



Native Agri Update

No. 386 December 2020

www.indianag.on.ca



Wishing you every happiness
this holiday season & throughout
2021!

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Holiday Hours: IAPO will be closed for the holidays at 1:00 pm Thursday
December 24 and reopen at 8:30 Monday, January 4, 2021.

Agribusiness

PREPARING FOR THE NEW YEAR

I don't think there will be a New Years for years to come as joyous as when we all say goodbye to 2020 and welcome 2021!

When we started the year 2020, optimistic, enthusiastic as we all are when the new year comes around. Who could have imagined the year we were all in store for? Pandemic, lockdowns, social distancing and more. It has definitely been a year I think we are all looking forward to putting behind us.

With that said, there is still all the same end of year work that needs to be done, to prepare for the new year. And guess, what? You don't have the excuse this year, "I had to go to too many Christmas parties." With the extra time, it is a perfect chance to get caught up and have an excellent start to 2021.

The two main statements most useful to farmers are an accrual income statement and a balance sheet. The accrual income statement measures the profitability of the business for the year. While the balance sheet measures the operator's level of ownership or equity in the business. The majority of farm operators use a calendar year (January 1-December 31) and the financial statements should be prepared as of December 31.

Do not get discouraged by year end financials, especially this year. Spend a day or two ensuring all expenses are paid before December 31 and make a list of those expenses (payables) that will be carried over into the New Year. Deposit all income from sales and avoid keeping those uncashed cheques (receivables) in your wallet. For cash croppers, paying land rent is a task to complete before year end. This is your chance to feel like Santa. By completing all sales and paying bills you are well on your way to completing the farm's financial year end.

Once the bank statement arrives for December 31, the final bookkeeping items can be entered.

Accrual Adjustments

To arrive at an accrual income statement, adjustments to income and expenses are made based on differences in farm values between January 1 and December 31, for grain, livestock and other production inventories, accounts receivable, accounts payable and prepaid expenses.

The exact dollar amounts for these items are also used in preparing a balance sheet. Grain and livestock inventories are generally the most significant items to consider when making these adjustments. Therefore, it is very important to estimate the quantity and value of these items as accurately as possible. Grain should be valued based on the local cash market, as of the end of the year. Determining the proper value for livestock can be more difficult. Again, it is important to get an accurate estimate of the number and weight of the animals. The current cash price can be used for estimating values for

market livestock. A conservative "base value" should be used for breeding livestock. This base value can utilize local cash prices but should not fluctuate significantly from year to year. This prevents net farm income and net worth changes simply due to changes in valuation.

Accrual adjustments are easily made once you have made a list of year end inventories on your farm. Your list should be detailed and include such items as seed, herbicide, hay in the barn, fuel in the tank in addition to the usual stored crops, hives in the yard, unsold maple syrup and so on. Once a list is completed then dollar values are attached to each item.

Other accounts receivable might include custom work which has been performed but payment not received. For example, you may be expecting a cheque from an insurance claim that has not been received.

Prepaid expenses as of December 31 would include inputs and supplies that have been purchased and paid for in the present year, but are for the following year's crop. The most common items are seed, chemicals, fertilizer, fuel and feed.

Accounts payable are expenses that have been incurred for the business year but have not been paid for as of Dec. 31. This could include a variety of items.

Balance Sheet Considerations

Since machinery is usually a significant asset for most producers, it would be prudent to have a detailed machinery list with individual valuations rather than just one total value.

We have all made it through something we thought was just possible in movies and make believe, and unfortunately, we are not out of the woods yet. It is always best to be sound in your numbers and know where your operation is at. This will give you peace of mind to make the best decisions for your farm and business going forward. No matter what the new year throws at you!

LOAN REVIEW COMMITTEE MEMBER

IAPO is seeking applications from interested First Nations candidates possessing a financial background to serve on the Loan Review Committee (LRC).

The LRC reviews and renders decisions on all client loan application and submissions. Key responsibilities include: review and evaluation of financing applications, loan approval and recommendations to the Board of Directors and semi annual portfolio reviews.

Participation on the Loan Review Committee is part time commitment with compensation. The ideal candidate will have an agricultural and business background, including financing.

Interested applicants are asked to send a cover letter and resume to: Jamie Hall - jamie@indianag.on.ca

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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 Thursday December 11 2020.

Changes here reflect the difference in prices from the week of October 15, 2020 to the week of December 11, 2020. Weekly reports provide prices on a per cwt basis for the week but do not include Friday sale results.

Prices are somewhat mixed from last time with a general downward trend in most categories. This appears to be a slow week in all categories with reduced demand. Rail grade and fed cattle are fairly steady with non-fed cattle for slaughter down in price. Heavier stockers were harder hit compared to lighter calves. Rail grade prices were steady with limited sales reported for the week. Fed steers and heifers were divided with steers down \$4 and heifers up \$3. There were disruptions at one Ontario plant this week limiting demand.

Cull cows and bulls are down \$9 to \$5. Moving into the Christmas season there is reduced interest in ground beef and increased demand for poultry. Cow numbers are down with limited demand.

Stocker steers are down \$14 in the 7-8 weights but become stronger in the lighter weights 5-6 weights up \$4. Heifers follow a similar pattern with the heavier weights down \$21 and lighter weights steady.

Carcass weights are up 17 lbs. for steers and 26 lbs. for heifers compared to December, 2019. Exports of feeder cat-

tle and calves are down 39% indicating more cattle are finished at home. Beef imports are up 18% while exports are down 4 % to the U.S., our largest market.

Category	Price Range \$	Ave Price	Top Price	Change
Rail Steers	232			steady
Fed steers	119-137	129	167	-4
Fed heifers	114-136	129	156	+3
Cows	41-60	51	97	-9
Bulls	73-96	84	128	-5
Stocker steers				
700 – 799	156-192	179	207	-14
600 – 699	171-212	197	231	-7
500 – 599	182-240	218	265	+4
Stocker heifers				
700 – 799	134-170	155	193	-21
600 – 699	149-192	175	205	Steady
500 – 599	157-205	185	229	-1

All prices are on a hundred pound basis (cwt)

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CROP MARKET

Adapted from Market Trends Commentary for Dec Jan 2021 by Phillip Shaw GFO www.gfo.ca

Corn US corn exports are hot, if realized will be a record of 2.65 billion. As everybody knows, China has committed to buying quite a bit of American corn. It has resulted in March corn at \$4.23 and Dec 2021 corn at \$4.12, which are good prices, but to be maintained, Chinese buying needs to continue and a weak US dollar helps.

Ethanol might help too. In January of 2020, US ethanol production topped out at 1.081 million barrels/day but fell to a low of 537,000/day in April as the COVID lockout intensified. We've worked our way back to 991,000/day as of December 4th.

Seasonally, corn prices tend to top in early to mid-June, but 2020 broke the mould on that. Watch for it in 2021.

Soybeans How many soybeans are out there? It's hard to say, but the US ending stocks-to-use ratio is down to 3.9%, which is the lowest in 20 years. It al-

most makes those 1 billion bushel carry outs from 2019 seem nostalgic! In fact, it's hard to believe, but that is how this market has changed relatively quickly. It should be well supported because of this thru the winter.

As we move into 2021, you have to ask yourself how many soybeans are you planting next year? As you might surmise, higher soybean prices have shifted the focus for more soybean acres next year vs spring wheat, cotton and even corn. With 83.1 million acre of soybeans planted last year, do we approach 89-90 million acres that we had back in 2018/19? Unless things change, the switch will be on.

Seasonally, soybean prices tend to peak in July and bottom in October. Obviously 2020 was an anomaly to

that rule.

Wheat It's been exciting in wheat lately as President Putin has threatened to impose a grain export quota and export tax for the period of Feb 15-30th to help stem the price of bread. This would be significant as Russia has put a lot of wheat into international markets. 22% of Russian wheat is in poor conditions now. The market is a little bit more nervous than usual, because American acres are down. Still, global stocks are onerous.

In Ontario, lots of wheat was put into the ground this fall with quite good conditions. Upwards of 1 million acres maybe planted. \$7 plus wheat contracts have been available for several weeks and a good starting point for many Ontario wheat producers.

Coming Events

January 2021 Poultry Production—Meat Bird IAPO On line Workshop
February 2021 Maple Syrup Production IAPO On line Workshop

Dates and times to be announced early in January

Livestock Information

REPRODUCTION - KEY PROFIT TRAITS IN A LIVESTOCK HERD OR FLOCK

Adapted from an Article from Dr. Stokka, North Dakota State University

Selling more offspring per females exposed to a bull, ram or buck has the largest impact on livestock farm profitability. Often, we focus on traits more growth related ,like weaning weights. Let's look at a cow herd.

Consider a 50 cow herd with a 15% open rate. This means that about 43 cows are covering the cost of maintaining 50 cows. If cow costs on an annual basis are \$800, then each of the 43 pregnant cows will have to cover about \$930.

A few things contribute to pregnancy rates.

Here is information producers might discuss with their veterinarian to investigate this problem:

What time of the year is calving season? Late winter/earlier spring calving requires more energy in the diet to prepare cows to be rebred during the breeding season.

What is the calving season distribution, or when are the majority of calves born? Is it the first 21 days, the first 45 days, the last 30 days or scattered throughout the calving season? This information provides some evidence of inadequate bull power, which may be related to dominant bulls, lame bulls, injured bulls or inadequate BCS and cow nutrition during the breeding season. A large number of cows determined to be pregnant late in the breeding season could be an indication of reproductive disease.

What is the number of calves born related to the number of cows determined to be with calf at the previous pregnancy checking event? This number could indicate fetal loss due to abortions not noticed, or obvious abortions and stillbirths. This can be evidence of fetal infections such as BVDV, IBR, leptospirosis, Neospora, fungal infections and a host of other possible pathogens. In addition, fetal losses can be due to high nitrates in forage resources.

What is the cow BCS and by age? Younger cows (2- and 3-year-olds) and cows more than 12 years old generally will carry less condition than middle-aged cows. This will have a direct relationship to the ability to rebreed and conceive for the next season because young cows still are growing and lactating, and older cows will have more difficulty staying in condition because most of their incisor teeth will be missing.

What are the cow and bull ages and numbers by pasture? Herds with younger or older cows in common pastures, regardless of bull numbers, generally will have a greater number of open cows. The number of cows exposed per bull is important, but perhaps even more important is bull age. Older and more dominant bulls tend to serve the majority of cows, so the number of bulls may not be as important as the age of all the bulls in a pasture. Running two 14- to 16-month-old bulls

with a single dominant older bull counts as three bulls. However, in reality, the herd may have only 1.5 bulls because the dominant bull dominates the breeding.

Do you make biosecurity and vaccination a priority? All purchased and additions to the herd should have a testing and vaccination history. If not, then quarantine. Don't introduce new animals into the herd just prior to the start of the calving season.

A consultation with your vet can help assess your herd for reproductive efficiency to improve profitability.



PREPARING FOR CALVING

There are a few things to consider now for March/April calving season with a few early calvers in the mix. Some preparation contributes to a successful calving season.

Now is a good time to do a walk-through of pens, chutes, and calving yard. Check that all are clean, dry, strong, safe, and functioning correctly. Make sure the gates and the squeeze panels are ready for use. Remove supplies and equipment stored in calving facilities and move to another location. It can be frustrating having to make space on a cold night with an early calving cow deciding its time.

If health concerns like calf diarrhea has been a problem in your herd in the past, consult with your veterinarian. Ask about a scours vaccine given to the cows before calving, and about other management strategies that help reduce exposure to baby calves when they are most susceptible.

There are a number of other steps in calving preparation but these are important first considerations.

BRED COW VALUES

A Dec. 4 bred cow sale at Keady had the following results.

Top quality bred cows exotic and exotic cross brought \$1800 to \$2200. Average quality bred cows were \$1400 to \$1800, top quality bred heifers had a very wide range from \$1600 to \$2750.

Top quality British and British cross cows were \$1500 to \$1800. Bred heifers realized \$1800 to \$2200 for good quality, average quality were \$1200 to \$1700.

Compared to a year ago, bred cow prices are similar with current heifers appearing slightly higher.

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Crop Information

FARMLAND HEALTH CHECK UP

source: www.ontariosoilcrop.org

The Farmland Health Check-Up provides farmers in the LEADS Eligible Area (Lake Erie and Lake St Clair Watersheds) with a unique opportunity to work with a CCA or P. Ag free of charge (Certified Crop Advisor or Professional Ag-rogologist) to review key areas relating to soil & water health including:

- Water, wind & tillage erosion
- Subsurface compaction
- Organic matter & soil life
- Soil chemistry - phosphorus & nitrogen
- Pollinator health

The benefit of this program includes dealing with a neutral, 3rd party paired with technical expertise; an easy “kitchen table” discussion to start focusing on soil health and water quality and uncovering and prioritizing actions for your specific farm. This program may open the door to cost-share opportunities to implement those actions.

The Farmland Health Check-Up starts with looking at recent cropping practices on the farm. Some of the information you’ll review (if you have it) includes Environmental Farm Plan (EFP), recent soil test results (even if they are not particularly recent), planting, fertilization, tillage, manure application, weed and pest management records, yield data, crop rotation and cover crop information and severe weather, etc.

Your CCA/P. Ag will complete an assessment of your soil and pollinator health using a detailed system, and develop a list of Best Management Practices that are targeted for your operation.

The Ontario Soil and Crop Association (OSCIA) through the Canadian Agricultural Partnership (CAP) is delivering a program called the Farmland Health Check Up. Program details are available at the OSCIA website www.ontariosoilcrop.org 1-800-265-9751 or fhcu@ontariosoilcrop.org

SOILS INTRODUCTION FOR GARDENERS

Good soil is absolutely critical for the growth of healthy plants and great vegetable yields and there are ways to maintain or improve the soils.

Soil is a mix of sand, silt and clay, along with organic matter, living organisms, air and water. A typical soil consists of 45% mineral, 5% organic matter, 20-30% water and 20-30% air. It is the ratio of the various mineral elements in soil, that is sand, silt and clay that determine a soil “type”. As an example, loam or sandy loam is the gold standard for a garden as the blend of sand, silt and clay is perfect for plant roots to penetrate and easily absorb water and nutrients.

You can have a big effect on the soil quality and soil devel-

opment in your garden. By taking care when working the soil, rotating what you plant, and using soil amendments, you can manage and improve the soil, allowing your veggie crop to thrive! To amend soil, means to improve it with additional materials. Some soil amendments improve the physical nature of soil by adding organic matter. They reduce compaction, aerating the soil to allow water and nutrients to more easily move through it and reach plant roots. Some soil amendments also add nutrients to the soil, help retain moisture and help maintain the correct pH balance.

Examples of amendments include: Compost, peat moss, composted manure, green manure like buckwheat, grasses, legumes like red clover, wood ash, fertilizer (e.g. 19-19-19) and lime.



Soil nutrients can be broken down into the following categories: Primary nutrients are Nitrogen, Phosphorus and Potassium; Secondary nutrients are Calcium, Magnesium and Sulphur; and Trace minerals are Zinc, Manganese, Boron, Copper, Iron, Chlorine and a few others. All of these elements are important to plant growth. The amendments you add to your soil may contain some of these plant nutrients or you may need to add them from fertilizer, manure or compost. Other amendments

can affect your soil pH.

Soil pH is important because most plants absorb nutrients when the soil is slightly acidic. The acidity or alkalinity of a soil is measured in pH units, on a scale running from 0 to 14. A pH of 7 is neutral. Plant nutrients become available or unavailable according to the soil’s pH level. If your soil is too acidic or “sour”, you may have to add lime or wood ash to raise the pH. If your soil is too alkaline or “sweet”, you may have to add items like sulphur or pine needles to lower the pH.

Getting your garden soil tested periodically, perhaps every 2-3 years will provide plant nutrient recommendations based on what you grow in your garden, and perhaps as important is a trend for organic matter and soil pH. That trend will reflect the work you have done to improve your soil over time.



Finally, a comment about soil compaction. Soil compaction occurs when soil particles are pressed together, reducing pore space between them. This may be from foot traffic, equipment, excessive tillage, heavy rain, or working the soil when it is too wet. Soil compaction prevents plant roots from penetrating the soil. This causes roots to spread horizontally and unable to grow beyond certain layers of soil. Root tips may become saturated and unable to absorb nutrients. Avoid compaction by mulching pathways, increase soil organic matter with amendments and don’t work the soil when it is too wet.

Other News

BUSINESS RECOVERY FINANCING

source: adapted from IEDF BCF

IAPO is offering Business Recovery Financing (BRF) to eligible First Nations businesses affected by the COVID-19 pandemic. Up to \$50,000 is available as 50% repayable financing & 50% grant.

BRF may be used to cover general expenses and may also be used towards increasing production capacity, developing new products, moving to online marketing, or to make improvements to accommodate social distancing requirements.

BRF is available to support eligible First Nations farm and agribusinesses across Ontario. For eligibility, applicants must be First Nations with registered Status. For more information, including complete eligibility requirements or an application, contact IAPO at 1-800-363-0329 or info@indianag.on.ca

WINTER FARM EQUIPMENT MAINTENANCE TIPS

Over the fall and winter months when things are a little slower on the farm, it's a good time to take care of machinery and equipment. There are several steps you may take to maintain your equipment and prevent breakdowns come next year planting season and these steps will also save you money over the life of your equipment. With a good "routine" maintenance program you may possibly reduce machinery repair costs by 25%.

Consider proper storage of equipment. If farm equipment is left outside it will rust and deteriorate faster than if kept inside out of the elements. If inside storage space is not available, consider investing in heavy duty tarps to cover the equipment for winter.

It's best to thoroughly washing any equipment exteriors of all dirt and debris that could attract moisture and cause corrosion-related damage. Additionally, inspect and address leaks, rust and other signs of damage. Next, clean the interiors of cabs, planters, drills, combines, grain tanks and other equipment of all grain, food and other materials that could attract mice and other rodents that damage wires, seats, hoses and other components.

Before storing equipment for the winter, general advice is to lubricate unpainted metal parts, bearings, rods and joints, the PTO shaft, drawbars and other areas. If uncertain about what's needed, check the owner's manual for guidance.

For tractors, the first step in an off-season maintenance program is ensuring that all tractors are up to date on their service intervals for things like oil and lubrication, oil and air filters, etc. Such service should be based on each machine's engine hours.

Due to condensation possibly entering unfilled tanks, top off all fuel and hydraulic oil tanks and add a fuel stabilizer. In addition to ensuring that your engine coolant is suitable for

your region's specific winter conditions, change the oil and replace fuel and air filters as needed.

While inspecting equipment, note the components, wiring, structures and other areas that contain damage and need repair. It's a good idea to complete these repairs before storing equipment for the winter to ensure that a problem doesn't worsen over the winter months and lead to operational failure in the spring.

Finally, inflate tires to the proper pressure to prevent damage. Experts suggest parking equipment on concrete or wood planks or to raise the equipment on blocks if possible to prevent exposure to moisture and the cold ground. Additionally, reduce tension on belts during the winter months to extend their lifespans.

BOOSTING BATTERIES SAFELY

source: www.farmplansafely.ca

1. Pull the vehicles next to each other so they are not touching.
 2. Turn off the engine of both vehicles and turn off all accessories.
 3. Connect the positive (+, red or yellow) clamp of the jumper cable to the drained battery's positive terminal.
- BE VERY CAREFUL** never to allow the ends of both cables to touch while attached to the batteries; sparks and short circuits will result!
4. Connect the other positive (+, red or yellow) clamp of the cable to the positive terminal of the booster battery.
 5. Connect the negative (-, black) clamp of the cable to the negative terminal of the booster battery.
 6. Connect the other negative (- or black) clamp of the cable to the vehicle's engine block or other metal surface of the tractor to be started away from the drained battery. This serves as your ground or connection point.

CAUTION: Do NOT connect to the negative terminal of the dead battery! Batteries can and do emit gas - and if you get a spark while connecting the cable, the battery **may explode**. It is equally important **NOT** to clamp the cable to the carburetor, fuel lines, moving parts or sheet metal body parts. Connect only to a heavy gauge metal part of the frame or engine block.

7. Make certain all cables are clear of fan blades, belts and other moving parts of both engines and that everyone is standing away from the vehicles.
8. Start the vehicle with the booster battery.
9. Allow 1-5 minutes for the drained battery to accept a charge.
9. Try to start the vehicle with the boosted battery.

IF VEHICLE STARTS: Allow the engine to return to idle speed. Remove the cables in the reverse order that you put them on in steps 6, 5, 4, and 3.

IF VEHICLE DOES NOT START: Wait a few minutes and try again. If it still doesn't start, check for other problems.