

# Native Agri Update

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www.indianag.on.ca

### **IAPO'S IMPACT**

As mentioned in March's Native Agri Update, in the coming weeks IAPO will be reaching out to members and other stakeholders for input and direction into IAPO's Impact Assessment Project.

The project, a key part of IAPOs strategic plan, is a direct result of member involvement and input. As you may recall, during the development of the strategic plan, IAPO conducted a member survey, as well as, numerous discussions with members. Key feedback included the idea that while IAPO does a lot of good work, not enough people are aware of, or understand, IAPO's impact. With this in mind, to be successful, IAPO's path forward focuses on examining and assessing our programs and services so we can clearly understand and demonstrate our impact. By measuring our social impact, we can ensure our programs and services are the best they can be. To support the project, IAPO will be working with Social Impact Squared to help build social impact measurement capacity and communicate IAPO's value. The project has three stages, with the first stage well underway.

During the *first stage* of the project we are working with members and other stakeholders to develop an impact measurement framework. The framework will provide IAPO with a plan for measuring its impact. It will also include the development of tools and systems that IAPO will need to manage and utilize the impact data. Members and other stakeholders have been providing input throughout the planning phase in order to ensure the framework results in impact data that is credible, engaging, and useful. As well, members and other stakeholders will be engaged to ensure that the work results in increased ability for IAPO to provide more and better services.

During the second stage of the project,

we will work to connect with members to get their insights and opinions on program and services, as well as, IAPO's impact. Hopefully everyone can take time to stop and join in the project as everyone's opinion and input is important. Its expected that we will spend a little over a month connecting and collecting information, but as spring is approaching, well have to take our lead from the weather and farming activities.

During the *last stage* of the project, we will use a Social Return on Investment (SROI) approach to show and communicate the value of IAPO's impact. SROI is a framework that expresses the value of social, economic, and environmental changes in monetary terms. It's kind of like measuring IAPO's "bang for its buck". In this context, it will help us to focus on services and programs with higher returns when all the social, economic and environmental impacts and costs are considered.

If you have any questions or would like more information on the Impact Assessement Project contact Jamie at 1-800-363-0329 or jamie@indianag.on.ca



**ANNUAL GENERAL MEETING** 

FRIDAY APRIL 22, 2016 1– 2:30 pm Youth and Family Centre 1527 4<sup>th</sup> Line, Ohsweken.

All members in good standing are welcome to attend IAPO's 2016
Annual General Meeting.
For more information, contact:
1-800-363-0329
or info@indianag.on.ca

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# Agribusiness

### **STARTING YOUR OWN AGRIBUSINESS**

So you want to be your own boss and have your own agribusiness. Just think, no more punching a clock, take Holidays whenever you want and more money for you and your family. Are these good reasons for starting your own business? Maybe. Starting an agribusiness may provide all of the above but likely not during those initial startup years.

IAPO has a skilled staff that can help you to start a new business, but before you call IAPO, careful thought and planning is required on your part. Regardless of the new business or venture, the first thing you need to ask yourself is: Am I becoming a new farmer or agribusiness owner as a hobby or as a business? A hobby or lifestyle business may suit your needs and personal values, but if you wish to make a suitable income (after expenses) from your business it has to be planned and run as a business.

Here are some key self-assessment questions to consider before establishing a new business:

### What are the main reasons I want to own and/or operate a business or farm?

Your reasons should not just involve money. You should be driven by a love of the land and nature. Perhaps you identify with the challenge of producing high quality food for the market in your community. To be successful you must love your work to be able to withstand the challenges that lie ahead.

#### What are the pros and cons of starting an agribusiness?

Make a list. Its easy to think of all the benefits, but don't forget to consider the potential drawbacks including more hours, less money and more debt. Discuss the issues with your partner or spouse and other family members. A successful business will require support and understanding from everyone.

# Do I have the personal and business skills to take on the challenges and opportunities that becoming a business owner will require. If not, am I willing to seek out the necessary advice and skills?

Successful business owners are always learning. There are scores of opportunities to hone your business and management skills. The most successful business owners take time to attend seminars and educational events. If you do not see a need to become skilled in planning and bookkeeping then an agribusiness may not be for you.

Does my personality suit the agribusiness lifestyle? In agribusiness there are challenges such as weather, disease and market prices over which you have little or no control. Patience and determination will help you stay on the path to success. You must be prepared for lean times especially during those initial years.

### If necessary, am I prepared to lower my standard of living to start the agribusiness?

If you are not able to answer yes to this question then you may need to rethink your plan. Perhaps you need to keep your present income stream while your new agribusiness develops

at a slower pace. Leaving your present work environment and plunging full time into a new venture can lead to unexpected financial stress on the family. Think about the financial expectations of you and your family first.

### Am I prepared to work long hours and weekends to make the agribusiness work?

Agribusiness owners must be dedicated to the seasonality of their businesses. For instance there will be no trip to Florida or a weekend away at a hockey tournament when the sap is running. The planting window for gardening or cropping are short and often take precedence over all family activities. Agribusinesses must be a labor of love where the hours should be in balance with the family dynamics. The old saying that YOU MUST MAKE HAY WHEN THE SUN SHINES applies to every agribusiness.

### How will I handle the seasonality of the work?

If you are willing to dedicate the time required to operate a successful agribusiness then it is wise to plan for those times when you will require help. Are you able to call upon family in times of need? If you have teenagers that you can count on ,the agribusiness can provide them with a means to make a few dollars. You must be proactive and have a work plan. In agribusiness timing is everything.

### Is this the right time in my life to start a farm based business? Are the economic factors favourable?

It's best to base the start up on an opportunity that you see in the marketplace. It is always better to have a market for your new product(s) before the new business idea becomes a reality. The more you explore, read and talk to others the more you will become comfortable and know that a business opportunity exists.

### Have I discussed my agribusiness idea or proposed plan with an advisor and considered any advice?

The most difficult part can be pitching your idea to others especially if the feedback that you get is not positive. Successful entrepreneurs are able to use feed back to mold and improve their agribusiness venture. A business advisor or mentor can provide valuable input into your business plan and help you avoid making the same errors that others have made.

### Do my family and/or friends support my agribusiness idea and will they support me in becoming a farmer?

Family and friends can be your harshest critics. Pitching your proposed agribusiness venture to these folk may be your ultimate test. Friends and family know your strengths and abilities better than anyone else. If at the end of pitching your idea to friends and family you get a positive response then you may be ready to take your idea and develop it into a an agribusiness plan.

In summary, starting an agribusiness requires careful thought and self-examination. You may have one chance at becoming your own boss and the owner of a successful agribusiness so do not waste your chance. Plan carefully. Develop your idea slowly. Discuss everything with your spouse or partner. Its best if they are supportive of you and your plan. They'll be there to share in the success and to support you through the challenges

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## Market Information

### **BEEF MARKET WATCH**

Prices are courtesy of the Beef Farmers of Ontario Weekly Market Information Report for the week ending April 1 2016



Changes here reflect the difference in prices from the week of Feb.5, 2016 to the week of April 1, 2016. Keep in mind this week was a short week following a short week which threw the markets off somewhat.

Prices have fallen to last quarter of 2015 levels for calves in particular.

Rail grade steers are down \$10 and fed steers and heifers are off \$8 to \$9.

Cows and bulls are off \$5 - \$10 with much higher cow numbers sold this week compared to the previous week.

Stocker steers and heifers have dropped \$22 - \$35.

It is expected that prices will be more "normal" this year compared to the previous 2 years. Supply and demand and the changing value of the dollar will have major impacts causing prices to shift accordingly. Prices kept climbing in 2014 and 2015, have settled out in late 2015 and this year.

The U.S. cowherd continues to expand in 2016. Signs now indicate expansion has started in Canada. Expansion means

heifers are held back curtailing the number of calves going to market in the short-term. Slowly the herd builds and the supply of calves increases followed by an increase in beef supply. A strengthening Canadian dollar will put pressure on prices. On the plus side there were increased exports to the U.S. and China and Hong Kong in January of 2016 compared to 2015. China and Hong Kong sales have increased by almost 50% becoming Canada's second largest trading market.

Category	Price Range \$	Ave Price	Top Price	Change
Rail Steers	280-285			-10
Fed steers	149-169	162	190	-9
Fed heifers	151-171	162	187	-8
Cows	75-100	87	151	-5
Bulls	113-131	122	180	-10
Stocker steers				
700 - 799	168-210	191	230	-35
600 - 699	193-242	218	256	-22
500 – 599	186-247	219	268	-34
Stocker heifers				
700 - 799	164-184	174	193	-28
600 - 699	168-204	186	232	-30
500 – 599	167-220	197	249	-33

All prices are on a hundred pound basis (cwt)

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#### CROP MARKET

Excerpts from Monthly Market Trends Post Mar 31 USDA Special Report by Phillip Shaw GFO www.gfo.ca

**CORN** -The large corn acre projection from USDA March 31 Projected Planting Report may lead to some very big ending stocks at the end of this crop year. The big acreage number of 93.6 M acres with a yield range from 160 to 168 bushels per acre, would result in ending stocks from 2.044-2.729 billion bushels. Of course, this is a huge number, which can buffer any small weather scare this summer. The May 2016 - July 2016 corn futures spread is -.0375 cents as of April 1st, which is considered neutral. Seasonally, corn futures tend to trend sideways through mid-May. The May corn contract is trading currently in the lower 5% of the five-year price distribution range.

**SOYBEANS** -Soybeans have been on a tear since their lows of March 2nd and the USDA report in some ways represented a speed bump versus the colossal

stonewall, which was put up in front of corn prices. The quarterly ending stocks at 1.531 billion bushels still represents a lot of soybeans, but USDA has been notoriously bad for overestimating the stocks historically. Expect an accelerated disappearance of soybeans this year. The May 2016 - July 2016 soybean futures spread is .0775 cents as of April 1st, which is considered neutral. Soybean futures tend to trend up through early May. The May soybean contract is now priced in the lower 13% of the five -year price distribution range.

WHEAT -Wheat acreage is projected to be lowest recorded wheat acreage in the United States since 1970 at 49.6 million acres. Globally there is wheat everywhere and that does not change its bearish fundamental outlook. In Ontario the slightly less than 1 million wheat acres will soon be the focus of intense management as nitrogen begins to be side dressed. The acreage figure is unlikely to change, as winterkill was minimal this year. Yield potential this year is higher because of the good condition of the crop after winter.

### Coming Events

April 22 IAPO 2016 Annual Meeting

Youth & Family Centre, 1527 4<sup>th</sup> Line, Ohsweken 1-2:30 pm

April 30 AgriStability - 2016 Program year.

Deadline to to cancel coverage & pay fee.

## Livestock Information

### **GRASSING STOCKERS**

Grass calves and yearlings are either raised at home or purchased for grass. They are sold off grass or finished at home in the fall. Farmers grassing cattle are looking for a return on available resources. They have pasture, either owned or rented. Cash is available or can be borrowed or cattle are owned. There is time

available to check pastures regularly.



The following situation gives an indication of some things to consider in pasturing cattle. Keep in mind there is a big difference in the ability of cattle to gain, pasture quality and the cost of maintaining or renting pasture. For our purposes let's consider a farmer who has late spring calves or early fall calves in 2015 carried through the winter. By May 15 the calves weigh 650 lbs. and are worth about \$2.15/1b. If a farmer decides to grass these calves they are giving up a potential income of \$650 x \$2.15 =\$1,398 in the short term for the opportunity and risk of gaining means postponing income in May with the hope of greater remore income by grassing and selling in the fall.

A farmer's return on grass cattle will depend on three things:

- Purchase price or animal's value if raised and sale price, also called buy/sell or price margin.
- Cost of gain on pasture.
- Actual lbs. of gain after shrink.

#### **Buy/Sell Margin**

This is a hard one to predict. Heavier cattle usually bring less money per lb. For example we have suggested these calves will bring \$2.15 in May at 650 lbs. If these calves gain 2 lbs/day for 120 days they will weigh an extra 240 lbs coming off grass at 890 lbs. On the same market we are looking at \$1.80/lb for these calves. The expectation is that cattle prices in general will be a little lower in the fall compared to May prices increasing the price margin. We will use \$1.75 in the fall. The price margin is a negative \$2.15 - \$1.75 = \$.40/lb.. This is a large negative margin and reflects the current high priced market. In a weaker mar

ket there is usually a smaller negative margin. In the buy/sell margin we have lost  $650 \times \$.40 = \$260$ .

When there is a large negative margin it is more profitable to reduce the stocking rate. This should result in increased gains per head to overcome the drop in price.

#### Cost of Pasture Gain

There are many ways of charging for pasture rental. A grazing fee may be based on lbs of gain. More common is a perhead per month fee. Pasture quality and stocking rate may have an impact on this fee. In this example we will assume the land is owned or available as a community pasture. If the pasture land is owned, fencing, fertilizer and seeding are considerations. Salt and mineral, vet fees, trucking to and from pasture and fly control are other costs. Here we will assume \$90 per head for the grazing season. Another real cost is death loss.

#### Actual Gain

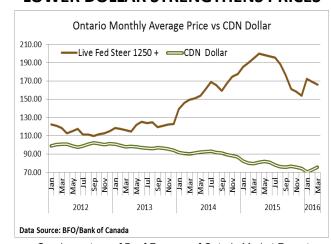
Body condition and cattle health have the largest impact on gain. Lean, healthy (green) cattle gain best. Fleshy calves tend to put on fewer pounds. Pasture quality and stocking rate (the number of head per acre) will also influence gains. Here we are assuming a gain of 2 lbs/day and 240 lbs total before shrink. This will take quality pasture to achieve. We will use 5% shrink for a sale gain of 228 lbs. The value of gain is 228 lbs x 1.80 = \$410.

#### Summary/head

Value of Gain	\$410
Cost of Gain	(\$90)
Buy/Sell Margin	(\$260)
Return/head	\$60

Keep in mind there are risks. Holding cattle for grassing turns from pasture gains, a reasonable price spread, and affordable cost of gain.

#### LOWER DOLLAR STRENGTHENS PRICES



Graph courtesy of Beef Farmers of Ontario Market Report. This graph shows impact of volatile Canadian dollar on live fed steer prices.

## Crop Information

### WEED MANAGEMENT FOR ORGANIC FARMS

(Source: Creating a Weed Management Plan for Your Organic Farm, Penn State Extension <a href="http://extension.psu.edu">http://extension.psu.edu</a>)

In our previous issues we discussed Step 1. Know Your Weeds and Step 2. Design Your Rotation. This month we continue the series on Weed Management for Organic Farms with Step 3: Group Crops with Similar Management

In order to simplify your weed management practices, group crops that will be managed similarly. This will save time on adjusting equipment and allow you to block similar crops close to each other in the field. For rotation management, farmers usually group crops together that are in the same family (see the Start Farming Fact Sheet "Planning a Crop Rotation from the Start"). For weed management it also helps to group crops within families or group together families that have similar row spacing or other management commonalities.

For example, tomatoes, peppers, and eggplants may all be mulched with black plastic on your farm. Grouping them together means you can lay all the plastic at once. Root crops such as carrots, beets, and turnips are not all in the same family, but they are often grown on the same spacing. If you are using mechanical cultivation, you can set your cultivator to run between three rows and do that entire section of your field with the least time spent adjusting equipment.

Common groups for weed management might be as follows:

- Brassicas: cabbage, broccoli, cauliflower
- Cucurbits: summer squash, cucumbers, winter squash
- Greens: spinach, lettuce, chard, kale
- Legumes: peas, beans
- Roots: carrots, beets, turnips
- Solanaceous crops: tomatoes, peppers, eggplants

Note: Because these groups include multiple families, you may need to avoid multiple groups the next year to avoid disease problems.

### Design Your Rotation to Optimize Weed Suppression: Nordell's Beech Grove Farm Example

Anne and Eric Nordell use a fallow year before onions to reduce weed pressure and spread weed management throughout the season.

Fall: First cover crop—rye after previous cash crop or spring oats (mowed before head) prevents mustards and others from going to seed.

June or July: Plow in first cover.

July–August: Harrowing every 2–3 weeks brings roots and rhizomes of perennials to the surface to dry in the sun and prevent annual weeds from establishing.

August: Seed second cover crop, generally Canadian field peas and/or oats that will winter kill. A winter-killed cover crop allows you to get in an early spring cash crop the following year.

### Tools for Your System: Market Garden Example



Tools: 5-inch stirrup hoe, 3<sup>1</sup>/<sub>4</sub>-inch stirrup hoe/Dutch hoe, straw from farm, plastic mulch, & wheel hoe with 8-inch and 5-inch blade to increase efficiency and provide control between beds.

Bed and row spacing:

Beds are on 5-foot (60-inch) centers with a 1-foot pathway and 4-foot beds; rows spaced 60 inches (1 row), 24 inches (2 rows), 10 inches (4 rows), or 4 inches (9 rows).

Crop Group	System/between-row spacing	Tool
Baby greens	9-row, 4-inch spacing	3 1/4 inch stirrup hoe
Brassicas	2-row, 24-inch spacing	8-inch wheel hoe
Cucurbits	straw mulch, 24-inch spacing	
Greens	4-row, 10-inch spacing	8-inch wheel hoe, 5-inch stirrup hoe
Legumes	2-row, 24-inch spacing	8-inch wheel hoe
Roots	4-row, 10-inch spacing	8-inch wheel hoe, 5-inch stirrup hoe
Solanaceous crops	black plastic mulch, 60-inch spacing	

Next issue, we'll wrap up with Step 4 & 5 in the series.

### **2016 WINTER WHEAT CROP**

The majority of Winter Wheat throughout Ontario is looking excellent and nitrogen will be applied between mid-to late April as field conditions improve. The quick release forms of nitrogen like 28% or urea are the best options to consider.

The fall growing period was extended with warmer than normal weather and spring weeds may be more of a problem. Growers should scout their fields to determine the need for a herbicide application to eliminate winter annual weeds. The general recommendation for weed management with winter wheat still holds true, according to Sikkema. "If you have weeds at such numbers that they are going to cause yield loss, you are much better to spray in late April or early May than to delay the application until weeds are bigger – that just results in greater yield loss. Early application is recommended for two reasons: your margin of crop safety is greater. Yield loss due to weed interference is reduced, as it is with any crop."

The amount of top growth and tillers already present in the crop add to the potential for early season disease problems like powdery mildew and septoria leaf spot. Growers will need to monitor weather conditions and scout fields on a weekly basis to determine the need for controlling leaf diseases during the early spring growing period. Consult your Agronomist or Business Advisor to assist identifying potential disease outbreaks in your wheat.

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## Other News

### **2016 MAPLE SYRUP SEASON**

Maple syrup producers were unsure about this year's production with warmer than normal temperatures and disappearing snow in many areas. However on Manitoulin and areas North and East it has been a good run to date.

Many First Nation producers are seeing an average to above average sap flow with extra heavy flow last week in particular. Temperatures have dropped this past weekend slowing down budding activity. Further sapflow is anticipated this week. Nipissing FN had snow cover as of last weekend. Wikemikong had heavy snow still in the bush. Production on Georgina Island has been above average.

Some early syrup was lighter in colour but getting darker as the season goes on. There may be sap flow next week as well.

While a lot of maple syrup producers are adopting new technology like pipelines and reverse osmosis, many still work with more traditional methods. Here are some pictures from sugarbush visits this year.



Richard Manitowabi of Wikwemikong has about 200 taps using buckets and boils using 3 cauldrons. Sap flow has been above normal. He uses a neighbour's bush.





Luke Naokwegijig at Wikwemikong has 70 to 80 taps in a bush with room to expand. He uses a 3 pot system boiling in a sugarshack.



Stacy McQuabbie at Henvey Inlet has a 50 tap operation, boils using a reconstructed water tank located under a canopy. He continues a family tradition and has access to an extended bush with expansion potential.



Jake Charles on Georgina Island uses a cauldron system on about 100 taps with greater potential. Traditional maple syrup production is combined with Jake's "First Nation Cultural Tours".