

Guiding Principles: Carol Kitchen

By [Tanner Ehmke](#)

When [Carol Kitchen](#) took the helm of [United Farmers of Alberta](#) (UFA) in April 2015, commodity prices were falling, profits were retreating, and UFA had lost a \$15 million lawsuit just prior to her arrival. Carol's new role as CEO of the 100,000-member farmer cooperative with 1,200 employees based in Calgary, Alberta, Canada, brings no small challenges. After having previously served in leadership roles at agricultural coops Land O' Lakes, Inc. and GrowMark, Inc., Carol identifies 10 principles key to surviving and thriving through agriculture's cycles.

Follow the Golden Rule: "The Golden Rule comes first, whether it's dealing with our customers or dealing with each other. We should first think about how we would like to be treated in any situation."

Earn loyalty: "Like many retail companies had done, UFA tried to be everything for everybody, and that's usually not successful. We enjoy loyalty that we probably don't deserve. We're in the process of putting a sales force in the field that can work on relationships with customers. It's not just about selling people stuff."

Adapt: "Our challenge is to remain relevant and operate in a changing environment. The needs of producers are changing as we see the size of farms and demographic changes, and we're seeing massive consolidation with suppliers."

Know your risk tolerance: "I ran a global dairy commodity business in the U.S., learned to quickly figure out what we could control, and then managed the heck out of that. Whatever business you're in, know how much risk you can accept in your P&L and manage risk from there."

Add value: "If the customer doesn't value it, don't bother doing it. Sometimes we do things that we think the customer values, but if they don't value it, they don't pay for it."

Manage for margin: "Know your target margin and try to lock in your inputs and your sales price around that. If you're shooting for the bottom of the fertilizer price every day, good luck. It's very cyclical. Those are the challenges we have to deal with in our entire system, particularly fertilizer."

Serve your community: "Community investment and engagement is important for us. We invest a million dollars a year in the places that we do business. There are towns in Alberta where we are the only retailer, so we need local communities that are strong."

Be transparent: "I do something called 'Conversations with Carol,' which are videos where an interviewer asks me tough questions and our employees, board and delegates can see the videos online. It's about the employees seeing what we're doing and that we have a fresh, open environment for questions and transparency. If we can engage our employees, we're going to be much better to engage with customers."

Advocate for your members: "When I got here, the political landscape in Alberta had just made a massive change. We now have a new government in power after 40 years and it is very important that we advocate and raise awareness of the importance of agriculture with all new elected officials, as they may have not had a direct relation to industry in the past."

Have a transition plan: "I have people that I've identified not just for my job, but for my VP's job and jobs below that. Talent is a very, very big deal from my perspective. It can make or break your business."

Giving Grace

By [Cori Wittman](#)

Grace. A simple word, but enormously complex. It's a word that's used liberally – we sing of it, we say it around the dinner table. But do we *practice* it with the same intentionality that we speak of it?



Grace defined is undeserved favor. We know it when we see it; when we royally mess up and are met with a kind, forgiving eye rather than the daggers we deserve. I've had my share of those moments. Like the time as a kid I left the trap door open in the grain cart and dumped a wagonload of canola on the ground. Whoops. Instead of a shame-inducing lecture, dad simply took me to get the tractor and started helping me clean it up. Instead of humiliation, I received *help* to make it right. That, to me, is the definition of grace.

We've all likely found ourselves in similar scenarios where we needed an extra measure of grace. Maybe we received it; maybe we didn't. Either response will leave an impression. One will drive us toward a repentant boldness and desire to improve, one leaves us thinking there's something inherently wrong with us.

So when a kid breaks that special family heirloom. When a family business partner disappoints us. When an exhausted employee gets the instructions wrong (again). When a supervisor shows a little too much of his or her humanity. How do we respond? Do we let our frustrated, unmet expectations cloud our vision and our response? Or do we believe the best in them and spur them on toward something greater?

On our farm in the Northwest, I know I've needed an extra measure of grace during this year's never-ending harvest. How many of you can relate?

Let's be generous givers of grace, as much as we are grateful recipients of it.

Go Back to the Source

By [Del Craig](#)

Harvest in the Midwest is now upon us, and like harvest everywhere else there will be long work hours, the occasional machinery breakdown and at times skinned knuckles and rising blood pressures. When I troubleshoot a problem, whether a combine not separating correctly or a bin dryer not cycling properly, I have the words of my late father ringing in my ears; "*Son, go back to the source!*"

So many times, instead of starting from the source, we try and jump to a solution. Our assumptions – without good analysis of our information or thoughtful consideration of how others have solved problems – cause us to make false assessments and to lose valuable time and money trying to fix the issue.

Most of you know the value you place on your *process* for machinery maintenance and the *procedures* you follow to calibrate your pieces of equipment to prevent these issues. Do you also recognize the value of parameters and rules – the governance and discipline – within your grain and livestock marketing process to reduce risk and improve growth? Have you written down specifically how, when, and by whom marketing decisions are made? Is there a dollar threshold beyond which selling or buying is a committee decision? How often will owners be updated and asked to give input? In retrospect, how much of your conflict or disappointment over marketing can be traced back to the "source" of differing expectations, risk tolerance or knowledge among owners?

It's tough to "*go back to the source*" if you haven't discussed expectations, developed a policy, agreed on parameters or adopted a process. I can't tell you how many times I've needed to remind my own risk and business development teams to "re-visit" the mission, goals, benefits and priorities so we could stay on track.

I look forward to helping you develop or reconfirm your principles, policies, and discipline around your business's most important marketing, finance and growth decisions.

After growing up on an Indiana grain farm and spending time in large, international organizations adding value to agricultural commodities, Del has joined Ag Progress to help business owners identify and execute sound marketing and growth decisions.



Faith and Family Business: An Enduring Acquisition

By [Dr. Bill Long](#)

One of the observations about America made by the French traveler and writer, de Tocqueville, early in the 19th century was that this new country was spurred by the twin motivations of enterprise and acquisitiveness. He saw the newly-constructed Erie Canal and the even more-recent invention called the railroad, and he felt that these twin engines, so to speak, might launch an economic boom hitherto unseen in human history.

Acquisitiveness and enterprise have entered into our cultural DNA and have become the twin poles around which many family business owners orient their activities. Yet I was struck recently by the way that Proverbs deals with the subject of acquisition or gain. Proverbs 18:15 says: “An intelligent mind acquires knowledge, and the ear of the wise seeks knowledge.” The verb translated “acquires” here is usually translated as “buy,” and so the sense would be that the intelligent person sets his or her heart on “acquiring” or “buying” knowledge, as opposed to material wants. Knowledge, then, is at the heart of the biblical quest for acquisition.

When the Scriptures speak about knowledge, however, they don’t simply point to acquisition of information. Scriptural knowledge might best be called a combination of wisdom, good judgment and practical skill. In Proverbs, knowledge and knowledge of God are used almost interchangeably. Most of all, for the Scriptures, knowledge is something that is the result of our earnest search.

Your family business must acquire material assets to operate and grow, but are you also inclined to this Biblical kind of acquisitiveness? How do your family business routines, reflections, leadership activities and conversations lead to knowledge of God? The benefits of such an acquisition will be felt well into the future.

A Word of Thanks

By [Lance Woodbury](#)

In last month’s *Dispatch*, we asked for the topics readers want to see covered in future editions. We received many thoughtful replies, including suggestions of leaders to feature in our “Guiding Principles” section. We look forward to covering these issues in the coming months:

- Regaining family harmony after conflict, or maintaining harmony after the senior generation steps away, and generally improving relationships and building trust. Also, how to encourage and practice forgiveness.
- Tools and suggestions for starting a business with a small family, or even merging farming operations. Encouraging family members to return or stay in the business amidst the government and regulatory hurdles a small business faces.
- Coaching and encouraging the younger generation with a different style, while instilling the founder’s philosophy without feeling that you are “imposing” the senior generation’s desires. Making transition progress while acknowledging younger and older family members are in different life stages.
- Mentoring others, teaching lessons of success and the benefits of a career in agriculture.
- Finding and keeping good talent, including bringing non-family members into ownership.
- Managing through tough times and dealing with debt in an ethical and biblical way.
- During transitions, managing the handoff of control, dealing with conflict over responsibilities, working through defensiveness and helping people feel less threatened.
- Recognizing the destructive impact of jealousy among family members.
- Balancing work and family and building family relationships away from the business.
- Managing differences, perspectives and transitions between being a “family” and being a “business.”

