



102: Questions to Ask for Your Farm Transition

Study Guide

- 1.) How many heirs do you have?
(Make a family tree – include grandchildren, step or adopted children, etc)

- 2.) How many heirs are currently working in the farming operation?

- 3.) Have they been involved in the farming operation long enough for you to feel comfortable knowing that they are committed to the operation?

- 4.) Is it possible that more heirs may come back to the operation in the future?

- 5.) How many of your heirs do you want owning your farmland in the future?

- 6.) Would you want to own your farm with your siblings?

- 7.) Assuming one of your goals is to keep the farmland together, how much would you discount the value of your land for any equalization or potential buyout purposes?

- 8.) What will determine the amount of the discount?
 - a. Would it be a number that “sounds good”?
 - b. Would it be a number you have heard other people use?
 - c. Would it be determined by a cost-per-acre that the buyer would need to pay?
 - d. Would it be what all the family members vote on at a family meeting?

- 9.) Would you rather set the price of the buyout or equalization now or put a formula in place so that everything can remain flexible and the price is finalized at your death?

Explain why you think your answer is right.

- 10.) Where will the money come from for a buyout or equalization?