

Grain Trade & Market Development Committee
OCPA Annual Meeting Report
March 9, 2009

Ethanol report

Provincial government update

In October 2008 the Province announced it was reconsidering its decision to mandate 10 per cent ethanol content in gasoline by 2010. OCPA recognizes there have been challenges associated with meeting the 10 per cent mandate but we will continue to work with the Provincial government on a more achievable 10 per cent ethanol mandate.

OCPA and Canadian Renewable Fuels Association (CRFA)

OCPA is now a member of the Canadian Renewable Fuels Association. CRFA is a non-profit organization with a mission to promote the use of renewable fuels for transportation through consumer awareness and government liaison activities. CRFA is composed of representatives from all levels of the ethanol and biodiesel industry, including grain and cellulose ethanol producers, biodiesel producers, fuel technology providers and agricultural association.

OCPA has already seen value in this relationship by aligning key messaging and speaking points and receiving updates about key studies and new information that is being presented on corn ethanol and other biofuels.

OCPA's ethanol mandate

In December 2008 OCPA passed some new ethanol policy to provide further direction to staff.

- *OCPA will work with like-minded organizations to support a bio-economy that includes corn ethanol produced from locally grown Ontario corn at prices that are profitable to Ontario corn producers.*
- *OCPA will take a leading active role in public and media relations where there is an opportunity to communicate accurate information related to Ontario corn's role in ethanol and the bio-economy. OCPA will also take an active role in promoting the benefits of Canadian-produced corn ethanol.*
- *OCPA will work cooperatively with like-minded organizations in a supporting role on issues affecting the bio-economy that are not specific to Ontario corn ethanol.*

- *OCPA will work cooperatively with like-minded organizations to be informed about emerging technologies that provide opportunities for Ontario corn in the bio-economy.*

Ontario ethanol production updates:		
Plant	Capacity (Million litres)	Tentative Completion Date
GreenField (Chatham)	150	Operating
GreenField (Tiverton)	50	Operating
Suncor (St. Clair)	200 (+200)	Operating (Sept 2009) (Expansion on hold til 2010)
Collingwood Ethanol (Collingwood)	50	Operating
GreenField (Johnstown)	200	Operating
IGPC (Aylmer)	150	Operating
Kawartha Ethanol (Havelock)	80	Spring 2009
GreenField (Hensall)	200	Unknown
Upper Canada Ethanol (Napanee)	400	Unknown
Northern Ethanol (Sarnia)	400	Unknown
FarmTech Energy Corporation	210	Unknown

Market Choices Program

The Canadian Seed Trade Association (CSTA) was licensed in 2003 by the American Seed Trade Association (ASTA) to run the Market Choices program in Canada. With a lack of timely regulatory approvals for corn biotech traits in the European Union (EU), the Market Choices program will be suspended in the United States and Canada by the Fall of 2009.

The purpose of the Market Choices program was to help producers and grain handlers identify corn hybrids not approved in the EU and segregate the grain away from exports to the EU.

Although the program will be suspended, the CSTA Corn, Soybeans and Eastern Cereals Committee will continue to identify non-EU approved corn hybrids in its List of Corn Hybrids Commercially available in Canada on their website www.cdnseed.org.

Producers are encouraged to check with their grain handlers to ensure they are marketing their corn into appropriate channels.

Producer Contracts

It is always important to understand any document you are putting your signature to; however, it is imperative producers exercise this due diligence this year. The economic crisis and its 'echo effect' has impacted many things, and is changing the way business is conducted with your buyers. The way in which advances are being treated is not the same as in recent past, and quality requirements of corn being delivered has also been changed in some contract situations. It is important producers understand these changes when reviewing the documentation, and don't be shy in asking the appropriate questions of the retailer/broker/end user so that you are fully aware of the conditions of the agreement.

Grain Financial Protection Program

The Grain Financial Protection Program (GFPP) is important as we continue through economic turmoil and continued volatility in the markets. The GFPP protects the financial interests of Ontario producers of grain corn, soybeans, wheat and canola who sell their crops to licensed dealers. It also protects owners who store grain and oilseeds with licensed elevator operations.

To protect their financial interests, producers need to know the rules of the program. To qualify for protection, producers need to sell to licensed buyers and cheques received from buyers must be cashed within five banking days or a claim can be refused.

Producers who defer payments into the next fiscal year or crop year beyond the acceptable timelines may not be protected. Deferred payments are grounds for denial of a claim under the Farm Products Payments Act.

For more information on the GFPP or to confirm if a buyer or storage facility is licensed, contact Agricorp at 1-888-247-4999 or www.agricorp.com.

Growing Your Farm Profits

Developed by OMAFRA and delivered by the Ontario Soil & Crop Improvement Association, Growing Your Farm Profits is a two day workshop designed to help people identify, plan for and reach their

business goals. The workshops help people look at several areas including marketing, production, financial management, human resources, social responsibility, succession planning, business structure, business strategy and develop an action plan for reaching their goals. Several of these workshops have been offered across the Province.

Market Information

OCPA provides daily and monthly market information as follows:

Daily Market Information

Electronic agricultural and market information for corn, wheat and soybeans is available daily through a free e-mail subscription on the website at www.ontariocorn.org and select Farm Market News. The report for the day is available on the website as well.

Average Weighted Prices

OCPA updates the Average Weighted Price information on a monthly basis on the website. Click on the link under Quicklinks for the Ontario Average Weighted Corn Prices – five year review page. This is a tool for producers who are looking for a way to benchmark how they are doing with their marketing. For many years, OCPA published a three-year review of the Average Weighted Prices in the Ontario Corn Producer magazine. In this electronic age, OCPA can provide this information in a much timelier manner on the website.

Supply & Demand Report

After several requests, OCPA resumed publishing the Monthly Supply and Demand Report on the OCPA website which is available from the home page. In addition to this report, there are three charts; two for daily pricing and one for an adjusted basis.

Market Trends & Podcast

On behalf of OCPA, Philip Shaw analyzes the domestic and international markets and provides a summary as well as what he calls 'The Bottom Line'. The report is available in electronic form by clicking on the link from the homepage. An audio podcast is available from the same link for people who prefer to listen to it.