

The Fresno Bee

Effort Aims to Help Farmers with Legacies

June 05, 2009

By Robert Rodriguez for the Fresno Bee

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A national farm publication and an expert in estate planning have launched a joint effort to help farmers transition their family operations from one generation to another.

The process is not always easy for families to discuss, and the task is made more complicated by an uncertain economy.

"The challenges we are experiencing today are difficult, but these challenges are going to continue to hit us," said Kevin Spafford, a certified financial planner and founder of the Chico-based Legacy by Design. "The economy does make everyone pause a bit, but without succession planning, you may not have anything for the next generation."

Bob Parsons, assistant professor of farm business management at the University of Vermont, said the sour economy can either cause people to put their plans on hold or push them into doing it now, before things worsen. "Some people have just had it and want the younger generation to take over," Parsons said. "And that can work. The younger generation is more optimistic about the future and are taking a long-term outlook."

Parsons agrees that having a succession plan is critical to keeping the family farm alive. To that end, Spafford has been holding workshops across the country as part of the Farm Journal Legacy Project, an effort launched last year by the Farm Journal, an industry publication that dates back to 1878.

Two workshops are scheduled in the coming weeks: Sacramento on June 16 and Fresno on June 19 at the Piccadilly Inn Shaw.

As part of the workshops, Spafford helps farmers focus on their reasons for passing down the family farm. For some it's a need to maintain a farming lifestyle, while for others it's about keeping the business side of the operation running.

Once families have clarified their goals, succession planning involves a series of steps including how to transition ownership, developing new leadership, estate distribution, retirement options and financial management.

Spafford became interested in focusing on agriculture after receiving several calls from farmers in their 50s and 60s whose aging parents still owned the farm and didn't have a plan for transferring ownership.

"The older they get, sometimes the tighter they hold on," Spafford said. "And with a lot of uncertainty out there, it makes it more challenging."

Owners of family farms want to avoid passing on the operation to someone who is not ready to lead.

"Finding a leader is absolutely critical," Spafford said. "A family needs to identify who will lead this operation into the next generation and manage it with success."

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