



Ag Biz Quarterly

QUARTERLY NEWSLETTER OF THE
ONTARIO AGRI BUSINESS ASSOCIATION

"REPRESENTING THE CROP INPUT, GRAIN & FEED INDUSTRY"



SPRING 2014

A Warm Welcome to our New Members!

APEX Ingredients Inc. - Barrie, Ontario
Essex Topcrop Sales Limited - Essex, Ontario
Kam's Growers Supply Inc. - Guelph, Ontario

From the OABA Board Table.....

As an ongoing feature of the quarterly OABA newsletter, the Board of Directors would like to briefly report on some of the key decisions and highlights from their most recent meeting held in Guelph on March 13, 2014:

- The board conducted its annual review and updating of the Association's "Policy & Procedures Document" and all Directors participated in the annual "Director Orientation" program.
- The board received an update on the next phase of OABA's Environmental Compliance Project.
- The board confirmed a \$3,000 donation to Farm & Food Care towards an update and printing of the next edition of "*The Real Dirt on Farming*".
- The board received a number of reports as follows: Financial Report & Review of Outstanding Memberships (Treasurer: Murray Martin); Crop Inputs Section (Chair: Steve McQueen); Grain Section (Chair: Kevin Campbell); Feed Section (Chair: Nadine Schwandt); the Human Resources Committee; and a series of reports on various environmental issues.
- Terry Thompson, Executive Director of the Agricultural Adaptation Council made a presentation to the board on "Opportunities under AAFC's Growing Forward 2 Program".
- The board received a full report on the service activities of Fred Spiro, OABA's Health & Safety Specialist. The board also received an update report on the activities of the Association's Health & Safety Committee that is providing strategic leadership on health and safety issues.
- A complete review of the 2013 Annual Meeting & Convention took place during the meeting. Based on excellent feedback from the 2013 event, dates for the 2014 OABA Convention were confirmed as December 2 & 3, 2014 at the Fairmont Royal York Hotel in Toronto.
- The board discussed various strategies for the 2014 Government Relations program. Plans are currently in place to host a 2014 Queen's Park MPP Reception on December 1, 2014. It was emphasized that meetings with MPP's at the



local constituency level is a very important part of OABA's government relations strategy and members should be encouraged to host these meetings. With signs pointing toward a possible spring or fall election, OABA members need to play a key role in making all candidates aware of your business and the key agri business issues.

Should you have any questions concerning the items of business noted above, please feel free to give Dave Battenham a call at (519) 822-3004.

It's Worth the Drive to Huntsville — Plan to Attend OABA's Summer Conference on June 22, 23 & 24

The Association is very pleased to announce that the [2014 Summer Conference](#), including fishing trip and golf tournament will again be held at Deerhurst Resort in Huntsville. Here is the run-down.....

Sunday, June 22, 2014:

- Opening Host Reception - 8:30 p.m. to 10:30 p.m.

Monday, June 23, 2014:

- Annual Fishing Trip - Fishing on Peninsula Lake (morning & afternoon trips)
- Annual Golf Tournament at Deerhurst Highlands & Deerhurst Lakeside.
- Awards Reception & Banquet
- Industry Reception

Tuesday, June 24, 2014:

- Buffet Breakfast & [Business Program](#)



Keynote Speaker Presentation

John Ibbitson, Senior Fellow, Centre for International Governance Innovation & former chief political correspondent for the *Globe and Mail*.

"The Big Shift" - John Ibbitson's *The Big Shift* is a #1 bestselling non-fiction book that gives an inside view of Canada's new power players....."The country's centre has shifted west, and power has shifted with it [and] is now shared by two groups: Westerners and Ontario's suburban middle class."

[Register now](#) to attend! Sponsorship opportunities at a flat rate of \$475 are also available. We hope to see all members from the crop inputs, grain and feed sections at this premier Muskoka Event on June 22- 24!

AAFC Report Highlights Success of Canadian Ag Sector in 2012

An Overview of the Canadian Agriculture and Agri-Food System 2014, a report released this week by Agriculture and Agri-Food Canada (AAFC), shows the strength of the agriculture and agri-food sector's contribution to Canada's economy. Using historical data up to 2012, the *Overview* shows that the farm and food sector displayed robust performance in 2012, enjoying high farm income levels, strong market receipts, stable profit margins, and increased export sales.

Report Highlights:

- Canadian export sales grew by 8.1% in 2012. With export sales of \$43.6 billion, Canada is the world's fifth-largest exporter, accounting for 3.5% of the total value of world agriculture and agri-food exports.
- Federal and provincial government expenditures in research and development in the agriculture and agri-food sector are estimated to rise to \$602 million in 2012-13.
- While the United States remains Canada's most important agriculture and agri-food export destination, Canadian exports to China increased by 84.2% in 2012 to \$5.0 billion.
- In 2012, the agriculture and agri-food sector generated \$103.5 billion, accounting for 6.7% of Canada's total Gross Domestic Product (GDP).
- In 2012, the agriculture and agri-food sector provided one in eight jobs in Canada, employing over 2.1 million people.

[Click here](#) for more information on the report.



OABA Key Dates

*Health & Safety
Regional Training —
Spring/Summer*

*Grain Grading
Workshops — June*

*OABA Summer
Conference
— June 22-24*

*OABA/CropLife Joint
Golf Day — July 09*

*Fall Classic Golf
Tournament — Sept. 16*

*OABA Annual Meeting
& Convention
— Dec. 2-3*

[Click here](#)
for more info
and more dates.

Results from OABA Member Survey on the Annual Meeting & Convention

In December, 2013, OABA initiated a member survey on various aspects of the association's Annual Meeting & Convention. We surveyed the entire membership, and received an excellent response from both attendees and non-attendees of this annual event. Here are some of the key findings:

- 127 survey responses (77 responses from 2013 convention attendees and 50 responses from 2013 convention non-attendees).
- 65% of respondents feel that downtown Toronto is an appropriate location for OABA's annual convention.
- 88.5% of respondents feel that early December is a good time for the annual convention.
- What are the top 3 things that members take into consideration in determining if they will attend the convention?
1 consideration is "value in the convention program".
2 consideration is "freeing up enough time in my schedule".
3 consideration is "location, including travel and hotel costs".

Survey results specific to those respondents who attended the 2013 Annual Meeting & Convention:

- Travel to downtown Toronto - 20% travelled by train and 80% travelled by automobile.
- Overall rating of the event was "Very Good" to "Excellent" by 93.5% of respondents.
- 92% of respondents rated the speaker program as "Very Good" to "Excellent".
- The Fairmont Royal York Hotel was rated as "Very Good" to "Excellent" by 80% of respondents with 85% supporting the Royal York Hotel as the most suitable location.

The 2014 Annual Meeting & Convention will be held on December 2nd and 3rd, 2014 at the Fairmont Royal York Hotel. We hope you will plan to attend!

CGC Announces Services & Fees Effective April 1, 2014

The Canadian Grain Commission offers a variety of services as part of its mandate under the [Canada Grain Act](#). The fees for these services form part of the Canadian Grain Commission's annual operating budget. Information about fees includes fee code, name (of service), price and unit.

As part of the new user fee schedule implemented on August 1, 2013, the Canadian Grain Commission's user fees will be updated annually on April 1. These fee revisions reflect changes to the *Canada Grain Act* and the *Canada Grain Regulations* that were also implemented on August 1, 2013. [Click here](#) for more information on new CGC fees.

CAHI Announcement on Medically Important Antibiotics for Growth Promotion

On April 11, 2014, members of the Canadian Animal Health Institute (CAHI) announced their intent to work with the Veterinary Drugs Directorate (VDD), Health Canada to align all affected antibiotics with the U.S. Food and Drug Administration's (FDA) policy on prudent use of antibiotics. Under the policy, the growth promotion uses of medically important antibiotics will be phased out in conjunction with the implementation of veterinary oversight for the therapeutic antibiotics used in feed and water. FDA anticipates the new policy will be fully phased in over the next three years, and Health Canada's recent Notice to Stakeholders indicates that timelines align.

CAHI recommends that this new initiative be an undertaking of the Regulatory Cooperation Council (RCC). The goal of the Canada-U.S. RCC is to better align our regulatory systems and boost North American trade and competitiveness and is a natural home for this type of initiative. CAHI also encourages continued progress on Health Canada's regulatory modernization agenda, including addressing the issue of oversight on importation and use of non-approved drugs within the same timeline to strengthen prudent use of antibiotics in veterinary medicine.

Successful implementation of this policy means that medically important antibiotics will only be used in food animals under the direction of a veterinarian when there is a specific disease challenge.

"We understand that consumers have concerns about medically important antibiotics being used to promote growth," said CAHI President Jean Szkotnicki. "We hope this change will increase consumer confidence and lead to a more productive discussion about animal welfare, sustainability and public health."

College of Veterinarians of Ontario Launches Antimicrobial Project

The College of Veterinarians of Ontario is launching a project to study the use of antimicrobial pharmaceuticals among food animal veterinarians. “This is an exciting opportunity for the College to work with veterinarians on an issue that is important to the public and for animal health,” said Dr. Liz Saul, President of the College.

The College was approved for funding assistance through Growing Forward 2 (GF2) to explore the use of antimicrobials and how the current practice of Ontario veterinarians incorporates the prudent use guideline established by the Canadian Veterinary Medical Association (CVMA) in 2009. The results of the study will detail current prescribing practices and identify key challenges veterinarians face in adhering to the CVMA’s national guideline.

“The use of antimicrobials is a concern for food animals and also for human health. Animals and humans are becoming increasingly resistant to antimicrobial pharmaceuticals and there’s the added concern of pharmaceutical residue in the food chain,” said Jan Robinson, College Registrar and Chief Executive Officer.

The CVMA’s guideline on the prudent use of antimicrobials in food animals was implemented in 2009. However, it is unknown whether the benchmark is used in daily practice in Ontario. With animals and humans becoming increasingly resistant to antimicrobials, it is imperative to analyze the current use patterns. It is hoped that once these patterns are understood that Ontario veterinarians will be further equipped to continue as leaders in the concept of One Health.

“Veterinarians are central to animal health and also to food safety. This is an opportunity for veterinarians to share their knowledge and skills and to identify and address any gaps that may exist between prescribing practices and public safety,” said Robinson.

“The College is proud to lead this project and looks forward to sharing the results with the veterinary profession, producers and government to ensure the public interest remains at the forefront of prescribing practices,” she added.

The College protects and serves the public interest through the regulation of the practice of veterinary medicine. Accordingly, veterinarians are licensed, facilities are accredited, standards and policies are developed and maintained, and an investigations and resolutions process is available. The College licenses approximately 4,500 veterinarians and accredits over 2,100 facilities in Ontario.

This project was funded in part through GF2, a federal-provincial-territorial initiative. The Agricultural Adaptation Council (AAC) assists in the delivery of GF2 in Ontario.

Grain Section Updates...

Grain Section Committee

The Grain Section Committee met on March 26th, with discussion on the following topics:

- Jim Zavitz, Chief Grain Inspector provided an update on the dealer licensing program.
- The Committee discussed the proposed formation of a national soybean industry group that would represent the interests of all stakeholders including producers, seed companies, exporters and processors.
- Gord Hyndman is the new OABA representative on the Canadian Grain Commission’s Eastern Standards Committee.
- The Committee discussed concerns with how wheat is graded. Wheat is purchased from producers based on a visual grading system that uses fusarium as a grade factor but is sold to end users based on vomitoxin levels. The correlation between fusarium levels and vomitoxin tends to be quite variable creating significant risk for elevators. The Ontario Wheat Technical Committee made a recommendation to the Commission that wheat be graded based on vomitoxin levels instead of fusarium count. This issue will be raised at the Eastern Standards Committee to determine whether the technology is in place to use technical specifications for grading purposes or if grade standards need to be adjusted in order to reduce the risk faced by grain elevators.
- Following the March 26th Grain Section meeting, representatives from the Grain Section Committee, Terminal Elevator Committee and the Canadian Soybean Exporters’ Association met with senior staff from the Canadian Grain Commission (CGC). Topics discussed included the variance in corn moisture readings between Canada and the United States, the role of the CGC in providing meter calibration services to the industry, weighing and inspection services and an update from the Grain Research Lab.
- The CGC also presented the OABA representatives with two discussion papers relating to developing a different funding model for the Commission. The OABA Grain Section and Terminal Elevator Committees will be providing some initial feedback to the Commission before the Commission develops a formal document for public comment.

RITC Appeal

The Committee received an update on the OABA appeal of a Canada Revenue Agency ruling on the recapture of input tax credits for energy used to dry grain. In July 2012, the Canada Revenue Agency ruled that the process of drying grains and oilseeds did not meet the definition of production and therefore a large business (sales greater than \$10 million) would be unable to qualify for input tax credits for the provincial portion of the HST on energy used to dry grains and oilseeds. OABA is partnering with BDO Canada LLP who will challenge the ruling based on Canadian tax law and legal precedence from other sectors with similar issues. BDO believes that OABA can make a strong case that drying should be considered part of the production process because it is essential to the marketability of grains and oilseeds. If successful, all grain elevators, regardless of size, will be able to claim the provincial portion of the HST on any energy used to dry grains and oilseeds for the past four years.

CFIA Proposed Import Framework

OABA representatives have been participating on a CFIA Working Group providing feedback on proposed grain import biosecurity framework. In 2012 CFIA released a proposed Directive requiring phytosanitary certificates or import permits for all grain shipments imported from the United States. OABA has raised concerns about how the proposal would negatively impact trade and create logistical difficulties for importers and end users. OABA has been working with other industry groups to develop proposals that would allow CFIA to meet their biosecurity concerns without causing undue difficulties to importers and end users of grains and oilseeds.

Feed Section Update...

Feed Section Committee

The Feed Section Committee met on February 12th. The following are some highlights from that meeting:

- Wes Lane from Dairy Farmers of Ontario made a presentation on the new dairy research facilities being built at the University of Guelph's Elora Research Station.
- The Nutrition Committee provided a report. At their last meeting they received an update from the Canadian Animal Health Institute on a CIPARS study on antimicrobial distribution data, Tom Wright from OMAF provided an update on their activities, updates were received from the committees planning the joint meetings with swine and bovine practitioners and a report was received from the Eastern Nutrition Conference planning committee.
- Graham Cooper and Ontario based Animal Nutrition Association of Canada directors attended the meeting to provide an update on ANAC activities, focusing on their ongoing discussions with the Canadian Food Inspection Agency to modernize the feed regulatory system. Discussion also took place on methods to improve communications between ANAC and OABA to ensure that both groups are aware of each other's activities and concerns.
- CFIA has just released new CVS tasks for commercial [feed mills](#) and feed [retail outlets](#). OABA has posted the summary of changes on the OABA website. If you have not received a copy of these updated tasks contact Ron Campbell.
- Dr. Andy Robinson, has stepped down as Chair of the Department of Animal and Poultry Science at the University of Guelph. Dr. Jim Squires is acting as interim Chair until a new Chair is selected in June. The Department is looking into new methods of communicating with industry stakeholders, OABA has agreed to participate in a steering committee looking at this issue.

Crop Inputs Updates...

Crop Inputs Committee

The Committee last met by conference call on April 2nd. Clyde Graham and Amanda Giamberardino from the Canadian Fertilizer Institute joined the call. They provided an update on CFI's response to the International Joint Commission's report on the health of Lake Erie. The report included a strong endorsement of the 4R Nutrient Stewardship program and CFI has been working on developing a number of 4R related programs in different provinces including Ontario. CFI has developed online courses to train agronomists on the 4R Nutrient Stewardship Program, these courses can be found at the GrowZone website that CFI operates for all their training. <http://growzone.cfi.ca/> Clyde also provided updates on CFI's response to the Fair Rail for Grain Farmers Act and potential Canadian sanctions on Russia.

Bayer Fluency Agent — Facts for 2014 Planting Season

Written by [Tracey Baute](#), OMAF & MRA

There continues to be some mixed messaging going on in terms of **when and where** Bayer Fluency Agent must be used this growing season.

Here are the facts as stated by PMRA. **NOTE** the exceptions below:

- 1) The mandatory use of Fluency Agent only applies when planting **corn and soybeans**. **All other crops are exempt.**
- 2) Fluency Agent must be used if using a **seed flow lubricant** for planting **corn and soybean seed treated with neonicotinoid insecticides** (containing the active ingredients clothianidin, imidacloprid and thiamethoxam). **Talc and graphite are not permitted for use as a seed flow lubricant.**
- 3) **Exceptions** to the above include:
 - Planting machinery that **does not** currently require the use of a seed flow lubricant. That is, if **you haven't used lubricant before, you don't need to use the Fluency Agent now.**
 - The use of graphite may continue as a mechanical lubricant in finger pickup or mechanical type planters only (i.e. non-pneumatic equipment).

For those who are still in doubt, [click here](#) to see the PMRA website explaining this criteria and further information on Fluency Agent.

TFIO Foundation Update

Agronomy Research Projects

The TFIO Foundation funded two research projects in 2013. The OABA Agronomy & Research Committee reviews proposals and selects projects on behalf of the Foundation.:

Long-term Effect of Nitrogen Rates on Corn

This project, led by researchers Dr. Bill Deen (Department of Plant Agriculture), Dr. John Lauzon (School of Environmental Science) from the University of Guelph and Greg Stewart (OMAF) has now completed year five of a ten year project. The TFIO Foundation has supported this project for all five years.

The trials are located at the Elora Research Station. The objectives of the trial include evaluating the effect of long-term Nitrogen rates on 1) nitrogen use efficiency, 2) corn yield, 3) soil properties including soil carbon, 4) nitrogen responsiveness of a site, and 5) provide a platform for other research projects to measure nitrogen related effects such as greenhouse gases and water quality.

The project now has five years of data comparing Maximum Economic Rate of Nitrogen (MERN) to general recommendations using the N calculator. The project has also looked at the timing of N applications and the impact of weather conditions on the nitrogen requirements of the corn. A copy of the 2013 report for this project can be [found here](#).

Characterization of Corn Hybrids in Response to Nitrogen Fertilizer, Plant Population, Foliar Fungicides and their Interactions

Dr. David Hooker from the Ridgetown Campus of University of Guelph was the lead for this project which was designed to look at characterizing the response of corn hybrids with different genetic backgrounds to several agronomic variables including population, foliar fungicides and nitrogen. Six different hybrids were planted following soybeans on April 30th and May 5th 2013 in a split-split-split plot design with 4 or 5 replications on a loam soil. The same hybrids have been used for both years of this project.

The effect of hybrid on yield, moisture content at harvest, lodging, oil, protein and starch were all significant. More noteworthy, according to the researchers was that the response of hybrid depended on the population and the rate of nitrogen; these differences resulted in highly significant hybrid x nitrogen and hybrid x population interactions during both years of the trials. A full copy of Dr. Hooker's report can be [found here](#).

2014 Research Projects

The OABA Agronomy & Research Committee approved funding for both of the above projects for 2014. The TFIO Foundation will be providing \$8,556 to the Long-term Effects of Nitrogen Rates project. The money will go towards soil nitrate, plant N, and soil carbon sample collection and analysis. The committee also approved \$7,500 to Dr. Hooker for the continuation of his research. These funds will be used for soil and plant analysis.

OABA Members Support Fertility Research Through the TFIO Foundation

An original request for consideration of a donation to the TFIO Foundation was distributed with the OABA membership renewals in October of 2013. Retail fertilizer member firms of OABA were asked to consider donations in the amount equivalent to \$0.03 per tonne of fertilizer sold in Ontario during the July 1, 2012 to June 30, 2013 fertilizer year. As of April 24, 2013, OABA member donations in the amount of \$16,804.24 have been received from the firms identified below. This is a very substantial amount, and is essential to adequately finance the Foundation's on-going research projects as listed above.

The TFIO Foundation would like to recognize and thank the following OABA member firms (listed alphabetically) that have donated funds in the current year, including:

**Agrico Canada Ltd.
AGRIS Co-operative
Agronomy Company of Canada
Agrium
Brussels Agromart Ltd.
Dixie & Egan Ltd.
Fingal Farm Supply Ltd.
Hensall District Co-operative Inc.
Hoegy's Farm Supply Ltd.
Holmes Agro
Howson & Howson Ltd.
Huron Bay Co-op Inc.
Oxford AgroPro Ltd.
Nachurs Alpine Solutions
Scotland Agromart Limited
South West Ag Partners Inc.
Sprucedale Agromart Ltd.
Wanstead Farmers Co-op Co. Ltd.**

Special thanks to all of the above firms for their generous financial support of the TFIO Foundation!

If you would like to add your name to this list with by making a donation to the TFIO Foundation, simply give the Association office a call at (519) 822-3004.

Place a Priority on Your Credit Policies & Procedures This Spring!

As agri business enters this busy spring period, it is essential that your agri business continue to place a priority on the establishment, operation and on-going management of your credit policy. While the past several months have seen some significant price improvement in the grains and oilseed sector, the overall financial situation facing Ontario's production agriculture sector continues to warrant your on-going attention and management when extending credit to all of your farmer -customers. It is extremely important that all staff understand the old credit adage that "a sale is not complete until the money is collected." Make sure there is complete connection between credit and sales functions within your agri business. If you haven't done so already, take the necessary precautions to ensure your business is ready for the credit challenges of this coming spring.

[Click here](#) to read the full article.

Health & Safety Update...

Confined Space Entry – Know Your Responsibility!

In addition to the information provided in the OABA E-Weekly news last week, the following are a summary of the requirements under both Federal and Provincial Legislations relating to worker safe entry into a confined space.

If a workplace includes a confined space that workers may enter to perform work, the **employer shall ensure that a written program** for the confined space is **developed and maintained** in accordance with the Regulations **before a worker enters** the confined space. The written program **shall** be developed and maintained in consultation with the joint health and safety committee or the health and safety representative, if any.

The written program **shall** be adequate and **shall** provide for:

- a **method for recognizing each confined space** to which the program applies.
- a **method for assessing the hazards** to which **workers may be exposed**.
- a **method for the development** of one or more plans.
- a **method for training of workers**.
- an **entry permit system that sets out the measures and procedures** to be followed when work is to be performed in a confined space to which the program applies.
- establish **emergency procedures** to be followed in the event of an accident or other emergency.
- **employee education** and **record keeping** must be maintained.

In summary, regardless of whether you are under federal or provincial legislation, the common thread is **worker safety**.

In addition, when a worker enters into a bin/silo equipped with a **sweep auger**, it is essential that the sweep auger be **locked out and tagged out** to ensure that the equipment is de-energized which will ensure that no moving part represent a hazard to the worker.

By following the above requirements, we believe that confined space entry can be achieved in a safe and healthy manner for all workers. For further information or assistance, please contact Fred Spiro, OABA Health & Safety Specialist at 519-822-3004 or via email by [clicking here](#).

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