

ISSUE # 54 – October 13, 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.



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:

- [Growing Forward](#)
- [Taxation](#)
- [New Publications](#)
- [Calendar](#)

2009 Farm Tax and Business Seminar

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) presents the annual Farm Tax and Business Seminar for Professional Advisors. The seminar is offered in 11 locations across the province during the month of October. The seminar is offered as a Webinar for those interested in attending the seminar via the web.

The seminar is an excellent opportunity for accountants, lawyers, lenders and other financial professionals to update their knowledge of tax, business and legal matters related to agriculture and farm business activities.

The locations and dates are:

Dates and Locations			
Week 1	Guelph		Tuesday, October 27, 2009
	Ingersoll		Wednesday, October 28, 2009
	Hanover		Thursday, October 29, 2009
Week 2	Alliston	Kemptville	Tuesday, November 3, 2009
	Stratford	Belleville	Wednesday, November 4, 2009
	London	Peterborough	Thursday, November 5, 2009
Week 3	Hamilton		Wednesday, November 10, 2009
	Chatham		Thursday, November 12, 2009

The topics this year include:

- Farm Family Business Structures: Partnerships and Corporations
- OMAFRA Business Update
- Legal - Conflict Resolution - Practical Strategies for Avoiding Court
- Farm Tax Update
- Growing Forward Programs—Business Risk Management and Best Practices Programs Update

The registration fee is \$150 per person on or before **October 19, 2009** and \$180 per person after October 19, 2009.

For complete agenda, speaker and registration information, including a registration form, visit the OMAFRA Business Development website under conferences and workshops at www.ontario.ca/agbusiness or call the **OMAFRA Agricultural Information Contact Centre at 1-877-424-1300**.



Business Development for Farm Businesses: A customized program just for you

The recently launched Business Development for Farm Businesses program incorporates self-assessment and action plan development with a range of cost-share advisory services and skills development opportunities.

[Growing Your Farm Profits workshops](#) are the entry point to the Business Development for Farm Business program. Set in a relaxed atmosphere where personal and financial details are not required to be shared, the workshop teaches you how to do a self-assessment of your business. Identifying your business strengths and planning needs will allow you to take the next steps: developing an [Action Plan](#) and receiving sign-off from your GYFP workshop leader.

The cost share components of the program include:

[Farm Financial Assessment](#) - hire a Farm Financial Advisor who will work with you to complete an assessment that will identify choices that you can make to reach your profitability goals.

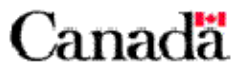
[Agriculture Skills Development](#) cost-share – access farm-related courses and training opportunities that can help your farm business become more viable.

[Advanced Business Planning](#) services provide cost-share funds to work with a consultant to build an Advanced Business Plan that focuses on business management goals.

[Business Plan Implementation](#) cost-share program can help you implement items identified in your advanced business plan.

As part of the commitment by Canada's federal, provincial and territorial governments under Growing Forward, the Business Development for Farm Businesses program, developed by OMAFRA, delivered by the OSCIA, can equip you with innovative tools that can help you be competitive in your business. To get started, visit www.ontariosoilcrop.org and sign up for a Growing Your Farm Profits Workshop in your area today!

Growing Forward, a federal-provincial-territorial initiative.



Programs

[Hog Industry Loan Loss Reserve Program](#)

The Hog Industry Loan Loss Reserve Program (HILLRP) assists the pork industry to deal with immediate short-term cash-flow pressures. It is designed to increase access to credit for eligible producers currently producing hogs in Canada and who can provide a business plan which demonstrates that the business is or can be viable and has a reasonable prospect of repaying the loan. For more information visit the [Agriculture and Agri-Food Canada](#) website.

[Hog Farm Transition Program](#)

The Hog Farm Transition Program is a \$75 million initiative designed to help eligible producers by providing payments to those who agree to set aside all hog production in their enterprise for a minimum of three years.

The program is open to all hog producers that were in the business of hog production as of April 1, 2009 and are willing to set aside their entire hog production facilities for a minimum of three years. For more details visit the [Canadian Pork Council](#) website

[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

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.

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 fqp-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

Premier's Award For Agri-Food Innovation Excellence

Applications are now being accepted for the fourth year of the Premier's Award for Agri-Food Innovation Excellence program. The deadline for submissions is November 16, 2009. Awards will be announced in 2010.

About The Program

The Premier's Award for Agri-Food Innovation Excellence was established in 2006 to recognize and foster innovation in the agri-food industry. The five-year, \$2.5 million program (now in its fourth year) encourages the development of prosperity in Ontario's rural communities and on farms by recognizing innovations that add value to existing products, create jobs and drive economic growth. As many as 55 regional awards, valued at \$5,000 each, can be presented each year. Recipients of the Premier's Award (up to \$100,000) and the Minister's Award (up to \$50,000) are selected from the regional winners.

For more information visit the [Premier's Award For Agri-Food Innovation Excellence](#)

Taxation

Proposed Harmonized Sales Tax (HST) Benefits for Ontario's Farmers

Starting July 1, 2010, Ontario's Retail Sales Tax (RST) would be converted to a value-added tax structure and combined with the federal Goods and Services Tax (GST) to create a single, federally administered Harmonized Sales Tax (HST).

It is estimated that Ontario farmers will save about \$30 million annually under the HST on items that are currently not exempt from the RST. Farmers would continue to pay no tax on the majority of inputs purchased such as feed, seed, fertilizer, farm equipment and machinery, which are currently point of sale tax-exempt.

Under the HST, Ontario's farmers would no longer pay sales tax on many items such as trucks, light vans and parts, furniture, lawnmowers, computers, freezers and other equipment. This would put Ontario farmers on a more level playing field with farmers in other provinces that have harmonized sales taxes.

The HST would follow the same rules and structure as the GST. Farmers who are currently remitting their GST paperwork would continue to do so and continue to receive input tax credits on any applicable purchased farm inputs. For additional information visit the [OMAFRA website](#)

New Publications

09-033: Choosing a Business Consultant, Agdex 810/830; NEW.

09-015: Taxation on the Transfer of Farm Business Assets to Family Members, Agdex 837

[Monthly Swine Budgets](#)

To order OMAFRA publications and factsheets:

- Visit any OMAFRA Resource Centre / Northern Ontario Regional Office or Service Ontario location
- Visit the [Service Ontario website](#) or call 1-800-668-9938
- Visit the [OMAFRA website](#) or contact the Agricultural Information Contact Centre at 1-877-424-1300

Calendar

For the most recent calendar information drop by the Ag Business Update Blog [Calendar of Events Page](#).

Thanks for reading the OMAFRA Business Update.

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

Subscribe to the Ag Business Update: go to our [webpage](#) and click on subscribe. This will send an email to us and we will add your name to the list.

Unsubscribe to the Ag Business Update: use the same address above only change subscribe in the subject line to unsubscribe or indicate in the body of the email that you would like to be removed from the list.

Changed Your Email? Please let us know by sending us your old address along with your new one, using the subscribe email above.

[OMAFRA website](#)

[Business Development website](#)

[Ag Business Update Blog](#)