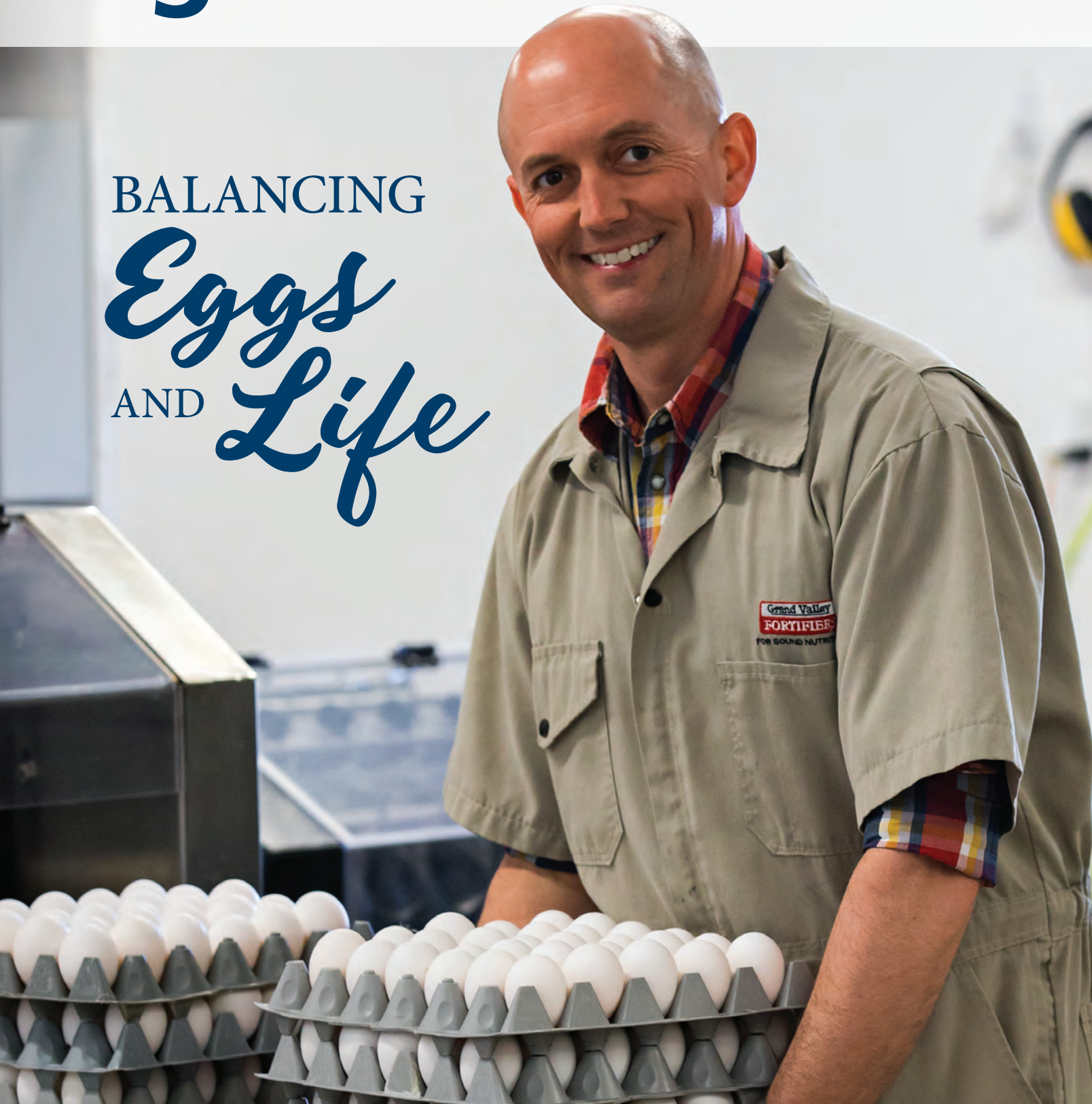


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With pride in agriculture and a positive yet realistic outlook, AgriSuccess is dedicated to helping Canadian producers advance their management practices. Each edition aspires to present content that is:

- engaging
- motivational
- innovative
- actionable

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Fast and easy DNA identification will have a huge impact on everything from identifying food fraud to determining whether weeds have herbicide resistance.

Hug your accountant, and maybe even your lawyer



As farmers, most of us love to visit and compare. It's a great way to learn about new products and practices, marketing possibilities and potential pitfalls.

During these sorts of conversations, I'm sometimes surprised by the accounting and business advice that some producers are receiving or not receiving.

I'm amazed at how many farm operations with significant holdings and sales are not incorporated, or at least evaluating this option. There are pluses and minuses to incorporation, but some producers seem unduly struck by the negatives and what some accountant or business advisor told them years ago.

It's also surprising how many farm-owning couples haven't taken all the necessary steps to double up on their lifetime capital gains exemptions. For instance, on land held outside of a farm corporation, is the title in joint names?

Most of us, me included, don't fully understand farmland rollover provisions, determining adjusted cost base on farmland and how the rules differ between a sole proprietorship, a formal partnership and a corporation.

But I do know enough to get good advice and ask lots of questions. The money our farm has spent on professional accounting and legal advice has been a wonderful investment. I'm happy to pay my fair share of taxes, but I'm certainly going to use all the available tools to minimize the tax burden.

Taxation rules are complicated and steadily changing, every farm is different, and different professionals may provide somewhat contradictory advice.

But make sure you're getting solid advice that matches your objectives – advice that's current with the changing dynamics of your farm. That means regular meetings with your accountant and perhaps your lawyer. And it also means doing a bit of your own research so you can ask good questions.

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

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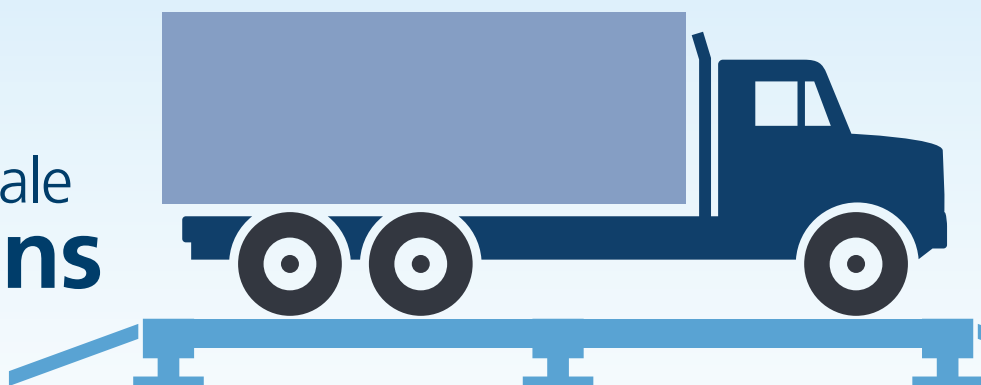
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Having a weigh scale adds options

BY LORNE McCLINTON



Grain producers across the country have more buyers vying for their product than ever before. As well, a wider range of crops are being produced. In this environment, an on-farm scale is increasingly valuable.

“Having your own scale gives you 100 per cent control of your inventory,” says Christos Lygouriatis, marketing and human resource manager with XPT Grain in Regina, Sask. “You very accurately know what your inventory looks like at any given time, which opens up new opportunities to market your product to local companies or around the world.”

Prairie farmers still haul most of their small grains and oilseeds to the high-throughput elevators of major grain companies. It’s not strictly necessary to weigh each truck before it leaves the farm to know how much product was shipped. However, not knowing precisely how much a loaded truck weighs puts you at risk of incurring heavy fines if it’s accidentally overloaded.

“Having your own scale is essential, though, if you want to market grain using containers or producer cars,” says Joe Wecker, a grain and specialty crop producer from Sedley, Sask. “I think it would be almost impossible to do it without one. If you overload, a ship won’t accept them but if they are underloaded the end buyer is going to have to pay more freight per tonne.”

Shipping companies require precise weights on grain receipts, the scale decant, the container number and the VGM (verified gross mass), Lygouriatis says. While it’s possible to have this done by a third party tracking company, the additional scaling fees increase your shipping costs.

“Having a scale very close to your yard, maybe in collaboration with other growers, is very beneficial,” Lygouriatis says. “It allows you to own that process and provides you with a lot of flexibility and options to attract international brokers, buyers, processors, food companies and land companies to your door.”

On-farm scales really come in handy when you are accepting seed and fertilizer deliveries too, Wecker says. It lets you double-check each shipment’s weight. Things can – and do – go wrong with shipments, and having your own scale helps minimize surprises.

Scales are a critical investment for large farms with diverse crop rotations, Lygouriatis says. They act as a central shipping hub and let you verify weights on incoming inputs and outgoing weights. The more specialty commodities you grow, the more you need the accuracy a scale provides. ■

How much does a scale cost?

A bare-bones, 10’x80’ legal-for-trade scale with a concrete deck starts at \$39,000, says Garry Burke with Strathroy Scale in Strathroy, Ont. Installation is extra. How much a construction company will charge for the pilings it sits on, and the approaches at either end, varies widely. In southwest Ontario, it would set you back roughly \$16,000.

If you want a scale with the electronic bells and whistles that make using it more convenient, the cost is higher. Also, you’ll need to invest another few hundred dollars every two years to get it re-certified.

If you don’t need a scale legal for trade, there are less expensive options, Burke says. Wheel-weighers go for about \$3,000 per pad and are accurate within 500 kilograms. Renting a set of scales might be an option if you only need them occasionally.



BALANCING *Eggs* AND *Life*

BY ALLISON FINNAMORE

A serendipitous alignment of life decisions with major farm business changes means a New Brunswick egg farm is on solid footing, ready to transition to the next generation of the family. But it wasn't always clear that would happen.

Law's Horizon Egg Farm, operated by Gailand and Carol Law and their son Aaron and daughter-in-law Kara, is located in Kars, about 70 kilometres north of Saint John.

Striking family and ownership balance

Gailand's parents settled in the area in the 1940s and started a mixed farm. As the years passed, they focused on egg production, grading and marketing and later, a registered hatchery.

While Gailand's older brother Bruce opted to leave the farm, Gailand continued to work with his father after graduation. Bruce came back for about 20 years until his retirement. Gailand and Carol purchased his interest in 1996.

At the same time, the Laws decided to cease operation of the hatchery. Market conditions and the costs involved in upgrades made the exit from the hatchery business a natural move, Gailand says. They decided to focus their attention solely on production, grading-marketing, pullet growing and the on-farm feed mill.

Through the years, retailers demanded more certification from national food safety programs along with those already in place. Facing upcoming investment costs in new equipment to keep up with regulation, combined with the desire to scale back on the workload, Gailand and Carol decided in 2005 to close the grading station.

Meanwhile, Aaron and his brother grew up on the farm, left and studied engineering – each going on to work in the industry. However, Aaron was drawn back home.



Kara and Aaron Law



(From left) Kara, Aaron, Gailand and Carol at the new barn.



Mixed on site, feed flows directly from the mill into the pullet barn.

“The opportunity was there at the time because Mom and Dad were looking at retiring and selling the farm outside the family,” Aaron says. “It wasn’t a master plan for me to come back. It was just an opportunity when I was transitioning in my career.”

Aaron’s plan was to work with his parents for about a year, but that turned into three years, “basically because I couldn’t make up my mind if I wanted to buy the business and move forward.”

Life outside the barn

Aaron is frank about his hesitation to commit to the farm. “I saw how (hard) Mom and Dad worked when they were doing the grading and the production, and I didn’t necessarily want to work like that for the next 20 or 30 years. I was fearful I wasn’t going to have any freedom,” he says. “I love the farming, but there are other things I love too.”

The timing of several on-farm decisions helped Aaron make his decision and ensured there would be time for life outside the barn. The Laws decommissioned their two aging barns and built one new facility with computer monitoring.

They also found a way to be involved in grading again without adding to their workload. They became founding partners in Maritime Pride Eggs, a producer-owned egg grading station servicing New Brunswick, Nova Scotia and Prince Edward Island. It’s located in Amherst, N.S., and Aaron says it’s the largest egg grading station east of Quebec City. All of the Laws’ 230,000 eggs a week from their 34,000-bird flock go there for grading, sales and distribution to retailers – from large grocery store chains to small corner stores – throughout the region.

The changes have allowed Aaron the freedom he was seeking.

Sharing knowledge leads to speaking out

Aaron spent a month in Swaziland in 2016 with Egg Farmers of Canada as part of Heart for Africa. Their initiative, Project Canaan, is a 2,500-acre large-scale land development project that grows large amounts of food, including eggs, to help stimulate the local economy. The initiative also supports orphans and vulnerable children.

On the ground at the layer barn before the first flock arrived, Aaron helped teach the inexperienced workers how to run an egg farm in much the same way a Canadian egg farm works, from in-barn care and handling of hens to record keeping.

The fulfilment Aaron gained from the experience has helped drive him since his return, appreciating, he says, “the abundance that we, as Canadians, are surrounded by.”

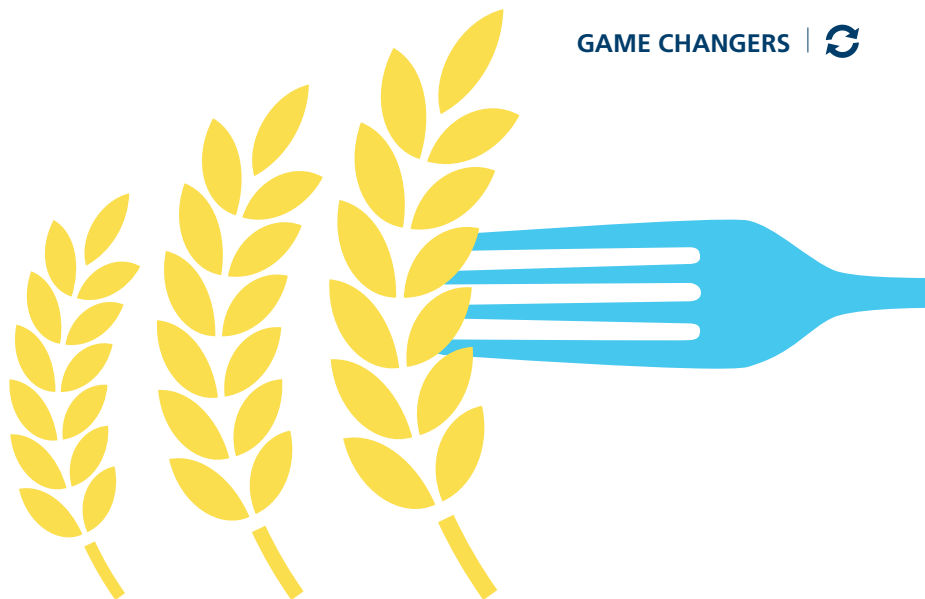
It also stirred his desire to teach. He now directs that passion into advocacy, speaking up for agriculture and letting those outside the industry know what farmers do. Aaron is active on social media and with public speaking. He also has his father’s belief in an open farm gate to welcome visitors. While Aaron takes a more high-tech approach to sharing, Gailand is all about one-on-one conversations.

He often hears of neighbours or friends who have no idea what happens in the barn. And when he hears those stories, he’s quick to offer an invitation for a visit and a tour. “Some people don’t have a clue what we do, and when you start telling them, they’re totally surprised,” Gailand says.

Timing of important life and career decisions sometimes can’t be scheduled, but in the case of the Laws, all elements came together at the right time to help pave the pathway to a strong future. ■

Sustainability: no longer just a buzzword

BY KEVIN HURSH



Everyone seems to have a different definition of what constitutes sustainable food production. While the concept remains somewhat abstract and subjective, sustainability initiatives are having a tangible effect on a growing number of producers.

Back in January, nearly 300 people packed a meeting room in Swift Current, Sask., the heart of durum wheat production, for a Durum Summit. One of the speakers was Greg Viers, wheat procurement manager for Barilla America.

Barilla is the world's largest producer of pasta, and Canada is the largest exporter of durum for making pasta. Naturally, Barilla is a major customer. The family-owned company, now run by the fourth generation, started operations in Parma, Italy, back in 1877.

Today, Barilla has 28 pasta plants and does business in more than 100 countries. The company's pasta plant in Ames, Iowa, recently underwent a major expansion and is now believed to be the largest in the United States.

Durum is grown on more than five million acres in southern Saskatchewan and Alberta each year, but the thousands of durum growers don't deal directly

with end users such as Barilla. The presentation by Greg Viers was a rare opportunity for farmers to hear directly from a major customer.

"Sustainability," said Viers, "is very important to Barilla." This is illustrated in the company's tagline, "Good for you, good for the planet."

On the company website, a food pyramid is displayed beside an inverted environmental pyramid to demonstrate the company's commitment to healthy foods with the lowest environmental impact.

"We are committed to reaching the goal of sourcing 100 per cent of our strategic raw materials responsibly, guaranteeing sustainable supply chains from field to consumption for the wellbeing of people, animals and the planet," says a statement on the website.

Sustainability initiatives are having a tangible effect on a growing number of producers.

A producer in the summit audience asked Viers about the non-GMO label used on some Barilla products. Isn't this misleading the consumer? After all, no GMO wheat or durum is being grown commercially anywhere.

Viers agreed with the questioner but noted that most consumers know very little about GMOs, and it helps with marketing to assure the consumer that GMOs are not present.

Viers also provided a glimpse of the supply chain beyond Barilla, specifically the requirements coming from Walmart. Each year, Barilla participates in a Walmart sustainability index survey that includes questions about fertilizer application and soil erosion.

The survey also includes this question: "For what percentage of your grain supply can you identify the country, region or farm of origin?"

Like durum producers, most Canadian farmers don't sell directly to end users, but end users have a growing interest and influence on what happens at the farm level. ■



What's essential for **great** meetings

BY KIERAN BRETT

You have a meeting tonight. Based on your past experiences – whether it's serving on a volunteer board of directors, in a community group or taking part in family meetings – how excited are you?

For many people, the answer is: not at all. Meetings, at their worst, take your time but give you nothing in return. While many ideas are discussed, few are ever translated into action.

Why do meetings fail? Ask Michael Goldman. As founder of Toronto-based consultants Facilitation First, he leads a cross-Canada team on a mission to create meetings that get results. His team teaches meeting facilitation and serves as external facilitators.

“The number one problem with meetings is that there's no structure,” says Goldman. “There's no clarity about why we're here, what our purpose is and what we are here to achieve. Even if we understand the purpose and outcomes – the why and the what – there's no one to manage the process. The how.”

Role of the facilitator, chair or leader

As Goldman sees it, the key figure in any meeting is the chair or facilitator. It's the facilitator's job to provide the three must-haves of any successful meeting: purpose, outcome and process. In other words, what are we here to do, what will we achieve and how will we do it?

Does your meeting's facilitator have a firm grasp of purpose, outcome and process? This will normally be apparent the instant the meeting begins. As Goldman explains, a leader can advance or sabotage a meeting simply by how they show up. If the facilitator is open and seems to listen to others, that can stave off conflict. If the leader doesn't listen or seems more concerned with pushing their own agenda, conflict is almost certain.

Goldman has also experienced a different meeting dynamic based on whether the people around the table are paid employees, non-profit volunteers or family members.

"When people are paid to be in that meeting, they tend to understand there's a certain amount of decorum expected," he says. "When non-paid people are sitting at a meeting, they can be more emotional, because they're putting in their own time and have a strong personal tie to the topic."

No one enjoys chaos. We all like to think there's a thoughtful design at work. If the facilitator maps out a clear path, people will tend to fall in line. If not, the meeting can quickly get off track, and interpersonal conflict is typically the reason.

In any meeting, after all, each person brings their own personal agenda, emotional framework and past organizational baggage. Unless the

meeting facilitator can manage inter-personal conflict, the success of the meeting will be at risk.

"As a facilitator, how I show up and how I structure the meeting are proactive techniques," says Goldman. "Even so, there's still the people dynamic and stuff happens. We have to have some reactive tools in place to manage those sudden outbursts."

Internal facilitation, or outside perspective?

If you're leading a meeting – whether for a community group, producer association or family farm discussion – the success of the meeting is ultimately in your hands. Still, the meeting facilitator naturally has their own personal opinions. In Goldman's experience, this needn't be problematic.

"I believe the facilitator can create perceived neutrality," he says. "They do it by declaring their bias up front and challenging the rest of the group to come up with other alternatives that can be ranked alongside their preferred option."

Considering the importance and complexity of the meeting leader's job, some organizations prefer to have key meetings led by an outside facilitator. While there's a cost to doing so, Goldman believes it can be a sound investment.

"It's not only family farms, it's when there's a meeting where all the people in the meeting have a strong vested interest in the content," he says. "It's hard to be involved in the conversation and also manage the structure of the conversation and the inter-personal dynamics. It's too much of a multi-tasking role. The person who bears all that will have a lot of problems to manage." ■

The 4 biggest meeting-killers

One way to have great meetings is to know and mitigate the factors that create bad ones. Michael Goldman's decades as a meeting facilitator and trainer have highlighted these four culprits to avoid above all.

1 A weak meeting leader. If the leader is not willing to keep people on topic and referee challenging personalities, other people will dominate, go off topic and take over.

2 A weak structure. People will throw out random ideas and jump into the conversation in ways that don't necessarily make sense and don't logically flow.

3 A poor inter-personal dynamic. If people aren't willing to hear other people's perspectives, this can shut down the discussion.

4 Insufficient readiness. If people coming to the meeting haven't prepared for it, you have nothing to talk about.

IS THERE AN ONLINE STORE IN YOUR FUTURE?



BY KIERAN BRETT

When beekeeper Richard Ozero opened Good Morning Honey in 2010 near Stony Plain, Alta., he believed e-commerce needed to be part of the business from the start.

“We noticed many of our friends and customers turning to online consumerism,” Ozero explains. “A business today has to be where people are spending their money. For some, that’s in the grocery store. For others, that’s sitting at their laptop.”

While some farm products are perishable and may be difficult to ship, the long shelf life of Ozero’s honey, beeswax and pollen meant his products fit online selling perfectly. Although the online store has broadened their reach to the U.S., Asia and Europe, they continue to sell their products at farmers’ markets, local grocery stores and through the Beemaide co-operative brand.

“If you want to be part of this new agricultural commerce, you have to have an online presence.”

Ozero hired an Edmonton digital developer to create their e-commerce website to ensure an easy-to-navigate and reliable platform for shoppers. He cautions that in his experience, setting up online infrastructure may not be cheap. Ongoing costs for marketing and keeping up with technology mean that selling online without a middle-man doesn’t necessarily save money. All the same, he’s in it for the long haul.

“This is the new reality,” Ozero says.

“If you want to be part of this new agricultural commerce, you have to have an online presence that allows people to buy products from you.”

One-stop shopping for farm products

While some Canadian farmers choose to set up a website with an e-commerce component, others opt to sell online through a farm-focused grocery hub.

In 2013, Nathan Steele opened My Farmers’ Market in Winnipeg, Man., offering fresh food sourced from over 70 local producers and same-day delivery. His business differs from other farm-share companies in that Steele’s customers can tailor their online order to suit their needs, rather than receiving a mystery basket.

“My customers are the younger crowd who want to know the farmer or know where their food is coming from,” Steele explains. “It’s a win-win because we also offer our farm producers a logistically convenient model.”

Steele is proud of the journey his business has taken and how well he represents the farmers under his umbrella. All the same, he notes that the streets of online food marketing are not exactly paved with gold.

During five years in business, Steele has seen other grocery hubs enter the market, offering larger brands at lower prices. It’s a competitive market that demands a lot of work and rarely allows a day off.

“I would say our progress has been slow and steady,” Steele says. “It’s not a switch you can just turn on. It does take time to develop.”

While Richard Ozero at Good Morning Honey sees his online market as an important component of his distribution, interestingly, online food pioneer Steele has just opened a brick-and-mortar grocery store to take advantage of the busy street outside his warehouse.

“Winnipeg has warmly received this idea,” he explains. “It’s not an easy walk in the park. But we’re very happy with what we’ve created.” ■



5 tips for online readiness

Are you ready to be an online seller? These tips could help.

Be e-commerce ready

Find an e-commerce website template online, hire a company that specializes in custom website stores, or team up with someone who already has a strong website.

Find your payment method

Canadian banks offer different online payment options, or you can use services like Square, Stripe, PayPal or Shopify. Be prepared to pay a fee monthly, per-transaction or both.

Consider your shipping options

Most customers expect to pay for shipping. Depending on your business model, you can deliver product yourself or through a commercial courier or carrier. Shipping outside Canada could make you subject to restrictions or regulations. Sort these out in advance.

Create your policies

Sometimes damage occurs in shipping, or the product is not what the customer expected. Clearly communicate your return or refund policy on your online store. If you don't offer returns, share that information, but remember that customer service is very important.

Get the word out

Much like a traditional business, you'll need to entice traffic to your store. Add your web address to all your marketing including business cards, brochures, recipe cards, signage and social media.



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TECHNOLOGY

DISRUPTING FARMING'S FUTURE

Ag business is betting big on new technologies, investing over US\$700 million in 2017 – that's more than the previous two years combined. What are the big disruptors to watch out for?



Robots, sensors and artificial intelligence – making farming smarter, more precise and less labour-intensive



Farmer-less farming – lab-made meats and leathers that don't require livestock production



Underground microbiology – boosting pest resistance and soil productivity with microbes

Sources: Financial Times, CB Insights, 21stCentTech.com, SARDA.ca

BOARD TABLE SUCCESS

Thinking about joining a local board or new to the board table? What does it take to be a successful board member? **Some tips from farm leaders:**

- 1 Do some research on what organizations, boards and board positions are about
- 2 Have an opinion and the confidence to share it
- 3 Be empathetic and willing to listen and learn from others
- 4 Speak up in a respectful way when your opinion is different from others
- 5 Consider time commitments and support systems needed to be away from home and business
- 6 Don't stretch yourself too thin by becoming involved with too many boards

Source: FarmTech conference panel 2018

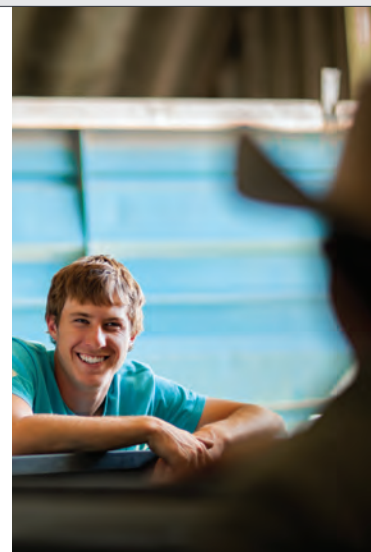
FARM TRANSFER

LET YOUR BUSINESS LEAD THE TRANSITION

Letting the farm's wants and needs drive discussions can make the transition path smoother, says farm business advisor Merle Good. To set reasonable expectations, encourage the next generation to focus on what they can do for the business instead of what the business can do for them.

- What is the business looking for?
- What does the business need to succeed?
- How can I add value?

Source: Country Guide



Wherever you are in the farm transfer process, we have resources to help you. | fcc.ca/LetsTalkTransition

PURCHASING PREDICTION

MOVING GROCERY SHOPPING ONLINE

In five to seven years, **70% of consumers** will regularly **buy groceries online**. Canadian online consumer packaged goods sales are projected to grow at a rate of **20%** a year and will account for **5.3%** of the market by 2020.



Trend tip: the most successful businesses will seamlessly integrate online and offline shopping experiences.

Sources: SpecialtyFood.com and FinancialPost.com

FARM SAFETY

SAFER FARMING FOR SENIORS

Did you know that Canada has more farmers over 70 than under 35? Older farmers face greater injury risks, especially from machine-related accidents. Farmers over age 80 account for the highest fatality rate, followed by farmers age 70 to 79.

70% of agriculture-related fatalities are **machine-related**

TOP 3 MACHINE-RELATED CAUSES OF INJURY:

- | | |
|---|---|
| 1 | Machine runovers 18% |
| 2 | Machine rollovers 17% |
| 3 | Pinned or struck by a machine component 9% |

Slow down, stay alert and follow safety protocols. And always carry a charged mobile phone in case you do need help.

Source: Canadian Ag Safety Week and CASA



CAN THE FARM SURVIVE A DIVORCE?

*The following fictional case study was created
by BDO Canada.*

By the end of their marriage, there was really only one thing that Jake and Alice agreed on. They both wanted their daughter Rebecca to have a chance to farm.

They had married right after university, with Jake excited about returning to the family grain operation. With some help from Jake's parents, they purchased one farm, and then another a few years later. For the past 10 years they'd been working towards buying all the land and some equipment from Jake's parents, essentially buying the assets of the corporate farm entity.

Now in their mid-fifties, with a viable mid-sized grain operation and two adult children, it was time to make some hard decisions and negotiate a divorce settlement with as little acrimony as possible.

Jake knew there would be concessions to Alice and he was prepared for this. But he was not ready to quit farming, and Rebecca had always planned on coming home to farm. Rebecca was in her mid-20s. After completing a degree in agriculture, she took a job with a major crop protection company to get experience and earn some money.

A second daughter, Brittany, was still in university but destined to become a dentist and had no interest in farming as a vocation.



With no predetermined direction for how to divide their wealth, they would need to negotiate a settlement.

While Jake and Alice both wanted the farm to be there for Rebecca, Alice was determined to receive her fair share in the settlement. She was 50 per cent shareholder in the corporation that she and Jake had formed for the farm business soon after they were married.

The two farms they had purchased were not held in the corporation. They were close to paying off the mortgages on these two farms, but they carried significant debt as a result of major equipment upgrades, grain storage and a new shop – all done with the idea that Rebecca would be returning to farm.

The arrangement to buy the corporation's shares from Jake's parents had allowed them to make incremental payments and slowly build equity. They were about 40 per cent paid and there was about \$300,000 in RRSPs, but not a lot of other assets that could be liquidated.

Jake and Alice had come into their marriage with few assets. No pre-nuptial agreement had been completed and while happily married, they never considered a shareholders' agreement to be necessary, despite their lawyer's recommendation. So with no predetermined direction for how to divide their wealth, they would need to negotiate a settlement.

Examining options

Jake set to work with their accountant to look at some options.

It became evident very quickly that paying Alice her share of the equity immediately would not be possible. So much of the value was held in the land and so little in liquid assets.

The accountant left Jake with some questions to consider:

- Could Alice's settlement be paid out over time?
- Could the debt to the bank or to his parents be adjusted to a longer term?
- Could any operational efficiencies be implemented?
- Were there any idle or under-used assets?

She also recommended that Jake obtain proper valuations for the real estate and the corporation, and that he and Alice communicate with Rebecca and Brittany as they went through this process.

A month later, armed with current appraisals for the land and equipment, comments from both of their daughters and information from their lenders, Jake and Alice met with their lawyers and accountant to begin discussions.

It was painful, but a viable plan started to take shape. Jake would borrow \$500,000 against the home farm to provide enough for Alice to get settled in town. The bank would also provide a longer term on the grain storage and equipment loan to minimize monthly payments. Jake's parents offered flexibility on future payments. Some under-used equipment, including a grain truck, would be sold.

Rebecca had saved some money since graduation and would use that as a deposit to purchase her mom's shares of the farm corporation. Jake would continue to own the land but start transferring ownership to Rebecca in 10 years, after she had paid the balance of the share purchase price to Alice.

In addition, Jake would transfer all RRSPs to Alice, using tax provisions that did not trigger current tax. Alice was able to use her capital gains exemption in the transactions.

The goal was for Alice to be paid the settlement in full over a 10-year period. She was willing to take a second mortgage on the farm properties to secure the unpaid amount and would transfer her ownership immediately to Jake.

Cash flow would be tight for everyone. But the plan allowed Jake to continue farming, Alice to separate from the farm and an opportunity for both of their daughters to pursue their career aspirations.

The entire process was emotionally draining for all three generations, with endless opportunities for negativity and conflict. Perhaps the only upside was that through their interactions with accountants and lawyers, Rebecca and Brittany saw firsthand the necessity for shareholder agreements, wills and power of attorney documents. Both girls also vowed that a pre-nuptial agreement will be happening before any wedding bells ring. ■

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Dealing with problem employees

Q How do you coach a problem employee, and when and how do you let them go?



PORTIA MACDONALD-DEWHIRST

Executive Director,
Canadian Agricultural Human
Resource Council

Your problem employee may just need a bit of support. Meet with this employee to review the situation and clarify what you expect. Explain the ways their current actions aren't meeting the requirement and give them some help (show them what to do, give them guides or tools to assist). Listen to the kinds of questions they have; these can give you a clue about what is going wrong.

During this meeting, be specific about what you expect, explain what the consequences will be if you don't see improvements and set a date for your next discussion. Be sure to provide these details to the employee in writing during this meeting to avoid any confusion. A warning letter may be appropriate.

Closely monitor their work and document what you see. Getting the most out of your employees takes time and energy.

Put the effort in at this stage to help get a problem employee back on track by re-stating expectations, providing support, monitoring progress and communicating results. It may help you avoid firing an inexperienced or uncertain employee, and speaks volumes to everyone in the business about your values.

However, if your problem employee doesn't show progress, your next meeting will be to follow through on the stated consequences. Firing an employee is a last resort, one that should only come after extensive effort and careful planning by management.

**DR. SARA MANN**

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Labour Chair, Canadian
Horticultural Council

It's important to think of this situation from two perspectives: administrative and motivational.

From an administrative perspective, an employer wants to increase legal defensibility – ensuring their employee knows what is required of them, measuring performance fairly and accurately, documenting poor performance, providing continuous feedback and providing an opportunity to improve (including sufficient time and guidance). However, motivating the problem employee and all other employees who watch how you handle the situation is just as important.

Employers want to be perceived as being fair and ensure the employee has everything needed to do the job. Ensure the problem employee has a high level of self-efficacy. Not the same as self-esteem, self-efficacy is job-specific – does the employee believe they can do the job? An employee's level of self-efficacy can be affected by many things: has the employer told them what is expected? Do they have the skills, tools, resources and time they need? If an employee is not performing well, it is often because they lack self-efficacy.

Perceptions of fairness, specifically procedural fairness, is also extremely important. Procedural fairness refers to how performance is measured, how discipline is applied, who gets what, etc. The procedures used to handle this situation will be closely scrutinized by all employees, so ensure they're transparent as well as fair.

A problem employee can lead to a toxic work culture. Sometimes, letting an employee go is the only way to deal with the situation, but only after sufficient attention has been spent on a fair and legally defensible discipline process.

If an employee has gone through training, performance measures and peer support, but performance still isn't appropriate, I have a discussion with them starting with the acronym **STAR**:

Situation Here is what I need to get done, why, how and when.

Task This is what has been expected of you and why it's important to my goals and yours.

Action This is what you have been doing that's not acceptable.

Result This is how your performance is affecting your team and keeping us from achieving our goals.

This keeps the feedback focused on the job rather than the personality. We discuss what needs to change and develop a plan with measurable results in a given timeframe. We come to an understanding of what the outcome will be if the individual does not achieve the desired results.

If the employee feels a conflict between group members is affecting performance, I will re-arrange the groups or living arrangements so the individual is not singled out, but ends up in another group with strong leadership. I review the individual's performance with the employee and his or her new supervisor.

Goals, feedback, follow-up and measures of performance are all recorded. Once the agreed-to timeframe is reached, performance results are reviewed with the employee. If they are still not performing to expectation, they will usually have further suggestions or be ready to leave on their own. We can discuss ending the contract, changing the job or moving to another employer. ■

Top takeaways from the latest FCC Farmland Values Report

Canadian farmland values increased at an average annual rate of 8.4% in 2017. Farmland has grown in value each year since 2013, but the pace of growth slowed from 22.1% in 2013 to 7.9% in 2016.

Across the country trends varied, highlighting once again that the market for farmland is truly local.

Growth rate decline takes a breather

The growth in farmland values picked up its pace at the national level, although by a relatively minor 0.5% over the previous year. 2017 farmland values increased in every province, ranging from 2.7% (British Columbia) to 10.2% (Saskatchewan).

In fact, growth picked up significantly in Saskatchewan, Ontario and New Brunswick while the three provinces recorded a slight decline in crop receipts. That's important, given the relationship between revenues and land values.

But while a higher receipts-to-values ratio in Saskatchewan for 2017 still compares favourably with its long-term average, Ontario and New Brunswick have ratios that exceed their long-term averages. Clearly, buyers in Eastern Canada expect growth in future revenues.

Mimicking the national trend of increasing farmland values, British Columbia, Alberta, Manitoba and P.E.I. saw values grow, but at slower rates than in 2016.

No two regions are alike

Nowhere is the importance of "local" more apparent than at the regional level of farmland sales.

Of the 51 regions reported on, 18 recorded an average annual increase of at least 10%. At the other end of the spectrum, seven showed an annual change of less than 1%. Only the North region in New Brunswick recorded a decline (-15.6%).

Timing is everything

Most provinces recorded a faster pace of increase in the first half of the year. Things slowed in the latter half, with the Bank of Canada's two interest rate increases and the higher borrowing costs they produced muting the increase in farmland values.

% Change in farmland values		
Provinces	2017	2016
B.C.	2.7%	8.2%
Alta.	7.3%	9.5%
Sask.	10.2%	7.5%
Man.	5.0%	8.1%
Ont.	9.4%	4.4%
Que.	8.2%	7.7%
N.B.	5.8%	1.9%
N.S.	9.5%	9.1%
P.E.I.	5.6%	13.4%
N.L.	N/A*	N/A*
Canada	8.4%	7.9%

*There was an insufficient number of publicly reported transactions to accurately assess farmland values in Newfoundland and Labrador.

Farm income supports farmland values

Farm income and land prices go hand-in-hand. With farmland values likely to continue to climb in 2018, we expect the year will also bring more volatile commodity prices and slightly higher interest rates. Both the recent increases in borrowing costs and any further increases in rates will likely cool the farmland market in 2018.

Now is the time for producers to adjust business plans to reflect those pressures and assess their overall financial positions. Increasing productivity will be key in managing the changed economic landscape. ■

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Genetic tools move from lab to your pocket

BY PETER GREDIG

Understanding and mapping the genetic code of living organisms has become a cornerstone of human health care and modern medicine. It's also the future of plant and animal food production.

We've come a long way in a relatively short period of time. When the human genome was first mapped successfully in 2003, it had taken a legion of scientists 13 years and an estimated US\$3 billion. Today, a handheld device is able to do the job in a few hours for less than \$1,000. And you don't need a PhD to use it.

What are the implications of these quantum leaps in genomic sequencing and DNA identification?

From a human health perspective, easy, fast and inexpensive DNA testing could speed the diagnosis and treatment of disease. Analyzing the DNA of mutated cancer cells from a biopsy would identify the specific profile of the disease and the best, least invasive treatment. Being able to check the genetic makeup of a bacterial infection would let your doctor know if it was a strain resistant to certain antibiotics.

All this may soon be done right in the doctor's office with a device not much larger than a smart phone. As we learn more about what genes are involved with different ailments, the potential to treat, cure or prevent health issues grows.

Similar uses will provide huge benefits for agriculture. Growers and agronomists will be able to test weeds to identify the species

and determine whether it has developed herbicide resistance so appropriate weed control strategies can be employed with confidence. Fruit and vegetable growers will differentiate between nearly identical pests like aphids and select the appropriate control methods.

The benefits for livestock producers will mirror those available to humans. Disease identification, down to the specific strain of the disease, will improve the ability to treat outbreaks and avoid development of resistance.

The food sector will immediately identify food fraud, particularly for fish that is purported to be a high value species but is actually something less desirable.

A business called TRU-ID arose from the University of Guelph's efforts to build a database of species gene sequences. Called Barcode of Life Database (BOLD), it covers thousands of species. The TRU-ID handheld hardware allow users to positively identify any species in the BOLD database.

Jamieson Natural Sources, a Canadian company that sells vitamins and herbal food supplements, recently partnered with TRU-ID to confirm the authenticity of the active ingredients in their products.

It's only a matter of time before these types of devices will be in the toolbox for agronomists, veterinarians and producers. ■



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Pamela Ganske, Advocate
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From all of us at FCC, thanks for making Canadian agriculture so amazing.

#HeresToCdnAg



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