



Update from the Idaho Barley Commission

ENDOWED BARLEY AGRONOMIST

The Idaho Barley Commission board voted unanimously on July 1 to finalize an **Idaho Barley Research Endowment with the University of Idaho (UI)**, to be funded over a period of five years. This one million dollar endowment will enable the University of Idaho to create a dedicated Barley Agronomist / Soil Fertility Professorship (70% applied research and 30% extension) to be located at the UI's Aberdeen Research & Extension Center. Recruitment for this new agronomist began in mid October and will conclude in late November. UI intends to have the new scientist in place by the 2014 growing

season.

In order to achieve this \$1 million investment over the next five years, the IBC board voted to **raise the Idaho barley assessment from the current rate of \$.02 per hundredweight (less**

than 1 cent/bu) to \$0.03 per hundredweight (1.4 cents/bu), effective July 1, 2013. This barley check-off increase will sunset after 5 years unless a future IBC board votes to continue the \$.03/Cwt. rate.

IBC Chairman Pat Purdy, Picabo, champions this joint IBC/UI effort to strengthen Idaho's barley research capacity, noting that in an era of declining public budgets we can't expect to maintain a high level of independent scientific research without grower involvement.

"As an Idaho barley grower we are constantly faced with new challenges that are putting pressure on our bottom line profit. These include rising input costs such as fuel, seed and fertilizer and diseases such as Fusarium Head Blight and pest pressure like wire worm. To help growers face these challenges, we need the research efforts and field work that only a dedicated barley scientist with the University of Idaho can provide, and this endowment will guarantee that such a position is permanently in place."

The UI is committing an equal or greater investment, including 100% of the cost of a new scientist's salary and some technical support **immediately and up until the 5-year period when adequate funds are generated by the IBC's endowment investment.** The UI also agrees to help cost-share this scientist into perpetuity, guaranteeing that this research position will NOT be eliminated in the face of future state funding cuts.

Food barley initiative paying dividends

In recent years the IBC launched a multi-pronged strategic initiative to expand food barley acreage in Idaho. This effort is now paying dividends. Key elements include: variety development at ARS Aberdeen; marketing promotions to potential domestic and Asian food manufacturers; and development of barley products and recipes suitable for use in school breakfasts and lunches. A targeted trade mission to Asia last fall resulted in 2013 production contracts worth nearly \$1 million. Interest in expanding food barley use in cereal manufacturing has grown significantly in the past year, with a focus on barley's unique health benefits, most notably soluble fiber. This growing interest prompted the IBC to launch an effort during the 2013

growing season to increase seed of the new ARS food barley variety Transit that will be available for 2014 commercial production. We want to thank several partners who helped the IBC in this campaign: eastern Idaho growers Scott Brown, Kent Clegg, Phil Yost, Gordon Gallup, USDA ARS, Scoular Grain, Ririe Grain and PNW Farmers Cooperative.

Risk management education in 2014

IBC continues to offer a wide spectrum of risk management education, supported by competitive grant funding the commission receives from the Western Center for Risk Management Education (\$18,500 grant awarded in 2014 and more than \$156,000 in grant funding since 2001).

CURRENT GLOBAL GRAIN MARKET OUTLOOK, NOVEMBER 2013

Key Market Drivers

• **Investment money flow continues to fluctuate widely** based on global economic growth prospects, currency, fiscal and monetary policies and geopolitical risks, increasing **VOLATILITY** in commodity futures markets.

• **BIG RECOVERY in 2013 grain production and carryover stocks** – Global and US grain production recovered substantially in 2013, expanding carryover and pressuring global grain prices.

• **U.S. beer demand has weakened in the first three quarters of 2013, after increasing 1.3% in 2012.**

• **Chinese corn imports continue to be a WILD CARD.** China has purchased 4.45 MMT of U.S. corn so far this year, compared to 2.45 MMT for all of last year. Projections show

MY 2013-14 USDA Nov 8	World Barley	U.S. Barley	World Corn	U.S. Corn	World Wheat	U.S. Wheat
Output	141.4 MMT + 9%	4.7 MMT - 1%	962.8 MMT + 12%	355.3 MMT +30%	706.4 MMT + 8%	57.9 MMT - 6%
Carryover	22.8 MMT + 12%	1.7 MMT + 3%	164.3 MMT + 22%	47.9 MMT +130%	178.5 MMT + 2%	15.4 MMT - 21%
Stocks / Use	16%	33%	18%	15%	25%	23%

Chinese corn production increasing this year to at least 211 MMT, up 2%, but still falling short of rising domestic demand.

• **U.S. ethanol demand** – Ethanol production fell 7% last year due to record high corn prices. This trend has reversed recently on lower corn prices, with USDA now projecting ethanol use will rebound 5% this year. But the **fate of the Renewable Fuels blending mandate**

could greatly impact future corn demand. EPA announced on Nov. 15 that it was proposing to scale back the 2014 RFS from 18.5 billion gallons set in law to 15 to 15.5 billion gallons. The conventional corn blending mandate would be cut to about 13 billion gallons, below the 2013 mandate of 13.8 billion gallons and below actual 2013 production of 13.2 billion gallons. A final ruling is set for spring 2014.

MY 2013/14 World Grain Supply & Demand

USDA, Nov. 8, 2013 (million metric tons, MMT)

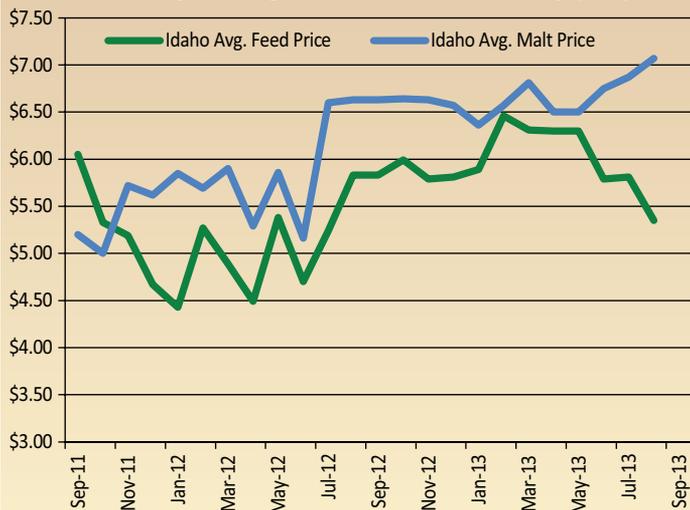
	BARLEY		CORN		WHEAT	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Carryin	22.6	20.4	132.5	134.9	199.4	175.6
Production	129.9	141.4	862.7	962.8	655.5	706.4
Total Supply	152.5	161.8	995.2	1,097.7	854.9	882.0
Export trade	19.8	19.3	99.7	109.2	147.4	152.1
Total Usage	132.1	138.9	860.3	933.4	679.3	703.5
Ending Stocks	20.4	22.8	134.9	164.3	175.6	178.5
Stocks / Use	15%	16%	16%	18%	26%	25%

MY 2013/14 U.S. Grain Supply & Demand

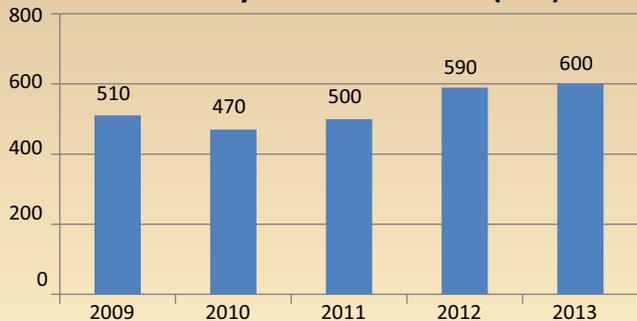
USDA, Nov. 8, 2013 (million bu)

	BARLEY		CORN		WHEAT	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Harvested Acres (mln)	3.2	3.0	87.4	87.2	48.9	45.2
Carryin	60	80	989	824	743	718
Production	220	215	10,780	13,989	2,266	2,130
Imports	23	25	162	25	123	150
Total Supply	304	320	11,932	14,837	3,131	2,998
Food, seed & industrial	155	155	6,044	6,350	1,018	1,023
Ethanol			4,648	4,900		
Feed	59	75	4,333	5,200	388	310
Exports	9	10	731	1,400	1,007	1,100
Total Usage	223	240	11,108	12,950	2,414	2,433
Ending Stocks	80	80	824	1,887	718	565
Stocks / Use	36%	33%	7%	15%	30%	23%

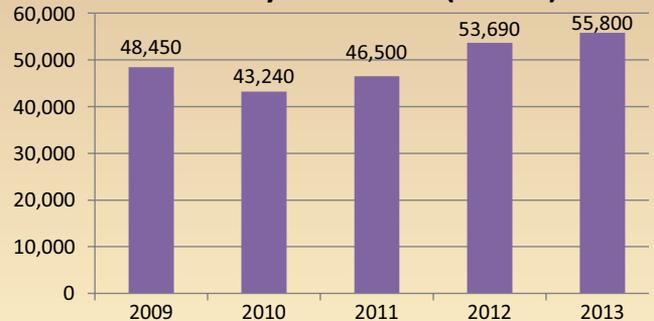
Monthly Average Price for Idaho Barley (bu.)



Idaho Barley Harvested Acres (000)



Idaho Barley Production (000 bu)



Idaho Yield Per Harvested Acre (bu/Ac)



US Barley Exports (000 bu)

