



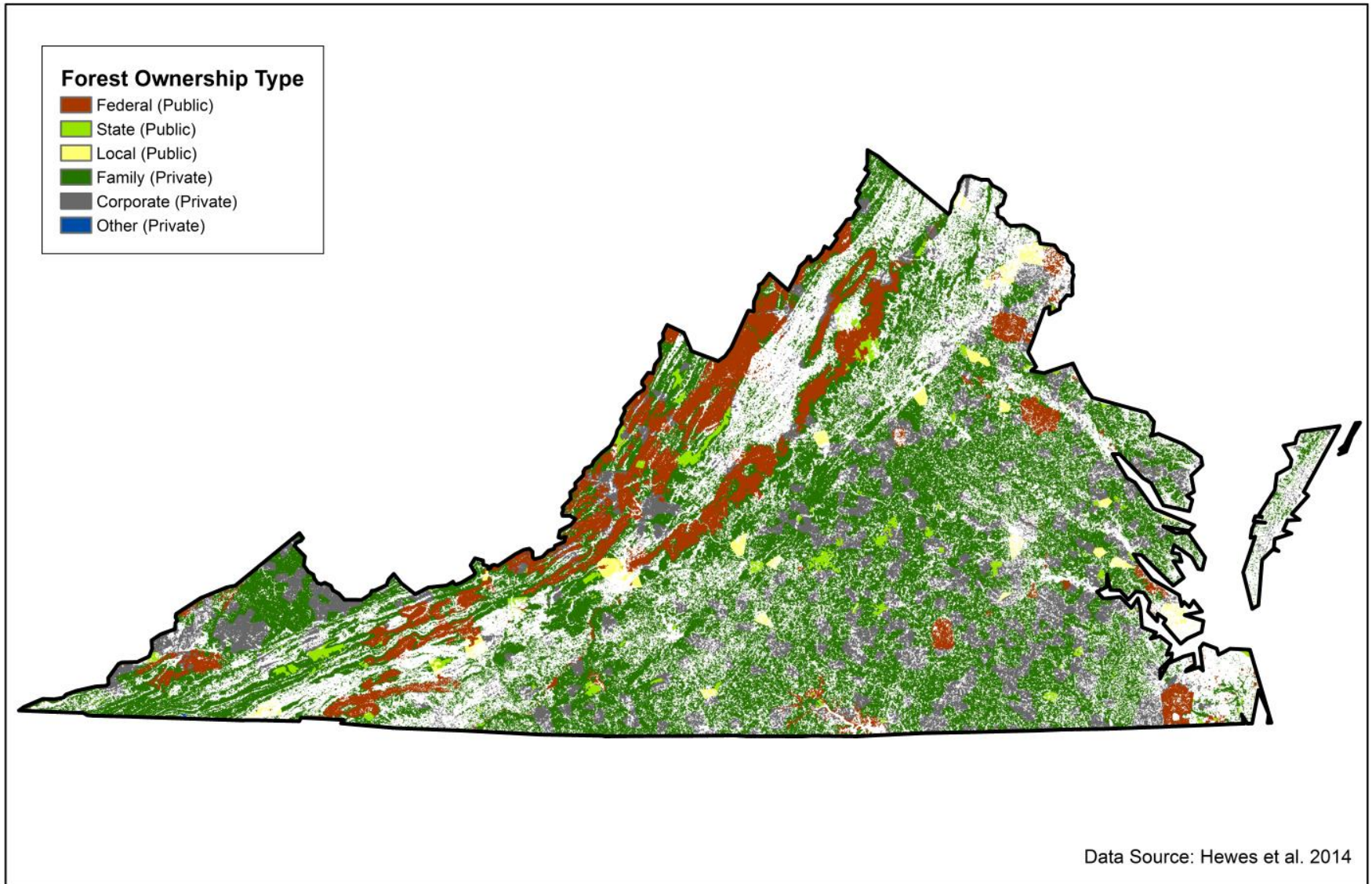
2018 Virginia Agritourism Conference

Williamsburg, VA

22 March 2018

Mike Santucci, Manager
Forestland Conservation Program
Virginia Department of Forestry

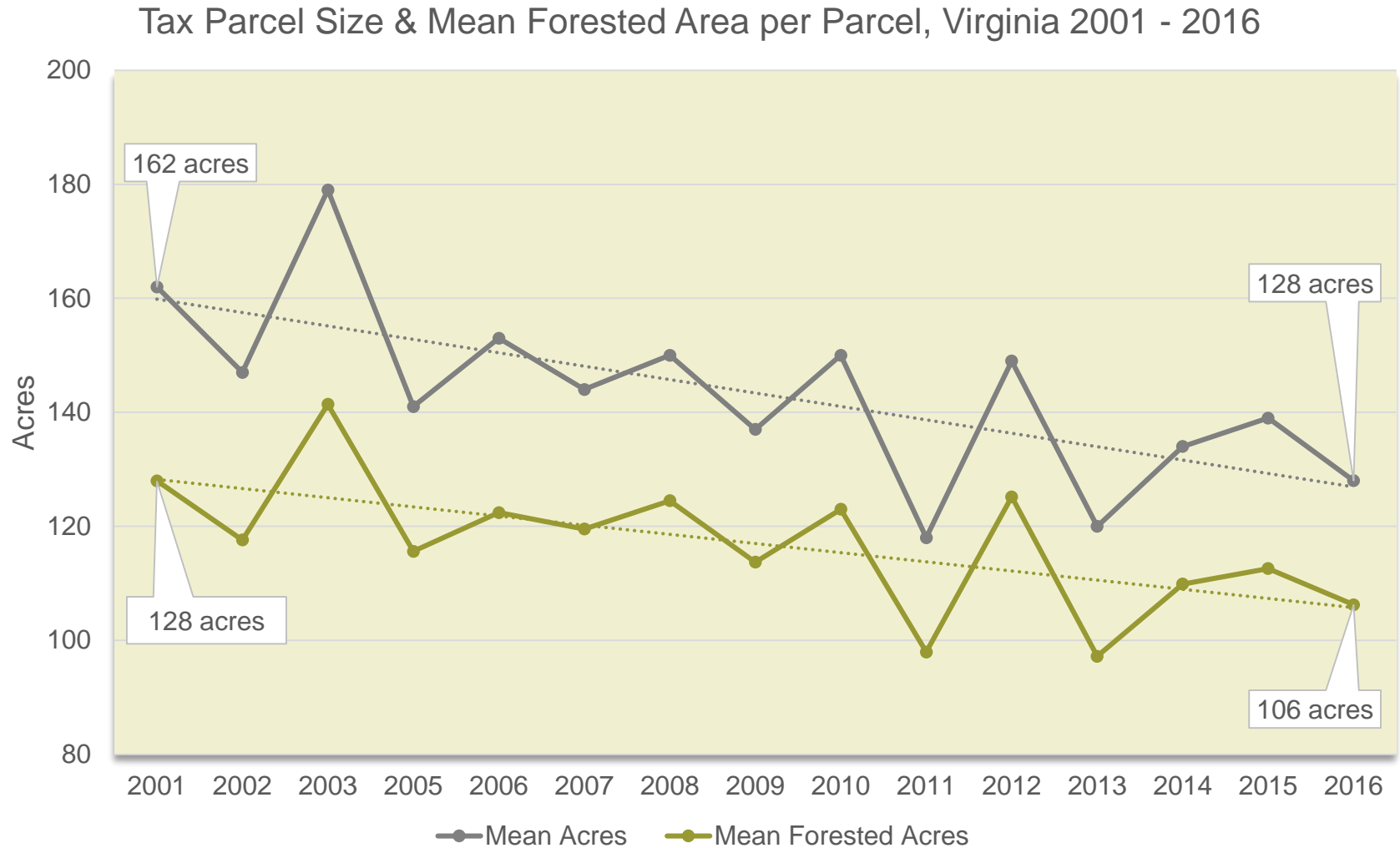
Forest Ownership in Virginia



0 50 100 200 Miles



Parcel Size Becoming Smaller



Aged 65 and older

- 27% of owners
- 41% of land

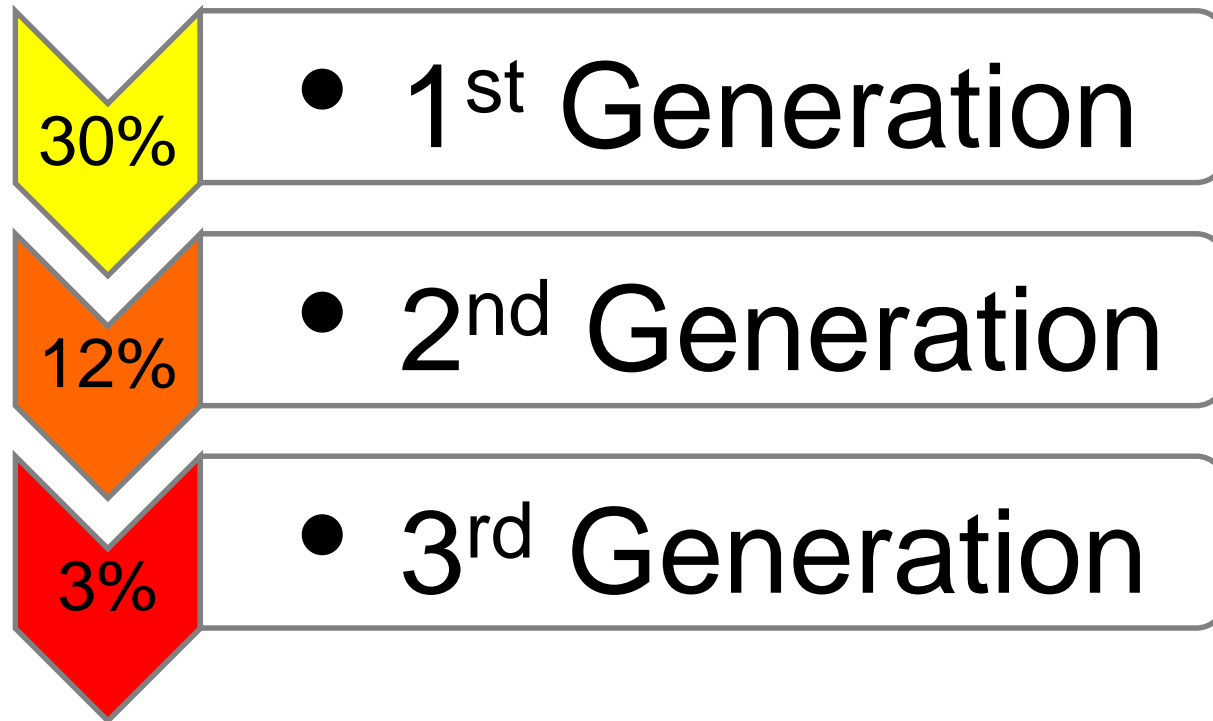
Aged 55 and older

- 59% of owners
- 71% of land



Unprecedented future intergenerational transfer

Intergenerational Transition Success Rates



Generational Transition success rates for farmers, ranchers and other small business owners

Source: Family Business Institute, Family Business in Transition, DATA AND ANALYSIS, p. 2..

What FFOs Want

- ❑ Their land to stay **in forest**
- ❑ Their land to stay **in the family**
- ❑ Keep the family land **intact**
- ❑ Have no intention of selling
- ❑ Are concerned with property taxes

But...

- ❑ 18% have a Forest Management Plan
- ❑ 13% have received professional assistance
- ❑ 32% have involved potential heirs
- ❑ 3% have a succession plan

Why Don't They Plan?

- ❑ Complex – 33%
- ❑ Intimidating – 18%
- ❑ Passive attitude – 16%
- ❑ Hard to get together – 14%
- ❑ Uncomfortable – 5%

What's in a Name?

Woodland Legacy Planning, Succession Planning, Conservation-based Estate Planning

- ❑ *Estate* – total of all assets
 - ❑ *Estate Plan* – assures assets are distributed to meet current and future goals
 - ❑ *Conservation-based Estate Planning* – helps maintain some or all of property in its natural, undeveloped condition
-

“Heirloom Scale”

1 = My woodland is one of the financial assets in my portfolio and nothing more.

10 = My woodland is priceless family heirloom to be protected at all costs.



Continuum of Desire to Pass on Land Intact

Passing Land Forward is...

- More than:
 - Passing an asset
 - Minimizing the tax burden
 - Maximizing monetary value
- Passing a connection to the land
 - State of mind
 - Is it internalized?
- A fundamental, active decision



“In our opinion, the most important thing in life is raising children who become responsible adults. The second most important thing in life is preserving family land.”

