



## FCC Knowledge Podcast – Season 3, Episode 1

Is your farm transition ready? How to plan and prepare.

Narrator: Pamela Uhrmann

Guests: Annessa Good & Joel Bokenfohr

PU: From Ag Expert, it's the FCC Knowledge Podcast, a show that features great conversations about the business of farming while guiding you down the pathway to transition.

JB: Each of us as we go through different ages, we're going to have different priorities and things that are going to come up and it's going to affect us differently, so working with each generation is going to kind of define their values, their success over time and what it could look like.

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PU: Welcome to the first episode of Season 3 of the podcast. This year we have a very special series of episodes. We're going to be taking a comprehensive look at the farm transition process in nine parts. Every episode this season will be dedicated to a different step in the transition process. Today we are joined by Annessa Good and Joel Bokenfohr, who are both business advisors with FCC and are very experienced farm transition facilitators. Annessa and Joel are both passionate about helping farming families make successful transitions and have a lot of valuable information to share. Don't go anywhere. We've got a lot of great learning to come. And now, here's Joel to get us started on the first step of the transition process. Prepare and identify.

JB: We're going to kick off today. We're going to talk about this first off here, prepare and identify some of the issues that are in your transition plan. We've got a whole host of issues that do come up when we start to talk about this. And we're going to talk a little bit about those and spend some time scoping that whole plan and then talking about what we can do to get organized and prepared to help set us on a proper path forward. I think Annessa is going to share a little bit of a story around what's so important about planning through this.

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AG: Yeah, thank you, Joel. So, definitely, very excited that FCC has decided to focus on a nine-step theory, and it was very intentional because you will hear all the time and it is true, transition is a process not an event. So, to truly emulate that, we have identified

these nine steps to help walk your family through your transition plan regardless of the age and/or stage you're at in the transition. Because, as we know, there's going to be a wide breadth across Canada of where you're at, but I truly do believe there's little nuggets in all nine steps because transition is continually going back, reviewing, assessing and are we where we need to be. So, definitely, these steps build upon each other. And something that Joel and I very much recognize, as both being the junior generations on our own family farms, is that these steps to transition can be tricky at times. We're working with family. We're working with business legacy. We're going to get into that today. And so, something Joel and I find very encouraging is to hear from farmers themselves. So, a family I recently worked with, I asked for them to speak with us today because they are truly at this prepare and identify stage. They're starting to lean on third party help, whether it's a business advisor, your accountant, your lawyer, having a third neutral party to help facilitate some of these important questions and get the conversation started is key.

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PU: And now, let's hear some first-hand feedback from a Canadian farming family about what it's like to work with an FCC advisor when going through a farm transition.

Hi, I'm Rod Dyck.

Hi, I'm Adam Dyck.

I'm Joanne, Rod's wife.

I'm Sam Dyck.

And I am Keshia, Sam's wife.

We have a farm called Critters & Crops Limited. It's been in the farm for three generations, established in 1930, so it's quite sentimental to us.

One thing I liked about working with Annessa. I think I know everything about what everyone thinks about farming and what they're going to do in the future, but some of her questions made us really think.

As an off-farm child, I've always felt that Annessa really understood my needs and concerns. She did a great job of making me feel included in the entire process.

For me, it was not that we just need to communicate, but that we also need to make sure things are written down so we all understand what we are trying to talk about and get through.

I really appreciated how she clarified a few difficult questions and encouraged us to talk about all different aspects of the farm succession, and she did a great job. Thank you very much.

PU: So, certainly the key takeaway again is working with third party advisors to help your family through your transition journey.

JB: I think something that always stands out to me here is that each of us as we go through different ages, we're going to have different priorities and things that are going to come up and it's going to affect us differently. So, working with each generation is going to kind of define their values, their success over time and what it could look like. What comes to mind for you, Annessa?

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AG: Yeah, I think certainly understanding the different perceptions and, as you alluded to, Joel, what is important to you at that stage. So, certainly what we're really focusing on throughout this entire nine series is being proactive rather than reactive. And there's power in that, because it truly takes away the feeling of being personal, because that's how it feels if we're reacting to something, right? It's a personal against me and my generation, where I'm at in our family transition plan.

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PU: Those are some excellent points made by Joel and Annessa. I'm sure they have their fair share of stories involving family relationships that have become strained during the transition process. This is why clear, respectful communication is such a key element in transition, with emphasis on the power of being proactive versus reactive. Now, why don't we let Joel lead us into some of the differing perspectives of the two generations involved? Tell us who should all be included in these conversations and what are some key matters to focus on?

JB: There's a lot that we're trying to work through and think through. We start these farm transition plans for the senior generation and the junior generation. We go into things but we just start doing the things we've always done on the farm and haven't really talked about the process or what it could look like for us as a family. And so, all these things start to blend together that come up as common issues that we start to experience as families and business to some degree. Families will experience them differently. Certain issues will pop up more than others, but almost every family does experience some of these at some point. So, some of the common family transition ones are we haven't built a shared process for how we're going to communicate, we've got different visions and values that we're going to try to communicate with each other. We have different participation families. Do certain spouses get to participate in conversations and other ones not? Have we dealt with how we would deal with conflict in some of these plans and address that as a family? Some of the business ones that we talked about, right what it means for compensation over time. We talked about job performance and expectations

around those pieces, different work-life balances, so that we can put those on the table and start to build a long-term plan. And then when we get to ownership, that we started to talk about, do we have good structures in place, good agreements. We talked about how we would transition ownership at some point. Are we looking to keep building that business or harvest some pieces for those retirement income or letting go of ownership? So, lots of things come up for you as a family, and sometimes when we lump it all together and try to have transition conversations about everything all at once, it can feel pretty jumbled. And so, separating them out and starting to say, are we having a family conversation, a business or an ownership one, can really add a lot of value. And in agriculture, a lot of other issues can compound in this too. So, we have a lot of assets that have built-in value relative to productive capability. Things influence. A lot of farms are trying to expand in a similar spot that expanding with what we have to try to grow bigger and kind of maintain our current size. And with that, a lot of our senior generations' wealth is tied up in the business. So, there's a tremendous amount there to unpack. And we won't get too much into the unpacking today. We want to talk about how we're going to prepare to address these long-term.

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PU: Clearly, there are a lot of things to consider when having transition conversations with your family. It can really bring up some sensitive topics that are tough to navigate. So, how do we start these conversations? Where do we begin? Joel has some good advice, to start at the end.

JB: I think something that we both agree is as a tool used by Nassau and it's one of the habits of Stephen Covey's Highly Effective People is really starting to think about the end in mind. So, this is how I think I start most of my family conversations is really starting to think about, if things just started to happen, what would our family look like in this process, right? And then we talk about how we're going to maintain healthy respect with each other, how we want to look and operate as a family through this process. Can we talk about what our business looks like? Do we want to be in business together? What would make being in business together even better? And what does ownership start to look like as well? Have we communicated our expectations for what it means to be an owner? When you start to transfer in, would we maybe take less income from the farm to receive ownership and participate in that equity growth, and things like that come up all the time. And just expressing it can help you envision where you're going as a family and give you that real anchor point that you're going to use to start to work through some of those issues and build a process for yourself.

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PU: As we've talked about before on the podcast, you really need to know where you want to end up before starting a new path. Clearly laying out your expectations and end goals is really important in the transition process. Again, start with the end in mind. Now there's some really great buzz words Joel and Annessa like to use when talking about farm

transition. And when you put the first letter of every buzz word or phrase together, it forms the word bingo, buzz word bingo. That's right. The first buzz word is birthright.

AG: Something that Joel and I are very cognizant of, of working with the families that we've been honoured to do so, is that there's this sense of "overwhelmed." So, they come to us and say there are so many resources, articles, videos available to us today, we don't know where to start. So, that's certainly what today is about: what are those key documents we can get together as a family, as a business, at home, and identify our key stakeholders? But in that, what Joel and I see time and time again is families get stuck thinking about these issues and concerns and these buzz words that we hear a lot when we start to enter into the transition process. So, Joel and I did intentionally want to highlight a few of them. And then in the latter part of this presentation, we will walk you through step-by-step action, key takeaways, of where to start and what documents to get in place. But if we don't highlight what can we potentially run into, it doesn't show the importance of why some of the administrative tasks and things like that that we're going to talk about today are critically so important. So, as Joel alluded to under our B for birthright, a huge part of getting into the transition shift is shifting your mindset. So, what does that mean? Every single farm is in transition every single day. So, control comes up a lot in our family discussions. And something I really encourage families to think about is shifting that mindset to protect. How do you emotionally feel if we change the conversation from one of control to protect? So, all families I work with it really comes down to a core of, we're trying to protect our children, our farming children and our off-farm children, ourselves as the senior generation. And we're trying to protect our land, our key assets and our legacy and our lifestyle. And the conversation changes when we shift our mindset simply from control to protect. Another often heated conversation is off-farm children versus farming children. And this one again ties back to our proactive versus reactive conversation is, have we as a family set expectations or discussions of what those definitions mean. Simply, as Joel alluded to earlier, fair market value versus productive value, those are very different terms. Off-farm child versus farming child, what does that mean? Have we set timelines? You know, really, again, turning this into potentially an opportunity. I was working with a family that the children chose to leave urban centres and move back to the farm in their 30s and 40s, and there had been no discussion prior if that door was always open. But changing the lens to say, if the business can support this, is that just an opportunity now for off-farm income, diversifying, new energy, all of these things?

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PU: Well, that's a lot of powerful communication points we've been given to help families broach some very difficult but important topics. This will help them to get unstuck by switching their mindsets from one of controlling a situation to one of protecting their farm and family. These conversations also highlight why administrative tasks such as those discussed later on in today's episode will be so important. Continuing this conversation now, why don't we let Joel guide us into shifting our mindsets from that of an individual perspective to that of the team needs of the farm? Second buzz word is "I to we."

JB: We call this “I to we” because this comes up. You’re going to hear it’s a process a lot in farm transition, one of the number one buzz words. But honestly, it is a best practice that we families commit to a consistent process. So often, we get stuck in looking at things from our own individual perspective. I think when Annessa and I both meet with families, we see them looking at things from that perspective. And then pretty quickly when we ask how the senior generation or the junior generation would feel about that, that mindset starts to shift, with giving them the space to actually communicate that. So, looking at it and shifting from what my value structure is, what I’m looking to get accomplished in this plan, to what are we as a whole family looking to get accomplished and what can it look like, can add a lot of value. And that brings up, what do we need to do to maintain that? I think maintaining a healthy process for how we’re going to do that comes up time and time again as best practice for a family that they committed to a regular process for how they’re going to do this. And what it really comes down to is establishing and continuing to build trust within the family that we’re not going off alone and using our own information to make up our own stories and things in our own mind. That we’ve set a scheduled time that we’re going to meet, focus on transition goals that we want to get accomplished, and keep maintaining and building that trust that we all are working towards that same end state that we talked about. And then they can bring this and be prepared to work with their team of advisors that can help guide your farm plan. So, all your advisors are going to be looking at things from their perspective, their experiences, and they’re there to help guide your decision-making in that process as part of that whole team. And then it can definitely help you bridge that gap and bring all generations together. Although it might not happen all at once, every process is going to look different. It can really help you do that. But it absolutely gets noisy at times. Annessa, I know you can speak to that one.

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PU: Before I let Annessa continue, in case you missed it, the third buzz word is noise, and it also includes the word next.

AG: So, again, the reason we are taking some time to walk through these is because this is what families come into our meetings and say, we’re stuck on fair versus equal, right? Probably one of the most heated again conversations or most common complex decisions to come up with. And again, in talking about that, what we find as advisors is we have to come back to the basics and say, okay, before we can start talking about gifting equity or transferring at less than fair market value, do we have a guarantee that mom and dad’s retirement income is secure? Do we feel comfortable with what your compensation will look like for all generations if you’re one of that sandwich generation as well? Have we been clear on clarity of what this will look like now and in the future, and once the will is read and that potential estate division? So, I’m jumping in a little bit, Joel, to your Gs and Os. But we really wanted to get across that these are the buzz words and the difficult elements that your family will need to face, for sure. But to help support us and take some of that weight off your shoulders, we’re going to talk about this checklist to assess where we’re at today. And there’s extreme power in that. Every family and business

does need a qualified tax and legal representative that can help assist them through this complex process and ensure that we're being as proactive from that side of the planning as well as family goals, vision and things like that, and, of course, communication. We all hear, we need to communicate more and we need to communicate better. And I'll be the first one to put up my hand and say, my family and I are still working through this one daily as well. But I think coming back to, as Joel alluded to, having intentional communication on intentional transition meetings to discuss some of these conversations. And something that really stands out with me about communication is a quote I heard recently, is "Communication is nothing without comprehension." So, are we taking the time to really ask each other, do you understand what I'm saying, did you hear my intention correctly, and being very empowered to have those conversations with your technical advisors as well? They are on your team to support your business and your family, and you need to have that trust and be comfortable to work with them as well. So, Joel, do you want to explain to us a little bit about our G and O?

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JB: Absolutely. What comes up here is goals again. It's typically, where everybody starts. What are our goals? So, how do we pull that out and start to make it tangible, right? Oftentimes, they're simple things that we're just looking on a timeline on how do we joint ownership, right? I'd like to be a piece of this. And kind of establishing that vision and pulling them out. And oftentimes, as Annessa alluded to, I think when the senior generation is at a place they're worried about, they want to protect the farm and make sure that their hard work and sacrifice that have gone into things. They're looking from that perspective to make sure it's protected and that they've got their own secure income source going forward. So, when we talk about goals, it's really starting to get to a place that we're putting them on the table and then moving into that process that we're going to get certainty and clarity long-term. So, I think the number one thing that seems to bounce around people is they don't have certainty or clarity about what their plan is going to look like. You won't at the beginning, but if you start to work through a process, start to shift to that I to we, you'll be on a bit more of a path to start to communicate, this is what our expectations are, this is how we get long-term ownership worked into things. And ultimately get to that place where you've got some clarity on the business and those goals line up with the opportunity that's there. So, in that opportunity, then you've got, okay, are we sure that the plan is feasible to work to where we want to get to financially and that we're not overwhelmed in this process? We don't have to get this all accomplished at once. It's something where we can build that opportunity out over time.

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PU: Did you catch the last buzz word? If not, it was opportunity. Well, we've been given some really valuable material on this first half to help Canadian families take some early steps in being ready to transition their farm. After the break, we're going to take a deep dive into our farm-free transition checklist. There are some critical points you don't want to miss, so stay tuned.

AG: The greatest asset on the farm, is you, so if we're transitioning this farm, you have to make sure you're empowered to take this on.

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PU: Welcome back. In the first half, we heard some great topics in need of discussion and the importance of shifting our mindsets from I to we while farms begin to focus on setting feasible goals to work towards. There has to be certainty and clarity in the long-term. It's a lot to unpack. So, in the spirit of taking it one step at a time, let's hear Annessa delve into our transition checklist.

AG: So, number one, assessing your family and business picture. So, this is very important for both internal – for your family and the key stakeholders involved – and external as well – for sharing with your technical advisors. So, when I work with families, the first thing we start with is a good old-fashioned family tree. I promise you the steps we're asking you to complete are not that scary. So, the family tree is very powerful because it is a snapshot of where your family is at today. We talked about transition plans are always needing to be reassessed, because we are going to change in the ages and stages. What the family tree does is it shows the technical advisors there's lots we can pull from that and the family can as well. So, for example, what's the relationship status of everyone involved? Is there any risk management tools or discussions we need to have in place? Residence location. So, for example, if any of your potential heirs live outside of Canada, does that need to come up with the discussion of what the potential tax implications of that could be? And then stripping it down to the family level, where does everyone want to live? Are we creating rural lifestyle for acreages? Do we need to budget for the business and upcoming capital expense to build a new house for the senior generation or the junior generation? There's a lot we can pull from within that family tree? So, once again, key steps. Get yourself organized. When we start these documents, create a file either online or a printed version and create duplicates to share with your advisors as well as your family.

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JB: Yeah, absolutely. And often what we find is families start to communicate about the whole farm all at once, so we're starting to have business meetings when we're trying to discuss ownership and things like that. It's so tempting to start talking about what the cows are doing or, oh, if only grain markets would do this, our plan would be so simple, or if we had certainty on that side. And we constantly get pulled back into business discussions, partially as a way to avoid difficult conversations, but it can help if you start to segregate out your family discussions, your business discussions and those ownership



discussions as well. So, as a family, what do we want to get accomplished, how do we want to be organized and communicate? And sometimes identifying who's even going to be involved in those family discussions. Are spouses included? Does the US resident that Annessa mentioned living in California, do they need to be part of everything? Who's involved in our business issues? Is that off-farm child constantly maybe getting trapped when they want to know about something, right? They might like to own a piece of land and have that rented back to the farm at some point, but they're constantly pulled into a business discussion. Do they need to be part of those ones? So, separating them out and starting to pencil out what are the conversations we want to have in our family, in the business and the ownership side of things can really help you make progress. And then setting an agenda for how we're going to do that, so you've got it kind of anchored in. This is what we're going to focus on and this is what we're going to do if we start to stray from those conversations.

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PU: I know many of you listening likely find that your business life is very intermingled with your family life. This is pretty common for farmers. But Joel emphasized the need to organize this. It can sometimes be difficult to separate these two parts of our lives, but having a clear picture of everyone's role within your operation is important. Annessa elaborates further on understanding the profit centres of each generation's business too.

AG: Your farm doesn't have to have multiple corporations to draw this out, but having a clear picture of where are your different profit centres. So, for example, if senior generation has a profit centre, whether they're incorporated or not, and junior generation does as well, the power that comes from that is we can start to say, okay, is senior generation subsidizing junior generation – very common in today's agriculture economics? But what are the expectations? Is it being tracked? What is the conversation around that? And what's also an important tool is: have you financially supported your off-farm children to date and is that being tracked and recorded? And starting to have those discussions for expectations as well.

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PU: Wonderful. It's great to hear some of these key topics of discussion broken down as well as highlighting some of the often missed conversation points. It's certainly a good place to get families started. Now, this seems like a great place for Joel to introduce step 2 in the checklist. Build your farm asset catalogue.

JB: Alright. So, something that becomes incredibly important, as Annessa mentioned, is as you start to pull things out, building that farm asset to list can become hugely important. And I think what always comes to mind is again, we're lumping everything together and trying to come up with one plan for everything all at once. But sometimes how I like to start is: let's focus on just the business piece. So, what does our equipment look like? What does our inventory look like? What are the operating debt and pieces of that business that function day to day that are going to become important for us to address as

a family? So, in that, there's conversations around job performance and how you eventually get to make decisions in that business. And then we can separate out what ownership can look like as well. We have a lot of large heavy asset valued items and we can list those out and start to say, okay, well, we need to make sure we've got a plan for this as well in terms of our land, our buildings, our quota, things like that that can be listed out that have large values. And then also our personal side of things, and Annessa will chat about net worth in a sec here, but have we listed out some of those personal things that might be options, RRSPs, TSFAs, dad's gigantic scrap pile that is huge in value. So, you can list those things out and start to say, okay, let's craft a plan, maybe around the business first, how the next gen starts to come into the business, makes decisions and understands that relationship. And then as we progress, can talk about ownership and non-farm children with off-farm assets and their piece in ownership and things like that, meaning long-term too. So, a great way to just start listing it out and really enable you to have better conversations with your advisors as well. And a big part of that is evaluating that net worth too, Annessa.

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AG: Yeah, certainly. So, again, we're reiterating this sounds commonsense to be able to list out who owns what within the business or personally, but it truly is an exercise that takes time and is very powerful to share and/or discuss with your transition advisors.

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PU: Now, onto step 3 of the checklist. Evaluate your current net worth.

AG: So, on the net worth side, like Joel spoke to already, what do you own personally? So, your personal real estate, your investments, life insurance is often a common one, and then RRSPs, like you mentioned. But what also is really important with your personal is what debt do you have personally, meaning personal credit cards and personal line of credit. And this is very powerful to also start to calculate and take account for. Because I've seen many families where this is a very contentious issue where mom and dad have personally supported the farm business and now the discussion of is whose debt is that to take on and are we being clear and upfront with the upcoming generation, which truly ties into our farm financials. Joel, what about #4, probably one of the most important ones?

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JB: Absolutely. As we're looking at this, we're doing a will and an estate plan as part of this process. So, checking in and seeing where we're at. So, often these things maybe aren't in place. Even when we're starting and we think, well, we're just starting, what do we need to have in place? It can be such a big thing that I think the number of families we've met that have had life altering events, that if they'd had something early and listed out their intention, it really would have helped their family plan through a transition long-term. And it gives you a really big thinking exercise, I find, with families, to start to sit down and say, okay, if something happened, what would we want to see with that

proverbial end in mind, I guess, and how do you start to break that out in a will so that our intentions will be met? And so, as Annessa mentioned earlier, comprehension is important as part of that. Ideally, these things - I think best practice again - are communicated ahead of time so people have some certainty, but we recognize things might change as part of our transition process. It's going to be something we'll continue to revisit as we move through a plan. Something I do recommend is that you start to pull out - I see it work really well with families - that you start to write a letter with that too as to why you did things the way you did, so that those intentions are listed out there. And everybody gets a common understanding of what your goals were through this process. And then you start to list out the people that you want to involve, powers of attorney, executors and things like that. Are there some things that come to mind for you, Annessa, when we talk about wills?

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AG: So, certainly, this is a big one regarding the age and stage of where your family is at in your own transition journey. But something I hear a lot from the senior generation is they are cautious to put anything in writing because they don't know yet what the future is going to look like, especially in those early years of the transition plan. So, something we really encourage is treating your will as an emergency will or a holiday will, something you are comfortable with for the next three years. In three years' time we can re-evaluate, reassess. Potentially there have been changes of equity or ownership. But I just really find when people realize it's just planning for the next three years, they're much more willing to engage and actually put something down in writing. Just as critical, junior generation has a will as well for farming and off-farm. Alright, so #5, a very, very, very important step that again seems common sense that we often see overlooked. And it is truly intentional for FCC's language that we say a living budget, because it is what lifestyle do you want to live. So, we intentionally don't call it retirement income, for example. So, what does it cost to live today? And taking into account what are the perks we're getting on the farm, such as no rent, utilities, vehicles, gas. And this is a great tool for junior generation to have recognition and appreciation for as well. And then secondly, that forecasted budget for the future of what would we need if we ever needed to move to town for a health complication, for example? And really assessing what it costs to live when you don't have all those perks supporting you. Just as critical again for your advisor, I have lots of families come to me and say, we need this many thousand dollars a year. Hard stop. Please get your budget vetted by a financial planner, for example, that will take into account appreciation, things like that, and this is where you can get creative working with your accountant in time of what kind of sources of income will you get from a tax planning perspective.

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JB: And I do want to just touch on that one too. I mean it's so important to just think through where those sources are, do we know is it coming from a share redemption, is it coming from land rent, those kinds of things. Because they're going to have big impacts on the

family business as we go forward. But why it becomes so important is it feeds into our farm financial plan.

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PU: So, this brings us to step 6 of the checklist: Conduct a farm financial health check-up.

JB: Doing this farm financial health check-up from the beginning gives you that number to start working within. How are we going to do this as a family? We're going to have to make choices and decisions around these different topics. So, if we've identified living budgets. If I'm a junior generation and maybe we're taking less, is there a conversation around sweat equity and things that we put in, and we're willing to do that because we have some certainty about what we're working towards. And then are mom and dad secure and is that number feasible for them? And what happens in that case where we need to make sure it's in place? So, farm financial health check-up is really going to enable us to start talking with real numbers, putting it on the table, sharing what's feasible, and making sure all generations recognize that we have to make some hard choices sometimes around what is a good plan. Or else we have lots of opportunity that we might want to look at for our business going forward.

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PU: We're beginning to see just how significant the help of advisors will be during your transition and how important it is to have these discussions and to have your information in order. That brings us to step 7: Identify who you need on your team. This could include people like lawyers, accountants, financial planners, FCC advisors and relationship managers, life insurance brokers and many other professionals. Now, let's let Annessa give us some more info.

AG: We listed out some common advisors that are there to truly support you through this journey. And if you don't know how to calculate your cash flow or you don't know how to interpret the ratios, that is absolutely fine. You are not alone. Reach out for that assistance that can support you, so you can make those educated proactive decisions. So, very common what we hear in transition planning, of course, is our ownership advisors, our lawyers, our accountants, our financial planners. Just as important, Joel and I wanted to highlight, who's on your business strategy team? What does that look like? How are we empowering junior generation with roles and responsibilities, decision-making? And then something that I think we're getting better about talking about as an industry is the family circle. And let's be real, working with family has many blessings and opportunities, but it also has some heartache and some obstacles at times. So, who do you have in your family or individual advisory team to help walk you through the family journey? So, it's something I'm very excited and encouraged to see us embracing our mental health journey within transition in agriculture. It's steps that we need to take because as Cynthia Beck shares, the greatest asset on the farm, is you. So, if we're transitioning this farm, we have to make sure you're empowered to take this on. And, Joel, closing comments on advisors?

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JB: Yeah, and it's always I think time and time again everybody wants that silver bullet that somebody just tells me an answer. So, I think all of these people involved, you might not need all of them. You might need some of them at different times. They're going to have their perspective that they'll bring, but it is your plan to kind of coach and work through. And the best process is getting that input from them early so they can caution you on things or help you brainstorm some ideas and then move forward. So, it really helps you to dream big and think about what you could want. It helps you stay accountable, right, setting an appointment to meet with the accountant, with the lawyer, to talk it through. To meet with your financial advisor or your lender to stay on track too, and they can help add value and move those things forward. We don't always have to do it alone.

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PU: Did you catch the last step in the checklist? It might be my favourite one. Dream big and think about the future. I've already mentioned, it's useful to clarify your personal goals and to write down some of your goals for the farm itself. What does your retirement mean to you and your partner? Where would you like to see the farm in five years? Remember to dream big.

JB: These eight steps are a great way to help you start. Remember we're there. We're preparing and we're identifying what we might build in the transition plan as we go forward. And what it's really going to enable you to do is to get organized and help yourself list out what information you're going to need to collect. We don't have to do it all at once. We can build this over time. But how are we going to get organized if we have different values or vision from our life partners, from our business partners? How do we get the same pieces of information out that everybody is going to use? How is it going to enable us to have better discussions with all those advisors Annessa listed out? We're talking a common language. We're working together and everybody at the table understands what we want to work through. And by doing this checklist and working it through, pulling those things up, it's really going to give us that confidence to take those next steps and move forward. And really allow us to ask better questions of each other, ideally getting back to what's important, working in the business together, moving forward with those things. And you see, I think, time and time again, we talked about that clarity and certainty that it's hard to get moving. But as we're making traction and we're working on this together, it can be a lot of fun too to start to do these things and the weight starts to come off when we are working towards something rather than getting stuck in the middle. So, those are lots of different things that do come up. So, maybe take-home messages from you, Annessa?

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AG: So, I think certainly our hope today was that you saw that taking these first steps and preparing at home can then help you with your advisors moving forward to tackle some of these upcoming obstacles and opportunities that your family will be facing. So, something that's really big about that is accountability and how are we going to keep this train chugging along. And something I often hear is senior generation is frustrated that junior generation isn't showing enough interest. Meanwhile, junior generation is saying to me, I'm just trying to be really cognizant not to step on mom and dad's toes. Or the opposite, because mom and dad aren't showing themselves that leadership, we're being seen as aggressive because we do need to have clarity and understanding for our future. So, with this checklist we really hope you understand the importance of preparing and setting who is going to complete each task. So, is senior generation responsible to do their cash flow statement by X date and junior generation is as well, or what does that plan look like for you? We've shared a soft goal of completing one a month, but again, obviously, if we don't put in the work, right, it's just like planting our seeds, we won't see the harvest. So, that's something, Joel, I'll let you speak on. We really see the families that feel in control and what families do those look like.

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JB: Yeah. And absolutely, I think this is something that you taking ownership of the plan, building out those steps to keep moving forward, I think you said it right. We're understanding those shared perspectives of each generation. So, I think you said that brilliantly. And then also, checking the checklist to kind of use that as a guide. And remember, today we want to highlight those issues and work through what you're going to do to prepare, and the rest of the series is set up to follow along and help you stay on topic as a family to keep revisiting and having conversations after this.

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PU: Alright. Well, we've certainly covered a lot today. Talk about an engaging and meaty episode. What were some key takeaways for your family? Were there certain aspects that stood out to you as particularly useful in your preparation for this transition? Perhaps there are points you had not considered before. There's a lot to take in, but thankfully you can go back and listen to this show as many times as you like. So, what were some key highlights covered today? Annessa and Joel went over some key conversation topics to have with your family and how to decide who should be involved in those critical conversations. They also encouraged us to be respectful during these conversations with a focus on being proactive versus reactive. Furthermore, they emphasize the importance of shifting our mindsets from I to we in the transition process. Transition involves everyone and the best outcomes occur through collaboration. Also, keep the mindset of what is fair versus equal in the forefront. It's important to take into account everyone's specific roles and expectations in the transition plan. And they all have to feel included, if not at least informed in the process. Annessa and Joel suggested that you have an updated list of your assets, a good idea of your net worth, and a current will and estate plan. They also suggested you have a proper living budget and undergo a financial health check-up. Advisors are available who want to support you through the

different stages of the farm transition process. The list is long, but some of the more obvious advisors include lawyers, accountants, financial planners, FCC advisors and relationship managers and life insurance brokers. As you prepare for the tasks and family discussions involved in your transition, remember the eight key steps identified in the episode as your pre-transition checklist. Here they are listed again to jog your memory. 1) Assess your family and business picture. 2) Build your farm asset catalogue. 3) Evaluate your current net worth. 4) Review your current will and estate plan. 5) Create a living budget. 6) Conduct a farm financial health check-up. 7) Identify who you need on your team. 8) Dream big and think about the future. These are some great focal points to get you started on your journey. So, here's one action these FCC advisors are asking you to take. Be proactive to get prepared and identify the information you can assemble and areas you can discuss and improve. Remember to reach out to your advisors and they are here to help you. Well, that wraps up today's episode. Thank you for joining us and thanks so much to Annessa and Joel for some very thought-provoking discussions and beginning the process of empowering families to take this transition on. We hope you'll tune in next time for Episode 2 on how to assess your financials to prepare for farm transition. As always, dream, grow, thrive.

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