



# Agri-News

January 4, 2010

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## **Total 2009 Production of Principal Field Crops Declined in Alberta**

Unfavourable crop growing conditions in 2009, particularly the cool, dry spring, took a toll on crop production in the province. As a result, total production of principal field crops in Alberta in 2009 declined significantly from a year earlier, according to the recently released Statistics Canada report, **November Estimate of Production of Principal Field Crops, Canada, 2009**.

“The Statistics Canada report pegged the total 2009 production of principal field crops in Alberta at 22.57 million tonnes, down 25 per cent from the record set in 2008, and six per cent below the 10-year average,” says Chuanliang Su, crops statistician with Alberta Agriculture and Rural Development. “The decline in production was attributed to lower yields and a smaller harvested area. Provincial average yields for most major crops were estimated to be significantly lower than in 2008, but were still relatively similar to their 10-year averages. Total seeded area for principal field crops in the province was virtually unchanged from 2008, while harvested area fell about 10 per cent, largely due to crops being salvaged for forage production and used for grazing.”

With respect to estimates for specific crops, total production of **spring wheat** in Alberta was estimated at 6.18 million tonnes, down 15 per cent from 2008 (but was still seven per cent above the 10-year average). The lower production was mainly due to reduced yield, as harvested area was just slightly smaller. The provincial average yield was estimated at 41.1 bushels per acre, down 13 per cent from 2008, while total harvested area declined two per cent, to 5.53 million acres.

For **durum wheat**, production fell eight per cent to 993,400 tonnes, but was still 17 per cent above the 10-year average. The provincial average yield was estimated at 40.6 bushels per acre,

down six per cent from a year earlier, while harvested area declined two per cent, to 900,000 acres. Total production of winter wheat fell 31 per cent, to 266,700 tonnes, mainly due to reduced yield. Overall, production of **all wheat** declined 15 per cent from 2008, to 7.44 million tonnes.

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### **This Week**

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Total **barley** production in Alberta was estimated at 3.84 million tonnes, down 29 per cent from 2008, and 21 per cent below the 10-year average. This was attributed to reduced yield and smaller harvested area. The provincial average yield for barley was estimated at 58.2 bushels per acre, or 13 per cent lower than in 2008, while harvested area fell 19 per cent.

Total production of **oats** was estimated at 308,400 tonnes, down 43 per cent from 2008, and 54 per cent below the 10-year average. The lower production was mainly due to a 40 per cent reduction in harvested acreage, as more than one half of the crop was taken off for forage production. The provincial average yield was estimated at 66.7 bushels per acre, down five per cent from a year earlier.

For **canola**, total production in the province declined 27 per cent from 2008, to 3.16 million tonnes, but was still 14 per cent higher than the 10-year average. Total harvested area was down 13 per cent to 4.52 million acres. With respect to yield, the provincial average was estimated at 30.8 bushels per acre, or 17 per cent lower than in 2008, but in line with the 10-year average.

Total production of **dry peas** in Alberta was estimated at 666,700 tonnes. While it was nine per cent lower than 2008, it was still 22 per cent higher than the 10-year average. For **tame hay**, production in the province was 5.35 million tonnes, or 43 per cent lower than in 2008, and 23 per cent below the 10-year average.

For further information on Alberta's 2009 crop production, contact the Statistics and Data Development Branch of Alberta Agriculture and Rural Development. Additional information can be found on Alberta Agriculture and Rural Development's website at [www.agriculture.alberta.ca](http://www.agriculture.alberta.ca)

Contact: Chuanliang Su  
780-422-2887

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## Cow Lease Arrangements

A number of cow owners are looking for ways to weather the financial storm facing the cow business, and one option is setting up cow lease arrangements.

"During periods of positive margins, cow leasing is an ideal way for retiring cow/calf operators to transfer the herd to the next generation and, at the same time, minimize the tax liability that often occurs with herd dispersals," says Ted Nibourg, business management specialist with Alberta Agriculture and Rural Development. "The younger operators are able to take over an established herd and at the same time develop skills to manage that herd. Additionally, they are able to take over the herd without incurring major debt. With current cow economics, all those advantages have virtually been eliminated."

Currently, the idea of cow leasing is being seen by cow owners wishing to retain their herds while minimizing operational losses as a possible option.

"The most common question about leasing cows revolves around the share of the calf crop," says Nibourg. "The first issue that has to be addressed in order to answer this question is who will be responsible for cow replacement. If the cow owner wishes to retain the herd, he will be responsible for replacing cull cows. Should the operator (lessee) wish to eventually take over the herd, he would replace the cows. The next factor to consider is the replacement value of productive cows as well as a value for cull cows. Operational costs, production estimates and anticipated calf prices also have to be determined in order to come up with an equitable calf share."

In arrangements where the cow owner replaces cows and both parties agree to share the calf crop in direct proportion to their expenses the calf share would be allocated 20 per cent to the cow owner and 80 per cent to the operator. This scenario involves cows valued at \$850 per head with a cull price of 35¢/lb for cows weighing 1300 lbs. Calf prices are anticipated to average \$1.05/lb for 650 lb. calves. For the operator this would be a few dollars shy of covering his direct expenses, but would not cover his fixed or opportunity costs. Where the operator is replacing cows his share of the calf crop would be 95 per cent. These calculations assume a 20 per cent culling percentage or a five-year herd turnover.

In a flexible percentage share arrangement, the operator's direct costs are covered first and then fixed and opportunity costs are proportionately shared. With this arrangement, the calf share becomes 16.5 per cent for the owner and 83.5 per cent for the operator, assuming cow replacement is the owner's responsibility. If the operator is replacing the herd, the calf share would be one per cent and 99 per cent respectively.

"A third option for leasing cows involves straight cash rent," says Nibourg. "Regardless of who is replacing the cow herd, the cow owner would need an annual rent of approximately \$138 per head to cover his fixed and opportunity costs. If the cow owner is retaining the herd and replacing the cows on an ongoing basis, the annual rent would continue until both parties decide to terminate the arrangement. Where the lessee is replacing cows, the annual rent would continue for the duration of the herd turnover."

Developing a cow lease agreement can be involved and complicated. Alberta Agriculture and Rural Development's publication *Negotiating Cow Lease Arrangements* can assist in developing a cow lease. The publication contains a description of different lease arrangements, an example case study, a sample cow leasing agreement and blank cow lease worksheets. *Negotiating Cow Lease Arrangements* is available for purchase by contacting the Publications Office at

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1-800-292-5697. This publication which costs \$5 plus GST can also be ordered online at [www.agriculture.alberta.ca/publications](http://www.agriculture.alberta.ca/publications)

Producers are also welcome to contact the specialists at the Ag-Info Centre for assistance in arriving at equitable share arrangements by calling 310-FARM (3276).

Contact: *Ted Nibourg*  
310-FARM (3276)

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## **New Traceability Regulations Come Into Effect March 1, 2010**

Alberta is strengthening its animal health and food safety legislation with the introduction of new regulations effective March 1, 2010. The Traceability Cattle Identification Regulation repeals the Traceability Livestock Identification Regulation.

“Traceability is key in providing assurances of food safety and managing animal health issues,” said George Groeneveld, Minister of Agriculture and Rural Development. “Alberta has taken a leadership role in Canada in developing a traceability system. These adjustments not only enhance Alberta’s system, but also provide some flexibility to producers in meeting requirements.”

There are two parts to the new regulations: tagging requirements for cattle identification and cattle move-in reporting for feedlots.

All producers now have until cattle are 10 months-of-age, rather than 8 months-of-age, to apply industry-approved Radio Frequency Identification (RFID) tags and register the cattle’s birth date. Producers using actual birth dates also have the option of using a cattle identifier (tattoo or production dangle tag) by three months-of-age and until applying an RFID tag at 10 months-of-age or the animal leaves the farm, whichever comes first. Previously, RFID tags were required at three months-of-age.

Feedlots feeding 1,000 or more head per year are now required to report move-in information to the Canadian Cattle Identification Agency (CCIA). Previously, only feedlots feeding 5,000 or more head were required to do so. This regulation applies only to feedlots, not cow-calf operations.

These changes were made at the request of the cattle industry to ensure that all cattle are off-pasture in time to meet the requirement. As well, the provisions for retagging cattle that have lost their ear tags have been clarified. If an animal is retagged, on-farm records must be created or updated to reflect the new approved tag number, the date applied, and number of the previously applied tag, if available. The regulation specifies processes for cattle aged under and over 18 months.

Livestock traceability regulations have been in effect since January 1, 2009. Cattle born after that date are required to be age verified under the *Animal Health Act*.

In Alberta, all livestock producers and anyone who owns or keeps animals (other than household pets) or who operate sites where animals commingle, such as feedlots, must obtain a unique Premises ID number from Alberta Agriculture and Rural Development.

Alberta’s Radio Frequency Identification Technology Assistance Program increases the recording and reporting capabilities of feedlots and backgrounders by providing cost-shared assistance to purchase and implement Radio Frequency Identification technologies. Funding and program details are available from Alberta Agriculture and Rural Development.

Traceability enables government to move quickly to prevent, prepare, respond and recover from natural disasters and outbreaks of disease, while minimizing economic impacts. For more information visit [Alberta.ca](http://Alberta.ca)

Contact: *Jake Kotowich, Senior Manager*  
*Traceability Division*  
780-644-8204  
To call toll-free within Alberta dial 310-0000

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## **Soil Moisture – Checking the Available Data**

“There are moisture deficits in many parts of the province and in these areas, things are looking extremely dry heading into the winter,” says Ralph Wright, soil moisture specialist with Alberta Agriculture and Rural Development. “Soil moisture reserves as of early December are variable throughout the province, ranging from near normal through the east half of the southern region and down to 1-in-25 year lows for most of the northern region, the west half of the central region and the southwest portion of the Peace region. In comparison to last year at this time, only relatively small areas in the central and northern regions were the 1-in-25 year low ranges.”

The 2009 growing season was unusually dry and cool. The cooler temperatures were a mixed blessing resulting in delayed seeding, and slow crop growth, but were key to reducing moisture stress that would have otherwise occurred if the unusually dry conditions had been accompanied by hot weather. The arrival of long awaited precipitation in July helped many areas, but it was generally spotty coming mainly from a series of isolated and sometimes severe thunderstorms activity, resulting in extremely variable growing conditions across most of the province. A warm fall compensated for the cooler start to the growing season and allowed crops to mature. However, heading into fall soil moisture reserves were well below

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normal, and this, coupled with below average fall precipitation across many areas has resulted in depleted soil moisture reserves across much of the province. Fall is typically and important time for recharging soil moisture reserves for the next growing season, and this fall, soil moisture recharge was well below normal across many areas.

“The 2009 growing season did not see major frontal systems that often bring wide-spread soaking rains across large areas of the province,” says Wright. “For the most part, precipitation came in the form of thunder storm activity which means that in any given area, some producers got the rain and some didn’t. Because of this very sporadic precipitation, soil moisture conditions tend to be highly variable over short distances.”

Winter generally accounts for 25 per cent of the average annual precipitation, and the late fall and winter months (November to March) usually average between 10 and 20 mm of precipitation per month, compared to Alberta’s wettest months, June and July when there is usually 90 to 100 mm per month.

“The late summer and early fall months are typically very important for soil moisture recharge, but this year, we just didn’t get a lot of precipitation in the fall,” says Wright. “So far this winter, snow pack across many parts of the province are about average, and, with the dry soil conditions, providing that the spring melt does not come too fast, we could see a lot more of the snow pack actually soaking into the soil as opposed to being surface run-off.”

Producers are hoping that the spring will bring the deep soaking rains that have been absent for the last couple of years. Estimates for the amount of recharge needed to bring soil moisture back to normal vary by area and by crop type. For spring wheat, much of the east-half of the southern region is near normal, but this grades down to deficits in the 100 mm range across the western portions of the Northern region and the south-western portions of the Peace Region.

“Alberta Agriculture has analyzed precipitation, temperature and soil moisture conditions back to 1961,” says Wright.

“Looking at that data, for many parts of the province, the last 10 years have been drier than any other 10-year period on record. That said, it must be remembered that some good rains or even late snowfalls in April, May and early June could turn the soil moisture deficit around completely. We have seen this happen several times in the past.”

Alberta Agriculture and Rural Development has over 5000 agro-climatic maps posted to its website. The data for these maps is collected and made available on the Agro Climatic Information Service (ACIS). The maps describe climate trends in the province.

“Every week, 30 new maps are posted to the website,” says Wright. “These maps help track current trends and with the other maps in the archive, provide a comprehensive history back to 1961. In addition, producers can see where weather stations are across the province and view and download weather data from the stations nearest to their operations. This data along with the available maps can help them make informed insurance decisions if they are considering buying precipitation-based insurance.”

All of the ACIS maps are available online at [www.agriculture.alberta.ca/acis](http://www.agriculture.alberta.ca/acis)

Contact: *Ralph Wright*  
780-427-3556

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## **Western Canadian Dairy Seminar**

The 28<sup>th</sup> annual Western Canadian Dairy Seminar (WCDS) is being held in Red Deer on March 9 to 12, 2010. With the theme, *A Decade of Success in the New Millennium*, the seminar will feature the latest information on dairy production and technology advances.

The seminar, designed for people who want to improve their knowledge and decision-making abilities in dairy production and management, will be of particular value to dairy producers, extension specialists, researchers, and dairy service and supply representatives.

The dairy industry looks to this seminar for solutions to emerging issues, recent research results and for information about nutrition, reproduction, dairy policy and challenges facing the dairy industry. The design of the conference is such that timely and relevant issues are the focus of the presentations. In addition to the formal program, there is ample opportunity for one-on-one discussions between the speakers and participants.

The three-day agenda features international speakers making presentations on topics relating to production efficiency, optimizing reproductive performance, genomics and genetics, nutrition, farm management, milking management and technologies as well as information on dairy industry updates. For a full agenda and speaker biographies are included on the WCDS website.

Early bird registration, post-marked no later than February 8, 2010, is \$235 CDN (including GST) per person. After February 8, 2010, single registration is \$285 CDN (including GST). For further information and online registration, go to the seminar website at [www.wcds.afns.ualberta.ca/](http://www.wcds.afns.ualberta.ca/)

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## Agri-News Briefs

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### Annual Horse Breeders and Owners Conference

The 2010 Horse Breeders and Owners Conference, being held in Red Deer on January 15 to 17, 2010, is packed with presentations on horse health, training, nutrition, breeding, horsemanship and horse industry business concerns. In addition to being a unique opportunity to listen to and learn from a full slate of world renowned horsemen and horsewomen, event sponsors will be on-hand during the weekend to exhibit and talk about their equine products and services. Conference pre-registration is \$95 per person and cost for additional individuals registered at the same time from the same farm is \$80. Registration at the door will be \$95 per person. Registration includes a copy of the conference proceedings. For more information about the conference, contact Teresa van Bryce, manager of Horse Industry Association of Alberta, at 403-420-5949 or Les Burwash, manager of equine programs, Alberta Agriculture and Rural Development, at 403-948-8541.

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### Agriculture and Food Products Directory Almost Complete

Alberta Agriculture and Rural Development staff members occasionally attend agriculture and food related trade shows across Canada or around the world, and routinely get approached by buyers asking what sort of products Alberta has to offer the world. As it would be unwieldy to try to carry sales brochures from every single Alberta processor, the buyer is usually given a copy of the **Processing Directory**, which provides a list of Alberta's processing companies. With a view to giving buyers more helpful service, Alberta Agriculture is developing a supplement to this directory that will focus on products rather than companies. This will keep products and manufacturers at the forefront of the buyers' minds. Alberta's agriculture and food processors are encouraged to participate in this directory. There is no cost to have products included. A print version of the directory will be accompanied by a web version so that information can be kept up to date. For further information, contact [grant.winton@gov.ab.ca](mailto:grant.winton@gov.ab.ca) or [claire.citeau@gov.ab.ca](mailto:claire.citeau@gov.ab.ca)

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### 2010 Alberta Beef Industry Conference

The 2010 Alberta Beef Industry Conference is being held in Red Deer on February 17 to 19, 2010. In addition to the conference the **Big on Beef – What's at Steak?** workshop will be held. The workshop is designed to integrate the next generation into the Alberta beef industry and educate students and younger producers about value chains and the importance each industry sector plays. The conference speakers will explore innovative production techniques for profitability and sustainability. Participants are also encouraged to take part in the tradeshow, which will be an opportunity to network with representatives from more than 70 companies and industry organizations. A few changes to the 2010 conference include:

- young producer/student workshop and conference rates
- Wednesday evening banquet dinner and keynote speaker
- the conference will conclude early Friday afternoon

For conference information and registration costs and details, contact Jennifer Brunette at 403-250-2509 ext 22 or e-mail [jbrunette@cattlefeeders.ca](mailto:jbrunette@cattlefeeders.ca)

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### Food West Trade Show

**Food West** is a trade show and buyer matching event that is being held in Edmonton on February 23 and 24, 2010. "Approximately 40 hand-picked buyers from Europe, Asia and the Americas will be in attendance at **Food West**, and looking for new retail products," says Grant Winton BSc, MBA, trade development officer with International Relations and Marketing, Alberta Agriculture and Rural Development. "Export ready processors and manufacturers from across Western Canada with retail food, cosmetic or related products are encouraged to apply to attend." Attendance at and participation in **Food West** is a very low cost way to meet qualified buyers from around the world. For further information, e-mail Winton at [grant.winton@gov.ab.ca](mailto:grant.winton@gov.ab.ca) or Claire Citeau at [claire.citeau@gov.ab.ca](mailto:claire.citeau@gov.ab.ca)