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Soybean Report

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SAFETY NET UPDATE

Over the past six months there has been a number of announcements from the Federal and Provincial governments for new safety net initiatives for agriculture. As part of the recent Federal announcement of \$1.5 billion, 3 key initiatives were developed as noted below:

1. P1-P2 Change in inventory adjustment for the CAIS program
2. Blending of the Spring Credit Advance Program (SCAP) and Advance Payment Program (APP) into Enhanced Spring Credit Advance Program (ESCAP), and increasing the limit to \$100,000
3. The Canadian Farm Families Options Program

The P1-P2 inventory announcement was made independently of the provincial government to address the inability of the current design of the CAIS program to adjust for inventory from the start to the end of the year. This program will result in some payments being made to soybean producers, but will not address the real issue of declining margins. Of the \$1.5 billion dollar announced this will account for \$950 million for all of Canadian Agriculture or \$125 million for Ontario Agriculture. The \$950 million announced will not cover the entire cost of moving to a P1-P2 inventory system, but will account for approximately 60% of the payment. For grains and oilseeds producers in the province this should translate into approximately \$42-\$50 million.

The second announcement made as part of the federal government budget was the blending of the SCAP and APP programs into one program, ESCAP. There was also an increase in the maximum amount available to producers from \$50,000 to a total maximum of \$100,000. This will double the available dollars for producers, while consolidating the number of applications of the program to one. This is welcome news for soybean farmers as they move into one of the most difficult marketing seasons this year with the dramatically increasing Canadian currency over this past year, which makes it difficult to maximize returns from the market.

Most recently the Federal government announced the Canadian Farm Families Options Program. This program is designed to provide assistance on the basis of:

- Help lower-income farm families explore options to raise their income for the future. Applicants must commit to use business planning and skills development programs.
- Provide short-term income support to lower-income farm families. Eligible applicants will receive a payment that will bring them to a maximum income of \$25,000 for families and \$15,000 for individuals if they have a commercial farm.

This program will be difficult for producers to actively participate as there are a very few number of grains and oilseeds farmers that would qualify. Further this program does not address the issue of price decline over the longer term. In total it is estimated that this program will cost the federal government \$550 million and all of the remaining funds within the additional \$1.5 billion dollars allocated in the spring federal government budget.

Of the recent programs announced there is not enough emphasis from each level of government to compensate producers for the current long-term declining margins. Any funds that were recently provided have not addressed the issues currently affecting producers. It is going to be critical for producers to speak to their MP's and MPP's to advocate for a program that is targeted towards grains and oilseeds in order to address the needs of producers.

OSG OFFERS ADVANCED PAYMENT PROGRAM

Once again this year, OSG is offering the Advanced Payment Program (APP) to growers. The APP provides interest-free cash advances to eligible producers to store soybeans after harvest allowing producers to market their crops later in the season when the market conditions may result in better prices.

Applications are available on the OSG website www.soybean.on.ca or by calling 1-888-247-4999.

FARMERS FEED CITIES! UPCOMING EVENTS

The Farmers Feed Cities! campaign is working hard to spread the message about the needs of grains and oilseeds producers, watch for Farmers Feed Cities! at these upcoming events;

- Sept 6Pioneer Plot Tour, Tavistock, Ontario
- Sept 7Pioneer Plot Tour, Chatham, Ontario
- Sept 12-14 . .Canada's Outdoor Farm Show, Woodstock, Ontario
- Sept 19-23 . .International Plowing Match, Keene, Ontario



OSG Research Update

OSG research projects are well underway for 2006. This year the Board allocated a total of \$673,000 to 36 different projects that address the 3 main research priority areas; Soybean Utilization, Soybean Disease & Insect Control, and Soybean Agronomy. Several projects address more than one of these priority areas.

This level of funding is a substantial increase from previous years, and is a direct result of the Canada-Ontario Research and Development Program (CORD). Total research project funding of \$673,000 includes \$474,000 contributed through the CORD program, administered by the Agricultural Adaptation Council. This government program was renewed in Spring 2005, and allows field crop commodities to allocate research dollars to projects that meet their priorities. This program is in place until December 2007 and will provide a total of \$1.16 million for Ontario soybean research.

Soybean Utilization

In the area of Soybean Utilization, OSG is funding 10 projects. The goal of this research priority is to develop ways to increase the utilization and value of the Ontario soybean crop. A new research project starting this year will focus on assessing the economic impact of new markets for Ontario soybeans, with a focus on bio-products and biodiesel production. This study is led by researchers at the University of Guelph and will provide information on where to focus market and product development efforts in the future.

Soybean Insect & Disease

In the area of Soybean Insect & Disease control, OSG is supporting 15 projects. Asian Soybean Rust continues to be a priority and there are 3 projects related to this potentially devastating disease. OSG research funding supports the monitoring of Ontario soybeans for the presence of soybean rust, aphids and other pests through the Sentinel plot network. Soybean aphids continue to be a high priority area, with several projects underway to develop strategies to control and manage this major insect pest. These projects are a collaboration of work being done through the University of Guelph, Agriculture and Agri-Food Canada and OMAFRA.

Soybean Agronomy

In the area of Soybean Agronomy, 7 research projects are supported. OSG is continuing support of a multi-year project investigating effective and efficient control of problem weeds in soybeans. Information from this research has been helpful in providing growers with practical weed control strategies which aim to boost yields while keeping production costs manageable. Dr. Peter Sikkema leads this project at the Ridgetown campus of the University of Guelph.

Major soybean-breeding projects are underway with OSG support that will address all 3 main research priority areas. Drs. Gary Ablett and Istvan Rajcan at the University of Guelph and Drs. Elroy Cober and Vaino Poysa at Agriculture and Agri-food Canada are working to breed soybean varieties for Ontario that combine pest resistance with value added traits. This work will provide the foundation for soybean variety development in the future.

The Ontario Soybean Growers, government and other industry partners jointly support several of these projects. Together, this research is an important investment into the future of the Ontario soybean industry.

New Research and Production Website Section

The research section of the OSG website has been expanded with a complete, searchable listing of research projects funded over the past few years. You can search by year, research priority area, and location of research. A complete listing and description of the 2006 research projects is available on the OSG website at www.soybean.on.ca by clicking on the Research and Production section.



2006 OSG Research priority areas; soybean utilization, soybean disease & insect control, and soybean agronomy

