



JANUARY / FEBRUARY 2016

AgriSuccess

SARA AND
DAVID SIMMONS

FOCUSED EXPANSION AT PURE HOLSTEINS

NEW CROPPING
OPTIONS: RISK AND
OPPORTUNITY

TILE DRAINAGE
THE ULTIMATE
RISK-MANAGEMENT
INVESTMENT



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Editor, Kevin Hursh

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Farm with altitude!

It's a new year, and a brand new growing season is approaching. Are you excited, bubbling with anticipation, or are you sullen with the prospect of grinding it out for another year?

“Your attitude, not your aptitude, will determine your altitude.” This adage from motivational speaker Zig Ziglar is particularly appropriate at this time of year. While I tend to think aptitude also plays a role, there's little doubt that a good attitude is critical.

Is your operation growing? Are you planning to try a different crop or a different livestock grazing system? Are you excited by the progress of another family member becoming more involved in the operation?

Or are you tired and burdened by the workload and the stress? Perhaps family dynamics are troubled or maybe you've suffered financial setbacks.

“Friends are hard to find when they discover that you're down,” is a line from an old Tom T. Hall song. Some people with depression issues put on a brave face for the outside world, but close acquaintances and family are likely to know something is amiss.

January can be a time of looking forward with eager anticipation or it can be the height of the mid-winter blues.

Everyone feels down sometimes, but when does it become an issue for which you should seek outside help? The farm safety column in this edition explores the issue of mental health, an important topic for everyone including farmers.

“Whether you think you can or you think you can't, you're right.” That adage, or something like it, is attributed to Henry Ford. Again, it's bang on.

You don't have to own the biggest farm or be the most innovative farmer, but it is important to be happy and content with your life. Part of that is working toward goals.

As you make plans for your farm businesses in the upcoming year, I hope the exercise brings you joy and happiness.

We welcome 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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Taking on an interest-only loan shouldn't be considered a sign of financial desperation. Instead, think of it as a sign that the financial institution has faith in the operation's business management abilities.



Interest-only loans help leverage equity

BY LORNE McCLINTON

Although many farmers dream of being debt-free, it isn't necessarily the best way to maximize assets. If producers, through good management and good fortune, find themselves in a very high equity position, they can use an interest-only loan to improve their property or buy more land, quota or livestock with minimal impact on cash flow.

"Even companies that have been successful for more than a hundred years carry debt," says Lyndon Carlson, executive vice-president and chief marketing officer with Farm Credit Canada (FCC) in Regina.

"So instead of being in a rush to retire every piece of debt they have, they would rather put that money to work for the business – not just pay off their loan debt to be debt-free. In most cases, having a reasonable and manageable amount of debt is better for a growing business."

While new farmers need to build equity to gain financial strength and weather the economic vagaries of agriculture, there will come a time when they'll have all they really need. At that level of economic strength, lenders are quite comfortable putting

operators in control of when to pay down principal, and allowing them interest-only loans.

“Some people believe that interest-only loans are being used by farmers because they can’t afford to make the principal payment. That’s not the case at all,” Carlson says. “A lender should never give someone an interest-only loan because it looks like they couldn’t afford principal payments. We would only give an interest-only loan to someone who could easily make the principal payments but chooses not to so they can use their cash flow for other purposes.”

Interest-only loans are not exclusive to agriculture. A large percentage of wage earners with years of experience in the workforce are offered lines of credit, instead of amortized loans, for home renovations or anything else they choose.

So taking on an interest-only loan shouldn’t be considered a sign of financial desperation. Instead, think of it as a sign that the financial institution has faith in the operation’s business management abilities.

Put interest-only loans to best use

Much of the recent farm growth has come from rented land. While renting is a good growth strategy, it doesn’t come with the same security as owning. Often, a disagreement with a major landlord can mean farming far fewer acres. Carlson says an interest-only loan can be a good way to purchase land while having minimal impact on cash flow.

When interest rates are low, stories abound of producers using interest-only loans to buy land and finding their payments aren’t any higher than rent would be. Carlson says this is a great example of how those with strong equity and a sound overall financial position can use an interest-only loan to improve the farm.

For example, take land in Saskatchewan that has been selling for around \$2,000 an acre. If – for the sake of argument – a producer borrowed the full purchase price using an interest-only loan at three percent, he’d be obligated to pay annual interest of just \$60 per acre. Rental rates would likely be at least that much.

For Ontario land that’s selling for \$10,000 an acre, the annual interest payment would be \$300, while typical rent may be \$250 an acre or more.

So an interest-only loan gains ownership and locks in access to the land without putting a strain on cash flow. Then, when there’s a good year or some extra cash, producers put a lump sum down on the principal, Carlson says.

“In most cases, having a reasonable and manageable amount of debt is better for a growing business.”

Is it time to lock in your rate?

Money is “on sale.” We’re in a long period of unprecedented low interest rates. While the majority of FCC customers choose variable-rate products, Carlson says the number choosing five-year, fixed-rate products is steadily increasing.

“We’re in a very unusual situation where the spread between fixed-rate pricing and variable-rate pricing is quite narrow,” Carlson says. “In other words, the difference between a five-year fixed rate and variable-rate product is so low that a large number of producers feel the security and predictability of a fixed interest rate offsets the slight savings of a variable-rate product.”

Carlson says most economists are predicting either no changes or modest increases in rates over the short and medium term. Still, producers can capture both the savings of variable rates and the security of fixed rates by selecting different products for different loans. It’s a simple way to get the best of both worlds. ■



Success through focused expansion at Pure Holsteins

BY ALLISON FINNAMORE



Being ready to seize opportunities when they arise is one of the keys to success for David and Sara Simmons of Little Rapids, Newfoundland and Labrador.

The couple are Atlantic Canada's Outstanding Young Farmers for 2015 and operate Pure Holsteins in Little Rapids. They've farmed together since 2009, marrying and setting up business after they met at Dalhousie University in Truro, N.S. Both were in the faculty of agriculture.

Sara grew up in the dairy business at Boreview Holsteins in Lower Coverdale, N.B., near Moncton, and has been showing dairy cows since she was a pre-schooler. But David was raised on a poultry farm, and it seemed likely he would head in that direction himself.

"I thought I might be more involved in layers or broilers, as my father was a poultry farmer. But that changed when I met Sara," he says.

Good starting point

As fate would have it, David's family was also involved in a dairy operation when the couple started dating, and it seemed a perfect opening for them to begin farming together in western Newfoundland, establishing their business as Pure Holsteins.

"We had a new barn here, and a good land base," David recalls. "Sara's brother and her parents were already working on the farm, so there wasn't really room for a third family."

The setup at Little Rapids was perfect for the young couple. In 2011 they purchased almost all the dairy assets, including equipment and animals, from David's father Bruce and his uncles Keith and Wayne, Bruce's brothers. Together they established a long-term lease on the facilities and dairy quota, and the couple worked alongside the family before launching their own entity.

The farm has a deep history in Newfoundland's dairy industry. It was originally owned by the Bowater Company, which also owned the paper mill in nearby Corner Brook. Then the farm was taken over by the Lundrigan family, who raised Ayrshires there and produced many award-winning animals, and finally by David's grandfather in 1979.

Sara and David were also able to take advantage of recent opportunities in the province's dairy industry. In the early 2000s, Newfoundland and Labrador joined the national Milk Marketing Plan and the Comprehensive Agreement on Pooling of Milk Revenues, part of the Canadian Dairy Commission. At the time of joining, the province's 50 dairy producers produced 34 million litres of milk, mainly for two processors.

The focused diversification and expansion plan created an environment of growth for producers. Today there are fewer producers, 39 in total, and production has increased to 48.5 million litres.

At Pure Holsteins, David says they've certainly benefited from the focused expansion efforts. With the available extension support and resources, they've



“With the robots doing the milking, we don’t have to be up at 4:30 a.m. to milk. We aren’t tied down as much.”

increased efficiencies and improved production and today, produce more milk from fewer cows. However, he says, provincial consumption has dropped, resulting in decreased quotas.

Robotic milkers

While there’s been a focus on nurturing an environment for growth, patience also plays a role in the Newfoundland dairy industry. Robotic milkers are commonplace in dairy parlours across the rest of the country, yet Pure Holsteins was the first to install robotics in N.L., in October 2014, when they purchased two Lely A4 robots.

The Simmonses had been keen to move to robotics since they started the dairy farm, but felt they had to bide their time. Support for robotics from agricultural suppliers and distributors was sparse, according to

David. It was the birth of their daughter in 2011, and the resulting desire for more family time, that prompted Pure Holsteins to revisit – and then move ahead with – installation of a robotic milker.

Until recently, the couple focused purely on growth and stuck pretty close to the farm. When they did travel, it was to show cows at major dairy events in Atlantic Canada. David jokingly calls these working vacations their “cow-cations.” Now that their daughter is four, the couple wants to spend time together travelling as a family – and a robotic milker seemed the best way to make that possible.

“When we have robotics and we have one good employee who we’ve trained, it makes it easier for us to travel,” David says.

But, he notes, it’s a challenge to find trained, reliable farm workers in the province. With no secondary education facility for agriculture-related studies, it’s not a career many Newfoundlanders choose.

“This is the first summer that we’ve had any downtime,” Sara adds. “With the robots doing the milking, we don’t have to be up at 4:30 a.m. to milk. We aren’t tied down as much.”

The cow-cations still happen, however, as they’re a large part of the Pure Holstein business and used as a venue to showcase the herd’s genetics. Sara says she believes the shows, and the ribbons, help build the dairy’s reputation. Pure Holsteins has spent the last six years breeding for high-confirmation, all-around beautiful animals.

“We take pride in the genetics of our herd,” David adds. “We’ve had animals place in the Top 10 at the Royal and at the World Dairy Expo.”

Today, Pure Holsteins milks 100 cows, has 85 heifers and leases 60 acres of pasture from David’s family. They’re looking to the future, always ready for more growth opportunities. ■

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VIDEO:
Go behind the scenes for a tour.
fcc.ca/PureHolsteins



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All eyes on OPEC

BY KEVIN HURSH

Traditionally, the Organization of Petroleum Exporting Countries has been known for rationing crude oil supply to support world prices. That changed in November 2014, when OPEC signalled it would stay the course on oil production to let lower prices reduce the competition from countries like the U.S. and Canada.

OPEC, led by Saudi Arabia, reinforced its strategy in June 2015 as the organization decided to maintain a production target of 30 million barrels a day despite oil prices that had tumbled dramatically.

In mid-2014, crude oil was well over US\$100 per barrel. Through 2015, prices mostly fluctuated between \$45 and \$65.

Predictably, the Canadian oil sector has seen slowdowns and layoffs. Oil-producing provinces and the national economy have felt the impact.

The Canadian dollar has followed the same trajectory as crude oil. From levels of over 90 cents, the loonie started dropping in mid-2014 and spent most of 2015 below 80 cents, often around 75.

For agriculture producers across the country, the OPEC ramifications have been many and varied.

From canola and soybeans to feeder cattle and hogs, the decline in the Canadian dollar has helped support values in the products dependent on the export market. In contrast, it has made inputs such as new equipment and fertilizer more expensive.

Lower crude oil prices can lead to lower diesel and gasoline prices, but it isn't

a direct relationship. Refinery capacity, exchange rates and a host of other factors are involved. Producers hoping for dramatically cheaper energy costs may have been disappointed.

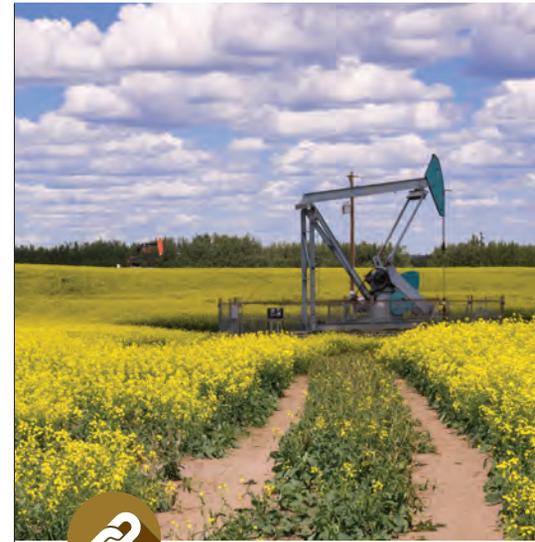
Other ramifications have received less media attention. Russia's oil-based economy has been hit hard with a dramatic reduction in the value of the Russian ruble. This has made Russian wheat a relative bargain, making it difficult for other exporters, such as Canada, to maintain sales.

According to oil industry analysts, the biggest producer within OPEC is Saudi Arabia at more than 10 million barrels a day. Iraq is over four million and Iran has risen to nearly three million, helped by easing of trade sanctions.

The OPEC decision to maintain volumes and sacrifice prices will continue to reverberate through the world economy. How long will they maintain this stance? How long will oil prices remain low? The price of oil has an impact that stretches far beyond the petroleum sector.

Economic drivers tend to evolve over time, but occasionally there are economic game changers that emerge unexpectedly. Following the news and working to understand the potential ramifications lets your business make more-informed decisions. ■

Follow Kevin: @kevinhursh1



WANT TO KNOW MORE?

Learn about this and other key economic drivers in 2015

Read the comprehensive Year in Review blog from FCC Chief Ag Economist J.P. Gervais



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VIDEO:
Understanding the Drivers of the Canadian Dollar
fcc.ca/KeyDrivers



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New cropping options: risk and opportunity

BY KEVIN HURSH



When is the last time you tried a new crop? Was it a good experience or did you regret the decision? Is that crop still part of your rotation?

As an agrologist with the Saskatchewan Ministry of Agriculture for 33 years – eight of them on special crops – Dale Risula has seen producers succeed with new cropping options, but he has also seen failures.

“I think the biggest mistake is that people don’t take all aspects of growing a new crop into account,” Risula says.

No matter the region of the nation, the list of considerations is long: equipment needs, suitability of the land base, marketability of the crop, supply and demand factors, the timing of seeding and harvest, input costs, weed control, disease considerations and of course, economics.

What are realistic yield and price expectations? After the expenses are paid, how will returns stack up?

“You should also gauge the desire of all those involved in the operation to go along with a new crop,” Risula advises. “If everyone isn’t on the same page, this could lead to dissention.”

In the last few years, soybean acreage has exploded in Manitoba, with more than 1.3 million acres in 2015. This is a major world crop with lots of agronomic information and a highly visible marketing system. Seed supply companies are investing heavily to develop varieties that should make the crop increasingly viable in Saskatchewan and Alberta.

Contrast soybeans with crops like hemp, quinoa and faba beans on the Prairies, and ginseng and adzuki beans in central Canada where the acreage, markets and research dollars are much more limited. This doesn’t mean minor crops are a bad idea for your farm, but it’s important to understand what you’re getting into.

Markets and agronomics change over time. The market for hemp seed is much more developed than it was a decade ago and producers are now concentrating on seed production rather than fibre. At the same time, acreage has shifted from Manitoba to Saskatchewan. In 2015, Saskatchewan had an estimated 50,000 acres compared to only 7,000 in Manitoba.

The popularity of soybeans in Manitoba has cut into the acreage of dry beans. Risula wonders if that might mean an opportunity for dry beans on dryland in Saskatchewan.

Some crops start small and become widely adopted. From a few thousand acres in the mid-1970s, lentils were grown on 3.6 million acres in Saskatchewan last year. It started with green lentils, but now red lentils are king.

Other crops such as coriander are unlikely to grow past a small acreage because the market is limited. Overproduction can lead to low prices and delayed sales opportunities.

Whatever cropping options you explore, the best advice is to do your homework. Get all your questions addressed by talking with marketers, agronomic experts and especially other producers.

Hemp and faba beans

BY JOHN DIETZ

In 2015, Langenburg, Sask., agronomist, farmer and Agri-Trend coach Terry Aberhart committed to two emerging crops: industrial hemp and faba beans.

“Probably 80 to 90 per cent of our crop was wheat and canola five years ago. This year we grew about 3,200 acres of canola; 2,200 of spring wheat; 1,500 of winter wheat; 1,500 of hemp; 1,400 of malt barley; 1,000 of flax and 150 of faba beans,” he says.

“I really like growing a crop where the end user is in Winnipeg and I have a direct relationship with that end user,” Aberhart explains. “My product is used in a local business and it gets put on a grocery shelf that I can walk by. I like that whole value proposition and supply chain idea.”



FABA BEANS

“My product is used in a local business ... I like that whole value proposition and supply chain idea.”

Before committing, he wants a high level of confidence about success – a good yield the first time, attractive contracts, a level of protection, deliveries in good time and profit for his efforts. He found all that with his first commitment to industrial hemp: 400 acres for Manitoba Harvest Hemp Foods in 2014.

“Our first hemp crop, with all the coaching and feedback we had, was very successful. Going in, we were aware of a lot of the challenges with harvesting and handling, and we still learned some lessons. In the end, it was the best crop for us that year.

“On the marketing side, it’s been positive. We continue to do market research, but this year we grew 1,500 acres – mainly because we do see a pretty good opportunity,” he says.

The faba bean crop has strong appeal. “I’d really like to have another pulse in the rotation,” he says. “We’ve moved away

from peas, due to issues like root rot, and we’ve tried soybeans, but they’re not ready to be profitable for our area yet.”

Selling the faba beans caused some concern. “I was fairly leery because of what I’d heard about some contracts and some buyers. It’s the first time I’ve dealt with this company, too,” he explains.

“To limit risk, we only grew a quarter and contracted half the production.”

Aberhart makes his own crop plan, then reviews it with his farm management team.

“I go to the team with why we want to do this, and ensure we have their support. It helps, when somebody’s pulling hemp out the back of the combine, if your team knows why,” he says.

Hops: small acreage with high potential

BY ALLISON FINNAMORE



Multiple varieties suit Canada's growing conditions, and each creates a different taste in the beer.

Elliott Currie, associate professor at the College of Business and Economics at University of Guelph, studies hops market opportunities. He says each microbrewery is looking for its own distinct flavour characteristics, so the hops market in Canada is all about small-scale production. That lets brewers choose a hops variety and other production nuances to create a unique taste.

Provincial agriculture departments collaborate and share information, Currie says. Across the country, there are 79 acres of hops grown in British Columbia, five in Manitoba, 59 in Ontario, 69 in Quebec, 20 in New Brunswick and 7.5 in P.E.I.

Because of the need for arid growing conditions, yield averages are less than in larger hop-producing regions of North America like Oregon and Washington, Curry says. In eastern Canada, yield average is approximately 1,000 to 1,100 pounds an acre, compared to U.S. averages of around 1,700 an acre. And while large yields fetch \$6 to \$8 a pound, the smaller production areas in Canada get \$12 to \$16 a pound.

"You may only need three or four craft breweries on contract," Currie says.

Hops were commonly grown in Canada until Prohibition ended the market demand. They need similar soil conditions to grapes, and must be monitored closely for mildew. Like grapes, the hops take on the terroir of the soil. And like apple trees,

they have a two- to three-decade lifespan. Multiple varieties suit Canada's growing conditions, and each creates a different taste in the beer.

After the initial work and outlay to set up a hopyard – with poles and vertical wires to support the seven- to eight-metre-tall growth – maintenance and harvest are the main expenses. Further specialization comes with drying and roasting on the farm, at a processor or in the brewery.

Acreage may be small but the opportunities are large, Currie says.

"It's not going to be a flash in the pan – people have been drinking beer for a while," he says. "And now, with the aging palates of an older crowd, there's more interest in craft brews. The volumes are going to be small – you could have six to eight varieties per acre – but the returns are good." ■





AG ECONOMIST BLOG

J.P. GERVAIS
FCC CHIEF AG ECONOMIST

Conventional wisdom suggests that exports increase when the loonie falls. FCC Ag Economics looked at 20 years of data to see if that has actually happened to Canada's exports of crops and livestock. We found that in the 3 to 6 months after the dollar changes, markets respond quickly but not always as we'd expect.

What does it mean? Plan for the long haul and don't sweat the short-term changes in exchange rates. Innovation, increasing productivity and developing solid trade relationships will help drive revenues, no matter what the exchange rate is doing.

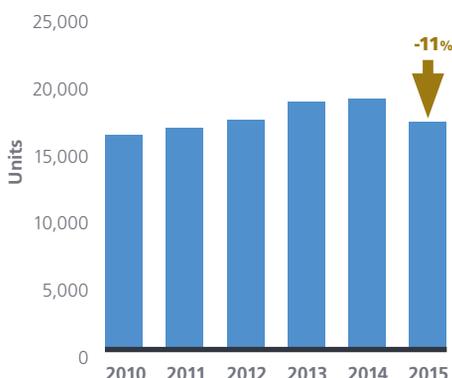
Source: A 2015 Look at Global Trade
fcc.ca/Trade2015

[@jgervais](#) | Blog: fcc.ca/AgEconomist

CANADIAN AG EQUIPMENT SALES SLOWING

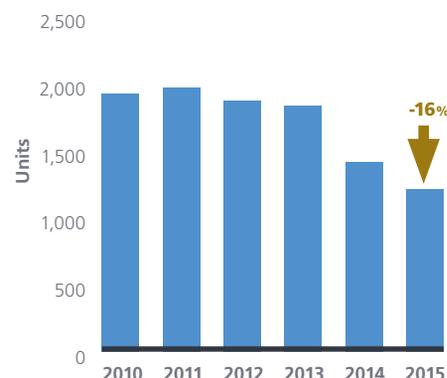
According to the Association of Equipment Manufacturers (AEM), farm tractors sales are down 11% and self-propelled combines are down 16% through the first three quarters of 2015 as compared to the same period in 2014. Compared to the 5-year average (2010-14), sales of tractors are down 3%, while combine sales are down 33% (January to September).

Canadian Tractor Sales



Source: AEM

Canadian Combine Sales



Source: AEM

Despite the year-over-year decline in equipment sales, prices have increased. According to Alberta Agriculture and Forestry, prices of new tractors are up roughly 15% and combine prices are 9% higher in September 2015 as compared to September 2014.

U.S. ethanol industry impacts corn demand

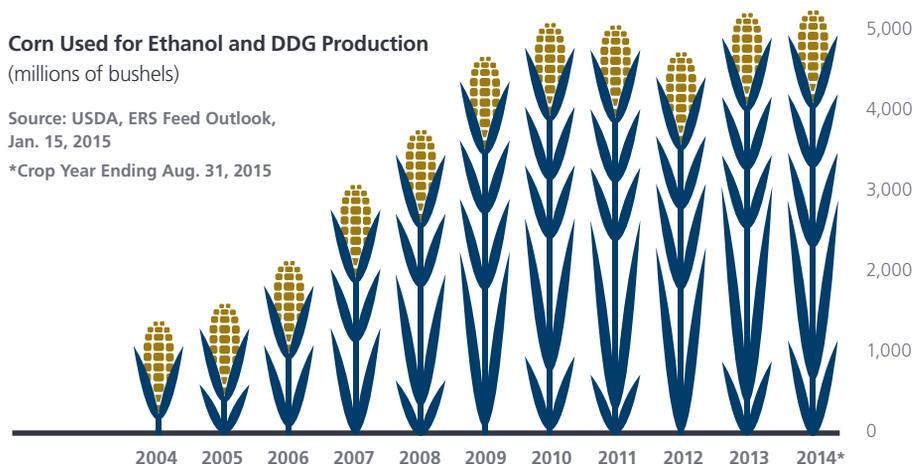
In 2004, 1.32 million bushels of U.S. corn was used to produce ethanol. By 2014, that number had risen to 5.17 million bushels – a whopping 36% of total corn production.

Concerns about global warming and a reliance on foreign fossil fuels were primary factors driving policy in the U.S. and Canada, and there is some political pressure in the U.S. to revisit the targets. Experts say that even a nominal reduction in ethanol mandates could have a major impact on corn markets.

Corn Used for Ethanol and DDG Production
(millions of bushels)

Source: USDA, ERS Feed Outlook, Jan. 15, 2015

*Crop Year Ending Aug. 31, 2015



Tile drainage: the ultimate risk-management investment

BY PETER GREDIG



If someone told you there was a tried-and-true product available that would consistently increase your crop yields by 29 to 36 per cent, you would probably pay attention. These are the estimated yield benefits for systematic tile drainage in Ontario.

According to Sid Vander Veen, drainage co-ordinator with the Ontario Ministry of Agriculture, the tile business in Ontario is booming. “We’ve been doing an annual

survey since 1976 on agricultural tile sales in the province, and we are close to record highs in recent years. Over 180 million feet of tile went out in 2014,” Vander Veen says. The primary driver? High crop prices and land values.

It’s not cheap. It can cost \$1,000 an acre or more depending on the property, but when land values are spiking, tile drainage is a proven way to boost production and revenue potential from your existing land

base. “Yes it’s expensive, but if we do a comparison of tile drainage costs versus new land purchase price, tile has never been cheaper,” Vander Veen says.

Harold Rudy, executive officer of research and business development with the Ontario Soil and Crop Improvement Association, sums it up nicely. “For high-value crops and productive land, tile drainage should be considered an essential capital investment to reduce risk.”

More than yields

The benefits go beyond yields. “Soil losses can be reduced by a factor of 10 due to less surface runoff,” Rudy explains. “We know tile releases water more slowly over a longer period of time.”

There are tax management advantages, too. Tile drainage costs are fully deductible in the current tax year, or you can carry all or part of the expense forward for up to five years to maximize the benefit in a high-income year.

John Vangorp started Vangorp Drainage near Aylmer, Ont., in 1968, and has witnessed shifts in production practices over the years that make tile drainage even more valuable to Ontario growers. Reduced tillage, more crop residue left on the soil surface, a desire to plant earlier – all these factors make it very valuable to have fields that dry quickly and uniformly.

“There are farmers in southern Ontario with fields tiled 20 and 30 years ago, on 30- and 35-foot spacing, who are now going back in to split those runs and have tile every 15 feet or so,” Vangorp says. “They see the problem areas that are outside the reach of the existing tile.”

Rudy adds that we are learning how important tile drainage can be for managing compaction. “Closer tile spacing helps minimize compaction, because the whole field will be more uniform. You won’t have wetter soils in between the runs that can be susceptible to compaction in spring and fall.”

Do-it-yourself tiling

The basics of tile drainage haven’t changed – water still runs downhill. But Vander Veen points out that GPS technology and software that takes elevation into account

have made it easier to efficiently map out how tile runs should be oriented for maximum benefit. The same tools are also available for those who want to buy a pull-type tile plow and do their own tiling.

Jordan Wallace of GPS Ontario sells Liebrecht Tile Plows that farmers can pull with their own tractors. Horsepower requirements depend on soil type and how deep the tile needs to go. Horsepower of 200 is a minimum, but tractor weight is equally important. “The plows work best with tractors that are at least 28,000 to 38,000 pounds,” says Wallace. “Larger-acre farmers tend to have an articulating tractor that can handle a plow nicely. Many drainage contractors are so busy it can be hard to get them in when you want them. Having your own plow lets you get tile in right away and take advantage of those short windows when soils are dry and you do the least amount of damage and compaction. After winter wheat harvest is the best timing.”

Another advantage to owning a plow is that a farmer can put a short run in to solve a problem spot – a job that wouldn’t be worthwhile for a contractor.

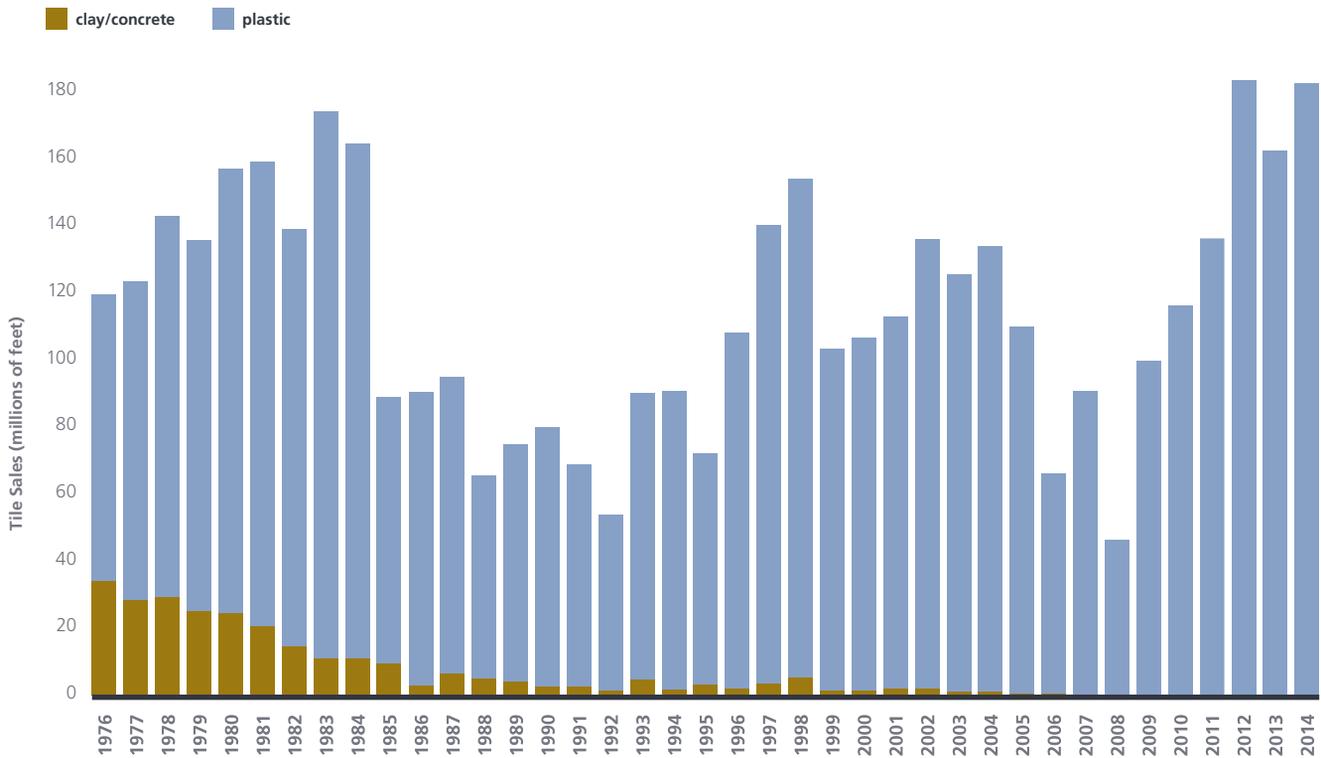
Wallace emphasizes there is a learning curve involved, and some soils and terrain are easier to tile than others. “You also have to look into what the local code is for accessing or creating outlets. Common sense prevails, but every municipality has their own guidelines.”

There are long-established rules and guidelines to handle the concerns of neighbours. The drainage page at the Ontario Ministry of Agriculture, Food and Rural Affairs is an excellent resource (Ontario.ca/drainage).

No one disputes the productive benefits of tile drainage. The payback interval depends on average yields and crop prices. If the average corn yield is 160 bushels an acre and tile results in a 20 per cent improvement, this translates to 32 extra bushels. At \$5 a bushel, that’s \$160 more revenue per acre. Under this simplistic scenario, the tile drainage would pay for itself in six to seven years.



Agricultural Drainage Pipe Sales in Ontario
1976-2014



Vander Veen cautions that the law in Ontario does not allow a farmer to do custom tiling for others. You can buy a plow and tile your own land, but only licensed contractors can tile someone else's. "I have seen a lot of farmer-installed tile drainage and I compare it to do-it-yourself electrical wiring jobs. It can be fine, or it can be a disaster. Licensed contractors have to pass numerous rigorous tests and complete an apprenticeship. Their plows are also tested. A poor tiling job is worse than no tile, because it causes wet spots."

While installation is becoming more and more efficient, both Wallace and Vangorp point to the rising cost of plastic drainage pipe as a challenge. "The cost of tile has risen almost 10 cents a foot over last year to about 45 cents a foot," Vangorp says.

High demand and few suppliers are driving the price hikes, even though lower oil prices should translate to cheaper tile.

Manitoba and beyond

With the strong revenue potential in parts of Western Canada in recent years, more farmers in Manitoba are considering tile drainage. John Vangorp has 45 years of experience as a tile drainage contractor in Ontario, but he recently bought a farm in eastern Manitoba and says there are places in Western Canada where it makes sense to put in tile, especially where high-value crops like potatoes are grown.

There are some significant differences that jump out at him. First, there is little in the way of established infrastructure of municipal drains or outlets that farmers

can access to take away water. This is a significant challenge. "In some cases you would have to pump away the water collected by tile drains, which means you probably need electrical power nearby," Vangorp says.

Lack of slope or "fall" is another challenge that is not common in Ontario but can be on the Prairies, with some places having as little as one foot of slope over one mile.

Controlled tile drainage

Flat terrain can be an advantage, though. An emerging concept called controlled tile drainage is actually a better fit for areas that do not have much elevation change. The main difference between standard tile drainage and controlled drainage is that the system is designed to allow water to get

“Places like Manitoba that have no existing tile drainage in place are well positioned to try controlled drainage because there is no working around tile that is already there.”

away but valves or controls are built into the system so that when moisture is needed for plant growth and development, water is retained by closing the controls.

“We are seeing economic benefit to controlled drainage – it makes sense for certain crops, soil types and land profiles. Managing it has been a bit of a challenge. Growers need to turn valves on or off depending on the time of year and whether they want to keep or get rid of water. Slogging out to wet fields during a deluge to open a series of valves was problematic,” Rudy explains.

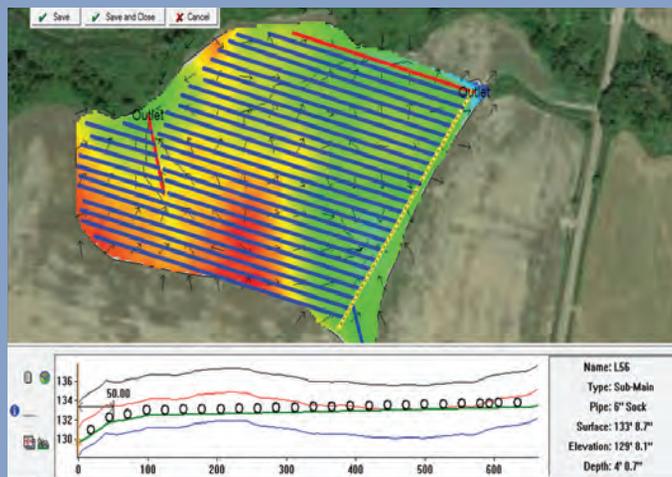
The good news is that with automated solar-powered valve controls or even the ability to operate the system from a smart phone, the management will get much easier. “Places like Manitoba that have no existing tile drainage in place are well positioned to try controlled drainage because there is no working around tile that is already there,” Rudy says.

In many regions of the country, even though too much water can be an issue, tiling isn't feasible because of economics, topography or the availability of drainage. However, in regions where the practice is feasible, the productivity and conservation gains have been remarkable. ■

Follow Peter: @agwag

TILE MAPPING GETS ASSIST FROM TECHNOLOGY

Commercial software packages that take elevation and GPS co-ordinates into account make it much easier to plan tile layouts that are efficient to install and maximize drainage. These maps are used by the GPS guidance systems on the tile plow or tractor.



The lines on the map show where tile runs will be installed, and the arrows indicate the direction water will flow in the tile. Field topography is referenced by colour. The cross section below the map shows how deep the tile will be installed.

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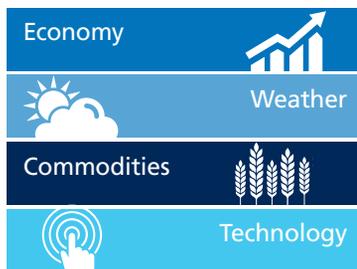
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Interconnected equipment talks efficiency

BY PETER GREDIG

It can be hard to find skilled equipment operators. The basics required to drive a combine, sprayer or tractor with various implements aren't complicated, and auto-steer is a big help, but to really do a good job the operator needs to understand how the machine works and how it should be driven so it performs optimally.

Equipment manufacturers are starting to build machines that can communicate with each other. A good example is New Holland's IntelliCruise technology that will be optional on select baler models in 2016. An advanced ISOBUS III connection between baler and tractor lets sensors on the baler regulate tractor speed so the optimum amount of material is being fed into the baler at all times. This means the operator no longer has to speed up and slow down to accommodate variations in the windrow. It's easy to think of other examples where having the implement dictate tractor speed could be valuable.

Another good example of interconnected equipment is John Deere's Machine Sync, which uses radios in the combine and grain cart tractor to synchronize the speed and GPS location of both vehicles for unloading on the go. It also makes it easy to co-ordinate two or more machines working in the same field – planters or sprayers for example – so they're using the same guidance plan and working together efficiently to cover the field.

Grain cart manufacturer Kinze has also been working on technology they call the Autonomous Harvest System. It uses radar, cameras and GPS to remove the driver from the grain cart tractor: everything is controlled from the combine seat. Search YouTube for "Kinze Autonomous Harvest" to see it in action.



Equipment manufacturers are starting to build machines that can communicate with each other.

Early indications are that these systems work. But for farmers considering the technology, the issues are cost, reliability and safety. We went through the same concerns with auto-steer, and it has become mainstream. It's likely that with greater uptake and field experience the costs will come down, and performance and payback will be less of a question mark.

At least one farmer is forging ahead on his own. Last harvest, Manitoba grain grower Matt Reimer experimented with existing guidance hardware used by remote control toys and drones, combined with a mobile app he partially programmed himself.

The end result was a driverless grain cart tractor that can be summoned to the combine for on-the-go loading. Matt invested a lot of time in the project, but out-of-pocket costs were less than \$5,000. He sees great potential for efficiency and payback, and already has some ideas for improvements for next year.

Matt is a bleeding edge innovator, but the signal is clear for all of us that interconnected equipment is on the way. ■

Mental health checkups are for farmers, too

BY MARK CARDWELL

Farming is a unique way of life that offers many rewards. But many pressures also come with the territory, from market prices and debt loads to machinery upkeep and repair to weather and dealing with family. And unlike most jobs, farmers can't go home and leave those worries behind.

You don't have to be a rocket scientist – nor a psychiatrist – to get an inkling for the impacts that such relentless responsibilities can have on mental health. Many studies show a direct correlation between chronic stress and a multitude of mood disorders, including depression. It also increases the risk of developing a host of health problems, including diabetes, heart disease, cancer and weakened immune systems.

Trouble is, farmers have a reputation for being tough, and learn from an early age to put on a brave face and work through their problems.

"I fooled a lot of people," says Gerry Frieson, a prominent Manitoba farmer who struggled with depression a decade ago and now talks and writes about his recovery.

"Looking back, I now recognize it's ingrained in us that if we just work harder we will get rid of these problems, whether it's financial stress or depression."

It doesn't have to be that way. Awareness campaigns by various mental health care stakeholders, for example, have helped to both increase understanding and reduce

the stigma of mental health conditions. Treatment methods, too, continue to improve, as has the access to mental health services and programs.

"Many more Canadians deal with mental health problems every year than cancer, diabetes and respiratory problems combined," says Mark Henick, program manager with Mental Health Works (MentalHealthWorks.ca), an offshoot of one of Canada's oldest charities, the Canadian Mental Health Association.

According to Henick, who became a mental health advocate after a passerby stopped him from jumping off a Cape Breton bridge at age 15, most mental health conditions are treatable.

"The challenge for many people, especially middle-aged and older men," he adds, "is to realize mental health issues are normal." Henick says that realization can make it easier to seek help.

While that help is more accessible for people who live in big cities, where most mental health services are concentrated, the Internet is breaking down the distance barriers to rural regions. Saskatchewan, for example, is the first and so far only Canadian province to offer an online counselling service for depression and anxiety (OnlineTherapyUser.ca).

Led by psychologist Dr. Heather Hadjistavropoulos from the University of Regina, the free service notably offers a five-lesson course on how to improve well-being and cope with problems. ■

Supporting a loved one

When you're caring for someone experiencing mental illness, your own needs are just as important. Here are some tips from the Canadian Mental Health Association.

- Accept your feelings, and know you aren't alone. Let yourself feel what you need to feel.
- Learn more about mental illness to help you understand what your loved one is going through.
- Stay connected. Talk to trusted friends and family, and let them know what you're experiencing.
- Join a support group to share your experiences and connect with people who understand.
- Take time for yourself. It can help you recharge and give you a more balanced perspective.
- Seek help for yourself, especially if you find your own well-being slipping.
- Develop coping strategies for challenging behaviours, and discuss behaviours you won't tolerate.

Download the full brochure at cmha.ca.



A life in ag never ends

After more than three decades with FCC and over a dozen years as head of Marketing, Lyndon Carlson is retiring. Lyndon was instrumental in shaping FCC's overall marketing strategy, particularly our focus on providing knowledge, insights and business management tools – like AgriSuccess – to the Canadian agriculture industry. He was also a leader and driving force behind Agriculture More Than Ever.

When I look back at my 33 years at Farm Credit Canada, there's a lot to be grateful for and proud of. I'm blessed to have worked for an ag company truly committed to making our industry successful. That's important to me because, like many people at FCC, I've spent my life in agriculture. I grew up on a mixed grain and beef farm in Saskatchewan – two of my brothers still farm there to this day. I know firsthand how rewarding a life in agriculture is. I've felt the nerves of showing my first heifer in 4-H. I've surveyed a bumper crop with pride, and a field devastated by a hailstorm with helpless frustration. I've seen the ups and downs of this industry over the years and the profound effect they have on its people.

This personal connection to agriculture has helped shape my decisions and vision during my time at FCC. My career here has been focused on how we can support our customers in doing great things for themselves and this industry.

Because this is a great industry powered by great people.

I've been lucky to meet many of you in my travels through the country – your passion and drive to stay ahead of the curve of this ever-changing industry always left me energized to do more. For more than a decade FCC has been committed to helping you stay ahead of that curve, sharing ag knowledge online, in print with publications like this, and in person at events across Canada. And while I'm proud to be a part of the team that brought this to you, and a company that saw value in it, I'm more proud of your response – 100,000+ attendees at live events, and more than 500,000 video and podcast downloads from fcc.ca. And this magazine, AgriSuccess, now reaches more than 80,000 farm families with each issue. We possess a shared passion for agriculture.

We want to see the industry grow, and we're committed to doing what we can to assist in reaching that promising future.

When it comes to the Canadian agriculture industry, we have much to be excited about. And we need to share that excitement with the world. Get out there. Be an advocate. Get involved with Ag More Than Ever. Stand up, speak up and show up for this industry we all love. Be a voice that changes people's relationship with ag and the food they eat. And be relentless. Practice persistent positivity. Because passion is contagious, and it will help shape the environment we have to do business in now and far into the future.

It's been an absolute privilege to serve this industry for my entire career, and while my time at FCC is coming to an end, being a champion for agriculture isn't. I'll continue to celebrate industry victories and share my real, positive ag story with the world. I hope you do the same. Because a life in agriculture never ends. It's in our blood. It's in our hearts and minds. Let's make sure it's in our voices, too.

Thank you.

We all share the same table. Pull up a chair.



“We take pride in knowing we would feel safe consuming any of the crops we sell. If we would not use it ourselves it does not go to market.”

– Katelyn Duncan, Saskatchewan

“The natural environment is critical to farmers – we depend on soil and water for the production of food. But we also live on our farms, so it’s essential that we act as responsible stewards.”

– Doug Chorney, Manitoba



“The welfare of my animals is one of my highest priorities. If I don’t give my cows a high quality of life they won’t grow up to be great cows.”

– Andrew Campbell, Ontario



Safe food; animal welfare; sustainability; people care deeply about these things when they make food choices. And all of us in the agriculture industry care deeply about them too. But sometimes the general public doesn’t see it that way. Why? Because, for the most part, we’re not telling them our story and, too often, someone outside the industry is.

The journey from farm to table is a conversation we need to make sure we’re a part of. So let’s talk about it, together.

Visit AgMoreThanEver.ca to discover how you can help improve and create realistic perceptions of Canadian ag.



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