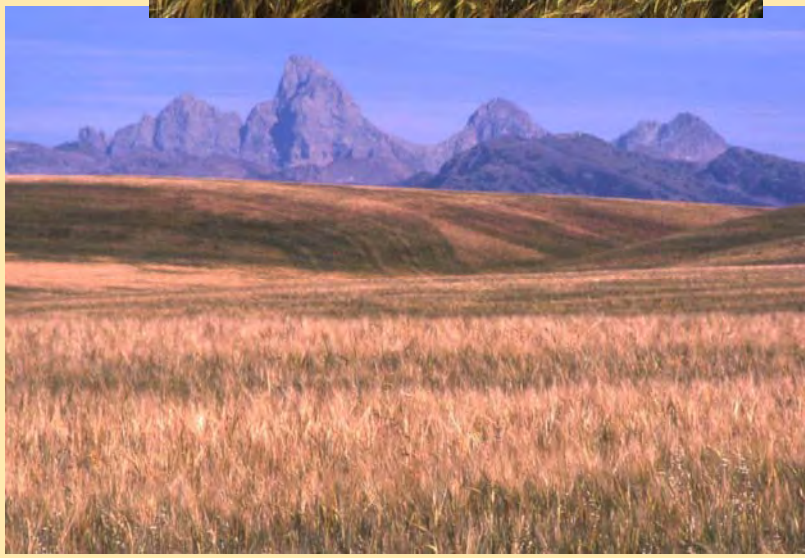
Barley Competitiveness in Idaho

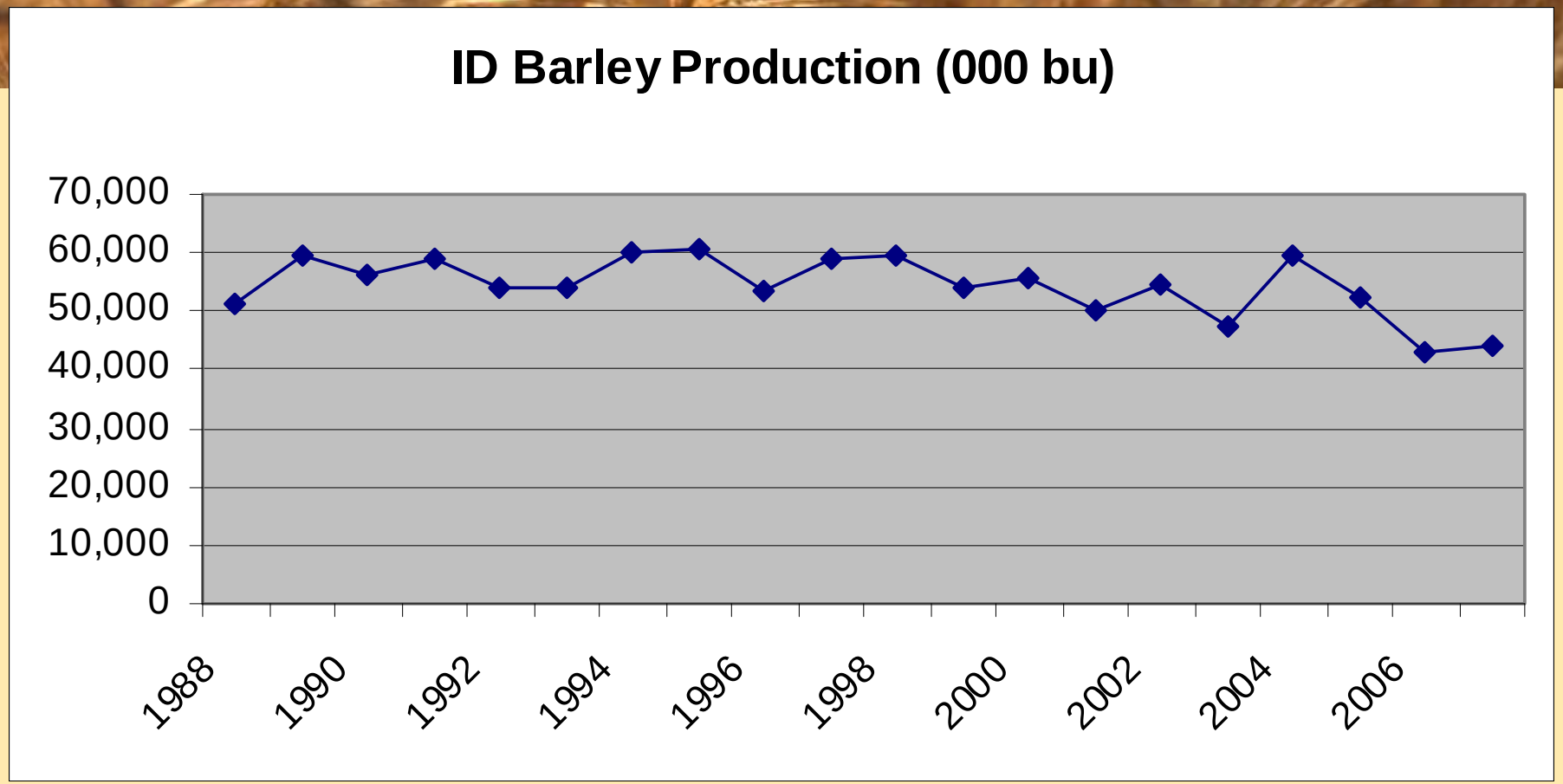
IBC Report to

2008 UI Cereal Schools

Idaho Barley Industry

- Most diverse barley production in the U.S. – both malting and feed and both 2-row and 6-row.
- 2006 and 2007 were the two smallest crops in the last 30 years.
- IBC expects to draw down reserves $150,000 for FY 2007 and FY 2008.




ID Barley Production (000 bu)
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006

MY 07-08 World Grain Markets– One for the Record Books

- **Sharp price rally led by wheat and soybeans, both gaining more than 75% in value in 2007. Wheat posted all time highs – topping $12.00/bu and corn reached 11 year highs.**
- **Despite 5% increase in total grain production, world ending stocks are projected to decline 10% this year (down 24 MMT) and fall 24% from 2 years ago (down 73 MMT).** Biggest factors are BIOFUELS BOOM and continued economic growth in developing countries.
- **Corn demand remains sizzling – both domestic and export - and will provide further up-side price potential in 2008.**

World Barley Fundamentals MY 07-08

- World barley production fell 3%; carryover stocks down 25%.
- Consumption outpacing production 4 out of last 5 years.
- World barley market has the lowest stocks to use ratio in more than 20 years.
- U.S. barley saw the first production increase in 5 years – up 18% - and had overall good quality.
- U.S. exports in MY 07/08 could reach .9 MMT, more than double a year ago – our strongest export competition since 2000/01.
- Australia had two back-to-back disappointing crops – 2006 production was down 60% and 2007 production was 40% below two years

IBC Valued-Added Initiatives

- Winter Barleys
- Malting Barley for Export
- Food Barleys
- Specialty Feed Barleys / low phytate barley for fish feed

Winter Barleys

- **North America's first winter malting barley variety – Charles** – released by ARS Aberdeen and UI Ag Experiment Station in 2006.
- 2007 yields in the Magic Valley – 175 bu/Ac
- Charles malting barley is undergoing plant scale brewing tests – needed to obtain approval by American Malting Barley Association.
- Strong interest in export markets.

Winter Barleys

- Aggressive plant breeding effort underway.
  - New ARS malting barley variety released in 2008 - **Ab2299** – higher yield potential than Charles.
  - Winter food barley breeding focus at Oregon State University.

Malting Barley for Export

- Domestic beer market remains flat.
- IBC helped organize International Malting Barley & Malt Buyers Conference – Oct. 2005, Portland, OR. Second conference was held with Latin American brewing companies in Panama City in Jan. 2008.
- Targeting key markets in Mexico, Colombia, Peru, Taiwan, South Korea and Vietnam.
- Supply availability will be key (winter malting barley varieties).

Food Barleys

- **FDA health claim approved in May 2006.**
- **Barley beta-glucan soluble fiber lowers cholesterol and reduces the risk of heart disease.**
- Foods made from eligible barley sources must contain at least **0.75 grams of beta-glucan soluble fiber per serving.**
- Health benefits based on eating total of **3 grams of beta-glucan fiber per day.**

Food Barleys

- **Why is fiber a big deal?**
  Dietary guidelines recommend 25-38 grams fiber/day.
  Americans are consuming only about 10-12 grams/day.
- **Barley also has lower glycemic index and lowers insulin resistance**. Preferred carbohydrate in diabetic diets.

Food Barleys

- **Domestic market focus –** consumer education, product development, health research.
- **Export market –** facilitated 1st contract of food barley with largest food barley end user in Japan. Growth potential exists in Japan and Taiwan.


QUICK & EASY DIRECTIONS
MIX SOUP + 1 CAN WATER
Campbell's
CONDENSED SOUP
NEW
CHICKEN MUSHROOM BARLEY
GOOD SOURCE OF FIBER
Nutrition Facts
Get FREE Stuff for your school
5 POINT VALUE

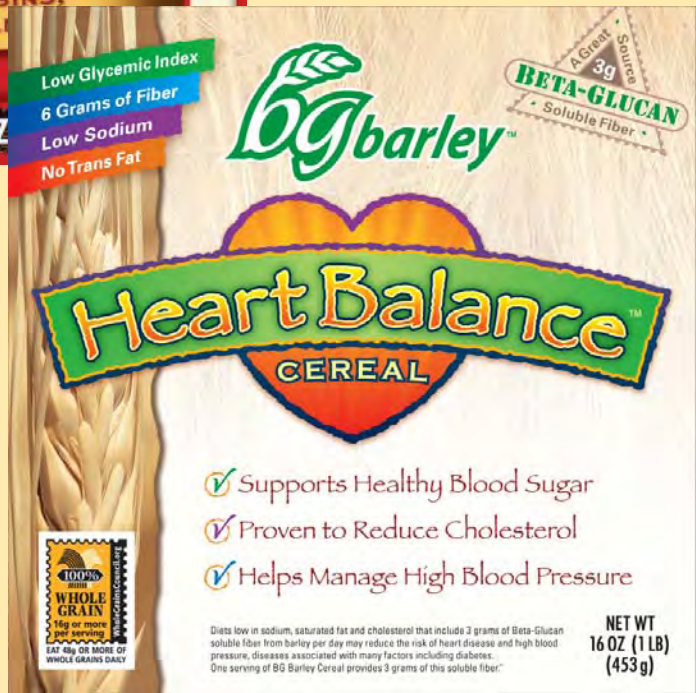

Kellogg's
CRUNCHY BLENDS
MÜESLIX
WHOLE GRAIN CEREAL
WITH RAISINS,
NET WT. 15.3 OZ


Whole Grain
Multi Grain Cheerios
Excellent Source of 9 Vitamins & Minerals


BEEF WITH ROASTED BARLEY
Campbell's
Select
Chef Inspired Soup


NEW!
Barilla
PLUS
PENNE
MORE NUTRITION NATURALLY DELICIOUS
Enriched Multigrain Pasta
Good Source of Fiber and Protein
Contains ALA Omega-3*


NATURE VALLEY
Healthy Heart
HONEY


Low Glycemic Index
6 Grams of Fiber
Low Sodium
No Trans Fat
BG barley
A Great Source of 3g BETA-GLUCAN Soluble Fiber
Heart Balance
CEREAL
Supports Healthy Blood Sugar
Proven to Reduce Cholesterol
Helps Manage High Blood Pressure
100% WHOLE GRAIN
16g or more per serving
EAT 48g OR MORE OF WHOLE GRAINS DAILY
Diets low in sodium, saturated fat and cholesterol that include 3 grams of Beta-Glucan soluble fiber from barley per day may reduce the risk of heart disease and high blood pressure, diseases associated with many factors including diabetes.
One serving of BG Barley Cereal provides 3 grams of this soluble fiber.*
NET WT 16 OZ (1 LB) (453 g)

Specialty Feed Barleys

- **Low phytate barley –** ARS Aberdeen researchers had world's first lpa variety releases – hulled lpa Herald and hulless lpa Clearwater.
- Modifies the chemical form of P in barley which allows it be digested by monogastric animal and not excreted as waste.
- Well suited for fish and pig diets.
- Being tested by large aquaculture farm in Vietnam in winter 2008.
- **Aquaculture is the fastest growing food production sector in the world** – increasing at rate of 8.8% per year since 1970, compared to 2.8% growth for other livestock production during same period.

Future IBC Funding Needs

- IBC has endorsed 2008 legislation that will give it authority to raise the Idaho barley assessment rate **up to 4 cents per hundredweight** (has been fixed at $.02/Cwt. since 1988).

- IBC does not intend to move quickly on any assessment increase, but wants the flexibility to address funding shortfalls. **IBC wants to hear from producers on funding issues.**

- **208-334-2090, www.idahobarley.org**

Thank you