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Land Tenure and Transition: Insights Gained Through Extension Programming

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Frequently requested information...

- Leasing practices
- Estate planning
- Land values

SUCCESSION & *Estate Planning* **SEMINAR**



WEDNESDAY, FEBRUARY 10

9:00 A.M - 5:30 P.M

Embassy Suites, 1815 South Meridian Ave.,
Oklahoma City, OK

Cost to attend: \$20
Lunch will be provided.

Please RSVP by Feb. 1

to Jeff Jaronek at 405.235.4391
or jjaronek@okcattlemen.org

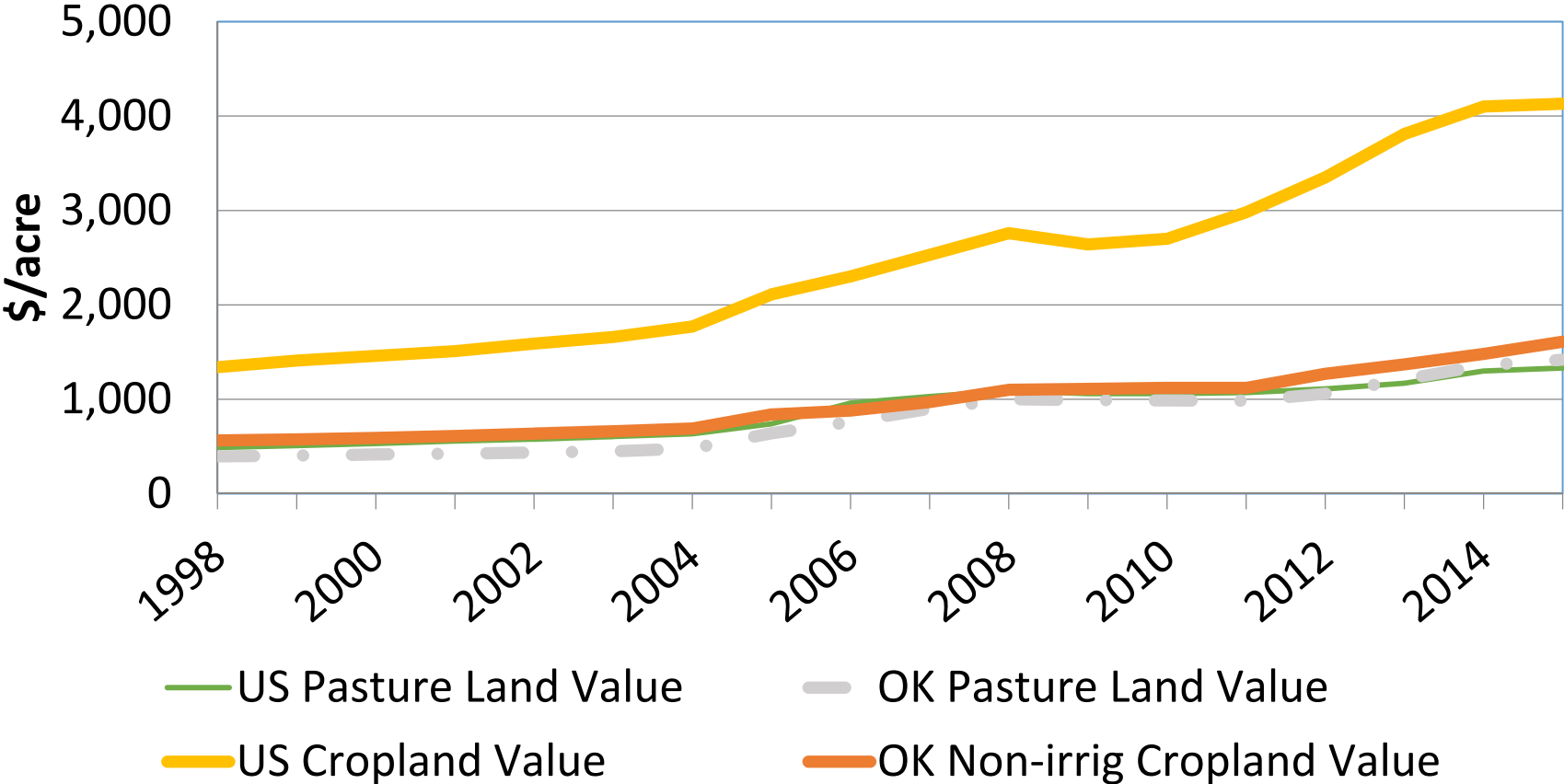
To learn more about the
Oklahoma Cattlemen's Foundation,
visit www.okcattlemen.org.

AGENDA

8:30-9:00 Gathering
9:00-9:30 The Need for a Transition Plan
9:30 - 10:45 Family communications
10:45-11:00 Break
11:00-12:00 Family communications (continued)
12:00-12:30 Lunch
12:30-1:00 Financial Analysis
1:00-1:30 Visioning and Goal Setting
1:30-2:30 Estate Planning
2:30-2:45 Break
2:45-3:45 Retirement Planning
3:45-4:45 Beginning Farmer Issues
4:45-5:00 Entity Considerations
5:00-5:30 Wrap Up and Survey

Land ownership is often a goal

US and OK Land Values

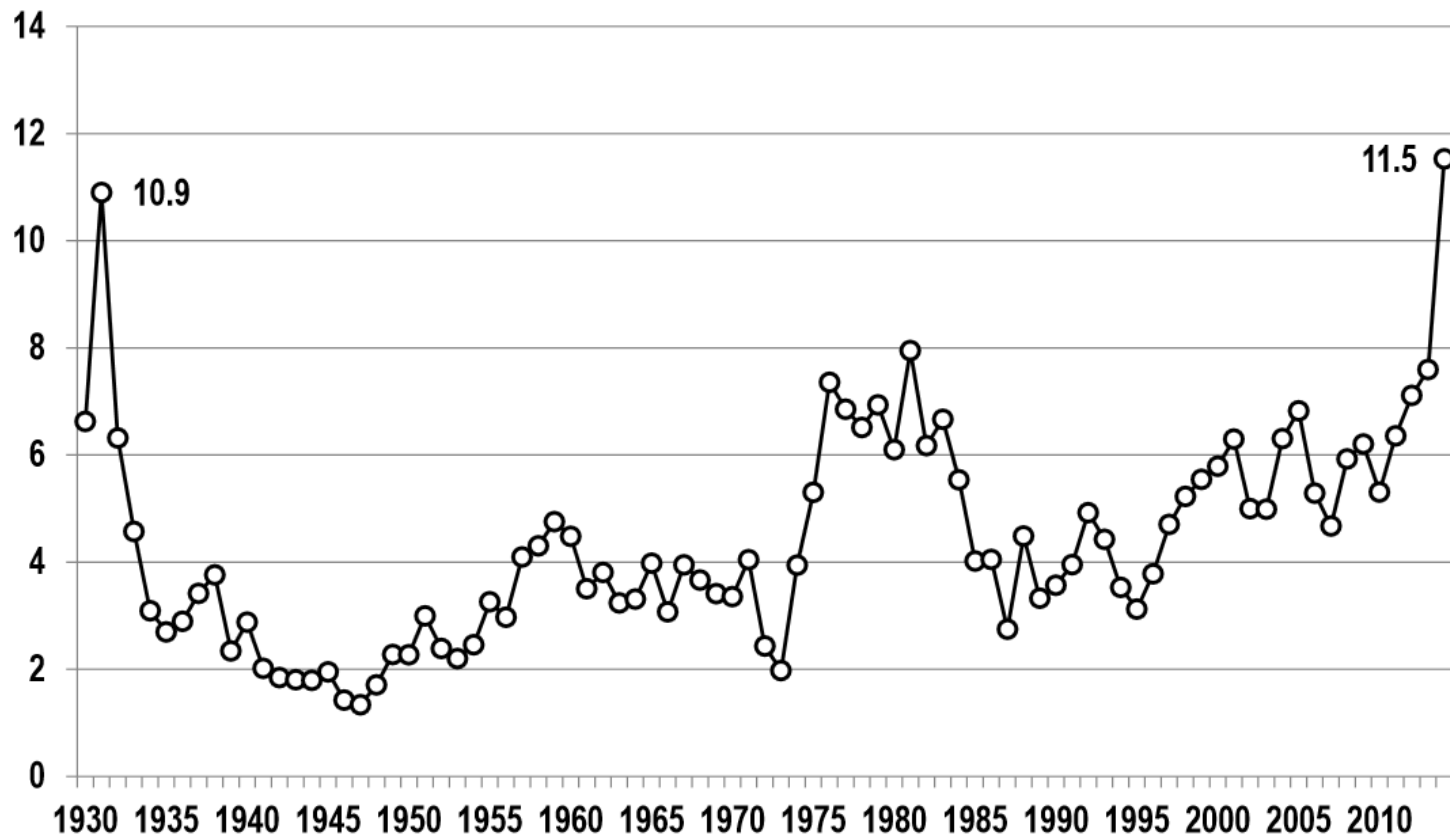


Source: USDA-NASS

Financing farmland from farm cash flow can be problematic

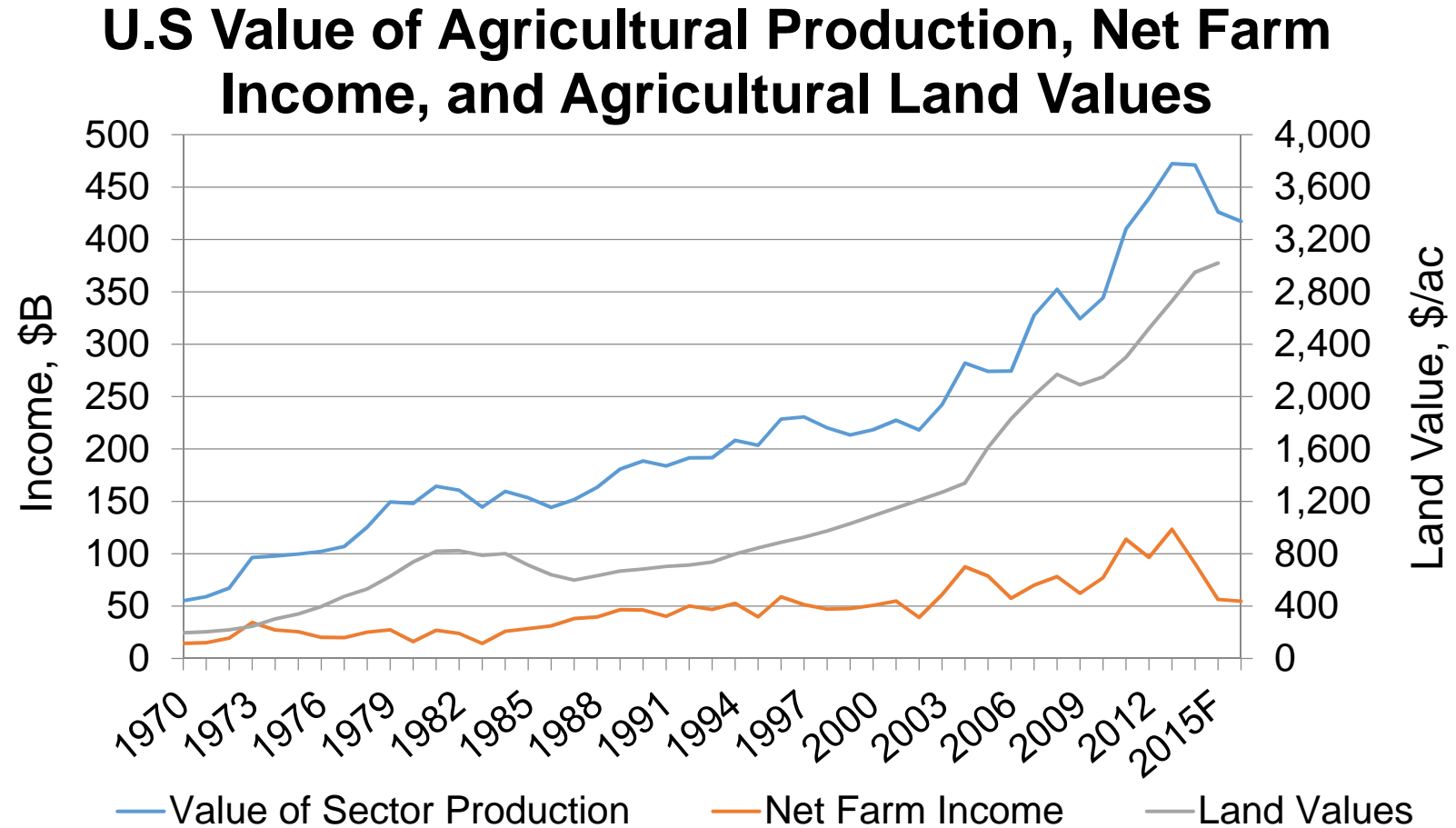
Years of yield per acre

\$ per acre / \$ per bushel / yield per acre



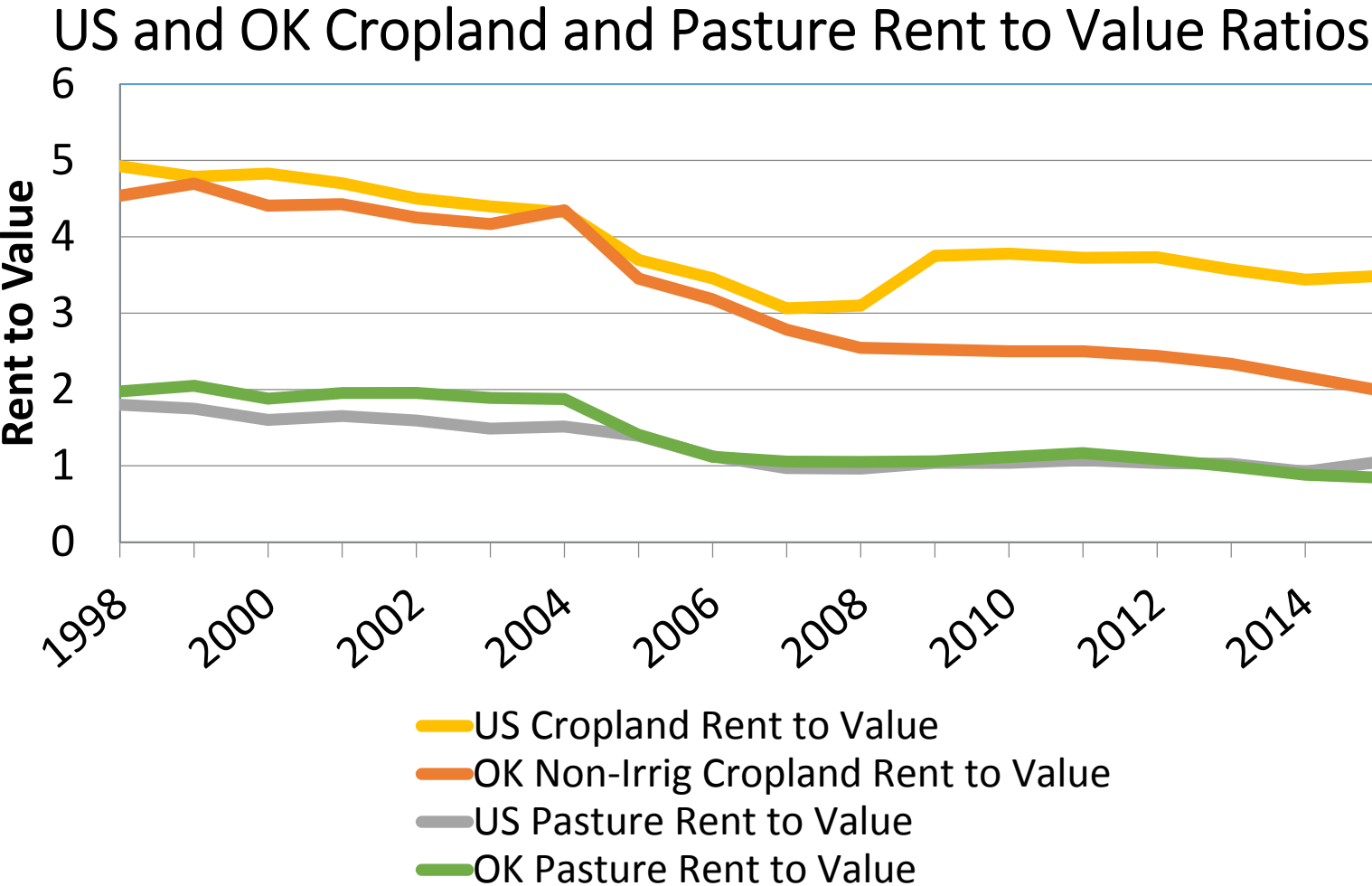
Source: Michael Swanson, Wells Fargo, ABA Conference, October, 2015

Generating farm profits may be easier with rented land



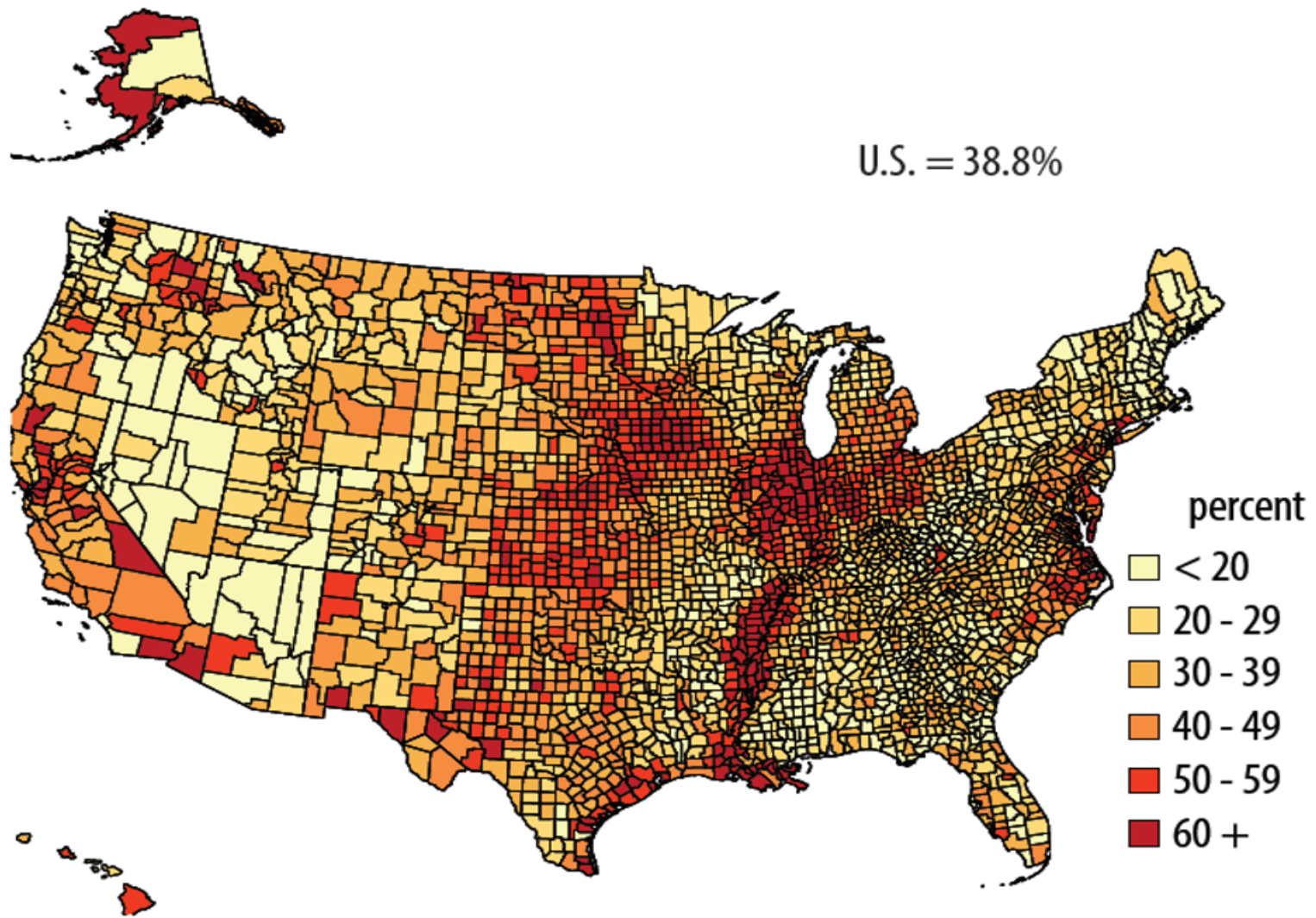
Source: USDA-NASS and ERS

Land is an investment



Source: USDA-NASS

Percent of U.S. Farmland Rented or Leased, by County, 2012



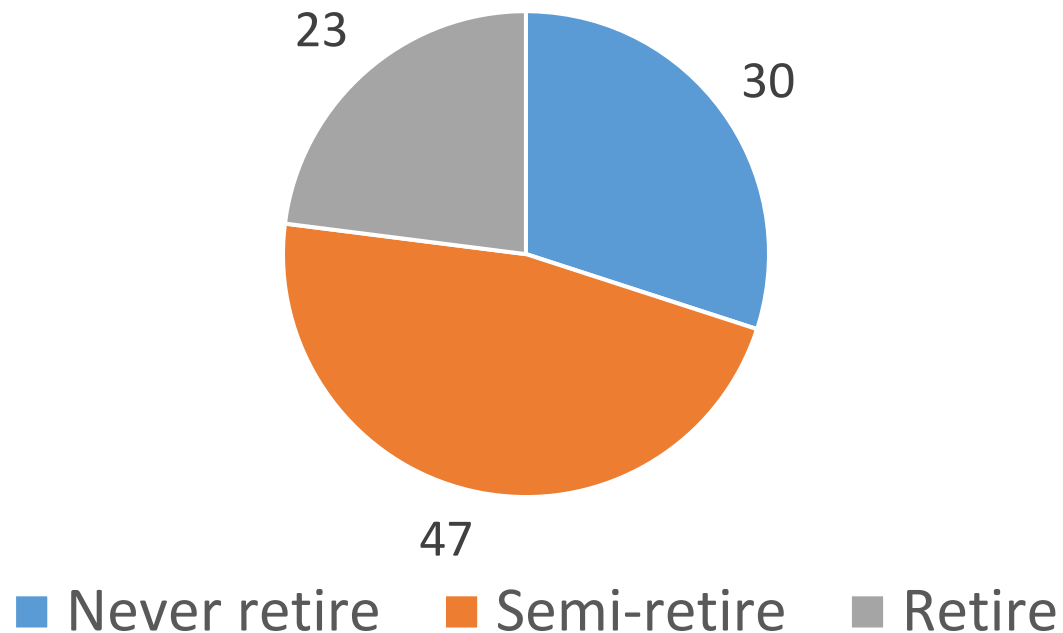
Source: USDA NASS, 2012 Census of Agriculture.

Farmland rental markets are important

- Low cost alternative for controlling farmland asset
- Can be an entrée to future ownership
- Allows producers to reach a scale that allows for efficiencies
- Share rental arrangements offer opportunities for sharing risks, costs, management

Farmers attitudes about retirement

Retirement Plans



Source: Iowa Farmers Business and Transfer Plans, 2006

Farmers hold onto land

- Home
- Retirement income
- Problems identifying a successor
- Family legacy

Possible implications for farmland tenure and transition

- Lower rates of turnover
- Costly startups
- Eventual heirs are farther removed from agriculture
- Fractionalization of ownership
- Information, communication, educational opportunities will be important

Land tenure and transition, farm succession

- Complex issue
- Every story is unique

