

## The move to landlord has hurdles for farmers

By Trista Crossley

Pretty much every multigeneration farming family has a relative who drove a tractor up until the day they died. After all, suggests family lore, living on a farm is a privilege not to be squandered under any circumstance.

So what does a retiring farmer who has no heirs to take up the tractor do? If selling the land is out of the question, renting to an unrelated tenant is likely the next option to be considered. But for a farmer-turned-landlord, the decision to look outside the family has both practical and emotional considerations, not the least of which can be a sense of guilt.

"In farming, in agriculture, things are always changing. Promises made 20, 30, 40 years ago no longer may be valid or workable," explained Elaine Froese, a nationally known coach who specializes in helping farm families overcome succession, business and communication issues. "For some farmers, it's about realizing that they have to let go of what was in the past and re-evaluate what is now. I tell people that no one can make you feel guilty without your consent."

For many farmers, the move to retirement can bring on an identity crisis that isn't helped by handing a substantial amount of control over their land to a nonfamily member. That decision can cause feelings of grief as well as guilt.

"People will say nobody died, but grief is not about death. Grief is about loss. The loss of control or the loss of a family legacy," she said. Farmers-turned-landlords can offset that grief by looking for the joy in giving another farmer a chance. They can also work with the new tenant to find ways to stay involved in the farm at a level both parties are comfortable with.

Making the decision to rent out the farm is only the first part of the process. The retiring farmer then has to find a tenant and actually make the transition out of farming. Outside advisors, such as a financial planner or an agricultural consultant, can provide unbiased information and support. Froese said that process is easier if the landlord and tenant take the time to develop a relationship based on good communication and respect.

"What the landlord has done has adopted him (the tenant) as the next generation to take care of this land," she said. "Some people just want a rent check, and some want to know what the tenant's plan is. It's good to talk about

what the other party expects. Don't make assumptions, and when asking a question, make sure it comes from curiosity not judgment."

While money is important, it could be a mistake to choose a tenant based only on what they could offer financially.

Randy Suess, a wheat farmer from Whitman County, retired several years ago after battling some health problems. His children had no interest in taking over the farm, so he turned to his neighbors, a father/son operation. He acknowledged that he could have probably gotten more in rent if he had tried, but Suess was familiar with his neighbor's farming methods and knew they would take care of his land.

"I chose people who I wanted to farm my land. I liked the rotation that they used, which was similar to mine. I actually have one piece of land that bordered them, and I could see from my tractor what they did and how they farmed," he said. "I sleep well at night and don't have any concerns."

While the well-being of his land was Suess' primary concern, he also wanted to include his farming equipment in the deal. Working with a financial advisor, he set up a defined benefit plan where the tenants would rent to own his equipment for seven years. Those lease payments were deposited in an account that could then be accessed at the end of the lease as a sort of retirement plan.

Suess ended up selling the family's homestead about a year after he retired, and he and his wife moved to Cheney, Wash. He said that if his folks were still alive, this transition would have been much harder, especially moving away from the farm.

"The farm was everything to them. Dad had farmed that land from time he was in high school until he died," Suess recalled. "I made brackets in our tractor to hold his oxygen bottle so he could get on the tractor and drive. He did that until he couldn't physically get up in the tractor."

While Suess may not live on the farm anymore, he says he has stayed involved more than he thought he would. "I go back and forth with them (the tenants) on what they are going to be growing, where they're going to be growing it. But the bottom line is I rely on their judgment."

Suess' advice to other farmers who are transitioning into landlords is to remember that there is more than dollars

and cents to getting someone who is qualified to farm their land. While a high cash rent might look good, it only takes one bad crop to torpedo those payments.

“Just don’t jump into who is going to offer you the biggest cash rent or best deal on crop share,” he said. “Be very wary of those deals being made.”

For more information on addressing the many issues farm families can face, please visit Froese’s website at [farmfamilycoach.com](http://farmfamilycoach.com). The website contains links to Froese’s social media presence as well as her online bookstore. ■

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