

# **New Entrant Program & Our Experiences**



# Introduction

- Our history
- The New Entrant Program
- What made us apply
- The application process  
from start to finish
- Our experiences and challenges
- Looking back..

# Our History

- Graduated from Ridgetown College with a diploma in agriculture
- Graduated from University of Guelph with a bachelor in agriculture business
- Agricultural account manager at TD Canada Trust
- Agricultural account manager at RBC
- At this point he realized his real passion was in farming and started looking at any opportunities in farming



# Our History

- Graduated from McMaster University in 2006 with an degree in commerce specializing in accounting
- Commenced career at BDO in Mt Forest in public accounting
- In 2009 started with the Bossy Nagy Geoffrey Group in Woodstock
- Obtained CA designation in 2010



# Our History

- After looking at many different options in agriculture, we soon realized how difficult it was to find opportunities in agriculture
- We finally found an opportunity in agriculture in Ingersoll. It was a turkey breeder operation that was for sale and it involved running the turkey breeder operation on a contract
- So in April of 2011 we moved onto the farm, very excited to finally start farming!



# Our History

- We had not been farming very long, when Jim took advantage of another opportunity to begin also growing the poults for our barns.
- He rented an empty broiler barn in Thorndale and purchased and installed the necessary equipment to get the barn ready for turkey poults.
- This is where the poults then started coming as day olds and he would grow them until they were mature breeding stock at which time they would be transferred to our facility in Ingersoll.

# What is the New Entrant Program



- The New Entrant Program was introduced in 2011 to “help new individuals who are interested in the egg business”
- An individual has to purchase 2,500 units and then 5,000 units will be loaned to the new entrant. The 5,000 units will be taken back in increments of 10% per year in the years 11 to 20
- It helps farmers starting with cash flow for the first ten years
- There are now 2 new entrants chosen every year

# New Entrant Program

- Was implemented to help new farmers get into the industry
- One of the largest criticisms of the quota system currently is that the high quota prices make it impossible for new farmers to enter the business
- Another large criticism against the quota system is that the average farm is getting larger and the number of farms has reduced significantly
- By introducing the new entrant program this helps new farmers enter regardless of the high quota prices and has helped to increase the number of farmers entering the industry



# Our application to New Entrant Program

- Early 2012 we were at the poultry show in London, and started asking about the new entrant program
- Became very interested for the following reasons:
  - To diversify our risk in order to mitigate our risk of being solely reliant on a contract with Maple Leaf Foods
  - To enter the supply managed sector to reduce price risk, increase stability and long term sustainability
  - To reinvest surplus cashflows into the company

# Our Application

- Our application consisted of the actual application form that you have to complete as well as a business plan
- Business plan consisted of approx. a ten page written report followed by financial projections and analysis
- This was due in May. Once submitted we had to wait until end of September to find out whether we were selected for an interview

# Our Application

Bright Horizon Farms Ltd.  
Joannette VanHemert  
563438 Thomas Road  
Ingersoll, Ontario  
N5C 3J7

Sent via e-mail: [joannette.vanhemert@gmail.com](mailto:joannette.vanhemert@gmail.com); express post

Re: New Entrant Program 2012

Thank you for interest in the Egg Farmer of Ontario's New Entrant Program. We are pleased to inform you that The New Entrant Committee has reviewed the applications and your submission has been selected as one of the final candidates.

The Committee has requested a meeting with the final candidates on Wednesday October 17,

Each candidate has been allotted a one hour time interval. During that time the Committee is requesting that each applicant prepare a short presentation (20 minutes) which will be followed by a 40 minute question and answer period. The Huron Room includes an LCD TV screen, with cables, which may be used for your presentation. There are four interview times currently available 9 a.m., 10:30 a.m., 1:00 p.m. and 2:30 p.m. Please contact me at the office to arrange *your interview time*.



# Presentation

- I prepared a presentation which summarized our business plan in the format of a power point
- Probably our biggest obstacle in the application process
- The question and answer part of the presentation seemed very intimidating

# Successful Applicant

So at the beginning of November 2012 I was shocked to get the phone call from Scott Graham announcing that we had been selected as that year's new entrant



# Problems & Encounters

So the winter months were spent focusing on finding solutions to the following questions:

- Where to build?
- What type of system to build?
- How large to build?
- Would there be quota available to purchase?



# Where To Build?

- In our projections we had anticipated building a barn on the same property as the turkey farm on a corner of the farm
- Due to the potential transmission of disease and related biosecurity this was not an option
- We then began to spend many hours looking for a different location that was close and where building a barn would be possible
- Finally found a 70 acre farm within 10 minutes driving that was the best option

# Quota

- At the time when we needed to start looking for quota, it was still the old system where the industry representatives would be the contacts for finding quota
- We ended up being able to purchase the last 2,890 units of a farmer selling and ended up paying a price of \$300.00/unit

# What Type of System to Build

- Enriched – our main reason not to go enriched was the additional cost with no extra benefit
- Free run – our primary reason not to go free run was the additional labour component
- Traditional Cages – the most cost effective and efficient of the different systems and this became our choice



# How Large to Build?

- Originally in our projections we were going to build for a capacity of 12,500 hens
- Once we started with the barn plans, we decided to increase that to 15,000
- We currently have two rows full and plans to hopefully to add the third row this year

# Other Barn Related Decisions

- Hire a contractor and who to use
- Who to use for the different trades ie. Electrical, plumbing, excavating, etc.
- What kind of cages to use?
- Whether to use a stable cleaner or manure belt for taking manure out of the barn
- Whether to get an egg packer right away or not

# Building Process



# Construction was Completed in July 2013

## OPEN HOUSE... BRIGHT HORIZON FARMS

JIM & JOANNETTE VAN HEMERT AND FAMILY

FRIDAY, JULY 12, 2013 11 A.M. - 4 P.M.



### FEATURES:

- 31' X 188' COMMERCIAL LAYER BARN & SERVICE AREA
- 50' X 60' COVERED MANURE STORAGE
- NEW FARMER AUTOMATIC MULTI TIER HOUSING & CONVEYING SYSTEMS
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**Scott Wroughton**

Director of Production & Industry Relations  
Oshawa Division

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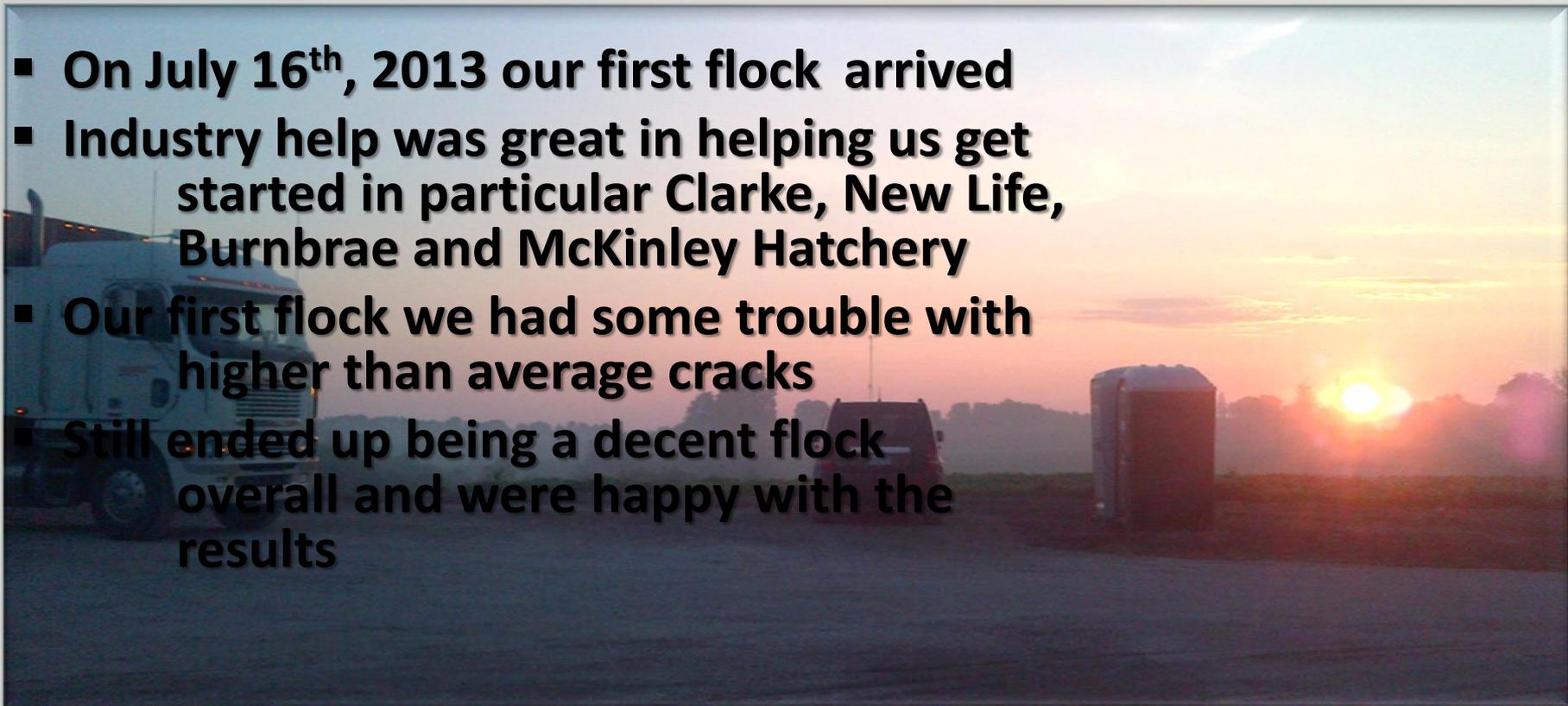
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# Open House

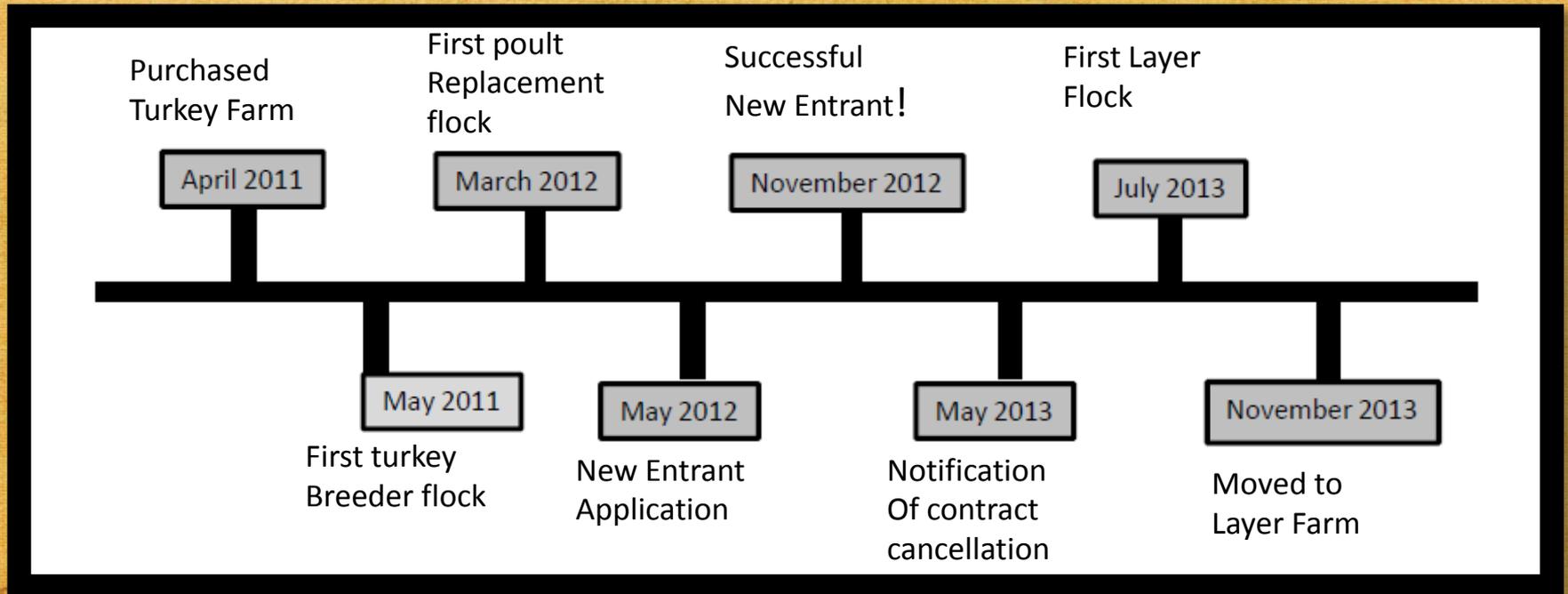


# **Finally.. In Production!!**

- **On July 16<sup>th</sup>, 2013 our first flock arrived**
- **Industry help was great in helping us get started in particular Clarke, New Life, Burnbrae and McKinley Hatchery**
- **Our first flock we had some trouble with higher than average cracks**
- **Still ended up being a decent flock overall and were happy with the results**



# Looking Back..



# Looking Back...

- Why did we buy a farm on a contract basis?
- The application process was a very good learning opportunity – analyze our business and look for opportunities
- The new entrant program provided us with an opportunity to continue farming despite other setbacks.
- Enable us to become layer farmers – without this program we would not have been able to do this
- Provided us with stability that we lacked in turkey breeders

# Summary

- The new entrant program is an excellent program that allows new individuals to enter the industry where otherwise there would be significant barriers – we wouldn't be layer farmers today if it wasn't for this program.
- We are thankful for all the people who have helped us along the way with the learning involved in a new industry
- We are very grateful to be farmers in a great industry despite the challenges we have faced.

# Summary

Thank you for the opportunity to speak about the new entrant program & our experiences!

