

IDAHO BARLEY NEWSBRIEF

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Idaho Barley Check-Off Dollars at Work...U.S. Grains Council programs pay **BIG** dividends for growers

A recent performance review of the U.S. Grains Council's investments in overseas market development shows **U.S. farmers get a little more than \$50 back for every dollar the organization receives from its members and USDA's Foreign Agricultural Service (FAS).**

The analysis, which was conducted by an independent firm, shows a **total program investment is valued at \$915.7 million to U.S. farmers. That's up from \$659 million in the 2008 assessment.**

Idaho Barley Commission hosts Japanese trade team in Lewiston & Rep. Simpson at ARS research facility in Aberdeen

Japanese barley trade team visits Lewiston and Genesee areas on August 6 and 7 - The purpose of the annual visit by U.S. barley customers was to showcase our 2009 crop and discuss new market opportunities for food barleys now being grown in Idaho. For the past five years, Japan has been the largest export customer for U.S. and PNW barley. They imported more than 132 TMT of U.S. barley, which was down from the previous year due to a smaller U.S. crop. The Japanese trade team visit was sponsored by the US Grains Council.



U.S. Rep. Mike Simpson visited the ARS National Small Grains and Potato Research Facility in Aberdeen on August 18

- The purpose of this visit was for Rep. Simpson to take a first hand look at the cutting edge barley, wheat and potato research efforts taking place at the premier USDA/ARS research facility. Rep. Simpson has been strongly supportive of preserving federal research funding for these important Aberdeen research programs in his position on the House Appropriations Committee. This visit was arranged by the Idaho Grain Producers Association (IGPA).



Economic Watch...**Biofuel making a come back** - Biofuel

plants are becoming profitable again, but many analysts believe that the conventional starch-based ethanol boom has likely reached a plateau at its current capacity of more than 14 billion gallons per year. USDA is projecting that 4.2 billion bushels of corn will be used for domestic ethanol production in MY 09/10, up sharply from the 2.1 bbu used in 2006/07.

This phenomenal growth has been driven by the federal **RFS2 which mandates blending 12.0 bgy ethanol by 2010, rising to 36 bgy by 2022**, but only 15 billion gallons are expected to come from conventional ethanol. Also, EPA is considering a petition to increase the blending mandate from its current 10% up to 15%. It is expected to rule by December 1.

U.S. ethanol industry displaced 321 million barrels of oil in 2008 and cut life-cycle greenhouse gas emissions by 14 million metric tons.

Market Buzz....Getting to know MillerCoors

Brief overview of the combined operations of MillerCoors (barley, malt, brewing operations). MillerCoors has barley storage facilities in Golden, Longmont, and Monte Vista, CO, Worland, WY, Huntley, MT, and Burley, ID. We have one malting facility in Golden, CO, and breweries in Irwindale, CA, Fort Worth, TX, Golden, CO, Milwaukee and Chippewa Falls, WI, Eden, NC, Trenton, OH, Elkton, VA, and Albany, GA.

Is this merger a win-win for Coors' growers in the U.S.? Our new company holds a lot of potential for the MillerCoors grower direct barley program. As a combined and stronger competitor in the U.S. beer market MillerCoors will be a long-term partner in barley programs like that of Idaho. As our business grows and we optimize our barley supply chain, we will look to expand in competitive barley producing regions. Our goal is long-term sustainable barley production for all stakeholders, a vision we feel is shared by Idaho growers.

How will Coors' barley procurement program in Idaho be impacted by the merged operations? At present our barley procurement program will continue as it has. The grower direct program historically supplied barley for brewing the Coors brands, and will continue to do so. The Miller brands have historically sourced malt from third party malting partners, which have the responsibility of buying the barley. Our company has contracts in place with those malting companies for the near future. The primary impacts at this time are from building more flexibility into our direct program, such as contracting multiple varieties.

How will Coors' barley breeding program in Idaho be impacted by the merged operations? The joint venture will continue to focus on delivering new barley varieties with improved agronomic and malting/brewing performance. Efforts are in motion to hone the strategic direction of the MillerCoors breeding program for the future and that process should wrap up by the end of the year.

Will the company broaden its interest in malting types to include both 2-row and 6-row in the future, given the different beer styles and brands in the combined portfolio? Yes, our new company will have an interest in both 2-row and 6-row malting barley. Six row malting barley varieties are a significant component of our Miller brands.

Do you foresee opportunities for growth in your barley procurement program in Idaho in the next 1-5 years? As beer sales go, so go the levels of barley we procure through our grower direct program. The grower direct barley program in Idaho, and all our growing regions, delivers great quality barley to our malting and brewing stakeholders at a great value. We will look to leverage our strategic strengths and expand our grower relationships as good opportunities present themselves.

IBC hosts/participates in barley grower events held across eastern Idaho in July

To the right, Dr. Christine Fastnaught, WestBred, Fargo, ND, and David Smoot, General Mills, Minneapolis, evaluate WestBred's new BG Life food barley varieties being grown under contract for General Mills this year (General Mills field day in Blackfoot).



To left, IBC hosts barley grower barbecue at Newdale Park on July 29.

Dr. Don Obert, ARS barley breeder, hosts field day at his experimental nursery outside of Soda Springs.



Agriculture Grows America's Economy

A new project known as **The Hand That Feeds US** has been launched by FarmPolicyFacts.org to keep the agriculture story in front of the American public. Here are some of our messages...

- ◆ 91% of Americans think it is important to produce our food here at home. *Source: Harris Interactive*
- ◆ American consumers spend just 9.8% of their disposable income on food - less than any other country. *Source: USDA*
- ◆ U.S. commodity programs in the 2008 Farm Bill cost Americans just 2.3 cents per meal. What would be the cost to every consumer if U.S. agriculture were destabilized? *Source: Congressional Budget Office*
- ◆ Agriculture stands out as a sector of the economy that consistently runs a trade surplus (exports totaled \$115 billion in 2008 and exceeded imports by \$34 billion). *Source: USDA*
- ◆ Agriculture employs 21 million people - more than 7 times as many workers as the auto industry. *Source: USDA*