

Mapping the Future State of Soy

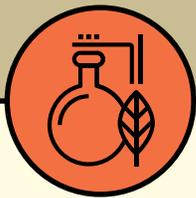
FIVE TOP THEMES FOR THE FUTURE OF SOY

These themes represent areas where checkoff programs can uncover opportunities for farmer success and areas where farmers can make investments for their operations and position themselves successfully for the future.

U.S. agriculture is changing faster than ever before, and soybeans are at the center of it all. Keeping up with changing consumer demands, combined with the versatility and sustainability of U.S. soy, results in nearly infinite opportunities for soybean farmers across the country over the next several decades.

To best take advantage of the market landscape shifting before our eyes, five state soybean checkoff organizations (IA, MO, IL, IN, OH) invested in a workshop with key representatives across the soybean value chain to identify the top trends that will most impact soybean farmers, as well as opportunities to invest in programs now to help secure a bright future for soy's tomorrow.

1.



RISING FOCUS ON QUALITY

Even with today's rising interest in quality soybean meal and oil, farmers continue to make growing decisions based on yield. However, customers are asking for specific meal nutritional profiles or more oil. New traits and market-ready varieties will be required to meet this market shift — without sacrificing yield. Some specific end-market soybeans, like SOYLEIC® soybeans, concentrate on growing oil with the exact traits customers are searching for. These high-quality varieties will open up new market opportunities for U.S. soy in the future, both domestically and internationally, and position soy as the traceable ingredient of choice.

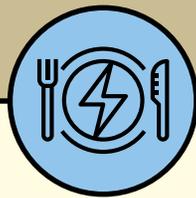
2.



THE FUEL MARKET IS CHANGING

The current demand for alternative fuels — including biodiesel, renewable diesel, and sustainable aviation fuel — is driving the demand for more soybean oil. While that demand is expected to continue in over-the-road fleets and larger horsepower engines, consumers are trending toward electric vehicles. The biodiesel and renewable diesel industries are poised to capitalize on demand for renewable fuels now, rather than forcing large vehicles to wait for electrification to improve their carbon footprints.

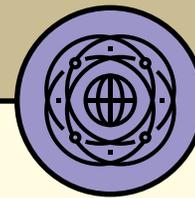
3.



THE PROTEIN MARKET IS DIVERSIFYING FOR CHANGING CONSUMER DEMAND

There are three facts when it comes to soy meal as a protein source: 1) animal agriculture is by far the largest market for soy meal; 2) global demand for protein will increase as population and economic security expands; 3) consumers are already looking at options to animal protein. Soy sits in an enviable position when it comes to protein sources. Embracing both the animal and alternative protein markets will be critical, as will be looking at the option of blended proteins in the future.

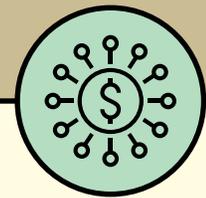
4.



GLOBAL MARKETS ARE CRITICAL TO SOY'S FUTURE

Developing countries are investing in infrastructure to more efficiently move commodities to end users. U.S. infrastructure mainstays, like the locks and dams along the Mississippi and Ohio Rivers, must continue to be updated to remain competitive. China is merging agriculture and food companies to compete with giants like Cargill, ADM, Bunge Ltd., and Louis Dreyfus Co. Additionally, established countries are looking at ways to reduce their environmental footprint, putting added pressure on sustainability efforts along the supply chain.

5.



DIVERSIFIED REVENUE STREAMS WILL OFFER MORE OPPORTUNITIES

As more and more companies announce sustainability initiatives and embrace solutions to climate change, they are turning to agriculture to help make those initiatives real. This means farmers may be financially rewarded for traceability — growing soybeans in a certain way for specific end uses — opening up new revenue streams and financial opportunities to secure economic viability. These new financial opportunities may be an option to reduce the risk farmers become accustomed to carrying each year.

1. RISING FOCUS ON QUALITY



What this means for farmers:

Your checkoff dollars are invested in work to understand specific traits that are in high demand, and with geneticists and agronomists to better outline what future soybean varieties are needed.

What you can do:

Ask your current seed provider what kind of research is being done to increase the quality of soybeans and produce different protein compositions or more soybean oil per bushel than ever before. If you're considering growing a specific variety, or just interested in the value of traceability, check with your local extension to see how data is being used to track agriculture products from farm to fork.

4. GLOBAL MARKETS ARE CRITICAL TO SOY'S FUTURE



What this means for farmers:

Despite the world being an enormous market, competition in agriculture remains fierce. The soybean checkoff is investing in projects to expand global markets and make U.S. soy the preference for global customers. It is also funding research and assessments on local infrastructure, like the Mississippi River, to ensure U.S. infrastructure will not become a challenge in exporting soybeans.

What you can do:

U.S. soy is only as good as we grow it. As we expand traits and technologies to increase the quality of soy oil and meal, invest in growing those varieties to elevate the overall quality of U.S. soy as a commodity. Consider adding more sustainable growing practices to your farm to help differentiate U.S. soy from other competitors. Helping buyers meet their sustainability goals will be a key opportunity to secure global customers for the long term.

Want to learn more about the Future State of Soy or what your state soybean checkoff organization is doing to best position soybean farmers for success? Contact your state soybean checkoff office or visit futurestateofsoy.org for more information.

2. THE FUEL MARKET IS CHANGING



What this means for farmers:

Current checkoff programs investing in renewable, soy-based diesel are critical to positioning soybean oil as a viable alternative to petroleum and securing markets that prefer soy as an alternative fuel source. Additionally identifying new end markets that may benefit from soy biodiesel, such as home and commercial heating, is critical to securing long-term demand for soybean oil.

What you can do:

Lead by example. Use soy biodiesel on your own farm, and encourage other farmers in your area, retail fleet managers, and other local businesses to consider doing the same. Ensuring a consistent and reliable market for soybean oil in the future is crucial to keep demand strong.

5. DIVERSIFIED REVENUE STREAMS WILL OFFER MORE OPPORTUNITIES



What this means for farmers:

The soybean checkoff continues to invest in and develop programs that help farmers add sustainable practices to their operations. From educating and implementing carbon programs to cost-sharing programs to help implement conservation programs, the soybean checkoff is investing in the newest trends in sustainable agriculture to help farmers capture the most value on their farm.

What you can do:

Continue to tap into the programs your state soybean checkoff offers to take advantage of potential revenue streams in your own backyard. Extension agents can help you set up your data management program to offer more traceability, which could help you sell direct to customers. If you have ideas on how to build additional revenue streams, diversify your farm to capture additional value, or establish unique capital, share it with checkoff leaders.

3. THE PROTEIN MARKET IS DIVERSIFYING FOR CHANGING CONSUMER DEMAND



What this means for farmers:

Checkoff programs focusing on expanding animal agriculture worldwide and fine-tuning soy meal nutritional profiles help secure your largest market. The soybean checkoff is also investing in understanding consumer preferences when it comes to alternative proteins, researching and introducing new varieties for specialty and food grade markets, and positioning soy as a versatile, cost-efficient ingredient.

What you can do:

Consider adding a new variety on your farm that is grown for specific markets. Understand the criteria for growing those varieties to ensure customers receive what they are demanding. Recognize that both the animal agriculture and the alternative proteins markets are valuable and necessary for an expanding population. We too often see one market pitted against the other in agriculture, and the truth is, consumers rely on us for ALL food. Be proud of growing such a versatile and valuable ingredient that can be used by so many in the food sector.

WHAT YOUR SOYBEAN CHECKOFF IS DOING

The soybean checkoff is focused on using the collective dollars from soybean farmers around the country to continue to build strong demand for soy. To do this, the soybean checkoff invests in different programs and research efforts to keep U.S. soy the most competitive soy in the global market.

The five themes from The Future State of Soy study outlined ways for farmers to adapt their businesses. The study also outlined four strategic imperatives for state soybean checkoff organizations to adopt to help take full advantage of the opportunities that lie ahead for U.S. soy:

1. Disrupt from Within
2. Explore New Business Models and Partnerships
3. Reimagine Research and Development
4. Define the Value Propositions