



FARM TRANSITION APPRECIATION DAY

Purpose

The purpose of FTADay is to celebrate and encourage producers on their farm transition journey, empowering farm transition through a positive lens. This is a day created to get Canadian producers excited about and inspired through proactive planning to secure a bright future for Canada's farming sector.

FTADay is a celebration and a call to action. The agricultural community are invited to share personal stories, advice and resources available through their communications channels including social media and by hosting in-person and virtual learning events.

Target Audience

- Primary producers of every age, stage, farm type and size that are already part of or are considering embarking on their farm transition journey

Secondary Audience

- Transition and Business Advisory service providers with a focus on farming
- Agricultural Industry Associations, Businesses and Governments - both National and Provincial

Goals

- FTADay should be seen as a positive day designed to celebrate farming in Canada and the future of Canadian agriculture
- Producers should feel inspired, encouraged, and celebrated
- Producers should gain valuable knowledge of resources and help available to support their farm transition journey
- FTADay awareness, excitement and participation should grow year after year

Ultimate Outcomes

- Increase in farm transition discussions and planning across Canada
- Increase in awareness and use of farm transition support resources available
- Increased excitement about the future of farming and Canadian Agriculture

Farm Transition Facts for Canada

- 98% of Canada's farms are family owned and operated.
Source: Census of Agriculture, 2021
- Canada has 189,874 farms (down 1.9% from 2016)
Source: Census of Agriculture, 2021
- Canada has 262,455 farm operators (down 3.5% from 2016)
Source: Census of Agriculture, 2021
- The average age of farm operators: 56 years old (up from 55 years old in 2016)
Source: Census of Agriculture, 2021

- Operators aged 55+: 60.5% (up 6% from 2016)
Source: Census of Agriculture, 2021
 - Young farmers: 8.6% (down from 9.1% in 2016)
Source: Census of Agriculture, 2021
- 12% of farms have a written succession (or transition) plan (up from 8.4% in 2016)
Source: Census of Agriculture, 2021
- It is estimated that 75% of Canadian farms will transition over the next 10 years.
Source: BDO
- 98% of Canadian farmers plan to keep the farm in the family, yet only 25% have started their farm transition journey.
Source: Farm Financial Survey, 2019, Agriculture & Agri-Food Canada
- 75% of identified successors are male, and for farms with male-only operators, this number jumps to 90%.
Source: Farm Financial Survey, 2019, Agriculture & Agri-Food Canada
- Women are influencing gender equality on Canada's farms. On farms where women are among farm operators, the share of women identified as potential successors increases from 10% to 31%
Source: Farm Financial Survey, 2019, Agriculture & Agri-Food Canada
- 3 out of 4 Canadian farmers are feeling overwhelmed by the unpredictability of the ag sector and feeling a loss of control. Farm transition planning helps provide peace of mind.
Source: Healthy Minds, Healthy Farms Study, 2020, Farm Management Canada
- Women and young farmers are more likely to report high stress, specifically due to farm transition and family conflict.
Source: Healthy Minds, Healthy Farms Study, 2020, Farm Management Canada
- The 7 business practices driving farm financial performance:
 - A commitment to lifelong learning and skills development
 - Business decisions made using accurate financial data
 - Seeking the help of business advisors and consultants
 - Having a written business plan, following it, reviewing it annually
 - Knowing, monitoring your cost of production and what it means for your profits
 - Assessing risks and having a plan to manage and mitigate risk
 - Using a budget and financial plan to monitor financial position and options
Source: Dollars and Sense, 2015, Farm Management Canada
- With a 'work smarter, not harder' mentality, Canada's top financially performing farmers are more 50% more likely to seek out new information through training and learning opportunities, and 30% more likely to work with trusted farm advisors to gain insight and discover new opportunities for their farm business.
Source: Dollars and Sense, 2015, Farm Management Canada
- They are also more likely to take risks, but not just any old risk – these are calculated risks because these farmers are 50% more likely to have a formal business plan in place. Planning ahead is not about predicting the future, but rather building a roadmap and contingency plans to help guide you through whatever the future holds.

Source: Dollars and Sense, 2015, Farm Management Canada

- Farmers who regularly work with farm business advisors are significantly more likely to regularly and consistently implement farm business management practices.

Source: Dollars and Sense, 2015, Farm Management Canada

Farm Transition Tips:

1. Establish clear, written family and business goals involving everyone
2. Hold a formal meeting to identify and harmonize the vision and goals of key stakeholders in writing
3. Start the conversation about farm transition at least 10 years before the transfer is set to take place to allow sufficient time for stakeholders to prepare and adjust
4. Prepare a formal written farm transition plan that can be shared, referenced and reviewed on a regular basis
5. Establish a clear and mutually agreed on transition timeline between the current owners and successors to reduce uncertainty about the future of the farm and everyone's role within it
6. Involve family members and other key players in the development of the transition plan
7. Hire a coach or transition planning facilitator to help keep your transition planning on track
8. Assess and confirm the financial viability of the transition plan
9. Review transition plans with farm business experts (e.g. accountants, lawyers, financial planners, family relationship experts) to ensure the plan is viable and the right steps are being taken to achieve your goals
10. Organize regular formal farm team meetings (including agendas, minutes and pre-meeting preparation) to review progress towards meeting family and business goals and the individual needs and desires of the farm team
11. Identify the qualifications, experience and skills required for the successor(s) based on the evolving needs of the business. Write it down in a job description.
12. Identify a successor or successor(s) for the farm with the capacity to take over the business. You may find your best choices come from outside of the family.
13. Implement a personal development plan for the successor(s) (e.g. experience, skills development, etc.) in order to prepare them for the transition
14. Involve the successor(s) in the development and implementation of the farm transition plan
15. Involve the successor(s) or potential successor(s) in regular farm team meetings
16. Establish a timeline for the gradual transfer of managerial responsibilities to the successor(s)
17. Establish a timeline for the gradual transfer of ownership to the farm successor(s)
18. Establish a timeline for the gradual transfer of assets to the farm successor(s)
19. Identify and implement conflict resolution solutions (e.g. education, training, coaching, mediation)
20. Communicate the farm transition plan to family members, employees, and other key stakeholders (expectations, timelines, action plan, etc.) as it evolves
21. Determine asset transfer for each generation and stakeholder taking into account fairness (e.g. wills, shares, inventory, land, money, insurance, retirement funds)
22. Determine the investments and other expenses required for short- and long-term transition viability for the farm (e.g. buying more land, infrastructure, animals, etc.)

Source: AgriShield powered by Farm Management Canada