



Barley Bulletin



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HOSTING TRADE TEAMS TO EXPAND EXPORTS

Export market development is a major component in enhancing North Dakota barley production. To that end, the North Dakota Barley Council works closely with the U. S. Grains Council to host trade teams to promote North Dakota barley. During the summer of 2004, the Council hosted a number of trade teams that were interested in North Dakota Barley.

In mid-July, a malting barley trade team from Taiwan made a brief stop in Fargo to visit the Council, local malting companies, and the Northern Crops Institute. The team is exploring the potential to utilize 6 row North Dakota malting barley varieties in breweries in Taiwan.

In early August, a team of six individuals from Japan visited the Council to explore opportunities for using North Dakota barley in livestock nutrition in Japan. The U. S. Grains Council office in Tokyo was instrumental in bringing this team to North Dakota. The Council provided the team with presentations from NDSU livestock nutritionists, and also provided the team with a tour of livestock research

projects at North Dakota State University.

A team of maltsters and brewers from Mexico toured North Dakota in mid-August. The Council coordinated tours with Anheuser Busch and Cargill, and also provided field tours to the malting team. NDSU plant scientists were on hand to discuss the utilization of North Dakota 6 row barley in malting and brewing.

The brewing industry in Latin America continues to grow, and brewers in that region are interested in North Dakota barley. Representatives from breweries in Honduras, Jamaica, El Salvador, Costa Rica, Colombia, and Mexico toured malt houses and barley fields in North Dakota in early September. The team also met with NDSU plant scientists at Northern Crops Institute to expand their knowledge of North Dakota barley production and utilization.

Trade teams are a vital component to promoting North Dakota barley. The Council continues to follow-up with trade team visitors to facilitate developing the relationships necessary to enhance barley utilization. ■

N.D. '04 Barley Summary

The accompanying tables provide a brief summary of the 2004 North Dakota barley crop. Data were obtained from North Dakota Agricultural Statistics Service, as well as the 2004 Barley Crop Quality Survey that is sponsored by the North Dakota Barley Council, North Dakota State University and the American Malting Barley Association (AMBA). This information is utilized in working with potential customers in foreign markets.

North Dakota is the nation's largest barley producer, accounting for 43% of U.S. production. In general, the 2004 North Dakota barley crop had good yield and quality. Later-planted barley typically experienced lower quality.

Table 1. 2004 N.D. Barley Production Summary

Area Planted:	
Acres	1,600,000
Hectares	647,511
Area Harvested:	
Acres	1,490,000
Hectares	602,995
Yield:	
Bu./Acre	62
Kg./Hectare	2,648
Production:	
Bushels	92,380,000
Metric Tons	1,990,406

Table 2. Summary of 2004 N.D. Barley Crop Quality

Test Weight:	
In Lbs./Bushel	47.5
In Kg./Hectoliter	61.1
1,000 Kernel Wt.:	
In Grams	35.8
Protein: (%)	
	12.70

— Table 3. Estimated N.D. Barley Production By Variety, 2004 —

Variety	Type	Typical Use	Percent	Planted Area		Harvested Area		Estimated Production	
				Acres	Hectares	Acres	Hectares	Bushels	Metric Tons
Robust	6 row	Malting	44.1	705,600	285,552	657,090	265,921	40,739,580	877,769
Legacy	6 row	Malting	13.0	208,000	84,176	193,700	78,389	12,009,400	258,753
Lacey	6 row	Malting	12.1	193,600	78,349	180,290	72,962	11,177,980	240,839
Conlon	2 row	Malting	7.7	123,200	49,858	114,730	46,431	7,113,260	153,261
Drummond	6 row	Malting	5.3	84,800	34,318	78,970	31,959	4,896,140	105,492
Haybet	2 row	Feed	3.5	56,000	22,663	52,150	21,105	3,233,300	69,664
Tradition	6 row	Malting	3.4	54,400	22,015	50,660	20,502	3,140,920	67,674
AC-Metcalf	2 row	Malting	2.8	44,800	18,130	41,720	16,884	2,586,640	55,731
Excel	6 row	Malting	1.9	30,400	12,303	28,310	11,457	1,755,220	37,818
Bowman	2 row	Feed	0.7	11,200	4,533	10,430	4,221	646,660	13,933
Stander	2 row	Feed	0.6	9,600	3,885	8,940	3,618	554,280	11,942
Logan	2 row	Feed	0.5	8,000	3,238	7,450	3,015	461,900	9,952
Morex	6 row	Feed	0.4	6,400	2,590	5,960	2,412	369,520	7,962
Other	—	—	4.0	64,000	25,900	59,600	24,120	3,695,200	79,616
Totals:			100.0	1,600,000	647,511	1,490,000	602,995	92,380,000	1,990,406

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The NDBC and the MBR&PC are organizations of North Dakota and Minnesota barley growers. Funded by producer checkoff programs, the two councils work to develop a strong barley industry through marketing, research and educational programs.

CHAIRMAN'S REPORT

By James Broten

The 2004 growing season is now in the history book, and I'm sure all of us are looking ahead to a more "normal" season in 2005. The weather conditions of 2004 delayed crop development, and harvest was extended into a seemingly endless exercise. However, there are a number of positive issues happening in barley.



James Broten

• **Trade Teams** — As outlined on page 1 of this issue of *Barley Bulletin*, we were actively involved in hosting trade teams during the 2004 production season. Trade teams allow us to promote North Dakota barley and thus develop the relationships necessary to secure future export opportunities.

• **U.S. Grains Council** — As a member of the board of directors of the U. S. Grains Council, I continue to promote the utilization of U. S. barley in foreign markets. Our membership in the Grains Council assists us in securing information on emerging market opportunities for barley, and in developing the contacts required in export market development.

• **Institute of Barley and Malt Sciences** —

The establishment of this institute within the framework of North Dakota State University is critical to providing the educational infra-

structure necessary to show our customers that North Dakota is truly the leader in malt barley production. We are continuing to seek federal support for this institute, and we remain confident that we will secure the funding needed to implement this much needed endeavor.

• **Malting and Brewing** — We continue to work with the malting and brewing industry to serve as a voice for the barley grower. While we must try to understand the challenges that maltsters face, it is equally important for us to communicate to the maltsters our challenges as growers.

Both sides recognize the importance of risk management. Crop insurance, market prices, production practices, quality factors and competing crops collectively impact the amount of barley production in any given year. We're working to keep barley a profitable crop for the grower.

• **Feed Barley** — Our barley utilization development specialist provides solid education to the livestock industry about the benefits of feeding barley. Many livestock producers are being re-introduced to the benefits of feeding barley, thus providing an outlet for feed barley production.

While we must try to understand the challenges that maltsters face, it is equally important for us to communicate to the maltsters our challenges as growers.

Barley and wheat are the major cool season grasses that are vital to our crop rotations in the state of North Dakota. To keep barley important and

profitable, we must strive to expand its utilization. ■

EXECUTIVE ADMINISTRATOR'S REPORT

By Steve Edwardson

Time has passed quickly since beginning my position as executive administrator of the North Dakota Barley Council in late April 2004. First of all, I express my thanks to the Council and staff for their assistance in helping me understand the numerous issues in which the Council is involved. Also, my thanks to the county representatives who shared their input at the county representatives meeting in Carrington this past July. All of you have been helpful in providing me with the foundation of information necessary to assist the council in barley production and promotion.

I have participated in numerous activities to assist in supporting North Dakota barley, namely:

• **U. S. Grains Council** — I attended the USGC Board of Delegates meeting in Montreal, Quebec, in July 2004. This meeting provided me with a thorough knowledge of the market development work conducted internationally by USGC. I hope that my background in international trade can be leveraged with the expertise in the USGC to further promote the utilization of North Dakota barley on a world wide basis.

• **Trade Teams** — The summer of 2004 was quite busy with regard to scheduling activities for trade teams. I have enjoyed meeting many new people with diverse business interests, and consequently I am seeking ways to further promote North Dakota barley to these potential customers.

• **Crop Insurance** — Crop insurance on malting barley con-

tinues to be a challenging issue. In 2004, some growers experienced good yields but very poor quality. Crop quality is a vital component of risk management, and it must therefore be included in crop insurance. I am working closely with USDA-RMA, growers and insurance product developers in enhancing crop insurance for malting barley. While other grower organizations continue to apply political pressure for crop insurance reform, I am seeking to complement their efforts by providing technical solutions to new product development. Both approaches are needed to maintain and enhance a viable crop insurance program for barley.

• **Communications** — Newspapers, radio, the Internet and e-mail are all vital to communicating the Council's work to growers, policy makers, researchers and industry professionals. I am working to redefine Council's communication and outreach activities to hopefully result in targeted, concise and helpful information for each respective group.

• **Professional Development** — The barley industry is a complex myriad of issues, ranging from crop production and processing to marketing and international trade. In September 2004, I participated in a three-day short course at the Northern Crops Institute in Fargo to learn more about barley malt quality and malt evaluation. This course was very valuable in helping me understand the technical issues faced by brewers.

The 2005 production year will no doubt provide new challenges for barley producers and processors. The N.D. Barley Council continues to keep informed of any changes that might impact barley. I look forward to working with you in 2005. ■



Steve Edwardson

~ Barley Bits ~

NEWS ON BARLEY PRODUCTION, PROCESSING, MARKETS & TRADE

mRobust Still Top Variety — Robust, which was first released in 1983 by the University of Minnesota, continued to be the most popular variety in North Dakota in 2004. Robust was planted on 44.1% of the 1.65 million acres of barley seeded in North Dakota in 2004. Lacey, Legacy, Conlon, and Drummond rounded out the top five varieties, having been planted on 13.0%, 12.1%, 7.7% and 5.3% of the acres, respectively.

NBGA Web Site — The National Barley Growers Association has launched a web site that provides a considerable amount of useful information on barley production, legislation and trade. For those of you with Internet access, be sure to visit this site at <http://www.idahograin.org/barleycommission/nbga/index>.

Malting Barley Declining in Manitoba — Our northern neighbors are not immune from the damaging effects of fusarium head blight (FHB). The *Manitoba Cooperator* reported in December 2004 that FHB in Manitoba barley has made the province an unreliable source of barley for brewers. Barley is the third largest crop (by acres) in Manitoba, where almost all of it is used for livestock feed. Malting companies are looking to Saskatchewan to secure their supplies of Canadian barley.

Storing Barley — Many producers experienced wet harvest conditions in 2004, and some of the crop went into the bin at higher than normal moisture conditions. In general, barley is similar to wheat in that it should be stored at 13.5% moisture or less. In some years, producers have stored barley at moisture ranges of 14% to 18% and have utilized natural air drying to dry the grain by either pulling or pushing air through the grain. However, the 2004 harvest season was extremely cool, and therefore the use of natural air drying must be more carefully monitored. High-moisture grain can be stored over winter as long as it is cooled. When temperatures are near or below freezing, start the fans and draw air through the grain to approximately 20 to 25 degrees Fahrenheit, then turn off the fans. Be sure to monitor the bin every couple of weeks to make certain that “hot spots” are not occurring.

Disaster Assistance for 2004 Still on Hold — Congress passed disaster assistance legislation in October 2004, but the details of how the program will be administered are still not available at this writing. The North Dakota Barley Council is in contact with USDA to obtain program details and the impact of disaster legislation on barley producers.

Beer: The Secret to Long Life — The oldest man in the world is 111 years old and lives in Germany. Herman Doernemann is a retired electrical engineer who claims that a “daily dose of good dark beer keeps me feeling on top of the world.” Perhaps beer is indeed the fountain of youth!!

Supporting Local Barley Growers!

The Four Mile Bar at Williston, N.D., is seeking support for barley growers by placing a statement on their sign (pictured below). As the sign says, “Support Your Local Barley Growers.” There are many ways to support growers — including those folks in the consumer products testing division! Thank you to Floyd Miller, Williams County NDBC representative, for sharing this photo.



Groven on SBS Mission to Japan

North Dakota Barley Council representative Richard Groven traveled to Japan on November 5-12 to participate in a simultaneous buy-sell (SBS) mission that was coordinated by the U. S. Grains Council.

This trip was a follow-up visit to explore opportunities to export North Dakota barley to the Japanese livestock industry. During the November trip, Groven was in contact with members of the trade delegation from Japan that visited North Dakota in August 2004. He and representatives from other barley-producing states presented information on the quality and production of the 2004 barley crop in the United States.

Their collective efforts proved positive for U. S. barley. On November 24, Japan issued a tender for 200,000 metric tons of barley. The United States supplied 66,200 metric tons to Japan under this tender (approximately one-third of the tender). Canada supplied 28,800 metric tons, and Australia received the largest share of the tender by supplying approximately 105,000 metric tons.

Business trips of this nature are critical to regaining market share and developing the framework necessary to promote North Dakota barley. ■

UPCOMING EVENTS

N.D. Barley Council County Representatives Winter Meeting

Ramkota Inn
Bismarck, N.D.
January 9

N.D. Grain Growers Association Convention

Ramkota Inn
Bismarck, N.D.
January 10 & 11

N.D. Grain Dealers Association Convention

Bismarck, N.D.
January 23-25

KMOT Ag Expo

All Seasons Arena
State Fairgrounds
Minot, N.D.
January 26-28

THINK FEED BARLEY!

By Weston Dvorak, N.D. Barley Council
Barley Utilization Development Specialist



Wow, what a year this has been! The climactic extremes that were experienced throughout our state this past growing season, from drought to excessive rainfall and abnormally cool temperatures, rejuvenate words like challenge, adaptation and resilience back into the farmer's and rancher's vocabulary.

The feed shortfall in the southwestern portion of our state led many ranchers to make critical decisions regarding feeding their cows and calves this fall. Decisions based on whether to keep the calves and the majority of the cows or to sell all of the calves and part of the cow herd

due to the lack of feed and/or the price of purchasing feed is a critical decision that could affect the long-term profitability of the ranch. In addition, rising gas prices affect the transportation cost associated with delivering the feed and must be considered when pricing feed ingredients. That cost has to be divided by the amount of tons of feed hauled per trip. Feed barley is economically attractive for ranchers and feedlot owners who are looking to purchase feed this season.

Let's take a look at this situation. Say a producer is slightly short on forage and needs to purchase an additional

feedstuff in order to stretch the current hay supply. When comparing CRP hay at the current market price of \$50-55/ton, 6-9% crude protein (CP) and 47-56% total digestible nutrients (TDN) to feed barley at the current market price of \$1.30-1.40/bu. (\$54-58/ton), 14-16% CP and 82-86% TDN, the purchaser must not only look at the price paid for the feed but also the quality of the feed. In this situation, one pound of feed barley could replace about two pounds of CRP hay in terms of the amount of nutrients delivered to the cow. This can result in a savings of \$22.05 per cow over a 180-day feeding period when feeding barley at five pounds per head per day.

Feed barley will make an excellent feedstuff in a cow ration, especially early in the feeding season when the cow's requirements are the lowest, in order to add a condition score to thinner cows, and after calving to optimize milk production.

Often, producers wonder how much they can afford to pay for feed barley compared to corn and a protein supplement at feed barley's equivalent nutrient profile. The accompanying chart compares feed barley at 14% CP and 84% TDN to corn at 9.5% CP and 90% TDN and soybean meal at 48% CP and 84% TDN. The equivalent price/bushel for feed barley is given in the middle of the chart with the price/bushel for corn along the side axis and the price of soybean meal along the top axis.

For example, if the price of corn is \$2.00/bu and the price of soybean meal is \$160/ton, then the breakeven price on a nutrient basis would be \$1.93 for feed barley. (These prices were determined using the FEED-VAL.xls spreadsheet which is available on the Internet.)

The price limit that can be paid for feed barley is substantially higher in this spreadsheet than the actual price for which a producer can buy feed barley at any given elevator in North Dakota. The reason behind the price differentiation calculated from the spreadsheet and the current market price is primarily due to the elevators' price under-valuing the protein that is derived from feed barley. Feed barley can be substituted for all of or a portion of the corn and protein supplement that is in a ration. So you may reduce your feed costs dramatically without affecting animal performance. ■

Equivalent Nutrient Value of Feed Barley (\$/Bu.)

	Soybean Meal Price \$/Ton					
	150	160	170	180	190	200
1.40	1.46	1.48	1.51	1.54	1.56	1.59
1.50	1.53	1.56	1.58	1.61	1.64	1.67
1.60	1.61	1.63	1.66	1.69	1.71	1.74
1.70	1.68	1.71	1.74	1.76	1.79	1.82
1.80	1.76	1.78	1.81	1.84	1.86	1.89
1.90	1.83	1.86	1.89	1.91	1.94	1.97
2.00	1.91	1.93	1.96	1.99	2.01	2.04
2.10	1.98	2.01	2.04	2.06	2.09	2.12
2.20	2.06	2.08	2.11	2.14	2.16	2.19
2.30	2.13	2.16	2.19	2.21	2.24	2.27
2.40	2.21	2.23	2.26	2.29	2.31	2.34

Source: Feed-val.xls

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