

OMAFRA Ag Business Update

ISSUE # 89 – February 2013

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

Water Resource Adaptation and Management Initiative (WRAMI)

The objective of the WRAMI initiative is to help Ontario farmers be better prepared for low water response, drought preparedness and adapt their water use practices to deal with the growing impacts of climate change.

WRAMI is an 18 month (2013-2014) program, and will allocate approximately \$1,000,000 to various demonstration and pilot scale projects, and to communicate the results to Ontario farmers.

[More>>](#)

Ontario's Regional Development Funds for Job Creation

The new Southwestern Ontario Development Fund (SWODF) and renewed Eastern Ontario Development Fund (EODF) are now receiving applications from companies for projects that drive innovation, grow Ontario's economy and create local jobs.

The Funds are discretionary, non-entitlement programs with limited funding. There are two funding streams, one for established businesses and a regional stream for economic development organizations including municipalities.

- Under the business stream, the Funds may provide up to 15% of eligible project costs to a maximum grant of \$1.5 million. For project investments of \$10+ million that create 50+ jobs, funding may be available in the form of a secured repayable loan, to a maximum of \$5 million in provincial support. In order to be eligible for the **business stream**, businesses must: Employ at least 10 people and meet minimum job creation thresholds as outlined in the Business Application Guide
- Be able to provide 3 years of financial statements
- Be part of an eligible sector
- Be located in, or plan to locate in southwestern or eastern Ontario
- Have a multi-year project that involves a minimum investment of \$500,000 in eligible project costs.

Smaller businesses with 5-10 employees may be eligible under the Small Community Pilot, in either

the east or southwest regions.

Not sure which fund your company can apply to? Check out the [EODF map](#) or the [SWODF map](#).

EODF: www.ontariocanada.com/ontcan/1medt/econdev/en/ed_eodf_main_en.jsp

SWODF: www.ontariocanada.com/ontcan/1medt/en/swodf_en.jsp

Growing Forward 2 Programs

In December 2012, three new federal programs under Canada's new agricultural policy framework, Growing Forward 2 were announced. The programs will focus on strategic initiatives in innovation, competitiveness and market development to further strengthen the agriculture and agri-food sector's capacity to grow and prosper. These programs will come into effect on April 1, 2013:

The **AgriInnovation Program** will focus on investments to expand the sector's capacity to develop and commercialize new products and technologies.

The **AgriMarketing Program** will help industry improve its capacity to adopt assurance systems, such as food safety and traceability, to meet consumer and market demands. It will also support industry in maintaining and seizing new markets for their products through branding and promotional activities.

The **AgriCompetitiveness Program** will target investments to help strengthen the agriculture and agri-food industry's capacity to adapt and be profitable in domestic and global markets.

For further information, visit: <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1294780620963&lang=eng>

#AgBizChat – Farm Management Canada

In conjunction with the Month of Management, Farm Management Canada (FMC) will be launching #AgBizChat! #AgBizChat is a live Twitter conversation to be held on the first Wednesday of each month from 7-9pm (EST).

Their first #AgBizChat took place on Wednesday, February 6, 2013 from 7-9pm (EST) and was focused on the topic of **risk management**.

[More>>](#)

Federal Growing Forward 2 Programs

Agriculture Minister Gerry Ritz announced the details of the AgriMarketing and AgriCompetitiveness Programs under Canada's new agricultural policy framework Growing Forward 2. These programs complement the AgriInnovation Program which was unveiled in December, 2012.

The AgriMarketing Program, which comes into effect on April 1, 2013, is now accepting applications. The new program – a five-year, \$341-million initiative – is designed to help industry improve its capacity to adopt assurance systems, such as food safety and traceability, to meet consumer and market demands. It will also support industry in maintaining and seizing new markets for their products through branding and promotional activities.

The new \$115-million AgriCompetitiveness Program will make targeted investments to help the sector adapt to rapidly changing and emerging global and domestic opportunities and issues, respond to

market trends and enhance business and entrepreneurial capacity. The AgriMarketing and AgriCompetitiveness Programs are in addition to the \$698-million AgriInnovation Program which will focus on investments to expand the sector's capacity to develop and commercialize new products and technologies. The AgriInnovation Program began accepting applications in December, 2012. All three programs come into effect on April 1, 2013.

For more information on Growing Forward 2, including the AgriCompetitiveness and AgriInnovation Programs, please visit www.agr.gc.ca/GrowingForward2.

Financial Management

Venture Capital

Under the existing regulations of the Ontario Securities Commission, only certain individuals, called accredited investors can participate in venture capital projects without a prospectus. The typical cost of a prospectus is between \$200,000 and \$300,000 – making smaller entrepreneurial ventures difficult to source. The Ontario Securities Commission estimates that less than 4% of Ontarians meet the threshold of being an accredited investor.

As part of the review process of the Ontario Securities Commission, a consultation paper was released publicly to explore whether additional capital raising prospectus exemptions are warranted, and if so, whether these concept ideas should be adopted (and on what terms) or whether alternative prospectus exemptions would be more appropriate.

- o Exploration of a prospectus exemption for equity crowdfunding.
- o A form of Offering Memorandum exemption (distribution of securities based on a limited disclosure document).
- o Exploration of a prospectus exemption based on investment knowledge.
- o Exploration of a prospectus exemption based on registrant advice.

Public information sessions on crowdfunding will be held in Toronto, and in addition, stakeholder groups are invited to submit commentary on the proposed regulatory changes.

The OSC has also released the schedule for its consultations sessions. They are running three sessions. http://www.osc.gov.on.ca/en/SecuritiesLaw_sn_20130110_45-710_emr-consultation-sessions.htm

The Hiring Credit for Small Business has been extended

The Government of Canada has extended the Hiring Credit for Small Business (HCSB) for 2012. The 2011 federal budget created the HCSB to create jobs, grow the economy and support small businesses.

If you are self-employed, you may be eligible for the hiring credit for small business. This credit gives small businesses relief from the employer's share of employment insurance premiums paid in 2012. The credit of up to \$1,000 will be automatically credited to your payroll account.

[More>>](#)

CRA delivers enhanced administration and predictability for SR&ED claimants

The Canada Revenue Agency (CRA) administers the Scientific Research and Experimental Development (SR&ED) tax incentive program on behalf of the Government of Canada. The CRA is committed to informing businesses in Canada about available incentives, making them easily accessible, and managing the SR&ED program with fiscal integrity.

In response to Economic Action Plan 2012, the CRA is taking the following steps to improve the predictability of the outcome of SR&ED claims:

- conducting a pilot project to determine the feasibility of a formal pre-approval process;
- enhancing the on-line eligibility self-assessment tool;
- improving the Notice of Objection process; and
- working collaboratively with industry representatives to address emerging issues.

[More>>](#)

Canada Revenue Agency – Recently added forms and publications:

- [T2042 Statement of Farming Activities](#)

Marketing

Add New Value to Your Business

Learn How to Turn Your Idea Into Reality

For Farmers and Rural Business Owners Interested in Adding Value to their Business

New – Exploring Value Added Opportunities

VIDEOS * WORKSHOPS * E-LEARNING

To start adding value, learn how to:

- generate ideas
- select your best idea
- assess your idea's business potential
- turn your idea into reality.

For videos, workshops, E-Learning and more go to

<http://www.omafra.gov.on.ca/english/busdev/diversifyfarmbus/valueadded.htm>

[Canada Beef Inc.](#)

The Canada Beef Inc. website is geared to Canadian beef producers and has lots of information, just a click away. The site has been live for a few months, and is designed to provide information, merchandise and resources that may be useful when selling, discussing or promoting Canadian beef.

Canada Beef Inc. is an independent national organization representing the research, marketing and promotion of the Canadian cattle and beef industry worldwide. Its efforts to maximize demand for Canadian beef and optimize the value of Canadian beef products is funded by cattle producers and the National Beef Check-Off.

[More>>](#)

Direct Farm Marketing Profit Margin Calculators

By Carl Fletcher, OMAFRA Strategic Business Planning Program Lead

Do you know what part of your business generates the most profit? Is it the on-farm retail store, your farmers' market, or food processing? Ontario's Ministry of Agriculture, Food and Rural Affairs (OMAFRA) offers several spreadsheet calculators to help you identify the profitable areas of your business.

Two Excel spreadsheets geared to small and medium size businesses can help you calculate costs and the true source of profitability. Download the spreadsheet calculators at:

<http://www.omafra.gov.on.ca/english/busdev/directfarmmkt/index.html>.

Performance Analysis by Marketing Channel

The [Performance Analysis by Marketing Channel](#) spreadsheet allows you to calculate or compare margins across six distinct market channels: roadside stand, on-farm market, pick your own/U-pick, farmers' market, community supported agriculture, online store and delivery service.

On-farm Processing Recipe Based Costing Tool

The [On-Farm Processing Recipe Based Costing Tool](#) allows you to analyze the impact of changes to a recipe, ingredient costs or packaging size on product margin. Use this tool to calculate the costs of your value-added processed products or see how changing ingredients or packaging impacts the product profit margin.

These calculators were developed by OMAFRA and the University of Guelph, Department of Food, Agriculture and Resource Economics, in response to needs identified by direct farm marketers. This project was funded by Growing Forward, a federal-provincial-territorial initiative.

Add New Value to Your Business

Register for an *Exploring Value Added Opportunities* workshop or webinar

Learn how to generate ideas, select your best idea, assess its business potential and turn it into reality.



Planned Dates and Locations (click links for flyers):

February 26	Clinton Resource Centre
March 5	Lions Club Hall, Wyoming
March 13	Macaulay Church, Picton
March 18	Purvis Hall, Kemptville
March 20	Cobden Community Centre (Rear Entrance)
Webinar Series - Feb. 27 & 28 (afternoons of both days)	

Check the website for more information and additional dates as these become available www.ontario.ca/e996

Ministry of Agriculture,
Food and Rural Affairs



Production Management

Draft Beef Cattle Code of Practice Released for Public Comment

The Canadian Cattlemen's Association (CCA) and the National Farm Animal Care Council (NFACC) are pleased to announce the launch of the public comment period on the draft Code of Practice for the Care and Handling of Beef Cattle. The draft Code can be viewed at nfacc.ca/codes-of-practice/beef-cattle until March 8, 2013. Comments must be submitted through the online system at nfacc.ca/codes-of-practice/beef-cattle and easy to follow instructions are provided.

[More>>](#)

Hay Resources for Sourcing Hay

'*The Ontario Forage and Livestock Transportation Assistance Initiative*' is being delivered by Agricorp, 1-888-247-4999 to help offset the extra transportation costs incurred by livestock producers to feed their livestock.

The initiative provides up to \$2.4 million to producers of eligible breeding stock in Ontario (including beef cattle, sheep, goats, horses, deer or elk) who live in these areas of extreme drought: Brant, Bruce, Grey, Haldimand-Norfolk, Halton, Hamilton, Huron, Lanark, Niagara, Ottawa, Oxford, Perth, Renfrew, Waterloo and Wellington.

Funding may be provided in one of two ways:

- Up to \$0.14 per tonne, per kilometre to assist with the transportation of forage and feed, or
- Up to \$0.075 per kilometre, per animal to move animals to available feed.
- [Guidelines - PDF Version \(110 kb\)](#)
- [Governments of Canada and Ontario Deliver AgriRecovery Assistance to Affected Ontario Livestock Producers](#)
- [Agricorp](#)

There is also the following website to source hay: <http://www.hayeast2012.com>

The Ontario Forage Council (OFC) has a free Hay Listings website for those wanting to buy or sell hay. (www.ontariohaylistings.ca/) 519-986-2643. As well, members of the OFC "Hay Marketing Forum", an association of hay dealers, are listed at www.ontarioforagecouncil.com/hay-marketing-forum/members.html.

The following article may also be of assistance: <http://fieldcropnews.com/2013/01/buying-horse-hay-when-supplies-are-tight>

Risk Management

Agricorp

Help for apple and tender fruit producers

On January 10, the provincial and federal governments announced up to \$2 million in funding under the [Canada-Ontario Apple and Tender Fruit Weather Risk Mitigation Strategy](#). The funding is designed to help Ontario apple and tender fruit producers develop risk management strategies to deal with the ongoing challenge of adverse weather.

To be eligible, producers must have reported gross income of \$7,000 or more from apples or tender fruit in their 2011 tax year and continue to produce these commodities in 2013. Funding will also be provided to producers who began production in the 2012 or 2013 tax year.

Agricorp is working closely with the Ontario Ministry of Agriculture, Food and Rural Affairs to finalize program details. More information and application instructions will be available on agricorp.com in late January.

Succession Planning

[Agricultural Management Institute's](#) Farm Succession Video Series

This NEW five-part series takes viewers directly to kitchen tables of Ontario farm families as they explore the issues that make or break their farm succession plans.

[Watch the 1st video>>](#)

Conferences, Workshops and Seminars

NEW On Farm Food Safety Webinars

The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) will be hosting FREE online seminars on Good Agriculture Practices for your farm.

Free Online Advantage Food Safety Workshops for Producers - Register Today!

Reduce your risk of food contamination and expand your customer base with an on farm food safety program. Whether you're new to food safety or want to expand your existing program, OMAFRA is here to help! Our comprehensive collection of online workshops are free and allow you to learn about important food safety practices from the comfort of your home or business - all you need is an internet and phone connection. Sign up for one or all 9 today!

3-2-1 Assessment of Your Farm Operation for Food Safety Date: **February 28, 2013** Time: **12:00pm - 12:45pm (45mins)**

[Register Here](#)

Asses your farm's current food safety practices and develop an action plan to ensure your operation is meeting the best practices. This module is interactive and uses computer resources to assess your risks.

Register today!

Register online at <http://omafra.webex.com>

Registration closes the day before each workshop. A confirmation email will be sent following

registration with the workshop teleconference details.

Add New Value to Your Business

Upcoming Workshops and Webinars

Workshops are being planned in different locations throughout Ontario for Winter 2013.

Registration fliers and dates of all scheduled workshops will be posted at:

<http://www.omafra.gov.on.ca/english/busdev/diversifyfarmbus/valueadded.htm>

Workshops to date...

[February 26](#), 2013, Clinton OMAFRA Resource Centre

March 5, 2013, Lions Club Hall, 554 Main Street, Wyoming

[March 7](#), 2013, Cobden Community Centre

[March 13](#), 2013, Macaulay Church, Picton

[Webinar Series - Feb. 27 and 28, 2013](#)

A webinar is basically a workshop or seminar offered over the web and teleconferencing for audio.

Why choose the webinar format? If you prefer the convenience of learning from your own home, being able to participate regardless of weather, and you have access to a reasonable Internet bandwidth and are comfortable using the Internet-this is an ideal option for you. Take advantage of this facilitated online session to exchange ideas with others as you learn how to turn your idea into reality.

To be notified of upcoming workshops contact the Agricultural Information Contact Centre at 1-877-424-1300 or at ag.info.omafra@ontario.ca.

2012-2013 [Agriwebinar®](#) Series

Farm Management Canada's Agriwebinar® season has begun!

Tune in Mondays at Noon Eastern Time to take advantage of this interactive learning opportunity!

Upcoming FMC Agriwebinar® Presentations

DATE	SPEAKER	TOPIC
February 18	<i>Yvonne Thyssen-Post, Thyagrissen Consulting Ltd</i>	Getting the Most Out of Your Business Plan
February 25	<i>Patrice Carle, Centre d'expertise en gestion agricole</i>	The Importance of Farm Business Management

Also airing throughout the coming months is Farm Credit Canada's 2012-2013 Agriwebinar® Series. Tune in to FCC webinars on Wednesdays at Noon Eastern Time.

Upcoming FMC Agriwebinar® Presentations

DATE	SPEAKER	TOPIC
February 20	<i>Wayne Black, Conestogo Agri Systems Inc.</i>	FCC Presents: Why you Can't Ignore Technology
March 4	<i>Jean-Philippe Gervais, Farm Credit Canada</i>	FCC Presents: Canadian Agriculture and the World

Dairy Housing Design Seminars

Calf Housing

WOODSTOCK OMAFRA office

February 28, 2013

Free Stall Housing

WOODSTOCK OMAFRA office

February 26 & 27, 2013

To register by phone or for more information, call the Agricultural Information Contact Centre at 1-877-424-1300 or (519) 826-4047 or E-mail: ag.info.omafra@ontario.ca

Grain Drying and Storage Workshops 2013

Workshop 9:00 a.m. - 4:00 p.m.

Grain drying and storage workshops are again being offered this year to serve farmers' needs. These workshops are for you; if you want a better understanding of grain drying and storage principles, if you are planning a new system, if you are expanding your system, or are considering modifications to your grain handling system. Come and get your questions answered.

Free discussion is encouraged throughout the workshops which results in a good exchange of information among participants. The topics covered in the workshops will include the following:

- How Grain Dries
- Types of Drying Systems
- Dryeration/Cooleration
- Fan Sizing & Selection
- Aeration to Keep Grain in Condition
- Locating Drying & Storage Systems
- Traffic Flow Considerations
- Reducing Drying Energy

Instructor Helmut Spieser, Engineer, OMAFRA 519-674-1618

Spaces are limited. Register early \$30.00 (lunch included)

To Register Call Ag Business Centre University of Guelph, Ridgetown Campus 1-866-222-9682

DOVER CENTRE: February 19th Country View, 25393 St. Clair Road (Hwy. 40)

MARKDALE: February 27th Grey Ag Services, 206 Toronto St. S.

CHESTERVILLE: March 20th Royal Canadian Legion, 167 Queen St.

LAMBETH: March 22nd Stoneridge Inn, Hwy. 4 & 401

RIPLEY: March 26th Community Centre, 17 Queen Street

LISTOWEL: March 27th Kin Station, 555 Binning St. W.

Evaluating Value Added Opportunities Webinar

Free webinar series for farm and rural entrepreneurs.

Are you looking for or have a value-added business idea for your rural business?

Dates and Times: Wednesday Feb. 27 and Thursday Feb. 28, 2013 from 1:00 to 4:00 pm

Register Today! Space is limited to 25.

[Complete this online form to register.](#)

Take advantage of this facilitated online session to exchange ideas with others as you learn how to turn your idea into reality.

In the webinar series, you will review four modules - Generating Ideas, Selecting Your Best Idea, Assessing Your Idea's Business Potential and Next Steps.

Benefits of participating in this webinar include:

- new ideas, inspiration and best practices for successful value added businesses
- understanding motivations and risk tolerance
- an assessment of what it takes to turn an idea into reality by considering production, marketing, finance and human resources
- resources for developing a comprehensive business plan.

It is recommended that all participants complete the pre-module prior to the webinar. All modules are available free as an e-course or set of electronic documents (PDFs).

Prior to the webinar, each registrant will receive electronic copies of all resource materials needed.

[Click here](#) to access many of the Exploring Value Added Opportunities resources including e-course materials, the virtual community, videos and more.

CAHRC Forum 2013

Creating Greater Success in Your Agricultural Business: A Focus On People, Makes \$en\$e

March 5-6, 2013, Ottawa, ON [Register Now](#)

Westin Ottawa

Join the CAHRC HR Forum for informative sessions addressing the future of human resources in Agriculture.

Agricultural workers play a pivotal role in the future of agriculture in Canada and by understanding and addressing the different needs, strengths and weaknesses, they have the opportunity to manage changing market demands and remain competitive in many different ways. People are an important investment in the future of farm operations and makes good financial sense.

Knowledge sharing is about starting constructive dialogue and the CAHRC HR Forum is at the heart of discussion to address the rapid changes and challenges affecting Canada's agricultural human resource requirements.

Delegates can make a reservation for the evening of March 5th by calling the Westin hotel at 613-560-7000 and asking for 'Reservations'. The Booking code is: **GAHR13**

THE WESTIN OTTAWA

11 Colonel By Drive, Ottawa, Ontario K1N 9H4

P: (613) 560-7324 F: (613) 560-7359

www.thewestinottawa.com

Out of province participants may be eligible for travel support. Please contact info@cahrc-ccrha.ca

Transforming agriculture – between policy, science and the consumer

[IFMA 19 Congress](#)

21-26 July 2013

Warsaw, Poland

Your 2013 International Farm Management Congress is based in historic Poland.

The Congress will be of interest to a wide audience from both the agricultural production sector, farmers and farm managers, as well as scientists, policy makers, representatives of companies supplying agriculture with the means of production, processing and marketing firms, and organizations related to the agribusiness sector and involved in rural development.

[More>>](#)

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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