



Farm Succession and Inheritance

The intergenerational transfer of the farm family business is a very complex and contracted procedure for farmers which involves three distinct but related processes. **Inheritance** denotes the legal transfer of ownership of the business assets (including land); **succession** refers to the transfer of managerial control over the use of these assets, while **retirement** marks the withdrawal of the present manager from active managerial control and/or involvement in manual work on the farm. As the vast proportion of Australian agricultural businesses are family owned and operated, how these families plan and manage the transfer of the farm business is therefore a concern for the whole agricultural industry.

The Study

The International Farm Transfers Study seeks to examine and compare trends in farm succession and retirement across continents. To date, studies have been conducted in England, France, Ontario and Quebec in Canada, Iowa, Virginia, Pennsylvania and California in the USA, Japan, North Germany and Poland. The studies have highlighted farm succession differences across continents and provide a clearer understanding of the extent to which these differences are culturally determined.

The Australian Experience

The present study will involve the replication in Australia of the Farm Succession Survey with a sample of 4,000 farm families located throughout Australia. The project will seek to compare Australian trends in career progression, farm succession and retirement with those in other countries. The study will also identify new and emerging trends for the timing and process for entry into, and progression within, a career in farming by the anticipated successor. The study will assist in identifying emerging issues likely to be an ongoing influence on individual decisions to pursue farming as a career path in Australia, and help to identify strategies with the potential for improvement in successful farm business transfer between generations. A comparison of the Australian experience with that elsewhere in the world, will help to identify to what extent the Australian experience reflects a pattern evident elsewhere in the world, and to what extent the Australian experience is unique.



Objectives

- Provide a comparison of Australian trends in career entry, progression, farm succession and retirement with those in five other countries – United States of America, Canada, the United Kingdom, France and Japan.
- Establish the career ladder in farm business successions in Australia and identify how this may differ from that in the other countries participating in the International study, and differ from career ladders suggested by earlier farm succession studies within Australia.
- Identify the educational needs of farm business owners and suitable timing for specific types of educational programs within the farming career cycle, including preparation for entry to and exit from farming.
- The final report will provide an overview of the survey findings and identify the implications for professionals working with the farming community on issues associated with farm business succession, such as rural financial counsellors, accountants, financial planners and solicitors.

Project Details

Project Title: "Farm succession and inheritance - comparing Australian and international trends"

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