

For when it hits you



My Generation

By HOLLY SPANGLER

ABOUT a year ago, Jim Sheaffer and his wife, LouAnn, were making estate tax plans. With a Dec. 31 deadline looming and the potential for tax code changes, they were pushing ahead with gifting plans: an 80 for each of their four children, one of whom farms with them. Some life insurance options. And talk of what would come next.

“When you’re 66 and you’ve been buying land your whole life, you’ve watched interest rates go up, and you sat through the ’80s, and then you realize it: You’re old!” Sheaffer says. He laughs as he says it, but the emotions — and the reality — are much more raw than a growing-older joke.

In truth, it all hit him at that moment: He was transitioning his farm. After a half-century of pushing ahead, of planning for the next year, of planting and harvesting and buying and selling and planting and harvesting, he was shifting gears.

“It was rough. It was hard. It was much harder than I thought,” Sheaffer says, tears close to the surface.

“We knew financially it would work, and we knew it was the right thing to do. That wasn’t the problem,” he explains. “But when we did it, it just hit me. It is emotional for the older generation to pass it all on, even when you know it’s right.”

Those are words every young farmer needs to absorb. Carefully. Because I suspect Sheaffer isn’t alone.

Not just a business decision

I saw a commercial the other day that described retirement as “the time to get paid to do what you love.” And that’s the thing. Most farmers have spent their lives getting paid to do what they love. They don’t look forward to retirement as a time of freedom (exception: livestock).

Farmers tend to have this internal drive — which likely is what makes them successful — but which also means they push on and on, one year into the next,



FARM TRANSITION: “It gets emotional,” says Jim Sheaffer, who farms with his son Kyle at Dixon. “Not because you’re giving up money. But because you’re to that point.”

planning for the next year and the next year and the next. Buy a farm, rent a farm, try a new crop. Very few are punching a clock and counting down the years to retirement.

“A lot of us farmers don’t do a good job of preparing for it, to be honest,” Sheaffer says. “When you’re teaching and you’re 50, you know you’ll retire in a few years. But we just don’t think about it.”

Transitioning to retirement, or even beginning to think about transitioning to retirement, really implies one essential occurrence: Your time at the helm is nearly over. Your chance to do great and big things has almost passed. You are preparing to give up control of your operation. To pass the opportunity on to someone else.

For someone like Sheaffer, who’s farmed on his own since he was 16, control has always been his. His dad and grandfather farmed, but with separate business operations. Sheaffer worries

sometimes that he doesn’t understand what his farming son, Kyle, goes through.

“If I make a comment about how I used to do it, I wonder if it comes across to him that I’m second-guessing. But it’s more that I’m the type of person who checks and re-checks, no matter who or what,” Sheaffer reflects. “You don’t realize how controlling you may come across, even if that’s not your intention.”

To that point

Do we as young farmers misinterpret our parents’ intentions? Do we mistake advice for control? Or see the farm transition as just a business agreement that Dad needs to hurry up and get on with already? Estate planning attorney Curt Ferguson says it can sound flippant to parents when a farming son or daughter asks, “So. When do I get to take over?”

The younger generation thinks they’re simply starting a conversation; the older generation sees their life moving in a di-

rection they hadn’t seriously considered before. It can be startling.

My husband and I are 41 and 37, and it hit me during our early 30s that we were no longer beginning farmers. I suppose we’re technically young farmers, still. Maybe. But it’s unsettling to realize time has passed, even when you know it surely has. Sheaffer says the same, frighteningly: “From 36 to now, when I’m 66, it’s just ... wow! Where did it go?”

“All of a sudden you realize, you can’t be a young farmer at 60.”

That’s the thing: Transitions are always on the horizon. But actually stepping over the threshold is a whole new ballgame. And when Dad and Mother are looking at passing on land and/or control, know that it isn’t all about the money. It’s hitting them more — and in different ways — than you realize.

■ **Comments? Send an email to hspangl@farmprogress.com.**

Report questions trend-line yield assumptions

FEEDING the 9 billion people we’ll have by 2050 could be harder than first thought if the conclusions of a report released in December come true.

Researchers at the University of Nebraska-Lincoln note that yield gains are, in fact, decreasing, which will make meeting global food demands harder. The researchers also report that yield plateaus or actual decreases in key crops could be a significant challenge.

The research team says about 30% of the major global cereal crops of rice, wheat and corn may have hit their max-

imum possible yields in farmers’ fields. The team, which includes Kenneth Cassman and Patricio Grassini of UNL’s Agronomy and Horticulture Department, and Kent Eskridge, statistics, studied past yield trends in countries with the greatest cereal production, and they offer evidence against projected linear crop yield increases.

The data suggest the rate of yield gain has recently decreased or stopped for one or more of the major cereal crops in many of the most intensively cropped areas of the world — including eastern Asia,

Europe and the United States.

Some are claiming this is a challenge for commercial agriculture, which contends it can meet future food needs. But the stats presented by the UNL researchers offer some insight into the true challenge ahead.

The UNL Institute of Agriculture and Natural Resources scientists calculate that this decrease or stagnation in yield gain affects 33% of major rice-producing countries and 27% of major wheat-producing countries. They note that in China, the increase in crop yields in wheat has re-

mained constant, and rate of corn yield increase has fallen by 64% for the 2010-11 period relative to 2002-03, despite a major increase in ag research spending.

The researchers point to a popular idea that corn yields can rise to 300 bushels per acre, on average, by 2030 — but they point out that to achieve that goal, producers would have to push yields up 3.6% per year.

“This rate is four times greater than the rate of increase in U.S. [corn] yield from 1965 to 2011,” the report says.

Source: University of Nebraska-Lincoln