



Family, Taxes, Retirement and the Future of the Farm

If you are a Pennsylvania farmer, you are a contributor to the Commonwealth's number one industry and to the economy of one of the nation's leading agricultural producers. Perhaps you produce mushrooms, pumpkins, apples, peaches, pears, grapes, dairy products, oats, barley, corn silage, even Christmas trees. You lead a life and operate a farm that is as full and productive as the natural bounty with which this state has been blessed. You likely started a family, developed a business, and helped it thrive. With which, you have had good years. You have had bad years; still you made the business decisions for your farm and family bringing the business where it is today. If you are one of the forty-four percent of Pennsylvania farmers who is above fifty-five, you have another major business decision ahead of you - what to do with the farm when you retire or pass away. You can't work forever. Everyone deserves their retirement. And even if you decide to persevere, someday, you will not be there to tend your fields, livestock, machinery, and so on. So the question presents itself, who is going to take care of the farm and how does one make the transfer?

Transferring the farm is by no means an easy decision or a simple task to carry out. There are numerous challenges to a successful and widely acceptable transfer. Less obvious concerns are related to the family. For example, as a nation we enjoy a level of opportunity that is unparalleled in the history of the world. Your children may not be interested in continuing the family farm. They may already have, or plan to have, careers that have little or nothing to do with the farm. On the other hand, you might have some children who wish to continue the farm but have other children who might become indignant if they do not perceive their future inheritance as equally parsed out. There are also emotional factors to consider such as whether you are ready to step down or hand the reins to a complete stranger. Then there are the obvious challenges such as financial and legal considerations. There is your post transfer financial security to consider; as well deciding which of the many transfer options that are available is the most advantageous for you.

While there are doubtless challenges ahead, you do not have to enter the world of farm transfers in the dark. This guide will present ideas which will assist you to go into the transfer with confidence. Please be aware, this guide it is not meant to be a substitute for the expert guidance of qualified lawyers, accountants, realtors, tax specialist, and other professionals who can help lead you to a successful farm transfer that is agreeable to all involved parties.