

IDAHO BARLEY NEWSBRIEF

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Idaho Barley Check-Off Dollars at

Work... FY 2010 Research Budget Set Anticipating a decline in income resulting from lower planted acres this year, the IBC has set a conservative barley research budget for the next fiscal year, beginning July 1, 2009. Research funding typically represents between 25 to 30% of the IBC's overall budget.

FY 2010 Research Funding Summary:

- ◆ Barley breeding at ARS Aberdeen (winter and spring malting, food) - \$25,000
- ◆ Winter food barley breeding at Oregon State Univ. - \$19,000
- ◆ Breeding barley with resistance to selective herbicides at Wash State Univ. - \$5,000
- ◆ Extension nurseries through-out Idaho - \$9,206
- ◆ Herbicide Soil Persistence & Herbicide Resistant Expert System - \$8,000
- ◆ N. ID cereal support scientist - \$5,100

Total - \$71,306

ACRE - new revenue based safety net option available under the 2008 Farm Bill

The 2008 Farm Bill offers producers of major program crops a **new revenue-based support tool** known as ACRE - Average Crop Revenue Election. ACRE is an alternative to the traditional Counter-Cyclical Program (DCP) which uses current marketing year prices as a trigger for government payments. By contrast, ACRE protects against declines in revenue.

Key points:

- ◆ Enrollment is optional but once a producer signs up for ACRE, it is an irrevocable decision for the remainder of this farm bill (through 2012). All program crops grown on the same farm must be enrolled under the same program.
- ◆ Original sign-up deadline for 2009 has been extended from June 1 to August 14. **Final price guarantee will be announced June 29.**
- ◆ If enrolled in ACRE, there is a reduction of 20% in direct payment and 30% reduction in loan rate.
- ◆ Two triggers - State and Farm - must be met to generate a support payment under ACRE. State and Farm triggers involve guaranteed revenue levels that are based on national average prices (two-year average), state-average yields and farm-level yields.

More on pages 3 & 4...

2009 Prospective Planting Estimates -

USDA/NASS released their annual prospective planting report on March 31. This first official estimate of 2009 acreage was largely in line with pre-report trade estimates, with the exception of soybean acreage, with the USDA projection more than 3.6 million acres lower than the average trade estimates.

U.S. barley - 3.953 million acres, down 7%

Idaho barley - 540,000 acres, down 10%

U.S. wheat - 58.6 million acres, down 7%

Idaho wheat - 1,240,000 acres, down 11%

U.S. corn - 84.548 million acres, down 1%, 3rd largest since 1949

U.S. soybeans - 76.0 million acres, up slightly and largest on record

Market Buzz..

Organic barley sees steady growth in Idaho

Idaho leads the nation in organic barley production, representing about 30% of the total U.S. production in recent years. By far the largest segment has been organic feed barley, which has been in strong demand from local and west coast organic dairies.

According to Lou Anderson, owner of S& Commodities in Fairfield, ID, the recent growth can be attributed to three factors:

- ◆ Growth in organic potato production (barley fits as good rotation crop).
- ◆ More demand than available supply for dairy feed.
- ◆ Growth in organic malting barley contracts.

Anderson expects fewer organic dairy cows will need to be fed in 2009-2010 due to a sharp economic downturn in the dairy business overall, but he believes there is still room for growth.

March precip improves Idaho Water Outlook

April 1 is a key snowpack measurement date used to project irrigation water availability. This year, the USDA Natural Resources Conservation Service (NRCS) reports that March precipitation was above average across the state (ranging from 85% to 150% of average), leading to an improved water outlook for 2009. The NRCS will publish its monthly Idaho Water Supply Report next week, summarizing its snowpack and streamflow projections for all water basins across the state. This report can be found online at www.id.nrcs.usda.gov/snow and click on 'Water Supply' link.

On March 1, NRCS reported that the most of the state received below normal precipitation in January and February. The central Idaho mountains received the least precipitation at 45-50% of average. The highest amounts were in the Clearwater and Upper Snake basins. At that time, the snowpack across Idaho ranged from 70 to 105% of average. But with above average moisture in March, these numbers have been boosted to 85% to 105% of average.

April 1, 2009	Snowpack % ave	Year-to-date precipitation % ave
Panhandle	88 %	83 %
Spokane River	91	95
Clearwater	99	102
Salmon	97	97
Weiser	96	93
Payette	87	90
Boise	86	92
Big Wood	85	91
Little Wood	90	102
Big Lost	92	100
Little Lost, Birch	97	104
Medicine Lodge, Camas	96	107
Henrys Fork, Teton	90	91
Snake above Palisades	99	101
Willow, Blackfoot, Portneuf	92	106
Snake above Am. Falls	96	99
Oakley	94	112
Salmon Falls	99	112
Bruneau	105	111
Owyhee	96	99
Bear River	93	98

National Barley Growers elect Soda Springs grower to vice president post -

At the winter board meeting February 22-24 in Washington, D.C., NBGA elected two western U.S. barley growers to lead the association for the next two years. Dave Henderson of Cut Bank, MT, was elected president and **Scott Brown, Soda Springs, ID, was elected vice president.**

Scott Brown also is currently serving as vice president of the Idaho Grain Producers Association and holds one of the two NBGA board seats from Idaho. The other seat is held by IBC Commissioner Dwight Little, Teton.

More on ACRE revenue-based safety net ...

USDA Farm Service Agency has published background information on the new ACRE program on their website at www.fsa.usda.gov/DCP

Here is a summary of some of the FSA materials currently available. FSA is expected to make additional interactive calculators available in the coming months that will help producers determine the best option - ACRE versus DCP - for their own farming operations. You can also find a good wheat calculator at the Iowa State Univ. website - www.card.iastate.edu/ag-risk_tools/acre/

	Payments	ACRE	DCP
Direct	Payment Rate	80%	100%
	Payment Formula	Uses farm's base acreage	Uses farm's base acreage
	Advances	Available through 2011	Available through 2011
Counter-cyclical (CC)	Payment Formula		Uses farm's base acreage
	Trigger		Low national average prices
	Advances		40% advance of projected payment though 2010
Average Crop Revenue Election	Payment Formula	Uses planted and considered planted acreage	
	Triggers	Revenue must fall below both historical state average and farm average	
	Advances	Not available	
Loan Rates		70%	100%

2009 ACRE and DCP Rates	ACRE		Direct- Countercyclical Program (DCP)		
	Direct Rate	National Loan Rate	Direct Rate	National Loan Rate	CC threshold— if national ave. market price falls below...
Barley	\$0.192/bu	\$1.30	\$0.24	\$1.85	\$2.00
Wheat	\$0.416/bu	\$1.93	\$0.52	\$2.75	\$3.40
Dry Peas		\$3.78/Cwt.		\$5.40	\$8.32
Sm. Chickpeas		\$5.20/Cwt.		\$7.43	\$10.36
Lg. Chickpeas		\$7.90		\$11.28	\$12.81

ACRE Triggers and Payment Calculation

State Trigger	ACRE Program Guarantee	<ol style="list-style-type: none"> 1. Benchmark State Yield (Olympic ave. of 5 most recent crop years) ID irrig barley - 103 bu; nonirrig - 47 bu ID irrig wheat - 103.5 bu; nonirrig - 55 bu 2. ACRE Guarantee Price (average of two most recent marketing years) - March 16 est - barley \$4.13; wheat \$6.64 Final barley and wheat price announced June 29 3. State ACRE Guarantee (#1 x #2 x 90%)
	Actual State Revenue	<ol style="list-style-type: none"> 4. Actual State Yield 5. National Average Market Price 6. National Loan Rate 7. 70% of Loan Rate 8. ACRE Price (higher of #5 or #7) 9. Actual State Revenue (#4 x #8) <p>10. Is #3 greater than #9? If yes, State Trigger has been met. If not, the crop is NOT eligible for ACRE payments.</p>
Farm Trigger	Farm ACRE Guarantee	<ol style="list-style-type: none"> 11. Benchmark Farm Yield (Olympic ave. of 5 most recent crop years) 12. Crop insurance premium per acre paid by producer for the crop 13. Farm Acre Guarantee (#11 x #2 + #12)
	Actual Farm Revenue	<ol style="list-style-type: none"> 14. Actual Farm Yield (production divided by planted acreage) 15. Actual Farm Revenue (#14 x #8) <p>16. Is #13 greater than #15? If yes, Farm Trigger has been met. If NOT, the crop the NOT eligible for payments.</p>
ACRE Payment Calculation		<ol style="list-style-type: none"> 17. Maximum Acres (total base acres on the farm) 18. Planted and Considered Planted Acreage for crop 19. Payment Acreage (#18 x 83.3% - use 85% for 2012) 20. Farm Productivity Index Factor (#11 divided by #1) 21. ACRE Program Guarantee minus Actual State Revenue (#3 minus #9) 22. 25% of ACRE Program Guarantee (#3 x 25%) 23. Projected ACRE Payment for crop (#19 x #20 x lesser of #21 and #22)