



# Native Agri Update

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## From The Manager's Desk

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

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### Welcome Peter Lanthier

I am pleased to announce that our new Farm Management Advisor (FMA) for Southwestern Ontario is Mr. Peter Lanthier. Peter was the successful candidate of our recent competition and comes to IAPO well qualified to assist our customers with Loans, Youth programs and Crop Extension needs.

Peter is a life long resident of the Tillsonburg area and has been involved in many agricultural venues during his life. Most recently he has sold his interest in AgroSpray Limited, a family business where he has recently retired as Vice President after twenty seven years in the industry.

Peter is a 1992 Graduate of the University of Guelph with a Bachelor of Science degree. His credentials also include being a Certified Crop Protection Consultant, a Licensed Agricultural

Exterminator and a registered Professional Agrologist for over twenty years in the province of Ontario. He has a proven record of working with producers, using his extensive farm knowledge and experience in marketing management.

Peter will commence his duties on or about November 1, 2007 and will be headquartered at the Lambeth Office. He will be serving clients in Southwestern Ontario including Six Nations territory to Walpole island and to Grey and Bruce counties in the north as may be required.

On behalf of IAPO and all staff, I warmly welcome Peter to our team and encourage you to contact Peter in the days ahead to discuss your farming needs.

### Cropping Conditions Update

Southwestern Ontario is expected to only experience an average corn yield. Harvesting is not yet begun. Soybeans are projected to only yield on average 15-25 bu/ac. A substantial amount of winter wheat is being planted. The hay crop has not yielded well and a number of producers are seeking to buy additional hay this fall.

In Eastern Ontario, crop yields are not dissimilar. Corn and soybeans yields

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## INDIAN AGRICULTURAL PROGRAM OF ONTARIO

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*(Cropping Conditions...cont'd)*

are poor overall. Soybeans are generally dry and cracking. Soybean yields run 15-25 bushel/acre, about only 2/3 of normal yields.

Northern Ontario features mostly forage crops and yields vary. Staff has worked closely with borrowers through this challenging season.

## Ontario Risk Management Program (RMP)



In August 2007, the Ontario government announced the Ontario Risk Management Program for Grain and Oilseed producers (RMP) to help grain and oilseed producers offset losses caused by low commodity prices. RMP was designed in consultation with the Ontario Federation of Agriculture

and representatives of the grain and oilseed sector as part of an effective risk management package offered to Ontario producers.

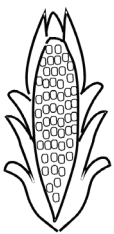
RMP joins Production Insurance (PI) and CAIS as one more component of an effective risk management package. The three-year pilot program was officially launched in August 2007. Once enrolled, producers must participate for the full three years of the pilot (premiums are waived in 2007) and must also be enrolled in both the CAIS and PI programs. Ontario will fund its traditional 40 percent of RMP.

All producers should have received an application form from Agricorp for this new program. **To enrol, your signature is required on page three. The form has to be returned by November 15<sup>th</sup>.** The RMP is designed to work in conjunction with CAIS and crop insurance to create an effective risk management package. The RMP program protects against price while crop insurance provides yield protection.

If you have not received your application or require additional information please contact Mary McFarlane at the Lambeth office at (519) 652 2440.

## General Information

By Jim F. Hunter, Business Support Officer  
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### Selecting Corn Hybrids... Do Your Homework

Marketing pressure and early-buy incentives are prompting farmers to make their seed buying decisions earlier than ever. Unfortunately the choice is often made before local performance trial results have been compiled.

Now a Purdue University corn specialist says farmers must still take the time to do their homework before buying. "Seed selection is important and should not be based on advertising or a sales pitch, but on yield performance," Bob

Nielsen says in an article on the AgAnswers web site. "I encourage folks to not be afraid to use the prior year's yield trial information and look for hybrids that performed well because it really comes down to consistency of hybrid performance."

Many new hybrids come out each year, but **growers should be cautious about planting a large amount of acreage to a new hybrid** unless they can document its superior performance with data from multiple locations, Nielsen says. "Growers really need to look at yield performance and identify hybrids that perform well across a broad range of conditions, primarily weather conditions. It's differences in weather that really impact a hybrid performance."

"Hybrids vary on how they respond to growing conditions, and sometimes a hybrid will perform very well when the

conditions are exceptionally good, but when put under stress they fall apart. We don't know what next year's weather will be, but we do know we want a hybrid that will perform well."

Hybrids that consistently yield in the upper 10 to 15 per cent across numerous variety trials are indicative of consistent performers, Nielsen says. "**When selecting next year's seed, you need trial information from many locations to represent the different weather patterns.** If you find hybrids that perform well across the majority of those locations, it will probably perform well for you next year."

Nielsen warns growers choosing a new hybrid to tread cautiously until it has a proven track record. "It's important to find summaries that are complete and give a wide range of testing locations to look at performance," he says.



# CropWatch

By Doug Macpherson, Consultant

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## Crop Insurance Reporting Deadlines



Winter wheat seeded acres must be planted and reported by November 1<sup>st</sup>. Premiums are to be paid by November 15<sup>th</sup>. If you have any questions or need assistance with this process please contact Mary McFarlane at 1 800 663 6912.

## Unusual Soybean Harvest



Soybean yields are very disappointing this year.

The crop is short and pods are at ground level leading to above average in field harvest losses. In addition late August rains caused areas in most fields to show re-growth. The re-growth areas have green leaves and stems with some green beans. These green beans are tough to put through the combine. Seed samples have too many green pods and green beans.

It appears that a good frost to kill the plants is required. Farmers will want to forget this 2007 soybean harvest.

## Brazil Soy Planting off to Slow Start



Brazil's 2007/08 soybean planting has started slowly. Lack of rain has kept farmers there in a standby mode. If dry weather persists and seeding delays continue, North American markets may strengthen.

## Loonie Surges Above \$1.02 U.S.

The loonie's rapid rise above the U.S. dollar has Ontario agriculture exports in a pricing turmoil. Meat and grain export prices are no longer supported by a Canadian dollar that is below that of our southern neighbour. As the dollar appreciates the basis on all commodities is pressured lower. Grain producers are fortunate prices are historically high. What other negative influences will farmers have to deal with next?

## USDA report Slightly Bullish

The October USDA report had no surprises. Projected yields of 41.4 bu/acre for soybeans and 154.7 bu/acre for corn were slightly below the September estimates. As is the case in Ontario, yields across the midwest vary depending on rainfall amounts. Projected 2008 carryouts of both crops look to be adequate.

Winter wheat carryout is projected to be at the lowest level since 1948 – 1949. This low inventory has come at a time when world levels are very low as well. Ontario winter wheat contracts for 2008 delivery are in the range of \$5.25 – \$5.50 per bushel. As the Ontario planted acreage increases by the day, basis may weaken further. Commodity futures prices may decrease into 2008 as more wheat is planted and yields improve. Locking in a profit on your projected 2008 production would be a wise decision.

## Inputs still more expensive in Canada



Farmers are frustrated that crop input prices have been slow to respond to the surge of the Canadian dollar, which is valued higher than the U.S. dollar. Farm fuels, fertilizers and pesticides tend to be more expensive in Canada than across the border when it should be the other way around.

The price differences range from five – ten percent more for fertilizers and 22 percent for gasoline. There is justification for some the differences. Fuel price difference is nearly all government tax. Some product pricing is based on the time of purchase – which may have been a few months ago before the Canadian dollar changed.

Producers will be watching for price declines in some of these products by next spring.

# 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 October 11/07.

The Ontario cattle market continues to slide.

Rail grades prices are down \$15 from last month. Fed steers and heifers are off \$9 - \$10. Cull cows are down \$2, bulls are steady. Steer calves are off \$9. Heifer calves 600-700 lbs are off \$12 and lighter weights are down \$3.

Cull cow and bull prices usually take a dip in the fall months.

All prices are on a hundred pound basis (cwt)

Category	Price Range	Ave. Price	Top Price
Rail Steers	135-140		
Fed steers	73 - 80	77	86
Fed heifers	71- 81	77	83
Cows	22 - 37	30	66
Bulls	38- 51	45	70
Stocker steers			
600 - 699	83 - 107	97	115
500 - 599	84 - 118	107	126
Stocker heifers			
600 - 699	80 - 94	89	106
500 - 599	91 - 110	100	126

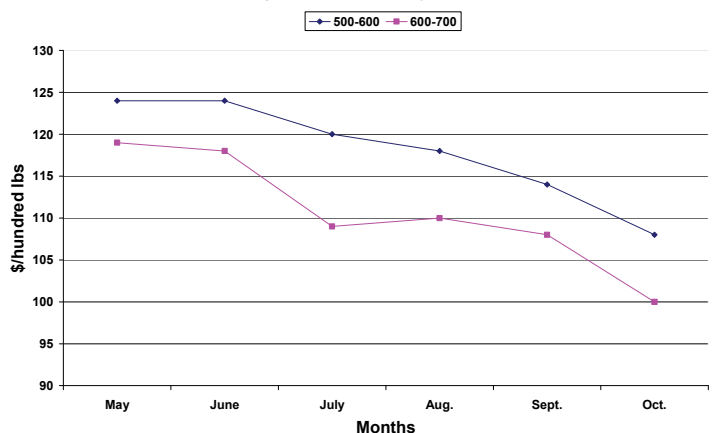
## Change In Beef Prices

A client recently asked about the slide in calf prices in September. The following graph shows average monthly steer calf prices from May to October to date for this year. We are looking at two weight ranges for steers, 5-6 weights and 6-7 weights. Prices are courtesy of OCA's Weekly Market Reports. As indicated 5-6 weights have fallen \$16/cwt and 6-7 weights dropped \$18/cwt over this time period.

Many will remember the fall in beef prices December, 2006 and early 2007, a result of skyrocketing corn prices. Corn prices have declined since. The Canadian Dollar is now higher than the U.S. dollar. This makes it attractive for Canadian processors to buy U.S. beef. As of the end of September beef imports from the U.S. have increased 23.5% compared to the same period last year. Imports from non North American countries have increased almost 26%. This has a major impact on Ontario finished cattle prices and down the line to calf prices.

In Alberta barley is common in finishing diets. The price of barley there is in the \$170 range putting additional pressure on prices.

Ontario Average Steer Price May to October 2007



## What to do?

Current calf prices are discouraging! We can't do anything about the value of the Canadian dollar, feed prices or imports of beef.

As a cow-calf producer we can package our calves to meet buyer demand. As an example, a group of producers at Wiky have targeted a quality stocker sale at Brussels in late November. Trucking arrangements are made for a tandem load to leave from a central location on a given day. Calves are being prepared according to the IAPO Beef Calf Quality Assurance Program (see below for details). The local vet clinic is up to date on vaccination requirements. This group are using Info-Link cards to inform potential buyers of calf package details.

These producers are making an effort to get the best price possible under the present market conditions. If a group of producers in your area would like to do the same, contact IAPO staff for assistance.



## IAPO BEEF CALF QUALITY ASSURANCE PROGRAM

(IAPO is again offering assistance for cow-calf producers)

**Program:** Participants will have an opportunity to prepare their calves for sale by participating in the IAPO Beef Calf Quality Assurance Program. The

program includes steps to be followed in order to be eligible for IAPO financial assistance. Eligibility for assistance will be at the discretion of IAPO staff.

**Details:** Each participant is eligible for a consultative visit from a local veterinarian or veterinarian technician. This visit is in the fall of 2007 or early winter of 2008 depending on participant's marketing plan. **Visits will be funded through IAPO with some restrictions.** This includes call fee, time on the farm fee and veterinary products used.

To receive assistance, eligible participants must develop a marketing plan. This plan will identify the time and location of the sale of calves.

### To be eligible calves must be:

- raised by the applicant or owned for at least 60 days before treatment
- castrated
- dehorned
- weaned
- started on hay and grain
- drinking out of a trough, waterbowl etc.
- tagged with a CCIA tag
- properly vaccinated with a 4-Way vaccine plus Hemophilus Somnus, Pasturella and clostridials

### To be eligible participants must contact IAPO to register for this program.

- indicate the name of participating veterinarian
- prepare calves to be eligible
- select a stocker sale approved by IAPO
- complete and forward Info-Link cards to the sale with the calves

### Vet Visit

Call fee, time on farm to perform listed requirements i.e. castration, dehorning etc and vaccine cost will be covered by IAPO.

### No Signs of Herd Expansion in the U.S.

According to NDSU extension, cow-calf producers in the U.S. show no signs of holding back females for herd expansion. Heifer slaughter this year has been up 3%, and cow slaughter up 7%, compared to 2006. Historically, female slaughter expressed as percentage of steer slaughter has provided a good indication regarding whether or not producers are expanding or contracting their herds. Rising costs in the cow-calf sector suggest that little or no expansion is on the horizon the next couple of years. This suggests that annual slaughter volume is not likely to increase in the foreseeable future in the U.S.

## Calendar of Events

- Nov. 2-11 Royal Agricultural Winter Fair, Toronto
- Oct. 15-30 Vision for the Ontario Beef Industry, for dates and times in your area go to <http://www.cattle.guelph.on.ca/newsroom/News-2007/Visioning.asp>
- Jan. 3,4, 2008 Southwest Ag Conference, University of Guelph Ridgetown Campus, Ridgetown, Ontario
- Jan. 19, 2008 FarmSmart Agricultural Conference University of Guelph, Guelph, Ontario

THIS SPACE RESERVED FOR AGRICULTURAL EVENTS IN YOUR AREA  
Please contact us if you have an item for the Calendar of Events