



SUCCEED AT SUCCESSION

Preparing your operation for the next generation to take over the reins can take many forms when diversifying your farm business

Engaging in off-farm and non-farm income is becoming more commonplace on Canadian dairy farms as families of all sizes look to incorporate adult children into the farm business.

According to an Agriculture and Rural Working research paper by Statistics Canada, written by Simon Jetté-Nantel, David Freshwater, Martin Beaulieu and Ani Katchova, if farm operators and families are able to diversify their resources in non-farm sectors, it appears sensible for them to make decisions based on a portfolio of income sources, including farm and off-farm sources, rather than focusing only on farm income.

In this month's issue, you'll find three families who have many years experience diversifying their farm businesses to not only facilitate succession, but also produce high-quality food, learn on-farm processing skills and simply inform the public about where their food comes from. Assistant editor Jennifer Nevans interviewed Tom Gibson, senior relationship manager at Farm Credit Canada, who says some common ways farmers have diversified their operation include setting up a second dairy operation that is supported by the existing operation, selling quota and separating families into other enterprises, such as cropping or swine, or bringing in the younger generation and supplementing the expansion through off-farm income.

The key to running a successful business along with dairy farming is to plan early and involve as many people in the planning stages as possible. Gibson advises allowing the next generation to share their plans and financial projections in order to gauge their expectations and see if they really understand the business. You also want to tap into the next generation's interests on and off the farm. More and more dairy producers are nearing retirement, and often don't have formal succession plans in place. It's a topic we've covered many times in our *Farm Finance* column. According to a 2016 Statistics Canada study, the average age of Canadian farmers is 55 and yet 92 per cent of

farms have no formal written plan for succession. The study also pointed out there are more farmers over age 70 compared with those under 35. Just remember, a successful farm transition requires time and ample planning. Getting started early is always your best bet. For more ideas from your peers on how you can build and expand your farm business, turn to our cover story starting on page 30.

FAREWELL TO PETER GOULD

As many of you may know, Peter Gould retired as Dairy Farmers of Ontario's (DFO) general manager (GM) on Aug. 1. Graham Lloyd, DFO's legal counsel and communications director, will become the new GM, effective Aug. 2. For those of you in the industry long enough, you will know Peter started his career at DFO as an economist on April 4, 1981. Then in November 1992, he became senior economist. During this time, Peter contributed many articles to *Milk Producer* on the topic of markets. After working in the economics division for more than 10 years, Peter moved into the position of director of marketing on June 1, 1993, later becoming director of marketing and production on Aug. 22, 1994. Peter was promoted to general manager on May 16, 2005.

In those years, Peter has witnessed firsthand and contributed significantly to the changes that have helped shape the industry into what it is today. Peter has led DFO through many initiatives, decisions and plans. His leadership of the organization and Ontario dairy industry are what has enabled both to be successful and well placed for a bright future. Magazine staff—both past and present—wish Peter well in his retirement.



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MILK PRODUCER is published monthly by Dairy Farmers of Ontario, 6780 Campobello Road, Mississauga, Ontario, L5N 2L8
SENIOR EDITOR: Sharon Laidlaw
Sharon.Laidlaw@milk.org
ASSISTANT EDITOR: Jennifer Nevans
Jennifer.Nevans@milk.org
FREELANCE GRAPHIC DESIGNER: Ashley Spires

Co-ordinated by the Communications Division, Laural Adams, communications manager.
Subscription rates: \$26.88 for one year, \$49.28 for two years and \$67.20 for three years in Canada (includes HST), \$36 per year in the U.S., \$36 per year overseas. Single copy: \$2.50. Make cheques payable to Dairy Farmers of Ontario.
Canada Post Publications Mail Sales Product Agreement No. 40063866.
Return postage guaranteed. Circulation: 9,500. ISSN 0030-3038.
Printed in Canada

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6780 Campobello Road,
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