

OMAFRA Ag Business Update

ISSUE # 83 – August 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.

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Business Strategy/Business Planning

Call for proposals: Value Chains Strategy & Business Plan

The purpose of this Request for Proposals (RFP) is to engage a consultant to develop a long-term business plan and strategy for the AMI regarding value chain development initiatives.

[More>>](#)

Call for proposals: Baseline Study of Value Chains and Their Use in Ontario Agriculture

The purpose of this Request for Proposals (RFP) is to solicit proposal submissions to undertake a baseline study of value chains used by Ontario farmers.

[More>>](#)

Production

Dry Weather Information

Visit the OMAFRA website for links to information on dry weather and low water conditions.

[More>>](#)

Dry Weather Information – Forages

Using Corn Damaged By Dry Weather For Silage

<http://fieldcropnews.com/2012/07/drought-damaged-corn-silage/>

Potential Nitrate Poisoning and Silo Gas When Using Corn Damaged By Dry Weather For Silage, Green Chop Or Grazing

<http://fieldcropnews.com/?p=4976>

Harvesting Corn Silage At the Right Moisture

<http://fieldcropnews.com/2012/08/harvesting-corn-silage-at-the-right-moisture/>

Pricing Corn Silage In 2012

<http://fieldcropnews.com/?p=4813>

Summer Seeding Oats For Extra Forage

<http://fieldcropnews.com/2012/07/summer-seeding-oats-for-extra-forage/>

Summer Seeding Forages

<http://fieldcropnews.com/2012/05/summer-seeding-forages/>

Livestock Feeding Options During Dry Weather Conditions

Mother Nature is making parts of Ontario drier than others which may pose a challenge for some producers if hay supplies shrink and feed prices rise. Livestock specialists at the Ontario Ministry of Agriculture, Food and Rural Affairs offer technical resources to help. Producers can learn more about feed considerations during dry weather conditions at

<http://www.omafra.gov.on.ca/english/crops/weather/adverseweather.html> .

Funding Available for On-Farm Protection of Species At Risk:

Cost-share opportunities for Ontario farmers to protect essential habitats

Farmers will be able to access funding for on-farm projects to protect species at risk under a government program that will be available for the 2012 cropping year. The Species at Risk Farm Incentive Program (SARFIP) provides cost-share funding for farmers to implement best management practices that help protect essential habitats of species at risk that are located on-farm.

[More>>](#)

Harvest Decision Calculator

Here is the scenario: the frost reduced your crop, but there are still marketable fruit in some of your trees. There is likely a higher gradeout than normal, but it appears likely that prices for both fresh and juice apples may be higher this year. If you intend to harvest for fresh market, there are some inputs still needed to protect the fruit. Is it worth harvesting a small crop?

The OMAFRA Apple and Business Team developed a harvest decision calculator to help growers decide if it makes sense to harvest or not. You can input your prices, costs, expected gradeout, and it will calculate if it is profitable to harvest. This calculator is now on the Farm Business Decision Calculators page of OMAFRA website:

www.omafra.gov.on.ca/english/busdev/downtown.htm

This is our first draft so let us know if you find any glitches, or how to make this more useful.

Ontario on-farm grassland habitat projects

Funding opportunities available for farmers to implement best management practices

Funding for on-farm projects to protect grassland habitats is now available to Ontario farmers through an innovative new government program for the 2012 and 2013 cropping years. The Grassland Habitat Farm Incentive Program (GHFIP) provides cost-share funding through a competitive bid process for farmers to implement best management practices that will help provide and protect grassland habitats.

[More>>](#)

Financial Management

Bank of Canada – Senior Loan Officer Survey - Results of the Second-Quarter 2012 Survey

This Senior Loan Officer Survey (SLOS) focused on changes to business-lending practices in the second quarter of 2012. The survey results point to an overall easing in business-lending conditions during the second quarter of 2012, although the degree of consensus on easing has moderated since the previous survey. Both the price and non-price aspects of business lending eased during the quarter. Respondents continued to consider competition among lenders as the key factor underlying the easing in business-lending conditions.

[More>>](#)

Bank of Canada – Business Outlook Survey – Summer 2012 Survey Results

Responses to the summer survey suggest that businesses generally remain positive about the outlook, but are mindful of renewed uncertainty regarding the global economic environment.

- Firms continue to expect sales growth to increase over the next 12 months, although the balance of opinion has declined from its high level in the spring survey. The balance of opinion on employment rose, with plans to hire over the next 12 months widespread across regions and sectors, but concentrated among small and medium-sized firms. Intentions to increase investment remain robust.
- The indicator of capacity pressures moved up modestly, although reports of labour shortages are little changed, and firms expect input and output prices to rise at about the same rate as over the past 12 months. Inflation expectations have moved down and remain concentrated within the Bank's inflation-control range.
- By a narrow margin, firms reported that credit conditions tightened over the past three months. Reports of tightening were concentrated among small and medium-sized firms and were often attributed to firm- or sector-specific factors.

[More>>](#)

Risk Management

Agricorp

Details available for SDRM: Edible Horticulture

Participation details and the new handbook are now available for the [self-directed risk management plan for edible horticulture](#), to help you plan for the 2012 program year.

In September Agricorp will mail a copy of the handbook and all forms needed to participate to eligible producers.

Maintaining service during adverse weather, priority for Agricorp

Agricorp is shifting resources and priorities to focus on maintaining claim processing turnaround times in the event that this season's adverse weather results in a busier-than-normal claim season.

Frost, hail and dry weather have caused significant damage to fruit, vegetables and grain and oilseed crops across the province. Agricorp has already received over 5,000 damage reports from producers and expects that number to rise as the growing season continues.

"Although it's still too early to assess the overall impact to Ontario crops, we know that some crops will not survive," says Agricorp CEO Randy Jackiw. "I have met with some producers and have personally witnessed the damage to their crops. I have a great deal of empathy for the challenges Ontario producers are facing this year. Agricorp is realigning our workflows to make sure we are in a position to respond as needed despite claim volumes."

To ensure timely processing, Agricorp is taking several actions, including:

- Encouraging producers who are experiencing financial distress to contact Agricorp to discuss their options, such as interim or deferred payments
- Preparing to allocate additional staff to assist with the potential influx of claims
- Maintaining up-to-date analysis of damage report trends to stay ahead of crop inspections
- Closely monitoring call volumes to determine if extended call centre hours are needed
- Sharing up-to-date information with producers about program options available to them

"This has been a challenging summer for many of our members due to the drought and we are thankful that programs like crop insurance are available to protect our crops from weather conditions beyond our control," says Henry Van Ankum, chair of Grain Farmers of Ontario. "Crop insurance is a good, predictable program for Ontario's grain farmers."

As an agency of the Government of Ontario, Agricorp works with government and industry partners to contribute to a vibrant and sustainable agricultural industry. Agricorp delivers risk management programs to help producers across all sectors manage all kinds of risk including financial, environmental and market security.

Notify Agricorp if your livestock sales change

Customers enrolled in Risk Management Program (RMP) plans for livestock must notify Agricorp if, during the course of the year, they expect their annual sales to differ from their projected sales by more than 25 per cent. Agricorp will adjust the program coverage and premium accordingly.

To avoid reduced coverage, delayed claim payments or cancellation from the program, this change must be reported to Agricorp before the deadline for the next sales reporting period.

Agricorp provides two options for reporting changes to projected livestock sales:

By using the Policy change request form, available on agricorp.com (the same form is used for all livestock plans). Customers can mail, fax or email the completed form to Agricorp. Agricorp will follow up with customers directly to obtain more details, including a business reason for the change.

By calling Agricorp at 1-888-247-4999 to speak to a customer care representative. www.agricorp.com

Human Resources

Resources for Farm Advisors - List of Soft Skills

"A generic skill is a key component of an individual's professional competency. Generic skills refer to a set of personal qualities mainly related to people's self-management abilities, such as attitudes and behaviours that are useful in exercising a trade or profession." - Emploi-Québec

This document proposes an integrated model which harmonizes these four objectives that are inherent to an advisor's occupation:

Establish and maintain a collaborative relationship between the advisor and the client (**relational dimension**);

- Thoroughly manage a series of well-defined steps (**methodological dimension**);
- Provide the expertise and information required to reach clients' objectives (**technical dimension**);

Use resources from clients and the environment to achieve the desired outcomes (**synergistic dimension**).

Generic skills were linked to these four objectives to assist agricultural advisors in performing their duties professionally when working with farm businesses.

[More>>](#)

Labour Productivity

Ontario labour productivity in crop and animal production has trended higher over the years but lags behind the Canadian average. Ontario labour is generating less value per hour worked than Canada as a whole and the gap has been widening in recent years. Ontario is closer in labour productivity to the rest of Canada in food manufacturing and is more productive in the area of beverage and tobacco product manufacturing.

Labour productivity is a ratio between real value added and hours worked. Economic performance as measured by labour productivity must be interpreted carefully, as labour productivity estimates reflect changes in other factors of production (such as capital) in addition to growth in productivity efficiency.

[More>>](#)

Publications and Online Resources

Extension Disaster Education Network (EDEN) US drought web resources

The Extension Disaster Education Network (EDEN) links Extension educators from across the U.S. and various disciplines, enabling them to use and share resources to reduce the impact of disasters. The EDEN webpage has links to 22 state drought web pages.

<http://eden.lsu.edu/Topics/Hazards/Drought/Pages/ResourceCollection.aspx>

Conferences, Workshops and Seminars

Canada's Outdoor Farm Show

Date: September 11-13, 2012

Location: Woodstock, Ontario

For more information please visit the website

www.outdoorfarmshow.com or call 519-822-2890 Toll free: 1-800-563-5441

Multi-Disciplinary Advising Workshop for Farm Business Advisors

Please note: The Kemptville date has been rescheduled from August 27 to October 18. You are encouraged to register at your earliest convenience as it will fill up fast because of its great value.

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, October 18, 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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