



Wisconsin

Managing Farm Succession and Profit Margins

The University of Wisconsin Center for Dairy Profitability challenged dairy producers to focus on farm succession during a time when there were extremely tight margins for the fourth straight year. Needless to say, many producers were more interested in their current financial viability than looking towards the future. The challenge for this project team was to get producers to look ahead. They held four focus groups around the state with 300 producers in attendance to help them understand farm succession tools and strategies and to increase their awareness of family communication issues and potential conflicts regarding inheritances. 150 producers then analyzed strategies to determine what would work

the best for them for their own succession plans. Over 80 then looked at their own financial capacity to reach their succession goals and then identify areas of improvement to improve their profit margins. 45 producers developed a draft of their farm succession plan and then implemented one aspect of this plan.

Project team members reported that the results from the four focus groups were a pleasant surprise. Interaction and participation from families was high and they developed their own networking groups which then aided them in their continued education. Several individual meetings with interested producers were the key to having so many producers move ahead with development of their succession plan.

One family bringing their daughter into their operation found their main issue was communication with this new, evolving business relationship. The project team worked with this family, helping them to identify their strengths and weaknesses to complement their changing management responsibilities. Once they have settled their communication adjustments they will revisit their succession timeline to bring their daughter into the operation in a partner/owner role rather than as an employee.



“This program brought up several valuable points and questions that our family needs to address” – Wisconsin Dairy Farmer





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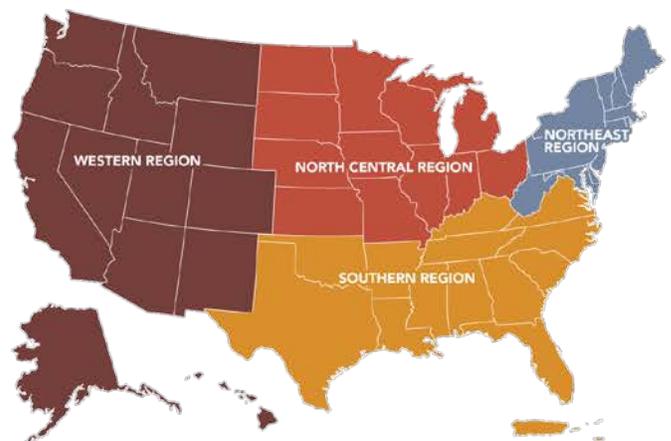
National Institute
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“Educating America’s farmers and ranchers to manage the unique risks of producing food for the world’s table.”

Extension Risk Management Education (ERME) is delivered through four regional centers that provide grant funding and leadership within their regions.

Projects are producer-focused, results-based and encourage public-private partnerships. Funded projects must identify targeted results that will help producers manage risk and then describe how the project will measure those results.

Extension Risk Management Education has funded innovative programs that have generated tangible results for producers in every state. ERME is committed to funding results, providing transparent accountability, and encouraging collaboration. View the accomplishments of all funded projects on our website.
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