



IDAHO BARLEY NEWS BRIEF

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Farm Bill expires
Mexican brewing team
Defending crop insurance
2014 contracts & final
2013 barley output

Idaho barley check-off dollars at work... IBC hosts Mexican brewers in eastern Idaho -

The IBC and US Grains Council sponsored a 5-person Mexican brewing team visit to Idaho Falls on Sept. 25-26.

The team toured the large Anheuser Busch malt plant and met with growers and malting industry representatives on the 2013 barley crop, future growth projections and malting barley variety development. Mexican brewers have been buying Idaho barley and malt for many years.

Clock is ticking on farm bill

The one-year extension of the 2008 Farm Bill expires on September 30 so time is rapidly running out in an over-crowded congressional calendar this fall to finalize a new 5-year farm bill. Both the House and Senate have passed their own versions of the Farm Bill - with some major differences - but the formal process of reconciling the two versions has been delayed because the House passed bill stripped out the nutrition programs and the Senate refused to go to conference without a nutrition title. After returning from their month-long August recess, the House passed a controversial stand-alone nutrition bill, but then delayed merging their two separate farm program and nutrition bills into a single package that could then be reconciled with the Senate bill.

What does all of this political maneuvering mean for Idaho producers? Beyond the uncertainty this significant lapse in federal farm programs creates across the farm lending landscape, the effects won't be felt immediately by producers or consumers. Crop insurance and nutrition programs are permanent programs so they will continue without congressional re-authorization. Existing conservation program contracts will remain in place but new enrollments will not be accepted. Commodity-support programs, including the direct payments, are in place for the 2013 crop year but not beyond, which may create uncertainty in farm financing plans this winter. Dairy prices won't be affected until January 1, 2014, but could then skyrocket because without a new farm bill we default back to provisions of the permanent 1949 farm law.

One important exception is authorization has lapsed for foreign market development funding that is competitively awarded to groups like the US Grains Council to conduct export market development.



In Defense of Federal Crop Insurance

Several groups and prominent media including the Wall Street Journal and Bloomberg News have recently stepped up their criticism of federally subsidized crop insurance. Here we reprint some key rebuttal arguments in defense of federal crop insurance from **Farm Policy Facts** (<http://news.farmpolicyfacts.org/>)

- ◆ Farmers pay about \$4 billion a year out of their own pockets for crop insurance coverage.
- ◆ Farmers must shoulder significant losses through deductibles before crop insurance kicks in – about \$13 billion in losses last year alone.
- ◆ Crop insurance companies help cover losses and actually lose money in bad years to help shield taxpayers. When's the last time you heard of an insurance company losing money?
- ◆ In good years, the government actually makes underwriting gains on farmers' premiums, which helps offset the bad years.
- ◆ U.S. farm policy spending is in **steady decline** and has been since crop insurance's rise to prominence.
- ◆ Crop insurance spending has been cut \$12 billion since 2008, making agriculture one of the few industries to help curb deficit spending.
- ◆ Crop insurance has been **fine-tuned for decades** to help protect taxpayers and replace costly ad-hoc disaster bills.



2014 Malt Barley Contracting has begun

MillerCoors began contracting for M-69 and Lacey with 2 pricing options on September 16 – floor barley price pool and flat price (\$13.00/Cwt.). For more information, please contact the MillerCoors office in Burley at 208-678-3586.

Anheuser Busch will launch their electronic auction (eAuction) for 2014 bushels on October 1 at 7:30 am MDT. Growers can view a recorded webinar to better understand how their eAuction works at <http://connect.cals.uidaho.edu/p7rbm7w4ezi/> AB will offer 4 pricing methods this year – eAuction, priced, unpriced and basis contracts. The daily posted price will NOT begin this year until after the first round of eAuctions are completed. For more information contact Tim Pella at the Idaho Falls office at 208-524-1080 or timothy.pella@anheuser-busch.com.

2013 Idaho Barley Crop

Harvested acres - 600,000 acres, up 2%.

Production - 55.8 million bu, up 4%.

Top varieties: Conrad, Moravian 69, Metcalfe, Merit 57, Copeland, Voyager.

Celebrating

25 Years

of service to Idaho
Barley Producers