

Groom your kids to be better farmers

The seeds of successful succession are sown early.

If you want a youngster to be an even better farmer that you are, be a good role model from day one

If you dream of passing your farm on to a son or daughter, don't just dream. Grooming successors takes years. Waiting until they grow up is an invitation for trouble. The best time to begin laying the foundation for succession is soon after a child's birth.

Those first 15 to 20 years of life are critical. That's when values, attitudes, and goals are determined, explains B.C. ag. ministry farm management specialist Lorne Owen. If you want a smooth transition of your business to the next generation, you must spark and nurture children's interest in farming from toddlerhood on.

Kids are like sponges. They form opinions about farming as a great (or miserable) career at the dinner table, down at the barn, and out in the workshop.

They'll get turned off if they constantly see and hear that the hours are too long; working conditions rotten; yields and prices lousy; governments too greedy and interfering; and income never enough for nice clothes, appliances, or a decent holiday.

Against that backdrop, a secure and well-paying 9-to-5 job in town looks pretty attractive, says Owen, who organized a series of family business communication workshops

this past winter under the Canada/B.C. Farm Business Management Program.

The best way to make farming look inviting as an occupation is to set a happy example. Enjoy what you do — or at least appear to, even when the burden gets a little heavy. Let the kids see how much satisfaction you get from life.

Don't dwell on the negative. Talk about the contentment you feel from working the soil, raising livestock, and harvesting a crop. Talk about the great people you meet — the sales rep. who helped fix the tractor, the accountant who computerized the books for free, the banker who overlooked a late pay-

A clean financial break smoothes farm transfer

Expecting a monthly living allowance from your kids is an invitation for trouble. Here's a better deal: the children have a smaller farm, and parents are financially independent

Handing over the family farm to the next generation is one of the hardest things you'll ever have to do. And it's tougher still if you haven't saved enough money to support yourselves comfortably in retirement.

Many an otherwise excellent succession plan founders on the shoals of inadequate retirement savings. If mom and dad aren't financially secure, the whole succession process is like a house of cards — vulnerable to collapse.

A successful farm transfer from one generation to the next demands all strings be cut. That means parents don't rely on their children or the farm for money. When they hand over the farm, they should have enough money to support themselves for the rest of their lives, says B.C. ag. ministry farm management specialist Lorne Owen.

Children must be confident of parents' financial security if they are to truly take over a farm and run it to the best of their ability. They need to

know that neither their financial decisions, management performance, nor mistakes will jeopardize their parents' lifestyle.

Insufficient retirement savings puts pressure on parents, on children, and on the relationship between them, says Owen. Instead of enjoying retirement, parents tend to hover over those now running the farm to make sure they aren't expanding too quickly or making changes the parents feel are too risky.

The target of this unwelcome attention feels hemmed in by overly-conservative parents. "They don't trust me," is a common complaint. There's also the stress of being under the gun to make extra money for the parents.


Ideally, parents should have enough financial security that all their children have to do is "look after goose that lays the golden egg," says Herb Van Der Ende, co-owner of

ment. Talk about the satisfaction of negotiating a good deal, getting top price at an auction, paying off a debt, making a profit. Talk about the benefits of working for yourself with no boss looking over your shoulder. Talk about the quality of life — financial and emotional — that you enjoy as a farmer.

Don't go overboard. Paint a bright but realistic picture. Farming is as challenging as it is rewarding. Talk about handling adversity, juggling priorities, working through crises. Talk about the importance of having a business plan, a marketing strategy, and the ability to manage money and risk.

Remember, too, the human side of farming. Talk about the importance of sitting down as a family or a team of employees to discuss goals and work out ways to achieve them. Talk about co-operation, reaching decisions everyone's comfortable with, calming hurt feelings, negotiation, and leadership.

Because attitudes and behavior patterns are laid down early, parents hoping to pass a farm along to the next generation need to decide early on what values and skills will help the kids farm successfully. Then, conscientiously and carefully, you need to set



Tell your kids about the financial and emotional rewards of farming — the satisfaction of negotiating a good deal, paying off debt, making a profit, being your own boss

about instilling those traits, says Owen.

Ambition and a good work ethic, prudent financial management, and tenacity are attributes many think their successors should possess. Innovativeness, an understanding of world affairs, self-reliance, marketing skills, and a willingness to change are the essential attributes for the future.

The time-worn teaching techniques of example and experience remain the best methods for imparting values and teaching skills.


You must model the values you

want your children to adopt, says Owen. You must also create opportunities for your children to learn firsthand the skills they'll need to manage a farm in the next century. Chores and special projects teach children responsibility, resourcefulness, and work habits that will serve them a lifetime.

By giving your kids a chance to get involved and make a meaningful contribution to the farm, you also boost their self-confidence.

Of all the values that you strive to instill in your children, says Owen, a healthy sense of themselves, their worth, and their capability is one of the most critical. In the competitive marketplace of tomorrow, self-confidence will be a key to success.

Perhaps most important, you also need to teach your children how to live a balanced lifestyle. If family and personal goals always take a back seat to business, if profits are all plowed back into the farm at the expense of summer holidays and weekend outings, farming won't be an attractive career option, says Owen.

Actions speak louder than words. In between farming and teaching children the values and skills they'll need to follow successfully in your footsteps, take time out to have fun. 

Burnaby Lake Greenhouses in British Columbia. Like their father, the 3 Van Der Ende brothers each have business interests separate from the family's potted plant operation.

The idea is that these enterprises will provide them with sufficient income to allow the next generation a free hand in running the greenhouse business.

Saving enough money to become independently wealthy is difficult, acknowledges Van Der Ende. It's the age-old conundrum of entrepreneurship. "To remain efficient, and competitive in the world marketplace, you have to keep reinvesting in your business."

But while saving money for retirement is difficult when you're struggling to keep the farm afloat, it's not impossible. The secret is to start early.

In his book, *The Wealthy Barber*, David Chilton encourages people to "pay themselves first". He recom-


mends putting aside 10% of take-home pay — into a retirement savings plan, life insurance plan, another business venture, or other assets that will appreciate or provide retirement income.

For farmers inclined to pour every penny back into their farms, that's good advice. Children are far better off with a slightly smaller farm but no parents to look after, than with a big farm and the onerous responsibility of their parents' welfare, says Owen, who organized a series of family business communication workshops this past winter under the Canada/B.C. Farm Business Management Program*.

You're not making enough money to set some aside? Then re-evaluate what you're doing. If, to pass on the farm, either you or your children would have to make a big sacrifice, drastic changes may be required.

When it comes to managing

money and planning for the future, it's important to set the kind of example you want your children to follow, says Owen. You can hardly expect them to manage money and the farm with a view to the future if you don't.

Being truly committed to ensuring that your family farm endures for future generations means taking a little bit of money out of it now and investing it wisely in something else. Only then can your successors be sure of taking over without a millstone of financial responsibilities around their necks. 

**The Canada/B.C. Farm Business Management Program is jointly funded by Agriculture and Agri-food Canada and the B.C. Ministry of Agriculture, Fisheries and Food. Its purpose is to help farmers improve their business management skills, international competitiveness, profitability, self-reliance, and long-term sustainability.*