

AgriSuccess

EMBRACING THE BUSINESS OF FARMING

ALLAM FARMS PARTNERSHIP,
BROTHERS CAM AND
CHRIS ALLAM

ONLY 40 CHANCES:
WHY YOU SHOULD
START SUCCESSION
PLANNING EARLY

READY OR NOT, HERE
COMES CONSERVATION
AGRICULTURE



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Look beyond your silo

As producers, most of us have become quite specialized. We know an increasing amount about our specific sector, but our knowledge is waning on the other sectors of agriculture.

In fairness, there are many beef and dairy producers who also grow crops, but the number of mixed farms is declining. Older producers are more likely to have experience in more than one sector, but a lot has changed in recent years. Younger producers typically have experience in only one sector.

As a result, many grain producers have limited knowledge of livestock ration formulation. Many beef, dairy, hog and poultry producers know little about each other, let alone soybean, canola or corn agronomy.

Even though there may seem to be scarcely enough time to keep abreast of advancements directly affecting your farm, there are good reasons to pay attention to other sectors.

The most obvious is that the livestock sector is a major customer for grain producers. And livestock producers can often provide a significant source of soil nutrients for grain farmers. We need each other.

Understanding the challenges and advancements in other sectors can provide perspectives that help your business. Plus, it helps us all be advocates for the entire industry rather than just our specific sector.

Take a look across the fence and try to understand the needs and motivations of producers involved in other facets of the industry. You don't need to be an expert in what they're doing, but some practical knowledge can sometimes result in business opportunities or at least ideas and approaches you may want to emulate.

The industry is stronger if our knowledge base is a bit broader.

We appreciate your feedback and story ideas. Email kevin@hursh.ca or tweet [@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.

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Joint venture agreements can have advantages

BY LORNE McCLINTON

Farm corporations and partnerships are great ways to structure farm businesses for tax and liability purposes, but they may not be the best way to engage a business relationship that may see transition. If you're thinking of leasing land, merging your operation with someone else's or bringing a family member into your farm business, you might want to consider a joint venture instead of a partnership or corporation. The same tax advantages are available.

"A joint venture is similar to a partnership," says Shannon Lueke, farm management consultant with MNP in Humboldt, Sask. "A partnership is a legal entity where partners can essentially act on behalf of each other when conducting business for the partnership. A joint venture is merely an agreement between parties to pool resources and share in profits. They're not legally bound to each other and cannot act on behalf of each other."

Perhaps a joint venture agreement's best feature is its flexibility, Lueke says. It can be drawn up in any number of ways to accommodate the needs and wishes of the participants. The parties reach an agreement on how they are going to operate, engage a lawyer to formally draw up the agreement, then sign it.

One important point is that joint ventures aren't permanent. According to Lueke, they're typically set up to run for renewable terms – five years, for example. At the end of each period, participants decide if they want to renew or abandon the venture.

The most common application is with two or more siblings farming together. Structuring the operation as a partnership works fine as long as they can work

together and everyone gets along. But severing a partnership may create legal and taxation headaches.

"If they're operating as a joint venture, they can keep their assets separate," Lueke says. "Then later on, as they become mature farms or have children coming into the business, they have more options available to them in terms of how they operate, transition the business or exit."

The agreement needs to cover how income and expenses will be handled, even going so far as setting up a joint bank account to make sure things like chemical and fertilizer bills are paid on time.

"If you decide you're interested in setting up a joint venture, the first step is to set up a meeting with a farm advisor and a lawyer who have experience with them," Lueke says. "Every situation is different. You want to get proper advice about covering all the bases in your own situation."

Smoother farm succession

Many producers dream their children will take over the farm and spend considerable time and effort working out a succession plan. Not everybody considers what they'd do if their child comes into the farm business and then decides it really isn't what they want to do.

"Joint venture agreements give flexibility with succession plans," Lueke says, noting that establishing a joint venture is a great way to bring the younger generation into the farm without creating legal headaches if things don't work out. It allows you to draw up a temporary agreement so



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both generations are able to feel out whether or not they are comfortable working together.

“Every agreement has an exit built into it,” she explains. “If a joint venture arrangement is terminated, the terms of the agreement outline the distribution of equity and the parties can walk away without having to unravel partnerships or corporations. Severing a partnership, though, comes with legal and taxation issues.” ■

Tax-favourable alternative



With cash rental and crop share agreements, the landowner isn't considered a farmer and may eventually be disqualified from Canada Revenue Agency's farm rollover provisions when passing land to offspring.

It's possible to structure a joint venture in such a way that the landowner is classified as an active farmer.

This offers significant long-term taxation benefits and possibly higher annual returns, but it comes with risk. While landowners share in potential profits, they have to pay for a percentage of inputs to have a financial stake in the production. Since Canada Revenue guidelines governing who qualifies as an active farmer are complex, a review with an accountant before finalizing the agreement is a must.

Joint ventures aren't for everyone – some landowners just want risk-free income. However, they're worth considering for those who plan to own farmland over the long term.

Embracing the business of farming

BY TRISH HENDERSON





1 The brothers' dad, Brian Allam, is CEO of the operation 2 Clothing branded with the Allam Farms Partnership logo



At 31 years old, Chris Allam is young to be a chief operating officer, or COO. His brother Cameron, 26, could rival the youngest of all chief financial officers (CFO).

It's not only their age that makes the Allam brothers unique corporate executives. It's also their enterprise. They are farmers – but not just farmers. They treat their operation like a business in all aspects, from job titles and marketing strategy to human resources and public relations. Together with parents Brian (CEO) and Judy (Treasurer), and with the help of three full-time employees plus seasonal staff, they operate a large grain operation called Allam Farms Partnership at Ardrossan, Alta., (near Edmonton).

Chris and Cam's grandparents started the farm in 1949. Over the years, the family has been involved in various agricultural ventures. While the boys were growing up, the main focus was dairy. In 2007, the dairy herd and quota were sold and a tract of land north of the home farm was purchased. Cropping became the focus.

Chris joined the operation full time in 2004 after earning a diploma in agriculture business at Alberta's Lakeland College. In 2010, Cam became part of the farm management team after completing an economics degree at the University of Alberta.

Growing pains

Expanding the business while bringing the next generation into the management fold had challenges.

“With the increase in acres, we had to become more efficient and find new ways to finish seeding, spraying and harvest faster while maintaining the high quality and attention to detail we have always taken pride in,” Cam says. “We created well-defined roles in our business to avoid overlapping responsibilities.”

Chris's COO responsibilities include logistics, maintenance, agronomy, field operations and human resources. As CFO, Cam handles the financial end: bookkeeping, payroll, relationships with financial institutions and accountants, and field work. The brothers collaborate on budgeting, purchasing and marketing decisions with help from their parents.

Working closely with FamilyFarms Group (FamilyFarmsGroup.com), an organization that provides business management coaching to operations across Canada and the U.S., the Allams wrote a formal business plan and improved their human resource, finance and leadership practices.

Building a brand

They built a logo, launched AllamFarms.com, and recently began publishing a quarterly newsletter for distribution to landlords, suppliers and employees. They also sponsor the local men's soccer team.

“The website has been very useful in attracting employees to our operation,” Chris says. “It's important to let people know who we are as farmers,

Young Farmer

and that we're a professionally run business. We're proud of who we are, what we do and how we do it."

"We want to do the best job we can growing crops, and we also want the community to know what we're doing and why," Cam adds.

Along with their strategic focus on the environment and their community, the Allams realize they need strong business management skills to be truly sustainable.

"We make decisions every day that make us more efficient and sustainable," Chris says. "The more effectively we use inputs, the smaller our environmental footprint and the lower our costs. We also help our neighbours finish their field work, and crop 1,000 acres in a joint venture with another farm. We decided not to bid against each other on land and work together instead."

A legacy of success

The brothers credit their grandparents for establishing the farm, and their parents for expanding the operation and offering them daily help continuing the family legacy.

"Hard work and family support are to thank for the success of our business," Chris acknowledges. "Doing a good job of seeding, spraying and harvesting and having a solid marketing plan are essential to our continued success."

"With the help of our farm business coaches, we're working on a vision for 2020," he adds. "We're trying to figure out how big we'll need to be, how many employees we'll require, and predict other issues that may arise. Our goals are to continue growing and improve our work-life balance."

Being part of a peer advisory group also helped advance Allam Farms Partnership. "Hearing real-life best management practices from other producers across Canada and the U.S., through our involvement with FamilyFarms Group, has introduced us to new and improved farming and business practices that have benefited our operation," Chris says.

For other aspiring young farmers, the Allam brothers have a few words of wisdom.

"Obtain a post-secondary education before deciding if farming is for you. Whether you take an ag-related course or not, the experience broadens your horizons, increases your social connections and provides the option of off-farm employment, if necessary," Cam says.

"Don't give up," Chris advises. "Don't let people say it's too difficult or too expensive to start farming today. Our grandfather started on his own. He worked during the week to support his passion for farming. You can't just start in this business overnight, but with patience and hard work you can get there." ■





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Keeping pace with production practices

BY KEVIN HURSH

Pushing the limits of production is making agriculture a much more complicated industry. Whether you find this troubling or exciting says a lot about your willingness to adopt new production practices.

Using the grain sector as an example, the interconnectivity of management decisions is easy to see. Producers have tended towards higher rates of nitrogen fertilizer to improve yields in crops such as corn, wheat and canola. But as N rates increase, other nutrients must be in ample supply or they will become limiting factors.

Beyond the macro nutrients of nitrogen, phosphate, potassium and sulphur, an increasing number of producers are concerned about micronutrient deficiencies – copper, zinc, chloride and boron. In addition to soil tests, many agronomic services are trying to identify deficiencies through plant tissue analysis.

As you grow heavier crops, disease issues are more likely to become a limiting

factor. Fungicide applications have become much more routine.

Weed control doesn't sit still either. New weed problems emerge from changes in production practices. Herbicide-resistant weeds are a rapidly increasing concern, pushing producers to rotate herbicides between different modes of action.

New insect pests continue to emerge, requiring more monitoring of crops through the growing season.

The economics vary, depending on whether grain prices are high or low. For instance, the application threshold for a fungicide or insecticide is different at \$9-a-bushel canola as compared to \$13. But no matter the grain price, production technology continues to advance.

All the other sectors, whether dairy, beef, hogs, poultry or vegetables, have similar stories to tell. Optimizing production means a continual set of new challenges and choices.

Some producers are bewildered by this. They long for the good old days and a prescribed recipe. They wish their friends and neighbours weren't pushing the production envelope because then they wouldn't feel obliged to follow suit.

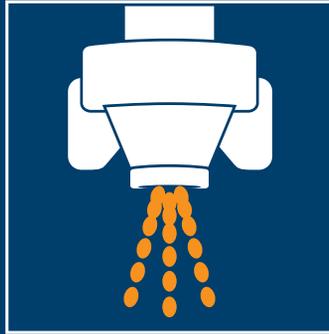
However, improvement is part of human nature and there are economic rewards for advancing the production yardsticks. Not every new production practice or idea has merit, and production practices need to be sustainable, but look how much progress is being made.

Don't view this as a never-ending treadmill. Consider it an opportunity. Not everyone wants to be on the leading edge (sometimes called the bleeding edge) of production practices, but there's much to be gained from keeping an open mind and adopting the new practices and technologies that work for your operation. ■

“It is your attitude, not your aptitude, that determines your altitude.”

– Zig Ziglar, motivational speaker and author





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Create a pocket of greatness

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FCC Edge is a bi-monthly agriculture podcast. From business and technology to inspiration and farm safety, FCC Edge features and interviews are relevant to Canadian agriculture – and to your business.

fcc.ca/Edge

Years ago, I was part of a group attempting to help some local young people navigate the tumultuous teen years. We had quite a few programs going but felt we needed to grow, so we discussed adding another. The head of our group was a wise fellow who simply responded, “Do less, but do it great.” Sometimes, growth means getting better – not bigger.

I mention this example because it contains a concept worth some additional consideration. This idea transformed the focus of my company seventeen years ago. It just might change how you see your farm business as well.

Think of great people – Churchill, Gretzky, Mandela – all of them great, but in just one area. Jim Collins, the author of several books including *Built to Last* and *Great by Choice*, calls this a pocket of greatness. He claims that we can create our own pocket of greatness even if we’re not the guy “driving the bus.” His research demonstrates there is a consistent, repeatable pattern exhibited by people and businesses that create these pockets of success.

Consider three circles in a triangle formation. The top circle contains the thing you are passionate about. Collins says his research shows, “If you’re not passionate you cannot possibly make something great.” The second circle contains something you

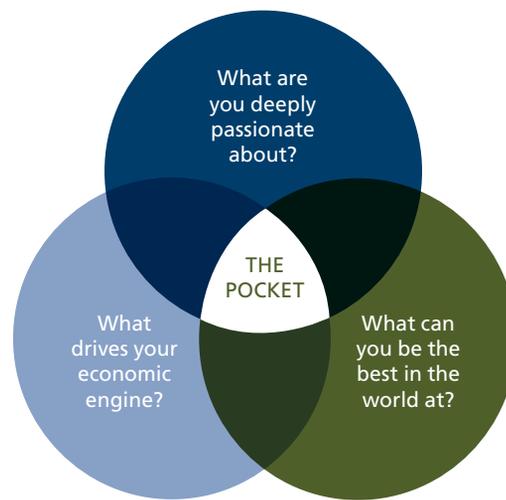
can be the best in the world at. It also includes a keen awareness of what you’re not good at. The final circle is what drives your economic engine.

The pocket of greatness can be discovered when you examine the area where the three circles intersect: what you’re passionate about, what you can be the best in the world at and what drives your economic engine.

Collins explains that the idea of greatness begins to take shape when ordinary people understand they don’t have responsibility for the entire bus, but they do have a minibus. We all have a minibus – those areas we have responsibility for and influence over – our family, our team at work, the kids we coach on the team. Even if we can’t make the entire school district great, we can choose to take responsibility for our minibus. Collins says, “Take responsibility to make great what you can make great.”

When we reduce greatness down to just a small pocket, suddenly the concept seems more within our reach. So here’s your homework for the day: noodle on what your pocket of greatness could be. It’s located where the three circles intersect – what you’re passionate about, what you can be the best in the world at and what drives your economic engine.

Reducing greatness down to a pocket-sized area of our lives helps bring the concept more within reach.



Sometimes, growth means getting better, not bigger: “Do less, but do it great.”



Once you determine your pocket of greatness, don't forget about the basics. One of the most often quoted sports coaches is Vince Lombardi. Possibly the most famous coaching quote ever came from Lombardi in 1959. He was head coach of the Green Bay Packers, a team that won only two games all season. He knew it was time to go back to the basics. Lombardi looked at his team, held the pigskin over his head and declared, “Gentlemen, this is a football!”

For Lombardi, going back to basics wasn't a temporary fix for a bad situation, it defined his leadership legacy. He believed the only way to be successful was to go back to the basics every year. Here are two thoughts to consider on how the back-to-basics approach can benefit all of us.



LISTEN
Listen to the full podcast with host Kevin Stewart. fcc.ca/Pocket

1. What's really important

It's easy to get distracted. Maybe your neighbour is putting up a large new barn or has purchased some shiny new equipment. Suddenly, instead of focusing on those tasks that drive the profit centres of your business, you find yourself distracted shopping online for the next new gadget.

Danny Klinefelter at Texas A&M explains, “The whole point of being in business is to be profitable. The whole point of being profitable is because it gives you choices. Some people want to have their choices before they are profitable, but that is invariably trouble.” The back-to-basics principle here is to never forget the order of success: profits first, then choices.

2. Boring isn't bad

Pita Alexander is a farm accountant in New Zealand. He says it's important to focus on the fundamentals because, “Often the boring parts of your business are the most profitable.” I think we get this. Which would you rather do, shop for and drive the big equipment, or crunch books to determine your actual cost of production? Which one of these activities is more likely to ensure your profitability? It could be argued that mastering the basics, even if it's boring, ensures a consistent shot at success.

Completing the long bomb into the end zone is exciting. Vince Lombardi's approach reminds us, however, that it's the boring basics – blocking and tackling – that win football games.

Executing the basics wins the business game, too. ■

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PETER GREDIG

When you need advice and insights into which advanced equipment, machinery, devices and applications may benefit your operation, look to Peter Gredig's new technology column starting in our March/April issue. And, he's a new contributor to FCC Express.

A farmer based near London, Ont., Peter's also a partner in AgNition Inc. (agnition.ca), a mobile development company that builds apps and mobile resources for Canadian farmers, agribusiness and organizations.

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There were **33,490 new entrants** to farming between 2006 and 2011.

Source: Stats Canada, 2011 Census

Ready or not, here comes conservation agriculture

BY ALLISON FINNAMORE

Business mogul Howard G. Buffett predicts it won't be long before farmers need to make some serious on-farm environmental changes – all to meet consumer demands.

His father Warren Buffett was recently again named by Forbes Magazine as one of the world's richest people. Howard G. Buffett is a huge success in his own right and currently serves on the board of directors of Berkshire Hathaway, Inc., the Coca-Cola Company, worldwide irrigation manufacturer Lindsay Corporation and Sloan Implement, a privately owned distributor of John Deere agricultural equipment. Buffett also works on a 1,500-acre family farm in central Illinois and farms in Nebraska with his son, Howard W. Buffett.

But the majority of his time is spent on the operations of the Howard G. Buffett Foundation, an organization aimed at improving the standard of living and quality of life for the world's most impoverished and marginalized people. Its focus is on food and water security, conflict resolution, management and post-conflict development.

Those goals let Buffett keep his feet – and heart – planted outside the board room and nurturing his first love: agriculture.

In addition to his family-operated farm, Buffett oversees three foundation-operated research farms – 1,525 acres

in Arizona, 4,400 in Illinois and 9,200 acres in South Africa. He's travelled to 130 countries documenting the challenges of preserving our biodiversity while providing adequate resources to meet the needs of a growing global population. In the process, he has authored eight books on conservation, wildlife and the human condition, including his latest, *40 Chances: Finding Hope in a Hungry World*.

Consumer is king

Consumers, he says, will lead the momentum towards greater conservation practices in agriculture, driving processors and pushing farmers who will need to deliver. Improved farming techniques, better treatment of the environment and measurement through environmental farm plans and record-keeping – it's an accountability Buffett predicts is close at hand.

"We're going to enter a new era in the next 20 years," Buffett says. "We're going to be faced with a different level of scrutiny. We're facing a new world today in terms of agriculture and we've got to get ahead of it. If we don't get ahead of it, it's going to cause us significant issues."

Pressure for environmental change will also come from agricultural processors, as they respond to the public's demand for change. Buffett points out that

Coca-Cola is the world's largest buyer of oranges used to make juice, and that purchasing power creates the opportunity for the company to work with farmers of all sizes and help influence behaviour.

Early adapters and analytical watchers

Whether it's a change to more conservative farming practices, new seed varieties or new equipment, any shift on the farm can be a challenge, Buffett acknowledges. Farmers, he says, generally fall into two categories: early adapters anxious to lead the charge with the latest gadget, and analytical watchers who survey how the early adapters make out before venturing out themselves.

"There are always early adapters, and then there's the challenge of determining what the value is," Buffett says. "Just because it's convenient doesn't mean there's a value in it." Buffett believes there's a category of technology – whether it's GPS or drones – that a lot of farmers will adapt to quickly. They'll determine what has value to them, and perhaps decide something else might not have value.

Buffett views the adoption of soil and water management, nutrient management plans, no-till or strip-till practices – what he calls behavioural

“When you adapt to conservation agriculture, you’re never finished. It’s an ongoing learning process and an ongoing adoption that takes change.”

– Howard G. Buffett



changes – as forms of new technology with both early adapters and analytical watchers.

“If your cell phone needs to be better, you buy a new one. If the tractor will pull more, you buy it. You can see it. You can feel it. You can identify it and quantify it,” Buffett states. “Where farmers are more stubborn is where they can’t quantify it.”

These intangibles, he says, are the low parts of the technology framework. They’re also the changes that will matter in the long term, not only to meet consumer and processor demand, but for the basic care of the environment.

“In 50 years ... it isn’t going to matter what tractor you’re running. It isn’t going to matter what GPS system you’re on,” Buffett says. “What’s going to matter is: Did you preserve the soil quality? Did you preserve the water quality? Did you leave the farm in a better condition than when you purchased that particular farm or when you inherited that farm?”

He says American farmers will often comment to him that they tried no-till for a year and it didn’t work. That’s not good enough, Buffett says.

“You didn’t try GPS for one year,” he tells them. “The difference is, you can see what the GPS does for you immediately so you kept it – and you’d already bought it. When you’re talking about no-till, or cover crops or nutrient management, you’re talking about a real commitment. You’re talking about changes in your management, changes in behaviour, but those changes have a big value in the outcome, particularly in the long run.”

Conservation agriculture, he says, is a change in mindset. He sees it as a long process that can be a tough sell to some farmers.

“When you adapt to conservation agriculture, you’re never finished. It’s an ongoing learning process and an ongoing adoption that takes change.”

It’s also maintaining an optimistic outlook and looking at a diversity of elements working together. When someone dismisses no-till agriculture because they grow a crop like potatoes, Buffett again says that’s not good enough.

“You can’t no-till potatoes today. There are a lot of things you didn’t no-till 20 years ago,” he says, noting it may be possible in the future.

Just as new ideas need to be fostered in business to create growth, Buffett says the same needs to happen in agriculture.

“There’s an entrepreneurial spirit that’s out there in many businesses. We need that same spirit in trying to figure out how we save our soil and how we save our water,” Buffett says.

“It isn’t that it can’t be done – we haven’t put the time and effort into it to figure it out. That’s a huge difference. If we had decided that landlines were the best way we could ever communicate, no one would have ever invented the cell phone.” ■



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Only 40 chances

Why you should start succession planning now

Here, Howard G. Buffett talks about his book, *40 Chances: Finding Hope in a Hungry World*. It documents life lessons and the people, places and experiences that have shaped his evolving views of the role of philanthropy in addressing the world's most difficult challenges.

Why "40 Chances"?

I went to listen to somebody talking about how to plant corn, and he started out by saying all of us think about farming wrong. That got everybody's attention. He said we think about farming as a continual motion – we do everything one year and it blends into the next year, and we just keep going.

He explained that by the time your dad lets you get on the tractor and you get off and let your son or daughter get on it, you've got about 40 crops to plant.

I thought, "Wow, that's not very many crops." It's a very finite number and it's something I had never thought about that way.

It was really a completely different way of looking at it.

How did your farm management change after you heard that statement?

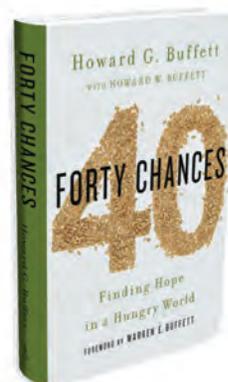
I decided I was going to take a bit more time when I planted. This was before GPS, so you know. . . I'd try to get my rows straight and try to think about everything and lay it out a little better in my mind. I realized I don't get to do this forever. I love doing it, so I should make sure that instead of being in such a hurry to get done, I should just take more time.

And I should include more people if I can.

My son started farming four years ago on our farm in Nebraska. One of the things that talk had an effect on – and a lot of farmers will face this – is succession. You can never start planning early enough. A lot of times you push it off to the end, and then something goes wrong and you haven't been able to plan properly. You never know when something is going to happen.



Farmer, businessman, philanthropist, photographer and former elected official, Howard G. Buffett has dedicated his life to addressing global food insecurity and conservation.



HOWARD G. BUFFETT

Howard G. Buffett is the chairman and CEO of the Howard G. Buffett Foundation, a private family foundation working to improve the standard of living and quality of life for the world's most impoverished and marginalized populations. He operates a 1,500-acre family farm in central Illinois and oversees three foundation-operated research farms.



“You can’t start planning soon enough. Include your kids, and include whoever you think will be part of that process.”

When should succession planning start?

As I mentioned earlier, you can’t start planning soon enough. Include your kids, and include whoever you think will be part of that process. We spend most of our lives building our farms, so we should really have a plan at the end.

I know every square foot of every farm field I have. I know what I’ve done to try to improve the drainage, to eliminate erosion, to build organic matter and improve that farm’s productivity.

I think almost all farmers are the same. You don’t do all that over a 40 or 50-year period to just let it go.

If you don’t have somebody who’s going to take the farm over for you, that’s one thing. If you do have kids, or nephews or somebody, then conveying the importance of what you’ve done and why you’ve done it is critical.

You don’t have forever to do that.



VIDEO:
Choosing
the right
successor, with
Dr. John Fast
fcc.ca/Successor

Where is the balance between conveying what’s important and letting the next generation figure it out on their own?

You’re going to do things one way and the next generation is going to do it a different way. Finding the balance, communicating well on why you don’t agree on everything, is pretty important.

One of the most important things is that, as part of the older generation, you really have to learn how to teach. But you also have to learn how to let go. ■

Why win-win is more than a cliché

BY HUGH MAYNARD



Negotiating is something we literally grow up with: from wanting a later bedtime as kids through to buying that first car as an empty-pocketed teenager. No one teaches us how to negotiate. We pick it up – with varying degrees of success – as we go along.

The stakes get more serious later in life. Farming is no exception. Multi-million dollar deals for land, buildings or machinery are now common. Think about it: you spend a lifetime learning everything you need to know to fulfil your farming aspirations, but all you know about negotiations is what you won or lost in dealing with your mom and dad.

Managing the risks inherent in negotiations needs more than that.

While negotiations are often used to augment the bottom line, there's a lot more involved in the process and, potentially, the outcome. The risk is that if you take the wrong approach, you could lose out (and there's no deal in the end), you could pay too much, or you could become trapped in an unsuitable working relationship that's difficult to exit.

There are three key points to remember when entering negotiations.

1 Prepare thoroughly. Roughly 70 per cent of a successful negotiation lies in preparing for the discussions. So, the first step is to do your homework, including getting advice from those with more expertise. There's no quicker way to be disarmed than not knowing much about what you're negotiating – including the interests of the other side.

2 Decide beforehand what approach you'll take. You can be adversarial and hope to get the best deal possible. Or you can take a mutual-gains approach (the proverbial 'win-win' scenario) and perhaps start a longer-term relationship where there could be many more benefits than just money (services, advice, specialized equipment, etc.).

3 Know your best alternative to a negotiated agreement (BATNA). It may have the world's worst acronym, but the theory is sound: know what you'll do if negotiations don't succeed. If you haven't thought this through, you could be forced into a poor deal because you're desperate to get your hands on more land, more machinery, more livestock – or something else.

Taking negotiations lightly could open the door to a poor deal. It could also invite a higher risk of failure. And since agriculture is a long-term enterprise, preparing for mutual success within a long-term relationship is always the way to win-win. ■



VIDEO:
Strategies for positive landlord-tenant relationships from FCC Chief Agricultural Economist J.P. Gervais
fcc.ca/RentalStrategy

Farm dogs add security

BY MARK CARDWELL

This column usually focuses on any one of the myriad of potential dangers that lurk behind every barn and in every field – from handling machinery and moving equipment parts to working with livestock, pesticides, ATVs and chainsaws. But this one is devoted to the potential safety dividends that an iconic element of many family farms can bring to a producer's life – the farm dog.

Anyone who has spent time on a farm will have a story or two to tell – good and bad – about incidents involving a dog.

You hear anecdotal stories about farm dogs pulling kids out of danger. Or, you hear the opposite, dogs leading curious children into danger. However, there's little doubt the right dog can provide an added layer of safety and security on the farm.

A lot depends on the breed and the training. The so-called working dogs, a group that includes many of the largest breeds like St. Bernard, Anatolian shepherd and Great Pyrenees, are built to detect and deter predators and intruders.

Similarly, dogs bred for herding – especially border collies, blue heelers, and Australian shepherds – can act like people and so help protect us from physical dangers associated with rounding up livestock, big and small.

There's also the general sense of security that comes with having a large barking dog like a German shepherd or Labrador retriever to signal the presence of strangers on often-isolated farms.

That's a comfort that Christina Kaiser enjoys on Allumette Island, Que., a short drive from Ottawa. She and her husband, Lucas, own and operate a large mixed farm there (dairy cattle and cash crops) and breed and train German shepherds to be farm dogs, notably to herd dairy cattle.

"People with bad ideas and intentions think twice when they hear a dog bark," Christina says.

Though she scoffed a bit at the premise that dogs can enhance farm safety, Christina agreed that a dog's alert nature and keen senses can help detect and prevent situations that could lead to serious accidents and injuries.

"One time my dog was barking and wouldn't stop, and I didn't know why," she says. "So I went to look and saw that a gate had been left open. Fifty of our cows got out onto a road and could have caused an accident. When something's not right, a dog knows." ■

A DEDUCTIBLE EXPENSE

Are you claiming your vet bills and feed costs for dogs (and cats) as tax-deductible expenses?

Farm accountants, including Allyn Tastad of the Saskatoon accounting firm Hounjet Tastad Harpham, say these bills typically qualify.



Thanks, Canada



TOGETHER WE RAISED 5 MILLION POUNDS OF FOOD

Thanks to the generosity of our partners, customers, schools and employees, there are fewer empty plates across Canada this fall.

“FCC Drive Away Hunger demonstrates our long-term commitment to the industry by bringing the agriculture community together to share the food it produces with those who need it most,” says Michael Hoffort, FCC president and CEO. “We are grateful for the generous support of our customers and partners, and for their commitment to helping fight hunger across Canada. I’m overwhelmed by the amount of support – we couldn’t do this without them.”

Tractor tours took place in Alberta, Manitoba, Nova Scotia, Ontario, Quebec, Saskatchewan and Regina (our corporate office) from October 14 to 17. As well, every FCC office across Canada collected food and cash donations to help local food banks. Since 2004, FCC Drive Away Hunger has collected more than 22 million pounds of food.

Learn more at FCCDriveAwayHunger.ca.

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Let's **grow** together

Most of us in ag see the great opportunities in front of us. We know ag is a vital and forward-thinking industry, ripe with opportunity and that we care about the environment, animal welfare and producing safe, healthy food for a growing world. But the general public often hears a different story. Why? Because, for the most part, our industry isn't the one telling it.

To reach its full potential, **ag needs everyone in the industry to speak up and tell the real story of Canadian ag.** All you need is a desire to share your ag pride with the world, and Ag More Than Ever can help.

Ag More Than Ever is an industry-driven cause that provides resources and a forum for agvocates to tell the real, positive story of Canadian ag. We're made up of over 300 partners, in addition to agvocates from coast to coast, all committed to improving perceptions, dispelling myths and creating positive dialogue about agriculture. We've made great progress in our first two years, but we need to keep growing - because changing perceptions is an ongoing job, made easier when all of us do our part. **Together we can share our optimism in effective and engaging ways.**

Visit **AgMoreThanEver.ca** today and find out how you can get involved.



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