

JANUARY 2019

# AgriSuccess



Alberta farm CEO  
puts her

*Heart*

into it



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## AgriSuccess

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

- engaging
- motivational
- innovative
- actionable

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# Learning from mistakes



A year ago at this time, I was excited by a new intercrop combination I was going to try.

I planned to grow maple peas, a type of pea that has found a niche market in China where they're consumed as a sprouted seed. However, the preferred variety has a tendency to fall down late in the season, making harvest difficult. Growing it with another crop, I reasoned, could help avoid the lodging problem and I'd just separate the two crops after harvest.

To make intercropping successful, you have to be able to accomplish weed control and separate the seeds after harvest, and the two crops should have similar maturity. Barley, I thought, would fit those parameters.

It was a dry, hot growing season and yields weren't stellar on any of our crops, but the maple pea-barley intercrop did well, and harvesting was easier.

The problem came when I tried to separate the two. I have an old Clipper cleaner that I thought would easily do the job. Unfortunately, any screen combinations I tried left way too much barley in the peas.

In the end, the whole crop had to be run through the cleaner and then run a second time through a cleaning spiral that I rented from a neighbour. With spirals, peas roll faster and can therefore be separated from the barley, but the sample has to be reasonably clean of debris first.

There were many, many extra hours of seed cleaning to get myself out of the mess I had created.

I can confidently say that while I believe in the potential of intercropping, I won't be pairing maple peas with barley again.

Undoubtedly, I'll find some new mistakes to make in 2019.

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

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# Corporate farm landlords breathe easier

BY LORNE McCLINTON

Farmers who fund retirement by renting out land they own inside a farm corporation are breathing a lot easier now than they were a year ago. Only moderate changes are being made to the small business tax structure. Retiring farmers are particularly relieved, because initial proposals were to tax rental income from land held inside farm corporations at up to 71 per cent. The final legislation provides a \$50,000 threshold for passive investment income (things like land rent and other investment income), reducing the impact.

"If the initial changes had been adopted as first proposed, they would have had a very, very significant impact," says Kelvin Shultz with Wheatland Accounting in Fillmore, Sask. "All passive investment income would have been taxed at the highest rate. Since they were going to eliminate the Refundable Dividend Tax on Hand (RDTOH) refund also, farmers would have been paying the higher tax rate even if they had paid it as a dividend to themselves."

Landlords have always potentially had to pay a higher tax rate on income earned from renting out land owned by a farm corporation than for land that is privately held. Rental income from privately owned land is treated like any other income. How much tax is paid depends entirely on tax bracket. Tax on corporate passive investment income (which includes land rent) varies from province to province. In Saskatchewan, for example, it's taxed at 51 per cent. However, the rate can be reduced to just 20 per cent if it's paid to shareholders as dividends.

Basically, the regulations are trying to encourage individuals not to store extra funds inside a corporation.

Things stay pretty much the same under the new rules as long as you don't exceed \$50,000, Shultz says. If you do, the new regulations start to grind away the small business deduction. Every dollar over \$50,000 of passive income the company earns will reduce the small business deduction by five dollars. It would be totally eliminated once the corporation reaches \$150,000.

"The new changes do split the RDTOH into eligible and non-eligible," Shultz says. "But that gets really complicated. Suffice to say that thanks to the \$50,000 passive income threshold, the new rules won't have a big impact on the majority of farmers." ■

# Alberta farm CEO puts her *Heart* into it

BY KIERAN BRETT

Every corporate leader needs a vision – a guiding idea they can aim towards and rally others around. For the past 16 years, Elaine Bellamy has run Will Farms near Rosebud, Alta., according to a maxim her father passed along.

“My dad taught me something vitally important,” Elaine says. “That was, to love the land and throw all your energy into growing the best crops possible.”

The operation spans 10,000 acres of crop production with wheat representing two-thirds and canola one-third. Elaine is chief executive officer, her husband Keith is responsible for operations, and daughter Heidi Bell and son-in-law Justin are also involved. With a farm this size, the division of responsibilities is important.

“I’m the problem-solver,” Elaine explains. “That’s the job of the CEO. You have to be passionate about its success. I have a tremendous asset in my husband, who has always been involved on the operational side. Together, we’re a great team. We’ve carried on from my dad and we just manage it and love doing it.”

Under Elaine’s leadership, as the third generation on this land, Will Farms is built on high quality crop production and four overarching values:

## Health

Elaine is proud to be a canola grower. One key reason is the proven health properties of canola oil and its acceptance by nutritionists, food processors and consumers around the world.

“I love growing canola because its oil has such healthy aspects,” she explains. “Most Albertans know canola oil is healthy, but I think it’s vital we educate all consumers and share scientific information to counter some of the fear-mongering out there.”

## Environment

With her father’s ‘love the land’ advice top-of-mind, Elaine manages crop production in a way that benefits her family, the land and society at large. The fine details of agronomic management are carefully observed, resulting not just in high-yielding wheat and canola crops, but a thriving farm ecosystem, too.

“One important environmental aspect is my 10,000 acres of healthy plants growing here every year,” she says. “Can you imagine how much pure, clean oxygen my plants are releasing into the atmosphere?”

## Safety

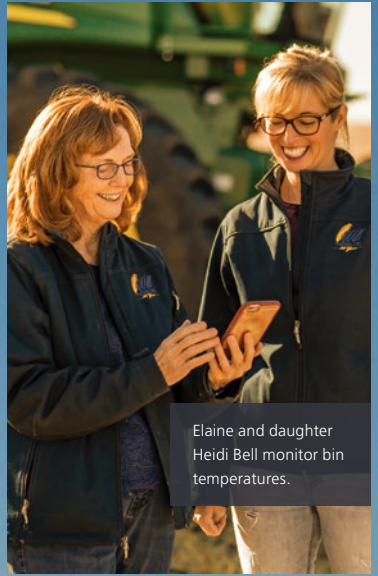
From the CEO’s chair, farm safety has become more important in recent years. With new health and safety guidelines to observe, ensuring employee safety and managing the risk of corporate liability has never been more important. Their on-farm safety plan is the blueprint.

“It’s simple things, like being sure fire extinguishers are certified, having first aid kits in all equipment, caged ladders on our bins, and that bins have temperature sensors so I don’t have to ask employees to climb and probe bins.”

## Family

On a recent summer day, something came to Will Farms that’s been scarcer this season than Elaine would like: a good soaking rain. As the skies opened, her two-year-old granddaughter let out a whoop and ran around the house. It was a moment that took Elaine back to her own childhood.

“I remember growing up seeing Dad standing in the shop looking out, watching the rain fall with this great contented look on his face,” she says.



Elaine and daughter Heidi Bell monitor bin temperatures.



Justin Bell (above) and Keith Bellamy (below) finishing harvest.





Elaine leads and feeds the team during the busy harvest season.

Like any Canadian farm, Will Farms sees its share of challenges. Issues like global trade tensions, taxation, grain transportation, politics and a host of other concerns are never far away.

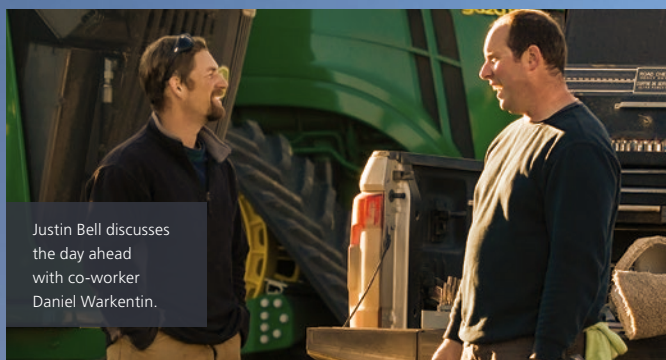
Still, Elaine figures that simply complaining about things isn't going to change much. You have to get involved and speak up. She spent six years as an Alberta Canola Producers Commission director, an experience she feels expanded her knowledge and ultimately made her a better farmer.

As the leader of this multi-generational farm, Elaine's eye is always on the future. Her daughter is busy raising two young children, and Elaine recognizes a certain family passion in the next generation.

She notes Heidi was always intensely interested in the workings of the farm. A few years back, when the farm was short of workers, she stepped forward to operate the equipment at seeding and harvest.

Just as Elaine Bellamy has carried the torch her father passed to her, she'll do her utmost to help the fourth generation, and a very young fifth generation, live the farming life and enjoy its rewards.

"The most important part of any transition is transferring the love for each field and each crop we grow," Elaine says. "Running a farm is the best life you can have. Ours is a different set up, but I want Heidi to feel the pride that I feel in being part of Will Farms. And, I want her husband and her little girls to feel they are part of a wonderful farming family. I think we're succeeding." ■



Justin Bell discusses the day ahead with co-worker Daniel Warkentin.

# Look beyond herbicides for weed control

BY KEVIN HURSH

Herbicides are not the silver bullet, magic solution to weed problems they once were. New remedies are being sought as herbicides run into all sorts of hurdles.

In the "good old days," life seemed simpler. You just got advice about what herbicide or tank mix of herbicides to use to control a set list of weeds in a particular crop.

These days, weed populations are becoming increasingly resistant to certain chemistries and replacement herbicides don't always exist. What's more, few new chemistries are in development.

On top of that, maximum residue limits, or MRLs, are not always in place or standardized in importing nations. This is also limiting a producer's options. The KeepingItClean.ca website has been established to help producers sort through the maze of what is and isn't allowed.

Take the example of the weed kochia in a lentil crop that's nearing harvest. In the past, a producer may have applied glyphosate to kill the weeds and start them drying down to make combining easier. But in recent years, a growing percentage of the big Christmas tree-shaped weeds are resistant to glyphosate.

Tank mix partners are available for glyphosate to overcome the resistance issue, but these chemistries may or may not have MRLs established in the countries buying the lentils. Beyond

that, glyphosate is under constant attack by activists. Some buyers want to avoid any glyphosate residue, no matter what regulations allow.

In the future, integrated weed control strategies will become more important. Herbicides will remain an important weed control tool, but other options will increasingly be adopted.

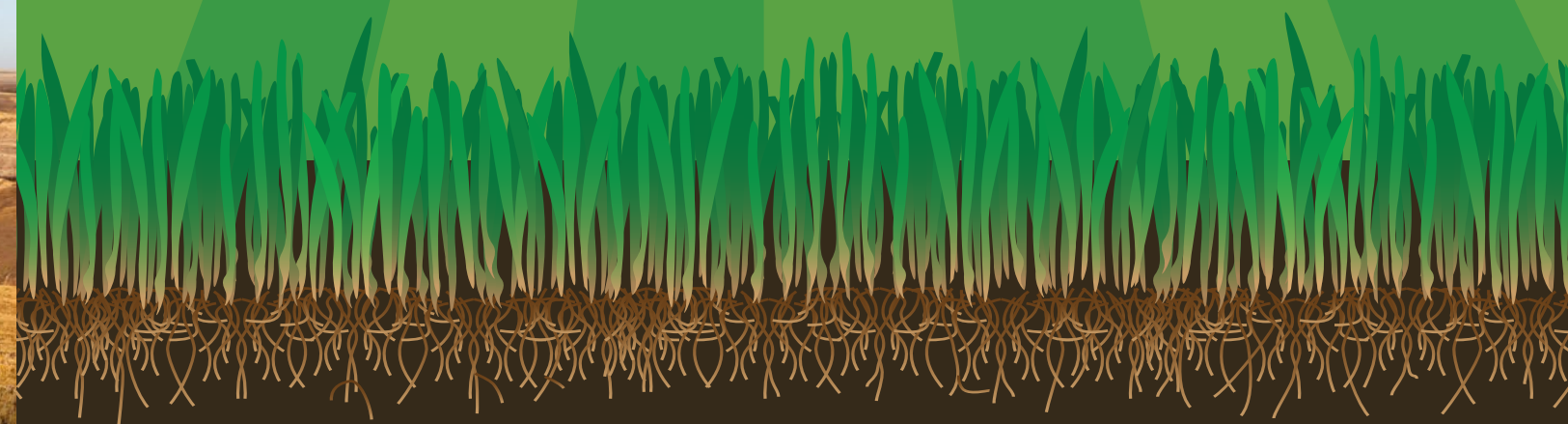
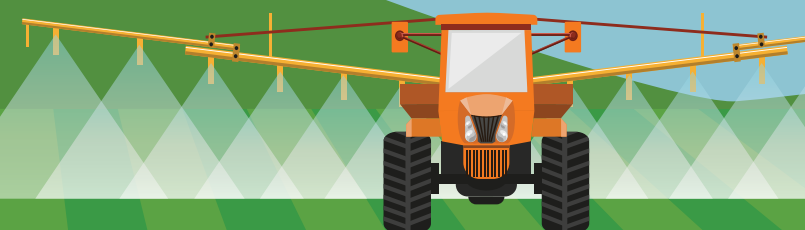
Tillage has drawbacks, but new tillage options are being developed including cultivation between crop rows aided by special cameras and software.

More attention is being paid to limiting the return of weed seeds to the soil. The Australian-developed Harrington Seed Destructor is being evaluated in Canada, and other methods are being explored for destroying weed seeds as they exit the combine.

Agronomics are another important tool. Crop rotation, heavier seeding rates, narrower seed rows, intercropping and cover crops can all help crops compete with weeds.

None of these alternatives is a solution by itself. There is no single answer to replacing herbicides. However, there are lessons to be learned from organic producers who have always had to use other strategies.

As producers, we need to adjust our mindset. This means using herbicides more wisely while also exploring other avenues for weed control. ■



# SARA KATE SMITH

BY MYRNA STARK LEADER

The 2018 list of achievements of this Barriere, B.C., young farmer reads like the bio of someone well beyond Sara Kate Smith's 19 years: youth representative at the Canadian Agriculture Minister's meeting, B.C.'s provincial 4-H ambassador, B.C. rep on the 4-H Youth Advisory Committee, and received the 4-H Canada Leadership Award of Distinction (LEAD).

Sara Kate joined the Yellowhead 4-H club as a second-generation club member and credits the organization for enabling her to excel. LEAD recognized Sara Kate for community engagement and communications, and included a four-year \$20,000 scholarship.

"Part of why I think I got the scholarship is because in 2016, I ran a communications conference in B.C. called Speak Out Loud, targeted to B.C. 4-H members," she explains.

At that conference, she networked with people in her community as well as the speakers, many of whom came from various parts of agriculture. In 2017, she was North American representative at a Global 4-H Network Summit and conducted a workshop on the importance of personal branding.

Today, she's in year two of a political science degree and contemplating a masters program, but feels her career path isn't set. This past summer she helped organize a 600-delegate global trade show for international wood buyers, a role that also fits her since her family owns a third-generation sawmill called Gilbert Smith Forest Products Ltd.

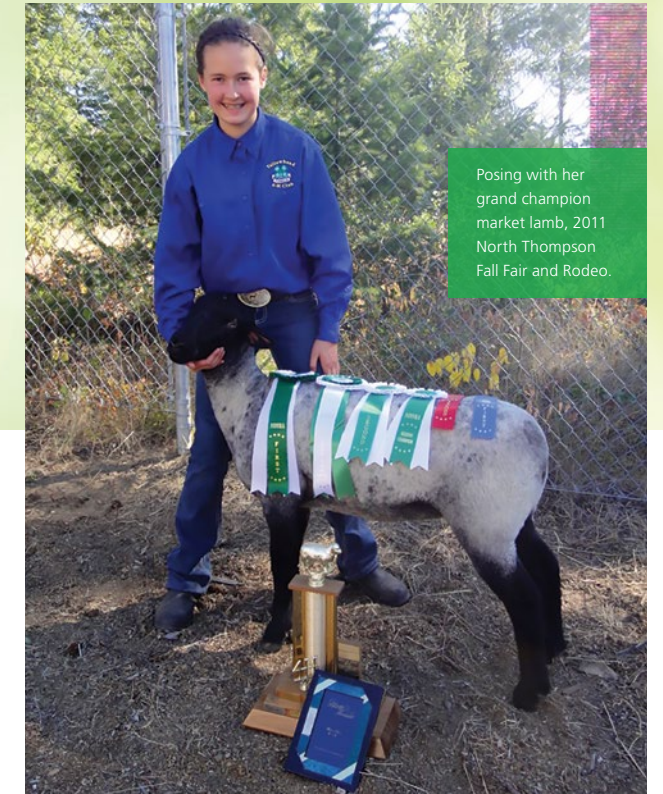
In addition to the university scholarship, LEAD paired her with mentor Mandy Rennehan. The Nova Scotian founded Freshco, Canada's first full service, 24-7, on-call retail maintenance provider.

"She scares me just a tiny bit. Our first phone call was emotional for me because she really understood exactly what I was going through. We had never met and yet it felt like she really knew me."

Agriculture is never far from Sara Kate's mind. In October 2018 she represented Canada at the five-day United Nations Committee on World Food Security event in Italy. It's a huge accomplishment, given there are 70 independent-country 4-H programs and over 7 million 4-H members worldwide.

"The public sector attending this UN plenary meeting expressed an interest in having a youth voice, and 4-H was selected for its esteemed youth programs and connection to international agriculture," she says.

"Doors open all the time and opportunities can change your path. This trip to the UN, for example, could change the trajectory of my career."



## Q&A:

### Do you use social media?

Honestly, the best connections I've ever made have come from introducing myself to people in person and then following up by email.

### What are some of your favourite reads?

The Preston & Child novels for fun, and biographies like those of Arlene Dickinson, Sophia Amoruso, and Sheryl Sandberg. One of my favourite business books is one my dad gave me. It's *Rain: What a Paperboy Learned About Business* by Jeffrey J. Fox.

### What's your dream job in agriculture?

I can see myself working with people – farmers and producers – in a role that somehow would support the industry.

### Who do you admire in agriculture?

The people I admire most are the people involved in making positive change and those providing food every day for Canadians.

### How do you prepare for big events like the one in Italy?

I researched the topics of the event and the next steps the UN will be taking toward food security.

### What would you say to encourage an urban 11-year-old to join 4-H?

I'd share the opportunities that I've had. You get to try so many things in a fun, supportive environment. It's one of the best youth development organizations in the world.

### What's something important your mentor has taught you?

My mentor is helping me learn balance, that is, saying no. Admittedly, that's something I am still working on! ■

# LANDLORD MANAGEMENT

BY LORNE MCCLINTON

Farm size in Canada is growing steadily, with much of the growth from leased land. An estimated 40 per cent of the country's farmland is rented – 25 per cent of it from a private landlord – so the viability of many farm operations depends on good landlord-tenant relationships.

“Maintaining a good relationship with your landlords isn't rocket science,” says Mike Strang, a cash crop producer at Exeter, Ont. “Just treat them the way you'd want to be treated if you ever decided to rent out your farm. You could take the attitude that you rent the land legally and can do whatever you like with it no matter what the landlord thinks. But if you do, you're going to have a short-term rental agreement.”

## Who are the landlords?

Randy Manikel of Nanaimo, B.C., is a typical example. The retired farmer has been renting his Manitoba farmland to the same producers since 1998. Having a tenant he trusts to be a good steward of his land is more important to him than getting the highest rent in the neighbourhood.

“We get calls from people all the time wanting to rent our land, but let's face it, in the past decade or so only a very small percentage of the total return you get from land ownership comes from rent,” Manikel says. “The value of our land has been

increasing by 10 to 15 per cent a year. Rent is maybe two per cent. It's far more important to us that we have a tenant we trust.”

Manikel's land, like most farmland, was never available on the open market. He selected a local farmer he admired, a pioneer of minimal and no-till in the region, and approached him. Since they had a high level of trust in each other, they've never had a formal written lease agreement, but Manikel says he would definitely have one if they rented to someone else in the future.

“Having a written agreement is important,” says Melisa Luymes, general manager of the Ontario Institute of Agrologists. “There are just so many horror stories out there about people who've had handshake agreements go wrong. What happens when tragedy strikes, the landlord passes away, and the heir has no relationship with the farmer?”

“People are worried that asking for an agreement shows a lack of trust in the other party. But in reality, it's the opposite,” Luymes says. “The farmers and landlords I've seen with leases have more confidence in each other and confidence to invest in the property.”

Different landlords have different expectations, Strang says. Some want a straight cash rent deal. They only want to see you in the spring and fall when they get their cheque. Others are very interested in how their land is managed.

## Rate types

Cash rent is still king, Strang adds. Some like having a cash base and receiving a bonus after returns reach a pre-determined benchmark. Recently retired farmers might be interested in the tax advantages of keeping some skin in the game and want a sharecrop arrangement. The more complicated the lease arrangement is, the more communication is required to keep it working smoothly.

“We want landlords we can work with over the long term,” Strang says. “We make a big investment in crop inputs that don't always pay off for three or four years. We don't want to worry we'll lose our lease after three years just because someone comes along and offers them five dollars more an acre.”

## Professional advice available

The close relationships that Manikel and Strang advocate are much easier when the landlord knows their tenants and their land and is knowledgeable about agriculture. Manikel thinks some farm landlords might want to hire professionals to manage their rental arrangements.

“My brothers, myself, and our children have all been involved in agriculture and keep our fingers on its pulse,” Manikel says.

“But perhaps their surviving spouses or the next generation after them won't understand the economics of farming or be able to determine what rents should be.”

“The people who benefit the most from (companies like) us are those who have acquired family land but are a generation or more away from the farm,” says Glen Doll, an appraiser with Serecon, a land management company based in Edmonton, Alta.

There are benefits for those still living in the area too, as not everyone is comfortable negotiating with friends and family. It's easier for them to step away from the decision and let someone else handle it.

“One common scenario we see is where the landowner died early,” Doll says. “The wife inherits the land, and she keeps renting it over again and again for the same amount her husband had. Because that was just the way things were done.”

Doll says a lot of land in Western Canada is being rented at significantly below market value and landlords would benefit from someone else coming in and giving a third-party opinion.

For producers renting land, treating landlords appropriately is important for maintaining a long-term relationship. ■

▶ **VIDEO:** J.P. Gervais, FCC Chief Agricultural Economist, explains how communicating about crops and agriculture can help maintain positive landlord-tenant relationships. [fcc.ca/Landlords101](http://fcc.ca/Landlords101)

# CATTLE AND GRAIN FARMERS FIND WAYS TO CO-OPERATE

BY KEVIN HURSH

For many cattle producers across the country, last growing season was a scramble to acquire enough feed. Many regions were hot and dry with parched pastures and meagre hay crops. It wasn't unusual to see hay prices rise from \$70 a tonne to \$200 or more.

In times like these, producers get creative. New relationships are forged between cattle producers and their grain-farming neighbours. Co-operation can be a win-win, but sometimes, for various reasons, opportunities are missed.

Dairy operations typically have first dibs on high quality hay production, and in areas prone to drought-reduced hay and silage crops, many dairy farms will make sure they always have a significant inventory on hand, notes Cedric MacLeod. He's president of MacLeod Agronomics, a crop and cattle farming operation in Carleton County, N.B. He also provides professional consulting services.

While dairy producers require high quality hay, the list of viable feedstuffs for beef producers is more diverse, and that's where various options exist for cattle and grain producers to work in concert.

## Opportunities

The list of mutually beneficial deals is long. For instance, after harvest, grain land can be fenced for grazing. This is particularly attractive if there's some crop regrowth or if the area includes some grassland and if a water supply is readily available.

"This has become more of an option with the use of electric fences and solar panels," says Sandy Russell of Spring Creek Land and Cattle Company at Outlook, Sask. In addition to being a beef industry consultant, Russell and her family are also beef producers.

Changes in agricultural practices open new opportunities. In many regions, cover crops are gaining popularity. After a crop is harvested for grain, another crop is left growing on the land.

"We're still working to figure out how the cover crop revolution can support the livestock industry," says MacLeod.

After hailstorms, cutting and baling can be the best option on some damaged cropland. And of course, cattle producers can bale straw if grain producers are willing to drop it in rows rather than chopping and spreading it behind the combine.

## Communication key

While some farms raise both grain and beef, increasingly farms have become specialized. Grain producers often don't fully appreciate the feed supply needs of their cattle farming neighbours and therefore don't recognize areas of co-operation.

"We're stuck in our traditions and how we've done things," Russell says.

"Establishing a long-term relationship is important," MacLeod notes. Ongoing dialogue helps ensure opportunities don't slip away.

## Economics matter

When feed is in short supply, a grain producer might see dollar signs while a cow-calf producer might be hoping to salvage some feed for free. This divide has to be bridged for win-win situations to materialize.

"Even straw and chaff are worth something," MacLeod explains. And that value increases in years when feed supplies are short. On the other hand, grain producers need to realize that cattle producers must exercise their most cost-effective options, taking time, labour and transportation into account.

"Get advice on the feed value," Russell says, "and get agreements written down so there's clarity."

Beyond dollars and cents, convenience is also a factor. A grain producer might worry that bales won't be removed in a timely manner or that cattle might escape into a farmyard. That's why discussion and agreements are important.

## Get good advice

In times of high forage prices, the economic value of a grain crop for forage can exceed the value of the grain. The trick is to recognize the value of the alternative use. It can be tough to accurately estimate the grain yield and value versus how many tonnes of forage a crop will generate. Help is available for these determinations, including public and private forage specialists.

The calculation should also include what the grain producer will save in costs for not having to harvest, truck and store the grain.

While years with feed shortages force producers to become creative, even in years when rainfall and cattle feed are abundant areas of co-operation exist that can benefit both cattle and grain operations. ■



FOOD TRENDS

**"People still crave meat."**

– Sonya Roberts, Cargill Proteins, 2018 Beef Industry Conference



**Never fear, farmers, protein's future includes real meat**

The demand for alternative proteins, like plant-based burgers and lab-grown steaks, is on the rise. But plenty of all kinds of protein will be needed to feed the world as the population grows, and that includes meat.

Source: Farmtario

**Did you know?**

Canadian meat consumption has remained steady at around 25 kilograms per capita from 2015 to 2018.

Source: Statistica.com

ON THE TABLE

**WHAT'S CHANGED in 50 years of Canadian food?**

The face of the typical Canadian diet has changed, reflecting population diversity, health trends and globalization.

- Fewer potatoes, more wheat and rice
- Chicken and turkey are the most popular meats
- Bananas have overtaken apples as Canada's most plentiful fruit
- Less beer, tea and soft drinks in favour of more coffee and wine
- Rising popularity of milk substitutes like almond and soy beverages

**Our 3 fastest-growing food choices**



Avocados **1033%**



Blueberries **971%**



Leeks **767%**

Source: 1980-2017, CBC and Statistics Canada

TRANSITION

**Farm family transition tips from the trenches**

If your family is heading into a farm transition, here is important advice from those who've been there:

- Make sure everyone knows the end goals. Even non-farming children should know what the basic structure will look like.
- Ask the next generation what they want and have regular family meetings.
- Be open and bring any questions or concerns forward so they can be addressed.
- Work with a trusted team that can help you execute your plan properly.
- Transition is not a short-term project; be prepared to give it plenty of time.

Source: FamilyFarmSuccession.ca



**VIDEO:**

Farm transition expert Elaine Froese recommends you ask yourself what you want the next chapter of your life to look like. Then start the conversation that gets you there. [fcc.ca/NextChapter](http://fcc.ca/NextChapter)

TECHNOLOGY

**WHAT IS BLOCKCHAIN and what does it mean on the farm?**

Blockchain technology is an incorruptible digital ledger of all transactions involved in a supply chain. Information is passed along digitally and securely, providing transparency, legitimacy and security.

**Blockchain benefits for agriculture:**

- Faster product trace-back in case of crisis
- Elimination of food fraud
- Lower costs through greater efficiency
- More and easier information sharing along the supply chain

**Agricultural blockchain systems underway**

Grain, Canada	Turkey, U.S.A.
Beef, Australia	Pork, Netherlands

A 2017 U.S. trial by Cargill let consumers follow their Thanksgiving turkeys with a scannable code. Captured data in the blockchain included when and where a bird was placed in a barn, its diet, and where and when it went to processing.

Source: Farmtario, Rabobank, Ontario Farmer

# STARTING A FARM WITH SOUND ADVICE

This is Part 2 of a fictional case study created by BDO.

In Part 1 (November 2018 AgriSuccess), we learned about Jeremy's foray into full time farming. His custom baling business and cropping operation had grown to where he could quit his job and focus on his own farm. He worked with his accountant Alex to set up accounts to keep personal and business expenses separate and develop a plan for capital gain exemptions. They also determined that he was not in a position to benefit from incorporating.

Jeremy felt great about getting his business plan started, but his initial discussion with Alex prompted more questions.

## How should he do his bookkeeping?

Jeremy wanted to take his bookkeeping beyond the shoe box method to give him a better idea where he's at financially at all times and make it easier for Alex to prepare his financial statements and tax returns at year-end. Alex suggested three accounting software programs that suited Jeremy's situation and highlighted the features of each. Alex's staff would do the initial software set up and create the appropriate accounts. Jeremy really wanted a mobile-friendly system and to track repairs for each piece of equipment separately. Alex assured Jeremy that he would get some training to become comfortable entering expenses and revenues into the software and capturing the management data he wanted.

## Is there any tax planning he could be doing?

Jeremy and Alex planned to meet again before year-end to estimate his taxable income for the year and take action to reduce the taxable income if possible. He could prepay some of next year's crop inputs or defer some crop sales into the following year. Jeremy knew he didn't pay tax on his income from crop sales until they were sold, but hadn't realized the custom work income should be reported as it was billed, not when it was collected.

## What if he was injured and couldn't work?

Jeremy often thought about this but hadn't taken action as he did have some disability coverage through his job. Alex recommended a couple of options. With no family members and only some casual help, there would be nobody to make decisions or operate the farm if he was hurt at a critical time of the year. Insurance could at least provide some funds to hire people to keep the business running in an emergency.

Jeremy was embarrassed to admit he didn't have a will or power of attorney documents in place. It was always on the to-do list, but now his affairs were becoming more complex. He had to get this done.

The step-by-step process ... took Jeremy from feeling overwhelmed to feeling confident and empowered he was doing things right.

## What about employees and payroll?

This led to a discussion about hiring staff, particularly for the custom baling business. Alex directed him to the federal and provincial legislations covering farm workers. To date, Jeremy had been freestyling on how he hired, paid and fired help. He had no idea there were so many rules and reporting requirements for employees. Once he was ready to hire someone, he would call Alex and get set up properly. The software package he had selected included a payroll module. This conversation was an eye-opener for Jeremy. He had to start doing things by the book to avoid a major human resources problem down the road.

## How should he approach borrowing for land and equipment?

Jeremy had a floating-rate mortgage on the land he had purchased and bought his used equipment with his savings. But going forward, he knew he would need more equipment and wanted to be prepared if land became available nearby. Alex suggested he call his current lender and tell them of his change in employment status and his desire to expand. Alex pointed out there are many options available for equipment purchases beyond term loans, such as lease arrangements and dealer financing. Jeremy committed to making some inquiries before spring to better educate himself on his options.

## What if he gets married?

Jeremy was single, but he had a girlfriend and their relationship was becoming more serious. He had witnessed a number of ugly farm marriage breakups. He wondered if there was anything he could do to protect his business at the outset of a marriage. While Alex could offer some cursory advice, he recommended that Jeremy discuss the need for a co-habitation or pre-nuptial agreement with his lawyer. The only time Jeremy had used a lawyer was to buy the farm and sell his parents' house, so it was helpful that Alex could suggest a couple of lawyers in the area who were well versed in agriculture.

The step-by-step process Jeremy and Alex had taken during the off-season took Jeremy from feeling overwhelmed to feeling confident and empowered he was doing things right. It seemed he had positioned himself to grow and succeed. ■

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

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# A Happy New Year involves **mind** as well as **body**

Many New Year's resolutions focus on fitness and weight loss. What sort of mental health resolutions might farm families consider?



**PIERRETTE DESROSIERS**

Work psychologist, speaker, trainer, coach, author and agricultural expert

Simplifying your life helps improve your psychological, physical and financial health. Try cutting down on these:

- Possessions: Reduce the number of things you own and don't really need or use such as clothes, trinkets, kitchenware, tools and even equipment.
- Decisions you need to make: Create routines, protocols, rules. Limit your choices when deciding on a purchase.
- Projects: Don't take on more than you can handle. Limit the number, scope and frequency of small and large projects.

- Activities: We can become too busy with both our own and our children's activities. Each activity often takes more time than anticipated.
- Interpersonal conflicts: Choose your battles. Learn to let go.
- Goals: Prioritize and retain the most important ones.

Learn to say no to what's insignificant if you want to say yes to what's essential. And choose to simplify your life – one step at a time, one area at a time – to maximize satisfaction, efficiency and well-being for you and your loved ones.



**JANET SMITH**

Manager, Manitoba Farm, Rural & Northern Support Services

The World Health Organization defines mental health as “a state of well-being in which every individual realizes his or her own potential, can cope with the normal stresses of life, work productively and fruitfully, and is able to make a contribution to her or his community.”

Farming is considered one of the world's most risky and stressful occupations. With so many uncontrollable factors, it's no wonder. At the same time, farmers tend not to talk about their problems, or seek help when they need it. This makes them more at risk for mental health concerns and illnesses such as depression, anxiety and even suicide.

Given this reality, it is imperative that farmers (and those who support them) learn more about stress management and develop resiliency. Try this four-step Mental Health Resolution Plan (adapted from Difficult Times: Stress on the Farm, [klinik.mb.ca/about-klinik/resources](http://klinik.mb.ca/about-klinik/resources)).

- Be aware of your own stress levels. How stressed are you today? What are some of your stress symptoms? There are many free stress-management apps for your mobile phone. Try a few to find one that works for you.
- Learn to accept that some things are outside your control. Weather, pests, animal disease, etc., are not measures of your own personal success or failure.
- Develop good coping mechanisms. Make sure you are eating, sleeping and exercising. Take breaks, breathe and spend time with loved ones. Find a trusted friend or professional to talk to if you need help.
- Take action to include mental health as an integral part of your personal and farm business plan. Talk to a doctor. You're worth it!



**ADELLE STEWART**

Certified Life Coach, Director of Operations, Bridges Health

Making intentions to stay or become physically healthy and focus on nutrition is in itself a great resolution, because you are already contributing to your mental health.

A recipe for mental wellness requires a balance of physical, emotional and social attention. By taking care of ourselves with exercise and proper nutrition, we have the “physical” side of mental health taken care of – bonus!

For the other spectrums, humans are social creatures and we require quality interaction with others to stimulate our social wellness. Whether it's a tailgate supper, lunch around the

kitchen table or morning coffee at the local shop – a resolution to spend more quality time on a social level with family and friends would be a great step towards supporting one's mental wellness.

When it comes to emotional wellness, resolving to “feel your feels” could be a great way to start 2019. We have a wide array of natural emotions and it is important to experience and go through them versus stuffing them away. Whether you're feeling sad or mad, happy or glad, resolving to talk to someone or explore those feelings yourself can make a big impact on your abilities to cope. ■

# Canada's export performance builds resilience in face of trade disruptions

Trade tensions defined agricultural markets in 2018. That matters to a country like Canada. Canadian agriculture depends on the health of global markets to export large portions of our production. Although relatively small – in 2017, we were the 38th most populous country in the world – we produce more than enough to feed Canada and well beyond.

## Diverse exports

Canada exports a wide variety of food and agricultural commodities, totalling US\$46.2B in 2017. Oilseeds, cereals and meats represented 41% of all exports of agriculture and food products (Figure 1). All three categories recorded export growth in 2017: the value of meat exports increased 6.6% over 2016, cereals 11.6% and oilseeds 9.4%.

## Top exporter of agricultural commodities

Canada remained the 5th largest exporter of agricultural commodities in 2017, a position held since 2011. U.S., China, the Netherlands and Brazil maintained their world ranking positions for the fourth year in a row. Together, the top five countries accounted for 40% of ag exports in 2017.

Canadian exports of agricultural commodities totalled US\$25.9B in 2017, accounting for 5.2% of the world's total ag exports. This export performance was a 5.0% increase over 2016.

Figure 1: Oilseeds, cereals, and meats represent a large share of Canada's ag and agri-food exports



Source: UN Comtrade

## Knocking at the door of top 10 agri-food exporters

Canadian agri-food exports reached US\$20.4B in 2017, accounting for 3.1% of the world's total agri-food exports, a 6.6% increase relative to 2016 that made Canada the 11th largest agri-food exporter.

## Diversifying export markets is key strategy

World economic growth was revised downward for 2018 and 2019, yet the world's appetite for Canadian agricultural commodities and food continues to grow.

Our large import markets – U.S., China and Japan – will always be central to our success, but developing new markets can help minimize risks and meet ambitious export goals, particularly in this uncertain global economic environment. ■

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# Eyes in the sky monitor crop health

BY PETER GREDIG

Scanning the earth from satellites or aircraft with sensors or cameras to gather information is called remote sensing. It's been around for a long time in a peripheral way, but it's finally finding traction.

There have been significant improvements in recent years in the ability to monitor plant health from the sky using NDVI, or normalized difference vegetation index. Special cameras measure the difference in reflectivity between near-infrared light, which vegetation reflects, and red light, which vegetation absorbs. The comparison gives an indication of how healthy or stressed a crop is at that time.

Two major players offer satellite-driven crop imagery across Canada. Climate Corporation has FieldView, and Corteva's product is called Encirca Pro.

Marvin Talsma is Field Product Specialist with Climate FieldView. "The uptake has been encouraging. For 2019, we are already at millions of acres across Canada signed up for FieldView. There are numerous ways to take advantage of the imagery, but field scouting is probably one of the biggest benefits."

Talsma has a background in traditional field scouting, as in walking fields. "Even a diligent field scout can only see three or four per cent of the field when walking. FieldView's reflective imagery can make it easier to direct scouting activities to specific areas."

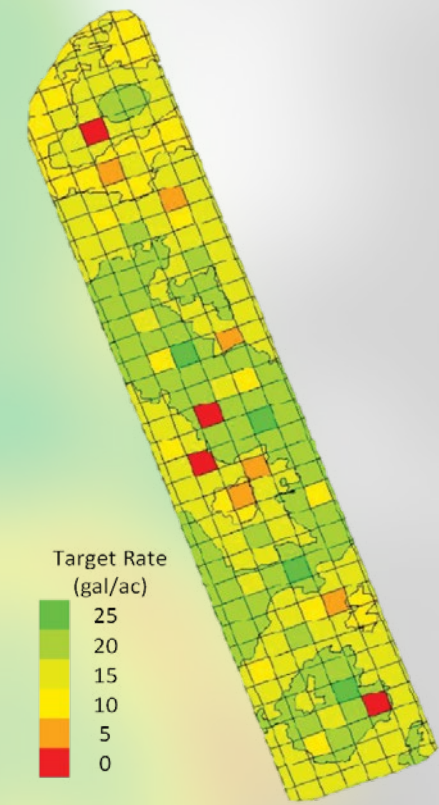
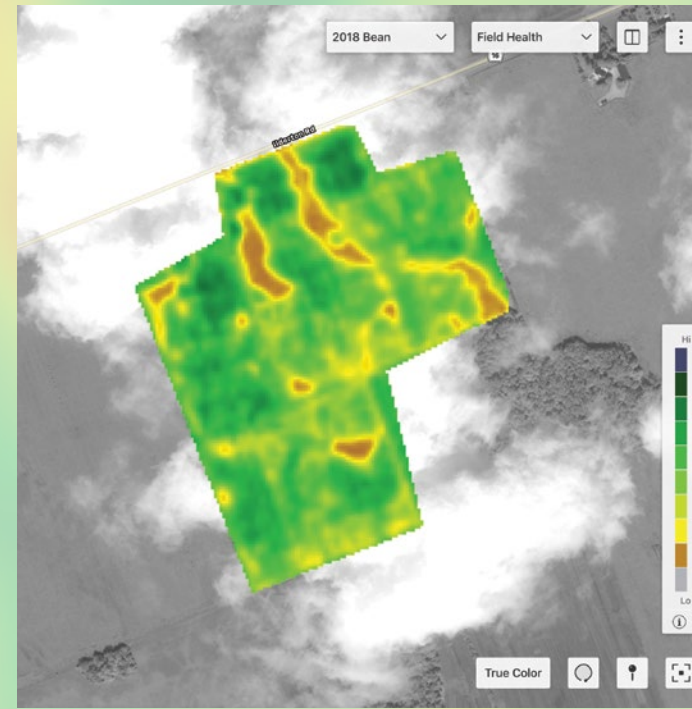
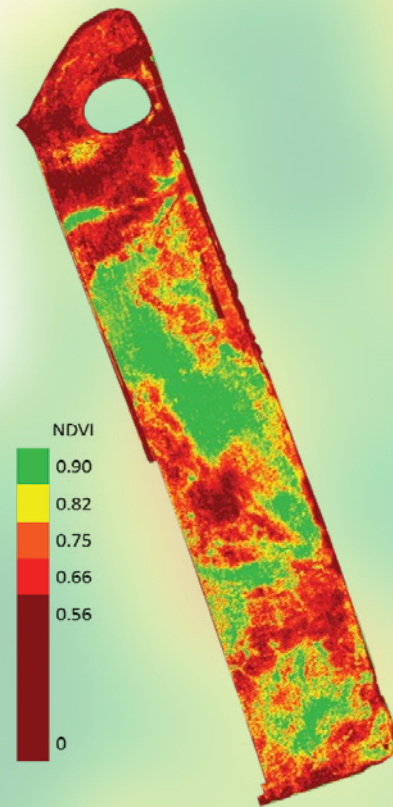
Farmers know their fields better than anyone, so the first step is to look at the imagery and apply that local knowledge. FieldView's scouting imagery uses five different colours to accurately show relative plant health in each field.

"Often it just validates something the farmer already knows, but what's more valuable is when it shows something that you can't explain with historical knowledge, variety selection, etc." At that point, Talsma says, it's time to get the boots on the ground and investigate.

There are some tips that help interpret what you are seeing. "Some growers use FieldView to compare treatments and check strips in a field. It's important to know that different crop varieties can have different reflective characteristics which may not mean one is better than the other," Talsma says.

"We look for seasonal patterns relating to the current growing conditions, varietal and man-made patterns that are the result of things the farmer has done, and long-term patterns related to soil type, drainage, compaction or some other issue. We're getting better and better at figuring these things out."

Kaye McLagan is the Encirca Pro rep for southwestern Ontario. She says the best way to describe Encirca Pro crop health imagery is that it sees things we can't. You can drive by or walk in a field and see very little difference in the plants, but there may be a dramatic difference in what the satellite cameras see.



"Encirca Pro uses a variation of the NDVI algorithm. We've tweaked it for specific crops because corn grows and looks different to the camera than a crop like soybeans or canola," McLagan says. "Encirca Pro imagery resolution is down to a 3x3-metre level of accuracy, but it's going to get better and better." Different colours denote low, medium and high health.

Interesting trends started popping up in 2018, the second year for Encirca Pro. "Some of our growers have found that a plant health image of a corn field at the V6 growth stage can be a very good yield predictor. We're also learning that in soybean fields, areas showing very high crop health in June and July can go backwards in August due to white mould. We can adjust the seed population prescription in those areas next time soybeans are grown to manage the disease."

### The advantages of satellite systems include:

- a low cost of about \$1 per acre for the entire growing season
- daily or frequent coverage
- mobile apps to access the imagery

It's an opportunity for farmers to dip their toe in the technology without a big investment in time, equipment and money. But satellite imagery has one undisputed weakness – cloud cover. For high value crops or for those producers looking for greater detail and cloud proof imagery, aerial drone services are another option.

Deveron UAS Corp. is a Canadian-based company that uses aerial drones to collect and analyze NDVI and other data to help farmers monitor their crops. "Depending on the task at hand, a closer look at a crop using a drone might be warranted, especially at critical timings such as in-season nitrogen applications or disease management," says Jacob Nederend, a research agronomist with Deveron UAS. "Drone image services cost a bit more, but go beyond what satellites can do when trying to assess things like emergence or plant counts."

"Beyond the in-season value of monitoring crop health for scouting and crop protection decisions, these images can help with soil sampling and zone management strategies for next season," Nederend says. The other advantage to using a service like Deveron is that they own and fly the drones so farmers don't have to. They generate the field imagery and make it available via smartphone for \$2 to \$3 per acre per pass.

Whether using satellite or drone technology, there's potential to integrate NDVI crop health imagery with other data such as yield, fertility, soil type, topography and more to help build production zones and create variable rate prescriptions. It's emerging as a powerful and accessible precision farming resource. ■



## SUPPORTING THE **FUTURE** OF AGRICULTURE

What does it take to start a career in agriculture? It begins with passion. But there's so much more. That's why supporting Canada's young farmers is a priority for FCC.

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Young producers play a key role in a vibrant, sustainable industry. We're adding fuel to your enthusiasm for agriculture with a series of free events across Canada. Ignite features speakers who inspire, inform and introduce new ways of thinking about agriculture.

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### Starting in school

Teaching school-age children and young adults about where their food comes from builds a stronger understanding of food production. But support for students doesn't stop there. The FCC on Campus program helps post-secondary students with campus improvements across Canada.

Promoting career opportunities in our industry is important – that's why we're partnering with Agriculture in the Classroom, 4-H Canada, and in Quebec, Croquarium, l'Association des jeunes ruraux du Québec and la Fédération de la relève agricole du Québec.

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Saskatoon	March 28
Saint-Hyacinthe*	April 3

\*Presentation in French

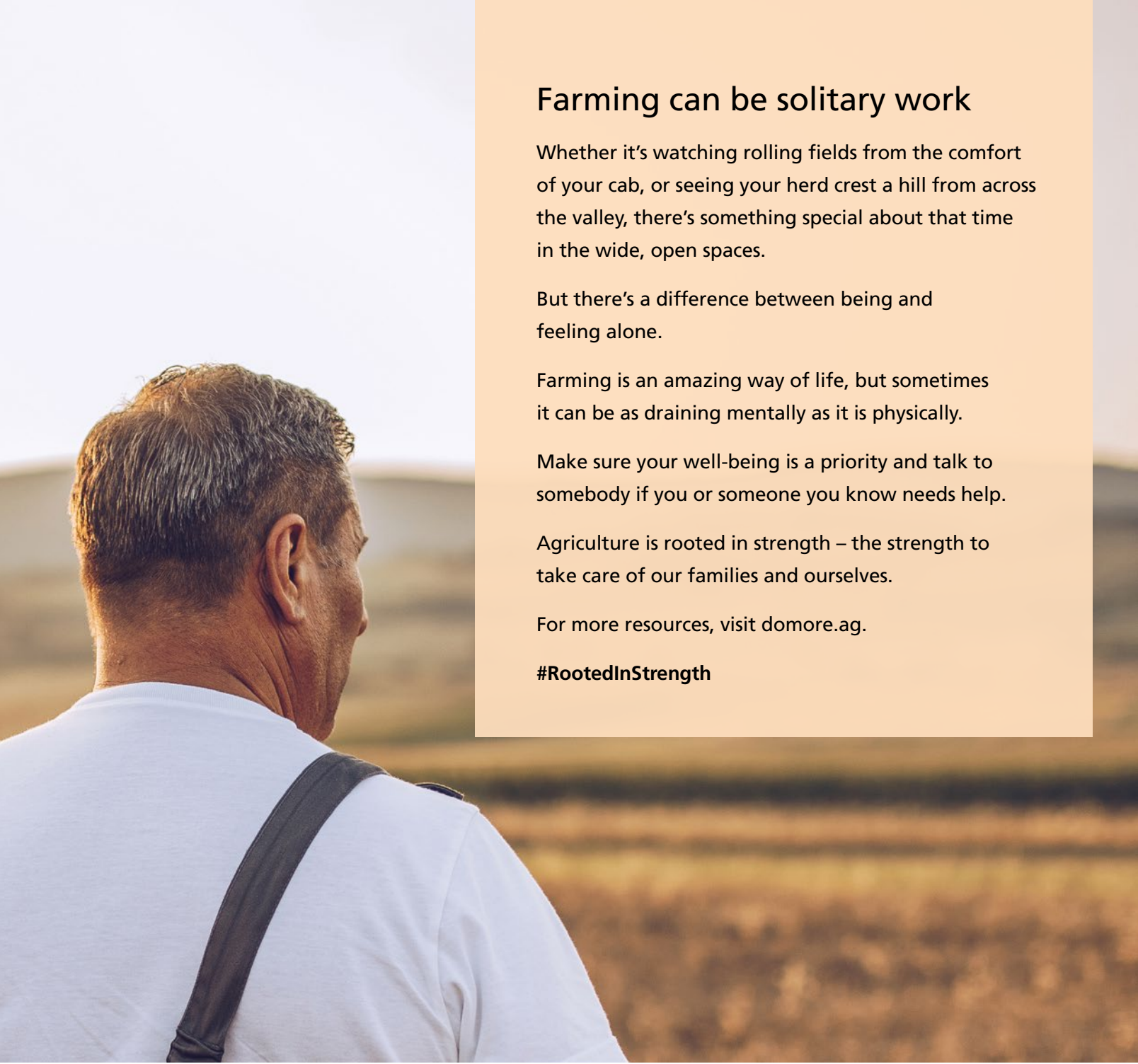


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## Farming can be solitary work

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For more resources, visit [domore.ag](http://domore.ag).

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