



Native Agri Update

No. 282 , November 2008

www.indianag.on.ca

Published by
INDIAN AGRICULTURAL PROGRAM OF ONTARIO

From The Manager's Desk

By D.E. "Ted" Young, General Manager
iapo-ted@on.aibn.com

BOARD APPROVES NEW IAPO BUSINESS PLAN

The IAPO Board approved a new Business Plan entitled "Planning for Seven Generations" on October 30, 2008 at the fall quarterly meeting. Thus, the immediate question is... **What does this mean for IAPO and its clients?** In a quick word of response, it is good news overall!

First of all the new plan will permit IAPO to present the corporation in a new positive and progressive manner to creditor's, government departments, other agricultural organizations and rural stakeholders that are strategically associated with IAPO. The plan replaces the previous Remedial Plan designed for IAPO recovery purposes after the portfolio became over exposed due to adverse industry conditions. All of the key factors of the Remedial Plan have been realized and the need for a new business focus was paramount for strategic planning and daily operations in order to develop growth and stability in the portfolio.

Some features of the new plan relevant to our clients are:

- IAPO is no longer a "Lender of Last Resort" but is now positioned to be more competitive and to be more selective and disciplined in approving and managing risk with all clients.

- An approved revised pricing of NEW Loans and the development of new loan products to improve competitiveness of all adult term loans featuring a base interest rate of 8.75%. Accordingly, the Loan and Guarantee (LAG) Lending rate is now 8.75% effective October 31, 2008 for all NEW loans vs. 10.75%.
- Continued operation of a Line of Credit (LOC) program with a long term strategy that includes;
 - ~ Implementation of new educational targets for clients
 - ~ Establishment of goals for the amount of loan portfolio advanced for LOC purposes
 - ~ Seeking of a partnership that would establish single source funding for the LOC program
- IAPO to continue to develop long term funding arrangements for program delivery to provide up to 40% of the annual budget.
- Board of Directors recognize the importance of client education, and incorporate a client education strategy into all program deliverables.
- Board of Directors to make both immediate and long term succession planning a priority.
- IAPO to recognize the need for a minimum of \$1,000,000 of capital between 2009-2012.
- IAPO to remain committed to deliver on its provincial mandate to serve First Nations agriculture in Northern

Table of Contents

From The Manager's Desk	Page	1
Agribusiness	Page	2
Crop Information	Page	3
Livestock Information	Page	4
Market Information	Page	5
Other News	Page	6
The Market Place	Page	6
Calendar of Events	Page	6

INDIAN AGRICULTURAL PROGRAM OF ONTARIO

Southern & Western Ontario Office

Box 83, Station Lambeth
6453 Hamlyn Road
London, ON N6P 1P9
Phone: 519 652-2440
Toll Free: 1-800-663-6912

Eastern and Northern Ontario Office

Box 100
220 North Street
Stirling, ON K0K 3E0
Phone: 613 395-5505
Toll Free: 1-800-363-0329

From the Manager's Desk...cont'd

Ontario by seeking and expanded partnership with FedNor.

The new Business Plan reflects changes to past lending philosophy and provides updating to financial projections of the Remedial Plan. The goals of IAPO

were updated in 2007 in a strategic planning and governance exercise and remain the focus of the Board of Directors. These changes in the new plan will not only strengthen IAPO but will also serve to provide competitive financial products for First Nations farmers. First Nations agriculture has an impor-

tant part to play in the economy of First Nations across Ontario. The current IAPO mission statement remains;

"To cultivate sustainable economic growth of Ontario First Nations people for seven generations through the implementation of agricultural related programs"

Agribusiness

By Peter Jay Lanthier, Farm Management Advisor

iapo-peter@on.aibn.com

ALGAE FUEL OF THE FUTURE?

Excerpt from Associated Press article by Arthur Max



BORCULO, Netherlands - Set amid cornfields and cow pastures in eastern Holland is a shallow pool that is rapidly turning green with algae, harvested for animal feed, skin treatments, biodegradable plastics - and with increasing interest, biofuel. In a warehouse about 200 kilometres southwest, a bioreactor of clear plastic tubes is producing algae in pressure-cooker fashion that its manufacturer hopes will one day power jet aircraft. Experts say it will be years, maybe a decade, before this simplest of all plants can be efficiently processed for fuel. But when that day comes, it could go a long way toward easing the world's energy needs and responding to global warming.

Algae can grow almost everywhere there is water and sunlight, and under the right conditions it can double its volume within hours. Scientists and industrialists agree that the potential is huge. "This is the ultimate fast-growing organism," says Peter van den Dorpel, chief operating officer of AlgaeLink, which makes bioreactors for speeding reproduc-

tion. "Algae is lazy. It eats carbon dioxide and produces oxygen." It has no roots, no leaves, no shoots. "It grows so fast because it has nothing else to do. It just swims in the water."

Farming algae doesn't require much space or good cropland, so it avoids the fuel-for-food dilemma that has plagued first and second generation biofuels like corn, rapeseed and palm oil. It can grow in fresh water, polluted water, sea water or farm runoff. It can purify a city's sewage while feeding on the nitrogen and phosphates in human waste. And it is rich in oil. The most common types farmed today have an oil content of 30 per cent, and it can go up to 70 per cent or more. It also consumes nearly twice its weight in carbon dioxide, the most common greenhouse gas that is discharged by vehicles, power plants and many heavy industries and which scientists say is causing climate change.

One promising idea in climate change technology focuses on capturing carbon from industry and storing it harmlessly in the ground. But algae farms can put that carbon to good use. "Capturing CO2 is the easiest element" in algae production, says Carel Callenbach, the director of Ingrepro Micro Ingredients, which operates the largest algae farms in Europe, producing 80 tonnes a year.

Companies have been making biodiesel from algae for years, Callenbach said, but there's no money in fuel. It is expensive to make, and so far it cannot be produced in commercial quantities like ethanol or some other biofuels. The Netherlands has long been ahead in farming technology and has one of the world's highest crop yields. With as many barnyard animals as its 16 million people, it is the world's second largest exporter of agricultural products after the United States.

Algae oil goes into paints, resins and bioplastics. Fuel has the lowest value of any product, said Callenbach. The key to profiting from algae farming is in the cake left over after extracting the oil. Ingrepro turns it into dozens of products, from horse feed to weed killer for golf courses. As a food additive for humans, it is a source of healthy omega-3 fatty acids.

The race to make gas from goo is on around the world.

Crop Information

By Peter Jay Lanthier, Farm Management Advisor

iapo-peter@on.aibn.com

NEW ROUNDUP STUDY

A new six-year cropping study completed by the University of Guelph has confirmed that incorporating the Roundup Ready system into cropping rotations is a viable and effective production system for Eastern Canadian growers. Treatments included a two crop rotation system: Roundup Ready corn/Roundup Ready soybeans compared to conventional corn/conventional soybeans; and a three crop rotation system: Roundup Ready corn/Roundup Ready soybeans/winter wheat compared to conventional corn/conventional soybean/winter wheat. Here is a summary of the studies conclusions;

- The continuous use of Roundup Ready crops was a viable production system for both conventional and no-till cropping systems.
- The use of Roundup agricultural herbicides provided better mid-season weed control in both Roundup Ready corn and soybeans compared to conventional herbicide weed control programs.
- Volunteer Roundup Ready soybeans or corn were not a weed management issue.
- Yields of Roundup Ready crops were equal to or better than conventional crops.
- The inclusion of winter wheat in the rotation had a tendency to improve corn and soybean yields.
- Over the six years of the study, there was little evidence for the selection of weeds that were naturally tolerant to glyphosate in the Roundup Ready system.
- In no-tillage corn and soybeans, more weed species were observed in the conventional herbicide system than with the Roundup Ready system by mid-season.
- In conventional tillage soybeans, the number of weed species observed was the same in both herbicide systems. In conventional tillage corn, the number of weed species observed was greater in the Roundup Ready system.
- The inclusion of winter wheat resulted in a different weed community than in corn or soybeans.

A complete copy of "Long-term effects of Roundup Ready Compared to Conventional Herbicide Systems in Ontario," is available from the University of Guelph, Department of Plant Agriculture or Monsanto Canada's Eastern Business office in Guelph, Ontario.

SEED CORN IN SHORT SUPPLY?

As harvest winds down and your thoughts move ahead to plans for 2009 keep the past in mind. An article from Agriculture Online web site asks the following question. Has the weather in the U.S Midwest this past year or two had an impact on the availability of grain seed? Despite the widespread flooding in the U.S. Midwest, seed companies say there is no real worry about availability of soybean seed next year. Getting the best stacked corn hybrids, however may be a different story. The weather may have an impact on the amount of corn seed produced here this year since soybeans tolerate later planting better than corn. It might be wise this year to book some of the newer stacked corn hybrids early to avoid being disappointed.

BATTLE FOR ACRES

The combines are just firing up for corn harvest, but farmers are already weighing the pros and cons of all their planting options for 2009. The battle for acres continues. Even though crop sizes were large, and despite everything Mother Nature has thrown at farmers this year, there is still not enough to meet world demand for corn and soybeans. At the 2008 annual meeting of the Ontario Wheat Board an analyst with FC Stone stated that in 2009 there would be a demand for eight million additional acres of corn and three million additional acres of soybeans. While the battle between corn and soybeans is already well documented, how does wheat fit into the mix? Wheat prices are well off the highs experienced for the 2008 crop. While the current pricing will challenge growers' budgets to make wheat work in '09, there are ways to generate cash flow from the crop, but it will take a keen eye and quick action on input costs and marketing. Looking at the big picture from now through the next marketing year, economists expect wheat prices, at least in the short term, to be supported by tight world supplies. Though this will likely mean \$6.00-per-bushel prices or higher through the marketing year, that's not to say the market won't see volatility between now and the 2009 harvest. What's more, they say variables like input costs -- which could be 30% or more higher next year than in '08 -- make it important to nail down profits however possible. It will be important for wheat producers to be keenly aware of input costs and the relationship those costs have in developing a sound marketing plan. This will be critical in managing the risk of a volatile but potentially bearish market in 2009. Fertilizer can represent up to or more than 40% of total production costs. To help manage this cost, it is important to soil test, set realistic yield goals and follow recommendations.

Livestock Information

By Mark Leahy, Farm Management Advisor

mark@indianag.on.ca

CANADIAN MEAT PRODUCERS PROTEST COOL

Beef and pork producers want the Canadian government to launch a trade challenge against the United States over a new law, Country of Origin Labeling law (COOL), that requires U.S. retailers to provide country-of-origin labeling for fresh meat. Canadian producers are saying that the regulation is shutting their livestock out of American markets.

Since the COOL law went into effect on Oct. 1, a growing number of meat plants in the United States are refusing to accept Canadian cattle and hogs for processing.

The Canadian Cattlemen's Association and the Canadian Pork Council are calling on the Canadian government to challenge the U.S. law under the North American Free Trade Agreement and World Trade Organization rules.

US FEEDLOT OWNER CHALLENGES GOVERNMENT

It appears Canadian beef producers are not the only ones unhappy with COOL. An American feedlot operator is challenging the U.S. Department of Agriculture claiming it will increase recordkeeping and operating costs. It will also discourage packers from purchasing his Canadian born cattle. This particular feedlot is in Washington State and buys Canadian feeders.



CULLING COWS

Cow culling often takes place in the fall. It is convenient. Calves are weaned and cows are in the wintering location. Here are some reasons to cull.

- **Open cows:** Check calving records. Open cows should go particularly if this is the second year!
- **Bad attitude:** These animals can lead the herd astray and pass the attitude on to offspring. Contented cows result in a good night's sleep for everyone.
- **Age:** Cash in now before it is too late.
- **Feet and legs:** Some cows cover many miles over the summer. Combating snowdrifts is a challenge too. It takes a good set of wheels.



- **Udders:** Calves should be able to nurse without struggling. A weak calf is easily discouraged. Cull cows with large udders.

SHRINK COSTS

Shrink is a loss in body weight. Fewer pounds mean less cash per head. Shrink is a result of stress. Calves that are rounded up, weaned, trucked and held

without feed or water will shrink big time.

Here are some suggestions to reduce stress.

- Prepare a practical handling area. A strong, safe system that allows calves to flow smoothly through the necessary steps like vaccinating, loading etc.
- Be patient. This is a tough one! Work calves slowly and quietly. It helps if the cows with attitude have been culled out.
- Wean three weeks before trucking. This gives calves a chance to eat and drink and regain that lost weight after separation from the cows.
- Minimize movement. Every time calves are moved or crowded there is stress.
- More is not always better. Strangers, loud voices, and dogs can spook animals. Some producers say that working alone or with a quiet helper is most satisfactory.
- Separate activities when practical. Rounding up, weaning, castrating, dehorning, tagging and vaccinating in one day is stressful. Too much stress can reduce the effectiveness of vaccines in stimulating immunity. Castrating, dehorning and tagging at a young age appears to be less stressful and does reduce stress around weaning time.
- Arrange for good weather! Working in rain and snow is challenging for all involved.

Weather, available time and help etc. may limit what can be done to reduce stress. Putting some of these suggestions into practice will reduce shrink and increase income.



Chipper Chirp

"The big secret in life is there is no secret. Whatever your goal, you can get there if you're willing to work."

Oprah Winfrey

Market Information

BEEF MARKET

By Mark Leahy



Prices are courtesy of the Ontario Cattlemen's Association Weekly Market Information Report for the week ending November 6/08.

Cattle prices have rebounded strongly since last month.

Rail prices are up \$13 per cwt, fed steers and heifers \$10. Rail prices are \$4.25 above last week.

Heavy replacement steers (7 to 8 weights) are up \$3, 6 to 7 weights are \$8 higher. The 5-6 weight calves are unchanged. Heifers are showing less improvement but still up \$2 to \$5. *Calves that are not pre-conditioned are selling under pressure.*

Yearlings and short keep cattle are moving at steady to stronger prices. There is some merit in putting extra weight on calves. The price difference between light weights and heavier calves is less than usual.

Cull cows and bulls are even with last month.

Category	Price Range	Ave. Price	Top Price
Rail Steers	164-167		
Fed steers	93 - 102	97	103
Fed heifers	90- 103	98	105
Cows	37 - 55	45	89
Bulls	53- 68	61	85
Stocker steers			
700 - 799	88 - 108	101	119
600 - 699	91 - 115	106	130
500 - 599	93 - 120	110	132
Stocker heifers			
700 - 799	81 - 99	91	108
600 - 699	81 - 101	94	106
500 - 599	84 - 109	98	117

All prices are on a hundred pound basis (cwt)

CROP MARKET

By Peter Lanthier

USDA NUMBERS SHOW

UNRELENTING

CORN, SOYBEAN DEMAND

October was a tough month. The stock market fell 30% in the month. Commodities saw their worst month in 52 years. The Canadian dollar dropped \$0.18 with as much as a \$0.03 swing up or down in one day! And crude oil slides to a low of \$59.00 to reflect a loss of 33 % through October.

One example of the tightening financial markets that is close to home is the Potash Company. The Potash Corporation of Saskatchewan earned \$1.24 billion in the quarter ending September 30. To put that in some perspective, that level of profit was more than the \$1.1 billion the corporation made for all of 2007. From a high of \$246 on the TSX, it traded as low as \$63.88. In this time of economic uncertainty, the best


the market analysts can come up with is "... the outlook for fertilizer sales is starting to cloud up."


The effect of the world economy on the Ont. grain market has been substantial. Corn tumbled from just under \$5.00 to a yearly low of \$3.70 but closed the month out at \$4.25. Soybeans followed pace fluctuating by more than \$1.50 over the month but have rallied on the weak dollar and a strong basis to close


out October at \$10.05.

The winter wheat markets continue to slide and reflect the roller coaster ride for all commodities. Wheat has continued to free fall to a staggering low of \$3.16. Looking ahead, ending stocks will remain tight enough to ignite another acreage battle in a few months.

Corn prices may ease back into the \$4.50 to \$5 range as usage for the 2008 crop becomes clear.

CORN-Wednesday, November 12, 2008: (NORFOLK)				
	2008	Futures 3.78	Basis 0.25	Price 4.03
	2009	Futures 4.41	Basis 0.15	Price 4.56

SOYBEANS-Wednesday, November 12, 2008: (NORFOLK)				
	2008	Futures 9.18	Basis 0.80	Price 9.98
	2009	Futures 9.39	Basis 0.00	Price 9.39

SOFT RED WHEAT-Wednesday, November 12, 2008: (NORWICH)				
	2009	Futures 5.96	Basis - 1.65	Price 4.31

Other News

CANADIAN YOUNG SPEAKERS FOR AGRICULTURE



Christina Hill-Harris, Obhsweken receives congratulations from D.E. 'Ted' Young, CYSA Chairman & IAPO General Manager

Each year as part of the Royal Agricultural Winter Fair in Toronto, young men and women from across Canada gather for the Canadian Young Speakers For Agriculture (CYSA) public speaking competition to express their ideas and share views on Canadian agriculture.

The CYSA competition has two divisions, Senior (16-24 yrs) and Junior (11-15). Participants must prepare and present a five to seven minute speech in either English or French on one of the five topics given.

Congratulations to Christina Hill-Harris for participating in the 2008 Junior division contest, held on Nov. 8, 2008! Christina delivered a great speech on "*Organics: A Trend or a Tremendous Opportunity?*"

"Youth remaining in the agricultural industry today are a very passionate group that our industry has never seen before," explains Christina Crowley, 2007 Senior Champion. "Our youth's passion for agriculture is essential so that this sector can remain vibrant and competitive, keeping youth involved for years to come".

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

The Market Place

For Sale:
1999 New Holland TL90 Tractor, Cab, Air, FWA, 76 H.P., oversize rear tires, new battery, new air compressor, 1700 hours, Guelph area, \$32,500 obo
contact George @ 519 766-9512
or IAPO-Lambeth @ 1-800-663-6912

Calendar of Events

- Nov. 7-16 Royal Agricultural Winter Fair, visit www.royalfair.org for details
- Jan 6-7, 2009 Southwest Agricultural Conference, Ridgeway, visit www.southwestagconference.ca for details
- Jan 17, 2009 Farm \$mart Agricultural Conference, University of Guelph, visit www.uoguelph.ca/farmsmart

THIS SPACE RESERVED FOR AGRICULTURAL EVENTS IN YOUR AREA