

# How Do We Start Our Farm Succession

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A farm family considering a farm transition might ask themselves a key question: “Do you want your farm operation to continue beyond your lifetime?” If the answer is “no” the farmer can proceed to making an estate plan to dispose of assets at the end of life. If the answer is “yes” then the farm family will benefit from developing a well thought out and careful farm succession strategy. A farm succession plan can help



the farm determine when and how to begin the transfer of the farm labor, income, management, and ownership during the farm owners’ lifetimes. This plan goes beyond estate planning, which focuses on distribution of assets, and looks at the farm, family, and business from multiple angles. Planning can dramatically increase the odds of a successful farm transition and continuation of the farm business.

So how do we get started? The first step may be the realization that a successful planning process takes time, effort, and communication. Generally, farm operations are labor intensive, and the amount of free time may be limited. Urgent work that requires our immediate attention often takes priority over tasks that are of high importance but may not require immediate attention. Planning often falls into this “important but not urgent” category. To find time to work on planning, it’s essential to set



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agendas for discussion meetings, identify who is responsible for the meeting, and establish goals for the discussion. Recognizing that the planning process will take hard work and effort is a key part of success.

It may be cliché, but if we were asked the three most critical attributes of a successful farm transition process, we'd likely say "Communication, Communication and Communication!" Effective communication may start with your spouse (if applicable). A next level of communication may involve business partners, the individuals planning to return to the farm, and their spouses (if applicable). Understanding when, what, and how to communicate with heirs that are not planning to return to the farm is an important consideration as well. Effective family meetings and business meetings (we recommend not holding either during holiday celebrations) require effort but may result in better family relations and understanding of key decisions made by the farm family.

Many farms have good intentions but need assistance in getting a process started. An option is to utilize a resource offered as part of the Farm Business Management program. A four-part interactive Zoom series for farm families will be offered Thursdays at noon to 1 pm on consecutive Thursdays, February 4, 11, 18, and 25. In between sessions, we will recommend further completion of activities. A second option is an in-person retreat (tentative at this time, due to COVID-19) at Alexandria Tech and Community College, offered Friday evening, March 12, 4:30 - 8:30 pm and Saturday, March 13, 8:00 am - 4:00 pm.

**Discuss this topic with your Farm Business Management instructor or for more information about the farm transition retreats and registration go to [z.umn.edu/generationaltransition](https://z.umn.edu/generationaltransition), email Megan Roberts, [meganr@umn.edu](mailto:meganr@umn.edu), or call Cindy Kantor 320-308-6641. There is also a separate ongoing introductory weekly webinar series on farm transition held Thursdays at noon, for more information visit [z.umn.edu/farmtransition](https://z.umn.edu/farmtransition) or email Amber Roberts, [amberr@umn.edu](mailto:amberr@umn.edu).**



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