



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Evaluating Transition Planning by Tennessee Farmers

*David W. Hughes, Professor and Endowed Chair in Agribusiness Development,
Department of Agricultural and Resource Economics, and Robert Holland,
Director of the Center for Profitable Agriculture
University of Tennessee Institute of Agriculture*

*Joey E. Mehlhorn, Professor and Gilbert Parker Chair of Excellence in Agriculture and Natural
Resources, and Anthony Delmond, Assistant Professor
Department of Agriculture, Geosciences and Natural Resources
University of Tennessee at Martin*

Introduction

Farm transition planning is one of the most underutilized farm financial planning tools and is also one of the most under-researched issues in agriculture (Fetsch 1999). We evaluate the results of a survey administered to 100 farmers attending the 2017 Annual Meeting of the Tennessee Farm Bureau. After briefly reviewing previous research in farm transition planning, we describe our survey approach, analyze our survey results and discuss the implications and conclusions of our study. The primary audience is Extension personnel, agricultural policy makers and leadership of appropriate nonprofit organizations such as the Tennessee Farm Bureau. Our hope is that possible providers of information regarding farm transition planning will be better informed and as a result, more farm transition planning will actually occur.

Other Research and Extension Efforts

The literature regarding farm transition planning has focused on the methods of implementing a successful farm transition plan, ways to design farmer training programs on the topic (including assessing program effectiveness), and factors correlated with successful transitions, such as farm size. In the first category, Fetsch (1999) lists a number of guidelines regarding successful farm transition planning. He divides support for farm families by Extension personnel into technical tools (e.g., legal, economic) and people skills (e.g., human relations). Based on a successful mixture of these tools, many farm families can successfully transfer their farm operations between generations. Curtis (2006) emphasizes the role of the five goals of estate planning including setting up an estate plan, accounting for tax implications, and identifying retirement strategies as key components of farm transition planning. Smithfield (n.d.) uses a presentation to highlight the difference between transferring the farm as a set of assets versus as a business, with the latter encompassing goal setting, examination of financial viability and succession planning. In an Extension fact sheet, Marrison (2007) underlines the importance of determining farm profitability, involving family members in planning, and developing a timetable for implementation, placing those elements among the most significant in farm transition planning. Ferrell and Jones (2013) examine the legal issues involved in farm transition planning, such as wills and various forms of property ownership (e.g., joint tenancy).

Regarding training efforts, Hachfeld et al. (2009) evaluate the impact of 12 workshops on the behavior of 524 Minnesota farmers with respect to farm transition planning. Six months after the trainings, 59.4 percent of responding farmers had at least started developing a farm transition plan. Those barriers to transition planning that were identified in the study included lack of time and other intuitive obstacles. More tellingly, however, family relationship issues — for example, difficulty in developing goals, lack of consensus and parents’ unwillingness to relinquish control — played a significant role. Among the lessons workshop providers learned in that study were the importance of providing a well-documented and extensive workbook and the value of working with an attorney and an accountant in developing materials.¹ Schutz et al. (2015) discuss the development of a curriculum aimed at assisting women involved in farm transitions (an Annie’s Project program effort). The training was based on key principles of Annie’s Project, including the provision of unbiased research-based information and allocating class time for discussion and hands-on activities. Some 237 of the program participants reported major levels of knowledge gain in business, estate, retirement and succession planning. An effort in Tennessee, the Farmland Legacy Program, provided farm transition planning to a number of farmers ending in 2014 based on a workbook “Planning Today for Tomorrow’s Farms.” The workbook remains a very useful tool for any future training efforts (The workbook can be accessed at farmlandlegacy.utk.edu/workbook.html).

Prior research has identified factors that increase the likelihood of transitioning farm operations. Using a survey of 261 Virginia Farm Credit customers, Smith (2005) indicates that more profitable farms and farms with an identified successor both were more likely to transition their farms to future generations. Conversely, farmers with higher debt levels were less likely to do so. Mishra et al. (2010) evaluate the existence of a farm succession plan in relation to a set of potential determinants. Their analysis was based on data from the 2001 Agricultural Resource Management Survey (ARMS) for 3,471 farms with farm-couple operators who were at least 46 years of age. Higher household wealth, age of operators and off-farm employment were shown to increase the likelihood of having a transition plan, while better educated operators were less likely to have such plans. Farmers in the Mississippi Portage region, which covers West Tennessee and parts of Middle Tennessee, were less likely to have a transition plan as compared with most other regions. Mishra and El-Osta (2008) similarly use a logit model and the 2001 ARMS data to analyze the effects of farm policy and farm growth on farm family transition decisions. Farmer age, education level, level of support from government programs, farm expected growth and farm wealth all had a positive influence on the likelihood of having a farm succession plan. Inwood (2013) emphasizes the need for research and ultimately policies to account for cultural, ethnic and gender diversity in supporting farm transition efforts. She highlights differences between the needs of established farmers and new farmers, especially with respect to health care and child care, and particularly for the growing number of new women farmers.

Survey Approach

At an annual meeting of the Tennessee Farm Bureau (December 3-5, 2017), we surveyed 100 farmers on site. We developed our survey instrument after a thorough review of the existing literature on the subject. In particular, our survey design is modeled similarly to Miller and Cocciarelli’s (2012) and Fogle’s (2017).² The survey instrument is provided in Appendix A.

¹ The providers also learned not to use such experts directly in the training. This concern mostly related to time issues and perceptions regarding the selling of their services.

² Prior to conducting the survey, our materials and methods were approved by the University of Tennessee at Martin Institutional Review Board (18-658-E05-4005).

Results

Our discussion of the survey results is divided into the following sections: respondent demographics, the nature of respondents' farming operations, respondents' legal status and retirement plans, respondents' succession plan status and barriers, and respondents' perceptions regarding training needs.

Demographics

Questions regarding demographics include age, gender, education obtainment, farm role, off-farm employment, spouse farm role and family size. As shown in Figure 1, the ages of respondents were concentrated in some degree younger but especially older age categories. The majority of the 100 respondents were older than 55, but 27 were 35 and under, so the least represented demographic in the sample was between the ages of 36 and 55. Comparing data from the 2012 Agricultural Census (U.S. Department of Agriculture) and using category midpoint estimates, the average age of our survey respondents was slightly younger — approximately 51.9 in our survey compared to 59.2 for all Tennessee farm operators. In terms of respondents by gender, 72 were male and 28 were female. As a basis of comparison, the 2012 Census of Agriculture estimated that 71.4 percent of all Tennessee farm operators were male and 28.6 percent were female. Survey respondents exhibited a wide distribution regarding level of education obtainment: One respondent did not finish high school, 31 finished high school, 30 had an associate's degree, and 56 had at least a college degree (Figure 3). Based on our analysis of American Community Survey data from 2012-2016, our survey respondents exhibited higher education obtainment than the typical Tennessee farmer, among whom an estimated 15.2 percent had not finished high school and 20.9 percent had at least a college degree.³ In terms of off-farm employment, approximately 52.6 percent of our survey respondents (51 of the 97 who responded to that question) reported that they had an off-farm job. As a basis for comparison, the 2012 Census of Agriculture estimated that 63.2 percent of Tennessee farmers reported off-farm employment.

When asked to indicate their role on the farm, 51 respondents indicated that they were full-time farmers, 29 indicated that they were part-time farmers, and 19 indicated that they were a landowner or not actively farming (Figure 3). When asked to indicate their spouse's role on the farm, 22 respondents indicated that their spouses worked on the farm part time, 19 indicated that their spouses worked full time on the farm, 17 indicated that their spouses worked off-farm, 14 indicated that their spouses worked both on and off the farm, and 28 respondents had no spouse (Figure 4).

Regarding family size (Figure 5), the largest portion of respondents, 35, indicated a family size of two. Among families with more than two members, the most common family size was five members, with 19 respondents indicating that family size. The size of families reported by our survey respondents tended to be larger than that reported by farmers in the American Community Survey data (2012-2016), where an estimated 44.6 percent of Tennessee farmers had two family members (compared with our 35.7 percent), 17.6 percent had three family members (compared with our 9.2 percent), and 15.2 percent had four family members (compared with our 15.3 percent).

Nature of Farming Operation

Survey respondents were asked to indicate their levels of (1) farmland ownership, (2) farmland rented from or to others, and (3) farm enterprises. In terms of farmland ownership and tenure (Table 1) (Figure 6), the highest number of respondents owned 100-249 acres. Those owning 1-49 acres, 50-99 acres, 250-500 acres, and 500-749 acres numbered 13, 11, 14 and 13. Seven respondents owned no farmland, and two owned more than 5,000 acres. These responses are not necessarily indicative of amount of farmland directly operated by

³ The American Community Survey used a five-year average (2012-2016) based on 507 observations extracted from the IPUMS-USA database (Ruggles et al., 2018).

respondents. Regarding leasing of land, 45 farmers leased no farmland from others. Among those who rented farmland from others, 13 rented 100-249 acres, 11 rented 1,000-5,000 acres, and eight rented 100 to 249 acres of farmland (Figure 7). Seventeen respondents reported leasing out farmland, with the largest number of respondents renting out farmland in the smallest available survey range (six leased out 1-49 acres) (Figure 8). Using midpoint estimates, the average size of owned farmland was 564.1 acres, while the average size of leased farmland was 546.4 acres, for a total of 1,110.5 combined acres. Hence, the farmers who participated in the survey tended to be commercial operators as opposed to the numerous smaller farm operators in Tennessee who farm for purely supplemental income or as a hobby. This result makes sense, given where the survey was conducted. Our respondents, on average, owned and rented almost the same level of farmland.

As illustrated in Figure 9, farmers were also asked to indicate the nature of their farming enterprises (e.g., beef cattle, row crops or hay production). Among survey respondents, 64 included beef cattle in their farm operations, 46 included row crop operations, 46 produced hay, 21 had on-farm timber and 13 raised either sheep or goats (or both). Many farmers had multiple commercial farm enterprises, as shown in Table 2 and Figure 10. The typical farm in our sample (specifically, 52 respondents) had two distinct farm enterprises, followed by 16 with three enterprises and 13 with four enterprises. Only one farm was fully specialized in the production of a single good and one exhibited seven enterprises (the largest number of enterprises indicated by respondents). Table 2 illustrates the mixture of enterprises: 12 farms were row-crop-only operations, nine were beef-cattle-and-hay operations, eight were beef-cattle-only farms, six operations specifically produced beef cattle and row crops, and five had beef cattle, row crops and hay.

Legal Status and Retirement Plans

Regarding the primary form of legal status for farm operations (Figure 11), 67 survey respondents indicated they had a sole proprietorship, and 22 indicated a partnership. In terms of farming retirement plans, 48 of 92 respondents stated they will never retire, while 31 indicated they would become semi-retired at some point (Figure 12). Eleven farmers indicated they were already retired or semi-retired from farming, while only five farmers indicated they will fully retire from farming. In terms of years until retirement from farming, 33 of 61 respondents indicated they will retire in 20 years or more, 11 plan to retire in 10 to 20 years, and another 11 plan to retire in five to 10 years (Figure 13).

Succession Planning

We asked survey respondents several questions about farm succession planning, including (1) whether they think succession planning is important, (2) whether they have a written or unwritten plan, and (3) for those without a written plan, whether they expect to have one within the next three years. We asked respondents if they have discussed a succession plan with anyone and, if so, whom. Respondents were queried as to whether they have identified a potential successor for their farm operation, their relationship with that successor, and whether that successor currently is involved with farm operations. We also asked the respondents if a new farm enterprise or farm diversifying effort is being considered by themselves or their successor. Survey respondents were asked to identify barriers to transferring their farm operation to a successor and their preferences for passing both farmland and other farm assets to successors. They were also asked to identify barriers for passing these farm assets to successors.

While virtually all respondents (89 out of 92) felt that farm succession planning is important, survey respondents as a group showed both a lack of commitment to (and a high level of uncertainty regarding) farm succession planning. Only 17 out of 97 respondents were sure they had a written farm succession plan, with 11 unsure and 69 not having a written plan (Figure 14). In terms of an unwritten farm succession plan (Figure 15), 22 respondents had

such a plan, while 44 did not (10 were unsure). Among 81 respondents, 34 out of 81 respondents plan to develop a written succession plan, while 39 were unsure regarding the development of a plan in the future, and eight respondents indicated they will never develop a succession plan (Figure 16).

The majority of survey respondents, 54, indicated that they had discussed farm succession with someone, while 43 had not (Figure 17). Among our 75 respondents to this question, these discussions occurred most frequently with a spouse (36 respondents or 48.0 percent), with a child (26 respondents or 34.7 percent), with another relative (18 respondents or 24.0 percent), or with a lawyer or accountant (both by 14 respondents or 18.7 percent) (Figures 18 and 19).

Among 94 respondents, only 41 farmers (43.6 percent) had identified a successor (Figure 20). In terms of potential successors, 30 respondents identified a son or son-in-law, four identified a daughter or daughter-in-law, 10 identified some other relative, and four indicated a nonrelative potential successor (Figure 21). Among 51 responding farmers, 40 indicated that a potential successor currently was involved in their farm operation, while the remainder indicated the potential successor was not (Figure 22). We asked survey respondents if they – or their potential successor – were considering a new or different enterprise or diversifying the farm operation. The majority of the 35 respondents to that question, 21, indicated that such a change currently was not being considered (Figure 23).

Survey respondents were asked to identify barriers their successor(s) will encounter when taking over their farm operations. Among 85 respondents, lack of cash was the most common concern (44 respondents or 51.8 percent), followed by pressure from development (24 respondents or 28.2 percent), increasing tax burden (24 respondents or 28.2 percent), successor lack of experience (23 respondents or 27.1 percent), renting additional acreage (20 respondents or 23.5 percent), and lack of farm equipment (19 respondents or 22.4 percent) (Figures 24 and 25).

In terms of preferences over the future of their farmland, 52 respondents (among 95 who answered this question) indicated that their successor should inherit their land, with 20 indicating that all heirs should share equally and 11 indicating heirs should share unequally in the dispersal of farmland (Figure 26). Six respondents felt their successor should purchase their land, while four felt that their farm should be sold. In response to the disposition of other farm assets (such as equipment or livestock), farmers indicated a similar pattern, with 51 indicating that successor(s) should inherit these assets (Figure 27).

Survey respondents were asked to identify barriers to the disposition of their farmland and farm assets. Among the 88 respondents, 47 (53.4 percent) identified fair treatment of heirs as the greatest barrier, followed by both legal issues and tax issues involving the transfer (27 respondents each or 30.7 percent), heirs not interested in farming (25 respondents or 28.4 percent), and poor family communications and disputes (21 respondents or 23.9 percent) (Figures 28 and 29). Survey responses were consistent with the literature in that most key barriers to successful transition planning were a mixture of family interpersonal and technical issues.

Training Needs

Regarding training needs, survey respondents were asked if more technical assistance is needed to assist Tennessee farmers with the farm transition/succession process and if they would be interested in attending a Tennessee farm transition planning workshop or conference. Most survey respondents (80 respondents or 89.9 percent of the 89 respondents to the question) felt that Tennessee farmers need technical assistance in farm succession planning (Figure 30). Most survey respondents (74 respondents or 83.1 percent of the 89 respondents to the question) indicated interest in attending a Tennessee farm transition

planning workshop or conference (Figure 31). Even accounting for the bias toward overstatement inherent in surveys of this type, this level of interest in training seems sizeable enough to warrant consideration. Based on responses to earlier queries and on the literature, this training effort should be composed of a mixture of family interpersonal skills and technical issues (such as how to structure a will and how to account for tax considerations). The advice concerning the nature of training effort as stated by Hachfeld et al. (2009) and others should also be considered. For example, a well-written and documented workbook like the one developed by the Tennessee Farmland Legacy effort should be part of the training. Follow-up activities by Extension personnel and others should also be included in this effort.

Summary and Conclusions

Farm transition planning is arguably an under-studied topic. More importantly, it is of vital importance to farm operations and families. Provided here are the results of a survey conducted with 100 Tennessee farmers. Surveyed farmers were slightly younger and better educated than the typical Tennessee farmer, with commercial-oriented operations that are much larger than the typical farm in the state. On average, survey respondents had 2.9 farm enterprises. Many had a mixture of beef cattle and hay production; others had beef cattle, hay and row-crop production.

A large portion of survey respondents indicated either (1) that they plan never to retire or (2) that they would be semi-retired at some point. While virtually all surveyed farmers felt that farm succession planning is important, as a group they demonstrated both a lack of commitment to and a high level of uncertainty regarding farm succession planning. A slight majority (55.4 percent) had discussed farm succession with someone — usually a spouse, child or other relative — while a few had such a discussion with a lawyer or an accountant. Fewer farmers had identified a successor than those who had not; usually the successor was a son or son-in-law generally who was involved currently with the farm operation. The majority of farmers felt they should bequeath farmland and other farm assets to heirs.

Barriers to succession planning are an important topic. Among the barriers successors potentially could encounter in taking over a farm, surveyed farmers identified lack of cash, pressure from development, increasing tax burden, and lack of successor experience or access to farmland or equipment as holding particular importance. With regard to barriers in planning or making the transition, surveyed farmers identified fair treatment of heirs, related legal and tax issues, and poor family communications or disputes as important.

In terms of training needs, most farmers indicated that Tennessee farmers need technical assistance in farm succession planning and most indicated interest in attending a workshop or conference on the topic. Based on the responses reported here and in the literature, this training effort should be composed of a mixture of family interpersonal skills and technical issues (such as how to structure a will and how to account for tax considerations). We also recommend that a well-written and documented workbook (particularly an updated version of the one developed by the Tennessee Farmland Legacy effort) should be part of the training as well as follow-up support by Extension personnel and others.

References

- Curtis, K.R. 2006. "Estate and Farm Transition Planning for Agricultural Producers." Proceedings of the 2006 Western Alfalfa & Forage Conference, December 12-13, 2006, Reno, NV.
- Inwood, S. 2013. "Social Forces and Cultural Factors Influencing Farm Transition." *Choices*. 2nd Quarter. 28(2): 1-5. Accessed at https://www.jstor.org/stable/choices.28.2.07?seq=1#page_scan_tab_contents
- Ferrell, S. L. and R. Jones. 2013. "Legal Issues Affecting Farm Transition." Presented at the Transitions in Agriculture: Implications for Research, Data Development and Policy Analysis Conference Washington, D.C., March 20-21.
- Fetsch, R.J. 1999. "Some Do's and Don'ts for Successful Farm and Ranch Family Estate Transfers." *Journal of Extension*. 37(3). Accessed at <https://joe.org/joe/1999june/iw2.php>
- Fogle, S. 2017. "A Survey to Examine Attitudes Toward Farm Transition and Succession Planning Among Frederick County, MD Farmers." Unpublished Research Project, University of Tennessee at Martin, Martin, TN
- Hachfeld, G.A., D.B. Bau, C.R. Holcomb, J.N. Krutz, J.W. Craig, and K.D. Olson. 2009. "Farm Transition and Estate Planning: Farmers' Evaluations and Behavioral Changes Due to Attending Workshops." *Journal of Extension*. 47(2). Accessed at <https://joe.org/joe/2009april/a8.php>
- Marrison, D.L. 2007. "Planning for the Successful Transition of Your Agricultural Business." Building for the Successful Transition of Your Agricultural Business" Fact Sheet Series. Ohio State University Extension Service.
- Miller, S., and S. Cocciarelli. "The Michigan Farm Succession Study: Findings and Implications." Michigan State University. MSU Center for Regional Food Systems. June 2012. Accessed at: <https://www.canr.msu.edu/resources/farm-succession>
- Mishra, A.K., H.S El-Osta, and S. Shaik. 2010. "Succession Decisions in U.S. Family Farm Businesses." *Journal of Agricultural and Resource Economics*. 35(1): 133-152.
- Mishra, A.K. and H.S. El-Osta. 2008. "Effect of Agricultural Policy on Succession Decisions of Farm Households." *Review of Economics of the Household*. 6(3): 285-307.
- Ruggles, S., S. Flood, R. Goeken, J. Grover, E. Meyer, J. Pacas, and M. Sobek. 2018. IPUMS USA: Version 8.0 [dataset]. Minneapolis, MN: IPUMS. <https://doi.org/10.18128/D010.V8.0>
- Schultz. M.M., M.J. Anderson, T. Eggers, R. Hambleton, and K. Leibold. 2015. "Managing for Today and Tomorrow: An Effective Transition Planning Course for Farm and Ranch Women." *Journal of the National Association of County Agricultural Agents*. 8(2): 1-11.
- Springsteen, E.R. No Date. "Farm Transition Planning." Presentation, the National Agricultural Law Center, University of Arkansas. Accessed at <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.668.6389&rep=rep1&type=pdf>
- Smith, S.M. 2005. "Virginia Farmer Retirement and Transition Planning." Unpublished Master of Science, Department of Apparel, Housing, and Resource Management, Virginia Polytechnic Institute and State University.
- Tennessee Farmland Legacy. No Date. "Planning Today for Tomorrow's Farms: A Workbook for Tennessee Farm Families." Accessed at <https://farmlandlegacy.utk.edu/workbook.html>
- U.S. Department of Agriculture. 2012. National Agricultural Statistics Service. "Census of Agriculture." Accessed at https://www.nass.usda.gov/Publications/AgCensus/2012/Full_Report/Volume_1_Chapter_2_US_State_Level/

Table 1. Percentage of Respondents Claiming Land Ownership and Tenure, by Acreage

	Acres								
	None	1-49	50-99	100-249	250-500	500-749	750-999	1,000-5,000	>5,000
Owned	7	13	11	27	14	13	4	7	2
Leased from others	45	8	7	13	8	2	2	11	2
Leased to others	81	6	2	4	2	2	1	0	0

Table 2. Frequency of Farm Enterprise Mix by Prevalence

Enterprise Mix	Number of Farms
Row Crop Only	12
Beef Cattle and Hay	9
Beef Cattle Only	8
Beef Cattle and Row Crop	6
Beef Cattle, Row Crop, and Hay	5
Fruit and Vegetables	3
Timber Only	3
Beef Cattle, Sheep-Goats, and Hay	3
Beef Cattle, Row Crop, Hay, and Timber	3
Row Crop and Timber	3

Note: For all other reported farms, at most only two observations were indicated for the given enterprise mix.

Figure 1. Survey of Tennessee Farmers, Respondents by Age Category.

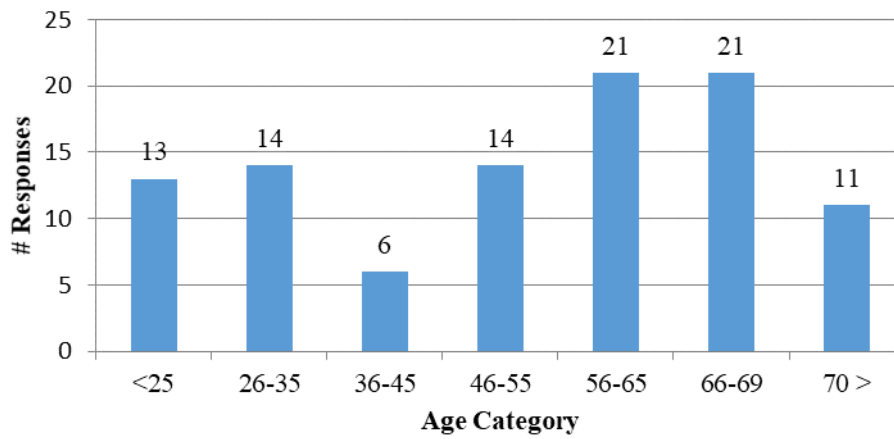


Figure 2. Survey of Tennessee Farmers, Respondents by Education Obtainment Category.

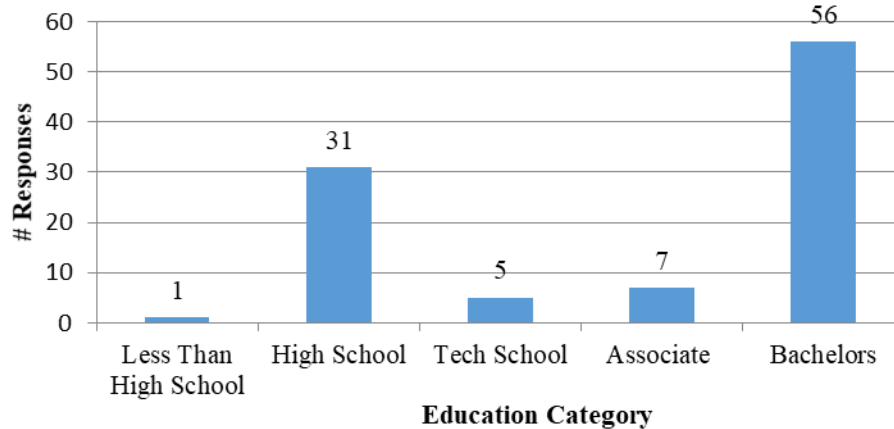


Figure 3. Survey of Tennessee Farmers, Respondents by Farm Role.

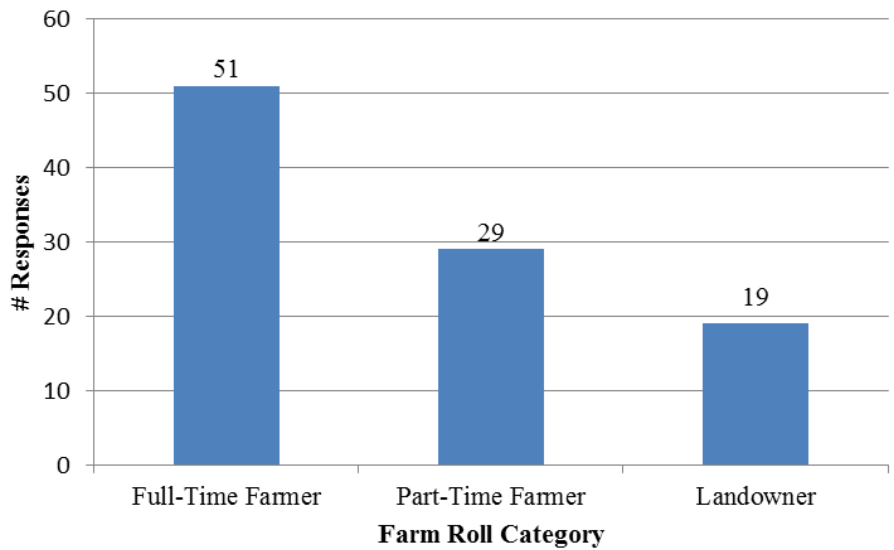


Figure 4. Survey of Tennessee Farmers, Respondents by Spouse Farm Role.

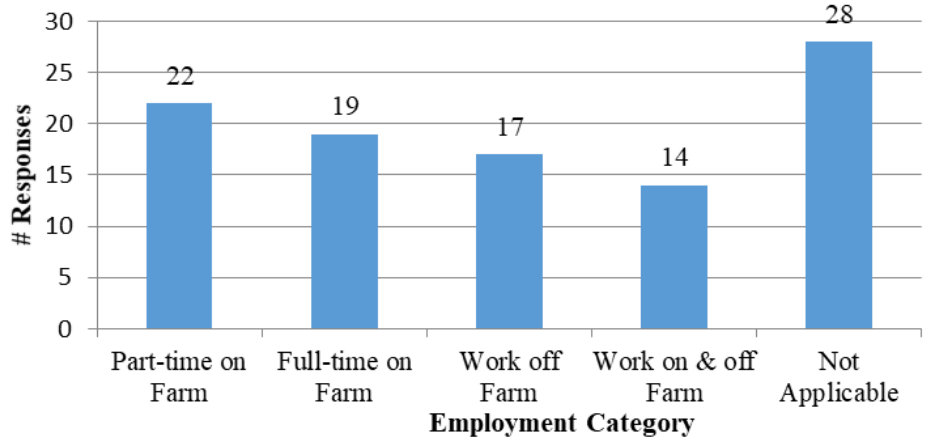


Figure 5. Survey of Tennessee Farmers, Respondents by Family Size.

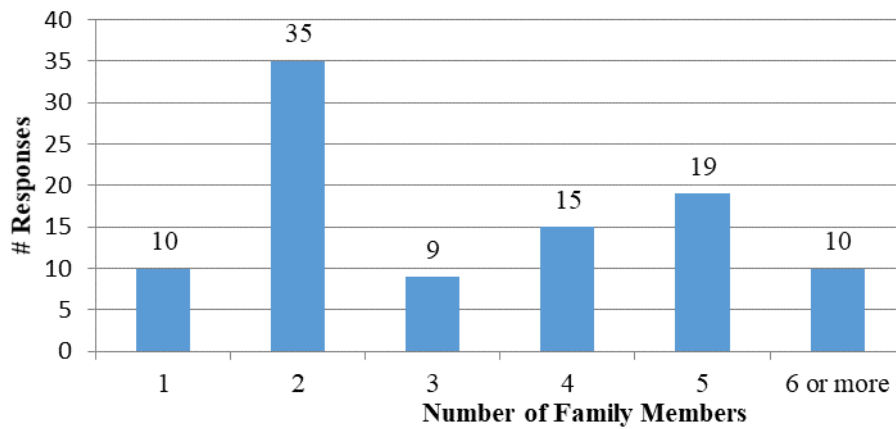


Figure 6. Survey of Tennessee Farmers, Respondents by Level of Owned Farmland.

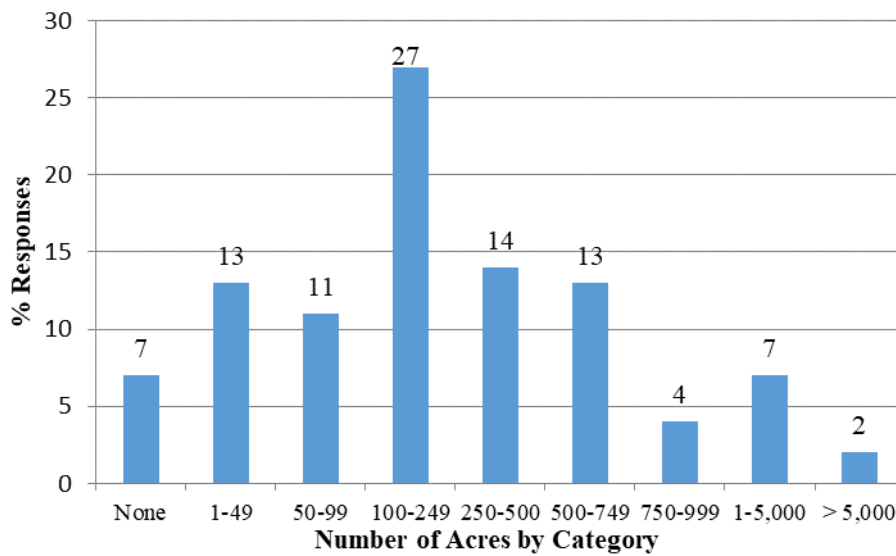


Figure 7. Survey of Tennessee Farmers, Respondents by Level of Farmland Leased from Other.

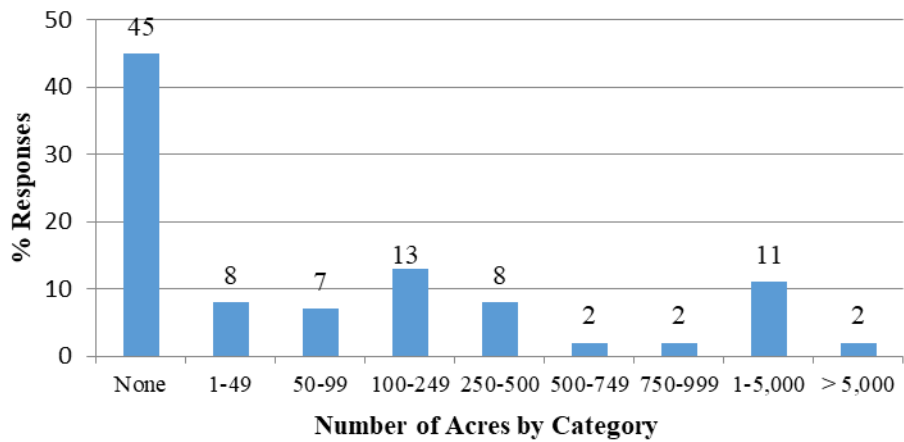
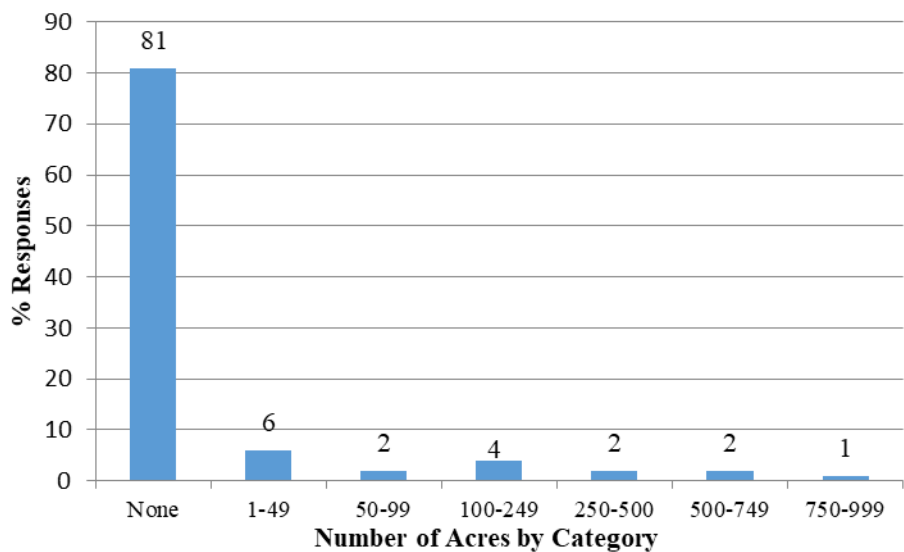


Figure 8. Survey of Tennessee Farmers, Respondents by Level of Farmland Leased to Other.



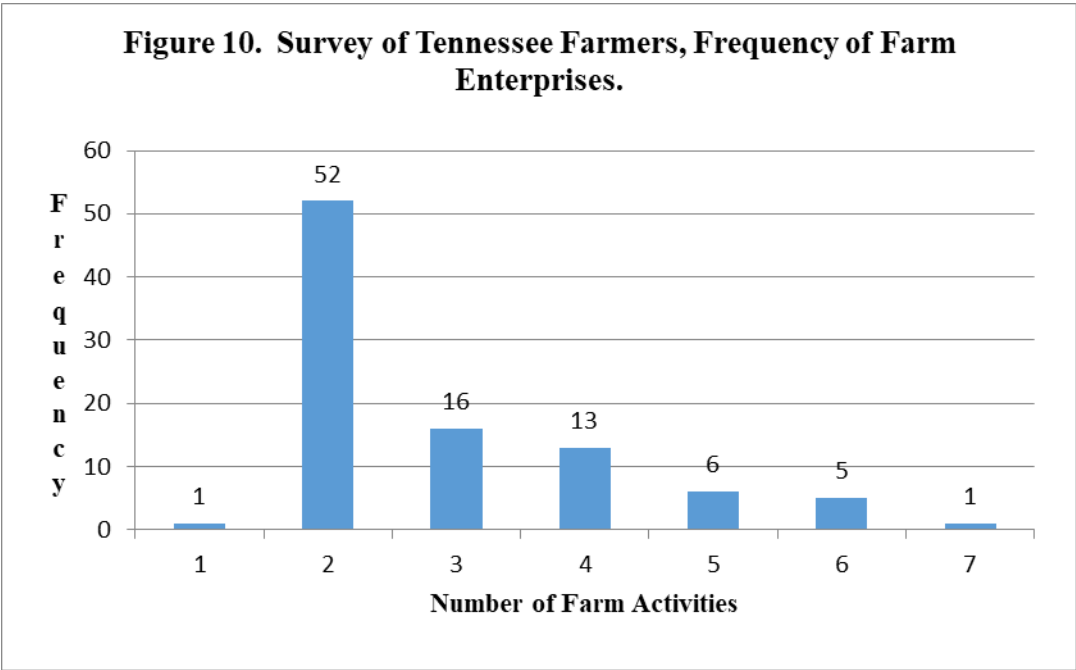
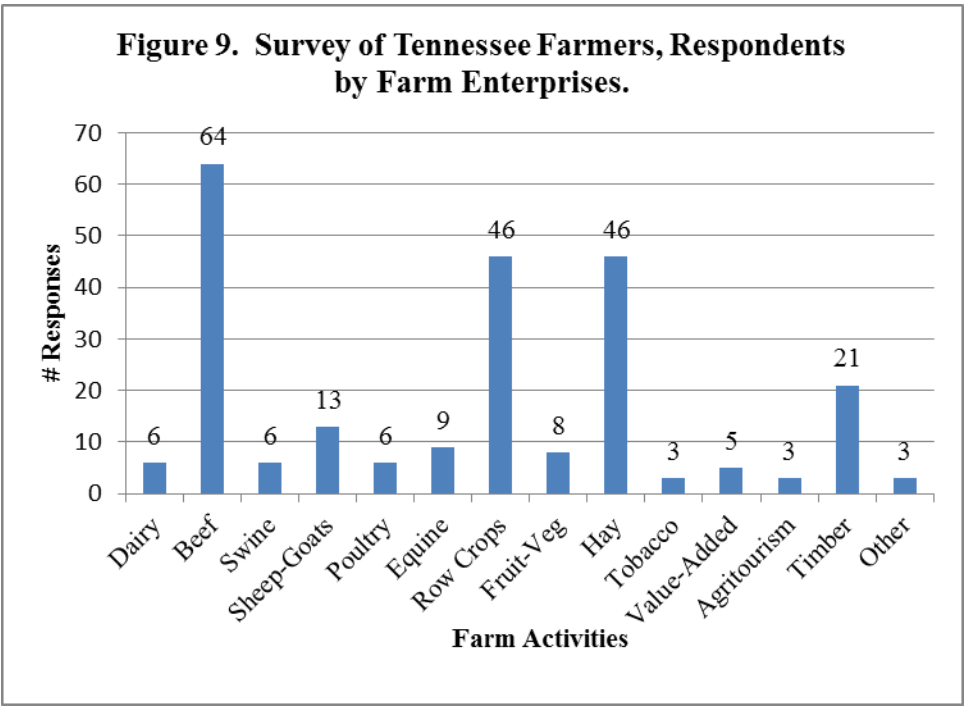


Figure 11. Survey of Tennessee Farmers, Farm Legal Status of Respondents.

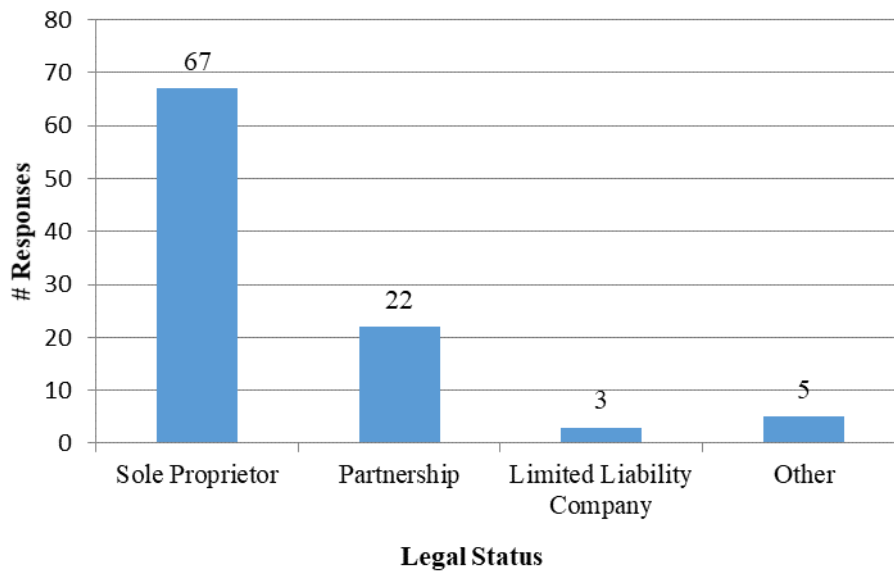


Figure 12. Survey of Tennessee Farmers, Respondents by Retirement Plans.

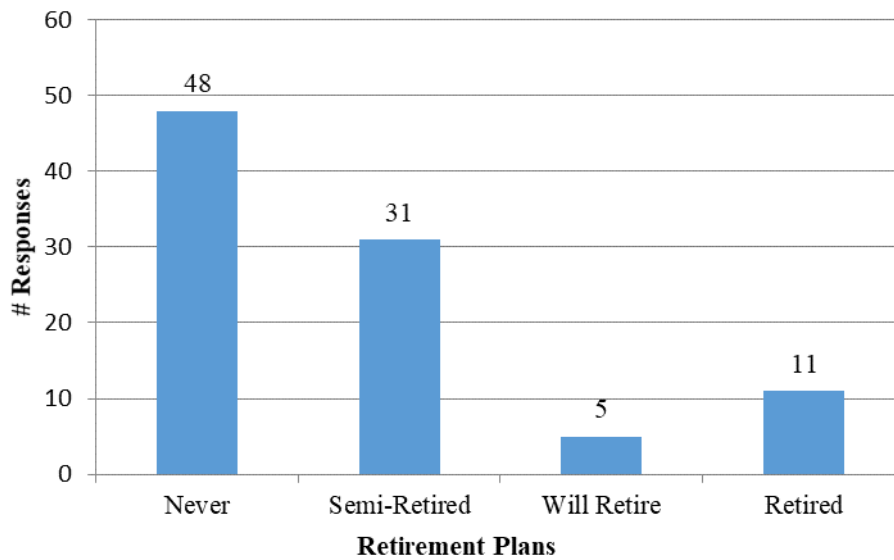


Figure 13. Survey of Tennessee Farmers, Respondents Years Until Retirement.

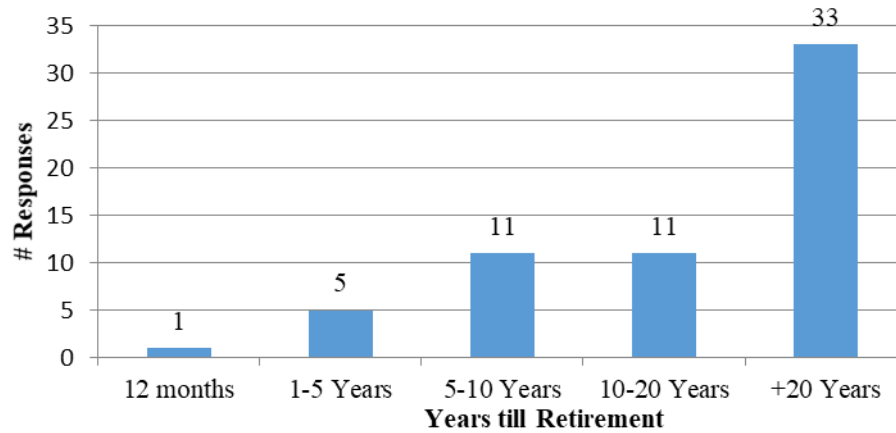


Figure 14. Survey of Tennessee Farmers, Respondents by Written Succession Plan.

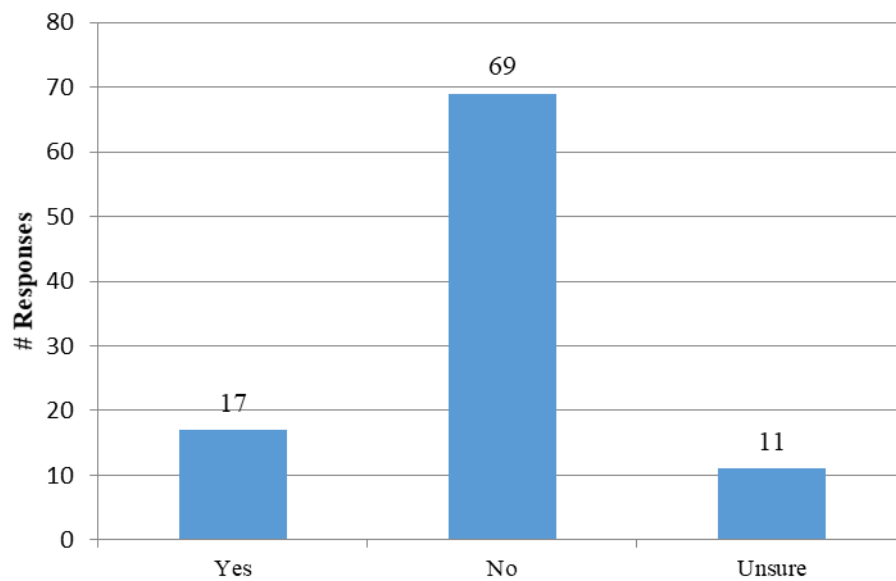


Figure 15. Survey of Tennessee Farmers, Respondents by Unwritten Succession Plan.

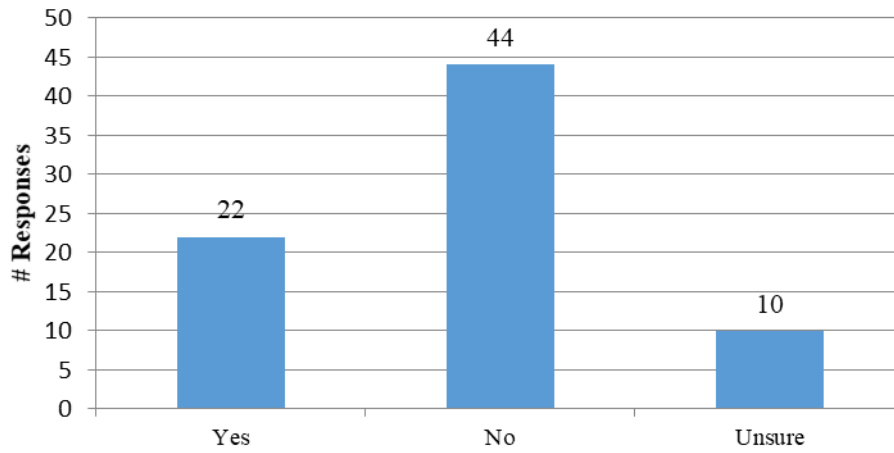


Figure 16. Survey of Tennessee Farmers, Respondents by Plan to Develop a Written Succession Plan.

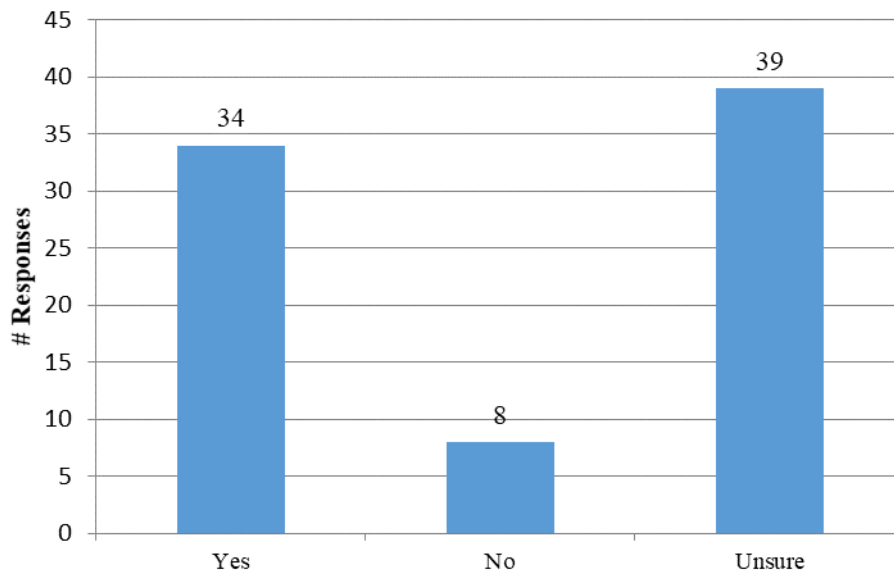


Figure 17. Survey of Tennessee Farmers, Discussed Succession Planning with Anyone?

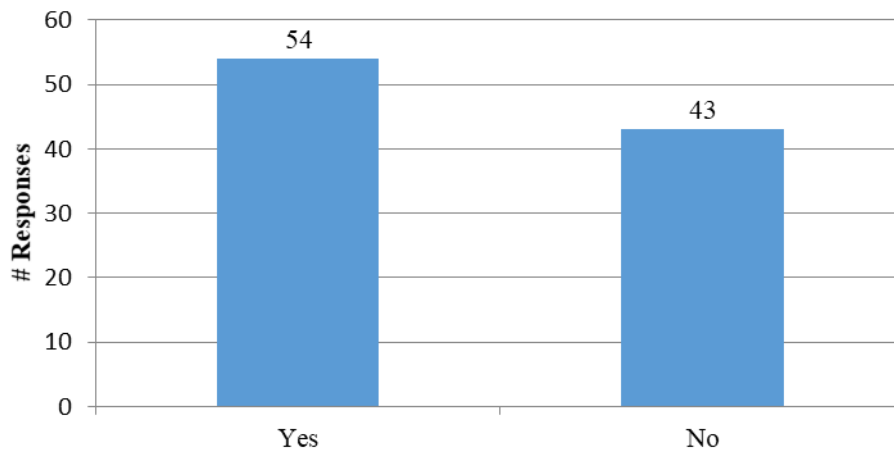


Figure 18. Survey of Tennessee Farmers, Respondents by Who Discussed Succession Plan With.

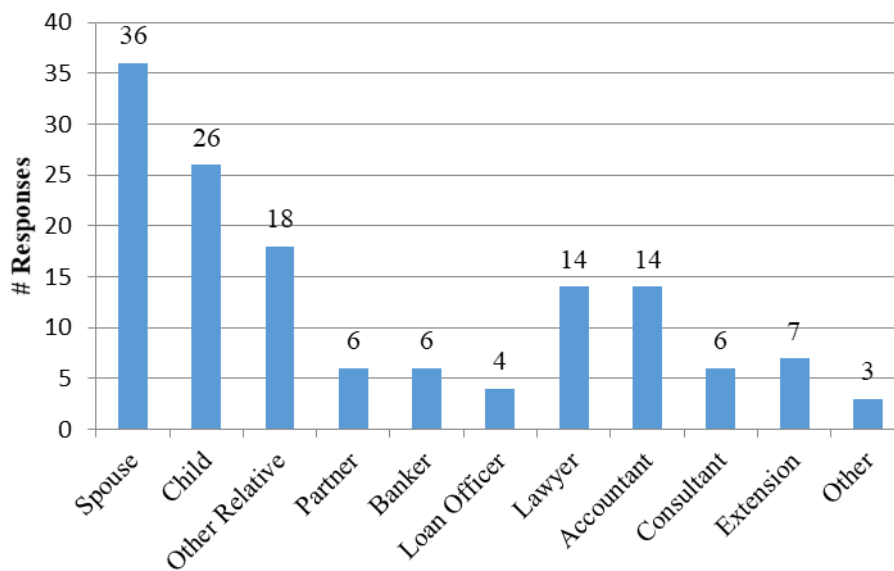


Figure 19. Survey of Tennessee Farmers, Distribution of Responses by Who Discussed Succession Plan With.

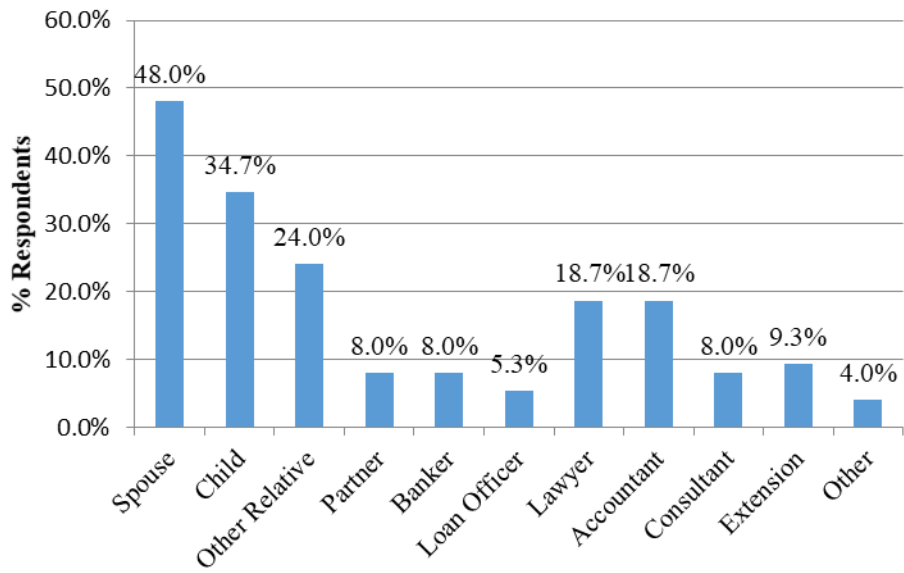


Figure 20. Survey of Tennessee Farmers, Responses to Have You Identified a Successor?

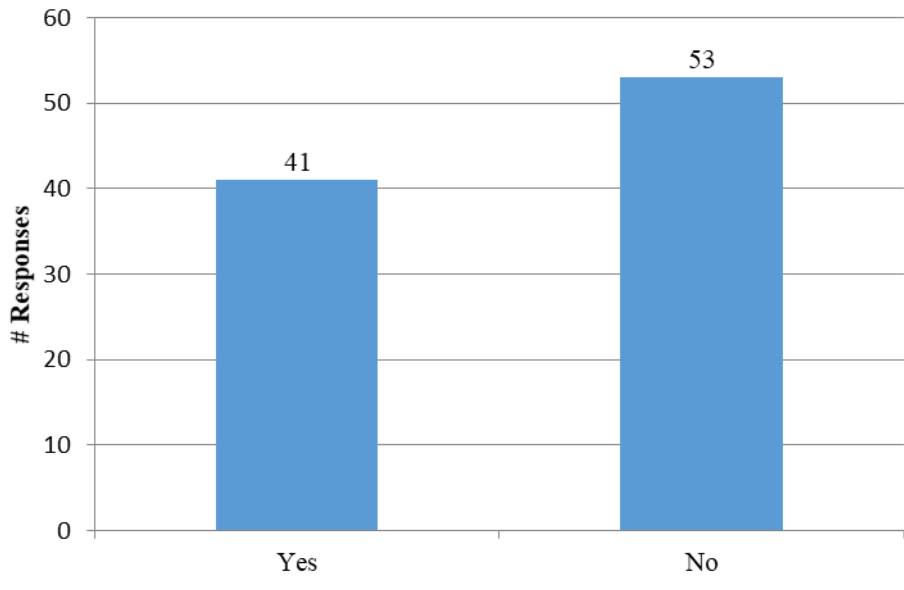


Figure 21. Survey of Tennessee Farmers, Responses to Relationship with Potential Successor.

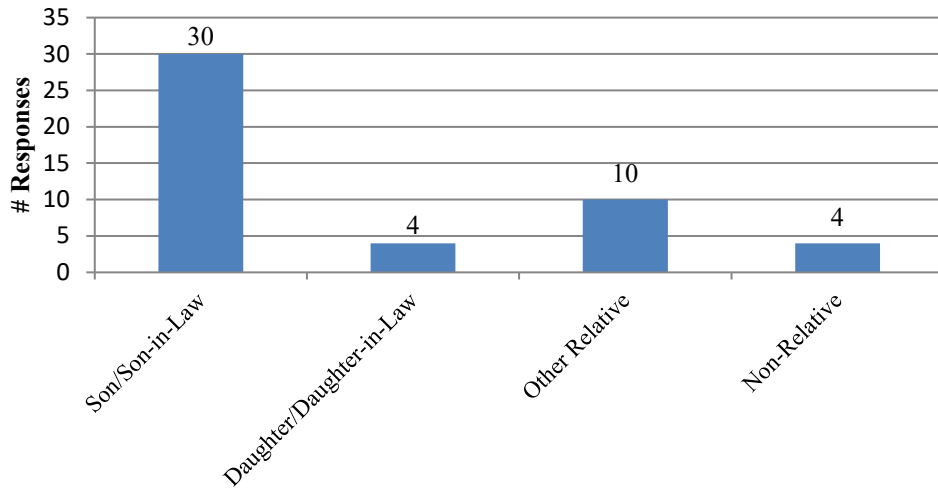


Figure 22. Survey of Tennessee Farmers, Responses to Potential Successor Actively Involved in Farm Operation?

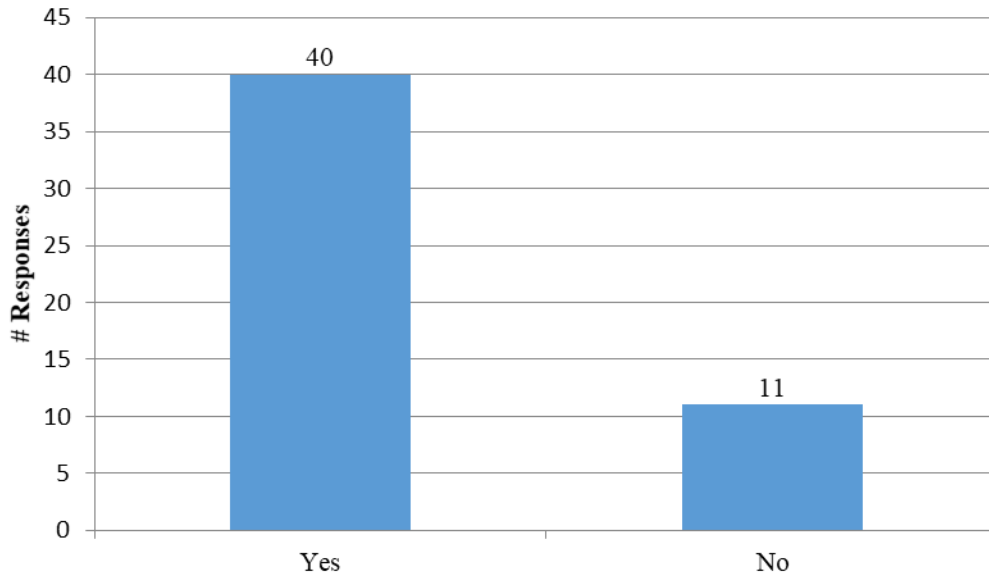


Figure 23. Survey of Tennessee Farerms, Responses to Considering a New Farm Enterprise?

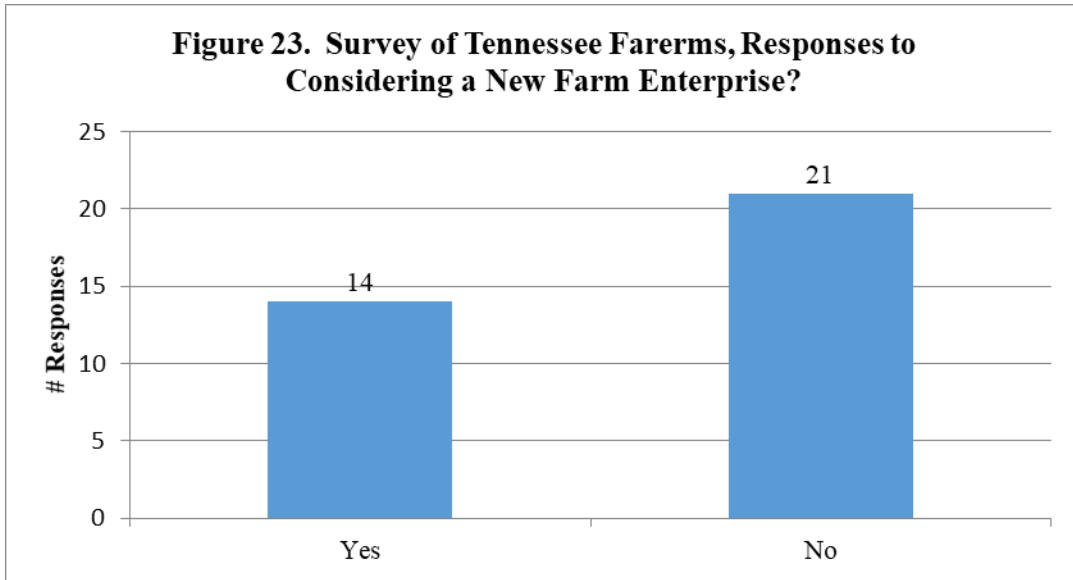


Figure 24. Survey of Tennessee Farmers, Responses to Barriers Successor will Face When Taking Over Farm Operation.

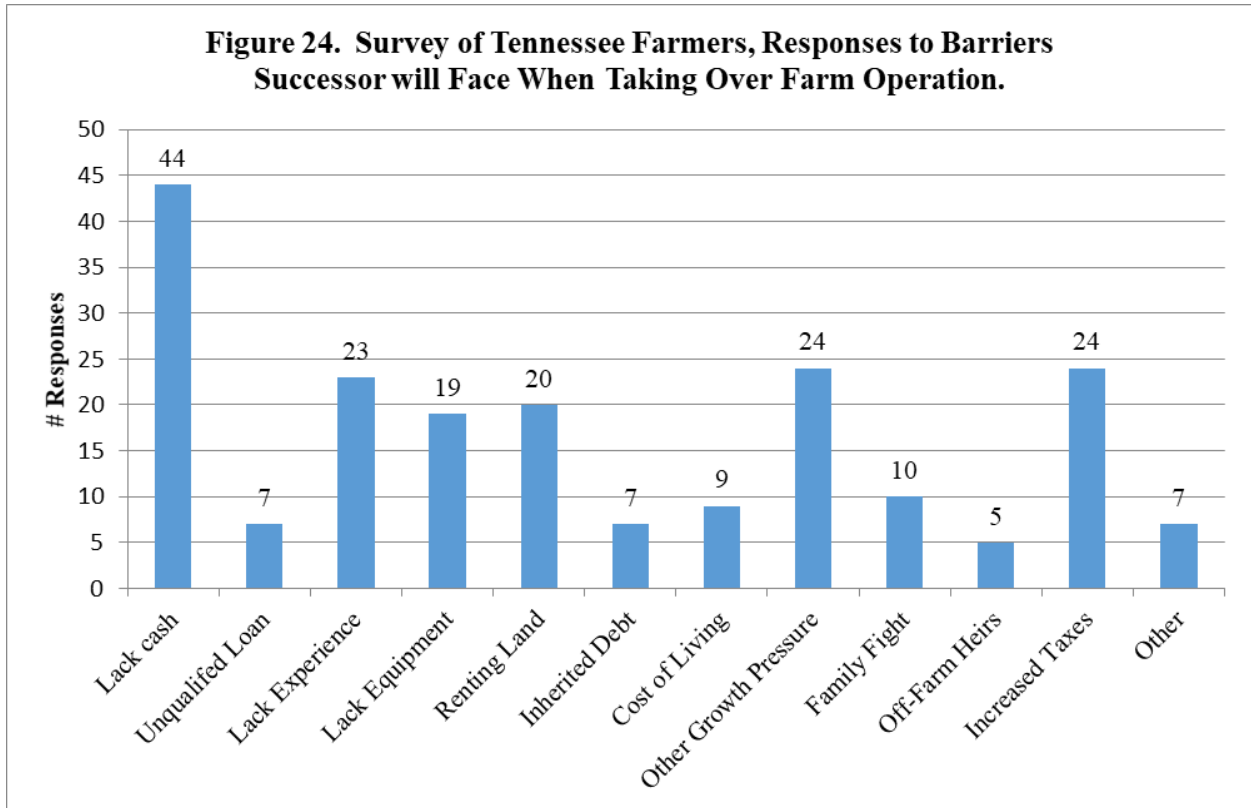


Figure 25. Survey of Tennessee Farmers, Distribution of Responses to Barriers Successor will Face When Taking Over Farm Operation.

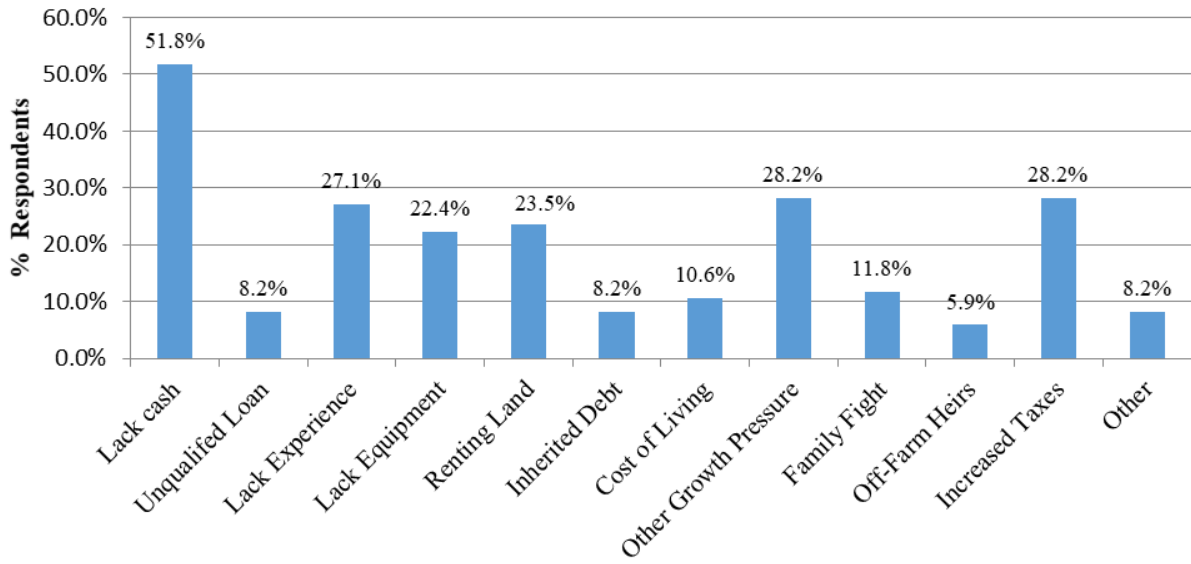


Figure 26. Survey of Tennessee Farmers, Responses to Preferences for Passing Farmland to Successor.

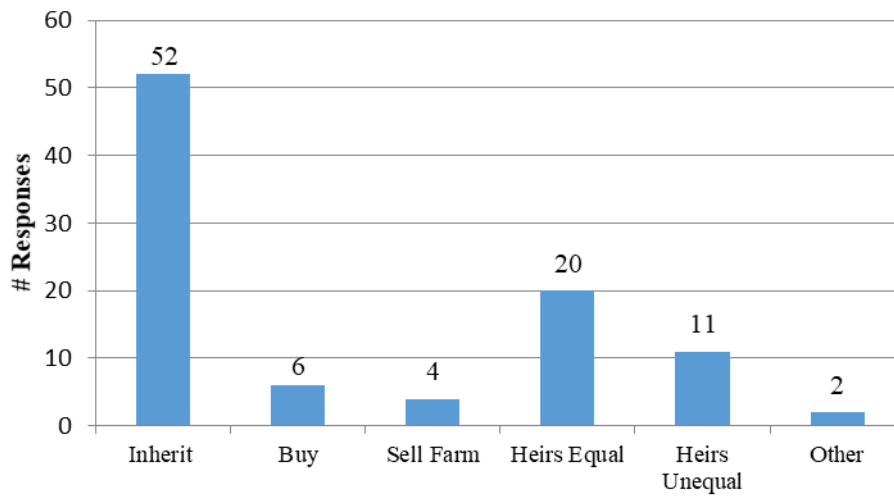


Figure 27. Survey of Tennessee Farmers, Responses to Preferences for Passing Other Farm Assets to Successor.

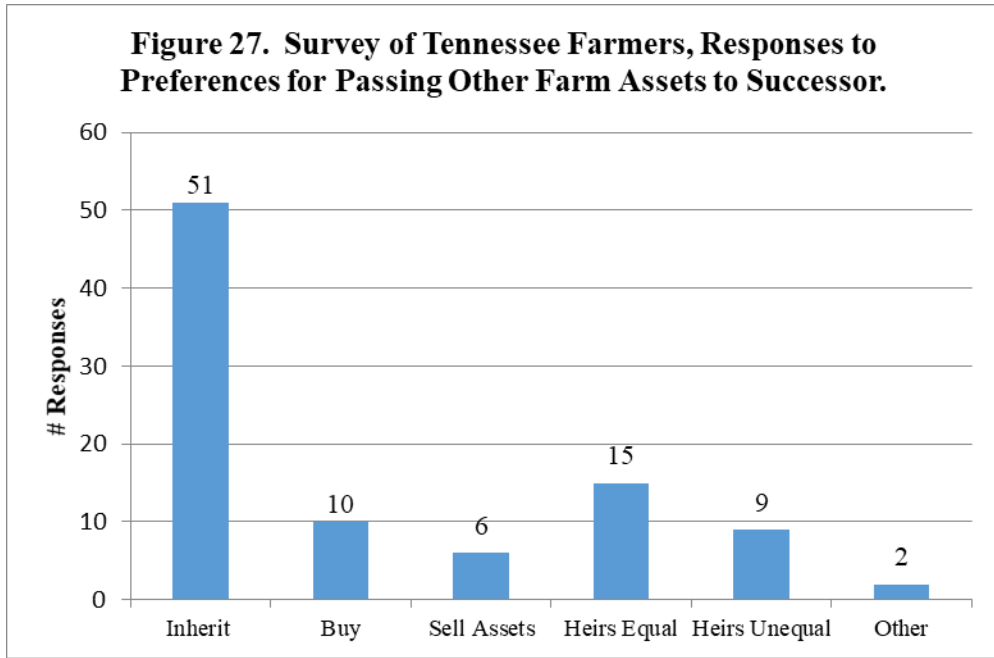


Figure 28. Survey of Tennessee Farmers, Responses Regarding Barrier to Passing Farmland and Other Farm Assets to Successor.

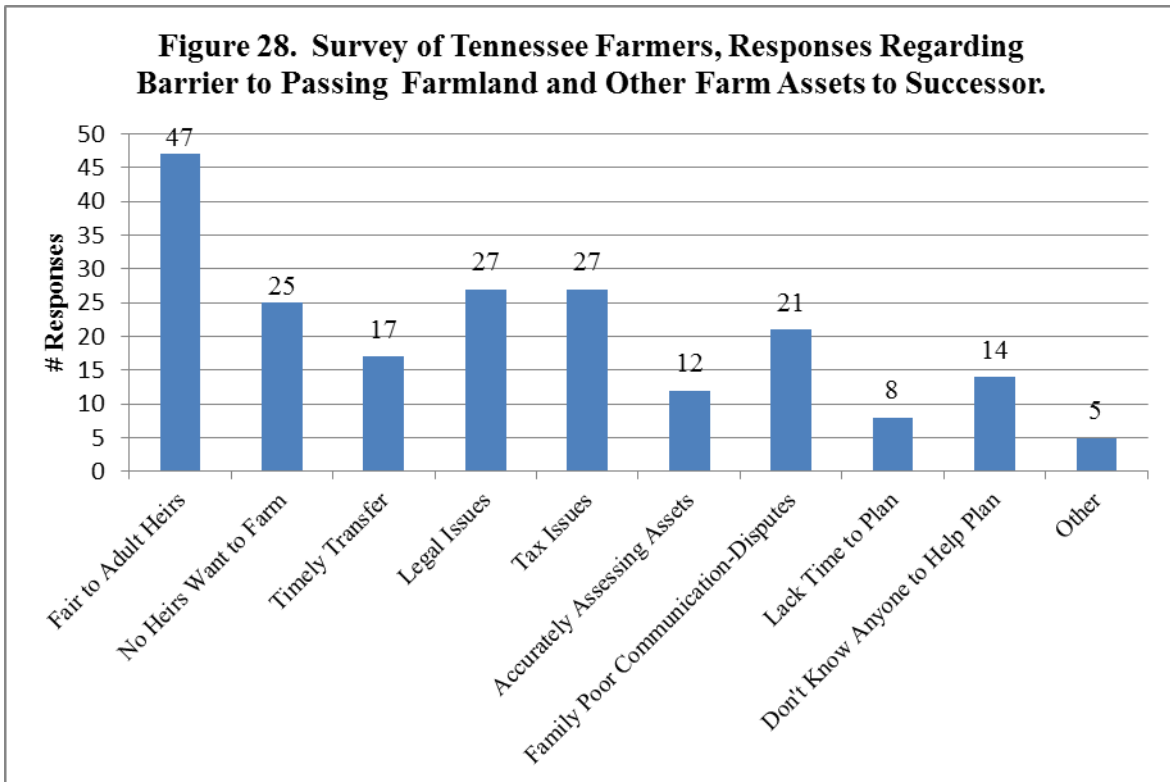


Figure 29. Survey of Tennessee Farmers, Distribution of Responses Passing Farmland and Other Farm Assets to Successor.

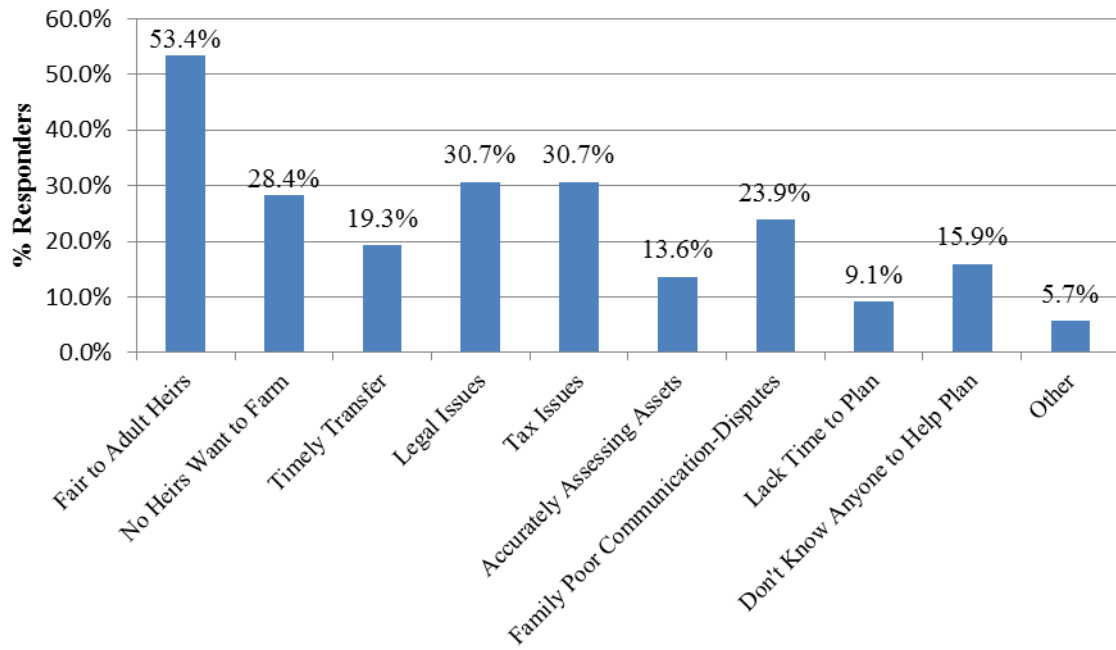


Figure 30. Survey of Tennessee Farmers, Responses to Do Tennessee Farmers Need Technical Help with Farm Succession Process?

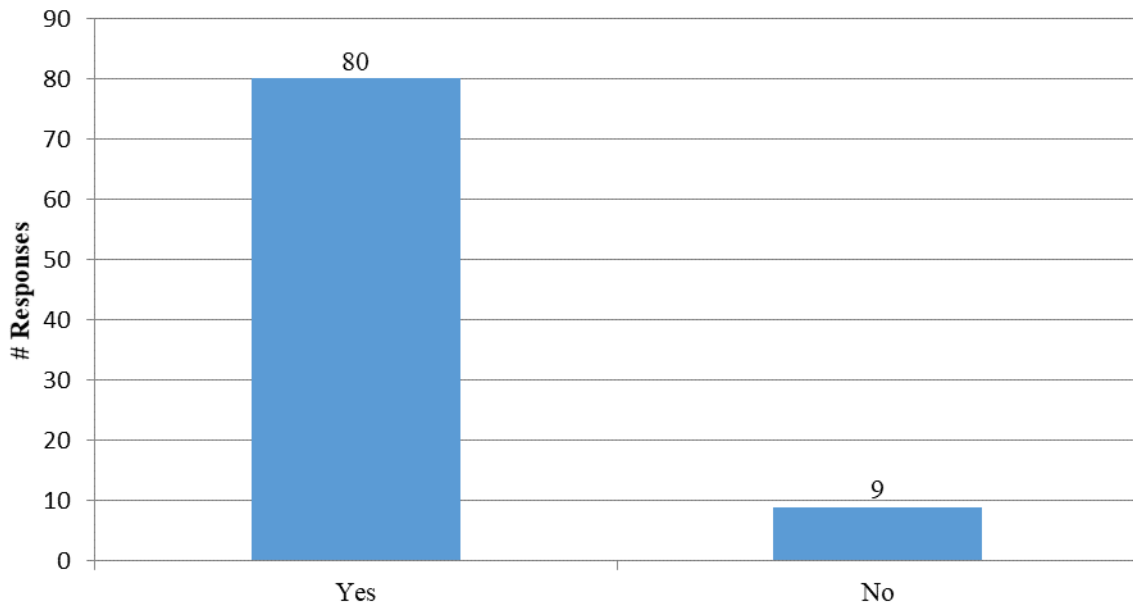
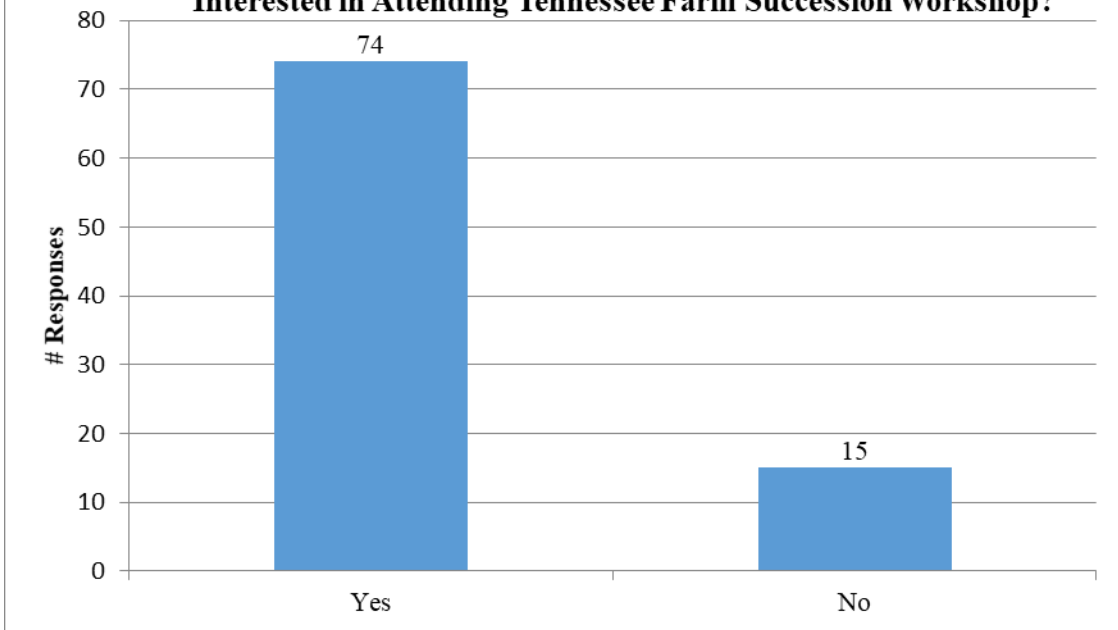


Figure 31. Survey of Tennessee Farmers, Responses to Interested in Attending Tennessee Farm Succession Workshop?



Appendix A: Farmer Survey Instrument

Tennessee Farm Transition Planning Survey

Thank you so much for your willingness to complete this short survey. This information will be helpful in creating future training opportunities for Tennessee producers.

PLEASE CIRCLE YOUR RESPONSES TO EACH QUESTION BELOW.

1. What is your current age?
 - Under 25
 - 26-35
 - 36-45
 - 46-55
 - 56-65
 - 66-69
 - 70+

2. What is your gender?
 - Male
 - Female

3. Which of the following best describes the highest level of education you have attained?
 - Did not complete high school
 - High school graduate
 - Technical or trade school
 - College Associates degree
 - College BS degree
 - Graduate school or beyond

4. Which of the following best describes your role on the farm?
 - Full-time farmer
 - Part-time farmer
 - Landowner/not actively farming

5. In addition to farming, do you have a job that provides off-farm income?
 - Yes
 - No

6. What is your spouse's role on the farm? (select only one response)
 - He/she works on the farm part time
 - He/she works on the farm full time
 - He/she works off the farm
 - He/she works both on and off the farm
 - N/A

7. Including yourself, please indicate the size of your family.
- 1 member
 - 2 members
 - 3 members
 - 4 members
 - 5 members
 - more than 5 members
8. What are your retirement plans?
- I expect that I will never retire from farm work
 - I expect to become semi-retired from farm work at some stage
 - I expect to fully retire from farm work at some stage
 - I am already retired/semi-retired from farming
9. If you do expect to retire from farming, how far into the future is your planned retirement date?
- Within the next 12 months
 - Within the next 1-5 years
 - Within the next 5-10 years
 - Within the next 10-20 years
 - 20 years or more
10. Which of the following best describes the legal status of your farm operation?
- Sole proprietorship
 - Partnership
 - Limited Liability Company
 - S - Corporation
 - C - Corporation
 - Other: _____
11. Which of the following best describes your farm operation? (select all that apply)
- Dairy
 - Beef
 - Swine
 - Sheep and Goats
 - Poultry
 - Equine
 - Row Crops
 - Fruits/Vegetables
 - Hay
 - Tobacco
 - Value-added agriculture
 - Agritourism
 - Timber
 - Other: _____

12. During 2016, how many total acres of land did you own?
- None
 - 1-49
 - 50-99
 - 100-249
 - 250-499
 - 500-749
 - 750-999
 - 1,000-4,999
 - More than 5,000
13. In 2016, how many total acres did you lease from someone else?
- None
 - 1-49
 - 50-99
 - 100-249
 - 250-499
 - 500-749
 - 750-999
 - 1,000-4,999
 - More than 5,000
14. During 2016, how many acres did you lease to other farmers?
- None
 - 1-49
 - 50-99
 - 100-249
 - 250-499
 - 500-749
 - 750-999
 - 1,000-4,999
 - More than 5,000
15. Does your farm operation currently have a written farm transition or succession plan?
- Yes
 - No
 - Unsure
16. If you answered no to question 15, does your farm operation currently have a farm transition or succession plan that is not written?
- Yes
 - No
 - Unsure
17. Do you think it is important for farmers to have a farm transition or succession plan?
- Yes
 - No

18. If your farm does not have a farm transition or succession plan, do you or your family plan to develop a farm transition or succession plan within the next 3 years?
- Yes
 - No
 - Unsure
19. Have you discussed farm transition or succession plans with anyone?
- Yes
 - No
20. If you answered yes to question 19, with whom have you discussed farm transition or succession plans with? (Check all that apply)
- Spouse
 - Children
 - Other relatives
 - Farm partners
 - Banker
 - Farm loan officer
 - Lawyer
 - Accountant
 - Farm consultant
 - Extension Agent or Specialist
 - Other: _____
 - N/A (have not discussed with anyone)
21. Have you identified a potential successor who will take over the management of the farm operation?
- Yes
 - No (skip to question 26)
22. What is your relationship to your potential successor?
- Son/son-in-law
 - Daughter/daughter-in-law
 - Other relative: _____
 - Non-relative: _____
23. Is your potential successor already actively involved in the farm operation?
- Yes
 - No
24. Are you, or your potential successor, considering a new or different enterprise or diversifying your farm operation?
- Yes
 - No
 - I do not know

25. If you answered yes to question 24, please describe the new or different farm enterprise that you are considering:
26. What barriers do you feel your successor will encounter when taking over your farm operation? (check all that apply)
- Not having enough cash on hand to run the farm operation
 - Not being able to qualify for farm loans
 - Not having enough experience to effectively manage the farm operation
 - Not owning their own equipment or enough equipment
 - Renting additional acreage
 - Inheriting existing farm debt
 - Cost of living in your area
 - Pressure from development
 - Family disputes regarding the farm transition plan
 - Influence of off-farm heirs
 - Increasing tax burden (including Federal, State, and/or Local)
 - Other: _____
27. What is your personal preference for passing on your farmland?
- Successor should inherit the land
 - Successor should purchase the land
 - Farm should be sold
 - All heirs should share in the inheritance of land equally
 - All heirs should share in the inheritance of the land but not in equal shares
 - Other: _____
28. What is your personal preference for passing on other farm assets (equipment, livestock, etc.)?
- Successor should inherit the equipment
 - Successor should purchase the equipment
 - Assets should be sold
 - All heirs should share equally
 - All heirs should share but not in equal shares
 - Other: _____
29. What do you see as barriers to passing on farmland and farm assets? (check all that may apply)
- Fair and equitable treatment of adult children heirs
 - No heirs are interested in continuing the farming operation.
 - Timely transfer of management responsibilities to successor
 - Legal issues surrounding the transfer of farm operation and/or ownership to heirs
 - Tax issues surrounding farm ownership transfer
 - Accurately assessing the value of machinery, livestock, and assets
 - Poor family communication/disputes
 - Not having enough time to create a plan
 - Not knowing who to ask for help with creating a plan
 - Other: _____

30. Do you feel that more technical assistance is needed to assist Tennessee farmers with the farm transition/succession process?
- Yes
 - No
31. If a farm transition planning workshop or conference were to be held in Tennessee, would you be interested in attending?
- Yes
 - No
32. Please use the space below to provide suggestions or comments regarding a farm transition planning workshop or conference:
33. Thank you for your participation in this survey. Please feel free to provide any additional comments or suggestions in the space below:

If you would prefer to mail this survey you can send it to the following address below.

Dr. Joey Mehlhorn
College of Agriculture and Applied Sciences
Brehm Hall 254
Martin, TN 38238



W 811 03/19 Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development. University of Tennessee Institute of Agriculture, U.S. Department of Agriculture and county governments cooperating. UT Extension provides equal opportunities in programs and employment.