



# The Young Farmers Newsletter

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A Growing Opportunities Initiative

## Diversity Pays Off in More than One Way

John and Angelika have no desire to be the biggest farmers in the world. They would rather put their energy into seeing it. The couple's 850-acre grains and oilseeds farm near Niverville is both their home base and a launching pad for their other agriculture adventures in other parts of the world.

The Gehrers frequently work overseas as agricultural development consultants for government, non-government and private sector clients such as CIDA, Asian Development Bank, The World Bank, and Morris Industries.

When they aren't off on one of their assignments, they're busy selling and marketing John's invention, the Never Spill Spout. It's a device that attaches to an auger and sets off an alarm to let the farmer know when the bin is full.

They laugh when asked what they do for living. "I guess you could say we have no permanent job," says John. They're farmers who have always worked off the farm but love coming home to Manitoba.

### Unique backgrounds prepare Gehrers for international work

The family farm is an integral part of the German-born couple's livelihood, but they manage it so they have the freedom to do other things. Everything from their cropping strategy to their debt load is tailored to their wanderlust.

John was 14 when he came with his parents to Canada. He went to the University of Manitoba to study agriculture and decided to go into business for himself. He bought a chicken farm in 1984

with help from his parents. He graduated in 1992 with a Master's degree in soil science, after taking time out to do part-time work in soil conservation.

Over the past 19 years, he has worked as a municipal weed supervisor, a custom sprayer, an international trainer, and with federal government agricultural support programs. In 2000, he decided to return to school for his Masters in Business Administration, which he recently completed.

Angelika was in her 20s when she decided to join her parents in Canada. She had a phys-ed background but was teaching German in Florida. Her parents hired her to work on their hog operation for 18 months before she took a job as a teacher and director of a German-English preschool in Winnipeg.

After she met John in 1987, she continued in education, then went to work for the local municipality and later, for the provincial Emergency Measures Organization.





*"We were on a state farm with no other foreigners, so we learned some Russian and learned how to live without running water and without power. We had a great time and loved it."*

She has also managed an adult education centre and worked as an immigrant settlement worker in Steinbach.

Their unique blend of experiences made the Gehrers perfect candidates for an international development project promoting canola production in a remote region of Kazakhstan in 1994 and 1995.

After some deliberation, they quit their other jobs, took their children – aged eight and nine at the time – out of school and embarked on an adventure that included a crash course in living without amenities.

"We were on a state farm with no other foreigners," Angelika says. "So we learned some Russian and learned how to live without running water and without power. We had a great time and loved it."

They credit the experience with making the entire family more aware of global issues and more tolerant of different cultures. After heating water on a stove to wash clothes by hand and "freeze-drying" them on a line outdoors, they all had a new appreciation for the comforts of a North American lifestyle.

The Kazakhstan contract led to other opportunities in international work for John – and some tough choices for the family. When he was invited to work in Ukraine with an international finance corporation, Angelika brought the children back to Canada.

"We decided we just couldn't do international work together at that time," she says. "The children were more important. It was our long-term goal, once they were grown up, that we could do it together again."

Daughter Christiana is now 21 and son Steven is 19. When their parents are away, they look after the home-based business – sales and marketing of the Never Spill Spout.

### **Business has evolved to match lifestyle and goals**

Over the years, the Gehrer farm has changed from a mixed livestock and grain operation to straight grain. The Gehrers also still maintain an investment in a hog operation managed by Hytek Ltd.

Maintaining a low debt level has been an important part of their strategy. They've chosen to work with a relatively small land base and older machinery. After some experimenting with specialty crops, John has found that a combination of oats and soybeans are a good fit with the family's diversity of enterprises and time schedule.

When marketing, he tries to pre-sell a proportion of his crop and markets the rest throughout the year – aiming to hit the market when it's still on the way up, not the way down.

"I never try to get the very top because I don't know how to get the very top," he said. "If it goes up some more then it's kind of oh well, it's too bad but not the end of the world."

Nor does he feel pressured by lack of cash flow to sell at prices that don't work for him. "Because we don't have a lot of debt I can do that. I don't have to sell at the lowest price of the season, so the bank won't foreclose. We are in a good position that way," he said.

# Never Spill Spout

The Never Spill Spout is a classic farmer's invention: ingenuity spawned by frustration. Farmers have a long history of inventing and improvising tools to help both themselves and other farmers face the various challenges and aggravations that arise in agriculture.

John Gehrer designed the Never Spill Spout when he grew tired of climbing up the sides of bins to check whether they were reaching capacity. It's one of the most accident-prone activities on the farm. Farmers frequently injure themselves doing this, especially during the time-pressured stress of harvest.

When he realized there was nothing on the market that met his needs, John made a prototype of what he wanted and began asking farmers and companies to test it out.

"I never really expected I would figure out something like this and sell it. It just kind of worked out," he says. "It is almost like a fluke thing and it's worked out pretty good."

The Never Spill Spout won second prize for new inventions at the 2004 Ag Days in Brandon. "We only had the prototype along and we sold 16 without even really having any manufacturing in place yet," Angelika says. "We've been selling them now for two years."

Although they have recently started distributing through a dealer network, most of their sales have been through word of mouth. John is now working on an enhancement that will measure how full the bin is getting before the alarm sounds. "This is a safety and convenience thing," says Angelika. "You don't have to climb a bin anymore; and you don't over fill your bins. We really believe no one should be climbing a bin."

For more information go to [neverspillspout.com](http://neverspillspout.com) or call **1-866-860-6086**.

There is a downside too. "Of course, the 850 acre farm limits our income on the up side. We cannot make a million dollars on 850 acres, ever. It's not going to happen, but what is the sense of buying land at prices that won't work to make a profit".

John says he relies on the local Manitoba Agriculture, Food and Rural Initiatives' staff for agronomic advice and updates on the latest varieties of pests or diseases. He also uses the MAFRI website to compare his costs against the provincial budgets for crop production.

And just as John and Angelika don't let the farm stop them from doing international development work, they try to time their contracts for when the farm doesn't need them. While it would be easy to contract the field work out to someone else, when it's time to tend their crops, the Gehrers prefer to be home doing most of that work themselves.

While their three streams of income as a family are complementary, balancing them can be a challenge, but it's a challenge the Gehrers are always prepared to meet.



## INVENTOR'S SHOWCASE AT MANITOBA AG DAYS – A PLACE TO SHOW YOUR LATEST INVENTION

The Manitoba Ag Days event, held every January in the Brandon Keystone Centre, includes the popular Inventor's Showcase where the newest farm operational products are featured along with their inventors.

If you are interested in participating in the 2007 Inventor's Showcase, contact Owen Beever, General Manager - Manitoba Ag Days at **(204) 571-6566** or Roy Arnott, Chairman - Manitoba Ag Days and Business Development Specialist, Manitoba Agriculture, Food and Rural Initiatives **(204) 523-6424**.

The dates for the 2007 show are January 16, 17 and 18.

# Turning a Great Business Idea INTO A REALITY

If you have an idea for a product or service that you think might succeed in the marketplace, there are plenty of resources available to help you explore your options.

Turning a good idea into a business to supplement your farming income and diversify your operation often requires outside expertise and financing. One of your first steps is to connect with programs that support ventures which will add value to primary agricultural products (such as through processing). Following are some resources and programs to explore.

## CANADA/MANITOBA BUSINESS SERVICE CENTRE

The Canada-Manitoba Business Service's website at [cbsc.org](http://cbsc.org) (click on Manitoba's flag) is a good starting place. You'll find electronic tools for:

- generating business ideas and evaluating them for potential profitability
- preparing a business plan
- arranging financing
- protecting your idea
- marketing
- setting up your business, including business name registration, licensing requirements, taxes, hiring staff
- importing and exporting

The Service Centre offers an extensive business library including many business and trade magazines and newspapers, and has numerous databases and directories. It has 24 regional offices throughout Manitoba, as well as its Winnipeg office, and has staff who can share a wealth of research data and experience.

Ross Bingham of the Manitoba Agricultural Services Corporation, who manages the Corporation's Rural Entrepreneurs Assistance Program (REA), calls the Canada/Manitoba Business Service Centre a "tremendous one-stop business resource shop for existing and aspiring entrepreneurs." The Canada/Manitoba Business Service Centre can be reached at **(204) 984-2272** or **1-800-665-2019** toll free.

## MANITOBA INDUSTRY, ECONOMIC DEVELOPMENT AND MINES (IEDM)

IEDM's Small Business Development Branch offers a free three-day Business Planning Workshop monthly in Winnipeg and in other parts of the province, periodically.

It covers business set-up, planning, financials, marketing and selling along with all the other resources available to small businesses such as the Canada/Manitoba Business Service Centre. Bingham says "this workshop has become so popular that there is always a waiting list to get in." The course is required for some provincial programs, such as the Rural Entrepreneur Assistance Program.

Outside of Winnipeg, the Business Planning Workshop usually partners with local business or community development organizations.

The Business Start Program, which includes the Business Planning Workshop, offers access to funding for eligible new business start-ups. A five-year loan guarantee of up to \$10,000, is offered through participating financial institutions. For more information, contact Margaret Kelly, co-ordinator, Business Start Program at **945-7721** in Winnipeg; or **1-800-665-2019** toll free.

## MANITOBA AGRICULTURE, FOOD AND RURAL INITIATIVES (MAFRI) AND MANITOBA AGRICULTURAL SERVICES CORPORATION (MASC)

MAFRI and MASC offer several cost-sharing and loan guarantee programs for new entrepreneurs as well as existing businesses owners looking to expand:

- The Rural Economic Development Initiative's (REDI) Feasibility Studies Program offers up to 50 per cent in cost-shared funding to rural businesses, commercial cooperatives, municipal government and local or regional economic development organizations to hire an independent consultant for such services as:
  - financial, marketing or preliminary engineering analysis
  - business plan development
  - ISO or Hazard Analysis Critical Control Point (HACCP) certification.

The program applies to business start-ups, business expansion, and community development.

According to Bob Newell who coordinates the Feasibility Studies Program, thorough market research and a comprehensive business plan is essential for convincing financial institutions and investors that a business idea is profitable and viable in the long term. For more information about the program, contact Bob Newell at **(204) 945-3574** or visit [manitoba.ca/agriculture](http://manitoba.ca/agriculture).

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# GROWING

## Ecological Goods and Services

Good farmers know they need to be good land stewards. It makes sense to take care of what you rely on for a living.

But economic pressures can make it difficult to do the right thing. Fencing off a riparian shoreline or native grassland represents an immediate cost in time and money to the farmer. It adds value to a farm operation and provides ecological benefits over the long term, but it can be hard to think of such rewards as cash in the bank.

The ALUS (Alternate Land Use Service) Ecological Goods and Services Research Project could change that. It's a three-year pilot project planned for Manitoba's Rural Municipality of Blanshard, and it will test the concept of paying farmers for land management practices that benefit their land and the ecology. Ecological goods and services is the name given to benefits promoted by the new project. Greenhouse gas reduction, wildlife habitat enhancement and erosion protection are all examples of ecological goods and services.

### Management practices that may be part of the program include:

- maintaining wetlands and natural lands
- improving riparian areas
- establishing native plant forages on fragile cultivated lands

A first for Canada, the project comes on the heels of a national ecological goods and services symposium hosted in Winnipeg during February, 2006. More than 200 delegates discussed what other countries have learned from experience with payments for ecological goods and services, and how to apply that knowledge in Canada.

### Administered by the Manitoba Agricultural Services Corporation (MASC), the co-operative project includes:

- Province of Manitoba
- Agriculture and Agrifood Canada
- Delta-Waterfowl Foundation
- Little Saskatchewan River Conservation District
- Rural Municipality of Blanshard
- Keystone Agricultural Producers

Interested producers in the R. M. of Blanshard should call Steve Hamm at **204-566-2270**.

Information prepared by Herb Schellenberg, Policy Economist.

Delta Waterfowl and Fred Greenslade



- The Rural Entrepreneur Assistance (REA) Program guarantees individual business loans between \$10,000 and \$100,000. The loans are provided by financial institutions to full-time, small and home-based businesses in rural Manitoba. Loans can be used for fixed assets, inventory and working capital.

For more information about the REA program, contact Ross Bingham at **945- 2180** in Winnipeg; **1-800-567-7334** toll free; or visit [manitoba.ca/agriculture/macc/aaa21s09.html](http://manitoba.ca/agriculture/macc/aaa21s09.html)

## PARTNERS WITH YOUTH

Partners With Youth is a provincial program offering two grants to youth, aged 18 to 29, who plan to start their own full-time businesses and pursue self-employment as a career choice:

- Under the Young Entrepreneurs Program, approved applicants are eligible for a grant of up to \$4,000 to help with business start-up costs and capital expenditures.
- The Skill Development for Young Entrepreneurs Program provides a grant of up to \$1,000 (\$1,500 for northern residents) to help with the costs of completing an accredited business-related course.

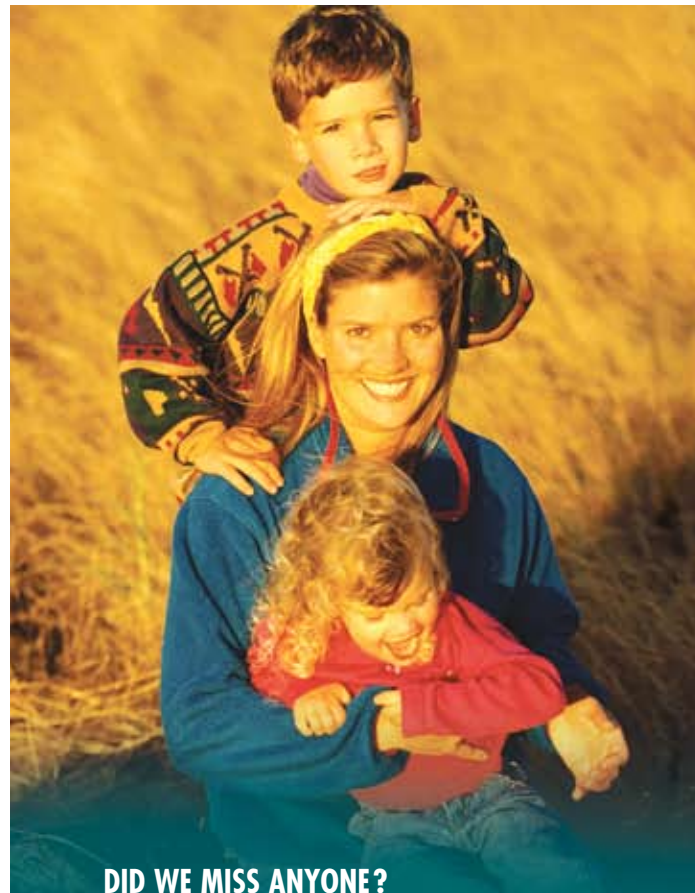
Applicants must commit to working at least 30 hours per week in the business, and cannot have more than 20 hours of other employment. While primary agriculture is not eligible for these business grants, applicants who farm 20 hours per week or less and want to start an eligible business that will provide 30 or more hours per week of self-employment, will be considered.

For more information on these programs, contact Shaun Hampton, program co-ordinator, Manitoba Education, Citizenship and Youth, at **945-4284** in Winnipeg; **1-800-282-8069 ext. 4284** toll free.

## OTHER RESOURCES

- Local Community Development Corporations (CDCs) provide loans up to \$10,000 to local entrepreneurs who are starting up or expanding a small business that will create jobs in the community. The provincial government provides matching funding through its Community Works Loan Program to expand the size of the revolving loan pool. CDCs are also an excellent source of local business advice and assistance. For more information and links to Manitoba's CDCs, visit [brandonu.ca/organizations/RDI/mcdca.htm](http://brandonu.ca/organizations/RDI/mcdca.htm); or call **(204) 776-2266**.
- Community Futures Development Corporations are non-profit, locally owned and managed federal agencies that provide small and medium-sized business loans of up to \$125,000. They also provide business and market information and help entrepreneurs with business plan preparation and assessment. For more information, visit [cfpm.mb.ca](http://cfpm.mb.ca); or call **943-2905** in Winnipeg.
- The Canada Small Business Financing Program guarantees individual business loans up to \$250,000 provided by financial institutions to full-time small businesses to buy fixed assets. It is important to note that businesses engaged in primary harvesting of resources and primary agriculture are not eligible for this program. For more information on this program, visit [cbfc.org](http://cbfc.org); or call **984-2272** in Winnipeg; **1-800-665-2019** toll free.

Prepared by Manitoba Agriculture, Food and Rural Initiatives.



## 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](mailto:youngfarmers@gov.mb.ca)  
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. Email your thoughts to us at [youngfarmers@gov.mb.ca](mailto:youngfarmers@gov.mb.ca)

## 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 [manitoba.ca/agriculture/financial/youngfarmers](http://manitoba.ca/agriculture/financial/youngfarmers)