

# Your Guide to **TRANSITION PLANNING TO SAFEGUARD YOUR FARM AND FAMILY**



# CONSIDER A PLAN AND LEGAL DOCUMENTS YOUR SAFETY NET



**Passing a family farm on to a younger generation may seem like a given, but sometimes good intentions are shattered when a family faces an unexpected life event. Regional Lending Manager Mark Robertson, in the Catawba Valley region of AgSouth Farm Credit, says one of the biggest obstacles he sees for farm families is the lack of a transition plan**

One of the pitfalls Robertson often sees is the two generations not talking openly and frankly about expectations. “Often, they each have good ideas but they don’t really put their heads together and work out a plan. Often the older generation isn’t ready to let go, and the younger generation isn’t patient enough to allow the parent some time to work through the transition and let it happen,” he says.

In addition to considering how to pass a farm from one generation to another, transition plans need to be considered in the event of other major life events that can place a family and farm business in jeopardy: death, divorce, dismemberment or disability, discouragement, disagreements, and disasters, sometimes referred to as the “dreadful D’s.”

Robertson said he has seen disagreements between the older and younger generation totally derail the transitioning of a farm from a father to a son, and the result is that the farm is no longer in operation. A conversation about expectations, followed by a plan all can agree on, even if a mediator has to be involved, can help families make the transition that is beneficial for all.

While a good business plan is a road map to success, a good transition plan goes hand-in-hand with it to help safeguard a business. It’s the tool that is necessary to help you weather a dreadful D.

“A yearly assessment is important,” he says. “An important resource in considering transition plans is a trusted advisor. It might be your loan officer or it might be your financial advisor, but you need someone who has a vested interest in your well-being and is willing to have hard conversations with you.”

Robertson says he often refers people to a financial planner to assist with developing a transition plan. A financial planner can help families determine what their wishes are. That is one of the first steps in working toward a plan. Getting a basic plan down will give a good estate attorney the ability to give them a good framework.

**Mark Robertson**  
*Regional Lending Manager - Catawba Valley Region*

