

ENTREPRENEURSHIP WITH A MISSION

+ A CORPORATE HISTORY OF GRAND VALLEY FORTIFIERS AND THE GVF GROUP OF COMPANIES +

BY DR. ULRICH FRISSE, LL.M.



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PREFACE

This book is dedicated to all those who have enriched our lives as we have had the privilege of living and working with them over the years. Mine has been a blessed life as I have shared it with Elaine, my wonderful wife of 50 years, and our children: Nancy and her husband Chuck, Heather and her husband Peter, Ian and his wife Laura, and David. In addition, we are proud to be the grandparents of 12 wonderful grandchildren.

It has also been a wonderful privilege to work alongside our Grand Valley Fortifiers family of employees which now numbers close to 125. Beyond these is our great family of customers which we have the privilege of serving every day. It brings us great joy and satisfaction to work together with them, helping to achieve their production goals. Over the years, many long-term friendships have been established and it is rewarding to now be able to work with a number of third-generation family farms.

In this book we have shared with you the story of our lives including the good times, the difficult times, successes as well as some failures.

You will read how I came to trust the Lord early in my life and the blessing we have experienced as we looked to God for guidance, direction and provision for our every need. He inspired us with challenges and with opportunities to become included in mission projects and other opportunities of service.

It has been an exciting and fulfilling life for Elaine, myself and our entire family.

We are happy to share our story with you and trust that Grand Valley Fortifiers will continue to have a positive impact as we continue to have the opportunity to work and share with the finest people in the entire world, “our famers”.

God Bless,

~ **Jim and Elaine Ross** and the entire Grand Valley Fortifiers Family

PRESIDENT'S MESSAGE

Having been born in 1969, a few short years before Grand Valley Feed and Farm Supply would transform itself into Grand Valley Fortifiers, I have had the privilege of witnessing the growth and development of the company from a few foundational staff members and a few million dollars in sales to a diverse team of over one hundred dedicated people and close to \$100 million in sales per year that spans our nation and other parts of the globe.

More importantly, I and fellow long-term staff like me have been led by the wonderful example of my father, Jim Ross. In his working life he has continually dedicated the business he has stewarded to The Lord, established Biblical values and principles to live and lead by, and grown a profitable business. This example of *Entrepreneurship with a Mission* has benefited the customers we have had the privilege of serving, the staff we have worked alongside, and the less fortunate that we have been able to support philanthropically.

There have been good years and challenging years, both of which have built character within the leadership and the company as a whole and tested our values of honesty, integrity, customer-centric care, generosity and compassion. We are all the beneficiaries of a founder who has never wavered from them and through his decisions and actions day after day, regardless of the circumstances, has cemented these foundational values and principles into the ethos of the GVF Group of Companies.

It is an honour and privilege to play a leadership role in a company with such a strong reputation and a history of success while working alongside so many people who have dedicated their working lives to the vision and mission of Grand Valley Fortifiers.

I am so very pleased to have the history and many stories from the developmental years of GVF committed to print. May we never forget our humble beginnings, the circumstances that galvanized our values, the innovative, entrepreneurial spirit which allowed us to grow, the blessings of The Lord which allowed us to succeed, and the enduring humility and generosity of a man who always sought to obey and honour The Lord in all he put his hand and mind to.

My prayer is, with the wisdom God provides and the blessing He bestows, that for many years to come we will keep building upon the strong, principled foundations that my father has established at the GVF Group of Companies. I further pray that together with our team of dedicated, talented and passionate people we will continue to seek new, innovative, and successful ways to promote profitable farms, healthy food and improved lives.

~ **Ian Ross**, President, Grand Valley Fortifiers and the GVF Group of Companies, February 2015

PART I



JIM ROSS - A LIFE OF FAITH



King Street, Preston, Ont., Can.

View of King Street, Preston, circa 1920s. Greg Pautler Postcard Collection, Courtesy of Cambridge City Archives.

CHILDHOOD AND YOUTH

The Ross Family

CHAPTER ONE

THE ROSS FAMILY

Jim Ross, the founder, long-time president and current Chairman of *Grand Valley Fortifiers*, was born on March 29, 1936 to James and Lillian Ross at the old Galt Hospital on St. Andrew's Street in today's city of Cambridge, Ontario. The Rosses' home was a stable environment with a hard-working father and a loving mother dedicated to her husband and their four children: Jim, his older sisters Helen and Doraine, as well as a younger sister, Lillian.

Jim's father, James Ross, was employed at age 16 by the *Canada Last Company* where he learned the last-making trade from the bottom up. When the company relocated from Toronto to Preston (today a part of the city of Cambridge), the young man decided to move with the business. Being a hard worker who sought to learn as much as possible about the last-making trade, James quickly gained roles of responsibility within the company and by age 19 he was superintendent of over 30 shop employees. His responsibilities continued to grow and he eventually rose to the position of chief designer, as well as being in charge of sales to the many shoe factories in the Galt, Preston and Kitchener area and across Ontario. James continued working at the Canada Last Company until his retirement at age 66, fifty years after joining the company.

In his dual capacity as superintendent of the manufacturing plant and as the person overseeing the sales of their product to shoe manufacturers in the area, James was involved in all aspects of the business. With seven shoe-manufacturing plants in Cambridge alone, and several others in nearby Kitchener, he was responsible for a lot of Canada Last Company product going into the local communities. Thriving on challenges, he did a lot of the local selling in person. Jim remembers his father taking a wood rasp and personally shaping a sample last so that the shoe to be made on that last would meet the buyer's specifications. In addition to overseeing the plant and making sales, he would also periodically attend shoe and fashion shows in Milan (Italy), New York and Paris to pick up the latest designs and fashions. He would then promote these new designs in his consulting role with the local shoe manufacturers.



Corner of King and Dover Streets in Preston. Greg Pautler Postcard Collection, Courtesy of Cambridge City Archives.



Left: The Ross family home on 935 Vine Street in Preston in 1928. Right: Delivery wagon with horses (G.D. Smith Ice Preston). Greg Pautler Postcard Collection, Courtesy of Cambridge City Archives.

Jim's father was fully committed to his family, as well as giving everything he had to his daily work. He also enjoyed hunting with his good friend and co-worker Eddie James. The two men looked like Mutt and Jeff when they went off together. Similar to these popular cartoon characters, James and Eddie were quite different in height, with James being only five-foot-four and Eddie over six feet tall.

Jim's mother began working as a seamstress at the *T. Eaton Company* in Toronto at age 17 and continued with the company until she married Jim's father at age 26. Lillian was a wonderfully conscientious mother, housekeeper and a very good cook who always provided nutritious meals for the entire family. Benefitting from her work as a seamstress, she made many of her daughters' clothes. Besides raising the children and tending to her regular chores, Jim remembers his mother making jam and preserves from strawberries, raspberries, peaches, pears and rhubarb, as well as processing and freezing vegetables such as peas and beans from the family's garden.

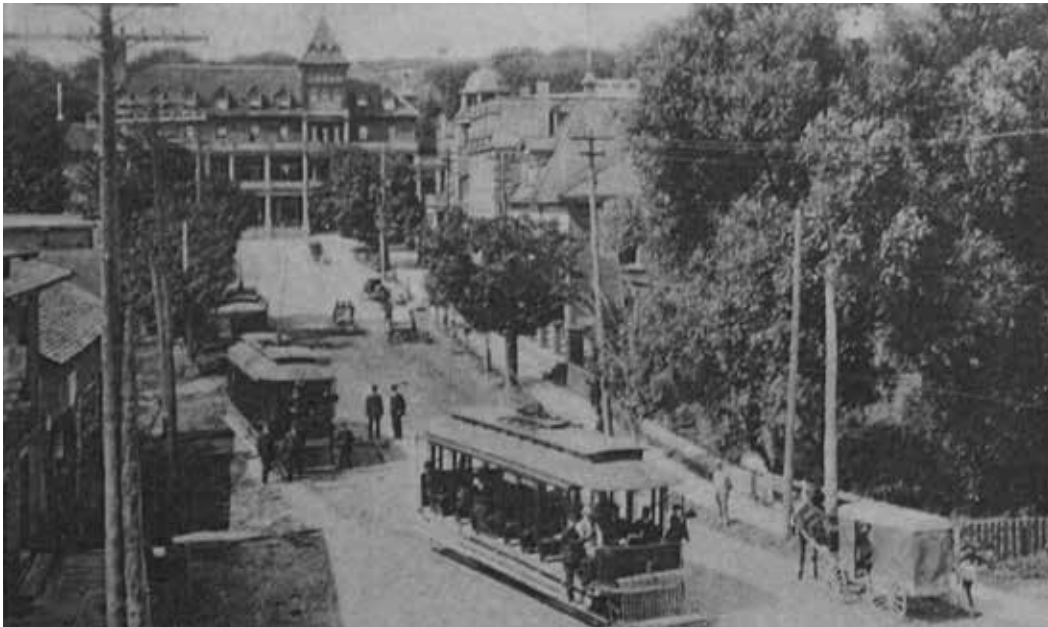
CHILDHOOD AND YOUTH

Lillian and James Ross were excellent parents, providing their children with much love and guidance along with strict discipline. Although Jim

and his sisters do not recall many spankings, the few they did receive were well remembered at the time and usually resulted in the intended change in the children's behaviour. In fact, one certain look by their father was often enough to correct the behaviour in question.

During their early school years, Jim and his sisters all attended Preston Public School on Duke Street in Preston. The school was a traditional stone building which offered classes from kindergarten through grade eight. Part of the school's regular curriculum was a class in manual training (shop) for the boys and a class in home economics for the girls. Each day at noon the students had a one-and-a-half hour lunch break during which they all headed home for a hot meal prepared by their stay-at-home mothers. By 1:15 p.m. the children were back at school to continue classes until 4:00 p.m. when they once again made their way home on foot.

A place of great common interest for all Preston Public School students was a large cast-iron water trough near the school that served the horses used for drawing milk, bread, fish and ice wagons for the small town of 5,000 people. Back in those days, many local businesses had horse-drawn carts that they used for delivering their products around town and the trough was frequented by a steady stream of horses that enjoyed the ice cold water. Located in front of the market building, the



Top: King Street at Fountain Street Preston. Picture by James Esson. Courtesy of Cambridge City Archives.
Bottom: View of the Preston Public School in the late 1930s. Greg Pautler Postcard Collection, Courtesy of Cambridge City Archives.

trough had flowing water to prevent it from freezing up in the winter. The ever-flowing water in that trough was often diverted by mischievous boys, and sometimes girls as well, who wanted to have a little fun.

Saturdays at the Rosses’ home were times for the children to do their allocated weekly chores, such as cutting the grass with a push mower, trimming the hedges with hand shears, digging or cultivating the flower and vegetable gardens, and discarding weeds, among other things. An avid gardener, James Ross won the first prize for the best-kept garden in Preston several times. In addition to doing chores in the garden, Saturdays were also times for picnics and other family activities, such as boating on nearby Puslinch Lake or in other surrounding parks.

Jim remembers the Grand River Flats being his and his friends’ favourite playground during the summers. Unattended by their parents for many hours, the boys built rafts and pulled them up and down the river. In the wintertime, the old arena on Lowther Street was a major attraction for skating. Without any artificial ice equipment, nature just did its thing: once the temperature dropped below freezing, the arena’s large doors were opened all around the building to let in the cold and freeze the water that had been sprayed over the flat earthen floor with large rubber hoses. The ice stayed in from December through until the end of March. Each Friday evening and Saturday afternoon lilting songs emanated from the rink into the surrounding streets as happy skaters propelled themselves around the ice. Another popular winter activity Jim remembers was going for a ride on one of the milk men’s sleighs. During the winter, as the milk men delivered the milk on sleighs pulled by horses, the children would often jump onto the back runners and go for a ride.

Jim remembers that Sunday was always a special day for the Ross family. After having breakfast together, each of the children returned to their bedrooms to put on their Sunday clothes, make sure their shoes were shined and get themselves ready for church. Being devout Christians, Jim’s parents were both committed to their church, King Street Baptist in Cambridge. Jim’s mother was musical and served as leader of the church choir for many years—a role which she enjoyed and truly excelled in. Jim’s father was equally involved in the church, teaching Sunday school, serving as a member of the Deacons Board

and the building committee, as well as taking on the role of chairman of two fairly large building and renovation projects. Even at age 70, he was instrumental in starting a Christian Service Brigade program for the boys of the church. While growing up, Jim and his sisters regularly attended Sunday morning church service followed by Sunday school and the Sunday evening service as well.

Jim’s dad had another priority that he took very seriously. Each Sunday morning he would go to the china cabinet in the living room, take out his church offering envelope and put his regular tithe into it so that he would be ready when the offering plate was passed around during the church service. Although James Ross never had a lot of extra money, there was always enough and he was generous in his financial support of the church as well as other Christian causes. Through his actions he taught each of his children the importance of tithing faithfully. If the family was away for a Sunday and not able to attend the service, James would always make sure that the tithe was made up the next Sunday when the Rosses were back at church. When Jim took over a paper delivery route from his two older sisters his weekly income was about \$3.50. His dad reminded him that the tithe was 10 percent and so 35 cents of Jim’s earnings went into the offering plate.

Following church and Sunday school, the family usually returned home for a special Sunday dinner. Most often, Jim’s mother served roast beef and sometimes roasted chicken with potatoes, vegetables and gravy. These special Sunday family meals were always topped off with one of Lillian Ross’s excellent homemade cherry, apple, raspberry or raisin pies.

All in all, Lillian and James provided their four children with a very stable home environment for which Helen, Doraine, Jim and Lillian have remained grateful to this very day. Their earliest memories include both of their parents sitting down with them at bedtime and reading a Bible story to them before the children said their prayers and went to bed. They loved hearing the stories from *Hurlbut’s Story of the Bible* about David and Goliath, Daniel in the lion’s den, Shadrach, Meshach and Abednego in the fiery furnace and Samson and his ignoble exploits. Helen, Doraine, Jim and Lillian were all taught the scriptures in their early lives and came to a personal faith in Christ.

Although the Rosses did not take a lot of holidays while the children were young, the family always spent the last two weeks of July at a rented cottage at Waubaushene on Georgian Bay where they had a little boat. Jim remembers going there for many summers with all four of the children accompanying their father on his almost daily fishing expeditions. They caught a lot of fish, mostly pike, which are a very boney species. Jim learned to dislike eating fish because of the fear of getting a fish bone stuck in his throat.

As the children got older, they were all expected to find part-time jobs to earn a little money. A *Toronto Star* delivery route passed down from the oldest Helen to Doraine and then to their younger brother Jim. Although the youngest sister Lillian helped deliver the papers, she never formally took over “the business”.

When they reached grade 9, the Ross children began attending Preston High School, a relatively small school with about 150 students. It did not take long until new students coming to the school knew just about everyone. Being part of a small closely-knit community, the teachers, although respected as teachers, gradually became good friends. High school days hold many pleasant memories for Jim, in part due to the fact that many of his high school companions had been his classmates since kindergarten. To the present day, Jim and his former fellow students look forward to the high school class of 1954 reunions which are held every 5 years.



Jim and his dad working in the fields on the Ross family farm in 1966.

EARLY EXPOSURE TO AGRICULTURE

and Becoming a Farmer

CHAPTER TWO

EARLY EXPOSURE TO FARMING

Ever since Jim was a young boy, whenever people would ask him what he wanted to be when he grew up, he would tell them “I want to be a farmer!” It was not until high school, however, that this general interest in agriculture became somewhat more defined. Grade 9 was a particularly special year for Jim in that regard. One of the science teachers, Mr. Oscar Stager, had persuaded the school board to allow him to teach a course on agriculture to the grade 9 and 10 boys. Since only two boys in Jim’s class lived on a farm, Mr. Stager strongly believed that his “city slicker” students needed to develop an understanding of agriculture and where their food really came from. While the boys were introduced to various aspects of farming, the girls were instructed by a different teacher in home economics, which included subjects such as cooking, baking, housekeeping and sewing.

Although taught in a regular school setting, Mr. Stager’s agriculture course was in no way limited to taking a cursory look at the subject. On the contrary, the instructor had his students study soils and their fertility, farm animals and poultry, feed grains and nutrients, the chemical difference between protein and energy, as well as many other topics. Mr. Stager’s passion for agriculture was obvious to everyone attending his class.

There was a lot of theoretical information to be absorbed, yet the course was not taught in a solely theoretical setting. It was not far into the academic year when Mr. Stager and the students began going to the Witmer farm where Mr. L. D. Witmer farmed together with his two sons, Bruce and Stuart. During one such practical session on the farm, Mr. Witmer lined up several dairy cows to teach the students the physiology of cows and how to identify a well-built and conditioned cow from a poorly developed one. After learning about the features of a good dairy cow, Jim and his classmates were assigned the practical task of rating the cows by placing them in order of desirability, including having to justify their ranking decisions.

That same procedure for evaluating dairy cows was repeated on other area farms for other livestock species, such as beef cattle, hogs, sheep and draught horses. In the process, Jim and his classmates also



Jim Ross discing on the farm in 1955.

learned the differences between various breeds of chickens, such as Barred Rock, New Hampshire Reds, Rhode Island Reds, Wyandottes, Black Minorcas and Leghorns. In addition to studying animals, students further learned about feed grains as well. Mr. Stager taught his students how to distinguish between wheat, barley, oats, corn, soybeans and rye which were food grains commonly grown in their area. They were also instructed in planting and harvesting techniques and learned about plowing the fields, which included setting the furrow straight, forming a crown and finishing furrows.

One of the most memorable parts of Mr. Stager’s agriculture course was caponizing young male chickens to improve their meat quality. Jim vividly remembers standing by the table that had been set up for this surgical procedure outside under a sunny blue sky. He still knows how to choose the place of incision with a sharp scalpel, spread the ribs to reveal the small gonads and then snip them off. He also recalls how one of his classmates, on seeing a little blood, fainted and hit the ground during the procedure.

To add even more authenticity and practicality to the course, Mr. Stager persuaded the school board to allow him to build a chicken house for about 100 laying hens on the school premises. Two boys were assigned the care of these hens for a week at a time including Saturdays and Sundays. Their responsibilities included feeding and watering the hens, as well as collecting the eggs.

One day the boys were being taught the intricacies of rope work, such as learning how to make halters to lead cattle and horses, loops, crown ends and a finish. Mr. Stager was intent on providing careful instructions to his students on how to bring the rope to a nice tapered finish by snipping out pieces of the hemp strands. While demonstrating this task he remarked: “Now I need to begin to reduce”. Mr. Stager was a somewhat portly gentleman and when Jim heard that comment he whispered to those nearby, “It’s about time!” Mr. Stager, who had overheard Jim’s comment, looked at him and said “What was that you said Jim Ross?” Jim does not remember how he replied but he regretted that he had been caught in an embarrassing indiscretion, especially considering how much he enjoyed Mr. Stager’s class. To this

day, Jim believes that participating in Mr. Stager’s agriculture course and the excellent material this passionate teacher delivered to the students intensified his interest in agriculture and was a strong factor when he later considered what career path he would follow.

While taking Mr. Stager’s agriculture course, Jim decided to raise his own chickens at home. He bought 100 day-old chicks of various breeds: White Leghorns, Rhode Island Reds, New Hampshire Reds, Rarred Rocks and Black Minorcas. For the first six weeks Jim’s mother allowed him to house the chickens in the basement of the family home. At six weeks, however, she insisted that he had to get them out of the house. Jim moved them to the upstairs of a small poultry barn on their property. After the hens came into lay, Jim continued to care for them and sold the eggs to their neighbours.

Jim was not the only member of his family with an interest in agricultural matters. Although he had been professionally involved in the shoe-last business since his youth, Jim’s father also had a bent toward farming. During his son’s high school years, James Ross, together with two other businessmen, Len Hagey and Herb Meyer, formed a small partnership for the joint pursuit of farming. The three men rented 200 acres of land and a barn close to the junction of Highway 24 and Highway 401 at the west end of Hespeler. In that location they grew wheat, oats, corn and barley and sold the harvested grains as cash crops. They also bought 40 to 50 Western steers in the spring, put them out to pasture during the summer and sold them off in the fall. They raised a few pigs and contracted with a nearby farmer to fatten them over the winter. Pasturing western cattle provided its own challenges, as it seemed that they always purchased cattle which thought the grass was greener on the other side of the fence. As a result, fence mending was a regular job to be tended to by James and his partners.

Jim helped with the farm and this gave him the opportunity to try his hand at field work, such as plowing and disc-harrowing the fields, as well as assisting his father with the harvesting of the grains and making corn silage. Jim also delivered feed to the pig barn after school with a small half-ton truck. No one seemed to care at the time that he was only 15-years-old and did not have a driver’s license.

One of Jim's high school friends was Bill Miller whose father was a medical doctor in the town of Preston. Dr. Miller and his family owned a farm just off Clyde Road on the east side of Cambridge. During the summertime the Millers moved out to the farm from their family home in Preston. Their farming operation included a milking herd of dual-purpose short horns, the young stock and a bull. Jim went out to the farm as often as he could to help Bill and his brothers with haying, stooking and threshing the grain crops. The boys worked hard and they had a lot of fun together. They especially enjoyed cooling off after a hot sweaty day in the fields by jumping into the refreshing cool waters of the farm pond.

CHOOSING A VOCATION

During the 1953/54 school year, while attending grade 13, Jim became increasingly aware of the fact that he needed to start thinking about what he was going to do after graduation. As he considered his options and interests, the decision came down to either applying to Agriculture College or going to Chiropractor School. While a career in agriculture was a natural choice given Jim's general interest and various exposures to farming during his high school years, his interest in chiropractic medicine was linked to a medical condition and his personal experience with the healing powers of chiropractic treatment. During a previous winter, Jim had damaged his knee quite seriously one night when a toboggan ride down a steep dark hill ended with him crashing into a wire fence. It felt like he had hit a brick wall and his foot smashed through the front of the toboggan. Following the accident, Jim had limped home in severe pain. After several weeks the pain in his knee had gradually diminished. However, it was not long before Jim found that his knee would frequently lock out of place. He learned that by sitting down and wiggling his leg a bit it would eventually snap back and he would be able to straighten it out again. Three months after the accident and after the snow was gone, as Jim was riding his bike to school, his knee locked out again. No matter how hard he tried, he could not get it back into place. Somehow he managed to get home and his mother decided to have their family doctor take a look at it. The

doctor was not impressed that they had not come to see him at the time of the mishap three months previously. Rather gruffly he instructed them to go home and put ice on Jim's knee overnight. If that did not work, the doctor stated that Jim would need to have knee surgery. Scared by the thought of having to undergo surgery, Jim sought out alternative options and decided to try chiropractic treatment.

Jim's Chiropractor, Dr. Gerbracht, had a practice in downtown Galt, about three miles from where the Rosses lived. Jim remembers that not only was he a very fine Doctor but he was also Jim's Sunday school teacher. Since Jim's knee was locked again, making it impossible for him to walk, Dr. Gerbracht came to see him at the Rosses' home. After examining the knee he made a few adjustments which resulted in immediate improvement. It was arranged that Jim would visit his office 2 or 3 times a week until the problem was fully corrected. The knee gradually improved through Dr. Gerbracht's manipulations and shortwave treatments. While Jim's knee was getting better, he marveled at Dr. Gerbracht's success in correcting this problem without the dreaded surgery which would have been his fate had he and his mother listened to their family doctor's advice. This experience left such an impression on Jim that, as he was approaching the end of his high school years, he began to contemplate becoming a Chiropractor himself. Without a doubt, he knew that he would enjoy helping to heal people!

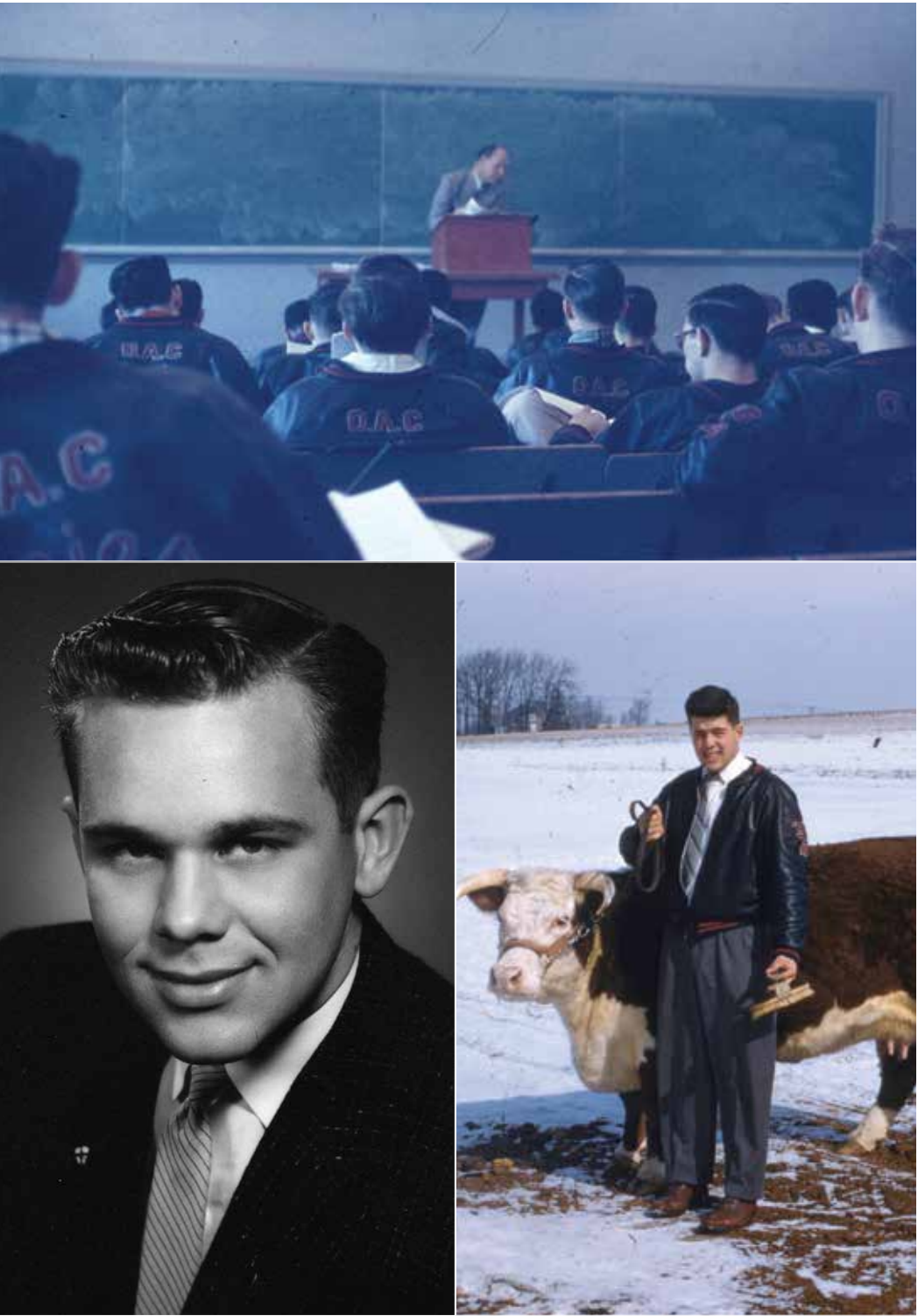
Due to his deep Christian faith and his strong belief in prayer, Jim began to ask the Lord which of his two potential choices for a vocation he should pursue. After considerable thought, Jim decided to apply to the Ontario Agriculture College in Guelph and, if accepted, to take this as God's answer to his prayer. Technically, Jim did not qualify for admission to the Ontario Agricultural College because he did not have the required months of practical agricultural experience on a farm which was one of the main admission criteria. Jim reasoned that if he was refused entrance into the diploma course then he would pursue his second choice, Chiropractic College. To his great surprise, a short time after sending in his application, Jim received a letter from the Ontario Agriculture College informing him of his acceptance into the fall class to begin in September 1954. Looking back, Jim has never doubted his

decision to follow that particular direction in his life. Believing in the scripture from Psalm 32:8 which says: "I will instruct you and teach you in the way you should go; I will guide you with My eye" (NKJV), Jim has used the same method of asking for the Lord's guidance by shutting or opening doors at various times in making other important decisions throughout his life.

The summer of 1954, before starting college, Jim worked as a machine operator at the Canada Last Company, his father's employer, as he had done during the previous years. His summer job consisted of applying a wax polish to the finished wooden lasts to protect them from absorbing moisture. Since the work required very little skill, the 9 hours per day of standing at the buffing wheel dragged endlessly. The two things that kept him going was the anticipation of starting college in the fall as well as a ten-day teen's camp at Pioneer Camp near Port Sydney, Ontario during the last ten days of August. While attending this camp several times during previous summers, Jim had always enjoyed the experience immensely. It was a place where he had established long-term friendships and enjoyed swimming and canoeing. This was also a place where biblical truths had been taught to him both through Bible reading, teaching and through the lives of individual leaders. Looking back, Jim remembers one night in particular when the subject of missions was presented. As he thought about the potential implications of the call for Christians to serve in mission work in regards to his own life, he concluded that a career in the missions field was not for him. However, he did think that he might be able to assist missionaries by helping with their support.

ONTARIO AGRICULTURE COLLEGE

Jim's two-year-term at the Ontario Agriculture College began in September 1954. Being part of a class of nearly 100 students, most of whom were energetic farm boys, along with two brave farm girls, Jim knew far less about agriculture than the vast majority of his fellow students. To avoid showing his ignorance regarding things which were common knowledge to most of his peers, Jim was very careful to remain silent,



Top: Class at the Ontario Agriculture College at the University of Guelph. Bottom left: Jim at age 20 while graduating from the Ontario Agricultural College. Bottom right: Jim's friend and roommate at the Ontario Agriculture College, Bob Allen.



Ontario Agricultural College Royal Winter Fair in the spring of 1956.



Left: The Ross farm in 1957 just before the pole barn was built. Right: The home on the farm as seen from the road in 1957.

yet, at the same time, pay attention and learn from their conversations. Jim vividly remembers hearing one professor in Dairy Science talking about Holsteins and then using the term Holstein Friesians. “Are these animals one and the same or two different breeds?” he wondered. Jim did not dare to ask, but after some careful listening he realized that Holsteins and Holstein Friesians were in fact the same breed.

Jim’s time at the Ontario Agriculture College was most enjoyable. The students had a lot of fun together and enjoyed some funny, and even some not so funny shenanigans. College guys can dream up some very creative pranks and, of course, devise clever ways to conceal their involvement in their implementation. One fall night with a brilliant full moon in the sky, the whole campus woke to the PA system of the Memorial Hall blaring out the old song “The Yellow Rose of Texas”. After setting the song in motion the perpetrators had made sure that all access doors to the hall were locked securely to prevent the authorities from gaining ready access to shut it down. The song played loud and clear for about 30 minutes to everyone’s amusement. With the exception of the perpetrators, no one ever knew who was responsible. Another memorable night was when some ingenious students decided to set off smoke bombs in the steam tunnels through which pipes carried steam to the radiators in the dorm where the college’s female students were

sleeping. With the smoke bombs set off, it was not long until smoke filled the building, fire alarms were making a tremendous noise and several hundred girls exited the building in their various states of night attire, much to the chagrin and amusement of the fun-loving guys. Again, no one ever knew who was responsible. Although these kinds of events became regular fare for the lively college and stand out in Jim and the other college graduates’ memory of their class, the students also acquired a lot of valuable practical knowledge about growing crops and the production of food from livestock including milk, meat and eggs.

The two years spent at the Ontario Agricultural College was an enriching time for Jim in many ways and he established some great friendships which have lasted over the years since graduation. Several members of his class went on to become very successful in their respective fields, notably: Julian Reid of Norval who served as M.P.P in the Legislative Assembly of Ontario from 1975 to 1985 and as M.P. in the House of Commons from 1993 to 2004, Murray Gaunt who became a radio broadcaster and the popular CKNX farm editor before spending 18 years as M.P.P. for the riding of Huron-Bruce, and John Wise who was the Canadian Minister of Agriculture from 1979 to 1980 and again from 1984 to 1988.

BUYING A FAMILY FARM

At the end of Jim’s first semester at the Ontario Agricultural College, Jim’s father sat down and had a talk with him. Knowing of Jim’s desire to farm after his anticipated graduation in the spring of 1956, James Ross said, “I guess if you want to be a farmer, we better start looking for a farm.” In order to find a suitable property, they enlisted the services of a real estate agent. After spending two full Saturdays looking at various properties together with the agent, father and son realized that a decent 100 acre farm was going to cost them at least \$35,000—much more than they could afford. Getting somewhat tired of spending his Saturdays looking for a farm, Jim’s dad suggested that Jim continue looking at properties together with their agent. Once they found a farm that met their criteria, they would take Jim’s father out to see what they had identified as a possibility.

The following Saturday, a mild, yet very dull and dark February morning, Jim and the agent set out to look at another possibility, a farm that was located on the old Cheese Factory Road south of Cambridge. With 2 or 3 inches of snow covering the ground, Jim remembers the roads being very wet and slippery. As they drove into the farm’s driveway, Jim saw what appeared to be an old dilapidated farmstead.

He instantly thought, “Why on earth is he taking me to this place?” When the car came to a stop the two men were surprised to find themselves surrounded by a menagerie of numerous kinds of coloured ducks and geese coming from every possible direction. They later learned that this unusual welcome was afforded them because the ducks and geese had come out for their usual feeding which consisted of stale bread, buns and cakes the farm’s owner picked up at a local bakery. All around the yard and blown up against the old cedar rail fences by the wind were hundreds of cardboard and paper packages that had been opened and their contents devoured by the hungry horde.

The agent suggested that they take a look in the old bank barn before visiting the owners in the farm house. As they proceeded towards the barn, the men noticed that the wet yard had been well greased by duck and goose droppings, making it imperative to watch every step to protect themselves from slipping and sitting down in the sticky and smelly mess. The stable door opened into almost complete darkness; as Jim and the agent entered the barn and their eyes gradually adjusted to the semi-darkness, they began to identify a few cattle and pigs, and several chickens. There were cobwebs everywhere, as well as straw and hay which covered the alleyways in the barn. They were unable to discern whether the barn had a cement floor or not. The pens were of

wood construction and consisted of several horse stalls, cattle pens and a large central pen which could be used for feeding 20 to 30 cows or steers.

After spending a few minutes in the barn, the men decided to make their presence known to the owners. Slipping and sliding, they eventually found their way to the house and knocked on the old woodshed door. The owners, Mr. and Mrs. Hess, a middle-aged couple of German descent, appeared and invited them into the kitchen. Inside, a wood stove had been placed against the back wall for heating and cooking and a bare light bulb provided some light in the room. Jim and the agent introduced themselves and then began asking questions. Throughout the conversation they learned that the property consisted of a total of 140 acres with about 10 acres of bush. The bank barn was 60 x 40 feet wide with a stable and a large hay-straw-loft above, as well as a fairly large granary. There was also a drive shed with a loft which was located at the west end of the barn. With no running water in the house and no indoor washroom, a hand pump behind the house supplied the water and an old outhouse provided the bathroom facilities. They learned that one of the upstairs bed rooms was used as a place to raise young chickens and ducks with heat being provided by old black steel pipes which crossed the room on their way to the chimney hole located in the outside wall. Jim and the agent thanked the couple and then proceeded to retreat to their car. Before getting into the vehicle they picked up a couple of sticks to scrape off their shoes. It was at this point that Jim asked the most important question: "How much are the Hesses asking for this place?" "\$11,000" was the answer. Realizing that this property was within their price range, Jim took a quick second look while they were turning around in the yard. He noticed that except for the junk, the old bank barn, as well as the wire pens around the house and the house itself—an old 1850 stone building—did look fairly sturdy. The barn, too, was in fairly good repair and the stonework was in relatively good shape. Upon realizing that the land was very hilly, Jim thought to himself: "What else could you expect for \$11,000?"

Back home, Jim shared his find with his father and the next day they visited the farm together. To this day Jim wonders what his dad

actually thought when they drove onto the rundown property. However, within a week they had struck a deal with the owners, giving the Rosses possession of the property by April 1. The German couple decided to hold an auction sale before leaving the farm. A small crowd of about 50 farm folk showed up. Of course, Jim and his dad attended the auction as well. They soon saw that the goods were all old and not worth very much. As the auctioneer went into the drive shed, someone threw a couple of old bales of hay down from the small loft above. The auctioneer asked, "What about a bid for the hay? How much for a bale? Will someone give 10 cents for the bale? 10 cents for the bale?" After someone finally said "Yes," the auctioneer replied "Sold" immediately. This was when Jim overheard one old farmer whispering out loud to his friend, "I wouldn't give you 10 cents for this whole kit and caboodle". Although this comment was far from encouraging, Jim thought to himself that he and his dad would just have to see what they could do with this old place.

BECOMING A FARMER

A few weeks after buying the farm, Jim's time at college came to an end and he began his career as a farmer. The Rosses were able to get a Dutch family to live in the farm house and provide some help with chores in lieu of rent. This was the family of Henry Pennings who had emigrated from Holland a few years previously. Of their 10 children, 4 had already left home, leaving 6 to occupy the house along with their parents. Before coming to Canada, Mr. and Mrs. Pennings had owned and operated a small farm in Holland. They had been noted for their kindness and hospitality to the Jews during the Second World War when the latter were being hunted down under German occupation. Mr. Pennings sometimes shared some hair-raising stories of how he and his family had helped to conceal the whereabouts of the Jews for whom they provided food and shelter and protection during those dark war days. Mr. and Mrs. Pennings were later formally recognized by the state of Israel for their acts of heroism and mercy for saving Jews from sure death. The state of Israel designated them as "Righteous Among the



Top left: Renovations to the upstairs of the drive shed for chickens in 1957. Center: Jim Ross Sr. cutting stone for steps and a wall in 1957. Bottom: Painting the new fence in 1957. Top right: Mr. and Mrs. Pennings helping on the farm in 1957. Bottom: The barn of the Ross family farm during the winter of 1960.



Left: 1957 Thanksgiving on the farm. Right: Loading hay in the fields.

Nations” and a tree was planted in their name to honour them in the Garden of the Righteous among the Nations at Yad Vashem, the official Holocaust Memorial in Jerusalem, Israel.

When taking possession of the farm, the immediate task before Jim and his father was to fix everything that needed repairs. The job seemed almost endless: fence rows that were filled with brush which was intertwined with the wire fence had to be cleared out; new fence posts needed to be installed and new page wire fence stretched. In addition, Jim and his father built new wooden gates and placed them at the appropriate openings. They threw out the old wooden stabling in the barn and replaced it with penning which was being removed from the sheep barns at the Canadian National Exhibition grounds and was free for the taking. After digging a shallow water well and installing a water system in the barn, they also renovated the loft above the drive shed to accommodate a flock of hens. The eggs from this venture were later sold in town through an egg route which Jim developed. Other jobs that Jim and his father completed within those first months included partitioning off the old barn, adapting the stable for the raising of pigs as well as installing a gutter cleaner to make the cleaning of the pens easier by just scraping the manure into the gutter. Later on, they also dug a pond in a swampy area between the barn and the road, and

removed the dilapidated old sheep barn which had occupied that part of the property. They further built a pole barn addition on the east side of the barn which allowed them to house beef cattle. In order to add some visual appeal to the property, father and son erected some new white board fences around the barn yard and painted the old bank barn and drive shed a deep rich green with white trim. After 3 or 4 years of ongoing renovations and improvements, the place not only became quite functional, but attractive as well. An ardent gardener, Jim’s dad planted flower beds in strategic locations, adding colour and beauty to the property.

Over the ensuing four years, Jim travelled the 10 kilometers from the Ross family home in Cambridge to the farm on a daily basis. Each day he fed the livestock and cleaned the stables. One day each week, Jim took his half-ton GMC truck to the Boston Sales barn and purchased 20 to 30 feeder pigs which he brought back to the farm to be fed to market weight. On Monday morning every week, local trucker Cliff Densmore arrived to load the finished market hogs on his truck and took them to the J.M. Schneider kill plant in Kitchener.

Every morning before he went to the farm, Jim’s mother prepared a lunch for him which he ate in his little 1957 half-ton GMC pickup truck. Being alone, Jim found lunch time a great time for having a

Top left: Petunias at the Ross family farm in 1957. Bottom: New look of the farm house in 1957. Right: Combining wheat into Jim’s Chevy truck in 1957 (Jim on the left).



Left: Doraine, Jim and Lillian Ross in the 1950s. Top right: Cows on the Ross farm in 1957. Bottom: Jim & Bob Horn in front of the barn in 1957.

daily devotional time, the reading of some scripture and also a time for prayer. Using a Navigators Bible memorization plan, he memorized quite a few scripture verses that way. He truly enjoyed this hour each day, always looking forward not only to his mother's egg sandwiches, but also to the spiritual refreshments provided through the scriptures and prayer. Jim's prayer life became very meaningful during that time as he saw the Lord regularly providing answers to his prayers.

RAISING MARKET HOGS ON THE FARM

After purchasing the farm, Jim and his father renovated the stable portion of the barn to house market hogs. When a fire destroyed the barn in 1963, they replaced their livestock facilities with a new 145 x 36 foot barn with partially slated floors, which was capable of housing up to 500 market hogs. They also built a pole barn for cattle and a new small drive shed. Similar to most other hog producers at the time, Jim and his father ran their hog operation on a continuous flow basis, meaning that whenever a group of pigs was sold, approximately the same number of young feeder pigs were purchased and brought into the barn. The grow/finish pigs raised in the new barn did reasonably well until the appearance of Porcine Reproductive & Respiratory Syndrome (PRRS) in the late 1980s forced Jim and the entire hog-producing industry to change the ways they were operating.

AGRICULTURE MISSIONS

In the summer of 1959, while he was still in the early stages of being a farmer, Jim began to sense that maybe the Lord had something else in store for his life. Unsure about how this thought entered his mind, he began to wonder about other possibilities, one of which was becoming involved in Agriculture Missions. Was the Lord beginning to stir his heart at this point to prevent him from becoming too complacent with his rather simple life as a farmer? Although there were many mission agencies looking for people to engage themselves in agricultural mission work overseas, Jim had no desire to move in that particular

direction. He liked life the way it was and did not intend to make a major change. As that summer passed into fall, the same nagging thought kept occupying his thinking more and more. Jim became quite aware that if the Lord was going to call him into a missionary career, he certainly was not ready to say "yes". As time continued, a very real battle was going on in his mind. Although as a Christian he knew that he should be willing to take his hands off his life and follow the Lord's leading, he was determined not to enter the mission field.

Things took a different turn in November of that same year when Jim's church, King Street Baptist Church, invited Major Ian Thomas from the Capernwray Fellowship in England to speak at the church for five evenings. Jim attended each evening and while listening to the Major's messages he began to understand the seriousness of disregarding God's leading in his life. After the final meeting, Jim went home and before going to sleep that night got down on his knees, confessed his sinful rebellious spirit, and asked the Lord for forgiveness. He then said "Alright Lord, I am willing to turn my life completely over to you. I am willing to do anything you want me to do and to go anywhere you want me to go. Just show me the way!"



The Grand Valley Feed mill on Clyde Road in Cambridge in the early 1960s.

THE DAWN OF GRAND VALLEY

CHAPTER THREE

CHANGE OF DIRECTION: PARTNERING WITH IRVINE READHEAD AND PURCHASING THE OLD MOORE FARM BARN AND PROPERTY ON CLYDE ROAD IN CAMBRIDGE

Eversince starting out as a farmer, Jim had been purchasing feed supplies from *Shaver Feeds*, a subsidiary company of *Shaver Poultry Breeding Farms*. Irvine Readhead was the manager of the small operation and Jim always appreciated the high level of customer service he provided. Besides doing business with him, Jim knew Irvine on a more personal level as well as they both worshipped at the same church. One day in early December, 1959, Jim went to the feed store to pick up his usual supplies and he found, to his surprise and disappointment, that Irvine was no longer with the company. A few days later Jim went to see Irvine at his home to tell him how much he had appreciated his service and how sorry he was that he was no longer going to be able to do business with him at Shaver's. During that visit, Jim shared that he had been wondering whether Irvine would be interested in starting up his own feed business now that he no longer held a job. Based on the respect Irvine had in the farming community, Jim was quite certain that he would be highly successful on his own. Farmers who knew Irvine from his previous position at Shaver's would certainly support him in such a venture. Irvine was already in his early sixties and felt that he was too old to start up a new business at that stage in his life. Jim still thought it was a good idea and began to wonder if Irvine would go into business if he offered to be his partner. When returning to Irvine's home a few days later, Jim shared this possibility with him. After some discussion the two men agreed that they would both pray about the matter and see what happened. During the following weeks Irvine and Jim looked at several possible locations for a mill.

At the same time that Jim and Irvine were talking about the possibility of forming a partnership and establishing their own



The old Moore barn under renovation in 1960 to start Grand Valley Feed & Farm Supplies.



Left: The farm house in 1968. Right: The farm in 1962.



feed business, *Bailey and Harrison's*, an old established feed supply company in downtown Galt, was negotiating with Shaver's towards the goal of Shaver's leasing their mill facilities. This became known in the community in January, 1960 but then in early February the situation changed and the deal fell apart. Right at that time, Jim's church had invited an agriculture missionary from India to share about his work on a Wednesday evening. Jim attended the meeting hoping to receive clear direction about God's will for his life. Before he went to the church that evening, Jim prayed: "Lord, if you want me to be in agriculture mission, this would be a good night to tell me!" Although Jim enjoyed the presentation, he did not develop any strong feelings, let alone the conviction that he should follow in the young man's footsteps.

The next morning Jim decided to stop at the Bailey and Harrison Feed Store to find out for himself what the real situation was between them and Shaver. In speaking with the owner, Mr. Bruce Bailey, it was affirmed that the deal between the two companies was off. Hoping that the Bailey and Harrison feed mill was still available, Jim inquired if it might be possible for Irvine and him to lease the little feed mill and take over the business. Unfortunately, Mr. Bailey replied that he had already sold the building to *Mandel Cleaners*. "Although the building is gone," he added, "all of the milling equipment is up for sale." When

Jim asked how much he wanted for the equipment, Mr. Bailey replied: "I do not know, but come back after lunch and I will tell you." After leaving the mill, Jim jumped into his truck and immediately headed for Irvine's home. All excited, he explained the situation to Irvine and the two men agreed to meet at 1:00 p.m. at the Bailey and Harrison mill. Back at the mill it did not take long for Mr. Bailey to state his price for all the equipment, including a 3-ton Ford truck. "Ten thousand dollars", he said, "and you will have to take the equipment out of here over the next 30 days." By Friday afternoon, Jim and Irvine had bought the equipment and had agreed to the terms of removing it within a month's time. When Mr. Bailey asked, "Where are you going to move the equipment to?" Jim and Irvine replied that they were not quite sure yet, and that they would be looking for a temporary location until they found a permanent place to start their new business. Seeing an opportunity to help two budding entrepreneurs in establishing their own venture, Mr. Bailey shared with them how he had originally planned to move his business into the old barn on the Moore Farm on Clyde Road. Since he was now shutting down operations instead, he offered to sell both the barn and the three acres of land it was sitting on to Jim and Irvine. Although they were immediately interested, Jim and Irvine quickly realized that they were not in a position to buy the property.



Left: The Grand Valley truck unloading grain at the mill in 1961. Right: Cattle on the farm in 1966.



View of the farmstead in 1965. The farm was named Ross-Shire by Jim's dad after Ross-shire County in Scotland.

Jim's father had agreed to lend his son \$7,500 for this business venture and Irvine had committed to \$7,500 on his side as well. Having just spent \$10,000 on the equipment, the two partners had only \$5,000 left to invest. Mr. Bailey kindly offered to lease the property to Jim and Irvine for a term of five years, at the end of which they would buy it for \$5,000. Since the barn needed to have steel siding installed on top of the present wood siding to protect it from the weather, Mr. Bailey further suggested that he would pay for this necessary improvement and add the cost of \$2,500 to the purchase price due in five years for a total of \$7,500. Under those conditions the deal was struck and by 5:00 p.m. Friday evening Jim and Irvine were in business.

The next day was a Saturday and on that morning Mr. Fred Dobbin, a millwright from Paris, came over to have a look at the sprawling, multiple-level old barn. Following an in-depth inspection, he was convinced that he could convert it into a mill. The two parties agreed that Mr. Dobbin and his crew of 2 men would begin the renovation immediately. As Jim looks back on how quickly everything fell into place, it truly seems like a miracle had taken place. Throughout the entire process of getting established in the feed mill business, Jim felt the peace of knowing that this was where God wanted him to be.

THE FOUNDING OF GRAND VALLEY FEED AND FARM SUPPLY

Before the end of June, 1960 and following three months of hard work, Jim and Irvine opened their feed mill and farm supply store for business. They called their company *Grand Valley Feed and Farm Supply Limited* after the name Jim's father had chosen for a business he had envisioned but that had never materialized. One of James Ross' dreams had been to start his own shoe last company. Given both his talent and extensive experience in the design, production and sales of shoe lasts, Jim is convinced his dad would have been highly successful as an entrepreneur. However, starting up a shoe last business during the years of World War II had turned out to be very difficult, because there was only one company in all of Canada, called *United Shoe Machinery*, which made machinery for the production of shoe lasts. With no new equipment for civil purposes being manufactured during the war, as the economy had shifted to war-time production, there was a real scarcity of machines needed to produce the lasts. In spite of those challenges, at one point Jim's dad had successfully lined up some machinery to start his own plant. However, before he was able to begin, the equipment

had mysteriously disappeared. James Ross had intended to name his business the *Grand Valley Last Company*. As a result, when Jim started in the feed business, he named the company *Grand Valley* in honour of his father's dream of establishing his own company.

With six flat-bottom bins upstairs that each had the capacity to hold twelve tons of feed grains, some work bins above, as well as adequate storage for bagged ingredients, Jim and Irvine's converted barn provided ample space to accommodate their small feed mill. An outside dump sink received the feed grains that would be ground in the mill to be used as ingredients in *Grand Valley Feed and Farm Supply's* feed rations. In addition to purchased feed grains, such as oats, barley, wheat, as well as some corn and soybean meal, local farmers could also truck their own grains to the mill to be ground and mixed into customized feed rations.

For equipment the grist mill had a 1 ton vertical Ebersol mixer, as well as a 19" double plate McLaughlin grinder that was powered by 2 ten-horse-power motors (later replaced with two 25-horse-power motors), an oat roller, plus a molasses mixer. The molasses mixer which Jim and Irvine had purchased from Bailey and Harrison's, was very rudimentarily constructed with an 8 inch notched auger that ran through an 8' long wooden box. In spite of the simplicity of the process, *Grand Valley Feed and Farm Supply* was noted for having the best molasses

mixing equipment in the area. A pump transferred the molasses from the 3,000 gallon storage tank in the basement to a heated holding tank, from which the hot gooeey substance was pumped to the molasses mixer and applied to the company's cattle and horse feeds. Molasses is heavy and thick, particularly in the wintertime. Every once in a while the mill operator would forget to shut off the transfer pump to the heating tank, thus causing the tank to overflow and cover the floor with 2 to 3 inches of molasses. On those occasions the air was sometimes blue with language from the mill hand that had been guilty of forgetting to shut the pump off. The sticky molasses would remain on the unheated basement floor until spring time when it could be washed down.

To this day, Jim remembers the mill's first sale. One day while they were getting the mill set and ready for customers, he received a phone call from a farmer in Stratford who wanted a price on a load of barley. Jim contacted his broker, called the man back and was able to receive *Grand Valley's* first order of ten tons of barley which they delivered to the Hood farm located just east of Stratford on Highway 7.

From the beginning of their business in 1960, Jim and Irvine made feeds using ground oats, barley and corn, as well as protein supplements which they purchased from *Ralston Purina* out of Woodstock. In addition, they purchased some meat-and bone-meal-based supplements from

Wm. Stone and Son out of Ingersoll. The rations were relatively simple, consisting of those three feed grains to which about 200 pounds of protein supplements were added for hog grower rations. Jim and Irvine liked Purina's Hog Chow 3N (3 Nitro), because grow/finish hogs did well on that product. Similar feeds were prepared using a Wm. Stone-meat-meal-based ration along with 100 pounds of soy bean meal which provided a good level of nutrition for the livestock being fed on that particular product.

During the early years of *Grand Valley Feed and Farm Supply* everyone involved in the business worked very hard and participated in producing feeds in the mill. Jim and Irvine had hired two mill hands, Bob Angus and Elmer Chester, who had previously worked for Bailey and Harrison; as well as a part-time book keeper, Kay Scott. Jim divided his time between different tasks, sometimes working in the mill, at other times delivering bagged feed or making sales calls, always seeking to increase the business. In addition to feed sales, *Grand Valley Feed* developed a one stop farm supply centre providing fertilizers, seed grain, seed corn, herbicides, pesticides and most other agricultural inputs. For several years the company also rented a large tractor for applying the anhydrous ammonia and aqua ammonia which they sold to their customers.

As is the case with so many start-up companies, money was always tight in the early years of the business. Jim and Irvine would often send out cheques to their suppliers knowing that if all of them were cashed on the same day, there would be insufficient funds. Each day they prayed that there would be enough money left in the bank when the outstanding cheques were cashed. Although money was tight, they rarely found themselves without enough operating cash for each day. Looking back, Jim remembers those early days of *Grand Valley Feed and Farm Supplies* as a great time of learning to trust God to meet their needs.

Over time, as their feed mill and farm supply store experienced continual growth in sales, Jim and Irvine began exploring additional business opportunities. When during the early 1960s the innovative practice of housing laying hens in cages was heavily promoted by feed

companies, they decided to venture into the egg business as well. By moving to this method of caring for laying hens, one farmer could easily look after 5,000 to 10,000 hens, raising egg production to previously unheard-of output levels and promising great returns both for egg producers and feed and hen suppliers.

Upon learning that three of their customers, who were farmers in the area, were looking for an opportunity to establish larger egg operations on their farms, Jim and Irvine entered into contracts with these producers. One contract was for a house with 10,000 hens, while the other two were for houses with 5,000 hens each. Under this contract production system, Jim and Irvine provided the pullets and the feed for the hens as well as looking after marketing the eggs. The contracting farmers, on the other hand, supplied the hen houses which were built for that particular purpose on their farms, as well as labour, heat and hydro. Under the terms of the contracts, the producers were paid 5 cents per dozen eggs.

Although returns were good at first, particularly since there were no costs for entering into a contract with a producer, it did not take long until the instant popularity of the new egg mass production system resulted in massive overproduction, causing a significant drop in prices. All of a sudden, costs exceeded returns by far, to the effect that Irvine and Jim, along with other feed suppliers that had contracted with producers, ended up losing 2 or more dollars per hen. Altogether, over the course of a year, Jim estimates their losses amounted to about \$40,000. As the egg business found itself in big trouble all across Canada, a quota system was presented to producers and received a solid vote of acceptance. The first step under the new regulatory model was to reduce production by 50 percent. To achieve this goal, producers were ordered to drop a plastic curtain at the halfway point of the cage facility. Half the birds in the house were shipped to the soup factory while the other half was left to produce eggs. In a second step, a cost of production formula was established to determine the price which the producer would receive for his eggs. *Grand Valley Feed and Farm Supply* continued to work in the new supply management system to honour the 5 year contracts with their 3 customers.

MEETING ELAINE AND GETTING MARRIED

In 1964, Jim experienced two very big changes in his life. The first was his marriage to his amazing and wonderful wife Elaine, the daughter of William and Nancy Cairns. The Cairns were missionaries to Nigeria with *The Sudan Interior Mission (SIM)*, a Christian mission organization whose history goes back more than a century and that currently has more than 1,600 active missionaries serving in more than 50 countries in Africa, Asia, and South America.

In their role as missionaries with SIM, Nancy and William Cairns had faithfully worked in Nigeria amongst the Nupe people at Patigi on the Niger River. Elaine and her two brothers, Ian and Derek, had been raised in Nigeria and had received their early schooling at Kent Academy in Nigeria prior to coming to Canada to attend high school. SIM had a boarding house for school-aged children of missionaries serving with their organization, which consisted of a girls' house and a boys' house in Collingwood, Ontario, known as the Gowans Home. There, thirty to forty children lived together while attending the local public schools. Following high school graduation, Elaine had chosen to pursue a career in nursing. When Jim met Elaine just prior to her graduating from nursing school in the spring of 1963, he knew instantly that this lovely young lady was the one he wanted to spend the rest of his life with. The two were engaged in June of 1963 and they were married on June 6 the following year. Prior to the wedding they did some fairly extensive renovations to the old farm house and moved in after returning from their honeymoon.

CHANGES IN THE BUSINESS PARTNERSHIP

The second big change in Jim's life was that in 1964 his original partner, Irvine Readhead, sold his half of the business to Bill Miller, a long-time personal friend of Jim's. Jim and Bill had attended both public and high school together and the two young men had also roomed together during their second year at college. Not only had they been school chums, but they had hunted and fished together as well.



Elaine and Jim on their wedding day in June 1964.



Family life: Jim and Elaine and their children Nancy, Heather, Ian and David.



Although Jim had truly enjoyed his original business partnership with Irvine, Bill joining the partnership was a happy change as it allowed Jim to work closely with someone his own age. Bill, Jim and Irvine arranged that the latter would continue to work in the business as an employee in customer service which he did for several more years until retiring in the late 1960s.

With Bill and Jim jointly leading the business, *Grand Valley Feed and Farm Supply* continued to grow. In that time, the Ross family was doing the same as Nancy, Jim and Elaine's oldest daughter, was born in April, 1965, followed by Heather in April, 1966, and Ian in April, 1969. Jim and Elaine's second son David came along 12 years later.

During the second half of the 1960s, as *Grand Valley Feed and Farm Supply* continued to grow, an addition was made to the business by obtaining the privilege of feeding twelve contract-hatching egg flocks for producers who were on contract with Shaver Poultry Breeding Farms. Supplying the feed for these operations was a fairly substantial business for Jim and Bill and they truly enjoyed the challenge. The producers were paid on a formula basis, with the percentage of chicks hatching in relation to the number of eggs set being a key factor. In order to ensure profitability, it was imperative that over 90 percent of the eggs produced a chick. When this benchmark was reached, producers would be paid a bonus; if the hatching rate was lower, the feed provided by the feed supplier would come under scrutiny. On the whole, Jim and Bill had a good experience with this endeavour, both in regards to the egg producers they were supplying with feed, and with the Shaver people at the hatchery.

Family life: Jim and Elaine and their children Nancy, Heather, Ian and David.



Sign at a 1968 Plowing Match where Grand Valley Fortifiers displayed its product.

BIRTH OF THE GRAND VALLEY LABEL

and Becoming a Premix Supplier

CHAPTER FOUR

CUTTING OUT THE MIDDLE MAN AND THE BIRTH OF THE GRAND VALLEY LABEL

During their first years as business partners, Jim and Bill had been happy with their company’s overall growth. However, they soon began to realize that their dependence on Purina product was causing them a problem. Although as a Purina dealer they were serviced well by their Purina field man Clare Moxley, it became evident that Purina had too many dealers located within a 25 km radius of *Grand Valley’s* location in Cambridge. As all of these dealers were competing with each other, it became increasingly difficult to sell Purina products at a profit. By giving farmers access to several Purina dealerships from which to choose, the customers would buy from the dealer who outbid his counterparts by offering the lowest price. In order to stay competitive, Purina dealers relied on price-cutting to such an extent that they lost almost all of their profit margin. It became evident to Jim and Bill that Purina dealers were becoming nothing more than glorified truckers. To make the situation even more challenging, as a premium product, Purina Feeds were priced higher than many producers were willing to pay.

Realizing that *Grand Valley Feeds and Farm Supply* could not move forward under the way they were doing business at the time, Jim and Bill decided that the middle man, in this case Purina, had to go. Given their experience with Purina product, the main challenge became how to provide their customers with high-performing products at a lower cost while still maintaining their ability to realize an improved profit margin for themselves. In trying to find a solution to that challenge, Jim and Bill called in *Dawes Laboratories* in Toronto and asked them to help formulate a line of feeds from the bottom up to be marketed under *Grand Valley’s* own name. In 1965, *Grand Valley* began producing under its own label while gradually severing their tight ties with the Ralston Purina Company.

The field man for Dawes Laboratories was Julian Reid of Norval who had graduated with Bill and Jim from Ontario Agriculture College in 1956. Dawes’ nutritionist at the time was Dr. Ray DePappe, who



The new drive shed in 1964 (after fire).



The farm in 1963 (after fire).

developed the formulae Jim and Bill needed for a complete line of rations to be marketed under the new *Grand Valley* label. When Bill and Jim tried the new rations on some of their customers’ farms, they were impressed with the great results. By developing their own label, Jim and Bill were able to provide their customers with high-performance rations at a lower price while improving their own profit margins at the same time. From that time on, *Grand Valley’s* sales slogan became “The best possible production at the lowest possible cost”.

MARKET CHANGES AND THE DECISION TO BECOME PREMIX SUPPLIERS

In the late sixties, as the feed industry began to undergo significant changes, Jim and Bill witnessed the introduction of automatic electric mills for the production of feed for livestock and poultry on the farm. Instead of buying prepared feed or taking their grain to the feed mill for milling, livestock producers were now able to manufacture their own feed on the farms themselves. Not having to truck their grain to and from the mill reduced the overall cost of the rations, as well as saving producers a lot of time. Common ingredients for this rather simple type of feed-

manufacturing on the farm were feed grains, as well as corn and soybean meal. In order to enrich the feed, a vitamin/mineral premix was added to the rations at significantly reduced inclusion rates in comparison to the previous use of supplements purchased from feed suppliers.

Not surprisingly, given their great benefits to farmers, electric proportioner mills became highly popular and use of them spread very quickly across Ontario. Although most electric mill manufacturers were based in the United States, *Farmatic* of Gorrie, Ontario, brought their own Canadian-made mill into the marketplace. Their popular model soon proved to be most successful. Many of those early electric mills produced by *Farmatic* and installed in the 1970s and ‘80s are still grinding and mixing feed today.

After watching a local animal nutrition company named *K-Vet Laboratories* of Cambridge expand their product line to include a line of vitamin/mineral premixes that allowed them to take advantage of this new, rapidly expanding market, Jim and Bill realized that becoming premix suppliers for on-the-farm-feed-manufacturing was the wave of the future for *Grand Valley*. They went back to Dawes Laboratories and arranged with them to develop a macro premix line for hog, poultry and dairy premixes to be sold under the *Grand Valley* label as well. These premixes were mixed and bagged in Toronto, brought to *Grand*



Left: Jim and daughter Nancy. Top right: James and Lillian Ross together with the Collar family. L to R: Frank Collar, Marilyn Robb, nee Collar, Lillian Ross, Louise Collar, James Ross. In the front Heather and Nancy Ross. Bottom right: L to R: Nancy Cairns, Elaine Ross, Judy and Derek Cairns. In the front Heather and Nancy Ross.

Top left: Back row L to R : Lillian Foley, Helen Bender, Elaine Ross. Front row L to R: Heather Ross, Bonnie Bender, Jim Bender, Nancy Ross. Top right: Family gathering at the Ross house in 1966. Center/bottom: Picnic at the farm in 1967. Bottom left: Heather and Elaine.



Left: Family picnic in the Muskokas in the 1970s. Right: The Ross family together with friend Jocelyn Gilmour on summer vacation in the 1970s.

Valley's warehouse and then delivered to customers on the company's own trucks. Because of low inclusion rates of only 50 pounds per ton, a single ton of *Grand Valley* premix could provide the vitamin/mineral components for 40 tons of finished feed. *Grand Valley's* ability to significantly reduce the amount of purchased material to be used by producers in manufacturing feed rations on the farm was a major innovation of the premix business because it reduced the cost of livestock feeds significantly.

From a business development perspective, the lower inclusion rates of their new products in the finished feed made it much more economical for *Grand Valley* to serve farmers in a much wider radius than when they had sold prepared feeds and supplements. They were able to supply farmers as far as 100 to 150 miles away, while in the past their distribution radius had been limited to about 20 miles around Cambridge. After becoming premix suppliers under their own label in 1968, *Grand Valley* continued working with Dawes Laboratories in the formulations and manufacturing of their premixes until 1973 when the building of *Grand Valley's* own mixing plant on Main Street in Cambridge allowed them to manufacture their premixes in-house.

As the business continued to prosper, Jim and Bill hired a full-time salesman by the name of Peter Vanderheyden whose family knew many

of the Dutch immigrant farmers in Southwestern Ontario. Since he was well connected in the farming community and a born salesman, Peter opened up many new opportunities for *Grand Valley*. It was not long until the company began delivering product to places as far away as Blenheim and Ridgetown, Perth and Lampton Counties, and eventually all across South Western Ontario. *Grand Valley's* further ability to supply their new premix customers with soybean meal in bulk at a significant cost advantage, allowed for the opening up of yet another market.

Although *Grand Valley* was developing well and Jim had every reason to be happy, he was still looking for a deeper meaning in his entrepreneurship. What he was looking for in particular was a way to utilize his company for furthering Christ's Kingdom. After reading the book *God Owns My Business* by Stanley Tam, Jim was deeply intrigued by Tam's integrated approach to life, business and faith. In this autobiographical account, Tam, a successful entrepreneur who built a company around machinery capable of extracting silver from the sludge occurring in photography labs, told the story of how he had turned his business over to the Lord and how he used proceeds from his company to support Christian ministries and missionaries. Tam's story only reinforced Jim's growing desire to use proceeds from *Grand Valley* in a more meaningful way.

PART 2



GRAND VALLEY FORTIFIERS



THE FOUNDING AND EARLY YEARS

of Grand Valley Fortifiers

CHAPTER FIVE

JIM'S DECISION TO VENTURE ON HIS OWN

During the summer of 1970 circumstances began to change once again. First of all, Elaine and Jim made the decision to move back to the farm. After living on the farm during their first year-and-a-half of marriage, they had built a house in town and had rented out the farm house to a cousin of Jim's at first. When Jim's father had retired in 1967, he and Jim's mother had moved into the old farm house. By the summer of 1970, Jim felt a strong desire to move back to the farm and broached the idea to Elaine. Not only did he prefer living in the countryside over living in town, but he figured that living on the farm would also enable him to be more readily available to help his dad with the farm work. Jim was very happy when Elaine was instantly open to the idea of severing a 1-acre-lot off the farm property and building a bungalow on it for them and their 3 children to live in. By September 1970 they had started building.

At the same time that Jim and Elaine's plans to move back to the farm began to materialize, Jim realized on the business side that *Grand Valley* needed to develop a pelletized version of some of their feed rations to be able to keep meeting farmers' demand. Unfortunately, the city of Cambridge would not approve a pelleting facility to be built on the company's Clyde Road premises. Coming to terms with the fact that their existing property would not support the development of the pelleting business Bill and Jim had envisioned, the partners decided that if someone came along and offered to buy their property for residential development, they would sell it. In late August of 1970 a prospective buyer appeared and within a couple of weeks they had made a sale, with the buyer taking possession on November 30, 1970.

As Jim and Bill discussed the future of their partnership, they developed the plan for Bill and several of their employees to build a new Farm and Garden Supply Depot and to continue marketing the *Grand Valley* vitamin/mineral premix from that new location. Jim, on the other hand, was to pull out of the business entirely. He was looking forward to spending his days as a farmer on the Ross family farm.



The former Grand Valley Fortifiers building on 59 Ainslie Street S in Cambridge in 2015.



Thus, while the Rosses' new bungalow on the farm property was under construction, Jim and Bill began to take steps towards closing down their milling operation, including selling the equipment piece by piece. Bill was busy attempting to purchase a piece of land for the new Farm and Garden Supply Depot, when difficulties with the proposed project began to arise. One day Bill shared with Jim that if he could not clear the obstacles that were holding up the purchase of a site for his new business, he was going to let it drop. Jim had been pleased to know that their farm and garden supply business was going to be carried on after he had returned to farming. Plus, he knew that Bill was very capable of managing and growing the company they had built together over the years. With Bill potentially dropping out, the possibility of 10 years of joint business development just being shut down really bothered Jim. When Bill finally decided that he would not continue the business, Jim, at the very last minute, abandoned his plan to return to full-time farming and reluctantly decided to carry on with *Grand Valley* on his own.

Once Jim had decided in principle that he would continue *Grand Valley* on his own, he began to devise a plan to operate the *Grand Valley* premix business from the Rosses' new family home on the farm while a rented warehouse in town would provide space for the

company's premix inventory. Jim soon found a suitable warehouse location on Ainslie Street in downtown Cambridge. He then checked with the phone company to see if he could have a private phone line installed in their almost finished home. To his great disappointment, Jim was informed that a private line would not be available for at least a year, meaning that the business, if run out of home, would have to share a multiple-party-line with 7 neighbours. "Trying to run a company with 7 other families sharing the phone line is impossible," Jim thought to himself, as his mind struggled again with the decision to continue the business. With all that had been involved in the closing of *Grand Valley's* Clyde Road location, selling the company's equipment, and building a new home for his family, Jim was growing weary. Another obstacle was the last thing he needed.

The decision to continue the premix business in his own name became a drawn-out battle in his mind, as Jim had been truly looking forward to life moving at a slower pace and getting back into farming again. In that situation, he went to the Lord in prayer as he regularly does when trying to find guidance and direction. He told the Lord that he was tired and that he had really believed he had been directed by Him in devising the plan to return to farming. Hoping to find confirmation for that intention Jim said, "Lord, surely you do not want me to go



Moving of the patio to the side of the house in 1976.



Destruction at the farm after the 1963 fire.



back into the premix business again?" No matter how hard he fought the idea, deep inside he knew that picking up *Grand Valley's* premix operations was what he had to do. Looking back, Jim truly believes in God's guidance throughout the process, even though he was struggling with the decision. With a smile he says, "But that is ok, because God knows more than we do."

Although Jim's arguing with the Lord was finished for the time being, it was still with some reluctance that he visited Mr. Robert Scott, the owner of the warehouse he had rented on Ainslie Street. Jim told Mr. Scott of the predicament caused by the phone company's inability to provide him with a separate business line on the farm and asked him if, in addition to the warehouse, he could rent the empty adjoining office to enable him to run his business out of that location. Mr. Scott was happy to lease that space to him, and within a few minutes the two men had worked out a rental agreement. Next, Jim talked to Russel McComb and Maint DeGraaf, two of *Grand Valley's* employees, and asked them to join him in his new venture. Jim was very pleased when both accepted his offer for employment. He entrusted Russel McComb with looking after customers, answering the phone, taking orders and keeping the warehouse stocked. Maint DeGraaf, who had been one of the truck drivers at the mill, continued in his position as a trucker for the new business.

THE FOUNDING OF GRAND VALLEY FORTIFIERS LIMITED

The old feed mill on Clyde Road closed on Friday, November 17, 1970 and on Monday, November 20, in the morning, the phone began ringing in the company's new Ainslie Street office. The warehouse was set up and inventory brought in as the new company, named *Grand Valley Fortifiers Limited*, assumed operations under Jim's sole ownership.

Due to the rather unusual series of events leading to the rushed beginning of the business, detailed plans on how to develop and implement structures were almost non-existent. However, as Jim and his associates began informing their former customers of what they were doing, the new business began to grow bit by bit. Jim went out on the road, visiting farm after farm to make farmers aware of the new venture. For product he kept a stock of complete feeds on hand, as well as *Grand Valley Fortifiers'* small line of vitamin mineral premixes for on-the-farm-mixing of livestock feeds. As the company started out on Ainslie Street, the idea of building a pelleting plant which had led to the decision to sell the Clyde Road property in the first place, was no longer

on the table. Instead, Jim decided to continue having the *Grand Valley* premixes manufactured by Dawes Laboratories in Toronto.

Only two weeks prior to the beginning of the new operation, Elaine, Jim and their 3 children had moved from Cambridge to the Rosses' new home built on the corner of their family farm property. As they began settling in, there were still many tasks to be completed: with no water source of their own yet, a garden hose from Jim's cousin's home which had been built on the farm a few years earlier was used to bring water into the house until a new well was finished. Instead of stairs, the Rosses used a ladder to access the basement at first. While they were waiting for the carpets to be installed, Jim and his family temporarily put up with plywood floors which were covered with plaster dust.

In December of 1970, within a few days of moving into their unfinished house and starting up the business, Jim's mother-in-law, Nancy Cairns, who had continued serving as a missionary in Nigeria following her husband's tragic passing in a car accident while on furlough in 1962, informed Jim and Elaine that she needed to come home on an emergency visit. Jim and Elaine decided that she would move in with them for several months in their yet unfinished house. All in all those were hectic days during which Jim felt a lot of pressure.

EXPLOSION ON THE FARM

In December of that year, winter set in with a vengeance; it was very cold and windy and there was so much snow that the driveways on the farm had to be cleared nearly every day. When one day in January 1971 the electric heater for the water pump in the barn quit working, Jim and his father set up a small propane tent-heater in the barn to keep the pump and water lines from freezing. Later that day, Jim's parents came up from the farm house and had tea with Jim and Elaine. As they said good night to go back to their house, Jim's father remarked that he would check the propane heater in the barn when they got home. Shortly after they left, Jim and Elaine's phone rang. When Jim picked up, his mother told him to get down to the barn quick: "There is a fire in the barn!" Within moments Jim was at the barn assisting his father in putting out the fire in the hay which was stored next to the pump room. Jim could not see his father well in the dark barn and did not realize that he had been severely burnt. When Elaine arrived shortly after, she realized right away that her father-in-law needed immediate medical attention. She and her mother-in-law bundled Jim's dad into the car and drove off to the hospital. Jim stayed behind to make sure the fire was completely extinguished. He then went to the hospital as well to see how his father



Left: Lillian Foley, nee Ross, viewing the destruction at the farm. Right: The farm after the fire in 1963.



Road scene during the winter of 1969.

was doing. When he arrived at the hospital, Jim went straight to the room his father had been assigned to, and assured him that the fire was out. The doctors, after cleaning James' face and hands from blackened debris, had applied salves to aid the healing process and to reduce the pain. Although somewhat reddened from the ordeal, he looked fairly normal in spite of the fact that his face and hands were severely burnt. Jim's dad told him what had happened: after coming home, James had gone into the pump house and flicked the light switch. Apparently the propane heater had gone out but the gas had continued to seep into the room filling it with propane gas. The spark from the light switch had set off an enormous explosion that had blown the ceiling off the room and spread the resulting fire into the hay. Jim's dad, although severely burned in the explosion, had run to the farm house to tell his wife to call Jim and had then raced back to the barn to deal with the fire.

When Jim went back to the hospital to see his father later in the morning the next day, he was shocked and dismayed at how his appearance had changed. His dad's head was now severely swollen and his hands were swathed in bandages. He looked like a monster. Tears filled Jim's eyes as he began to realize the horrible results of the propane explosion on his father's face and hands. "Will dad ever fully recover from his injuries?" he wondered.

With the piercing winds never seeming to stop and drifting snow requiring daily snow plowing on the farm during that long, harsh and very cold winter, as well as considering Jim's dad's poor state of health following his injuries in the explosion, it seemed best that Jim's mother move in with Jim and Elaine while she went to the hospital each day to visit Jim's slowly recovering father. To say that this was a highly stressful winter for the entire family would be an understatement. Looking back, Jim remembers those days as one of the most challenging times in his entire life as he and Elaine were trying to be there for his parents, accommodating both his mother-in-law and his mother in a still unfinished house, while at the same time trying to get the new business off the ground. Fortunately, spring finally arrived, and Jim's dad was able to return along with Jim's mother to their home on the farm.

With life becoming more normal again, Jim and Elaine took on a number of projects at their new home: the interior of their house finally got trimmed, cellar stairs were installed and carpet laid. Although life became somewhat more peaceful, at *Grand Valley Fortifiers* things remained pretty tight at first; each day, Jim felt that he had to become more creative just to keep things going. As time progressed, however, sales continued to grow, as did the company's accounts receivable, accounts payable, as well as the operating bank loan.



Angola Beef Project supported by Grand Valley Fortifiers.

ENTREPRENEURSHIP FOR A GREATER CAUSE

Using Grand Valley Fortifiers to Support Missions

CHAPTER SIX

THE DECISION TO USE THE BUSINESS TO SUPPORT MISSIONS

One Sunday in early March, 1971, Jim and Elaine’s church invited Reverend Peter Letchford, to deliver the sermon that morning. A former missionary with *Africa Evangelical Fellowship (AEF)* and a pastor of a church in New York State at the time, Rev. Letchford was not new to the Ross family as he had been involved with the finalizing of arrangements for Jim’s sister Doraine to serve with AEF in Zambia seven years earlier. He had visited the Ross family home in Preston several times and together they had fellowshiped around the dining room table.

That Sunday morning, Rev. Letchford had selected II Samuel 24:24 “I will not give to the Lord my God that which costs me nothing” as the text for his sermon. The basis of the story, as told in II Samuel 24:18-25 is as follows: When King David expressed his intention to purchase the threshing floor of Araunah the Jebusite as the location for his planned temple he was told by its owner that he did not have to buy it. Instead, Araunah offered to give it to King David in recognition of David being his king. David replied that he could not accept it as a gift, for “I will not give to the Lord my God that which costs me nothing”. During his message Rev. Letchford expounded on the costs of being a disciple of Christ, and how Christians have to be ready and willing to give, sometimes sacrificially, as they seek to serve their Lord. When Jim and Elaine discussed the sermon later that day, Jim shared how he had been challenged by its message.

By that time *Grand Valley Fortifiers* had been in operation for 3 months and although they were tithing from their small income to their church, Jim knew they had really given nothing to the Lord’s work from their business. At the time, the business was growing quite well, but so were the accounts receivable, the operating loan and the accounts payable. Although financially things were very tight, Jim and Elaine decided that they would trust God to enable them to start giving from *Grand Valley Fortifiers*. Together they chose to support two very good



friends—Liz and Eldon Howard—who were missionaries with Sudan Interior Mission (SIM). This move marked the beginning of Jim and Elaine’s experience in trusting God to enable them to give by faith to the Lord’s work.

Surprisingly, or perhaps not, *Grand Valley Fortifiers* continued to grow and prosper, as Jim and Elaine made the financing of mission work an important part of their overall goals for the business. In the fall of that same year, they decided that it was time to take on another ministry project and chose *Olford Ministries International*. Through this ministry, which included a radio broadcast that was called the Calvary Church Hour, Dr. Olford reached out to ministers across the world over C.F.T.J., a local Cambridge station. They continued to lend their support to this particular ministry for over 25 years until the program was discontinued.

As Jim and Elaine continued to add to their support levels over time, new opportunities kept coming their way. As a general rule, they would commit themselves to providing funds to the missionaries or projects they became involved in on a quarterly basis. Thus, the quarterly writing of cheques became a regular task for Jim. However, being a procrastinator at times, and in spite of having good intentions, he occasionally neglected to get the cheques out on time. On those occasions it never took long until he was reminded that he had not met his commitment by finding that his company’s cash flow was experiencing an unexpected slowdown. When giving some thought to the reason for the beginning of a drought in cash, Jim would wake up to the fact that he had fallen behind in getting the support cheques out to their missionaries. Each of those times he would get the cheques written quickly and within a short time cash flow in the business would return to normal. Jim realized that when he neglected to live up to his and Elaine’s commitments to their missionaries, the Lord would withdraw his blessing. Jim and Elaine came to understand that the Lord had bills to pay just like them, for supporting His workers. His bills would be paid through the faithful gifts of those He had directed to support His missionaries. Eventually, Elaine took over the responsibility and continues to ensure that the cheques get out on time.

SUPPORTING AGRICULTURAL INITIATIVES IN ETHIOPIA AND NIGERIA

After several years of lending their personal support to various missionaries and missionary projects, Jim began to feel that his and Elaine’s regular giving had become a little less exciting than in the past. Thus, at the end of another year in which *Grand Valley Fortifiers* had done well, Jim and Elaine decided that they would like to give an extra \$10,000 to a new project. At that time, Jim had learned of a severe famine in Ethiopia which was affecting over 250,000 people. Given the enormous need, Jim knew that \$10,000 would not accomplish much. Along came Eldon Howard, as he did at a number of strategic times. Knowing that Jim appreciated supporting agriculture projects, Eldon began to share with him about a new SIM agricultural initiative in Ethiopia designed to help Ethiopians become less vulnerable to the devastating effects of droughts and famine.

Jim’s connection and close friendship with Eldon was through Eldon’s wife Liz as well as through Elaine. Similar to Elaine and her brothers, Liz had been raised as the daughter of missionary parents in Nigeria. Elaine and Liz had met at the SIM Gowans girls’ home in Collingwood while attending high school in Canada. Liz and Jim had first met while Jim was attending the Ontario Agriculture College in Guelph; following Liz’s marriage to Eldon and Jim’s marriage to Elaine, the two couples had become close friends.

Eldon was an accountant who had been invited to work for SIM in accountancy, mainly in Nigeria. From there, he had moved up within the organization to work in SIM’s Head Office in New York as International Treasurer to eventually become Deputy Director and Head of Finance. In that capacity, Eldon was very involved in SIM mission projects around the world. A very close friend and mentor to Jim, he and Eldon would often talk for hours over the phone.

The particular project Eldon was telling Jim and Elaine about was aimed at providing long-term relief to the Ethiopian people. It included the establishment of a tree nursery to supply seedling trees to be



Top: Production of the SIM Hope for Aids video in South Africa. Bottom: Feed mill supplied by Grand Valley Fortifiers in Sierra Leone.

planted to hold back the Saharan Desert; the promotion of beekeeping and the selling of the honey crop; the introduction of Canadian Holstein bulls to cross with local cattle to improve milk production; as well as the supplying of sewing machines to teach local women how to sew clothing. Although the total cost of the project was \$180,000, with the matching gift programs of the *Canadian International Development Agency (CIDA)* and the Alberta Government, only \$20,000 in donor money was required over two years. \$10,000 needed to be made available during the first and another \$10,000 during the second year. Eldon did not know that Jim and Elaine had set aside \$10,000 and that they were waiting for a meaningful project to come along. After sharing their situation with Eldon, they agreed to provide the first \$10,000 immediately and trust the Lord to enable them to come up with the same amount again the following year. Jim and Elaine were excited that their two \$10,000 gifts would accomplish \$180,000 worth of work. To them it sounded a lot like the “Loaves and Fishes” story from the Bible (Matthew 14:13-21).

Not too long after Jim and Elaine had put their \$20,000 towards this good cause, Eldon visited Jim and Elaine again with news of another exciting project. In fact, the timing was perfect because Elaine and Jim had been talking about the possibility of taking on yet another project; not just a project, but something that would stretch their faith and get them really excited about making a change in peoples’ lives. Again Eldon turned out to be the messenger. Sudan Interior Mission (SIM) had decided to establish sixteen agriculture centres across Nigeria through the leadership of the *Evangelical Church of West Africa (E.C.W.A)*. One centre was to be placed in each of the sixteen church districts and each one of them would have its own agriculture specialist. Concentrating on developing the necessary infrastructure for the production of eggs and broilers, the project consisted of the building of a feed mill, including an extruder for soybeans, a hatchery, breeder flock barns and housing for the staff. Similar to the Ethiopian project mentioned previously, the funding for the total cost of \$680,000 Canadian was to be made available through donor gifts and matching grants through CIDA and the Alberta Government. “And what part of this project are you suggesting for us?” Jim asked Eldon. “I was wondering if you would consider providing the

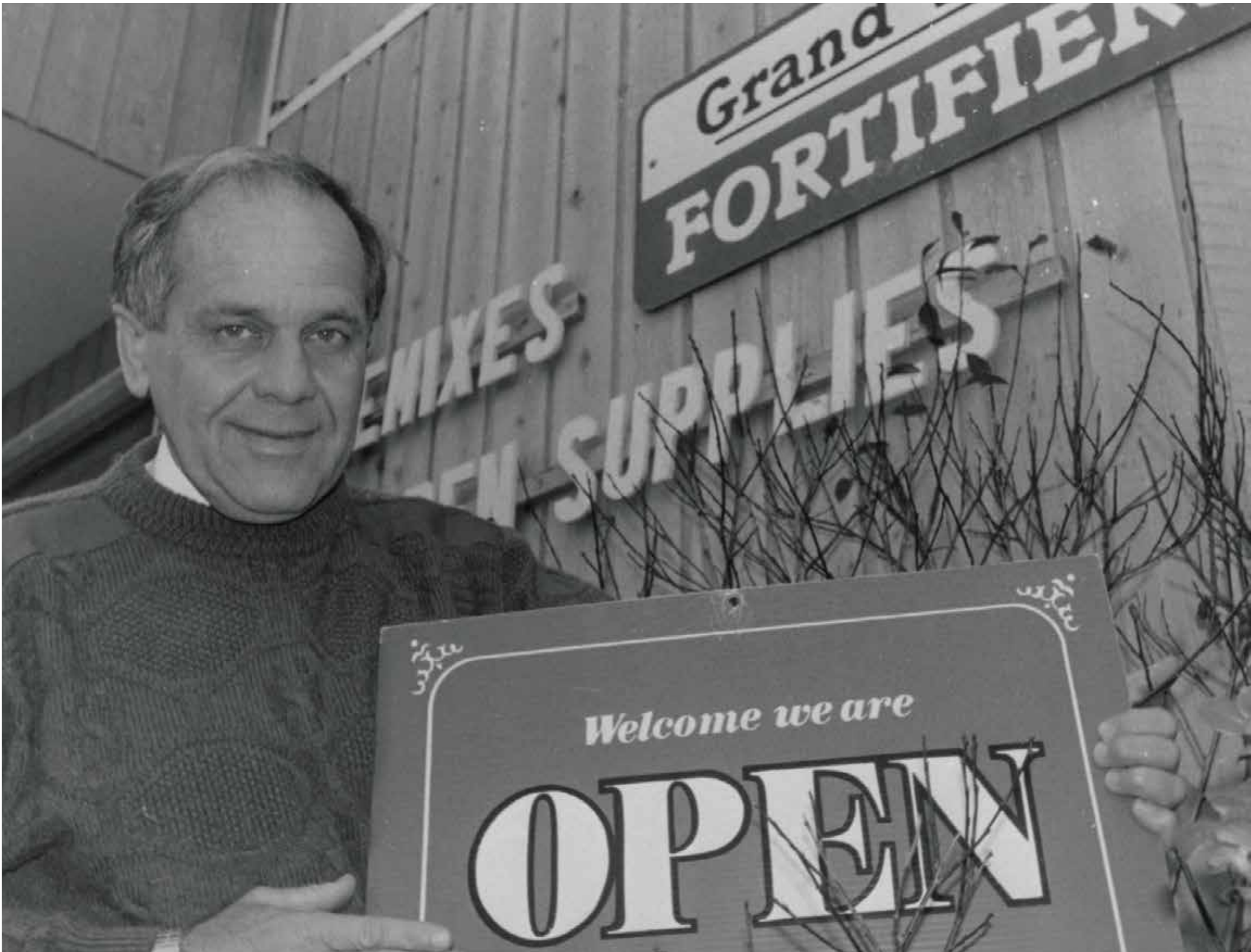
funds for grandparent stock for the breeder flocks?” his friend replied. “And how much will that take?” Jim continued. “We project that we will need \$28,000!” was Eldon’s response. Taken somewhat by surprise at the size of the suggested donation, Jim told Eldon that although Elaine and he wanted to become involved in something new, they were not contemplating a project of that size. “Let us think and pray regarding this request,” Jim said. After talking a little more, Eldon left.

Throughout the following weeks, Jim and Elaine thought and prayed about Eldon’s suggestion. Perhaps a different project would come their way, they wondered, but nothing else materialized. Eventually, Jim and Elaine decided that since no other missions project of similar impact had presented itself, perhaps the Nigerian poultry initiative was the one they should tackle and just trust the Lord to enable them to meet that particular need. Jim made arrangements with Donald McQueen Shaver, owner of the *Shaver Poultry Breeding Farm* of Cambridge, to send day-old Shaver breeder flock chicks which would become grandparent stock to Nigeria for the new enterprise to be built outside the city of Jos, one of Nigeria’s largest urban areas. After five months the pullets, with the funds for the feed being supplied by Jim and Elaine, were ready to be placed into breeder pens to produce eggs for the hatchery. Continuing to this day, this operation has expanded several times and keeps supplying chicks for the poultry producers of Nigeria.

In 1990, Jim and Elaine visited their daughter Nancy in Nigeria. Nancy had taken a year leave of absence from the hospital she was working at in Hamilton, Ontario, to serve as a school nurse for the SIM Elementary School in Miango, Nigeria. This was the same boarding school that her mother Elaine had attended while growing up in Africa. While in Nigeria, Jim and Elaine had the opportunity to visit the hatchery and feed operation on the outskirts of Jos which they had had the privilege of being a considerable part of during its start-up. They were deeply impressed with the professional way in which it was being managed. There were showers and change rooms for the use of employees both when coming to work and when leaving. Furthermore, there were disinfectant foot baths at the doorways to the various parts of the operation. All ingredients in the feed mill were stored in a tidy

fashion with running inventories of each additive. Eggs were set each week and hatching was carried out on a planned schedule. Jim and Elaine noticed several large grain bins which allowed the mill to stock up on feed grains. Rations included roasted soybeans which were roasted on the premises. Jim and Elaine were pleased to see the operation being run entirely by Nigerian nationals. CIDA representatives, after inspecting the premises, had commented that if all CIDA projects turned out the way that this one had, they would be extremely proud of their efforts. After witnessing the poultry operation firsthand, Jim and Elaine fully agreed with this assessment.

Jim and Elaine’s commitment to donating a percentage of *Grand Valley’s* pre-tax profits to good causes doubled from 10 percent at first to 20 percent. It is built on the principle that although being owners of *Grand Valley Fortifiers* in legal terms, they are only stewards of a business which they have been entrusted with by the Lord. Giving to people who have been less fortunate than themselves is their way of acknowledging that they have been blessed by God through His prospering of their company. With sharing and giving generously from the company’s profits “to the work of the church and its various agencies in the spread of the gospel for the relief of the poor, the sick and the hungry” being a primary corporate value and goal, as defined in *Grand Valley Fortifiers’* Vision/Mission Statement, this tradition established by Jim and Elaine over forty years ago continues at *Grand Valley* under their sons’ leadership to this very day.



LAYING THE FOUNDATIONS

Grand Valley Fortifiers During the 1970s

CHAPTER SEVEN

MOVING THE BUSINESS TO MAIN STREET AND BUILDING OF THE GRAND VALLEY PREMIX MANUFACTURING PLANT

Within a few months of starting operations on Ainslie Street, there was more change to come as Jim, in the spring of 1971, bought a property on Main Street in Cambridge and decided to move the business yet again. By mid-summer they had built a 100-foot-warehouse with a store on the front-end facing Main Street and moved operations into the new facility. *Grand Valley Fortifiers* has been operating out of that location ever since.

Less than a year after moving into the new location, Jim decided that it was time to build his own premix manufacturing plant on-site instead of continuing to have premixes manufactured by Dawes Laboratories in Toronto. This move would reduce costs and allow the company to customize products when required by customers. As he began to put this plan into action, Jim went to see his banker to review the company’s account with him. When moving to Main Street, Jim had set up an account at the local branch of the Bank of Montreal in the conveniently-located shopping plaza adjacent to the business. Although sales were continuously increasing on a monthly basis, upon review, the company books showed that *Grand Valley Fortifiers* had experienced a small loss of \$10,000 after depreciation. Based on those numbers, the bank manager informed Jim that *Grand Valley’s* \$35,000 operating line of credit would have to be cut by \$10,000.

Knowing that in spite of showing a loss his company was doing well, Jim was very disappointed by the bank’s decision. Shortly after that disappointing meeting with the Bank of Montreal, Jim shared his predicament with George Gingrich of their accounting firm Bolt, Gingrich & Post. A few days later Archie Spears, the manager of the main branch of the Royal Bank on Main Street dropped by to see Jim. “I understand you are having a few difficulties with your present banker,” he said to open the conversation. “As a matter of fact, I am,”



Grand Opening of the Grand Valley Fortifiers store on Main Street in Cambridge in August 1971.

Jim answered. Jim then went through the details of the business, and showed how sales were increasing monthly and how they had been managing daily operations very well with the \$35,000 credit line they had originally negotiated with the bank. After listening carefully, Mr. Spears told Jim that the Royal Bank would be happy to provide *Grand Valley Fortifiers* with a line of credit for that same amount.

Throughout the conversation Jim also shared with Mr. Spears his intention to build a small premix manufacturing plant. “How much will that cost?” the latter inquired. “\$35,000”, Jim replied. “And where will you get that money from?” Mr. Spears continued. Jim told him that he had talked to the Federal Business Development Bank and that its representatives had indicated their willingness to supply the needed funds. Without any more questions, Archie stated that the Royal Bank would be happy to underwrite those costs as well. Ever since that conversation all of *Grand Valley Fortifiers’* banking needs have been facilitated through the Royal Bank based on a relationship of the utmost cooperation and goodwill.

With the necessary funds available, Jim went ahead with the plan to build a small premix manufacturing plant on *Grand Valley’s* Main Street premises, just behind the store and warehouse. An additional 100 feet of property space was added for that purpose and the plant

was completed and came into production on time and budget in 1973. As Jim ventured into manufacturing *Grand Valley* premixes in this new facility, he discontinued his manufacturing arrangement with Dawes Laboratories.

Still in 1973, although he had just built the new mixing plant, Jim went through a time of discouragement. Not really knowing whether he wanted to continue in the feed business, Jim put *Grand Valley Fortifiers* up for sale. One day, the business broker from St. Catherine’s whom Jim had commissioned to find a buyer, brought a party onto the premises that was seriously interested in purchasing the company. The more that potential buyer revealed his intention to buy *Grand Valley*, the more Jim felt knots in his stomach. Listening to his gut feeling, Jim realized that selling the business would be the wrong thing to do so he called the broker, explained the situation and took the company off the market. Based on his renewed belief that staying in the feed business was what God wanted him to do, Jim made the conscious decision that day to really make *Grand Valley Fortifiers* a success. As he reflects on the most important turning points in his life, Jim is thoroughly convinced that the Lord has directed him through challenging decisions through an uneasy “gut feeling” which he begins to feel when he is about to make a serious mistake.



With his newfound determination and the company's ability to manufacture premix in the new mixing plant, Jim began to push for growth. One of the first steps in that direction was the hiring of John Thorman, a graduate of the University of Guelph whom Jim had known his whole life. As they tried to expand the business together, Jim and John spent a lot of time on the road visiting farms, selling product and building relationships with producers. This marked the beginning of a period of significant expansion: as *Grand Valley* grew considerably throughout the remainder of the 1970s, so did the radius within which the business operated. In order to accommodate the company's growth, Jim hired several new employees, some of which are still with the company today. It was gratifying for Jim to see continued growth in sales as producers experienced improved performance when feeding their livestock with *Grand Valley Fortifiers'* premixes.

PRODUCT INNOVATION DURING THE 1970S

One of the distinctive features of *Grand Valley Fortifiers* over the years has been the company's attentiveness to innovation, resulting in the development and launch of new product that meets a specific need in the industry. Jim and his team have always tried to stay abreast of

nutritional advances resulting in new products and improved methods of livestock production.

GRAND VALLEY'S PIGLET PREMIX

In 1973, following the earlier introduction of premixes for sows and growing hogs, *Grand Valley* launched a new Piglet Premix. Prior to the advent of that innovative product, hog producers in Ontario, although they were already manufacturing sow and hog grow/finish rations on the farm, were still overwhelmingly purchasing pig starters as complete rations from feed dealers. Seeing the cost benefit of producing rations on the farm utilizing premixes, producers wanted to apply that new production method to their pig starters as well.

Realizing the need for a specially-formulated piglet premix, *Grand Valley*, in 1973, introduced synthetic lysine to their new pig starter rations, thus creating a more balanced protein blend in the finished feed that ensured maximum performance with minimum enteric problems. At the time, they were the first producers in Canada who used lysine in pig starter premixes for on-the-farm feed-manufacturing. The new product was an instant success, as improvements in piglet performance became evident within only few days. Furthermore, as farmers were

able to utilize their own feed grains in the production of feed for their piglets, producers were able to enjoy significant cost benefits as well. *Grand Valley's* starter premix opened a lot of doors for the company, as many piglet producers were willing to give the new product a try.

Grand Valley's Piglet Premixes were first presented to the Ontario hog industry at the 1973 *Pork Congress* held in Stratford. Jim vividly remembers a large prefabricated white stork with a wide wingspan hanging in their company's booth proudly holding a diaper from its beak. A sign read, "Come and see our new baby". In talking to producers Jim explained the benefits of the new pig starter rations. "It was not difficult to get farmers to try a few bags of the new premix", Jim reflects. "Once they realized the positive impact of our product on their animals' health and performance, they often entrusted us with feeding their sows and grow/finish pigs as well." The business grew quickly in those early days as producers got really excited about the high level of performance improvement they were witnessing in their barns.

SOY BEAN OIL AND THE GRAND VALLEY BIONIC® BLEND OF OILS

Back in the 1970s, some feed producers were mixing tallow, an animal by-product of the rendering industry, into their feeds to increase energy levels in hog and poultry rations. As rendering plants were known to be sources of E. coli and Salmonella, feeding tallow or other animal by-products as part of the rations carried the danger of E. coli and Salmonella outbreaks in the barn, causing piglets to become sick or even die. In addition to being potentially dangerous, tallow was also difficult to handle in the barn because it required a heated storage tank as well as a pump in order to maintain it at a higher temperature to prevent it from solidifying. Recognizing an opportunity for a safer and more convenient product, *Grand Valley Fortifiers* introduced soybean oil instead and began marketing it to producers as "a source of pure golden energy". A former tank truck was used for delivering this excellent source of liquid energy to the feed-mixing facilities on customers'

farms. Due to its character as a pure vegetable product, soybean oil instantly eliminated the potential risk of contamination with Salmonella and E. coli. Furthermore, soybean oil, although more expensive to use, is easy to keep in liquid form without the need for much additional heat because it does not solidify unless it gets really cold. Although originally introduced to the marketplace for use on chicken broiler and turkey farms, soybean oil soon became a popular source of additional energy in rations used for nursing sows, in early weaning rations, as well as in high performance grow/finish rations fed to pigs. In addition to providing the oil, *Grand Valley Fortifiers* also introduced pumps that allowed producers to calibrate the amount of oil that was mixed into the rations. From pure soybean oil, the product has evolved over the years into a blend of soybean oil with some additional fish and flax oil. Jim called this blended product, which was originally developed in the late 1970s, the Bionic® oil blend. *Grand Valley Fortifiers* still offers that blend, even though the formula has been further modified over the years. Besides those other oils, today's blend includes caramel product which has been added for flavour. A company truck continues to deliver Bionic® oil blend to *Grand Valley Fortifiers* customers' farms today.

SERVING THE DAIRY INDUSTRY

When *Grand Valley* had first started in the premix business in 1968, the company manufactured premixes for hog and poultry producers only. However, as animal nutrition companies began to realize the need to help dairy producers deal with the impact of increasing technical demands in the formulation of dairy rations, improving production in that market segment became a goal of feed suppliers and animal nutrition companies alike. As a result, it was not long before Jim and his business partner at the time, Bill Miller, began offering products for dairy producers as well. Still during the late 1960s, Jim and Bill set up a small mixing plant in a rented space on Bishop Street in Preston for the manufacturing of dairy premixes. For equipment, the facility had a lab to test forages for dairy cattle, a mixer, as well as a bagger for bagging the premixes. To formulate the rations properly, Jim bought



a Kjeldahl machine for nutrient testing of hay or corn silage. Jim and Bill operated that facility only for a year and closed it down when they sold the Clyde Road mill. When Jim opened the *Grand Valley* premix plant on Main Street in 1973, he resumed the manufacturing of some dairy premixes there as well. However, until the hiring of Mark Bowman as Dairy Nutritionist in 1984, the dairy side of the business remained underdeveloped, as Jim's primary expertise and resulting business focus was in the production of feeds and premixes for hogs and poultry.

TRADE SHOWS/ADVERTISING/MARKETING

From the time when the first annual Ontario Pork Congress was held in Stratford in the early 1970s, *Grand Valley Fortifiers* has been showcasing their products with a booth at the show. Trade shows have always been a major part of the company's marketing and promotion strategy, as these events have allowed Jim and his team to visit with a great number of existing customers as well as making contact with new prospects. In addition to exhibiting at the Ontario Pork Congress, *Grand Valley Fortifiers* has also been participating in the Royal Agricultural Winter Fair for many years, including sponsoring some of the junior barrow shows for the hog industry: as both the Ontario Pork Congress and the Royal Agricultural Winter Fair had carcass competitions, it was always "a feather in the cap" for Jim and his team when a good percentage of the winning hogs were fed on *Grand Valley* products. Over the years, as a result of the company's growing market share and the high performance of *Grand Valley* products, it has happened on a number of occasions that seven out of the top-ten pigs were fed on *Grand Valley Fortifiers'* premixes.

Left: Royal Agricultural Winter Fair. Right: Grand Valley Fortifiers at the Ontario Pork Congress.

Grand Valley Fortifiers at the Ontario Pork Congress.



DIVERSIFICATION, GROWTH AND EXPANSION

Grand Valley Fortifiers During the 1980s and 1990s

CHAPTER EIGHT

COMING OF AGE: BUSINESS DEVELOPMENT DURING THE 1980S AND 1990S

By 1985, the year Jim and his team celebrated 25 years in business, *Grand Valley Fortifiers’* sales force of less than 10 associates was growing the business by a million dollars a year, while total company sales were averaging one million dollars a month. As *Grand Valley Fortifiers* marked a quarter century in business, the company had established itself firmly in the Ontario hog market, feeding over 20 percent of all hogs in the Province on their popular premixes. As the company kept growing at a steady pace, improvements to the manufacturing process were made from time to time, most notably the building of a new mixing plant in 1984. Corresponding with growth in sales, the number of *Grand Valley Fortifiers* employees grew to just over 50 by 1990.

During the late 1980s, Porcine Reproductive & Respiratory Syndrome (PRRS), originally called mystery swine disease, created serious challenges for producers and feed suppliers alike. Jim and his team reacted to these and other challenges, as well as to the growing complexities of the market, by developing and introducing innovative products, such as Oxysan™, chelated minerals, and other new organic-based additives. Although Ontario’s hog market remained the company’s primary market, the dairy side of the business became more pronounced as well. *Grand Valley Fortifiers’* venturing into the Atlantic Provinces significantly expanded the geographic range of their product. By the end of the 20th century, having developed into a market leader, *Grand Valley Fortifiers* had clearly come of age.

IMPROVEMENTS TO THE FACILITY

As the company kept growing, improvements to both the facility and the manufacturing system were made from time to time. In 1984, following Jim’s realization of the need for expanding the plant and upgrading operation systems, a new mixing plant was built, adding



Premix on display.



Left: Inside view of the Grand Valley Fortifiers warehouse in the 1980s. Right: The plant in the 1980s.



another 100 feet to the Main Street premises and improving efficiencies through computerization and a new, much faster bagging system.

When, in the late 1980s, Peter Faus (1988) and Dr. Martin Clunies (1989) joined the company on the management and nutritional development side, *Grand Valley Fortifiers* was out of office space. In order to create additional office space that could accommodate the company’s growth, the Main Street facility was expanded by adding a new office area above the warehouse and the store. In 1990, the company management team and office staff moved into that new office area.

DISPATCH AND PRODUCT DELIVERY ON GRAND VALLEY FORTIFIERS TRUCKS

Similar to operations in the plant, the delivery of product on *Grand Valley’s* fleet of company trucks underwent significant changes throughout the 1980s and 1990s as well, be it in terms of dispatch, routing, bio-security protocol, or the design and overall size of the fleet.

In the early 1980s, or as long-time company drivers prefer to say, “back in the old days”, there was a lot of improvisation on the truck, which in today’s regulated workplace would not be possible. Dick

Pennings was the driver of a former fuel truck *Grand Valley* had bought for the delivery of its Bionic® oil to customers’ farms. Since the heater of that truck was not working properly, Dick developed the practice of taping a scraper to the end of a stick and scraping the passenger side window from the inside while making deliveries. Andy DeGraaf, who drove company trucks for eleven years before assuming his current role as purchasing manager, further remembers drivers of that particular truck using a stick to hold it in high gear as the gears had a tendency to pop out. In the absence of legislation that would have regulated the maximum time a driver was allowed to drive, days tended to be much longer for the drivers back then than they are today. Andy remembers doing a delivery trip of 21 hours straight with 19 stops. Another significant difference between product delivery back then and today is that in those days work was much more physical, since the old trucks had no ramps or carts, which meant that the driver had to unload and carry bagged premixes one by one into the feed rooms.

Grand Valley’s original “dispatch system” is hardly comparable to the sophisticated computer-based system they are using today either. One of the many jobs of Maint DeGraaf, who had started with Jim back in 1960, was putting together routes in his capacity as the company’s original dispatch manager in addition to preparing invoices, answering



The Grand Valley Fortifiers fleet lined up in the yard in the 1990s.

the phone, etc. Unlike today, where the computer calculates the loads, Maint did the calculations by hand. As he was wearing many hats in the company at the very same time, it happened more than once that when a driver came back from a delivery run early, Maint had been occupied with something else and had not been able to put together a delivery run for the next day. Pointing to the orders on his desk, he would say to the driver “Just pick a run out of that pile”. The driver would then combine loads and locations from the stack of orders and deliver the product accordingly the next day.

Whereas today, customer locations are plotted on an electronic map that is available to company drivers, *Grand Valley's* original “dispatch system” consisted of boxes of note cards with handwritten directions on them. As the company kept growing and new drivers were added to the delivery team, one particular challenge new drivers faced was that many of these direction cards referred to landmarks known to experienced drivers, but not necessarily accessible to someone unfamiliar with the company's standard delivery routes. A card might say: “Turn left at the farm with the red and white saddle roof”—Good luck trying to find that turn after dark!

In the Township of Wellesley there was a very unusually shaped tree that was located at a major concession road. Since many deliveries to customers’ farms in the surrounding area went through that particular

intersection, a considerable number of direction cards included the instruction “Turn at the crooked tree.” When that tree was cut down one day, direction cards were corrected accordingly. From then on they would read instead “Turn where the crooked tree used to be”. Another such landmark remembered by senior drivers was a round barn on HWY 73 on the way to Aylmer. A lot of direction cards referred to that barn, for instance by saying “Turn right two roads down from the round barn”. When the barn burned down, direction cards were adjusted to “Turn right two roads down from where the round barn used to be”. Senior drivers, of course, knew exactly where the crooked tree and the round barn had once stood but for a junior driver such vague dispatch instructions could be very frustrating.

Another practice that made *Grand Valley's* original “dispatch system” somewhat unique was that many cards gave the location of a customer's farm in relation to another farm identified by the farmer's name only. Thus, a card would read “Dave Martin's farm is three farms down the road from Menno Erb's farm.” When the driver pulled out the card with directions to Menno Erb's, that equally unhelpful card might read “Menno Erb's farm is two roads over from Barney Hayes' farm”. As a result, drivers sometimes had to pull three or four cards out of the box to determine exactly where they were going.

Left: The Grand Valley Fortifiers plant prior to expansion in 2001. Top right: A Grand Valley Fortifiers truck in front of the store. Bottom center: Company truck in front of the plant. Bottom right: The plant in 1987.

Throughout the 1990s, as *Grand Valley* product became more and more diversified, so did the company's fleet of trucks. In addition to the standard tandem straight truck the company had started with for the delivery of bagged premixes, the fleet grew to include a variety of truck designs based on specifications required for the delivery of specific product. When, in 1993, Jim and his team explored the possibility of delivering some product in bulk rather than continuing to deliver all premixes in bags to the farms, they realized the need to develop a customized truck that would serve this particular purpose. In working with *Walinga*, a Guelph, Ontario company specializing in the building of truck bodies for bulk feed delivery, they came up with the design of the first *Grand Valley Fortifiers* bulk product delivery truck. A unique feature of that truck was its auger which, instead of blowing the product, augered it into bins on the farms, thereby significantly reducing the amount of dust produced, and mitigated the risk of product separation in the process. Today, *Grand Valley's* fleet of eleven trucks includes four such bulk auger trucks, a tanker-style truck for the delivery of Bionic® oil, as well as six trucks for distribution of bagged premixes.

FORMAL BUSINESS STRUCTURE AND SALES ADMINISTRATION

As the company grew and *Grand Valley's* product development team kept introducing new products, Jim, in addition to filling the leadership role in his capacity as company president, continued to travel to customers, visiting with clients and supporting sales. Company sales staff were always pleased. Knowing Jim's passion for visiting with customers and his relational selling abilities, they always felt that Jim's presence would strengthen their ties with new customers and sales for the company. What made Jim so successful in sales has been that, from the earliest days of his business, he has always been deeply committed to helping farmers succeed on *Grand Valley* product. "And the farmers could see that", Andy DeGraaf explains. "It is not just that he was trying to get a sale, he was genuinely caring about the customer." Sales and marketing remained

Jim's personal territory for many years. For a person like Jim who is all about building relationships and interacting with people, being on the road has been the single-most satisfying aspect of running his company.

John Thorman was the company's first sales manager. Since *Grand Valley* did not have a lot of staff turnover, the company did not establish a formal training program for new sales people. Instead, John mentored new associates and trained them on the job. When Clarke Walker joined the company as a sales person, John helped him organize his territory, taking him out to customers for several weeks and making sure that they maintained contact on a day-to-day basis. Clarke remembers John as a very organized and inspirational person. When John left the company in 1986/7, Clarke became *Grand Valley Fortifiers'* new sales manager.

Clarke's development within the company is rather typical of the career paths of many long-time members of the *Grand Valley* family of associates. Being the oldest of three boys, Clarke, together with his brothers Todd and Scott, went to the same church as the Rosses. Not only that, but Jim was also Clarke's Sunday school teacher for two years. Clarke remembers Jim taking the class to Algonquin Park for a canoeing weekend. In 1972, the church bought a property on Elgin Street and built a new church building. One day the members of the Sunday school class were asked to help with some landscaping of the new church. They were finished by lunch time and so Jim asked the boys whether they would be interested in helping out at the business in the afternoon. They agreed and Jim paid them for their time. Following that first exposure to *Grand Valley Fortifiers*, Clarke later started working in the Garden Centre, bagging up compost and dried manure. Jim also recruited Clarke and his brothers as well as other local boys during the haying season to help him and his father on the farm. While growing up, Todd, Scott and Clarke Walker knew that if they wanted a job, there was always work for them at *Grand Valley Fortifiers*, particularly because their times off school during the summer months and over the Christmas break usually coincided with busy seasons at *Grand Valley*. As a result, all three brothers worked for *Grand Valley* throughout high school and university. Clarke helped on the trucking side and in production for a summer while studying agriculture at the University of Guelph.



Top left: Clarke and Todd Walker on an Elanco-sponsored company trip to Mexico. Bottom left: *Grand Valley Fortifiers* Enviro Bin with the company's sales team in the 1990s. Right: Jim Whitehouse and Ron Gunson in 1992.



Left: Ron and Ken Gunson in 1990. Right: Ron Gunson and Jim Whitehouse in 1992.

Left: Scott Walker advising customers on a farm. Top right: Scott Walker advising customers on a farm. Bottom right: John Heeny (left) visiting a dairy customer.

Even prior to his graduation, Clarke ventured into sales at *Grand Valley Fortifiers* part-time, and, in 1981, after graduating from the University of Guelph, joined the company in sales full-time. Had it not been for Jim and his willingness to involve the boys in his business, Clarke, Todd and Scott Walker would most likely not have studied agriculture nor pursued careers in the animal nutrition field, as they had grown up in town with their father being a police officer. Todd, after a few years of working for *Grand Valley* full-time, left the company to go to chiropractic school whereas Scott and Clarke have remained important members of the *Grand Valley* family to this present day.

When Clarke became sales manager, the decision was made to split up swine and dairy sales and have Clarke look after dairy exclusively. With Clarke being sales manager for dairy, the position of sales manager for swine remained open for a period of time. Around the same time when Clarke left the position of dairy sales manager to become general manager in 1990, Jim, who had been active on various church and mission boards, was coming off some of those boards. As he had more time on his hands, he was ready to take on more responsibility in sales, saying to Clarke: "I love doing sales. Now that I have a bit more time, I want to become more involved in sales." While looking after his own territory, Jim almost became the company's sales manager in a way, traveling with

the sales team and visiting customers, while Clarke turned into what he refers to as "the person at home", looking after the paperwork of sales, the sales commissions system, pricing, etc. Knowing that Clarke, in addition to his other responsibilities as general manager, was looking after the sales administration side, Jim got very much involved in sales, spending most of his time on the road in front of customers.

Even though this model of shared responsibility worked well, eventually Jim, Clarke, Ian Ross and Peter Faus decided to start implementing a two-pronged approach instead. By that time, the company had grown to 15 sales people, all of whom had different specializations. With no officially assigned sales manager who would be familiar with all the various processes and accounts, the leadership team felt that *Grand Valley Fortifiers* was ready for a more systematized sales administrative and sales management approach. Scott Walker and Ron Gunson were two highly successful sales people who had naturally grown into team leaders on the swine side. With both of them being relationship people who connected well with employees and customers alike, and who could also walk barns and help producers, they seemed to be the right people to provide new sales staff oversight and coaching. In the absence of a formalized sales training program, having Scott and Ron mentor *Grand Valley Fortifiers'* junior sales



Left: John Heeny visiting a dairy farm. Right: John Heeny answering a question during a farm visit.



Left: Ken Vanderheyden, John Woelfle and Gord Townsend in the office. Right: The Grand Valley Fortifiers Management and Nutrition team in 1992. Standing L to R: Peter Faus, Clarke Walker, Mark Bowman, Gary Currie, Dr. Martin Clunies, Ian Ross. Jim Ross seated in the front.



people on the swine side was important. Exhibiting the same qualities and being highly successful in sales as well, Henry Verhoog was their equivalent on the dairy side. Although the three men were not officially called sales managers, they were referred to by senior management as team leaders. In spite of serving as liaisons and mentors in the sales department, they maintained their own sales territories and handled day-to-day sales responsibilities in their respective areas.

For an interim period, Steve Laycock was hired as sales manager for both swine and dairy. When he left, Scott, Ron and Art Groenewegen paired down their customer lists and officially took on supervisory and mentoring roles in sales. They have remained in these management positions to the present time. Today, Scott Walker serves as swine and poultry sales team leader, Art Groenewegen is dairy sales team leader and Ron Gunson fills the position of swine sales business development manager.

Understanding sales as a key part of the overall operation, Jim, who has always been highly passionate about sales, has made sure that company sales people adopt the same personalized sales approach and helping attitude that has guided *Grand Valley Fortifiers* from the earliest days. Jim explains: “When we hire salesmen to go and sell, we always say: ‘You can’t sell at the kitchen table. If you want to help these farmers, get into the barn, see the livestock, determine problems they might

be having; then you make your analysis and present your proposed solutions. I used to say and I guess we still say it: ‘Don’t worry about the product or the price. Help the guy do a better job and he will buy from you. That’s how we built our business—by going into the facilities and seeing the livestock with our own eyes and then determining what was the best solution to the problem.”

BUILDING A SENIOR MANAGEMENT TEAM AND FORMAL LEADERSHIP AND MANAGEMENT STRUCTURE

Grand Valley Fortifiers’ successful senior management team, consisting of Jim Ross, Ian Ross, Clarke Walker and Peter Faus (later also to include David Ross) was built in the late 1980s and early 1990s at a time when the company was growing quickly. At the same time that Clarke became sales manager for the dairy division in 1986/7, Jim hired Ken Mackenzie for the position of general manager. Peter Faus joined the company in 1988 as controller after spending 2 ½ years with *Salsbury Laboratories*. When Ken left *Grand Valley* in 1989 to pursue an opportunity in British

Columbia, Clarke, in spite of having been sales manager for only about three years, became *Grand Valley’s* second general manager. In that capacity, Clarke played a key role, overseeing operations, the office, delivery, production, as well as the company’s sales staff.

In addition to being the company’s first general manager, Ken Mackenzie, who during his time with the company had obtained his Master’s Degree in Animal Nutrition, had also headed up *Grand Valley’s* feed formulation department, serving as the company’s monogastric nutritionist for swine and poultry in addition to his various management responsibilities. When Ken left in 1989, that void was filled by Dr. Martin Clunies, who in December 1989 was hired as monogastric nutritionist to lead research and product development for the swine and poultry segment. On the dairy side that role continues to be filled by Mark Bowman who joined the company in 1984. When Jim and Elaine’s oldest son, Ian Ross, joined *Grand Valley* full-time in 1991 in human resources and marketing, this move completed the management team that has been leading *Grand Valley Fortifiers* since that time.

Although management remained thin, Jim and the company were blessed with having responsible and committed people in key positions. Hiring the right associates who took responsibility and were reliable at all times was particularly important in the pre-cell phone days, as Jim

was often on the road without management at the office being able to check in with him when making day-to-day decisions.

In his capacity as general manager since 1990, Clarke Walker has been wearing many hats, doing all the purchasing, looking after the trucking side, as well as being responsible for operations/manufacturing. Although *Grand Valley Fortifiers* did not have an officially appointed operations manager at the time, Harry Liegstra was Clarke’s go to person when there was an issue in the plant. With the company undergoing a fair amount of growth at the time it was becoming increasingly difficult for Clarke to look after all the various management areas. When Ian Ross joined the company full-time in September 1991 with a partial responsibility for human resources, he and Clarke began developing mid-level management structures. Out of pragmatic considerations more so than out of strategic design, they decided that *Grand Valley Fortifiers* needed departmental managers who acted as mid-level management between senior management and employees in the various divisions of the company. Knowing that they had great people within the organization, the senior management team decided to increase responsibility within the various departments/divisions by creating mid-level management positions for production, warehousing and purchasing, trucking and sales. *Grand Valley* did not post those positions but filled them through



Left: The Management and Nutrition team in 1992. Left to Right: Clarke Walker, Mark Bowman and Dr. Martin Clunies. Center: Left to Right: Peter Faus, Jim Ross and Clarke Walker in 1992. Right: Kevin Kitzman working in the plant in 1987.

promotions from within the company. Although this was not a massive change, creating mid-level management meant that communications and responsibilities within the company's various departments became slowly more formalized over time.

On the operations side, Andy Lobbezoo was a young associate working in the plant who had caught Jim, Ian and Clarke's attention. Coming from a farm, he was mechanically inclined and even though he had only been with the company for a relatively short time, it had become obvious that he was running his area of responsibility as if it was his own company. Taking that into consideration, the senior management team made him productions manager, a position he continues to fill to the present day.

On the warehousing/purchasing side, with John Jonkman who had been looking after the warehouse having retired, Andy DeGraaf seemed to be a perfect fit. Andy, whose involvement with the Ross family and with *Grand Valley Fortifiers* goes back to the family farm where he had helped Jim's father during busy seasons as a teenager, was a trucker at *Grand Valley Fortifiers*. Beyond his role in the delivery department, he was known as someone who was always planning ahead, a company-oriented associate who would walk through the warehouse and notice when a box was off the shelf and ask "Where did that box go?" Described by Clarke Walker as "a silent leader, a guy behind the

scenes who makes sure that things move smoothly," Andy DeGraaf was appointed to the position of warehouse manager. In spite of having loved trucking and being on the road, he accepted the new challenge. Clarke continued to do the purchasing/ordering at first, but eventually handed that responsibility over to Andy as well. Andy continues in his role as company purchasing manager to this very day.

With Andy Lobbezoo looking after operations and Andy DeGraaf managing the warehouse and purchasing, the third division that needed a manager was trucking. Ken Bax, after joining the company on the night production shift, had become involved on the trucking side. When the management identified the need for someone to manage the trucking division, they appointed Ken to the new position of trucking manager, a role he continues to fill to this present day. With the 2007 appointments of Scott Walker to the position of sales manager for hog operations (he is looking after poultry sales as well), Art Groenewegen as sales manager for the dairy side, and Ron Gunson to the position of swine sales business development manager, *Grand Valley Fortifiers* successfully established a mid-level management team that has proven itself to be excellent. Clarke Walker elaborates on their important role within the overall structure of the company: "Those mid-level managers are key to making sure that our culture and our values get instilled into



Top left: Operations inside the plant during the 1980s. Right: Andy Lobbezoo working in the plant. Bottom left: The new computerized control panel in the plant in the 1980s. Bottom right: Harry Leegstra in the plant in the 1990s.



Left: Company display at the 1995 International Plowing Match in Ayr. Right: Promoting new product at the Pork Congress (2000s).



Top left: Grand Valley Fortifiers display at the 1995 International Plowing Match in Ayr. Top right: Grand Valley Fortifiers display at the London Farm Show (1990s). Bottom left: The Grand Valley Fortifiers team at the Pork Congress (1990s). Bottom right: Grand Valley Fortifiers at the 1997 Ontario Pork Congress.

our new hires. These are people who know our culture, understand the business and take responsibility. As the company gets bigger, not everyone has contact with Jim or Ian on a day-to-day basis any longer. There has to be a core group that makes sure that people know our core values and culture, know what we believe and stand for.”

At the time Ian joined the company full-time in 1991, there were about 50 employees. As the company had developed rapidly throughout the 1980s, Ian felt that there was a need to establish procedures and for putting additional structures into place that reflected the changed character of *Grand Valley Fortifiers*. With an eye to further growth in the future, Ian began designing things such as a staff handbook, as well as defining company policies and procedures in close cooperation with Jim and the leadership team.

Jim continued to be on the road with the company's sales representatives while Ian, Clarke and Peter Faus kept managing the business at Head Office on a day-to-day basis. At some point, Ian realized that within the company's existing management structures, decision-making processes were not as effective as needed given the size of the company and, correspondingly, the number of decisions that had to be made each and every day. With a smile Ian says: “Ok, the guy with the vision and the decision-making power and the mandate to run

the company isn't really here that much. He is out on the road working.” With Ian growing in his management role, Clarke having basically grown up in the company, and Peter's expertise on the financial side, Jim became very comfortable with how the leadership team interacted with one another and slowly gave them more decision-making powers. This move allowed Jim and the leadership team to move forward within the company's success-proven management style while ensuring that day-to-day decisions were made in the most effective and most timely manner as the company continued to grow.

BEING A MARKET LEADER THROUGH PRODUCT INNOVATION

As mentioned previously, the 1980s and 1990s were characterized by great product diversification. Be it Oxysan™, which was developed to help deal with the effects of Porcine Reproductive & Respiratory Syndrome (PRRS), the use of chelated trace minerals in premixes to improve availability of trace minerals in the rations, the utilization of new organic-based additives such as probiotics, yeasts, enzymes, gut acidifiers, and amino acids, as well as herbal products, or the inclusion

of probiotic blends of fermentation solubles to enhance the digestive tract—*Grand Valley Fortifiers* brought to the market a wide range of innovative products that provided producers access to the latest in science-based animal nutrition.

PORCINE REPRODUCTIVE & RESPIRATORY SYNDROME (PRRS) AND THE DEVELOPMENT OF OXYSAN™

Late in the 1980s, a mysterious disease suddenly appeared in swine herds across Canada which seemed to defy any definite diagnosis. All of a sudden, formerly healthy swine herds were struck with symptoms such as pneumonia-like conditions, pigs off feed, high temperatures, high percentages of abortions, as well as unthrifty piglets. Because of the diverse symptoms of the disease, veterinarians named it mystery swine disease. Infected herds were devastated; and even after settling down for a few weeks herds could become infected again. The official name that was finally assigned to this mysterious disease was Porcine Reproductive & Respiratory Syndrome (PRRS).

Previous to the appearance of PRRS, many of the hogs raised for market were placed in a grow finish barn with multiple pens holding from 19 to 25 pigs. The pigs were mostly fed from self-feeders which were often filled from overhead augers running the length of the barn. As each pen of pigs matured and went to market, the pens were washed down, disinfected and then refilled. In most barns the pigs were marketed weekly and empty pens refilled with 25 to 30 kg feeder pigs. Except for washing down grow/finish pens after each pen was cleaned out, the barn was hardly ever sanitized in its entirety.

In the presence of PRRS, disease prevention became imperative for the very survival of the industry. Bringing in new pigs purchased from outside sources to replace the ones that were leaving the barn was no longer an option. It became necessary to institute an “all in, all out” (AIAO) system whereby farrowing sows would be put into individual

rooms, farrow their litters and then wean at 17-20 days of age. To minimize the spread of disease, under the new production method each farrowing room was completely emptied, thoroughly cleaned and sanitized before a new set of 10-12 bred sows would be put in to farrow.

As noted earlier, in addition to operating *Grand Valley*, Jim had been raising market hogs on the family farm on a continuous-flow basis. Confronted with PRRS, Jim, as most other producers, decided to go to a farrow-to-finish system instead. As he transitioned from continuous flow to grow-finish, Jim renovated the facilities to house fifty sows from farrow to finish, thus eliminating the need to purchase pigs off the farm.

As pigs were dying in large numbers all across North America throughout the PRRS pandemic, Jim and the *Grand Valley Fortifiers* team learned about a product in the US that, when added to the drinking water, increased the oxygen in the blood of the animals, among other benefits. From that *Grand Valley* developed their own product called Oxysan™. Oxysan™, which is still part of the company's product line-up today, was highly effective in helping to resolve the devastating outbreaks of PRRS on the farms. When given the additive, the pigs became healthier and were able to better resist the virus. Although Oxysan™ was not a total answer to the problem, it performed well in the presence of that dreadful disease by increasing the animals' appetite and restoring their overall health.

THE BIONIC® LINE

Late in the 1980s, Jim had an idea for a new line of products which would provide producers access to new organic-based additives that were coming onto the marketplace—products such as probiotics, yeasts, enzymes, gut acidifiers, and amino acids, as well as herbal products such as oregano. Shortly after Dr. Martin Clunies had joined the company as poultry and swine nutritionist in 1989, Jim shared with him his vision and asked him to begin working on the development of corresponding products.

One day, during his daily early morning quiet time, as Jim was contemplating what he should name this new line, Bionic® crossed his

mind. His daily habit of having a time of prayer in the early morning has meant a lot to Jim over the years and he strongly believes that God has used this time to strengthen his faith, teach him new spiritual truths, and to direct his, his family's as well as his company's paths.

Developed to incorporate chelated minerals to improve the overall health status of the pigs, Bionic® premixes further include probiotics to improve gut health and gut function. A major benefit of these probiotics is that they provide certain enzymes that help the animals with digestion. Based on the realization that healthy pigs grow much faster when being supplied with an increased level of phosphorous and further that fast-growing pigs require a higher level of B Vitamins, those components were added to Bionic® premixes as well. To illustrate how Bionics® works Dr. Clunies uses the image of a sports car: “While that animal grows very fast, it is somewhat like a Ferrari. If you have an old 69 Chevy in the barn, sure you can put diesel oil in it; it will smoke and it will belch, but it will still somehow get you into town. But if you put diesel oil into a Ferrari, it will sputter before it even comes out of the garage. In other words: if you have improved genetics, you have to feed them right in order to get that improvement out of them. You need to give them the right fuel. That is what Bionic® is all about.”

Grand Valley Fortifiers' Bionic® line of premixes was launched in the early 1990s with the slogan, “Get the Dynamics of Organics working for you.” The overall objective behind the development of these particular premixes was to successfully raise the level of nutrition in the herd resulting in maximized growth rates and immune systems and thus to eliminate the continual use of growth-promoting antibiotics. “Save the antibiotics to treat disease” was the encapsulation of the concept behind the company's Bionic® line of premixes.

It did not take long after the launch of the Bionic® line that *Grand Valley Fortifiers'* new flagship program became recognized as a high end nutritional breakthrough. Many competitors were envious and attempted to duplicate the results with their own brands, saying: “We have products just as good as the *Grand Valley Bionic®* line.” This was a great complement for Jim and for his vision of what the industry needed at that time. Following the introduction of the Bionic® line, sales volume



Grand Valley Fortifiers staff members at the plant during the 1990 launch of the Bionic® premix line. Back L to R: Andy DeGraaf, Harry Leegstra. Front: John Leegstra, Andy Lobbezoo.



Grand Valley Fortifiers’ popular Bionic® line.



increased significantly and the company grew very fast throughout the 1990s mainly due to the great popularity of the superior line of Bionic® premixes.

In the late 1980s and early 1990s, just as Bionic® entered the market, the industry was going through a lot of changes. Hog producers adopted many new technologies, some of which worked, others which did not. The industry’s willingness to try new technologies was accompanied by tremendous improvements in the genetics of the animals. As producers started to upgrade their facilities to the effect that the overall health standards in the herds increased as well, all these changes in genetics and in facilities combined provided *Grand Valley* with the ideal opportunity to develop and provide the most innovative product line to a changing industry.

In being all about performance, Bionic® premixes spoke to producers’ primary objective to maximize the genetic potential of their pigs. “All we did,” Dr. Clunies explains, “is that we allowed the improved genetics to express their bred-in capabilities.” Questions that guided the *Grand Valley* team in the development of the Bionic® line were: *What is this pig really capable of? How fast can it grow? How many pigs can this sow produce? How many of those pigs can she wean? How early can she wean those pigs?* “Every step of the way, we

were trying to catch up with the genetic potential of the animals,” Dr. Clunies further elaborates.

Within a few years’ time, following the launch of Bionic®, *Grand Valley’s* product offering within that popular line grew from one piglet premix in 1989 to five different piglet products plus two pelleted starters that were introduced to the market throughout the early 1990s as well. Used primarily as a grower product for animals that are fed until they are about 80 to 85 kilos in weight, and improved several times over the years, Bionic® has remained one of the company’s flag ship products to this very day. Bionic® Hog has been extremely popular among producers because it has helped them maximize lean gain, muscle development in pigs and improve feed efficiencies, thus reducing the amount of corn and soybean meal that were required to produce a kilo of pork. As the price of corn escalated throughout the 1990s, Bionic® Hog helped producers realize a significant cost advantage by improving the conversion of expensive corn into pork. “Bionic® Hog as a product epitomized the objectives of *Grand Valley Fortifiers*,” Dr. Clunies elaborates.

Bionic® Nursing Sow was another key product in the Bionic® line. Designed to produce heavier weaned piglets, Bionic® Nursing Sow Premix enabled the sows to produce more milk and therefore heavier weaning weights. As a result, Bionic® Nursing Sow Premix quickly

became the standard for the industry. The most important side benefit of Bionic® Nursing Sow is that after six to twelve months sows that are fed on that product also start to produce more piglets, thus providing producers with short term and long term benefits at the same time.

USE OF CHELATED TRACE MINERALS IN PREMIXES FOR IMPROVED ANIMAL PERFORMANCE

Trace minerals play a critical role in animal nutrition, as they are needed in support of vital functions in a pig, such as digestion. Furthermore, trace minerals positively impact the animals’ immune and respiratory systems, thus contributing to their overall health and performance.

As early as in the late 1970s, *Grand Valley* first introduced organic-based chelated minerals as a replacement for some of the oxides, sulphates and carbonates used for supplying trace minerals to their rations. The advantage of organic trace minerals, or chelates, is that they are more effective in providing the necessary mineral levels because they are more readily absorbed by the animals. One of the main challenges for nutritionists when using metallic-based minerals like carbonates, sulphates, and oxides, among others, is that they all contain ions that create an ionic charge. Like magnets, they have positives and negatives which interact and interfere with one another. By replacing metallic-based minerals with organic minerals, nutritionists can successfully eliminate these interactive and often detrimental effects.

Through the use of chelates, *Grand Valley’s* nutritionists were also able to improve overall carcass composition of the animals. As noted above, chelates were and still are an important component of *Grand Valley Fortifiers’* Bionic® line of products. It was with this particular line that producers who participated in the carcass competitions held at the Ontario Pork Congress or the Royal Winter Fair did very well, often with 6 or 7 placing in a class of 10 entrants.

WATER ACIDIFICATION

Another process and resulting product *Grand Valley* introduced in the 1990s was the acidification of the water supply for livestock to lower the PH level in the gut, particularly in young animals. When Jim had first started in the feed business, pigs were weaned at 6 to 8 weeks of age. As time went on, they were being weaned earlier and earlier, resulting in the need for differently-formulated rations to meet the nutritional requirements of younger pigs. These modified rations, however, tended to raise the PH of the gut of the animals, resulting in less acid in the gut, causing the pigs to develop scours and diarrhea. When animal nutrition scientists found out that by acidifying the water during the first three or four weeks after weaning they could lower the PH of the gut and see significant improvement in the animals’ growth, *Grand Valley Fortifiers* adapted to this concept quickly. By using their AgriACID® acidifiers and injector pumps, farmers were now able to adjust the PH level of the water down to about 4 to 4.5 PH for the first three or four weeks post weaning. As Jim and his team realized the positive effects of water acidification, *Grand Valley Fortifiers* introduced acidification into some of their premixes as well. Gut acidifiers have remained part of the *Grand Valley* product line-up to the present day.

INCLUSION OF PROBIOTIC BLENDS OF FERMENTATION SOLUBLES TO ENHANCE THE DIGESTIVE TRACT

Also in the 1990s, *Grand Valley Fortifiers* introduced the inclusion of probiotic blends of fermentation solubles, yeasts and enzymes to enhance the digestive tract in animals. In simple terms, the products allow for the feeding of those very same bacteria that digest the feed, resulting in an improvement in the health and number of bacteria in the gut of the animal.



Left: Birds eye view of Glenroe Dairy Farm. Right: John Heeny at Glenroe Farms.

PICKING UP MOMENTUM: DEVELOPING RATIONS FOR THE DAIRY INDUSTRY

By the mid-1980s, there were about 15,000 dairy milk and cream producers in Ontario with the average farm size being about 30 cows. At the time, and unlike hog producers, dairy farmers were still overwhelmingly relying on more traditional feeding methods, using a lot of complete feeds and supplements. Although many dairy farmers had the capability to utilize their own crop in feeding their cows, on-the-farm feed-manufacturing utilizing premixes was not yet popular in dairy operations.

With total company sales exceeding over one million dollars per month by the mid-1980s, the company was ready to take on another market. Realizing an opportunity for marketing customized premixes to the dairy industry, Jim decided to develop the dairy side of the company. As a result, Mark Bowman was hired in 1984 as dairy nutritionist to head up *Grand Valley Fortifiers'* new dairy premix and dairy nutrition products and services division. With a master's degree in Dairy Science from the University of Guelph, Mark was well prepared to take on the challenge and he has provided a solid footing for *Grand Valley Fortifiers'* dairy department ever since.

As Jim and his team began analyzing the potential needs of dairy producers, there were some questions regarding market potential and how to overcome challenges inherently linked to the unique nature of feeding ruminants in comparison to swine. Right from the beginning, it was apparent to Jim and Mark that developing the dairy side of the company required more in-depth diet formulations, as well as more intensive service work and nutritional support than what they were used to on the hog side of operations. Furthermore, due to the more customized nature of on-the-farm-feed production for dairy cattle, *Grand Valley's* business development model needed to take into account that dairy farmers would use less amounts of premixes than hog farmers did.

Dairy cattle diets are more complicated than pig diets because as ruminants they eat a lot of roughage, hay and corn silage, and haylage. Furthermore, in formulating a balanced diet for ruminants, animal nutritionists need to take into account that hay and the haylage vary in nutrient quantity. The quality of the forages determines what kinds of supplements are needed on an individual basis. As the dairy premix business is characterized by a very intense and continuous customization process, an essential part of providing animal nutrition services to dairy producers is advising them on how to feed their cattle by utilizing their home-grown feeds supplemented with customized

premixes. Jim explains: "That is a learned art which comes only through a lot of experience."

Although the formulation of dairy rations is quite exacting, the vitamin/mineral requirements of dairy rations are not nearly as complex as they are for hogs and poultry. Vitamin/mineral products for ruminant nutrition are fairly basic and well-documented; there are not a lot of secrets in the formulation of dairy premixes. As a result, animal nutrition companies that are successful in the dairy business are those that can design the proper vitamin and mineral nutrition component while utilizing the farmers' home-grown feeds for maximum performance. Jim emphasizes: "Success is in the dairy nutritionists' utilization of the farmers' home-grown feeds to the best of their advantages."

Back in the 1960s already, researchers at Cornell University had developed methodologies for analyzing feeds for cattle that were inherently different from the methods used in the formulation of rations for chickens and pigs. In spite of dairy producers utilizing the benefits of many other science-based advances in their field, such as genetics and artificial insemination, this early research on ruminant nutrition was not implemented in the field. It was not until the second half of the 1980s that dairy producers began to test their forages more systematically and started thinking more seriously about ways to maximize intake potential

and digestibility and feeding value of their home-grown forages. During the late 1980s, as they were faced with an ever-increasing, relentless demand for improved production, earlier maturity, faster daily gains, and improved feed conversions, producers in the dairy business became increasingly aware of the importance of analyzing and customizing their feed ingredients in order to improve performance while reducing costs at the same time.

Thus, when more detailed analyses on forages for dairy operations were adopted by the animal nutrition industry in the mid-to late-1980s, *Grand Valley Fortifiers* became a leader in the field. The company's ability to analyze forages and develop customized rations based on the quality and nutritional composition of individual silages drove *Grand Valley's* growth on the dairy side. Computerization helped a lot in balancing dairy rations as specialized programs became available. In doing extensive feed analysis and formulating customized rations for customers on an individual basis, *Grand Valley Fortifiers* led the way in helping producers maximize the use of their home-grown forages to achieve better health and performance in their animals and to reach their maximum potential on the farm.

As the company engaged itself more and more in the formulation of customized dairy rations, *Grand Valley Fortifiers* hired a number

of specialized dairy sales people to service their growing customer base. Developing a separate dairy sales team was necessary due to the different nature of the dairy nutrition business. By the early 1990s, with a sales force of five full-time and several part-time associates, the company had captured a fairly significant market share on the dairy side.

Due to the highly-customized nature of dairy feeding, there is less opportunity for selling a specific product and getting a certain performance response on that particular product than in swine nutrition. As a result, *Grand Valley Fortifiers'* sales team adopted a highly consultative sales approach on the dairy side from early on. Rather than focusing on their own product, they tried to learn as much about their customers' operations as possible. By looking at the total operation, they identified issues and bottlenecks, be they related to genetics, finances, barn design, farm facilities, or best management practices. Questions related to the nutritional needs of the animals were addressed within this larger context. Based on the specific data obtained through this extensive analysis of the particular needs of each operation, *Grand Valley Fortifiers'* dairy nutrition team would then develop customized rations for the respective producers.

By the mid-1990s, at a time when *Grand Valley* had established itself firmly in the dairy business, Jim and his team started to see a real change in the industry. As farms were getting larger there were fewer farms over time. Although not as dramatic as on the hog side, there was a consolidation in the dairy industry which was accompanied by changes in animal housing and feeding systems. Traditionally, the dairy industry had been characterized by smaller-size herds housed in tie stall barns. On the feeding side, a lot of farmers had been purchasing complete feeds and supplements. In the mid-1990s, however, as herds were getting larger, more freestall barns were going up. At the same time, many experienced European immigrant farmers, particularly from Holland, bought land and established themselves as dairy farmers in Ontario. Often coming to Canada with substantial financial resources after selling their operations back home, these farmers were geared towards freestall barns, larger herds and bunker silos. Not only did they invest heavily in the industry, they also led the way in adopting more

progressive ways in feeding, housing and managing cows, particularly in Southwestern Ontario. A big part of that transition was the move to total-mix rations where the haylage, corn silage and concentrates were all mixed together. This move, accompanied by substantial increases in herd sizes, helped *Grand Valley Fortifiers* in realizing even more market potential in the dairy segment, as it fit the company's premix and commodity approach very well.

Although developing product for total-mix rations became increasingly important for *Grand Valley* on the dairy side, the company's dairy nutrition and dairy sales team never lost sight of those producers who preferred feeding their cows on purchased feed and supplements instead of venturing into the production of on-the-farm feed. Based on the realization that protein sources other than the standard soybean meal would meet the nutritional requirements and performance goals of these producers better, Jim and his team felt they needed a relationship with a feed manufacturer to be able to tailor rations for producers who did not use total-mix rations. Thus, back in the 1980s, *Grand Valley Fortifiers* began having dairy supplements manufactured for them by *Hoffman Feeds Ltd.*, a feed company located outside of Heidelberg, Ontario. The company's owner Amos Hoffman, who had been in business for many years, was a personal friend and mentor of Jim's. Hoffman Feeds made pelleted dairy supplements for *Grand Valley Fortifiers* which *Grand Valley* then delivered to customers in addition to their own premixes.

BUSINESS UNIT ANALYSIS AND RESULTING CHANGES ON THE DAIRY SIDE OF GRAND VALLEY FORTIFIERS

In 1991, at the same time that Ian Ross joined the company full-time, *Grand Valley's* General Manager Clarke Walker enrolled in the Executive MBA program at the University of Western Ontario in addition to maintaining his senior management role at *Grand Valley Fortifiers*. Looking back he refers to this time as an invigorating experience. When

Ian came on full-time and began sharing some of the management responsibilities in his dual capacity in HR and Marketing, Clarke took on somewhat of a mentoring role for Ian at first, sharing a lot of his experiences and involving him in day-to-day management decisions. Furthermore, together they began applying several of the lessons Clarke had learned at the MBA program to the business. One of the things that had particularly intrigued Clarke throughout his studies was business unit analysis, an approach that looks at a business separately in its various parts and assesses operations and profitability for each department as an independent unit. As a result of Clarke and Ian's combined initiative, *Grand Valley Fortifiers'* leadership team, for the first time in the company's history, started to make decisions based on company divisions.

As they tried to determine how each department was performing individually and how the various divisions were contributing to the organization overall, the dairy division came under scrutiny. Although the dairy side of the business had grown quite substantially, questions arose in regards to efficiencies and returns on investment. In comparison to *Grand Valley's* hog premix business, the dairy side was labour intensive, low volume and costly because rations had to be customized for each and every customer. As dairy operations were rather small in those days with no more than 30 cows on an average-size farm, there was a significant disparity between high servicing costs per tonne and the rather small volume size from individual customers.

Another area of growing concern on the dairy side related to Hoffman Feeds which produced the pelleted dairy supplements for *Grand Valley Fortifiers*. Jim was a personal friend of Amos Hoffman who, at 90 years old, was still running his company. Clarke Walker remembers Jim saying, "I hope I will be able to be like Amos Hoffman and still go to work every day and still enjoy what I am doing when I am that old." The problem was that there was no succession plan in place and it became obvious that relying on Hoffman Feeds for the production of supplements would not be an option in the long-term. Furthermore, Hoffman's capabilities for manufacturing customized supplements—a crucial ability as dairy feeding is all about customization—were rather limited. Having supplements made at Hoffman's in Heidelberg and then

have them shipped down to Cambridge and stored there to be delivered on *Grand Valley* trucks was not the most efficient way of doing business either. Finally, while running premix and pellets through the same facility, *Grand Valley Fortifiers* sometimes ended up with a few pellets in a premix bag which had the potential of irritating premix customers.

As the *Grand Valley* leadership team identified these and other inefficiencies in production, shipping and warehousing of supplements, they realized that they would not be able to significantly grow the dairy side within the existing parameters. Knowing that they needed continued access to supplements, but not wanting to get involved with owning and operating a feed mill on their own, and further realizing that due to the nature of *Grand Valley Fortifiers* as a premix company their delivery fleet was not set up to handle large volumes of feed stuffs either, they decided to sell off the dairy side of the business.

In trying to find a buyer for *Grand Valley's* dairy operations, the company leadership team approached *Floradale Feed Mill Ltd.* out of Floradale, Ontario and offered the dairy business to them. When Floradale declined the offer, they devised the alternate plan to establish an alliance that would help make operations on the dairy side more efficient. Thus, in 1995, after the long-time relationship with Hoffman Feeds had been brought to a close, a new agreement for the production and marketing of supplements for the dairy industry was struck between *Grand Valley Fortifiers* and Floradale Feed Mill. When Clarke Walker and Jim worked out the details of *Grand Valley's* working arrangement with the company's owner, Craig Schwindt, it was decided that *Grand Valley Fortifiers* would manufacture Floradale's vitamin/mineral premixes on a cost plus basis and that Floradale, in return, would manufacture and deliver protein dairy supplements for *Grand Valley*. That way the outlined inefficiencies in production and distribution of supplements which had prevented *Grand Valley* from further growth in the dairy segment in the past, were overcome. From Floradale's perspective, the arrangement was beneficial as well as it helped them streamline their production: by doing the manufacturing and the delivering of *Grand Valley* product, they did not have to rely on *Grand Valley* trucks to come in on time to avoid having bins tied up at their facility.



Left: Egg equipment. Right: Ken Vanderheyden visiting a turkey farm.



Looking back, the decision not to sell off the dairy side and entering into a strategic alliance with Floradale instead was a crucial moment in the history of *Grand Valley Fortifiers*, as this marked a departure point from the company's previous philosophy of doing almost everything themselves. The ongoing relationship with Floradale has been instrumental in *Grand Valley's* ability to grow the dairy side of the business. At present, Floradale produces several thousand tonnes of supplements, complete feeds and commodity blends a month for *Grand Valley*. As a second-generation family business that shares the same values, Floradale Feed Mill has turned out to be a perfect fit for *Grand Valley Fortifiers*.

Under the improved dairy business model, dairy supplements have remained an important component of *Grand Valley's* product line-up for the dairy industry. They have further added to the company's ability to offer producers a full range of feeds, from their mainstay that is custom-formulated mineral/vitamin premixes, through a blend of separate protein ingredients, to customized supplements, as well as complete and partial feeds. It is this great flexibility that distinguishes *Grand Valley Fortifiers* from most of their competitors who, since they are not premix manufacturers, are only able to market supplements to producers. The company's dairy nutritionist Mark Bowman explains: "When you have your protein all separate, it gives producers more options. It allows for

making changes in the rations quickly on the farm. Protein levels can be adjusted up or down without messing with the premix when producers start feeding different qualities of farm-grown haylage with different protein requirements to the animals."

TESTING THE WATERS: PIONEERING OMEGA-3 ENRICHMENT OF PORK AND EGGS

During the early 1990s, *Grand Valley Fortifiers* took on a pioneering role by becoming the first animal nutrition company to work on Omega-3 enrichment of pork. This was at a time when marketing boards and labeling regulations in Canada did not allow for the marketing of Omega-3 on product labels. *Grand Valley Fortifiers* was at the forefront of development in establishing this first in a series of new value-added markets. Being strong believers in the benefits of Omega-3 for human health, Dr. Bruce Holub, a professor at the University of Guelph, Dr. Martin Clunies and Ian Ross went to Ottawa and made a presentation to the labeling director of the Canadian Food Inspection Agency. In communicating with the Government, *Grand Valley* was pushing for having the health benefits of Omega-3 enrichment indicated on food

labels. In exploring the possibility of establishing a distribution chain for Omega-3 enriched pork, they talked to Schneider's, one of Canada's leading producers of meat products at the time, and inquired about their interest in marketing value-added pork under the Schneider's label. However, as the marketing board kept upholding its prohibition of earmarking hogs for certain markets, *Grand Valley's* plans for establishing a niche market for Omega-3 enriched pork did not materialize at the time. Faced with a policy that prevented them from entering into contracts with meat companies and packers for special value-added product, they realized that they were too early in the game in trying to develop a market for Omega-3 enriched pork. With their belief in the health benefits of Omega-3 enriched food products unaltered, the *Grand Valley* team began focusing on the egg market as an alternative for the time being. Hoping that the Omega-3 enrichment of eggs could be pushed through the approval process faster and thereby serve as a door-opener for Omega-3 enrichment in other product categories as well, *Grand Valley Fortifiers* continued to work with the Government, as well as making presentations to leading egg producers. In addition to developing formulations, the goal was to take the Omega-3 enrichment process through registration and have it formally approved by the Government. In this, Dr. Clunies worked closely together with Dr. Steve Leeson from the Department of Animal and Poultry Science at the University of Guelph. However, several years went by until the Government, in 1994, finally issued a temporary marketing authorization letter for Omega-3 enriched eggs. In spite of all the company's pioneering efforts, this move came too late for *Grand Valley Fortifiers* as by that time the big egg producers had already developed the necessary technology and were pushing ahead on their own. The *Grand Valley* team decided to shelve the research they had done on Omega-3 enrichment for the time being until a new opportunity would present itself in the future. It was only after *Grand Valley Fortifiers* had already laid the groundwork and after consumers had caught on that the Government finally followed suit by amending its labeling restrictions for Omega-3 enrichment in 2002. The company's original research on Omega-3 enrichment later fuelled *Grand Valley's* leading role in developing product for Omega-3 enriched

pork, milk and cheese, beef and poultry. Today, *Grand Valley Fortifiers* holds a North American patent on feeding for DHA Omega-3 pork, a patent pending for DHA Omega 3 chicken, and is exclusively licensed on patents for DHA Omega-3 milk and beef.

SERVING THE POULTRY INDUSTRY

When, during the 1980s, *Grand Valley Fortifiers* acquired their first tank truck and began delivering soy bean oil as well as installing pumps on the farms to accommodate that product, this marked the company's first real foray into servicing the poultry industry. It was not until the hiring of Dr. Clunies as poultry nutritionist in 1989, however, that *Grand Valley Fortifiers* developed a comprehensive line of premixes for poultry. Although he would spend most of his time at *Grand Valley* on swine, the hiring of Dr. Clunies as their monogastric nutritionist in 1989 brought a great level of expertise in poultry nutritional science to *Grand Valley*. Dr. Clunies had completed his PhD in laying-hen metabolism under the supervision of world-renowned poultry scientist, Dr. Steven Leeson, at the University of Guelph. When Bruce Schumann was hired as Dr. Clunies' assistant ten years later, this added even more expertise to the company, as he had done his masters on "fatty liver syndrome" in laying hens. After joining *Grand Valley*, Dr. Clunies built up the *Grand Valley* poultry premix brand and developed the company's poultry program. These efforts resulted in the creation of different lines for broilers, laying hens and breeding flock with different sets of specifications depending on the growth stage of the animals (starters/grow-finishers/pullet premixes, and development premixes, among others).

In spite of providing animal nutrition products to the poultry industry, the poultry market remained a much smaller market for *Grand Valley* in comparison to the company's presence in the swine and dairy markets. In order to understand the market-specific challenges premix suppliers like *Grand Valley* are faced with in the poultry segment, the overall structure of the Ontario poultry market needs to be taken into account. First and foremost, the commercial compound feed business in Ontario which manufactures feed that is then shipped to farms is built solidly on

poultry. With almost all of the large mills in the province set up around the poultry business and thus primarily catering to and serving poultry customers, premix suppliers like *Grand Valley Fortifiers* have to convert producers who are used to buying complete feeds from the mills. Further market limitations in the poultry segment result from the fact that in order to build a feed mill on the farm, poultry producers have to make a significant upfront investment, ranging between \$150,000 and \$500,000 on average.

Further industry-specific challenges are due to the fact that unlike hog production, chicken and turkeys are on a quota system, meaning that only a certain number of kilograms of broilers and turkeys as well as layer hens are allowed to be produced every year. As producers had to buy quota rights in order to operate a poultry farm, a lot of feed companies, acting like banks, financed the quota and thus took partial ownership in those operations and bound individual producers to them. Since *Grand Valley Fortifiers* did not participate in that practice, as the company's primary focus is on working with independent producers, business development opportunities in the poultry field remained more limited than on the swine and dairy side of operations.

EXPORTING INTO PENNSYLVANIA AND THE ATLANTIC PROVINCES

Although *Grand Valley's* main focus has always been on Ontario, which makes up about 90 percent of the company's business activities and corresponding market share, exploring additional opportunities outside the province and beyond Canada's borders has been part of the company's growth strategy for years. One of the first expansions was into Pennsylvania, where Leon Stoltzfus, the owner of a farm supply business called *Stoltzfus Feed & Supply* in Gap, Pennsylvania, became a dealer for *Grand Valley* premixes in the 1990s. For over ten years, Stoltzfus Feed & Supply served the swine nutrition needs of independent and integrated hog producers in Pennsylvania and Virginia, making available to them a wide range of *Grand Valley Fortifiers'* pig starters

and premixes. Also during the 1990s, *Grand Valley Fortifiers* became involved in selling premixes in Eastern Canada, PEI and Nova Scotia.

In spite of their successful cooperation with Stoltzfus and individual producers, *Grand Valley Fortifiers* has never aggressively pursued growth opportunities in the US for a number of reasons. When they first went into the US market, the Canadian dollar was very low at 65 cents US, making Canadian companies highly competitive in that market. However, when the Canadian dollar's value went up to par, this hurt the competitive nature of the business. In addition to currency exchange considerations, hog production is very limited in the northern States of the US that can be reached from Ontario within a day's drive. There are hardly any pigs in New York State, meaning that in order to develop a greater market presence in the US, *Grand Valley Fortifiers* would have to expand further into Indiana, Wisconsin, or Iowa, all of which are more than a day's drive from Ontario. Furthermore, Jim points to substantial differences in the American way of doing business as factors that caused him to not more systematically explore growth opportunities in the US. Whereas in Canada hog operations are owned and operated by independent farming entrepreneurs who look after everything from production to sales, over 90 percent of the hogs in the US are raised by farmers who are on contract with a feed company or a meat packing corporation that keep US farmers on a shoe string. With only very few independent entrepreneurs in the hog-raising business in the US, the market for independent animal nutrition companies like *Grand Valley Fortifiers* remains somewhat limited in comparison to Canada.

SEEING GOD'S HAND AT WORK

As mentioned previously, in 1995, Jim and Clarke Walker established *Grand Valley's* ongoing relationship with Floradale Feed Mill and its owner, Craig Schwindt. One day, Clarke Walker came to Jim with a concern. It seemed that for the previous year-and-a-half *Grand Valley Fortifiers* had continued to supply Floradale premixes as ordered without doing a recosting for these products on a regular basis. Clarke informed Jim that due to that omission their company had accidentally



The *Grand Valley Fortifiers* story is drawing attention in the local media.

overcharged Floradale by \$62,000. "What should we do?" Clarke asked Jim. In response, Jim told his operations manager to let him think about it for a few days before he made a decision. As Jim thought about this situation, he initially reasoned that Floradale had resold their product and thus realized their usual profit margins. "Do we really have to report this error?" he asked himself. "After all, if we reimburse Floradale \$62,000, it would decrease our bottom line by the same amount."

It did not take Jim long to realize that not admitting their mistake and reimbursing Floradale for their overcharges would be decidedly wrong. When Clarke returned, Jim told him to inform Craig of their error and issue a cheque to pay back the overcharged amount. Clarke did as agreed and made an appointment to visit with Craig. During that meeting he shared how *Grand Valley Fortifiers* had inadvertently invoiced Floradale in error for over 18 months. He then gave Craig the \$62,000 cheque to cover the overcharged amount.

Clarke later told Jim that Craig had been highly appreciative of them admitting their error and reimbursing his company for the overpaid amount. Craig had informed Clarke that during the previous few months Floradale Feed Mill had experienced several setbacks and that the unexpected cheque from *Grand Valley Fortifiers* came as a real help to him at that particular time. Upon hearing this report, Jim

was very pleased and felt strongly reinforced in his conviction that admitting their mistakes and doing whatever it takes to make things right is always the best policy to follow in each and every aspect of operating the business.

However, this is not the end of the story. Two weeks after they had reimbursed Floradale, a sales representative of another supplier *Grand Valley* was doing business with showed up at their head office entirely unexpectedly. This company had originally enticed *Grand Valley Fortifiers* away from one of their competitors through promises that they could supply a similar product at a significantly lower price because they would make it available in bulk at a considerable cost advantage. For some reason, that company's cost-saving ability had never materialized. When talking to Clarke, the sales representative apologized for his company not having been able to fulfill their commitment. Expressing his desire to rectify the situation, he shared that his accounting department had calculated that *Grand Valley's* savings over the period would have been around \$60,000, which was virtually the same amount *Grand Valley Fortifiers* had paid back to Floradale. He then presented Clarke with a cheque of that amount. Of course, Jim and everybody else at *Grand Valley Fortifiers* were surprised and appreciative of this goodwill gesture. Jim and the *Grand Valley* management team couldn't

help but wonder if this was just a coincidence or evidence of God's good hand upon the business. Jim strongly believes the latter!

BIONIC PORK UNLIMITED - PUTTING GRAND VALLEY TO THE TEST

During the late 1990s, large US integrators in meat production such as *Tyson* and *Smithfield*, inspired by successful integration efforts in the poultry business, adopted a three site, integrated model of pork production. This model became popular and was applied by many smaller producers as well. It involved weaning pigs at 14 to 17 days, moving them to a nursery barn for six weeks and then to a finishing barn for another 16 weeks before going to market. Seeing a great opportunity to raise their revenue, many pork producers adopted the new operation method. *Grand Valley Fortifiers* was pressured by some long-time customers to participate and although they were apprehensive, Jim and the leadership team eventually decided to become involved. *Grand Valley Fortifiers* contracted with 15 individual producers to raise pigs through a three-site-production program. Operations were integrated into the company as a separate division named Bionic Pork Unlimited.

Rather than raising the pigs on one farm from start to finish, under this model the animals were transferred from the farrowing barn to a nursery site and from there to a finishing barn as individual growth stages were completed, utilizing the facilities of each participating producer. Within this popular business model, the piglet producers owned the sows and *Grand Valley Fortifiers* purchased the 14 to 17 day old piglets from them at a guaranteed price of \$35-\$40 per weaned piglet. Nurseries were built for the weaned piglets and contracted to raise the piglets for six weeks. Next, the resulting 25 to 30 kg feeder pigs were sold to grow/finish operations.

When Jim had originally signed the contracts with the farmers for the duration of five years, the market had been very good and *Grand Valley* was able to make some extra dollars from the feeder pigs as they were sold to the grow/finish operations. When they first ventured into

this model of raising pigs, *Grand Valley Fortifiers* had contracted a total of 3,000 sows. At 22 pigs per sow per year, the company was able to make some good profits from these contracts. However, during the late 1990s, hog prices dropped dramatically with the price for feeder pigs dropping to \$20. At the time, *Grand Valley Fortifiers* was producing 1,500 feeder pigs per week and with a loss of \$40 per pig the resulting total loss was \$50,000 to \$60,000 each and every week.

At what would turn out to be a critical juncture in the history of the company, Jim asked Ian to step in and interact with their nursery barn landlords that provided the labour, to look after their producers, and to manage relations with the farrowing operations that provided the little pigs used in this three-site production program. Keeping the relationships with their producers strong while at the same time dealing with an increasingly troublesome financial situation proved to be a challenge.

As they had never found themselves in a situation like that before, Jim and the *Grand Valley* management team did not know how long the company could sustain the financial drain they were facing. The management team was confronted with a serious dilemma: should they stand by the contracts they signed with the producers and risk letting the entire *Grand Valley* organization go down or should *Grand Valley* change the contracts to mitigate their substantial losses? Jim reminded himself that when farmers had signed up for the Bionic Pork Unlimited program, he had assured them that all the resources of the company were supporting the project. *Grand Valley Fortifiers* would not set up a separate corporation for the Bionic Pork Unlimited venture and it would be an integral part of *Grand Valley Fortifiers*. Committing the assets of the mother company gave participating partners the comfort of knowing that *Grand Valley Fortifiers* was going to make every effort to guarantee the success of the Bionic Pork Unlimited projects.

Jim remembers distinctly company COO Clarke Walker sharing his thoughts on the matter during a Monday morning meeting. Clarke had spent some time in deep thought over the weekend and had come to the conclusion that *Grand Valley Fortifiers* had been in business for almost 40 years and over that time had become highly respected for its honesty and integrity. For the company to renege on the contractual

agreements with their producers was unacceptable to Clarke. Not only would it destroy the reputation that the team had so diligently built up and guarded over many years, but it would impact the very foundations the company was built on. This view was shared and wholeheartedly accepted by the entire management team.

When Jim went to bed that night, he prayed to the Lord for guidance and direction in this dire situation. He felt that if they continued to do their best to live up to their commitments and ended up having to declare bankruptcy, at least they would have given all they had in attempting to honour their commitments. Jim reasoned with himself that if he subsequently met one of the Bionic Pork participants on the street, he could look that person in the eye knowing that *Grand Valley Fortifiers* had done their utmost to live up to their commitments. As he contemplated the situation, a scripture verse came to mind: "A good name is better than riches." With that affirmation, Jim decided that *Grand Valley Fortifiers* would move forward and continue to provide the committed contractual payments to their producers. Knowing that this was the right and honourable thing to do and that this decision would honour the Lord, Jim rolled over in bed and fell fast asleep in peace. The next day he called the management team together and shared with them his decision. All were in complete agreement.

The times which followed were very interesting. Competitors knew that the contracts were causing *Grand Valley Fortifiers* great financial losses each and every week. Rumours began to spread as speculation rose regarding the possible demise of *Grand Valley Fortifiers*. When *Grand Valley Fortifiers* took delivery of two new feed trucks and the used company trucks turned up on a used truck sales lot in Kitchener, there were rumours that the trucks had been repossessed. On another morning, a competitor and friend phoned Jim and gently asked if it was true that the bailiff had put locks on the door and closed down *Grand Valley Fortifiers* over the weekend. Those were stressful days for Jim, the management team and all *Grand Valley* employees who knew the seriousness of the situation.

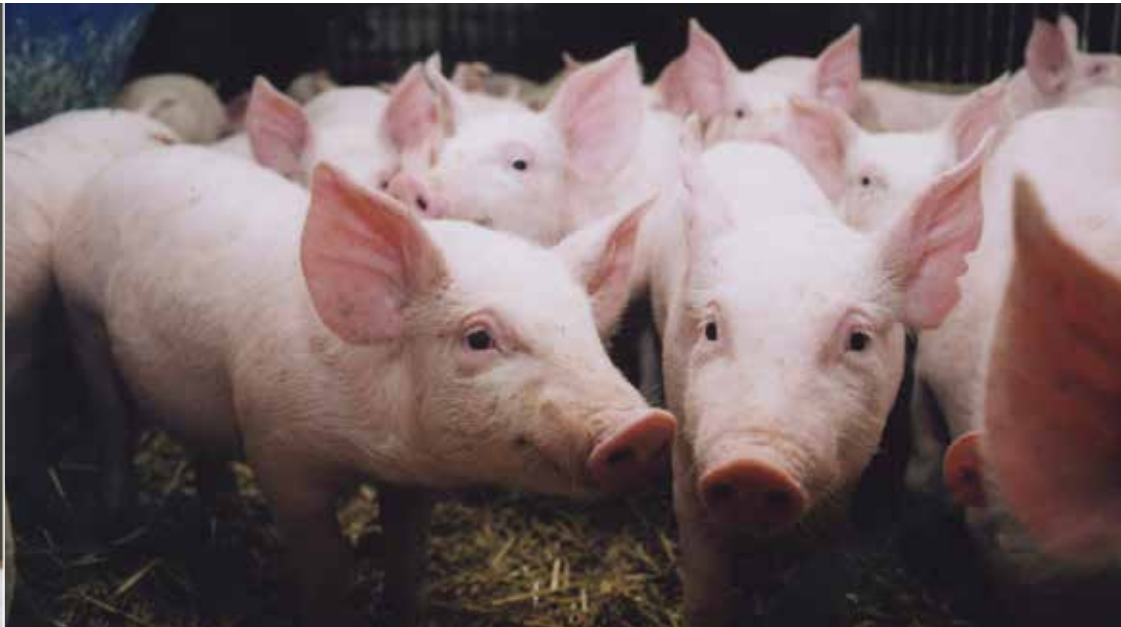
When the management team had decided to continue working with their producers through the Bionic Pork Unlimited program,

Jim instructed company CFO Peter Faus that *Grand Valley Fortifiers* would also continue to provide funds to honour their missionary support obligations. Each week for a number of weeks, Jim conferred with Peter and asked him the same questions: "How is our Accounts Payable? How is our bank loan?" Each week Peter was able to assure Jim that the Accounts Payable was up to date and that the company was operating within the credit line. Gradually Jim and his team began to realize that the Lord was looking after them week by week. *Grand Valley* did survive this critical juncture, because company sales outside of the Bionic Pork Unlimited program were sustaining the business and provided the necessary funds to cover the losses they were incurring. As time went on, pork prices improved somewhat and the weekly losses gradually became smaller. At the end of the fourth year of the 5 year contracts, *Grand Valley* gave producers notice that it would not renew the contracts and gave them the option to make other arrangements for their production if they so wished. The Bionic Pork Unlimited program was brought to a close after *Grand Valley Fortifiers* had lived through what in retrospect turned out to be the biggest challenge in the company's history.

Looking back, this was an important learning experience for *Grand Valley Fortifiers* in terms of embracing their values in tough times, as the Rosses realized that based on their values, beliefs and ethics, they had to stand by the contracts they had signed for the duration of five years, regardless of the lawyers' advice and in spite of the negative financial consequences for them and their company. Ian elaborates: "Not only was this a great learning experience for us as a family and for *Grand Valley Fortifiers* as a company that is built on my dad's values as a highly principled entrepreneur and a Christian, but it was really interesting to watch my father in that scenario. While some of the consultants and lawyers we talked to started devising contingency plans, *his* main concern was the well-being of the producers we had contracted with as well as being able to meet his philanthropic commitments. He made that very clear right at the beginning of a key meeting with these professionals by saying 'My greatest desire is that notwithstanding our losses we are able to make good on our philanthropic commitments as well'."



Jim Ross in his office in 1992.



Right: The 1993 Grand Reopening of the store by Jim Ross and Bill Brunsfeld in the presence of members of the local fire brigade.

In the end, as Jim stood by his principles and the leadership team made the decision to do what they felt was right, *Grand Valley Fortifiers* emerged from that most challenging situation even stronger. Not only had the company embraced its values at a critical point in time, but the leadership team also realized that the business was financially much stronger than they might have anticipated. The decision to honour their commitments speaks to Jim's and the leadership team members' personal integrity and, by extension, to the integrity of the company. Ian concludes: "I think the Lord really blessed us for the stance that we took and for the decisions that were made."

Although not instantly apparent during the crisis, Bionic Pork Unlimited had another positive long-term effect as well. From a technical and product development perspective, the program was invaluable because since the pigs raised in the program were their own, *Grand Valley Fortifiers* used the program as a testing field for developing new technologies and advances in raising pigs without the use of medications in the feeds. Dr. Martin Clunies explains: "We started to wet our feet in terms of asking ourselves: 'What would happen if we lost antibiotics as a tool in animal nutrition? What possible alternatives would be available to us?'"

It was in the Bionic Pork Unlimited program that the *Grand Valley* team began working with the acidifiers and herbal extracts that would

later allow them to develop new products which set them apart from the competition. Out of their work in those contract nurseries came the Bio-Force™ and Natures Blend™ line of products. Dr. Clunies continues: "Not everything we do at *Grand Valley Fortifiers* is successful, but it is not for lack of trying. If we had not launched Bionic Pork Unlimited, our timeline to succeed in the Raised Without Antibiotics and No Animal By-Products market segment would have taken much longer."

TOWN HALL MEETINGS

During the Bionic Pork Unlimited crisis, *Grand Valley Fortifiers* utilized town hall meetings as a way of sharing information with employees. As the leadership team struggled through the largest challenge in the company's history and facing rumours that the company was on the verge of bankruptcy, the Rosses and company management felt the need and responsibility to share with their employees what was happening. In these town hall meetings they laid out to their employees how much money the company was losing in the Bionic Pork division, as well as how they were addressing the resulting challenges. Built on the principle of sharing pertinent information with employees, town hall meetings have become institutionalized at *Grand Valley Fortifiers*.

FIRE AT THE STORE

Late one Saturday night in 1993 some young men noticed flames shooting out of the *Grand Valley* store and warehouse. Since the fire hall was right next door, they hammered on the doors trying to get the attention of the firemen—without success. They then called the emergency line to tell the firefighters that the building beside their fire hall was on fire. When Jim got a phone call informing him that there was a fire, he picked up Ian who was living only ten minutes away and together they went straight to the plant. The firemen told them that they were in danger and asked them to refrain from trying to help. Upon realizing that they could do nothing to help the situation, Jim called Elaine and asked her to bring their son David as well. Jim was concerned that David would be very upset if he learned the next day that there had been a fire at the plant and that dad had not gotten him up to come and watch it. Jim remembers Elaine, Ian and David sitting on the curb calmly watching as their business was consumed by flames. "That's my dad," Ian says, "he does not get freaked out about stuff".

When assessing the damage, it was determined that the fire had been caused by a wrongfully insulated pot light over the loading dock. It was quickly realized that the fire had caused an excessive amount of

damage to the store and offices. The entire store inventory was lost as well. Thankfully, the production facility and warehouses were not affected. In spite of the disruptions, *Grand Valley Fortifiers* opened its doors for business on Monday morning—less than two days after the devastating fire. Staff used the upstairs boardroom which they nicknamed the "situation room" as a temporary order desk and office space for several people. Paul Firminger, a family friend, did a remarkable job getting the telephone system back into operation right away and on Monday morning the phone was ringing as normal. Business continued on as usual during the cleanup and rebuilding phase without missing a beat.

Thinking that *Grand Valley Fortifiers* had lost their plant, one of their competitors called and offered to manufacture product for them while they were rebuilding. Fortunately, this was not needed, but the offer was greatly appreciated by management. Although the two companies competed, there is a spirit of good will between most feed companies and it was good for *Grand Valley Fortifiers* to experience this kind offer and goodwill at that particular time.



NEW HORIZONS

Grand Valley Fortifiers in the New Millennium

CHAPTER NINE

BECOMING A SECOND-GENERATION FAMILY BUSINESS AND AN INTERNATIONAL PLAYER—COMPANY DEVELOPMENTS SINCE 2000

The last fifteen years have been characterized by important transitions, as well as many exciting new opportunities which have laid solid foundations for future growth in the years to come. The company's move into their new Head Office at 151 Savage Drive in 2004 was followed by the opening of new, value-added niche markets through the development of innovative products and programs. Some of these were Omega-3 enriched milk and pork, organic pork, as well as pork raised without antibiotics and animal by-products. Territorial market expansion has continued and further intensified. New export initiatives, with a growing emphasis on the Russian Federation, have been leading the way in establishing *Grand Valley Fortifiers'* new role as a major exporter into previously untouched international markets.

By the time Jim reached his 70th birthday in 2005, he had decided that it was time to make some changes in the management of the company. Looking towards the future, he asked Ian to take over as President and CEO; Clarke Walker was asked to become COO and Peter Faus was offered the position of CFO. David was given the title of Vice President and Chief Marketing Officer. Jim would stay on as Chairman of the Board. With these changed management structures in place, the entire *Grand Valley* family is looking forward to many more years of exciting business development in the future. The company's 50th anniversary celebrations in 2010 provided a welcome opportunity to reflect on the people and events that had shaped the evolution of *Grand Valley Fortifiers* throughout its first half a century in business.



Stockwell Day and Reg Petersen touring the Grand Valley Fortifiers plant.



FACILITY IMPROVEMENTS

From the time the new mixing plant had been built in 1984 until 2002, production at the *Grand Valley* plant was run with a small, relatively simple computer network, a batching system, two scales, several bins, as well as a valve packer. Although the plant was operated with the computer, new manufacturing designs had been developed which were more exacting and flexible.

In 2002, a three-million-dollar-addition was added to the facility and new equipment brought in. The company ended up with a state-of-the-art batching system, nine different scales, an 80-foot truck scale and 22 bulk load-out bins. A full climate control unit was installed to ensure good heating and cooling and to provide an excellent environment for the manufacturing staff. Looking back, *Grand Valley's* production manager Andy Lobbezoo characterizes the 2002 extension as “a major milestone”, emphasizing “massive changes from an operational standpoint.” The new high-precision weighing equipment allowed the company to be very exacting and accurate no matter how complex the formula might be. As a result, accountability and traceability has grown tremendously. When the 2002 plant extension and upgrading was completed, *Grand Valley Fortifiers* held a Grand Reopening in

September 2002 that was attended by over 1,000 people. This was a fantastic event with the premiering of a new corporate video as well as a philanthropic video projected on a massive screen on the outside of the newly expanded plant. In the evening, a spectacular fireworks display was set off from the roof of the plant marking the conclusion of a very exciting day.

In August 2006, a new fully-automated bag-filling and packaging line with a capacity speed of 18 bags per minute was installed in the plant. It replaced the previous line which, during its 13 years of day-and-night operations, had processed about 200,000 tonnes of premixes. When in 2008 a robotic bagging system was added, this equipment purchase completed *Grand Valley's* fully-integrated and automated packaging system. By increasing the company's mixing and bagging capability of straight-run premixes up to 25 tonnes per hour, this particular piece of machinery has put *Grand Valley Fortifiers* in a position to efficiently handle large orders of 80-100 tonnes of premix products, such as the ones they are presently producing for export to Russia on a regular basis.

In 2011, after running out of space in the company's warehouse area on Main Street, *Grand Valley Fortifiers* acquired an 84,000 square-foot warehouse on Dobbie Drive in Cambridge. The new facility provided more space to store inventory for manufacturing.



Top: The new warehouse addition. Bottom left: The robotic arm at the plant. Bottom right: A company truck promoting Ontario pork in front of the plant.



Left: Left to Right: Clarke Walker, Ian Ross, Jim Ross and David Ross at the company's 50th anniversary celebration. Right: The senior management team. Left to right: Jim Ross, Peter Faus, Clarke Walker, Ian Ross.

OBTAINING HACCP ACCREDITATION

In 2001, *Grand Valley Fortifiers* was HACCP certified. Led by Bruce Schumann who served as HACCP coordinator, *Grand Valley Fortifiers* became the second plant in Canada to receive HACCP Accreditation. HACCP stands for Hazard Analysis Critical Control Point, and thus for a safety and quality certification program that identifies biological, chemical and physical hazards that can affect the quality of product throughout the entire production process. As *Grand Valley Fortifiers* is dealing with hundreds of ingredients on a daily basis, complying with HACCP standards speaks to the company's commitment to quality and safety at all stages of the manufacturing process.

NEW HEAD OFFICE

Since moving into the Main Street location in 1971, *Grand Valley's* production facility and company offices had been located in the same building. As the company grew and additional office space was needed, Jim first added a second floor above the store and warehouse to accommodate the company's offices, as well as a board room. The

business kept growing and it was not long before *Grand Valley Fortifiers* began to run out of office space again. Realizing the need for additional space, Jim and his team considered purchasing a separate building and making it the company's new Head Office. When a property became available at 151 Savage Drive, which is only a five minute drive away from the plant, Jim was very hesitant at first. Despite the fact that the 32,000 square-foot building on a fully-landscaped 3-acre-lot seemed to be a perfect fit for his company's needs, Jim was struggling with the decision to separate Head Office from the production facility. He felt that such a move would upset the company's culture which was built on management and office staff being close and always accessible to their employees involved in the production process. After first looking at the property, it took company management about a year before the decision was made in 2004 to complete the purchase. After making some minor changes to the building, management and office staff moved into the new facility in November of 2005. At present, *Grand Valley* uses about a third of the building and leases out the other two thirds to other businesses. The building has been truly amazing in meeting *Grand Valley's* exact needs. As it seemed to him that the building had been specifically designed for *Grand Valley Fortifiers*, Jim often remarked that this new office building was a special provision from the Lord.



Left: Ken Bax in 2004. Right: Company truck on a farm.



Left: The Tibbens family of Tibbens Dairy Farm with Naturelle Plus Omega-3 premium ice cream. Right: Andy Anderson with Naturelle Plus ice cream product.



COMPUTERIZED DISPATCHING, PRODUCT DELIVERY AND BIO-SECURITY

Prior to the switchover of *Grand Valley's* dispatch system to computers and specialized dispatch software in the year 2000, weights for truck loads were added manually and routes were put together by the dispatch manager or an experienced driver who had extensive knowledge of the backroads of Ontario. Following the hiring of Ken Bax for the position of dispatch manager and after starting to look at ways of computerizing dispatch in the late 1990s, *Grand Valley Fortifiers* purchased a dispatch computer program that was developed by UPS. By helping them with their daily routing, the program made dispatch much more efficient, reducing the time it took to put loads together, and allowing the company to manage more growth with the same workforce and the same delivery equipment. At the time the computer program was brought in, the location of each of the company's 1,500 customers was plotted on an electronic map that was made available to dispatch and drivers alike. Today, building onto *Grand Valley's* great experiences with computerized dispatch, the company has embraced the next generation of dispatching software, including a GPS-based hand-held

unit that each driver carries during delivery runs. It provides stop-by-stop directions, automatically adjusts routes, and allows for real-time tracking both for dispatch and customers who are able to determine the status of their delivery online in real-time.

With about 700 active accounts, most of which are serviced on a monthly basis, *Grand Valley's* current radius of daily delivery runs ranges from Windsor to the Quebec border and up to Thunder Bay. Whereas in the past *Grand Valley* trucks delivered directly to farms in Pennsylvania as well, cross-border deliveries are now being outsourced to carriers that cross the border on a regular basis.

BIO-SECURITY PROTOCOL DURING ON-FARM DELIVERIES

As both farmers and companies that are servicing agricultural producers have become increasingly aware of the potential of disease transfer, bio-security during deliveries to farms has become an important issue. In the day and age of PRRS, Circovirus, E-coli, the Swine Flu, and other diseases, on-farm customer service and bio-security go hand in hand. *Grand Valley* takes its responsibility to protect their customers from

disease transmission very seriously. A strict bio-security protocol has been developed to ensure due diligence not only to protect customers during an actual delivery to their farm but also with an eye to protecting the next customers on the schedule during a multiple-stop delivery run. The company's strict bio-security protocol includes drivers wearing plastic or clean rubber boots whenever entering any building on the farm. On a per stop basis, when a delivery is completed and before the truck continues on to the next farm, the driver cleans and disinfects the box floor, the cart and the cart tires, as well as the ramp with Lysol. At the end of each work day the floor mats are cleaned and disinfected and the trucks are washed down with special attention paid to the ramps, rims, tires, mud flaps and frame rails to ensure that the truck is clean and ready for next day's deliveries. What a difference to the "old days" prior to PRRS and other diseases when awareness of bio-security issues and resulting practices were rather limited. Andy DeGraaf remembers coming back from a delivery to Orillia about thirty years ago, carrying a load of pigs from a farm on his return trip to Cambridge. After delivering premix product to the farm, he had just spread some shavings down in the back of the truck, opened the lids on top of the box for air flow and hauled the farmer's animals down to Cambridge.

BECOMING A PIONEER IN THE DEVELOPMENT OF NEW VALUE-ADDED MARKETS AND UTILIZATION OF NUTRACEUTICALS IN THE PRODUCTION OF NATURAL ANIMAL PRODUCT

As noted previously, back in 1991, *Grand Valley Fortifiers* had become engaged in research and market development efforts for Omega-3 enriched products. This early initiative had been based on the realization that companies that could differentiate their product in a positive way and would therefore have a special appeal to a certain segment of the market, would benefit from new opportunities. Since then, company efforts to become a leader in the development of new value-added products have broadened to include Omega-3 enriched pork, poultry, eggs and milk, organic pork and milk, as well as meat produced in the Raised Without Antibiotics program. A new level in innovative product development was reached when *Grand Valley's* team of animal nutritionists began using nutraceuticals such as oil of oregano, thyme oil, and several other naturally-occurring products with similar health



Grand Valley Fortifiers at at the Canadian Outdoor Farm Show in Woodstock in 2005.

benefits to replace antibiotics in the rations. The innovative use of these nutraceuticals has enabled the company to manufacture and bring to the market naturally “medicated” feed without having to include antibiotics, thus eliminating the negative effects for human health related to the consumption of meat containing traces of antibiotics. Discovering and utilizing the natural powers of nutraceuticals is an amazing science and development that Jim and the *Grand Valley Fortifiers* team are very excited about. Oil of oregano, which the company buys in pure form directly from Greece, contains anti-microbial, anti-parasitical, and anti-fungal properties. Thyme oil has similar characteristics and the company uses a blend of these oils in their rations, particularly in their Raised Without Antibiotics product.

As consumer preferences are always changing and demand for natural and differentiated products continues to grow, research and development of products to be used in raising animals earmarked for value-added markets has become increasingly important to *Grand Valley Fortifiers*. The company’s efforts in this growing market segment, be it organic, Omega-3 enriched, or raised without antibiotics and no animal by-products, speak directly to Jim and his team’s desire to provide “Advanced Animal Nutrition for Improved Human Health”. By differentiating product they can add more value to the market and pass some of the added dollars charged at the retail level back to the producers. *Grand Valley’s* ability to offer participating producers ongoing benefits, such as market stability and enhanced returns, has led to substantial growth rates in these niche markets over time.

OMEGA-3 ENRICHED FARM PRODUCT

In 2002, the Government finally repealed the restrictive labeling legislation that had frustrated *Grand Valley’s* earlier attempts to establish a market for Omega-3 enriched farm products. This move has allowed the company to resume their efforts to add value to farm products through the benefits of nutritional science technology. As *Grand Valley Fortifiers* reinitiated their activities in developing the Omega-3 market, the management team chose to work directly through the food

retailers. *Grand Valley Fortifiers’* philosophy was to increase returns at the farm gate. In determining how to reach that goal, the leadership team concluded that if they could get a food company or a grocery chain on board that was willing to take on an Omega-3 enriched label product, the process would most likely fall into place. Putting their plan into action, they started talking to different producers as well as making presentations to various grocery chains to demonstrate their know-how and to show them what was possible. The fact that they already had a partner-feeding program in place for the enrichment of dairy and beef helped them a lot in convincing businesses of their ability to establish enrichment programs that met their specific needs as well. Further drawing on their original research on Omega-3 enrichment of pork and eggs, as well as the convincing results of a more recent study they had done with the University of Guelph, Ian and the leadership team went into meetings with producers, grocery chains and food service companies with a highly marketable package that had already proven its value both in theory and in practice. As they started building relationships with different dairies, they signed contracts with *Stoney Creek Dairy* for Omega-3 enriched ice cream, with a producer in BC for Omega-3 enriched milk, and eventually with *Silani Sweet Cheese* for Omega-3 enriched cheese.

In 2004, there were about 400 dairy cows in Ontario that were fed on *Grand Valley’s* patented formula which results in higher than normal levels of Omega-3 fatty acids (EPA & DHA) in the milk. Two years later, in 2006, there were already 10 producers participating in the company’s Omega-3 enriched milk program.

Jim’s original decision to closely relate animal nutrition with human nutrition and to produce increased benefits for human health through *Grand Valley* products bore further fruit through the company’s close cooperation with Paul Hill, a farmer near Stratford, in the development of a highly successful line of Omega-3 enriched pork. When Paul approached *Grand Valley Fortifiers* with the plan to develop a niche product for his hogs, *Grand Valley’s* nutrition team went to work and developed a special formula for Omega-3 enriched pork. Today, Paul Hill is marketing his line to leading hotels and restaurants under the



Left/center: Marketing material to promote Grand Valley Fortifiers products and services. Right: Company display at the 2006 Ontario Pork Congress.

Left: Heavy traffic at the Grand Valley Fortifiers trade show booth at the 2005 Ontario Pork Congress. Center/right: Marketing material promoting Grand Valley Fortifiers' nutritional solutions for dairy.

Willowgrove Hill Pork label, producing over 800 Omega-3 enriched market hogs a week. In 2011, Willowgrove Hill supplied the Deerhurst Resort with product for the G8 summit. Other prestigious institutions using Willowgrove Hill product in their kitchens are the Royal York Hotel in Toronto, the CN Tower and other flag ship restaurants across Ontario. Willowgrove Hill's pioneering role in developing a market for Omega-3 enriched pork has resulted in Paul and Rosie Hill and their operation receiving the Premier's Award for Agri-Food Innovation Excellence in 2011. Most recently, Willowgrove Hill product has been introduced to the Ontario market place through Sobey's FreshCo grocery stores.

ORGANIC HOGS

In 2002/3, Grand Valley Fortifiers launched a program to produce certified organic hogs for yet another new value-added niche market. In order to qualify and become certified organic producers, participating farmers have to commit to a rigorous and exacting protocol. Under this program, which was originally launched to a limited number of producers, only certified feed rations manufactured from organically-grown grains, soy bean meal and specially-formulated Grand Valley premixes provide the nutrition for the herd. Neither antibiotics nor any

animal by-products are allowed in the rations. By 2004, Grand Valley Fortifiers was working with nine small producers who were marketing a load of 200 certified organic hogs each week.

NATURES BLEND® PREMIXES FOR THE RAISING OF PORK WITHOUT ANTIBIOTICS AND WITHOUT ANIMAL BY-PRODUCTS

Based on the realization that the ingredients used in organic feedstuffs for raising hogs with no animal by-products and without antibiotics could match or even outperform conventional production methods, the Grand Valley team saw the opportunity for the development of yet another line catered to the health-conscious mainstream consumer who may not want to have to pay the premium associated with certified organic production systems, but would seek to purchase "natural" pork raised without animal by-products or antibiotics. Thus, in a proactive manner, at the 2005 Ontario Pork Congress, Grand Valley Fortifiers launched Natures Blend®, a new line of premixes which combines the company's extensive knowledge in organic hog production with the well-tested

positive effects of non-pharmaceutical-based feed additives. When these completely natural premixes were offered in the marketplace, results were very gratifying with performance metrics of animals fed on the new product meeting or even exceeding those of animals fed conventional medicated diets. Since then, Natures Blend® premixes have been utilized for certified humane pork production as well as for vegetable and grain-fed, free from antibiotics pork production. Grand Valley Fortifiers' Raised Without Antibiotics/Vegetable-Grain-Fed/No Animal By-Products program and accompanying protocol grew from 200 hogs per week at the beginning to over 4,000 hogs per week by 2009.

WORKING WITH LOBLAW AND THE FREE FROM™ PROGRAM

In 2005, Grand Valley Fortifiers seized the opportunity to meet with a Senior Vice President of Canada's largest grocery chain, Loblaw, which resulted in an opportunity for the Grand Valley team to give a presentation on their value-added feeding programs and on how they could potentially fit into Loblaw's own business development strategy of making value-added product accessible to their customers. These

efforts resulted in Loblaw adopting Grand Valley Fortifiers' program of feeding animals rations that are based on vegetable feed grains and that are free from antibiotics and animal by-products, and marketing it under their President's Choice® Free From™ label.

Grand Valley seized the opportunity and started working alongside Quality Meat Packers in Toronto on the development and implementation of that particular program. Starting out with several hundred pigs a week, Loblaw's Free From™ program has developed into several thousand pigs a week with Grand Valley Fortifiers monitoring participating producers in Ontario. Today, producers within that particular program are selling over 4,000 hogs a week through Loblaw stores. About 30 percent of all of Grand Valley's swine premix sales in Ontario are for Loblaw-pork-producing farmers. As a result, Natures Blend® swine premix sales represent 30 percent of Grand Valley Fortifiers' Ontario swine premix sales. By establishing that program and recruiting partnering producers at a time when the market was not good for hog farmers, Grand Valley Fortifiers has been able to offer producers increased returns for their product at the farm gate. Recruitment of farmers for the Loblaw program has helped producers get through tough times.

Based on the success of its pork line, Loblaw is currently considering expanding its involvement with Grand Valley Fortifiers in other new or



Left: GVF's Ron Gunson and Galen Weston, Executive Chairman and President of Loblaw Companies. Center: Rory Bates of Loblaw Company's Free From™ team. Right: Free From™ Farmers with the Grand Valley Fortifiers and Loblaw teams in June 2013.

Left: Free From™ product label. Center: Ian Ross and Galen Weston, Executive Chairman and President of Loblaw Companies. Right: Free From™ producers, the Player family, are shown on this Loblaw truck.

existing Free From™ products. Realizing that traceability of food is becoming ever more important to health-conscious consumers, *Grand Valley* suggested that Loblaw display pictures of individual producers who are participating in the program on their Free From™ product packages. Loblaw adopted the idea and, as a result, consumers buying Free From™ product at Loblaw stores can now see where their meat is coming from. *Grand Valley's* management is convinced that new developments such as traceability of food for the purpose of increasing transparency for consumers will change the food market in significant ways in the future. It is *Grand Valley's* pioneering work in areas such as this that keeps Jim excited about continuing his personal involvement in the company he founded over 50 years ago.

As *Grand Valley* formed relationships with Loblaw and the producers they recruited for the raising of pork for the Free From™ label, Ian and his team increasingly perceived the role of their company as a link and communications builder between grocery chains and producers, parties who in the past maintained no direct communication lines whatsoever. Three years ago, as part of a broader initiative to create a virtually-integrated supply chain that links producers who grow the meat with the grocery chain that sells their farm-raised product, *Grand Valley* started organizing annual farm tours. Once a year they invite Loblaw

representatives to a partnering farm. There, partnering producers join Loblaw staff for a barn tour, a barbecue as well as for presentations. The overall objective behind events like these is to increase communication between producers and grocery chains, meat processors, meat packers and others involved in the production and distribution of farm product. Ian explains: "It is really a dream come true to see this field-to-fork supply chain coming together and its partners really getting to know each other and communicating. This is so exciting for us because it has never happened before. When we started talking to Loblaw and to producers, we would have never thought that the outcome of our efforts would be this facilitated and virtually-integrated supply chain that is truly breaking new ground in Canada's food industry."

While establishing the Free From™ program for Loblaw, *Grand Valley Fortifiers* has gradually grown into what Ian refers to as a "governance company". He explains: "In the process of designing and implementing this program we have become a governance company as we have taken on new exciting functions in addition to our core business which is the feeding of livestock. These new roles include coordination and auditing of that program, recruiting producers, communications, working with the Canadian Food Inspection Agency on protocols and label claims, making changes and adjustments in the feeding programs

and determining how they impact both the program and the industry at large. We are looking to use this unique experience as a platform for other opportunities and as a way to solidify our new role as a governance company. Thanks to Loblaw and President's Choice®, we have been able to grow into that new role." With an eye to the future, Ian intends to build onto that experience of developing supply chain management systems with full integrity for other related programs with Loblaw and President's Choice®, as well as with other companies.

Ian refers to *Grand Valley's* new role as a supply chain management builder as the company's "Blue Ocean Strategy". First introduced in 2005 in a business strategy book written by W. Chan Kim and Renée Mauborgne, the "Blue Ocean Strategy" is built on the notion that a business can generate the highest growth by creating new demand in an uncontested market space, or a "Blue Ocean", rather than by competing head-to-head with other suppliers for known customers in an existing industry.¹

In November 2011, *Grand Valley Fortifiers'* role in Loblaw's Free From™ pork program was formally recognized when *Grand Valley* was awarded the President's Choice® Corporate Social Responsibility (CSR)

¹ W. Chan Kim and Renée Mauborgne, *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant* (Harvard Business School Press, 2005).

Supplier of the Year Award at the President's Choice® Annual Innovation Summit. Similar to the Academy Awards, President's Choice®/Loblaw nominates three companies for each of their annual awards. *Grand Valley's* role in the development and implementation of the Free From™ pork program is congruent with one of The Loblaw Group of Companies' defined pillars of Corporate Social Responsibility by being a "Source with Integrity". Since that time, *Grand Valley Fortifiers* has developed a separate division and consumer-orientated trust mark named True Foods™ for the governance program which provides consumers with the assurance that the food they are purchasing is raised in accordance with the standards and claims on the food label.

FEED COMPANY OR FOOD COMPANY? – YOU ARE WHAT THE ANIMALS ATE

Less-forward-thinking food companies, when approached by *Grand Valley Fortifiers*, often wonder why they should talk to a livestock nutrition company, given the fact that *Grand Valley Fortifiers* does not sell any products to them directly. By the same token, many other companies in the food supply chain cannot understand why, and are

not pleased with Ian and *Grand Valley Fortifiers* talking directly to their clients, the grocery chains. Coming up against resistance and having to sell their company's non-traditional business approach in presentations to the food industry has helped Ian and his team to not only identify new opportunities, but also to define the company's new role and how it fits into the overall structure and philosophy of *Grand Valley Fortifiers*. In conceptualizing and explaining the need for direct cooperation between feed and food companies in the establishing and managing of value-added programs, Ian came to an important realization. The popular saying "You are what you eat" had to be modified into "You are what the animals ate" to reflect the true nature of animal nutrition in a changing marketplace. Based on his understanding of *Grand Valley Fortifiers* and its products as being part of the food industry, Ian says: "Although we are providing animal nutrition products, we are in the food business, not in the feed business." This growing self-perception corresponds with the way that *Grand Valley Fortifiers* is viewed by their partners from the food industry, such as Loblaw. As food companies are increasingly drawing on their expertise on various aspects of animal nutritional science as it applies to the products on their shelves, *Grand Valley Fortifiers* has been taking on a new consulting and advisory role to food companies. Whereas in the past they only added value to their producers by increasing returns at the farm gate, today *Grand Valley Fortifiers* is adding value to both sides of the chain, to producers and grocery chains alike.

MARKETING INITIATIVE "ADVANCED ANIMAL NUTRITION FOR IMPROVED HUMAN HEALTH"

Grand Valley Fortifiers' conscious decision to closely relate animal nutrition with human health and the company's dedication to leading the way in the development of meat, eggs and milk with a "nutritional plus" is reflected in the way *Grand Valley* presents itself in the marketplace today. When four new trucks were added to the company's fleet in 2004, they sported the slogan "Advanced Animal Nutrition for Improved

Human Health" running along each side of the trucks' box. The purpose of promoting this slogan is to convey to consumers the message that *Grand Valley* and the farmers of Ontario care not only about the health of their livestock, but about the health of consumers as well.

OTHER PRODUCT DEVELOPMENT SINCE 2000 THE USE OF PHYTASE ENZYMES FOR THE UTILIZATION OF PHYTASE PHOSPHATES IN FEED RATIONS

Phytase phosphates are plant phosphates naturally occurring at certain levels in feed grains. Because of the way these phosphates are structured in feedstuffs such as corn or barley, they are not able to be digested by the animals. As a result, a lot of the phytase phosphate passes through the animals without being extracted from the feedstuff. In order to address that problem, *Grand Valley Fortifiers* originally added ingredients, such as dicalcium phosphate to their rations to supply the animals with a phosphate they could digest more easily. Since the early 2000's, enzymes have become available that, when added to the rations, enable the animals to extract the naturally-occurring phosphate, thus reducing the level of phosphates to be added to the feed.

PRRS, CIRCO VIRUS AND SWINE FLU – THE 2004/5 GREAT VIRAL EPIDEMIC AND THE DEVELOPMENT OF IMMUTEC™

As discussed previously, during the late 1980s and early 1990s PRRS took a great toll on many herds in Canada and the US. As a result of that disease, a revolution took place in the management of swine operations with new facilities being built to facilitate "all-in, all-out" production.

Three-site-production systems were developed, spurred on by the goal of reducing the costly effects of PRRS. Furthermore, great efforts were put forth to create vaccines, which would help develop immunities to the costly disease. In spite of such efforts, incidents of severe PRRS outbreaks began occurring again in 2004. That same year Circo Virus began to raise its ugly head in North America as well. To top off what would amount to devastating losses, increased incidents of Swine Flu were experienced in many herds as well. Even with major attention given to vaccination, medications, and management, at the height of the 2004/5 pandemic, death losses of 30 percent and more were being experienced in nursery and finishing barns across Ontario.

Drawing on their positive experience with Oxysan™ in fighting the effects of the PRRS epidemic during the late 1980s, the *Grand Valley* team advised producers to add this water disinfectant to the drinking water of infected herds, not only to disinfect the water, but also to provide a source of molecular oxygen, which increases oxygen in the blood of the pigs, resulting in a great reduction in death losses in infected herds.

In addition, *Grand Valley Fortifiers*, at the peak of the crisis in 2005, launched Immutec™ as a nutritional additive specifically created to reduce death losses in the barn in the face of PRRS and other diseases. Designed as a weapon against virulent forms of viruses, such as the Circo Virus, PRRS, PMDS, and PDNS, Immutec™ consists of a proprietary blend of nutrients including vitamins, amino acids, chelated minerals and trace elements specifically formulated to enhance animal immune systems. Immutec™, when used in combination with Oxysan™, instantly led to a reduction in death losses in infected herds of up to 50 percent. Both *Grand Valley Fortifiers* and barn operators felt encouraged by the significantly reduced number of deaths.

Looking back, Jim is very proud of his team's ability to help producers deal with the devastating health crisis caused by virulent viruses by developing and bringing into the market Immutec™ at a time when producers were in desperate need of help. At present, although still available, Immutec™ is used much less often because Circo Virus is pretty much controlled by readily available and effective vaccines today.

BIO-FORCE®

Launched in 2006, Bio-Force® was a new line of premixes for piglets, hogs and sows built upon the foundation of *Grand Valley's* high performance line of Bionic® premixes. As the *Grand Valley* team reviewed the efficacy of their organic and Natures Blend® premix lines, they defined the goal of incorporating the best and most cost-effective of the non-pharmaceutical ingredients that were used in those lines into a premix line for conventionally-marketed hogs. Thus, the Bio-Force® line of premixes was born and marketed under the slogan "Raise the Standard". The Bio-Force® line allows producers of conventionally-marketed hogs affordable access to the latest in herbal extract blends, organic acidifiers, mycotoxin neutralizers and probiotics. Bio-Force® premixes are also formulated to include a greater proportion of trace minerals from highly available chelated sources, providing additional production enhancements.

HOG TEST BARN AND THE PROCESS OF FIELD TESTING

When *Grand Valley* nutritionists or management come across new data, new ideas or new products that might be useful in improving animal health and performance, they share these ideas with the company's product development team. Following extensive research, experimental rations are formulated by swine nutritionists Dr. Martin Clunies and Bruce Schumann and then put on trial in one of *Grand Valley's* test barn facilities. The Fulford test barn, for instance, is a 750-head pig nursery, run by Ruth and Kevin Fulford, where new technologies, processes and methods, whether it is adjusting proteins or energies or trying new feed ingredients, are tested before being introduced to a wider market. The DeVries family operates another nursery where new *Grand Valley* products for hogs are tested on an ongoing basis.

Every eight weeks, as a new test cycle commences, the nursery is split in half, with 375 pigs being put on the new technology, and the other 375 placed in a control group. At the completion of the test



Left: Ron Gunson, Phil Smith and Mike VanKessel in the feed control room (2001). Right: Tony VanKessel along with Ron Gunson and Ian Ross in the feed room.

cycle, *Grand Valley Fortifiers* analyzes the results to measure the rate of improvement. The overall goal of field testing in trial nurseries is to improve weight gain in the early rations in particular. Jim explains: “If a pig achieves good momentum of growth in the early stages, that momentum will carry all the way through to the finish. On the other hand, if you start off slow, it will be slow all the way through.”

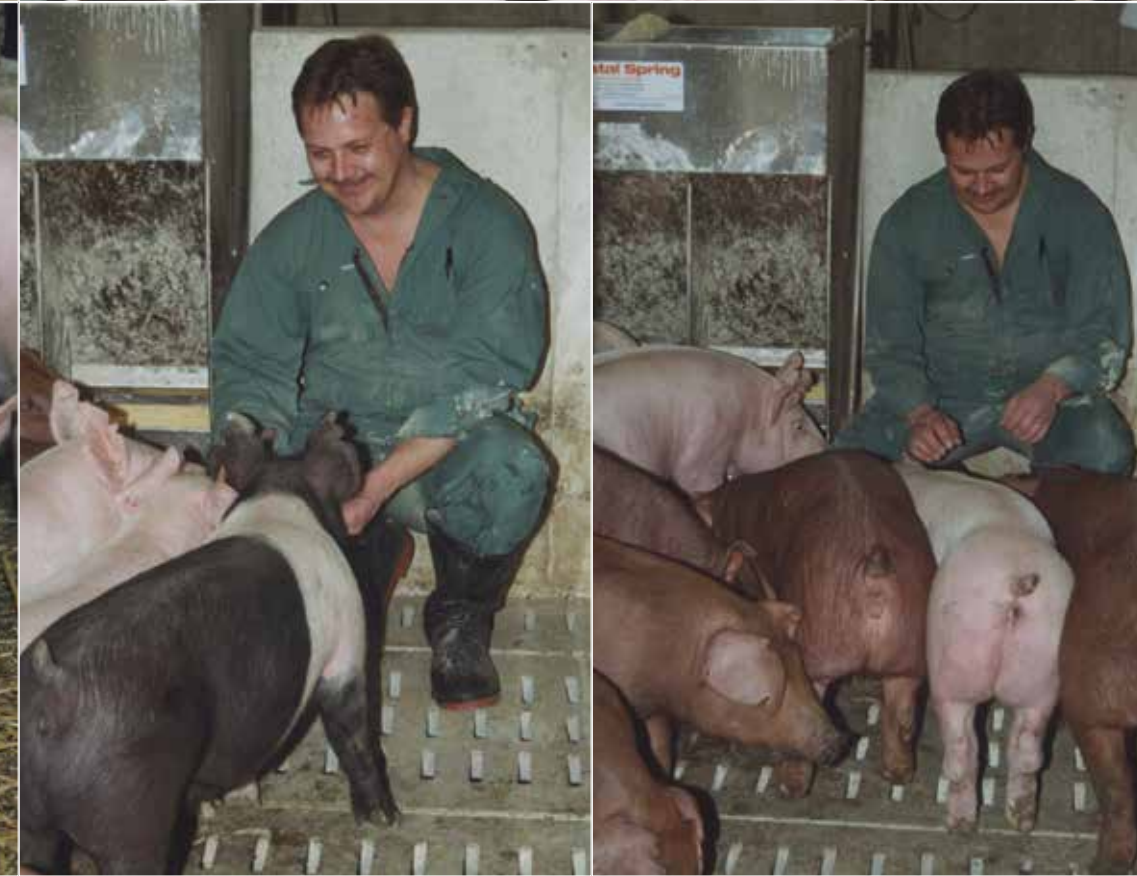
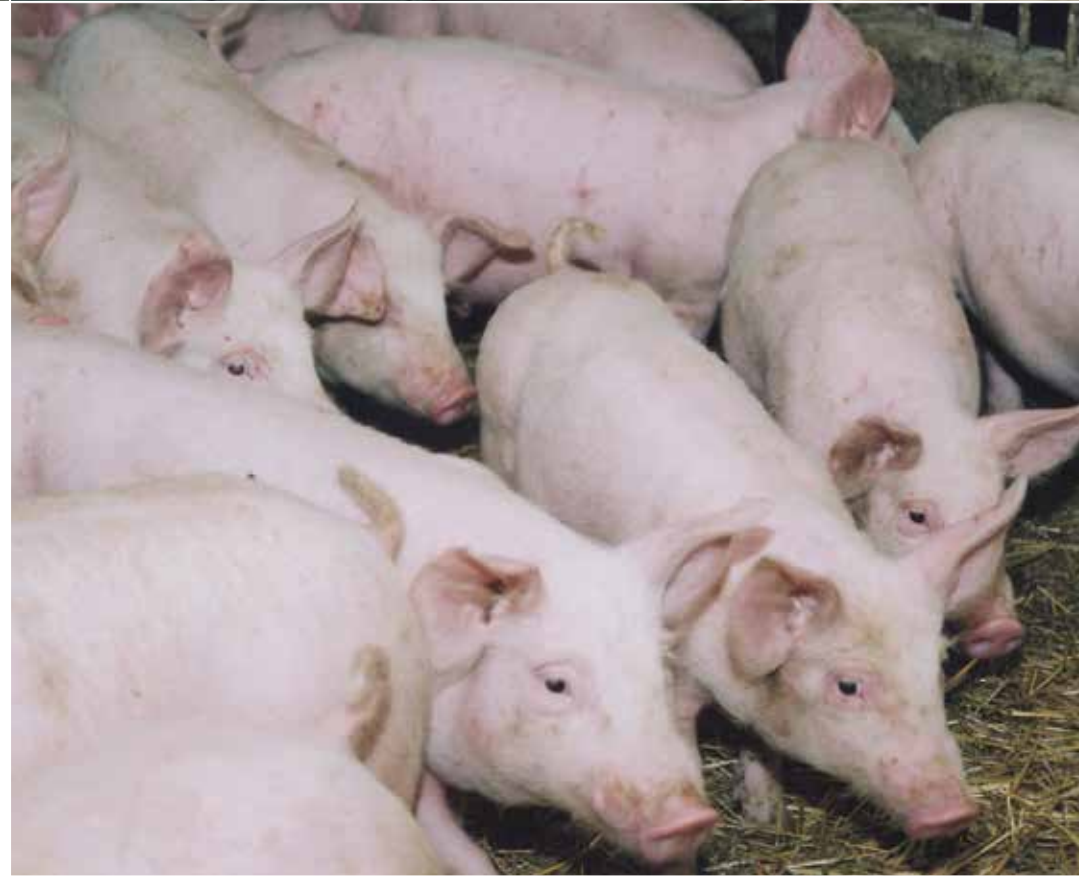
Following product testing in the test barns, “product prototypes” are distributed to a select number of producers with the full launch of the product being dependent on how that “prototype” performs in at least ten different barns. Only after the product prototype has proven itself does *Grand Valley* go to what they call a full court press, that is the official launching and marketing of that product.

CONSOLIDATION IN THE HOG MARKET AND ITS IMPACT ON GRAND VALLEY’S OPERATIONS AND SERVICES

When Jim had originally started in the feed business in the 1960s, the number of hog farmers in Ontario was about 13,000. At the

beginning of the 1990s, the number was down to about 10,000. A massive consolidation of the market throughout the 1990s and the new millennium has seen that number go down to less than 1,500 hog producers in Ontario today. This industry consolidation with the majority of producers having dropped out of business has made hog farming a tough business over the years. Before this massive consolidation, Ontario hog producers were shipping over 100,000 pigs a week. Today, in spite of the reduction in hog-raising operations by over 80 percent, the remaining Ontario farms are still shipping close to 85,000 hogs on a weekly basis.

Sustained output in spite of the large-scale consolidation has required *Grand Valley Fortifiers* to think outside the box and develop new strategies when providing products and services to fewer, yet significantly larger customers. As surviving producers have consolidated their businesses, hog production has become much more scientific and technical, with almost all of today’s hog barns being highly modern, computerized facilities. Due to reduced profit margins in a highly volatile marketplace, maximizing performance while reducing costs at the same time has become imperative. An essential component of *Grand Valley Fortifiers’* focus on reducing the cost of production and raising efficiencies on the farm has been the utilization of alternative



Top left: Phil Smith, Ron Gunson and Ian Ross in the barn. Top right: Ron Gunson and Phil Smith in the nursery (2001). Bottom center/right: Ron Gunson in the grower barn.



Top left: Gary Currie doing an ultrasound on a pig. Top right/bottom left: Gary Currie with customers in a finishing barn. Bottom right: Farmers' protest at the Provincial Legislature in Toronto.

ingredients such as bakery meal and liquid feeding. The goal of restoring profitability was at the core of company efforts to enable producers to benefit from the cost advantages resulting from bulk and large volume purchases of agricultural commodities, such as dried distillers grains.

New production methods, larger herd sizes and increased access to more cost efficient alternative feed ingredients have been accompanied by ever-changing expectations by producers regarding the role of their animal nutrition provider. *Grand Valley's* service approach has become much more comprehensive and consultative in character. Whereas in the past, as *Grand Valley's* dairy nutritionist Mark Bowman jokingly says, "Jim Ross would go around and sell his bag of magic to hog producers", today company sales representatives in the field need to take into account the entire production process, including genetics, facilities (barn design), as well as the financial side of operations, in order to be able to deliver sound nutritional, financial and barn management strategies to their producers. Jim explains: "If you want to service these people, you *really* have to know what you are talking about."

PERFORMANCE TRACKING AND DATA MANAGEMENT SYSTEMS IN THE HOG BARN

In contrast to only two decades ago, the utilization of computer programs to track animal performance has become standard practice among hog producers today. Whether it is *Pig Champs*, *Pig Win* or other recognized programs that monitor sow performance on a weekly and monthly basis, the obtained data allows producers to alter and change their feeding programs corresponding with the growth and performance levels they are witnessing in a herd at any given time.

"GROW IT AND KNOW IT"

Grand Valley Fortifiers operates an internal program called "Grow it and Know it". It provides hog producers with detailed cost of production information. The great versatility of *Grand Valley's* program

makes it applicable to various methods of feed preparation including proportioned mills, batch mixers, liquid feeds and complete feeds.

LIQUID FEEDING

One of the latest developments in hog-feeding methods is the growing popularity of liquid feeding. About 25 percent of hogs marketed in Ontario today are fed on liquid feed. One key advantage of liquid feeds is that they allow producers to utilize waste from food manufacturers in feed rations. These by-products and wastes provide excellent nutrition with considerable savings to producers who are utilizing this feeding strategy in the feeding process.

In addition to creating a cost advantage, liquid feeding through computerized feeding valves makes it easier for producers to track animal performance. As the liquid feed product category is being further developed and new standard waste streams from the food industry are being added as sources of liquid feed ingredients, *Grand Valley Fortifiers* will continue to assist producers in utilizing opportunities in this growing market segment.

OPERATING IN AN INCREASINGLY COMPLEX AND GLOBAL COMMODITY MARKET FOR HOG PRODUCTS - CHALLENGES AND OPPORTUNITIES

Both *Grand Valley Fortifiers* and the producers they work with are operating in a complex and increasingly international/global agricultural commodity marketplace. As over 65 percent of Canadian pork is being exported, domestic production creates trade, yet, at the same time, also makes Canadian producers vulnerable to fluctuations in international markets, as well as to trade restrictions and regulatory issues governing the importing of pork into foreign jurisdictions.



Providing products and services to an industry that has been faced with falling prices, viral epidemics and other crises has created a unique set of challenges to animal nutrition companies such as *Grand Valley Fortifiers*. Be it the Canadian/US exchange rate, high feeding costs due to an inflated market for corn and soybean (in parts spurred by the ever-growing ethanol industry in the US which absorbs more than 40 percent of US corn production), oversupply of pork in the North American market, or epidemics and diseases such as H1N1 (swine flu), Circo Virus, PRRS, PMDS, and PDNS—animal nutrition companies have to be able to instantly react to domestic and international developments that may negatively (or positively) impact their customers. While putting some pressure on human resources and challenging the leadership team to constantly stretch their minds to be on top of new developments, *Grand Valley Fortifiers* thrives on the resulting broadening of scope and perspective. The detailed knowledge and understanding gained through staying abreast of new developments has prepared the company for taking on additional roles no one would have envisioned only twenty years ago.

POLICY INITIATIVES

In 2009, *Grand Valley Fortifiers* initiated the striking of a Task Force of industry leaders. The objective of this group was to develop a strategy paper outlining a multiple-point plan for the sustainable and profitable future of the Canadian pork industry in light of highly volatile market conditions. The Task Force, set up in November of 2009, presented its strategy paper at the *Grand Valley Fortifiers* Swine Symposium in February 2010 and further promoted its position in meetings with Government and industry leaders. *Grand Valley* president Ian Ross was able to present the position of the Task Force in meetings with the Federal Deputy Minister of Agriculture, John Knubley; the Executive Director of Canada Pork, Jacques Pomerleau; as well as with the President of the Canadian Pork Council, Ted Preugschas. Later, this paper was presented to the Minister of Agriculture, Gerry Ritz, as well.

Top: The Grand Valley Fortifiers dairy team in 2008. Bottom left: Sjenk van Soelen discussing forage quality with a customer. Bottom right: Gord Townsend discussing rations on the farm.

Art Groenewegen advising dairy farmers on the farm.

SERVING THE DAIRY INDUSTRY

In spite of the consolidation of the industry from 14,000 dairy farmers in Ontario at the beginning of the 1990s to about 4,000 today, the dairy market with its supply management system that is characterized by quotas, a cost of production formula and an excellent price for milk, has been relatively stable over the years. Even though dairy operators have grown larger as well, this is part of a much slower progression than the dramatic consolidation that has occurred in the swine industry.

With the main market for *Grand Valley* product being total-mix rations, the company offers different lines of dairy base premixes, supplements, plus targeted value-additive packs that are added over and above to the basic mix.

To ensure the quality of the custom-designed rations, samples of the hay, corn and any other farm-grown feed ingredients are taken from the farmer's storage facilities and sent off by *Grand Valley Fortifiers* to a Dairy One lab in Ancaster for testing. When the results come back by email a day later, the company's dairy specialists take that data and formulate a customized ration.

The main growth potential on the dairy side of operations is in the Eastern Ontario market. Since that market is too far to be serviced effectively with full feeds and supplements from Cambridge, *Grand Valley Fortifiers* struck a deal in 2011 with a small feed mill in the Ottawa Valley near the Quebec border. Based on that agreement, the mill is making feeds and supplements for *Grand Valley* for distribution in that area.

Today, 35,000 cows are fed on *Grand Valley* product. With an eye to the future, the company's goal is to expand its market share in the dairy segment to 50,000 cows.

SERVING THE POULTRY INDUSTRY

Today, with data on 6.8 million broilers that are fed on the company's broiler program, *Grand Valley's* poultry nutritionists have a respected position in poultry production. The poultry team keeps marketing its broiler premixes while continuing to build the dossier on the laying

hen side as well, as producers keep adding performance data on a regular basis. In spite of the excellence of *Grand Valley Fortifiers'* layers program, and its profitability of \$3 to \$4 per bird over competitors' programs, the company decided to focus primarily on broilers. Due to the different nature of operations, performance data for broilers can be generated much faster than for layers. It takes a full year to generate one single record for layers which makes it difficult to substantiate results and share that performance data with prospective customers. Within those limitations, however, *Grand Valley Fortifiers* continues to work on the layers program as well.

Based on the fact that there are more people in the world eating chicken than pork and with the company's increasing export orientation, there are many exciting new growth and development opportunities in the poultry market. While growth opportunities locally remain somewhat limited, the international market for poultry premixes has a positive outlook as many producers traditionally feed their poultry with home-grown feeds produced on the farm. In working with data they are receiving from their producers, *Grand Valley Fortifiers'* poultry nutritionists are looking at other countries that consume mainly poultry as areas of growth in that particular market segment.

ACQUIRING FORTIFIED NUTRITION LTD. AND GRAND VALLEY BECOMING A COMPANY WITH NATION-WIDE REACH

On March 1, 2012, *Grand Valley Fortifiers* completed the acquisition of *Fortified Nutrition Ltd.*, a premix business in Western Canada that has been serving the Western Canadian market for many years. This business has a manufacturing plant in Morden, Manitoba as well as an established distribution network in Manitoba, Alberta, Saskatchewan and Montana. The integration of this company into the *GVF Group of Companies* marks the second acquisition of a business in the history of *Grand Valley Fortifiers* and follows the purchasing of *Kaster Processing*



in 2005 which led to the establishing of *Progressive Recycling* as a wholly-owned subsidiary of *Grand Valley Fortifiers*. The acquisition of Fortified Nutrition is part of the company's strategic growth plan, as defined in 2009, with its "near neighbour" focus that is aimed at turning *Grand Valley Fortifiers* into a Canadian company with national reach. The acquisition follows the hiring of a Quebec sales representative in 2010 that was undertaken towards the same goal. Within the overall corporate structure of the *GVF Group of Companies*, Fortified Nutrition Limited will continue to operate under its current name in the western marketplace. Both operations are sharing their expertise as they integrate their product lines.

INTERNATIONAL GROWTH STRATEGY AND DEVELOPING NEW INTERNATIONAL MARKETS

Building onto the company's earlier forays into Pennsylvania and the Atlantic provinces, the first decade of the new millennium has seen the opening up of new international markets as opportunities have presented themselves in countries, including, but not limited to Russia, Kazakhstan, Ukraine, Egypt and Mexico. Although about 90 percent of *Grand Valley's* business activities continue to be in Ontario where the company occupies about 15 percent of the marketplace for hogs and between 12 and 15 percent for dairy, plus additional market share in poultry, the development of new international markets is becoming increasingly important in *Grand Valley's* overall growth strategy. With high growth rates in the agricultural sector in Russia in particular, the Russian market has become a leading export destination for *Grand Valley* premixes, with the company having sold over 2,500 tonnes of premix to Russia in 2011 alone.

THE RUSSIAN FEDERATION

Since July 2008, *Grand Valley Fortifiers* has been manufacturing and exporting swine premixes that have been registered with the Russian

Federation and are designed specifically for swine operations in Russia. Coupled with hands-on nutritional advice to producers, these products have resulted in significantly improved animal performance.

Beginning with Perestroika in the 1980s, many large state-owned and -operated "factory farms" were shut down, as they were not profitable under post-Communist market conditions. Thus, as a long-term effect of Communism, and in spite of the country's size, Russia has been importing vast quantities of pork over the years. Over 70 years of Communism had left this vast country with very few experienced farming families who could operate farms under free market conditions. It is only now that the situation is changing, providing good opportunities for non-Russian producers, providers of genetics and animal nutrition companies to participate in the rebuilding of the Russian agrarian sector. Ever since the country's official break with Communism, the Russian Government has been pressing towards self-sufficiency. This objective is reflected in great efforts at the Government level to improve pork production. In pursuit of that goal, the Russian Government has established a variety of funding programs for producers who are willing to set up large hog operations, some with 50,000 sows or more. In addition, there are many agro holding companies that own meat packing and meat processing plants in Russia and that are now pushing for backward integration into production by setting up and operating large-scale hog-raising operations. Government initiatives and subsidies combined with the cash and investment of these companies are the main forces that are driving Russia's agricultural sector forward.

In spite of the inherent differences between Communism and today's free market conditions, operating large-size farming operations with thousands of animals is not new to the Russian economy. Long before Smithfield and the other huge integrated swine companies in the US divided up the US market among themselves, the Soviet Union was already engaged in industrial farming processes on a massive scale. Many of the state-owned and -operated farms during the Communist period had housed tens of thousands of animals in connected barn complexes that often expanded over a kilometer or more.

Hog-raising facilities that have been established in recent years are ultra-modern. In trying to become market leaders, they are using

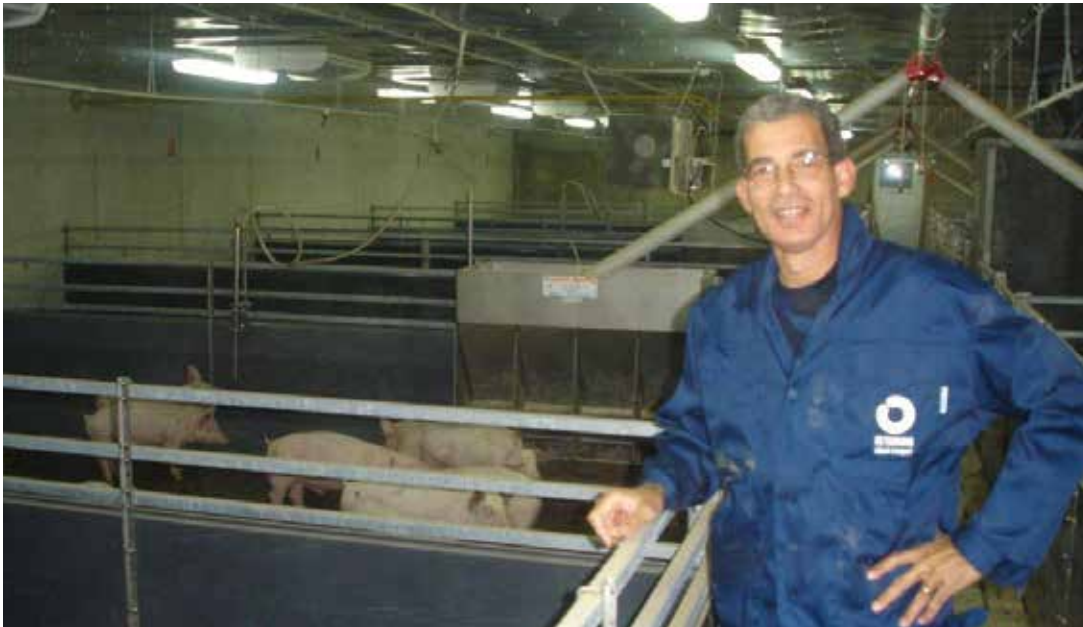


Livestock operations in Russia.



Grand Valley Fortifiers' visit to Russia.

Operations in Russia visited by the Grand Valley Fortifiers team.



Left: Dr. Clunies inside a barn in Russia. Right: Paul Ferreira in a Russian barn.



Left: Team members of operations visited in Russia. Right: Paul Ferreira with a Russian barn manager.



state-of-the-art equipment from western Europe (Holland, Spain and elsewhere) as well as animal nutrition and genetics from countries including Canada. In view of such great opportunities, pork production in Russia is increasingly becoming an international market that draws in producers and suppliers from around the world.

Russians have been looking at Canada for several things, such as genetics, barn design and feeds. Canadian genetics in particular are viewed as market leaders around the world. Genetics, barns and feeds produced in Canada are attractive to Russian producers not only because of there being a lot of experience and expertise in the Canadian agricultural industry, but also because of the similar climate and there being little political baggage between the two countries.

Grand Valley Fortifiers first became involved in the Russian market through Sharon Heldmann, who with her husband Lloyd had used *Grand Valley* product for many years in raising hogs in Ontario. After retiring from that operation, Sharon became an agricultural consultant in Russia, helping Russian operations on site with training personnel, and assessing the animals' performance in the barn, among other things. When looking at the performance of Canadian genetics in Russian barns, she realized very quickly that they were not performing as well as she was used to seeing from the same breeds when raised in

Canada. Suspecting that the feed was deficient, she contacted *Grand Valley Fortifiers* and asked if they could come over and analyze the situation, help with suggestions regarding the establishment of high-performance feeding programs and sell some product in the process.

In October 2005, Ian and Dr. Clunies made their initial trip to Russia as guests of *Ostankino*, a Russian meat processing company that was investing heavily in the production system. *Ostankino*, as well as other integrators in Russia at the time were trying to bring North American, and in particular Canadian, technology into their barns in Russia.

Among Ian and Dr. Clunies' most striking first impressions was the realization that farms in Russia were not only large, but also extremely secure. Farms were fenced with barbed wire on top to prevent people from entering the facility. This high level of bio-security exists to protect the huge investments of the meat companies and agro holding companies involved in the operation. Even though bio-security is important in Canada as well, the level of access control to the farms was new to *Grand Valley Fortifiers* and something that neither Ian nor Dr. Clunies had ever experienced before. The other lasting impression was that everything in Russia was done on a massive scale. Most of the new operations they visited had 2,500 sows per unit. "Everything was about scale and size", Dr. Clunies remembers.

With new barn facilities going up virtually everywhere they visited, and large amounts of money being invested into the agricultural market through the Government and agro holding companies, Ian began thinking about Russia in terms of long-term opportunities for *Grand Valley Fortifiers*. Considering that in Canada investment in swine operations had plateaued and that there was an oversupply of hogs in the North American marketplace; and further taking into account that the Canadian Government was paying producers to shut down their businesses, it made sense to Ian to think about diversification of markets outside of Ontario.

Grand Valley Fortifiers' initial visits to Russia were in keeping with the original philosophy that Jim had developed and applied to hog operations in Ontario. To this day, Dr. Clunies remembers what Jim had told him when hiring him as company nutritionist back in the 1980s: "Before you touch any product, go travel with our salesmen. Go visit our customers. Until you have had an opportunity to visit many customers and see their operations, you should not attempt to develop any new formulas." In keeping with that same success-proven approach, when Ian and Dr. Clunies went to Russia for the first time in 2005, they visited operations merely as observers and not to sell company product. By visiting as many places as possible, they tried to get a feel for what the industry was like. They spent a lot of time collecting samples and

brought them back to Canada to do laboratory analysis before making formula decisions. They invested a lot of time trying to understand both the industry and the ingredients commonly used in Russia. Dr. Clunies further elaborates: "We did not think that we were going to go over there and take corn and soybean meal principles and transplant them to Russia. We knew right from the beginning that if we decided to take on the Russian market, we would be using local ingredients."

Although they did not have a nutrient profile for sunflowers, peas and other local ingredients when going into Russia for the first time, *Grand Valley Fortifiers* had done some work with producers in western Canada who were feeding their animals wheat and barley instead of the corn and soybean meal that was being primarily used in Ontario. As a result, they had some experiences with grains that were used in Russia as well when exploring the Russian market for the first time.

As Ian and Dr. Clunies analyzed the barn operations they visited, they identified deficiencies in feeding, knowledge, ingredients, as well as mixing capabilities. They knew they could help Russian producers in establishing high-performance feeding programs and by providing their success-proven premixes. The fact that the genetics in the Russian barns, Russian barn designs and *Grand Valley Fortifiers* were all from Canada reinforced Ian and the company's position that they could help



the Russian producers increase performance in the barn and thereby make operations more competitive and profitable.

Before being able to establish themselves in the Russian market, *Grand Valley* had to deal with some administrative hurdles and red tape. On the regulatory side, *Grand Valley* product needed to be registered and approved by the Russian authorities in order to be allowed to be shipped from Canada to Russia. Furthermore, Canadian export regulations needed to be taken into account as well. Once product arrived in Russia, a distribution system needed to be put in place to ensure that the product reached its final destination. Since they did not have a distributor on the Russian side or an agent who would be acting on their behalf, Ian and Dr. Clunies met with a potential agent/distributor during their initial trip to Russia to explore possibilities for cooperation. With an eye to logistics, customs, and registration, among other things, *Grand Valley Fortifiers* preferred working with an experienced agent who knew the Russian ways of doing business rather than dealing with Russia's regulatory environment and setting up a distribution system in a country they were not familiar with on their own.

Following that initial trip and the meeting with a potential agent/distributor in Russia, nothing transpired for about a year until mutual friends in the industry, Bill and Lisa Young, introduced *Grand Valley Fortifiers* to

the possibility of becoming a premix exporter into the Russian market. Bill and Lisa are the principals of an international livestock sales business operating out of PEI that focused mainly on swine. Their company, *International Genetics Ltd*, had recently entered into an agreement with a distributor in Russia to take on the distributorship of the Canadian-bred genetics they were exporting to Russia. As it later turned out, International Genetics' distributor was the same company that Ian had talked to during his and Dr. Clunies' first visit to Russia. One day, Bill called Ian and explained that they had got this agent in Russia who was contemplating making a change in its nutrition program. He informed Ian that he had mentioned *Grand Valley Fortifiers* in that context to the Russian company. "Are you interested?" Bill asked. "I surely am", Ian replied.

Shortly after that conversation, an agreement was struck between *Grand Valley Fortifiers* and the Russian distributor/agent *ROST AGRO Belcomtua*. The two parties began working together to get *Grand Valley* premixes through the registration process.

From the outset, the *Grand Valley* leadership team wanted to do things right in Russia and establish a relationship with the authorities that was built on trust, integrity, honesty and good will. *Grand Valley Fortifiers* put a lot of effort and time into registering their product properly in Russia. Not knowing the language, forms and registration

procedures and without having their own contacts in the Russian market place, Ian and the leadership team decided to work with their distributor in Russia to guide them through that process. As they built the structures necessary for exporting premixes from Canada to Russia, *Grand Valley Fortifiers* was led by the goal to ensure that government agencies in Russia and the Canadian government were confident in their processes and declarations. As part of that approach, the *Grand Valley* team worked closely with the Canadian Food Inspection Agency (CFIA) and was able to get CFIA approval for each individual load that went to Russia. Having CFIA approval right from the beginning made a huge difference because it allowed *Grand Valley Fortifiers'* partners in Russia to build trust in the company right from the moment they started supplying the Russian market. Today, *Grand Valley Fortifiers* is on the list of preapproved suppliers of premixes for Russia. Becoming a preapproved quality supplier has significantly reduced the paperwork that is required for exporting premixes to Russia.

In May 2008, Ian and Dr. Clunies went back to Russia to represent *Grand Valley Fortifiers* at their first-ever trade show in Moscow. *Grand Valley* received a lot of interest during that first trade show, as Russian producers were highly motivated to attract international suppliers to their operations. Furthermore, *Grand Valley* benefitted from their

distributor wanting to swing Russian customers over to *Grand Valley Fortifiers*. Only two months after the trade show, with the registration in place and having worked through the documenting process, *Grand Valley Fortifiers* shipped their first container to Russia, praying that it would arrive intact.

Although venturing into the Russian market is new territory for *Grand Valley Fortifiers*, it is at the same time going back to the company's roots by encouraging producers to produce their own feed on the farm with their own feedstuffs under use of *Grand Valley* premixes. Ian explains: "Today we are doing exactly the same thing in Russia that back in the early 1970s my father was doing in Ontario except that the inputs are different." Aside from the company's animal nutrition team having to broaden their minds in terms of understanding the specific feed ingredients grown in Russia, the overall process is the same. *Grand Valley Fortifiers* is supplying rations and premixes, as well as providing expertise through consulting and hands-on involvement in establishing and implementing barn-management strategies that result in improved performances. Similar to Canada, Dr. Clunies who has been playing a major role in developing the Russian market for the company, travels to farms in Russia together with their Russian partners. On the farms, he monitors and analyzes animal performance on existing feeding programs and advises producers on

how to drive performance through improved feeding techniques. Based on the company's comprehensive approach, *Grand Valley Fortifiers* further trains staff in barns in Russia on animal husbandry and artificial insemination techniques with company field specialist Paul Ferreira.

Since starting to export product into Russia in 2008, *Grand Valley Fortifiers*' market share in that country has been growing continuously. In 2011 they sold about 2,500 tons of premix, marking a 13 percent growth in Russia proper in 2011 alone. Although most of these premixes are for hog production, the company has recently started sending beef and dairy premixes for cattle as well. Company management expects that before long they will be providing poultry premixes to Russian producers as well.

STRATEGIC HIRING, STRATEGIC ALLIANCE, AND ENTERING THE UKRAINIAN MARKET

Recognizing that they were getting traction in the Russian market, *Grand Valley Fortifiers* made some strategic hiring and business development decisions: In 2010, they hired Anna Koloda who was born and raised in Moscow and has an MBA business degree from a Canadian university. Her excellent knowledge of the Russian language and the fact that she knows “the Russian ways” has been instrumental in establishing relationships in the Russian marketplace. Having Anna has been a tremendous boost to the company on the regulatory side as well. As part of the plan to establish a long-term presence in the Ukraine, *Grand Valley Fortifiers* is currently looking to establish an office in Kiev. Thus, at the time of writing, plans are underway for shipping goods destined for the Ukrainian market through a Kiev warehouse.

In developing the Russian and Ukrainian markets, *Grand Valley Fortifiers* has formed a strategic alliance with *Alltech*, an international company with headquarters in Lexington, Kentucky, which has been one of *Grand Valley*'s suppliers for fermentation-type product for years, as well as being very good friends and partners in the Selenium project which is close to Jim's heart.² Within that alliance, Alltech is providing

² For the Selenium project see pp. 160-163.



Top: Participants in a Moscow Agricultural Trade Show. From left to right: Ian Ross, Guzel Lipatova (Business Manager Rost Agro), Caroline Loova (Interpreter Rost Agro), Paul Ferreira, Lisa Young (Founder International Genetics), Roman Lipatova (Managing Director, Rost Agro), Marina Velichko (Interpreter, Rost Agro), Juryi Moldavskyi (Nutritionist Rost Agro), Dr. Martin Clunies. Bottom: Grand Valley Fortifiers at a trade show in Russia.

Left: Grand Valley Fortifiers booth at a trade show in Russia. Top right: Left to right: Juryi Moldavskyi (Rost Agro Nutritionist), Paul Ferreira, Ian Ross, Caroline Loova (Rost Agro Interpreter). Bottom right: Dr. Martin Clunies at a trade show in Russia.



Grand Valley Fortifiers trucks promoting Canadian beef farmers.

Grand Valley Fortifiers some assistance through their people and by introducing Grand Valley to some of their current clients.

Jim remembers being warned about doing business in Russia, given the disasters that have come to some people who have been trying to do business there. In spite of such warnings, Grand Valley Fortifiers has never been approached to do anything underhanded in Russia. Although there have been challenges, involving themselves in the Russian marketplace has been a great experience for the company and a significant launching pad for exceptional growth in the years to come.

TRADE SHOWS, ADVERTISING AND MARKETING

In addition to the Ontario Pork Congress and the Royal Winter Fair, which Grand Valley has been attending since the early 1970s, the annual Outdoor Farm Show in Woodstock has become an important show for the company throughout the last decade, as a large number of producers attend each year. Grand Valley uses the show to visit with customers and prospects, mainly through the company's dairy representatives, as well as their Farmers Farmacy® Division. As a company that remains deeply

embedded in Ontario's agricultural production landscape, Grand Valley Fortifiers also participates in a number of more localized agricultural fairs and industry meetings for hog and dairy producers.

For many years Grand Valley Fortifiers has been promoting product in industry-specific trade magazines, such as *Better Pork*, *Ontario Pork Producer*, or *The Ontario Dairy Producer*. Quarterly newsletters, called the *Grand Valley Grist*, are published and sent out to producers several times a year. In its two versions, *The Swine Grist* for hog producers and the *Dairy Grist* for dairy producers, Grand Valley's in-house publication contains commodity market statistics and overviews, interpretations of relevant market developments, articles on animal nutrition, feature articles on individual farmers who have been using Grand Valley product to the benefit of their operations, and product information, among other things.

When in 2005, Grand Valley Fortifiers purchased several new trucks, David Ross, in his capacity as Marketing Manager, was placed in charge of developing the design. Since David and Jim had just come up with the "Advanced Animal Nutrition for Improved Human Health" slogan, David decided to introduce the newly-adopted catch-phrase on their trucks. Beginning with two new vehicles, Grand Valley began wrapping company trucks with graphics, which included pictures of pork, dairy and poultry as well as slogans promoting the Ontario farming community.



Top: Grand Valley Fortifiers at Canada's Outdoor Farm Show in 2014. Bottom left: Celebrating Grand Valley Fortifiers' 50th Anniversary in 2010. Bottom center/right: Ken Vanderheyden and Scott Walker in the dunk tank.



Top: The Ross family at the company's 50th anniversary celebration. Bottom: A fireworks display marks the end of the celebrations.

Rather than just raising awareness for their own brand, the company's marketing team decided to promote the end products instead by advertising the benefits of milk and home-grown pork and poultry on their company trucks. Knowing that consumers would see the trucks on the road, the new design was intended to connect the wider public with Ontario farm product. The campaign received very positive responses from producers who were greatly appreciative of *Grand Valley* using their trucks as moving billboards to advance the entire industry. Three trucks purchased in the summer of 2012 are used by *Grand Valley Fortifiers* to endorse the poultry and egg-producing industry.

50TH ANNIVERSARY CELEBRATIONS

On August 28, 2010, the Ross family, company associates, customers and friends, including Cambridge MP Gary Goodyear and Mayor Doug Craig, celebrated *Grand Valley Fortifiers'* 50th anniversary with a special event, attended by over 1,500 customers and friends. David and a staff committee had begun organizing the event a year ahead of time. As part of the festivities, adults were treated to tours of the plant, the Farmers Pharmacy® and the company's Head Office. A big play area was dedicated for children to have fun with inflatable jumping castles, climbing walls etc. Mo Phat, a local band led by one of *Grand Valley's* staff members and The Pan Fantasy Steel Band from Toronto played in the afternoon, providing musical entertainment throughout the event. Whole pigs were barbecued on rotating spits and 1,500 people were served dinner in a huge tent. Following Zach Vandermeulen singing "People Need the Lord", the event closed off with a huge fireworks display at night.

PART 3



FAMILY ENTREPRENEURSHIP WITH A MISSION



Grand Valley Fortifiers employees in the warehouse in the 1990s.

JIM ROSS

and the Grand Valley Fortifiers Business Philosophy

CHAPTER TEN

JIM ROSS AND THE GRAND VALLEY FORTIFIERS BUSINESS PHILOSOPHY

Jim’s success as an entrepreneur and the company’s resulting evolution into a leading animal nutrition company is directly linked to his genuine passion for agriculture, his love for the farm and animals, as well as his determination to serve and help people. Combined with a great sense of humour, Jim has the ability to connect with associates, clients and business partners alike. Being all about relationships and a harmonious working environment, Jim is one of those people who are able to connect well with almost anybody, regardless of their personality style.

In dealing with Jim on a personal level, customers instantly know that he is not driven by the objective of a quick sale, but instead that he deeply cares for their success. “It is this deep caring for the customers that has made Jim so successful in sales, when going out to the farms and talking to the producers”, Andy DeGraaf explains.

Business partners and associates alike recognize Jim’s passion, his caring personality, and his ability to provide ideas and solutions to often complex nutritional challenges. Personal faith, gratitude for the many blessings Jim, his family and his company have received from the Lord, combined with a strong sense of social responsibility as a devout Christian, are defining pillars of Jim’s approach to business and life in general.

Jim’s guiding principles and entrepreneurial imperatives in building and leading *Grand Valley Fortifiers* over the years have been honesty and integrity, a genuine concern for producers and associates, and the deep conviction that as the Lord has been prospering the company, proceeds from the business are to be used generously in support of worthy causes, and in the work of the church in particular.



Top: Jim Ross receiving the 1997 Outstanding Business Award. To the left of Jim is Hilary Weston, Lieutenant Governor of Ontario from 1997 to 2002. Bottom: Grand Valley Fortifiers staff in 2004.

FIRST LIFE AND BUSINESS IMPERATIVE:

Trust in the Lord with all your heart and lean not on your own understanding: In all your ways acknowledge Him and He shall direct your paths (Proverbs 3:5-6).

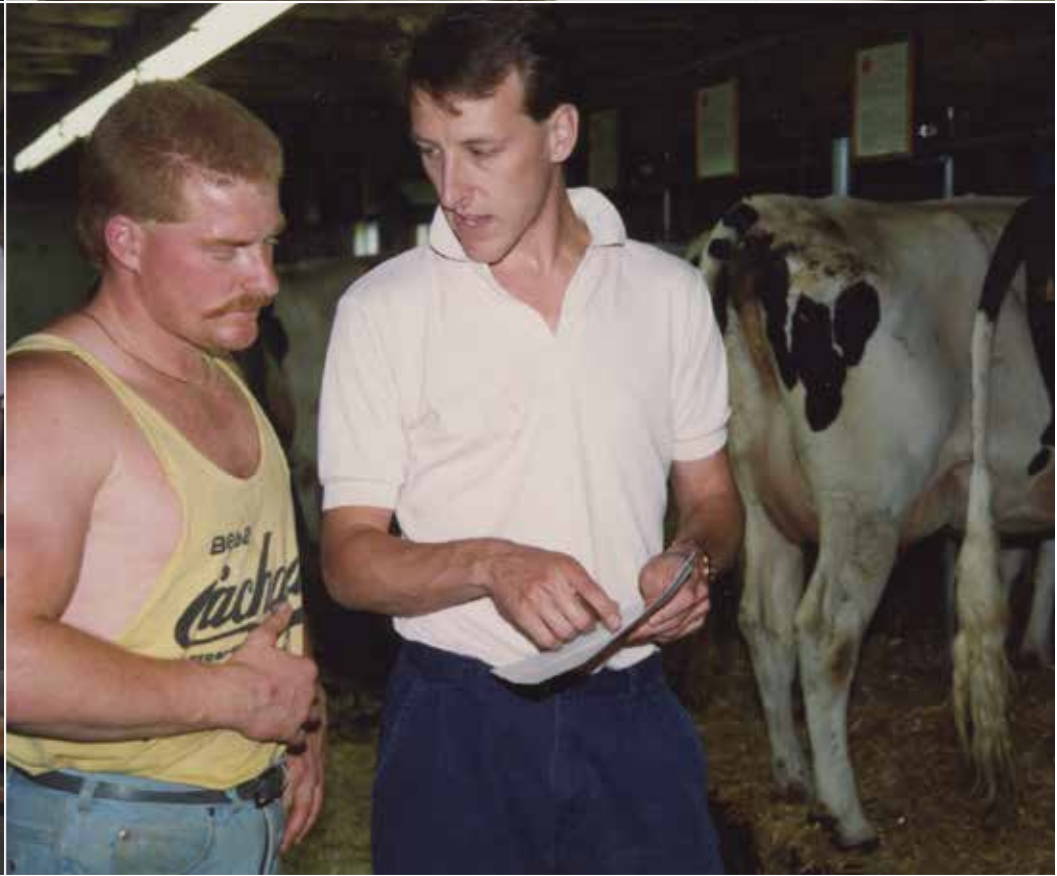
Nothing could convey this key imperative better than Jim’s own words: “There isn’t a day that goes by when we don’t ask the Lord to guide us and direct us and to meet our needs and to help us resolve problems. If we have a nutritional problem, we know where to go and ask. And I remember people used to say: ‘How did you know to do that? How did you know to introduce that idea?’ and I used to say to them: ‘I don’t always know the answer, but it is great to know the one who made the pig. *He* knows the answers and *He* promised to reveal to us the answers that we need. And that has happened time and time again. We have been very, very blessed with having a wonderful relationship with the Lord and I would not want to try to run a business without that.”

Jim’s trust in the Lord and, by extension, in people, has been noticed by everyone who has known and worked with Jim over the years. Dr. Clunies explains: “Jim is so trusting in people and in the Lord, he lays everything in front of the Lord every day and the Lord carries him through. For years I can remember, you would say to Jim: ‘Jim, your car is blocking a truck in the parking lot, do you mind moving it?’ ‘Just go ahead and do it,’ he would reply. ‘Where are the keys?’ I would ask. ‘They are in the ignition,’ was his typical answer. In the same manner we would go to a restaurant to eat and Jim would leave the keys in the car, not out of forgetfulness, but because he trusts people. He does not sweat the little stuff. The man’s trust is amazing.”

SECOND LIFE AND BUSINESS IMPERATIVE:

Be honest and maintain your integrity at all times.

An outgrowth of his personal faith, from his earliest days as an entrepreneur, Jim has been committed to doing things the right way. Whether it is working with weights and measures or dealing with clients, business partners and associates – Jim and the Ross family



Left: Gord Player on his farm. Top right: Ron Gunson on a dairy farm. Bottom center: Duane Firminger on the Player farm. Bottom right: Tim Player in the farrowing room.

Top left: Premix bins on a farm (2001). Top right: Feed trial hopper scale in a barn (2001). Bottom left: Ron Gunson calibrating a mill on a farm. Bottom right: John Henny advising on a dairy farm.



Left: Grand Valley Fortifiers is recognized for its sponsorship of the 2012 Ontario Pork Congress. Right: Recognition of Grand Valley Fortifiers’ sponsorship of the Ontario Pork Congress in 2002.



The Grand Valley Fortifiers family at a picnic on the Ross farm in 1992.

do not compromise their integrity. Jim paying back money that his company had accidentally overcharged or *Grand Valley Fortifiers* sticking to contracts that were creating a massive loss, are only two of many examples. As his son David concludes: “Dad would not put any price on his integrity”.

THIRD LIFE AND BUSINESS IMPERATIVE:

Care for producers and help them increase their returns at the farm gate.

From the company’s outset in 1960, *Grand Valley Fortifiers* has pursued the goal of helping provide more returns at the farm gate. The company is committed to providing agricultural producers with products that give them the best performance at the lowest possible cost. *Grand Valley’s* efforts in that regard have manifested themselves, and continue to do so, in a never-ending search for new nutritional technologies that have a positive rate of return to the producer, resulting in increased average daily gains, improved feed conversions, lower costs per kilogram of gain, and better health and productivity of the animals. Jim and *Grand Valley Fortifiers’* ability to turn new ideas into viable and effective products have been the backbone of the company’s overall success over the

years. Genuine concern for producers, one of the trademarks of Jim as a business leader, is reflected in the company’s initial and ongoing slogan: “The best possible production at the lowest possible cost”.

One of the key foundations of Jim and *Grand Valley Fortifiers’* dedication to always staying abreast of scientific nutritional advances and to be early adapters of new technology has been the belief that if they make producers profitable, their own company will be profitable as well (“their success is our success”). *Grand Valley’s* pioneering role in opening up and developing new value-added markets, such as Omega-3, organic, and rations free from antibiotics and animal by-products, is driven by the same desire to improve producers’ returns. By helping farmers in differentiating themselves and improving the marketability and value of their final product, *Grand Valley Fortifiers* plays an important role in adding more value to their customer relationships. As the added dollars that are being charged at the retail level are being passed back to the producers, the company is able to once again achieve its goal of increasing producers’ overall profitability. David adds: “Whatever we will do as we are going forward, it will continue to hinge on the goal of making the producer more profitable.”

In order to help producers stay abreast of new developments in animal nutrition, the company regularly organizes informational

seminars with knowledgeable speakers for their customers. These seminars alternate between dairy and hog producers.

FOURTH LIFE AND BUSINESS IMPERATIVE:

Be innovative and early adapters of new ideas and technology.

From the earliest days of *Grand Valley Fortifiers*, Jim identified being innovative and early adapters of new ideas and technology as part of the key foundations of the company. According to Dr. Clunies, the main guiding principle Jim has always communicated to the management team is “to listen and look for new ideas and marketing opportunities when they are just a light tap at the door.” This special attentiveness to new developments is at the heart of *Grand Valley Fortifiers’* leadership role in the industry. Says Dr. Clunies: “Sometimes we are so much ahead of the industry that it is very difficult to get the industry to adapt.”

Whether it was Jim convincing producers of the benefits of on-the-farm-manufacturing of feeds, *Grand Valley Fortifiers* becoming early adapters of enzymes, probiotics, herbal extracts, and chelated minerals, or the nutrition team exploring Omega-3 enrichment ten years before the market was ready for such value-added products, *Grand Valley Fortifiers*, as a matter of principle and as an outgrowth of Jim’s

adventurous spirit and personality, has never been afraid to venture into new things. Always confident in his decisions, Jim has been pursuing what he believes in even in the presence of advice to the contrary. Dr. Clunies explains: “The one thing about Jim is that for the things that he believes in he is tenacious. If he believes in something, he is going to pursue it. It is very difficult to pour cold water on that enthusiasm. Jim is very much about the results. In other words: when he sees a problem, he is very much about the solution. He may not be as detailed as to know exactly how to get there, but he knows that is what he needs to do. So he will fire everyone up with enthusiasm and with drive and tell them that this is what we have to do! You can say something, you can add some caution to it, but the next moment that you turn around, Jim is doing it because he believes in it.” This confidence in his ability to sense new developments and solutions to problems that might not be apparent to everyone at the time has been instrumental in *Grand Valley Fortifiers* always being cutting edge in research and new product development.

Sometimes, being innovative meant researching and adopting new technologies and products at a time when such efforts were met with skepticism by the industry. Dr. Clunies remembers that when *Grand Valley Fortifiers* started promoting chelated minerals in the early 1990s, when they talked about the “dynamics of organics” before anybody

else did, and when they developed the Bionics® line to incorporate those new ingredients and ‘natural’ principles, he was told by skeptical customers that in their view chelates were nothing more than “foo-foo dust”. Today, many of those technologies that *Grand Valley Fortifiers* explored, sometimes years prior to the rest of the industry, have become mainstream, be it Omega-3 enriched, value-added product or the use of chelates and other organics as a natural alternative to antibiotics in animal nutrition. Dr. Clunies elaborates: “Jim has been able to create this environment of being inventive and adventurous. We look at the technologies and say: ‘We don’t understand them 100 percent yet, but do they work?’ Our guiding principle is: ‘Don’t turn your back on something new just because you don’t understand it. Try to evaluate whether it is effective.’ The technology and the full understanding usually come at a later point during the development cycle. That’s what holds Jim and guides us as we move forward. Even today as Jim has given more and more responsibilities to different people in the company, we are still trying to keep that attitude of being inventive and a little bit adventurous and taking some risk, but at the same time making sure that we do due diligence to evaluate the products as to their practical benefits to our customers.”

FIFTH LIFE AND BUSINESS IMPERATIVE:

Care for your employees.

One of Jim’s highest values as an entrepreneur is taking care of his staff, all of whom he sees more as family than as employees. He is genuinely interested in how company associates are doing on a personal level. Jim feels a responsibility for his employees and their families, as they rely on the company’s ability to provide steady employment. Andy DeGraaf remembers Jim saying to him many years ago at one of the company’s family picnics at the Ross farm as the two men were watching employees’ children play on the grounds: “I really feel a responsibility for these kids.”

Based on his belief that God has given each team member individual strengths, Jim has been trusting in their abilities over the years, allowing company associates to utilize their personal skills without

Jim and company management trying to control or micromanage them. *Valley Feeds* manager Bill Brunsveld, who has been with the company for many years, explains: “Jim works with the strength of his people. He does not try to make them into something that they are not.” Mark Bowman adds: “There has always been a large degree of freedom allowing people to just go out and get the job done, to be creative, take risks and be responsible for things. At *Grand Valley Fortifiers*, people are given the opportunity to grow in their jobs.”

Dr. Clunies explains how Jim and the Rosses’ personalities and leadership styles have created a unique working environment that is truly appreciated by *Grand Valley* associates: “Jim and his entire family, they are the most gracious people that I know. They are never rude to anyone, not to their staff, not to their customers, not to anyone. They give everyone the benefit of the doubt and they are courteous to everyone. Jim is not a bull when he is determined, he is just tenacious. He will not tell you ‘no’ because he does not want to hurt your feelings; he will just go ahead and do it. That’s Jim, and that’s Ian, too. As a result, the people they have hired are the same. When you come here, the office is peaceful, there is no shouting. We argue, as we have differences in opinion, but it is all done in a very courteous manner.”

Knowing that he and his family have been truly blessed, it is Jim and the Ross family’s conviction that company associates should be well rewarded for their efforts as well. Both the Ross family’s appreciation of *Grand Valley*’s loyal team of employees and Jim’s generosity are reflected in compensation levels above industry standards, in the company’s providing of benefits, as well as a profit-sharing system. A percentage of *Grand Valley*’s profit gets distributed among all employees each year. Based on an annual performance evaluation, employees participate in profit-sharing at different levels. With regard to compensation levels, profit-sharing for everybody in the company as well as his father’s dedication to charitable support, Ian elaborates: “I can honestly say that I don’t know a more generous person than my father. Sharing our profits with people who are less fortunate through charity work and corporate philanthropy and also with our staff through our profit-sharing agreement is a big part of our DNA and a direct reflection of my dad’s generosity.”



Top left/right: Fun activities at the 1997 company picnic. Bottom left: *Grand Valley Fortifiers* staff hockey game. Bottom right: The *Grand Valley Fortifiers* team enjoying a game of paint balling.



Company picnics over the years.

Sharing with employees includes the sharing of information as well. Dr. Clunies sees Jim sharing his passion and making associates part of new ideas from the earliest stages as a major contributor to associates feeling part of the many exciting developments at *Grand Valley Fortifiers*. He explains: “Jim is not much of a secret keeper. When he is excited about something, he shares it. Because people are brought in at those early stages, they catch the vision, they feel like they are part of the process and they have input. Others are probably more calculated, more structured, whereas Jim sort of blurts it out: ‘What do you think about this?’ Jim often goes around asking people what they think of his idea, which helps him in the decision-making process as well. That has made people feel that their input is valuable. That is also why people feel good about making a recommendation and telling others that *Grand Valley* is a good place to work.”

As noted previously, *Grand Valley Fortifiers* holds Town Hall meetings twice a year, during which employees, like shareholders in a corporation, are informed about developments in the company, management decisions, challenges and successes, performance of the various divisions, etc. In treating employees like shareholders in the company and holding themselves and their leadership accountable to their people, Ian has institutionalized what Jim, out of his own character, had been doing on a personal level for many years while the company was still relatively small.

As a technology- and knowledge-driven company, *Grand Valley Fortifiers* urges employees to stay abreast of new developments in their particular field and to attend training seminars, the costs of which are covered by the company. When Alltech, one of *Grand Valley*’s suppliers in the US, puts on a huge event every year in Kentucky with many speakers and several thousand attendants, *Grand Valley Fortifiers* is usually represented by several of their staff.

Grand Valley’s dispatch manager Ken Bax explains the unique relationship between employees, management and the Ross family: “There is a give and take: there are times when the company expects a lot from their people; but there are also times when they are able to give back to associates in different capacities. It is that healthy give-and-take relationship that, over the years, has helped maintain and

support that loyalty, that willingness and that wantingness [sic] to work for *Grand Valley Fortifiers*.”

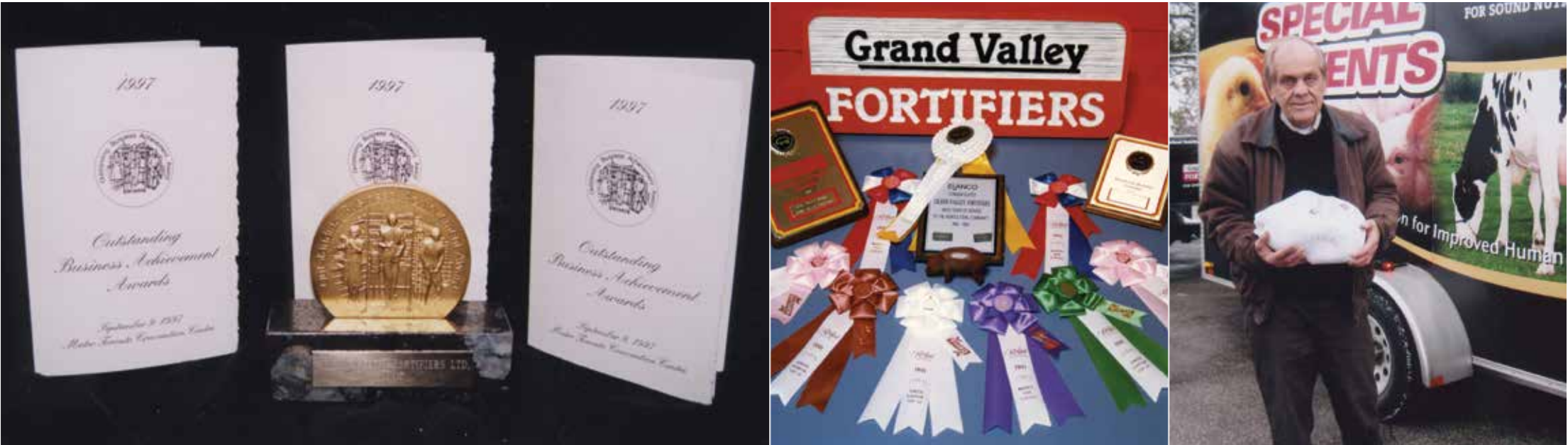
When asked what makes *Grand Valley Fortifiers* a great place to work, members of the *Grand Valley* family of associates point to the quality and dedication of company management and employees alike. Other defining features of *Grand Valley* as a workplace are a real sense of family within the company, a work ethic that is based on the notion of working hard and doing whatever needs to be done, a deep appreciation of Jim and his family, quality of leadership, as well as Jim’s commitment to serving God in everything he does. Ken explains: “When recognizing God as the leader and the head who is providing us with guidance, everything else falls into place underneath that. Having that Godly leadership certainly encourages people and develops that similar mentality in a lot of the employees. Knowing that we have that strong leadership instills in the rest of the group that sense of community, of working together in order to help each other out, service the customers and do the best job possible.” Andy DeGraaf adds: “It’s like a family, it’s just different here. I believe the Christian roots of the company have a lot to do with it.”

SIXTH LIFE AND BUSINESS IMPERATIVE:

Help wherever you can and lead by example.

Jim’s genuine interest in people, which translates into him wanting to help people wherever he can, means that sometimes he becomes involved in employees’ and customers’ personal lives as well. Clarke Walker elaborates: “Jim just has that genuineness, that interest in you, that interest in what’s challenging you today, that willingness to help you, no matter what the challenge is. If you are out there in the cold he will give you his coat and then he will figure out what to do to stay warm without a coat himself. He does not worry about himself, but always puts others first.”

Leading by example, Jim and the management team do whatever it takes to get a job done. Ian elaborates on his father’s hands-on leadership style of leading by example: “My father is not an overt teacher in terms of his communication approach. He has lived his life and led the organization



Left: 1997 Outstanding Business Award. Center: Some of the awards received by *Grand Valley* customers at fairs. Right: Jim delivering frozen turkeys to staff members.

in a manner that others aspire to. In that sense, it is a unique leadership style that has worked very well.” Ken Bax remembers the following story from the days when he was still new to the company and was assigned the loading of trucks at the dock. One of *Grand Valley*’s regular customers at the time often visited the plant at 8 p.m. to pick up his premix after delivering pigs in town. One night, Jim happened to come through the building, stopping by to say hello to the guys at the loading dock as they were in the process of loading up that particular customer. Coming from a meeting, Jim was dressed in a dress shirt, dress pants and a tie: “And there he is, throwing bags into the back of this guy’s truck that was filled with manure left from the pigs he had delivered before coming to get his premix,” Ken describes a scene that exemplifies Jim’s real sense of humbleness and willingness to help out wherever he is needed. Only a few years ago, when an emergency delivery had to be made to a customer on a Saturday, it was Jim who went out to the farm. It was only days later that the customer learned that “the old guy with the black pickup truck from *Grand Valley Fortifiers*” had been the founder and chairman of the company.

Clarke Walker adds this illustrative example of Jim’s attentiveness and eagerness to help wherever he can: “We might have this big deal we are working on worth hundreds of thousands of dollars or going to a meeting with senior executives of another company and yet Jim,

while walking through the store and noticing someone who has not been served yet, will stop and ask that person how he can help. He will focus entirely on that customer, asking him all the questions he needs to know to decide what product is right for him and sell him \$2 worth of grass seed while the executives of some major corporation are waiting for him. That is Jim! Jim is all about helping people and that is why he is still out there meeting with farmers to help them achieve their goals.”

Grand Valley does not hire quickly; instead, when adding new members to the *Grand Valley* family of associates, the leadership team takes their time to make sure it is a good fit, not only for the company, but for the individual as well. When bringing someone new into the organization, they want to make sure that both the company and the new team member consider it a career decision. Clarke Walker explains: “As a general rule, when Jim has asked somebody to join the company, it has always been his hope that it would be for a lifetime or a career and that the hired person would find their work satisfying and stimulating. That has always been his objective and it has rubbed off on the members of the management team as well. We have always spent a lot of time making sure that we have the right person for the right position. Even when hiring for what would be considered an entry level position, we look at the importance of that person in the organization. It has always been instilled



Left to right: Ken Bax, Mark Bowman, Bill Brunsveld, Dr. Martin Clunies.

Left to right: Peter Faus, Andy DeGraaf, Aidan Gillespie, Art Groenewegen.

in us that the company is in our hands and that we have a role to play and that even though not all of us might have direct customer contact we are all sales people, we are all ambassadors.” The careful selection of new hires speaks to the expertise and quality of people that constitute the *Grand Valley* family of associates and that breeds excellence within the organization. As employees feel at home in the company, the turnover rate is very low, with many associates having been with *Grand Valley Fortifiers* for over twenty years, and several for thirty years and more.

The involvement of two generations of Ross family entrepreneurs in leading the company is matched by trans-generational career patterns in the families of several *Grand Valley* associates, such as the DeGraaf family: Maint De Graaf was one of Jim’s first two employees. Maint’s sons Andy (today’s purchasing manager), Maynard (current driver), and Sid (retired driver), as well as their sister Kathy (accounts receivable) have been working at *Grand Valley Fortifiers* in different capacities over the years. The third generation of DeGraafs is represented through Sid’s two sons Dave and Mike who are company drivers, as well as their sister Lisa who divides her time between *Valley Feeds™* and the Farmers Pharmacy®. There are many other examples of multiple family members, sometimes across generations, working at *Grand Valley*, such as the Everets, the Flietstras, the Grays and the Walkers.

In addition to working hard and leading by example, Jim likes to have fun and to socialize. As a result, he started the tradition of having a company picnic at Ross-Shire Farm, as well as an annual banquet in February which serves as a forum for recognizing and honouring people with years of service at different levels.

From humble beginnings, *Grand Valley Fortifiers* has grown to 112 employees today, many of whom have been part of the *Grand Valley* family for 30 years or more. The following profiles of management attest to Jim and the company’s ability not only to attract the brightest minds in the industry, but to provide an environment in which associates can grow and achieve their personal and professional long-term goals. Without these and *Grand Valley*’s many other great associates the company would not be where it is today. Jim, Ian, David and the entire Ross family greatly appreciate the manner in which the various members of the *Grand Valley* family of associates have contributed to the company’s culture, growth, customer service and profitability over the course of more than half a century.

THE GRAND VALLEY FORTIFIERS MANAGEMENT TEAM

Ken Bax: After one year of studying geography at the University of Waterloo, Ken joined *Grand Valley Fortifiers* in 1990. He worked in the plant until 1997 when he began assisting Rick Gray on the order desk. In 2000, he became Manager of Customer Service which put him in charge of the order desk and premix deliveries, including managing the delivery team and the trucking equipment.

Mark Bowman: Mark joined *Grand Valley Fortifiers* in 1984 after obtaining a master’s degree in Dairy Science from the University of Guelph. Mark heads up the dairy premix and dairy nutrition products and services division of the company. In that role, he has been instrumental in the development of *Grand Valley Fortifiers’* dairy program.

Bill Brunsveld: In 1972, Bill started working on the Ross family farm after school and on holidays. After graduating from Galt Collegiate Institute in 1984, he joined *Grand Valley Fortifiers* as a member of the delivery department. For many years now, Bill has been managing the Valley Feeds™ store.

Dr. Martin Clunies: Dr. Clunies, who is the company’s monogastric nutritionist, is a graduate of the University of Guelph with a Ph.D. in animal nutrition. Before joining *Grand Valley Fortifiers* full-time in 1989, he had already provided his services to the company in a consulting capacity, while working with the multinational vitamin company *Hoffman La-Roche*. Dr. Clunies has been instrumental in developing *Grand Valley Fortifiers’* hog and poultry programs.

Peter Faus: While growing up on a farm near Ayr, Ontario, Peter developed a passion for farming. After graduating from Wilfrid Laurier University in 1982 with a B.B.A., he joined *Clarkson Gordon* and received his C.A. designation in 1984. In 1985 he joined one of his audit clients, *Salsbury Laboratories*, an animal vaccine company. He joined *Grand Valley Fortifiers* in 1988 and today heads up the Finance Department in his role as VP and CFO.

Andy DeGraaf: While growing up on a farm one concession over from the Ross family farm, Andy’s first job was cutting grass and haying at the Ross farm in 1968. In 1971 when the *Grand Valley* store opened at Main St., he worked there in the summer and on Saturdays. After graduating



Left to right: Ron Gunson, Jeff Keunen, Bruce Schumann, Andy Lobbezoo.

from high school in 1973 and working at *Hans Pennings Construction* for six years, Andy “came home” to *Grand Valley Fortifiers* in 1979. He drove a delivery truck for eleven years and then took a position in the warehouse in 1990. From that, he gradually took over the purchasing role and today continues to serve as Purchasing Manager.

Aidan Gillespie: Raised on a beef farm near Ayr, Ontario, Aiden graduated from McMaster University with a degree in commerce and worked with the *Harvestore Silo Company* before joining *Grand Valley Fortifiers* in 2001. He continues to serve in his current role as Farmers Farmacy® Manager.

Art Groenewegen: Art grew up on a master breeder dairy farm in Brant County. After graduating with a diploma in agriculture from Ridgetown College in 1984 he worked as a dairy herd manager for *Western Ontario Breeders* from 1985 until 1989. He joined *Grand Valley Fortifiers* as a dairy specialist in 2001 and in his role as sales manager continues to help the dairy team secure and support dairy and beef clients throughout Ontario.

Ron Gunson: Ron grew up on a hog farm in Puslinch and in 1986 graduated from the University of Guelph with a B.A. in management economics. Ron joined *Grand Valley Fortifiers* in 1990 as a swine specialist after having

worked for *Pioneer Hi-Bred*. In his current role as Business Development manager, Ron provides insight and advice to enable producers to reach their production and financial goals. Ron also oversees *Grand Valley Fortifier's* Raised Without Antibiotics program with Loblaw.

Jeff Keunen: Jeff grew up on a dairy farm in the Niagara region and in 1998 graduated from the University of Guelph with a B.S.C. in animal science, followed by a master's degree in ruminant nutrition in the spring of 2001. In his role as *Grand Valley Fortifiers'* Dairy Nutritionist, Jeff formulates rations for dairy cows, advises on barn management strategies, as well as looking after the robotic milking side to assist producers in improving milk production on Ontario farms.

Bruce Schumann: In 1999, following the completion of his Master of Science degree from the University of Guelph, Bruce joined *Grand Valley Fortifiers* as assistant monogastric nutritionist. Working closely with Dr. Martin Clunies in product development and customer service while successfully achieving HACCP accreditation for the Main Street manufacturing facility, Bruce quickly earned the respect and admiration of fellow staff and customers alike.



Left to right: Scott Walker, Clarke Walker.

Andy Lobbezoo: Born and raised on the family hog farm, Andy developed a love for agriculture from early on. After working for three years for *Lobbezoo Farms*, he joined *Grand Valley Fortifiers* in September of 1989. In 1993, he began his current role of Production Manager, overseeing the manufacturing of the company's premix products.

Scott Walker: Scott started working on the Rosses' farm and then in the business during his high school years. After attending the University of Guelph and obtaining a diploma in agriculture he became a meat inspector before joining *Grand Valley Fortifiers* as a swine sales representative. From that position he advanced to his current role as sales manager of *Grand Valley Fortifiers'* hogs product division.

Clarke Walker: Clarke started working for *Grand Valley Fortifiers* in the summers during high school in 1972. Following graduation from the University of Guelph with a Bachelor of Science degree in Agriculture, Clarke was hired full-time in 1981 as a sales person. From that capacity he advanced through the position of Sales Manager and General Manager to his current role as VP and COO. While at *Grand Valley Fortifiers*, Clarke went back to university and obtained an Executive MBA from the the Ivey School of Business at Western University.



Jim Ross at the 1992 Iowa World Pork Expo.

JIM'S SENSE OF HUMOUR: A BUCKET OF DISTILLED STEAM

One of the most memorable stories circulating within the company revolves around a prank *Grand Valley Fortifiers* plant personnel played on one of their fellow employees, and Jim's ability to create a technical impossibility—"a bucket of distilled steam". The story goes as follows: Peter Brooking, a recent hire at the time, was told by his colleagues at the plant, including Andy Lobbezoo, to go to the order desk and ask Rick Gray, who was in charge of the order desk, for a bucket of distilled steam. Peter was told that he should bring the bucket back as it was needed in the plant. "A bucket of distilled steam?" Peter asked with a sense that such a thing might not exist. "Yes, it is right underneath Rick's desk", his colleague answered. After Peter left, the pranksters called Rick and instructed him when Peter came and asked for a bucket of distilled steam to look underneath his desk, pretend that they were out and then to send him up to Clarke Walker to ask there. Rick played his role in the prank as told and Peter thus went upstairs to see Clarke. After looking for Clarke without success, Peter walked into Jim's office and said, "Jim, I am looking for a bucket of distilled steam."

“You are looking for WHAT?” Jim asked in disbelief. “A bucket of distilled steam,” Peter repeated. “Peter, I think you’ve been had!” Jim replied. Andy and the other pranksters who had sent Peter on his impossible mission could not stop laughing as they imagined what was going on upstairs. Suddenly the phone rang in the operations manager’s office. In shock the pranksters noticed on the Intercom display that it was “the boss”, Jim himself, who was calling. Fearing that they might be in trouble, nobody wanted to answer. After a quick heated discussion of who was about to answer the call, Harry Leegstra eventually picked up the phone. Jim asked: “Are you guys looking for a bucket of distilled steam?” “Yeah,” Harry answered. “You rascals!” Jim said laughingly. Tension kept mounting when after that phone call Peter did not come back. Anxious to know how Jim had gotten involved, Peter’s colleagues started looking for him everywhere in the warehouse. Finally, when they looked outside, they noticed Jim and Peter standing outside the store by the chlorine tank holding a steel pail that had a piece of burlap in it and a cardboard lid on top. The men could not believe their eyes when they saw Jim light the burlap on fire. As smoke was filling up inside the pail, Peter carried it back to the pranksters, saying “Here is your bucket of distilled steam!”

SEVENTH LIFE AND BUSINESS IMPERATIVE:

Use the Business for a Greater Cause

As Christians who feel committed to affecting positive change, Jim and the entire Ross family have been supporting many causes over the years, including Canadian and Foreign mission operations, youth camps (helping with individual projects), as well as individual students by helping to cover tuition costs for them. Mark Bowman remembers meeting with Jim for the very first time and chatting with him briefly in his office after interviewing with the company’s sales manager for his job back in 1984. The sales manager had told Mark about the objectives of the company, including Jim’s commitment to giving generously from the profits to support missions and the work of the church, as defined in the company’s mission statement. Mark told Jim

in that first conversation that he was really impressed to hear that one of *Grand Valley’s* objectives was giving and supporting missions and other development programs. Jim fired right back at him, saying: “It’s not one of the objectives – it’s *the main one!*”

MUSKOKA BIBLE CENTRE

One of the biggest projects Jim and the Ross family got involved with was financing the renovations of the *Muskoka Bible Centre (MBC)*, Canada’s largest Christ-centered conference and retreat centre, located in the heart of Muskoka, 2 hours north of Toronto. With over 200 acres of beautiful property, MBC has been a popular destination for families, church groups, company getaways, and much more, since the Centre’s founding more than 80 years ago. At the time Jim and the Ross family got involved, the Centre, after years of increasing operations deficits and carrying an overall debt load of 3 million dollars, was in danger of shutting down unless something drastic happened. As many others who had been supporting and using the Centre for many years, Jim and Elaine, in late 2007 and early 2008, discussed the possibility of making a substantial investment in MBC from their family foundation to put the Centre back on solid financial foundations and to ensure its continued existence for many years to come. Ian, who was equally concerned about the future of the Centre, while visiting his parents in Florida in the spring of 2008, drew up a plan that became the basis of the Rosses’ financial assistance to the Centre. After obtaining approval from the MBC Board of Directors, the proposal was presented to the constituency and widely approved by the members at the annual meeting on Saturday, May 16, 2008. The Ross family’s foundation thus provided the Centre with 2 million dollars, \$1.8 million of which were earmarked for renovations to the property and \$200,000 to be used for debt reduction.

Within days of the constituency’s approval, renovations began. Looking back at the summer of 2008, Jim considers his and his family’s involvement with the Muskoka Bible Centre one of the most exciting projects of his entire life. Buildings were renovated, and 250 loads of soil were taken out to remove the hill behind the chapel to make room for

a new big interlocking stone patio. Many structural improvements were made to the Fellowship Centre, the Hub and Chapel, the dining room and lodge buildings, the motel and the villa, as the buildings were all in desperate need of repairs. On June 26, only six weeks after the Rosses’ gift had been approved at the Annual Meeting, the Centre reopened following the renovation of the exterior of the buildings. In spite of numerous hold ups, a lot of rain and a number of surprises, the work was finished. As Jim writes in *Muskoka Miracles*: “Truly what had been accomplished over the last 6 weeks was indeed a miracle. The Lord had truly done a wonderful new thing....It was very evident to all that the Lord had provided to enable this first step of many to be completed.”¹ The balance of interior renovation was completed by the spring of 2009. With the Rosses’ gift, reorganization of the Centre’s governance, and a new Director hired, MBC is now operating in the black.

ROSS-SHIRE FOUNDATION

The Ross-Shire Foundation is a private family foundation that Jim and Elaine set up several years ago for the purpose of administering the family’s charitable donations. Through the foundation, Jim, Elaine and the Ross family support individuals who belong to various missions as well as lending regular support to missions organizations. They further use the foundation to finance special projects such as the MBC project described above. Through their foundation, the Rosses are currently involved in a project with *Pioneer Camp*, an interdenominational camp in the Port Sydney Area run by *InterVarsity Christian Fellowship*. This camp is very dear to Jim’s heart as he attended several times when in high school during the fifties.

In addition to supporting missions and faith-based camps in Canada, the Rosses are heavily involved in various projects in Africa, and in Zambia in particular. Jim’s sister Doraine, after leaving for Zambia in 1963, served as the matron of *Mukinge Hospital* in that country for

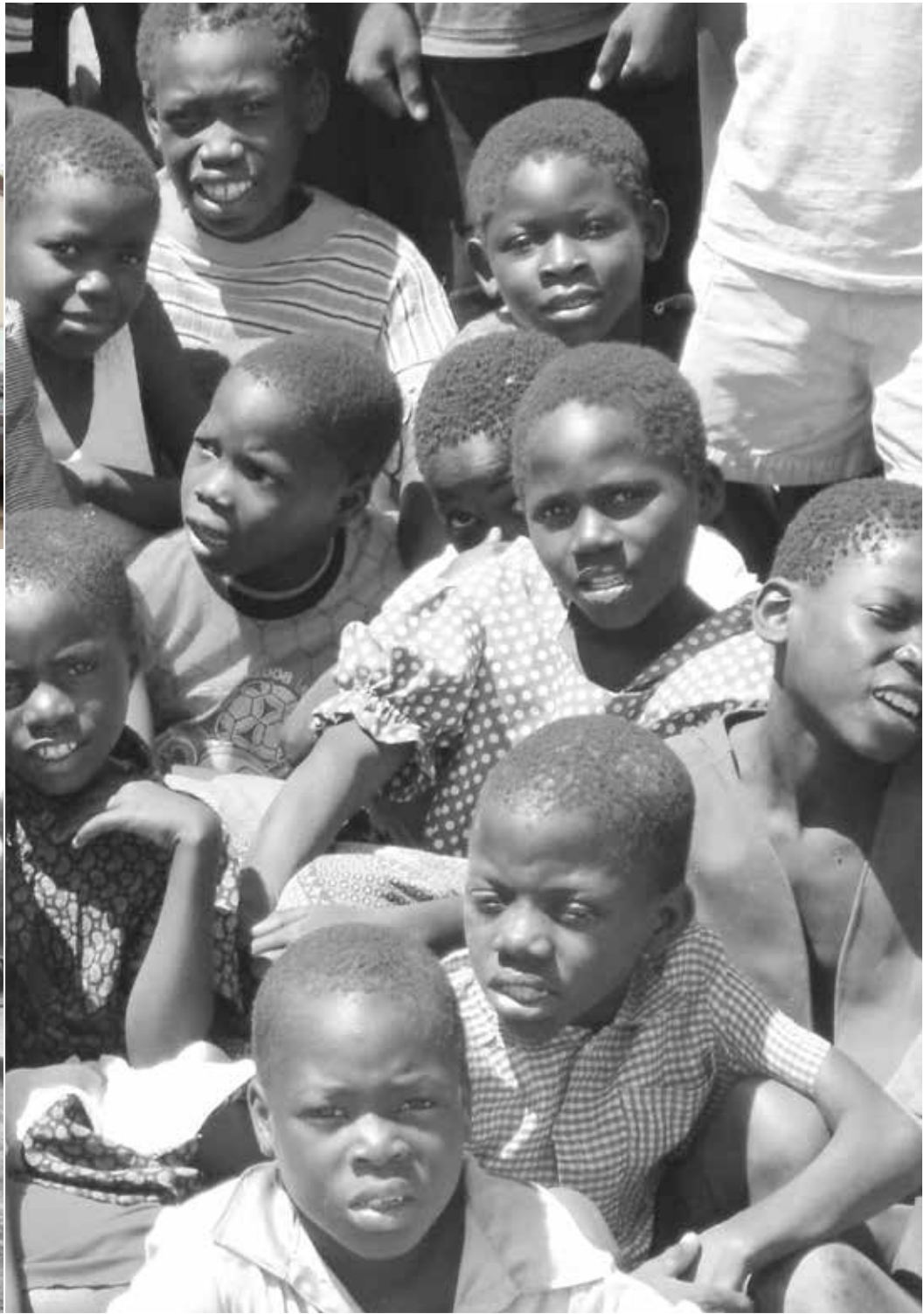
¹ Jim Ross, “Another Muskoka Miracle,” in John F. Holliday and Richard D. Holliday, *Muskoka Miracles: 80th Anniversary Edition Muskoka Baptist Conference* (iUniverse, Inc: Bloomington, IN, 2010), p. 259.



Top: Landscaping at the Muskoka Bible Centre. Bottom: The renovated chapel at the Muskoka Bible Centre.



Left: Jim and Elaine Ross at the 1992 Iowa World Pork Expo. Right: Celebrating the reopening of the renovated Cambridge Christian School.



Top left: The Cambridge Pregnancy Resource Centre. Right: Children in Zambia supported through Faith's Orphans Fund. Bottom left: Playground of the Rehoboth Christian Elementary School.

33 years. Since her retirement and return to Canada, Doraine continues her work in missions as an SIM area representative and recruiter of students for long-term and short-term missions. Because of Doraine's heavy involvement in Zambia, the Rosses are involved in a number of projects in Zambia and at Mukinge Hospital in particular: they have lent their support to various building projects, such as nurses' residences, doctors' houses, water and sewage systems, the construction of a pharmacy building, as well as other initiatives in support of personnel and staff at Mukinge Hospital. Furthermore, with light aircraft being a common mode of transportation for traveling long distances over terrain which often has poor roads, the Ross-Shire Foundation helped SIM acquire a new aircraft.

Out of Doraine's work in Zambia developed the Rosses' involvement with *Faith's Orphans Fund* (FOF). The main focus of FOF is HIV/AIDS orphaned children in Zambia. Doraine had first met Faith Liyena, a registered nurse in Zambia, over twenty years ago, when Faith was enrolled in the nursing program at Mukinge Hospital. As she was getting closer to graduation, she had told Doraine that she believed the Lord was asking her to look after AIDS orphans in her professional capacity as a nurse. Today, the organization she founded is looking after 3,900 orphans. Ian serves as Chairman of the Canadian arm of Faith's Orphans Fund.

SELENIUM

Back in the 1960s, there was a new phenomenon when fast-growing pigs began dying of heart attacks in the barn. In spite of appearing to be very healthy during feeding time in the morning, by the time the farmer went back into the barn in the evening they had died for unexplained reasons. When the veterinarian opened them up, it became apparent that the heart muscle had turned flabby, having lost all muscle tone, and that the pigs had died of a disease now commonly referred to as mulberry heart disease. With the stress of growing fast on the animal's heart, any excitability in the barn could cause them to die from a sudden heart attack. In trying to address the problem, animal nutritionists and veterinarians at first advised adding Vitamin E to the rations, which had some positive effect but did not correct the underlying issue. It soon became apparent that what was really needed was the addition of Selenium, a common trace mineral, to the rations. The main challenge in regards to Selenium at the time was that it was banned from being used in livestock feeds because it was thought to be carcinogenic. The so-called *Delaney Clause*, a law in effect in the US, stated that any substance or product that carried the possibility of being carcinogenic could not be used in livestock feed.



Left: The Grand Valley Fortifiers team in front of a donated shipment of beef premix for Angola leaving the warehouse. Right: Selenium distribution in rural Zambia in association with Faith's Orphans Fund.

Left: Jim Ross receives a tree planting award. Right: Tree planting.

The Food and Drug Administration (FDA)'s ban on the use of Selenium in animal rations based on the Delaney Clause was at the heart of a battle between biochemists in the US and the FDA that lasted for several years. As Jim studied the Selenium issue, he became increasingly fascinated by it. In 1972, the FDA finally decided that the industry had been right and that Selenium was not carcinogenic and could thus be used in animal nutrition. Immediately following that decision, the use of Selenium became widespread around the world. Today, it would be difficult to find animal feed that does not include quantities of this potent trace mineral.

Convinced of the health benefits of Selenium not only for animals, but as a general immune system booster for human beings as well, Jim started taking Selenium in 1973 as a supplement for his own immune system. Over the years, as the health benefits of Selenium have been researched in more detail, Selenium has become part of the vitamin/mineral supplement program for many people due to its character as a general immune system booster and due to its preventive character against cancer as an antioxidant.

Around the year 2000, Jim shared his Selenium story with his doctor and good friend Dr. Frances Anello in Preston who performs chelation therapy. One day, Dr. Anello sent Jim an article that had been published in the *Canadian Medical Post* on the connection between Selenium and

AIDS. From that article Jim learned that Doctor Harold D. Foster from the University of Victoria in British Columbia had written a book titled *What Really Causes AIDS*. In that book he showed that AIDS patients who took Selenium could regain their strength and live relatively normal lives in spite of being infected with the HIV/AIDS virus.²

In August of 2005, at about the same time that Jim learned about the positive impact of Selenium on AIDS patients, Faith Liyena was visiting from Zambia. After being told by Jim about the exciting possibility of helping AIDS patients through the administration of Selenium, Faith took 25 bottles of that trace mineral with her back home. Upon Jim's request she administered the Selenium to people she knew were infected with the AIDS virus. A few weeks later she reported back to Jim saying that the people she had given the Selenium to were getting better; in fact she communicated that these people were seeing their symptoms disappear altogether. At the present time, Faith administers Selenium to about 2,500 AIDS patients.

Realizing the tremendous benefits of Selenium in the treatment of AIDS patients, Jim worked towards promoting the use of Selenium

² Foster H.D, *What really causes AIDS*, 2002; Victoria; Trafford Publishing. Also see Foster H.D, "AIDS and the 'Selenium - CDR cell tailspin': The geography of a pandemic," *Townsend Letter for Doctors and Patients*, 2000; 209: 94-99.

in different locations. Jim and Elaine eventually formed a charitable foundation called *Selcare International* to look after the Selenium project. Today, the organization is delivering Selenium to Zambia, Uganda, Malawi, Kenya and Nigeria. In addition to its ability to help people who are infected with the HIV virus get back to a fairly healthy condition, Selenium is a very low cost product, costing about 3 cents per tablet per day or \$12 per patient per year. This makes it particularly applicable in AIDS-ridden Africa where costs often prevent proper medical treatment. Jim is grateful to Dr. Pearce Lyons, the founder of Alltech Corporation of Kentucky who donates his company's *Sel-Plex*® Selenium product to Selcare as the primary source of Selenium.

COMMUNITY INVOLVEMENT AND CORPORATE PHILANTHROPY AT THE LOCAL LEVEL

Locally, *Grand Valley Fortifiers* has helped various Christian schools by providing funds for building playgrounds on their premises. Furthermore, the Ross-Shire Foundation has helped a local ministry called *The Coping Centre* purchase their current facility through a substantial financial commitment. The purpose of The Coping Centre is

to help couples and families who have suffered the death of loved ones face this most challenging situation through support and counseling sessions. Other beneficiaries of the company's corporate philanthropy have been various community organizations, including *The United Way*, *Cambridge Memorial Hospital*, and the Rehoboth Christian High School. *Grand Valley Fortifiers* helps cover tuition for students through the *Grand Valley Fortifiers Tuition Awards*.

TREES - A LIVING LEGACY

Jim loves trees and appreciates the wide variety of trees which grace the Ontario country side. He believes that his interest in growing flowers, landscaping and planting trees comes down through his family heritage where both his grandfather and father passed on their passion for gardening. The love of gardening is in Jim's genes.

One of Jim's passions is the growing of tuberous begonias. These very colourful plants bloom each year from the end of June until mid-October and produce large rose-like blooms sometimes more than six inches in diameter. Begonias respond to tender loving care and reward the gardener with much pleasure as the multitude of delicate colours unfolds from day to day.

Besides the growing of begonias, Jim and Elaine are busy each spring planting their various gardens with geraniums, annuals and perennials, providing much colour, beauty and pleasure to the owners and visiting friends. Elaine's specialties are her hydrangeas and her wisteria which reward her with the abundance of blooms each year.

Jim's work with the family company includes him visiting *Grand Valley Fortifiers* customers across Ontario. This allows him the pleasure of criss-crossing the highways and side roads of the province. Over the years Jim has come to appreciate the tree lined roads in many areas. However, along many roads the once beautiful maples have been diminishing due to age or the widening of roads to better serve the travelling public. As a result of this observation, roadside tree planting became a subject of interest to Jim. From time to time he talked with various people about this interest.

One day in the fall of 2001, Jim shared his desire regarding roadside tree planting with two of his neighbours, Gil Henderson and Dr. Hank Hedges. When he asked them if they had ever considered the possibility of tree planting along the side roads, he was surprised to find that they had already approached the authorities of Brant County to obtain approval. The county deferred to the roads department and there their request for approval of a roadside tree planting project was turned down. The reason given was that increasing the number of trees along the roadsides could increase the possibility of drivers inadvertently going off the roads hitting the trees causing severe injuries or even fatalities.

Following some more discussion, it was decided that they would try a different approach and ask the mayor himself. And so the approach was made to Mayor Ron Eddy who was immediately interested and informed Gil, Hank and Jim that there was nothing to stop them from going ahead with a tree planting project as long as the county regulations for tree planting were followed and the land owners were in agreement. The regulations really involved three requirements. First, the trees had to be planted a minimum 33 feet from the centre of the road; second, the trees could not be planted under overhead hydro or telephone wires; and third, affected property owners had to agree to allow the trees to be planted on their property.

With the overcoming of this hurdle, plans soon came into being for the planting of trees on the east and west sides of the St. George Road running between Glen Morris Road on the south and Lockie Road on the north.

Arrangements were made with the *Paris District High School* to send 25 students to help with the planting. The *St. George Garden Club* also agreed to help. When the project became known to the *Tim Hortons Children's Foundation*, their *Onondaga Farms* camp authorities offered to help as well. They sent a number of their people to help plant, as well as a tractor, wagon and a supply of mulch to help keep the roots of the newly planted trees from drying out.

In the late fall of 2001, 200 bare root Sugar Maples were ordered from *Connon Nurseries*. It was planned to plant trees along one and a half miles of road on the Thursday of the third week of April 2002. Gil Henderson and Hank Hedges staked out the location of each tree and Rob Kerr of *Kerr and Kerr Landscaping* dug the holes with their backhoe two or three days before the planting event. On Thursday morning of April 18, 2002 the actual tree planting began. Right on time, just as the first tree was going into the ground, a car drove up and to the delight of everyone Mayor Ron Eddy picked up the first tree, placed it in the hole and then proceeded to back fill with the freshly dug soil. Mayor Eddy was an inspiration to all participants as each tree was planted, watered, fertilized, staked and mulched. The last procedure on each tree was the applying of a white plastic tree guard to prevent damage from field mice and other rodents.

At lunch time all the workers were invited to the Tim Hortons camp for a hearty lunch and then returned to finish the tree planting by four o'clock. All in all, this was a very special day for Gil, Hank and Jim. They were very happy with what had been accomplished.

Since the start in 2002, there have been approximately 200 trees planted each year. Besides the three organizers of the project, much thanks for their hard work is extended to the Paris District High School, The St. George Garden Club, The St. George Lions Club, Tim Hortons Children's Foundation Onondaga Farms, and numerous interested volunteers for their faithful help each year. Special recognition goes to

Jackie and Ernie Riddell, John Hill and Len Bachler of the Tim Hortons Children's Foundation Onondaga Farms, and Walter Scott. The special skills and commitment of all these people have made possible the success of this exciting and very rewarding project.



L to R: Gil Henderson, Hank Hedges, Ron Eddy (Mayor of the County of Brant), and Jim Ross.

GRAND VALLEY FORTIFIERS' VISION STATEMENT

Many of Jim Ross' personal imperatives as an entrepreneur are reflected in the company's vision statement:

GVF is committed to incorporating innovative nutritional solutions into its products, programs and services to assist meat, milk and egg producers in realizing production and profitability goals while consumers enjoy safe, wholesome farm fresh food products for improved human health.

COMPANY VALUES

In pursuit of corporate priorities and goals, *Grand Valley Fortifiers'* team members will consistently embrace and function in accordance with the following goals:

Alignment: We promote honesty and integrity in all our dealings with customers, employees and suppliers.

Capacity Building: We provide an environment that encourages creativity, cooperation and responsibility and that recognizes the importance of each individual to the total team, while seeking to ensure that they are able to reach their full potential.

Execution: We earn customer loyalty by providing excellence in products, programs and services consistent with their needs.

Innovation: We are recognized as an industry leader in the pursuit, evaluation and adoption of advancing nutrition and industry technology and giving due regards to the well-being of our environment.

Strategic Expansion: We ensure profitable growth by increasing sales and being efficient in all aspects of the operation, eliminating waste and managing cost, yet always maintaining quality and service.

Moral Responsibility: We acknowledge the Lord as Overall and as He prospers the company we shall be faithful and sharing with our employees, and in giving generously to the work of the Church and its various agencies in the spread of the gospel for the relief of the poor, the sick and the hungry.



GVF GROUP OF COMPANIES

CHAPTER ELEVEN

AFFILIATED BUSINESSES

In addition to being a provider of animal nutrition through the creation and marketing of supplements, premixes and customized feed rations for the hog, beef, dairy and poultry industry, *Grand Valley* has been operating a number of different divisions and affiliated businesses over the years. Reflecting Jim and the management team’s desire to keep diversifying to meet customers’ demands in an ever-changing marketplace, affiliated businesses and company divisions, such as Valley Feeds™, Farmers Farmacy®, Direct Source Commodities, as well as Progressive Recycling have enabled the *GVF Group of Companies* to serve customers in an integrated manner.

VALLEY FEEDS™

Ever since Jim started out in the feed business in the old mill on Clyde Road, *Grand Valley* has had a Farm and Garden Supply Store where customers can buy fertilizers, garden seeds, box plants, flowers and vegetables, pesticides and other related product for their gardening needs. Furthermore, the Farm and Garden Supply Store offers a full range of prepared feeds for poultry, cattle, hogs and horses, as well as bird feed, bird feeders, and a variety of pet foods (*Grand Valley* has its own brand of cat and dog foods). Designed as a regular retail outlet, the store caters to hobby farmers and area residents that come in and buy bagged feed for their animals.

Although the store does some delivery, most of the product is sold on a cash and carry basis. Today, the *Grand Valley Farm and Garden Supply store*, renamed *Valley Feeds™* in the spring of 2012, is located in the front of the *Grand Valley* manufacturing plant on 486 Main Street East in Cambridge. At Christmas time, the company displays a live nativity scene at the entrance to the store, including a donkey, a camel, sheep, some chickens, as well as plaster-cast figures of Jesus, Joseph and Mary in a manger setting. Both the nativity scene and a 30-foot-tall Christmas tree with a huge string of lights placed up on top of the silo have become local landmarks. Valley Feeds™ is run by



The Grand Valley Fortifiers head office building at 151 Savage Drive in Cambridge.

Manager Bill Brunsveld, Assistant Manager Gary Lake, Hugh McDonald and several part-time employees.

FARMERS FARMACY®

Farmers Farmacy® is an affiliated business, operated by five experienced employees under the leadership of Aidan Gillespie. This business grew out of having shelves in the Farm and Garden Supply Store which offered medications and barn sanitation products that producers might need on the farm. When many small feed mills that had provided similar product in their local communities closed up over the years, a need arose for a more comprehensive range of products, as farmers often had to drive longer distances to purchase those items. By offering a catalogue and ordering system that allows people to phone or email orders and have the product shipped to their farm with UPS or delivered by *Grand Valley* trucks, Farmers Farmacy® is meeting a specific need in the farming community. Farmers Farmacy® supplies farmers with a wide range of items, such as product for controlling rodents, disinfectants, medications, injectable iron for piglets, various pieces of equipment such as pumps to inject disinfectants or antibiotics into water lines of the livestock, identification products for

the tagging of animals, heat bulbs etc. Developing Farmers Farmacy® into a comprehensive catalogue-web-based supply business that offers one-stop-shopping to farmers was one of Ian’s first contributions to the company. Seeing an opportunity for the development of a larger operation, Ian decided to make a separate department out of what used to be just a sideline.

DIRECT SOURCE COMMODITIES (DSC)

In 2009, after years of Jim and Peter Faus looking after long-term bookings and contracts for the ongoing purchases of soybean meal by producers, a separate full-time commodity desk was established at Head Office under the DSC name. Steve McGuffin was hired as commodity desk manager and Chantelle Swart was hired to assist him with this growing part of the business. The purpose of DSC is the direct sourcing of dairy- and swine-related commodities such as soybean meal, corn, barley, roasted soybean, hominy, feeds, DDGS (dried distillers grains with solubles), beet pulp, soybean hulls, wheat shorts, citrus pulp, canola meal, corn gluten feed, and cottonseed.



Top left: Farmers Farmacy. Top right: The warehouse at Fortified Nutrition in Morden, Manitoba. Bottom: Farmers Farmacy at 39 Elgin Street South in Cambridge.



Left: The Fortified Nutrition plant in Morden, Manitoba. Right: The Grand Valley Fortifiers plant in Cambridge, Ontario.



The new Valley Feeds store in Cambridge, Ontario, after renovations.



Aerial view of the Progressive Recycling facility in Petersburg, Ontario.

PROGRESSIVE RECYCLING

In September 2005, *Grand Valley* purchased the equipment and inventory of Kaster Processing, producers of *Kaster Bakery Meal*, a highly palatable livestock feed made from waste by-products from bakeries, cereal and bread companies that performs particularly well in pig starter and poultry rations. *Grand Valley Fortifiers* had introduced Kaster Bakery Meal to their swine and dairy customers several years earlier as an exclusive direct-to-farm sale item. When Kaster Processing experienced financial difficulties and it became evident that unless *Grand Valley Fortifiers* made a significant financial commitment, Kaster would go out of business, Jim and the management team decided to acquire the company. As many *Grand Valley* customers had incorporated Kaster Bakery Meal into their home-blended feeds and were impressed by the increased feed intake and growth that came from the palatability and quality of the product, *Grand Valley* took over the ownership and operations of Kaster Processing. After buying the company out of receivership, the name was changed to Progressive Recycling and Rick Gray, a long-term *Grand Valley* staff member, was placed in charge of the day-to-day-operation of the new business which is located in Petersburg, Ontario, just outside Kitchener. Continuing Kaster Processing’s tradition of more than 50 years of processing waste streams from the food industry, Progressive Recycling is a wholly-owned subsidiary of *Grand Valley Fortifiers* and one of very few Government-approved food waste processing facilities in the Province of Ontario.



Two generations of Ross family entrepreneurs. From Left to Right: David, Jim and Ian Ross.

THE SECOND GENERATION OF ROSS FAMILY ENTREPRENEURS

and the Future of the GVF Group of Companies

CHAPTER TWELVE

LEADERSHIP TRANSITION AND THE SECOND GENERATION OF ROSS FAMILY ENTREPRENEURS

As he approached seventy years of age, Jim realized that it was time to take action to ensure the orderly transition of *Grand Valley* into the second generation of Ross family entrepreneurs. Not being the kind of person who hangs on forever and will not let go of the business he has built over the years, Jim, at age 69 talked to his oldest son Ian, who had already grown into the unofficial leadership position in the company, and revealed his plan to make him president a year later. After leading *Grand Valley Fortifiers* for 47 years, Jim felt strongly that it was time for Ian to take the company into the future. In order to guarantee an orderly transition, Jim and Ian attended a course together on business succession at the University of Toronto. Learning about some of the disaster scenarios that had split entrepreneurial families, and, in many cases had even put the continuation of their companies at risk, reinforced Jim's strong belief in the importance of having a succession plan. At the company's bi-annual staff town hall meeting held on April 19th 2006, Jim formally announced his resignation as president and officially appointed Ian as President and CEO of the family-owned business.

Jim's decision to resign was made easy because he knew that Ian and David have the mindset, values, skills and experience necessary to lead the business in the next generation. As he keeps watching Ian and David grow in their respective roles as President and VP Marketing, he deeply appreciates their Christian values, work ethic, and their feeling of responsibility and commitment to the *Grand Valley* family of employees and to the company's many loyal customers. Knowing that the same values that have shaped the company during its first 50 years of operations will continue to guide the *GVF Group of Companies* in the next generation, Jim is truly excited about his sons and the leadership team's many new initiatives, be it David's current



Left: Ian Ross. Right: David Ross.



rebranding of Valley Feeds™ or Ian's push for opening up new markets, such as innovative feeding programs for value-added products and *Grand Valley's* growing export orientation.

Ian and David's involvement with the company goes back all the way to their early years. As teenagers they both worked in the Farm and Garden Supply Store on Saturdays and during the summer holidays serving customers. During their high school years they gathered valuable experience in the manufacturing process in the plant on Saturdays and during the summers as well. Jim always told both of his sons that he would be thrilled if they decided to come into the family business full-time; however, he also made it very clear to them that if they wanted to pursue other career possibilities, he would not stand in their way. Ian and David knew that working full-time for *Grand Valley Fortifiers* and eventually becoming the second generation of Ross family entrepreneurs was always an option, but that they would never be forced into that position. Jim feels truly blessed that both his sons chose to join the company.

During his high school years, although Ian generally assumed that one day he would become involved in the business full-time, he seriously considered heading down a different path instead. With a love for writing, photography and the concept of increasing justice by revealing

stories, he was interested in becoming a foreign news correspondent. He toyed with that idea for a while, prayed about it, but ultimately realized that going into business was what God wanted him to do. Similar to his dad who had considered different career options and who, even after starting *Grand Valley* had been unsure about staying in the feed business at various points during the early years of the company, Ian struggled with that decision and with determining God's calling on his life. However, after turning the decision over to God and asking him for direction and praying about it, Ian felt a sense of peace upon realizing that the business world was where God wanted him to be.

Following high school graduation, Ian went to Trinity Western University where he obtained an honours degree in business administration. Following graduation, Ian was not sure whether to come back to the family business right away or go for his MBA or work for a company in Vancouver first. Jim, although not pushing his son into the family business, communicated to Ian that *Grand Valley* had a hiring need in the area of Human Resources and Marketing. Furthermore, as the company was working on Omega-3 enrichment of pork at the time, there was the desire to look at value-added markets as well. Presented with that opportunity, Ian decided to work at Muskoka Bible Centre for about six months first before taking up Jim's offer and

joining *Grand Valley Fortifiers* full-time in late September 1991 with dual responsibilities in HR and Marketing.

Ian soon began sharing some of the management responsibilities with Clarke Walker, the General Manager, from whom he learned a great deal. As time went on, Ian kept taking on more responsibilities. As the company had undergone exponential growth under Jim's leadership, there was a need for the development of processes and procedures as well as for the establishment of mid-level management. Ian was good at identifying these needs and started developing corresponding structures.

Being not only a hard worker, but also a visionary, as well as having a great work ethic and excellent people and management skills, Ian has truly grown into the position of company president. "Ian is an excellent leader and example to our people. He has really earned the position and the respect of the entire team," Jim concludes.

David, eleven and a half years younger than Ian, had first started during grade nine sweeping the floors in the warehouse in the afternoon; he had then worked in the plant filling in for production staff during summer holidays. He had worked the order desk, as well as going on the road with company sales representatives. Following high school, David studied Business Marketing and Business Management, and graduated with a double major, plus a minor in Bible Studies, from Cedarville College, a Christian University in Ohio.

At the time David was nearing graduation from university, he was unsure whether he wanted to work for *Grand Valley* right away or take some time outside the family business and build up experiences elsewhere first. It was during that time that he received an email from Ian, informing him of the company's need for a marketing manager and offering him the position. Ian explained that this was not a position they had created for David, but that there was a real need for a marketing manager and that if David wanted to pursue opportunities outside the business instead, they would have to hire someone else for the position. After talking to some of his mentors and praying about it, David accepted the offer and started in his new full-time role in June of 2004.

In his capacity as marketing manager, David is responsible for trade shows, for organizing and planning print advertising in industry-specific

trade publications, and for anything else related to advertising and marketing. Within two years of starting to work for *Grand Valley Fortifiers* full-time, he also began overseeing the Farm and Garden Supply Store, as well as looking after Farmers Farmacy® and the company's various properties. As time progressed, he led the company's Information Technology (IT) and Communications department. When, in November 2011, David became VP and Chief Marketing Officer, a manager—Wes Farquharson—was hired to lead the company's growing needs in IT. At the time of writing, David had just returned from a trade mission with the Minister of Agriculture to Japan. David is highly organized and hard-working and, in what seems to be a Ross family trait, loves to help people. In addition to having a very creative side which makes marketing a perfect fit for him, he is also a good decision maker. It is this combination of professional and personal skills which, as Jim emphasizes, has earned his son his place in the business. "People respect David for his skill and personality, and not because he is the founder's son," Jim concludes.

While both of Jim and Elaine's sons have grown into leadership positions in the family business, their daughters, Nancy and Heather, have followed different paths. Nancy, after training to become a nurse and obtaining her designation as a Registered Nurse (RN), attended Cedarville College to acquire her BSc. She then worked at the Henderson Cancer Hospital in Hamilton, where she looked after pediatric cancer patients. In 1990 she took a year off and went to Africa to work as a nurse at the same boarding school in Nigeria where her mother had been raised. Nancy is married to Chuck Schoenmaker, a former youth pastor who is currently the principal of *Redeemer Christian High School*, in Ottawa. Nancy and Chuck have three boys and a girl—Matthew, Nathan, Josiah and Joanna.

Heather, Jim and Elaine's younger daughter, following high school went to Wheaton College in Illinois near Chicago, where she obtained a degree in music performance. From there she went on to Teachers College in London, Ontario. She has taught in the music department at *Peoples Church Christian School* in Toronto, as well as teaching violin as a private music teacher. She is married to Peter Hall, the chief

economist for *Export Development Corporation of Canada*. Heather and Peter have two boys and a girl—Andrew, Erika and William.

By the time Ian had officially become president of *Grand Valley* in 2006, he had *de facto* been leading the company in his role as "unofficial president" for some time already, as Jim had been gradually giving up some of his day-to-day activities in the company. Today, as far as management decisions go, Ian, David and Jim, together with Clarke Walker and Peter Faus make up the senior leadership team. The leadership team meets every Friday morning to review the week and discuss ideas, new developments and anything else that is relevant to the company. Seeing his current role as Chairman as that of an advisor and mentor rather than a decision-maker, Jim usually listens more than actively contributing to the discussions during these meetings. With a smile he notes, "When Elaine and I go away for several weeks at a time, I know that they don't really miss me." Knowing that the company's leadership is in good hands, Jim does not feel the need to be in regular contact with the management team.

While continuing the Ross family's legacy of innovation, concern for associates and customers, community involvement and entrepreneurship based on Christian ethics, Ian and David have left their personal marks in their respective leadership positions already. In his capacity as the company's marketing manager, David came up with the idea to use *Grand Valley* trucks as a marketing tool for the entire industry; in that capacity he is currently leading the rebranding of *Grand Valley* and its various departments and affiliated businesses. Ian, on the other hand, led the transformation of Farmers Farmacy® from a mere sideline into a separate business department, as well as being the driving force behind the development of value-added product and the exploration of new international markets. Andy DeGraaf who has worked both with Jim and Ian over the years, explains: "Ian is just as sharp on leading the charge on developing new value-added markets and specialized products as Jim was back in the early days in getting the farmers to produce their own feeds on the farm at a time when that concept was new."

Since retiring from the position of president, Jim continues to be involved in the company in his new position as Chairman of the Board.

As mentioned previously, he is taking on a mentoring role for the management team as well as continuing to work with the company's nutritionists in product development. As in the early days, Jim gets the greatest pleasure in getting out on the road with the company's sales reps and interacting with producers on the farms. Jim elaborates: "I really like getting out and talking with farmers and helping them solve problems. I am going out with our sales guys when I have the opportunity to do that and meet with the farmers. It gives us a lot of pleasure when we come up with rations or a management tip that really help the farmer with his management skills. Improving performance and reducing costs is a real challenge, but it is actually fun. So we just enjoy that very, very much." As Jim and the sales team have built great relationships with long-time customers over the years, the latter appreciate getting visits from Jim as much as he enjoys being out on the farms. In addition, Jim is quite involved with charitable work through the Ross-Shire Foundation, which he and his wife Elaine oversee together.

CONTINUITY AND CHANGE

When Ian joined *Grand Valley Fortifiers* full-time in 1991, the company had one consolidated income statement. Under Ian's leadership, and as a reflection of Ian being a "numbers guy", company management started looking at the business in its pieces to determine how each department was performing and where profits and losses were coming from. Says Ian: "My father is very much a gut-feel guy. And it has worked for him and for the company. I am not. I want to know the numbers and where the profits and losses are coming from." Reflecting Ian's further desire to formalize and institutionalize processes, when Ian and Jim started talking about succession planning, he said to his dad one day: "I really want to formalize the profit-sharing program, because I don't want to base profit-sharing on how generous I feel that day." The outcome of that discussion was a formula that has been applied to profit-sharing ever since.

In spite of such differences in personality and resulting leadership styles, there is a lot of continuity between Jim and Ian. In many ways, Ian



pushing for the development of value-added markets is a continuation of Jim’s earlier business approach of becoming a market leader by convincing the industry to try new things, and to adopt new feeding technologies and methods in particular. Be it producing feed on the farm, or using synthetic amino acids, probiotics and chelated minerals before these practices and ingredients had become mainstream, Jim always tried to convince producers to invest into things that would have a positive return for them. Ian growing the value-added market is based on the same philosophy: as the value-added market is more sustainable, farms that participate in *Grand Valley’s* value-added feeding programs will become more sustainable as well, making producers more profitable in the process.

LEADERSHIP CHALLENGES FOR IAN ROSS AS A SECOND-GENERATION FAMILY ENTREPRENEUR

From a succession standpoint, Jim has never challenged Ian’s leadership. Even as Ian explored new opportunities, Jim has never said “We never used to do that in the past; what are you thinking?” The fact that Jim has never been a micromanager and has always trusted company associates to manage their respective areas of responsibility without feeling the need to interfere personally has been a great benefit from Ian’s perspective as his father’s successor. Even though he does not involve himself with the details of the new directions that Ian is taking the company into, Jim trusts in his son’s ability to make the right decisions. Furthermore, the fact that the leadership transition did not occur in an instant, but happened gradually over time, has made the process easier, as it allowed Ian to establish his leadership role in the company even before being officially handed the reins in 2006.

As a second-generation family entrepreneur, Ian considers it an important part of his leadership mandate to devise ways of maintaining the unique culture of the company in the long-run, as the *GVF Group*

of Companies keeps growing nationally and internationally and as new people from all walks of life and even in countries outside of Canada are joining the *Grand Valley* family of associates. With an eye to the recent acquisition of Fortified Nutrition Ltd as well, the key question is how to appropriately infuse *Grand Valley’s* unique business culture into that business in its new role as a division of the *GVF Group of Companies*.

With *Grand Valley’s* unique culture being a direct reflection of Jim’s solid personality, his personal beliefs, philosophy and values as a business leader and as a man of God, Ian is strongly committed to carrying these values, the history, the reputation, the philanthropic commitment, and Jim’s personal legacy into the future. Ian strongly believes that in order to stand the test of time, his father’s entrepreneurial imperatives have to become somewhat institutionalized within the company, and many individual steps have already been taken in that direction. The significance of Christian values as a core component of the company’s unique identity and culture, which finds expression in *Grand Valley’s* support of missions, community involvement and other acts of corporate philanthropy and social responsibility, has been incorporated into company communications, such as the website, the employees’ manual, and company newsletters, among other things. Ian explains: “We do not ever want the philanthropic side of *Grand Valley* to be viewed as a marketing tool. That is not the reason why we are doing it, but it is part of our DNA. It is a bit of a balancing act to communicate the Christian belief and philanthropic commitment of our company without creating the impression that customers should buy from us because we are doing these good things.” Similar to the Rosses’ Christian values, corporate giving has been somewhat institutionalized as well. The company has made the commitment to give a minimum of 20 percent of their gross profits away every year, be it through direct corporate philanthropy or indirectly through contributions to the Ross-Shire Foundation. “People helping people” is not just a slogan, but will remain an integral part of the *GVF Group of Companies* as the business moves forward under the second generation of Ross family entrepreneurs.

OUTLOOK INTO THE FUTURE

Today, after over fifty years of continuous operations, *Grand Valley Fortifiers* represents different things to different people: producers who rely on their nutrition and premix products for swine, dairy and poultry identify the company as an animal nutrition company; someone from Cambridge just driving by the plant or buying a bag of feed from their store, on the other hand, might identify *Grand Valley* as a company that sells bird feed or dog food. Given this diversity in perceptions, *Grand Valley’s* marketing team has started the process of restructuring the brand with the overall goal of bringing more clarity to the mind of consumers. The first step in the company’s rebranding effort, which is led by David Ross, was the renaming of the Farm and Garden Store into Valley Feeds™. As the *GVF Group of Companies* ventures into new areas, there might be the possibility for an additional field to fork food certification brand as well.

From a marketing perspective, *Grand Valley* is currently jumping into social media. Just before Christmas 2011, David Ross launched the company’s *Facebook* page as an additional tool for interacting with customers and prospects on a regular basis. Since noticing many young farmers using facebook and tweeting at a conference he attended in Kentucky in 2011, David strongly believes in utilizing social media as another way for *Grand Valley* to connect with their core customers.

From a business development perspective, the last few years have been characterized by expanding the company’s successful business model to serve producers in new areas. Be it the diversification of product (and the opening up of new value-added markets in particular), or the recent widening of the company’s geographical reach into western Canada and into international markets such as Russia—the future of the company under the second generation of Ross family entrepreneurs looks exciting.

As Ian has inherited the key leadership role over a group of companies that was started by his father from nothing 50 years earlier, the questions that are on his mind with an eye to the future are: “How far are we taking the company? How much and where do we intend to

grow? Given the many fascinating opportunities that have come our way and the solid foundations of our company, where do we intend *Grand Valley* to be when I retire one day?” Although he does not have definite answers to these intriguing questions, he is convinced that God will continue to lead him and the entire leadership team as they continue to explore new exciting opportunities and decide on directions in which to take the company in the future.

From a leadership perspective, certain changes are unavoidable as they are the natural consequence of *Grand Valley’s* transition from a primarily Ontario-based into a national and international/global company. In trying to outline the future of *Grand Valley’s* leadership model, Ian says: “Where it goes, I don’t know. Sometimes it is a bit overwhelming. It stretches us. We now have to learn how to lead from afar instead of just leading locally. With the purchasing of Fortified Nutrition Ltd., and with the potential of having offices in Moscow and Kiev we have to build our capacity in that regard. In the past everything was very central, but now we need to wrap our heads around new-style leadership in an increasingly national and international company.”

The one thing that is certain though, as the company moves forward, is that as a second-generation family-owned and -operated business, the same values and commitment to producers that have made the company strong throughout its first fifty years, will continue to guide the *GVF Group of Companies* through new stages of growth and development, as exciting new opportunities will materialize in the years to come.



Top: Grand Valley Fortifiers all staff photo - June 2014. Bottom: PC Farm Day group photo - June 2010.