<u>Summary – Case Study 3: Rho Family</u>

Business continuing

If the division was even, the farm would be sold.

The farm was split in three successive generations. For it to remain viable the business needed to avoid further size reduction. There are four children in the Rho family, who as a family confronted the issues and the split is 80% to the farmer and 20% shared by the other three siblings.

In some families it's accepted that the farmer will get the farm, and the rest of the family will be content with what is left over. That is pretty much the case with the Rho family. Succession up until this point had been managed by continually splitting the farm between the farmers in each generation. As well as size reductions forced by family members, some of the farm was acquired for solider settlement. That's why the farm fell in area to its present size.

The cut up of family assets, 80% to the farmer and 20% to the three other siblings, was enabled by off farm assets. But the current arrangement could not have been agreed without the family confronting the issues. Adam, the farmer in the current generation, made it clear that he wasn't prepared to spend twenty years working on the farm and then find that he had a quarter share. The conversation was blunt *'if you all want your equal share, we will just have to sell it.'* With a young family to consider, he made it clear that he would sell and go and do something else. But his parents wanted to remain on the farm.

The lessons from the Rho family are:

1. Individual families have the right to choose a course which suits them.
2. In this case fair does not mean equal.
3. The family 'bit the bullet' and decided to split the assets 80/20 soon after the farming son committed to running the farm.
4. There is some unfinished business in the Rho family which won't be finished until Adam's parents die.
5. For Adam, relying on his parents Wills may be a dangerous choice.

There may still be some issues to resolve for the Rho family.