



Native Agri Update

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From The Manager's Desk

By D.E. "Ted" Young, General Manager

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Planning the Future

What lies ahead for 2008 and beyond? There certainly is reason for optimism if we look at cropping forecasts and prices. Some experts project soybeans to reach a price level of over \$13.00 per bushel this year. Other experts, even more optimistic, indicate the 2008 and 2009 years are likely to sustain that price threshold before the markets start to recede.

Where does this leave our farmers and their families of whom many have suffered a severe drought or water/rainfall shortages this past year which seriously curbed crop yields and projected income targets?

The challenge must be to remain focused and disciplined by recognizing that there may well be excellent prices on the horizon, but serious attention must be directed to the rising input costs and the importance of developing a realistic farm plan for 2008. That is precisely where IAPO staff can assist our clients in a very effective manner. IAPO staff are well qualified to provide that vital technical crop support and

professional financial assistance.

Developing a close relationship with your IAPO Farm Management Advisor is the first step critical to planning and developing a realistic farm plan in this business environment. It has been said many times in life that those who "fail to plan are planning to fail".

Nothing could be more appropriate for organizing and planning your business activities for the next twelve months. Within your farm plan another critical element that must be adhered to is discipline to follow the plan and not make any changes without careful assessment with your IAPO Advisor.

Certainly, plans can be changed or amended at the right time, but IAPO can assist you best when there is an open and forthright discussion of any potential deviations.

First Nations clients need to realize in 2008 IAPO will not take any responsibility for decisions or actions incurring further debt or financial commitments or changes in farm plans that are not approved by their Farm Management Advisor. Thus, adherence to the farm plan is critical where IAPO has invested financial support.

IAPO is equally accountable for its performance in effectively delivering program funding and extension support to business propositions that have the potential to be successful and improve

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...Planning the Future (cont'd)

the economic circumstances of our farm families. We are totally committed to this task.

The other side of that relationship requires all of our clients to keep their part of that arrangement by being forthright and open about all their

farming affairs and the current farm plan. IAPO has enjoyed that reality with many clients for many years since the organization started in 1984.

So, as we unfold our plans and commitments for 2008 let us “not fail to plan” so as to avoid any disappointments that we can control, for as we all well know there are enough surprises and un-

knowns in the farming cycle without escalating your risk by making unsound and quick decisions that are not well thought out.

We at IAPO like to think that “if our clients succeed then we succeed!”

It is my hope we both meet our objectives for 2008.

Agribusiness

By Jim F. Hunter, Business Support Officer

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During the first week of January, the 14th Annual Southwest Agricultural Conference was held. Each day, approximately 1000 growers and Agricultural Extension Advisors attended. It provided a tremendous opportunity for farmers to gather, learn and share ideas. With the higher commodity prices, the conference attendees seemed more upbeat this year than over the past few years. In coming months, Peter Lanthier and I will try to summarize a few of the sessions that we attended.



GROWER PESTICIDE SAFETY COURSE CERTIFICATION

From the FNA/SNFP “Code of Practice”

“Producers involved in the production of food and fibre have the right, under the Pest Control Product Act and Regulations, to apply registered pesticides to their land, crops and livestock in accordance with label directions and with the schedule under the Pesticides Act of Ontario. All farmers using crop protection chemicals must successfully complete the Ontario Grower Pesticide Safety Course.

Monitor crops carefully to see if pest control is needed. When using chemicals and pesticides, farmers should be careful to use the appropriate quantities and dispose of rinse solutions properly. Special care should be taken to avoid the accidental contamination of farm water supplies by direct spills or back siphoning of pesticides into wells or cisterns. Prepare an emergency plan in case of a pesticide leak or spill.

The written plan should include the location of emergency equipment, emergency telephone numbers, clean-up methods, and steps to follow.”

Recommendations:

- Confine the pesticide to the target area and do not allow it to drift or be over-sprayed to non-target areas.
- Empty containers, if not refillable, must be triple-rinsed before being brought to a pesticide container-recycling depot or crushed for disposal in landfill sites.
- Spray equipment must be fitted with an effective anti-backflow device in order to take public surface water (Pesticides Act).
- Equipment should not be washed out in a manner that would directly or indirectly contaminate surface water or groundwater.
- Pesticides must be stored in an area that is used exclusively for the storage of pesticides. Warning signs must be posted and the floor area should have a lip to contain any spilled pesticides. Floor must be impermeable.
- Use refillable containers.
- Purchase only what can be used in a season.
- Plan for emergencies.
- Adopt Integrated Pest Management (IPM) practices.

Pesticide regulations that our growers must adhere to:

Under the Pesticide Act, a farmer who wants to buy and use Schedule 1, 2, and 5 pesticides on land that he/she farms must be certified.

To become a Certified Grower you must be at least 16 years of age and attend a one-day Grower Pesticide Safety Course and successfully complete the certification exam.

If you currently have a certificate, please check your expiry date, as they are only valid for five (5) years. You must repeat the Course if your certificate has expired or is due to expire soon. (See “Calendar of Events” page 6 for upcoming course)



Chipper Chirp

There is no telling how many miles you will have to run while chasing a dream. ~Author Unknown

Crop Information

By Peter Jay Lanthier, Farm Management Advisor
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THE COST OF TILLAGE

Conventional tillage with a moldboard plow covers most of the after harvest residue, leaving less than 30% of the soil covered with trash. Mulch tillage using chisel plows, discs and soil savers, leaves more than 30 % residue on the surface. Other terms used to describe this type of tillage practice are reduced tillage, minimum till, or conservation tillage. No-till is a system where the soil is not disturbed between harvest and planting. Growers have changed or alternated between different tillage systems for a number of reasons such as to save money, increase yields, save labour and time, reduce soil erosion, or to reduce input cost such as fertilizer or pesticides. With the rising cost of fuel, now might be a good time to consider the number of trips you make across your fields. The following chart gives a perspective of the number of litres of diesel used with different tillage systems.

Energy Requirements for Different Tillage Systems *			
Litres/Hectare			
Operation	Conventional	Minimum Till	No-Til
Moldboard Plow	17		
Chisel Plow		11	
Disc	6	6	
Incorporating Herbicides	6	6	
Spray Herbicides	1	1	1
Planting	4	4	5
Cultivating (each time)	4	4	
Machinery and Repair	17	15	6
Total	56	47	12

*Reproduced from Best Management Practices, Agriculture Canada

WINTER WHEAT STRESSES

So far this winter the weather has been behaving as usual; very unpredictable. There seems to be no more normal. Unfortunately weather is beyond the control of the farmer. Extended periods of warm weather during the winter months can promote diseases such as snow mold, and rot in winter wheat. Prolonged periods of cold can also increase the risk of crop damage. Generally speaking, the areas of your fields with the least snow cover have the potential to suffer the most damage. When there is little or no snow cover, winter wheat can be damaged by environmental stresses including subfreezing temperatures, standing water, ice encasement, heaving and desiccation. That being said, dried brown leaves in the spring don't always indicate winterkill. The key to survival is the appearance of new white roots from the crown. The leaves that developed in the fall can be killed off without reducing the plant's chances of survival. As long as the crown remains alive, new leaves and roots can be regenerated in the spring. It is also good to know that most of the wheat varieties sold in Ontario have good winter survivability ratings based on test plot data.

AVOID THAT COLD DRINK

We have already been hearing this for soybean planting but now it applies to corn planting as well!

Avoid planting corn seed with a low saturated cold germ test says farmer and planter expert Gregg Sauder from Precision Planting in Trenton, Illinois.

Sauder said that corn seed does not like taking a cold drink. He is referring to seed taking up soil water at 50 F or less versus soil water 55 F or greater. He said some hybrids and seed lots will never quite recover from that cold drink and yield potential will be forever negatively impacted.

But Sauder said farmers could manage this risk. He suggests sending the seed in for a saturated cold germ test. If the saturated cold germ test is significantly less than the cold germ test, avoid planting that seed if you are expecting a cold rain and cold front. Instead plant seed that has a high saturated cold germ test and then wait until the weather is again warm for planting the seed with the low saturated cold germ test.

Sauder said the genetic potential of the seed with the low saturated cold germ test is still good when planted under normal conditions, so **avoid planting when wet and cold weather is forecast.**

Livestock Information

By Mark Leahy, Farm Management Advisor

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SAVING CALVES

A few beef farmers are finding a new arrival on the ground often a month or two ahead of the regular calving time. Every marketed calf pays a few more bills.

Here are a few things cow-calf people are doing to improve the chances of calves surviving at birth. It is important to plan ahead.

- Check with your vet on a calving program for your herd including vaccinations. An injection at birth of Vitamin E and Selenium to control white muscle disease is often recommended. Scours are of particular concern. Remember to inject in the neck. Aborting cows should be checked out.
- Don't forget the colostrum or first milk. It provides important antibodies for the calf. Calves should be nursing as soon after birth as possible. This is the number one management tip for calf survival.
- Keep the calving area dry. Avoid areas that have puddles after a rain or thaw. A well-drained area works well. If scours were a problem last year, calve in a different area. The "bugs" may still be present. The more acres the better in controlling disease. This management practice has the second highest pay back for calf survival. Manure from sick calves will spread bacteria and viruses. Providing space prevents a build-up in a small area. There is less contact between animals.
- Check cow condition. Ideally thin cows and heifers should be fed separately from those with more flesh. Heifers are still growing as well as producing a calf.
- On most farms a salt and high phosphorous mineral mixture is recommended for the cowherd. Supplementation with grain may be necessary. Feed the better quality hay to thin cows, and heifers and all cows after calving.
- Cows in calf need exercise to keep muscles

toned for calving. Walking to feed or water is helpful.

- Cows with calves should be kept separate from pregnant cows.
- Heifers calving for the first time should be watched closely. Calving problems are greatest with heifers. They carry fewer antibodies in the colostrum than older cows, as a result have less disease protection to pass on to the calf.
- Have calving equipment, injections, identification tags, etc. ready ahead of time and close to the calving area.
- If not already doing it, consider castrating and dehorning early. These tasks are less stressful for the calves and the owner when done at an early age! It also means less stress at weaning.

A LOOK AT THE BEEF INDUSTRY

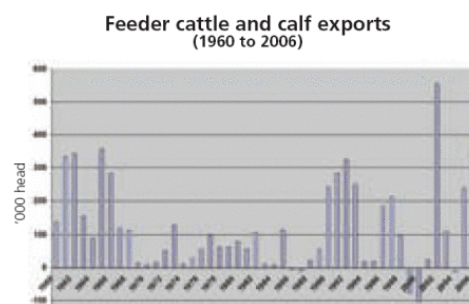
There are a number of reports in the farm press on the state of the beef industry in Canada and North America. Comments are similar.

The industry struggles to return to pre-BSE levels. The Canadian Beef Cycle is not yet in synch with the U.S. cycle. We are not yet able to take advantage of the reduced U.S. cowherd. We are greatly impacted by it however.

Canada produces a surplus of beef and is a net exporter at about 49% of the beef produced in 2007. The record was 58% in 2002. The U.S. in comparison has a beef deficit and is the largest beef importer in the world. Canada must have export markets to sell half our production. It is expected that total beef exports will increase in 2008. Exports to the U.S. however will see little change. The strength of the Canadian dollar compared to the U.S. dollar will have influence. Beef exports to Mexico and Asian countries must and are expected to expand in 2008.

Feeder cattle and calves are moving south in record numbers since the U.S. border opened up to cattle under thirty months of age. This graph showing feeder cattle and calf exports from 1960 to 2006 shows a peak flow in 2002 (tallest spike). The last spike, right side, on the chart is 2006 at 327,000 head. As of December 22, numbers for 2007 are 574,000 head and 2008 will be similar. These are record numbers, greater than 2006, particularly considering the strong Canadian Dollar.

Why is this happening?



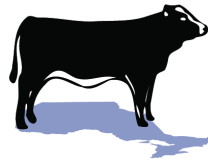
It is generally believed that U.S. feeder buyers are able to compete with Canadian buyers for Canadian calves because of lower feeding costs in the U.S particularly compared to western Canada. Also the U.S. rail price is \$18 to \$20 higher and fed cattle are \$12 to \$14 stronger compared to Ontario prices.

The border, now open to beef and cattle over thirty months should lead to price parity for cull cows. However only age verified animals born after March 1, 1999 are eligible. This is a challenge because of the recent emphasis on age verification in Canada. It will be a long time before we see pre-BSE movement numbers of non fed animals (cows and bulls) and beef moving south.

Price improvement for Ontario feeders and fed cattle will take a combination of a sliding Canadian dollar and downward pressure on feeding costs. Our cash croppers can appreciate current feed prices.

Market Information

BEEF MARKET



**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 10/08.

The volume of cattle for sale was down the first full week of 2008. Prices reflect the low volume.

Rail prices are down \$5/cwt, fed cattle prices are steady compared to a month ago. Fed cattle prices tend to be more reliable as a price change indicator.

Steer and heifer calf prices have fallen \$3 to \$6.

Cull cow and bull prices are up \$6 to \$7.

Category	Price Range	Ave. Price	Top Price
Rail Steers	137-140		
Fed Steers	76 - 84	80	93
Fed Heifers	76- 84	81	89
Cows	25 - 44	36	69
Bulls	40- 54	49	84
Stocker Steers			
600 - 699	88 - 101	94	111
500 - 599	82 - 107	97	121
Stocker Heifers			
600 - 699	68 - 88	80	102
500 - 599	70 - 93	84	108

All prices are on a hundred pound basis (cwt)

CROP MARKET



The Bull Run

A recent Dow Jones newswire report quotes the president of AgResource, Dan Basse, saying "the bull market will continue (for several years) as global food demand continues to increase at the current rate of 2.3% per year". Also, Grant Piggott a Cargill market analysts suggests that wide price swings in a bull market offer growers excellent pricing opportunities. Going into 2008 new crop corn will fetch \$4.50 or more, 08' bean contracts \$12.00 plus, and next spring's wheat crop can be sold today for over \$6.50 per bushel. Many analysts and market grain managers are saying that 2008, 2009 and 2010 futures are exceptional and provide an opportunity to lock in profits with a minimum of downside risk. A smart way to insure you make a good profit from the current bullish futures market is to buy a call option. A

call option allows you to minimize marketing risks two ways. Buying a call limits the risk of lower prices while allowing you to gain if the futures prices rally. There are different methods for reducing risk and insuring good returns. A good recommendation is to buy minimum price type contracts, establishing a floor price, to protect yourself in these volatile times. Also, from now until April you should be selling a good

portion of your new crop.

It is quite well documented that our new crop prices tend to gain slightly until planting. Know your costs, set a plan for selling, buy some calls, and get into a well sold position. It will be a great feeling going into planting knowing you've got a good part of your crop sold at these prices. At the time of writing Friday January 11th, corn, soys and wheat all traded limit up!

CORN-Tuesday, Jan. 15, 2008: (at elevators)						
NORFOLK						
OLD CROP Mar '08	Futures	5.12	Basis Range	-0.65	Price	4.47
NEW CROP DEC '08	Futures	5.30	Basis Range	-0.55	Price	4.76

SOYBEANS-Tuesday, Jan. 15, 2008: (at elevators)						
NORFOLK						
OLD CROP MAR '08	Futures	12.96	Basis Range	-1.00	Price	11.97
NEW CROP NOV '08	Futures	12.63	Basis Range	-0.90	Price	11.73

SOFT RED WHEAT-Tuesday, Jan. 15, 2007: (at elevators)						
NORFOLK						
OLD CROP JULY '08	Futures	8.36	Basis Range	-1.84	Price	6.52
NEW CROP JULY '09	Futures	8.29	Basis Range	-1.89	Price	6.39

Industry News

CHANGING GOVERNMENT PROGRAMS

A farmer's work is not only to produce, market and keep accurate records. Another daunting task is to learn and understand risk management programs as they are changed and implemented. This evolving basket of so called goodies for the farmer comes with a bunch of acronyms that must become part of your vocabulary. After deciding to participate, you must ensure that enrollment deadlines are met and fees paid if required.

We are leaving the suite of programs that were called the Agriculture Policy Framework. We are about to enter a new bundle of programs under a new initiative called Growing Forward. Let us just look closely at a couple of these new programs.

The name Canadian Agricultural Income Stabilization Program (CAIS) will be changed to **AgriStability**. Changes being made to this program are promised to ensure AgriStability responds in a timely manner to margin declines of more

that 85 percent. A new program is called **AgriInvest**.

AgriInvest Program: The program replaces coverage for small income declines of 15% or less, previously covered by CAIS. Producers can deposit up to 1.5% of their allowable net sales (ANS) into an AgriInvest account and receive a matching government contribution. Producers have the flexibility to use the funds to address declines in income or make investments to improve their business.

AgriInvest Kickstart: The Government of Canada is providing \$600 million to "kick start" producer accounts. The "kick start" payment is 2.63% of producers' average ANS. To receive the 'kick start' payment, producers must agree to participate in the 2007 AgriInvest program, and must be actively farming and report farming income/loss in 2007.

If you participated in CAIS program for 2004 year, you will be receiving an application for an AgriInvest Kickstart payment. If you require information on this program, call Mary at IAPO Lambeth. IAPO is also planning a producer information evening at Six Nations on Feb. 7. Details of this meeting will be available in the near future.

Calendar of Events

- Jan. 19, FarmSmart Agricultural Conference, Contact: University of Guelph, Guelph, Ontario, or <http://www.uoguelph.ca/farmsmart> organized by Golden Horseshoe and Heartland Regional SCIA's
Note: Six Nations Growers are encouraged to visit the Hyland Seeds booth to receive a \$25 voucher courtesy of Blaindale Farms and Hyland Seeds (\$25 represents half of your registration fee). The voucher will be applied to seed orders at Blaindale Farms.
- Jan. 24-26 27th Annual Guelph Organic Conference, "Building Sustainable Organic Business"
Contact: www.guelphorganicconf.ca
- Feb. 7 IAPO Client Information meeting regarding New Government Programming (AgriInvest) & Market Update, Bears Inn, 7-9:30 pm (Refreshments to follow)
- March 1 FNA/SNFP Annual Mtg., Sour Springs Longhouse, 10am-3pm (Hot lunch provided)
- March 15 Grower Pesticide Safety Course Certification, Bear's Inn Boardroom, 9am—4 pm (Lunch Provided)
- March 19 IAPO/SNFP Production Meeting, Location to be confirmed, 7-9:30 pm (Refreshments provided)

The Market Place

For Sale:

- 1999 New Holland TL90 Tractor, Cab, Air, FWA, 76 H.P., low hours, contact IAPO-Lambeth @ 1-800-663-6912
- White Tractor, 4wd, 180 hp, Cat engine, good running order, available at Six Nations, contact Eldred Martin, @ 519 445-4595 or 445-1212