

Is Corn \$Greener\$ on the other side of the fence (border)?

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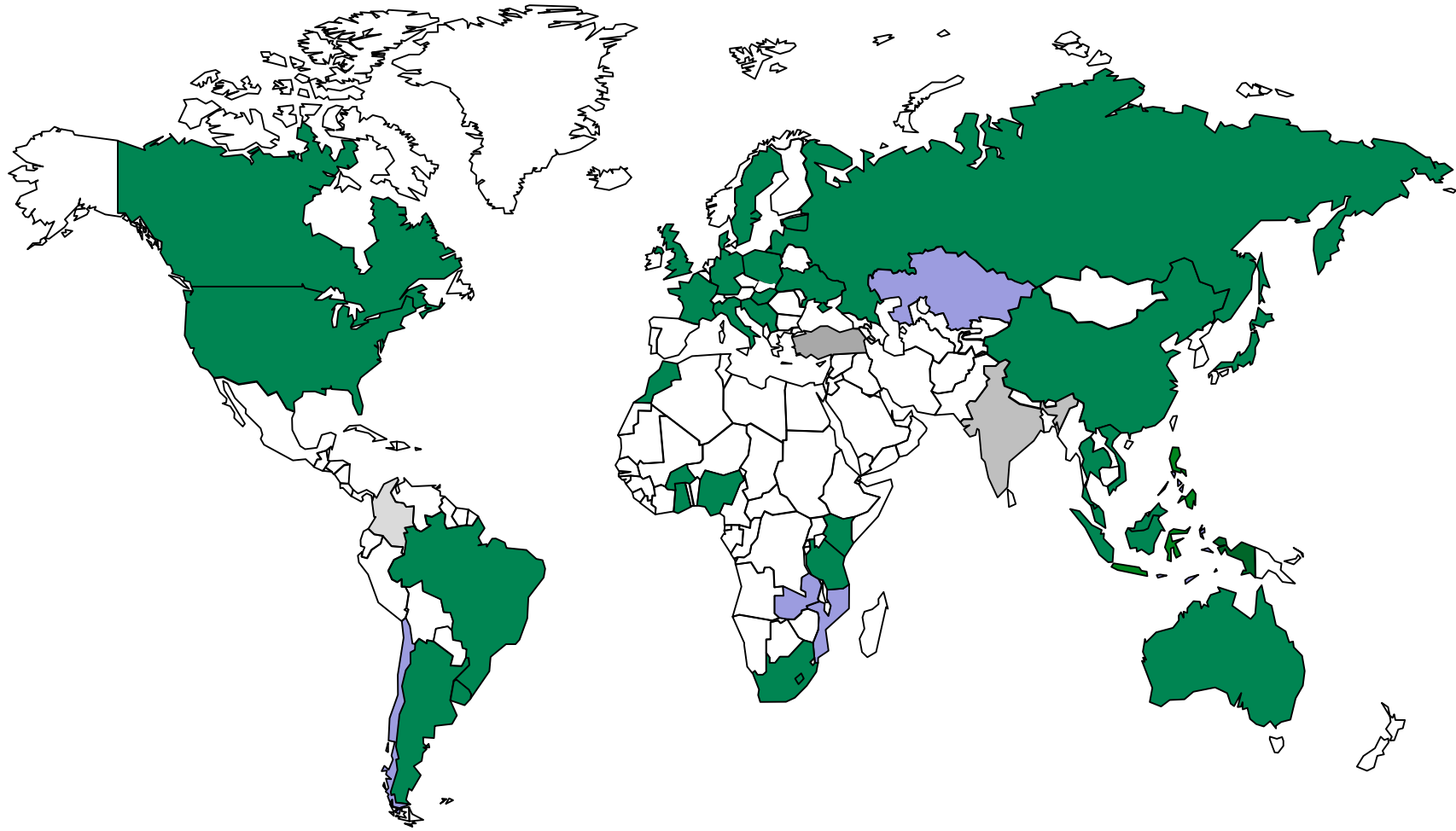


January 20, 2018



agri benchmark

- international network



Cash crop 45 countries

Beef 31 countries

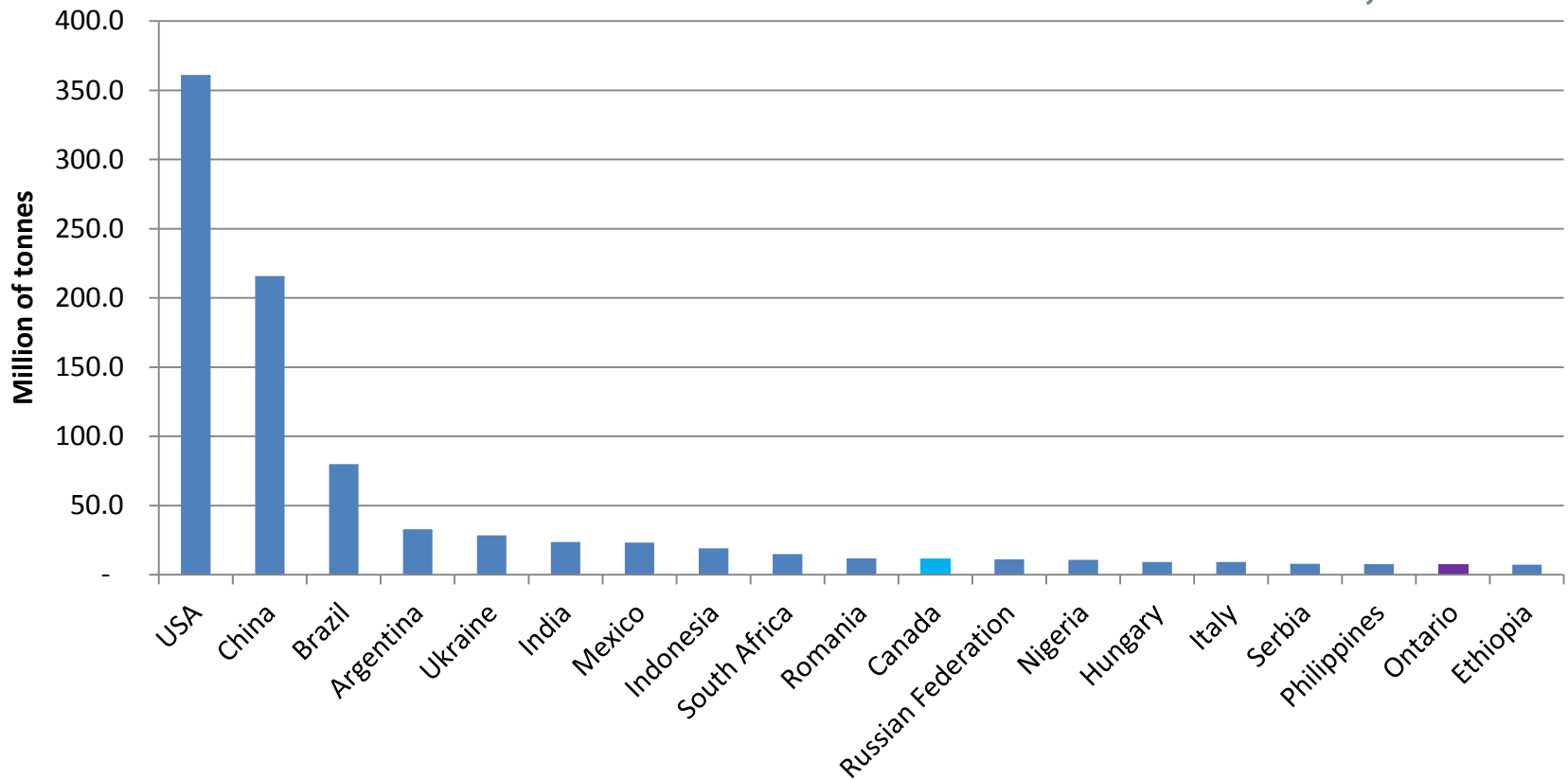
Cash Crop Network Results



2014 to 2016 results

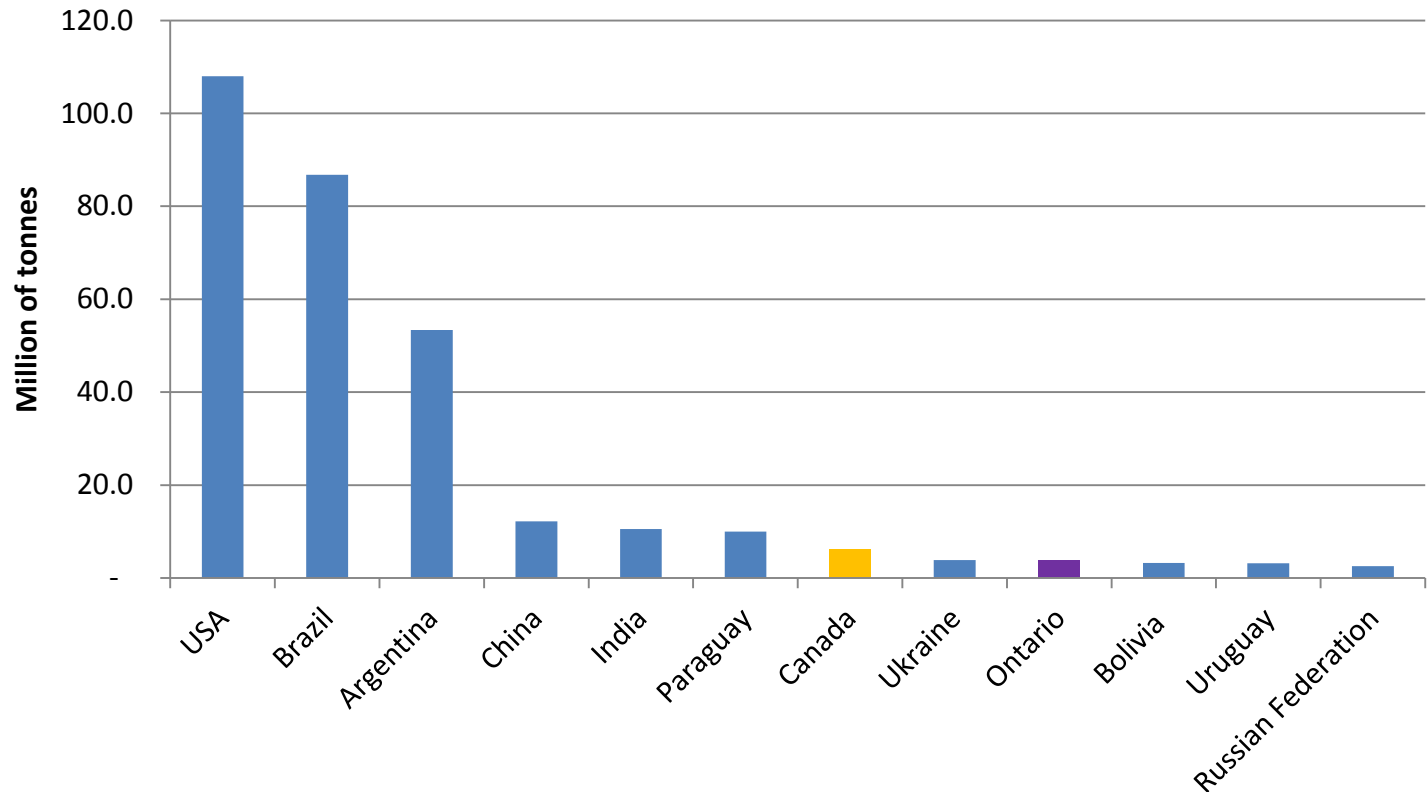


Corn Production (millions of tonnes) Ontario and Selected Countries, 2014/15



Canada was the eleventh largest producer of corn in the world in 2014/15, while Ontario accounted for over 65% of Canada's corn production.

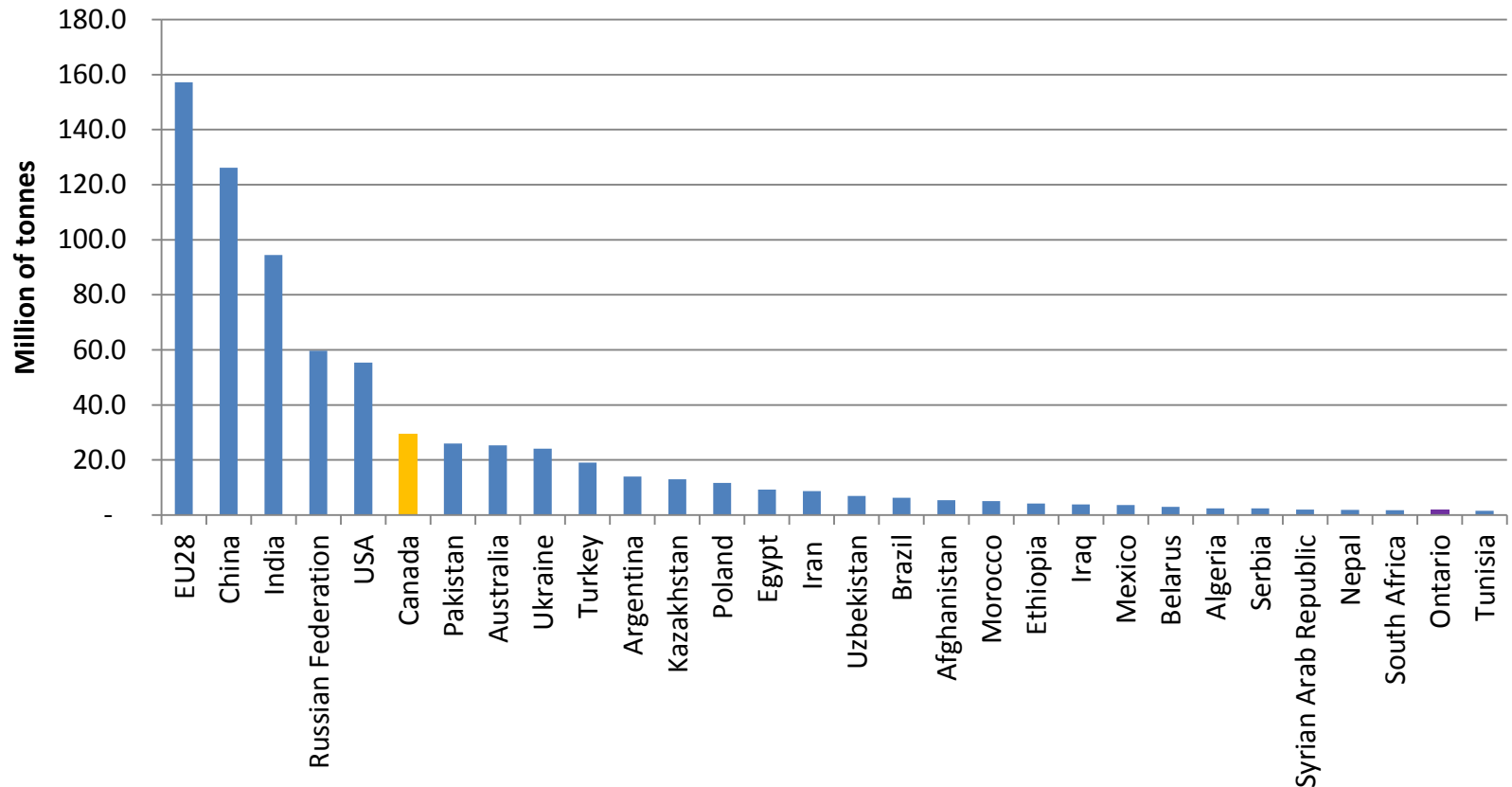
Soybean Production (millions of tonnes) Ontario and Selected Countries, 2014/15



Canada was the seventh largest producer of soybean in the world in 2014/15, while Ontario accounted for 63% of Canada's soybean production.

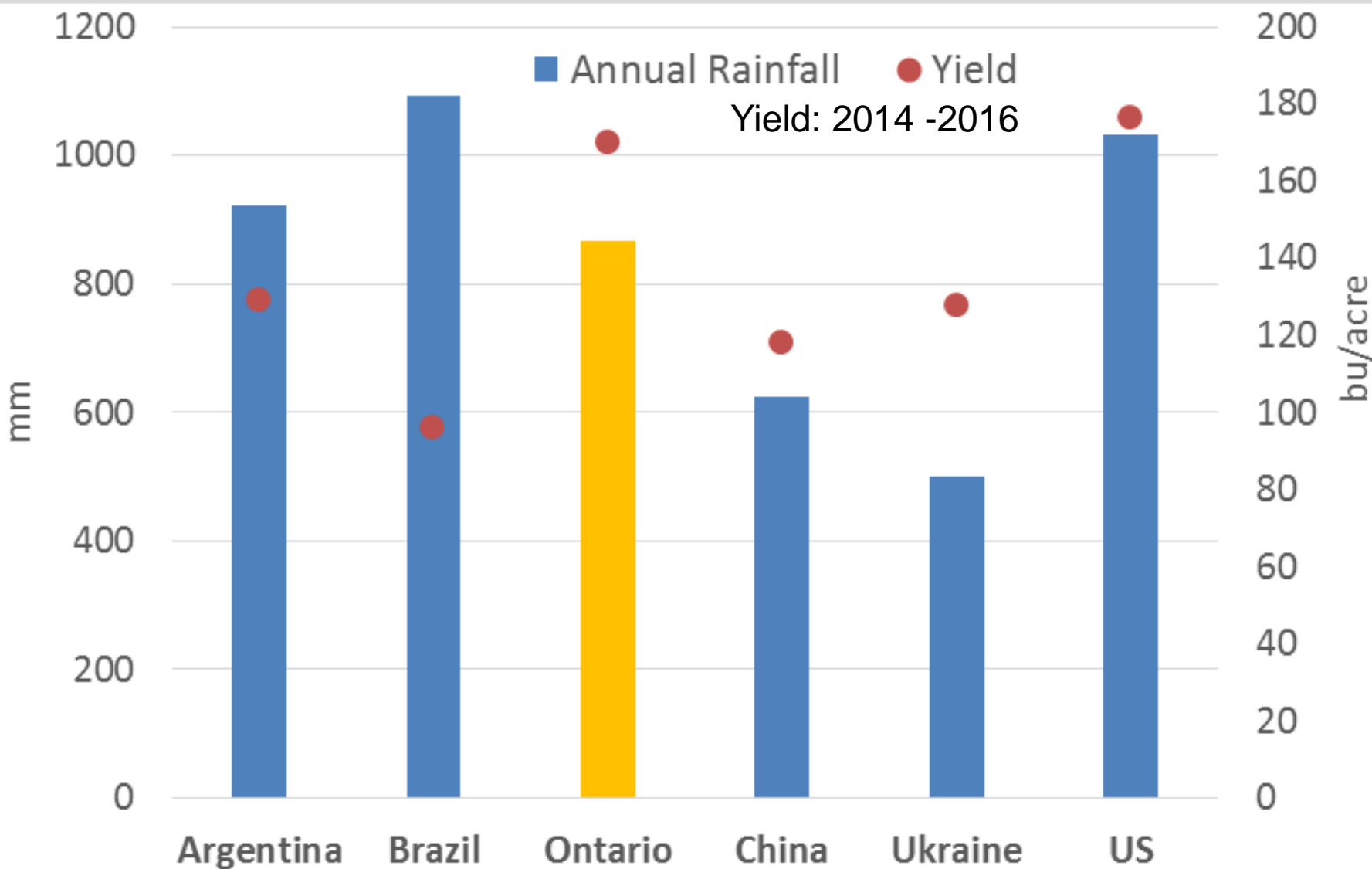
•Source: Foreign Agricultural Service, United States Department of Agriculture (FAS-USDA); Statistics Canada, , CANSIM Table 001-0010

Wheat Production (millions of tonnes) Ontario and Selected Countries, 2014/15



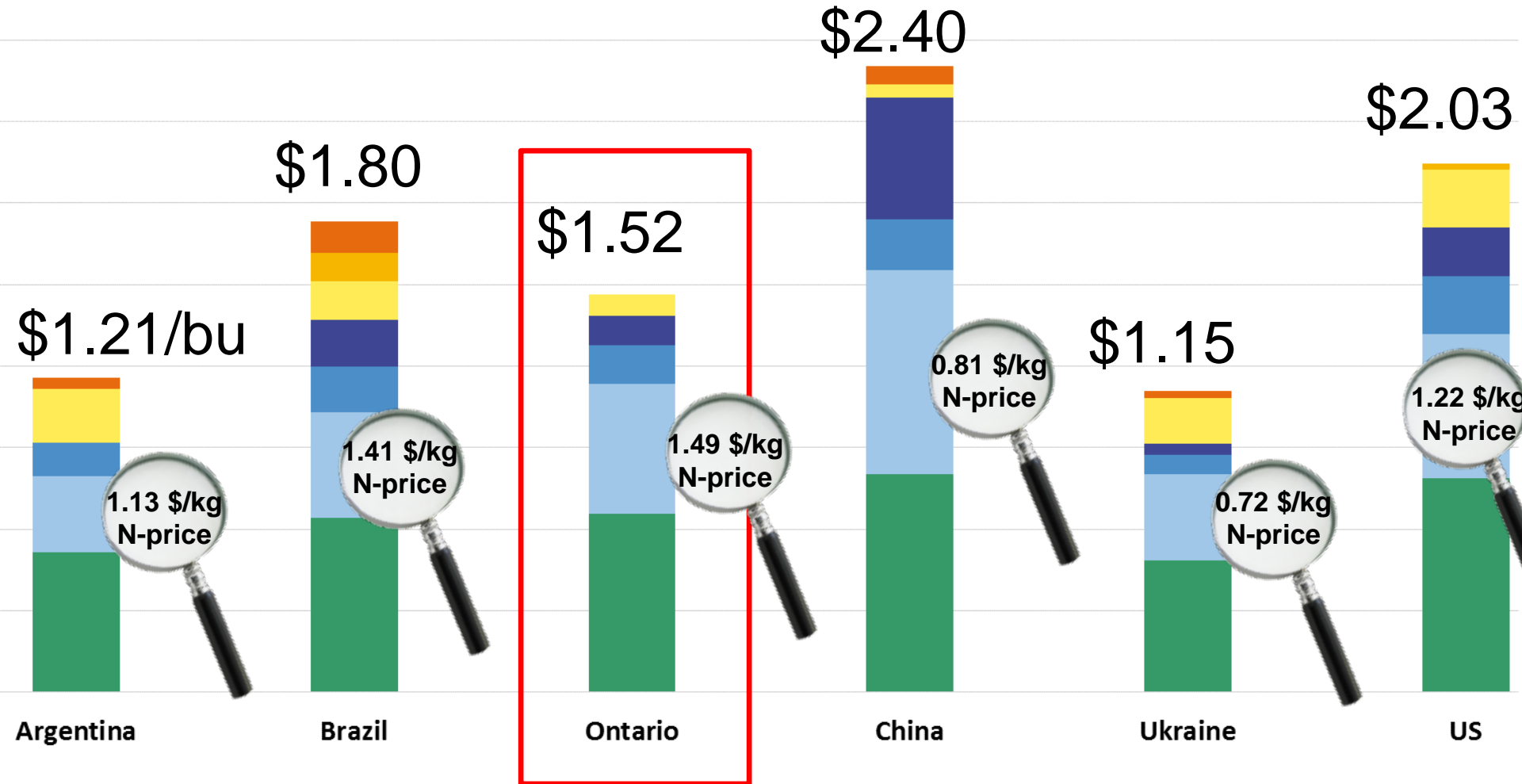
Canada was the sixth largest producer of wheat in the world in 2014/15, while Ontario is a very small player of wheat production in Canada.

Rain makes corn



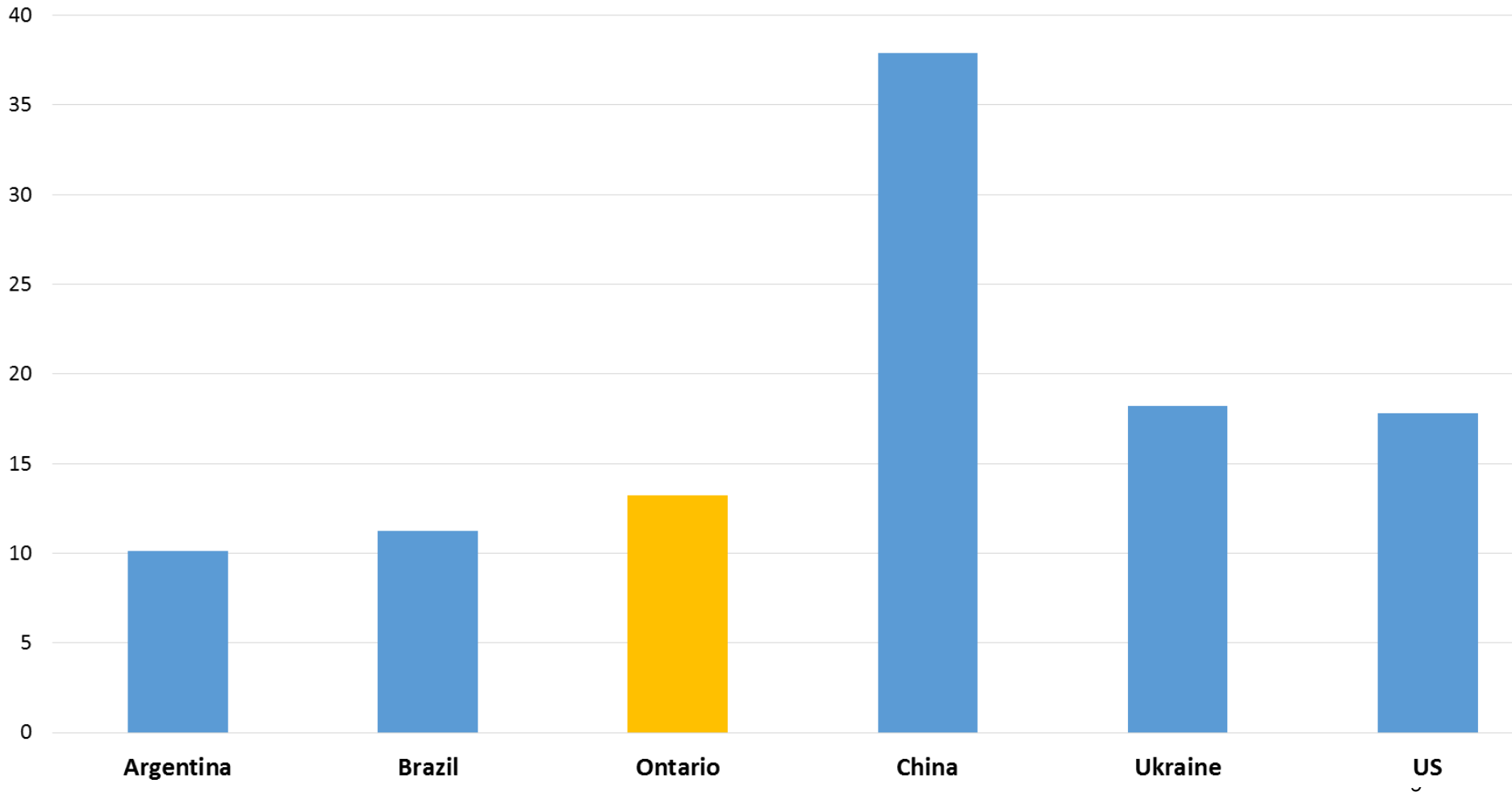
Corn – input costs (Cdn\$ per bu)

Seeds Nitrogen Phosphorus Potash Herbicides Fungicides Insecticides

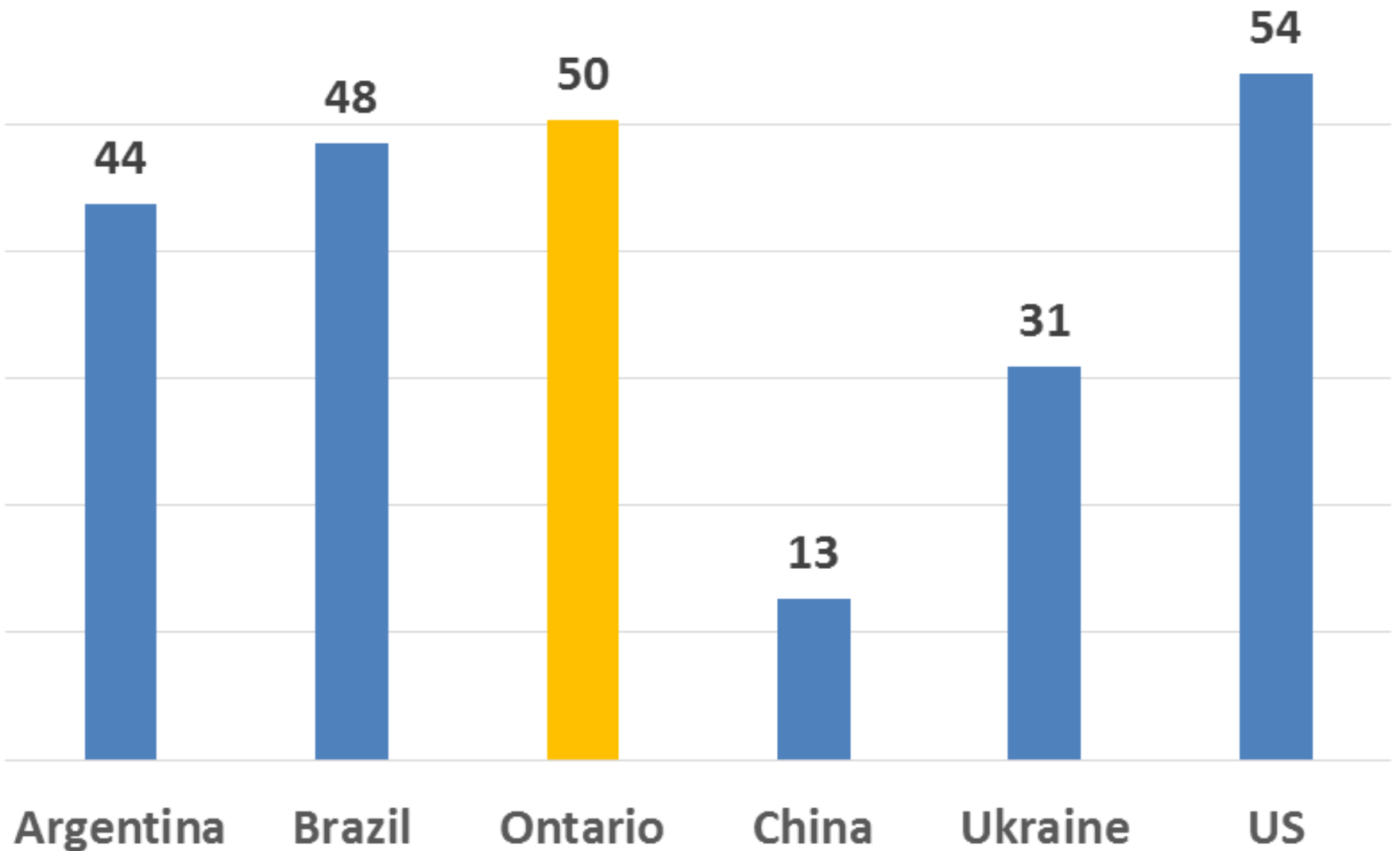


Nitrogen efficiency

N-input per tonne (kg N/t output)

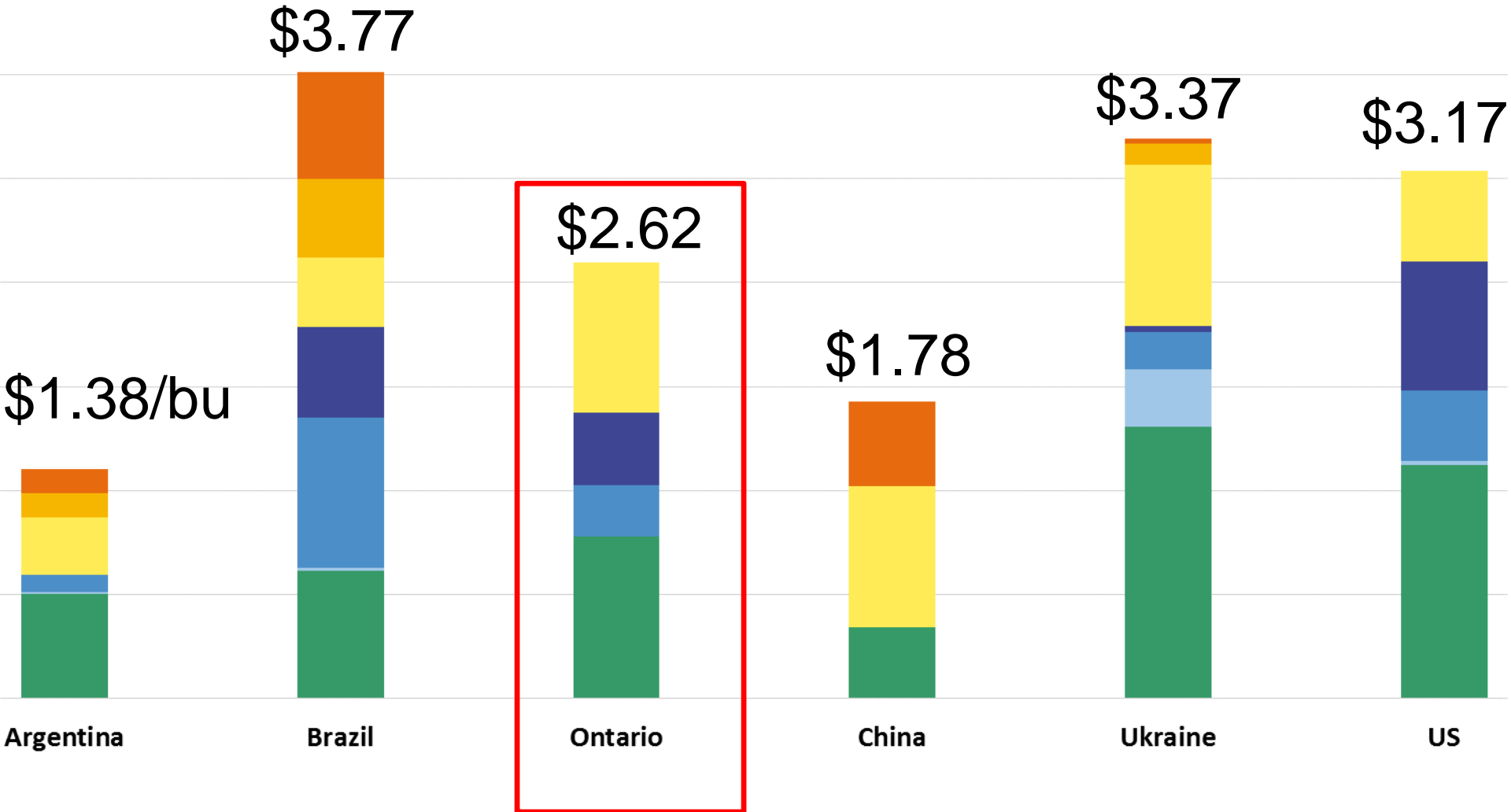


Soybean yields (bu/acre)



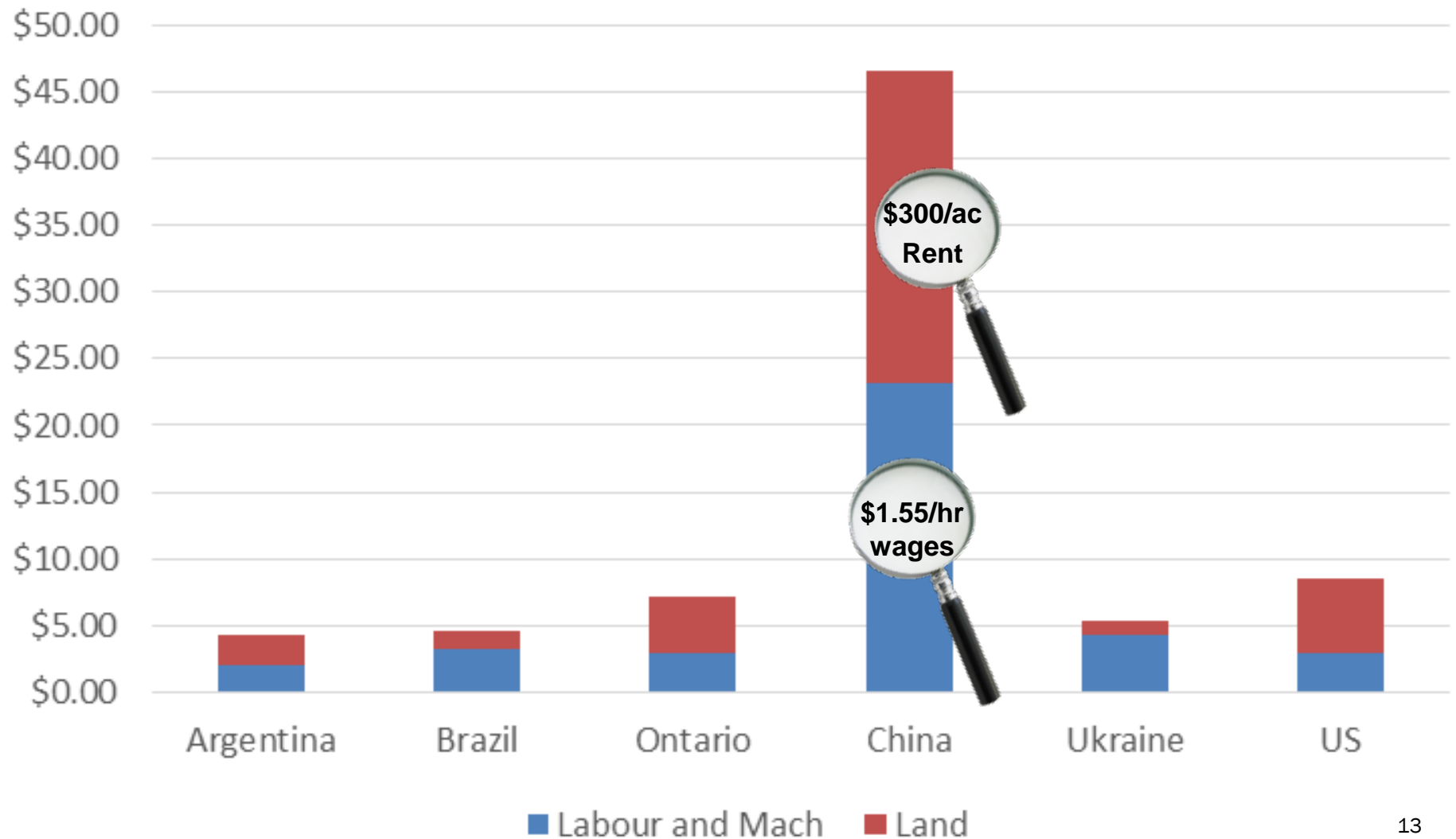
Soybean – input costs (Cdn\$ per bu)

Seeds Nitrogen Phosphorus Potash Herbicides Fungicides Insecticides

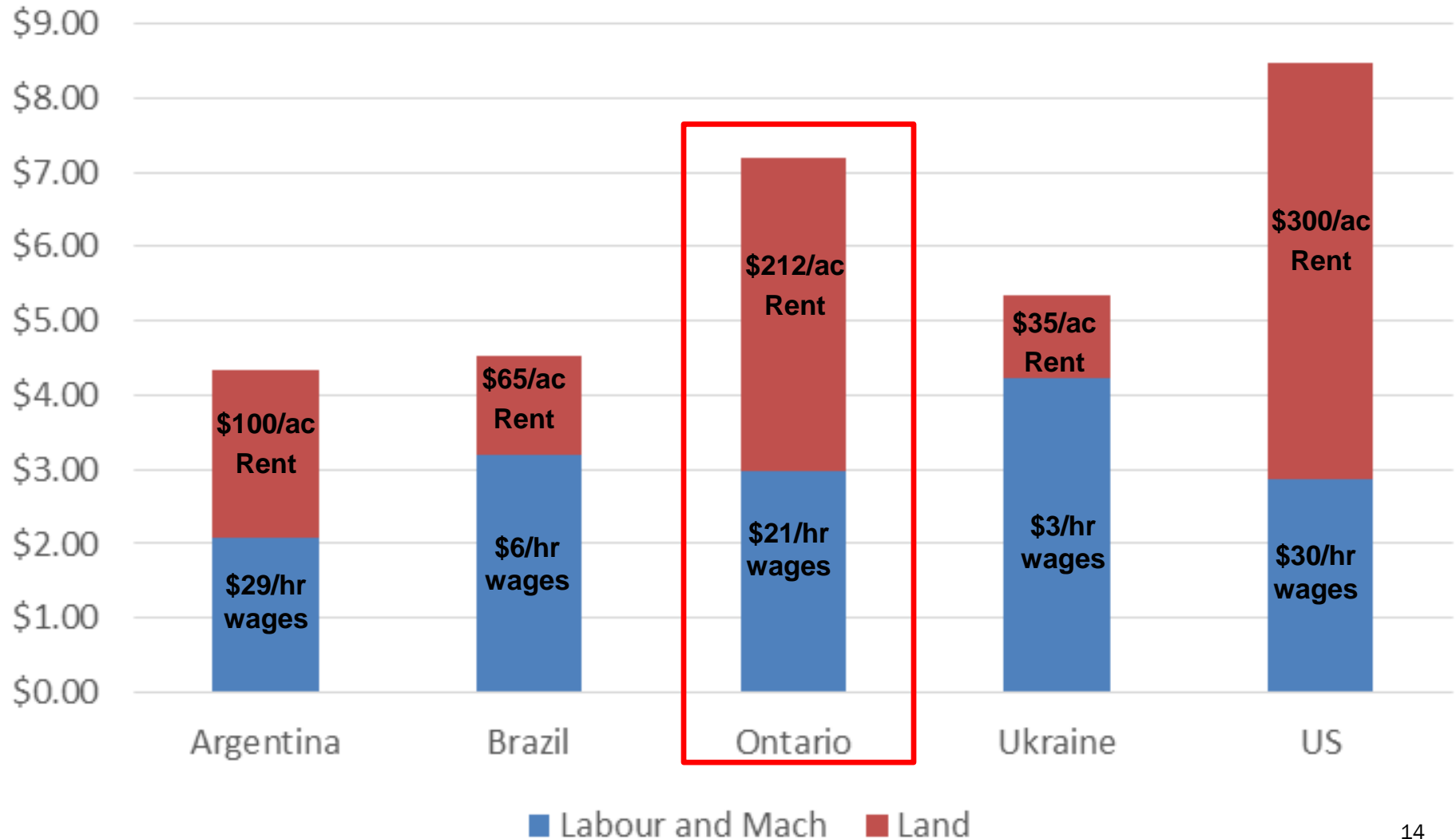




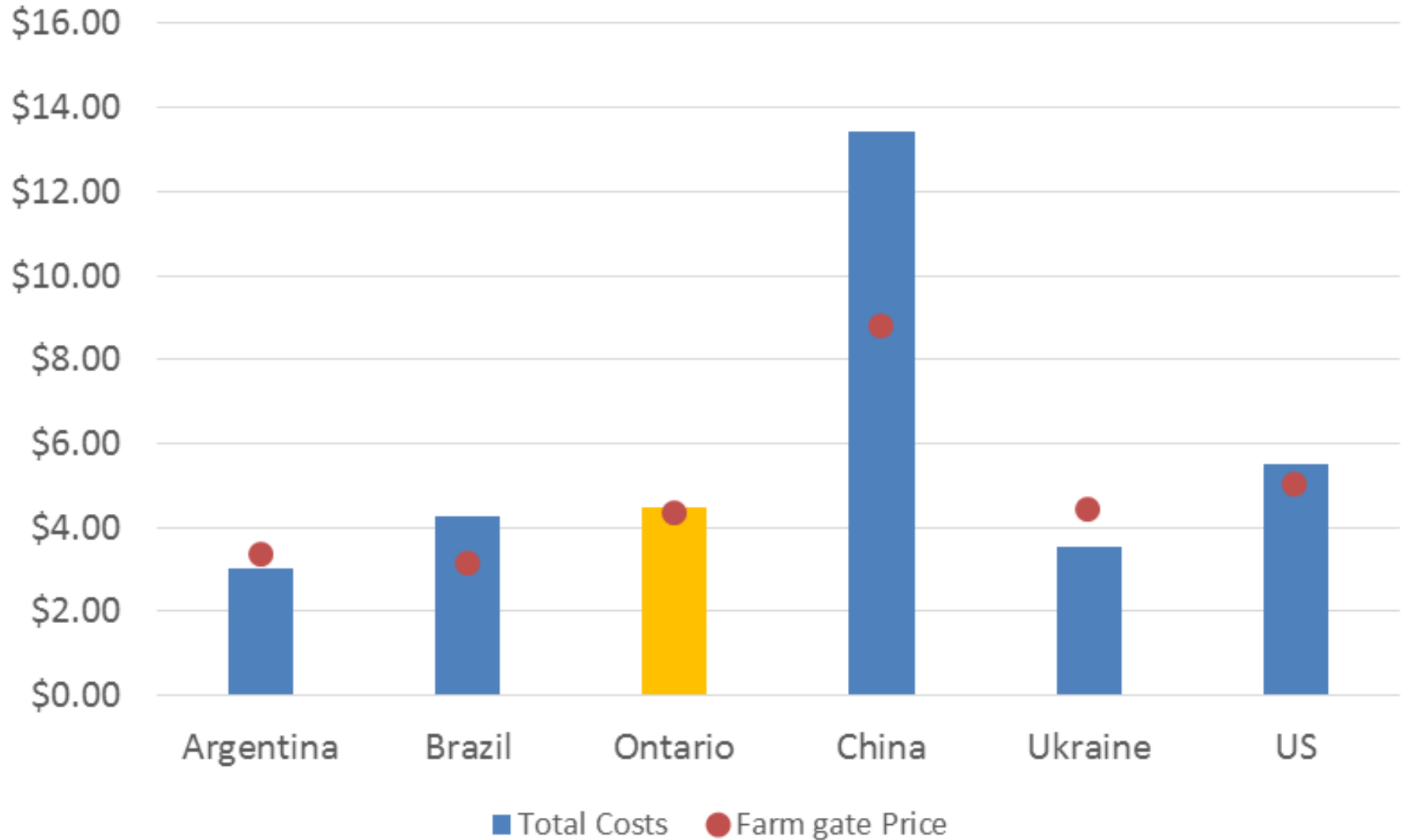
Labour, Machinery Operating and Land Costs Soybeans - \$/bushel



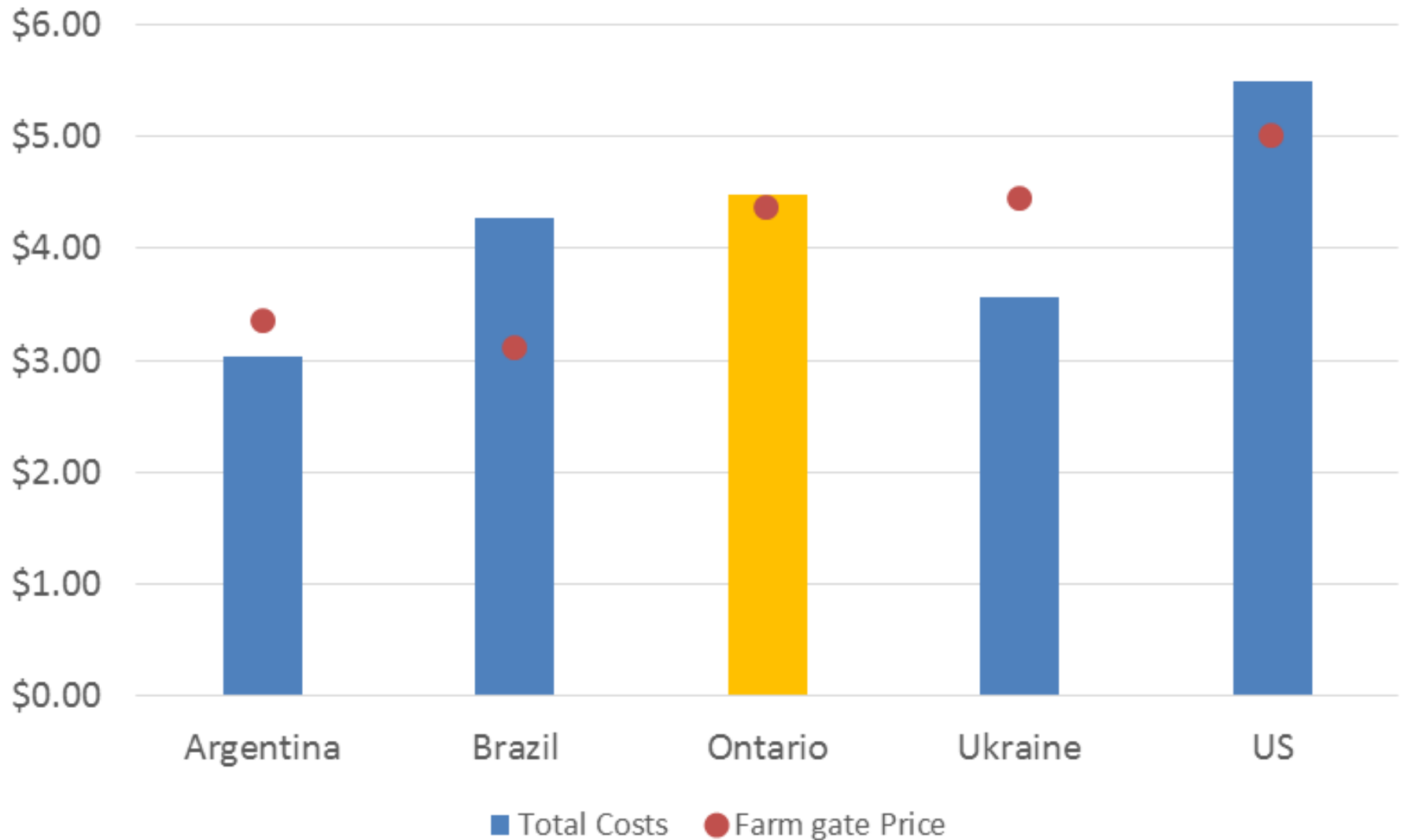
Labour, Machinery Operating and Land Costs Soybeans - \$CDN/bushel



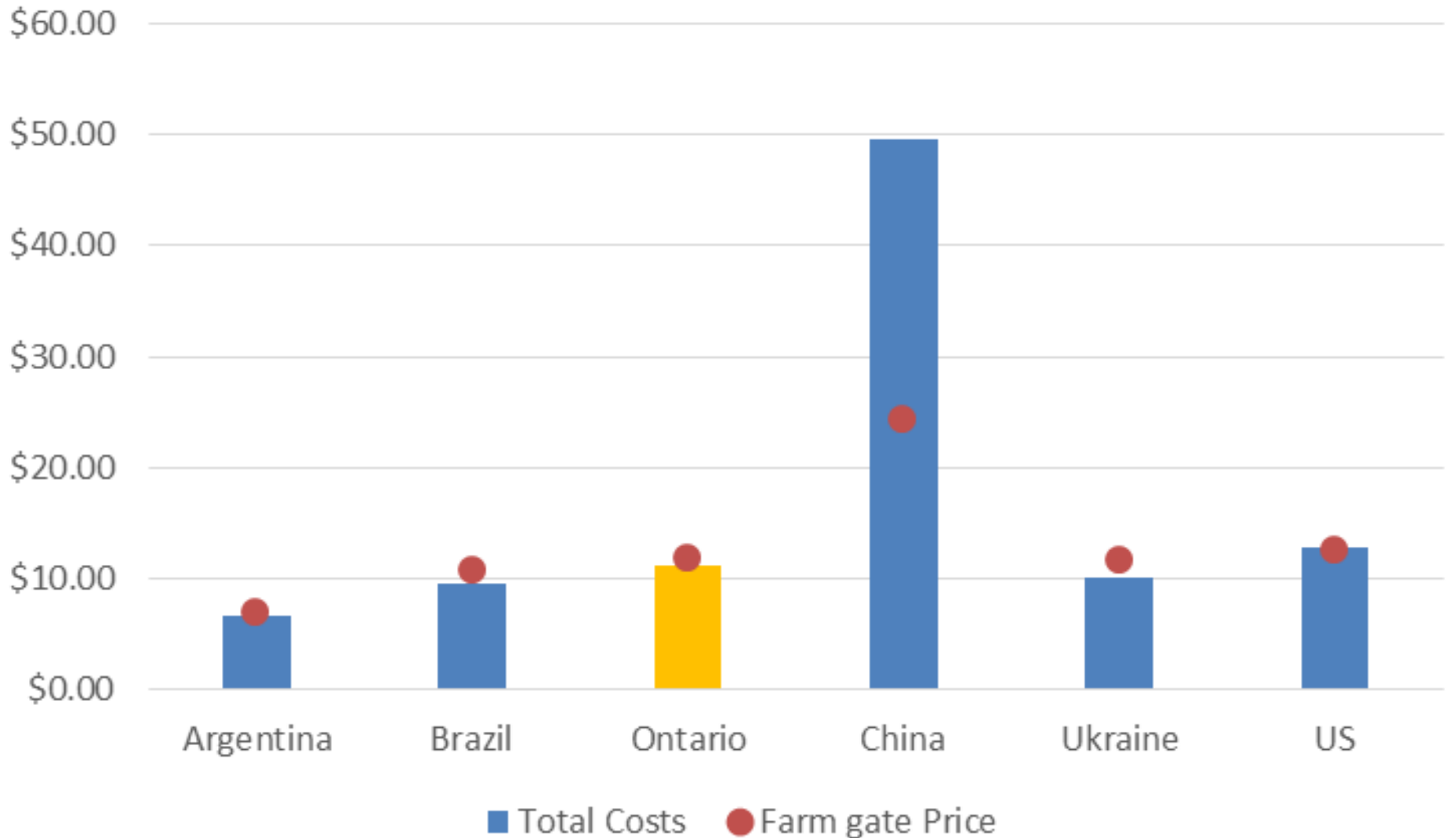
Corn profitability (Cdn\$/bu)



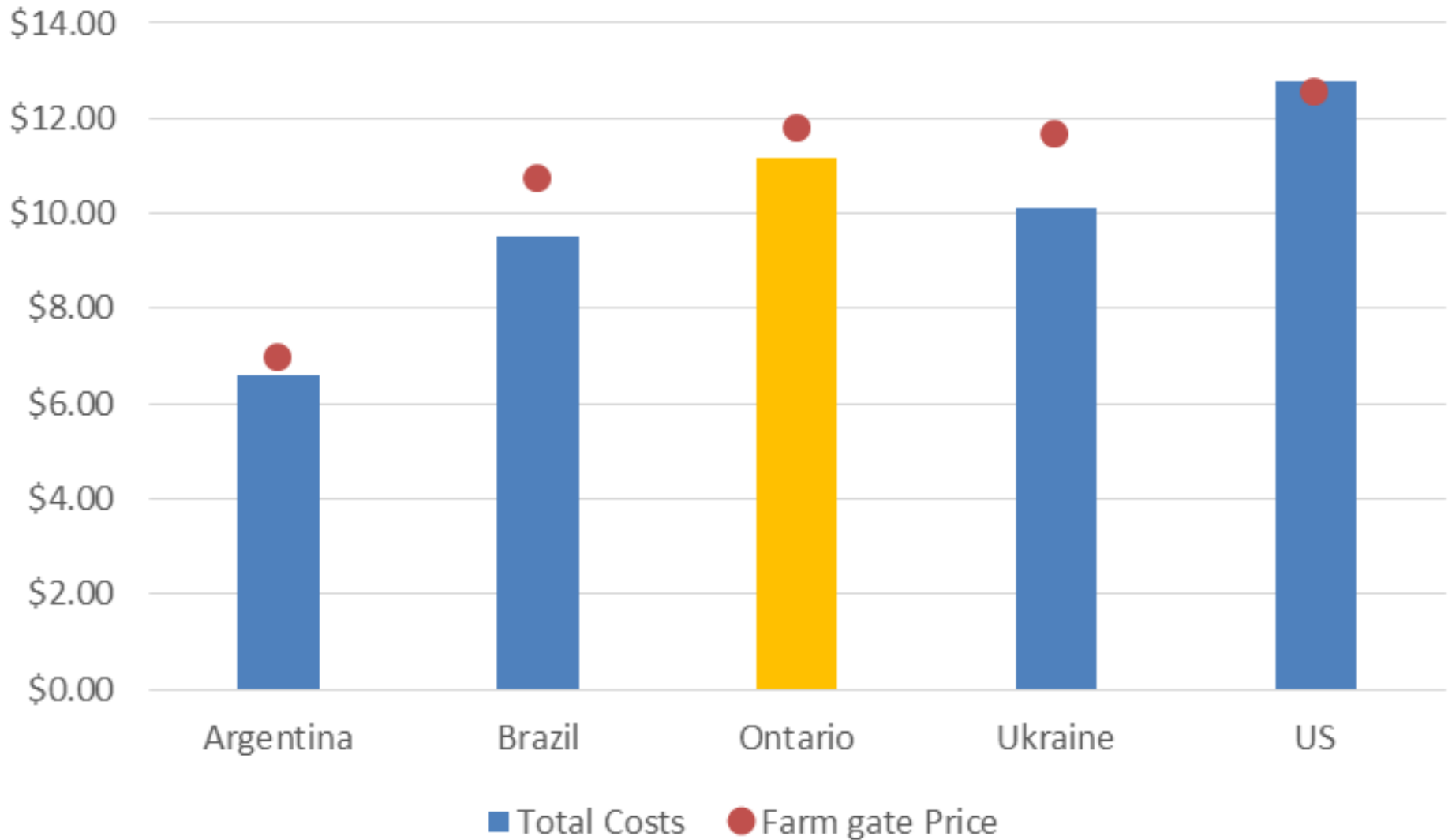
Corn profitability (Cdn\$/bu)



Soybean Profitability (Cdn\$/bushel)



Soybean Profitability (Cdn\$/bu)

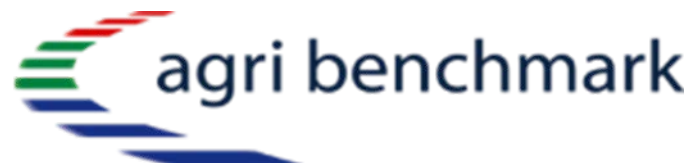


Cash crop conclusions

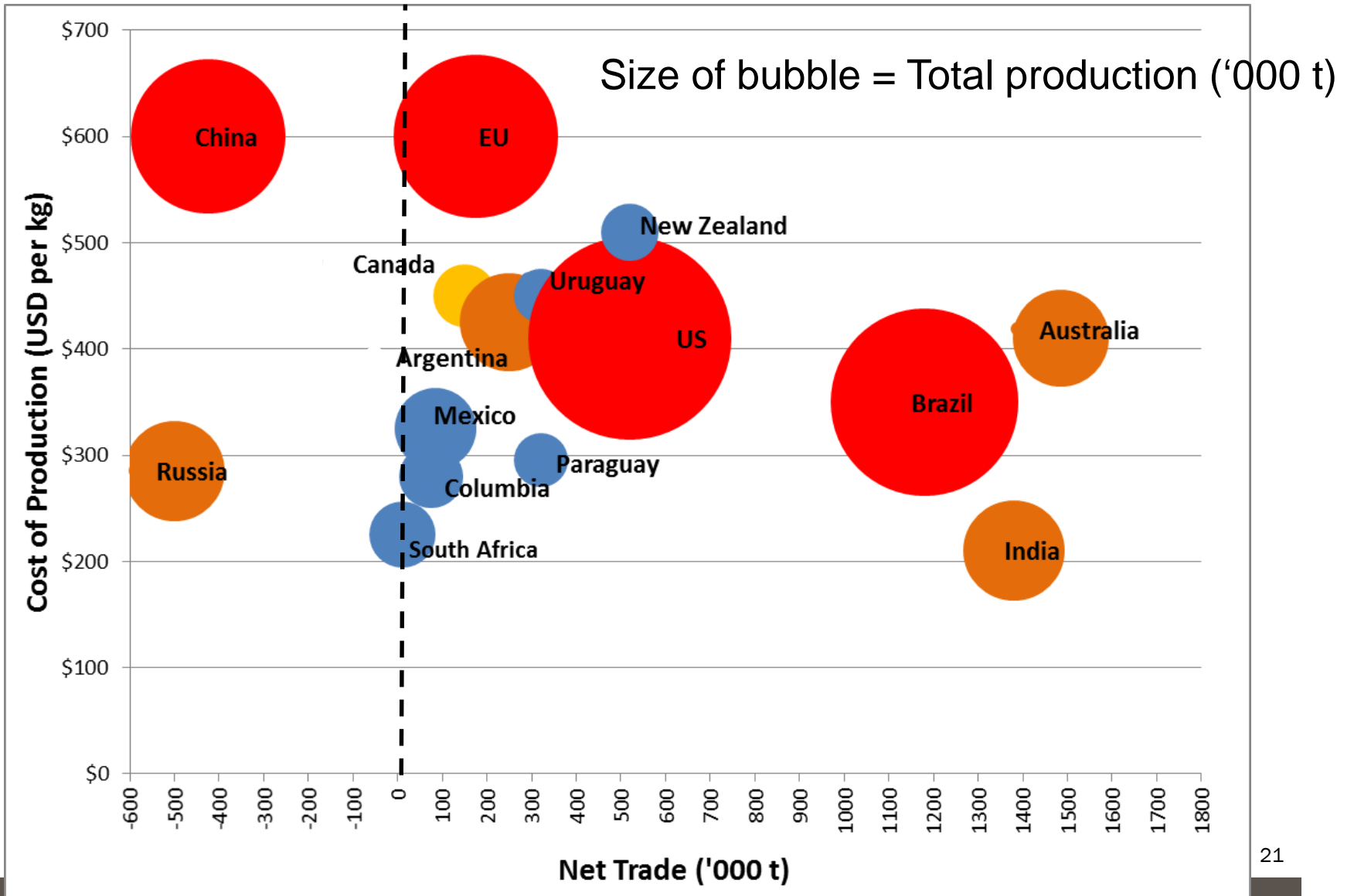
- Ontario yields as good or better than major corn and soybean producing countries
- Middle of the pack on direct input costs
- Ontario and US higher cost producers than SA and Ukraine
- Land costs are significant difference for both Ontario and US compared to South America and Ukraine
- China significantly higher capital costs – land, labour and machinery



2016 results



Beef production, net trade and cost of production



Production systems of beef finishing

> 30 %
pasture incl.
grazed shrubs in
silvo-pastoral
systems

Pasture



Grain-finished



> 50 %
grains and other
energy feed

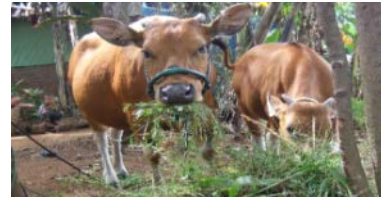
Silage

> 30 %
silage and
other forages

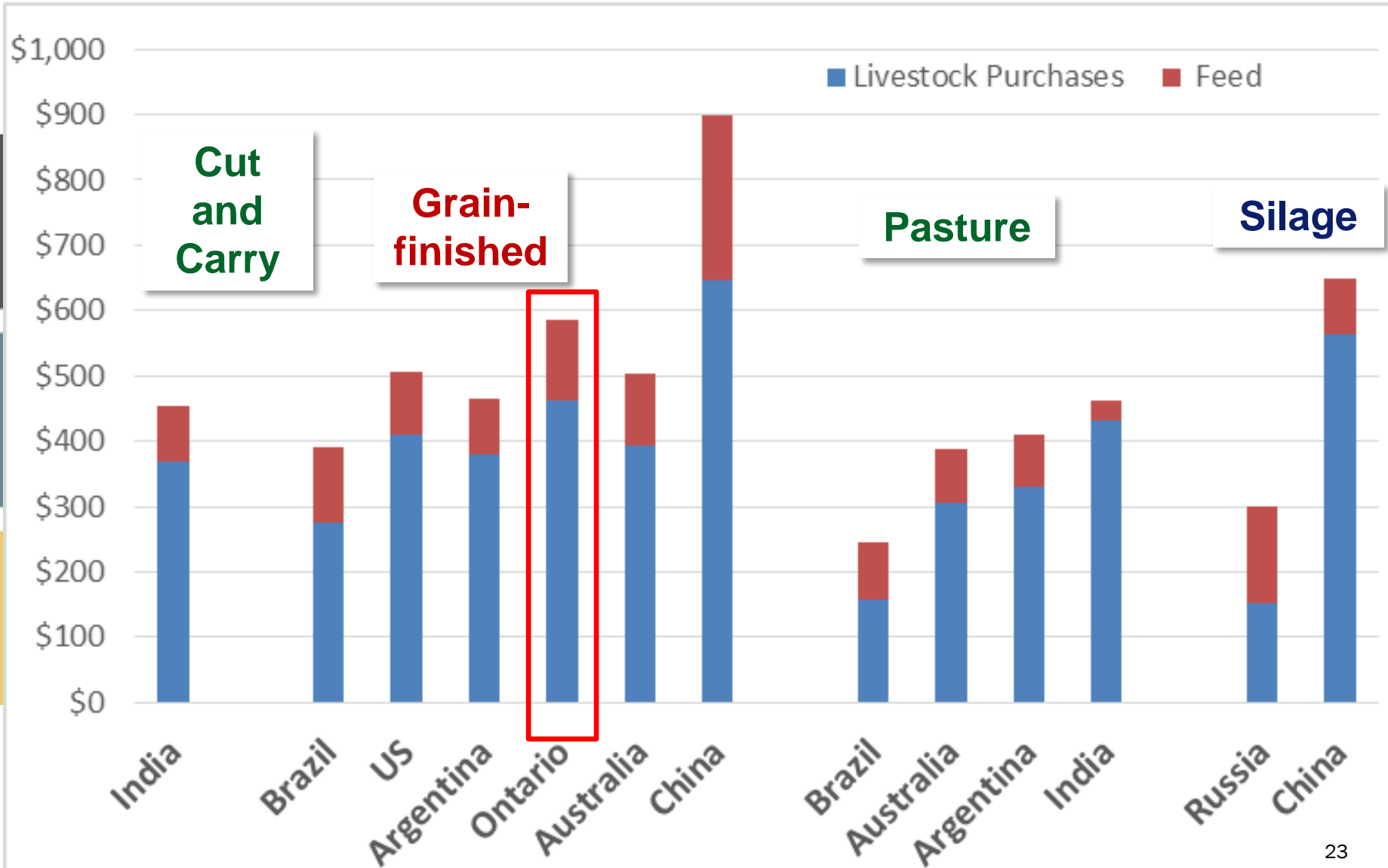


Cut & Carry

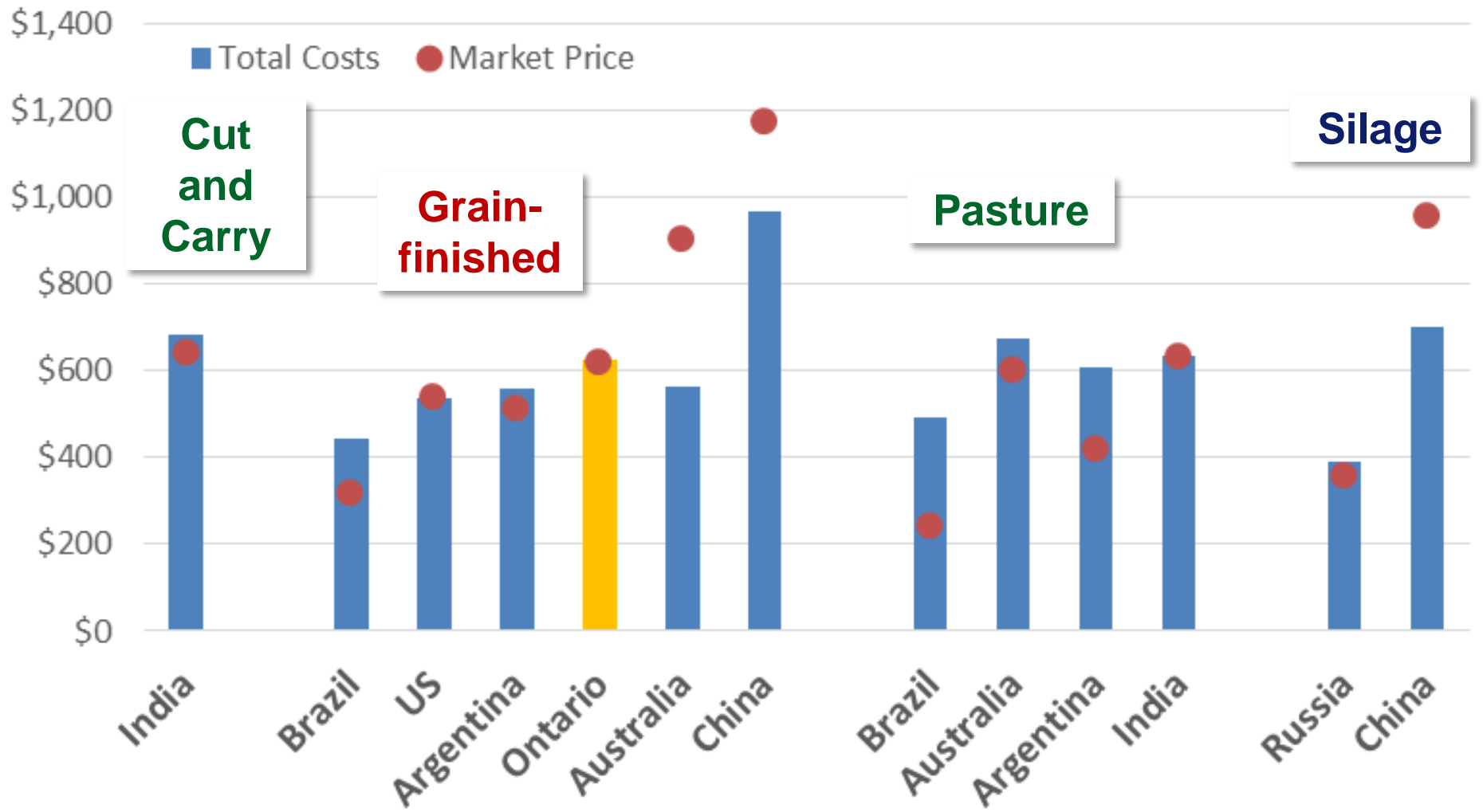
> 30 %
freshly cut grass
& other vegetation



Livestock purchase and feed costs (Cdn\$ per 100kg CW)



Beef Finishing Profitability (Cdn\$ per 100kg CW - 2016)



Beef conclusions

- Canada and US gained some competitive edge in 2016 with decreasing feed costs
- Decrease in Canada and US market prices
- Ontario higher cost producer
- Prices and costs in big exporters not always lower (Australia, US, Argentina)
- Prices in importer countries tend to be higher
- Biggest net traders not necessarily cost leaders (Australia, Brazil)
- Lowest net traders tend to have higher costs

Thank you...Questions

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