



Farm Credit Canada

May/June 2009

AgriSuccess

JOURNAL



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On the cover:

Jason and Jacklynn Ryder from Delhi, Ont.

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Letter from the editors



KEVIN HURSH AND ALLISON FINNAMORE

In every edition of the Journal, we profile a young producer. This time, we're taking it a step further. Our theme is the next generation of producers and we approach the topic from many angles.

Even if you aren't a young producer – and many producers aren't – you'll find insight that can make a difference in your business.

Most producers have a succession dream, even if they don't have a succession plan. They want their hard work to count for something. They want to see the operation they've built continue in some form after they exit the industry.

Succession typically happens within the family, but not always. Sometimes a farm employee or a neighbour's kid becomes the logical choice.

Some producers don't have any obvious successors. When the time comes to retire, they'll sell the assets to the highest bidder. While there aren't any statistics to quote, anecdotal evidence would suggest that producers in this situation are more likely to develop time-consuming interests unrelated to the farm and are more likely to retire at an early age.

Producers with obvious successors often stick around the operation in some capacity, farming with the younger generation. The transition of work and decision-making can take place over many years. A successful transition can be the source of great pride.

It should be noted that succession dreams don't always turn into plans, and succession doesn't always happen smoothly. However, it's still the ultimate goal for a lot of producers.

In this edition, we look at successful successions. We delve into the hopes, dreams and attributes of young producers. And we examine the apparent lack of youth in farming.

We're always pleased to hear your comments. You can contact 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

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The views expressed in this journal are those of the authors and do not necessarily reflect the opinion of the editors or FCC.

Even young farmers need a current will



BY LORNE McCLINTON

Cecil Harris made legal history shortly after he climbed onto his tractor on June 8, 1948. Sometime after Harris left his Saskatchewan farm that fateful morning, he rolled his tractor and was pinned beneath one of the rear wheels. He was still alive but bleeding profusely. Assuming he was about to die, he used the short time he had left to write his will.

“It is not only necessary to have a will, but equally important, the will must be up to date.”

He fished out his pocketknife and scratched a simple message on the tractor fender: “In case I die in this mess, I leave all to the wife, Cecil Geo. Harris.”

As he surmised, Harris didn’t survive his mess but his will did. A Saskatchewan court deemed his hand-carved message was a valid, if unorthodox, example of a

holograph (handwritten) will. Today, the fender and pocketknife can be found in a display case in the University of Saskatchewan Law Library.

Harris isn’t the only producer to put off writing a will. Some surveys suggest that a large number of Canadian farmers are taking a huge, unnecessary gamble with their assets. If a person dies intestate, without a will, their estate will be arbitrarily divided according to provincial intestate laws.

“It is not only necessary to have a will, but equally important, the will must be up to date,” says Gregory Bobbitt, QC, a senior partner with NSWB Law Firm in Weyburn, Sask.

“I recently encountered a situation where the farmer/husband/father had died. He had a will but it was grossly out of date. The will provided for the sale of certain lands, which the farmer no longer owned. It did not deal with other lands he did own. It did not answer many of the problems associated with a farmer’s estate. This would have caused problems

if one of the family members insisted on following the testator’s instructions, but luckily the entire family chose to ignore the will.”

Bobbitt says producers can anticipate making three or four wills over the course of their lifetime. When they’re single, a will might leave the estate to their parents or siblings. A second is usually prepared when producers are married with a young family. The rules vary by province, but a marriage or new common law relationship can effect the validity of an earlier will. A third is often needed when the children reach their late teens or early 20s, once parents think they know which children want to farm. A final will might be necessary after they’ve disposed of their farm assets.

“My most satisfying experience with farmers who wish to draw up wills is with those individuals who come into my office after they have carefully thought through what they want to do – how they benefit all members of their family,” Bobbitt says. ❖



Where are all the young farmers?



BY KEVIN HURSH

At a typical farm meeting, you'll see a lot of grey hair. Many observers lament the lack of young people getting into agriculture.

And statistics seem to bear this out. The 2006 Census of Agriculture shows fewer producers in the under-35 category, while a growing proportion are over 55. In 1971, those aged 65 and older made up 6.1 per cent of the farm population. By 2006, that had increased to 11.2 per cent.

Don't young people want to get into agriculture?

That's not the problem, according to Lyndon Carlson, Senior Vice-President of Marketing for Farm Credit Canada. He believes there's no shortage of young people who would like to farm. In fact, he can think of numerous examples where more than one son or daughter wants to be involved in the family operation, but there just isn't room for everyone.

There are sizable economic barriers to entry. The cost of buying new dairy or poultry quota is high. Land prices continue to rise in most regions. And buying equipment and establishing facilities isn't getting any cheaper.

There are some "bargains," but these are in sectors undergoing financial stress. Mid-sized hog facilities have been available at a fraction of replacement cost. Good beef cows have been selling at historically low prices. While this theoretically makes entry easier, it's tough to build a business plan that shows a positive bottom line.

Despite the hurdles, you can find enthusiastic young producers in all sectors and all regions of the country. But you also find producers well past the normal retirement age who are still going strong.

"Small business owners rarely retire at a working man's age," Carlson observes. With farming, the business usually gets easier with time. As you become more established, there should be fewer worries.

As well, your complement of equipment is probably a quantum leap ahead of what you started with.

"Farming alongside family members when at an advanced age can be highly enjoyable," Carlson notes. "It's a powerful incentive to continue."

At some point, the decision-making will transfer to the younger generation, but senior family members are still the producers who show up at meetings and in the statistics.

Keep in mind, too, that farms continue to grow larger. That means fewer producers. While this sounds troubling, it's been a steady trend in Canada for decades. In 1941, there were more than 728,000 farms in Canada. By 2006, the number had decreased to fewer than 230,000.

Having fewer and larger farms makes it tougher for new entrants to become established and compete.

To state the obvious, young producers are the future of agriculture. They should be encouraged and celebrated. To get started, they may need a break from the older generation, be it family or non-family. ♦



Dr. John Fast – Make family farm succession a priority

BY ALLISON FINNAMORE



Dr. John Fast is a leading expert on farm family business in Canada. As the founder and former director of the Centre for Family Business, Fast has an extensive background as a family counsellor, educator and entrepreneur. He's also the

author of *The Family Business Doctor*, a book that looks at preventive solutions based on leading research, best practices and a decade of experience helping families navigate some of their deepest fears and work toward their greatest desires.

What are the first steps a producer should take when starting the family farm succession?

Dr. John Fast: The first step is to make a commitment to get started, actually proceed with succession. Then you've got to tell someone else within the family about your intentions to work out succession.

Many parents treat their kids like employees and their employees like their kids.

It's committing and building an internal accountability system. If you don't have an accountability system, most of us tend to slide into the path of least resistance. Succession has become a buzzword – everyone knows they have to do it but we still do not see enough traction out there to getting it done.

Is there an ideal age when succession planning should start?

Well, I would start probably about age two! I have this chapter in my book called *From Parenting to Partnering* and in it, I talk about how if you have difficulty parenting, you are going to have difficulty partnering in the future with your kids.

If you have in mind that you want to make this a family farm tradition for generations, then you begin by how you parent. There are different challenges at each stage of life with your children, but eventually your goal is to sell your farm to the next generation.

Teach them to become adults, have a backbone and be independent. Essentially, no one is going to sell their business to a bunch of kids, whether they're 20 or 40. At the end of the day, to make a truly good business decision, you want to do a succession deal with the next generation – adult children.

Are there common challenges that producers face when doing succession planning?

One of them is the inability to listen to each other. Some of that is because of personality differences, dysfunctional communications patterns or we're simply afraid to listen to each other.

If you're not listening, everyone proceeds on what I call fantasy assumptions. You're not going to get succession done and you're not going to have a family that's harmonious when proceeding with fantasy assumptions.

Often, there isn't enough affirmation between generations. There's not enough constructive feedback, particularly from a senior generation to the next generation. That's a huge issue.



The other big issue is a lot of role confusion. So Dad doesn't know if he's being a dad at the moment, or whether he's being the boss, or whether he's being the chief shareholder where his equity is at stake. And he confuses them often. Many parents treat their kids like employees and their employees like their kids.

The technical parts of the succession plan are easy. It's being able to talk through your emotions, what your desires are and to be able to feel that you can speak like an adult in the family – that's the hard part.

What key points should families keep in mind while working through succession?

There's got to be a desire to do something. They've got to recognize that things have to change, so plan for it rather than just let it happen.

Then secondly, you've got to determine within the family whether they feel they can handle this process themselves or whether they want to get a third party involved, someone to facilitate the process.

I would highly recommend that families educate themselves on this – buy some books or go to a workshop or seminar.

Where does the motivation to begin succession planning tend to come from?

The big thing I've seen is that the younger generation is much more aware and educated about succession planning, and by younger I'm talking about those under 40.

I see that generation beginning to drive the process and alert the family that something needs to be done. They recognize they are the most vulnerable and they have a vision for farming in the future. It's in their best interest to get the family to chart a critical path sooner rather than later. ❖



Tobacco grower goes green (onions, that is)

BY ANNE HOWDEN THOMPSON

Getting started in the business of farming today is undeniably difficult. But it isn't impossible.

Jason Ryder made it work. Ryder grew up on his family's tobacco farm near Delhi, in Norfolk County, Ont., and graduated from the Ontario Agricultural College at the University of Guelph in 1999.

At 31, he's just the type of keen young entrepreneur that every industry needs to stay vibrant and sustainable.

At 31, he's just the type of keen young entrepreneur that every industry needs to stay vibrant and sustainable. But as the tobacco industry struggled, Ryder saw no room for expansion. If he wanted to farm, he would need to explore other opportunities.

For the first few years after university, Ryder worked at a local crop input company.

But a unique opportunity presented itself when a neighbour was named chairman of the Ontario

Asparagus Growers' Marketing Board. With the demands of the neighbour's expansive 800-acre operation and the new demands as chairman, something had to give. Ryder was approached to see if he would be interested in taking over the green onion production of the operation, which required full-time management.

Green onion production is a niche market, and one that is very labour intensive. Not everyone wants to get involved with managing the size of labour force or the required infrastructure to support the workers.

Ryder and his wife Jacklynn accepted the challenge. At the end of the first year, they decided there was opportunity in the sector. Today, their operation consists of 250 acres, with 120 acres of green onions, 50 acres of asparagus, 10 acres each of red and savoy cabbage, and the rest in grains and oilseeds.

To maximize resources, he shares labour with his neighbour and together they employ about 75 workers a year from St. Lucia and Jamaica.

Ryder says the key to their success is that they started small. As other producers in the sector would exit, Ryder bought up their equipment and took up their contracts and marketing opportunities.

He has succeeded without the safety net of his parents. "I didn't need to drag them down. They have never been in fresh produce," he says, describing the horticulture sector as very different from the tobacco industry. What he has received from family and friends is the sharing of equipment, land and other resources, which has been invaluable to the young entrepreneur.

Ryder has chosen what many would consider a difficult path, but it's given him insight that he shares with other young farmers: Get off your own farm and find out what's out there. It's that off-farm experience that allowed him to see the tremendous diversity and opportunities that exist in agriculture. ❖



Jason and Jacklynn Ryder,
Delhi, Ont.

The road to succession

One destination, countless routes

BY ALLISON FINNAMORE

Which is the right farm succession plan? That depends on a lot of variables. One of the best strategies is to learn from what others have done. Apply what works, avoid what doesn't, and modify when necessary.

Here are two stories:

Succession is nothing new to David and Wendy Brenn, but it's never been like this before. The Brenns and two of their three children operate Brenn-B Farms Ltd. in Waterdown, Ont., complete with 1,300 acres of potatoes, broccoli, herbs, cash crops and a 200-head feedlot.

David is the third generation on the family farm and now, as he and Wendy travel down the succession planning road with their sons Chris, 31, and Shawn, 30, they have the advantage of hindsight. The couple purchased the farm from David's father in 1979, when they were the young hotshots coming on to the farm with all kinds of ideas.



The Brenn family,
Waterdown, Ont.

“David returned to the farm full-time in 1976 and began to grow different crops and employ more people,” Wendy says. “Dave’s dad was not comfortable with all of the changes and decided to sell to us.”

The couple purchased the home farm and, a year later, expanded their operation by purchasing the neighbouring land that was also owned by David’s father.

Without the advice, ideas and reassurance of the older generation, their farm would have failed.

“We had many tough years answering to the banks and staying afloat,” Wendy explains. “We took out 25- and 30-year mortgages in the high interest years of the early ’80s.”

Despite the tough times, the older Brenns worked hard alongside the younger generation. Wendy says without the advice, ideas and reassurance of the older generation, their farm would have failed.

Today, Wendy and David are the older generation and are determined that succession will be different this time.

“We have assets outside the corporation that will provide some retirement benefits,” she says, noting they’ve implemented an estate freeze, a detailed evaluation of all company assets that allows each shareholder to know their value at a specific date. “This allows the next generation to own the future growth from that date on,” Wendy explains. A new share structure of the company is also in place.

One major challenge the Brenns have identified is that producers tend to be asset rich and cash poor.

“We need to find a way to get money out without causing cash flow problems.” Through a combination of insurance, wages, and share purchases and redemptions, Wendy says she and David will be able to live comfortably on past equity

without creating a huge debt load for the next generation.

The careful planning and attention to detail come from their experience taking over the farm 30 years ago.

The next generation is able to embrace the new technology with little fear and great expectations, just as we were able to do. As you get older, change does not come as easily – we saw this with our parents and now with ourselves.”

The Brenns plan to pass complete control and ownership to their sons within the next five years, but reaching this point in their transition process has been a long, hard road. And while they support hiring experts to help with succession, Wendy points out that getting each of those pros on the same page was one of the most challenging parts of the planning.

“The accountant, lawyer and financial planner all use their expertise, but did not always communicate well with each other. We were always waiting for one of them to proceed to the next step.”

The Brenns also gained wider experience with farm-based groups like Canada’s Outstanding Young Farmers, which introduced them to producers across the nation and showed how different farms deal with succession.

“It exposed us to many different farm families and their personal successes and challenges,” David says. “We have encountered many different situations and learned a lot in the process.”

Within the family, the Brenns say equality and honesty, combined with a good head start and a few other key elements, are worth their weight in gold in succession planning.

“Every family member must be consulted and treated fairly. Consensus does not come easily. Have open family discussions, start long before necessary, have knowledgeable experts, talk to others who have been through it and be flexible,” Wendy says.

Breault family relies on trust

For brothers Adrien, Denis and Robert Breault – and six of their children – the secret of working together is equality. The brothers bought their dairy farm near Sherbrooke, Que., from their parents in 1976. They expanded from 100 cows and three barns to nearly 350 cows today.



The Breault family dairy farm in Sherbrooke, Que.

While some producers are anxious to find someone to take over the farm, the Breault brothers have six willing partners to take over the operation. “This is something that we have been preparing for a long time,” Adrien explains. “You don’t just decide that one day you’re going to sell.”

The group works well together, and Adrien points out that the farm profits from the economy of scale, more than if everyone owned their own farm.

Adrien says none of the kids were pressured to stay home to take over the family business. In fact, some of the next generation left and returned home. Others opted not to return to farming. “It was always their choice to work on the farm or away or outside the farm,” he says. “But they chose the farm and we are really happy about it.”

For such a large group, each with a vested interest in the family business, working together has its challenges, but the Breaults sat down and developed a common plan for their dairy operation.

“We have a vision,” Adrien says. “We needed a vision that analyzes the current situation, the economic situation and we made decisions. But you have to be

prepared. You don’t just decide that day. And after you make your decision, take the time to organize the business and to be ready.”

The Breaults’ strength in numbers and talent is an advantage when it comes to finding work-life balance.

“Since there are a bunch of us, we can take weekends off or take holidays,” Robert says. “We are more flexible because everyone does all the jobs on the farm. We don’t have any specialists – we are all versatile.”

As the family looks to the future, they remain confident that transition of ownership will be a seamless process.

“The kids are ready to integrate themselves in the business and the transition will happen gradually and simply,” Adrien says. “We are ready. The future of the business today is more on their shoulders than ours.”

The Breaults agree that a key step in transition is having a network of professionals to help with the process. Adrien believes that whether it’s animal nutrition, soil conservation, planning or accounting, that team is essential.

“That is one of the big secrets – to surround yourself with good people, people you trust.” ❖

There are ample resources available to help with the succession process. Here is a small selection of resources available online:

www.farmcentre.com
www.thefamilybusinessdoctor.ca
www.omafr.gov.on.ca

Also, check out www.fcc.ca/learning for upcoming Estate Planning and Transferring the Farm workshops.

Young producers show their optimism

BY KEVIN HURSH

Intuitively, you'd expect younger producers to be more optimistic – call it youthful exuberance. A survey conducted in fall 2008 confirms the expectation, but also delves much deeper into the hopes and challenges of young producers across the country.

A majority of young and older producers cite rising input costs as the greatest challenge.

larger on sub-samples within the survey.

The survey was conducted by the research team within Farm Credit Canada, using Vision Panel members from all regions and sectors. A total of 4,308 people responded, of which 641 (21 per cent) were under 40. The margin of error on a sample of this size is plus or minus 1.5 per cent, 19 times out of 20, while the margin of error is slightly

Will your farm be better or worse off in five years?

Twenty-five per cent of young producers believe their farm or business will be much better off in five years than it is now. This compares with 17 per cent of producers aged 40 and over.

A majority of producers, both young and old, expect their farm business to be a little better off in five years.

On the flip side, seven per cent of producers aged 40 and over believe their farm or business will be much worse off in five years, as compared to only three per cent of young producers.

“My goal is to make my farm better off,” comments a young Manitoba crop producer. “If I did not feel as though I was making it better, I wouldn't be doing my job.”

Would you encourage a career in agriculture?

Thirty per cent of young producers say they would strongly encourage a friend or family member to enter a career in agriculture compared to 24 per cent of producers in the older age categories.

What about discouraging a career in agriculture? Among older producers, 13 per cent would strongly discourage. Only eight per cent of young producers were in this category.

“If you can be home and farming with your family, I think it's excellent for bringing up your children,” says a young poultry producer from Ontario.

“I think that raising a family on a farm is the best lifestyle choice and that much more of North American culture should revolve around agriculture and rural values,” comments a crop producer from Saskatchewan.



What do you see as the greatest challenge in agriculture?

A majority of young and older producers cite rising input costs as the greatest challenge. There are no significant differences between the two groups. However, there is a noteworthy difference between 2008 and 2007. Fifty-three per cent of young producers in 2008 cite rising input costs as the greatest challenge, as compared to 38 per cent in a 2007 survey.

The difference can likely be explained by the record high fertilizer prices in summer and fall 2008.

There was one significant difference between young and older producers in the 2008 survey – nine per cent of young producers cite financing the farm as the greatest challenge, compared to six per cent of older producers.

“The biggest challenge will be to keep our margins the same with the increase in fertilizer and all other inputs,” comments a young Alberta dairy producer. “That is why I’m using consultants to develop a variable rate fertilizer plan to increase production with the same or less fertilizer.”

“I think in the short term, public will demand organic/local foods, which will increase the price and allow smaller farmers to capitalize,” writes a British Columbia fruit and vegetable grower. “The challenge will be to still make a profit with the high fuel and labour costs.”

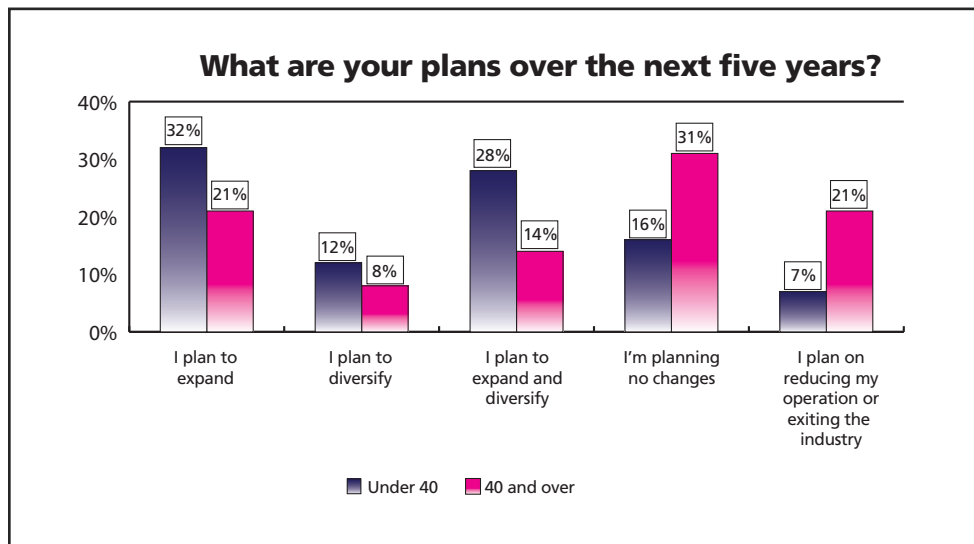
What are your plans for your farm over the next five years?

Young producers were significantly more likely to state that they plan to expand, expand and diversify, or diversify their farm or business over the next five years. On the other hand, as you may expect, producers aged 40 and over were significantly more likely to state that they plan on making no changes or that they plan on reducing their operation or exiting the industry.

Results by province and by sector

When you start breaking the survey results in smaller groups, it takes a bigger difference in the numbers to be statistically valid. Still, there are a number of interesting trends. The differences between the provinces can, in many cases, be explained by the importance of the different sectors within them. For instance, beef production is very important in Alberta, crop production dominates in Saskatchewan and both Ontario and Quebec are strong in the supply managed sectors of dairy and poultry.

Forty per cent of young crop producers say they are likely to expand their farm over the next five years. Fifty-two per cent of young poultry producers and 49 per cent of young hog producers say they plan to expand and diversify. At 16 per cent, young beef producers are significantly more likely to state that they plan on reducing their operation or exiting the industry over the next five years.



Those young beef producers are clearly feeling the economic crunch, with 17 per cent saying they're pessimistic about the future of Canadian agriculture. By comparison, only seven per cent of young dairy producers say they're pessimistic.

Young crop producers (27 per cent) are significantly more likely to state that their farm is much better off than five years ago, as compared to young beef producers (13 per cent). This isn't a surprise given the improved economics of crop production in the last couple of years and the continuing difficulties in the beef sector.

Looking forward, 36 per cent of young dairy producers and 40 per cent of young poultry producers believe their farm will be much better off five years from now. Among young crop producers, 62 per cent believe their farm will be a little better off in five years.

Young dairy producers (53 per cent) and young poultry producers (52 per cent) are more likely to strongly encourage a friend or family member to enter a career in agriculture as compared to young crop producers (29 per cent) and young beef producers (16 per cent).

"Why would you encourage someone to do something for nothing?" asks a young Alberta beef producer.

Overall, the future looks bright

Although multiple challenges are identified and some sectors are clearly more buoyant than others, the survey confirms a great deal of optimism in producers under 40. Over 70 per cent are planning to expand or diversify, which is deemed essential to sustainability and growth.

Young producers are more excited about public demand for new products and niche market specialties. Despite challenges, most are looking for new and innovative ways to approach agriculture in order to succeed.

The following comment from a young Ontario dairy producer sums up the overall outlook:

"Business is growing, debt is being paid off, and more work is getting done in less time due to investments in efficiency/more attention to detail."

Visit www.fccvision.ca to view the full Optimism in Canada report. ❖



The rise and fall – and rise again – of your farm business empire



BY HUGH MAYNARD

Farms are typical family enterprises. They go through the natural business cycle of start-up, and growth, and plateau in activity before – depending on the choices you make – decline or renewal.

Phase 3 is the most important in determining the future of the farm business. Whether it's called the plateau phase, the mature phase or the harvest phase doesn't matter; what does matter is that there is a plan in place.

The farm business can start again to develop and grow.

The business life cycle is affected by all kinds of macro forces – recession, company mergers, new technology and, for farms especially, the weather. How the business responds to these larger impacts depends in part on micro decisions – the day-to-

day management of the enterprise. If the business continues to be run the same way, profits and business can start to flatten out, even decline. However, if actions and activities are changed and adaptations made, the farm business can start again to develop and grow.

This is where the next generation comes into play – maybe. One of the major adaptations during the plateau phase can be the emergence of a younger generation interested in management of the farm business. The majority of farms do not have an

identified successor, let alone a plan that leads to renewal. The absence of both can lead to a long, slow sunset scenario once the enterprise becomes mature.

If the parents (owners) do plan space and responsibilities for their children (or others) to start making those decisions and changes, the farm can start the business life cycle again. And when the next generation has prepared themselves with knowledge of new technologies and ideas coming from new trends, the business can climb to new heights.

Want more insight? Google “business life cycle” and you'll get all you need to know in 0.21 seconds!

And don't skip over what you see from other business sectors: succession is the No. 1 development issue for all small and medium-sized businesses, in all sectors in the Western world. There are some good ideas to be gleaned from other types of businesses. When building an empire, no matter how modest, there's no such thing as too many good ideas. ♦





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Technology: one more way to boost the allure of farming



BY OWEN ROBERTS

Back in the early 1990s, crystal ball gazers predicted the fear of technology would be the phobia of the decade. In the U.S., the Society for the Advancement of Education reported that despite the country's long-standing lead in technical innovation, more than half of all Americans were resistant or phobic about taking advantage of technology in their everyday lives.

The exception: young people.

While less than three-quarters of adults said they were comfortable using technology such as computers, a whopping 92 per cent of teens said, bring it on.

Now those teens are young adults. Young businesspeople. Young entrepreneurs. And young farmers.

That coming-of-age could be a key to rural revival, especially if high-speed Internet can be introduced at a more rapid rate to rural Canada.

The farm community regularly wrings its hands over problems attracting youth home, or to the greying sector. But it forgets the allure of technology and how that's part of what Canadian Young Farmers' Forum participant Leona Dargis of St. Vincent, Alta., called "making agriculture sexy," at a forum gathering in January. Young people grew up with technology and made it part of their culture. So when they become farmers, why would they not make it part of agriculture?

"Young farmers aren't afraid to hit the wrong button and make a mistake," says Andy van Niekerk, a producer, seed salesman and soil management consultant from Stayner, Ont. "They're willing to

explore new technology." And today's choice of new technology is unparalleled.

Van Niekerk remembers meeting at a coffee shop near Simcoe with a young customer, reviewing his cropping plans, when the client pulled out downloads he'd taken from his sprayer and GPS mapping technology. "He had his binder with him full of maps, and a computerized file of it all," says van Niekerk. "He was teaching his dad about it." The client's age: 22.

Indeed, GPS – considered the fastest technology to be adopted in the history of agriculture – and electronic communications are some of the most desirable technologies among young producers. Barb Shakel-Hardman, head of the ag-industry extension branch for Alberta Agriculture and Rural Development, says the Alberta government is banking on a growing use and acceptance of electronic communication among all farmers. In fact, informing the agriculture community about news and events via the Internet is a core function of its new extension department, established just before the end of 2008.

"We serve a big geographic area and we're looking for ways we can use technology to connect people," Shakel-Hardman says. "We will be using it to help people get the information they need, through podcasts, webinars, distance learning, and this will be of particular interest to young farmers, I suspect."



In some cases, producers are turning to technology to get even more technology – such as new equipment. Crosby Devitt, Guelph-based manager of research and innovation for Ontario’s corn, wheat and soybean growers, says the ability to browse for farm equipment anywhere, any time, plus quick weather information and market updates, are inspiring producers to use technology to manage their farm.

Jim Evans, a professor emeritus at the University of Illinois, tracks trends about young farmers and others through the Agricultural Communications Documentation Center (ACDC) he helped found at the university. After scanning the world’s largest collection of more than 30,000 documents – reports, scientific journal articles and news releases from 170 countries, including Canada – he says that when it comes to technology uptake and young farmers, a lot of questions remain. “Much discussion about innovativeness of young farmers is based on general observation, grounded partly in intuition and perhaps folk wisdom,” he says.

Still, many research-based clues exist in the ACDC collection. For example, a 2006 producer survey in Indiana found older farmers were less likely to plant Bt corn (genetically modified to have an insect resistance trait), which at the time was considered a new technology. Basically, Evans says, research over the past half century suggests that age is one of many factors that influence growers’ adoption of new technologies.

There may be a connection between young producers’ ability to innovate and their pocketbooks. It’s logical that as producers get older and more established, they are likely to have more money available to invest in technology. But that doesn’t mean that young producers don’t want it. Or that it’s not sexy. ❖



New generation takes fresh approach to old concerns



BY PETER VAN DONGEN

I don't know about you, but I love reading success stories about young farmers. There's an energy and enthusiasm in most up-and-coming producers that draws me in and reminds me that the future of the industry is in good hands. I recently asked several young farmers from across the country to share their perspectives on farm safety.

"Nothing brings it home like it happening to someone close to you."

Maria Smith admits having close calls. A seventh-generation farmer from New Glasgow, P.E.I., she's president of the P.E.I. Young Farmers Association. Along with her father and two brothers, Smith operates a

mixed farm that includes a 200-sow farrow-to-finish operation, 400 acres of grain corn, 100 acres of soybeans and a 50-head cow-calf herd. She also works on a local dairy farm. Smith, 23, says farm safety is a big concern.

"I am always scared about my family getting hurt, especially my brothers because a lot of the time they are working by themselves," she explains. "I always make sure I know where they are, what field they are in, and what they are doing each day."

Smith notes that her father lost his pinkie finger to an auger when he was in his 20s. She credits him with teaching her how to recognize and avoid the many hazards that come with living and working on a farm.

For Jennifer Birrell, the dangers of life on the farm became vividly apparent at an early age. While growing up on a farm near Moosomin, Sask., Birrell witnessed two farm incidents that left a lasting impression. "Nothing brings it home like it happening to someone close to you," she explains. "Seeing my dad's arm being wrapped around a PTO shaft sure makes me more cautious around any vehicles or machinery. And seeing the remains of a tractor after our neighbour towed a grain auger into a power line is a good reminder to bring it down before moving."

Some young farmers find that their approach to farm safety changes as their families change.

"Farm safety has become more of a conscious effort on my farm as I have gotten married and now have a child," says 34-year-old Rob Brunel, who owns and operates a 3,000-acre grain, oilseed and forage seed farm in Ste. Rose, Man. "It makes a person think more about the dangers."

"We do not have a written safety plan as of yet," Brunel admits, "but we do make a conscious effort to ensure safe practices, and farm safety has moved up as more of a priority." ❖



Look for opportunities to make rural Canada even better

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If you know rural Canada, you know community spirit. Neighbours helping neighbours is an idea that was alive and well 50 years ago and it's just as important today. And it's an idea that FCC believes in, too. Each year, we support rural Canada through programs like the FCC

AgriSpirit Fund, FCC Drive Away Hunger and the FCC Rosemary Davis Award.

True rural spirit makes up the core of the FCC AgriSpirit Fund. This year, in celebration of our 50th anniversary, we have a million dollars in capital funding available for community improvement projects.

The FCC AgriSpirit Fund is about making life better for people in rural communities. Successful projects receive between \$5,000 and \$25,000 for community improvements such as emergency services equipment, playgrounds, food banks and recreation centres that host ag fairs and farm safety events. Apply online between May 1 and June 15. Learn more at www.AgriSpirit.ca.

Each year since 2004, rural communities have given to those in need through FCC Drive Away Hunger. The drive started when an FCC employee in Ontario drove

an open-cab tractor and trailer through the Listowel area for eight days. Camping along the way, he collected food and donations for local food banks.

Thanks to our customers, local businesses, schools, 4-H clubs, other community organizations and hundreds of FCC employees, we raised more than a million pounds of food last year for food banks across Canada. Look for a 2009 FCC Drive Away Hunger tour near you in October. Learn how you can get involved at www.DriveAwayHunger.ca.

Every community has great leaders. That's why we created the FCC Rosemary Davis Award – to honour women who are active leaders in Canadian agriculture. These are women who give of themselves in their communities or beyond. They're producers, veterinarians, teachers, researchers, agribusiness operators – you name it.

Do you know a woman who makes a difference in her community? Visit www.FCCRosemaryDavisAward.ca and learn how you can nominate her. We accept applications in November.

With all of us working together, we can carry on the proud tradition of making our rural communities stronger for the next 50 years and beyond. ❖



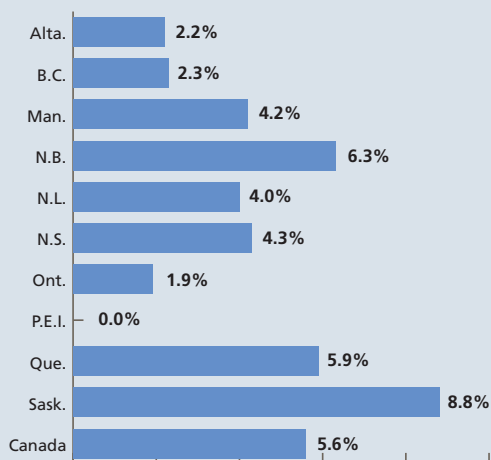
Farmland values continue to rise

The average value of Canadian farmland increased 5.6 per cent during the last six months of 2008, according to the spring 2009 FCC Farmland Values Report just released.

This is the third-highest percentage increase since 1997, and is almost the same increase as the last report (5.8 per cent). Released twice a year, the report provides important information about changes in land values across Canada. This one-of-a-kind report has been published since 1984.

Provincial comparison of farmland values

Semi-annual % change in farmland values
July 1, 2008 to December 31, 2008



Farmland values increased in all provinces except Prince Edward Island, which remained the same. Saskatchewan experienced the highest increase at 8.8 per cent, followed by New Brunswick with an average increase of 6.3 per cent and Quebec with 5.9 per cent.

“Farmland values data helps Canadians make farm business management decisions and informed choices about acquiring, holding or selling agricultural land,” says Rémi Lemoine, FCC Senior Vice-President, Portfolio and Credit Risk.

In the Atlantic provinces, New Brunswick experienced the greatest increase to land value mainly due to the higher price for potatoes this season. Newfoundland and Labrador’s increase was mainly due to supply management, while apple production contributed to Nova Scotia’s land value increase. Prince Edward Island land values remained the same.

In Quebec and Ontario, overall land value changes were impacted by the strength of cash crop commodity prices for most of the reporting period. The increasing global demand for basic agricultural grains, growth in the biofuels sector and increased demand for corn from ethanol plants all supported cash crop production. Another factor contributing to land value increases is continued demand for land to satisfy expansion needs in the grain and livestock sectors.

In Manitoba and Saskatchewan, the main factors impacting farmland values included cash crop commodity prices, livestock operators looking for expansion opportunities, and in some areas, out-of-province buyers and investors. Prices for cash crops remained relatively strong, despite experiencing a slump in the latter part of the reporting period.

In Alberta and B.C., land value increases moderated but continued on an upward trend. The economic downturn in the oil industry and forestry sector contributed to less overall demand for farmland. However, optimism in the grain, dairy and poultry sectors kept values from falling.

In the last three semi-annual reporting periods, farmland values in Canada have increased by 7.7, 5.8 and 5.6 per cent respectively.

The complete Farmland Values Report is available at www.FCCFarmlandValues.ca. ❖



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