

MINNESOTA SOYBEAN RESEARCH AND PROMOTION COUNCIL
Statement of Revenue, Expenses and Fund Balance
Modified Accrual Basis
Year Ended August 31, 1992

REVENUE

Assessment revenue collected from 1st purchasers		\$	5,066,068	
Assessment revenue collected from other QSSBs			<u>112,643</u>	
		\$	5,178,711	
Less refunds paid to producers	\$	556,167		
Less assessment revenue remitted to other QSSBs		259,328		
Less assessment revenue remitted to USB		<u>2,117,222</u>		<u>2,932,717</u>
Net assessment revenue			\$	2,245,994
Interest income				54,920
Penalty fees				1,133
Other income				<u>340</u>

Total revenue \$ 2,302,387

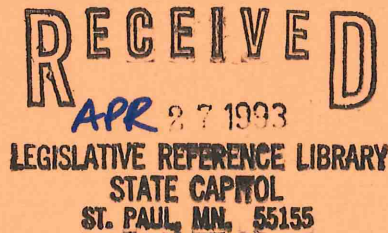
EXPENSES

Program expenses				
Promotion		\$	238,896	(16%)
Research			789,384	(51%)
Consumer information			88,938	(6%)
Industry information			60,801	(4%)
Producer communications			<u>187,866</u>	(12%)
Total program expenses		\$	1,365,885	(89%)
Administration expenses				
Compliance		\$	98,745	(7%)
Management			34,322	(2%)
Depreciation			18,586	(1%)
Insurance & bonding			5,022	-
Miscellaneous			565	-
Council member expenses			<u>19,133</u>	(1%)
Total administration expenses		\$	<u>176,373</u>	(11%)

Total expenses \$ 1,542,258

REVENUE OVER EXPENSES \$ 760,129

FUND BALANCE - beginning of year	\$	445,012	
Less prior period adjustment		<u>17,686</u>	<u>427,326</u>
FUND BALANCE - end of year	\$		<u><u>1,187,455</u></u>



MINNESOTA SOYBEAN RESEARCH AND PROMOTION COUNCIL (AS OF 8/31/92)

District 1

1. Mark Harless
1529 9th St. So.
Fargo, ND 58103
218/494-3330

District 4

2. John Friederichs
Route 1, Box 171
Doran, MN 56530
218/643-6017

3. Richard Rosetter

Route 1, Box 204
Granite Falls, MN 56241
612/564-3620

5. Jim Sallstrom

Treasurer
Route 2, Box 159
Winthrop, MN 55396
507/647-2546

District 5

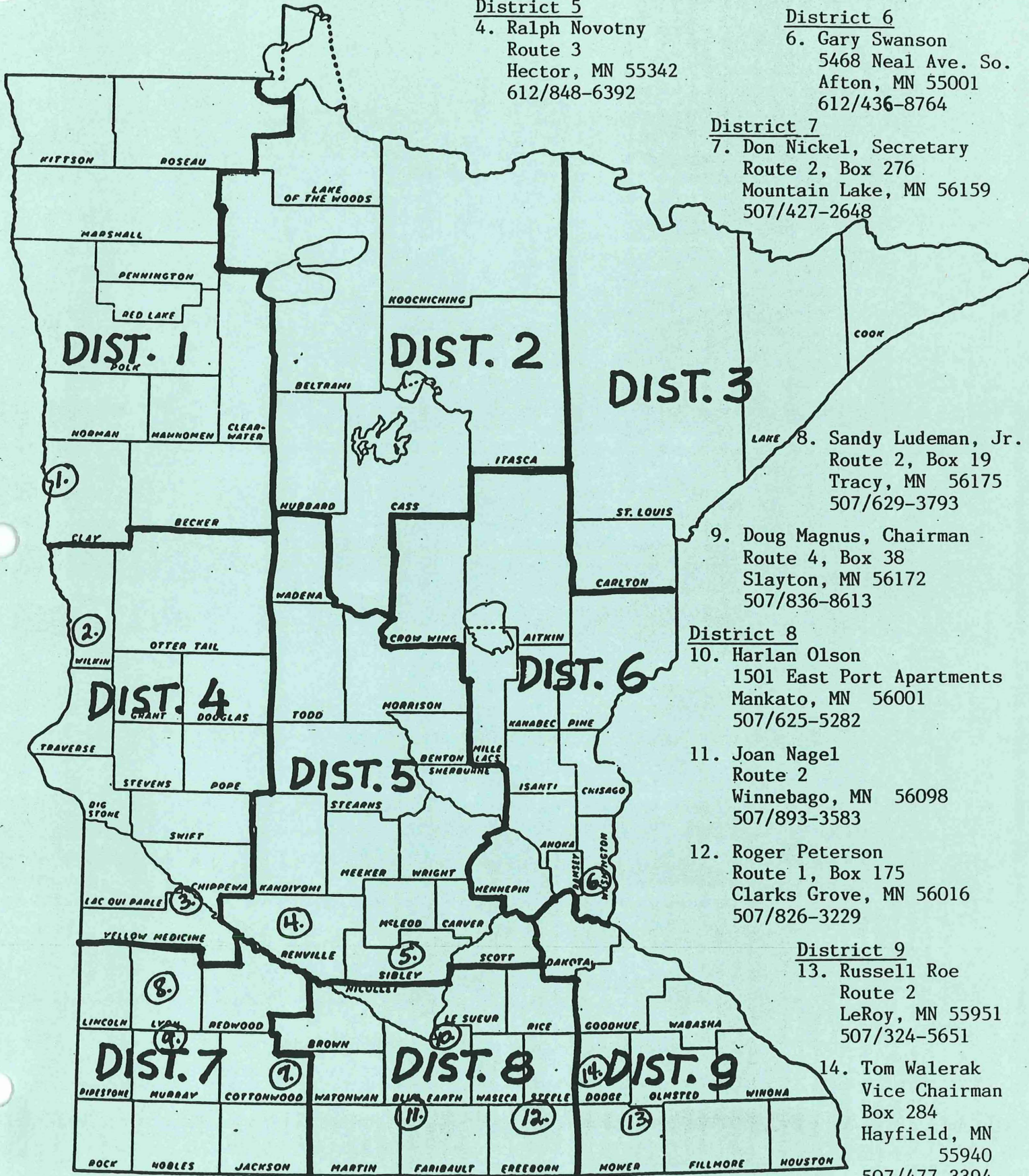
4. Ralph Novotny
Route 3
Hector, MN 55342
612/848-6392

District 6

6. Gary Swanson
5468 Neal Ave. So.
Afton, MN 55001
612/436-8764

District 7

7. Don Nickel, Secretary
Route 2, Box 276
Mountain Lake, MN 56159
507/427-2648



8. Sandy Ludeman, Jr.
Route 2, Box 19
Tracy, MN 56175
507/629-3793

9. Doug Magnus, Chairman
Route 4, Box 38
Slayton, MN 56172
507/836-8613

District 8

10. Harlan Olson
1501 East Port Apartments
Mankato, MN 56001
507/625-5282

11. Joan Nagel
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Winnebago, MN 56098
507/893-3583

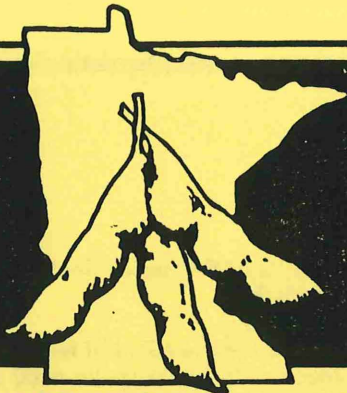
12. Roger Peterson
Route 1, Box 175
Clarks Grove, MN 56016
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District 9

13. Russell Roe
Route 2
LeRoy, MN 55951
507/324-5651

14. Tom Walerak
Vice Chairman
Box 284
Hayfield, MN 55940
507/477-3394

Mankato Office: 360 Pierce Avenue, Suite 110, North Mankato, MN 56003 (507/388-1635)



MinnSoy Digest

NOVEMBER 1991

MINNESOTA SOYBEAN

RESEARCH & PROMOTION COUNCIL

Research Creates New Opportunity For Soybeans

Changing world events continue to catch our attention. We've seen "the wall" crumble in Germany, and we watched dramatic changes in the Soviet Union as they move toward democracy. We witnessed the fall of Kuwait then watched "Desert Storm" from our living rooms.

Closer to home, we've seen change on our own farms. Yields have increased as we've improved seed stock and learned how to manage weeds and pests. At the same time, we're finding new uses for the crops we grow creating new markets and increasing demand.

The common denominator in all these changes has been research. Just as research has made it possible to see, hear and speak with people half-way around the world, it has also developed new varieties and perfected better management systems. Research has been the driving force, creating many new opportunities to benefit soybean farmers like you and me.

Since 1973, the Minnesota Soybean Research and Promotion Council (MSR&PC) has invested more than \$4 million in soybean research. That includes this year's investment of more than \$600,000 in some 20 projects. In addition the Council will complete its commitment to funding the Molecular Genetics Chair at the University of Minnesota.

Last year checkoff investment helped fund development of two new soybean varieties. Bert and Leslie were developed to meet specific Minnesota needs. In addition, the improved characteristics of the higher protein and oil as well as higher yields are beneficial to both public and private soybean varieties.

Soybean Cyst Nematode and root rot pathogens as well as other pests and diseases which affect all of Minnesota will continue to be priorities for research funding. In addition MSR&PC is funding breeding programs to develop resistant varieties.

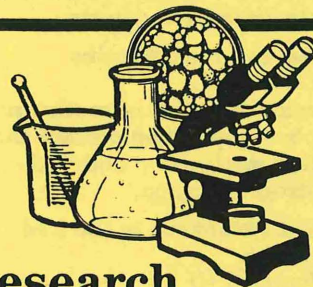
New genetic research is another tool which is helping farmers. Research currently being funded takes advantage of new laboratory techniques that should speed the process of identifying resistant varieties. This same research is also being used to increase protein and oil content and other traits that add value.

Aquaculture is expanding in Minnesota and around the nation. One of the new uses for soybeans may be soy meal pellets as a feed source for fish. To find out, we are funding research to explore possibilities and benefits.

Just as a farmer purchases farmland as an investment in the future, research is also an investment in the future. The soybean checkoff makes it possible for Minnesota soybean farmers to invest in their future through a farmer controlled research program that is designed always with an eye on increasing soybean profits.

Tom Walerak

Tom Walerak, Chairman
Research Committee
MSR&PC



Research Opportunities Are Set

The Minnesota Soybean Research and Promotion Council (MSR&PC) has set three priorities for soybean research in the '90's. Projects approved for funding must achieve one or more of the following objectives:

- 1. Increase protein content** and alter composition of high yielding Minnesota soybeans. Examples: Develop new varieties and/or new management practices that raise protein content or create a variety that meets special needs.
- 2. Find new uses** for Minnesota produced soybeans. Example: Develop new products, alter processing techniques, increase use of locally produced products.
- 3. Increase profitability** of Minnesota produced soybeans. Example: Reduce production costs, develop value added products, develop reliable markets for special-use soybeans and products, increase local (in Minnesota) use of soy products by human food and/or animal feed industry.

Projects submitted for funding by the Council must be approved by a research committee made up of ten farmers including: Chairman Tom Walerak of Hayfield, Jim Sallstrom of Winthrop, Mark Harless of Fargo, Kim Larson of Willmar, Louis Krueger of Rothsay, Roger Peterson of Clarks Grove, Mike Peil of Brewster, Stuart Immer of Jeffers, Craig Rubis of Lakefield and Ralph Novotny of Hector.

Farmer Funded Research For 1991-92

INCREASE PROFITABILITY

Breeding & Genetics Research

J.H. Orf

Continue developing varieties adapted to Minnesota that have improved composition, yield and resistance to diseases and pests.

Improve Inoculant Strains

P.H. Graham

Determine the effect of rooting pattern, plant population density and inoculation methods on nodulation and nitrogen fixation.

Root Rot Pathogens in the Red River Valley

B. Nelson/NDSU

Collect information on root rot pathogens to breed soybean varieties that are resistant to these strains.

Develop SCN Strategies

W.C. Stienstra

Compile a formal literature survey on what is already known about SCN management in other states and develop a SCN management brochure to assist farmers in handling this pest.

Screening for Soybean Cyst Nematode Lines

D.H. MacDonald

Identify soybean breeding lines that possess resistance to the soybean cyst nematode.

Increase Soybean Competitiveness through Shade and Moisture Tolerance

D.L. Wyse

Find approaches, other than herbicides, to control weeds in soybeans.

Biological Control of Weeds in Soybeans - Two New Approaches

D.L. Wyse

Develop new biological weed control techniques to reduce the need for herbicides and tillage.

Genetics of Host and Microbe Affecting Competition for Nodulation of Soybeans

M.J. Sadowsky

Identify and localize genotype-specific nodulation determinants.

Phytophthora Root Rot Distribution

W.W. Kennedy

Determine the incidence, severity and extent of pathogen variation in diseased soybean fields.

Molecular Mapping of SCN Genes with DNA Genetic Markers

N.D. Young

Identify important DNA genes from SCN resistant varieties to introduce the SCN resistant genes in other soybeans faster and at a lower cost.

Field Evaluation of a Genetically Defined Set of Recombinant Inbred Soybean Lines

J.H. Orf

Determine the genetic composition of a population of 285 Recombinant Inbred Lines derived from an intra-specific cross of soybean.

PROTEIN AND OIL

High Protein, High Yielding Soybeans

T.C. Helms/NDSU

Develop soybean varieties that are adapted to the Red River Valley and western Minnesota

Comparison of Transcription from Soybean Protein Genes

B.G. Gengenbach

Determine the relationship between soybean seed protein concentration and the patterns of gene expression for the various storage protein genes.

The Role of Acetyl-Coenzyme A Carboxylase in Regulating Oil Content of Minnesota Soybeans

J.H. Orf

Learn the role of the enzyme ACCase in determining the oil content of Minnesota Soybeans.

NEW USES

Effect of Soybean Oil on the Properties of Wet Shelled Corn

W.F. Wilcke

Study the effect of soybean oil on wet shelled corn as it relates to the drying rate, equilibrium moisture content, breakage susceptibility and storability or rate of mold growth.

Effect of Soy Hulls on Ruminants

M.D. Stern, W.J. Boylan

Determine the effects of soy hulls and lignosulfonate-treated soybean meal on microbial fermentation and ecology of the rumen, nutrient supply to the small intestine of dairy cows in early lactations and performance of growing dairy calves.

Effects of Extracted Soybean Meal on Turkeys

S.L. Noll

Determine the effect of feeding oligosaccharide-free soybean meal on energy value and excreta characteristics.

Role of Soybean Products in Pig Starter Diets

L.J. Johnston

Find ways to improve the utilization of soybean products and thus be more competitive in the protein market.

Soybean Oil in Swine Diets

M.E. Wilson

Standardize information about the ability of soybean oil to control respiratory dust in a variety of feeds.

Soymeal in Aquaculture Pellets

W.M. Breene

Explore the possibilities of using soybean meal in the feed formulation.

Trans Fatty Acid Study

J.T. Judd

Effects of cis versus trans fatty acids on blood lipids and lipoproteins will be determined.

Markets for Soybean Products in the Consumer Foods Industry

E.H. Asp

Determine current demand for existing soy-derived food ingredients and future demand.



Bert Enestvedt of Sacred Heart inspects a field of the new "Bert" variety named after him.



National Soybean Checkoff Facts and Figures

Number 1, September 1992

A New Building Material Made from Soybeans and Wastepaper

Soybeans and wastepaper are the two main ingredients in a promising new building material under development in Minnesota. The tradename for the new product, made from soybean monolithic resin and processed wastepaper, is NewStone. After blending, the mixture undergoes a unique compression and hardening process to yield a material that looks like polished granite, or other expensive composite materials.

In addition to its high quality stone-like appearance, NewStone has the ability to be milled, glued, sanded, screwed and shaped with conventional woodworking tools. The product can also be molded like plastic into various shapes and forms expanding its potential for new uses.

A new corporation, Phenix Composites, Inc., will manufacture the product in a pilot plant at Mankato, MN. Initial production will be used for further testing and rating by the building industry. Current plans call for full-scale production in spring of 1993.

Varied Uses

NewStone won't replace inexpensive particle and fiber board, or construction grade plywood. Its biggest market will be as an alternative to expensive hardwood and stone applications because it can duplicate the polished, expensive look of granite.

Because it is water resistant and can be dyed to match textiles, NewStone can also be used for many decorative architectural components, including floor covering, molding and wall panels.

Environmental Benefits

While many new products claim to be environmentally friendly, few can match NewStone. The combination of soybeans, an environmentally friendly, renewable agricultural resource, and wastepaper provides real environmental benefits.

Since NewStone can be substituted for many products that are normally made of wood, using soybeans means fewer trees need to be cut, reducing pressure on an already dwindling supply of harvestable timber. Coupled with this is the benefit of using a non-petroleum based product.

Disposing of wastepaper, the other main ingredient of NewStone, is normally a problem. It is rapidly filling landfills, where it currently comprises 40 percent of the volume. Rather than disposing of wastepaper in landfills, NewStone provides another way it can be recycled, in large quantities, to a useful purpose.

Rather than bury the paper, it can be used to help build homes and decorate them. The average person in the U.S. uses 600 pounds of paper products a year with 70 percent ending up in landfills. The same 600 pounds of paper can be converted into about 150 board feet of composite material. That's enough material to build four bookshelf units eight feet high with five shelves.

Soybean Farmer Checkoff Dollars at Work

Just as soybean checkoff dollars have been instrumental in developing other environmentally beneficial

products such as Soy ink and SoyDiesel, checkoff funds are being invested to bring NewStone to the marketplace.

The United Soybean Board (USB) provided a \$200,000 grant to Phenix Composites, Inc., to be used for further research into improvements on the product. The Minnesota Soybean Research and Promotion Council (MSRPC) has granted the new company another \$75,000 to assist them in development of additional prototype products. In addition, the Minnesota Office of Waste Management has approved a \$100,000 grant to determine the range and process requirements of wastepaper which could be used in the project.

Local investors have funded the equity financing for the new company. While soybean checkoff dollars only make up a small portion of the total capital needed to develop and market a product like NewStone, it is a critically important contribution because it provides the leverage needed to attract other sources of capital and get the project off the ground.

Soybean Growers and Consumers Will Benefit

While a lot of testing, rating and research needs to continue before the ultimate commercial success of NewStone can be achieved, it has the potential to utilize large quantities of soybeans.

For example, it requires one bushel of soybeans and 55 pounds of newspaper to produce 22 board feet of NewStone. This is enough material to produce one standard size desk.

Consumers will benefit from the introduction of a new building material with many uses. And the environmental benefits will multiply that value.

This venture is an example of checkoff investments working with private industry to create a new market for U.S. soybean growers while serving a real need for others.



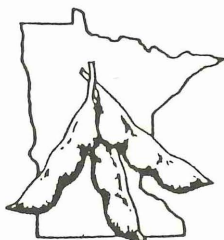
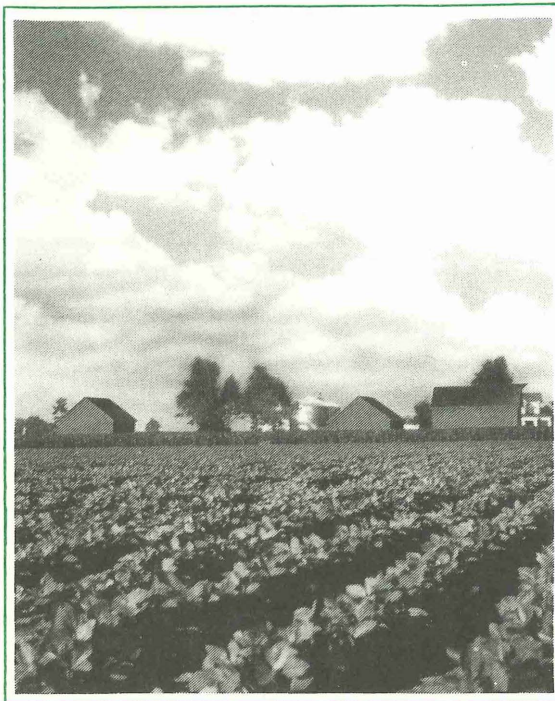
For more information on this subject contact:

The Minnesota Soybean Research and Promotion Council
360 Pierce Avenue, Suite 110, N. Mankato, MN 56003.

UNITED SOYBEAN BOARD

Investing Checkoff Dollars

A Look at Your Minnesota Soybean Investment



Minnesota Soybean Growers Association

**Minnesota Soybean Research &
Promotion Council**

360 Pierce Avenue, #110
North Mankato, MN 56003
507/388-1635

Research

Breeding Program

- The U of M developed fifteen new varieties, since 1982, which were aided by the investment of checkoff funds from the Minnesota Soybean Research and Promotion Council.



- Four new varieties in 1992:
 - ALPHA - first soybean cyst nematode resistant variety currently available for Group 0 maturity.
 - AGASSIZ - Group 00 maturity about 1 day earlier than Clay and has out yielded Clay by about 2%.
 - LAMBERT - Group 0 maturity and has out yielded Glenwood by 15%.
 - PARKER - Group 1 maturity about 5 days earlier than Sturdy.

Dr. Jim Orf, U of M plant breeder, reports a conservative yield advantage of one bushel per acre for the new varieties, at \$5.00/bushel, resulted in Minnesota farmers receiving an additional \$10 million in 1992.

New Uses

- NewStone - tradename for the new product made from soybean monolithic resin and processed wastepaper. Looks like polished granite yet easy to work with. It's environmentally friendly as 600 pounds of waste paper can be converted into about 150 board feet of composite material.
- Crop Surfactant - a new surfactant, Preference, was developed by Cenex/Land O' Lakes which uses soybean oil.
- SoyDiesel - efforts are underway to learn more about the benefits and use of soydiesel as an alternative fuel.

Promotion

Domestic Promotion

...the symbol of edible products which contain soyoil. Soybean oil remains the number one cooking oil in America. Promotions were designed to build awareness of benefits of soyoil.



- Foodservice - conducted promotions with Happy Chef Restaurants, Ginny May Donuts, Naismith's Restaurant, and Hardee's.
- Timberwolves - a corporate sponsor of the Minnesota Timberwolves included "Soybean Night" at the Target Center on February 13, 1992. Provided a coupon for complimentary popcorn which was popped in soyoil.
- Shopping sprees - Nine metro shopping sprees were held, including a celebrity spree which featured Sue Zellickson and Roger Strom from WCCO Radio and Kathy Vara from KARE 11. Another 32 soy shopping sprees were held around the state.
- Volunteer Soy Promoters (VSPs) - speak to special interest groups, participate in school visits, etc.

...the symbol for industrial uses for soybean oil.



- Soy ink - currently over 75% of the daily papers in the U.S., including over 200 papers in Minnesota, are printing with soy ink.
- Road oil - testing is underway in Nicollet and Le Sueur counties with the Minnesota Department of Transportation to explore the benefits of using soyoil, to control dust on gravel roads.

International Marketing:

- Moscow Office - opened in November 1991, with Minnesota support to provide market development information to increase their usage of soybeans.



- 6 Trade teams - teams from Poland, China, Taiwan, Malaysia, Indonesia, and Japan have visited Minnesota to learn more about Minnesota soybeans.

- Checkoff funds are used for the above activities.

Legislative Action:

At the federal level the American Soybean Association (ASA) with support from the Minnesota Soybean Growers Association (MSGA) worked on the following:



1. **301 Case:** Convinced the Administration and Congress that the 301 oilseeds case is a litmus test of the General Agreement on Trade and Tariffs (GATT) and that Congress will not approve any new GATT agreement without first settling the oilseeds case in a way that benefits the U.S. soybean farmers injured by the case.
2. **NAFTA:** Successfully pressured the U.S. Treasury Department to stop its efforts to negotiate a North American Free Trade Agreement that would allow transshipment of foreign subsidized vegetable oil through Mexico in the U.S. circumventing U.S. import duties.
3. **Federal Appropriations:** Achieved federal appropriation of \$1.8 million of soybean research projects like soy ink, soybean composition, cyst nematode, white mold and bioprocessing.

At the state capitol, MSGA focused on the following state issues:

1. **Ag Research:** fought to prevent the University of Minnesota from taking an unfair share of cuts, plus maintained "State Specials" for agriculture and successfully worked to reduce the proposed cuts for the Ag Utilization Research Institute (AURI).
2. **Genetic Engineering:** monitored legislation and made revisions in the regulatory process for all applications.
3. **New Uses:** supported legislation which encourages telephone directories to be printed with soy ink, plus supported use of soy oil for sweeping compound.
4. **Super Agency:** joined with coalition to defeat proposal which would have reorganized state agencies into one large agency to deal with environmental issues.

**** Legislative action is funded
by membership dues.**

Minnesota Soybean Research & Promotion Council

The MSR&PC was established in 1973. It represents an elected board of 14 soybean farmers whose primary goal is increase farmers soybean profitability from research, promotion market development, and education.

Doug Magnus, Chairman 507/836-8613
Route 4, Box 38, Slayton, MN 56172

Tom Walerak, Vice Chairman 507/477-3394
P.O. Box 284, Hayfield, MN 55940

Don Nickel, Secretary 507/427-2648
Route 2, Box 276, Mt. Lake, MN 56159

Jim Sallstrom, Treasurer 507/647-2546
Route 2, Box 159, Winthrop, MN 55396

Minnesota Soybean Growers Association

MSGGA is a non-profit organization established in 1962 and currently has 3,500 members. Its goal is to assure profitable soybean farming. It monitors government policies, supports research and promotion activities to expand soybean markets.

Michael Yost, President 612/875-2654
Route 1, Box 7, Murdock, MN 56271

Kim Larson, Vice President 612/235-3575
7911 County Rd. 5 NW, Willmar, MN 56201

Sherwood Peterson, Secretary 218/789-7378
Route 1, Box 25, Baker, MN 56513

Stuart Immer, Treasurer 507/628-4643
Route 1, Box 118, Jeffers, MN 56145

United Soybean Board

The USB was established in 1991 to oversee the national soybean checkoff which was created by Congress. The 63 members of the board are farmers, who serve without pay, and are appointed by the USDA Secretary of Agriculture. Minnesota's representatives include:

Sandy Ludeman, Jr., President 507/629-3793
Route 2, Box 19, Tracy, MN 56175

Joan Nagel 507/893-3583
Route 2, Winnebago, MN 56098

Russ Roe 507/324-5651
Route 2, Box 35, LeRoy, MN 55951

American Soybean Association

ASA is a national, not-for-profit, nonpartisan, volunteer, commodity organization of soybean farmers formed by state affiliated associations to assure the opportunity for profit for U.S. soybeans farmer ASA was founded in 1920. Minnesota has four representatives including:

Jerry Greenslit 507/697-6296
Route 1, Box 29, Franklin, MN 55333

Don Louwagie 507/532-6081
Route 1, Box 175, Marshall, MN 56258

Chris Teigum 507/642-8388
Route 2, Box 68A, Madelia, MN 56062

Craig Weir 507/854-3259
Box 27, Delavan, MN 56023

