

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Kansas Soybean Commission
Topeka, Kansas

We have audited the accompanying financial statements of the business-type activities of the Kansas Soybean Commission (the Commission), as of and for the years ended June 30, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Kansas Soybean Commission as of June 30, 2021 and 2020, and the respective changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is considered to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Kansas Soybean Commission's financial statements. The Budgetary Comparison Schedule, Schedule of Operating Expenses, and Schedule of Contracts are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule and Schedule of Operating Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In connection with our audit, nothing came to our attention that caused us to believe the Qualified State Soybean Board (QSSB) failed to comply with the terms, insofar as they relate to accounting matters of the Soybean Promotion, Research and Consumer Information Act of 1990 and the Soybean Promotion and Research Order (the Order) relative to the use of funds collected by the QSSB with the terms described in Section 1220.228(a) of the Order relative to prohibited uses of funds collected by the QSSB.

In connection with our audit, nothing came to our attention that caused us to believe the QSSB failed to comply with the terms, insofar as they relate to accounting matters of the Soybean Promotion, Research and Consumer Information Act of 1990 and the Soybean Promotion and Research Order relative to the investment of funds collected by the QSSB with the terms described in Section 1220.211(j). However, our audit was not directed primarily toward obtaining knowledge of such noncompliance in the use and investment of funds.



Cummins, Coffman & Schmidlein, CPA's, P.A.

Topeka, Kansas

October 26, 2021

KANSAS SOYBEAN COMMISSION
STATEMENT OF NET POSITION
Years Ended

ASSETS

	<u>June 30</u>	
	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 5,812,322	\$ 3,393,537
Due from Kansas Soybean Association	203,736	166,894
Accounts receivable	13,768	5,620
Prepays	1,000	-
Total current assets	<u>6,030,826</u>	<u>3,566,051</u>
 <u>NONCURRENT ASSETS</u>		
Capital assets, net of accumulated depreciation	<u>1,092,811</u>	<u>1,206,420</u>
 Total Assets	 <u>\$ 7,123,637</u>	 <u>\$ 4,772,471</u>

LIABILITIES

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 602,312	\$ 235,653
Accounts payable - assessments	<u>209,767</u>	<u>136,953</u>
 Total Liabilities	 <u>\$ 812,079</u>	 <u>\$ 372,606</u>

NET POSITION

<u>NET POSITION</u>		
Net investment in capital assets	\$ 1,092,811	\$ 1,206,420
Unrestricted	<u>5,218,747</u>	<u>3,193,445</u>
 Total Net Position	 <u>\$ 6,311,558</u>	 <u>\$ 4,399,865</u>

See accompanying notes to financial statements.

KANSAS SOYBEAN COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended

	<u>June 30</u>	
	<u>2021</u>	<u>2020</u>
<u>OPERATING REVENUES</u>		
Soybean assessments from first purchasers	\$ 10,756,533	\$ 7,201,999
Soybean assessments from other QSSBs	1,967,728	1,317,762
Less:		
USB remittances	(5,964,918)	(4,036,404)
QSSB remittances	(786,522)	(438,745)
KDA collection fees	(6,060)	(4,166)
KDA first purchaser audits	(1,843)	(1,433)
Net assessment revenues	<u>5,964,918</u>	<u>4,039,013</u>
Program refunds	86,715	37,804
Penalties	4,588	749
Total operating revenues	<u>6,056,221</u>	<u>4,077,566</u>
 <u>OPERATING EXPENSES</u>		
Projects:		
Research	1,234,262	1,180,595
Other	2,502,795	2,378,309
Supportive services		
Administration	433,831	334,944
Total operating expenses	<u>4,170,888</u>	<u>3,893,848</u>
Operating profit (loss)	1,885,333	183,718
 <u>NON-OPERATING REVENUES</u>		
Gain on sale of capital assets	-	2,008
Interest income	26,360	62,117
Total non-operating revenues	<u>26,360</u>	<u>64,125</u>
Change in net position	1,911,693	247,843
Net position, beginning of year	<u>4,399,865</u>	<u>4,152,022</u>
Net position, end of year	<u>\$ 6,311,558</u>	<u>\$ 4,399,865</u>

See accompanying notes to financial statements.

KANSAS SOYBEAN COMMISSION
STATEMENT OF CASH FLOWS
Years Ended

	June 30	
	2021	2020
Cash Flow From (Used In) Operating Activities:		
Cash received from checkoff	\$ 12,716,113	\$ 8,518,981
Cash payments to USB	(5,525,445)	(4,716,894)
Cash payments to QSSBs	(786,522)	(438,745)
Cash received from others	54,461	(55,643)
Cash payments to suppliers for goods and services	(4,056,114)	(3,798,380)
Net cash from (used in) operating activities	2,402,493	(490,681)
Cash Flow From (Used In) Capital & Related Financing Activities:		
Payments for capital acquisitions	(10,068)	(238,283)
Proceeds from sale of capital assets	-	2,008
Net cash from (used in) capital & related financing activities	(10,068)	(236,275)
Cash Flow From (Used In) Investing Activities:		
Interest received	26,360	62,117
Net cash from (used in) investing activities	26,360	62,117
Net change in cash	2,418,785	(664,839)
Cash and cash equivalents, beginning of year	3,393,537	4,058,376
Cash and cash equivalents, end of year	\$ 5,812,322	\$ 3,393,537
Reconciliation of Operating Loss to Net Cash From (Used In)		
Operating Activities:		
Operating income (loss)	\$ 1,885,333	\$ 183,718
Adjustments to Reconcile Operating Loss to Net Cash From (Used In)		
Operating Activities:		
Depreciation	123,675	101,067
Change in assets and liabilities:		
Due from Kansas Soybean Association	(36,840)	(94,196)
Accounts receivable	(8,148)	(780)
Prepays	(1,000)	-
Accounts payable	439,473	(680,490)
Net cash from (used in) operating activities	\$ 2,402,493	\$ (490,681)

See accompanying notes to financial statements.

KANSAS SOYBEAN COMMISSION
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance Favorable (Unfavorable)
<u>Operating revenues:</u>				
Soybean assessments-first purchases	\$ 9,383,375	\$ 9,383,375	\$ 10,756,533	\$ 1,373,158
Soybean assessments-QSSBs	1,000,000	1,000,000	1,967,728	967,728
Less:				
USB remittances	(4,993,188)	(4,993,188)	(5,964,918)	(971,730)
Other QSSB remittances	(390,000)	(390,000)	(786,522)	(396,522)
KDA collection fees	(5,000)	(5,000)	(6,060)	(1,060)
KDA first purchaser audits	(2,000)	(2,000)	(1,843)	157
Net assessments revenues	<u>4,993,187</u>	<u>4,993,187</u>	<u>5,964,918</u>	<u>971,731</u>
Program funds	-	-	86,715	86,715
Penalties	-	-	4,588	4,588
Grants	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>4,993,187</u>	<u>4,993,187</u>	<u>6,056,221</u>	<u>1,063,034</u>
<u>Operating expenses</u>				
Projects:				
Research	1,324,163	1,336,672	1,234,262	102,410
Other	3,058,413	3,325,892	2,502,795	823,097
Support services:				
Administration	274,851	308,054	433,831	(125,777)
Total operating expenses	<u>4,657,427</u>	<u>4,970,618</u>	<u>4,170,888</u>	<u>799,730</u>
Operating profit (loss)	<u>335,760</u>	<u>22,569</u>	<u>1,885,333</u>	<u>1,862,764</u>
<u>Non-operating revenues:</u>				
Gain on sale of capital assets	-	-	-	-
Interest income	45,000	20,000	26,360	6,360
Total non-operating revenues	<u>45,000</u>	<u>20,000</u>	<u>26,360</u>	<u>6,360</u>
Change in net position	380,760	42,569	1,911,693	1,869,124
Net position, beginning of year	<u>5,596,998</u>	<u>4,290,972</u>	<u>4,399,865</u>	<u>108,893</u>
Net position, end of year	<u>\$ 5,977,758</u>	<u>\$ 4,333,541</u>	<u>\$ 6,311,558</u>	<u>\$ 1,978,017</u>

See independent auditor's report.

Kansas Soybean Commission FY2022 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:
 - Development of Genetic, Chemical and Population-Based Tactics to Manage Key Kansas Soybean Insect Pests
 - Develop Valuable Soybean Varieties and Germplasm for Use as Genetic Resources for Companies and for Direct On-Farm Production
 - Agricultural Research Experiences for Teachers (RET) – Using Soybean as a Model System
 - Enhancement of Soybean through Genetic Engineering
 - KSBI 2022: Continuing Biodiesel Education, Production, Safety, and Expanding the Bioproduct Portfolio
 - A Simple Fluorescence-Based Method for Detecting Total Water, Methanol, and Glycerol in Biodiesel
 - 2021 K-State Soybean Production Schools for Kansas
 - Improving Soybean Yields by Enhancing Seed Filling
 - Assessment of Soil Potassium Bioavailability and Improving Guidelines for K Management on Soybean in Kansas
 - Genetically-Engineered Soybean - A Novel Way to Safeguard Kansas Soybeans from Severe Drought and Heat Stress
 - Development of Food Science and Baking Science Laboratory Exercises Utilizing Soybean Protein Extracts
 - Impacts of Roasted Soybeans and Sunflower Meal as a Feed Source in Growing Lambs
 - Evaluation of Whole Soybeans as a Protein Source in Growing Beef Cattle Diets Containing Urea
 - Techniques for Rapid Data Analytics of Remotely Sensed Data for Phenotypic and Precision Agriculture Applications
 - Row Spacing and Residual Herbicide Use in Enlist and LLGT27 Soybeans
 - A Day Late and a Dollar Short – Early Soybean planting
 - Mitigating Soybean Root and Seedling Diseases in Kansas
2. The University of Kansas research and outreach on:
 - Expanding Biodiesel Education and Utilization through the Kansas Biodiesel Consortium
 - Sustained Irrigation of Soybean-Farm utilizing Soybean Nanoclays as Natural Soil Additives

3. North Central Kansas Technical College
NCK Tech Investigation of Biodiesel Impact on Injector Pumps and Participation in Kansas Biodiesel Consortium Project
4. Seward County Community College and Area Technical School
Kansas Biodiesel Consortium
5. FAM Enterprises Inc.
The Technology, Including Traits and Inputs, Needed to Produce a Modern Soybean Crop
6. North Central Soybean Research Program
7. Youth Education Programs
Ag in the Classroom
State and county fair soybean contests support
FFA program support
Family and Consumer Science (FACS) education program
8. Biodiesel – Industrial Uses Advertising
Kansas State University Football network
Others as approved throughout the year by the commission
9. Biodiesel
National Biodiesel Board (NBB) Membership
NBB Renewable Fuel Support: Communications
NBB Sustainability Awareness
NBB Renewable Fuel Support: RFS Technical and Economic
NBB State Energy Initiatives: Regulatory and Environmental Support
NBB Biodiesel Market Expansion Drive
NBB Industry Communications
NBB OEM: Maintain and Secure Approvals for B20 and Higher Blends
NBB Quality Assurance Programs
MEG Corp - Regional Petroleum Outreach Education
MEC Clean Cities Biodiesel Outreach and Training
10. Uses for Soybean Meal
Soymeal Information Center
Soy Aquaculture Alliance
SmithBucklin/USB Feed Industry Marketing program
11. 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
K-State Radio Network, Manhattan, KS
KTWU TV America's Heartland
KPTS TV America's Heartland
KCPT TV America's Heartland
Smoky Hills PTV Real Ag
Farming Unlimited TV
Authentic Ag
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.

12. *Soy Notes* Newsletter
13. Kansas Soybean Expo
14. No-till on the Plains organization
Improving Soil Health through Demonstration and Education
15. Field Days, Farm/ Trade Shows, Crop Tours
16. International Market Development work
 - Kansas State University
 - International Grains Program Institute
 - WISHH Program
 - Participation in KSU International Grains Program Courses
 - US Soybean Export Council
 - Middle East and North Africa (MENA) Technical and Marketing Support – Protein
 - Ag Processing, Inc.
 - Promoting and Marketing of Ag Soy Products in Asia
 - Promoting and Marketing of Soybeans and Ag Soy Products in Latin America
 - USA Poultry & Egg Export Council
 - Promotion and Expansion of U.S. Poultry in Armenia’s Meat Processing Sector
 - Creating Demand for U.S. Poultry in Colombia’s Foodservice Sector
 - Developing the Market for U.S. Poultry in Korea’s Foodservice Sector
 - Expanding U.S. Poultry Ingredients to Mexico’s Processing Industry
 - Creating Demand for U.S. Poultry in Vietnam’s Foodservice Sector
 - US Meat Export Federation
 - Putting U.S. Red Meat on the World’s Table
17. Collections, meetings, administration and audit procedures
18. Program and administrative work by the Kansas Soybean Association
(Attached projects including budgets for contracted and direct spending)
19. Leadership development and program management (Ag Leader Source)
20. First Purchaser Relations
 - Grain Grading Workshops
 - Kansas Grain and Feed Association - Annual meeting, trade show and other events
 - Kansas Agriculture Retailers Association
 - Kansas Coop Council
21. Soybean Production Yield Contest
22. USB Funded Cooperative Projects – to be determined
23. Consumer Awareness Media Program

FY2022 Kansas Soybean Commissioners

Districts I-II-III	Kurt Maurath 2704 US Hwy 83 Oakley, KS 67748 (785) 672-3750	District IV	Ron Ohlde (Vice-Chairman) 1579 4 th Road Palmer, KS 66962 (785) 692-4322
District V	Keith Miller 363 NE 80 Avenue Great Bend, KS 67530 (620) 793-7829	District VI	Dennis Gruenbacher 24600 W Hedgecreek Circle Andale, KS 67001 (316) 755-6785
District VII	Gary Robbins (Secretary) 28415 Saxon Road Emmett, KS 66422 (785) 535-4233	District VIII	Bob Haselwood (Chairman) 2130 SE 61 st Street Berryton, KS 66409 (785) 862-1048
District IX	Mike Bellar 1411 Killdeer Howard, KS 67349 (620) 374-2197	At-Large	Raylen Phelon (Treasurer) 163 E 317 th Street Melvern, KS 66510 (785) 549-3532
At-Large	Lance Rezac 24500 Aiken Switch Road Onaga, KS 66521 (785) 889-4309	United Soybean Board Representatives:	Dennis Gruenbacher, Andale Kurt Maurath Lance Rezac, Onaga

Kaleb Little, Administrator
Kansas Soybean Commission
1000 SW Red Oaks Place
Topeka, KS 66615-1207
Phone: 785-271-1040
Fax: 785-271-1302
Email: little@kansassoybeans.org

Kansas Soybean Commission**Organizational Memberships**

(As of November 23, 2021)

Organization	Representative
United Soybean Board	Lance Rezac
	Dennis Gruenbacher
	Kurt Maurath
Animal Agriculture Alliance (AAA)	Dennis Hupe
ASA Action Partnership (ASAAP)	Kaleb Little
Center for Food Integrity (CFI)	Dennis Hupe
Central Kansas Clean Cities Coalition (CKCCC)	Jancey Hall
Fuel True Independent Energy & Convenience	None needed
Kansas Agriculture and Rural Leadership (KARL)	Jancey Hall
Kansas Association of School Boards (KASB)	None needed
Kansas City Regional Clean Cities Coalition (KCRCCC)	Dennis Hupe
Kansas Coop Council (KCC)	None needed
Kansas Farm Food Connection (KFFC)	Dennis Hupe
Kansas Grain & Feed Association (KGFA)	Dennis Hupe
Kansas Motor Carriers Association (KMCA)	None needed
Mid-America Fleet Administrators (NAFA)	Kaleb Little
Missouri River Coalition	Dennis Hupe
National Biodiesel Board (NBB) (KSA)	Haselwood/Hupe
National Biodiesel Board (NBB) (KSC)	Gruenbacher/Little
North Central Soybean Research Program (NCSRP)	Ohlde/ Hupe
No-till on the Plains (NTOP)	Dennis Hupe
Renew Kansas	Hupe
Soy Aquaculture Alliance (SAA)	Wray/Little
Soybean Transportation Coalition (STC) #1	Bellar/ Hupe
Soybean Transportation Coalition (STC) #2	Jeschke/ Hupe
US Farmers & Ranchers Alliance (USFRA)	Dennis Hupe
US Meat Export Federation (USMEF)	Phelon/Miller
US Soybean Export Council (USSEC)	Wray/Little
USA Poultry & Egg Export Council (USAPEEC)	Haselwood/Hupe
World Initiative for Soy in Human Health (WISHH)	Bob Haselwood

Legislative Report – Kansas Soybean Commission – January 2022

Chairman Rahjes and members of the Kansas House Committee on Agriculture:

My name is Keith Miller; I farm near Great Bend and represent District 5 on the Kansas Soybean Commission.

The commission manages funds collected from the soybean checkoff. The checkoff funds research, promotion and market development efforts.

All soybean farmers in the U.S. participate in the checkoff by contributing one-half of one percent of the price received per bushel at the first point of sale. Half of the checkoff collection in Kansas remains here under KSC management and the other half is remitted to the United Soybean Board, which is comprised of 78 farmers from the 30 soybean-producing states.

KSC is comprised of seven elected soybean farmers and two commissioners at-large. The elected farmers represent specific districts in the state and are chosen through an election process conducted by the Kansas Department of Agriculture. We all volunteer our time to serve on the commission and strategically invest Kansas' checkoff funds.

In fiscal year 2021, we collected nearly \$6 million from 2020 soybean crop production, a historical record. About \$4.1 million was expended on executing our various programs.

Soybean production for 2021 totaled 189.6 million bushels across 4.8 million harvested acres. Out of all the soybean producing states, Kansas ranked 9th. Yield averaged 39.5 bushels per acre.

Given these production numbers, we as a commission are tasked with finding and strengthening markets for our soybeans.

The enclosed marketing plan details our fiscal year priorities that we believe will boost the profitability of Kansas soybean producers by improving soybean quality and successfully marketing our product. To leverage our resources, some of our work is done through organizations we belong to; that list is included in the marketing plan.

We strive to create “progress powered by Kansas farmers” with every investment made with checkoff money. Here are some highlights:

International market development is a priority for KSC. In September, we celebrated the 40th anniversary of our state's working relationship with the Henan Province in China. Since that celebration, Henan Shennong Feed Technology worked with the DeLong Grain Company in Edgerton to directly purchase and ship 500 metric tons of containerized soybeans.

We have valuable partners in the U.S. Soybean Export Council, U.S. Meat Export Federation, USA Poultry and Egg Export Council and others to promote our product around the world. We want to show buyers that U.S.-grown soybeans are the highest quality beans and are sustainable, too.

The production research supported by KSC focuses on soybean genetics, pests, diseases, soil health and management practices. Most of the agronomic research projects are led by our land

grant university, Kansas State. Ongoing research seeks to evaluate early planting windows, study mitigation of root and seedling diseases, develop new germplasms, among others.

Pittsburg State University conducts many soybean oil-based polymer research projects supported by KSC. One key project is in the works to develop a one-step process for synthesis of soybean polyols for industrial applications, which improves upon the widely-used three step process.

At the beginning of 2020, the National Biodiesel Board announced its vision to be a six-billion-gallon industry by 2030, which is double the record three-billion-gallon production we saw in 2021. Soybeans are crucial in reaching that volume because soybean oil is the primary feedstock for biodiesel. As city vehicle fleets and consumers turn to renewable fuel options in light of the growing global conversation on environmental sustainability, biodiesel rises to the top as a solution that is available now without developing new infrastructure.

Animal agriculture is directly correlated to soybean meal demand. Domestic livestock and aquaculture production consume 97% of soybean meal in the U.S., making our investment in promoting soy as a feed ingredient vital. In Kansas, pork is the top consumer. We also have a number of pet food manufacturers as well as beef and poultry that utilize soybeans.

Education efforts and consumer outreach continue to gain importance. We reach over 20,000 students directly each year with our Family and Consumer Sciences program and youth education outreach programs like virtual field trips

The Kansas Soybean Commission provides farmers with relevant, valuable news through radio and television programs. You can catch the Kansas Soybean Update on seven radio stations, AG a.m. in Kansas and Facebook. Twice a month, the Kansas Ag Report segment sponsored by the soybean checkoff appears on television and we recently began a new segment on Ag, Etc. which showcases farmers, researchers, companies and others who benefit from checkoff programs. We sponsor television programs, such as America's Heartland and Market to Market, that air on local stations across the state.

The Soy Notes newsletter is inserted in the High Plains Journal and Kansas Farmer magazines three times a year to provide print form of news to farmers.

The 2021 yield contest wrapped up with a top yield of 111.52 bushels per acre, submitted by McPherson County farmer Chad Penner. We believe that providing financial incentive to enter high-yielding, quality soybeans creates friendly competition and improved growing practices in the state. The Yield and Value Contests are possible thanks to cooperation with the Kansas Soybean Association, K-State Research and Extension, AGP and No-till on the Plains.

It is difficult to adequately cover every single checkoff investment with you in this report. Specifics are available upon request about any of the projects supported by the Commission.

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 FY2021 audit is available at your request, and the handouts include

several relevant financial summaries. In addition, we are audited for compliance with USDA regulations every five years by USB.

Thank you for hearing this report from the Kansas Soybean Commission, given on behalf of our state's 16,000 soybean farmers.

Keith Miller, District 5
Great Bend, Kansas

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

www.kansassoybeans.org



SOY NOTES

for Kansas soybean farmers

News from the Kansas Soybean Commission — the soybean checkoff | Fall 2021

Industry meets to determine opportunities

“Growth is the best descriptor for the soybean industry right now,” Kansas Soybean Commission Administrator Kaleb Little shared with participants of the Soybeans and Other Oilseeds Sector growth summit breakout in July.

The virtual breakout was one of many sessions identifying action items for the sectors of agriculture in Kansas. Each virtual meeting led up to the main event, the 2021 Kansas Ag Growth Summit on August 26.

Data supports Little’s statement – soybean productivity has nearly doubled in just 10 years. The numbers in 2011 indicated total production reached 101 million bushels of soybeans, a number that is now over 190 million bushels.

In order to recognize how soybean productivity has advanced in the last decade, it’s important to assess where production was.

Berryton farmer Bob Haselwood, who chairs the Kansas Soybean Commission, recalls that a decade ago chemical resistance in weeds was one of a few growing concerns, but that the industry was starting to look brighter. China was on the cusp of expansion, market prices were trending upward and opportunities to increase soybean use were on the horizon.

“Many things we see now that have led to increased consumption and use were just starting to evolve 10 years ago,” Haselwood explains. “Many key factors of the checkoff had not taken off – things like biodiesel and other industrial uses.”

As the longest-standing Commissioner currently in service, Kurt Maurath can attest to the checkoff playing a large part in the soybean industry’s growth. When he first joined the Commission in 2002, the state’s total soybean production was 58.4 million bushels and production was sparse in his north-west corner of the state.

Around that time, Maurath was looking to use soybeans as a rotational crop with profit potential. However, he notes it was a limited market and not all elevators would even accept soybeans, and the biggest challenge yet was lack of herbicide-tolerant trait soybeans making it difficult to suppress weeds.

By 2011, herbicide-tolerant soybeans had entered the market and more experience growing soybeans led to better management practices. At that time, he says the checkoff’s focus was relatively the same as today in seeking research and market opportunities.

He believes statewide production has been able to

grow so quickly because seed genetics, chemical tolerance and markets have improved, all thanks to the checkoff.

Soybeans are just one of many growing sectors within Kansas’s agricultural profile. The Kansas Ag Growth Summit event brings together all sectors in the state to identify success, concerns and future actions that will boost value.

Other commodities, livestock, agricultural technology, animal health and related topics all hosted individual breakout sessions throughout the summer to discuss growth. The main and final event included conversation on carbon sequestration, mental health and the state’s food system.

While the Soybeans and Other Oilseeds breakout session celebrated the growth of oilseeds globally, opportunities for added value were the focal conversation. Carlos Campabadal with the International Grains Program Institute spoke on increasing protein content – thus improving the amino acid profile – to create a better, more valuable end products for worldwide markets. Nicole Harrison of Onaga, the panelist representing farmers cited improving trait technology and broadband access in rural areas as target areas for improvement.

The action items derived from the session will be a leading force in meeting future goals of oilseeds in Kansas.

SOYBEANS AND OTHER OILSEEDS

Industry Successes

- General acceptance of agriculture in today’s society.
- High demand and increased value-added opportunities for oilseed crops.

Industry Concerns

- Need for processing facilities in the state.
- Producers must know their consumers and meet their needs in the oilseed sector.

Identified Action Items

- Continue support of, and increase in, research dollars for all of the oilseeds.
- Increase the number of processing facilities for all oilseeds in the state.
- Increase development of value-added oilseed products, leading to increased acres planted.



Courtesy Kim Kohls



Soy Notes is a service of the Kansas Soybean Commission - the soybean checkoff.
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Secretary Gary Robbins
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Lance Rezac

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Director of Operations Adam O'Trimble
Director of Education & Outreach Jancey Hall
Accounting Assistant Dawn Bradley
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Inaugural Think Tank eyes future

Where is soybean research headed in future years? That question brought to life the inaugural Soybean Research Forum and Think Tank in August. The event in Indianapolis was a gathering of over 100 individuals comprising agricultural researchers, farmers, industry leaders and state soybean staff from 18 states.

Eleven representatives from Kansas attended, including three farmers, four researchers, three staff and one person from industry. Staff from Kansas also played a key role in planning the event.

The agenda dedicated time to discussions on production research topics, such as soybean cropping systems, genetics and biotechnology; sustainability topics, such as soil health and fertility research, water quality and

carbon sequestration; as well as new uses and market opportunities.

Commissioner Ron Ohlde, Palmer, attended the event through his interests as a farmer and as a board member for the North Central Soybean Research Program.

For him, the roundtable discussions were an exciting part of the event, especially those conversations revolving around issues that others face, things like funding.

“Researchers face struggles, just as farmers do, in finding funding to move projects forward,” Ohlde shares.

Others mentioned insect pressures, droughts, and pathogens as issues and how looking at cover crops and biologicals could ad-

dress those issues. Discussion on future projects identified improving bean composition, growing higher protein soybeans and increasing oil quality as targets.

“One of the hot topics was carbon sequestration,” Ohlde adds, mentioning discussion on who would set the standard for how it is measured.

Mike Purdy, chief operating officer, and Jennifer Coleman, communications director, with Aimpoint Research, an agricultural marketing research firm based in Ohio, delivered a keynote on the future state of soy. Many other speakers and industry experts led presentations and discussions during the event as well.

Photo at left: Notes from roundtable discussions fill a wall of the meeting room.

USSEC focuses on sub-Saharan Africa

Story by 2021 Kansas Soybean Summer Intern Madeline Meier

Malnutrition rates have continued to rise in sub-Saharan Africa, with one out of every four people having diets that do not meet the correct caloric intake. Poverty rates and cost have soared, which leave little room for the purchase and consumption of animal protein products. In this region, there are over 50 countries, with a population of 1 billion people that is expected to double by 2050. The soybean industry provides a versatile solution.

Most of the soybean production in Africa occurs in Zambia, Zimbabwe and South Africa on small-scale farms, where cultivation and harvesting are completed by hand. The pests soybean farmers face are

similar to the ones that are seen in the U.S. - nematodes and pod and foliage feeders. Soybean rust is also quite common in these areas and farmers can experience a yield loss of up to 60%.

The worldwide consumption of soybeans is approximately 11 million tons, with Africa consuming 618,000 of these tons. Ground soybeans are used to make substitutes for milk and flour. While mature soybeans are more difficult to consume, soybean curds are fried and are enjoyed as breakfast food or even a snack. Similar to in the United States, soybeans also make an excellent livestock feed. In several sub-Saharan countries, soybean cake is fed to animals.

Soybeans are not only used

as a food source for human and livestock alike, but they are also used to improve soil health and productivity. Fertilizers are hard to come by and are quite expensive for farmers; soybeans are nitrogen fixing, meaning atmospheric nitrogen becomes usable in the soil.

The United States Soybean Export Council (USSEC) has taken note of the poverty and malnutrition levels in sub-Saharan Africa, specifically Nigeria. Here, the USSEC has opened a Soy Excellence Center, a program that provides soybean education. Through the program, the USSEC hopes to develop strong bonds with key stakeholders and to connect soy relevancy to agencies and individual agriculturalists alike.

Commission elects leadership, officers retain roles

Four Kansas Soybean Commissioners will continue their officer positions following the Annual Meeting officer election July 26. The slate of officers remained unchanged from the previous year's and were elected unanimously.

Bob Haselwood, Berryton, reprised the role of Chairman. He raises soybeans, corn and wheat and is the process of transferring the farming operation to his nephew. Since joining KSC in 2005, Haselwood has held numerous leadership positions and just recently became the World Initiative for Soy in Human Health board treasurer. The Chairman supervises and maintains control of all business pertinent to the Commission's work.

Ron Ohlde continues in the Vice Chairman position. He raises soybeans, corn, wheat, sorghum and cattle near

Palmer. Ohlde has served as a Commissioner since 2003 and occupied a number of leadership roles during his service. The Vice Chairman acts in the absence of the Chairperson.

The secretary Gary Robbins, who farms near Havensville. He farms with his wife and son growing soybeans, corn, wheat, hay and they raise background steers. Robbins moved into his Commissioner role in 2020 following 18 years on the Kansas Soybean Association board. The secretary is tasked with maintaining corporate records and minutes from meetings.

Raylen Phelon continues as treasurer. He farms near Melvern alongside his wife and son growing soybeans, corn, wheat, hay and they manage a cow and calf herd. The treasurer manages the receipt, deposit, disbursement and investment of soy-

bean checkoff funds.

Each of these positions serve on the Commission Executive Committee, which is tasked with maintaining routine operations of KSC business and, in certain cases, may authorize expenditures within individual program levels as approved by the Commission.

Term of office encompass one calendar year from one

Annual Meeting to the next.

Additional Annual Meeting business included granting no-cost funding extensions to three projects, identifying potential areas for funding, reviewing the upcoming request for proposal process, hearing organizational reports and more. Invited guest Raymond Flickner shared information about the Flickner Innovation Farm in Moundridge.



Left to right: Gary Robbins, Bob Haselwood, Raylen Phelon. Not pictured: Ron Ohlde.

Yield and value contests seek competitive entries

New harvest season, new yield contest. The Kansas Soybean Association is calling all soybean farmers in Kansas to enter their competitive soybean crop into the Kansas Soybean Yield Contest by December 1.

"Last year's contest saw several 100-bushel-plus yields as well as a new statewide record," contest committee member Gail Kueser says. "We want to see those results again in the 2021 contest and invite every soybean farmer in the state to participate."

Aside from recognition for high-yielding soybeans, participants are eligible for monetary awards. The Kansas Soybean Commission sponsors a prize for the top

three finishers in each district, as well as an additional \$1,000 for the overall dryland and irrigated winners and any who top the 114.3 bushel-per-acre record. The amounts per district are that first place receives \$300, second will earn \$200, and third will receive \$100.

Districts are determined by region, tillage method and irrigation status, with a total of 18 districts in consideration. No-till on the Plains supplies additional awards in the no-till categories. Farmers may enter multiple categories, but only one entry per field.

Eligible fields must consist of at least five contiguous acres as verified by the

Farm Service Agency, GPS printout or manual measurement. A non-relative witness, either Kansas State Research and Extension personnel or a specified designee, must be present at harvest and should ensure that the combine grain hopper is empty prior to harvest. Official elevator-scale tickets with moisture percentage and foreign matter included must accompany entries to be considered.

The statewide Kansas Soybean Value Contest that analyzes protein, oil and other soybean qualities is also open for entries. Entrants submit 20-ounce samples, which are evaluated by Ag Processing, Inc. to deter-

mine the value. Monetary awards are also given to the three highest-value entries. Farmers may enter both the yield and value contests.

Results of the contests are to be shared January 12, 2022, at the Kansas Soybean Expo during the luncheon portion of the event.

A full guide of contest rules and regulations are available at kansassoybeans.org/contests, as well as a newly-available online entry form. Questions may be directed to the Kansas Soybean office by phone at 877-KS-SOYBEAN (877-577-6923) or to local KSRE offices.

Commission work grows demand for soybeans

Story by 2021 Kansas Soybean summer intern Madison Vaught

The Kansas Soybean Commission is led by nine elected volunteer farmers, who make decisions that improve profit potential for all soybean farmers. Whether they are increasing crop demand or helping improve the farmers' production practices, the ultimate goal of the Commission is to make the most valuable soybean crop possible.

As the Commission chairman, Bob Haselwood, Berryton, explains, "Anything the Commission invests checkoff dollars into will help farmers' bottom line."

All soybean farmers participate in the checkoff. The dollars are collected from the farmer through the first purchaser – including elevators, processors, seed dealers or others – one-half of one percent of the value of the soybeans when they are sold. Half of the collection is sent to the United Soybean Board and the remain half stay in Kansas to be invested by the Commission.

Every year, KSC seeks requests for funding proposals for the following fiscal year. When those proposals are submitted, the Commissioners study the proposals, hear from the lead investigator and decide which projects they feel will be the best investment of the checkoff dollars. The Commission may look at a proposal and request that the researcher adjust their research to fit with the most important problem that a Kansas Soybean farmer may

be facing. All of these funding decisions are based on the amount of checkoff dollars the Commission estimates on collecting during the year. Not only does the Commission invest dollars on production research, but increasing demand for soybeans, through international market development, livestock industry development, biodiesel expansion, and related projects are also prioritized.

According to Haselwood, KSC's decisions may be based on the projects that come in and how well some of those projects performed in the past. An impactful investment Haselwood has seen is the production research that has helped expand the soybean acres in Kansas.

Thanks to the research projects that have improved soybean production, the total production of soybeans in Kansas have nearly doubled in the last decade to reach 190 million bushels in 2020. The checkoff can also help to bring a new product to market quicker which in turn helps the soybean demand. Having such a wide variety of profitable opportunities creates a balancing act on how the dollars are invested, often making it a difficult decision for the Commissioners.

The Commissioners convene Dec. 2-4 in Manhattan to hear project proposals and finalize the budget for the fiscal year 2023.

Nov. 30 filing deadline set for '22 KSC election

Soybean producers in eastern Kansas seeking to influence how the checkoff returns value to their operations are invited to campaign for a seat on the Kansas Soybean Commission.

Districts VII, VIII and IX – making up the eastern third of the state – are included in the 2022 election cycle. Interested individuals in these districts have until Nov. 30, 2021 to meet the filing deadline. Candidates must gather 20 signatures from peers with no more than five signatures from any one county to qualify. Signatures may be submitted online, on paper or both.

Per Kansas Department of Agriculture guidelines, candidates must have been actively engaged in growing

corn, grain sorghum, soybeans, sunflowers or wheat within the preceding five years to be eligible and may only represent the district of their primary residence.

Elections take place early in 2022 by a ballot vote of registered individuals.

Further details about the filing process are available from KDA at <https://www.agriculture.ks.gov/kda-services/kansas-commodity-commissions>.

Questions about Commissioner duties or expectations of service may be directed to the Kansas Soybean office by calling 785-271-1040 or 877-577-6923, or by emailing Administrator Kaleb Little at little@kansassoybeans.org.

Expo returns in 2022

Comedy, crop market talk and valuable research conversation are coming your way with the 2022 Kansas Soybean Expo. The free event scheduled for January 12 follows a two-year hiatus after cancellation of the planned 2021 gathering.

The Expo planning committee hopes to fill Maner Conference Center in Topeka with individuals looking for an opportunity to talk with peers and hear where soybean production is headed.

Comedian Larry Weaver keynotes the event with additional presentations from Darrell Holaday of Coun-

try Futures Inc. and Ed Anderson of the North Central Soybean Research Program. Lunch is provided for all attendees and award winners from the 2021 Kansas Soybean Yield and Value Contests are also to be announced.

Expo falls in conjunction with the Topeka Farm Show, which takes place next door in the Stormont Vail Events Center January 11-13.

Stay tuned for further announcements about Expo and when registration opens by checking out kansassoybeans.org/expo.