

DEMYSTIFYING SUCCESSION PLANNING

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In the ever-changing landscape of the Ag industry, succession planning has become a critical consideration for farming families. As the value of farmland rises and operations become more complex, the need for a structured and well-thought-out succession plan has never been more evident.

Succession planning begins with a thorough understanding of the farm's structure. It is important for families to comprehend their business and land holdings, identifying ownership as well as acquisition timelines and the overall interconnectedness of assets.

Like managing tasks on the farm, breaking down the succession plan into small, achievable components simplifies the process. By addressing individual elements one at a time, the overall complexity is significantly reduced.

The surge in farmland value brings forth the challenge of fairness, especially when distributing assets among off-farm and on-farm children, this is a common issue amongst clients.

It is important to note that succession planning is a continuous process that requires proactive communication. It involves collaboration with business advisers who you can trust.



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Accountants play a crucial role as mediators, helping navigate discussions between generations. Often, accountants take on a project management role. They coordinate discussions, push for decisions, and handle technical aspects like tax considerations, ensuring the plan progresses smoothly.

The process usually begins with individual meetings with the older generation. These meetings focus on understanding the existing structure, discussing potential scenarios, and gauging the viability of the farm in the future.

The next step involves separate meetings with the incoming generation, educating them on the existing structure and discussing their priorities, be it control over the business or ownership of specific assets.

Once individual concerns and priorities are addressed, a joint meeting is convened to finalise the succession plan.

This meeting serves as a platform for rubber-stamping decisions and ensuring that both generations' objectives are met.

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In conclusion, succession planning is not a one-time event but an ongoing, evolving process. By proactively engaging with advisors, breaking down complexities, and fostering open communication, farming families can ensure a smoother transition of their legacy to the next generation.

If you have any questions regarding succession planning, please [contact your local Byfields office today.](#)

