

IDAHO BARLEY NEWS BRIEF

Inside this Edition:

MY 2013/14 Supply & Demand Projections
IBC wins education grant
Manure impact study
Farm Bill mark-up
Last chance for 2012 Census of Agriculture

Idaho barley check-off dollars at work... IBC awarded 11th competitive grant from the Western Center for Risk Management Education to conduct grain risk management education - The 2013/14 grant award for \$18,500 will allow the IBC to collaborate with grain extension faculty and other grain industry partners across Idaho to offer grain marketing, farm business management and succession planning workshops and webinars.

IBC has been awarded a total of \$157,000 in competitive risk management education grants since 2001.

USDA releases first Grain S& D outlook for new Marketing Year 2013/2014

USDA'S FIRST GLOBAL GRAIN SUPPLY & DEMAND SNAPSHOT FOR THE NEW MARKETING YEAR 2013/14 WAS RELEASED MAY 10...

BARLEY—USDA pegged beginning stocks at 74 million bu, **2013 production at 200 million bu, unchanged from last year**, domestic feed usage at 75 million bu (up 10 million bu), exports at 10 million bu (up slightly) and **2013 ending stocks unchanged at 74 million bu**. Average farm gate price for U.S. barley was pegged at \$5.30-\$6.30, down from \$6.40 in 2012/13. **World barley production was pegged at 138 MMT, up 6%, and world ending stocks were estimated at 21 MMT, up 6.5%.**

WHEAT - USDA pegged beginning stocks at 731 million bu, **2013 production at 2.057 billion bu (down 212 million bu or 9%)**, domestic food usage at 958 million bu (up 13 million bu), exports at 925 million bu (down 100 million bu) and **2013 ending stocks at 670 million bu (down 61 million bu or 8%)**. Production was slightly ABOVE the average pre-report trade estimate of 2.015 billion bu and ending stocks were ABOVE the average trade estimate of 603 million bu. USDA pegged the U.S. winter wheat crop down 10% from last year. The average farm gate price for U.S. wheat was pegged at \$6.15-\$7.45/bu, compared to \$7.80 in 2012/13. **World wheat production was pegged at 701 MMT, up 7% from the current year and world ending stocks at 186 MMT, up 3%.**

CORN – For MY 2012/13 which ends Aug. 31, USDA lowered exports by another 50 million bu to 800 million bu due to very slow pace in export sales. They also raised ethanol demand by 50 million bu to 4.6 billion bu and increased ending stocks slightly to 759 million bu (compared to average pre-report trade estimate of 749 million bu).

For New Marketing Year 2013/14, USDA pegged beginning stocks at 759 million bu, 2013 production at **record high of 14.14 billion bu** (up 31%, with 2 million acre increase and strong improvements in average yields at 158 bpa compared to 123.4 bpa last year. The yield estimate is below USDA's February forecast of 163 bpa due to slow planting progress.

continued on page 2

Barley participates in long-term study on impacts of manure applications on typical crop rotations in southern Idaho

The IBC is helping to fund a multi-year, multi-commodity research study by the University of Idaho to evaluate the long-term impacts of manure applications on production of barley and other crops grown in a typical southern Idaho crop rotation. Dairy manure is commonly applied to irrigated crops in Southern Idaho, with fields located closest to dairies receiving the highest rates of application. Idaho growers can realize cost benefits from applying manure/compost as a nutrient source and soil amendment and affordable source of phosphorus, potassium and micronutrients. However there are concerns with not enough P and/or K in manure to replace fertilizers at lower application rates. At the higher application rates there are concerns with degraded soil quality due to salt and copper accumulations, degraded water quality due to phosphorous accumulation and nitrate leaching, possible yield losses and crop nutrient toxicities. At both low and high usage rates, growers are concerned about pathogen persistence and increased disease, insect and weed pressure.

This 8-year study will develop recommendations for optimal manure application rates and timing (such as few years or several years and annual versus biennial), based on yield potential, grain quality, soil quality, disease pressure and nutrient uptake. This study is being led by Dr. Amber Moore, UI soil fertility specialist based in Twin Falls. The study will be conducted on two adjacent 2.5 acre sprinkler irrigated fields located at the USDA ARS Kimberly research station. Barley will be planted on each field at least twice over the next four years (2013, 2015, 2017, 2019), in rotation with sugar beets, wheat and potatoes.

On-farm fertility trial - IBC also is funding a smaller scale on-farm fertility study in Picabo to evaluate the cost effectiveness of compost as a barley nutrient source. A preliminary non-replicated, one-year trial conducted last year by the cooperating farmer produced useful information regarding effects on yields under different compost sources and rates.. A two year study will help UI scientists formulate statistically sound recommendations on optimal soil fertility management regime in irrigated barley.



Global Grain Outlook for MY 2013/14, continued from page 1...

Domestic feed usage was pegged at 5.3 billion bu (up 925 million bu), domestic ethanol usage at 4.850 billion bu (up 250 million bu), exports at 1.3 billion bu (up 550 million bu) U.S. ending stocks were forecast at just over 2 billion bu (up 1.25 billion bu or 164%). This ending stocks projection was in line with pre-report trade estimates. Average farm gate price for U.S. corn was pegged at \$4.30-\$5.10/bu, compared to \$6.70-\$7.10 in the current marketing year. **World corn production was pegged at a new record 966 MMT, up 13% from the current year, while world ending stocks are projected to jump 24% to 155.6 MMT.** USDA is projecting corn production increases for both China (up 4 MMT to 212 MMT) and Ukraine (up 5 MMT to 26 MMT) and lower production for Brazil (down 4 MMT from this year's record crop to 72 MMT).

Farm Bill mark-up on tap this month

Senate Agriculture Committee is scheduled to mark up a new five-year Farm Bill next week (May 14) and the House Agriculture Committee will hold its mark up session the following day. The Senate bill has targeted savings of \$23 billion over a 10-year baseline, while the House bill has more ambitious spending cuts of \$38 billion, with \$20 billion of the cuts coming from food and nutrition programs and \$18 billion from other titles such as commodity programs and conservation.

Crop insurance - Key congressional leaders have publicly stated they will fight to protect the crop insurance program which has come under recent attack by certain groups who are advocating for cuts to the subsidized portion of insurance products. These cuts are not likely, but it is possible that the Senate bill will include a new provision tying conservation compliance to crop insurance participation similar to compliance requirements already in place for commodity support programs. As currently being discussed, this would require producers to comply with conservation practices on highly erodible lands (HEL), prohibit cultivation of any HEL not already in cropland without a conservation plan and prohibit draining of wetlands for cropping.

Commodity Title - House Ag Chairman Frank Lucas, R-OK, says the commodity title will be very similar to the one passed by the committee last year – eliminating direct payments and creating a “shallow loss” program to pay for losses not covered by crop insurance and a “target price-countercyclical-type” program. Payments would be based on 85 percent of planted acreage – up to the total base acres of the farm.

Senate Ag Committee Chairman Debbie Stabenow, D-MI, has stated that the Senate bill, unlike last year’s version, will now include a target price option similar to the House, but could set target prices below the House levels.

Timeline - House floor consideration of the farm bill is still unclear, but some sources indicate it could be scheduled before the July 4 recess. Once the two bills are approved by their respective chambers, a joint House-Senate conference committee will be challenged to craft a compromise bill that can win final approval in both bodies.

Other key federal issues of interest to Idaho producers...

- ◆ **Pesticide court challenge ends:** A long running dispute between various environmental groups and the EPA over the approval of hundreds of pesticides has come to a halt at least for now. More than two years ago environmental groups sued the EPA, alleging the agency had not considered the possible impact on endangered species when approving the use of about 300 pesticides. EPA and the litigants entered into settlement talks in May 2011, but the U.S. District Court of California dismissed this lawsuit in early May. The ruling can be appealed within 60 days. The lawsuit could have potentially affected about 30,000 ag-chemical applications across all 50 states.
- ◆ **Immigration reform:** The Senate is working on sweeping immigration reforms that will address a wide range of issues including new ag worker provisions, a path to citizenship for illegal immigrants already residing in the U.S. and tightened border security. In contrast, the House is expected to address these issues in a series of separate bills. The Senate’s ag worker provisions will allow up to 112,000 visas per year for farm workers, with a maximum cap of 337,000 at one time. The old H2A farm worker program which has become increasingly unworkable for many producers will be eliminated one year after the new program takes effect.

- ◆ **The Renewable Fuels Standard (RFS) goes under the microscope:** Hearings will be held by the House Energy and Commerce Committee this summer to examine the RFS that mandates the amount of biofuels that must be blended into the U.S. gasoline supply. Under the current RFS, 16.55 billion gallons of biofuels must be used in 2013, with 13.8 billion gallons coming from corn or starch-based ethanol (increasing to 14.4 billion gallons in 2014). The hearings will examine the effectiveness of the RFS mandate and determine whether it has worked as intended, including impacts on corn production and prices, food prices, job creation, economic growth and land use changes. The Committee also will consider how to address the so-called “blending wall” that is created when the RFS mandate exceeds the amount of ethanol that can be used with a 10% blend rate in gasoline. Rep. Bob Goodlatte, R-VA, has introduced two bills to reform or eliminate the mandate to blend corn-based ethanol, arguing that the RFS mandate has contributed to higher livestock feed and food manufacturing costs.

The Renewable Fuels Association, which advocates for the ethanol industry, contends that the RFS has been one of the “most successful energy programs America has ever had. When the program began in 2005, the US was more than 60% dependent on imported energy for our liquid transportation fuels. Today we are only 41% dependent on imported oil.” The RFA cites a study conducted by Iowa State University’s Center for Agriculture & Rural Development that shows consumers saved as much as \$1.09/gallon as a consequence of increased ethanol use.

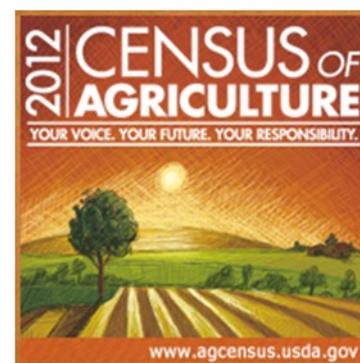
As further evidence of these savings, a recent study from the US Department of Energy’s Energy Information Agency shows that ethanol blending has helped lower the price difference between premium and regular unleaded gasoline. On a percentage basis, the spread between these blends was as high as 17% in 2001 but fell to just 6% in 2009 (about 8% currently) due to the rapid increase in high octane ethanol blends mandated under the RFS..

In comments to the Committee, the National Corn Growers Association argues that “in the last 30 years, U.S. corn production has made significant improvements on all measures of resource efficiency: decreased per bushel land use by 30%, soil erosion by 67%, irrigation use by 53%, energy use by 43% and greenhouse gas emissions by 36%.”

2012 Census of Agriculture deadline is May 31

USDA urges Idaho farmers and ranchers not to miss this opportunity to be counted and help determine the future of farming in America. USDA has already received more than 2 million completed Census forms.

"The Census of Agriculture, conducted once every five years, is the only source of consistent and comprehensive agricultural data for every state and county in the nation. It looks at farms, value of land, market value of agricultural production, farm practices, expenditures, and other factors that affect the way farmers and ranchers do business.



With time rapidly running out, USDA's National Agricultural Statistics Service (NASS) is contacting producers by phone or in person to collect Census information. Farmers and ranchers can also return their forms by mail or online by visiting a secure website, www.agcensus.usda.gov. Federal law requires a response from everyone who receives the Census form and requires NASS to keep all individual information confidential.