

Transitioning Your Farm To The Next Generation: Are You Prepared?

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Farm for sale...can't pay the estate taxes! Hopefully, this doesn't sound familiar. However, with land prices reaching new highs every month and tax laws changing almost as often, families must plan for this transition. Making plans to transfer assets from one generation to the next is not usually a pleasant task. It involves some very emotional subjects, specifically death and money, and you'll probably have to ask yourself some tough questions that don't have easy answers. Questions like, 'will the farm have to be sold to pay the estate taxes', or 'how can I divide my property fairly between my children', or 'how can I make sure the farming operation continues after I'm gone and everything is divided'.

All of those are tough questions and the easiest thing to do is nothing. However, that won't help you transfer the farm, nor will it ensure



that a viable farming operation continues after you're gone. There's no magic formula to accomplishing these tasks because each family's situation is different. However, by listening to experts who've been involved in the process, farmers and landowners can gain valuable insight from specific examples and practical applications.

Dr. David Kohl, professor emeritus with Virginia Tech, is one such person. He will be the featured speaker for a seminar to be offered in two locations entitled: "http://ces.ca.uky.edu/caldwell-files/Next_Generation_Brochure.pdf" Planning for the Next Generation of Your Farm Family.

One will be held November 15, 2012 at KY Dam Village State Resort Park Conference Center in Gilbertsville and the other on November 16, 2012 at the James E. Bruce Convention Center in Hopkinsville. Dr. Kohl was a professor of Agricultural Finance and Small Business Management and Entrepreneurship at Virginia Tech in Blacksburg, VA for over 25 years. Now, he spends several days each month talking to farm families about effective ways to pass farms on to the next generation while keeping them in operation.

Other speakers include David Marrison, Extension Educator with Ohio State University, Dr. Steve Isaacs, Extension Professor of Ag Economics with the University of Kentucky and Attorney Vance Cook from Princeton, Kentucky. Each speaker will be addressing topics that emphasize the importance of communication between generations, having a plan for transition, and putting that plan into motion.

There's a common saying in estate planning that those who fail to plan, plan to fail, but how can you get started? That's often the most difficult part of transitioning because family members have to discuss unpleasant and sensitive subjects like death and money. However, if you know of a farm that's been in one family through several generations, it's a pretty good bet that they communicate with each other and have had a plan or multiple plans in place for a long time.

This seminar is designed for all members of a farm family: owners, operators, spouses, adult children and possibly even adult grandchildren. By focusing on specific subjects like communication, legal issues and each generation's wants and needs, farms can be transitioned successfully. Dr. Kohl estimates that by 2025, more than 70 percent of farmland in North America will change ownership. Will your farm still be operational when it passes to the next generation or will it even be owned by your family?

For more information about this seminar, contact your County Extension Office or check out the meeting brochure which includes registration information at the website below:

HYPERLINK "http://ces.ca.uky.edu/caldwell-files/Next_Generation_Brochure.pdf" http://ces.ca.uky.edu/caldwell-files/Next_Generation_Brochure.pdf Δ

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