

IDAHO BARLEY NEWSBRIEF

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Idaho Barley Check-Off

Dollars at Work...

Developing export markets for food, feed and malting barley -

IBC is an active member of the US Grains Council, a Washington, D.C.- based trade association that is dedicated to expanding export markets for U.S. barley, corn and sorghum.

This year, the IBC & USGC are sponsoring projects in several key markets:

Japan - Activities include the annual trade team visit to the U.S. (see story to right) and U.S. producer mission to Japan. New IBC member Dwight Little. Teton, will travel to Japan in November.

Japanese barley trade team visits north Idaho, reinforcing strong pace of U.S. barley purchases

Japan once again is the largest export customer for U.S. and PNW barley, buying more than 544 thousand metric tons (25 million bushels) in the most recent marketing year 2007-08, valued at more than \$167 million.

To reinforce this strong trading relationship, the Idaho Barley Commission hosted a seven member Japanese barley trade team in the Lewiston area on August 7 and 8. The team visit was sponsored by the U.S. Grains Council and funded by federal market development monies awarded by the USDA Foreign Agriculture Service.

While in Idaho, team members learned about the size and quality of the Idaho and Washington barley crops and met with barley merchandisers from Primeland Cooperative, PNW Farmers Cooperative, Colombia Grain and Phoenix Agri Research (food barley). The team learned more about food barley varieties being released by WestBred LLC and now grown under contract in Idaho.



2008 Idaho Barley Crop Outlook –

USDA/NASS' August 12 crop estimate -

- ◆ 520,000 harvested acres, down 5%
- ◆ 41,600,000 bushels, down 5%
- ◆ 22% harvested (Aug. 18) compared to 53% last year and 40% for five-year average.

Policy Watch . . World Trade Talks Collapse Again

Trade ministers from 35 countries gathered in Geneva at the World Trade Organization (WTO) headquarters during the last week of July for another make-or-break session to advance the seven-year-long Doha Development Round. The Doha trade round was officially launched in November 2001 in the capital city of Qatar.

Despite several days of intense talks and progress on several fronts, the negotiations once again collapsed - this time over a disagreement between the U.S., China and India on how to craft a Special Safeguard Mechanism that would allow developing countries to shield their agricultural industries from further trade liberalization.

To help break a year long deadlock in negotiations, the **U.S. made a bold offer to cap its overall trade-distorting domestic supports (OTDS) to \$15 billion per year**, down from an earlier offer of \$17 billion. The new U.S. offer would be nearly \$2 billion below our average OTDS spending during the past 10 years of \$16.8 billion. As recently as 2005, U.S. domestic supports reached \$18.9 billion.

MARKET BUZZ - WORLD GRAIN SUPPLIES ARE EXPECTED TO OUTPACE DEMAND

- ◆ U.S. and world grain fundamentals are less bullish than a year ago, with production now expected to outpace consumption for the first time in three years. However carryover stock levels remain historically low, which should allow upward price movement after harvest.
- ◆ World barley production is forecast to be 10% higher, with U.S. production up 3%, easing a very tight stocks to use situation. U.S. exports are expected to fall by nearly a half, due to much larger competitor crops in the EU, Black Sea region (Russia and Ukraine) and Australia.
- ◆ World wheat production is on pace to set a new record, up 10% from a year ago, with the U.S. crop 19% larger. World ending stocks are projected to be up 18%, while U.S. stocks are expected to jump by 88%.

U.S. Grain Supply & Demand USDA, Aug. 12, 2008 (million bu)						
	BARLEY		CORN		WHEAT	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
Harvested Acres (mln)	3.6	3.6	86.5	79.3	51.0	56.6
Carryin	69	68	1,304	1,576	456	306
Production	212	218	13,074	12,288	2,067	2,462
Imports	32	25	15	15	113	100
Total Supply	312	311	14,393	13,878	2,635	2,868
Food, seed & industrial	168	160	4,345	5,445	1036	1044
Ethanol			3,000	4,100		
Feed	34	50	6,050	5,300	30	250
Exports	41	25	2,425	2,000	1,264	1,000
Total usage	244	235	12,820	12,745	2,330	2,294
End stocks	68	76	1,576	1,133	306	574

Developing Export Markets for Idaho Barley (continued from page one)...

- ◆ **Taiwan** - The USGC is conducting seminars in Taiwan on ways to utilize U.S. food barleys in local food products. The IBC will send a representative of the Idaho barley industry on Idaho Governor Butch Otter's trade mission to Taiwan this fall to promote Idaho food barley sales.
- ◆ **Vietnam** - The IBC and USGC are sponsoring aquaculture feeding trials of Clearwater, a special low phytate feed barley grown in eastern Idaho.
- ◆ **Latin America** - IBC participated in the USGC's Latin American Brewers Conference held last January in Panama City, Panama to promote U.S. malt and malting barley sales. IBC member Dan Mader will participate in a USGC barley mission to Chile and Dominican Republic in early September to build further business relationships. IBC also is providing malt barley samples to brewers in Mexico, Colombia and Peru.

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IBC hosted a Grain Marketing Workshop in Idaho Falls on August 5 to give producers more tools to be proactive in their 2008 and 2009 grain marketing strategies. The IBC is offering a Grain Marketing Plan Workbook on our website at www.idahobarley.org.

World Grain Supply & Demand USDA, Aug. 12, 2008 (MMT)						
	BARLEY		CORN		WHEAT	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
Carryin	20.6	16.1	108.5	122.5	126.7	115.2
Production	133.3	146.8	789.2	789.6	610.5	670.8
Total Supply	153.9	162.9	897.6	912.1	737.3	785.9
Export trade	15.9	18.9	97.6	88.0	114.4	121.3
Total Usage	137.8	141.9	775.2	799.7	622.0	649.8
Carryout	16.1	20.9	122.5	112.4	115.2	136.2
Stocks / Use	11.7%	14.7%	15.8%	14.1%	18.5%	20.9%