Boakes Wealth Management

Growing Your Future

Prepared By :

Boakes Wealth Management of RBC Dominion Securities

Topic :

Financial Strategies for Farmers

Wealth Management
Dominion Securities

What you will find inside

Farming is a business, a lifestyle, and often a legacy passed down through generations. This guide brings together financial strategies built specifically for farm families, so you can grow your operation today while protecting it for tomorrow.

A message from

Boakes Wealth Management

Shannon Boakes

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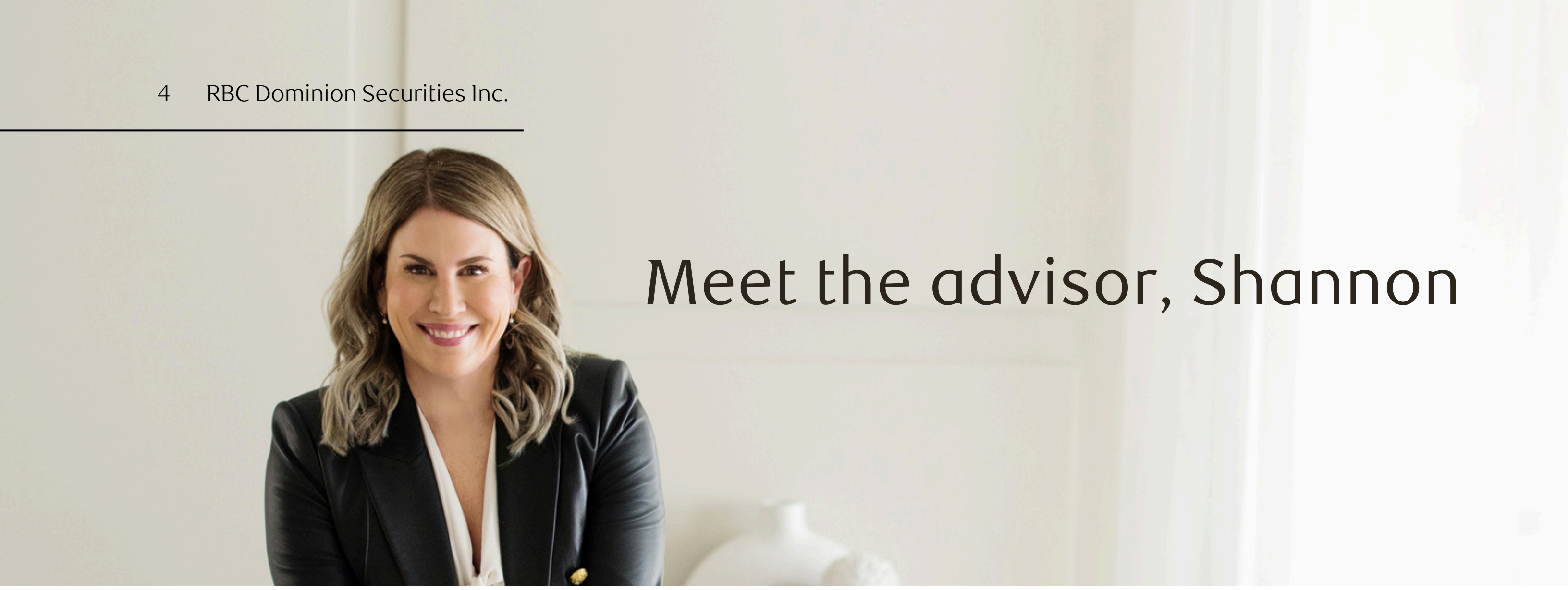
Boakes Wealth Management

At Boakes Wealth Management, Shannon Boakes and Chris Rudnick bring a blend of expertise and personal care to every client relationship.

Shannon, an Investment & Wealth Advisor and Financial Planner with more than three decades in financial services, focuses on helping women and families protect, grow, and transition their wealth with confidence.

Chris brings over two decades of experience in wealth management and client service, having built her career at RBC Dominion Securities since 1999. She supports the team's planning experience with a structured, attentive approach, helping ensure each client's strategy is organized and aligned with their long term goals.



Meet the advisor, Shannon

Shannon is dedicated to helping you build not only your wealth but also a better future for you, your family, and your farm. With over 25 years of wealth management experience, Shannon uses her expert knowledge to craft comprehensive solutions tailored to your needs. Her services include investment management, retirement income planning, tax strategies, will and estate planning, optimizing business and farm wealth, and protecting family legacies.

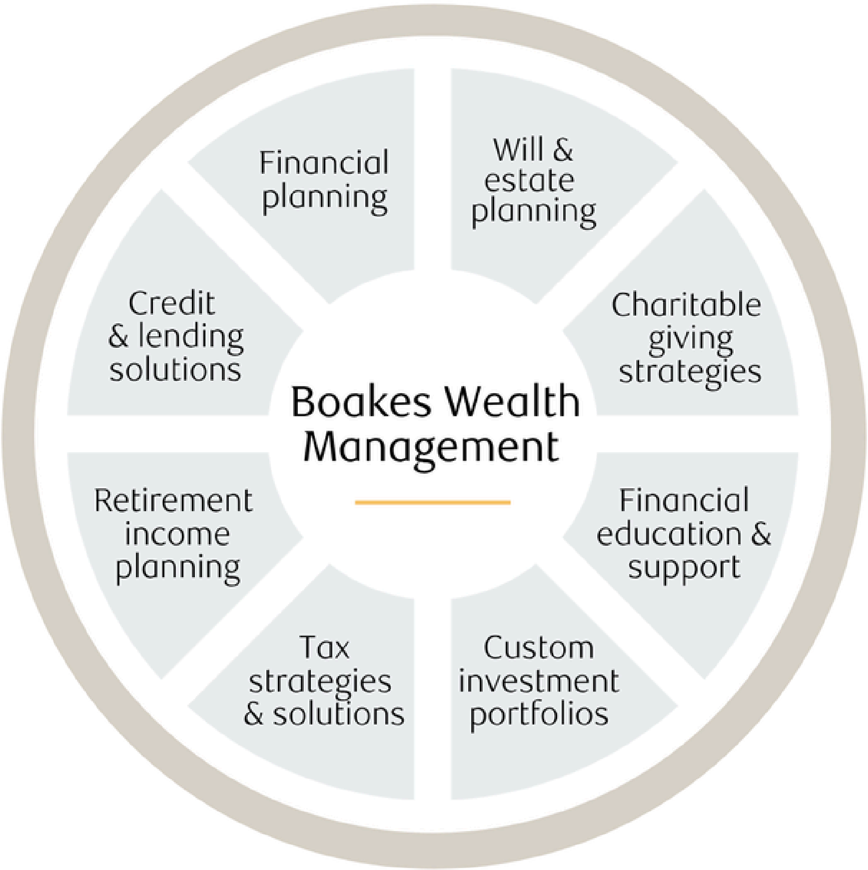
Shannon's clients value her authentic, compassionate, and knowledgeable approach to managing their wealth. She deeply appreciates the trust they place in her and is grateful for the opportunity to guide them on their financial journey.

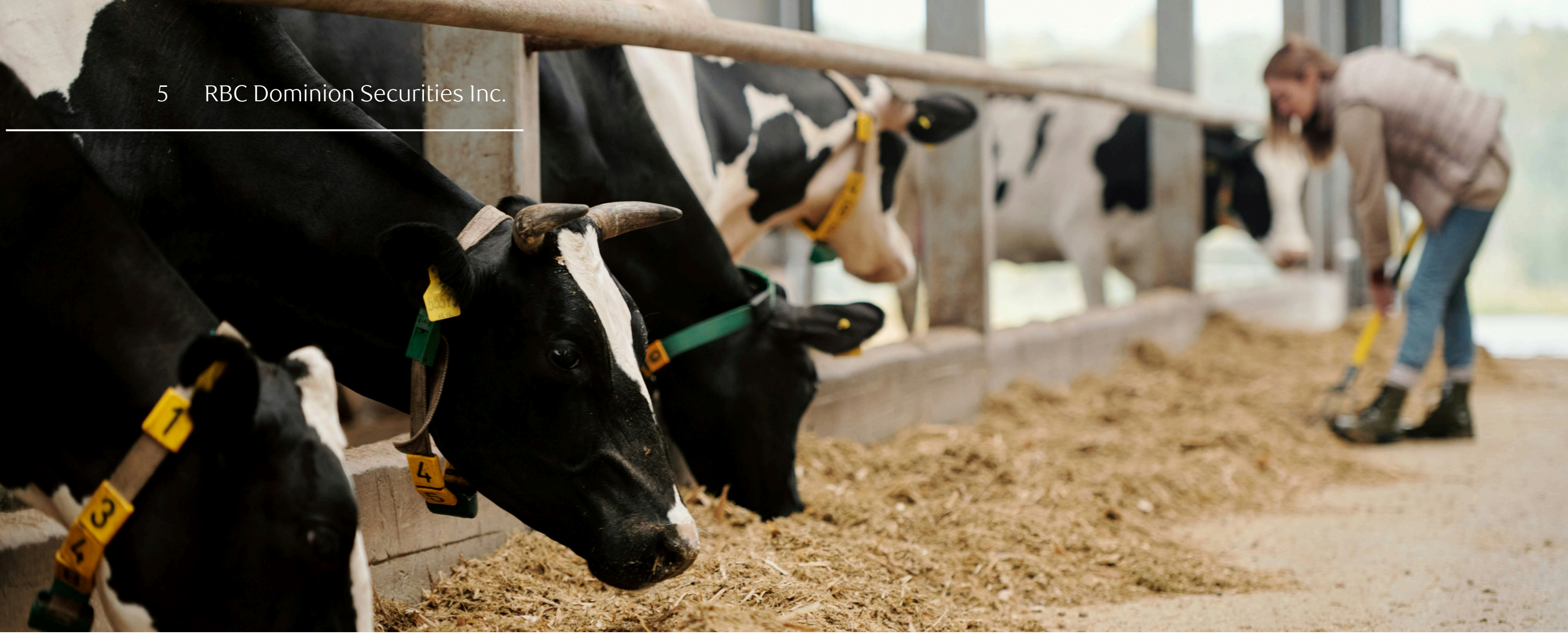
With the wealth management approach, we help:

- Clarify individual needs
- Establish specific goals
- Bring together all necessary wealth management solutions

Our focus includes:

- Portfolio management with top-tier, institutional-style investments
- Retirement, wealth transfer, and legacy planning
- Partnering with industry experts for expert advice and solutions





What farming means to Boakes Wealth Management

"While I did not grow up on a farm, I did marry into a farm family in 1997. My husband's family were long term dairy farmers in Oxford County with 4 generations having worked on the farm. I learned quickly, that it didn't matter what else was happening ... the cows needed to be milked!

I have spent the majority of my career as an Investment & Wealth Manager working with farm families to create a plan for the management of their wealth, the health of their families and the success of their operations. My clients have been involved in various types of farming - anywhere from tobacco to ginseng, from dairy to chickens and everything else in between.

I have learned a lot from my clients, most especially, while each farm is unique and specialized, most farmers share the concern of what happens next. How will the farm be transitioned to the next generation? What about the family members who choose not to farm? What happens when I'm not here? My passion is to support farm families as they work through a plan for the succession of their farm helping to take away some of the stress in making critical decisions by working with a team of trusted, experienced advisors who specialize in helping farmers.

This means working closely with my RBC Commercial Agriculture Partners and a team of lawyers, accountants, appraisers etc. to help simplify managing the farm today and planning for the future. Together, we will help you see around corners and create a plan for optimizing your farm and protecting your family.

The agriculture industry is evolving rapidly. Your farm's success depends on adapting to the realities of today while planning for your future. I look forward to learning more about you, your family and your farm."

Shannon Boakes

Shannon Boakes
Investment & Wealth Advisor
RBC Dominion Securities

Meet our
Extended team

Hilary Stuart

Relationship Manager, Commercial Financial Services, RBC

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Hilary joined RBC in 2004 and has been in agricultural banking for nine years. Hilary and her family run a cash crop farm in Oxford County. She is passionate about working with farmers and their families to grow their businesses and achieve their dreams.

Kyle Johnson

Relationship Manager, Commercial Financial Services, RBC

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Kyle grew up working for his family's grass seed business and raising cattle and livestock on their hobby farm. He graduated from the Business Administration program at the University of Guelph-Humber with a specialization in Accounting. Kyle has been in commercial banking with RBC since 2015. He is passionate about agriculture and supporting his clients and their communities.

Navneet Sadhra

Relationship Manager, Commercial Financial Services, RBC

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Nav immigrated from the UK and graduated with a degree in Economics and Business Marketing Management from APU University. He has worked in finance for the past 17 years, including the last 4 years at RBC in Agricultural Banking. His client base encompasses all areas and specialties within both the Primary Agriculture and Agri-Business industries.

Meet our
Extended team

Taylor Deryk

Director I Senior Commercial Markets, Agriculture
RBC Royal Bank

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Taylor holds an Honours Bachelor of Science Degree from McMaster University. He joined RBC in 2017 and has held various account management roles within the Woodstock market. In his current role as Director, Senior Commercial Markets - Agriculture serving the Oxford, Norfolk and Elgin County markets, Taylor values the opportunity to build meaningful relationships with his clients to help them achieve their goals. Today, this often includes farm expansion such as purchasing land, buying quotas, upgrading equipment, and farm transition to the next generation.

Taylor understands many of the issues and trends in the industry. Growing up on a cash crop farm in Southwestern Ontario, agriculture has been a fundamental part of his life. He is passionate about agriculture and continues to play an active role on his family's farm. Taylor is committed to expanding his knowledge of the agriculture industry, and feels key things to keep in mind are diversity, innovation and the ability to adapt.

Meet our
Extended team

Erica Unger

Agriculture Relationship Manager
RBC Royal Bank

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Erica was raised on a swine and cash crop farm in the Belmont area, where her family also operated a seed dealership for many years. She is a graduate of the University of Guelph, Ridgetown Campus, where she obtained a Diploma in Agriculture, and Fanshawe College, where she earned a Diploma in Business Accounting. Erica has a passion for agriculture and clients alike. Prior to joining RBC, Erica held a variety of leadership roles at local credit unions. Before that, she spent ten years in the insurance industry in sales, claims, and underwriting roles.

Erica is a leader in her community, dedicating many hours to volunteering. She serves as the Vice President of United Way Oxford, Secretary & Treasurer for the Elgin County Holstein Club, and is a member of the Ridgetown Dairy Advisory Committee for the University of Guelph, Ridgetown Campus, among other responsibilities.

Business owner planning

What is Business Owner Planning?
It's wealth planning advice tailored for business owners. You'll receive a personalized plan focused on helping you make informed decisions about you, your business, and your family.

Implementation Support

- Business Owner Planning
- Family Wealth Advice
- Tax Planning
- Wealth Planning

1

How do you own your business?

- Benefits of incorporation
- Compensation planning
- Benefit of a holding company
- Benefits of an estate freeze
- Trust planning
- Income splitting strategies

2

Do you know what your business is worth?

- Buy/sell funding value
- Valuation approaches (asset vs.income)
- Factors impacting valuation
- How to maximize estate freeze benefit
- Dealing with future tax liabilities

3

What happens if there is an unexpected tragedy?

- Business continuity planning
- Identify management leaders, successors
- Updated shareholders' agreement
- Review and update of Wills
- Planning for taxes at death

4

Have you considered your exit options?

- Timing of transition
- Planning before sale to third party
- Planning before transfer to family
- Planning before transfer to management
- Tax strategies

5

What does your retirement look like?

- Creating income from post-sale proceeds
- Vendor take-back proceeds
- Capital gains reserve
- Retirement projections
- Diversification of retirement income
- Group savings plans

Succession & legacy planning

Farm succession planning is crucial for a seamless transition of your farm business to the next generation. With the average age of Canadian farmers at 55, it's vital to have a clear and actionable plan. Despite this need, only 1 in 12 farm operations have a formal succession plan in place.

Why You Need a Succession Plan
A formal plan enhances family understanding, secures finances, minimizes tax liabilities, and promotes fairness among family members. It also provides a framework for dispute resolution, guides the transition process, and sets up a debt structure for future prosperity.

Effective Succession Planning
Farm succession planning is crucial for a smooth transition to the next generation, ensuring financial security and minimizing tax liabilities. Begin with early and open family discussions to clarify intentions and preferences, fostering a collaborative environment. Organize essential documents and conduct a thorough financial assessment of the farm's value with the help of financial advisors. Plan for retirement by defining post-retirement needs and living arrangements.

Understand the tax and legal implications of your decisions by consulting tax planners and legal advisors. Carefully transfer management duties, identifying and training new managers or employees as needed. Ensure fairness by treating all family members equitably, considering both those involved in farming and those who are not. Identify successors through family discussions and develop a written, formal succession plan with clear timelines and responsibilities.

Regularly review and update your plan to keep it relevant, and build a transition team of professionals, such as accountants, lawyers, financial planners, and agricultural bankers, to provide valuable insights and facilitate the process. A well-structured succession plan ensures a seamless transition, securing the farm's future and the family's financial well-being.

Preparing for the future of your farm

Estates & Wills

As part of your estate plan, you may wish to leave farm assets to your minor children. However, one of the criteria you must meet in order to be able to roll over farm property to your children at death is that the property must vest indefeasibly in the child within 36 months after your death.

Estate Planning for Your Farm
Integrate your farm into your estate plan to leave it to your loved ones tax-efficiently. Drafting a Will ensures your assets pass according to your wishes and minimizes the risk of distribution according to provincial intestacy rules.

Key Considerations for Estate Planning
Draft your Will, name your executor, and consider tax strategies to minimize taxes upon passing. Transferring farm property to your spouse can achieve tax deferral, while testamentary spousal trusts can provide for your spouse and defer taxes. Transfers to children can avoid deemed disposition if specific conditions are met, and fairness can be maintained by providing equivalent assets to non-farming children. Transferring farm property during your lifetime can avoid probate tax, and preparing a Power of Attorney ensures your assets are managed in case of incapacity.

DRAFT YOUR WILL

TAX STRATEGIES

SPOUSAL TRANSFERS

TESTAMENTARY SPOUSAL TRUSTS

TRANSFERS TO CHILDREN

PROBATE TAX AND POWER OF ATTORNEY

Meet our
RBC partners

Suzanne Schultz

CPA, CA, CFP, CLU
Vice-President & Estate Planning Specialist
RBC Wealth Management Financial Services
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Suzanne, a wealth management expert, specializes in tax and estate planning. With experience at major firms, she has been featured on BNN and HGTV and contributed to major publications. She addresses complex financial situations, collaborating to mitigate taxes and risks for business owners and professionals.

Edina Nukicic

Premier Banking Advisor, RBC Royal Bank
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Edina, a Premier Advisor with RBC Wealth Management Private Banking, delivers personalized service and tailored advice to help high net worth clients manage their banking needs. Drawing on specialists across RBC, she supports clients' short and long-term goals while building lasting relationships. Edina holds a Business Administration degree from Wilfrid Laurier University and the CSC, PFSA, and FP1 designations from the Canadian Securities Institute.

Jennifer Janeczko

M. Tax
Financial Planning Specialist, Family Office Services,
RBC Wealth Management
jennifer.janeczko@rbc.com

Jennifer, a tax and estate planning specialist, holds a Master of Taxation degree and has over 10 years of experience. Before joining RBC, she worked across the insurance and accounting industries, advising high-net-worth individuals on estate, succession, and corporate tax planning. She is a member of the Canadian Tax Foundation and serves on the board of the Estate Planners' Council of Hamilton.

When you're ready to grow, we're ready to help

Just like your crops, livestock or land, your farm needs resources to flourish. Our team of specialists can help determine what you need to make the most of your agriculture business.

Access to Capital

Update your equipment. Renovate your farmstead. Purchase land to expand. Find financial solutions for everything on your to-do list to help your farming business flourish.

- RBC Equipment PurchaseLine
- RBC Farm Management Line
- RoyFarm Agriculture Mortgage

Managing Cash Flow

Every season is different, but your business doesn't have to suffer. Take advantage of products and services designed to help alleviate the stress of irregular income and help you succeed year-round.

- Royal Business OperatingLine
- RBC Royal Bank Business Cards
- RBC Express Online Banking

Maximizing Investments

You've taken the time to build and grow your farming and agriculture business. Let RBC help you harvest your earnings to create a secure and rewarding future.

- RBC AgriInvest Savings Account
- Guaranteed Investment Certificates (GICs)
- Savings and Investment Resources

Business Strategy

You've taken great care to grow your operation. Our experts can help you take the next steps to grow your business and create a path towards the future.

- RBC Business Planning Guide
- Talk to one of our Agriculture Banking Specialist

Risk Management

For all you've built, and for all you're building.

You take good care of the land, animals and crops on your farm. Now help protect your farming business from risks that come with the territory. From weather hazards to currency fluctuations, find services to help protect your agribusiness.

Agriculture involves numerous risks, from adverse weather and pests to technology adoption and government policies, making it complex and challenging. Successfully managing these risks requires deliberate decision-making to maximize opportunities and minimize downsides, even if it means maintaining the status quo.

Risk Management Strategy

You're working hard to secure the future you want. Our experts can help you actively manage and mitigate the risks to your operation to help you get there.

- RBC Risk Management Guide

Managing Interest Rate Risk

Interest rates fluctuate but you can combat them with our loan products and terms that fit your unique needs.

- Short-Term Operating Loans
- Mid-Term and Long-Term Loans
- RoyFarm Agriculture Mortgage

Foreign Exchange

Don't let currency fluctuations keep your business from flourishing in global markets. Protect your business with services geared at helping you transact globally—quickly and accurately.

- Foreign Exchange Services

Agriculture & Climate Change

RBC, in collaboration with BCG's Centre for Canada's Future and the Arrell Food Institute at the University of Guelph, has developed a strategic plan to enhance Canada's agricultural sector. This plan is crucial as Canada aims to produce 26% more food by 2050 while reducing emissions. However, current investments in climate-smart agriculture lag behind global competitors like the U.S., EU, Australia, and China.

To address this gap, RBC proposes a nine-point plan focused on five key areas: soil, methane, fertilizers, talent & technology, and consumers.

Soil
Develop standardized systems for measuring, reporting, and verifying (MRV) soil carbon to establish a $4 billion carbon market by 2050. Create a national soil health database to track carbon sequestration and emissions. Implement policies that reward early adopters of climate-smart practices with capital gains exemptions and tax credits.

Methane
Promote the use of biogas digesters through financial incentives and nationwide blend mandates to reduce methane emissions from livestock.

Fertilizers
Strengthen domestic fertilizer production and support biological solutions like biostimulants to ensure a stable supply and enhance soil health.

Technology & Talent
Increase investment in ag-tech R&D and create public-private partnerships to drive innovation. Revive agricultural extension services and enhance post-secondary education to attract and retain skilled agricultural workers.

Consumers
Influence consumer purchasing patterns through government procurement of climate-smart food to support sustainable farming practices.

By implementing these measures, Canada can position itself as a global leader in climate-smart agriculture, ensuring food security and economic growth while meeting environmental targets.

Partnership & Thought Leadership in Agriculture

University of Guelph Foundations in Agricultural Management

Learn agricultural business strategy, farm management, succession planning, and financial fundamentals in this free online course. Gain the knowledge to make informed decisions for your business and yourself. Invest in your future today. Learn more.

RBC Podcast Series: Mind Your Farm Business

You can pick up a great new idea in a matter of minutes. Sometimes, though, it's important to dig a little deeper. The RBC Mind Your Farm Business podcast series lets you do that. Listen to the podcast.

Pathway to Agriculture

RBC has supported Canada's agriculture industry for over 150 years, offering tailored solutions and business advice. Through RBC Future Launch, we empower Canadian youth with skills, networking, and resources to succeed in evolving agricultural careers. Partnering with industry groups, we combine expertise and programs to meet the sector's unique needs addressing challenges like technology adoption and workforce demands. Learn more.

Women in Agriculture Video Series

RBC is committed to investing in the future of women in agriculture. Our new video series is focused on celebrating the success and progress of women in agri-business—and empowering young women to join the industry. View the video series.

Community events

Empowering through collaboration, Boakes Wealth Management champions community-driven events, focusing on fostering conversations and drawing on diverse community engagement.

These complimentary events are open to the public, ensuring that financial education is accessible to everyone. Shannon believes everyone deserves the knowledge and confidence to navigate their financial journey.

Event topics include, but we not limited to:

- Succession Planning
- Estate Protection
- Role of the Executor
- Wills & Power of Attorney
- Coffee Talks with Shannon Boakes
    - Community Conversations
- Local Business Spotlight Events
    - Sponsored by Boakes Wealth Management

Learn more and register for events:
boakeswealthmanagement.com

Past Events

Securing Your Farm's Future: Succession Planning 101

Gain essential insights and practical strategies for ensuring your farm's legacy through comprehensive succession planning. Join experts as they cover legal, financial, and familial aspects to help you secure your farm's future.

Advanced Strategies to Protect Your Farm & Your Family

Learn how to safeguard your farm's future and ensure your business's financial and operational stability.

Preserving Wealth: Capital Gains and Effective Land Severance

Understand the impact of the proposed changes to the Capital Gains Inclusion rate and the impact on your farm. Gain valuable insights an practical insights for optimizing your farm's assets and securing your legacy.

Committed to you, your family & your farm

How do you maximize the Lifetime Capital Gains exemption?

1. You may be eligible to take advantage of the Lifetime Capital Gains Exemption regardless of how you have structured the ownership of your farm.
2. If you own your farm personally, you may be eligible for the Lifetime Capital Gains Exemption on the sale of farm assets. If the farm is incorporated, sale of shares in the farm corporation may qualify for the LCGE.
3. The LCGE may allow qualified farms to realize $1 million from the sale tax free.
4. Canada's 2024 Federal Budget proposes to increase the capital gains inclusion rate from 50% to 66.67% for capital gains realized by an individual over $250,000 and for all capital gains realized by a trust or corporation.

    i. Review the "2024 Federal Budget" and speak to your legal and tax advisors for more information.

For more information, please see the following article:

- Sell Farm Capital Gains Navigator Article

Tax-efficient strategies to transition to the next generation?

1. Canadian tax rules allow you to transition your farm to your spouse or children on a tax deferred basis.
2. You may be eligible to utilize the Lifetime Capital Gains Exemption when you transfer your farm to certain family members during your lifetime or as part of your estate plan.

For more information, please see the following article:

- Transfer Farm to Family / Family Farm and Estate

Is Incorporating Your Farm Right For You?

1. There are several advantages to incorporating your farm including:
    - Tax Deferral & the Small Business Deduction.
    - Income Splitting Opportunities.
    - Lifetime Capital Gains Exemption.
    - Implementing an Estate Freeze.

For more information, please see the following article: Incorporate Farm

Boakes Wealth Management

Recommended Resources

2024 Federal Budget
The Navigator, RBC Wealth Management

A New Ag Deal: A 9-Point Plan For Climate-Smart Agriculture - RBC Thought Leadership
RBC Royal Bank

Agriculture Banking and Financial Solutions
RBC Royal Bank

Boakes Wealth Management
RBC Wealth Management

Family Inventory
RBC Wealth Management

Farm Succession Planning Ten steps toward the future you want
Royal Bank of Canada

Foreign Exchange Services
RBC Royal Bank

Foundations in Agricultural Management
University of Guelph

Guaranteed Investment Certificates (GICs)
RBC Royal Bank

Incorporating your farm Is it the right option for you?
The Navigator, RBC Wealth Management

Mid-Term and Long-Term Loans
RBC Royal Bank

Mind Your Farm Business Podcast
RBC Royal Bank

Pathway to Agriculture
RBC Future Launch

RBC AgriInvest Savings Account
RBC Royal Bank

RBC Business Planning Guide
RBC Royal Bank

RBC Equipment Purchase Line
RBC Royal Bank

RBC Express Online Banking
RBC Royal Bank

RBC Farm Management Line
RBC Royal Bank

RBC Risk Management Guide
RBC Royal Bank

RBC Royal Bank Business Cards
RBC Royal Bank

Royal Business OperatingLine
RBC Royal Bank

RoyFarm Agriculture Mortgage
RBC Royal Bank

Savings and Investment Resources
RBC Royal Bank

Selling the farm and the lifetime capital gains exemption
The Navigator, RBC Wealth Management

Short-Term Operating Loans
RBC Royal Bank

The family farm and Will planning
The Navigator, RBC Wealth Management

Transferring your farm to the family
The Navigator, RBC Wealth Management

Women in Agriculture Video Series
RBC Royal Bank

Boakes Wealth Management

Where to find us

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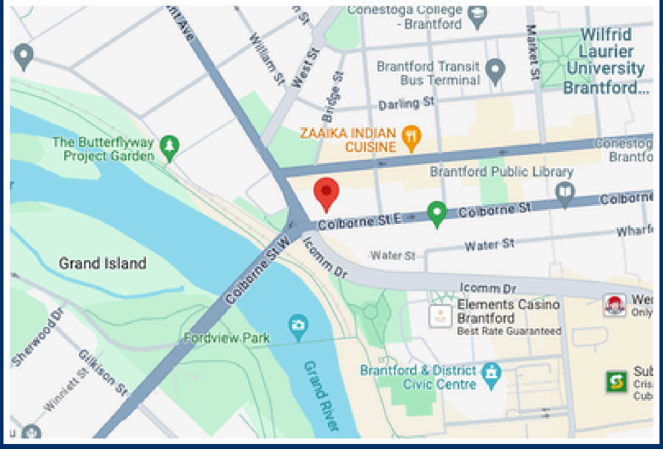

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