

Farm Management

Marriage affects estate



Country Counsel

By ROBERT MOORE

ESTATE planning for farm families presents special challenges due to the nature of the farming business. Farmers in their second marriage often find that incorporating the second spouse into an estate plan presents even more challenges. However, several strategies are available to overcome these issues.

First marriages present less of a challenge because the estate plan typically has the spouses' assets taking care of each other, and then the children or other beneficiaries. Second marriages involve balancing the needs of the second spouse with the inheritance of the children. Consider the following example:

A farmer is remarried and is in partnership with his two sons. His primary assets are the farm partnership, farmland, residence and cash/investments. The farmer's two goals are to provide for his wife if she survives him and allow the sons to con-

Key Points

- A second marriage offers special challenges to farm estate planning.
- A trust can offer options to distribute assets fairly after death.
- Other options include life insurance, right of first refusal and leases.

tinue farming with minimal impediments. Leaving everything to his wife could cause significant problems for the sons. The wife will likely be required to sign off on any loans and could potentially cause the farm assets to be inherited by her children. Conversely, if the farmer leaves everything to his sons, the wife may struggle to take care of herself after the farmer dies.

Trust scenario

Usually, the best way to deal with this type of scenario is to work through a trust and a combination of some assets going to the spouse, some to the children and some held in trust for the spouse's benefit. Using the example above, cash/investments are a good asset to go directly to the spouse. These assets are not directly tied to the farm, and it gives the spouse security by

having funds immediately available to her. The partnership can go directly to the sons so they can continue to operate the farm without any hindrance. The residence and land can be put into the farmer's trust. The residence is available for the wife to live in for the rest of her life. The land sits in trust for the remainder of the wife's life so she collects any rent paid to the land. A provision is included in the trust that requires the land to be leased to the sons at a reasonable rate to provide a land base for the farm. Upon death of the wife, the residence and land then pass to the sons.

A trust is the key to most successful farm estate plans involving a second marriage. The trust allows some assets to be held for the spouse's benefit while ultimately going to the children. The trust can also include special provisions for renting farmland back to children, trading or selling the residence, and managing other farm assets. It is possible to make these provisions in a will, but it is more difficult and will likely be harder to implement during the estate administration.

The plan outlined here is just one of many options available. Other strategies include life insurance, right of first refusals, long-term leases and life estates, to name a



few. Dealing with a second marriage should not be an excuse for not starting an estate plan. Tools and strategies exist to take care of the spouse and ensure that the farming operation is transferred to the next generation in a smooth manner.

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Cooper to lead National Turkey Federation

GARY Cooper, COO of Cooper Farms, was recently elected chairman of the National Turkey Federation at the organization's annual convention. As chairman, Cooper will lead the NTF 2014 executive committee in its mission to strengthen the turkey industry and raise awareness about turkey farming.

"I am honored to be representing the turkey industry as the newly elected chairman of the National Turkey Federation," said Cooper. "Our NTF staff is located near Capitol Hill in D.C. They are very committed to and concerned about providing the best service to all members of our turkey industry. I intend to work with them closely to continually increase the positive offerings the NTF has to enhance each turkey company in the USA."

Cooper spoke to an audience of more than 350 at the NTF annual banquet after

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becoming chairman. He talked about Cooper Farms' 75-year history and his vision for the future of the turkey industry.

Beck chosen as leader of the year

The National Agri-Marketing Association has named Sonny Beck, president of Beck's Hybrids, as the 2014 Agribusiness Leader of the Year. This award, NAMA's highest honor, recognizes outstanding leaders in agribusiness, education, government service or other agribusiness-related areas who exemplify excellence in agribusiness by significant contributions to the industry.

Beck has led Beck's Hybrids to unprec-

edented growth. It is the largest family-owned seed company in the U.S. and the sixth largest seed company in the U.S. Under Beck's leadership, Beck's Hybrids has experienced a 20% increase in sales each year for the past 20 years, doubling in size every four years.

Jones joins Guernsey association

The American Guernsey Association has hired Lewis Jones as chief business administrator. He will be responsible for the financial management and staff oversight of the association and Purebred Publishing, a division of the AGA. Jones will assume these duties in mid-April.

A graduate of Ohio State University, Jones currently oversees the Spring Dairy Expo as show manager. For 15 years he has worked with the Ohio Department of Agriculture, where his responsibilities included di-

recting the ODA Dairy Division sanitation program. He also served as deputy director. Prior to that, he spent several years as an auditor of milk and products receipts and distributions with the Federal Milk Market Administrator, Federal Order 33.

Pork Schop promoted

The Pork Promoter of the Year Award was presented to the Ohio Pork Schop during the 2014 Ohio Pork Congress. The Ohio Porkettes, later known as the Ohio Pork Council Women, established the Ohio Pork Schop in the 1960s.

The shop has become a landmark in the O'Neil Swine Barn at the Ohio State Fair and has been described as "a gift shop where you can buy anything and everything pig related." Barb Stuckey, Bucyrus, serves as chairwoman and has been involved with the Pork Schop for more than 30 years.

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