

Ohio County Farm & Home News

Cooperative
Extension Service

Ohio County
P O Box 66
Hartford KY 42347
270-298-7441
<http://ohio.ca.uky.edu/>

ADM REQUIREMENT TO COMPLY WITH NEW EU REGULATIONS IMPACTING KY SOYBEANS

The following article is from Dr. Jordan Shockley and Dr. Grant Gardner, Extension Economist at U.K., discussing the changes required for U.S soybeans in the future to go into the European Union soybean market.

Starting December 24, 2024, the European Union (EU) will require all imported soybeans to be deforestation-free. The policy aims to prevent deforestation and promote sustainable agriculture practices. Consequently, soybeans destined for the EU market must be traceable back to specific fields where they are grown. To comply with this requirement, Archer Daniels Midland (ADM), with help from the Farmers Business Network (FBN), has introduced a Deforestation-Free Soybean Program to ensure that soybeans exported to the EU meet their standards. However, this EU requirement will impact all elevators selling soybeans to Europe. Therefore, we expect additional verification platforms from other elevators across the U.S., not just ADM.

So, what does this mean for Kentucky soybean producers? Suppose you sell your soybeans to ADM Henderson, Livingston Point, Silver Grove, or ADM locations outside the state (e.g., Memphis). In that case, your location may require you to enroll in ADM's Deforestation-Free Soybean Program via the FBN website/app by June 1, 2024, and submit your field boundary data by July 15, 2024. This enrollment is free, and by submitting your field boundary data, FBN will use satellite imagery to verify that the soybeans were grown on land not deforested after December 31, 2020. What

constitutes not deforested? A field where more than 1.24 acres of trees were forested. In conversations with ADM, Dr. Chad Lee discovered that if the total acreage of the fence rows removed surpasses 1.24 acres, the field will not be eligible for the ADM premium. Early indications also suggest that some ADM locations will only accept deforestation-free soybeans, albeit at a premium. ADM is offering up to a \$0.15/bushel premium if farmers enrolled in the program and an additional \$0.05/bushel if enrolled by May 1, 2024, and field boundary data submitted by June 1, 2024. For more information on enrolling in the program, please visit ADM's resource website, at <https://admandvantage.com/adm-resource/> and contact your local ADM elevator for requirements.

Suppose you are unaware of this requirement or do not want to provide ADM and FBN with the required data to enroll in this program. In that case, it is important to realize that selling to a different elevator could incur additional costs, especially if your typical ADM site is not accepting unenrolled soybeans. Understanding hauling costs and local basis when delivering to a different market is important. To identify a new market, please see the map of "Kentucky Grain and Oilseed Markets". Selling to a different elevator could additionally impact fuel, labor, and other operating costs and have differing quality discounts. The "[Grain Hauling Decision Tool](#)" can aid in determining the additional cost of delivering a load of soybeans to a new location. You can download the Excel tool, at <https://agecon.ca.uky.edu/budgets> or find it on our Agricultural Economics website.

From a marketing perspective, it is currently unknown how premiums for non-deforested beans will affect long-run prices, but there are some things to be aware of when making marketing decisions in the short term. First, your marketing locations will change if you choose not to deliver to ADM due to data requirements



or other reasons. As ADM is a large merchandiser, they offer popular marketing contracts such as basis and hedge-to-arrive. Contract options may be limited if you must market to a smaller elevator. Second, the premium for non-deforested beans may push the basis at surrounding elevators upward. As other elevators will need to compete with the premium to source local feedstock, they may need to account for the premium in their basis. Vice versa, even though ADM is offering a premium, they may account for it in their basis, causing a lower basis at ADM locations. Other elevators may not need to compete with the premium if this is the case.

Time will tell how the push for non-deforested beans affects local markets and grain marketing decisions. We have entered a new era in which premiums are being offered for practices. It is highly likely similar premiums will be used in the future for other sustainable agriculture efforts, such as carbon sequestration. These premiums offer the Kentucky producer opportunities; however, opportunities do not come without challenges. As we enter a new age where grains may become de-commoditized, producers must adapt quickly to changing market conditions.

ELECTRIC FENCE INSTALLATION & TROUBLESHOOTING SCHOOL

If you are a serious grazer or even a beginner in rotational grazing, there are still openings to attend the all-day “Electric Fencing School” June 12 at the Bulter County Extension office.

Fencing experts from around the region will teach technical details of installing top quality electric fencing system, for all scenarios, and how to troubleshoot issues. Some



of the topics to be covered include:

- Installation of energizer and grounding system
- Making good connections
- Tying fence run ends together to enhance conductance
- Installation of underground cables for lead-out and gates
- Utilizing an electrical offset for new and existing fencing
- Using reels and temporary posts for subdivisions

- Using a solar charger for temporary fencing
- Repairing breaks in polywire
- Training livestock to electric fencing
- Testing grounding systems
- Using cutoff switches to isolate shorts
- Using fault finders to find shorts
- Diagnosing grounding problems
- Finding faulty insulators
- Finding broken lead out wires

Registration is \$35/participant, which includes notebook, refreshments, safety glasses, and catered lunch. The school is limited to the first 35 participants, but there are still openings. Sign up at: <https://2024ElectricFencing.eventbrite.com> or call/email Caroline Roper at 270-704-2254/ Caroline.Roper@uky.edu

KY WOODLAND OWNERS SHORT COURSE STARTS SOON

Each year the faculty and staff from the U.K. Department of Forestry, in conjunction with the Natural Resources Conservation Service, Kentucky Division of Forestry, Kentucky Department of Fish and Wildlife Resources, and the Kentucky Association of Consulting Foresters offer the “Ky Woodland Owners Short Course (WOSC)”.

The WOSC is designed to assist Kentucky’s woodland owners in the care and management of their woodland resources. What woodland owners would benefit from the “Woodland Owners Short Course”:

- Owners who want to care for and manage their woodlands
- Family leaders who want their woodlands to be pristine for generations to come
- Woodland owners in all stages of ownership
- Owners who own large woodlands, as well as, small woodlands
- Owners who want to help the wildlife and generate income from their woodlands

This year participants can join either the online sessions or participate in the online and a field session. The online sessions are on Tuesday & Thursdays at 6:00 p.m. to 7:00 p.m. CT:

- June 11 - Woodland Management Process/Tree ID
- June 13 – Woodland Health
- June 18 – Wildlife & Woodlands
- June 20 – Carbon, Climate Change & Woodlands

- June 25 – Woodlands, Water Quality & NRCS Financial/Technical Assistance

The field sessions will be held at the following locations – 9:30 a.m. till 3:30 p.m. local time:

- July 13 – Robinson Forest
- August 10 – Roundstone Native Seed

Registration is \$10 for all the online sessions or \$25 for the online plus one of the field sessions. They offer couples the total registration for \$35.

Register to participate at :

<https://wosc.ca.uky.edu/registration>

This is an excellent program if you want to learn how to better manage your woodlands for profit or pleasure!!!

UPCOMING Events

- June 6 – Soil Properties Workshop; U.K. Research & Education Center, Princeton; 9:00 a.m. till 3:00 p.m.
- June 10-11 – Drone Pilot Certification; Hopkins Co. Extension Office
- June 12 – Electric Fence Installation & Troubleshooting School; Butler Co. Extension Office, Morgantown
- June 27 – Pest Management Field Day; Princeton First Baptist Church Christian Life Center
- July 23 – U.K. Corn, Soybean & Tobacco Field Day; U.K. Research & Education Farm, Princeton
- August 29 - KATS Field Crop Pest Management & Spray Clinic; U.K. Research & Education Center