

September/October 2007

# AgriSuccess

JOURNAL

Ethanol party leads to  
livestock hangover

Running W Egg Farm

Bio-piling: a sustainable  
alternative?

Responding to  
an entanglement

## The biofuel revolution

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September/October 2007

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Jim Johnson, a producer from  
Lambton County, Ont., is part  
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*Cette publication est également  
offerte en français.*

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# *Drive away hunger*

World Food Day 2007



**Filling empty plates is one of the things that keeps us up at night**

Throughout the year, FCC employees across Canada donate time and money to help fight hunger in communities like yours. We serve soup, sort cans at the food bank, support school breakfast programs, help at shelters and organize gigantic food drives like the Drive Away Hunger tour.

World Food Day is October 16. Join us if you can (maybe we'll all sleep better).



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**Canada**

# Letter from the editors



FROM KEVIN HURSH AND ALLISON FINNAMORE

**Y**ou may be thinking, “Oh no, not more stuff on biofuels.” Please, keep reading anyway. We’ve tried to break new ground and provide useful information and insights.

We attempt to pick themes that resonate with producers across the country. Small wonder that we’ve decided to tackle biofuels again.

We know there is no shortage of analysis and information on ethanol and biodiesel, but the stories in this edition attempt to go deeper and explore what the biofuel revolution means to your bottom line – today and into the future.

We thought you’d want to know just where Canada’s ethanol and biodiesel facilities are located – both the existing ones and the ones under construction. And rather than just concentrating on the benefits to the grains and oilseeds industry, we’ve also examined the sector-by-sector impact in the livestock industry.

We didn’t find all the answers and our crystal ball is still murky, but we hope you find the stories interesting and useful.

Along with biofuels, we have columns on a wide array of other topics.

We love to hear from you. You can e-mail [info@AgriSuccess.ca](mailto:info@AgriSuccess.ca) or call 1-888-332-3301.

## AgriSuccess JOURNAL

### This month’s contributors

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Lorne has worked in the communications field for the last 20 years as a journalist, photographer, scriptwriter and corporate writer. He divides his time between Quebec and his grain farm in Saskatchewan.

The editors and journalists who contribute to AgriSuccess Journal attempt to provide accurate and useful information and analysis. However, the editors and FCC/AgriSuccess cannot and do not guarantee the accuracy of the information contained in this journal and the editors and FCC/AgriSuccess assume no responsibility for any actions or decisions taken by any reader of this journal based on the information provided.

*The views expressed in this journal are those of the authors and do not necessarily reflect the opinion of the editor or FCC/AgriSuccess.*

AgriSuccess Journal is a magazine dedicated to helping producers advance their management practices by providing practical information, real-life examples and innovative ideas that foster personal solutions.

## Beef consumption increases

BY KEVIN HURSH

Canada's per capita beef consumption in 2006 was up 2.2 per cent as compared to 2005. This was the second consecutive year with an increase.

The Beef Information Centre says consumption in 2006 was the highest in the past 30 years, totalling more than 1.035 million tonnes.

Beef retail prices in 2006 averaged \$11.58 per kilogram versus \$11.59 in 2005.

According to Statistics Canada, the share of Canadian beef in the domestic market in 2006 was 86 per cent, a one per cent decrease from 2005, but still 19 per cent higher than in 2002.

## Customize your iPod and sign on to farm podcasts

BY TOM BUTTON

Farm podcasts are exploding. Just think of it as a completely customizable ag radio station that you can program to bring you more farm experts discussing exactly what you want, exactly when you want.

Let's assume you already have an iPod (online as low as \$230 for a four-gigabyte nano, \$300 for an 80-gigabyte video). Now, make it farm tough. Start by replacing the earbuds, which let in too much wind noise in the field. Don't forget to protect the iPod itself. Several companies sell rubberized skins. Your best bet on the farm, though, may be hard plastic OtterBox models for about \$50.

Then check out your options. Start at [www.agwired.com](http://www.agwired.com) for links to a huge selection of primarily American podcasts. Also Google your way around Canadian sites to keep alert for the new podcasts appearing almost every week – including B.C.'s agriculture ministry site, which got off to an early Canadian lead in podcasting to the farm. As well, Export Development Canada has a Weekly Commentary under Publications and Subscriptions at [www.edc.ca](http://www.edc.ca).

Also consider linking to your truck stereo. PlayList loves Harmon Kardon's Drive + Play, (about \$250). While you can get wireless FM links for under \$50, insist on checking audio quality first.

iPod® is a trademark of Apple Inc., registered in the U.S. and other countries.

## Barley evaluated for biofuel

BY KEVIN HURSH

A project to evaluate the potential of barley in Canada's rapidly evolving biofuel industry has received funding of \$262,000 from the federal Biofuels Opportunities for Producers Initiative. The project is jointly funded and managed by the Western Barley Growers Association and the Alberta Barley Commission with support from industry partners.

Researchers will study the opportunities and challenges growers would face to establish regional barley-based ethanol production facilities. The project will also examine removing valuable fractions from barley prior to ethanol production and using distillers grains from barley in commercial applications, including cattle feed.

The project's first task will be to determine the relative competitiveness of barley versus other major crops by analyzing yield and the amounts of starch and sugar that can be extracted.

The project is to report its initial findings this fall and its final findings in March 2008.



# Biofuel impact is real



BY KEVIN HURSH

Everyone seems to have an opinion on biofuels. You can spend hours keeping up with all the developments and commentaries. Within that, there's a danger of not seeing the forest for the trees, or in this case not seeing the grain for the kernels.

You can get caught up in the debate over net energy gain. At the end of the day, does ethanol produce more energy than it takes to produce it? Most scientists seem to agree

there is a gain, but the amount is open to interpretation.

## Energy from agriculture isn't anything new.

The net energy numbers look better for biodiesel, but the economics of producing a diesel substitute from oilseed crops like canola isn't as appealing as those of ethanol produced from corn and wheat.

You can debate biofuels from an ethical perspective. Should food crops be used to produce energy? Won't this drive up food costs for the poor people of the world?

Personally, I get my back up over this one. Grain and oilseed prices are all too often below the cost of production. That isn't sustainable. Plus it should be noted that small farms in developing nations are hurt by low grain prices and a big part of the reason for low prices is government farm subsidies in Europe, the United States and many other developed nations.

It is true that biofuels are creating challenges within animal agriculture, but most livestock producers acknowledge that unprofitable grain prices aren't sustainable in the long run.

Back in the days of horsepower from real horses, North America devoted a huge amount of cropland to energy production, so energy from agriculture isn't anything new.

What about the support bestowed on biofuels by governments? Is this the best use of environmental dollars? Is it good agricultural policy? Good rural development policy? Again, opinions run the gamut.

Whether you believe biofuels are the savior of agriculture or misdirected government policy, that's your prerogative.

No matter what your viewpoint, remember that biofuels have altered the dynamics of agriculture and this will continue for the foreseeable future.

Governments around the world and particularly in the U.S. are committed to biofuels. At some point government support may be reduced, but policies of that nature don't usually change quickly. Huge dollars have been invested in production facilities and that investment continues. This is predicated on the expectation of a favourable policy environment.

New technology may change how we'll look at biofuels. Ethanol may be produced from cellulose (straw, wood chips and switch grass). Maybe a brand new source of energy will prove viable. While this could happen, it won't happen overnight.

High grain prices could bring more land into production and producers could shoot for higher yields. They say nothing cures high prices like high prices. While increasing grain production seems likely, if you analyze the numbers, it will be a challenge for grain production to keep up with the surging demand from energy.

Predicting the future is always dicey, but for at least the next two or three years, biofuels promise to be a major factor in the worldwide grain market. That will cause stronger grain prices and probably put pressure on farm inputs like fertilizer. And the necessary adjustments within livestock agriculture will continue.

Amid all the discussion, debate and analysis, don't lose sight of the big picture. Biofuels will continue to have a huge influence on agriculture at least for the short term, and perhaps for much longer than that. ❖



# Running W Egg Farm



BY PETER VAN DONGEN

**T**he old debate about which came first – the chicken or the egg – matters little to Vancouver Island’s largest egg producers. Far more important is developing the land base to support a diversified and integrated farming operation.

Ian and Jennifer Woike, both 35, operate Running W Egg Farm in Duncan, B.C., on the east coast of Vancouver

Island. Their foray into farming began 14 years ago when Ian left his job at a pulp mill to join his father, Ben, as a partner on the family farm. Jennifer joined the family and the farm a couple of years later.

Ian’s return to the farm marked the start of an aggressive expansion. Today, the farm includes a flock of 44,000 laying hens, along with a grading station and wholesale egg marketing company, a 100-head Black Angus cow-calf herd and a composting operation that handles the bulk of their mortalities and manure. Their 375-acre land base also supports a significant haying

enterprise, most of which is marketed to horse owners through online and word-of-mouth advertising

Egg production remains the linchpin of the operation. Between 1998 and 2000, the couple doubled their layer quota from 20,000 birds to more than 42,000. Meanwhile, the on-farm grading and processing facility gives them complete control of the production cycle. The full-circle operation starts by raising laying hens from day-old chicks and concludes with grading, packaging and selling the eggs through their own wholesale company, Farmer Ben’s Eggs, to markets all over Vancouver Island.

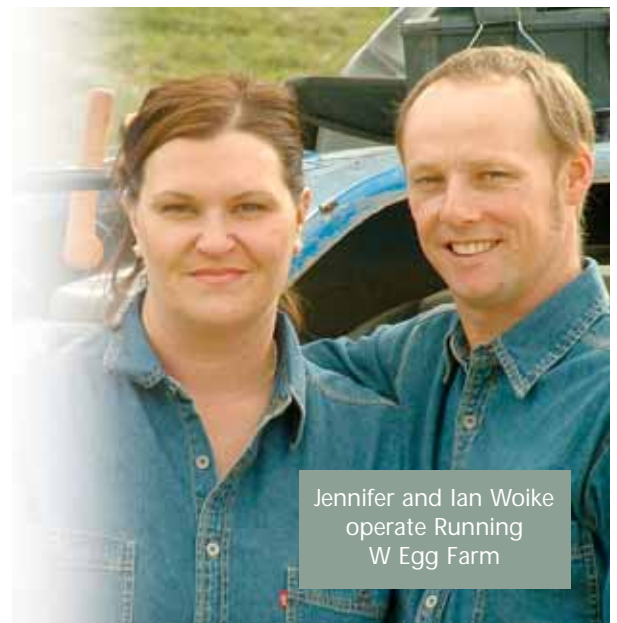
The Woikes currently process 15,000 eggs a week through the grading station, marketing just over 50 per cent under their own label. “We have trucks

on the road five days a week,” says Jennifer, who manages their invoicing, banking and customer relations. “One of our goals is to hire a full-time salesperson to go out and deal with customers on a regular basis. We really try to promote that we are 100 per cent owned and operated on Vancouver Island.”

The farm’s integrated and self-contained approach provides a distinct advantage when it comes to bio-security and environmental management. “We used to bring in 19-week-old pullets from Abbotsford,” Ian says. “Now we have everything on-farm, including enough land to get rid of all our manure. We’re environmentally sound that way.”

In addition to intensifying their egg marketing efforts, the Woikes plan to expand their compost facility so they can begin selling compost off-farm. They have also begun offering hay delivery – a service not readily available – which is helping to grow their hay market. Clearly, this young couple has no plans to abandon their integrated approach any time soon. ❖

The full-circle operation starts by raising laying hens from day-old chicks and concludes with grading, packaging and selling the eggs through their own wholesale company.



Jennifer and Ian Woike operate Running W Egg Farm



# The business of healthy foods



BY ALLISON FINNAMORE

Canadians are becoming increasingly aware of what we put in our mouths. We're looking for foods that are low fat, vitamin rich, and contain Omega-3 and antioxidants. Natural and organic foods are also seeing an increase in demand in the mainstream supermarkets. Slowly but surely, Canadians are starting to eat healthier.

As food producers, you're faced with the challenge of meeting this growing consumer demand. Consumers are looking for healthier foods from all sectors of agriculture, so whether you're growing blueberries, canola or peppers or producing milk or beef, they're expecting you to fill the requirement.

Conjugated linoleic acid, or CLA, is one of the newer food components gaining visibility. CLA is a health-enhancing fatty acid, and research in the dairy and beef cattle industries indicates these livestock are suited to deliver CLA.

Certain feeding strategies can not only increase CLA levels, but reduce amounts of undesirable fat.

CLA has shown human health benefits related to cancer, heart disease, diabetes, kidney disease, bone density and obesity. It is formed naturally in

ruminant animals when linoleic acid from digested plant material is converted into CLA through activity by micro-organisms in the rumen and mammary gland.

Groups like Agriculture and Agri-Food Canada, Dairy Farmers of Canada, Alberta Beef Producers, the University of Alberta and the Beef Information Centre have teamed up to form the CLA Network. They're taking a closer look at CLA in dairy and beef production, animal mechanisms, human health, market research, product development and communications.

The network has studied CLA production in beef cattle and dairy production, and suggests CLA can be increased through changes in livestock production practices.

Frequently, changes to farming practices for one reason have positive effects in other areas of production. A nutrient management program can lead to savings on feed, for example. Research into CLA is the same, with beneficial discoveries made during studies, says Dr. Erasmus Okine, professor of ruminant nutrition and metabolism at the University of Alberta and a member of the CLA Network.

"We've found that certain feeding strategies can not only increase CLA levels, but reduce amounts of undesirable fat such as backfat in beef cattle," Okine says, adding that this "unwanted by-product is a tremendous cost to remove and to dispose of at the processing level."

And the CLA Network isn't the only one working to enhance and promote food with boosted nutritional values. The Nutri-Net Canada project started earlier this year is a public-private partnership working to expand market opportunities for Canadian functional foods and natural health products. The project is doing case studies, regional and national workshops and hosting conferences to provide an in-depth understanding of the sector. They are also establishing a nationwide industry networking website.

It's essential for primary producers to have the support of research facilities, producer organizations and public and private organizations to help meet consumer demand. Producers could speculate on how to boost nutrients in the food they produce, but without the science to back them up they're heading down an uncertain path. Sound science, solid market research and an industry-wide approach to meeting consumer demand builds a stronger opportunity for success. ❖



# *The biofuel* revolution

BY LORNE McCLINTON

**L**ike it or not, the 2006-07 crop year will be remembered as the year that the biofuel revolution came to Canada. Grain growers across Canada are smiling. Even though American farmers grew the third largest corn crop ever recorded, corn prices doubled. Canola, oats, barley, peas, and even wheat prices have also rebounded from the disastrous price levels of 2005. For the first time in more than a decade, producers are starting to truly believe that the grain and oilseed sector has a future.

The livestock sector has watched the rising price of grains, particularly corn, with more mixed feelings. Producers are happy that their neighbours are receiving good prices for their grain, yet are worried that they will have to absorb the rising cost of feed.

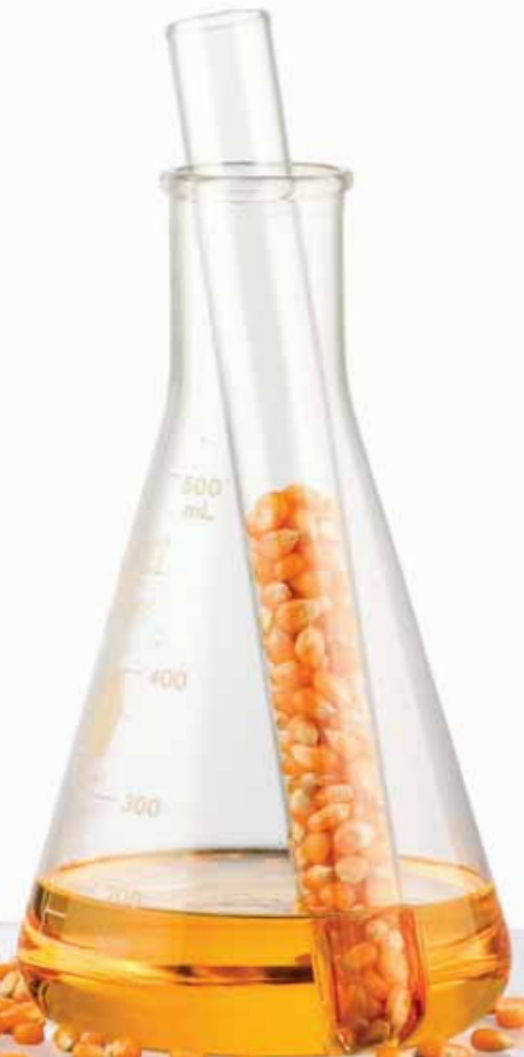
The domestic biofuel industry has had little impact on grain prices in Canada to date. Increases have almost all come courtesy of the exploding ethanol industry in the United States and biodiesel use in Europe. That is expected to change as more Canadian plants come on line.

Canadian production has increased dramatically in recent years. In 2003, ethanol production was only 212 million litres. By the end of 2007, production will be slightly more than a billion litres (as well as another 106 million litres of biodiesel). When the last of the six plants currently under construction is commissioned in 2008, production will have risen to nearly a billion and a half litres of ethanol.

"Biofuel is going to have a significant impact on agriculture in Canada by 2008," says Kory Teneycke, executive director of the Canadian Renewable Fuels Association. "I would argue that biofuels are the best tool we have available today to improve the lot of agriculture and revitalize rural communities."

New projects are being announced almost weekly. If all are eventually built, ethanol production could theoretically reach as much as five billion litres. How many of these will actually be built is anybody's guess.

"In reality a billion litres is about halfway to where we need to be to fill the ethanol side of the renewable fuel



requirements," Teneycke says. "The biodiesel side is still lagging. It will need to go through a five-fold expansion, from 100 million litres to 600 million litres over the next three and a bit years, to fill requirements."

Except for the one small Iogen biomass plant running in Ottawa, all current Canadian ethanol production is made from grain, mainly corn. Corn-based ethanol production is primarily based in Ontario, but there is also one plant in Varennes, Que. Ontario produces two out of every three litres of ethanol and biodiesel in Canada.

"Biofuel is going to have a significant impact on agriculture in Canada by 2008."

This ratio remains constant with the plants under construction. Once the remaining plants are commissioned they will largely fill Ontario's ethanol mandate so most future plants will likely be built in the west.

A bushel of grain, whether it is corn or wheat, will produce about 10 litres of ethanol. Using this 10-to-one ratio, a 200-million-litre ethanol plant will use 20 million bushels of grain a year. By the end of 2008, ethanol production will consume almost one hundred million bushels (2.5 million tonnes) of corn and approximately 50 million bushels (1.3 million tonnes) of wheat. To put this in perspective, Canadian farmers, on average, grow 8.7 million tonnes of corn annually and grew 19.1 million tonnes of hard spring wheat in 2006.

### A good idea?

Now that the biofuel industry is gaining momentum in North America, Brazil and Europe, there is a rising chorus of groups questioning whether this is a good idea. Their main issue is that diverting grain from the food market into the fuel market increases competition and raises the price of grains. Detractors wonder how this will affect consumers in poor countries.

"If you think it has been difficult to be a farmer in Canada or Australia, places where there is government support for agriculture, imagine how difficult it has been in the developing world," Teneycke says.

For years, farm groups have complained that the West's agricultural subsidies encouraged over-production, glutted the world markets and artificially drove down the prices of corn and other grains. Cornflakes were kept a nickel cheaper and the world's poorest and hungriest people were deprived of the ability to feed themselves.

"Having market demand support agriculture prices switches this problem on its head," Teneycke says. "I believe that rising agriculture prices, largely due to ethanol production, will allow parts of the world like sub-Saharan Africa to have a vibrant agriculture sector. There are obviously problems, like war and instability, in some countries, but at least we won't be knocking their farmers out of their own markets with our subsidized corn."

### Ethanol positive for grains and oilseed sector

In rural Canada, ethanol has been a mainly positive development. Grain prices have increased globally and the plants are providing much-needed local jobs. Grain producers have access to new markets, and nearby livestock operations benefit from having a local source of distillers grains. Farmers who've invested in the plants have gained a hedge in years of lower grain prices.

"I've always maintained that producers were always getting a positive 10- to 15-cent a bushel benefit from the ethanol plants in Ontario," says Jim Johnson, a cash crop farmer and long time ethanol proponent from Inwood, in Lambton County, Ont. "Prices were so low that people couldn't see any real impact. We could never use enough corn in Ontario to make enough difference worldwide to affect prices. The Americans certainly have and certainly will, though."

### Ethanol investment pays off

Johnson invested a small amount of seed money, through a farmer's organization, in two ethanol projects to help get them off the ground. Only one, owned by Greenfield Ethanol in Chatham, is operational.

"If producers can be directly involved in the industry we can support it and hopefully get some return on our investment," Johnson says. "I haven't received any dividend cheques from my ethanol investments so far, but I watched their value rise. It's also nice to have my original investment vindicated. A lot of people told me that it was a foolish thing to do."

Canada's new biofuel policy is designed to encourage farmers to invest in the industry, but is this still a good idea?

"I think you should look at the prospectus and look at the future," Johnson says. "It would have been a better investment if you had invested when oil was \$20 a barrel and corn was \$2 a bushel, than now when oil prices are \$65 a barrel and corn is \$4 a bushel. That said, I still think renewable fuels have a real future." ❖

## Canadian Renewable Fuels Production

Company	Location	Year	Feedstock	Capacity (in litres)
<b>Biodiesel</b>				
Milligan Biotech	Foam Lake, Saskatchewan	2001	Canola	1,000,000
Rothsay	Montreal, Quebec	2005	Tallow	30,000,000
Agri-Green Biodiesel	Sparwood, British Columbia	2006	Mixed	2,000,000
BIOX	Hamilton, Ontario	2006	Mixed	66,000,000
<b>Ethanol</b>				
Husky Energy	Minnedosa, Manitoba	1981	Wheat	10,000,000
Poundmaker	Lanigan, Saskatchewan	1990	Wheat	12,000,000
Greenfield Ethanol	Chatham, Ontario	1997	Corn	150,000,000
Permolux	Red Deer, Alberta	1998	Wheat	40,000,000
logen	Ottawa, Ontario	2004	Wheat Straw	2,000,000
NorAmera Bioenergy	Weyburn, Saskatchewan	2005	Wheat	25,000,000
Husky Energy	Lloydminster, Saskatchewan	2006	Wheat	130,000,000
Suncor Energy	St. Clair, Ontario	2006	Corn	200,000,000
Greenfield Ethanol	Varenes, Quebec	2007	Corn	130,000,000
Terra Grain Fuels	Belle Plaine, Saskatchewan	2007*	Wheat	150,000,000
Collingwood Ethanol	Collingwood, Ontario	2007*	Corn	50,000,000
Husky Energy	Minnedosa, Manitoba	2007*	Wheat	130,000,000
Greenfield Ethanol	Johnstown, Ontario	2008*	Corn	200,000,000
Greenfield Ethanol	Hensall, Ontario	2008*	Corn	200,000,000
IGPC	Aylmer, Ontario	2008*	Corn	150,000,000
<b>Source: The Canadian Renewable Fuels Association</b> * Plants not yet in production at July 1, 2007				

# Make sure selling local pays



BY HUGH MAYNARD

**B**uying local is all the rage as consumer concern over the source of their food has combined with a new-found angst over the ecological footprint of trucking and flying food thousands of miles. The two phenomena have created a marketing vortex that can do no wrong – and none too soon.

Yet selling local is no guarantee of profitability. Some consumers think that local outlets like farmers markets are a place to haggle (something they would never do in a supermarket), and even expect that prices will be lower because the product is direct from the producer.

Some farmers, particularly those with fresh produce, are prepared to dump-and-run at the end of the day just to get rid of unsold stock, forcing all sellers into bottom-of-the-barrel pricing. And there are rainy days when people just don't venture out shopping.

Know your cost of production so you can establish pricing to provide a fair margin.

Despite the payback lure of direct sales either to consumers or restaurants, the basic elements of management and marketing still apply. Know your cost of production so you can establish pricing

to provide a fair margin for your labour and investment. This is especially true if you're going to spend, or pay someone to spend, the better part of a day at a stall or driving around making deliveries.

Another important strategy is to develop options for using up surplus produce so you're not forced to dump it, like turning strawberries into jam or meat into sausage. Alternatively, have a safety valve such as a big freezer so you have somewhere to re-direct produce without giving it away.

If you do decide to become the low cost supplier at the local farmers market, at least do it with a purpose – get a sales strategy together with some promotion to bring in new customers and get some payback from having the lowest prices.

Then, you have to get tough with the pretenders. You have to be rigorous about ensuring outlets like farmers markets are offering local produce and nothing else. It's not just about keeping out U.S.-grown apples – a visiting colleague from the city once returned from a nearby farmers market extolling the virtues of the beautiful oranges he had just purchased!

So, make sure local really is local. If you're serving on a members' committee there's no need to be nasty in dealing with the pretenders, but honing up on negotiation and mediation skills for these sorts of engagements – remember, there's money at stake – will serve you well.

Want to get a taste for selling local? The North American Farmers Direct Marketing Association offers a wealth of information at [www.nafdma.com](http://www.nafdma.com). The Greater Toronto Area Agricultural Action Committee has set up a website specifically for local food promotion at [www.gtalocalfood.ca](http://www.gtalocalfood.ca). And Farm Credit Canada has established [www.CanadianFarmersMarket.com](http://www.CanadianFarmersMarket.com) to promote local food producers.

Community supported agriculture (CSA), where consumers pay at the beginning for a season's worth of fresh produce, is a great way for young farmers to get into business with a cash flow that's up front instead of months behind. And Equiterre is one among many organizations that offer support for CSA ventures at [www.equiterre.org](http://www.equiterre.org) ❖



# Ethanol party

## *leads to livestock hangover*

BY KEVIN HURSH

According to conventional wisdom, the ethanol boom is good for grain producers and bad for those raising livestock. While there's truth in that generalization, the effects on livestock profitability are far more complicated.

There's no doubt that ethanol production has increased the demand for feedstock, primarily corn, and that has strongly underpinned the entire grain market. Livestock producers are competing against ethanol plants for feed grain that's considerably more expensive than a year ago.

Livestock producers  
are competing  
against ethanol  
plants for feed grain.

In Canada's supply managed industries – dairy, poultry and eggs – higher feeding costs caused by ethanol can eventually be passed along to consumers.

“December 15 is when the Canadian Dairy Commission announces milk price changes and then those changes come into effect on February 1,” Richard Doyle, executive director of Dairy Farmers of Canada, explains. Cost of production is one of the main factors that go into the pricing decision.

Cost statistics tend to be a bit out of date, but Doyle says in the past they've been indexed to make them more relevant to the costs being faced by producers.

The Canadian Dairy Commission decision covers butter and skim milk powder. The price of fluid milk is set provincially with western and eastern provinces acting in unison. Cost of production is also taken into account for fluid milk prices.

Beef and hog producers do not have the same market price assurances, but the ethanol industry has meant a new feedstuff in the marketplace.

While corn (and in Western Canada, wheat) goes in the front end of ethanol plants, distillers grains comes out the

back as a co-product to the ethanol. That new, alternative feed source is going to benefit the beef industry more than other types of livestock.

John McKinnon, the Saskatchewan beef industry chair at the University of Saskatchewan in Saskatoon, says that under typical Western Canadian feeding programs, wheat-based distillers grains can make up to 10 to 20 per cent of the total diet dry matter depending on the type of cattle you are feeding and the base ingredients in the ration.

Levels as high as 30 to 40 per cent of the ration dry matter can be fed, however, producers should be aware that when fed at these levels the distillers grains has more protein (nitrogen) and more phosphorus than the animals can use. The extra nutrient load in the manure would be an environmental issue and would have to be considered in their nutrient-management plan.

These levels are typically higher than what other classes of livestock can utilize. “It's not well suited to other species due to the relatively high fibre content and poor amino acid make-up,” McKinnon notes. So hog and poultry producers are not going to be such big users of distillers grains.

With an ever-growing supply of distillers grains south of the border, many observers expected the value of the product to crash. That hasn't happened. The price of distillers grains has tracked that of feed grains and has moved upwards to correspond with the increase in feed grain prices.

“The supply of distillers grains is set to increase rapidly,” McKinnon observes. “What will happen to the pricing relationship as that happens? So far our pricing information is based on limited experience.”

There are many other unanswered questions as well. Will feedlot gains be as good with the new ingredient? What other changes in the ration may be required?

The United States has a much larger production of ethanol than Canada and has a correspondingly larger supply of distillers grains. Will that give American producers a cost advantage over their Canadian counterparts? Will North American beef production move to feeding regimes based more on forage to counteract the expense of feed grain?

It should also be noted that different segments of the beef industry are affected in different ways. Feedlots are a margin-based business. As feeding costs increase, they can bid less for calves. Ultimately, it's the cow-calf producer who bears the brunt of higher feeding costs.

In the hog industry, feed grain price increases are one of a number of factors affecting profitability as well as whether Canadian feeder pigs are fed here or shipped to the U.S. The value of the Canadian dollar is a huge determinant as are packing plant capacity, wages and transportation costs.

While it may be easy to point fingers at the ethanol-induced rise in grain prices for lower hog profitability, feed grain prices have increased on both sides of the border meaning the relative competitiveness of Canada versus the U.S. has not changed dramatically.

With so many factors at play in the marketplace, the ethanol effect on livestock producers is difficult to quantify with any certainty. Even though most observers believe higher feed grain prices will be around for the foreseeable future, the profitability of livestock production will depend on a multitude of factors.

The ethanol party may induce a livestock industry hangover and headache, but livestock producers have always shown an amazing ability to adapt to new market realities. ❖



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Canada



# Bio-piling: A sustainable alternative?



BY OWEN ROBERTS

Instead of sending dead stock off-farm for disposal – or worse, burying it in the back forty to save disposal fees – Rob Michitsch is looking at a new alternative for producers. It's called bio-piling, or on-farm composting.

Michitsch, a PhD student in biological engineering at Dalhousie University in Halifax, N.S., is trying to show that on-farm composting of dead stock and slaughterhouse waste can be environmentally sound and economically viable.

He's got a long way to go before his approach has a groundswell of support. But with a 17-page how-to manual in hand, he's gaining some believers.

Bio-piling involves piling biological matter such as dead stock and manure in a pit, and composting it for fertilizer. For the past two years, Michitsch has been engaged in bio-piling research at the Bio-Environmental Engineering Centre just outside Truro ([www.beec.ca](http://www.beec.ca)), a field research site that's part of the Nova Scotia Agricultural College.

Composting dead stock can be environmentally sound and economically viable.

On a cleared site, Michitsch built three five-foot-deep open-top cement boxes, each 10 feet wide and 15 feet long. He spread a foot of sawdust on the bottom, and then into each box he poured four 45-gallon drums of animal waste from a nearby lamb processing plant. On top of that, he spread another foot of sawdust.

The bottom of each cement box had a gravel bed and a foot of soil. The floor had a drain so Michitsch could collect and analyze whatever effluent seeped through. He let the composting brew ferment for six months, and then he turned it.

The biological action of the naturally occurring bacteria in the material kept the temperatures in the compost high enough (above 55 C) to break down tissue, and even bone. Michitsch says that over the two years he has been engaged in this research, he has found the composting process removes almost all the pathogens.

As well, he says, an 18- to 24-month bio-piling regime will reduce waste volume by an impressive 75 per cent. What's left is compost, which he believes can be used as fertilizer in specific situations where land won't be used for food or livestock production.

In some places, this restriction would be a limiting factor. But Michitsch believes that in Nova Scotia there is a prime opportunity to use the compost on forested land – Nova Scotia is North America's largest producer of Christmas trees. It's a \$30-million industry with 3,500 growers, and Michitsch thinks they would be pleased to have access to this bio-piled compost.

Michitsch realizes there are scientific, bureaucratic and social hurdles to clear before this technology can be successfully diffused to users. This is a new and growing field of research, so a critical mass of data is not yet published.

Then there's the court of public opinion. In the poster and presentation on the research, some of the images of composting dead stock could certainly be misinterpreted by an uninformed public.

Michitsch realizes the gravity of this potential opposition, and admits social perception and disease-related issues are potential challenges. But, he maintains, an active outreach program emphasizing the safety and efficiency of this management process will win the day.

Besides safety, the key will be the cost to farmers. That's what he's working on now, as his studies continue. The results will be keenly watched. ❖



Photo courtesy  
Natural Resources Conservation Services (USDA)

# Responding to an entanglement



BY PETER VAN DONGEN

According to the Canadian Agricultural Injury Surveillance Program, 28 per cent of hospitalized machinery-related farm injuries and 10 per cent of all work-related farm fatalities result from entanglement in operating equipment. That makes entanglement the leading cause of serious injury on Canadian farms.

There should be at least two individuals on every farm with knowledge of first aid procedures.

To drill down a step further, power take-offs (PTO) are the most lethal piece of farm equipment involved in entanglements. PTOs, which transfer mechanical power from a tractor to a piece of towed equipment, account for 15 per cent of entanglement injuries and one-third of entanglement fatalities. British Columbia's Farm and Ranch

Safety and Health Association (FARSHA) recently hosted several mock farm accidents to show producers what happens during a PTO entanglement.

The unlucky star of the show was Randy, a life-size and life-weight training mannequin from a local fire department, whose sleeve was carefully fed into the unguarded PTO shaft of a manure spreader. Within a fraction of a second, Randy's six-foot, 175-pound frame was violently up-ended. He landed in a crumpled heap, his coveralls wrapped around the shaft and his arm severed at the elbow. Even with a mannequin, it was not a pleasant sight.

FARSHA regional safety co-ordinator Ken Lacroix says the demonstration portrayed a very typical result of what happens during a PTO entanglement. "You see so many farmers with their arms ripped off, well that's exactly what happened to the mannequin," Lacroix says. "He got caught, it ripped his arm off, and then it ripped all his clothes off."

The focus of the demonstration then shifted from awareness to education as volunteers were guided through the basic steps of emergency response. "You need to ensure that the scene is safe for you to enter so you don't become

another casualty," explains Niels Holbek, fire chief for Oyster River Fire Rescue, which used the mock accident as a training exercise. For a PTO entanglement, that could involve turning off the tractor, removing the key from the ignition, setting the brake and blocking the wheels.

The next step, Holbek says, is to assess the situation and call the appropriate emergency resources as soon as possible. Typically that will be the fire department or ambulance, but you may also consider calling a neighbour for additional support. Then follow your first aid skills "to your level of training"

While most 911 operators will be able to provide first aid guidance, Holbek, a long time agrologist and farm manager, encourages all producers to have current first aid and CPR skills. Experts recommend there should be at least two individuals on every farm with knowledge of first aid procedures, in case one gets hurt. Of course, everyone on the farm should be able to provide directions in the event of an accident.

Holbek says one of the simplest things you can do to aid emergency workers is to make sure your farm name and address are clearly visible from the road. Better yet, assign someone to stand at the road to direct emergency personnel to the accident site. "We can't do anything until we locate the patient," he notes, adding any information you can provide about the patient and the nature of the accident will also be helpful.

Planning for a farm emergency takes some time and effort, but in the event of an accident, taking such steps will significantly improve the chance of a favourable outcome. ❖



# Business Planning Awards

Young farmers with strong farm management skills are the future of agriculture in Canada, and FCC is a big champion for their success. For that reason, FCC rewards students enrolled in agriculture diploma and degree programs across the country for their top business plans through the FCC Business Planning Awards.

Producers just starting out have told us that solid farm management skills relating to business planning are what can make or break producers today, so we took action. FCC's Business Planning Awards encourage young producers to build a solid future through business planning.

This year, FCC is proud to award over \$104,000 to 90 students for their real-life, business plans. The students are asked to team up with parents, industry specialists and experienced farm operators to put together a business plan

for producers. Successful applicants are rewarded based on their sound business planning practices and innovative solutions to challenges producers face today.

Each participating agriculture college can receive up to \$6,000 for students, and prizes are awarded based on the college's selection criteria. Successful applicants or teams can receive \$1,000, \$1,500 or \$2,500 for their business plans.

We are proud to invest in young minds, who will in turn invest in the future of agriculture – the industry we know and love.

For more information on AgriSuccess information and learning, visit [AgriSuccess.ca](http://AgriSuccess.ca), e-mail us at [info@agrisuccess.ca](mailto:info@agrisuccess.ca) or call one of our local FCC offices at 1-800-387-3232.

## The 2006-07 FCC Business Planning Award winners are:

College/University	1 <sup>st</sup> Place (\$2,500)	2 <sup>nd</sup> Place (\$1,500)	3 <sup>rd</sup> & 4 <sup>th</sup> Place (\$1,000)
University of British Columbia	Tristan Hodge & Shamir Bharmal	Evelyn Olea Jaik, Neha Bangar, Carlos Guillermo Martinez Urquijo	• Rhianna Nagel
University College of Fraser Valley	Melissa Caterer & Janelle DeGagne	Chris Maher	
Lakeland College	Charlene Buit	Brett McRae	
Olds College	Shannon Harris, Brandi Love, Ann Procyk, Danielle Scribner, Amanda Schmaltz & Kailey Walker	Albert Reimer	• Chaunary Holfeld • Wes Carrington, Patrick Howe, Nicole Hylkema, Dan Imler & Brandy Larson
University of Saskatchewan – Diploma	Ryan Carter, Ryan Goodwin, Joel Marchildon & Landon Zimmer	Pauline Bolay, Kurtis Kramer, Jamie Freedman & Andrew O'Reilly	
University of Saskatchewan – Degree	Shanda Sedgwick, Lorelei Gress, Adele McIntosh & Karen Bowditch	Amanda Hoehn, Jeremy Olthof, Leigh Anderson & Glenn Stacey	
Assiniboine Community College	Brittany Pierrepont, Andrew Brown & Nevin Stobbe	Tara Doan, Rebecca Isaac & Jay Fraser	• Evan Elliott, Kevin Hillhorst & Derrick Kynoch • Kay Marshall, Josée Deschambault & Carla Slimmon
University of Manitoba – Diploma	Sabrina Kehler & Kyle McLean	Shawn Rempel, Matthew Fehr & Matthew Reimer	• Pamela Delannoy • Liane Vuignier
University of Manitoba – Degree	Jordon Templeton & Ashley Elkiw	Shawn Knockaert	
University of Guelph – Alfred	Mélanie Génier	Carolyne Lacaille	
University of Guelph – Kemptville	Luther VanGilst	Caitlin Morning & Lisa Bakker	• Amanda Jory, Erin Spires • Sarah Lockyer & Benjamin Cooke
University of Guelph – Ridgetown	Nick Ammerlaan	Brad Hulshof	• Derek Wieleman & Richard Bouwman
McGill University	Martin Esterman	Jonathan Blais	• Thomas Ammerlaan • Karl Hardy Demers
Cégep Levis-Lauzon	Jean-Philippe Turmel	Pierre-Yves Lemay	
Collège d'Alma	Marilyn Côté	Sabrina Gagnon	
Collège Sherbrooke	Mathieu Pelletier	Steven Richer	
Cégep de Lanaudière	Stéphanie Jolicoeur	Mathieu Houle	
Nova Scotia Agriculture College	Sarah Metcalf	David Simmons	

## The following colleges/universities will be announcing winners in September 2007:

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