



Selling Family Farmland

We are moving into a time when the non-farming adult children of second or third generation farmers are considering selling land they inherited from mom and dad. They have rented it out for years, and health issues or the need to support their own family or retirement in difficult economy, has brought them to the realization.

However, what makes this particularly challenging for all involved is the dynamics with the family structure, not the property. It's a rare group of retirement age siblings who can sing in harmony on such an emotional subject. Sometimes, it is the guilt of letting land go when it was homesteaded by ancestors overcoming great

challenges.

Those stories have been passed down from generation to generation, often at the dinner table. My grandfather walked daily two miles into town for his off-farm job as a printer while proving up the quarter we now live on. He had to choose between owning a saddle or carriage horse or investing in two draft horses to pull the farm equipment. The quarter next to us was settled on by a teamster who freighted goods between North Battleford and Lloydminster to serve the new Barr colony on the Alberta / Saskatchewan boundary. His fourteen-year-old son was pulled out of school to look after the livestock plus do much of the necessary fieldwork. Father would stay overnight when passing through. Sometimes it would be weeks between visits depending on weather conditions. With heritage like that no one wants to be the person in the family who gives the land up.

Secondly, it is the interpersonal relationships of the brothers and sisters themselves. Every family has at least one dominant personality who likes to assert their will on others. Or it can be unforgiven trespasses, like stealing a boy friend back in high school or not repaying a loan from mom and dad.

In one case recently, I was interviewed by four professionals about the tender process. All of them had been successful in their own endeavors and weren't used to listening instead of speaking. Each felt the need to assert their own opinion, instead of looking for common ground.

In another, three couples were on title and one of the six felt threatened, so withdrew from the decision-making process forcing it to come to a halt, even though everyone knew selling the land was the right thing to do given the circumstances.

It is important to consider all the facts before making a final decision. What is the current estimated value of the property based on comparable sales? If there is a lease, what impact if any, will that have on buyer interest? The tenant has asked for "right of first refusal". What are the advantages and disadvantages of this on a sale? If we decide to sell on the open market, what will work best - tender, MLS, or auction? Do we need outside assistance, or can we simply do this ourselves? From my perspective, getting approval in principle from all stakeholders to discuss a potential sale is the first step.

Second, obtaining a professional opinion on current value and not from the neighbour, municipal administrator, tenant, or local family member. Hire a professional with a proven track record in local farmland who can give a written report to all stakeholders. This can be an appraiser or a Realtor. What is most important is their experience with farmland as valuation is both an art and a science.

Third, if I had my choice, a family conference with both the Realtor and lawyer present after which a "go – no go" decision can be made. The attributes of the land itself will determine the best approach to selling - private brokerage, sealed tender, the Multiple Listing System or auction. All have merit. All have drawbacks. These need to be understood by the owners.

And what is most important as a selling family is to be united, as buyers will sniff out dissension and when they do, the train quickly goes off the tracks.