

TRANSFERRING THE FARM

WHERE DO I START?



INTRODUCTION

Are you interested in planning to transfer your farm? If so, this guide will help you take your first steps toward reaching your goal. You can achieve a meaningful legacy and create a new farming opportunity.

This “Where Do I Start?” guide will help you move forward.

It begins with what you already know: what you want and your current situation. Many farm families will find that they already have a solid start. Writing down your thoughts and questions is a good way to take stock of what you know and to prepare to communicate with others involved.

Next you can think about the bigger picture. The guide offers a list of considerations, and you can add your own.

You may then feel ready to act. You will have the momentum to follow up with action steps, resources and advisors.



Use this “Where Do I Start?” guide in ways that are most useful to you. You don’t have to go in order. You may write full sentences, use shorthand, draw or make mental notes. Add your own ideas, questions and concerns. You will feel good knowing that you’ve taken your first steps toward transferring your farm.

NOTES:

GOALS

My hopes for the future of the farm property (land and buildings) and the business are...

The roles I would like to have on the farm during the coming years are ...

This is how I envision my (and my spouse's) life—on and off the farm—in five, ten, twenty years (Retirement? Where will I (we) live? What will I be doing?):

I would like my farm legacy to be...

CURRENT SITUATION

Farm transfer (also known as farm succession) involves passing the farm from one generation or owner to another. It involves the transfer of assets, income and management, typically over a period of time.

My thoughts about transferring my farm...

These people are involved (have a stake) in the future of the farm:

• Immediate family:

• Other family:

• Non-family (e.g., neighbors, employees, CSA members, etc.):

I have identified a successor for the farm operation

I have discussed transfer with my successor. We have reached these agreements:

I have not identified a successor A family member may be interested

I have done the following to recruit a successor:

I have made these decisions about farm succession:

I have prepared these documents related to the farm transfer (for example, a will, trust, operating agreement, easement):

I have the following advisors on board (for example, lawyer, accountant, Extension, lender)

CONSIDERATIONS

What do you need to think about as you prepare to transfer the farm? Here are some important considerations. You may think of others.

- My priorities for the future of the farm (for example, keeping it in active farming, keeping it in the family)
- Current and future farm viability
- My (and my spouse's) future financial needs
- My (and my family's) timeline for planning and completing the transfer
- How I want the farm property used or restricted in the future (e.g., farming practices; development)
- The tax implications of different succession scenarios
- Ways to stay involved in the farm operation or to begin transferring my responsibilities
- Who needs to be involved in planning for the transfer (for example, children, in-laws, grandchildren, neighbors, community groups)
- Providing equitably for my heirs
- Identifying and bringing on a successor
- Preserving and/or making the farm affordable for the next operator
- *Your other considerations:*

NEXT STEPS

Congratulations. You've taken two important steps. You've identified what you know and begun thinking about several important considerations. Next, you may take action steps like those below.

Action Steps

- * **Estimate your retirement needs.** Visit www.ces.purdue.edu/farmretirement/ for an online retirement calculator.
- * **Complete an inventory of farm assets.**
- * **Talk to family member.** Learn about communication styles and effective ways to manage conflict.
- * **Update or start your business plan.**
- * **Learn about easements, leases and other creative transfer tools.**

Make use of resources and reach out to advisors

This is a partial list. You will find more on SEMAP's website and the links below.

Southeast Massachusetts Agricultural Partnership (SEMAP) is your first point of contact to help you with your transfer planning. Phone (508) 295-2212 x50
<http://www.umassd.edu/semap/>

- **Farm Credit.** Farm loans and financial planning assistance. www.firstpioneer.com
- **Farm Transfer Network of New England.** Online directory of advisors such as attorneys, financial planners, and land use consultants, plus many resources. www.farmtransfernewengland.net
- **Farmland Protection and Transfer in New England.** A comprehensive guide to farm transfer issues and strategies. <http://smallfarm.org/bookstore/index.htm#nesfi>
- **Holding Ground: A Guide to Northeast Farmland Tenure and Stewardship.** Non-ownership tenure with sample lease provisions, worksheets, and case studies. <http://smallfarm.org/bookstore/index.htm#nesfi>
- **Land For Good.** Farm transfer planning assistance. www.landforgood.org
- **Massachusetts Department of Agricultural Resources.** General information and links. <http://www.mass.gov/agr/>
- **Massachusetts Land Trust Alliance.** Find out about land protection and easements. www.massland.org
- **New England LAND LINK.** List your farm and locate a transferee. <http://smallfarm.org/nell/index.htm>
- **USDA Natural Resource Conservation Service.** Natural resource inventories, site maps. <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>



Acknowledgements: with funding from the Northeast Sustainable Agriculture Research and Education Program