

**IDAHO BARLEY COMMISSION
MEETING MINUTES
October 16, 2012, RIRIE, ID**

I. Roll Call – Chairman Tim Dillin called the IBC meeting to order at 9:20 a.m. on Tuesday, October 16, 2012, at Ririe Grain & Feed in Ririe, ID. **Attendees included:**
Tim Dillin, Chairman
Pat Purdy, District II Commissioner
Dwight Little, District III Commissioner
Clay Kaasa, Industry Representative
Kelly Olson, Administrator

Guests included: Sid Cellan, IGPA Executive Board member, Soda Springs; Dr. Juliet Marshall, UI cereal agronomist/pathologist, Idaho Falls; Dr. Amber Moore, UI soil fertility specialist, Twin Falls; Jon Hogge, UI Jefferson County Extension faculty, Rigby; Dennis Brower, Idaho Farm Bureau Federation, Pocatello; Jerry Cramer, Ririe Grain manager; and John O'Connell, *Capital Press* reporter, Pocatello.

II. IBC Meeting Minutes

The minutes from the IBC's May 23-24, 2012 minutes were reviewed. **A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the May 23-24, 2012 meeting minutes as presented. The motion carried 4-0.**

III. IBC Election

A motion was made by Commissioner Pat Purdy, to cast a unanimous ballot for Commissioner Dwight Little as chairman.

A motion was made by Industry Representative Clay Kaasa to cast a unanimous ballot for Commissioner Pat Purdy as Vice Chairman. Commissioner Dwight Little assumed the chair.

IV. IBC Budget Report

Monthly check-off receipts, balance sheet and income statements -- The Administrator reviewed the printed budget reports as of September 30, 2012 and provided an update through October 15, showing current assets at \$480,576; total income to date of \$132,899, which is 29% of the budgeted amount for the year; and net expenses of \$118,198, which is 25% of the budgeted amount. The Administrator noted that the IBC received FSMIP grant reimbursement on October 15 in the amount of \$23,297, which reduced net expenses to \$118,198. The Administrator also reviewed a few FY 2013 budget items that were revised since the May budget meeting, including a revised income projection of \$456,330 (based on higher production), \$1,000 for research commissioner expense (expense allocation was omitted in original budget worksheet), \$12,000 for domestic marketing (excel spreadsheet did not originally add in the \$3,500 budgeted for special projects), \$54,483 for IGPA and \$14,899 for NBGA (reflecting increase of \$4,966 in new NBGA dues formula). **A motion was made by**

Commissioner Tim Dillin, and seconded, to approve the IBC financial report as presented. The motion carried 4-0.

V. IBC Administration

Review of 2012 Idaho barley production – The board reviewed NASS barley production data and discussed various issues related to the 2012 growing season. Clay noted that overall quality was good. The IBC will complete its annual quality survey by the end of this month.

2013 malting barley contracting – The board engaged in a brief discussion of the 2013 malting barley contracts that had either been announced (Anheuser Busch) or were expected to begin very shortly (MillerCoors, Great Western and InteGrow).

IBC Audit – The Administrator reviewed the FY 2012 audit report and noted there were no findings. The board thanked IBC Fiscal Officer Andi Woolf for her fine work on handling the board's financials.

Approval of hosted meals – The Administrator reviewed seven group meals hosted by the IBC during the period July 30 to October 15 (dinner in Idaho Falls after the research forum). These meals totaled \$420.49 (excluding the 10/15 dinner). **A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the seven hosted meals as presented. The motion carried 4-0.**

VI. IBC Research

UI-IBC Barley Research Roundtable / Barley Research Endowment at the University of Idaho – Chairman Dwight Little reviewed highlights from the October 15 research roundtable co-hosted by the UI College of Agricultural and Life Sciences (CALs) and IBC on Monday, October 15, with key malting barley industry representatives. He then asked each board member for their insights and opinions on the proposal to establish a \$1 million endowment within the UI to create a designated barley research position to be based in Aberdeen, ID, which would necessitate an increase of the Idaho barley assessment from 2 cents per hundredweight to 3 cents per hundredweight. CALs Dean John Hammel has offered to provide one-half of the funding required to sustain this new position. The board also considered a proposal by ARS requesting a total of \$400,000 in funding support over 4 years to support a post-doc research position in molecular genetics. After thorough discussion, the board consensus was to continue evaluating the creation of the UI barley research endowment with priorities on (1) agronomics/disease and (2) industry cost-share (minimum goal of \$50,000 per year for 4 years). The board asked the administrator to arrange a meeting as soon as practical with CALs Dean John Hammel to discuss specific issues related to the mechanics of the endowment and accountability to the IBC and industry supporters. The administrator also was instructed to solicit funding support from our malting barley industry partners.

Research proposal presented by Dr. Amber Moore on Long-Term Impacts of Manure Applications on Production of Barley and Other Crops – Dr. Moore

presented a detailed proposal and asked for funding support from the IBC, along with funding being solicited from sugar beets, potatoes and wheat, to conduct an eight year study to develop recommendations for optimal manure application rates and timing on the basis of yield potential, grain quality, soil quality, disease pressure and nutrient uptake. Dr. Moore asked for funding in the current FY 2013 as the first year applications will involve barley and wheat production in two fields, followed by sugar beets and potatoes respectively. Her total request for the eight-year duration is \$135,612 - \$35,691 in FY 2013, \$33,307 in FY 2015, 2017 and 2019. After thorough discussion on the merits and cost of this long-term study and its value to south-central Idaho malting barley producers, a **motion was made by Commissioner Tim Dillin, and seconded, to support the long-term manure study in the amount of \$16,000 per year for 8 years, with a maximum funding of \$128,000. The motion carried 4-0.**

VII. IBC Program Review

Input from IGPA – Chairman Dwight Little asked for input from IGPA officer Sid Cellan, Soda Springs, on the proposed IBC research funding and other programs of interest. Sid indicated that barley growers in the Soda Springs area were supportive of grower check-off investments in research and potential increases in the barley assessment to fund this research, as long as it returns direct benefits to Idaho producers.

Input from IFBF – Dennis Brower, Idaho Farm Bureau Federation, expressed appreciation for the invitation to attend IBC meetings and indicated that the IFBF was still evaluating the IBC's proposal that they become a producer organization member of the US Grains Council to help support exports, particularly to Latin America where the IFBF is already conducting grain marketing programs. The Administrator thanked Dennis for his help in recruiting excellent candidates from Mexico to participate in our Latin American Food Barley Technical Short Course held August 13-17 in Portland, OR. Dennis stated that they had received positive feedback from the Mexican flour millers who attended our short course and that they wanted to work with IBC and AgriSource on identifying potential market opportunities for Idaho food barley in Mexico.

Malting industry developments – Industry Representative Clay Kaasa provided an overview of current trends in U.S. malting and brewing markets. Clay noted that sales of some of the major lager beers had improved in the first half of 2012 and craft brewing continues to grow at double digits, which are positive trends for western U.S. malting barley demand.

US Grains Council report – Commissioner Tim Dillin reported on recent developments within the US Grains Council, including the summer board meeting held July 30-August 1 in Vancouver, WA. Tim expressed disappointment in a lack of strategic vision from the Council on future barley market development programs. He indicated that for now Idaho should press ahead with its own efforts, particularly in promoting food barley in targeted Asian markets.

National Barley Growers Association / Idaho Grain Producers Association report – Chairman Dwight Little reported on the status of 2012 farm bill legislation and the upcoming PNW grain convention scheduled Nov. 12-14 at the Coeur 'd Alene Resort.

Barley Crop Insurance issues – The Administrator reviewed a spreadsheet she maintains on crop insurance coverage levels for barley, wheat and corn. She noted that we had no major issues pending in 2013, other than the commitment from the Spokane RMA region to update barley county t-yields for our region (request was made by IBC last year).

Grain Risk Management Education Programs – The Administrator summarized education efforts in FY 2013 under our new \$28,000 grant from the WSU Western Center for Risk Management Education (WCRME).

- **WEBINAR 1 – 2012/13 Grain Market Outlook & Understanding Technical Trends** –
Presented by Kelly Olson and Craig Corbett. **Scheduled Oct. 30 at 8:30 a.m. MST for 1 ½ hours.**

- **WEBINAR 2 – Executing a 2012/13 Grain Marketing Plan** – presented by Craig Corbett and Carley Garner, commodity broker. **Scheduled Nov. 20, 2012 at 3:00 p.m. MST for 1 ½ hours.**
Create a fictional eastern Idaho grain farm.
Write a plan in March 2012 – describe the marketing tools that seemed most appropriate at that time and explain how to execute.
Make adjustments to the plan in Nov. 2012 – review what has happened in the market for the past 6 months and explain mid-course adjustments that seem appropriate.

- **BASIC GRAIN MARKETING WORKSHOPS** – 3 two-hour sessions
Dates – Dec. 4, 5 and 10
Locations – Rexburg and Pocatello
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

Barley Risk Assessed Marketing Education – The Administrator explained that IBC's grant application to RMA for additional risk management education funding for a project to engage Art Barnaby in developing new barley training materials was not considered by the RMA review panel because it was judged to be incomplete. She noted that the two documents that were cited as missing were actually included in the narrative, but since there was no appeals process these grant funds are not available in 2013. However, the administrator recommended the board provide some level of funding to conduct this project because of the benefits to Idaho producers. The original \$30,700 proposal 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, has been scaled back to a total of \$19,000 with \$6,000 of funds to be re-directed from the WCRME grant, leaving a balance of \$13,500 to be funded by IBC. The board asked if other budgeted funds could be re-directed to this project and the Administrator identified \$2,500 that could be re-directed to this project. **A motion was made by Commissioner Tim Dillin, and seconded, to approve \$11,000 in new funding to support the Barley Risk Assessed Marketing Education Program. The motion carried 4-0.**

Travel Authorization – The board reviewed the November 2012 to March 2013 calendar and several out-of-state travel authorizations:

- Commissioner Tim Dillin and Administrator to participate in NBFC strategic planning meeting in Minneapolis, MN – date still being determined.
- Administrator and one commissioner (Pat Purdy) to attend AMBA Barley Improvement Conference on Jan. 14 in San Diego, CA (held every other year in San Diego). Administrator also would attend TCAP (Barley and Wheat Genomics) Research / Industry Liaison Meeting on Jan. 13 at same location.
- One commissioner (Chairman Dwight Little) to attend Canadian FarmTech Conference on Jan. 29-31 in Alberta (this is a major annual event comparable to U.S. Commodity Classic).
- Industry Representative Clay Kaasa and Administrator to participate in US Grains Council's International Marketing Conference, along with Commissioner Tim Dillin, on Feb. 10-13 in Charleston, South Carolina.

A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the four out-of-state travel authorizations as presented. The motion carried 4-0.

VIII. IBC Strategic Initiatives

Food Barley

Idaho Food Barley Trade Mission to Asia – Commissioner Tim Dillin reviewed the schedule for the Idaho Food Barley Mission to Asia scheduled October 27 to November 7. This mission will involve Tim and Sam White, COO, PNW Farmers Cooperative in Genesee, ID. The two will travel to Japan, Taiwan and South Korea to promote food barley contract opportunities in 2013.

Report on Food Barley Technical Short Courses – The Administrator reported on the outcome of two technical short courses that the IBC sponsored with the help of USDA FSMIP grant funds for Asian and Latin American flour millers and food manufacturers in March (Asian) and August (Latin American). The purpose of these courses was to help build markets for Idaho food barley by demonstrating both the nutritional value of food products that incorporate up to 20 to 30 percent barley ingredients and demonstrate product formulations and modified processing for barley-fortified wheat flour products. The results were excellent, with high ratings from all participants and requests for follow-up training, particularly in the area of barley milling.

Barley in Schools 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. The Administrator briefly reviewed the findings from this feasibility study and she noted that she had identified innovative school districts in Idaho, Oregon and Utah who are already using some barley products and would be likely candidates for additional educational work. The Administrator will meet with the nutritional director of the Benton County school district in Eugene, OR, on Friday, October 19, along with OSU scientists and a grain miller from the Eugene area to discuss a demonstration project in 2013.

National Barley Foods Council programs – Commissioner Tim Dillin reported that there continued to be frustration with the lack of vision and effective programming from the National Barley Foods Council. He noted that Chairman Greg Kessel sent a recent email communication dated October 4 concluding that based on very limited input (one company in Minnesota) that NBFC was “at least 18 to 24 months away from having any type of meaningful conversation with a major food company.”

The board held a candid discussion with Jerry Cramer, manager of Ririe Grain & Feed, on production and marketing trends in his area of eastern Idaho and future priorities for his cooperative.

A final motion was made by Commissioner Tim Dillin, and seconded, to approve all acts and transactions of the October 16, 2012 IBC meeting. The motion carried 4-0. With no other business, the IBC meeting was adjourned by Chairman Dwight Little at 3:30 p.m.

Dwight Little, Chairman

Date

**IBC MEETING
OCTOBER 16, 2012
MOTIONS PASSED**

1. A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the May 23-24, 2012 meeting minutes as presented. The motion carried 4-0.
2. A motion was made by Commissioner Dwight Little, and seconded, to approve the IBC financial report as presented. The motion carried 4-0.
3. A motion was made by Commissioner Pat Purdy, to cast a unanimous ballot for Commissioner Dwight Little as chairman.
4. A motion was made by Industry Representative Clay Kaasa to cast a unanimous ballot for Commissioner Pat Purdy as Vice Chairman.
5. A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the seven hosted meals as presented. The motion carried 4-0.
6. A motion was made by Commissioner Tim Dillin, and seconded, to support the long-term manure study in the amount of \$16,000 per year for 8 years, with a maximum funding of \$128,000. The motion carried 4-0.
7. A motion was made by Commissioner Tim Dillin, and seconded, to approve \$11,000 in new funding to support the Barley Risk Assessed Marketing Education Program. The motion carried 4-0.
8. A motion was made by Industry Representative Clay Kaasa, and seconded, to approve the four out-of-state travel authorizations as presented. The motion carried 4-0.
9. A final motion was made by Commissioner Tim Dillin, and seconded, to approve all acts and transactions of the October 16, 2012 IBC meeting. The motion carried 4-0.