

ALUMNI

NEWS



Year in Review

Grow *your* network. Grow *your* business.

This is the time of year that we like to take a look back and reflect on all the wonderful growers, producers and agripreneurs we have met in 2018. This year, we delivered many courses across this great country and got to see first-hand how farmers, agribusinesses and food producers are making an impact at home and on a global scale. We are very thankful for the network of professionals we have developed over the years. It truly is a supportive network that helps all of us grow and become stronger in our own businesses.

We are very excited to announce that we will be offering some of our courses in an online format to expand our reach. We understand that due to farm constraints and logistics, not everyone is able to attend an in-person

course and we wanted to make our expert material available to everyone. These live and interactive sessions will be delivered through a user-friendly web conferencing software called GoToMeeting. In this newsletter, you will find information on our online courses Managing Investment Costs of Machinery and online and in-person courses for Price Risk Management Using Futures and Options as well. Details about CTEAM and Advanced CTEAM can also be found in this newsletter.

This year, we reached out to our CTEAM grads to get a sense of how our course material has made an impact on their businesses. We were delighted to find that graduates not only reported

a significant return on investment and operational benefits from the CTEAM course but also reported a marked improvement to personal skills and attributes such as communication and confidence in decision making. Please read further to our article on the significant findings from CTEAM graduate survey.

Our slogan has been **Invest in You** and what better time to do so than the new year. New Year can mean a whole new you. Browse our 2019 course line up to see how you can grow your knowledge, your network and your business.

For detailed information about Agri-Food Management Excellence and our courses, please visit www.agrifoodtraining.com

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Spotlight on Price Risk Management Using Futures & Options

This year we have planned to offer our Price Risk Management Using Futures & Options course in-person and online. We have three offerings this winter:

- **January 17th**, 2019 online
- **February 12th-14th**, 2019 in-person in Guelph, ON
- **March 18th**, 2019 online

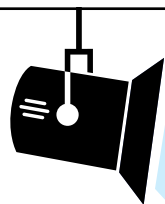
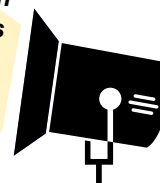
The March 18th course will be held online and offered exclusively for women. Our intent is to create an open and inviting environment where women feel comfortable learning and asking questions. Both of our online courses have specific key areas for learning and are broken down into seven units:

- **Unit 1 Understanding Price Risk and its Impact**
Mechanics of Futures Trading and Basis Hedging
- **Unit 2 Understanding Basis**
- **Unit 3 Uses of Futures and Basis in Hedging**
The "Traditional" Approach to Hedging

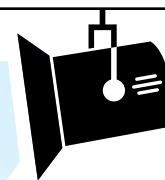
- **Unit 4 Trading and Hedging with Options**
- **Unit 5 Technical Analysis**
Graphical Techniques
- **Unit 6 Technical Analysis**
Mathematical Techniques
- **Unit 7 Developing a Risk Management Plan**

Join our internationally renowned expert instructors and develop your own risk management plan.

For more information or to register for this course click here.



Spotlight on CTEAM 2019-2021



The Canadian Total Excellence in Agricultural Management (CTEAM) program is the most innovative of its kind. This comprehensive course includes four collective modules that bring together producers and ranchers from across the country to learn from each other and to access top agricultural and academic experts. Fast-track your management capabilities in a far shorter time frame and at lower cost than traditional alternatives.

The first of four modules begins in December 2019, covering strategic visioning and planning, and an introduction to financial management.

The second module will take place in March of 2020, expanding on financial management and looking at commodity agriculture and succession planning.

The third module in December of 2020 will have a human resources perspective. It will expand on succession planning, explore the fundamentals of human resources,

and utilize the Myers Briggs Type Indicator to identify personality types. Participants will also develop a standard for operational efficiency.

Finally, module four will focus on leadership within your organization and your industry or sector.

All modules include a field trip to an outstanding business operation in the area.

For more information about this course click here.



Spotlight on Managing Investment Costs of Machinery

Machinery ranks as one of the biggest cost items on farms. As the outlook for commodity markets are less optimistic, many farmers are rethinking their equipment strategy to reduce cost and debt service commitments as well as preserve working capital.

This year we have planned our Managing Investment Costs of Machinery course exclusively online so that everyone has an opportunity to learn how to construct and implement the optimum machinery management strategy for their farms.

We have two online offerings beginning February 19, 2019 and March 11, 2019.

Managing Investment Costs of Machinery is planned as an interactive workshop and will explore:

Defining Equipment Strategy

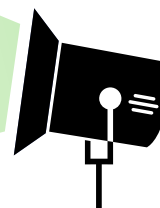
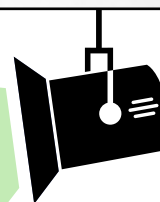
Financial Principals, Concepts and Tools

The Time Value of Money Concept

Machinery Spreadsheets

Join our internationally renowned expert instructors and develop your optimum machinery management strategy.

For more information or to register for this course click [here](#).



Spotlight on Advanced CTEAM



Steven Covey identifies 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 their 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 that life happens. Sometimes it makes it difficult to separate yourself from day to day operations to focus on reviewing and updating your plan strategically.

3 Key Components for Learning

- Three one-hour online presentations to prepare for the program

- Three days of in-class sessions (March 26-28 in Guelph ON) including workshops and “living cases”
- Up to three hours of coaching after the program to finalize your plan

Join our internationally renowned expert instructors to take the next step in continuous management improvement.

More information on this course will be available on our website in January 2019



USMCA, CPTPP and Agricultural Policy *Larry Martin*

With the signing of the “new” US, Mexico, Canada Agreement (USMCA) and approaching ratification of CPTPP, it is just possible that Canada’s agri-food sector will have increased opportunity for developing exports and a potentially stable set of rules of trade.

The questions now are:

Can the sector leverage its strengths to take advantage of its opportunities?

Is domestic agricultural policy aligned with these developments and the export goal that has been set by Federal and Provincial Ministers of Agriculture?

USMCA

Significant portions of Canada’s agri-food sector were integrated into a North American market under NAFTA, which reduced trade barriers for most products except those that are supply managed.

Accordingly, the most significant factor about USMCA is that it keeps in place NAFTA’s market access. This prevents disruption by new barriers, giving Canadian producers and processors the opportunity to improve their ability to expand markets in the US.

USMCA provides the opportunity for Canadian grade equivalence for US wheat produced from seed varieties approved in Canada. But this will likely have minimal impact. Otherwise, there is not much in the agreement for non-supply managed products that’s new.

Canada’s poultry and dairy industries face increased Tariff Rate Quota (TRQ) access for the US of 2-2.5% of Canadian consumption for poultry and 3.6% for milk. These additional quantities can be exported to Canada with no tariff (instead of normal 150 - 300% tariffs), and will displace Canadian production.

The dairy industry will also apparently end its Class 7 pricing category for milk that competes with dia-filtered product from the US. Canada does get increased access for skim milk powder. But, overall, Canada’s dairy industry loses considerably more than it gains.

This is the third trade agreement that gives up parts of domestic dairy and poultry markets through increased TRQ’s. A looming policy question is: is there a better way to offer market access to other countries that also gives

domestic producers opportunity to compete with imports for the Canadian market?

CPTPP

Asia is the world’s fastest growing food market because of its population and income growth. Limited endowments of arable land and ground water limit Asia’s ability to produce. Also, Japan is one of the world’s most heavily protected agricultural markets.

CPTPP provides Asian market access for exporting countries through reduced tariffs and non-tariff barriers. The most access is gained in Japan and Vietnam. For example, Japanese tariffs on flour will fall from U\$150 to U\$80/tonne and on pork from 35% to 9% over time. The tariffs on beef fall almost as much.

A wide array of Canadian products will receive substantially improved market access. An important aspect of the changes is that tariffs fall more on value added products than on basic products because, conversely, the tariffs are higher on them. Therefore, more access is gained on higher value products than raw products.

Domestic Agricultural Policy

The question is whether domestic agricultural policy is designed to coordinate with what appears to be an orientation toward exports, with an ongoing desire for the domestic market to deliver what consumers want.

My assessment is that there are some measures in the right direction, but we have a long way to go. It’s already been pointed out above that giving away market share in the form of TRQ’s simply hands over parts of supply management to foreign suppliers, automatically stifling growth.

Most emphasis in domestic policy, by any measure, is business risk management. Do existing programs do anything to create the efficiency needed to compete internationally? Is there any consideration in the design of these programs to do so? Or are the major concerns getting more money from government more quickly?

By any measure, Canadian productivity is lagging, especially in food processing and Canada has been disinvesting in food processing. Yet the largest export opportunities in CPTPP are in downstream products. What are we doing about it?

Farmers I talk to in the West continue to experience delays and inability to take advantage of opportunities because of uncertain access to transportation. We’ve shot ourselves in the foot on transportation policy most of the time since 1898. Why don’t we focus on healing that?

One of the largest issues that has stifled agri-food competitiveness is CFIA and Health Canada regulation. Canada has one of the world’s slowest approval processes of new varieties, new plant and animal health products, and new foods, causing many companies to give up on Canada, and giving business to other countries who make decisions faster. CFIA is famous for slowing lines, or letting people set up plants without clear instructions on what’s the right way, then saying it’s wrong, but not saying what’s right. The regulatory system is a morass. While not a CFIA responsibility, I’ve told the story many times of the company who had to re-design their label seven times to get approval. Meanwhile, on a shelf in the CEO’s office were packages from seven US competitors, purchased in Canadian grocery stores that weren’t even bilingual. While some strides have been taken in some areas to reduce the burden, but no one yet believes that Canada’s regulatory system provides the safeguards it’s meant to provide in a manner that facilitates trade.

Finally, the lack of systematic thinking in Canadian agricultural policy is illustrated by the current environment in which there is supposed emphasis on exports, innovation, women in agriculture and indigenous people. But most provinces have ended or reduced financial assistance for improving management skills. None of those four areas are islands unto themselves: success in exporting, innovating, being a female or indigenous entrepreneur depends on being able to plan, manage and execute. Treating them separately is just plain ludicrous. Hopefully, we won’t say that about agricultural policy in general.



***Protein-rich.
Highly Resistant.
Sustainable.***

Carinata: The Newest Most Versatile Crop

Carinata Airlines? Not quite, but if you're looking to get your crop into a jet's tank instead of a ship's hold, this relative of canola might be just the ticket. Carinata oilseed fuel was a hot topic this year. It was used by United Airlines, in partnership with World Energy and Agrisoma, to complete the longest transatlantic biojet flight. Naturally, carinata is finding its way into more Canadian farm fields as forward-thinking producers find out about the multi-faceted crop.

Brassica Carinata, also known as Ethiopian Mustard and Abyssinian Mustard, is a versatile plant with edible leafy vegetation and bee attracting properties. Those properties are a bit mundane though, considering that the plant's seeds can send a plane across the Atlantic. Plus, the by-product of processing the carinata seed into bio-jet fuel is a rumen degradable, protein-rich meal with total digestibility comparable to soybean meal.

Carinata is a rotational crop that has the advantage of being hardy in marginal lands such as in Southwest Saskatchewan and Southern Alberta. Its oil is made into industrial lubricants and biofuels including jet fuel. In September of this year, the United Airlines trans-Atlantic flight was made with 30% of the jet fuel being comprised of bio-fuel made from carinata oil.

In the 1990s a breeding program was established to find out which brassica family plants might have the potential to contribute alongside the already tried and tested canola. Carinata overlaps with canola in many areas for the grower. Weed and pest control, as well as harvest practices, are shareable. This means a new crop can be put into rotation using knowledge and products already available and without having to invest in additional equipment for harvesting.

Looking to the future, carinata is an excellent choice for those looking to get in on the growing renewable fuel industry market.

Carinata seed contains high levels of erucic acid, a long chain fatty acid. For researchers, this pointed to potential to open another market for growers. As it turned outbreeding to maximize erucic acid opened the road to growing the raw material to make industrial lubricants, fuels such as jet fuel, and bio-plastics. In addition, carinata fills in a gap left by canola by performing far better in high heat and drought conditions. This makes carinata a good choice for southwestern Saskatchewan and southern Alberta.

In terms of yields, carinata yields are similar to older canola varieties. While that might seem a disappointment at first, carinata's thousand kernel weight

and disease resistance are superior. Carinata is immune to blackleg and clubroot and has good resistance to lodging and pod shattering. Along with its heat tolerance, carinata is also frost resistant. All these positives add up to the possibility of more yellow on prairie horizons for forward-thinking farmers looking to add a sturdy performer to their rotations.

Carinata is sustainable! It has a low carbon footprint because it is easy on demands for additional nitrogen. It has an oil content superior to other oilseed crops at 45%. It provides plenty of green manure to enrich the soil for the next rotation.

Since carinata is approved in Canada for both biofuel and feed meal, markets are readily available to growers. As a non-GMO feed meal, it may also be exported to Europe. But, what about requirements to process this newer crop? Currently, there are no dedicated crush facilities for carinata. Batch processing occurs at facilities that usually handle canola and soybeans.

Global biofuels production is targeted to reach 62 billion gallons per year by 2023, replacing nearly 6% of non-renewable global transportation fuel. Looking to the future, carinata is an excellent choice for those looking to get in on the growing renewable fuel industry market.



Bob Ross Memorial Scholarship

Information about the Bob Ross Memorial Scholarship will be available late February 2019. Check www.agrifoodtraining.com for details then.

Survey Results

In 2018, we surveyed CTEAM graduates from the past twenty years. Participants who joined us were asked how their learning in CTEAM affected three separate components: improved financial performance, improved farm business organizational effectiveness and improved personal skills.

In all three cases, the average return on investment is at least 50-100% above costs.

- 60% of respondents reported more than 50% return financially, 75% reported more than 30%
- 67% of respondents reported more than a 50% return on operational effectiveness, 78% reported more than 30%
- 59% of respondents reported more than a 50% return on personal skills, 74% reported more than 30%

In the study, we wanted to know more precisely what the specific factors were that led to the estimates of return on investment in each category. What were the improved aspects of your organizational performance? What were the specific aspects of your improved personal skills and attributes? Participants responded that the major benefits were:

Major Financial Benefits

- Improved debt management
- Improved revenue
- Reduced costs
- Improved access to capital

Major Benefits to Organizational Effectiveness

- Improved performance measurement – knowing how to properly measure the performance of the business and/or specific aspects of it

- Improved decision-making processes
- A stronger relationship with lenders
- Improved management proactivity in creating new business opportunities
- Improved communication of the team

Major Benefits to Personal Skills/Attributes

- Improved ability to manage people
- Improved confidence in decision-making ability
- Improved communication skills
- Improved leadership
- Improved competence in business management skills

As can be seen in the foregoing, most of the major improvements in personal attributes were business or economic in nature. But all respondents reported improvement in some intensely personal areas. While they were not the most important (as would be expected since the course is not specifically aimed at these attributes), we believe they are a very significant result. Respondents rated these on a 10-point scale with 10 being the most important outcome. What is shown below is the percentage of respondents who gave these attributes a rating of 5 or more. We chose 5 because it implies that the course impacted them significantly.

Personal and Psychological Benefits

- Improved mental health and stress reduction 75% gave 5 or better
- Improved family dynamics 78% gave 5 or better
- Improved home/life/work balance 74% gave 5 or better

