

# IDAHO BARLEY NEWSBRIEF

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IGPA Report

**Idaho Barley  
Check-Off Dollars**

**at Work...IBC ad-  
vances new bar-  
ley crop insur-**

**ance policy** - In late 2006, the IBC submitted a proposal to the USDA Risk Management Agency (RMA) to create a new barley crop insurance policy that would insure valued-added barleys (malt, food and certified seed) at their actual market value.

This IBC proposal is now set to become a reality as RMA is finalizing a new Specialty Type Barley Insurance Policy that will insure overall production loss with the insured valued based on actual contract prices, covering:

♦ **Malting barley**

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## IBC plans producer vote in November on future barley check-off

The Idaho Barley Commission will hold a **producer referendum during the first two weeks of November 2009** on the following question:

***Do you favor giving the IBC authority to set the Idaho barley check-off at a rate not to exceed 1.9 cents per bushel (4 cents per hundredweight)?***

The Idaho barley assessment has been fixed at .9 cent per bushel (2 cents per hundredweight) since the commission was formed in 1988.

### The case for investing in Idaho barley's future...

- Declining production combined with the rising cost of doing business has forced the IBC to draw down its operating reserves in the past three years.
- In 2006 and 2007, Idaho produced the two lowest barley crops in the past 30 years, down more than 50% from our peak in 1984.
- The IBC continues to tighten its belt, cutting 4 percent from its FY 2010 budget.
- The board has been reluctant to cut its Strategic Investments in malting barley expansion, food barley, specialty feed barleys and winter barley variety development.

### Next Steps...

**1- Idaho barley producers will have the final say over this flexible assessment proposal.**

**2- If the vote is positive, legislation will be required to give the barley commission authority.**

**3 - The barley commission will not consider any assessment changes until at least the 2012 budget year (July 2011) and will continue its grower outreach efforts to gather input on IBC programs and budgets.**

## Market Buzz...

### Mexican beer uses Idaho barley

Both Mexican brewers are using Idaho barley to make beer. Grupo Modelo annually contracts about 5 to 6 million bushels of 2-row barley (mostly from the eastern Idaho region) to process into malt at their Idaho Falls malt plant. These contracts are managed directly by their Idaho-based subsidiary, GModelo Agriculture Inc.

This year, Mexico's other beer maker - FEMSA CCM - also directly contracted with eastern Idaho growers for malting barley that is being shipped this fall to Monterrey, Mexico. Based on the first year's success, CCM's contract program is expected to grow substantially in the next two to three years.

The Mexican beer market has faced several challenges this year due to the economic slump, H1N1 flu epidemic and decline in tourism. Leading brewer Grupo Modelo saw 1H2009 domestic beer sales increase 2.3% while their exports fell 5.3%. FEMSA's 1H2009 domestic beer sales declined 4.6%, while their exports increased 2.3%.

## Up Close with the Institute for Barley and Malt Sciences - contributed by Karen Herstgaard

The Institute of Barley and Malt Sciences (IBMS) was formed in 2005 with the overall goal of fostering an open dialog and coordinating efforts between all stakeholders in the **barley to beer chain**.

It is a unique organization in the sense that membership includes barley producers, individuals from the malting and brewing industries, and extension and research. Although located in North Dakota, the IBMS serves all barley growing regions and stakeholders in the U.S. as well as internationally. This is evidenced in the fact that the IBMS Board of directors includes representatives from the American Malting Barley Association (AMBA) Inc., Anheuser-BuschInBev, Cargill Malt, the Idaho Barley Commission, Malteurop, MillerCoors, the Montana Wheat and Barley Committee, the North Dakota Barley Council, and Rahr Malting Co.

Dr. Paul Schwarz, Professor of barley and malt quality at North Dakota State University (NDSU) in Fargo, North Dakota is the IBMS Director and Karen Hertsgaard is the Information Specialist.

The real direction on IBMS activities originates from Regional Extension Teams. Three IBMS teams are centered in Idaho, Montana and North Dakota but also include surrounding states. Each team includes about 20 members representing all stakeholder groups - producers, crop consultants, industry, extension, university and research personnel. Team members meet periodically to discuss needs and activities.

To date actions that were suggested by the teams have included barley educational seminars that have been held in Montana and North Dakota over the past two winters, and the evaluation of all extension and other educational materials on barley production.

The Extension Teams also drew attention to the need for coordinated cropping trials. Studies on barley corn rotations and previous crop started in 2009 at several sites in North Dakota. The value of multiple sites is that it can reduce research time, can make the results more applicable to a wider region, and fosters cooperation between researchers working on production. It is hoped that these or similar studies can be expanded into Idaho and Montana in 2010.

The IBMS recently partnered with the American Society of Brewing Chemists and Jiangnan University in sponsoring the US-China symposium on Barley and Malt, which was held in Wuxi China in April 2009.

Presentations on *Barley Breeding* and *A Producers Perspective of Malting Barley* are to be made at the 122<sup>nd</sup> Convention of the Master Brewers Association of the Americas to be held in October. This is part of an IBMS effort to provide education and outreach to individuals in the malting and brewing industries. A similar presentation will be made at the National Craft Brewing Conference in 2010.

For more information on the IBMS, please contact Karen Hertsgaard ([Karen.hertsgaard@ndsu.edu](mailto:Karen.hertsgaard@ndsu.edu), [www.ag.ndsu.edu/ibms](http://www.ag.ndsu.edu/ibms)).

## IGPA Report - Idaho Grain Producers welcome Obama Support of Columbia River Fish BiOp

After several months of careful review, President Obama's administration officially announced its support of the Federal Columbia River Power System Biological Opinion (BiOp). The BiOp is a plan to protect and assist in recovery of thirteen endangered fish species struck collaboratively between four federal agencies, three states, eight northwest tribes and numerous stakeholders.

The IGPA and other similar stakeholders have long opposed Columbia and Snake River dam removal while supporting sound scientific methods to assist fish recovery. Dam removal along these river systems would eliminate grain movements by barge, thus adding significant costs and inefficiencies to growers forced to find alternative transportation.

Combining resources to more effectively represent Idaho grain producer interests, the IGPA helped establish the Coalition for Idaho Water, a group composed of Idaho-based stakeholders advocating for sustained use of the Columbia and Snake River infrastructure. The Coalition has advanced the views and positions of Idaho's wheat and barley farmers into the political and economic debate for the last several years.

While the Obama administration's support for the ten-year BiOp is great news for the Idaho grain industry, the plan still allows for dam breaching studies if fish recovery efforts are viewed as deteriorating. The BiOp is estimated to cost \$10 billion over ten years to implement fish recovery and dam mitigation efforts. Through the Coalition, the IGPA will engage with other stakeholders and continue to monitor future activities with the BiOp's implementation.

For more information, contact the IGPA at (208) 345-0706 or visit our website at [www.idahograin.org](http://www.idahograin.org).

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## Specialty Type Barley Crop Insurance becomes reality

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- ◆ **Waxy hulled food barley**
- ◆ **Waxy hulless food barley**
- ◆ **Other hulless barley**
- ◆ **Certified seed for malting, and hulless barley.**

**This new insurance will be available in all spring barley counties in 2010.** The IBC would like to acknowledge the good ideas and hard work of three people who helped advance this new policy...Randy Neiwirth, Great Western Malting Co, Blackfoot; Craig Corbett, barley producer from Grace; and Dave Paul, Spokane Regional Director for the USDA Risk Management Agency.