

In Family We Trust

A history of supporting one another and seeking outside experts helps keep this farm business moving forward.

The ability of longtime farm

owners to let go of control of a family operation and transition it to a new generation can be a “learned behavior,” if southwest Ohio’s Bryant Agricultural Enterprise is any indication. The 19,000-acre corn/soybean/wheat farm near Washington Court House is moving solidly into its third generation, with an experienced eye toward the fourth and beyond.

On a late-June morning, the third-generation’s Heath Bryant, 37, is in the machine shed with nearly a dozen employees trying to gauge what work can be accomplished. Rains that have delayed and prevented planting on thousands of acres all spring have finally dissipated, and there is wheat to be harvested and soybeans that need to go into the ground.

They decide to go ahead with wheat harvest and soybean planting in certain locations where the soil seems solid enough to permit machinery.

Nearby is Kasey Bamberger, 27, Heath’s cousin and day-to-day comanager of the operation. Their fathers, Mark Bryant, 54, and Mike Bryant, 60, had run the farm for years in partnership but have gradually yielded the operation’s management to their children.

“My Dad [Mark] ran the business side of the farm, while Heath’s father [Mike] was the operations manager,” Kasey says. “We have pretty much assumed our fathers’ roles. I tell people I work on everything inside, and Heath does everything outside.”

Says Mark: “Our parents instilled in Mike and myself a trust in the family. We know that everybody is going to make mistakes

but not to dwell on them, and to support each other, learn from the mistakes and move on.”

EYE ON EXPERTS

The transition of the farm to their children is part of a plan on the part of Mark and Mike, and their wives, Kim and Christy, respectively. The transitions have been easier because the Bryants have a long history of seeking expertise wherever they can find it to help make decisions about the business.

Here are the primary examples:

- Kasey and Heath’s grandparents, John and Patsy Bryant, joined an input-buying group in the late 1970s, and the farm is still a member today. The member-owned organization has also spun off grain marketing and crop insurance companies.

- Not only did the two younger cousins get work experience off the farm before coming back, so did Kasey’s father. All three say the experience was key to how they approach the business.

- Brothers Mark and Mike hired a non-family operations manager 15 years ago when they realized neither of them was particularly suited to the job.

- The family’s planning for succession and the transfer of the business were conducted with the help of an outside mediator. The discussions for the future were transparent, involving all family members and Heath and Kasey’s five adult siblings, who do not work on the farm.

The input-buying group of area farmers, Premium Agricultural Commodities Inc. (PACI), based in Hillsboro, has its own full-time staff.

“I feel very confident we are saving money with the group,” says Kasey, who says PACI now has about 35 members. “I know they save us time in terms of sitting down with chemical reps, fertilizer and seed reps to get the best prices. We still have relationships with our dealers to talk about what we’re using, but the pricing is negotiated by PACI.”



VALUABLE LESSONS

In terms of off-farm experience, Kasey spent two years working with an Ohio-based entrepreneur (now deceased), commercial real estate developer and farmland investor. Functioning as his apprentice, she helped develop the accounting for various projects and was consulted in her boss's decision-making process.

"He gave me confidence that even though I was young, he asked my opinions," Kasey says. "He challenged me to think differently, to look for the opportunities in plain sight."

For two years during college and then after graduation, Heath worked for a company building barns. Then, during the decade following, he worked as the operations person for an area farmer doing nearly everything but marketing crops.

Kasey's father spent nearly two years working for farm-supply dealer and legendary Kentucky megafarmer Billy Joe Miles in the late 1980s. "He took me under his wing," Mark says. "I learned a lot from that sharp mind about business structures and how farming is conducted at a certain scale. That was my four-year college degree."

Both Kasey and Heath returned to the family

operation full-time in 2013. "We both came back as entry-level employees," Kasey says. "That is something we both valued; we learned to work alongside employees that have been here a long time."

The experience off the farm was important. "If our kids and grandkids are planning to come back to this farm, we'll have them work off the farm, as well," Heath says. "It is good to work somewhere else and

Employee Steve Cox combines wheat in a field that will be double-cropped with soybeans.



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Kasey Bamberger confers with her father, Mark Bryant.

Overcome Succession Obstacles

“The biggest barrier to making a succession or estate plan is the hesitance of family members to have difficult conversations,” says Melissa O’Rourke, Iowa State University Extension farm and management specialist, and an attorney.

“Many times there are on-farm and off-farm heirs, and you have to consider what is fair versus what is equal,” O’Rourke says. “If there are four children, you can’t necessarily divide the pie into four equal pieces if you want to have the operation continue into another generation.

“Share the essential aspects of your estate plan with the entire family,” she continues. “This is one of the best ways to head off conflict and hard feelings among family members.”

Though finances may be tight, O’Rourke explains, farm families shouldn’t rely on the farm itself as their entire retirement plan. Other investments—other assets—are what can be used as gifts or inheritance for non-farming heirs.

Alternatively, those other assets can be used by the parents to purchase life insurance policies that pay nontaxable cash to the non-farming heirs. Or, the farming heirs may choose to purchase life insurance on their parents as a way to “buy out” non-farming siblings upon the death of their parents.

Certainly, a smooth transition relies on planning, even if federal estate tax worries don’t apply to most operations. As of the 2017 tax bill, individuals are allowed to leave more than \$11 million to their heirs, estate tax-free. That means a farming couple can leave about \$23 million to heirs without being liable for federal estate tax.

Read more from O’Rourke on estate and succession planning at www.extension.iastate.edu.

bring back new ideas.”

Bryant Agricultural Enterprise, Mark explains, entered a new phase of growth 15 years ago, when he and his brother decided they needed a day-to-day person running the farm. “Our biggest jump was when we hired an operations manager,” he says. “Mike and I decided neither one of us liked to manage a lot of employees, so we promoted an existing employee.”

There was a learning curve involved. “I’ll be the first one to say it is hard to give up control and not step in,” Mark says. Over time, the comfort level for the two brothers with having a non-family member running the daily show grew.

“We tell our people to be honest and open,” Mark says. “You won’t get fired for disagreeing with us, and our operations managers have told us when we’ve overstepped our bounds.”

Today, the farming operation is owned one-fourth each by the four couples in the partnership: Mike and Mark, and their wives, along with Kasey and her husband, Brad, and Heath and his wife, Abbie. In early 2019, the two younger couples increased their share in the partnership from 10 to 25% by buying shares from their parents.

ESTATE PLANNING

The moves were part of a plan begun several years ago when the family used an outside mediator to help them talk through what the future would hold. As a result of several daylong meetings, the five siblings of Heath and Kasey understand clearly how the two primary managers would gradually assume more ownership.

The siblings not on the farm will still benefit financially, as well, but that transfer will come from their parents via the wealth the parents are accumulating through Heath and Kasey buying out their shares.

“This ensures that we can continue the farm business without having to split the operation into pieces for every sibling,” Heath explains.

“Essentially, what is happening is we are buying out our siblings by purchasing our parents’ shares,” Kasey says. The financial benefit to non-farming siblings will come directly from their parents in either the form of gifts during the parents’ lifetimes or via inheritance at their deaths.

The planning early on and the transparency were key, Kasey says. “The advice I would give to anyone is have those conversations when there are no pressures and everyone is getting along. Then the process is spelled out, and everyone agreed to it.” ///