

Renewal Now!

Business ideas, information and programs for exploring opportunities in agriculture. **Winter 2008**

Paid to graze? This producer found a way

Conrad Lindblom faced a choice: scale up in beef or try something new. The lessons he learned can help anyone start a new business.

At 320 acres, the Lindblom family farm near Beaverlodge was at that in-between size that's so frustrating to producers. While well-suited to raising beef cattle, the land base was too small to accommodate an economically efficient herd size.

Back in 2002, Conrad and Donna Lindblom figured something had to give. Either they'd buy more land and raise more cattle, or get out of beef altogether.

At about the same time, Conrad read about logging companies using sheep to graze unwanted vegetation on clear-cut areas that had been replanted with pine and spruce. The system worked well, except at higher elevations.

Then came this thought: what about goats, which are better adapted to this type of terrain and will eat a wider variety of vegetation? Not long after, the couple's cattle headed to market and Rocky Ridge Vegetation Control was born. Since then,

The costs associated with the business include payroll for a team of four to manage the herd on site, horses and dogs to wrangle the stock on the logging company's freshly planted hillsides and feed and housing over winter back in Beaverlodge.

The goats graze the area from mid-May until the end of September. Each fall, the most promising animals – about 700 from the Class of 2007 – are held back as breeding stock, with the rest sold for meat at the auction market in Tofield. In effect, the operation converts unwanted vegetation into meat that's in demand by consumers.

Lessons learned along the way

"From the beginning, we knew that we weren't just starting a new business," says Lindblom. "We were starting a whole new industry."

To make his inspired idea work, Lindblom had to come to grips with many challenges in his first year or two of operation. From that experience, he offers these recommendations.

Arrange financing early. Lindblom sold his beef cattle shortly before the BSE crisis hit. Still, many financial institutions regarded anything on four hooves as risky. Getting the money side sorted out as soon as possible will allow you to focus on the rest of the business.

Do your homework. A lifelong cattle man, Lindblom needed information about goats but didn't see much available. "There was just nobody you could call who grazed 1,000 goats," he says. From herd husbandry to feeding practices, he read whatever he could find and learned the rest on the job.

Improve the product over time. Genetic improvement has long been a priority for beef producers. Lindblom has approached his goat herd the same way, breeding those best suited to the task and culling those that are less so. "We bought a variety of different breeds initially, but now we have a fairly uniform herd," he says. "We have been crossing meat and dairy goats to find a meat variety that also grazes well on forested land."

This winter, Conrad Lindblom is building a new barn for Rocky Ridge Vegetation Control's expanding herd of goats. From December to February, he'll be busy with kidding. A few months later, he expects to have 1,400 animals on duty in B.C., providing his logging client with an environmentally sustainable and economically viable vegetation control option.

Four years after trading cows for goats, does Lindblom have any regrets? Yes, he says, but just one. "I should have done this 20 years ago."



Conrad and Donna Lindblom's grazing herd of 1200 goats, earn them a grazing fee per animal per day.

Lindblom's goats have provided an environment-friendly grazing alternative for the Macleod Lake Indian Band, north of Prince George, B.C.

Summer pasture, plus income

"Grazing forest land with goats makes a lot of sense," says Lindblom. "Companies usually spray Roundup to reduce the competition to the seedlings from other vegetation, but this company wanted to reduce the environmental impact of vegetation control. The goats won't eat the spruce and pine, but they love the fireweed, willow and aspen that's there."

Rocky Ridge Vegetation Control began in 2004 with 400 goats, and by 2007, had 1,200 working for the firm. In addition to all the vegetation they can eat, Lindblom's goats earn him a grazing fee per animal per day. He notes that while the goats are effective at controlling the vegetation, they don't actually kill the plants, just set them back. Goats also add natural fertilizer to the land as they graze.

Inside this Issue

On-farm retailing 101	...pg. 2
Tired? Stressed? Have Rhodiola rosea	...pg. 3
New option for custom slaughter	...pg. 4
Tax tips for family farms	...pg. 4
Dine Alberta connects chefs, producers and consumers	...pg. 5
CropChoice\$ - more insightful than ever	...pg. 6
Debt mediation, the earlier the better	...pg. 7
CD-ROM targets lameness in dairy	...pg. 8
Upcoming Events	...pg. 8

RENEWAL.
the way to grow

On-farm retailing 101

Selling direct makes sense, but it isn't easy. Fortunately, there's plenty of information available.



Consumer interest in locally grown foods may translate to opportunities for farm direct marketers.

Kerry Engel believes that becoming a retailer and marketer, as well as a producer, is a realistic ambition for many Alberta farmers and ranchers. She's seen many take the plunge successfully in the past, but believes there might be no better time to do it than the present.

"There's a tremendous interest from consumers today in locally grown foods," says Engel, Farm Direct Marketing Specialist with Alberta Agriculture and Food. "More and more, people want to know where and how their food was grown and they want to meet the people who grew it. So on-farm retailing addresses a powerful demand in the marketplace."

The growth of farm direct marketing

The concept of farm direct marketing would have been second nature to your great-grandparents. Back then, when most people lived in the country or in small towns, people often grew their own food or knew those who grew it on their behalf.

Then came the 20th century, bringing urbanization, food processing and food retailing on a vast scale. Many urban people – who might account for 95% of the population – have no clue where their food comes from. But here in the 21st century, the pendulum is swinging back.

For reasons of health, environment and nostalgia, more people today want to buy direct from the producer. Farmers and ranchers who fill this need are -- to put a new label on an old practice -- farm direct marketers.

In Alberta, the most popular products for direct-to-consumer sale include fresh fruits and vegetables, flowers, bedding plants, herbs, meat, jams, pies and sausages.

"Consumers want to eat, shop and experience something new," says Engel. "Often their first taste of this is at a farmer's market. Once consumers learn about your product, they're often willing to come to your farm to get it. From there, you can evolve into a farm store, a greenhouse, a café or a U-Pick."



Research show it works

Many farmers and ranchers find lots to like about farm direct marketing. You'll be taking back control of your product and how it's marketed. You can be a price-setter, not a price-taker. You can expand revenue and thus bring the younger generation onto the farm.

Does it work? In 2005, Michigan State University joined forces with the North American Farm Direct Marketers Association (NAFDMA) to find out. Of the 1,241 diversified farming operations surveyed (22% of them Canadian), 75% of respondents said their net income increased as a

result of this diversification. Some 92% would diversify again, and 52% were planning to take this strategy even further.

If farm direct marketing sounds appealing in theory, why not spend some time this winter looking at how it would work in practice? The fact is, there's a lot to learn.

"The big thing is, you are changing from a producer to a marketer, and working with the consumer is a different world," says Engel. "You will be introduced to a new set of regulations and governing bodies that influence how you do business."

Start online

Alberta Agriculture and Food and other organizations have developed a wealth of information to guide would-be direct marketers through the rules and regulations associated with this business. In addition to studying regulatory requirements, take some time to consider whether you have the personality and passion for direct marketing, because not everybody does. These websites will get you started:

www.exploredirect.ca
www.albertafarmfresh.ca
www.farmcentre.com
www.NAFDMA.com

For more information, please contact the Alberta Agriculture and Food direct marketing specialist nearest you:

*Kerry Engel, Edmonton, (780) 644-2967;
Karen Goad, Grande Prairie (780) 558-5629; and
Marian Williams, Camrose, (780) 679-5168.
We're here to help.*

Best advice? Start small

When Linda Christensen first started selling direct to consumers 24 years ago, there wasn't all that much to sell. She began in 1983 with two rows of cucumbers. Today, Christensen, her husband Don, daughter Jessica and son Dustin operate Linda's Market Garden, a thriving agribusiness consisting of a greenhouse, vegetable garden and country store in Smoky Lake, Alta.

According to Christensen, starting small allowed her family to gradually learn the ins and outs of direct marketing, and develop a product line to suit the tastes of her customers. With a successful 2007 season in the books, she reflects on what it takes to make it selling direct.

1. Think location. When they moved their retail operation to Highway 28, just west of town, business took off. The more accessible location made Linda's Market Garden a natural stop for people travelling to or from Edmonton.

2. Freshen the product line. Most years, the Christensens add an item or two to their repertoire of farm-based products: perogies, cabbage rolls, desserts and more. For 2007, for example, strawberry shortcake made its debut and customers responded well.

3. Enjoy the journey. "It's the same as any other business you can think of," says Christensen. "If you like what you're doing, you'll have a much better chance of success."

Tired? Stressed? Have some *Rhodiola rosea*

This medicinal herb could one day be worth \$20 million to Alberta producers.

Russian cosmonauts and Olympic athletes extol the benefits of this plant. Health-conscious German consumers can't get enough of it. It takes four years to grow, but can only germinate when it's cold. What is it?

The answer is *Rhodiola rosea*, a medicinal herb native to Siberia and parts of northern China. If you've never heard of this plant – renowned for its ability to boost energy and reduce fatigue and stress in the human body – that could be about to change.

The *Rhodiola rosea* Commercialization Project, now in its fourth year, is inching ever closer to unlocking how Alberta producers can grow this plant effectively and profitably.



The roots of *Rhodiola rosea* contain the biological substances salidroside, rosarin, rosavin and rosiridin.

“There are a small but growing number of medicinal herbs that are widely used today,” says Susan Lutz, Senior Development Officer for Functional Foods and Natural Health Products with Alberta Agriculture and Food. “Everybody knows about *Echinacea*, for example. Industry experts believe that *Rhodiola rosea* could one day be in the top-10 of medicinal herbs, if only someone could learn to cultivate it.”

Why not us? Launched in 2004, the *Rhodiola Rosea* Commercialization Project brings together scientists and others in fields such as agronomy, product development, regulatory and marketing issues and communications and promotion. With 50 acres currently being grown, the aim of Lutz's group is to have 400 acres' worth of *Rhodiola rosea* in the ground in Alberta.

“If we can grow a consistent, high-quality crop, there's little doubt that buyers will come,” says Lutz. “Canadian and Asian companies have already visited Alberta to see our crop and meet our team, and international buyers have asked for up to 3 metric tonnes' worth.”

From field to medicine cabinet

In many ways, the *Rhodiola Rosea* Commercialization Project is a model for product development of alternative crops. Because of its exceptional promise, *Rhodiola rosea* is being investigated in a comprehensive, integrated way. It's believed this approach will allow the team to overcome obstacles faced on the road to commercialization.

The first obstacle was a doozy: no seed to plant.

“This plant is traditionally gathered in the wild and the only place it's cultivated is in Finland,” says Lutz. “We managed to obtain a supply of authenticated seed. To get seedlings that growers could plant, we put the seed in salt shakers, and sprinkled them onto trays. Because the seed needs to be cold before germinating, we put them outside to germinate. In February.”

In fact, reliably cold weather is one of Alberta's competitive advantages with *Rhodiola rosea*, compared to warmer jurisdictions like southern Ontario and the U.S.

Over the past three years, an expanding network of cooperating Alberta growers have planted Lutz's *Rhodiola rosea* seedlings. These growers, who represent southern, central and northern Alberta as well as the Peace, are asked to commit to growing an acre or two for four years.

The four-year period is crucial since the commercially valuable bio-actives, known as rosavins and salidroside, are contained in the root and crown of the plant, not the leaves. Based on agronomic and cost-of-production feedback from producers, the *Rhodiola Rosea* Grower's Manual is updated each year.

“The main comment we hear back is that weed control is a tough issue,” says Lutz. “But there's a lot of enthusiasm for the plant. Some growers have previously tried to grow *Echinacea*, and *Rhodiola rosea* doesn't have the winterkill problems they found with *Echinacea*.”

What does *Rhodiola rosea* do?

- Helps the body adapt to stress.
- Strengthens immune, nervous and glandular systems.
- Increases resistance to fatigue.
- Appears to improve cognition and memory function.



Rhodiola rosea, a medicinal crop, is ideal for Alberta climate and farmers.



A field-to-medicine-cabinet approach aims to link growers to processors to marketers to consumers.

Grow an acre, build an industry

With four years of cultivation in the books, the *Rhodiola Rosea* Commercialization Project experienced its first harvest in 2007. Plants are being tested for the presence and viability of the bio-actives the medicinal herb market is looking for.

Meanwhile, Lutz is looking for Alberta growers who have an acre to spare and four years to watch over it. Those who step forward will become part of a dedicated effort to make this unique plant a profitable piece of the future crop mix for the province's farmers. The new Alberta *Rhodiola Rosea* Growers Organization (ARRGO) will lead the charge on behalf of producers.

Future issues for the *Rhodiola Rosea* Commercialization Project to grapple with include clinical trials, Health Canada clearance and the development of value chains linking grower to processor to marketer to consumer.

Still, Susan Lutz is optimistic this field-to-medicine-cabinet project will pull it all together.

“As far as we can see, *Rhodiola rosea* has the potential to be an \$80 million plant in North America,” she says, “and we can't think of a reason why Alberta can't eventually capture 25% of it.”

*For more information on *Rhodiola rosea* and opportunities for growers, please contact Susan Lutz at 780-427-4530 or susan.lutz@gov.ab.ca. Please call as soon as possible, as planting begins in February.*

New option for custom slaughter

As of early November, Canadian Premium Meats was processing 80 to 120 animals per week at its custom slaughter facility in Lacombe. Based on the growing number of livestock producers serving niche markets, it might not be long before the plant approaches its capacity of 120 per day.

CEO Yvo Schmucki explains that like larger packing operations, his six month-old facility is federally inspected. Canadian Premium Meats differs from conventional packers in terms of its relationship with producers and buyers.

“This is a total custom operation,” he says. “We don’t buy animals, and we don’t sell meat. We just slaughter, cut and box. A producer needs to have their markets firmly lined up, because we don’t work with buyers, we just provide this service.”

The mix of livestock depends on the demands of producers. In its first months of operation, Schmucki estimates the plant was handling 50% bison, 40% beef and 10% elk. Canadian Premium Meats’ rates run about average for the industry, with current estimates at \$240 and up per head of beef and \$260 and up per head of bison, depending on hot hanging weights.

For many producers marketing niche products, storage and distribution are major issues. Canadian Premium Meats offers a warehouse where products can be stored, chilled or frozen, until ready for shipment. Producers who require trace-

Niche producers now have access to a federally inspected, fee-based facility offering traceability and storage.



Yvo Schmucki, CEO, Canadian Premium Meats, opens new custom slaughter facility in Lacombe for producers marketing niche products.

ability can get it here. Through a combination of ID tags from producers and in-plant bar coding, every animal can be tracked.

USDA and EU certification pending

According to Cody Cunningham, niche livestock producers have been looking for an option like

this ever since Northwest Packers burned down a few years ago.

“This plant allows producers to market their products outside Alberta,” says Cunningham, Livestock Products Development Officer with Alberta Agriculture and Food, who started working with Schmucki four years ago to get the facility started. “It also helps within the province, because retailers here will demand a federal inspection stamp.”

Once Canadian Premium Meats secures regulatory approval to ship to the U.S. and Europe, sales should take off even more. These markets, which welcome some lesser-used cuts, provide a way to use the whole animal more often.

Why are more producers going direct to market with specialty livestock products? Start with the BSE crisis, which encouraged many to take greater control of their own marketing. Add in rising consumer demand for locally grown foods. Then factor in a growing desire on the part of consumers to know their meat provider and understand how their dinner was raised.

Says Cunningham: “Whether you’re talking bison, elk, lamb, beef or pork, we see a lot of opportunity in all these species.”

Tax tip for family farms

Operating companies can make sense for income tax, farm management and families. Here’s how it works.

Let’s compare two Alberta-based business entities: a family farm and a retailer in a small town. While the two have much in common – they earn revenue and pay similar expenses – there’s likely to be a major difference.

The family farm, if it reflects common practice, has an extensive portfolio of assets: land, buildings, machinery, equipment, crop and livestock inventory and possibly production quota. It adds up. According to Statistics Canada’s Farm Financial Survey, the average Alberta farm had assets of \$1.4 million in 2005.

By contrast, many retailers in town own relatively little: some on-site inventory, perhaps, but probably not the land or building where the business activity takes place. In Merle Good’s view, it’s high time more Alberta family farms emulated the retailer’s example and adapted it to agriculture.

“Farmers who expect to have a taxable income at the end of each year can consider forming an operating company,” says Good, Provincial Tax Specialist with Alberta Agriculture and Food in Olds. “You transfer on a tax-free basis your inventory, cattle and machinery into a corporation, but leave the land out.” For the purposes of farming, the operating company rents the land from the individual farmer or family.

Consider the benefits

Good recommends that producers and their tax advisor evaluate whether this strategy makes sense for them. In principle, though, he sees three key benefits.

Income tax savings. Effective April 1, 2007, the active business income rate for small businesses in Alberta up to \$400,000 is now 16.12%. In other words, this is the rate that will be paid by the operating company on its first \$400,000 of taxable income.

Farm management. Although the operating company can still report income on the cash basis for income tax purposes, it is required to track inventory, accounts payable and receivables to create an accrual income statement. While the cash method allows a flexibility that many farmers and ranchers value, the consensus among professionals is that accrual leads to more accurate reporting and better management decisions in the long term.

Succession planning. When an older generation retires or dies, do siblings argue over what’ll become of the tractor, the grain bins and the livestock? No: they fight about the land, which represents the family’s history and personal wealth. Maintaining the land base as a separate



entity from the operating company can help make an inter-generational transfer more structured and lot less messy. This set-up can also provide incentive for the younger generation while their parents are still active, with fair treatment for any non-farming children.

Says Good: “Thirty years ago, there weren’t that many family farms that spanned three generations. Today, you see it all the time. The operating company strategy can be a tax-smart and succession-smart way to manage the needs of the different generations.”

Dine Alberta connects chefs, producers and consumers

The latest edition of the province's regional cuisine directory is available in a searchable online format.

Chefs need high-quality food products daily, but might not know any farmers who can supply them. Alberta farmers and ranchers are experts at growing and raising the world's best food, but might meet professional chefs only rarely.

Enter Dine Alberta, which links Alberta's producers and growers with chefs, to bring the best of the province's bounty to local restaurants, cooking schools and catered events.

The Alberta Regional Cuisine Sourcing Directory helps make Dine Alberta happen. Started five years ago and updated yearly, this publication lists 130 farmers, ranchers, beekeepers and processors able to provide local ingredients. All participating Dine Alberta restaurants, cooking schools and caterers receive a printed edition. The directory is also available online, in a searchable format for chefs and consumers at www.dinealberta.ca.

"We've traditionally focused on the month of September to bring producers, chefs and consumers together to celebrate Alberta's regional cuisines," says Marlene Abrams, Lead, Regional Cuisine Initiative, with Alberta Agriculture and Food in Stony Plain. "But with today's interest in locally grown foods, we're encouraging chefs and consumers to use these products all year long."

Should you be in the directory?

Abrams explains that chefs are looking for unique, locally grown foods like meats, fruits and vegetables. In addition to being of the highest quality, these foods must be available on a consistent basis in the required quantity and to exact specifications.

"This market isn't for everyone," says Abrams. "If people can't produce and deliver as needed, then this isn't the channel for them. But we encourage a collaborative approach, where producers work with neighbours to fill an order together if one of them is short of supply."

By working together, chefs and producers can support each other's interests and promote each other's businesses. When chefs are creating menus with regional ingredients, Dine Alberta asks them to identify the producer and region where the product originates. LaRonde, for example, the revolving restaurant atop Edmonton's Crowne Plaza Chateau Lacombe, proudly declares its support for local farmers on its menu and website.



Distributors add value for chefs and farmers

Many chefs like to work with producers on a one-on-one basis. Others, over time, have asked for an intermediated approach. "Some have said, 'I don't have time to talk to five or 10 producers. Give me one person to talk to,'" says Abrams. In response, a new generation of food service companies has risen to the challenge. These companies add value by meeting the chefs' need for consistency with the producers' need for distribution.

Full Course Strategies of Edmonton has been in business for 10 years, "before local was cool," according to President Lori Menshik. The company serves both chefs and producers with a range of services.

One is distribution. The company can warehouse and ship a variety of products, sending product to restaurants as the chef needs it. This saves the producer from having to ship small amounts on a regular basis.

Another service is education, with Menshik believing each party needs to understand where the other is coming from.

"Consistency of portion size and year-round availability are the number-one issues for restaurants," says Menshik. "We work with a lot of producers on ensuring they have a consistent product that's there when the restaurants need it."

For example, Full Course Strategies' key lamb producer – who also sources lamb from five other producers – has gradually implemented a program of year-round lambing.

Chefs are experts on food preparation, but like urban people generally, might have very little knowledge of agriculture. The company addresses this gap by bringing chefs out to the country to meet producers, see how farms operate and understand what goes into growing the products.

As more chefs grasp the value of locally grown foods, Menshik expects the local-food industry to grow. She's always looking for producers who can supply consistent, high-quality meats, vegetables, fruits and other products.

"It's all about being small, flexible and able to go in any direction that's needed," says Menshik. "Many restaurants change their menus six times each year according to what's in season, so there's always a demand for something new."

For more information on Dine Alberta and regional cuisine opportunities for producers, please contact Marlene Abrams at (780) 968-3519 or marlene.abrams@gov.ab.ca.



Changes make CropChoice\$ more insightful than ever

Latest version of decision-making software integrates new features of Agriculture Financial Services Corporation (AFSC) crop insurance.

Starting in 2008, AFSC's crop insurance programs will no longer be based on assessments for 22 'risk areas'. Instead, producers will be able to make decisions based on which of Alberta's 3,600 townships they farm in.

According to Ron Hockridge, Leduc-based Financial Business Analyst with Alberta Agriculture and Food, this is welcome news for producers.

"AFSC is going down to a much finer level of data," he says. "Township-based data will have greater relevance to the information needs of individual producers."

When Alberta Agriculture and Food releases the newest version of its CropChoice\$ software this winter, the program will include 2007 crop insurance data from AFSC, down to the township level. Producers can use this new feature to assess their 2008 cropping options, either with or without crop insurance.

Just enter your land description

Hockridge estimates that more than 600 producers have downloaded previous versions of CropChoice\$. Based on information entered by the producer, along with historical information contained in the program, CropChoice\$ forecasts

margins for each crop and the producer's probability of achieving them. This free Windows-based program helps farmers compare different scenarios in planning, which crops to grow and how much of each.

For producers who've used CropChoice\$ in the past, the 2008 version will allow previous years' information to be transferred in. For producers who haven't yet tried CropChoice\$, Hockridge believes there's never been a better time.

"There is a wealth of information available for producers, and it's easy to use," he says. "Once you enter the land description for your farm, you'll be able to enter up to 32 fields of data, and 2007 crop insurance information from your township will automatically be part of your calculations."

To download your copy of CropChoice\$, visit www.agriculture.alberta.ca/cropchoices.

New thinking, new opportunities, new profit potential.

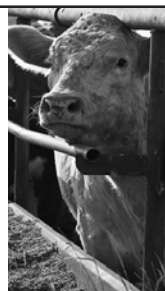
Don't miss AgChoices 2008 on Wednesday, February 13, 2008 in Red Deer.

AgChoices 2008 is the ideal place to explore the future of your farm or ranch enterprise. The theme of this one-day conference is *Capturing Opportunities*, and our panel of high-impact speakers will show you how.

- ▶ University of Guelph professor David Sparling offers strategies for today.
- ▶ Food executive David Andersen charts your course in product marketing.
- ▶ Leadership coach Jim Reger outlines succession planning and leadership opportunities.
- ▶ Keynote speaker Hon. George Groeneveld, Alberta's Minister of Agriculture and Food, shares his vision for a strong and sustainable industry.
- ▶ The Ag Info Market provides a fast-paced, idea-packed look at farm business tools, programs, projects and services available to you.

Register by calling the Ag-Info Centre toll-free 1-800-387-6030. Visit www.agriculture.alberta.ca/agchoices.

Capture the opportunities.....register today!



AgChoices
2008



Capturing Opportunities

Register today

AgChoices 2008
Wednesday, February 13, 2008
8:30 a.m. to 4:45 p.m.
Red Deer Lodge
Red Deer, Alberta

Conference fee:
\$95* per person
\$75* per person when two or more register from the same farm
\$45* for students

* includes coffee breaks, a hot lunch and GST.

Register by Friday, February 1, 2008 and save \$20 per person.

Registration deadline is Friday, February 8, 2008.



RENEWAL.

Canada

The Agricultural Policy Framework (APF)
A FEDERAL-PROVINCIAL-TERRITORIAL INITIATIVE

Alberta

In debt mediation, the earlier the better

Looking back, the warning signs were there all along for this Alberta farm couple. First, the bank was reluctant to renew their operating loan, doing so only after some uncomfortable hemming and hawing. Next, poor crop prices caused the couple to miss a loan payment. Finally, their bank manager told them their financial situation was more perilous than they'd realized, and that the help of Agriculture and Agri-Food Canada's Farm Debt Mediation Services (FDMS) was urgently required.

While this couple felt devastated, things could have been a lot worse. The bank had actually done them a favour by referring them to the FDMS. A less obliging lender might have simply called the loan and started seizing collateral. For many this bad news comes in a "Notice of Intent to Realize on Security."

To Doreen Acorn and Peter Frixel, this is a familiar story. Acorn, a mediator and Frixel, a consultant, advise farmers and ranchers through FDMS's Alberta office. In this role, they've helped scores of farm families' cope with financial crises like the one described above and emerge to farm another day.

Service is free of charge

The FDMS can act quickly once it's called in, and its services come at no charge to the farmer.

"Unfortunately, most people wait too long to ask for help," says Frixel. "They often come to us only once they've received a formal demand for payment from their lender. At that point, however, the loan has almost always gone to the financial institution's asset-recovery branch, so their local loans people have very little flexibility with the account. That leaves the farmer with very limited options for dealing with the family's predicament."

Calling the Farm Debt Mediation Service before there's a crisis can give the family more control over their future.

Acorn agrees, noting that many farmers delay calling the FDMS in the hope that matters will improve of their own accord. They rarely do.

"The earlier they apply to us," says Acorn, "the more control they have over their situation and the financial choices they can make, such as reorganizing their operation, downsizing and so on."

When a farmer applies for help, FDMS staff move fast. As soon as the application is approved—usually within a day or two—FDMS can put a legal stay of proceedings in place so creditors can't force the sale of the farmer's assets. Then, an FDMS consultant like Frixel will begin working with the farmer to find solutions to the problem. The FDMS also provides a mediator like Acorn to help the farmer and creditors reach an agreement.

Resolve the issue, look to the future

Some farm families feel a stigma attached to asking for help, as if they were unique in doing so. Frixel always stresses with FDMS clients that many families have gone through such reorganizations.

"I find it helps to tell people how other farmers have dealt with similar situations," Frixel says. "Rather than dwell on what went wrong, we focus on where they want to be in five years, and what we can do tomorrow and next month to take them in that direction."

This process begins with an analysis of the farm's financial situation. That's the first step to finding solutions that work for the farmer and are acceptable to the creditors. Mediation meetings normally occur within 45 days of the application's approval. The consultant attends as an advisor to the farmer, but the meeting itself is under the direction of the mediator.



"As a mediator," says Acorn, "I'm an impartial third party who focuses on finding an agreement that will be fair to both the creditors and the farmer. The first thing I do is try to put the farmer at ease; a mediation meeting isn't a trial or a legal process, and it's also completely confidential."

Acorn will encourage the farmer and creditors to discuss how the problem affects them. This step often clears up assumptions or misunderstandings, and paves the way for a win-win solution. Often, both parties will bend a little to reach an agreement both can live with.

"I've rarely seen a meeting that doesn't end with a resolution," Frixel says. "The FDMS is staffed by people who have a great deal of experience with both farmers and creditors, and the process has proven itself very effective over the years."

Agreement leads to better times

Once an agreement is reached, it's written up and reviewed, then signed by all parties. It's now legally binding, and it lets everyone know exactly what's expected of them. The creditors and the farmer can be confident that the agreement will benefit both parties. The farmer will feel the relief of having a practical plan for financial recovery in place.

As for the couple described at the beginning of this story, they took their banker's advice and applied to the FDMS. They went through the mediation process and arranged an agreement with their creditors.

In the end, it all worked out. Two years after the meeting, they'd paid back everything they owed, and were still farming. This happy ending was made possible by the FDMS, the dedicated work of people like Doreen Acorn and Peter Frixel, and the faith placed in them by a farm couple who needed help.

To find out more about the Farm Debt Mediation Service, please visit Agriculture and Agri-Food Canada's website at www.agr.gc.ca/fdms or call 1-866-452-5556.



CD-ROM targets lameness in dairy cattle

New tool highlights seven behaviours that indicate this costly problem is progressing.

Alberta dairy farmers now have access to a \$20 learning tool that can help them save up to \$400 per cow. Firm Steps: Identifying Lameness in Dairy Cattle is a two-disk CD-ROM set that brings together ground-breaking research on an issue that's critical to animal care and farm economics.

"We've been concerned about lameness in dairy cattle for years," says Rick Corbett, Ruminant Nutritionist with Alberta Agriculture and Food. "Until recently, however, we haven't had enough scientific information to alleviate the problem before it requires treatment."

Researchers from the University of British Columbia and Agriculture and Agri-Food Canada found that seven behaviours provide a reliable tip-off that lameness is developing.

For example, cows that are sound tend to maintain a flat back while walking and standing. As lameness progresses, a cow will tend to arch its back, to relieve some of the pressure on the affected leg. This and six other lameness-indicating behaviours are illustrated on the CD-ROM, along with a scoring system producers can use to assess the state of their cows.

See the signs, help the cow

"Some of these signs can be very subtle," says Corbett. "You're not likely to see all seven in the



same cow at the same time, but taken together, you'll be better able to recognize the symptoms when you see them."

The earlier lameness can be detected, the simpler the treatment will be and the less the ailment will cost the producer. Says Corbett: "Research shows the cost of lameness in a cow can be up to \$400.

That's the impact of lost production and delayed reproduction. Clearly, it pays to act early."

To order your copy of the Firm Steps: Identifying Lameness in Dairy Cattle CD-ROM, call 1-800-292-5697 or visit www.agriculture.alberta.ca/firmsteps. The cost is \$20, plus GST and shipping.

Upcoming Events

Step It Up Conference - February 6 & 7 in Leduc

In February 2008 over 150 farm direct marketers will gather in Leduc for the first annual Step It Up conference. Be sure to count yourself among their number.

Call NOW for information and to register. In Alberta, phone toll free 1-800-661-2642, or email: director@albertamarkets.com or webmaster@albertafarmfresh.com. Conference registration deadline is January 25, 2008.

Culinary Tourism: The Hidden Harvest – February 12 in Bragg Creek

Attend the workshop, Culinary Tourism: The Hidden Harvest featuring Erik Wolf, President of the International Culinary Tourism Association and learn about the required ingredients for this

growing sector. You'll also have the chance to start building a sustainable culinary tourism strategy for your area or business.

For more information visit www.exploredirect.ca or call 1-800-296-8112. Registration deadline is February 1, 2008.

AgChoices 2008 Capturing Opportunities Conference – February 13 in Red Deer

AgChoices is a one-day conference packed with information on the issues that matter when you're exploring opportunities for new business ideas that will add value or strengthen your farm business.

Register by calling toll-free 1-800-387-6030. Visit www.agriculture.alberta.ca/agchoices for more information. Registration deadline is February 8, 2008.

Did you know?

According to the latest trade statistics released by Statistics Canada, Alberta exports of primary and processed agricultural and food products (agri-food) reached \$5.8 billion in 2006, an increase of 9.0% from \$5.3 billion in 2005. Nationally, Alberta accounted for 20.7% of the total Canadian agri-food exports worth \$28.2 billion, and was the second largest exporter after Ontario.

Best Practices Renewal Award Correction.

The Best Practices Renewal Award will not be offered this year as indicated in the Fall 2007 issue of Renewal Now. We apologize for any inconvenience.

For more information on Renewal projects and programs, please visit: www.agriculture.alberta.ca/renewal

If you know someone who would like to be added to the RenewalNow! newsletter mailing list, please contact:

Tammy Elmhurst at (403) 340-5672 or email: Tammy.Elmhurst@gov.ab.ca

Writer: Kieran Brett
Publisher: Wendy McCormick
Program Communications Lead

Aussi disponible en français

Renewal is one of five chapters of the Agricultural Policy Framework – A Federal-Provincial-Territorial initiative. Renewal is about moving forward one decision at a time. To be successful in the "new agriculture", farmers must make a personal commitment to on-going learning in the areas of technology and new products and practices. Market demands also show the need to combine production skills, management skills, and leadership skills. The RenewalNow! newsletter strives to provide Alberta Farmers with information on programs, projects and events that support these ideals.