

Our No. 1 Goal

QI've been reading your "Leave a Legacy" column with great interest and personal concern. My wife and I are third-generation cattle ranchers on a small family operation. Our place was settled by my grandparents at the turn of the century, passed to my dad's brother in the mid-1950s and we started buying it from my uncle in the late 1980s.

Our cattle operation is relatively small. To supplement our income, I taught school for 30 years. My wife stayed home to work with me and raise our three children. Today our oldest is married and, though she is very bonded to the place, her husband has no interest in physical labor or a rural lifestyle. Our second child loves the ranch but isn't capable of making the commitments necessary for long-term management. Our youngest is entrepreneurially inclined, but his interests are focused on high tech, rather than high yields.

All three kids want the ranch to stay in the family, but none of them have a burning desire to grow the operation. My wife and I are both in good health, we love what we do and have a heartfelt passion for the resources we manage. We realize that no one lives forever and, as much as we want them to, none of our children are going to follow us in the ranching business.

Our No. 1 goal is to keep the land in the family and see it continue as a working cattle ranch. As a good steward, I can't leave "undivided interests" to my three children and hope the ranch will stay together. We've done some estate planning (living trust, etc.), and we talk regularly as a family. Our children know the seriousness of our commitment, yet we can't make them love the land. Should we consider a land trust or a conservation easement?

AThank you for writing—and congratulations for acknowledging that we can't impose our values on children. Your dilemma is not unique.

No matter how much we love something, there is no way to force another person to feel the same.

It sounds like you have made some arrangements (a living trust, etc.) to preserve the ranch and create a family legacy. Someday your children may want to participate in the ranch, even if only as off-ranch property owners. Priorities can change with maturity.

Many ranchers are apprehensive about a next generation who doesn't have an emotional tie to the land or who may never be able to enjoy the lifestyle due to other choices. Will it be appreciated, or does it just represent an inconvenient form of monetary value?

Which option to choose? A conservation easement and/or a land trust may help you preserve the ranch as a long-term family legacy. It can ensure operational continuity and make sure your ranch remains a positive attribute in the community for generations to come.

A conservation easement is a legally recorded preservation agreement between a property owner and an organization. Conservation easements are often used to restrict development and other undesirable activities.

In its most basic form, a land trust is merely a legal agreement to hold real property and moderate its use based on specific instructions. The term "land trust" is used to describe non-profit organizations that own property, hold conservation easements and manage them within guidelines of the organization's mission.

A conservation easement can offer many advantages in succession planning. For example, it brings an imme-



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diated reduction in land value, while reducing the estate tax imposed on the farm. But it's important to understand that there are trade-offs. The owner of a family farm must weigh the cost and measure the benefits.

Maintenance of the farm or ranch according to a conservation easement or land trust guidelines can be granted after death, which reduces value and restricts use without hindering the operation. A subsequent lessee will understand and agree to the conditions of an easement.

For additional information about conservation easements and land trusts, visit www.farmland.org, www.landtrustalliance.org and www.legacy-by-design.com (click on "Resources" and then "Links").

Please join us for an introduction to succession planning Webinar on Tuesday, March 3, at 6 p.m. CST and Friday, March 6, at 4 p.m. CST. You can register for the informative event at www.legacy-by-design.com.

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