MARCH / APRIL 2013

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AgriSuccess

From hired manager to home farm boss: B.C.'s Shane Driessen

FEATURES

COLUMNS

MARCH / APRIL 2013

On the cover:
Shane Driessen's strong family ties brought him home to manage a growing broiler breeding operation in B.C.'s Fraser Valley. (Page 4)

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- Canadian Agricultural Marketing Association (CAMA) Awards; Excellence 2009, 2010; Merit 2006, 2007, 2011

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from the editor

Spring is just around the corner, and it's an especially busy time of year for making farm management decisions.

Maybe you're in the middle of a plan to pass the farm to the next generation, or maybe you are the next generation. Rollover provisions and the lifetime $750,000 capital gains exemption are two of the important tax laws that will affect your money.

Maybe you're in the process of buying or renting more land. Rising land prices and their relationship to cash rents is explored in this edition's main feature, Should You Own the Land You Farm? While we can't say whether buying, renting or entering into a joint venture is the best alternative for your specific situation, we do provide some perspectives that you may find interesting and useful.

Expansion of any sort carries some inherent risks, but there are also risks from maintaining the status quo. Check out why the growing size of farms is a game changer even if your operation isn't expanding.

Maybe this is the year you're going to investigate solar panels or a wind turbine as a farm energy source. Our second feature, Revisit Green Energy on the Farm, explains why there are now a few more caution flags along the road to renewable energy.

But don't let anyone stifle your creativity and your innovative spirit. Just ask an expert, in this case CBC business commentator Amanda Lang, who has written a new book called *The Power of Why*.

Maybe you've already been pondering innovative ways to become more efficient in the production year ahead. Increased efficiency is often equated with new equipment, but efficiency also has a lot to do with preparedness and planning to succeed.

Spring is a great time to generate a safety plan. Safety on the farm could improve by borrowing lessons from the construction and mining industries.

We appreciate your feedback and ideas. What topics would you like to see explored in future editions? Just email kevin@hursh.ca.

AgriSuccess is an FCC magazine dedicated to helping producers advance their management practices by providing practical information, real-life examples and innovative ideas.

Minimize taxes with **a succession plan**

Special tax provisions allow most farm families to pass the operation to the next generation.

The time to start planning what to do with your farm when you're ready to retire could be coming much faster than you think. Fortunately, the Government of Canada has special provisions that allow most farm families to pass their operations to the next generation relatively tax-free.

"We usually try to utilize two sets of rules when we're doing farm succession plans," says Dean Gallimore, a partner with KPMG in Lethbridge, Alta.

"The farm rollover rules allow most farming assets to be transferred to a child without tax. For example, if I had owned farm equipment that was worth $1 million but had been depreciated down to $400,000, I could transfer it to a child in most cases," Gallimore explains. "However, if the child sells those assets for more than $400,000 they would be taxed on the recaptured depreciation."

Rollover rules apply to most assets a farmer would own. These include farmland, buildings and shares in a family farm partnership or a family farm corporation. The only notable exception is inventory. Grain, cattle and the like can't be included.

"There are of course a bunch of wrinkles you have to watch out for," Gallimore says. "Your operation has to be onside with all the specific rules and definitions for family farm partnerships and family farm corporations. For example, the Canada Revenue Agency (CRA) requires 90 per cent of the family farming corporation has to be used to farm. If more than 10 per cent of your assets aren't farm assets, you've got an issue and your operation might not qualify for a rollover."

Farm rollovers are available to any child who is a resident in Canada, Gallimore says. They don't have to be actively farming to be eligible. If your child has moved to the U.S. or some other country, however, it would not be possible to transfer the farm to them using a tax-free farm rollover.

The second set of rules are capital gains-related: every Canadian has a $750,000 lifetime capital gains exemption that can be used to keep succession taxes to a minimum.

Claim your capital gains exemption

Land prices in Canada have taken off in recent years, meaning farmers are building up significant amounts of unrealized capital gains. While every Canadian has a $750,000 capital gain exemption available to them, that won't go far if you sell a significant amount of land. The problem is compounded if you sell land that was handed down to you in a tax-free rollover still sitting on the government's books at its 1972 value.

One way the older generation could reduce the younger's capital gain exposure is to absorb some of it themselves, Gallimore says, and sell the land to the next generation. For example, both parents could jointly sell the land to their offspring for $1.5 million, with no tax consequences (assuming they both had their full $750,000 capital gains exemption available to them).

"The parents actually have to sell the land to their child to do this, otherwise the rollover rules will automatically apply. Actual cash doesn't need to change hands. The parents could sell it using a note that is forgiven in their wills," Gallimore explains. "Doing this requires careful planning to avoid tax issues for the parents. First they need to make sure they are eligible for the capital gains exemption. Also, the sale could trigger an old age security clawback for a year, and alternative minimum tax that could apply too."

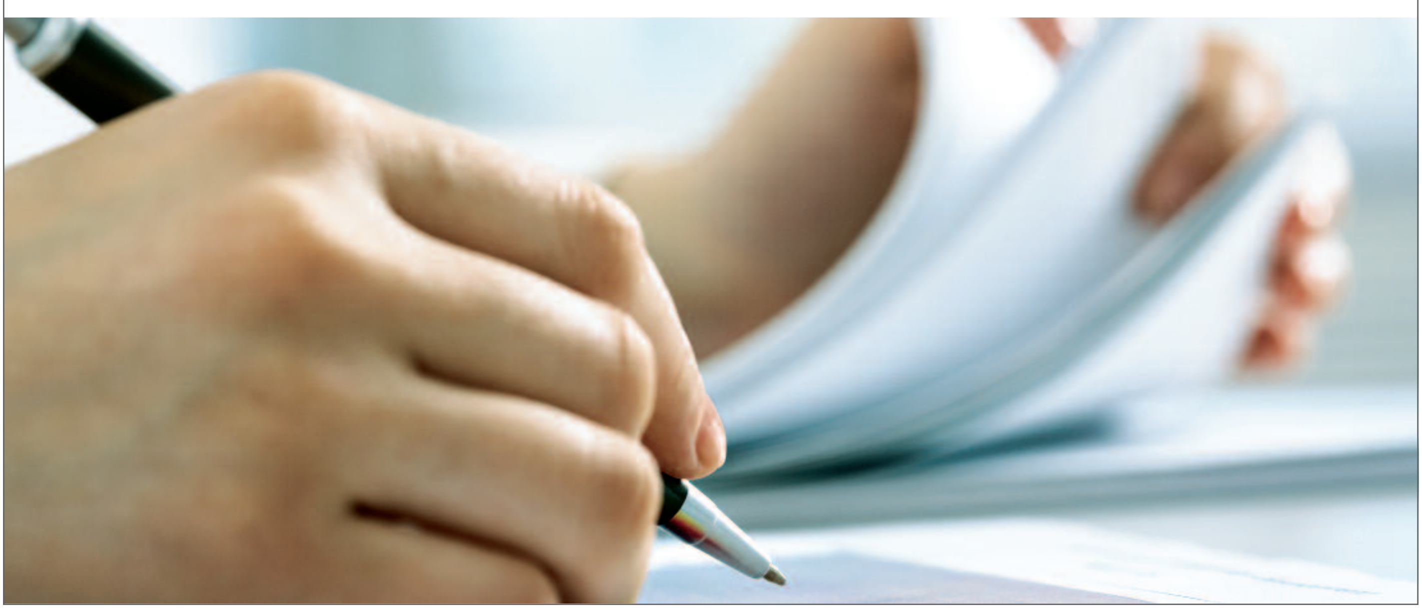
Landlords need not apply

Farm landlords might be unknowingly sitting on a tax landmine if they plan to use CRA's farm rollover provisions to pass their land to their offspring. Gallimore says one of the rollover requirements is the land must have been principally used in farming. If the land is being rented to someone outside the family, it's viewed as a rental property and might not qualify. The fewer years you have farmed, the more risk you are in.

"Often I'll run into an older farmer that farmed the land for 40 years but has rented it out for the last five years. CRA has given us an interpretation that says as long as the owner has farmed it for more years than they've rented it out, it still qualifies. So if you farmed a piece of land for 25 years, you could rent it out for 24 years before you'd have a problem," Gallimore says.

BY **LORNE McCLINTON** / *Lorne has worked in the communications field for the last 20 years as a journalist, photographer, scriptwriter and corporate writer. He divides his time between Quebec and his grain farm in Saskatchewan.*

VIDEO: Overcoming challenges in succession planning – Dr. John Fast, President of Family Enterprise Solutions, shares tips and strategies to help you create an effective succession plan for your operation.
www.fcc.ca/AgriSuccessMar2013



Shane Driessen is living his dream, working with his father and two brothers at G&G Poultry Ltd., the family's broiler breeding farm near Abbotsford, B.C.

Family work ethic
brings young farmer home

Broiler breeders produce the eggs that go to hatcheries that supply broiler farms raising chickens for meat. Shane Driessen and his family currently raise 88,190 birds over a two-year cycle, and produce an estimated seven million hatching eggs each year. The family has been slowly upgrading and expanding their operations since they transitioned out of hogs in 1996.

"My parents started in hogs in 1983 and did that for about 13 years," Driessen says. "The hog industry was extremely tough, and in '96 we ended up selling and bought our first 36,500 bird quota for broiler breeding."

Driessen worked on the family farm for a year after high school, and then his parents encouraged him to get out in the world and explore other opportunities. He took a job delivering chicks at a local hatchery, and was offered an opportunity to manage a farm for another broiler breeder.

"I have a real passion for farming and wouldn't want to do anything else," Driessen says. "You have to have a real passion about what you do because it's seven days a week, 365 days a year."

"It was great to be out on my own making the decisions. It gave me a good sense of what it takes to be a manager, and all that it entails," he adds.

When avian influenza struck the Fraser Valley in 2004, Driessen returned to the family farm to help deal with the outbreak. "Avian flu changed the whole picture," Driessen says. "We got infected at our home farm and went through the whole process of depopulation and clean-up."

Driessen has been working with his father since 2004, slowly building the family business. Over time, they hired back his two brothers and began to expand, buying two other broiler breeder operations on the same road as the home farm. Their most recent acquisition brings their total quota to 114,800 birds over a two-year cycle.

Changes in the industry mean producers like the Driessens are having to self-regulate and are often producing less than their quota. "The biggest challenge in our industry is probably oversupply. We're seeing higher meat-to-egg ratios, which means that we need fewer hatching eggs for what they need for broiler production, so we control our supply to meet the demand," Driessen explains, noting that they are producing at less than 80 per cent of their total quota right now. "There are a lot of variables and factors at play in our industry that we have to adjust to."

The addition of the third farm means that each brother has his own site to manage. Family business meetings – where everyone has a chance to air concerns, deal with issues and catch up on the latest news – take place at the daily coffee gathering at their parents' house.

"I run and manage everything on one farm and oversee the other places," Driessen explains. "We each manage the birds on our own, but when it comes to labour like cleaning barns and placing birds, we work together to get it done."

Looking to the future, Driessen says they will focus on upgrading their facilities and improving their processes.

"You have to stay current in farming. We are always putting back into our operation and doing things to become as efficient as we can be. We are dedicated to what we do and always want to do better," he says. "If you looked at this farm 16 years ago, you wouldn't recognize it."

"We all wanted to come back because of family," Driessen says. "My parents worked extremely hard to get where we are today. We worked as a family unit right from the beginning and they instilled that work ethic in us. Having your family, working with them, being there for our kids – that's how we were raised, and that's what we want for our kids."

BY **TAMARA LEIGH** / *Tamara is a freelance writer and communications consultant based in British Columbia. She is passionate about helping people understand agricultural issues and giving voice to farmers' stories. Tamara contributes to publications in B.C. and across the country.*

"You have to have a real passion about what you do because it's seven days a week, 365 days a year."

Discover the power of curiosity

Amanda Lang's sharp insight and experience in Canadian business reporting give her an understanding of the need for innovation in Canada's economy. In her book *The Power of Why*, she addresses the importance of maintaining the curiosity exhibited by toddlers who continually ask "why" as they seek to understand how the world works.

Do you think asking "why" might be difficult for many farmers to do when it would be expensive to change?

To me, the power of "why" for a lot of us really falls into the realm of problem-solving. Your end goal can be the same. The farm is still going to be dedicated to the same goal, but the process might change. There may be some things you're doing and you've stopped asking why you're still doing it. A surprising number of things are like that in our day-to-day work lives. If we actually stopped and thought, "Well wait a minute, why do I do it that way?" we would discover that you can actually improve a lot. I just want people to turn their brains on a little bit more, engage a little bit more and do it a little more thoughtfully.

Do you believe productivity is our most important economic problem in Canada?

No question. The reason farmers are productive is because they tend to be entrepreneurial. They tend to be relatively small businesses: small businesses are productive. In Canada, they're as or more productive than businesses in the U.S., Sweden, Israel – some of the top-ranked countries. It's when we get to be bigger that there are issues. So, let's look at our bigger farms. Let's look at the very biggest farms and ask if they are still productive. I don't know the answer, but I do know that bigger companies often stop being as productive. And that gets into a whole area of the fear of failure, fear of wanting to take risks.

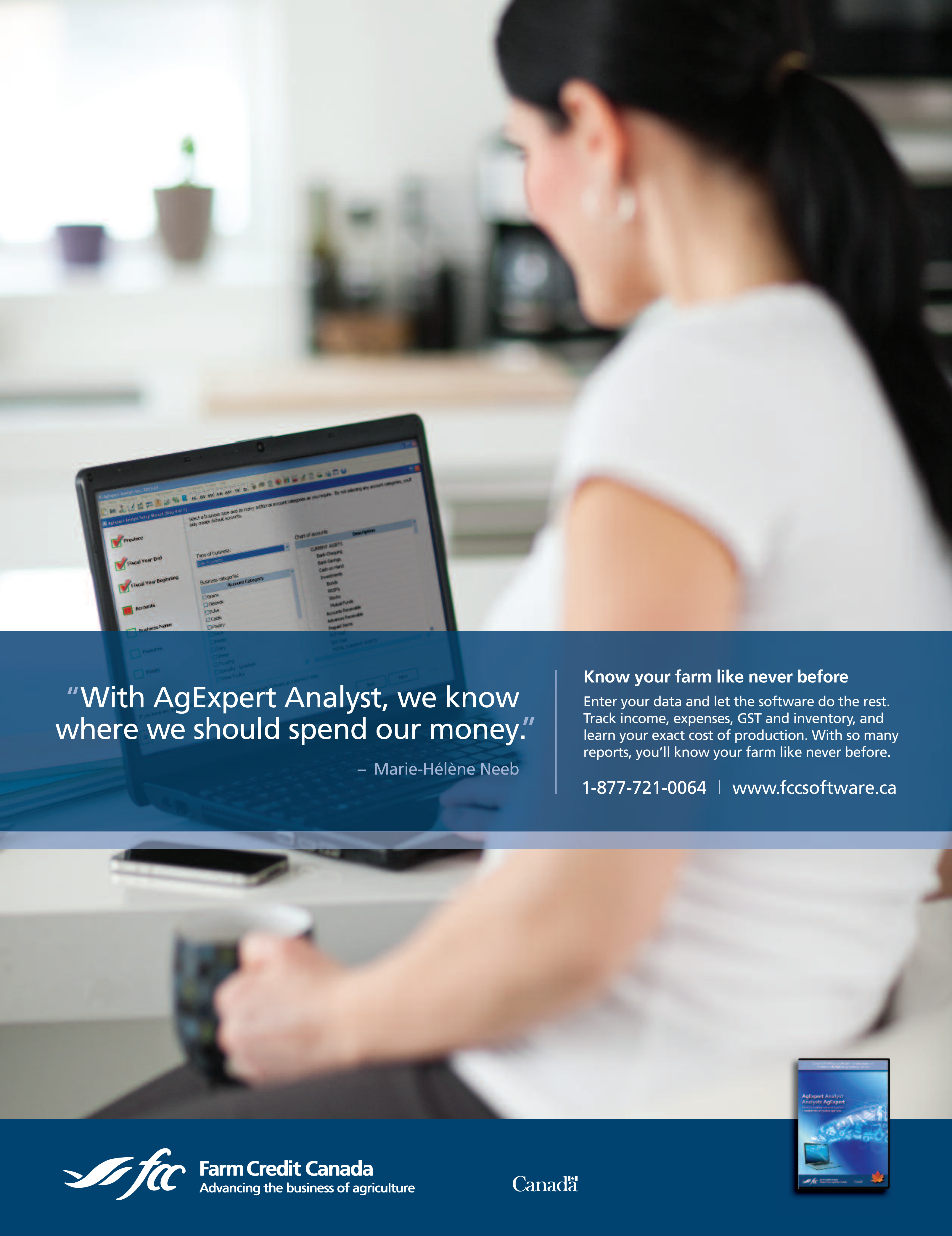
Is it a problem when Canadians are too polite to ask the hard questions?

There may be something cultural that holds us back sometimes. You know, Canadians are nice and we like to get along. It has stood us in good stead in a lot of ways, but if it's also keeping us from speaking up, it's a concern. It's not necessarily about being Canadian. It's more about when group-think takes hold. We need to let people make mistakes, say things that you might not agree with, challenge the assumptions we're all working from.

AMANDA LANG

Gemini-award winning business journalist Amanda Lang is the senior business correspondent for CBC and co-hosts Lang and O'Leary Exchange. She was recently a guest speaker at FCC Forums held across the country.

VIDEO: See the full interview with Amanda Lang.
www.fcc.ca/AgriSuccessMar2013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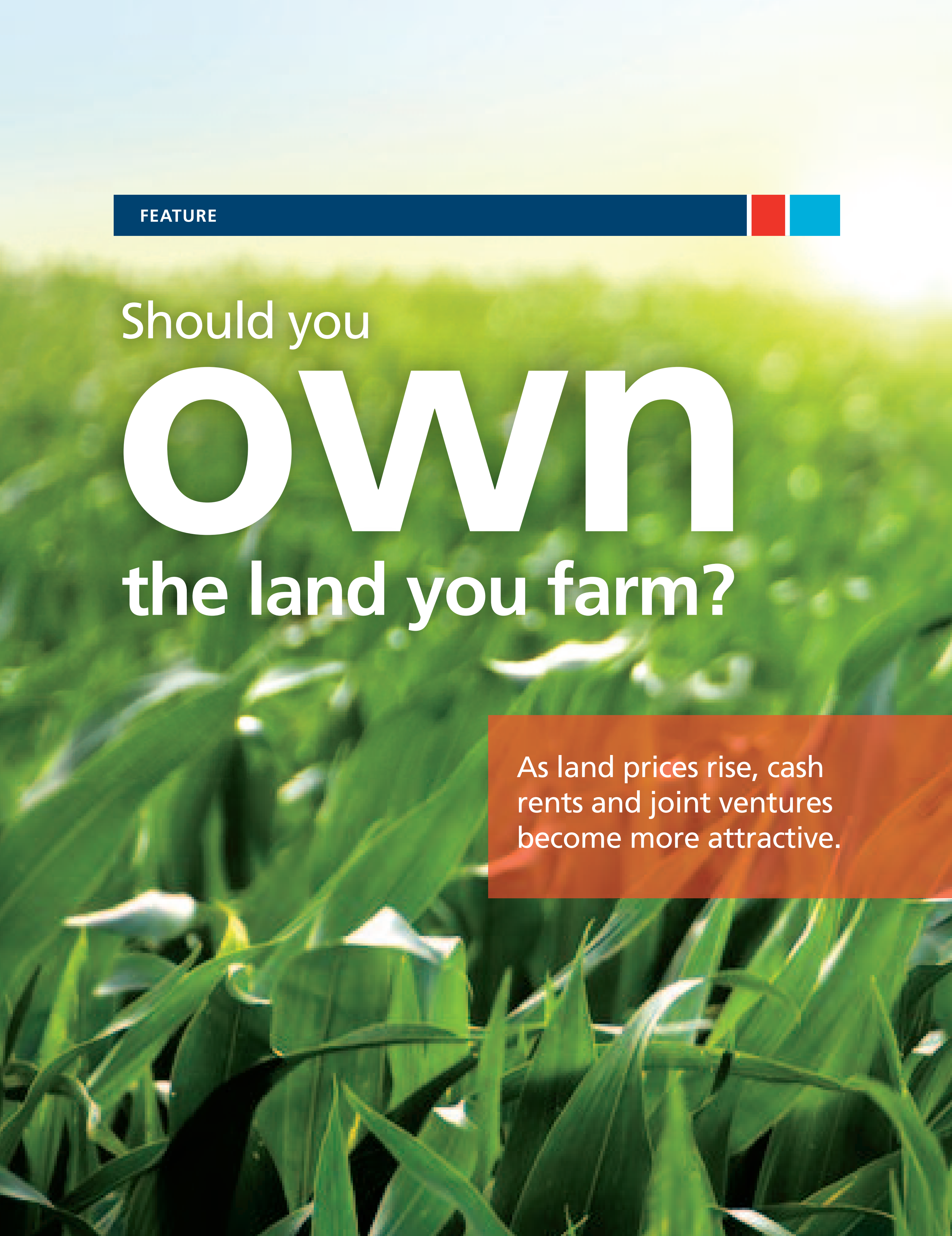

FEATURE

Should you own the land you farm?

As land prices rise, cash rents and joint ventures become more attractive.

When Philip Shaw harvested his corn crop last fall, he was amazed by the yield.

Many areas of Ontario were hurt by drought in 2012, but Shaw's area in southwestern Ontario near Dresden enjoyed very favourable growing conditions.

"Those were record corn and soybean crops by a mile," Shaw says. His corn yielded 200 bushels an acre. At a price of $7 a bushel, that's the best gross return he's ever enjoyed.

In addition to farming, Shaw is an agricultural economist. He also teaches a realtor course, so naturally he follows farmland price trends with a great deal of interest.

"In areas of Ontario where the dairy industry is strong, the cap on dairy quota values is contributing to the increase in land prices," Shaw notes. "Very little quota is changing hands and producers are looking to invest cash somewhere else. However, that isn't applicable in areas like mine."

Shaw attributes the strength in farmland values to two main factors – strong corn prices and low interest rates. The decision to buy farmland would be much easier if you could predict the future of those two factors.

Many analysts point to the growing world population and the increased buying power of emerging economies, and predict a future where strong grain prices are the norm. On interest rates, there's a realization that rates can't go lower, but little upward pressure is expected for at least the year ahead.

Those projections have already been incorporated into the marketplace. Shaw says good corn and soybean land in strong dairy regions of the province is selling for $18,000 to $20,000 an acre, while other regions are in the $14,000 an acre range.

A note of caution

Of course, even if grain prices remain strong and interest rates remain relatively stable, there will be years when yields are going to be below average. As well, strong grain prices can lead to strong demand for farm inputs, causing expenses to rise.

"There will be a market correction someday," Larry Rosevear predicts. Rosevear is one of the founders of Valco Consultants, a real estate appraisal firm based in London, Ont. He has been appraising farmland since 1978 and worked in the agriculture industry for many years before that.

"I've never seen such a rapid escalation in farmland values," Rosevear says. He also remembers when prices went the other direction in the early 1980s. "From '81 to '87, Ontario farmland dropped dramatically. It took a long time to recover from that."

Rosevear believes a higher percentage of producers could withstand a downturn now as compared to the '80s. "Many have built up strong equity," he notes, "but the last ones in before a downturn will still get hurt."

Rental arrangements

As farmland prices increase, so do cash rents, but it isn't a perfect correlation. Local factors such as proximity to a metropolitan area can increase land prices, but have little effect on rental rates.

While the sale prices on farmland are a matter of public record, it's important to note that rental rates are not transparent and there's a mix of cash rental deals and crop share arrangements.

Larry Rosevear says cash rents in Ontario have been running as high as $300 an acre and he expects the top deals for 2013 could be higher. Philip Shaw has already heard of cash rents as high as $400 an acre for corn and soybean ground.

On land worth $14,000 an acre, a landlord receiving cash rent of $300 is getting a return on investment of just over 2.1 per cent, plus he or she has to pay the property taxes. On $17,000-an-acre land, that same cash rent of $300 is a return of less than 1.8 per cent.

When investors buy land, they typically assess the cash rent being paid in the area. Often they strike a rental deal with a local producer at the same time as they make the purchase, thereby locking in their rate of return.

In Ontario, interest from outside investors has been limited because land values are high relative to the rate of return that can be earned from cash rents. Conversely, investors have been active in Saskatchewan because cash rents have provided a better rate of return.

About 10 years ago, provincial laws were changed to allow people from other provinces to purchase land in

“The investor takes more risk, but has an opportunity for a higher rate of return.”

Saskatchewan. Prior to that, you had to be a Saskatchewan resident to own more than 320 acres.

This change, combined with strong returns for canola, wheat, durum and pulse crops has caught the eye of investors. While the vast majority of farmland sales still occur between Saskatchewan farmers, investors are also buying.

Since Saskatchewan farmland has been less expensive than land in the neighbouring provinces and states, investors believe there’s upside potential. On top of that, the investment pays an annual return through the rental arrangement.

Land purchased for $1,000 an acre could be rented to a local farmer for a four or five per cent rate of return ($40 or $50 an acre). However, as that same quality of land has risen to $1,200 or $1,500, it has become increasingly difficult to extract the same return on investment.

“There are still investors looking to buy and some have lowered their expectations for annual return,” says Earl Smith, vice-president and co-founder of groPartners. However, he says Saskatchewan rental rates haven’t kept up with the increase in land values.

Most investor purchases have involved investment companies, but individual investors are also in the market. As a Prairie farmland management company, groPartners specializes in working directly with individual investors, matching them with farmers wanting to expand their operations.

Smith says some institutional and fund investors seem willing to accept a lower rental rate, believing that farmland values will continue to appreciate. Individual investors like the ones he deals with still want a strong and sustainable rate of annual return. To make that work, more flexible and innovative operating arrangements often need to be employed.

The company manages about 50,000 acres on behalf of investors and families who own land but don’t farm it. About 35,000 of those acres use something other than cash rent.

“We have quite a few joint ventures where the owner and farmer each pay half of the cash cropping expenses and then they split the proceeds from the crop 50/50,” Smith says. “The investor takes more risk, but has an opportunity for a higher rate of return.”

Four farm expansions and one new farmer

Several years ago, an investor from Alberta purchased 20,000 acres of farmland south of Regina. First he tried to have it custom farmed. Then he tried to hire staff and farm it himself. After a couple of very wet springs when a lot of crop didn’t get seeded, the land was again for sale. At that point, the land wasn’t in very good shape, but it is high value Regina heavy clay.

The land was purchased by new investors working with groPartners, and the acres were split among five different producers. Four were existing farms in the area. One is a brand new operation.

“All of these farmers are joint venturing with the owners on a 50/50 share basis,” Smith notes.

One of the farmers is Mark Akins from Hearne, Sask. He had been farming family land and working a full-time job in Regina. The opportunity to access land through

groPartners doubled the size of his farm last year, allowing him to retire from his job as an agrologist.

"Working full-time and trying to farm wasn't great," Akins notes. "But finding the cash to expand was difficult. Land prices here are now as high as $2,000 an acre. That was out of reach for me."

The joint venture involves 3,200 acres. The land is 20 to 25 miles from his existing operation. Although the distance creates some challenges, it also spreads weather risk. With the revenue from a much larger operation, Akins hopes to finish buying the family land he's been farming.

The first growing season with the expanded farm had its challenges. Mark's dad has become a full-time hired hand, but additional help will be part of next year's harvest plans, particularly since they harvested 6,000 acres with just one combine.

With good crops and strong prices, the landowners will earn more than they would have through cash rent. For Akins, risk was reduced and half of the cash costs were paid. He will also make a strong return.

"I have freedom to make my own cropping choices," says Akins, "but they want to know my plans. The guys at groPartners are also great for bouncing ideas around. I understand they're committed to ensuring profit for their investors, but they're also committed to my success through this partnership. It's a win-win situation."

Buy or rent?

Farmland ownership is a major source of wealth for Canadian farmers. While many regions experienced a big price drop in the 1980s, the overall direction since that time has been up. In fact, the rate of return has been higher than many other investments. However, every financial advisor will tell you that past performance is no guarantee of future returns.

Comparing cash rental rates to current land values is one of the tools for making the buy or rent decision. Crop share rental agreements and joint ventures can sometimes meet the needs of the landlord and the farmer better than just cash rent.

Some farmers own all their land. Some own very little. The norm for grain farmers is to own some and rent some. Of course, knowing your cost of production, both variable costs and fixed costs, is the starting point for decision-making.

BY **KEVIN HURSH** / *Kevin is a consulting agrologist and journalist based in Saskatoon, Sask. He also operates a grain farm near Cabri, Sask., growing a wide array of crops.*

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FEATURE

Revisit green energy on the farm

Solar panels and wind farm turbines face new challenges.

According to many industry analysts, the bloom is off the green-energy rose in Canada. Just a few years ago, Ontario was leading a nationwide push to generate more electricity from renewable energy sources. Generous compensation contracts caused solar (photovoltaic) panels and wind farms to sprout up across the province almost overnight. Today, the industry faces stiff headwinds.

Not long ago, hosting a wind generator was touted as a great way for farmers to earn a little extra revenue with a technology supported by the general public. Windmills are still popular with Prairie landowners, but support for them has plummeted in Central Canada. It seems even those who like the concept of renewable energy don't want to see a windmill built in their yards. Many back roads in southern Ontario are now festooned with No Windmills signs.

Lucrative government-guaranteed feed-in tariff (FIT) and micro-FIT rates for solar power created a near frenzy to install systems. Thousands of applications were made. Some promoters even offered to build farmers new barns as long as they could set up solar panels on the roof. It all came to a skidding halt when Ontario announced it was cutting the rates for new projects. The most lucrative deals, ones for small rooftop solar contracts, dropped from 80.2 cents per kilowatt hour to 54.9 cents. The industry went from boom to bust.

But green energy projects can still be viable for farmers, according to Bill Eggertson, executive director at the Canadian Association for Renewable Energies. "I think it makes sense for farmers to invest in renewable energy in many cases," Eggertson says. "However, you have to do your homework to find out what is practical and what makes sense for your farm. Some things work, some things won't work."

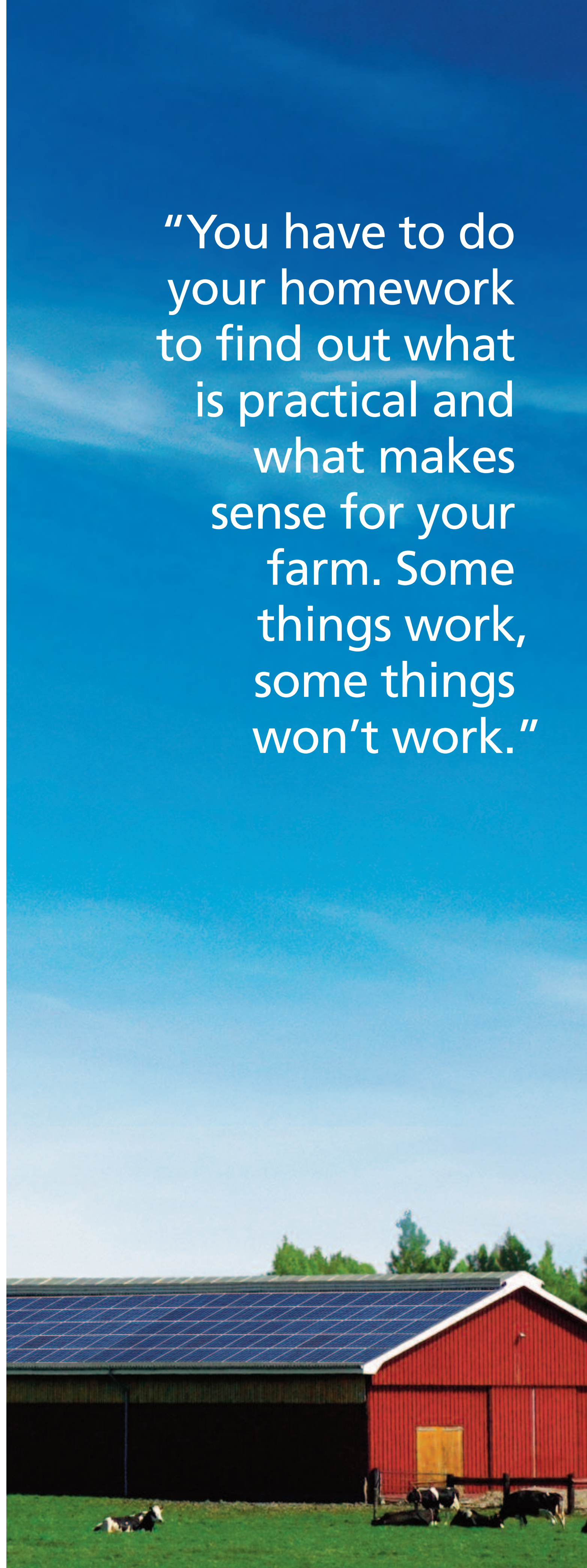
Eggertson says farmers should look at installing green energy projects that make economic sense without government grants. That way, you aren't caught out on a limb if the government suddenly decides to change direction. Fortunately, there are many technologies that can fit in that category.

"Solar panels, particularly solar thermal technologies like the solar thermal wall, are wonderful for barns and livestock operations," Eggertson says. "Biodigesters could be another option. Many farmers have forest lands that someday could be used for renewable biomass energy too."

Geothermal or solar thermal might be another option. People looking into green power often overlook green heat technologies (systems that generate heat without burning fossil fuels). Of course, 80 per cent of the home energy bill goes to heating your house and hot water.

"I can't overemphasize how important it is to do your homework, no matter what type of green energy technology you are considering," Eggertson says. "It has to make financial sense." He also advises working with companies who have earned a good reputation.

BY LORNE McCLINTON




GO

As farms grow in size and sophistication, their needs change.

GAME CHANGERS

Going big

Whether you measure it by breeding animals, acres, quota allotment or gross income, the average size of Canadian farms continues to increase.

The 2011 Census of Agriculture shows that an ever-rising percentage of total farm output is coming from operations that have more than $1 million a year in gross returns. While less than five per cent of the farm operations in the country are in that size category, they account for roughly half of the nation's total farm receipts.

It's also interesting to note that while the total number of farms continues to decline, the number of farms in the size categories above a gross income of $500,000 per year is increasing.

Off-farm income is less relevant to the success of larger farms. Statistics show that as gross returns increase, the families involved tend to get more of their income from the farm itself rather than off-farm employment.

And as farms grow in size and sophistication, their needs change. When labour requirements exceed what family members can supply, this often means new challenges in human resource management. Larger operations may also need a different management style with better communication, so everyone understands the overall plan and how it's to be implemented.

But what if you haven't significantly changed your production base over the years? How are you affected by the general trend to larger farms?

You may have a profitable dairy operation with 100 milking cows, while your neighbour has 1,000 cows. Similarly, there are viable 1,000-acre stand-alone grain operations on the Prairies, mixed in with farms that are 5,000 or even 15,000 acres.

While some pieces of equipment – think tractors – are sold in an array of sizes and models to meet a range of needs, other equipment such as combines are geared to high capacity. If you want a combine to harvest a smaller acreage, you'll probably have to buy an older model rather than a new machine.

Smaller farms can find it more expensive to invest in new technology since they can't spread this fixed cost over as many cows or acres. (However, smaller operations can sometimes be more nimble in responding to new opportunities.)

Special promotions and incentives as well as customer appreciation events are increasingly limited to those who exceed a minimum size. Survey companies may not even want your opinion unless you meet a size requirement.

But while some companies focus on their A-list clients, others make no size differentiation at all. Some companies even cater specifically to the needs of smaller operations.

The size differences among commercially viable operations have never been this dramatic. This may create some challenges, but it also presents opportunities for different production and marketing approaches, as well as sharing arrangements for machinery and labour.

Whether big or small, astute management is the tool that creates long-term profitability.

BY KEVIN HURSH

Efficiency: be ready for anything

Why can one business do something in half the time it takes another? In Korea, they load a 200-seat plane in under 15 minutes: once the boarding line starts moving it doesn't stop, not for children, seniors or the unseasoned traveller. North American airlines seem to take forever to board in a stop-and-start line that chugs along, seemingly forever. Same task, similar systems, different outcome.

The same can often be observed in farming. Some farms get fields harvested in the span of hours, while others seem to be at it for days. Certainly there are variables – type of land, size and age of machinery and so on, but in all business operations there's this mysterious gap between efficient and somewhat less efficient. It's often hard to pinpoint and even harder to explain. We know circumstances play a part. Fewer passengers with carry-on luggage means faster boarding; farms with fields consolidated in proximity have less distance to cover for unloading grain trailers or spreading fertilizer.

But planning and preparations are big components in an efficient outcome regardless of circumstance, and taking potential circumstances into consideration is an important part of planning.

What are the essential ingredients in that planning process? First, records. What happened in years past can provide a base for the coming year's preparations. And the larger the farm, the more records are needed, because the memory of one primary individual (the farmer) is no longer sufficient.

Second, contingency (or some form of capacity to handle the unexpected). Murphy's Law – anything that can go wrong will go wrong – may not be scientific, but it certainly is pervasive, so you might as well calculate in a margin for the unexpected right from the beginning. Because there's also another law that you should consider

in the planning process: Maynard's Exponential Disruption Theory.

It states in part that the effect of any disruption increases exponentially as the day progresses. Half an hour's delay in loading the silo due to a breakdown starts to back everything else up even more as the day goes along, a time factor that only gets worse the less prepared you are to respond to unexpected circumstances in the first place.

Efficiency is relative, but being as efficient as possible – under whatever circumstances – is largely dependent on being prepared.

BY **HUGH MAYNARD** / *Hugh is a specialist in agricultural communications based in Ormstown, Que. A graduate in farm management from Macdonald College (McGill University), Hugh is a seasoned journalist and broadcaster.*

Lessons from construction and mining

A rose, Shakespeare's Juliet famously told Romeo, would smell as sweet by any other name. In other words, the name doesn't matter: what's important is what the item is.

Safety expert Dean Anderson says much the same when comparing the hazards faced by agricultural producers to those faced by workers in other industries, notably construction and mining. The tasks and equipment may be different, but danger still exists.

"There are specific hazards in each field," says Anderson, a director of client services for Workplace Safety & Prevention Services, which provides products, training and consulting to 154,000 businesses and 3.8 million employees in Ontario's agriculture, manufacturing and service sectors. "But when you are dealing with machinery, issues like guards and cautions are the same. A wood lathe spins, just like a power takeoff."

When it comes to how those industries approach safety, the similarities often end. "Construction and mining worksites are very secure environments that are fenced in," Anderson says. "Workers are usually trained and experienced in the repetitive operation of tools and machinery."

By contrast, most Canadian farms rely on family members or seasonal employees to do many daily tasks, from milking cows and hitching trailers to pruning trees and driving tractors.

"Farmers operate on small margins; the principle that the last wagon to leave the field has the profits on it," Anderson says. "If the weather's been bad and time is of the essence, people start cutting corners."

That's why he recommends farmers steal a page from the construction and mining industries and make safety a top business priority.

"Farmers take steps to ensure the health of their animals or to make sure that the heater in the greenhouse is working in February," Anderson explains. "They should take the same approach to safety and have a plan in place."

He notes that in Ontario, where provincial safety rights and regulations were extended to agriculture in 2006, farmers have an obligation to provide – and workers have the right to receive – training on how to carry out tasks safely.

As in other industries, Anderson recommends farmers post signs near hazardous areas and materials, and use yellow paint to identify menacing moving machine parts. He also recommends using fencing to designate and delineate work areas.

"There is a ton of free information available on the Internet for producers who want to boost productivity and profitability by reaching zero work-related injuries, illnesses and fatalities."

Both the Canadian Centre for Health and Safety in Agriculture and the Canadian Agricultural Safety Association do extraordinary work in this area. Check out www.planfarmsafety.ca.

BY **MARK CARDWELL** / *Mark is a writer and freelance journalist who lives in the Quebec City region. He is a regular correspondent for a dozen newspapers, magazines, trade and specialty publications in Canada, the United States and Europe.*

Learning something new has never been so easy

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Visit the FCC multimedia and learning events page often because new content is added every week. And with an improved FCC website coming in the first half of 2013, learning on the go is going to keep getting easier.

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