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CHALLENGES ARISE WHEN PASSING DOWN THE FAMILY FARM

As spring planting season approaches, farmers have a lot of time to think about issues while driving the tractor. One issue to think about is the next generation. The biggest challenge facing agriculture today is deciding who the next generation of farmers will be. There are many questions of how parents and grandparents will pass down the family farm while still remaining a family.

There are key issues involved in passing down a family farm that create emotional conflicts within families. The primary issue is the farm transfer. The two parties must decide on when the transfer of the farm from one generation to another will occur. They also must agree on a fair selling price and decide how to include in-laws in the transfer. After the transfer, there is the issue of control. When the older generation decides to pass the farm down, they are transferring their assets, but are keeping control. While the children do manage the farm, there is not a complete sense of control because the parent feels it is still his or her duty to oversee the farm.

Ron Hanson, Ph.D., Agricultural Economist, says the most sensitive issue in farm transfers involves the non-farming children. Parents want to treat all of their children fairly, but equitable treatment is particularly hard in agricultural families because there are always questions of who worked harder and who cares more about the farm. There is not a willingness to work out an arrangement when favoritism and jealousy are present.

The challenge of passing down the family farm boils down to deciding who will be given the chance to buy the farm and when they will have this opportunity. There also is the issue of how the other children will be treated. To resolve this issue, the farm's owners should agree on their vision for the future of the farm and share their vision with all children. The children should be given the chance to express their opinions of the farm's future. A third party mediator may be useful to help the family stay on track of issues that need to be resolved. UNL Extension has an excellent resource person, David Goeller, who has helped many family farmers. David can be reached at (402) 472-0661.

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