











CULTIVATING HEALTHY COMMUNITIES

Managing Change Scenarios

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Farm owners must manage the uncertainty of new environmental regulations and make changes to meet compliance standards. This sheet provides examples of several farm scenarios and the path forward in relation to new water quality regulations.







United States Department of Agriculture

National Institute of Food and Agriculture

Farms Already in Compliance

In compliance

Maintain
Operations at
Current Scale

Determine Farm Definition (CSFO, MFO etc...)

Maintain RAPs

Maintain Required Certificates

Farms with Room for Business Expansion

In compliance, With Excess Capacity

Expand Operations

Maintain Required Certificates (SFO, CSFO, MFO, LFO)

Maintain RAPs













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AGRICULTURE

FOOD

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Out of Compliance

Out of Compliance

Make Investments

• Buildings, Manure Storage, Etc...

Management Changes

•Crops, Nutrient Management Plan, Manure Spreading

Achieve Compliance, Maintain RAP's and Certificate

Continue Operations

Dig In

- No changes made
- Manage legal process; appeals, penalties

Relocate or Exit

See example below













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Relocation, Transfer or Full Exit

Decision to Exit Current Farm

Consider Relocation

• Conservation Easements, Current obligations, Sale

Consider Transfer

• Transition of ownership and mangement

Full Exit, Cease Operations

• Sale, Capital Gains, Retirement Planning

The decision to exit a farming business can be difficult emotionally and technically. The diagram above is a very simplified visual aid. A transfer or exit decision will prompt a number of legal, tax, family, financial and operational (winding-down) issues that will need to be addressed.