

Delivering Value

**2010-2011
Annual Report**



North Dakota Soybean Council Chairman's Report



Dear Fellow Soybean Producers:

If this annual report were a newspaper, the headline would read, What a Year! As you will read throughout this report, 2010 – 2011 was a year of new successes and achievements for the North Dakota Soybean Council (NDSC). It was also a year when the Board of Directors and NDSC employees teamed-up to deliver value to you in many areas, including research, domestic and international marketing, producer education/communication, transportation and consumer awareness. It is your checkoff dollars that make this all possible. These dollars enable us to aggressively work to support your success by investing in programs that will help you become more knowledgeable, competitive and profitable. Here are some examples of the work NDSC is conducting on your behalf:

RESEARCH – NDSC invested more than \$1.8 million in research projects this last year to study issues facing soybean producers, including iron deficiency chlorosis, root rot diseases, soybean cyst nematode, sclerotinia stem rot and soybean aphids – just to name a few. Research continues to be a top priority for NDSC. Between 45%-50% of our funds is dedicated to research projects. NDSC also contributed research funds to the North Central Soybean Research Program (NCSRP) – a partnership of 12 farmer-led soybean checkoff organizations that work to improve soybean performance and profitability through cooperative research and education.

INTERNATIONAL MARKETING – To meet the changes and challenges of marketing North Dakota soybeans in a global world, NDSC invests in opportunities to bring foreign customers to North Dakota to witness soybean production first hand. Our Directors also participate in trade missions overseas, which allow them to develop valuable relationships and connections with foreign customers – all with the goal of opening up new markets for North Dakota soybeans.

PRODUCER EDUCATION – Most producers have a passion for continuous learning and NDSC works hard to ensure you receive it by sponsoring the annual “Best of the Best in Soybean Research” and the “Getting It Right in Soybean Production” meetings every winter. We also sponsor the annual “Northern Soybean Expo” coming up on February 21, 2012 at the Fargo Holiday Inn. We have a great line-up of nationally renowned speakers on the program and look forward to seeing you there.

STRATEGIC PLANNING – To ensure NDSC is well positioned for the future, the Board developed (and is in the process of executing) a three year strategic plan – complete with goals and action items in the areas of Research and Development, Domestic and International Marketing, Communications/Education, Administration and Image/Awareness. A new vision and mission statement, along with a set of core values was also created and are printed in this report for your review.

BOARD EXPANSION – The landscape in soybean production in North Dakota has changed significantly in the last 25 years and as such, the North Dakota legislature recently enacted legislation to expand NDSC’s Board from eight to 12 members and from eight to 12 districts in 2012. This will enable us to expand the depth and breadth of the Board in terms of expertise and to take on new projects to better utilize checkoff funds to continue boosting the bottom line of soybean producers.

NEW ELECTION PROCESS - Passage of this legislation has also changed the way County Representatives are elected. In 2012, soybean producers in each county will be requested to nominate a fellow soybean producer to serve as County Representative to the North Dakota Council through a written nomination and election process. District elections will then be held to elect NDSC Board of Directors. Watch for more information coming to you in the mail and on our website.

2011 also saw the retirement of NDSC’s Cass County Director Claude Richard after six years of service. We thank Claude for his expertise, commitment and leadership to NDSC. We also welcomed Harvey Pyle as a new Director representing Cass County and look forward to his contributions and counsel.

I am confident that the accomplishments of 2010-2011 will launch us toward even more impressive successes in 2012. Through it all, however, we will never lose sight that delivering value to you is what builds the foundation of our success. I would like to thank NDSC’s employees for their commitment and dedication to the soybean industry and to you. I also thank our volunteer, farmer-led Board of Directors for their contributions and leadership. It is their vision and direction that keeps your North Dakota Soybean Council strong and well positioned for the future. Most important, I thank you for your continued confidence in and support of NDSC and the soybean checkoff program. The relationship we share is an integral part of our success as an organization.

Sincerely,

A handwritten signature in black ink, appearing to read "Monte Peterson". The signature is fluid and cursive, written over a light-colored background.

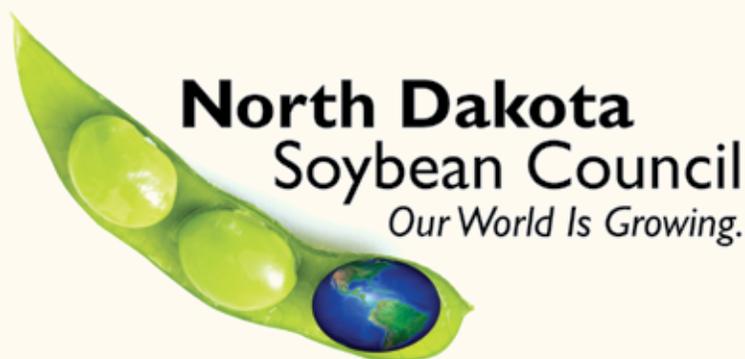
Monte Peterson, Chairman of the Board

North Dakota Soybean Council County Representatives

Monte Peterson.....Barnes
Charlie Bisbee.....Benson
Dusty Lodoen.....Bottineau
Doug Goehring.....Burleigh
Harvey Pyle.....Cass
Randy Evans.....Cavalier
Tom Rodine.....Dickey
Brad Weber.....Eddy
Bruce Doolittle.....Emmons
Charles Linderman.....Foster
Jared Hagert.....Grand Forks
Ronald Hegvik.....Griggs
Mark Anderson.....Hettinger
Kenny Meier.....Kidder
Dennis Feiken.....LaMoure
Galen Opp.....Logan
Keith Reinowski.....McHenry
Ben Sclepp.....McIntosh
Cameron Wahlstrom.....McKenzie
Robert Sondrol.....McLean
Dennis Renner.....Morton
Carl Jenson.....Nelson
Chad Tweeten.....Oliver
Blaine Schmaltz.....Pierce
Aaron Johnson.....Ramsey
Pat Freeberg.....Ransom
Scott Gauslow.....Richland
Jason Martodam.....Rolette
Tyler Speich.....Sargent
Eric Reimche.....Sheridan
Jason Mewes.....Steele
David Gasal.....Stutsman
Paul Grann.....Towner
Mike Beltz.....Traill
Art Wosick.....Walsh
Duane Lund.....Ward
Lowell Kaul.....Wells

Financial Report

Revenue	\$7,683,329.17
Project Expenditures	
International Marketing	\$400,243.69
Consumer Information	\$119,537.23
Domestic Marketing	\$318,577.74
Producer Communications	\$393,973.73
Research	\$1,840,793.28
Total	\$3,073,125.67
Administration & Compliance	\$389,289.23
Total Project Expense	\$3,462,414.90
Total Reimbursements to USB & Other States	\$3,633,623.51
Total Overall Expense	\$7,096,038.41



International Marketing

Every North Dakota farmer's investment to maintain and increase the profit potential of growing soybeans occurs well beyond the local elevator. United States soy exports have grown steadily for the past 10 years. This growth (forecast by exporters and importers of U.S. soy to continue) can be attributed to efforts to build international sales of U.S. soy funded by the soybean checkoff. As part of these U.S. farmer-funded activities, the North Dakota Soybean Council (NDSC) works to cultivate new markets or growth in existing ones.

In 2010, the United States exported 1.9 billion bushels of soy to customers around the globe, which is why International Marketing continues to be a priority for the board. NDSC continues to annually fund projects with the U.S. Soybean Export Council (USSEC), the World Initiative for Soy in Human Health (WISHH), Midwest Shippers Association, AGP Port of Grays Harbor, and the Northern Crops Institute.

Each year, NDSC hosts various international trade teams in North

Dakota interested in soybeans grown in the state with farm tours and sponsored evening social meals. NDSC helps educate foreign buyers about ways to profitably access soy products and facilitates face-to-face meetings between producers and foreign trade teams.

In an effort to learn more about international market demands and soybean needs overseas, NDSC sent a North Dakota soybean farmer delegation to Indonesia and Vietnam, January 15 – 28, 2011. While in Vietnam and Indonesia, the North Dakota delegation had the opportunity to visit several feed mills, an aquaculture production farm, a large poultry company, and an international container terminal.

NDSC's trip to Vietnam and Indonesia not only helped build relationships in those countries, it gave North Dakota soybean farmers a better understanding of market dynamics and economic growth patterns that exist in Southeast Asia for North Dakota and U.S. soybeans.





Transportation



With soybeans grown in North Dakota exported out of the state by truck and rail, soybean farmers are especially impacted by the state of the U.S. transportation infrastructure. The North Dakota Soybean Council (NDSC) understands farmers have a strong interest in ensuring there is a safe and efficient transportation system. The ability to move soybeans from the farm to processing facilities is a significant factor in farmers' bottom line.

To maintain the industries' competitive position in the global market, NDSC understands the need to invest in our nation's aging and increasingly inefficient transportation infrastructure.

Since 2007, NDSC has been a financial member of the Soy Transportation Coalition (STC.) STC's goal is to position the soybean industry to benefit from a transportation system that delivers cost effective, reliable, and competitive service.

NDSC is also a member of the North Dakota Ag Rail Business Council (NDARB). The mission of the NDARB is to enlist a diverse group of North Dakota ag industry stakeholders to provide a forum for communication and understanding of customer, producer and Burlington Northern Santa Fe (BNSF) Railway interests.

Domestic Marketing



The North Dakota Soybean Council (NDSC) is not only committed to the development of international markets, but is also committed to funding projects that help expand the use of soybeans here in the United States. NDSC continues to do its part to help keep North Dakota farm families and rural communities flourishing and expanding by ensuring demand for soybean meal and oil in the United States.

Animal agriculture is a major domestic soybean market, using meal for livestock feed. The livestock sector consumes approximately 98 percent of domestic soybean meal annually.

Soybean oil is the most widely used vegetable oil in the United States, representing 65 percent of edible fat and oil consumption by humans. Demand for other soyfoods is also on the rise. Most U.S. consumers continue to view food made with soy ingredients as healthy. This is good news for U.S. soybean farmers, considering that more than four out of every five pounds of the soybean oil used in this country goes to the food industry. To be exact, 81 percent of Americans see soyfoods as healthy, according to the annual *Consumer Attitudes About Nutrition* survey conducted by the United Soybean Board and the soybean checkoff.

Domestic marketing projects for NDSC in 2010-2011 included soy biodiesel, development of new uses, promotion of soyfoods and support of the livestock industry.

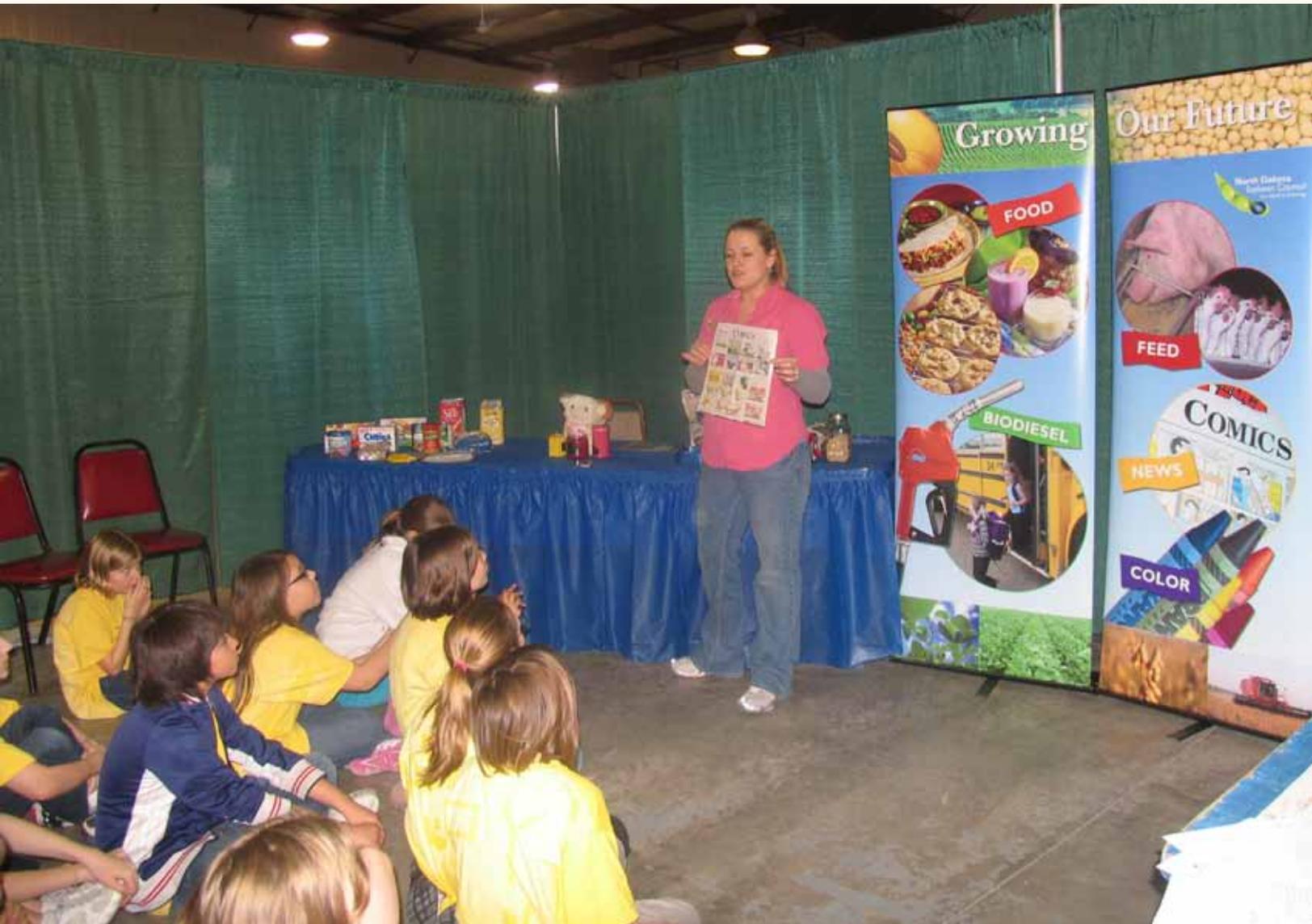
Producer Education /Communications



Ensuring that North Dakota producers receive the most current education on key topics impacting their operations is a top priority for the North Dakota Soybean Council (NDSC). Therefore we sponsor the annual “Northern Soybean Expo”, “Best of the Best in Soybean Research” and the “Getting It Right in Soybean Production” meetings.

NDSC’s annual communication program keeps farmers and the agricultural industry informed and up-to-date on the changing soybean industry through a variety of effective communication tools including quarterly newsletters, annual report, research update, radio messages, timely brochures and periodicals, podcasts, print ads, presentations, and exhibits at various meetings and trade shows.

Consumer Information



It's no secret that more Americans have become disconnected from farms – both in distance and general knowledge about agriculture. As a result, consumers now have more questions, and even some concerns, about where their food comes from. Consumers hear negative things about modern agriculture all the time and don't often have enough information to tell truth from fiction.

Since there are many misconceptions about the production of food, feed, fuel and fiber, the North Dakota Soybean Council (NDSC) continues to educate and communicate with consumers in various ways throughout the year. NDSC continues to be present by exhibiting at state agricultural trade shows, state health and nutrition fairs, various family and youth events, energy conferences, and other events in an effort to build greater awareness of the benefits of soybeans and its end uses among consumer audiences.

Leadership

North Dakota Soybean Council Board of Directors



Monte Peterson
Chairman
Valley City, District IV



Scott Gauslow
Vice Chairman
Colfax, District I



Jared Hagert
Treasurer
Emerado, District VI



Mike Beltz
Secretary
Hillsboro, District V



Tyler Speich
Milnor, District II



Harvey Pyle
Fargo, District III



Art Wosick
Minto, District VII



Jason Martodam
Mylo, District VIII

North Dakota United Soybean Board Representatives



Vanessa Kummer
Colfax



Joel Thorsrud
Hillsboro



Jared Hagert
Emerado

North Dakota Soybean Council Employees



Diana Beitelspacher
Executive Director



Suzanne Wolf
Communications
Director



Shelly Treib
Budget Manager



Molly Fern
Program Assistant

VISION:

“ To enable North Dakota soybean producers to be knowledgeable, competitive and profitable. ”

MISSION:

“ Invest and leverage North Dakota soy checkoff resources to provide a high quality, competitive product in a global marketplace. ”

CORE VALUES:

Commitment: We work to achieve maximum value for each producer's checkoff dollars.

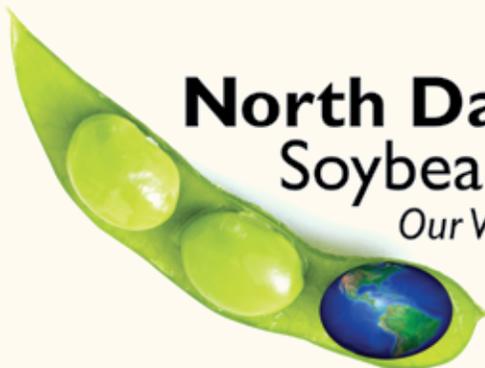
Relationships: We base our relationships on integrity, openness, trust and respect.

Teamwork: We work as a team to create value for our growers, researchers and the communities we serve.

Innovation: We continually evaluate and refine our programs / processes in anticipation of grower needs.

Knowledge: We invest in the training and development of our employees, directors and growers.

Delivering Value



**North Dakota
Soybean Council**
Our World Is Growing.

North Dakota Soybean Council

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