu)

Infestations of the soybean stem borer, *Dectes texanus*, were first reported in Edwards, Barton, Kiowa, Ford and Pawnee counties in 1985. Borer larvae caused severe lodging problems in north-central and southwestern Kansas, where infestations of 50 to 80 % of plants with tunneling are common. In Republic Co., some sites have approached 100% infestation. Damaging populations are expanding westward in soybeans and more recently in sunflowers, with infestations reported in an additional 59 counties. Expansion may be due to reduced availability of alternate host plants such as wild sunflower, increased borer larvae winter survival, increased soybean acreage, or increased adoption of non-tillage practices. Though

interest in management and control of soybean stem borer has increased, strategies remain limited. For example, early harvesting has helped reduce some yield losses if infestations are detected early in the growing season. Commercial insecticides do reduce adult stem borer numbers, but several applications are necessary for better results, making this option cost-prohibitive. Fipronil seed treatments serve to effectively control larvae in the plant stem, but this insecticide remains commercially unregistered for use on soybean stem borer and unavailable.
To date, soybean varieties adapted to the High Plains or Midwestern U.S. contain no genetic traits for resistance to soybean stem borer larval damage. However, our results have provided a source of borer resistance and a reliable method for identifying resistance. Several genes are involved in PI165673 resistance suggesting that breeding for borer resistance will benefit from marker-assisted selection to accurately and efficiently locate the PI165673 resistance genes.

Project Objectives:

- Map the genes contributing to soybean stem borer resistance in PI165673 and determine the effect of PI165673 resistance on borer egg laying, larval survival and plant stem girdling;
- Improve insecticide efficacy by using host plant developmental stages and other environmental cues or conditions to adjust timing of application; and
- Expand web pages and other educational materials associated with soybean insect pests.

Understanding the genetic basis of glyphosate resistance in Kochia (*K. scoparia)*; *Mithila Jugulam (Kansas State University); ($29,120).* (mithila@ksu.edu)

Kochia was introduced to North America from Europe and has become a troublesome weed in both cropland and non-cropland as well as in arid and semi-arid regions of the western United States and Canada. Kochia is highly adaptive and grows on many soils including saline and alkaline soils. No-till crop production systems favor infestation of kochia. Kochia infests about two-thirds of the crop fields in western Kansas and the infestation has increased by 50% in the past 5-6 years. Because of continuous use of glyphosate in no-till system, several populations of kochia evolved resistance to this herbicide. Glyphosate- resistant kochia populations survived multiple applications of glyphosate in an irrigated glyphosate-resistant soybean field near Colby, KS.

Herbicide resistance essentially is an inevitable consequence of the use of herbicides as a primary weed control strategy. Thus, the overall goal of the proposed research is to better predict and manage glyphosate resistance in kochia by understanding the genetic basis; specifically, the inheritance of glyphosate resistance in this weed. As glyphosate is widely used in soybean production and kochia (*K. scoparia)* is a problem weed of Kansas, understanding the genetic basis of glyphosate resistance in kochia will help determine the rate of spread of this resistance in new populations; thereby, proactive management practices can be implemented to reduce the spread of the resistance. Towards this end, this research will determine the genetic basis of resistance using glyphosate-resistant and -susceptible kochia populations from Kansas.

Project Objectives:

- Identify homozygous glyphosate-resistant and -susceptible accessions from individually self-pollinated kochia plants;

- Perform reciprocal crosses between homozygous glyphosate-resistant and –susceptible plants to generate F1 and F2 progeny; and determine the response of these progeny to glyphosate; and
- Quantify shikimate levels and 5-enolpyruvylshikimate-3-phosphate synthase (EPSPS) gene copy number in parental, F1, and F2 progeny expressing glyphosate resistance or susceptibility.

Enhancement of soybean through genetic engineering; *Harold Trick, William T. Schapaugh and Tim Todd (Kansas State University); ($76,338.* (hnt@ksu.edu)

Decreasing yield loss and increasing the value of soybeans is part of KSU's mission to improve Kansas' Agriculture. Our proposal is taking a genetic engineering approach to this mission allowing us to utilize traits outside the scope of conventional breeding.

Fungal pathogens and parasitic nematodes are important, persistent problems that cause large economic losses across the Midwest. For example, the total estimated loss for the US in 2010 due to SCN was 118 million bushels or $1.25 billion. Root knot nematodes are also a major factor for soybean yield loss in the southern US and have the potential to become a problem for Kansas producers. Charcoal rot is the major fungal disease in the state of Kansas and losses in 2002 were estimated at 9%. *Phytophthora* root rot and *Fusarium virguliforme* (Sudden Death Syndrome, SDS) are other fungal pests that are beginning to make their presence in Kansas (SDS was at record levels in the 2004 growing season). It is timely to find methods to efficiently control to these pathogens as there is little or no natural sources of resistance found in our germplasm. Novel approaches such as using antimicrobial peptides have merit and should be explored. Finding transgenic solutions to soybean diseases would complement the efforts of the conventional breeding program by adding additional sources of resistance.

Project Objectives:

- Enhance Soybean cyst nematode (SCN) resistance in transgenic soybean by modifying current silencing strategies;
- Test the effectiveness of gene silencing constructions for root knot nematode resistance using RKN genes homologous to effective SCN genes; and
- Develop transgenic approaches for increased fungal resistance with emphasis on SDS resistance.

Quantification of disease severity of charcoal rot in plant hosts by qPCR; *Bin Shuai (Wichita State University); ($35.984).* (bin.shuai@wichita.edu)

Charcoal rot is a disease caused by the soil-borne necrotrophic fungus *Macrophomina phaseolina* (*M. phaseolina*). The pathogen has a very wide host range and affects plant growth, yield and seed quality. Currently, there is no effective management approach to control the disease and disease resistance cultivars are not available for most crop species. To identify potential host genes for engineering resistant cultivars, our laboratory has established two pathosystems using model plants *Medicago truncatula* and *Arabidopsis thaliana* to study the molecular interactions between the pathogen and its plant hosts. To characterize the disease

symptoms and progression, we established a scoring system based on percentage of necrosis and chlorosis that appeared on the aerial part of the plants. This system provides a quick and easy way to assess the disease progression, and it is commonly applied in studying many types of plant diseases.

Project Objectives:

- Establish a qPCR assay that can accurately quantify the amount of *M. phaseolina* in different types of samples and is suitable for disease progression analysis in host plants;
- Test and optimize qPCR conditions to achieve accurate quantification of *M. phaseolina* DNA; and.
- Apply the assay to evaluate disease progression in two pathosystems, *Medicago truncatula* and *Arabidopsis thaliana,* as models to study charcoal rot disease.

North Central Soybean Research Program; ($200,000).

KANSAS SOYBEAN COMMISSION

STATEMENTS OF NET POSITION

June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,014,210	$ 4,953,882
Due from Kansas Soybean Association	28,254	-
Accounts receivable	70,873	37,831
Total current assets	5,113,337	4,991,713
Noncurrent assets:		
Capital assets, net of accumulated depreciation	1,437,062	1,582,317
Total assets	6,550,399	6,574,030
LIABILITIES		
Current liabilities:		
Accounts payable	416,025	504,136
Accounts payable - assessments	66,988	199,336
Total current liabilities	483,013	703,472
NET POSITION		
Net position:		
Net investment in capital assets	1,437,062	1,582,317
Unrestricted	4,630,324	4,288,241
Total net position	$ 6,067,386	$ 5,870,558

See accompanying notes to financial statements.

KANSAS SOYBEAN COMMISSION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Soybean assessments	$ 8,336,973	$ 6,507,100
Less:		
USB remittances	(4,060,394)	(3,151,055)
QSSB remittances	(213,177)	(199,728)
KDA collection fees	(1,461)	(2,119)
KDA first purchaser audits	(627)	(3,610)
Net assessments revenues	4,061,314	3,150,588
Program refunds	506	5,641
Penalties	3,359	1,005
Grants	93,655	63,899
Total operating revenues	4,158,834	3,221,133
Operating expenses:		
Projects:		
Research	1,208,291	1,131,712
Other	2,420,983	2,057,596
Supportive services:		
Administration	372,495	364,574
Total operating expenses	4,001,769	3,553,882
Operating income (loss)	157,065	(332,749)
Nonoperating income and expenses:		
Gain on sale of capital assets	13,272	-
Interest income	26,491	28,613
Total nonoperating income and expenses	39,763	28,613
Change in net position	196,828	(304,136)
Net position, beginning of year	5,870,558	6,174,694
Net position, end of year	$ 6,067,386	$ 5,870,558

See accompanying notes to financial statements.

KANSAS SOYBEAN COMMISSION

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from checkoff	$ 8,336,973	$ 6,507,100
Cash payments to USB and QSSBs	(4,273,571)	(3,350,783)
Cash received from others	64,478	37,251
Cash payments to suppliers for goods and services	(4,079,085)	(3,341,203)
Net cash provided by (used in) operating activities	48,795	(147,635)
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(53,958)	(28,706)
Proceeds from sale of capital assets	39,000	-
Change in long-term obligation	-	(46,920)
Net cash used by capital and related financing activities	(14,958)	(75,626)
Cash flows from investing activities:		
Interest received	26,491	28,613
Net change in cash	60,328	(194,648)
Cash and cash equivalents, beginning of year	4,953,882	5,148,530
Cash and cash equivalents, end of year	$ 5,014,210	$ 4,953,882
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	$ 157,065	$ (332,749)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation	173,485	174,248
Change in assets and liabilities:		
Due from Kansas Soybean Association	(28,254)	-
Accounts receivable	(33,042)	(33,293)
Accounts payable	(220,459)	44,159
Net cash provided by (used in) operating activities	$ 48,795	$ (147,635)

See accompanying notes to financial statements.

KANSAS SOYBEAN COMMISSION

SCHEDULES OF OPERATING EXPENSES

Years Ended June 30, 2014 and 2013

	2014	2013
Research program expenses:		
Kansas State University	$ 780,341	$ 638,776
Pittsburg State University	76,676	90,000
No Till on the Plains	15,000	15,000
Wichita State University	35,947	33,000
North Central Soybean Research Program	200,000	200,000
North Central Kansas Technical College	3,894	-
Kansas University	26,378	50,102
FAM Enterprises	17,120	16,650
Ohio Soybean Council	50,000	50,000
Renewable Solutions, LLC	-	31,500
Miscellaneous research expenses	2,935	3,390
Research and consulting fees	-	3,294
Total research program expenses	$ 1,208,291	$ 1,131,712
Other program expenses:		
International market development	$ 822,871	$ 636,472
Consumer information	132,238	126,791
Youth education program	13,352	62,583
Consumer awareness	35,472	35,000
Biodiesel	463,496	402,198
Industrial uses market development	93,483	63,188
Industry information and relations	357,833	263,256
Producer communications	502,238	468,108
Total other program expenses	$ 2,420,983	$ 2,057,596
Administrative support services:		
Kansas Soybean Association administrative contract fees	193,068	175,441
Contracted administration	39	212
Meeting expenses	10,270	9,499
Depreciation	159,929	164,289
Election costs	-	166
Professional services - audits	7,080	9,775
Postage	500	500
Telephone	753	1,013
Office supplies	856	3,679
Total administrative support services	$ 372,495	$ 364,574

KANSAS SOYBEAN COMMISSION

STATEMENTS OF NET ASSETS

June 30, 2013 and 2012

	2013	2012
ASSETS		
Current Assets		
Cash	$ 4,953,882	$ 5,148,530
Accounts receivable	37,831	4,538
Total Current Assets	4,991,713	5,153,068
Noncurrent assets		
Capital assets, net of accumulated depreciation	1,582,317	1,727,860
Total Assets	6,574,030	6,880,928
LIABILITIES		
Current Liabilities		
Accounts payable	504,136	642,459
Accounts payable - Assesments	199,336	16,855
Total Current Liabilities	703,472	659,314
Long-term Liabilities		
Payable to American Soybean Association	-	46,920
Total Liabilities	703,472	706,234
NET ASSETS		
Invested in capital assets, net of related debt	1,582,317	1,727,860
Unrestricted:		
Designated	627,573	715,507
Undesignated	3,660,668	3,731,327
Total Net Assets	$ 5,870,558	$ 6,174,694

See accompanying notes to financial statements

KANSAS SOYBEAN COMMISSION

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2013 and 2012

	2013	2012
PROGRAM REVENUES		
Soybean assessments	$ 6,507,100	$ 6,543,853
Less:		
USB remittances	(3,151,055)	(3,183,160)
QSSB remittances	(199,728)	(170,377)
KDA collection fees	(2,119)	(3,057)
KDA first purchaser audits	(3,610)	(3,946)
Net assessments revenues	3,150,588	3,183,313
Program refunds	5,641	3,183
Interest income	28,613	35,798
Penalties	1,005	408
Grants	63,899	30,423
Total Revenues	3,249,746	3,253,125
PROGRAM EXPENSES		
Projects:		
Research	1,131,712	1,082,664
Other	2,057,596	1,872,638
Supportive Services:		
Administration	364,574	336,732
Total Program Expenses	3,553,882	3,292,034
Program Income	(304,136)	(38,909)
NONPROGRAM INCOME AND EXPENSES		
Gain on sale of fixed assets	-	1,466
Change in Net Assets	(304,136)	(37,443)
NET ASSETS, beginning of year	6,174,694	6,212,137
NET ASSETS, end of year	$ 5,870,558	$ 6,174,694

See accompanying notes to financial statements

KANSAS SOYBEAN COMMISSION

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from checkoff	$ 6,507,099	$ 6,543,853
Cash received from others	37,252	32,838
Cash payments to suppliers for goods and services	(6,691,986)	(6,324,602)
Interest received	28,613	35,798
Net Cash Provided by Operating Activities	(119,022)	287,887
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for capital acquisitions	(28,706)	(332,151)
Proceeds from sale of capital assets	-	53,750
Change in long-term obligation	(46,920)	44,620
Net Cash Used by Capital and Related Financing Activities	(75,626)	(233,781)
NET CHANGE IN CASH	(194,648)	54,106
CASH, beginning of year	5,148,530	5,094,424
CASH, end of year	$ 4,953,882	$ 5,148,530

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Change in Net Assets	$ (304,135)	$ (38,909)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	174,248	121,490
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(33,293)	(1,175)
Increase (decrease) in accounts payable	44,159	206,481
Net Cash Provided by Operating Activities	$ (119,022)	$ 287,887

See accompanying notes to financial statements

KANSAS SOYBEAN COMMISSION

SCHEDULES OF PROGRAM EXPENSES

For the years ended June 30, 2013 and 2012

	2013	2012
Research Program Expenses:		
Kansas State University	$ 638,776	$ 616,969
Pittsburg State University	90,000	69,275
No Till on the Plains	15,000	15,000
Wichita State University	33,000	31,611
North Central Soybean Research Program	200,000	200,000
Kansas University	50,102	95,143
FAM Enterprises	16,650	11,000
Ohio Soybean Council	50,000	30,000
Renewable Solutions, LLC	31,500	10,500
Miscellaneous research expenses	3,390	1,996
Research and Consulting Fees	3,294	1,170
Total Research Program Expenses	$ 1,131,712	$ 1,082,664
Other Program Expenses:		
International market development	$ 636,472	$ 559,262
Consumer information	126,791	180,334
Youth education program	62,583	47,804
Consumer awareness	35,000	35,000
Biodiesel	402,198	342,994
Industrial uses market development	63,188	67,559
Industry information & relations	263,256	230,301
Producer communications	468,108	409,384
Total Other Program Expenses	$ 2,057,596	$ 1,872,638
Administrative Support Services:		
Kansas Soybean Association administrative contract fees	$ 175,441	$ 200,827
Contracted administration	212	2,498
Meeting expenses	9,499	9,699
Depreciation	164,289	111,279
Election costs	166	1,212
Professional services - audits	9,775	9,400
Postage	500	1,000
Telephone	1,013	-
Office supplies	3,679	817
Total Administrative Support Services	$ 364,574	$ 336,732

See accompanying notes to the financial statements