

# IDAHO BARLEY NEWS BRIEF

## Inside this Edition:

Risk mgmt education  
on tap this winter

Marketing changes in  
Canada

Ag Experiment Stations  
are rebuilding -attached

**Idaho barley  
check-off dollars  
at work...IBC  
wins risk man-  
agement educa-  
tion grant** - The IBC

is putting a \$15,000 competitive grant it has received from the Western Center for Risk Management Education - the 9th such grant the IBC has won in the past 10 years - to work educating producers on a wide range of risk management issues, including best management practices, optimizing input costs, marketing strategies, crop insurance and succession planning.

Under the new grant, the IBC has offered three web-based workshops which are available for viewing on the IBC website and most recently hosted a major workshop in eastern Idaho featuring Kansas State Univ. ag economist Art Barnaby. For more details, go to [www.idahobarley.org](http://www.idahobarley.org).

## IBC launches new campaign to fine-tune producers' marketing and business management skills

IBC is partnering with the University of Idaho Extension to deliver a full slate of risk management education programs on a variety of topics and at several locations. **Some highlights...**

- ◆ Southern ID Extension wrapped up three **Farm Business Management Schools** on Dec. 19, 20 and 21 in Burley, Pocatello and Rexburg.
- ◆ **RightRisk Workshops** will be held in Rexburg on Jan. 9 and Soda Springs on Jan. 10.
- ◆ Southern ID Extension has a full schedule of workshops slated in January and February. See our website for more detail.
- ◆ Northern ID Extension will hold **Farm & Ranch Succession Planning Short Courses** in Craigmont on Jan 23, 24 and 26 and in Moscow on March 12, 13 and 15.



*IBC conducts workshop with Dr. Art Barnaby from Kansas State Univ. in Pocatello on December 6, 2011.*

### **Recorded fall 2011 webinars can be found at...**

**Nov. 28 webinar on How to Hedge your Farm Energy Inputs** presented by Bryce Knorr, senior editor, Farm Futures Magazine at <http://connect.cals.uidaho.edu/p79575512/>

**Nov. 9 webinar on Fine-tuning your 2012 Malting Barley and Wheat Pricing Strategies in Volatile Grain Markets** presented by Craig Corbett at <https://connect.cals.uidaho.edu/p27789333/>

**Sept. 7 webinar on Global Grain Market Outlook** presented by Kelly Olson at <https://connect.cals.uidaho.edu/p53192408/>

## Canada embraces grain marketing choice

**BIG CHANGES ARE COMING TO THE CANADIAN WHEAT AND BARLEY MARKETING SYSTEM STARTING WITH THE 2012 NEW CROP.** As a result of legislation enacted by the Canadian Parliament on December 15, the Canadian Wheat Board (CWB) will no longer have monopoly control over marketing western Canadian small grains.

“Choice is what we have been seeking for several years,” says Brian Otto, barley farmer from Warner, Alberta, and president of the Western Barley Growers Association. “It is like a big weight has been lifted from Canadian producers who have wanted the ability to negotiate with buyers on price, volume and quality just like any other crop that we grow, just like American producers can today.”

U.S. producers may be wondering, perhaps worrying, that this new marketing freedom may mean that every farmer within a 100 mile radius of the U.S. border will be trucking their grain south flooding U.S. markets next summer. “I believe that is an overblown fear,” replies Otto who himself farms close to the U.S. border. “The open market system will pull grain to the highest return market and that may very well be in the U.S. In the end, however, I think Canadian grain companies will be fierce competitors because they make their money handling our grain.”

According to Darcy Kirtzinger, Policy and Research Coordinator for the Alberta Barley Commission in Calgary, says that Alberta barley farmers “welcome this opportunity to market their barley like other non-board crops” and are generally prepared for marketing choices. He reports that at least one major Canadian based grain company immediately began offering new crop price contracts as soon as the new act was passed and he expects others will follow soon.

For now, the Canadian Wheat Board remains in charge of marketing the 2011 wheat and barley crops (except domestic feed barley). The new act does not dismantle the CWB, but eliminates its monopoly marketing rights over malting barley, feed barley exports and wheat starting August 1, 2012. As a way to help facilitate an orderly transition, the new act confers a Canadian government guarantee on grain sales made by the CWB for the next five years.

There has been a lot of speculation whether the CWB can continue to compete to handle Canadian grain, particularly without the advantages of owning their own grain handling infrastructure (CWB does not own any grain origination or export facilities).

“There is very real concern among long-time board supporters,” says Terry Whiteside, rail consultant based in Billings, MT, who has recently evaluated Canada’s shipping logistics, “that the Board won’t be a very strong competitor over the long term without their own grain facilities, but they still retain some advantages like their international marketing network.” Whiteside noted that his analysis shows “Canadian freight rates currently do not support large movements of grain by truck south to the U.S. market, but Canadian rail shipments will likely be more competitive in the future. I know they have their eye on expanding Canadian grain export shipments through various U.S. ports like the new export terminal in Portland.” Whiteside emphasized that Canadian producers will potentially face the same market dominance issues that often arise with a monopoly railroad system that many captive shippers in the U.S. (including most Idaho shippers) have faced for years.

Kirtzinger agreed that shipping logistics will be a key issue as they move forward to a multi-desk system and he indicated that the Minister of Agriculture and Agri-Food Canada has created a Crop Logistics Working Group, which the Alberta Barley Commission has joined, to evaluate and improve Canada’s transportation system so that it meets the needs of producers, the grain handling industry and customers.

Brian Otto thinks the CWB should be able to compete in the future, but they will “need to develop a business plan and form new kinds of partnerships with producer-owned inland terminals as well as the big grain companies. I think they are positioned to handle at least 25 to 30 percent of Canadian wheat. ***The bottom-line is that competition should make the Canadian grain marketing system stronger, not weaker, and all links in the grain marketing chain will benefit.***”

Otto also noted that the final word probably has not yet been written on grain marketing choice, as legal challenges have been mounted against the new CWB act. At least one lower court ruling issued in federal court on December 6<sup>th</sup> sided with Canadian Wheat Board supporters, but the judge did not issue an injunction against the enforcement of the C18 legislation and the ruling has been appealed by the Canadian government. Another court hearing on a possible injunction is scheduled to be heard in a Manitoba provincial court on January 16-17.

“These court challenges may slow the process,” concluded Otto, “but ***I am optimistic that 2012 will be the year that Canadian producers will take control over how and when and where they market their grain.***”



Merry Christmas and Happy New Year  
from the Idaho Barley Commission

