

Finding the perfect fit

How one farmer expanded his business by finding a partner that helped him grow on his own terms

Barry Schmitt, president of prominent forage enterprise, Barr-Ag, chats from the driver's seat of his truck about a deal that helped launch Barr-Ag to the success it is today. However, much like the windy road he was driving on, the destination was not obvious.

In 2011, Barry had been approached by a Chinese dairy farmer to export 30,000 metric tons of alfalfa which, at that time, was his biggest deal to date. Barry knew this was an amazing opportunity however, he did not have the land capacity to meet the demand. There were potential financing options, but none were a perfect fit.

- He could go to a bank but did not want to go into debt.
- He could simply buy the land but that would jeopardize his capital.
- He could work with a business partner, but they tended to be overly intrusive with the business practices.

Barry kept thinking that there must be a better way to do this, he just had to think outside of the box. Like most of us would, Barry, once again in his truck, pulled over and began a Google search from his iPad.

There he found Bonnefield and he let out a sigh of relief – the perfect match.

Just right

After a few short conversations with the Bonnefield team, Barry knew he had found the right partner. Bonnefield would provide a long-term lease-back solution and let him run his business the way he wanted. This met all of Barry's needs – it allowed him to maintain his bottom-line, avoid debt and continue his business as he normally would.

Being a man who knows what he wants, Barry went out and found the farmland that best suited his expansion. Bonnefield bought the land and continues to lease it to Barry today.

"My traditional approach to land ownership is nice but unfortunately it takes generations to build that type of equity. Bonnefield gave me access to land. If I could do the cash flow, then I can do the business that I love."

The long-term solution has done Barry well. His growth has led him to be one of the largest forage exporters in Canada.

"We're still working with Bonnefield. We bought some land with them last summer. This type of land ownership is crucial. Bonnefield is a fantastic landlord - open and upfront. They have treated us well."



Bonnefield's long-term solution allowed Barry to maintain his bottom-line, avoid debt and focus on business



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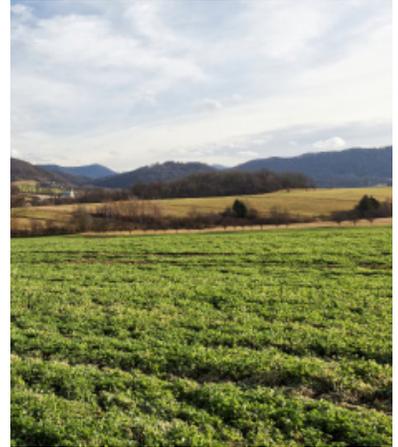
The benefits to Barry include:

Expand Operations

Working with Bonnefield, Barry can achieve his desired business expansion goals. His capital is free to invest in the operations of the enterprise while Bonnefield invests in the land, leasing it back to him on a long-term basis.

Healthy Balance Sheet

Barry's goal was to expand his operations without creating havoc on the balance sheet. Through Bonnefield's farmland lease financing program, Barry did not have to dip into his operational cash because Bonnefield purchased the land and leased it back to him, freeing up his capital to run the business.



Barry continues to work with Bonnefield because he trusts them as landlords and partners

GOAL Expand land base, avoid debt

SOLUTION Sales leaseback



Bonnefield is Canada's foremost provider of land-lease financing for farmers, dedicated to preserving *farmland for farming*. We partner with progressive, growth-oriented farmers to provide farmland leasing solutions to help them grow, reduce debt and finance retirement and succession. Our investors are individuals and institutional investors who are committed to the long-term future of agriculture.

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