

Build Farm Transition Plan for Future Needs

By Darren Frye, Water Street Solutions

It's important to consider the needs of your farm when bringing in the next generation. The other piece of that is taking a close look at the skills that the next generation brings – as well as recognizing what they're *not* interested in or passionate about.

Sometimes the next generation's passion lies in just one or a couple parts of the operation. The skills farm operators will need as we move into the future are getting more complex and specialized. Knowing this is important because the farm will need a plan.

How can the interests of the next generation be matched with the needs of the operation? Start talking with those coming back to the farm about what they love to do. Also, what are they not interested in doing on the farm in the future? Then the farm family can make plans for how the operation will continue.

In one family, the daughter returned to work on the farm full-time, while the son has a career off the farm and is unlikely to come back. The older generation has been working with a legacy advisor to help the family navigate the upcoming transition.

The parents and daughter needed to talk about which parts of the operation she'd be interested in running in the future when Dad isn't farming anymore. As they talked, they were surprised to find out that she isn't interested in running the grain portion of the operation. She's passionate about the livestock portion.

It's good the family learned this now, as they have the opportunity to create a plan. They can figure out the future of the grain side of the operation – whether that means transitioning to cash rent, custom farming, or if it means hiring someone to run that side of the business.

In another family, the older generation discovered something that they'd had a hunch about all along – that the son in the next generation was interested in focusing his energy and attention on the production ag side of the operation.

His business-minded father tried to involve him in the business of the farm, but it was a struggle. The son didn't see why he needed to be concerned about that right now – and resisted because he didn't enjoy spending time working on the business side.

The father and son discussed the future of the farm together – and the skills the son will need in order to lead the farm business when his dad retires. Together, they looked at where their farm is now, where they hope to be in the future, and then made plans to target the outside help they need to get there.

What is the next generation passionate about in your operation? Talk with them about what they most enjoy doing on the farm and where they see themselves leading. Once you have a good understanding, you can start to bring a team around you and your next generation – to build their skills and create plans for the best transition possible.

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