

IDAHO BARLEY NEWSBRIEF

Inside this issue:

BGLife food barley comes to Idaho

Market Update -

- Trade team visits
- InBev makes offer to buy Anheuser Busch

New IBC members appointed

Defense of Biofuels

Summer Field Day Schedule

Idaho Barley Check-off Dollars At Work...

Secured FDA heart health claim - Beginning in 1998, IBC led a national effort to secure a heart-health claim from the FDA that barley beta-glucan fiber helps lower cholesterol and reduces the risk of heart disease.

Launched barley pesticide action plan - In 1996, the IBC launched a comprehensive barley pesticide registration action plan in order to secure pesticide registrations that were not being supported by chemical manufacturers. This plan has resulted in numerous registrations on barley in Idaho, including Quadris fungicide in 2000, Warrior insecticide in 2007 and most recently Folicur fungicide.

Governor Otter promotes BGLife Barley at Lewiston press conference

Governor Butch Otter has joined the Idaho Barley Commission and executives from BGLife Barley to promote food barley as a new value added crop for Idaho and a healthy food for consumers.

BGLife Barley is a new high beta-glucan fiber barley variety that promotes healthy blood sugar, is proven to reduce cholesterol, promotes healthy blood pressure and helps control weight, all conditions associated with diabetes and heart disease.

At a press conference held at the Port of Lewiston on June 24, the Governor said, "The opportunities look tremendous for this new type of food barley, both for export as well as for largely untapped domestic markets. From my vantage point, BGLife Barley is a tremendous win for regional farmers who have new value-added markets, and for our consumers, particularly those with heart and diabetic risk factors."

Governor Otter noted that more than 66,000 or 8% of Idahoans have been diagnosed with Type II diabetes and 63% of our citizens are considered overweight.

North Idaho barley commissioner Dan Mader noted the U.S. Food and Drug Administration approved a heart health claim for food barley in 2006, which is creating more demand for food barley. Mader also pointed to the first-ever food barley production contracts that Genesee Union Cooperative (now PNW Farmers Cooperative) negotiated with a Japanese trading company last summer. These production contracts are continuing in 2008, according to Sam White, PNW Coop chief operating officer.

"Studies suggest that a healthy diet sufficient in soluble fiber beta-glucan from grain sources such as barley may help reduce the risk of Type 2 Diabetes," said Frances Gough, M.D., co-founder and chief medical officer for Sound Health Solutions, a



MARKET BUZZ -

Barley trade teams will visit Idaho - IBC will host trade teams from Japan and Latin American this summer/fall. The Japanese feed and food barley team will be in the Lewiston area on August 7-8 and will visit growers and area grain handling companies. A malting barley trade team is expected to visit eastern Idaho in late September.

InBev makes bid to purchase Anheuser Busch Co.—

The Anheuser Busch Co. board of directors met on June 20 in St. Louis to consider an unsolicited bid by InBev, the world's second largest brewing conglomerate based in Belgium, to purchase AB for \$46 billion or \$65/share.

Media reports indicate that most of the Busch family members are opposed to this takeover offer but they control less than 5% of the company stock so they likely won't have the final say. They are, however, pursuing alternative strategies, including an outright purchase of Grupo Modelo, which would then make the AB takeover too expensive for InBev. Missouri politicians have expressed strong opposition to the pending deal.

Policy Watch . . . In defense of Biofuels

The food versus fuel debate reached fever pitch in recent months, mostly driven by a well funded but mostly inaccurate pr campaign that is blaming corn ethanol for raising world prices and food shortages in the poorest countries around the world.

We think these fears that ethanol is diverting too much corn from the food chain are overstated and that now is the wrong time for Congress to retreat from its strong support of alternative energy. Instead we think the U.S. needs to step up efforts to make ethanol production from other nonfood feedstocks more economically viable (see page 3 for a discussion on current R&D efforts).

Here are some of the key points to be considered in this food versus fuel debate...

- ◆ Nearly 60% of U.S. oil is imported. Without the 7 billion + gallons of current ethanol production, U.S. gasoline prices would have been 15% higher (Merrill Lynch analysis).
- ◆ **USDA says that American drivers are saving between 20 –35 cents per gallon thanks to ethanol blending.** This amounts to a savings of \$150-300 per year for the typical American household.
- ◆ Removing 50% of that ethanol production base, as envisioned under the state of Texas' petition to EPA to reduce by 50% the current 9-billion-gallon corn ethanol RFS mandate, would increase gas prices by up to 31% (Renewable Fuels Association).
- ◆ US food prices rose 4.5% in the past year, while world food prices jumped 43%. **Of that world total, only 3% can be tied to higher corn prices** (White House Council of Economic Advisors).
- ◆ United Nations, International Monetary Fund and World Bank have cited biofuels as one of the chief culprits for these sharply higher food prices and shortages. That is simply not true.
- ◆ Several recent studies (USDA economists, Iowa State Univ, Texas A&M Univ.) have all shown that there is **low correlation between world food prices and increased use of corn for biofuels.**
- ◆ Instead, the **major contributing factors to the global food crisis included:** worldwide economic growth which is pushing up demand,

global crop problems in 2006 and 2007 (severe droughts in Australia), a weak U.S. dollar which favors exporting U.S. crops abroad, rising transportation costs and aggressive commodity speculation.

- ◆ DOE studies have shown that corn ethanol has a positive net energy balance and produces 20% fewer greenhouse gas emissions on a lifecycle basis.
- ◆ Corn yields are expected to increase by more than 40% over the next 10 years, due to improving traditional genetics as well as new biotech traits of drought tolerance and improved nitrogen utilization.

Two new members join the IBC

Effective July 1, the IBC will have two new board members. They are District III commissioner Dwight Little, grower from Teton, ID, and new Industry Representative Clay Kaasa, area manager for Great Western Malting Co, Blackfoot, ID.

Dwight replaces Evan Hayes who represented eastern ID growers from 2002-2008 and Clay replaces Steve Balster, BARI, who served as the IBC industry representative from 2002-2008.

2008 Idaho Barley/Wheat Field Days

Eastern Idaho

- July 10 – BYU Rexburg, Greg Blaser, 208.496.2825
- July 15 - Idaho Falls, Matt Gellings, 208.524.4946
- July 16 - Aberdeen Twilight Tour, Katherine O'Brien, 208.397.4181
- July 18 – Preston, Stuart Parkinson, 208.852.1097
- August 8 - Soda Springs, Steve Harrison, 208.547.3205

Southcentral Idaho

- July 8 - Mini Cassia, Dale Baker, 208.436.7184
- July 11 – Filer winter and spring barley plots, Kelly Olson, 208.334.2090
- July 24 - Kimberly Twilight Tour, Don Morishita, 208.736.3616

North Idaho

- July 1 - Prairie Conservation Tour, Ken Hart, 208.937.2311
- July 10 - Rimrock Crop Tour, Larry Smith, 208.799.3096

BGLife Barley, continued from page 1

Redmond, WA, based weight and health risk management clinic.

BGLife Barley's patented varieties are the result of almost 30 years of agricultural research from the WestBred breeding program in Bozeman, MT.

Research and Development of Next Generation Biofuels

The federal government has spent more than \$12 billion since 2000 on research, development and commercialization of alternative energy. That doesn't count billions more invested by state universities and private companies. As a result, there are several exciting discoveries being made today that will propel this country toward what are known as the next generation of biofuels. Here are some examples:

- ◆ Abengoa, a Spanish based company, is currently designing a facility to be built in Hugoton, KS, that will produce 88 million gallons a year of starch-based ethanol and 12 million gallons of cellulosic ethanol. Abengoa was the recipient of a \$74 million cellulosic R&D grant from DOE in Feb. 2007.
- ◆ SunEthanol, a biofuels technology company is commercializing the Q microbe, a unique natural bacteria discovered by scientists at the University of Massachusetts that is capable of converting cellulose into ethanol in a single step without the use of costly enzymes.
- ◆ Scientists at UCLA have developed a new method for producing genetically modified E. coli bacteria to be an efficient biofuel synthesizer.
- ◆ Scientists at the Univ. of Maryland isolated a bacterium from the Chesapeake Bay marsh grass that produces an enzyme that will quickly break down plant materials into sugar which can then be fermented into ethanol. They have created a new company to commercialize the "Ethazyme".
- ◆ Oregon State University scientists are studying methods to convert grass seed straw into synthetic gas using small scale gasification reactors that could be used on farm or in small communities. These reactors would provide an economic use for 7 million tons of grass seed straw generated annually in the Pacific Northwest.

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Celebrating 20 Years of Service
to Idaho Barley Producers*