

Mediation in Farm Succession & Fees

A farm succession plan covers several key areas:

- Identifying and preparing the successor
- Evaluating the farm's financial and operational status
- Addressing legal and tax implications
- Creating a timeline for the transition

It involves **communication strategies** among family members and stakeholders

Scenarios that often need mediation:

Family Disputes

Legal and Tax Issues

Differing Visions

Role Clarity

Financial Concerns

Mediation can help facilitate discussions, resolve conflicts, and develop mutually agreeable solutions

Family disputes in the context of farm succession can include:

Who Takes Over

Financial Contributions

Equity and Fairness

Personal Relationships

Operational Control

These disputes can complicate the succession process and may require mediation to reach a fair and workable resolution.

In the context of farm succession, **differing visions** often arise when family members or stakeholders have varied ideas about the future of the farm.

1. **Agricultural Focus vs. Diversification**
2. **Expansion vs. Consolidation**
3. **Family Ownership vs. External Partnerships**
4. **Conservation vs. Production Maximization**
5. **Full-Time Farming vs. Part-Time or Hobby Farming**
6. **Traditional Practices vs. Modernization**
7. **Equitable Distribution vs. Primacy of One Heir**
8. **Community Engagement vs. Isolation**

Differing visions can create challenges in reaching a consensus on the future direction of the farm, making clear communication and strategic planning crucial in the succession process.

In the context of farm succession, **financial concerns** can play a significant role in the planning and decision-making process. Here are some common examples:

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|---|---|
| 1. Valuation of the Farm | 6. Succession Financing |
| 2. Inheritance Taxes | 7. Operating Costs and Profitability |
| 3. Cash Flow and Debt Management | 8. Off-Farm Income |
| 4. Fairness in Distribution | 9. Market Volatility |
| 5. Retirement Funding for the Older Generation | 10. Insurance and Risk Management |

Financial concerns must be carefully addressed to ensure a smooth and sustainable transition of the farm from one generation to the next.

In farm succession, **legal and tax issues** are critical factors that can significantly influence the transition process. Here are some key examples:

Legal Issues

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| 1. Ownership Structure | 4. Land Use and Zoning |
| 2. Estate Planning | 5. Dispute Resolution |
| 3. Buy-Sell Agreements | |

Tax Issues

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|-------------------------------|---|
| 1. Estate Taxes | 4. Income Taxes |
| 2. Capital Gains Taxes | 5. Property Taxes |
| 3. Gift Taxes | 6. Self-Employment and Payroll Taxes |

Legal and Tax Strategies

Trusts, Family Limited Partnerships (FLPs), Conservation Easements

Addressing these legal and tax issues with the help of professionals, such as attorneys and tax advisors, is crucial to ensuring a smooth and financially viable farm succession.

Role clarity is essential in farm succession to ensure that each person involved understands their responsibilities and expectations. Clear roles help prevent misunderstandings, reduce conflicts, and contribute to a smoother transition. Here are some examples where role clarity is particularly important:

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|---|---|
| 1. Successor's Role | 7. Role in Strategic Planning |
| 2. Retiring Generation's Role | 8. Conflict Resolution |
| 3. Non-Farming Family Members | 9. Community and Industry Relations |
| 4. Farm Employees and Managers | 10. Succession Planning for Future Generations |
| 5. Spouses and Partners | |
| 6. External Advisors and Professionals | |

Clarifying these roles through formal agreements, documented plans, and regular communication helps ensure that everyone involved in the farm succession is on the same page, which is vital for the long-term success and sustainability of the operation.

Fee Schedule

Rates are subsidized by grants and donations and do not reflect the true market value of services.

Initial Consultation/Case Development Calls	FREE
Mediation & Restorative Dialogue Sessions (most case types):*	\$175/session/party (most sessions are about 2 hours; fee covers up to 3 hours.)*
Housing Mediation (e.g. landlord/tenant):	FREE
Agricultural Mediation (through Oregon's USDA Certified Agricultural Mediation Program):	4 Hours FREE if Oregon-based. \$175/session/party if Washington-based. No hourly cap if involving USDA agencies in Oregon. \$50/hour for mileage/travel for mediators (max \$200)
Farm Succession Planning** (referred out to an expert; info below):	\$100/hour/family unit. Up to max rate of \$300/hour "Family unit" is defined as family owners of the company, i.e. all family members with ownership shares.
1:1 Assessments	\$85/session/party (up to 1 hour)
Group Facilitation	\$1,000/session (2-3 hours). Includes preparation & 2 facilitators.
Agreement drafting / reviewing with parties, if outside of session:	\$50/hour/party
Cancellation, less than 24 hours notice:	No refund.

- No one will be turned away due to inability to pay.
- Clients will be invoiced separately. We must receive payment or a Sliding Scale/Fee Waiver Application from both/all parties prior to mediation. Staff may modify/waive fees for parties who qualify, or at their discretion. The fee of the other party will not be impacted.
- If a party does not show up for a mediation session and we do not receive contact from that party prior to 24 hours, we will keep the **full** fee of the no-show party. We will refund the party who does attend (if the mediation is not rescheduled).

*For mediations involving parties from the same household (e.g. parent/teen), the rate is \$175/session/household. For mediations involving parties from the same workplace, the rate is \$175/session/workplace.

**Farm Succession planning is defined as passing ownership of the farm (including land, machinery, livestock, and contracts) to the next generation. Succession planning does not include the distribution of assets common to marriage dissolution, which is included in OCAMP's covered mediation services. The rate of \$100/hour/family unit covers mediated planning discussions. Additional contracted services, including evaluations of farm activities, drafting legal documents, and other specialty services would incur an additional cost.

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