

# HOW TO USE THIS WORKBOOK

The Planning the Future of Your Farm workbook is laid out in four sections, each with narratives supported by worksheets. The workbook is primarily for use by specialty crop farm families (i.e., families that actively farm or that simply own a specialty crop farm). Families can use it themselves or under the guidance of a professional adviser. The workbook is also designed to support curricula in farm transfer workshops for farmers and landowners. Each section corresponds to a suggested planning process.

SECTION ONE, **Developing Your Vision for the Future**, discusses what we call the ‘soft issues’ — those that are the most difficult to discuss in daily discourse or over long distances and can often be ignored absent a forum for their discussion. The articles in this section offer perspective on the process you are undertaking, stressing the nature of risk management and what you are accomplishing by protecting your wealth and the relationships within your family. Section One includes several worksheets to note, including:

- 1) **“Rating Family Values”** (p 17): Questions to get you thinking — or affirm what you are already thinking — about the planning process and distribution of farm assets to the next generation. It also provides a format for your family to express their values in a forum where everyone’s feelings are respected.
- 2) **“Rating Your Comfort Level”** (p 18): An exercise to gauge where you are currently in your thinking on the transfer process. This is a measure of your risk tolerance, which will govern decisions related to transferring farm assets. This worksheet will be most applicable for those looking to pass and take over a farm operation and less relevant for off-farm heirs. But, it can be reviewed by off-farm heirs with an interest in the issues and risks faced by those in a farm business transfer.
- 3) **“Setting Goals and Objectives”** (p 25): This self-explanatory worksheet is for the entire family. The following worksheet, “Reconciling Priorities,” is designed to help put different family members’ goals in one place and identify where some goals may conflict as they relate to a transfer of the farm.

4) **“Sketching Your Lifestyle Plan”** (p 20): Write down your thoughts on how you would like to allocate your time later in life with an eye toward what your disposable income needs will be and whether farm assets will be needed for this purpose.

5) **“Quick Risk Assessment: the 5 D’s”** (p 14): Jot down perceived risks to your vision of keeping the farm in the family, keeping land in production and in the community, transferring a business, etc. based on the input from family members on previous worksheets and the steps you believe you’ve taken — or think you could take — to alleviate these risks.

SECTION TWO, **Evaluating Your Farm Resources** includes a primer on property ownership, one of the first steps in the evaluation of your resources. How you own property ultimately determines what decision-making ability you have over the resource. Worksheets in this section offer space and suggestions for you to rate the features of your farm, community, and family resources and skills. Use the worksheets to identify features that need improvement to support your business model for farm resources. The extensive “Farm Asset Net Worth Statement” worksheet (p 39) is for current operations to determine the financial health for expansion and transfer and realistic orientation on current asset liabilities.

SECTION THREE, **Farm Transfer Tools**, discusses different types of business entities for agriculture, forestry, and horticulture ventures, and some of the tools and agreements you will encounter in the estate planning process. The worksheets are designed to help you organize the information you will need to construct these agreements.

SECTION FOUR, **Preparing to Meet with Professional Advisers**, contains worksheets similar to those a professional adviser (financial planner or attorney) will have you complete as part of their service to you. These will let you start the process earlier and will save you time and money. And, it will show your advisers that you are on your toes about this planning process.

The workbook closes with the definitions of common legal terms relating to land ownership, business entities and estate planning.