



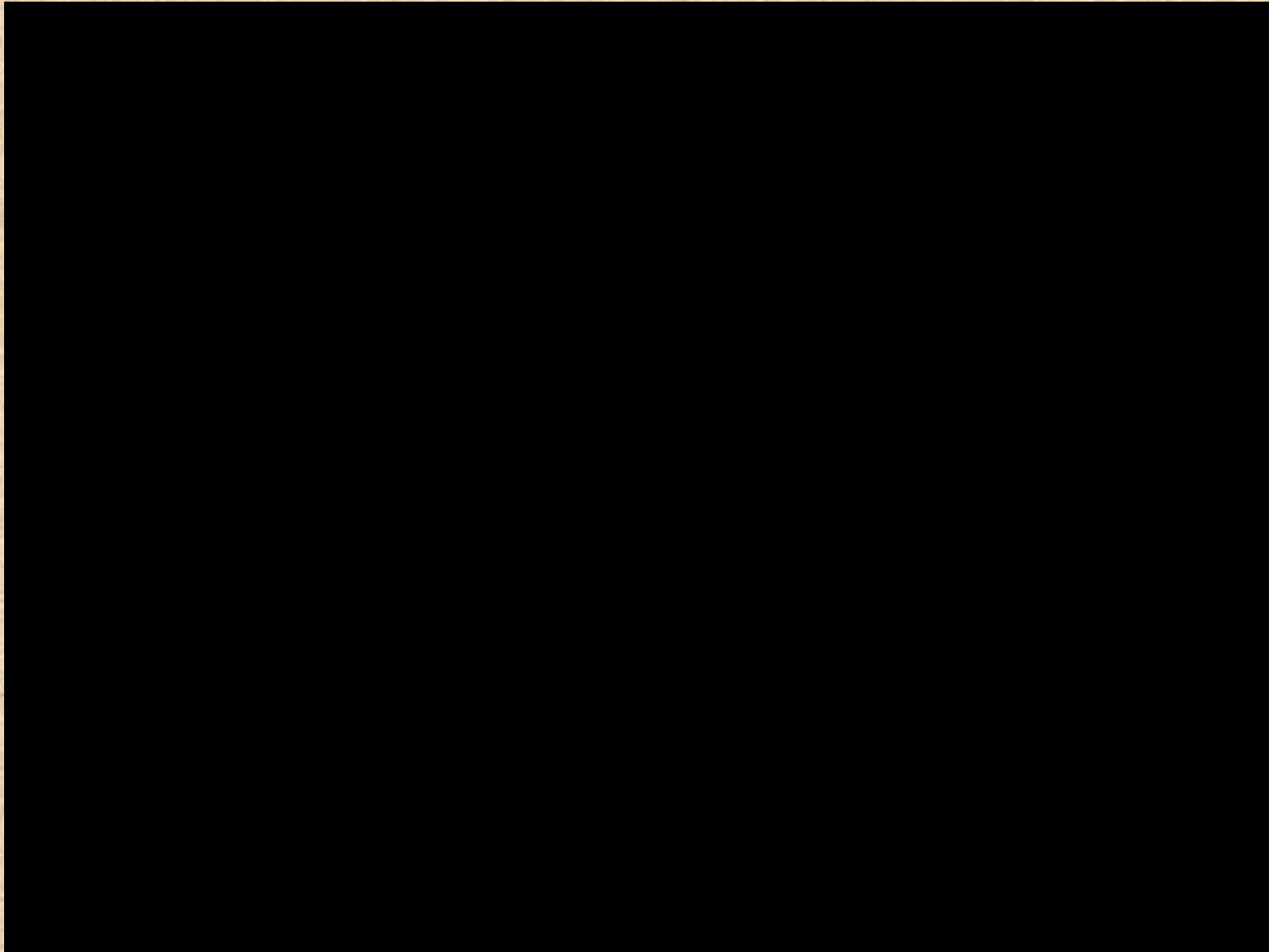
**Beef Farmers**  
*of Ontario*

# Cow Herd Expansion in the North



*Expanding Ontario's Beef Industry*





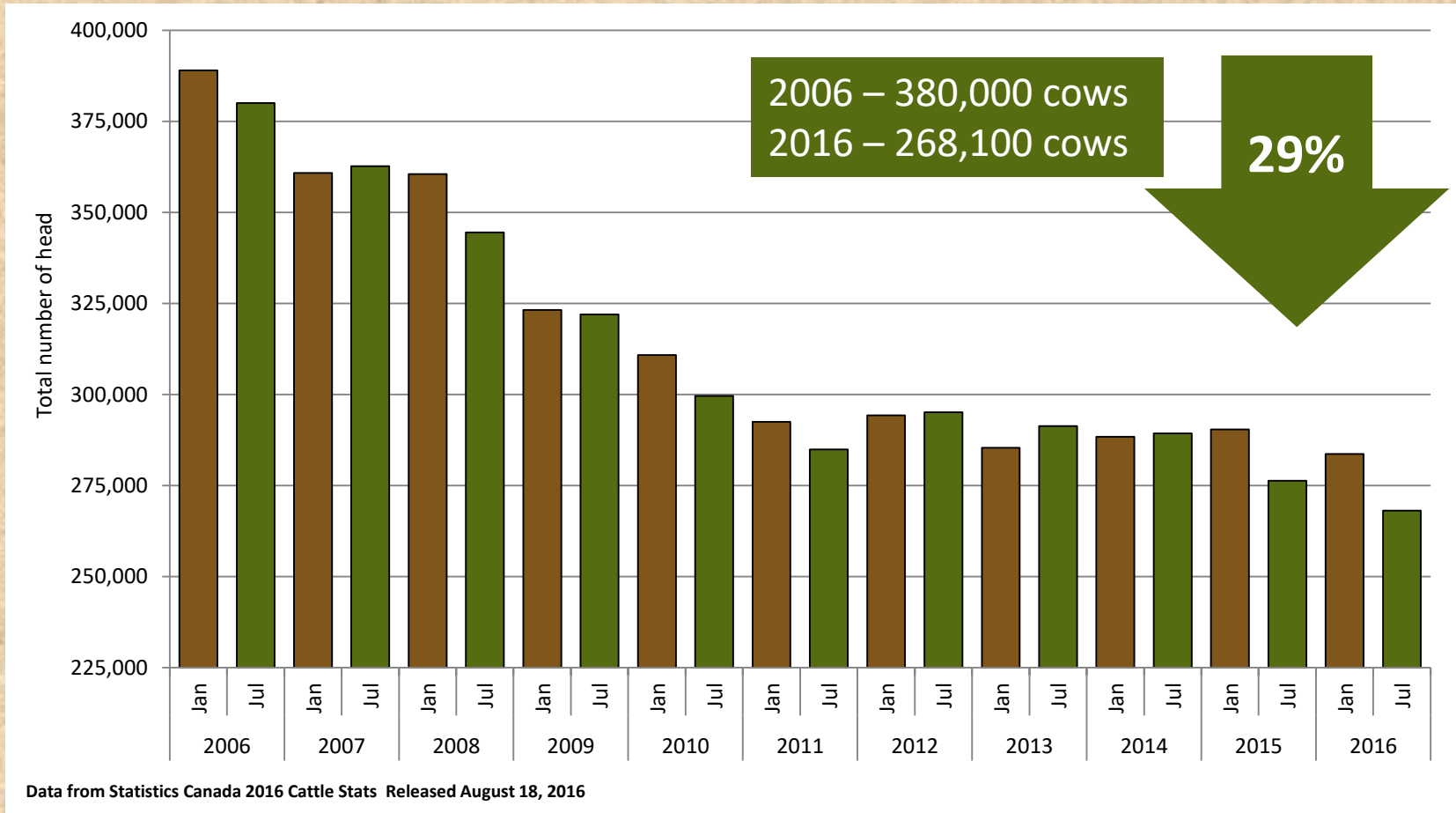
# State of the Industry

- **Beef production is declining in Ontario**
  - **Shrinking cow herd**
  - **Decrease in supply of locally-produced beef**
  - **Threat to the survival of processing plants and auction markets**
  - **Impact on jobs and income for the province**
- **Globally, income and wealth is rising. As income grows, diets are shifting to include more protein, and globally we are experiencing a considerable growth in demand for beef.**



# Ontario Beef Cow Inventory

## 2006-2016



# Great Northern Clay Belt



16 Million Underutilized Acres in the Great Clay Belt



# Economic Model

- BFO assembled some of the best minds in the province to determine if expansion of beef production in Northern Ontario was economically feasible or not.
- The study generated the most complete financial model ever developed for our industry.
- The findings and accompanying economic model demonstrate that northern expansion is both economically feasible and required to support Ontario's current beef industry and processing sectors.



# Great Clay Belt Cow-Calf and Backgrounding Scenario Feasibility Tool

Jul-14

This guide is designed as a general scenario-planning tool for calculating the potential of Cow-Calf and Backgrounding operations in the Great Clay Belt in Northern Ontario.

This fully integrated tool allows the user to input basic information into any white box, for the type of operation they are interested in, such as Cow-Calf herd size and/or contracted backgrounding operation. The tool then provides the associated requirements based on acres, nutrition, etc. and a resulting detailed income statement in addition to potential financing options, thereby allowing the user to consider the feasibility of various potential scenarios.

The information contained in this tool has been generated through a review of existing available literature and numerous consultations with various experts. This tool is made available by the Beef Farmers of Ontario and funding from the Government of Ontario.

*Disclaimer: This tool is intended as a guide for direction only and must not be used as an operational planning tool. Interpretation, validation and use of this information is solely the responsibility of the user and neither the authors nor the Beef Farmers of Ontario shall be held responsible for any decisions made based on this information.*



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### Herd Dynamics & Reproduction Requirement

<input type="text" value="100"/> No. of Cows	<input type="text" value="190.21"/> Avg. Calf Sale Wgt	
<input type="text" value="100"/> Bull/Cow Ratio (%)	<input type="text" value="476.21"/> Avg. Suck Fecund Wgt	
<input type="text" value="20"/> No. of Bulls	<input type="text" value="683.72"/> Avg. Heifer Calf Sale Wgt	
<input type="text" value="100"/> Cow Avg. Wgt (kg)	<input type="text" value="304.41"/> Avg. Heifer Powder Wgt	
<input type="text" value="100"/> Bull Avg. Wgt (kg)	<input type="text" value="229.62"/> Beef/ewe Conversion	
<input type="text" value="40"/> Contract Backgrounded - Steers		
<input type="text" value="0"/> Contract Backgrounded - Heifers		
<small>NA= Omitting an element of 100</small>		

Calving	Cow Replacement Required	Bull Replacement Required
<input type="text" value="200"/> Conception Rate	<input type="text" value="0"/> Cow Replacement Plan (%)	<input type="text" value="0"/> Bull Replacement Plan (%)
<input type="text" value="100"/> Calving Rate (Live-Born %)	<input type="text" value="100"/> Cow Herd/Year (%)	<input type="text" value="100"/> Bull Herd/Year (%)
<input type="text" value="100"/> % Steers	<input type="text" value="100"/> Steer Herd/Year (%)	<input type="text" value="100"/> Heifer Herd/Year (%)
<input type="text" value="100"/> % Heifers	<input type="text" value="0"/> Heifer Herd/Year (%)	<input type="text" value="0"/> Heifer Herd/Year (%)
<input type="text" value="0"/> No. Steer Calves Born	<input type="text" value="0"/> No. Retained Heifer Calves	<input type="text" value="0"/> No. of Bulls Replaced
<input type="text" value="0"/> No. Heifer Calves Born		
<input type="text" value="0"/> No. of Steer Calves		
<input type="text" value="0"/> No. of Heifer Calves		

Animal Health Costs			
	per hd or per ewe	\$/per yr	Annual Cost
<b>Cow Calf Operation</b>			
avg vet	\$ 0.00	38	380
insurance	\$ 200.00	1	200
difficult calving	\$ 100.00	1	100
planned/med health costs	\$ 200.00	1	200
unplanned risk for diagnosis and treatment	\$ 100.00	1	100
rescue cost	\$ 0.00	200	0
rescue cost	\$ 0.00	70	0
Bull breeding and health costs	\$ 0.00	0	0
meds for disease in	\$ 0.00	10	0
preventive costs & hygiene - cow	\$ 7.50	60	450
<b>Total Cow Calf</b>			\$ 1,130

Direct Bull Replacement Cost	
Bull Cost	\$ 1,000
Salvage Revenue	\$ 1,100
No. Bulls	1
Replacement %	240
No. Replacement	240
Cost/Replacement	\$ 2,400.00

Bedding Cost	
Compost	\$ 100
Straw Cost	\$ 30
No. Bulls	1
Total Cost	\$ 130.00

### Market Pricing

Month	Market Pricing	2013		
		Oct-14	2013	2011-2013
		Current Month	Year Ago	3Yr. Avg.
Oct	Colled Cows (\$/cwt)	\$ 103.58	85.54	81.97
Sept	Colled Bulls (\$/cwt)	\$ 128.41	82.98	77.56
Feb	Steer Calves (\$/cwt)	\$ 286.26	173.41	162.96
Feb	Heifer Calves (\$/cwt)	\$ 258.28	130.53	144.03
Aug/Sept	Yearlings Steer (\$/cwt)	\$ 278.88	152.74	138.42
Aug/Sept	Yearlings Heif. (\$/cwt)	\$ 223.91	138.71	129.24
Sept	Bull Cost	\$ 3,550		
	(Beef Booster - Orange)			
	\$ 0.85 Price per lb gained for backgrounding			

Bedding Cost - Straw (\$/Tonne)	\$ 30.00	Pasture Land \$/Acre	\$ 350.00
		Hay Land \$/Acre	\$ 350.00
		Cow Replacement (\$/cwt)	\$ 150.00
		Land Devel. Cost	\$ 500.00
Utilities (\$/Month)	\$ 300.00		
Contract Background Prem/hd	\$ -	P205 \$/lb	\$ 0.64
Min Family Income	\$ 50,000		



# Our Goal

**Increase the cow herd by 100,000 animals.**

**Adding 100,000 animals will:**

- **Add more than 4,500 permanent jobs and more than \$318M value-added GDP per year for Ontario.**
- **Provide the much needed production to support the successful Ontario Corn Fed Beef program.**
- **Create opportunities for southern finishers and processors and help support existing infrastructure.**
- **Provide a stable and long-term economic solution for northern communities.**





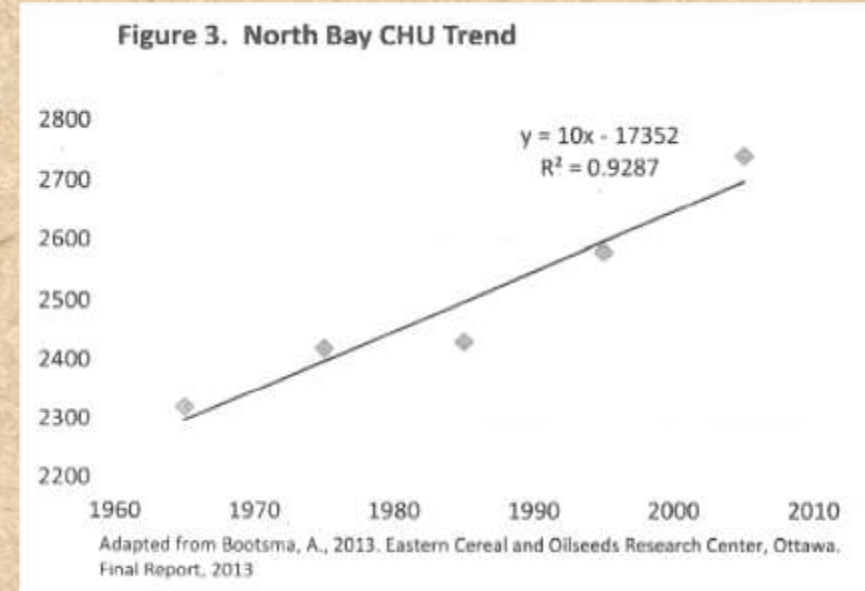
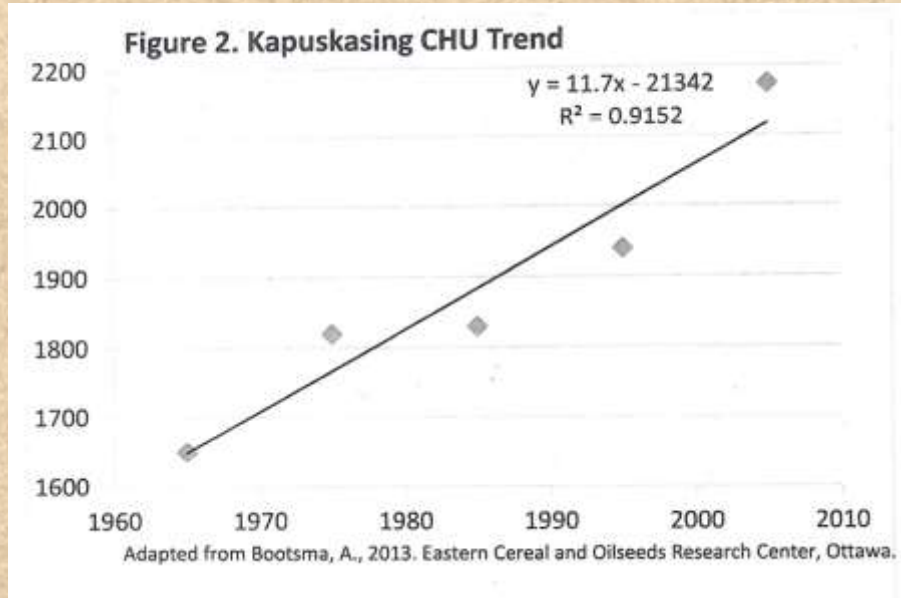
# Why Will This Work Now?

- **Global warming allows for more cropping options**
- **Shorter season varieties have been derived from extensive research**
- **New practices and technologies in use:**
  - **pasture calving, rotational grazing, hay bale wrapping, better genetics increase profitability**
- **Divergence of supply and demand**
- **Private equity funders are interested in stable, long-term returns provided by agriculture**



# It Is Getting Warmer

The Northern Clay Belt offers increasingly favourable growing conditions.



## 2011 - 2012 Crop Yields

### Temiskaming District

Corn - 130 - 145 bu/ac

Soybeans - 50 - 60 bu/ac

### Cochrane District

Canola - 1.45tonnes/ac

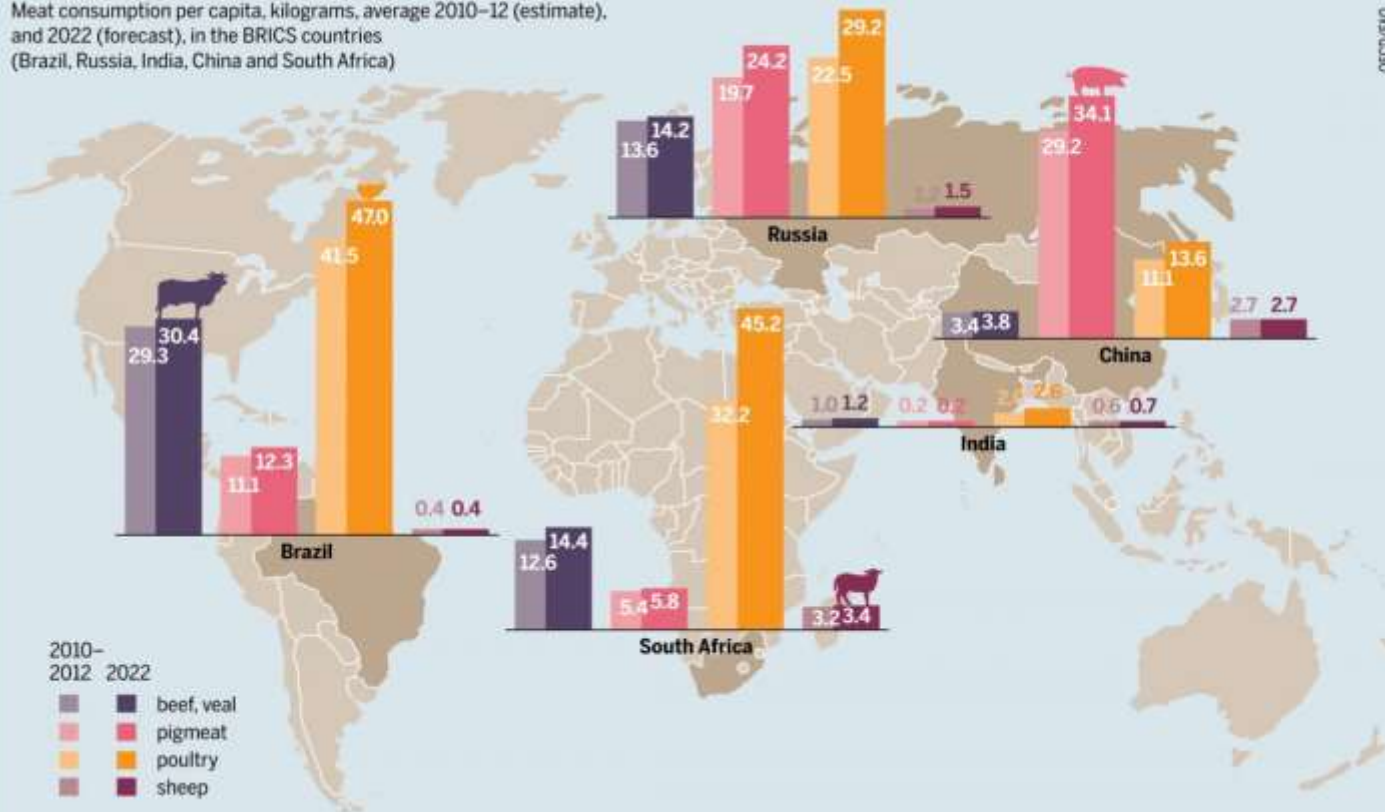


# New Global Market Reality

## Meat Demand is Growing in Developing Nations

Demand in the developing world is rising steeply

Meat consumption per capita, kilograms, average 2010–12 (estimate), and 2022 (forecast), in the BRICS countries (Brazil, Russia, India, China and South Africa)



OECD/FAO

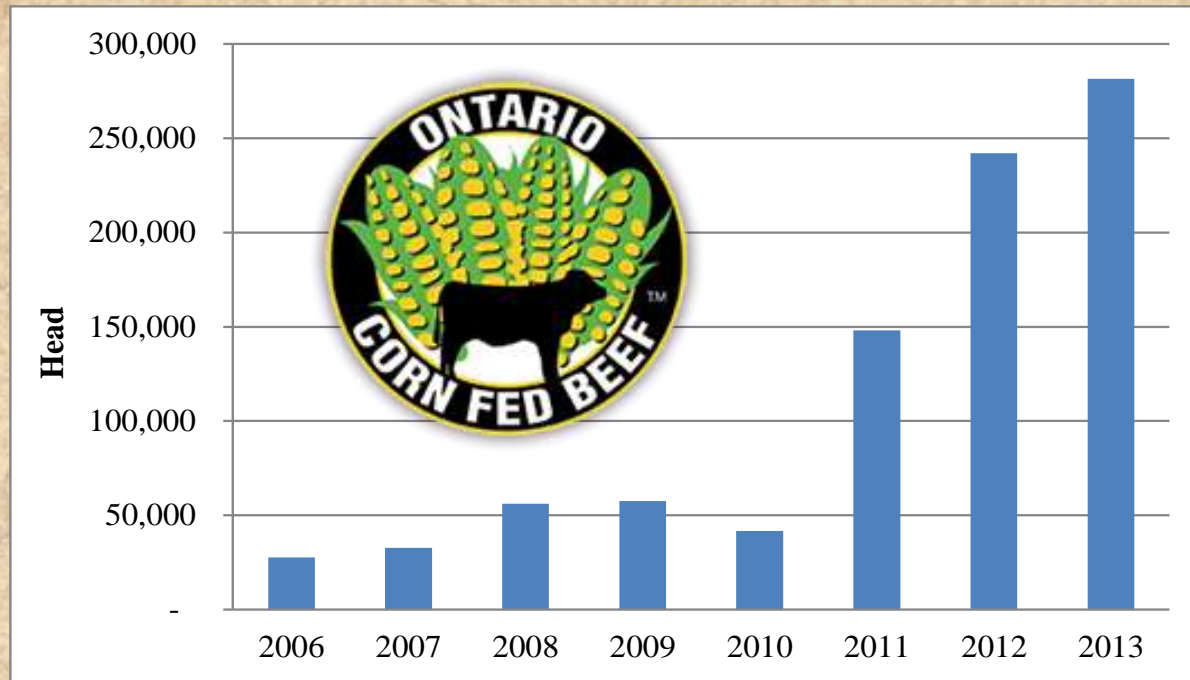


# New Global Market Reality

## GREATER DEMAND FOR QUALITY

Ontario's premium beef brand is continually in search of beef supply.

Ontario Corn Fed Beef Growth



# Access to Private Capital

Private equity funders are interested in participating in agricultural enterprises due to:

- long-term trends of appreciation
- the value of farmland
- a macro-economic environment
- increasing demand for protein

In this project, we have identified a few such funders.



# Economic Impact for Northern Communities

- Other industries in Northern Ontario have boom and bust cycles. Northern communities need stable, long-term economic activity which farming does provide.
- Adding 30 economically viable farms per year for the next 20 years will generate more than \$3 billion in economic activity for Northern communities.



# New Farmer Sources

## Developing Northern Beef Production will Attract:

- Expansion of existing beef operations in the north
- Existing young farmers in the north
- Farmers on high value/small scale farms in rural southern Ontario with limited land base for expansion
- Existing farmers' children seeking longevity in farming combined with northern lifestyle
- Those who want to enter into the beef farming business or who are seeking more affordable beef farming operations



Welcome to  
**Beef North**

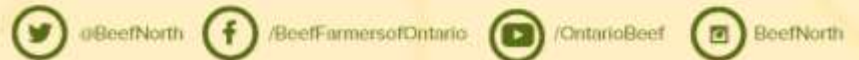


A hub of information and resources to support beef production in Northern Ontario

[www.beefnorth.com](http://www.beefnorth.com)



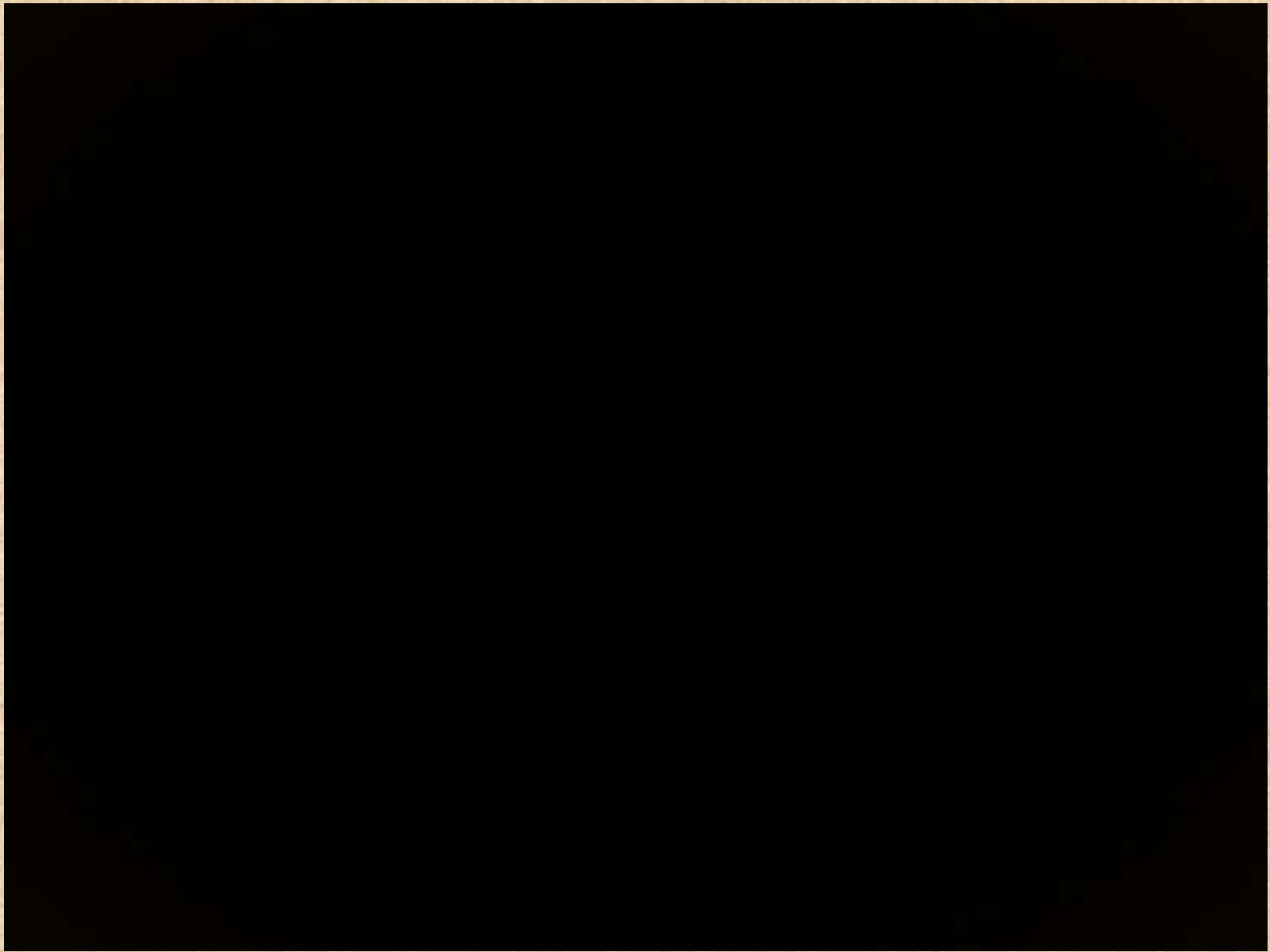
Connect with Beef Farmers of Ontario and Beef North



This project was funded in part through Growing Forward 2 (GF2), a federal-provincial-territorial initiative. The Agricultural Adaptation Council assists in the delivery of GF2 in Ontario.







# Education and Resource Development

- **Government**
  - Investigating Crown land disposition process
- **Resource Development/Training**
  - Economic tools, best management practices, financial models, training courses for First Nations
- **Communications**
  - Website updates, new videos, e-updates
- **Recruitment Efforts**
  - University of Guelph OAC bus trip



Beef North COW HERD EXPANSION in Northern Ontario

**EXPANDING ONTARIO'S BEEF INDUSTRY**

Expanding the cow herd in Northern Ontario is vital to retaining and expanding markets, increasing profitability and ensuring sustainability in the beef value chain, from farmer to processor to retailer.

We are committed to creating an affordable pathway for beginning and growing farmers to establish economically viable farm businesses of scale that will be sustainable for decades.

Our economic and management models will be brought to life and put into action, with a coordinated plan that will ensure farmers in setting up herd farms that are designed to yield higher economic of scale in Northern Ontario, where better affordable and the environmental conditions favor pasture-based livestock.

Based on our extensive consultations and research, we are confident that the expansion of Ontario's beef industry in Northern Ontario will be an innovative and ground-breaking achievement for Ontario agriculture.

**Beef North**

Fresh water  
Fertile soils  
Affordable land  
A new opportunity

**Beef Farmers of Ontario**

[www.beefnorth.com](http://www.beefnorth.com)

**Beef North**

You belong here.

**Beef Farmers of Ontario**

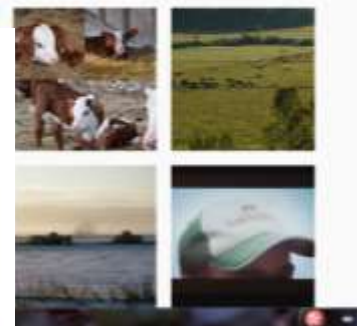
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Creating a sustainable pathway for new and beginning farmers.

**Beef Farmers of Ontario**

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# Gathering Government Support

- We have met with numerous Cabinet Ministers to date, each of whom has expressed strong support for this project.
- The Federation of Northern Ontario Municipalities has sent a letter to the Premier in support of this strategy to encourage beef farming in Northern Ontario.
- Expansion of agriculture in the north was included in the Premier's mandate letter to the Agriculture Minister, the Hon. Jeff Leal.





NORTHEAST  
COMMUNITY  
NETWORK

LE RÉSEAU  
COMMUNAUTAIRE  
DU NORD-EST

# Agriculture Symposium

**March 30-31, 2017**

**Kapuskasing, Ontario**

**“Cultivating the Great Clay Belt”**

## Conference Highlights

**New Technology in Agriculture**

**Land Inventory, Crown Land, and Land Assessments**

**Success Stories from Around the District**

**Focus on Local Food Networks**

**Grants, Programs, Support**

**Successes and Challenges of Agriculture in Northern Ontario**



# 10<sup>th</sup> ANNUAL COW-CALF ROADSHOW

## SAVE THE DATE!

# September 5 – 7, 2017

## New Liskeard, Ontario

## More details to come in the new year!

CELEBRATING OUR

# 10

YEAR ANNIVERSARY

**Event limited to 100 BFO members  
from across the province.**

CELEBRATING OUR

# 10

YEAR ANNIVERSARY






**Beef Farmers**  
*of Ontario*

# Thank You

Growing Forward 2 



Ontario

Canada 

*Expanding Ontario's Beef Industry*

