



Farm Succession Planning & Making Your Land Available for Farming

**Jason Silverman, Massachusetts Field Agent
Land For Good**



***Our mission is to ensure the future of farming
by putting more farmers more securely on
more land in New England and beyond.***





Who We Work With

- **Farming Landowners**
 - Exiting farmers, farm families
- **Farm Seekers**
 - New & Established
- **Non-farming Landowners**
 - Looking for farmer (lease or purchase)



What type of landowner are you?

Private Non-farming

- On-site
- Absentee
- Investor entities

Retiring farmer

- Part of transfer plan
- “Spin-off”

Institution/organization

- Schools
- Religious entities
- Conservation groups

Public landowner

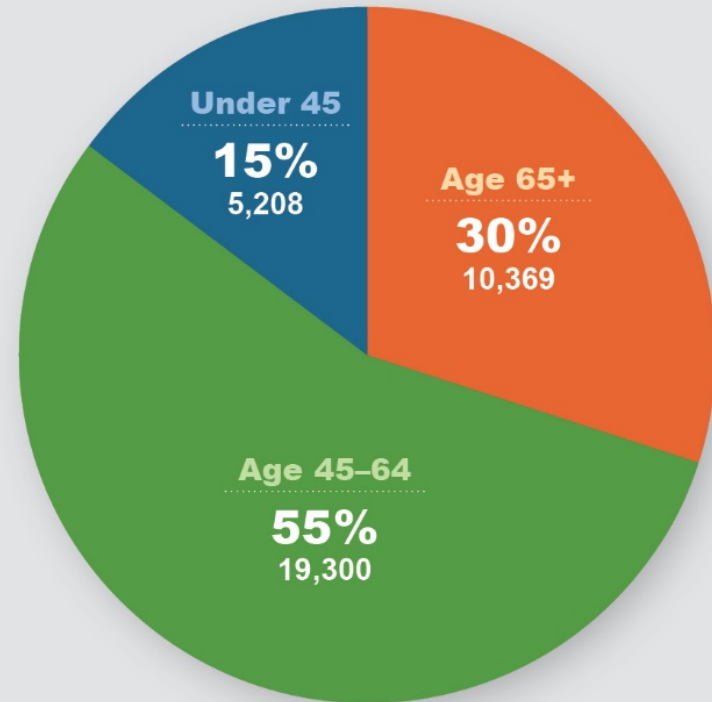
- Municipal
- County
- State (by agency)
- Federal



New England farm transitions

- Over a third of farmers will exit farming in the next 10+ years
- ✓ 33% of acreage (1.3 mil acres)
- ✓ \$6.45 billion assets

Principal Farm Operators by Age in 2012 NEW ENGLAND



Source: 2012 Census of Agriculture

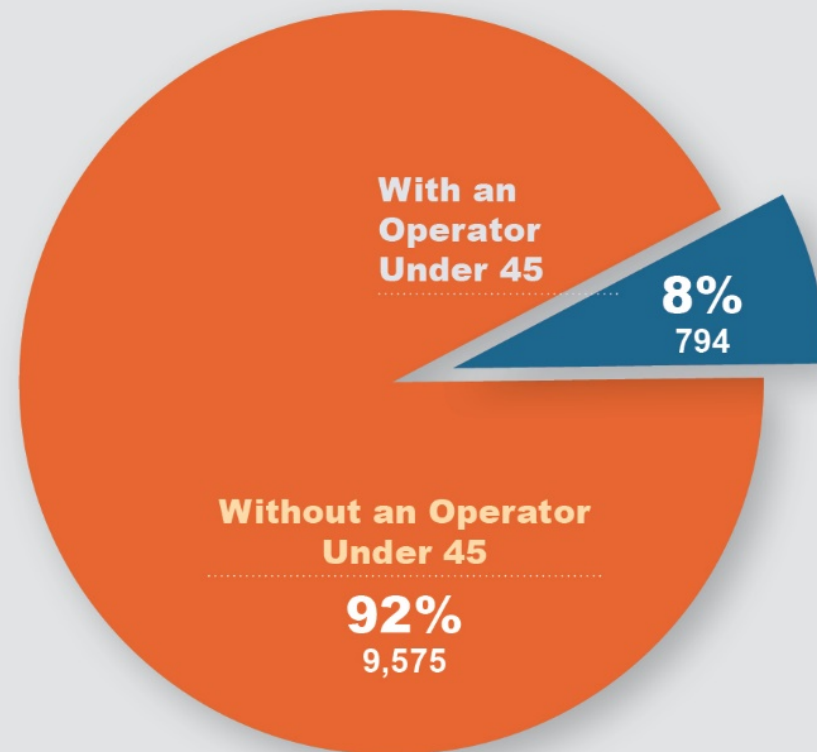

American Farmland Trust

New England farm transitions

- Over 90% do not have a younger operator (under 45) working with them

Senior Farm Operators
MORE THAN 90% HAVE NO YOUNG
FARM OPERATOR FARMING ALONGSIDE

NEW ENGLAND



Source: 2012 Census of Agriculture


American Farmland Trust

What is farm succession planning?

- A **process** to determine how a **farm** will pass to the next generation operator or to a non-family transferee
 - **Multiple stakeholders**
 - “Senior Generation”
 - “Jr. Generation”
 - Other Family Members
 - Unidentified successors
 - **A process not an event**
 - **Planning: 1-2 years**
 - **Implementation: up to a decade**
 - **Planning for succession doesn't mean it's time to retire!**





Farm Transfer Plan

Asset Transfer

Spell out how farmland, buildings, and other assets are conveyed from one party to another.

Goal Setting & Family Communication

Set forth personal, family and business goals as well as ways to ensure constructive communication among all involved.

Management Transfer

Lay out how management tasks, responsibilities and income shift over time from one farm operator to another.

Business Plan

Sets out strategies for farm operations, personnel, marketing, finance, and business entity formation.

Estate

Direct the eventual transfer of assets, usually with the goal of preserving as much of the estate value as possible for the beneficiaries.

Land Use

Map out land use options that address agriculture, forestry and recreation uses as well as conservation and development.

Retirement

Address how and where the retiring person(s) want to live, their anticipated income and health care costs.



Why is succession planning important?



“I want to die with my boots on.”

—FOCUS GROUP PARTICIPANT, ON RETIREMENT

Why is succession planning hard?

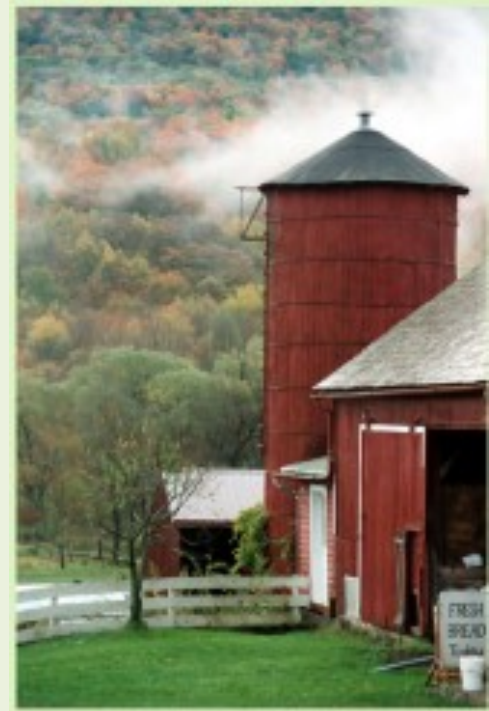
Why is succession planning important?

- **Legacy** – land, business, family
- Avoid family, legal, financial **tangles**
- **Retirement** - vision & post-farming security
- **Next generation** needs to know and **prepare**
- Need **time** to **identify** & transition a new owner
- **Taxes** (not the driver)



Why is succession planning hard?

- **Emotional**
 - Aging, Health, Death, Money, Legacy
- **Family dynamics**
 - communication
 - Equal v. equitable
- **Other priorities**
- **Cost** (real and perceived)
- **Who can help?**



Where to start?

- **Take stock**
 - **Goals** (Personal, Family, Business)
 - **Business Viability / Planning**
 - **Who** needs to be involved?
 - **What** has been done & decided?
 - **Gather information** and documents
- **Get clarity on desired outcomes**



Lifestyle Values and Choices—A Survey for Retiring Farmers

W4

Directions: Please rate the importance—for you—of each item listed below (1 = not important; 2 = important; 3 = very important). Then discuss each item with your spouse and/or other family members. Use the survey to become clear about what is most important to you and your family in the farm transfer process.

| | Not Important | Important | Very Important |
|--|------------------|-----------|-------------------|
| 1. I want the farm to remain in our family's possession. | 1 | 2 | 3 |
| 2. I want the farm to continue to be farmed after I/we retire. | 1 | 2 | 3 |
| 3. I want to keep physically involved after I retire from farming. | 1 | 2 | 3 |
| 4. I would like our children to play a part in the continuation of the farm. | 1 | 2 | 3 |
| 5. I would like the division of farm property among our children to be equal in dollar value. | 1 | 2 | 3 |
| 6. I would like the division of farm property among our children to be fair (not necessarily equal). | 1 | 2 | 3 |
| 7. It's important that my spouse and I agree on the plans for transfer of the farm. | 1 | 2 | 3 |
| 8. It's important that my spouse and I have enough money for retirement. | 1 | 2 | 3 |
| 9. I want to have the financial resources to do new things after farming. | 1 | 2 | 3 |
| 10. It's important that our children agree with our plans for the farm's future. | 1 | 2 | 3 |
| 11. I would like to be able to help our children establish themselves in careers outside farming. | 1 | 2 | 3 |
| 12. I want to be able to give financial help to our children who choose a nonfarm career. | 1 | 2 | 3 |
| 13. I want to be able to give financial help to our children who choose a farm career. | 1 | 2 | 3 |
| 14. I would like to maintain some financial control over the farm throughout my life. | 1 | 2 | 3 |
| 15. I would like to be involved in decision making for the farm throughout my life. | 1 | 2 | 3 |
| 16. I would like our children to play a part in the decision making for the farm's future. | 1 | 2 | 3 |
| 17. I would like our children to assist in my/our plans for retirement. | 1 | 2 | 3 |
| 18. I want to receive what our farm is worth when it is transferred. | 1 | 2 | 3 |
| 19. It's important to me that our children take over the management of the farm. | 1 | 2 | 3 |
| 20. It's important to me that our children choose farming as a career. | 1 | 2 | 3 |
| 21. It's important to me that our children have the opportunity to choose a career outside farming. | 1 | 2 | 3 |
| 22. I want our children to have the opportunity to continue the operation of the family farm. | 1 | 2 | 3 |

It Takes A Team

- Most families cannot plan for succession on their own
- Team approach
 - Professional advisors
 - Trusted personal advisors
 - Stakeholders – family/others
- Who is the driver?
- Planning takes time and effort!



Your advisor team

- **Facilitator/coach**
- **Attorney** (real estate, conservation, estate, tax, elder care...)
- **Financial** advisor
- **Business consultant**
- **Accountant/tax planner**
- **Land use planner**
- **Land Trust**
- **Lender**
- **Insurance agent**
- **Realtor**
- **Appraiser**



What are your goals as a landowner?

- Land Use / Management
 - Improvement?
 - Legacy
 - Aesthetics
- Monetary
 - “Cover costs”
 - Income?
 - Taxes
- Other
 - Environmental
 - Local Food / Support Agriculture
 - Personal?



Farm Seeker's Perspective – Land Tenure

Tenure means “to hold”

To have secure land tenure, a farmer needs:

- Access to land
- Security to hold it
- Clear division of rights and responsibilities



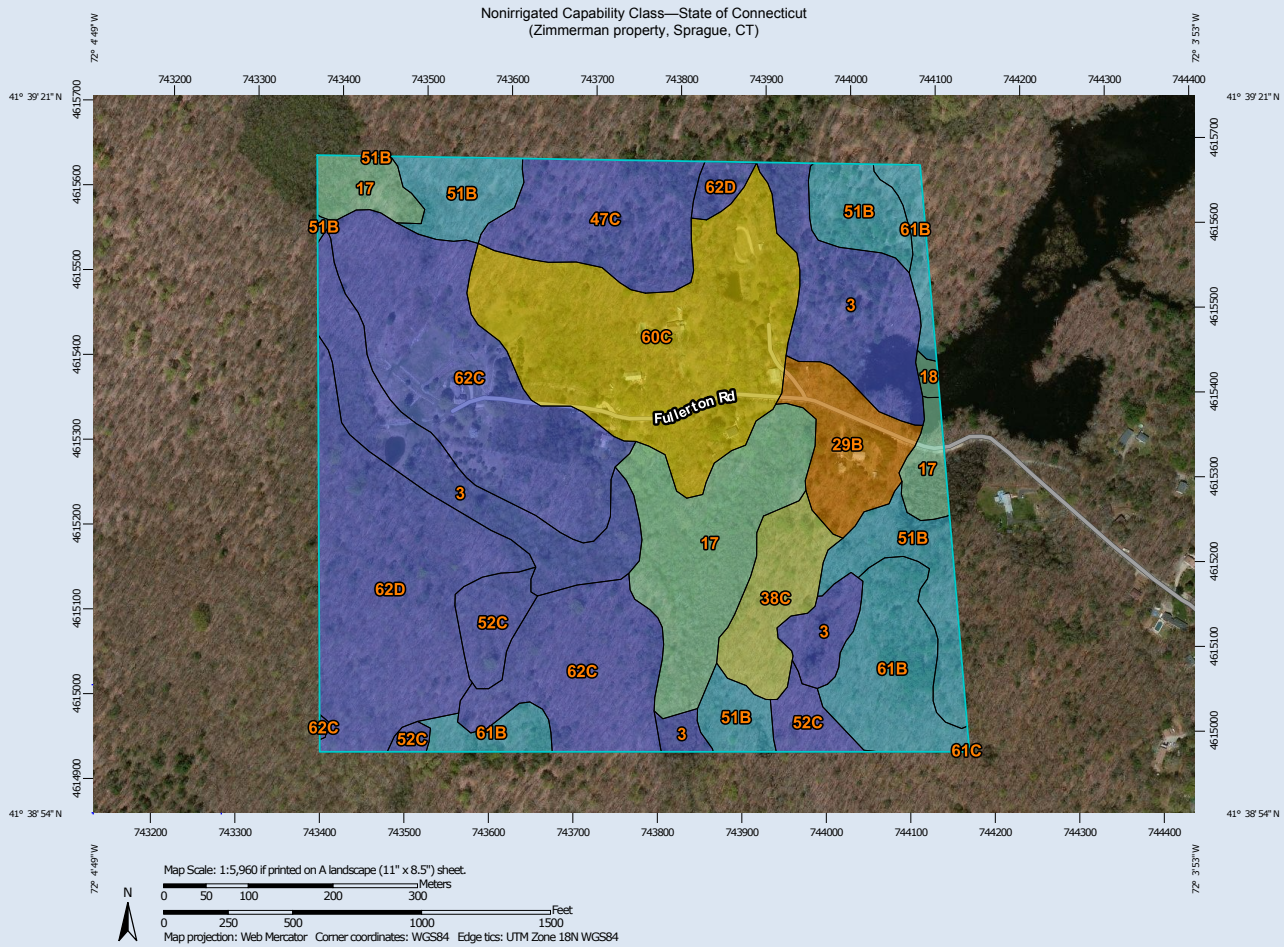
Finding a Farmer for your Land— What do to FIRST

Be ready for inquiries! Make sure you know what you're offering:

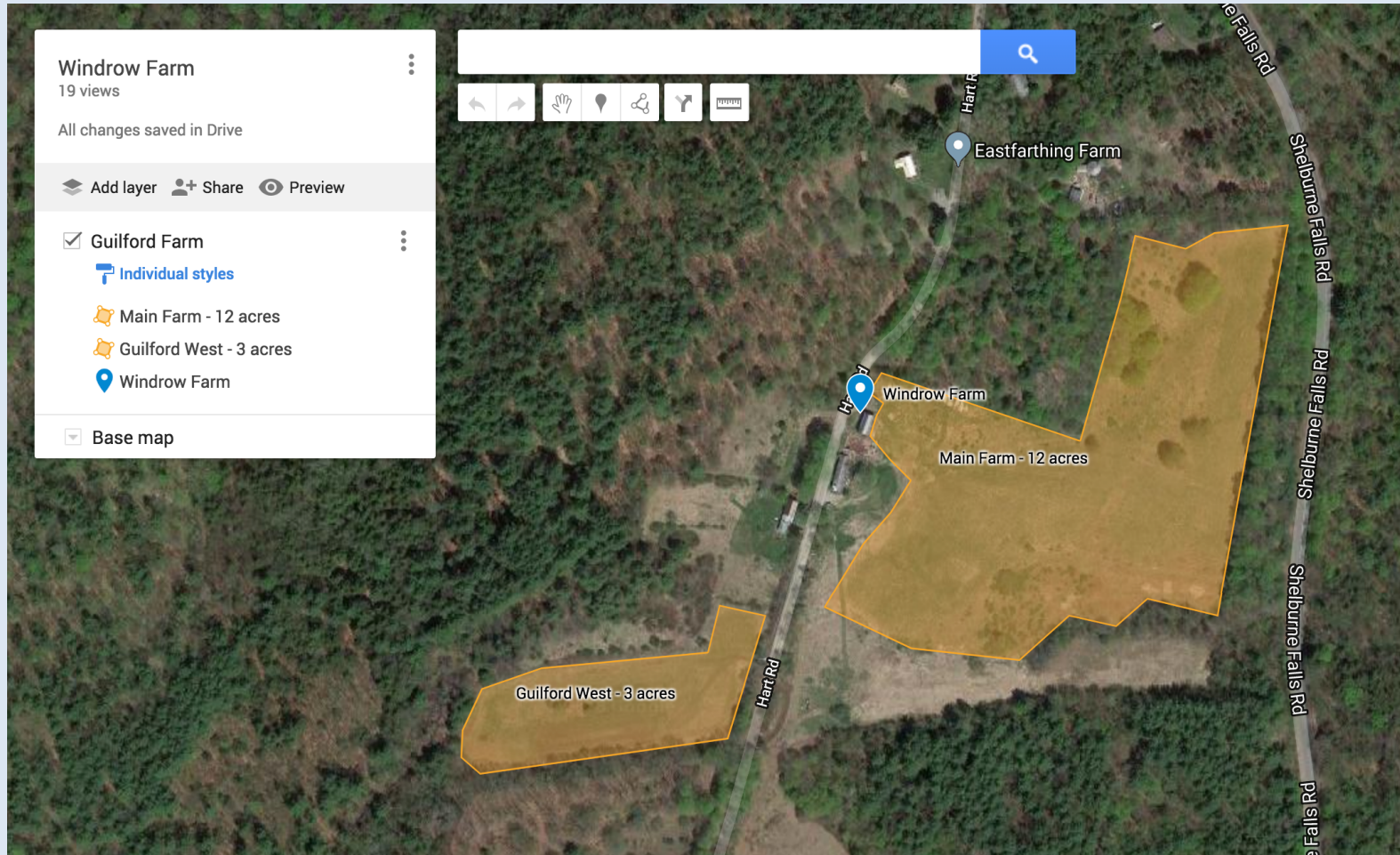
- **Land: Acres, soils?**
- Infrastructure? Housing?
- Rent?
- What kind of farming? (possible / desired)
 - (Livestock, Crops, Perennials, Other?)
 - Any restrictions? (Organic? IPM? No-till?)
- Are all family members / interested parties in agreement?
- **Rough Draft Lease? (“Plain English” working draft)**



Web Soil Survey



Acreage: Google “My Maps”



Guidance from a Land For Good Field Agent

Farm succession/transfer planning (land & business)

– **Farming Landowners**

- Exiting farmers, farm families
- How to pass on or transitioning the farm & business
- Junior generation on the farm

– **Farm Seekers**

- Both New & Established Farmers—land access, leases,

– **Non-farming Landowners**

- Finding a farmer to lease, purchase or otherwise use your land



Resources

- Land For Good
 - Farm Succession School
 - Field Agent “coaches”
 - Guides (e.g., “No Successor”)
 - Website toolbox
- New England Farmland Finder (www.NewEnglandFarmlandFinder.org)
- Farm Transfer Network of New England (www.FarmTransferNewEngland.org)





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Gaining ground for farmers

- Programs ▾
- Resources ▾
- Who We Help ▾
- How We Work
- Toolbox ▾
- Events

You are here: [Home](#) > [Resources](#) > [Toolbox](#)

Toolbox

Browse our Land Access Toolboxes to get outfitted with resources to learn about and take action on farmland access, tenure and transfer issues. Whatever your situation, taking a minute to find the right tools can help you take next steps.

- [Leasing Farmland](#) Updated!
- [Farm Seekers](#)
- [Farm Transfer Planning](#)
- [Landowners](#)
- [Educators & Advisors](#)
- [Communities](#)

“ I am grateful that Land For Good has put together so many resources on land access, and also really grateful that staff are available to talk me through a specific situation. ”

Get our newsletter!

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Yes! I want to ensure the future of farming.

Use my donation to put more farmers more securely on more land in New England - and beyond. [More info](#)

DONATE NOW

- \$25 Twenty-five dollars
- \$50 Fifty dollars



LFG's Build-a-Lease Tool

The screenshot shows a web browser window with the URL landforgood.org/build-a-lease-tool/. The browser's address bar and tabs are visible at the top. The website content includes a header with a hammer icon and the text "BUILD-A-LEASE Land For Good TOOLBOX". Below this is a yellow box with instructions: "In this Tool, please use these buttons (not your browser) to move or save." and buttons for "Previous", "Next", and "Save for later". A note below the buttons says: "* To view or email your document, go to 'Finish.'". The main content area has a heading "Introduction" and a "Welcome!" message. The text explains that the tool is designed for learning about farm lease sections and generating documents. A bolded disclaimer states: "This is an educational tool. It is not intended to replace guidance from your advisors." On the right side, there is a vertical menu titled "Build a Lease" with buttons for each section: Introduction, Parties, Preamble, Section 1 - Premises, Section 2 - Terms of Lease, Section 3 - Rent, Section 4 - Permitted, Prohibited and Restricted Uses, Section 5 - Reserved Rights, Section 6 - Liability and Insurance, Section 7 - Transfer, Sale, Assignment and Sublease, Section 8 - Taxes, Utilities and Fees, Section 9 - Maintenance, Repairs and Improvements, Section 10 - Termination and Default, Section 11 - Communication, Permissions and Dispute Resolution, Section 12 - Standard Contract Provisions, and Finish. The Windows taskbar at the bottom shows various application icons and the system clock displaying 10:23 AM on 7/13/2018.



Available Farms and Land

USING THE MAP: Click on the icons for a link to more information about each posting. Use the filters to narrow your search. Note that the map excludes some properties at the owners' request; all properties are listed (by state) below the map.

TOTAL NUMBER OF ACRES

- Any -

ACRES OF CROPLAND/TILLABLE LAND

- Any -

ACRES OF PASTURE

- Any -

TENURE ARRANGEMENT

- Any -

WATER SOURCES PRESENT

- Any -

BARN AND SHEDS

- Any -

FARMER HOUSING

- Any -

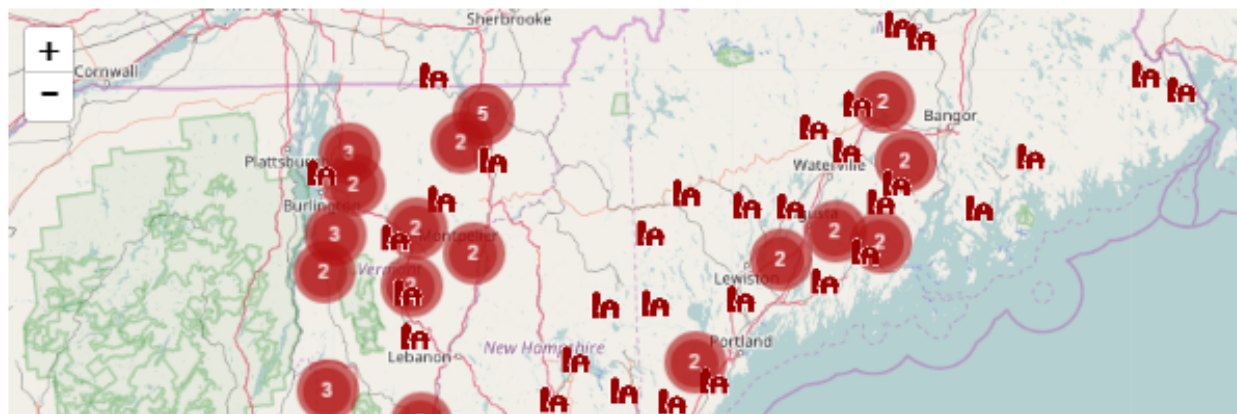
EQUIPMENT AND MACHINERY

- Any -

STATE

- Any -

Search





Thank you!

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www.landforgood.org

