



NOVEMBER / DECEMBER 2014

AgriSuccess

SUCCESSION THROUGH AUTOMATION

CHRIS CASEY INVESTS
IN TECHNOLOGY FOR HIS DAIRY
– BEFORE HE TAKES OVER

ANIMAL WELFARE
MANAGEMENT: CODE FOR
“FARMERS CARE”

PILOTLESS AIRCRAFT
HAVE FLIGHT RULES



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Chris Casey checks the in-barn touch-screen computer that regulates and reports on his robotic milkers. (Page 4)

Editor, Kevin Hursh
Associate editor, Allison Finnamore

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Can you start a farm from scratch these days?

Most aspiring young farmers have a connection to an existing family operation to provide a start in the business. However, a surprising number of young people dream about having their own farm even though they have little or no family backing.

Short of a cash windfall, is this a realistic dream? Can you go from limited resources and a regular job to owning a viable farm?

It's not impossible, but it's certainly a long and arduous road.

Raising a few beef cows on a small acreage or tending a large garden and selling the produce is certainly within the reach of hard-working wage-earners or professionals. Non-farm income can be channelled to set up a sideline farm operation.

But \$10,000 or even \$50,000 in gross farm sales won't provide enough net return for people to leave their regular employment. That might require \$200,000 or \$300,000 in gross sales and getting to that scale isn't easy.

When asked for advice on how to achieve this dream, I urge number crunching. Do the business plan. How much revenue can you divert from your day job, and are you willing to make that sacrifice? What level of farm profits can you expect to reinvest into your expanding enterprise?

Remember that you're competing with farm operations with an established asset base. You may need strategic partnerships, or you may need to find market niches that provide a return superior to regular commodities.

When you run the numbers, the magnitude of the opportunity or challenge becomes more evident. If it's still your dream, go for it. But it's important to have your eyes wide open about the difficulties and challenges.

The same applies to young farmers who do enjoy significant family support. Crunch the numbers to fully realize the challenges and the opportunities.

We appreciate your feedback and story ideas. Email: kevin@hursh.ca. Twitter: [@kevinhursh1](https://twitter.com/kevinhursh1). ■

This FCC publication is dedicated to helping producers advance their management practices. Here, you'll find practical information, real-life examples and innovative ideas for your operation.

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

ALLISON FINNAMORE, ASSOCIATE EDITOR / Allison is a freelance agricultural journalist and social media enthusiast based in New Brunswick. She is the editor of FCC Express and contributes to publications nationwide. finnamore.ca

CONTRIBUTORS

MARK CARDWELL / Mark is a freelance journalist and writer in the Quebec City region. markcardwell.ca

HUGH MAYNARD / Based in Ormstown, Que., Hugh is a seasoned journalist and broadcaster specializing in agricultural communications.

LORNE McCLINTON / A writer, journalist and photographer, Lorne divides his time between his office in Quebec and his Saskatchewan grain farm.

OWEN ROBERTS / Owen teaches agricultural communications at the Ontario Agricultural College, University of Guelph, where he's director of research communications. He's also a freelance journalist.

Rewarding yourself helps maintain morale

BY LORNE McCLINTON

When a business has a good year, it's not unusual for the CEO and other executives to be rewarded with a bonus. Employees can get performance bonuses for doing a good job too. These might be something as simple as a Tim Hortons gift card or as elaborate as a trip to Hawaii.

Who doesn't routinely receive bonuses? Self-employed business owners, such as farmers.

Why shouldn't farmers give themselves a bonus for a job well done? It's relatively easy to set up a series of rewards, and you've got a close relationship with the person who makes the decisions. Many farmers actually do have some sort of reward or bonus system in place, though they may not identify it as such.

Ron Wilkinson, a grain and oilseed farmer from Yellow Grass, Sask., is a great example. Wilkinson and his wife Lindy are both motorcycle enthusiasts, so their reward for finishing spring seeding in a timely fashion is often a week-long motorcycle tour to the Black Hills in South Dakota, or some other nearby locale.

The smoother planting has gone, the more willing he is to treat himself to something he loves. The reverse is true, too. After a particularly trying spring in 2011, his "seeding is over" motorcycle adventure consisted of a ride to Trossachs (a 20-mile ride down a gravel road), he jokes.

Farmers are pretty good at making sure their crops and animals get everything they need to stay healthy and productive. However, they're not nearly as diligent when it comes to finding ways to nurture a positive attitude about the overall operation.

Perhaps it's time to cut yourself some slack. Set performance-based goals with a clearly defined reward if you succeed. It could be something as simple as taking a few days off to go fishing if you get done planting by the May long weekend. If you work until 2 a.m. to get a field of corn harvested before it rains, treat yourself and your spouse to dinner at your favourite restaurant. Don't be shy to acknowledge your own successes.

Know the tax implications

If you're on your farm's payroll as an employee, there are many different ways the company can give you tax-free rewards that are deductible to the corporation. However, employers must remember to follow Canada Revenue Agency (CRA) rules.

A farm corporation can give each employee a \$500 non-cash gift and a \$500 non-cash award each year, according to Kelvin Shultz of Wheatland Accounting in Fillmore, Sask.

"These are deductible expenses for the company, but the employee doesn't have to pay tax on them," he explains. "These gifts can't be cash. Your company could buy an employee an airline ticket, but it couldn't give them cash to buy their own. Jewelry and gift certificates aren't acceptable because they can be converted into cash."

Having a self-directed medical plan is another way to put money into your pocket as an employee while still maintaining it as a deductible expense for the corporation, Shultz says. He suggests allowing each employee a certain percentage of their previous year's salary. The key thing to remember is to be



VIDEO:
Share the
Wealth,
Keep the
Employee
fcc.ca/rewards



“You don’t necessarily need to spend a lot of money . . . Verbal praise or hand written thank-you notes go a long way.”

consistent among all employees, including management.

It’s also possible to subsidize the interest rate on an employee’s mortgage or vehicle loan down to a rate set by CRA.

Praise your employees, too

“Paying a competitive salary will attract employees, but letting them know they’re appreciated will help you retain them,” says human resource specialist and author Chester Elton. “You need to be constantly encouraging your employees, but you don’t necessarily need to spend a lot of money to do it. Simple, easy, low-cost things like verbal praise or hand written thank-you notes go a long way.”

Elton says it’s important you only give praise when it’s earned. If you constantly run around saying thank you all the time, it doesn’t mean anything. But if an employee really sticks his neck out for you, say they work late to make sure that last 40 acres got done before the storm hit, then giving them something like movie tickets or dinner for two at the local restaurant lets them know, “You did a great job. I really appreciate what you did.”

Little things show your employees that your operation is a good place to work, Elton says. It’s also a great way to reinforce and reward good efforts. ■

SOME REWARDING BEHAVIOUR

Met contracted delivery deadline

Weekend getaway



Employees complete major task on time

Tickets to a sporting event



Met financial targets for fiscal year

Winter vacation with family





Succession through automation

BY ALLISON FINNAMORE

While some dairy farmers consider the installation of a robotic milker a step toward a freer schedule, one Nova Scotia farm is also using automation as a stride toward succession.

Caseydale Farms Limited in Burlington, N.S., about 60 kilometres north of Halifax, is operated by 29-year-old Chris Casey and his father, Brian. And it's always been a matter of when – not if – Chris would take over the farm.

Chris grew up in the barn working alongside his father and grandfather, Keith. The two senior generations started the dairy farm in 1977 and operated it for over 20 years as a partnership. In the late 1990s, they expanded the operation with the purchase of a neighbouring farm, incorporating at the same time, with Brian having 80 per cent ownership.

Meanwhile, Chris continued to fall in love with dairy farming. He graduated from the former Nova Scotia Agricultural College, now Dalhousie University Agricultural Campus, in 2005 with a

diploma in agriculture business, a minor in animal science and the goal of improving and modernizing the family farm.

Cementing the succession plan

The chance to achieve that goal came in 2012 when the farm was in need of a new barn and an updated milking parlour. It seemed a perfect time to include an automated system. With several years of farming under his belt and his desire to continue in the business, it also seemed the perfect time to begin transferring the farm to the third generation. Chris and his father decided to expand for the sake of succession – and success.

“We wouldn’t have done the robots if I didn’t want to farm,” Chris says.

When they built the new barn, they incorporated two DeLaval VMS™ robotic milkers, designing the new facility around the machines’ specifications. At the same time, Chris was allotted a 25 per cent share of the farm, which cemented the succession plan.

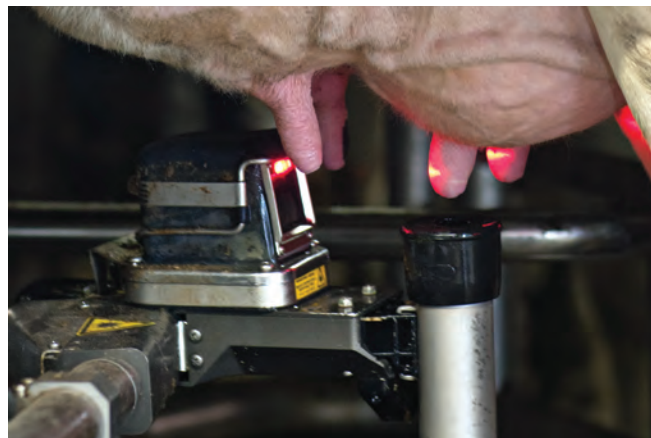


Technology brings balance

Along with solidifying his future with the robotic milkers, Chris is also taking charge of his lifestyle. The gruelling daily schedule of a dairy farmer is well known – early morning and evening milking every day. While Chris loves farming, he admits that like other dairy farmers, he found milking at 4 a.m. and 4 p.m. demanding. The choice to move to robotic milkers was a specific move to define his operation and his life.

He still works eight to 10 hours a day, but with the automated system he's linked to the milker with a cell phone app, which calls or sends a text message if there's a problem. If he's not in the barn, he's able to check on the equipment via the app and make adjustments if need be. At the barn, the system is operated at a touch-screen computer.

This young farmer has created an environment where technology is paramount and time is flexible. ■



Robotics Quick Facts

- About **10,000** commercial dairies worldwide use robotic milkers in herds of all sizes, up from 2,000 in 2002
- The **1,000** or so North American farms using robotics are mostly in Canada and the northeastern United States
- Some research shows milk production increases with robotic milkers, with production from a single system ranging between **63 and 73** pounds of milk per cow per day, on average
- Robotic milkers came to North America in **1999**

Source: Jack Rodenburg, a housing design and robotic milking consultant with DairyLogix in Woodstock, Ont., and former extension expert with the Ontario Ministry of Agriculture, Food and Rural Affairs. For more, you can find his 2013 presentation called Success Factors for Automatic Milking at dairylogix.com/Document_00.pdf.



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Pilotless aircraft do have flight rules

BY KEVIN HURSH

Over the past year, there has been a lot of buzz (pardon the pun) about remote-piloted aircraft and their applications within agriculture. They're showing up at farm trade shows, and many articles about their uses have appeared in the farm press.

While often referred to as drones, this has a military connotation. Therefore, people in the industry prefer to use terms such as remote-piloted aircraft or unmanned aerial vehicle (UAV).

Hobbyist versions cost hundreds of dollars and are becoming more advanced. For serious agricultural use, the price tag starts at a few thousand dollars and the sky's the limit depending on what you want to accomplish.

Ben Parry works for Milligan Biofuels at Foam Lake, Sask., and has an intense interest in UAVs and their commercial uses. His sideline business is building and equipping them.

"The systems are now so stable anyone can fly one," says Parry, who has been flying for about seven years. While many producers may be interested in purchasing one, many others will be interested in hiring the services of a custom operator.

UAVs can carry video cameras and hover a few feet off the ground so you can observe individual plants. They can go hundreds of feet in the air so you can recognize cropping problems that aren't visible from the ground.

Already some real estate agents are taking aerial video of property to show to prospective buyers.

You can access areas where it's too wet to drive or where the crop is too heavy to walk. Near-infrared cameras can provide a vegetative index. You can collect water, air and even soil samples. Larger models easily carry a payload of two kilograms.

With GPS co-ordinates, UAVs seem destined to be the next big tool in precision farming. There are also applications for checking and monitoring cattle.

While the potential is exciting, the big question mark is regulation. If used improperly, they pose an obvious risk to regular aircraft. And it isn't difficult to imagine unfriendly uses of the technology.

While producers may think they're exempt from regulations if they're on their own land, that's not the case. If you're scouting fields, that's a commercial application and you should have a special flight operations certificate. While this is free, it can take a while to receive. Search the term UAV on the Transport Canada website for a full description of the rules.

According to Parry, Europe is far ahead of North America in the use of UAVs, which provides hope the evolving regulatory environment won't seriously impede what this exciting new technology can accomplish for agriculture. ■



Fixed-wing demo at Sask. farm

Data from this UAV compares the reflective value of vegetation types at various stages of growth. "At one job, we saw a nitrogen deficiency two weeks before it was visible to the agronomist's naked eye," says Daniel Melia of RoboFlight Systems, pictured above. RoboFlight is a data collection and analysis firm.

roboflight.com



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Forging new paths to farming

BY LORNE McCLINTON

Agriculture is an exciting industry, and this last decade it has proven to be an increasingly rewarding and engaging one as well. Led by robust profits reported in recent years in the grain, oilseed and cash crop sectors, it has strengthened its position as a driving force in the country's economy and caught the attention of young people eager to get involved.

Take Levi Wood, for example. Shortly after graduating from the University of Saskatchewan with a degree in finance, he was working as a currency trader in Saskatoon when durum wheat briefly shot up to \$20 a bushel. It was the 2007-08 crop year, and suddenly, returning to the family's farm and agricultural input business near Pense, Sask., just west of Regina, looked a lot more attractive.

The lure of the farm

"Since I was working in Saskatoon, I was always going back for seeding and harvesting," Wood says. "I first did it more because I felt it was an obligation. Farming grows on you over time, though, so after a while I decided to come back to the farm. Probably, if I'd moved to Calgary like many of my

classmates did, I would never have come back."

Wood worked on the farm for several years before deciding to do an MBA in finance. At one point, he went to Hong Kong as part of a university exchange program and nearly stayed there, but the lure of farming drew him back.

While Wood's return to the farm has a more varied path than most, it's now normal for young people to study or work – often in a field unrelated to agriculture – before returning to the family farm. The 2011 Census of Agriculture bears this out.

Historically, young farmers have learned the business by working directly with their parents or other family members in a sort of informal apprenticeship. The census showed that's still a reasonably common way to get into farming, with 48.4 per cent of all farmers going into the business with no formal post-secondary training.

It also showed that times are changing. While just over half (50.9 per cent) of farmers age 35 and older have completed some sort of post-secondary training, the number jumps to almost 60 per cent (59.5) for those under 35.

Complex industry

Anyone starting farming today is joining a much more complex, sophisticated industry than the baby boom generation did back in the 1970s. That may be why this generation of young producers is finding it helpful to have different skills. While 28.3 per cent of young male farmers with post-secondary training took agricultural courses, and a further 15.5 per cent took mechanic and repair technology courses, 16.9 per cent studied business management, marketing or other related fields.

Young female farmers are taking slightly different courses of study. For example, 23.6 per cent of women studied in the health fields, 22.7 per cent took courses in business management, marketing or other related fields and a further 13.5 per cent took education. Only 9.9 per cent of female farmers with post-secondary education studied agriculture.

Farming is a business

"Farming has changed over the years," Wood says. "I find having a background in business and finance has really helped me because, after all, farming is a business. Sixty per cent of farming is

Producers choosing school, then farming

A growing number of farm operators are choosing to attend university or college before taking over an operation. Along with agriculture, they're studying business management, marketing and the trades.

Source: Statistics Canada



59.5%

farmers under age 35 who have completed post-secondary training



50.9%

farmers age 35 and older who have completed post-secondary training

production, but the other 40 per cent is marketing and finance. So the industry has a lot of things that appeal to me from a business standpoint.”

Wood says his father has always run the farm in a very business-like fashion, so the addition of a new generation hasn't triggered wholesale changes in farm management. Instead, he describes the changes in more evolutionary terms. And his experience with hedging currency comes in very handy when they market their crop using U.S. denomination contracts.

Human resource skills

Brothers Guy and Daniel Pouliot each brought different skills with them when they returned to their family's horticultural operation, Ferme Onésime Pouliot, in St-Jean-de-l'Île-d'Orléans, Que. Daniel studied agronomy at Laval University, while Guy specialized in human resource management and marketing. Today, Daniel manages production while Guy handles sales and oversees their 100-plus employees.

Managing a workforce effectively is critical for labour-intensive farms like the Pouliots'. Since strawberries, their main crop, are perishable, the brothers can't afford any glitches. For the past

10 years, they've depended on labourers from Mexico they bring in using the seasonal agriculture worker program to keep their operation running smoothly. They do everything they can to foster and retain a happy workforce.

“We make sure our door is always open,” Guy Pouliot says. “We tell them, ‘Even when the door is shut, it's always open for you.’ If they have any questions, we try to answer them the best we can.”

Pouliot says their efforts are paying off. The year-to-year retention rate of their foreign work force runs between 96 and 98 per cent, which has drastically cut the amount of time needed to train staff.



Family-owned farms

David and Dyce Bolduc, brothers who farm near Stavely, Alta., are proud the children in both their families are interested in carrying on their purebred Angus cattle operation, Cudlobe Farms.

“We’re very lucky to have these young folks who are interested in agriculture and want to stay involved,” David says. “The other day I was talking to a friend; none of his kids were interested in staying on and taking over. He isn’t much younger than me, and he’s winding down his operation. You could see he was a little sad about it.”

“We were raised to be prepared to take over the farm,” says Dyce’s daughter Kaitlynn. “We were raised around the cattle, but I think there are always more things we can learn.”

Her cousin Mat went to school and got his diploma in ag production at Alberta’s Olds School of Agriculture, while her brother Kevin is finishing ag business training in Lethbridge.

“And I’m off to college this fall to take business management at Fort Hayes Community College in Kansas,” Kaitlynn adds.

“When David and I were starting out, back in the early ’70s, I was mentored by someone who was running a show operation in the U.S.,” Dyce says. “But times have changed. You can’t just learn by doing. It’s a business.”

Learning outside the classroom

Learning doesn’t always mean sitting in a classroom taking notes, though.

Kaitlynn travelled to Scotland and New Zealand to study different farming techniques.

“Going down into the States worked well for Dad, but I think it’s a different world now,” she explains. “We’re starting to be an international exporter, so we have to understand how the whole world works. It was really interesting to travel there and see how they see things going.”

Many training and career paths are now leading back to the farm. As young people find ways to apply this experience and knowledge, new dimensions are being added to an increasingly dynamic agriculture industry. ■



J.P. GERVAIS
FCC Chief Ag Economist

ASK THE AG ECONOMIST

How do I come up with a fair price for a farmland rental contract?

Cost of production and future receipt expectations are good indicators of how much you can afford to pay for land.

Deciding on price depends on many factors, including quality of the land. Ask yourself questions like: Is the land tile-drained? Are there spots that are too wet in the spring? Is there easy access for large equipment?

Also, determine the type of contract. A straight cash rent contract is the least complex and most popular, but crop share contracts are another option.

For information about market trends, visit our blog at fcc.ca or follow J.P. on Twitter @jpgervais

HASHTAGS FOR AG TRADE SHOWS

Use these hashtags to join or follow Twitter conversations about your favourite ag trade show.

Agri-Trade Equipment Expo
Red Deer, Nov. 5-8 #agritrade14

Canadian Western Agribition
Regina, Nov. 24-29 #agribition

Western Canadian Crop Production Show
Saskatoon, Jan. 12-15 #WCCPS

Salon de l'agriculture
St. Hyacinthe, Jan. 13-15 #salonagri2015

Manitoba Ag Days
Brandon, Jan. 20-22 #agdays15

Farm Tech
Edmonton, Jan. 28-30 #farmtech15

Pacific Ag Show
Abbotsford, Jan. 29-31 #pacagshow

Salon de la machinerie
Quebec, Jan. 29-31 #simaq



Why buy fertilizer now?

Fertilizer prices are usually lower in fall than spring (with some notable exceptions), and the price difference can be substantial.

Source: Alberta Agriculture and Rural Development: Statistics and Data Development, Economics and Competitiveness Division



Canadians consumed **3.9 million whole turkeys** during the **2012 holiday season**

Source: Turkey Farmers of Canada

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Find great ag apps

Ag apps have been trickling onto the market, but more are coming now that farmers have embraced smartphones and tablets.

Google is still a great place to start a search for a specific ag app.

App Finder from U.S.-based AgWeb (agwebappfinder.com) lets you search by category or user rating, and monitor new ones.

Saskatchewan Soil Conservation has handy crop producer apps (ssca.ca/index.php/smartphone-apps).

FarmCentral from Grain Farmers of Ontario provides access to numerous ag apps from one location.

PETER GREDIG
Agriculture and Technology Expert

Animal welfare management: code for “farmers care”

BY OWEN ROBERTS

Canadian producers are steadily improving their approach to animal welfare management. This is born of respect and obligation, but also with the realization that consumers and retailers are demanding higher standards and more accountability.

Codes of practice have long been in effect, but new and revised national codes have been developed to help guide producers towards best management strategies and continual improvement in animal care.

Animal welfare issues are more in the public eye than ever. Cases continue to surface where an animal activist with a hidden camera records cases of alleged abuse or neglect.

Crystal Mackay, executive director of Farm and Food Care Ontario, says the latest high-profile ambush videos and campaigns about animal welfare on farms have livestock farmers on edge. They know barbaric acts are very rare,

and that a few minutes of edited undercover video does not represent real farm practices.

However, they also know that even a lone video going viral can be damaging to the industry. It prompts negative attention and puts pressure on food companies.

In Canada, farmers approach animal welfare with sound, research-based measures. That’s where codes of practice come in. They’re a mix of requirements and recommended practices, informed by studies conducted by experts at the universities of Guelph and Saskatchewan, and elsewhere.

Although these measures aren’t regulations, they certainly have teeth. In some provinces, they’re used as legal standards and may form the base for market requirements. Publicly, they can be held out as clear examples of animal welfare management. No matter where you farm, they offer an accepted

measuring stick for your own animal welfare strategy.

The National Farm Animal Care Council oversees the development process for these animal welfare codes of practice for livestock producers. Federal project-based funding supports each code update.

The 26-member group prides itself on being, in its words, “the only organization in the world that brings together animal welfare groups, enforcement, government and farmers under a collective decision-making model for advancing farm animal welfare.”

Adds general manager Jackie Wepruk: “For animal welfare to be successful in the sector, we absolutely need to have everyone’s buy in. Farmers’ ability to implement their own code is integral to our system. Everyone has a say.”

“[National Farm Animal Care Council is] the only organization in the world that brings together animal welfare groups, enforcement, government and farmers under a collective decision-making model for advancing farm animal welfare.”

Due diligence

Indeed, the development and review of each code of practice includes a public comment provision; last year, the pig code of practice review drew more than 4,700 submissions, encompassing a whopping 32,000 comments.



Fourteen codes of practice are in place: dairy cattle, beef cattle, bison, equine, farmed deer, farmed fox, goats, mink, pigs, sheep, veal calves and transportation; with two (chickens, turkeys and breeders, as well as layers) under review. Seven have been updated since 2009. Last year was huge, with six revised codes coming into effect and many changes scheduled to be introduced through the next several years.

The first sector implementing a revised code of practice is dairy. It's rolled into what Dairy Farmers of Canada vice-chair David Wiens of Manitoba calls possibly the biggest dairy quality assurance exercise ever undertaken in Canada at the farm level: proAction.

ProAction launched over a year ago, and Wiens estimates Canadian dairy farmers will spend up to \$160 million

over the next decade phasing it in. This exercise involves several modules dedicated to food safety, milk quality, traceability and animal care, among others.

Many of the changes in the recommended codes of practice involve livestock housing, offering animals more freedom of movement. Others include new approaches to pain control and exercise.

For example, in dairy, calves and cattle must have a bed that provides comfort, insulation, warmth, dryness and traction. Bare concrete is not acceptable as a resting surface. The bedded area for group-housed calves must be large enough to allow all calves to rest comfortably at the same time. Pain control must be used for dehorning, debudding or castration, and tail docking should be avoided unless medically necessary.



For pigs, a keyword is enrichment – that is, improving the animals' welfare by enhancing their physical or social environments. This includes enrichment that encourages socialization with other pigs, exercise, stimulation through sight, smell and sound, presenting varied or novel food types or changing the method of food delivery.

Housing is a big issue in the revised pig code as well. For all holdings newly built



or rebuilt or brought into use for the first time after July 1, 2014, mated gilts and sows must be housed in groups. After that date, all new installations and replacements of existing individual stalls have had to be sized to allow sows to:

- stand up without touching the top bars
- stand up without touching both sides or both ends of the stall simultaneously
- lie down without their udders protruding into adjacent stalls

Boars housed in stalls must get the opportunity to exercise four times a week. And as of July 1, 2016, castration at any age must be done with analgesics to reduce pain.

The poultry layer code of practice is under review, so no decisions have been made yet. But changes are anticipated in housing in particular, given retailers' concerns about battery cages.

All in all, there's a spotlight on animal welfare management like never before, creating awareness and preparedness in the industry. ■



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Avoid emotion in farmland purchase decisions

It seems rather basic, but do you find that producers don't always consider why they want to buy additional land?

Purchase decisions can be driven by emotion rather than a business plan. Producers should determine their overall goals. It's certainly true that farms that aren't growing in size can be left behind, but expansion isn't always the right choice depending on your stage of life, family situation and finances.

Sometimes, family members or business partners are not all on the same page when it comes to expansion. It's important to have these discussions before a land purchase opportunity arises.

You should also determine if buying land is the best use of your cash, or if other opportunities would provide a better return. And it's critical to determine if the farm is financially healthy enough to handle the increase in debt and decrease in cash from a proposed purchase.

Is it fair to say that often, more emotion is involved with land than with other assets?

That's certainly what I've observed. There are cases where it would actually make good business sense for a farm to sell some land, but it doesn't happen either because of pride or a sentimental attachment. In other cases, you see farms that continue to expand even though the owners are advancing in age and there's no succession plan.

We typically spend our whole lives denying that we're going to die, but of course that isn't the case. At some point, if there's no family member to take over the farm, a decision has to be made about renting or selling the land.



Before joining Alberta Agriculture and Rural Development as a farm financial specialist, Rick Dehod had a 32-year career with FCC.

RICK DEHOD

Rick was raised on a grain and beef farm near Waskatenau, Alta. For most of his career, he's been assisting producers in accessing and improving their financial viability.

Has the rapid escalation in farmland values contributed to the emotion over land ownership?

Here in Alberta, ever since the drought of 2002, there have been pretty good returns in the grain industry without any serious financial downturns. That has created a prevailing sentiment that land prices can never go down. Of course, those of us who have been around for a while remember the '80s, when land values did indeed decline.

We've had relatively strong grain and oilseed prices and record low interest rates. It's not surprising that land values have escalated. Of course, there's a bell curve for everything. Even in good times there will be some producers who, for various reasons, could find themselves in a financial squeeze.

Currently, you see some corporate investors backing out of farmland ownership. They would seem to believe that land values are peaking, or at least that other investments are now more appealing. Farmers may love their land, but money has no love. While we tend to be emotional creatures, it's sometimes better to view farmland with a little less passion and make sure the correct business decisions are being made.

You can find Rick's informative post, "16 Questions to Consider Before Buying Farmland," in the March 17 issue of Agri-News.

agric.gov.ab.ca

For producers who can make a strong business case for expanding their land base, what advice can you provide?

It's important to know what you're buying. Some producers are travelling 50 or even 100 kilometres from their home operation to find land that's for sale. Each area has its own production quirks and land quality can be difficult to assess for someone from outside the area. You may want to hear what the locals have to say.

You should find out the production history of the land. What crops have been grown and what crop protection products have been used? Are there any residual herbicide issues that will limit your cropping options? Are herbicide-resistant weeds a problem? Here in Alberta, clubroot is becoming more prevalent and that can take canola out of the rotation.

Although real estate appraisals have a cost, they are the best indicator of land values. Even if you don't get a full appraisal, attempt to find some comparable sales to determine estimated market value. Farmland lenders are also a good source of information, and price information for local sales are available to registered users through the FCC website.

All the purchasing interest in recent years has probably increased the value of poorer land proportionately more than high-quality land. If we were to ever see a period of dropping land prices, the poorer quality soil types are likely to drop further and faster.

Producers also need to decide whether leasing land makes more sense than owning. ■



Want to learn more?

See when Lance Stockbrugger's seminar, What You Should Know Before You Buy or Rent Farmland, will be in a town near you. fcc.ca/events

Be proactive about technology purchases

BY HUGH MAYNARD

Despite predictions of production and efficiency nirvana, technology presents risks both in terms of adoption and non-adoption. When to move – or not – on purchasing a new piece of equipment, and how to sort out the “magic bullet” stuff from the tools that will truly increase productivity, are questions every farm manager repeatedly faces.

Planning for new technology isn't easy. There's a vast array of equipment, products, and processes: guidance systems and unmanned aerial vehicles for scouting (see our Game Changers column on page 8 of this issue), genetic modifications and soon-to-be nano technologies, and computers that collect and transfer real-time data, to name just a few.

Despite this complexity, having a strategy around adopting new technology is essential. You want to mitigate the always-present risk of incorporating technology that isn't cost effective. On the other hand, you don't want to miss out on a new development that leaves you behind the competition. Here are some key steps in planning your purchases:

Adjust

Who hasn't heard someone dismiss smartphones, for example, as fancy toys? The fact is, they can be a pretty handy all-in-one communication, information and data collection/analysis device that fits nicely in your pocket.

Identify

What areas in your operation do you think can be more productive or efficient, so you can prioritize the technology purchases that will make the most difference?

Analyze

Farm equipment isn't cheap, and while it may make a task easier or help produce more, are there other up-sides to the purchase that will help improve margins? What's the bottom line?

Test

There's no substitute for working with the real thing, so if you can't run some trial plots or have a test drive, make sure you can visit someone or go somewhere to see the technology.

Learn

After all the buildup and preparation for a new piece of equipment or system, there's a tendency to forget about it once up and running. Technology evolves much more rapidly than in the past so staying on top of advances should be a continual process, not just a one-time event.

Adopt new technology for the right reasons. Be proactive and do your research, and then you can be confident you made the right decision for your farm. ■

Prompt return is powerful medicine

BY MARK CARDWELL

Bob Guest speaks from experience when he says the best medicine for producers after suffering a severe farming injury is to get back to work as soon as possible – he lost an arm to a power take-off on a tractor when he was only four. Now 61 and semi-retired, Guest keeps busy with cattle, quarter horses, and the custom seeding and harvesting operation on his farm at Denholm, Sask., an hour northwest of Saskatoon.

“You need to go out in the field and attempt to do things so you can learn your limits; start to adapt,” he says.

Guest is also the Saskatchewan director and national chair of the Canadian Farmers with Disabilities Registry (cfwdr.com), a registered charity that promotes farm safety and supports farmers living with disabilities or illness.

That support includes peer counselling from other producers who have lost limbs or suffered life-altering physical or psychological injuries or illnesses themselves.

“The earlier we can intervene, the better,” Guest says, explaining it helps farmers who were recently injured realize there is life afterward.

According to the Canadian Agricultural Injury Surveillance Program, an average of 115 people are killed in farm-related accidents in Canada each year. Two-thirds of those involve machinery, especially tractors.

Another 1,500 people sustain serious injuries.

“You always hear about the incidents where people are killed,” Guest says. “What you hear less about are the ones who get badly mangled and then return home weeks or even months later, after hospital stays and rehab.”

In addition to the physical, psychological and emotional strain of learning to live with prosthetic limbs or wheelchairs or pain-numbing drugs, Guest says many injured producers must also deal with financial stress, because they are self-employed and don’t have a safety net.

That can be a powerful motivator to get them back to work, he adds, but only if their families let them.

“What often happens is that family members blame themselves for the accident and they over-compensate by trying to do everything instead of letting the injured person try.”

Simple, everyday tasks often prove to be the most troublesome.

“When you’ve only got one arm, turning a bolt that requires you to hold the other end with a wrench is a real conundrum,” he notes. He says tenacity is the key to adapting.

“And every injured farmer can tell you from first-hand experience that an ounce of prevention is worth a pound of cure.” ■



BACK TO AG

There’s new help for workers who experience life-altering injuries doing farm-related work, from CASA in partnership with FCC and the Rick Hansen Foundation.

Back to Ag provides funds for ag workers to purchase the adaptive technologies they need to get back to doing what they love.

Apply by Nov. 28, 2014, at casa-acsa.ca/back_to_ag_program, or email backtoag@casa-acsa.ca.



Forward together

Michael Hoffort made a left turn on chemin de la Chapelle near Quebec's Tremblant Lake and took a quick glance around. He was in the home stretch of the Ironman Mont-Tremblant triathlon. From that spot he could see the course where he had completed the 3.8-kilometre swim, followed by the 180-kilometre bike course. On the final leg of the 42-kilometre run, he took a moment to look back and reflect on how far he'd come, and then turned his focus back to finishing.

"The Ironman is a start-line race," Hoffort says. "You set a great goal a year in advance to finish the race, train for countless hours to prepare, then show up at the start line with more than 2,500 other people to accomplish something special together. From there, it's about finding your pace, getting into a groove, and continuously moving forward."

Hoffort brings that same philosophy to his new role as FCC President and CEO, which he started on July 1.

"Canadian agriculture is in a great position to meet the demands of a growing world. That's our start line," he says. "FCC's job is to work with our customers, partners and employees to support the industry in achieving bigger and better things."

A professional agrologist by trade, Hoffort joined FCC in 1988. He spent his first nine years as a Relationship Manager in Saskatchewan, building strong relationships with customers in a time when the industry had plenty of ups and downs. That experience made a lasting impression.

"I've always admired producers for their resilience and their ability to adjust to take advantage of opportunities," he says. "Those are also the times when FCC really shows its value – as a partner that supports the industry through all cycles."

Hoffort relishes the opportunity to help customers realize their visions.

"Agriculture is a unique industry. Even as our customers build their three to

five-year plans, they're also looking generations ahead. People come through FCC's doors every day with new visions for their operations – of growing, diversified, successful family businesses."

Thanks to that vision, he can't see himself anywhere else. "It gets in your blood," he says. "I'm proud to be part of Canada's agriculture industry. It's incredibly diverse, it's constantly improving, and its importance to our economy and the world has never been greater."

Three days after finishing the Ironman, Hoffort headed down the road for his first FCC Annual Public Meeting as CEO. Looking forward once again, he's excited about what he sees.

"I see even more opportunity for FCC to be a catalyst for the industry. When you build partnerships with people who share your passion and optimism for growing Canadian agriculture, the sky is the limit."

Help tell the real story of Canadian agriculture

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