



JULY 2010

TENNESSEE SOYBEAN NEWS



WELCOME TO THE SUMMER ISSUE OF *TENNESSEE SOYBEAN NEWS.*

Your soybean checkoff has created this newsletter to keep you informed about what's happening at the state and national levels. Covering the latest issues in the soybean industry, Tennessee Soybean News is just one more way your checkoff works for you.

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CHAIRMAN'S REPORT

This spring has been an exciting and interesting time at the Tennessee Soybean Promotion Board (TSPB). Weather always represents challenges, along with uncertainty in commodity markets and unknown growing and market conditions. This year flooding in some parts of Tennessee represented challenges to Tennessee soybean farmers, as well as other residents.

In addition, the looming threat of Asian soybean rust remains in the back of our minds. That's why both the TSPB and United Soybean Board (USB) have invested in production research and sentinel plots for early detection of soybean rust. Currently, TSPB looks to implement a number of ongoing production research projects on a variety of pests, diseases and other production issues for Tennessee.

TSPB recently filled an open farmer-director position on the United Soybean Board (USB) when the U.S. secretary of agriculture appointed John R. Butler, a soybean farmer from Dyersburg, to the national checkoff board. Gerald Caldwell of Dresden formerly held one of two Tennessee positions on USB and served since 2002. TSPB thanks Caldwell for his service to Tennessee soybean farmers.

Biodiesel remains a hot topic, with the Environmental Protection Agency's final regulations for the Renewable Fuels Standard (RFS2) requiring 1.15 billion gallons of biodiesel be used domestically by the end of 2010. Biodiesel still faces a challenge with the lapse of the federal biodiesel tax credit, although the industry is hopeful it will be reinstated soon.

Eddie Sanders,

TSPB Chairman, Franklin, Tenn.

MARKET ACCESS CRITICAL FOR SOYBEAN FARMERS

As U.S. soybean farmers increase production, the soybean checkoff strives to break down barriers that limit sales of U.S. soy.

U.S. soybean farmers harvested a record 3.36 billion bushels of soy in 2009, and the U.S. Department of Agriculture predicts another bin-busting harvest in 2010. The majority of this crop will likely be exported. The United States exports more soy than any other ag commodity, and for years U.S. soy has benefited from some of the fewest trade barriers among all world ag exports. The checkoff monitors international trade issues such as biotech regulations, import tariffs and taxes to maintain and build international sales of U.S. soy.

The export market represents a vital market for Tennessee, as it is one of the largest soybean-growing states that does not have a soybean processing plant. As a result, a large portion of Tennessee soybeans head across our borders and overseas.

"Exports represent a very important part of the equation for Tennessee soybean farmers," says Eddie Sanders, TSPB chairman and soybean farmer from Franklin. "Exports to China alone make a huge impact on soybean markets."

Restrictions against biotechnology represent one of the most widespread hindrances to U.S. soybean sales. Biotechnology enables U.S. farmers to produce larger crops using fewer



resources, yet some countries and the European Union oppose biotechnology-enhanced crops. The checkoff works on behalf of all U.S. soybean farmers to restore access to markets that restrict biotechnology.

“Biotechnology allows U.S. farmers to produce more food and fiber on less land than ever before,” says Sanders. “In order to keep meet demand for U.S. soy, we need to make sure that decisions on biotechnology are based on sound science and market restrictions not haphazardly put in place that keeps out U.S. soy.”

The checkoff also works to ensure that taxes and tariffs imposed on soybeans comply with World Trade Organization regulations. For example, the checkoff conducted an in-depth analysis of the impact of Argentina’s differential export taxes for soybeans. The third-largest soybean-producing country in the world taxes exports of whole soybeans at a higher rate than soy products such as soy meal, oil and biodiesel. The study showed the imbalance results in an unfair subsidy and allows Argentina to sell soy products at a reduced rate, which may undercut the value of U.S. soy products.

The checkoff also monitors domestic transportation issues that restrict market access to U.S. soy. Studies show



deficiencies in the nation’s aging highway, rail, lock and dam systems. The checkoff collaborates with the Soy Transportation Coalition to address transportation issues that impact profit opportunities for U.S. soybean farmers.

Learn more about the checkoff’s efforts to increase global access to U.S. soy at www.unitedsoybean.org/programs/global_opportunities.aspx.

ANIMAL AGRICULTURE AND SOYBEAN FARMERS SING FROM THE SAME SONGBOOK

U.S. poultry and livestock producers represent the number one customer for U.S. soybean farmers and consume nearly all the domestically used soybean meal. Tennessee soybean farmers focus on the importance of soy end users, meaning they support animal agriculture.



“Some opponents try to divide crop farmers from poultry and livestock producers, but we’re all in the same business of providing food, fiber and fuel,” says Eddie Sanders, TSPB chairman and soybean farmer from Franklin. “We need to all be singing from the same songbook.”

Broilers consume more than 12 billion bushels

of soybeans in Tennessee, while cattle consume another 1.3 million bushels and hogs another 1.2 million bushels.

The soybean checkoff works closely with organizations to support U.S. animal agriculture, such as the Center for Food Integrity (CFI) to communicate the importance of U.S. animal agriculture in efforts to end world hunger. The soybean checkoff also supports U.S. meat and poultry exports and has partnered with the U.S. Meat Export Federation and U.S.A. Poultry and Egg Export Council for more than a decade. Eggs, meat and poultry represent a critical source of human protein around the world and can help meet future food needs.

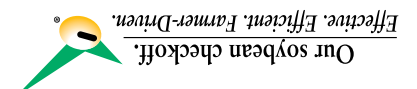
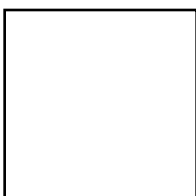
“It’s difficult to feed a hungry world without the protein of meat and poultry in addition to soy,” says Sanders.

The soybean checkoff has developed the website www.animalag.org to provide soybean farmers tools to use in support of animal agriculture.

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