

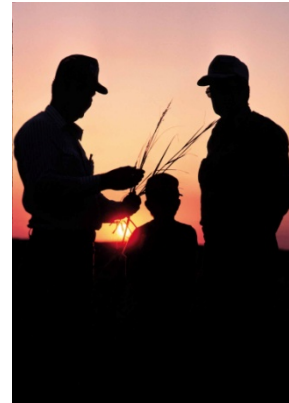
International Farm Transition Network

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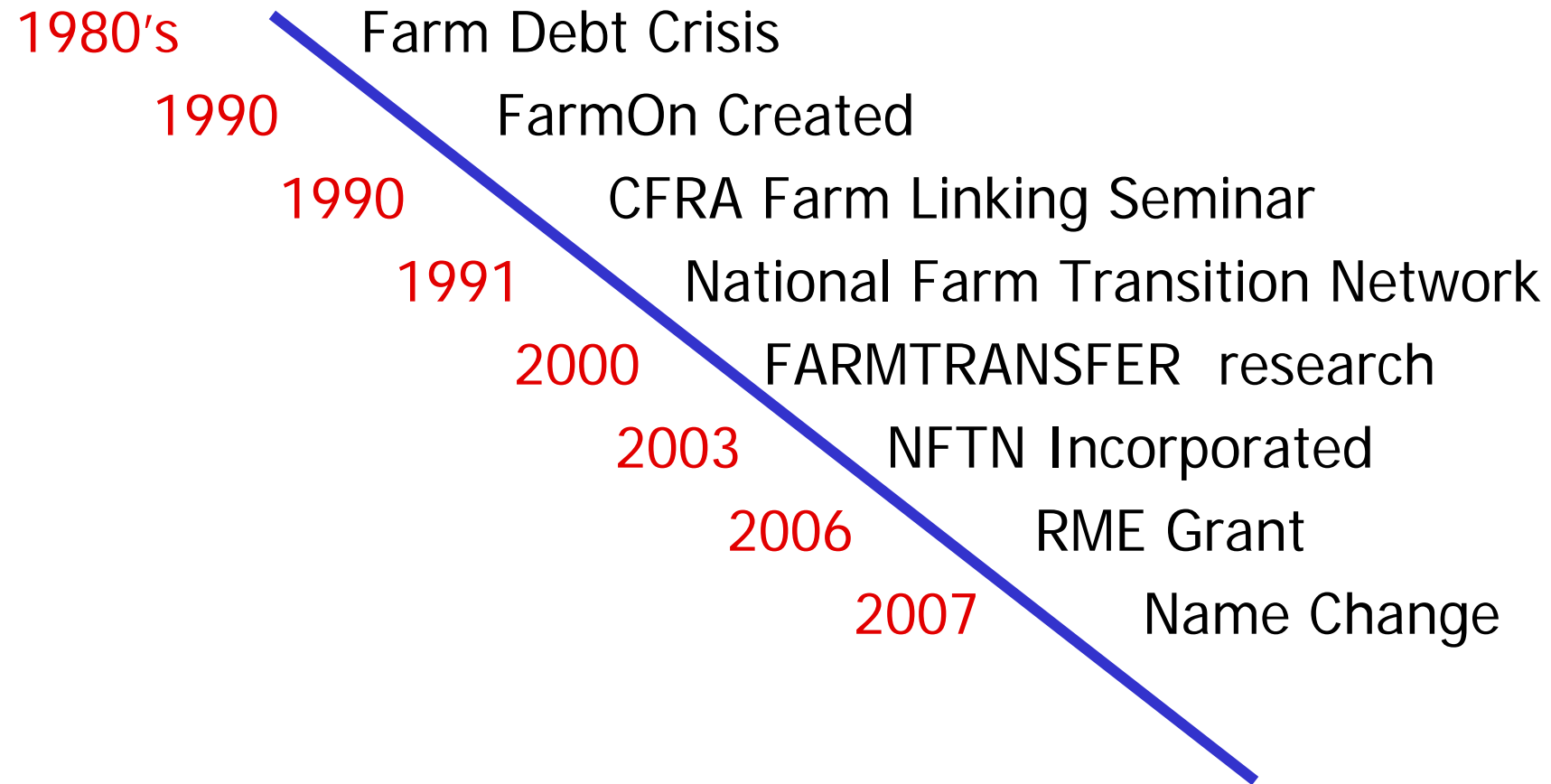
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Photos by USDA NRCS

Significant dates



1980's

- Significant loss of farm population
- Most of those exiting farming were in their mid 20's to mid 30's
- Increasing barriers to entering farming
- Increasing barriers to exiting farming

Issues Facing Beginning Farmers

- Ineffective entry strategies
- Inability to acquire initial capital investment
- Identifying viable farm entry opportunities
- Obtaining appropriate financial, managerial, and production skills

Issues Facing Exiting Farmers

- Lack of qualified help in formulating exit strategies
- Lack of farm business viability or refusal to invest in new technology, products, or methods
- Lack of knowledge of entrants who want to become farmers
- Unwilling to give up managerial responsibility and unwilling to transfer ownership of assets

Conditions Beginning Farmers Face

- Access to land
 - High land values
 - High cash rents and changing options
 - Competition
- Existing farm transition possibilities
 - Changing demographics of land ownership and methods of disposal
 - Retiring farmers planning or lack of planning
- Production technology and pricing favoring large volumes

Borrow and Buy Model (the CAN theory)

- Borrow as much money as you can,
- As young as you can,
- Buy as much as you can,
- Work as hard as you can,
- For as long as you can,
- Pay back as much as you can,
- While you live as poor as you can,
- So you can die as rich as you can!

Linking/Matching Programs

1. Identifying viable entry opportunities.
 - Most who complete a questionnaire want to provide or locate an entry opportunity.
 - Some aspirants have experience and/or capital.
 - Many are “U-turn” farmers.

Linking/Matching Programs

2. Developing effective entry/exit strategies.
 - A financial analysis is established.
 - A transition plan is established.
 - The time frame is established.
 - “Tipping points” are established.
 - All plans are in writing.

Linking/Matching Programs

3. Minimizes the need for entry capital.
 - Programs are not a real estate agency.
 - Assets are acquired as needed and when they “fit” into the plan.
 - Gradual transfers are encouraged.
 - High cost assets purchased upon the retirement of the established farmer.
 - Estate plans fit with transition plans

National Farm Transition Network

- NFTN created in 1991
- Discussions began in 1990 at a Land Link conference sponsored by the Center for Rural Affairs, Walthill, NE.
- First meeting in 1991 in Des Moines, IA.
- Attended by representatives from Iowa, Minnesota, Nebraska and Kansas.

National Farm Transition Network

- The purpose of the NFTN is to support programs that foster the next generation of farmers and ranchers.
- The IFTN is a non-profit corporation and is tax exempt
- Annual meetings are hosted by member organizations..

National Farm Transition Network

- Network Participants include:
- California, Connecticut, Iowa, Maine, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, Wisconsin and Ontario and Manitoba.

FARMTRANSFERS Survey

- In 1999 the Beginning Farmer Center adapted a Farm Succession Survey developed by the late Dr. Andrew Errington.
- The survey was completed in 2000 and provided information for the development of additional educational materials.
- The survey also highlighted areas for additional study.

FARMTRANSFERS Survey

- In 2002 the Beginning Farmer Center conducted a succession survey of non-agricultural small businesses to provide a basis of comparison to the farm succession survey.
- The results were remarkably similar.
- In 2006 farmers were again surveyed using the survey a slightly modified version of the original survey instrument.

FARMTRANSFERS

- In 2000 the University of Plymouth, England and the Beginning Farmer Center created an international research project on farm family business succession.
- A memorandum of understanding was developed along with a publications convention.

FARMTRANSFERS

- In 2000 Japan replicated the survey.
- IFTN members have replicated the survey.
- Since its inception the FARMTRANSFERS survey has been replicated in several of the United States, numerous European countries and Australia.

Risk Management Education Grant

- In 2006 the IFTN provide the leadership to acquire a \$60,000 RME grant to conduct a farm family business succession seminar in six states.
- The fiscal agent for the grant is the IFTN.
- The collaborators on the grant are:
 - The University of Wisconsin
 - The University of Nebraska
 - The Beginning Farmer Center, Iowa State University
 - The Wisconsin Department of Agriculture

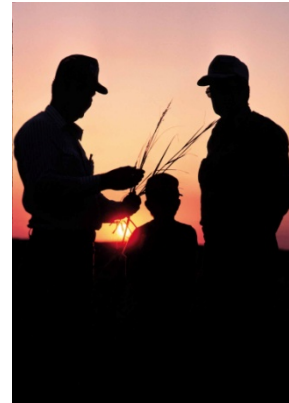
Risk Management Education Grant

- The States participating in Grant are:
 - Minnesota
 - South Dakota
 - Kansas
 - Oklahoma
 - Texas
 - Michigan

Risk Management Education Grant

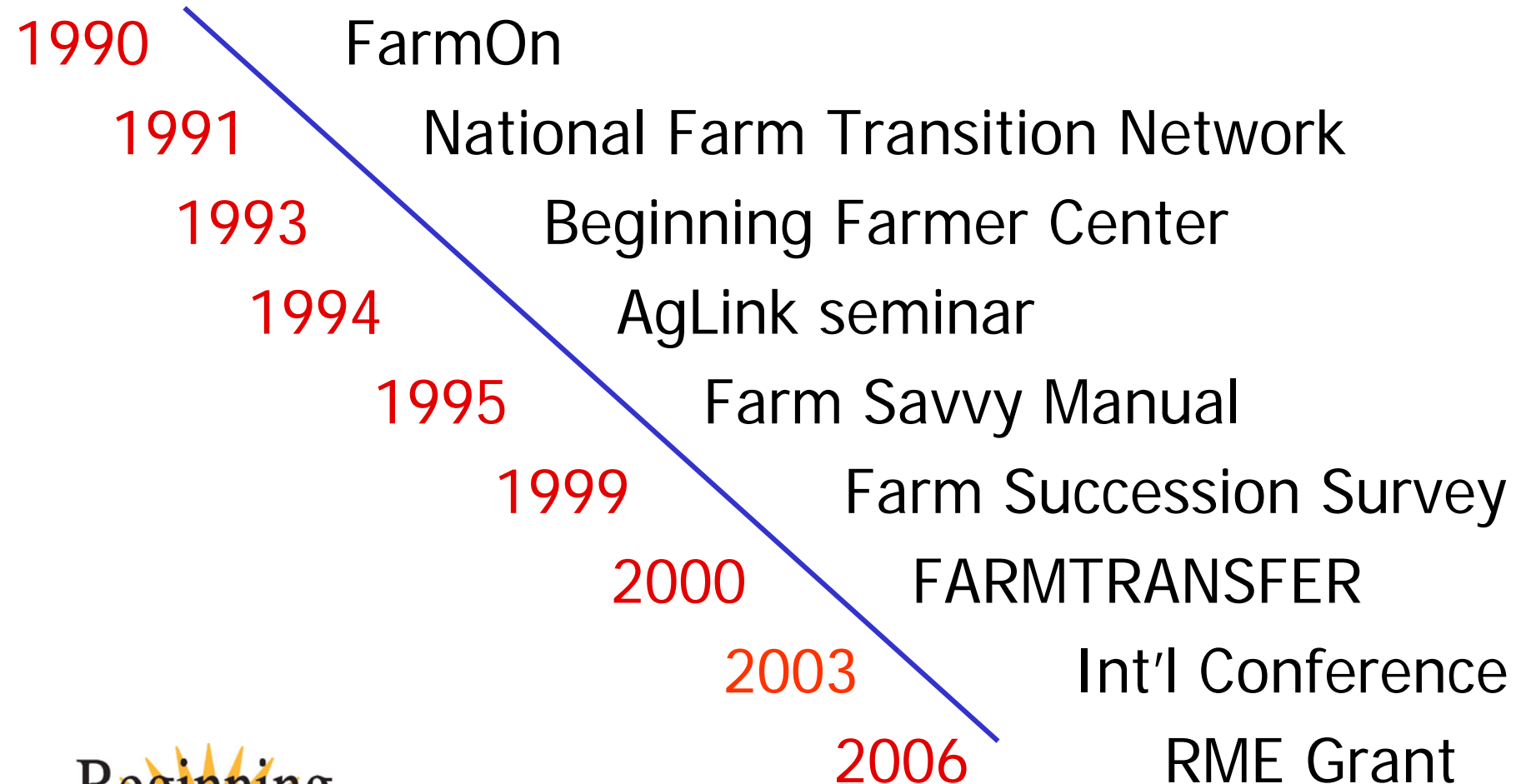
- The participants have agreed to:
 - Host a farm succession seminar.
 - Advertise and promote the seminar.
 - Provide instructors for specific topics.
 - Provide individual consultation.
 - Conduct an evaluation of the seminar.
 - Create a link program in their state.

Beginning Farmer Center



Photos by USDA NRCS

Significant dates



Beginning Farmer Center

- In 1994 legislation passed establishing the BFC
- Center objectives include:
 - Coordinating educational programs and services for beginning farmers
 - Assessing needs of beginning and retiring farmers to identify opportunities for programs and services
 - Developing statewide programs to educate beginning and retiring farm families

Beginning Farmer Center

- Initial appropriation was \$100,000
- The Center's budget has decreased 6% since its inception
- The Center employs 1 full-time and 2 part-time staff

FarmOn

- FarmOn facilitates the introduction of individuals who want to farm with existing farmers
 - Identifying viable entry opportunities
 - Developing effective entry/exit strategies
 - Minimizes the need for entry capital
 - Developing the required skills

FarmOn

- Currently facilitating 18 transitions
- Database contains 32 active exiting farmers and 147 active beginning farmers
- Over 1,000 succession consultation
- Over 10,000 informational contacts

AgLink

- 4 day seminar for families transitioning a farm business to the next generation
- AgLink is based upon a farm family business planning process developed by the Center and outlined in the Farm Savvy Manual

AgLink

- Target audience is families and their college-age children who are returning to the farm family business
- ISU credit is available
- Over 500 individuals have attended the seminar

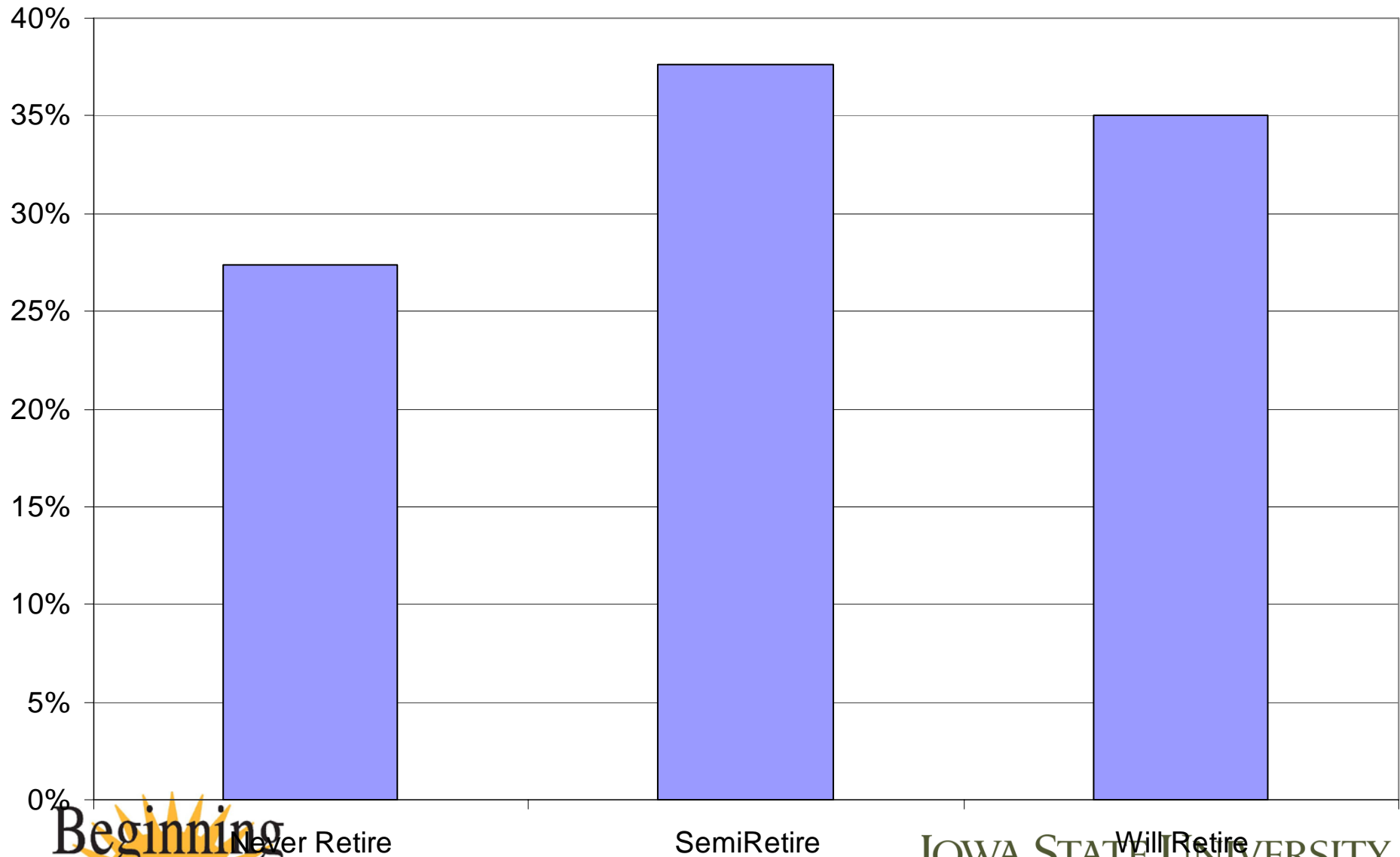
FARMTRANSFERS

- In 2000 the University of Plymouth, England and the Beginning Farmer Center created an international research project on farm family business succession.
- In 2003 the Center sponsored an international conference on farm family business succession planning.
- Since its inception the FARMTRANSFERS survey has been replicated in several of the United States, numerous European countries, Australia, and Japan.

FARMTRANSFERS Survey

- In 1999 and 2006 the Center administered the FARMTRANSFERS survey
- The results were used to develop educational materials and highlighted areas needing additional study
- In 2002 the Center conducted a similar survey of non-agricultural small businesses to provide comparison with the farm succession

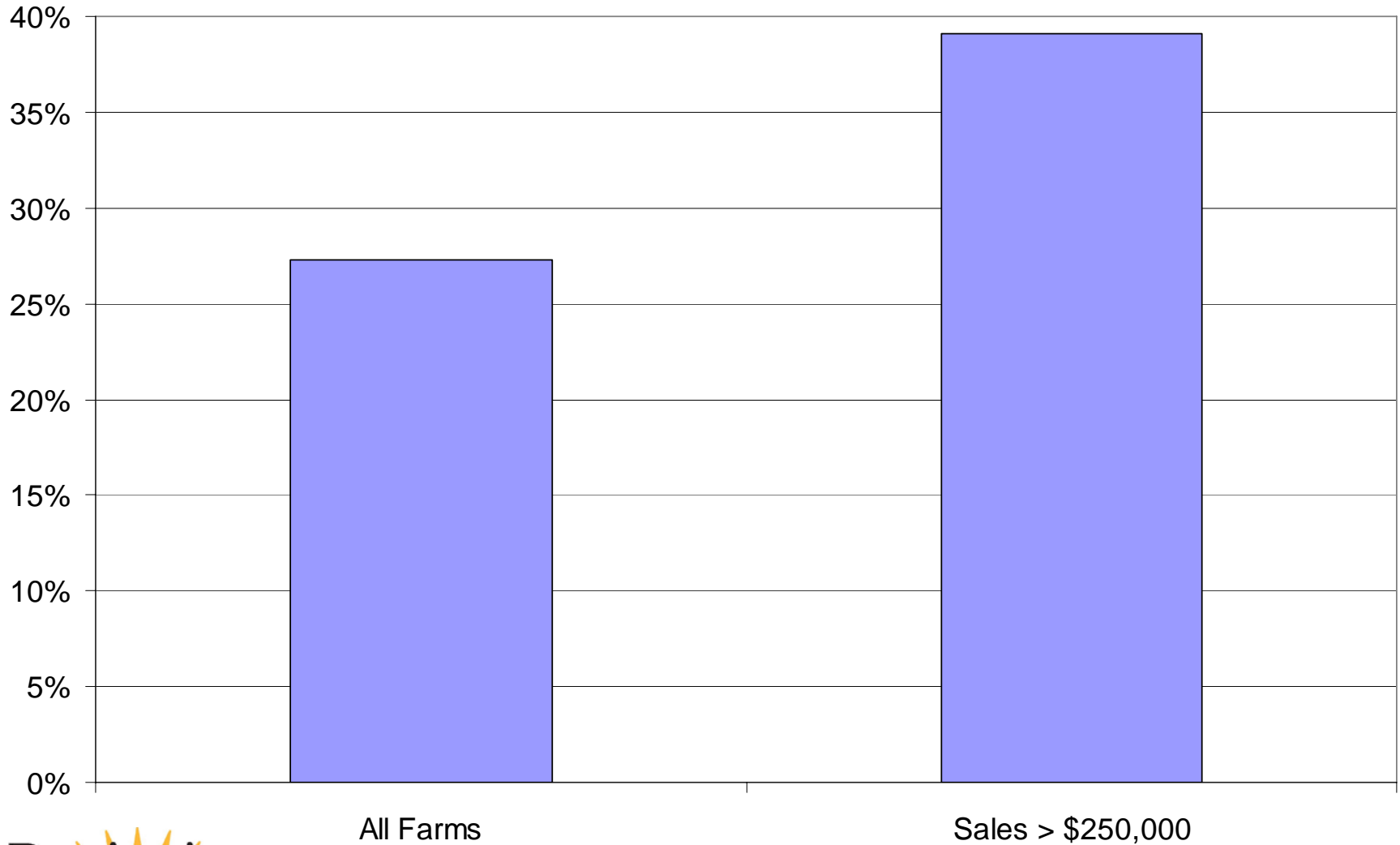
Percent of Iowa Farmers by Retirement Plans



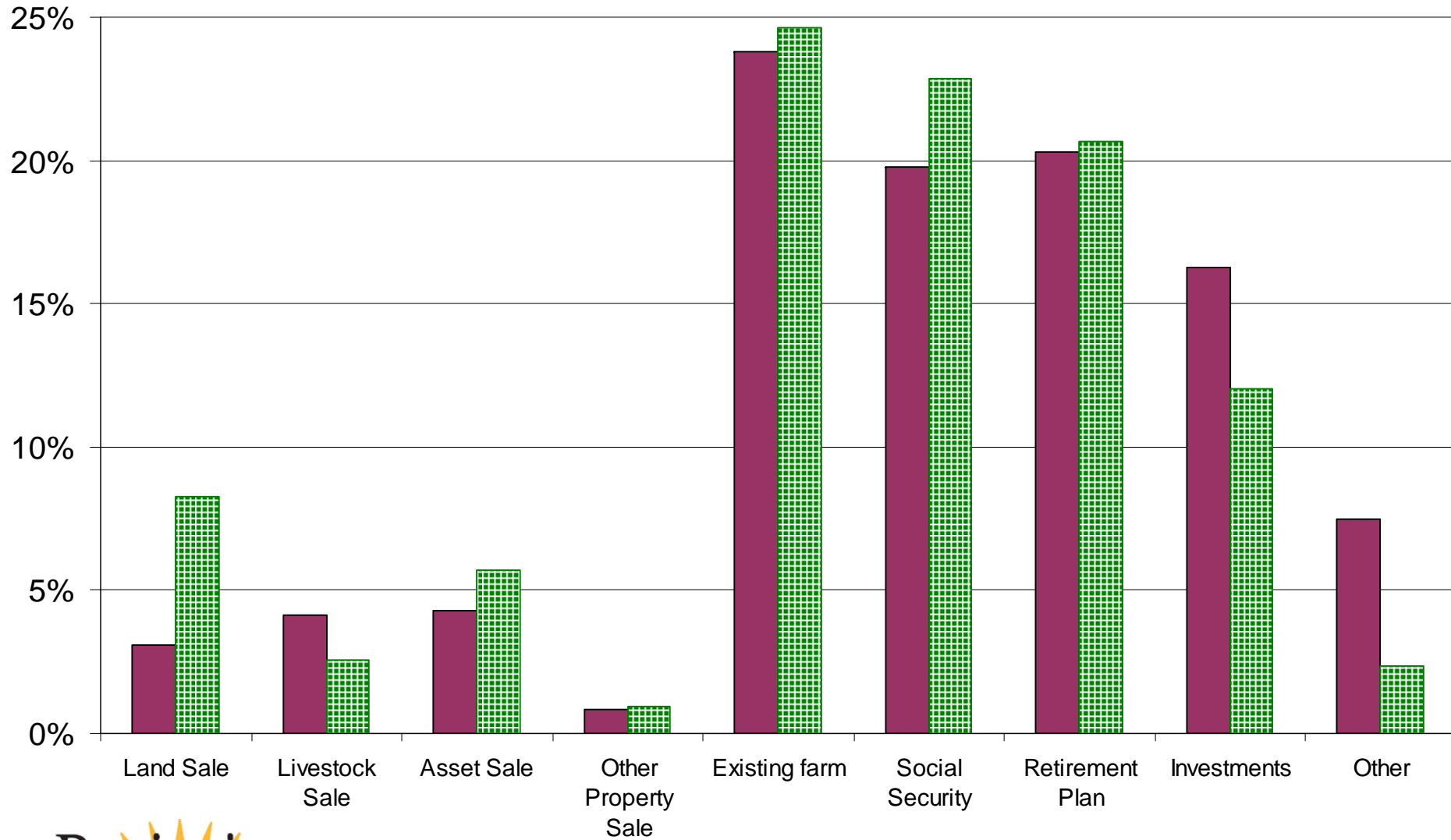
**Beginning
Farmer Center**

IOWA STATE UNIVERSITY
University Extension

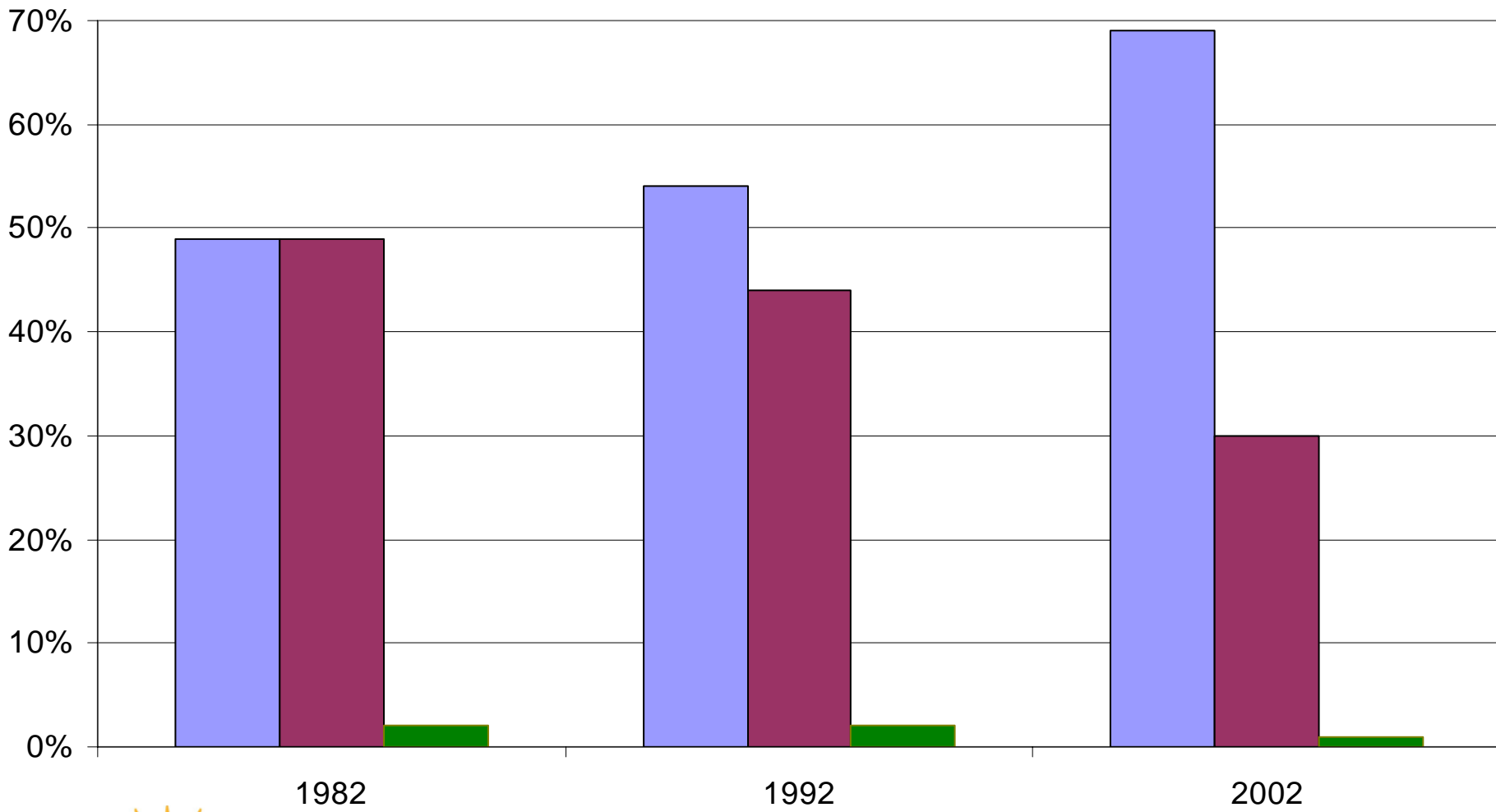
Percent of Iowa Farms with a Successor Identified



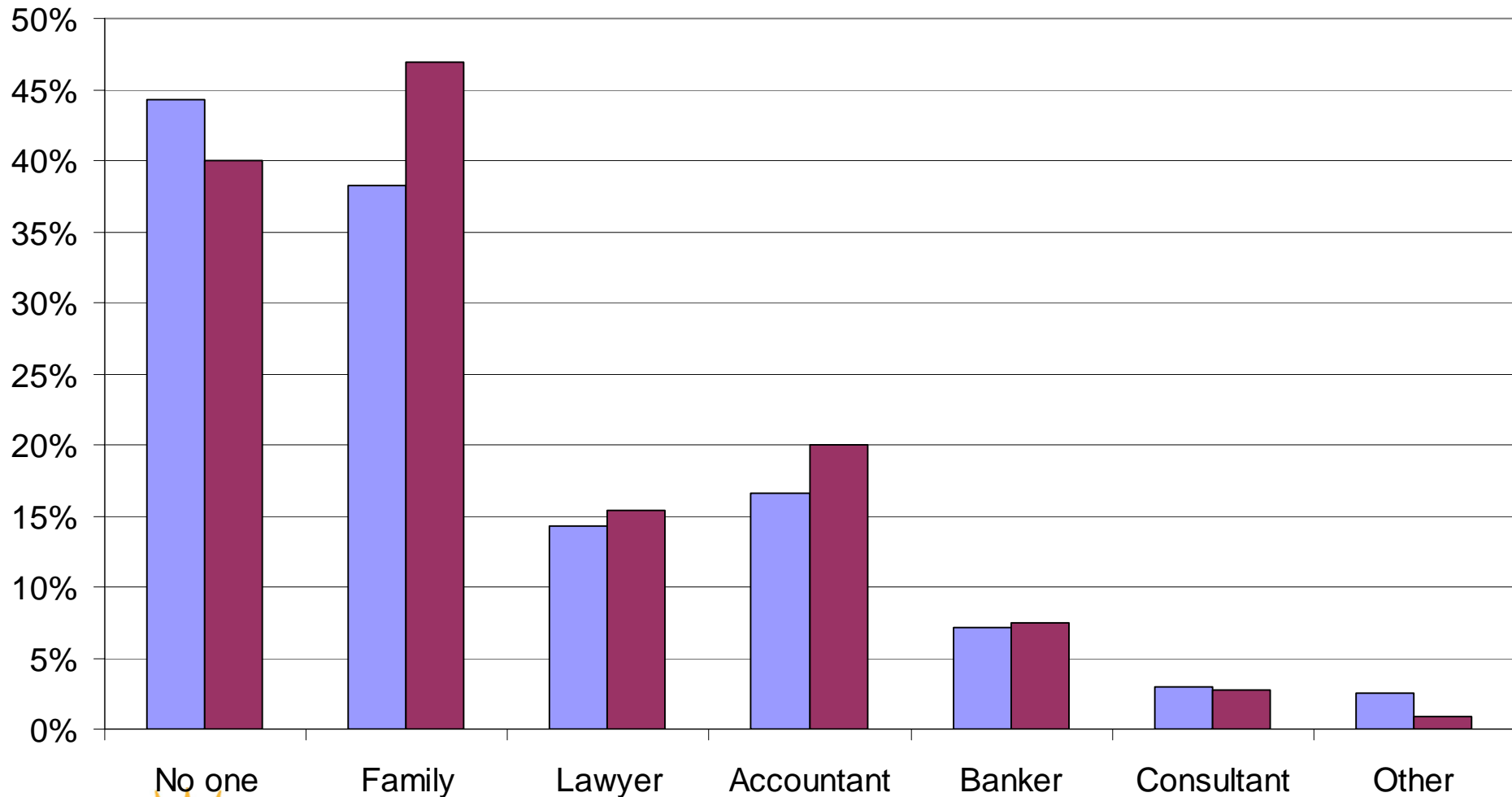
Percent of Anticipated Retirement Income by Source



Distribution of Rented Land in Iowa by Type of Lease and Year



Percent of People Consulted Regarding Famer Retirement Plans



Additional Activities

- Sponsored research assessing farmer attitudes and values regarding succession
- Conducted research examining farmer views towards retirement
- Conducted research evaluating the cost to the state for tax incentives provided to beginning farmers
- Provided data analysis for three states

- Work with community colleges to provide shortened versions of Ag Link
- Work with Extension field staff to provide material and presentations
- Administered the RME grant funding used to present Ag Link seminars in several states
- Provide consultation and material to beginning farmer efforts nationally and internationally

Beginning Farmer Center

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Photos by USDA NRCS