

James Farms LTD.

For the Seed You Need



Welcome to the first edition of Seed Rows. There is so much information and so many people trying to sell you something these days that it takes time to filter through all of it. We realize that time is a limited resource for everyone. Seed Rows' focus has to be good topics, accurate information and consistent content. David James wants to have a place where ideas can be exchanged, data published and feedback fostered so James Farms can find ways to serve you, the customer, better.

These are lofty goals for a newsletter. Seed Rows is going to be published three times a year. You can expect to see us in your mailbox with information that you, the reader, can literally take home. Seed Rows will also be available online at www.jamesfarms.com. David wants to take this opportunity to wish everyone the best of the Christmas season and to say Thank You! We are thankful for your patronage in 2005 and look forward to serving all your seed needs in 2006.

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SEED ROWS

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Successful businesses use a 'team of advisors' approach to managing their operations. Farms should be the same. One of the key team members, and particularly in agriculture where there is a significant amount of capital investment and leverage required, is the lender.

Lenders have a vested interest in your business. They want you to succeed, because if you succeed, they succeed. Having said that, however, they are no different than anyone else. If someone owed you a large amount of money, you would want to know that it was secure and that you were going to have it repaid, probably with some interest added to compensate for the use of it.

By having a degree of control over a significant amount of the capital you use to operate your business, lenders can have a tremendous impact on the financial affairs and day-to-day operation of your farm. It's very important to develop and maintain a strong relationship with your lender.

Given the challenges farmers have faced in the last couple of years, it is extremely important that farmers proactively communicate with their lender, keeping them abreast of the farm's financial affairs ... good and bad! Good news is easy. Bad news ... well, let's just say it can be easy to procrastinate on that communication. But it's the 'bad news' that should be communicated as soon as possible.

The following comments are only a couple of excerpts from a more detailed discussion on managing relationships with lenders.

1. Know your situation better than your lender!

You should be more knowledgeable about your operation than your lender, and if you know your situation, you may be able to detect inaccuracies or misunderstanding in the lender's assessment of your situation that may affect terms, rates or even the possibility of securing the loan. At all times, you need to know where your operation is at, and this is especially important, where it is headed.

2. Identify problems that may exist in your operation, and have ideas for a solution.

It is extremely important to have spent time reviewing your financial situation, identifying problems when they exist, along with possible solutions, and informing the lender that you are actively attempting to rectify a negative or deteriorating situation. The alternative is to have the lender identify a problem and advise you of it. This does not give the lender confidence that you are managing your business. It is not up to the lender to solve your problems.

3. Communication.

As mentioned above, open communication with your lender is always a good policy. As with any relationship, when communication breaks down, suspicion and mistrust may enter in. When you have excellent communication with your lender, a major financial problem on your farm, is nearly always more workable than a minor problem with poor communication. Put yourself in the lender's shoes. It is generally understood that a lender will assume the worst in a situation where they do not have information. This is usually not in your best interest.

Terry Betker is a partner with Meyers Norris Penny LLP, working out of the Winnipeg, Manitoba office. He is director of practice development in Agriculture – Primary Producers

Some key points:

a) covenants

- if your financing arrangements state that you cannot make capital purchases (sometimes there is a maximum, sometimes none at all) without approval of the lender, then make sure you get the required approval before you make the purchase. The covenant does not necessarily mean that the lender will not provide their approval. It does mean that the lender wants to know about your plans and have input into the decision. Although sometimes it may be difficult to understand, this is in your best interest.

b) leases

- equipment leases should be treated the same as purchases. They have the same impact on leverage and working capital. They have the same impact on debt servicing capability of the farm business.

c) capital budgets

- it is very important to have developed plans for long term capital budgets (five years). Lenders, and other professional people associated with your business, such as accountants, need to know what your plans are for capital purchases in the future. Loans associated with capital purchases may be structured differently (different terms, maturity dates, security) given future plans.

- Discuss proposed or pending purchases with your lender, in advance of making purchases. Use annual reviews with your lender as a good opportunity to discuss capital budgets

The above points can certainly apply to situations where a degree of financial crisis exists. Make sure you use your 'team of advisors' ... talk to them ... get their input and their support and include your lender!

JFL Tech Update

Variety trials went unseeded for the first time since the inception of the site in 1997. The James Farms Variety Trial Site contributes to overall provincial data every year and is being missed by Eastern Manitoba growers looking for local variety data.

Looking ahead to 2006 the plan is to get back to it. There are plenty of new offerings, including several new flax seed options and new conventional and Roundup Ready® soybean varieties.

Producers have come to rely on the fungicide work Keith Murphy has been undertaking on behalf of James Farms. Oats and Canary Seed have responded excellent to fungicide application tests (See Oat Chart Below). Keith also applies Tilt™ and Folicure™ every year on wheat varieties and compares the results against the checks.

James Farms continues to refine the data on numerous seed treatments on all crop kinds in the trial to ensure you get the best out of your seed treating investment. Ideas are welcomed if you want to see something tested or evaluated under carefully controlled scientific conditions please call us!

Manitoba Variety Evaluation Team will be coordinating trials across the province again this year of which the James Farms site will be one of ten sites. James Farms looks forward to inviting you back for the Annual BBQ and Meet the Field™ Day in July 2006. For more information on all of the variety testing go to

www.jamesfarms.com
Click on:
Meet the Field™
Variety Trial Data

Gailyn Neurenberg

James Farms is pleased to announce the addition of Gailyn Neurenberg to their team. Gailyn will handle Agronomy and Market Development at James Farms.



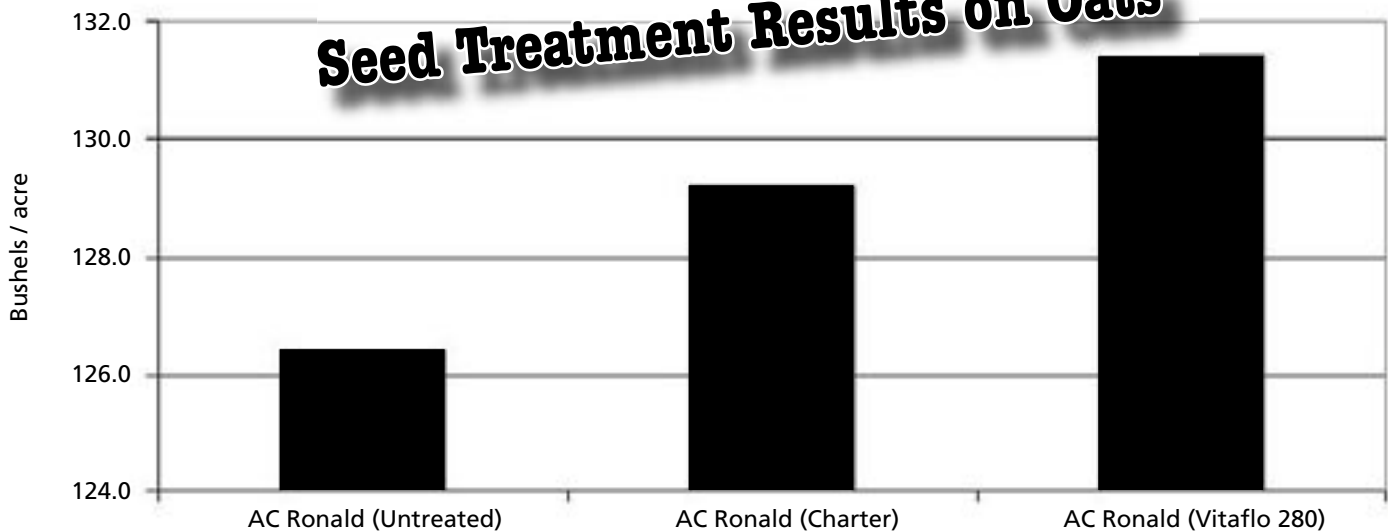
Gailyn was raised on a leaf cutter pollinating and pedigreed seed farm located in Lac du Bonnet, Manitoba. Her involvement in the family operation included assisting in all aspects of grain production and assisting in the management of the leafcutter bee operation.

She obtained her degree in Agriculture from the University of Manitoba. Gailyn's past experience involves research with Saskatchewan Wheat Pool. She spent three summer student positions working on the wheat-breeding program, which included plot production from seeding, herbicide application and harvest.

As a crop inspector for the Canadian Food Inspection Agency she gained knowledge assessing varietal purity for pedigreed seed fields. This position led her to relocate to Ottawa, Ontario to work with the Canadian Seed Growers' Association. Her primary role with the CSGA included communicating regulations and policy for pedigreed seed production to 3,500 seed growers, government officials and researchers. She also worked closely with the hybrid canola companies and managed the research and development portfolio.

Gailyn looks forward to providing a high level of service to existing and new customers.

Seed Treatment Results on Oats



Direct to the Field™

James Farms offer customers the convenience of picking up their order the day they seed. Direct to the Field™ means you leave your seed order with James Farms until you need it.

Choose from several leading seed treatment products that can be applied to your seed order the same day. James Farms' Agronomist Gailyn Neurenberg can help you with your variety selection and seed treatment requirements.

James Farms is gearing up for 2006.

CEREALS

- Wheat
- Oats
- Barley

OILSEEDS

- Canola
- Flax
- Sunflowers
- Soybeans

FORAGES

- Hay and Pasture Blends

SEED TREATING

- Vitaflo 280
- Charter

*You're Seed Treating Centre
in Southeastern Manitoba.*

1. If you're too open-minded, your brains will fall out.
2. Don't worry about what people think; they don't do it very often.
3. Going to church doesn't make you a Christian any more than standing in a garage makes you a car.
4. It ain't the jeans that make your butt look fat.
5. Artificial intelligence is no match for natural stupidity.
6. My idea of housework is to sweep the room with a glance.
7. Not one shred of evidence supports the notion that life is serious.
8. It is easier to get forgiveness than permission.
9. For every action, there is an equal and opposite government program.
10. If you look like your passport picture, you probably need the trip.
11. Bills travel through the mail at twice the speed of checks.
12. A conscience is what hurts when all of your other parts feel so good.
13. Eat well, stay fit, die anyway.
14. Men are from earth. Women are from earth. Deal with it.
15. No man has ever been shot while doing the dishes.
16. A balanced diet is a cookie in each hand.
17. Middle age is when broadness of the mind and narrowness of the waist change places.
18. Opportunities always look bigger going than coming.
19. Junk is something you've kept for years and throw away three weeks before you need it.
20. There is always one more imbecile than you counted on.
21. Experience is a wonderful thing. It enables you to recognize a mistake when you make it again.
22. By the time you can make ends meet, they move the ends.
23. Thou shalt not weigh more than thy refrigerator.
24. Someone who thinks logically provides a nice contrast to the real world.
25. If you must choose between two evils, pick the one you've never tried.