



# Native Agri Update

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## From The Manager's Desk

By D.E. "Ted" Young, General Manager  
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### SEASONS GREETINGS TO ALL!

How quickly 2008 has unfolded! We are now at the threshold of a new year in a few short days.

2008, has been a most interesting year. We experienced higher input costs, higher price returns and the greatest economic uncertainty and chaos not seen for over 70 years. Despite the economy, IAPO cash crop clients have overall enjoyed a banner year for yields and prices. Many clients will enjoy returns not seen for several years.

As we move towards the year end each of us will reflect in our own way on our achievements and challenges as we reconcile our operation's performance. Looking forward to 2009 it is a reality that the year will again offer many challenges as farming is an industry with little room for error. Facing certain recession for most of 2009, our planning and preparation for the New Year will require a great deal of careful attention. As always, IAPO will continue working closely with our clients to support them in their quest for another successful farming year.

I want to take this opportunity to thank all our clients for their business and the privilege of serving them this past year. For our staff and myself it is a tremendous opportunity to assist our clients by bringing the IAPO program to their farm or agribusiness and witness many

clients dreams and goals either started, strengthened or realized.

As the season celebrations are now in full swing each of us we will celebrate this time of the year in our own way.

IAPO has seen many positive changes this past year. Perhaps most significant was the approval of a new Business Plan that will chart a new course for the future by allowing the program to be more competitive and serve our client base better.

New and renewed relationships were experienced with Agriculture and Agri-Food Canada (AAFC), Ontario Soil and Crop Improvement Association (OSCIA), Ontario Federation of Agriculture (OFA), Ontario Ministry of Agriculture and Food (OMAFRA), Ministry of Aboriginal Affairs (MAA), Indian and Northern Affairs Canada (INAC), Aboriginal Business Corporation (ABC), University of Guelph, FedNor, and many other rural stakeholders with an interest to assist and support First Nation farmers. IAPO is most grateful to our peers and support organizations for their assistance in the spirit of working with all our clients within the province of Ontario

In the closing days of the 2008 year, I wish each and everyone peace, joy, and happiness.

The IAPO team is looking forward to 2009 with much excitement to assist and witness First Nations agriculture thrive and grow.

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# Agribusiness

By Peter Jay Lanthier, Farm Management Advisor

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## A SPECIAL REPORT ON THE MARKETS

*Excerpts from TD Economics report 2009  
Prospects for Canadian Agriculture*

While there aren't too many bright spots in the economic forecast for 2009, the good news is that agriculture is one of them. 2008 will go down as a memorable year for Canadian agriculture. It was only this past spring that world crop prices were soaring on the back of concerns about global food shortages, growing excitement about the use of food as a source of fuel and a surge in speculative financial investment in commodity futures markets. Fast forward six months. Food supply fears have eased considerably as this year's global crop will exceed earlier expectations. And growing worries about the global financial and economic landscape have dampened expectations for both world food consumption and investment appetite for commodities. The huge gains in crop prices have evaporated even more quickly than they occurred. In the aftermath of this roller-coaster ride, farm producers in Canada must be left wondering where the sector will head once the dust settles. In the very short term, the risk to agriculture prices continues to be tilted to the downside, as financial markets remain unsettled and worries about the global economy stay at the forefront. However, by mid-2009, analysts expect prices to regain their footing.

TD Economics report 2009 Prospects for Canadian Agriculture states that although agriculture markets aren't immune from a global recession, they aren't as vulnerable. Commodity prices in the first half of the year soared, but then dropped in early fall. TD Economics predicted a recovery of prices by mid-2009 for grains and oilseeds. Lower oil and fertilizer prices are expected to help farmers on the cost side of the balance sheet. In addition, the lower Canadian dollar generally helps farmers on this side of the border. The situation isn't as good for livestock, though, with industry forecasts for both hogs and cattle involving challenges. TD's picture is a little rosier with predictions for slight price increases in late 2009.

**SOYBEANS:** Soybean prices mirror what the TD Econom-

ics report says. Prices were pushed up to the \$14 mark in mid-summer by speculators in the marketplace, talk of a food crisis and increasing commodity prices. "It was a perfect storm that converged on driving prices super high," said Dale Petrie, Ontario Soybean Association general manager. Prices have slipped to between \$9.00 and \$10.00 per bushel. The demand for Ontario soybeans continues to be strong. "The biggest wild card is what's going to happen to the South American soybean crop," Petrie said. "If we see tougher conditions (in South America), then in December or January it will start to rise again. Really, it is a global market and you have to look at it that way." With prices over \$10 per bushel, Petrie said growers could have a decent return. He noted fuel prices have come down, soybeans don't need a lot of drying so the price of natural gas isn't a concern and, although fertilizer costs are up, and the crop doesn't use a lot of nitrogen. "Over the long haul anytime things are above \$10, it's a good day for soybeans," Petrie said. "The sustainability of soybeans looks pretty good."

**CORN:** Corn prices followed the same pattern, peaking in July at \$8 per bushel then retreating below \$4. With the Canadian dollar sliding, it's pushed the basis for corn higher, bringing the elevator price to over \$4. "Future prices are not quite as bearish because the financial crisis has brought corn prices down," said Philip Shaw, a farmer and agriculture economist. "As you look towards 2009, it's going to be somewhat more of a challenge than 2008." The largest hurdle facing farmers in 2009 will be more upfront costs to plant an acre of corn. He pointed out it costs more in upfront costs to plant corn than soybeans, but producers stand a better chance of getting a good yield with the former. In his own case, Shaw said 20 years ago the best yield he could get from a particular field was 150 to 160 bushels per acre. This year, the same field produced 210 bushels to the acre. He credited the increase to superior agronomics. The challenge ahead is producers need to use the tools they have, pay attention to the futures markets and have a sound marketing plan.

## HIGHLIGHTS

- U.S. dollar crop prices not expected to retest recent highs any time soon, but should remain above their five-year averages in 2009.
- A weaker Canadian dollar should help to cushion Canadian farmers from the impact of lower U.S. dollar prices.
- Farm incomes will be further supported by a simmering down in energy, global transportation and fertilizer costs.
- Credit crunch expected to ease over the next 12 months.

# Crop Information

By Peter Jay Lanthier, Farm Management Advisor  
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## CROP PRODUCTION POINTS

This was a very good production year for growing corn in most regions of Ontario. Although planting was slow, rain-fall and heat units were near or above average. Harvest was delayed by poor weather.

This year at Six Nations six different corn varieties were planted. The plots were monitored throughout the year for germination, vigor, standability and yield.

### 2008 CORN TEST PLOTS AT SIX NATIONS

ROW NUMBER	VARIETY	CHU	TRAITS	RELATIVE MATURITY
1	DK 4878	2975	Roundup ready	98 Days
2	Crop plan 388R	2950	Roundup Ready	98 Days
3	Hyland B38R	2825	RR/Yield Guard/Poncho	91 Days
4	Pioneer 37Y17	2950	Liberty Link/Herculex XTRA	99 Days
5	Hyland B45R	3000	RR/Yield Guard/Poncho	100 Days
6	Pioneer 37Y11	2900	Roundup Ready	97Days

1. Very good drydown and test weight. Plant at medium plant populations to maximize yield. Good choice for early planting and reduced tillage systems.
2. Best on heavier soil types planted early at high plant populations. Flowers late; prefers early planting into 105-day maturity zone. Excellent early plant health. Excellent drydown. Excellent hot year tolerance.
3. Excellent yield potential, very good plant health, consistent ear size. Lower range plant population recommended.
4. Outstanding yield potential. Late flowering with excellent drought tolerance. Fast field drydown. Highly suitable for heavy clay soils, reduced tillage, early planting and late harvest.
5. Top performance hybrid, very consistent yields, very good plant health. Does best planted at higher plant popula-

tions, 29000-31000.

6. Exceptional yield potential. Late flowering with excellent drought tolerance. Fast field drydown. Highly suitable for heavy clay and or variable soils, reduced tillage, early planting and late harvest.



The corn was planted into dry soil on May 27th at a plant population of 30,000 seeds per acre. Final population was estimated at 26,500 for a slightly less than expected germination

rate. Nitrogen fertilizer at a rate of 250 lbs/ac of 46-0-0 was applied preplant incorporated. Glyphosate herbicide was applied June 23rd. Weed control was very good. At one point in mid July some wilting was evident but plant vigor was generally quite strong though the entire growing season and cob development resulted in exceptional girth and fullness for all varieties. Harvest began mid November and all varieties showed good resistance to lodging. The average moisture was fairly consistent at 25%. Overall the plots were not put under much stress and each variety performed reasonable well. The average yield for the plots was 146.5 bushels per acre.

### 2008 CORN TEST PLOTS RESULTS\*

\*Test plot land and assistance provided by W. Barry Hill

SEED CO.	VARIETY	HEAT UNITS	WET WT. (LBS)	% MOIST.	PLOT SIZE (AC.)	DRY YIELD BU/AC
						\$
DeKalb	C48-78	2975	3480	25.1	0.37	148.9
CropPlan	388R	2950	3240	25.2	0.37	138.5
Hyland	B38R	2825	3300	22.9	0.32	168.1
Pioneer	37Y17	2950	NOT ROUNDUP READY			
Hyland	B45R	3000	3360	27.5	0.38	135.5
Pioneer	37Y11	2900	3540	24.4	0.4	141.5

§ yield as per combine monitor



### Chipper Chirp

Why does Scrooge love all of the reindeer?  
Because every buck is dear to him!  
What do reindeer hang on their Christmas trees?  
Horn-aments!  
Wishing you and yours a happy  
holiday!

# Livestock Information

By Mark Leahy, Farm Management Advisor

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## PROFIT TIPS

Research in the U.S. has come up with a list of profit tips for cow-calf operators. While some are not applicable to Ontario conditions, many are and further verify work done here over many years.

## SMALLER COWS ARE MORE PROFITABLE

Bigger cows wean bigger calves. Studies show however that smaller cows (those under 1300 lbs) wean a higher percentage of their body weight. The smaller cow usually weans a calf at 50 to 60 % of its body. The heavier cow may wean at 40%. Studies also show it is possible to support six 1100 lb cows on the same pasture and winter ration as five 1400 lb cows. In this comparison there was \$88 more profit in a smaller cow.

## CHANGE YOUR CALVING SEASON TO REDUCE FEED COSTS

Many of our clients are doing this now. We have moved away from January/February calving to March/April. Cows nursing calves consume more feed. The closer to pasture that we calve the less stored feed required. Pasture is cheaper than harvested hay.

## USE CROSSBREEDING

This is often called hybrid vigour or heterosis. In one study crossbred cows weaned 23% more pounds of calf compared to straight bred or single breed cows. These calves were a three way

cross with a single breed bull bred to a crossbred (two breed cow). Two thirds of the benefit comes from the crossbred cow. A big part of the advantage is in increased pregnancy rates and live calves weaned. Crossbred cows tend to have stronger calves at birth.

## PACKAGING CALVES

Calf buyers are looking for vaccinated calves and are willing to pay a premium. Vaccinated cows are now part of this package. Age verified calves seem to be in demand. Castrating, dehorning and weaning complete the package. Order buyers are looking for large groups of calves with the same preconditioning program and uniformity in breed-type, size, age and body condition. Reducing shrink increases pounds for sale.

## WHAT PREVENTS CALVES FROM GETTING SCOURS?

There are basically two factors that prevent the calves from developing scours, becoming ill and dying. One is the dose of the infectious agent(s). The higher the dose in the environment of the calf (the calf's cow and immediate surroundings) the more likely the calf will be exposed to the agent(s) and become ill. Therefore, sanitation is very important in keeping the dose low.

Calving the cows in clean fields or pastures is very helpful and keeping the cows spread out (low density) is also important. The second important factor in preventing scours is the immune system of the calf. The calf's immune system has two important facets: the ability of the individual calf to resist disease, and the colostrum the calf re-

ceives from the cow or heifer soon after birth. Both of these factors are dependent on good quality nutrition before the calf is born.

## ESTIMATING A COW'S REPRODUCTIVE LIFE

At what age do cows usually start to become less productive? Obviously there is no one set rule to determine when a cow is culled. Nonetheless, understanding "average trends" for cows can serve as guidelines and help cow calf producers cull the herd in a timely and effective manner.

Data shows that cows are consistent in the rebreeding performance through about eight years of age. A small decline was noted as cows aged from eight to ten years of age. However the most consistent decline in reproductive performance was noted after cows were ten years of age. A steeper decline in reproductive performance was found as they became twelve years of age. In other words, start to watch for reasons to cull a cow at about age eight. By the time she is ten, look at her very closely and consider culling; as she reaches her 12<sup>th</sup> year, plan to cull her before she gets health problems or in very poor body condition.



# Market Information

## BEEF MARKET

By Mark Leahy



**Ontario  
Cattlemen's  
Association**  
*Committed to Cattlemen*

Prices are courtesy of the Ontario Cattlemen's Association Weekly Market Information Report for the week ending December 11/08.

Rail prices and fed cattle prices showed further strength from last month, with rail prices up \$4/cwt and fed steers and heifers \$2 to \$4. The stocker prices went the other way.

Heavy replacement steers (7 to 8 weights) fell \$5, 6 to 7 weights, \$2 and 5-6 weights, \$6. Heifers are down \$3 to \$5 in the same weight categories. Light weight heifers are showing the biggest decline. **It is interesting to note that rail, fed and replacement prices are stronger than a week ago.**

Cull cows are down \$5 and bulls are off by \$8. This is a seasonal trend with cows and bulls. We usually see a recovery in February and a price peak in June.

All prices are on a hundred pound basis (cwt)

Category	Price Range	Ave. Price	Top Price
Rail Steers	167-171		
Fed steers	97 - 105	101	118
Fed heifers	95- 103	100	108
Cows	30 - 49	40	89
Bulls	45- 60	53	79
Stocker steers			
700 - 799	84 - 107	96	111
600 - 699	89 - 110	101	118
500 - 599	89 - 117	105	126
Stocker heifers			
700 - 799	78 - 97	88	103
600 - 699	82 - 101	92	110
500 - 599	78 - 103	93	120

## CROP MARKET

By Peter Lanthier

Excerpts from Market Commentary by Kevin Hachler, London Agricultural Commodities, Inc.

The US is wrapping up the harvest of the second largest corn crop in history, this despite all of the concern about the effects of flooding on the size of the US corn crop back in the spring. A sizeable yield estimate of 153.8bu/ac is a reflection on the continuously improving genetics available to producers. Looking to next year, analysts estimate that the US will need to plant an additional one million acres of corn to satisfy demand. Although weakness is finally beginning to show in the fertilizer market, corn futures will need to work diligently through the winter months to attract those additional acres, especially if energy markets can stage a rally.

Here in Ontario, local corn basis has strengthened as a result of very light farmer selling and the lower Canadian dollar. Even though yields are huge,

storage is not a problem yet. It is reasonable to assume that the lowest basis levels that we will see this fall are now behind us.

Once harvest is complete, basis levels should continue to increase, however producers should be cautioned that if they do not sell, processors will be forced to turn to imports for coverage. Local producers could end up getting left out in the cold if enough corn is imported in the short term such that it

must be exported again later in the year. As with corn, soybean prices appear to have slowed their descent in the past two or three weeks and have found some (relative) stability. In Ontario, soybean basis levels are strengthening rapidly. The weakness in the Canadian dollar is translating directly into higher bids for producers. With harvest virtually over, the pressure to move beans has subsided and sellers are getting hard to find.



### CORN-Tuesday, December 16, 2008: (NORFOLK)

2008	Futures 3.94	Basis 0.45	Price 4.39
2009	Futures 4.42	Basis 0.50	Price 4.92



### SOYBEANS-Tuesday, December 16, 2008: (NORFOLK)

2008	Futures 8.59	Basis 1.30	Price 9.89
2009	Futures 8.86	Basis .75	Price 9.61



### SOFT RED WHEAT-Tuesday, December 16, 2008: (NORFOLK)

2009	Futures 5.70	Basis - 1.38	Price 4.32
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# Other News

## THE MERITS OF A ROOT CELLAR

Anyone with a garden should consider a root cellar. Now is the time to make plans for next year's harvest.

Freezers are great but are not large enough to store all your produce.

Here are some pointers for a functional root cellar.

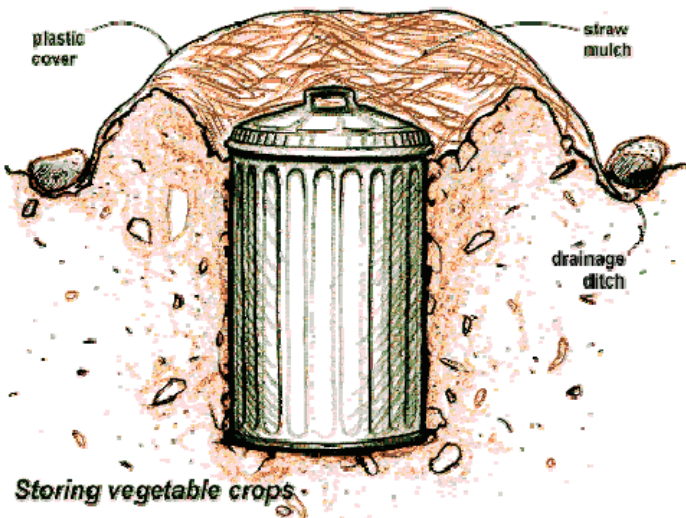
Dig a hole in the ground and build a room inside the hole. Remember that the floor must be left as a dirt floor. Cover the whole thing with the dug up earth and you have a root cellar. If you remembered to put in a door in one end, you can now start using it to store your produce.

The dirt floor will make sure the humidity stays high, and the earth insulation will keep the cellar cool, thus preserving the produce. Remember that high humidity will instantly start working on the door and any shelves you make: this can be fatal to inferior wood products like chipwood, so use wood with a high content of natural preservatives like cedar.

Root cellars give you far more space than a freezer. You do not have to wait for food to thaw, and not freezing it will preserve the taste.

A root cellar can be as simple as a garbage can! For the gardener wishing to experiment with a root cellar try a garbage can. Choose a site with good drainage. Dig a hole, place the garbage can, layer the garden produce like potatoes or carrots, replace the lid and cover with soil or mulch such as leaves. Put a piece of plastic on top.

Contact IAPO for root cellar plans.



## POSITION AVAILABLE Loan Review Committee Member

Indian Agricultural Program of Ontario (IAPO) seeks applications from interested First Nations candidates to serve on the Loan Review Committee, reporting to the Board of Directors. This is a part-time position working with two other committee members according to loan volume.

Candidates should possess the following credentials:

- experience and understanding of Aboriginal developmental lending, Aboriginal customs and culture
- knowledge of agriculture production and marketing
- knowledge of agribusiness and non agricultural lending
- knowledge of banking procedures, credit management, collections and arrears

Additional details are available upon request.

Submissions may be sent to:  
D.E. 'Ted' Young, G.M., Box 83 Lambeth Station,  
London, Ontario, N6P 1P9

## Calendar of Events

- Jan 6-7, 2009 Southwest Agricultural Conference, Ridgetown, visit [www.southwestagconference.ca](http://www.southwestagconference.ca) for details
- Jan 17, 2009 Farm Smart Agricultural Conference, University of Guelph, visit [www.uoguelph.ca/farmsmart](http://www.uoguelph.ca/farmsmart)

THIS SPACE RESERVED FOR AGRICULTURAL EVENTS  
IN YOUR AREA

Please contact us if you have an item for the  
Calendar of Events