

2019 ANNUAL REPORT

DOING WHAT IT TAKES



U.S. SOYBEAN EXPORT COUNCIL



PUBLISHED 02.21.20



MESSAGE FROM DEREK HAIGWOOD, USSEC CHAIRMAN OF THE BOARD

2019's challenges ranged from weather to trade issues, affecting all facets of the U.S. Soy industry. USSEC continued its work of increasing export demand for our products through building demand and expanding global market access for U.S. Soy products.

While we farmers do our jobs by raising high-quality crops, USSEC is doing its part to make sure the fruits of our labor have a destination. As in farming, each year brings us new opportunities to cultivate and grow U.S. Soy.

WHO WE ARE

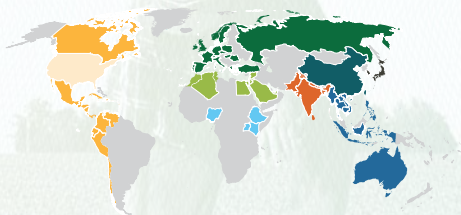
The U.S. Soybean Export Council (USSEC) is a dynamic partnership of key stakeholders representing soybean producers, commodity shippers, merchandisers, allied agribusinesses and agricultural organizations.

Through a global network of international offices and strong support in the U.S., we help build a preference for U.S. soybeans and soybean products, advocate for the use of soy in feed, aquaculture and human consumption, promote the benefits of soy use through education and connect industry leaders through a robust membership program.

OUR MISSION

Our mission is to optimize the utilization and value of U.S. Soy in international markets by meeting the needs of our stakeholders and global customers.

GLOBAL FOOTPRINT



- | | |
|--------------------------------------|--------------------------|
| Americas | Asia Subcontinent |
| Middle East/
North Africa | North Asia |
| Greater Europe | Greater China |
| Sub-Saharan Africa | Southeast Asia |

USSEC LEADERSHIP

EXECUTIVE LEADERSHIP



Jim Sutter,
Chief
Executive
Officer



Paul Burke,
Senior Director,
*U.S. Soy
Marketing
Programs*



Ed Beaman,
Senior Director,
*New Program
Development
and Non-
Traditional
Funding*



**Rosalind
Leeck,**
Senior Director,
Market Access



**Karey
Claghorn,**
Senior
Director,
*Organizational
Collaboration
and Innovation*



**Carlos
Salinas,**
Senior
Director,
*Soybean Meal
Feed Markets*



**Beth
Schulte,**
Interim CFO



**Julie
Sumpter,**
Controller

REGIONAL DIRECTORS



Brent Babb,
Regional
Director,
*Greater Europe,
Middle East,
North Africa*



**Timothy
Loh,**
Regional
Director,
*Southeast
Asia*



Ed Beaman,
Regional
Director,
*Sub-Saharan
Africa*
and Acting
Regional
Director,
*Asia
Subcontinent*



**Kevin
Roepke,**
Regional
Director,
Americas



**Xiaoping
Zhang,**
Regional
Director,
Greater China



**Rosalind
Leeck,**
Regional
Director,
North Asia

USSEC STAFF

DIRECTORS



Charles Hall,

Director,
*Measurement
and Evaluation*



Abby Rinne,

Director,
Sustainability



Will McNair,

Director,
*Oil and
Human
Consumption*



Pam Helmsing,

Director,
Contracts



Colby Pinkstone,

Director,
*Strategic
Program
Development*

USSEC/USB COMMUNICATIONS



Mace Thornton,
Vice President,
*Communications
and Marketing
Strategy*



George Harper,
Director,
*Investor and
Industry
Communications*



Lisa Humphreys,
Senior Director,
*Content
Management
and Brand
Stewardship*



Paul Murphy-Spooner,
Director,
*Public Relations
and Issues
Management*

2019 – 2020 BOARD OF DIRECTORS

Allied Sub-Class

Dawn Scheier,
*South Dakota
Soybean Research
& Promotion Council*

Tori Sorensen,
Insta-Pro

Exporter Sub-Class

Chris Arnold,
The Scoular Company

John Buboltz, *Cargill*

Ken Dallmier,
*Clarkson Grain
Company*

Matt Hopkins, *Archer
Daniels Midland*

Aaron Skyberg,
*Healthy Food
Ingredients*

ASA Appointments

Stan Born, Grower
Leader, *Illinois*

Brian Kemp, Grower
Leader, *Iowa*

Monte Peterson, Grower
Leader, *North Dakota*

Kevin Scott, Grower
Leader, *South Dakota*

USB Appointments

Derek Haigwood, Grower
Leader, *Arkansas*

Darren Kadlec, Grower
Leader, *North Dakota*

Lance Rezac, Grower
Leader, *Kansas*

Doug Winter, Grower
Leader, *Illinois*

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Ken Dallmier,
*Clarkson Grain
Company*

Matt Giltner, *Archer
Daniels Midland*

Craig Pietig,
Ag Processing Inc.

ASA Appointments

Stan Born, Grower
Leader, *Illinois*

Brian Kemp, Grower
Leader, *Iowa*

Monte Peterson, Grower
Leader, *North Dakota*

Joel Schreurs, Grower
Leader, *Minnesota*

USB Appointments

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Leader, *North Dakota*

Lance Rezac, Grower
Leader, *Kansas*

Doug Winter, Grower
Leader, *Illinois*

2019 OVERVIEW

WHAT IT TAKES: U.S. SOY ADJUSTS EXPORT STRATEGY TO SECURE THE FUTURE

USSEC's "What It Takes" initiative aimed to keep exports roughly unchanged despite volume losses to China. This program looked at all possible markets for U.S. Soy around the globe and put together projections for the amount of exports needed to those markets to make up for the loss of the China market. We worked closely with U.S. Soy exporters and importers around the world to maintain exports of approximately 60% of total U.S. Soy production.

INTERNATIONAL MARKETING STRATEGY: MARKET ACCESS

We focused on prioritizing market access in ALL markets. Market access means:

Being proactive and reactive to market needs

Maintaining relationships

Managing crises

Fostering U.S. Soy interests

Maximizing the U.S. Soy Advantage

Minimizing potential trade barriers

LONG-TERM INTERNATIONAL MARKETING STRATEGY

In 2017, USSEC conducted a two-phase study to inform a revised International Marketing Strategy that re-prioritized and defined target markets to safeguard profitability for American farmers for years to come. Conducted in collaboration with United Soybean Board, this Marketing Strategy had helped us navigate the challenging landscape of 2019 and stay focused on both short- and long-term goals.

**MORE
STRATEGIC
FOCUS**

**FEWER
INITIATIVES**

IN ALL MARKETS, FOCUS ON

That study informed a revised long-term strategy that includes three components:



WHERE TO PLAY

Shift to invest more in future markets



WHAT DIRECTION DO WE TAKE TO WIN

Across all market stages, ensure market access and adopt the focus area approach framework



HOW TO WIN

Across all market stages, adopt suggested best practices

**MORE EMPHASIS
ON WHERE WE CAN
INFLUENCE**

**DATA-DRIVEN
RESPONSIVENESS**

MARKET ACCESS AS MISSION CRITICAL

INTERNATIONAL MARKETING STRATEGY: WHERE TO PLAY

We classify markets by emerging, expansion and mature. Emerging markets represent our greatest opportunity:

14/48

Priority
markets

\$6.3B

Opportunity
(at 50% share)

40%

Plan to
increase
investment
to by 2021

By 2021, we'll decrease our investment into expansion markets and China to 50% (today, this investment is around 66%).

EMERGING

**Algeria
Bangladesh
Egypt
El Salvador
Honduras
India
Morocco**

**Myanmar
Nepal
Nicaragua
Nigeria
Pakistan
Sri Lanka
Tunisia**

EXPANSION

**China
Colombia
Costa Rica
Cuba
Dominican
Republic
Ecuador
Guatemala
Indonesia
Jamaica**

**Malaysia
Mexico
Peru
Philippines
Romania
Russia
Thailand
Turkey
Vietnam**

MATURE

**Belgium
Canada
Chile
France
Germany
Italy
Japan
Netherlands**

**Poland
Panama
Portugal
Saudi Arabia
South Korea
Spain
Taiwan
United Kingdom**

2019 EVENTS: CELEBRATING LONGSTANDING RELATIONSHIPS AND NURTURING NEW ONES

Each year, the USSEC team hosts hundreds of stakeholder events worldwide, which bring together key audiences to build relationships, promote the U.S. Soy Advantage, and work to meet the needs of a growing world.

These events can be large conferences, like the 2019 U.S. Soy Global Trade Exchange, which took place in Chicago, bringing together soy importers and stakeholders from more than 50 countries to learn about how we grow the highest quality, most reliable and sustainable soy in the world. USSEC also holds regional conferences, trade missions, technical and trade servicing and sponsor and participate in other stakeholder meetings. One thing is certain: Each and every USSEC event brings together our most important audiences across the U.S. Soy value chain to reinforce and champion the U.S. Soy Advantage.

**IN 2019, WE CELEBRATED
MILESTONE ANNIVERSARIES
WITH SOY INDUSTRY
STAKEHOLDERS IN THREE
KEY MARKETS**

**Southeast Asia U.S. Agriculture
Cooperators' Conference,
Singapore (August 2019)**

The 15th annual agricultural cooperators buyers' conference in Southeast Asia took place from August 6 to 8 in Singapore, marking the 40th anniversary of USSEC's work in Southeast Asia. The U.S. Soy industry celebrated strong growth of exports of U.S. soybeans and soybean products into this region of the world. More than 200 guests participated in the event, including 79 importers representing 61 companies in seven countries.

Taiwan Outlook Conference & 50th Anniversary, Taipei (November 2019)

The Conference and events, like the one held Taipei, are vital to increasing the demand for U.S. Soy. It's very important for crushers to meet the U.S. soybean farmers and put faces of the growers to the product. Their work has been well-received by our partners in Taiwan. Despite having a population of only 23.5 million, Taiwan was the United States' ninth-largest export market for farm and food products in 2018, enjoying 86 percent market share.

U.S. Soy Trade Exchange — Europe & Middle East/North Africa, Frankfurt (December 2019)

In December, USSEC celebrated 50th anniversary of the opening of its first office in the European Region. The United States is Europe's primary supplier of soybeans, and this event highlighted the latest innovations in U.S. Soy to existing and new customers. The European Union is the second largest importer of soybeans after China and the largest importer of soybean meal. Imports total approximately 12 million tons of soybeans and 21 million tons of soybean meal.

MATURE MARKET HIGHLIGHTS

The Korea-U.S. Free Trade Agreement has helped to make South Korea the No. 1 market for U.S. soybean oil. Korean soybean oil refiners are convinced with the quality of U.S. Soy oil. In fact, since 2018, two of the five major refiners have imported only U.S. soybean oil.

Long-term partnerships define U.S. Soy's presence in Japan, where the U.S. Soy industry opened its first international office in 1956 and has maintained a constant presence ever since. Although Japan's population is rapidly aging, U.S. market share in crush and soyfoods continues to increase and the U.S. enjoys a 74% market share.

The European Union was another mature market that reaped great success in FY19. USSEC leveraged its long-term relationships here to gain a 31% increase in whole soybean exports over the previous year. In particular, exports to southern Europe climbed. France, Italy, Portugal and Spain's imports rose 119%, more than doubling last year's U.S. Soy imports. In these markets, USSEC has focused on improving knowledge of the U.S. Soy Advantage related to quality, sustainability and logistics.

EXPERIENCE TODAY'S U.S. SOY ADVANTAGE TOUR

In today's climate, it is important for us to take steps to nurture and solidify the relationships we have in expansion and mature markets to:

Protect

our
investments



Champion

the benefits
of U.S. Soy
to meet their
growing needs

We hit the road to meet with our customers in global markets across the world to show our gratitude for their partnership and reinforce the advantage they experience every time they choose to buy U.S. Soy.

EXPERIENCE TODAY'S U.S. SOY ADVANTAGE

In 2019, as part of this initiative, we met with soy industry stakeholders face to face in more than 24 markets, including:

**Bangladesh
Colombia
Costa Rica
Dominican Republic
Egypt
Germany
India
Indonesia
Italy
Japan
Korea
Mexico
Myanmar
The Netherlands
Nigeria
Pakistan
Philippines
Portugal
Spain
Taiwan
Thailand
Tunisia
Turkey
Vietnam**

US SOY





CREATING DEMAND FOR SOY AND DECREASING PROTEIN DEFICIENCY IN EMERGING MARKETS

Protein deficiency is a growing problem in the majority of the Emerging Markets identified in our International Marketing Strategy. For instance, in India, it is estimated that 73% of the population is protein deficient. By working with trade local associations, governments and other influential groups in these markets, USSEC is working to find ways to overcome this problem by educating people about the importance of plant and animal protein as part of their daily diets. This is a growing component to drive the overall strategy to engage the value chain in the process while ultimately improve protein deficiency statistics – and in the long term, increase demand for soy in markets where we know there is substantial room for growth.

Over the past year, USSEC has focused protein deficiency campaigns to engage consumers, NGOs, public and private sector, and other influencers in India and Nigeria.

The campaign in India launched in late 2019 with great success thus far and Nigeria will launch in 2020.

The campaign is still young, but it's already having incredible reach.

We expect fruitful things to follow in Nigeria as well as we work to position soy as a solution to major problems in the Emerging Markets.

Through a strong media launch, collaborations with U.S. partners like USA Poultry and Egg Export Council (USAPEEC) as well as local consumer-focused influencer groups in India, the campaign has reached more than 900,000 stakeholders with the Right to Protein message in just a few short months.

This broad and expanding reach will serve to increase protein – including soy – demand in a market where there is great room for growth.

13M

readers in
top-tier
newspapers

1/2

of India's internet
users through 125
million online views

1 of 33

Indian newspaper
readers

8 of 10

top regional
newspapers

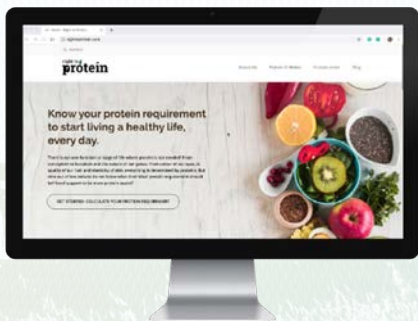
10+

languages

18

major cities
throughout
the country

right to protein



**STRESSED ABOUT YOUR CHILD'S
PROTEIN INTAKE?**

CALCULATE YOUR CHILD'S PROTEIN



SOY EXCELLENCE CENTERS



The goal of SECs is to have them become a one-stop-shop for industry training.

These centers are designed to provide training, resources and education to all members of the soy value chain.

The first one opened in Cairo, Egypt this past September. Other sites for future Soy Excellence Centers include: Nigeria, Thailand and Mexico.

SECs will also build and facilitate business relationships and links between local and international businesses.





2019 FINANCIALS

INTERNALLY MANAGED FUNDS (IMF)





**IMF Revenue
Collected**

\$756,957

Expenses

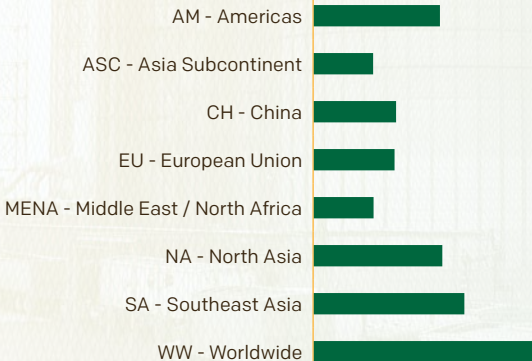
\$502,147

APPROVED FUNDING FOR 2019

FUNDING SOURCE		TOTAL (\$)
QSSB		\$3,078,750
USB		\$35,140,072
Total Checkoff		\$38,218,822
<hr/>		
FMD		\$8,521,831
MAP		\$4,323,886
Total FAS		\$12,845,717
<hr/>		
Checkoff & FAS Total		\$51,064,539

FUNDING BY ALLOCATION 2019

REGION



**Total Available
for Investment**

TOTAL (\$)

\$4,985,727

\$2,345,448

\$3,252,414

\$3,191,288

\$2,362,647

\$5,079,087

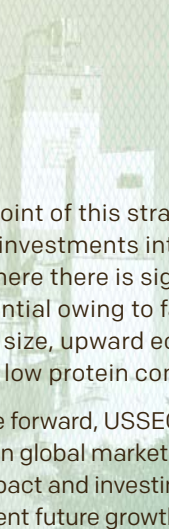
\$5,595,900

\$24,252,028

\$51,064,539

USDA AGRICULTURAL TRADE PROMOTION (ATP) PROGRAM FUNDING

In 2019, USSEC and its colleague organizations, SSGA and WISHH received U.S. Department of Agriculture's (USDA) Agricultural Trade Promotion (ATP) program funds to support both short-term and long-term strategies that will build new markets for U.S. soybean producers.



The focal point of this strategy is to make investments into new markets where there is significant future potential owing to factors like population size, upward economic trends and low protein consumption.

As we move forward, USSEC is focused on expanding in global markets where we can have an impact and investing in markets that represent future growth opportunities.

ATP funds have been critical to help U.S. soybean farmers who have been disproportionately impacted by export uncertainty over the past year. These funds provide additional resources to help farmers and industry members remain competitive globally.

**ATP FUNDING
2019**

USSEC	TOTAL (\$)
AF - Africa	\$3,033,696
AM - Americas	\$2,284,181
ASC - Asia Subcontinent	\$6,602,800
EU - European Union	\$866,800
MENA - Middle East / North Africa	\$5,740,000
NA - North Asia	\$205,000
SA - Southeast Asia	\$3,340,480
WW - Worldwide	\$6,763,711
Total USSEC	\$28,836,668

Grand Total

WISHH**TOTAL (\$)**

WISHH

\$3,740,000

Total WISHH**\$3,740,000****SSGA**

EU - European Union

\$340,450

NA - North Asia

\$189,550

SA - Southeast Asia

\$1,375,448

WW - Worldwide

\$150,000

Total SSGA**\$2,055,448**

\$34,632,116

USSEC MEMBERS *(As of February 2020)*

ADM	Hang Tung Resources USA
Ag Processing Inc.	Healthy Food Ingredients (SK Food International, Inc.)
Agniel Commodities, LLC	Illinois Soybean Association
Alabama Soybean Producers	Indiana Soybean Alliance
Anchor Ingredients	Inland Empire Milling Company, LTD
Anderson International	Insta-Pro International
Arkansas Soybean Promotion Board	International Feed
BASF	International Grains Program Institute
Bayer Crop Science	Intertek USA
Bluegrass Farms of Ohio	INTL FCStone
Brushvale Seed, LLC	IOM Grain LLC
Bunge North America	Iowa Farm Bureau Federation
Cargill	Iowa Soybean Association
CGB Enterprises, Inc.	Kansas Soybean Commission
CHS, Inc.	Kentucky Soybean Promotion Board
Citizens L.L.C.	KG Agri Products, Inc.
Clarkson Grain Company Inc.	Knewton Soy Products LLP
CME Group	Landus Cooperative
CoBank	Michigan Soybean Promotion Committee
COFCO International Grains US	Midwest Ag Enterprises Inc
Commodity and Ingredient Hedging LLC	Minnesota Department of Agriculture
Corteva	Minnesota Soybean Research and Promotion Council
DG Global	Missouri Department of Agriculture
DuPont Nutrition	
Fornazor International, Inc.	
Gavilon Group LLC	
Global Processing, Inc.	
Grain Millers Specialty Products	

Missouri Soybean
Merchandising Council

Montague Farms, Inc.

National Oilseed
Processors Association

Nebraska Soybean Board

Neco Seed Farms Inc

New York Corn & Soybean
Growers Association

North Carolina Department
of Agriculture and Consumer
Services Marketing Division

North Carolina Soybean
Producers Association

North Dakota Soybean Council

Northern Crops Institute

Northwest Grains
International, LLC

Ohio Soybean Council

Pennsylvania Soybean Board

Perdue Agri Business, Grains
and Oilseed Division LLC

Pipeline Foods

PURIS

R. J. O'Brien & Associates, LLC

Richland IFC, Inc.

Rogers Grain Inc.

Russell Marine Group

SB & B Food, Inc

Schwartz Farms

Scoular Company

South Dakota Department
of Agriculture

South Dakota Soybean
Processors, LLC

South Dakota Soybean
Research and
Promotion Council

Soyko International, Inc.

Specialty Soya and
Grains Alliance

Star of the West
Milling Company

Stone Arch Commodities

Syngenta

T. Parker Host

Tennessee Soybean
Promotion Council

The Andersons

The Delong Company, Inc.

The Redwood Group, LLC

Thionville Laboratories

Trans Globe LLC

TransGraph Consulting Pvt.

US Nisshin Shokai

Virginia Department
of Agriculture and
Consumer Services

Wenger Manufacturing

Wheaton Grain Inc.

Wisconsin Soybean
Marketing Board

Zeeland Farm Services Inc.




OUR 2020 VISION FROM JIM SUTTER, USSEC CEO

Market diversification

continues to be a focus as we continue to build international preference and demand for U.S. Soy.

Developing **emerging markets** is key as we work to facilitate future market development. As U.S. Soy closes existing gaps in per capita consumption growth, export opportunities grow.

Market access, both proactive and reactive engagement, is supported at every market stage and includes relationship management, crisis management, and policy advocacy that maximizes the U.S. Soy competitive advantage and minimizes potential trade barriers.



USSEC

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US SOY

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