

# AgriSuccess

**START A FARM  
FROM SCRATCH?  
DIFFICULT,  
BUT POSSIBLE**

**HOW FORMAL  
AGREEMENTS CAN  
SAVE FARM FAMILIES**

**BE A BETTER  
PROBLEM-SOLVER:  
CHANGE YOUR  
PERSPECTIVE**





COVER STORY

## YOUNG FARMER PROFILE

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*With pride in agriculture and a positive yet realistic outlook, AgriSuccess is dedicated to helping Canadian producers advance their management practices. Each edition aspires to present content that is:*

- engaging
- motivational
- innovative
- actionable

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# Are your kids going to farm?

I ran into a long-time acquaintance and it didn't take long for the conversation to turn to farming. He and his wife run a successful grain operation and I was surprised to hear that they had downsized, dropping about one-fifth of their land base.

"Was that rented land?" I asked.

"Yup," he confirmed, "it came up for sale and we thought about buying it, but decided we'd take life a bit easier and try to do a better job on the rest of the land."

The couple has children, who are all just completing their education and starting careers. At this point, there's no indication that any of the kids will want to farm.

What will the decision to not buy that land look like 10 years from now?

If none of the kids end up farming, it may have been the best decision. It can take a long time to pay for land and while it has historically been a good investment, there's no guarantee what it will be worth in another 10 years.

Plus, work-life balance matters. We only live once, and not buying that land is a reasonable decision for people in their 50s and 60s who want to start slowing down.

On the other hand, if one or more of the kids decide to come back to the farm, letting that land slip away might be a regrettable decision.

Land isn't always available to purchase and over most time periods it has appreciated in value. Increasing the land base a decade from now could be even more expensive.

There's no right or wrong answer, just an observation that important decisions are easier when everyone's future intentions are clear. Knowing for sure (or as sure as you can be) if the kids are going to farm really helps with planning.

We welcome all your feedback and story ideas. Email [kevin@hursh.ca](mailto:kevin@hursh.ca) or tweet [@kevinhursh1](https://twitter.com/kevinhursh1). ■

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**KEVIN STEWART** / Podcast host Kevin Stewart produces award-winning programming for AgVision Media, and is an active keynote speaker on success and thought leadership issues in ag.

# Cut tax bills with lifetime capital gains exemption

BY LORNE McCLINTON

Canada Revenue Agency (CRA) allows farmers and fishers to reduce tax exposure on the sale of qualified farmland, quota, qualified fishing property, shares in a farming or fishing corporation and interest in a farming or fishing partnership with a \$1-million lifetime capital gains exemption (LCGE). A similar \$824,176 exemption is available for the disposition of qualified shares of a small business corporation.

Capital gains are calculated by deducting the original purchase price of an item from its current value. Say, for example, you purchased a parcel of land for \$300,000 in 1996. If you sold it today for \$1,000,000, you would have a \$700,000 capital gain.

“All types of capital gain, whether farmland or capital gains on stocks, are 50 per cent taxable,” says Kelvin Shultz with Wheatland Accounting in Fillmore, Sask. “It has to be reported on your tax return as income,

and unless it’s covered by your LCGE, it’s taxed at a rate determined by your tax bracket.”

The LCGE has undergone significant revision since the Government of Canada first introduced it in 1988. Initially, all capital gains were eligible, but over time the program slowly changed to its present form. That’s important to remember: just because farmers, fishers and small business shareholders can use the LCGE today, there is no assurance this will always be the case.

## What’s in and what’s out

Most farmland, quota, shares in a farming corporation and interest in a farming partnership are eligible for LCGE, Shultz says. Other capital gains you might have from investments in commercial real estate, stocks and mutual funds aren’t.

“The LCGE does have some rules that have to be kept in mind,” Shultz says. “The basic rule for farmland is that you have to have owned it and actively farmed it for two years during which your gross farming income exceeds all other sources of income. After the land has qualified for the LCGE, it can be rented out without affecting its eligibility. However, farmland that was purchased as a real estate investment and immediately rented out would not qualify.”

Shares in farming corporations are more complex, Shultz says. For example, holding excess cash in the corporation, more than you would need for your annual operating expenses, could throw you offside. Likewise, if more than 10 per cent of the corporation’s assets are inactive, such as cash or farmland being rented out, it’s a problem.

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“All types of capital gain, whether farmland or capital gain on stocks, are 50 per cent taxable. It has to be reported on your tax return as income.”

## Exemption pitfalls

The LCGE has tremendous tax benefits for farmers, but there are issues like the alternate minimum tax (AMT) that can catch you off guard, Shultz says.

“AMT is a tax calculation that runs in the background all the time, but you never see it until you use a large amount of some tax benefits, such as RRSP deductions or the LCGE. When this occurs, your minimum tax can exceed your regular tax and you are forced to pay the minimum. This can be significant; in some cases I have seen minimum taxes in the neighbourhood of \$60,000 or \$70,000. You have to pay the AMT up front, but it’s refundable over the next seven years and comes off your tax bill when you owe taxes. So it’s not an issue in the long run, but it can create a cash flow issue.”

While your LCGE will offset a lot of taxes, 50 per cent of your capital gains still have to be entered as income on your tax return. This can be significant. For example, a senior receiving Old Age Security would find the capital gain triggers a clawback if it raises their income above \$72,809 (in 2015).

It would have the biggest impact on seniors receiving the Old Age Security supplement or people receiving the child tax benefit. It would also eliminate the GST benefit for low-income earners.

## Multiple title owners

Just because two people are registered owners of a parcel of land doesn’t mean they can both claim LCGE benefits. If a spouse isn’t involved in the farm and has never taken income from it, it’s very difficult to argue they should get half the capital gain.

“Technically, whether both a husband and wife, for example, could claim LCGE would depend on who the beneficial owner of the farmland has been,” Shultz says. “If they operated their farm as a true partnership, and both benefited from income from the land, then both would be eligible to claim LCGE on it when it was sold.”



But if the husband historically claimed all the income from the land, it could be a different story. If the wife’s name is only on the title to avoid probate fees when it passes from the husband’s estate to the wife, then she would likely not get the deduction.

“It’s a grey area. Sometimes, if you look a little deeper, you can find factors that can sway a decision.” And good advice is important, because tax rules continually evolve. ■



**VIDEO:**  
Lance  
Stockbrugger  
outlines the  
pros and cons of  
incorporation.  
[fcc.ca/FarmCorp](http://fcc.ca/FarmCorp)



# Start a farm from scratch? Difficult, but possible

BY OWEN ROBERTS

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“I wanted to work with nature, rather than fighting with it.”

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## Where do I start?

Young people wanting to start a farm – particularly today, with farms getting so big – have many questions about entering the business. But one of the biggest questions is also one of the most fundamental: where do I start? The situation is exacerbated appreciably if the budding young producers are not from a farm, facing the prospect of finding their first piece of land to work.

Scott Beaton faced that kind of dilemma when he was starting out some eight years ago. He grew up outside the town of Rosser, about 20 kilometres west of Winnipeg, with farmland all around him and a desire to get into some aspect of agriculture. That led him to the University of Manitoba to get his agriculture degree. However, he didn't actually think about becoming a farmer at the time.

## What got his foot in the door?

An opportunity arose when an 80-acre parcel became available just outside his hometown. Scott knew it would not

provide a living on its own. But neither did it need to. At the time of purchase, he was working for the Farm Stewardship Association of Manitoba, co-ordinating the Environmental Farm Plan program. It was a good job, but with a limited future, given it was a three-year contract. Still, the salary he earned meant he had other ways and means to make ends meet.

And besides, the size of the parcel wasn't what counted. Rather, it was its productivity, and the chance to get a foot in the door, to own land across the road from where, ironically, his grandfather had farmed 30 years before.

And at the age of 25, it would give him the chance to hone his skills and learn about markets and management.

So, he got started. He laid down his money, took possession of the land and proceeded to farm it. A supportive neighbour he'd helped since he was a teen offered to lend him equipment, as a way of saying thanks.

That was Scott's answer to the question how do you start – in his case, you start small and with help from friends.

## How do you keep going?

Once you've taken that step, how do you keep going? How do you grow? How do you stay out of the red? How do you distinguish yourself and stand out from the crowd?

Well, for Scott, it meant diversifying. “I wanted to do things differently than other farmers nearby,” he says.

So he looked around at markets, at niches, and trends ... and took the next steps.

First, he decided to go organic, something he'd learned about during his time at the U of M.

“I wanted to work with nature, rather than fighting with it,” he says. “Plus, with fewer inputs, there was less risk and less outlay for crops I may or may not put in a bin.”

For example, he dedicated all but a tenth of his 80 acres to organic hemp. The remainder went to squash. And while he says the neighbours “looked at me funny” when he planted it, the venture turned out well when a baby food company in Portage la Prairie contracted his entire harvest well before seeding.

The next step was to rent another 20 acres that came available, part of the same section his original land is from. It was a hay field; he's now dedicated the whole thing to organic hemp.

“I knew if I worked 80 acres a year conventionally, I wasn't going to get anywhere,” he says. Doing all these



**Left:** Natural grassland Scott has protected under a conservation agreement.

**Below:** The faba, oats and clover plowdown returns nutrients to the soil.





different things is more work and time, but it has potential to pay well.” He might not realize that potential this year, but maybe in 2017.

## Diversification fuels farming full time

The biggest development in his drive towards becoming a full-time farmer came in 2012. That’s when his travels with the conservation agency he works for led him to a gorgeous half-section (with a good amount of forest) near Balmoral, about 30 kilometres from Winnipeg. The landowner Scott worked with suspected he was looking for property, and offered it to him on a rent-to-own basis.

Currently, this parcel has fall rye under-seeded to clover on the north quarter, and a green manure mix of faba beans, oats and clover on the south quarter. As he further drives towards diversification, he’s making this land organic too, and is thinking of experimenting with some small-scale vegetable production there in the longer term.

Scott, now 33, senses a huge appetite among young people to have a farm. But first they have to overcome some obstacles.

“They’re dumbfounded that anyone can actually start a farm even though they didn’t come from one, and with a small piece of land,” he says. “But a lot of established producers have a piece of land like that little hay field I rented. Those small corners are a great opportunity for a young conservation-minded person to give their ideas a try without incurring more risk than they dare.” ■

Follow Owen: @TheUrbanCowboy

## SCOTT BEATON'S CROPPING HISTORY

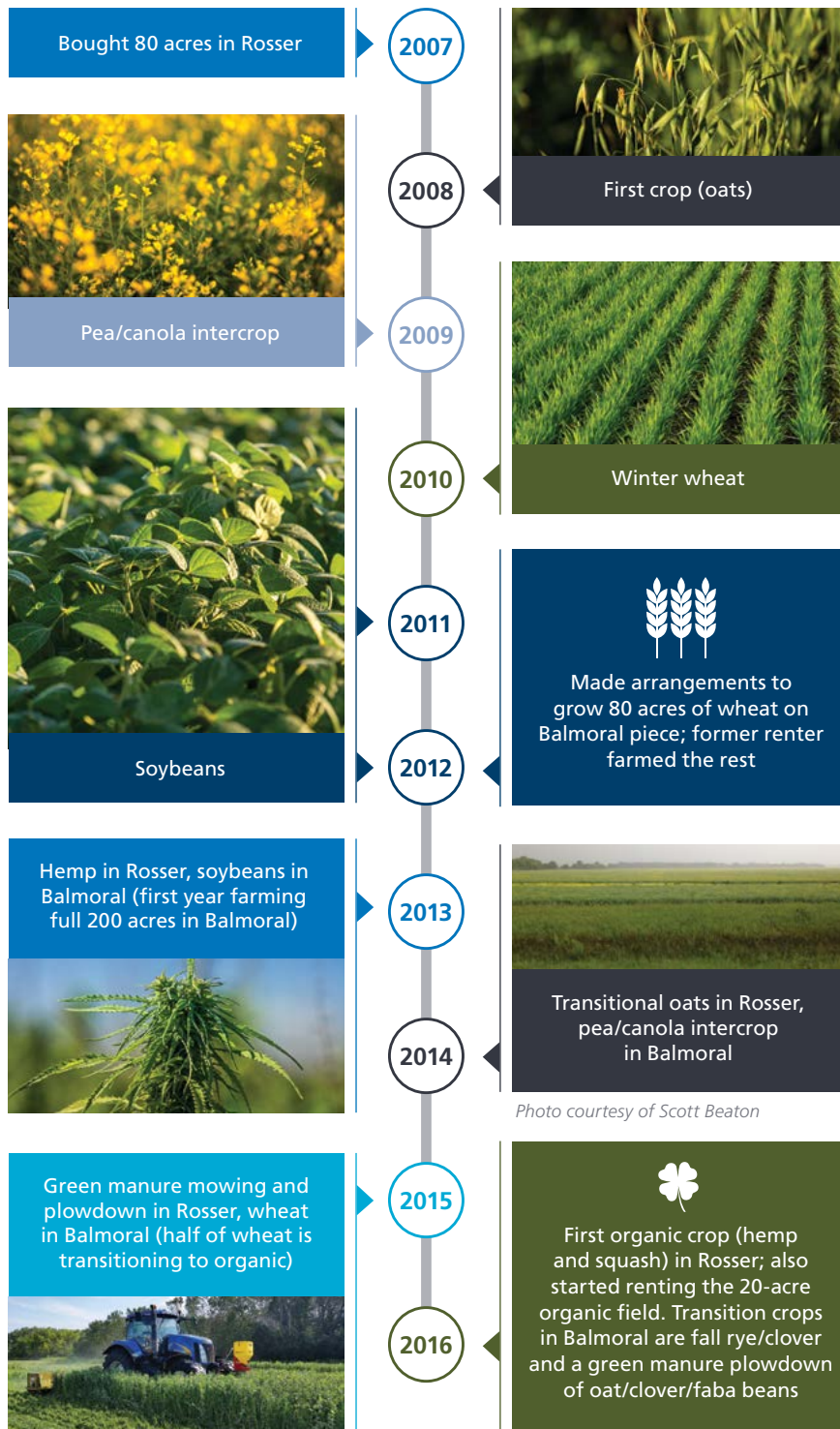


Photo courtesy of Scott Beaton



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# Full-time farming more viable

BY KEVIN HURSH

There are no reliable statistics on this, at least nothing timely, but anecdotal observations would suggest that a sizable contingent of young people have transitioned to full-time farming in the last couple of years. This is particularly true in the grain sector.

Maybe you've noticed the same thing. Perhaps it was your agronomist, your lender or your farm equipment mechanic. They always had some involvement in the farm, but farming is now their full-time endeavour. Their off-farm job has been filled by someone else.

The ongoing not-so-funny joke used to be that people needed a job to support their farming habit.

In the last half-dozen years, farm returns have been no joke. Nationally, with all sectors combined, net farm income has never been higher.

Suddenly, income from that job in the resource sector or that career as an agriculture professional no longer looms as large when compared to returns on the family farm. People who for many years had only farmed part-time, perhaps helping the family with seeding and harvest, have taken the plunge to become full-time farmers.

In Western Canada, the resource sector has slowed and many jobs have disappeared. For some, that has made the full-time farming decision a natural progression.

For many others, their job has remained intact, and they were earning good money, but the lure of farming was too powerful to resist. They always enjoyed the lifestyle and the thought of being an entrepreneur, and now the potential monetary rewards made the leap look viable.



In the last half-dozen years, farm returns have been no joke. Nationally, with all sectors combined, net farm income has never been higher.

Furthermore, the farm looks like it has the profitability to support more than one family as intergenerational transfer is worked out.

While an off-farm job or business means another cash flow, the cost of not enough farm labour can be high. What's the price tag associated with not getting seed in the ground in a timely manner? What's the cost of getting behind with herbicide or fungicide applications during the growing season?

Like many industries, agriculture has its ups and downs. It won't always be

buoyant. Weather isn't always great, commodity prices go up and down. And harvest can be the most critical time of all. A single large combine in a high-yielding, high-value crop might harvest \$100,000 worth of grain in a day. Pretty difficult to stay in an office doing your off-farm job when you could be running a combine or grain truck. ■

Follow Kevin: @KevinHursh1





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# Be a better problem-solver: change your perspective

THIS ARTICLE IS ADAPTED FROM AN FCC EDGE PODCAST WITH KEVIN STEWART



Many years ago I made an arrangement with the local Flying Farmers organization to fly over several counties in southwestern Ontario. Growing up and farming there, I knew the area between Chatham and London really well. Once up in the air, however, I was surprised to discover that the perspective from above was so different that the vast majority of the flight I had no idea where I was. It was a small cluster of counties that I thought I knew like the back of my hand, but I had never seen this perspective before.

This may explain why nearly every operation I've ever visited across Canada has an aerial photograph of their farm on the wall. The farmer is likely familiar with every square inch of his or her property, but a bird's eye view provides a very different perspective.

## Views shaped by tiny frame of reference

There's a lesson to be learned from that photo. I think most of us just assume that the way we see our circumstances is just the way it is. We think we're seeing the facts and we make choices based on that. Taking a ride in that plane, however, made me realize that our perspective of how things are can be shaped by a relatively small set of experiences. In fact, it's a bit scary to think that my view of reality is shaped by a very tiny frame of reference.

What we often perceive as hard facts may actually be perceptions we have created from our very limited frame of reference. Let me give you an example.

Most of us plan our lives around the concept of a day. Everyone knows that a day has one sunrise and one sunset, 24 hours. That's a day. These are the facts and it's been that way since the beginning of time. Really?

Many of you already know that these are actually perceptions based on where we live. If you live at the North Pole, for example, the sun does not rise and set once a day.



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Kevin Stewart.  
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It actually rises and sets once a year. Living there would change your perception of what a day is. If you lived on the International Space Station, 350 kilometres above the earth, the sun rises and sets 15 times a day. A person living there, of course, would have a completely different perception of what a day is.

These may seem like odd examples, but they help us be aware that we all see the world through filters, which means we don't necessarily see the entire picture of our circumstances.

### Know your blind spots

Did you know, for instance, that our eyes have actual blind spots? It's a small part of the retina that does not give you visual information. There are simple experiments you can do to find your blind spot. When you locate it, you can look right at an object and not see it. Most of the time you don't notice your blind spot because your brain automatically fills in this area with image information from around the blind spot.

We all have blind spots in our thinking too. This limitation while running a farm business, for example, can seriously hamper our ability to solve problems or to seize opportunities. That's why we often speak about the value of peer advice or even taking a vacation. It's all about finding ways to see your situation with fresh eyes.

### Simple solutions

The value of a different perspective hit me one day when I was racing in a triathlon. I've always had trouble swimming straight in open water. No matter how much I focus on proper swim technique, I almost always veer slightly to the right. A couple hundred metres into the swim portion of the race, I was already off course.

Two of my daughters watched as I struggled to navigate the waters of the Welland Canal. My older girl is a bit of a camera buff so she was taking lots of pictures. After the race, we reviewed the pictures and immediately it became obvious why I was swimming off course. It took about a minute of practice in the

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What we often perceive as hard facts may actually be perceptions that we have created from our very limited frame of reference.



Get a wide range of views of your situation so you can see an issue from as many perspectives as possible.

pool the next day to implement the changes needed to fix my stroke.

Problem solved. I had worked on this issue for months making adjustments from my perspective with little success. Seeing my swim stroke through the eyes of a camera changed my tiny frame of reference. The solution in this case became immediately apparent, simply because the perspective changed.

### Detailed analysis can be perfectly wrong

During World War II, Allied planes often returned from battle badly damaged by enemy fire. Statistician Abraham Wald examined hundreds of damaged planes. He initially concluded that the fuselage and fuel systems were much more likely to be damaged by enemy fire than the engine, the cockpit or the tail.

As a result of this initial finding, the military leadership wanted to reinforce these heavily damaged areas with more armour. Wald's data showed, however, that this approach was already being used and it was not bringing planes and pilots back safely, so Wald decided to change his perspective of the problem.

Rather than focus on the damaged parts of the planes, he decided to examine the parts of the planes that were not hit.

Immediately, it occurred to him: if all the planes returning had the engine, cockpit and tail intact, then the planes that didn't return must have been hit in the engine, cockpit or tail. His conclusion to protect the parts that don't have damage on the returning planes was unconventional, but it saved countless lives. A change of perspective led to the solution.

### What can you do?

If you've been part of your farm operation for a long time, you know how routines over time can challenge your objectivity, possibly even preventing you from seeing a fresh point of view. So here are four things you can do to improve your perspective and ultimately become a better problem solver.

- 1 | Make it a habit, if you can, to ask others' opinions. Get a wide range of views of your situation so you can see an issue from as many perspectives as possible. Ask your employees their opinions. How would your competition see this problem? What about a minister, a professor, a politician, even your mom? Peer advisory groups are perhaps the best way to gain this kind of fresh perspective.

- 2 | When possible, change your routine. If you always do things in the same order, in the same way, then change it up. If you go to meetings and always sit in the same seat next to the same people, then next time change it up and sit in a different seat.

- 3 | Walk when you need to think about solutions. Many historical greats did their best thinking while walking.

- 4 | Rearrange your office once in a while so you're not always looking at the same view. Change the art on the wall and the pictures as well. The goal is to provide that cognitive bump in the road so when you walk into your familiar setting, you don't automatically see everything the way you've always seen it.

Your view of opportunities and challenges in the farm business can be severely restricted by a very limited frame of reference. One sunrise and one sunset a day is all you know. When you embrace the value of a change in your perspective, and then take action to improve your perception, you have engaged in an elite leadership action that will make you a better problem solver. ■



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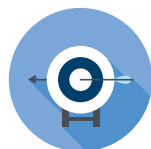


# 5 THINGS SUCCESSFUL FARMS HAVE IN COMMON

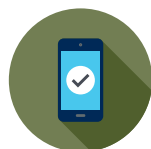
**No two farms are the same.** It's true, but what separates the mediocre from the great is actually quite consistent. A recent farm management conference identified five key components shared by successful farms, regardless of type.



1 An up-to-date balance sheet and projected cash flow



2 A marketing plan



3 An interest in adopting new tech based on return on investment



4 Strong production practices and skills



5 An annual strategic plan

Source: FarmForum.net

## DID YOU KNOW?

Farmers with **written safety plans** have more comprehensive coverage of potential safety issues than those with unwritten plans and procedures in place.

Source: Canadian Agricultural Safety Association

## THE ORGANIZED OFFICE

### ? We asked farmers for their top paperwork hacks

If you're like most farmers, you dread that necessary evil: paperwork. No one really likes the admin side of running a business. Falling behind can cost you in real dollars from missed payments, a field application mistake or lost tax deduction.

**Make it easy:** Have an accessible, one-stop-drop for paperwork and receipts, pre-sort it if you can (colour coded files aren't necessary, but make sure everything is well labelled).

**Keep it current:** Whether it's notes on your smartphone or into a notebook, find time every day to get the salient details recorded somewhere and then transferred to where you'll be able to find them later.

**Commit to it:** From paperwork to data tracking, or entering data on spreadsheets or through an app – it all takes time. Make it a priority each day or each week in order to stay current.

“

**“We do not inherit the land from our ancestors – we borrow it from our children.”**

Adapted from Wendell Berry in  
“The Unforeseen Wilderness”

”

# How formal agreements can save farm families

BY KEVIN HURSH

The human and financial costs can be extremely high if farm enterprises aren't properly structured with written agreements or if important business decisions are neglected.

Commercial lawyer Rick Van Beselaere often sees the impact of poor farm enterprise planning. Based in Regina and a partner in the law firm Miller Thomson LLP, many of his clients are farmers.

"Good legal and accounting advice doesn't always save families from strife, but the lack of proper agreements can contribute to strife, and certainly contributes to the difficulties resolving or otherwise addressing conflicts," Van Beselaere says.

Kerry Riglin, a financial consultant and farm succession and estate planning specialist based in Wainwright, Alta., agrees.

"Without proper agreements and planning," Riglin says, "there can be hundreds of thousands of dollars in taxes that could have been avoided, particularly as it relates to the lifetime capital gains exemption."

## Planning for problems

Many of us choose to avoid dwelling on what would happen in the event of an untimely death, divorce or disability, but the possibility of these misfortunes makes planning vital.



RICK VAN BESELAERE

"You have to plan for solutions to problems that might arise and you need to have your processes change to match the changes in your operation."

What if Mom dies, Dad remarries and suddenly there's a blended family? Or what if someone in the farm operation ends up with a debt problem?

"You have to think of the eventualities," Van Beselaere says. "You have to plan for solutions to problems that might arise and you need to have your processes change to match the changes in your operation."

Van Beselaere cites a case where one of the partners in a farm started building and working on his own farm on the side. This left the other partner – his brother – and the parents' farm that worked closely with the sons' partnership, in an increasingly difficult situation. He had become part-time in the farming partnership with divided loyalties, while the other partner was devoting much more of his time and attention to the partnership. There was no partnership agreement to address this situation, and the brothers did not work through the conflicts until it was too late.

Expenditures are another common issue in partnerships. Often there are many individuals spending money on behalf of the business as well as taking money for personal use.

## Cover off with agreements

"Partnership agreements should cover the structure, such as whether ownership is split 50-50 or 60-40 between two partners," Riglin says. "And especially if the partners are not spouses, there should be procedures stipulated for the disability, death, disagreement or the exit of a partner."

For corporations, Riglin says it's important to have a unanimous shareholder agreement, or USA, to cover the same eventualities. Unfortunately, he says, most corporations do not have a USA or they have one that isn't sufficient. While not as critical if a husband and wife are the only shareholders, a USA becomes very

important if a daughter or son enters the corporation.

Riglin points out that even if Dad changes his will to not forgive the value of outstanding shares, the USA will prevail.

A valuation process for assets is also needed. An agreed-upon way to determine what the assets and therefore the shares are worth is needed for shareholders either buying into the corporation or exiting. It's also useful for addressing equalization issues for non-farming children, an issue that has increased in importance as farm assets have appreciated in value.

## Rules can be complicated

In sole proprietorships, there's often an assumption that registering land in joint names is enough to achieve the lifetime capital gains exemption for the farmer's spouse. However, Riglin points out that to qualify, the person with their name on the title must have two years where the gross farm income exceeds all other income. (See this month's Your Money column on page 2.)

In many operations, there is no formal partnership agreement, which could also affect the capital gains exemption.

"In corporations, regular meetings and a definition and understanding of roles and powers are required," Van Beselaere explains. "Many people don't realize there are different roles, responsibilities and powers for shareholders versus officers of the company. Many people do not understand the differences between those positions, nor do they understand how the corporation is to be governed in the absence of written shareholder agreements."

Riglin often finds himself in the role of quarterback working back and forth with a lawyer and accountant to make a plan work on behalf of a farm client.



KERRY RIGLIN

"If the partners are not spouses, there should be procedures stipulated for the disability, death, disagreement or the exit of a partner."

Van Beselaere works with accountants, succession planners and other experts both in setting up the operations and, in other cases, advising a party when conflicts occur and disputes grow to become all-consuming.

While producers need professional advice and guidance, they need to stay engaged and know enough to ask the proper questions. The rules change and farm operations evolve. For instance, farmland was often included within a farm corporation back in the '70s and '80s. Now the advice is typically to maintain land as a personal asset, particularly if it's free and clear from debt.

Sometimes farmers try to save money on legal and accounting fees. However, those fees can pale in comparison to lost tax exemptions, the legal fees to wind down an operation or the costs (both economic and personal) of fighting legal battles between unhappy partners or shareholders. ■



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# Temple Grandin's fight for farm animal welfare

Animal welfare issues have become much more important in both Canada and the U.S. What's your advice for farmers trying to build trust with consumers?

The first thing is to communicate with the public. I've looked at a lot of survey data and what that data shows is that a farmer or rancher is credible with maybe half of the consumers, whereas a food public relations thing is credible with maybe 17 per cent or so. Farmers or ranchers should communicate directly with consumers.

You have to remember what the farmer or rancher considers chores are interesting to kids. Something as simple as a loader scooping up grain or just going out feeding or working cattle; those things are interesting to young kids.

The other thing is, bad stuff needs to be cleaned up. Now, handling has gotten way better. Slaughterhouse conditions are way, way, way better. There are areas that need to be cleaned up. One of them is making sure old breeding animals in really bad condition are not put into the marketing chain. Old, skinny, low body score, emaciated cows and emaciated sows just need to be euthanized on the farm. Don't put them in the marketing chain.

Why are the slaughter plants doing so well in animal welfare?

One is that customers are auditing them and regulations have become stricter. Also, there are a smaller number of plants and what a meat packing plant does is simpler so they've gotten really good, but the frustrating thing is that people don't know about it. I've worked all my life improving slaughter plants and I want people to know that things are a lot better.

Cattle handling in feed yards and ranches is another place where things are definitely improving. I've been around for a lot of years and I can remember the bad old days of the '80s and early '90s when it was horrible. I was out all the time working on construction and people did some really bad things.



Photo courtesy of Rosalie Winard

Dr. Temple Grandin is a designer of livestock handling facilities and a professor of animal science at Colorado State University. In North America, almost half the cattle are handled in a centre-track restrainer system that she designed for meat plants. Curved chute and race systems she designed for cattle are used worldwide, and her writings on the flight zone and other principles of grazing animal behaviour have helped many people reduce stress on their animals during handling.

**grandin.com**

## TEMPLE GRANDIN

*Born in Boston, Massachusetts, Temple Grandin was diagnosed with autism as a child. She has become a leading advocate for autistic communities. In 2010, HBO released Temple Grandin, an Emmy Award winning film on Grandin's life.*





“There are lots of women now working in feed yards. There are lots of women working in the meat plants, so things have really changed. A lot of things have really improved.”

### What is a centre-track restraining system?

A centre-track restraining system is a conveyor that holds the cattle when they are moved up to the stunning area. It's a piece of equipment I developed. It's in all the major slaughter plants. If you want to see it work, you can look up “beef plant video with Temple Grandin.” I've also done pork plant video tours, turkey plant and sheep plant video tours.

I've also designed stockyards. Another thing I've done is designed curved handling systems – and it's really important to lay it out right. You want it so the animal goes around the bend and then comes back. Cattle want to go back to where they came from so you want to design it that way.

### Why have you been so successful despite your autism?

A lot of hard work, step-by-step hard work, one step at a time. Also, back in the '70s, being a girl in a man's world in feed yards was 10 times harder than any autism stuff. There were no women working out in feed yards when I started in the '70s. I had to prove I could do it.

### Is it easier now?

Oh, it's way easier now. There are lots of women now working in feed yards. There are lots of women working in the meat plants, so things have really changed. A lot of things have really improved. ■



**VIDEO:**  
See the full  
interview with  
Temple.  
[fcc.ca/Grandin](http://fcc.ca/Grandin)

# How strong is that algorithm?

BY PETER GREDIG

We are all hearing a lot about data. Big Data, to be more precise. A lot of hype surrounds the potential of this data for agriculture.

Data, on its own, is just a big pile of numbers. Like diesel fuel, it isn't worth much to you if you don't have engines that use the fuel. So what engine does data fuel? Algorithms.

An algorithm is merely a mathematical formula – and if it's a good one, it uses available data and generates an output that optimizes the power of the information. Algorithms attempt to determine or predict the best path to proceed.

There are examples of algorithms at work all around us. Netflix predicts titles that may be of interest to you based on an algorithm. Google Maps determines the preferred route to a destination using algorithms that take into account traffic patterns, speed limits, number of stops, weather, time of day, etc. Facebook's powerful algorithm filters what content is made available based on your historical use patterns.

These powerhouse algorithms take into account a huge range of variables – some of which may not even make sense to us, but supercharged computing power has detected a correlation so it's in the formula.

In agriculture, algorithms can use a wide range of data to improve efficiencies and enable more informed decisions. For example, an algorithm can direct aerial drones to specific areas within a field that historically suffers from a specific nutrient deficiency. The algorithm enables a more efficient and targeted process than flying the drone over every acre to look for random problems.

Irrigation systems benefit from algorithms that take into account the crop, soil type, soil moisture sensors and weather forecast, and generate an output that maximizes the water resource and economics.

Weather is the wild card that will continue to challenge algorithms for crop producers. Even with



Data, on its own, is just a big pile of numbers. Like diesel fuel, it isn't worth much to you if you don't have engines that use the fuel. So what engine does data fuel? Algorithms.

100 years of weather data and wireless weather stations in each field, weather will still throw curve balls at predictive algorithms. More controlled environments like greenhouses or livestock operations are more conducive to developing robust algorithms that deliver credible outputs.

It all sounds great, but there are some realities that should be mentioned. First, you can have the best algorithm in the world, but if the data is not high quality, the output may be less than helpful or even misleading. Second, if the algorithm is flawed, even the best data will not generate a good output.

Those providing data management and interpretation services will ask you how good your data is. Your question to them: how strong is your algorithm? ■

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# CASA adds mobile entrapment demo to training roster

BY MARK CARDWELL

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“Time is critical. There’s not much anyone can do to resist the suction of flowing grain once they’re caught in it.”

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Seven people died in grain bin entrapments across Canada in 2015, including four children. But the death toll could easily have been higher.

In February 2015, a 20-year-old Nova Scotia man was trying to clear an auger while moving grain from one bin to another when he suddenly sank to his waist.

Lucky for him, he was able to reach his cell phone and call two co-workers for help. They got a rope around the sinking man, tied it off and called 911.

“Time is critical,” says Glen Blahey, a health and safety specialist with the Winnipeg-based Canadian Agricultural Safety Association (CASA). “There’s not much anyone can do to resist the suction of flowing grain once they’re caught in it.”

That’s why CASA has added a new mobile entrapment demonstration unit to its national grain safety program.

Funded by farming groups such as Manitoba Canola Growers Association, SaskCanola and Alberta Canola Producers Commission, the new \$150,000 unit features a grain bin with safety decking

at the top that permits producers and responders to see what actions are required to rescue an entrapped mannequin.

It will first appear at Ag Days in Brandon, Man., in January 2017, and then at other major shows across Western Canada. It will also be available for rescue training exercises for rural emergency responders.

Blahey says entrapments occur when people fail to follow safe-practice procedures. Dangers include walking on the surface of grain without wearing a safety harness attached to a retrieval line, and turning on an auger when someone is inside a bin.

When an entrapment occurs, Blahey says the critical first thing is to shut off the flow of grain and then call 911.

Blahey cautions against rushing into a bin to try and rescue someone. “Like with a trench collapse or a drowning, going in without first assessing the situation only creates the potential for additional fatalities.”

He also warns against actions like quickly cutting holes in the side of bins without an assessment of the grain level, condition of the victim and structural integrity of the bin. “Done incorrectly, the grain just piles up and the flow stops after dragging the trapped person down even deeper.” It also creates a risk of bin collapse.

Trying to pull an entrapped person out is very difficult. “At first blush it seems simple, but it takes over 600 pounds of force to pull someone out who is buried up to their waist, and 900 pounds if it’s over their head. You’re not going to



Cofferdam lets rescuers vacuum the grain surrounding a trapped worker before pulling the victim free.

*Photo courtesy of CASA*

do it without the right equipment and know-how.”

Fortunately, one of the fire department crews responding to that 911 entrapment call in Nova Scotia did have the right equipment, and was trained in grain rescues. They surrounded the young man, by then buried up to his chin, with a specialized cofferdam that allowed the grain to be vacuumed out from around him. Then they safely extracted him from inside the cofferdam. He walked away – sore, but alive – from his ordeal. ■

## Looking to make your life easier during tax time?

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Since every operation is unique, AgExpert Analyst has various settings to cover all Canadian agriculture commodities. You can use our preset options or create customized income and expenses categories to meet the specific needs of your operation. Here are a few other features to help you manage your farm finances and save time:

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AgExpert Analyst has many features to help you and your accountant stay organized and analyze what's going on with your farm year-round.

If you have questions about how AgExpert Analyst can benefit your operation, or to learn more about specific features, visit [community.fccsoftware.ca](https://community.fccsoftware.ca).



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