

# Haney Farms Quarterly



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## Managing Your Business

By: Dwayne Beaton, CGA  
Controller, Haney Farms

Today's business environment is becoming continually more competitive and complex. We operate in a global economy with many factors external of our own given industry, location and government affecting business daily. These only add to the numerous direct factors that are known more intimately and whose understanding is required daily to make business decisions. Understanding and managing such factors in your business is becoming increasingly important. Agriculture is not exempt from these factors and in fact, it is hard to think of another industry that is impacted more by forces external to the local region in

which it operates. Agriculture's major inputs such as fuel, chemicals, fertilizer, metals (equipment), and labour among others are competed for on the global market. Commodities produced by the agricultural sector in turn are very sensitive to world markets, simultaneously used as a source of food required by people for survival as well as raw product to the evolving alternative energy market (See Issue #11 Summer, 2006). The reality of this global business environment requires today's agricultural producer to continually grow and evolve their business focus.

This is not news to today's farm owner/manager. The challenge is to avoid becoming complacent and acknowledge that there is

always something new to be learned, a change in factors to be aware of, and a relationship to foster. So how do you retain that business focus and position yourself to make good business decisions? There is much to cover in dealing with such a question. No doubt the starting point would be to prepare and regularly review and revise a strategic plan for your business (See Issue#5 Winter 2004.). Further benefits are achieved through a commitment to continued learning and self-development and should not be overlooked. However, I would like to spend the rest of this article touching on part of a good strategic plan. This would be the devel-

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## It is Never Too Early To Think About Canola Seed

Before December 31 is definitely the time to book your CANTERRA SEEDS canola for the 2007 spring at Haney Farms.

Led by CEO, Dave Sippell (Issue #9 Winter 2005), CANTERRA SEEDS is owned by 170 seed growers and independent retailers from across Western Canada.

CANTERRA 1818RR (open-pollinated) and CANTERRA 1841RR Hybrid are truly market leaders in the Western Canadian canola landscape.

CANTERRA 1841RR Hybrid is well suited for irrigated land due to its fantastic lodge rating and yield potential. There is not an-

other hybrid available that will stand up in comparison to CANTERRA 1841RR. Rated a 114% versus the check (46A65) and standing at 44 inches tall this variety will leave you more than satisfied.

CANTERRA 1818RR is an open pollinated variety that is a great economic option for either dry land or irrigation. Often described as "hardy and high yielding" this variety will yield (109% of the check) and stand up in those high fertile situations. Due to its shorter height (39 inches) CANTERRA 1818RR will be a good fit for farmers with wheel lines.

"Last year we planted almost a section of CANTERRA 1818RR and its yield potential will compare to a lot of the hybrids that I have seen," commented Ben Hofer, Haney Farms Farm Manager.

The canola market looks strong due to projected shorter supply and increasing demand due to bio-diesel production and more countries buying Canadian canola. CANTERRA SEEDS varieties are worth a try on your farm in 2007.





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Dwayne has been a member of the Haney Farms team since May, 2005. Prior to that Dwayne was in public practice for 20 years as managing partner in a Lethbridge firm. During that time he worked closely with his clients and their team of advisors. A large percentage of these clients were and still are in primary agriculture and related services. Married into a local farm family, Dwayne is pleased to have found the opportunity to utilize and expand his knowledge and experience in business and in particular agricultural business which he finds both challenging and rewarding.

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opment, use and maintenance of a good team of advisors for your business. In 20 years of public practice I witnessed many operations that excelled because they embraced the use of advisors and I also saw the struggles and results of those who didn't. These decisions can affect production (results), profitability, cash flow, tax costs, professional fee costs, and last but not least family and succession issues. While every business is unique, some of the typical players on your team of business advisors would include:

**Industry Advisors**

These are the people that make it their business to provide industry relevant support and information for you to consider in your operation. Advisors provide these services both on a fee or non-fee basis and can be classified generally as one of three types:

- Independent Consultants with an educational and or experience background in a general or specific Ag field that is

valued and marketable to producers on a fee for service basis,

- Government or Government Program employees or approved contractors, who provide services with respect to numerous programs, and Ag fields. Some of these are free and some are subsidized through the government paying a portion of costs in delivering and providing new programs available to promote diversification, growth, value-added, off-farm income development and succession planning.

- Suppliers are an excellent source of valuable information related in many cases not just to production, but also to marketing and planning. Many businesses who supply to producers have people assigned to managing customer relations and ensuring that they provide support and advice on their product that gives the customer the results they're looking for.

These services are generally provided at no additional cost.

**Peers**

Often overlooked, these are people experiencing the same challenges as you on a daily basis. Developing some relationships with peers to share your ideas, challenges and solutions is a win-win proposition with the only cost being the time invested.

**On Farm Team**

In a smaller operation this is your family. In a larger operation this would include your team of employees. These people have the most intimate and direct knowledge of your operation. Don't overlook them as a source of ideas, suggestions and solutions.

**Accountant**

An accountant can provide or assist in many ways. You can use them to ensure that you complete required compliance filings such as T1's, T2's, T4's, GST, CAIS. Some producers stop here and miss the real value available from your accountant in areas such as business planning, projections, tax planning, succession and estate planning. The accountant's ability to work with your lawyer and bank account manager is also key.

**Lawyer**

A lawyer as a member of your team of advisors is instrumental in providing advice on and drafting of legal documents such as leases, and contracts on regular basis for operations. Lawyers are critical to working with the accountant in the area of succession, tax and estate planning.

**Bank Account Manager/Financial Institution**

This is likely the most 'necessary' advisor or relationship to have as it is tied to your ability to operate



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and finance new acquisitions and ventures. Work hard to maintain communication and seek clarity in understanding at all times in this relationship. In order to receive the necessary support, ensure your account manager has a clear

understanding of your business and its needs. Due to the often frequent change in individual account managers, try and ensure you establish even a limited relationship with one or two others at the bank to facilitate continuity.

While some may long for the days

when farming was a lifestyle, it is clear that now more than ever to remain viable, today's agricultural producer must have, grow and retain a business focus.

Send Feedback to:

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## Successful Hiring in Agricultural Industry

By Ryan Miller—Select Recruiting

Like most industries in Alberta, the agriculture industry is feeling the impact of the labor shortage. For a number of reasons, hiring employees, let alone quality employees, has become a struggle. The lure of the high paying jobs in the oil and gas industry up north, combined with an aging work force on the verge of retirement are two major factors. The key to successful hiring in this market lies in attracting and retaining quality employees to prevent costly turnover.

People make a successful business and quality employees are necessary for profit and growth in the agriculture industry. In 2005 there were 56,200 Albertans employed in agriculture, making up 3.1% of the employed population. The agriculture industry is expected to grow on average 0.4% annually from 2005 to 2010, increasing the number of Albertans employed in agriculture to 58,181. Agriculture will provide 0.6% of new jobs in Alberta by 2010. While the growth in this industry isn't considerable, the importance lies on maintaining a quality workforce. To do so, a positive reputation is essential for enticing quality employees to work in agriculture. Farm work is often seasonal and seldom a career choice due to lack of advancement, benefits and security as compared to other industries. In order for agriculture to become a major player in the workforce, a good hard look at the

hiring process is needed.

The success of your business depends on the people you hire and how they are managed. The first step is to clearly identify your needs before you hire. Determine why you have an opening and if turnover has been an issue, look at resolving the underlying causes before proceeding with another hire. Become proactive in your recruiting strategies to prevent another loss in the future. Create a job description including duties, responsibilities and required skills so that you and your potential employees are clear on the expectations for this position. Make your position enticing for potential employees to want to work for you. To attract quality employees you should have a plan outlined for compensation, work conditions and training. Your competition for quality employees is not only neighboring farms, but the oil rigs, the local warehouse and even fast food establishments. Research the competition and make your compensation package enticing. Remember, compensation packages include salary, paid sick leaves, vacation days, flexible schedules, health benefits, retirement programs, etc. In many cases, the work environment is more important than compensation for keeping an employee happy. The way you treat your employees is a reflection of your business culture and it's your culture that attracts people to want to work for you. It's also important to look for transferable skills when

hiring. A good employee who may not have the direct experience you're looking for, but fits your business culture and can be trained, is more likely to work out in the long run than someone who doesn't fit with your team.

Once you have hired a quality employee, it's just as important to entice them to stay there. In order to retain quality employees, employers should provide challenge, life balance, opportunity for growth and positive reinforcement. Provide ongoing training so your workers feel responsible and committed. People feel more valuable when they are learning new things and have a sense of purpose. Ensure that your working conditions are safe and clean and that your equipment is in good repair. Provide suitable hours of work per day and per week and allow for some flexibility to accommodate your employee within reason. Keep open and honest communication between employee and supervisory so everyone feels respected and valued. When your employee is committed to the success of your farm, you're sure to benefit.

For more information about hiring and the agriculture industry check out these websites:

Human Resources and Social Development Canada – [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca), AgCareers – [www.agcareers.com](http://www.agcareers.com), Select Recruiting – [www.selectrecruiting.ca](http://www.selectrecruiting.ca).



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*“In order to retain quality employees, employers should provide challenge, life balance, opportunity for growth and positive reinforcement.”*

# Letters to the Editor—Will the Bio-Fuel Business Change Agriculture

One of the huge benefits of publishing the Haney Farms Quarterly is the opportunity to gain feedback from readers on all the topics that are mentioned in the publication. The last issue on the future of Bio-fuels garnered some very insightful comments. For the first time here are our Letters to the Editor.

**Len Vogelaar—Pincher Creek—AB—**

This is certainly a timely and attention catching editorial and I appreciate the effort that was required to write the article.

Allow me to make a few observations.

Bio-fuel production seems to be an accepted concept in the agricultural political environment, whether from the left or the right. Since I am not an economist or a scientist, much of the debate on the issue is beyond my ability to comment. I therefore can only ask questions that so far I have not been able to get an answer to.

The first one is an ethical one. With an estimated world food reserve of 45 days is it responsible to use food for fuel production?

If you can answer that in the affirmative than what about the following; Is there really that much net energy gained by converting grains and oilseeds to fuel?

I can accept the utilization of by-products (straw? manure) to produce energy. But even now that particular conversion process is only economical with a significant infusion of government money (everybody's taxes). So, show me the net economic gain! There is massive government support in the construction and operation of

any bio-fuel plant in the form of tax concessions, accelerated write-offs, grants, the elimination of fuel taxes and guaranteed prices for products of up to 10 years.

I assume that 10 liters of ethanol is produced from a bushel of corn based on some information that I acquired. That will be somewhat different for other crops depending on the energy content of the product but let's stay with corn.

Total government involvement is estimated to be 50 cents per liter or more. That equates to about \$500.00 per acre on a 100 bushel corn crop. Five hundred dollars extracted by government from a society that can generate those funds by only 3 methods; Production (agriculture), Gathering (fishing), and Extraction (mining). Everything humans are involved in is unsustainable without any one of these three.

In my opinion (and I stand to be corrected), it seems to be a lot more energy efficient if agriculture would be encouraged to divert land from grain production into forage and compensate farmers for doing so than pay large corporations to convert grain into energy that farmers then are obligated to purchase in ever larger quantities to produce the grain that corporations need to extract subsidized energy.

There is a lot more to say on this in my opinion ill-conceived concept, that potentially may have consequences that we will come to regret. Unfortunately most of those who promote this idea will not be around to correct it.

**John Cowan—General Manager,**

**Hyland Seeds—Blenheim, ON—**I just finished reading your Bio-fuel report in your Haney Farms Quarterly. Congratulations, it is the most common sense, inclusive report that I have read on bio-fuels.

Our perspective on rural development here in the East is a little different as 100 jobs in most rural communities would make a tremendous difference right now.

Common sense also tells me that creating any new markets for farm commodities has merit and as plant breeders I believe it gives us an opportunity to direct our efforts to distinguishing characteristics that will allow for more value added opportunities.

Thank you for your article.

**Don Young—Lethbridge, AB—**

Shaun, good morning. Just finished reading your Summer Newsletter. Well Written! Well Done!!

I really appreciated the article on Bio Fuels. One of the things you may want to look at is the business structure of the US plants. It is my understanding that the majority of them are producer coops. Perhaps you can explore why that business structure seems to be so much more popular in the US than it is here.

Is it the manner in which the incentives are structured, or is it something else?

**Ferdie Schneidersmann—Calgary—**

Shaun how about interviewing Husky as an opportunity to build on this very interesting topic.

By the way in terms of energy priorities I see the AB Government thinking Oil then Coal before any bio initiatives.

*“With an estimated world food reserve of 45 days is it responsible to use food for fuel production?”*

*“In terms of energy priorities I see the AB Government thinking Oil then Coal before any bio initiatives.”*



Product	
Sand--Unwashed	3/4" Crush Washed
Pit Run	1.5" Screened
Fill Dirt	1.5" Crush
Pebble Crush Washed	2-6" Pond Amour
3/4" Screened	6" + Amour
3/4" Crush	Large Rocks