

The Smartest Things We Did

Ranchers share how they have maintained ranch profitability, sustainability and family values for multiple generations.

by **Troy Smith**, field editor

How do farm and ranch families maintain operations that are profitable and sustainable, and keep those operations in family hands for multiple generations? Three patriarchs of diverse cattle operations were asked to share the smartest things they did during a Cattlemen's College® session of the 2014 Cattle Industry Convention in Nashville, Tenn. Their answers differed in many respects, but all stressed the importance of planning for generational transfer.

Rooter Brite of JA Ranch, Bowie, Texas, said his grandfather established the operation in 1929, acquiring land that former owners had lost to bankruptcy or foreclosure. Range condition on many properties was not good at the time they were purchased.

"Long term, each generation of management has tried to keep expenses low but build and maintain a high-quality forage base. That's been our drought insurance. It has served us well in a country that is usually dry with brief reprieves," explained Brite.

Johnny Harris, of Greenview Farms, says his family has farmed and raised cattle in

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Georgia for 150 years. At one time, Harris grandfather had 100 employees. Now, a bigger operation is handled with three employees.

"First, we give the glory to God," said Harris, stressing the importance of faith, family and community. "But adoption of technology has steadily made our operation more efficient and sustainable. We also seek the advice of experts and try to share what we've learned with others, too."

Dillon, Mont., rancher Jim Hagenbarth urged other public lands ranchers to be proactive in protecting public lands grazing. He warned that the loss of these ranchers will likely result in the loss of the open space and "wild" places that critics claim they want to save. Hagenbarth also praised the value of a good business education.

"My father gave my brother and me good lessons in the importance of family," added Hagenbarth. "He warned us to never let the operation come between family members. Family is more important."

Calling it a difficult thing to begin, Hagenbarth recommended consultation with experts in estate planning. Parents, he said, should plan their exit so it doesn't take the operation away from their heirs.

"The value of most ranches is in the real estate. If you're giving it to your children, treat them fairly. That doesn't necessarily mean that you divide it equally."

Brite and Harris agreed that professional guidance is valuable in finding the best of numerous vehicles for transferring assets. One of the easiest ways a family operation can be lost, they added, is through poorly planned transition.



Editor's Note: This article is part of the Angus Journal's online event coverage of the 2014 Cattle Industry Convention and NCBA Trade Show. You can view the Journal's coverage in its entirety in the newsroom at www.4cattlemen.com.

Stop the fighting on the way to the funeral home

Family-business consultant shares best practices to help farm families successfully transition their farms and ranches to the next generation.

Have you ever considered: "If dad died today, what would happen to the family farm?"

Not only does Jolene Brown ask families that question, she's counseled families who deal with that very real scenario. Iowa-based Brown lives and works on a farm with her husband, Keith, but she's also a champion for agriculture through her roles as author, professional speaker and family-business consultant. Brown says she's on a mission to share best practices for families to help successfully transition their farms and ranches to the next generation.

Another question Brown likes to ask is this: Have you ever been bitten by an elephant? The answer is always no. Then she asks, "How about a mosquito? ... It's the little things that get us, and soon we are fighting on the way to the funeral home."

Brown is an advocate for communication and planning among family members to create a succession plan for the future of

their business. During her Cattlemen's College® session at the 2014 Cattle Industry Convention in Nashville, Tenn., Brown shared many stories of the mistakes she's seen families make.

Topping the list of mistakes is a mind-set placing family first as opposed to business first. Brown says, "Sometimes a family-first business works out — that's luck."

She promotes a business-first mind-set and says, "That does not mean the family is less important. Instead, it suggests that members honor the family so much that they are willing to take care of business."

Along with that, she emphasizes, "Just because you were born together doesn't mean you should work together. Acceptance in a family is unconditional. Acceptance in a business is conditional and not a birthright."

Before family members come back to the farm or ranch, Brown advocates they work for someone else for two to three years. She

points out that this gives them a multitude of perspective — from taking orders from a boss and learning to show up on time to realizing they can be fired.

If the business owners and leaders do agree that additional family members (the next generation) can and should be incorporated into the business from a financial perspective, Brown says several aspects should be considered. No. 1 is the question: If you want to come back to the farm or ranch and work, what do you bring to the business? Are you a great mechanic, herdsman, etc., and does the business need those attributes?

The process of bringing the next generation into a family business is not an easy one, Brown conceded, but with communication it can be done.

For more about Brown and the advice she shares, visit www.jolenebrown.com. She offers a book titled *Sometimes You Need More Than a 2x4* with how-to tips and real-life experiences of working with families in business.

— **Kindra Gordon**, field editor