Teamwork Yields Results

North Dakota Soybean Council
Our World Is Growing.

2014 Annual Report
Dear Valued Soybean Producers:

If we could sum up 2014 in one word, it would be WOW! Teamwork among the North Dakota Soybean Council (NDSC) Board of Directors, employees, soybean producers, land-grant universities, and state and national soybean and agricultural organizations yielded significant results for you and our industry:

- Advances in soybean research have resulted in soybeans being grown in nearly every county in North Dakota. The state ranks fourth in planted acres for the nation, and a record harvest is expected.

- Eight international trade teams, comprised of top soybean buyers from China, Vietnam, Indonesia, Philippines, Sri Lanka, Thailand, and Japan visited North Dakota soybean producers, seeing firsthand the quality of our soybean crop and developing critical relationships with the farmers who grow it.

- Advances have been made to educate overseas buyers about the importance of considering essential amino acids as a true measure of soybean quality. We expect that this knowledge will lead to North Dakota soybeans commanding a higher value in the marketplace.

- Soybean producers across the state received valuable education that included Soybean Cyst Nematode, weed management and commodity grain trading.

The year saw the retirement of board member Mike Satrom after two years of service. We thank Mike for his expertise, guidance and leadership to the NDSC. We also welcomed a new director, Perry Ostmo, and look forward to his contributions and counsel.

A special thank you goes to our board of directors and employees for their hard work, endless energy and enthusiastic support. They embody innovation, professionalism, dedication and commitment, making it possible to achieve our mission. Thanks to their efforts, we head into 2015 with a sense of accomplishment and an anticipation of continued success.

Finally, we are mindful that the North Dakota soybean industry and soybean producers will prosper through our focus on the fundamentals of good business and sound checkoff investments. We see tremendous opportunities and will continue to work in partnership with our constituents at the local, state and national level to achieve them.

Sincerely,

Scott Gauslow
Chairman of the Board

Diana Beitelspacher
Chief Executive Officer
Vision
North Dakota soybeans are the most sought-after agricultural commodity in the global market.

Mission
Effectively invest and leverage North Dakota soybean checkoff resources to maximize the benefits of North Dakota soy.

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 training and development for our employees, directors and growers.

Strategic Objectives

Soybean Quality
Increase the value of North Dakota soybeans through continued research in the area of essential amino acids; identify and communicate marketing opportunities; and educate international customers that higher essential amino-acid values are a key advantage.

Measurement: Changes in the volume and value of North Dakota soybeans.

Infrastructure
Maintain and enhance the efficiency and reliability of North Dakota’s transportation infrastructure.

Measurement: Changes in the volume of North Dakota soybeans that flow to destination markets.

Agronomy
Address North Dakota soybean producers' greatest production challenges through continued investment in research programs.

Measurement: Agronomic opportunities and challenges are identified, addressed and communicated to North Dakota soybean producers and other key constituents.

Branding
Continue to enhance the image of the soybean industry and the NDSC through ongoing communications, promotion and education.

Measurement: The NDSC is top of mind with soybean producers and key constituents as a valued and respected source for information and education. There is increased awareness of how checkoff dollars are invested for the benefit of soybean producers.
International and Domestic Marketing

Utilizing soybean checkoff investments to help fund international market development efforts in order to build and maintain international demand is crucial for the future of North Dakota’s soybean industry. NDSC is connecting and building strong relationships with consumers worldwide by teaming up with partners and collaborators in North Dakota and around the world. Our approach for increasing demand revolves around education, promotion and relationships.

NDSC’s continued commitment to educate global soybean buyers about the value of amino acids that naturally occur in northern-grown soybeans took on legs of its own in the past year. NDSC committed to being part of four seminars that target our largest soybean buying markets. NDSC representatives traveled to these markets and helped give technical presentations for livestock feed nutritionists and soybean buyers, explaining how to utilize and ask for soybeans that are high in amino acids. These seminars were well-received overseas, and NDSC is dedicated to continuing these efforts in 2015, with the goal of helping northern-grown soybeans gain equal footing in the market.

During the past year, NDSC collaborated with industry partners to host eight international trade teams in North Dakota. Each of these soybean-buying teams heard NDSC’s message about the importance and value of essential amino acids in soy quality. The trade teams scheduled their visits around the harvest season to look at the current crop that they would be purchasing, and the teams had the opportunity to meet North Dakota farmers and their families.

NDSC continues to team up with the Northern Crops Institute (NCI) for various short courses that take place throughout the year, bringing in buyers from all over the globe to learn about using soy in various food and feed applications. NDSC sponsored six soybean-related short courses in Fargo during the past year. NDSC’s work with NCI continues to pay dividends by increasing demand for, and
knowledge about, the soybeans grown in North Dakota.

The personal relationships developed with these visits are key to keeping North Dakota soybeans at the forefront as buyers look to make their purchases each year.

While export markets are vital, it’s not all about global marketing. Many NDSC programs are focused locally, working to increase the domestic utilization of soybeans, which is important to the long-term profitability of soybeans. NDSC invests checkoff dollars in programs that increase the demand for soybean meal and soybean oil, which result in new, and continued, uses for the soybeans that North Dakota farmers grow annually.

NDSC’s membership on the National Biodiesel Board, and through the soybean checkoff’s efforts, supports U.S. biodiesel production and increases consumer awareness about alternative fuel sources, keeping soybean demand and markets strong.

In 2014, other domestic marketing projects that NDSC funded included new soy uses, promotion of soyfoods, and support of North Dakota’s livestock and dairy industries. The NDSC also worked closely with NDSU’s Department of Agribusiness and Economics by funding the Commodity Trade Room. This project strives to ensure that NDSU students have the best tools and leadership available so North Dakota retains strong, young professionals in the agricultural industry.

1.7 billion gallons of biodiesel were produced in 2013.

North Dakota’s number one customer at home and abroad is animal agriculture.
**Transportation**

At least 70 percent of North Dakota soybeans are shipped to the Pacific Northwest and, from there, to our international customers. Transportation is vital to maintaining overseas markets. In 2014, NDSC continued its efforts to identify transportation opportunities and overcome challenges that impact producers’ profitability.

In 2014, North Dakota witnessed significant and unprecedented rail-service disruptions that prevented moving North Dakota soybeans to market. As a result, NDSC collaborated with the Soy Transportation Coalition, the North Dakota Soybean Growers Association, NDSU, railroads, elevators, the farming community and key influencers to identify what NDSC could do to help facilitate and expedite solutions for rail delays. In 2015, NDSC will focus on bringing alternative transportation solutions to the table regarding rail service in North Dakota.

**Consumer Information**

Every day, consumers are inundated with conflicting messages about American agriculture. In truth, thanks to modern American farmers, U.S. families enjoy the safest, healthiest and most affordable food choices in the world.

Because many misconceptions exist about the production of food, feed, fuel and fiber, NDSC continues to educate and communicate with consumers in various ways throughout the year. The NDSC exhibits at state agricultural trade shows, health fairs, energy conferences and other events to build greater awareness among consumer audiences about the benefits of U.S. soy and its end uses.

In 2014, NDSC and the U.S. Farmers & Ranchers Alliance (USFRA) held an advanced, private screening of the documentary film “Farmland” in Fargo. “Farmland” offers an intimate and firsthand glimpse into the lives of six young farmers and ranchers across the United States, chronicling their high-risk/high-reward jobs as well as their passion for a way of life that has been passed down from generation to generation, yet continues to evolve.

NDSC invited professionals working in the restaurant, medical, health, and key influencers to identify what NDSC could do to help facilitate and expedite solutions for rail delays. In 2015, NDSC will focus on bringing alternative transportation solutions to the table regarding rail service in North Dakota.

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**Continued on page 6**
nutrition, grocery and food industries, along with the media, to the private Fargo premiere.

NDSC continues to support the CommonGround movement in North Dakota. CommonGround is a grassroots movement to foster conversation among women—on farms and in cities—about the origin of our food. The National Corn Growers Association, the United Soybean Board and their state affiliates developed CommonGround to give farm women the opportunity to interact with consumers through a wide range of activities.

Katie Pinke of Wishek, N.D., is CommonGround North Dakota’s coordinator. Katie is an advocate, consultant and speaker about food, family, and farm and rural life. With the help of other North Dakota volunteer farmwomen, the CommonGround team organizes events and programs throughout the year, working to dispel myths about modern agriculture and to build trust in North Dakota farming communities and farm families.

This summer, CommonGround North Dakota held the inaugural Banquet in a Field at Peterson Farms Seed near Prosper, N.D. More than 100 urban, influential consumers enjoyed a five-course meal prepared by Sarello’s Restaurant. The Banquet in a Field event was designed to give consumers the opportunity to connect with North Dakota agriculture. Consumers toured plots of 11 different crops, tasted appetizers featuring each crop, engaged in conversation with farmers and asked questions about food production.

To learn more about CommonGround North Dakota, check out the organization’s Facebook page: facebook.com/CommonGroundNorthDakota
Producer Education and Communication

Whether it’s a new development in soybean research, an upcoming educational opportunity or a milestone for soybean exports, communication is a key element for each checkoff investment. NDSC is committed to keeping growers informed about how checkoff dollars are invested for growers’ benefit.

NDSC provides news and information about checkoff activities and industry issues using print, television, radio, electronic and digital communication. NDSC’s communications include a magazine, the annual report, the research update, radio messages, timely brochures and periodicals, podcasts, print ads, presentations, and exhibits at various meetings and trade shows. NDSC also offers timely information via social media, email and news releases, as well as interviews and responding to the news media. The official publication of NDSC continues to be The North Dakota Soybean Grower Magazine which is printed quarterly.

Ensuring that North Dakota producers receive the most current education on key topics that impact operations is a top priority for NDSC. Therefore, NDSC continues its annual sponsorship of the Northern Soybean Expo, the Best of the Best in Soybean and Wheat Research and the Getting It Right in Soybean Production meetings, among other pertinent and timely education events throughout the year.

This summer, NDSC hosted a second See for Yourself program and sent North Dakota soybean growers to the Pacific Northwest (PNW) to see how their soy checkoff dollars are put to work.

Last spring, NDSC sponsored the Grain Trading Seminar at NDSU in Fargo. The two-day seminar, led by Dr. Bill Wilson and Dr. Frayne Olson of NDSU’s Agribusiness and Applied Economics Department, was offered free to North Dakota soybean producers who learned more about trading grain in today’s fast-paced markets. Participants spent the two days using state-of-the-art equipment in NDSU’s Commodity Trading Room at Barry Hall and learned how trading impacts a farmer’s bottom line.

To be added to NDSC’s email list and be the first to learn about producer education opportunities such as the See for Yourself program and Grain Trading Seminar, please send your email address to swolf@ndsoybean.org.

You can find NDSC online at ndsoybean.org, and on social media at facebook.com/NDSoybeanCouncil, twitter.com/NDSoybean and pinterest.com/ndsoybean.
Leadership
North Dakota Soybean Council Board of Directors

Scott Gauslow
Chairman
Colfax, District 1

Tyler Speich
Vice Chairman
Milnor, District 2

Harvey Pyle
Secretary
Fargo, District 4

Dusty Lodoen
Treasurer
Westhope, District 11

Lucas Rode
Adrian, District 3

Rick Albrecht
Wimbledon, District 5

David Gasal
Jamestown, District 6

Troy Uglem
Northwood, District 7

Perry Ostmo
Sharon, District 8

Charles Linderman
Carrington, District 9

Art Wosick
Minto, District 10

Mike Appert
Hazelton, District 12
Leadership

North Dakota United Soybean Board Representatives

Joel Thorsrud
Hillsboro

Jared Hagert
Emerado

Jay Myers
Colfax

North Dakota Soybean Council Employees

Diana Beitelspacher
Chief Executive Officer

Molly Fern
Manager of Business & Administrative Services

Kendall Nichols
Director of Research Programs

Stephanie Sinner
Director of Marketing

Suzanne Wolf
Communications Director

District Map

NDSC 2014 Research Update
Look for this useful publication that highlights research programs funded by the North Dakota Soybean Council. You can also find this report online at ndsoybean.org
### Financial Report

#### Balance Sheet

**June 30, 2014**

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 9,361,655</td>
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<tr>
<td>Investments</td>
<td>1,558,300</td>
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<tr>
<td>Assessments receivable</td>
<td>210,605</td>
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<tr>
<td>Interest receivable</td>
<td>526</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$ 11,131,086</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Fund Balance</th>
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</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
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<tr>
<td>Accounts payable</td>
<td>$ 657,005</td>
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<tr>
<td>Accrued payroll</td>
<td>374,346</td>
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<tr>
<td>Due to other state agencies</td>
<td>706</td>
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<tr>
<td>Due to the United Soybean Board</td>
<td>44,806</td>
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<tr>
<td>Due to other qualified state soybean boards</td>
<td>60,708</td>
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<td><strong>Total liabilities</strong></td>
<td>$ 1,137,571</td>
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<table>
<thead>
<tr>
<th>Fund Balance</th>
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</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>$ 9,993,515</td>
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<tr>
<td><strong>Total fund balance</strong></td>
<td>$ 9,993,515</td>
</tr>
</tbody>
</table>

| **Total liabilities and fund balance**      | $ 11,131,086 |

### Statement of Revenues, Expenditures and Changes in Fund Balances

**For The Fiscal Year Ended June 30, 2014**

**Governmental Funds**

<table>
<thead>
<tr>
<th>Revenues</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Assessment revenues collected from 1st Purchasers</td>
<td>$ 11,164,149</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
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<tr>
<td>Assessment revenue remitted to qualified state soybean boards</td>
<td>(442,082)</td>
</tr>
<tr>
<td>Assessment revenue remitted to United Soybean Board</td>
<td>(4,894,477)</td>
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<tr>
<td><strong>Net assessment revenues</strong></td>
<td>$ 5,827,590</td>
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<tr>
<td>Interest income</td>
<td>8,972</td>
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<tr>
<td>Miscellaneous revenue</td>
<td>29,502</td>
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<tr>
<td><strong>Total revenues</strong></td>
<td>$ 5,866,064</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenditures:</td>
<td></td>
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<tr>
<td>Printing</td>
<td>$ 11,009</td>
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<tr>
<td>Marketing</td>
<td>1,024,731</td>
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<td>Communications</td>
<td>651,604</td>
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<tr>
<td>Producer education</td>
<td>254,014</td>
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<tr>
<td>Research</td>
<td>1,488,751</td>
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<tr>
<td><strong>Total program expenditures</strong></td>
<td>$ 3,430,109</td>
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<tr>
<td>Administration</td>
<td>$ 806,070</td>
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<tr>
<td><strong>Total expenditures</strong></td>
<td>$ 4,236,179</td>
</tr>
</tbody>
</table>

| Revenues over expenditures                      | $ 1,629,885 |
| Fund Balance, Beginning of Year                 | $ 8,363,630 |
| **Fund Balance, End of Year**                   | $ 9,993,515 |

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*This audited financial statement for the fiscal year ending June 30, 2014 is provided courtesy of the North Dakota Office of the State Auditor*
North Dakota Soybean Council
County Representatives

Rick Albrecht .................. Barnes
Dusty Lodoen .................. Bottineau
Harvey Pyle ...................... Cass
David Flemming ................ Eddy
Mike Appert .................... Emmons
Charles Linderman .......... Foster
Troy Uglem .................... Grand Forks
Terry Nagel .................... Grant
Neil Fanta ....................... Kidder
Lucas Rode ..................... LaMoure
Troy Jangula .................. Logan
Keith Reinowski ............. McHenry
Terry Ulrich .................. McIntosh
Robert Sondrol ............... McLean
Kevin Landeis ............... Nelson
Rob Watson .................... Pembina
Paul Billing .................. Ransom
Scott Gauslow ............... Richland
Jason Martodam ............. Rolette
Tyler Speich ................. Sargent
Perry Ostmo ................. Steele
David Gasal .................. Stutsman
Brent Kohls .................. Traill
Art Wosick ................... Walsh

North Dakota Soybean Council
Our World Is Growing.

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