

Plan Ahead

Communication is key to a successful transition to next generation

By Renee Stern

Handing on a family farm to the next generation requires more than financial and legal planning. Everything else falls apart without younger family members who are interested and able.

Given the range of personalities and situations, no single solution exists. But one common theme emerges from growers with multiple generations of successful transitions: Communicate as much as possible.

Clear communication is critical with estate planning and asset management, especially when only some of the younger generation join the business.

Mike Wittenbach, owner of Wittenbach Orchard in Belding, Mich., was alone among his siblings in his interest in a farming career, and it's too early to know whether his teenagers or his siblings' kids will want to continue the chain. But his parents believed that family members who didn't put in the work shouldn't reap the rewards.



PHOTO COURTESY OF THE WITTENBACHS AND THE MICHIGAN APPLE COMMITTEE

Fourth-generation Mike (left to right), Ed's wife Linda and third-generation Ed Wittenbach have found that clear communication helps them successfully balance family and farming relationships.

“It’s a tough decision,” Wittenbach says. “It has to be communicated clearly to everyone involved.”

Consider writing down any plans, says Robert Y. (Bob) Sakata, president of Sakata Family Farms in Brighton, Colo. He drew up a contract for his son Robert T. (R.T.) Sakata to avoid a repeat of his own difficult transition.

“It’s a mistake not to write things down and [instead] say ‘trust me,’” he says. “No one can be comfortable working their tail off for no certainty.”

Communication helps diffuse problems

Juggling both family and professional relationships can test even tight-knit clans. Strong communication skills can defuse many potential problems, says Keith Stennes, general manager of Stennes Orchards Inc. in Pateros, Wash., who works alongside his twin sons, Mark and Kevin.

“We’re all three on the same wavelength,” the senior Stennes says. “There’s very little we don’t agree on.”

His original plan was to split holdings equally to allow his sons to farm their own orchards. Instead “They found their own level.” Mark manages production and Kevin handles sales for the family’s organic and conventional labels.

Good communication also means using every opportunity to educate younger family members and include them in business operations and decisions, Keith Stennes says.

His sons showed early interest, picking up the latest trade magazines for after-school reading. “I started bouncing decisions off them when they were 15 or 16,” detailing options and his reasons for each move, he says.

And while involving kids in farm work from an early age is important, don’t push them too far too fast and burn out their interest, says Buzz Rowe, who runs Rowe Farms Inc. in Naches, Wash., with his two sons.

Don’t use your kids as “slave labor,” Stennes says. “I’ve seen families drive kids away from the business by maintaining complete control.”

But the next generation must earn their position, says Paul Wenger, president and chief executive officer of Wenger Ranch in Modesto, Calif. “They can’t come in and expect to be a partner right away,” he says. That’s a sure way to lose employees’ respect.

“We have third-generation employees,” Sakata says. “Every one of them understands the responsibility and hard work all our kids went through.”

Balance early work experiences on the farm with fun, Wittenbach says. Look for ways—piecework, for example—to illustrate that rewards increase as you work harder.

And, he says, “As they get older, it’s important to instill in them that they have to bring something to the table.”



PHOTO COURTESY OF THE WENGERS AND THE CALIFORNIA FARM BUREAU FEDERATION

Paul Wenger (fourth from left), who followed his father (second from left) on the family farm, says he believes each generation must earn their positions. Paul Wenger's sons (to his right) are doing just that.

Distance brings clarity

One way to accomplish that is with off-the-farm work experience. “It’s always good to have people go outside to develop new skills to bring back,” Wenger says.

That’s not always possible, however. Stennes first took charge when a heart attack incapacitated his father.

Wenger’s work with the California Farm Bureau has taken time away from the farm, so his three sons have jumped in early to help run the business. Once the youngest finishes college, the four Wengers will decide how best to divide duties.

Distance from a familiar setting helps brings clarity. “A good manager has to be able to analyze himself,” Wittenbach says. “And if you don’t get outside the business, it’s hard to do that.”

Sakata suggests first giving kids as much education as they want. If, after that, they express interest in returning to the family farm, “Tell them no,” he says. “Tell them to go out in the wider world” for a time.

“It’s a gutsy call,” he says. “They may never come back. But agriculture is so volatile that you don’t want your heirs to ever look back and use the two-letter word ‘if.’”

Handing over control

Once both generations begin working together full-time, handling control and decision-making can be tricky.

Rowe says his father was ready to relinquish the helm, handing over the business without much subsequent input. He hasn’t quite reached that point in his turn.

“I give my son who’s the orchard manager more advice than my dad ever did,” he says. His son seems to take it in stride, listening and then making his own decisions.

“A lot of it is letting go,” Wenger says, who also joined the business when his father was ready to retire. The harder part was trying to match his father’s efforts -- until he realized he didn’t have to.

“He’d still be on the tractor when I’d come in for lunch,” he says. “He just really liked driving the tractor, but he didn’t want to have to do it.”

Balancing respect for established practices with a willingness to accept change can be difficult for both sides, Wittenbach says.

“It’s easy for the generation coming into the business to think they know it all,” he says. “You have to be patient. It’s not so easy to be the boss.”

That can be a hard lesson to teach, Wittenbach says. “You have to allow your kids to fail or succeed by trying things.”

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