



Land As Your Legacy®

A transition planning program for
farmers and ranchers

Why transition planning may be right for you



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Your Presenter

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Agenda

- Agricultural demographics
- Nationwide's ties to the agricultural community
- The need for transition planning
- What is Nationwide's Land As Your Legacy program?
- Some common family scenarios
- Some things to consider
- Next steps



Nationwide's history is rooted in agriculture

1926 Ohio Farm Bureau leaders launch Farm Bureau Mutual

1955 The name Nationwide was adopted to reflect growth goals

1982 Nationwide acquires Farmland Insurance, now Nationwide Agribusiness Insurance, a 100-year-old company and America's leading farm insurer.

2011 Land As Your Legacy is launched to support succession planning amongst farmers and ranchers

Today Nationwide Agribusiness is America's #1 farm insurer. Nationwide is a Fortune 100 company* and supported by nine state farm bureaus and two regional farm cooperatives



*For fiscal year ending on 1/31/15



About 97%
of U.S. farms are
operated by families²

Only 11%
of family farms have
transition plans in place¹

70% of U.S.
farm land will transfer to the
next generation over the
next 20 years³

1 *Keeping farm in family requires strategy*, Larry Copeland, USA TODAY, July, 9 2012.

2 *Fast Facts About Agriculture*, *The Voice of Agriculture*®, American Farm Bureau Federation®, fb.org/index.php/index.php?action=newsroom.fastfact

3 *2012 Census of Agriculture, Preliminary Report Highlights*, agcensus.usda.gov.Publications/2012/Preliminary_Report/Highlights.pdf



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Only 15% of family businesses pass to the next generation



And even fewer to the third*

* Odds are your family business will not pass to the next generation, Atlanta Journal-Constitution, July 27, 2013
<http://www.ajc.com/news/business/odds-are-your-family-business-will-not-pass-to-the/nY5zC/>

A Land As Your Legacy® Presentation





Who has a transition plan?



Need for farm and ranch transition planning

- Transition planning can help with:
 - Preserving a legacy
 - Safeguarding the value in an operation
 - Setting up an orderly transition of ownership
 - Providing education on financial basics
 - Turning non-liquid assets into cash to cover taxes and expenses
 - Identifying and managing risks



5 key phases of Land As Your Legacy

- 1 Succession planning
- 2 Business planning
- 3 Risk management
- 4 Financial independence
- 5 Estate planning



Step 1: Fact gathering

What is it?

Will involve one or more meetings to uncover the objectives necessary to develop a transition plan

Who's involved?

People key to the farming operation, your Land As Your Legacy advisor

Step 3: Implement plan

What is it?

The family deciding on a course of action and taking the necessary steps to ensure a proper transition of the farm when necessary

Who's involved?

People key to the farming operation, your Land As Your Legacy advisor and possibly legal and tax professionals

Step 2: Plan development

What is it?

Nationwide's process to design a suggested transition plan tailored to your specific needs and objectives

Who's involved?

People key to the farming operation, your Land As Your Legacy advisor with support from Nationwide

Step 4: Annual Review

What is it?

The family meets on an annual basis to discuss any changes that may have taken place or will be taking place that could alter the existing plan

Who's involved?

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Step 2:

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Building your team



Common family scenarios

Active Farming Children

Can the operation support multiple families in the next generation? Does everyone know their role?

Non-Active Farming Children

Is there a role for a non-active child? Concept of Fair vs. Equal

Active Farming Family

Is there a brother or sister you farm with today? What are their plans?

Non-Family Members

Is there a key person or property that the operation needs to retain? Are there ex-family members that could affect the operation?



Some things to consider

- Older generation's resistance to retire or desire to maintain control after retirement
- Failure to identify succession leadership and mentor next generation leaders
- Sibling frictions: estate equalization and fractured ownership
- Lack of money to pay for succession planning and support
- Fear of crippling financial effects of final illnesses and estate clearance costs



The next steps

1. Complete your evaluation
2. Schedule a meeting with your Land As Your Legacy advisor
3. Start thinking and get organized
 - Transition planning checklist
 - Document checklist



Thank you!