

IMPACT

University of Idaho
Extension

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“Keeping the Legacy Alive,” estate and farm business succession planning

The Situation

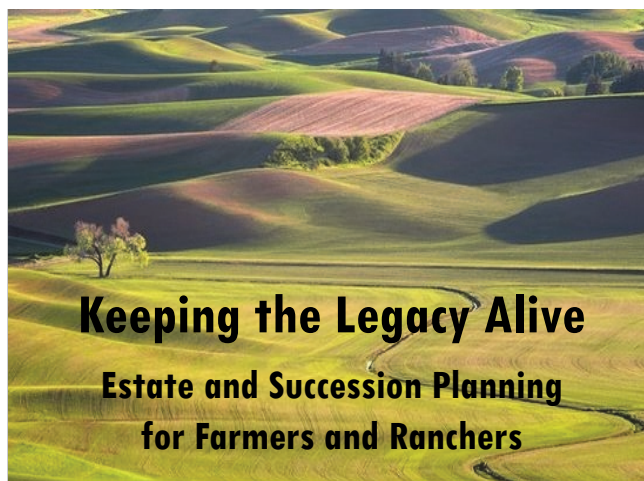
Look around the room at any meeting of farmers and ranchers. The majority of people are likely near 60 years of age. The USDA Census of Agriculture reports that the average age of principal farm operators has increased from 50.3 in 1978 to 57.1 in 2007 and is expected to increase again when the results of the 2012 Census are released. As these farmers and ranchers age they are retaining many of their assets, creating difficulty for the distribution of those assets at a later date and erecting barriers to efficient farm business succession. The problem is mounting as farmers age.

About 60% of farmers and ranchers have a will, and only 36% and 18% have an estate plan or succession plan, respectively. These statistics are alarmingly low when considering the value of the assets at stake and even more so the difficulty of successfully moving the farm or ranch into the next generation.

Our Response

While aware of this growing problem, University of Idaho Extension Educators were not able to effectively address it in recent years because of time and resource restraints. In 2011 Ken Hart, an Extension Educator based in Lewis County, determined to take another approach. Looking to the people and resources present in the north-central Idaho area, Ken polled Extension Educators about their interest for an interdisciplinary effort to design and implement a workshop to help farmers and ranchers find more success for the future of the farm families and their agricultural businesses.

The response was very positive. Seven University of Idaho Extension Educators from five counties and the Nez Perce Indian Reservation contributed existing



programs or drafted new presentations to meet the various information needs of farmers and ranchers. A local expert in legal matters relating to estate and business succession planning also joined the team.

The topics and presenters include:

Goals for a Lasting Legacy	Cinda Williams
Healthy Lifestyles for Your Legacy	Kirstin Jensen
Communication/Farm Succession	Ken Hart
Organize Your Financial Papers	Karen Richel
Who Gets Grandma's Pie Plate	Kathee Tifft
Get That Herd Ready to Move	Jim Church
Passing on the Family Forest	Randy Brooks
Indian Lands and Leases	Valdasue Steele
Structuring the Legacy	Pete Volk, J.D.

The topics were formulated into a four day workshop. The first three sessions are presented in the first week of the workshop. Each session is four hours long, with hands-on activities such as worksheets

and scenarios. At least one day off is scheduled during the week to give participants the opportunity to process the information presented. The final workshop session is scheduled about two months later. It includes a dinner and a confidential sharing time where participants share their progress, problems, frustrations and victories. The overall goal of the program is to encourage farmers and ranchers to move forward from where they may be in the estate and succession planning process, to provide the tools they need to do this, and to invite participants to be accountable to progress on their plans.

Background and reference materials for each of the workshop topics were assembled and provided to participants as a class notebook. Participants are encouraged to utilize the class notebooks to follow-up on workshop presentations and to help them implement their estate and succession plans.

To date, the program has been conducted at Grangeville, Moscow, Craigmont, and Lewiston. It will be offered at Sandpoint in December, 2013.

Program Outcomes

“Keeping the Legacy Alive” has helped farmers and ranchers in north central Idaho come to grips with the thorny problems of estate and farm succession planning. The workshop has served about 75 individuals. Participants were evaluated at the conclusion of the workshop using a 1-5 Likert scale with 69 responses:

- Information met needs 4.7
- Presentation clear/organized 4.6
- A/V and teaching aids 4.6
- Instructors informed/interesting 4.7
- Instructor interaction 4.7

These were strong evaluation results, but much more telling were the stories and comments shared in the final session of the workshop. Stories of family relationships strengthened, decision making improved, business structures evolved, and overall encouragement in the estate and succession planning process as a result of the workshop. Some of the participant comments included:

- “Very good program”
- “Can’t be improved”
- “Thank you for offering this program”
- “Fun”
- “The instructors are well informed and kept audience interested”

The Future

Keeping the Legacy Alive was funded with a grant from USDA Risk Management Agency. Another grant will fund “Keeping the Legacy Alive: Farming Together for a Better Future” in 2014. The new workshop focuses on advanced farm and ranch business succession planning and implementation.

Other contributing faculty:

Jim Church, Idaho County
Kirstin Jensen, Idaho County
Kathee Tifft, Nez Perce County
Valdasue Steele, Nez Perce Reservation
Cinda Williams, Latah County
Karen Richel, Latah County
Randy Brooks, UI Campus

Cooperators and Co-Sponsors

- Western Center for Risk Management Education
- Idaho Barley Commission
- National Institute for Food and Agriculture
- United States Department of Agriculture

FOR MORE INFORMATION

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