



HELPING FARM FAMILIES TRANSITION THEIR FARM BUSINESS TO THE NEXT GENERATION

168

participants in educational programs presented throughout the state

OVER 100

private educational sessions held on succession planning

PRIORITY

A R E A S

Michigan State University (MSU) Extension works to improve farm personnel well-being and income, expand agriculture-related businesses and increase employment opportunities, leading to agriculture being one of the strongest industries within Michigan. Supporting agriculture and helping to improve financial stability and competitiveness has a significant economic impact on Michigan and local communities.

IMPACTS



35,272

readers accessed team-written articles on succession planning.



43

family farms participated in private educational sessions.



OVER 150

individual farm and family members participated in educational sessions.

For additional information regarding farm management educational programs, research projects and materials, message Jon LaPorte, MSU Extension farm business management educator, laportej@msu.edu or visit https://www.canr.msu.edu/farm_management/experts.

“I want you to know that I sincerely appreciate the help you have given us in the farm transition. Thank you for the hope you have given me (personally). I haven’t had any for the farm in a long time.”

• Succession Planning participant

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Succession planning is a process of creating a path to transfer ownership of a farm business. The transfer is often between senior and junior generations of a family farm. MSU Extension farm business management team members assist in facilitating succession efforts by holding private educational sessions with family members of a farm business. During these meetings, participants discuss and develop specific strategies to help farm families achieve six main goals:

1. Retain financial security for the senior generation.
2. Obtain harmony among all family members.
3. Provide a reasonable opportunity for the successive generation to be financially successful.
4. Provide flexibility for changing situations.
5. Keep the plan relatively simple and easy to administrate.
6. Minimize income and estate taxes for all family members.

Achieving all of these goals can be difficult as they can sometimes conflict with each other. Success is achieved by finding a comfortable balance between goals for both the senior and junior generations. The process of succession can often take two or three years for families to think through and obtain this balance. Many families go on without a well-developed and executed plan, which often causes strife in the family. Some do attempt to transfer ownership, but it gets messy without a plan. Careful and thoughtful discussion is needed to assist in leading or sometimes pushing people down this path.

The farm business management team met with farm families and facilitated educational sessions. In addition to offering private educational sessions, team members presented educational programs throughout the state.

MSU Extension educators wrote articles on succession planning that reached readers through MSU Extension, Michigan Farm News and The Farmer's Exchange Newspaper.

