

# Re-Defining Agriculture

## Key Points

- Scale and specialization are critical in agricultural and agri-business operations
- Open and honest discussion to bring in the next generation is important to succession
- Regulations are changing – to have a positive impact we need the right people at the table

## Our Thoughts

I have had several recent conversations about the definition of Agriculture and Agri-Business.

These definitions are evolving as the business of Agriculture takes on the following challenges:

**Go Big or Go Home:** It is simply no longer possible to be profitable in North American agriculture with a small holding, a 1/2 acre greenhouse, 150 acres of pasture, or feeding a few hundred cattle. The importance of scale is ever increasing. One needs access to large amounts of capital to continue to invest and ride out the commodity rollercoaster that is a reality of modern Agriculture

**Specialization:** Increasingly, to build and maintain an Agri-business one must specialize. Consumers are seeking something new and different in the food they eat and in the story behind it. The traditional model of multi layers of marketers and brokers is under pressure. Direct to consumer marketing is becoming a necessity. This brings huge opportunity but also new risks; a new skill set is required to engage with your end customer. This is especially true if they live in the City and have never been on a farm.

**Succession to the next generation:** To have fun and lasting careers that Millennials want to pursue, there is a need to create new strategies and diversify away from traditional Agri-business. Technology is a wonderful tool - I have watched people activate irrigation pivots from their office or monitor cattle feeding from the beach. The possibilities are incredible. The challenge I see time and again is the lack of an open and honest discussion as to how to bring in the younger generation. How can one allow the younger generation to take risk and write their own ticket? This is a hard conversation, but it is not impossible. With creativity, openness and honesty, new visions can be created. Without the constraints of an old model; new, fun and profitable businesses can be devised, and future generations can build on their ancestors' legacies.

**Regulation:** There is a debate in many local municipalities as to how to define Agriculture in the modern day. This is a good thing: we need to recognize that things are changing. However, this is a debate that needs to happen at a Provincial or national level, not in each and every municipality. To fully understand the impact and possibilities that this change can bring we need to have the right people at the table. We need to come together as an agricultural industry and influence legislation that makes sense for the sector, for consumers, and our neighbours.



## About the Author

Anna is a founding partner in Sheepdog Strategies and President of De Paoli & Associates Inc. Anna has a wide range of experience in both small and large businesses. She consults for rural and agricultural business owners, entrepreneurs and private equity investors to help them build successful companies. Her mission is to start, grow, and support businesses in rural communities so that these communities become and remain viable. She is an experienced negotiator and a creative problem solver. In her spare time, she volunteers extensively in the Agricultural sector and mentors a range of commercial professionals.