

Ag Business Update

ISSUE # 90 – March 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

[OnAgBusiness Blog](#)

ONagbusiness is a place to find timely information, updates and resources for Ontario agricultural producers and business advisors including tools for making capital investment decisions to tools for managing staff that will help you make informed business decisions.

[More>>](#)

Walking the Silk Road: Understanding Canada's Changing Trade Patterns

The Conference Board of Canada December 2012 report

At a glance:

- Canada's trading patterns have been fundamentally altered over the past decade.
- The Canadian-U.S. trade relationship is waning in importance, while emerging markets, particularly China, are becoming increasingly important.
- Our trade strengths are shifting away from some manufactured products toward professional services and products related to our natural resource wealth.
- This is not just the result of the strong dollar; the growing role of emerging markets and shrinking trade barriers are key drivers.

[More>>](#)

Index of Consumer Confidence, February 2013 – Conference Board of Canada

The Index of Consumer Confidence fell 2.2 points in February to 80.8 (2002 = 100) due to concerns about future job market conditions. There was little change this month in sentiment toward current and future income conditions, while there was an improvement in attitudes toward making major purchases. However, this was offset by the deterioration in optimism about future job market conditions (perhaps in response to the latest employment report that showed Canada shed 22,000 jobs in January).

British Columbia was the only region to post an increase in its index this month, with a 1.2 point gain bringing its index to 104.3. Following a large increase last month, the index in Quebec slipped 4.3 points this month, falling to 69.9. Smaller losses were observed in the remaining regions. The Prairies index is now at 100.6 after dropping 3.4 points. **Ontario's is at 73.8 after a 1.3 point decline.** And the Atlantic region index is at 69.2 following a 1.9 point drop.

[More>>](#)

Final CAAP Application Deadline

The Agricultural Adaptation Council (AAC) is seeking short-term, innovative projects for the Canadian Agricultural Adaptation Program (CAAP). The final CAAP application deadline is on March 14, 2013. Applications will be reviewed by the AAC board of directors on April 25, 2013. All CAAP projects must be completed by October 31, 2013.

[More>>](#)

Plan your business year with FMC's Management Calendar

Farm Management Canada is pleased to introduce the new FMC Management Calendar, a tool that can be customized to your needs according to your language, geographical area and type of production. This calendar highlights all the important management dates during the year and reminds you of all the important opportunities and events in your province or even in the whole country.

To access the calendar, visit <http://www.fmc-gac.com/fullcalendar>.

Financial Management

Advance Payments Program (2008-09 Emergency Livestock Advance)

The information provided on this page is for producers that received 2008-09 Emergency Livestock Advances for Cattle and Hogs, and have since entered into a Stay of Default.

Cattle Producers:

- As of April 1, 2012 Producers have entered a settlement agreement up to 5 years (Prime +1.5%)
- An annual management fee of \$500 will be payable by pre-authorized debit annually on the last business day of March while a balance remains.

****Please note:** As of April 1, 2012, cattle producers with outstanding 2008-09 Emergency Advances are not eligible for further advances until the 2008-09 advance is repaid in full.

Hog Producers:

- Advances are declared in default if not fully repaid by March 28, 2013
- Producers can enter a settlement agreement up to 5 years if unable to repay by March 29, 2013 (Prime +1.5%)
- Hog producers are required to make regular payments starting April 1, 2012
- Account is completely interest-bearing effective April 1, 2012 (Prime -0.25%)

- An annual management fee of \$500 will be payable by pre-authorized debit annually on the last business day of March while a balance remains.

****Please note:** As of April 1, 2013, hog producers with outstanding 2008-09 Emergency Advances are not eligible for further advances until the 2008-09 advance is repaid in full

If you have any questions please do not hesitate to contact ACC at 1-888-278-8807.

[More>>](#)

Short-term Energy Outlook - US Energy Information Administration

EIA expects that falling crude prices will contribute to a decline in the national annual average regular gasoline retail price from \$3.63 per gallon in 2012 to \$3.55 per gallon in 2013 and \$3.39 per gallon in 2014, about 11 cents per gallon and 4 cents per gallon higher than forecast in last month's STEO, respectively. Diesel fuel retail prices averaged \$3.97 per gallon during 2012 and are forecast to fall to \$3.92 per gallon in 2013 and to \$3.82 per gallon in 2014.

[More>>](#)

Outlook For the Canadian Agriculture Sector Shows Positive Performance

Three new reports released by Agriculture and Agri-Food Canada are showing a positive outlook for farmers in 2013.

"The forecast for 2012 reflects that farm incomes are once again at an all-time high," said Agriculture Minister Gerry Ritz. "The outlook shows that global demand for agricultural commodities will be driven by growth in developing economies, which is why our government continues to place such a strong emphasis on opening new and maintaining existing markets."

The three new reports, the Farm Income Forecast for 2012 and 2013, the Medium Term Outlook, and the Farm Income, Financial Conditions and Government Assistance Data Book 2012, provide an overview of the financial and market outlook for the sector and offer a benchmark for producers, industry stakeholders, and governments as they plan for the years ahead.

Highlights

- The Farm Income Forecast report highlights that farmers are prospering from continued high commodity and livestock prices. The sector will once again report record-high income levels for 2012 and can count on a continued positive outlook for 2013.
 - When the final figures are in for 2012, net cash income for the entire sector is expected to rise 14 per cent to \$13.1 billion, which is a new record income level, and remain at a near record in 2013 of \$12.9 billion.
 - While performance varies by sector, the average net operating income for Canadian farms is expected to reach a new record of \$74,190 in 2012, 17 per cent greater than the 2011 level and 50 per cent above the 2007–11 average. The net worth of an average farm is forecast to grow by 8 per cent in 2012 to reach \$1.8 million.
 - Average total income of farm families, which includes family income from all farm and non-farm sources, is projected to reach \$127,106 in 2012, 8 per cent above 2011 levels.
 - Over the medium term, strong global demand, particularly from major emerging economies, will underpin continued strong prices and growth for the sector.
 - Assuming normal weather conditions, Canadian grains and oilseeds prices are expected to moderate from 2012 peaks but remain at higher than historical levels over the medium term.
-

While cattle and hog sectors will see modest growth, a strong Canadian dollar and higher feed grain prices will remain challenges going forward.

For more information on the Farm Income Forecast for 2012 and 2013, the Medium Term Outlook, and the Farm Income, Financial Conditions and Government Assistance Data Book 2012, please visit [Economic and Market Information](#).

Recent OMAF and MRA Statistics updates:

Farm Finance:

Ontario Farm Income, [2005-2013](#)

Farm Income by Province [2005-2013](#)

Human Resources

Join the Farm Management Conversation! #AgBizChat

In conjunction with the [Canadian Agricultural Safety Association](#) (CASA), Farm Management Canada (FMC) will be hosting another #AgBizChat focusing on Farm Safety Management! #AgBizChat is a live Twitter conversation held on the first Wednesday of each month from 7-9pm (EST).

#AgBizChat will take place this Wednesday, March 6, 2013 from 7-9pm (EST). This #AgBizChat will be focused on the topic of **Farm Safety Management** to align with the upcoming [Canadian Agricultural Safety Week](#), March 10 to 16, 2013.

See more at: <http://www.fmc-gac.com/content/join-farm-management-conversation-agbizchat-0#sthash.fo1OKty.dpuf>

Farm Management Canada's Excellence Award for Ag Students – Deadline Extension

Each year, Farm Management Canada collects submissions from agricultural students across Canada and awards three winners with \$1,000 towards furthering their education in agriculture.

This year's question:

Why is innovation an important aspect of a farm's success? How can farm business management be innovative? Please provide examples.

The deadline for applications has been extended to March 18th, 2013. Please visit <http://www.fmc-gac.com/excellence-award> for more details.

Safety Record Improving on Canada's Farm

Canada's safety record on farms is improving but new numbers still indicate that agriculture is a dangerous occupation in Canada.

According to the most recent report from Canadian Agricultural Injury Reporting (CAIR), the rate of agricultural fatalities in Canada has declined by 38 per cent from 1990 through 2008. The most encouraging shift took place in the second half of the study. Throughout the 1990s, an average of 118 people died on farms each year. After 2000, that number dropped to an average of 89 deaths per year.

While the overall fatality rate from 1990 to 2008 was 13 deaths per 100,000 farmers, that number skyrockets for the most elderly farmers. Producers 80 years of age or older have a fatality rate of almost 80 deaths per 100,000, indicating that they are at higher risk of injury on the farm.

From 1990 through 2008, 1,975 agricultural deaths were recorded in Canada. Seventy per cent of those fatalities were machine-related, with the top three most common sources of injury being rollovers, runovers and entanglements.

For the complete report *Agricultural Fatalities in Canada 1990–2008*, or to view a summary document, go to CAIR's website: www.cair-sbac.ca.

Canadian Agricultural Injury Reporting (CAIR) was established in 1995 (formerly the Canadian Agricultural Injury Surveillance Program) to provide one of the only sources of national agricultural injury data in Canada. CAIR is funded by the Canadian Agricultural Safety Association (CASA) through *Growing Forward*, a federal, provincial, territorial initiative.

Marketing

Farm Market Prices

Ecological Farmers of Ontario

These market price lists are intended to provide Ecological Farmers of Ontario members with information on what prices other members are charging across the province.

http://www.efao.ca/index.cfm?pagepath=Market_Prices&id=26925

Canadian Organic Growers

OrganicPriceTracker.ca is your source for regional prices of certified organic products sold at farmers' markets across Ontario and the Maritimes.

<http://www.organicpricetracker.ca/index.php/search>

[Canada' Produce Place](#)

Canada's Produce Place, a website designed to provide up-to-date information to the retail, wholesale and foodservice industry on the availability of locally grown fruits and vegetables.

The information supplied on these pages by participating industry partners will enable buyers to access information on the availability of local produce at the click of a mouse. Contact information is immediately available so the buyer can connect quickly to the seller of the product.

If you have any comments about the site or suggestions for improvement, please do not hesitate to contact them. Please forward them to Ian MacKenzie at ian@theopma.ca or 416-259-7827, ext. 231.

[More>>](#)

Value-added Agriculture Virtual Community Established

The Ministry of Agriculture and Food in partnership with the University of Guelph, has launched a 10 week pilot of a virtual community for farmers, rural entrepreneurs, students and advisors to network and learn from each other about adding value to farm businesses.

A virtual community is an online social network where people who have similar interests can come together to share and learn from each other. The Exploring Value Added Opportunities(EVAO) virtual community pilot builds on the Ministry's new E-Learning modules, workshops and other training

resources. It is free and easy to join.

Whether you are just starting out, or have years of experience to share you can be involved as much as you like. All you need is an interest in adding value, and internet access to join us in Facebook, Linked In, and Twitter. Go to www.ontario.ca/e996 to access the EVAO resources including workshop dates and e-learning sign up.

Recent OMAF and MRA Statistics updates:

The Agri-food 2012 international trade numbers became available. Trade summaries can be accessed from the statistics section of the MAF/MRA website. Most of the trade web pages incorporate printable pdf format <http://www.omafra.gov.on.ca/english/stats/trade/index.html>

In 2012, Ontario Agri-food exports reached \$10.82 billion dollars a 9.1% increase since 2011. The highest value of Agri-food exports in 2012 was recorded in November, 2012.

<http://www.omafra.gov.on.ca/english/stats/trade/agrifood.htm>

Ontario's 2012 top commodity group exports are: Grain products, Vegetables and Oilseeds.

Ontario's 2012 top commodity group imports are: Fruit and Nuts, Red Meats and Vegetables.

<http://www.omafra.gov.on.ca/english/stats/trade/commod.htm>

In 2012, Ontario's major export partner is US at 74.7% of total exports (a decline from 77.4% in 2011), followed by Asia (excl. Japan) at 9.8% (an increase from 7.9% in 2011) and EU-27 at 6.7% (an increase from 5.6% in previous year) <http://www.omafra.gov.on.ca/english/stats/trade/region.htm>

Ontario 2012 top exports to the US are Grain Products (27% of total exports to the US) and Vegetables (10%). <http://www.omafra.gov.on.ca/english/stats/trade/us.htm>

Ontario exports to Asia (excl. Japan) include: Other animal products (47%) and Oilseeds (17%) in 2012.

<http://www.omafra.gov.on.ca/english/stats/trade/asia.htm>

Ontario exported 1.1 million of live pigs in 2012, a decline from 1.2 million in 2011. Live cattle exports increased by 25% since 2011 to 122.1 thousand in 2012.

Exports of pork are 161.2 thousand tonnes in 2012 a decline from 182.2 thousand tonnes in 2011.

Exports of beef are 51.3 thousand tonnes in 2012, a decline from 57.1 thousand tonnes in 2011.

http://www.omafra.gov.on.ca/english/stats/trade/pig_cattle.htm

Ontario live cattle exports main destination is US at 98% of total live cattle exports. Cows for immediate slaughter represent 55% of total live cattle exports.

<http://www.omafra.gov.on.ca/english/stats/trade/cattle.htm>

Majority of Ontario live hog exports are designated for US markets (99.6%).

Hogs exported to the US comprise of hogs between 7kg and 23kg (32% of hog exports), hogs 50 kg or more for slaughter (25%) and less than 7kg (24%).

<http://www.omafra.gov.on.ca/english/stats/trade/pigs.htm>

Production Management

Composting feedstock calculator – National Centre for Livestock and the Environment

New tool – composting feedstock calculator for properly preparing and maintaining organic materials to generate quality compost.

[Download the calculator](#)

Grower Pesticide Safety Course

Farmers Can Go Online for Pesticide Safety Certification

The program that has educated and trained Ontario farmers and pesticide vendors in the responsible and safe use of pesticides is going online.

For a list of online or face-to-face courses available this season, visit www.opec.ca

For more information, contact:

Susan Kelner, Program Coordinator

Ontario Pesticide Education Program

University of Guelph Ridgetown Campus

1-800-652-8573

Email: skelner@uoguelph.ca

Recent OMAF and MRA Statistics updates:

Field crops:

Provincial field crop estimates

Imperial [2001-2012 by year](#)

Metric [2001-2012 by year](#)

Livestock:

Red Meat Slaughter in Provincially Inspected Plants, Ontario – monthly updated

2013 Monthly Summary ([printable pdf. version](#)) ([html](#))

White Meat Slaughter in Provincially Inspected Plants, Ontario – monthly updated

2013 Monthly Summary ([printable pdf. version](#)) ([html](#))

Dairy:

Milk Shipments by County, [2006-2012](#)

Number of Milk Producers by County, [2006-2012](#)

Ontario Custom Farmwork Rates charged in 2012 – Summary Report Now Available Online

Survey results of rates charged in 2012 by 250 Ontario custom farmwork operators are now summarized on a provincial basis and also by 6 smaller regional areas. Where available the provincial average 2009 rates are also listed.

New in 2012 – rates for Vertical tillage, Zone tillage and Tedding.

[More>>](#)
[pdf version](#)

Risk Management

Agricorp

Funding now available for apple and tender fruit producers

Apple and tender fruit producers can now apply for funds under the [Canada-Ontario Apple and Tender Fruit Weather Risk Mitigation Strategy Initiative](#) following the federal and provincial government announcement earlier this month of up to \$2 million to help producers develop risk management strategies for adverse weather.

Under this initiative, eligible producers must have reported a 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, and expect to report at least \$7,000 in gross income from sales of eligible crops. Producers must submit an application-workbook containing a weather risk mitigation strategy which includes: identifying and ranking their weather risks, listing risk mitigation options and choosing their top three options for implementation.

The deadline to apply is **February 28, 2013**. Payments are expected to begin in mid-March. Producers can apply online or contact Agricorp at 1-888-247-4999.

Livestock producers can apply now for additional support

Application forms are now available through the [2012 Canada-Ontario Forage and Livestock Transportation Assistance Initiative](#) for Ontario livestock breeders who are facing severe forage shortages due to this summer's dry weather. This AgriRecovery initiative helps producers in designated drought areas by offsetting extraordinary transportation costs incurred to feed or to transport eligible livestock to sources of hay, silage, straw or green feed.

Eligible breeding livestock includes:

- Beef cattle
- Elk
- Deer
- Goats
- Sheep
- Horses (bred for meat, pregnant mare's urine or sale of offspring).

Eligible producers must apply for funding by March 22, 2013. Funding may be provided in the following ways:

- Up to \$0.14 per tonne, per kilometre for the transportation of eligible feed to eligible livestock.
- Up to \$0.075 per kilometre per head to move eligible cattle and horses to available feed.
- Up to \$0.05 per kilometre per head to move eligible sheep and goats to available feed.

AgriRecovery provides targeted, disaster-specific programming when assistance is needed beyond existing programs like AgriStability, Production Insurance or the Risk Management Program.

[More information](#) is available on agricorp.com or by contacting Agricorp.

Conferences, Workshops and Seminars

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...

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

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

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

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: Success Stories in Farm Business Management

This Agriwebinar® series features real farmers with real successes showing what can be accomplished and how it can be accomplished. Webinars featured in this series will cover key management tips, what the featured producers have done to get where they are today, and the reasons behind some of the decision they have made.

Upcoming FMC Agriwebinar® Presentations

DATE	SPEAKER	TOPIC
March 6	Philip Keddy, <i>Charles Keddy Farms, Ltd.</i>	Success Stories in Farm Business Management: Charles Keddy Farms Ltd.
March 20	Brett Sheffield, <i>Sheffield Farms</i>	Success Stories in Farm Business Management: Sheffield Farms
March 27	Vance Lester & Sue Echlin, <i>Living Sky Winery</i>	Success Stories in Farm Business Management: Living Sky Winery

Also airing throughout the month of March is Farm Credit Canada's 2012-2013 Agriwebinar® Series, starting with a special presentation on Water Security and Food Production on March 12. Don't miss out!

Upcoming FCC Agriwebinar® Presentations

DATE	SPEAKER	TOPIC
March 12	Benjamin Molene, <i>Water Resources & Real Estate</i> Molson Coors Brewing Company Brent Paterson, <i>Alberta Agriculture and Rural Development</i> Cristine Medford, <i>Farm Credit</i>	FCC Presents: Water Security and Food Production

	Canada	
March 18	Jean-Philippe Gervais, <i>Farm Credit Canada</i>	FCC Presents: Economic Outlook for Canadian agriculture
March 25	Merle Good, <i>Alberta Agriculture and Rural Development</i>	FCC Presents: Farm Succession... is it an Impossible Dream?

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

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.

Save the date for the National Farm Business Management Innovation Roundtable!

June 12-13, 2013 | Ottawa, Ontario

Farm Management Canada (FMC) is holding a **National Farm Business Management Innovation Roundtable** in conjunction with their Annual General Meeting (AGM) **June 12-13, 2013 in Ottawa, Ontario.**

The Innovation Roundtable is the only meeting place for a **national conversation on farm business management** between farmers, government, industry, academia, associations and organizations and all industry stakeholders working together to **build a sustainable and competitive agriculture industry** in Canada through innovative business thinking.

See more at: <http://www.fmc-gac.com/content/save-date-national-farm-business-management-innovation-roundtable#sthash.QaALE6pF.dpuf>

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.

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Thanks for reading the [Ag Business Update](#).

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

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