

**IDAHO BARLEY COMMISSION
CONFERENCE CALL MINUTES
MARCH 2, 2012**

I. Roll Call – Chairman Tim Dillin called the IBC conference call to order at 7:37 a.m. on Friday, March 2, 2012. **Participants included:**

Tim Dillin, Chairman
Ron Elkin, District II Commissioner
Dwight Little, District III Commissioner
Clay Kaasa, Industry Representative
Kelly Olson, Administrator

Topics remaining from the February 23, 2012 meeting were discussed.

II. IBC Program Review

Report on National Barley Growers Association winter board meeting – Dwight continued his report on the NBGA winter board meeting held January 30 – February 1, 2012 in Washington, D.C. He stated that there was very little optimism that the 2012 Farm Bill will be completed this year because of the election cycle and the fact that very little legislation is successfully moving through the divided congress. He reported that NBGA's priority is to maintain adequate funding for crop insurance and agricultural research and ensure that the farm safety net does not distort U.S. planting decisions, as we have seen in past years.

Western Canada Barley Growers Association meeting – Commissioner Dwight Little attended the Western Canada Barley Growers Association annual meeting held February 15-17 in Calgary, Alberta on behalf of the IBC. The main focus was what comes next after the end of the Canadian Wheat Board monopoly control over barley sales becomes effective August 1, 2012. Dwight briefly summarized presentations given by the Canadian Ag Minister Gerry Ritz, Alberta Ag Minister Evan Berger, and various representatives of the trade, end users and the Canadian Wheat Board. Dwight noted that the CWB will continue to exist after August 1 but will no longer have monopoly control over barley and wheat sales. He concluded that optimism was running high at this meeting, partly driven by the celebratory mood that they had finally achieved marketing choice and the idea that barley would remain a competitive rotational crop in Canada

Industry Representative Clay Kaasa added perspective by Great Western Malting Co. and their sister company, Canada Malting Co, on coming changes in the Canadian marketing system. Clay reported that about 20% of Canada's annual barley crop typically is used by Canadian malting industry and the remainder goes into exports or feed channels. He noted that two of out every five years Canada experiences some crop yield and/or quality problems and that is not likely to change. Clay concluded that he felt the more consistent production and quality from the Western U.S. will allow us to remain competitive with Canadian barley supplies despite the new open marketing system.

National Barley Improvement Committee / federal barley research funding trends – Chairman Tim Dillin briefed the board on the status of federal barley research funding

in the current FY 2012 and prospects for additional cuts in FY 2013. NBIC will travel to Washington, D.C. on March 3-7 to meet with ARS and members of Congress on maintaining these vital federal barley research investments. Commissioner Dwight Little will replace Chairman Dillin on this trip due to Mr. Dillin's conflicts with his calving schedule. The Administrator noted that ARS Aberdeen barley breeding program has seen a 58% decline in operating funds over the past 10 years and the squeeze is getting tighter each year as ARS takes more congressional cuts. **NBIC's key message to Congress will be that federal investment in barley research is needed to keep barley a viable option for U.S. growers and to maintain and enhance value-added job generating enterprises in the U.S.**

U.S. Grains Council International Marketing Conference and Membership Meeting on February 12-16, 2012 in Panama City, Panama – Commissioner Ron Elkin reported on his participation in the U.S. Grains Council International Marketing Conference and Membership Meeting held February 12-16, 2012 in Panama City. Ron reported that the USGC is facing a 15% cut in total federal marketing dollars this fiscal year (FMD and MAP) which forces them to carefully re-evaluate all of their office locations and overhead. They will be closing their Amman, Jordan office and opening a new office in Sub-Sahara Africa and are considering closing their Mexico City office but maintaining a visible presence in Mexico. Without question, Mexico is an important export market for U.S. feed grains (#1 for barley and sorghum and #2 for corn) but the office overhead is extremely high and services may be better provided through an alternative avenue. This proposal did not sit well with North Dakota and Montana barley councils but Ron said he could see the rationale for achieving budget savings and improving program efficiencies. Overall, he said that the USGC was shifting its emphasis from market development to trade and policy development. Much of the discussion at the barley sector breakfast centered on the USGC's ongoing malt and malting barley initiative in Latin America and a renewed focus on Colombia after approval of the Colombia-U.S. free trade agreement. Industry Representative Clay Kaasa added his perspective on markets that U.S. malt and barley will be competitive in the future, but he noted that the U.S. industry faces significant logistical risks and European and Argentine malt will continue to be very price competitive in the expanding Latin American market.

Commissioner Ron Elkin raised the idea of inviting the Idaho Farm Bureau Federation to become a producer organization member of the US Grains Council, which should help boost Idaho barley's long-term influence by maintaining a consistent presence at the table. Ron suggested that IBC might want to offer an incentive like covering half of the IFBF's membership cost (half of \$6,000) for the first year to entice them to consider this proposal. **A motion was made Commissioner Ron Elkin, and seconded, to offer to partner with the Idaho Farm Bureau Federation in pursuing a producer membership within the US Grains Council. The motion carried 4-0.**

Barley Crop Insurance issues – The Administrator reported that the final 2012 feed barley price guarantee has been set at \$5.37/bu and \$6.69/bushel for spring wheat. At Commissioner Little's request, the Administrator prepared and distributed a special newsletter on barley crop insurance that was distributed electronically on February 7, 2012. She reported on other ongoing efforts that IBC has been engaged in to improve barley crop insurance coverage, including educating insurance agents (RMA Spokane

training) and growers (RMA presentation at all 2012 southern and eastern Idaho cereal schools).

IBC’s 2011-12 Risk Management Education Programs – The Administrator summarized risk management education programs delivered or planned in 2011/12, including: a series of Farm Business Management training sessions in four southern and eastern Idaho locations (Jerome, Burley, Pocatello and Rexburg) and two north Idaho locations; succession and estate planning short courses in two north Idaho locations (Craigmont and Moscow); and IBC workshops/webinars and weekly grain market newsletter.

IBC -

- Sept. 7, 2011 WEBINAR on “Grain Market Outlook and Strategies for 2012 Malting Barley Contract Pricing” – presented by Kelly Olson, IBC, at <http://connect.cals.uidaho.edu/p531924081/> – 16 attendees + 125 on-line views
- Nov. 9 WEBINAR on Optimizing 2012 Malting Barley Contract Pricing Strategies and Navigating Volatile Grain Markets – presented by Craig Corbett, Grace, ID at <https://connect.cals.uidaho.edu/p27789333> - 22 attendees + 34 on-line views
- Nov. 28, 2011 WEBINAR on How to Hedge Your Farm Energy Inputs – presented by Bryce Knorr, Farm Futures senior editor at <http://connect.cals.uidaho.edu/p79575512/> – 10 attendees + 42 on-line views
- Dec. 6, 2011 WORSKHOP – Grain Marketing & Risk Management by Dr. Art Barnaby in Pocatello – 58 attendees (41 producers)
- Jan. 9, 2012 RightRisk Workshop in Rexburg – 33 attendees (29 producers)
- Jan. 10, 2012 RightRisk Workshop in Soda Springs – 40 attendees (30 producers)
- Feb. 28, 2012 RightRisk Workshop in Greencreek – 27 attendees (19 producers)
- Feb. 29, 2012 RightRisk Workshop in Genesee – 11 (6 producers)

Southern/Eastern Idaho Extension –

- Farm & Ranch Management Schools – one-day course offered in Burley on Dec. 19 – 13 attendees; Pocatello on Dec. 20 – 29 attendees; and Rexburg on Dec. 21 – 18 attendees.
- 6-week course on financials, enterprise budgets, grain marketing – scheduled in Rexburg beginning on Jan. 18 and in Pocatello and Twin Falls beginning on Jan. 19.

North Idaho Extension –

- Business/Succession Planning Short Courses in Craigmont on Jan. 23, 24 and 26) – 33 attendees (14 farm families). Next course scheduled in Moscow on March 12,13 and 15.

Transportation issues – The Administrator briefly reported that rail competition legislative proposals remain in the discussion on reauthorizing surface transportation funding, with two different proposals pending consideration in the House and Senate. Serious differences in funding levels between the two proposals will be the sticking point in successfully moving this must-do legislation this year.

III. IBC Strategic Initiatives

Food Barley – The Administrator reported on the status of several food barley efforts, including:

1 – IBC’s ongoing work with ARS to develop a proposal to create a national food barley research consortium with funding support from major U.S. food companies. This proposal is on schedule to be presented to prospective funding partners by April 1.

2 - IBC’s Asian Food Technical Short Course scheduled March 5-9 at the Wheat Marketing Center in Portland, OR – we have 9 participants confirmed from Japan, Taiwan and South Korea.

3 –School food service initiative – As part of our FSMIP grant, we agreed to conduct a feasibility study of cost-effective ways to increase use of barley foods in school meals. The Administrator presented a consulting proposal by Dayle Hayes, MS RD, President, Nutrition for the Future (Billings MT) to conduct a preliminary assessment and future recommendations on food barley use in school meals in the amount of \$4,000. **A motion was made by Commissioner Ron Elkin, and seconded, to approve a \$4,000 feasibility study on utilizing barley foods in school meals. The motion carried 4-0.**

A final motion was made by Commissioner Ron Elkin, and seconded, to approve all acts and transactions of the March 2, 2012 IBC conference call. The motion carried 4-0.

With no other business, the IBC conference call was adjourned by Chairman Tim Dillin at 9:03 a.m.

Tim Dillin, Chairman

Date

**IBC CONFERENCE CALL
MARCH 2, 2012
MOTIONS PASSED**

1. A motion was made Commissioner Ron Elkin, and seconded, to offer to partner with the Idaho Farm Bureau Federation in pursuing a producer membership within the US Grains Council. The motion carried 4-0.
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