# ISSUE # 53 – July 7, 2009

This update is designed to provide you with concise, up to date agricultural business information with links to where you can find the details.

Ministry of Agriculture, Food and Rural Affairs

Ontario

OMAFRA Ag Business Update

## Get the Latest Ag Business Information

For the most current Ag Business information visit the Ag Business Update Blog. It contains all the current information plus material from past Ag Business Updates. You can subscribe to the Blog through an RSS feed or have posts sent right to your mailbox using Feed My Inbox . Just cut and paste the following link http://agbusinessupdate.wordpress.com/ to the Feed My Inbox site along with your email address. When new items are posted you will receive an email with the new information included in the email.

**This Issue:**



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Growing Forward

## Growing Your Farm Profits – and Beyond

## Information Sessions for Ontario Farm Business Advisors (Re-scheduled)

The Growing Forward Business Development for Farm Businesses is now available to Ontario Farmers. Growing Forward is a federal-provincial-territorial initiative designed to help agricultural producers enhance the long term viability of their farm business.

Currently over 700 participants from across Ontario have attended Growing Your Farm Profits workshops to improve their business planning and achieve their business goals. This is a key component of the Growing Forward Business Development for Farm Businesses Program.

### Outcomes

At the end of these sessions you will be able to:

- outline cost share opportunities for farmers in the four Growing Forward Best Practices programs and know where to go for more information
- describe the Growing Your Farm Profits (GYFP) workshops and the feedback received from participants
- explain how farmers can benefit from Growing Forward Business Development for Farm Businesses
- describe farm business advisor opportunities within Growing Forward Business Development for Farm Businesses

- explain the application process for accessing Growing Forward Business Development for Farm Businesses cost share

## Choose the Sessions That Works for You

Thursday, July 16, 2009 – 9:30 a.m. to 3:30 p.m., Elm Hurst Inn, Ingersoll
Friday, July 17, 2009 – 9:30 a.m. to 3:30 p.m., Best Western Inn, Cobourg

The Ingersoll session is also available live on the web! Instructions will be emailed upon registration.

## Program Outline

9 a.m. Registration and Refreshments
9:30 a.m.-12 noon

- Overview on Growing Forward Best Practices Suite for Farmers
- Growing Your Farm Profits (GYFP) Workshops and the Action Plan Review and Sign-Off
  - How the GYFP workshop works
  - The Self-Assessment Process: helping farm families identify their key business goals, strengths and needs
  - A Roadmap for Success: the GYFP Action Plan develops SMART goals that work
- Cost-share opportunities: tips on maximizing funding options and investment

Lunch is provided

1:00 a.m. – 3:30 p.m.

- Cost-share opportunities: tips on maximizing funding options and investment - continued
- Growing Your Farm Profits – And Beyond: how farm business advisors fit in

## Registration Options

- Call OMAFRA's Agricultural Information Contact Centre (AICC) at 1-877-424-1300 or
- Register online or
- Fax your completed registration form to AICC at 1-519-826-3442. The Registration form can be printed off from our website

Growing Forward supports the development and implementation of best practices in four key areas; environment and climate change; food safety and Traceability; business development; and biosecurity. Participants are encouraged to develop strategies across all these areas to meet their business goals through a variety of information sessions and workshops, as well as one-on-one training and technical assistance.

Canada

Ontario

# Programs

## Canadian Agricultural Loans Act (CALA)

The *Canadian Agricultural Loans Act (CALA)* is a loan guarantee program which provides loans to farmers and agricultural co-operatives.

**Who can apply?**

- Existing farmers
- Beginning/start-up farmers (i.e. less than 6 years of farming)
- Farmers taking over the family farm
- Agricultural co-operatives with a majority (50% + 1) farmer membership

If a purchase has already been made, a farmer has 60 days to receive funding from a lender for a *CALA* loan. A beginning or start-up farmer should be prepared to provide the lender with a business plan and/or an income tax form showing no farm income and/or expenses at least once in the last six years.

Agricultural co-operatives will need to be prepared to provide a current income tax return showing farm income and/or expenses from 50% + 1 of its members or a notarized attestation as to their membership.

**Where to apply?**

The following financial institutions offer loans under the *CALA*:

• Chartered banks • Trust companies • Alberta Treasury Branches • Loan companies • Credit unions • Insurance companies • Caisses populaires • Other designated organizations

**Fees**

The farmer must pay a fee to have the loan registered and guaranteed under the *CALA*. This fee is 0.85% of the amount of the loan. The lender may also charge an administration fee of 0.25% of the amount of the loan up to a maximum of $250.

**What is eligible?**

Eligible loan purposes include the following that must be used in the applicant's farming operation:

- Equipment
- Building/ Construction
- Land
- Livestock
- Shares in a farming operation

**Loan Amount**

The maximum loan is:

- $500,000 for land and the construction or improvement of buildings.
- $350,000 for all other loan purposes.

The maximum aggregate loan limit for any one borrower is $500,000. The maximum aggregate loan limit for agricultural cooperatives, is $3 million, with the Minister's approval.

**Repayment terms**

The maximum term for loans is 10 years, with 15 years for loans on land purchases.

**Interest rates**

Interest to be paid on a floating rate is the lender's prime rate plus a maximum of 1%.

Interest to be paid on a fixed-term rate uses a formula based on the lender's residential mortgage rate plus a maximum of 1%.

**For more information:**

- Contact your financial institution
- E-mail *CALA* at fgp-pgf@agr.gc.ca
- Call the *CALA* toll-free line at 1-888-346-2511
- Visit the *CALA* website at www.agr.gc.ca/cala

## Taxation

### Administrative Policy Changes for Taxable Employment Benefits

Canada Revenue Agency (the "CRA") has just released some administrative changes regarding taxable employee benefits in its Technical News Issue #40. The changes relate to the following:

- Overtime Meals and Allowances Provided to Employees
- Municipality or Metropolitan Area
- Loyalty Programs
- Employer Provided Motor Vehicles Required to be Taken Home at Night
- Non-cash Gifts and Non-cash Awards
- Surface Transit Passes Provided to Family Members of Transit Employees

The full details can be found on the CRA website.

## New Publications

Canada Pension Plan Financial security is a very important consideration for retiring farmers. This factsheet on the Canada Pension Plan (CPP) provides information on the retirement income and the disability and survivor benefits. Available on the OMAFRA website

Guide to Cost of Production Budgeting Cost of Production (COP) budgeting consists of estimating the costs associated with an enterprise and the expected revenue. This Factsheet outlines the process and use of COP budgeting for farm-level decision-making.

Monthly Swine Budgets

## Calendar

For the most recent calendar information drop by the Ag Business Update Blog Calendar of Events Page.

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*Thanks for reading the OMAFRA Business Update.*

**Questions or Comments:** contact the editor, **Rob Gamble** at rob.gamble@ontario.ca.

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