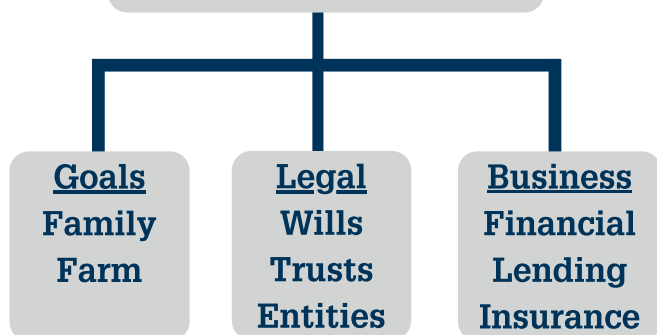


Thinking of starting a farm transition/succession plan? Review the key components of a plan, what information is needed and topics to consider.

## 3 Key Components of a Farm Transition Plan



Planning for farm transition or succession is an important step every agricultural operation should take. Gathering information ahead of planning will make the process go faster and more smoothly.

## Information Needed

As you begin to plan, focus on the 3 key components of a Farm Transition Plan:

### Goals

Begin to write down what the goals are for the farm and the family.

- What is the future of the farm?
- Have you asked your heirs what they want?
- Ask each member of the family to write down what they would do with the family farm if they were in the process of planning.

### Legal

Prior to the planning process, you do not need to know the nuts and bolts of wills and trusts, tax consequences or how business entities work. However, if you have some or all of these items begin to compile them.

- Gather copies of any wills and trusts that may have already been established.
- Compile copies of any formed entities.

### Business

For planning, you will need to gather business documents related to financials, lending and insurance.

- Have available a balance sheet for the farming operation. The balance sheet does not need to be formal but should contain net worth, assets owned and debt owed.
- Gather documents for any loans.
- Compile insurance information.



## Why is it important to plan?

78%

Intend to pass their business on to children.

34%

Create a succession plan.

1%

Of businesses survive to the fourth generation.



## Additional information to gather:

### Family information

- List of all family members. Include address, date of birth, Social Security number, Driver's License number, etc. If married, include information for both sides of the family.

### Farm information

- Who is currently contributing to the farm? Who makes decisions? What entities are in place? What are the farm assets?

### List of assets and asset titling

- Include personal, farm and non-farm assets and title information.

## What your Attorney will need to know for the planning process:

- Information for you and your family members.
- Family dynamics (Does everyone get along? What are the potential conflicts?)
- Details of farming operation (Who is currently working on the farm? Who makes the decisions?)

## Topics to discuss with your Attorney:

- Will based vs. trust based plans.
- Role of life insurance, gifting, buy-sell agreements.
- How to distribute assets.
- Protection of assets.



**THE OHIO STATE UNIVERSITY**

COLLEGE OF FOOD, AGRICULTURAL,  
AND ENVIRONMENTAL SCIENCES

Resource guide created in partnership with  
Ohio State University Extension and  
Associate Professor David Marrison

## Things to remember:

- Farm transition plans are unique.
- No two plans should ever look alike.
- Build the plan that best fits your farm and goals.

## Need a resource to help you get organized?

Download the Ohio State University's, "Getting Your Farm And Family Affairs In Order" publication, created by David Marrison, Associate Professor.

<https://go.osu.edu/farmsuccession>



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