



Supporting farm and ranch transfers to Next-Generation producers

Project team

Julia Valliant
James Farmer
Indiana University

Kathryn Ruhf
Land For Good

The data and approach

We surveyed and interviewed the leaders of active and ended farm link services in the 12 states of the U.S. North Central Region (NCR) (IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD and WI). Of the 42 program leaders we contacted in 2017, 30 participated in the study, 80% representing active programs and 20% closed programs. Based on survey responses, these programs serve a total of 6,300 owners and seekers. The programs have a median of 10 years' experience. Most of the programs assessed are located within NGOs (63%), with most others within an extension program at a land grant university (17%) or a state department of agriculture (10%).

STRATEGY: EDUCATE LANDOWNERS' ADVISORS ABOUT OPPORTUNITIES TO TRANSFER TO A NEXT-GENERATION FARM/RANCH SEEKER

The objective of this work is to assist farm link services in their efforts to facilitate farm/ranch transfers between non-relatives. Farm/ranch transfers between unrelated parties are common: The majority of agricultural land is actually acquired from a non-relative, and 25% of transfers of farmland ownership are between non-relatives. In response, farm linking services, along with financial incentives, public policies, and other targeted programming, aim to support transfers of operations and/or ownership between unrelated farm/ranch owners and farm/ranch seekers.

Studies demonstrate the need for a substantial personnel resource to assist farm and ranch owners with farm transfers, and farm/ranch seekers with gaining secure land tenure. Many services to assist land owners in transferring a farm or ranch are designed to serve owners directly. As an additional strategy, some program leaders suggest targeting programming to the **professional advisors** of farm/ranch owners.

Lenders, tax preparers, accountants, financial advisors, attorneys are top-priority advisors because farm and ranch owners are in regular conversation with them.

Other priority advisors: mediators, land use planners, appraisers, Extension educators, and other team members need to be identified and networked.

The logic is that owners who do not have a family successor are largely unaware of their options for transferring their farm/ranch beyond liquidation and selling/renting assets on the free market. Program leaders observe that landowners' advisors are often similarly unaware of other approaches to transferring that may be as financially secure and perhaps more satisfying for the owners, and more feasible for a new producer to transfer into.

The purpose of these educational programs would be to teach owners' advisors about transfer alternatives that can create an opportunity for a new producer and pass along a meaningful legacy for the farm owners.

“EVERYBODY DREAMS ABOUT passing the farm to the next generation. In our case, the next generation just isn’t directly related to us, and that’s just fine.”

– Nebraska farm owner

“FOR US IT’S IMPORTANT to give a beginning farmer a chance, and not just make a big farmer bigger. It’s really a joy to help someone get started.”

– Kansas farm owner

“I HAD THIS NOTION that I wanted to maintain our property as an entity. So when I first approached [the first-time farmer], I told him that my choice would be to sell my equipment to him, and have him do our farming, as opposed to just having an auction, and disposing of everything, and looking for the highest bidder on rent.”

– Indiana farm owner

Service providers who regularly consult with or educate farm and ranch owners should be trained in the basics of farm transfer and land access. Their roles may range from building awareness about succession and transfer among their clientele to subject expertise such as tax preparation and legal matters.

Discipline-specific as well as cross-training events can increase both professional capacity and networking.

Only 17% of the programs we assessed offer events for farm/ranch owners’ advisors. They sometimes provide continuing education credits to the various professions. This is a service to further develop.

Key takeaways

Farm and ranch transfer planning ideally involves a team. Expert advice from advisors and ongoing facilitation are part of the team approach.

Offering continuing education credits at these trainings is best practice.

Data source

Valliant, J. C. D., Ruhf, K. Z., Gibson, K. D., Brooks, J. R., & Farmer, J. R. (2019). Fostering farm transfers from farm owners to unrelated, new farmers: A qualitative assessment of farm link services. *Land Use Policy*, 86, 438-447. <https://doi.org/10.1016/j.landusepol.2019.05.004>

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