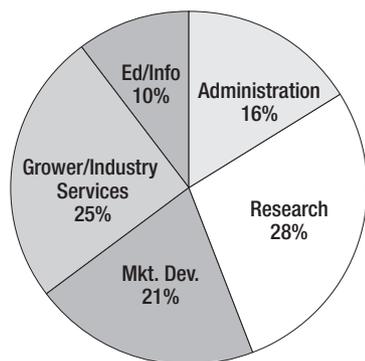


Idaho Barley Commission – 2007 in Review

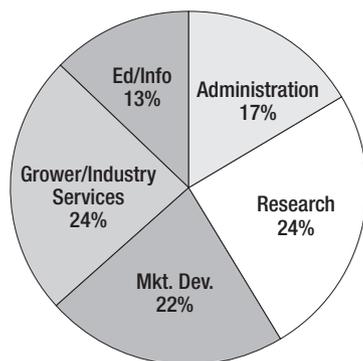
FY 2007 IBC BUDGET

\$444,851 – Actual Expenditures



FY 2008 IBC BUDGET

\$453,697 – Approved May 2007



Meet the IBC Team

Kelly Olson, Administrator, based in Boise.

Andrea Woolf, Project Coordinator/Fiscal Officer, based in Boise.

Dan Mader, District 1 Commissioner, is a feed/food barley producer from Genesee, Idaho. Dan was re-appointed to a second term by Governor "Butch" Otter in July 2007 to serve north Idaho producers. Dan serves on the IBC's two marketing organizations: US Grains Council, based in Washington, D.C., which focuses on international market development and the National Barley Foods Council, based in Spokane, WA, which promotes barley food consumption.

Ron Elkin, District II Commissioner, is a malting barley producer from Filer, Idaho. Ron was appointed to his 1st term on the IBC in July 1, 2006, representing barley producers in southwestern and south-central Idaho. Ron serves on the National Barley Improvement Committee, a national group which advocates for federal research funding for barley.

Evan Hayes, Chairman, District III Commissioner, is a malting barley producer from Soda Springs. Evan is serving his 6th and final year on the IBC, representing eastern Idaho barley growers. He recently completed a two-year term as president of the National Barley Growers Association, a national advocacy organization for US barley producers, based in Washington, D.C. Evan continues to serve on the NBGA board until July 2008. Hayes also represents the U.S. barley and wheat industries as an executive board member of Alliance for Rail Competition (ARC), which works with Congress to improve U.S. rail policies and provide remedies for captive rail shippers. Evan also serves on the Governor's Motor Carrier Advisory Committee.

Steve Balster, Industry Representative, is Director of U.S. Barley Operations for Busch Agricultural Resources, Inc., in Idaho Falls is serving his 6th and final year as the commission's Industry Representative. Steve assumed his current Idaho Falls position in July 2003 and has worked for Anheuser Busch Co. for more than 20 years.

Value Added Initiatives

The IBC board revised its long-term Strategic Plan and launched four new Value-Added Strategic Initiatives that will help position Idaho barley to be competitive well into the future. These initiatives require a coordinated effort in research, market development and grower education. They include:

- Malting barley for export
- Food barley for both domestic and export markets
- Winter barleys
- Low phytate specialty feed barleys

Grower Services

2007 Farm Bill – IBC has worked through the National Barley Growers Association to promote barley's priorities in the 2007 Farm Bill, including equity in program crop support levels. We believe U.S. barley has lost significant competitiveness in our traditional growing regions – acreage has declined by 70% in the past 20 years – due in large part to planting distortions triggered by farm program inequities.

A comparison of the two pending bills is presented below.

	2002 Farm Bill	H.R. 2419	Senate Version
Direct Payment	\$.24/bu	\$.24/bu	\$.24/bu
Loan Rate	\$1.85/bu	Feed \$1.90/bu	All barley \$1.95
		Malting \$2.50/bu	
Target Price	\$2.24/bu	\$2.73	\$2.63

IBC makes the case to extend disaster assistance to spring 2007 crops – IBC worked with the IGPA and county extension on a crop survey last summer to determine the extent of 2007 crop losses resulting from excessive heat and drought. We provided this information to the Idaho congressional delegation to justify extending the disaster assistance that was already approved for winter crops to cover losses in our spring planted crops. This extension was included in the omnibus spending bill approved by Congress on December 19.

Risk management education marks 7th year – Since 2001, the IBC has received more than

\$60,000 in USDA/CSREES grant funding through the Western Center for Risk Management Education at Washington State University to conduct grain risk management education programs. This past year we conducted advanced grain marketing workshops in Craigmont, Genesee, Bonners Ferry, Idaho Falls and Burley. We also developed a new RightRisk computer simulation game geared to Idaho barley/wheat production scenarios called the Mountain View Farms game, which can be accessed on-line. Finally, we developed special marketing features in both the May 2007 issue of the Idaho Barley Report newsletter and the summer 2007 issue of Idaho Grain Magazine.

Competitive rail transportation is showing progress – IBC, along with the Idaho Grain Producers Association and Idaho Wheat Commission, are actively engaged in rail competition issues at the national level. IBC Commissioner Evan Hayes testified before the Surface Transportation Board's hearing on rail transportation of grain last November in Washington, D.C. He submitted written testimony to the Senate Commerce, Science and Transportation Committee hearing on October 23, 2007.

Research

Food barley variety development takes center stage – This year, IBC has allocated considerable resources to accelerate the development of barleys with end use traits that are desired by food manufacturers and consumers. We are engaged in a collaborative research effort with public (USDA ARS in Aberdeen) and private (WestBred in Bozeman, MT) barley breeders to commercialize better yielding waxy barleys with high beta-glucan content. One of these new varieties – Salute – was grown commercially in northern Idaho this year. We have worked with WestBred to expand seed production of two of their waxy food barleys – Salute and BG Barley 006 – for expanded commercial production in 2008.

Numerous human and small animal feeding studies have shown barley beta-glucan fiber reduces bad cholesterol and lowers the risk of heart disease. Based on these scientific findings, the US Food and Drug Administration approved a health claim in May 2006 that allows barley food products that contain at least .75 grams of this soluble fiber per serving to claim a reduction in the risk of heart disease.

Winter malting barley variety development gets boost – IBC has placed considerable emphasis on winter barley variety development – both for malting and food uses – and these efforts are starting to yield excellent results.

Mealybug / food rot disease get renewed attention – IBC initiated a new study with the University of Idaho in 2007 to help evaluate the technical and economic feasibility of using seed treatments to control mealbugs and root rot in barley. Research project objectives include: (1) evaluating agronomic performance of barley utilizing two different insecticide treatments at three different times; (2) evaluating agronomic performance of barley utilizing two different fungicides; (3) investigating potential biocontrol agents; (4)

improving mealy bug and foot rot control strategies in commercial barley fields in eastern Idaho.

Market Development

Food barley markets pick up steam – IBC is working to build markets for high beta-glucan food barleys. We received a \$45,000 grant from the USDA Federal State Marketing Improvement Program (FSMIP) this year to help expand our domestic marketing program for value-added barley foods. We are working closely with the National Barley Foods Council on a nutrition education campaign touting the benefits of adding barley to our diets, with specific outreach efforts targeted at health and nutrition professionals, food manufacturers and consumers.

In addition, we have targeted food manufacturers in both Japan and Taiwan, which have shown strong interest in using barley as a nutritional mix with rice. These efforts have already paid dividends as one of the largest food barley users in Japan has contracted for production of Salute, a specialty food barley from WestBred, in north Idaho this year.

Export market development remains a central focus – The IBC continues to support the expansion of international markets for barley and malt through our collaboration with the U.S. Grains Council (USGC). The USGC is a private, non-profit partnership of producers and agribusinesses committed to exporting U.S. barley, corn, grain sorghum and their co-products, with headquarters in Washington, D.C. and nine international offices. With financial support from state grain check-offs, agribusinesses and federal matching funds from the USDA, the Council operates a nearly \$27 million market development program in more than 50 countries around the world.

USGC barley programs include:

- Annual U.S. barley crop reports distributed to potential customers around the world.
- Annual visits with Japanese barley customers, including an annual U.S. grower mission to Japan and a reverse mission to the U.S. **Japan is the largest export customer for U.S. barley**, buying more than 355,000 metric tons from the U.S. in MY 2006-07 (all feed barley), more than double the previous year. So far in MY 2007-08, Japan has purchased more than 534,000 metric tons of U.S. barley, up another 50 percent from last year. Japan has taken additional steps to liberalize their barley imports, which has worked to the favor of U.S. suppliers. Beginning with 2007 imports, the Japanese Government has approved all their feed barley imports and a portion of food barley imports to be handled under their liberalized Simultaneous Buy Sell import system. The U.S. made the first food barley sale in a May 31 tender, selling 420 metric tons of Salute food barley owned by General Mills in Pocatello, ID. A second sale of 1,850 metric tons was made recently, traded by Genesee Union in Genesee, ID.
- Food barley technical seminars are held for potential customers in Japan and Taiwan.
- Malting barley marketing programs are targeted at Mexico and other rapidly expanding Latin American markets. On January 16-18, 2008, we will collaborate on a U.S. Malt and Malting Buyers Conference in Latin America.