YOUNG AGRARIANS

B.C. TRANSITION TOOLKIT FOR NON-FAMILY FARM TRANSFER

Edition 1.0

LAND ACKNOWLEDGEMENT

This toolkit was produced by contributors living and working on unceded and traditional Indigenous lands and territories, including: Musqueam; Squamish; Tsleil-Waututh; Kwalikum; Snaw-naw-as; K'ómoks; Quw'utsun; Ktunaxa; Syilx (Okanagan); Sinixt; Gitxsan; Treaty 6 territory, home of the Cree, Blackfoot, Métis, Nakota Sioux, Iroquois, Dene, Ojibway/Saulteaux/Anishinaabe and Inuit; and Treaty 2 territory, the traditional lands of Anishinaabeg, Cree, Assiniboine, Dakota, and Dene Peoples, and the homeland of the Métis Nation. The three in-depth case stories were developed in collaboration with farmers living on the unceded territories of the Songhees First Nation, Syilx First Nation, and Tsq'escen (Canim Lake Band) traditional territory of the Northern Secwepemc te Qelmucw.

Young Agrarians recognizes the unresolved Indigenous land title and rights in the diverse territories in what is today called Canada. As we live and work in the context of and in response to a colonial system of laws and policies, it is important to acknowledge the historical and ongoing impact of agriculture and land enclosure on Indigenous lands and food systems. In this context, we acknowledge our collective responsibility to position Indigenous Peoples and their experiences with coloniality, in a narrative of reconciliation that places ecology, land stewardship, and Indigenous land title and rights at the forefront - if we are to sustain the Earth's ecosystems in today's rapidly changing climate.

> **"First Nations peoples' have a special relationship with the earth and all living things in it. This relationship is based on a profound spiritual connection to Mother Earth that guided indigenous peoples to practice reverence, humility and reciprocity. It is also based on the subsistence needs and values extending back thousands of years. Hunting, gathering, and fishing to secure food includes harvesting food for self, family, the elderly, widows, the community, and for ceremonial purposes. Everything is taken and used with the understanding that we take only what we need, and we must use great care and be aware of how we take and how much of it so that future generations will not be put in peril." Source:** afn.ca/honoring-earth

The western science-based research and resource management system treats land as a commodity rather than a relationship and sacred honouring. It is not possible to reconcile the commodification of land in a colonial system that fails to value the land as ancestral, spiritual and cultural home, and the basis of our relationships to the natural world. As an organization working with new and young farmers to increase access to land and infrastructure needed to grow food, it is important to identify this contradiction. Further, as we live in an inherently complex regulatory environment within an increasingly inflated capitalist system of land speculation, any solutions we create to ensure the present and future generations can access land call for complex systems thinking. There are no simple solutions to land transition in the cultural, political and socio-economic context we live. Collectively, we need land to grow food and regenerate and protect ecosystems for a healthy future planet that can mitigate climate change.

This toolkit was created with the intention that, through the concepts and stories it explores, landholders and farmers will be able to envision future transitions for the land, and better understand the central nature of relationships to nurture future healthy food systems. In the context of Indigenous and settler groups working together, we believe that it is through relationships that cross-cultural spaces emerge and the giving back, reopening of lands for food provisioning and re-wilding of ecologies can be nurtured. It is our hope that there will be more pathways to reconciliation across these lands into the future. While this guide is primarily focused on options for land transition within the land title system, we will endeavour in the coming years to cultivate organizational capacity for working within cross-cultural frameworks to support farmers in our network to engage in decolonization and reconciliation processes through a relationship based approach, at the landscape scale as they are defined by Indigenous and naturally occuring boundaries - towards the goal of a transition to a just land and food system.

The Young Agrarians network emerged to support a new generation to care for and love the land. Many of the farmers in our network grow food and farm because of their environmental and social values; ecology is what is capturing people's imagination and re-connecting them to the food system. The network works to facilitate knowledge sharing and community building to create the change we want to be. Our deepest hope is that the future of our food systems is diverse, interconnected, and resilient, embraces people of all walks of life and sustains the water, plants, and creatures in ways that benefit and work alongside Indigenous Peoples and narratives and ways of knowing and caring for the land.

Reconciliation & Decolonization Resources:

- Decolonization pledge developed for the BC Food Systems Network: bcfsn.org/wp-content/uploads/2016/09/PledgeFINAL.pdf
- Indigenous Food Systems Network: indigenousfoodsystems.org
- BC Foodlands Co-operative Decolonization Resources: foodlands.org/decolonization-resource

ACKNOWLEDGEMENTS

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LEGAL DISCLAIMER & WAIVER

YOUNG AGRARIANS

Young Agrarians (YA) is a farmer2farmer educational resource network for new and young farmers. YA's Grow-a-Farmer strategy in B.C. engages new, young and potential farmers through resources and opportunities online, brings them together to network and learn together on and off farms year-round, and when ready to start farms, supports them to access land and receive business supports and mentorship from a seasoned farmer. In Alberta, the program has grown online, through events, and an on-farm Apprenticeship Program in Regenerative Agriculture, which will expand into Saskatchewan and Manitoba in 2021-2022. The long-term goal of YA is to increase the number of viable and ecological farms in Canada.

youngagrarians.org

Since YA began in January 2012, the network of participating farmers has grown at the grassroots level across Canada coast-to-coast through farms organizing and building community. The YA network is made up of a diverse array of food growers and lovers: rural and urban farmers, market gardeners and livestock-raisers, holistic managers, seed savers, food activists, beekeepers, community gardeners, food/farmer organizations and more, all working to steward land and soil, and grow our local food systems.

B.C. LAND MATCHING PROGRAM

The B.C. Land Matching Program (BCLMP) provides land matching and business support services to new farmers looking for land to farm, as well as landholders interested in finding someone to farm their land. The benefits of land matching are hands-on, personalized support services to new farmers and landholders to better understand regulations, evaluate opportunities, access resources, and ultimately find a land match partner. The program is delivered by Young Agrarians and addresses the significant barrier to land access for those seeking to enter the B.C. agriculture industry.

youngagrarians.org/bc-land-matching-program

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FOREWORD by HEATHER PRITCHARD

Photo by Michael Marrapese

My grandmother Anna Neufeld often said, both to comfort me and to put things in perspective, “This too will pass.” Of course, our time in this world is finite (she moved off the farm in her 70’s and died at 99), and the land, too, passes on.

Where someone in the family wants to continue to farm, it may stay a family farm – but it often gets complicated if other family members expect to receive a financial legacy that can only be realized by selling the land. The land is more vulnerable to being lost to food production when no one wants to farm. Indeed, it is increasingly rare that offspring are interested in continuing their parents’ farming tradition, and new farmers aren’t likely to be able to buy the land at today’s highly speculative and unaffordable real estate market prices.

How to make land available to new entrants into agriculture takes imagination and careful planning – but we do have choices when it comes to acquiring land. Across B.C. there are over 20 farms where land ownership is shared and there is more than one agricultural enterprise accessing it. We call these farms Community Farms and they are diverse. They may have been donated and put into trust, be owned by the municipality and leased out, be held by a faith-based community, or be a co-operative.

Take Fraser Common Farm Co-operative (a non-profit co-op) in the Fraser Valley where I live and Glorious Organics Co-operative (an agricultural worker co-op) that leases the land. We have been foraging for wild edibles in the woodlot, picking fruit from the orchard, intensively cultivating just over six acres of mixed greens, vegetables, berries, herbs and flowers, integrating chickens and sheep into our farming operation, and hosting tours, cultural activities, workshops, long tables and kids camps for over 35 years. More important, our members, diverse in age and skills, address the difficult issue of succession in a natural way. As people age the work they do changes to match their capacity and new co-op members take over the more physically demanding jobs.

When it seems unaffordable for even a co-operative to purchase the land, there is the option of acquiring it, by donation or purchase and putting it into trust. For this reason, we incorporated the Foodlands Co-operative of BC, a provincial land trust. We call it a foodlands trust, rather than a farmland trust, to honour and include Indigenous food systems, which are inclusive of hunting, gathering, fishing, and trapping rather than just production farming. This simple change in language expanded our mandate beyond production to the ecology of the land and all it provides. We became “stewards” not “owners” who take “responsibility” for the land instead of “managing” it.

This is just one example of the shift in perspective we will need to navigate land access challenges into the future: a shift in the way we think about land, a shift from commodity to community. There are solutions out there to transition land and farms to the next generation – and by and large the solutions mean coming together, bridging generations, cultures, and perspectives, and working together in new and innovative ways. If we work together, we can make it happen!

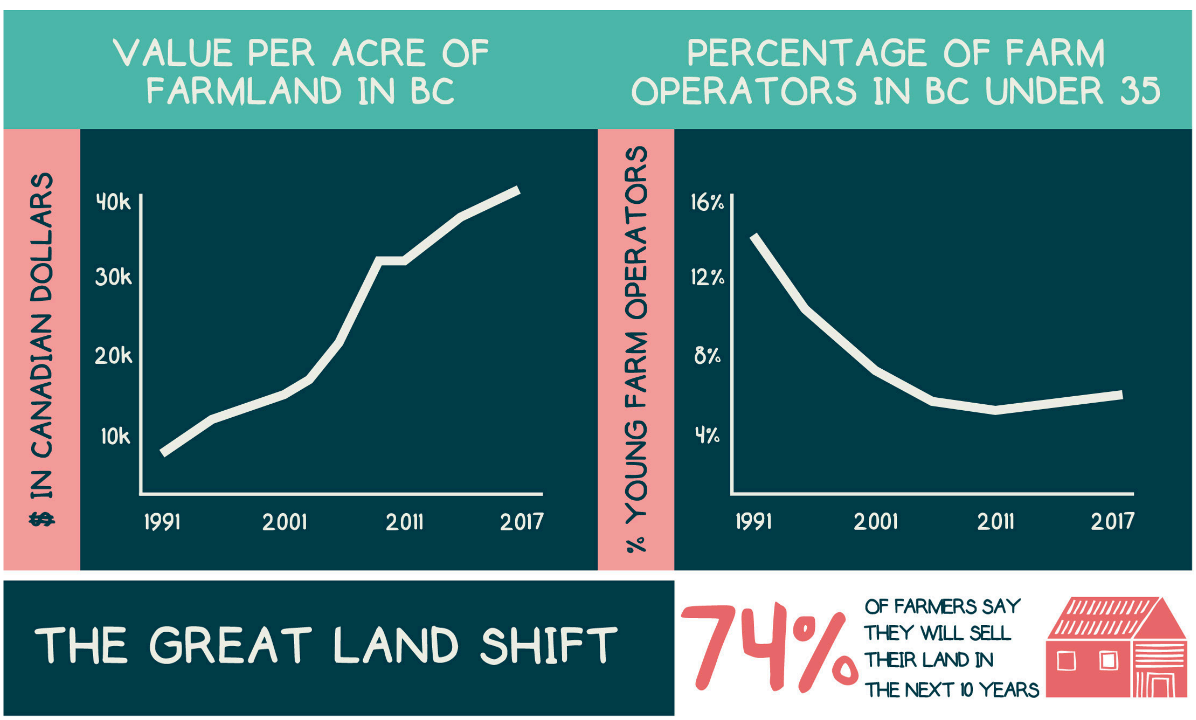
Heather Pritchard is committed to passing on the skills, land, partnerships, sustainable practices and biodiverse seeds to the next generation of farmers in B.C. She has been a leader in promoting different forms of land tenure that will allow people who want to farm to have access to land in the future. Heather is a founding member of FarmFolk CityFolk and is the founder and director of the Foodlands Co-operative of BC. She is a co-founder/farmer with Glorious Organics Co-op in the Fraser Valley and a resident member of Fraser Common Farm Co-operative, a community farm in the Township of Langley, B.C. where she has been farming since 1985.

INTRODUCTION

This toolkit grew from the stories we've heard from seasoned farmers struggling to see a way to pass their farm on to the next generation, and from the next generation struggling to find a way into agriculture. Our goal is to support the community with the information and inspiration needed to dig into non-family transition and develop plans that transfer lands, farm businesses and knowledge between generations.

Once upon a time, when a farmer was ready to retire and didn't have a family successor, it was possible to sell the farm and/or business to a new farmer, who would continue the farming legacy of that land into the future. Today, land affordability is the number one challenge identified by new farmers.[1] North America is currently in the midst of what will be one of the greatest transfers of wealth in our time, which can be referred to as the Great Land Shift, where hundreds of millions of acres of North American farmland will change hands in the next two decades.[2] Many farmers are retiring without a family successor, and selling their farmland - most likely not to new and young farmers but to existing larger farms.

The number of farmers under 35 has been in a steady decline, but the 2016 Census of Agriculture saw the first national increase in young farmers since 1991.[3] People of all ages are turning back to food growing because they value local and healthy foods to provide for their communities. This exciting change holds hope for a future generation coming back to the land. However, the cost of land and farming has risen sharply over the past 30 years, putting land ownership out of reach for many new farmers. In B.C., the cost of land increased 5.4% in 2019, with land in the expensive South Coast and Okanagan regions valued at an average of over $100,000 per acre.[4]



SOURCE: STATISTICS CANADA, FARM CREDIT CANADA & FOOD SECURE CANADA

1 BC Stats. (2019). New Entrants Needs Assessment. bit.ly/NewEntrantNeedsAssessment

2 Agrarian Trust. agrariantrust.org/about

3 Statistics Canada. (2016). Census of Agriculture. statcan.gc.ca/pub/11-627-m/11-627-m2017010-eng.htm

4 Farm Credit Canada. (2019). Farmland Values Report. fcc-fac.ca/fcc/resources/2019-farmland-values-report-e.pdf

New approaches are needed. South of the border, organizations such as Land for Good and Agrarians Trust have been working to ensure that there is a way forward during these crucial times for foodlands transition. It has also become normative for a new generation to lease farmland in Canada: 50% of farm operators 35 years of age and younger are leasing land. Leasing is one essential solution to addressing land access, while others are needed to address equity and land affordability for the next generation. Young Agrarians has offered land access programming since 2013, first through Land Linking Workshops and the B.C. Land Access Guide, then piloting Quebec's land matching methodology in 2016 in the Metro Vancouver and Fraser Valley area, which in 2018 scaled up to the B.C. Land Matching Program, thanks to funding from the Province of British Columbia and regional funders. There are now land matchers supporting farmers and farmland owners across B.C.

The primary audiences of this toolkit are farmers without a family successor and farmers looking to transition onto a land base in B.C. Current and entering farmers will find a framework for understanding non-family transition, information about different models, and how to gauge which model fits your vision and needs. The case stories and other anecdotes in this toolkit are real-world examples of farmers making transition happen in a very complex regulatory environment - to ensure that what they've built with a lifetime of labour will not be lost to the next generation. Where there's a will, there's a way.

There are many excellent transition resources available in Canada. This toolkit is not intended to replace those, but rather to provide a complementary resource that highlights the non-family transition perspective. The six-stage process outlined here is designed to move you from setting your vision through the planning process to finalizing and maintaining your transition plan. Emphasis is placed on identifying what resources you need and when. Tools from other transition resources are included.

In this toolkit you will find:

- Models to transition the farm to the next generation, focusing on non-family transition
- Case stories to illustrate each model
- Financial, legal, and regulatory considerations
- Information about finding successors, interim planning, transitioning direct market customer bases, and more
- Worksheets to support your transition planning process, both from existing sources and developed / adapted with non-family transition and diversified farms in mind
- Legacy letters from current farmers
- Resources and referrals

The goal is for you to be able to:

- Learn about different models of non-family transition, and how to assess which models may be possible for you
- Understand what legal, regulatory, and social considerations exist
- Assess and document your vision, needs and next steps using the worksheets provided
- Develop a transition team through the resources and referrals provided
- Get inspired!

TERMINOLOGY

A note about language: you'll see some words used interchangeably such as farm transition, farm transfer, and farm succession.

Foodlands: "Foodlands" includes farmland as well as recognizing a diversity of food harvesting systems which may not fit in the more narrowly defined category of "farmland," particularly food systems tended by Indigenous peoples.

Farm Transfer: Passing a farm business and/or farmland from one generation or owner to another. Other related terms often used interchangeably are "farm succession" and "farm transition."

Farm Transition: The process of planning to transfer the ownership, management, and operations of an agricultural business to a successor. It is used interchangeably with succession. Transition/succession can include the transfer of land, farm business, or both from one party to another. This toolkit primarily uses the word transition.

Current Farmer: The farmer who is on the land and planning for retirement with the goal of transitioning out of the land/farm business. For simplicity, this guide will refer to the "current farmer," while acknowledging that there are often multiple current farmers involved.

Entering Farmer: The farmer who is transitioning into a farm business/land opportunity (may also be referred to as the successor). For simplicity, this guide will refer to the "entering farmer," while acknowledging that there are often multiple entering farmers involved.

Land Access: Land Access addresses availability, appropriateness, affordability, security and findability, in pursuit of secure Land Tenure (land use rights).

Landholder: The person, group, or entity that holds use-rights to land. Land can be held privately, publicly, or in "trust". Landholders can be farmers (current or retired), farm families and their heirs, non-farmers, organizations, and various levels of government.

WHAT IS FARM TRANSITION?

Transition is the ongoing process of transferring the knowledge, skills, labour, management, control and ownership of the farm business to the next generation. Transition is a process that takes time and effort to work through and develop a comprehensive plan that best meets the needs of all those involved.

The farm is going through a process of change and the goal is to figure out how to effectively manage and navigate that. The objectives are to transition the management of the agricultural operation, including building new management capacity, transfer farm assets (land, buildings, equipment and livestock), and develop a long-term plan to ensure financial security and peace of mind for both the current and entering farmer.

In transition planning, form should follow function. Transition plans should be firmly anchored in a clear and shared vision between the parties involved. Every transition planning process is unique, just like every farm is unique. A process that flows from vision to implementation, with clearly identified stages and make-or-break moments at each stage, might look something like this:

STAGE 1: SET A VISION

Both the current and entering farmer should develop their independent vision for land, lifestyle, finances, family, legacy, farming, etc. Then, conversations begin that centre on each party's vision and move towards aligning on a common vision. Establishing clear, constructive communication at this stage is essential.

STAGE 2: ASSESS

At this stage, current and entering farmers assess the feasibility of their vision. What's possible, considering the financial capacity and needs of each party? How much of the common vision is achievable? Where are there trade-offs? What model will provide the best framework for the vision?

STAGE 3: ACTION PLAN

The farmers know their vision and desired model, and are further exploring what structures will allow them to acheive that by looking at relationship structures, legal agreements, and financial supports. This stage is about identifying the solutions, and costing them out.

STAGE 4: DOCUMENT

Once the path forward is clear, the next step is to work with resources and professionals to develop all the elements identified in Stage 3. This involves developing the written transition plan: drafting written agreements, business and estate planning, obtaining financing, etc.

STAGE 5: IMPLEMENT

It's time to turn vision into reality by handing over farm management tasks and decision-making, executing legal agreements, transferring assets, etc. *Note that implementation will be gradual, and interim planning is necessary to allow for a smooth transition process.

STAGE 6: MAINTAIN

As a transition plan is implemented, progress must be monitored, issues might arise and the plan may need to be modified. Regular check-ins are essential to evaluate and adapt as necessary. Flexibility is key.

This toolkit starts out by asking you to consider and define your needs in Stage 1, before providing some potential frameworks as solutions in Stages 2 and 3. Once you are clear on your vision and needs, you can then go on to seek out or design the solution that will fit those needs. We recommend reading this toolkit in full before starting to work on the tools. This toolkit dives deeply into Stages 1-3; while we've included information and tools for Stages 4-6, it's essential to have support from your transition team during Stages 4-6.

*Note that as life never moves in a straight line, you may need to circle back to each of these stages repeatedly. For example, if someone joins your farm, you'll need to revisit the vision stage to bring everyone onto the same page. Or, you may assess feasibility early on by having a property assessed, but over a few years the property value changes and you need to revisit feasibility.

While we refer throughout to the "current farmer" and "entering farmer," think about who else needs to be involved in transition conversations and decisions. This will be different for each situation, but may include extended family, employees of the farm, people throughout the supply chain, other community members, lenders, and, of course, professionals such as lawyers and accountants.

The next sections of the guide will move you through developing your vision to assessing your vision against different models, and finally to tools and resources that will help you move into the action plan and documentation stage.

HOW LONG WILL TRANSITION PLANNING TAKE?

All good things take time to develop. You can't rush a seed to germinate! Transitions are times of change, exciting, new and sometimes destabilizing. There is extensive knowledge to transfer, a legacy to honour, and a steep learning curve for everyone. It's a people-centered process, which means it can be complicated, emotional, and it won't always be comfortable.

Your timeline will be unique to your farm, both in terms of the planning process and the actual transfer of knowledge and assets. The time from the first conversation to when the entering farmer is running things completely independently might take anywhere from one to 15 years. As humans, we love certainty and clarity; developing concrete timelines is essential and will support communication and provide you with a roadmap towards common goals.

Many farmers say that they've started thinking about transition too late, and it doesn't feel like there's enough time to let the planning process, relationship building and knowledge transfer unfold. And while we do recommend thinking about transition early (even as you are starting your business) it's never too late. After all, they say that the best time to plant a tree was 20 years ago, and the next best time is today. Farm transfer is never really complete; even as you work towards one transition you are already planting the seeds for the next.

This toolkit can support you to create your transition road map, and develop timelines that, along with your vision, will bring clarity and help guide your process.

STAGE 1: SETTING YOUR VISION

STAGE 1 SET A VISION | STAGE 2 ASSESS | STAGE 3 ACTION PLAN | STAGE 4 DOCUMENT | STAGE 5 IMPLEMENT | STAGE 6 MAINTAIN

Both the current and entering farmer should develop an independent vision for land, lifestyle, finances, family, legacy, farming, etc. Then, conversations begin to share each party's vision and move towards a common vision. Establishing clear, constructive communication at this stage is essential. In this section you will learn how to assess your vision, needs and capacity. This will help you assess the model to best suit your vision.

RELATED TOOLS: TOOL 1 - SETTING YOUR VISION, TOOL 2 - WRITE YOUR OWN LEGACY LETTER, TOOL 3 - COMMUNICATIONS ASSESSMENT

Before you can develop a vision for the future, you must orient yourself in where you are now. This will help you understand what your needs are, your next steps, gaps in skills or knowledge, and where you need support. Setting your personal vision starts before you initiate formal planning for transition, but your vision will likely need to evolve over time. It takes time to explore what is possible, so don't rush this. Be honest and open with yourself and anyone else involved in the vision-setting process.

The different elements of your vision can explore finances, environmental stewardship, affordability, culture, legacy, community impact, etc. Your vision will become your anchor through the rocky seas of the transition process. It should answer the questions: what do you want, and what do you need the transition plan to give you? For example, "I want my land to keep being farmed" is different from "I need to keep farm status," and similarly "I want to stay involved at a decision-making level" is different from "I need to be able to draw a base income of $X from the farm business to subsist on." It may start broad, but should develop into something more specific and concrete.

Permaculture uses a concept called the eight forms of capital to broaden our understanding of the financial system to include non-monetary forms of capital. For example, relationships have social capital, and land has living capital that brings value beyond the price it commands on the real estate market. These eight forms of capital can be a helpful way to think about your personal vision. When outlining your personal vision, think about each form of capital and use that to express what is most important for you to achieve during the transition process:

- Social: the network of people that support you (e.g. friends, coworkers, family, neighbours)
- Material: non-living, physical objects that you have access to (e.g. house, fencing, tractor)
- Financial: money that you can use (e.g. savings, income)
- Living: all the living beings that you interact with (e.g. farm animals, soil organisms, forage)
- Cultural: shared internal and external process of a community (e.g. traditions, songs, art)
- Experiential: skills you acquire through practice (e.g. carpentry, butchering, bookkeeping)
- Intellectual: knowledge you gain (e.g. degree/certificate, taking courses, reading books)
- Spiritual: practices and beliefs that affirm your worldview (e.g. meditation, prayer)
- Read more about the eight forms of capital here: appleseedpermaculture.com/wp-content/uploads/2011/04/8_Forms_of_Capital_PM68.pdf

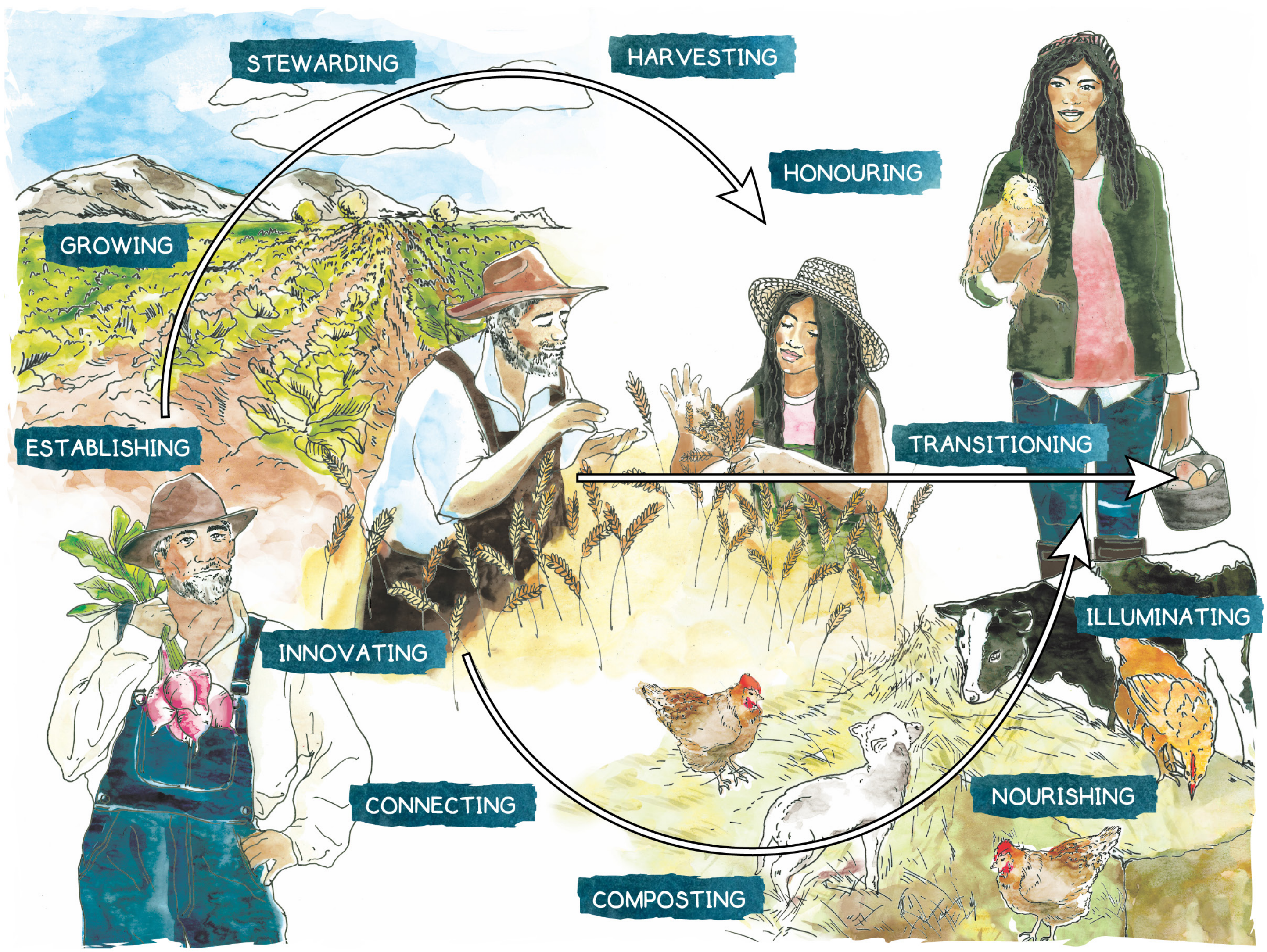
The following sections highlight considerations and questions for current farmers and entering farmers to help you reflect and begin to form your vision. At the end of this section you'll find the tool "Setting Your Vision", which is intended to help both current and entering farmers document their vision.

EMBRACING THE CYCLE OF CHANGE

Transition is an opportunity for transformation, and transformation is an inherently creative process. This is a time to think big, assess opportunities, and address challenges. It's helpful to keep in mind that change is inevitable: one way or another, the years pass, and people come and go.

There are many changes we have no control over; what we can control is how we embrace change, how we choose to see change as an opportunity to pass on what is of value to us, and leave what no longer serves us by the wayside. The most important things that current farmers can pass on - beyond, of course, the land and farm business - are your wisdom and your ideas, your way of being in the world.

Just like the ecosystems that we work with, farms and businesses have life cycles. There are phases of new beginnings, growth, abundance, disturbance, and even death. Healthy farms ebb and flow through a cycle that allows for adaptation. Here's one way to think about change and the transition process that can help inform vision setting for both current and entering farmers[1]:



1 Adapted from the Berkana Institute Two Loop Model, Art of Hosting

1. **Establishing**: the start-up phase, creating both physical and business structures on the farm, setting up the patterns of who does what.
2. **Growing**: investing, taking new opportunities, finding markets, establishing enterprises, building relationships.
3. **Stewarding**: maintaining the business, carrying out routines, a feeling of "this is the way we do things around here" (which isn't necessarily a good or bad thing).
4. **Innovating**: entering farmer comes along, may be exploring new ideas, feels that "another way is possible" (which also isn't necessarily a good or bad thing).
5. **Connecting**: as they explore new ways of doing things, entering farmer connects with others, builds a network of support.
6. **Nourishing**: entering farmer is gaining skills, testing, gaining experience, exploring the resources required.
7. **Illuminating**: entering farmer and current farmer start making it real, they are planning and laying out the future together.

There are a number of other crucial dynamics that need to be thought about in transition:

1. **Composting**: the resources, assets of the old business or farm are redeployed into the new one.
2. **Harvesting**: learning from the way the land and business have been managed, learning from the previous generations.
3. **Honouring**: honouring the current/previous generation, the business and the farm for what it has been and what it has given to future generations.
4. **Transitioning**: bringing everyone along, making sure everyone is engaged in this new way of doing things, taking on new roles (current farmer becomes mentor, entering farmer becomes decision-maker).

ACTIVITY

Reflect on what you've learned so far by asking yourself the following questions:

- Where do you see yourself on this diagram?
- What has your experience been?
- Where do you see yourself moving to?
- Besides the assets and the business, what do you want to pass on to the entering farmer? What would you want to have passed on to you?
- What don't you want to pass on? What don't you want passed on to you?
- What skills do you think are needed for a successful transition?
- What value and skills can you bring to the transition process?
- What skills are missing from the transition team that will provide support?
- What areas do you want to work on?
- What areas do you need help with, possibly bringing in advisors?

TO FUTURE GENERATIONS: LEGACY LETTERS FROM B.C. FARMERS

We asked farmers from around the province to share with us their vision for the future of their land and farms in the form of Legacy Letters. The full letters are excerpted here and published in full on the Young Agrarians website: youngagrarians.org/legacy-letters

At the end of this section, you'll find the Legacy Letter tool. Take some time to reflect and draft your own Legacy Letter. This letter can be something you keep for yourself or something you share with your family and others involved in your transition. If you would like to share your letter with us, we would love to publish your letter so others can get inspired by your farm journey!

"Thirty years from now, I want people to remember that my farm was a beautiful productive healthy place to find and learn about producing good food. My number one goal for my farmland is that it continues to produce great food for my community. This is important to me because eating local, organic, largely plant-based food is the most important step we can take to affect climate change - and also this food tastes so good and is good for our health."

- Mary Alice Johnson, ALM Farm, Sooke BC.

"I can only hope that whoever takes over this farm will love and protect the natural beauty of this place – both the cultivated part as well as the natural forest that keeps this land and its inhabitants (human and otherwise) healthy. This little 10 acres has since 1952 been home to many families and produced tons of food and over a million bedding plants to feed people

from all over the valley. I would like to express my sincere thanks for the amazing gift it has been to live on and steward this little piece of heaven. May all who come after me be so blessed!"

- Pete Amyoony, Dunster, BC

"We need to treat our agricultural land as a gift to be shared with the community for our lifetime and then moved on to the next generation for them to grow their food, teach themselves to farm and their children to farm, try out new farming methods and celebrate locally produced food with people in their neighbourhood."

- Lorne & Barbara Ebell, Nanoose Edibles Farm, Nanoose Bay BC

"My highest priority for the farm is to continue to be an organic vegetable, berry, fruit and nut farm that feeds the local community. We have been successful for the last 29 years selling healthy food locally despite the challenges of farming, and have strong connections in the community. There is no greater joy than seeing the delight on children's and their parents' faces as they eat a field-ripened strawberry or munch a fresh carrot."

- Rob Hettler, Pilgrims' Produce Farm, Armstrong BC

"Our goal for our farm is that it should remain a farm that feeds and nurtures all its inhabitants—human, animal, insect, microbial—and that it continues to produce nutrient dense products for a local market. Thirty years from now we would like people to know that this farm was loved and cared for in the best way we knew how. For a livable future we need more farms that are loved and nurtured by their farmers. We need to build human communities that will care for the land and for each other."

- Linda and Tim Ewert, Wildwood Farm, Pouce Coupe BC

Photo: Mary Alice Johnson at ALM Farms by Thomas Buchan from Certified Organic Associations of BC

CONSIDERATIONS: CURRENT FARMER

There are many pathways for current farms transferring a farm business and/or land to an entering farmer, depending on your vision for finances, your family legacy and what you want to see happen to the land in the future.

Different scenarios will offer different levels of financial compensation, and may offer different levels of security in knowing that the land will continue to be farmed into the future. Understanding your vision and needs will help you choose a pathway. Ultimately, your vision will be shaped by what you want your retirement lifestyle to look like, your finances, your family, and the legacy you want to leave for the future.

WEALTH MANAGEMENT: Retirement and financial needs are at the heart of transition planning. Owning land is a valuable asset, as the land can be sold to fund retirement. For many farmers, a land sale will be the main source of retirement income. It's important to understand what you want your retirement lifestyle to look like, what funds you'll need, and how important a family financial legacy is to you so you can develop a transition plan that meets those needs at this crucial stage of life.

Selling the land, and/or farm business, at market value, whether to an individual or a community group, offers the highest level of financial return to you. If a high financial return is not your priority, selling the land below market value or donating the land can create opportunities for young farmers.

STAYING ON THE LAND: There are few things as heartbreaking as pouring decades into nurturing a piece of land, only be forced to move away from that land when you retire. Many current farmers want to stay on their land after someone takes over the farm business, and there are a number of options to achieve this. The exact mechanism for staying on the land will be different depending on the transition model that fits your needs. It's important to consider what housing is available on the land and what changes may need to be made to accommodate both current and entering farmers.

PRESERVATION OF FARMLAND: For many current farmers, ensuring that their land continues to be farmed is a primary goal for any exit strategy from the farm. This is a key driver that leads farmers to look at alternatives to putting the land on the market. If long-term farm use is at the core of your vision for the future, the ecological and social value of the land may feel more important than the financial value.

QUESTIONS TO ASK YOURSELF:

- What do you want your retirement to look like?
- What is your timeline for retiring from farming?
- What does retirement mean to you and your relationship to the farm going forward?
- What are your financial needs in order to retire from farming?
- Where is your retirement income coming from?
- What are your living expenses? How will those change over time?
- Do you have a financial cushion for unexpected expenses?
- Where do you want to live in retirement? Will this require you to purchase real estate?
- What income do you need from the farm? What other ways could you create income?
- What assets will you leave to the entering farmer? To your family? What will you sell?

- How will the farm transition affect the profitability of the farm?
- What elements of the farm culture (e.g. traditions, division of labour, ideals, values) do you want to pass on to the next generation? What don't you want to pass on?
- How do you want the land to be stewarded in the future? Should certain areas be restored and/or protected?
- What elements of your legacy on the farm are most important to you?
- How will you communicate with the next generation of farmers?
- What is your conflict resolution style?
- How involved do you want to be in the management of the farm once you retire? How might that change with time?
- How do you want to commemorate the history of this farm?
- How do you want to spend your time on or off the farm when you retire?
- Do you want to spend time on the farm when you retire? If so, which parts of the farm would you like to access?

ESTATE PLANNING & FAMILY LEGACY: Inheritance is often a sticking point in family transitions, where one heir wants to farm and the off-farm heirs expect their "fair share" of the financial legacy. In non-family transition, this is even more complex! The question becomes, how do you balance leaving something for your heirs while passing on the farm outside of the family?

Off-farm heirs might be counting on an inheritance to get themselves set up in the world, and many parents want to provide that to their children. Many children of farmers don't go into farming themselves, but cherish memories of growing up on the farm and feel a close connection to the land.

Any transition plan should consider how the family may want to remain involved in the farm for the future. In one example, Lohbrunner Farm on Vancouver Island is held in a land trust and managed by a farm co-operative, but the children of the previous farmers retain the right to visit the farm. This allows them to stay connected to their family legacy without having to manage the farm business.

Engaging the whole family early in the process is essential to ensuring that everyone has had the opportunity to share their voice. Everyone impacted by a transition plan should be on board with the result to avoid future complications, such as children contesting a will. Mediators can be helpful to ensure everyone's voice is heard while navigating these conversations. Counselling after mediation is recommended to overcome potential feelings of loss or not living up to expectations.

QUESTIONS TO ASK YOURSELF:

- What values do you hold as a family around the farm? What do your children want to see happen to the farm in the future? What do they think about your vision?
- What role do they see themselves having related to the farm in the future?
- What are the needs of your heirs? Do they need a financial benefit? Legacy access to the land? Will your children inherit the land, but not the farm business? If so, what would they do with the land, and how would that impact the farm business?
- What is equitable? This might not be the same thing as equal.
- What are the off-farm assets (e.g. life insurance, RRSPs, investments)?

TAXES: Whenever selling land or a business, there will be tax implications. Consult with qualified advisors to ensure you are structuring deals advantageously. There are detailed sections on Capital Gains and Property Transfer Tax in Appendix A of this toolkit. Here are a few important tax considerations for current famers:

- Some of the tax provisions require that planning to make use of such provisions be done early. For example, the ability to have a property as a Qualified Farm Property has specific stipulations that may need to be in place for a number of years, which need to be planned for.
- When selling property, you may qualify for the lifetime capital gains exemption, which currently exempts up to $1 million of capital gains for qualified farm property (the amount of the exemption is subject to government regulation changes).
- Careful planning several years in advance of a sale may enable using the capital gains exemptions of other family members (e.g. spouse).
- To claim the Capital Gains exemption, the sale and exemption must be reported in the tax return. Failing to report the disposition can result in loss of the exemption and the sale could be fully taxable as an ordinary capital gain.
- Estate planning should happen early and deal with the full implications of taxes due upon death. Sometimes simple planning can help alleviate unnecessary taxes upon transition.
- Probate fees possibly apply if ownership of the land is transferred through a will (as opposed to a transfer in the current farmer's lifetime). In 2020, probate fees were 1.4% in B.C.
- Property Transfer Tax potentially applies, unless a family farm exemption provides relief.
- Some current farmers are interested in sharing ownership of the land with an entering farmer and adding the entering farmer to the title. Adding someone who is not a family member to the title means that Property Transfer Tax would be due based on the percentage of ownership.
- The death of a farm owner may trigger a liquidity event in which a tax liability is created that may be avoided with timely planning. This will enhance the likelihood of keeping a farm property in the family, as property will not have to be sold to fund tax liabilities.
- See Appendix A for details on Capital Gains and Property Transfer Tax.

CONSIDERATIONS: ENTERING FARMER

As an entering farmer considering a transition plan, there is much to think about: your current lifestyle, farm business management skills, financial capacity, and plans for the future. Your pathway will be shaped both by things outside of your control, such as land prices, and choices you make, especially around your lifestyle. The land base is important, but is only one element of a farm business plan. Clarifying your vision and needs will help you understand what farm transfer model might fit.

The bottom line is that a farm business needs to be financially viable. Examine the type of farm you want to run, its financial status and potential to expand, as well as your capacity to take over a farm. Joining an existing farm business often means revenues that support one farm family now need to support two or more.

As you look inward at your own skills and capacity, you may want to deepen your business management skills. Young Agrarians, Farm Management Canada, and the B.C. Ministry of Agriculture, among others, offer programs and educational resources to help you build these skills. Identify areas you want to strengthen and map out a pathway to gaining those skills over time.

QUESTIONS TO ASK YOURSELF:

- How do you define farm business viability?
- Do you have a strategic mindset to help guide the farm towards continued success?
- Do you have the necessary skills and experience to take over the farm?
- Do you have the right people supporting you?
- What is your leadership style? Do you have the leadership capacity to make sound management decisions and lead the team?
- What do you envision for the future of the farm, and how will you get there?
- What are the risks involved, and do you have measures in place to mitigate these risks?
- What will your relationship with the current farmers be, as the future unfolds?
- Are there critical timelines to consider for achieving transition and transfer milestones?
- What elements of the farm culture (e.g. traditions, division of labour, ideals, values) do you want to keep from the current farmer, and what do you want to let go of?
- How do you want to steward the land? Should certain areas be restored and/or protected?
- How will you communicate with the previous generation of farmers?
- What is your conflict resolution style?
- How do you want to commemorate the history of the farm?

LAND: TO OWN OR NOT TO OWN?

It is important for entering farmers to understand what type of landholding model is the right fit. Do you want to own land? Share ownership with others? Or perhaps not own the land at all? Many new farmers would like to own land if it were possible, but let's challenge the assumption that owning land is necessary to farm.

If you don't own land, you will probably lease it, whether from a private landholder or a community organization. Half of Canadian farmers under 35 lease land for their farm business, as do 35% of overall farms.[1] Many entrepreneurs don't own the premises out of which they operate. When starting a restaurant, your first step likely wouldn't be to buy the building, but to lease.

Because farming is a land-based business, much investment is in the land, soil and attached infrastructure. It's not easy to pack up and move a farm. As well, owning land may help you access loans as the land gains equity and can be used as collateral. Land ownership also addresses core needs for safety and security; knowing there will be a roof over your head both this winter and when you retire.

There's a retirement angle to owning land, too. Buying land now pays off in the long-term. Canada's wealth management culture is geared towards people owning their home by retirement, at which point they can live mortgage-free or downsize, and maybe leave a legacy for their children.

So, should you own land or not? Only you - and your financial reality - can answer that question. Part of developing your vision and deciding which model best meets your needs is understanding your capacity for risk versus your desire for flexibility. When you don't have access to capital, you may have to accept more risk. That said, risk can be a matter of perception.

If you choose a transition model with a path to land ownership, your hurdles will centre on financing, and finding suitable financial collaborators. If you opt for an alternative model where you don't own land, you will need other mechanisms to provide the security and stability needed to both run your

1 Statistics Canada. Table 32-10-0407-01 Tenure of land. doi.org/10.25318/3210040701-eng

farm and plan for retirement.

When setting your goals, it's helpful to focus not on the solutions (such as owning land) but on identifying the needs those solutions may address. Once you get at that underlying layer, you may see creative solutions. What if we look at the needs owning land seems to address through a different lens:

FINANCIAL CAPACITY: Your decision about owning land will ultimately be determined by your financial capacity: simply put, can you afford to buy land? Maybe you have family to help, you have savings, or you have off-farm income that will allow you to qualify for a mortgage.

WEALTH MANAGEMENT AND RETIREMENT PLANNING: Land ownership is not the only way to ensure you'll have something to live off when you retire. In fact, it may not be a wise retirement strategy if you end up in a situation where you need to sell the land to access your retirement funds - when maybe you'd prefer to stay, or one day transition your farm and land to the next generation.

A wealth management expert can help you structure a diversified solution to build wealth based on your projected needs in retirement. Opening a Registered Retirement Savings Plan (RRSP) and a Tax-Free Savings Account (TSFA) is a step towards starting.

HOME SECURITY: Farming is unique among business models because home life is tightly woven with work life. Sometimes it's hard to see where one ends and the other begins (that's especially true of the work day, as many farmers will attest). A key consideration for current farmers in transition planning is where they will live, whether that means staying on the farm, or moving to a new home. In 30 or so years, you will be faced with the same questions, and thinking through your retirement now will help you plan for the future.

FLEXIBILITY: As a landholder, selling is an exit strategy when things aren't going well, or external factors take you in a different direction. This is, of course, regionally dependent as some properties may be more attractive on the market than others. Selling is not always simple, quick, or even guaranteed. That said, it's commonly accepted.

Leases can be structured so that they can be "assigned;" essentially, sold to a third party, who would then hold the lease and be the farmer. The difference between selling a property you own and selling a lease, is that when you sell a lease, the landholder must also approve of the person to whom you sell. It is customary to include a clause that approval cannot be unreasonably withheld, with the test being that the person coming into the lease be of equivalent ability and financial standing.

Complexities aside, a long-term, secure lease can be transferred, and can have significant financial value. You may not immediately see dollar value in a lease the same way you can see dollar value in property for sale, but a lease is most certainly a valuable, if not commonly understood, asset. We encourage you to seek lease development support through the B.C. Land Matching Program or a lawyer to ensure your lease addresses all the relevant details.

BUSINESS SECURITY: There are plenty of stories out there about new farmers who lease land for a few seasons, and just as things are getting good - the soil is thriving, systems worked out, customer base built - the land is sold, and the farmer has to move their operation. There's no way around that kind of heartbreak. There is risk if you don't own the land, but well-designed leases can provide the kind of security needed for farmers to invest long-term. A registered lease "runs with the land," meaning that if the land is sold, the lease continues in effect. A registered lease, coupled with a long duration, say 30 or 40 years, can provide long-term stability for a farm business. Even a 3-year or 10-year lease agreement provides a formal contract with a level of security.

ACCESS TO CAPITAL: One of the best arguments for owning land as a farmer is that it can make it easier to qualify for business loans - that said, first you have to qualify for a mortgage, and then you have to service that debt, which can be a lot to manage while transitioning into a farm.

Leases can also have value that can be leveraged to obtain financing, where a lender will see a lease as a type of collateral or security that will allow them to lend to you. A key consideration in leveraging a lease for financing is that the lease term must be longer than the amortization period for whatever it is you're financing. If you purchased a tractor that would amortize over 10 years, your lease term would likely need to be 15 years.

You should have an idea of what financing you might need for your business in the future, and talk to a lender about how you can leverage a lease to obtain funding. Finding a lender you trust and building a solid relationship will help you plan for your farm's financial future and put you in a better position for future borrowing needs or debt structuring. Keep in mind your accountability to that relationship in terms of meeting loan commitments.

QUESTIONS TO ASK YOURSELF:

- What are my current financial resources and needs?
- How capital-heavy is my business model? Will I need to depend heavily on financing?
- Will I need off-farm income (e.g. to purchase the land) or to sustain the business?
- How much money is needed from the farm for the current farmer's retirement?
- How does my business plan measure against the current farmer's financial needs? If it doesn't balance out, what changes do I need to make?
- How much money will I need in retirement? How am I currently saving for retirement?
- Where can I live now? Where do I want to live when I retire?

FINDING A SUCCESSOR

You've decided you want to transition your farm to the next generation. You have a clear sense of your vision for the future - now you need to find the person, or people, to help you fulfill it.

TRANSITION ROLE: Attracting the right person will be easier if you understand your desired level of involvement as the transition progresses. What role do you want in the farm business, both short- and long-term? Some current farmers are ready to retire and move off the farm; others want to be more hands-on. This is a great moment to consider different possible roles: moving into an advisor role, helping with farm labour, actively mentoring the farmer in day-to-day operations, or setting up a board where you're involved but not making business management decisions.

QUESTIONS TO ASK YOURSELF:

- How can you best contribute to the long-term success of the business?
- What fits best both the long-term needs of the farm, and your own personal needs?
- What will you realistically have capacity for (physically, time-wise, etc.)
- How will your role allow you to balance providing expertise with the entering farmer's need for independence?
- How will your role evolve? You may be more involved initially and step back over time.

Next, it will help to understand what you're looking for in a successor - the qualities and qualifications you'd like someone to bring to the table. What does your ideal entering farmer look like? Take the time now to write down ideas. Here's a list of criteria that current farmers shared:

- Farming experience is a must! Farmers we spoke to found that prior experience was the #1 indicator that an employee would stick around. Farming is tough, and making it through a few seasons is a clear indicator that you have the skills and are committed to a farming career.
- Good communication skills and the ability to work through things with people.
- Shared philosophy, values, and stewardship practices.
- Financial resources.
- A good support system and community (did we mention farming is hard?).
- The capacity to be a strategic, visionary thinker and confidence to make crucial decisions.
- Flexibility and adaptability to respond to uncertainty, change and new opportunities.
- The right attitude: enthusiasm and passion!

You may find certain criteria may be a higher priority than others and some will be more needs-focussed versus desired. For example, if you have a livestock operation a successor will need to have experience pertinent to managing livestock. Skills related to social media marketing by contrast will be less important and be considered an asset but not a requirement.

WHAT ARE YOU OFFERING?

Now that you've got your vision - for yourself, your farm, your land and for the right successor - how you frame the opportunity will impact who comes to the table. Many current farmers want to be able to see if there's a fit with potential entering farmers before committing to transition plans. This is a wise approach. That said, making the long-term potential clear will attract farmers who are looking for such opportunities. As well, how you frame the opportunity will depend on how involved you want to be and your retirement timeline.

Stage 3 of this guide explores different planning solutions, such as leasing, employment, and joint ventures. These solutions may help current farmers frame an opportunity with a concrete short-term offering (say, a farm manager job), while indicating that they are open to exploring longer term transition opportunities - for the right fit!

Some current farmers may be more interested in securing a successor and having a faster transition. In this case, the transition offering would be more direct and explicit. The more concrete your offering is, the more likely you'll attract someone serious and qualified. Potential information to include:

- What are the attributes of the land (e.g. size, zoning, water, soil, infrastructure)? See Site Assessment Checklist in the [YA B.C. Land Access Guide] for a full list.
- What is the history of the farm and land?
- What is the current farm business model?
- What is the current culture and values on the farm?
- What is your vision for the future and what could a long-term opportunity might look like? This could be quite different in a co-op farm vs a private enterprise.
- What qualifications are you looking for in potential entering farmers?
- What role will they have on the farm, and what are the expectations?
- What remuneration will be provided (room, board, wages, equity, etc.)?
- What resources should applicants have, and what level of commitment are you seeking?

UNDERSTANDING YOUR FARM'S BUSINESS VIABILITY

While you may not share this information far and wide, it is essential for current farmers to have a clear understanding of the current farm business operations and financial viability.

Detailed documentation of the current status of the operation will be valuable when talking to potential successors, and will be necessary for next steps. This could include a description of the current farm business, including products, markets, customer base, assets, any organizational charts or diagrams to visually explain/represent current land/business overlaps and details etc.

It is also important to consider how a transition plan will impact the financial picture of the farm. If assets are to be removed or additional loans required, the transition plan should be included in the overall goals and borrowing needs of the farm, so that debt can be structured, and cash flow maintained. Debt should be structured like investments, so that debt payments are staggered over years rather than piling up on one another. This also mitigates interest rate risk.

QUESTIONS TO ASK YOURSELF:

- Is your business viable? What does “viable” mean to you? How might this compare to definitions from others? What is your business "worth"?
- Is there an existing business plan? Does it need to be updated?
- Is the farm meeting its business goals? Is it profitable both now and in the long-term? If the answer is no, that’s okay, but you’ll need to work with an entering farmer to arrive at a mutual understanding of future viability and develop strategies to address any shortfall.

PUTTING A DOLLAR VALUE ON YOUR FARM BUSINESS: It can be hard to figure out the economic value of your farm business. However, understanding your business value will help entering farmers assess the opportunity and help you negotiate fair terms to ensure your needs are met.

There are three main ways to figure out the fair value of a business, though other ways do exist. You can base fair value on 1) future earning potential, 2) on the sales value of similar businesses (if such information is available), or 3) on the business' assets (after subtracting liabilities). It's important to arrive at a valuation that feels fair to both parties. Farmers should always consult a professional for valuation. A qualified Chartered Business Valuator can value the business and provide a report.

WHERE ARE THE ENTERING FARMERS?

Now it's time to put the word out and find your entering farmer match. Where are they now? How can you reach them? Maybe they're already in your network – you know who they are but haven't really started these conversations yet. One farmer we spoke to had been looking for someone to take over their poultry operation for a few years, before finally striking up a conversation with a neighbour who turned out to be the perfect fit. Maybe you have an excellent long-term employee who would be interested in solidifying their role for the future. You may have to reach further afield, using outreach opportunities in your community and online. Here are some suggestions:

- Community: let your community of farmers know you're looking, use bulletin boards, local papers, etc., engage your local Farmers' Institutes and Producer Associations.
- Events: put the word out and meet entering farmers at YA and other farm-related events
- Online web tools: YA land blogs, UMAP, Farmlink, listservs such as COABC, BCAFM, etc.
- B.C. Land Matching Program (BCLMP): Talk to a YA Land Matcher!

You have a successor! Now what? Once you've identified a successor, you can begin the transition planning process in earnest. While it's essential to understand your vision, goals, and needs before seeking an entering farmer, for a transition plan to be successful it should ideally be co-created. This means both parties to the transition are actively engaged in developing a common vision and moving it forward. The next section explores starting the conversation, communication tools and planning.

BUILDING A COMMON VISION: COMMUNICATION & RELATIONSHIPS

Farm transition could be described as one long series of conversations. Starting the conversation is hard, but there are many discussions that need to happen, which means there are lots of entry points. These conversations might happen at different times in different places. Lots of farmers aren't used to formal meetings, so don't be surprised if you have discussions while fixing machinery, driving through the pasture, or weeding a row of carrots. These conversations also don't generally happen one at a time or in one moment. They evolve and build over time. The topics suggested here are conversations to have with those involved in the transition, directly and indirectly, as well as questions to ask yourself.

Once each person involved in a transition has a sense of your individual vision, it's time to build a common vision. This means sharing your hopes and concerns with each other and getting to know your respective visions, so that you can see where there is alignment and where more discussion is needed. Remember, it can take a long time to get to know each other, especially for those outside of the family, but this can also be true if it is a family member that has been away from the farm for a while. This is all about setting the relational and communication foundations and sharing expectations, which doesn't happen overnight. Once you understand each other's needs, you can figure out solutions and develop your plan.

NAVIGATING CONVERSATIONS

In transition, everyone has a lot to learn. It's easy to forget that this is the first time around for everyone involved. The learning curves are as huge for the current farmer as they are for the next generation in terms of how to support and mentor one another. We are all learners and teachers in this. You're probably not going to get it right on the first try, and nothing is ever 100% perfect. Conflict will happen but with a good foundation, you can work through it.

CONVERSATION TIPS:

- Stay curious and listen deeply. What's the difference between listening and waiting to talk? Work to understand those involved and how they came to think the way they do.
- We often think of conflict as ME vs. YOU. What if we shifted that to US vs. the ISSUE? What doors does that open to working on a problem together?
- Ask open ended questions. Open-ended, exploratory conversations help build trust.
- Clarify your assumptions. Ask, what did you mean when...?
- Consider and acknowledge the other's perspective. Let them know you heard them by using phrases such as: Sounds like ____ is really important to you, did I get that right?
- Seek common ground to build trust/understanding and identify the interests. Ask, what do we both value here? What is your basic concern in wanting this...?
- Avoid going straight to solutions. Explore each person's needs and what's important to each person in a solution before brainstorming as a team.
- Stay committed! Many of these conversations will be hard to navigate. If you all feel committed to working through a transition it will be easier to be vulnerable and overcome potential conflict.
- Strive to always end on a good note, and take the time to build positive relationships outside of the transition conversations (share meals, weed the carrots together, etc.).
- Establish a structure. This means setting schedules for meetings and sticking to them! It also helps to create an agenda and provide an opportunity for input on the topics of discussion.

QUESTIONS TO ASK EACH OTHER:

- **Big Picture:** What drives you? What makes you come alive? What motivates you to get out of bed in the morning? What feeds your soul? What do you need to make your life meaningful?
- **Intention:** What drew you to this course of action? Why farming? What else would/could you be doing? Are you mentally, physically, economically, and socially prepared for farm life? What will have to change in your current lifestyle to move forward on this course?
- **Situation & Context:** What is the context? What is your sense of the situation? What's currently working or not working? What questions do you have of everyone involved? What information do you need that would be helpful?
- **Decision Making:** Who are the decision makers? What roles/responsibilities does each person want to take on? Do they have the skills and, if not, how can they develop those skills? Who has veto power and over what? How are decisions made? What do we do when we don't agree? What makes sense now? What do we want to move towards in the future?
- **Planning:** How would it work? How will it unfold over time? What would the relationship look like? What would the business and land agreement look like? What would be the overall plan?
- **Working:** What does the season-to-season, month-to-month, day-to-day look like? What resources do you bring/what do you need?
- **Learning & Self-improvement:** What would you need/want to learn to make this work? What skills do you bring to the transition? Where could you improve?
- **Dispute Resolution:** Differences of opinion are inevitable. Sometimes these are minor ("Where should we store this hose?") and sometimes major ("We have different perceptions about the value of the farm business"). It's essential to discuss what happens when a disagreement comes up so you have a plan for working through it together. Individual exercises can help you understand your communication style; share the results with each other so that you can better understand how to talk to each other effectively. For example, some people like to talk about disagreements as they happen, while others prefer to establish set meeting times to discuss things. Write down your dispute resolution process, including how you'll handle day-to-day communications and what happens if you can't solve a problem together: Will you bring in a mediator? Go to arbitration? Litigation?

TOOL: FARMLAND LEGACY LETTERS

Instructions: Please use this template as a guide to your legacy letter. You can print this document and fill it out by hand, download it as a word document from the link below, write in a separate document, or write by hand and mail to us. Your letter can be as long or short as you need. We would love it if you included a photo when you send us your letter! Please reach out to your Land Matcher or land@youngagrarians.org with any questions.

Download this tool here: youngagrarians.org/legacy-letter-template

Date:

To future generations of farmers,

SECTION 1: The farm basics (the nuts and bolts)

My farm is located here and is this many acres:

I have owned the farm since:

Enterprises on the farm include:

We used to raise these enterprises on the farm:

My farm has changed over the years in the following ways:

SECTION 2: Strongest memories and events (the heart and soul)

My strongest memories of the farm are:

I remember best these sights/smells/sounds/touches/tastes:

These events stand out as particularly important about the farm:

SECTION 3: Goal setting (the vision for the future)

My number one goal for my farmland is:

This is my very top goal because:

The following goals are also my priorities (although not my top goal):

These are important goals for me because:

SECTION 4: Conclusion (the parting gifts)

It is important that my farm is managed like this:

30 years from now, I want people to remember this about my farm:

Lastly, I want to leave you with this information:

Signed (or Sincerely, or another salutation of your choice):

Name: ____________________________

Farm name: _________________________

_______ Yes, Young Agrarians may publish my Legacy Letter & photo in the Transition Toolkit

_______ Yes, Young Agrarians may publish my Legacy Letter & photo on the YA website

STAGE 1

YOUNG AGRARIANS

TOOL: SETTING YOUR VISION

Download this tool here: youngagrarians.org/toolkit-stage-1-vision

What is your vision for your land/future farm business?

What do you want your life/farm to look like in:

5 years?

10 years?

15 years?

What are the core values of your farm? List the big 5 values that you hold:

1.
2.
3.
4.
5.

What do you want your legacy to be?

What is one thing you WANT to happen in a transition process?

What is one thing you NEED to happen in a transition process?

What is one thing you EXPECT to happen in a transition process?

What is one thing you FEAR will happen in a transition process?

TOOL: COMMUNICATION ASSESSMENT - ELAINE FROESE (elainefroese.com)

Communication: A Self-Assessment Exercise*

Please select in each pair of attributes the one which is most **typical** of your personality. No pair is an either-or proposal. Make your choice as **spontaneously** as possible. There is no wrong answer.

1. I like action.
2. I deal with problems in a systematic way.

3. I believe that teams are more effective than individuals.
4. I enjoy innovation very much.

5. I am more interested in the future than in the past.
6. I enjoy working with people.

7. I like to attend well organized group meetings.
8. Deadlines are important for me.

9. I cannot stand procrastination.
10. I believe that new ideas have to be tested before being used.

11. I enjoy the stimulation of interaction with others.
12. I am always looking for new possibilities.

13. I want to set up my own objectives.
14. When I start something I go through until the end.

15. I basically try to understand other people's emotions.
16. I do challenge people around me.

17. I look forward to receiving feedback on my performance.
18. I find the step-by-step approach very effective.

19. I think I am good at reading people.
20. I like creative problem solving.

21. I extrapolate and project all the time.
22. I am sensitive to others' needs.

23. Planning is the key to success.
24. I become impatient with long deliberations.

25. I am cool under pressure.
26. I value experience very much.

27. I listen to people.
28. People say that I am a fast thinker.

29. Cooperation is a key word for me.
30. I use logical methods to test alternatives.

31. I like to handle several projects at the same time
32. I always question myself.

33. I learn by doing.
34. I believe that my head rules my heart.

35. I can predict how others may react to a certain action.
36. I do not like details.

37. Analysis should always precede action.
38. I am able to assess the climate of a group.

39. I have a tendency to start things and not finish them up.
40. I perceive myself as decisive.

41. I search for challenging tasks.
42. I rely on observation and data.

43. I can express my feelings openly.
44. I like to design new projects.

45. I enjoy reading very much.
46. I perceive myself as a facilitator.

47. I like to focus on one issue at a time.
48. I like to achieve.

49. I enjoy learning about others.
50. I like variety.

51. Facts speak for themselves.
52. I use my imagination as much as possible.

53. I am impatient with long, slow assignments.
54. My mind never stops working.

55. Key decisions have to be made in a cautious way.
56. I strongly believe that people need each other to get work done.

57. I usually make decisions without thinking too much.
58. Emotions create problems.

59. I like to be liked by others.
60. I can put two and two together very quickly.

61. I try out my new ideas on people.
62. I believe in the scientific approach.

63. I like to get things done.
64. Good relationships are essential.

65. I am impulsive.
66. I accept differences in people.

67. Communicating with people is an end in itself.
68. I like to be intellectually stimulated.

69. I like to organize.
70. I usually jump from one task to another.

71. Talking and working with people is a creative act.
72. Self-actualization is a key word for me.

73. I enjoy playing with ideas.
74. I dislike wasting my time.

75. I enjoy doing what I am good at.
76. I learn by interacting with others.

77. I find abstractions interesting and enjoyable.
78. I am patient with details.

79. I like brief, to the point statements.
80. I feel confident in myself.

COPING WITH OTHER COMMUNICATION STYLES

A. **Communicating with an action-oriented person:**

- Focus on the results first (state the conclusion right at the outset).
- State your best recommendation (do not offer many alternatives).
- Be as brief as possible.
- Emphasize the practicality of your ideas.
- Use visual aids.

B. **Communicating with a process-oriented person:**

- Be precise (state the facts).
- Organize your presentation in a logical order;
    - (a) background
    - (b) present situation
    - (c) outcome
- Break down your recommendations.
- Include options (consider alternatives) with pros and cons.
- Do not rush a process-oriented person
- Outline your proposal (1, 2, 3, ...)

C. **Communicating with a people-oriented person:**

- Allow for small talk (Do not start the discussion right away).
- Stress the relationships between your proposal and the people concerned.
- Show how the idea worked well in the past.
- Indicate support from well-respected people.
- Use an informal writing style.

D. **Communicating with an idea-oriented person:**

- Allow enough time for discussion.
- Do not get impatient when he or she goes off on tangents.
- In your opening, try to relate the discussed topic to a broader concept or idea (in other words be conceptual).
- Stress the uniqueness of the idea or topic at hand. Emphasize future value or relate the impact of the idea or the future
- If writing to an idea-oriented person, try to stress the key concepts which underlie your proposal or recommendation right at the outset. Start off with an overall statement and work toward the more particular.

Scoring your communication Style

Each selected item has to be reported on the four scales reproduced below. In other words, if items 1, 4, 6, have been selected, the same numbers on the four scales should be circled again.

Style 1 = 1-8-9-13-17-24-26-31-33-40-41-48-50-53-57-63-65-70-74-7 = ____

Style 2 = 2-7-10-14-18-23-25-30-34-37-42-47-51-55-58-62-66-69-75-78 = ____

Style 3 = 3-6-11-15-19-22-27-29-35-38-43-46-49-56-59-64-67-71-76-80= ____

Style 4 = 4-5-12-16-20-21-28-32-36-39-44-45-52-54-60-61-68-72-73-77= ____

TOTAL: ____

Each **style line** of circled items should be added UP (not the figures but the **number** of selected items). The maximum is 20 per style and the total for the four styles should be 40.

Style 1 is **ACTION** oriented communication style.

Style 2 is **PROCESS** oriented communication style.

Style 3 is **PEOPLE** oriented communication style.

Style 4 is **IDEA** oriented communication style.

Download this tool here: youngagrarians.org/tool-communication

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Elaine Froese

EMPOWER FAMILY › INCREASE PROFIT › SECURE LEGACY

STAGE 2: ASSESSING FEASIBILITY

STAGE 1 SET A VISION | **STAGE 2 ASSESS** | STAGE 3 ACTION PLAN | STAGE 4 DOCUMENT | STAGE 5 IMPLEMENT | STAGE 6 MAINTAIN

At this stage, current and entering farmers assess the feasibility of their vision. What's possible, considering the financial capacity and needs of each party? How much of the common vision is achievable? Where are there trade-offs? What model will provide the best framework for the vision? This section provides information about alternative transition models.

RELATED TOOLS: KNOWLEDGE & SKILLS ASSESSMENT, TESTING THE MODELS

NON-FAMILY FARM TRANSITION MODELS

TRANSITION TO PRIVATE OWNERSHIP

Owning land remains a core goal for many entering farmers. Some may be able to purchase land with family help, through off-farm income, or as a group. For many current farmer-landholders, selling the land is a key pillar of their retirement planning. If the intention is to transfer the land to the entering farmer, whether now or in the future, there are several approaches that can meet the needs of both parties. A variety of options are available for mortgage financing, and your lawyer and financial advisors can help you explore and access those options.

SELLING BELOW MARKET VALUE: Current farmers may decide to sell the land at full market value, or below market value, to the entering farmer(s), depending on financial needs. If you are thinking about reducing the sale price of your land, there are some important considerations:

- If the land is sold below market value to an arm's length party (e.g. not a family member), the sale must generally be reported at market value for income tax purposes.
- If the proceeds reported on a tax return are significantly less than market value, financial penalties could apply.
- Where certain conditions are met, land that is Qualified Farm Property may be sold to certain family members for less than market value consideration, with the income tax being calculated based on this lower number.
- The purchaser will be liable for Property Transfer Tax based on Fair Market Value (regardless of the sale price) unless a family farm exemption provides relief.

PRIVATE LENDING FOR MORTGAGES: If you need to sell your land at market value but don't have immediate need for a large lump sum payment, you may consider owner financing, also known as a vendor take-back mortgage (VTB). A VTB is a type of mortgage in which the seller offers to lend funds to the buyer to help facilitate the purchase of the property. The seller is then paid a percentage of the sale price over time with interest, which can make the upfront cost more manageable and flexible for an entering farmer.

Seeking private investors from your community is another form of alternative mortgage financing. That could be through private loans, or an arms-length mortgage through a self-directed RRSP, where a person can essentially lend their RRSP to an entering farmer who is not directly related to them as a mortgage investment. A limited number of trust companies participate in self-directed RRSPs, such as Alberta-based Olympia Trust. Before pursuing any of these financing commitments, it is vital that you contact legal and accounting professionals to ensure your plan complies with all relevant laws and regulations.

CONSIDERATIONS FOR VENDOR TAKE-BACK MORTGAGE:

- This path takes a lot of dedication on the part of the landholder. While private mortgages aren't uncommon, many accountants may advise against this type of lending relationship.
- Entering farmers may qualify for a portion of the cost of the land and a vendor take-back mortgage could be used to cover the remaining portion.
- A VTB often represents a secondary lien on the property, as most buyers will have a primary source of funding other than the seller.
- Where the purchase price has not been paid in full, an income tax deferral may be available on the sale, subject to certain conditions.
- The financial complexity of this type of agreement means it is especially important for each party to consult with an accountant, lawyer and possibly a property assessment agent to facilitate a fair and lawful transaction.
- Work with a mortgage specialist to define terms tailored to your situation.

ASSESS: IS A VTB THE RIGHT FIT?

- Entering farmer has the financial capacity to purchase land and repay private loans but may not qualify for a traditional mortgage. Off-farm income can reduce risk.
- Before committing to a private loan, including a vendor take-back mortgage, all parties should have a clear understanding of the entering farmer's finances and plan to pay off the loan.
- The current farmer knows the farm business well and has confidence that it has the ability to generate enough income to pay the mortgage.
- For a vendor take-back mortgage, the current farmer doesn't need all the money from the sale of the land in one lump sum, and may not be counting on the transition to provide all the funds for retirement.
- A vendor take-back mortgage is a serious commitment to an ongoing financial relationship between the current and entering farmer, and requires significant trust between parties.
- Parties have a willingness to engage in open communication around potential risk factors, including what happens if the financial picture changes for either party.

CO-OWNERSHIP: Pooling resources to buy land with other farmers is one way that entering farmers can become landholders despite the high cost of real estate. This section looks at individuals co-owning land together. Co-owning a farm is a big commitment - both financially and personally - but there are many benefits: people power, access to capital, and shared workload leading to better work/life balance. Establishing a legal co-ownership agreement provides clarity about the rights and obligations of the co-owners and protects everyone in case of disputes. There are different ways of structuring co-ownership of land, including joint tenants, tenants-in-common, and incorporation. Incorporation means the land would be held by a corporation, with the individuals as shareholders. This can provide a clear ownership structure with a shareholder's agreement that covers exit strategies. Stage 3 addresses incorporation in detail.

Joint tenants and tenants-in-common both mean that the individual owners are listed on the land title. A key difference is that if a tenants-in-common co-owner dies, the ownership does not automatically go to other owners; rather, that person's share of property becomes part of their personal estate and can be transferred to their heirs. If a joint tenant co-owner dies, surviving co-owners inherit the deceased's share.

CONSIDERATIONS FOR CO-OWNERSHIP:

- **Decision Making Process:** How will decisions be made among the partners? How often will the co-owners meet to discuss and evaluate agreements?
- **Land Use Plans**: These can be a living document and be amended as time passes, but it is important that everyone be on the same page about what specific activities will be happening in which areas of the property. For example, what farm activities will each partner be focusing on? What structures can be built and who will be using and maintaining them? What shared systems are necessary for success (e.g. water usage, housing, on farm marketing, etc.)?
- **Stewardship**: What are the shared principles on land management and practices that the group will honour?
- **Dispute Resolution**: Conflict will absolutely happen - the Communication section of this toolkit has tips for navigating tough conversations. Be intentional about making time for one another even amidst the chaos of starting a farm. One farmer we spoke with recommended hiring a mediator to help set up the co-ownership agreement.
- **Finances**: Be persistent when approaching banks for financing. Some mortgage brokers may deem a shared ownership agreement as risky, so having clear plans and willingness to go through a long process with lenders is necessary.
- **Transfer of Assets**: Is this an outright sale, or a more gradual transfer of assets? If the current farmer is considering adding the entering farmer to the title, talking to a lawyer is essential. Risks involved in joint tenancy include: one party being able to force a sale or otherwise put the ownership of the property at risk, tax implications, and the current farmer's heirs potentially being able to contest the change in title.
- **Exit Strategy**: What is the process if one individual wants to sell their share in the land? Do the other partners buy them out? Would a new partner be found? How? On what timeline? What would qualify a new land partner?

ASSESS: IS CO-OWNING THE RIGHT FIT?

- Does each partner have the financial capacity to maintain the mortgage payments?
- Do you share a common desire to live in community? What does that look like to each person individually?
- Do you have clear goals? Are you willing to be honest about priorities and plans?
- What experience do you have working collaboratively and are you committed to developing the skills to maintain a strong working relationship?
- Are your values and goals in alignment?

CASE STORY: VENDOR TAKE-BACK MORTGAGE CLAREMONT RANCH ORGANICS

Qualifying for a mortgage in order to purchase land for farming through a traditional lending institution can be a daunting barrier to many new farmers. This is a story about how two generations of farmers can work together to transfer land through creative financing solutions.

Claremont Ranch Organics is a 7.75-acre mixed-fruit organic orchard located in Lake Country, B.C. Bob McCoubrey, who had wanted to farm since university, bought the farm in 1974 with his wife Sharon. He became discouraged with conventional agriculture, as he began to see the impact of chemical use on the environment, as well as on himself and his family. He transitioned the farm to organic in 1989 and began selling his fruit direct to customers and when Kelowna-based organic produce distributor Urban Harvest opened, Bob began to supply their box program.

Bob had a vision for farm transition that included keeping the land in organic production and he knew that it was time to start thinking about it more in depth when his body told him it was time to start slowing down – as he put it, “Too many days with sore shoulders!”

As in all good stories, this one has many elements of synchronicity. Molly Thurston had recently moved home to the Okanagan with her husband Matt, both of whom had graduated with Bachelor of Science degrees in Agriculture. In 2015, Molly took a job with the Central Okanagan Community Garden Society, where Bob had been volunteering his knowledge and time. They worked together that year and connected over mutual interests. They developed a friendship and mentorship, while discovering they shared values, worked efficiently together and communicated well.

Matt and Molly had been actively looking for a way to get into agriculture and had been looking all the way across Canada for the right fit. They loved that farming is a challenging and creative enterprise where farmers are always learning and adapting to changes in the market and climate. When Bob suggested they come live in the cabin on his farm in 2006 to try co-farming, it seemed like an excellent opportunity. That first year was a huge learning curve, with lots of ups and downs. Bob was an amazing and patient teacher, as he began sharing his expertise in the field.

From 2008-2010, Matt and Molly ran a small-scale vegetable operation on some vacant land at

Bob's farm, while continuing to apprentice under Bob in the orchard. During this "co-farming" period, each business ran separately and no cash was exchanged, but they shared labour, enjoyed helping each other out during busy times and co-marketed their crops. Both parties describe this time as instrumental for the transition, as it allowed them time to gain trust in each other, while working together to develop solid communication.

Bob and Sharon felt strongly that the best outcome for their land would be to have it continue to be organically farmed. They have two children who have always loved the farm and consider it a special place, but neither were interested in farming as a career. When considering their needs for retirement, one important note was that Sharon had a pension from her career at a university, so they weren't counting on the transition to provide all the funds for their retirement. They also agreed that their kids will make their own way in the world, and when Bob and Sharon are gone, they will get what's left, so they weren't trying to calculate a large inheritance into the equation. However, they were sure that they wanted to stay in the Okanagan, which is an expensive real estate market.

In 2010 they began discussing the transition of both the land and the business. Both parties agreed that Bob and Sharon should be paid a fair price for the land in order to get the return on their investment that they deserved, so the first step was to have the land assessed. At that point Bob and Sharon had fully paid out their mortgage. Based on Matt's experience in agriculture lending and his connections with Farm Credit Canada, they agreed on a value of 1 million dollars, which included the land, the two homes on the land, outbuildings, machinery and all assets to do with the orchard business, including customer relationships.

Molly and Matt went to Farm Credit Canada and received financing for 30% of the land cost, which they paid to Bob and Sharon. Bob and Sharon then took out a second mortgage which they offered to Matt and Molly at 4% interest over 10 years, so they could purchase the farm in full.

Everyone agreed that for 4 years, Bob and Sharon would continue living in the home on the farm, in exchange for the interest on the $700,000, so for 4 years there would be no cash exchanged for the second mortgage. Bob's mother, who was also happily living on the farm in the secondary home, was also considered, and the deal provided that she could also stay. However, life is always changing and 6 months after the sale, Bob and Sharon found the perfect home to retire in and they decided to move off the farm (Bob's mother stayed). At that point, Matt and Molly moved into the main farmhouse and began paying the 4% interest, as well as paying down the principle in good crop years.

It took six months from the time of the first serious conversation about the farm sale until the time the sales agreement was finalized. During this time, the 5 years of co-farming and relationship building really paid off. It was important for everyone to be able to sit down and have very frank and open discussions about worst case scenarios like divorce or death or farm failure, but they weren't afraid to broach these uncomfortable topics because of the trust and comfort level they had established.

The intention was for Bob and Sharon to hold the mortgage for 10 years, so one of the unlikely, but worth-considering scenarios that came up with was... what if Bob and Sharon were to pass away during those 10 years? What if either of the new farmers were to pass away during that time? Matt and Molly sought out solutions through researching life insurance policies. They considered taking out a life insurance policy on Bob and Sharon, which would allow them to pay off the rest of the land in the event of their deaths, a solution that we've heard other folks turning to as well. Ultimately, Matt and Molly decided to take out life insurance on themselves to be sure that they would be able to cover all of their debts to an amount of $1.3 million if something happened to either of them.

There was risk involved for Bob and Sharon, as well, in holding the mortgage in the way that they did, so the intention was always to pay them back as soon as possible. Thanks in part to their off-farm incomes, Matt and Molly paid Bob and Sharon back by getting the loan down to the point where they could return to FCC and have the remainder of the mortgage financed by the lender. They repaid their loan to the McCoubrey's in 2017, four years earlier than the agreed upon target date for repayment. They still carry a mortgage with FCC, but what Bob and Sharon did by taking a chance on them allowed farm ownership to become possible for them.

There were plenty of hurdles and fears to overcome, but these farmers were persistent and continued to believe in one another and the value of the future they were co-creating. Bob described coming to a place in his thought process around the idea of backing the mortgage for the new farmers and thinking about how he wanted to invest his money, where he realized they needed to think outside the box. What was he going to do if he did receive the full value for his land right away? Invest in the stock market? In his own words, he'd "never been a stock market kind of guy." His decision to invest in the new generation was aligned with his values.

Looking back, he says the solution was really quite obvious, but it took a lot of courage to do things differently, especially when everyone was reminding them of all the risks!

Trust and perseverance seem to be the cornerstones of success in the making of this transition and it has indeed been very successful. Reflecting on the decision to go through this unique process, both parties agree that it has brought new possibilities into their futures and are now fully enjoying the fruits of their labour.

STAGE 1: SET A VISION	Current farmers needed financial return for retirement, and wanted to see the farm remain organic. Entering farmers wanted to farm long-term and own land.
STAGE 2: ASSESS	Even with off-farm income and an established business, the entering farmers only qualified for a partial mortgage. The parties had a solid relationship, good communication, and had built up extensive trust.
STAGE 3: ACTION PLAN	Co-farming together for a few years to build the relationship. Current farmers financed the sale through a vendor take-back mortgage.
STAGE 4: DOCUMENT	30% mortgage from FCC and private mortgage contract between current and entering farmer.
STAGE 5: IMPLEMENT	Entering farmers take on more of the day to day farm management and workload. Entering farmers make monthly payments to current farmers on the mortgage.
STAGE 6: MAINTAIN	Current farmers moved off the land sooner than expected, so the plan had to be adjusted. Entering farmers refinanced with FCC to pay the VTB mortgage early. They maintain a relationship as friends and mentors.

CASE STORY: BUYING A FARM WITH COMMUNITY LENDING GOOD EARTH FARM

What are you to do when you want to buy the farm but don't qualify for a traditional mortgage? This is a story about how relationships and community can come together to support the next generation to buy the farm through private lending.

Located on Gabriola Island, just off the city of Nanaimo on Vancouver Island, Good Earth Farm produces mixed vegetables on about three acres using regenerative growing practices. The original farmers, Rosheen Holland and Bob Shields, founded the farm in 1993 and ran it together for 22 years until Bob passed away in 2015. Graham Bradley started working on the farm in 2016, and as of early 2020 is the new owner and operator of the land and business.

Graham had recently moved to Gabriola when Rosheen reached out to him in the winter of 2015/16 and invited him to work with her. Graham was actively working to launch the Gabriola Food Hub, a growers collective which offers vegetable subscriptions to Gabriola residents, and Rosheen agreed to commit to Good Earth being the core contributor while Graham worked there. "In that first year we referred to each other as 'co-creators' as Rosheen was reforming the farm after 37 years of loving and working with Bob and I was figuring out my farming future," Graham explains. "At the end of the first year we agreed to carry on. We talked about it and thought we had a good thing going. With the Gabriola Food Hub it was one of the first years all the veggies grown at Good Earth were sold on Gabriola instead of going off-island."

In late 2016, Rosheen and Graham began developing a partnership agreement with the help of Sibyl Frei, a community volunteer with business experience, who encouraged them to see that a formal agreement was a natural next step. Working towards the transition of the farm was the obvious thing to do as Rosheen began to think about taking a step back and Graham was committed to the project Sibyl met with Graham and Rosheen over several months in early 2017, and together they negotiated a three-year partnership, with the intention of a sale of the land and farm business to Graham at the end of that period. When fully drafted, they had the agreement reviewed by Young Agrarians, and then signed it with a celebration in April, 2017.

Sibyl coached them along and met with them over the three years, as the partnership agreement had a clause for renegotiation each year. Graham and Rosheen shared the farm revenue in a profit split: 60% for Rosheen and 40% for Graham for first two years, then 50/50 in the final year. Graham reflects that in retrospect it may have been better to have split the revenues 60/40 (40% for himself) in the first year, then 50/50, then 60/40 (60% for himself) to phase in Graham's responsibility in, and Rosheen's out. For those three years, it was hard to always feel equal and like a true gradual transition was taking place. For example, Graham valued taking Sundays off each week, while Rosheen didn't; having different working styles and slightly different visions for the future of the farm made partnership challenging at times. Also, the additional income for Graham could have made the farm purchase easier.

It was difficult to estimate a sale price for the farm. There was little information on which to base it: there were not many comparable properties to research as the land doesn't have a home on it, is located on a Gulf Island, and includes a large riparian area—and it is always difficult to put a value on goodwill. However, Rosheen and Graham did agree on a purchase price, which was included in the partnership agreement from the beginning.

By late summer 2019, Graham realized he had agreed to the purchase price without doing enough market research. After helping run the books of the farm, learning more about how much revenue the farm generated annually and the cost of operating the farm, and realizing how long it would take him to pay off the mortgage, Graham realized he couldn't afford to buy the land and business at the agreed-upon price. He told Rosheen, and she asked him to make him a new offer. Graham made a revised offer and, when he presented it to Rosheen, she agreed in 10 minutes, saying, "If that's what you can afford, then yes, let's do it." Clearly, they found a fair price.

In late October 2019, it looked like the sale was happening. Sibyl encouraged both parties to hire lawyers and told Graham to fundraise: go to banks, go to friends, find the money. Graham spent the winter writing a business plan designed for private investors. He didn't go to banks, as he didn't think they would lend to him. He focused instead on the extensive network of community connections that supported him and the farm already. After this point, Graham didn't share his business plan or investor search with Rosheen. All of a sudden their relationship changed; he was the buyer, she was the seller, and he needed another level of privacy. There is much to understand about fundraising.

Graham extensively used Young Agrarians resources, including the Land Access Guide, in developing the transition plan. He also met his accountant, Cory Vanderhorst at MNP LLP, through Young Agrarians networks. Cory advised Graham to include a non-compete clause in the purchase agreement, a standard clause that meant Rosheen, who lives across the road from the farm, couldn't start a competing farm once the sale of the farm was complete. After months of hard work to pull it all together, Graham was able to raise enough money for the down payment. He was also advised to borrow some extra to account for legal fees and unexpected infrastructure upgrades, etc.

In the end, Graham found seven investors, each lending different amounts and with different terms. Some were able to offer low or no interest rates, others needed more. The largest investment needed 2% interest. Each loan was separately negotiated and he wrote promissory notes to each investor. According to the lawyer, writing a mortgage was complex and lengthy (and thus expensive) to write due to such a high number of investors involved, but it was possible.

Graham went from being co-manager of the farm for three years to owner, entirely with fundraised money. He is still a little amazed he was able to pull it off! When the sale went through, investors sent the money to the lawyer directly, and the lawyer told him the land had been transferred into his name. Rosheen now has the money she needs to fund her retirement, and Graham is excited to continue stewarding the farm and taking it to the next level by streamlining systems, developing new markets and making more compost.

Though he likes having the security of knowing that the farm is his, he prefers to think of it as many people's. In his ideal world he would have liked to have bought it with others, and there is still a future opportunity for people to buy in. With the amount of work a farm takes, perhaps a small co-op would allow for two days off a week? Graham is grateful that the opportunity to take over the farm was there when it was, and that he was able, and supported, to seize it.

The most valuable assets Graham had in creating this transition agreement and finding investors were relationships. He recognizes that people wanted to help out a local farmer, and that his reputation in the community was invaluable in making the transition happen. He also attributes the success of the transition to having worked so closely with Rosheen for the three years of their partnership. They put the time into developing the relationship, and she trusted that he was going to keep farming the land, which was very important to her. She would eventually have had to sell to someone, but she was particularly motivated to make it work with him because she likes that he is already a part of their farming community and that he is committed to keeping the legacy of the farm going.

Throughout this process, Graham has thought a lot about fundraising, and wants to share that it's okay to fundraise! "It's okay if people believe in you and what you are doing. There can be a lot of awkwardness with asking for a large sum of money, but if you feel the timing is right, it's worth the ask. If you are able to demonstrate what you do and your commitment to a project over time, people can trust you. It's okay to build up a social media presence over time to eventually ask for money—the community can fund a farm."

STAGE 1: SET A VISION	Current farmer needed on-farm help and an eventual financial return for retirement, wanted to see the farm continue to provide local food security. Entering farmer needed security on the land and a gradual timeline to learn about the business and raise funds to purchase.
STAGE 2: ASSESS	Traditional mortgage wasn't feasible as there is no house on the land, requiring 50% down. Parties had a trusting relationship and shared interest in seeing the farm continue, and entering farmer's extensive networks would allow him to secure private loans to buy the land.
STAGE 3: ACTION PLAN	A trial year led to a partnership agreement which saw profit share and responsibility transition to the entering farmer over 3 years, and the entering farmer purchasing the land and business at the end of the term, with the price set when the partnership was signed.
STAGE 4: DOCUMENT	A 3-year partnership agreement outlined the profit share and with the intention of eventual purchase. A business plan alllowed the entering farmer to find lenders. Promissory notes for the private loans and a purchase agreement were drafted for the sale.
STAGE 5: IMPLEMENT	The timeline allowed for mentorship, relationship building, and business development. Each year, the partnership was evaluated. While a purchase price was included in the partnership agreement, it was renegotiated after two years.
STAGE 6: MAINTAIN	The entering farmer now owns the land and manages the farm, and is exploring potentially developing a co-op in the future. The current farmer has the funds needed for retirement.

TRANSITION TO CO-OPERATIVE OWNERSHIP

A co-operative (co-op) is a type of business that is member-owned, and democratically managed. Co-ops are established and run by their owner-members, operating on the idea that people can work together to meet their shared goals and needs. Co-ops pool the resources of members to help the collective achieve goals they would not necessarily have been able to achieve on their own. Co-ops are different from other types of businesses in two main ways:

- The co-operative model is values-based, and all co-ops align themselves to a set of internationally agreed upon values and principles: self-help, self-responsibility, democracy, equality, equity, and solidarity.
- A co-op is distinguished from other businesses in that who benefits from the activities of the co-op is ingrained in the structure. Where typical businesses operate to generate a profit for a few shareholders, co-op members all benefit from the success of the business. Furthermore, co-op members are all equal decision-makers, with a one member/one vote policy, rather than one share/one vote, which ensures a co-op acts in its members' best interests. In a producers' co-op, for example, farmers own the co-op and will always have control over and benefit from the co-op's activities.

Collaboration in farming is highly valued not only for sharing the farm work, but also for sharing the financial burden in accessing land, equipment and infrastructure with the pooled resources of a group. The flip side is the work required by members to build and maintain strong interpersonal relationships that can navigate differences of opinion and achieve consensus. Members of a co-op should be as invested in the people and process as much as the project.

ASSESS: IS A CO-OP THE RIGHT FIT?

- Know who you are working with: start with small collaborative projects and build relationships.
- Commit to working collectively. Ask yourself:
  - Why are you choosing to work with each other?
  - How much experience do you have working collectively?
  - Do you share the same values and vision?
  - Do you share a commitment to democratic principles?
- If the social and democratic element of your team is ready to work together:
  - Do you have the skills and interest in doing the work to set up a co-op?
  - What skills and resources does the group already have?
  - What skills are needed, and how will those skills be developed or brought in through a third-party?
- Know from the outset how the co-op would manage disbanding if the members decided to go their separate ways.

It is highly advisable to work with a professional co-op developer to support the complex process of establishing a co-op. BC Cooperatives Association, Co-op Creator, Vancity, Cooperatives First, and other co-operative organizations have resources to support you in getting up and running.

CO-OPERATIVES AS A TRANSITION MODEL

As a transition model, co-operatives can allow for the purchase of land and farm businesses despite high land costs, reflect the community-oriented values of the current farmer(s), and provide a structure for continued succession in the future. Transitioning an existing farm business into a co-operative could mean that the co-op owns the farm business, the land, or both.

A farm co-op can have long-term secure land access through purchasing land via financing from members or community fundraising. However, it is also possible for a co-op to farm the land without owning the land. In cases where the land will be held by an entity other than the farmer, such as the current farmer's heirs, a community organization or a trust, a co-op can manage and farm the land through a long-term lease.

Co-operatives have a clearly outlined structure for when individuals want to join or leave. Co-operative farms such as Fraser Common Farm have been able to onboard new farmers as the elder generation steps back from the farm business, and the co-operative structure allows for all parties to meet their needs and contribute to the farm according to skills and capacity.

There are two main mechanisms for using a co-operative in your transition plan:

1. CURRENT FARMER TURNS THE FARM INTO A CO-OP

A current farmer can transition a farm business (sole proprietorship/corporation) into a co-operative by inviting others to join as members. This model provides the current farmer the opportunity to recruit entering farmers and cultivate relationships to ensure the farm continues into the future. In this scenario, the current farmer will be more involved with mentoring, and the transition will likely unfold over many years of cultivating relationships.

ASSESS: IS IT THE RIGHT FIT?

- Entering farmers may not immediately have the resources to buy the land or business.
- Current farmers want to continue to be involved for the foreseeable future, and have the time and energy.
- Current farmers don't have any immediate financial needs and want to continue living and working on the farm.
- Current farmers are prepared to do the work of recruiting and cultivating co-op members, with the knowledge that it could take time, potentially years to develop.
- Current farmers are eager to work collaboratively with entering farmers to plan for the future and build the co-op.
- All parties are aligned with co-operative values.

2. ENTERING FARMERS FORM A NEW CO-OP

A new co-op group can form with the goal of buying a farm together from a current farmer. Buying land cooperatively may allow entering farmers to access land that would otherwise be out of the price range of an individual. In this scenario, the current farmer may or may not provide ongoing mentorship to the entering farmers.

ASSESS: IS IT THE RIGHT FIT?

- Employees/interested parties can pool resources to purchase the land and business.
- The entering farmers want to own the land.
- The current farmers need the financial benefit of a sale to fund their retirement plans and provide for their heirs.
- The current farmers want an "exit strategy" that doesn't require them to stay on the farm or be involved for years to come.
- All parties are aligned with co-operative values.

CONSIDERATIONS FOR OBTAINING FINANCING AS A CO-OPERATIVE:

- To purchase land, the co-op needs to make a down payment pooled from the members.
- The co-op needs to demonstrate the ability to make loan/mortgage payments, and should have a realistic business plan with cash flow projections.
- Financial institutions usually require three years of financial history for a business to qualify for a mortgage; this is equally true for co-ops. A lender will usually seek personal guarantees from each member. These guarantees would be reviewed whenever someone left or joined the co-op to requalify, and there is no guarantee of requalification.
- Once the co-operative has been running for three or more years and is operating successfully, it is possible to remove the personal guarantees and transfer the liability to the co-operative itself.
- It's important to find a lender that understands co-operatives, and won't impose added barriers to accessing resources. In general, credit unions, also known as financial services co-operatives, are a good place to start.
- Vancity has co-op specific lending available, such as a loan for those needing to finance their membership share in a worker's co-op and microfinancing for start-up co-ops.
- Other financing sources include Futurpreneur, Canadian Co-operative Investment Fund, and worker co-ops, e.g. the Canadian Worker Co-op Federations' Tenacity Works Fund.
- Lenders will be looking closely at:
    - The co-op's Memorandum of Association and Rules of Association; particular attention will be paid to the purposes of the co-operative, the membership share and the financial commitment members are making to their co-operative, and opportunities for members to participate in the governance of the enterprise;
    - The experience of the members, including whether they are farm school graduates and/or have farming experience, and any skill gaps and plans to fill these; and,
    - A business plan to help assess the farm's capacity for financial viability.

CASE STORY: TURNING A FARM INTO A CO-OP HORSE LAKE FARM CO-OPERATIVE

For current farmers who value the community they've built on their land, the thought of selling the farm may be out of question. Turning a farm business into a co-operative, especially one that will eventually own the land, can be a way to formalize the community approach to farming and ensure the land will be available for future generations of farmers. This is a story about how co-operative structures can provide a long-term sustainable solution to transition.

This story begins in the 1970's with a group of folks active in the "back to the land" movement. They were motivated to simplify their lives and through doing so, develop a deeper and more respectful relationship with the earth. They operated under a non-profit called C.E.E.D.S. (Community Enhancement and Economic Development Society) and were farming and homesteading communally on various properties for a number of years before arriving at "Betty's Place."

Betty's Place, now Horse Lake Community Farm Co-operative, is 133 acres of hay fields, pasture, gardens and riparian area lakefront. It is in the Tsq'escen (Canim Lake Band) Traditional territory of the Northern Secwepemc te Qelmucw, near the town of 100 Mile House in B.C.'s South Cariboo region.

The farmers of C.E.E.D.S. tended the land, built gardens and raised livestock, developed infrastructure and formed relationships with neighbours and community members, all of which were integral to their goals of self-sufficiency and regional food security.

When Betty, the landowner, retired, the land went up for sale. C.E.E.D.S. had a long-term lease with the right of first refusal, but the land was valued at $400,000 and CEED's did not have enough capital to purchase it outright. They also weren't particularly interested in being status quo landowners, as they have always valued stewardship and love of the land over private property. This is when the idea of forming a co-operative of community members emerged.

"There was concern in the community about the loss of this unique gem, because of its history, natural areas, and, most importantly, its agricultural productivity. Betty Johnson, the owner, was willing to work with C.E.E.D.S., community members and The Land Conservancy (TLC) to transition the land to a new co-operative. There was, and still is, a lot of community support for this project, and without that community support, the co-op would have had a very difficult time getting off the ground," explains one member.

The basic idea was to sell shares in the co-op at $5,000 per share, and raise money for the co-op to buy the land and donate it to TLC. The Horse Lake Community Farm Co-operative was incorporated in August 2006 with the objective of protecting the agricultural and ecological integrity of a vital lakeshore acreage. Due to changes at TLC, in the end the co-op, rather than TLC, had to own the land. TLC provided technical support for the formation of the co-op. The community members chose a co-operative model because it provided secure land access for farmers, allowed the members to purchase a property of this size and cost, and, above all, "promoted a vision of community land ownership and usage."

Purchasing a share in the co-op allows community members to participate in farm activities and have preferential access to food produced by the co-op. Members also have the option to access land for growing their own food and can run for election as a co-op director. Every member has one vote in major decisions, with a broad base of input into decisions. It also provides the intangible but invaluable knowledge that participation will strengthen the community's food security. Says one member, "What would you rather have, one or two percent return on your money, or the knowledge that when your children and grandchildren are grown, they will still have access to good, high-quality, locally-produced food?"

Because of this mentality, many people were happy to support this meaningful project, including family, friends and local businesses. Initially, they sold 40 shares and raised enough money to cover 50% of the cost of the land. The balance came from a generous interest-free loan from a co-op member.

C.E.E.D.S. became a lease holder on the land and pays monthly rent to the Horse Lake Community Farm Co-op. Other farmers on the land also pay a lease rate, which they renegotiate yearly. They also do fundraising activities, such as sponsoring the local Seedy Saturday, hosting educational workshops, garage sales, retreats and many other community events. They have sold another 20 shares over the years.

In this way they were able to make sporadic payments to their understanding lender. In 2019 the co-op still owed a significant sum but their lender felt, without pressure, that the co-op was in a position to settle accounts. The co-op board again appealed to their membership. Two members came forward to take on most of the remaining debt, and no-interest loan agreements were drawn up. The co-op pays three quarters of the money they receive each month through lease fees and fundraising towards the debt, which will be paid off by 2029. Remaining revenue goes to expenses such as liability insurance, property taxes, water rights and shared infrastructure improvements.

Things continue to evolve at the Horse Lake Community Farm, as some of the members are aging and looking towards the future. They want to see the land continue to be farmed and are looking to get more co-op members actively engaged in food production on the land. One co-op member wanted to get into raising cattle, so C.E.E.D.S. sold him some of their cows. He started building up his herd and now holds the lease for the pasture land.

Dave, who started off as a guest and WWOOFer, kept coming back to the farm because he loved the land and shared the values of the members. He bought into the co-op and made a proposal to lease half the cultivated vegetable production area. He now lives and farms on the property, selling his produce in 100 Mile House.

The legacy they are most proud of is that they have shown a lot of people how to grow. Over half their members now grow their own food. Starting the new co-op was a leap of faith, but since arriving on the land they had always placed people and relationships first. To those interested in this path they say: "establish yourself with your neighbours. Despite being a bunch of radicals, we always worked with everybody. We depended on our neighbours and couldn't have survived without them."

STAGE 1: SET A VISION

Land ownership was not a priority to the farmers. Priorities were preserving the agricultural and ecological integrity of the land. Community is central to their values and vision.

STAGE 2: ASSESS

Strong community relationships were already formed. All the current farmers shared values around stewardship and community above financial profitability.

STAGE 3: ACTION PLAN

Supported by TLC to set up co-op structure and bylaws. Community outreach spread awareness about the opportunity to buy shares in the farm, and to co-op members for financial support in the form of interest-free loans.

STAGE 4: DOCUMENT

Business plan based on principles of Ecology, Affordability, Sustainability, Organic farming and Shared ownership; Memorandum of Association outlining purpose, authorized share capital and limited liability; Informational brochures for members; waivers for guests; lease agreements for each of the leasing farmers.

STAGE 5: IMPLEMENT

Present and report on the progress made on those goals at the Co-Op AGM on a yearly basis. Living and farming together and continuing to fundraise and pay down debt.

STAGE 6: MAINTAIN

Lots of communication and check-ins! Business plan is used as a checkpoint. Outreach continues to expand membership and find new farmers who share values and are interested in leasing land. Strong community ties endure and the farm continues to educate and involve the public in sustainable living practices.

TRANSITION TO COMMUNITY OWNERSHIP

A current farmer can get a measure of assurance that their farmland will be used for agricultural purposes into the future by transferring ownership to a trust, whether by sale, gift, or will. Holding land in trust can provide security and stability to a farm business and entering farmer without the entering farmer assuming ownership of the land. A trust is legally required to use the land according to the rules set out when the trust is established.

A trust is a legal arrangement where one party (the settlor, in this case the current farmer/landholder) transfers property to a second party (the trustee) for the benefit of someone (the beneficiary, in this case the entering farmer, and/or the farm business). Under this arrangement, the trustee has legal ownership over the property, while the beneficiary is the "beneficial owner." A land trust is essentially a not-for-profit trust established for the purpose of holding land.

TRUST CONSIDERATIONS:

- A trust can be non-charitable, or charitable, with different implications.
- A trust can be created to hold a specific property, or the property can be transferred to an existing trust whose mandate matches the vision and mission of the farm owner.
- Donating land isn't required to put it into trust, though for current farmers whose primary vision is to preserve the land for agriculture, and whose financial needs do not require profit from a sale, donating land to a trust can be an excellent way to to meet the current farmer's goals.
- A trust can include provisions for the current farmer's personal vision around continued access to the land for themselves and their family.
- Putting farmland into a trust usually doesn't include the farm's machinery, equipment, livestock, and inventory, unless specified.
- When a farm business is incorporated and shares are transferred to a trust, the trust effectively owns all the farm's assets, including land, machinery, equipment, livestock, and inventory.

TAX CONSIDERATIONS:

- A trust is treated as a distinct individual for taxation purposes.
- Transferring ownership to a trust with charitable status may provide tax benefits.
- Putting land into a trust can include provisions for the current owners to continue to live on or use the farmland, through a lease or life estate.
- Rules governing non-charitable trusts require a "disposition" of trust every 21 years, which will trigger capital gains taxes. Charitable trusts are tax-exempt.
- It's important to include a "gift-over," which outlines what happens if the beneficiary dies.
- Considerations around probate fees, capital gains, and other tax law surrounding trusts are complex and require the expertise of a lawyer well versed in trusts and tax law.

ASSESS: IS A TRUST THE RIGHT FIT?

- The landholder wants to prioritize farmland preservation over financial benefit.
- There is an existing community organization with the capacity to hold land in trust.
- There is widespread community support to allow for potential fundraising.
- The entering farmers don't need or want to own land, or can't afford to buy land.

CASE STORY: PUTTING FARMLAND INTO TRUST MADRONA FARM

It's easy to say that farmland should be preserved for future generations – and a whole other thing to make that happen! This story is an example of how community support can bridge the divide between an altruistic vision to preserve farmland and a family's realistic financial needs.

Madrona Farm produces ecologically grown vegetables and works towards natural ecosystem restoration of the land, which is on unceded territory of the Songhees First Nation in the Blenkinsop Valley on Southern Vancouver Island's Saanich peninsula. The land had been owned by the Chambers family since 1951.

The current farmers (or ecocultural food growers) are Nathalie and David Chambers. David is the grandson of Ruth Chambers, who jointly owned the land with her three sons up until 1984 when ownership was transferred to the three boys.

Twenty years later, when their mother Ruth passed away, the three brothers planned to sell the farm as the number of heirs made splitting the asset impossible without divesting of it in a simple sale.

However, one of their sons, David, and his partner Nathalie, were passionate about keeping the farm legacy and protecting the land from development in perpetuity. Since Ruth was removed from the land title in 1984, more than one year before she passed, her sons did not have to pay capital gains tax on the land when she passed 20 years later.

Nathalie and David talked with their family members about the importance of protecting the land, not only for farming and local food security, but as a part of a healthy natural ecosystem. They recognized the spirituality of the land and its importance to the Songhees First Nation as a traditional hunting corridor and wanted to not only continue to grow food for their community, but to work to restore the native ecology of the land.

After initially starting a land trust of their own which they hoped could hold the land, the couple later established the Friends of Madrona Farm Society and approached The Land Conservancy of BC (TLC), to see if the organization would hold the land in trust. A one-year MOU was created between Friends of Madrona Farm and TLC, in which time all family members came on board with several pledging their own ownership shares.

In this time, TLC was supposed to be raising the rest of the funds to purchase the land. A "community purchase agreement" was written which outlined that the family needed financial compensation, but wanted to see the land sustainably farmed forever and preserved in its natural ecosystem state.

Unfortunately, TLC couldn't come up with the money needed to secure the land. It had been assessed multiple times and the value kept rising with each assessment. On top of that, TLC required an endowment of 10% of the property value in order to hold the land in perpetuity.

Nathalie and David started a grassroots campaign to raise the $2 million plus needed after family pledges. Over 3,500 members of the community donated to the society to reach the full purchase price plus endowment required to preserve the farm in perpetuity, and the land was placed in trust with TLC.

Nathalie and David now have a 29-year lease of the farm from TLC and continue to run a very productive mixed vegetable operation, and are passionately working to restore the native ecosystem of the farm as well. This long-term lease gives the farmers security to make the investments in the land that are needed to run a successful operation.

The lease also adds an additional layer of protection to the land from sale and development, above and beyond the fact that it is in a trust. When the TLC had to sell properties, Madrona Farm was protected by this 29-year lease, as many prospective buyers wouldn't want to buy land with the lease as an encumbrance on title, meaning they would have to honour the terms of the lease.

Nathalie and David are currently nine years into their lease of the farm, which includes the 100-year-old farmhouse and outbuildings. They are responsible for the maintenance of the property, including all its infrastructure, (buildings, fences, etc.), paying the property taxes, insurance, maintaining farm status, and they also pay a monthly lease payment to TLC.

The lease rate was set by TLC based on the per acre lease rate for farmland at the time, which is adjusted for inflation every five years. They are making investments into the land and house to live and farm without being compensated, though when the lease term is up they will be able to sell the lease with the fixtures on the land for whatever value the next farmer will pay. This next generation may be one of their own children, if they are interested in farming, or the lease will be open for application.

It took about four years from deciding not to sell the farm, and instead to protect it in trust, for the land to be secured by TLC. Countless hours of devoted energy and commitment to the project, driven by a passion to preserve the biodiversity and natural ecosystem of the land are what brought this project to meet its goal.

The support of the community was critical - a huge amount of public engagement and support from people throughout the Saanich peninsula and Victoria area, with donations coming from much farther afield as well, carried the project forward. A model like this is possible to recreate, with lots of energy, drive and community support.

Putting land into trust the way Nathalie and David did is a great way to provide security for the farmer, without having to own the land, while also protecting the land itself in perpetuity. Fundraising from the community to purchase the land also enabled the landholders to see the financial return they needed for this to be a viable option.

STAGE 1: SET A VISION

Current farmers needed financial return, entering farmers wanted to preserve the land and have continued access. Decided to try to protect the land from being sold and developed by putting it into a trust.

STAGE 2: ASSESS

Tried to start their own trust; very complex so opted to seek out an existing trust. Had the land assessed multiple times; the land assessed value kept rising.

STAGE 3: ACTION PLAN

Established Friends of Madrona Farm Society and approached The Land Conservancy of BC (TLC) to see about the land being held in trust by TLC. TLC required an endowment above the assessed value of the property to take the land into trust.

STAGE 4: DOCUMENT

An MOU was created between Friends of Madrona Farm and TLC while fundraising was ongoing. Once TLC took the land into trust, a 29-year lease was written between the farmers and TLC.

STAGE 5: IMPLEMENT

Family members pledged their shares and a community fundraising effort was launched to raise the remaining $2 million+. 3,500 individuals donated and the money was raised to place the land in trust with TLC.

STAGE 6: MAINTAIN

Current farmers continue to farm the land; when they are ready to transition, another farmer will be able to take over their lease. TLC may visit the property annually to assess the land.

CASE STORY: THE COMBINED POWER OF CO-OPS & TRUSTS LOHBRUNNER COMMUNITY FARM

When community, co-ops and land trusts come together to save a piece of land, amazing things happen! This is the story of a farm that was saved by community support—and will be stewarded into the future by a co-operative.

Located in Langford on Southern Vancouver Island, Lohbrunner Community Farm is a 13-acre farm held in trust by FarmFolk CityFolk (FFCF), and managed by a co-operative of farmers and community members.

The original farm homestead was an oasis of mixed fields, forest and wetlands tucked away in an otherwise very developed region. Norma Lohbrunner and her husband Joseph had farmed and cared for the land since 1945, and were committed to ensuring the land was protected from development and farmed beyond their own lifetimes.

Norma generously donated the land to The Land Conservancy (TLC) in 2007, with the provision that she would continue to live there while a young farmer took over production. Ian King, a local farmer, leased the land from TLC and he and Norma became good friends while they shared the land.

When Ian eventually moved on from the farm, it lay fallow. Scott Harris, the land manager at TLC, seeing the potential of the underutilized land, pulled together a group of friends to help take care of the property and grow food for themselves and their families while it was not leased to a farmer.

This group of three to four families grew on the land for a few years before they received word that TLC was unfortunately in a position of having to divest of the land. While TLC wanted to keep the land in trust, the sale was court-ordered and there were very few options. The wetland portion of the property was transferred to The Nature Conservancy, but because The Nature Conservancy's mandate is to protect natural ecosystems, they were not able to take the farmed portion of the land. To prevent the farmland from being put up for sale, the group decided to buy the land as a co-op.

They reached out to Heather Pritchard, a wealth of knowledge and experience in farm co-ops. She lives at and worked to develop Fraser Common Farm & Glorious Organics in Langley, BC, and supports existing community farms and the development of new ones. Heather was also a co-founder of FFCF, and was working for them at the time managing their Community Farms Program. FFCF has in its mandate the ability to acquire farmland, so Heather proposed to the group that they try to fundraise to have the land transferred from TLC to FFCF to protect it in trust there, and for a co-op to be developed to manage the farm on the ground.

As the group had only reached out to Heather 10 days before the farmland was slated to be put on the market, the timeline was very tight. Heather called everyone she knew who might be able to support and was able to raise the funds needed to purchase the land. FFCF was supported with a donation from Vancity Community Foundation to pay for the significant legal and administrative costs associated with the land transfer, and the land was safe.

Heather worked closely with the group to develop a community farm co-operative model to manage the land after it had been transferred to FFCF, which would become known as Lohbrunner Community Farm Co-op (LCFC).

LCFC was established with high value placed on the importance that the group be diverse, not just composed of farmers, and inclusive of the broader community. The co-op recognizes the importance of having different voices, values and skill sets as part of the group to balance community and farming. This diversity "challenges the attitude that land is about production (a colonial mindset) and that only those who can farm it have value is very problematic. All the relationships—people, wildlife, trees and everything—are what makes it work." Heather says. "The coop started with a community sense of stewarding the land, not just farming. Farming is a part of it but certainly not all."

Once LCFC was developed, the members soon decided that they wanted to lease space to young farmers to run farm businesses and grow food for the local community. New farmer Ariella Falkowski joined LCFC when it had just been formed in the spring of 2017, after connecting with members at a YA event. Ariella had been farming for six years on various small farms throughout B.C., and was keen to start her own farming operation on leased land. She was drawn to farm at Lohbrunner because of the longer-term security leasing from a trust seemed to offer, relative to a potentially less secure lease on private land.

When Ariella joined LCFC, the co-op did not yet have a lease with FFCF to officially secure their access to the land. Ariella took a leap of faith and dove into life at Lohbrunner, trusting a group of people she had just met, with the intention of writing a lease in that first season as they all figured out how the agreements would be structured. Ariella and other members of LFCF spent that first year turning three acres of underutilized hayfield into veggie fields, and also erecting essential deer fencing.

As of spring 2021, Ariella's farm, Sweet Acres Farm, is entering its fourth year of a five-year term with LCFC. Leases are currently set up to rollover into a new five-year lease at the end of every term, pending a review involving both LCFC and the leasing farmer. Ariella loves having autonomy to run her own farm business independently, while also being a part of a supportive, broader co-operative farming community: "there are a lot of skilled and generous people around to help out. In what can be an isolating and challenging field of work, the community element of a coop is great."

All individuals who farm at Lohbrunner must be members of LCFC, and have to be approved by consensus by members of the co-op board in order to join. As a co-op member, Ariella values being able to bring her voice to the table in decisions that are made for the farm as a whole. Although sometimes decision-making as a group can take longer than they would otherwise, Ariella finds that ultimately the decisions end up being far stronger and better thought out than what she imagines would be possible as individuals. The group, with all of their various skills and perspectives, is far stronger than the sum of its parts.

While it can be difficult to navigate who is going to be responsible for bigger expenses on the farm, as ultimately there is no landowner who would see bigger investments as adding values to the property, as a registered non-profit organization, LCFC benefits from the ability to apply for grants for infrastructure projects and property improvements that would be inaccessible to private landowners. A new irrigation system was installed at the farm in the spring of 2020 thanks to a grant.

In considering whether farming in a co-op is the right fit, Ariella says, "things take more time in a co-op, and there are a lot of meetings. You have to decide if that's something you are willing to put your energy into. Sometimes it's hard and a long process to make decisions but the end result is often way better than what I could have done on my own." This co-operative model of land stewardship offers a valuable solution to problems of land access for generations of farmers now and into the future.

Ariella has made the difficult choice to move on to different farming adventures in 2022 that will further expand her farming skills, meaning that LCFC will be seeking a new farmer to lease land starting in 2022. "Lohbrunner is really a wonderful place to farm," states Ariella, "and the coop has accomplished so much in the last four years. I witnessed (and was a part of!) seeing this land become much more productive in terms of food produced, saw major infrastructure improvements that support farming ventures, saw the introduction of farm-based education programming, and also have witnessed the groundswell of support from the surrounding community as the farm becomes more well known. This is an exciting time to get involved with LCFC, as the potential of this farm in this community is really beginning to show."

STAGE 1: SET A VISION

The original farmer wanted to see the land protected and farmed, and didn't need financial return. The community group managing the land now had similar values and goals. The entering farmer valued the security of farming in a land trust, and the community environment.

STAGE 2: ASSESS

The land was donated to a land trust by the original farmer, but had to be sold. As a community asset, many people had to come together to protect the land a second time by raising funds.

STAGE 3: ACTION PLAN

On a short timeline, funds were raised from the community and from institutions. With support from a community farm developer, a community farm co-op was developed on the land, which then leased a portion of the farm to a young farmer.

STAGE 4: DOCUMENT

A life estate enabled the original farmer to live on the land until death. Documents were drafted for the original donation and the transfer to FFCF. The co-op drafted bylaws, incorporation documents, and leases with the land trust and leasing farmer.

STAGE 5: IMPLEMENT

The transition has been implement in two phases, the original donation with a young farmer leasing, and the second transfer between land trust entities, with a new group managing the land and leasing to a farmer.

STAGE 6: MAINTAIN

The co-op engages in collaborative decisions-making, and the land trust/co-op model ensures that the community will benefit from a farmer on the land into the future, while new farmers benefit from the infrastructure and secure tenure.

STAGE 2

YOUNG AGRARIANS

TOOL: KNOWLEDGE AND SKILLS ASSESSMENT

This tool is intended to help you and those involved in your transition understand who has what skills, and where people need to develop skills. This will help you decide who should do what tasks, as well as help you understand who needs further training and what types of training to seek out for a successful transition. For example, does a farmer involved in your transition need to learn how to do tractor maintenance? This sample list includes day-to-day farming tasks, business management skills, and communication skills.

Adapted from FCC's Assessment tool: https://www.fcc-fac.ca/fcc/resources/transition-assessment-tool-e.pdf

Legend

1 = This team member is fully able to handle this task
2 = This team member is developing needed expertise
3 = This team member has no expertise in this area
4 = Our team has no expertise in this area

- Assess your and others skills/knowledge in each area
- Cross off tasks that aren't applicable to your operation and add tasks that are missing
- Circle tasks where you or your team can gain skills
- Mark with * tasks where you need professional support
- *Note this is not a tool to identify who does what (see Farm Decision Making Framework Tool)
- You may want to focus just on yourself to start

Date:_______________

		Self	Team member 2	Team member 3	Team member 4	Team member 5	Team member 6	Comments
Operations	Equipment maintenance							
	Cropping decisions/planning							
	Field prep/Soil building							
	Water Access/Infrastructure							
	Seeding							
	Harvest							
	Transportation/Delivery							
	Fencing install/maintenance							
	Inventory/Storage management							
	Facilities upkeep							
	Pest/weed management							
	Animal health							
	Livestock handling							
	Marketing, social media							
	Certifications (e.g. Organic, GAP)							
Financial / Business Management	Bookkeeping/tax documents							
	Understanding loans / financing							
	Capital investments/purchasing							
	Budgets/projections							
	Understanding tax considerations							
	Seeking investments/investors							
	Pricing products							
	Wealth management							
	Licenses, permits, insurance							
	Shareholder agreements							
	Knowledge of farm business structure							
	Business planning							

YOUNG AGRARIANS

Legend

1 = This team member is fully able to handle this task
2 = This team member is developing needed expertise
3 = This team member has no expertise in this area
4 = Our team has no expertise in this area

• Assess your and others skills/knowledge in each area
• Cross off tasks that aren't applicable to your operation and add tasks that are missing
• Circle tasks where you or your team can gain skills
• Mark with * tasks where you need professional support
• *Note this is not a tool to identify who does what (see Farm Decision Making Framework Tool)
• You may want to focus just on yourself to start

Date:_______________

		Self	Team member 2	Team member 3	Team member 4	Team member 5	Team member 6	Comments
People	Managing employees/volunteers/interns							
	Navigating HR: Worksafe, payroll, etc.							
	Training and development							
	Customer relations							
	Mentorship							
	Decision making and leadership							
	Conflict resolution							
Transition Planning	Goal and vision setting							
	Strategic planning							
	Administration							
	Risk assessment							
	Governance							
	Legal expertise							
	Communication skills							
	Land Agreements & Negotiations							
	Estate Planning							
Co-op / Community Development	Knowledge of co-op principles/values							
	Co-op governance							
	Developing community agreements							
	Community support							
	Drafting co-op bylaws/documents							
Other								

STAGE 2

YOUNG AGRARIANS

TOOL: TESTING THE MODELS

- This tool includes a decision-making test for how the land will be held, a decision-making test about land ownership for entering farmers, and a blank version for you to adapt.
- This tool can be used in any decision-making process - simply fill in the options in the first column with whatever potential solutions have been proposed.
- We recommend including all solutions put forward on your list, no matter how impossible or "out there" they seem - you never know what may be possible! Listing all proposed solutions allows everyone participating in discussions to feel that their voice is heard and ideas considered, and can allow you to move forward past ideas that aren't feasible once everyone understands the reasoning. You also learn more about each other and your goals and needs this way.
- Ensure you understand the opportunities and obstacles with guidance from technical advisors before locking into a decision.
- Adapted from Nova Scotia's Farm Succession Planning Resources: nsfarmsuccession.ca

Download this tool including a blank version here: youngagrarians.org/toolkit-stage-2-assess

OPTION	Y/N - STILL CONSIDERING	Y/N - OFF THE TABLE	YES - FINAL DECISION	REASONS WHY?
GIFT TO FAMILY				
MARKET VALUE SALE TO FAMILY				
GIFT TO NON-FAMILY				
MARKET VALUE SALE TO NON-FAMILY				
BELOW MARKET VALUE SALE TO NON-FAMILY				
FAMILY TRUST				
GIFT TO COMMUNITY LAND TRUST				
SALE TO COMMUNITY LAND TRUST				

OPTION	Y/N - STILL CONSIDERING	Y/N - OFF THE TABLE	YES - FINAL DECISION	REASONS WHY?
OWN LAND YOURSELF				
OWN LAND WITH OTHER PEOPLE				
ACCESS LAND AS PART OF A LAND-OWNING CO-OP				
ACCESS LAND VIA TRUST				
LONG TERM LEASE, SOLE PROPRIETOR				
LONG TERM LEASE, PARTNER IN BUSINESS				
CORPORATION				

OPTION	Y/N - STILL CONSIDERING	Y/N - OFF THE TABLE	YES - FINAL DECISION	REASONS WHY?

STAGE 3: MAKING A PLAN

STAGE 1 SET A VISION | STAGE 2 ASSESS | STAGE 3 ACTION PLAN | STAGE 4 DOCUMENT | STAGE 5 IMPLEMENT | STAGE 6 MAINTAIN

The farmers know their vision and desired model, and are further exploring what structures will allow them to acheive that by looking at relationship structures, legal agreements, and financial supports. This stage is about identifying the solutions, and costing them out. The goal is for everyone to understand what is needed to facilitate the transition.

RELATED TOOL: FARM MANAGEMENT DECISION-MAKING FRAMEWORK

STRUCTURING YOUR TRANSITION

In the previous stages, you've set your vision and explored different models for transitioning the land and farm business. This section, Stage 3, explores the on the ground solutions that can help you achieve your goals. Transition plans take time to develop, and even longer to implement. During the transition process, it is helpful to have a clear understanding of the relationship between the current and entering farmer, and to put a formal structure around the relationship with agreements around business planning, land use, compensation/profit sharing, decision-making and exit strategies in case either party does not want to continue with the transition planning process.

The solutions you use will depend on the needs of the parties and the existing organizational set up. These may be viewed and implemented as interim solutions leading to eventual transfers of land and farm business ownership, or long-term solutions in themselves, depending on the visions established in Stage 1 and the decisions made in Stage 2.

BUSINESS PLANNING

A business plan is the blueprint for a successful business in any industry. One study showed that entrepreneurs with a written business plan were twice as likely to successfully grow their business or obtain capital as those without a plan.[2] If the farm business involved in the transition doesn't have a written business plan, one should be developed as part of the transition plan.

A business plan will hold you accountable to the short- and long-term goals that help guide your decision-making process in all transition stages. Even the most perfectly planned and executed transition cannot be successful unless the farm business itself is profitable. Using a business plan to test feasibility and iron out kinks will increase your chance of success long-term. It can also be a fluid document that evolves as you refine your business, adjust your goals and set new objectives and benchmarks.

The land base is arguably the most integral piece of your farm business planning picture, so it is important for entering farmers that the written business plan accounts for how the land will be held or transferred. Your financial projections should include lease payments, rent increases, or restructuring to mortgage payments if the land is being transferred. A solid financial plan that answers questions such as, "How will your farm business cash-flow lease payments?" and "What can the business afford to pay in machinery rentals?" will help you negotiate financial terms that support your needs.

2 https://smallbiztrends.com/2010/06/business-plan-success-twice-as-likely.htm

LEASING

As an interim solution, the entering farmer may lease land, infrastructure, equipment, or the entire farm operation from the current farmer and eventually transition into ownership. Leasing may also be the permanent solution chosen where the entering farmer will not own the land; the land may be held in a corporation, trust, or by the current farmer's heirs and leased to the farmer long-term.

Leasing generally means that the entering farmer will operate more independently from the current farmer, and often requires the entering farmer to have adequate experience, financial resources, and skills to run a farm independently. Leasing is frequently used in family farm transitions to give the junior generation a degree of financial and decision-making independence from the senior generation.

Leasing may also give an opportunity for the entering farmer to establish a new operation (see Diversification) and generate income, while at the same time slowly onboarding to the existing farm operation as an employee or through another interim solution. For example, in one potential leasing scenario, a cattle ranch in the Cariboo may not generate enough revenue to support two incomes during a transition. The current farmer may lease a few acres to the entering farmer, who plants a crop such as garlic or raises meat birds in order to generate income for themselves during the planning stages for the transfer of the ranching operation.

Considerations for Leasing:

- Leasing land may impact a current farmer's ability to qualify for a Capital Gains Exemption.
- GST applies to certain leases; it's important to know when a lease is exempt and not. Consult an accountant to ensure you are meeting your tax obligations.
- Many people express interest in lease-to-own but these arrangements are very complex; it's essential to talk to a lawyer early on if you are considering this approach, and ensure you are exploring all options for gradual ownership of land, such as a corporation owning the land.
- A lease should be carefully drafted to address the needs of both parties and support the long-term transition. A lease should:
  - be a written contract, not a handshake;
  - specify the number of years and rental rate;
  - set expectations around who is responsible for what maintenance;
  - establish the lessee's right of first refusal to purchase the property; and
  - anticipate that the landholder's heirs will assume the lease and establish that relationship.
  - Seek free support for lease development through the B.C. Land Matching Program.

EMPLOYMENT

Many non-family transitions happen when there is a long-term employee who is dedicated, skilled, and valued by the current farmer, and there is a shared desire for the employee to take over the farm and/or land when the current farmer retires. If you don't have a successor, employment can be a way to find entering farmers. It provides the opportunity for both parties to "test the waters" without locking into a commitment, and allows parties to build a relationship, explore shared values, and grow the entering farmer's production skills and farm business management capacity. Employment also creates a clear structure in the relationship between the entering farmer and the farm business where compensation and responsibilities are outlined.

As an interim solution in a transition plan, the entering farmer would either become, or continue as, an employee of the farm, taking on more responsibilities every year and increasing their annual salary until the time came when everyone was ready to make the shift and have the employee become a business owner. This gives the parties an opportunity to work together in co-organizing the succession of the business, developing a transition plan, and documenting Standard Operating Procedures for the farm.

Considerations for Employment:

- Acting as an employer will require the farm business to have WorkSafeBC.
- Considerations must be put towards the cost of having employees, including paying taxes, respecting labour laws, and understanding human resources.
- If farm employees are working towards an expected transition, there should be clear agreements for what happens if the employee, or employer, changes their mind. What's the exit strategy? Is the employee getting anything out of their time at the farm, such as severance, or a lump sum payout for anything they've contributed? If the employee leaves, how much notice must they give?

MINI CASE STORY:

In one case, the current farming couple has been operating a diversified farm, with a market garden and poultry, for 20 years. Their three children, as well as a long-term employee, are all integral to their transition plan, and will take over the farm as a team. Each of the four entering farmers has different skills, and the current farmers hope that the entering farmers' complementary roles on the farm will allow the business to thrive into the future. The current farmers are mentoring their four successors, building production skills as well as financial and business management proficiency.

They are still in the early stages of solidifying a transition agreement, but have a solid vision and are putting their plans into motion. The three children of the current farmers will inherit the land, and all four, including the long-term employee, will become partners in the farm business. The farm business will lease the land from the current farmers, and eventually the three children, in a secure long-term agreement.

Because the long-term employee will not be gaining equity in the land, the current farmers are planning to set up an RRSP with an initial lump sum contribution and ongoing matching contributions. It is important to the current farmers that the long-term employee feels that they are a true partner in the business, and that they will be building a "nest egg" in other ways, given that they won't own the land.

DIVERSIFICATION

Current farmers who have achieved success sometimes hesitate to do transition planning because they worry that their farm business does not have the revenue-generating potential to support another farmer. Rather than looking at this as a barrier to transition planning, this is an opportunity for the entering farmer to develop a new enterprise on the land, which adds value to the farm business in the immediate, grows a new customer base, and builds long-term resilience.

Diversification can mean adding additional crop varieties to a market garden (such as flowers, or garlic), developing a value-added product out of an existing farm product (such as apple chips, pickled and fermented products, etc.), or adding an entire operation (such as poultry to a market garden or cattle operation). Opportunities for diversification will depend on the land base, available markets, and skills of the farmers.

INCORPORATION

A corporation is a distinct legal entity, meaning it can do anything a person can, such as conduct business, buy, own and sell assets, hold debt, file tax returns, rent land and enter into contracts. However, a corporation does not have a finite lifespan, which opens up the possibility of continuity over multiple generations.

A farmer wanting to pass on their land to a non-relative could incorporate as a means to transition. This would usually mean turning a partnership or sole proprietorship into a corporation. A corporation can own the farm business, equipment, infrastructure, the land, or any combination of the above, depending on what's best for the individuals involved.

Incorporation can provide a clearly defined timeline and mechanism for gradually transitioning ownership and management of a farm business to the entering farmer. For example, say the current farmer, George, has been operating a market garden as a sole proprietor for the last 20 years. To transition their farm business to an entering farmer, George will incorporate the farm business with the advice of an accountant and assistance of a lawyer. In the new structure, the farm corporation owns the business, and some infrastructure, such as a delivery truck and greenhouses. The business has been valued at $100,000. If the entering farmer, Lisa, bought into the company with savings of $20,000, she would then have a one-fifth stake in the corporation. As Lisa continues to work on the farm, she could take her earnings from the farm and put that back into the business, and over the course of two to three years become a 50% owner of the business, and eventually 100% owner as George completes his transition out of the farm business. That would give Lisa a controlling share in the company. Meanwhile, the corporation could be leasing the land and other infrastructure at an agreed upon rate from George, who still owns the land. This gives George income for retirement.

The intention to transition ownership of the land may or not be present. If an eventual purchase of the land by the entering farmer is not feasible, the farmer-landholder may decide that the corporation will inherit the land once they die, depending on the financial needs of the landholder's family. However, because the landholder will be deemed to have sold the land at market value at the time of their death, consideration must be given to the ability to fund the estate's resulting tax liability.

If a landholder's family wants to continue to be involved in the farm, they could retain a stake by holding minority shares, or serving on a board of directors. Dividends from the business could potentially provide the current farmer's heirs a financial benefit. Similarly, if the heirs are to be the landholders in the future, lease payments could provide a financial benefit. If the intention is for the entering farmer to eventually own the farm business but not the land, a registered lease can provide the farm business with the security and stability needed to justify the entering farmer's time and investment.

Regardless of how the incorporation model is applied, a shareholder agreement is necessary. A detailed agreement outlining timelines, exit strategies, and financial considerations will ensure that the intentions of both parties can be effectively put into practice.

What is a share? An indivisible unit of capital, expressing the ownership relationship between company and shareholder. A share is an easily quantifiable unit and makes for a very clear structure in ownership that can change over the course of the transition process: as the new farmer obtains more shares, they will have more control over how the business runs.

What is a dividend? The portion of profit a shareholder receives from ownership of shares.

Considerations for Incorporation:

- When - and whether - to incorporate is a common question. There are many factors to consider:
- There is no magical numerical revenue threshold for incorporating, but a good benchmark may be looking at how much you're earning and how much you need to live on. If your business is earning $100,000 and you only need $60,000 to live on, being incorporated would enable you to leave $40,000 in the corporation, and pay reduced income tax on that amount overall.
- An accountant can help you figure out if there are good business and financial reasons to incorporate, or if this step should be put off until it becomes advantageous.
- Limiting liability is often considered a sufficient reason to incorporate.
- Certain farm grants, loans and programs require incorporation.
- It's important to have the trade name registered to the corporation, which costs an extra $50.

Taxes and Corporations:

- The corporate tax rate may be lower than personal income tax rates. For example, a B.C. corporation with a small business deduction currently pays corporate tax at 11% on farming income, which may be lower than the tax rate of an individual earning the same amount of farming income.
- There are unique tax benefits that farm operators may qualify for over their lifetime. It is not wise to merge the business of farming with other non-farming business in one corporation, as that will disqualify the corporation from accessing certain tax benefits only available to Family Farm Corporations.
- When farming is not the primary source of income for the operator, there are restrictions in place on the use of farm losses against non-farm income.
- If a property is currently personally owned, it is possible to transfer it to a company in a manner that does not result in current income tax. Additional planning and tax elections are required. However, once owned by a corporation, the property cannot come out of the company on a tax-deferred basis.
- Whether a property or shares of a corporation qualify for the capital gains exemption is an "all or nothing" test and can be difficult to apply in practical scenarios. A partial exemption is not available – the asset either qualifies or does not.
- The qualification for some of these tax provisions can become really complex really quickly, and some of it will be time based. (For example, should you farm the property, only to then rent it out later to an arm's-length party).

Owning Land as a Corporation:

- If a corporation purchases land, the land can be bought using funds that have been taxed at the corporate level, meaning less pre-tax income needs to be earned to pay for the property.
- Property Transfer Tax must be paid every time that the ownership of property changes. It is quite common to put the land inside a corporation to ensure that should the farm/farm property be sold in the future; the shares can be sold without having to also incur Property Transfer Tax.
- The downside of having a company own the land is that this would require an additional step to ensure that the owner's principal residence exemption is still available when the farm property is sold in the future. Tax planning is necessary to ensure that the ability to claim the principal residence exemption is maintained.
- If the residence is owned by the corporation, the shareholders need to pay fair market value

rent to the company to avoid a taxable benefit.
- Land owned by a corporation must be leased to a related person or corporation that is using the land principally in a farming business in order to qualify for the Capital Gains exemption. If leased to another corporation, all or substantially all of the value of the corporation's assets must relate to assets used in a farming business.
- If the land is owned by a corporation, it is the shares of the corporation that may qualify for Capital Gains exemptions, not the land itself. In other words, the shares need to be sold to utilize the Capital Gains exemption.

JOINT VENTURES

A joint venture is an agreement between two parties to work together towards common goals without legally entering into a business partnership, or merging operations. It allows individuals to combine resources but retain ownership of their respective businesses. Each party makes a contribution to the venture, which may include labour, investment, and depreciation, and shares a percentage of revenue and expenses based on their percentage contribution.

A joint venture is different from a partnership in that each individual party files taxes separately. A joint venture agreement should be individualized to meet the needs of both parties and allow collaboration and sharing of resources while retaining independence.

There are different types of joint ventures. An income joint venture may be a suitable type of interim solution for transition planning. In this type of joint venture, all expenses and revenue run through one bank account. Revenue is allocated to each member, according to their decisions around labour, roles and responsibilities. Infrastructure and equipment can be owned separately or together, but repairs, maintenance and operating costs are typically paid by the joint venture.

In a transition scenario, one party may have considerably more invested in equipment and land, but may contribute less and less labour as time goes on. Over time, the entering farmer may have more opportunity to pay for new equipment and other capital contributions.

Considerations for Forming a Joint Venture:

- Agree on values, goals and business strategy. Aligning the big picture vision is important and foundational for the rest of the process. For example, perhaps your agreed-upon value equation is to be a financially sustainable farm, a good employer and to maintain strong ecological stewardship practices. Define the terms.
- Agree on roles and responsibilities. If you have Standard Operating Procedures (SOPs), they will be very handy here! Work towards developing lists of common tasks and discuss who will do which tasks.
- Determine allocation of revenue and expenses based on agreed upon terms, e.g. 30% / 60% or based on hours with an agreed upon value.
- Determine when profits will be distributed.
- Designate on 'Operator' for the legal pieces, e.g. GST number.

SWEAT EQUITY

Sweat equity means that someone involved in the farm business is being paid below market rate in anticipation of a future return on their labour. Essentially, rather than investing money into the farm business, they are investing their time, energy, and "sweat." The value of the farm business, and also the land, may be preserved or increased as a result (at least partially) of this person's contribution.

Sweat equity often comes up in farm transition planning, especially when discussing the contributions of the entering farmer. Sweat equity can be a pathway to ownership for entering farmers who may not have the capital needed to purchase the farm and land outright, by trading unpaid labour for an ownership stake in the land and/or farm business.

DEVELOPING A SWEAT EQUITY AGREEMENT

Calculating sweat equity is complex and requires clarity, documentation, and discussion of expectations for both the entering farmer, current farmer, and any off-farm family heirs well before the transitioning process occurs.

Clear communication is key so that both parties understand the value of the entering farmer's labour and how that will be compensated in the long-term. Having something in writing ensures that the sweat equity agreement is realized long-term, and protects against conflicts, failed businesses and broken relationships.

Current farmers: have a clear understanding of your vision, and the financial needs of both your heirs and yourself before entering into a sweat equity agreement with an entering farmer. If there are off-farm children, what are their expectations around inheritance and returns from the farm? What have they already received as compensation for the sweat equity put into the farm during their youth (e.g. support with university, down-payment on housing, vehicles, etc.)?

Entering farmers: have a clear understanding of the value of your labour, your financial needs short- and long-term, and the level of risk you can handle. There is inherent risk for the entering farmer; as with any investment, there is a chance that you won't see a return on your 'sweaty' investment. On the other hand, investing labour now may enable you to gain hard equity later.

For sweat equity to work, all parties must have a clear understanding of the farm's financial state. A good question to ask is: where would the farm be without the entering farmer's unpaid labour? To understand the full value of the entering farmer's contributions, it is essential to put a dollar amount on the value of the land and farm business at the start of a sweat equity agreement, and again at a later date, in order to evaluate the growth in value resulting from the entering farmer's contributions.

While sweat equity can be a way for entering farmers to build an ownership stake in a farm business over time, it can also hide the fact that a farm is not as profitable as needed to support the entering farmer. If the farm's value decreases instead of increasing, the entering farmer's return on the sweat equity investment may be zero. Some transition plans opt to avoid sweat equity altogether by employing the entering farmer at market rate. Assuming the farm is profitable, being able to pay fair market wage demonstrates that there is capacity to add one or more additional farmers.

Sweat equity can be used as part of a purchase involving a cash down payment. Take the example of a young couple buying a farm in part with cash and in part with sweat equity. With a sweat equity purchase, the buyer is paying off all, or a portion of, the agreed cost of a property through labour. With start-up costs so high, it may be an essential way to transfer farms to the next generation.

Considerations for Sweat Equity Agreements:

- Vesting period: How long does the entering farmer have to work before being compensated? Vesting is a legal term that means to give or earn a right to a present or future payment, asset, or benefit, and your agreement should indicate at what point you can exercise your rights; for example, the entering farmer's sweat equity may be "vested" when the land changes hands.
- What are the performance criteria and expectations around the contributions to the farm?
- Nature of the equity: What will the entering farmer receive in return for their sweat equity? Land ownership? Shares of the business?
- How will you assess the value of sweat equity? Based on a dollar value for hours worked, or on the difference in value of the farm business and land from the start of the sweat equity agreement to the vesting? What would you have paid someone of equal skill, ability, passion and commitment for the same work? Schedule conversations on compensation and expectations early on, and check-in regularly; consider hiring a facilitator.
- Exit strategies: Under what conditions can the agreement be dissolved? What if the entering farmer leaves the farm? Will they get some or all of the return on their sweat equity investment? What additional benefits has the farm provided to the entering farmer and off-farm heirs?
- Develop a framework for the discussion and boundaries so that everyone is comfortable with what is being proposed.
- Engage lawyers, accountants, mediators, families and business consultants in advance.

LIFE ESTATE

One way for a current farmer to continue residing on and using their farmland after they have transferred ownership of the land is by holding a life estate. A life estate is a legal agreement that gives a person the right to occupy, use, and deal with land or residence during the lifetime of the particular individual or an estate for the remainder of their lifetime, even if they don't own the land anymore. The ownership of a life estate is of limited duration because it ends at the death of the person. The terms vary from case to case and must be carefully discussed and documented in the form of a life estate agreement.

Life estates may be an option not just for current farmers in transition planning, but also potentially for entering farmers. For example, say the land you're farming is in a trust, and you have a 30-year lease. The current farmer will stop farming soon, but they'd like to live on the land until they die with a life estate agreement. The lease could also include a provision that you, the entering farmer, can have a life estate after your 30-year lease term is up. That way, you can transition the land and farm to a new farmer, and stay living on the land - the cycle continues.

QUESTIONS TO ASK:

- What are the responsibilities of the life tenant?
- Will they be responsible for maintenance or routine property upkeep, e.g. snow removal?
- Will they pay water, utilities or other costs associated with the property?
- Will they be responsible for insuring the home?
- Does the life tenant have the right to rent out the home part-time or full-time?

INSURANCE

Insurance is all about protecting yourself in case the unexpected happens - and in a farm transition, there will be much that is unexpected! There are a variety of ways insurance can fit into your transition plan, from the current farmer's life insurance providing a financial benefit to their heirs in lieu of other inheritance, or providing both parties with an assurance in the event that one of the parties dies before the transition is complete.

Considerations:

- Who is the beneficiary of the insurance? Life insurance has named beneficiaries and does not go through the estate probate process upon someone's death, making it quickly redeemable upon death.
- Who is paying the premiums? The cost of premiums should be weighed against the full financial picture to determine if insurance is an appropriate tool.
- Insurance payouts often go to paying off debts.
- Some loans may require key people to be insured.
- In a corporate structure, shareholder agreements should have provisions for what happens if one of the key shareholders dies or becomes unable to continue in the business, including how the buying and selling of shares will be funded. One way to structure this is through buy-sell insurance, which can fund the purchase of shares upon death.
- Insurance is complex; work with a financial planner and an insurance broker to explore and understand your options.

TRANSITIONING A "NEW" FARM BUSINESS

Many young farmers start new farm businesses, often on leased land, pour their heart and soul into it, and then life shifts. What happens to the budding business? Transition planning isn't just for seasoned farmers who have been running their farm for decades.

Even as you're navigating start-up as an entering farmer, plan to pass on the value of the work you have put into the land and the business. Transitioning a young farm business, especially one operated on shared land, provides continuity for both the landholders and customers, as well as a potential return on investment to the current farmer by way of selling the business or infrastructure.

Considerations:

- When you're starting up your business, think about what it would look like to eventually pass it on to someone else.
- Have foundational conversations with the landholder well in advance to lay the groundwork for the idea of your business on the land one day being passed to another farmer.
- Keep good written records and establish Standard Operating Procedures from the get-go. This will not only make any potential transitions easier, it will help you out in your day-to-day by making you more efficient!
- Consider the true value of your farm business. What do your financials say? What are the assets and liabilities of your business?
- Consider whether the branding/farm name will be transitioned, or just the business assets and customer base.
- Consider the customers as stakeholders and get their support early.

MINI CASE STORY: TRANSITIONING A FARM BUSINESS CITY BEET FARM

City Beet Farm is an urban farm founded in 2013 by Katie Ralphs and Ruth Warren. They grew the business on leased residential lots in the Mount Pleasant/Riley Park neighbourhood of Vancouver, building relationships with homeowners who were happy to see their lawns converted to food production. They marketed their products through a CSA.

In 2016, they decided to transition the farm business to pursue other work opportunities and save up to buy land. They set the value according to the annual revenues of the business, and advertised through social media and farm organizations. They found their successors, Elana Evans and Madeleine Clerk, through UBC's Farm Practicum alumni list.

The transition was managed informally between the two pairs. They signed a contract, the new farmers paid a deposit with financing from Vancity, and then paid the remainder in increments over the next 10 months. Katie and Ruth provided mentorship over the transitional season through YA's Business Mentorship Network. They maintained all but a couple landholder relationships over the transition and many of their customers the first season were previous CSA members.

Since taking over City Beet, Elana and Madeleine grew the business enough to double the amount of land under cultivation and hire two employees in 2020. They operated City Beet until the end of 2020, when they in turn put the business up for sale and transitioned to new owners. As part of the transition, they received support from Young Agrarians to frame the offering, and were referred to a business appraiser who helped them assess the value of the business. New owners Liana and Duncan are looking forward to their first season growing at City Beet!

Elana and Maddy harvesting dahlias at one of their urban plots. Photo credit: Ayla Amano

MINI CASE STORY: TRANSITIONING A LEASE THE FARMHOUSE BARD / BRAVE CHILD FARM

Roger Woo founded The Farmhouse Bard in 2017 in Surrey, B.C. after finding land through the B.C. Land Matching Program. His market garden operation focused on Asian vegetables, and he marketed his produce primarily through a CSA program managed by the Hua Foundation.

After two seasons on the land, life took him in a new direction as he moved east to be closer to his family and pursue a career in tech. He was keen to transition his leases on neighbouring pieces of land as well as his CSA program to a new farmer, and worked with the B.C. Land Matching Program to identify a good fit.

The new farmer, Yuko Suda, was going into season two of her farm operation, Brave Child Farms, when she took over Roger's leases, purchased farm infrastructure from him, and picked up his CSA program. Both landholders were happy to welcome Yuko on to their land and see the farming continue.

Brave Child Farms also specializes in Asian vegetables, with an emphasis on Japanese vegetables. In this case, with the Hua Foundation managing the CSA and recruiting members, having them engaged and in support of the new farmer made the transition much smoother.

Yuko took on a business partner after her first year on the land to grow her farm business, and the two of them are now wrapping out their first season together and preparing the farm for winter.

Roger Woo of Farmhouse Bard at his CSA pickup. Photo credit: Sara Dent

MEETING THE UNEXPECTED

This toolkit highlights stories from transitions that have been successful, but there are far more examples of people who have tried, and found that they couldn't make it work for many reasons - and that's ok. It's optimistic to assume that every transition relationship will make it to Stage 6 - Maintaining.

Sometimes you'll hit a point where the numbers don't add up, or you can't work through a conflict - or, life events such as divorce, family illness or death, or another opportunity might take the current or entering farmer in a different direction. What happens in those situations - what's the exit strategy? How will you untangle yourselves?

It's important to have clear agreements about how parties can go their separate ways if necessary. In other situations, the transition plan ultimately continues, but is significantly changed due to an unexpected scenario.

Running a farm business is not the hardest part of a transition plan. Transitions often collapse due to breakdowns in the relationship, where perceptions about respect, recognition and appreciation (in both directions) are a primarily catalyst.

Being clear is kind! Both current and entering farmers often get excited about a prospective transition, but do not lay out clear timelines and expectations. This is a big hurdle: people discuss the transition at a high level, years pass, and when it comes time to take actions, such as transferring assets or paying out equity, unexpressed expectations, assumptions and money restrictions can cause the transition to collapse.

QUESTIONS TO ASK:

Here are just a few possibilities to ask yourselves - you'll have many more "what ifs" of your own to add to this list:

- What if the stock market crashes and the current farmer needs financial assistance urgently? Can they sell any piece of land, or other assets whenever they want?
- Can the entering farmer leave at any time? Or, if they desire to leave, are they committed to working the land/operation for a period of time to create a plan for them to "divest," in other words extricate themselves from agreements, farm management, investments, etc.?
- What if you don't like how you are communicating with each other?
- What if the entering farmer wants more independence from the current farmer? Have you discussed ideas and alternatives for new strategies? How open are both parties to the other's ideas - and independence?
- What if someone gets divorced? Married? Has a baby? Gets sick or injured?

EXIT STRATEGIES

Some transitions may end early, in the visioning stage. You've gotten to know each other, looked at the business, and decided it's not a fit. The advantage to having a clearly articulated vision and understanding your own needs is that it will be more easily apparent if you aren't on the same page. At the vision stage, it's easy enough to go your separate ways without yet having invested significant time and money - and hopefully still having formed a lasting friendship.

If you've moved further into the transition process and started to implement some of the ideas in Stages 2 and 3, your exit strategies will need to be more detailed. Both parties should consider what it would mean to them if the transition process ended. If the entering farmer has invested time, money, and energy, how are you getting that investment back, so you aren't leaving empty handed? For current farmers, what does it mean for you to be left without a successor after spending time, money, and energy cultivating someone for the role?

Considerations:

- **Notice:** How much notice does each party need if the other decides to back out of the transition? Finding a new successor, or new farm opportunity, isn't easy.
- **Finances**: How are financial investments being handled? How are both parties going to "cash out" their investments? Can the farm business afford to pay out an entering farmer?
- **Roles**: Who is responsible for what at this stage in the transition? How will the entering farmer transition roles back to the current farmer, or another successor?
- **Timelines**: What is the point of no return? Set up "green light moments," key check-ins to ensure everyone is still on the same page, before signing legal documents or investing in capital infrastructure. These are "make or break" moments where going backwards gets increasingly complex legally and financially.
- **Equity**: How and when are you transferring equity? In one transition relationship that ultimately didn't succeed, the current farmers were gradually transferring livestock to the entering farmers, but no land was planned to be transferred for a significant amount of time. When things went south financially and the land was not transferred to the entering farmers, they had to sell their herd for meat as they had no land access.

BUILDING YOUR TRANSITION TEAM

Working alongside the right team of people on your transition journey is fundamental to success. It's just not possible for one person to know everything that is required. The level of expertise required - legal, financial, technical - spans across disciplines, and different people will come into the transition process at different points. Who are these professionals you'll need, and how do you find them?

While some professional relationships (think accountants and lawyers) will span years, others may only last hours, such as a meeting with a technical advisor or insurance broker. Some may simply involve a phone call to a BC Assessment representative with a question. Technical advisory, extension and business support services available to farmers differ across regions.

Most of the private support you'll require for your team, such as lawyers or financial advisors, work on hourly rates, or potentially contracts. Publicly-funded technical support is sometimes available through a local organization or representative, often free-of-charge or subsidized. Some costs will need to be incurred independently, such as a financial planner, while others, such as a mediator, could be paid jointly by both parties. It's important to build your team early on in the transition process so you can include the potential costs required to hire professionals into your business plan.

We've collected transition professionals across B.C. on the Young Agrarians U-Map - check it out to see transition professionals in your region! maps.youngagrarians.org/map#t=Transition%20Toolkit

WHO / ROLE	AREA OF EXPERTISE	RELATIONSHIP
Accountant	Taxes, Incorporation, Financial management	Involved from the start Long-term relationship Both parties should have their own
Lawyer Notary (more limited role)	Business structure, Land use agreements, Title changes, Property Transfer Tax Returns	Involved from the start Long-term relationship Both parties should have their own
Financial Advisor	Long-term financial planning Capital investment requirements Business valuation	Involved from the start Long-term relationship Both parties should have their own
Mediator / Third party facilitator / Land Matcher	Neutral third party to help guide challenging conversations Situation Assessments	Involved throughout process Consulting basis as needed One per transition
Insurance Broker	Property / Natural Disaster Insurance Business Insurance / Liability Coverage Life insurance	Involved throughout process Consulting basis as needed Both parties may need their own, or may be able to use the same broker
Realtor / Appraiser	Real estate Markets & trends Appraisals (Non-open market property transfer)	Limited involvement early and at land transfer Consulting basis as needed Both parties may need their own, or may be able to use the same person
Mortgage Broker	Financing land purchase Vendor Take Back Financing First Time Home Buyers Incentives	Limited involvement early and at land transfer Consulting basis as needed Both parties may need their own, or may be able to use the same person
Lender	Financing: mortgage or cash flow loans	Situational involvement Long-term relationship as needed May have relationships with multiple lenders
Farm Advisor	Environmental Farm Plans Conservation Business Plan Advice	Situational involvement Consulting basis as needed Advisor dependent on location / need
BC Assessment Representative	Farm Classification Land Assessment for property taxes	Situational involvement Consulting basis as needed Advisor dependent on location
Local / Regional Government Planner	Zoning Bylaws Applications to the ALC	Situational involvement Consulting basis as needed Advisor dependent on location
Agricultural Land Commission (ALC)	Land use on properties in the Agricultural Land Reserve (ALR)	Situational involvement Consulting basis as needed Advisor dependent on location
Ministry of Agriculture	Funding for transition planning and business development: Agri-Business Planning Program Regional Agrologists	Situational involvement Consulting basis as needed Advisor dependent on location
Farm Credit Canada	Funding - Transition loan Knowledge building around farm management and transition planning	Situational involvement Consulting basis as needed More relevant for entering farmer
Farm Management Canada	Funding and Support Opportunities Available General business resources Skills development opportunities	Situational involvement Consulting basis as needed Relevant for current and entering farmers

STAGE 3

YOUNG AGRARIANS

TOOL: FARM MANAGEMENT DECISION-MAKING FRAMEWORK

This tool is adapted with gratitude from Elaine Froese's Farm Management Decision Making Framework in her Farm Family Transition Toolkit (elainefroese.com)

- This is a "where are we now" exercise. Use this tool to reflect and outline who is currently making which decisions on the farm.
- The long-term goal is to move tasks from column 1 (Current farmer making decisions alone) to column 5 (Entering farmer making decisions alone) as the transition plan gets put into motion on the farm over a period of years.
- Review this decision-making framework each year to assess where the decision-making responsibility lies and where it should shift over the coming year.
- This tool has been adapted with the small-scale, diversified farm in mind. Some entries may not apply, and you may need to add entries specific to decision-making on your farm.
- Download this tool here: **youngagrarians.org/toolkit-stage-3-plan**

		DECISION / ACTION TAKEN BY				
		CURRENT FARMER	SHARED (needs consensus)			ENTERING FARMER
		1	2	3	4	5
PRODUCTION PLANNING	Plan day to day work (e.g. deciding who is doing daily farm duties, managing livestock, weeding, harvesting, etc.)					
	Make annual production plans (e.g. what varieties to order, decisions about breeding livestock or acquiring new stock, when to prune orchards, re-seeding pastures)					
	Make short-term decisions about adding or removing farm products or enterprise types to the operation (e.g. adding egg production, value-added products)					
	Make long-term decisions about the direction of the farm operation (e.g. planting hazelnuts)					
	Maintain farm records					
	Manage any inspections or audits (e.g. annual organic certification, GAP, SOP audits, BCSPCA)					
	Make decisions about suppliers					
	Make disease and pest management decisions					
	Decide type/level of inputs to use					

MARKETING	Make decisions about advertising (e.g. website, social media, paid advertising)					
	Decide where to sell farm products (e.g. farmgate sales, CSA, wholesale, farmers' markets)					
	Make decisions about branding (e.g. logos, market stall design, packaging)					
	Decide on pricing of products					
	Decide who is the key contact for customer service					
FINANCES	Decide when to pay bills					
	Decide and plan capital projects					
	Identify and negotiate loans					
	Manage leases / landlord relationships					
EQUIPMENT / INFRASTRUCTURE	Decide type and make of machinery and equipment					
	Deciding if and when to purchase new equipment, infrastructure, and tools					
	Decide how equipment and infrastructure is maintained (e.g. when to do oil changes, when a greenhouse needs new poly cover)					
HR	Decide when to hire and fire					
	Recruit and select employees					
	Decide amount and quality of work					
	Supervise employees					
	Decide work method/way jobs are done					

STAGE 4: DOCUMENT

STAGE 1 SET A VISION | STAGE 2 ASSESS | STAGE 3 ACTION PLAN | **STAGE 4 DOCUMENT** | STAGE 5 IMPLEMENT | STAGE 6 MAINTAIN

Once the path forward is clear, the next step is to work with resources and professionals to develop all the elements identified in Stage 3. This involves developing the written transition plan: drafting written agreements, business and estate planning, obtaining financing, etc.

RELATED TOOL: TRANSITION PLANNING PROCESS WORKSHEET

The first three stages of transition planning in this book are focused on visions, discussions, and exploring different options. At a certain point, you'll arrive at decisions, and then it's time to make it official by documenting your plan. Documentation is essential to a successful transition plan, from internal farm management documents such as Standard Operating Procedures and meeting notes, to official paperwork such as wills and leases.

This toolkit is primarily focused on the first three stages because what comes next - Documenting, Implementing, and Maintaining - requires more hands-on support from your transition team, including farmers and business support services such as lawyers and accountants.

It is essential by this stage to be actively working with transition and succession experts, and to ensure that your plans have been assessed for feasibility both against the questions posed in this toolkit, and against any relevant laws and regulations (Appendix A provides an overview of relevant legislation).

Here are a few elements of a transition plan that should be documented:

- Executive Summary: high-level description of your transition plan.
- Action plan with proposed implementation timeline.
- Asset transfer: address how farmland, buildings, and other assets will be conveyed from one party to the other.
- Management transfer: address how management tasks, responsibilities, and income will shift over time from one farm operator to another.
- Estate planning: direct the eventual transfer of assets, usually with the goal of preserving as much of the estate value as possible for the beneficiaries.
- Business plan: set out strategies for farm operations, personnel, marketing, finance, and business entity formation and continuance.
- Land use: map out land use options that address agriculture, forestry, and recreation uses as well as conservation and development.
- Retirement: address how and where the retiring persons want to live, their anticipated income, and health care costs.

STANDARD OPERATING PROCEDURES

Throughout the transition process, it is important to be clear on tasks: who is responsible for what, and how and when those tasks are done. In one example, the farmer grounds her transition process (in year 9 of 10) in the farm's Standard Operating Procedures (SOPs): each year, the current and entering farmers meet to review the SOPs against their timeline and goals, and reaffirm how they'll move forward over the next year.

A good Standard Operating Procedure (SOP) document consists of a simple, concise checklist of routine tasks around the farm, which allows for consistency, transparency and clear communication around farm tasks.

Developing or working with existing SOPs provides a common framework for how to do tasks on the farm, and a concrete reference point for the ongoing division of labour and decision-making. SOPs save time, help in training new employees, maintain quality standards and prevent mistakes and accidents. SOPs should be easily and quickly accessible to everyone, easy to follow and written simply and clearly, with diagrams and pictures wherever possible.

Start by thinking about jobs that get done frequently. Clearly define the task and then describe the steps involved in the process. Include as many details as possible, remembering that what might seem obvious to you, especially if you've done that task a million times, will not be for someone who is just learning. Make sure to involve all the people who perform the task in the creation of the SOPs and remember that these are living documents and can be amended and changed at any time.

Examples of tasks that may warrant a written SOP:

- Leafy greens washing, drying and packing
- Bookkeeping, paying bills
- Moving animals
- Water sampling
- Soil amendment application and management
- Monitoring irrigation equipment
- Sanitizing procedures for washup area
- Tractor and equipment operation and maintenance
- Any task that you want done efficiently and consistently...

A general format for an SOP might consist of the following parts:

- Title: What is a simple, clear title to identify the task?
- Objective & Purpose: What task are you accomplishing and why?
- Scope: Where and to whom does the SOP apply?
- Responsibility: Who is responsible for making sure the task is completed?
- Materials: What specific items are needed to complete the task?
- Procedure: What are the steps to the task, in order?
- Verification & Documentation: How will you verify that the procedure was completed correctly and what records will you keep?

STAGE 4

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TOOL: TRANSITION PLANNING DOCUMENTATION

- This tool will help you assess what documents you need - e.g. land appraisal, interim land use agreement, decision making framework and accounting documents.
- To use this tool, sit down together and list all the tools and documentation you will need to complete over the course of the transition. Tools may be in the YA Transition Toolkit or from other transition resources. Documents will need to be created for your transition based on the information gathered through the tools.
- Download this tool here: **youngagrarians.org/tool-transition-documents**

STAGE	TOOL / ACTIVITY / EXERCISE TO TRY	POSSIBLE DOCUMENTATION	DOCUMENTATION NEEDED FOR YOUR TRANSITION
STAGE 1: SET A VISION	**FROM THE TOOLKIT:** Setting your Vision Legacy Letter Communication Assessment **OTHER TOOLS:** FCC Transition Conversation Starter	Transition Vision: Personal, Family, Collective; Legacy Letter	
STAGE 2: ASSESS	**FROM THE TOOLKIT:** Key Challenges Assessment Testing the Models **OTHER TOOLS:** SWOT Analysis 8 Forms of Capital Exercise Sweat Equity	Financial Assessment, Appraisals of farm business, land	
STAGE 3: MAKE A PLAN	**FROM THE TOOLKIT:** Farm Decision-Making Framework **OTHER TOOLS:** Porcupine from AGRI Elaine Froese Transition Tools	Transition Timeline, Business Plan, Retirement Plan, Wealth Management Plan, Transition Team	
STAGE 4: DOCUMENT	**FROM THE TOOLKIT:** Transition Planning Process Worksheet	Memorandum of Understanding, Land Lease, Shareholders Agreement, Wills	
STAGE 5: IMPLEMENT	**FROM THE TOOLKIT:** Calculating Labour & Profit Distribution	Schedule for transfer of assets, interim solution agreements, Marketing Plan, Standard Operating Procedures	
STAGE 6: MAINTAIN		Ongoing Learning Plan, Schedule of meetings, Journal, Communication strategy	

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STAGE 5: IMPLEMENT

STAGE 1 SET A VISION | STAGE 2 ASSESS | STAGE 3 ACTION PLAN | STAGE 4 DOCUMENT | **STAGE 5 IMPLEMENT** | STAGE 6 MAINTAIN

It's time to turn vision into reality by handing over farm management tasks and decision-making, executing legal agreements, transferring assets, etc. *Note that implementation will be gradual, and interim planning is necessary to allow for a smooth transition process.

RELATED TOOL: CALCULATING DISTRIBUTION OF LABOUR & PROFIT

This is where it all starts to feel real! Implementing the transition plan is about taking all the hard work that you've put into dreaming, discussing, deciding, and documenting, and putting it into practice on the farm. This is the doing. As in the documentation stage, assistance from your transition team will be crucial to executing any asset transfers.

Remember that while this toolkit is set out in stages, this will probably not be a linear process. For example, if the entering farmer is leasing land as part of the transition, a lease document may need to be drafted and implemented in the early stages, and later, a land or business transfer may occur, as we saw in the story of Claremont Ranch.

CUSTOMER RELATIONSHIPS

Successful customer relationships are at the heart of successful businesses. Informing customers and nurturing these relationships during the transition period is crucial for a smooth transfer. Your approach to transitioning customer relationships will depend on factors such as the sales channel, people involved, role of relationships within the business model itself, transition timeline, and ways you communicate with customers.

Many farms sell their products through a variety of sales channels. Indirect sales occur when sales are Business-to-Business (B2B), and the customer is a buyer from a store or distributor, rather than the end consumer. Direct sales channels occur when a farm is selling directly to the person who consumes the products (B2C), and may include Farmers' Markets, CSAs, farmgate and online sales.

Because a direct market customer base is more likely to be founded on personal relationships between the farmer and consumer, extra care should be taken in the transition process.

QUESTIONS TO ASK:

- What are the existing sales channels?
- How does the farm market to and communicate with the customer base for each sales channel?
- Who needs to be engaged during a transition?

STEP 1: GATHER CUSTOMER INFORMATION

The goal here is to understand the customer experience. Having a very good understanding of who your customers are, how they were acquired and their relationship to the current farmer will ease the transition process and hopefully help to mitigate any losses through this potential shift in customer base. The entering farmer must get this information from the current farmer - and it likely lives in the current farmer's head, rather than a spreadsheet with customer segments.

The entering farmer should plan to do the heavy lifting by asking probing questions and taking notes. The current farmer can guide the entering farmer with information such as "This is what I grow and why, this is who buys my food, what they spend, and what they eat." The current farmer has a lot of wisdom to share, and sometimes may not even realize how valuable a certain tidbit (e.g. the third weekend of August is always the busiest) will be to the entering farmer's success.

STEP 2: BUILD RELATIONSHIPS AND SET EXPECTATIONS

Because personal relationships are so important to many small-scale farms, a transition plan should make use of every opportunity to build strong relationships between the entering farmer and the farm's customers. That may mean taking the entering farmer along for deliveries to restaurants each week, co-hosting CSA pick up days or working markets together. Ensuring that the entering farmer's name and face appear alongside the current farmer's wherever possible, such as on marketing materials, and through personal introductions is advantageous when transitioning a customer base to a new farmer.

In-person interaction is a great way to build relationships, but it can be hard to keep every single customer informed one on one. Using channels such as newsletters and social media will help keep a wider range of customers engaged in your transition story.

Farmers' Markets

Farmers' Markets are an important sales channel for many small scale, diversified farms. In addition to transitioning the relationship between the entering farmers and consumers, the current farmer must also transition the relationship with the farmers' market itself. A proactive approach to bridging the relationship with the entering farmer and the market is key to a successful transition.

Once there is a clear transition plan for the entering farmer to be involved at the market stall, and eventually take over the farm business entirely, the current farmer should talk to the market manager. It's important to communicate timelines clearly. If, for example, the current farmer and the entering farmer plan to work alongside each other at the markets for a season, and the current farmer will transition out of the farm at the end of the year, conversations with the market manager should start prior to that market season. This way, you can involve the market in your discussions to increase the possibility that the entering farmer will be able to continue on as a vendor.

Generally, as long as a farm business name stays the same, a new business owner should not affect whether an established farm would continue on as a vendor; however, if the entering farmer is considering a name change, that could have an impact.

Want to learn more about transitioning direct sales channels? Read the "Transitioning Customers" article online: youngagrarians.org/transition-customer-relationships/

MINI CASE STORY: TRANSITIONING A CUSTOMER BASE DEERFOOT FARM

Deerfoot Farm is a 56-acre farm in the North Okanagan that sells vegetables and pasture-raised chickens at local Farmers' Markets. When Tessa began to lease land on Deerfoot's property, she was also offered the use of the chicken barn and a list of customers. Upon taking over the chicken operation, Tessa wanted to make a few changes to the business operations; for example, she switched the chickens over to certified organic feed and pasture-raised them, which increased the price by $2/lb.

While the current farmer-landholders were concerned that their loyal customers would no longer be able to afford their chickens, Tessa was willing to take the risk. She knew she may lose some customers due to the price increase resulting from an increase in her cost of production. To counteract this risk, Tessa did her own marketing and expanded her activities at other places in order to get new customers that would pay that price point. For example, she found that her local CrossFit Gym was a great place to acquire new customers!

If there is a change happening, there will be change in how things are marketed; some customers will stay, some will fall off and some new ones will be found. Being clear and up-front about price increases is important. Similarly, Tessa found that communication was key to transitioning into Deerfoot's stall at the local Farmers' Market. It was important to ask for input from the Market Board on how best to proceed, being respectful of the old ways of doing things and clear about the farm's current and future plans.

Deerfoot Farm's market stand. Photo credit: Tessa Wetherill

YOUNG AGRARIANS

TOOL: CALCULATING DISTRIBUTION OF LABOUR AND PROFIT

- This tool can be used to determine how two parties will split profits in a profit-sharing scenario (e.g. a joint venture).
- This tool can also be used to retroactively assess who has been doing what on the farm in the case that you don't have labour records. It is recommended that you keep a log of labour.
- To use this tool, sit down together and list all the tasks and who does what/how much time they spend on that task over the season.
- This will allow you to understand how labour will be, or has been, divided.
- Decide on an hourly value for each person's labour to help you translate the share of labour into a share of profits (e.g. you may put $25/hour on the current farmer's labour and $15 on the entering farmer's labour. If each person is doing 50% of the labour, the experienced farmer would receive a higher share of the profit based on the higher hourly value).
- Once you have a sense of how many hours each person is working and the dollar value of their time, you can see how the labour is split and determine the profit share owed each person.
- You may opt not to use hourly dollar values to determine the final profit share, and rather use a percentage split based purely on the number of hours put in.
- Key questions to ask: How much time does each want to put in, and what do they need to get out of it?

TASKS (by category)	CURRENT FARMER hours / year	ENTERING FARMER hours / year
(e.g.) Pruning orchard	50 hours	150 hours
TOTAL	= ____ hours x $ __	= ____ hours x $ __

STAGE 6: MAINTAIN YOUR TRANSITION

STAGE 1 SET A VISION | STAGE 2 ASSESS | STAGE 3 ACTION PLAN | STAGE 4 DOCUMENT | STAGE 5 IMPLEMENT | STAGE 6 MAINTAIN

As a transition plan is implemented, progress must be monitored, issues might arise and the plan may need to be modified. Regular check-ins are essential to evaluate and adapt as necessary. Flexibility is key.

For a transition plan to be successful, ongoing maintenance is essential. Just like crops need to be tended after planting, you must nurture your transition relationship. Setting up benchmarks at the beginning and reviewing regularly can support the health and performance of your transition plan. Think of it like a carrot bed: you've prepped the soil and planted seeds, and to ensure the best harvest, now you have to stay on top of weeding.

The following benchmarks may be part of your maintenance strategy. Decide together how you'll evaluate the transition plan to determine what's working and what may need to evolve.

- **Founders, family members and successors should all have copies of the transition plan.**

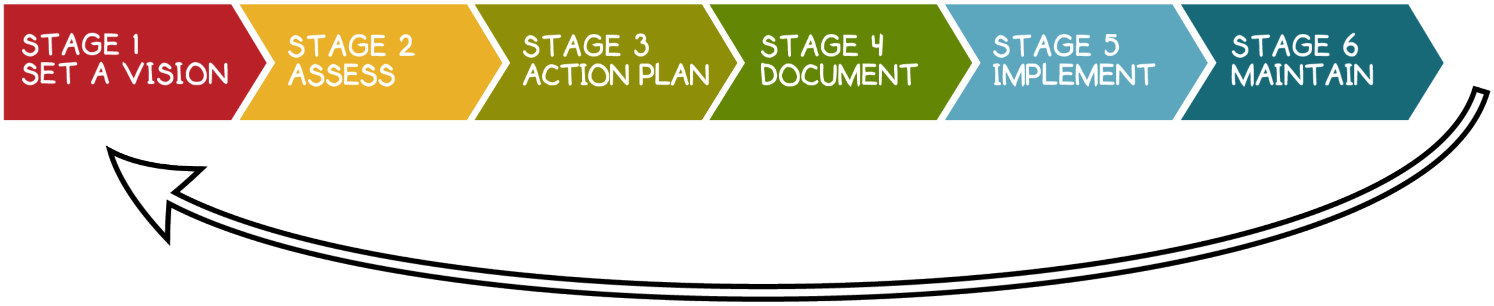
- **Set up a timeline to review the plan and make any necessary adjustments**
    - When will you check in? Annually? Will you have more frequent informal check-ins?
    - Who will set check-in dates and start the agenda?
    - What will be reviewed and what tools will you use to review, such as your Standard Operating Procedures?

- **Reviewing the plan and the progress**
    - Is the plan being implemented?
    - What has been done? What still needs to be done?
    - Give credit where credit is due – celebrate the achievements!

- **Performance indicators**
    - Revenue/costs/output - what is the state of the business? How is it developing, along with the needs of farmers?
    - Current farmers: Are financial needs being met?
    - Entering farmer: Is the business plan feasible?

- **What if it isn't going well?**
    - Is there a mutually-agreed-upon mediator to facilitate discussions and decision-making?
    - What are the exit strategies? Have you defined under what circumstances the transition plan can be dissolved, and what that would look like for both parties?

BRINGING IT ALL FULL CIRCLE

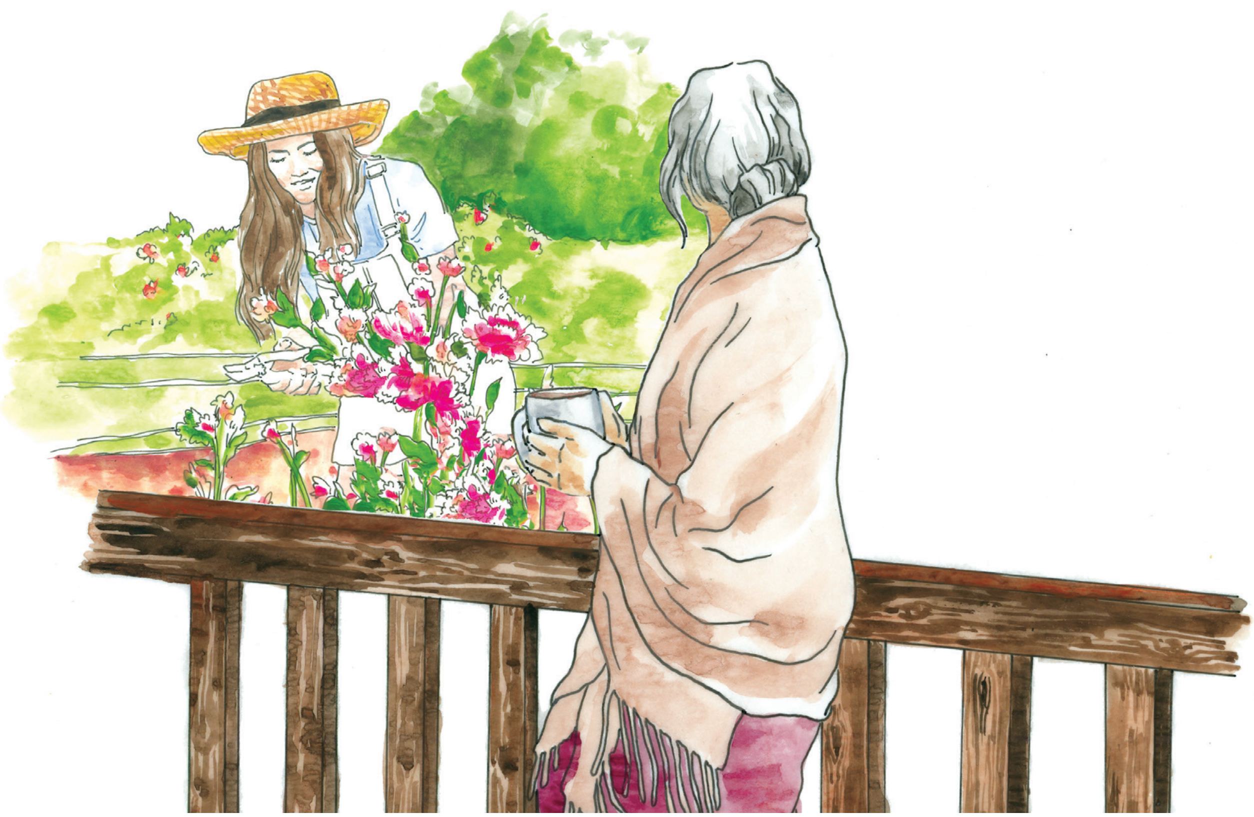


Surprise - transition planning never really ends!

Congratulations on successfully navigating the six stages of non-family transition planning, both to current farmers who might actually have a pathway to retirement, and to entering farmers who are now in a position to think about what happens when YOU retire.

What's next? For current farmers, that might mean transitioning off of the land, as the McCoubrey's did when they purchased a new property and moved in, or it might mean stepping back entirely from the farm operation and watching from your porch as someone else does the early morning milking (you've earned the chance to sleep in!). For entering farmers, this may mean thinking about the next 5, 10, 30 years of life, and making decisions now that will set you up for a smooth transition when you find yourself in the role of "current farmer." Maybe one of your children will take over, or you can use the lessons from this toolkit, and your own transition, to cultivate a non-family successor.

Whatever the future looks like for you, the tools, questions and considerations in this guide are worth revisiting time and again - to help you build stronger relationships with your family, your fellow farmers, and the wider farm community, from lenders and accountants to us here at Young Agrarians. Reach out for support, keep in touch - and please tell us your transition stories!



APPENDIX A: TAXES & REGULATIONS

As part of assessing feasibility (Stage 2), it's important to understand any legislation and regulations that will impact your decisions. From local to provincial to federal, regulatory frameworks can provide a helpful guide to the most appropriate course of action, as well as inform you about potential risks, and options that just won't be possible.

TAXES

CAPITAL GAINS

A capital gain results when an investment, such as real estate, is sold for proceeds greater than the original purchase price. Land in Canada is subject to a tax on capital gains during sale or transfer (presently, capital gains are taxed at 50% of the taxpayer's marginal tax rate). Where certain conditions are met, there is a $1 million individual lifetime capital gains exemption (CGE) in respect of Qualified Farm Property. Portions of the property, such as the residence, if it was the principal residence for the owners, may be 100% exempt from capital gains. In addition, it may be possible to transfer Qualified Farm Property to family members on a tax-deferred basis, meaning that capital gains are not taxed until the farmland is sold to an unrelated party. With recent increase in land values, some landholders may be faced with a significant capital gains tax if they do not have a family successor and instead must sell their land.

Qualified farm property includes:

- farmland and buildings;
- interest in a family farm;
- shares in a family farm corporation; and
- quota.

Qualified farm property must meet the following conditions:

- used principally in a farming business by the individual, their spouse, child or parent (includes grandparents); or
- a family farm partnership or corporation of the individual, spouse, child or parent (can include grandparents).
- The determination of whether a particular property has been principally used in a farming business is a question of fact and the related rules are complex.

It is essential to talk to an accountant to understand the tax implications before committing to any course of action in a transition plan.

What if the land is being leased?

Farm property may not meet the used principally criteria if the land is being leased or involved in a sharecropping arrangement, as this may be considered rental income. Whether you will qualify for capital gains exemption will depend on the nature of the business arrangement with non-family individuals. A custom work or joint venture agreement where you maintain control over key management decisions (where and what to plant, when to harvest, etc.) may meet the criteria. The expectation is that you have put in enough time, labour and attention to the business to contribute to the success, and assume any associated risks.

Considerations around Capital Gains Tax and Exemption

- The Capital Gains Exemption applies to the individual, not the property.
- Both the farmer and their spouse, if involved in the farm business, can qualify for the $1 million exemption, for a total of $2 million. Both spouses must own the property (be on title) to access both of their capital gains exemptions.
- If you've used a general capital gains exemption in the past, it may reduce your remaining exemption.
- When you sell your qualified farm property and use the capital gains exemption, other benefits that you receive may be affected. This can include Old Age Security pension (OAS), Employment Insurance (EI), Guaranteed Income Supplements (GIS) and your Canada Child Benefit (CCB). You may also be at risk of triggering Alternative Minimum Tax (AMT). How you defer or spread the recognition of a capital gain over time will impact which other benefits are affected.
- Through proper planning, with the help of professional legal and tax advisors, you may be able to realize significant tax savings when selling your farm property.
- Talk to an advisor, and plan ahead!

MORE READING ON CAPITAL GAINS:

- rbcroyalbank.com/business/pdf/Selling_the_farm_EN.pdf
- fbc.ca/knowledge-centre/how-your-farm-used-could-negate-capital-gains-exemption
- cafanet.ca/can-i-actually-sell-my-farmland-tax-free/
- mondaq.com/canada/Tax/679524/The-Capital-Gains-Exemption-Beware-Of-In-Law-Quirks

PROPERTY TRANSFER TAX

Property Transfer Tax (PTT) is a tax that you must pay if you purchase a property (or otherwise gain an interest in a property, usually through a long-term lease). Property Transfer Tax is not the same as annual property taxes, which are paid every year by owners to their local government.

When registering a purchase or interest in a property, a PTT return must be filed with the Land Title Office (LTO), and, if applicable, the PTT tax paid. Taxable transactions can include a right to purchase or agreement for sale, lease or lease modification agreements or crown grant, among others. On leases, PTT is generally owed if the total lease term (including renewal periods) is 30 years or more. If you are adding an entering farmer onto title that is not a family member then PTT would be payable on the percentage of the property that is being transferred.

The amount of PTT due is determined by the fair market value, or the price that would be paid by a willing purchaser to a willing seller for a property (land and improvements) in the open market on the date of registration. How fair market value is determined depends on whether the transfer was an

Open Market or Non-Open Market transaction.

In Open Market Transfers, any interested party can make an offer and the purchase price would usually be considered the fair market value. When the transfer does not take place in an open market, the value is then determined by a recent independent appraisal or the BC Assessment property valuation. The current property valuation provided by BC Assessment isn't applicable in all cases, including on land that is classified as farm land (class 9).

The valuation can be based on a number of factors, including recent transactions of similar property that can reasonably be used as a comparison and potentially the economic value of a property. In the case of a lease this can include the consideration of the value of a lease, but only if the lease rate is at market value. If it is lower than market rates, then the appropriate valuation will likely not be based on the cash flow generated on the property, but on the potential sale value only.

A lawyer or notary can assist with the process of completing the PTT return, since there are several things to consider. If the PTT return is incomplete or not paid on the date of registration, the LTO may refuse to register the purchase or interest. Some pieces of information you'll want to have handy when going to file your return include whether or not the purchaser is an individual, corporation, or other entity. Questions involving trusts, beneficiaries, corporations and director information (if applicable) are covered.

MORE READING ON PROPERTY TRANSFER TAX:

- Read more: gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax
- The Province of B.C. has an online tool to help estimate property transfer taxes: forms.gov.bc.ca/taxes/estimate-your-property-transfer-taxes/

LEGISLATION

Local, provincial, and federal legislation regulates many aspects related to farm transition, from on-farm practices and land use to income tax laws. At one point or another you may require another professional service regulated by provincial legislation. Regulations and associated bodies that may be relevant to farm business planning and transition include:

Local and regional bylaws: ubcm.ca/EN/main/services/net-work-book/local_government_member_directory.html

Local governments, whether municipalities or regional districts, are responsible for most land use regulations. Local bylaws may impact infrastructure and land use planning decisions in a transition plan. Municipalities and regional districts will be able to provide support or information surrounding community planning, agricultural advisory support, subdivisions, development permits, variance permits, OCPs and zoning amendments, temporary industrial or commercial use, to name a few.

B.C. Wills, Estate & Succession Act (WESA): bclaws.ca/civix/document/id/complete/statreg/09013_01

The Wills, Estate & Succession Act (WESA) is a provincial statute that governs the law of inheritance in B.C. This statute is in effect when farmland is gifted to a new farmer through a deceased farmer's will. Several provisions in WESA can affect the validity of a gift of farmland and can result in that gift being nullified. As a result, WESA should be carefully considered when making a will as a part of a transition plan.

Under WESA, surviving spouses and children can contest a will if it does not adequately provide for them. This makes it challenging to "disinherit" family members in B.C., and means it is essential that all members of the current farmer's family understand and are onboard with the transition plan.

Courts have the discretion to consider and accept documents that do not meet formal will requirements but that express a will-maker's wishes, and these documents can be used to either support or refute a gift made under a will. To best ensure that the intentions of a will are given effect, additional documentation, such as a deed of gift, should be considered to help support the gift.

Care must also be given when making gifts to spouses. First, marriage does not automatically revoke a prior will, so wills should be reviewed upon marriage to ensure they still reflect the intentions of the will-maker. Second, gifts made through a will to spouses in a marriage-like relationship with the will-maker may be nullified if it can be shown that the marriage-like relationship broke down prior to the will-maker's death. Again, additional documentation may be needed to help support such a gift.

B.C. Agricultural Land Reserve: alc.gov.bc.ca

The Agricultural Land Commission (ALC) Act and Agricultural Land Reserve (ALR) Regulation are the legislative frameworks for the establishment, administration, and procedures of B.C.'s agricultural land preservation program. The ALR is a provincial land-use zone in which agriculture is recognized as the priority use, meaning there are specific land use rules, especially around non-farm use.

B.C. Farm Practices Protection Act (also known as the Right to Farm): gov.bc.ca/gov/content/industry/agriculture-seafood/agricultural-land-and-environment/farm-practices-protection

BC Assessment & Farm Classification: info.bcassessment.ca/Services-products/property-classes-and-exemptions/farm-land-assessment/farm-classification-in-british-columbia/

B.C. Land Title Act: bclaws.ca/civix/document/id/complete/statreg/96250_00

B.C. Water Sustainability Act: gov.bc.ca/gov/content/environment/air-land-water/water/water-licensing-rights

B.C. Employment Standards: gov.bc.ca/gov/content/employment-business/employment-standards-advice/employment-standards/hiring/farm-workers

WorkSafeBC: worksafebc.com/default.asp

Federal Income Tax Act: canada.ca/en/revenue-agency.html

Ministry of Environment & Climate Change Strategy - Pesticides & Pest Management: gov.bc.ca/gov/content/environment/pesticides-pestmanagement

Ministry of Forests, Lands, Natural Resource Operations & Rural Development - Permit and Authorization Branch: env.gov.bc.ca/pasb/

The Canadian Agricultural Loans Act Program: agr.gc.ca/eng/agricultural-programs-and-services/canadian-agricultural-loans-act-program

APPENDIX B: FURTHER READING & RESOURCES

Farm Transition Resources compiled with thanks to Farm Management Canada.

MATCHING SERVICES

B.C. Land Matching Program: Connecting farmers and farmland holders with land sharing facilitation support. youngagrarians.org/tools/land/bc-land-matching-program

FarmLink: Online tool to connect farmers and farm seekers. farmlink.net

L'Arterre (Quebec only): Online tool to connect farmers and farm seekers. arterre.ca

Successionmatching.com: Provides a space for farm owners to list their farm to attract potential buyers, and for potential farmers to find succession opportunities. successionmatching.com

WEB-BASED TOOLS AND RESOURCES

Farm Transition Toolkit (forthcoming): Resources and tools to assess transition readiness, create your transition plan, find advisors and get inspired. farmtransitionguide.ca

Choose Your Own Transition (forthcoming): Web-based assessment tool to determine your transition situation and options. Provides tools and resources for farmers looking to transition out, depending on their circumstances. chooseyourowntransition.ca

Agriwebinar: Access more than 200 archived webinars searchable by topic (ex. transition planning) and speaker (ex. Elaine Froese). agriwebinar.com

Elaine's Farm Family Coach on YouTube. youtube.com/user/farmfamilycoach

Elaine's Farm Family Tool Kit: 19 tools that will help you communicate better and grow stronger on your farm. elainefroese.com

FCC's Let's Talk Transition: Resources and tools to start the conversation, prepare for transition and start planning. fcc-fac.ca/en/resources/transition-planning.html

7 Steps to Farm Succession Planning: 7 online modules to walk you through transition planning basics. nsfarmsuccession.ca

Transition Smart: Farm succession assessment tool from MNP. lp.mnp.ca/acton/fs/blocks/showLandingPage/a/25546/p/p-00d9/t/page/fm/0

AgriShield: Assessment and planning tool to identify risks and best management practices. Includes a section on farm transition risk assessment and related components. myagrishield.ca

Building an Effective Farm Business System: Guides producers through the development of a farm business management system. Includes worksheets and resources relating to farm transition. Includes sweat equity calculator. Wittmanconsulting.com

AgriHR Toolkit: Online guide to building an effective HR management system. Includes advice related to transition planning. cahrc-ccrha.ca

Alberta Agriculture - Transition Planning Guide for AgriBusiness - https://open.alberta.ca/dataset/a8b9d588-6855-4b5a-82fc-04345fc440c6/resource/e06b0e1b-3480-449b-8e19-dea59b051a6d/download/2016-transition-planning-guide-for-agribusiness-agdex-812-22.pdf

Land for Good (U.S.) - Transferring the Farm: Where Do I Start? /landforgood.org/resources/toolbox/toolbox-farm-families

OMAFRA - Farm Succession Planning Steps and Checklist - omafra.gov.on.ca/english/busdev/facts/10-025.htm

Holistic Management Canada

Donald Cooper Business Templates. donaldcooper.com

Curt Ferguson, The Estate Planning Centre. tlcplanning.com

BC Cooperatives Association: bcca.coop

B.C. Ministry of Agriculture: Agricultural Co-operatives Start Up Guide: gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/6877_agricultural_co-op_start_up_guide_web.pdf

B.C. Ministry of Agriculture: Financing Agricultural Cooperatives: gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/business-and-market-development/6877_financing_agricultural_co-operatives_booklet_web.pdf

CONFERENCES AND EVENTS

Young Agrarians and B.C. Land Matching Program events. youngagrarians.org/events

Agricultural Excellence Conference: Annual business managment conference; Interactive, builds national network of experts and peers. fmc-gac.com/content/agricultural-excellence-conference

Canadian Young Farmers' Forum National Conference. cyff.ca

Canada's Outstanding Young Farmers National Event. oyfcanada.com

FCC's Ignite: Young Farmer Summit. fcc-fac.ca/en/knowledge/events/young-farmer-summit.html

International Farm Management Congress: Biennial conference focused on farm management, includes farm and industry tours. ifmaonline.org

TRAINING & EDUCATIONAL PROGRAMS

Getting Unstuck Online Farm Transition Course: Six module online course. elainefroese.com

National Farm Leadership Program: For farmers and ranchers, takes place over 11 weeks online with a 3-day residency and a year of anytime one-on-one coaching and monthly coaching sessions. leader-shift.ca/national-farm-leadership-program/

CTEAM – Canadian Total Excellence in Agricultural Management Program: For farmers and ranchers, takes place over 16 months through 4 online and in-person sessions. Build your farm's strategic business plan including farm transition. agrifoodtraining.com/for-producers-cteam

Alberta Family Business Institute – Passing the Torch | Not the Pain (Online)

PERSONALITY PROFILING

Personal Style indicator – used by American Management Association. crgleader.com/assessments/personal-style-indicator.html

Kolbe. kolbe.com/kolbe-a-index

Style Matters: The Kraybill Conflict Style Inventory.riverhouseepress.com/style-matters-inventory

Myers-Briggs Type Indicator. myersbriggs.org/my-mbti-personality-type/mbti-basics

CDP – Conflict Dynamic Profile: Assessment re: your conflict triggers – guide and sample report available. conflictdynamics.org

Choice Map – How to have a learner, not judger approach. inquiryinstitute.com

FUNDING SUPPORT

Canadian Agricultural Partnership: Provides funding for advisory services, event attendance and training programs. Check with your local Ministry of Agriculture for eligibility and to apply.

FCC Farm Transfer Loan - https://www.fcc-fac.ca/en/we-finance/agriculture/farm-transfers.html

BOOKS

Change your Questions, Change your Life by Marilee Adams. amazon.ca/Change-Your-Questions-Life-Leadership/dp/162656633X

Tax Bulletin: Succession Planning for the Transition of the Family Farm by BDO. bdo.ca/BDO/media/AA-Publications/Succession-Planning-for-the-Family-Farmz.pdf

When Sorry is Not Enough by Gary Chapman. amazon.com/When-Sorry-Isnt-Enough-Making/dp/0802407048

The 5 Love Languages by Gary Chapman. amazon.com/Love-Languages-Secret-that-Lasts/dp/080241270X

Safe People: How to Find Relationships that are Good for You and Avoid Those That Aren't by Henry Cloud. amazon.co.uk/Safe-People-Relationships-Avoid-Those/dp/0310345790

Boundaries: When to Say Yes, How to Say No, to Take Control of Your Life by Henry Cloud & John Townsend. amazon.ca/Boundaries-When-Take-Control-Your/dp/0310247454

Good to Great: Why Some Companies Make the Leap...And Others Don't by Jim Collins. amazon.ca/Good-Great-Some-Companies-Others/dp/0066620996

Emotional Blackmail by Susan Forward. amazon.co.uk/Emotional-Blackmail-People-Obligation-Manipulate/dp/0060928972

A Strong Warning to the 80-plus farmer by Elaine Froese. progressivedairycanada.com/topics/management/a-warning-to-the-80-plus-farmer

Succeeding at Succession by David Irvine. davidirvine.ca/succeeding-at-succession-the-ultimate-test-of-organizational-success/

Encouraging the Heart: A Leader's Guide to Rewarding and Recognizing Others by James M. Kouzes, Barry Z. Posner. amazon.co.uk/Encouraging-Heart-Rewarding-Recognizing-Leadership/dp/0787964638

Overcoming the 5 Dysfunctions of a Team (assessment tool) by Patrick Lencioni. amazon.com/Overcoming-Five-Dysfunctions-Team-Facilitators/dp/1501260308

Stop Walking on Eggshells by Paul Mason. amazon.ca/Stop-Walking-Eggshells-Borderline-Personality/dp/1572246901

Instant Influence: How to Get Anyone to Do Anything by Michael Pantalon. amazon.ca/Instant-Influence-How-Anyone-Anything-Fast/dp/0316083348

Moolala: Why smart people do dumb things with their money (and what you can do about it) by Bruce Sellery. amazon.co.uk/Moolala-Smart-People-Things-Their/dp/0992158613

The Gift of the Blessing by Gary Smalley and John Trent. amazon.com/Gift-Blessing-JohnTrent/dp/0840748493

Silence is a form of violence - Crucial Conversations: Tools for Talking When Stakes Are High by Al Switzler, Joseph Grenny, Kerry Patterson, and Ron McMillan. amazon.ca/Crucial-Conversations-Talking-Stakes-Second/dp/1469266822

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- country-guide.ca/guide-business/pooling-resources
- country-guide.ca/guide-business/the-10th-generation-farm
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