



by Charles E. Gardner, D.V.M.

The younger generation may need to be proactive

IN MY last column, I encouraged parents who have members of the next generation working with them to begin discussions about transferring assets to them, as discussed in "They deserve to know the family's business plan" on page 591 of the September 25 issue. I realize that, in some cases, you may not want to bring the younger people into the business. If that is the case, I think you should make that clear to them.



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On the other hand, if you are in that next generation, there are things you can be doing as well. You don't have to wait for your parents to make the first move. Here are some suggestions, presuming that you are sincerely interested in eventually being part of management and ownership of the farm.

Proactive practices

1. Show initiative to improve some aspect of herd management. What do you see as the weak link in the operation? Do some research into a way to improve it. Then go to your parents with a plan. They may or may not accept it, but at least they will know you have interest.

2. Be willing to put out extra effort when special situations arrive. Staying late to help deliver a calf or putting in extra hours at harvest time shows that you care, and that you are willing to invest extra time to help the farm succeed.

You will certainly need to do this if you become an owner, and it will help your parents to move ahead if they see your dedication. This does not mean you never take a day off or that you constantly work 100 hour weeks. It just means you extend yourself when needed.

3. Try to get to know the financial aspects of the farm business. This may be difficult. Some parents are very reluctant to share the books with their children, but you certainly need to know where money comes from and where it goes if you are to eventually be involved in making decisions. Be polite and respectful when making this request, but do ask.

4. If you have been working on the farm for more than five years, approach your parents and ask if there will be the opportunity to acquire equity in the farm operation. Again, be polite and respectful. They do not owe you anything, unless promises already have been made. Don't make demands, but be

clear that you want to develop a definite plan with a time table.

5. If you are not able to get a plan from the older generation, develop one yourself. Make it reasonable. You may need to enlist an adviser to help you. If you have been able to see the financial reports, try to determine what you might be able to pay for part ownership. Your plan does not have to be set in stone at the beginning, but if you can share a general concept, that could be very helpful.

6. Be aware that ultimately you are responsible for your life. If your parents are not willing to commit to a definite plan, what are your options?

Most of you have skills that are valuable outside the industry. Give serious thought to life away from the farm. If you have a wife and children, ask yourself what is fair to them. Don't let yourself become a "victim," forming resentment toward your parents because they don't follow the path you desire. As stated earlier, they do not owe you a position in the farm simply because of your birth.

A five-year plan

So, what might be a reasonable scenario to follow that allows you to acquire some equity in the farm operation? I suggest that once you start working full time at the farm as an adult, you should know if your parents are at least willing to consider bringing you into the operation. I think that after a maximum of five years, then a plan should be developed that spells out how you will receive part ownership. Will you buy assets, or will they be transferred as recognition for undercompensated labor, or will some simply be gifted to you? By the time you have been working as a full-time adult for 10 years, some transfer should be happening.

Many times, the farm operation is separated from land ownership, and the younger person or people begin to acquire ownership of the nonland business. Sometimes cows alone are transferred as a method to do so. A reasonable goal is that by the time you are in your mid-30s, you are at least an equal partner in the dairy operation, perhaps renting the land from your parents. This is certainly not set in stone but is in the ballpark of what you should seek.

I have written this column from the view point of family members. Certainly nonrelated parties may be considering the same transfer, as from current owners to a herdsman. The details of the plan will vary from farm to farm, but it is important to have some plan with a definite time frame in place.

Too often, matters are allowed to drift along year after year, and eventually someone ends up bitterly disappointed. Don't let that happen to you. 🐄

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