

Protecting Their Pecks of Pickles and Peppers

How CanAm Peppers Funded Growth with Bonnefield

The Underhill brothers can trace their entrepreneurial gene back to their grandfather who had started a tobacco business in the 1940s. Their father subsequently added a trucking operation and when the sons, Jammie and Chad, took over they transitioned the business to vegetables and entered a joint venture (JV) to help fund future expansion.

In 2015, the CanAm Peppers Company was a multi-million-dollar agri-business growing, sourcing, packaging and selling vegetables, speciality pumpkins and other fall décor throughout North America. Although there was still lots of opportunity for growth, the business was threatened when the JV partner wanted to exit.

Keen to keep the business they had built, and reluctant to enter into another joint venture, the brothers looked for a way to buy out their JV partner. They had a couple of options but none better than what they saw with Bonnefield.

A True Partnership

Through Bonnefield's lease financing program, the Underhills sold a couple of hundred acres of farmland to Bonnefield and leased it back on a long-term basis. With the money from the sale, they bought out their JV partner and invested the rest back into the business to improve efficiencies.

While this transaction triggered the end of one business relationship, it marked the beginning of another – the relationship with Bonnefield.

"We saw that first sale leaseback agreement as a way to test the waters, to see what it would be like to work with Bonnefield. Here we are two years later, and we couldn't be happier," said Jammie. "I talk with the Bonnefield folks on a regular basis. I've been impressed to see they are true stewards of land and have made additional investments to improve the irrigation on the land I lease.

"Since that initial agreement, Bonnefield has bought three nearby farms and leased them back to us to help support our expanding business. In them we have a true partnership."



"Land has always been a good investment but today, for us anyway, there are better places in our business to put our money."

The benefits to Jammie and Chad were many:

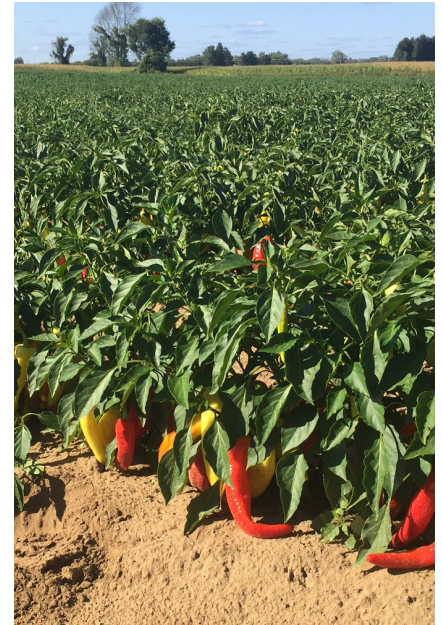
Cash Flow

With cash from the sale of land, the Underhills could buy out an existing partner and not only continue the business but use some of the cash to invest in its growth.

Ability to Expand Operations

Working with Bonnefield, the Underhills can achieve their expansion goals in the ambitious time frame they have set out. They invest in the business operations, while Bonnefield invests in the land, leasing it back to them on a long-term basis.

“In [Bonnefield] we have a true partnership.”



GOAL Liquidate some assets, invest in business, expand

SOLUTION Sale-lease back of current and new land



Bonnefield is Canada’s foremost provider of land-lease financing for farmers, dedicated to preserving “farmland for farming” across Canada. We partner with progressive, growth-oriented Canadian farmers to provide farmland leasing solutions to help them grow, reduce debt and finance retirement and succession.

Bonnefield and its farmland funds are 100% Canadian owned and controlled. Our investors are Canadian individuals and institutional investors who are committed to the long-term future of Canadian agriculture.

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