

## Surviving The Cost Price Squeeze

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In the latter part  
of 1970, and for most

### Pork Producers Active Group Since 1949

The Haldimand Hog Producers Association was organized in 1949 and has been active since that time. Over the years a hog quality competition has been conducted. At present the competition is on a quarterly basis instead of a monthly basis with a prize to the highest grading score for each quarter and a trophy to the highest score for the year. The Association also assists in sponsoring the 4-H Swine Club in the county, as well as the carcass class at the Caledonia Fair. This year a booth was set up at the International Plowing Match, Nanticoke, to promote pork and 2,500 barbecued pork chops were sold.

In order to determine trends in pork production at least 10 pork producers in Haldimand County have recorded their individual production on a quarterly basis. This survey helps to give a very fair picture of the hog population in the province. The annual meeting of the Haldimand Pork Producers Association was held Feb. 9, 1972. Guest speaker, Lyl MacLachlan, farm

management specialist, discussed input costs and farm efficiency. The executive for 1972 - William Sutor, president, Ernest Isaac, vice - president and Elgin Lattimer, secretary-treasurer.

A pork producers workshop conducted by Garnet Norrish and Dr. Peter Oliver was held at Kohler on Feb. 23, 1972. The program consisted of informal discussion on hog production, feed, breeding and herd health.

As well as hog quality competition, the Haldimand Pork Producers will sponsor a boar bonus program in 1972. The top six boars with a minimum index of 115 are eligible for a bonus of \$50. Applications for this bonus must be made to the secretary by Dec. 31, 1972.

This year representatives from the Haldimand Pork Producers' Association will be attending the Ontario Pork Producers' Convention at the Skyline Hotel, Toronto, March 22 and 23, 1972. One of the highlights of this convention will be the discussion on the Pork Insurance Program.

of 1971, the price of market pigs remained depressed. Producers who grew their own grain and then processed and supplemented this for feeding to their pigs

were able to make lower cost rations than if they had bought prepared feed.

This probably saved them from going bankrupt during this period of a severe cost-price squeeze. Feed represents about three quarters of the cost of growing pigs.

Therefore, any savings in feed costs can easily change a losing adventure in pigs into a profit making enterprise.

Home prepared feeds can be made just as accurately as commercially prepared feeds. Producers who have their own grains can supplement these with protein, vitamins and minerals in 2 ways: (1) A commercial concentrate of protein, vitamins and minerals, (2) A commercial vitamin-mineral premix plus a source of protein such as soybean meal. Either way can be equally satisfactory.

Many different brands of commercial vitamin-mineral premixes are now available. Some of these differ greatly in nutrient content. Before

buying, a swine producer should decide what nutrients and amounts of each he needs to complete his feeds.

He should then select the vitamin-mineral premix that will supply just the right amount of the nutrients that he needs - no more, no less.

Some brands of vitamin - mineral premixes are being sold on the basis that they contain more nutrients than other competitive brands. More and more is not always better. The pig can soon tell his owner when he is getting too much of something.

For instance when the total level of calcium in a diet is over one

per cent, a depression of growth rate can be expected. Or, if the vitamin A level of the diet is excessively high, toxicity symptoms will be observed. The swine producer has the opportunity to pick the "just right" vitamin-mineral premix.

Home prepared feeds can be processed by power take-off mills,

stationary electric blender grinders, or stationary electric roller blenders. Above certain volumes of feeds, the stationary mills are likely to be cheaper and more convenient to operate.

Roller blenders may not be used so much with dry grains as they are with high moisture grains.

Another advantage that is sometimes for-

gotten, is that a pig farming operation based on home prepared feeds can be integrated. The manure produced, which must be disposed of anyway, can supply the bulk of the fertilizer needs of some crops such as corn.

This further emphasizes the firm and financially sound structure of a pig farming operation based on home prepared feeds.

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## Tax Law Changes Affect All Farmers

During 1971, many changes were made in our tax laws. The new laws generally became effective Jan. 1, 1972.

#### Estate Taxes

This tax was administered by the federal government on a person's estate but estate taxes were eliminated on Dec. 31, 1971.

#### Gift Tax

In order to prevent people from making large gifts to reduce their estates, a gift tax has been levied by the federal government. The federal government also abandoned the gift tax field on Dec. 31, 1971. However, a gift tax is now levied by the Ontario government.

The following gifts are exempt of Ontario Gift Tax.

Gifts up to \$2,000 per year to any donee with an aggregate annual maximum of \$10,000. Note that in order to have any gift not added back into a person's estate for succession duties, the donor must outlive the gift by 15 years. If gift tax has to be paid, it must be paid by the donor. The once-in-a-lifetime gift of \$10,000 in real property is no longer permissible.

All absolute and outright and interspousal transfers are exempt. Other gifts which are exempt are to Canadian charitable organizations, to any government in Canada and gifts taking effect on the death of the donor.

#### Capital Gains Tax

This is a new tax in Canada beginning on Jan. 1, 1972. Gains accrued up to valuation day are not subject to tax. Valuation days have been selected for shares on the Canadian Stock Exchange as of Dec. 22, 1971 and for farm real estate, bonds, mortgages, basic herds etc. as of Dec. 31, 1971. No capital gains tax will be imposed on gifts or bequests of death between spouses.

Capital gains tax will apply when that spouse transfers, sells, gifts or bequests that asset. Capital gains tax applies to all other gifts or bequests. Only one-half of the capital gain will be taxed and that will be at the personal income tax rates for that individual. Farmers will be entitled to claim a \$1,000 annual deduction against gains on his farm house and all his farm property if this is to his advantage.

Personal residences and one acre of land are exempt of capital gains when sold.

#### Ontario Succession Duties

In December the Succession Duty Act was amended. These changes became effective on Jan. 1, 1972.

All estates under \$100,000 are exempt of succession duties. Property passing outright to a widow or widower will be exempt up to \$500,000. There is an added exemption for dependent children of \$15,000 per child.

However, if your estate is over \$100,000 then succession duties are paid from the first dollar rather than the amount above \$100,000. There are three classes of beneficiaries. Rate will vary according to the beneficiaries with the preferred class having the lowest rate and collateral having a higher rate and strangers having the highest rate.

There have also been some changes made in income tax which are effective Jan. 1, 1972.

Single taxpayer's exemption has been increased from \$1,000 to \$1,500. Married taxpayer's exemption has increased from \$2,000 to \$2,850. A spouse is still allowed to receive an income up to \$250 per year.

Exemption is \$300 per year for children under 16 years. This \$300 exemption is reduced by half the amount which the child's income exceeds \$1,000. Exemption is \$550 per year for children over 16 years. This \$550 is reduced by the amount the child's income exceeds \$1,050.

The age exemption has been increased to \$650 from \$500 and the qualifying age of 70 years has been lowered to 65.

The option to claim a \$100 standard deduction for charitable donations and medical expenses remains unchanged. Overall limit on deductible donation increased from 10 per cent to 20 per cent.

In addition to this general information, specific booklets dealing with the various taxes laws are being mailed to farm operators.

These booklets should be studied so that you become acquainted with these laws and understand the possible implication that may come from these changes.

If you have any further questions or wish advise on farm or estate planning the personnel of the Ontario Dept. of Agriculture and Food, Cayuga, are prepared to assist you.

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### Alfalfa Weevil Damage



K. Bereza

By Karl Bereza

With a few exceptions, the amount of damage caused by the alfalfa weevil was at a relatively low level in most regions of Ontario in 1971. This was not due to non-economic adult weevil populations but rather to weather conditions.

Spring temperatures remained moderately cool which, although favoring egg laying in alfalfa stems, was not warm enough for many eggs to hatch into destructive worms.

Hatching temperatures did not occur until

early in the second week of June at which time many farmers had cut or were cutting their alfalfa which was favored by good haying weather.

Last year's experience showed that timely cutting of hay can be an effective means of controlling the alfalfa weevil. It is the only answer on many Ontario farms simply because insecticides do not pay unless a forage stand is at least 50 per cent alfalfa.

In addition, alfalfa growers value the presence of weevil parasites which are now well established in Ontario and know that insecticides can be harmful to these beneficial tiny wasps.

Farmers should not always expect weather conditions to aid them as much as it did in 1971 because temperature can vary annually.

Appraisal of the weevil situation in each alfalfa field must be started about May 25 each year and observations continued every two or three days to determine when forage should be cut to avoid excessive yield loss.