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FALL 2024

# AgriSuccess



**THE TRANSFORMATIVE  
POWER OF ON-FARM  
TECHNOLOGY**





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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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Editor, Kim Sheppard

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# REAL-TIME COST OF PRODUCTION

BY RICHARD KAMCHEN

Determining farm business profitability requires precise cost of production numbers, but there's still work to do when it comes to accurate costing.

Darren Bond, farm management specialist with Manitoba Agriculture and Resource Development, finds that most crop farm operators are calculating their costs of production annually.

"They'll calculate potential profitability to make crop rotation decisions and forecast potential cash flow requirements," Bond says. How often partly depends on the type of operation they're running.

"A poultry operation that turns over its broilers every eight weeks will be conducting more frequent reviews and actuals than a grain operation producing an annual crop," says Leigh Anderson, senior economist at FCC.

## Variables

Changing variables are other key factors that can affect cost of production.

Bond has seen large increases in seed, fertilizer and pesticide costs over the past few years. The cost of parts and repairs to farm machinery have also gone up.

"Fixed costs and land have seen increases, especially for those who have expanded their operations," Bond says.

The Canadian dollar's value is another factor to monitor as it impacts revenues and expenses. A lower Canadian dollar (CAD) value compared to the U.S. dollar supports commodity prices that Canadian farm operators receive since globally traded agricultural commodities trade in U.S. currency. However, a higher CAD helps offset higher prices on new equipment and farm inputs imported from the U.S.

Prices of commodities have seen the largest changes, making it difficult for farm operators to create accurate projections.

"This is the current challenge, to create costs of production and profitability projections that are realistic and aren't too optimistic," Bond says.

Overly optimistic projections lead to spending decisions that aren't supported by what's really happening on the farm and could lead to overextending on costs and investments.

## Real-time costing

Anderson notes technology has improved to the point where farms can get real-time data from their equipment during fieldwork on what their actual costs are. This allows them to know exactly what their break-even costs are and what break-even price per bushel or yield they need to cover their costs.

Updating yield expectations throughout the growing season is a major part of maintaining real-time costing.

Yield can be the biggest variable for crop producers, and it's important to be realistic about your estimates, Bond says. "Using an unrealistic yield can make profitability appear better than what's actually out there, leading to poor decision-making."

This more rigorous approach to calculating costs of production ensures greater accuracy and usefulness in real-time costing, Bond says. ■

# THE TRANSFORMATIVE POWER OF ON-FARM TECHNOLOGY

BY EMILY LEESON



Halarda Farms Ltd., located in Elm Creek, Man., is advancing their business with innovative ideas, leveraging the latest technology and ensuring sustainability for future generations. As one of the province’s largest dairy farms now utilizing robotic milking units, the Borst family behind the business isn’t shy about taking on new challenges.

Initially acquired by Anton Borst’s parents, who emigrated from Holland with their five children in 1984, the farm has grown significantly from its early days of milking 80 cows. Today, it’s a multi-generational enterprise poised to continue growing. “In 2013, my wife, Cheryl, and I officially took it over,” Borst says. “And as of 2023, my son and his wife became partners in the farm.”

With the next generation now on board, Halarda Farms continues to evolve, seizing new opportunities and consistently planning for the future. This forward-thinking approach keeps the farm at the forefront of agricultural innovation.



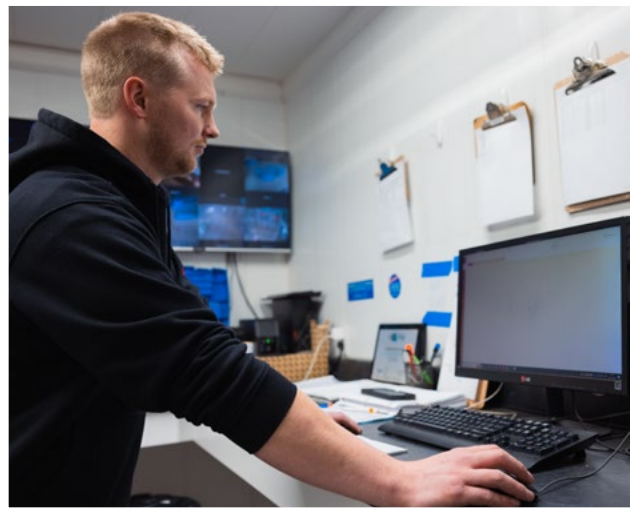
Pictured L to R: Janique, Michael, Cheryl and Anton Borst

**The journey to robotics**

By 2007, Halarda Farms was milking about 635 cows in a double-ten parlour. A new milking parlour was needed, and it became apparent that a system change was necessary to keep up with growth. Robotics, though, were not initially part of their plan. “We were skeptical because the common advice was that robotic milking was for smaller farms with 60 to 100 cows, not for larger farms,” Borst says.

However, after touring a robotic milking facility, the Borsts were intrigued by the system’s potential. It provided extensive information for herd management and addressed a looming issue: labour. “We were running 24-hour shifts, which was tough. I didn’t want to impose those shifts on myself or my kids, who were very young. We also didn’t think we could sustain hiring people for those shifts,” Borst says.

Realizing the benefits, the Borsts decided to embrace robotic milking.



### Technological integration

Halarda Farms now uses Lely robotic milking systems to optimize operations. Their 1,300 milking cows now wear computerized collars that monitor various aspects of their movement, nutrition and health, offering the family a wealth of data and a more streamlined management system. Cows are sorted and, when necessary, separated automatically into pens for health concerns or routine tasks such as hoof trimming and vaccinations.

“Some of the biggest improvements are that the cows can operate on their schedule. We got a nice production increase, partly due to higher milking frequency,” Borst says.

“Cow comfort improved significantly, which also contributed to the production increase,” he says. “Additionally, the information we get from the robots and activity collars makes managing the herd much easier.”

The system enables the Borst family to fully harness their management potential and drive growth without overextending their resources or capabilities.

### Looking ahead

With family as the cornerstone of their business plans, the Borsts actively seek opportunities for the next generation to take the reins and feel deeply invested in the enterprise. This forward-thinking

approach is a crucial part of their strategy to ensure that the farm is well-prepared for future generations.

By fostering an environment that encourages innovation and long-term planning, the family is setting the stage for future resilience. “For bigger decisions, we involve all ownership partners to set priorities and make sure everyone understands why those priorities are set,” Borst says. “The earlier you start, the easier it is for the next generation to be invested in the operation.”

Flexibility is key, he adds. The business now has provisions to accommodate more partners based on the interests of their nine children. “We’ve set up mechanisms to bring more partners into the farm, depending on how many of our nine kids want to be involved,” he says.

“Our goal is to pass the farm on to the next generation, making sure it’s sustainable,” he says.

### Technological sustainability means shifting roles

Integrating technology into a farm operation means a shift in daily management tasks and employee roles. During the time of startup, Borst says, it’s important to block some time at the beginning or end of each day to evaluate how the implementation is going. Check in regularly with the farm team to ensure they’re learning the necessary skills and that animals are adjusting.





# GROWING WITH THE TIMES

## Embracing innovation

Integrating advanced technologies can boost efficiency and productivity. Halarda Farms’ robotic milking systems show how technology can streamline processes, reduce labour and enhance management strategies.

Exploring new technologies tailored to your specific needs can allow for greater growth. “Investigate thoroughly to ensure the technology fits your operation,” Borst says. Building in the time to make the transition is also key. “Make sure someone on the farm has enough time to manage the implementation process without getting bogged down.”

## Effective management

Structured, well-planned management practices are key to any farm’s success. “When it comes to preparing for a project like that, you have to make time to visit other farms and consider all the options,” Borst says. “Prepare budgets and cashflows. This process will often take well over a year and includes applying for permits.”

The Borsts’ management approach, using data-driven decisions and automation, highlights the value of priority-based oversight. Clear systems and processes help efficiently manage routine tasks and unexpected challenges. “The technology allows us to do a much better job of applying the same old principles,” Borst says.

## Strengthening operations

Focusing on family and future opportunities creates a resilient farming operation. “Having a clear and transparent transition plan helps ensure that the next generation knows the transition is real and can plan accordingly,” Borst says. ■

Considerations when optimizing team roles:

- **Shift from manual to technological tasks.** Some manual labour will be replaced with technical roles requiring knowledge and skills in operating and troubleshooting the equipment. Training and skill development will be required.
- **Enhanced focus on data analysis.** Employee roles will shift towards analyzing the data collected to ensure optimal animal health and welfare and productivity.
- **Farm management and strategy.** With more data available, you’ll be able to make more informed decisions about herd management, feed strategies and overall farm operations.
- **Efficiency optimization.** There will be opportunities to optimize the use of robotic systems for improved efficiency and productivity.
- **Supplier liaison.** Regular communication with equipment suppliers and service providers becomes essential to ensure the robotic systems are functioning optimally.
- **New farm routines.** The continuous operation of robotic systems may require more flexible work schedules for employees since systems can run around the clock.

# SOMEONE WANTS YOUR LAND. NOW WHAT?

BY MATT MCINTOSH

Canada's population and industrial development capacity continue to grow. New homes, factories, infrastructure and other facilities have to go somewhere, though, with farmland often bearing the brunt of new construction.

Developers and regional authorities increasingly look to acquire farmland to fuel growth. Landowners should take extra steps to ensure their farm business is not placed in a disadvantageous position in the event they choose – or are forced – to sell.

## Developers know the system – do you?

For Quinn Ross, an Ontario-based lawyer and founder of The Ross Firm, a company specializing in property and land expropriation, the first thing farm operators must recognize is they probably don't know everything about how land is or can be acquired for development – but the person or group attempting to acquire that land does.

Whether it's a housing developer or a regional government trying to expand public infrastructure, this knowledge discrepancy puts the landowner at a significant disadvantage in ensuring the compensation they receive adequately reflects the impact of the acquisition. A critical first step involves seeking legal advice from professionals who know all the specifics of land acquisition and expropriation. Another is being open with others who may also be facing pressure to sell their land for a large development project.

“The key is aggregating as many of the people involved as possible because it allows control of the information narrative and speed of the project. If they can divide and conquer, they will,” Ross says, referring to the group trying to acquire land for developments requiring multiple properties.

“What we do is get a bunch of people together, develop a compensation methodology and make sure the entire process is consistent. Otherwise, they will tell you fair market value and just try to push things through. If you don't know how that all shakes out, and what to expect, you're negotiating from a position of significant weakness.”

Ross also recommends landowners be extra mindful when private developers say they're operating on very short timelines.

“If they can't wait a couple of weeks for you to seek advice, then they're not someone you should be dealing with anyway. No one can take land without the right of expropriation, even if they sound like they can.”

## Compensation not straightforward

In Ross' experience, the first hurdle is always getting people to understand that their land is being taken. Indeed, he says the realization can be devastating, even though they'll be compensated.

Determining compensation can be complicated in itself, too, since the values offered frequently fail to account for all the impacts felt by individuals and their farm businesses.

“Legislation doesn’t necessarily treat agriculture property as a business,” Ross says. “There’s no compensation for the incremental costs of working around that hydro tower for the next 50 years.”

### Complications inevitable

How a development will affect your farm business can also differ from what the developing body initially says. Graham Bolton, senior relationship manager with FCC in B.C., has helped customers navigate development pressures which, in practice, have caused more challenges than the landowner was originally led to believe.

“I have a customer who dealt with three expropriations. The last one was a highway that went right through his farm,” Bolton says, citing a case where a cranberry farmer had his cranberry bog divided by a highway. This significantly complicated the farmer’s logistical operations, particularly when the highway was being constructed.

Bolton says farm operators need to clearly communicate how the development will impact them and encourages them to gather as much data, and photographic evidence, as possible. This, he says, is the only way to successfully plead your case, should it come to that.

### If someone is seeking your land, consider the following:

- 1** Know who wants your property. Municipalities and other regional authorities have the ability to expropriate. Developers do not.
- 2** Don’t let high-pressure tactics intimidate you. Even in expropriation cases, you have a right to a review process.
- 3** Determine the true value of your property and how the loss of a part of that property will affect your day-to-day business.
- 4** Seek advice from advisors familiar with expropriation cases. The more knowledge you have, the stronger your negotiating position. ■

# FORMALIZING HR PRACTICES FOR MODERN FARM MANAGEMENT

BY RICHARD KAMCHEN

Human resources management practices are common in off-farm businesses but are less likely to be in place on farms. There is, however, great value in having formalized HR practices for farm operators. From a farming perspective, HR can be thought of as a skillset that facilitates people management.

Viktoria Schuler, project manager of HR services with the Canadian Agricultural Human Resource Council (CAHRC), attends numerous HR workshops and conferences every year and observes that not many farm operators attend.

“Usually in agriculture, you start thinking about HR when your worker doesn’t show up or when you have a crisis and you ask, ‘What can I do? I have nobody to run my combine today,’” she says.

Although HR practices are uncommon for family-run farms, they can be beneficial when managing anyone – family included. HR can be especially helpful if the operation grows larger or a family member quits or retires.

## Recruitment and retention practices

HR practices can prove extremely valuable in hiring employees with the necessary skills and experience by ensuring they’re a good fit.

An HR consultant can help identify the positions needed, write job descriptions, place job advertising, screen applications and conduct interviews, Schuler says.

Consultant Erin Duquette says labour management is a huge piece of HR as farms may require a significant number of workers, especially during planting and harvesting seasons.

“HR professionals can help manage the hiring process and ensure the farm has an adequate workforce with the right skills and experience,” Duquette says, adding HR can also assist with labour planning throughout the year.

Once you’ve hired your employees, the next step is thinking about retention strategy, and usually, compensation and benefits tops the list, Schuler says.

“How to build your pay structure – would you include a bonus? Do you pay for holidays or not? Do you pay overtime?” Schuler says these are all important things to consider. Also on that list are benefits like dental insurance and additional disability insurance.

HR can also play a vital role in performance management.

“What happens if your employee is not doing the job you expected? Is it because the initial recruitment went wrong? Or is it that you’re not giving proper instructions?” Schuler says.

## Compliance with regulations

Having HR processes in place can also ensure farms are compliant with all the regulations they’re affected by, and thereby reduce the risk of penalties, fines or legal action.

“Every section of HR, ranging from recruitment to temporary foreign workers, has certain legal obligations and compliance issues,” Schuler says.

She says employers can be audited, which could involve requests to provide payroll records, employee agreements, agreements for accommodation and more.

Duquette says Service Canada has been sending out inspectors more frequently since the pandemic, and they’re getting into the nitty gritty details about workplace conditions, workers’ hours, and how they’re paid and how much.

“I would get a maximum of one audit every other year, now I get two to three audits a year,” Duquette says.



An audit can shut down an operation's ability to bring in foreign workers or send them home. "It essentially pauses all processing until you can prove that any non-compliance issue they're looking into is satisfied," Duquette says.

### **Risk assessment and mitigation**

Also falling under the HR umbrella are health and safety policies, health and safety training, accident investigation and reporting, and identification of hazard management.

Health and safety, workplace safety and workplace wellness are huge topics, Schuler says.

"There is a federal act for occupational health and safety legislation but it's regulated under provincial legislation, so in each province, there are certain rules and regulations that need to be followed," she says.

HR professionals can also play a big role in insurance management, working with insurance providers to ensure the farm has adequate coverage for potential risks and assist with claims management.

### **Conflict resolution**

Duquette stresses that conflict resolution is a major component in any workplace and addresses things like workplace violence and harassment. Employee conflicts can disrupt farm operations and create additional risks.

"It has to be addressed essentially by a third party, someone who is non-biased," she says.

To learn how to incorporate more HR practices on your farm, check out the CAHRC. This national, non-profit organization focuses on addressing human resource issues facing agricultural businesses across Canada: [cahrc-ccrha.ca](http://cahrc-ccrha.ca). ■

# INNOVATION WIN: FROM **PLASTIC WASTE** TO A **STRONGER FENCE POST**

AS TOLD TO TREVOR BACQUE



Danny Farkash is a natural-born tinkerer. The Vermilion, Alta., farm operator has been rigging up new inventions from the time he could grasp a screwdriver. Today, he's most proud of his latest invention: a one-of-a-kind machine that takes plastics such as grain bags and pond liners and turns them into fence posts stronger than fir wood in a low-emissions process. A passionate recycler at heart, he receives his raw materials for free and typically pumps out 500 posts a day. He is driven by his passion for leaving the world in a better state.

clean up the world but I thought we could do it in a way that nobody else has done it before. Many want to get rid of plastic but I think that plastic enhances so much of our lives; we should just find a better way to recycle it. If we don't change how we do things, we're going to run out of natural resources.

### Work smarter to be more profitable

I like to take old ideas and do it in a new way. In the farming sector, we used to go over the land five times. Now, we hook two pieces of equipment together and go over the land once or twice. We save fuel, time and the environment. That's using old technology in a new way. You don't have to just do one thing and have it make all the money. You don't have to change the economy; you just have to change your economy.

### Advice to farm operator entrepreneurs

Always look for opportunities to do what you're passionate about. When I built my yard and needed a backhoe, I bought my own, did the work and then did custom work for others. It paid for itself many times over. I've done that with multiple pieces of equipment. Whatever business you're in, make it your business and eventually, you'll end up with ownership.

Concentrate on what happens after the work too. The work itself is temporary but the results last way longer. I think people would be a lot more ambitious if they focused more on the results. I think about my crew as well. I share the profits from making fence posts with them and that gives me a great amount of satisfaction.

There's new stuff to be discovered yet. There are new ways of doing things that are going to change the world for everybody. But if we don't keep chasing these things, the world suffers because of it.

### What keeps you going?

I get depressed sometimes like everyone else does. I'm motivated when someone tells me I can't do something. I seem to get an extra run of energy from it. It's also about doing something that nobody's ever done before.

I believe it's really important to reward yourself when you succeed. It doesn't have to be too big, but it has to be something because that's what stimulates your ambition. ■

### Coming up with the idea

A man I know who worked at a local retailer and for [Vermilion River] County said to me, "Somebody needs to do something about this plastic," since only 20 per cent of agricultural plastics were being recycled. I was already making free-standing cattle fences out of recycled steel and I thought I could similarly recycle grain bags. At the same time, farm operators need good fence posts that don't rot out after a few years – they get really mad about that.

So the question was: If we need a product that's not available right now, could we do it at a price to make a business out of it and clean up the environment at the same time? The answer was yes.

### How does it work?

We roll up one tonne of plastic into tight bales and load them into a 30-foot pipe. The unit is powered by discarded scrap wood from the oil patch and heats the plastic to 500 degrees Celsius. Thanks to a double-burn chamber inside the unit, virtually zero emissions are produced. It's a very clean burn.

My goal is to go through 10 tons of plastic a day, which would produce about 500 posts a day. Each post weighs about 45 pounds.

### Why do this at all?

Why do people climb mountains? Maybe someone said they couldn't. Maybe they want to see the view from a different area. We need to

# EMPOWERING INDIGENOUS AGRICULTURE

BY TIM PARENT



Earlier this year, a surprising figure emerged regarding Canada's agriculture sector – increasing the participation of Indigenous Peoples within agriculture and bridging the gap in farm income between Indigenous and non-Indigenous farm operations could translate into a \$1.5-billion boost in agriculture Gross Domestic Product.<sup>1</sup>

### Indigenous leadership

Enter the National Circle for Indigenous Agriculture and Food (NCIAF), an Indigenous-led, non-profit organization working closely with Indigenous entrepreneurs and communities that are starting, growing or scaling agriculture and food projects.

While FCC, Royal Bank of Canada (RBC), the Saskatchewan Ministry of Agriculture and MNP contribute financial and service-in-kind support to the NCIAF, many other stakeholders are discussing how to support Indigenous agriculture and food.

### Tailored services

Acting as a hub for First Nations, Inuit and Métis to accelerate in business and agriculture, NCIAF connects entrepreneurs to industry stakeholders. NCIAF President and CEO, Kallie Wood, emphasizes that the organization's tailored services meet the specific needs of Indigenous communities while approaching agriculture through an Indigenous lens.

"We work on various projects across Canada, connecting communities based on their capacity and needs," Wood says. "Traditional harvesting, hunting, fishing and trapping have provided food security and sovereignty to our communities since time immemorial. Anything Mother Earth provides to feed our people is agriculture."

### Sustainable practices

Tackling food insecurity is one of the goals of the NCIAF. Community gardens, greenhouses and processing facilities are becoming more

prevalent, driven by a renewed focus on long-term sustainability and regenerative agriculture.

More than half of Indigenous Peoples and communities face high levels of food insecurity, but Wood says that's changing due in part to the uncovering of history.

### A reconciliation focus

"When the Kamloops [residential school] discovery of our children happened, it awakened Canadians. When we look at reconciliation, it has changed the whole conversation. More people are stepping up to the plate and putting action to reconciliation."

"Reconciliation is one of our key pillars," Wood says. "It's the catalyst to success when it comes to building relationships, understanding our traditional knowledge and lived reality of being on the land, and that stewardship and bringing it all together."

The NCIAF's impact is evident in success stories emerging from its initiatives, including breaking ground on a community garden and school program in Saskatchewan, highlighting its flexibility and community-driven approach. Moreover, it has established an Indigenous advisory circle to ensure Indigenous voices shape its future direction.

"The NCIAF is built by Indigenous Peoples for Indigenous Peoples," Wood says. "We're a non-profit with an independent board. We're not here to make money. We're here to make a movement and assist Indigenous people in advancing agriculture through nourishing nations and empowering generations." ■

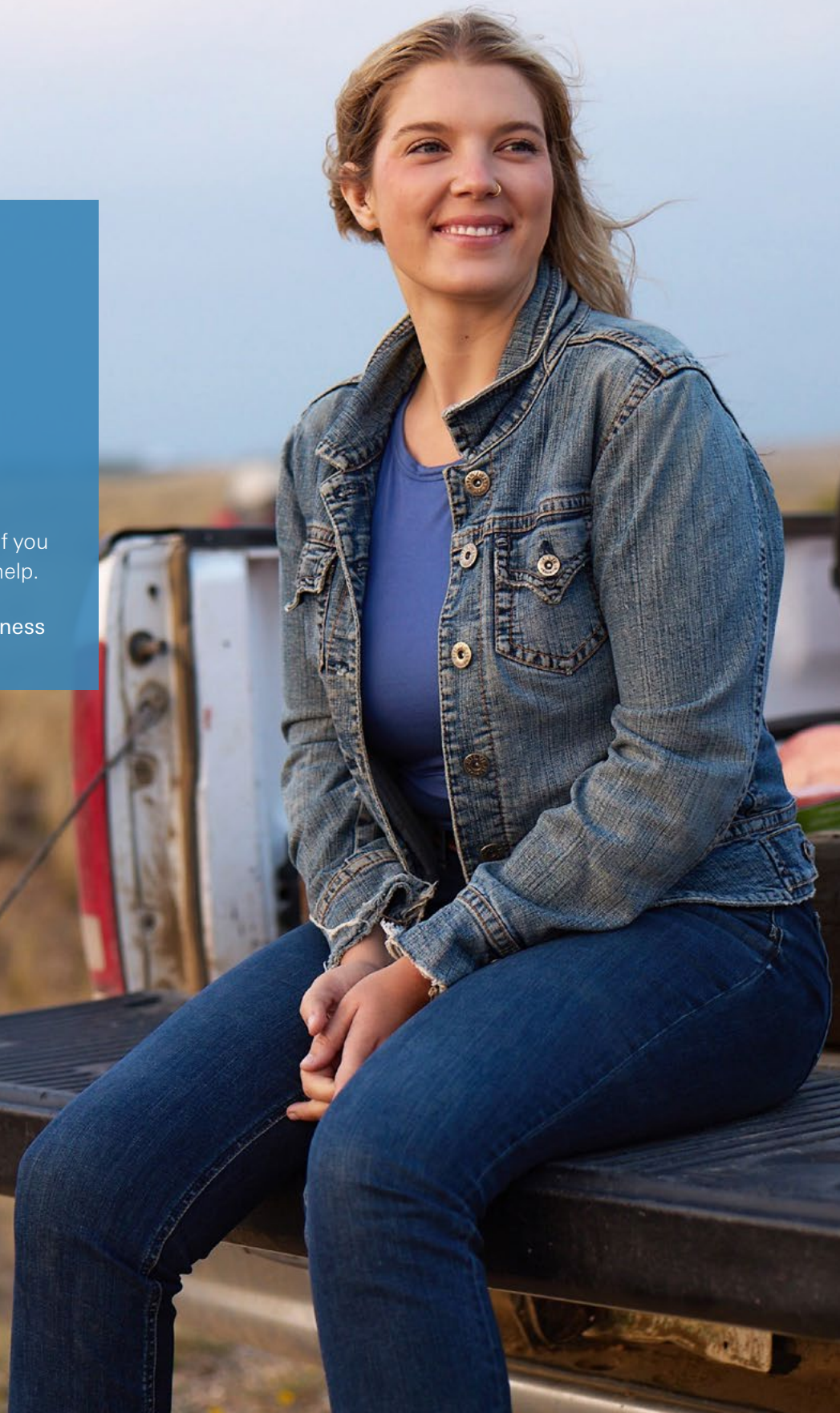
1. From the article *Indigenous agriculture opportunities could boost GDP by \$1.5 billion* on [fcc.ca](https://www.fcc.ca).



Take time  
Take stock  
Take care

Make sure your well-being is a priority and talk to somebody if you or someone you know needs help.

Find resources at [fcc.ca/Wellness](https://fcc.ca/Wellness)





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**20** AGRISUCCESS IS CELEBRATING ITS 20TH YEAR! Over the past two decades, agriculture has seen significant advancements in technology and efficiency. Innovations have streamlined operations and boosted productivity, while programs addressing mental health have gained traction, recognizing the unique stressors faced by farmers. Plus, strategic financial planning and succession strategies have become essential, ensuring smoother transitions and sustainability for future generations.

## FINANCIAL FITNESS



Calculating costs of production and financial ratios was less common 20 years ago. Today, larger farm size and a complex business environment demand financial efficiency.

To calculate your operation's liquidity, solvency and profitability and learn how to interpret these numbers, scan the QR code or visit [fcc.ca/Ratios](https://fcc.ca/Ratios)



## SMARTER FARMS

Technology in agriculture has come a long way in the last 20 years. Precision tools, robots and other innovations are making farms more sustainable, efficient and profitable.

Follow these **five steps** when thinking of adopting innovations:

- Know and understand what is available in agriculture and other industries.
- Spot emerging technologies or innovations that may solve specific problems on your farm.
- Run a realistic cost-benefit and payback analysis.
- Conduct small-scale pilot projects or learn through researchers conducting trials.
- Implement new technology and continue to monitor data closely.



Source: [fcc.ca/Knowledge](https://fcc.ca/Knowledge)

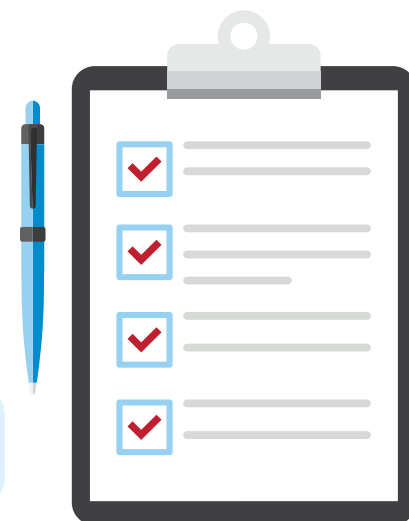
# NEXT GEN TRANSITION

Successfully transitioning farm businesses to the next generation is vital to the future of agriculture.

FCC's transition tools, including the Transition Planning Checklist, can guide you through the process and help you prepare for meetings with your farm advisors. Visit [fcc.ca/Transition](https://fcc.ca/Transition).

**Fact:** Twelve per cent of farms reported having a succession plan in 2021, up from 8.4 per cent in 2016.

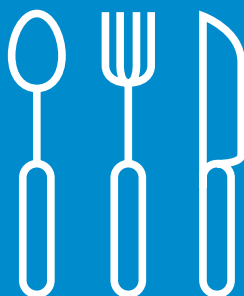
Source: [statcan.gc.ca](https://statcan.gc.ca)



# MENTAL HEALTH *MOMENTUM*

Mental health in agriculture is receiving more attention than ever before, but continued advocacy and support resources are needed to fight farmer stress, anxiety and support mental wellness.

**During the busy season of harvest, follow these three tips to manage stress:**



Eat regular meals. A balanced diet helps maintain stable blood sugar levels, which is important for mental well-being.

Source: [mentalhealth.org.uk](https://mentalhealth.org.uk)

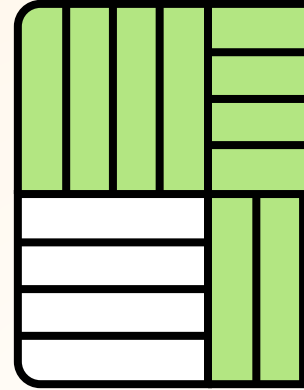
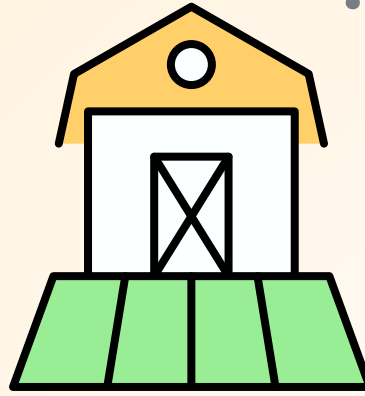


Coordinate extra help and schedule shifts to protect the sleep time of all workers.



Take time to talk as a family and farm team regularly and check in with each person to see how they're doing.

For a list of mental health resources and tools for people working in agriculture, visit [fcc.ca/Wellness](https://fcc.ca/Wellness).



# GENERATIONS UNITED: REVITALIZING A FAMILY FARM'S FUTURE

THE FOLLOWING FICTIONAL CASE STUDY WAS CREATED BY BDO

Over three generations, the McIntyre family farm had evolved to where most of the revenue was coming from one niche crop that relied heavily on export markets, primarily into the Middle East and Pacific Rim. They were one of the few farms that concentrated on this challenging crop and over 15 years, they became very proficient at growing and selling it.

However, due to a series of geo-political events, changes in trade rules and oversupply, the market took a nosedive and the price dropped. Then, a drought severely impacted yields and the family found themselves near bankruptcy. The operation survived, but all three generations were determined not to be vulnerable like that again.

## Adapting to market shifts

At a family meeting, the first generation expressed their desire to return to commodity crops and abandon the niche enterprise. The second generation wanted to keep the niche crop but felt it shouldn't be the primary source of revenue. The third generation, now in their late twenties, wanted to vertically integrate and go full-steam ahead with the niche crop. But instead of relying on exports through intermediaries, they suggested processing the crop themselves to add value rather than selling the raw product.

## Embracing vertical integration

The youngsters, Spencer, James and Marie, had a tough sell – their parents and grandparents didn't want to risk the farm's future on a risky venture. The kids argued that vertical integration reduced risk. They felt they had the potential to be leaders in processing and marketing, especially since the domestic market was shifting as new Canadians sought food they enjoyed before coming to Canada.

## Finding common ground

They reached a compromise – if the kids could come up with a way to start the processing venture without risking the farm's future, the two

older generations would support it. They sat down with their lawyer and accountant to hash out a plan.

They settled on a structure that would have the new processing venture in a separate corporation. It would be owned 100% by the third generation. Their lawyer urged them to segregate the potential risks the new venture might pose.

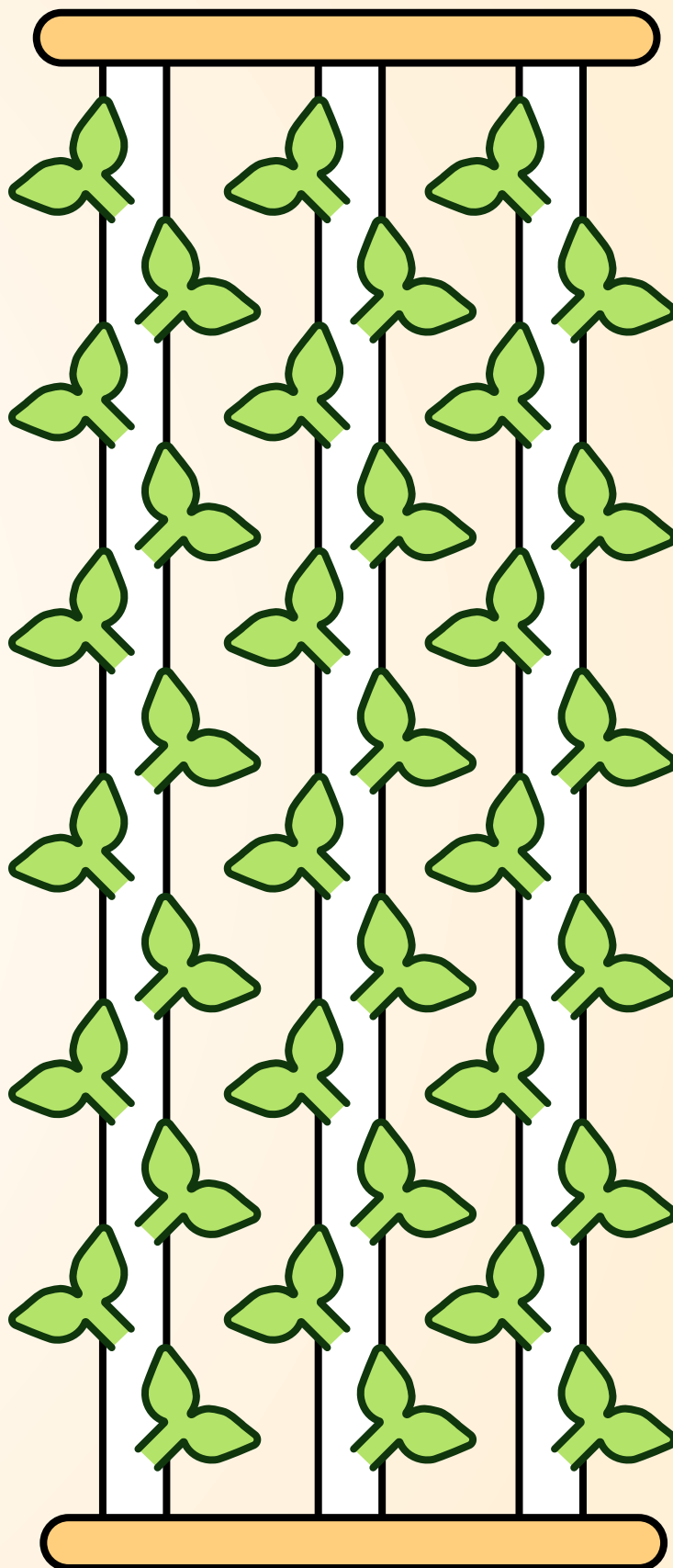
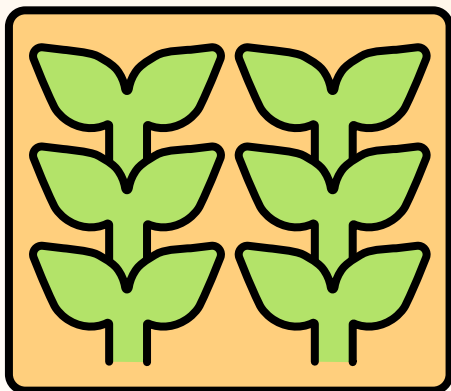
Their accountant advised them of another reason to separate the processing business from the farm. Even though it was an agricultural venture, the Canadian Revenue Agency may not view the processing business as a family farm operation. If they ran the processing business as part of the core farm, and if there were significant and growing non-farm assets in the current farm corporation, they could lose some of the favourable tax benefits available to family farming businesses.

This structure made the third generation accountable for the success or failure of the venture. They would also have full control of the business, which was a big motivator. A separate entity also forced a formalization of financial reporting and bookkeeping. There would be a transparent view of the financial performance of the venture, with no expenses hidden in the farm business.

## Securing financing

Securing financing proved to be a challenge. Not surprisingly, some of the farm real estate was required as security for the new venture, and personal guarantees were needed from all three generations. Also, to help compel lenders, a pre-determined amount of seed capital would come from the existing farm operation.

Their current lender had concerns about the venture being tied to a niche crop. There were few other businesses or farms involved in the crop to provide benchmark production or financial comparisons. Cash flow projections and a solid business plan for the new venture were going to be critical for strategic planning and to appease lenders.



It took months of work and attention to detail to create a plan outlining the cost of facilities, an operations budget and realistic cash flow projections for the first three years. Eventually, they were able to source suitable financing.

### Meeting marketing challenges

James was tasked with marketing their finished product, both in the domestic market and overseas. It was a steep learning curve to fully grasp what was required to get their new product offerings onto store shelves. Packaging, food safety protocols and labelling requirements had to be addressed.

### Managing risk

They discovered that fluctuating foreign currency values posed a risk to sustainable profitability. Previously, they had accepted the potential fluctuation as a cost of doing business. However, with more risk in the operation now, Marie worked with a brokerage to develop a currency-hedging strategy.

Spencer took charge of the building project and procurement of equipment and start-up staff. He negotiated construction contracts and equipment delivery dates, investigated potential grant opportunities, and worked with their insurance company to ensure they had adequate coverage throughout the process.

Spencer, James and Marie presented their final plans to their parents and grandparents. While the first two generations were still feeling some trepidation about the venture, they were impressed and reassured by the diligence that had gone into the planning.

It was Grandpa who reminded his own children of their enthusiasm and his resistance to growing the niche crop 15 years earlier. They had taken a chance, learned from their mistakes and looked for new opportunities. The new venture was built on those principles.

The project was approved to proceed! ■

# GET SERIOUS ABOUT SLEEP

BY PETER GREDIG

When Ontario-based psychotherapist Bonnie Taylor, MSW, RSW, sits down with a client struggling to complete tasks, lacking motivation and showing signs of anxiety or depression, a first question she asks is “Are you getting enough sleep?”

It’s not uncommon for farm operators to burn the candle at both ends, especially during seasonal busy times. But the idea that sleep is a luxury rather than a necessity can lead to big problems over the short and long term.

“The amount and quality of our sleep can have a strong impact on our physical and mental health,” Taylor says. “Many of my farm clients aren’t tracking how much sleep they’re getting. Some report that they sleep for eight hours a night but will admit that it takes a while to get to sleep, their sleep is often restless and they’re waking up multiple times every night with a busy brain.”

Part of the problem stems from an ingrained mindset that values long hours and super-human productivity. Farm operators may default to pushing through if choosing between working through the night to finish a field before it rains or getting a decent sleep.

Sometimes this might be the right call, but sacrificing sleep is not sustainable and raises concerns about workplace safety, efficiency and being clear-headed to make sound decisions. Studies have shown that being awake for 17 hours is similar to having a blood alcohol content of 0.05%. Being awake for 24 hours is similar to having a blood alcohol content of 0.10%.

## How to monitor

By identifying sleep patterns, you can work towards changing your sleep habits. Often, a spouse will know if their partner’s sleep patterns change. Excessive snoring or awakening suddenly and drawing air can be symptoms of sleep apnea and should be discussed with a doctor or sleep clinic. Health Canada advises that adults should get seven to nine hours of sleep every day; however, one in three adults aged 35-64 don’t get enough sleep.

## What is sleep hygiene?

Parents know that having a consistent bedtime routine helps children settle into healthy and consistent sleep patterns. The same holds for adults. Some simple sleep hygiene practices include:

- Quiet your mind with some light reading.
- Write down the problem and a few potential solutions if stressful thoughts are overwhelming attempts to sleep – this can help quell the repetitive thoughts that make it difficult to sleep.
- Monitor caffeine and alcohol consumption and have a cut-off time. Avoid caffeine eight hours before bed and alcohol four hours before bed.
- Create a sleep environment that makes it easy to fall asleep. It should be a cool, dark, quiet place of calm.
- Exercise – but not too much and not too close to sleep time.



Specific actions can also help prepare for a good night's sleep. "A long day running loud equipment can be overstimulating so it may be helpful to have some quiet time when you get in the house after work. Even 20 minutes to relax without noise or screens can bring the restless energy and stress level down."

Taylor also advises that doing a body scan can help us be aware of tension. "Assess the level of tension or stiffness in your shoulders. Is your neck stiff and inflexible? Are you subconsciously clenching your fists or jaw? If we're aware of physical tension, we can find a way to let it subside. Trying to sleep with a body that is clenching is not optimal."

### **Impacts of insufficient quality sleep**

Sometimes farm operators use the logic that if they work through the night, they can catch up on their sleep when it rains or on Sunday. But it's not like a bank account where you withdraw and deposit sleep time. There can be a price to pay for skipping sleep.

"In the short term, being sleep deprived impacts your memory, decision-making skills and even physical reaction time. Lack of sleep generates an impairment similar to being under the influence of alcohol or drugs. You can't be present, focused or mentally sharp if your body and brain are craving sleep," Taylor says.

"Over the long term, sleep deprivation can exacerbate more serious medical issues like heart disease and stroke, obesity and potentially lead to injuries. It can also increase mental health symptoms like anxiety and depression. Both the mind and body need sleep to recover."

### **What about naps?**

Having a rest during the day can be restorative if slightly sleep-deprived. "Some people get very groggy after a nap, while others feel refreshed. It's best to keep it short – no more than 20 minutes. Avoid taking a nap late in the day. This can make it hard to get to sleep," Taylor says.

### **Other helpful practices**

"Taking a five-minute pause numerous times through the day to meditate, stretch, connect with others, use a relaxation app or just experience any nature that may be around you can help de-escalate stress and tension so it doesn't build to a level that makes it difficult to shut down and sleep," she says

It should be a priority to build a workplace culture that recognizes the importance of sleep for everyone on the team. It's an essential element in ensuring work is done properly and safely. ■



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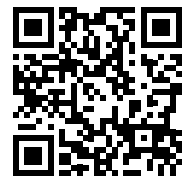
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