Ministry of Agriculture, Food and Rural Affairs
Ontario

OMAFRA Ag Business Update

ISSUE # 81 – June 2012

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

This Issue:

Production

Traceability Foundations Initiative (TFI) Intake 2

The Traceability Foundations Initiative (TFI) Intake 2 will be accepting applications beginning June 1, 2012 until July 24, 2012.

TFI is a three-year joint Federal/Provincial funding program that provides up to 75 per cent cost share funding to sector organizations and value chains to support voluntary, industry-led information sharing networks that will enhance agri-food traceability. Traceability is an important component of food safety programs. Approved projects may be eligible for up to a maximum of $5 million in funding per project.

Visit the OMAFRA website at www.ontario.ca/traceability and click on "funding" to access the new eligibility assessment tool, application, guidebook, and other helpful resources as well as to register for an upcoming education session.

If you would like additional guidance in completing an application, please contact the Agricultural Information Contact Centre at tfi.omafra@ontario.ca or by calling 1-877-424-1300.

The Most Profitable Acre Challenge

Many reward programs exist for production, yield or quality of crops. Agricultural fairs across the province judge and rank farmers based on these same qualities. However, there is currently not a program that rewards or recognizes farmers who have the most profitable acre.

The Most Profitable Acre challenge will look at the costs of inputs, production practices and yield, marketing tactics, business management best practises and more, to determine the most profitable acre in both corn and soybean.

The top corn and soybean managers will be graded against each other to determine the grand prize winner, with the top three runners up receiving prizes as well.   The grand prize winner will receive the opportunity to attend the 2013 International Farm Management Association congress next July in Poland.

More details will be available in early June at www.takeanewapproach.ca, but to be notified when full contest details become available, email ashley@takeanewapproach.ca

Risk Management

AgriInvest-A Smart Investment for Managing Farm Risk

Being proactive in understanding and managing a farm's business risks is a key ingredient to achieve profitability. Producers across Canada are actively using AgriInvest to manage small declines in farm income. Participating is easy and convenient, with farmers in control of their investments.

In the coming weeks and months, producers who have applied for AgriInvest in the 2011 program year can expect to see Deposit Notices arrive in their mailboxes. These notices provide important information on the amount farmers would need to deposit to qualify for matching government contributions.

Participating in AgriInvest is easy. Application forms are available on the Publications and Forms page at www.agr.gc.ca/agriinvest, or by calling Agriculture and Agri-Food Canada toll free at 1-866-367-8506. **The penalty-free deadline to file a 2011 application is September 30, 2012.** Applications will be accepted until December 31 with a penalty.

AgriInvest is cost shared on a 60:40 basis between the federal and the provincial and territorial governments.

More>>

Agricorp

Upcoming AgriStability deadlines

June 15 is the deadline for individuals to submit their T1163 to the Canada Revenue Agency
June 30 is the deadline for participants to send their completed AgriStability forms to Agricorp
June 30 is the deadline for corporations to send their Statement A to Agricorp

Save time and submit your AgriStability forms and Statement A online at agricorp.com.

Agricorp launches new *Understanding AgriStability* series

Producers can enhance their program knowledge through a series of information sheets now available to answer the most common questions about AgriStability. The series, *Understanding AgriStability*, reviews how the program works, practices specific to livestock producers and how changes to farm operations can affect AgriStability coverage. Program participants are receiving the series in the mail with their program communications.

To view the complete series, visit the AgriStability publications page of agricorp.com.

Risk Management Options for Fruit Growers

Ontario's fruit growers who have been affected by recent frost can contact Agricorp to explore their risk management options under the following risk management programs:

- **Production Insurance** covers production loss and yield reductions caused by insured perils. Producers must notify Agricorp of changes to their farm management practices and report any damage, including frost, as soon as it occurs.

The **Self-Directed Risk Management (SDRM)** plan provides accounts into which producers deposit funds that are matched by the Ontario government. Producers can withdraw funds to cover a reduction in income or other losses related to their farm operation.

- **AgriStability** covers margin declines caused by production loss, increased costs, or market conditions. Producers can apply to receive an advance on their estimated AgriStability payment before they complete their fiscal year.
- Similar to SDRM, **AgriInvest** is a savings account with matching contributions from the federal government. Producers can withdraw funds at any time to alleviate risk or make other investments.

Agricorp is working closely with affected growers to keep them informed about their program coverage as the growing season progresses. To learn more about programs available to fruit growers, visit agricorp.com and select a fruit crop from the list of commodities

Market prices available for 2011 RMP

Post-harvest market prices are now available for 2011 RMP: Grains and Oilseeds. Payments for this pricing period will be made on canola and soybeans. All crops are covered at 100 per cent for 2011.

Agricorp will deliver payments to eligible producers in June.

Publications and Online Resources

ONswine blog

ONswine is a place to find updates, information and resources for Ontario pork producers.

To become a follower of the ONswine Blog go to http://onswine.wordpress.com/
Subscribe to the twitter feed by clicking on the button that says: follow@ONswineinfo on the left hand side in a column titled ONswineinfo Twitter Updates.
To get automatic email updates of new ONswine blog postings click on the button that says Sign Me Up in the box on the left titled Email Subscription.

FARE Talk – Food, Agricultural and Resource Economic podcasts

You may be interested in the latest podcast: Farm Succession Planning: Reflections and Suggestions. In addition to the discussion there are additional on-line resources that allow one to explore this issue further.

In this podcast Jennifer Stevenson and I discuss farm succession planning. Jennifer is the Business Finance Program Lead with the Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA).

Our discussion identifies a number of issues that are important to any succession plan. In addition, Jennifer identifies a number of issues that are unique to farm succession planning. Our discussion emphasizes the value of farmland and the challenge of including land use and land ownership issues in succession planning.
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Human Resources

Humidex Based Heat Stress Response Plan

Occupational Health Clinics for Ontario Workers (OHCOW)

The Humidex plan is a simplified way of protecting workers from heat stress which is based on the 2007 ACGIH Heat Stress TLV® (Threshold Limit Value®) which uses wet bulb globe temperatures (WBGT) to estimate heat strain. These WBGT's were translated into Humidex.

More>>

Marketing

Deferred payments now permanently allowed under the Grains Act

Discussions between the provincial government, grain handlers and Ontario's farmers have concluded and deferred payments will now be permanently allowed under the Grains Act beginning July 1, 2012.

Grain Farmers of Ontario and the Ontario Agri Business Association have been working with the Ontario Ministry of Agriculture, Food and Rural Affairs and Agricorp for more than a year and a half to resolve the issue of deferring payments on grain. As a result, two regulations related to deferred payments, basis contracts and payments for grain sold out of storage have been updated, approved by the provincial legislative committee and filed with the Registrar of Regulations in Ontario. "This has been a rewarding process to go through. A problem was identified by farmers and the grain handling industry and we all pulled together including representatives from government to find a long term solution that will benefit everyone," says Henry Van Ankum, Chair of Grain Farmers of Ontario. "The government should be commended for how quickly we have resolved this issue."

The specific changes to take place on July 1, 2012 are:

1. Deferred Payments will be allowed permanently in the Grains Act
2. All deferred payments under 180 days are eligible for declining coverage under the insurance provisions of the Grain Financial Protection Program. The dealer will simply be required to provide the producer requesting the deferred payment with written confirmation of:
   a. The date on which the deferred payment arrangement was entered into
   b. The date or dates on which payment is to be made
   c. The amount of each payment and the total amount of all payments

3. The initial payment for Basis Contracts has changed from 75% to 60%
4. Elevators/dealers will have five (5) trading days to pay for Grain Sold Out of Storage which has changed the terms of payment from 2:00 p.m. the next trading day to 2:00 p.m. on the fifth trading day Deferred payments have become a significant item in the marketing tool box and are used by an increasing number of farmers across Ontario.

For more information on the changes to the Grains Act, refer to the published regulations in The Ontario Gazette from May 19, 2012 or view the amending O.Reg. 260/97 (general) under the Grains Act at http://bit.ly/Kw5Bs4 and the new regulation O.Reg. 70/12 (payments from funds for grain producers) made under the Farm Products Payments Act at http://bit.ly/L3253P.

Grain Farmers of Ontario press release

Biomass Crops Gain Eligibility to Advance Payments Program

ACC Farmers' Financial has received approval for its application to include three biomass crops under the Agriculture and Agri-Food Canada (AAFC) Advance Payments Program. Effective immediately, farmers growing sorghum, miscanthus, and switchgrass can access the cash advance program.

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Statistics and Market Information

2011 Census of Agriculture released

Ontario highlights:

- There were 51,950 farms in Ontario in 2011; a drop of 9% from 2006.
- Cropland acres decreased 1% to 8,929,948 acres
- Greenhouse area increased 7%
- Dairy, beef and swine saw livestock numbers drop while sheep numbers were up 13%
- 58% of farms had computers for farm management, up from 42% in 2006
- Total capital value increased 31% from 2006 to 2011

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Economic Indicators – OMAFRA Statistics

GDP for Ontario Economy, 2006-2011 (pdf)
GDP for Agri-Food Industries, Ontario, 2005-2011 (pdf)
GDP for Goods-Producing Industries, Ontario, 2010
GDP by Manufacturing Industries, Ontario, 2010

GDP, Sales and Employment for Selected Industries 2008-2011 (pdf)

Selected Economic Indicators, Ontario 2009-2010
Consumer Price Index, Ontario 1979-2011 (pdf)
Employment in Selected Agri-food Industries, Ontario, 2005-2011 (pdf)

Conferences, Workshops and Seminars

Plan to attend Farm Management Canada's Annual General Meeting & 20th Anniversary celebration!

June 12th & 13th 2012
Château Cartier | Aylmer, Québec
(just across the Ottawa river!)

The Annual General Meeting will be accompanied by the official launch of our new name, celebrating 20 years of business management and shaping the future together. Come to share, learn and connect.

Important Dates:

- April 13th – Board Nominations due
- May 4th – Member Resolutions due
- May 14th – Voting Packages sent to members
- June 6th – Voting Ballots due
- June 12th, 13th – Annual General Meeting

For details:
Call 1-88-232-3262
Email Admin@fmc-gac.com
Visit FMC-GAC.com

"Become involved, become a member. Thank you for your ongoing support and guidance."

Canadian Agricultural Economics Society (CAES) 2012 Annual Meeting

The CAES 2012 Annual Meeting will be held in Niagara Falls, Ontario from June 17-19, 2012 at the Crowne Plaza Fallsview, Niagara Falls, Ontario. The Annual Business Meeting will take place during the CAES Plenary following the Presidential and Fellows Addresses on June 18. CAES Executive Meetings will be held June 17 and 19.

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2012 Ontario Pork Congress: Tuesday June 19 & Wednesday June 20

June 19, 2012 to June 20, 2012
Venue: Stratford Rotary Complex
Stratford, Ontario, Canada
http://www.porkcongress.on.ca/

Market Sen$e

All youth ages 19-25

Learn how to take your product from conception to a consumer at a market. Learn the importance of an intentional business plan and how it can lead to success. Hear others' success stories through tours, presentations and networking. Explore, through workshops, succession planning, financial management and how to get your business up and running at a local market.

Event Date: June 21 - 23, 2012

Kemptville Campus, University of Guelph, Kemptville, ON

Cost: $100 + HST = $113 *(incl. accommodations, meals, tour travel and resource materials)*

Registration forms available at:

http://www.4-hontario.ca/youth/opportunities/conferences/market-sense.aspx

For more information please contact:
4-H Ontario's Coordinator, Sen$e Programs
sense@4-hontario.ca
1-877-410-6748 x 485

Multi-Disciplinary Advising Workshop for Farm Business Advisors

Sauder School of Business, Business Families Centre (UBC) has developed a unique program for CAFA members to be launched in Ontario this summer, thanks to AMI support.
It is only $200 for CAFA members. Space is restricted to 30 participants per session. (If there is any space left, non-CAFA members can participate at cost: $425)
8:30 am - 4:30 pm
Thursday, July 26, London
Friday, July 27 in Guelph
Monday, August 27 in Kemptville.

Earns 8 CAFA Continuing Professional Development credits.

This workshop will teach advisors how to avoid giving advice that conflicts with counsel from advisors in other fields while learning to build and function within a team. The fundamental principles of knowing when and how to build multi-disciplinary advising teams that benefit both their clients and their business will be discussed. Advisors will explore the dynamics associated with working as part of a multi-disciplinary team and learn how to apply the concepts to work more effectively with their business family clients.

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Thanks for reading the OMAFRA Ag Business Update.

Questions or Comments: contact the editor, **John Molenhuis** at john.molenhuis@ontario.ca.
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