



Successful Transition Planning for Lavender Farmers

With three old farmers and two newer farmers - January 2023

Lots of information, then questions.

We will answer your questions at the end, and a mic will be available for you to get to and ask your question. If you have more questions grab us in the hallways.



Panelists



- Mike Neustrom - Prairie Lavender Farm
- Bruce McCloskey - B&B Lavender Farm
- Sarah Richards - Lavender Wind
- Kristy Hilliker - B&B Lavender Farm
- Tyler Saltonstall - Western Sun Lavender

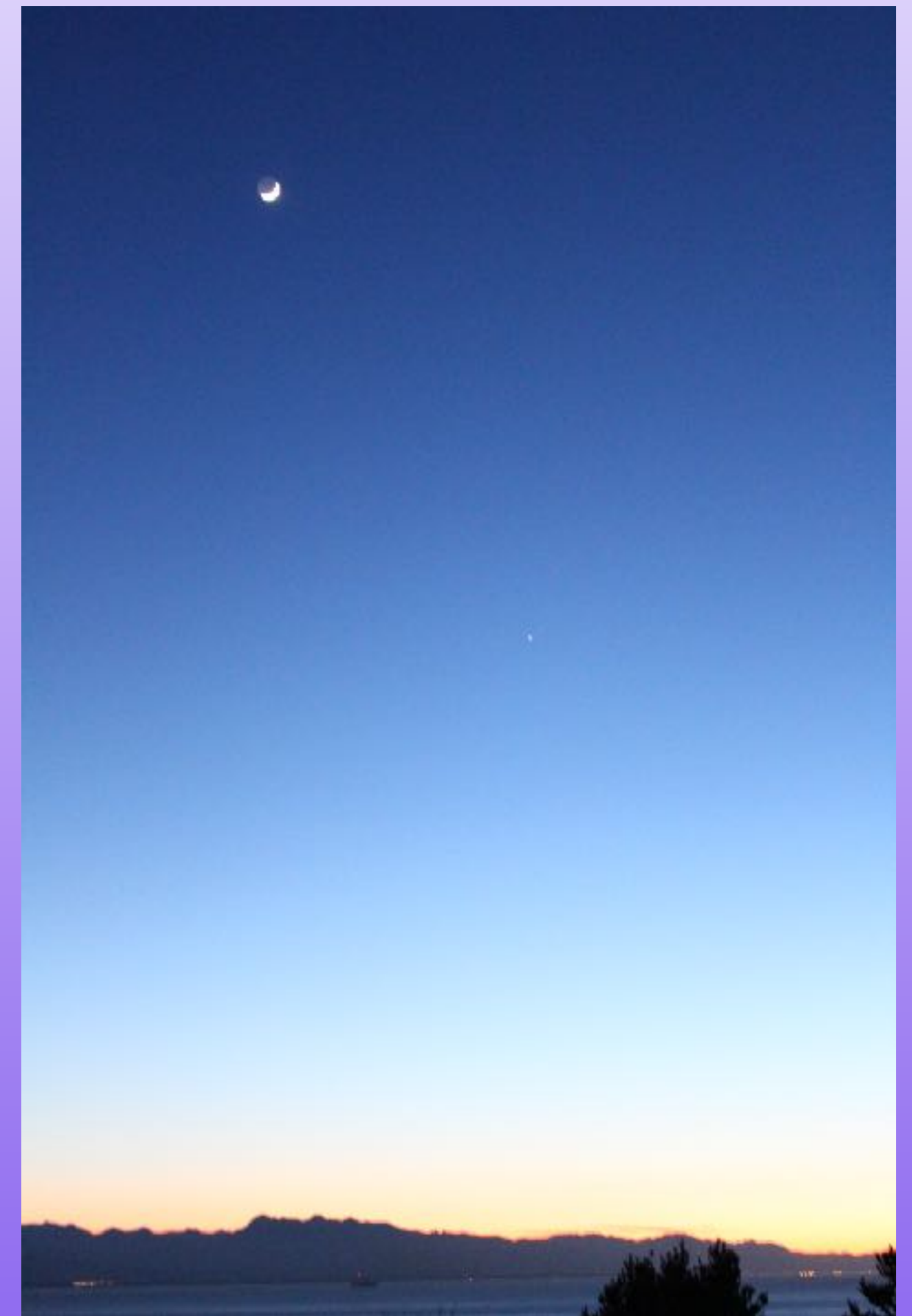




Who are you and what do you want? What are you dreaming about?

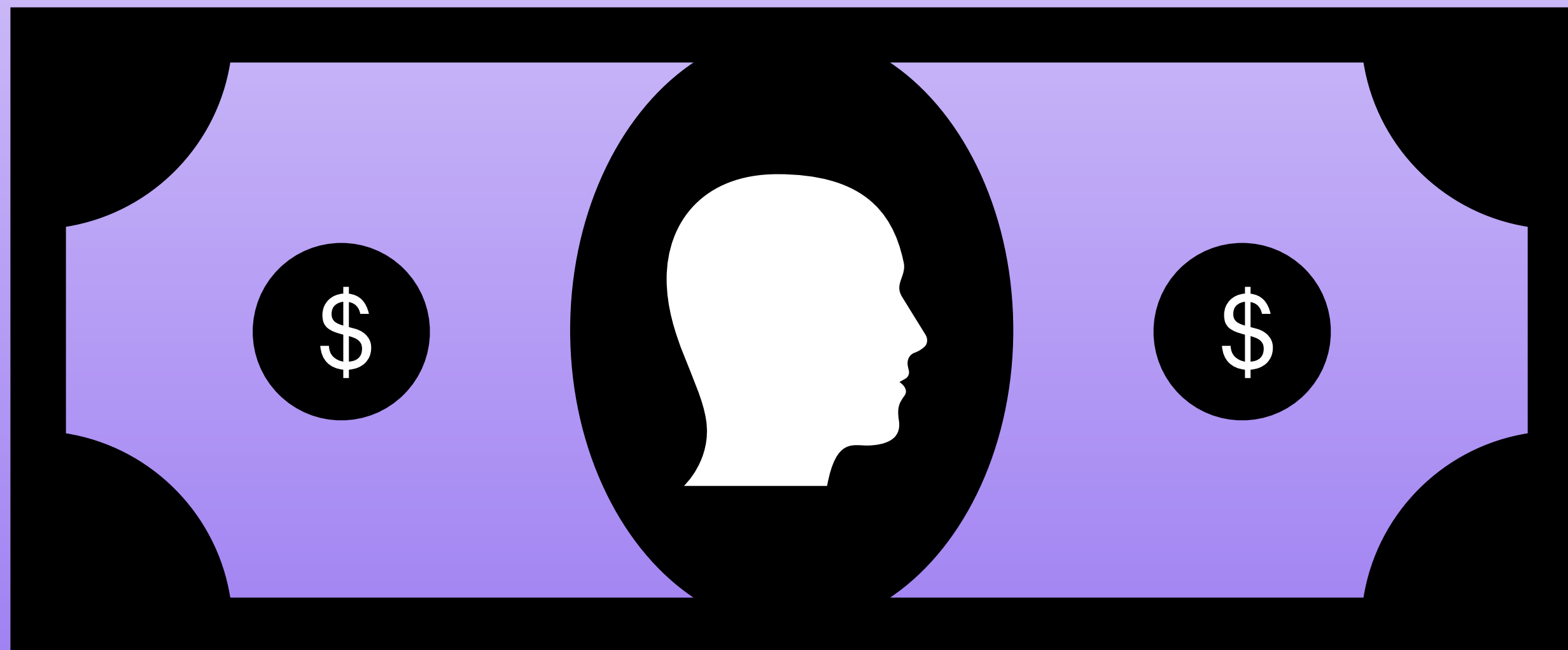
(Mike)

- Are you now buying?
- Now Selling?
- Have you recently bought a new farm?
- Are you just starting to think about either buying or selling?
- Experienced farmer, just curious
- Is there another reason you are here?



How to value the farm

**Super important to understand no matter if you are selling or buying.
(Sarah)**



**Plants
Products
Equipment
Proprietary systems
(Website, Marketing, Name)
Trademarks
Customers
Non-Compete?
Leases
Formulas (suppliers)
Employees (what is the
interest level?)**

Financing the TRANSITION

(TYLER)



- **Sources of Income:**
 - **Private Investor**
 - **Seller Carry**
 - **Conventional loans**
 - **Vacant land**
 - **Equipment**
- **Be sure you have adequate capital**

Unanticipated issues / challenges

(BRUCE, KRISTY, SARAH, TYLER)



Purchaser's goals vs seller's goals (Family and Non-Family experience these issues)

Defining what is not up for debate

What we should have done differently



Mental frame of mind

(BRUCE)



What does it take to decide to retire?

(I can't wait to get out or you'll have pry my cold dead hands from this place).



What family dynamics are influencing this?

Get out of the way

Define non negotiables

Agree on bottom lines

Available vs involved

Celebrate successes

Day to day chores / responsibilities/ Assigned activities

(KRISTY)



**Family transition
Do you know who is going
to do what?**

Employees (issues)

**Pandemic made it hard, but what
about other eras?**

**Ready to work a lot and learn a
lot, or have \$\$ to hire labor**

Grant applications

Speaking requests

“Face “ of the farm

**Who will do the unanticipated
requests?**

Products

(MIKE)



**Clarify which formulas
and processes are
included**

Get/provide list of suppliers

**Transform or keep as is the
niche that has been
established**

Buying or selling formulas

**BTB contracts and
agreements**

Who do you need to run the farm who aren't part of the farm owners.

Who are the support people/organizations?

(TYLER & SARAH)



Consulting from previous owners - why that relationship is important

Mechanical support people, who are they?

Equipment maintenance!!

Supplies where do you get them?

Other farmers and how to meet them.

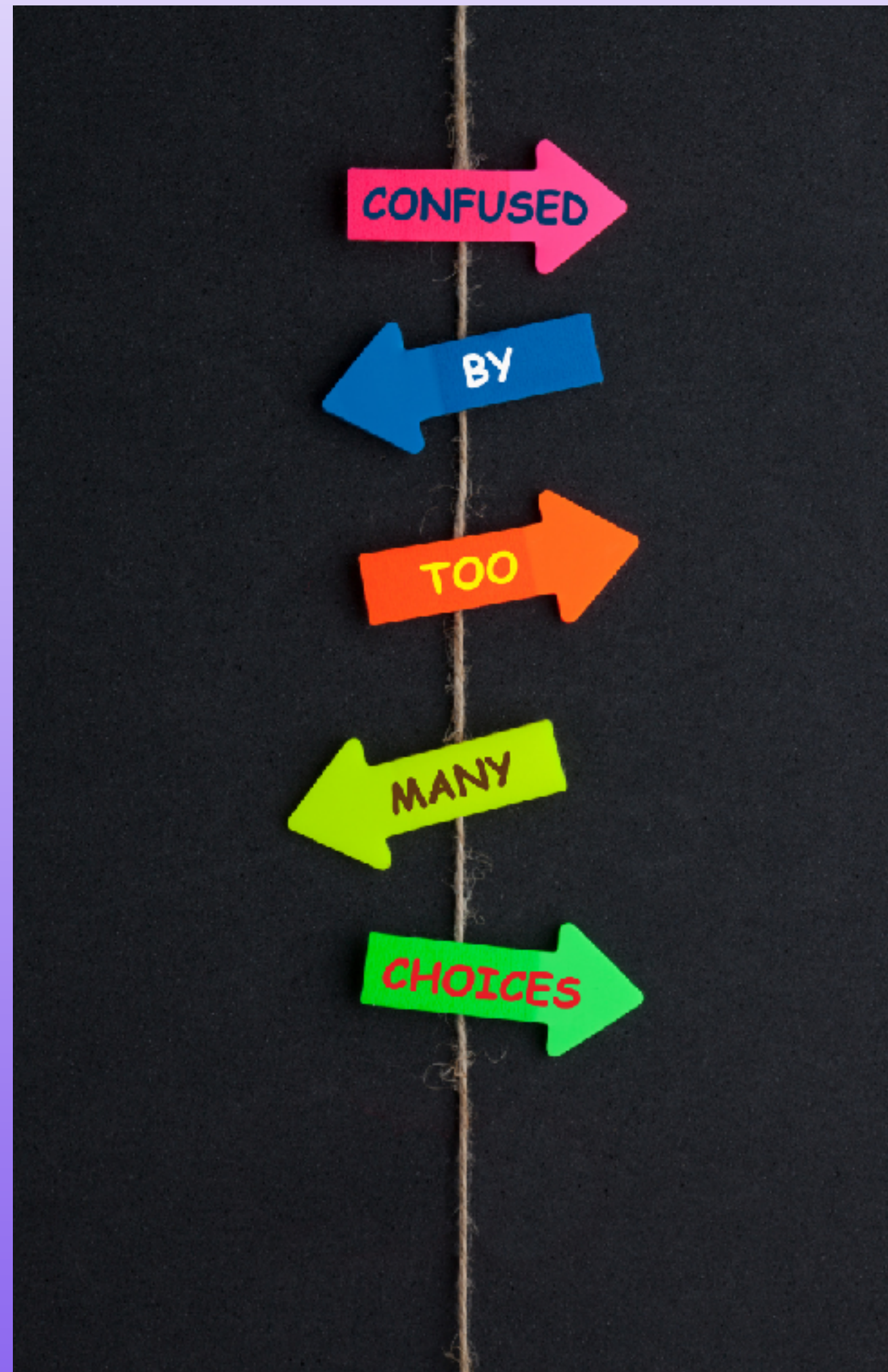
USLGA resources

Other local organizations



Participation in “outside” activities

(KRISTY & MIKE)



USLGA, Regional
organizations,
Local groups, Chamber



Do new owners continue
the previous owners'
involvement with outside
groups?

**Legal issues like
trademarks and
ownership of
online resources**

(MIKE)

Your FarmTM

**Ownership/partners/
legal stuff**

Marketing

Website

Social media

Product liability

insurance (Indie Business
Network)



Five most important pieces of advice

(MIKE, BRUCE, KRISTY, SARAH, TYLER)



Letting go (MIKE)

Have a goal and a map to get there (Plan) (BRUCE)

Maintaining relationships (KRISTY)

Farm vs business (SARAH)

Being open to possibilities (TYLER)





Time for your Questions!

Links to Resources

- <https://www.fbfs.com/learning-center/what-you-need-to-know-about-farm-succession-planning>
- <https://farms.extension.wisc.edu/programs/cultivating/>
- Washington State Conservation Commission: <https://sccwagov.app.box.com/s/4wcok09otvjzbak7ubrzkryhqkc8zatq>
- <https://landincome.com/blog/farmland-valuation-how-to-appropriately-value-it>
- Find any of the presenters via the US Lavender Website, [search for members](#).



This was about 2 years into Sarah's 23 year career as a lavender farmer setting up a booth at a local trade show. At this show she started a decades long relationship with an ice cream maker who's company still makes her lavender ice cream. You are going to love looking at your own pictures a decade or two from now!