



# Farm Transfer Action Plan





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- Record the decisions that were made during the negotiations
- Identify documents to finalize and execute

American Farmland Trust developed the Farm Transfer Toolkit and Action Plan with support from the USDA Natural Resources Conservation Service as part of its Land Transfer Navigators program. To learn more about the Land Transfer Navigators program visit: <https://farmland.org/land-transfer-navigators>

FRONT COVER PHOTOS: TOP LEFT BY USDA, ALL OTHERS BY SHAWN LINEHAN. BACK COVER: SHAWN LINEHAN.



## Introduction

The Farm Transfer Action Plan is a resource for agricultural landowners to help you get and stay organized. It also may be useful for your advisors and other key stakeholders like family members and incoming producers. It encourages clear communication and supports making decisions and taking actions.

The plan builds on the [Farm Transfer Toolkit](#) so we recommend reviewing the toolkit first. Check out the resources and use the worksheets to collect information, practice skills and prepare to work on your transfer action plan.

### How It's Organized

The plan is organized into five sections that draw on toolkit content but present the information in a different order. This encourages you to integrate key concepts, like communicating effectively, and to apply what you learn. We reference specific toolkit tabs and resources throughout the plan to connect you to more information if you need it.

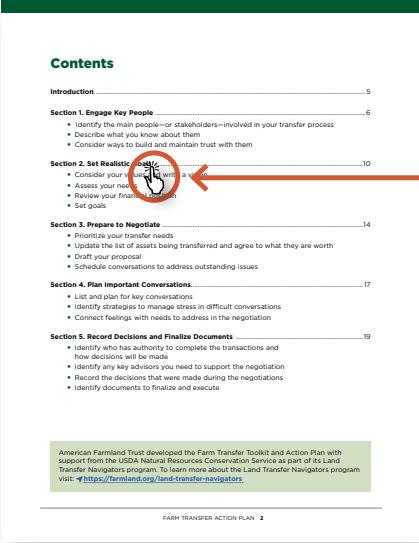
- Section 1 asks you to identify the main people involved in your transfer process and to list actions to take to build and sustain trust with them.
- Section 2 encourages you to take stock of where you are and clarify what you want to achieve through the transfer.
- Section 3 supports drafting a proposal that addresses your needs.
- Section 4 helps you plan important conversations and develop strategies to manage stress.
- Section 5 prepares you to finalize discussions and negotiate final terms.

## How to Use It

The transfer process is not linear. Still, it makes sense to start at the beginning of this plan and fill in what you can. Tackle one section at a time. You will likely go back and forth between the toolkit and the plan as you move through the process.

Use the plan to guide conversations, collect and keep track of information, and make final decisions. If it is easier, you can opt to print out the plan, toolkit, and related resources if you prefer hard copies! Or, you can choose to work online. When filling out worksheets or the plan, just be sure to save copy!

Until you have transferred all your assets, revisit your plan on a regular basis. You may need to revise it, especially after major life events. It is a good idea to check in with your advisors to help you stay on track.



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FARM TRANSFER ACTION PLAN 2

To navigate easily through this plan, use the bookmarked Contents page. Clicking on any entry will take you to the relevant section.

For quick links to the relevant sections of the Toolkit, use the underlined blue links marked with a web cursor:



Review the materials in the **Getting Started** Tab to help you work through this section.



FARM TRANSFER ACTION PLAN 4



SHAWN LINEHAN

## Section 1. Engage Key People

The transfer process can take a long time and involve many people. This section is designed to make it easy to keep track of them and to help you communicate with them.

In this section, you will:

- Identify the main people—or stakeholders—involved in your transfer process
- Describe what you know about them
- Consider ways to build and maintain trust with them

Review the materials in the [Getting Started Tab](#) to help you work through this section.

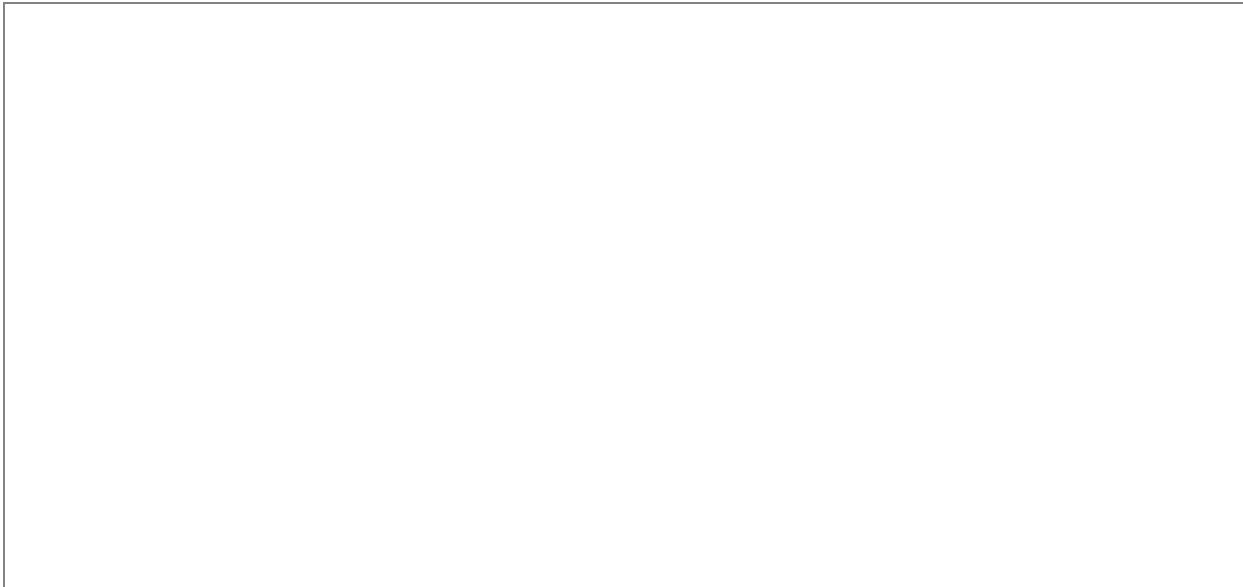
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1. Many people may have an interest—or stake—in your transfer. Use the table on the next page to keep track of important stakeholders, their role or interest in the transfer, and their contact information. Build on your list from the [Stakeholder Worksheet](#) on the [Getting Started Tab](#) potentially including family members, incoming producer(s), business partner(s), tenants, and employees. You may also include other people like neighbors and vendors even if they do not have a direct role in the transfer.

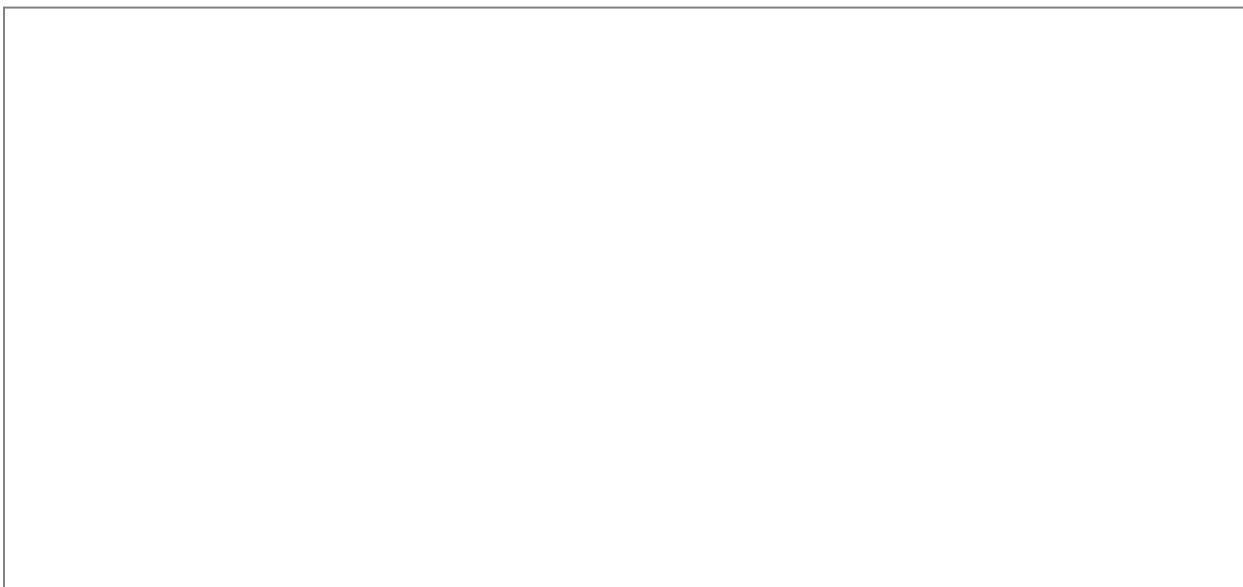
Use the table below to keep track of important stakeholders, their role or interest in the transfer, and their contact information.

Stakeholder Name	Role in the Transfer	Contact Information

2. Use the space below to describe what you know about your most important stakeholders that could help you communicate with them throughout the transfer process. Review the **Communicating Across Generations Information Sheet** and **Communication Skills Information Sheet** in the [\*\*→ Navigate the Process Tab\*\*](#). Consider your relationship with them, their cultural/generational/personality characteristics, and their communication style or preferences. If there are things you don't know but would like to find out, note those, too.



3. Shared understanding helps build trust. Review the information in the [\*\*→ Navigate the Process Tab\*\*](#) and the **Cultivate Trust Worksheet**. Describe actions you plan to take to build and sustain trust with the stakeholders you describe in Question 2.



4. In the **Getting Started Tab** review the **Build Your Team Information Sheet**. List the name, role, and contact information for **key advisors** involved in your transfer—e.g. your accountant, attorney, financial advisor, etc.

Name	Expertise	When to engage them	Contact Information



**CHECKPOINT:** Is there anything you need to find out, or questions you need to ask your stakeholders or advisors? If so, identify it as a topic for discussion in [Question 15](#).



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## Section 2. Set Realistic Goals

In this section, you will take stock of where you are and what you want to achieve through the transfer. You will do the following:

- Consider your values and write a vision
- Assess your needs
- Review your financial position
- Set goals

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5. Your values, vision and dreams guide the transfer planning process and inform your goals. Review the **Vision, Values and Goals Worksheet** and the **Values Information Sheet**, from the [Getting Started Tab](#). Summarize your values and vision into a paragraph or two to keep you focused on the big picture when you communicate with stakeholders.

6. During the transfer process, you will need to explain what you are trying to accomplish and why to various audiences and in different ways. Pick out the highlights in your **Prepare to Tell Your Story Worksheet** from the [► Navigate the Process Tab](#) and draft a paragraph or two to describe important things you would like to share, such as the history of your farm or ranch, what it means to you, current farming practices, and any hopes you have for its future.

7. Many transfer plans address transfer of land and other tangible assets, transfer of farm or ranch business management, and intangible assets like knowledge, management experience, or community relationships. Use the **Goal Ranking Worksheet** from the [► Getting Started Tab](#) to summarize your goals in the space below.



**CHECKPOINT:** When you described your values, vision, and goals did any feelings crop up? If so, refer to the **Needs Assessment Worksheet** from the [► Getting Started Tab](#) to ensure your goals address your deeper personal needs. If you want to share information with the other party, identify it as a topic for discussion in [Question 15](#).

8. Review the **Asset Inventory Worksheet** in the **Getting Started Tab**. List the main assets you will bring to the transfer to help you achieve your vision and goals. Include tangible assets like land and cash, and intangible assets like customer lists and vendor relationships.

Tangible	Intangible

9. Estimate your net worth. Review the **Balance Sheet Worksheet** in the **Assess Your Finances Tab** to determine the difference between what you own and what you owe.

10. Use the **Budget Worksheet** and **Understanding and Estimating Health Care Expenses Workbook** in the [Assess Your Finances Tab](#) to assess future financial needs.

Enter the amount needed from the sale of assets to support future living expenses:

What other assets are available to cover/support future expenses?

Enter the amount you have available to cover transaction costs and advisors:

11. Now you have assessed your assets and basic financial position, revisit your goals. In the [Getting Started Tab](#), review the **SMART Goals Information Sheet** and **SMART Goals Worksheet**. Use the **Needs Assessment Worksheet** to make sure your feelings and needs are addressed. Now choose your top three goals to make as “SMART” as possible.

1.

2.

3.



**CHECKPOINT:** As you prepare to discuss the terms of the transfer, consider sharing your values, vision and goals, as well as financial and other information. Confirm that the incoming producer has sufficient funds to complete the transfer, including acquisition of assets and any transaction costs. Flag any topics to discuss in [Question 15](#).



PRESTON KERES/USDA

## Section 3. Prepare to Negotiate

**N**egotiation is a strategic discussion intended to reach agreement. Successful negotiations are based on trust, involve give and take, and rely on clear communication. In this section, you will:

- Prioritize your transfer needs
- Update the list of assets being transferred and agree to what they are worth
- Draft your proposal
- Schedule conversations to address outstanding issues

12. Building on your work from the previous section, determine your bottom line. Review the **Needs Assessment Worksheet** from the [Getting Started Tab](#), and the **Prepare to Negotiate Worksheet** from the [Finalize Decisions Tab](#). Fill out this chart to show which needs are essential, which are negotiable, and which you can let go.

Non-Negotiables Needs (Must have)	Negotiable Needs (Would like these)	Very Negotiable Needs (Could get by without these)

13. Review your **Financial Assets Inventory Worksheet** from the [Assess Your Finances Tab](#) and update the list below to identify the assets being transferred and what you think they are worth. Be prepared to document your estimates of asset value. Indicate when agreement was reached or steps needed to reach agreement.

Asset Description (E.g. acres of land, types of infrastructure, etc.)	Your Estimate of Value	Other Party's Estimate of Value	Steps to Reach Agreement	Date Agreement Reached
Land:				
Buildings:				
Equipment:				
Crops/Orchards/Livestock:				
Intangible Business assets (e.g. customer list):				
Housing:				
Other:				
Other:				

14. Finalize your proposal. Review the **Transfer Tools Information Sheet** from the **Choose Your Tools Tab** and **Prepare to Negotiate Worksheet** from the **Finalize Decisions Tab**. Consult with your advisors as needed to outline key elements and details in the space below.

15. Summarize where you think there is alignment between your proposal and their needs.



**CHECKPOINT:** If there are places where you suspect misalignment or you haven't reached agreement, note them in Question 15. If you can't agree on terms to meet your non-negotiable needs, be prepared to walk away.



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## Section 4. Plan Important Conversations

**N**ow it is time to follow up on the conversations you identified at the checkpoints. In this section you will:

- List and plan for key conversations
- Identify strategies to manage stress in difficult conversations
- Connect feelings with needs to address in the negotiation

16. Use this table to list any conversations you need to have, who you need to have them with and when you need to have them. Prepare for these conversations by outlining key talking points and reviewing the **Communication Skills Information Sheet** from the [Navigate the Process Tab](#).

Issue to Discuss	with whom	Timeline	Key Talking Points

Continue listing conversations you need to have.

Issue to Discuss	with whom	Timeline	Key Talking Points

17. If you anticipate that any of the conversations identified in Question 16 will be difficult or stressful, describe different ways to help stay focused and calm. Refer to the information under the Manage Stress heading from the [\*\*► Navigate the Process Tab.\*\*](#)

18. Review the **Needs Assessment Worksheet** from the [\*\*► Getting Started Tab\*\*](#) to identify your feelings and needs. Then write a one or two sentence statement that connects your feelings with a need you plan to address during the negotiation.



LANCE CHEUNG/USDA

## Section 5. Record Decisions and Finalize Documents

**N**ow it is time to finalize discussions and negotiate final terms. In this section you will

- Identify who has authority to complete the transactions and how decisions will be made
- Identify any key advisors you need to support the negotiation
- Record the decisions that were made during the negotiations
- Identify documents to finalize and execute

19. For both sides of the negotiation, who has authority to complete transactions?

Name(s):

Name(s):

20. If multiple people are involved, describe how decisions will be made—e.g., whole family or group discusses, and one person decides versus consensus or majority rule.

21. Identify key advisors from Question 4 to bring to the negotiation.

22. Agree on a time and place to finalize terms and execute legal documents to move things forward.

Place:

Date and Time:



23. Refer to the **Asset Transfer Information Sheet** and use the table below to record final decisions about the value of assets, and how and when they will be transferred.

Asset Description	Agreed to Value	Date Agreement was Reached	Means of Transfer (gift, sale, inheritance, lease)	Timeline for Transfer (or agreed upon schedule)
Land				
Buildings				
Equipment				
Crops/Orchards/Livestock				
Housing				
Farm/Ranch Business				
Other				

24. From the list below, indicate documents needed and steps to finalize them.

Appraisal	Health Care Proxy	Property Survey
Balance Sheet (recent)	Health Insurance Policy	Purchase and Sale Agreement
Budget	Job Descriptions	Property Tax Assessments
Business Structure	Land Records/History	Retirement Accounts
Buy Sell Agreement	Lease Agreement	Soil Maps
Cash Flow Statement	Life Insurance Policy	Standard Operating
Clear Property Title	Living Will	Agreement (SOP)
Cost Estimates of Transfer	Long Term Care Insurance	Transfer on Death
Credit Report	Management Agreement	Trust Documents
Family Tree	Household Budget	Will
Gifting Schedule	Power of Attorney	

Document Needed	Document Purpose	Who will Prepare	Steps and Date to Complete



**CHECKPOINT:** Ensure you include documents to address your deeper personal needs including future financial security and health care. Review the **Health Care Information Sheet** from the [Choose Your Tools Tab](#) and **Budget Worksheet** from the [Assess Your Finances Tab](#) to inform your decisions.

Congratulations! The hard work is done. Going forward, be sure to follow through on your decisions. Full implementation can take time especially if you are transferring your business or if you are transferring any assets as part of your estate. Use space below to identify outstanding steps to fully implement your plan.



**CHECKPOINT:** Revisit your plan on a regular basis as you may need to revise it, especially after major life events. Check in with your advisors to help you stay on track.



## Notes



  
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