



FARM TRANSITIONS

Introduction

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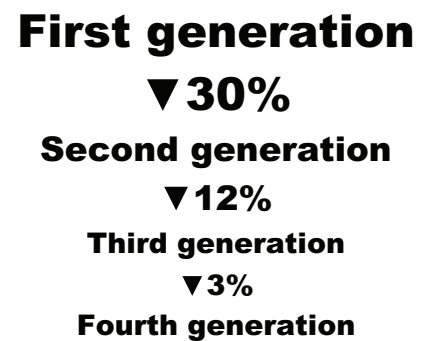
The Importance of Farm Transition Planning

Legacy. Heritage. Tradition. Values. These words quickly come to mind when one thinks about the importance of passing the family farm to the next generation. For many, the family farm represents the collective work of multiple generations. Regardless of whether a farm's was established in the days of the Oklahoma territory or if it was started last year, though, chances are its owners regard it as more than a mere collection of assets. Farmers and ranchers share a unique connection to their operations, and that connection almost always carries a nearly-instinctive drive to make sure the operation successfully passes to the next generation.

When asked what they would want to happen to their farm after their passing, the vast majority of farmers and ranchers would likely say something to the effect of "I want to keep the farm in one piece and to keep my family farming it." However, the data suggest that farmers, ranchers, and other small business owners are failing in that objective. According to a survey by the Family Business Institute, only about 30 percent of small businesses (including farms and ranches) survive their transition from the founding generation to a second generation, 12 percent survive to a third generation, and only 3 percent survive to a fourth generation.¹

If farmers and ranchers find the successful transition of their operation so critical, why do we see such frighteningly low success rates of farm transition? What can be done to reverse this trend?

Figure 1: Generational transition success rates for small businesses.



Why do so many farm transitions fail?

Farmers and ranchers often prevail over challenges from drought and machinery failures to market crashes and family emergencies. So why has the problem of successfully transitioning the farm business to the next generation become so widespread? Research from a number of sources suggests it is the result of issues affecting both individuals and small businesses generally, as well as challenges unique to the family farm. One author summarized these challenges into three primary reasons that farms fail to successfully transition from one generation to the next.²

Figure 2: Primary reasons for farm transition failure.

- 1. Inadequate estate planning**
- 2. Insufficient capitalization**
- 3. Failure to prepare the next generation properly**

A closer look at each of these issues can reveal why your farm transition plan can make all the difference in the future success of your operation.

A. Inadequate Estate and Retirement Planning

We have all heard the old adage "failing to plan is planning to fail." While parents often cite this to children refusing to plan for the future, many parents would do well to hear it themselves. The successful transfer of an intact farm business from one generation to the next is virtually impossible without a carefully constructed plan, and yet farm families consistently fail to create and follow such plans. A 2007 survey revealed that 55 percent of American adults did not have even a will.³ Other research suggests that the numbers are far worse

within the agricultural industry with 64 percent of farmers and ranchers having no form of estate plan.⁴

Failing to have any form of estate plan in place clearly influences the issues of insufficient capitalization and failure to prepare the next generation properly, and those influences will be discussed at length in the next subsection. For now, though, we focus on the immediate and significant impacts failing to have an estate plan can have on the very survival of the farm *family*, to say nothing of the survival of its business.

For example, research indicates approximately 80.3% of widowed persons are women.⁵ This should pose a concern to farm wives and mothers, as widowed women have a poverty rate between three and four times that of married persons of similar age.⁶ Why? In many ways, inadequate estate planning creates hardships for a surviving spouse: the intestate succession process could lead to the complete fractionalization of the farm, leaving an operation of insufficient size to support a surviving spouse as shown below; disputes over how to distribute assets could freeze such assets for significant periods of time; a lack of opportunities for surviving spouse to learn how to manage the assets could result in losses or liquidations; the list goes on and on. A surviving spouse likely will be the first “victim” of a lack of estate planning.

The surviving spouse is not the only likely victim of a lack of estate planning. Children, grandchildren, other relatives, and charities can be the unintended victims of failing to craft an estate plan. To understand all of the potential problems with failing to craft an estate plan, consider Oklahoma’s intestate⁷ succession statutes. These are the statutes that govern the distribution of a deceased person’s (called the “decedent”) property. Table 1 illustrates how the Oklahoma intestate succession statutes would distribute property in six different cases.

As you can see from this table, the intestate succession statutes may not bring about the result you wanted in a number of cases. For example, any time the decedent leaves surviving children and a surviving spouse, they will always share in the decedent’s property. It may have been the decedent’s intent to leave all the property to the surviving spouse for his or her support, and then for the property to go to the children, but that will not happen without an estate plan. Similarly, it may be the intent of a grandparent that their grandchildren receive property after they die, but if the grandchildren have living parents, the property cannot be passed to them under intestate succession. What if a surviving spouse and children over the age of 18 receive a joint interest in a piece of property? Every party would be entitled to sell their interest and take the proceeds, potentially breaking up an important farm asset and leaving a surviving spouse without sufficient resources to support themselves. One can quickly see that the lack of an estate plan can cause a number of problems.

Closely tied to the issue of inadequate estate planning is the issue of inadequate retirement planning. Many farmers and ranchers fail to see the link between retirement planning and a successful farm transition to the next generation, perhaps because many farmers and ranchers never intend to retire. Surveys among some farm populations indicate 73 percent of farmers plan either to never retire or to only “semi-retire.”⁸

Failing to plan for retirement can have devastating consequences on the financial assets of the farm, meaning hardships for a surviving spouse and little chance of success for a successful transition of the farm to the next generation. For example, a predominant issue for older farm families is the rising cost of medical care. By one estimate, a 65 year old couple will need \$240,000 in liquid funds just to cover their medical expenses to end-of-life.⁹ USDA data show the average farm balance sheet is healthy enough to support such expenses overall – with an average asset value of \$1,086,535 and a net worth of \$992,782 as of 2013 (the most recent data available).¹⁰ However, of the over \$1 million in assets held by the average farm, \$987,397 on average was in the form of non-current assets with \$839,219 in land and buildings. Without liquid assets available to cover medical or other expenses, farm families could find themselves having to sell their productive assets and reducing the viability of their farm.

Failing to plan for retirement can have other detrimental effects on the farm’s survivability. While older producers tend to own a great deal of their agricultural land (69 percent of producers over 65 own all the land they farm¹¹), they often decrease production or switch to less-intensive enterprises as they age. The average value of sales per farm for producers over 65 years of age is 42 percent lower than that of farmers 45 to 64

Table 1: Distribution of property under Oklahoma intestate succession laws

Surviving Heirs	Distribution
<p>Spouse—Decedent</p> <p>Case 1. Spouse No children No parents</p>	Spouse inherits everything.
<p> </p> <p>Case 2. Spouse Children Parents</p>	Spouse inherits 1/2 Children share 1/2 (regardless of number of children)
<p> </p> <p>Case 3. Spouse 2 living children 1 Deceased child 3 Grandchildren</p>	Spouse inherits 1/2 children share 1/2 (1/2 divided by 3 equals 1/6 each) Children of deceased child will divide that share (1/6 divided by 2 equals 1/12 each) Other grandchildren receive nothing.
<p>Grandparents</p> <p> </p> <p>Case 4. Parents Grandparents Spouse</p>	Spouse receives all joint-industry property and 1/3 of nonjoint property. Parents receive 2/3 of nonjoint property. If parents are deceased, sister would receive 2/3 of nonjoint property.
<p> </p> <p>Case 5. Spouse Decedent's children (Not children of spouse)</p>	Spouse receives 1/2 of joint industry property. Children share 1/2. Spouse receives child's share of nonjoint property (1/4 in example). Children each receive share of non-joint property (1/4 in this case).
Case 6. No relatives	The estate escheats to the state.

*Joint industry property is property acquired by joint efforts during marriage (including individual salaries). Nonjoint property might include individual inheritances or property owned before marriage if that property is held in separate bank accounts or otherwise maintained as separate property.

years old, despite that their farm size is only 7 percent smaller.¹² The consequence of this “retirement in place” by decreasing productivity of the farm assets can mean the conversion of hard-earned farm equity into living expenses for the current generation occupying the farm. While this might have been the implied “retirement plan” of the founding generation, it can also mean an undercapitalized business remains for the next generation as discussed below.

Some agricultural producers may think they can rely on their farm asset base alone to fund their retirement through the leasing of the assets to the successor generation or to an outside operator. Unfortunately, many farmers and ranchers underestimate the asset base needed to sustain their retirement living withdrawals. Using data from Oklahoma State University’s farm leasing survey, agricultural land can be expected to lease for approximately \$40/acre for cropland and \$22/acre for pastureland¹³; if a farm couple needed \$68,000 as a cost of living withdrawal – the average family withdrawal according to Kansas Farm Management Association records for 2012 – they would require 1,700 acres of cropland, 3,090 acres of pastureland or some combination thereof (and note this calculation assumes no debt is owed on the land). While these numbers do not include the value of machinery or livestock leasing, it should also be noted those investments have at best a ten year leasing horizon without replenishment.

Taken together, these issues can create significant risks not only for the farm’s founding generation, but also

for the viability of any transition plan. As one researcher has observed:¹⁴

... [T]he “retirement effect” can be found if a successor is not identified. Operators often slowly disengage from farming by eliminating livestock to reduce labor requirements but continue the cropping enterprises. Eventually, the farmer may opt to let the livestock facilities deteriorate, rent out the cropland, and continue living in the farmhouse in hopes the land will eventually transfer to his or her heirs at his or her death, in spite of the fact the heirs will never farm the land themselves. This process may severely impact the older generation’s retirement income potential, considering that farm business investments may be the only retirement assets. The only way to realize the older generation’s return on investment is to continue farming or sell the farm outside the family at a fair market value, either as a working farm, recreational land, or for development. The other concern with timely identification of a successor is the infusion of Social Security income when the older generation reaches an age to receive benefits. The monthly income from Social Security and the addition of health care benefits through Medicare can provide just enough financial security to allow the older generation to be less reliant on a successful transition to the younger generation. Income from the Conservation Reserve Program can have a similar affect, but goes one step further by taking land completely out of production that might have otherwise been rented to a beginning farmer or a farmer expanding his or her operation.

In short, a failure to create a well-constructed estate plan can lead to the disruption or outright breakup of the farm business, and failure to plan for retirement can drastically deplete the farm’s asset base, creating serious viability problems for the farm as a going business concern.

B. Insufficient Capitalization

The challenges of inadequate estate and retirement planning flow directly in to the problems of an undercapitalized farm operation. While farmers and ranchers constantly work to plan how their operations will stay ahead of the production challenges of the coming year, they often fail to create intermediate- and long-term business plans for how their operations must grow to sustain the addition of a new generation. Some quick “back of the envelope” math reveals how dangerous this lack of planning can be.

Summaries from two of the nation’s largest farm-management databases suggest that, for operations supported primarily by on-farm income (as opposed to operations where the majority of income comes from off-farm employment), approximately \$600,000 to \$750,000 of gross sales are needed to support each full-time equivalent (FTE) worker on the farm.¹⁵ Based on an average asset turnover ratio of 30 percent, this level of sales requires approximately \$2 million of assets under management. Many farms simply do not have this level of economic productivity or asset base.

The problem becomes magnified when we consider how many people may have to be supported by the farm asset base if another generation is added to the operation. The addition of a generation may mean the addition of an additional full-time employee; it may also mean that the cost of living withdrawals of two families may burden the operation where only one existed before. The other problem posed by the addition of family members to the operation is that farm labor is, to borrow the economic terms, “lumpy” rather than “continuous.” That is, instead of adding fractional amounts of FTEs to the operation, farmers generally can only add labor in integral units of one full-time employee at a time. This may mean significant increases in assets are required to grow the operation to a size capable of supporting the withdrawals of the additional employees. Without a long-term plan to grow the business and its assets, this can create significant problems, ranging from increased financial stress (particularly where debt is used to finance asset acquisition) to compensating added employees at below-market wage rates or a complete inability to add anyone to the operation.

To this point in the discussion of farm capitalization, we have assumed the farm asset base remains completely intact and can be expanded. Frequently, scenarios arise that can significantly reduce the asset base and its ability to support farm family living expenses. One such scenario is the “farm kid / city kid” dilemma. This problem is discussed in several other sections of the handbook, but it is useful here to illustrate why the capitalization of the farm is so important. The “farm kid / city kid” problem is common across many farms and ranches: one or more heirs has stayed on the farm or desires to return and make meaningful contributions to the

operation's growth (hereinafter referred to as "Farm Kid") while one or more heirs chooses to pursue off-farm employment and, although they may have important emotional connections to the farm, they have no intentions of becoming an active member in its operations (hereinafter referred to as "City Kid").

This poses a difficult choice for the founding generation. On one hand, the founding generation likely wants to provide some portion of the farm business to both Farm Kid and to City Kid. Wanting to avoid "unfair" treatment of one child or the other may lead them to conclude the only permissible division of farm assets is equally (often in undivided interests) to both Farm Kid and City Kid. On the other hand, the founding generation also recognizes this will leave Farm Kid with either a diminished asset base (if City Kid chooses to sell his or her share to convert the asset inheritance to cash) or partnered with someone whose economic interests are at best significantly different from their own (and at worst, are completely contradictory to their own).

Many farmers and ranchers choose the first approach. Fearing that City Kid will protest if he or she receives less in overall asset value than Farm Kid, they choose to evade the issue by giving both Farm Kid and City Kid equal, undivided interests in all of the farm's assets. A 2006 FARMTRANSFERS survey of Iowa farmers revealed 40 percent thought the "best" farm estate plan was to divide the assets among all the heirs equally.¹⁶ However, if the objective of a farm transition plan is "to keep the farm in one piece and keep the family farming," then giving the farm to both City Kid and Farm Kid in equal, undivided shares may not be the best option, for a number of reasons. First, City Kid is much more likely to view the farm assets as an investment whose value can only be realized through its sale, while Farm Kid and the founding generation view those assets as critical pieces to a continuing and hopefully growing business.¹⁷ The sale of assets to an outside party means that the farm not only slows or stops its growth; it may be reduced below a viable size. Alternatively, Farm Kid may try to buy out City Kid to consolidate control of the farm assets, but this can expose Farm Kid to significant financial stress if indeed he or she can even secure financing for the purchase given the cash flows or equity position of the farm business.

This dilemma is summarized in the comments provided by a FARMTRANSFERS survey respondent: "My dad spent his entire life paying off my uncles. Now I'll spend the rest of my life paying off my brothers."¹⁸ The farmer went on to note that he was one of three sons and his father had resolved he was going to give the farm in equal parts to all three, even though two of the brothers "were not currently on the farm and had not worked on the farm since they were children." The farmer's father had been in the same scenario, thus placing the current Farm Kid in the position of having to pay off heirs of the previous generation, and of the current generation as well. Put another way, one Cooperative Extension professional has noted "With poor farm transition planning, your family can buy the same farm from itself multiple times!"

If the farm is not sold to an outside interest, but rather Farm Kid and City Kid choose to work together, challenges still remain for both. As someone who holds an "investment" in the farm, City Kid may seek to maximize short-term returns in hopes of increasing distributions to his or her shares ("dividends"). This approach may run in opposition to the interests of Farm Kid, who is more likely to seek a long-term strategy of growth for the business that requires significant reinvestment of returns in the business rather than distributions to owners. Even if City Kid is given "non-voting" or "preferred" stock / membership units, they can still pose significant management issues for Farm Kid. The juxtaposition of these interests creates numerous opportunities for disagreements that, at best, strain family relationships and, at worst, can paralyze the business or tear it apart. For this reason, many farm planning professionals strongly advise against any estate plan that puts farming heirs and nonfarm heirs in an operating business.¹⁹

Given these potential conflicts, why do farmers and ranchers continually choose to give their farms to Farm Kids and City Kids in equal shares? In the experience of the authors and through abundant anecdotal evidence from other professionals, the answer lies in a fundamental misunderstanding of the concepts of "equal" and "equitable." Though it may seem obvious, these terms do not mean the same thing. "Equal" implies identical treatment, whereas "equitable" implies fairness. If farmers and ranchers would step back and examine the business and personal factors at play in their transition planning processes, many would quickly see that "equal" treatment of their heirs is far from "equitable."²⁰

Consider, for a moment, the contributions Farm Kid has made to the farm business. It may be that the past growth of the business may not have been possible without the contributions of Farm Kid, who provided both labor and management (and may have invested significant capital or pledged personal assets as well). Additionally, Farm Kid may not have been compensated at the prevailing market rate for his or her contributions of management and labor. In contrast to the contributions of City Kid (which may have been nothing), it quickly becomes clear that treating both Farm Kid and City Kid equally in the distribution of farm assets is inequitable. As a result, the founding generation may wish to provide more of the farm asset base to Farm Kid, in at least the amount of their “equal” share *plus* the amount of farm growth resulting from Farm Kid’s efforts and contributions.²¹ Alternatively, the founding generation could choose to allocate all of the farm assets to Farm Kid, and direct other assets such as cash, retirement investments, or life insurance proceeds to City Kid. Of course, to use this strategy requires assets are available in sufficient quantities to provide what the founding generation views as an equitable gift to City Kid, which in turn requires the kind of long-term retirement planning that seems to be lacking in agriculture. We see again that having a farm with sufficient capitalization is crucial to a successful transition.

C. Failure to prepare the next generation properly

Farming and ranching are complex, technical enterprises that must work in a risk environment unlike almost any other industry. On any given day, a farmer or rancher must be an animal scientist, agronomist, environmental scientist, engineer, economist, commodity broker, human resources manager... the list goes on and on. Part of the problem in successfully transitioning a farm or ranch to the next generation, then, comes from making sure that the successors have all the skills needed to successfully operate the business. Indeed, the failure of the founding generation to devote significant time and resources in the management and leadership development of the next generation has been cited by multiple experts as a principal cause for the high failure rate of farms, ranches, and other small businesses.²²

As discussed in section 2 of this handbook, good family communication is critical in preparing the next generation to successfully continue the family farm and ranch business. However, some farm estate or transition plans will place the surviving spouse in the role of manager for the remainder of his or her life. Thus, just as much care should be placed in preparing spouses for their new roles. This can be a challenge even if both spouses are active and engaged partners in the farm enterprises, as now one will have to do the work of two in addition to dealing with issues such as settlement of the estate and their own grief at the loss of the other spouse. If the surviving spouse has not been an active participant in the agricultural enterprises (and note that this may be because the spouse was actively engaged in off-farm employment to support the farm or because the deceased spouse ran the enterprises in a “black box” and refused to share the “how and why” of their management decisions), they face the dual and daunting tasks of keeping the farm operating while the simultaneously try to learn exactly how to meet that challenge.

How do I start my transition plan?

First, take pride in the fact you have already started your transition planning process by reading this handbook. You are already well ahead of many others in that you have the courage to take the first steps in your transition plan.

At this point, we should also discuss what is meant by the term “transition plan.” As you have seen from this introduction, poor estate planning can be devastating to the successful future of the family farm. But estate planning alone is not enough. Businesses that successfully transfer from one generation the next frequently start the process years before the death of the founding generation. They identify key goals and milestones, devote time and resources to the development of the people involved (whether employees or family members), and have a plan for how those people will grow into new roles within the business. As a result, the business gradually

transitions from one generation to the next, rather than moving suddenly upon the death of a key person.

That is why we use the term “transition planning” rather than “estate planning” or “business succession planning.” The most successful plans involve elements of both estate and business planning, and thus transition planning is used to show this comprehensive approach.

With that comprehensive approach in mind, this handbook will walk you through the steps of creating and implementing a transition plan for your farm.

Section 1 – First Steps will help you do just that: take the first steps towards building your plan. As you know from reading a map, to determine your course, you have to first know where you are, and where you want to go. In this section, we will discuss how to determine where you are today, both in terms of your operation’s finances, and where you stand on your values and goals. The answers to the questions posed in this section will be the foundation for all of your work moving forward with your transition plan.

Section 2 – Crucial Communications will prepare you for what many regard as the hardest part of the transitions planning process: communicating with all the stakeholders in your agricultural operation. Many farmers and ranchers avoid talking about their transition plans with those who have a stake in the operation because they are worried about creating conflict, or simply do not want to bring up what they believe is a depressing or distasteful topic. However, in so doing, they frequently doom their plan to failure. A successful transition plan requires open and honest communication with everyone involved. This section will help you overcome the barriers to starting the conversation, help you navigate difficult conversations, and, when it comes to it, how to “fight fair” when disagreements arise.

Section 3 – Planning for Transition reveals the very heart of the transition plan: the roles of both the current and future generations involved with the farm, and how those roles will shift in the transition plan. Here, we will map out the human resources needed on the farm as it grows and changes, show how to integrate new stakeholders to the operation as founding members find new roles, and how business entities can be used to facilitate these transitions.

Section 4 – Estate Planning discusses the element of transition planning that most people think of first (and perhaps exclusively). Sound estate planning is critical to a successful transition plan, and this section will walk through the considerations involved with a number of estate planning tools, from powers of attorney to trusts. This section also addresses the issues of estate tax planning, which has changed greatly in recent years.

Section 5 – Putting Your Plan into Action will help you actually put your plan into action, rather than putting a lot of work into a plan that goes into a binder that is then put on a shelf to gather dust. This section will help you prepare your stakeholders for their next steps, and will also help you periodically evaluate your progress and make revisions if necessary.

Let’s begin!

- ¹ Family Business Institute, “Succession Planning” <http://www.familybusinessinstitute.com/index.php/Succession-Planning/> .
- ² Kevin Spafford, *Legacy by Design: Succession Planning for Agribusiness Owners*, XI (2006).
- ³ Lexis-Nexis, “Majority of American Adults Remain Without Wills” available at <http://press-room.lawyers.com/majority-of-american-adults-remain-without-wills.html>.
- ⁴ Kevin Spafford, *Legacy by Design: Succession Planning for Agribusiness Owners*, XI (2006).
- ⁵ Lewis R. Aiken, *Dying, Death, and Bereavement* (4th ed., 2001) 327, 328.
- ⁶ Kathleen M. McGarry and Robert F. Schoeni, Medicare Gaps and Widow Poverty, Michigan Retirement Research Center, Research Paper No. WP 2003-065, available at <http://www.mrrc.isr.umich.edu/publications/papers/pdf/wp065.pdf> .
- ⁷ “Intestate” simply means “without a testament” as in someone who has not completed a last will and testament.
- ⁸ Joy Kirkpatrick, *Retired Farmer – An Elusive Concept*, Choices, 2Q 2013, available at <http://www.choicesmagazine.org/choices-magazine/theme-articles/transitions-in-agriculture/retired-farmer--an-elusive-concept>.
- ⁹ Fidelity.com, “Fidelity Estimates Coupled Retiring in 2012 Will Need \$240,000 to Pay Medical Expenses Throughout Retirement,” available at <http://www.fidelity.com/inside-fidelity/individual-investing/retiree-health-care-costs-2012>.
- ¹⁰ USDA Economic Research Service, ARMS Farm Financial and Crop Production Practices: Farm Finances for All Farms: All Survey States, Farm Business Balance Sheet, available at http://www.ers.usda.gov/data-products/arms-farm-financial-and-crop-production-practices/tailored-reports-farm-structure-and-finance.aspx#.VI8PaTHF_9U.
- ¹¹ USDA National Agricultural Statistics Service, 2012 Census of Agriculture, Table 69: Summary by Age and Primary Occupation of Principal Operator, available at http://www.agcensus.usda.gov/Publications/2012/Full_Report/Volume_1,_Chapter_1_US/st99_1_069_069.pdf.
- ¹² Personal communication with Dr. Derrell Peel, Oklahoma State University Department of Agricultural Economics, March 12, 2013; calculations based on 2007 Census of Agriculture Data.
- ¹³ Damona Doye, Roger Sahs, “Oklahoma Cropland Rental Rates: 2012-13,” Oklahoma Cooperative Extension Service Current Report CR-230 (2013), available at <http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-5994/CR-230web08-09.pdf>. It should be noted there is significant variation in these numbers depending upon the region of the state and the type and quality of the land involved; these numbers are used only for the sake of illustration.
- ¹⁴ Joy Kirkpatrick, *Retired Farmer – An Elusive Concept*, Choices, 2Q 2013, available at <http://www.choicesmagazine.org/choices-magazine/theme-articles/transitions-in-agriculture/retired-farmer--an-elusive-concept> (internal citations omitted).
- ¹⁵ see Kansas Farm Management Association, “Whole Farm Summaries,” available at <http://www.agmanager.info/kfma/>, Illinois Farm Business Association Whole Farm Summaries, available at <http://fbfm.ace.uiuc.edu/>.
- ¹⁶ John Baker, “What’s it Worth if You Stay on the Farm?” Presentation at National Farm Business Management Conference, Overland Park, Kansas, June 11, 2013, available at http://www.agrisk.umn.edu/conference/uploads/JBaker1541_01.ppt .
- ¹⁷ John Baker, “What’s it Worth if You Stay on the Farm?” Presentation at National Farm Business Management Conference, Overland Park, Kansas, June 11, 2013, available at http://www.agrisk.umn.edu/conference/uploads/JBaker1541_01.ppt .
- ¹⁸ John Baker, “What’s it Worth if You Stay on the Farm?” Presentation at National Farm Business Management Conference, Overland Park, Kansas, June 11, 2013, available at http://www.agrisk.umn.edu/conference/uploads/JBaker1541_01.ppt .
- ¹⁹ Darrell L. Dunteman, *Heirs at Odds*, Farm Futures, April 2006, 36.
- ²⁰ A reason that many farmers and ranchers give for choosing the “equal” rather than “equitable” approach is they fear the potential family conflict if City Kid is dissatisfied with their inheritance. This fear is the precise reason why family communication regarding transition goals is so crucial, and will be discussed at length in section 2 of this handbook.
- ²¹ See John Maday (with David Goeller), *Compensating Your Ranch Heirs*, Drovers, January 2012, 24.
- ²² Kevin Spafford, *Legacy by Design: Succession Planning for Agribusiness Owners*, 53-104 (2006).