

IDAHO BARLEY NEWS BRIEF

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off for growers
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Idaho barley **check-off dollars** **at work...**

The IBC is funding spring and winter barley variety trials in 8 locations this year: Bonners Ferry, Moscow, Genesee, Craigmont, Parma, Rupert, Aberdeen, Soda Springs and Ashton. UI has scheduled several field days for growers to evaluate new barley varieties up close ...

- ◆ **June 29** - Lewis Co field day, 7 a.m. in Craigmont (UI Ken Hart, 937-2311)
- ◆ **July 8** – Bonners Ferry field day, 4 p.m. (UI Jennifer Jensen, 267-3235)
- ◆ **July 9** - Genesee rim field day (UI Doug Finkelnburg, 885-5965)
- ◆ **July 22** - Bonneville Co. field day (UI Juliet Windes, 529-8376)

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IBC sets FY 2011 budget priorities

The IBC board held their annual program review and budget meeting on June 7-8 in Genesee, ID. The board set a **FY 2011 budget of \$441,911**, which is 6% less than the current FY 2010 estimated expenditures of \$470,403. Budget highlights include:

- ◆ **Administration - \$84,863, 19%**
- ◆ **Research - \$101,088, 23%**
- ◆ **Market Development - \$97,515, 22%**
- ◆ **Grower Services - \$111,768, 25%**
- ◆ **Education/Information—\$46,677, 11%**

Research Highlights:

- ◆ ARS barley breeding for malting and food - \$26,000
- ◆ UI Tetonia Research & Extension Center cost-share - \$7,500
- ◆ UI barley extension nurseries in 8 locations - \$10,810
- ◆ Oregon State Univ. winter food barley breeding - \$8,450
- ◆ Washington State Univ. breeding for herbicide resistance in barley - \$3,500

Market Development Highlights:

- ◆ US Grain Council export market development - \$34,000
- ◆ National Barley Foods Council - \$10,000
- ◆ Barley variety survey - \$3,700
- ◆ Barley quality survey & report - \$3,800

Grower Services Highlights:

Idaho Grain Producers Association - \$41,410
National Barley Growers Association dues - \$24,180
Transportation rates and policy - \$3,500

Education/Information Highlights:

Idaho Barley Report newsletter - \$2,500
Idaho Grain magazine - \$7,500
Idaho Grain Producers annual convention - \$2,500

Market Buzz...

Ethanol back on growth path

- The U.S. is expecting both record ethanol production and exports this year. Production capacity now exceeds 13.5 billion gallons/year with another 1.2 billion gallons under construction. Last year more than 10.75 billion gallons were produced, reducing demand for imported oil by 364 million barrels while supporting nearly 400,000 jobs.

USDA has pegged corn usage for domestic ethanol production at a record 4.7 billion bushels, up 3% from MY 09/10 and up more than 50% in the last three years. This is twice the amount of corn we expect to export this year.

What might be surprising is the rapid growth in ethanol exports, which topped 83 million gallons during the first quarter of 2010, and are on pace to exceed 330 million gallons for the year. U.S. ethanol is being sold to some surprising customers, like petroleum-rich United Arab Emirates and ethanol-producers Brazil and India.

What is driving the recent ethanol export boom?

The domestic market has hit what is known as the blending wall - no more than 10% blended into the gasoline

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U.S. grain exports boosted by USDA-funded international market development programs

A recent independent study led by IHS Global Insight Inc. reveals that USDA's international market development programs have a positive and significant impact on U.S. agricultural trade.

According to the study:

- ◆ For every additional \$1 expended by government and industry on market development, U.S. food and agricultural exports increased by \$35;
- ◆ Without the increased investment in market development since 2002, U.S. agricultural exports would have been \$6.1 billion lower in 2009;
- ◆ Export gains associated with the programs increased the average annual level of U.S. farm cash receipts by \$4.4 billion and net cash farm income by \$1.5 billion. At the same time, U.S. domestic support payments were reduced by roughly \$54 million annually due to higher prices from increased demand abroad, thus reducing the net cost of the programs.
- ◆ Producer prices for bulk and high-value agriculture products increased, causing annual direct government payments to fall 0.36% (equal to \$54 million). In effect, the government spending for domestic supports (loan deficiency payments—LDPs—and countercyclical payments) fell about \$0.30 for every \$1 spent on the USDA's Market Access Program (MAP) and Foreign Market Development Program (FMD).

The U.S. Grains Council, a nonprofit trade association based in Washington, D.C. promotes barley exports, with cost-share funding from state barley commissions like the Idaho Barley Commission. The USGC gets high marks from the Foreign Agriculture Service on its effectiveness in leveraging these federal market development dollars with producer funds to expand export sales of barley, corn, sorghum, DDGs and their co-products.

An independent performance evaluation of USGC programs found that the Council's investments in overseas market development generated a \$50 return for every dollar the Council receives from producers and the federal government.

Tim Dillin named new North Idaho barley commissioner

Governor Otter has appointed Tim Dillin, Bonners Ferry, to fill the North Idaho commissioner seat being vacated by Dan Mader, Genesee. Tim has been a long-time leader in the Idaho grain industry, serving as an officer of the Idaho Grain Producers Association from 2003 to 2008. He served as president of IGPA in 2007. Tim also served on the board of the National Barley Growers Association during his five year term on the IGPA executive board

Tim farms about 1,500 acres in partnership with his dad and his wife, Julie, producing barley, wheat and alfalfa, in Boundary County, about 9 miles south of the Canadian border. This year Tim is producing feed barley and a new high beta-glucan food barley (WestBred's variety BG006).

"I am excited to accept this appointment to the Idaho Barley Commission and continue working on barley issues of importance to my area of the state," said Tim. "We have many opportunities ahead of us but we also have several challenges, including a decline in public investment in barley research at both the state and federal levels. I am ready to roll up my sleeves and get to work on maintaining research investments in newer and better barley varieties that improve our growers' bottom-line while meeting our customers needs."

Dwight Little, IBC chairman and grower from Teton, welcomed Tim Dillin to the commission. "We look forward to working with Tim on several projects that Dan Mader started in North Idaho to help improve barley's competitiveness in that region of the state."

July 8 field day on Dillin farm - UI will hold a field tour of their extension barley and wheat variety trials on Tim Dillin's farm at 4 pm, July 8, with a BBQ to follow the plot tour. RSVP by July 6 to Jennifer, UI, 208-267-3235.



Variety trials & summer plot tours, continued from page 1 ...

- ◆ July 27- Soda Springs field day (UI Steve Harrison, 547-3205)
- ◆ July 28 - Ashton field day (UI Lance Ellis, 624-3102)

Ethanol back on growth path, continued from page 2 ...

supply. The Environmental Protection Agency is expected to rule this summer on a petition filed by Growth Energy organization last year to raise the acceptable blending level for ethanol from 10% to 15%. Industry insiders are concerned that EPA may opt to limit the new 15% blending rate for vehicles manufactured in 2001 or later, which they believe is unnecessary according to recent research.