

# So You've Inherited a Farm, Now What?

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**NORTH CENTRAL  
EXTENSION  
RISK  
MANAGEMENT  
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**National Institute of Food and Agriculture**  
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# Program Overview

- What is your land worth? – A look at Nebraska land values
- How do you appraise your land, and how do you find an appraiser?
- How you own land determines what you can do with it
- Communicating with family and what to do when things do not go as planned
- What to do if you choose to sell or keep the ground
- Cash rent, trends, and setting a starting rental rate
- How will your farm be managed?
- Written lease provisions you should consider
- What does your estate plan look like?



# WHAT IS YOUR LAND WORTH?

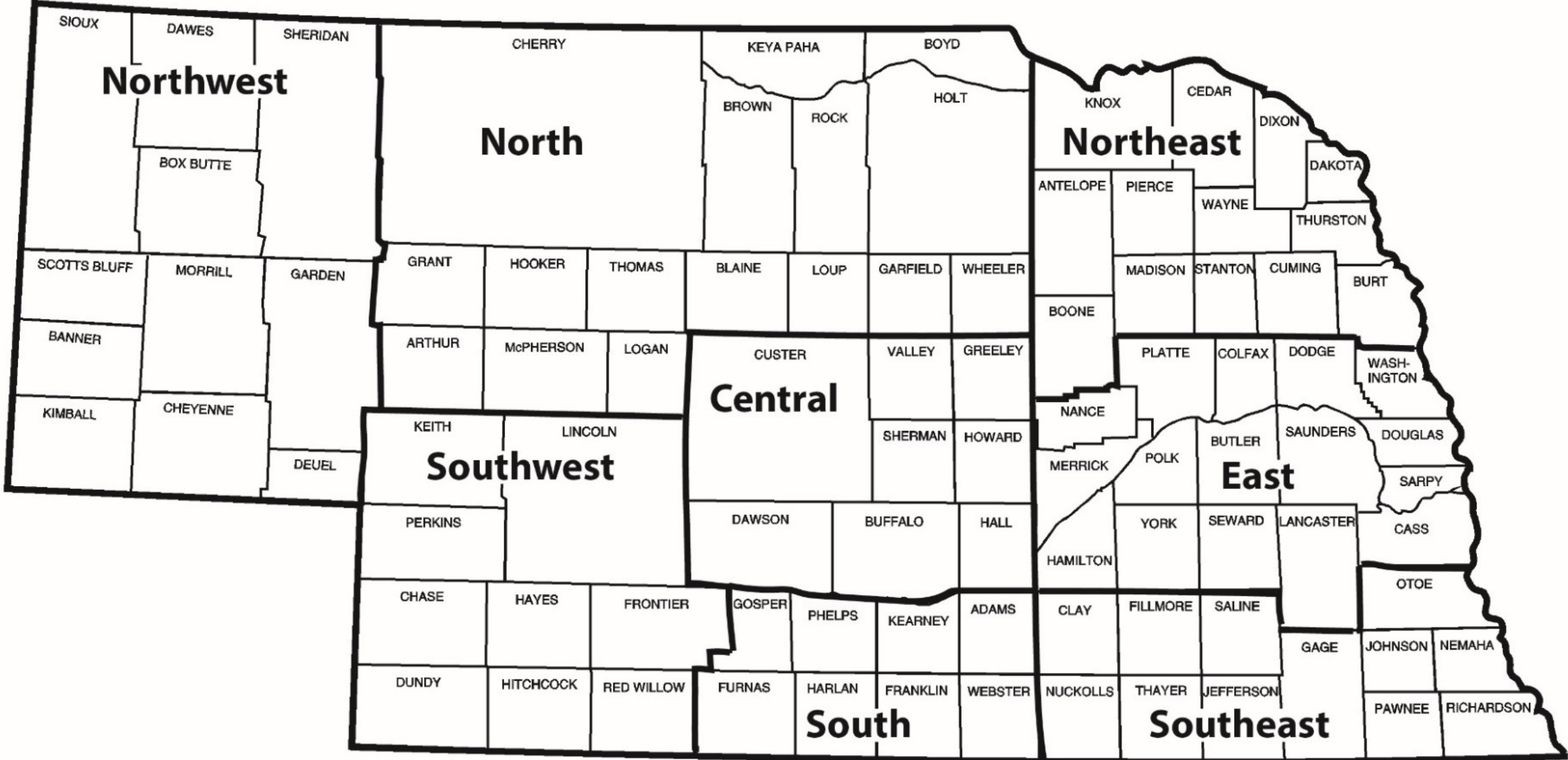


# Nebraska Farm Real Estate Survey

- Annual survey conducted since 1978 of Nebraska agricultural appraisers, professional farm managers, and bankers engaged in the land industry.
  - Preliminary results for land values and rental rates published in mid-March.
  - Full report published in June.
- Nebraska Farm Real Estate website full access to these resources:  
<http://cap.unl.edu/realestate>



# Nebraska Agricultural Statistics Districts



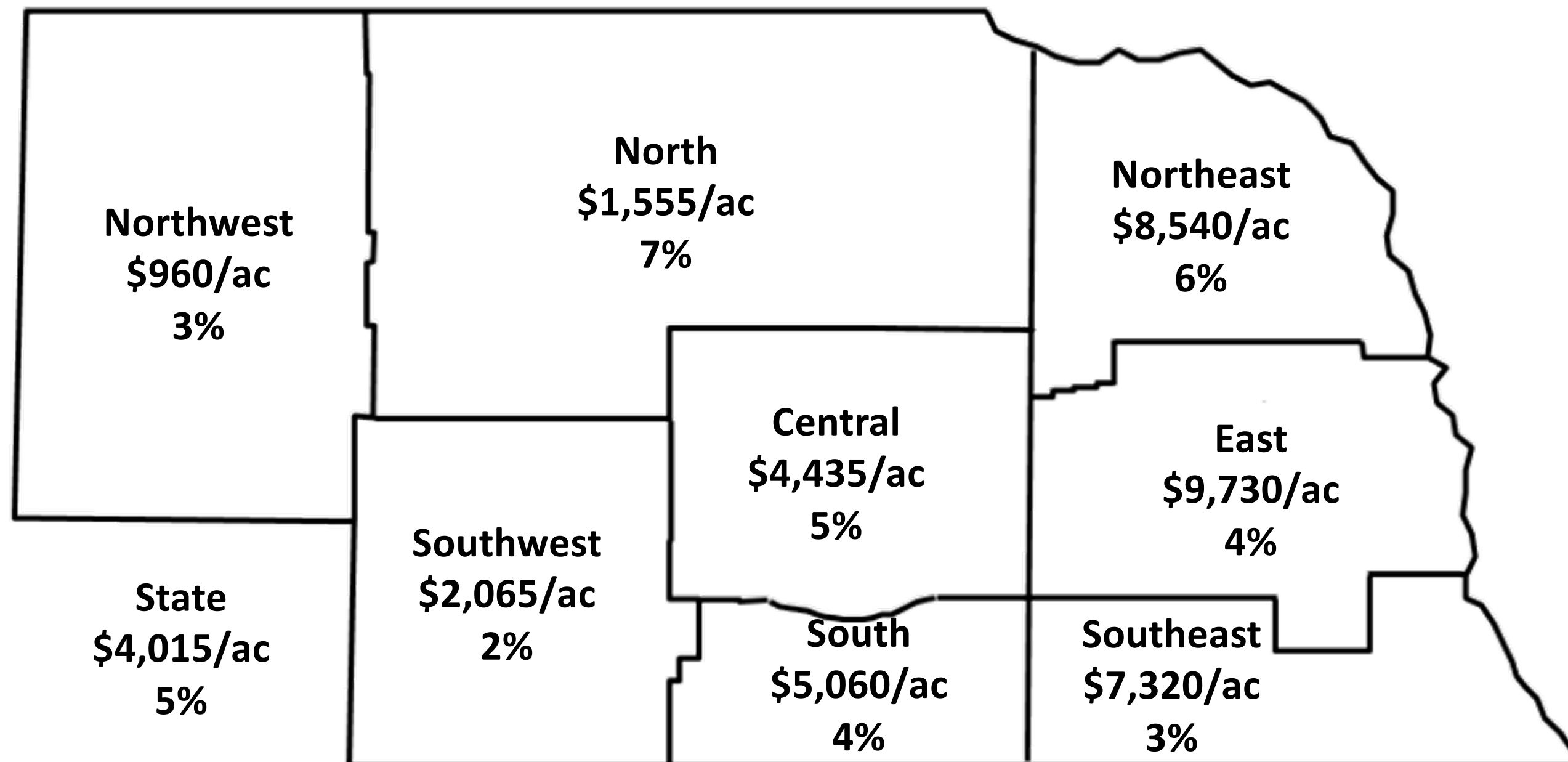
# Nebraska Land Values

Land Averages and  
Annual Percent Changes





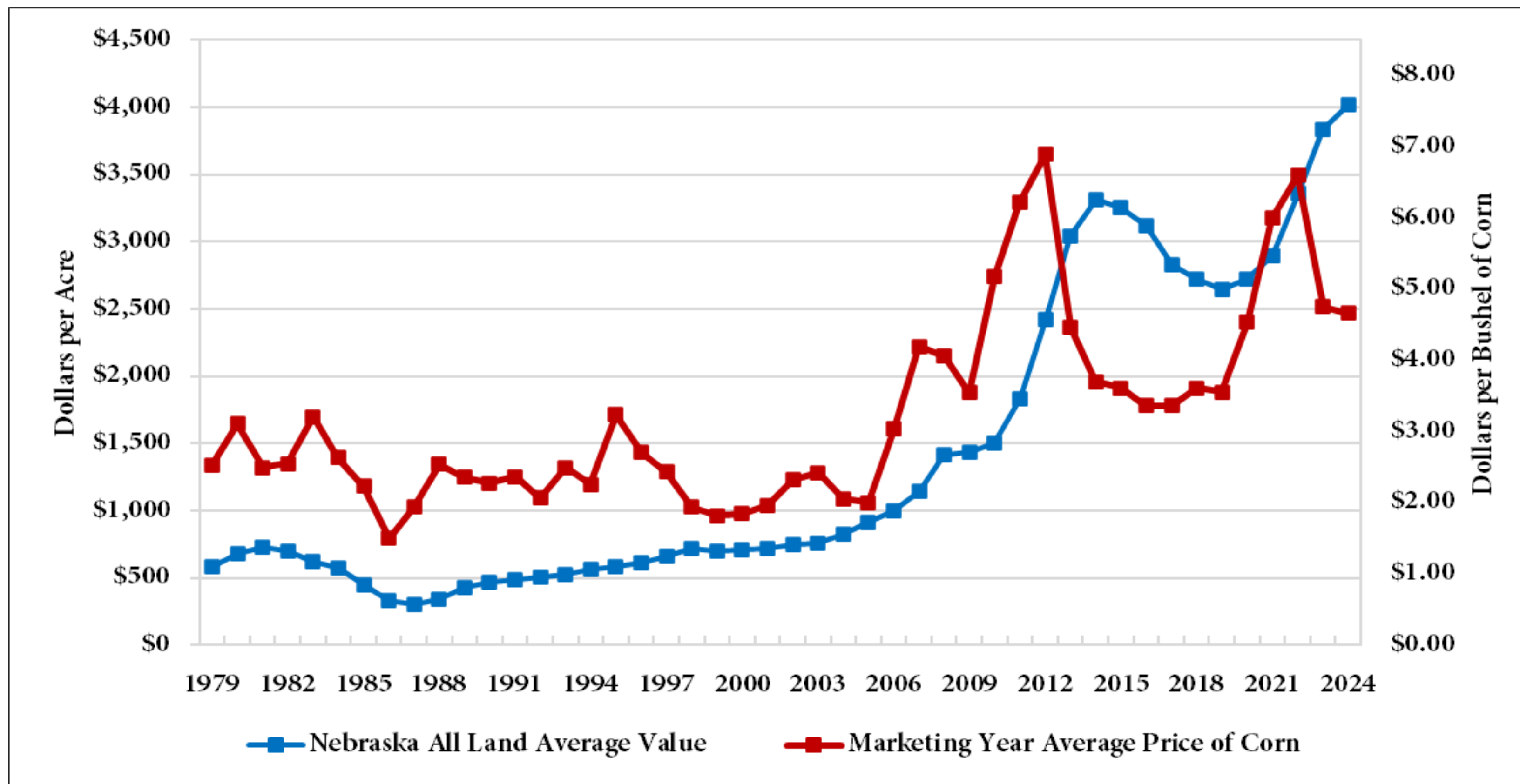
# Nebraska Agricultural Average All Land Value – Feb. 1, 2024



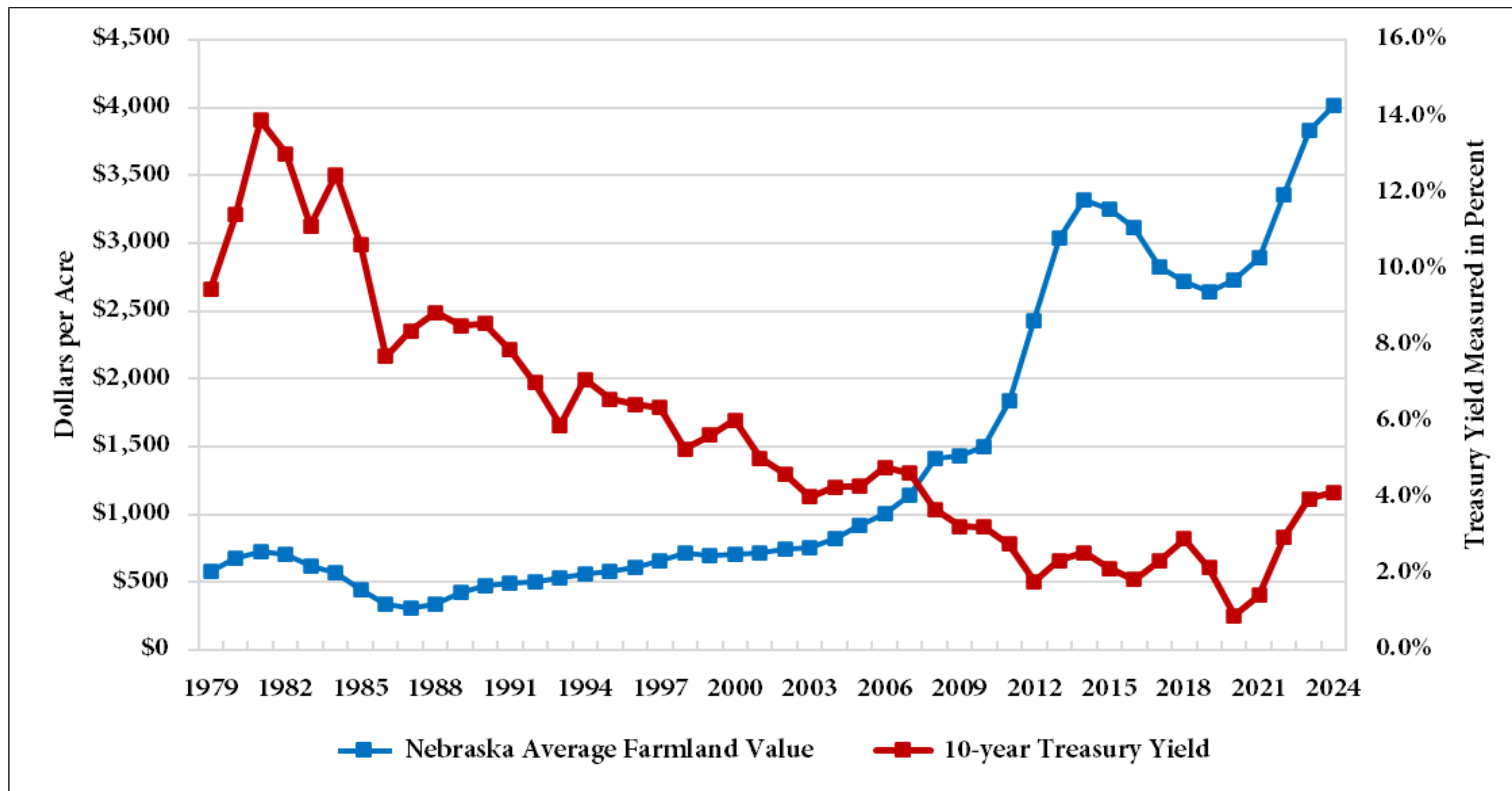
Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.



# Nebraska Average Land Value and Corn Price, 1979-2024



# Nebraska Avg. Land Value & 10-year Treasury Bond Rate, 1979-2024



# Refundable Nebraska Income Tax Credit for Property Taxes Paid to Schools

*Source: NE Dept. of Revenue- <https://revenue.nebraska.gov/>*

- For tax year 2023, the property tax credit rebate on taxes paid to K-12 public schools will remain at 30%. Nebraska property taxpayers will also be eligible for a 55% rebate on property taxes paid to community colleges.
- Tax Commissioner Tony Fulton reminded Nebraskans of the need to claim their refundable income tax credit on property taxes. These credits can be claimed retroactively.
- For information on how to claim the refundable income tax credit, go to [revenue.nebraska.gov/about/nebraska-property-tax-credit](https://revenue.nebraska.gov/about/nebraska-property-tax-credit).

*For information purposes only. Seek guidance from a tax professional or the Department of Revenue for specific questions on the tax credit.*



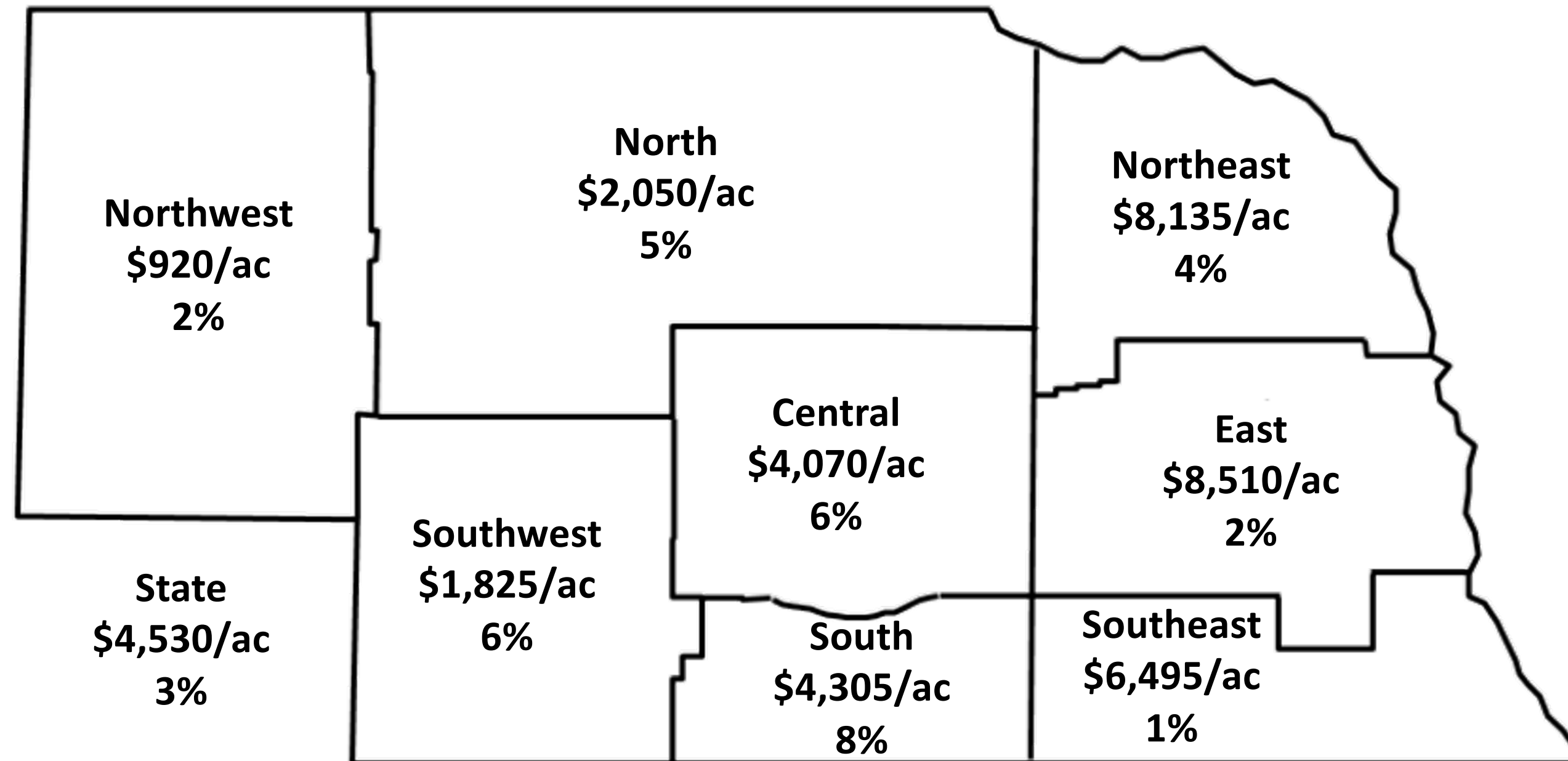


# Refundable Nebraska Income Tax Credit for Property Taxes Paid to Schools

*Source: Office of the NE Governor - <https://governor.nebraska.gov/>*

- Increases the amount of relief granted under the Property Tax Credit Act
- Establishes a 3 percent annual cap on how much school districts can increase property tax requests, with some exceptions
- Eliminates the 5 percent cap on the school district tax credit's allowable growth percentage under the Nebraska Property Tax Incentive Act
- Curtails levying authority and provides state aid to community colleges

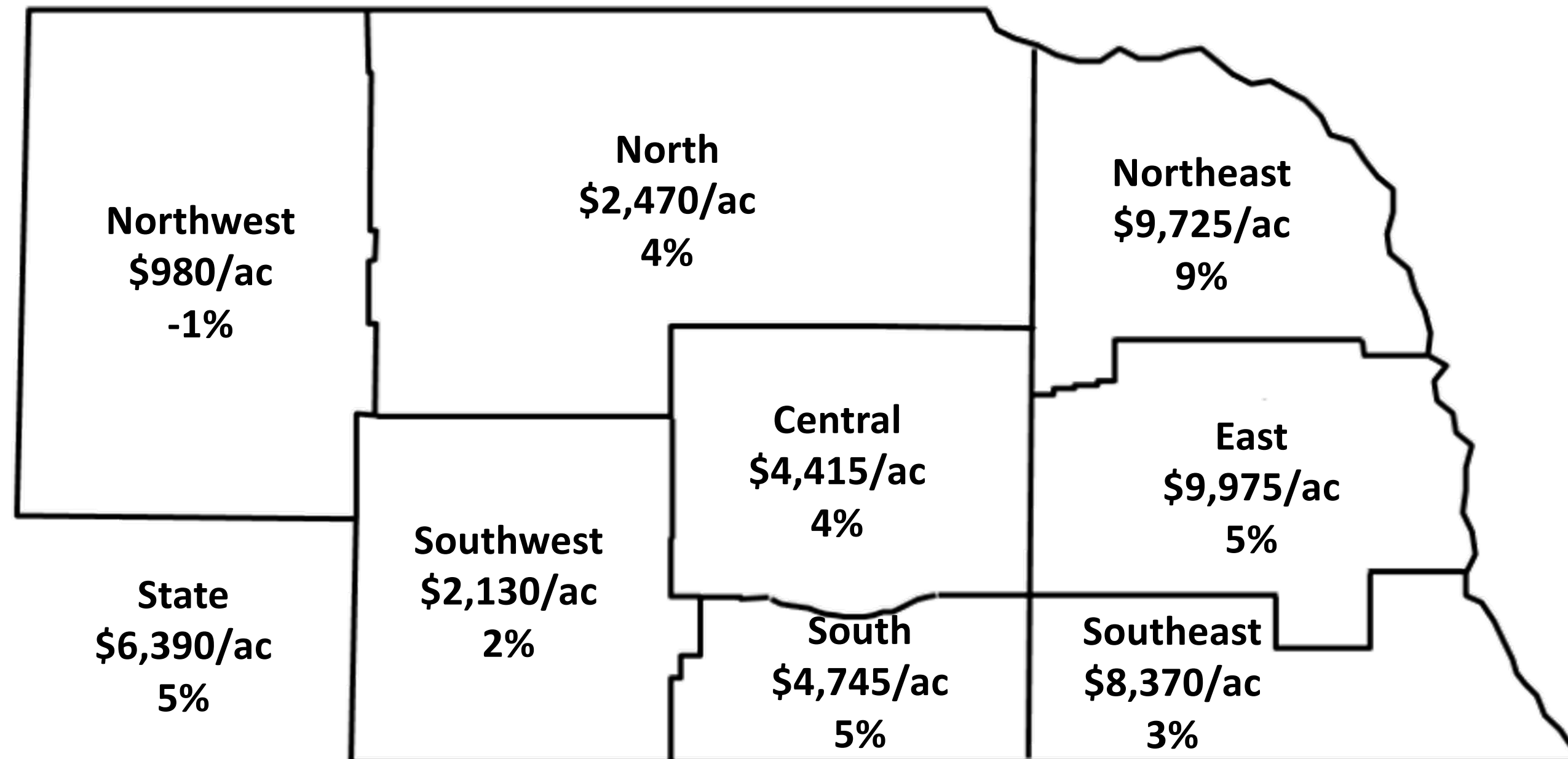
# Dryland Cropland (No Irrigation Potential) Average Value – Feb. 1, 2024



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.



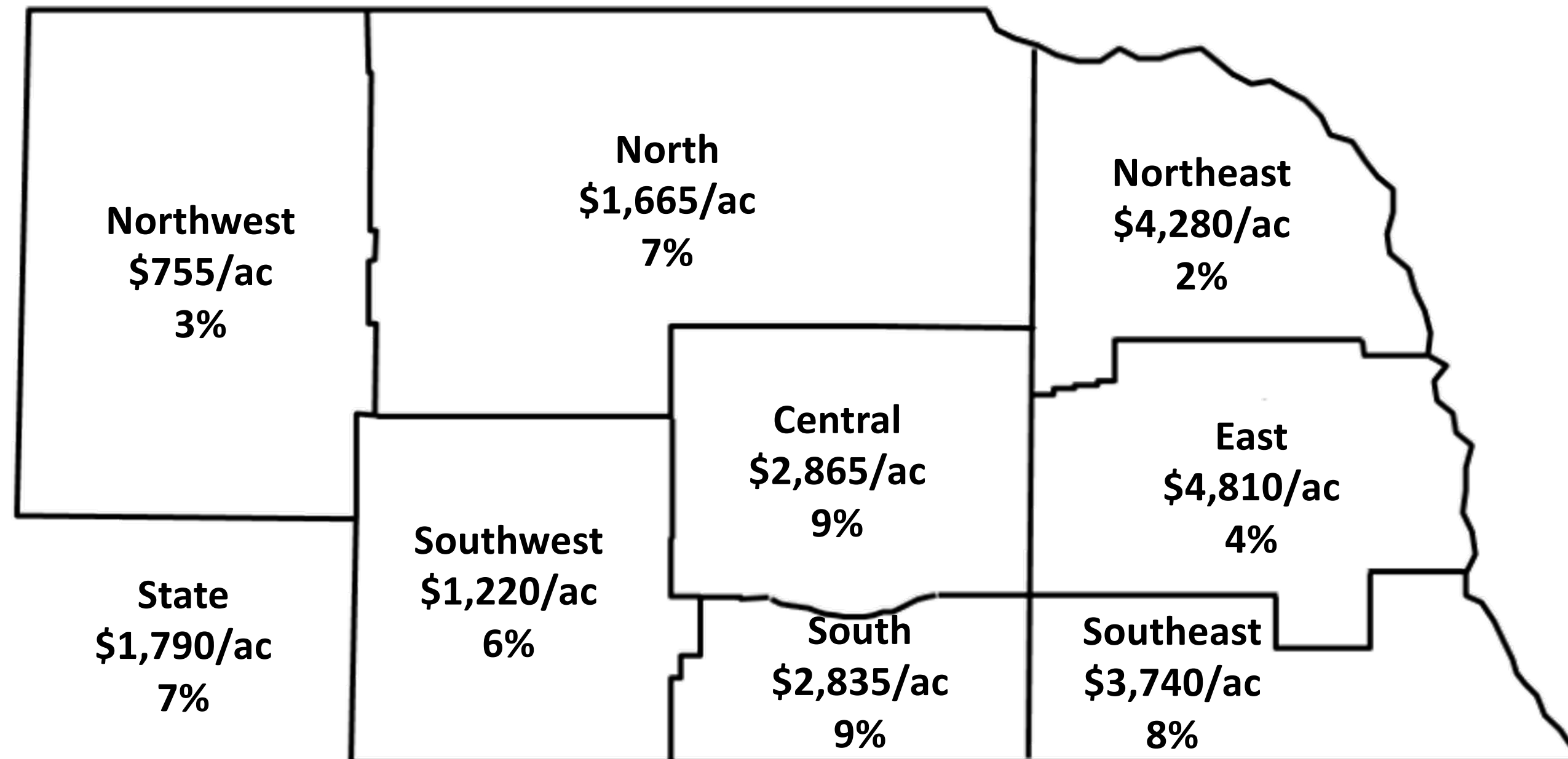
# Dryland Cropland (Irrigation Potential) Average Value – Feb. 1, 2024



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.



# Grazing Land (Tillable) Average Value – Feb. 1, 2024

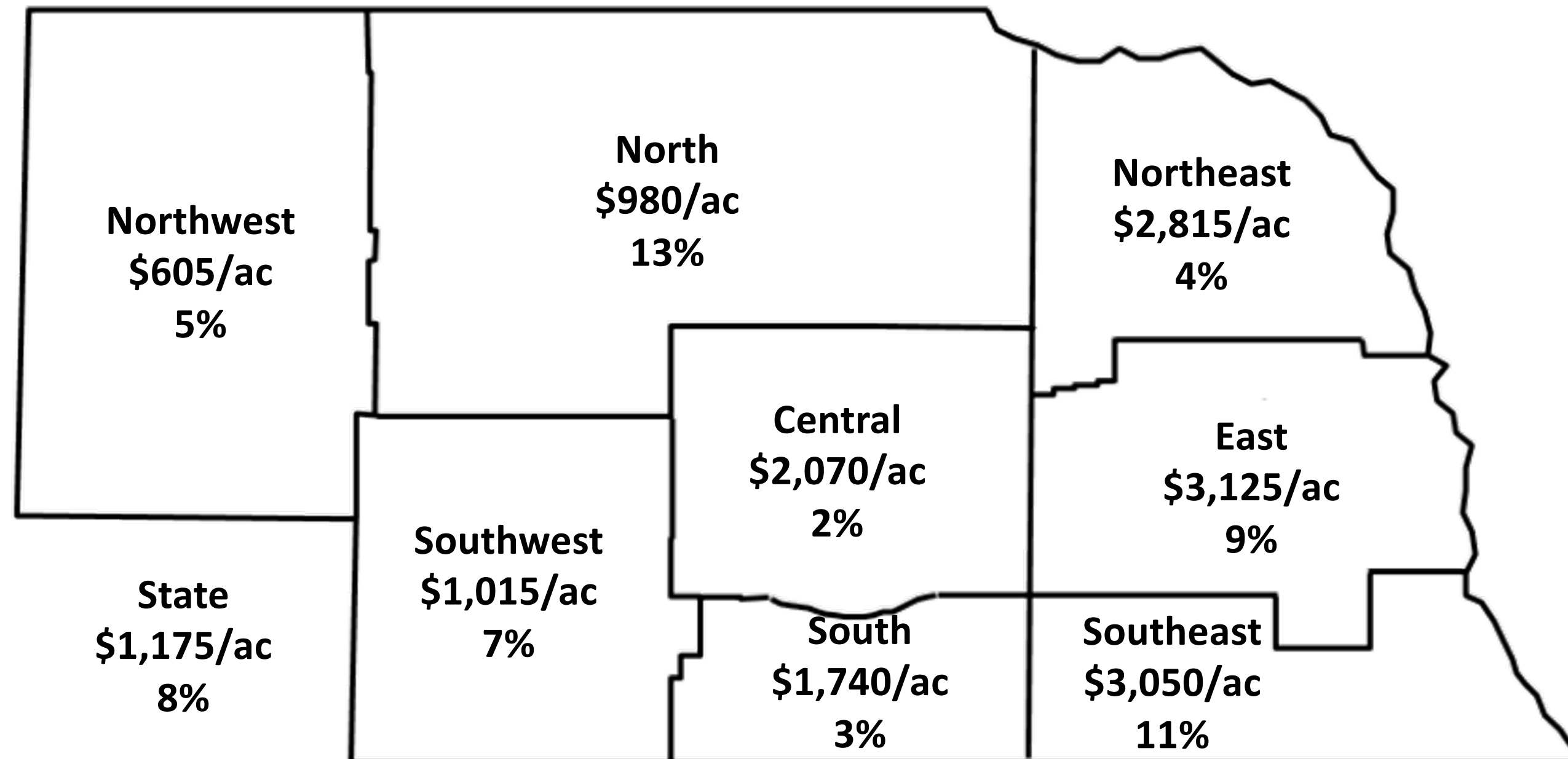


Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.





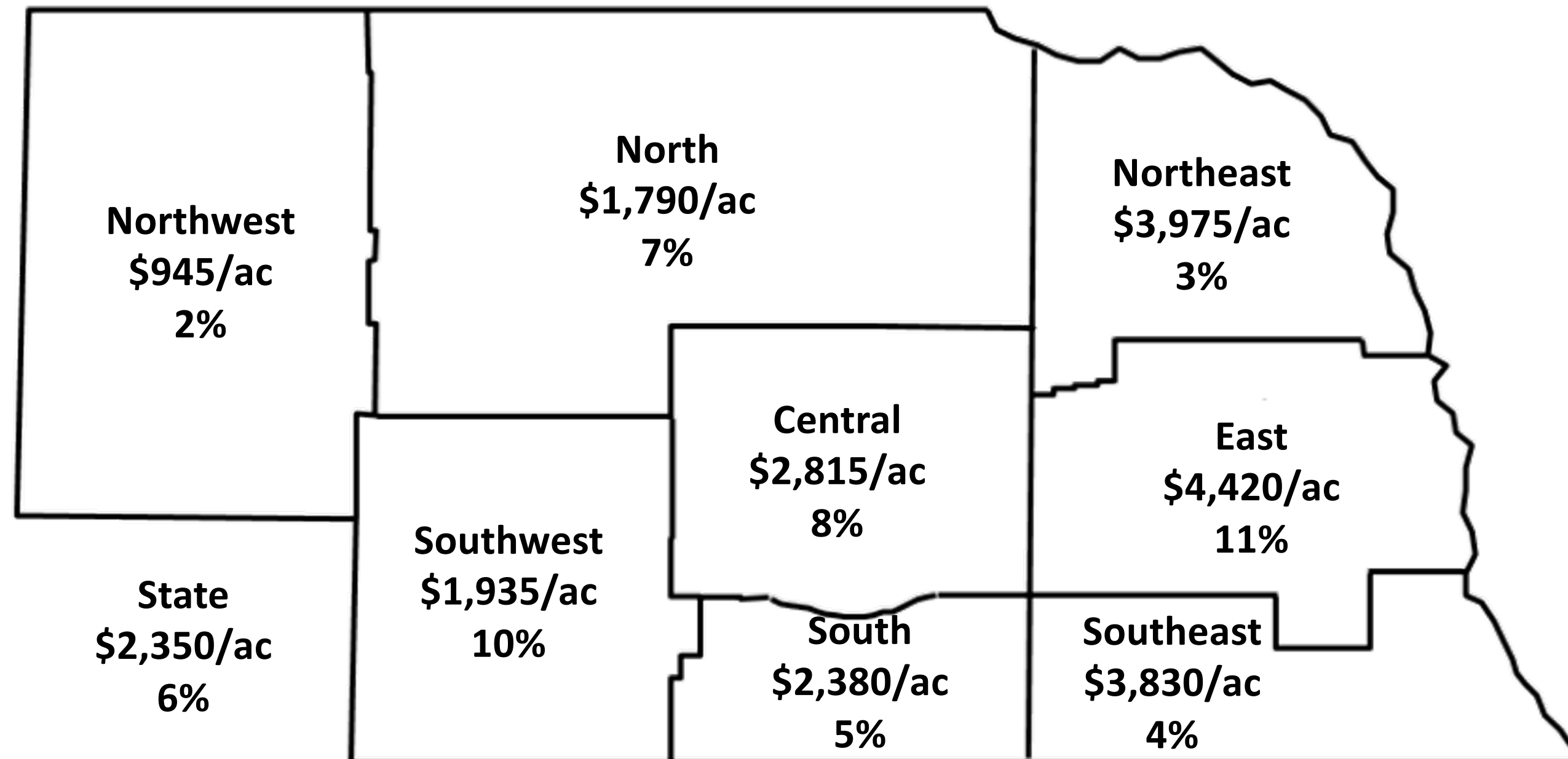
# Grazing Land (Nontillable) Average Value – Feb. 1, 2024



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.



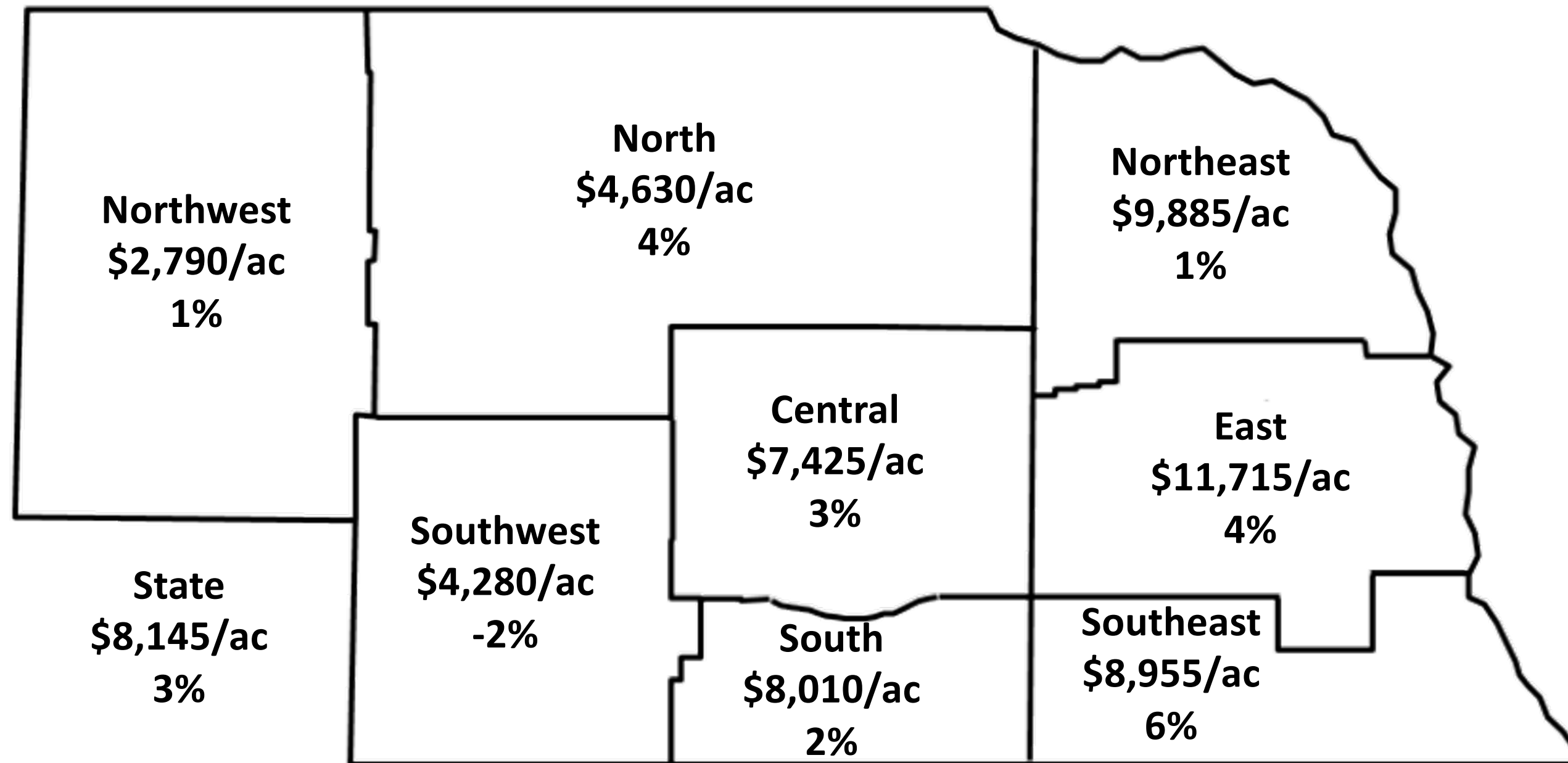
# Hayland Average Value – Feb. 1, 2024



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.



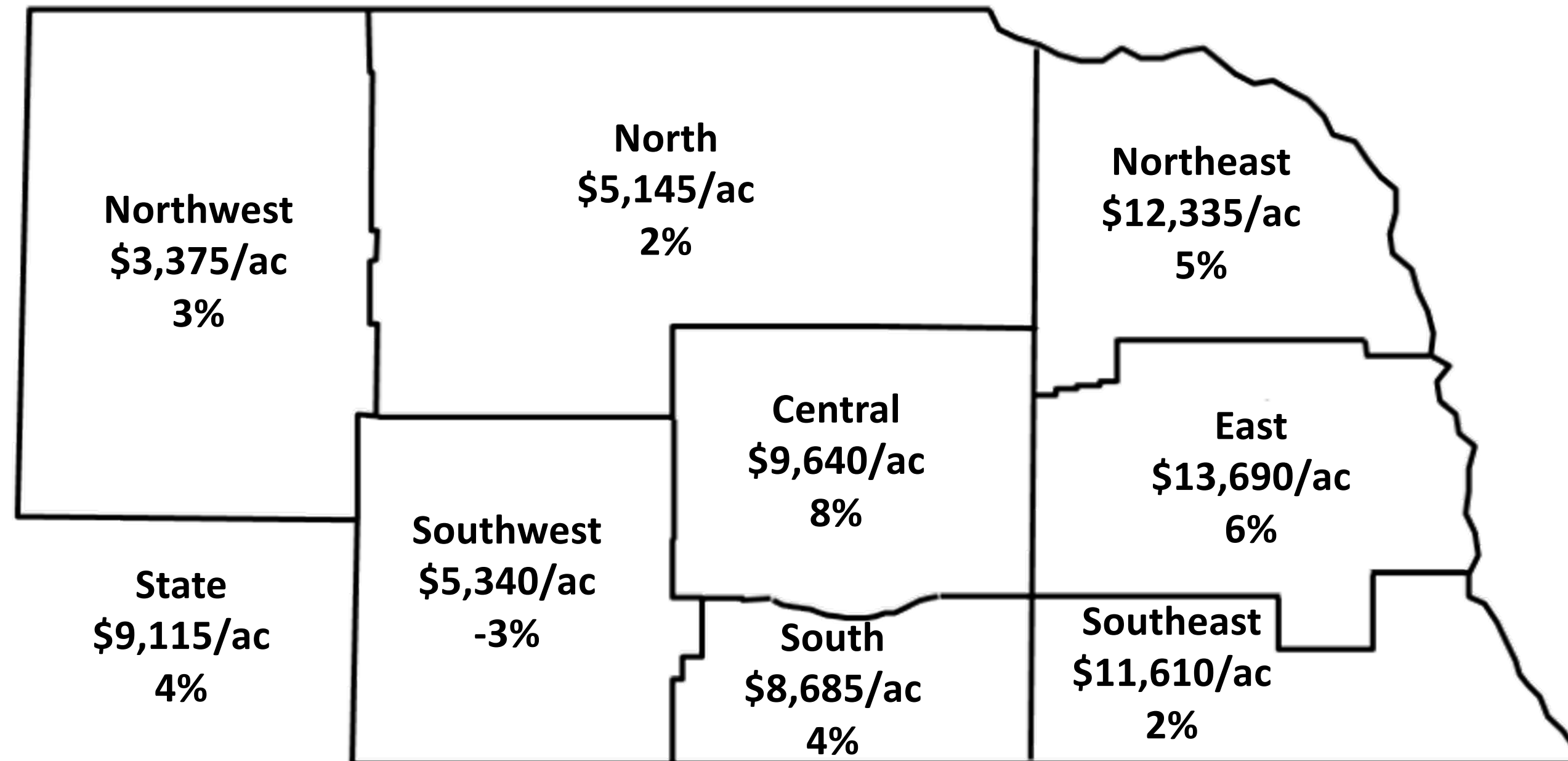
# Gravity Irrigated Cropland Average Value – Feb. 1, 2024



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.



# Center Pivot Irrigated Cropland Average Value – Feb. 1, 2024

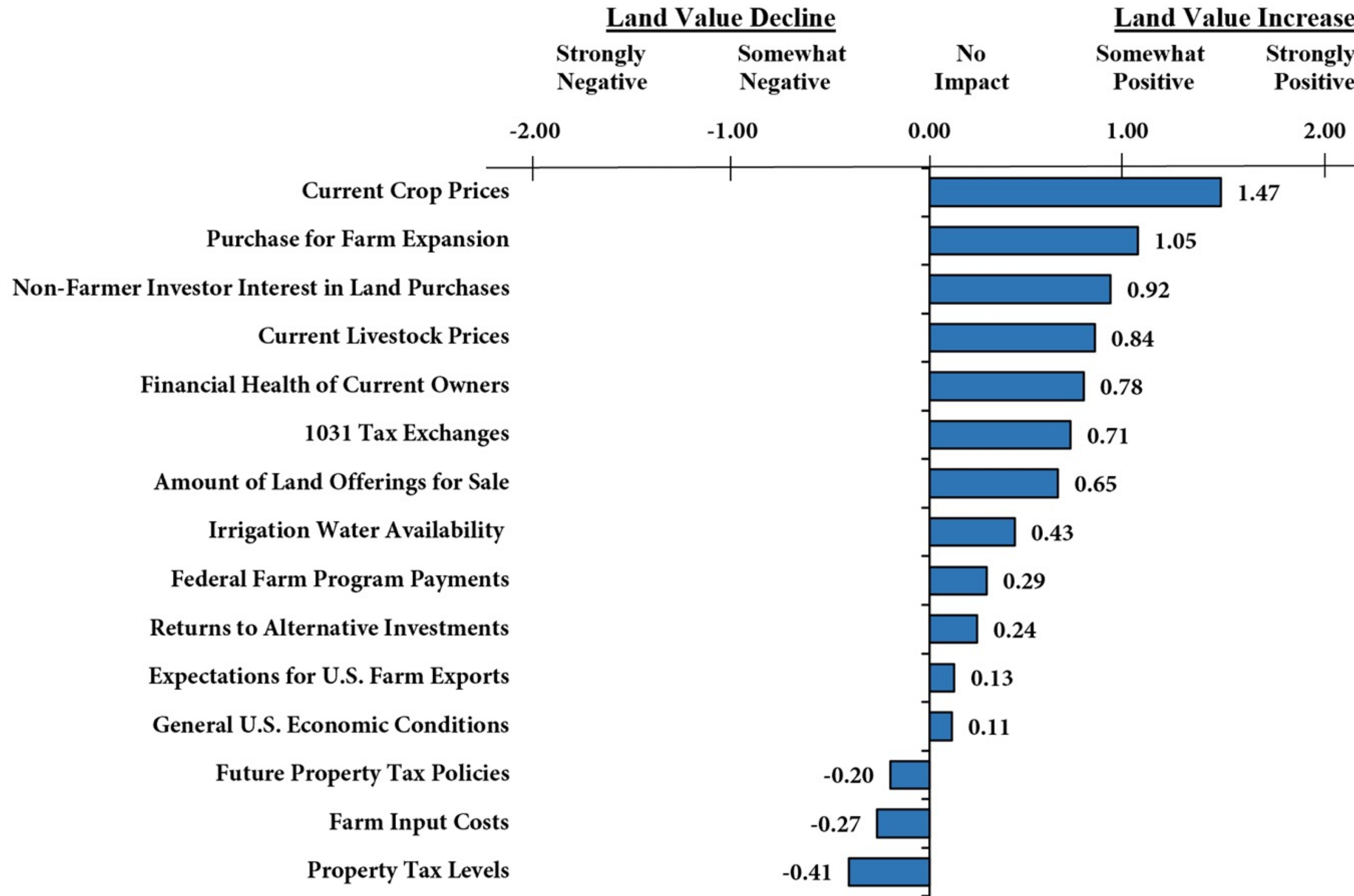


Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.





# Rating of Factors Influencing Agricultural Land Values in 2023



Source: Nebraska Farm Real Estate Market Development Survey, 2023.



# HOW DO YOU APPRAISE YOUR LAND



# Appraising land

- What is an appraisal?
  - An appraisal is a professional appraiser's opinion of market value on a property such as land, buildings, or a farm.
- Why get an appraisal?
  - To determine the current market value of the inherited farm and understand how local economic and market forces influence real estate in an area.
  - Gain perspective on the type of land and value associated with different improvements.
  - Understand the value associated with improvements such as barns, machine sheds, or irrigation equipment. Some improvements may be physically depreciated or functionally obsolete.

# How much does an appraisal cost?

- What factors influence the cost of appraisal?
  - Availability of certified general agricultural appraisers serving a region.
  - Size and geographical location of land.
  - Kind of improvements made to the farm such as buildings or livestock facilities.
- What does an appraisal typically cost?
  - An 80 to 160 acre parcel appraisal may cost between \$1,500 to \$2,500 or more depending upon number of improvements.
  - Mid-sized ranch appraisals can cost \$5,000 or more depending upon the configuration of the ground (grazing paddocks, livestock watering systems, or livestock working facilities).

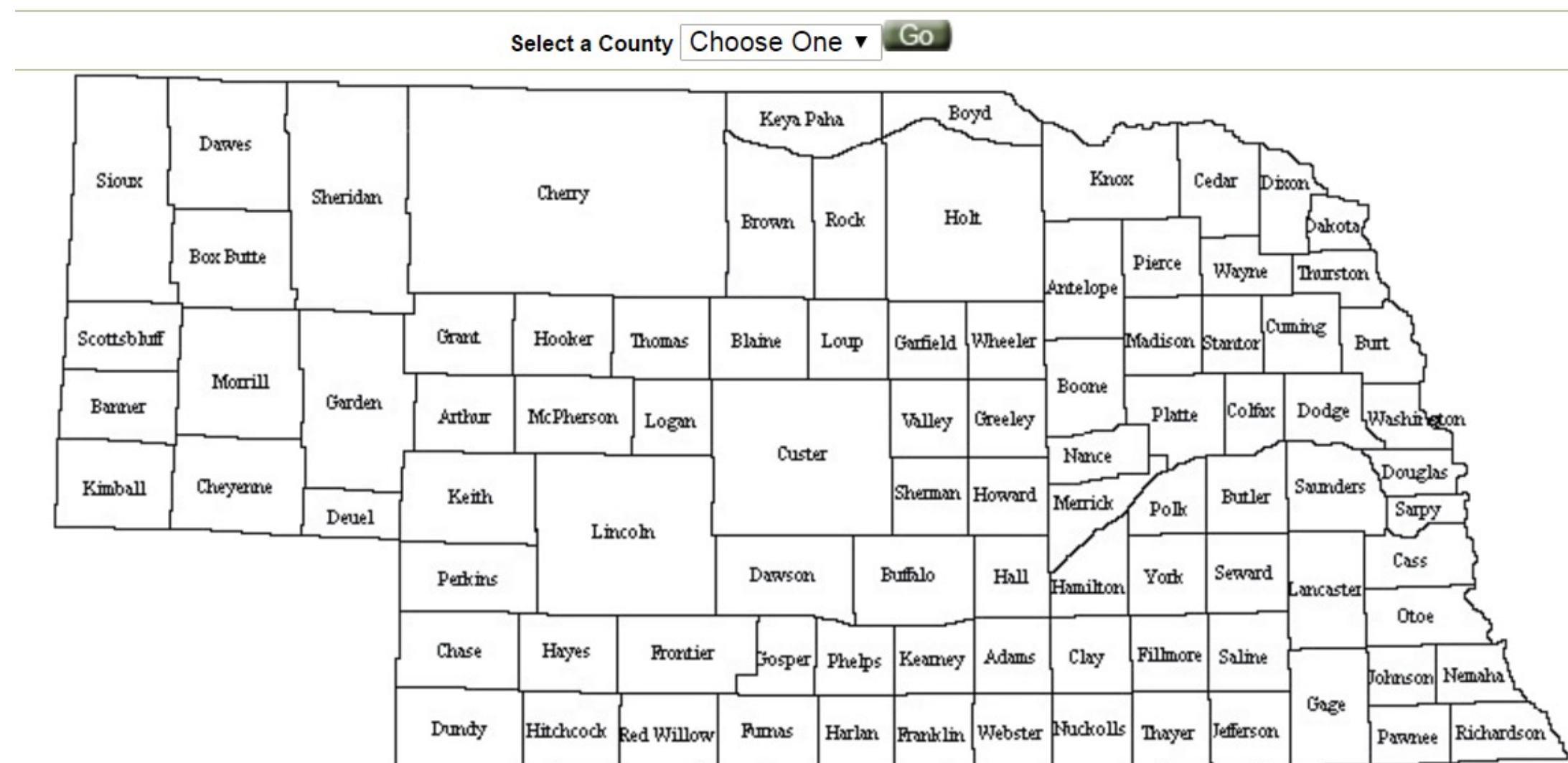


# How to find an appraiser

- Appraisers are licensed to perform appraisals in Nebraska.
- Public listing of appraisers can be found at: <http://www.appraiser.ne.gov/>
- Select Appraiser Listing on the website and then click Appraiser Listing/Nebraska County Map to display interactive map to locate an appraisal professional.

## Appraisers: By County

Please select the county from the drop down list or click on a county on the map below.



# How to find an appraiser

- The American Society of Farm Managers and Rural Appraisers (ASFMRA) is an association of professionals specializing in farm & ranch management and land appraisals.
- Members can be found at <http://www.asfmra.org/>
- Select Find a Land Expert on the website to display a searchable database of members

Where is your property located?

Enter Zip code, or  
City/County and  
State

Enter address, including city and state or a zip/postal code

Radius 250 Miles

Expertise

Ag Consultant

Appraiser

Manager

Review Appraiser

Do you know the name of your land expert?

First Name

Last Name

Email Address



# Qualities of a professional agricultural appraiser

- To perform an agricultural land appraisal the appraiser needs to be licensed in Nebraska:
  - A certified general appraiser license is required to perform land and farm appraisals.
  - Define out the scope of work (legal description of the property, number of acres, types of improvements) prior to contacting a professional.
  - Visit with several appraisers to get a feel on his or her professional competency in performing an agricultural appraisal, cost of service, and geographical knowledge.
  - Seek out recommendations from prior clients or industry professionals.

# HOW IS YOUR LAND OWNED?





# Know how you own the land

- Joint Tenancy (WROS) - common for couples
- Tenants in Common – very common for children to receive assets from their parents this way

# Joint Tenancy

- Joint tenancy – separate titling
  - “Rights of Survivorship” Survivor takes it all – interest passes to other owners of property
    - No probate is needed
    - Have immediate access upon death
    - How do you know?
    - Title must say joint tenancy with ROS, otherwise it defaults to TIC
  - Joint tenancy assumes equal ownership
    - For example, joint tenants cannot own 70% and 30% respectively, they each own 50%

# Tenancy in Common

- Tenancy in common – family members
  - May have issues with creditor claims
  - Upon death, interest passes to owner's heirs
  - Have distinct and separate interest
  - Right of possession is undivided
  - Absolute right of partition for sale
  - Separate interest means you could have 40% interest, another sister has 30% and a brother has 30%

# Why is this Important?

- How you own land dictates what you can do with it
  - You inherit land TIC with family, and they want to sell their interest, what can you do?
    - Buy their interest
    - Force partition
    - Roll the dice and hope for the best
  - TIC and JT decisions
    - Who decides on what happens to the ground?
    - What if one partner chooses not to pay their portion of taxes?
    - What if one sibling gets into serious legal trouble?
    - What if one sibling is also farming the ground?
- Recall that when you inherit ground, you also get all liens against it as well



# COMMUNICATION, FAMILY RELATIONSHIPS, AND HAVING A PLAN FOR THE LAND



# Communication - Important

- When done with the process – are you still going to have a family?
- Most peoples' goal is to hold the family together(?)
  - Don't make that assumption – get that commitment
- Best way is to be open and clear with communications
- Who participates in that discussion?
- Put all options on the table

# Communication - continued

- Consider using some sort of family meeting process
  - Schedule meeting – not at major Holiday (if possible)
    - Not at Grandma's kitchen table (family dinners)
  - Will probably take more than one meeting
  - Take notes, record the conversation
  - Be sure to include off farm family

# Communication - continued

- Be aware of the sweetheart deals
  - Surprises cause problems
  - Get both sides of every story!





# Communication - continued

- Listening is the Key!
- (Practice) Make partner repeat what they thought you said – to be sure that they heard you, or that you said what you wanted intended
- Make sure that you understand the other person's point of view *(seek first to understand, then to be understood)*
- Spend plenty of time establishing the 'goal' or vision
  - *Suggested up to 80% of the time with the vision – or what this will look like*
  - *Envision the Future!*

# Communication

1. Allow all to have input

- \* Know that there will be different expectations based on personality, age and participation

2. Then follow Golden Rule – ‘ye who has the gold makes the rule’

# CHOOSING TO KEEP THE FARM IN THE FAMILY



# Option 1 – Farm the Property

- If farming the property with a family member, what will the rental arrangements be?
  - Discounted? How much?
  - Crop share or Cash rent?
  - Other considerations – like use of the farmstead/house/out buildings
  - Expectations for upkeep of farmstead/buildings?



## Option 2 – Professional Farm Manager

- Consider use if Custom Farming or Renting
- Take care of managing the asset – especially valuable for absentee owners
- Managers charge between 6-12% of the rental rate as their fee for management (less on straight cash rent, more on crop share rent agreements or custom farming)
  - Depends on what you are asking them to do
- In some cases, the service is very worth while

## Option 3 – Custom Farming the Property

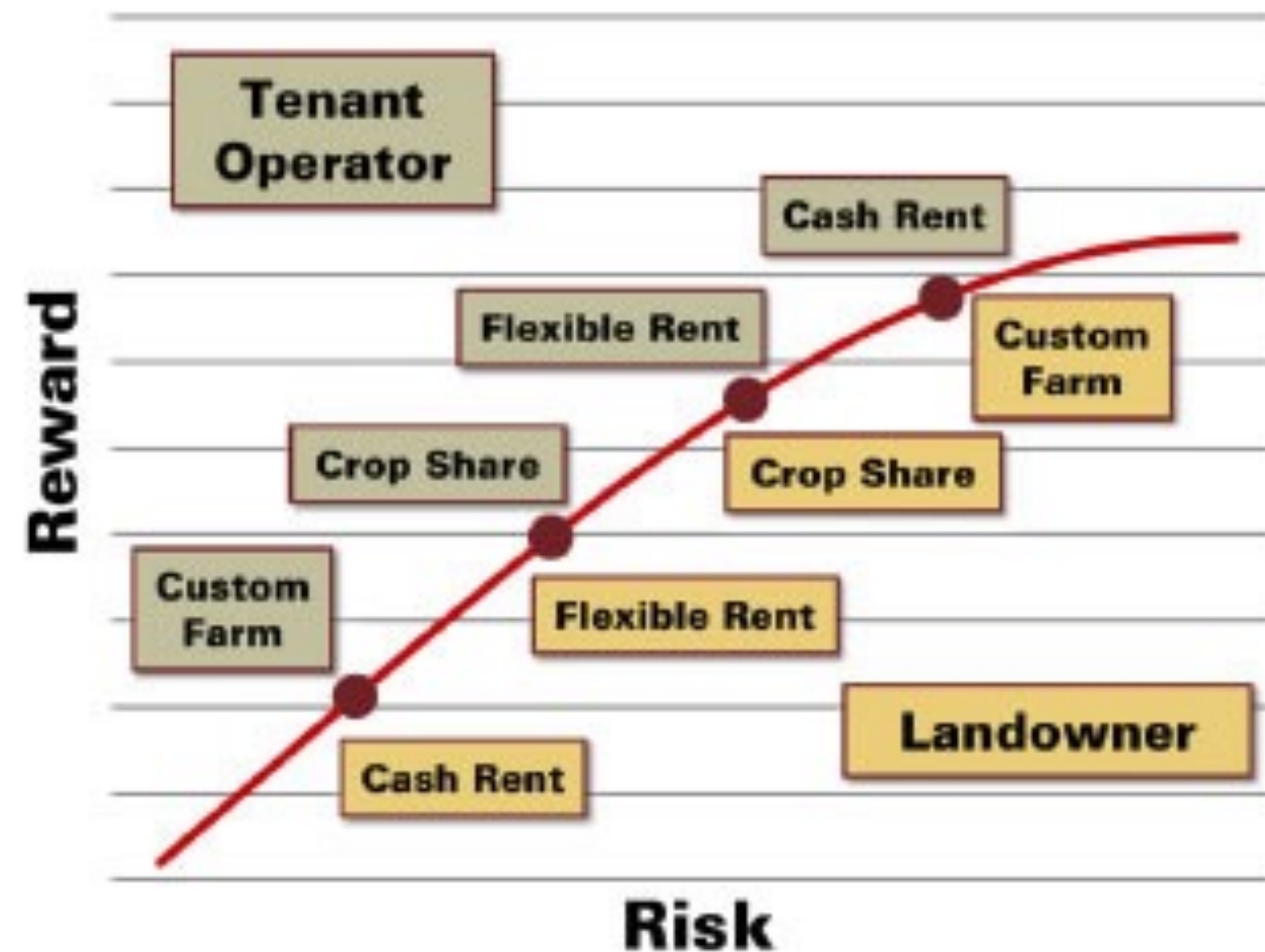
- Hire a producer to complete all field operations
  - Custom operators are paid on a per acre basis, or
  - Percent of crop basis
- You pay for all inputs/expenses
- You receive 100% of the crop

# Option 4 – Renting the Ground Out

## Options:

1. Custom farming
2. Crop share
3. Flexible cash lease
4. Cash lease

Figure 1. Share of risk and reward by type of lease arrangement



Source: ISU: Improving Your Farm Lease Contract, 2021.

# Custom Farming Arrangements

- *The operator supplies all the labor and equipment needed to perform tillage, planting, pest control, harvesting and moving of crops to storage.*
- Payment to the custom operator may include:
  - Fixed payment per acre.
  - Fixed payment for each operation performed.
  - Percentage of the crop instead of a cash payment, generally from 20-25%.
- *The landowner pays all other expenses and receives all the crop and any USDA payments.*





# Crop Share Lease Agreements

- *Landlords engaged in crop share lease arrangements typically receive a percentage of the actual crop yield as payment for leasing the property to the tenant*
- *Landowner usually shares input and production costs of raising the crop.*

# Crop Shares = Fair (Equitable?)

- A fair way to rent, if the expenses are split properly
- Usually requires both parties to market grain
- Share in the risk and the reward



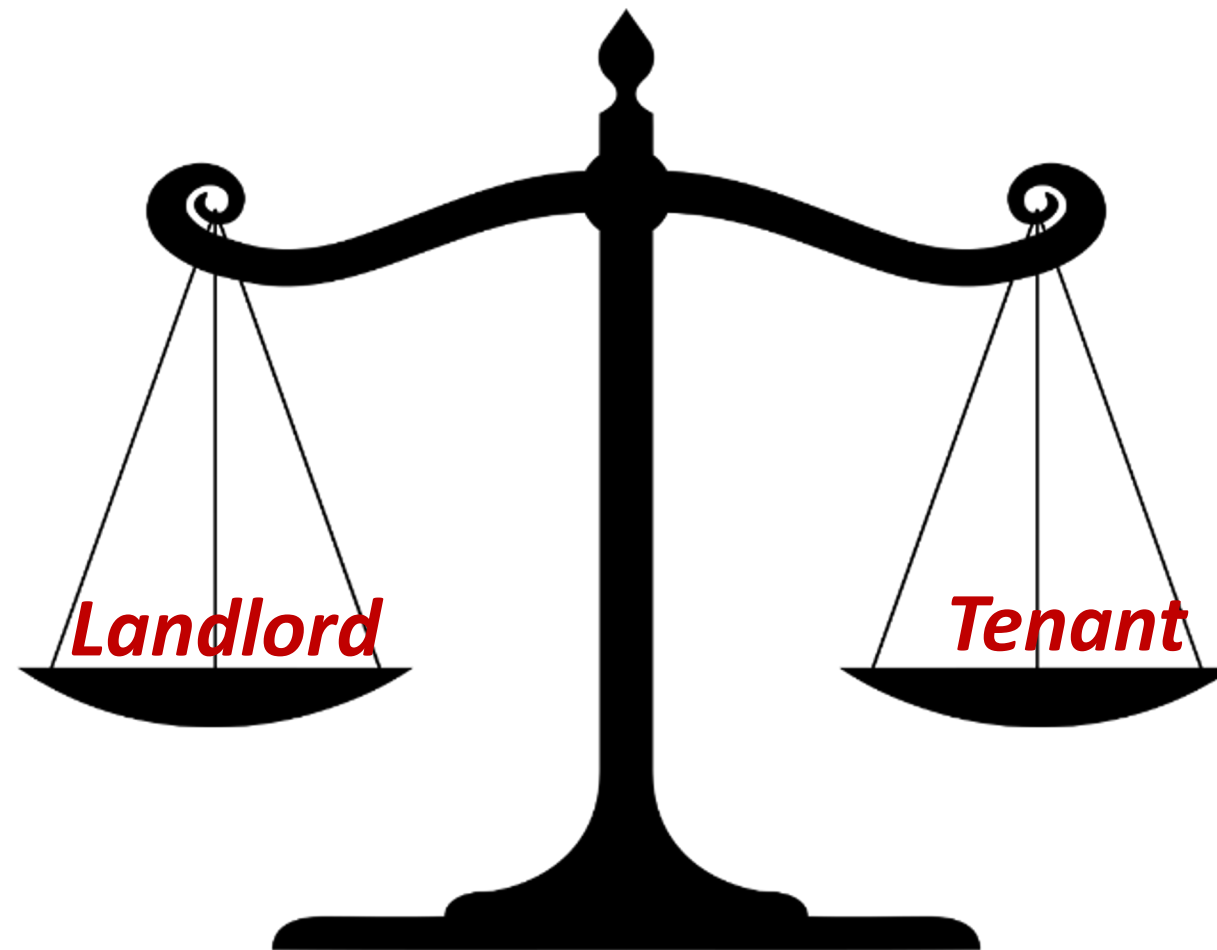


# What are Typical Shares?

- Most common 40:60, 50:50, 33:67
  - Smaller amount going to the landowner
    - Irrigated crop/Eastern and Central Nebraska – 50:50
    - Non irrigated in SE, SC, SW – 40:60
    - Panhandle – 33:67
- Depends on the crop, neighborhood and expenses

# Share of Crop Income

- Both parties receive their share of:
  - Revenue from crop sales
  - Crop Insurance payments – if purchased by either party
  - Government disaster payments (when paid)





# Share of Crop Expenses

## Landlord (Landowner)

- **ALL Expenses**
  - Land taxes
  - Irrigation operation and maintenance fees
  - Irrigation ownership costs – depreciation, insurance, major repairs, taxes, interest
- **Their share of:**
  - Crop Insurance
  - Fertilizer, insecticide, fungicide, and herbicide
  - Energy for irrigation
  - Seed
- **Markets their share of the crop**

## Tenant

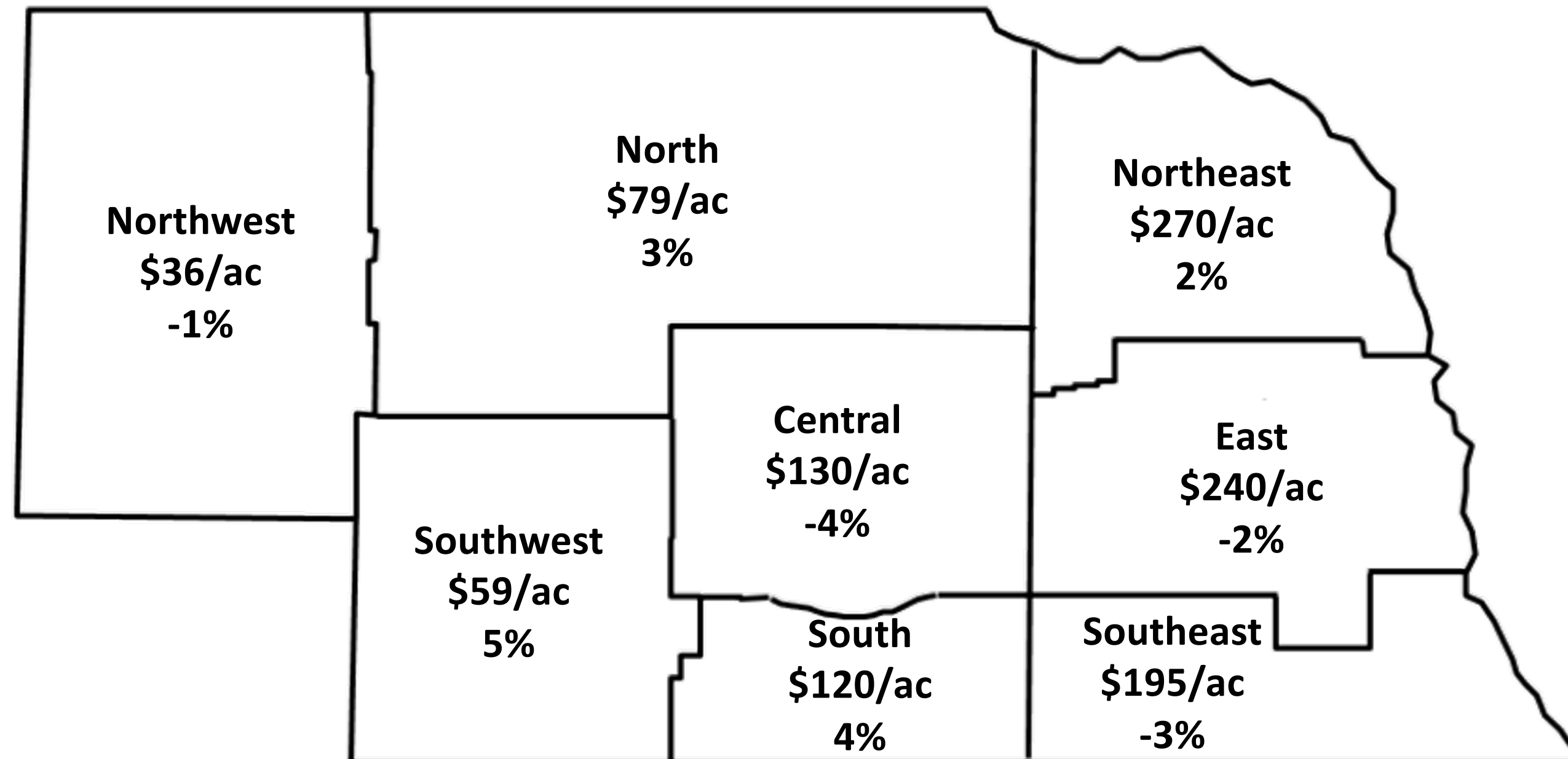
- **ALL Expenses**
  - Labor
  - Minor irrigation equipment repairs & maintenance
  - All field operations
  - Cost of transporting landlord's share of crop to designated location (negotiable)
- **Their share of:**
  - Crop Insurance
  - Fertilizer, insecticide, fungicide, and herbicide
  - Energy for irrigation
  - Seed
- **Markets their share of the crop**

# Nebraska Cash Rental Rates

Dryland Cropland  
Rental Rates



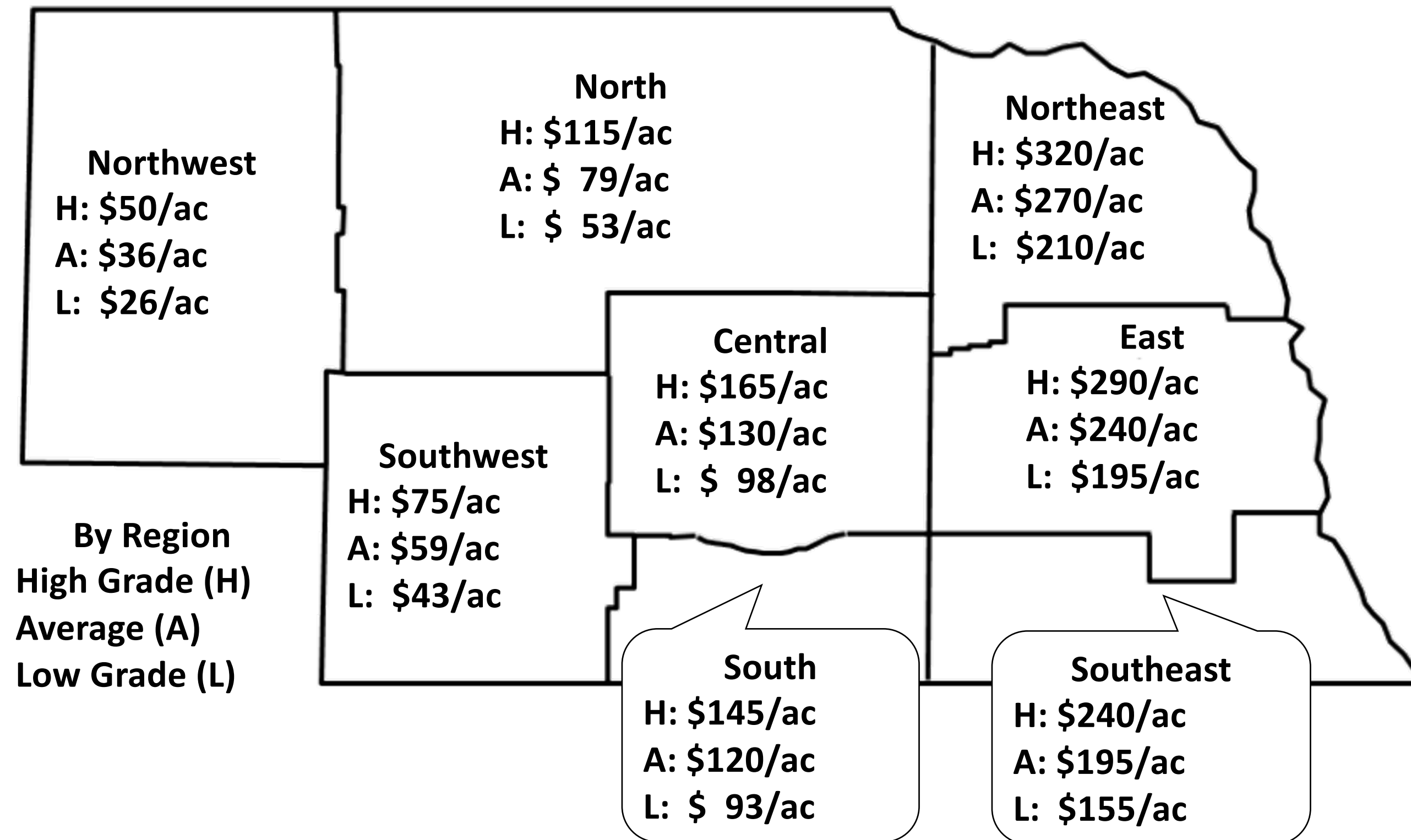
# Dryland Cropland Average Rental Rates – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.



# Dryland Cropland Rental Rate Ranges – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

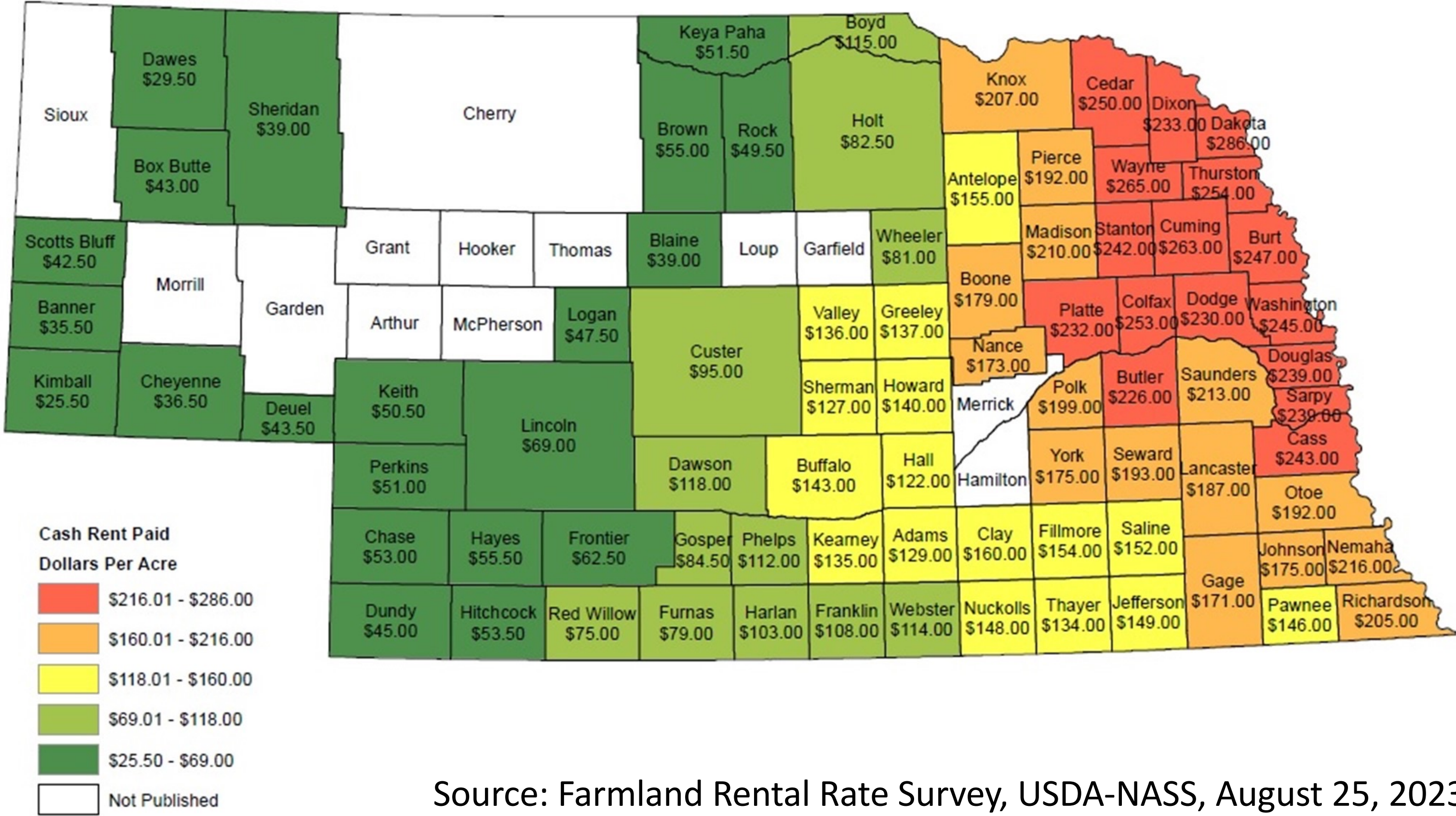




# USDA-National Agricultural Statistics Service Cash Rent Survey

- Biennial survey conducted by the USDA-National Agricultural Statistics Service (NASS) of farmers and ranchers
  - Survey starts in late-winter and conducted through mid-summer of odd-numbered years (some even-number years as well)
  - Analysis published around the second week of September
- Nebraska county estimates in addition to other resources may be found at:  
[www.nass.usda.gov/Statistics\\_by\\_State/Nebraska/Publications/County\\_Estimates/](http://www.nass.usda.gov/Statistics_by_State/Nebraska/Publications/County_Estimates/)

# Dryland Cropland Rental Rates – 2023 Season



Source: Farmland Rental Rate Survey, USDA-NASS, August 25, 2023



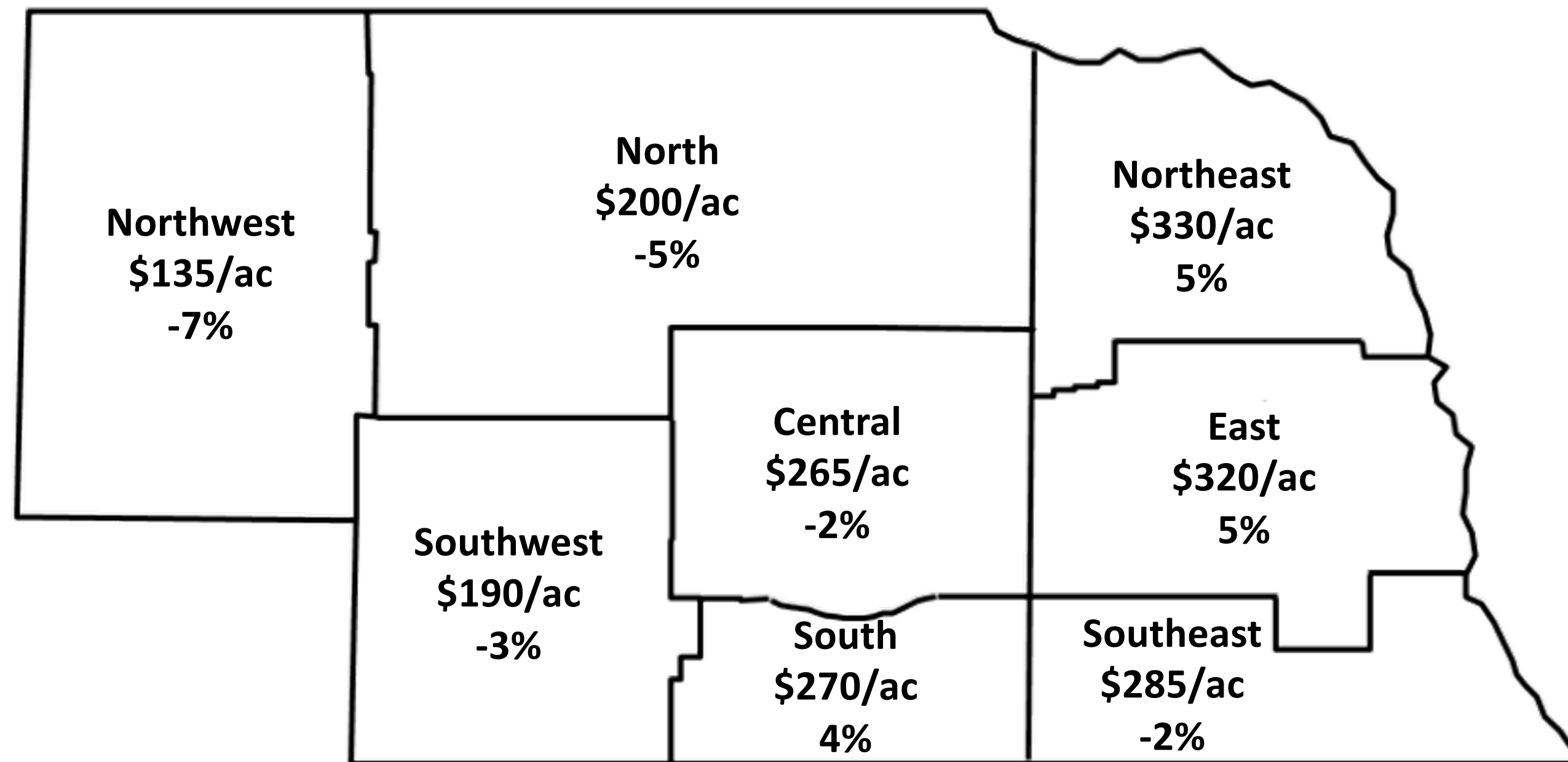


# Nebraska Cash Rental Rates

Irrigated Cropland  
Rental Rates



# Gravity Irrigated Cropland Average Rental Rates – 2024 Season

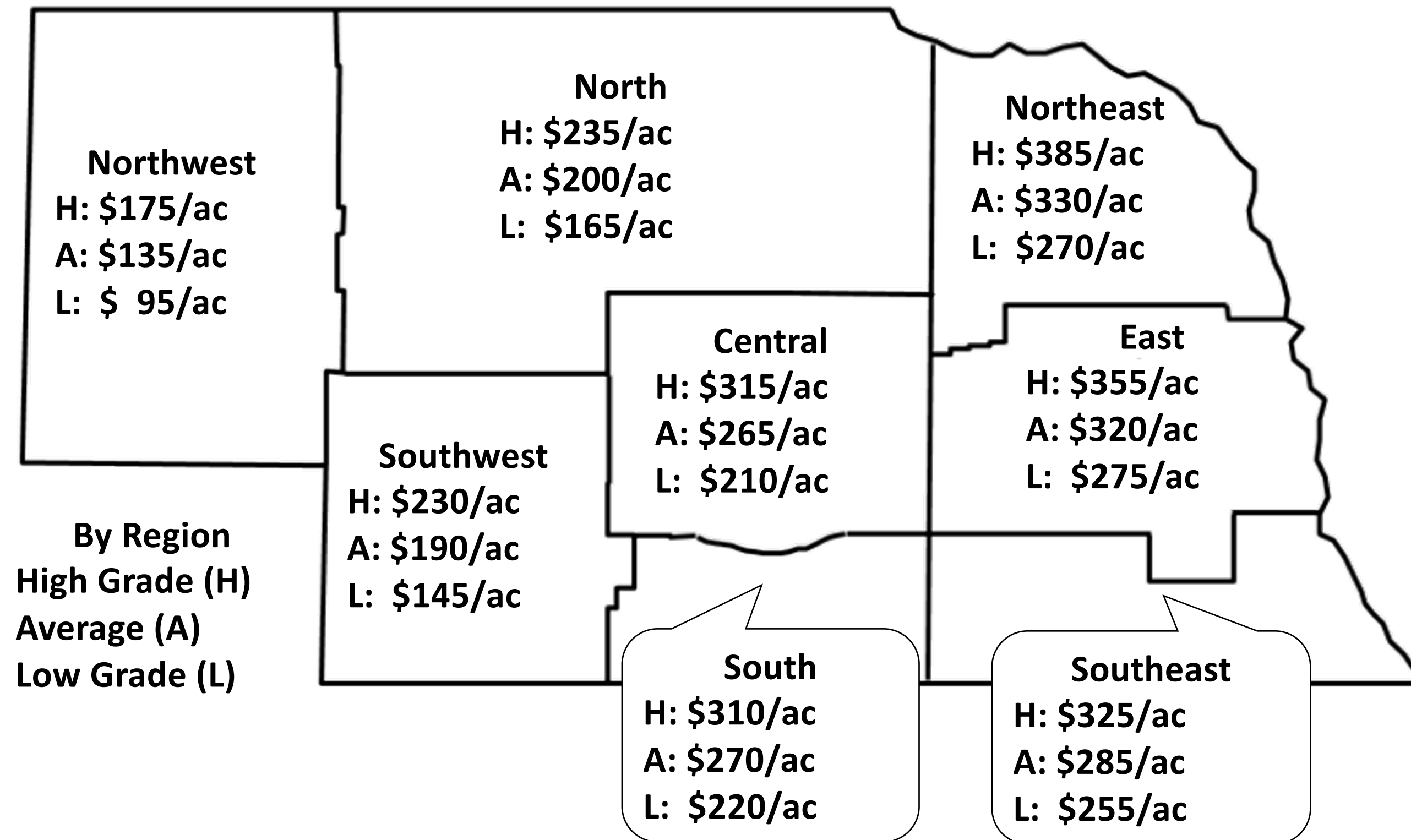


Source: Nebraska Farm Real Estate Market Development Survey, 2024.





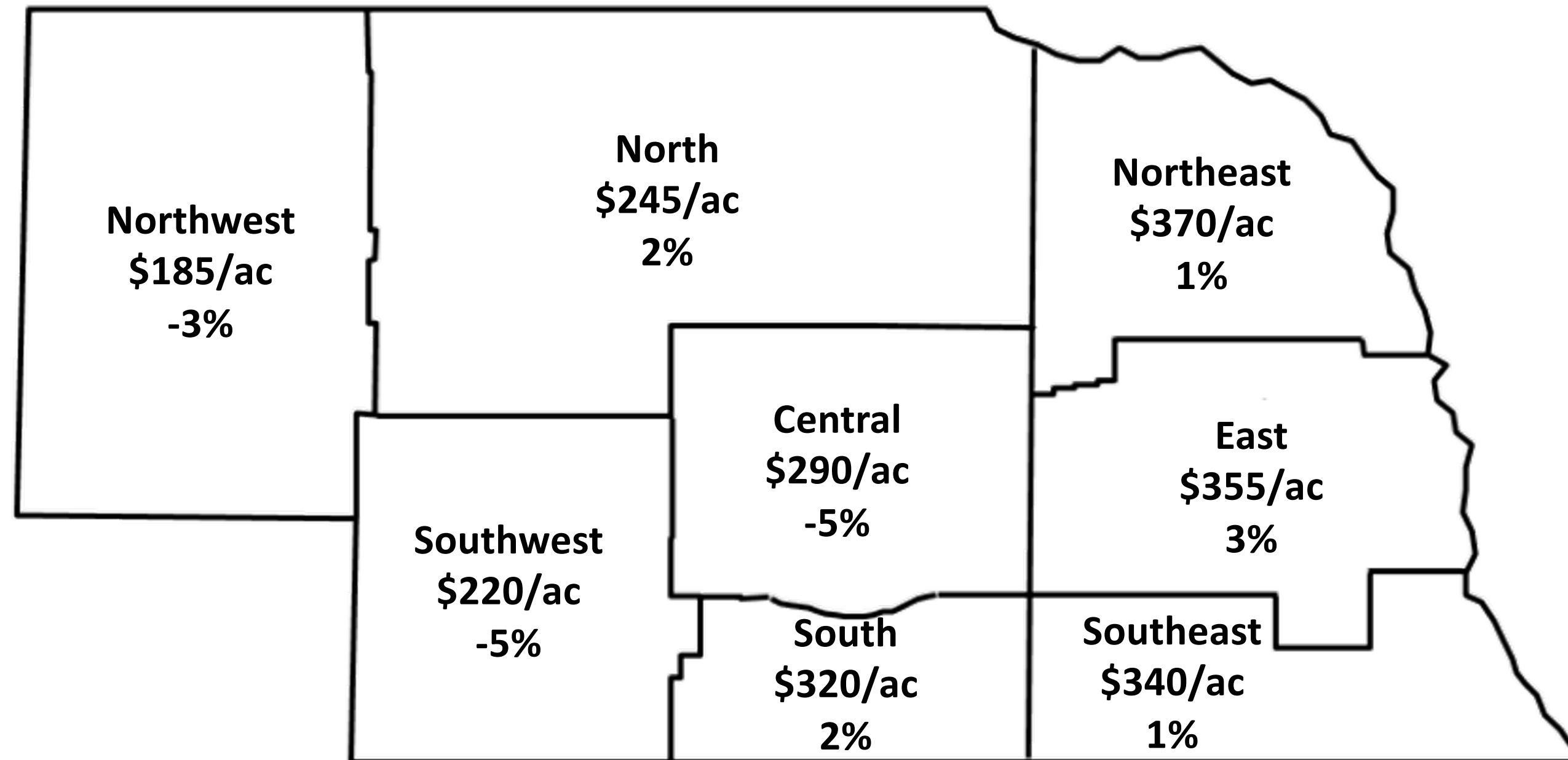
# Gravity Irrigated Cropland Rental Rate Ranges – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.



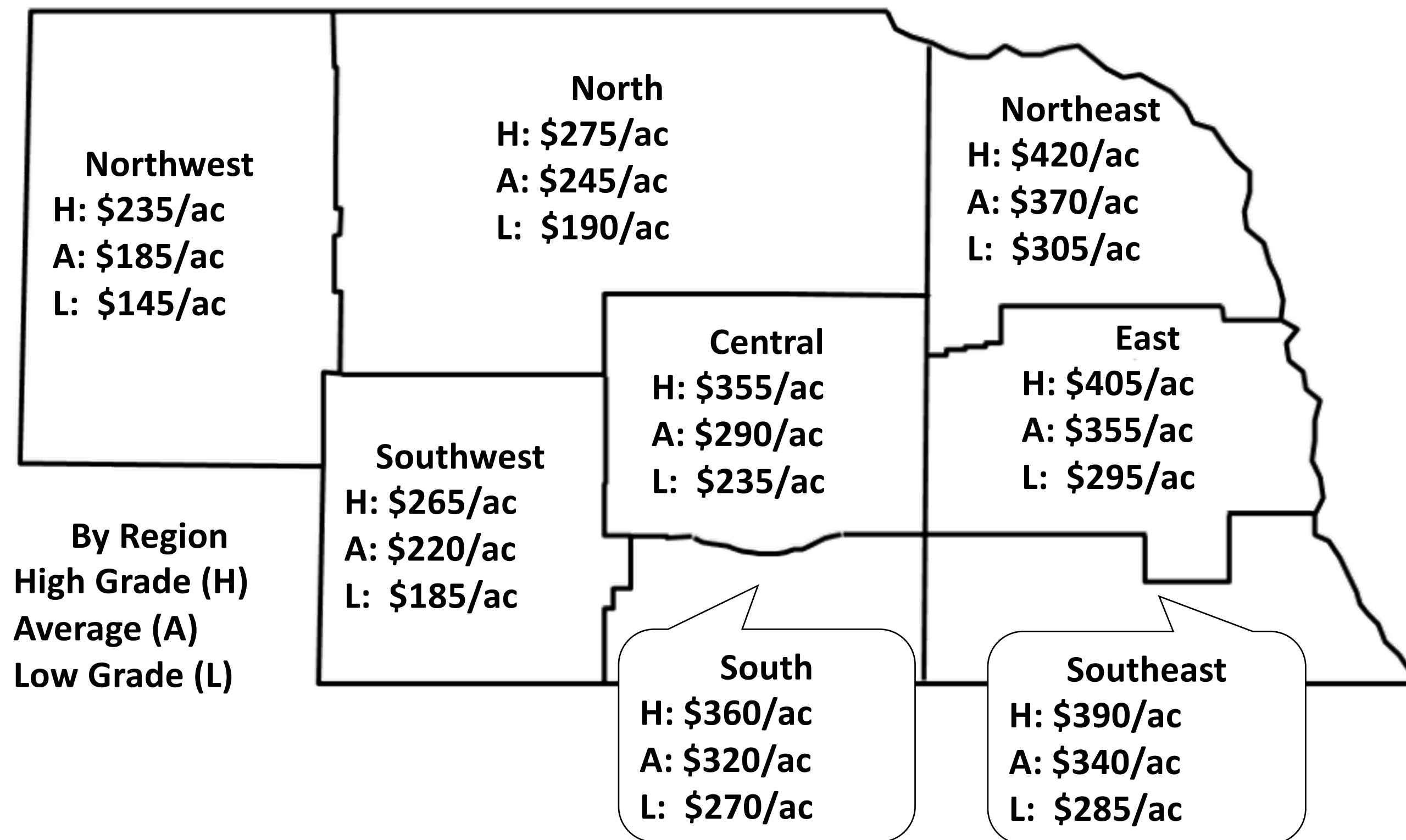
# Center Pivot Irrigated Cropland Average Rental Rates – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.



# Center Pivot Irrigated Cropland Rental Rate Ranges – 2024 Season

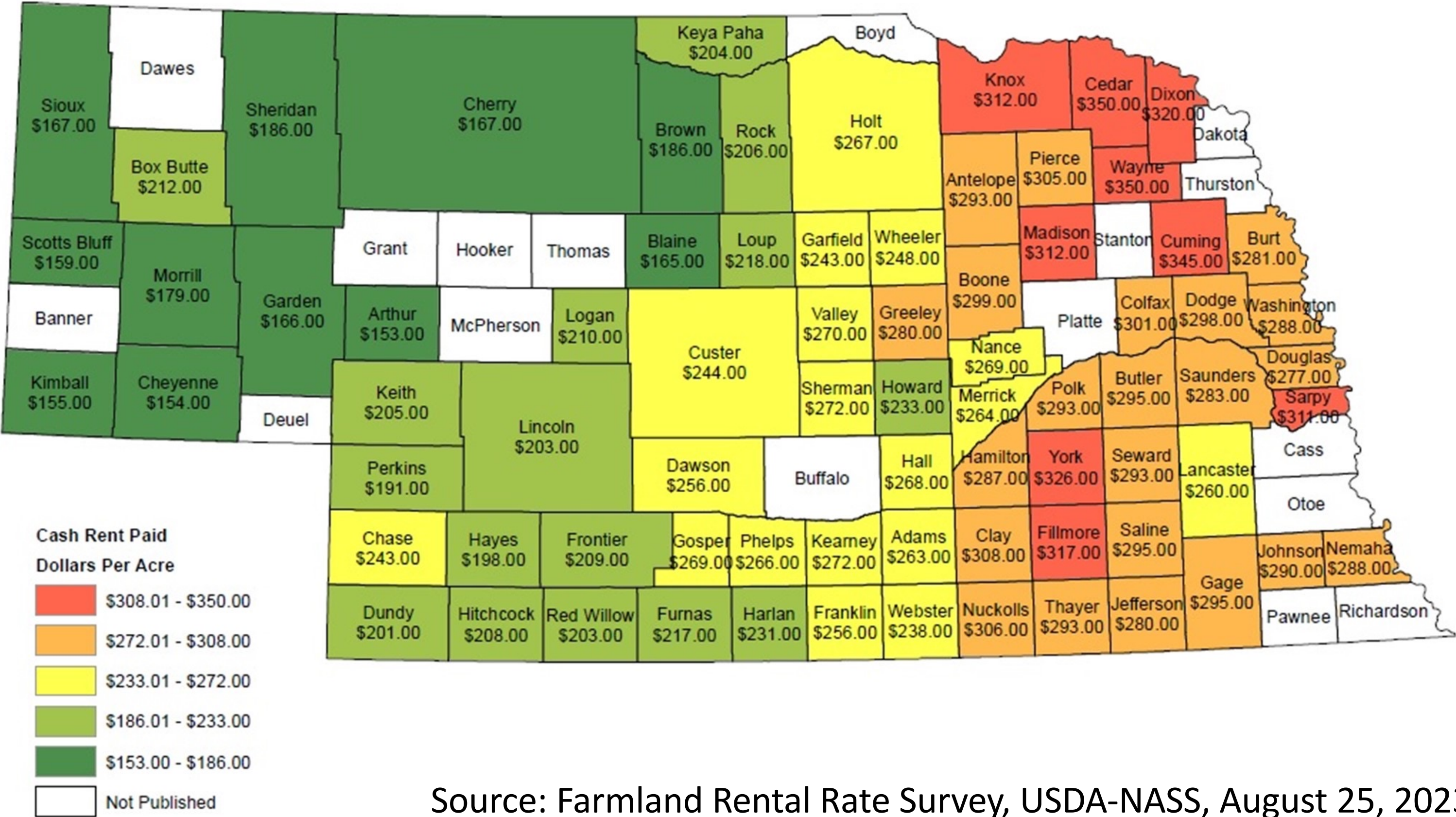


Source: Nebraska Farm Real Estate Market Development Survey, 2024.





# Irrigated Cropland Rental Rates – 2023 Season



Source: Farmland Rental Rate Survey, USDA-NASS, August 25, 2023



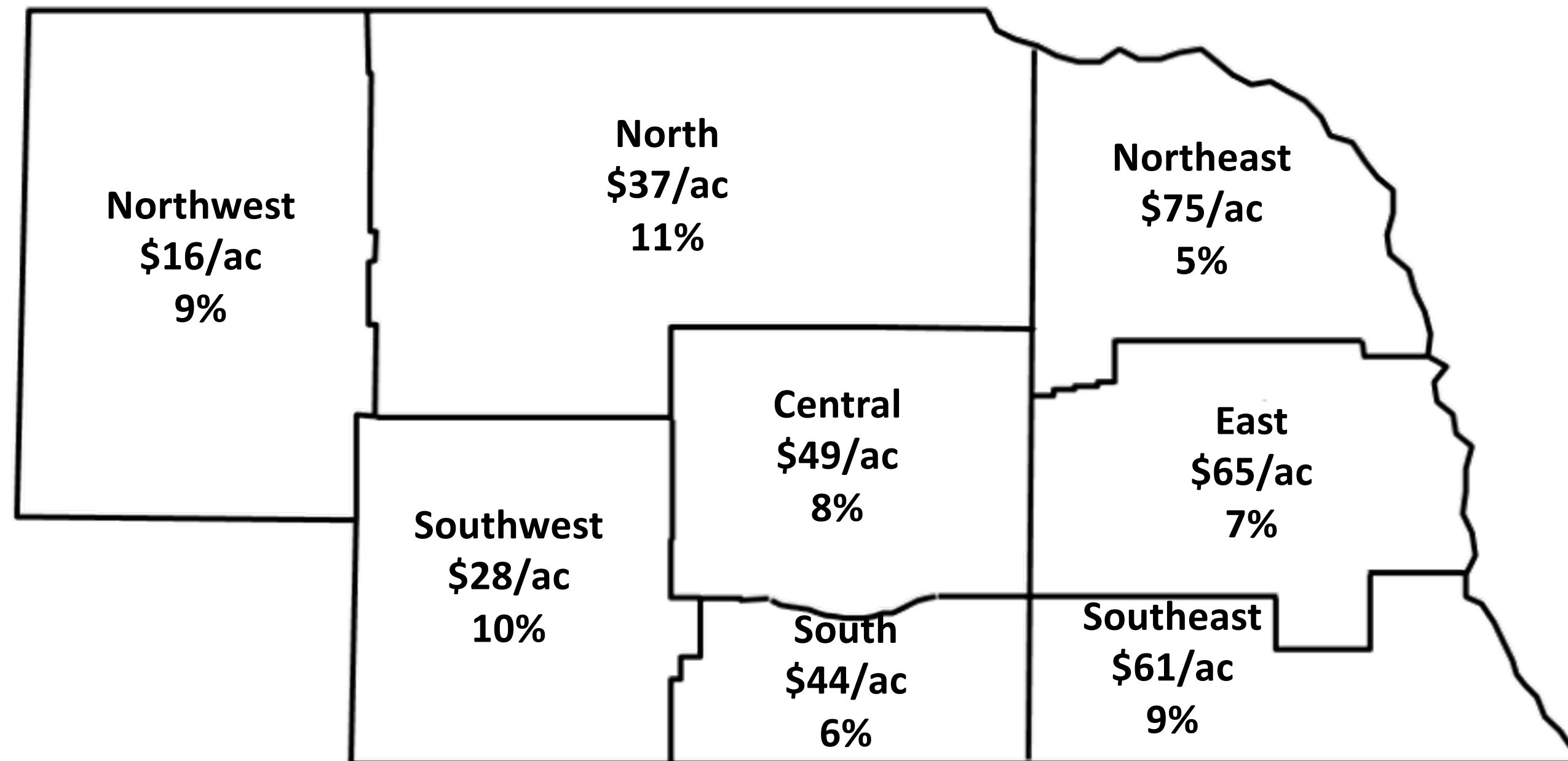
# Nebraska Cash Rental Rates

Pasture and Cow-Calf Pairs

Rental Rates



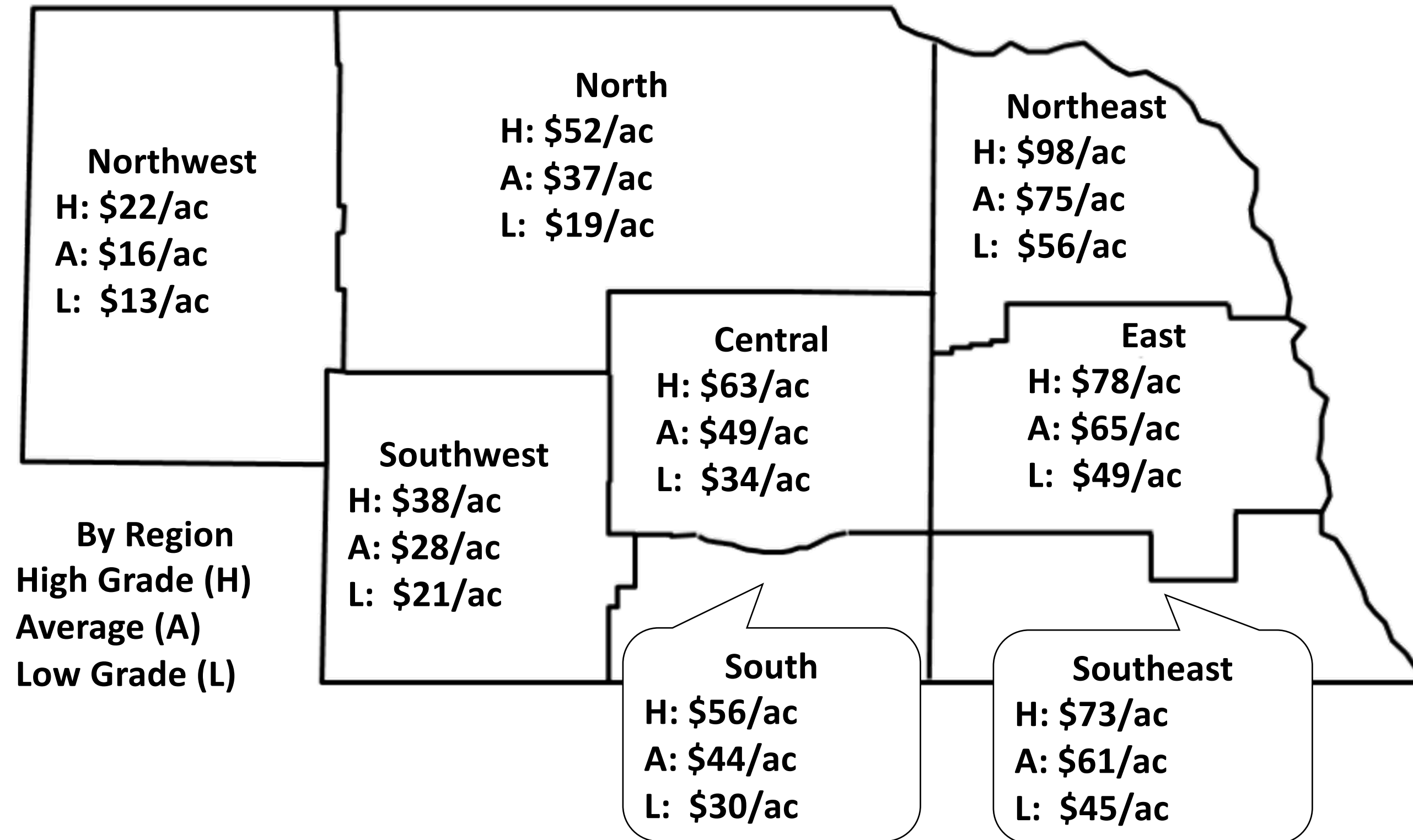
# Pasture per Acre Average Rental Rates – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.



# Pasture per Acre Rental Rate Ranges – 2024 Season

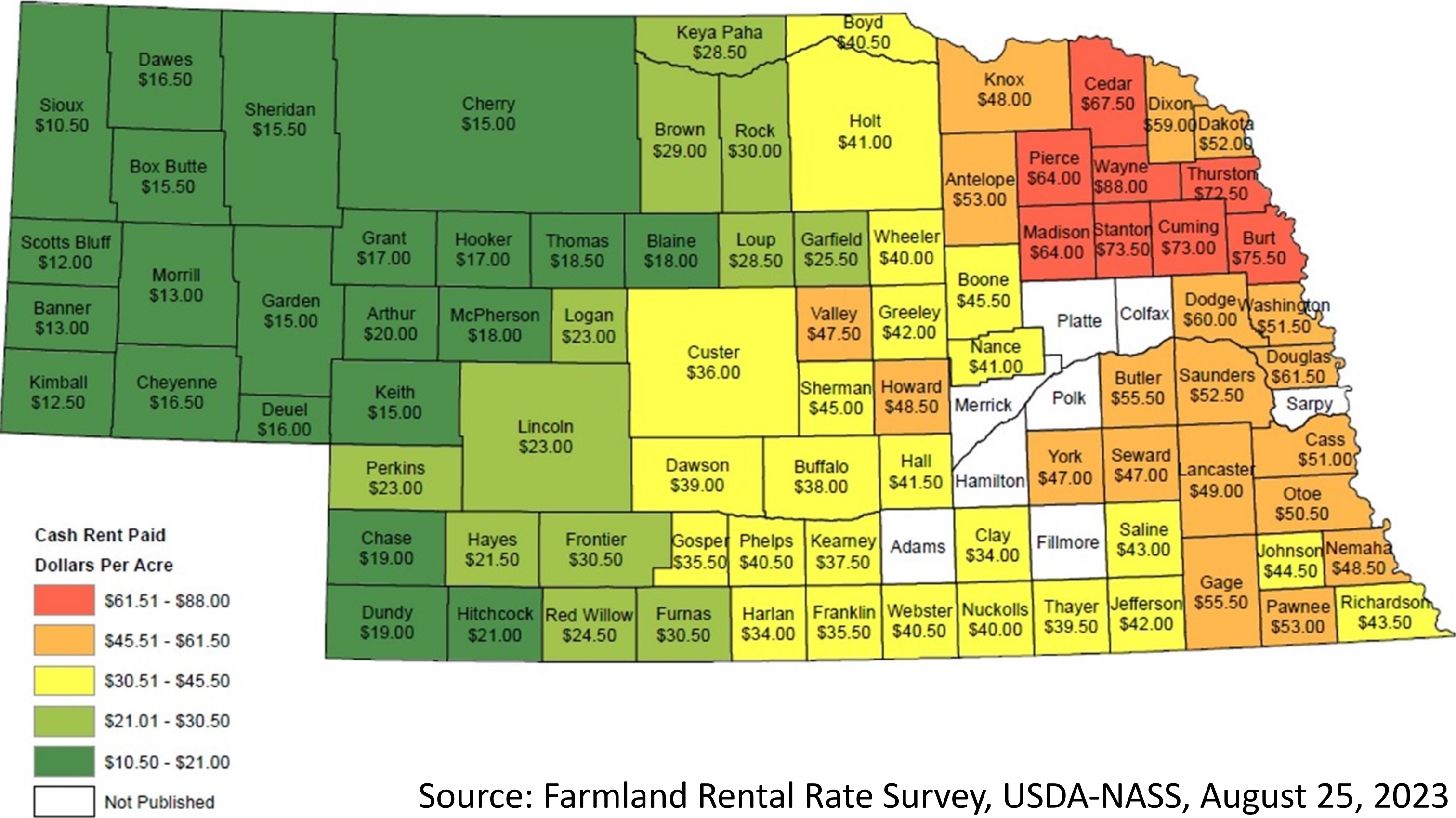


Source: Nebraska Farm Real Estate Market Development Survey, 2024.





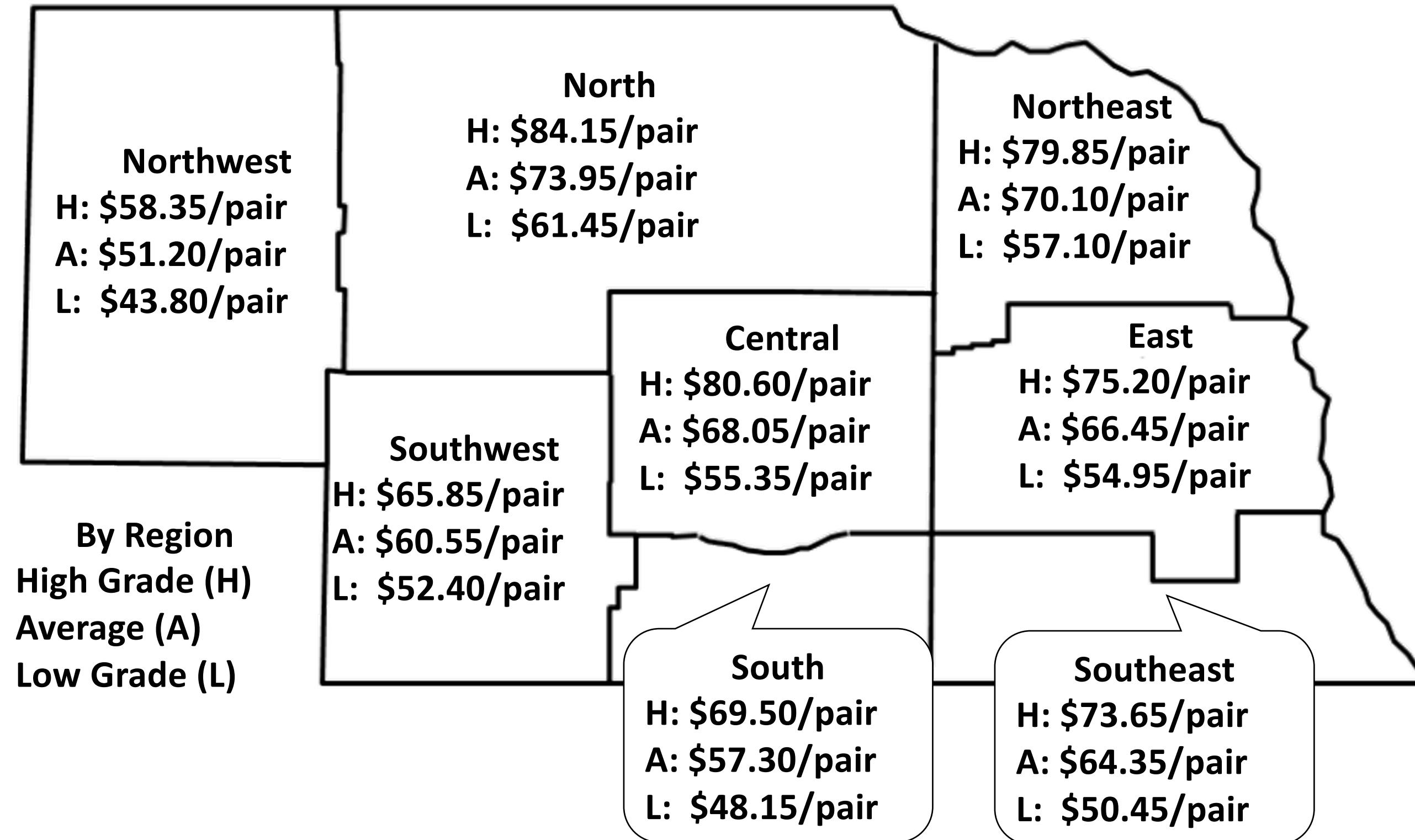
# Pasture per Acre Rental Rates – 2023 Season



Source: Farmland Rental Rate Survey, USDA-NASS, August 25, 2023



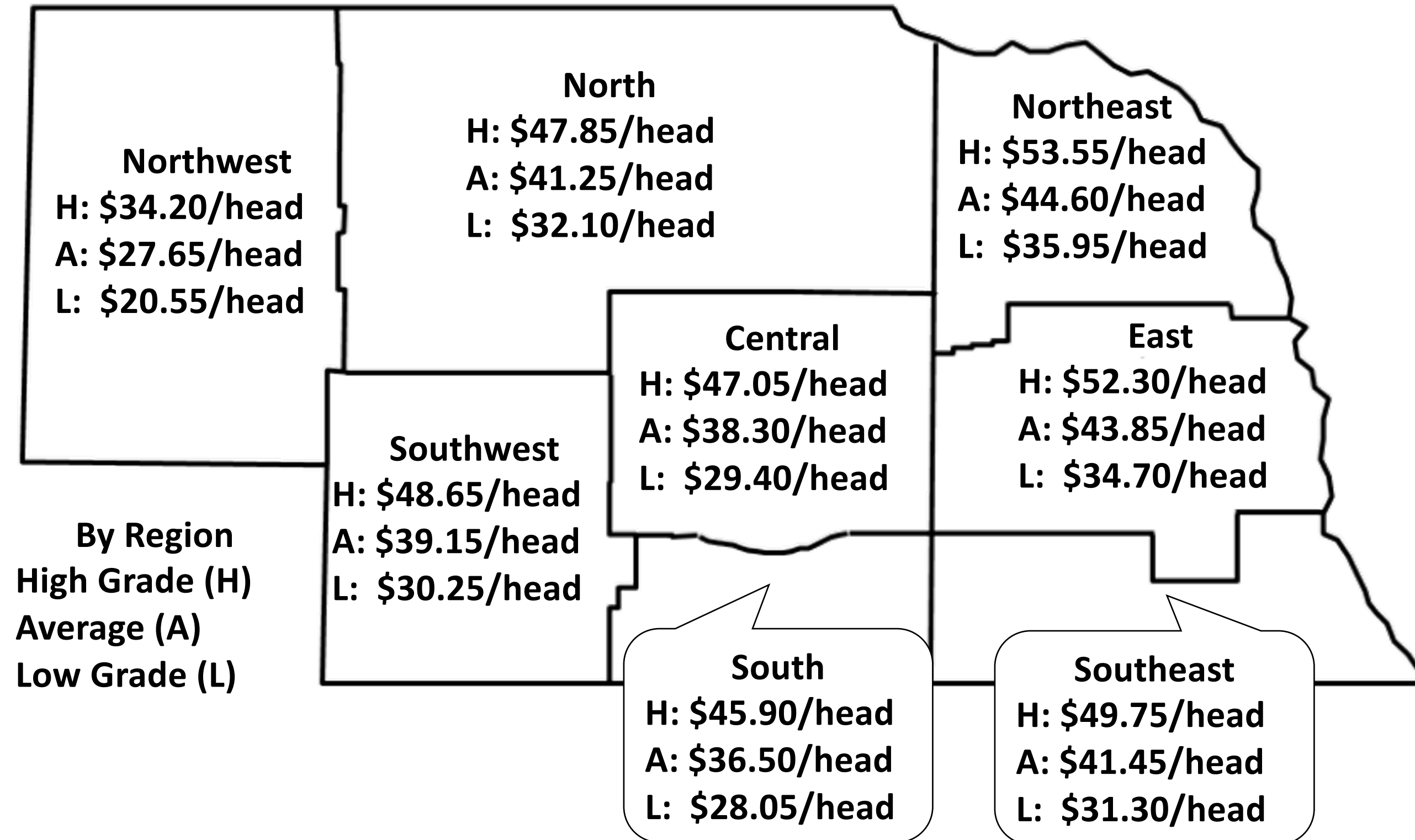
# Cow-Calf Pairs Rental Rate Ranges – 2024 Monthly



Source: Nebraska Farm Real Estate Market Development Survey, 2024.



# Stocker (500-600 lb.) Rental Rate Ranges – 2023 Monthly



Source: Nebraska Farm Real Estate Market Development Survey, 2023.



# Agricultural Farmland Leases

## Setting Cash Rental Rates



# Methods for Setting Cash Rental Rates

- Methods for estimating a cash rental rate in 2024:
  - Adjusting survey data
  - Cash equivalent from crop share
  - Return on investment



# Setting Cash Rental Rates

- Setting a cash rental rate needs to be viable given the needs of the landlord and tenant.
- Rates may be set according to:
  - Fixed amount per acre for all acres on the farm.
  - Fixed amount per cropland acre.
- Different methods may be used to calculate a rental rate, but all methods must arrive at a viable rate.

# Estimating Cash Rental Rates by Adjusting Survey Data

- Land rental rate survey data:
  - Evaluate available cash rental survey data to establish a baseline in the landlord and tenant negotiation process.
- Average yields:

County	Value	Farm	Value
County Rental Rate	\$190/ac.	County Rent/Bushel	\$1.42/bu.
Corn Yield	<u>134 bu./ac.</u>	APH Yield	<u>x 119 bu./ac.</u>
County Rent/Bushel	\$1.42/bu.	<b>Farm Level Rent</b>	<b>\$168.73/ac.</b>

# Cash Equivalent From Crop Share

- Rent paid to landlord by tenant based off owner's share of net returns per acre.
  - Example 50/50 split:

Value	Corn - March 2024	Corn - July 2024	Corn - Nov. 2024
Yield (50% share)	80 bu./ac.	80 bu./ac.	80 bu./ac.
Price/bushel	<u>x \$4.66/bu.</u>	<u>x \$5.05/bu.</u>	<u>x \$4.87/bu.</u>
Income	\$372.80/ac.	\$404.00/ac.	\$389.60/ac.
Owner Expenses*	<u>-\$185.00/ac.</u>	<u>-\$185.00/ac.</u>	<u>-\$185.00/ac.</u>
<b>Net Return to Owner (Effective Rent)</b>	<b>\$187.80/ac.</b>	<b>\$219.00/ac.</b>	<b>\$204.60/ac.</b>



# Cash Equivalent From Hay Share

- Rent paid to landlord by tenant based off owner's share of net returns per acre.
- Example 33/67 & 50/50 split:

Value	33:67 Hayland Share	50:50 Hayland Share
Yield (share)	0.5 ton/ac.	0.75 tons/ac.
Price/ton	<u>x \$180/ton</u>	<u>x \$180/ton</u>
Income	\$89.10/ac.	\$135.00/ac.
Owner Expenses*	<u>-\$0.00/ac.</u>	<u>-\$35.00/ac.</u>
<b>Net Return to Owner (Effective Rent)</b>	<b>\$89.10/ac.</b>	<b>\$100.00/ac.</b>

\*In this example, the owner does not pay any expenses for the 33/67 hay share. Also, the owner pays \$35 per acre in fertilizer expense for the 50/50 hay share.



# Return on Investment

- Multiply the estimated current market value by the expected rate of return to determine the rental rate per acre.

Farm	Dryland Cropland	Irrigated Cropland
Land Value	\$7,500/ac.	\$11,050/ac.
Rate of Return	<u>x 2.8-3.2%</u>	<u>x 3.1-3.5%</u>
<b>Rental Rate per Acre</b>	<b>\$210-\$240/ac.</b>	<b>\$343-\$387/ac.</b>

\*Estimated net rates of return by land type are available in Table 5 of the Nebraska Farm Real Estate Market Highlights Report 2022-2023.



# Return on Investment (continued)

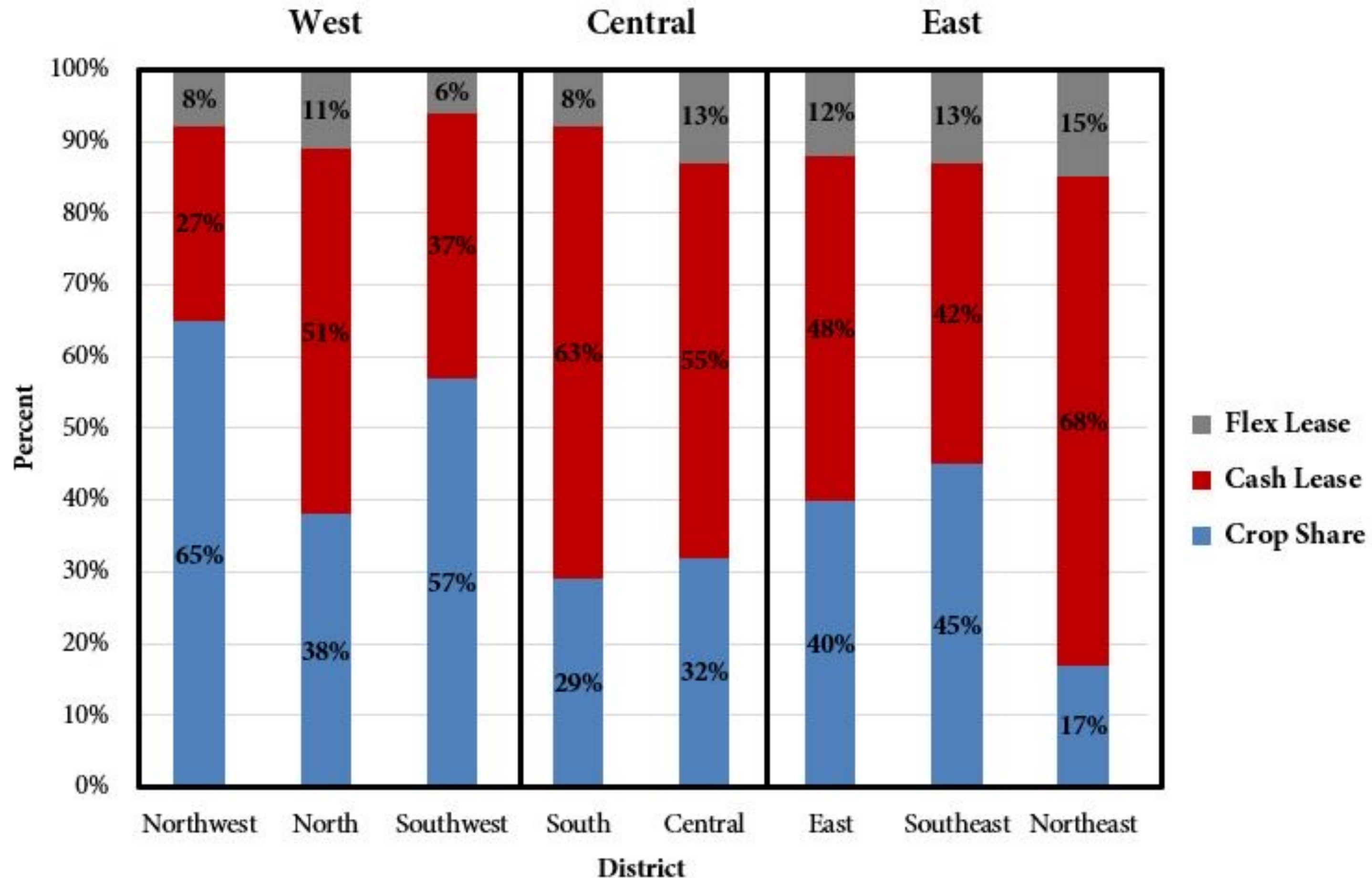
- Selecting an appropriate market value and rate of return are key to estimating reasonable rental rates.
- Nebraska Farm Real Estate Survey provides estimated annual net rates of return (returns after landownership expenses – i.e. land taxes).
- Summaries provided in the land report estimate net rates of return for irrigated cropland, dryland cropland, and grazing land.

# Agricultural Farmland Leases

## Lease Arrangement Trends



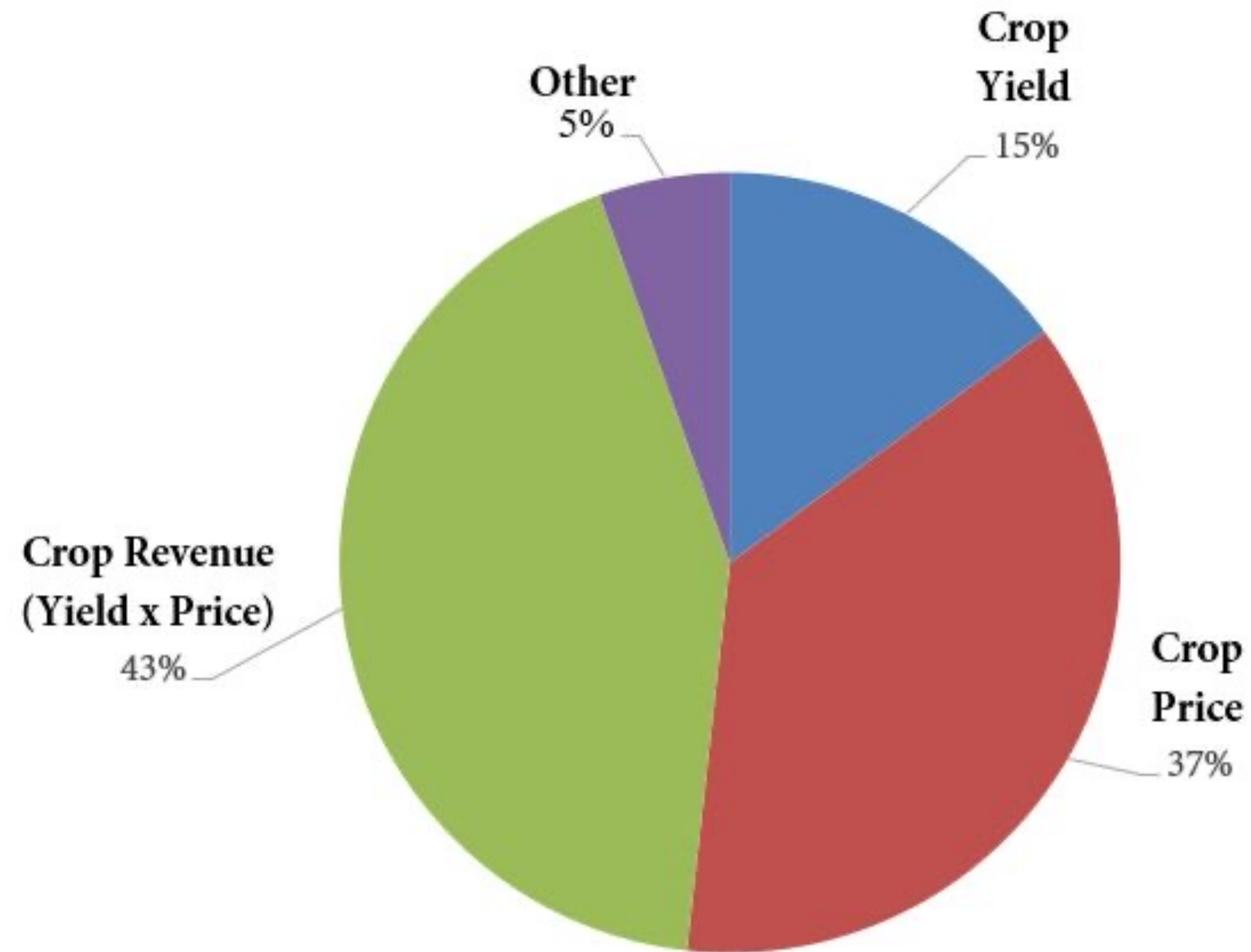
# Land Lease Rental Arrangements by Agricultural Statistics District in Nebraska for 2022



Source: Nebraska Farm Real Estate Market Development Survey, 2022.



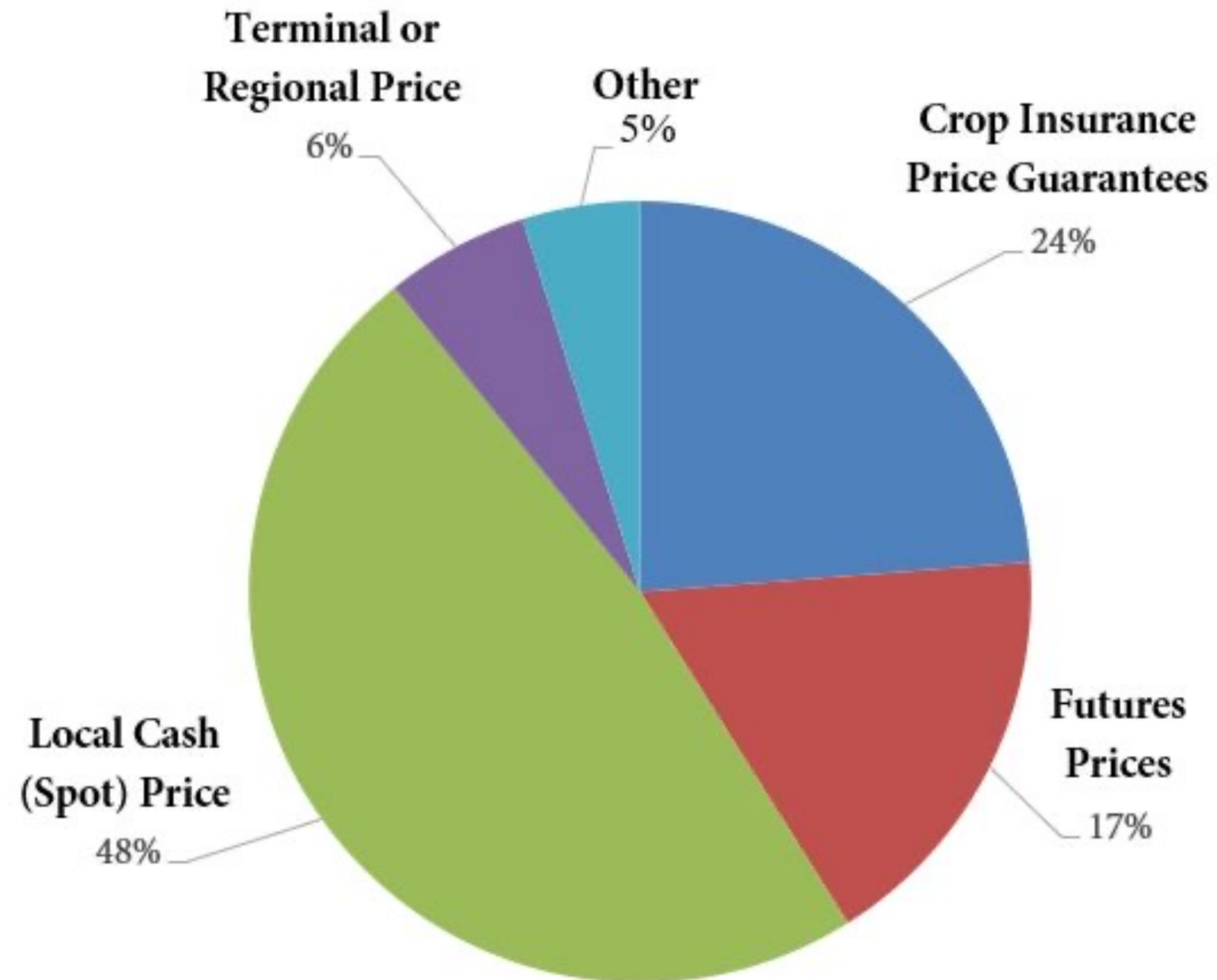
# Reported Factors for Flexing Cash Lease Payments



Source: Nebraska Farm Real Estate Market Development Survey, 2022.



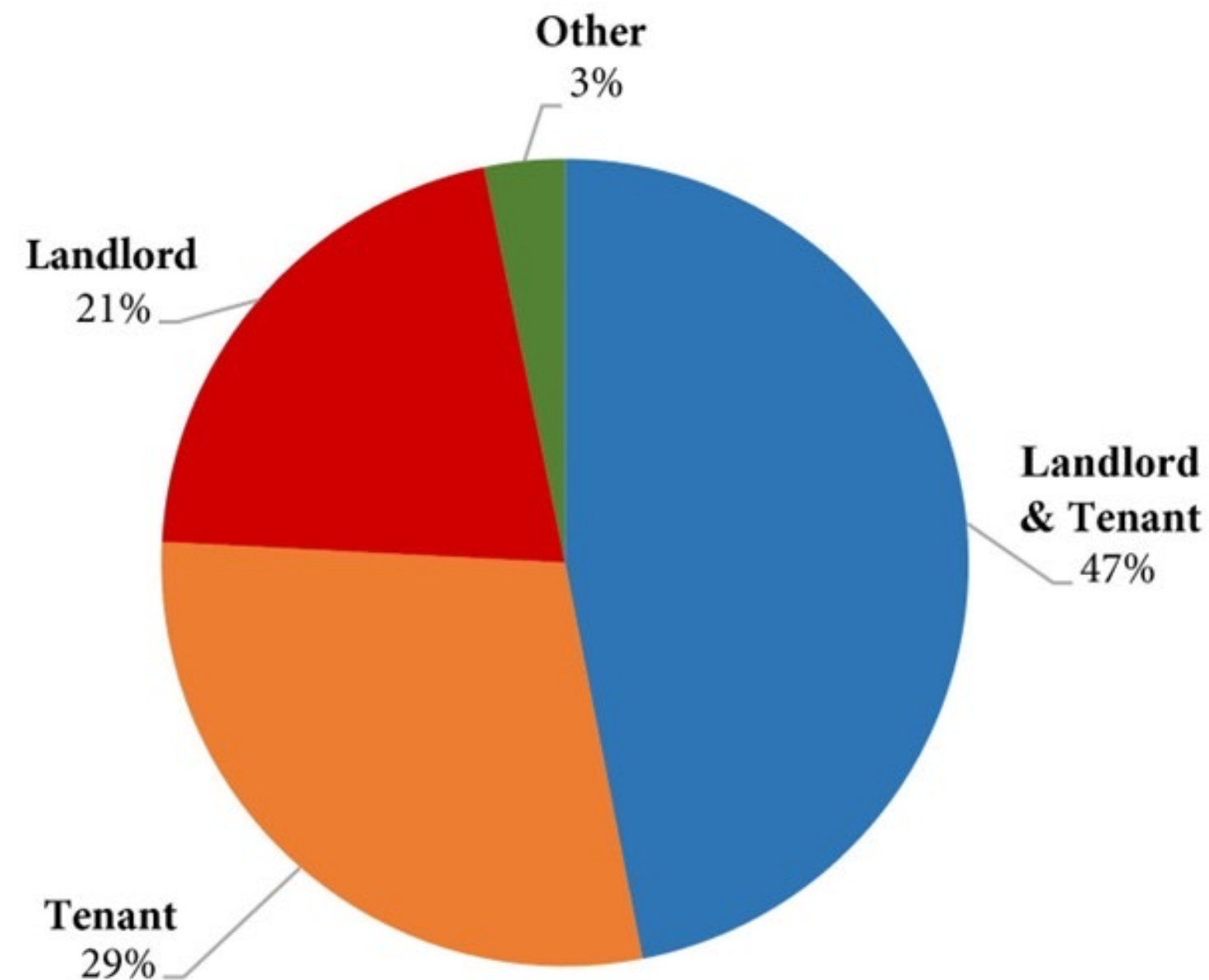
# Reported Crop Price for Flexing Cash Leases



Source: Nebraska Farm Real Estate Market Development Survey, 2022.



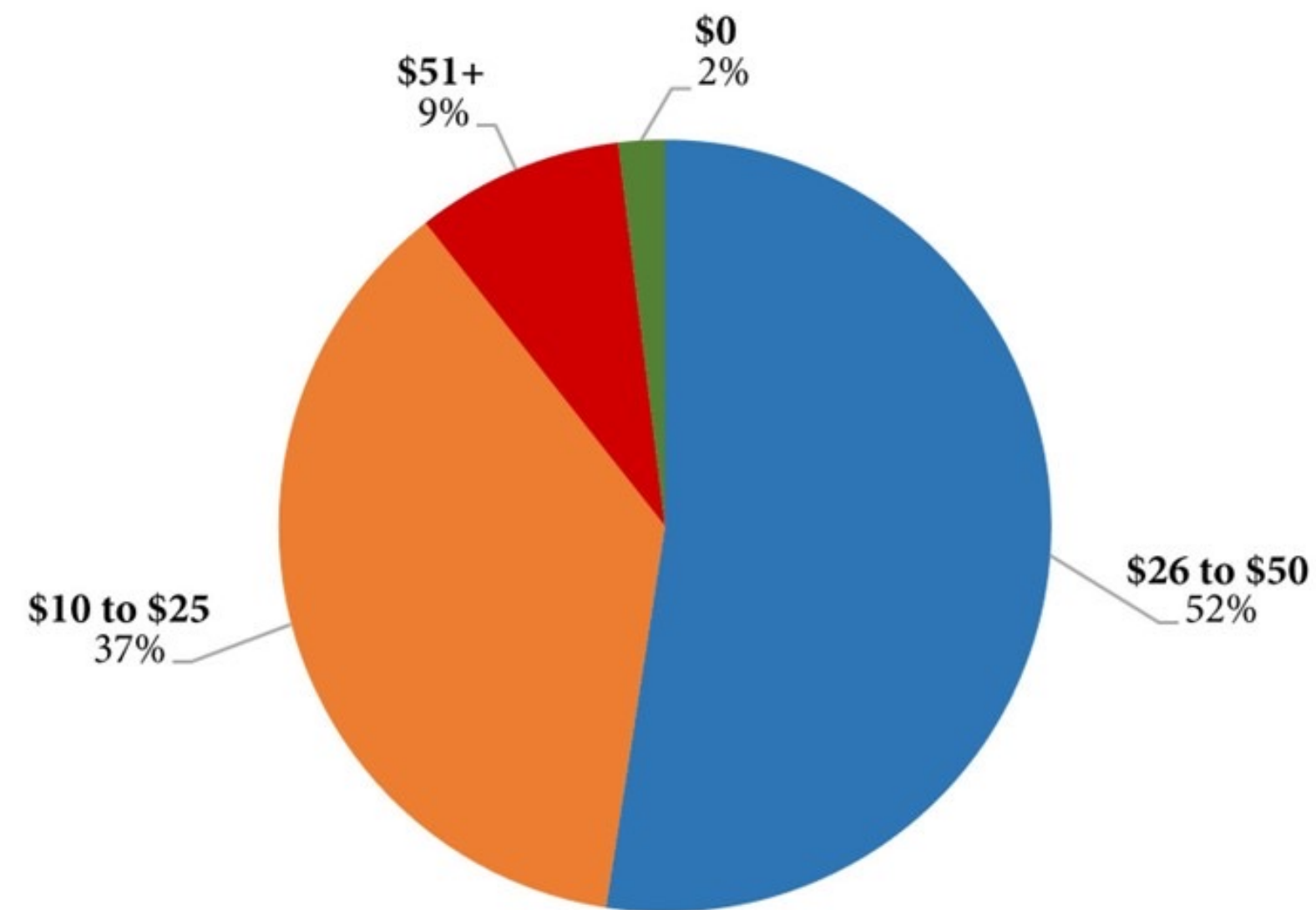
# Entity Responsible for Maintaining Irrigation System as Part of Cash Lease in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2023.



# Discount on Cash Rent per Acre When Tenant Owns Pivot for Irrigation System in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2023.





# Discount on Cash Rent per Acre When Tenant Owns Power Unit for Irrigation System in Nebraska

Power Unit	Discount per Acre			
	\$0	\$1 to \$9	\$10 to \$20	\$20+
----- Percent of Respondents -----				
System Type				
Diesel Engine	15	28	45	12
Propane or Natural Gas Engine	21	37	33	9
Electrical Motor	18	31	35	16

Source: Nebraska Farm Real Estate Market Development Survey, 2023.



# PROPER LEASE PROVISIONS



# Lease Provision - Fertility

- **Phosphorus**
  - Minimum to be left in soil at end of lease
  - Maximum that can be in soil (manure application)
  - Protect tenant with clause if large amount applied
- **Mining of soil**
  - Consider soil test at end of lease
  - Minimum nutrients left must be followed
- **Lime**
  - Typically a Landlord Expense
  - If tenant is applying – then protect with clause in lease





# Lease Provision – Soil Health & Environmental Concerns

- Fixing excessive erosion
  - Typically, a landlord's expense
- Non-crop acres
  - Who controls cedar trees and noxious weeds?
- Tillage vs. No-till considerations
- Organic vs. Non-organic production





# Lease Provision - Fertility

- If there is a pasture, who is taking care of the fencing?
- For pasture – know what happens for the Big 3 Disasters!
  - Fire, Hail, or Drought
- Hunting rights
  - Crop ground vs. pasture
  - Nebraska recreational use law





# Lease Provision – Other Items

- Corn stalks use
  - Grazing vs. harvesting as bedding
  - Removing all material (not preferable)
- Manure application
  - How often
  - Limits on P application





# For the Tenant - What to Communicate

- Force yourself to share information with the landlord
- Yes – even for cash leases!
- Timely crop updates
  - Include moisture conditions
  - Weed, disease, or insect pressures
- Consider sending as text or emails with pictures





# For the Landlord - What to Communicate

- Overall management of the farm (do you have vision or goals?)
- Specifically:
  - Weed control
  - Erosion control
  - Non-crop acre management expectations
- If using farmstead, what is the expectation for managing that asset?





# One More Thought on Leasing

- Communications should happen more often than at lease negotiation time (both landlords and tenants)
- Are the landlords “Outstanding in their fields?”
  - If the landlord lives close enough – several trips per growing season should be made



# Leasing Considerations

- How is the tenant helping you?
  - Maintaining terraces and waterways
  - Controlling noxious weeds
  - Maintaining fences
  - Maintaining the irrigation system
- If the tenant is helping with these landlord expenses – the rent (especially cash rent) should be adjusted

# WRITTEN LEASES AND LEASE PROVISIONS





# Lease Provision - General

- Have all leases in writing
  - If verbal – end that – get it in writing!
  - In Nebraska – verbal leases for farmland end BY September 1
  - Not the same for pasture
- 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)








# Fillable PDF Leases – AgLease101.org

Ag Lease 101 [Home](#) [Document Library](#) [About Ag Lease 101](#)







## Ag Lease 101

Click Document Library

### Lease Publications

-  [Fixed and Flexible Cash Rental Arrangements for Your Farm](#)  
(NCFMEC-01)
-  [Crop Share Rental Arrangements For Your Farm](#)  
(NCFMEC-02)
-  [Pasture Rental Arrangements For Your Farm](#)  
(NCFMEC-03)
-  [Rental Agreements For Farm Buildings and Livestock Facilities](#)  
(NCFMEC-04)
-  [Purchasing and Leasing Farm Equipment](#)  
(NCFMEC-05)
-  [Beef Cow Rental Arrangements For Your Farm](#)  
(NCFMEC-06)
-  [Farm Building Rental Rate Survey](#)  
(NCFMEC-07)

### Lease Forms

-  [Cash Farm Lease](#)  
(NCFMEC-01A)
-  [Crop Share Farm Lease Cash Farm Lease Cash Farm Lease](#)  
(NCFMEC-02A)
-  [Pasture Lease](#)  
(NCFMEC-03A)
-  [Farm Building or Livestock Facility Lease](#)  
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-  [Farm Machinery Lease for Non-commercial Transactions](#)  
(NCFMEC-05A)
-  [Livestock Rental Lease](#)  
(NCFMEC-06A)

Lease Publications

Fillable PDF Forms



# Nebraska Land Link: <https://cap.unl.edu/landlink>

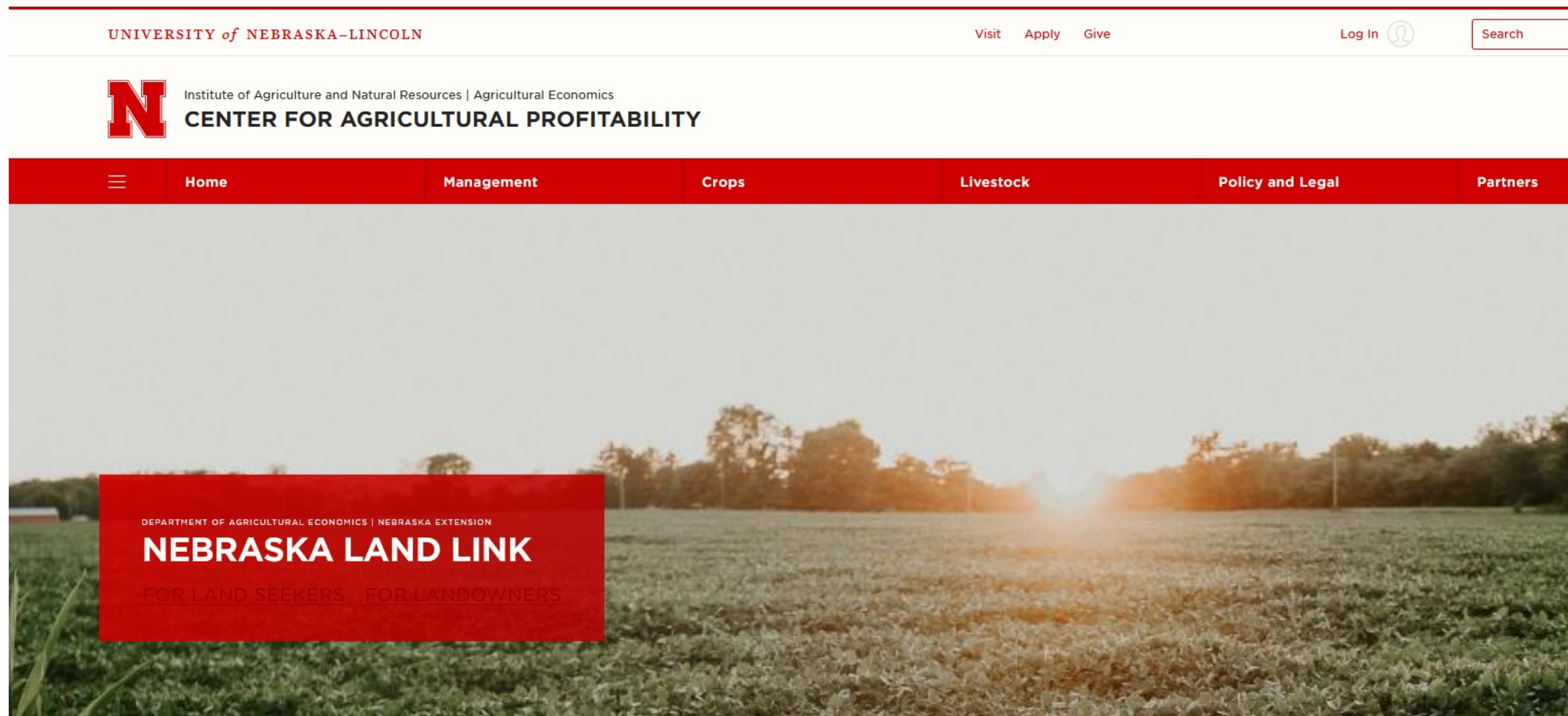
- Started February 1, 2021
- Problem – two-fold
  - Land seekers don't have access to land so they can farm/ranch
  - Older generation does not have succession path (their children are not farming/ranching)
- Matches Land Seekers with Landowners
- Applications will be used with both groups
- All applications will be reviewed – follow-up phone interviews will be completed
  - Possible land seeker matches will be shared with landowners to decide who they want to interview





# Nebraska Land Link: <https://cap.unl.edu/landlink>

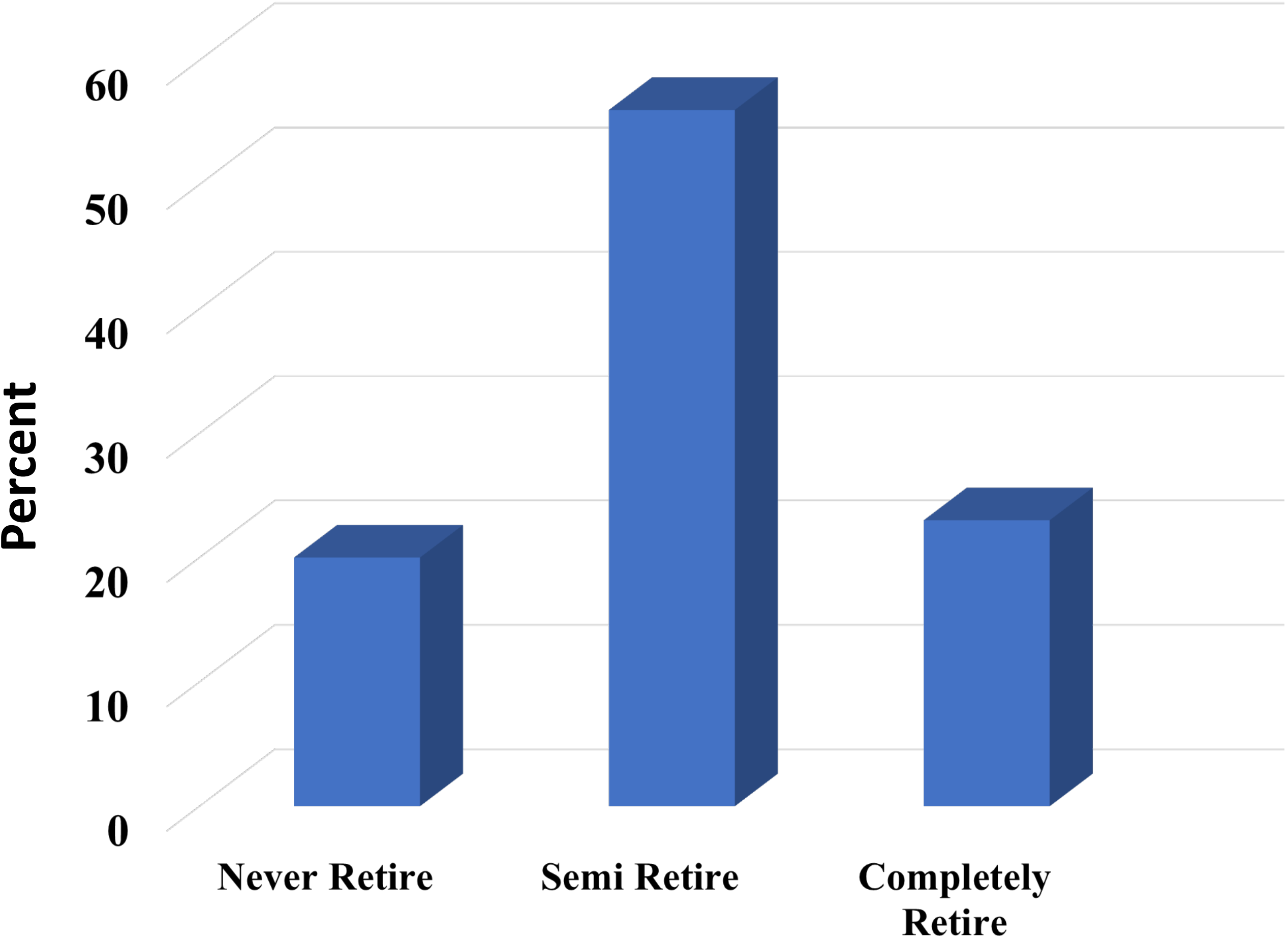
- Online information and application is at this website



# COMMENTS ON FARM & RANCH SUCCESSION



# Retirement Plans for Iowa Farmers (2019)





# Procrastinating on Farm or Ranch Succession

- About 50% of operations do not have succession plans or they are out of date!
- Farmers really do not ever plan to retire
- Producers may have a hard time giving up control and do not have a lot of other plans for retirement
- Newer equipment makes farming easier to continue in older age

# Procrastinating on Farm or Ranch Succession

- Producers may NOT be planning to retire.
- However, the lesson must center on the ideas:
  - No one avoids the pine box.
  - What happens to material possessions when you are gone?

# Estate Planning

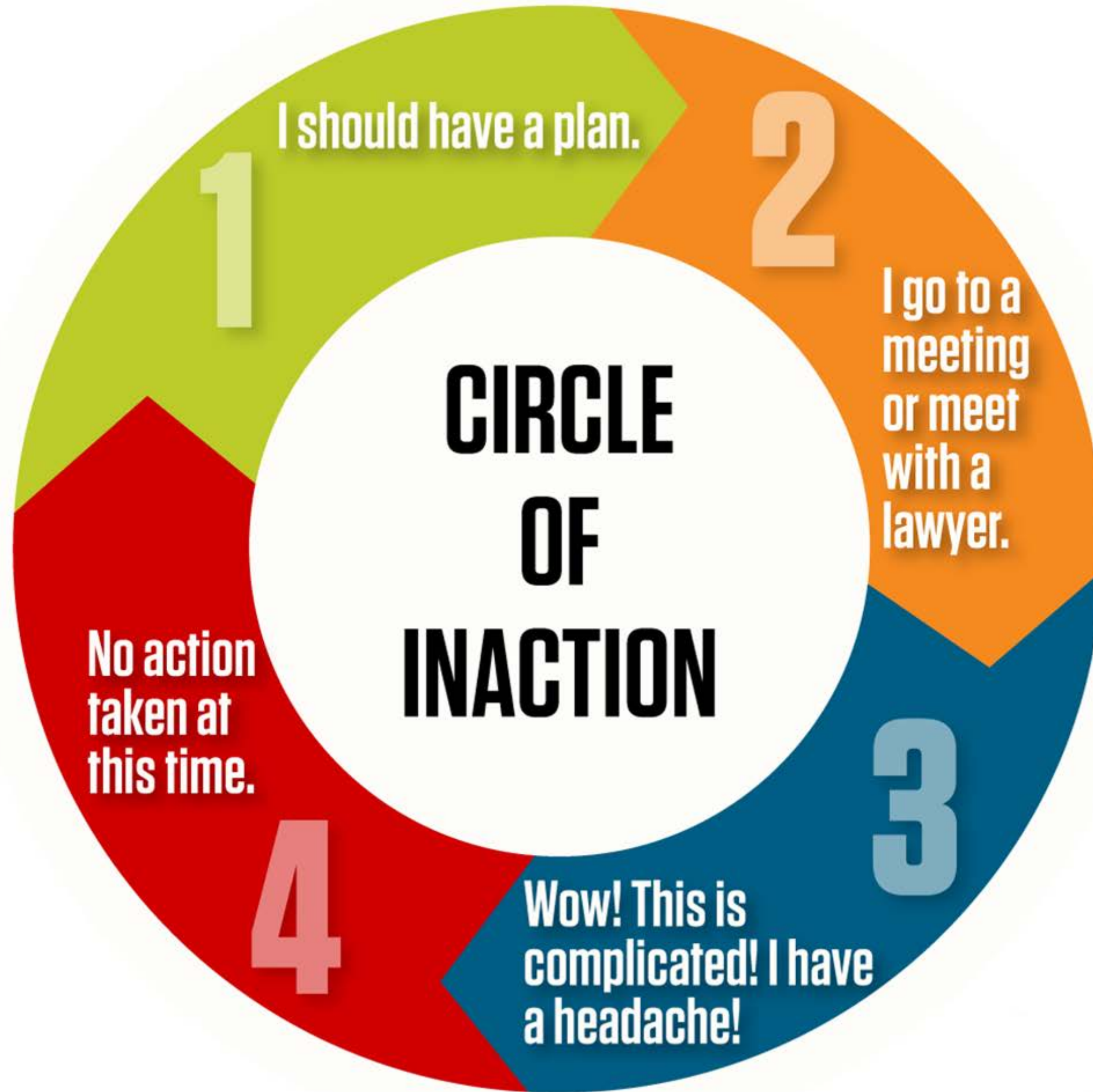
“..many farm families experience significant difficulty in discussing the future of the family farm. More often than not, planning... tends to be deferred until some critical life event occurs which forces the family to address the matter.” Kaine, et al, *Succession and Inheritance on Australian Family Farms*, TRDC Pub. #198, The Rural Development Centre, U. of New England, Armidale, NSW



# Why do we not plan?

- Too Complicated (we assume)
- Don't like to Plan
  - It is mental 'work'
- Facing our own Mortality
  - Some just don't want to think about death
- **We are afraid that if we do something, it will be wrong (in the future)**







# Steps for Ideal Planning/Succession/Transition

**Step One: What do you have? (write down inventory)**



**Step Two: Family meets (Get Input: who is in, who is out?)**



**Step Three: Ideally, here is our plan!**



**Step Four: Professional puts the right tools in place**



**Succession plan developed/signed – Congratulations!**



**Review periodically and/or as your situation changes**



# So – the Lesson is Please Have a plan!

- Having no plan leads to chaos in many situations
- Causes greed among family members
- Splits families
- See the next video – monkeys!

# Test of Fairness - Emotions

Capuchin monkey fairness experiment

Watch later Share

0:01 / 0:58

CC Settings YouTube

The image shows a YouTube video player interface. At the top left, there is a profile picture icon and the text "Capuchin monkey fairness experiment". At the top right, there are icons for "Watch later" and "Share". The main area of the player is black, indicating the video content is not visible. At the bottom left, there are playback controls: a pause button, a volume icon, and a progress bar showing "0:01 / 0:58". At the bottom right, there are icons for closed captions (CC), settings (gear), the YouTube logo, and a full-screen button.



# Upcoming Webinar: *Ag Land Mgt. Quarterly* Mon. May 20, 2024 at 12:00 PM CT

## Topics

- Trends in Nebraska cash rental rates
  - Trends in Nebraska cash rental rates for 2024
  - Financial implications for changing commodity prices and adjusting cash rents
- Proper communication and decision-making for agricultural land
  - Improving communication between landlords, tenants, and family members
  - Short- and long-term decision-making for agricultural land
- Ask an expert
  - Review of submitted questions
  - Upcoming land management workshops and publications



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# So You've Inherited a Farm, Now What?

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