

ALUMNI NEWS

Realize *your* vision



SPRING 2016

NEW! Advanced CTEAM Program

**December 13-15, 2016
Winnipeg, MB**

Steven Covey identifies the seven habits of highly effective people. The seventh is “sharpen the saw”, which means continuously improving your skill set.

Several CTEAM Alumni suggested an Advanced Program that would provide the opportunity to update strategic and operating plans and to sharpen the management saw. While we advocate that plans are living documents meant to continually evolve, the reality is life happens, sometimes making it difficult to separate yourself from day to day operations to focus on reviewing and updating your plan strategically.

With input from four Alumni focus groups, we developed an advanced program. This is an opportunity to “work on the business, not in the business”, and to do it in the type of environment that CTEAM affords. Farmers are challenged with the bigger picture and what it means for their farming operation, given tools to deal with the issues, given access to other farmers with similar issues, and given coaching to integrate them into a plan.

Program Overview :

The Advanced program has three components:

- Three brief (1 hour) online presentations to review and add concepts, and to set up background for the three-day intensive program
- Three days of face to face work (December 13-15 in Winnipeg). This will have three components: classroom, workshops in which you will update your plan with coaching, and “living cases” in which participants who want to will get input from each other.
- Up to three hours of coaching after the three-day program to assist in finalizing your new plan.

Who Should Come?

CTEAM graduates, farmers who have taken EDP/CFAME and spouses of either group if they are not grads.

For all of the details and a full agenda, please visit agrifoodtraining.com/advanced-cteam-pilot-program

The next session of our **Introduction to Commodity Risk Management** using Futures and Options begins soon!

January 24–26, 2017



This course is geared toward any farmer or agribusiness manager whose product or raw material prices are based on commodity and/or foreign exchange markets.

Key areas for learning:

- Risk and Management
- Mechanics of Futures Trading
- Hedging with Futures
- Cash-Futures Price Relationships
- Uses of Futures and Basis for Sellers and Buyers of Commodities
- Trading and Hedging with Commodity Options
- Technical Analysis
- Developing a Marketing or Purchasing Plan

Register now so you don't miss out! To register or for more information visit www.agrifoodtraining.com/introduction-to-price-risk-management

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The dates have been set and the plans are in motion for

CTEAM 2017-2018.

Check out the course prospectus and download a copy at www.agrifoodtraining.com

Leading edge learning through an unconventional format

As an AME alumni, you have firsthand experience of the benefits of the CTEAM course. The outstanding instructors and mentors who present cutting edge management concepts in a comfortable, yet intense learning environment. Four modules are delivered over four days at select locations across Canada. Each module features tours of exemplary agribusiness operations and case study examinations that prepare participants to address regional, national and global challenges head on with purpose, creativity and imagination.

Learning is tailored to you and your business

Participants will use their own financial and production data which will enhance what they learn about financial management. The CTEAM participants will apply course material while developing and implementing a strategic operations plan for their own business. The only prerequisite is a desire to learn.



If you know someone who might be interested, please encourage them to register today and join a network of the top business managers in the country! They'll get expert input and experience from their peer group as well as our instructors. Feel free to forward the brochure to them, or let us know and we will follow up.

First George Morris Lecture



By Larry Martin

Most alumni know that CTEAM and CFAME were started by the George Morris Centre and

that the Centre no longer exists. When it closed, its Board transferred its remaining funds to the University of Guelph. One of the results is an annual George Morris lecture by a recognized scholar.

The first George Morris lecture was presented by Dr. Rick Barichello, a UBC economist whom I respect. He provided some early estimates of the potential impacts of the Trans Pacific Partnership Agreement (TPP) on four of Canada's agricultural industries: wheat, beef, pork and dairy. His analysis is based on conservative assumptions and market parameters that are estimated from the past, when trade was not liberalized. History shows that, with liberalization, Canada makes adjustments that give

more benefit than the initial analysis suggests.

Nonetheless, the numbers are significant. For wheat and beef, assuming Canada merely hangs onto its share of increased exports, the benefits are in the millions of dollars. These are modest increases in Canadian exports compared to recent history. For pork, there are potentially large improvements in access to markets in Japan and Vietnam. They would make the benefits much larger than wheat and beef, in the neighborhood of 25% of current exports, which are already significant.

The estimated effects on the dairy industry are insignificant because increased imports are well within the expected growth in domestic consumption. The real challenge facing the dairy industry is the mountain of surplus skim milk powder (which is of the industry's own making because of its decisions a decade ago). The result of those decisions is that any exports from Canada are regarded as subsidized with the current pricing system.

Perhaps the most significant aspect of Barichello's presentation is what would happen if Canada does not join TPP. The difference between joining and not joining is a loss of at least a half billion dollars per year, indicating the obvious for an economy based on trade.

This dovetails with other recent analyses that show Canada has a rapidly growing trade deficit in processed food products amounting to a whopping \$9 billion annual greater imports than exports. Hand in hand with that is analysis showing that annual Canadian investment in food processing is less than annual depreciation – so, in a world of rapidly increasing food trade and food demand, Canada is exporting relatively less and disinvesting in the food processing industry. What's wrong with this picture?

The most fundamental need is market access, which TPP provides. Many barriers will be removed. The next challenge is to create a vibrant and productive food industry that can take advantage of that access.

Bob Ross Memorial Scholarship



“We are very honoured that Bob’s dedication and commitment to farm management excellence are being recognized through this Scholarship. Bob was passionate about the value of the CTEAM program, and he would be very pleased that we are supporting the program and Canadian family farmers in his memory.”

— Nancy Ross and Family



Robert (Bob) L. Ross was instrumental in inspiring and encouraging farm management excellence across Canada and the United States through his leadership and passion for the agricultural community. A dairy farmer and farm business consultant from St. Marys, Ontario, Bob fought a courageous battle with cancer, passing in March 2014.

In 2014, as a tribute to his passion, leadership and legacy, the Robert L. Ross Memorial Scholarship program was established by Agri-Food Management Excellence, Farm Management Canada and the Ross Family.

Two scholarships available this year.

For the 2016 scholarship award, Agri-Food Management Excellence, Farm Management Canada, Family Farms Group and the Ross Family, along with a private contributor for this year, will be awarding two farmers with the opportunity to participate in the CTEAM program and continue on a

path towards excellence, as inspired by Canada’s leading experts and a one-of-a-kind support network of peers and colleagues.

“Bob Ross was instrumental in the creation of CTEAM. His passion for farm business management excellence was exemplified as he encouraged and supported the participants through his many years of involvement with the program,” says Heather Broughton, AME Principal. “This scholarship is a tribute to his dedication and commitment.”

The Robert L. Ross Memorial Scholarship has been established to ensure Bob’s legacy lives on and continues to inspire the next generation of remarkable farm managers.

The Scholarship will be awarded to two deserving farmers who emanate and demonstrate Bob’s lifework through their passion and devotion to excellence and leadership within the agricultural community.

Eligible applicants must demonstrate:

- A progressive operation and entrepreneurial spirit
- How the value gained from the program will be used
 - To contribute to the farm business
 - To contribute to the agricultural industry at large
- Why taking CTEAM interests you personally
- A passion for the industry

The recipients will each receive \$8,250CAD to be applied towards tuition and travel expenses for the CTEAM program.

If you know someone who demonstrates the criteria above, please encourage them to apply. More information can be found at agrifoodtraining.com/bob-ross-memorial-scholarship1

Scholarship applicants must submit a completed application form along with 2 non-family references by September 15th annually.

Is There One Canadian Political Leader with an Ounce of Strategic Thinking?



By Larry Martin


I watch sadly as Canada's overall trade balance declines despite a year of low exchange and interest rates, Canada's agri-food export share declines, and our food processing industry has a \$9 billion/year trade deficit (and growing!). In addition, annual capital investment in food processing has been considerably less than annual depreciation. In other words, Canada is disinvesting in food processing. All this with the fastest growth in demand for food in history by a country with the third largest endowment of arable land per capita and 10% of the world's fresh water supply. This picture seems out of focus.


From 40,000 feet, it seems so obvious that agriculture and food should be a central part of an economic growth strategy for a country with its resources. But no one who designs policy seems to consider it, and in fact seems to go out of their way to make it difficult to invest profitably.

That's partly because agriculture leaves the impression it's a loser because it frequently asks for subsidies. But real leaders would look past this and see the success stories and the potential there is for far more of them if conditions are right. As I work with people in the sector, here are the things I observe that discourage innovation and investment.

 Until very recently, there were very few efforts made to increase foreign market access for Canadian food products and the current government is dragging its heels on ratifying TPP. Most industries benefit from economies of size in processing, which can't be obtained without access to large markets. It's particularly bad


for agriculture and food, maintaining Canada's cost disadvantage resulting from its small, geographically dispersed population, which doesn't justify size economies. No market access, no investment.

 Major industrial provinces continuously raise minimum wages to among the highest in North America. In agriculture, the major beneficiaries of these increases are the economies of Mexico, Jamaica, Philippines, Guatemala and the like, since a high portion of the labour in agriculture is from offshore and they must be paid equal or more than local workers. Thus, higher minimum wages in Canada results in more foreign exchange transfers to their countries and higher costs at home. A few years ago, the last peach processing plant in Canada closed down. The Ontario government asked me to figure out why. They buried the report because it placed the blame on them. The only good news from upward pressure on wages is it increases the incentive to find ways to replace labour with capital, so eventually a few people may earn a very good wage running machines – if the plants and farms don't stop producing products first.

 Consecutive (mainly provincial) governments have moved us from the lowest to nearly the highest costs of energy in North America. The current Ontario government insists on taking step after step to increase them even more. This is done in the name of "greening" the economy. Other jurisdictions perceive that technology and markets will move to alternative energy rapidly, so take

advantage of low cost energy while we can and invest in diversification. Apparently, this is not even worth debating in Canada, so we tax our low cost energy sources and subsidize sources that are not yet competitive and send investment elsewhere.

 Health Canada and CFIA construct a morass of ponderously slow, inconsistent regulatory processes that discourage investment and innovation in our relatively small economy and encourage great new ideas to be commercialized elsewhere.

 And, at least in Ontario's case, the government has accumulated the largest per capita public debt on the continent with things like multi-million dollar payments to teachers' unions for their "negotiating" costs that could have been used for something useful. Do you suppose that will catch up with us someday?

The underlying issues are obviously important, but there is an increasing tendency to force solutions down peoples' throats without concern for the consequences. For example, the limitations on neonicotinoids in Ontario, or the new plan to move us off natural gas and onto unstable and much more expensive wind and solar power, or the next set of cap and trade. Thinking strategically would focus on how to use our regulatory systems and resources to simultaneously provide high levels of human and environmental safety and competitive advantage to our industries.

But that would require strategic thinking!

Success for Women in Agri-Food

Women in agriculture is certainly becoming a topic of interest these days. With women's contributions in all sectors of agri-food, two research projects are underway to enhance leadership and management success at national and provincial levels. Heather Broughton, AME Principal, is currently involved with both the national CAHRC project, Supporting the Advancement of Women in Agriculture, as an advisory committee member, as well as currently managing Agriculture and Food Council's Alberta provincial project, Success for Women in Agri-Food.

Success for Women in Agri-Food, currently underway in Alberta, is a project to identify barriers women ag-entrepreneurs in rural Alberta face. The intent of the research project is to develop a pilot program to address the barriers identified, and to be delivered in five rural areas across the province. Online surveys, interviews and the recently completed Focus Groups have concluded finance – access to capital and general financial acumen, networking opportunities and childcare as key barriers to those women ag-entrepreneurs in rural Alberta, along with knowledge and access to business development



resources. The development phase of the pilot program is now underway to be delivered over next fall and winter in rural locations across Alberta.



HASKAPA: *From nothing to National Award Winner*

By Larry Martin

It kind of reminds you of the kids' story, The Little Train that Could! 10 years ago there was no one even dreaming about selling products of the Haskap berry, a few people had the bush in their gardens as ornamentals (I have three in mine, not far from my two Saskatoon berry trees). Hardly anyone had heard of these bushes that are native to northern Japan and Russia.

Then someone with entrepreneurial spirit had an idea that was translated to a vision of what could be, that was translated into a plan. The plan started by planting 11 acres of this berry that looks like a large oblong blueberry and tastes like a cross between blueberries and raspberries. It was said to have great anti-oxidant values, Haskapa, the company, invested in considerable research to understand the food values,

as well as to develop optimal production and freezing practices. Of course, since there was no market for them, the company needed to invest in product development and marketing. Initially, they have come up with jams, relishes, chutneys, and even a Haskap berry gin.

We wrote about them last fall in our newsletter as a potential investment for farmers. Now, they have captured a lot more attention as their marketing plan has been successful in Nova Scotia. They will soon have 140 acres of product that they can use for more products and more geographic reach across the country. They were awarded Food in Canada Magazine's Leadership Award in its May 2016 issue and it was a top ten nominee for SIAL's Product Innovation award in 2015, among many others. Increasingly the products are getting national exposure through articles in newspapers, magazines and

television. Even Dr. Oz has featured them!!

The people behind the company obviously provide patient capital as the process to get to where they are has required considerable investment that may not pay off for a few more years. What interests me is the innovative mind-set that took a chance, had a vision and turned it into a well thought-out operating plan. It's a great story to watch as the plan unfolds with each marketing step synched with the production step. From my outside perspective someone clearly has done a wonderful job of planning and implementation because it's very clear how marketing and distribution have been timed to be in step with expanded production.

It's a story for which the company is to be congratulated.