



The Young Farmers Newsletter

Vol 4
Spring 2007

A Growing Opportunities Initiative

Allan McKenzie and Shannon Empson

Nesbitt – Allan McKenzie still recalls the day his family's pregnant mare urine (PMU) business ended.

"It was a Saturday morning just over four years ago," he says. "The mares on the line were being retied in the barn after their daily turnout. Mom came out and said, 'That's it. You're done.' "

The family had known cutbacks were coming, but thought their operation would be spared. The year before they built a new \$150,000 barn that now housed their 114 mares. Wyeth Ayerst, the pharmacy company they had contracted with, had indicated it would take major investments into account, along with producers' track records and their proximity to the plant in Brandon when they were choosing which contracts to cut.

Because the family's Hedgeville Farms operation had the new barn, a solid production track record and was located 25 miles from Brandon, Allan, now 33, says they thought they'd only suffer some cutbacks by the company.

The complete loss of the business contract was devastating news for the family farm operation which included Allan, his parents Wayne and Wanda, and his younger brother Mike.

LOSS OF PMU CONTRACT LED TO A REMARKABLE FAMILY EVOLUTION

Having to feed the mares got the family out of bed in the morning, says Shannon Empson, Allan's spouse, now 28. There were pressing decisions to make. They were feeding a big herd in a new barn, both of which were now a financial drain. Their attachment to the animals made shipping them for slaughter a last resort.

What followed was the beginning of a remarkable family evolution. The McKenzies used the compensation package from Wyeth Ayerst to benefit the three families working the operation. A few years later, the three McKenzie families have not only redefined their farm businesses, they have completed an inter-generational transition.

Shannon is a business development officer for the City of Brandon. She developed a website that launched the farm into the world of internet marketing. It allowed them to downsize their herd, selling only to owners who would value the animals. "We basically dispersed the mares for very little money, but to good homes," she says, adding they're still in contact with 90 per cent of the new owners who provide updates and photos of the horses.

Wayne and Wanda officially retired, although they still help their sons with their operations. They sold their share of the farm to Mike. The two brothers run separate economic operations, but share labour and resources.

Allan McKenzie and Shannon Empson at Hedgeville Farms



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Shannon prepares to feed the herd.

MIX OF ORGANIC CROPS AND ORGANIC LIVESTOCK PROVIDES MORE OPTIONS

Even before the PMU contract ended, Allan was dabbling in organic production on land he had bought from his grandmother. The land had been sown to hay for many years without the use of chemicals or artificial fertilizers. That absolved him from the three-year transition normally required for organic certification.

In 2000, he planted organic flax. He now grows oats, barley, timothy, alfalfa, hemp and red clover as well. Last year, every acre on the farm was certified organic. His cereal and oilseed crops are produced under contract as often as possible.

While he says contracting might not always get him the top market price, he sees it as a key risk management strategy – locking in reasonable organic crop profits with a sure buyer. The farm's excess hay and alfalfa are sold to the local organic livestock and dairy markets as well as US buyers. The combination of forage, pasture and field crops provides rotational options for managing fertility and weed control in the organic system.

Allan and Shannon's organic beef herd (120 Angus Simmental cows) provides natural fertilizer for the crops. Allan does his own finishing to market weight. The first crop of finished fats will leave the farm this spring, destined for an organic beef processor in South Dakota. The profitability of organic beef is yet to be determined.

Allan gets most of his production information from attending seminars, consulting with other organic producers and reading voraciously. It's also a lucky coincidence his local Manitoba Agriculture, Food and Rural Initiatives (MAFRI) representative, Marc Boulanger, also has an organic beef operation and can provide first-hand insights and advice.

INTERNET USED TO MARKET ALL ASPECTS OF THE FAMILY OPERATION

The family is still involved with horses, breeding coloured Arab, Paint and Percheron crosses for performance sports and driving. They continue to use the internet for information and research and are using it more and more as a marketing tool.

Allan struggles with the time-management requirements of what is now a highly diversified and labour-intensive operation. So far, Allan and Mike have managed with help from their family. Part-time labour has also been hired sporadically, but getting all the jobs done at the busiest times of the year is still a challenge.

Shannon is hoping to expand her website development skills into a home-based business that would eventually allow her to give up her job in town and work from the farm. She also hopes to expand into organic vegetable and fruit production.

The past four years have been one wild ride for this family operation. And while the future is anything but certain, Allan and Shannon wouldn't trade in the pleasures of this life for one with more predictability.

"There's nothing like walking out into that new hay field or seeing new baby calves on the ground," says Allan, while Shannon adds, "You are creating something. You are taking some raw dirt and you are creating something that is valuable to the world, not just your pocketbook."

Horses are still a big part of Hedgeville Farms.



Organic Products' Market Expanding

Our profiled farmers, Allan McKenzie and Shannon Empson, aren't the only ones who have taken the plunge into organic farming. In Manitoba, about 300 producers are currently certified organic and there are 27 organic certified processing and handling operations, including the Food Development Centre in Portage la Prairie and McKenzie Seeds in Brandon.

Increased consumer demand for organic food has had a significant impact on farm level production in recent years. In Canada, certified organic agricultural products have experienced a 20 per cent annual growth in retail sales, versus a three per cent growth in conventional retail sales. Organic sales were predicted to top \$3 billion in 2006.

With that kind of growth, retailers have taken notice. In fact, 7-Eleven convenience stores in the US now offer organic snacks and are planning to increase the number of items they offer. Multinational corporations are investing in organic food product lines, and mainstream supermarkets are committing lucrative shelf space to organic products. Whole Foods Market, a supermarket chain founded in 1980 with one small store in Austin, Texas, has become the world's leading retailer of natural and organic food.

With 189 stores in North America and the United Kingdom, Whole Foods Market is the first grocery chain to be nationally certified as an organic grocer. Currently operating three stores in Canada, two in Toronto and one in Vancouver, they cause great consumer excitement wherever they have opened.

A Whole Foods Market sponsored survey shows the reasons consumers buy organic products are:

- 58% think it's better for the environment
- 57% think it's better for their health
- 57% think it's better for supporting small farms
- 42% believe organic foods are of better quality
- 32% believe organic food tastes better

Other market data has shown that consumers will pay 15 to 25 per cent more for organic food before price resistance becomes a factor.

Worldwide, the Organization for Economic Co-operation and Development (OECD) estimates that the organic sector is worth about \$26 billion annually. It is generally the most rapidly growing agricultural sector, with 15 to 30 per cent annual growth.

PRODUCERS ARE SWITCHING TO ORGANIC FARMING

Research shows the three most common reasons many producers are switching to organic farming are:

- Financial – organic farming reduces input costs and can also provide premiums
- Health – organic products alleviate allergies or illnesses in producers' families
- Environmental stewardship – less use of synthetic chemicals and fertilizers is seen as benefiting the environment.

Another reason for greater interest in organic food by the agriculture sector and society overall is the increased concern about energy use in both crop production and food transportation, along with the dramatic increases in world oil prices.

While the organic food market is growing, the growth of certified organic farms in Canada has flattened in recent years. As a result, the growing domestic demand for organic products is increasingly being met by imports, mainly American, even though Canada has obvious organic farming advantages, including:

- a fertile and varied land base
- a cooler climate that reduces the effects of insects and disease.

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NEW Mentoring Program Available to Young Farmers

Mentoring projects piloted by MAFRI have resulted in a new program for young Manitoba farmers. Using information gained from three pilot programs between 2000 and 2004, MAFRI staff has created the Young Farmer Mentoring Program, which is available to all young farmers across the province.

The goal is to help seasoned farmers transfer valuable information, gained through years of experience, to young farmers. The program matches young Manitoba farmers with mentors who can provide advice and guidance on specific questions and issues.

Successful mentoring can happen within families, with parents and grandparents passing on knowledge from one generation to the next. It can also work successfully with experienced mentors from outside a family.

For this program, young farmers are defined as principal managers or operators who are under 40 years old. The applications ask for background on the farm, the farmer's experience and goals and the kinds of questions he/she has. Mentors also complete an application form, describing their experience and background and why they are interested in becoming mentors.

MAFRI staff locates the best mentor for each applicant and provides orientation to ensure the expectations of both are clearly understood. The transfer of knowledge from mentor to young farmer depends greatly on mutual trust and respect. The mentorships are monitored regularly by MAFRI staff so that any difficulties can be resolved early. Both parties evaluate how well their relationship is progressing and how it's meeting the young farmer's needs.

Recognizing that mentoring already happens in many multigenerational families, mentors under this program aren't normally close relatives. The program also recognizes that mentors usually volunteer their time. However, financial assistance may be available through the program for a mentor's time and expenses, if required.

For details on the program and application forms, contact your local MAFRI GO Team office; or call Gary Zilkey, 204-726-6479 in Brandon; e-mail gary.zilkey@gov.mb.ca.

Information provided by Gary Zilkey, business development specialist, Brandon

Young Speakers for Agriculture Competition

Saturday, June 23 at
the Red River Exhibition
in Winnipeg

If you or someone you know would like to learn or perfect public speaking skills and get paid to do it, here's your chance.

Manitoba Agriculture, Food and Rural Initiatives is working with 4-H groups and agricultural societies to sponsor the 2007 Young Speakers for Agriculture Competition.

The competition has two categories:

- Junior – ages 11 – 15
- Senior – ages 16 – 24

Each competitor must speak five to seven minutes on one of these topics:

- Then and Now –
An Evolving Canadian Farmer
- Go Green? – Exploring Canadian Agriculture in an Era of Environmental Sustainability
- Buying Local –
A Long Term Trend or Short Term Fad?
- The Next Generation –
Why Youth in Agriculture are Here to Stay
- Feeding the World – A Survey
of the Global Agricultural Landscape

Winners receive cash prizes.

The first place winner in both categories will win an all-expense paid trip to Toronto in November, to represent Manitoba and the Red River Exhibition Association at the Royal Winter Fair, and the opportunity to win another cash prize.

**Registration deadline
is June 8, 2007.**

For more information contact:
Marlene Baskerville,
204-795-0930 in Winnipeg;
e-mail marlene.baskerville@gov.mb.ca.



BECOMING ORGANIC

Switching to organic production is not without its challenges. For crops, prohibited substances cannot be used on the field for at least three years before the first harvest, and the field must be inspected in years two and three of the transition period. Organic seed has to be used, and genetically modified plant sources are prohibited. However, an entire farm does not have to go organic all at once, as long as the entire operation has plans to convert to organic production within 10 years. Additionally, a minimum buffer of eight metres is required between organic and conventional crops. Without the use of synthetic substances, crop rotation is the key method of controlling weeds, diseases and insects.

Organic livestock also has its own production requirements. Organic feed is required 100 per cent of the time, which includes grain, hay and pasture. Vaccines are allowed, but antibiotics and growth hormones are prohibited. Granny's Poultry Co-operative Ltd. has recently begun producing and marketing organic chicken. Opportunities are also developing for organic dairy, beef, pork and special crops.

MAFRI has recently assembled an Organic Horizontal Team to explore further opportunities for organic production and marketing in Manitoba.

For more information about the organic industry in Manitoba, contact John Hollinger, organic business development specialist, Crops Knowledge Centre, Carman, at 204-745-5643; or e-mail john.hollinger@gov.mb.ca.

Prepared by Manitoba Agriculture, Food and Rural Initiatives.

GROWING **Opportunities**



DID WE MISS ANYONE?

If you know any young farmer who did not receive a copy of *The Young Farmers Newsletter* have them contact us at youngfarmers@gov.mb.ca and we will gladly send a copy to them.

SHARE YOUR THOUGHTS

We'd like to know what you think of *The Young Farmers Newsletter*, and what you'd like to read about in future issues. E-mail your thoughts to us at youngfarmers@gov.mb.ca

CALL OR WRITE US

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VISIT THE YOUNG FARMER WEBSITE

MAFRI'S website for young farmers provides you with detailed information on programs and services profiled in this newsletter and much more. You'll also find links to valuable resources on other public and private sector sites. Visit the young farmers website today at www.manitoba.ca/agriculture/financial/youngfarmers

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