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NOTE to editor: This is one in a series of articles produced by University of Wisconsin-Extension agents and specialists to address farming through difficult times. More articles can be found on the Extension Responds website at: [www.uwex.edu/ces/ag/farmingindifficulttimes.html](http://www.uwex.edu/ces/ag/farmingindifficulttimes.html) and at <http://fyi.uwex.edu/farmfinances>

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### Managing through Difficult Times: Fostering Communication and Resiliency in Multi-Family Operations

Madison, Wis. – I was impressed. We were visiting a farm family in South Australia. They were transitioning to a multi-family farm corporation that involved the parents and their three sons -- one married and two single. The four parties were meeting regularly to discuss day-to-day farming operations and long-range financial, legal and operational decisions. They referred to their meetings as “board” meetings (jokingly as “bored” meetings!) and there was a good spirit in the air, even though South Australia was facing one of the worst droughts in decades. Instinctively, they knew that communication was at the heart of a successful intergenerational farming operation.

Increasingly, farm families are forming intergenerational - parents and adult children - or multi-family - brothers/sisters or unrelated adults - farming operations. These multi-family operations—whether they be partnerships, corporations or LLCs—are seen as ways of gaining strength, flexibility and support for the arduous task of farming. They offer: multiple skills (one good with cattle, one with crops, one with machinery, one with finances), a larger labor pool during peak seasons, flexibility in taking vacations, greater brain power for making big decisions, social and moral support during difficult times, and camaraderie for the day-to-day work of farming. In short, these multi-family operations can help to create resiliency for farm families.

#### What Resiliency Is

Resiliency is the ability to bounce back from adversity, setbacks or life changes. Resilient people are energetically engaged with life, resistant to giving up in the face of problems that would overwhelm non-resilient people. The book Resiliency: How to Bounce Back by Tessa Albert Warschaw and Dee Barlow; New York: Master Media Ltd, 1995, outlines ten components of resiliency:

1. Unambivalent commitment to life: Resilient people have a positive attitude/belief that life is worth living and this gives them the passion and courage to bounce back from adversity.

2. **Self-Confidence:** Resilient people believe they can understand the world around them, set realistic goals and develop the skills to achieve those goals; they see problems and changes as opportunities for growth and learning.
3. **Adaptable:** Resilient people are adaptable and cooperative, able to modify their behaviors and habits to work well with other people and groups.
4. **Resourceful:** Resilient people know what resources are available or where they can turn for information and support in problem solving; they are imaginative in the way they use resources to solve problems.
5. **Willing to risk:** It isn't always possible to know the outcome of actions in complex situations; resilient people take intelligent risks, grounded in real possibilities with a good chance for success.
6. **Accept personal responsibility:** Resilient people don't make excuses for their mistakes; they "own" their mistakes and, by doing so, turn them into positive learning experiences.
7. **Perspective:** Resilient people know what is important and what is not; they put their energy into core issues/activities; they dismiss—often with humor—insignificant issues.
8. **Open to new ideas:** Resilient people take in new information eagerly; they don't have a narrow outlook on life or close their minds to ideas that would increase their capacity to learn/adapt.
9. **Are proactive:** Resilient people meet challenges with positive action rather than waiting until the only recourse possible is a reaction to actions already taken by others.
10. **Attentive:** Resilient people pay attention to the world around them; when you speak to them, they listen; they don't shut out other views that might offer perspective on their situation.

It's clear from these characteristics that a farmer needs to be at least somewhat resilient (adaptable, accept personal responsibility, open to new ideas, attentive) to participate in a multi-family farming operation. It's also clear that a farmer could gain resilience by being part of such a multi-family operation: they could gain resources, perspective, new ideas and self-confidence by being part of a multi-family operation.

But, farmers can only gain resiliency if they establish good communication patterns from the very start of the joint farming operation. They need to be addressing several critical questions and holding regular farm family meetings to experience the full benefits of multi-family farming operations.

### Critical Questions

There are several critical questions that must be addressed from day one of the joint farming venture. These questions could be summarized as follows:

1. **Financial viability:** Is there sufficient income to support multiple farm families? Are your current farming enterprises compatible with the interests of family members? Do you need to make changes—become larger, add enterprises, seek off-farm work—in order for the farming operation to be financially viable? Don't set yourself up for failure by having insufficient income for each family or having enterprises that are incompatible with the interests of family members.
2. **Financial arrangement:** What financial arrangement will be chosen for the operation? How will expenses be paid? How will income be split? How will you pay for vital benefits such as health

care and retirement? The financial arrangements might change over time as any given family gains equity in the operation or changes their labor contribution in the joint operation.

3. Legal arrangement: What legal arrangement will be chosen for the multi-family operation: partnership, corporation, Limited Liability Corporation (LLC)? Consider the pros and cons of each legal arrangement and think about the implications—up front—of any disruption in the operation: death, divorce, one family drops out of the operation. Things can change; try to anticipate issues and plan ahead.
4. Decision-making: Who makes important decisions in the farming operation? Who has input into these decisions? What is the process for decision-making? It may be that different people have primary responsibility for decision-making in various aspects of the farming operation: cattle (milking/feeding/breeding/heifers), crops, machinery, financial, capital purchases.
5. Managing risks: How will you manage risks related to the five big Ds: Death, Divorce, Disability, Dismemberment, and Disaster (fire, tornado, floods, crop failure, illness in cattle, commodity price slump)? Some of these (death, disability, dismemberment, disaster) can be partially addressed through insurance. Timely purchases, buying in quantity and use of the futures market can be additional ways of managing for disaster.
6. Managing farm employees: Who is responsible for managing employees in the farming operation? Who do the employees listen to? Who provides orientation and training for employees? Be sure to establish clear lines of authority and responsibility so employees aren't confused about work assignments or who they report to.
7. Family/business goals: How will you balance priorities between farm and family? Does the farm come first and family come second? Keep in mind that many farm wives feel husbands are more loyal to the farm than the family...try to find ways of balancing priorities between the demands of the farm and the needs of farm families.
8. Time-off/vacations: What policies will you establish related to time-off and vacations? How will you "cover" for each other when one family is on vacation or when a vital member of the operation is taking time-off? Vacations and time-off are a key advantage of multi-family operations...try to keep your policies flexible!
9. What's shared publicly: Do you want the financial situation of your farming operation to be floating publicly in the community? How about the personal situations of families in your farming operation? Rural communities tend to have an active "grapevine" where information that's shared with one person can quickly become public. So make some agreements about what information will—and won't—be shared with others!

### Farm Family Meetings

These questions should be discussed early in the formation of your multi-family operation. And they should be revisited on a regular basis—at least annually—to make sure all parties are in agreement on the basic directions of your farming operation. An annual farm family meeting, with all of the active participants involved, can be helpful in reaching agreement on these issues.

Yet, real resiliency requires communication on a regular basis...once a month, once every two weeks or once a week. You might even choose to have a brief 2-5 minute check-in on a daily basis! These regular farm family meetings can accomplish several goals:

1. Create an open, trusting atmosphere
2. Set goals and discuss strategies for reaching them

3. Make decisions and solve problems as they arise
4. Delegate responsibilities and work assignments
5. Schedule vacations and times off
6. Make financial decisions/share financial information
7. Make legal decisions and record agreements
8. Air grievances and give compliments
9. Share long-range hopes, goals and dreams
10. Keep conversation flowing and foster camaraderie

It can be helpful to keep a few simple guidelines in mind as you organize your farm family meetings:

1. Participation – Everyone involved in the farming operation should be involved or given a chance to participate; involvement fosters ownership in the operation.
2. Environment – Establish an open, trusting environment where everyone feels respected and everyone feels comfortable expressing their views.
3. Leadership – Consider rotating the facilitation of meetings...it fosters equality, democracy and a sense of shared leadership in the operation.
4. Agendas – Create an agenda for each meeting; make sure everyone's agenda items are included; stick to the agenda so meetings don't drag on and on.
5. Listening – Follow the rule that only one person speaks at a time; practice the art of active listening (say what you heard the other person say before speaking yourself).
6. Disagreements – If there are disagreements, listen to both perspectives then find a solution that works for all; seek outside help if a disagreement turns into conflict.
7. Recognition – Celebrate successes and make sure family members are recognized for their contributions; compliments can prevent disagreements and conflicts.
8. Information – Make sure all information—good and bad—is shared; foster an attitude of sharing information, ideas and plans for the future!

Farm family meetings can be one of the best ways of fostering communication and resilience in multi-family farming operations. Try these ideas---they work!

To access more information and/or tools to help analyze your situation, link to the Extension Responds web page at: [www.uwex.edu/ces/ag/farmingindifficulttimes.html](http://www.uwex.edu/ces/ag/farmingindifficulttimes.html)

For assistance in making these tough decisions, contact your UW-Extension county agent, your Farm Business and Production Management Instructor in the Technical College or the DATCP Farm Center at 1-800-942-2474.

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File: risk management, farming in difficult times