FCC Knowledge Podcast – Where there's a will – there's a way: Preparing for farm transition

PODCAST TRANSCRIPT

Interviewer: Marty Seymour (MS)
Guest: Eric Dahlke (ED)

MS: From AgExpert, it's the FCC Knowledge Podcast, a show that features real Canadian producers, real stories and real good conversations about the business of farming. I'm your host, Marty Seymour.

ED: So, one thing to hammer home I think to your listeners, and at least in my practice, is that will has to match the succession plan.

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MS: Welcome to Episode 2 in our special series on farm transition. If you missed Episode 1, we had a great chat with FCC business advisor, Andrea DeGroot, and BDO tax planner, Allison Henkell. I highly recommend you head back and listen to that episode to check it out. Andrea and Allison provide some great insights into starting the transition process. On today's show, we're going to dive into the legal side of transition. We're joined by Eric Dahlke, a lawyer based in Calgary, who works for MLT Aikins. Eric works heavily with farmers and ranchers in areas of estate planning and tax planning. I've known Eric's family for a long time. This guy's a farm kid at heart, so it's pretty clear that what he does in law is more than just a job for him. I think it's fair to say that his passion to help families make successful farm transition and all the great insight that he has is going to make for great legal advice today, so make sure to stay tuned and listen in. Just a note before we start, the words 'farm transition' and 'succession' can be used somewhat interchangeably in the industry. Here at FCC we tend to use the term farm transition, whereas Eric likes to use the term succession. We hope that clears up some confusion. With that in mind, stick around, we've got lots of valuable learning to come.

Welcome to the FCC Podcast, where we talk farm and food to regular people in Canadian agriculture. On today's podcast, I'm excited to meet Eric Dahlke. Eric is a practising lawyer out in Calgary. Welcome to the show.

ED: Great to be here, Marty.

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MS: Alright, so I've already given it away where you're from, but you're actually not from Calgary. Where was home? Where did you grow up?

ED: Living and practising in Calgary, but originally from Morden, Manitoba, so, a little town in Southern Manitoba. And I grew up on a cattle and grain farm there where my folks operated a feed lot and grain farm. So, agriculture is very close to my heart, and, of course, it's a big part of what I do today.

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MS: So, you practise law. Normally, I would ask people what the price of land is, on the podcast. People come to know that. I think it's kind of an unfair question to ask of you in the nature of your work. But maybe actually in your work, maybe you've seen some really exorbitant prices of land. Do you have some sense of what the range would be with some of your clients on what land values look like?

ED: Yeah, well, you know, in Alberta we kind of have a mix in terms of agriculture, with a lot of land around urban centres and some land really out in rural country. So, I see everything from $10,000 plus an acre to $3,000 to $5,000 an acre for land out in the more remote areas of the province. But, yeah, we're not sitting there like Ontario with ... I heard one of your last podcasts talking about $35,000 an acre plus. Western Canada isn't quite in that neck of the woods, although I'm sure if you're a retiring farmer that would be a nice price to get for your land.

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MS: Yeah, that's a great point. Maybe tell us about your practice. There are different types of law practice etcetera and you specialize in agriculture, but can you kind of describe maybe the footprint of your organization and how you guys approach this topic of transition?

ED: My practice is primarily focused on agricultural producers. So, being close to an agricultural background myself, I have a real passion for agriculture and those issues going on in the countryside. As we all know, farmers, many are over 55 and sort of contemplating retirement. The baby boomer generation is thinking about passing assets onto to the next generation. So, a lot of the kind of practice that I do is all about structuring those discussions around the estate planning but also the tax planning side of the world. I work for a firm, MLT Aikins. We brand ourselves as Western Canada's law firm. And we have offices across the west, so everywhere from Winnipeg, Regina, Saskatoon, Calgary, Edmonton and Vancouver. The firm is focusing and one of its focus areas is agriculture. So, I'm very happy to be part of this team where ag is kind of top of the list in terms of the types of client work we do, and my work focuses on that.

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MS: That kind of has me thinking. The nature of my work is I get to meet Canadians from all across the country in all regions, and everyone likes to tell me that agriculture is different where they operate. Through the lens of a lawyer and someone that spends a lot of time in transition, you grew up in Manitoba and now you're operating in Calgary, is agriculture different?

ED: I think that's a really good question. I think in many ways it is. What life is like around the dinner table in BC or Alberta, a farm near Lloydminster versus Southern Manitoba versus Western Ontario, Quebec, I think the culture is similar in how people stick together and communities stick together and how farmers deal with the community aspects of their operations and really the culture around it. But I would say in terms of the actual substance of the business operations, there's a lot of difference, of course. Ontario and Quebec, a lot of supply managed production goes on out there. Here in Alberta, a lot of ranching, a lot of beef. I'm just blown away out here how beef is king in many ways, although that's not to, of course, diminish the cropping that goes on in Alberta. Saskatchewan, of course, is a different profile as well. It's really quite interesting. But, yes, I think that agriculture is very different in terms of what people are actually doing. But the culture is similar. I find chatting to a farmer from Eastern Canada is very much like chatting to a farmer from Western Canada. That's just my perspective.

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MS: So, then, if what we're talking about today around transition and the legal side of transition, is it too big of a leap then to say that the legal issues and the conversations at the family table are the same as well?

ED: They're similar. I think anytime we're talking about issues around fairness or division between farming assets between farming children and non-farming children, those discussions are similar. Retirement planning issues for parents are similar as well. I think what drives the conversation in different ways in different parts of the country is what's on the balance sheet. So, what are we looking at in terms of quota versus talking about land let's say in Eastern Canada and Ontario with some development potential where we're talking $35,000 an acre for land. The transition discussion looks a little bit different than if you've got 3,000 to 5,000-acre land or you've got a ranch that covers many sections. And the reason I say that is, when we're talking values, that really drives the discussion around fairness. So, son or daughter needs to keep this farm going. If we're talking super expensive land, we know that those numbers are going to be big. And, so, for the non-farming children, understanding that dynamic. I know folks hearing transition, fair is not always equal. The price of land really drives that discussion in some instances, and I think that can really have an impact in sort of how people look at the transition issue. But the issues are the same. Whether you have a larger farm or a smaller farm, keeping the family together, talking about fairness, talking about retirement planning for parents, those issues are all the same.

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MS: I think it's safe to say that across Canada the ag community has a lot of common ground and clearly want a lot of the same things. As Eric points out, all transition discussions involve identifying what is fair for everybody involved. And we hope to do that in a way that keeps the family together. Now, what seems to differ from province to province is in what kind of assets we have and what we're going to be passing on in the transition. Now this will often impact the nature of the discussions we're having. Before talking to Eric, I have to admit that I don't think I ever really had anyone truly identify to me the difference between what is fair versus what is equal and the relationship to where we're from. If I hear you right, are you saying that in really expensive land situations, the equal goes out the window early? But I don't know where the lawyer fits in then in the fairness part of that.

ED: Right. I think that's correct. I think part of the reason for that is, again, farming son or daughter aren't going to be able to go to the bank effectively and buy their siblings out of the operation. So, if we're looking at an operation that's north of $5/10/20 million, it's going to be really tough for that farmer to sort of do that job. But it drives the fairness discussion. And a lot of what I do is wills planning. So, when we're putting together the succession plan, we're ultimately looking at the will. And I often say that a typical city will, if you've got sort of your average Canadian who's putting together a will, what it often looks like, provided that there aren't any special circumstances, all to the spouse and to the children equally. Well, in the farming context, that doesn't really work because, of course, you need to, at least many of my clients want to transition that farm to the next generation. So, that farm needs to either on a rollover basis or on a purchase price basis get transitioned to the farming son or daughter. And I encourage my clients to talk about the general idea as opposed to getting down to the dollar values.

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MS: So, wills, I get it, I think we all know we're supposed to have one. This is the part of the podcast where we shock people into a scenario where there was no will in place or the will didn't reflect the wishes or the family. Have you got a story or an experience on this where that piece of the steps was just mismanaged?

ED: Sure. What your listeners should know is that dying without a will is what's called an intestate estate. So, effectively, if you don't put your thoughts down on paper in terms of putting together a formal will, you have an intestate estate. So, what that means is basically, there's legislation in each of the provinces across Canada that determines where your estate goes. In Alberta, effectively, there's a ranking, a priority of your family members as to who gets your estate if you die without a will. So, in terms of horror stories, I did see a client situation where they had an intestate estate and there was a common-law spouse, or in Alberta, it's called an adult interdependent partner, involved. So, effectively what the intent was, I think, of the farmer in that case was to get the farming assets to the farming children or to the people who were ultimately taking over the farm. But because he died without a will, the thing went completely differently than what he had hoped it would. And a good portion of the estate actually ended up being or a claim could be made by the common-law partner. So, I guess the bottom line is if you don't write it down, you're not going to get the succession plan that you're looking for.

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MS: Well, if you're not convinced to start moving on putting a will together now, I'm not sure what's going to work for you. I imagine Eric will encourage you to get your will going sooner than later, but there are definitely differences between a personal will and what I would call a farm will. I'll let Eric elaborate.

ED: A farm will in some ways is a little more complex. Typically, when I'm chatting with clients, I'll give them a range in terms of what the full succession plan is going to cost, at least from a preliminary standpoint. And the line is, it's a process not an event. So, typically, a succession plan kind of from start to finish is going to look like maybe a year to a year and a half to put the legal documents in place. The implementation of that is much longer. It's sort of three to five years or longer. So, I try not to focus too much on costs. If you're going to get sort of your standard will, all to the spouse and the children equally, I mean $1,000, $1,500 is a pretty simple flat rate that lawyers will charge for that. I like to give a little more of a tailored approach, because the issues in farm succession are so much different and in some ways more complex than just a simple situation.

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MS: I like the idea that a will is the catalyst for the family to start engaging in transition, because if I've learned anything running this show is communication, communication, communication. And we're not always gifted with that in agriculture. So, in some ways I think of the will as like a simple tool that everyone kind of knows you should do. It gets me in front of someone like yourself, Eric, to push me further down the path. So, I've got the will now. I work with you. I've got a little bit of a framework. What are the next pieces from the legal standpoint that I need to be thinking about?

ED: Well, it's actually interesting. I find the will it often gets clients in the door. Sometimes the tax issues will get clients in the door. They'll hear about what's going on with recent legislation coming down from Ottawa. I find the will is kind of in some ways the cornerstone of the plan. When I'm doing the planning, the will is usually the last document that I'll finish in the succession plan. And part of the reason for that is we need to talk more broadly about where the family is going in terms of retirement, in terms of succession, putting together the corporate reorganization. So, I find the will is actually kind of the piece at the end that really ties that succession plan together, that sort of puts a bow on the whole approach. So, when I see clients for the first time, it's just ask them some open questions. What are your dreams for retirement? What do you plan to do from a retirement income standpoint? Did you always want to go to Europe or to Florida or buy a house in Phoenix? From a retiring farmer perspective, I mean farmers are so used to putting all their money into the farm because nobody has ever asked them those questions in some cases. I talk about fairness. So, who's in your family? Who are the people that we're talking about in terms of the succession plan? Are grandma and grandpa involved, mom and dad, kids, hey, where are we going with this thing? What are your objectives? And I find people come into the lawyer and they kind of almost want a prepackaged plan ready for them. But it really is about that getting the objectives on the table and what do you care about with your farm, why do you want to transition this farm, is your successor ready, where are we at in the transition process? And then we can talk about specific documents. We can talk about wills. We can get into all the detail. But it's really setting that sort of open discussion right at the outset, which I find is hard sometimes to communicate to clients who come in with the coffee shop plan.

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MS: For those of you who listed to Part 1 of our two-part special, you might remember that Andrea and Allison asked some of their clients the same questions that Eric's asking. They highlight the importance of thoroughly identifying all of your succession objectives and the key players in the process well before you put pen to paper. So, do I really need to pay a lawyer and an accountant to help me answer the same questions? I think I need some clarity. I thought that was my accountant's job. I'm trying to figure out how do I differentiate what I'm asking of both my respective accountant or lawyer. Do I need to bring my accountant with me to see you? Maybe where is the collision of both of your expertise in your discipline?

ED: Well, my practice is a bit different in that I do both estate planning and tax law, so I do have a bit of a background in taxation. So, that creates a conversation inevitably with the accounting advisors in terms of what they want to do on the planning side. Honestly, the best succession plans that I've seen, the accountant and the lawyer are running in complete parallel. So, the client will usually come to us with the questions or issues around farm succession. We all know that a good majority of farmers are about 55 and they're thinking about issues around succession with their son or daughter who has just finished university. There's a transition event, maybe coming back to the farm, or son or daughter working on the farm has decided today is going to be the day where we have that conversation, and mom and dad we need to trot into lawyer and talk about this. The lawyer looks after the legal documents, looks after the will, and actually does the documents around any planning that the accountants are doing. But really, those two conversations need to move in parallel. You'd be surprised actually how much common knowledge there is and how much common conversation there is between accountants and lawyers, particularly lawyers that have a little bit of a tax background. When we're talking about estate freezes or farm transition of selling land to the next generation or any of those things, the conversation really has to take place between everybody. Everybody has got to kind of have that in mind. I think people think about their lawyer, right? Okay, I'm going to do a land deal. I'm going to get a mortgage. I'll go see my lawyer. Maybe I'll update my will. My practice is a little more specialized. And I'm looking for clients and sort of in some ways chatting to my centres of influence, my accounting contacts. Who's looking at succession right now? Who would be a great client to take through this process? Who has family members who are asking these types of questions, but mom and dad just aren't opening up about the issue? And then, effectively what I'll do is either reach out to that client or through the accountant or I've got a contact in the client community myself who comes in looking for that. But in some ways you're actually kind of looking for families like that and relying on people with local knowledge to tell you, hey, that family, they've been looking at this for a long time. They haven't been able to start those conversations. Can you come in and sort of help start that conversation with them? And that's a big part of what the lawyer does, as opposed to just putting together the land deal and the will.

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MS: So, would there be examples of maybe a natural conflict between the lawyer and the accountant in terms of perspective or advice?

ED: I think there can be. The best succession plans that I've dealt with, there's a fairly seamless conversation between the lawyers and the accountants and other advisors. You can sort of have the investment advisor involved. So, when plans have really gone well, everybody is working together in common. In instances where things don't work as well, the accountant has maybe put together a succession plan on the corporate side, maybe an estate freeze or a butterfly, and then the lawyer is either not told or the lawyer doesn't follow up and the will doesn't get updated. So, one thing to hammer home, I think, to your listeners, at least in my practice, is that will has to match the succession plan. Let's say we're setting up a bunch of preferred shares in the freeze, for example, shared classes. If we don't mention those shared classes in the will, we don't talk about what's gone on over here with the accountant, it can create a huge mess. And I've seen scenarios like that, where the will reads everything equally to the children, whereas the succession plan is set up to have the farming son get into the corporate shares and maybe some preferred shares for the non-farming children. If those don't match, the whole thing blows up. And it's almost like you didn't even do the planning in the first place.

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MS: You used a term that I actually am not familiar with called butterfly.

ED: A butterfly is effectively a split-up of the company. So, if we think about wings on a butterfly, there are two wings on a butterfly. It's sort of a colloquial way of splitting up or of explaining a corporate split-up. So, if you've got mom and dad and they want certain farming assets to go to a farming son or daughter and they want other assets to either be held by themselves or go to another child, what we'll do is we'll split the company and butterfly the company to have the assets go different ways. It's a fancy way of talking about corporate division or a corporate split-up.

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MS: Perfect. Super helpful. I'm a bit naive on some of the legal jargon, so this was good.

After the break, Eric will continue to give us more great info on farm transition, including the importance of getting your legal documents in order and the work it takes to get this done and how these documents connect to keep the family harmony. It's great legal advice you don't have to pay for. Stick around.

ED: But if you don't write it down and it's not in the legal documents, the law doesn't recognize it, right? It just isn't there. It's a nullity. It doesn't really exist.

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MS: Alright, so far, we've talked a lot about succession plans, wills, estate tax planning, and Eric identified the need to have your accountant and lawyer working in unison throughout the transition process. Since I've started doing this podcast, it seems the continued theme of collaboration and effective communication pop up in every episode. And I'm sure if you're listening, you're starting to see that theme yourself. So, my next thoughts are what are the steps in the process do I really need my lawyer involved in?

ED: Well, typically, and maybe to give your listeners a sense. When I'm starting a file, I'll open often a corporate reorganization matter and an estate planning matter. If you can kind of think about the process as what do we want to ultimately get out of this, we sort of want to get some certainty around our company or our sole proprietorship or our partnership. What's going on, on the business organization side of the world? And then what's going on when I die? When I pass away and I'm no longer running the farm and I'm gone, where is everything going to go? Those sets of documents sort of drive the discussion and the law is kind of the rules of the road. Law is sort of everything that undergirds the relationships between the people on the farm. So, farmers will often think about their farm in terms of their cattle or their crops or son or daughter working with them on the farm. It's only at transitions where they really take a look at the legal documents, right? When dad dies, okay, what the heck did that will say? When farming son or daughter, maybe non-farming children are coming back to the farm and saying, hey, what actually happened in the company? Do I get any of this? Then we'll call the lawyer, okay, what the heck do those corporate documents say? Are there common shares? Are there preferred shares? Does dad control the company or not? A good lawyer will walk through the transition process with the family and make sure that the legal structure that sits behind everything. It's kind of like the bones of a vehicle or a tractor. It's sort of the fundamentals behind your operation in terms of your structure, governing the relationship between the people on the farm, making sure that that works. So, updating your will, of course, is very important. Updating your corporate documents, very important. But a lawyer is really about carrying on that conversation with your clients through the many years, making sure that your intentions and your objectives are being listened to and sort of ultimately can be carried out. I mean everybody has an objective, but in farm country, folks like to talk about a handshake deal. My response is usually, well, what's written on your hand? Because if you get into a dispute, if you get into litigation, you're going back to those legal documents, you're going back to that lease agreement, you're going back to those corporate documents or that will, and you're saying, actually what was the intention of the parties here? But as a lawyer, one of those things that keeps me up at night is this idea that people have all these intentions about what they want to do on their farm, how they want to transition, what the plan is. Everybody's got a plan, right? But if you don't write it down and it's not in the legal documents, the law doesn't recognize it, right? It just isn't there. It's a nullity. It doesn't really exist.

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MS; How many times do you show up at the opening of the will and it's like Christmas and nobody knows what's buried in it? Remember Brewster's Millions, this old show from the '80s? He gets all this money in the will and didn't know it was coming. Does this happen where people don't have a clue.

ED: It happens all the time. And one of my mantras is communication, communication, communication. Clients will come to me wanting to talk about the plan and will put the documents in place, will do the will, but will never communicate it children or to the rest of the family members. So, ultimately when dad passes away, it's exactly the situation you described. We take a look at the will and it's like, well, that wasn't what dad promised me or that wasn't what we had talked about. And so, it does happen, and those are real horror stories for me in some ways because it can create the risk of litigation. I mean if you're going with a good lawyer, they'll make sure that the will is executed properly and things of that nature. But if you ever see sort of a risk of problems coming to the fore in terms of farming kids and non-farming kids fighting, it was because that will wasn't communicated ahead of time. And I've seen situations of mom changing her will after dad's passed away. What I really like to talk about is, fair is what everybody can agree to. If done properly, the will, will govern. But I can tell you, it makes it tough to have family Christmas if people don't expect what's coming out of that process.

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MS: So, the two important things that I'm learning here are that first, we really need to get our succession plans on paper in the form of actual legal documents. Second, we need to make sure the family knows what's in those documents and what they actually mean. So, again, collaboration and communication are key. And it's clear that lawyers like Eric can help us navigate some of this difficult process. So, is there anything else we need to keep in mind when talking with our lawyer in terms of transition?

ED: I think the important thing there to remember is when sitting down with your lawyer and your accountant and your other advisors, have an open mind in terms of the conversations that are going to take place. I would recommend that situations where I've seen things either go a bit haywire or create problems is where clients almost try to have too much control over the process. As advisors, we're advisors. We're going to ask you some of the tough questions. We're going to ask you things you maybe never even thought about. And I think for clients to recognize and realize that that's a part of the process and that's a part of the fun. And really, what we're doing is we're building a dream and a vision for your farm, and we're not going to get it done in one meeting. It'll probably take multiple years to actually get that transition plan done. I think farmers they put their blood, sweat and tears in their farm, hundreds of thousands of hours. I think what many clients don't anticipate is the amount of work and the amount of thought and planning that needs to go in to actually getting that farm to the next generation. So, that would be something that I would probably emphasize with your listeners.

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MS: So, my whole life working super hard and then I get to this part of it and I want to mail it in, realizing this is some hard work too.

ED: It totally is. People don't want to talk about death, right? It's one of those uncomfortable topics where who wants to talk about when they're going to die, right? But if you care about your family and there's this concept of family business and really those are two concepts. You've got family and you've got business. Business is all about kind of the dollars and cents and getting things done at the end of the day and making sure the farm makes money. But family is about a lot of different things and it's about legacy and it's about future and it's about love, I guess, within the family, or sort of harmony within the family is maybe a better way of putting it. And so, those questions really come up when you think about I'm not going to be around tomorrow, so are my family members going to be able to get along? A poorly done succession plan or where those conversations don't take place is really a scenario where that can create real issues for family harmony. Chatting to your advisors as a team and doing a good transition plan is a way to help that.

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MS: As you were talking, it got me thinking about life insurance and investments, etcetera, and having this stuff all over the place, and exercising it. And I'm curious on what your clients are doing in that space or how they can make sure that they've done their due diligence or managing that wisely from a legal perspective.

ED: Well, life insurance can be a great tool. Effectively life insurance can be used as a risk management tool. So, if I pass away early, my estate gets that life insurance, I can take care of my kids kind of thing. Life insurance though can be used for estate balancing purposes. So, you can actually set up life insurance to help do some corporate planning, to provide a bit of an estate for non-farming children. Obviously, you want to involve your insurance and investment advisor in those conversations. But where I see it used, and this I think is common across the country, is to talk about that fairness piece, talk about how can we use insurance and investments to have assets go to non-farming children and balance off the estate a little bit. A few hundred thousand or a million in cash from a life insurance policy or from some investments in hand today goes a long way for the non-farming child who maybe needs to buy a house or do something with it. And maybe son or daughter has got the farm which is worth several million bucks, but it's all tied up in the farm, right? So, if you have those liquid financial assets, they really work well and can work well on the fairness discussion and the estate balancing discussion.

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MS: Eric makes a really great suggestion here, and I'm sure some of you are out there getting a little bit lost in terms like liquid assets. So, let me explain it in basic terms. A liquid asset is cash or something that you can readily convert to cash. For example, some life insurance policies have cash surrender values. When they're activated, they're converted into liquid cash. Your assets aren't limited in things like your barn or your tractor in your yard. What Eric is suggesting is that also factor in your liquid assets into discussions surrounding the balancing of your estate. Okay, maybe my last question for you, Eric, is, in your line of work, I'm actually maybe interested in a story that you're particularly proud of or an example of something that went well, this went well.

ED: A family that I recently dealt with came in and had a lot of questions about this fairness piece. What does it mean to transition this farm along? We want to minimize the risk of family fighting effectively after the will was done. And, so, we did some corporate planning. We did the will. What worked really well was once we had put together an initial plan, it was communicated to the children. So, we actually had a separate meeting where the children sat down and we had that full discussion. And there was some feedback. I mean you hear about the stories of those meetings where mom and dad come in and say, well, kids what do you want the succession plan to look like? And kids will say back to the parents, well, we don't know, what do you think? And it's that ping-pong. Whereas in this case, we were able to run the documents through, run that conversation through a few times over several meetings, and ultimately land on something that everybody agreed to and agreed with. And that was a situation that I was really proud to be involved in because you can contemplate and see, dollars and cents aside, this family is going to get through, they're going to survive as a family. Both the business and the family will survive. And I think that's the real objective.

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MS: I need to take action now. I've just listened to this podcast and I've got to the finish line here. What's my next step based on everything we talked about?

ED: I'd say, just do it. Just start those conversations. Be open to having those conversations with your family members. I wouldn't say that seeing the lawyer is the one and all solution to getting these conversations started. I wouldn't say that seeing your accountant or your financial advisor is really the solution. The solution is more with yourself in terms of starting to ask those questions when you're sitting on the tractor, you're thinking about this. What's going to happen with this farm transition? Am I actually going to be the farmer in the next 10 years? Is this thing actually going to happen, or is dad going to control it until the day he dies? Or mom and dad are maybe sitting there saying, okay, we're kind of tired of farming or we enjoy it but we'd really like to put more emphasis and more transition resources behind our son or daughter. We'd like to go to Mexico. We'd like to take a little more time off. Make sure that those conversations aren't just ones you're having with yourself. Make sure you're actually communicating them out and starting the process. And I can tell you a simple conversation around the dinner table one night after supper may start a process that you can't imagine in terms of the positive benefits for your farm and your family. Seeing the lawyer coming into me, coming into your accountant, that's just implementation. Just do it.

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MS: I love it. Well said. It's so simple. Just do it. Thanks, Eric. Thanks for joining us today. It was a pleasure getting to know you, and hopefully our listeners can take some action based on some of your good counsel.

ED: Great. Well, thanks, Marty, and I appreciate the opportunity. FCC does great work across the country with farmers and ranchers. I'm so happy to be a part of this discussion.

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MS: Alright, thank you.

Today's episode was quite a doozy. I'm sure all of you listening are motivated and can't wait to give Eric a call and get the ball rolling on your succession planning. He really has a great way of explaining things in a relatable manner that makes the legal process way less intimidating. We definitely have a lot of takeaways from today's discussion, so here are a few things to think about. The first one and maybe the most important one is your will is the cornerstone of the succession plan. Now Eric describes how the will is really the bow on top of the plan. It's the last step you take after you've thoroughly talked through all your retirement dreams and your succession objectives. Eric further suggests that the will and the overall succession plan need to match. You can't have everything equally distributed to your children in a will and then in your succession plan have things distributed completely different. Therefore, the accounting side and the legal side of your transition process need to work in sync. Often you're going to have similar discussions with both the lawyer and the accountants, even though the documents they produce are going to be different. If this collaboration is successful, the execution of the will and your succession plan should be successful too. Determining what is fair is not likely as simple as equally dividing your assets between your kids if you plan to pass the farm onto one of your kids. For example, off-farm kids may see that your land is valued at millions of dollars might just see dollars signs with no real context of what's taking place on the farm. In this case, what is fair in the estate planning is definitely not what is equal. Eric explains that one of his roles is to help families navigate these difficult discussions. Lawyers can help you effectively collaborate and communicate with family members when trying to balance out your estate in a fair manner. It takes the future business into account. He also suggests things like liquid assets should be factored in. This can include insurance policies, actual investments, but a lawyer can help you utilize your liquid assets to further balance your estate. And lastly, you need to put pen to paper at some point, so get started planning now. Maybe you've already had some discussions with family members. Maybe you got a handshake agreement. While this is a good starting point, you still need legal documents in hand to have a successful transition. As Eric points out, if there's no will in place when you pass away, then your estate will form an intestate succession. This means that the government will decide how to distribute your estate. There's no guarantee that the benefactors receiving your estate will want to share fairly with others, which could potentially create a lot of family drama, and ultimately your vision for succession could be left in the dust. So, when it comes to succession planning, Eric suggests just do it. Start thinking about what you envision for your farm transition. Start having those conversations with the family today. And then when you feel like you've got a good grasp of where you want to see things go, start implementing your plan. Go see the proper professionals like Eric, create the proper documents. Make your vision become a reality. Just do it. Well, that's it for today, and that concludes our two-part series on farm transition. We hope you enjoyed it. Perhaps after listening, now you feel confident enough to take the steps you need to begin planning your own farm transition. Thanks again for listening. Until next time, dream, grow, thrive.

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