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**Mission Statement:**

At FGC Limited service is our watchword. We are dedicated to our customers by providing value through attention to workmanship, response time, on-time delivery of state-of-the-art buildings and after-sale follow-up.

# FGC LIMITED

**“Building For Your Future”**



**Employee Profile: Kim Cooke**

**“It feels like home already”**

You will see a new face and hear a friendly voice at FGC. Kim Cooke joined the FGC team in October 2007 as Administrative Assistant, when Mary-

Lynne left to pursue a new career at London Health Sciences. “It feels like home already”, Kim states.

Living in Stratford with husband Doug, Kim just likes to keep busy whether working or spending time with family. In her spare time she just relaxes at home and plays with her cat, Olive.



From all of us at FGC Limited we would like to wish everyone safe and cheerful holidays. May the good tidings of the season carry on through 2008.



In lieu of Christmas cards to our customers and friends we have made a \$500 donation to the Kiwanis Christmas Basket Fund.



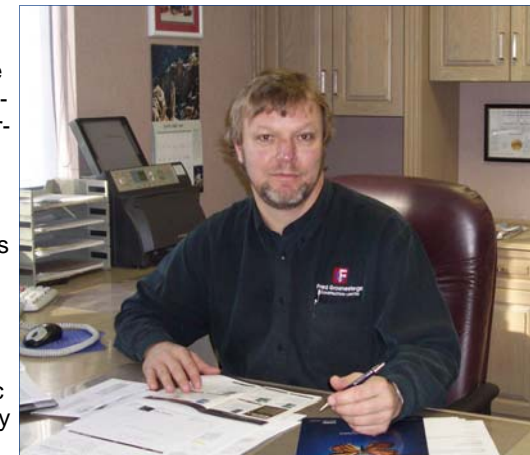
**Business Outlook** By Fred Groenestege

In the Business Outlook article of our last newsletter Winter 2006 I listed six points on what I thought would be some of the likely possibilities to develop from the current situation in agriculture. They were as follows;

1. It will be very difficult to get any government support in the short term, just think about it this way, it's considerably less expense to support 1 farm family who own multiple farms than 1 farm family on every farm. Add to this the lack of political will and foresight, I don't think the majority of the current politicians care if half the farmers disappear.
2. The future government's that come to power will be the parties that develop sustainable environmental policies.
3. The demand for organic foods will far out strip supply for the foreseeable future. Animal welfare issues will develop along with this demand. As societies become wealthier, people become much more aware of what they are consuming. They will become more demanding in having food that is produced naturally and humanely.
4. There will be more and more food shortages around the world and costs will rise accordingly.
5. Ethanol is definitely going

to have a huge effect on corn prices after 2007.  
6. A lot more farmers would probably exit the business today if they thought they could do so and retain most of their equity.

I haven't changed my thoughts on Point #1. We just re-elected the same government here in Ontario. We did this not because we believe they did an excellent job in the past, but



because we were more afraid of just how bad the alternative choices could screw things up if they were in power. We have not yet forgotten the day we woke up to Bob Rae and the NDP with a majority government. Seems to be a situation where we try and pick the best of the worst!

Point #2. This is exactly why the Green Party did better this time around. If the current governments don't do a better job of

at least appearing to address environmental issues, the Green party, or the party that does, will win substantially more votes next time around. Most of our governments are reactive as opposed to proactive. They are usually there to close the gate long after the horse is gone. We need a government that has some foresight and puts policies in place that won't benefit us immediately, but are sustainable and will benefit us well into the future. A good example is using food (corn) to make fuel (ethanol). Good sense tells us that this can't be sustainable over the long term. I'm also fairly confident we will regret the day we tore up all the railway tracks in this country. Did anybody give it a minute's thought about the economics of this action? What it might cost to expropriate the land and lay down tracks again someday in the future? At the cost of fuel today, somebody will figure out that it was one of the most economical and environmentally friendly ways to move goods and not with the thousands of trucks you see on the roads today.

Point #3. Anything you have probably read about pro-

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## Business Outlook continued

ducing organic food of any kind is that demand outstrips supply. I'm fairly confident that this trend will continue for some time. Look at current pork production. The producers of organic or humanely produced pork are the only guys making money right now. Might be a good choice if you are looking for fairly stable, long term profits! There are still lots of questions about this type of production, but there are a bunch of producers out there right now making a go of it, and they seem to be fairly happy! In regards to commodities such as wheat, corn and beans, the good prices we are seeing right now are going to encourage everybody to produce more at less cost, which in the long term will drive down prices again. I'm basing this on what has happened in the past. They say the best indicator of future performance is past performance. I don't think you could find a wheat producer anywhere right now that isn't thinking the best thing for him would have been to have more wheat to sell. The only reason the price is what it is, is because nobody has any wheat to sell. Even in times of good commodity prices for wheat, corn and beans, growers should be looking for alternatives that will be profitable after they have run their course. It's not for everybody, but maybe some organic type healthy crop could be a good choice.

Point #4. If you follow the news you would know this is the exact situation today. A couple of news headlines as of late; Grain supplies in Canada are sharply lower, Russia wants grain-exporting cartel, EU urges hike in grain crops to meet shortage, American wheat stocks plunge to lowest level in 60 years, just to mention a few. I think it was, Bangladesh, that put out a tender for a million tonnes of wheat not too long ago and they didn't even get a bid. This tells me, we are experiencing shortages, hence we should see higher commodity prices for some time to come (I just said higher but I didn't say anything about profitable). This trend will continue because as developing nations become wealthier, they want more meat in their diet, and it takes anywhere from 3 to 7 kilograms of grain to produce 1 kilogram of meat. Just look at how many billion people there are in

China and India that would like to add more meat to their diets.

Point #5 I never believed corn was the right choice to produce ethanol. You can produce ethanol from sugar cane for about 12 cents a litre and from corn it will cost about 50 cents a litre. Even if I'm



out somewhat on my estimated costs it still doesn't make any sense, except of course to indirectly subsidize corn producers. I could be wrong that it won't substantially affect the price of corn in 2007, because as of this writing oil is flirting with \$90.00 USD a barrel. In the winter I didn't think it would influence the price because corn producers would ramp up production, which they did, and it would take until the fall of 2008 before a substantial amount of the new ethanol plants would come on stream, and need corn.

Point #6. Just watching the number of farms for sale and talking to some of our customers I don't think the situation has changed at all. The low price of pork is taking a huge toll on the pork sector and has been such for so long that I would have to say a lot of producers are just tired. For some of them if they thought they could get out, they would. It is really a sad state of affairs when an industry is so financial stressed for so long that it has sucked the enthusiasm out of the business. At this point you really have to start to wonder where things will end up. As far as the poultry, dairy and other sectors go we continue to see the consolidation that has been so prevalent in the past few years, less farmers getting larger. We must learn to compete with our American neighbours and they are in-

tense competitors.

The preceding is just my observations and I hope you take them in that context. I'm afraid for pork producers that the financial crisis isn't over yet. Who would have predicted the situation with the American dollar? I talked to one of my friends state side the other day and asked him if he knew how many American Pesos you would get for a Canadian Dollar. He found the question fairly comical, but as we discussed from a business perspective the rapid change hasn't been funny at all. That's why I don't think it is over for pork producers. It is going to take time for costs to adjust and reflect what has happened to the currencies.

In closing there are a couple of things I do firmly believe. There are better days ahead for the pork industry. As an example just imagine if China or India decide to buy pork for their billions of citizens that are starting to want more than just rice. Lows are always followed by highs and vice versa. In challenging times like this stay focused and control the things you can control. And finally I want to assure you again, we fully understand we are in this together.



## Open House Review By Ken Vander Eyk



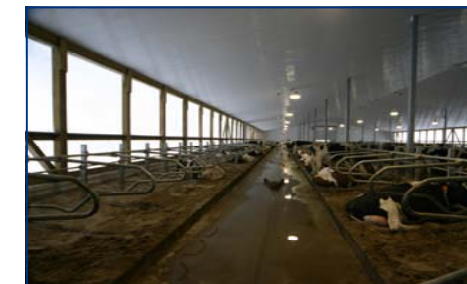
Mount Kolb Farms hosted an Open House on January 26, 2007 for their new 200 head Free Stall and Parlor near Bolton, Ontario. We would like to thank Paul and Marion, Robert Kolb, and Brad & Karen Davis for selecting us to be a part of this exciting project.

The Open House attracted in the neighborhood of 350-400 visitors, with the majority of them coming

from the local area along with family and friends.

Some of the features included:

- sand bedding with inside sand storage
- alley scrapers with outside manure storage
- split ventilation curtain
- extensive use of the Royal Building Systems (RBS) wall system
- Boumatic double 12 parallel stall parlour with basement



- a StepMetrix scale system to detect cow lameness

There were many compliments received throughout the day about the overall appearance and brightness of the new facility. FGC Limited would



like to thank, again, the Kolb family for their generous hospitality during and after the open house. We all had a great time!!

## OH&S Act What the owner needs to know.

Since October 1979 The Ontario Health and Safety Act has been in force. Its goal is to protect the worker against health and safety hazards on the job. The main principal of the OHS Act is that employers, supervisors and workers share the responsibility for health and safety in the workplace.

At FGC, we take our responsibilities for the health and safety of everyone on our sites seriously. We are working hard to reduce hazards and prevent injuries. We would appreciate our customers' cooperation to assist in our goals.

It is your choice to complete your project as suits your needs best. There are a few points we would like to bring to your attention to help insure you are protected under the Act.

When you select more than one company to complete the work involved, **you** become the constructor. This makes you responsible for the health and safety of all workers on site until completion of your project. You are responsible for safe work procedures, first aid stations, washrooms, WSIB in case of injury, con-

tacting the MOL in regards to notice of project, inspections and injuries. You must ensure that all companies have enough liability insurance, WSIB clearance certificate, and some form of Health & Safety policy and program. You are also responsible to inspect the site and ensure that everyone is working safely. In other words; everything.

We feel that it is important to look after the interests of our customers. When you contract FGC LIMITED as the general contractor, to do a turn key facility, we will look after all the health and safety details in regards to your project which involves all our sub-trades.

The following is what we require of our customer to provide a safe work environment prior to commencement of project:

- All permits
- Provide suitable access to and around site (graveled driveways)
- Hydro services
- Water
- Disposal of debris

Adhere to all site safety procedures e.g. wearing hardhats, safety boots,

**Note: No children under the age of 16 are allowed on a construction site.**

We will provide:

- Complete set of engineer approved drawings
- Temporary washroom facilities
- Proof of \$2,000,000 liability insurance
- WSIB Clearance Certificate
- Proof of membership of Canadian Farm Builders Association
- We keep all documentation for H&S on site for the duration of project.
- We will complete regular inspections of site to ensure compliance of FGC workers, and all subcontractors and suppliers of FGC for the duration of project.
- Cleanup project and pile all construction debris for removal by the owner.