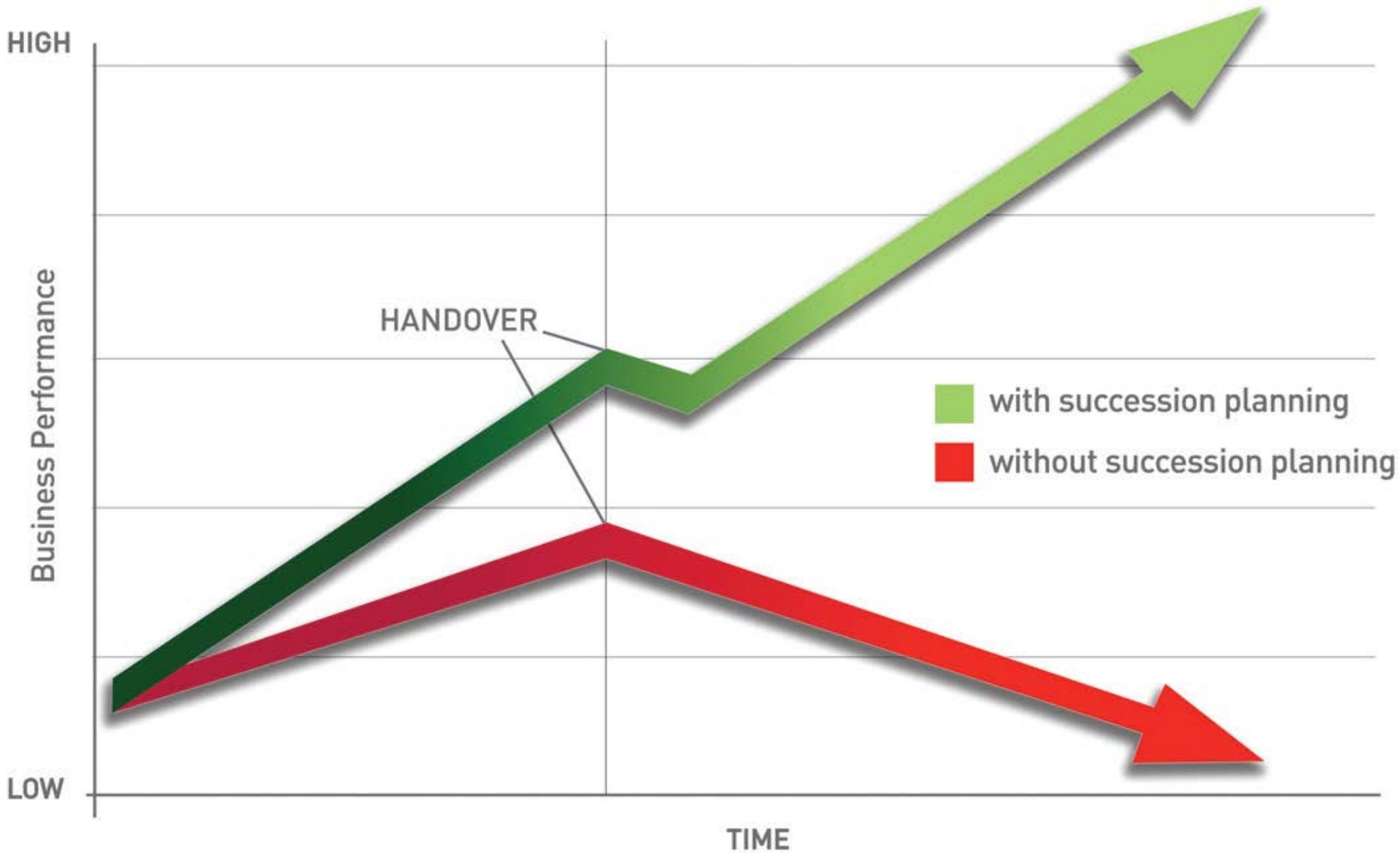


International Perspectives on Farm Transitions

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Passing the baton





Getting it wrong



The importance of families

- ‘Familiness’: unique bundle of ‘resources’ resulting from interaction of family & business.
- Generally thought to offer competitive advantage to family firms, where vision and commitment to the business are deeply embedded in family history.
- ‘Emotional ownership’: idea that the business is, in some sense, part of who you are as a person.
- ‘Family capital’ – commitment & participation of family members.





The *Farmtransfers* Project

- Confirm the elements of farm succession plans.
- Establish whether or not there is an identifiable career ladder in farm business succession.
- Compare patterns of succession in the participating Countries, States, Provinces and/or Territories.
- Determine educational needs of farm business owners regarding succession.
- Create a data archive that is available to research collaborators.

Farmtransfers 1991-2017

1991 England

1993 France

1997 Canada

1997 England

2000 Iowa

2001 Japan

2001 Virginia

2003 Germany

2003 Poland

2003 Switzerland

2003 Austria

2004 California

2004 Australia

2005 Pennsylvania & New Jersey

2006 Iowa

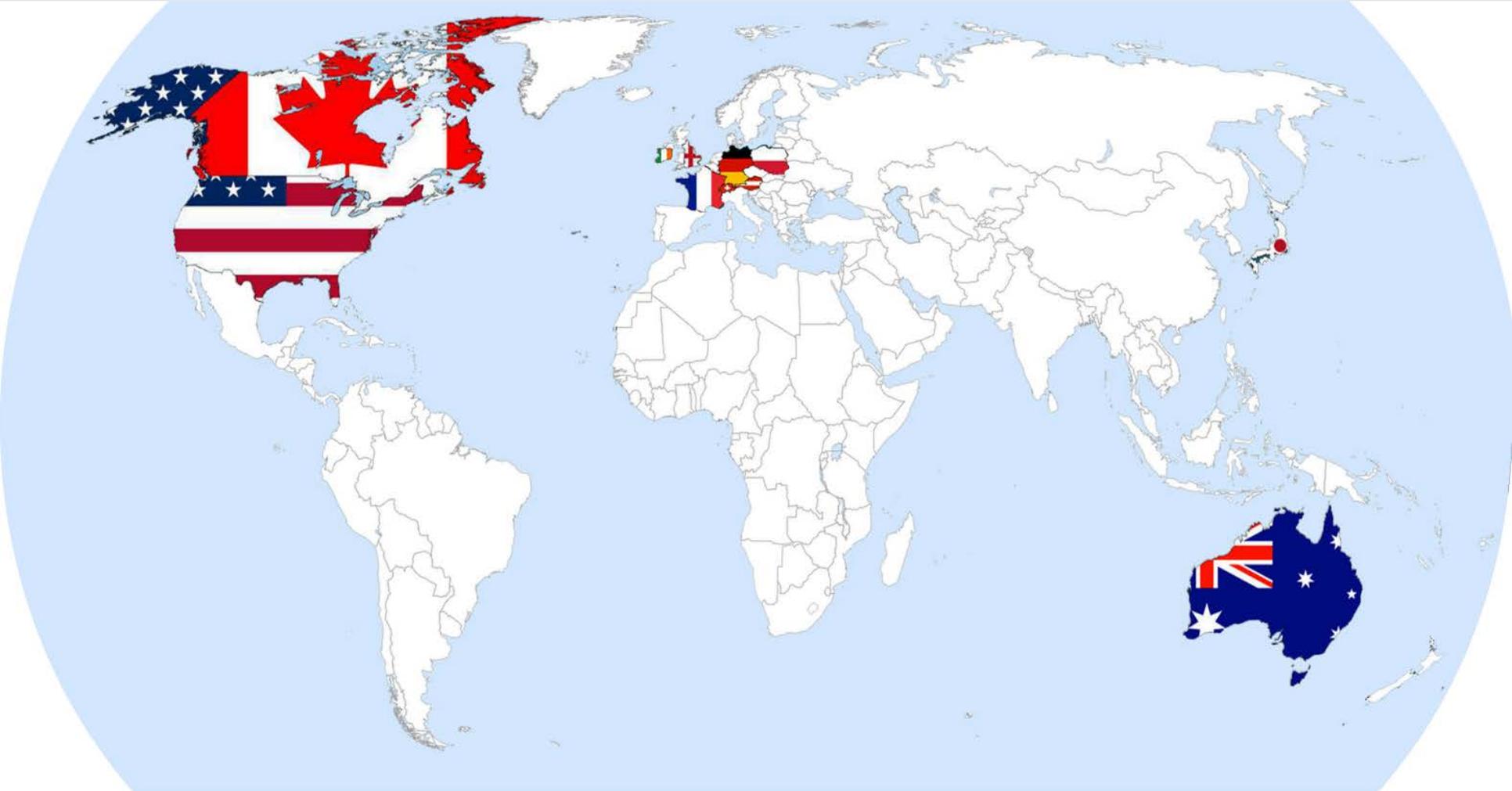
2006 Wisconsin

2010 Tennessee

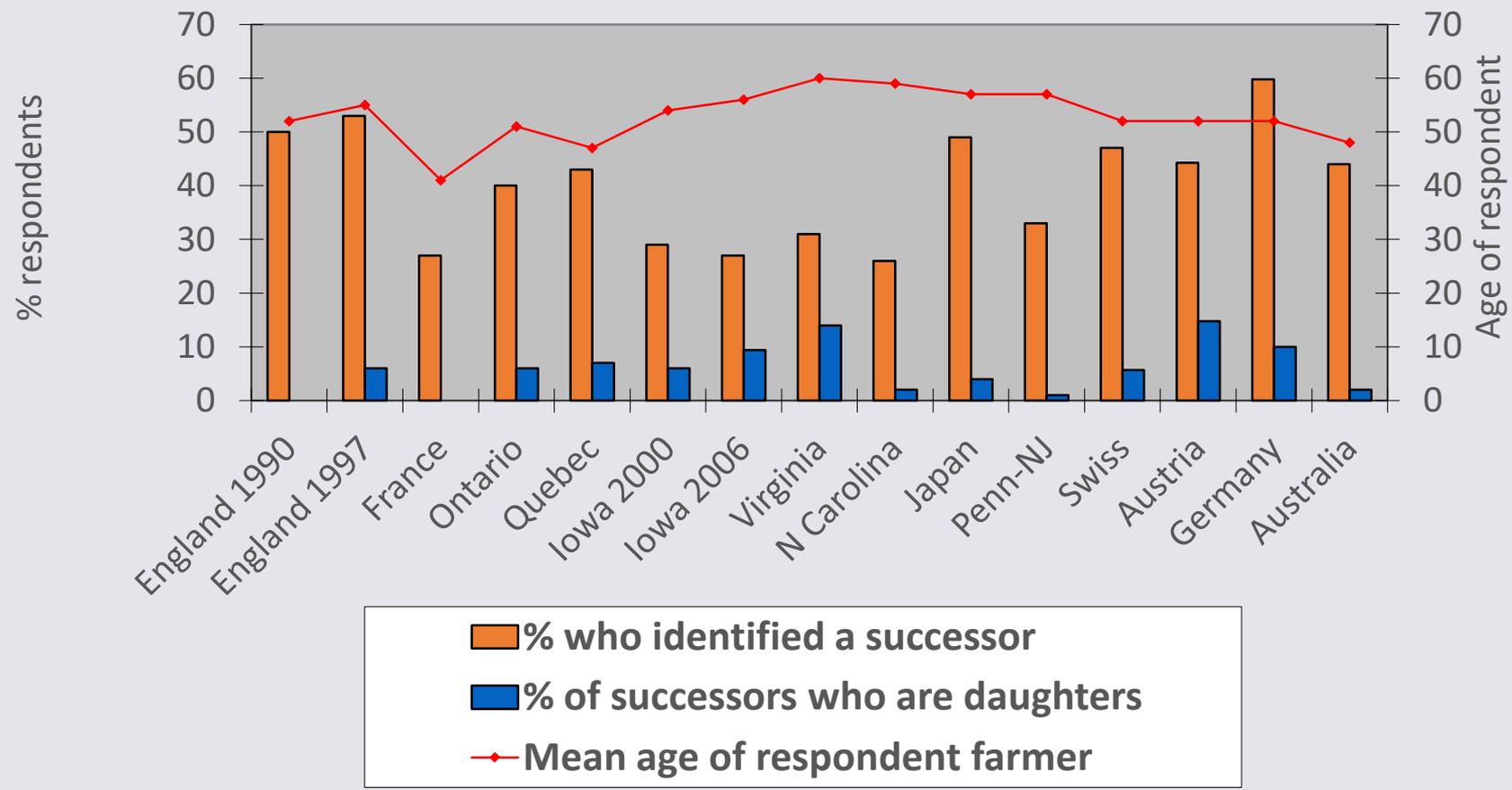
2017/18 UK

2017/18 USA?

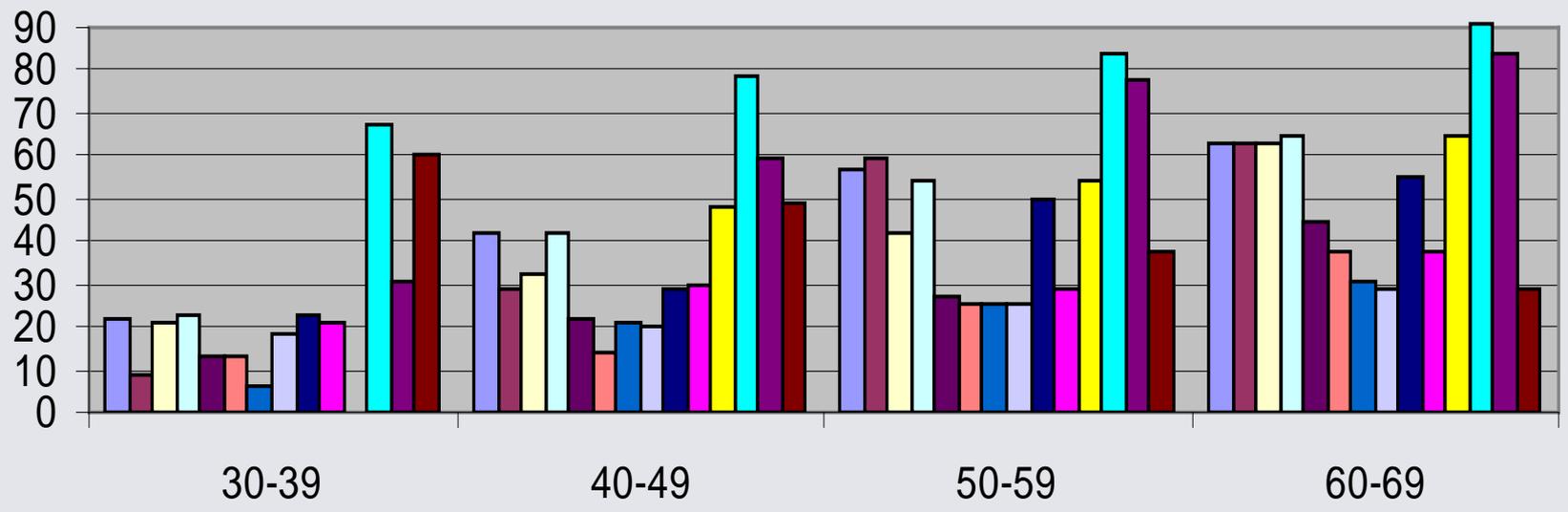
Farmtransfers



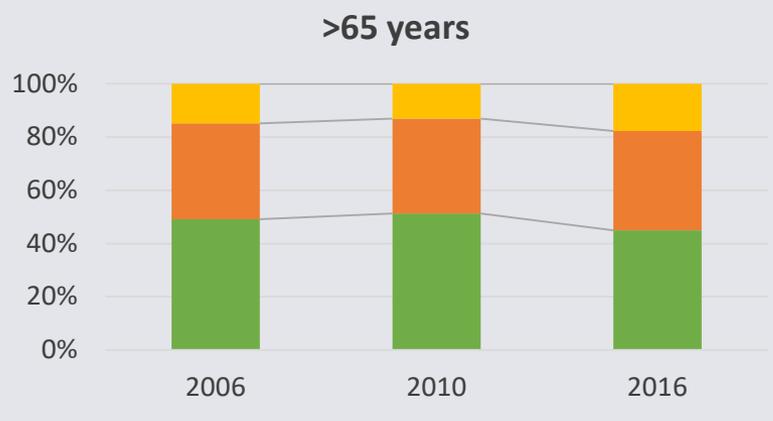
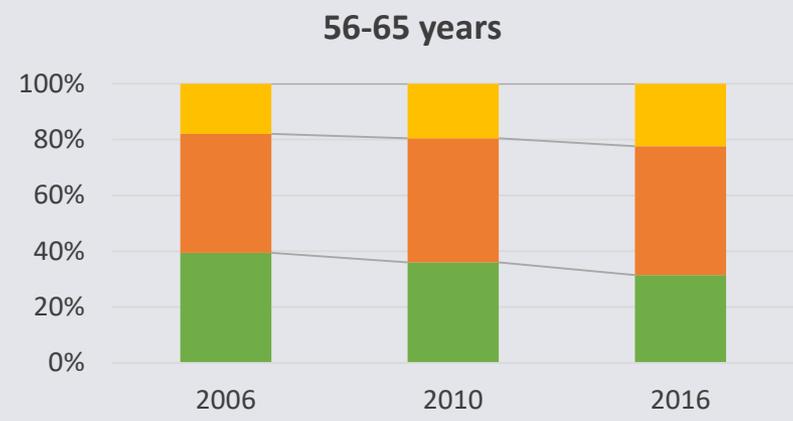
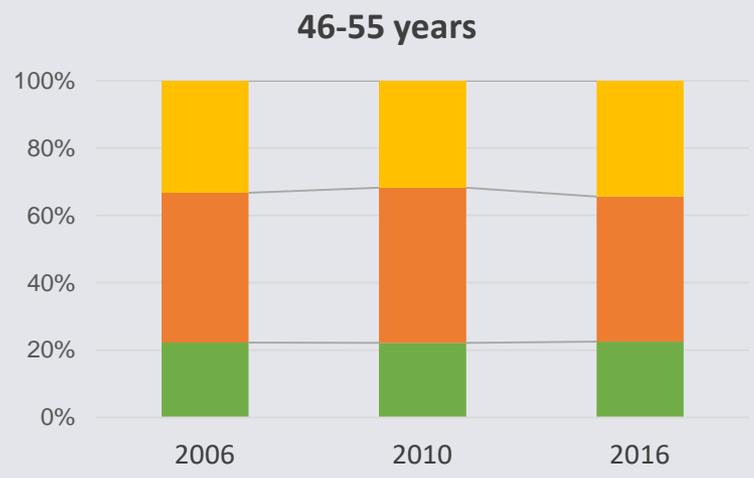
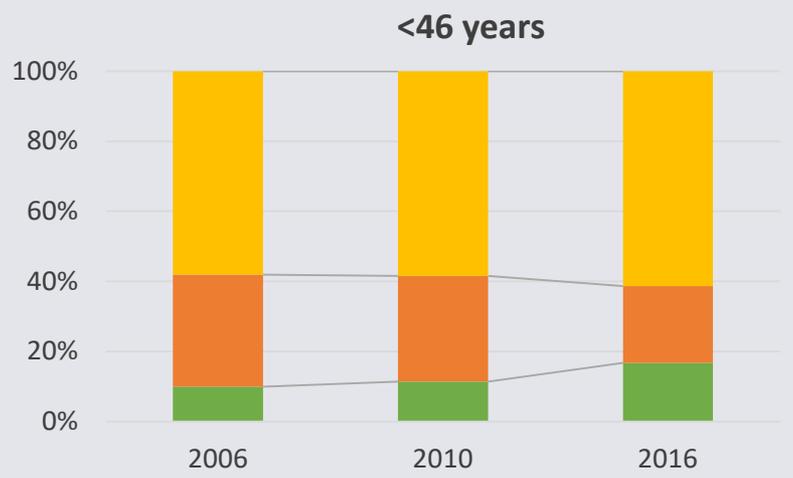
Identification of a successor



Identification of a successor



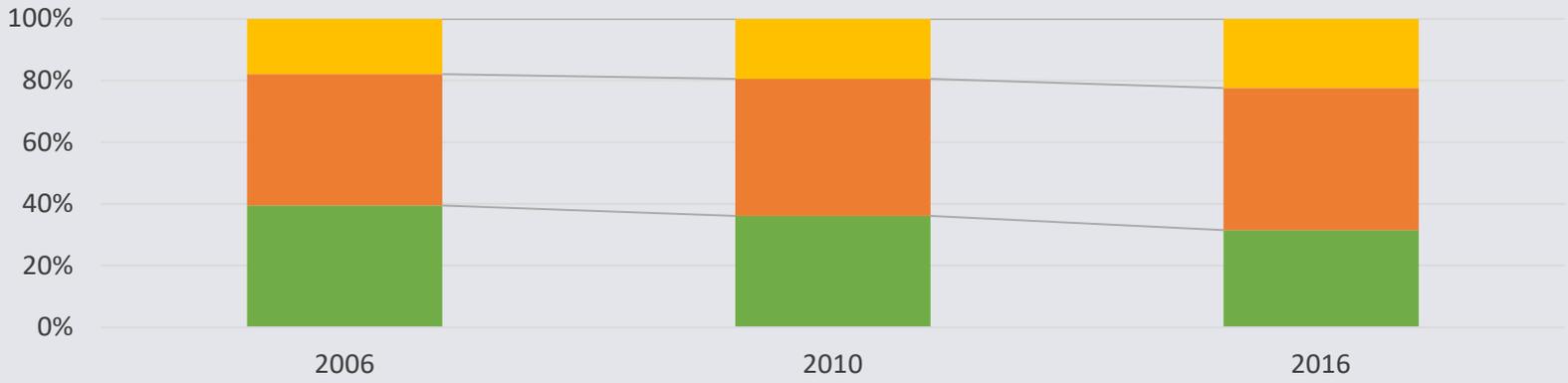
Expectation of succession & age of farmer (SW England)



No successor
 Too early
 Successor identified

Expectation of succession & age of farmer (SW England)

56-65 years



>65 years



 No successor  Too early  Successor identified

Rates of succession in SW England

- Many of those responding “too early” hope to have a successor
- Successors mostly male: “I don’t have a successor; I only have daughters”
- Approx. one third have multiple successors (as well as non-succeeding heirs)
- In cases of multiple succession probability of female successor increases significantly

Transferring knowledge and managerial responsibility

- Effective farm management requires the skills & knowledge learned from experience and related to a particular farm as well as from formal education and training.
- The delegation of managerial responsibility is a vital mechanism for transferring farm-specific managerial know-how in a farm business.

Activity/Decision	Eng	Ontario	Quebec	Iowa	Virginia
Decide when to pay bills	1	1	1	2	1
Identify sources and negotiate loans and finance	2	2	2	1	2
Negotiate sales of crops or livestock	3	3	3	3	4
Decide when to sell crops/livestock	4	4	5	3	5
Decide and plan capital projects	5	5	8	3	7
Decide long-term balance and type of enterprises	6	7	10	12	5
Make annual crop or livestock plans	7	8	4	7	9
Negotiate purchase of machines and equipment	8	6	9	8	8
Plan day-to-day work	9	12	11	10	12
Decide timing of operations or activities	10	9	7	11	10
Decide type and make of machines and equipment	11	10	12	13	10
Decide work method or ways jobs are done	12	13	13	9	13
Decide level of inputs used	13	11	6	6	3

The 'farmers boy' syndrome

- In the late 1990s in England an estimated 24% of successors working FT on the farm classed as 'farmers boy' compared to 9% in USA (Iowa) & 7% in Canada
- "... it's hard for them to let go of the reins because it's all they've ever done and they've got nothing else in their lives. ... I've come across farmers in their 60s, maybe in their late 60s now who have never signed a cheque in their lives because their old dad in their 80s or 90s always signs the cheques. There's a lot of that about, although less so now" (retired farmer, 2013)

What's the problem?

- Concerns when succession 'fails'
- Could 'too much' family succession pose a threat?
- "Dangers in agriculture becoming a closed shop":
 - Lower levels of innovation, less business dynamism, poorer motivation to respond to new & emerging challenges

Conclusions

- High rates of succession testament to tenacity & persistence of farm families.
- As well as business assets, successors receive transfer of detailed local agricultural and environmental knowledge.
- Repeated transfer of farms down generations of same families in a locality results in farming families deeply socially embedded in their communities.
- Timely succession can act as powerful incentive to grow and develop the business.

Conclusions

- High rates of succession not enough. How can 'farmers boy' issue be addressed?
- How do we achieve a better balance between the undoubted valuable contribution of established farming families and the benefits of the 'new blood' of new entrants?
- Succession doesn't just happen
- Farming families need to plan for succession, plan for retirement and keep communicating with each other.

Read all about it!

