

Keeping Working Land in Working Hands

by Elyse Caiazzo and John Curnyn

January 2023



ONE MONTANA

280 West Kagy, Suite D233, Bozeman, MT 59715
info@onemontana.org 406-522-7654

Photo: Nicole Wickens Photography



TABLE OF CONTENTS

Purpose	3
Introduction	4
Methods	6
Our Findings	9
Recommendations.....	12
Remaining Questions	13
Conclusion	14
Appendix I	16
Appendix II	17
References	18

PURPOSE

One Montana is a nonprofit dedicated to sustaining a vibrant Montana by connecting our rural and urban communities.

In 2021, One Montana began exploring opportunities to provide tools, resources, and case studies to help private landowners prepare for succession. We researched many of the tools and resources already available for succession planning and found an abundance of financial tools and resources, and conservation options. We aggregated this information into a database and compiled seven designs we believe can guide the development and functionality of the online tool.

We also explored who our end user might be. Currently, the information that is out there is not getting to landowners effectively. We wanted to understand why, and how we can deliver tools, content, and resources more effectively to landowners.

By the end of 2021 we began to shift our hypothesis that landowners may not be the end user of this tool, but community connectors, such as extension agents, might be compiling relevant information for landowners through this tool. In early 2022, we hired graduate students, Brooke Reynolds, Elize Caiazzo and John Curnyn, to take our effort further and engage in more data gathering, expanding conversations with potential partners, and conducting surveys for potential users and partners. Brooke, Elyse and John completed more than 40 individual interviews during spring and summer 2022. They expanded our database to include information and resources from more than 70 different organizations. They also connected with a number of organizations who are interested in sharing the information we develop. Collectively, we attended 15+ events to specifically network with folks about our effort and build relationships.

Our hypotheses is that landowners are challenged to find and access information about succession. While this is true, it is also only part of the story. There was unanimous opinion among our interviewees that there was a need to aggregate information and resources. And there was additional evidence pointing to the need for a learning platform with a resource library and training modules. Elyse, John and Brooke heard that there is a real need for an investment in the “human” side of the equation and for trainings focused on how to talk to landowners and engage in the difficult conversation about succession planning.

This Report includes their findings, remaining questions, follow-up areas, and recommendations.

Sarah Davies Tilt
Executive Director
One Montana

INTRODUCTION

As the current generation of farm and ranch owners retire, the continuity of their operations and land ownership is dependent on their ability to find a successor. The establishment of a successor to agricultural land and business ownership, and the development of a succession plan to assist this transition is essential to the process of passing a farm on to the next generation as smoothly and successfully as possible. The succession of land ownership and related agricultural business is an issue that continues to grow in prevalence as demographic and generational changes occur. In Montana, the average age for all agricultural producers is 58.9, climbing 1.1 years from 2007-2017 (Sommer, 2017), and in one national survey, two thirds of retiring farmers did not have an identified successor (Land for Good, 2021).

Today, it is often difficult for children of farmers to take over the family farm. Farm equity is often the default retirement plan for farmers because of their financial investment into the land and business; therefore, they can't simply give it to the next generation. Furthermore, financing for the next generation wishing to buy the farm can be difficult in this era of high land values, high estate taxes, and tight credit markets – not to mention the difficulty of beginning to make payments on a loan before ever bringing in a crop. In cases where there are multiple siblings, equitable distribution of inheritable assets can be an issue. Understanding rules related to taxes, land transfers, incorporation, etc. can be extremely important. Additionally, there are numerous interpersonal and values issues that often need to be dealt with in succession arrangements. Family or locally owned agricultural operations have a significant link to their neighboring community, economy, and culture, and the loss of this connection has far-reaching impacts on rural communities throughout the state of Montana.

Given the significant impact succession planning has in local communities and economies, One Montana sought to address this issue through the establishment of their Landowner Education and Resource Network (L.E.A.R.N). The stated goals of the L.E.A.R.N program are “to provide tools, resources and case studies to help prepare and support private landowners to sustain profitable working lands and prepare for succession.” To that end, One Montana identified through research that a significant number of effective tools for succession planning exist both online and in person, however, the ability of landowners to find and access these various tools is often challenging, resulting in less people utilizing the wide range of resources available for them. Thus, a goal of the L.E.A.R.N program is to increase access to the many resources available, in order to increase the overall number of farmers and ranchers that will create a succession plan for their land and business.

The objectives of the research were the following: to identify and consolidate the different resources for succession planning in the United States, to find different resource and tool formats that have been successful elsewhere, and to identify and clarify what barriers that exist for landowners wanting to create a succession plan. Over the course of several months, interviews were conducted with people associated with succession planning from a variety of backgrounds, including: nonprofit

organizations, government agencies, State university extension agents, mediators and facilitators, land trusts, and farmers and ranchers.

The following report was written with the purpose of discussing the content of the interviews conducted over the course of the Summer of 2022. This discussion includes the common themes and topics brought up by interviewees, as well as their concerns, needs, and attitudes regarding the state of farm and ranch succession in the State of Montana.

RANCHER INTERVIEW EXAMPLE

Dale Veseth, Rancher, Phillips County

(Interviewed By John Curnyn)

I was honored to interview Dale Veseth, a rancher from Phillips County with personal experience with succession planning, and a longtime member of the Rancher Stewardship Alliance.

Dale told us one of the most important things to do is develop a process and plan for transitioning. He found it is not so difficult to get a plan down on paper, but ensuring the plan is implemented is a key to success. For example, part of their family's succession plan involves both an educational process and a responsibility process for the ranch, meaning the next generations, or successors, are required to learn the ins and outs of the ranch and take on more and more responsibilities through the process. It can be challenging to plan for specific deliverables within a prescribed timeline because things are never stagnant on a ranch.

Dale is a strong proponent for creating a "one-stop-shop clearinghouse" for succession planning resources. To have a single resource that provided a list of professionals, and a ballpark expected cost, could save precious time in getting new plans started. If a resource that aggregated information was simple and easily available on the internet, it would cut down on a lot of research time. People are going through this process in a piecemeal way over the course of many years. They are grappling with both the weight of making big decisions and finding information which takes time to gather. In Dale's experience, there are good resources out there that he didn't know about and finding them was difficult and time consuming. He believes that by making this information available, when people realize they have a need they will be able to find help more easily and quickly.

Dale felt that expertise was another important factor. Having help within his own community would be ideal, but many folks expect to travel to find someone with succession planning expertise. Something Dale thought might be lacking is recommendations for paid specialized professionals, such as accounting and legal. Dale suggested that a list of people that can support succession planning efforts across Montana, with ratings from other ranchers who have used their services, would be really useful.

METHODS

We collected qualitative data gathered from 35 interviews with a variety of stakeholders such as non-profit organizations, government agents, succession mediators and facilitators, land trusts, and farmers and ranchers. 34 of the interviewees are stakeholders in the United States, and 1 interviewee was from Canada. The list of organizations interviewed can be found in Appendix I. Figure 1 shows a map of all 35 stakeholders interviewed. The vast majority of our interviews were with organizations which include non-profit organizations and private organizations (Figure 2). Qualitative methods are ideal at providing insights into little studied topics (Kreuger and Casey 2009), and these methodical benefits have been noted in past work in agricultural context (Prokopy et al. 2017). Given that we have limited understanding of how U.S. producers deal with land transition, retirement, and estate planning, aka succession planning, we use a qualitative approach to develop a preliminary understanding of this process.



Figure 1. Map of Montana Farmers and Ranchers interviewed

Interviews were conducted on a one-on-one basis between a graduate student researcher and the stakeholder between May 2022 and August 2022. The majority of the interviews were done over the phone, with a small number conducted over Zoom and via email. Each interviewee was asked some or all the standardized questions, based on time restrictions and the direction of the conversation. The standardized questions for stakeholders can be found in Appendix II. The average interview time duration was an hour long, with some lasting as long as 3 hours and others, 30 minutes. All interviews were transcribed with the permission of the participants. Initial interviewed participants were primarily recruited through One Montana affiliates and connections from ranching network conferences, with a reliance on snowball sampling after initial contacts. Snowball sampling is a recruitment technique in which research participants are asked to assist researchers in identifying other potential subjects. It is considered a good method in the context of the study and the target audience (Oregon State University, 2010). The objective of this study was to (1) find tools used in succession planning, (2) what various stakeholders in this field need, (3) if those are met with the current resources, if not, how could One Montana help, and (4) what are the barriers in succession planning?



Photo: Nicole Wickens Photography

Stakeholders Interviewed

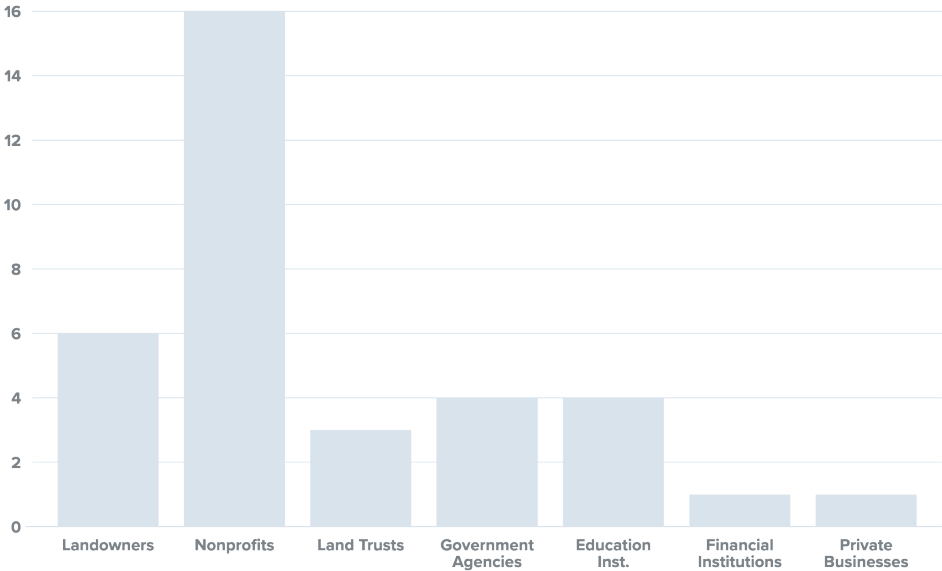


Figure 2. Number of different Stakeholders interviewed

All information transcribed from interviews were uploaded to an online database called Airtable. Airtable is a professional collaborative platform that allows individuals to customize workflow, organize research, and achieve outcomes (airtable.com). Airtable was an efficient tool to consolidate our research. Our Airtable workspace was divided into 7 tables: resources, organizations and efforts, design and layout inspiration, possible audiences, case studies, contacts, and landowners. If an interviewee shared a resource created by their organization, we added it to our list of resources categorized by types of resources or tools such as website, technical assistance, workshops, membership programs, PDF fill out form, case study, PDF report, and videos. Organizations responses to certain standardized questions allowed us to navigate potential partnerships or access available tools.

OUR FINDINGS

Based on our research and outreach, we recognized a few common threads.

1. There is a plethora of succession resources and tools

At the beginning of our research, we thought One Montana might need to invest in creating a tool for succession. However, new tools do not need to be created because many organizations have already done so. The barrier to accessing these tools is time. The time it takes to search for all the available tools for farmers, ranchers, and succession planning professionals could be utilized in different ways. By consolidating available tools and resources in one place such as a platform could alleviate time for organizations to follow up with members seeking help with certain tools and resources provided from the platform.

INTERVIEW EXAMPLE

Caroline Caldwell, Quivira Coalition and American Farmland Trust
(Interview by Elyse Caiazzo)

We had the opportunity to speak with Caroline Caldwell, a Montanan rancher who helps connect ranchers with young apprentices. She currently works for the Quivira Coalition as the New Agrarian Program Northern Plains Coordinator and in collaboration with American Farmland Trust (AFT). In her position, she partners with ranchers and farmers on large landscape operations in the intermountain west to offer 8-month apprenticeships on working ranches and farms. She has a deep connection to the farming and ranching networks in western and central Montana, especially working with established ranchers looking to educate a next generation of agricultural producers. When I asked her about what succession looks like for a landowner in this day in age, Caroline talked about land being sold and not being passed down to the next generation, which was a reoccurring theme in our research. She brought up the idea of managers on land being given the opportunity to own cattle, lease some land on the property, and getting paid to care for the property. There are many paths to be taken in succession planning, but Caroline feels that family ranches are having the hardest time with succession planning.

Caroline gave examples of how Quivira and AFT are building relationships and working with farmers and ranchers by providing more technical advice and science to back the ranch “plan”. The preferred tools used at the organization are primarily in person advising, workshops, and providing podcasts with accessible, relatable stories for farmers/ranchers to listen to in their own time. She was a strong proponent of having third-party voice for family succession planning primarily because the topic is so emotional.

Ranch communities are supportive of each other, and Montanan’s are willing to drive far to meet and learn from likeminded ranchers. They trust each other and getting support from each other can be a critical part to the succession process. She believes that by providing ranchers with the opportunities to get together and tell their successful succession planning stories goes a long way to moving the process along. Bringing folks together to tell their stories helps everyone know they are “in it together”, builds trust, and provides a safe place to talk and learn.

She also emphasized the importance of knowing whether the ranch will transition to the next generation of family or an outside successor. Planning can look very different to these audiences and while goals may be similar, techniques to meet those goals can be very different. Another challenge is that many landowners are struggling to train and employ managers who might be a future successor.

2. People value person to person connections

Trust is often an important ingredient in the process. That could be trust of a familiar face/fellow community member, or the authority of technical expertise such as lawyers, financial planners, and mediators. When asked what makes a good succession tool, most organizations stress the importance of “getting in person, talking through the resources available and who to call.”

3. Good communication is necessary – from start to finish

The single biggest hang-up for succession planning is beginning the process—which often boils down to communication. When asked what aspects of succession planning process to be most difficult for landowners to overcome, a stakeholder talked about “the conflict avoidance. People are not coming to the table because they’re afraid of conflict. They avoid planning because they don’t want to let go of control”. There is a degree of vulnerability that comes with talking about succession and what that really means for a person, which can be difficult to fathom for many landowners. “They keep and do not want to think of their futures”. Conflict is part of the process of communication. While overcoming hurdles, a family/business can identify values and goals for their future and communicate them to each other. This is key to creating a successful business and transition plan.

SUCCESSION RESOURCES

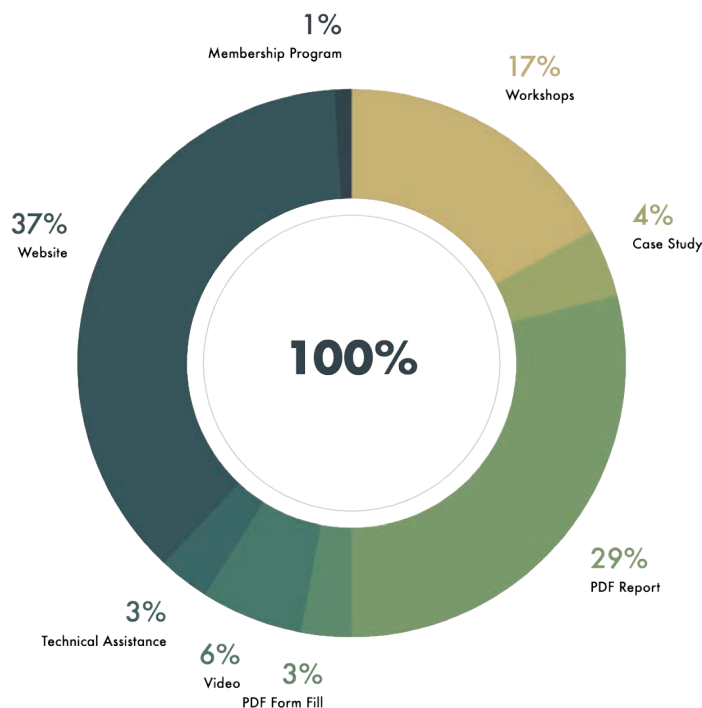


Figure 3. Percentage of Succession Planning Resources compiled in Airtable.

4. Not one single path for succession planning

There is not one single path for succession planning, therefore, we need a variety of tools such as face to face conversations, workshops, fill in PDF's, paid professionals, facilitation, etc. To have a single platform that offers technical information sources, as well as contact information for paid legal and financial professionals, and mediators would allow a variety of stakeholders to find exactly what they need without sifting through multiple websites. People are all different, thus the way they approach situations will be different. Given that one of the most important and challenging steps taken in this process is to start, the ability to offer a variety of different resources could help the largest amount of people.

These common threads led us to a few important solutions to our research questions.

1. Need for aggregation of resources

Cut down time for other organization across Montana to find all the tools and resources for succession planning and therefore, can dedicate more time to having the one-on-one conversation with farmers and ranchers and following up with businesses in the process of planning for succession.

2. Who is the audience for this platform?

A platform that can appeal to a wide variety of audiences would be beneficial. In some cases, farmers and ranchers are independent enough to find the right tools and resources for their situation. On the other hand, some farmers need assistance from organizations and technical experts. Therefore, a platform that can provide information and education to both the independent producers and to professionals helping producers. An important and unique characteristic of this platform is the opportunity to provide information and education to a wide variety of professionals, and include both technical skills, such as financial and legal, and “soft-skills” training such as facilitation.

3. Platform design and functionality

A successful platform is a learning platform with resource library and training modules focused on soft skills, mediation, and relatable/successful succession stories. A single platform that offers technical information sources, as well as contact information for paid legal and financial professionals, mediators. People are all different, thus the way they approach situations will be different. One of the most important steps taken in this process is to start the process.

RECOMMENDATION

Host a collaborative workshop for succession planning professionals

This workshop would be geared towards individuals who work in the succession planning realm as well as individuals who have direct ties to farming and ranching networks that can provide feedback on what is needed to build an aggregated platform. The goals of this workshop are (1) to discuss the next steps necessary for a platform to exist, (2) to explore what is working or not working for different organizations in creating successful succession plans, and (3) how to communicate or present helpful information to a wide variety of audiences, i.e., an app, or a database. Workers in this field put an immense amount of time and effort to conduct research, find tools, create tools and resources, and distribute them to agricultural networks. However, not all organizations have the funding to follow up with each agriculture producer who reached out for help. Therefore, an aggregated platform would alleviate the time necessary to find tools and resources and provide more availability for organizations to help producers through the process of succession planning. Some questions that we hope to answer at this workshop would be:

1. What mutually trusted organization will house this platform?
2. Who would run the platform and update it?
3. How would it be sustained?
4. Would organizations subscribe to this platform, or would it be free?

Additional funding would support the event as well as the planning for the collaborative workshop. The event would require a space to house the invited attendees and a conference room to congregate with food provided, as well as staffing from One Montana, travel assistance, and materials potentially needed such as technology rentals. Money would be allocated for travel purposes. Organizations beyond Montana such as Nebraska Hotline, Land for Good, Holistic Management, and Center for Rural Affairs are leaders in creating tools for ranchers and farmers, providing mediation education for organizations and assistance in the succession process. Therefore, it is important to bring in outside organizations with different perspectives and creative ideas to help facilitate discussions.



REMAINING QUESTIONS

Upon analyzing our research, we are left with several questions that should be answered as One Montana moves forward with this initiative. The following questions have been identified as important yet remain to be answered:

What organization should host the L.E.A.R.N succession planning resource tool?

Given that the purpose of the tool is to increase the number of producers that will create a succession plan, the tool must be hosted by an organization that is broadly trusted across the state of Montana and its communities.

If the platform is made, how can we increase engagement with it?

It has been identified through our research that there are several distinct groups that could benefit from this consolidated resource. Would it make sense to design the tool to offer resources for all individual group identified, as opposed to just one stakeholder group?

CONCLUSION

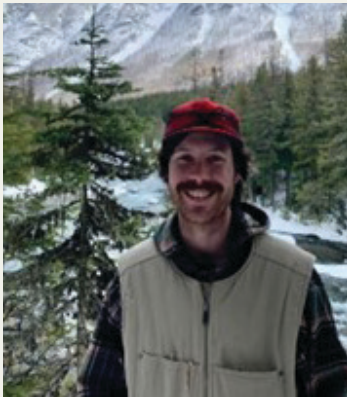
The information provided over the course of this report serves to reflect some key takeaways, as well as the fluid nature of our research. Over the course of our assessment, the focus of our interviews evolved to reflect the concerns and issues being discussed. Our initial objectives focused primarily on identifying and consolidating the resources available, as well as identifying effective formats currently in use. To those ends, we succeeded in identifying numerous resources as well as effective formats for the L.E.A.R.N succession planning tool. We also sought to learn more of issues brought up by interviewees that reflected the more personal and social barriers that landowners face as they attempt to start a succession plan. Many common barriers to succession planning we found to be related to communication, both with family and planning professionals. As such, a resource designed to maximize the number of landowners that will create a succession plan should reflect the need for guidance with communication. Thus, an ideal final product might offer resources from three distinct categories: guidance for soft skills such as mediation and communication, in-person professional expertise such as financial and legal planning, and online resources such as FAQ pages and informational websites.

It was also revealed throughout our interviews that a convening of the many professionals currently assisting in succession planning across the region could be beneficial for both of them professionally, and One Montana. A convention

may provide an opportunity for experts to clarify best practices and discuss their common issues and successes. As an organizing party, One Montana would benefit from the shared knowledge of these professionals and would be able to synthesize and clarify the learnings that take place, and ultimately more efficiently help communities in Montana with succession planning.

Throughout the course of our work, the research team was delighted and often moved by the discussions had with a variety of individuals. The level of care observed in the professionals assisting with succession planning, as well as the awareness seen in landowners of the gravity of the situation served to further highlight the importance of this project. The interviews with landowners felt special as they allowed the interviewers to step into their world for a moment by sharing their experiences and family matters over the phone, sometimes talking on horseback herding cattle. Moreover, these conversations were educational; they allowed the interviewers to learn about the challenges being faced with succession planning directly from those who are experiencing them. Learning about these issues from the personal experiences of community members and landowners added greater dimensions to the issue and allowed the interviewers to more holistically understand the challenges, and what's at stake when it comes to succession planning.

AUTHORS



John Curnyn is a graduate student at the University of Montana's Environmental Studies Program and Natural Resource Conflict Resolution Certificate Program. He has been assisting research for One Montana's L.E.A.R.N Program since May 2022. During his time living in several different states throughout the country, he has found work as a teacher of environmental science, or helping out on farms. Over the course of his work and travels, he developed an interest in how to balance working lands and functioning ecosystems. In his free time, he enjoys playing music, cooking food, and walking through the beautiful hills of the Missoula Valley.



Elyse Caiazzo is a graduate student at the University of Montana's Environmental Studies Program, concentrating in sustainable food and farming. Since May 2022, Elyse has been an intern for One Montana working on their L.E.A.R.N program. Her love of farming started in Maine during her undergraduate degree. She worked at the college farm, where she spent most of her free time tending to the vegetable field, feeding animals, and preparing seedlings for each season. Following the completion of her degree, she worked on small organic farms and farm to table restaurants in Portland, Maine area. In her spare time, Elyse enjoys hiking with her partner and dog, Atlas.

Appendix I

List of organizations interviewed:

1. American Farmland Trust
2. Center for Rural Affairs
3. Community Food & Agriculture Coalition
4. Dan Scott Ranch Management Program
5. DNRC Rangeland Resources Program
6. Ducks Unlimited
7. Elaine Froese: Farm Family Transition Expert
8. Gallatin Valley Land Trust
9. Holistic Management International
10. Land For Good
11. Land Stewardship Project
12. Montana Land Reliance
13. Montana Stockgrowers
14. MSU Extension
15. MT DNRC
16. MT Farm Bureau
17. Nebraska Department of Agriculture
18. Northern Plains Resource Council
19. Northwest Farm Credit Services
20. Pheasants Forever
21. Plank Stewardship Initiative
22. Prickly Pear Land Trust
23. Quivira Coalition
24. Ranchers Stewardship Alliance
25. Ranching for Profit School
26. Rocky Mountain Elk Foundation
27. Sustainable Ranching Initiative World Wildlife Fund
28. The Nature Conservancy, Matador Ranch
29. University of Iowa
30. USDA NRCS
31. Wheatland County Weed District
32. Winnett ACES

Appendix II

List of Standardized questions asked to certain stakeholders

1. Non-Profit

- a. Do you have succession planning tools?
- b. Do you have members/farmers/ranchers approaching you looking for succession planning help?
- c. What questions are members asking?
- d. Are there certain succession planning subjects that members are especially concerned about?
- e. What have been the most successful tools or resources used by members?
- f. What makes a good succession tool?
- g. Are there tools that members are missing?
- h. Would you be willing to share its tools with One Montana?
- i. Would you want to partner with One Montana to create a succession planning platform?
- j. Could you provide One Montana with ranchers/farmers that would want to speak about succession planning?

2. Government Agencies

- a. Does the USDA have constituents ask questions about succession planning
- b. What questions are they asking?
- c. Are there certain succession planning subjects that constituents are especially concerned about?
- d. Does USDA have succession planning tools?
- e. Are there tools that the USDA is missing?
- f. What type of format are these tools? Does this work for people? Is it what they are looking for?
- g. What is the best format for succession planning tools for the USDA constituents?
- h. Would the USDA be willing to share its tools with One Montana?
- i. Would the USDA be willing to partner with One Montana to roll out a succession planning resource?

3. Farmers and Ranchers
 - a. Could you share your experience with land transitioning and succession planning? Was your plan “successful”?
 - b. When did you start your succession plan? How did you find the proper resources to start this process?
 - c. Were any tools or resources helpful?
 - d. Did you have any facilitation or mediation involved? If so, what was that experience like?
 - e. What were some barriers to succession planning or land transitioning on your operation?
 - f. What were your goals with succession planning for your business?
 - g. What format of succession planning worked for you? Extension agent, local organization, or an online platform?
4. Mediators/ Facilitators
 - a. What are common themes in succession planning mediation?
 - b. What are the best strategies to facilitating succession planning conversations with landowners?
 - c. How do you get individuals to the table?
 - d. What do you do about people who don't want to come to the table?
 - e. Pertaining to Succession planning, what does the final product look like?
 - f. What resources have been helpful in your work with succession planning?
 - g. What resources do you think are missing?
5. Land Trusts
 - a. What does (land trust organization) do and what are your goals within your work?
 - b. Are most of your conservation easements donations or bought by MLR?
 - c. Have bargain sales been incorporated into succession planning?
 - d. Does [organization] have members/farmers/ranchers approaching [organization] looking for succession planning help?
 - e. Have you noticed conservation easements being a tool for succession planning?
 - f. How does your organization get received based on location in Montana east vs. west?
 - g. How do you navigate conversations? Are you noticing the need for more soft skill training?

References

- Kreuger, R.A., and M.A. Casey. 2009. Focus groups: A practical guide for applied research. New York: SAGE Publications.
- Land For Good. (2021). What is farm succession? Message posted to <https://landforgood.org/resources/faqs/farm-succession/>
- Prokopy, L.S., J.S. Carlton, T. Haigh, M.C. Lemos, A.S. Mase, and M. Widhalm. 2017. Useful to usable: Developing usable climate science for agriculture. *Climate Risk Management* 15: 1–7.
- One Montana. (2022). Retrieved October 2022, from <https://www.onemontana.org/>
- Oregon State University. (2010). Snowball Sampling. Accessed on <https://research.oregonstate.edu/irb/policies-and-guidance-investigators/guidance/snowball-sampling>
- Sommer, E. (2017). Montana agriculture keeps growing. Retrieved Nov 3, 2022, from <https://www.usda.gov/media/blog/2015/02/19/montana-agriculture-keeps-growing>



ONE MONTANA

280 West Kagy, Suite D233, Bozeman, MT 59715
info@onemontana.org 406-522-7654
www.onemontana.org