



Update from the Idaho Barley Commission

IBC targets new barley markets

IBC continues to work closely with our long-time malting and brewing customers who have maintained active malt contracting programs in our state, some for the past 40 years. While valuing these traditional malting barley markets, we are also building new market demand in the export market, targeting both malting and food buyers in Latin America and Asia, and domestic food and fish feed markets. These efforts are reaping benefits for our producers in the form of new value-added contracts for both malting and food barley, particularly in our largest production areas of southern and eastern Idaho. These market development efforts remain a top priority for Idaho barley check-off dollars.

IBC continues focus on grain producer education

IBC has begun its 9th year of grain marketing and risk management workshops. This year we have added a new delivery mechanism – web-based seminars known as webinars – to our toolbox. Participation is simple and at no cost. Participants log onto the website at <https://connect.cals.uidaho.edu/barley> (requires Adobe Flash Player which is installed on most computers) and enter their email address. **We conducted our first two webinars on Sept. 14 on Grain Market Outlook & 2011 Malt Contract Pricing Strategies** (recorded version can be downloaded at <https://connect.cals.uidaho.edu/p972411481>) and on **Nov. 10 on Understanding technical trends in futures contracts / current grain market outlook** (recorded version at <https://connect.cals.uidaho.edu/p38164240/>). Other upcoming webinars include:

■ **Jan. 18 at 8:30 a.m. MST—Managing Input Costs: Owning vs. Leasing Machinery**—presented by Dr. William Edwards, Iowa State University ag economist in Ames, IA

■ **Jan. 27 at 8:30 a.m. MST—Optimizing fertility in Malting Barley and Hard Red Spring Wheat** – presented by Dr. Brad Brown, UI cereal agronomist, Parma ID

■ **Feb. 7 at 8:30 a.m. MST (tentative)—Understanding new barley crop insurance options**—presented by Mark Andreasen, Mountain States Insurance, Soda Springs, ID

Current Global Grain Market Outlook

■ World barley production down 17% to the lowest level in 40 years (U.S. crop down 21%), usage down 3% (U.S. up 2%) and carryover down 43% (U.S. down 26%). Malting barley crops are significantly smaller in the EU, Canada and the US compared to last year's bumper crops, helping to draw down large malt inventories in the face of lackluster beer demand.

■ World wheat production down 6% (U.S. crop down slightly), usage up 2% (U.S. up 5%) and carryover down 12% (U.S. down 13%).

■ World corn production up .6% (U.S. crop down 4%), usage up 3% (U.S. up 3%) and carryover down 13% (U.S. down 52%).

Key Factors/Wild Cards to Watch –

■ **Will USDA make additional cuts to U.S. corn production in their final January 2011 production report?** As widely expected, USDA cut another 1.5 bushels per acre off of the U.S. corn yield in their Nov. 9 estimate to 154.3 bpa (down nearly 11 bushels since August), reducing output to 12.54 billion bushels, down another 124 million bushels from the October projection. Corn used for ethanol production was increased by 100 million bushels this month to 4.8 billion bushels (more than twice U.S. corn exports), while domestic feed usage was cut by 100 million bushels to 5.3 billion bushels. U.S. ending stocks were cut by 75 million bushels to a razor-thin level of 827 million bushels. This represents a historically low stocks-to-use position of only 6.2%.

■ **How much corn will China need to import this year to meet its expanding livestock feed demand?** Right now, private forecasts peg the Chinese corn crop at a much lower level (153 MMT) than either USDA (168 MMT) or Chinese government (169 MMT) estimates, which suggests that more imports are on the horizon.

■ **Will South Hemisphere wheat production reach current estimates?** Harvest is underway in Australia, and production estimates range from 22 to 25 MMT (USDA current peg is 24 MMT), due to reduced yields in Western Australia (40% of wheat and 32% of barley) and potentially record yields in southern and eastern regions. However, excessive moisture during harvest in the east could significantly affect quality. Meanwhile, Argentina has received timely rains to stabilize its expected wheat output, which is pegged by USDA at 13.5 MMT, up 1.5 MMT from last month.

■ **When will the EU run short of exportable supplies of milling quality wheat?** Some analysts think that the EU could exhaust its exportable supply by the end of the calendar year, paving the way for a BIG jump in U.S. wheat exports during the second half of this marketing year.

MY 2011 U.S. Grain Supply & Demand, USDA, Nov. 9, 2011 (million bu)

	BARLEY		CORN		WHEAT	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Harvested Acres (mln)	3.1	2.5	79.6	81.3	49.9	47.6
Carryin	89	115	1,673	1,708	657	976
Production	227	180	13,110	12,540	2,218	2,208
Imports	17	15	8	10	119	110
Total Supply	333	311	14,792	14,257	2,993	3,294
Food, seed & industrial	164	165	5,930	6,180	986	1,016
Ethanol			4,560	4,800		
Feed	48	50	5,159	5,300	150	180
Exports	6	10	1,987	1,950	881	1,250
Total usage	217	225	13,084	13,430	2,018	2,446
End stocks	115	86	1,708	827	976	848
Stocks to use	53%	38%	13%	6.2%	48%	35%

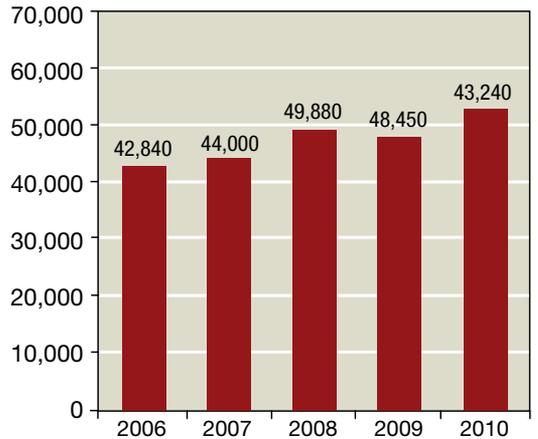


IDAHO BARLEY STATISTICS

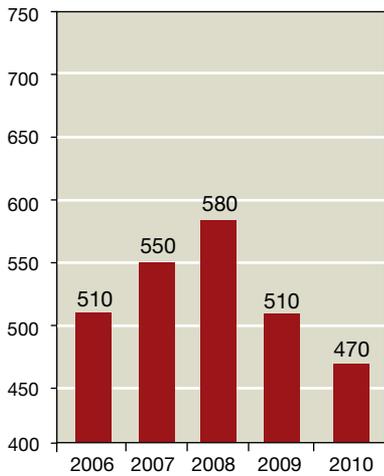
World Grain Supply & Demand USDA, Nov. 9, 2010 (million metric tons, MMT)

	BARLEY		CORN		WHEAT	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Carryin	30.9	36.9	147.9	147.9	165.3	195.4
Production	149.6	123.8	813.3	818.5	682.7	642.9
Total Supply	180.5	160.7	961.2	966.4	848.0	838.3
Export trade	17.4	16.2	92.5	93.2	134.3	126.7
Total Usage	143.5	139.6	813.7	837.3	652.6	665.8
Carryout	36.9	21.2	147.9	129.2	195.4	172.5
Stocks / Use	25.7%	15.2%	18.2%	15.4%	29.9%	25.9%

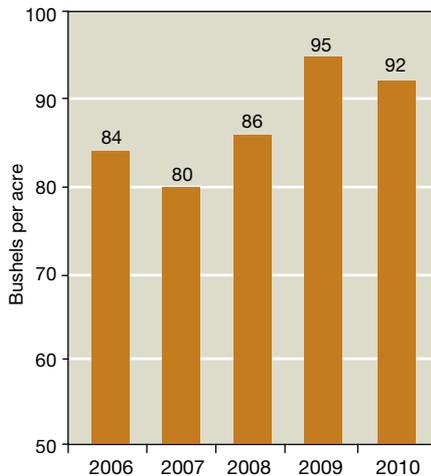
Idaho Barley Production (000 bushels)



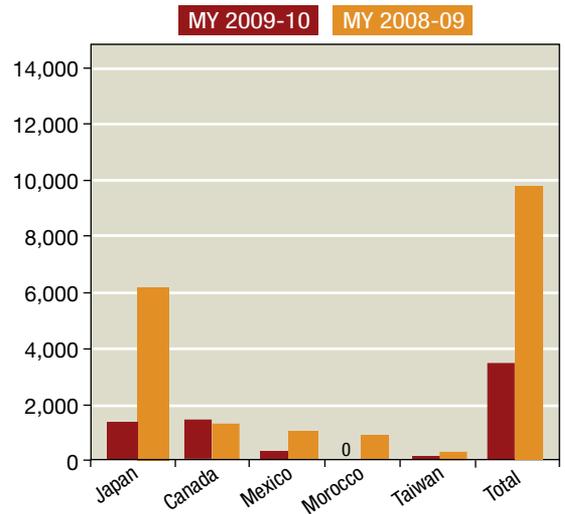
Idaho Harvested Acres (000)



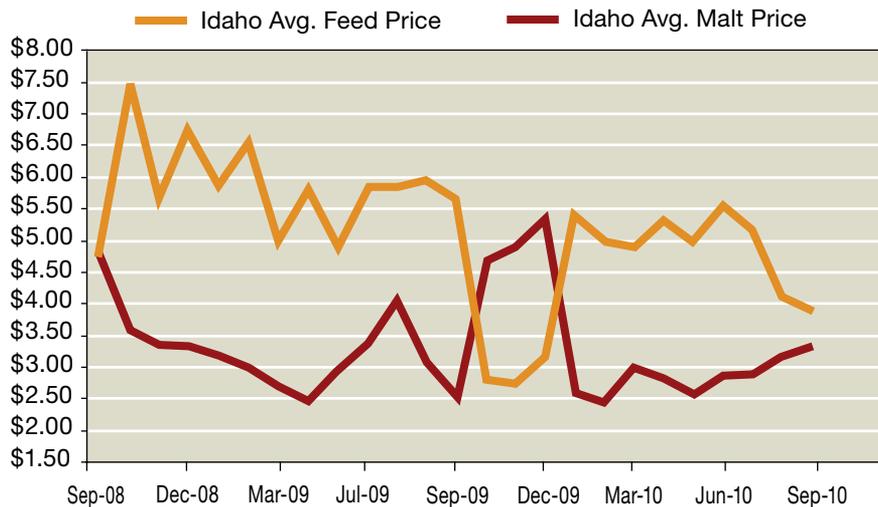
Idaho Yield Per Harvested Acres



US Barley Exports (000 bushels)



Monthly Average Price for Idaho Barley (bu.)



PNW Barley Exports (000 bushels)

