

March/April 2009

AgriSuccess

JOURNAL

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who should you work with?

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On the cover:

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Cette publication est également offerte en français.

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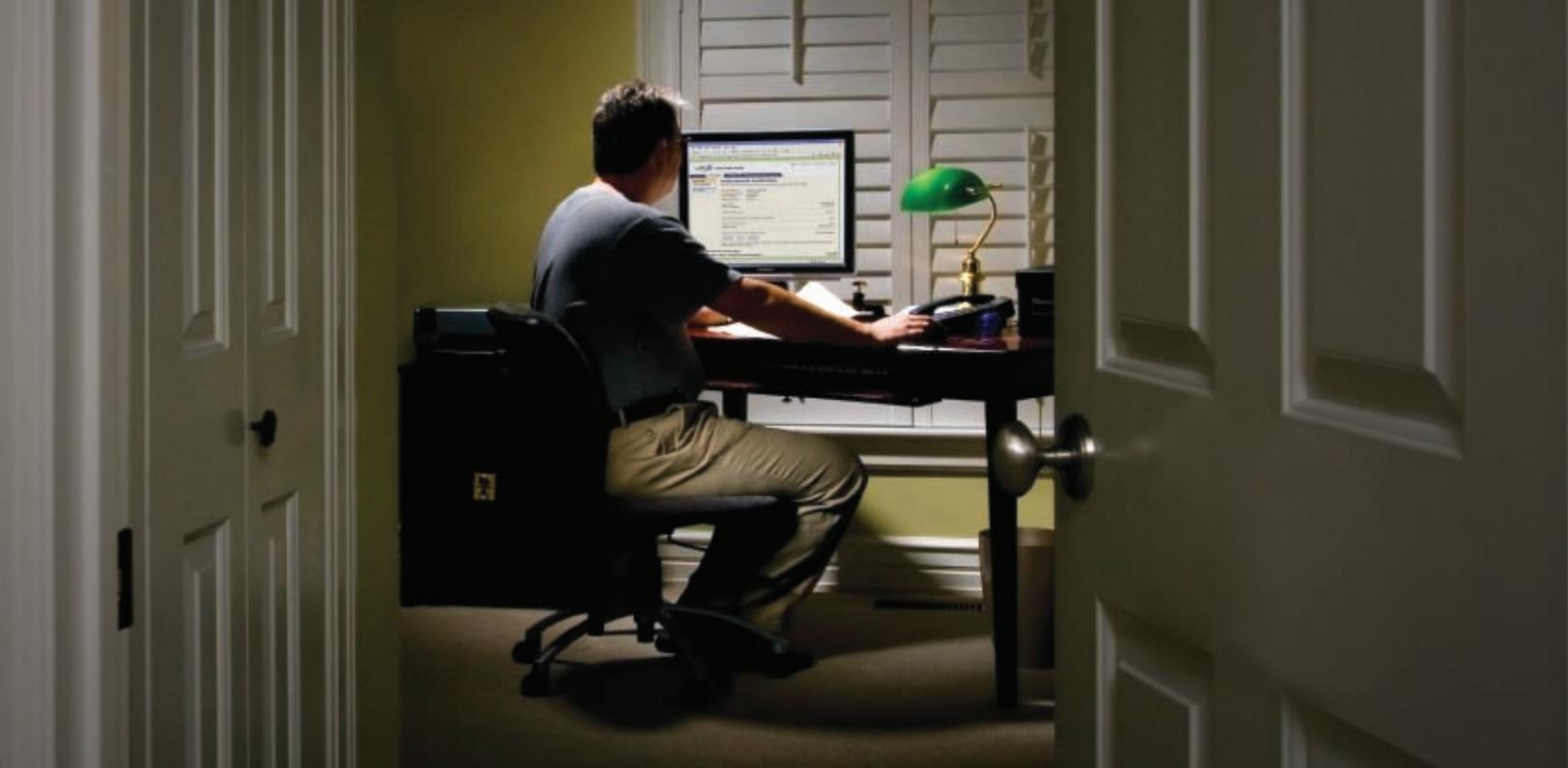


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- Canadian Farm Writers’ Federation award for periodicals; Bronze 2006, 2007, Gold 2008
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Letter from the editors



KEVIN HURSH AND ALLISON FINNAMORE

Tax season is quickly approaching, which means many of us will be spending time with our accountants. When you ask producers what professionals they employ, accountants are usually top of mind, but the list of professionals you consult is probably a lot more extensive.

Crop advisors, nutritionists, lawyers, financial advisors, succession planners and engineers might all be included in your operation. That's why we chose our theme: choosing your professionals. A big part of business success is having the right team.

Sometimes you're paying strictly for professional advice on a per-hour basis. Other times, you may be getting advice at no charge from a company that's selling you products.

Crop input suppliers, for instance, often have employees who are professional agronomists (P.Ag.) or certified crop advisors (CCA). They typically do field scouting for pests, determine fertilizer blends and advise on crop protection products. Their professional advice may be free, with the assumption that you'll buy inputs from their company.

Some producers have no difficulty with that. They believe they're still getting unbiased advice. Others prefer to pay for professional advice and have advisors who are completely divorced from input sales.

Sometimes, the professionals you consult have a pre-determined bias, but it works to your favour. Ducks Unlimited is a leading proponent of winter wheat on the Canadian Prairies. If you decide to grow winter wheat, DU agronomists have extensive knowledge and experience that you can draw upon.

Many provincial agriculture departments used to offer one-on-one advice from experts who aren't in the business of selling products. Increasingly, provincial specialists are dealing with big-picture issues rather than providing advice to individual growers.

While affiliation is one aspect in choosing professionals, the stories in this edition deal mainly with personal attributes. Does the professional listen? Does he or she understand your operation? How's the two-way communication? We hope the insights help you select professionals for your team.

We always welcome your feedback and ideas. You can email us at info@AgriSuccess.ca or call 1-888-332-3301.

AgriSuccess Journal is a magazine dedicated to helping producers advance their management practices by providing practical information, real-life examples and innovative ideas that foster personal solutions.

AgriSuccess JOURNAL

This month's contributors

Kevin Hursh, Editor

Kevin is a Saskatoon-based consulting agronomist specializing in communications. He has been an agricultural journalist and broadcaster for more than 25 years. Kevin also operates a grain farm near Cabri in southwestern Saskatchewan growing a wide array of crops.

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Software's strength is accounting, not taxes



BY LORNE McCLINTON

Spring is nearly here, which means tax time is just around the corner. It's also a time when many producers decide to automate their bookkeeping and buy an accounting software package.

"Top farm managers understand accounting," says Ted Nibourg, a business management specialist with Alberta Agriculture and Rural Development at the Ag-Info Centre in Stettler, Alta. "I've got a brother who is quite famous for saying he has made more money by pushing a pencil than a pitchfork."

You still have to devote time to entering your income and expense data into an accounting program as you did to enter the figures manually in a ledger, but once they are entered, crunching the numbers to generate management reports becomes easy.

While accounting software programs are great management tools, they still don't turn users into accountants come tax time. Yes, producers can purchase other software programs that are designed to prepare and file income taxes, but Nibourg strongly advises against it.

Almost invariably, producers will fare much better if they are working hand-in-hand with a trusted and experienced accountant at tax time.

"Your accountant keeps up-to-date with tax law," Nibourg says. "He or she may be able to come up with strategies to minimize tax that you might not have thought about. They also can review your reports and vet what you have done and make sure you've entered items into the right account. I think software and accountants work quite well together." ❖



Watch your capital gains

Agricultural land prices have leaped to record levels across Canada over the past two years, and it seems many producers are deciding that now is a good time to sell. If you are selling, here's a suggestion from Lance Stockbrugger, chartered accountant with PricewaterhouseCoopers in Humboldt, Sask. – discuss the capital gains tax implications with your accountant.

Whenever you sell an asset for more than you paid for it, the value increase is called a capital gain. If you pay \$50,000 for stock market shares and later sell them for \$150,000, you've made a \$100,000 dollar capital gain. Half that amount – \$50,000 – would be taxed as income at your marginal tax rate.

Farm sales are often treated differently. Producers can claim a \$750,000 lifetime capital gain exemption on sales of farmland, quota, interest in a family farm partnership, or shares of a qualified farm corporation. If the farm asset is jointly owned by a husband and wife, each can claim the exemption.

Stockbrugger cautions that while qualifying sales are not subject to capital gains taxes, there can be other tax implications. For example, if you are over age 65, large capital gains trigger old age security clawbacks. And, you're also subject to the alternate minimum tax. ❖

Do you trust your professionals?



BY KEVIN HURSH

According to our accountant, every farm should be structured as a partnership if it isn't already incorporated. As he said the words, I could tell he had put a lot of thought into the statement and would be prepared to defend it.

For every sweeping generalization, there are usually some counter-arguments. And different accountants and farm financial advisers will invariably take different approaches to helping their clients.

How do we know if our accountant is right this time?

So how do clients, in this case my wife and I, know if we're getting the best advice? Should we be visiting other professionals to get different opinions?

For me, the nation's complex tax laws are largely a mystery.

Sure, I understand some of the basics, but my wife and I pay good money to others for their expertise.

But how do we know if our accountant is right this time? How do we know if our farm should actually be structured as a partnership as it moves along the path to incorporation?

It boils down to trust. This accountant has been with us through thick and thin. There have been missteps, but the general direction has always been correct. And since his firm has done our accounting for years, he understands our consulting business and our farm operation.

Trust has to be earned, and he has done that.

I still glaze over when he tries to explain the intricacies of tax law. He probably thinks I'm pretty dense based on some of the questions I ask. However, I do appreciate tax savings and if you incorporate a farm that has been in a

formal partnership for at least two years, there are a number of advantages.

Specifically, the promissory note you take back from the incorporated entity can be much larger. Production inventory and equipment transferred to the corporation can carry a higher value if it's transferred as a partnership interest, rather than individual assets transferred from a proprietor. That means that after incorporation, more money can be returned to the shareholders tax-free.

This kind of tax and financial planning obviously excites our accountant. He actually calls it sexy. He's always looking for the latest wrinkle that can help his clients.

I'm left wondering how anyone can figure out what's allowed and what isn't. I know all this stuff is important and the proper structures and procedures can save a lot of money, but it certainly doesn't turn my crank. In fact, it makes my head hurt.

Whether it's a crop adviser, a lawyer or an accountant, you shouldn't just stick with them due to blind loyalty. If they aren't serving you well, you might need to look for someone else.

On the other hand, if you find someone who provides good service and has a passion for what they're doing, it can be a good long-term relationship.

When the advice from a professional requires a leap of faith, it's easier to make that leap with someone who's earned your trust. ❖



Mixing tradition with innovation

BY RAE GROENEVELD

In this time of turbulent markets, Canada's young farmers face an increasingly tough question: is the risk worth the reward? One Manitoba family is finding answers with a mixture of new ideas and traditional strategies.

"I've certainly maintained diversity on the farm, which is a goal shared by my father and grandfather," says 34-year-old Leigh Smith, who farms with his wife Nicole and their three children near Oak Lake, Man.

The farm includes 2,700 acres of cropland and 1,300 acres of pasture. They look after about 200 cows and can feed 600 head of cattle in their feedlot. Smith believes it's that diversity of crops, cattle and forage seed production that helps them survive.

While diversification is still a major strategy to keep the farm successful, using up-to-date marketing information is becoming a bigger part of the business.

Subscribing to a number of market newsletters has proven to be both challenging and beneficial.

"We try to load ourselves with as much marketing information as possible. Sometimes it's perhaps too much and maybe a little bit overwhelming . . . but for the most part it's been helpful."

Smith is a believer in running budgets and knowing the farm's cost of production. It helps in planning for inputs such as fuel and fertilizer. Considering the extremely tight margins these days, lowering the cost of production for the cattle side of their business is important, but Smith doesn't see it as the sole answer to making their cattle operation profitable.

"I think there are definite advantages to using these lower cost-of-production things like bale grazing or swath grazing, but we also find what you put in is what you get out."

Ensuring the cattle have proper bedding over the winter may add costs, but Smith says the result is more comfortable livestock that consumes less feed, which offsets the cost of the extra straw.

"It all comes down to knowing the dollars and the costs and if you have a good understanding of that, you can make the decisions a lot easier."

While the Smiths have been successful by balancing diversity with the adoption of modern practices, they now face the question of whether to get larger, a trend with many farms. Smith wonders if taking on more land and cattle is the right step.

"Whether there are any more efficiencies getting to the next level, having more employees, having bigger machinery and having more land . . . whether it means any more to your bottom line. I'm not sure." ❖

"I've certainly maintained diversity on the farm, which is a goal shared by my father and grandfather."



The Smith family,
Oak Lake, Man.

David Irvine – Attracting, retaining and inspiring great people



BY ALLISON FINNAMORE



David Irvine has over 25 years of experience as a family therapist, consultant, professional speaker, facilitator and executive coach. He is also an author and co-author of critically acclaimed and bestselling

books, including *The Authentic Leader: It's About Presence, Not Position*.

David believes that when we take the time to discern our true passions in life, we create an authentic culture.

You talk about the importance of being “authentic.” Tell us what you mean by this term.

The challenge with farming is, unless farmers are getting their hands dirty, they don't feel like they're really doing work.

their highest aspirations to work. Authentic leadership is about creating cultures where they're supported not just to accomplish the goals of the organization, but also the needs of the human spirit.

Irvine: My work is about building cultures that attract, retain and inspire greatness. My experience is, if you're going to attract, retain and inspire greatness – great people – they have to feel like they can be all of who they are.

Authentic leadership is about creating cultures where people don't have to check who they are at the door. They can bring their passions, their gifts, their unique abilities,

In what way is an authentic culture important in a farm operation?

Most farmers get the idea that they have to do everything. It's the trap of all entrepreneurs. The challenge with farming is, unless farmers feel they have their hat on and are getting their hands dirty, they don't feel like they're really doing work.

The real work of farming is having these kinds of leadership conversations with your kids, with your in-laws, with your employees, with your siblings. The conversation, if it's authentic, is to start to ask people: What are your goals and aspirations? What do you really love to do? What are you the best at? What is your passion?

Once you know the answers to these questions, you can start to design the business around them. It's the difference between chores and contributions. We will always have chores to do, things that just have to be done in a business. But the more you can align your business with what I call your deep satisfaction – your sweet spot, your authentic self – the more you're going to keep people.

Finding farm labour is always challenging. Can an authentic culture help with that?

You can start by being a little bit more mindful when you bring people in for a job interview. As you talk about your expectations of a potential employee, be sure to take time to ask them about their goals, family and their priorities, and to assess if there is alignment between their values and the job you are offering. Even though you may not be able to promise that you'll meet all their needs, when people feel you are committed to supporting them in their lives – offering not only a job, but also a place where they can fulfill their dreams – there will be a much higher chance of getting commitment and loyalty from them. ❖

What producers want in their professionals

BY HUGH MAYNARD AND MARGO McCAFFREY

What do top producers look for when they're choosing professionals for their farm? What value can professionals bring? We put those questions to three producers in different enterprises and different regions of the country.

When you ask producers to name a professional involved with their operation, invariably the answer is "my accountant." And rightly so. There probably aren't many farms that don't have one on board.

Yet as the conversation unfolds on the increasing role of professionals in the management of farms, it's surprising how long the list can get: financial advisers, environmental planners, seed reps, commodity agents, engineers, marketing specialists, veterinarians, non-farming business partners and the big daddy of them all – the son or daughter returning to the farm with college degree in hand!

There's good value in having an outsider take a look at your operation according to Jason Erskine, who operates a dairy farm with 155 milking cows in Hinchinbrook, Que., along with his brother Scott. "It's impossible to specialize in everything. Farming is such a general occupation," Erskine says. "You could be welding one day and nursing cows the next. So you need help from someone else to look critically at the farm and see where you can improve things."

Erskine sees the ability to communicate as being just as important as the technical qualifications for a professional. "If it's a nutritionist or a vet where it's a long-term relationship, you have to be compatible. The whole thing will be pointless if you can't communicate."

For Rick Thiessen, history is central in choosing a professional, and this entails more than just

word-of-mouth references from other farmers. Rick and his wife Karen produce poultry and hogs, and operate affiliated feed storage and transportation services in Abbotsford, B.C. He looks for someone who not only has a proven track record in the agricultural sector, but also knows where the farm has evolved from. He even speaks regularly with some of his father's former acquaintances such as bankers.

"Although I don't like to dwell on the past, if you know where you have come from, it helps to direct you where you may – or may not – want to go," Thiessen notes.

Trust is an essential ingredient in working with farm professionals for Richard Stamp. He runs an irrigated pedigree seed farm in the Bow River district of southern Alberta with his wife Marian, son Greg and daughter-in-law Sara. While Stamp acknowledges that you never really know whether a relationship with a professional will "click" until it's had a chance to get going, he says it can never be just a one-shot deal. "It's very important that everyone is looking to the future of a working partnership and not entirely at the remuneration being paid to them as of today."

Stamp notes that even when it comes to his son Greg, who has a science degree and "computer smarts," it comes down to a question of professionalism: "We trust him to help make the crop decisions and keep it all organized – inputs, operations and yield mapping."

All three producers view a good working relationship with a professional as an investment rather than as a cost, which means the advice is worth paying for. Thiessen thinks a lot of producers are reluctant to pay for proper advice, and notes that with the complexity of modern farm management and

issues such as expansion and succession, cheaper is not always better when it comes to long-term planning.

Stamp adds that it's always easier when business is going well, but it's when times are tougher that the real need for support and assistance arises. "I always say that we want partners who share the good years, yet are still there when things don't go so good."

So, what about those accountants? Erskine says that right now, in the early years of taking over his father's farm, it's all about loans and cash flow. "In future years I'll still be dealing with the accountant,

but hopefully we'll be talking about transferring the farm and how to retire," reinforcing his belief in having a professional relationship that evolves over time.

Every producer has a different view of what constitutes a "professional" and the role each one should play in relation to the farm's management and development. Regardless of these differences, professionals are a valuable part of today's farming operations and choosing the right one for your farm is worthy of careful consideration, especially if you're looking at a long-term relationship. ❖



Check out professional designations

BY ANNE HOWDEN THOMPSON

Technology, regulations, the environment and consumer demand are changing the face of agriculture, creating both challenges and opportunities. To be not only on top of their game – but to remain in the game – successful farm business entrepreneurs need to work with a solid, credible team of professionals, to seek management advice and share opinions.

One clue to choosing a qualified advisor is through their professional designation or membership in an industry association.

The Canadian Association of Farm Advisors (CAFA) is a network of professionals who specialize in farm businesses. “We’re looking to be the national organization that farmers will turn to when they are seeking professional advice,” says Liz Robertson, CAFA’s executive director. Many of the professionals in the association use the CAFA designation after their name.

For cropping advice, growers across Canada can look to a member of the Certified Crop Advisors (CCA) program. Susan Fitzgerald, executive director of the Ontario CCA program, says today’s farms need good record-keeping and accountability – much of which can be provided by CCAs. “We all know that efficient and responsible agronomic practices have a positive impact on the farm economy and on the image of today’s agriculture,” Fitzgerald says. Advisors must seek ongoing continuing education credits to maintain their CCA status.

Another important partner in your farm business is someone who can give you sound financial advice. “When sourcing services of an accountant, individuals and businesses will want to explore the core competencies of a service provider – as well as other services that will benefit the business,” says Rock Lefebvre, vice-president of research and standards, Certified General Accountants of Canada.

There are three main designations relating to the accounting profession in Canada – Certified General

Accountant (CGA), Chartered Accountant (CA) and Certified Management Accountant (CMA), all of whom must meet or exceed international standards.

The services provided by accounting professionals may vary from province to province depending on provincial legislation, says Doug Miller, a chartered accountant from the Goderich area in Ontario. But he says faith and trust are important considerations when choosing an accounting professional.

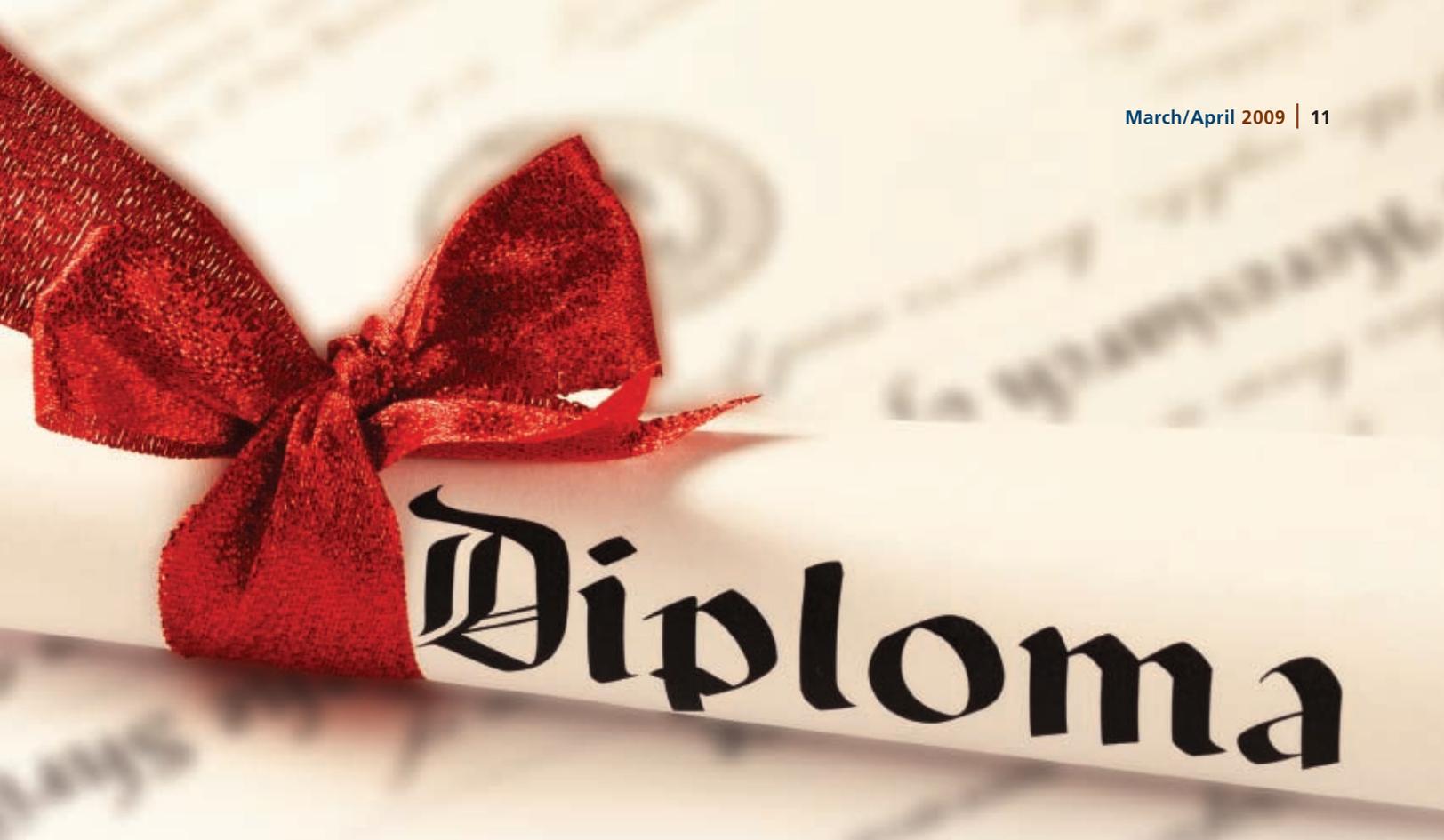
“It is not like a tractor you can take out for a test drive. A lot of significant decisions are being made, particularly in the next ten years, with transitions. You want to do it right so you want to be comfortable with the person you are dealing with, who understands your business and has your best interests at heart,” he says.

The letters following a person’s name are certainly not the only consideration when choosing a professional, but it does provide some assurance of core competency.

Legal advice is another area where farm businesses can benefit. A good lawyer is a must as part of the modern farm management team, but finding one familiar with farming may be difficult. Ottawa-area lawyer Don Good says there is no designation to show how knowledgeable a lawyer is about farming, but you can always ask about their experience.

Handshakes have sealed many farm deals in the past, but Good says that in today’s day and age, farm operators should never enter into a business transaction, such as lease or partnership agreements, based on an oral arrangement. “The [legal] cost is so nominal and so reasonable and the potential harm so high,” he cautions.

Whether it’s cropping, financial or legal advice, to stay on top of your game, be sure to include qualified professionals on your farm management team. ❖



Diploma

Some professional designations

CA – Chartered Accountant
CCA – Certified Crop Advisor
CFP – Certified Financial Planner
CGA – Certified General Accountant
CMA – Certified Management Accountant
DVA – Doctor of Veterinary Medicine
FPSC – Financial Planners Standards Council
IFAC – International Federation of Accountants
LLB – Bachelor of Laws
MBA – Master of Business Administration
P.Ag. – Professional Agrologist
P.Eng – Professional Engineer

A selection of useful online resources

Agriculture and Agri-Food Canada
www.agr.gc.ca

Agricultural Institute of Canada
www.aic.ca

Canadian Association of Family Enterprise
www.cafecanada.ca

Canadian Association of Farm Advisors
www.cafanet.com

Canadian Farm Business Management Council
www.farmcentre.com

Centre for Family Business
www.cffb.ca

Family Enterprise Solutions
www.familybusinessdoctor.ca

Add value with the right professionals



BY HUGH MAYNARD

No farm is an island, to paraphrase an old expression. This is especially true when it comes to producers and their business relationships, regardless of the size of farm.

Doing business of any nature has become a complicated affair. Just ask producers who have started to process and package to gain the added-value advantage, only to find out that the labelling requirements call for an MBA to understand and administer.

The first and most important attribute is listening.

It's a complicated world, and you need help to get through it all, whether it's taxes, marketing, legalese or environmental planning. What are the key points in choosing a professional to help with all this "stuff"?

The first and most important attribute is listening. Studies show that patients with a doctor who takes more time to listen to them do better as a result. If your professional does most of the talking, or is on his BlackBerry half the meeting, maybe there's a more friendly ear to be bent elsewhere.

Do they work in a team? For big projects, you need more than one specialist. Can the engineers work with the vet, and the accountant with the banker? The inability to work well with others can cause delays, and, at worst, result in unsatisfactory outcomes and maybe even conflict.

On an individual basis, how well do they interact and operate one-on-one? There's nothing more frustrating than having to make repeated calls just to make an appointment, let alone make a decision of substance. If they don't have much time for you, maybe you shouldn't be spending much time with them.

Do they add value? Professional services run from tens to hundreds of dollars an hour. Will that expense get you someone who has the right certificate, or will it add true value to your farm? The best price is always attractive, but what about the value in a long-term relationship that can pay dividends through in-depth knowledge of your farming operation?

How are they regarded by their clients and peers? Word of mouth is one of the strongest reasons for picking someone. Finding out whether others see them as "professional" is as important as their qualifications.

You can also check to see whether they're certified by a professional order or belong to an organization such as the Canadian Association of Farm Advisors (www.cafanet.com). Such affiliations are not only a sign of credentials, but also of credibility.

And finally, are they passionate about what they do? This is a key characteristic because it shows they're in the business for the right reasons. ❖





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Keep stress in perspective



BY PETER VAN DONGEN

On a scale of one to 10, how would you rate your current level of stress? Before you read on, take a moment to really think about this question. What rating would you give yourself?

If your answer falls somewhere between five and 10, you're not alone. In January 2005, the Canadian Agricultural Safety Association commissioned a survey of 1,100 producers across Canada to assess factors

Stress can serve a positive purpose because it gives us a signal that something needs to change.

associated with farm stress. At the time, 65 per cent of farm managers described themselves as being either "somewhat stressed" or "very stressed." While that survey data is now four years old, I would venture to say that the figures are probably much the same today, if not higher. One of the first steps in managing stress is to identify the actual source of your discomfort. Researchers suggest that farm stressors generally fall within one of six general categories: financial (rising costs, low prices); weather; work overload; social (farm

succession, family relationships); hassles (equipment breakdowns, new regulations); and worry.

Consider your own situation. What are your main concerns at the moment? What's keeping you up at night? You may find it helpful to make a list. Often the simple act of putting your thoughts on paper helps clarify what's actually causing you to feel stressed. This puts you in a position to deal with it.

I believe that stress can serve a positive purpose, because it gives us a signal that something in our life is not working and needs to change. The key is in how we respond. Take a look at your list again and consider which factors are within your control, and which are not. For factors that are within our control, stress serves as a signal that we are dissatisfied with our current results and need to take action, or perhaps change our approach.

For factors that are outside of our control, changing how we look at the situation can put it in perspective. I remember talking to a cow-calf producer in Saskatchewan in the midst of the BSE crisis in 2003. While acknowledging that he was in for a rough ride, he said, "But you know what . . . in 25 years, we are still going to be raising cattle in Saskatchewan." By re-framing the situation from a long-term perspective, this producer discovered he was better able to focus on what he could control in the short term.

The irony, of course, is that it can be difficult to maintain perspective while under stress. That's why it helps to talk to someone else. Several provinces have dedicated farm stress hotlines. You can find these and other resources by contacting the Canadian Agricultural Safety Association at 204-452-2272 or at www.casa-acsa.ca. ❖



A green power play on the farm



BY OWEN ROBERTS

Businessman Marc Roy operates a trucking business, Marco Enterprises, out of his 1,900-square-foot shop near Moose Jaw, Sask. The shop is equipped with air compressors, welders and high-intensity lighting – infrastructure that normally devours about \$500 worth of electricity each month. So Roy was ecstatic when the first electricity bill he received after installing a 40-kilowatt wind turbine last fall to power his shop and home was just \$14.

On-farm wind turbines are appreciably smaller, quieter and less obtrusive than the mega turbines.

But it gets even better. The next month, SaskPower (local hydro company) actually owed *him* money, for producing more power than he used and selling it into the grid.

“At this rate,” he says, “my [turbine] unit should pay for itself in about 10 years . . . as long as the wind keeps blowing.”

Roy is among a slowly growing number of producers and entrepreneurs generating their own green power. Saskatchewan initiated its first large-scale wind power project at Gull Lake eight years ago, and has never looked back.

But times have changed. Producers were mostly passionate observers then, watching giant wind operations go up around them and trying to separate wind-power fact from fiction. Now, they’ve become participants, thanks to a deal with the province to buy green energy. The province gives wind energy producers a 25 per cent grant toward the purchase of a turbine, and like Moose Jaw’s Roy, they can sell the power they don’t use into the grid.

David Quick, vice-president of Solar Outpost in Saskatoon, sells turbines all over the province. In 2008, he was behind ten 10-kilowatt turbines going up on farms mainly in the southern part of the province, retailing at \$45,000 each. His firm also

erected three 40-kilowatt turbines, such as the one sold to Roy, for around \$115,000. Those prices include installation, a concrete pad, all cabling and electronics.

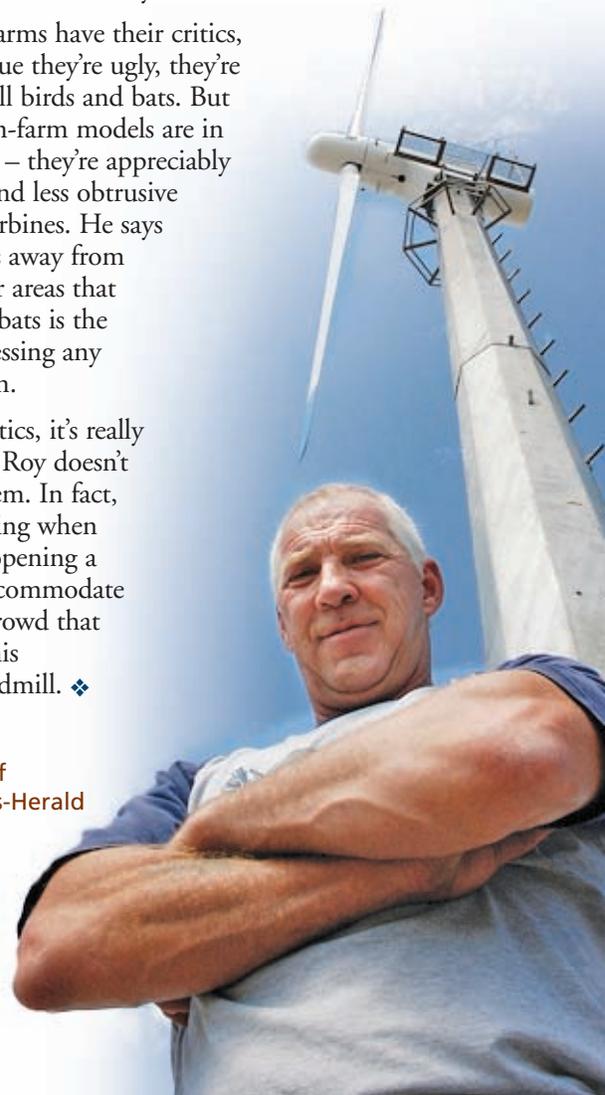
The turbines have a 20 to 25 year lifespan. Quick believes that with the grant, the power sales and tax breaks, the turbines pay for themselves in 10 to 12 years.

“Our customers are long-term thinkers,” Quick says, “but very few of them are in this just because it’s green. Wind power has to make business sense; it has to be ‘green’ in more ways than one.”

Industrial wind farms have their critics, who typically argue they’re ugly, they’re noisy and they kill birds and bats. But Quick says the on-farm models are in a different league – they’re appreciably smaller, quieter and less obtrusive than the mega turbines. He says locating the units away from sloughs and other areas that attract birds and bats is the first step in addressing any air traffic problem.

And as for aesthetics, it’s really a matter of taste. Roy doesn’t think it’s a problem. In fact, he’s only half joking when he muses about opening a coffee shop to accommodate the Highway 1 crowd that stops to stare at his 55-foot high windmill. ❖

Photo courtesy of
Moose Jaw Times-Herald



Where were you in 1959?



Were you born yet? If you were, you might recall that the average new house cost \$12,400, the Montreal Canadiens won the Stanley Cup and Ben-Hur ruled the box office. And something else great happened in 1959 . . . Farm Credit Canada was born! That

means 2009 marks FCC's 50th year of serving the Canadian agriculture industry.

Back then we had one product at one rate. Today, we have a wide range of customized financial and business solutions to meet the needs of more than 50,000 customers.

Throughout the past half century, we have listened to our customers and constantly adapted our products and services to fit agriculture's emerging needs. Together, FCC and the agricultural community have faced dramatic transformations in production, technology and markets. However, one thing remains unchanged – our unwavering commitment to customers and our 100 per cent focus on agriculture.

Over five decades, the success of our customers and the agriculture community has always been FCC's first priority.

1959 – The Farm Credit Act (FCA) is introduced and establishes FCC as a Crown corporation, with a statutory interest rate of five per cent and capital of \$8 million.

1965 – As farming expands, FCC begins to lend to a broader range of primary producers including those with off-farm employment or with secondary enterprises on their farms.

1979 – As FCC celebrates its 20th year of operations, net farm incomes are increasing and the demand for financing growing. The corporation's average loan size is \$110,298, compared to \$7,500 in 1959.

1985 – Federal and provincial governments introduce a national farm strategy to help agricultural enterprises deal with commodity price downturns. FCC plays a key role in providing fixed-rate financing to Canadian farmers.

1998 – FCC becomes a member of the Canadian Centre for Philanthropy's Imagine program, donating more than one per cent of profits to charitable and not-for-profit organizations through the donation of financial resources, services and gifts-in-kind.

And in the last 10 years, FCC has made big strides in making leading edge products and services available to our customers.

2001 – FCC's mandate is expanded and allows FCC to offer a broader range of financial and business management services to those who buy from and sell to primary producers, including equipment manufacturers and dealers, input providers and processors along the agriculture value chain.

2002 – FCC acquires AgExpert Analyst and Field Manager PRO, Canada's leading agricultural management software. This provides another tool for FCC to help producers succeed through sophisticated management skills.

2004 – FCC launches CanadianFarmersMarket.com. The site is a free and exclusive opportunity for FCC customers to help them promote their products and services.

2005 – Online services are enhanced to make it easier for customers to do business with us at their convenience 24 hours a day, seven days a week. FCC also launches the AgriSpirit Fund to enhance rural communities by supporting local capital projects.

2006 – The Accelerator Loan is born, a \$100 million commitment in new lending to young farmers. The loan is created to enable buyers and sellers to transfer farms and farm assets from one generation to the next.

2008 – For the sixth consecutive year FCC is named on the Globe and Mail's Report on Business annual list of 50 Best Employers in Canada.

We've come a long way, thanks to you, our customers. When you succeed, we succeed.

We look forward to 50 more years of working with the agricultural community to advance the business of agriculture. ❖

Involve children in farm safety

Most safety hazards are predictable and if something is predictable, then it is also preventable. We see farm safety as an investment in people who are passionate about agriculture.

Children and youth too often suffer injuries or even fatalities as a result of hazards in their environment. On many farms mowing the lawn, riding an ATV or using farm equipment becomes a part of daily life for children. According to the Canadian Agricultural Safety Association (CASA), injury continues to be the greatest cause of disabilities and

fatalities for children and youth who live on farms.

The Chatham-Kent Children's Safety Village in Ontario believes that most of these accidents are preventable and that's why it focuses on teaching children about safety. In 2009, the Safety Village will receive a \$25,000 donation from the FCC AgriSpirit Fund to improve farm safety teaching

equipment. There are 16 other safety villages in Canada and Chatham-Kent is one of the first to have a farm safety program.

With the help of firefighters, Chatham-Kent Safety Village helps children learn about chemical and machine safety, including how to mow grass safely. Children are in contact with real equipment so they become familiar with the potential dangers. Small versions of buildings act as teaching tools for the children, providing real life experiences. Each year, over 2,500 students from 52 schools participate in this safety program. The students really enjoy the training.

It's interactive, fun and easy to remember. "One day, a student told me since his training, he's been more careful and even advises his parents when they are not cautious," says Barb Lovell from the Safety Village.

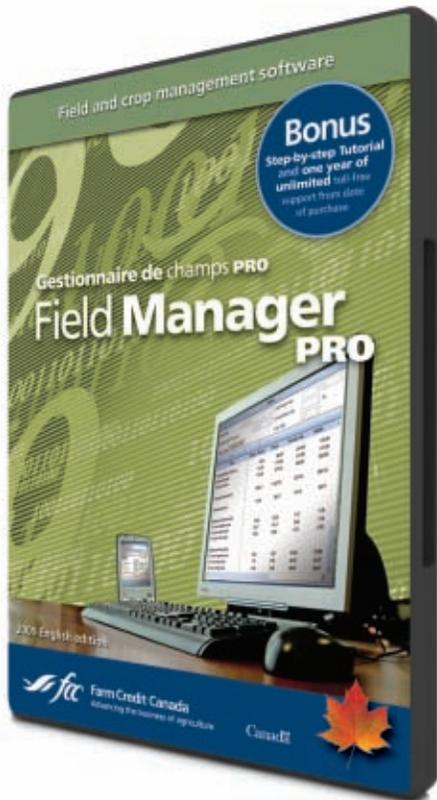
The farm safety program is designed specifically for Grade 6 students. "Statistics show that children ages nine through 11 are at the highest risk for injury, death or disability," reports Lovell. "We live in a predominantly rural community and we want to provide our children with training to help them stay safe."

According to CASA, between 1990 and 2003, 274 children and youth under 19 years of age were victims of fatal farm accidents and 2,828 children were hospitalized because of farm-related injuries. These statistics are frightening and prove how important it is to practise farm safety. For more information, visit www.casa-acsa.ca.

Check out your farm safety skills by taking our quiz at www.fccfarmsafety.ca. ❖



Tell me and I'll forget
Show me and I may remember
Involve me and I will understand
– *Safety Village*



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