

A woman with her hair in a bun, wearing a dark beanie and a dark jacket, is standing in profile, writing on a whiteboard. She is holding a white marker in her right hand and a clipboard in her left. The background is a blurred farm setting with a white structure, possibly a greenhouse or a barn. The entire image has a blue overlay.

Transition planning checklist

YOUR GUIDE TO FARM
SUCCESSION PLANNING



Transition is different for every farm – and it's not a one-time project. It involves a plan, thinking it through, writing it down and using it to guide your family's process.

This checklist will help you through the process and promote more meaningful meetings with your technical advisors. Start by identifying where you are and what's next, then revisit, review and communicate often for planning success.

Before you start

- Acknowledge how different communication styles and personalities will impact discussions.**
- Schedule regular, intentional family meetings:**
 - Ensure meetings focus on transition, not day-to-day topics.
 - Invite advisors to the table.
 - Use this communication guide to develop a farm meeting process.
- Start early and be proactive. Transition should be a gradual transfer of responsibilities, management and ownership – and this process takes time.**
- Share your plan:**
 - Invite everyone (including spouses) to give input. The goal isn't total agreement – it's to reach clarity and understand everyone's position.
 - Consult professional advisors early in the process to assist with goals, next steps and ideas to consider.

1. Prepare and identify

Gather details and documents about the farm structure and estate. Identify who needs to be involved and ensure they're committed to the transition process.



TIP: Senior and junior partners – complete each task separately and discuss results.

Create a family and business organization and role chart

- Consider who will lead the process and needs to be involved in family, business and ownership discussions.

Articulate your vision for the farm

- What are my core values?
- How do I exhibit them on the farm?
- How do I envision the senior generation as a mentor in three, five and 10 years?

Write down your personal goals

- What do I want to do with the next phase of my life?
 - What does retirement mean to you and your partner?
 - Are you and your spouse aligned?
 - Do you still want to be involved in the farm?

Identify where you want to live

- Are you aligned with your partner?
- Will this change over time?
- Does the business operate out of the same home site?

Identify how much you need to live

- Budget for what you need today and in the future.
- What's the farm covering today (utilities, etc.)?
- If you move off-farm, what's a new expense?
- Discuss with your technical advisor - assumption might not be reality.
- Create a living budget.
- What changes if you don't live on the farm?
- What are the extra costs associated with living in town?

Where will I get my income?

- How much of my retirement income is expected to come from the farm business?
- How much of my income will be from rental arrangements, redeeming business equity, off-farm, or maintaining ongoing business income but reducing responsibilities?
- Has this been shared with the incoming generation?

Can the farm support multiple generations?

- Collect your last three years of financials.
- Work with your lender, accountant or farm advisor to determine if the farm can support multiple generations.
- If the farm can't support multiple generations, explore ways to gain efficiencies or generate extra on and off-farm income.

Discuss how management responsibilities will be transferred

- Do I have a plan to transfer management responsibilities proactively?
- How long do I wish to remain active in the farm business?
- Do I feel my successor is ready to take over the business? If not now, when?
- Do the contents of your current will match your actual intentions?
- Have we discussed our process to deal with potential disagreements?
- Have we discussed our decision-making expectations and changes over time? Or, who will make key decisions on the farm over time?

Discuss how you see the transition process moving forward

- Share your vision with a technical professional to see what's possible.
- How am I being compensated today?
- How will I be compensated in the future?
- Does our family use "sweat equity"?
- Do I have decision-making authority yet? Or who makes what decisions on the farm?

- Am I responsible for any of the bookkeeping/management tasks on the farm?
- What information can you access to make financial decisions? (For example, financial statements, production results, etc.)
- Does the farm have written agreements?
- Is there a Memorandum of Understanding (MOU) between family members for personal agreements? (i.e., compensation, living arrangements, etc.)
- Are there business structural agreements to outline how we operate together? (i.e., operating/partnership/unanimous shareholder agreement, third parties, landlords, etc.)
- Has the family discussed work-life balance for the business?
- How clear is your current job description? How can you grow and take on more responsibility/management/ownership?

Non-farming family

- Do I want to come back to the farm at any time?
- Do I want to be an active business partner?
- Do I like the rural lifestyle? (for example, building a house on an acreage)
- Will there be expectations for inheritances?

TO HELP YOU PLAN



READ

- [Transition conversation starters](#)
- [FCC Transition Business Essentials Learning Path](#)
- [What does it really cost to live on the farm?](#)
- [Cash flow planning guide](#)
- [Using statements and ratios to assess financial success](#)
- [The financial realities of farm retirement](#)
- [Farm transition case studies to help you plan](#)



WATCH

- [Is your farm transition-ready? How to plan and prepare](#)
- [Real talk for the next generation](#)

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- [A fill-in-the-blanks guide to farm transition](#)
- [Calculate your true cost of living](#)
- [Assessment tool: Roles and responsibilities](#)
- [Your Path to Farm Transition](#)

2. Assess current state

Summarize and review the farm's current financial position and structure, considering your family dynamics. Collect the data and give it your best estimate. This will provide a strong foundation for discussion.

- Determine who owns what (corporate, personal)**
 - Discuss current operational arrangements and expectations. (i.e., junior generation pays no rent/uses company vehicle, junior generation receives less direct compensation but builds sweat equity)
- List your farm assets (include legal description, original cost, market value)**
 - Land
 - Building
 - Quota (original registered owner)
 - Livestock
 - Inventories
 - Other
- List your farm liabilities**
 - Bank overdraft
 - Bank loans
 - Mortgages
 - Contracts
 - Other
- List your non-farm personal assets**
 - Investment Certificates
 - Registered Retirement Savings Plans
 - Stocks, Bonds, Loans Receivable
 - Household, Vehicles, Other
 - Life insurance
- List your non-farm personal liabilities**
 - Bank loans
 - Other
- Gather financial statements and business performance records**
 - Compare the farm's financial performance to industry benchmarks.
 - Determine if the business is profitable.
 - Provide important data about the future viability of the farm.
 - Can the farm business generate enough income to support another household and provide retirement income for the senior generation?
 - What are your income needs immediately after retirement?
 - Conversations have discussed future financial plans for asset replacement, investments and business evaluation over the next five years.

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READ

- [Better benchmarking – how to get the most from your numbers](#)



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- [Assessment tool: Roles and responsibilities](#)
- [B.C. Transition Toolkit for Non-Family Farm Transfer \(Young Agrarians\)](#)

3. Set values, visions and goals

Confirm everyone is committed to transition and discuss individual and shared values to build a solid foundation.

Discuss your and your family's values, vision, mission and goals - develop an action plan

- How do I exhibit these core values on the farm?
- How will my values guide me in a successful farm transition?
- How will my values impact the senior and junior partners working together over time?

Consider your vision for the farm and how you'd like to be involved

- Break it down into stages – the next three years? 10 years?
- Write down your business goals: Where would you like to see the farm in five years?
- How do my goals affect farm labour, management, ownership and family?
- How do my goals impact the need for financing?

Structure debt to align with farm goals and allow for regular debt relief

- Structure debt to come due incrementally (3/5/10/15/20/25 years).
- Consider different products and amortizations to help mitigate risk.

Develop leadership skills

- On-farm leadership is often overlooked. But it can be a competitive advantage that explains why some farms grow and overcome difficult periods to successfully transition - and others don't.

TO HELP YOU PLAN



READ

- [How value, vision and goal setting make for a powerhouse transition plan](#)
- [How to develop a successful farm vision](#)
- [The difference maker: On-farm leadership](#)
- [Farm CEO: Develop leaders, not labourers](#)



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- [Talking the Talk - Ideas for better farm communication](#)
- [Personal values assessment](#)

4. Connect with experts

Identify who's on your professional advisory team and what skill sets you need to add.

Assess what expertise is needed

- Choose specialists based on what's needed for your plan. They all bring different skills to the table and should be open to working together to support your success.
- The advisory team is a trusted group of people who can help you brainstorm ideas or work through uncomfortable or confusing aspects of transition. They provide expertise and can support transition goals.

What type of advisor do I need?

- Although there can be others, consider these professionals based on your needs.

Ownership support	Business support	Family support
<ul style="list-style-type: none"> • Lawyer • Accountant • Banker • Estate planner • Insurance agent • Wealth/Investment advisor • Transition coach 	<ul style="list-style-type: none"> • Business consultants <ul style="list-style-type: none"> - Strategy - Marketing - Financial - Agronomists - Banker - Facilitator • Organizational development • Key employees • Transition coach 	<ul style="list-style-type: none"> • Therapist • Facilitator • Investment advisor • Family members • Transition coach

TO HELP YOU PLAN



READ

- [How advisors add value to your farm management plan](#)
- [Why are advisors important for my farm business?](#)
- [Advisor Support – resources and tools \(Farm Management Canada\)](#)
- [Advisor Support – B.C. Agri-Business Planning Program](#)



WATCH

- [Top tips to find the right farm advisor](#)

5. Create a will and estate plan

Maintain a detailed, current will that supports your farm business plan and family commitments.

Review the critical issues

- What assets will you pass to your non-farm children?
- Is there a clear path for transferring assets to farming children?
- Is it fiscally feasible for the farm to continue with current will ramifications?
- Have you reviewed pre- and post-death tax implications with a technical professional?
- How do you decide what is equitable?
- Are you concerned that your children might challenge your overall succession plan after your death?

Review assets and liabilities

- Corporate
- Personal

Estate planning: Ensure you have appropriate legal documents in place

- Are these documents current? Are they being reviewed every three to five years?

- Will
- Primary and secondary (if incorporated)
- Power of Attorney document
- Healthcare directive

Prepare for the unexpected

- Is your farm adequately insured if you or a key player in the operation is injured or becomes disabled?
- Do you have interspousal agreements and partnership agreements to protect specific assets?
- Does the family know where to find all agreements, life insurance, banking information and contact information? (legal advisors, accountants, etc.)
- Does the family know your event of death or funeral directions?
 - Names of will executor/trustees
 - Will location, date and preparation details
 - Burial instructions (cremation, cemetery location, contacts, preferred clergy, etc.)

TO HELP YOU PLAN



READ

- [Why an updated will is the most important part of any transition plan](#)
- [Writing 'Because I love you' lists](#)
- [Wills and estates planning: What to consider](#)

6. Build a business plan

Create a written plan, budget and agreements that consider all generations' values, vision and goals. Getting it in writing doesn't mean a lack of trust – you're managing risk to ensure the farm survives for the next generation.

- Identify larger capital projects that might impact your transition timeline due to financial demands for both.**

Notes

TO HELP YOU PLAN



READ

- [How a solid business plan fits into any family farm transition](#)
- [10 steps to a solid business plan](#)



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- [University of Guelph: Foundations in agricultural management \(online course\)](#)
- [Taking stock: Self assessment tool \(B.C. Government\)](#)
- [Business Score Card \(Farm Management Canada\)](#)

7. Train and develop

Share knowledge and help your successor gain the skills and experience needed for farm business success.

Develop an implementation plan identifying actions, timetables and key responsibilities. It helps keep people accountable and can be reviewed with key advisors. Include:

- Business management areas
- Action statement (goals and priorities)
- Planned and actual completion dates
- Person(s) responsible

Notes

TO HELP YOU PLAN



READ

- [Make training and development your farm business cornerstones](#)
- [Management groups are game changers – if you know what you want](#)
- [Sharing knowledge – a major part of any successful farm transition](#)



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- [Assessment tool: Knowledge gaps and training needs](#)

8. *Align and activate*

Review all details with your stakeholders and professional advisors.
Agree on timelines and implement the plan accordingly.

Notes

TO HELP YOU PLAN



READ

- [Farm transition takes a team – here’s how to find the right fit](#)
- [How effective transition planning can unlock your inner CEO](#)
- [How to make negotiations a win-win situation](#)

9. Review and revisit

Communicate regularly with stakeholders and advisors to review your plan and identify if anything needs to change.

- Review all aspects of the will (executor, POA, beneficiaries) to ensure it still represents your wishes.**

Notes

TO HELP YOU PLAN



READ

- [Why your farm transition plan should be a living document](#)



ADDITIONAL PLANNING GUIDES

- [Family Farm Business Succession Plan Checklist... approaching the porcupine](#)
- [Choose Your Own Succession](#) (Farm Management Canada)
- [Transition Planning Webinars](#) (Farm Management Canada)
- [Farm Transition Guide](#) (Farm Management Canada)