

Keep Farmers Farming!!

By: Alan Hojer Director & “Legacy Consultant”

Keep Farmers Farming- A Division of the

SD Ag Foundation



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Keep Farmers Farming! ***What is the Program?***

Today: 11 yrs

- January 1st, 2025; Transitioned to the SD AG Foundation**
- Estate Planning Consulting- 278 plans**
- Transition Planning and Execution of the Planning-**

Hottest Demand!! Why?

- Agri-Excellence**
- 398 Farms & Ranch Operations**



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Keep Farmers Farming! What the Program is Not!

Today: What we are Not? Very Important!!

- I am a consultant for the client, not being influenced by anyone or any organization.
- I am not, nor am I contracted to any Attorney- I am Certified as a Certified Estate Planner
- I do not sell any Life Insurance or Investments or anything. I see these as tools for solutions
- Today, I work with Farmers and Ranchers across South Dakota
- I am not a Threat to anyone and my only competition is:

Anxiety



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Focal Point for YOU Today!!

- ***Estate Planning vs Transition Planning***
- ***Inspiration vs Obligation***



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

Focal Point for YOU Today!!

***“Giving Clarity to the Estate
Planning and Generational
Transition Process from a Farm
Perspective. Does it Really have to
be this Difficult?”***



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

Alan's Six Disciplines (Constants)

1) Vision

- *“Without Vision We Shall Perish”*

2) “It is yours's to give, it is nobody's to take”

- *It is about receiving!*



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

Alan's Six Disciplines (Constants)

3) Mental Focus/Mindset

- **Legacy- If you are inspired by your Legacy, You won't Plan for the future.**
- **Vision- If you are inspired and consumed by your Vision, You will miss today.**
- **Today-If you are extremely focused on today, You are in some level of Survival Mode.**



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

Alan's Six Disciplines (Constants)

4) Perspective

- ***This is a process over a period of time. Not a moment.***
- ***Don't look for Perfect, you will only cause Imperfection***
- ***Is the family committed and will they have the courage to do the hard work.***



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

Alan's Six Disciplines (Constants)

5) Family Leadership

- ***Who is in a position of Strength***
- ***Who is in a position of weakness***
- ***What the parents say, becomes an expectation.***



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

Alan's Six Disciplines (Constants)

6) "Proper Relationship"

- **Giving-** *with Vision we are inspired to give, without Vision we feel obligated to give.*
- **Receiving-** *Be humble, Be Kind, Be Grateful! But most of all be Thankful.*
- **Taking-** *"It is yours to give, it's not theirs to take." So give it as it will all be taken from you when you pass. Without Vision, we Shall Perish!*



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

Estate Planning

“Finding Fair”

Estate Planning Advice!!

“Finding Peace”

*Mom and Dad are looking for “Peace”. They will find peace as they gain confidence in the decision making of their wealth transfer that enhances the lives of **ALL** of their children which supports the life path (Vision) that each child has chosen.*

“The Sweet Spot!!” Looking for Peace will Define Fair!



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

Farm Transition:

“Agriculture has never been through the kind of Transitional Challenges being Experienced Today!! Alan Hojer

Take a look at the History of Farm Transition:

Alan Hojer Quote:

“The only transitional experience that Farmers & Ranchers have is the transitional experience that they went through.”



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Farm Transition:

“Agriculture has never went through the kind of Transitional Challenges being Experienced Today!! Alan Hojer

Take a look at Transition History:

162 Years (1862-2024)

“Been in evolution”

- **Survival- 1862-WW2- Survival**
- **Prosperity- WW2-1969-Gave or Purchased**
- **Challenge-1970’s-2003 No Generation (Leave)**
- **Recovery-2004-Present- Government Policy (Ethanol)- Jointly Incorporating Family members into a joint operation**



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

People don't know what to do!

Farm Transition:

“Agriculture has never been through the kind of Transitional Challenges being Experienced Today!! Alan Hojer

When should the Transitional Process Begin?

Late 30’s or Early 40’s

- **It starts with a lot of Thought!**
- **Time**
 - **Is still an Asset**

“The Older we get, Time becomes a Liability because there isn’t time for Thought. There is only time for Action which usually means Inaction!” AH



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Journey from Simple to More Complex

Step 1- History (Looking Back)

1st Generation

48%

2nd Generation

48%

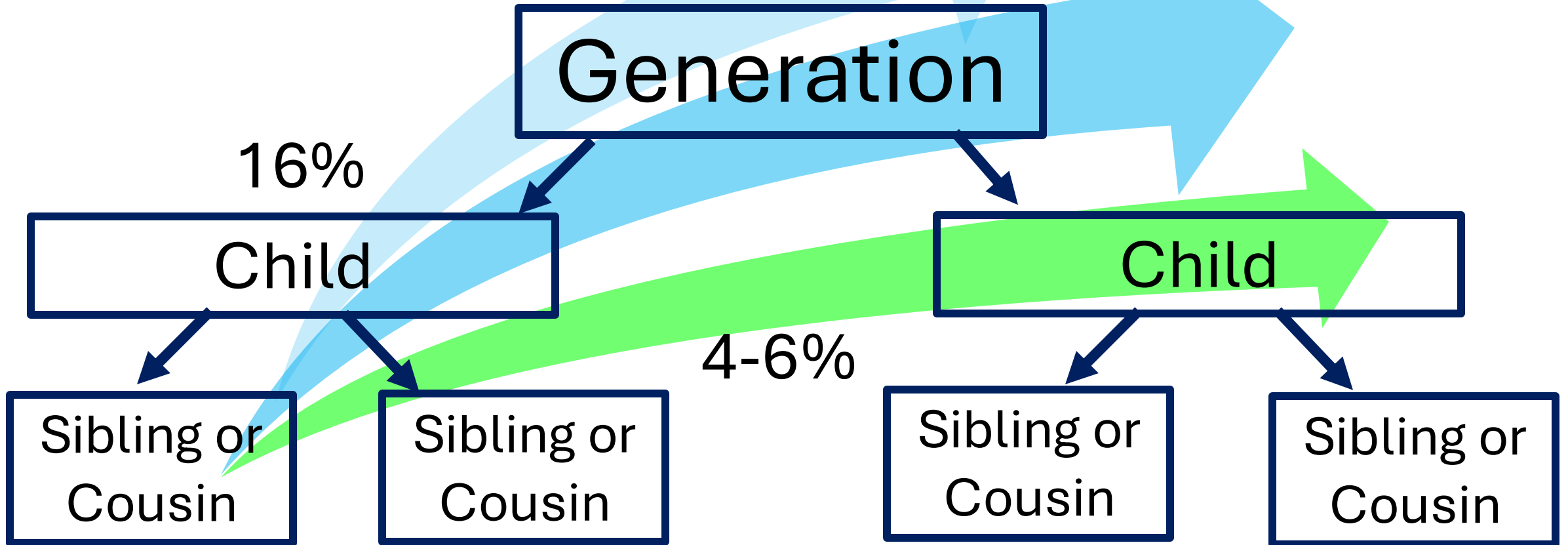
3rd Generation



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

Journey from Simple to More Complex

The Spread “Future”



Farm Transition:

Agriculture has never been through the kind of Transitional Challenges being Experienced Today!!

Step 1- “Look Back” History-Where did we come from and how did we get here.

➤ **Who We Are? Very, Nice -----?**

“Conservative Rich People”

- **Haves & the Have Mores!**
- **Kingsbury County- 160 acre = \$1,840,000**
- **Cash Rent- \$36,800 vs CD- \$92,000**

➤ **Parents Vision-**

- **What was our parents vision?**

Most never wanted us to be in business together.



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Farm Transition:

Agriculture has never been through the kind of Transitional Challenges being Experienced Today!!

Step 2-

Vision

“Without Vision, We Shall Perish!”



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Journey from Simple to More Complex

“The Critical 2nd Step”

“Vision-Without Vison, We Shall Perish!”

- ***Will the FARM stay Unified? (Complexity)***
- ***Will the FARM Fragment? (Risky)***
- ***Will the FARM Fragment with a level of “Collaboration” and “Diversification” (Balance)***

There is no “Right” or “Wrong” decision but without the right VISION the wrong “Strategy” will be implemented!

Most Important- Does the Vision put the Operation on Offence or Defense??



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

“Without Vision, We Shall Perish”

SF Estate Planning Council

Step 3- Strategic Execution

Some of the Challenges/Opportunities that you will have to address:

- ***Individual Wealth vs Collective Wealth***
- ***Entity discussion- LLC, General Partnership, Sub S***
- ***Business Structure- For Decision Making and Communication/Weekly and Monthly Meetings***
- ***Capacity of the Business today and what will the capacity of the business need to be tomorrow***
- ***How do we increase the capacity of the business and have to compete against the “Have Mores?”***
- ***What does the word Diversification mean to your operation. Does it fit “Who you are.”***



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

Other Challenges/Opportunities that you will have to address:

- Being able to recognize and manage the complexity of the Family and the Business. People vs Business***
- What are the cycles of the past that need to be changed to adjust to the vision of the future. Will the parents have the “Courage” to change. Are we looking for success for all or are we going to hold onto the past.***
- **Big ONE**- What Financial System will be used to measure the impact on profitability of the changes that the operation is about to go through!***



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

“In Closing”

“Gathers of Equity”

- ❖ ***Have’s and the Have More***
- ❖ ***Yours to Give, Not Theirs to take!***

Always Remember:

The Bible says:

“Without Vision, we shall Parish.”



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

“In Closing”

What are you inspired by?

- *Your equity-You will protect it!*
- *Your Vision-You will drive your equity to support the Vision*

**Giving is all about Inspiration or
Obligation**



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

SF Estate Planning Council

“In Closing”

**But Most of All, Peace
comes from
understanding!!**



KEEP FARMERS
FARMING
SOUTH DAKOTA AG FOUNDATION

Questions!!

THANK YOU!!



**KEEP FARMERS
FARMING**
SOUTH DAKOTA AG FOUNDATION

Transition Life Cycle of a Farmer/Rancher

