

# Now that you inherited a farm or ranch...

**Anastasia Meyer**

Agricultural Economist  
ameyer71@unl.edu



**CENTER FOR AGRICULTURAL PROFITABILITY**

*Institute of Agriculture and Natural Resources*

# So you inherited a farm or ranch...

Likely some grieving

Don't have to make any huge decisions right away

You are not alone!



NEBRASKA EXTENSION





A close-up photograph of a person's hands holding a clump of dark, rich soil. The person is wearing a red and grey plaid shirt. The background is a soft-focus landscape at sunset or sunrise, with warm golden light and a blurred horizon. The overall mood is peaceful and connected to nature.

# Assumption:

That you want to keep the  
land (for now)

**This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice.**

# Understanding how you inherited the land...

- Will
  - The land goes through probate court before being transferred to heirs.
- Trust
  - **Usually** avoid probate and passes directly to beneficiaries.
- Transfer on Death Deed (TODD)
  - Allows the land to transfer to a named person immediately upon the owner's death, bypassing probate.
- Joint Tenants with Rights of Survivorship (JTWROS)
  - If the decedent owned the land with someone else as JTWROS, the surviving owner automatically inherits the property.
- Life Estate Deed
  - Gives someone the right to use the land for their lifetime, after which it passes to a "remainderman" named on the deed.



NEBRASKA EXTENSION



# What to do:

*You will likely need to work with an attorney regardless of how title has been transferred.*

- Contact the county register of deeds where the land is located.
- Request a copy of the deed and verify the information.
- If the land is not yet in your name, consult a Nebraska estate attorney.
- **Consider having an appraisal done, especially if you might consider selling it in your lifetime.**



NEBRASKA EXTENSION



# Changing the Title and Ownership Records

- Record the deed in the county where the land is located (your attorney can assist you with this).
- Contact the County Assessor's Office to update mailing information for tax notices.

## Bring

- Your legal ID
- Any probate, trust, or other legal paperwork, including death certificate.



# Understanding who makes the decisions...

- **Sole Ownership**

- The individual named on the deed makes all decisions.
- Can lease, sell, or enroll in programs without needing approval from others.

- **Joint Tenants with Rights of Survivorship (JTWROS)**

- Equal ownership (e.g., 50/50).
- All joint owners must agree on major decisions (e.g., lease terms, selling).
- One owner cannot act independently unless power of attorney is granted.
- Upon death of one, the other(s) automatically inherit the full share.





# Understanding who makes the decisions...

- **Tenants in Common**

- Each co-owner holds a specific share.
  - Allows for unequal ownership shares (e.g., 70/30).
- Decisions may require agreement from all owners.
- One owner can sell or transfer their share independently

- **Trust-Owned Land**

- The trustee (not the beneficiaries) makes decisions about leases, FSA paperwork, and land use.
- Authority is based on the trust document—some trustees may have broad or limited powers.





# Understanding who makes the decisions...

- **LLC-Owned Land**

- *Manager-Managed LLC*

- The named manager (can be a member or non-member) makes decisions.
    - Members don't vote on daily operations unless specified in the operating agreement.

- *Member-Managed LLC*

- All members share decision-making authority unless the operating agreement says otherwise.
    - Leases, contracts, or USDA filings may require signatures from all members.



# Who is farming or ranching the land now?

- If a loved one unexpectedly passes away during the growing season, you may consider custom hire.
- If someone is already leasing the land, is there a written contract? What does it say?
  - What type of lease do you have?
  - When does the lease end?
  - When are payments made?



NEBRASKA EXTENSION



# Common Lease Types in Nebraska

Lease Type	How it Works	Risk/Reward	Typical Landowner Involvement
Cash Rent	Farmer pays you fixed \$/acre	Low risk, steady income	Minimal
Crop Share	You get a % of crop (e.g., 50/50, 60/40)	Share in profit/loss	Moderate to High
Flexible Lease	Rent adjusts with yields/prices	Shared risk, more complex	Variable



YP

NRCS

SCO

ASCS

ECO

RMA

EQUIP

FSA

MP

APH

ARC

CRP

RP

PLC





# Visit Farm Service Agency (FSA)

- Ensure your name is listed as a farm owner on file
- Maintain farm and tract numbers (for federal program eligibility)
- Ask about what your land is currently signed up for when filling out paperwork at the FSA office.
- Consider FSA-211 Power of Attorney (POA) which allows your tenant to sign for you at the FSA office only and is optional!

*\*If your tenants talks about the “ASCS” office, they mean their FSA/NRCS office.*

# Are you eligible?

- Individuals or entities who actively share in both the crop production and its associated risks—such as yield variability and input costs qualify for crop or livestock insurance and FSA program payments.
- What about guaranteed bushel leases?



# Crop Insurance Basics

- Average Production History (APH)
  - Last 4-10 years
- Coverage Level
  - 65%-80% most common
- Yield Protection (YP)
  - protects against yield losses caused by natural disasters like drought, hail, excessive moisture, insects, and disease
- Revenue Protection (RP)
  - insures against both yield losses due to natural causes and revenue losses due to price declines



# Bring to the FSA (and Crop Insurance)

- Your legal ID
- Any LLC or trust paperwork including tax ID number
- A copy of the recorded deed
- Tenant Contact Information
- Bank Information if interested in direct deposit if payments are made

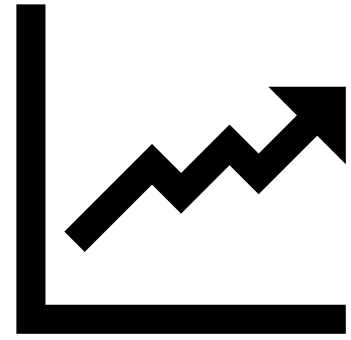


NEBRASKA EXTENSION





# Property Taxes

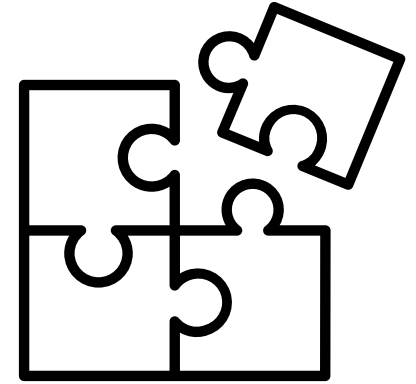


- Due in two parts:
  - 1st half: April 1
  - 2nd half: August 1
- Paid to the County Treasurer where the land is located
- Check your assessed value online or by mail around June and protest if it seems too high (appeals usually due by June 30).
- Ensure Property Tax Credits have been claimed.



# Protecting Your Assets

- Property Insurance
  - What structures or assets need covered?
  - Replacement cost vs. actual cash value
  - Review carefully to avoid gaps.
  - Ensure coverage covers leased property.
- Liability Insurance is crucial!
  - Protects against injuries on your land.
  - Does the tenant carry their own insurance?
  - Ensure that the insurance matches the correct name!



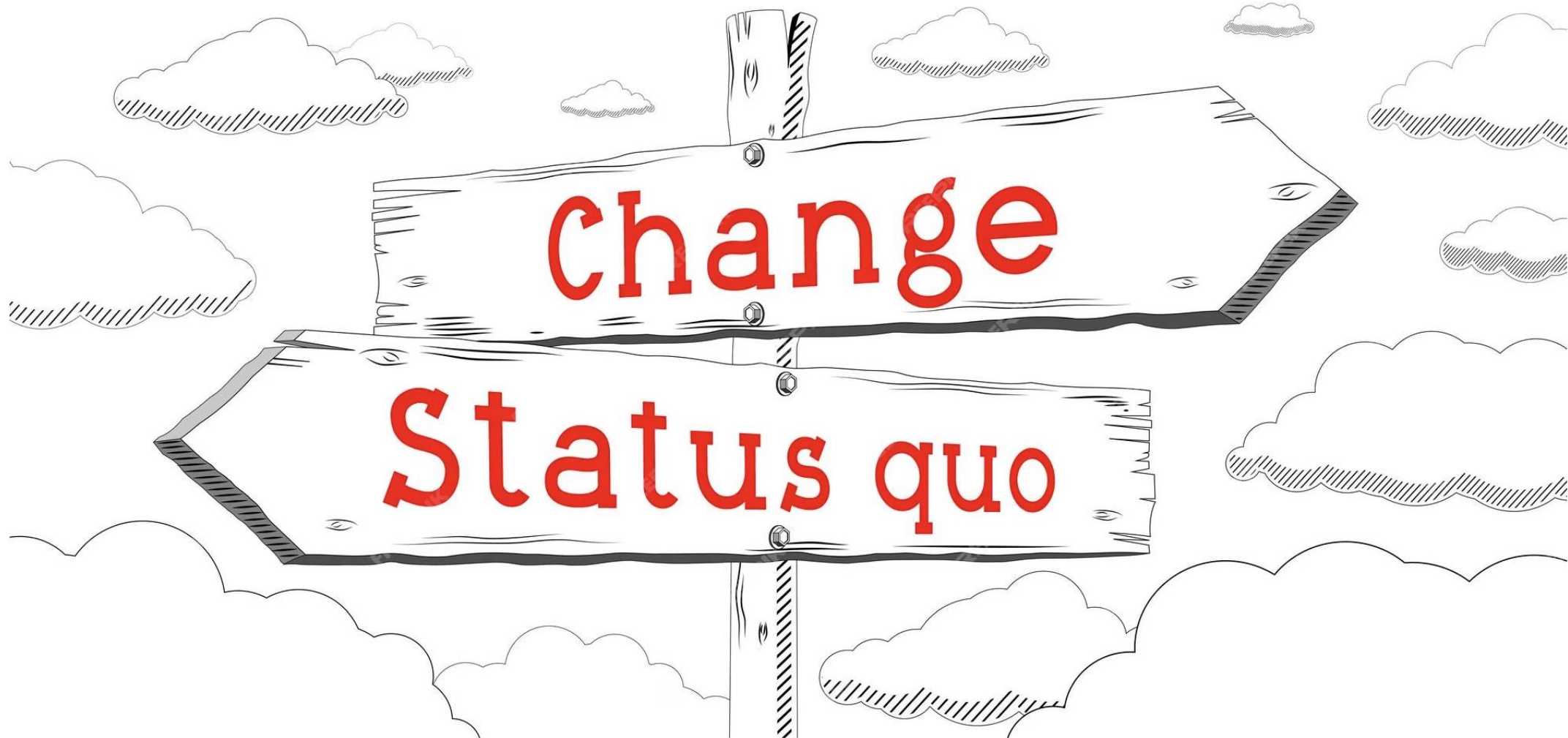
# Basic Ag and Lease Law in Nebraska

- Check to see if your land has any easements.
  - Your attorney can help with this
- Fence Law – Do you share a fence with your neighbor?
  - Each neighbor is responsible for half the fence including replacement and maintenance.
- Water Rights – is your land irrigated?
  - Consider hiring a Nebraska ag attorney for advice, especially if your Natural Resources District (NRD) regulates irrigation withdrawals – lease needs to address ground water rights if NRD does regulate.



NEBRASKA EXTENSION





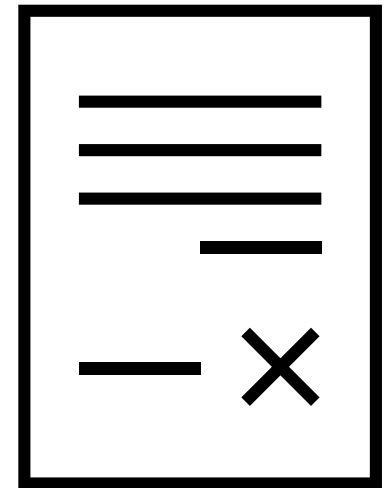


# Wanting to make some changes?

- In Nebraska, verbal leases need to be terminated for **FARMLAND** BY September 1
  - Not the same for pasture

## Don't forget to include:

- Start and ending date of lease (length of lease)
- Timing of lease termination – how much notice?
  - Holdover clauses?
- When will lease be negotiated? (for the next term)
- When is payment due?
- Who is responsible for.....



NEBRASKA EXTENSION



# ***NEBRASKA LAND LINK***

***Connecting  
Landowners with  
Land Seekers***

***[cap.unl.edu/landlink](http://cap.unl.edu/landlink)***



Extension is a Division of the Institute of Agriculture and Natural Resources at the University of Nebraska–Lincoln cooperating with the Counties and the United States Department of Agriculture. University of Nebraska–Lincoln Extension educational programs abide with the nondiscrimination policies of the University of Nebraska–Lincoln and the United States Department of Agriculture.

This presentation is not tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal, or accounting advice. You should consult your own tax, legal, and accounting advisors.

# How do you want your land to be owned?

Ownership Structure	Pros	Cons
Personal Ownership	Simple to manage; no setup	Personal liability; not ideal for co-owners
Trust	Generally avoids probate; good for estate planning	Requires setup & funding
LLC (Limited Liability Company)	Protects personal assets; useful for multiple heirs	Requires annual maintenance; legal setup needed



NEBRASKA EXTENSION





# Landlord Best Practices

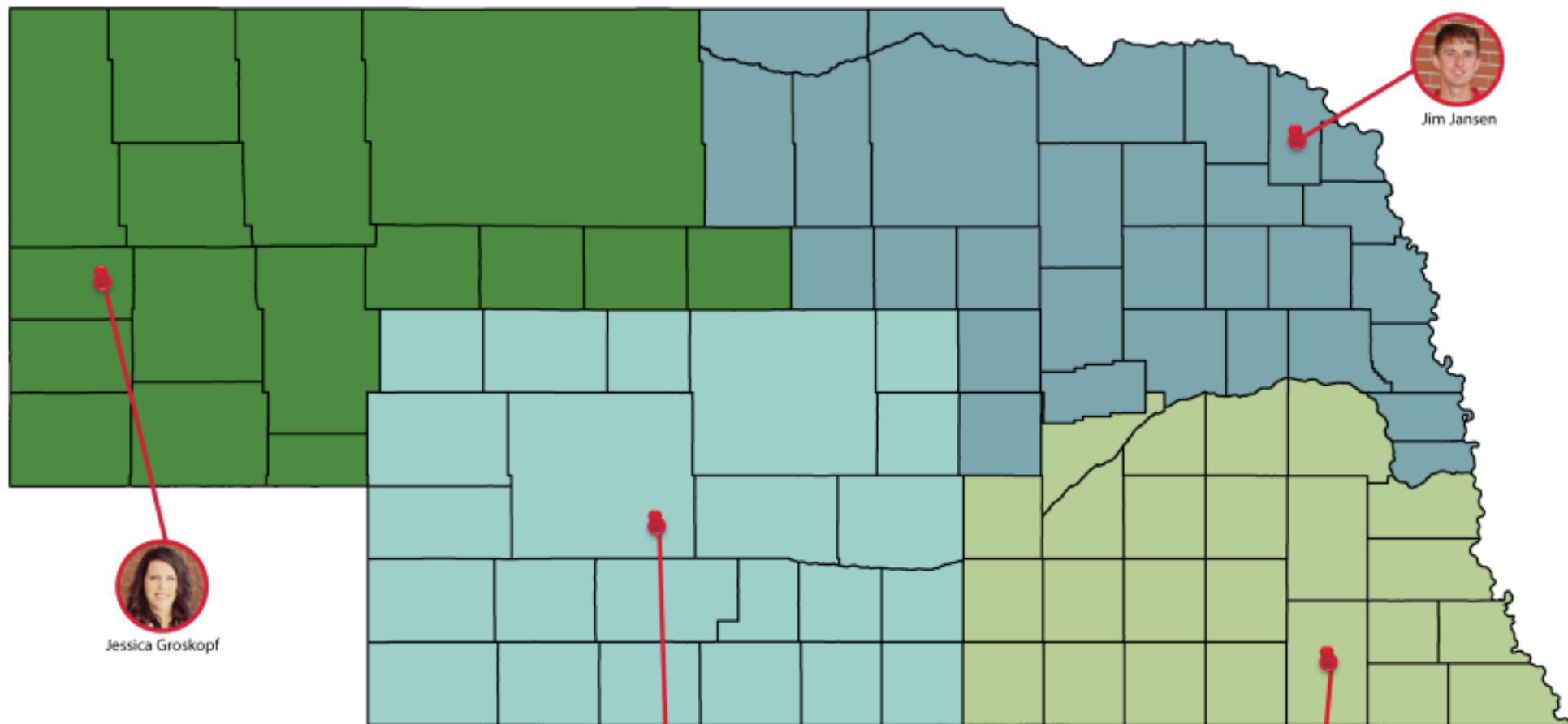
- Visit your land at least once a year or ask for photos.
- **TALK WITH YOUR TENANT**
- Join our CAP newsletters
- Build your team
  - Advisor
  - Accountant
  - Attorney
  - Banker?
  - Farm Manager?







# AGRICULTURAL PROFITABILITY ACCOUNTABILITY REGIONS



Jim Jansen



Jessica Groskopf



Shannon Sand



Anastasia Meyer



NEBRASKA EXTENSION

[cap.unl.edu](http://cap.unl.edu)



EXTENSION

9/29/23

# Resources

- [Cap.unl.edu](http://Cap.unl.edu)
  - Our contact information
  - Articles
  - Podcasts
  - Recorded Webinars
- [Aglease101.org](http://Aglease101.org)
  - Examples of leases

