

Delaware



Soy News

A Newsletter from the Delaware Soybean Board

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From the Desk of the President,
Matthew Webber, DSB

As another year comes to a close, everyone will remember 2009 as the year of a wet spring and late planting, followed by a wet fall and late harvest. As I write this, many of us are still finishing up in the fields. Despite the challenges, I am still optimistic that when all the bushels are in and counted many of our fields will yield better than expected and with strong soybean prices, we should have a good year.

Your soybean checkoff board has continued to work hard on projects – funding production research, promotion and education activities - that will benefit our industry. We look forward to updating everyone at Delaware Agriculture Week's Soybean Day, Thursday, Jan. 21 from 9 a.m. until noon at the Delaware State Fairgrounds in Harrington. The Board will sponsor a free lunch on Jan. 21, and we invite you to join with board members at noon at the Dover Building. Also, be sure to visit the Board's educational exhibit during Ag Week.

I am saddened that the Board is losing three outstanding directors - **Roland Hill of Lewes, Mark Wilson of Smyrna, and Jeff Wheatley of Greenwood**, all of whom have served the maximum two three-year terms. We can't thank them enough for their dedicated service and their considerable time and efforts devoted to late night meetings and special projects. We will definitely miss their contributions to the Board.

I am pleased that three producers have stepped up to fill their positions – **Brandon Bonk, of Dover, Jonathan Snow of Smyrna, and Jay Baxter of Georgetown.** Please take the time to vote in this year's election. The ballot is included in this newsletter.

I, too, am moving on. **Kevin Evans of Bridgeville** has been elected president of the board. **Jesse Vanderwende of Bridgeville** is vice president, and **Travis Hastings of Laurel** is treasurer. It's been my pleasure to serve as the board's president these past few years and its treasurer before that. I wish you all the best in the new year.

Local/Regional News

Mark Your Calendar: Ag Week

Delaware Ag Week will be held January 18-23, 2010. Delaware Ag Week consolidates farm-based educational meetings while recognizing and celebrating the industry's importance. The University of Delaware Cooperative Extension, Delaware State University Cooperative Extension and Delaware Department of Agriculture are cooperating with many partners to organize the week of agriculture related events. This year, the DSB will be sponsoring lunch on Thursday, Jan. 21, 2010.

Ask for Biodiesel and BioHeat

Remember to ask your heating oil provider if they carry Bioheat, which is a blend of biodiesel in home heating oil. It burns cleaner than regular oilheat, and doesn't require any changes to your furnace. Bioheat also qualifies for the federal blender's tax credit, through Dec. 31, 2009, unless extended by Congress.

National News

Study Shows Biodiesel's Benefits to Soybean Farmers

A new study funded by the United Soybean Board (USB) and soybean checkoff proves the value

of the biodiesel industry to soybean farmers. According to the study, U.S. soybean farmers received an additional \$2.5 billion in net returns over the last four years due to the biodiesel industry's demand for soybean oil. This demand added up to 25 cents in support for the per-bushel price of soybeans.

Soybean oil remains the dominant feedstock for biodiesel production, and the soybean checkoff has funded a large portion of the research and promotion of biodiesel through the National Biodiesel Board (NBB). USB Domestic Marketing Chair Lewis Bainbridge says this study proves the value of those efforts.

"We commissioned this study because we wanted to find out how much soybean farmers were benefiting from the checkoff's investment in biodiesel," said Bainbridge, who grows soybeans in Ethan, S.D. "And the results of the study exceeded our expectations. This is a significant return on investment for soybean farmers."

Besides looking at the biodiesel industry's past effects on the soybean industry, the study also aimed to predict this relationship going forward. Because the price of petroleum diesel has such a large influence on the price of biodiesel and soybean oil, the study asserts that the biodiesel industry has essentially created a new floor for soybean oil prices.

The Food and Agricultural Policy Research Institute at the University of Missouri says soybean oil will be used as the feedstock for approximately 54 percent of the biodiesel produced in marketing years 2009-2013. But, regardless of how much soybean oil is used for biodiesel production, a healthy biodiesel industry will, in turn, add value to soybean oil. Even as other feedstocks gain market share for biodiesel production, prices for soybean oil and whole soybeans could continue to receive support from biodiesel production.

Additionally, the study found that higher demand for soybean oil led to an increased supply of soybean meal, resulting in meal prices dropping by \$19 to \$45 per ton. The benefits to the animal agriculture industry are obvious.

The study also accounted for the possibility that biodiesel demand for soybean oil will decrease due to a proposed regulation by the Environmental Protection Agency that limits the use of vegetable oils for meeting the draft federal Renewable Fuel Standard. Use of soybean oil in biodiesel manufacturing could fall by approximately 1.5 billion pounds by 2013 if this regulation is not revised. Soybean farmers could see net returns decrease by about \$2 billion from projections over that time period.

USB is made up of 68 farmer-directors who oversee the investments of the soybean checkoff on behalf of all U.S. soybean farmers. Visit www.unitedsoybean.org for more information.

New Soy Toner Enters \$17 Billion Market

A leading manufacturer of aftermarket imaging supplies has realized the promise of soy-based toner.

West Point Products has announced its release of AgriTone premium replacement toner cartridges, a series of remanufactured laser toner cartridges containing toner that is 35 percent or more biobased.

The product is available for use in the following printers:

- HP LaserJet 4200 series
- HP LaserJet 4300 series
- HP LaserJet 4345mfp
- HP LaserJet 4250/4350 series

Subsequent releases will expand the product line to include other popular small work group printers by leading manufacturers. Soy-based toner increases the ease in which paper is recycled compared to petroleum-based toners, resulting in cleaner and brighter pulp for future use in a variety of second-generation products.

National Association of Counties Approves Resolution to Help Counties Buy Green from Federal Procurement Programs

The National Association of Counties (NACo) approved a resolution in July to support legislation that will allow local and state jurisdictions to access

Federal General Services Administration schedules for environmentally preferable “green” commodities and services.

Current law limits access to contracts established by the federal government. Miami-Dade County, FL Commissioner Sally A. Heyman introduced the resolution. “My hope is that this resolution will add to the growing nationwide support for opening up Federal General Service Administration schedules for green procurement and access,” said Commissioner Heyman. “GSA contracts for supplies and services are negotiated by the federal government in order to acquire the best possible pricing. The ability to obtain green goods and services with this method will make our taxpayers’ dollars go a long way in attaining cost effective and environmentally sustainable commodities.”

In March, U.S Representative Kendrick Meek (D-FL) introduced legislation, H.R. 1766, which would authorize the use of federal supply schedules for the acquisition of environmentally preferable “green” commodities by state and local governments.

Farmers Can Calculate Their Sustainability at unitedsoybean.org

USB, in cooperation with Field to Market: The Keystone Alliance for Sustainable Agriculture, recently launched the Fieldprint Calculator on its Web site. The FieldPrint Calculator is a free tool that farmers can use to evaluate how various practices on their farm might impact the environment. USB believes the U.S. soybean industry possesses many sustainability attributes and created the soybean checkoff’s Sustainability Initiative to further improve the industry’s overall environmental footprint. Now, using the FieldPrint Calculator, individual soybean farmers can tabulate the impact their operations have on the environment and compare the results with state and national averages. Field to Market, an alliance of agriculture industry stakeholders, developed the FieldPrint Calculator. USB farmer-leaders participate on the Field to Market steering committee.

DSB Mid-Year Project Updates

Using Molecular Markers to Enable & Accelerate the Development of New and Unique Soybean Varieties Adapted to Maryland and Delaware

Mr. Bill Rhodes, Schillinger Genetics

We became operational in our molecular marker lab in January. The importance of this tool for breeding is that we can now screen for traits that previously we had to send to outside labs at a very high price. The traits we have been working on include the allergin null varieties, Kunitz null varieties and low raffinose varieties. Since beginning our screening in January (through the August date of this report), we have run over 10,000 samples for these traits through our lab.

The importance of this is the fact that if we can develop varieties that are Kunitz null, this would mean that soybean meal could be fed directly without any heat treatment. The low raffinose type soybeans would be beneficial also because they would lack the sugars that are not digestible for humans and animals. The deletion of the P34 protein added with these traits would mean that the 5% of the population with allergies to soy would be able to utilize soy protein.

After screening the above 10,000 lines, we have about 800 rows growing in our nurseries that contain one of the above traits. We will evaluate these lines for agronomic characteristics and adaptability to this area and hopefully in the fall we will harvest about 100 lines for advancement into yield testing.

Seeking Salt Tolerant Soybean Varieties/Lines for Delmarva Fields Flooded with Brackish Water

Mr. Bill Rhodes, Schillinger Seed Company

We have gone through the backgrounds of our most advanced lines and developed a list of 25 advanced lines that contain possible parents for the salt tolerance trait. These varieties range in maturity from mid-Group 3 through late-Group 4. With seed that returned from our nursery in Argentina, we have

worked in cooperation with Bob Uniatowski to get these lines planted in the areas where the salt tolerance has become a concern. We are currently seeking a marker for the salt tolerance gene to use in our marker lab to develop new varieties that have tolerance. The diversity and backgrounds of the 25 lines being tested will determine the future of the project. We have made over 100 new crosses with these lines to begin the new populations to develop possible new varieties.

We had 20 units of our 457.RCP variety shipped to the East Coast to grow with a grower that has experienced the salt tolerance problem. Five units were delivered in mid-June through Bob Uniatowski. We are hoping that this variety will show tolerance to the soils with high salt concentrations. The wet and delayed planting season has impacted the timing of the planting, but we are hoping to get some useful data from these trials.

Soybean Salt Tolerant Variety Study—2009

Bob Uniatowski, University of Delaware

The 2009 soybean salt tolerant variety study was conducted on the Wells land on the road in to South Slaughter Beach. Thirty-six Group Four varieties were planted on July 8, 2009. The trials were divided into two areas, one high in salt and one having a medium level of salt in the soil. Samples were taken on plots that had shown some limited tolerance to salt concentrations. After that time the area was flooded several times and grazed heavily by the local deer population limiting the growth of the soybeans. Several varieties seemed to have some tolerance to low salt levels in the soil. More study is needed.

Your Marketing Report

Soy Market Update, Vol. 5, Issue 1: Soybean Market News Briefs

Commodity Market Observations

Anyone attempting to make marketing decisions soon learns that commodity markets are moving targets. We all try to hasten marketing decisions with reliable information, mostly based upon a

combination of fundamental and technical analysis. Blended into the mix of analyzing this information is what's known as externalities. Generally, externalities are those factors that crop up over time, largely unanticipated. Toward that end, it isn't always possible to identify the external factors impacting markets until the impact is realized or in the midst of being realized. Such may be the case for the corn, wheat, and soybean markets during the fall season. The fundamentals for corn and wheat (large supplies and weak demand) do not support higher prices. For soybeans, near term fundamentals support higher prices, while the longer term does not. Meanwhile, prices for all three commodities have trended higher since the end of summer and beginning of fall.

Market analysts have attributed the higher prices to the declining value of the dollar, increasing crude oil prices, slow harvest pace, the Dow, and more recently even the price of gold. Not mentioned very often during this period is the information contained in the CFTC Commitment of Traders report. To some degree, trader activity during the fall season might even be considered an external factor. In support of this contention is a recent statement made by a market analyst with MFGolbal that puts things into perspective, *"bottom line – doesn't matter if you're bearish on the dollar because of the carry trade or because of the slow US economy/ adverse US interest rate differential. What matters is that the macro backdrop is unfavorable for shorting commodities where funds are more interested in the fact that agricultural markets appear cheap relative to gold and crude than they are about stand alone fundamentals of corn, beans, and wheat."*

This is not to say that the fundamentals will not eventually rule the day in determining the equilibrium price for the specific commodity, however, it does suggest a good way to explain market activity in the corn, soybean, and wheat pits throughout the fall up to the present time. Reported as of November 24th the CFTC Commitment of Traders placed total non-commercial and commercial wheat futures positions as net long by 17,311 contracts; corn futures positions as net long by 139,776 contracts; and soybean futures positions as net long by 31,475 contracts. Combined options and futures positions for corn, soybeans, and wheat were

also reported as net long. It is important to remember, any shift in trader net positions from long to short will trigger a change in the price trend. The CFTC Commitment of Traders Report is generally released on Friday afternoons. Open interest was reported to have declined for both corn and wheat contracts from mid-November while increasing for soybean contracts.

USDA Export Sales Report 12/03

Pre-report estimates for corn ranged between 25.6 and 35.4 million bushels of export sales. The weekly report showed export sales of 25.9 million bushels, below the 33.3 million bushels needed to stay on pace with USDA's projection of 2.1 billion bushels total corn exports for the '09/'10 marketing year. Total shipments of 34.6 million bushels were below what was needed this week. This report should be viewed as bearish.

Pre-report estimates for soybeans ranged between 29.4 and 36.7 million bushels of export sales. The weekly report showed export sales of 26.5 million bushels, well above the 8.2 million bushels needed to stay on pace with USDA's projection for 1.325 billion bushels. Total shipments of 50.1 million bushels were well above what was needed this week. This report should be viewed as bullish.

Pre-report estimates for wheat ranged between 11 and 16.5 million bushels of export sales. The weekly report showed sales of 14.4 million bushels, above the 12.8 million bushels needed to stay on pace with USDA's projection of 875 million bushels. Shipments of 14.1 million bushels were below what was needed this week. This report should be viewed as neutral to bearish.

Marketing Strategy

Another lesson that commodity traders and sellers learn in making transactions and marketing decisions is that there are no absolutes. Currently, the dilemma lies within an idea, specifically implied for the wheat market. The idea being that commodity prices that are driven by fund/speculative trading as opposed to fundamentals suggests that nearby contracts are overvalued and deferred

contracts will never “earn their carry”. If this idea is true for the wheat market then one should take advantage of opportunities to advance new crop wheat sales when presented while completing any remaining old crop sales. Further, we will need to address the question of whether the same implication applies to the corn market, or not? It will be interesting to compare the Commitment of Traders report for corn over the next week or so considering EPA’s recent decision to delay the ruling on whether to increase the use of corn ethanol in the gasoline blend. That decision was originally scheduled for December 1 and has now been delayed into June. Currently, Dec ’09 corn futures are trading at \$3.90; Mar ’10 corn futures at \$4.04; Jan ’10 soybeans at \$10.37; Dec ’09 SRW wheat futures at \$5.54; Mar ’10 SRW wheat at \$5.78; and July ’10 SRW wheat at \$5.95.

For **technical assistance** in making grain marketing decisions contact:
 Carl L. German, Extension Crops Marketing Specialist in the Dept. of Food & Resource Economics, 208 Townsend Hall, University of Delaware, Newark, DE 19716-2130
 Phone: 302-831-1317 Fax: 302-831-6243
clgerman@udel.edu

2009 Delaware Soybean Board Elections

Purpose:

The Delaware Soybean Board is a nine-member organization comprised of soybean producers from each county. The board oversees and administers a soybean checkoff program of 0.5 percent of total net market value. Board members volunteer their time during their three-year term to serve as representatives of their fellow soybean producers. Funds are used for research, market development, and educational programs.

Soybean producers in all three counties are eligible to vote in this election. To vote, fill out the enclosed certification ballot/form and mail to the indicated address before **January 20, 2010**.

Two seats are open in Kent County. Jonathan Snow and Brandon Bonk are running for the two Kent County seats. One seat is open in Sussex County and James “Jay” Baxter, IV is running for this open seat.

Write-in candidates will be accepted.

Who May Vote:

Any person who produces soybeans during the current marketing year is eligible to vote. **Producers May Vote Only for Candidates Running in their County of Residence.**

How to Vote:

You will be asked to certify that you are a producer of soybeans in Delaware by signing the form at the bottom of the ballot. You will also need to verify your address to certify your vote is tallied according to your county of residence.

Kent County producers can vote for two (2) candidates while Sussex County producers can vote for one (1) candidate. **ALL VOTING IS CONFIDENTIAL.** After a ballot is certified, the ballot and certification form will be separated and remain confidential. Once certified, only tabulated results will be reported to the Delaware Soybean Board.

BALLOTS MUST BE RETURNED OR FAXED TO THE DEPARTMENT OF AGRICULTURE BY 4:30 p.m. January 20, 2010. The FAX number is 302-736-7951 and the mailing address is as follows.

**Soybean Board Election
 DE Dept. of Agriculture
 2320 South DuPont Highway
 Dover, DE 19901**

OFFICIAL BALLOT
2010 Delaware Soybean Board
S U S S E X C O U N T Y

Select one (1) Board Member

James H. "Jay" Baxter, IV _____ **(Write-in Candidate)**
24933 Gov. Stockley Road _____ **(Name and address)**
Georgetown, DE 19947 _____

CERTIFICATION FORM

I hereby certify that I am a producer of soybeans in the state of Delaware

Print Name

Signature

Address

County

City/State/Zip Code

Fax or Mail Ballot & Certification Form by
January 20, 2010 to 302-736-7951 or
Soybean Board Election
DE Dept. of Agriculture
2320 South DuPont Highway
Dover, DE 19901

OFFICIAL BALLOT
2010 Delaware Soybean Board
K E N T C O U N T Y

Select two (2) Board Members

Jonathan Snow Brandon Bonk
249 Raymond Neck Road 9535 Bayside Drive
Smyrna, DE 19977 Dover, DE 19901

_____ **(Write-in Candidate)** _____
Address, City, State, and Zip Code

CERTIFICATION FORM

I hereby certify that I am a producer of soybeans in the state of Delaware

Print Name

Signature

Address

County

City/State/Zip Code

Fax or Mail Ballot & Certification Form by
January 20, 2010 to 302-736-7951
Soybean Board Election
DE Dept. of Agriculture
2320 South DuPont Highway
Dover, DE 19901

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This newsletter was produced
in cooperation with the
Delaware Soybean Board,
Delaware Department of Agriculture,
and the University of Delaware.



Printed on recycled paper

SOY NEWS, DSB
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