

# IOWA STATE UNIVERSITY

Extension and Outreach

## **Success Story**

### **Title**

Farm Succession Planning

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### **Author's Location**

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### **Relevance**

Creating a transition plan to make sure a farm continues as a productive business can be challenging. It is hard to talk about passing on the family farm to the next generation and maybe even harder to deal with this topic on an individual basis. Preparing for the future of an on-going business takes work, especially knowing that the plans provide direction for the business to continue operating without the current operator. The Small Business Association cites that a lack of succession planning as the reason only one-third of first-generation businesses survive to the second generation. A good transition plan helps ensure a farm or ranch continues as a productive agricultural business.

Farm women can learn how to plan a successful farm transition that focuses on the transition process necessary to provide a new wave of beginning farmers.

### **Response**

Iowa State University Extension and Outreach has developed, tested, and is now offering Annie's Project Managing for Today and Tomorrow (MTT) to help individuals and families plan and execute a successful transition for the business management and assets of the farm. The program also includes information concerning retirement needs and options for the present business owners. The five session program is designed for farm women (of all ages and often participants in class represent both the retiring operator and the new wave entrepreneurs from the same operation) and discusses the four components that create a successful transition—business planning, estate planning, succession planning, and retirement planning.

Managing for Today and Tomorrow was held in four different locations with fifty two participants in east central and southeastern Iowa to meet the need of succession planning. Each location had fifteen hours of instruction over a five week period where farm women learned about business, estate, retirement and succession planning from Iowa State University Extension and Outreach specialists and area professionals. In addition to brief presentations, there was discussions based on participant questions and follow-up activities for family members to complete at home. Each participant was given a binder with materials and resources to refer to during the class and after as they develop their succession plans for their farm.

### **Results(s)**

- Learning Changes
- Behavior Changes

### **Other Results**

At the end of each night, the participants had the opportunity to write down things that they had learned that night and actions or changes that they intend to implement as a result of the things they had learned.

The following is a list of things that participants shared that they learned and took action on.

- Everything helped put things in place. The goal part helped in figuring out the most important part of my time and what needs to be done.
- Web resources to look up information is wonderful. Binder—very organized & helpful for an ongoing resource.
- Ways to transition the family farm business.
- I loved hearing the different stories of the class members.
- Loved the course—learned a lot plus some refresher. There is never enough time to talk about retirement & being prepared for it.
- Great information-lots to think about. Nicely organized. Very useful to move forward with plans.
- I had my family write down their goals to start our farm transition plan.
- I talked to my husband on our eight hour trip in the car last weekend about all of the stuff that I have been learning in this class. This class has changed my outlook on the future and we are updating wills and plans to bring the next generation back to the farm.
- This class has changed my life. I now have a path to follow that will help us be successful in transitioning the farm to my kids. I wish I would have had this information when we were young beginning farmers.

Farm succession planning enables the next generation of farm families to have the opportunity to live on and operate successful farm businesses.

### **Location / Participant(s) Came From**

- County
  - Des Moines
  - Henry
  - Johnson
  - Jones

### **Partner(s)**

- Business and Industry
- County Extension Staff