

## Shifting and Transitioning

In less than five years, your farm will be very different from what it is today.

Will your operation make it to 2050? More importantly, do you want it to be here for another generation? Planning for sustainability means staying on top of the big factors affecting individual business and way of life, things like technology, industry consolidation, and others. We are in the beginning of a mass exodus of key players from farming — some operations will experience succession, and other operations will fold. Is your farm or ranch one of the nearly 60% of farms that will see a leadership change of some kind?

As many as 80% of farmers surveyed in 2018 by K-COE, a management and accounting consulting firm, said they wanted their business to outlive them, yet many growers facing retirement tell me that they don't believe that their next generation is prepared to take over. While savvy farmers have already implemented sound, measured succession plans outlining details of ownership, partnership, and estate planning — certainly essentials for the future — these tools don't go far enough. People need to be aware of trends, take advantage of available technology and make progressive

choices about how to adapt. Failure to prepare the next generation to manage a business that will look very different from yours is like not feeding livestock — they'll get behind and be unable to catch up and could even die.

Stereotypically, younger growers may have a better handle on technology adoption. But another critical aspect of the aging agriculture population is land management. Older growers own or manage a huge portion of the farm ground in production. *Agripulse.com* reported that during the 10-20-year period ending in the 2030s, at least 370 million acres of agricultural lands will change hands. This number matches closely with the United States Department of Agriculture's (USDA) estimates that farmers older than 65 control a lot of ground today — about 320 million acres, more than one-third of U.S. agricultural land. If you're considering retirement, you'll have plenty of company. The USDA further estimates that between now and approximately 2030, 500,000 farmers will retire or otherwise be out of business.

Yes, the impact of so many ag producers leaving the industry will be widespread, but this shift gives the

next generation a turn to come into leadership and to run the business the way they believe it will perform best.

### Changing technology, data and online landscape

We all know the impact of the internet-enabled world will be magnified immensely for the next generation of leaders. An uptick in the option to work remotely is already occurring, enabling farmers to use professionals who don't even work at the farm to aid in farming itself. And virtual reality may allow for business consulting and even equipment repairs (yes, seriously) via the internet. Farm leaders going forward will need a better understanding of the value of data generated from monitoring and tracking systems on the farm and with livestock — and the sensitivity not to share this information too carelessly with the multitude of vendors offering the latest free software or a gadget to collect it. You'll need to become more selective with whom you work to protect your important data assets.

Technology use also becomes a personnel management issue. How is your current expertise with public

relations and crisis communications? For most operations, these skills will need brushing up. Today, employee use of social media during work hours is not only a safety issue when operating equipment but also a serious concern when a thoughtless social post piques the interest of People for the Ethical Treatment of Animals or the local news. Going forward, farming will require managers who are trained and capable of building social media use policies and handling data breaches.

### Time for a solution

Thinking about these big shifts often leaves people feeling overwhelmed, even if the change presents an exciting opportunity, but your operation's sustainability depends on your understanding of these shifts and your preparedness to meet the changes. There is some exciting news here — opportunity exists. It's a silver lining, if you will, or the chance to capitalize on these inevitable changes in a way that can benefit your farm or ranch for the next generation. **HW**

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