

**IDAHO BARLEY COMMISSION  
MEETING MINUTES  
May 23-24, 2012, BUHL & TWIN FALLS, ID**

**I. Roll Call** – Chairman Tim Dillin called the IBC meeting to order at 1:15 p.m. on Wednesday, May 23, 2012 at Clear Lake Country Club in Buhl, Idaho. **Attendees included:**

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

**Guests included:** Clark Kauffman, IGPA Executive Board member, Filer; Christie Bauscher, IGPA Administrative Assistant, Boise; Terry Kulik, Twin Falls County grain producer; Pat Purdy, Blaine County grain producer; Dr. Donn Thill, UI Ag Experiment Station Director, Moscow; Dr. Amber Moore, UI soil fertility specialist, Twin Falls; Dr. Randy Macmillan, Clear Springs Foods Vice President of Research & Environmental Affairs, Buhl; and Carol Ryan Dumas, *Capital Press* reporter, Twin Falls.

To accommodate guests, IBC Chairman Dillin rearranged the agenda items, moving research and specialty feed barley to the top of the afternoon meeting agenda.

**II. IBC Research**

**UI-IBC Barley Research Roundtable** – Administrator Kelly Olson and Commissioner Ron Elkin provided background on the research roundtable discussion the IBC initiated with the University of Idaho on April 28 as part of the IBC's participation in the UI's Capital Campaign Gala event on the Moscow campus. The IBC worked jointly with the UI CALS to organize the one-day roundtable event and invited representatives of the state's malting industry to join us in a serious discussion on the need for future investments in barley research infrastructure at the University of Idaho. Roundtable participants included: Commissioners Ron Elkin and Tim Dillin; IBC Administrator Kelly Olson; barley producers Nick and Sharon Purdy, Picabo; barley producer Pat Purdy, Picabo/Boise; Anheuser Busch malt plant manager Aaron Vaughn, Idaho Falls; InteGrow Director of Barley Supply Chain John Zietz, Idaho Falls; CALS Dean John Hammel, Moscow; CALS Experiment Station Director Dr. Donn Thill, Moscow; PSES Department Head Dr. Ding Johnson, Moscow; Assistant Professor of Horticulture Dr. Joe Kuhl, Moscow; Associate Professor of Plant Virology Dr. Alex Karasev, Moscow; Associate Professor and extension cereal agronomist and pathologist Dr. Juliet Marshall, Idaho Falls; cereal extension staff Doug Finkelnburg, Moscow; Associate Professor and extension irrigation engineer Dr. Howard Neibling, Twin Falls; CALS Director of Development Kimberly O'Neill; and CALS Director of Industry Relations Rich Garber, Boise. Dr. Thill provided CALS' perspective and concluded it was a successful first step in addressing long-term barley research needs in Idaho. Due to some unanticipated circumstances, Dr. Thill departed the IBC meeting at this point and future discussion was delayed until the next day. On May 24, the IBC board and Dr. Thill discussed in greater length the goals of the UI-IBC Barley Research Roundtable and a proposal by CALS Dean John Hammel to provide half of the funding needed for a designated barley research scientist if barley producers and industry can raise the

balance of funding needed. Dr. Thill distributed a handout on the funding stream that would be generated by a \$1 million endowment created over a period of five years (this would be the required minimum private investment). After thorough discussion on the merits of pursuing this concept, both parties agreed to develop a white paper to distribute to all stakeholders ahead of a second meeting which will be scheduled in eastern Idaho in early October. Commissioners emphasized the need to move slowly on this research campaign and to engage producers at the grass roots level on what research needs exist and how best to address them.

**Research Proposal presented by Dr. Amber Moore on Fertilizer Efficiency of Various Nutrient Sources** - Dr. Moore presented a three year proposal to determine the effective nutrient sources for improving yield and quality for malting barley grown in the high elevation intermountain region of Idaho. The proposal was discussed during the IBC's budget meeting the next day. The IBC declined to provide funding in FY 2013 because the nutrients had already been applied this year but indicated interest in funding the project the following two years. Dr. Moore also outlined a proposed long-term dairy compost study that would entail 9 years of evaluation of using a low grade compost material at three application rates and three timing regimes in a three-year crop rotation of barley, corn and sugar beets (barley would be grown every three years in this proposed study). Sugar beet industry has expressed strong interest in this study because of concerns that compost usage may affect sugar content in the beet crop. Dr. Moore did not have a specific budget request for the IBC to evaluate at this time but indicated that she would like to know general level of support within the next month in order to design the project.

**Clear Spring Food's barley fish feed research** – Dr. Randy Macmillan, VP for Research and Environmental Affairs for Clear Springs Foods, Buhl, joined the meeting and gave an excellent overview of CPF's interest in and research into alternative fish feed ingredients. Because of the sharp escalation in fish meal costs, rising from \$200/MT about 8 years ago to about \$1500/MT today, aquaculture producers have been pursuing research into alternatives to fish meal. Clear Springs utilizes about 14,000 tons of fish feed annually (5,000 tons of fishmeal/year). Dr. Macmillan reported that alternatives they have investigated include:

- **soybean meal** -- provides a good level of protein that is highly digestible by the trout but is high in other anti-nutritional factors (could be incorporated up to 12.5% of the trout diet);
- **soy protein concentrate** – good protein that is highly digestible but supplies are currently limited;
- **barley protein concentrate** – highly digestible protein source that does not have the same anti-nutritional factors as soybeans but need large scale fish feeding study to verify its viability (could be incorporated up to 50% of the trout diet). No commercially produced supplies available today, but the Administrator provided an update on Montana Microbial Products' efforts to build the first ever barley protein fractionation plant in Ft. Benton, Montana. Based on MPP's proprietary enzyme extraction process, one ton of barley would produce 560 pounds of barley protein concentrate and 83 gallons of ethanol. **Based on the Hagerman Valley's total fish feed demand, there would be a demand for about 10,000 acres of barley to be grown for BPC production.**

### **III. IBC Meeting Minutes**

The minutes from the IBC's February 23, 2012 meeting, March 2, 2012 conference call and March 29, 2012 conference call were reviewed. **A motion was made by Commissioner Ron Elkin, and seconded, to approve the February 23, 2012 meeting, March 2, 2012 conference call and March 29, 2012 conference call minutes as presented. The motion carried 3-0.**

### **IV. IBC Budget Report**

**Monthly check-off receipts, balance sheet and income statements --** The Administrator reviewed budget reports as of May 11, 2012, showing check-off receipts totaling \$356,227.66, which are \$3,418.67 higher than for the same period last year. She noted that check-off receipts are expected to taper off significantly in the fourth quarter of FY 2012 according to contacts within the major contracting companies, but overall projected income will exceed the budgeted amount. She then reviewed the IBC's balance sheet and income statement, showing assets at \$459,676.42; total income to date of \$358,438.72, which is 91.5% of the budgeted amount for the year; and expenses of \$429,636.30, which is 94% of the budgeted amount. The Administrator noted that the IBC is anticipating grant reimbursements in the amount of \$48,758.43 by the end of June, which effectively reduces expenses to date to \$380,878 or 83% of the budgeted amount for the year. **A motion was made by Commissioner Dwight Little, and seconded, to approve the IBC financial report as presented. The motion carried 3-0.**

### **V. IBC Administration**

**2012 acreage trends –** The board engaged on a lively discussion on estimated 2012 acres, with the expectation of at least a 12% increase from 2011, with the north, south-central and eastern regions all reporting increased demand for barley seed this year.

**Approval of hosted meals –** The Administrator reviewed one hosted meal during the period since February 23, totaling \$54.97. **A motion was made by Commissioner Ron Elkin, and seconded, to approve the one hosted meal totaling \$54.97. The motion carried 3-0.**

**Travel Authorizations –** The Administrator reviewed the calendar and presented three travel authorizations:

- **July 2012 –** Industry Representative Clay Kaasa and Administrator to participate in US Grains Council's Summer board meeting on July 29 – Aug. 1 in Vancouver, WA (Clay may have conflict with harvest).
- **August 2012 –** Administrator and one commissioner to participate in our Latin American Food Barley Technical Short Course on August 13-17 at Wheat Marketing Center in Portland, OR.
- **November 2012 –** Commissioner Tim Dillin to travel to Asia with Sam White, PNW Farmers Cooperative to promote food barley sales.

**A motion was made by Commissioner Ron Elkin, and seconded, to approve the three travel authorizations as presented. The motion carried 3-0.**

## **VI. IBC Program Review**

**US Grains Council report** – Commissioner Ron Elkin reported on recent developments within the Council including the imminent departure of key senior staff at the headquarters office in Washington, D.C. Ron reported that he and the Administrator had held a conference call with Rick Keller and Dennis Brower of the Idaho Farm Bureau Federation about their potential membership within the US Grains Council as a state producer association. Ron reviewed the Council's request for \$30,000 in funding support from the IBC in FY 2013. The Administrator noted that there are serious concerns about the very high staff turnover in Washington, D.C. and indicated that this would be a significant issue for discussion at the summer meeting in Vancouver, WA. She indicated that the Council had provided excellent support from key Asian and Latin American offices in recruiting food companies to participate in our Food Barley Technical Short Courses (Asian session held in early March and the Latin American session scheduled August 13-17 at the Wheat Marketing Center in Portland, OR.

Industry Representative Clay Kaasa joined the meeting at this time.

**Idaho Grain Producers Association report** – IGPA Executive Board Member Clark Kauffman reported on recent IGPA issues and priorities including successful passage of the barley check-off legislation (SB 1304). Clark then presented the IGPA's FY 2013 budget request, including a special projects request for \$5,000 in supplemental funding to cover National Barley Growers Association (NBGA) President Scott Brown's travel. There was considerable discussion on NBGA budget constraints. Without a specific NBGA budget to review which demonstrates a shortfall, the board felt it would be more appropriate to ask President Brown to engage the three major producing states of Idaho, Montana and North Dakota in a thorough discussion of budget needs ahead of the summer meeting in June and ask all three states to help cover additional travel expenses which cannot be met by the base budget. **A motion was made by Commissioner Ron Elkin, and seconded, urging NBGA Scott Brown to request supplemental funding from the three major barley producing states (Idaho, North Dakota and Montana) at the summer board meeting in June. In the event this cost-shared funding is not approved, Idaho Barley Commission will provide the full amount of requested travel funds. This motion was approved 4-0.**

**National Barley Growers Association report** – Commissioner Dwight Little reported on current farm bill discussions, noting that the National Barley Growers Association has placed a high priority on preserving crop insurance premium subsidies. Dwight and the Administrator will participate in the NBGA summer board meeting on June 12-14 in Jackson Hole, WY.

The meeting was recessed at 5 p.m. The board hosted a dinner honoring retiring Commissioner Ron Elkin at the Clear Lake Country Club.

**Roll Call** – Chairman Tim Dillin called the IBC meeting back into session at 8:15 a.m. on Thursday, May 24, 2012 at Hilton Garden inn Hotel in Twin Falls, Idaho.

**Attendees included:**

Tim Dillin, Chairman

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

**Guests included:** Christie Bauscher, IGPA Administrative Assistant, Boise; Dr. Donn Thill, UI Ag Experiment Station Director, Moscow; and Carol Ryan Dumas, *Capital Press* reporter, Twin Falls.

The board resumed its discussion (Program Review) on remaining agenda topics. They concluded their discussion of the UI-IBC Barley Research Roundtable (see earlier section in the minutes).

**Malting industry developments** – Industry Representative Clay Kaasa provided an overview of current trends in North American malting and brewing markets. Clay noted that sales of major lager beers continue to lag with some exceptions like Coors Light which has strong sales, while craft beer sales remain strong as we move into the key summer beer drinking period. Clay noted there were now more than 2,000 craft brewers operating in the U.S.

**Barley Variety Survey** – The Board reviewed the sharp increase in funding now required to conduct our annual variety survey. This survey is cost-shared equally between the IBC and the American Malting Barley Association (AMBA). The cost of the 2012 survey in Idaho rose from \$8,500 in 2011 to \$15,200 (IBC's share is \$7,600). The IBC agreed to fund the 2012 survey because of strong interest by our malting and brewing partners (per AMBA) but the board instructed the Administrator to engage AMBA in a thorough evaluation of how the survey results are utilized and evaluate a proposal to go to an every other year format.

**Grain Risk Management Education Programs** – The Administrator summarized education efforts in FY 2012 under our \$15,000 grant from the WSU Western Center for Risk Management Education and reported that we had recently been notified that we have been awarded a \$28,000 grant in 2012-13.

**2012 highlights** – 3 webinars, 4 RightRisk workshops (Rexburg, Soda Springs, Greencreek and Genesee), 3 one-day Farm and Ranch Management Schools (Rexburg, Pocatello and Burley), 6-week series of Farm and Ranch financial management sessions in 3 locations (Rexburg, Pocatello and Burley), 2 Farm and Ranch Succession Short Courses (Craigmont and Moscow).

**2012/13 plans** – Art Barnaby workshop in Lewiston on Nov. 15, "Marketing Monday" sessions in north Idaho, more farm and ranch management classes in south-central and eastern Idaho, 2 regional Women in Agriculture conferences and grain marketing webinars.

**RMA grant application** – The Administrator explained a new grant application that she was finalizing for submission under the RMA's Risk Management Education and Outreach Partnership Program grant solicitation (grant proposals are due by June 4). IBC is proposing a \$30,700 project to engage the services of Art Barnaby and Craig Corbett to build Barley Risk Assessed Marketing training curriculum and conduct a minimum of three workshops in Idaho and Washington. She noted that she had originally invited the Institute of Barley and Malt Sciences (IBMS) to collaborate on this grant application to conduct similar producer training in Montana and North Dakota, but

the grant requires that all activities be conducted within a single RMA region (Spokane Region does not include MT and ND). This project will focus on production and marketing risks and how to assist producers in effectively utilizing crop insurance, government support programs and marketing tools to address their significant risks. The board indicated strong interest in this project and expressed general willingness to consider funding this work in the event we do not receive RMA grant funding (awards will be made in September).

**Transportation issues** – The Administrator reviewed a report provided by IBC's rail consultant Terry Whiteside on current rail transportation issues, including ongoing congressional negotiations on the surface transportation bill which might include some favorable rail shipper language. She also reviewed Whiteside and Associate's budget request for FY 2013.

**Institute for Barley and Malt Sciences (IBMS) / 2012 North Dakota Barley Crop Tour** – The Administrator reviewed issues discussed during the IBMS board conference call held April 11, which she covered for Chairman Dillin who had an out-of-state conflict. She noted that the IBMS staff at North Dakota State Univ. proposed an annual barley production crop tour be held in the IBMS states on a rotating basis to educate brewers about where their barley comes from. This new tour will be launched on July 16-18 in North Dakota and will target craft brewers. The board discussed whether anyone wanted to participate from Idaho but due to very busy July schedules, it was determined that no one from IBC would be able to attend. If successful, IBMS would like to hold this tour in Montana in 2013 and in Idaho in 2014.

## ***VII. IBC Strategic Initiatives***

### **Food Barley**

**OSU winter food barley variety development** – The Administrator provided background on the issues and concerns raised about this project during the February research review. She reported that she had held several in-depth discussions with both Patrick Hayes, OSU barley breeder, and Andrew Ross, OSU cereal chemist, as well as other experts in the field to determine the most effective approach for the future. Based on these findings, the Administrator recommended the following:

**IBC fund OSU barley breeding/food barley processing at \$18,000 and earmark these funds for:**

- **Double haploid genomic selection to facilitate a rapid shift in breeding capacity from 6-row winter malting barley to 2-row winter malting barley germplasm.** We should insist that this effort be closely coordinated with ARS Aberdeen to avoid duplication and ensure use of the best germplasm in both programs. This is entirely consistent with AMBA's new funding priorities for the OSU breeding program.
- **Food barley processing for Western U.S. whole grain niche markets, with a specific focus beyond the I-5 corridor.** The IBC Administrator will undertake a marketing plan to compliment this work.

**Domestic Food Barley Market / School Lunch Initiative** – The Administrator reported on the IBC’s school lunch initiative including the feasibility study contracted with Dale Hayes, Nutrition for the Futures, Billings, MT. Dayle has created a high profile Facebook page and is compiling current barley recipes suitable for school meals, surveying school nutrition programs on current barley uses and outlining strategies for increasing barley food use in school meals. IBC also will sponsor a tabletop display at the first-ever Farm to School State Conference to be held in Boise on July 23-24.

**National Barley Foods Council’s FY 2013 proposal** – Chairman Dillin and the Administrator reported that while there had been some progress in recruiting industry associate membership and financial support, the NBFC was basically proposing the same activities as they had in the past, with the majority of support for the NBFC website and recipe releases. They noted that the Chairman has not called a meeting to discuss FY 2013 workplans and budgets. The Administrator recommended that the IBC maintain minimal funding of \$5,000 and the board asked that funding be tied to a strategic planning effort going forward.

**International Food Barley Market** – The Administrator reported on her work in planning and executing two Technical Short Courses on Barley-Fortified Wheat Flour Product Development. The first 5-day course drew 9 Asian food company participants and was held March 5-9 at the Wheat Marketing Center in Portland, OR. The second course will be held on August 13-17 at the same location and will target Latin American and domestic company participants.

### ***VIII. IBC FY 2013 Budget***

**FY 2013 projected income: \$454,255**

Check-off receipts - \$451,000

Interest income - \$3,000

Misc. and Market Report - \$255

**A motion was made by Industry Representative Clay Kaasa, and seconded, to approve FY 2013 income projection of \$454,255. The motion carried 4-0.**

**FY 2013 expenditures: \$473,545**

Administration - \$86,606 (includes 3% merit pay increase for 2 employees)

Research - \$128,161

Market Development - \$101,957

Industry Partnership/Grower Services - \$106,673

Information/Education - \$50,148

**A motion as made by Commissioner Dwight Little, and seconded, to approve the research request of \$7,513 to conduct the winter barley herbicide tolerance study in north Idaho only. The motion carried 4-0.**

**A motion was made by Commissioner Dwight Little, and seconded, to provide \$18,000 in barley research funding for OSU to support winter two-row malting barley variety development and food barley product evaluation and promotion. The motion carried 4-0.**

**A motion was made by Industry Representative Clay Kaasa, and seconded, to approve FY 2013 expenditures of \$473,545, with an anticipated draw-down of reserves of \$19,290. The motion carried 4-0.**

**A final motion was made by Commissioner Ron Elkin, and seconded, to approve all acts and transactions of the Mary 23-24, 2012 IBC meeting. The motion carried 4-0. The board thanked Mr. Elkin for his six years of excellent service on the IBC board (his term expires on June 30, 2012).**

With no other business, the IBC meeting was adjourned by Chairman Tim Dillin at noon.

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Tim Dillin, Chairman

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Date

**IBC MEETING  
MAY 23-24, 2012  
MOTIONS PASSED**

1. A motion was made by Commissioner Ron Elkin, and seconded, to approve the February 23, 2012 meeting, March 2, 2012 conference call and March 29, 2012 conference call minutes as presented. The motion carried 3-0.
2. A motion was made by Commissioner Dwight Little, and seconded, to approve the IBC financial report as presented. The motion carried 3-0.
3. A motion was made by Commissioner Ron Elkin, and seconded, to approve the one hosted meal totaling \$54.97. The motion carried 3-0.
4. A motion was made by Commissioner Ron Elkin, and seconded, to approve the three travel authorizations as presented. The motion carried 3-0.
5. A motion was made by Commissioner Ron Elkin, and seconded, urging NBGA Scott Brown to request supplemental funding from the three major barley producing states (Idaho, North Dakota and Montana) at the summer board meeting in June. In the event this cost-shared funding is not approved, Idaho Barley Commission will provide the full amount of requested travel funds. This motion was approved 4-0.
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