



FCC Knowledge Podcast – Episode: Sold! Let’s talk about the benefits of auctions

PODCAST TRANSCRIPT

Interviewer: Marty Seymour (MS)

Guest: Jordan Clarke (JC)

MS: From AgExpert, it’s the FCC Knowledge Podcast, a show that features real Canadian producers, real stories, and real good conversations about the business of farming. I’m your host, Marty Seymour.

JC: Nothing is safe at a farm auction. We’ll sell animals, to the dog, to the house, to the tools, to the equipment, to the pies.

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MS: Today on the show, we’re switching things up a bit and talking to an auctioneer. Jordan Clarke from Ritchie Bros. Auctioneers is going to fill us in on some of the modern trends in the auction business, as well as provide some insights around buying and selling through the auction to help you consider the impact on your farm management decisions no matter where you are in your career. We’re going to talk a little slower than Jordan’s used to, but I promise you there’s still a lot of great info to take in. Give me four, four, four-and-a-half, four-and-a-half, and a cow and a calf. Give me five, five, five, and a bidder to bid, and a bidder to buy. Don’t go anywhere.

Welcome to the FCC Knowledge Podcast where we talk to regular people about regular things in Canadian agriculture. On the show today we’ve got with us Jordan Clarke. Welcome to the show, Jordan.

JC: Thanks, Marty. Happy to be here.

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MS: All right, Jordan, now you come from maybe a different side of the industry that we haven’t had on our show yet, and that’s the auctioneer business. So, why don’t you tell us who you work for and where you live?

JC: Yes, Jordan Clarke. I work for Ritchie Bros. Auctioneers. I am based out of Southern Saskatchewan, actually in my hometown of Rouleau, Saskatchewan, just 30 minutes southwest of Regina. My official title with the company is I’m a sales director for our

Canada-Prairies division, so I cover the areas of Manitoba, Saskatchewan and Alberta on the agricultural side, and then our industrial business in Saskatchewan and Manitoba. So, kind of the core three provinces, I'd say, in Western Canada, is my responsibility.

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MS: There's two Canadians that might not be familiar with Ritchie Bros. What do you guys do?

JC: We are, first and foremost, an auction company. That is our history. We've been around since 1958. I know we'll talk a little bit about it down the road, but our evolution over the last couple of years is branching in a couple different directions.

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MS: The Ritchie Bros. started as three brothers all the way back in 1958. They have a long history of providing end-to-end services for buying and selling Canadian agricultural equipment. As most of you know, this is the time in the program where I always ask my guest, what's the price of land in your area? I didn't know if that was a fair question for Jordan, so I thought I'd ask him about what's the most expensive or unusual thing he's ever sold.

JC: Well, I'll maybe have a little bit of a farm auction approach, an agricultural approach with this one. So, as of late, we actually just did a farm auction in Torquay, Saskatchewan at the end of January. And we sold a home quarter, so a yard, buildings, improvements, along with the quarter it sat on, for \$1.3 million. I guess when it comes to some equipment, we've sold some pretty high-end tractors, and combines, and air drills, that would be closer to a \$1 million as it is to \$500,000. At times, we would often sell the pies. After a farm auction, if there's any leftover food or pies from the canteen, we would actually have an auction for that as well. So, I would say nothing is safe at a farm auction. We'll sell animals, to the dog, to the house, to the tools, to the equipment, to the pies.

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MS: Oh, I love that. That paints such a picture for me. I've seen lots of fundraisers. I've been in Brandon before where they're selling dozens of eggs, and I hadn't considered selling a pie at a farm auction. So, that jumps right into, we've spent the last two years not really doing farm auctions in person. Am I right on that?

JC: Correct, yeah. We had to make a quick shift at the end of March in 2020. Typically, our busiest time is March and April for any one of our years, just in regards to how many farm auctions we would handle in the spring season. And that March of 2020 we had 68 lined up for the next five weeks. So, obviously when the pandemic was fresh out of the gates, there was lots of uncertainty, and obviously safety of everybody was everyone's top priority. But in the back of our mind, we had commitments to, for the most part, 68

retiring farmers that entrusted us with their life's work. And we had to make the decisions to best suit their needs. Obviously, we're trying to keep our staff safe and our customers safe. So, we went through about four different contingency plans in about 48 hours, and we ended up landing on, timed auctions were, at that point, somewhat untested in the farm auction market. We had done two up to that point. Over the course of the two years that we all became familiar with timed auction in our business. So, the transition to take what we typically would have done from our model, to timed auction, was a huge undertaking and really only about six days to make that transition for all these farmers across Western Canada. And our company, I think, have done a very good job of managing the old tradition of an auction company, an auction sale, along with the integration of technology and evolution of the business and how it's changing. And up until that point we'd balanced the best of both worlds. And we worked our way through this transition. Now, with over the last two years, at the end of the day, I do honestly think the timed auction method is a fantastic way for someone to sell assets, and for someone to buy assets.

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MS: Like many of us in the ag world, COVID forced us to adapt, and Ritchie Bros. is no different. They pivoted towards an online strategy to help them continue running their auctions without having to meet in person. So, they've doubled down on the timed-event auction. What is that? It's basically an online auction with a time limit. For example, an auction might be for sale for a two-week bidding window. During that time, you place your bid online at your convenience. Once the timer runs out, whoever is the highest bidder at that time wins the item. Simple enough, really efficient.

I'm reminded of, I think about your investment in the timed auction thing as the transition, and it was done under, we'll say, time of crisis where we had to change. But it's actually innovative and disruptive, but also speaks to how people say, oh, that'll never work. I was having a conversation last week with somebody that said, I couldn't imagine paying for bottled water, and here we are. And I've got to ask you, when you went to those 68 farms and you said, we can still do this, we're going to do it timed auction, what did those farmers tell you?

JC: Oh, there was lots of apprehension for sure. And the majority of them looked at us to give them the guidance, and to grab their hand and walk with them. And said, you're the experts, if you think this is going to work, we'll have to walk with you. And there were some that did not want to go that path. And at the end of the day, they are definitely glad they did. And even up to the night before of our first auction, it was in Southern Alberta, we had our staff on site still trying to work with those customers, and console them, and show them the information that we had ahead of time of how many registered bidders there were going to be on the sale. Have them watch other sales that were happening in different areas where there was timed auction happening, just to get their comfort around it. But definitely there was lots of anxiety and stress towards how the system could handle that much inventory. The timed auction method was not new to us, we just had never sold in an offsite capacity at that frequency before, and with those assets.

Typically, it was selling in our yards where we'd sell toolboxes and smaller items, and fence panels, and multiples of smaller stuff, which actually you're able to sell more items quickly and make it more efficient for buyers. So, we'd actually never used the model in something in something else, but we knew it would work.

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MS: I think all of us that are in agriculture went to the neighbour's sell-out, liquidation, transition sale, call it what you want, for the community side of it. And I get the business side of going timed auction. But what's your thoughts on that, and maybe do people still need that community send off or a gathering point?

JC: I think so. I think some people will. But to be honest with you, what we found early on was there was a lot of people that really appreciated, from a seller's aspect of, a) the timed auction approach but, b) also the restrictions. Many of these people, as you can imagine, are relatively private, and when you go to have a farm auction in your own farm, you're totally exposed. You've opened up your entire book of business, your privacy, your time. Everything is open to everybody. As soon as we sign that contract and the name goes live, the phone starts ringing. And, of course, as we get closer towards sale date, there's lots of customers, prospective bidders that are there looking. And on sale dates, it was a very chaotic atmosphere. We try to organize it and streamline it the best we can, but at the end of the day, you have anywhere from 50 to 5,000 people that are in a yard, and it's tough to control and tough to keep it all functioning. So, many people weren't comfortable with that. And on the flipside, there was lots of people that the more the merrier. This was a community send off, they wanted to see friends, they wanted to see family. And, of course, the community wanted to be there to wish them well and support them too. But a lot of times, those customers couldn't enjoy the sale, or they couldn't enjoy the send-off with their friends and family because they were in multiple spots. The major benefit to how we transitioned from what we did to now is a lot of the smaller items, they weren't necessarily lotted where they actually had a lot number and were sold online, they were sold to a local crowd. So, you were at the mercy of how many people were there, our advertising, and the weather, lots of different things. So, really, now all those smaller items have been grouped and lotted and palletized, they're sold to the world just as much as your four-wheel drive tractor or your sprayer is.

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MS: So, Ritchie Bros. went from selling at a local market with live auctions, to suddenly accessing an international buyer base. It's pretty incredible how selling online can change the scope of an auction so profoundly. There's another potential impact caused by this move to timed auctions as well. It seems many people I talked to can't believe how much prices have gone up at auctions. I was curious to hear Jordan's thoughts on this.

I think what I really noticed in this transition was all of a sudden you made the buyer base, I'll just say international for simple purposes, as opposed to me, 60 miles, where

I'm coming to buy this stuff off the rack that's held in a bucket. Now I can shop that, 600 miles away. And it got me thinking about, it doesn't matter where I go, everyone says, man, I can't believe what it costs now to buy a used air drill at an auction, how the prices have gone up. Do you think the online bidding timed event is part of that farmers are extracting more out of their equipment, driving the inflation of the cost of things in general? Or is there something else at play?

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JC: No, I definitely think there's a price increase. At the end of the day, I think there's some external factors that are helping with the increase in pricing. But the accessibility to bid on items, the ease of bidding and tapping into a buyer base outside of your local area or local region or province, are major factors to it as well. And we actually saw that. Prior to the pandemic, we would have an auction sale with onsite bidders and online bidders, so a combination of the two. As an online bidder, you had to be ready at, let's just say it's 1:35 when this auger is going to sell, to be able to click the bid button. Now, with the transition to timed auction, you can put your bid in ahead of time. The system will bid on your behalf up to a max bid. Once the closing of the item starts, if there's continual bidding happening, you'll get an email and notified that you've been outbid, and you can bid again. So, what we saw when we would have typically 1,000 to 1,500 people registered online at a sale before the pandemic, we're now getting 3,500, 4,000, 5,000 people registered for a sale online. And that was the biggest shock, why is there more people still online? And then we soon realized that the timed auction process, it opens five days ahead of a sale so there's more time for customers to bid. They don't need to be on an item at a specific time. And it brought in more bidders to the equation. And, of course, anyone that's involved in the auction business will understand, if you have more bidders, that's more competition, and typically more competition means higher prices.

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MS: And I do love how it's the introduction of technology into the sector. To your point, it wasn't a super high-risk introduction because we've done this in other industries. eBuy was born off of this sort of philosophy of how people buy. I'm intrigued on your thoughts because as the buyer on my side, I get super annoyed when I'm following the timed auction, I'm three days out, and I'm like, oh my God, I'm going to get this thing on sale. And then the last half an hour, this thing triples in value and all of a sudden it sells at market price and I'm super sad. Is everybody experiencing the same thing I am?

JC: Well, it depends. No different than the live auction and online or timed. Different buyer preferences are there. And there's some that would put a max bid in right at the start, and they kind of just close their eyes and walk away from it. And if they get it for that price great, if it's less, even better, if it's more, well, on to the next sale. There's many people that will just try and bid each time and bid their lowest increment that they can, and they'll continue to play the system. But really, if you think about it, if you get two people that put their max bid in on an item at the same time, it will immediately jump to obviously the highest max bid that it can that was given. So, you'll watch that in certain

sales. It'll be items that just take right off for whatever reason, and you wonder why. Well, you've got two bidders that are like in thinking where they both place a max bid. And on the flipside, you'll see some other stuff that'll be ... once you've got a combine that's at \$500,000 and it should be worth \$350,000, and all of a sudden, the day of the closing it takes right off. Well, people have started to put their attention to it and actually started to bid. So, we have to be somewhat careful with how soon you open the bidding. If you open it too soon, it doesn't drive any urgency or sense of competitiveness, so you want to give people adequate time but not overextend it to the point where it loses its effectiveness either.

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MS: As Jordan explains, timed online auctions have increased the amount of people participating just due to its ease and accessibility. They basically cater to all buyers regardless of their circumstances. So, clearly, you still want to create some amount of urgency with the bid, so having an auction open too soon or stay active for too long can impact the attention the auction receives. There's a lot of factors to consider when trying to engage potential buyers online. Ritchie Bros. have opened up to a broader market in terms of who they'll sell to, so that got me wondering about their goals in terms of what they're selling.

You referenced the big land sale in Southern Saskatchewan this year. And when I think about the Ritchie Bros. brand, I think about iron. But do you see us doing more land long term? I'm from the livestock industry, we still do live auction there, a little bit of remote bidding. Where does this go, if you map this out, Jordan?

JC: It is a high focus of our company to sell real estate. It always has been. We are going to be taking a much stronger approach in that, just for the fact that I honestly think it's the absolute best way to sell real estate. It's the fairest. It's the most transparent. It involves the most bidders. It removes the seller from having to decide who ends up with the land, whether it's a neighbour, or a family member, or someone from outside of the area. And how do you play fair in the sandbox? And of course, a lot of these customers still want to live in the communities that they farmed in, so there's backlash that way. When you put it up to auction, you remove a lot of those barriers. And at the end of the day, if someone does want to farm that land, whether they're the neighbour or they're from three provinces away, everyone gets a fair chance. Now, when you look at it the way that we did the Hanson Farm Project at Torquay, we sold all those quarters of land, I think there was 59 parcels of real estate, we sold that by timed auction. So, no different than we would sell their tractors, and no different than we would sell their pallets of tools inside the shed. And really, the timed auction, in my mind, works incredibly well for real estate because, as you can imagine, the investment into purchasing a quarter of land, and it's not even just the value of the purchase, it's the long-term investment of, I own that. And it could be life-changing decisions, how do I farm that, how would I now move in and farm all that land, or whatever the course of the purchase might be. But people need time for that. And typically, if you were at a live auction sale, we tried our best to give people the adequate information ahead of time so that they were prepared to bid. So, in the heat of

the moment, they had all the information in front of them and they could bid accordingly, and we could move the sale right along. But at the end of the day, it's a high-stress area and situation. And typically, if people are pressured up, they tend to back off as opposed to taking a step forward. And with timed auction, you can adjust the closing periods and the time between bid extensions, so it does give people more time to sit back and talk about it, relax, and bid again, and get comfortable with the process. And we saw it at Hanson's. Prior to the day of the closing, the real estate was exceptionally high at that point, and then it took off to a whole other level on the day of the sale and the closing. Which I believe we were supposed to be starting closing the real estate at 10:00, it didn't close until almost 2:30. So, another four-and-a-half hours of bidding concluded after the closing of the real estate, to finally get to the point where the bidding stopped and everything closed. So, it's a really interesting way to do it, and I think it provides a lot of comfort to the buyers.

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MS: It's interesting. I hadn't thought of it before, but you said some people back off under pressure. I'm that other side of the ledger that remembers the in-person sales where I look across and said, oh, I'm bidding against Jordan Clarke, I'll just go one more time. And then Jordan bumps me one and I'm like, argh, that Jordan Clarke, I'll just get him one more time. And my competitive side, now when I do this online, I see it's Bidder 6472, and I'm like, oh, that guy keeps running me up here. And so, I double down on it. So, if anybody wants to know my financial planning strategy, that's as simple as I operate.

JC: No, we like your type at an auction sale.

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MS: I guess you do, yeah.

JC: You're good for the sale too. Lots of fun.

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MS: After the break, Jordan walks us through the auction process and provides some insights for producers regarding the benefits of partnering with an auction company. Stick around.

JC: We look at this as the highest responsibility that we can. So, it's something that we feel privileged to be able to play a part in that process, but we need to play a part in that process. And my advice to anybody, whether they're choosing us or someone else is, surround yourself with experts.

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MS: The FCC Knowledge Podcast is brought to you by AgExpert, farm management software designed for Canadian agriculture. Learn more at AgExpert.ca.

So far, we've learned that Ritchie Bros. had to adapt superfast back in March of 2020 when the pandemic hit. The result was doubling down on this timed event auction piece to allow people to participate from all over the place. You could say the adoption of online auction practices has led to some big wins for Ritchie Bros. and more importantly, for the sellers as well. Even more interesting to me is the selling of real estate online in timed auctions is becoming more widely adopted, and it's become incredibly successful. I think Jordan has sold me on the value of timed auctions online. So, if I'm a farmer looking to get an auctioneer to help me with some sales, the real question is, where do I start?

JC: Where I believe a customer should start is to involve someone from an auction business, preferably ours, but someone from an auction business in your operation sooner than later. And not even just from a selling aspect. And that's the myth is that a lot of people think when someone is talking to an auctioneer or an auction company, they want to sell something. If someone is looking to buy or upgrade or add to their fleet, we have access and avenues, for the most part, for all types of equipment. So, that's a lot of times where we actually make our most contact with customers, or our first contact with a customer, is from a buying standpoint. They're looking for X, Y, and Z, and do we have that coming up in any one of our sales, how can we help them source that? A lot of times we're not even actually selling it through sales. We have online marketplaces where we have equipment that's listed for sale with buy-it-now prices. So, there's a whole other avenue into our company that people don't understand. But typically, it's to involve, just like anybody else into a successful operation, you have partners. Whether that's a financial adviser, accountant, agronomist, the list goes on and on and on. I honestly think an auctioneer, an equipment-sourcing company of some type, should be one of your partners, and have those conversations early.

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MS: Admittedly, this is actually a new idea for me. For those avid listeners of the podcast, we're always talking about advisers that you want to have involved in your operation. You know, the common ones, accountants, lawyers, transition experts, they're the natural ones that I think about. I don't think the idea of having someone from an auction company included in that list has ever occurred to me. I was curious if Jordan thought an auctioneer should be sitting around the table with other advisers during the annual meetings.

JC: You bet. We actually do it more often than people would recognize or understand. And there's a skill level and a skill set from a lot of different people, and of course, no different than our business as well. But I go back to where, when I was a kid with my dad, going to see customers about an auction sale. And just the comfort level with that person that can provide guidance, advice, sometimes you're a mediator, sometimes you're acting as accountants, or real estate agents. The list goes on and on and on. But

have those conversations, and have them early, and involve us. We have weekly and monthly meetings with a lot of customers that are looking to buy, to sell. Whether they're trading equipment in to certain dealerships, and maybe the trades aren't accepted at the dealership, or they want to go in a different direction. So, a lot of these customers, we're dealing with them 20, 30 years before they're actually retiring. And that's the myth, is that an auction company deals with people that want to retire and step away from the business, and that's not the case at all. We need buyers just as much as we need sellers, at the end of the day. So, how do we actually bring buyers into the mix? And you create those relationships, those connections, and the framework with a customer, to the point when they get that they would like to step away from the business, or to sell an asset, they have a point of contact and a trusted advisor.

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MS: So, great foundational statement. Now, if you're part of my advisory team, we're doing some inventory management, some valuations, etcetera. Now, me and my business partner, we're thinking it's exit time. I'm going to actually unwind this farm. Now what?

JC: Have the discussions around timing. That's actually probably been one of the most positive changes I've seen in the business is that people are planning much farther ahead of time, or earlier than they had in the past. Once again, early on in the business, you get a phone call in January for a customer that wanted to sell in April, and they haven't even talked to their accountant yet. Where now we're getting customers that are calling us three years ahead of retirement time. And they want to understand what timing looks like. They want to understand the benefits to sell pre-harvest, post-harvest. There's tax implications. Can we split a sale over two different tax years? The questions are endless but the best part about it, and the easiest way for us to give the strongest advice and provide the best return possible is just have those conversations early.

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MS: Does spring matter versus fall? That might be a hard question to answer but I'm going to ask it anyway. So, spring or fall?

JC: Well, I would say I'm really neutral when it comes to that. I think the history would have said that early in the spring is better. You get ahead of ... it's kind of a kick-start to the fresh new year. Whatever happened, good or bad, is behind, it's in the rear-view mirror and it's a brand new year, pricing will typically be the strongest. I think if you had to back me into a corner and say my absolute best time to have an auction sale, I'd probably pick November, December, just for the fact that the year is now behind everybody. It's fresh in their mind of the crop conditions, what they have sitting in the bin. They're still looking to upgrade before Christmas hits, and that's a great time to do it. However, we are busiest in March and April, just for the fact that typically if a land sale did happen the previous year, customers then want to get past winter, sell their equipment, and the new owners will start farming the land. So, there's lots of variables that work into that.

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MS: Jordan shares some interesting thoughts about planning well in advance of your sale, and the timing of when to host an auction. Like any other major business decisions, giving yourself ample time to plan, and having a well thought-out strategy is important when hosting the auction. Going back to our discussion around the increased value of machinery at the auction, there's less brand-new pieces of equipment out there, so I would assume that there are more buyers looking for good used equipment. I was curious what Jordan's thoughts were on how this impacted the timing of the auction, or the success of the auction itself.

JC: A lot of the customers' buying habits have changed strictly just on value and the availability and, of course, how important that tool is for their operation for the upcoming season. So, why would I wait 'til the last minute? Now, in saying that, people still do it, and we still sell lots of high-priced seeding equipment in March and April. However, we see a lot of those pieces actually bring better value in November, December, where people can pay a little bit more to secure that asset to know that they have it for the following season. We saw that with combines as well. Combines are actually, in certain cases, selling better in the spring than they are in the summer, just for the fact that buyers are trying to lock down their equipment sooner rather than later.

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MS: So, it does support your position that having my auctioneer specialist at the table to give me that type of insight, especially if you're a guy like me that's maybe caught in a traditional way of thinking about how farm auctions work, when stuff sells at a premium. I think you're reinforcing your point well. So, moving ahead then, now I've met with you, worked on this timing thing of when we do we want to do our farm auction. Where's the next piece where your team maybe adds value to my entire farm sale process?

JC: I think once a prototypical strategy is laid out and we can all agree on somewhat time frames and what that looks like, it's actually now you start looking at the assets, the value. And for the most part, customers may have an unclear expectation of what the true value is. It could be the original purchase price, and then on an appreciated recovery. It could be on an insurance list of what we have it insured for. What is the actual value of the equipment? We can tell you, in the current market conditions, what we think that equipment is worth. And we now have new tools where a customer can actually do that themselves through an inventory management system and a pricing system as well.

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MS: So, you've got a valuation step that allows me to make an informed decision on my sale from a tax planning standpoint or timing. And then you've got the idea of, now I can make a decision on what type of contract I want to do, whether I want the guarantee, or I

want to go unreserved. In your experience, what are most farms doing these days in that space? Because the guarantee one, for me, I like it from a risk management standpoint. I can de-risk the sale, and I'm all about that in our industry. But what do you see most people do?

JC: There's been a general shift, I would say, since I've been with Ritchie Bros., that as the value of the equipment increased, then the desirability of a guaranteed contract option has increased as well. Now, just as a point of clarity, everything that we sell at one of our live auctions or timed auctions, is unreserved, whether there's a straight-commission contract in place or a guarantee. So, that doesn't change how the customer buys, and if they're successful or not. But to your point, from a risk-management standpoint, the customers have comfort in that. And there's customers that it's amazing that we could sign a deal with them, a guaranteed part of the sale, and once sale day actually happens, they've actually forgot about what their guaranteed number is, or what the value is. They just were happy that they had that security blanket. And I give credit to our farmers in Western Canada, of course, our family farmed as well. Every time you have a crop year, there is risk involved. So, I would say that our farmers are as risk averse as anyone. The standard line that I would use with a lot of customers is that you've been risking things for however long you've been farming, why would you risk your last crop? And essentially, that's the auction sale, in my mind.

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MS: Just in case anyone listening needs a little bit more clarification, an auction guarantee is an agreement between you and the auction house where there's a guarantee that you'll receive a minimum price for all of your assets, regardless of what they sell for. This is different than a reserve price where there's a minimum bid on a particular asset with no guarantee that you're going to sell that item unless someone offers to pay that amount. This helps de-risk the sale for the seller and, I imagine, also is a huge motivator for the auction company to try and sell your item for well above the guarantee.

So, now you and I have a contract that we've set up. We've agreed how we're going to manage the risk and with the commissions and all that's attached to it. Sale day happens, everything gets sold. What do I need to know now?

JC: There's lot of emotions. Hopefully, lots of family, lots of friends around. But now those assets that are purchased need to go to new buyers. So, there's anywhere from a one-week to a month sometimes, a little bit more, process of trying to get those assets out of your yard. Customers are picking them up. I would say a solid 30-day post-sale process of payment collections, lots of communication between Ritchie Bros. and the selling customer to make sure that everything is moving out of the yard the way it should. We will transfer the proceeds of the auction sale to the customer. And our relationship at that point, obviously we want to continue, but from a business standpoint, it's somewhat limited and things change. So, in a perfect world, that would wrap up the process.

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MS: So, now the cheque's in my account and it was a nice time, Jordan, and we're good, if there's no other problems. Have I got this right?

JC: Correct.

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MS: Well, you make it sound easy. Thanks for framing that out for us because I think that kind of maps it out for people that maybe don't necessarily understand the steps, and the value of having your peer group at the table helping people through this so they don't have to do it alone. And I love your analogy of, it's your final crop, your last crop, why risk it. I think that just speaks to planning and how farms today should consider to operate, is having a plan and a strategy.

JC: We look at this as the highest responsibility that we can. So, it's something that we feel privileged to be able to play a part in that process, but we need to play a part in that process. And my advice to anybody, whether they're choosing us or someone else, is surround yourself with experts.

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MS: Jordan did a really good job of walking us through the process of working with an auction company on the sale. He makes a really compelling argument for including the auction company, or that expert, alongside you and your other farm advisors. Clearly, they offer a lot of expertise that can help you get a lot of value out of your buying and selling strategy. Now that Jordan has sold me on the value of working with the auction industry, I'm curious to hear his thoughts on what our industry looks like 10 and 20 years out from now.

JC: I'd love to see it relatively unchanged because I really do enjoy the business. What I love about this business, Marty, is the fact that, in my mind, I think we have the best customers in the world, and that's one thing I don't want to change. I'm from a small town in Western Canada, I see my customers at the rink, I see them up and down the roads, I see them at the grocery store, at community events. That's truly what I love about this business in that I get to represent, and our team gets to represent and bring the tools from a world-class company, but still get to do it in an approach that we were raised from, that we know, and we love. And that, I do not want to change.

0:33:07.8

MS: Yeah, I share your values on that too, Jordan. And as much as we look at tech adoption and the transition in how we do auctions in the last couple years, it's still anchored in its people. And I think that won't be lost in 20 years. All right, Jordan, we're nearing the end of our chat and I have a series of questions I love to ask people. And so, if you went back to your 20-year-old self or the best advice you've ever received, what is it?

JC: I've been blessed actually in my life to have some very strong mentors, both within the auction business and just in life, whether it be sports or personal. But I will maybe go back to one of the best quotes and bits that I heard from Dave Ritchie, was treat your customers like your friends and you'll have a customer for life. And I just think that's fantastic advice to use, whether it's in business, in sports, or your own personal life, that the friendships that we have at the end of the day is really all we have.

0:34:02.8

MS: I think we could all live by that mantra. That's great advice. Thanks for sharing. A kind of unusual question that I'm going to ask you. Are you a trained auctioneer?

JC: I am, yes.

0:34:13.8

MS: I was pretty sure you were. I know that some of our listeners would like to know what is the ...? There's different ways to learn to auctioneer, as I would understand it. But I understand there's rhymes or tongue exercises you do?

JC: Yes. A lot of times they'd give us, you'd call them somewhat nursery rhymes, different ways to challenge your tongue. And of course, there's different skill sets where people can roll letters better than others. Some are stronger on filler words, or certain points in the alphabet than others. So, they gave you multiple ones to try and of course, you can start to gravitate towards what works for you, then it just obviously helps speed up the tongue and the voice.

0:34:54.5

MS: So, take us back. What was your favourite rhyme or the one you run through your head driving to the auction when you had to warm up?

JC: One of our past auctioneers, Jason LeBlanc, he did a version that was, I think, as long but as solid as anybody could. But it was a rhyme built along a lot of Bs. And you'll find that lots of certain auctioneers, that they'll go bumma-da-bum-bum, bumma-da-bum-bum, and they just have a strong beat, beat, beat. And, of course, Betty bought a bit of butter, that one always worked well with me, and it was relatively easy to remember, and kind of just suited my voice and my style.

0:35:31.8

MS: So, if you're on the tractor listening to us right now, it's Betty bought a bit of butter?

JC: Yeah, Betty bought a bit of butter.

0:35:38.3

MS: All right, Jordan, great chatting with you today. I think I learned a lot of stuff here I didn't appreciate about your side of the business, and I think we should give you the last word, with your rhyme, for anybody listening.

JC: There's a whole sequence, but it's, Betty bought a bit of butter, and the bit of butter Betty bought was bitter. So, Betty bought a bit more butter to make her bitter butter better. Betty bought a bit of butter and the bit of butter Betty bought was bitter. So, Betty bought a bit more butter to make her bitter butter better.

0:36:01.1

MS: Oh, I love it.

JC: It's amazing how many people have different chants and what their filler words are, but at the end of the day, you get the job done.

0:36:08.3

MS: Well, that ends today's conversation with Jordan Clark from Ritchie Bros. I don't know about you, but I honestly learned a lot of things that I hadn't considered before. So, what are some of the things, or my key takeaways? 1) Using the online sales method to help broaden your customer base may ultimately increase the value of the sale. It goes without saying that the internet has opened up our ability to buy and sell across all borders. Jordan found that when they focused on their online auction, they gained access to a wider audience and increased the auction engagement in general. It's also coupled with the fact that online timed auction allows many people to participate who couldn't attend in person. The barriers that prevented people from attending a live auction were essentially removed. If there's one thing that's true, it's that the incorporation of internet-based practices are here to stay. They have a lot of benefits if utilized correctly. 2) Including someone from an auction company in your farm advisor group is something worth considering. It's not just from a selling perspective, but also as a buyer of real estate, or cattle, or equipment. An auction company is well equipped to understand the value of selling your assets and can also provide meaningful leads for things you want to buy. Having some good leads on used assets can really speed up the process of acquiring things like needed equipment replacements or upgrades. An auction company also provides a very specific range of expertise. As Jordan suggests, beyond being an auctioneer, they have to be good communicators and sometimes even mediators in the process. 3) Auctions require a lot of careful planning and timing. This probably seems like an obvious point, but an effective auction can be a key part of your successful navigation of important business transitions. Jordan describes how an auctioneer can help you when it comes time to offload your assets prior to retirement. Everybody knows on this show we talk a lot about planning and thinking ahead. It's critical to a successful transition plan. I think it goes without saying that you can never be too prepared when it comes to business transition and expansion.

Well, that about wraps it up, folks. I want to thank Jordan Clarke from Ritchie Bros. for coming on the show today and walking us through the auction process. I'm sure you'll all have a lot to chew on after listening to him speak. And as always, if you enjoyed this conversation, don't forget to like and subscribe wherever you get your podcasts. Thanks again for listening. Until next time, dream, grow, thrive. This podcast has been brought to you by AgExpert, farm management software designed for Canadian agriculture. Learn more at AgExpert.ca. The FCC Knowledge Podcast is a Farm Credit Canada production.

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