

Leadership in Your Ag Legacy

Tom had operated the family ranch for forty years and knew every inch of the land. His daughter, Sarah, worked by his side every day, putting in the sweat and long hours required to keep things going. But lately, the tension between them had begun to boil over. Standing in the shop, Sarah threw her wrench on the workbench in frustration.

She had just asked permission to buy a \$500 replacement part for the baler again. Even though she was supposed to be taking over the farm, she felt like a hired hand. Tom felt defensive, terrified of losing control of the business he had built.

Their failure to communicate and lack of a clear plan for passing down leadership was slowly tearing their relationship and the ranch apart.



Defining Farm Leadership

When families talk about passing down the farm, they often think about writing a will or transferring the deed. However, it is important to remember that true succession planning is actually about the transition of leadership, while estate planning is about the transition of assets. Ownership means you hold the deed to the land, the equipment, and the net worth of the business. Leadership, on the other hand, is about running the day-to-day operations, being responsible for the financial performance, and using the right skills and competence to make the business successful.



Many parents believe that a son or daughter who has worked alongside them for years will just naturally pick up these management skills and be ready to make the big decisions alone. But leadership must be actively taught and intentionally handed down. If the family does not make a clear plan to transfer management, the entire legacy is put at risk.



What Leadership Looks Like on the Farm

Stepping into a leadership role means taking on specific duties. In a farm or ranch setting, leadership generally looks like two things:

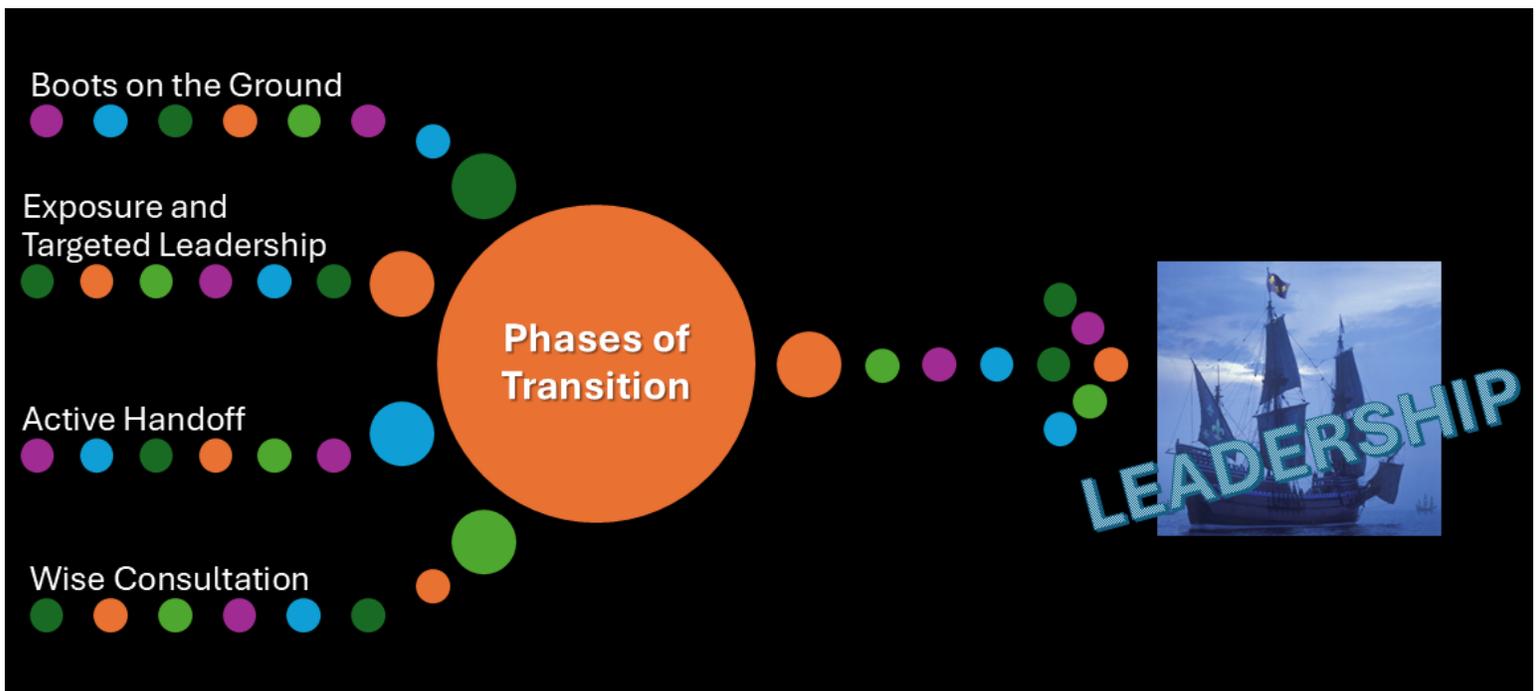
1. Clear Decision Rights: Good leadership requires clarity about who is in charge of what. Families can prevent a lot of arguments by creating a simple one-page document that lists specific decision rights. This means agreeing in writing on who decides when to rotate pastures, who formulates the feed mix, who authorizes equipment repairs over \$500, and who sets the sale price. Clarifying this authority before a crisis hits stops conflict in its tracks and ensures that everyone knows who is leading which part of the operation.

2. Managing People and Morale: Running a farm or any business is not just about growing crops and raising cattle; it also includes managing human relationships. Effective leaders practice active listening, show empathy, and try to understand others' perspectives to build trust.

When family members ignore or reject each other's feelings or ideas, it breeds disrespect and frustration. True leaders build a culture of teamwork by validating feelings, respecting one another, and creating an environment where people feel safe sharing their thoughts.

The Four Phases of Transition

Because leadership requires hard-won skills, it cannot be handed over in a single day. In typical situations, a developing leader goes through four phases of succession to grow into a person who can be trusted with authority:



- **Boots on the Ground:** The future leader starts out mostly as an employee. They focus on working hard, learning the ropes, and gaining credibility with the rest of the team. They build relationships with other workers as a peer.
- **Exposure and Targeted Leadership:** Next, the successor is invited to broaden their exposure to the business side of the farm. The senior generation might take them to the annual bank meeting or have them sit in on crop insurance decisions. They might also be given full management control over one specific area—such as purchasing all inputs for a season—so they can learn to lead at a manageable speed. In this way, current leaders serve as mentors, possibly even engaging the successor in conversation to discover skills they want to develop or specific interests they may have.
- **Active Handoff:** At this stage, the family may set a multi-year timeline to transfer major decision areas. The next generation becomes the lead contact for important vendors and partners. The senior generation is intentional about deferring questions to the new leader when neighbors or salesmen call.
- **Wise Consultation:** Finally, the incoming leader (or leadership team) takes over 90 percent or more of the daily leadership. The senior generation moves into an advisory role, acting like a chairman of the board or coach. They offer their hard-earned wisdom during periodic meetings, but they let the next generation make the daily calls.

Managing the Human Element

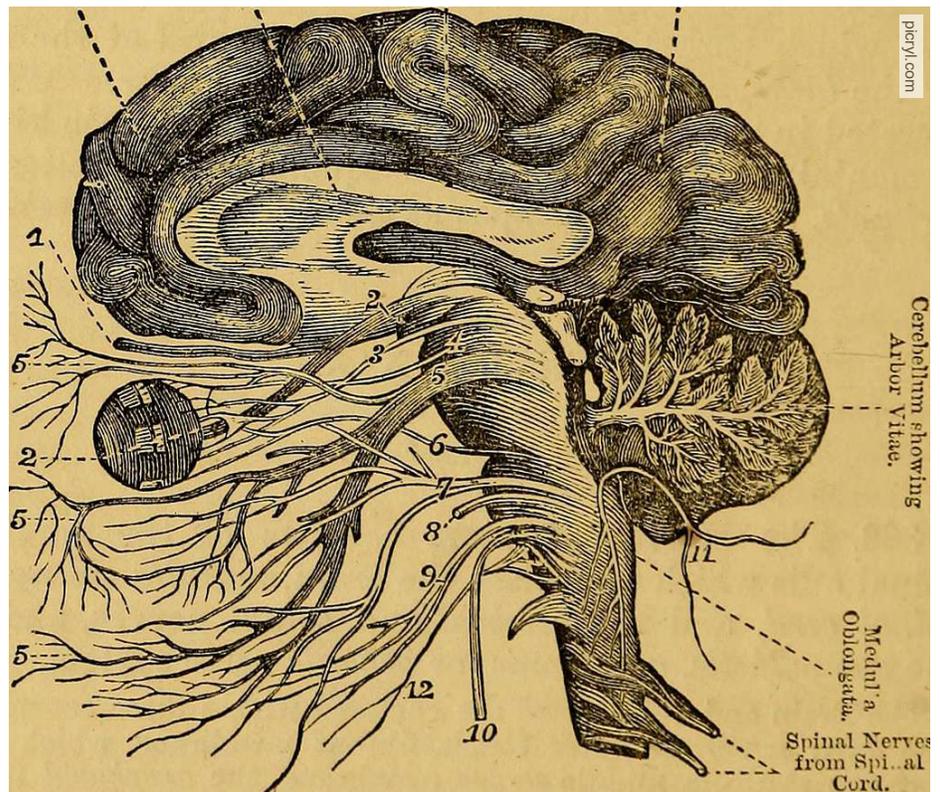
Transitioning leadership is often scary. Seeing someone else own and control what they have started may cause the founding generation to feel a strong sense of loss and start a grieving process. The fear of giving up power can hold families back from developing a plan and even cause the older generation to question their identity. Times of change and uncertainty can increase feelings of frustration, helplessness, and vulnerability, which can sometimes trigger disrespectful behavior.

Because family and business are so closely tied together on a farm, conflict is completely normal—it is not a matter of if it will happen, but when. When a disagreement does happen, remember that every difficult conversation is actually three conversations happening at once:

- **The What Happened? Conversation:** We often assume we are right and the other person is wrong, or we blame them for having bad intentions.
- **The Feelings Conversation:** Feelings are at the core of nearly every disagreement. Having a difficult conversation without talking about feelings is like having an opera without music.
- **The Identity Conversation:** Conflict can shake our confidence and make us question if we are competent or a good person.

For example, a disagreement about selling calves early might really involve:

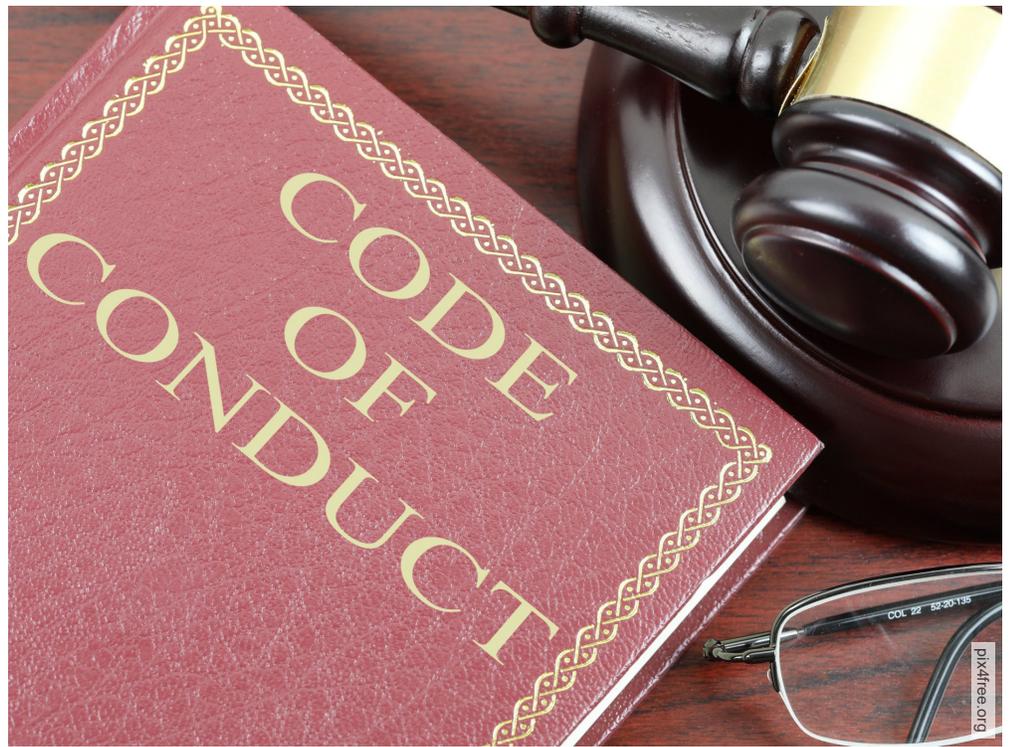
- *What happened:* who made the call
- *Feelings:* frustration about not being consulted



- *Identity*: concerns about whether the next generation is trusted

To manage this messy human element, try shifting to a learning stance. Instead of arguing over who is to blame, try to discover the Third Story. The first story is your view, the second is their view, and the third story combines both to find what really happened. Use "I" statements to express how you feel without attacking the other person.

It is also crucial to set healthy boundaries. Boundaries are not walls that push people away; they are intentional limits that protect your well-being, like separating work hours from family time. Finally, do not forget the power of simply saying "I am sorry" or offering forgiveness. Giving your family members the benefit of the doubt helps rebuild trust and keeps the legacy moving forward.



Finally, do not forget the power of simply saying "I am sorry" or offering forgiveness. Giving your family members the benefit of the doubt helps rebuild trust and keeps the legacy moving forward.

Creating a Family Business Code of Conduct

Establishing a family business code of conduct might be one of the most important pieces of work your family can achieve for the farm. Think of it as a written rulebook that guides how family members interact in their personal, family, and business relationships. When everyone knows the rules ahead of time, it takes the intense emotion and guesswork out of difficult decisions.

To build a strong code of conduct, your family should work together to put several key policies in writing:

- **Employment Criteria:** Clearly spell out who is allowed to work on the farm and exactly what qualifications or experience a family member needs before they can enter the family business.
- **Compensation and Time Off:** Decide how family members will be paid compared to non-family employees. You should also include clear policies on taking vacation or sick leave, and how any year-end profits will be distributed.
- **Conflict Resolution:** All families experience disagreements, so it is important to agree in writing on how you will manage conflicts before they turn into major arguments. Having a set process helps you address problems safely before they negatively affect the business.
- **Exit Strategies and Loans:** Outline exactly what the exit strategy will be if a family member decides they want to leave the ownership ranks of the business. It is also smart to include rules about whether family members are allowed to take loans from the business and what the required terms will be.

By creating this document, your family can stop small misunderstandings from becoming major hurdles, ensuring that everyone is on the same page and treated fairly.

Conclusion

A strong Ag Legacy does two things well: it names who owns the business, and it names who runs the business. Leaving the future to chance puts both the farm and family relationships at risk. Do not let the fear of giving up power keep you from securing your family's future. Write down your plan, share it with your team, keep

the lines of communication open, and start sharing power today.

Taking the first step now will help turn your good intentions into actions the whole family can follow, ensuring your agricultural legacy lasts for generations.

Ag Legacy materials and online learning modules are developed to assist farm and ranch families in developing a complete legacy. For more on upcoming modules, past newsletters, and information about Ag Legacy, see AgLegacy.org.



References

- Cook, Davon. (2026, January 9). How to hand down farm leadership. <https://www.farmprogress.com>. (Accessed March 5, 2026).
- Carter, Caleb. (2022, April. 7:2). Ag Legacy Business Issues. <http://aglegacy.org/modules>. (Accessed March 5, 2026).
- Carter, Caleb. (2021, April. 6:2). Does Sorry Have A Place in YOUR Ag legacy? <https://aglegacy.org/modules>. (Accessed March 5, 2026).
- Carter, Caleb. (2017, April. 2:2). What is your management succession plan? <https://aglegacy.org/modules>. (Accessed March 5, 2026).
- Carter, Caleb, and Hewlett, John P. (2016, December. 1:2). How are you mentoring the next generation? <https://aglegacy.org/modules>. (Accessed March 5, 2026).
- Hewlett, John P. (2024, December. 9:4). Boundaries and Barriers: Do They Belong in an Ag Legacy? <https://aglegacy.org/modules>. (Accessed March 5, 2026).
- Hewlett, John P. (2025, October. 10:3). Legacy Binder: Documents Needed for a Successful Ag Legacy. <https://aglegacy.org/modules>. (Accessed March 5, 2026).
- Hewlett, John P., and Carter, Caleb. (2018, October. 3:3). Difficult Conversations: How Do We Discuss What Really Matters? <https://aglegacy.org/modules>. (Accessed March 5, 2026).
- Hewlett, John P., and Carter, Caleb. (2017, January. 2:1). How are you communicating with the next generation? <https://aglegacy.org/modules>. (Accessed March 5, 2026).
- Hewlett, John P., and Carter, Caleb. (2019, December. 4:4). Should Forgiveness Have a Place in Your Ag Legacy? <https://aglegacy.org/modules>. (Accessed March 5, 2026).

Click to see
current posts at:
AgLegacy.org/news

Click to follow us on:



Online modules, including recorded presentations covering how to establish an AG LEGACY and other helpful information on management succession plans are available at our website. For more on upcoming modules, past newsletters, and for other information about Ag Legacy see AgLegacy.org. Requests for additional information may be emailed to Information@AgLegacy.org.



Ag Legacy Newsletter:
Contributing Authors -
John P. Hewlett, hewlett@uwyo.edu

Editing/Layout - John P. Hewlett, hewlett@uwyo.edu

 UNIVERSITY
OF WYOMING
EXTENSION

Persons seeking admission, employment, or access to programs of the University of Wyoming shall be considered without regard to race, color, religion, sex, national origin, disability, age, veteran status, sexual orientation, or political belief.