



IBC leads national effort to keep barley competitive



Tim Dillin (far left) participates in U.S. barley trade mission to Japan in November 2010.

Tim Dillin, District I commissioner from Bonners Ferry, is serving his 2nd year on the IBC. Tim currently services as vice chairman of the IBC and a board member of two national boards—the **National Barley Foods Council** which promotes consumption of barley-based foods and **National Barley Improvement Committee** which advocates for federal barley research funding.

“We will need to be more strategic in how we position U.S. barley in the Japanese market in the future. Feed barley purchases have become increasingly price sensitive and with declining U.S. feed barley production and higher prices, we will struggle to compete in this segment of the Japanese market. But we see more opportunities to export food barley to this region of the world and to capitalize on these opportunities we will be expanding our efforts to educate their consumers on barley’s health benefits.”



Ron Elkin, with his wife Inga and two children JP and Reina, getting ready for 2011 barley harvest in southcentral Idaho.

Ron Elkin, District II commissioner from Buhl, is serving his 6th and final year on the IBC. Ron currently serves as chairman of the IBC and a delegate to the **U.S. Grains Council**, a non-profit trade association based in Washington, D.C. which builds export markets for barley, corn and sorghum. Ron has represented Idaho barley on trade missions to Japan and Latin America.

“A stagnant domestic beer market has forced us to look at the expanding beer markets in Asia and Latin America for opportunities to market Idaho malting barley. I think our barley is very well positioned for quality and logistics but it will take better yields and competitive pricing to make inroads into some of these markets. But we are seeing progress. Idaho will host a team of malting barley buyers from Central America this fall which should help open some new doors for our producers.”



Dwight Little (far left) and Clay Kaasa (2nd from left) host eastern Idaho barley growers at BBQ in Newdale in late July. Also featured in this photo are Steve and Rebecca Siddoway, leaders of the Madison County Grain Growers Association.

Dwight Little, District III Commissioner from Teton, is serving his 4th year on the IBC. Dwight serves on the board of the **National Barley Growers Association** based in Washington, D.C., which advocates for federal policy that will benefit Idaho barley producers.

“Producers need to realize that farm support programs as we know them today are likely to be changing significantly in this new era of federal budget cuts. Everyone will need to sharpen their pencils and analyze how the new programs will best fit their own operations. Personally I will continue working hard to strengthen crop insurance for barley producers.”

Clay Kaasa, Industry Representative, is serving his 4th year on the IBC. Clay is director of U.S. grain procurement for Great Western Malting Co., based in Blackfoot. Clay participates in **U.S. Grains Council** meetings and helps advise the board on our ongoing market development and risk management education programs.

“Idaho has historically been a high quality and consistent barley producing state, and we expect that will certainly be true again this year. Based on current trends, I see more opportunities for increased barley acres in Idaho in the future.”

Challenges and opportunities for Idaho barley

- **Lack of competitiveness in overall profitability** – improvements in malting barley contract offers and improved barley revenue insurance guarantees are helping to keep barley acres competitive in Idaho, but we continue to see declining acreage across the Northern Plains and Pacific Northwest.
- **Loss of federal and state research dollars impacting barley research in Idaho** – over the past century, barley has relied heavily on public research investments to keep it competitive with other crops that have enjoyed millions of dollars of private sector support. Unfortunately the economic downturn has resulted in deep funding cuts in both University of Idaho and ARS budgets which have directly impacted barley research in Idaho. As a consequence, the IBC has had to step up to fill the gaps left by these declining public research investments. For example, the nearly century-old Tetonia research farm established in 1917 is now exclusively funded with barley, wheat and potato check-off dollars rather than state general funds.
- **Malting barley** – domestic beer demand remains stagnant due to high unemployment but craft beer sales are on the upswing. Asian and Latin American markets continue to grow steadily and bilateral free trade agreements with South Korea and Colombia should open some doors for U.S. malt and barley.
- **Food barley** – there is great potential to expand the use of barley as a principal ingredient in cereal foods due to its unique health benefits. Current usage is small (less than 0.5% of Idaho acres), but the long-term potential is significant.

IBC Program Highlights

■ **Improved Barley Crop Insurance** – Working closely with our partners in the American Malting Barley Association, the IBC helped secure a higher feed barley price guarantee for 2011 barley insurance. After several months of close consultation with the USDA Risk Management Agency regional office in Spokane and national program office in Kansas City, we successfully made the case that the conversion factor that is applied to CBOT corn futures to derive a feed barley price guarantee needed to be adjusted higher to reflect current market values between corn and feed barley. **This change resulted in a \$45/bu gain in the projected feed barley price guarantee of \$5.93/bu.**

■ **Grain Marketing & Risk Management Education** – The IBC has won its 9th consecutive competitive grant from the Western Center for Risk Management Education at WSU to conduct grain marketing and risk management education for producers across Idaho. Our 2012 award of \$15,000 will allow the IBC to collaborate with grain extension faculty in offering a series of farm business management and marketing classes and internet-based webinars in several locations, including: Craigmont, Genesee, Coeur d'Alene, Jerome, Burley, Pocatello, Rexburg

and Ashton. In 2010-11, the IBC conducted 6 workshops and 7 webinars involving more than 1,100 producers across Idaho. Since 2001, the IBC has been awarded nearly \$110,000 in competitive risk management education grants.

■ **Herbicide Resistance and Persistence Tracking System** – With IBC funding, University of Idaho weed scientists have developed the first-of-its-kind computer tool to help Idaho grain producers simplify their herbicide selection and prevent development of herbicide resistant weeds and damage to future crops from residual carryover. **This dynamic tracking tool known as the Herbicide Resistance and Persistence Management System is available for purchase online at www.cals.uidaho.edu/herbicidemanagement.** Growers who download the program will have a six month free trial period before they will be required to pay a \$50 annual subscription fee to cover updates. The tool originally focused on dryland crop rotations in northern Idaho, but with additional IBC funding, has been expanded to cover irrigated crop rotations in southern and eastern Idaho.

Weed experts emphasize that tracking and adjusting herbicide use is essential to controlling resistance in weeds. Over 200

weeds worldwide now show resistance to commonly used herbicides. The main way to avoid resistance is to change herbicides based on their modes of action on weeds. This new computer program is designed to help growers manage this challenge, as well determine which herbicides will work best in their specific cropping patterns to avoid soil persistence and rotation problems.

■ **Food barley technical education for Asian and Latin American cereal food manufacturers** – With a new USDA marketing grant in 2011-12, the IBC will formulate new cereal food products using barley as a principal ingredient and will conduct technical training for targeted food manufacturers from Japan, Taiwan, South Korea, Mexico and Chile. We will collaborate with cereal food scientists from Oregon State University, WestBred and the Wheat Marketing Center in Portland, OR, to promote barley as an emerging food ingredient.

■ **Barley policy advocacy at state and federal levels** – One of the IBC's biggest annual investments is its contractual support for the Idaho Grain Producers Association and National Barley Growers Association to help advocate for policies on the state and federal level that will benefit Idaho barley producers. Priorities include: formulation of the 2012 Farm Bill, passage of free trade agreements with South Korea and Colombia, support for federal barley research funding and monitoring EPA environmental regulations.

