



Lessons From the Field Succession Planning is Easy. Except When it's Not.



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Welcome!

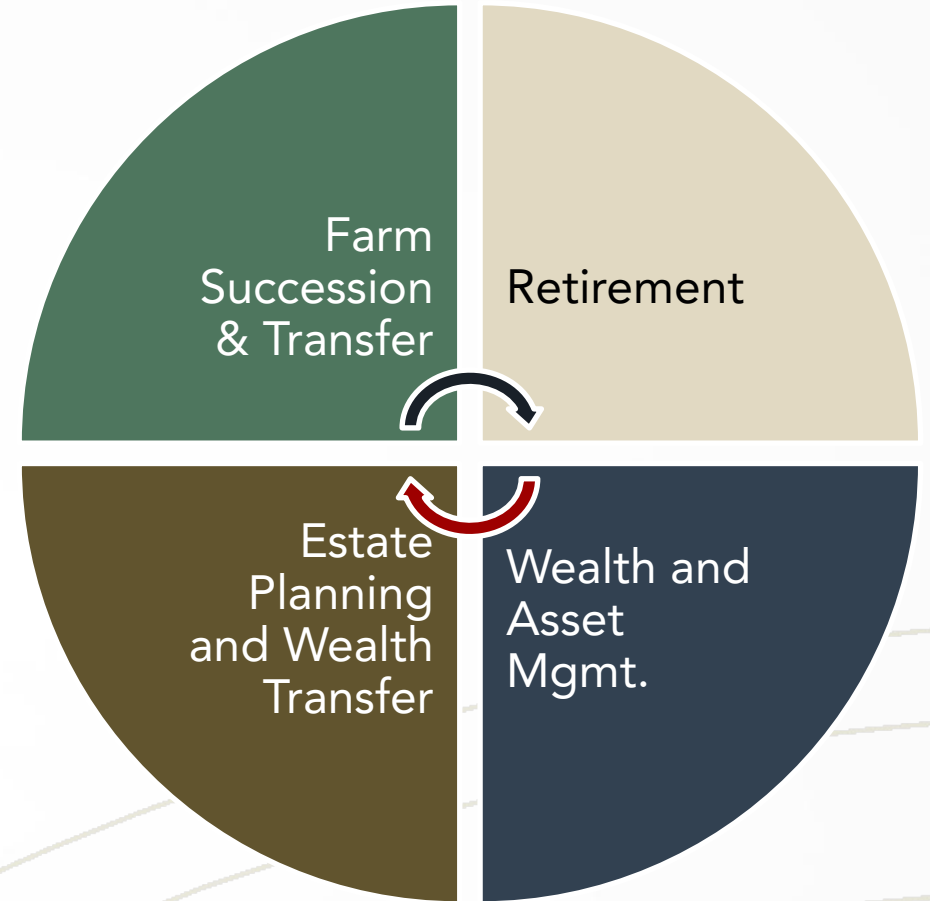
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The Challenge and Art of Succession Planning

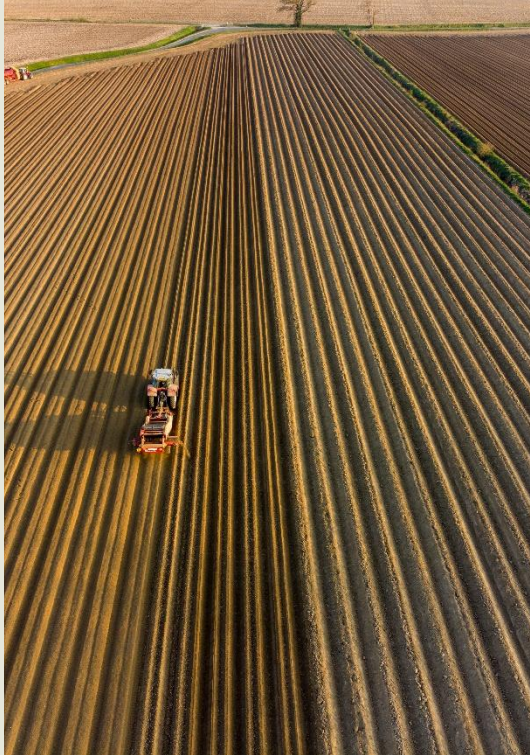


Succession is Easy



- First Generation Farm
- No trust or communication issues.
- One child in operation: No other children
- Child is ready; spouse “gets it”
- Dad has a \$2 million IRA
- Land is cheap
- Inputs are cheap
- Water is plentiful
- Weather is predictable
- Crops are predictable
- Taxes are low
- Money (and diesel) grows on trees
- Plan gets updated annually.

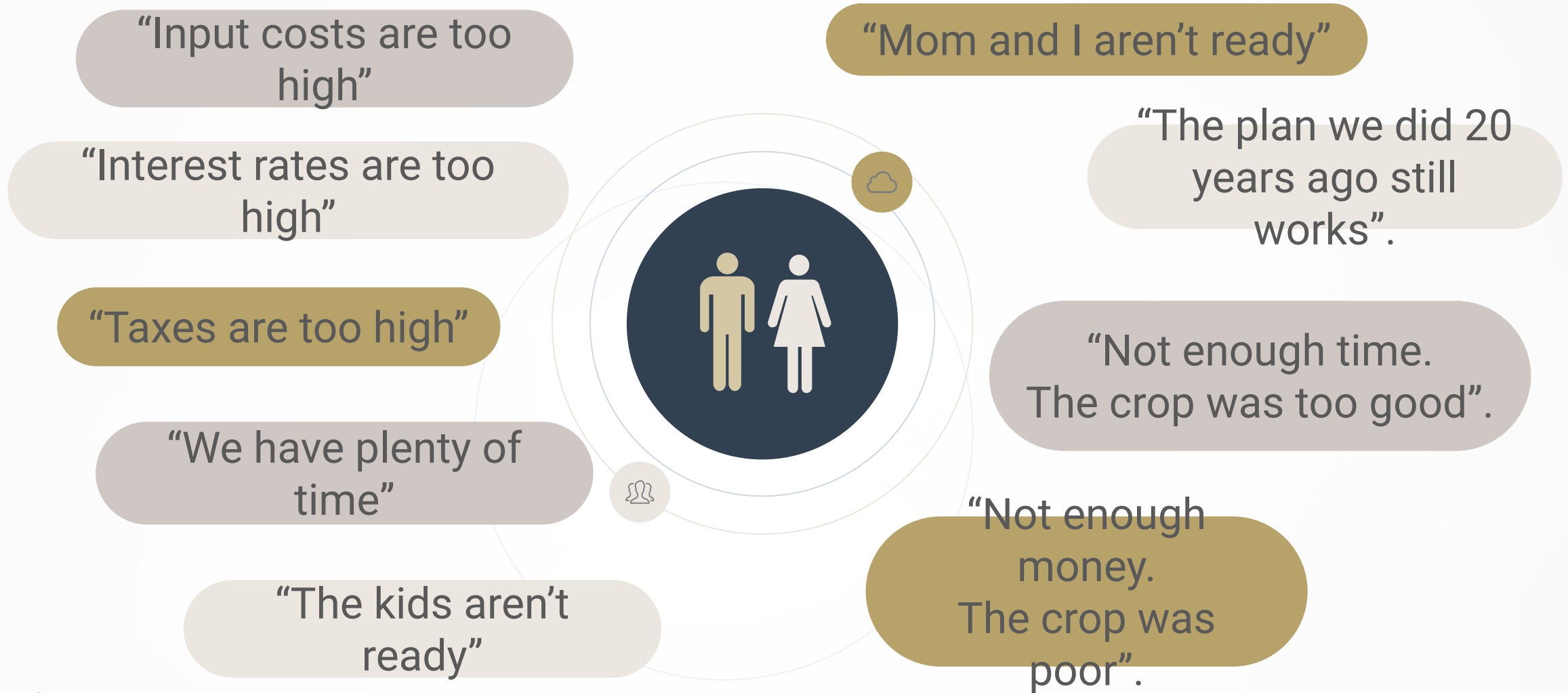
More Commonly



- Brothers and cousins in operation.
- Children in and outside the operation (EQ)
- Children still learning their roles
- Spouse not from a farm family
- Communication and trust issues.
- Dad is land rich, cash poor
- Land prices through the roof
- Inputs, diesel & taxes: *Are you kidding me?*
- Plan is sitting in a 3 ring binder and hasn't been dusted off in a decade.

Excuses We Hear for Not Planning

"Failing to Plan is Planning to Fail." Russ Jones

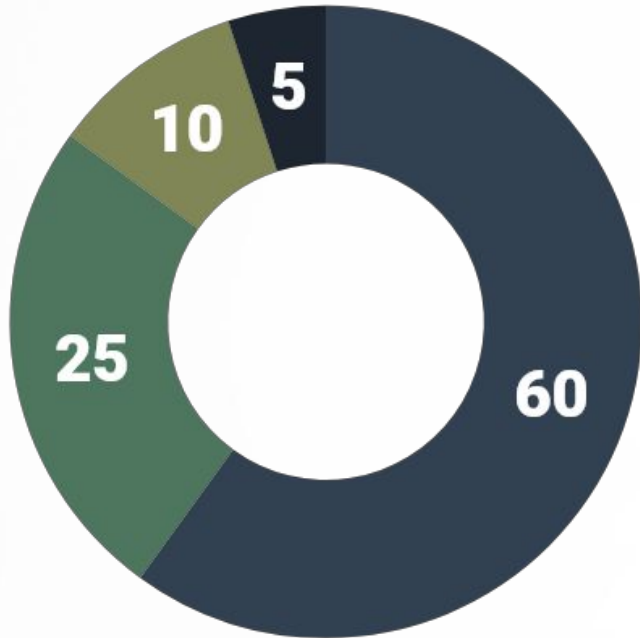


Components of a Good Succession Plan



- ❑ **Build an experienced team.**
- ❑ **Address all 4 Quadrants of planning**
- ❑ **The tax and financial aspects of planning are important:**
 - ✓ Business documents
 - ✓ Estate documents
 - ✓ Financial modelling
 - ✓ Insurance and financial instruments
- ❑ **But ignore the trust and communications element at your peril!**

MIT Johns Hopkins Study



Causes of Unsuccessful Family Business Transfers:

- ✓ 60% Breakdown in Trust and Communications.
- ✓ 25% Failure to Prepare Heirs
- ✓ 10% No Clear Family Mission Statement.
- ✓ 5% All Other Causes.

4 Common Mistakes:

- ❑ Not addressing all 4 planning quadrants.
- ❑ Not crunching the numbers and understanding the true cost of each alternative.
- ❑ Ignoring the human factors: Trust and Communication.
- ❑ Not keeping the Plan updated.

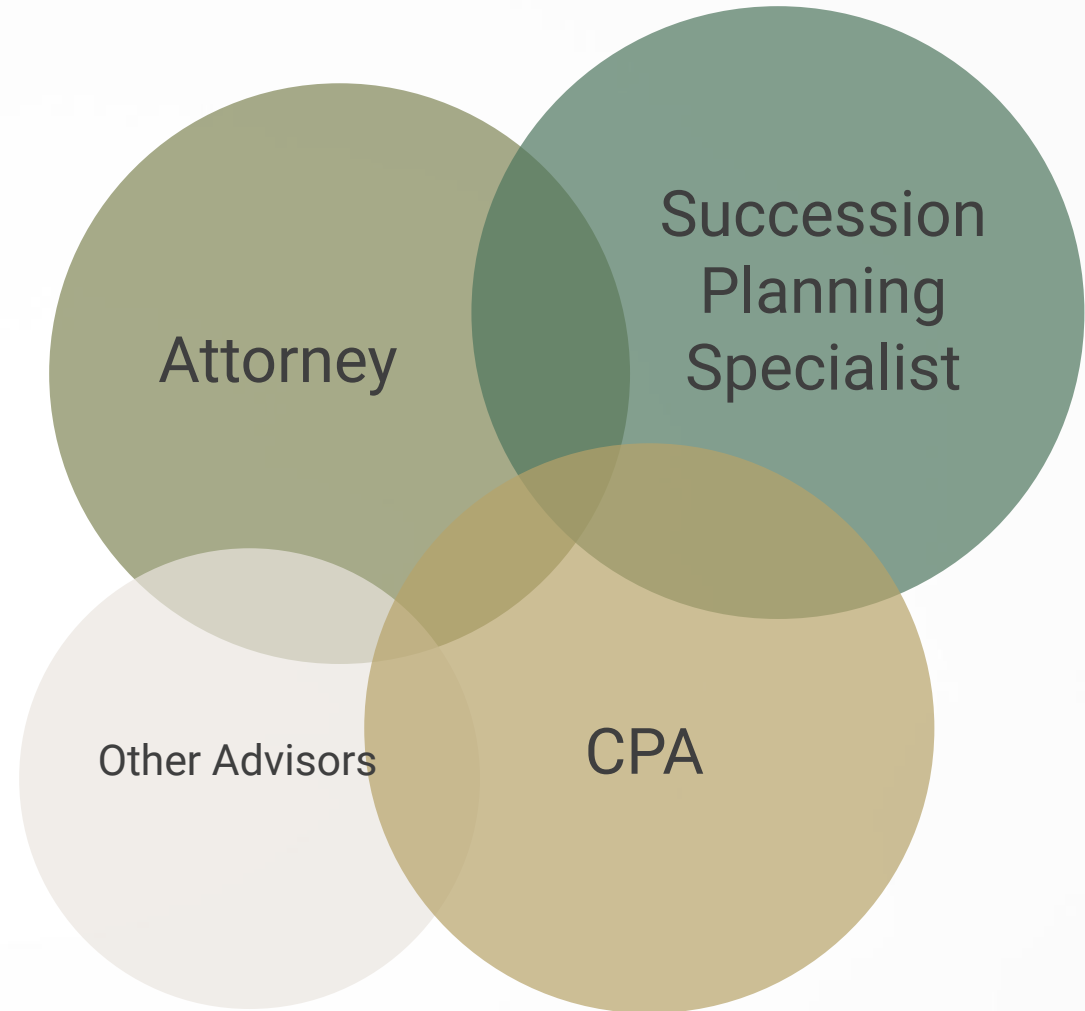


Your Succession Planning Team

Your Core Team.

And as Needed:

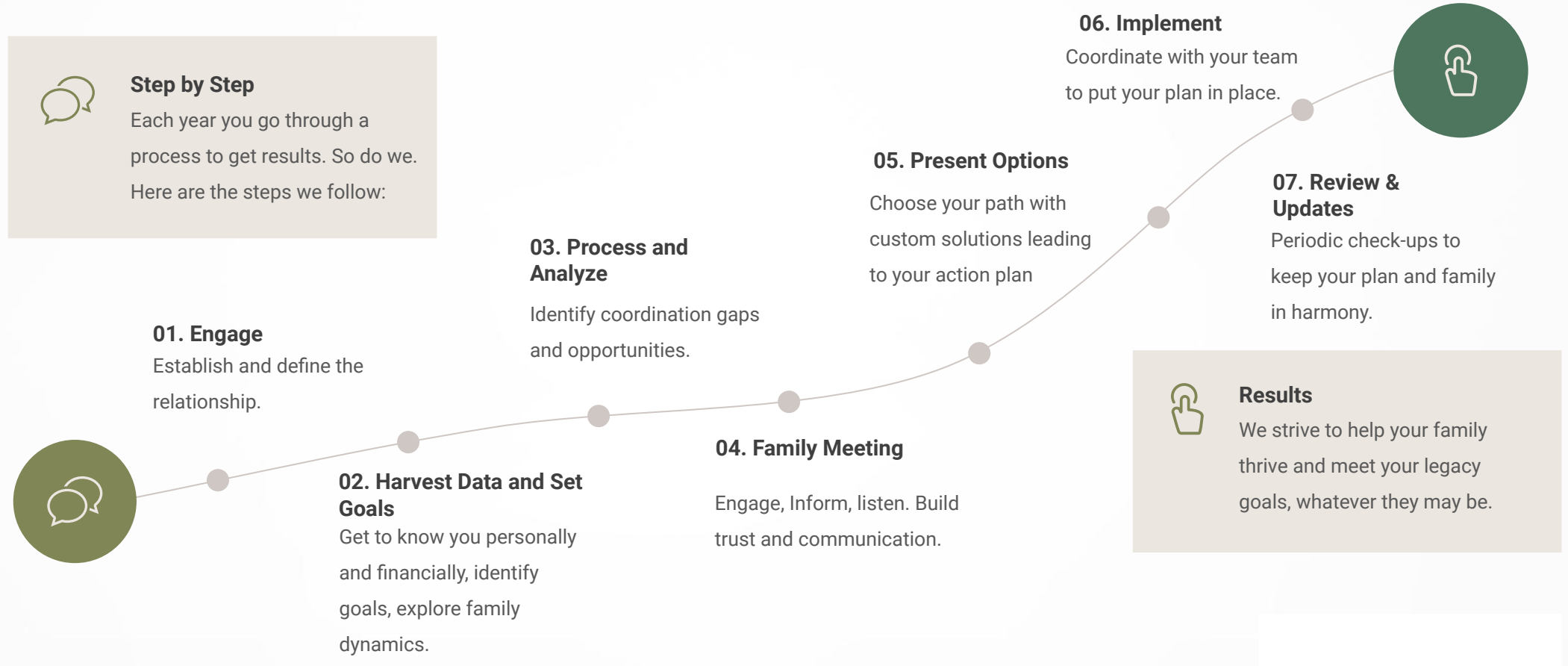
- ✓ Land appraiser.
- ✓ Valuation specialist.
- ✓ Lender.
- ✓ Insurance specialist.
- ✓ Coach.



From Planting to Harvest

Our Process

"Agriculture is our wisest pursuit, because it will in the end contribute most to real wealth, good morals and happiness." Thomas Jefferson



How Can We Help?



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An aerial photograph of a vast green field, likely a cornfield, with rows of crops stretching towards the horizon. Small yellow flowers are scattered throughout the greenery, adding texture and color to the landscape.

Thank You!
