


Topic	Topic
Social resilience 	Economic resilience 

**Background**  
Dairy farm succession involves transferring ownership and management from one generation to the next. It's a complex process due to emotional attachment, financial considerations and legal complexities. Several financial models can be used, each with its own advantages and disadvantages.

**What strategies can be used?**



**Installment Sale:** Successor buys farm in installments from current owner.



**Lease-to-Own:** Successor leases farm with option to buy.

50%/50%

**Equity Sharing:** Current owner and successor share ownership and profits.



**Employee Stock Ownership Plan (ESOP):** ESOP trust holds shares for employees to buy over time.



**Gift and Estate Tax Planning:** Farm ownership transferred to successor as gift or estate plan.

**Positive features of choosing financial models:**

**Flexibility:** They offer a range of options to suit the unique needs of different farm families.

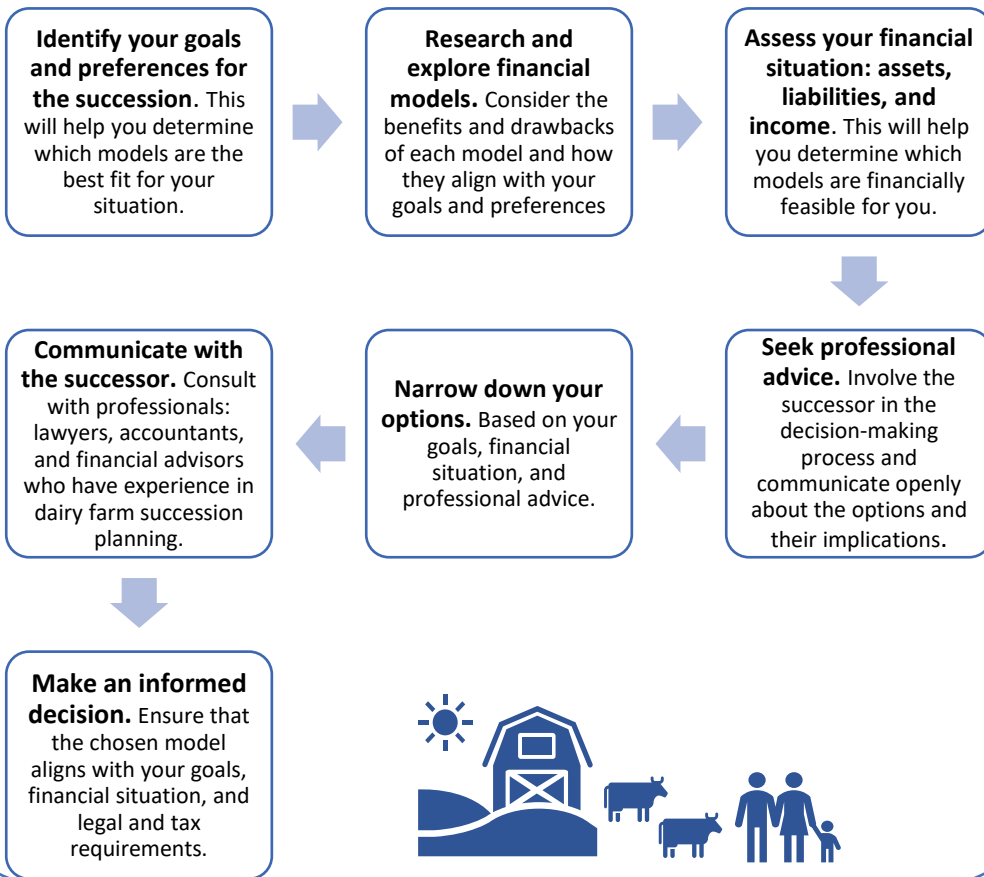
**Fairness:** They can help ensure a fair and equitable transfer of ownership between the current owner and the successor.

**Sustainability:** They can help ensure the long-term sustainability and profitability of the farm.

**Be careful, especially on these points:**

1. Ensure that the selected model is compatible with the goals, values, and vision of both the current owner and the successor.
2. Consider the legal and financial implications of each model and consult with professional advisors.

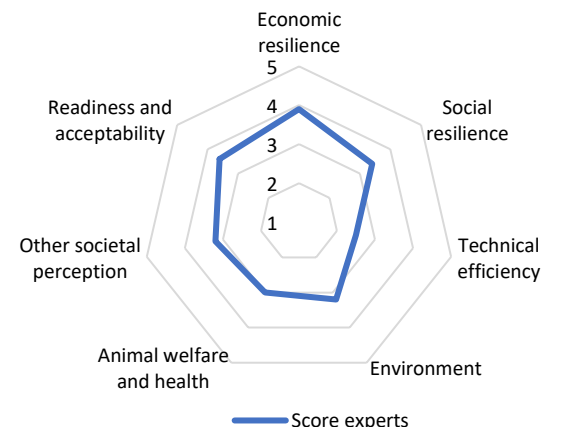
**How to choose the best model?**



**Specific advice**

*Open communication is critical when it comes to succession planning. Involve all family members and stakeholders in the process, and make sure everyone has a clear understanding of the plan.*

**Assessment of solution**



**Quote of the farmer:**

“Start early, involve the next generation, ensure a smooth transition and a strong future for the farm.”

**More info:**

- [https://www.forum-synergies.eu/bdf\\_fiche-document-54\\_en.html](https://www.forum-synergies.eu/bdf_fiche-document-54_en.html)
- <https://www.dairynz.co.nz/business/planning/succession-planning/>
- <https://advisorypartner.com.au/farm-succession-planning/>