1. FBDI – GF2 Overview
3. What is a Fair Land Rent?
Program Objective

To help farmers obtain information, training and consulting services that will help them make sound business decisions, enhance profitability and achieve their goals.
FARMER

TAKING STOCK
A Needs Assessment service delivered by Regional Services Branch

FARM DEVELOPMENT PLAN
A summary of the Taking Stock assessment combined with a recommendation of actions/steps to address goals and priorities that were identified from Taking Stock.

Private Sector Consulting Services
- Business Strategy
- Marketing Strategy
- Production Economics
- Human Resources
- Financial Management
- Environmental Strategy
- Succession Planning
- Business Structure

Training and Education Programs

RESOURCES - PROGRAMS - SERVICES
The initiative focuses on adopting and/or improving progressive farm business management practices in the following eight (8) areas:

1. Business Strategy
2. Marketing Strategy
3. Production Economics
4. Human Resources
5. Financial Management
6. Environmental Plan
7. Succession Planning
8. Business Structures
Eligibility Requirements
Saskatchewan resident who is at least 18 years of age

and;

Actively engaged in farming and have reported on your Canada Revenue Agency income tax return at least $35,000 in annual gross farming income.

or

Are intending to farm and can demonstrate that the farming operation can generate annual gross farming income of $35,000 or more within the next 36 months.
Financial Benefits

The initiative provides financial benefits, on a cost-shared basis for business management training and consulting services provided by a third party in one or more of the eight farm management areas.

Financial benefits, for qualified applicants, will reimburse up to 75% of the eligible costs of accessing training and 50% for consulting services. Maximum funding to $10,000 per applicant for life of the program.
Farm Business Development Initiative

1. Taking Stock Self-Assessment
2. Farm Development Plan
3. Orientation on Consultants & Learning Providers
4. Walk through Minimum Deliverables
5. Prioritize Needs and Select Learning Providers and Consultants
6. Apply to FBDI
7. Receive Approved Application
8. Meet with Consultant &/or Attend Training
9. Submit Written Plan and/or Confirmation of Training Course Completion Including Receipts
10. Meet RFBMS to Discuss Plans for Implementation
11. Receive Reimbursement and Implement Plan
12. Follow Up
Measuring Financial Risk
Measuring Financial Risk

• Wealth
Sask. Farms Capital

- Capital on Farms
- Land & buildings
- Equipment

$0,000

$10,000,000

$20,000,000

$30,000,000

$40,000,000

$50,000,000

$60,000,000

$70,000,000

Sask. Farms Debt


Fluctuation of Farm Debt over the years.
Measuring Financial Risk

• Wealth
  – Cash and Equity are king in tough times

• Look at Leverage = Debt/Equity
Sask. Farms Leverage Ratio

Debt to Equity

Measuring Financial Risk

• Wealth

• Look at Leverage = Debt/Equity
  – Less than .33 is good for grain producers
  – Greater than .5 is not good
  – Greater than 1 is bad
Measuring Financial Risk

• Wealth

• Look at Leverage = Debt/Equity
  – Less than .33 is good for grain producers
  – Greater than .5 is not good
  – Greater than 1 is bad

• Another way to state it is by Net Worth in percentage terms – Equity/Total Assets
Sask. Farms Percent Net Worth
Measuring Financial Risk

- **Wealth**

- Look at Leverage = Debt/Equity

- Another way to state it is by Net Worth in percentage terms – Equity/Total Assets
  - 75% and higher means generally no cash flow problems for grain farmers
  - Between 60% and 75% can mean real cash flow problems especially in years of lower returns
  - Less than 50% - Help!!!
Measuring Financial Risk

• Wealth
• Look at Leverage = Debt/Equity
• Another way to state it is by Net Worth in percentage terms – Equity/Total Assets
• How long does it take to pay off your operating loan – over a year not good
• Can inventories and cash in bank pay off current liabilities (i.e. annual loan payments)
• Banker calls and asks how things are going – not a good sign
What is a Fair Rent?
How much Rent to Pay?

• Tell landlords 5% of land value plus taxes – likely too high this year
• Ask farmers how much they can afford – not likely what landlords want this year
• Suggest to some to use Crop Insurance to help determine rent – especially between family members
WHAT'S NEW

New Price Insurance Product for Livestock Producers
An innovative, new livestock price insurance program will be available this spring to help cattle and hog producers in western provinces manage price risks faced by the industry. Federal Agriculture Minister Gerry Ritz, Saskatchewan Agriculture Minister Lyle Stewart, Alberta Agriculture Minister Vernyn Olson and MLA Donna Barnett (Cariboo-Chilcotin) on behalf of British Columbia Agriculture Minister Pat Rimm unveiled the new price insurance program today at the Canadian Beef Congress in Camrose.
Learn more...

Important AgriStability Deadline for Program Participation
The Saskatchewan Crop Insurance Corporation (SCIC) is reminding producers December 31, 2013, is the final deadline to submit 2012 AgriStability forms and pay 2013 program fees.
Learn more...

November 15 is the deadline for Crop Insurance claims
The deadline for Crop Insurance customers to register a claim is November 15. Producers are also reminded to submit all 2013 production information to the Saskatchewan Crop Insurance Corporation (SCIC) for insured and uninsured crops, even if they do not have a claim.

DEADLINES

March | AgriStability
March 31 is the deadline to submit an interim application.
View all AgriStability deadlines

March | Crop Insurance
March 31 is the deadline to apply, reinstate, cancel or make changes to your Crop Insurance contract.
View all Crop Insurance deadlines
NEW! Calendar Deadline Tool for Smartphones and Outlook Calendars

TOP PAGES
• Direct Deposit Request
• Release of Information
• Current Career Openings
• Last Spring Frost Map
• AgriStability
• Crop Prices (Multi-Peril Insurance)
• Contact us
2014 Insured Prices

The base prices for grains crops are established on the basis of price forecasts provided by the Market Analysis Group of Agriculture and Agri-Food Canada. These prices represent the expected farm gate market price for the coming crop year. Producers also have the option of selecting the Low Price Option for each crop, which is set at 85 per cent of the base price for the crop. Also available are the Variable, Contract and In-Season Price Options. A select group of crops are also eligible for the Contract Price Option.

Alternative sources are used to determine prices for some smaller acreage crops.

2014 Commercial Prices

<table>
<thead>
<tr>
<th>Crop</th>
<th>Base Grade</th>
<th>Base Price ($/T)</th>
<th>Low Price ($/T)</th>
<th>Base Price ($/Bu)</th>
<th>Low Price ($/Bu)</th>
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<tbody>
<tr>
<td>Alfalfa Seed</td>
<td>Common</td>
<td>3,860</td>
<td>3,281</td>
<td>1.75#</td>
<td>1.49#</td>
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<tr>
<td>Barley</td>
<td>1 CW</td>
<td>130</td>
<td>111</td>
<td>2.83</td>
<td>2.41</td>
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<tr>
<td>Camellina</td>
<td></td>
<td>295</td>
<td>251</td>
<td>7.49</td>
<td>6.37</td>
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<tr>
<td>Canary Seed</td>
<td>Sound &amp; Dry</td>
<td>540</td>
<td>459</td>
<td>0.24#</td>
<td>0.21#</td>
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<tr>
<td>Canola</td>
<td>1 Canada</td>
<td>420</td>
<td>357</td>
<td>9.53</td>
<td>8.10</td>
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<tr>
<td>Caraway</td>
<td>Average</td>
<td>1,450</td>
<td>1,233</td>
<td>0.66#</td>
<td>0.56#</td>
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<tr>
<td>Chickpea (Desi)</td>
<td>2 CW</td>
<td>485</td>
<td>412</td>
<td>0.22#</td>
<td>0.19#</td>
</tr>
<tr>
<td>Chickpea (Lg Sd Kabuli)</td>
<td>Average</td>
<td>595</td>
<td>506</td>
<td>0.27#</td>
<td>0.23#</td>
</tr>
<tr>
<td>Chickpea (Sm Sd Kabuli)</td>
<td>2 CW</td>
<td>485</td>
<td>412</td>
<td>0.22#</td>
<td>0.19#</td>
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<tr>
<td>Coriander</td>
<td>Average</td>
<td>1,000</td>
<td>850</td>
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<tr>
<td>Corn</td>
<td>2 CW</td>
<td>160</td>
<td>136</td>
<td>4.06</td>
<td>3.45</td>
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<td>Dry Beans (Black)</td>
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<td>595</td>
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<td>Dry Beans (Navy)</td>
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<td>642</td>
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<tr>
<td>Dry Beans (Other)</td>
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<td>0.33#</td>
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<tr>
<td>Dry Beans (Pinpin)</td>
<td>1 Canada</td>
<td>700</td>
<td>595</td>
<td>0.32#</td>
<td>0.27#</td>
</tr>
</tbody>
</table>
Coverage Cost Calculators

2014 Generic "What-if" Insurance Cost Calculator

Complete generic coverage and premium calculations using the current year's price information.

2014 Contract Price Option "What-if" Calculator

Complete generic coverage and premium calculations on selected organic and commercial crops. You contracts.

2014 Crop Averaging Program "What-if" Calculator

Complete generic coverage and premium calculations to determine coverage options greater than 80 per cent.

Note: Please have your long-term individual yields to complete a more personalized calculation. Your ir available on your current Coverage Detail, through CropConnect or from your customer service office.
Generic "What-If" Calculator

Rural Municipality: 437
Quarter: NW
Section: 27
Township: 44
Range: 15
Meridian: 3

Crop: Wheat - Hard Red Spring
Base Price: 5.0346 per bu

Coverage Option
- 80%
- Summerfallow: 30.7, 9.08, 154.66, 5.9%
- Stubble: 38.4, 38.4, 46.5

2014 Area Information Yields
- Bushels: 38.4
- Risk Zone: 22
- Soil Class: G
- Based on area yields and 0% discount. Premium/coverage estimates only.
Assumptions

- Crop Rotation
  - 40% Canola
  - 40% Wheat
  - 10% Barley
  - 10% Peas
Average Harvested Acres for Crop District 9

- Crop Rotation
  - 42% Canola
  - 37% Wheat
  - 10% Barley
  - 4% Peas
  - 8% Oats
Crop Insurance Base Price 2014

- Canola - $9.53
- Wheat - $5.04
- Peas - $6.16
- Barley - $2.83
Area Average Yield for G soil in Risk Area 22 - 2014

- Canola 31.7 bushels per acre
- Wheat 38.4 bushels per acre
- Peas 31.9 bushels per acre
- Barley 52.5 bushels per acre
Rent calculation

– Yield X Price X % in rotation/100
– Canola 31.7 X $9.53 X .40 = $120.84
– Wheat 38.4 x $5.04 x .40 = $ 77.42
– Peas 31.9 X $6.16 X .10 = $ 19.65
– Barley 52.5 X $2.83 X .10 = $ 14.86

$232.76

– Rent at 25% (.25X232.96) = $58.19/acre
– Last Year - $76.86
www.agriculture.gov.sk.ca

QUESTIONS?
Contact Information

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