



## **Tales from transition: A senior partner success story**

### **FCC Knowledge Podcast: Talking Farm and Food**

#### PODCAST TRANSCRIPT

Interviewer: Marty Seymour (MS)  
Guests: Garnet Martin (GM)  
Patti Durand (PD)

MS: Hey folks, before we get rolling today, just a reminder that this episode is our second this month focused on farm transition. If you haven't heard the first of this set, it's not a problem. The two episodes complement one another. The first one is the perspective from a junior partner. The second one is perspective from a senior partner. So, hopefully you find these motivating and they get you kick-started to start your transition journey. If you've already started and maybe you're a little stalled out, maybe this is just the nudge you need to take it to the next level.

GM: And that's where I started really starting to back off is when they started doing team things. Let their personals drop and do team decisions is when I really said, these guys are ready.

0:00:48.8

MS: From FCC, it's the FCC Knowledge Podcast, a show that features real Canadian producers, real stories, and real good conversation about the business of farming. I'm your host, Marty Seymour.

In our last episode, we talked to a junior partner going through farm transition. Today, we're going to get a little bit of a different perspective and chat with a senior partner from a different operation who's had a very successful transition. Garnet Martin is a senior partner at Evergreen Woodcreek Farms. Garnet and his junior partners are at the tail end of their transition journey. And while, if I've learned anything doing these podcasts, is that this journey never really ends. But they're a lot closer to it than somebody might be in their early stages. We'll hear about their experience and what Garnet has learned, and the lessons you can apply to your own operation and your own journey. He's got a ton of great advice. Also, bringing back due to popular demand, Patti Durand, from our ag transition team, who we heard from in the first episode of transition. She's going to talk about it through this lens of her experience working with Garnet, and hopefully inspire you to do some things that really make a difference in your journey.

Today, we've got on the call, Garnet Martin. Welcome to the show, Garnet.

GM: Welcome, Marty. I'm happy that you've asked me to partake in this podcast.

0:02:19.0

MS: So, we've got listeners from all across the country, and I think in agriculture we love to know where people are from. Why don't you tell us where the farm is, Garnet?

GM: Our farm is southeast of Watrous, roughly 10 miles. Watrous Saskatchewan is kind of halfway between if you drew a line between Saskatoon and Regina. So, we're in the centre of the province there, at least of the agriculture area.

0:02:47.3

MS: So, that's crop country then. There's probably a few cows in the neighbourhood, but mostly grain farm?

GM: Correct, yeah. In our area, there is cow industry, but it is mostly grain.

0:03:01.0

MS: So, you're in grain country, central Saskatchewan. We've got people from Ontario, BC, East Coast. What's the price of land like in your backyard?

GM: In our area, comparing to Saskatchewan area in general, it's still fairly low. We're running, top end, around the \$2,000 acre for what I would call better land in the area, down to maybe \$1,400, \$1,500 for maybe some stuff that isn't quite as good.

0:03:33.1

MS: It's almost like you've got something on sale there. You're inviting all of our listeners to show up in Watrous now to try to buy some land. And that might be part of your strategy to drive land values up. Why don't you tell us a little bit about your farm? Maybe just describe your farm to us.

GM: Currently we're farming 6,800 acres. We own about a third of that and rent about two-thirds. We've got some real good landlords, so I'm not real concerned overly of losing the land without at least being able to buy it. So, our farm is sitting pretty good as far as our land base. But of that 6,800 acres, canola will vary at the low end of 35% up to the high range of 50% of the acres. We're a lentil grower. We're on the northern fringe of growing lentils. And then, of course, your cereal crops and vary of wheat, to barley, to oats, to canary seed, will fall into the other category of 40% or 50% of the crop rotation.

0:04:43.7

MS: So, you're kind of the typical Western Canadian, a third, a third, a third. Now, we're here today to talk about transition. You guys have a great family story on transition. Maybe the first question is, when did you start working on your transition? How did this come to be?

GM: It's roughly 10 years to 11 years. 2010, actually it was. My son-in-law and my daughter were working out in Alberta. They had gone that direction, farming wasn't very good. And Matt, my son-in-law, he come from a little bit of a family background of farming. Not directly, it was his uncle. Very interested in farming. My son kind of wasn't finding his way but had mentioned a little bit about maybe coming back to the farm. He was working off the farm at the time and stuff like that.

0:05:34.3

MS: Okay, this is usually the part of the conversation when it gets confusing about all the players involved in transition. So, we're going to do a little level setting here to kick this off. Garnet is the senior partner and his wife's name is Darlene. He has multiple junior partners. First, there's his son, Derek Martin. There's also his eldest daughter, Lesley, and her husband, Matt Kelly. Lesley does some off-farm speaking and some of you might have seen her on the circuit. And she does a little bit of consulting, which means Derek and Matt are more directly involved in the operations and the day-to-day management.

GM: In 2010 there was the boom in agriculture with all the biodiesel and everything going on. And even though our particular farm wasn't doing all that well, I still felt there was an opportunity in agriculture.

0:06:24.9

MS: If you listened to our junior partner episode, you're already familiar with Patti Durand who made a cameo appearance in that episode. But I figure for consistency sake, it would be great to include her in this one again. Plus, she's super easy to talk to, and she's a bit of a ninja around this whole topic around successful farm transition.

Welcome to the FCC Podcast, Patti.

PD: Happy to be here.

0:06:46.2

MS: Can you tell us about Garnet? Why do you think their transition is so cool?

PD: Gosh, I have to think about this. He's someone that has such a sincere passion for his family and agriculture and learning. He is absolutely at the point of exit of his farm corporation, and yet still just reaches out and networks and cares to hear what someone else has to say and has to offer. And that lifelong learner just really lights me up. It

really excites me when someone doesn't think that they've ever crossed that learning finish line.

0:07:30.8

MS: I think what impressed me about Garnet was, he has this kind of calmness where you want to go for a coffee with him. And when I first met him, we were just chatting away on the phone, getting ready for the podcast. And him and his wife were exchanging little humorous jabs at each other. And you could just tell he was just full of life, and proud—proud of what they've been able to accomplish in the growth of their farm, and the start of the transition. So, what does Garnet do that sets him apart as a senior partner from other people that you've met over the years?

PD: When I talk about the lifelong learner, his preparedness to be wrong, to learn and change his habits as a result, is commendable. When I met him, it's within the past couple of years, and I just thought, wow, what if all farms were like this? What if all farms had an intentional board of advisors and were having annual meetings that brought all of them together, and had these incredible meetings with this chemistry and dynamic, and thinking, what if? And I think I made the assumption that he was always like that. That he started this board of advisors, this was right out of the gate. And that was one example of a something that took a long time to get there. And so, yeah, I just have a ton of respect for where he started, and where he's brought his business and family to. Just super inspiring.

0:09:03.9

MS: We're going to come back to that meeting Patti mentions later on. It's a really important part of Garnet's transition and how he and his partners do things different. Let's go back to Garnet. We left off with him filling us in on where they were, and what was going on in 2010.

GM: And my overall dream was always to have somebody take over the family farm. So, thinking about somebody taking it over and ... now, I'm only farming 2,500, 2,800 acres. And I also seen that if I was going to stay in farming, I had to grow my acres. Something had to change. And I wasn't willing to do it myself. So, taking in the younger generation, I thought was maybe a pretty good timing. And so, I presented an opportunity that we would try this out. And we had a meeting, and yeah, we did a round table and we did a number of things. We did the Adobe test which brought in all our different personalities.

0:10:12.6

MS: That's funny. Mike Ferguson mentioned a personality test as something they didn't do in their story but wishes that they had. I'm sensing a trend here, actually. I do think it's worth mentioning a few things going on for the junior partners here at the same time. It's kind of complicated, so hang on. Matt and Lesley had the opportunity to move to Regina

for Lesley's job. This wasn't in Watrous, but at least it was closer to the farm, a couple hours away. About the same time, Derek was more open to making the move to Watrous.

GM: We looked at everybody's goals and everything, and we couldn't lock everything in stone and give a direct map of how this would play out. But we had a very good sense of everybody, and everybody was aboard. And yeah, we relied on some of our resource people. And we got started in 2010, and 10 years later, I'm going to say we're going to be, if we're not finished by the end of this year, we're going to be awful close to being finished the full transition.

0:11:17.7

MS: Just think about that for a second. If you're a farmer who's starting on this, maybe you're in the middle of this, or frankly, maybe you're just putting it off, Garnet was able to see this thing through. It didn't happen to them or take place after he was gone. He had the luxury and the opportunity to witness firsthand the outcomes of all those years and years of work. And part of what got them there was working with external advisors. Garnet worked closely with his accountant. They had a great working relationship, as I think most farmers can attest to, and the experience of doing business together was also critical to that. They talked through all the scenarios related to bringing in the kids, and how it was going to look. He really recommends ... he's very adamant about working closely with your accountant, and the lawyer. The lawyer is a big player in this too. And frankly, any other technical advisors that you think will play a role in your farm operations.

GM: We also have a farm consultant, should I say. He originated with Meyers Norris. So, we were looking at the whole farm because it wasn't like I was worth a whole lot, that I could take a big hit by bringing in the boys and our junior partners and take a big hit and then decide it's not working. I still had to have a level of risk management in there for my own because that was my retirement. My land was my retirement, so I had to be very, very careful on how I did that. And I was pretty open with the boys on that, that we don't have a lot of room. We can't go out and start spending a lot of money on machinery and buy this, buy that. We've really got to make smart decisions. And I'm going to tell you, we had some tough years. And I think it was great that we did. Taking the negative and positive, those negative years were tough, and they were negative. But I said from day one, these are the things where you're going to learn, and learn for down the road.

0:13:22.9

MS: It sounds like Garnet was open and honest right out of the gate. So, I asked him about that. Because my personal experience hasn't necessarily been that senior partners are super comfortable being transparent in these conversations. Well, it turns out, Garnet witnessed firsthand what could happen if you're not transparent. When he went through his first transition as a junior partner, his dad didn't want to talk about it. That's a

generation where that's what wills were for. And Garnet saw the fallout from that approach, so he committed to doing things different. And that's how it started, with Garnet being super open and transparent. But in the bigger picture of farm transitions as a whole, where does that really factor in? I was quite curious. So, I asked Patti to give me a little more insight.

Okay, I've realised that I have to do something about transition. I'm not exactly sure where to start, hugely complicated. What would be your top three buckets I should start to think about to get me going?

PD: I think we can really work with farm families to encourage people to be clear about what they need. Basic human, basic foundational thing. So, first, what do the senior partners need in order to live for the rest of their life? Because odds are, it's going to come from the farm, so they need to be clear what they're asking for. What do they need? And it's their job to figure that out. Number two, what does the junior partner need to do in order to prepare to become a leader? Waiting for their parents to tell them is not necessarily a very helpful thing to do because they tend to get tired and the junior partner gets tired of waiting. What can they do to develop themselves? What do they need to do to get there? And last but not least, what needs to happen for the farm business to make this possible? Sometimes farms can't succeed. They can't go the next generation. There isn't the sustainability. Do the math. What makes this possible? Those are big umbrellas. There's a lot of work under each one of those, but we certainly have some resources and some ideas that we can offer to get people going down that path. Because they don't have to do this alone, and it makes sense that they would need some support.

0:15:32.6

MS: Oh, I really like your list. And so, if I had to paraphrase what I heard you say, Patti, as you said, what does the senior partner need? Fundamental question we need to start with, in order to live the life that they've aspired to. What does the junior partner need in terms of skill development to be prepared to take this on? And then, what does the farm need in order to make those things happen? Did I get that right?

PD: Absolutely.

0:15:59.3

MS: Okay. Based on what Patti said, Garnet was clear with the junior partners about his needs and their situation. I got it. What about the junior partner's piece?

There's something that's not adding up to me. So, Matt and Derek were not actively involved in the farm in '10. Am I right about that?

GM: Right. Well, '10 they started. '10 they started, yeah. So, just before '10.

0:16:28.7

MS: So, you had the chance to test the waters about how serious are they about this, or are they just around the edges because it's kind of cool? What was the trigger point for you to say, no, I think the boys are all in on this one and let's get after it?

GM: I'm going to tell you, honestly to God, I always believed they would get there. But there was a lot of stuff, like I said. We had three different families individually still figuring out their directions on their personal sides. I go back to Lesley and Matt, they were still living in Regina, and that was creating a lot of problems with Matt travelling. And actually, in busy season he was staying in a camper. And they were starting to raise a family, and Derek was raising a family. And so, there was a lot of stuff. Even though that they wanted to take over, it just didn't feel right. And it wasn't until, I'm going to say, three years ago, that Matt and Lesley made the move to come to Watrous. We bought a house in Watrous, moved off to the farm. Derek committed to moving to the farm. And then even in the farm meetings and everything, some of the management stuff that I kept on doing, and doing, and doing, I kind of said, hey guys, I'm not doing this anymore. You have to.

0:17:57.8

MS: So, you've been farming a long time. You look to the next generation to hand this thing over and to work on some transition plan. If you had to think of something that the junior partners just wouldn't have the capacity to understand because they don't have the knowledge or the experience, or just see the world so different, is there a common thread that you would see in the junior partner behaviour?

GM: There's a number of them. But the first one is, you can't do everything, especially in today's world. I guess it depends if you're a small business or a larger business and stuff. But the biggest one is, surround yourself with knowledgeable people, successful people. And understand that you've got a lot to learn. And I'm not saying that to be mean to a young person. But sometimes you come in and you know, oh, I know how to do this. This is going to be easy. No, it's not. There's a ton of stuff you don't know. So, you've got to start learning. And use those resource people. Build a team. Build a real strong team in all the different areas you want to learn.

0:19:19.2

MS: So, your transition process which really is what it is, you're 10 years into this thing. What's frustrated you along the journey? What are the standout moments that just were like, man, this has got to be easier than what we're experiencing?

GM: I'm going to say just the biggest challenge was, our first five years of farming, three of them weren't very good. In fact, I had one of the worst years that the farm ever experienced. I was so close to shutting everything down because I was just about at the point saying, I can't risk any more. Because it was my farm that was backing the

partnership. We were a third, a third, but if the farm went down, it was the banks were going to come after me. So, that year, we just could not afford another bad year.

0:20:16.7

MS: So, in '14 then when you were at the low end on your business cycle and from a revenue standpoint, did you consider yanking the rug and saying the transition's got to stop and we've got to find a different path?

GM: Oh, yeah. Oh, I looked at it very hard all winter long.

0:20:35.7

MS: So, what happened next? And what's the coolest thing Patti has seen this family do in terms of meetings? That's up next.

PD: The magic that we got to witness in that room when all of those advisors who are representing and have the farm's best interest in mind are sitting there and working through a year in review. Unreal.

0:21:04.7

MS: Did you know that February 23<sup>rd</sup> is Canada's Agriculture Day? This is that one day a year when all of us listening to this podcast and beyond, can come together and celebrate Canadian agriculture. Get involved on social media. Post a picture of your farm, post a picture of your food, but break the echo chamber and get in the conversation. Use the hashtag #cdnagday and tell your story. This is our day, people. Canada's Ag Day, Feb 23<sup>rd</sup>.

GM: The one thing that I wasn't sure of that made the decision, it's called AgriStability. And it's something, when you have a really bad year, based on your farm and your numbers and everything. It's a disaster program. So, it takes a long time to filter that through to see if you get a payout. I believe that from the number that I had done, that I was going to receive a payout. So, that encouraged me that we probably will be okay for the following year to do another year. But we were farming into the year before I actually got the payout, and it did give us enough breathing room for sure to get through the whole year. And after that, 2015 was good. With a good crop and upping our acres we had a better year, and we continued now to have five good years.

0:22:45.5

MS: Just so I hear you right, you're saying in 2014 you were four years into this bringing the next generation into the business, getting the junior partners up and running. And then you had a bad year. And did things slingshot in 2015, then? It recovered so quick that all of a sudden, the pressures were different?

GM: It did. Not to a mass amount, but the difference of lose, lose, lose, to make some money, because we're benchmarking. 2014, the key about was we weren't going to have ... we were just border enough of having enough working capital without going borrowing more money. And that was where I was saying, I don't want to put up my land to borrow more money. Our debt level is high enough. So, we increased it. It wasn't a massive amount, but we did increase it. So, then we gave a little bit more. The next year was a little bit more, a little bit more. And it was pretty steady. And I'm going to tell you, we just came off. But our good quality and good grain prices, we had a real, real nice increase this year.

0:23:56.2

MS: Yeah, I think a lot of people listening to this podcast can probably identify with your experience about being cash-flow tight and selling grain and then having to turn around and show up too. So, you're a big one on communication. I think that's part of your recipe of success here. Describe to our listeners what that means to you and how you guys managed the farm with, I'll say, the three of you in this case. Walk us through what communication plays out like in your farm.

GM: Well, the communication has really changed as the transition. But when we first began, we talked about at our meetings, one of our goals is communication. So, right away, well, how do we do that? Well, okay, it's text messaging, or we were trying to keep on figuring out. Were we good at it? No. But we always met in front of the shop. We tried every day at least to talk about who's doing what on the farm. And it took us time to divide the farm up on whose strengths were where, and let's apply that person's strengths there. And not, where do we need help too? I'm a big believe in hiring help, hiring resource people. I mean, if you're not good in one area ... an example, I wasn't a good mechanic. I took everything to town to get fixed, or I hired some off-farm guys to come and fix my combines because I couldn't do it. Matt actually was a journeyman mechanic and had a background. So, he took over the role of the fixing and looking after the machinery, which filtered Derek into being a little bit more of the operator and stuff like that. And he enjoyed also the transition that was coming in, like the different software, and the technology side of it. So, Derek has kind of taken in that role. So, it was just, the more day-to-day communication, the more ... sometimes we would have a little bigger meeting on a weekly if something more important needed to be done. And then, obviously, we had our big one-year roundtable meeting where we really analysed the year and where we were going and how do we improve.

0:26:14.0

MS: The annual roundtable meeting that Garnet mentions, I think he called it the big one, I wasn't sure what he meant. When I was a kid and someone said the big one, that was when your heart stopped. But that's not what this is. This is Garnet's powerhouse meeting. That's the meeting that Patti couldn't stop talking about. That's when he brings all his advisors together and they work together on the progression of the farm. So, not only are Garnet and his family big on playing to their own strengths, and utilising

technical advisors in general, they're really big on bringing all those advisors together in one room at one time.

I think I made a career out of stealing other people's really good ideas and melting them into my own. And Garnet's recipe of this using advisors is kind of unique. Describe that for our audience, Patti, that people maybe don't understand what advisor means.

PD: So, in his case, when he has an advisory meeting, and he would definitely be the spearheader in getting that all put together, at the table are grain marketing team, farm business management, so, cash flow management, those types of things. Basically, analysing their financial position, he has a team member for that. His crop input supplier is at the table. His lender is at the table. His agronomist is at the table. And he included myself, which, really flattering to me. I felt really excited to be included. But the magic that we got to witness in that room, when all of those advisors who are representing and have the farm's best interests in mind, are sitting there and working through a year in review. Unreal how much dirt they could move in a two-hour session when you have the right people at the table.

0:28:00.0

MS: It actually paints an image for me of that, you know the dogs playing poker shot of a very eclectic group of people, but they're all in the same game. I think that's super cool.

PD: You've heard me talk before about looking under rocks. Well, there was no rock left unturned in that room because all the right people were there. There was no guessing. There was no estimating. There was no, oh, I wonder, because the right person was there. So, the answer was in the room. It's like, wow. Now this creates genuine action, a genuine action plan. I just love it. It gets me so excited thinking about the potential this could present to many of our businesses that I'm working with and thinking about every day.

0:28:44.2

MS: So, how the heck did they go to this point of getting all these folks in the room? As with most good practices, it didn't happen overnight. It started with their annual family meeting, then their farm consultant was part of it, and it just kind of grew from there.

GM: It was a couple of years ago we were having this. And then I got thinking, why don't I have these other people that we're taking advice on and having meetings individually with them, like our agrologist? We have three or four meetings with him, and then he's out in the field. I said, why isn't he a part of that? We deal a lot with one fertiliser company and they're feeding us advice and stuff. Why aren't they at our overall farm where they see where our farm is going? And I'm just thinking, if all these people know more about our farm, our directions, our goals, how much can that help them advising us? And it's huge. And so, that's when two years ago we had a roundtable, and Patti was

helping us with the transition. And we did this with all the people that we use as a team. And we seen the power in that. We said, we've got to do this every year.

0:30:08.6

MS: So, help our listeners understand. Who's around the table? Paint the picture for us. You've got your transition specialist in this case, which is kind of a unique situation. That would be Patti. Who else sat at the table?

GM: Our agronomist, our fertiliser dealer. We deal a lot with FCC, so Ryan, our banker. We're also doing a transition. Like, I do the marketing, but I also work for a grain company. I'm going to put a blip in. Exceed Grain Marketing, for any farmers that want to give us a call.

0:30:47.1

MS: Well done, Garnet. Exceed Grain Marketing. Yeah, give them a call.

The farm consultant is also at the table. Patti mentioned some of the others. The crop input supplier, the agronomist. The lawyer and the accountant aren't there typically yet, but it's something that they're looking at in the future. The junior partners are also there of course. That's Matt, Lesley, and Derek.

GM: And then, of course, my wife plays a role in it. Even though she doesn't come to a lot of the meetings and everything else. But she's my backbone. We always communicate on what we're doing, and a big part of this transition. That's the one thing I did miss when I farm, I didn't include her enough times. So, all of a sudden, a big four-wheel drive tractor would show on the farm and she said, where'd that come from? Oh, I forgot to tell you, I bought that the other day.

0:31:44.0

MS: Sounds like you have to work on your communication a little bit on this one.

GM: Well, definitely. I definitely learned that. Darlene and I, on this transition, always are talking about how that looks.

0:31:57.7

MS: Garnet makes it sounds so logical. Bring all these people together who are working to help the farm succeed. Duh. But I know it's not that simple. There has to be a reason why this is unique and not standard practice.

So, what gets in the way of the average farm doing this? Is it, this podcast is about introducing this idea that you could actually put all of your suppliers in a room? And so,

hey, maybe that's the takeaway that people are listening to. But what do you think gets in the way? Why doesn't every farm do this?

PD: It varies. I think there's certainly an aspect of people not knowing what's possible, and not recognising the value that it could provide. I mean, Garnet wasn't there. It took him a long time to get there. And to even know that you could ask to do this, that this was a reasonable thing to suggest. He had some non-farm business influences that I think certainly pulled him along. So, in the '90s, some involvement with an independent grain terminal that he was a partner on, there was definitely some factors there. So, that shone a light for him, I know. I would say, other farms struggle with it. They get hooked on the cost. They're more concerned about the bill than the value. And it shows in their decision making. And so, I will regularly propose. I said, when you're working on a transition plan, if you can make it happen, get your lawyer and your accountant in the same room. It's going to cost some money and it's going to be worth every penny in the thoughtful strategy. And you skip the game of telephone, of relaying messages back and forth amongst people who speak a different language than you do because of the technical nature of their work.

0:33:36.3

MS: Okay, you said something that I can't let go, what this thing costs. Because I'm putting myself in that room going, holy-moly, I got a lawyer at \$500.00 an hour, I got an accountant at \$350.00, and I'm doing the math. And then my business brain says, yeah, but I've saved all this groundwork, and the back and forth and the telephone that you're talking about. But man, I'm hooked on this investment or this cost. Can you get me unhooked on it?

PD: Yeah. I think you're bang on. So, because, again, people don't do this very often. You can think about spending money on a pounds of fertilizer per acre, and you have a very direct line of sight to results, or lack thereof. In professional advising, that can get missed. But there are significant structure and tax opportunities in terms of tax shelters, in particular within transition, for Canadian farms, that you need to have an expert, you need to have that resource. And they are worth dollars. But the savings that can be provided certainly is one motivator. You will save more than it will cost you, very frequently, is a very common outcome. The other thing that I say is, I don't know what a relationship is worth to you, but I'm willing to spend some money on it. And some of this process is about clarity and transparency and documentation that will preserve relationships in the short and the long term.

0:35:13.9

MS: The relationship piece linked up a lot with something else that Garnet and I spent some time talking about, and that's their mission statement. It sounds like a very corporate idea, and you see that in my circle with big agribusinesses. But it's not really. It revolves around their family farm culture. Family first. Communication. Treating folks with respect. That's not stuff just for big companies. That's for all of us.

GM: It really brings everybody back to the ground roots of what we are, what we stand for, and where we're going. We have a tendency to veer off on our own directions. And that's natural. But we are a partnership. And how you deal with yourself, or you deal with people, reflects on all of us. And so, I'm picking on Matt again. If he goes and blows up at the John Deere dealer guy, that affects all of us. Or even our individuals. If we blow up at one another, how does that look?

0:36:17.2

MS: It's about knowing what they don't want to lose as much as knowing what they want to do.

GM: We really love harvest suppers. We sit down for an hour at harvest, the whole crew. We shut down and we have supper in the field. If it's cold, we'll maybe go to the Quonset or something like that, but that's just something that brings everybody back together. And it's a part of what we believe a family farm. We do not want to lose the family farm aspect. In the farm growing and growing and turning into a business, we still don't want the farm to lose the culture of the family farm.

0:37:01.0

MS: Do you ever get in the ... I'll just say, you wake up and you feel your communication being strained? Or you're losing some alignment on the mission statement, and you've got to kind of drop it in the middle of the table like an Uno pick up four card, just to remind everybody that, hey, this is what we all agreed to back in the early days?

GM: Oh, absolutely. Especially in the earlier days, I'm going to use the example of, in harvest time, because that's the busiest time. You're going and going and going, you're pushing hard hours. And somebody's got to be making daily decisions. And we're communicating through the radio. But at that time, I guess I felt I made the final decision because I was looking at the big picture. The rain is coming. Our grain is tough. Do we keep combining? What bins do they go to? We've got grain truck showing up. The whole flow of it. And all of a sudden, I would say, hey guys, we need to do this, this, this today and right now. And they would get their backs up a little bit about, holy cow, all of a sudden, he's dictating here. And we had some discussions where they didn't follow through on what my suggestions, and I let them know that, hey, we made a decision. I talked about it, I gave you a chance to say your input, but we needed to make decisions. And I looked at the big picture, where you guys weren't looking at the big picture. And we sat down, cooled off, and came back. And I gave them the opportunity again. And I said, hey guys, we can change this, and you can farm a third of the land, and you farm a third of the land, and I'll farm a third of the land. We'll share machinery. And you get to make all the decisions on that land. I mean, if that's what it's about, that we can't make decisions as a group, we better do that. But they still chose farming as a team. And they always followed through with, we want to be a team, Garnet. And that's where I started

really starting to back off, is when they started doing team things. Let their personals drop, and do team decisions, is when I really said, these guys are ready.

0:39:29.2

MS: Did you know we offer this podcast in both French and English? Spoiler alert. I'm not the host of the French channel because my Grade 12 French would probably not get me past the first question. But my colleague Darlene McBain is killing it over there, introducing French farmers from across the country, talking about what they love, Canadian agriculture. So, if you're interested in French, be sure to check it out.

You have some language that you use commonly, 'senior partner' and 'junior partner', and I think that sets a different framework about team. Now it's not Dad and the boys, it's not the boss and the staff, it's this junior partner philosophy. I hear a currency of you being the senior partner trying to let the boys fail, or let the junior partners fail. I should even learn to use the language properly. Let them fail but fail softly. And how did you learn to separate yourself from wanting to lead all the time?

GM: Well, I think the first knowledge came a lot from, I took my level 3 in coaching. I did a lot of baseball, curling, hockey coaching. And the level 3 really taught you a lot about dealing with personalities and different things like that. And I think that was the core of it. And some of the different things, like a sandwich effect. An example is, what field are we going to seed first? And then let them have a discussion. The sandwich effect is, bring in the other side, throw the alternatives to them, and say, well, what about the north quarter instead of the south quarter? What do you think about that one? And let them think about it. And then they'll end up making the final decision, or the decision that is right, and it might not have even been my decision. It still, when we look at all what they're thinking and what I'm thinking and everything, the final layer on the sandwich is what we agree upon together.

0:41:56.4

MS: If I've learned anything from our chat with Mike Ferguson previously, it's that starting transition journey early is super important. Garnet and his family have been at this for just over 10 years. Just think about that, 10 years. So, I asked Patti about that starting early and why it matters. And to Patti's point, it's not just the when, but how does one approach it early so that it doesn't end up with this huge amount of expectations and pressure attached to it?

PD: I think about in my own situation, as a result of this role, my husband and I have talked to our daughters, who are in their teens, and said, we don't expect you to take over this business. We are not demanding it. It's not something that we have as anything carved in stone, but if you're interested, the door's open, and we would love to have that conversation. So, opening that door early, and not as a burden. It worries me when I see little kids, oh, he's the farmer. That's a lot of weight for an eight-year-old. But I think that's part of it. And together with that goes with some of the money management, and

habits, and conversations, that you can start with younger potential successors, I would say. We're not going to put you on title, we're not going to look at including an ownership probably until your mid-20s at the earliest. But in the meantime, we want to prepare you as a leader, if that's something you're interested in doing.

0:43:24.9

MS: I just think about my professional world where we spend so much time developing our people. I have to think at the senior partner level, it's probably not this type ... I mean, I'm a farm kid myself. I don't know that my parents would think in this standpoint of, okay, I have to teach the junior partner finance. I have to teach them HR. I've got to teach them marketing, agronomy. You go through your list. I don't even know where to start in terms of coaching a senior partner to say, if someone is showing interest in the business, I need to start to invest in these skills. How do you coach people through that conversation?

PD: We actually have some tools along those lines on the [fcc.ca/knowledge](http://fcc.ca/knowledge) website. And one of the things is a knowledge and skills assessment. So, what's your current state of affairs, and what do you need to learn in order to become a leader? And then, where's the best place to learn it? Because an assessment of the senior partner saying, okay, I'm going to look at myself and say, this is what I would be really good at teaching. Here's something my junior partner needs to know, but I will not be the right teacher for it. And the best example I can give is, how many farmers earned their commerce degree by surviving the 80s? But they'll be darned if they can teach gut feel. They know good financial choices often, but it's more intuition than some of the actual analysis at times. And so, perhaps that's an off-farm training opportunity. So, some of those things can really be a pretty open discussion. And then you circle back annually. Have we made progress? Are you feeling more secure in the knowledge about these particular tasks than you were last year? Because that's the other thing that you see in your own performance development, is that constant check in. Are we making progress?

0:45:12.0

MS: Can you think back to a time where maybe you didn't lean into your part of the partnership the way you would have? And then how did you come out of that?

GM: The first thing that comes to my mind is managing, say, my personal times. I've had different things affect my personal life to get my anxiety really going. So, I might have a few times lashed out, especially more to my son than my son-in-law. So, understanding that a little bit. Because my relationship with my son and my relationship with my son-in-law are totally two different. And unfortunately, Derek has taken that brunt sometimes. He might have approached me with something right when I was at the peak of my high anxiety, and I might have lashed out to him. So, it's going back and saying, sorry, Derek, you just picked a wrong time to ask me that question, or something like that. And again, always give him the positive attitude. I'm a big, big believer in positive attitude. You have to force yourself to think positive. By nature, people will go to the

negative right away. So, I've always encouraged Derek to push himself on the positive side. So, reinforcing things with him, and Matt at certain times. But learning that anxiety of myself, I think, was the biggest learning thing dealing with them.

0:46:51.4

MS: I was really starting to see what Patti meant about Garnet's commitment to learning and how well that served him. That advice about building a team using your resource people, that's how he got where he is. I think Patti knows her client really well.

If you had to tell our listeners one or two things that they really need to learn about listening to Garnet and his story, what is it?

PD: He has a real gift for sharing. He's learned a lot in his farming career. And he doesn't shove it down people's throats, but he's open and transparent to bring across the lessons he's learned. I think it'll take all of us to get there. And when there's individuals like Garnet that have that habit, and it's not out of bragging or pride, it's about a sincere desire to help and give a leg up, you don't have to learn every lesson. You can reach out and learn it from someone else.

0:47:52.7

MS: Oh, that's awesome.

PD: So, you know what? I think that his successors, Derek Martin, and Lesley and Matt Kelly, are absolutely following in Garnet's footsteps in terms of taking an opportunity to personally develop themselves and take a platform when the opportunity presents. And he has a lot to be proud of, and I'm really proud of him.

0:48:19.3

MS: Yeah, if there's one thing I could take away from my conversation with Garnet is he should be proud. What else do you think is unique about their formula? What should our audience know?

PD: They don't stop. In the two-and-a-half years I've known them, I've been invited to four advisory board meetings. So, really challenging. It's not necessarily something I'm always able to consistently participate in because I serve a lot of farms. But they keep the conversation going. They don't assume it's once and done. And that would be another misnomer, I feel, in the industry. Oh, we're done our transition plan, check the box, walk away. It's like, yeah, this is a continuum. You need to revisit it. Is it still what we meant? Are we still on the same page? Do we need to tweak it? If you have that habit of revisiting, it can prevent some derailments that can happen. I've seen farms where they said, we did a transition plan and we're still struggling. Again, it's not something that ever really ends. So, embracing it and revisiting it has real power.

0:49:33.1

MS: You raise a good point. And maybe that's a bit how my brain is wired, is that I will start this and then I will finish it, and it'll be a 22-page document with a period at the end. So, people have got to their head around that.

PD: Right?

0:49:47.6

MS: If there's anything I'm starting to get my head around with this whole transition planning thing is that there's not a clear start and end. I think Patti has taught me that. Garnet is clearly demonstrating that. So, there's no hard start or hard stop. But there clearly is a point where we start to get toward the end.

So, what I'm hearing, it's a journey. This is 10 years in the making. Parts of it are a bit messy, and then parts of it went incredibly smooth just based on your idea of having goals. When is it done? When can you say, we are complete on the transition?

GM: Well, in our situation, I mentioned that we are going to be done by the end of the year as far as, I would say, the farm goes on decision making and everything. Now, having said that, instead of being a partner that has a voice, I'm hoping that they still will continue everything, leaning to me to keep guiding them and everything like that, just like if I was a partner. Now, I've got to take a step maybe a little further back than even I have already and let them really take the reins. The only thing that is going to kind of keep us connected is we have chosen, as far as the financial end of it, buying Darlene and me out is, instead of going through the bank system and risking interest rates and everything, is we will finance the boys, and that's our retirement. So, we'll be still linked to financials, so I'm still going to want to see the financial statements to know that the farm is doing good and everything. Because that's going to be our retirement. So, that's the offset.

0:51:43.9

MS: So, you'll always continue to be emotionally invested in the success because your retirement is hinging on it. Maybe the question for me is, what does done look like? I think that's the hardest part to get my head around is, when do you emotionally say this is complete?

GM: I'm almost there already because everything aligned really good. Yeah, there was bumps in the road, but I think everything that we have done has smoothed those bumps. And you mentioned it. It was a journey, and it was fun, and it was my end goal to have the family take over, and be a part of that. And I was. And this fall, I personally had some health issues. Wasn't able to be out on the combine and everything. But I got to go out and watch, and go to the suppers, and still be a part of it, and still be there for them to call me if they needed something. And the feeling of that is unbelievable. I got to see it. I

didn't just pass away, then a will told the boys what to do. I got to watch the whole transition.

0:53:11.2

MS: I think there should be a huge sense of pride around that. I have to think how rewarding that is, you said, to watch and support, yet see them hit their stride. So, I think that's a huge moment of pride for all dads.

GM: It was.

0:53:27.8

MS: If you're enjoying these podcasts, and specifically these two on transition, be sure to check out our transition planning and case studies on our website. There's a number of different scenarios that you can read through, and you can keep learning and progressing your own journey on the transition. And if you haven't yet, be sure to share this episode with your own business partner, whether you're the senior or the junior. Cleverly, I think it's a great way to break the ice and get the conversation started.

What advice would you give your 20-year-old self? You look back on this journey in agriculture, what advice would you give yourself?

GM: You know, some of these things I'm going to say will also be to the senior partner, though, too. It's not only the junior partner coming in, but also some of these will reflect to the senior. And the first thing that comes to my mind is positive thinking. So, you really have to work at a positive. And even, like I said, 2014 was a negative. You take the positive. Always think of one, or two, or three things positive out of a negative situation, and you will move forward very fast.

0:54:56.9

MS: The thing I really loved about interviewing Garnet was that he was ready for me. Clearly, you can tell from his whole journey, he's a very thoughtful person. So, typically I do a wrap-up list and all the stuff that I already learned or what he's thinking. And it saves me a bit of work, selfishly, but they're also great lessons. So, let's let Garnet kick off the summary.

Is there anything else you want our listeners to hear, Garnet? Is there something we didn't cover?

GM: If you ever want to take the time, I've got a couple on my list. I'll just try and do them a little bit faster.

0:55:27.0

MS: Yeah, sure. Share them, yeah. What are you thinking?

GM: Change. Be willing to change. Not just the change because they've got a new tech out there. But make sure the change is for the better. Take the good things that you know always along with you but be willing to change. And that's for the juniors. They have a tendency to change too fast, but still change. The senior partner, be willing to change.

0:55:55.2

MS: So, in your farm, if you think about your lifetime in the business, what was the biggest change that you made that really set the place up for success?

GM: When I hired Meyers Norris Penny to come in and look at my farm. My first people hired to help me on the farm. And then what they brought in there, I went, holy cow, I got to change.

0:56:20.6

MS: If you haven't figured it out yet, part of Garnet's recipe for success is this idea that outside advice and consulting can pay you huge dividends.

GM: Communication. We talked a lot about that through here. Communicating all the time. You've got to work on communication. Your farm business, or your partners, or your hired help, is no different than your wife. You have to communicate with them every day or it doesn't work. Surround yourself with successful people. Surround your people with positive successful people. Know your core values. That's setting your goals, our family meetings, our family supper. Don't work on Sundays. Maybe that's a core value. You take Sundays off. Whatever your core values, don't lose them. And my last, smile at the world, and the world will smile back.

0:57:20.8

MS: Yeah, I love it. I love it.

GM: And that's my journey was I smiled at everybody, and the world smiled back at me.

0:57:30.7

MS: Garnet summed up some awesome key lessons. He's done a lot of things, and he's got a lot of life experience. And clearly, like most people in agriculture, he's overcome some really tough times. I'd say he's pretty humble, though, and I learned a few things that I think I really want to step out here and mention. All right, this is directed at you, senior partners. Be open and transparent and willing to talk. We can do better than avoiding this topic and waiting for our wishes to be heard at our funerals. It shouldn't be buried inside our wills. Also, figure out what it is that you need. I think having clarity on what you would like to get out of the transition is important, and then talk about it. Did you

hear how proud Garnet was seeing his transition come to fruition? I don't know a parent out there that doesn't want to see their kids succeed and take over the reigns. So, if your goal is to have your child or your junior partner, in any case, take over the farm, don't wait. Don't you want to be able to see this happen? Garnet also has some intentionality about some of how he's approached transition. One of his intentions was to develop and train his junior partners and set them up with the skills that they need. So, take some time and identify the gaps. Look for key learning opportunities and then go after them. And that's a two-way street. I took a minute to ask Patti about Garnet Martin and Mike Ferguson, one being a junior, one being a senior partner in their transitions. Very different stories, but they both ended up in really great places on their transition journey.

PD: At the end of the day, the biggest common theme between both farms in this case is that they reached out for help, and they didn't try to do it alone.

0:59:21.7

MS: So, remember that. You're not alone. Garnet said it a few times in a few different ways. You can't do everything, and you certainly can't know everything. Reach out for support, or information, or expertise. And when it makes sense to do so, think about bringing those technical people to the table together. I think that's what we saw today in Garnet's story is the impact of an annual meeting was incredible. And remember, be positive. Work on communication. Be open to change and smile at the world.

If you're looking for any other episodes or resources mentioned today, head over to [fcc.ca/knowledge/transition-planning](http://fcc.ca/knowledge/transition-planning). There's plenty there to get you started. Also, give Patti Durand a call.

Okay, so Patti, you're kind of a big deal. Where do I find you on social media? You're very active on social.

PD: That's kind, I think. There's a little sarcasm there, Marty. On Twitter I'm @pelvera.

1:00:35.5

MS: Now, you do some fun videos on Twitter. That's where I, in jest, say you're a big deal. Because anybody that can post videos, to me is a big deal, really.

Discover all the ways to learn at [FCC.ca/Knowledge](http://FCC.ca/Knowledge)

Copyright 2020, Farm Credit Canada. This video information is intended for general purposes only; it is not intended to provide specific business advice and should not be relied upon as substitute for specific professional advice. The views expressed in this video are those of the presenters and do not necessarily reflect the opinion of FCC. FCC makes no warranties or representations as to the accuracy, completeness, suitability, or validity of the information and shall not be liable or responsible to any person for any harm, loss or damage that may arise in connection with the use of this video. You may not reproduce this or any FCC video, in whole or in part, for the purposes of commercial distribution without the prior written permission of FCC.