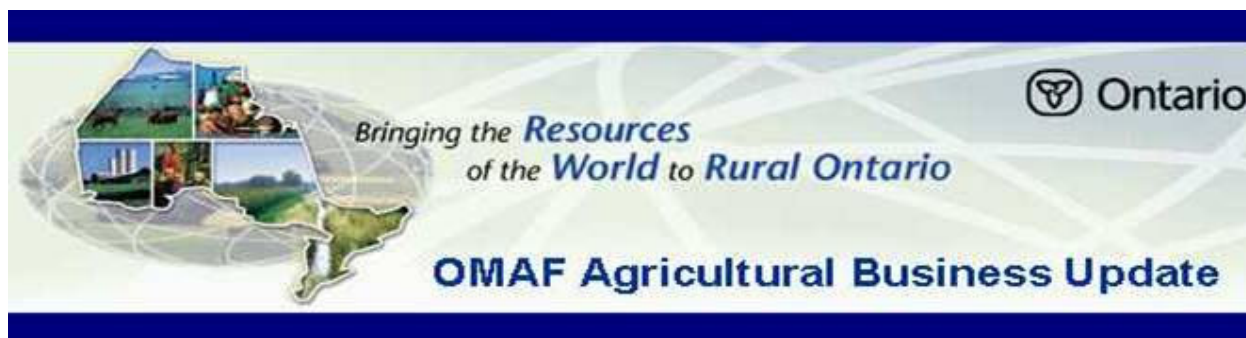




ISSUE 1 – September 29 2003

Welcome to the first issue of OMAF Agricultural Business Update. Brought to you by the Ontario Ministry of Agriculture and Food (OMAF), this e-newsletter will be emailed to subscribers approximately 6 time per year in order to provide short updates on events, programs and information of interest to farm business managers and farm business management advisors. We hope you will find this e-newsletter useful and easy to use. Please feel free to pass it on to others who may not be current subscribers.

If you wish to continue receiving this newsletter, please subscribe on-line by providing your email address at the link below. This inaugural copy is being sent to you in recognition of your past interest in OMAF Agricultural Business events and information. However in order to respect your privacy, we will only be sending two editions to those who do not subscribe. The OMAF Agricultural Business Update is also available on our web site.

To Subscribe:

<http://www.gov.on.ca/OMAFRA/english/subscribe/index.html#agbus>

If you have questions or comments about this e-newsletter, please send an email to clarence.haverson@omaf.gov.on.ca

Time is running out to register for 2003 OMAF Farm Tax and Business Seminars:

The Ontario Ministry of Agriculture and Food's 2003 Farm Tax and Business Seminar series will take place at 11 different locations across southern Ontario between October 21 and 30, 2003. The one-day professional updates are geared for advisors who work with farms and agribusiness. This year's focus is the tax, legal and business considerations related to farm estate administration. Also included in the agenda will be an overview and update on the proposed Agricultural Policy Framework (APF), and a presentation on the technical and business issues related to the Nutrient Management Act 2002.

Woodstock - Tuesday, October 21 - Quality Hotel

Guelph - Wednesday, October 22 - Guelph Place Banquet Hall

Hanover - Wednesday, October 22 - Royal Canadian Legion
Alliston - Thursday, October 23 - Nottawasaga Inn
Stratford - Thursday, October 23 - Army Navy Air Force Veterans Hall
Kemptville - Tuesday, October 28 - Purvis Hall, Kemptville College
Chatham - Tuesday, October 28 - County View Golf Club
Belleville - Wednesday, October 29 - Ramada Inn
London - Wednesday, October 29 - Hellenic Community Centre
Peterborough - Thursday, October 30 - The Parkway Centre
Hamilton - Thursday, October 30 - Hillcrest Restaurant

The deadline for the early bird registration savings is October 10th. Complete conference details and registration information is available at <http://www.gov.on.ca/OMAF/english/busdev/conference/03farmtax.htm> or simply call OMAF's Agricultural Information Contact Centre at 1-877-424-1300 to register today.

Mark you calendar now for Agricultural Excellence 2004:

Plan now to be in Niagara-on-the-Lake on February 26-28, 2004 for "Managing Agricultural Globalization: Challenges and Opportunities." This is 4th annual Agricultural Excellence Conference hosted by the Canadian Farm Business Management Council. 2004 marks the first time the Agricultural Excellence Conference is being held in Ontario. This year's Agricultural Excellence conference will focus on farming as a dynamic business opportunity for those who practice strong business management techniques. Speakers include author, consultant and agri-business owner Al Scholz who will examine the entrepreneurial aspects needed in uncertain times. In addition, Dr. Gord Surgeoner, President of Ontario Agri-Food Technologies will talk about the market opportunities available to every farmer in non-food production such as ag-medicine and biodiesel. Other speakers will address managing with an entrepreneurial mindset, food safety, farm income and knowing your consumer. Open your mind to all the possibilities...here for further information on this event

<http://www.farmcentre.com/english/conference/2004/index2004.htm>

Enterprise Budgets on the Web

The Ontario Ministry of Agriculture and Food provides a range of cost of production budgets on the Ontario Enterprise Budgets website. Enterprise budgets are developed to aid producers in evaluating the economics of production decisions. The budgets provide two data input options:

Budgeting Tools allow you to enter data specific to your operation into the budget using your personal computer in Microsoft Excel format. Calculations are performed automatically, and you are able to view/modify/print the results for your own use. The Budgeting Tools also allow you to assess the potential impact of production and marketing risk factors and risk management strategies;

Manual Budget Forms can be printed directly from this web site and completed by hand. These budgets would provide sample figures for each income and expense item, as well as space on the printed page to enter data specific to your farm operation.

The Ontario Enterprise Budgets can be accessed at:

<http://www.gov.on.ca/OMAF/english/busdev/bear2000/Budgets/oeb.htm>

New Publication outlines steps involved in starting a Winery:

The Ontario Ministry of Agriculture and Food had just released a new 97 page publication entitled Starting a Winery on Ontario. Available in both english and french, this publication provides a complete overview of the business planning, regulatory requirements, quality standards and financial planning involved with establishing a winery. This is an invaluable resource for anyone considering viticulture. To order Starting a Winery in Ontario for \$35.00 plus taxes and handling, call The Government Information Centre at 519-826-3700 and ask for OMAF Publication 815, or print off the publication order form available at

<http://www.gov.on.ca/OMAF/english/products/economics.html>

Deadline Extended for 2002 OFIDP Applications

The deadline for 2002 Ontario Farm Income Disaster Program (OFIDP) applications has been extended to October 15, 2003. OFIDP provides financial assistance to producers who face income reductions for reasons beyond their control, such as declining prices, yield losses and increased expenses.

Application forms and more detailed information are available on the Web site of the Ontario Ministry of Agriculture and Food at www.omaf.gov.on.ca or by calling the program toll free at 1-877-838-5144. Program staff are available during extended hours (7:00 a.m. to 7:00 p.m.) to assist farmers in meeting the October 15th application deadline.

Advance Access to 2003 NISA Stabilization Year:

The Net Income Stabilization Account (NISA) Administration is offering advance access to accounts for the 2003 year. The early access process is similar to the Interim Withdrawal option available in the previous NISA program. The Interim Withdrawal option allows producers to receive their withdrawal entitlement in the same stabilization year as their financial need arises. This will be especially important for producers impacted by the BSE livestock markets in 2003.

The August NISA Contact newsletter <http://www.agr.gc.ca/nisa/contact/2003-08e.html> outlines the process for interim withdrawals for 2003. Or for more information OMAF has prepared an information sheet available at

http://www.gov.on.ca/OMAF/english/livestock/beef/facts/info_2003NISA.htm

2002 NISA

Farmers who are not currently participating in the 2002 NISA program may want to check out this option again. Under current proposals the NISA program is scheduled to end with the 2002 program year. By making a deposit in a NISA account for the 2002 year, farmers can still get 2002 matching government contributions. Farmers can gain access to these funds through the closure mechanisms even if they do not have margin or net income triggers in the 2002 program year.

Farmers are still eligible to apply for the 2002 NISA program until Dec. 31, 2003. There is a 5% per month reduction in deposit entitlements for each month after the June 15, 2003 Individual Deadline and the June 30, 2003 Corporation/Cooperatives deadline. The penalty would be 20% on applications made by Oct. 15, 2003 for individuals or by Oct. 30, 2003 for corporations.

For example, a farmer with \$100,000 of Eligible Net Sales in 2002, who applies by Oct. 15, 2003 and with an 80% entitlement, would be eligible for matching government contributions of \$3,145 ($\$100,000 \times 4\% \times 80\% - \55.00 Ind. Admin. Fee)

A beef feedlot operation that purchases calves, with Eligible Net Sales of \$475 per head in 2002, who applies by Oct., 15 2003 and with an 80% entitlement, would be eligible for matching government contributions of \$15.20 per head. The total net benefit to the farmer after administration fees would be \$250 on 20 head (\$9500 ENS) or \$2,985 on 200 head (\$95,000 ENS).

Federal Transition Funding

Announced on September 19, 2003, this \$600 million will be paid directly to farmers based on their business year ending in 2002.

Farmers enrolled in the 2002 NISA program will receive direct payments based on their net sales for the past five years.

Farmers not enrolled in NISA are eligible for a payment based on a percentage of their eligible net sales in 2002 and must complete an application form available by contacting 1-866-367-8506. The deadline to apply is Dec. 31, 2003.

Payments are expected around the first part of December 2003. Further information at Agriculture and Agri-Food Canada's website: http://www.agr.gc.ca/index_e.phtml

BSE Programs Update

The Ontario BSE Recovery Initiative-Phase 3 program is currently available. The program has two components:

1. Slaughter Component In

The Ontario BSE Recovery Initiative Phase 3 addressed market-ready cattle and veal calves that were held in inventory by Ontario producers on May 20th and that were not eligible for a payment under either of the preceding BSE compensation programs. The program is available for cattle and veal slaughtered prior to midnight, Saturday October 4, 2003.

2. Advance Payment Component

This component will provide advance payments to Ontario livestock producers affected by BSE, including those who have not been directly assisted under the previous BSE assistance programs. Payments represent an advance on a portion of Ontario's share of any future safety net programming that may be available in Ontario. Program guidelines and application forms will be posted on the OMAF website as soon as they are available:

<http://www.gov.on.ca/OMAFRA/english/policy/bserp/index.html>

Contact information:

Canada Ontario BSE Recovery Program and Ontario BSE Recovery Initiative

Telephone: 1-877-838-5144

Email: ofidp@omaf.gov.on.ca

BSE Help Line

Advice from OMAF specialists

1-888-292-5856

The Farm Line

Confidential emotional support and referral service

1-888-451-2903

For more information:

Toll Free: 1-877-424-1300

Local: (519) 826-4047

Email: ag.info@omaf.gov.on.ca