



Native Agri Update

No. 260 , January, 2007

www.indianag.on.ca

Published by
INDIAN AGRICULTURAL PROGRAM OF ONTARIO

From The Manager's Desk

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Crude Oil Price Fuels Corn Demand

There was a new message resonating from the 2007 Southwestern Ontario Agricultural Conference. Farmers must now pay attention to the price of oil. Crude oil was once abundant and a low priced commodity. Crude oil now affects all sectors of our economy including agriculture.

Crude oil prices affects on agriculture are many. In 2006, most machinery intensive farm operations spent over \$25 per acre just on gas and diesel fuel. Budgets of \$10 per acre were more than ample prior to 2002. Agricultural products that utilize petroleum fuel or petroleum products are more expensive. Nitrogen fertilizers are one example of a product that utilizes significant quantities of natural gas during its manufacture which is one reason for high fertilizer prices.

As the price of crude rises, alternate sources of energy become economic to

produce. These alternate sources attempt to relieve our dependence on fossil fuels. Inclusion of ethanol in gasoline has resulted in the development of a new industry. Ethanol produced from corn now uses millions of bushels of corn per day in the U.S. This new market has resulted in a steep corn market rally. U.S. corn acreage for 2007 may increase by over seven million acres. Most of these acres would come at the expense of soybeans.

As farmers we must now watch the price of crude oil. Crude oil prices over the long term will act as a barometer. Sixty dollar plus crude oil will continue to fuel ethanol production and demand more corn. Forty dollar crude oil will slow ethanol demand and slow industrial expansion. Knowing the crude oil market becomes as important as knowing the corn market.

As a farmer you may complain about the price of diesel fuel, but high oil prices over the long term will create positive grain prices and increase your profits. Biodiesel production is on the upswing. Some biodiesel products will begin to use significant bushels of soybeans.

High crude oil prices are not all bad!

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Spring Wheat

There continues to be a lot of discussion about planting spring wheat in 2007. Jim Hunter has pointed out the risks associated with planting this crop. Traditionally spring wheat yields have not been profitable south of highway 401 west of Toronto. Spring wheat is a cool season crop. As average temperatures rise yields decrease. Since temperature is a factor then early planting is essential so the crop emerges early and is making seed before the hot weather arrives. Experts advise that spring wheat can be seeded anytime in March and should be seeded before April 1st. Do not plant once the critical planting date has passed.

Crop Rotation in 2007

Your crop rotation for the coming year is probably off the chart. First, winter wheat was not seeded; soybean fields (if harvested) may be rutted and tramped. Corn fields have probably suffered the same fate. Corn prices are attractive with soybean prices requiring more improvement to be as good as corn. A number of questions come to mind.

Should I plant more corn in 2007?

Corn performs best on fall cultivated soils. Corn yields will disappoint you if soils are compacted and planting conditions are not optimum. For this reason care must be taken to increase corn acres only when you have the good dirt

available. A profitable corn crop requires both good yields and good prices.

Should rutted fields be worked?

Fields left rutted and compacted will need to be tilled. Soils will need to be loosened and levelled but only when the soil is fit to work. Soil saving or plowing through water and mud is not a solution.

How much should I change my crop rotation?

You know your farm, your fields and your yield potential. Crop rotation needs to be the long term goal of your crop plan. Attempting to continually adjust acres of each crop in response to crop prices is usually not a profitable strategy.

WOW!

No one can predict crop prices. We can use only the information available to attempt to make sound marketing decisions. On January 11, 2007 the market did not know that the USDA January 12th market report would lower both corn and soybean production carryover. The move caught everyone by surprise. Corn prices closed up 20 cents per bushel. Soybean prices rose 42 cents per bushel. New crop beans were flirting with \$8.00 at the close on January 12th. Who would have predicted this?

Calendar of Events

- | | |
|----------------|--|
| January 20 | Farm Smart, University of Guelph |
| January 25-28 | Next Generation Organics Conference, Guelph |
| February 6,7,8 | Canadian International Farm Equipment Show, International Centre, Toronto |
| February 15 | Quinte Farm Trade Show, Knight's of Columbus Hall, Trenton |
| February 20-21 | IFAO Annual conference, London |
| February 21,22 | Ontario Cattlemen's Association Annual, Double Tree International Hotel, Toronto |



Chipper Chirps

Ability may get you to the top, but it takes character to keep you there.

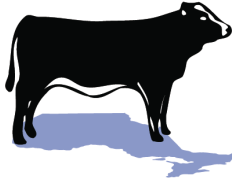
John Wooden

Livestock Information

By Mark Leahy, Farm Management Advisor

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BEEF MARKET WATCH



**Ontario
Cattlemen's
Association**

Committed to Cattlemen

Prices are courtesy of the Ontario Cattlemen's Association Weekly Market Information Report for the week ending January 11, 2007.

Young cattle are \$2 - \$4 stronger than last month. Rail grades are up \$5 and fed steers and heifers are up \$2.

Cull cows and bulls are up \$1.

All prices are on a hundred pound basis (cwt).

Category	Price Range	Ave. Price	Top Price
Rail Steers	154-160		
Fed steers	86 - 94	90	103
Fed heifers	86 - 94	90	105
Cows	24 - 37	31	63
Bulls	33- 44	38	76
Stocker steers			
600 - 699	106 - 120	114	125
500 - 599	108 - 127	118	136
Stocker heifers			
600 - 699	90 - 107	100	118
500 - 599	92 - 114	104	119

RFID Tag Date Arrives

As of September 1, 2006 all cattle are to be tagged with a CCIA approved RFID (Radio Frequency Identification Tag). In order to assist the change to RFID, bar code tags will continue to be recognized until at least December 31, 2007 and recognized on cows and bulls indefinitely. The Canadian Cattle Identification Agency would like to remind all producers that it is in everyone's best interest to tag with RFID tags as soon as possible. Some producers will have Bar Code tags left. Use them up as soon as you can.



The calf in this logo has a bar code tag in its right ear and an RFID tag in its left ear.

Age Verification

We have heard a lot about cattle age restrictions since BSE showed up in Canada in 2003. Many trading partners, the U.S. in particular are asking Canadian beef producers to show proof of age on our cattle.

Canada has a national identification program. Linking birthdates to the CCIA eartag carried by all animals arriving for slaughter is the best means of verification.

Many cow/calf producers are tagging calves at birth and using RFID tags. Record the birthdates corresponding to the tag number. These numbers and birthdates can then be entered into the CCIA database. When animals arrive for slaughter at a packing plant, a reader will scan the tag, check the database and identify the animal's birthdate. If it is under 21 months the beef is eligible for foreign markets.

Tag numbers and birthdates can be entered in the database. We can do that for you at the Stirling IAPO office.

A simple method is to record the birthdate of the first calf born and its' tag number. Record the tags for the rest of the calves. It is not necessary to record the birthdates of these calves. We can inform the database that the calves with these tag numbers were all born after the first calf's birthdate.

Signs of Impending Calving in Cows or Heifers

As calving season approaches, cows show typical signs. Here is a reminder.

Changes that are gradually seen are udder development, or making bag and the relaxation and swelling of the vulva. These indicate the cow is due to calve in the near future. There is a difference between cows in the development of these signs. Age is a factor. A first calf heifer may develop an udder for a very long time, sometimes for two or three months before calving. Typically, in the 2 weeks before calving, swelling of the vulva becomes more evident, the udder is filling, and one of the

things that might be seen is the loss of the cervical plug. This is a very thick tenacious, mucous material hanging from the vulva. It may be seen pooling behind the cow when she is lying down. Some people mistakenly think this happens immediately before calving, but in fact this can be seen weeks before.

The immediate signs that usually occur within 24 hours of calving are relaxation of the pelvic ligaments and filling of the teats. These can be fairly dependable signs for the owner watching his cows several times a day during the calving season. The relaxation of the pelvic ligaments really can not be observed in fat cows, (body condition score 4 or greater). However, relaxations of the

ligaments can be seen very clearly in thin or moderate body condition cows and can be an indication of calving within the next 12 - 24 hours.

These changes are signs the producer or herdsman can use to more closely pinpoint calving time. Filling of the teats is not really very dependable. Some heavy milking cows will have filling 2 or 3 days before calving while a thin poor milking cow may calve without filling of the teats.

In the 12 hours before calving, behaviour change such as a cow that does not come up to eat, or a cow that isolates herself may be seen. Some have few behavioural changes until calving starts.

Temperature and Calf Birth Weights



Does the severity (coldness or mildness) of the winter have an impact on spring-born calf birth weights? This has often been debated by cow-calf producers and others involved in the industry.

Oklahoma State University has data from 1990. Birth weights of 172 fall born calves and 242 spring born calves were compared. These calves were the result of AI matings using the same bulls and bred to similar crossbred cows. The fall born calves averaged 4.5 pounds lighter at birth than the spring-born calves. One possible explanation for this difference is the changing of blood flow patterns of cows gestating in hot weather versus cold weather. During hot weather blood is shunted away from internal organs toward outer extremities to dissipate heat, while the opposite is the case in very cold weather with blood flow directed toward internal organs in an effort to conserve heat and maintain body temperature. This change in maternal blood flow may impact fetal growth in a small way, but result in a measurable difference in weight.

To date we have had a milder than normal winter in Ontario. Perhaps the calves born this spring will be a little smaller at birth and reduce calving difficulties.

Calving Time

Some beef producers encourage cows to calve during the day rather than at night. Hay is fed out at 4:30 p.m. each day. Studies have shown an 85% calving rate between 6:00 a.m. and 6:00 p.m. the following day. It is believed the cows body is active eating and digesting food for a few hours. Calving takes place at a quieter time.

This provides the farmer with more rest and the cow with better conditions to calve.



General Information

By Jim F. Hunter, Business Support Officer

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For Corn Growers

COLUMBUS, Ohio -- There may be little corn growers can do now to speed up harvest or alleviate lodging problems, but they can take steps next growing season to head off problems associated with cool, wet fall weather.

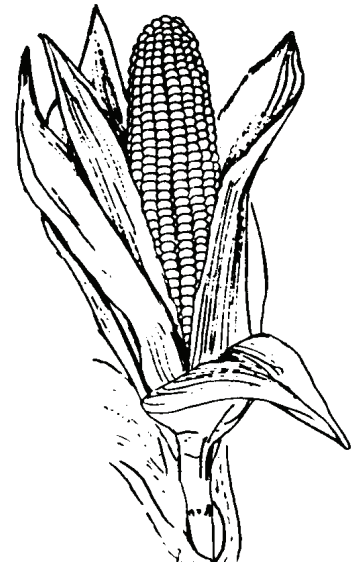
Peter Thomison, an Ohio State University Extension agronomist, said that the cool temperatures and continuous rainfall Ohio has experienced the past month is unusual. The month of October has gone on record as the second wettest in 124 years. The weather has delayed crop harvest and caused subsequent quality problems and yield reductions.

"Growers have to realize that these unusual weather conditions do happen periodically, and when they do happen, the crops can be significantly impacted," said Thomison, who also holds a partial research appointment with the Ohio Agricultural Research and Development Center.

From delayed harvest, to stalk and root lodging, to slow-drying corn -- unsuitable and uncontrollable weather conditions cause nothing but headaches for growers. But they can potentially avoid such problems by making wise management decisions before planting next season.

Here are some suggested tips for growers:

- Plant early. "Planting early and getting most of the corn planted by the first week of May is the No. 1 step we recommend growers follow to avoid these types of problems," said Thomison.
- Select hybrids that exhibit resistance to lodging. "If growers rely on field drying, the major criterion for hybrid selection is probably stalk quality", said Thomison. "Growers should focus on stalk and root lodging when assessing hybrids for planting."
- Identify hybrids that dry down well. "As growers position their hybrids, if they want to avoid artificial drying,



they should identify hybrids that dry down rapidly", said Thomison. "Much of the corn still in the field this year is below 20 percent despite the wet

weather, and that's a testament to the hybrids we have that exhibit that characteristic."

- Consider planting more early maturing varieties. "By planting more early maturing hybrids that are 105-day or 109-day, rather than 111-day to 114-day hybrids, growers could avoid some of these problems associated with delayed harvest," said Thomison. "There are perceptions that early maturing varieties don't have the same yield punch and same stalk quality as late-maturing varieties, and that's not true. Using a range of hybrid maturities also reduces risks from environmental problems and certain pest problems."
- At the very least, avoid exclusively planting late-season hybrids. "We encourage growers to spread the maturity of their hybrids," said Thomison. "It's best to match the maturity and stalk quality characteristics of the hybrid to the field situation (that is, will it be harvested early or later in the season)."

SOURCE: Ohio State University news release.

“Frost Seeded” Spring Wheat

In early December, I attended a seminar to hear presentations about field preparation, planting, fertilizing, marketing, and crop insurance for those growers who want to try planting a few acres of spring grain in 2007. The industry crop specialists and local growers did a great job covering the topic. Peter Johnson said, “it’s tricky to get the timing right”. The soil needs to be frozen enough to

support the tractor and drill, but not so frozen that the drill can’t penetrate the frozen layer to drop the seed about one inch below the surface. Even though it is risky with a very narrow window for planting, maybe starting around 3:00 AM, he does feel this approach should be of interest to farmers on the heavy clay soils where the fields often don’t dry out enough to plant until mid-May. Peter said “if you don’t get Spring Wheat planted by **April 1st**, don’t plant it”.



What is the Agronomic Value of Tile Drainage?

Proper tile drainage allows soil to dry out quicker in the spring, allowing for earlier planting. It also allows for more timely harvest, and drier soil conditions, lessens compaction and side wall smearing when planting. On clay soil tilled on 40-foot centers vs. no tile, the Cargill Agronomists have pegged the average 5-year increase to be 20 bushels on corn and almost 7 bushels on soybeans.



Commodities Bull Run to Last Until 2014-2022

LONDON (Dow Jones)--Based on historical cyclical market patterns, the current commodity bull run could last until 2014-2022, imitating the bear market in the 1980s and 1990s, commodity investment expert Jim Rogers said Tuesday.

The root for the market’s enduring bullishness remains underlying supply and demand factors following years of underinvestment in commodities, he told delegates at the Minesite

Forum in London.

Rogers, who created the Rogers International Commodity Index in 1998, which has more than tripled since its inception until November 2006, said lack of new large oil discoveries and investment into the mining sector would continue to fuel price gains.

“You can issue stocks every day, but you can’t crank out a zinc mine every day”, Rogers, who is author of the books ‘Hot Commodities’ and ‘Adventure Capitalist,’ said. He also co-founded the Quantum Fund with George Soros.

According to Rogers, commodities aren’t correlated with other asset classes, a characteristic frequently cited as an attraction to add them to investment portfolios, but represented a “perfect anchor for portfolios as commodities move differently from other asset classes.”

While Rogers does expect corrections during the current bull run, not all commodities would correct at the same time. Soft commodities such as wheat, sugar, or coffee were mentioned as Rogers’ new best opportunities since prices hadn’t yet moved up.

“Sugar prices are 85% below record levels while coffee is trading 60%-70% below record prices, and if adjusted for inflation, prices would be far lower,” Rogers said.

“The world has been consuming more food than it produced during the past seven years. Global wheat stocks are at their lowest levels since 1972,” he said, while global wheat acreage continued to fall.

Rogers warned of the level of U.S. debt and bearish outlook for the U.S. currency.

“China will be the next great country in the world. The 20th century was that of the U.S. but the 21st will belong to China,” he said.

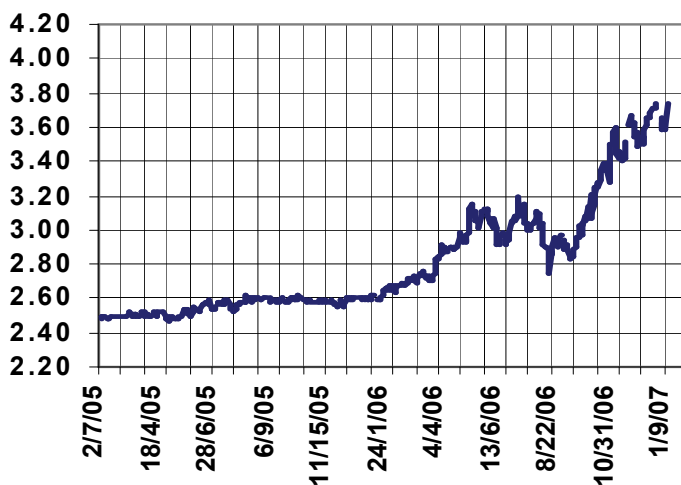
Source: Elisabeth Behrmann, Dow Jones Newswires (4420) 7842 9412 elisabeth.behrmann@dowjones.com

Crops Market Watch

By Peter Hensel

The markets have been a wild ride since the end of last year. Markets rose sharply during the holiday season in December when volumes were light and even the slightest demand caused prices to escalate sharply. When normal trading resumed after the extra day off, due to President Gerald Ford's funeral, the funds saw an opportunity to take profits on their extremely large long positions and started selling, causing the market to collapse. The week of January 8, the funds started buying again and had corn, especially, recover most of the losses in a couple of days.

December 2007 CBOT Corn



Corn Market:

March 2007 corn put in a double high of 3.905, which will be a strong resistance level, on December 29 and then dropped about 36 cents. Half of that was recovered on January 10 and 11. December 2007 corn also put in a contract high close of 3.745 on December 29 and then proceeded to drop to a low of 3.55. The January 10 and 11 market has recovered all of that loss closing Thursday at 3.745, which if not exceeded on January 12 will also form a double high. The USDA Supply and Demand Report today came out very friendly to corn as it showed that the US crop was 210 million bushels less than was anticipated in December. Exports which have been running over 100 million bushels ahead of last year and were raised 50 million bushels to make a 2006 crop year carry out of 752 million bushels down 183 million bushels from the December estimate. This is a very low carry out not much above the low carry out of

the 1995 crop year when prices hit record highs. The world carry out of corn has also dropped from 4.921 billion bushels to 3.403 billion bushels which is only 11.9 % of the anticipated use. That percentage in 1995 was 11.7 %, but with lower usage back then. Corn should be strong.

Soybean Market:

March 2007 soybeans had a contract high close of 7.02 on November 27 before dropping 42 cents by December 18. On December 29, March soybeans closed at a high of 6.97 before the most recent drop down to 6.57. By not having the last high going higher than the previous high, and the last low going lower than the previous low, it appears that old crop soybeans will at best move sideways or start a downward trend. Extreme strength in corn can help hold soybeans up. November 2007 soybeans are a little different story as they also established a contract high of 7.36 on November 27 and then dropped about 35 cents to a low of 7.01. The market then set a new contract high of 7.42 before the most recent drop to 7.08. In this case the last high was higher and the last low was not as low as the previous low thus keeping the up trend in place. The USDA Report for soybeans showed that the 2006 crop was in fact lower than reported in the December report by 16 million bushels while the trade was expecting higher. Exports were however reduced to give a net increase in carry out of 10 million bushels to an already large carry out. The world carry out went from 1.919 billion bushels anticipated in December to 2.047 bushels now. This is not friendly to soybeans in the near term but not as bad as what the market had expected.

Wheat Market:

Now the disaster story. March wheat had a contract high of 5.60 on October 17 and then started a rhythmic decent to January 10 low of 4.48. Each low in the cycle was followed by a low that went lower and each rebound was not as high as that in the previous cycle. Wheat needs help from strong corn and soybean markets to help pull it along. September 2007 wheat is at the cross roads as it has been in an up trend since August, reaching a contract high of 5.09 on December 26 before its decline to 4.67 on January 10. There was a gap left on January 3 between 4.925 and 4.95. Unless this is the start of a big drop, the market should be back up there to fill that gap. The USDA Report indicated that the carry out for wheat increased by 34 million bushels due to increased imports (10 million bushels) and decreased exports of 25 million bushels. The world supply of wheat increased by an estimated 40 million bushels. The negativity is already in the wheat market and should either stay neutral or move up.

First Nations 4-H

By: Marnie Kloppenburg,
Coordinator & First Nations 4-H Contact
First Nations Agri-Food Youth Program

Hats off to the Curve Lake 4-H Club!

Eight 4-H Members and two 4-H Leaders successfully completed two 4-H Projects in the fall of 2006; "Animal Friends" & "Home for the Holidays". The Curve Lake 4-H Club will expand to 10 4-H Members this year and will start "A Sporting Chance" in January. *This project is designed to promote a love of*



sport and a commitment to a healthy, active lifestyle. Each meeting includes info on health, nutrition and an introduction to a fun new sport that is accessible to every child.

Congratulations to... Curve Lake 4-H Leaders:

Gwen Olver
Alisa Pierson



Curve Lake 4-H Members:



Brittany Coppaway
Melissa Gravelle
Amy Jacobs
Robyn Pierson
Ryan Robertson
Dustin Taylor
Billy Williams
Lilly Williams

There are 60 different 4-H Projects to choose from or with our help, you can create your own!

If you know of someone who is dedicated to the young people of your community and can organize a group of young people to complete a "4-H Project", give us a call or send an email and we can tell you more about how to kick-start First Nations 4-H.

Here are some of the many "4-H Projects" that are available to your community...



"Breadventure"

You'll bring home the bakin' during this project. There are recipes for pizza dough and pizza pockets, quick breads, French bread and more. The feel of kneading bread and the smell of it baking has long been associated with happiness in a home. Help kids in your community have fun with bread!

"The Art of Photography"



There were 3 million digital cameras sold in Canada for the 2005 Christmas season! 94% of these were digital. How can we turn this new phenomenon into something kids can make into a powerful tool? A new 4-H Photography Project brings all of the best ideas together for 4-H Leaders. Today young people can say lots with some digital pics of their community. Help them learn to capture their world with a camera! They can learn how to take different types of photos such as action, still life, and landscapes. You don't have to be the expert! You might have someone in your own community who would be glad to show young people how to use a digital camera.

"Take a Kid Fishing"/"Ice Fishing"

As a 4-H Leader for the 4-H Fishing Project, you can find fishermen in your own community to help young people understand aquatic ecology, stewardship of resources and how to catch and release fish safely and responsibly.



If you would like to help plant the seeds of leadership in your community, email or call Marnie @ 1-800-663-6912 or iapo-marnie@on.aibn.com Check out our new website @ www.firstnations4-h.ca