



# Round-Up of Idaho Barley Commission Programs

*New marketing focus: putting fiber-rich barley into traditional cereal-grain foods*



Team of Asian food technologists add fiber-rich barley to traditional wheat foods suitable for their Asian markets



As part of our ongoing barley market diversification campaign, the Idaho Barley Commission is expanding its efforts to stimulate the use of barley as an ingredient in cereal-based food products. One of our marquee events in this multi-year campaign is a Technical Short Course on Barley-Fortified Wheat Flour Products developed jointly by the commission and cereal chemists at the Wheat Marketing Center in Portland, OR, specifically tailored for international customers. IBC received competitive grant funds from the US Department of Agriculture to sponsor these training courses.



Our first technical short course was held in early March for food companies from Japan, Taiwan and South Korea. A second course was held in mid-August for millers from Mexico and Colombia.

The objectives of this course are twofold:

- Enhance the nutritional value of traditional wheat flour-based products using barley flour and
- Develop formulations and modified processing conditions for barley-fortified wheat flour based products.

**Why the focus on food barley?** There are many good reasons that we are allocating resources to build demand for barleys suitable for human consumption. The leading reason is that

barley contains a unique beta-glucan fiber that has been shown to lower bad cholesterol and reduce the risk of heart disease, which is the leading cause of death among both U.S. men and women. Research shows that most Americans fall far short of the daily recommended intake of total dietary fiber – 25 to 38 grams per day depending on weight – with the average consumption in the 12 to 15 gram range.

There are many other health advantages of incorporating barley in the human diet, including weight management and the regulation of glucose and insulin metabolism, which is very beneficial to people suffering from Type II diabetes, estimated at 26 million, with another 7 million people undiagnosed.

## IBC and University of Idaho assess barley research infrastructure

The Idaho Barley Commission has joined forces with the University of Idaho College of Agricultural and Life Sciences and Idaho's malting barley industry to assess the University of Idaho's barley research capacity to determine whether there is a need to create a new research position dedicated solely to barley. This effort – known as the Idaho Barley Research Roadmap – began with a roundtable discussion hosted by College of Agricultural and Life Sciences Dean John Hammel and Ag Experiment Station Director Donn Thill during the University's Capital Campaign Gala on the Moscow campus last April. During this initial phase, participants evaluated current UI barley research strengths and weaknesses and pinpointed opportunities

for strengthening our barley research footprint in Idaho. According to IBC leaders who attended, including IBC chairman Tim Dillin and new south-central Idaho commissioner Pat Purdy, "a critical part of this discussion was engaging leaders from the Idaho malting industry on research priorities that will help achieve consistent and reliable malting barley production year in and year out."

This first Idaho Barley Research Roundtable highlighted current barley agronomic, disease and irrigation research and extension programs at the UI, based mostly in southern and eastern regions of the state, and identified some areas of immediate interest, including research into soil fertility and nutrient management to help growers

manage their high fertilizer costs while meeting yield and quality goals.

### Next phase in the Idaho Barley Research Roadmap

All parties have committed to participate in a second major roundtable discussion in early October in eastern Idaho. During this stage we will determine whether it is in the long-term interests of Idaho barley producers to help fund an endowment to create a dedicated barley scientist position in the University of Idaho. The IBC board feels very strongly about thoroughly discussing this potential investment with growers throughout the state before making any funding commitments.

## Collaborating with UI Extension on producer risk management education

For the past 11 consecutive years, the IBC has been awarded competitive grant funding from the Western Center for Risk Management Education (WCRME) housed at Washington State University, to conduct grain marketing and risk management education for grain producers throughout the state. Since 2001, the IBC has received more than \$136,500 in WCRME grant funding. For the past two years, we have collaborated with University of Idaho extension faculty from several northern and southern Idaho counties to deliver this producer education. 2012 projects included:

- Southern/Eastern Idaho Extension (extension team leaders are Joel Packham, Cassia Co.; Reed Findlay, Power Co.; Steve Harrison, Caribou Co. and Ben Eborn, Teton Co.)
  - Farm & Ranch Management Schools – one-day courses were offered in Burley on Dec. 19, Pocatello on Dec. 20 and Rexburg on Dec. 21.
  - 6-week course on financials, enterprise budgets, grain marketing and succession planning were held in Rexburg, Pocatello and Burley from mid January to early March.
  - 2012/13 program will include another series of in-depth farm and ranch management education

courses offered in at least 4 locations and short courses on estate and succession planning.

- North Idaho Extension (extension team leader is Ken Hart, Lewis Co.)
  - Business/Succession Planning Short Courses were held in Craigmont on Jan. 23, 24 and 26 and in Moscow on March 12,13 and 15. A similar short course was held in Grangeville last year.
  - 2012/13 program will include an innovative three-stage program to strengthen basic and advanced grain marketing skills, with Step One-Tooling Up, Step Two-Stepping Up, and Step Three-Wrapping it Up.

## MARKET OUTLOOK: MY 2012/13 Global Grain Market Fundamentals

■ World barley production is projected to be down 2% (U.S. crop up 42%), usage down 2% (U.S. usage up 22%) and carryover down 12% (U.S. carryover up 2%).

■ World wheat production down 5% (U.S. crop up 13%), usage down 2% due to smaller anticipated feed usage but that is likely to change due to problems with the corn crop (U.S. usage up 5%) and carryover down 10% (U.S. carryover down 6%).

■ World corn production down 3% (U.S. crop down 13%), usage down 1% (U.S. usage down 9%) and carryover down 9% (U.S. carryover down 36%).

### Key Drivers

■ **U.S. beer demand remains stagnant** (down 1.7% in 2011; but craft beer segment was up about 12 to 15%). Fortunately, mid-year statistics show that overall 2012 domestic beer consumption is on the upswing.

■ **2012 U.S. corn yields are expected to fall dramatically this year** – more than half of the U.S. has been declared a drought emergency and crop watchers now expect U.S. corn yields to fall to as low as 120 bushels per acre or lower, sparking a major price rally in late summer.

■ **Future of the Renewable Fuels Standard** – the U.S. livestock industry formally filed a petition with the EPA in late July to waive the current ethanol blending mandate which stands at 13.2 billion gallons (4.7 billion bushels corn) in 2012 and 13.8 billion gallons (4.9 billion bushels corn) in 2013. Livestock feeders argue they are suffering severe economic effects from rising corn prices triggered by the 2012 drought that are exacerbated by the government mandate for corn ethanol production. They are calling for a suspension of the RFS for the remainder of 2012 and into 2013.

■ **How much corn will China need to import to meet its expanding livestock feed demand?** China has purchased about 5.2 MMT of U.S. corn in the current marketing year compared to only 743 TMT for the same period the previous year. While China is on pace to produce a record high corn crop this year many analysts believe

China will need to import more corn yet this year to refill their strategic reserves and meet rising demand for feed grains. Imports could be sourced from other U.S. competitors, like Argentina and Ukraine, but their corn crops also are projected to decline and there are many phytosanitary import restrictions which might make these other origins

more difficult.

■ **Outside market influences** – investment money flow, value of the dollar and crude oil will continue to strongly influence market direction, with continued high volatility attributed to the protracted European debt crisis and a weakening global economic outlook.

**MY 2012/13 World Grain Supply & Demand  
USDA, Aug. 10, 2012 (million metric tons, MMT)**

	BARLEY		CORN		WHEAT	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
Carryin	24.3	21.6	127.5	135.9	197.2	197.2
Production	133.9	130.8	876.8	849.0	694.7	665.3
Total Supply	158.2	152.4	1,004.3	984.9	891.9	862.5
Export Trade	18.9	16.6	98.5	90.9	149.2	135.6
Total Usage	136.6	133.3	868.3	861.6	694.7	680.1
Carryout	21.6	19.1	135.9	123.3	197.2	182.4
Stocks/Use	15.8%	14.3%	15.7%	14.3%	28.4%	26.8%

**MY2012/13 U.S. Grain Supply & Demand  
USDA, Aug. 10, 2012 (million bu)**

	BARLEY		CORN		WHEAT	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
Harvested Acres (mln)	2.2	3.3	84	87	45.7	48.8
Carryin	89	60	1,128	1,021	862	743
Production	156	221	12,358	10,779	1,999	2,268
Imports	16	25	25	75	112	130
Total Supply	261	306	13,511	11,875	2,974	3,141
Food, seed & industrial	155	155	6,390	5,850	1,018	1,023
Ethanol			5,000	4,500		
Feed	37	80	4,550	4,075	163	220
Exports	9	10	1,550	1,300	1,050	1,200
Total usage	201	245	12,490	11,225	2,231	2,443
End stocks	60	61	1,091	650	743	698
Stocks to use	30%	25%	8.2%	5.8%	33%	29%