

**IDAHO BARLEY COMMISSION
MEETING MINUTES
JULY 1, 2013, BOISE, ID**

I. Roll Call – Chairman Dwight Little called the IBC meeting to order at 8:35 a.m. on Monday, July 1, 2013 at the IBC office in Boise, Idaho. **Attendees included:**

Dwight Little, Chairman
Tim Dillin, District I Commissioner
Pat Purdy, District II Commissioner
Clay Kaasa, Industry Representative
Kelly Olson, Administrator
Andi Woolf, Project Coordinator/Fiscal Officer

Guests included: IBC intern Hanna Fischer; IGPA Executive Board member Terry Kulik, Filer; IGPA Executive Director Travis Jones, Boise; UI College of Agricultural and Life Sciences (CALs) Director of Industry Relations Rich Garber, Boise; CALs Director of Development Kim O'Neill, Moscow; Mie Davis, President of the American Malting Barley Association (by telephone); and *Capital Press* reporter Sean Ellis were in attendance for parts of the IBC meeting.

II. IBC Meeting Minutes

The minutes from the IBC's February 20, 2013 meeting were reviewed. **A motion was made by Commissioner Tim Dillin, and seconded, to approve the minutes for the February 20, 2013 IBC meeting as presented. The motion carried unanimously.**

III. IBC Budget Report

Monthly check-off receipts, balance sheet and income statements -- The Administrator reviewed budget reports as of June 27, 2013, showing check-off receipts totaling \$397,495.85, which are \$7,511 lower than for the same period last year. The Administrator reviewed the IBC's balance sheet and income statement, showing assets at \$435,712.38; total income-to-date of \$404,537.39, which is 89% of the budgeted amount for the year; and expenses of \$449,048.37, which are 94% of the budgeted amount. The Administrator reviewed budget line items that were over budget, noting that workshop expenses will drop from current \$2,237 to about \$16 after we receive the most recent risk education grant reimbursement from WSU. **A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the IBC financial report as presented. The motion carried unanimously.**

IV. IBC Administration

2013 acreage estimates – The board reviewed the USDA NASS latest acreage estimate for Idaho, released June 29, showing harvested acreage up 5% to 620,000,

which is line with malting and brewing company projections and reported seed sales. U.S. barley harvested acreage is projected to decline by 12%, due largely to a 30% loss in North Dakota acreage. Canadian barley acreage has been pegged by Stats Canada to decline 3% this year.

UI Barley Agronomist Research Endowment - The board deviated from their meeting agenda in order to hear a report from UI CALS Director of Development Kim O'Neill on the pending Barley Agronomist Endowment. Kim and Rich Garber explained that the University of Idaho Foundation very recently modified its operational fee structure, increasing one-time fees on endowment gifts from 1% to 5%, which is in line with peer institutions, and lowered its annual Combined Investment Trust (CIT) assessment from 1.25% to 1%, which remains below peer institutions. After thorough discussion on the impacts of the fee structure and the status of the Endowment Agreement and MOU, **a motion was made by Commissioner Pat Purdy, and seconded, to authorize the Barley Endowment Agreement of \$1 million to establish a Barley Agronomist position at the Aberdeen Research & Extension Center in Aberdeen, ID. The first year payment of \$200,000 on July 1, 2013 was also authorized. The motion carried unanimously.**

Approval of hosted meals – The Administrator reviewed two hosted meals during the period since February 20, 2013, totaling \$76.81. **A motion was made by Commissioner Tim Dillin, and seconded, to approve the two hosted meals totaling \$76.81. The motion carried unanimously.**

Travel Authorizations – The Administrator reviewed the calendar. **A motion was made by Industry Representative Clay Kaasa, and seconded, to approve authorization for the Administrator and one commissioner to travel to St. Louis, MO, to meet with Anheuser Busch InBev and to Golden CO, to meet with MillerCoors on future participation in the Idaho Barley Agronomist Endowment. The motion carried unanimously.**

V. IBC Program Review

Malting industry developments – Industry Representative Clay Kaasa and AMBA President Mike Davis (be telephone) provided an overview of current trends in North American malting and brewing markets, including the execution of the Anheuser Busch Inbev (ABI) purchase of Grupo Modelo. Mike Davis provided a status report on federal barley research funding for FY 2014 and the rise of craft malting in all regions of the country to meet the needs of craft brewers who desire to source local malt for their beer manufacturing.

US Grains Council – Commissioner Tim Dillin reviewed the schedule and results of the Japan barley trade team visit to the Lewiston and Genesee areas on June 23-24. He commented that since these customers purchase most, if not all, of their barley from the Pacific Northwest they should spend more time in the travel schedule in our region. We had the team only one full day, compared to one and a half days each in Montana and

North Dakota. Commissioner Dillin also reviewed the schedule for the summer USGC delegates meeting scheduled July 29-31 in Ottawa, Canada. Tim noted that travel to this location will be very expensive, which makes it difficult for the IBC to consider raising its financial contributions to the USGC in the new fiscal year. Finally, Tim reviewed the USGC request for \$30,000 in base program funding from the IBC in FY 2014, an increase of \$5,000. Tim recommended maintaining our funding commitment at the previous fiscal year level of \$25,000.

National Barley Growers Association (NBGA) report – Chairman Dwight Little reported on the summer NBGA board meeting held June 11-12, 2013 in Las Vegas, NV. This was Scott Brown's last meeting as NBGA president and he was honored with a dinner on Tuesday evening. The new president is Doyle Lentz, North Dakota, and vice president is Peter Friederichs, Minnesota. President Lentz has changed the way NBGA will conduct its business affairs by transferring administrative functions from the state association to the NBGA lobbying firm. This move will necessitate drawing down reserves significantly in FY 2014. Dwight noted that there was considerable discussion on ways to broaden the funding support for NBGA from associate industry members. President Lentz indicated that he would continue to consult members on new funding approaches for the future. Finally, Dwight reported on the status of the farm bill and asked input from the staff (Travis Jones, IGPA, and the Administrator) on chances for passage of a farm bill this summer before the one-year extension of the 2008 Farm Bill expires on September 30.

Idaho Grain Producers Association (IGPA) report - IGPA Executive Board member Terry Kulik presented the IGPA's FY 2014 budget request, which is a maintenance budget of \$62,000, which represents a flat level for the past five years. Terry also reported on a request that had been received by the IGPA Executive Board to consider contributing to a dedicated scholarship fund for diesel mechanics at the trade school at Idaho State University. The IBC board felt that more information would be needed before any further action could be taken.

IBC's grain marketing / risk management education – The Administrator summarized the IBC's 2012/13 grain marketing and risk management educational programs. She noted that IBC was recently awarded a grant in the amount of \$18,500 for FY 2014, and that we have received a total of \$156,900 in competitive risk management education grants from the Western Center for Risk Management Education since 2001. Our programs have comprised more than 115 events, reaching more than 5,800 producers over this time period. Recently completed FY 2013 risk management education (\$28,000 grant) activities have included:

- Continuation of grain marketing workshops and webinars (IBC).
- Continuation of Farm & Ranch Management Workshop series (one-day workshops in Dec. and 6-week series in Jan-Feb) offered by southern/eastern ID county extension.
- Launch Management Monday series in Lewiston – Jan 29 RightRisk Workshop, Feb. 11 Basic Grain Marketing and Feb. 25 Art Barnaby workshop offered by Lewis County Extension.

- First-ever Idaho Women in Agriculture Conference, March 2, 2013 in Twin Falls.

WEBINARS - 365 attendees/views

- **March 28, 2013 [Federal tax changes for farmers under the American Taxpayer Relief Act of 2012](#)** - presented by Aaron Tonks, CPA with Rudd & Company, Rexburg, ID at <http://connect.cals.uidaho.edu/p8nkv0xm79x/> - 13 attendees + 8 on-line views
- **Feb. 8, 2013 Global Grain Market Outlook** – presented by Kelly Olson, Idaho Barley Commission at <http://connect.cals.uidaho.edu/p89861735/> - 66 on-line views
- **Jan. 17, 2013 How to Hedge Grain Prices Using Recurring Trends & Market Cycles** - presented by Mr. Lan H. Turner, CEO Gecko Software, Inc, Logan, UT at <http://connect.cals.uidaho.edu/p71004116> - 21 attendees+ 95 on-line views
- **Nov. 20, 2012 Executing a 2012/13 Grain Marketing Plan** – presented by Craig Corbett and Carley Garner, commodity broker, Las Vegas, NV at <http://connect.cals/uidaho.edu/p20437593/> - 12 attendees + 32 on-line views
- **Oct. 30, 2012 on 2012/13 Grain Market Outlook & Understanding Technical Trends** – presented by Kelly Olson and Craig Corbett, Grace, ID at <http://connect.cals/uidaho.edu/p47995616/> – 23 attendees + 95 on-line views

WORKSHOPS – total of 831 attendees

Basic Grain Marketing Workshops – Dec. 4, 5 and 10, 2012 in Rexburg and Pocatello (total of 6 workshops) – 92 attendees

Topics –

1. How do grain markets work and what tools are available
2. Writing and Executing a Grain Marketing Plan
3. Making adjustments based on changes in the marketplace

RightRisk Workshops

- **Jan. 28, 2013 in Lewiston** – 6 attendees
- **Jan. 29, 2013 in Bonners Ferry** – 6 attendees

Feb. 1, 2013 Global Grain Market Outlook presentation to Wilbur Ellis grower meeting in Pullman, WA – 200 attendees

Southern/Eastern Idaho Extension – total of 367 attendees

- **One-Day Management Tools School** in Burley, Pocatello and Rexburg on Dec. 11, 12 and 13, 2012 34 attendees.
- **6-week series on financials, enterprise budgets, grain marketing**– Burley, Pocatello and Rexburg from Jan. 16 through Feb. 21 – 258 attendees.
- **Succession planning short course** - Burley, Idaho Falls and Preston from Feb. 27 through March 21– 75 attendees.

North Idaho Extension – *total of 96 attendees*

- **Marketing Monday sessions on Jan. 28-29 (RightRisk), Feb. 11 and Feb. 25 (Art Barnaby)** – *74 attendees*
- **Business/Succession Planning Short Course in Lewiston on Mar. 12, 14, 15 and May 21** – *11 attendees.*

First ever Idaho Women in Agriculture Conference – statewide conference held March 2, 2013 at College of Southern Idaho in Twin Falls – 84 attendees.

IBC is currently applying for a separate competitive grant directly from the USDA Risk Management Agency (applications due July 22, 2013) to support the development of a Barley Risk Assessed Marketing training program, in consultation with Kansas State University ag economist Art Barnaby.

Tetonia Field Day – The Administrator reviewed the flyer advertising our first-ever barley and potato research field day at the Tetonia Research Farm scheduled July 25. This event will include the official announcement of the Idaho Barley Commission's Barley Agronomist Endowment and will be attended by UI Interim President Don Burnett, CALS Dean John Foltz, CALS Associate Deans Donn Thill, Charlotte Eberlein and Larry Makus.

UI CALS budget request for FY 2015 - UI College of Agricultural and Life Sciences (CALS) Director of Industry Relations Rich Garber reported that CALS has made a request for a FY 2015 state general fund increase of \$1.5 million. Of that amount, \$1.2 million will go for operations to shore up the research and extension centers' research and extension infrastructure. This request is in line with the Governor's pledge to restore the \$5 million lost to past budget cuts in 5 years. Rich asked for our support of CALS' FY 2015 budget request and thanked the board members for their past efforts to work with legislators on CALS funding.

VI. IBC Strategic Initiatives

Malting Barley Initiative – The Administrator reviewed the status of a first-year research project between USDA ARS and the Brewers Association on identifying and evaluating malting barley lines for craft brewing quality targets. With excellent input from Great Western Malting Co., ARS has selected and planted the top 10 spring barley lines for grow out at Aberdeen and Filer. The top 10 winter malting barley lines will be planted in the fall. This experiment will be repeated in 2014 until 300-500 pounds of each line are available for pilot malting and brewing. We have helped organize a special field day event on July 23 in Aberdeen and Filer for craft brewers to evaluate these lines in the field.

Idaho Beer United - The Administrator also reported on IBC's participation in a malting barley field tour arranged by Great Western Malting Co. ahead of the Mountain Brewers' Annual Beer Fest in Idaho Falls on May 31. We had 10 companies participate in the tour. Later in the afternoon, Randy Neiwirth, GWM, and the Administrator attended the

annual meeting of the Idaho Brewers United guild (the Administrator made a presentation on Idaho barley production). She also attended the Beer Fest in Idaho Falls on the afternoon of June 1.

Food Barley Initiative – The Administrator reported on the IBC’s multi-prong food barley initiative, including variety development at ARS Aberdeen; promotional efforts with potential Asian and domestic food manufacturers; and barley in schools project which entails the development of barley recipes tailored for the school breakfast and lunch program. Three new recipes were developed for IBC by consulting chef/nutritionist Brenda Thompson and were tested for lunch, including: Tropical Bliss Barley Salad (pork, pineapple and barley), Chicken Barley Pilaf and Apple-Blueberry Barley A’ la Mode. Commissioner Tim Dillin reported that Greg Kessel, president of the National Barley Foods Council, essentially pulled the plug on NBFC in FY 2014, indicating that North Dakota Barley Council preferred to spend its resources at the Northern Crops Institute to develop food barley product specifications and formulations. Despite IBC’s repeated efforts to foster a strategic planning session of the NBFC board this past year, it appears that members are going in their own directions for now. Tim also reported PNW Farmers Cooperative continues to be actively engaged in working with potential customers from Japan, Taiwan and South Korea resulting from the commission’s trade mission last October. This IBC mission resulted in at least 1200 acres of contract production in north Idaho in 2013, valued at more than \$900,000.

VII. IBC FY 2014 Budget

FY 2014 projected income: \$701,245

Check-off receipts - \$699,490

Interest income – 1,500

Misc. and Market Report - \$255

A motion was made by Commissioner Tim Dillin, and seconded, to approve FY 2014 income projection of \$701,245. The motion carried 4-0.

FY 2014 expenditures: \$706,119

Capital Outlay - \$1,750

Administration - \$90,829 (includes 2.5% merit pay increase for 2 employees)

Research - \$347,863 (includes the \$200,000 payment to the Endowment)

Market Development - \$98,598

Industry Partnership/Grower Services - \$116,943

Information/Education - \$50,136

A motion was made by Industry Representative Clay Kaasa, and seconded, to approve FY 2014 expenditures of \$706,119, with an anticipated draw-down of reserves of \$4,874. The motion carried 4-0.

A final motion was made by Industry Representative Clay Kaasa, and seconded, to approve all acts and transactions of the July 1, 2013 IBC meeting. The motion carried unanimously.

With no other business, the IBC meeting was adjourned by Chairman Dwight Little at 4:10 p.m.

Dwight Little, Chairman

Date

**IBC MEETING
JULY 1, 2013
MOTIONS PASSED**

1. A motion was made by Commissioner Tim Dillin, and seconded, to approve the minutes for the February 20, 2013 IBC meeting as presented. The motion carried unanimously.
2. A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the IBC financial report as presented. The motion carried unanimously.
3. A motion was made by Commissioner Tim Dillin, and seconded, to approve the two hosted meals totaling \$76.81. The motion carried unanimously.
4. A motion was made by Commissioner Pat Purdy, and seconded, to authorize the Barley Endowment Agreement of \$1 million to establish a Barley Agronomist position at the Aberdeen Research & Extension Center in Aberdeen, ID. The first year payment of \$200,000 on July 1, 2013 was also authorized. The motion carried unanimously.
5. A motion was made by Industry Representative Clay Kaasa, and seconded, to approve authorization for the Administrator and one commissioner to travel to St. Louis, MO, to meet with Anheuser Busch InBev and to Golden CO, to meet with MillerCoors on future participation in the Idaho Barley Agronomist Endowment. The motion carried unanimously.
6. A motion was made by Commissioner Tim Dillin, and seconded, to approve FY 2014 income projection of \$701,245. The motion carried 4-0.
7. A motion was made by Industry Representative Clay Kaasa, and seconded, to approve FY 2014 expenditures of \$706,119, with an anticipated draw-down of reserves of \$4,874. The motion carried 4-0.
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