

Be Ready for Marketing Opportunities When it Knocks

Current markets are not as high as crop producers would like to see, and it looks like we will need to move mountains of stocks to see significant higher prices. The current supplies of corn, soybeans and wheat are burdensome to prices. It is easy when crop prices are unfavorable to procrastinate marketing efforts, but this when you need to be more diligent to be profitable. If you took advantage of good forward contract prices and presold a portion of your 2018 Wheat and Soybeans already, you can be more patient on those crops, and wait for high prices to return. You have set yourself up to have a strong average price. If you did not, you will need to be watching closely for any small marketing opportunity.

First step is make sure you have a good handle on your cost of production and know what prices you need to be profitable. You also need to establish some price goals. Without price targets, you will be unlikely to pull the trigger on a rally, in hopes that the price will be higher the next day. No one can predict when prices will change, but here are some things to watch. 1) South American crop production, any challenges that may provide marketing opportunities for us. 2) Key crop development stages in the USA: Planting Delays, Crop Stress during pollination, and early frosts are the most likely times to see price spikes if the crop is challenged with weather. 3) Monthly USDA crop reports: January 12th Stocks Reports, March 29th perspective planting report, June 29th Stocks and planted acreage reports, August 10th Yield estimate, and monthly harvest reports September through November. If there are any production issues, how the market reacts to these reports can be a strong sign of market movement. 4) Watch China purchases (currently China is buying Milo to substitute for corn). 5) Canadian USA dollar exchange rate. We have been fortunate to have a relatively cheap dollar leading to higher Canadian basis and flat price. If the Canadian dollar starts rising strongly, you may want to lock in basis.

Give yourself the best chance in the current markets, know what your price targets are, so you are prepared to act when the opportunity presents itself. The marketing windows this year may be small. Consider using resting orders with your buyers, so if your price targets are reached even for a brief time, your grain is sold. Sell in increments, over time. This prevents you from being in a position that you still have all of your crop to sell, in post harvest low and the storage costs are accumulating. Keep focused and be ready when opportunity knocks, to open the door.

Premier's Award for Agri-Food Innovation Excellence

Holmes Agro is honoured to be a recipient of the Premier's Award for Agri-Food Innovation Excellence for 2017! We are delighted to be recognized by Ontario for all the hard work and dedication for our MyFarm program. The Premier's Award for Agri-Food Innovation Excellence recognizes and celebrates agri-food producers, processors and organizations who are helping create jobs, boost our economy, strengthen our communities and support a sustainable environment through their innovative ideas and projects. The awards honour the contributions of hard-working and innovative people across the province who are adding to the community and economy in Ontario. For more information, visit the Premier's website.

PREMIER'S AWARD FOR
AGRI-FOOD INNOVATION EXCELLENCE

Award Recipient



Thank you to all our sponsors over the years, and thank you to all our customers for your endless support!

Grower Pesticide Numbers



If we do not have a current number on file for you, we will be contacting you this winter to have that updated. Please make sure we have your current number and expiry date on file or we will not be able to ship chemical to you next season until it has been updated. Contact one of the locations to update your file.

Upcoming course dates are: February 26th in Sunnidale and March 22nd & April 7th in Orangeville
Please call Ridgetown 1-800-652-8573 or email rcopep@uoguelph.ca to register.

Spring Seeding Forages

The average forage yield in Ontario is 2.4 MT, and yet we have the potential for 6-7MT. Clearly, there are many tools available that are underutilized in forage production. Success begins with selecting the right fields for the right forage type (not all ground is suited for Alfalfa). The lighter textured soils should be given to grasses versus alfalfa, and the silt loams are most ideal for alfalfa. Another important factor is establishment. The seed bed should be level and firm. Otherwise seeding rate should be increased over 18-20lb/acre to balance the unevenness. The equipment being used to seed will also determine establishment. Shallow seeding should be done earlier in the spring giving a greater chance of rainfall. Alfalfa should be intensively managed. This requires the stand to be cut approx. 10 times, and killed (do not let it die!). Why? Cost to seed \$100/ac BUT over 3yrs \$33. Therefore, get the most out of the crop and rotate. Forages, like any crop, require a crop plan which includes fertility, herbicide, fungicide, and pest management. Talk to your agronomist today to boost your forage performance.

Dufferin Cattlemen's Annual General Meeting

Dufferin Cattlemen's Association are holding their AGM on Tuesday, January 16, 2018 at 7:30 p.m. at the Amaranth Township Hall. Keynote speaker is Thomas G, Blonde, CPA CA, Partner Collins Barrow Guelph Wellington. Thomas will speak about succession planning and taxation. Dr Rex Crawford will update producers regarding animal health issues. All livestock producers are welcome. Refreshments will be served.

Orangeville Grower Meeting - Raising the Bar for 2018

Thank you to all those who attended our December Meeting! Here are a few summaries from the interesting speakers we had.

Managing Working Capital Effectively

- Cashflow is king! We have heard that said many times, but what does it mean? Regularly assessing your cashflow needs and planning your business activities to allow for adequate cashflow to meet day to day obligations is a very important part of any successful business. Managing your working capital (current assets – current liabilities) to allow you to meet your obligations with a buffer is important for business success. Many financial institutions offer crop inputs specific loans that free up working capital, call us if you are interested in discussing further.

Market Insight

- Steve Kell spent the focus of his time on corn, soybeans and wheat with the following notes:
 - Corn – One key opportunity is a period in June – July, that in the last four years has been the best marketing potential each season. A significant change in the market is that the EU has let go of the levies on Canadian Corn allowing for more export potential.
 - Soybeans – Even though world soybean production continues to grow the usage market in Asia continues to develop and expand with it.
 - Wheat – In 2017 western Canada produced a very poor milling quality wheat, putting pressure on the Hard Red Spring wheat market for 2018 since the mills will be looking for good product.

Before the Plate

- How many times have you heard it said, “consumers don’t know where their food comes from”. The answer is likely too many to count. The disconnect of modern agriculture from the ultimate customer is growing larger. Dylan Sher came from an urban background and shared a lot of the views of his fellow city dwellers, until he attended University of Guelph to study agriculture. Dylan has started on a journey to produce a film to help educate consumers on the realities of modern food production. He traces food back from the consumers plate in a restaurant through the agri-food system to the farm it was produced on. He hopes that his film “Before the Plate” will make it into the Toronto International Film Festival next summer. To learn more about his efforts, or to contribute to his project go to Before the Plate website.

Upcoming Events

Jan 16 – Dufferin Cattlemen's Annual General Meeting - contact 705-241-5813 for more info – all livestock producers welcome

Jan 19 – FarmSmart Conference– Waterloo farmsmartconference.com/registration or call 1-877-424-1300 to register

Jan 20 – FarmSmart Conference – Guelph farmsmartconference.com/registration or call 1-877-424-1300 to register

Feb 22 – Stayner Grower Meeting, Creemore

***** [Check the website holmesagro.com](http://holmesagro.com) for general information and upcoming important dates *****