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# This will all be yours one day,

Read **"This will all be yours one day"** below, and the answer the following questions.

## Questions

1. Identify two common business structures used for family farms in New Zealand. Describe how relying on implicit communication during succession can create financial, operational, or legal vulnerabilities for these business structures.

2. Explain how generational differences in communication styles create barriers to effective succession planning. Describe how adopting alternative business structures or arrangements can bridge the gap when a direct family successor is unavailable or undecided.

3. Evaluate the strategies farming families can implement to shift from implicit assumptions to explicit governance. Assess the role of external advisors and formal communication tools in safeguarding both business continuity and family harmony.

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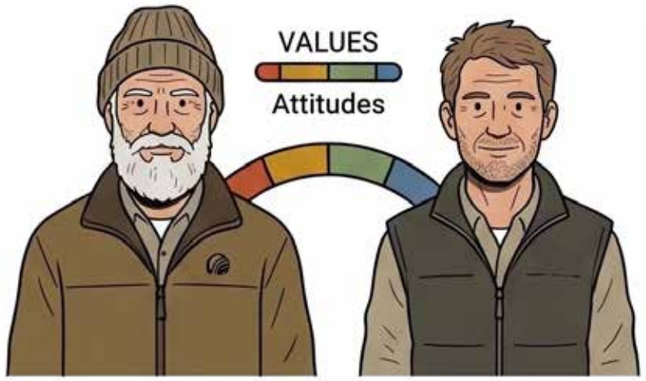
# This will all be **yours one day**

Succession is talked about a lot in agriculture and horticulture, yet for many farming families it remains unclear. William Crofskey, a Masters of Agribusiness Management graduate from Lincoln University, and Chris Coughlan, a Succession Consultant for Rural Coach, share how one of the simplest ways to make a complex and lengthy process easier is to have open communication with everyone in the family.

WORDS **WILLIAM CROFSKEY & CHRIS COUGHLAN**








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**HOW CAN FARMING FAMILIES** improve the effectiveness of their succession discussions?

Farm succession should be seen as an exciting time for farming families, where the hard work and commitment of previous generations is recognised as the business moves into its next chapter. However, it is generally a long process, often taking up to 10 years, and involves several elements such as retirement, inheritance and succession planning.

When farm succession is not managed well, it can lead to family conflict, financial strain and in some cases the loss of the family farm. Poor planning risks the loss of intergenerational knowledge, weakening both the long-term viability of the farm business and the resilience of rural communities.

What makes the family farm unique is the close integration of family and business. These two systems are deeply connected, and family relationships and dynamics influence succession decision-making.

Within a family business, resources and constraints must be shared between both the family and the farm. If this balance is not managed carefully, it can affect the sustainability of the business as a whole. This is why getting succession right matters – a well-planned approach helps protect the farm business while maintaining relationships and family harmony.

## Managing expectations

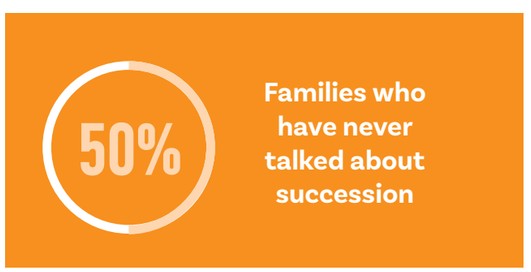
Communication becomes particularly important during family farm succession. It helps to understand what each person in the family expects from the farm business or whether they want to be involved at all. For example, if the farm owner wants the farm to stay in the family, they need to clearly communicate that intention to the potential successor so it is understood from the beginning.

As simple as it sounds, communication is the way we share meaning and build mutual understanding between each other. It is a process that requires a range of interpersonal skills, including listening, observing, speaking, questioning, analysing and evaluating.

**Generation Z (born between 1997 and 2012) and Alpha (born between 1996 and now) are looking at many different career choices other than farming.**

Good communication supports the flow of succession discussions and helps families navigate more difficult conversations.

Traditionally, succession has focused on the process of “doing succession” and the financial aspects involved. However, farming families also need to be aware of the underlying issues that can make communication about succession more challenging.




**FAR LEFT** William Crofskey, a Masters of Agribusiness Management graduate from Lincoln University with his mother and grandmother on their Cambridge farm.



**Bringing in an external person can be a very good tool if the family is really struggling with succession communication.**

## Implicit and explicit communication

From a recent Rabobank study we have seen, only one-third of New Zealand farm families have a succession plan and 17% have talked about one, leaving 50% who have not talked about succession. When it comes to communicating about succession, there could be underlying issues that are affecting the effectiveness of the process. Within the farming community, there is often a tendency to rely on implicit communication, or an assumed understanding of how succession might work, rather than having explicit conversations about it. For instance:

- Implicit communication happens when information is inferred by another person, rather than transferred purposefully
- Explicit communication is a direct, deliberate form of communication, where there is a clear intent for the message to be received by another person.

An example of implicit communication is when a farm owner might say to a potential successor, “This will all be yours one day.” What seems like a good intentioned comment actually carries layers of meaning and can leave the successor assuming that they will take over the farm one day without any explicit discussion about expectations, timing or what succession will actually involve.

In many family farm succession cases, it is assumed or implicitly understood by the farm owner and their children that the farm will be passed on to the next generation, rather than explicitly discussed. As a result, each person in the family generally has to make their own assumption about how the process might occur, as it is often not talked about and discussed. This could stem from established communication styles within farming families, which is often shaped by generational influence.

For example, traditionally, the eldest son may have taken over the farm, so it creates an expectation that succession will happen as it always has in the past and this can be considered the end of the discussion. Parents might assume that one of their children is going to take over the farm based on their implicit messages. However, without having a clear and direct conversation to find out what each person in the family wants from the business, assuming that one of the children will take on the farm is a risky approach.

While implicit communication has traditionally been relied on, explicit communication is generally more effective. Families who openly discuss the transfer of the farm tend to have a clearer understanding of who will take over and under what conditions, and parents can then have greater confidence that the agreed arrangements will be followed. Since succession is a complex and lengthy process, relying solely on implicit communication can complicate planning and increase the risk of conflict.

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**New Zealand farm families have a succession plan**

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## Signals and barriers to effective succession

The most common way that farm owners implicitly communicate to successors about future succession is through verbal comments, which could happen at any time. As mentioned, a typical comment which a farm owner might say is, “This will all be yours one day.” This could happen on-farm when the farm owner and successor have finished a hard day at work.

Another instance could be when the successor is being shown a new task and the farm owner says, “You’d better learn how to do this properly – you’ll need to know.” Both comments suggest that the farm owner assumes the successor will take over the farm, but if there has been no direct communication about succession, it can leave the successor feeling confused.

Implicit versus explicit communication around succession can also be seen in many different ways. Farm owners can implicitly signal to the successor about taking over the farm through the likes of farm development and investment decisions rather than having direct conversations. For example, purchasing a new tractor when a potential successor begins their studies, or choosing not to renew an employee’s contract so the successor can step into their role, can be seen as signals about future succession.

These actions are often meant to incentivise potential successors to return home to the farm without directly talking to them about it. For many families, this approach can feel easier than sitting down and having a face-to-face conversation about it.

Farming families can also come from a culture where communication tends to be more implicit, which could help explain why similar approaches are used when it comes to discussing succession. The cultural tendency to rely on implicit communication can create tension within farming families. While many families understand the importance of explicit communication, they often continue to use established patterns of assumption and silence. These implicit communication styles can create barriers to effective succession planning as shared assumptions about what will happen can make open discussion seem unnecessary or uncomfortable.



**ABOVE** Older generation teaching the new on an old baler.

In some cases, farm owners will record explicit transfer details in their will, to be dealt with upon the death of the main operator. While this shows a form of explicit documentation, it often replaces direct conversation. As a result, other family members may remain unaware of these plans until it is too late, increasing the risk of confusion, conflict and damaged relationships.

The implicit communication style of farming families often mirrors how communication works when out on the farm. Farming is a 24-hour, seven-day-a-week job, and farm owners and successors may have a situation where much of their communication is non-verbal. Because they spend so much time working together, they learn each other’s work styles, reducing the need for constant verbal communication.

While explicit communication may occur when families are discussing short-term or operational farm decisions, it is less commonly used for long-term decisions such



**ABOVE** Separate farm talk from succession talk. When succession is discussed while working on farm, the conversation might not get the attention it deserves.

as succession planning. Many farming families do want open and honest communication about succession and encouraging this could help break any generational pattern of implicit communication that continues to shape both farm operations and succession decisions.

Successors now consider many other off-farm non-agricultural career decisions which can leave families lost when thinking about succession. This is where communication plays an important role because if the farm owner wants the farm to stay in the family, they need to communicate that desire to the successor so they are aware in the first place. This also lets the successor know that the parents do desire for them to take over the farm without just relying on an unspoken assumption.

## Generational differences

Another aspect to consider when talking about communication and succession is generational differences in communication styles which can cause conflict if not managed right. There are differences in values, communication styles and attitudes between generations that are important to understand as they influence work ethic and management styles. For example:

- The veteran and baby boomer generations (1946 to 1964) have been referred to as the "silent generation" and prefer face-to-face, written and direct communication, and they like to have control.
- Generation X and Y (1965 to 1994) went through a time of significant change and tend to use more technology to communicate, such as email, texts and social media, and like to be kept up-to-date with day-to-day activities.
- Generation Z and Alpha (1996 to now), who are in a time of information overload, prefer social media and online communication, and have a cultural worldview of looking at many different career choices other than farming.

The differences in attitudes and communication styles could help explain why conflict arises when communicating on the farm or about more sensitive issues such as succession. Successors are generally more dissatisfied with communication than their parents, so there could be generational challenges with communication impacting the success of succession planning.

## Catalysts for change

Farming families should see succession as an opportunity for the future rather than a time of crisis and leaving it too late before beginning the process. A common fear of succession for farm owners is the loss of control, but when transitions start earlier, it actually gives them more control rather than taking it away.

Starting conversations early keeps doors open and it allows the family time to figure out what each member wants to do and whether there is someone who wants to take over. If there isn't someone in the family who does, then it is about deciding what the options are that will meet the needs of the farm owners, whether that be alternative structures such as contract milking or selling the farm to new owners.

There needs to be a mindset shift in New Zealand where succession is viewed as a process rather than an event. It's a series of conversations and meetings that happen over many years to allow for disruption and change, in order to feel prepared rather than lost.

## How to change the communication style

There are some strategies that families can use to encourage explicit and direct conversation when it comes to succession:

- In having that first discussion, a good way to start is to not directly talk about farm succession but about the future in general terms. This could include questions like "Where do you see yourself in five years?", or "Do you enjoy being back on the farm?", or "Do you have any ideas for the future of the farm?" Having less formal conversations can be a good way to start and build from. Over time, the conversations can become more formal and questions might be more direct, such as "Is taking over the farm something you're interested in?" Keeping conversations regular will also allow the family to understand how things are progressing
- One way is to separate farm talk from succession talk. When succession is discussed while working on-farm, the conversation might not get the attention it deserves. Instead, if there is a time set aside from daily work where succession can be discussed, then it signals that the conversation is important and deserves full attention
- When the conversations happen, discuss expectations rather than make decisions. Encouraging each family member to talk about what they expect from the farm (such as involvement, ownership, income or exit) reduces some pressure when having conversations
- Explicit communication is easier when people aren't being asked to commit straightaway. Bringing in an external person can be a very good tool if the family is really struggling with succession communication. A consultant, advisor or lawyer can act as a neutral party, allowing family members to openly share their true preferences about farm succession without being influenced by others.



Relying on signals, assumptions or documentation without direct conversation can lead to misunderstanding, conflict and uncertainty for successors. More explicit, open communication helps families align expectations, protect relationships and improve the chances of a successful succession outcome. One conversation can be the difference between a family disaster or the continuity of a successful generational business.

*This article was first published in the Institute of Rural Professionals publication The Journal Winter 2026 issue.*

## Keeping the momentum going

In summary, a simple "This will all be yours one day" is not good enough when it comes to farm succession. Family farm succession in New Zealand is often shaped by an implicit communication style where expectations are assumed rather than openly discussed. While this approach works in day-to-day farm operations built on shared experience and tacit knowledge, it creates risk when applied to succession planning.

**Scan to listen/watch William speak about succession planning on CountryWide CONNECT.**

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**Answers**

1. **Identify two common business structures used for family farms in New Zealand. Describe how relying on implicit communication during succession can create financial, operational, or legal vulnerabilities for these business structures.**

   - ***Common Business Structures:*** *Family farm businesses in New Zealand often operate as Sole Traders, Partnerships, or Private Limited Companies, frequently backed by a Family Trust structure to hold land assets.*
   - ***Impact of Implicit Communication:*** *Relying on informal phrases like "This will all be yours one day" creates significant legal and operational risks across these structures:*
     - ***Partnerships / Sole Trader:*** *Without explicit legal agreements or direct succession conversations, a retiring parent remains fully liable, or the successor operates without equity, leaving them financially vulnerable if family conflict arises.*
     - ***Company / Trust Structures:*** *If a farm owner records explicit transfer details solely in a will without discussing them with family members, the sudden shift in shareholding or governance upon death can cause severe legal disputes, financial strain, and risk the loss of the family farm business altogether.*

2. **Explain how generational differences in communication styles create barriers to effective succession planning. Describe how adopting alternative business structures or arrangements can bridge the gap when a direct family successor is unavailable or undecided.**

   - *Older generations (Baby Boomers / Silent Generation) often value direct, face-to-face control and established unspoken norms, relying on implicit signals (e.g., purchasing a tractor or leaving comments after work). Younger generations (Gen Z and Alpha) prefer digital communication, face information overload, and consider diverse off-farm career paths. This gap creates tension; successors often feel confused by unspoken assumptions, while parents assume continuity without verifying their children's actual career desires.*
   - ***Alternative Business Structures / Arrangements:*** *When open discussions reveal that no immediate family member wants to take over ownership, farm owners can transition away from traditional family succession to alternative structures:*

- *Contract Milking / Sharefarming: Enables the farm owners to step back from day-to-day labour while bringing in external management under a clear operational contract.*
- *Equity Partnerships or External Sale: Allows the business to bring in non-family equity partners or sell the farm entirely, freeing up capital for the parents' retirement while ensuring the land remains productive without forcing unwilling family members into farm ownership.*

3. **Evaluate the strategies farming families can implement to shift from implicit assumptions to explicit governance. Assess the role of external advisors and formal communication tools in safeguarding both business continuity and family harmony.**

***Strategies for Transitioning to Explicit Governance:***

- ***Separating Operational Talk from Succession Governance:*** *Holding dedicated, formal succession meetings separate from daily farm labour ensures the conversation receives full attention and isn't glossed over during outdoor tasks.*
- ***Exploring Expectations Before Making Final Commitments:*** *Initiating discussions around general future goals (e.g., "Where do you see yourself in five years?") allows family members to express preferences without the immediate pressure of legal or financial commitments.*
- ***Engaging Independent Professionals:*** *Bringing in neutral third parties—such as succession consultants, lawyers, or farm advisors—helps navigate sensitive family dynamics, uncovers true personal aspirations, and prevents dominant family members from overriding quiet ones.*

***Evaluation of Long-Term Business Continuity and Family Harmony:***

- ***Protection of Business Assets:*** *Treating succession as a multi-year gradual process rather than an abrupt event allows for structured ownership transfer. This protects intergenerational knowledge, avoids panic sales, and ensures stable financial structuring.*
- ***Mitigation of Financial and Relational Risks:*** *Relying on implicit signals or secret wills frequently ends in family disputes, contested estates, and forced liquidation of agricultural assets. Transitioning to explicit agreements (such as updated trust deeds, formal shareholder agreements, or planned exit strategies) protects family relationships and ensures the farm business remains sustainable across generations.*