A Tale of Two Farmers

By: Patrick Choquette

In a world of fantastic stories about marijuana stocks, bitcoin, and CRISPR, I thought it might be useful to remind you that an aggressive approach doesn't always work out well and that slow-and-steady can win the race to financial independence. A great way to see the wisdom of this concept is through the story of two farmers.



Mr. Brown was a cautious, but prudent farmer. He believed that the development of a healthy and productive vegetable garden takes time and patience. His rules were simple: know your soil, so you know what to plant. Have multiple crops just in case of blight. Make sure to irrigate because all living things need water. Get ahead of the weeds or they will overrun the garden. And finally, exercise some patience as growth takes time.



His best friend, Mr. Orange, was the opposite. He had no formal plan or rules for the management of his vegetable garden. He liked to wing it! He also liked to criticize his friend about being too boring and too cautious. Mr. Orange loved to experiment with different seed-types and plantings. Fortunately, for him, he had some recent success with a bumper crop of electra, a raspberry-carrot hybrid. Enjoying his new fortune, he called up Mr. Brown to boast about his accomplishments and to issue a challenge.

The challenge was simple. In one year's time both farmers would take their crop to the local farmer's market and the one who received the greatest amount was deemed the superior farmer once and for all.

Both Farmers set off to work. Mr. Brown surveyed his land, checked the almanac, upgraded his irrigation system, created a detailed planting regime, and made sure he had multiple species just in case an unforeseeable event occurred. Mr. Orange quickly researched which crop would yield the highest output and get the best price. He wanted only one crop to maximize his chances of winning. He didn't care about investing in an irrigation system because adequate rainfall seemed likely based on the past five years' experience.

Once the planting was finished it was time for nature to take over. Mr. Brown diligently reviewed the progress of his garden to make sure weeds were controlled, water levels were fine, and that critters were deterred. Mr. Orange was less diligent. In fact, he was down right careless. Given his past success with electra, he decided to plant his entire garden with this single crop. Its exotic nature would be sure to fetch the highest price and give him bragging rights in the years to come.

Mr. Orange had instant success. Electra sprouted beautifully in the early spring as the right mixture of growing conditions was present. By mid-May his garden was flourishing and all he had to do was sit back and rake in the profits. Mr. Brown's garden was less exciting. Some of the crops failed and needed to be re-planted, some needed to be moved in order to optimize sun exposure, and some did just fine. His garden and his future prospects were nowhere near as exciting as his friend's.

Then in late June everything changed. Drought happened! Mr. Brown had a plan of action and an upgraded irrigation system to deal with the shortage of water. In fact, his garden took off better than before because he was able to fine-tune what plants received what level of watering. Furthermore, when he initially consulted the almanac, he noticed that this year had a great chance for a drought, so

he planted some drought-resistant crops just to be on the safe-side. Mr. Orange was not happy. Electra loved an equal mix of rain and sun, but there was no more rain. He tried hand watering his garden, but the process wasn't efficient and it took too much work. He thought about adding an irrigation system but the suppliers were all out, so he abandoned the idea. He thought his luck would change and that rain would fall any day now.

The rain did not come soon. In fact, that year, was one of the worst droughts in the past 20. Finally, in mid-August, the weather normalized and the drought was gone. And I am sure you must be wondering how did our farmers make out in just such an environment?

In September, Mr. Brown and Mr. Orange met at the farmer's market on the end of town. Mr. Brown had loads of produce of varying shapes, sizes, and colours to sell. And while not all of his crops fetched the highest price imaginable, the early drought had caused a shortage, and so he was very profitable. Mr. Orange wasn't so fortunate. He replanted quickly after the drought wiped out his entire crop of electra. Guess what he replanted? Yes, you're right, electra. Because time wasn't on his side and the weather wasn't perfect for electra growth, he had a meagre crop to harvest. When he showed up to the farmer's market he had only three baskets to sell. He made very little money for his efforts and the entire endeavour was emotionally draining. In a rare moment of humility, Mr. Orange congratulated Mr. Brown as the superior farmer and the challenge was ended.

Conclusion: In a world obsessed with short-cuts it can be easy to see the short-comings of this type of philosophy. We all want to win the lottery, find the next Amazon, and expend minimal effort in the process. Unfortunately, this strategy is best left for fairy-tales and parables. Do as Mr. Brown would do and let prudence equal profitability. And while there are no guarantees in life, as in investing, a thoughtful and realistic approach can do a lot to increase the tall in the win column.