

IDAHO BARLEY NEWSBRIEF

Inside this issue:

IBC's strategic priorities
IBC funds Tetonia R&E
Center

Dan Mader honored
Policy Watch - climate
change and rail legis-
lation

Idaho barley check-off dol- lars at work...IBC

**contributes funds to
keep UI Tetonia Re-
search & Extension
Center open through
2010 season.**

At the request of barley growers, particularly in eastern Idaho, the IBC has agreed to provide \$15,000 in funding to the UI in the current fiscal year to help maintain operations at the Tetonia R&E Center. This research center has a long history of supporting vital barley research, including high elevation testing of new experimental barley varieties and the spring barley foundation seed program.

The IBC will continue to engage the UI in discussions on alternative ways to fund the research at Tetonia.

IBC sets 2010 strategic priorities

At two recent board meetings held October 27 in St. Anthony and Dec. 1 in Coeur d'Alene, the IBC set its 2010 strategic priorities. The board also addressed possible legislation to allow the board greater flexibility in setting in the Idaho barley assessment rate. Highlights of all of these IBC actions are included below:

Idaho barley assessment legislation - the IBC held an Idaho barley producer referendum on November 3-13 on the question of whether producers would be willing to give the board authority to set the Idaho barley assessment at a rate not to exceed 1.9 cents per bushel (4 cents per Cwt.). The final referendum vote tally certified by the Idaho State Department of Agriculture was 54% in favor and 46% opposed. The IBC board weighed these referendum results, along with considerable input gathered from growers during more than 40 town hall meetings that the IBC held across Idaho in the past year. **The board concluded that while the vote was not an overwhelming majority in favor of a future assessment increase, the groundwork had been successfully laid to consider legislation in the future, but not to pursue assessment changes in 2010-2011.**

The board noted that a compelling case can be made to producers that the IBC will need to step up and fund a larger share of both the University of Idaho and ARS barley research in the future as these publicly funded research programs are being cut due to state and federal budget shortfalls.

2010 Strategic Priorities -

- ◆ Continue promoting development and commercial release of winter malting barleys. Idaho has released two winter malting barleys - Charles and Endeavor - since 2006.
- ◆ Promote development and release of food barleys that contain higher levels of beneficial fiber. ARS released two new food varieties in late 2009.
- ◆ Promote new export markets for malting barley and malt, with focus on Mexico, Central America, Jamaica, Colombia and Peru.
- ◆ Expand domestic and Asian markets for food barley, building on successes achieved in the past two years.

Market Buzz...

Magic Valley leaders court GModelo Agriculture

Two Magic Valley state legislators - Rep. Steve Hartgen and Rep. Jim Patrick, both of Twin Falls - are leading a campaign to attract GModelo Agriculture, Inc, Idaho Falls, to expand their malting barley contract program westward into the Magic Valley. The impetus for this campaign came after Hartgen and Patrick toured GMA's malt facility in Idaho Falls last summer and learned about GMA's possible expansion plans in the future.

Another important factor is GMA's keen interest in expanding their contracts of Charles winter malting barley, which performs better in the Magic Valley due to its milder winter and spring climate.

Hartgen and Patrick hosted GMA representatives at a barley grower luncheon in Buhl on December 14, along with representatives of the IBC, Departments of Agriculture and Commerce, Southern Idaho Economic Development Assoc. and Twin Falls County Commission. The group also toured potential grain storage and handling facilities that GMA could consider using for local barley delivery.

Policy Watch - update on climate change and rail legislation

Although most of the attention in Washington, D.C. this fall has been on health care reform, efforts have continued in other key areas that will affect Idaho grain producers.

Climate change (report provided by the National Barley Growers Assoc.) - the House passed the American Clean Energy and Security Act (H.R. 2454) last summer. The process then slowed to a crawl and it took the Senate Environment and Public Works Committee until November to report out its version of the legislation. The Senate Finance and Agriculture Committees also have jurisdiction over the legislation. Finance has indicated they would seek to take up climate change in early spring, so the full Senate will not see the legislation on the floor until late spring at the earliest.

Congressional hearings - The House Ag Committee held hearings - <http://agriculture.house.gov/hearings/statements.html> - on H.R. 2454 on December 2-3; the first day reviewed the potential economic impacts of the climate change legislation on the farm sector and the following day covered the costs and benefits of agriculture offsets proposed by the legislation. The featured witness was USDA Chief Economist Joe Glauber, who testified both days.

In short, Dr. Glauber testified on the first day that the severity of the price increase projections for energy related inputs go up over time. For example, annual fuel price increases are projected to range from 2.6% in years 2012-18 to 9.3% in years 2042-48; annual fertilizer price increases range from 0.3% to 17.6% for the same time periods. The following day Dr. Glauber testified that the resulting net farm income declines of 0.9% to 7.2% over the same time periods *may* be mitigated by the offset program proposed by H.R. 2454. However, the most eye-catching data were the projected change in land use over time due to the increasing value of the offsets. By 2050, 35 million acres of cropland and 24 million acres of pasture would be converted to forest, primarily east of the Mississippi. The loss of this much productive farmland is at complete odds with the UN projections that food production world-wide will have to increase by 70% by 2050 to feed an expected 2.3 billion additional people.

EPA regulatory action - The EPA announced on December 7th plans to start drafting regulations to reduce greenhouse gas emissions in order to comply with the Supreme Court's April 2007 ruling that carbon dioxide should be considered a pollutant under the Clean Air Act; and that the Agency had not only the power but the obligation to regulate emissions. This is not new news, and was expected.

Ag sector positioning - Farmers and ranchers are becoming increasingly concerned about the impacts resulting from climate change legislation that would unilaterally subject U.S. farmers to

More on climate change...

increased energy costs as well as emission caps - without appropriate measures to ensure that the U.S. maintains economic competitiveness. And the Dec 2-3 House Ag Committee Hearings confirmed these fears. However, without legislative action, farmers are vulnerable to EPA regulation.

The climate change legislation passed by the House and the current draft of the Senate bill do not provide sufficient measures to protect American economic competitiveness, and the agriculture community generally is not supportive of this legislation in its current form. If Congress moves to enact climate change legislation, it must be structured in a manner that will achieve the desired benefits while maintaining the viability of the U.S. economy and domestic food supply, including U.S. farmers and livestock producers, food & feed processors, and rural communities.

Policies that attempt to move the U.S. away from fossil fuel energy sources may create new opportunities for agriculture, but they could also create significant uncertainty and negative consequences for the agricultural as well as the national economy. Any cap and trade legislation must provide stability, promote the global competitiveness of U.S. agriculture, and not diminish our ability to supply U.S. and foreign consumers with abundant food, feed, fiber, and renewable fuel.

It is essential that any action by the U.S. to reduce greenhouse gas emissions be contingent on an international commitment to do so that includes all major world economies, including developing countries. Unilateral action by the U.S. would not achieve overall global emission reduction goals and would place U.S. agriculture at a competitive disadvantage in world markets.

Further, provisions must be included in the legislation to ensure that U.S. farmland is not idled or planted to trees in response to carbon sequestration incentives. Doing so would reduce U.S. and global food security and could encourage the development of unsustainable foreign land to meet the increase in food demand due to a growing world population. The U.S. is well suited to meet this demand since our recent yield increases above the trend line show productivity gains with new technologies without adding to farmable acres.

Rail reform legislation — Senate Bill (S. 2889) - the Surface Transportation Board Reauthorization Act of 2009 - was introduced in the Senate on December 16th and received unanimous approval in a mark-up before the Senate Commerce, Science and Transportation Committee on December 17th. Rail competition issues addressed by S 2889 include:

- ◆ bottleneck rates
- ◆ reciprocal switching and terminal access rates
- ◆ paper barriers, and
- ◆ rail merger/acquisition oversight.

S. 2889 would also increase the size of the Surface Transportation Board from 3 to 5 members and create a Rail Customer Advocate as well as a STB Ombudsman to work on rail service/rate issues. The legislation also revises the balance between rail and shipper issues (tilted toward rail prior) in the STB's mission statement; and reforms the Board's investigative and mediation authorities. The STB will also become more accessible to shippers. Some complaints will have access to binding arbitration, the simplified rate case process will be more accessible through revised complaint thresholds, and lower filing fees for complaints will be instituted.

IGPA convention highlights

The 2009 Oregon-Idaho Grains Conference, held Dec. 1-3 in Coeur 'd Alene, ID, featured three days of keynote speakers, educational workshops, and an exhibit hall of agribusinesses in addition to an awards presentation and naming a new slate of officers for 2010. The IGPA installed its 2010 executive officer team: president Scott Brown (Soda Springs), vice president Clark Kauffman (Filer), secretary-treasurer Joseph Anderson (Genesee), past president Eric Hasselstrom (Winchester), and executive member Clark Hamilton (Ririe).

IGPA also recognized four individuals for their contributions to the Idaho grain industry.

Ken Hart, Associate Professor for the University of Idaho Lewis County extension office, received the IGPA's "*Outstanding Extension Educator*" award for his long-time service and volunteerism with Lewis and Idaho County grain producers.

Receiving the "*Outstanding Extension Educator/Lifetime Achievement*" award was Larry Smith of Nez Perce County. Smith, a 29-year cereal agronomist for the University of Idaho extension system, recently retired with an exemplary record of support and dedication to grain producers in the North-Central Idaho area.

Cindy Snyder, an agriculture reporter for the Magic Valley Ag Weekly and Times-News was honored with the "*Outstanding Agriculture Journalist*" for her commitment to accurately and effectively relaying the story and activities of Idaho wheat and barley farmers.

The "*Lifetime Achievement*" award was presented to Evan Hayes. Now retired from his Soda Springs-based wheat and barley farm, Evan's service to Idaho's grain industry has spanned over 20 years, including posts as president of the IGPA and National Barley Growers Association, member of the Idaho Barley Commission and state director for Caribou County grain growers.

IBC presents annual industry awards

The IBC presented its 2009 annual barley industry service award to Dan Mader, producer and North Idaho commissioner from Genesee, who has served on the Idaho Barley Commission for the past five and a half years. In addition to his excellent service to the IBC and barley producers, Dan has served as Chairman of the National Barley Foods Council for the past three years and has been a delegate to the U.S. Grains Council for the past five years. Dan has traveled to Asia and South America in our ongoing efforts to diversify markets for Idaho barley, and was very instrumental in helping to launch the new value-added food barley industry.

The IBC also presented two special service awards to Randy Neiwirth, a former IBC member and barley field rep. and buyer for Great Western Malting Co., Blackfoot, and **Craig Corbett**, former IBC member and grower from Grace, ID, for their substantial contributions in the past two years in the development of a brand new barley crop insurance policy that will be available for malting and food barley starting in 2010.