

CEO of the Farm

Bigger farms require new definition, job description of farmers

BY HEATHER HUDSON

When it comes to growing a small farm into a huge business, Kevin Serfas of Iron Springs, Alta., can tell you a thing or two.

Over the last 18 years, he and his brother, Mark, have expanded his father's modest 1,500-acre farm and turned it into a massive enterprise. In 2011, with four full-time employees and 25 seasonal staff, the family harvested 38,000 acres of canola, barley, wheat, corn and a feedlot that nourished 6,000 head of cattle. They expect that 2012 will be every bit as successful.

The Hanmer family from Govan, Sask., has a similar story. Along with his parents, Ron and Diane, and two brothers, Kent and Dallas, Brad Hanmer owns and operates a large commercial grain and pedigree seed farm and runs a family-owned seed retail, processing and exporting business. They employ five full-time and

three seasonal staff to keep things humming.

Both families started out small and gradually built agricultural empires over the last 18 years or so. What's their secret?

"Our big expansions occurred during times when it wasn't sexy to be in farming," explains Hanmer. "We always felt that agriculture, long term, is a good business and it's treated our family well in the last 100 years. [When you're growing] you can't look at the short term; you've got to think ahead. That, and a positive attitude are the underlying reasons we were able to expand."

For the Serfas family, it's all about having "the stomach" to take big risks — and the farming prowess to back it up.

"If an opportunity is on your plate, you have to take it because, chances are, it ain't coming back," says Serfas. "There have been times when we've

said, 'Can we handle this? An additional 6,000 acres in one year, can we do it?' Well, we're going to have to figure out how because if we say no, somebody else is going to take it and it's not coming back to us."

The Serfases and the Hanmers aren't the only farmers amassing more. Statistics Canada data shows steadily rising farm sizes over the years. The average size in Alberta in 1986 was 883 acres, which had grown to 1,055 acres in 2006. Both are small figures compared to the growing number of 10,000-plus acre juggernauts sweeping the west in particular.

The reasons for growth are myriad. The rising cost of equipment has made necessary a "go big or go home" approach; an aging population means retiring farmers are selling off their farms to neighbouring operators. As well, access to technology has created efficiencies and sophistication never before seen.





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– Garry Van den Bussche, Owner, Ag Guru

Regardless of the reason, big growth means higher stakes and the need to adapt quickly to a management position.

Garry Van den Bussche, Owner of Ag Guru, a company that helps growers and retailers develop solutions for business success, says he sees a whole new breed of farmer today.

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If more and more farmers are expanding their businesses, what are the best ways to adapt to a larger scale operation? What are the big considerations when ramping it up? We asked our experts to give us their insights.

Good partnerships

Both Serfas and Hanmer credit their families’ successes in large part to great working relationships with suppliers, both of the multinational and local independent variety.

“In the 1990s and early 2000s, we had to be pretty creative to figure out how to put crop in the ground after picking up more land. We kept up good working relationships with a number of suppliers to help with financing. Those partnerships are still strong to this day,” said Serfas.

Human resources

Chris Paterson is Vice-President of Market Development at Agri-Trend, a company that helps farmers grow their businesses. He says he can’t overstate

the importance of effectively managing people as a business grows. “Too often, it’s a husband and wife who are operating the equipment, doing the books and everything else. When you grow, you’ve got to get good staff.

“There’s a tendency to skimp and pay less when hiring, but my recommendation is to pay on the high end. You’ll have happier, more productive employees who give great word of mouth to other potential staff who will help you grow your business in the right way.”

Human resources also include succession planning. Still relatively young, Hanmer is already thinking about who’s going to manage the farm in the future. “The backbone of our industry is the multigeneration farm where you have buy-in right from the sandbox.”

While he’s unsure who’s going to stay and go among his own children, nieces and nephews, he suspects there are some likely candidates who will follow the tradition. They’re all being groomed—just in case. “We’re teaching kids the farm work ethic for whatever they do in life, including financial management, how to work with people and build relationships. I believe the farm is one of the best tools to breed kids for wherever they end up.”

Outsource

When you’ve got a huge operation, it’s nearly impossible to do it at all. Paterson says you’ve got to know when to delegate to get ahead, whether that’s in agronomy, marketing or accounting.

“It doesn’t take much of an improvement to pay for certain services. If your average is \$40/bushel

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for canola and a few tweaks in the program can yield \$42 or \$43/bushel, that's an additional \$30/acre and all kinds of improvements can be found with professional help."

Technology

You won't catch Serfas without his iPad, laptop or phone. In the car, office, in his truck or on the field, technology has become a lifeline to keeping on top of all aspects of the farm. On a continual quest to create efficiencies, technology is one of the things that helps him do it.

"It's been a trial and error progression, learning what works and what doesn't. It helps us stay on the ground and be connected to information and markets at all times."

Using technology to plan efficiencies also helps adapt to a bigger sized farm. "There are a pile of really innovative things we're adapting," says Hanmer. "GPS is just one platform and it's opened up a lot of efficiencies: sectional control, mapping,

variable rate fertility, all these things that we're tweaking. We're spending a bigger percentage of time just on IT side."

Creating a balance

Long gone is the era of spending entire days on a tractor for Hanmer. He spends most of his days in the office or coordinating field operations and doesn't have his own dedicated sprayer or drill. But that doesn't mean he's not connected to the land.

"I need to smell the soil and watch the combine hopper fill up. It keeps you grounded. I would never not drive a combine at some point. I'm doing less and less of it, but I make it my business to still go out and do that as much as possible. If I'm a CEO who has no idea what staff are talking about how can I make strategic plans?"

Serfas feels the same way. "I'd love to be able to go out there and drive a combine for a whole day and not think about anything, but that's not the best use of my time now. I'll go out on a




Kevin Serfas and family.

Saturday afternoon and spend the day in the field. It reminds me why we do what we do." ♦

Photos courtesy of Kevin Serfas.

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