

David Hallauer
District Extension Agent, Crops & Soils

Farm Transition Planning

The Department of Agricultural Economics at Kansas State has a publication outlining 12 steps of a successful farm transition plan. University of Missouri Agricultural Business Specialist Wesley Tucker wrote an article outlining five phases of management transition during a family farm succession. Many other Universities, lenders, etc... have articles, newsletters, videos, podcasts, etc., etc., etc., on the topic as well – yet it's still needed? Why?

Maybe it's because it's hard. A farm transition plan is difficult to think about, let alone start discussion around. They're difficult to put into writing and even harder to implement or keep current. Yet, they're necessary if you want your farm business to continue to be successful.

An Oklahoma State transition publication has a graphic showing the small business generational transition success rate. Success drastically declines through time with just a 30 percent success rate from the first to the second generation and a 12 percent success rate from the second to the third generation. Agricultural enterprise transitions aren't exactly the same as small businesses, but with statistics (Purdue) suggesting only 55 percent of farms have a written succession plan, it's not difficult to see how successful transitions could be a challenge.

Does your farming operation have a transition plan in place? If not, an upcoming conference from the KSU Department of Ag Economics Office of Farm and Ranch Transitions and K-State Research and Extension is designed to help farm transition plans in all stages of development: from established needing review to not started at all. Dr. Shannon Ferrell, Ag Law Specialist at Oklahoma State University and long-time farm transition advocate will be the keynote speaker at three events held March sixth (Garden City), seventh (Great Bend), and eighth (Manhattan). The program will include speakers from USDA's Farm Service Agency plus sessions with accountants and attorneys familiar with farm transition planning.

Registration (\$60/person) and vendor visits for the Manhattan event start at 8:00 a.m. on Friday March 8th at the Hilton Garden Inn (410 S. 3rd St.). The program will be from 9:00 to 3:00 p.m. Register online at <https://agmanager.info/events/farm-and-ranch-transition-conferences>.

If you need just a little bit more information to get your transition plan started – or keep it going - check out this event. Dr. Ferrell has a great base of knowledge to point you in the right direction. Local attorneys and accountants will help you dig deeper into next steps or other things to think about as you move forward. We hope you'll plan to attend.