

To: Tom Button, *Country Guide* editor

Subject: **THE OTHER SIDE**

In a recent email exchange with *Country Guide* editor Tom Button, following his Feb. 15, 2020 editorial “Who should own the land?” Saskatchewan’s largest landowner – Robert Andjelic — wrote to say that large investors get a bad shake.

Here is his email, lightly edited for length:

We currently own 220,000 acres in Saskatchewan, which I’m very proud of and am doing everything in my power to improve the soil quality as well as production efficiency.

You say that producers are best stewards of farmland. I must point out that throughout my time of owning farmland we have spent more than \$20 million in land improvements. Now if your argument is correct, and since virtually all the farmland that I bought was from producers, then why did I have to invest all that money towards land improvements?

Some of the farmland was badly farmed, so when we rent it, it takes a very good, new producer, with our help three to five years to turn it around and make it productive again. Most of the farmers that sold me the land were struggling and barely squeaking out a living. They weren’t in any position to do land improvements, in order to be more efficient, or to increase soil health.

By land improvements I’m referring to the burying of rock piles that littered the quarters, getting rid of fencerows in between different quarters to better accommodate large equipment, as well as getting rid of some bush so the producer isn’t constantly going in circles.

Now I agree with you there are investors who are investing into farmland for short-term gain and don’t much care about the health of the soil, or even understand how to improve efficiency. I assure you that is not the case with us and our firm.

Very few investors if any would invest in these land improvements since the return on investment is around 20 years. This of course is far longer than what most investors treat as a norm. But we look at this investment differently, and with a long investment horizon. I plan for my children and grandchildren to care for this land long after I’m gone.

When we make these improvements, they are an immediate boost in efficiency to the tenant producer.

We had tremendous response from our tenants after our land improvements are complete with them saying that their efficiency went up by anywhere from 30 up to 90 per cent. These are numbers given to me as a comparison, by my tenants who rent improved land from us as well as renting unimproved land from other neighbours, as a comparison. This efficiency increase also helps tremendously with carbon emissions, since the equipment can do so much more in a lot less running time.

On our staff we have three field co-ordinators that travel throughout the province, meeting with producers and co-ordinating the best land practices. We stress very strongly that taking good care of the land is in both of our interests, as it is both of our bread and butter. We are also in progress right now to hire a summer agricultural student to further inspect, co-ordinate and make recommendations for best land practices, to the tenants and our staff.

Agriculture is a very capital-intensive business, and I’d like to say that we as investors have a role to play. For example, if a full line of new equipment has a potential to do 7,000 up to 10,000 acres, and a producer only has 5,000 acres, he can rent the other acres to fully utilize that equipment. His equipment costs are the same whether he does only his owned 5,000 acres or he rents from us additional acres to do 10,000. I consider this a good working partnership for mutual benefit.

Bottom line is I love the land, and anybody working for me or with me, or renting from me, has to feel the same. Otherwise we don’t work together.