

IDAHO BARLEY NEWSBRIEF

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Work... The Idaho Statistics Services published the **2009 Idaho Barley Variety Survey** on July 10. This annual survey is funded jointly by the Idaho Barley Commission and American Malting Barley Association because it provides valuable information to our customers on varieties and production trends.

2009 Variety Highlights

- ◆ 78% of Idaho barley acres are planted to malting types.
- ◆ Conrad (2-row) was the leading malting variety at 18.2%; followed by Metcalfe at 16%; Moravian 69 at 11.8%; Harrington at 8.6%; Merit at 8.4%; and Legacy at 7.5%.
- ◆ Baronesse is the leading feed barley variety at 6.8%.

Idaho Barley Commission sponsors grower meetings across the state

The IBC has sponsored or participated in several field days and grower meetings this summer as part of its ongoing Grower Outreach Campaign initiated last year during its 20-Year Celebration. Some of our recent activities have included:

- ◆ Miller Coors field day and grower BBQ, June 17 in Burley (sponsored by Miller Coors).
- ◆ UI Parma small grains field day, June 19 in Parma (sponsored by UI Parma R&E Center).
- ◆ Prairie field day, June 30 in Nez Perce and Craigmont area (sponsored by UI Extension).
- ◆ Bonneville County BBQ, July 14 in Ririe (sponsored by Bonneville County IGPA).
- ◆ Ririe grower breakfast, July 15 in Ririe (sponsored by IBC and Ririe Grain).
- ◆ UI Aberdeen field day, July 15 in Aberdeen (sponsored by UI and IBC).
- ◆ Fremont County grower breakfast, July 16 in Ashton (sponsored by IBC and Reinke Grain).
- ◆ General Mills field day, July 16 in Blackfoot (sponsored by General Mills).
- ◆ Anheuser Busch grower BBQ, July 22 in Idaho Falls (sponsored by Busch Ag).
- ◆ **Caribou County field day and grower meetings, July 28 in Grace and Soda Springs (Grace meeting sponsored by IBC and Scouler Grain and Soda Springs field day sponsored by Caribou County IGPA).**
- ◆ **Madison and Teton County grower barbecue, July 29 at NOON (sponsored by IBC, General Mills and Trost Feed & Seed).**

IBC will host additional grower events across the state in October when harvest wraps up. We also are organizing a series of **Grain Marketing and Risk Management Workshops in early November in Ashton, Rexburg and Twin Falls.**

Policy Watch..

MT barley grower takes over helm of National Barley Growers Association

- Dave Henderson, a barley producer from Cut Bank, MT, assumed the presidency of the National Barley Growers Association (NBGA) on July 1. Henderson has been a director on the Montana Grain Growers Association since 2003 and active on the NBGA board. He also has been active in his farming community, including FSA County Committee, director of Bank of Glacier County, volunteer fire dept., and the Elks Association.

Henderson says the biggest challenges that he wants to tackle during this two-year term as NBGA president include:

- ◆ Monitoring farm bill implementation to ensure it meets congressional intent;
- ◆ Monitoring congressional action on climate change and energy to ensure that barley interests are considered.
- ◆ Improving barley crop insurance. (more on page 3)

Market Buzz ... Overview of world barley and brewing landscape (provided by Great Western Malting)

Barley Production

Canadian production is projected to be down 20% to 9.4 MMT.

EU-27 acres are down slightly – 14.2 mha vs. 14.5 mha last year. Malting acres are down 3-4% but conditions are generally excellent. EU will carry over about 2.5 MMT of barley stocks at end of MY 08-09.

Russia and Ukraine have average to poor barley crops due to frost and now drought.

Australia – crop is estimated at 7.0 – 7.5 MMT vs. 6.8 MMT last year and 5.9 MMT in 2007. The five-year average is 7.14 MMT. Weather patterns will determine final yield potential with considerable uncertainty remaining.

Beer Demand

Consumers drinking less beer than a year ago (not necessarily recession proof). U.S. beer market remains flat, growing at 1-1.5%; there are about 1,420 breweries in the U.S.

ABI reports beer sales were 1.5% higher in Q109, while Miller Coors reported decline of 3%. Market-share for Coors Light sales jumped 3.5-4.0%, most likely at expense of Miller Lite, which continues to struggle.

Specialty or micro sales fell 3% in Q109 (some as high as 5% decline and some up 5%).

Imports are down 7%, with Heineken down 14% and Corona down 6.5%, but FEMSA CCM beer sales to U.S. are actually up 1.8%.

Latin America – mixed performance but generally down – Colombia down 12%, Peru up slightly and Ecuador up 10-12%. Brazil is up 5%. Mexico domestic market is down 2% (Modelo down 3% and FEMSA up .5-1.0%).

EU-27 – also trending lower – Germany down 6.8%, France unchanged, Scandinavia down 5-7%, UK down 7%.

Russia – down 10%.

China – still reports growth but most likely flat to down 1%.

Malt Barley / Malt Supplies & Malt Buying Patterns

Guardedly bullish as crops are smaller in U.S., Canada, Ukraine and Russia. EU is bearish right now.

Demand is bearish as beer consumption has fallen and malt supplies are backing up.

ABI, Modelo, FEMSA and Japanese brewers all have long term supply agreements in place (probably through 2010 or 2011). Most of this barley was priced during November – March period.

Consolidation of brewing industry will continue, although at slower pace.

China is becoming a net exporter of malt – 600 TMT/annually to South Korea, Philippines and South America. Expect additional 1 MMT of imports of malting barley into China to supply this malt processing capacity.

Lack of GMO barley is causing barley to fall behind in U.S. acreage battles.

IGPA Opposes Climate Change bill advancing through Congress

On a 219-212 vote, the U.S. House of Representatives voted to support sweeping environmental legislation seeking to curb greenhouse gas emissions in the U.S. The Idaho Grain Producers Association (IGPA) opposed the legislation and worked closely with Idaho's two House members, Rep. Mike Simpson and Rep. Walt Minnick, who also voted against the bill.

HR 2454, the "American Clean Energy & Security Act of 2009" would create a "cap-and-trade" program that sets specific limits on emitters of greenhouse gases while establishing an market exchange of "carbon credits". The program allows buy-sell opportunities between emitters and those engaged in sequestration of greenhouse gases for those sources wishing to exceed their emission limits. Provisions added to the bill allow eligible farmers to engage in market opportunities through the carbon credit exchange program, but may also be subject to additional government requirements and regulation.

The IGPA opposed HR 2454, citing that the legislation did not adequately meet the association's policy that any federal climate change legislation must be science-based, comprehensive, and provide a net benefit to Idaho growers. During committee and floor deliberation of the bill, the IGPA worked closely with Reps. Simpson and Minnick to voice opposition to the bill. The IGPA acknowledges the difficulty and challenges faced by both members, and is very appreciative of the positions taken by each.

The legislation now moves to the Senate for further consideration, expected in September. The IGPA will shift focus to Senator Mike Crapo and Senator Jim Risch in their advocacy for Idaho's barley and wheat producers. Please contact IGPA executive director Travis Jones at tjones@idahograin.org for information or comment.

More from NBGA President Dave Henderson and issues that he wants to tackle as president during the next two years...

- ◆ Facilitating public and private biotech research for barley to ensure that barley acreage doesn't slip further behind. This will include working closely with our U.S. and international brewing customers on biotech barley acceptance.
- ◆ Promoting more human food uses of barley, based on the FDA heart health claim. This could include promoting barley use in school lunch programs as part of a national campaign to reduce the rising incidence of obesity in school age children.

The NBGA is a national policy advocacy group based in Washington, D.C. that represents barley producers from the states of Idaho, Maryland, Minnesota, Montana, North Dakota, Oregon and Washington. The new **NBGA Vice President is Scott Brown, barley producer from Soda Springs, ID. Scott will serve a two-year term as vice president in 2009-2011, followed by a two-year term as president in 2011-2013.**

