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Their own way

Saskatchewan's Blair family has transformed their operation into a highly competitive, diversified business with multiple enterprises and a commitment to growth. Every day starts, they say, with the farming lessons they learned at Grandpa's knee.

8 A shadow on land prices

With sharp drops in U.S. farmland prices, the question is getting asked: How long can our land values hang on? The answer appears to be... a long time, maybe.

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The competition



The challenges that lie ahead for our farms are real. Indeed, they're more real than any but of a few us will admit. But so is the opportunity.

I was asked some weeks ago to speak to a Purdue University ag business conference, where the focus was on trying to catch up with the rapidly evolving nature of today's farms.

An ag economics professor there named Mike Gunderson was early in the agenda, and clearly felt that all of us needed to be reminded of some home truths.

"The goal of the market is to put the average business out of business," Gunderson said.

He isn't the first to say this, of course. Nor, despite the highs of the last decade, can we really shake the theory that the average long-term price of a commodity is just below its average cost of production.

Of course, there's one big factor on the horizon that has made it all too easy to dismiss the risks inherent in such thinking.

That is global population growth, and the dire need to feed 10 billion people by 2050.

But this may not be the rock that we have been hoping for. It's easy to forget that the UN's projections of only a decade ago called for a global population of 13 billion, and that while it still officially clings to a forecast for 10 billion, practically everyone outside the UN has lowered their estimate to nine billion.

There is also the all-too-real fact that, in the marketplace, need doesn't matter. Ability to pay is all that counts.

Farmers have long produced enough food to provide 2,500 calories a day for everyone on the planet. Agriculture has done its part. The fault is in the distribution,

and the market on its own has no capacity to solve this.

Population is growing in areas where there isn't enough income to add demand. And in areas where there is income, population isn't growing. We only need to look at population growth in the developed world. Even during the years of its "one-child" policy, China's population grew faster than Europe's.

It's easy and it's comforting to keep saying that global population growth will ensure farmers a good living, except it means today's young farmers may well be embarking on a career with greater challenges than they are expecting.

It is a sobering reality.

Yet there is encouraging news too, including new research into today's multi-generational farms that you will read about in coming issues of *Country Guide*.

On farms where parents and children are able to chart their way past all the potential family pitfalls, and where they are able not only to deal with the communication demands and the emotions, but use them to build something positive, the opportunity for our farms to be globally competitive is historic.

There's almost a kind of magic on farms where the generations work together, building on each other's capabilities with a focus on making better decisions within a framework of best business practices.

More and more farms see how important it is to get there. This is deeply encouraging.

Are we getting it right? Let me know at tom.button@fbcpublishing.com.

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New baler expands Kubota lineup



The newest and largest round baler to join the Kubota product line is the BV4580, which can make 5' x 6' bales.

PHOTO: KUBOTA

The orange brand takes another step toward full-line status

BY SCOTT GARVEY / CG MACHINERY EDITOR

Anyone attending a major farm show in Canada or the U.S. recently will almost certainly have noticed Kubota equipment on display, and probably a lot of it. The brand has clearly been targeting farmers, and it clearly intends to make much bigger inroads in the ag equipment sector in North America.

Kubota executives are also making no secret of their plan to keep up the pace of new machinery introductions that we've seen from the company in the last couple of years. As we talked beside the brand new BV4580 5' x 6' round baler during its first public showing at the U.S. Farm Progress Show in Boone, Iowa, in August, David Palmer, senior product manager for implements at Kubota, made just that point.

"This is just our first launch," Palmer said. "We have other products we're working on that we're going to be continually bringing in. They're going to support the product range we haven't had products in."

The larger BV4580 round baler will help make the

orange brand a much bigger player in livestock equipment. It's a niche it wants to grow in, which explains the introductions in the U.S./Canada market. Prior to the debut of the BV4580, Kubota had already brought on integrated balers with narrower four-foot chambers from Kverneland.

Kverneland, a Norwegian brand, was acquired by Kubota in 2012. That acquisition gave Kubota an instant line of hay and tillage tools. Realistically though, only Kverneland's hay tools were anything close to a fit for mainstream North American agriculture, and up until now we've only seen implements with the smaller working widths and sizes that Kverneland produced to suit its original markets. But under Kubota ownership, those implements are now being scaled up to better interest producers on this side of the Atlantic.

The BV4580 is a prime example of that. According to Palmer, the brand is also incorporating new technologies and design refinements into the mix as the new products roll out.

Kubota believes it can deliver value. “We have a completely different intake system, and we have an integrated auger-rotor system in the chamber floor of this baler,” Boone explained as we walked around the baler on display at the Iowa show. “As material is brought in from the side, it’s able to flow. And this rotor is giving us an even feed into the bale chamber, which gives us maximum density on our bales.”

In side-by-side tests against two leading competitors, he says, the BV4580 had a 10 per cent advantage, both in density and performance over those machines, so it’s really given us a lot of capacity for feeding into the baler.

And the BV4580s get a new in-cab monitor, which Palmer said customers were partly responsible for.

“Our previous controller was a little bit bigger and had a black and white screen that was hard to see in the sunlight,” he said. “So we’ve gone with a smaller monitor, but it has a high-density screen on it. Even in the cab in the sunlight it’s easy to see. It’s a real user-friendly monitor, simple, easy to understand.”

With the ability to produce 5' x 6' bales that weigh up to 1,800 pounds, these balers are likely to see genuine interest from commercial-scale livestock producers who would have just walked past the smaller, four-foot models. (By mid-October, Canadian producers still hadn’t been officially introduced to the BV4580. The launch here was set for late in the fall, after our press time, although there had been a few balers in field trials in the West.)

The new balers will be built at Kverneland’s Ravenna Baler Competence Centre in northern Italy and shipped to North America. Final assembly of Canadian balers will take place in existing Kubota facilities here, while U.S. balers will get final assembly at Great Plains Manufacturing’s air drill and planter factory in Salina, Kansas, which is the latest implement brand to come under Kubota ownership.

This spring’s announcement detailing the purchase reveals that, like Kverneland, Great Plains will



Kubota has had a very strong presence at Canadian and U.S. farm shows this year as it moves to become a larger player in the ag equipment market. This hay cutting demonstration was held at the Ag in Motion show in Langham, Sask., in July.



continue to operate as it has with its original brand name painted on the flanks of machines built in the Salina plant — for the time being, at least. But it’s almost certain that its products will soon also find their way into the Kubota brand lineup, just as Kverneland’s have.

“We’re moving into the grain sector as well with the acquisition of Land Pride and Great Plains,” said Palmer. “Kubota has made a commitment that we’re going to be a full-liner in the ag market.” **CG**

The BV4580 made its North American debut at the U.S. Farm Progress Show in Boone, Iowa. The Canadian launch was scheduled for late fall.

PHOTO: SCOTT GARVEY

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A shadow on land prices

BY MAGGIE VAN CAMP / CG SENIOR EDITOR

This past fall, harvest stumbled to a finish. In parts of Ontario, combines chewed through spindly, drought-stricken corn on the same days that Prairie farmers drove their machines into swathes that had been buried in snow.

It was enough to make those sporadic reports of feedlots shutting down, U.S. crop farms going bankrupt, and Midwest farmland prices dropping seem all the more foreboding.

Compared to 2013, Chapter 12 bankruptcy filings across the top grain-producing states in the U.S. climbed 50 per cent in the 12-month period ending on June 30. In Iowa, the biggest corn producer of all, they jumped a massive 125 per cent. (These Chapter 12 bankruptcies involve farms with less than \$4.03 million in debt.)

Then in August, the 2016 Purdue Farmland Value Survey revealed that Indiana farmland values had plunged another 8.2 to 8.7 per cent after having fallen five per cent in 2015.

Declines this big have not been seen since the mid-'80s, the university said. And now, farm surveys were also reporting similar drops across the Midwest in cash rents.

“2016-17 is the year of construction,” says Ontario farm appraiser, Ryan Parker

These ugly reports contrast wildly with the bullish news from Canada, where last year's average net farm income set another record, and where land prices are still strong, and cash rent is still in the stratosphere, topping \$300 an acre in eastern grain regions.

How can that be?

FCC economist J.P. Gervais is cautious. He says his team is monitoring land values very carefully, and he plows his way through a list of recent internal FCC reports, with land values in B.C. and Ontario stable and in Saskatchewan and Manitoba slightly up.

“Land values are generally fairly stable and up in some parts of the country,” Gervais repeats.

But why the disparity in land prices compared to south of the border?

Among other factors, Gervais says, the most significant is the drop in the loonie, which pushed our 2015 farm receipts to record levels and gave farmers here more ability and appetite to buy.

That drop in the Canadian dollar basically cushioned the fall from the bull market that has dominated grain farming for the last seven years.

Farmers south of the border didn't have that cushion, and they fell hard, Gervais says.

It also helps, he adds, that we have a different lending structure, and that farms are generally a smaller scale here so they didn't expand in the same size chunks as some of the U.S. mega farms.

However, this year the change in the dollar had already been assimilated into the market.

“Actually, we are in the beginning of a softening in the ag commodity cycle,” says Gervais. “Definitely, in the overall agriculture economy, we are seeing tighter margins.”

Gervais conservatively forecasts a potential five per cent decrease in farm receipts in 2016. Since land prices tend to follow trends in net farm income, appreciation will likely slow down with the expectation of lower crop prices over the next two to three years.

In Ontario, land prices this year were still well above the 20-year average, ranging from \$5,000 to up to \$25,000 per acre, says Ryan Parker, partner with the London, Ont.-based appraisal company Valco.

The value of farms in Ontario has stalled. But it definitely has not gone down.

Although the volume of trades shrank slightly from last year, there's still a good number of trades going on, says Parker.

“Farmers are not being reactive to their change in incomes,” Parker says.

But there have been significant, trend-inspiring changes to the fundamentals. The disparity between good and bad land is becoming more normalized, with untiled and poor land getting discounted more heavily than during the market peak.

“There's smarter buying now,” says Parker.

In southwestern Ontario (which has a reputation as a bellwether for the direction of national land markets), land prices have flatlined or in some cases are slightly higher. Parker says this demand is being driven by the intensive livestock operations in the area, including supply managed livestock, beef, and hog farms.

Livestock farms are also building and renovating barns at a record rate this year. “2016-17 is the year of construction,” says Parker.

Broiler barns are being built to accommodate continued allocation of additional quota, sow barns are being expanded, renovated or built from the ground up to accommodate sow loose housing, while beef farmers are reinvesting after a few years of good prices and dairy farmers are renovating or building to improve and prepare for potentially tighter margins in the future.

These livestock farmers say if they're going to continue in business, they need to make improvements when their balance sheets are strong and interest rates are low, says Parker. "Between BSE and the sow buy-out program, we are left with some very strong livestock farmers. They have good balance sheets now and along with the dairy and broiler business, they make it competitive for land."

In Ontario, rental rates are tough to track as most are handshake deals and there's no register or survey. When Parker does farm assessments, he asks what rents are in the area to get a general idea of rental trends. His anecdotal summary is that this year rents have not moved. "Cash rents here are just as inelastic as land values," he says.

Parker chalks up both these buying and renting inelasticities to farmers who "cost-average" their land and other fixed assets, and who rely on land values continuing to increase, or at least not decrease.

Most farms have a part of their rented acres in long-term agreements. Often those agreements are at a lower rental rate because they have unwritten trade-offs for looking after the property, or they include provisions about managed inputs or farming practices, or things like cleaning out the driveway. Then, for the rest of their rented acres, some farmers are motivated to pay more, in some areas over that \$300 per acre, says Parker.

Although most rental agreements are still cash deals, Parker is seeing a little more creativity so there's some sharing of risk and reward. The number of farmers sharecropping, he thinks, hasn't really changed.

LAND "MANAGEMENT"

Bruce Simpson, a founder and senior partner at Serecon, a large land appraisal and management company in Alberta, says flexible lease agreements are becoming more common there. However, cash rentals still dominate.

"Although some succession planners promote production-sharing joint ventures for tax advantages, most are still straight up cash rents for simplicity and less in-depth lease management requirements," Simpson says. "Rental rates have not decreased this year as there has not been any softening in farmland values and commodity prices have remained decent throughout the year."

CONTINUED ON PAGE 10

Go-go farmers

In the Midwest, they're called "go-go farmers," a group of farmers who borrowed heavily to expand their farms soon after grain markets began to boom in 2007, and then borrowed more to plant their way out of the following commodity price slump.

These are farms that tended to be driven by a younger generation that had not had previous exposure to the bottom of a commodity cycle, and many of them based their buying decisions on super-strong financial statements from 2008 to 2012.

However, when grain prices fell and cash flow tightened, they borrowed to rent land and also to buy equipment, seeds and pesticides, which meant that they were even more exposed to crop prices as they continued to fall.

According to the latest USDA data, the proportion of extremely leveraged grain and other row crop farmers in the U.S. (those with debts totaling more than 71 per cent of assets) doubled, to 2.4 per cent, between 2012 and 2015.

As well, delinquency rates on farmland and production loans are rising sharply.

Michael Langemier, Timothy Baker and Michael Boehje, agricultural economics professors at Purdue University, Indiana, further examined the worrying trends in farmland prices and cash rents, using data from surveys by Iowa State University (Ag Decision Maker), the Illinois Society of Professional Farm Managers and Rural Appraisers, and Purdue (Dobbins and Cook).

They compared declines in cash rents and farmland prices to what happened in the grain price bear market of the 1980s, which lasted six years after the initial crash.

Over the first year of the six-year decline back then, average cash rents in the three states increased two per cent, and average farmland prices declined 5.3 per cent.

This time, however, from 2014 to 2015, average cash rents and farmland prices for the three states

both declined, falling 2.1 per cent and 2.2 per cent, respectively.

In the 1980s, earnings per acre were relatively low for five straight years (1982 to 1987) and similarly, earnings per acre have been relatively low in 2014, 2015, and 2016. Continued weak earnings currently appear likely, and will put further downward pressure on cash rents and farmland prices, say the researchers.

One major difference between the two periods is interest rates, so there's much more cash flow now. Also, they note that inflation is much lower, and they say the percentage declines in cash rents and farmland prices in Iowa, Illinois, and Indiana are not expected to be as large as those experienced in the 1980s, unless earnings per acre collapse even more, or inflation and interest rates increase dramatically.

When they analyzed farmland price per acre divided by cash rent per acre and then cyclically adjusted this P/rent ratio for interest and inflation, they found it continued to be substantially higher than historical values in the 1980s. This means that to maintain current high farmland values, cash rents would have to remain very high, or even move higher, while inflation and interest rates would have to remain very low.

However, rental rates have tracked land values at about three per cent of land values in the last three years. The survey in 2015 was the first since 1999 to report a statewide decline in cash rents across all land qualities. Statewide cash rents in 2015 declined 1.3 per cent to 2.4 per cent. Again this year, the survey found another statewide decline in cash rents. Cash rent dropped about 10 per cent in the last year, with average land renting for \$204/acre.

More than half of the respondents expected cash rent to be lower in 2017, decreasing from one per cent to 35 per cent.

To read the full articles go to ag.purdue.edu/agecon/Documents/PAER_per_cent20AUGUST_per_cent202016.pdf.

Property assessments multiply

BY MAGGIE VAN CAMP /
CG SENIOR EDITOR

It was a beautiful busy summer day when I received this year's MPAC farm value assessment from Ontario's Municipal Property Assessment Corporation. But when I opened the nondescript envelope on my way back from the mailbox, the birds seemed to stop singing.

I shook my head and closed my eyes, tight. Could this be right? My new MPAC assessment said my farm had more than doubled in value since buying it 10 years ago. This would likely mean a massive property tax hike.

Farmland assessments in Ontario and Manitoba took a huge jump this year. And usually when assessments go up, so do taxes.

The new MPAC assessments in Ontario are actually more accurate, closer to market value now, says Ryan Parker, partner in Valco, a company that focusses on real estate appraisals in southwestern Ontario. "Generally, they were undervalued before, and in 2012 the new assessments weren't aggressive," he says.

MPAC does the assessment for the province and individual municipalities set the net tax rate. So potential increases in property taxes will still have to be set by individual municipalities.

"The tax rate is a separate issue," adds Parker.

So here's to hoping for reasonable councils that keep a limit on tax rates, because now that the MPAC assessment is actually fairly accurate, assessment appeals are not likely to win except for the odd case with a standout situation.

Local competition, land values, soil types and increased productivity because of new technologies and crops are helping to sustain higher land rental rates.

Across the Prairies, the percentage of land that gets rented has increased significantly over the last 15 years. By 2011 about 45 per cent of farmland in Alberta was rented. This was an increase from 2001 of about four per cent, or more than two million acres. Similarly, the increase in Saskatchewan was about two per cent, the same as in Manitoba, where about 40 per cent of farmland is now rented.

About 25 years ago, Simpson and partner Don Hoover established Serecon as an agricultural appraisal and consulting practice in Edmonton, opening an office in Calgary in the early 2000s. Today, about half of their services are valuations, with 40 per cent in management consulting.

About 10 per cent of their portfolio is farm asset management, although this area is growing. Today, the joint venture company, FNC-Serecon Inc., "manages" land in Alberta and Saskatchewan, and the company plans to extend into Manitoba and Ontario in the future. In their first growing season they managed slightly less than 10,000 acres in Western Canada. However, with the large base their joint venture partners have south of the border, they feel they can take on the larger acreages when they become available.

In the U.S. companies manage millions of acres for absentee landowners, and demand for this service is spreading north. The trend to more non-farmer land ownership has spurred farm asset management services, like Serecon FNC. (In 2015 Edmonton-based appraisal business, Serecon, formed a joint venture with Farmers National Company [FNC], headquartered in Omaha, Nebraska, to give them additional experience and support tools and systems to work with in this field. FNC manages more than two million acres for about 5,000 landowners across the U.S. Numerous companies south of the border offer similar services [www.asfmra.org/farm-management/] but very few in Canada.)

In the Canadian west, Simpson says most rental arrangements have always been done between neighbours across the kitchen table. Yet management of farm assets for absentee owners is increasing through the Prairies because more land is being transferred, more land is being inherited by non-farming children, and more people are retaining the ownership of their land and having it as part of their investment/retirement income.

Besides, land values continue to increase, so there's little incentive to divest.

"Our main customers are absentee landowners — sons and daughters who have inherited land but live remotely from the property and want to maintain the land as an investment," says Simpson.

Part of the service Serecon provides is to match landowners to tenants and write lease agreements. Finding tenants is not an easy task, says Simpson. It boils down to three key factors — agronomic knowledge and land stewardship, financial competence, and technical skills. "We approach it by first talking to the previous owner or the vendor, neighbours and contacts we have across the Prairies."

The appraisal part of Simpson's business, he says, has become more complex with the level of technology involved with production agriculture. "The adverse effects, different easements, ever-changing market values, the lack of good solid information are all contributing to farming becoming a much more complex business," Simpson says.

This fall Simpson said the price of land in central Alberta was at unprecedented levels, from \$1,500 per acre to \$7,500 per acre for dryland in the agricultural producing areas. By comparison, in 1991 these farms sold at \$300 to \$1,000 per acre.

And the demand does not seem to be abating, even though the Alberta economy is under duress.

This is due to some strong financial years on farms, but also to non-farm purchasers for acreage living, hobby farming and outside investors.

"The demand in 2016 is strong across the province for all forms of agricultural lands," says Simpson, who expects land values to continue increasing, but at a slower rate.

A large part of Serecon's appraisal business has been driven by the oil, hydro and gas industries. They use software called an Obstruction Mapper program which measures exactly how many acres are missed or how many multiple passes with equipment and inputs (seed, fertilizer, spray) are required when there's an obstruction, like a hydro line or a oil pump, in a field. Then the software calculates how it'll impact costs and revenue for the farm.

"This tool has many applications, from impact studies, to identifying the best field pattern to minimize impacts, to calculating the acres in fields and acres impacted by spray drift or animal intrusion onto crops," says Simpson. **CG**

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TOUGH TO BEAT IN THE LONG RUN

A better path into farming

The idea used to be that kids should work at an off-farm career before returning to the farm. It's an idea worth a second look

BY LISA GUENTHER / CG FIELD EDITOR

Years ago, the common wisdom was that farm kids should try something else before coming back to the farm, and many parents had two things in mind when they gently nudged their fledgling future farmers from the nest: encouraging them to go to school and try an off-farm career.

To start with, farming wasn't a sure thing, and if you hadn't tried and tested your passion for it by seeing whether you might be equally — or more — happy in another career, you couldn't tell whether you would have the discipline and determination to stick with it through all the tough times.

Plus, more and more farmers were seeing that sending their kids off to work in other careers meant they came back with a better understanding of how a business works, why it's important to do what the boss says, and what it takes to earn a promotion.

It's why Len Davies, a farm business adviser at Davis Legacy Planning Group (and a farmer in Ontario's Kent County) still tells his clients that if their successors work off-farm first, they will emerge as better farmers.

But Davies says the advice doesn't always go down as well as it used to.

The reason is easy to understand, he says. Mainly, it's because farms have had more available cash in the last few years.

But that doesn't necessarily mean it's a good reason.

"Back in the '70s and '80s and '90s and even the early 2000s, there wasn't a lot of money," says Davies, so farm kids were encouraged to work for a few years for a third reason. It was so they could earn some money while waiting for their parents to edge closer to retirement.

Davies doesn't just preach this stuff, he lived it. After graduating from the University of Guelph, he worked for Shur-Grain, a division of Canada Packers. He also clocked time as a research analyst with the Ontario agriculture ministry, and as a field operations manager with Agricorp before buying his own farm in 1980.

One of the great benefits of getting off the farm is to broaden your understanding of what it takes to suc-

ceed, Davies now says. "Because if you grow up on the farm you tend to see what your parents are doing, and you don't have that chance to look from that far of a distance... In the working world, you get to see what other people do right, and what other people do wrong, and it makes you that much better of a farmer."

Laura Reiter agrees. Working off the farm "takes the blinders off," she says.

"It's a real eye-opening experience to see how many different ways there were of doing things," Reiter says.

Reiter farms with her husband, Jack, and brother, Bryan Clair, near Radisson, Sask., and when *Country Guide* talked to her earlier this fall, she was getting ready to host her extended family for Thanksgiving, a tradition she inherited with her grandmother's oak dining set nearly 15 years ago. Her family also gathers around that table for Christmas dinner.

"I don't think we've missed one since I got the set," she says. Some years at Thanksgiving the family pitches in around the farm. But with the early October snow this year, there would be no digging potatoes, she says, chuckling.

It's hard to imagine Reiter as anything but a farmer. But she didn't plan to come back to the farm as a young woman. "I was full-throttle into doing research and working in the industry."

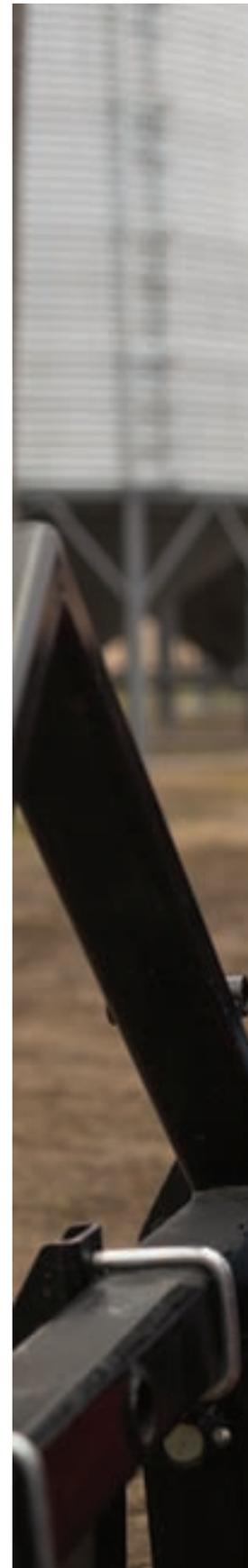
While earning a science degree in agriculture at the University of Saskatchewan, Reiter spent her summers working for the university on wheat pathology. After university, she worked for the Sask Wheat Pool's research farm near Watrous. She then took a job with Ag-Quest, a private research company.

Reiter has also spent time in ag retail, first in chemical sales. And once she did step into farming, she worked as an agronomist for a local independent ag retailer before her son was born.

So how did Reiter shift from a job to running a farm? It turns out it started as a fairly simple progression.

She had some money, so she invested in farmland. "Then I ended up farming it," she says.

PHOTOGRAPHY: DAVE STOBBE





**“ If you never
leave the farm,
I’m not sure at what
point the decision
becomes yours
instead of Dad’s
or Mom’s.”**

— Laura Reiter

FINDING THE RIGHT JOB EXPERIENCE

Some off-farm jobs are better than others for successors. Davies doesn’t give a lot of points for driving a combine for other farmers. He’s more interested in banking jobs with Farm Credit Canada or an ag lender, for example.

One of Davies’ young clients worked as an ag lender with TD Bank before stepping back into the farm. “When I sit down and talk to that boy, he’s got ideas. I ask him what the strengths, weaknesses and opportunities of the business are, and he lays them out.”

Davies is also a fan of jobs with some of the big agchem or similar companies too. The key is to find a job with ongoing training, so the successor develops a learning mindset. “When I left Agricorp, it was learn, learn, learn and keep learning.”

Davies is big on that learning mindset for a reason. When he was a kid, the farmers who worked the hardest were the most successful. Once he started farming, success was tied to managing the farm well. But going forward, successful farmers will be the ones who adapt to change quickly, because change is coming so fast, he explains. Being comfortable with the status quo is not an option.

By joining the off-farm working world, a farm kid will not only see other ways of doing things and bring other ideas back, they will also adjust to change more quickly, says Davies. “They’re going to be more confident in themselves.”

Reiter and her husband both have ag degrees, but they didn’t hang them on their wall until quite recently. Finishing their degrees marked the beginning of their learning, not the end, she says. “The piece of paper just meant that we were able to learn.”

CONTINUED ON PAGE 14

University itself was an “eye-opening experience” for Reiter, as she went from a class of 11 kids in her rural school to a class of 200 or so. Her high school classmates wouldn’t believe she’s the same person — she transformed from a shy bookworm to a woman who has served on multiple boards and seems perfectly confident talking to nosy reporters.

Reiter’s job experience also helped her with the detail-oriented side of farming, such as documenting pre-harvest intervals. “I’m getting to spend a lot of time in the office now, and the detail that you learn to do in research certainly helps with that.”

Her time in ag retail helped her on the

farm, too. For example, she understands how retail works, and that retailers have a little “wiggle room” on pricing. “I’m not afraid to go back and ask for a better price on something or see if they can do a little better”

She also gained a better understanding of what sales reps deal with, which benefitted her relationship-building skills. In sales, there are two kinds of people, she says. There are people you like dealing with. And there are people who are frustrating to deal with because they don’t give anything from their side, she explains. “There’s got to be a give and take.”

As a farmer, she likes to be a good person

to deal with. “I like it when the chem reps like to stop by. Or the dealerships, they’ll stop by because they’re in the neighbourhood.” They know they’re welcome on her farm, she says. And she’s not always pressuring them into something.

Reiter says an early off-farm career makes a person more confident that they really want to farm. “If you never leave the farm, I’m not sure at what point the decision becomes yours instead of Dad’s or Mom’s.”

Davies agrees. Off-farm experience can also help a successor to develop the long-term vision to see out 10 years, rather than just focusing on today. “It helps you become



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a CEO of the business rather than just an employee and a manager.”

Once a successor has their own vision, they can make their own long-term plans to achieve that vision, Davies says. “You’ve still got to manage the day-to-day operations, but you tend to have that little edge.”

Davies says successors with off-farm experience tend to nudge parents to step back more than those who stayed on the farm. They’re more confident, he says, and have an idea of what to watch for.

That’s not to say those successors know everything. In fact, it’s quite the opposite. Davies talks about being a conscious incom-

petent, meaning someone who knows they have a lot to learn.

“That’s good. And then you become a conscious competent because of what you’re learning.”

Davies also sees successors who don’t adapt to change. He says they tend to be people who started farming right out of high school.

“And they’re quite happy because they’ve got a small farm that’s probably paying its way right now. But it won’t be in existence 20 years from now. They’re the unconscious incompetent, and they don’t even know what they don’t know.”

They’re also the hardest to change, Davies says, because they’re comfortable.

HELP FOR THOSE WHO DIDN’T

Future farmers who didn’t pick up the necessary skills and attitudes before coming home to the farm need not despair. There are other ways to get to that goal.

Davies and his colleagues do a skill assessment with successors to see where they’re at. Davies also encourages successors to enrol in programs such as the Advanced Agricultural Leadership Program,

CONTINUED ON PAGE 16

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After a decade back on the farm, Reiter sees her off-farm experience has made her a better manager, a better negotiator, and better at keeping up with technological change

an executive leadership program run by the Rural Ontario Institute. There are also all kinds of online resources and apps available these days to help people brush up and stay informed, he adds.

“And eventually, if they have the wherewithal, they end up going to the CTEAM. That’s what I tell them to do,” says Davies. (Canadian Total Excellence in Agricultural Management, or CTEAM, is run by Agri-Food Management Excellence. It covers several aspects of business management. Farmers also use data from their own farms in business planning.)

When you go to CTEAM or the advanced farm leadership “you learn just as much from the guy sitting beside you as the person at the front of the room,” says Davies. Such programs teach people to step out of the box and become better networkers, he adds.

Young farmers might look to boards as another source of professional development. Reiter, for instance, has sat on boards with the Sask Soil Conservation Association and the Western Applied Research Corporation. She’s now chair of the Sask Wheat Commissions’ Research Committee.

“I get to see what’s going on in the research world even if I’m not part of it anymore,” she says, and she brings that knowledge to the farm, which helps with everything from managing fusarium head blight to trying new varieties. It inspires her to try new things that might help on the farm. And she gets to influence what researchers are working on, so their research will benefit producers.

“There’s also a huge people aspect to being on boards,” says Reiter. A lot of farming is about listening to what worked, or didn’t work, for other farmers. For example, learning how to deal with snow on canola swaths, “and the fact that it should be -10 C before you go out to combine it because then you don’t melt off the snow and plug up your combine,” she says.

Reiter’s son is now in Grade 12. She’s encouraging him to look at the possibilities beyond the farm after graduation.

“I mean, I’d be thrilled if he comes home to farm. But, on the other hand, I’d like him to see what else there is in the world.”

He’s math and science oriented, she says. “Maybe he’ll be the geneticist that brings us fusarium-resistant durum.” **CG**

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What bankers want

Getting these documents ready before you meet the bank rep may mean more available financing with better terms

BY MAGGIE VAN CAMP / CG SENIOR EDITOR

Typically banks review their clients' financial statements annually as part of a credit review process. The goal is to understand the client's ability to service debt and how this may have changed over the past year.

"We want to help you manage your cash flow," says plain speaking Tara Conway, BMO vice-president of commercial banking in Brantford, Ont.

"Properly structured debt, plus ongoing reviews and updates of business plans can help you and our bank always know your financial capacity in case of buying opportunities or changes, or simply have a handle on the financial position of your farm," Conway says.

Getting that clear picture takes more than dropping off a copy of your year-end statement for a standard review process, Conway says.

So exactly what do bankers want to know about you and your farm?

STAGE OF BUSINESS

Conway wants to know where the farm business is in its life cycle.

There's the startup phase, which has high failure rates. Income at this stage is tight, and management is highly variable between operations.

Or you could be in the growth stage, during which management is increasing rapidly but there may still be a lack of capital to operate and expand.

Or your farm business might be in the mature stage, when it has sufficient assets, and might even be downsizing or considering succession.

Knowing the stage can help the lending institution have a clearer picture of the entire situation, including who's involved at arm's-length and if there's off-farm income.

Also your banker might help you source non-traditional capital through the Canadian Agricultural Loans Act (CALA), a federal government program that provides guarantees for starting farmers.

WHAT DO I NEED IN MY BUSINESS PLAN?

"More information is better," says Conway.

In addition to budgets and cash-flow projections for the coming year, include strategies for growth, what

challenges and opportunities might lie ahead, and any next steps that are in the works for the future.

Business plans should be annually reviewed and updated. "Keep it alive," says Conway.

HOW MUCH DEBT CAN YOUR FARM HANDLE?

Nicole Clement from RBC in Embrun, Ont., calculates the client's debt service coverage (DSC) ratio. To do this, she takes the year's net operating income or EBITDA (earnings before interest, taxes, depreciation and amortization) and divides it by total debt obligations.

"This will tell you how much residual income is available to cover payments," says Clement, whose clients are mainly dairy or cash crop producers. "As a rule of thumb, the DSC ratio should be at least 1.2:1." This suggests there's a bit of a cushion, in case next year's revenue comes in lower, or expenses higher, than the producer foresees.

As well, the general liquidity of the business is something you should calculate and share with your banker as it gives an idea of the farm's ability to pay back its liabilities with the sale of its assets. Current ratio is current assets divided by current liabilities. Working capital is current assets minus current liabilities.

Also, your personal credit scores are important, says Conway. So make sure you're paying off your credit cards. For a minimal fee you can check your personal credit score at www.Equifax.ca.

"Right now a good credit rating is about 700," says Conway.

Furthermore, Conway says your farm should limit the amount of credit card liability it is carrying, and keep credit cards paid off monthly so you aren't getting hit with high interest rates.

NET WORTH STATEMENT

Include an up-to-date net worth statement with your business plan. You can download a fill-in-the-blank net worth statement complete with inventory at www.gov.mb.ca/agriculture by searching for "analyzing a farm business."

Conway says you should also include a personal net worth statement, including off-farm investments: "It indicates the ability to inject cash into a business."

HOW DO YOU MANAGE RISK?

Included in your business plan should be a market outlook for the next year and long-term for all the products you grow on your farm.

Also, you should include in your business plan how your farm hedges prices of inputs and sales, and how it manages production risks. Include whether you belong to programs like Agristability or use production insurance, says Conway.

Be aware that crop insurance coverage can be considered as inventory for security.

CASH-FLOW PROJECTIONS

Is your debt properly structured to handle any projected capital expenditures in the next 18 months? What is the ratio between fixed and variable rate loans?

Do you have a line of credit or are you using credit cards as operating lines?

Are you using short-term loaning structures to buy longer-term assets like machinery?

There are a few other programs that can help with buying inputs such as the newly revised Advance Payments Program. APP is a federal loan guarantee program which provides agricultural producers with easy access to low-interest cash advances. Under the pro-

gram, producers can access up to \$400,000 per program year in advances based on the value of their agricultural product, with the Government of Canada paying the interest on the first \$100,000 advanced to a producer.

Advances are repaid as the farmer sells the agricultural product, with up to 18 months to fully repay the advance for most commodities (up to 24 months for cattle and bison).

Another idea that can help with cash flow is setting up online banking with automatic deposits and payments as well as being able to scan and deposit cheques directly into your farm account instead of having to make a trip to the bank to deposit them.

CREDIT READY?

You should have a good handle on how your debt is structured. What is your ratio of variable to fixed interest loans? This can lead to an interesting discussion about length of terms, your acceptable risk level, and interest rates.

Taking FCC's lead, more lending agencies have created packages of ready-to-use credit, just in case a buying opportunity comes your way and you need to move quickly.

If your bank knows your potential future plans, you can actually put the credit space into place. **CG**



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More price security

Basic marketing tools can generate some of the quickest paybacks on the farm. Here's how one advisory company gets its farmers started

BY LEE HART / CG FIELD EDITOR

Pulling out of the farm gate with a loaded grain truck, a producer can turn right and go to a local elevator that is posting a price that's \$20 a tonne more for your crop, or you could turn left and go to another elevator that's paying \$20 less.

Which is the best choice?

Reality isn't always as stark as this, but in general, turning right would be the most profitable move because that elevator is using the basis to attract more grain. In other words, they're more interested in buying your crop that day, which is why they're offering a higher cash price.

The other company has a lower basis posted for some reason, perhaps because they're temporarily squeezed for storage room, or they don't have any deals on the books for your particular grain and quality.

The basis isn't a price. It is the difference between a commodity price on the futures market and the local cash (or street) price. It's not the price, but it is a key marketing signal.

The point of this is don't turn left just because it's the closest elevator location or the facility you know the best. The best price may be down the road the other direction.

For some farmers, it's a lesson they've gone to school on, incorporating basis in the very centre of their marketing program. But there's a long way to go before that level of understanding is universal.

Paying attention to basis is among the basic grain marketing tools for making key sales decisions, says Tyler Welygan-Reiling, a partner and grain marketing specialist with Agra Risk Solutions in southern Alberta. Using the full marketing tool box can get a fair bit more complicated, but in talking with clients with a wide range of marketing expertise, he says everyone needs a starting point, and they simply learn as they go.

Agra Risk Solutions, based in Strathmore east of Calgary, has developed this learning-curve service over the past four years.

"Some clients are very experienced at grain marketing and they use us as a sounding board for ideas," Welygan-Reiling says. "And others are perhaps brand new to the whole idea. They are excellent producers of crops, yet maybe they haven't done much more than deliver crops

to the local elevator. They need a starting point on how to develop a grain marketing plan."

Even those who think they have learned the basis lesson may have more ground to make up, however. It's estimated only five to 10 per cent of producers prepare a marketing plan, so education is an important aspect.

Agra Risk Solutions (www.agrisk.ca) offers services at all marketing levels, but Welygan-Reiling is certainly glad to guide producers through a proverbial crawl/walk/run pace as they find their marketing legs. He doesn't have a direct farm background himself, but has developed business skills over the years with a keen understanding of how commodity markets work. A long-time associate of Agra Risk Solutions founder Greg Appleyard, he joined the company as one of the managing partners about three years ago. And, by the way, he says he answers to either last name — you don't have to say it all.

LAY THE GROUND WORK

Agra Risk Solutions gets all clients started with the fundamentals. They use a simple, intuitive, specifically designed farm management and marketing software program to establish a starting point for clients. It starts at the Agra Risk Solutions office, but producers can later access their files on the software from their home office computer or smartphone.

During the initial round with Agra Risk Solutions, they access aerial imagery of a client's farmland and map out the various fields, which helps establish the actual acres being cropped. The software will incorporate field and cropping history. A history of yield data from various crops is rolled into the program too.

"One of the most important tools for producers as they approach a marketing plan is to know their true cost of production," says Welygan-Reiling. Many don't. The farm is a business. Just because something is paid for doesn't mean it doesn't have a cost or a value. "So it is important to establish a true cost of production — include a rental rate for your land, pay yourself a salary or wage, operating costs for machinery, establish the fixed costs of running your farm, and also know your variable costs." The cost of production can be assigned



“It’s a learning process but we’re here to guide people through it,” says market advisor Welygan-Reiling. “How do you use the futures market? What are the tools available in trading that can be applied to take advantage of rising markets?”

to different enterprises on the farm — a mixed farming operation, for example — and it can further be refined and applied to specific crops. What is your cost of production for wheat versus canola versus peas or flax?

With the basics in the system, the next step is to determine the crop plan for the year — what do you plan to grow? “Most producers have a pretty good idea heading into crop year what they will be growing,” says Welygan-Reiling. “The crop plan is usually guided by the crop rotation on your farm.”

So with the basics in place, well ahead of the seeding season, think about a marketing plan. You know which fields and the number of acres for each crop you plan to grow, yield data history or past crop insurance records can provide at least a conservative estimate of expected yield, and you know your cost of production or break-even point — the minimum price you need for that crop to cover your cost of production.

CONSIDER YOUR OPPORTUNITIES

What are your marketing options? You can grow the crop and look at the cash price offerings at the elevator as the crop comes off the combine in the fall. You can look at

different contracting options such as deferred delivery contracts offered by elevators and grain buyers. And you can pre-price crops on the futures market. Agra Risk Solutions commonly works with the commodities futures market through the Chicago Mercantile Exchange (CME).

As Alberta Agriculture marketing fact sheets describe it simply: “The cash or ‘spot market’ is where actual, physical commodities are bought and sold at a price negotiated between buyer and seller. However, the futures market functions by using legally binding futures contracts, not the actual commodities themselves, which can be bought and sold. These agreements (futures contracts) provide for the delivery of or receipt of a specified amount of a particular commodity during a specified future month. Futures contracts do not involve transfer of ownership of the commodity. Instead, futures contracts involve potential receipt or delivery of the commodity at some future date.”

Hedging or using the futures market can be an important tool for producers to reduce price risk, says Welygan-Reiling. “It’s a learning process, but we’re here to guide people through it. How do you use the futures

CONTINUED ON PAGE 22

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An optional price

Don't know how (or when) to sell your grain using options? You aren't the only one, so this advice may help

BY LEE HART / CG FIELD EDITOR

Maybe your primary marketing plan has always been to consider forward-pricing and delivery contracts that are offered by local elevators, even though you know it doesn't always work out as well as you'd like.

Tyler Welygan-Reiling of Agra Risk Solutions suggests the following basic strategy that uses some of the marketing tools available in the futures market to boost the odds in your favour.

Early in the calendar year is a good time to look at developing a marketing plan for the new crop that hasn't even been planted yet. But at that time, the producer may, for example, still have some unsold canola in the bin from the previous year's crop, and Welygan-Reiling paints the following scenario.

"The binned canola that day in January is worth \$9 per bushel, and the farmer could really use the cash flow right at that time, but they also suspect the market might increase over the next few months," says Welygan-Reiling. "How can they handle that?"

Two of the simplest price protection tools are call and put options. A call option allows you to sell your crop today, and still take advantage of a rising price market. A put option provides protection against a falling price market.

In the case of the farmer with canola in the bin in January, Welygan-Reiling says the farmer can sell today, and also turn to the futures market to buy a call option that expires six months away in June, for example.

"The farmer has sold their binned crop today, but with the call option in place they can also take advantage of any price increases over the next six months," says Welygan-Reiling. Buying the call option might cost 20 cents a bushel, but if canola prices increase, they will easily recover that premium cost. "If canola prices don't increase between January and June, at least the farmer can

take some comfort that they sold their binned crop at the best price," he says.

To continue the scenario — the farmer buys the call option in January. Then, come April or May, they look at the market and canola has increased \$1.20 per bushel. Now they want to cash in on that new price, so they sell the call option in May. They offer the call option at \$1.20 per bushel, maybe getting a buyer at \$1.20 or, depending on the market that day, they might be offered \$1.10 per bushel, for example.

"Either way they have made money on that position while managing their cash-flow requirements, which puts them further ahead," says Welygan-Reiling. "They sold their crop in the bin for \$9, and now with the call option they have earned another \$1 (after factoring the initial cost of the position) more per bushel."

"If the market doesn't increase, they can just let their call option expire," says Welygan-Reiling. "They'll be out that initial 20 cents per bushel to buy the call option, but at least they will know they got the best price available for their binned canola at the time."

Depending on the commodity, the futures market can be used to lock in a price at least one year ahead and, in many cases, even longer. Some futures markets extend two, three or even five to 10 years ahead.

The call and put options can be used like insurance to protect yourself against either rising (call) or falling (put) markets.

The point, says Welygan-Reiling, is that using options really isn't that complicated. And while it is true that options do involve a purchase cost, it really isn't that difficult to weigh the potential benefits of the option against their purchase price.

"Marketing crop through a local elevator or a grain buyer has a place," says Welygan-Reiling. "But if that's all you use, it is like only using half your tools to build a house."

market? What are the tools available in trading that can be applied to take advantage of rising markets and protect yourself against falling markets? We have one farm client that involves three generations. So you have the grandparents, parents and the young farmers. And they come in and talk about their marketing plan."

Welygan-Reiling says the basic advice with any grain marketing plan is to have about 10 per cent of the crop sold — locked in at a profitable price — before seeding. Similarly, have about 60 per cent of the crop sold by mid-summer and 75 to 80 per cent sold by the start of harvest — look at the markets and when you see a profitable price lock it in. The remaining 15 to 25 per cent can be left unpriced until after harvest to consider market opportunities at that time.

LEARN TO MANAGE FEAR AND GREED

"It is perhaps human nature to question, should I lock in at this price now? What happens if the market goes higher?" Welygan-Reiling says. "And I always say to people, if you see a profitable price in April lock in 10 per cent of your crop at that point and don't worry about whether prices go up the next day. You have a profit locked in and you still have 90 per cent of your crop to sell." The fact is as producers hold out for the hope of a price rally they run the risk of the market turning down — industry estimates show that as many as 85 per cent of farmers sell crop in the bottom third of the market.

With a marketing plan, farmers can usually avoid emergency selling to meet cash-flow requirements. "You can develop a marketing plan to provide cash requirements when you know bills are coming due," says Welygan-Reiling. "You want to avoid taking a truck load of grain to the elevator today because you have a tractor payment due tomorrow."

Welygan-Reiling says by knowing your true cost of production and using the range of marketing tools available, producers can develop a proper marketing plan that can optimize returns. "It takes some time and discipline to learn grain marketing techniques, and the final decision still rests with the producer, depending on their specific situation and risk tolerance," he says. "We can give the producer the silver gun and the silver bullet, but they still have to pull the trigger." **CG**

Lee Hart is a long-time agricultural writer based in Calgary and a contributor to *Country Guide*.

A better start

Here's advice from Merle Good on how to let the business lead the conversation toward your farm succession plan

BY LAURA LAING

John F. Kennedy's historic words, "... ask not what your country can do for you, ask what you can do for your country," may also contain the wisdom needed to solve the complexities of today's family farm successions.

Too many young men and women are starting their discussions about the path to farm succession by asking the wrong question, says farm business consultant and succession expert, Merle Good.

Rather than asking what can the farm business do for them, they should be concerned with what they can do for the business.

The next generation should ask: What is the business looking for? What does it need? How can I add value?

Letting the business lead the often difficult path to succession will not only help you work your way to a better succession plan, it will set you up to make better decisions for your farm business in the long run, says Good, former farm business adviser with the Alberta agriculture ministry.

But most of all, Good says, making the business the focus of your discussion will help the younger generation get on the right page, and it will help them set reasonable expectations.

For Mom and Dad, meanwhile, it will help shift the discussion toward their asking themselves whether they're being good business leaders, and away from the minefield of whether they're being good parents. And, adds Good, "It's no longer a conversation of what do Mom and Dad want, but rather a question of what does the farm business want and need."

WHAT DOES YOUR FARM BUSINESS NEED?

"Before the business can lead the conversation, the farm business must first be defined as to what it is," says Good.

In his experience, that can be eye-opening. The business needs to know what it consists of. In farming, of course, the business may consist of producing and selling grain, for instance, but that only means the business needs to have access to land, not necessarily that it needs to own that land.

That's a crucial point, Good says, because it high-



“The separation needs to be really clear,” says farm adviser Merle Good. “If the farm business is not separated from the estate, proper succession will never occur.”

lights the very important fact that the succession discussion has to be about the business, not about the estate.

In working with his farm clients, Good is very clear about this, saying the first step in defining what your business is and what it needs is to get a clear picture of the business, which means the business discussion must be separate from the parent's estate plan before either generation can take an analytical look at their involvement.

Before the next generation can decide whether they want to come back to the business and make it their full-time career choice, they need to know what exactly is being talked about.

"The separation needs to be really clear," says Good. "If the farm business is not separated from the estate, proper succession will never occur. An operational business separation plan absolutely needs to be put in place."

CONTINUED ON PAGE 24

The Big Question

When does the business model let me take ownership?

Ownership transition should start to happen when the next generation enters the manager level, farm adviser Merle Good tells his clients.

This means that having defined roles and responsibilities is important in order to set clear expectations, both for the farm business and for the next generation.

But, says Good, it also suggests that the key to long-term success for the next generation is ensuring that the business does not allow the next generation to become an owner/manager too soon.

“My best advice for a next generation that is anxious to move forward with next steps to succession of the farm business is to not become an owner too soon,” Good says. “That way you will avoid the carrot and the stick scenario. I tell my clients that as an employee and maybe even a key employee, don’t even talk about ownership yet. It isn’t going to happen.”

One of the truisms for the business, he says, is that before you become a manager, you simply can’t become an owner, since the business does not want you to become an owner until you have become responsible as a manager.

When you have been responsible for an area and have done a good enough job, that’s when it wants you to become an owner.

“It’s not what Mom or Dad wants you to be, in their mind they may want you to be an owner when you are born. It’s the business perspective and what the business needs. The business says until you are a manager you can’t have equity.”

“After all,” says Good. “It is what the business wants and needs that will best answer the question when it comes to succession. Letting your farm business lead the conversation and set the rules is the most effective and successful approach not only for the viability of the business, but also for keeping the ‘family’ in the family farm business.”

Where do you fit?

According to Good, a clear succession plan is best supported by first identifying operational roles and responsibilities in the farm business. Good suggests dividing roles and responsibilities into the following key areas:

- Employee — An employee takes direction.
- Key Employee — A key employee is responsible for a certain task.
- Owner/Manager — An owner/manager is responsible for a certain area. A manager receives advice.
- Lead — A lead is responsible to the business and accountable to the business and no one else. A lead asks for advice.

SEPARATING THE FARM BUSINESS FROM PERSONALLY OWNED ASSETS IS A MUST

Good says that separating the farm business from personally owned assets can be quite simple, since most farm assets are usually tied up in land. He suggests creating an operating company that owns some of, but definitely not all, the land.

Once this separation has occurred, the redemption of the parent’s equity must occur over time, and Good says it is essential that a formal plan be created and that a significant portion of income allocation occur as redemption of capital.

“This strategy helps most second generations, since the majority of this demographic would rather own a bigger piece of a smaller pie than a smaller piece of a bigger pie,” Good says.

“So if Mom and Dad have a \$10-million corporate farm with everything in the company, they will be reluctant to give full ownership. However, if we take that farm and drop it to \$4 million, with just cattle, machinery and some land — and kick \$6 million of land to the side in a land corporation — the parent’s blood pressure will drop.”

Good says that with this approach to succession, once the operating company is established and the off-farm estate and land is off to the side, business succession can become the focus.

If farmland is being left to non-farm children (as is happening more often), then an access agreement, which usually includes a long-term lease, must be created. Good likes a rolling lease concept between family members, where each year an extension of one year is automatically added to the lease.

He says that it is important to remember that the operating business rarely wants to buy land. It’s only the owners who want see that as a benefit. The business would usually prefer to own cattle, machinery and inventory to make money.

DON’T FALL INTO THIS TRAP

It’s a big question, says Good. What keeps the farm business up at night, especially as it relates to bringing in the next generation?

Often, it leads to another, equally important question: What can be done to create more income?

“The key factor in any farm business is income, and the focus of the business is to make income. Remembering this key factor defines the focus for both generations to strive towards the common goal of more

income,” says Good. “Income generation needs to be a primary focus as you are bringing in a second person or family that needs to eat.”

It’s a discussion that also helps shed light on the estate questions discussed above. “When we talk about succession, it is an income game, whereas estate planning is an equity or wealth game,” Good says. “Because without sufficient income, you can’t run a successful business and make a living. The farm business is to create a career and, if it is successful enough, it will create the owners’ wealth.”

The common answer Good hears from farmers is that to create more income for their farm business, they need to buy more land. That, he says, doesn’t actually answer the question.

“My clients will often come to me and say, ‘my son or daughter can’t come home and farm with me because the farm isn’t big enough.’ What I tell them is that no, don’t fall into that trap. Big doesn’t necessarily equate to income.

“Where I recommend they focus is on their business plan and how it answers the question: What can we do to change and enhance the current farm business income?”

For example, Good asks them to think more along

the lines of what crop or marketing approach they can adopt to build additional revenue. How can they make more income off of what they already have?

Then, once that determination is made, it’s time for the up and coming generation to say exactly how they can help make that happen.

Good also encourages the current generation of farmers to recognize the value that the next generation will offer the farm business.

“Of all the work that I have done in farm business planning and succession, what I have learned is that if you bring a second generation in that is primarily focused on really bringing value back into the farm business with energy, effort and skills, after three to five years with no change in the size of the farm land base, the farm income will go up at least 20 per cent.”

This is because the new generation will bring better marketing, advances in new technology and new approaches to the farm business operations, says Good.

There’s still more work to do. For instance, the farm will need a structure with clearly defined roles and responsibilities to support the succession plan, but the goal will be in sight, Good says. It will have taken effort, but now the expectations of both generations. have a pathway for being met. **CG**



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Tuesday, February 7, 1:15 p.m.

Best Western Plus – Camrose Resort Casino

J.P. Gervais
Economy

Darci Lang
Inspiration

Drew Lerner
Weather Trends

Taber

Thursday, February 9, 1:15 p.m.

Heritage Inn Hotel & Convention Centre

J.P. Gervais
Economy

Mike Jubinville
Commodity
Markets

Peter Gredig
Emerging
Technologies

Swift Current

Tuesday, January 31, 1:15 p.m.

Living Sky Casino

J.P. Gervais
Economy

Mike Jubinville
Commodity
Markets

Peter Gredig
Emerging
Technologies

North Battleford

Thursday, February 2, 1:15 p.m.

Western Development Museum

J.P. Gervais
Economy

Dr. Joe Schwarcz
Science of
Agriculture

Peter Gredig
Emerging
Technologies

Morris

Tuesday, December 13, 1:15 p.m.

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Their own way

They're risk takers who hate to lose and aren't afraid to trust their own instincts, which is why, on the road to diversification, the Blairs have drawn their own map

BY ANGELA LOVELL

Kevin Blair has never forgotten what his grandfather told him many years ago: "When everyone else is on the highway, take the grid." It's a message he's made most of his life decisions by, and in the course of it, Blair Ag has learned how to tackle many of the issues that are moving to the top of the agenda for more and more farm families.

The Blair family — owners and operators of Blairs.Ag Cattle Company at Lanigan, Sask. — started with a mixed farm established by Kevin's grandfather, Sandy, and turned it into a family of agricultural companies that includes retail crop inputs, animal nutrition, professional agronomy services, truck logistics and an animal genetics division that exports live cattle, embryos and semen to numerous countries around the world.

It was Sandy and his brother Lyndsay who started the crop input business, bringing in the first rail car of Elephant brand fertilizer to Saskatchewan in the late '40s. When Kevin's dad Ron, and his brother Dale took over the business, they expanded the crop input side of things from being seasonal to a year-round business.

In 1988, Kevin entered the business, and in 2000 his cousin Darren joined, and together they have grown the retail side to eight outlets across Saskatchewan.

In 2003, Kevin and Darren took over ownership of the business and assumed the chief executive officer and chief operating officer roles respectively. "I'm a very strong believer in letting people at a very young age make decisions of consequence, and our grandfather Sandy had very similar beliefs. I think it's that kind of thinking that makes us who we are," says Kevin.

SPOTTING OPPORTUNITIES

The Blairs have always been good at spotting opportunities in agriculture. The farm got out of the purebred Simmental business in the '80s but in 2006, with a lot of ageing cattle producers retiring and dispersing their herds, they saw an opportunity to get back into the purebred market in a way that many other producers hadn't considered.

"One of the things that I recognized very quickly was that there was a huge global desire for Canadian genetics, but times had been tough in the beef industry over the past decade and a lot of prominent Angus breeders had exited," explains Kevin. "Someone would need to fill the gap, so we decided we wanted this to be us."

NOT AFRAID TO TAKE RISKS

Although Blairs.Ag has grown into a large, diversified group of companies, its focus remains on what it knows best — which is agriculture — and building relationships with people.

"Whenever we look at adding different pillars to our business model, we always try to think about whether it will help us manage risk," says Kevin. "We have the same philosophy when it comes to our customers. Our clients understand why we've stayed in the business, and understand our beliefs. We can build strong relationships with those people, and help them mitigate their risk, which makes them more profitable and by default makes us more profitable."

Knowing how to manage risk is crucial in any business, but the Blairs aren't afraid to take a measured leap, and they credit their predecessors for giving them that opportunity. "We are lucky in that we can take risks when others maybe don't because our grandfather and fathers left the equity in the business," says Kevin.

"They didn't have an exit strategy, but rather a continuance plan, so they left the equity in the business because they thought that was the best way to support growth for the following generations. We have taken what they taught us and what they left for us, and expanded and built on it, and our wish is to continue that vision and strategy into the fourth and fifth, and hopefully the sixth generations."

Grandpa Sandy, ever wise, told Kevin something else he has never forgotten about risk, which is that you only have to make seven out of 10 decisions right.

"The challenge is how you deal with that on a day-to-day basis," says Kevin. "It's okay to be wrong, but you want to make sure that you control your misses. Once you make a few decisions that work in your favour, it builds confidence, which helps you to manage risk even better and still be successful."

The same philosophy extends to the company's employees. Enabling them to grow and succeed, take responsibility and feel invested in the company starts with allowing them to make a few mistakes too.

"We don't expect our employees to make every deci-

CONTINUED ON PAGE 30



“When you encounter challenges as a person or as a business,” Kevin Blair says, “you become stronger and better because of it, no matter how difficult it is at the time.”

PHOTOGRAPHY: DAVE STOBBE



“You have to care for other people more than yourself,” Kevin Blair says. “You have to live that, and have high expectations for people and not hold them back.”

sion right, and we’ll support them. But another thing Grandpa said is it’s only a mistake if you make it twice,” says Kevin. “The first time is just part of the cost of education. Everybody is entitled to make mistakes, employees, family, everybody but we really try to not make the same one twice.”

WHAT DOESN’T KILL YOU...

Learning from your own mistakes is one thing, but learning from tough times and traumatic events beyond your control (which, after all, seem an inescapable part of agriculture) is just as important.

Even though Blairs.Ag is widely diversified, bad things are going to happen. And although no business model is immune from mistakes, some models are going to help you transform those mistakes into innovations or changes that end up benefitting the business and the industry.

Kevin cites two good examples: the droughts in the late ’80s that encouraged the moisture-conserving spread of minimum tillage in Western Canada, and the BSE crisis that got packers and chefs figuring out how to add value to less desirable cuts of meat such as brisket and flank steaks.

“When you encounter challenges as a person or as a business, you become stronger and better because of it, no matter how difficult it is at the time,” says Kevin.

“In business, if you don’t find ways to learn and adapt, you just become fearful. As people age in business, their tolerance for fear and risk becomes less, and they wake up one morning and ask why they’re risking everything they’ve built for so long. That’s when they get frustrated with consumers, with suppliers and exit the business.”

LIVING THE ABCS OF AGRICULTURE

Kevin sums up the Blair family philosophy and business model as the ABCs of agriculture — *Aspire* to make a difference, *Be* a better me and *Create* an environment for others to succeed.

“C” is probably the most crucial, he says, because in order for the business to grow it has to include people outside of the family. And in order to be productive and successful, everybody has to feel they also have the same opportunity to grow and succeed.

The Blairs’ family of companies employs around 110 people, and while it’s a lot of people to manage, they are treated as part of the extended Blair family.

“You have to care about other people more than you care about yourself,” Kevin says. “You have to live that, and have high expectations for people and not hold them back. Sometimes you have to do things that aren’t traditional. Sometimes you have to lend money to employees that are in a jam. Sometimes you have to give them things that they never expected anybody would

ever give them. You have to go that extra mile. If we can find employees that buy into our beliefs, and buy into agriculture, we'll go a long way to support them personally."

DON'T SCARE OFF THE YOUTH

Not "scaring off the youth" is something Kevin is passionate about, even when it's not always easy to understand the next generation.

Millennials (those born between 1980 and 2000) are probably the most challenging generation there has ever been. Often described as the "entitled" generation, Millennials are tech-dependent, and having grown up with social media and the Internet, they require instant gratification.

They have high expectations but don't always understand the steps needed to achieve them.

"Youth is so critical to help your business expand into the future," says Kevin. "We try to identify young people that have a stronger work ethic, and desire to succeed. You have to get them to believe that they're different

than the rest of the Millennials and that's a good thing.

"I say to them, 'if you want to work less, and get paid more, and have plenty of time to go to the gym and walk the dog that's fine, but agriculture is not the place for you.'"

"Agriculture is a place that has longer hours, takes more brain power for longer periods of time... there's more inherent risk, but there's nothing more gratifying than agriculture."

The key is being able to identify talented people with the skills, ability and attitude that fit the company philosophy, says Kevin, who looks for what he calls "gravel road" employees, people who have travelled a road that isn't necessarily traditional.

They may or may not have a university or college education, but they do have commitment to agriculture and a will to work hard and succeed, and many of Blairs.Ag's most successful employees have only a high school education and tons of work experience.

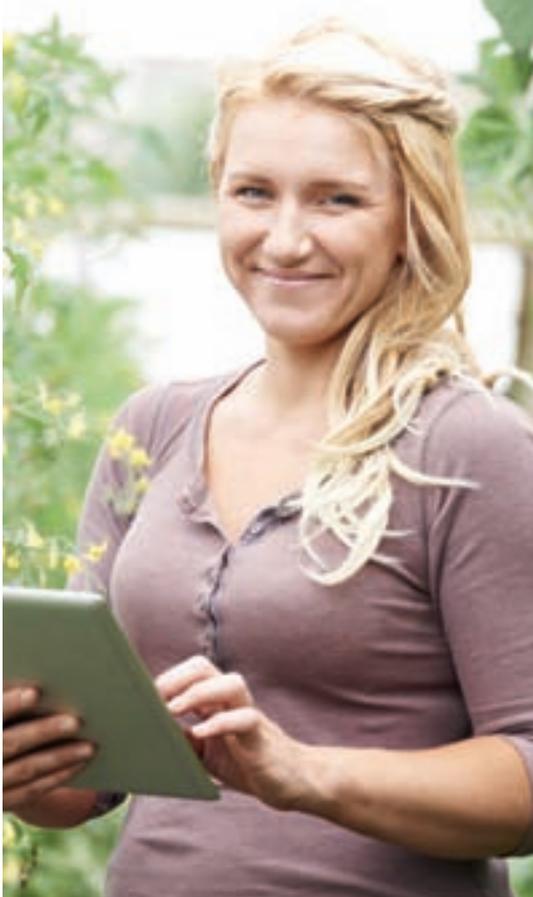
"I encourage all youth to go to college, but we don't hire based on education. What

I care about is what's in their brain and their soul. Everybody knows that kid in Grade 11, who's kind of a smart ass and causes problems, and the teacher says, it's such a shame because that kid has so much potential. I want that kid," says Kevin. "If we take that person and put him or her in a role with lots of responsibility, they remember that for a very long time, because they don't necessarily expect it."

Grandpa's legacy seems to be in safe, competent hands with the third and fourth generation of Blairs, who are working hard to make sure the next generations have the same support and opportunities that they've had.

"I hope that at least some of the next generation have a desire to continue on the business model," says Kevin. "It may not be exactly the same as the one we have now, maybe their wishes and hopes and dreams will be slightly different but that's okay, they'll have the equity base to be able to do what they're passionate about. And hopefully that will be in agriculture." **CG**

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A new leadership

When DuPont Pioneer tapped Bryce Eger as their new Canadian head, here's the leadership style they were putting their money behind. Can it work on the farm too?

BY TOM BUTTON / CG EDITOR

When Bryce Eger says, "Nobody has a textbook for this," farmers across the country get it.

Where Eger goes next, though, may be worth a pause.

As farms rapidly get bigger and more sophisticated, the difference between running a farm versus running an ag business fades. Some might say it even begins to disappear, and that what it takes to drive a business like DuPont Pioneer today is a lot more like what it takes to run a farm, since the farm also has complex finances, multiple enterprise centres, diverse support functions, and vital HR issues.

Their leadership demands overlap too because both are in the midst of such historic evolutions. Farming may never have seen a time when the management demands on farmers have increased so sharply as in the past decade, or when the payoffs for successful management have been as big. And even in an ag industry that is used to waves of mergers and to the growth of new business ventures based on novel technologies, rarely has a company been asked to deal with as much change — or as much growth potential — as DuPont Pioneer.

Yet in this context, when I ask Eger why he believes he got offered the chance to lead one of Canada's top ag businesses, he answers with one word, "Demeanour."

"I'm a restless person," he says. "When I see a problem, I want to find a way to solve it."

But, pausing only a moment, he adds:

"And I'm patient with people."

Eger in fact is convinced there's no contradiction between the two — restlessness with the fact, and patience with the individuals — and that there cannot be a contradiction between them if his management philosophy is to succeed.

Nor can there be if a business aspires to see the kind of performance in a period of change that will not only achieve today's targets, but also build for the future.

As our afternoon discussion continues, the idea keeps resurfacing that the old ways of choosing and evaluating a leader aren't good enough today. In other words, it wasn't enough that Eger (whose name actually does

rhyme with "eager") climbed the right rungs on the corporate ladder, excelling in the right series of sales and management positions.

Nor was it enough that Eger had acquired a bricks-and-mortar sort of understanding of how agricultural business gets done across Canada, although that was useful too.

It needed something more.

As far as the bare facts go, in fact, Eger's trajectory had been remarkable, but not particularly mould breaking. He grew up at Moosomin in southeast Saskatchewan, not on a farm, but with relatives who farmed, and at the end of high school, he enrolled in the economics program at Brandon University, thinking that a career in banking likely lay ahead.

At graduation, though, a friend sent Eger's resume to Cargill, which led to an interview, and which in turn led to a job offer that saw him start at the firm's country elevator at Carlyle, Sask.

It was the early '90s, and Eger still remembers with a grin his parents wondering what they had done wrong, that he could choose a career in agriculture.

He could only tell them what he felt. Agriculture was a field where you could always be learning, he said, and it was an industry that you could dedicate yourself to.

Cargill also proved a good fit, especially since it encourages young people to take on challenges and responsibilities, and that it believes in the value of training. "I got the equivalent of several MBAs during my years there," Eger says. "It's a great company."

Next came a series of promotions to management and sales jobs across the West, with three years in Ontario managing the company's AgHorizons activities there. It was there that he also got his insight into the special relationship that eastern farmers have with corn, similar to what he'd been seeing in the West with canola.

It was during his Cargill years too that Eger began to cultivate what has become a lifelong habit of watching and learning from effective leaders.

Study your bosses, he often tells himself. Always observe how other people lead their way through the kinds of challenges that you face, or that you may face in the



“I can look at the business results every day,” says Bryce Eger, “but I have to be able to talk to the people to really know how we’re doing.”

future. Work out what it is specifically that makes them effective, find ways to use them as mentors, and force yourself in a habit of thinking concretely about leadership.

It’s something Eger continues to this day, and that propels his steady diet of business books, like the Jim Collins titles *Good to Great* and *Built to Last* and a growing list of insider books of the Jack Welch type.

After 14 years with Cargill, however, Eger was headhunted by Pioneer-HiBred Canada to manage its national sales team, signing on in 2009, a decade after DuPont’s purchase of the seed company.

It’s a challenge he reached for, although he admits that, like others, he had been puzzled by why DuPont and Pioneer hadn’t been melded more quickly after the merger.

Little did he expect that he himself would be the first person to lead the combined crop protection and plant genetics enterprises.

So Eger began in sales, soon becoming business manager of Pioneer’s eastern business, then taking on senior responsibility for production and supply chain, and, when then Pioneer president Ian Grant retired in July 2015, becoming head of Pioneer’s Canadian business.

Just six months later, in January 2016, he was appointed head of both the Pioneer and the DuPont Crop Protection businesses.

There may also be further change ahead. As we go to press, the proposed merger of Dow and DuPont was awaiting regulatory approval, with key rulings expected in the first quarter of 2017. If successful, the two companies say they will create a pure-play ag company within two years.

From the inside, Eger now says of the DuPont acquisition of Pioneer that the choice to go slow with it had been “the right decision.” The organizations needed opportunities to learn about each other and get to know each other, he says. “There is a right time.”

But it still leaves him with two organizations to harmonize. And that is only the start. Pioneer also has two utterly different market regions: the East where it is a clear market leader based on an iconic brand, and the West, where not only is the brand new, but the crops that it sells are new too.

Again, there are parallels to farming, where the organizational requirements of incorporated farms and the leadership

CONTINUED ON PAGE 34



Eger's seeds of effective leadership

1. Be restless with the status quo.
2. Be patient with your people.
3. Articulate a clear vision.
4. Be accessible.
5. Hire smart people.
6. Actively listen to your customers. Know what they mean.
7. Be easy to do business with.
8. Find ways to create trust.
9. Excel at data.
10. Know the production side of your business intimately.

demands of succession planning, among other factors, are introducing new risks and new challenges.

In the West, Pioneer is growing its organization, having bulked up from a handful of employees mainly in southern Manitoba eight years ago to 60 now, all hired with the knowledge that they have crucial roles for building the organization and its brand. In the West, Eger says the company is focused on using the first handshake to create long-term relationships, while in the East, it needs to continue to prove it's the right choice for farmers already committed to its crops.

And yet, the focus is also the same, not only for Pioneer genetics but also for DuPont crop protection. It's to generate trust with the customer as a platform for a conversation about value creation.

The focus is also to be easy to do business with, Eger says, and to appeal not only to what farmers need, but what they want as well, so that emotions like pride and security are addressed.

And, he adds, it's also to excel at new product development.

Faced with such goals, the temptation for most leaders might be to roll up their sleeves and leap into action... i.e. in the West to grab market share before anyone else can get it, and in the East to close the door to myriad potential competitors.

And Eger is definitely an active leader.

But a key Eger view is that an active leader needs a clear vision, and this vision must be one that can be articulated from top to bottom within the organization.

"It's the only way to block out the noise," Eger says. Otherwise, he says, distractions can easily become a huge drag on progress.

Again, the parallels with farming come to mind.

But that sense of embodying a vision also needs to be matched with a commitment to being accessible to the rest of the organization, Eger says, which doesn't just mean a hello in the morning, or keeping in touch by email. "Be present," Eger regularly reminds himself.

"It's not easy," he confides. But he has come to view

his communications with the rest of the organization as an essential facet of effective leadership. In other words, he believes it just doesn't work to lead from above.

It's essential to see your organization as your people, he repeats. "I can look at the business results every day... but I have to be able to talk to the people to really know how we're doing."

With good communications and a clear sense of direction, he can give employees responsibilities that encourage them to deliver at the best. In fact, an environment where employees are asking for opportunities to try new approaches is one of the ways he measures the health of his team.

"But be patient with them," Eger says. Don't expect every effort to be a perfect success, but expect every effort to produce learnings that you can exploit by discussing them across teams.

That's when another key element of his role kicks in, he says. That's to provide direction about the questions that get asked during those evaluations — especially the questions that tie in to the brand. In DuPont Pioneer's case, he says, he expects his teams to answer questions about whether the effort helped them develop products that can compete at the top of the industry. Did it help the company make and extend better recommendations about the use of its products? Did it make the company easier to do business with for its customers? Did it build trust with farmers and channel partners?

Increasingly, too, it involves questions about whether it is helping to create an industry-leading understanding of data — a topic that Eger enthuses about. He peppers his conversation with quotes about "living, breathing data," and he talks of "being able to answer questions we couldn't even ask before."

Combined with DuPont and Pioneer brand packages, he also believes, data can help them build a bridge between people and better products, resulting in better relationships with customers. And Eger is certain it is the right path. "I have a staunch belief that we're going to win," he says. "I'm not going to give up." **CG**

PG. 38 Here's a canola swathing strategy that puts more crop in the combine tank.

PG. 40 Is a wheat pandemic on the way? In their Level 3 containment lab in Morden, Man, these scientists race to find a cure for Ug99.

CROPS GUIDE

Checkoff checkerboard

The plan is for a single checkoff next August 1, but will different provincial recipients all go in the same research direction?

BY RON FRIESEN

What a tangled web. That's one way to describe the system of checkoffs to support cereal research in Western Canada.

From a centralized system administered by a single agency, the plan has splintered into six separate checkoffs and five different producer-run wheat and barley commissions in three provinces.

This patchwork will simplify a little on August 1, 2017, when some of the deductions are consolidated under the provincial commissions. But the greater question is about the future of the Western Grains Research Foundation as its current role in funding wheat and barley research switches over to the provincial commissions.

For its part, WGRF insists the work will continue but its role will be different.

"We will still be involved. We just won't be involved in collecting the checkoff after July 31, 2017," says WGRF chair Dave Sefton, who farms at Broadview, Sask.

Others say the change is part of an evolution in responsibility for collecting and distributing money to fund grain research.

"Now that these provincially elected commissions are in the game, it's a logical transition in authority, making sure we don't drop any of the good work that WGRF has done on our behalf," says Brent VanKoughnet, executive director of the Manitoba Wheat and Barley Growers Association.



The Western Grain Research Foundation has assisted in the development of more than 200 new varieties since 1981, but will no longer receive direct checkoff funding after July 31, 2017.

CWB FALLOUT

Why is all this happening? It's fallout from Bill C-18, the "Marketing Freedom For Grain Farmers Act," which removed the Canadian Wheat Board's central selling desk in 2011.

Previously, the CWB managed refundable checkoff deductions on wheat and barley delivered to licensed grain buyers in Western Canada. The rate was 48 cents per tonne of wheat, of which 30 cents went to the WGRF, 15 cents to the Canadian International Grains Institute and three cents for administration. Of the 56-cent checkoff on barley, 50 cents went to the WGRF, three cents to the

Canadian Malting Barley Technical Centre and three cents for administration.

All three groups are non-profit organizations. WGRF, created in 1981, invests in research, and has assisted in development of more than 200 wheat and barley varieties. Cigi was established in 1972 to promote Canadian grain and provide training in production, marketing and processing. Since 2000, the CMBTC has provided technical support and market information to the malting barley value chain.

CONTINUED ON PAGE 36

“Our ability to create even a blip on the radar in research, if we were completely isolated on our own, would be so insignificant we could get left behind very easily.”

— Brent VanKoughnet,
Manitoba Wheat and Barley Growers Association

CWB forwarded the checkoff revenue to the organizations. In WGRF's case, the foundation leveraged the money by cost-sharing the expense of public research for breeding programs.

That changed in late 2011 with the passage of Bill C-18. Stripped of its central desk, the CWB was no longer able to collect checkoffs. Suddenly, the industry realized there would be no one to collect the levies. Something had to be done to keep things going. And fast.

MULTIPLE CHECKOFFS

The result was the formation in 2012 of producer-elected provincially regulated commissions to handle the checkoffs instead of the CWB. They are: Alberta Wheat Commission, Alberta Barley Commission, Saskatchewan Wheat Development Commission, Saskatchewan Barley Development Commission, and Manitoba Wheat and Barley Growers Association. (Manitoba has only one commission because the province's wheat and barley crops are smaller than the other provinces', but the checkoffs are still separate).

Also in the same year, the federal government established the Western Canadian Deduction (WCD), a temporary transitional checkoff on wheat and barley. The rates are the same as under the CWB. Ottawa mandated the Alberta Barley Commission to administer the WCD. ABC in turn

sub-contracted with Levy Central, a program operated by the Agriculture Council of Saskatchewan, to handle the actual collection. (Alberta Wheat and Alberta Barley last year decided to do their own deductions in-house. Levy Central still does the job for Manitoba and Saskatchewan.)

Besides the WCD, growers also pay additional levies to their respective provincial commissions. The result: two separate checkoffs for each crop in each province.

For example, wheat farmers in Alberta pay a total of \$1.18 per tonne, consisting of the Western Canadian Deduction of 48 cents per tonne and an Alberta Wheat Commission checkoff of 70 cents per tonne. A similar situation exists for barley.

MOVING TO SINGLE CHECKOFF

Not surprisingly, farmers wonder why they have to pay two levies per crop when they paid only one previously. This has led commissions in all three provinces to move to a single checkoff on August 1, 2017, when the WCD is set to expire.

“We think it simplifies the system to have one checkoff as opposed to two because farmers are going to quite rightly ask, ‘why do you need two separate levies? What do they all do?’” says Tom Steve, general manager of the Alberta Wheat Commission in Calgary.

“It's designed to provide some

clarity and efficiency in terms of administering the funds, as well as direct accountability back to the farmers who pay the levy.”

Commissions in Alberta and Saskatchewan this past summer were drafting single checkoff proposals for their producer members to vote on. Manitoba producers have already approved single checkoffs for both wheat and barley at their annual meeting in February 2016.

As a result, come August 1, 2017, growers in Western Canada will pay a single levy for wheat and another one for barley. It's expected Levy Central will still collect the checkoffs in Saskatchewan and Manitoba while Alberta Wheat and Alberta Barley will continue their own collections in-house.

WHITHER, OR WITHER, THE WGRF?

But the money collected by these levies will no longer go to WGRF. Instead, the commissions will have the authority for funding wheat and barley variety development, not WGRF.

This raises the question: whither WGRF? If it no longer receives checkoff money for wheat and barley, what will it do?

Sefton is quick to assure producers WGRF isn't going away.

“We're a federally incorporated charitable foundation in place to enhance crop production in Western Canada. It covers Western Canada. It covers all crops. That will continue to be the mandate under which we operate.”

Sefton points out WGRF still has its endowment fund which it uses to fund a wide range of crop research for cereals, oilseeds, pulses and special crops. Currently at \$120 million, the fund was established in 1981 when money was transferred from the discontinued Prairie Farm Assistance Act. Since 2000, it has received funds collected under the Canada

Transportation Act in excess of the set railway revenue cap, assuring its continuance.

Sefton says WGRF has also signed five-year core agreements to ensure funding for wheat and barley research and development until 2020.

This means WGRF will still be in the game even if some of its role is shifted to the commissions, says Steve.

“The important thing for producers is that all of the commitments to funding variety development will be met,” he says. “That is the critical point because virtually all the wheat varieties that farmers grow in Western Canada come out of public programs at universities and Agriculture Canada. We need to ensure continuity is there, and it will be.”

However, Steve acknowledges decisions will eventually have to be made about WGRF’s exact function.

“We’re working with them on what the future model will look like. After August 1, 2017, we anticipate the funds will be administered by the commissions. The commissions will work on a collaborative basis to fund Agriculture Canada and university programs. The precise role of WGRF in that mix is what we still haven’t landed on.”

THREE COMMISSIONS, SAME DIRECTION?

While it’s full steam ahead for the commissions, there’s some concern about them going in different directions by focusing on local interests rather than regional ones.

That’s the case in Manitoba where producers worry they could be overshadowed by the other two provinces. Manitoba’s wheat and barley checkoffs together generate less than \$2 million a year, depending on the size of the crop. Alberta collects between \$5.5 million and \$6 million annually for wheat alone. For that reason, Manitoba wants to make sure future research focuses on the interests of all western Canadian growers, not just those in larger provinces with deeper pockets.

“Our ability to create even a blip on the radar in research, if we were completely isolated on our own, would be so insignificant we could get left behind very easily,” VanKoughnet says.

“We need to make sure we design working groups and processes to make sure the spirit of how we work together continues in a western Canadian capacity,” he says. “It takes more effort when we have three organizations to do that instead of one.” **CG**



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Cure longer and harvest more

When canola swaths are cured and dry, combines put a lot more canola in the tank and a lot less on the ground

BY JAY WHETTER / CANOLA COUNCIL OF CANADA

Kristen Phillips already knew that combines capture more available yield when canola is cured and dry, but she was still surprised when she was harvesting one set of Ultimate Canola Challenge (UCC) plots this fall.

The Canola Council of Canada's UCC program for 2016 aimed to help identify agronomically and economically optimal nitrogen (N) rates for canola in Western Canada, and how increasing base N rates by 25 per cent affects yield and profitability. Yield data from all sites were not fully compiled at press time, but Phillips, who farms near Brandon and co-ordinated the Manitoba trials, had one Manitoba site that produced some unexpected side results.

The site was at Hillside Colony near Justice, Man. In the middle of a 960-acre canola field, the colony planted four replicates comparing their check, which was 164 lbs./ac. of N, against the UCC's 25 per cent increase, which was 205 lbs./ac. of N. The replicates were mile-long strips.

The colony called Phillips to come out for harvest day, which was September 2. She decided to measure off 1,000 feet from each strip and harvest that for the trial. A full mile was not necessary based on UCC protocols.

Phillips had a hunch that yields were going to be lower than expected, given the field was hailed twice. But she didn't expect the trouble the combine would have getting through the crop. The Class 9 combine stopped twice during the first strip, then again in the second strip. "Seeds were ripe but the canola plant material was too green," Phillips says. "But to keep the trial fair, we had to keep going and combine all strips on the same day."

When weigh wagon results from each strip were tallied, average yield was 34.6 bu./ac. for the check strips and 38.6 for the higher-N strips. The yield difference was enough to pay for the higher rate of fertilizer in this one trial, even though the overall yields were fairly low due to the hail.



When swathing the Ultimate Canola Challenge trials at Hillside Colony near Brandon, Man., regrowth and lodging from two hailstorms in early July become evident. In this situation, extra curing time is even more important to harvestability and lower combine losses.

YIELD SURPRISE

But that's not why Phillips found the trial so interesting. That came later.

After September 2, it started to rain and rain. It rained for five straight days and the crop needed to dry out for another week or so before harvest could resume. On September 14, Hillside was back at the 960-acre field. They called Phillips. She decided to come out and take a look again. The remaining mile-long trial strips were still in place, less the original 1,000 feet. So she asked the colony if they would harvest the rest of each strip and weigh them individually as a second look. They agreed.

This time, average yields were 37.3 bu./ac. for the checks and 42.6 for the higher-N strips. This was a swathed crop. Seeds were not filling out more. Moisture went up 0.1-0.2 percentage points with the rain, but that would contribute less than 0.1 bu./ac. in yield. Therefore, the yield increase was not a seed maturity or seed moisture factor.

It is possible that the area covered by the first 1,000 feet was an overall lower-yielding area than the rest of each strip, but this particular part of the field was carefully selected for its uniformity. Phillips thinks the key difference was the obvious difference in threshing condi-

tions. When the crop is too green, crop doesn't thresh and separate properly. It doesn't travel over the sieves as smoothly, and the fan can blow through and shake seeds loose as effectively as it would with drop crop material. This was already known, but for Phillips, this experience demonstrated just how big these losses can be.

"Now I realize the potential for losses when we push late into the night or get started when crops aren't properly cured," she says. "At the end of the night, when conditions are getting tough and you think 'just one more truckload,' go home, put the combine away and capture those extra bushels tomorrow."

For the check strips representing Hillside's whole 960-acre field, the difference in yield between tough conditions on September 2 and better conditions on September 14 was seven per cent. For the high-N treatment, the loss was over nine per cent. "For this field, harvesting in better field conditions was just as big a yield factor as adding 25 per cent more nitrogen," Phillips says.

“ For this field, harvesting in better field conditions was just as big a yield factor as adding 25 per cent more nitrogen.”

— Kristen Phillips, CCC

PURPOSE, PROTOCOLS AND RESULTS

The overall purpose of the 2016 UCC is educating farmers on the most effective way to do on-farm trials, while collecting data from these trials to share with the canola industry. The 2016 program started with 14 sites across the Prairies, however some were lost due to frost or hail. Results from harvested sites will be posted at www.canolacouncil.org. To find the UCC page, click on "Crop Production" in the black bar

at the top and scroll down to find the Ultimate Canola Challenge tab.

The site also outlines the protocols for the N test. "These protocols can be used for testing almost any product or practice for those interested in testing something specific on their farm," says Nicole Philp, CCC agronomy specialist and UCC manager. "An important part of doing trials is note collection throughout the season. It not only helps farmers spot any visual differences between treatments, but can help crop management decisions when it comes to pest control."

UCC will continue in 2017. Growers interested in hosting trials on their farms can contact Philp at philpn@canolacouncil.org or 306-551-4597. "Working with the CCC on these on-farm projects is an excellent way to get first-hand experience on how to do a proper trial," Phillips adds. **CG**

Jay Whetter is communications manager with the Canola Council of Canada.

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Wheat plants growing as an experimental control group show signs of wheat stem rust disease at Kenya's Eldoret University in 2013.

PHOTO: LIANG QU/IAEA



Heading off a pandemic

Only two older wheat varieties are resistant to Ug99, a devastating race of stem rust which threatens to spread around the world

BY RON FRIESEN

Working under tight security in their plant science laboratory at Morden, Man., Tom Fetch and his scientific colleagues look as if they're handling extremely hazardous material.

After changing into hospital scrubs in a locker room, Fetch and his team deactivate an alarm system and go through four doors to enter the laboratory. The Level 3 containment lab, certified by the Canadian Food Inspection Agency, operates under negative pressure so air cannot leave the room. The scientists work carefully with isolates from Africa obtained through CFIA import permits. Their work starts in November and lasts only during winter so cold will kill the agent should it accidentally escape from the lab. Before leaving, Fetch and his crew shower to wash away any spores that might be clinging to their bodies and hair.

Watching these extreme biosecurity measures, you'd think the scientists are dealing with a dangerous pandemic agent that, if it ever got out, could cause widespread devastation. And you'd be right.

Fetch leads a team of Agriculture and Agri-Food Canada research scientists racing against time to find genes with resistance to Ug99, a new race of wheat stem rust spreading through eastern Africa and central Asia.

Although Ug99 is currently confined to a distant

corner of the globe, it has the potential to cross borders, even oceans, and infect wheat crops worldwide.

The stakes to develop resistant lines are high because, so far, over 80 per cent of the world's wheat varieties have little or no resistance to Ug99.

The fungal disease is so virulent that crops, once infected, have been known to collapse completely in a few weeks.

Which means that Ug99, if it continues to spread, is a potential threat to wheat everywhere, including Western Canada.

"It's almost like a forest fire," said Fetch. "If it gets out of control, it just spreads so fast that, at that point, even with chemicals, it would be difficult to control if you had enough acres infected."

ON THE MOVE

First identified in Uganda in 1999 (hence the name), Ug99 is now present in 13 countries. Most are along Africa's east coast from Egypt all the way down to South Africa. Ug99 has also been detected in Yemen and Iran.

Pathology experts worry Ug99, carried on the wind, could spread to Pakistan, India and China, where wheat is a staple crop. From there, spores could poten-

CONTINUED ON PAGE 42

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At AAFC's research facility in Morden, Man., Tom Fetch and his colleagues study Ug99 in a hermetically sealed Level 3 containment lab, and only during the winter in case of a pathogen escape.

“If it gets out of control, it just spreads so fast that, at that point, even with chemicals, it would be difficult to control if you had enough acres infected.”

— Tom Fetch, AAFC

tially ride trade winds over the Pacific Ocean to North America. This is not as far-fetched as it sounds. Dust particles have been known to blow across China to North America and a rust spore is no heavier than a speck of dust.

It's also possible that spores could come over on the bodies of international travellers, which is how the SARS epidemic came to Canada from Hong Kong in 2003.

Even more worrying is the fact that new strains of Ug99 keep appearing, allowing the disease to stay one jump ahead of efforts to breed resistant varieties. Currently, there are 13 known strains of Ug99, including the original one. If a wheat variety contains only one resistant gene, a mutating Ug99 could pick it off and remain unchecked.

For that reason, Fetch and his colleagues are trying to use genes in combination to create multi-gene stacks of resistance. In that way, even if Ug99 overcomes one resistant gene, there are several others in the gene stack to counter it.

And there's good news. Fetch said his group of roughly 15 scientists has found three new resistant genes and is currently identifying associated molecular markers to make sure those genes have actually been added to the lines they're working with.

“The ideal system is to put multiple genes in a line so that, if Ug99 overcomes one gene, it still cannot attack the plant fully because there are other genes that are still effective,” says Fetch.

RESISTANT CANADIAN VARIETIES

Currently, the two Canadian wheat varieties with the best resistance are AC Cadillac and AC Peace. Both are relatively old — Cadillac was registered in 1996 — so they may not be as good as the new high-yielding cultivars. But Cadillac is considered a gold standard for disease resistance and breeders have used it in crosses since 2005. In 2013, Agriculture and Agri-Food Canada released AAC Tenacious, a hard red spring wheat with Cadillac resistance to rust and fusarium head blight.

Fetch says Tenacious contains two resistant genes — better than most wheat but still not quite enough to satisfy breeders.

There hasn't been an epidemic of wheat stem rust on spring wheat in Canada for over 60 years. The last major one occurred in 1955 and caused hundreds of millions of dollars in losses. Since then, breeders have achieved durable resistance by stacking resistant genes into wheat varieties. Annual surveys in Canada and the U.S. monitor for changes in rust populations.

Most Canadian spring wheat varieties are resistant to current stem rust races in North America. But since Ug99 is not from North America, its arrival here could undo decades of progress in preventing rust outbreaks. Fetch says if Ug99 were to arrive in the southern U.S. in January, it could migrate northward along the so-called Puccinia pathway of spore movement into Western Canada within one growing season. Surveillance in the U.S. would give Canadian farmers advance warning. As a result, they could prepare for Ug99's arrival by either planting the few available resistant wheat varieties or stocking up on fungicides.

ARE FUNGICIDES AN OPTION?

But could chemical companies make enough fungicide available in such a short time to protect the millions of acres of wheat grown annually on the Prairies? It's a big if.

“If you did not have fungicides available, it would cause some serious problems because (Ug99) is available on 80 per cent of our wheat,” Fetch says.

An added problem is that fungicides increase farmers' input costs and their continued use could produce fungicide-resistant strains of stem rust.

Canada and the U.S. have one advantage over other countries in controlling the spread of Ug99. A common native shrub called the barberry, found throughout temperate and subtropical regions of Africa and Asia, acts as an alternate host plant, which allows rust spores

to reproduce sexually. Normally, Ug99 reproduces asexually and releases spores that, for the most part, are genetically identical. However, when the barberry gets infected, sexual reproduction of spores can re-scramble the genes and produce new strains of the disease.

Widespread eradication programs throughout North America in the early 20th century largely eliminated barberry populations. But Fetch says eradicating the barberry in Africa and Asia is unrealistic, especially since its berries can be used for food or medicine.

Another concern is that the barberry is also present in South America, although it's unclear if this shrub is the kind that gets stem rust. Fetch says a recently funded project in collaboration with scientists in Brazil, where barberry is native, will try to find out. If it turns out Latin America has rust strains which can infect barberry, that potentially brings Ug99 even closer to home.

Research into Ug99 is an international effort with scientific teams in various countries working co-operatively.

In 2011, the Bill & Melinda Gates Foundation and the U.K. Department for International Development announced a \$40 million investment in a global project led by Cornell University to identify new rust-resistant genes in wheat and to distribute resistant seeds to farmers. **CG**



A successful North American campaign to eradicate the barberry early in the last century helped eliminate a host for cereal stem rust, but Fetch says eradicating the barberry in Africa and Asia is unrealistic, especially since its berries can be used for food or medicine.

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Showing off the new crop

Harvest assessment is key to quality seminars for international wheat customers

BY ELLEN GOODMAN / CIGI

This past fall the Canadian International Grains Institute collected grain samples from across Western Canada to complete its annual harvest assessment in preparation for worldwide customer seminars on crop quality.

“It’s important that we get the information out as quickly as possible on what’s coming through the system so customers can see what they’ll be getting and if there is any guidance we can offer on processing,” says Cigi CEO JoAnne Buth. “The crop is being exported as we are talking to them about it, so for customers it’s about seeing what changes in quality they may encounter.”

For the third year in a row Cigi is working with Cereals Canada, the Canadian Grain Commission, exporters and producers to meet with Canadian wheat customers. Starting in November, the group began visiting 17 countries in Asia, Latin America, Europe, North Africa and West Africa in addition to meeting with millers in Canada and presenting webinars.

Nine grain companies participated in Cigi’s harvest assessment program this year, submitting samples for milling and end-use quality evaluation, says Lisa Nemeth, Cigi’s director of international markets. “Grain companies have sent in more samples this year, which may be due to an increase in downgrading and the need to assess the lower grades that are available. We have had a very good response. The attention they’ve been giving Cigi’s harvest assessment this year is really positive.”

Samples from the different companies are blended into composite samples according to wheat class which undergo extensive analysis of milling and flour



Samples from the different companies are blended into composites according to wheat class. These then undergo extensive analysis of milling and flour properties.

properties that include protein content, gluten strength, starch damage, colour and rheological properties as well as end-use suitability. Composite samples of CWRS are representative of east and west regions, while other wheat classes such as CWAD, CPSR and CWRW are made into prairie composites.

This year, due to significant downgrading, No. 4 and 5 CWAD have been analyzed in addition to the higher CWAD grades, Nemeth says. The grain companies were also asked to submit samples of the new wheat class Canada Northern Hard Red (CNHR) for analysis.

New-crop seminars are important because customers need to understand the

quality of the lower grades, she says. “Customers are going to want to see the data and how the wheat works in processing. It’s important to pass that information on and to have technical staff answer questions about the impact of downgrading. This is what new-crop missions are about, how customers transition quality-wise from one crop year to another. And it is even more important for us to be there when there is a shift in quality from the previous year.”

Buth notes that this year the CGC loosened the guidelines for mildew as a downgrading factor after two years of investigation. Cigi milling staff provided advice to the CGC for this change.

“Two years ago we were able to show customers that mildew wasn’t going to affect their end product and there were certain techniques in milling that would alleviate issues,” Buth says. “So the CGC studied it in order to address that. Cigi was working on how to help customers get the best out of the crop but also working with the CGC to make sure the grades that farmers are receiving are fair as far as how they relate to the customer use. These guideline revisions are good news for farmers.”

Buth says that after wheat, flour and semolina analysis, the processing and evaluation of end products such as baked goods, noodles or pasta is a crucial final step in completion of the quality assessment of the harvest for a given crop year. (At press time, the product evaluation for 2016 was not yet complete. For information on the 2016 western Canadian crop go to www.canadianwheat.ca.) **CG**

“Cigi was working on how to help customers get the best out of the crop, but also working with the CGC to make sure the grades that farmers are receiving are fair as far as how they relate to the customer use.”

JoAnne Buth, Cigi

Tips and tricks to extend the grazing season

By Trudy Kelly Forsythe

Extending the grazing season reduces costs and increases profits, so it makes sense that more and more cattle producers are adopting the practice. There are a number of extended grazing methods they can consider including swath-, stockpiled- and bale grazing. Remember, in all grazing situations, it is important to check the cows' condition every two to three days.

SWATH GRAZING

Swath grazing allows cattle to graze annual cereals in the swath during the winter. The typical swath, or windrow, is four feet wide and two feet thick.

Tips:

Use annual crops, such as late-maturing barley, oats, corn and triticale, for swath grazing as they are more economical than traditional winter feeding systems because they yield the most forage. Time seeding to ensure that small grains are harvested or swathed just before the killing frost, between late milk and hard dough stages, to maximize forage yield and quality. Seed early for higher yield. Allocate cattle enough swath area to clean up in two to three days. Provide a bedded area for the cows to reduce residual wastage in the swaths do to cow dung.

STOCKPILED GRAZING

Stockpiled grazing allows cattle to feed on the regrowth on fields that were left specifically for grazing in the fall and



Photo: Beef Cattle Research Council

early winter. The Beef Cattle Research Council (BCRC) says perennial pastures that include 40 to 50 per cent alfalfa are typically the most economical; meadow brome pastures with high levels of alfalfa are the most optimal for grazing.

Tips:

Graze in the fall before the alfalfa leaves fall off the plants. Determine the date in the summer when the animals are removed from the pasture so it can re-grow for stockpiled use in the fall and winter. Mid-July is a good time to start the rest period on meadow brome pastures. Limit livestock to two to three days of forage at one time.

BALE GRAZING

Bale grazing allows cattle to graze on bales left on pastures and in hayfields earlier in the season. This extends the grazing season and eliminates the need to stack

and move bales during the winter. "Bale grazing on pasture during the winter months is very low cost and puts lots of nutrients back into the soil," says Gerald Bos of Bos Family Farms in Rapid City, Manitoba.

Tips:

Calve in sync with Mother Nature so you can bale graze lower-quality forages during the second trimester and in coldest months.

Use electric fencing so cattle can be rotated to new sets of bales every two to five days.

The best option for bale placement is on seeded perennial fields.

Bale grazing on native prairie sites is generally not recommended because native grass species do not respond as well to elevated soil nutrient levels and tame species may invade.

Do not place bales in drainage areas because of manure and urine concentrations around the bales.

MORE INFORMATION

For more information on extending your grazing season visit www.beefresearch.ca/research-topic.cfm/extended-grazing-45 and check out the Alberta Agriculture and Forestry series of producer interviews on how they manage risk in extending the grazing season at www.youtube.com/playlist?list=PLOUwff01x2YVXr2cBui0KgskBRwZsKwMr.

FUSARIUM

A genetic solution?

Across the country, several researchers are studying fusarium from every angle, from pathology to agronomy

BY JULIENNE ISAACS

In the early '90s, farmers in the eastern Prairies started to ask questions about odd white “tombstone” wheat kernels. When they received the answer, some wondered whether the name would refer to the tombstone on the grave of the wheat business, especially when there was a huge outbreak in Manitoba in 1993. Near-panic ensued, as next door in North Dakota, much of the crop was written off by crop insurance and burned because of concerns that the crop was literally toxic.

The cause was the now-familiar fusarium head blight (FHB), which has now spread across the Prairies. The early panic has subsided, and the industry has learned that the problem can be managed by rotation, fungicides and cleaning. But is there a simpler solution, namely planting varieties that don't get the disease in the first place?

Simple for the farmers, but not so simple for plant breeders. Yet they say progress has been made, and is continuing.

Last February, the Western Grains Research Foundation (WGRF) announced \$21.4 million in checkoff funding for Agriculture and Agri-Food Canada wheat and barley breeding projects to be delivered over the next five years.

WGRF executive director Garth Patterson says fusarium resistance breeding and research is a key priority for the programs and projects funded by the organization.

Across the country, several researchers are studying fusarium from every angle, from pathology to agronomy. This November, many will gather in Ottawa to discuss their findings at the eighth Canadian Workshop on Fusarium Head Blight. On the agenda are resistance breeding, cereal genomics, pathogen genomics and disease management.

NOT A SINGLE DISEASE

Fusarium is a tough nut to crack, partly because there are multiple species in Canada.

“In the eastern Prairies, Manitoba and Saskatchewan, *Fusarium graminearum* is the main pathogen,” explains Anita Brûlé-Babel, a wheat breeder at the University of Manitoba. “As you move west you see more fusarium pathogens, more prevalent in some years than others. For instance, *Fusarium culmorum* tends to be more adapted to cooler conditions.” Southwestern Saskatchewan sometimes hosts yet another pathogen, *Fusarium avenaceum*.

But Brûlé-Babel says that the genes selected for resistance tend to respond across species, which is good news for breeders.

Every wheat breeding project in Canada screens for new sources of fusarium resistance. Brûlé-Babel is leading the University of Manitoba's WGRF-funded work in fusarium resistance in winter wheat.

She is currently working with graduate students to map new resistance genes in winter wheat and using marker-assisted selection to screen breeding materials. She oversees Western Canada's largest FHB nursery, to which wheat breeders can send genetic materials to be evaluated for fusarium response.

“In that nursery we provide data for variety registration trials for spring wheat and winter wheat,” she says.

This year, Brûlé-Babel is also overseeing studies on whether varieties respond differently to different isolates of the pathogen and how effective fungicides are with different levels of resistant genotypes.

We've also started another project looking at fall rye, because there's no data on fusarium in fall rye in Western Canada, she says.

CROSS-PRAIRIE COLLABORATION

Brûlé-Babel's is not the only lab in Western Canada focused on fusarium, and collaboration happens at all levels when it comes to resistance breeding.

This means new fusarium-resistant varieties are reaching the market sooner. Brûlé-Babel says there's been a big improvement in the availability of resistant varieties over the last five years. Red spring has more resistant types because it has the most breeders working on the problem.

"Proportion wise we've made quite a shift — the majority of lines proposed are in the intermediate to moderately resistant categories. Right now we're looking at 56 per cent of the newer varieties being intermediate to moderately resistant," Brûlé-Babel says.

Durum resistance is the least developed, because good natural sources of resistance don't exist in the gene pool. But University of Saskatchewan Crop Development Centre (CDC) wheat breeder Curtis Pozniak, who was recently involved with assembling the durum wheat genome, is engaged in a SaskWheat/SeCan project at CDC developing new varieties with improved disease resistance.

"We're still making progress, and we've seen a shift to improved resistance, but we're not at a level where farmers can say 'My crop is safe from fusarium,'" says Brûlé-Babel.

CHALLENGES

Brûlé-Babel says breeding for resistance is complex because resistance itself is complex: five types of fusarium resistance have been identified. Type 1, for example, resists infection to start with, Type 2 is resistant to disease spread in the spike, and Type 3 is resistant to toxin accumulation.

"With all of these types of resistance, evaluating where it comes from and how the mechanisms operate is complicated," Brûlé-Babel says.

"The final thing people have to understand with this pathogen is that even the resistance we have is not com-



Wheat being inoculated with fusarium at Western Canada's largest fusarium "nursery" at Carman, Man.

PHOTO: ROGER LARIOS

plete. Leaf and stem rust resistance can be quite complete, but with fusarium that's not the case," she explains. "We're trying to reduce the level of disease to the point where we can increase the grade and market the crop."

Gina Feist, research program manager for WGRF, says Canada's research and breeding efforts are on par with those of the U.S. (whose efforts are concerted by the U.S. Wheat and Barley Scab Initiative). Though cross-border collaboration is limited, as Canadian and U.S. wheat and barley varieties are different, it does happen.

"It's a worldwide, multi-crop issue, and Canadian scientists are linked in with international efforts. That's probably the best way to beat this long term," Patterson says.

"My hope is that we can sustain the progress, and through these technologies and genomics be able to make greater gains," says Feist.

So it looks as if genetic solutions are on the way. But meanwhile, producers are advised to stay on their guard against fusarium — to choose resistant varieties, practice crop rotation, monitor environmental conditions, stay abreast of FHB forecasts, and use fungicides, paying careful attention to timing of application. **CG**

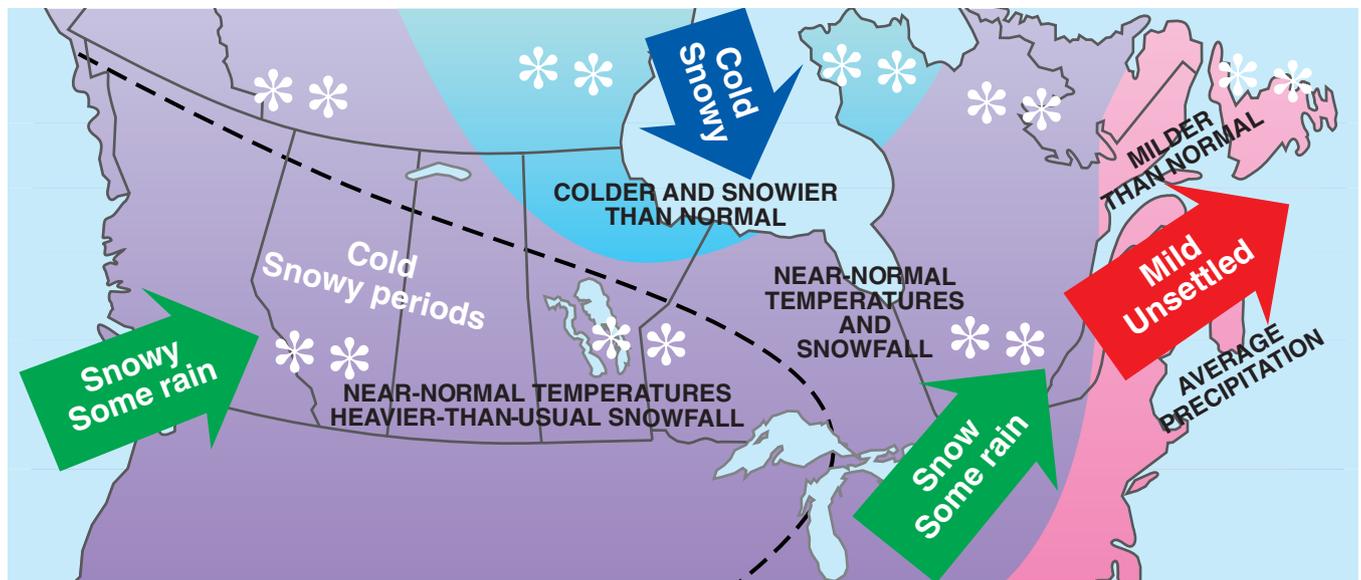
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NEAR NORMAL
 MILDER THAN NORMAL
 COOLER THAN NORMAL



British Columbia

- **Dec. 11-17:** Seasonable to mild under occasionally windy conditions. Intermittent rain on the coast changing to snow inland. Chance heavy precipitation.
- **Dec. 18-24:** Fair weather alternates with rain and fog on the coast with snow inland. Some areas may receive heavy amounts. Changeable temperatures.
- **Dec. 25-31:** Occasional coastal rain mixed at times with snow, changing to heavier snow in inland regions. Seasonable and blustery. Clearing and cold northeast.
- **Jan. 1-7:** Often dull and wet on the coast. Periodic snow elsewhere. Normal to cold temperatures. Occasionally windy. Clear and very cold northeast.
- **Jan 8-14:** Colder with frequent rain mixed at times with heavier snow in western areas. Variable inland with some snow as well as clear, cold weather.

Alberta

- **Dec. 11-17:** A few higher wind chills this week as blustery winds combine with temperatures that struggle to reach normal. Intermittent snow heavy in places.
- **Dec. 18-24:** Unsettled on a few days in the south with occasional snow and blowing. On fair days highs are seasonable. Cold in the north with some snow.
- **Dec. 25-31:** Variable as cold and mild air collide in the south. Occasional heavier snow on two or three days with higher wind chills. Mostly clear and cold in the north.
- **Jan. 1-7:** Cold temperatures and often clear this week. Expect some light snow on a couple of occasions. Brisk winds and higher wind chills at times.
- **Jan 8-14:** Generally cold and clear although slight warming in the south brings snow and blowing on a couple of days. Very cold, settled in the north.

Saskatchewan

- **Dec. 11-17:** Windy, variable temperatures and high wind chills at times. Intermittent heavier snow and drifting on a couple of days south. Cold, scattered snow in the north.
- **Dec. 18-24:** Unsettled as clear, cold days interchange with snow. Chance heavy snow with blowing in the south. Higher wind chills. Cold, flurries in the north.
- **Dec. 25-31:** Generally cold and settled but a couple of milder, windy days bring heavier snow and blowing to the south. Very cold, flurries in the north.
- **Jan. 1-7:** Several clear, cold days are interspersed with scattered snow and drifting in the south. Mostly clear, very cold in the north. High wind chills.
- **Jan. 8-14:** Settled and cold with higher wind chills on several days followed by slight warming and some blowing snow. Blustery. Bitterly cold, clear north.

Manitoba

- **Dec. 11-17:** Seasonable to cold with brisk winds and a few high wind chill days this week. Periodic snow and drifting on two or three days with a chance of heavy snow.
- **Dec. 18-24:** Weather and temperatures vary. Snow and blowing snow on a couple of days, possibly heavy in southern regions. High wind chills at times.
- **Dec. 25-31:** Colder with blustery winds and high wind chills on most days. Settled conditions exchange with occasional snow and blowing. Cold, flurries north.
- **Jan. 1-7:** Cold weather dominates with high wind chills. Settled, although slight warming sets off some snow and blowing snow on a couple of occasions.
- **Jan. 8-14:** Seasonable to cold with a few high wind chill days. Clear but minor warming brings some snow and blowing to the south. Clear, bitterly cold north.

National highlights

December 11, 2016 to January 14, 2017

The coldest and darkest time of the year will be accompanied by several periods of inclement weather in many parts of Canada. Due to a series of disturbances that will race along the U.S. border, we expect snow, high winds and cold temperatures to be common from British Columbia across the Prairies and into northwestern Ontario. Heavier-than-usual snowfall amounts are likely in many of these areas, and stormy conditions will accompany these disturbances from time to time. Many parts of Ontario and Quebec may be spared somewhat as snowfall amounts run closer to average values. Across the West and into Ontario, several cold periods are expected to be offset by a few milder stretches, resulting in near-normal averages. Meantime in Atlantic Canada, several mild spells will alleviate the severity of winter but will be accompanied by a couple of heavier precipitation events.

Prepared by meteorologist Larry Romaniuk of Weatherite Services. Forecasts should be 80 per cent accurate for your area; expect variations by a day or two due to changeable speed of weather systems.



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The machines, they are a changin'

Farm machinery is undergoing a historic period of evolution, with rapid changes that will soon show up in your sheds

BY SCOTT GARVEY / CG MACHINERY EDITOR

Earlier this fall, it was announced that Bob Dylan won the Nobel Prize for Literature. I have to admit, I didn't see that coming. Not to take anything away from his talent, it's just that I wouldn't have expected to hear he had won that kind of award, any more than I would have expected to hear Rosie O'Donnell come up as a topic in a U.S. presidential election debate.

But as I walked the grounds of the U.S. Farm Progress Show in Boone, Iowa, in August and looked at the newest equipment on display, a line from one of Dylan's songs did pop into my head. And it was the design of those new machines that made me think of it.

What was that line? This one: "The times, they are a changin'."

Those words from 1964 seem as valid today as they did back then. It's just that now I see those changes reflected more strongly than ever in the evolution of farm equipment.

Over the past decade, we've witnessed an avalanche, with model updates in most machine categories from all brands, although digital capabilities really dominated the evolution in machinery — if you ignore the break-neck pace at which engineers worked to get diesels to meet Tier 4 Final engine emissions regulations. Even if you don't ignore it, it was the way the brands packaged their advanced technology with the new higher-priced engines that helped make farmers feel they were getting some benefit from the growing purchase cost of their machinery.

Beyond doubt, digital technology is still a main driver of machine evolution. And it was impossible not to notice this on the grounds of the Boone show. When you pause to think that we've reached CNH's driverless Magnum and T8 tractors after the early days of GPS auto-steer barely a decade ago, the scope of change becomes clear.

In the last issue of *Country Guide*, we provided fairly extensive coverage of those robotic tractors, and they really did dominate the landscape at the show. It's hard to overstate the profound impact they are going to have on future equipment design — and the makeup of the whole industry. But walking past them and looking closely at what else was on display made it clear that digital evolution isn't happening in isolation. There are also other changes moving machine design far beyond where it has been.

For example, tucked in a corner of New Holland's display was its concept multi-fuel tractor.



Climb inside the Tribine cab and you'll find one thing missing, a conventional steering wheel.

PHOTOS: SCOTT GARVEY

On display at the U.S. Farm Progress Show, the first production Tribine model is set for release. It blends a combine with a grain cart.

“What we have here is a New Holland T6 tractor that’s been adapted,” explained Michael Cornman, NH’s livestock market segment leader. “We call it our alternative fuels tractor because it can be powered by propane, methane, bio-propane or bio-methane. What that means to a producer is a savings of 20 to 40 per cent in total costs while reducing pollutants by 80 per cent from diesel power.”

Rigging tractors to run on unconventional fuels isn’t really new for New Holland. They displayed a hydrogen-powered concept tractor several years ago. In fact, their corporate demonstration farm in Italy is set up to be entirely self-sufficient when it comes to energy, producing the biofuel it burns in machines and in the generators that produce its electricity.

“We’ve used this tractor in a series of tests and found it to perform very similar (to diesels) in terms of overall power and torque curves,” Cornman adds.

Although the cost of infrastructure required to produce biofuels to the standard required by engines is still prohibitive for most Canadian producers, the NH notion of energy self-sufficiency isn’t pie-in-the-sky anymore. Walk through many large-scale European farmyards, especially in Germany, and you will see biodigesters already working away making biofuel, mostly to power generators feeding electricity back to the national grid.

CONTINUED ON PAGE 52



Mike Cornman explains the features of New Holland’s concept multi-fuel T6 tractor.

PHOTO: SCOTT GARVEY

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John Deere plans to introduce a carbon fibre sprayer boom to the North American market within the next couple of years.

PHOTO: SCOTT GARVEY

That really shakes up the traditional definition of farm-gate produce.

“We’re providing this (T6) as a concept tractor to introduce it to the marketplace,” says Cornman. “There’s more to come on this in terms of when it goes into future production, but we see a true opportunity.”

There are new materials being incorporated into mainstream equipment design, too. At its new product launch in Iowa this year, John Deere pulled the invisibility cloak off one of its sprayers that was outfitted with a boom made from carbon fibre, a material found on Formula One race cars.

Incorporating carbon fibre isn’t just to amp up the cool factor. There are good reasons to use it, despite its higher cost compared to steel or aluminum. “Its strength-to-weight ratio is much higher than aluminum,” said a Deere product rep during its official introduction to media members. “What that does for us is allow us to make a 120-foot boom that’s 30 per cent lighter. It also gives us the ability to extend to much wider widths without increasing the weight on the sprayer.”

Carbon fibre is also much more resistant to chemical corrosion than metal. And with a simple repair kit, farmers could repair boom damage in the field and be ready to go again in just a couple of hours. There’s no need for special welding skills, as with aluminum.

Besides, carbon fibre booms have already been in production on Deere sprayers sold in South America for about three years now. They’ll be showing up here within at least the next couple of model years, according to the brand.

Then there was a shakeup to the conventional notion of the combine. Introduction of the production-ready Tribine has the industry wondering if the conventional combine configuration is soon to be a thing of the past.

“Really, if you look at the (combine) industry, it hasn’t changed much since the Second World War,” said Tribine’s vice-president of sales and marketing Greg Terjesen as we sat talking a few feet away from the first

production model, which is a merging of a high-capacity combine with a grain cart.

The concept was first shown to the public at the Ag Connect Expo in Kansas City, Missouri, in 2013. Back then, their prototype number four was based on a conventional Gleaner combine modified to work with the rear grain tank. When *Country Guide* interviewed company owner Ben Dillion at that time, he said he hoped to interest one of the major brands in the concept and license them to produce it.

That didn’t happen. Now a new “clean sheet” design has emerged from Dillon’s own company as it ramps up to begin commercial production of the Tribine on its own. The current machine incorporates the firm’s newly developed threshing body design, using one of the largest rotors in the industry.

“We have the biggest threshing and cleaning system of anybody, and we have the tightest turning radius of anybody here,” said Terjesen. (Although, I didn’t see any hard stats to confirm that.)

Like all these new technologies, the idea behind the Tribine is to improve efficiency and advance agronomic practices.

“We were not only looking for more capacity, we were looking for less compaction,” Terjesen continued. “One of the reasons the machine is designed the way it is is to lessen compaction. Here you have a machine that weighs 42,000 pounds, but it only makes two tracks. Add a tractor and grain cart to that and all you’re doing is compacting the soil.”

Since the public introduction of prototype number four back in Kansas City, new technologies have emerged that help the production Tribine limit the affects of compaction.

“During that three-year span, the floatation tires you see here came out,” said Terjesen.

And engineers didn’t just restrict their attention to the big picture of blending a combine with a grain cart. Inside the cab, they provided operators with a very different environment than what’s offered on models from the major brands.

“The other thing we’ve done is eliminated the steering wheel,” Terjesen added. “We’ve gone with a single joystick control. The farmer is always looking forward and to the sides, because that’s where the header is. By getting rid of the steering wheel, we could put a glass bottom in the cab, so they can look down and see exactly what’s going on.”

The joystick steering concept has already appeared on equipment in the construction sector.

“We’ve had that machine out testing with farmers, listening to customers, trying to get their input on what we should do better to leapfrog the competition, which is what is really our goal,” said Terjesen. “We say the future of harvesting is now.”

It might be fair to say the future of all ag equipment is now.

Because, as Dylan said, the times, they are a changin’. **CG**



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The value of learning

Farmers sometimes wonder whether additional courses and learning are of great value after taking into account course fees, travel, sometimes hotels, and always valuable time away from your business. Peer pressure can add to the psychological cost if the destinations are at all interesting or exotic. Neighbours may think you are simply taking a tax-deductible break that allows you to party and tour for a few days.

So, is there a payoff from pursuing new learning opportunities, whether they be for management, production, leadership or other pursuits that can help build your own personal or your farm's capacity?

SOME EVIDENCE

Late in 2015, IPSOS published the results of interviews with 604 farms in its report *Dollars and Sense*. The intent of the survey was to assess whether there is a provable correlation between management practices and farm profitability. Using gross margin as a representative measure of profitability, they identified a series of potential practices and then undertook a statistical analysis to try to find that correlation.

Interestingly, IPSOS found seven practices that contribute positively to gross farm margin. And most interestingly, the No. 1 factor (i.e. the one with the highest correlation to gross margin) is "Propensity to Continuously Learn."

Five of the other six are all practices that can be enhanced by learning programs.

This underlines a fundamental argument in one of the world's best-selling books, *The Seven Habits of Highly Effective People*, by Stephen Covey. The seventh habit is "Sharpening the Saw" by continuously improving everything you do, always.

It also supports a 2014 study we at Agri-Food Management Excellence (AME) undertook with AME program alumni to identify if there was an economic impact to their businesses resulting directly from taking our Canadian Total Excellence in Agriculture Management (CTEAM) program.

Were we helping them make a difference? The answer was yes, as 82 per cent of participants indicated a return on investment (ROI) from the course greater than 10 per cent, with 50 per cent achieving a ROI greater than 20 per cent.

These specific economic benefits came from applying what farmers learned at CTEAM to their farm businesses, and they apply only to CTEAM. However, there are other programs such as TEPAP, a Texas A & M management program that focuses on learning management principles from a 40,000-foot viewpoint, and they may also contribute significantly to one's business growth.

SOME POTENTIAL BENEFITS

Continuous learning throughout your life has been documented as important, both personally and professionally, for a number of reasons. If you begin to understand it is an investment in yourself and your business, you will also come to consider the costs not as an expense, but rather an investment in what you're wanting to accomplish in your personal and business lives.

And really, should you care what the neighbour thinks?

What are the benefits to your business that will convince you to make the investment and take the time for those learning opportunities?

Learning business management also contributes to self-esteem and confidence... 91 per cent of CTEAM alumni reported a moderate or significant benefit

CONTINUOUS LEARNING HAS SEVERAL BENEFITS:

- **LEARNING FROM OTHER SUCCESSFUL MANAGERS:** Attending seminars, workshops, or courses opens the door to learning beyond the event itself. A lot of learning takes place through all the conversations with others throughout the day.
- **INCREASING YOUR NETWORK:** Those people you meet at learning events can become part of your network afterward. They come from a variety of backgrounds and experiences which can offer ongoing perspectives and wisdom. Listening to others' perspectives can expand your knowledge and allow you to see things from another point of view.
- **FOCUS FOR YOUR OPERATION:** Working on your business while working in your business is a difficult task when you are also juggling all the day-to-day responsibilities. Stepping away from daily operations whether for a day or a few days to attend a learning opportunity will provide you the time to focus on your business without these distractions.
- **CONFIDENCE:** Learning business management also contributes to self-esteem and confidence. It's not just about the gut instinct you have about changing a significant element of your business, but confirming it through learned principles and analysis and feeling confident in that decision. Our data concluded 91 per cent of CTEAM alumni reported a moderate or significant benefit in confidence in their operation and their ability to manage as a result of taking the management course.

All of the foregoing are benefits that come up over and over from people who have taken courses like CTEAM, TEPAP and some of the leadership programs. The terms “life changing” and “business changing” are used over and over, not just because of the material learned in the classroom, but because of the learning outside of the classes.

Agriculture today is a complex industry which changes rapidly, necessitating the need for better farm management skills and knowledge. The increased skill development and gained knowledge are critical to positively influencing financial performance. Increased skills and knowledge are critical elements that can contribute to individual businesses and the industry as a whole.

This isn't about promoting any specific learning program, whether an in-depth comprehensive program or a smaller program offered locally; it's about encouraging people to take the opportunities out there to build their skills and knowledge through learning opportunities, whatever they are.

Many of us are set in our ways, but giving ourselves a chance to listen to others opens the doors to other ideas and considerations, which often has us change our thinking on what used to seem the right thing to do. **CG**

Heather Broughton and Larry Martin are the principals of Agri-Food Management Excellence and are two of the instructors in AME's Canadian Total Excellence in Agriculture Management program. www.agrifoodtraining.com.

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RUSSIA TAKES ON THE WORLD

Millions of acres in Russia had been waiting for someone to farm them.

Now they're bursting with grain **BY GERALD PILGER**

For many Canadian grain growers, this year's weather concerns, disease pressure, high input costs, and low crop prices made it seem like we've already been facing the perfect storm. However, there is an even bigger threat on the horizon — Russia.

In the first week of October, while most Canadian growers were still busy with harvest, three reputable international organizations warned of the impact Russia will have on grain markets, not only this year but, because of the bumper Russian crop, for the long term too.

On October 6 the Agriculture and Horticulture Development Board, Cereals & Oilseeds Division, (a United Kingdom agency, funded by a statutory farm levy and independent of government and commercial industry) issued the statement: "Russian grain crop exceeds expectations."

This board's purpose is to increase the competitiveness and sustainability of U.K. farmers by providing factual, evidence-based advice, and it predicted this year's harvest of 117.2MT would be the biggest in Russia since 1978.

Wheat will be the primary driver of the increase, and the board predicted Russia will harvest 70.8 MT this year. Given this scenario, Russia will be looking to export a record amount of grain, including an estimated 30.4 MT of wheat alone.

The board warned Russia will be an aggressive seller of wheat throughout the year, and that it will be looking for new markets in countries like Algeria, Morocco, and throughout Southeast Asia.

On the same day, Bloomberg, the financial, media and business conglomerate, published an article entitled "Russia Becomes a Grain Superpower as Wheat Exports Explode." *Bloomberg News* reporter Anatoly Medetsky has been following the rapid growth in Russian agriculture, and he wrote: "Last season, Russia topped the U.S. in wheat exports for the first time in decades and is expected to extend those gains to displace the EU from

the top spot this year, according to the U.S. Department of Agriculture."

In the article, Medetsky listed the reasons why Russia is now dominating world wheat trade, including its soaring wheat yields, productive soils, favourable climate, government support, privatization of land ownership, the 45 per cent drop in the ruble, and especially its very competitive cost-of-production and movement of grain to port.

Even at that, Medetsky said, Russian ag minister Alexander Tkachev was telling President Vladimir Putin he was expecting the crop to grow another 20 per cent within a decade.

"Investors from local farmers to billionaire tycoons are pumping money into the business," Medetsky wrote.

BLOCKBUSTER AEGIC REPORT

That same week, I received the Australian Export Grains Innovation Centre's new study on Russia's wheat industry. The findings in this comprehensive report endorse and expand on the above report.

The conclusions are also worrisome for Canadian farmers.

According to AEGIC, Russia has become the biggest grains producer in the Black Sea region, an area which has now captured 30 per cent of the global wheat trade.

In just 15 years, Russia has gone from being a net importer of grains to one of the world's biggest exporters of wheat, barley and sunflower oil.

The first reason for this is that Russia is a low-cost producer. The report states: "The total cost of producing a tonne of grain, delivering it to port and loading the grain onto a ship is about AU\$124 less in Russia than in Australia."

"As at mid-2016, Russia's supply chain costs for wheat are estimated to be AU\$56/t, with pre-farm gate production costs of AU\$121/t. This gives Russia, along with its similarly competitive Black Sea neighbours, a powerful competitive advantage against Australia and North America when targeting price-driven markets."

Since late 2012 the export price for Russian wheat has trended downwards from above US\$350/t to below US\$200/t, the report said. At prices below US\$200/t, the report adds, Russian farms are still profitable, mostly due to the devaluation of the ruble since late 2014."

LAND WAITING TO BE FARMED

Costs are lower throughout its production and export chain. First off, land is significantly less expensive in Russia. In fact, there is an abundance of arable land. "As of December 1, 2015, the unused arable land area was 19.7 m ha, of which 1.8 m ha had not been used for two years; 8.6 m ha had not been used for between two to 10 years; and 9.3 m ha had not been used for more than a decade," the AEGIC report found.

Russia also has over 115 MT of grain storage, about 10 per cent more than the country's average annual production. Storage is almost evenly split between on-farm

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Russia's strengths... and weaknesses*

Strengths

Russia is blessed with many advantages that strengthen its position as a wheat exporter:

- Russian wheat production is in close proximity to Egypt and Turkey — two of the world's largest wheat importing markets.
- There is ample arable land — Russia possesses almost 10 per cent of the world's arable land (122 m ha).
- A large proportion of Russia's wheat production comes from regions adjacent to several Black Sea ports.
- Grain land freight costs in Russia are low, with most grain transported by truck over short-haul distances.
- Russian grain production is increasingly dominated by large, vertically integrated agro-holdings using state-of-the-art agricultural production techniques and equipment to generate efficient production of high-quality grain.
- A range of government programs, including subsidies on inputs and interest rates, supports grain production in Russia.
- Increased upgrade of, and additional investment in, grain storage and port infrastructure in Russia will accommodate larger crops.

- Russian ports are a mixture of deep-water ports, which can load panamax and handymax vessels for distant markets, and shallow-water ports on the Sea of Azov, which can load smaller coasters to economically ship small parcels to closer markets in the Mediterranean. These shallower ports also give buyers the ability to target specific quality wheat in smaller volumes.
- Up-country storage in Russia is a usable mix of public elevators and on-farm storage.
- Compared with the EU, Australia and North America, Russia has relatively low agricultural land values and a low cost of grain production.
- Medium-protein hard wheat produced in Russia is ideally suited to Middle Eastern flat breads, creating a useful synergy with the country's proximity to these markets.
- The recent weakness in the ruble ensures FOB grain prices make grain production relatively profitable in Russia.

Weaknesses

Despite its strengths, there are weaknesses in Russia's grains industry:

- The Black Sea is Russia's only viable outlet for exporting large volumes

of grain. Any effort to export wheat produced in Siberia means a 4,800 km journey west to the Black Sea or the same distance east to Vladivostok. Grain produced away from the Black Sea is therefore steeply discounted in view of the costs involved in bringing it to port.

- Russian wheat has a relatively poor reputation for producing Western-style breads and Asian noodles, so there is little chance of displacing DNS, CWRS, APH and even HRW in premium Asian markets.
- Since Russia historically gives priority to the availability of affordable food for its citizens, it is unable to use stability of supply as a selling point. Countries with delicately balanced food security will likely be reticent to base their wheat importation requirements on unstable Russian supply.
- Russia's wheat customers tend to be some of the world's most price-driven markets, creating few avenues for the extraction of premiums for quality.
- Many small-to-medium-size farms in Russia are forced sellers of their grain. Inadequate and inferior on-farm grain storage, price inflation and inability to access price risk management tools force many farmers to sell at or near harvest.

(*From AEGIC report)

Being here ignites the passion back into me. Learnt so many valuable lessons from presenters.

— Jen G., Standard, Alberta, AWC Delegate

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Grain companies invest in Russia

While the growing dominance of Russia in the world grain trade may be news for Canadian farmers, it isn't to the global grain trade.

Major grain companies have made large investments in Russia since the fall of the Soviet Union.

Archer Daniels Midland began trading grains in Russia in 1980.

Bunge established a subsidiary company in Russia in 2004. It acquired elevators and a grain terminal as well as building a sunflower seed refinery. It has already captured over 12 per cent of the Russian bottled vegetable oil market.

Cargill has been exporting grain from Russia since 1998. It has invested over US\$1.1 billion in Russian infrastructure including elevators, terminals, sunflower crush plants, animal nutrition processing, and a chicken processing plant.

Louis Dreyfus in 2013 announced its intention to expand grain storage from 1.4 to four million tonnes of grains in Russia over four years. In 2015, that expansion started with the purchase of the Azov Grain Terminal.

Glencore has acquired farms and storage facilities in Russia since 2007.

Olam International Ltd. entered the Russian market in 2005 with its Outspan International Ltd., and since then has become one of the biggest suppliers of raw and semi-finished products to the Russian food-processing sector. As well, it has invested in a port facility and in dairy farms in Russia. Its goal is to grow its Russian dairy operation to a milking herd of 50,000 head.

and commercial capacity, and is continuing to expand with construction in the feed industry as well as at port terminals. "Since 2010, the construction of new storage has outpaced the retirement of obsolete storage by the ratio of 1.5:1," the report states.

Most export grain production occurs in southern Russia with a relatively short haul to major Black Sea ports. Overall, 70 per cent of the transport of grain is by truck, and with more than 1,200 inland elevators in Russia, the costs of movement to export position is lower than in Australia or Canada.

Labour costs are also significantly lower in Russia.

The report also notes that Russia has become the price setter in international wheat markets because the Russian grain harvest usually starts earlier than in other major exporting countries, putting downward pressure on global wheat prices.

LOCATION, LOCATION, LOCATION

Another factor enabling Russia to be the low-cost exporter is its proximity to Egypt and Turkey, two of the biggest wheat importers in the world. Russian Black Sea terminals give it easy access to all of the MENA (Middle East and North Africa) region with a distinct freight advantage over its competitors (including Canada).

Currently, Russia's wheat exports to China are very limited due to the long distances wheat would have to be shipped by ocean. However, the report also suggests an interest in creating a Russian rail link into China/Southeast Asia. While this is unlikely in the short term, if such a link is developed it could have an impact on both prices and volumes of Canadian and Australian exports to China.

China would also like to see such a rail link developed to mitigate its own food security concerns. The country is already pursuing closer agricultural ties with Russia. China recently signed an agricultural free-trade zone agreement with Russia valued at US\$2 billion. As well, in 2014 the Chinese state grain agency COFCO acquired a US\$2.7 billion stake in Noble Group and Nidera, both of which trade Russian grains.

GOVERNMENT SUPPORT

The AEGIC report also points to renewed interest by the Russian government in agriculture. "The collapse in energy prices has turned the Russian government's attention to agriculture as a key element of a more diversified economy. In addition, regional geopolitics have intensified the focus on food security and self-sufficiency."

The report highlights three specific programs the Russian government has implemented to promote agricultural growth, including long-term planning and funding, crop insurance, and biotechnology.

The report states: "During 2012, the government formulated a plan for the 2013-20 period, with food security as its underlying goal. The plan comprised several mini-goals of increasing (i) food production by 21 per cent, (ii) processed food production by 35 per cent and (iii) investment in agriculture by 42 per cent. The Russian government allocated 1.5 trillion rubles (US\$23 billion) to this plan. Most support has been directed at livestock production."

The report also predicts less government interference in grain marketing through the use of export bans and taxes as production rises and food security issues decrease. This will moderate the volatility of global grain prices that resulted from such actions.

THE FUTURE

As a result of Russia's expansion, AEGIC paints a rather grim picture for wheat growers in Australia, saying that increased grain production and exports from Russia are likely to lead to increased competition in Australia's key grain markets and, ultimately, lower farm gate prices for grain and a reduced incidence of Russian policy-induced price spikes.

"Unlike the situation in the 20th century, Australia now faces competitors with significantly lower cost bases than its own," the AEGIC report states. "Moreover, in Australia, Europe and North America additional wheat production must principally come from yield growth or at the expense of an alternative crop, whereas Black Sea countries have similar opportunities plus swathes of arable land into which wheat production can expand. One of the Russian government's aspirational targets is to grow its wheat production by as much as 25 million metric tonnes over the next decade."

As it is, the USDA is already having to revise its Russian projections upward, and it looks like it will continue to do so.

Still, if there is a bright spot for Canadian wheat, it is that Russian wheat is primarily lower grade and medium protein. It is not as suitable for western-style bread or Asian noodles.

So to protect Canadian wheat markets we need to focus on growing high-quality wheats our customers want and providing superior service to those markets. **CG**

Declutter your life: Be happier and more productive

Today, people have a lot more “stuff.” Houses are bigger, there is more storage space, and with new technology, online “clouds” store our virtual photos, videos, and documents. It seems as though there are an infinite number of spaces to accumulate “stuff.”

Is it good to have so much stuff? Does all this stuff actually help us?

The short answer is no. Clutter makes people feel anxious, stressed, ashamed, guilty and less productive.

But if that's true, then why do people have so much clutter? And what can be done to declutter our lives?

First, we have to recognize that we all have a tendency to accumulate. Perhaps in your case it's documents, pictures, clothes, tools or souvenirs, with the clutter invading a bedroom, closets, the office, the garage, the computer, or even your entire house.

Some people accumulate more than others. There's a continuum. At one extreme, some people have a minimum amount of stuff. They develop “Zen habits.” At the other extreme, some suffer from a hoarding disorder. This causes them to collect huge numbers of items, often of little value. This extreme cluttering endangers their health and security.

For the vast majority of people, clutter will never reach the level of a hoarding disorder. However, it can still be an issue that causes stress, interpersonal conflict, and financial problems.

So, when does too much stuff become a problem in your life? Here are some indicators that you need to make changes:

You have difficulty relaxing physically and mentally due to too much stimuli. Our senses overload. The brain cannot differentiate between what is important and unimportant.

You experience guilt and shame that causes you to blame yourself.

Alternatively, you feel anxious that someone will discover your mess and judge you for it. (Even if you don't personally mind your clutter, there is a distinct possibility that others will take issue with it.)

You're not sure what it will take to get through to the bottom of the pile.

The clutter is impairing your creativity and productivity.

You're losing track of your bills and reminders amidst the clutter.

You're running late to your appointments because of the time it takes to find your things when you need them.

Do any of these indicators sound familiar? The justifications people use for clutter vary. “I may need it later,” they may say, or, “It has sentimental value,” “I paid \$75 for these shoes,” “I just like it,” “It is still working,” or, “I can't get rid of it.” Researchers have discovered that, for some people, discarding their things hurts their psychological well-being.

But what can be done? Here are some ideas that may help:

Recognize your tendency to clutter. No change is possible without recognizing the problem.

Identify irrational beliefs that maintain your mess. Yes, you may need an object one day, but you need to ask yourself if you're really likely to use it. Would it be better to just replace it when the time comes?

Ask these three questions: Do you really need it? Do you really use it? Do you really love it?

Decide if you want to keep, give away, recycle, or throw away items.

Evaluate the pros and cons. What is the burden of all this stuff in your life in terms of time, money and energy?

Accept that you will make mistakes. Sometimes you will discard stuff that you legitimately will need in the future.

Make peace with the sentimental stuff. You are not disrespecting your mother by giving away a vase she gave you. You can always remember loved ones without keeping all of their stuff.

Take pictures of the stuff before getting rid of it. Even though you will have more photos in the virtual cloud, they will take up far less space.

Declutter in small chunks. Start with one closet, one shelf, or a drawer. After that, go for bigger projects like an entire room.

Ask for help from a friend or family member. If it is too hard, get professional help.

Follow the one-year rule: If you haven't used it in the last year, there is a high probability that you won't use it. Give it away.

Set an alarm to declutter for short periods. You can go 15 minutes, 30 minutes, or two hours at a time if you have enough time and energy.

Practise meditation or relaxation. People who tend to accumulate things are usually more anxious.

It takes time, energy and money to declutter, but a messy life is too high a price to pay. As Wayne L. Misner once said, “Keeping baggage from the past will leave no room for happiness in the future.” **CG**



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Communications 101

These simple strategies will reduce day-to-day conflict on your farm, increase efficiency, and help get everyone on the same page

BY HELEN LAMMERS-HELPS

Ever feel like other people just don't understand you? Do people on the farm complain that you always misunderstand what they're saying? Does it sometimes feel like you're all speaking different languages?

If you answered "yes" to any of these questions, you are not alone. Frustrations around communication are common.

Nor should that surprise us, says Pam Paquet, a B.C.-based psychologist and business consultant, especially since research shows only seven per cent of our message gets conveyed in the words we use.

Half of the message's meaning is actually carried by the tone and pitch of our voice, says Paquet. And 40 per cent gets communicated by our body language, facial expressions, posture and gestures.

When people miss the subtle — and sometimes not so subtle — non-verbal clues, communication fails. The transfer of information from one person to another

to improve your communication skills. Paquet shares tips that can help all of us improve these skills. They are tips we can use both on and off the farm.

First off, Paquet tackles issues created by gender differences and their communication preferences. Although it doesn't always apply, it can be helpful to understand some of the common patterns that lead men to misinterpret their wives' body language or tone of voice. She says the women think they are being clear, but the husbands aren't getting the message. "Men tell me: 'I didn't even know she was angry,'" says Paquet.

Men and women also differ in their expectations, continues Paquet. Men tend to be solutions-focused while women tend to want to talk about a problem before jumping into problem-solving mode. In this case, Paquet says it can be helpful to set a meeting with an agenda at a later time to give people time to cool off and think about the options ahead of time.

“Don't multi-task,” Paquet says. “Don't email or text when someone is talking to you. Sit on your hands, silence your phone... otherwise you will miss something important.”

just doesn't happen. But by developing your awareness of the signs and signals of body language, you will be able to better understand others and reduce the conflict and missed opportunities caused by ineffective communication.

To further complicate matters, though, our age, gender and culture also have an impact on our communication styles, so it's really no wonder there are so many misunderstandings.

And when family members also work together on the farm, the stakes — and the potential payoffs — are even higher.

The good news is that it's never too late

Communication is a two-way street, and whether or not communication is successful depends on how well the information is both transmitted and received. To help ensure the message is received, Paquet emphasizes the importance of giving your full attention to the speaker.

“Don't multitask. Don't email or text when someone is talking to you,” she says. “Sit on your hands, silence your phone or put it away. Do what you need to do. Otherwise you will miss something important and you are asking for trouble,” she says.

Paquet emphasizes the value of active listening. She puts it bluntly: “People need

to shut up and just listen, to take it in and process what is being said. You can't listen if you are talking.”

And when you have the floor, you need to keep your message short and concise, continues Paquet. “If you talk more than two minutes, people will get impatient and it will feel like a lecture,” she says.

One of the most effective ways to communicate better is to become more self-aware, says Paquet. Pay attention to what you say and do. For example, if you know that you have a tendency to interrupt, do something about it, she says. “Too often people know they do this but don't make any changes.”

If you are unsure where you need to improve, Paquet suggests asking those around you where you need to improve.

“Ask others what you do that bugs them, and ask them to point it out when you do it. Do you interrupt? Roll your eyes? Text when you are supposed to be listening?”

And don't get defensive or argue with what they tell you, she adds. “This is a learning opportunity.”

Cultural differences can also wreak havoc with effective communication. When it comes to interacting with people of a culture different from their own, problems can arise because people unintentionally treat others the way they want to be treated, says Paquet. The problem is that different cultures have different norms regarding eye contact, shaking hands, or distance. “The offenders usually have no idea what they did, and the offended often don't speak up. This is where the conflict can start.”

Since it's impossible for everyone to know the norms for every culture, Paquet's advice is to do your own online research when a person of a different cultural background becomes involved in the farm. “Learning about that culture, knowing how not to offend and how to be considerate of differences... is a good investment,” says Paquet.

The newcomer can also teach farm employees and the family about their culture, she adds. “This is a great opportunity for communication and learning.”

Generational differences also have an impact on communication. In Paquet's experience, Baby Boomers still want to meet face-to-face to talk, Gen Y likes to use email, and Millennials want to text or message. This leads to asynchronous communication with

different expectations around response times, says Paquet. With email, there could be a delay of a few hours before there is a response but text demands a more immediate response.

The problem is that everyone thinks their way is best, says Paquet. The goal is to find ways of communicating that suit everyone, she says. This could involve using a combination of methods including daily or weekly meetings, but texting for the simpler things like, "Were you able to find that part when you were in town?"

Using the right type of communication for the situation is key. If an email stretches to more than 10 sentences, the conversation should be held face-to-face instead, says Paquet. When writing an email, avoid using all capital letters, says Paquet. "That will be interpreted as screaming." Also, avoid using red or bold fonts to highlight important instructions, since this can be seen as insulting by the recipient.

Without the tone of voice or body language to help convey the intended meaning of the message, the recipient makes their own assumptions. For example, "Have a nice day" could be taken as either genuine or sarcastic. Unfortunately, the recipient's interpretations are often incorrect, says Paquet.

Although email can be open to being interpreted incorrectly, Paquet says there is one circumstance where email can be useful. If two people cannot talk to each other without having the conversation escalate into name-calling, swearing or other inappropriate forms of communication, it can be better to communicate via email, says Paquet.

When composing an email, the writer is forced to think about what they want to say, and they are less likely to be rude or disrespectful, she says.

By paying more attention to what we say, and how we say it, and by actively listening, we can all feel better understood. **CG**

Resources

1. *Men are from Mars, Women are from Venus*. This 1992 best-selling book by relationship counsellor John Gray is still a useful tool for understanding common gender differences, says Paquet.
2. Do an online search for "communication skills" and pick three things you can do differently, says Paquet. "Each situation is unique so pick the issues you want to work on," she says.
3. If your farm team is struggling with communication issues, there are business consultants or mediators who can provide training.

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Farmers who made our country

As sesquicentennial celebrations get underway, here are three farmers you may not have heard of, but will want to remember

BY STEPHANIE MCDONALD

As Canada celebrates its 150th anniversary in 2017, we'll hear a lot about how the fisheries of the Grand Banks and the forests and the lucrative fur trade of the interior helped build our nation.

We'll hear less about the unique contribution farming has made to this country, but farmers have played an oversized role in the shaping of Canada in the past century and a half.

To explore how, we look at three critical points in Canada's history: at our birth when politicians needed farmers to open up the West; during the First World War when Canadian farmers fed the soldiers at the front, affirming our role as one of the world's breadbaskets; and during the early 1960s as farms modernized and made Canada one of the most prosperous nations on earth.

Three ministers of agriculture — all farmers themselves — presided over government agriculture policy at these defining moments, helping to shape not only the farm community but also the nation itself.

PHOTO: GOVERNMENT OF CANADA ARCHIVES



THE FOUNDING FARMER

Jean-Charles Chapais, Conservative Minister of Agriculture 1867-69

Among the Fathers of Confederation who united the Province of Canada (later called Ontario and Quebec), Nova Scotia and New Brunswick, in 1867, there was one farmer.

Jean-Charles Chapais of Saint-Denis, in eastern Quebec, was a retail merchant, fishery owner, cattle farmer and politician. As the only farmer among the

founding fathers, he was the natural choice to become Canada's first Minister of Agriculture and to oversee the department's fledgling office of 23 clerks in Ottawa.

By the time of Confederation, the importance of fisheries and the fur and timber trade had declined, and agriculture was counted on to bring prosperity to the new country. There was hope that agriculture would lead to the expansion of the transportation, manufacturing and commercial industries.

In his short tenure as minister — two years and five months — Chapais' real focus was therefore on encouraging immigration to Canada and the expansion of agriculture beyond Ontario into what would become the Prairie provinces. In the years leading up to Confederation, migrants had been settling in large numbers in the American Midwest, but fewer were attracted to the lands north of the 49th parallel.

The rock and forest between southern Ontario and Manitoba was an obstacle to the planned agricultural expansion into the West. The solution lay in extending existing rail lines and the subsequent building of the Canadian Pacific Railway to run from the Atlantic to the Pacific.

But Chapais did have two other noteworthy firsts. In August 1868 he prohibited the importation of horned cattle into Ontario and Quebec from the United States. Texas Fever was killing thousands of cattle in the states neighbouring the two provinces. At that time American cattle travelled by rail through Canada to reach markets in the American east. The ban was enacted even though it meant a loss of revenue to Canadian railways. Chapais appointed the first two agricultural inspectors to enforce the ban at border crossings in Windsor and Sarnia, Ont.

Chapais' second noteworthy act was the passing of the agriculture department's first piece of legislation, An Act Respecting the Contagious Diseases of Animals, in 1869. Its intention was to provide protection from rinderpest and other diseases for farmers trying to establish their livestock herds. By 1869 the country's first veterinary inspector oversaw quarantines and inspections at ports and border crossings to stop diseased animals from entering the country.

Chapais' expansion of agriculture and settlement meant he was a nation builder, but he was still said to be disappointed when he was replaced as minister and appointed Receiver General in November 1869. Agriculture had been a role he was proud of. In a letter to his supporters, Chapais said, "as a farmer... working for agricultural prosperity is, to my way of thinking, more than a duty. It is also a source of immense pleasure."

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THE ACTIVIST MINISTER

Thomas Crerar, Unionist
Minister of Agriculture 1917-19

Conscription was the No. 1 issue in the federal election of 1917. Prime Minister Robert Borden had assembled a coalition of Conservatives, Liberals, independents and labour representatives to run as the Unionists in support of conscription.

Throughout the war Canadian farmers had been encouraged to increase production to meet international demand at a time when labour was in short supply.

They rose to the challenge, and in recognition of the important work they were doing at home, they asked that their sons be exempted from military service. The Unionists agreed.

But, in 1918 as recruitment slowed at home, and the war in Europe dragged on, the Union Government cancelled the exemption. The news came in spring as planting was set to begin, and farmers were angry.

Thousands of farmers from Ontario and Quebec, along with farmers from the West and Maritimes, descended on Ottawa to protest the move. It had little effect and conscription of farmers went ahead. Some commentators say that this issue was the first to drive a wedge between the rural and urban populations of Canada.

The minister of agriculture during this tumultuous time was Thomas Crerar. Born in Molesworth, Ont. but raised in Manitoba, Crerar's credentials to be minister were undisputed. He was a schoolteacher, homesteader, sawmill operator, grain buyer and elevator manager in northwestern Manitoba before entering politics.

Crerar's most noteworthy action as minister likely came at the end of his tenure, in June 1919, when he resigned from his post. He had always fought for farmers' interests in cabinet and he couldn't support the 1919 budget that did not meet demands from agricultural organizations to significantly reduce the 12.5 per cent duty on imported binders, mowers, threshers and reapers.

Crerar retains the distinction of being the only minister to have resigned over farmers' issues.

Farmer organizations across the country were becoming increasingly vocal and politically engaged at this time. (In the early 1920s, farmers' parties were in power in Alberta, Manitoba and Ontario.) Following his resignation, Crerar helped to create a national farmers' party — the Progressive Party of Canada — and became its leader in 1920.

In the 1921 election, the Progressives criticized

the fact that there were 12 lawyers in cabinet and no farmers. (Of the 30 current cabinet ministers, there are seven lawyers and one former farmer.)

The Progressives won 65 of the 235 seats, the second most behind the Liberals. They won seats in each of the Western provinces, Ontario and New Brunswick. Crerar took a risk in turning down official Opposition status and instead asked for farmers' policies to be included in the government agenda. His gamble backfired, and Opposition status was instead taken up by the third place Conservatives.

The Progressives' second-place result was significant for another reason. Canada's first female member of Parliament, Agnes Macphail, won a seat in the 1921 election under the Progressive Party banner.

Like Chapais, Crerar's time as minister of agriculture was short at only 21 months. But it was a significant period of time for the nation's farmers. They had answered the call to increase production for the war effort. Their economic power increased, and with it, they found that their voice could carry further into the corridors of political power. Farmers demanded a better deal on policies that had an impact on their day-to-day lives. They became a voice that couldn't be ignored in federal politics.

Farmers' economic power increased, and with it, they found that their voice could carry further into the corridors of political power

THE MINISTER OF THE MODERN FAMILY FARM

Harry Hays, Liberal
Minister of Agriculture 1963-65

In the early 1960s the shift was on to bigger farms, bigger machinery, and higher costs. Between 1941 and 1961 the average Canadian farm size had increased from 237 acres to 359 acres. The agricultural labour force was declining and there were worries that the family farm would disappear.

Farmers found a champion in Harry Hays, one of Canada's most colourful ag ministers. Hays entered politics first as the mayor of Calgary and then as a member of Parliament, because he needed, in his words, "something to do in retirement." By the time he ran for a seat in the 1963 election in the riding of

Calgary South, he had already made his mark as a rancher and dairy farmer. His resume also included working as a cattle exporter, Holstein breeder, radio broadcaster, and auctioneer (which he remained throughout his time as minister, despite protests from the Opposition).

Hays was promised the opportunity to develop the Liberals' agriculture policy if he stood in the 1963 election. He ran and won, and was the only Liberal elected in Alberta and Saskatchewan in that election under Prime Minister Lester Pearson.

As Pearson's minister of agriculture, Hays introduced an ambitious slate of legislation that he believed responded to rapid changes taking place in agriculture. His goal was to see the family farm remain efficient and viable.

One of the most pressing challenges was the availability of credit in order to mechanize and to keep up with the pressure to expand.

Under Hays, the maximum loan amount available to a farmer through the Farm Improvement Loans Act doubled from \$7,500 to \$15,000. The loans were meant to help farmers purchase better livestock for breeding, labour-saving equipment, and to improve farmhouses.

Hays also amended the Crop Insurance Act of 1959. The original act was created to help provinces provide insurance, but only three provinces had joined and only 8,500 of the 480,000 farms in Canada in 1964 were covered by crop insurance.

Hays said that expanding coverage would remove the "long-standing fear of being ruined overnight by disasters over which they or anyone else have no control."

A journalist from the *Toronto Star Weekly* commented of Hays: "No minister seems more inept inside Parliament and few get so much done outside it."

Hays established the Western College of Veterinary Medicine in Saskatoon and also developed an importation plan to help farmers access quality exotic breeds. In 1965, 113 Charolais cattle were imported into Canada from Europe. Imports of Brown Swiss, Main-Anjou, Simmental and Limousin followed.

Hays' own involvement in the cattle industry continued throughout his political career. He developed what was recognized in 1975 as the first Canadian pure breed of cattle, the Hays Converter.

Hays was defeated in the election of 1965. Albertans were unhappy with the Liberal Party's policies on medicare, pensions and the new flag that the Pearson government had introduced. In 1966 he was appointed to the Senate where he served until his death in 1982.

Hays is also remembered as an unusual politician who had little formal education, poor grammar and a tendency to swear in media interviews.

Opposition members chided him as being the "travelling minister." But, explained Hays, Ottawa's slow pace was "a burr under my saddle." **CG**

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DIETARY SUPPLEMENTS – should you or shouldn't you?

Dietary supplements provide additional nutrition to your diet. Most often, the term may make you think of vitamins and minerals, but natural products and herbal remedies are also part of this category.

Should you buy them?

Vitamins are organic substances from plants or animals that your body needs in small amounts. Minerals are needed in small amounts too, but come from inorganic sources.

Luckily, an average diet usually contains sufficient vitamins and minerals.

A Consumer Reports panel has identified 15 supplements to avoid. Check the ingredient lists on the products you take. Toxicities can be significant

“Natural products” are simply substances obtained from organic sources. Their variety is wide, including bee pollen, soy-based products and flaxseeds, as well as herbal remedies that usually originate from plant material.

While defining supplements can be confusing, however, it is clear that they are popular. About two-thirds of Canadians use them, with about 30 per cent taking multiple vitamin products.

Keep in mind that these numbers do not include the therapeutic use of supplements, such as the use of calcium for a diagnosis of osteoporosis, or iron for a diagnosis of anemia.

In Canada, supplements are reg-

ulated by the Canada Natural and Non Prescription Health Products Act of 2004. The aim of the legislation is to ensure that supplements are safe to use, that they are manufactured in a clean and safe manner, and that they contain the ingredients that they are supposed to contain.

If you have a problem with a supplement, there are provisions for you to be able to report adverse reactions, as well as provisions for the manufacturer to recall a defective batch of product.

Before you take a supplement, check your diet. Keep a food diary for several weeks and read your food labels. This may reveal that you are already obtaining the nutrients you need.

If you do take a supplement, find out exactly what it is supposed to do for your health and what dose is needed to produce the benefit. For example, almond milk is a good source of calcium, but unless it is fortified, it does not contain as much calcium as milk. Obviously, then, you would choose the fortified almond milk!

Keep in mind that supplements are just that; they “supplement” your other healthy-living choices and any medications you may take.

So, for example, if you have high cholesterol, you wouldn't stop eating a low-fat, high-fibre diet or taking your cholesterol-lowering medication when you start a fish oil supplement.

It is also important that you tell your doctor, nurse, and pharmacist about any supplements that you may take. They will help you iden-

tify potential side-effects and drug interactions, and even whether the product is safe for you.

Because many supplements are plant based, allergies are a potential risk. These allergies can sometimes be severe, especially if you have a pre-existing allergy like hay fever.

A recent article in *Consumer Reports* listed 15 supplements that its panel of experts say should always be avoided: aconite, caffeine powder, chaparral, coltsfoot, comfrey, germander, greater celandine, green tea extract powder, kava, lobelia, methylsynephrine, pennyroyal oil, red yeast rice, usnic acid, and yohimbe.

It's a good idea to check supplement labels for these ingredients because adverse effects and toxicities can be significant.

Some supplements are widely advertised, but if the claims seem too good to be true, they probably are.

Knowledge is key when it comes to supplement use, but the information needs to be of good quality. A discussion from the Heart and Stroke Foundation about the cardiovascular effects of fish oils is certainly of better calibre than a website that is trying to sell you a fish oil supplement.

Supplements may be part of your overall health plan, but be smart about using them. **CG**



Marie Berry is a lawyer/pharmacist interested in health and education.

NEXT ISSUE

Among the common treatments for diabetes are insulin injections, but there are several new types of injections as well as newer types of insulin available for therapy. Next month, we'll look at some of these new products.

“You sure can sing,” Jeff Hanson told his six-year-old son, Connor. “You’ll be great in the Christmas concert tomorrow. But let me help you down from the workbench before you fall. It’s time to go in for dinner.”

Jeff lifted Connor down to the shop floor.

“Concert? Tomorrow?” Jeff’s father Dale said.

“You know that, Dad. Tomorrow afternoon.”

Dale groaned. “I thought I was finished with those when you and your sister graduated.”

“Life’s a giant circle Dad,” Jeff said, only semi-sarcastically.

“Those concerts are the bottom of the wheel.”

“Don’t you like my singing Grandpa?” Connor asked.

“The first seven times you sang ‘Jingle Bell Rock,’ I almost enjoyed it,” Dale said.

“I have lines too!” Connor said. “I get to use the microphone!”

“He’s introducing his class,” Jeff explained.

“You must be a lot braver than your dad,” Dale told the little boy. “Your dad always got so nervous before those concerts.” Then he turned to Jeff. “I hope we can finish with this tractor in the morning, if we’re taking the afternoon off.”

“I think we can,” Jeff said.

As the men left the shop, Connor in tow, a car drove in and parked in front of Jeff’s house. Connor ran to it at top speed, yelling for his grandma.

“Elaine’s mom came all the way from Saskatoon to sit through this concert?” Dale asked.

“Yeah,” Jeff said. “Connor’s excited about it now, but I hope he doesn’t get stage fright at the last minute like I always did.”

“When you were in first grade, we had to pry you off your mother’s leg to get you on stage.”

“I know,” Jeff said.

The next day, Dale and Donna and Elaine’s mother were finishing their soup at Jeff and Elaine’s when Elaine started shooing them all toward the door.

Setting the stage for a rural Christmas

Some traditions can’t be broken, no matter how hard you try

“Let’s start getting out coats on,” she said.

“What time does this shindig start?” Dale asked.

“Not until two,” Elaine admitted, “but by the time we park, and we want to get seats...”

“Yeah, all right,” Dale said, standing up. “It’s bad enough watching six grades of kids sing when you’re sitting in those hard plastic chairs. Making people stand through that concert could replace waterboarding if the U.S. military found out about it.”

“You’re getting more like your father every day,” Dale’s wife Donna said, narrowing her eyes at him. “I’m not sure I like it.”

December wind. Inside, they found Helen, Jeff’s grandfather’s partner, waiting in the lobby.

“Ed’s inside,” Helen said. Ed had come early and saved eight seats together in the fifth row of plastic chairs set up on the gym floor. The Hansons made their way through the crowd, stopping to greet friends and neighbours. Jeff took Connor’s hand. “Come on buddy,” he said. “You have to wait with your class.”

Jeff had gone to school in this same building, had even had the same first grade classroom. Coloured tables and chairs had replaced the rows of grey desks Jeff remembered, and there was a smartboard where

My brother-in-law’s stringing Christmas lights on his combine, in case he gets into the field on the 25th.”

Jeff and Elaine, Connor and his little sister Jenny, Elaine’s mom, and Dale and Donna put on their coats and boots and climbed into the SUV. Connor was singing his song before he’d finished buckling his seatbelt.

“This is a treat,” Donna said. “Dale, do you remember how much Jeff hated those concerts?”

“The whole community remembers,” Dale said. “None of the other parents had to drag their kids out from under the bleachers before the performance.”

“Connor’s not worried,” Elaine said.

Connor was still singing. After four run-throughs of “Jingle Bell Rock,” Jeff turned up the radio.

Jeff had to park two blocks from the school. “Look at all these cars. We’ll never get seats,” Dale grumbled, while the family braved the

the old blackboard had hung. But otherwise, it was the same place.

Jeff left Connor in a group of first graders, the boys belting out “Jingle Bell Rock,” the girls comparing dresses. “This place still smells the same,” Jeff thought as he walked back down the hallway, nodding and smiling at other parents.

Back in the gym, Jeff took the empty seat at the end of his family’s row. One of his former classmates was sitting across the aisle.

“Seems weird to be sitting out here with the grown-ups,” Shawn said.

“Yeah,” Jeff answered.

“Hope your kid doesn’t get as nervous on stage as you,” Shawn said. “Remember that year they couldn’t get you out from behind the stage curtains?”

CONTINUED ON PAGE 68



REFLECTIONS

BY ROD ANDREWS

RETIRED ANGLICAN BISHOP

Jeff was quiet; Shawn changed the subject. “Did you ever get that flax off?”

At the other end of the aisle, Dale was leaning ahead to talk. “At least you only have flax out,” Brian Miller was saying. “My in-laws at Kindersley have all their wheat out. My brother-in-law’s stringing Christmas lights on his combine, in case he gets into the field on the 25th.”

Donna pointed to the gym door, where two little boys were peeking in. “There’s Connor!” Both grandmas waved. Connor grinned and waved back until a stressed-looking teacher grabbed both boys and hauled them away.

“Do you think he looks worried?” Jeff asked Elaine.

“He’s fine,” Elaine said.

The crowd was impatient, checking watches, and looking to the stage for the MC. Finally the principal came out from behind the backstage curtains.

“Here we go,” Dale said.

Soon it was time for Connor’s class to take the stage. Jeff watched the line of first graders file in. Connor stepped up to the podium, where the principal was holding the microphone out to him.

Jeff felt the room swirl around him. His vision blurred. His stomach lurched. He leapt out of his seat and ran down the centre aisle and in front of the audience to the gym door. He reached the boys’ bathroom just in time.

After the Grade 6 class finished their modern-day rendition of “The Twelve Days of Christmas” and the principal wished the audience a happy holiday, the Hansons and Elaine’s mother made their way to the lobby. They were relieved to find Jeff waiting there, looking pale and a little sweaty.

“Are you okay?” Elaine asked. Jeff nodded weakly.

“How’d he do?” Jeff asked, fearing the worst.

“He’s a showman,” Elaine said.

“Darn right he is,” Dale said. “Before he introduced the class he pointed at you running out the door, and told the audience, ‘That’s my dad.’”

“Oh no,” Jeff said.

“He got a good laugh,” Dale went on. “That egged him on. He managed to tell a couple of jokes about Santa Claus before the principal took back the mike and sent him to sing with the rest of his class.”

“Oh no,” Jeff said.

“It’s okay,” Elaine said. “The jokes were clean.”

“He was adorable,” said Elaine’s mother.

“Best part of the show,” Jeff’s grandfather Ed said.

When the first graders came out to meet their families in the lobby, Connor ran straight to Jeff.

“Daddy! You missed my song!” Connor said.

“I’m sorry, Connor. Maybe you can sing it for me again on the way home.”

“And can I tell you my jokes too?” Connor asked.

“Of course.”

“I can’t wait for next year’s concert, Daddy. Can you?” **CG**

I paid \$10 for my Christmas train. I have great fun setting it up every year. The tracks circle our Christmas tree. I create a background of cotton batten snow for a village with skaters, animals and buildings with twinkling lights. My wife says I am a big kid. I admit it. I love Christmas. I put pickup trucks and tractor ornaments on the tree.

As a kid I asked for an electric train every year. My parents always gave me a more practical gift. Now I have an electric train and I run it at Christmas.

When I came to Saskatoon as bishop, I wanted to fit in with the clergy. Several of them had model trains as a hobby. When I saw the Christmas train I said, “I can afford it. I am finally getting my electric train. I can join the group.” The clergy and their spouses came to our house for an after-Christmas party. I showed off my train. I suspect a battery-driven train playing two Christmas carols did not impress the serious model railroaders, but I tried to fit in.

Robert L. May worked at the Montgomery Ward Department Store in Chicago. Bob May was different. He did not fit in. As a child, he was too little to make sports teams and was often bullied and called names.

His wife Evelyn died of cancer in 1938 leaving him alone with a four-year-old daughter Barbara. They lived in a drafty apartment, all he could afford. He was overcome by debts from his wife’s illness. What could he give his daughter for Christmas?

Legend says May could not afford a gift but he could make Barbara a storybook. He created a story about an animal character who, like himself, did not fit in. The animal was a misfit and an outcast. The story is the story of his own life. The character was a little reindeer named Rudolph with a shiny nose illuminating the way for Santa and his sleigh. Bob finished the book in time to present it to Barbara on Christmas Eve.

The story found its way into print and sold millions of copies. Eventually Bob remarried, expanded his family and became wealthy with proceeds from his composition. His brother-in-law, Johnny Marks, wrote a song about Rudolph. Bing Crosby and Dinah Shore turned it down but the singing cowboy, Gene Autry, made it famous. “Rudolph the Red Nosed Reindeer” has sold more records than any other Christmas song with the exception of “White Christmas.”

When you turn the corner at a major intersection in Watson, Sask. you are overshadowed by a 20-foot-high Santa Claus. Watson has an annual Santa Claus day, a tradition going back to 1932. “Jake” Smith, a hardware merchant, sponsored the first Santa Day. Santa boarded the Saturday afternoon passenger train in a neighbouring town and arrived in Watson with gifts for every child. What a moment that would have been in the depths of the Prairie Depression.

A poem set to music describes the “Train of Life.” We board the train and travel; sometimes together, sometimes alone. Some people get off the train too early while others have a long voyage. We lose loved ones and we choose different destinations. The train ride will be full of joy, sorrow, fantasy, expectations, hellos, good-byes, and farewells.

The poem concludes, “Success results from having a good relationship with all passengers on the train of life. If we give the best of ourselves, rich rewards come our way.”

Best wishes for Christmas and the new year.

Suggested Scripture: Isaiah 9:2-7, Luke 2:8-20

Rod Andrews is a retired Anglican bishop. He lives in Saskatoon.

Leeann Minogue is the editor of *Grainews*, a playwright and part of a family grain farm in southeastern Saskatchewan.

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