



Farm Transition Planning



2018 Virginia Agritourism Conference

Williamsburg, Virginia - March 22, 2018

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Threats to Ag. Viability

- 2 main challenges to Virginia agriculture industry:
 - Farmers are getting older: Average age almost 60
 - Loss of farmland to non-farm uses: over 5 million acres since 1960
- Preserving (& transitioning) agricultural and forest land in the face of increasing development pressure has required a concerted effort by planners and policy makers



How Does Office of Farmland Preservation help?



www.vafarmlink.org

- **Farm Owners:** who are facing retirement and want to see their businesses continue and their land stay in production
- **Beginning and Aspiring Farmers:** who are in search of business arrangements through which they can acquire land, equipment, experience and access to the knowledge of seasoned producers



- Primary component has been Virginia Farm Link database: Online tool to connect farm owners and farm seekers in Virginia
 - partnership with Va. Farm Bureau & VDACS est. 2003 new website→
www.vafarmlink.org
 - Over 350 farm owners & 3,500 farm seekers signed up
 - Over 200 farm owners have had 2,600 contacts from nearly 800 farm seekers

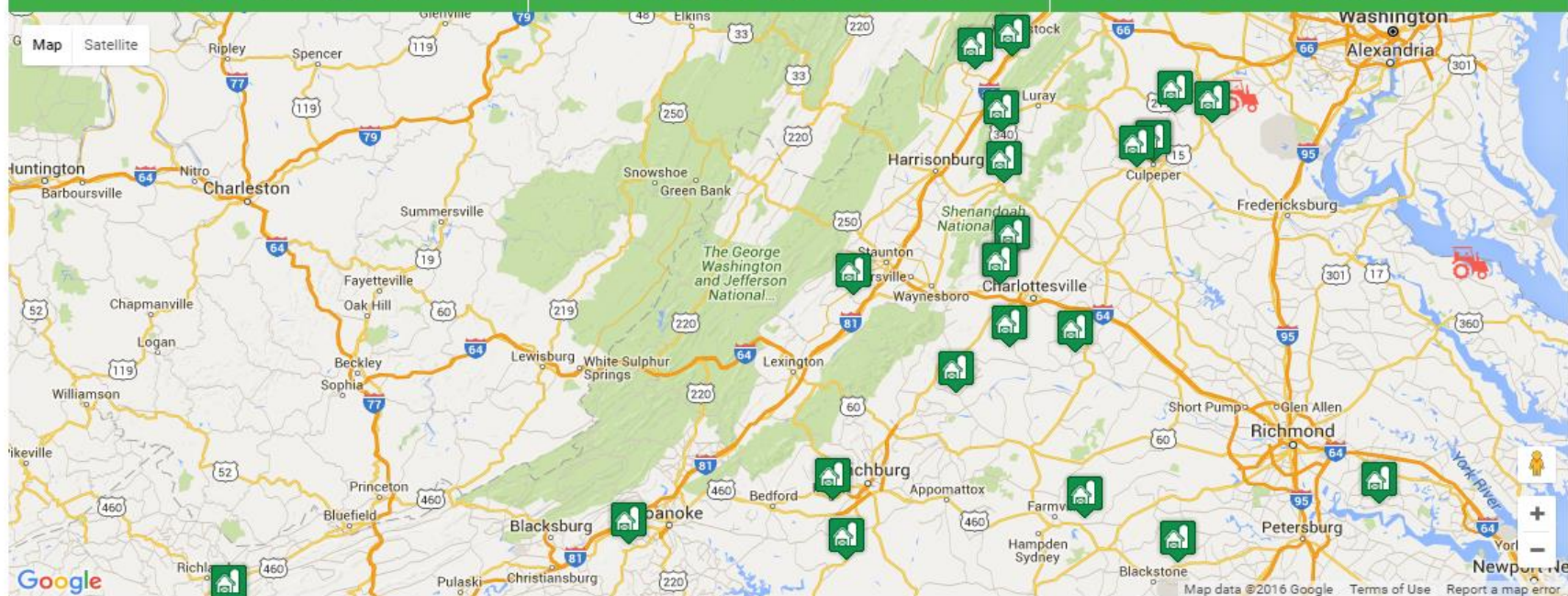




Find Farmland

Find a Farm Seeker

Certified Farm Seekers



Farm Owners

1. #383, Albemarle County, 60 Acres
2. #377, Albemarle County, 72 Acres
3. #388, Albemarle County, 200.00 Acres
4. #204, Augusta County, 74.5 Acres
5. #368, Bedford County, 25.00 Acres
6. #46, Campbell County, 263.00 Acres

Certified Farm Seekers

1. #2057, Fauquier County
2. #1227, Pittsylvania County
3. #3429, Westmoreland County



Virginia Farm Link Program: Funds Farm Transition Workshops

- OFP provides ongoing funding to Virginia Cooperative Extension for farm transition workshops:
 - Memorandum of Agreement between VCE and VDACS
 - \$20,000 allocated for 2017 (same expected for 2018)
 - Nearly \$150,000 allocated since September 2008
- Funding comes from the Virginia Agriculture license plate:





Farm Transition Workshop Goal:

- Help farm families and their service providers transition farms and farming operations to the next generation.
- Farm transition planning concepts and techniques – introduced locally via VCE
- Workshop Audience?
 - Farmers and landowners who are facing retirement and want to see their businesses continue and their land stay in production
 - Beginning and aspiring farmers who are in search of business arrangements through which they can acquire land, equipment, experience and access to the knowledge of seasoned producers



What are we looking for?

- VCE & VDACS review and select proposals for funding – Ideal proposals address:
 - Focus on **building communication** among family members or among farm owners and farm seekers;
 - Increase the **professional capacity** of farm family service providers (attorneys, financial planners, extension personnel, etc.); and/or
 - Demonstrate **collaboration** among units, agencies, or organizations.
- **End result:** farm families draft & implement transition plans – retiring farmers connect with beginning farmers and farmland remains in productive use for the future.



Virginia Cooperative Extension
A partnership of Virginia Tech and Virginia State University www.ext.vt.edu



Farm Transition and Liability

Virginia Higher Education Center

Executive Auditorium

December 15, 2012

9:30 a.m.- Registration

10:00 a.m.- Welcome- *Amy Gail Fannon-Osborne, VCE*

10:05 a.m.- Case Studies- *Matthew Miller, VCE*

11:00 a.m.- Estate Planning Tools & Tax Management-

Andrew Branan, The Branan Law Firm, PLLC

12:00 p.m.- Lunch sponsored by Farm Credit of the Virginias



1:00 p.m.- Farm Financing- *Farm Credit of the Virginias*

1:30 p.m.- Business Entities & Agreement- *Andrew Branan, The Branan Law Firm, PLLC*

2:30 p.m.- Farm Liability & Risk Management- *Farm Bureau*

3:30 p.m.- Open Discussion

4:00 p.m.- Turn in Evaluations!!



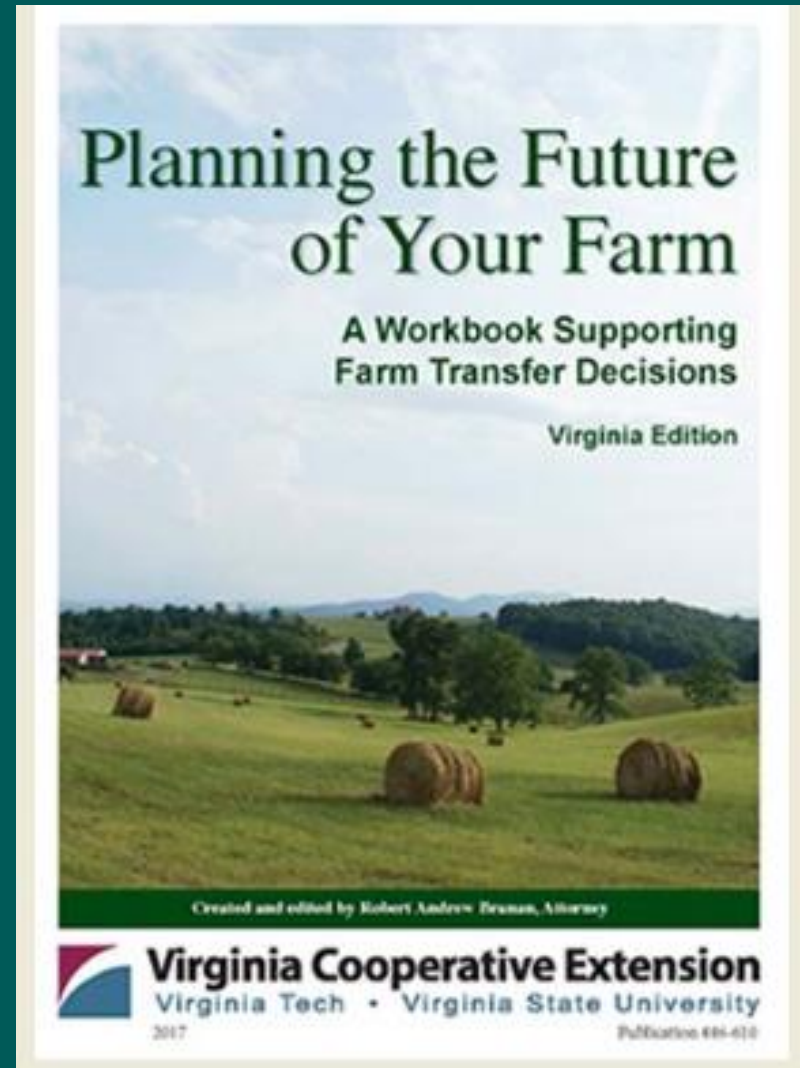
APPALACHIAN
sustainable
DEVELOPMENT

This workshop is free and open to the public due to grant support from VDACS, which was generated by revenue from the Virginia Agriculture license plate.

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- Planning for the Future of Your Farm : A Workbook Supporting Farm Transfer Decisions, Virginia Edition"
- Developed to help families keep their land in production and/or in their family as it passes to the next generation.
- Goal is to provide families with a resource to use as they complete the work necessary to transfer their farm land and/or farm businesses.





Section One: Developing a Vision for the Future

Farm Transfer Planning: A Suggested Definition

Farm Transfer Planning: How to Begin

Starting with What You Want

Managing Risks with Farm Business Transfer: The 5 D's

Worksheet 1.1: Quick Risk Assessment: The 5 D's

Improving Farm Family Communication

When Family Business Transition Makes No Sense

Developing Goals and Meeting Objectives

Worksheet 1.2: Planning the Family Meeting

Worksheet 1.3: Rating Family Values

Worksheet 1.4: Rating Your Comfort Level

Worksheet 1.5: Sketching Your Lifestyle Plan

Worksheet 1.6: Estimating Income and Expenses

Worksheet 1.7: Setting Goals and Objectives

Worksheet 1.8: Reconciling Priorities

Worksheet 1.9: Turning Goals and Objectives into Action

Section Two: Evaluating Your Farm Resources

Evaluating Your Farm and Community Resources

How Do You Own Your Property?

Worksheet 2.1: Evaluating Farm Resources

Part I: Natural Resources

Part II: On-Farm Buildings and Infrastructure

Part III: Local and Community Infrastructure

Part IV: Farm Asset Net Worth Statement

Part V: Management (Human Resource) Assessment



Section Three: Farm Transfer Tools

The Tools of Farm Transfer

Basic Estate Planning Documents: Wills, Trusts, and Gifting

About the Federal Estate Tax: A 2011 Update

Entity Choice for Agricultural, Forestry, or Horticultural Ventures

What is a Buy-Sell Agreement?

Table 3.1 Quick Comparison of Business Entities

Worksheet 3.1 Checklist for Business Agreements

Developing A Lease for the Farm

Worksheet 3.2: Short-Term Lease Checklist

Worksheet 3.3: Estimating Costs and Estimating Rent

Worksheet 3.4: Repairs and Maintenance Checklist

About Conservation Easements

Section Four: Meeting with Professional Advisers

About Your Team of Professional Advisers

Gathering Information About Your Estate

Worksheet 4.1: Locate Important Documents

Worksheet 4.2: Wills and Trusts Basics

Worksheet 4.3: Gathering Information About Your Estate



Virginia
CENTURY FARM

Qualifications

1. To be eligible for the Virginia Century Farm program, a farm must:

- have been owned by the same family for at least 100 consecutive years;
- be lived on or actually farmed by a descendent of the original owner; and
- gross over \$2,500 annually from the sale of farm products.

Photos of the Gilmer
Family Century Farm
Russell County, Virginia



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