



Extension

UNIVERSITY OF WISCONSIN-MADISON

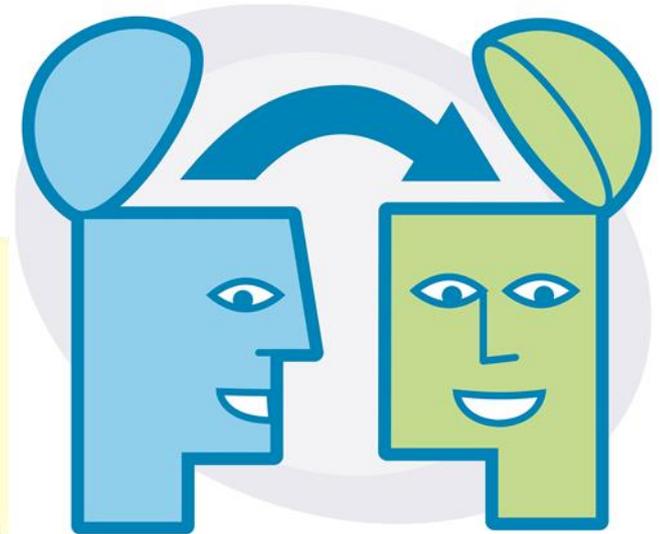
Overview of Farm Succession

Joy Kirkpatrick

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Definition of Farm Succession



Succession Statistics

- 29% of farms have succession plans –

(USDA ARMS 2013)

- 27% of Iowa farms have identified a successor

(Baker, J.R., and Ethan Epley. Iowa Farmers Business and Transfer Plans. 2009.)

- 75% of Iowa farmers surveyed will never or only semi-retire

(Baker, J.R., and Ethan Epley. Iowa Farmers Business and Transfer Plans. 2009.)

Farm Real Estate Values

- In the 10 years between 2004 and 2014 farm real estate nearly doubled in value
- 2015 farmland reached record levels before softening slightly in 2016

Burns, C., Key, N., Tulman, S., Borchers, A., & Weber, J. (2018). *Farmland Values, Land Ownership, and Returns to Farmland, 2000 - 2016*. USDA Economic Research Service. Retrieved from <https://www.ers.usda.gov/webdocs/publications/87524/err-245.pdf?v=0>

What do farm families want these assets to be?



Common Tensions of Farm Succession

Letting go vs
retaining
control

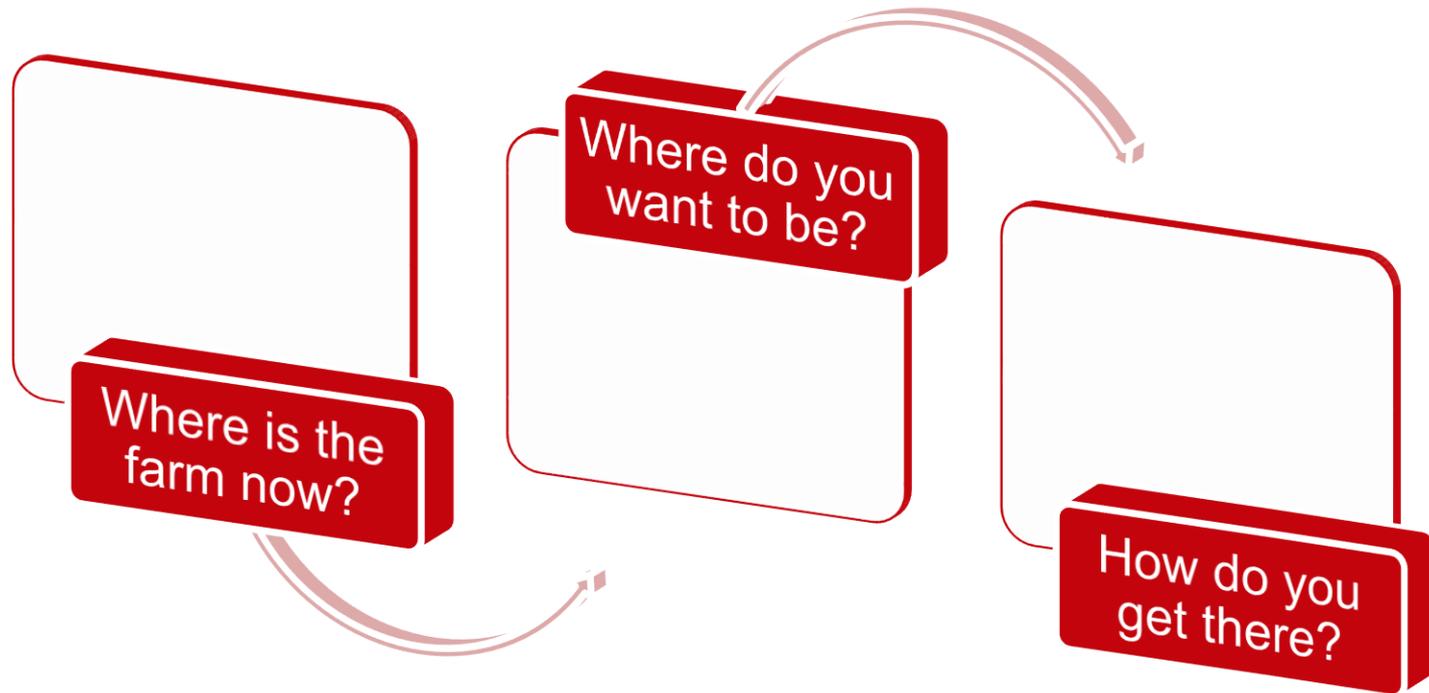
Fair vs Equal

Profit vs
affordability

Actual
conversations
vs relying on
assumptions

Progress vs
Continuity

Pitts, M. J., Fowler, C., Kaplan, M. S., Nussbaum, J., & Becker, J. C. (2009).
Dialectical Tensions Underpinning Family Farm Succession Planning. *Journal of
Applied Communication Research*, 37(1), 59-79. doi:10.1080/00909880802592631

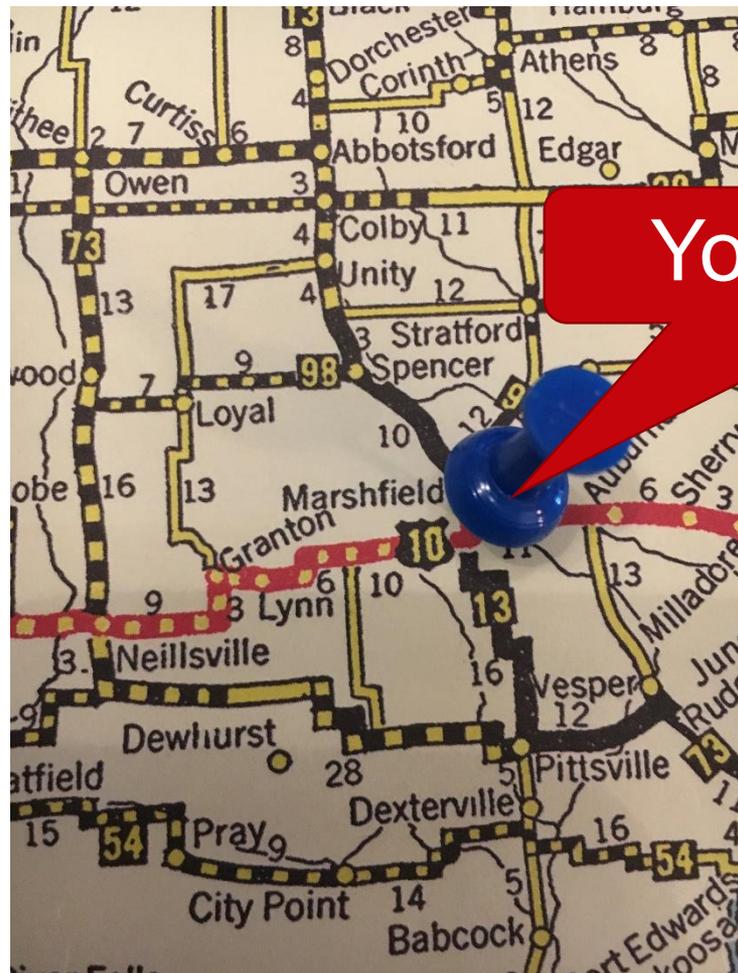


Where is the farm now?

Where do you want to be?

How do you get there?

Where is the farm now?



You Are Here!

Where is the farm now?

- History of the farm
- History of the family (information about children)
- What plans are already in place?
- Who is doing what?
- How are decisions made?
- Who is making decisions?
 - Operational
 - Strategic
- How are the assets owned?
- How is income distributed?
- How are expenses distributed?
- Financial Information
 - Balance sheets
 - Income statements
 - Schedule F
 - Benchmarking
 - Family living needs
 - Retirement savings
 - Who knows what?
- Production data

Where do you want to be?

- Values/Vision/Mission/Goals
- Intentions

Questions:

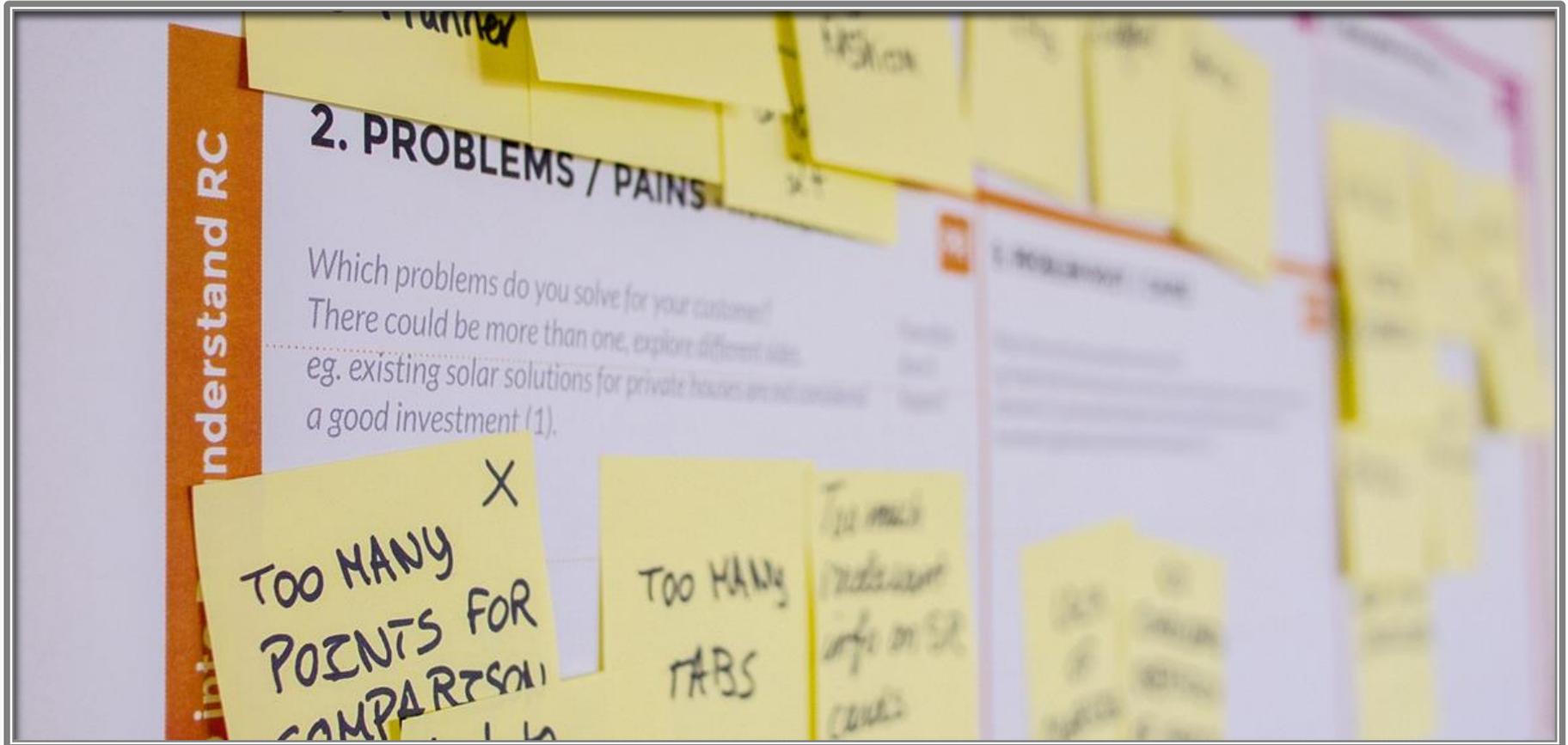
- What would you like to see happen with the farm?
- What will be your role in the farm?
- What do you NOT want to have happen with the farm?



Photo by [AbsolutVision](#) on [Unsplash](#)



How do you get there?



Starting the conversation



When to have a family discussion?

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"OK, who's ready for some bickering?"

It's all about the location



Other farm meeting tips





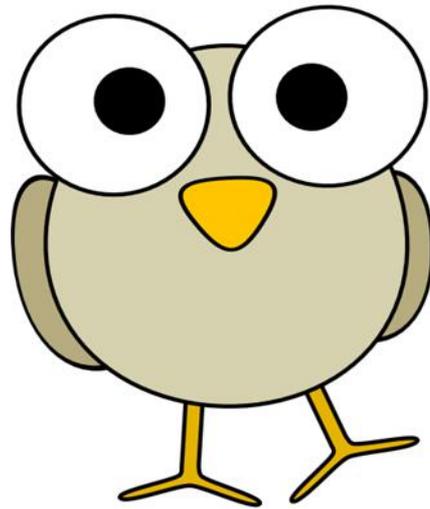
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TEN THINGS TO CONSIDER FOR SUCCESSION PLANNING

Joy Kirkpatrick, Farm Succession Specialist, UW Madison Division of Extension and the Center for Dairy Profitability,

Business succession planning just doesn't happen. Producers must intentionally focus on the planning and work with a team of professionals such as a tax specialist, attorney, financial planner, and lender. Farmers can make this time with professionals more worthwhile and lead to better outcomes by doing homework.

Whhhoooo has questions?



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