

Farm Transitions

Honor the Past, Make Choices for the Future

Luke Gran



Dunphy Family Photo: Susan, Ron, Colton, Todd, Dottie, Amy, and Barbara (Dottie's Mother)

Paper Lunch

In Union County, southwest Iowa, pressure from two decades of farm depression was lifting. The banker told a farm family a neighbor's 80 acre farm was available, and the bank would loan money on a signature, with only a small down payment.

The farmers had no money at all and the family agonized over this for several days. One day, the men came in for lunch and there on the table was \$1,000. A great-uncle had placed it there, and it was enough to get the loan.

This example from the Dunphy family, like many farm

families, demonstrates the history of sacrifices made to extend the legacy of the farm another generation.

Ron began farming in 1972. Uncle Ed Hanrahan assisted his start-up in the form of a personal sale on contract of animals and his own share of machinery.

In 1973, at age 57, Ron's father Gene retired to allow Ron's brother, Tom "T.L." Dunphy to farm. Today, Ron remembers this with tears of appreciation, "with a decade of earning potential remaining, that's a big sacrifice. He wasn't thinking of himself."

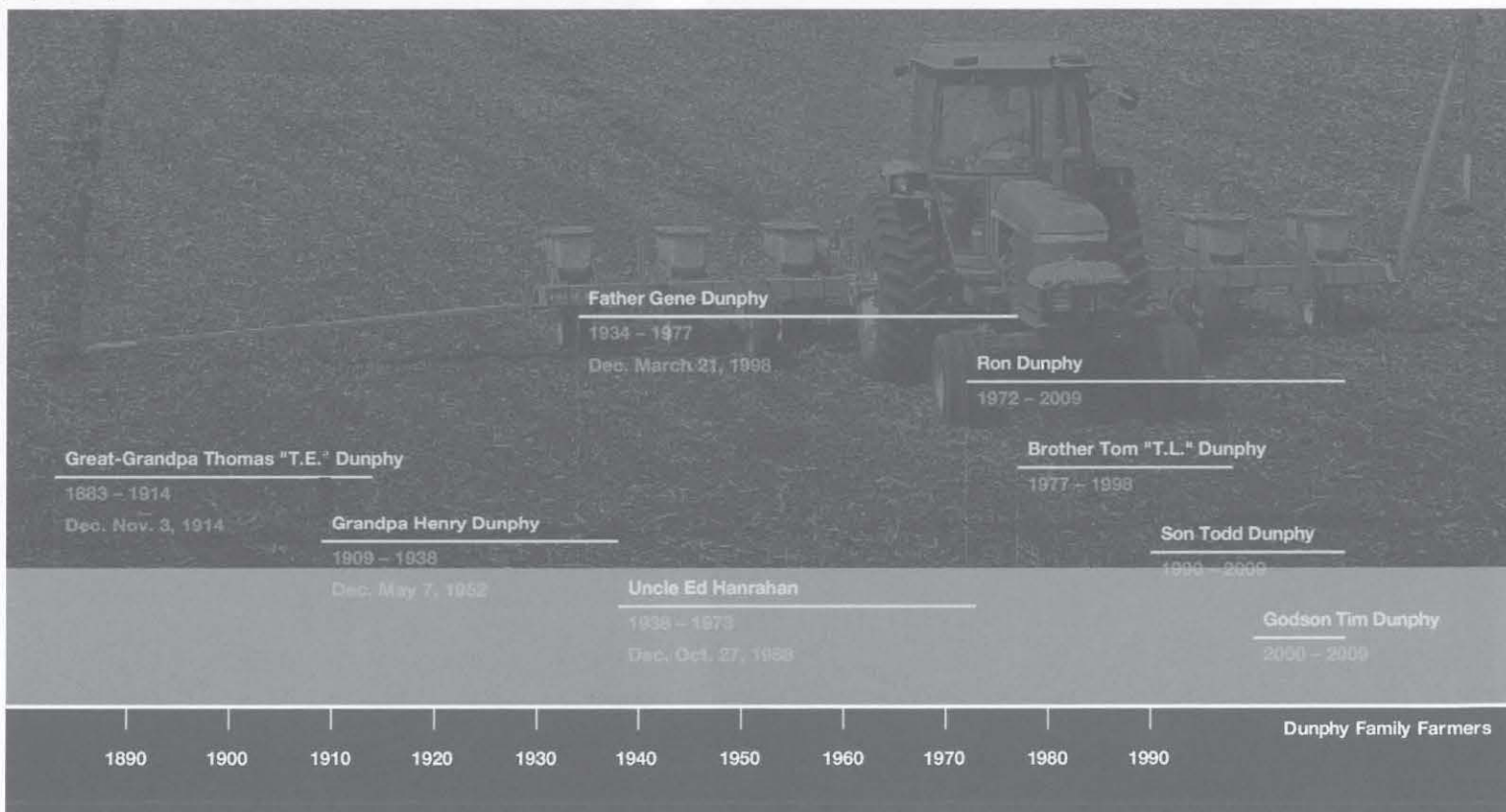
In the late 1980's the farm was again poised to transition to the next generation. Ron's son Todd, who had found suit-and-tie work in California, decided, "I gotta go back to Iowa and farm, it's what I want to do." Todd's girlfriend at the time, Susan, didn't foresee life on the farm, so Todd returned home to Iowa, alone.

Six months later, they were engaged and after the wedding, Susan left everything behind to be with her husband.

Dunphy Farming Today

Ron Dunphy has been retiring over the past few years as his son Todd and nephew Tim have come into the operation. His operations included over 1,000 acres rowcrops (some organic), 150 head of cattle, hogs, and experiments from marshalling a regional feeder cattle cooperative, to growing hybrid seed corn (by hand), and even giant pumpkins for

Dunphy Family Timeline



Des Moines folks.

The family farm is held by the heirs of the Gene Dunphy and Ed Hanrahan estates as “undivided interests.” This legal term means all co-owners bear collective responsibility to land use or sales and pay equal shares in its income, gain, or loss. Tim and Todd own their own land in addition to tenant farming the family farm.

Todd got his start in 1988, working with his Uncle Tom and getting paid a salary. “I pulled my 401k out early, paid the penalty, and put it into cows,” remembers Todd, “and that has worked out well.” Soon, Todd was managing two chicken houses for Campbell’s Soup®. He owns 300 acres, half of which is in pasture, and has built up his cow/calf herd to 100 cows. By 2000, Todd was set-up with diversified agricultural enterprises including rowcrop (some organic), chickens, cattle, and their valuable manure.

“I saw Ron’s passion for farming and followed him.”

Tim Dunphy

Ron characterizes his godson Tim Dunphy, and his wife Allison as “great, bright, hard working young people.” Tim joined the family farm working for Ron in 2000. His start was buying cows in partnership while using Ron’s equipment for some custom haying (mow, rake, and bale). Ron paid Tim hourly, which was recorded daily, and sometimes paid in grain.

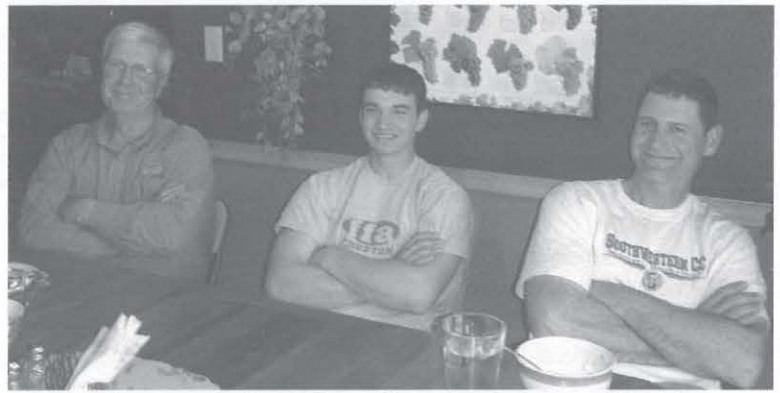
Tim works with the crop and animal production as owner and will buy Ron’s hog confinements this year, completing the transition of farm assets to the next generation. There is a lot of mutual respect and a good relationship exists between them. At Ron’s retirement party, Tim stood up and said “I saw Ron’s passion for farming and followed him.”

A “Do What It Takes” Lifestyle

Ron acknowledges the help he received to get started, but “I’d say the big reason we are here is that we were willing to do what it takes. We’ve lived simply, I’ve bought two new trucks all my life,” pointing over his shoulder to a shiny white pick-up, just a few weeks old.

It was clear in talking with Todd Dunphy that it takes strong stomachs to compete in commodity markets. “We pick up birds every day,” explains Todd, referring to the birds that are dead on the floor, a common issue in large chicken houses.

With these pains, there can be significant gains. “Those chicken houses were expensive to put up 19 years ago, but looking back, they have provided consistent payback, helped



Three generations of Dunphys: Ron, Colton, and Todd

pay our mortgage, helped me buy new equipment and more land,” says Todd. Having a good relationship with grain brokers, with whose help wise future grain selling decisions are made, has helped the farm through volatile price swings.

Exploration

“For both of my sons it was understood from an early age their education would extend through college and it would be necessary to work for somebody else before they could come back to the farm,” says Ron Dunphy. He sold insurance in the Twin Cities for years before coming back to farm in 1972.

“Our request to both of our boys was if you end up here, on this Dunphy land, that’s great. but you will not start out here,” says Dottie Dunphy.

The encouragement for exploration in the family is so strong that it has extended to their hired employee, Kyle. “We tell him ‘Get out of here, get off to college, the longer you wait the harder it is to leave,’” says Todd. “We hate to lose him, he does great work, it’s not in our best interest to see him go, but it’s best for him in the long run.”

Role of Women in Succession

In the Dunphy family, as in many families, the women have quite a challenging arrangement. As Dottie puts it “We’ll take care of the social things in life, the home, family, and you [the men] do the farming, the physical work...not only will we do that, we will provide some of the income.”

Dottie has always been very supportive in assisting with farm marriages, in which farm women traditionally cope with long work hours and a lack of time from partners to share family duties including childcare. Dottie supports her daughter and niece with counsel. “We laughingly call it the farmer attitude,” understanding their husband’s value system.

Susan’s role in farm transition has changed much over the past 19 years. Year one was caring for calves and occasionally driving tractors. Her role quickly developed into financial management. “Never had I dreamed of being

New PFI Members—Welcome!

District 2

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 Brian Hayward, *Madrid*
 Gary Steenblock, *Kanawha*
 Susan Wallace, *Ames*
 Troy Benjegerdos, *Ames*
 Richard and Carol Bork, *Ogden*
 Ray and Betty Coleman, *Toledo*
 Farm to Folk, Marilyn Andersen, *Story City*
 Caithlin Grieshop, *Melbourne*
 Gary Hammitt, *Vincent*
 Sally Hertz, *Nevada*
 Jennifer O'Neill, *Ames*
 Gordon and Katy Reeder, *Roland*
 Jacqueline Rhodes, *Marshalltown*
 Jennifer Roberts, *Boone*
 Kate Solko, *Ames*
 Ron Tigner, *Lehigh*
 Randy and Liz Hertz, *Nevada*

District 3

A&J Farms, Justin Grove, *Luana*
 Brian Sauer, *Decorah*
 Seed Savers, *Decorah*
 James Frantzen, *Elma*

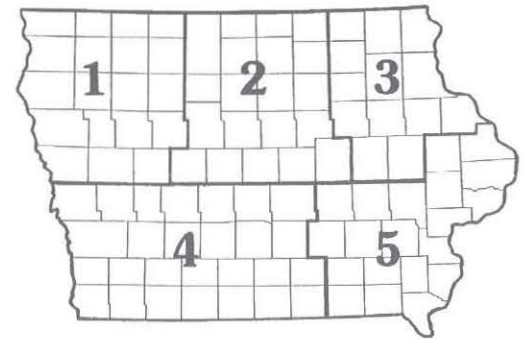
Todd and Karla Hanson, *Monona*
 Erik Sessions and Sara Peterson, *Decorah*
 Melissa Sharapova, *Cedar Rapids*

District 4

Lee Abramsohn, *Urbandale*
 Mary Margaret and Jim Gran, *Newton*
 Prairie Hill Farms, James Mathis, *Elkhart*
 Todd Russell, *Anita*
 Bryan and Joan Samuel, *New Virginia*
 Butcher Crick Farms, Jennie Smith, *Carlisle*
 Dennis and Connie Norton, *Bedford*
 Paula Feltner and Dr. Michael Eberle, *Des Moines*
 Nanette Hall, *Des Moines*
 Nate Looker, *Des Moines*
 Connie and Kim Schmett, *Clive*
 Jack Trowbridge, *Decatur*

District 5

Valerie Hammond, *Grinnell*
 Glenn and Linda Drowns, *Calamus*
 Kate Gilbert, *Muscataine*
 Kathy's Pumpkin Patch, Kathy Hohl, *Donnellson*



Fox Ridge Farm, Paul Rasch, *Solon*
 Mary and Kevin Somerville, *Oxford*
 Aaron Weivoda, *Iowa City*

District 6 (Outside of Iowa)

Marilyn Adam, *Stoddard, WI*
 Brenda Foster, *Mequon, WI*
 Jeffrey Miller, *Austin, TX*
 Paul Davis, *Encinitas, CA*
 Paulsen Family Farms, Duane Hovorka, *Elmwood, NE*
 Tim Kelley, *Elmo, MO*
 Brandee Marckmann, *San Francisco, CA*
 John Scanlan, *Canton, MS*
 Eric Walker, *Calhoun, GA*
 Tim Wilson, *Chicago, IL*

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the financial person.” When the chicken houses were up and running she found herself negotiating flock settlements and hired hands; she also took charge of cattle recordkeeping and computerizing the accounting.

“Today I find myself asking ‘Can we buy more of our own land?’” Susan’s business sense demands the farm show cash flow projections on paper first. “A lot of farmers don’t do that, they get addicted and can’t stop.”

In Dottie’s experience, watching the empowerment of women on the farm has been a notable shift in a generation. In the 1980s, she and other farmwives were often excluded from participation in major farm decisions. When the market tanked and their names were on the loans, “a lot of women went to night shifts and working in factories. I don’t think they have ever gotten their credit because it was *their* paychecks that were putting food on the table and keeping the family together,” says Dottie.

Today, Dottie makes sure that Susan and Allison are at the table for all major farm decisions, asserting their opinions and continually offering their talents and gifts to the farm business.

Communication and Planning

For decades the family has had dinners and meetings

together to discuss farm operational and business planning decisions.

Ron has found wonderful legal counsel in Paul Stave for 45 years, as well as a great relationship with his CPA for tax advice. The retirement planning took years of patience and thoughtful contemplation. “More than farm retirement but life retirement planning was very helpful to Dad,” stresses Todd Dunphy.

On working with new partners in transition, Ron says “Usually the three of us respect the others’ needs and desires and try to accommodate that.”

Farm Retirement

Ron decided it was best to slowly retire as “tax consequences seem less severe if sold over a period of years.” He continues trying new things with a focus on conservation planning on parts of the family land. His prairie reconstruction will provide space for native biodiversity and forage for sustainable grazing. Along the edges of his woodlands he is focusing on quail habitat improvement. Ron encourages his grandson Colton with his Short Horn show cattle, and will maybe someday help him with another farm transition.