

AgriSuccess

Premium
beef commands
premium prices





Don't just get that new tractor smell

Get that new tractor

Call FCC and get your financing pre-approved

Finance new or used equipment through more than 800 dealers across the country. Use your pre-approval for an equipment purchase or lease.

Call 1-800-510-6669.



AgriSuccess

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

Published four times annually in January, March, June and November.

Est. 2004, Edition 85

Editor, Kevin Hursh

Original photography by HuszarVisuals.ca

Photography and articles may be reproduced with permission. Please contact us at agrisuccess@fcc-fac.ca.

Cette publication est également offerte en français. Consultez fac.ca/AgriSuccess.

The editors and journalists who contribute to AgriSuccess attempt to provide accurate and useful information and analysis. However, the editors and FCC cannot and do not guarantee the accuracy of the information contained in this journal and the editors and FCC assume no responsibility for any actions or decisions taken by any reader of this journal based on the information provided.

Subscribe for free: fcc.ca/AgriSuccess

-  @FCCagriculture
-  Farm Credit Canada
-  @FCCagriculture
-  Farm Credit Canada
-  Farm Credit Canada

FCCExpress 

Stay informed with Canada's agriculture business news sent right to your inbox: fcc.ca/Express



PRODUCER PROFILE

Premium beef commands premium prices

By raising and selling Wagyu beef, Scott and Amy Hay have been able to pursue their ranching dream.

8 UP AND COMERS

For this young farmer, having fun is serious stuff

Meet hometown-proud Julie Milne of Campbellford, Ont., and hear what she wants to do after graduating from Ontario Agriculture College.

10 FEATURE

How to protect your farm data

Critical questions farmers should be asking about who gets to use their data and for what purposes.

12 FEATURE

Success is a journey

Successful farm operations don't rest on their laurels – they forge ahead with new and exciting ventures.

3 YOUR MONEY

5 steps for going digital with your receipts

Going paperless is now an option, but the information still needs to be organized and easily accessible.

7 GAME CHANGERS

From wrenches to computer codes

The computer software inherent in modern farm equipment is raising repair issues that carry major ramifications.

16 CASE STUDY

Transition plans get complicated in a blended family

Passing on the farm can become even more challenging after divorce and re-marriage.

18 ASK AN EXPERT

Farm management training comes in various forms

Three producers from across the country explain the training that has had the most impact on them and their farms.

22 AG INNOVATION

How to see past the hype and spot winning innovations

Evaluate new technology with a concept called the hype cycle.

24 ECONOMIC INSIGHTS

FCC Farmland Values report – Top 3 takeaways

Canadian farmland values trended upward in 2018, driven by strategic expansion and a limited amount of land available for sale.



My last edition

The time has come for a big round of saying thank you.

For roughly 15 years and more than 80 editions, I've had the honour of being editor for this magazine. Now it's time to let someone else take a crack at contributing to the direction and content. Perhaps you'll see my name on some stories, but I won't be sitting in the editor's chair.

The first thank you goes to FCC for offering this opportunity. It was a great experience for an outside contractor to be part of the FCC team. Thank goodness for conference calls so that I could join meetings from my home office, the farm or from whatever event I was attending.

I was just a content guy – a story developer, assigner and writer. The design and layout folks are the ones that take the content and build such an attractive product. It's amazing how each edition is developed in both official languages and then sent to some 75,000 subscribers.

I owe a debt of gratitude to all the agricultural writers in every region of Canada who delivered content. I know some of these journalists personally and see them quite frequently. Others I see only occasionally. Some I have never met face-to-face. The industry is fortunate to have such a talented pool of communicators.

I'm also thankful for all the farm management specialists, farm transition experts, accountants and lawyers who agreed to provide their professional opinions when journalists for AgriSuccess called or emailed. Every edition also included quotes and interviews with producers from across the country who took time to tell their stories and trust us to portray those stories accurately. It's not always an easy decision to open your farm and your family to the world.

Most importantly, thank you to the readers of AgriSuccess. A deluge of print and digital material competes for your attention. Thanks for letting us serve as some small part of your farm management decision-making.

Happy farming to all. ■

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

CONTRIBUTORS

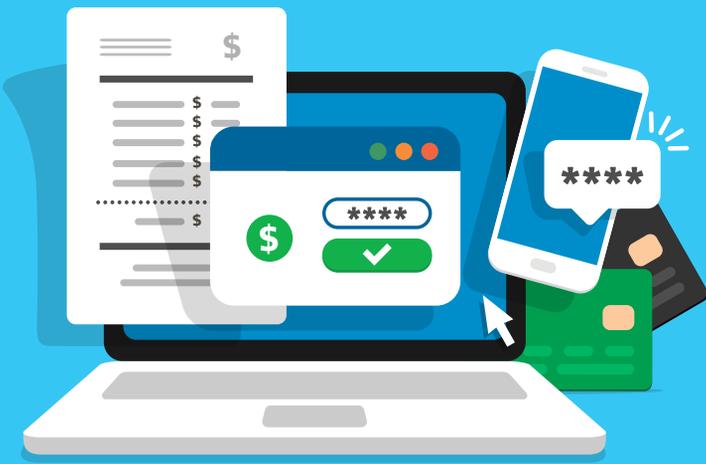
PETER GREDIG / Peter has a background in agricultural communications and is a partner in mobile app development company AgNition Inc. He farms near London, Ont.

TAMARA LEIGH / Tamara is a B.C.-based communications consultant and writer passionate about giving voice to farmers across the country.

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

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

LILIAN SCHAER / Lilian is a professional writer and editor based near Guelph, Ont., providing freelance communications services across the agriculture industry.



5 steps for going digital with your receipts

BY LORNE McCLINTON

E-business has come to the farm. Even the smallest suppliers are sending invoices through email instead of snail mail, and plenty of farmers are paying them using electronic payment methods. Cheque books are becoming passé.

Changes are happening so rapidly all but the most organized are losing some of their electronic documentation, says Shannon Lueke, a partner with MNP in Humboldt, Sask. For accounting purposes and Canada Revenue Agency, it's not enough to have an expense show on your bank or credit card statement. You need the receipt that goes with it, so it's crucial to have a reliable system in place. The easiest way to organize your digital filing system, Lueke says, is to mimic the traditional paper system. Usually this means storing them as either PDF files or image files. Just capturing a snap of a receipt in your bookkeeping software may not be enough since other than FCC's Ag Expert, systems don't always automatically store copies.

1 Print hard copies

"Printing off emailed receipts, and filing them the same way that physical receipts that come in the mail are handled, is probably a good starting point for most farmers because it mimics the paper storage system they're comfortable with," Lueke says.

2 Implement a paperless system

Those with good computer skills could set up a paperless system by saving receipts in the proper format in folders on their computer.

3 Scan paper to save electronically

You can scan paper copies so the month's invoices are all filed in one place, too. Then assemble each month into a single PDF that's easy to share with your bookkeeper through a credible Cloud-based resource service like DropBox. If you plan to stay paperless, set up an electronic folder for receipts and transfer them into a monthly folder after payment is made.

4 Make use of existing systems

"If you're paying your supplier's invoices electronically, you have a system in place to track whether you've actually paid," Lueke says. "If you're keeping a paper filing system you can just print off a copy of the invoice and write the cheque number, credit card or e-banking transaction number and the date you paid it." Then check payments off on your bank or credit card statement each month.

5 Backup and save

Keep in mind that digital receipts, like all tax receipts, must be kept for seven years. That means good file management and backup protocols are critical, because if a file is misfiled, finding it later will be a problem. And consider a cloud backup system to protect against hard drive failure, theft, fire or flood. ■

Why use the Cloud?

- Password protected
- It's an online filing cabinet
- Use on your desktop, phone or tablet
- If your computer crashes, access records from other devices
- You have options (DropBox, iCloud, Google Drive)

Premium beef commands premium prices

BY TAMARA LEIGH

When Scott and Amy Hay met, they were both working in the luxury yacht industry in France. Years later, the couple has swapped boats for beef, and open waters for the open range of British Columbia's southern Interior. Trained as engineers, they have put their business acumen and planning skills to work building a farm-direct beef business specializing in purebred Wagyu and Wagyu crosses.

"This has always been Scott's dream," Amy says. "We have known each other for 15 years, and he has always talked about owning a beef farm."

Building the dream of Waikikahei Ranch has been a slow and deliberate journey that started by choosing a piece of common ground. Amy comes from Scotland and Scott from New Zealand, so they decided to make their home halfway between, in Canada. Scott worked at Vancouver's largest yacht refit and new build group. Amy contracted to a Korean marine satellite company and then a marine glass company.

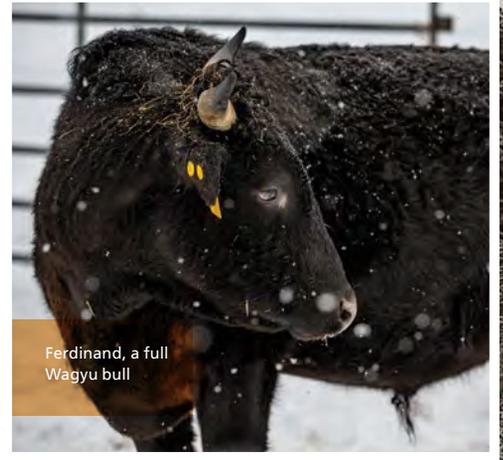
"We started working at the shipyards in Vancouver – I worked my way up to general manager there – and we saved up enough money to buy six and a half acres in Aldergrove," Scott explains. "We started buying cows from the auction, and implanting Wagyu embryos."

The Wagyu premium

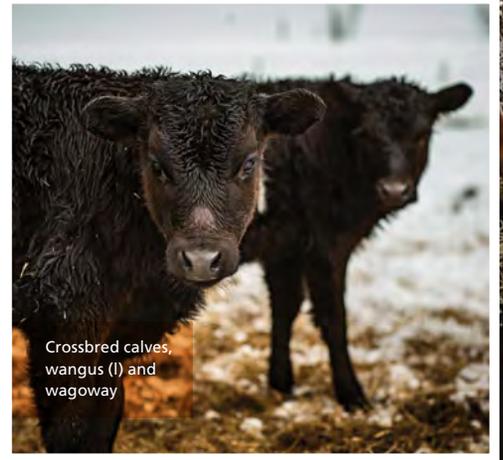
Wagyu is a Japanese breed renowned for its tenderness, marbling and flavour. It's a premium product, commanding anything from \$15 per pound for ground beef to upwards of \$100 per pound for finer cuts. The premium prices have attracted interest from ranchers around the world.

"It's a long-term investment to build up a herd," Scott says. "Wagyu are slow growers. It takes 30 to 36 months to finish out to 1,800 to 2,000 pounds. The slow growth rate is what allows for the marbling."

In the interest of diversification and having a product to market more quickly, Scott and Amy are crossing Wagyu with other commercial beef breeds, including Angus, belted Galloways, black baldy and Highland cattle.



Ferdinand, a full Wagyu bull



Crossbred calves, w Angus (l) and Wagyu



Scott interacts with a favourite in the corral

“We looked at the ranch as a business and structured the decisions from a business aspect to allow our family to live the dream.”

Waikikahe Ranch
after a late snowfall
in early spring



Amy snaps a shot of two purebred Highlands for Facebook



Waikikahei Ranch residents

“We’ve had some fun coming up with names for some of the crosses,” says Amy, listing off the wangus, wagoways, wack waldy and wylands as examples.

“Having our full-blood Wagyu gives us a market that is never going to be truly impacted by the economy. If you can afford to pay \$56 for an 8 ounce steak (direct price), it doesn't really matter what the economy is doing,” Scott says. “By mixing Wagyu into our Galloways and other beef breeds, we are able to offer a higher quality product direct to market as well.”

Full-time ranch commitment

After maximizing the production potential of their acreage in the Lower Mainland, the Hays decided to move their family to a community with broader ranching horizons. In April 2018, they bought 500 acres in B.C.'s Boundary region, and moved their ranch and three children to the community of Greenwood. By December 2018, Amy left her engineering position to commit to the ranch full time.

“We worked over four years to establish the business model of our ranch before making the move. We were three years into our five-year plan when we made that move,” they explain. “We looked at the ranch as a business and structured the decisions from a business aspect to allow our family to live the dream. It’s not a hobby and needs to be able to support the ranch and our family.”

Amy manages much of their marketing, including an active presence on social media. While they are building relationships with restaurants and retailers in their community, most of their business is still direct to market.

“The smallest unit we sell is the apartment box, a 20-pound mix of different cuts. We run a referral program that gives a credit to clients who send us customers, and we do free delivery, so that’s my new job – delivery driver,” she says.

They also sell by the quarter, side and whole cows, and are starting to market to local restaurants and retailers. While Waikikahei Ranch is home to both the commercial and Wagyu operations, they sell their products under different brands.

“Koru Creek Wagyu is our 100 per cent Wagyu brand and will only sell Wagyu. Being from the luxury yacht industry and dealing with some of the world’s one per cent, we learned and appreciate the power of never diluting a brand,” Amy says, emphasizing the need to keep the two programs separate.

Happy beef

Central to the Waikikahei brand is the family’s deep commitment to animal welfare and sustainability. As a former vegetarian, Amy understands the consumer’s desire to know where their meat comes from, and that the animals have been well looked after. She coined the term “happy beef” when explaining it to their children, and the label stuck.

“Our cows have a fantastic life and only one bad day, and that’s freezer camp,” Scott says.

With the new property, their commitment to sustainability has expanded to restoring the fertility of the soil and building up organic matter using techniques like managed intensive grazing in the summer and bale grazing over the winter.

With an eye to the long game, they also incorporated their three children – ages nine, seven and four – into the business.

“The kids all have their own cows. They know the males get eaten, and if their cows have a heifer, they can build up their own herds. As they get older, they’ll take on the marketing side,” Scott says.

“We’re building something that they’ll want to take on.” ■



From wrenches to computer codes

BY KEVIN HURSH

The toolbox for fixing modern farm equipment has evolved dramatically. Troubleshooting typically starts with computer diagnostic tools, and many of the fixes don't require wrenches at all.

Producers adept at replacing belts and bearings, and even alternators and starters, are stymied when it comes to the computer software that runs modern tractors and combines. Not only do they lack diagnostic tools for the error codes, they don't technically own the software.

In many U.S. states, this has generated backlash with so-called right-to-repair legislation in various stages of consideration. Discussion is also being generated in Canada. Right-to-repair advocate and Nebraska farmer Tom Schwarz spoke about the issue at the CropSphere conference in Saskatoon.

Schwarz argues that farm equipment is not the same as smart phones, which are primarily software. When the software malfunctions, the entire phone is typically discarded. On farm equipment, it's the physical function of the machine that's most important, not the software running it.

For their part, farm equipment manufacturers and dealers point out that when equipment is still under warranty, farmers should call the dealership for assistance. In fact, if there's good rural internet, the service technician can sometimes diagnose the problem without leaving the dealership.

The farm equipment industry also warns against software hacks aimed at increasing engine horsepower and/or circumventing emission controls. "Chipping" (changing

computer chips) or tuning the software components voids the manufacturer's warranty – and a major engine repair or replacement can cost as much as \$100,000.

Ironically, kits are being sold to modify or delete diesel exhaust fluid (DEF) emission systems, even though the modifications are technically illegal.

Most farmers recognize the dangers of modifying computer codes, but many argue that once the warranty has expired, they and third-party repair shops should have access to the codes to conduct legitimate repair work. The equipment companies counter by noting the need for proprietary rights to protect their software innovation investments.

While this is a complicated issue with divergent views, some things seem clear.

The right-to-repair debate is likely to continue for the foreseeable future, with the end results uncertain. We may end up with different rules in different jurisdictions.

Equipment buyers will increasingly want to know if software has been modified, and may refuse trade-ins. Even if it was a repair rather than a modification, a buyer might be leery if the work wasn't conducted by an accredited technician.

Farm equipment, particularly tractors, have traditionally remained in service for several decades. We may be entering a time when some farm equipment reaches the end of its useful life not because the mechanical parts are worn out, but because the software is outdated or irreparable. ■

HAVING *Fun* IS SERIOUS STUFF FOR THIS YOUNG FARMER

BY OWEN ROBERTS

Peaceful and picturesque Campbellford has become one of Ontario's most popular day-trip destinations. You can almost feel your blood pressure drop when you arrive for a relaxing picnic along the serene, tree-lined Trent-Severn Waterway that meanders through its core.

And if you've stopped at the town's visitor centre for directions to attractions like the world's biggest toonie or the 300-foot-long Ranney Gorge Suspension Bridge, odds are you've spoken with affable tourism assistant Julie Milne.

That is, provided she was done milking cows.

Home-town proud Julie, 21, hails from nearby Milbrae Farms, a fourth-generation, 40-cow dairy operation started by her great-grandfather William in 1906. The farm is now run by her dad Glenn and mom Ann, both University of Guelph graduates. Julie and her brother Eric, 19, are following in their parents' footsteps – Julie is entering her final year in the bachelor of science in agriculture program in the Ontario Agricultural College, while Eric is finishing his first year as an Aggie there.

Besides promoting Campbellford at the visitors' bureau, Julie has been immersed on the farm as the lead milker. It's a role she embraced – but when Milbrae switched from a traditional tie-stall operation to a robotic milker, retrofitting a solid, century-old barn that was ideally suited for the task, things changed.

"I lost my milking job," she smiles, "but that's OK. We all like being on a computer and managing the data that the robot

provides. It's increased our production significantly. Plus, now I get to help with more field work, and the calves."

Not that Julie has problems filling her time, particularly in her leadership role at Guelph. There, she's the class representative on the college's student federation, which includes serving as the student risk management co-ordinator for the college's club events.

Her job is to make sure organizers have taken detailed, prescribed measures to address student safety. And in an era of growing accountability, having fun is a serious role.

Back home, Julie believes the future of small towns like Campbellford – and the rural areas that surround them – is enhanced through tourism, promotion and marketing.

To that end, as the reigning Campbellford Fair Ambassador, she will compete this summer with up to 70 other contestants for the title of 2019 Canadian National Exhibition (CNE) Ambassador of the Fairs. This year-long position takes the winner across Ontario, representing the CNE and all agricultural fairs at dozens of events.

And what comes after that, and after graduation?

"I want to be involved in promoting and marketing science," she says. "Whether it be direct to farmers or with other groups and industries, I believe everyone can benefit from understanding more about how food gets from a research trial to a delicious meal."

Q&A:

What's the most significant activity you've been involved with lately on your farm?

Renovating the barn to install the robot while maintaining production and cow health. This past year we installed a manure pit to better manage the manure and the nutrients it provides for the crops. The rolling hills of Seymour township around us add to the challenge of getting the right nutrients in the right place at the right time.

When you decided to go to university, why did you choose Guelph?

My parents went there too, so that influenced me, as did the emphasis on research. It's strong. I like the science, the hard facts and evidence behind modern agriculture. I knew Guelph was a university that shared my interest that way. You see research everywhere, in things like the food price index, for example. And although I like research, I don't think I'd actually like to do it. I'd rather tell others about it as a science communicator.

What's been the highlight of your university experience?

Last year, from February through July, I spent a semester in New Zealand studying agricultural science at Lincoln University. It's a small school 40 minutes or so outside Christchurch, with about 3,000 students. I was one of about 100 exchange students there.

Why New Zealand? That's a long way away, and a very different type of production.

My dad went there in 2007 as a member of the Advanced Agricultural Leadership Program and talked about it a lot after. And while everything is mainly pastured there, to me, a cow is a cow. You can manage it differently, but it's still a cow. There are definitely differences, though. There's no supply management. Farms aren't as generational as they are here – you'll see urban people move out to the country and start farming. Maybe that's why their culture seems less removed from farming than ours. Environmental legislation is strong, and people are very concerned about things like nitrate leaching and waterways.

It sounds like you've been bitten by the travel bug. Where do you want to explore next?

I want to travel in Canada more. I haven't seen much of it, and we have such a beautiful country – there's the Northern Lights, the wide-open Prairies, the coasts. In New Zealand people talked about how gorgeous British Columbia is. I've spent six months in New Zealand, but I've only been to British Columbia for three days! ■



Square dancing with Ontario Agricultural College "Aggies"

HOW TO PROTECT YOUR FARM DATA

BY LORNE MCCLINTON

Big data has great potential to improve farmers' bottom line and promote Canadian agriculture and food products to the world. But a farm data study commissioned by FCC Vision in November 2018 had 58 per cent of respondents saying their comfort level with technology has not improved in the past two years. And 25 per cent have become increasingly wary about how companies are collecting and using the data.

If companies don't quickly take steps to clarify who owns the data, how they're using it and who they're sharing it with, the technology's potential could be lost due to mistrust.

"The study was a bit of a wakeup call; it really seemed to hit a nerve," says Fred Wall, vice-president of marketing with FCC in Regina. "I'd heard rumblings from lots of producers that there was less comfort or more suspicion, but I would go so far as to say nobody predicted the outcome of this survey a couple of years ago. All I kept hearing at the time was producers will get used to it, or they'll have to share."

"It's very interesting to see the depth of this trust issue. Respondents were just as likely to have lost trust or not changed their level of trust whether they did as little as possible with a computer or they managed their entire life digitally."

Producers are quite willing to share production data with others in management groups to see how their operation stacks up against the others and where there is room for improvement.

But, Wall says, this type of sharing is open, voluntary and transparent. Producers know exactly what they're sharing, who they're sharing with, and why. It's different when strangers show up possessing intimate knowledge of their farm operations gleaned from cloud-stored data generated by their farm machinery or management software.

Most agriculture technology providers are collecting data to optimize products and services and provide more value to the producer, Wall says. For instance, it might be used to provide an agronomist with as much information as possible about each field so they can make better recommendations. This type of data-sharing can be very beneficial to the farming operation. It helps spot trends and identify inefficiencies that can be eliminated to improve the bottom line.

But producers want to make sure they aren't accidentally giving away trade secrets. It's similar to how the local KFC franchise is quite eager to have a digital presence that lets the public know their hours of operation and receives feedback from customers. However, they don't want to accidentally expose their secret mixture of 11 herbs and spices.

No one wants to wade through multiple pages of an end-user licensing agreement to learn what rights a supplier wants signed over. So 20 industry-leading companies, including well-known software packages like John Deere's Operation Centre and FCC's



AgExpert, are now Ag Data Transparent (ADT) certified. This seal guarantees that a provider's usage contract is compliant with the core principles of the American Farm Bureau Federation's privacy and security principles for farm data.

Farmers can visit the ADT website and know at a glance what types of information a company collects, who owns the data and who it will be shared with.

"At some level, every company gets consent from whoever it is they're working with to collect their data," says Todd Janzen, administrator for ADT in Indianapolis, Ind. "Some are very general blanket consents; once you let them have the data, they can do whatever they want with it. Others are more specific and will say, 'Okay, you consent to us storing your data. If we're going to share it, we will ask for your consent to establish that link with a third party.'"

"Becoming the first Canadian company to receive ADT certification offers huge benefits for us," Wall says. "First, it dramatically simplified our contracts with producers. They're now written in simple, plain English and are much shorter. It also required us to put on the record – for verification with someone outside of FCC – who owns the data."

ADT certification helps producers answer the three crucial questions they should ask before considering signing up for a digital tool or a software package, Wall says.

- 1 **Who owns my data?** Any provider or dealer should be able to answer that question in plain language.
- 2 **Who is the data shared with, and why?**
- 3 **Do I have the right to exit** and take my data with me?

"Just asking these questions brings great clarity to the mix," Wall says. "Then, depending on the answers, you can determine if it's something you're comfortable with or not."

It's easy to overlook question number three, Wall says, but arguably it's the most critical one to ask. Because if you can take your marbles and go home, they're your marbles.

"Ag data offers so many potential benefits to farmers, but to realize that potential we'll need to overcome this trust gap," Wall says. ■



SUCCESS IS A JOURNEY

BY KEVIN HURSH

Perhaps success, like happiness, is a journey and not a destination. Or perhaps success is temporary and if you don't continue progressing, you don't remain successful.

No matter how you analyze it, many farm operations widely regarded as successful continue to move forward with new and exciting ventures. Such is the case with many of the people honoured as Outstanding Young Farmers during the long history of the Canadian OYF program.

Beef, and now bison

While the optimist and pessimist were debating whether the glass was half full or half empty, the opportunist just drank it. This describes the business philosophy of Christoph Weder. Christoph and his wife Erika have continued to seize new opportunities throughout their farming career.

Along the way, Christoph has developed a reputation for being a straight shooter, calling it as he sees it, even if his views are not always popular. He says most producers are hard-working, but many are stuck in a rut.

“Due to family ties and the sentimental value attached to multi-generational farmland, many producers are reluctant to make big changes in where and how they farm,” he notes. “We’ve flipped our land base numerous times and continued to change our business as new opportunities have emerged.”

The couple started with one quarter of land in central Alberta back in 1996. They moved north to near Rycroft in the Peace River region in 2003 to develop a profitable and innovative cattle operation.

In 2003, the Canadian beef industry was devastated after the discovery of BSE, prompting the Weders and other producers to form Heritage Angus Beef and direct-market high-quality, hormone-free beef to a number of markets, including Europe.

In 2006, the couple was recognized with OYF honours for Canada, but they didn't let the acclaim dull their desire to pursue new opportunities.

In 2013, Christoph and Erika moved with their four children west from Rycroft, Alta., to a ranch based near Hudson's Hope, B.C. In addition to a much larger acreage of deeded land, they also have a large grazing license. Operating as Venator Ranches Ltd., they now run 1,700 beef cows and 300 bison cows, employing minimum input production practices to maximize sustainability.

While it's costly to ship animals from the edge of agriculture to markets further south, land was relatively inexpensive and the cost to purchase hay is typically much less.

The branded beef program became too large for the producer group to effectively manage so it was sold. However, Christoph says no one is capitalizing on the opportunity to move bison meat duty free into the European market, so he's exploring that potential.



“We tell our kids that if they choose to farm with us, they have to come home with new ideas,” Amy says. “Change is inevitable and we have to continually evolve.”

“We could retire, but what sort of message would that be for our kids?” The children are all actively involved in the operation.

However, Christoph notes that the family has been taking more time for holidays together and they especially like exploring agriculture in other countries. “This makes us grateful for what we have in Canada and also opens our eyes to new opportunities.”

Diversified hog operation

Providing opportunities for the next generation is also a motivating force for Amy and Mike Cronin. OYF National winners in 2015, they have six children. Based at Bluevale, Ont., about an hour west of Kitchener, Cronin Farms has grown into a diversified hog operation with facilities in both Ontario and the U.S.

“We tell our kids that if they choose to farm with us, they have to come home with new ideas,” Amy says. “Change is inevitable and we have to continually evolve.”

The number of pork producers in Canada has declined dramatically over the years. Amy believes Ontario has been able to maintain more independently owned family operations because more than 170 producers co-operate to own one of the major pork processing plants – Conestoga Meats.

The other major plant in the province doesn’t own hogs either. In most regions of the country, packing plants have become dominant players in primary production.

In Ontario, Cronin Farms has a 3,600-sow farrow-to-weaner operation, another 1,500-sow farrow-to-weaner, and most recently a genetic multiplier. In the U.S., they have a farrow-to-finish operation and two operations providing piglets for multiple niche markets. With the increasing scope of the business, the Cronins have learned how to hire strong employees and empower them to make good decisions.

“The key is to surround yourself with people who are like-minded.” They also rely on close relationships with strong supporting businesses.

“The best opportunities often come from good business relationships and trust,” Amy notes. “It’s also about seeing where the industry is going.” However, she acknowledges that sometimes good ideas don’t fit into the business’s long-term strategic plan, and other times the timing just isn’t right.

While there’s a gut-feel component to tackling new opportunities, number crunching is also vital.

They entered the U.S. market to pursue different marketing opportunities and for risk management.

“It makes a big difference that Mike and I are 100 per cent committed to the business,” Amy says. “We’re on the same page, we can fill in for each other and we can bounce ideas back and forth.” ■

Wagyu vs. Kobe beef – what’s the difference?

- Wagyu means “Japanese bovine”
- Four beef breeds are indigenous to Japan and considered Wagyu: Japanese black, Japanese brown, Japanese shorthorn, Japanese poll.
- Kobe beef is a type of Wagyu produced in Japan to very exact specifications

The Kobe beef rules

Prized for its unparalleled flavour, texture and tenderness, true Kobe beef must:

- Come from a steer or heifer of 100% pure Tajima black strain Wagyu that weighs no more than 470 kilograms
- Be born in Tajima-Gyu in Hyogo Prefecture, as well as raised and processed in the Prefecture
- Meet very specific marbling and quality ratings

Source: RokaAkor.com; WagyuInternational.com



STAYING SAFE WHILE SPRAYING

- ✓ Wear gloves, eye protection, long pants and a long-sleeved shirt
- ✓ Wash your hands before eating, drinking or touching your nose or mouth
- ✓ Immediately wash and change clothes if you spill any pesticides on yourself
- ✓ Read product labels for safety information

Source: CASA

What is RESTORATIVE GRAZING?

It’s when grazing livestock help restore a healthy grassland ecosystem – encouraging native species growth, adding fertilization and providing wildlife habitat.

Source: Parks Canada restoration case studies





TIPS FOR GOING SOCIAL

Social media apps – Facebook, Instagram, Twitter and more – are good ways for farmers to connect with the public, particularly if the farm sells product directly to consumers. Stuck on what to post? Consider:

- Snapshots of daily life: how things work on the farm, farmers market booth or on-farm store, introducing a new product, meeting a customer
- Interesting facts or stats about farming, food or the environment

Tip: Be relevant to your farm and post often!

Source: UpStartFarmers.com

GETTING READY FOR A LOAN APPLICATION

What will make a meeting with your lender about borrowing money go more smoothly?

Being prepared!

- Business plan including budget and cash flow
- Three years of financial records
- Updated net worth statement

Learn more and find templates at fcc.ca/LoanEssentials



HEALTHIER CATTLE THROUGH GENOMICS

Bovine respiratory disease costs North American beef producers about \$1 billion a year. University of Guelph is developing a high-immunity response test for beef cattle to identify animals with better natural immunity against the disease.

Source: University of Guelph

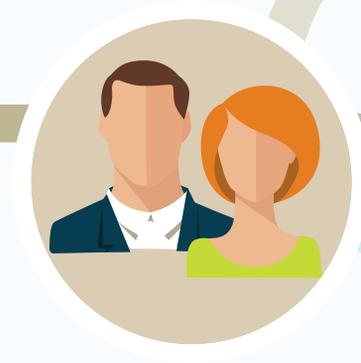


TIPS FOR BETTER WORK-LIFE BALANCE

Work-life balance can be hard to achieve – but trying even one of these can make a difference.

- Strive for excellence, not perfection
- Take a time out from social media, email and devices to enjoy the moment at hand
- Focus on activities and people you value the most

Source: forbes.com



TRANSITION PLANS GET COMPLICATED IN A BLENDED FAMILY

The following fictional case study was created by BDO Canada.



Elias and his brother Clayton always check the potato crop together after supper, and although the fields looked excellent, on this evening they were stressed and quiet. They had met with their lawyer earlier that day and heard some shocking news.

Their challenges started after the tragic death of their dad Robert and their step-mom Janice, who had passed away in a car accident the previous winter. The family structure was complicated and led to issues they didn't foresee.

The history goes like this: Robert was a fourth-generation P.E.I. potato grower. He'd married his high school sweetheart Jessie, and sons Elias and Clayton came along soon after. Ten years in, the farm was succeeding but the marriage was failing, and the couple split up. Elias and Clayton loved the farm and spent most of their time there. Jessie moved to town and they all settled into a co-parenting routine.

Despite announcing he would never marry again, Robert met Janice on vacation in Mexico. Janice lived in B.C. so it was a long-distance relationship for a couple of years, but eventually

she made the difficult decision to move across the country and marry Robert. Her kids were in college and not prepared to uproot, so they stayed with their dad in Vancouver. Having been through difficult divorces, both Robert and Janice agreed a pre-nuptial agreement made sense for all.

Elias and Clayton had stated their desire to farm from an early age and when they completed university, they returned to farm with Robert. While they only had a few growing seasons to settle into their roles when Robert and Janice passed away, the groundwork for transition had been laid.

Robert had insisted the boys accompany him and Janice to various meetings with the banker, accountant and insurance broker so they got a sense for that side of the business. The energy and passion the boys showed gave Robert confidence that it was time to let them take more responsibility for the expanding operation. They bought a neighbouring parcel of land and replaced their old potato harvester. These were big investments, but the farm needed to expand if both brothers were in it for the long haul.

After the accident, Elias and Clayton were faced with settling the estates. The first meeting with the family lawyer to review the wills confirmed what they understood from discussions with their dad. They were both the executors for Robert; Elias and the lawyer were the executors for Janice. The farm assets were left to the two brothers. Janice's children were to receive her estate, which would be about \$450,000.

There were some complications though. Janice had kept most of her investments in her name but had cashed some in to help Robert with the farm and harvester purchase. A promissory note documented the loan. Robert had a small life insurance policy with Elias and Clayton named as beneficiaries. Due to health issues, Janice did not have any life insurance.

It was the next lawyer meeting that had the brothers stressed as they checked their fields. Their step-siblings Brittany, Courtney and Blake, via their lawyer, were demanding settlement of Janice's estate immediately. They also made claims that Janice had contributed financially to the farm operation over the course of the marriage and that a portion of the farm asset value would attribute to her. They challenged the life insurance beneficiary designation, questioned the validity of the pre-nuptial agreement and expressed outrage that Elias was one of Janice's executors.

BDO Canada LLP is a national accounting and advisory firm serving producers from offices across Canada.

 @BDOCanada_Ag | BDO.ca

Despite their lawyer's assurances that none of these claims would create problems, Elias and Clayton were concerned and contemplated their options regarding how they would pay out their step-siblings immediately. Robert and Janice had done everything right, yet the farm still faced a serious cash flow challenge and potential legal wrangling.

Elias and Clayton finished checking the fields and ended up sitting outside at the home farm's picnic table to talk. They'd have to borrow money to resolve their cash flow challenges. It wasn't going to be easy, but the foresight and planning by Robert and Janice meant Elias and Clayton would be able to keep the farm running. ■

BLENDED FAMILY CHECKLIST

Problems can arise when farmers re-marry, but there are steps that can help protect the farm business.

-  **Update wills** – new relationships demand new wills.
-  **Sign a pre-nuptial agreement** – it clarifies what each party owned coming into the relationship and how everything would be split coming out.
-  **Update powers of attorney** – do you want your ex-spouse deciding what happens to your financial affairs or making medical decisions?
-  **Review beneficiaries on life insurance, RRSPs and other investments** – make sure the designated beneficiaries match what the will says.
-  **Document financial transactions between spouses** – loans between parties should be documented with amounts and repayment terms.



Farm management training comes in various forms

Other than post-secondary education, what agriculture learning endeavours (course, travel, online, other) have had the biggest impact on you and your farm?



RÉMI BUSQUE

Co-owner of a dairy farm, St-Simon-Les-Mines, Que.

At the beginning of my career, I participated in a 24-hour boot camp organized by l'École d'Entrepreneurship de Beauce. We did an exercise called Dynamix to determine our entrepreneur profile. This exercise was very revealing for me and allowed me to identify my strengths and talents.

It especially helped me understand that I should exploit my talents – focusing on my strengths instead of striving to correct my weaknesses. It's useless trying to become good in a sphere where you do not have skills. Over time, I have learned to surround myself with people who fill my weaknesses and this attitude has always paid off for my farm.

I also visited dairy farms in the United States on a trip organized by La Coop. By analyzing the economics and technical data of the farms that I visited, I acquired a lot of knowledge that I use every day on my farm.

I also like to validate my ideas by reading articles and magazines that deal with agricultural topics and I get in touch with experienced and innovative producers. That's the best source of learning for me. Volunteering for my association is also very instructive. Having been the president of Chaudière-Appalaches Young Farmers association for three years will certainly have an influence on my career as a young entrepreneur. Networking pays!

**KRISTJAN HEBERT**

Hebert Grain Ventures, Fairlight, Sask.

Hands down, the biggest impact for me has come from TEPAP, the Executive Program for Agricultural Producers run by Texas A&M University. I read some articles by renowned farm management specialist Danny Klinefelter when I was still back in high school and it made me want to attend TEPAP. Danny has served as a mentor for me and we're great friends.

The weeklong course conducted in Austin each January is designed to make you more professional in your leadership and management skills. Along with daily intensive class sessions, there are bear-pit sessions with your classmates and instructors.

This is a course for managers with a real desire to be better at farm business. It's all about big picture thinking.

For the alumni of TEPAP training, an annual weeklong course called AAPEX, Association of Agricultural Production Executives, is available and it's also excellent.

The second largest impact would be Strategic Coach. From this, our farm asks every prospective employee to take the Kolbe personality test. This is an excellent tool for understanding people's talents and how they will fit into your business. We've found it extremely useful.

**TIM MAY**

Dairy farmer and agriculture advocate (Farmer Tim), Rockwood, Ont.

I try to learn something new every day. Magazines and meetings are great but they can't beat the fast-paced engagement that social media offers.

It educates me

Dairy farmers aren't known to be world travellers. We are tied to our farms, so imagine my delight to get a glimpse into the world of some of the three billion social media users around the globe! Many of these users are farmers showcasing firsthand knowledge of the latest innovations ag has to offer.

It's therapeutic

I often spend long lonely days in the barn or on the tractor and face some unique challenges that take a toll – not only on my

physical well-being but also my mental health. Being able to share my frustrations with others helps me cope and realize that I am not alone.

I can make a difference

The best classrooms smell like a barn. It's great to encourage people to visit a farm, but in reality it's not that easy. The next best thing is to tell your story on social media and show consumers that farmers truly do care about their livestock and their land. ■



GOOD THINGS GROW ON EQUAL GROUND

With the Women Entrepreneur Program, FCC is helping ensure a diverse, open and forward-thinking agriculture industry for everyone.

Loans that build careers

What's important in helping empower women in agriculture, agribusiness and agri-food? FCC committed to finding the answer. In our research and discussions with women in agriculture, we discovered three key needs:

- 
-  **increased access to capital to start or grow their business**
 -  **access to business and competency skill development**
 -  **awareness of the current resources and value-added content available to women entrepreneurs**

In response, FCC is dedicating \$500 million over the next three years to lending, enhancing events and creating resources specifically for women entrepreneurs.

Financing with growth in mind

If you're a woman involved in agriculture or agri-food who qualifies for financing, the Women Entrepreneur Loan could help you take the next step in starting or growing your business. Features include a one-time loan processing fee waiver for up to \$1,000 throughout the lifetime of the program to invest in skill development that best suits your business needs.

Connect with other entrepreneurs

Discover learning and networking opportunities, with topics important to women entrepreneurs, at in-person events set to launch this fall. Look for more details from FCC in the coming months.

Find new ways to grow your skills

You'll find lots of learning opportunities and practical business info available to women entrepreneurs. Visit fcc.ca/KeepGrowing for regularly updated groups, events and other opportunities.

Learn more and get started
fcc.ca/KeepGrowing



Financing you can build a dream on

| If you see your future in agriculture, we're here to help – from dream to reality. Ready to explore your opportunities? Let's get started.





How to see past the hype and spot **winning innovations**

BY PETER GREDIG

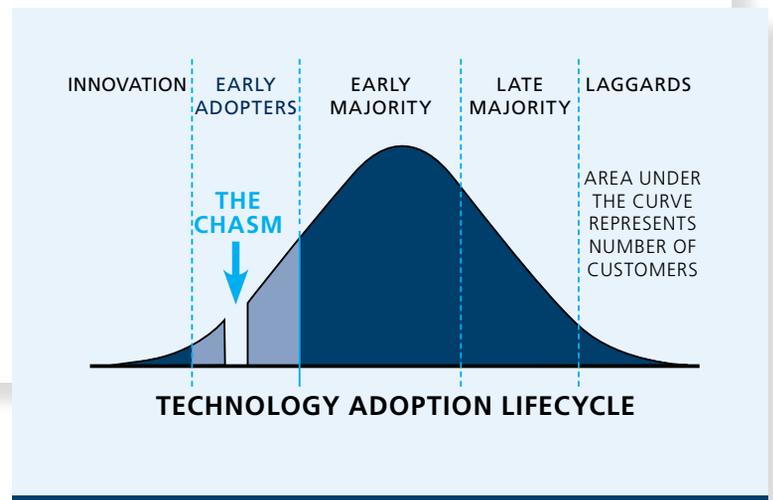
A concept called the hype cycle can help us spot innovation that is oversold or alternatively hitting its stride in terms of payback and benefit. It's a thought process that lets you put a new technology through a simple evaluation, even before you start crunching numbers or doing more research.

Technology adoption lifecycle

You may recognize the traditional approach to understanding how a technology goes from an idea with a few passionate believers to a point where it's mainstream, in the graphic below. It's called the technology adoption lifecycle and if you apply it to your neighbourhood, you'll probably be able to think of the farmers who were first in with GPS guidance or carrying a smartphone. They are called innovators. They tend to pay more and learn some of the harder lessons as compared to those who come to the technology later.

The chasm refers to that point every new technology hits where it has to get beyond the innovators and early adopters and gather momentum towards being an accepted practice. If you are a company selling a new technology, this is the biggest hurdle. Many innovations die at this point.

This analysis has served us well in terms of understanding the process from initial idea to critical mass use, but it works best in situations where a technology takes years to run this cycle. The adoption of minimum and no-till practices in grain production are good examples. Innovators and early adopters were welding planter and seeder modifications in the shop. The early and late majority were able to buy no-till equipment off the shelf.



Hype cycle

The hype cycle shown below is more responsive to the realities we face today where technologies advance much more quickly. It recognizes that it's not just about picking the right technology or product, it's about buying in at the right time.

Look at the curve starting at the bottom left: an innovation discovery creates a technology trigger, which is another way of saying it gets some attention and exposure. If it's a compelling discovery, it receives extensive promotion or hype via various forms of media, marketing, and increasingly, social media. The point at the top of the curve is called the peak of inflated expectations. This is a point where many buy into the technology based on the hype alone. Up to this point, the only information most people see relating to the new technology is positive and compelling.

But what goes up must come down – even trends. As early entrants into the technology put it to the test in the real world, there is letdown. Often the innovation doesn't live up to the hype, or it isn't ready to deliver the specific objectives of the buyer. Now the hype becomes negative or ambivalent.

At this point, many abandon or shelve the technology because it isn't delivering benefits, but those who continue may eventually find a way to make it work. Or, it evolves to where it provides a benefit that wasn't originally intended. This is the slope of enlightenment, which, for good technologies, leads to a plateau of productivity.

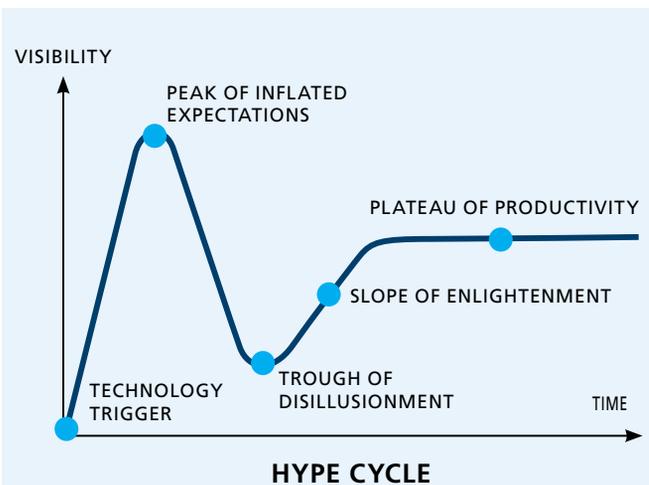
If we take this from the theoretical to a real-world example, we can use GPS technology in ag as a good case study. It didn't move as fast as some of today's innovations, but GPS capability hit ag in a big way in the mid '90s. The hype cycle was in full swing and pushed the cropping sector to a peak of inflated expectations based on what we would achieve with GPS-enabled yield monitors. They worked! We were able to collect yield results based on location and we printed maps that blew us away. But then what? There was a trough of disillusionment when farmers struggled to quantify the benefits or payback. We're still working at deriving solid measureable returns from yield mapping.

In my opinion, the turning point for GPS that took it from disillusionment to enlightenment and productivity occurred when we realized we could use GPS signals to drive in a straight line. I see the light(bar)! The benefits and returns were immediate and repeatable. No overlap; savings in fuel, product and time; and less operator fatigue.

What about the technology we hear about today? It's a subjective thing and one person's trough of disillusionment is another's eureka moment, but I think it's fair to say that aerial drone technology for ag might be looking for its slope of enlightenment. It is impressive and it will deliver benefits, but the idea that every farmer would or should own one is no longer the discussion.

Trying to place artificial intelligence, the Internet of Things, robotics, and precision ag on this curve is the ongoing challenge for all of us. And it's unique to each of our operations.

As you read ag media, visit farm shows and consider all the exciting innovations coming at agriculture, keep the hype cycle in the back of your mind. If the hype is everywhere, that's telling you something. Learning to spot when innovations hit the slope of enlightenment will serve you well as the tech cycle shortens and speeds up at the same time. ■



FCC Farmland Values report

Top 3 takeaways

Canadian farmland values increased at an average annual rate of 6.6% in 2018. This is the lowest growth rate recorded since 2010. Trends varied across the country, highlighting the truly local nature of the farmland market. Here are the main conclusions we draw from the report.

1. Beware the average

The pace of increase in national farmland values slowed in 2018. This is also true at the provincial level, with British Columbia the only province bucking the trend. There, the increase in land values was significantly stronger than last year.

There was a noticeable trend in land transactions: in many regions, lower-valued farmland recorded higher-percentage increases than land with above-average values. These subtle patterns tell a story about price trends that a simple average can't account for.

2. A year of mixed messages

Many have cautioned about the effects of a limited supply of farmland, a fact that contributed to fewer transactions and higher average prices in 2018.

Supply is critical to land values, however, the two most significant drivers are farm income and interest rates. We estimate cash receipts declined 1% in 2018, which, coupled with higher expenses, led to a decline in net income, while interest rates climbed with an average gain of 75 basis points. Softer income and higher borrowing costs will usually weaken the

demand for land more than what we saw last year, when unusually strong demand may have been prompted by the need for efficiency gains made possible by adding acres, especially of less expensive farmland.

3. No two regions are alike

The importance of local trends in land supply, farm income and interest rates shows up clearly in the value of land transactions at the regional level. Of the 51 regions reported in the study, eight regions recorded an average annual increase of more than 10%. At the other end of the spectrum, eight regions showed little or no annual change. Four regions in Nova Scotia and New Brunswick recorded a decline.

Farm income supports farmland values

Farm income and land prices go together. Trade issues that loom large in 2019 will bring more volatile commodity prices and pressure farm income. And here's a positive trend: interest rates probably aren't going to rise.

Now is the time for producers to assess their overall financial positions. A focus on increasing productivity will be key in managing the changing economic landscape. ■

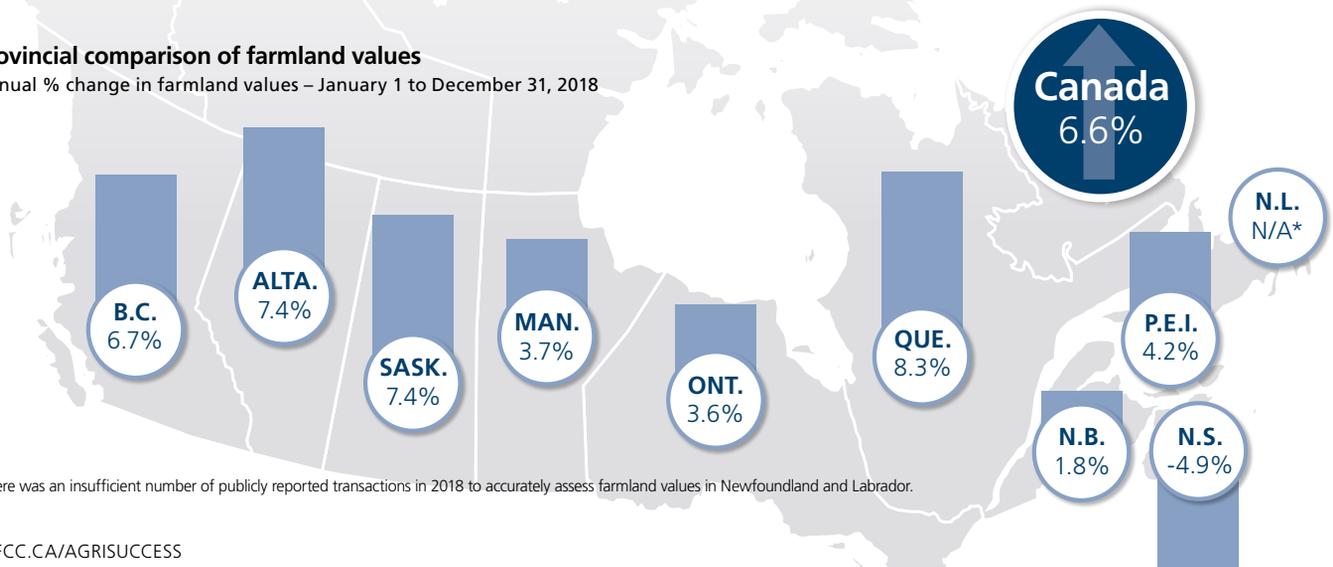
FCC AG ECONOMICS

Get regular updates and unique perspectives on national and global economic events that impact Canadian agriculture.

fcc.ca/AgEconomics

Provincial comparison of farmland values

Annual % change in farmland values – January 1 to December 31, 2018



*There was an insufficient number of publicly reported transactions in 2018 to accurately assess farmland values in Newfoundland and Labrador.



AGRISUCCESS TEAM SALUTES **KEVIN HURSH**

For turning a humble start into
award-winning excellence

As this issue got underway, Kevin Hursh let us know he was retiring from the role of AgriSuccess editor. We appreciate all of his contributions and wish him well on his future ventures.

What does it take to produce an agriculture publication on time, every time? Primarily, it takes a top-notch professional leading your team.

As editor of AgriSuccess, Kevin has been that person for 15 years. His passion for agriculture, journalistic integrity and unwavering commitment to helping others succeed have been key drivers of the magazine's achievements.

Kevin, thank you for your insights, advice and editorial expertise through the years. Your leadership and dedication will be missed.

Here's to
**WEARING
OUT YOUR
WORK GLOVES**

We're proud to finance the people, the dreams,
and the future of Canadian agriculture.

Here's to Canadian agriculture. Here's to you.

fcc.ca



For subscription changes call 1-888-332-3301

Return undeliverable copies to:
Farm Credit Canada
1800 Hamilton Street
Regina, SK S4P 4L3

**Publications Mail Agreement
No.40069177**