

farm succession



The Horgans pictured with Teagasc advisor Michael Bourke on the family farm in Kilworth, Co Cork. Farm succession will feature at BEEF2024.

How this Cork family achieved a smooth farm succession process



There are some key things to consider in the farm succession process and the Horgan family ticked all the boxes

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John Horgan from Kilworth, near Fermoy, Co Cork is a part-time beef farmer who recently took over the farm from his parents Pat and Catherine. John works full-time as a primary school teacher in Kildorrery around 21km from where he lives and is married to Noelle who hails from Donegal. They have two young daughters, Alannah and Órla and Noelle works full time as a nurse in Cork.

This makes for a busy lifestyle with John still involved in the local GAA. He competed in the sport of handball at a high level.

Beef enterprise

The farm consists of 70 acres split by the main road and bordering the river Araglen. It was originally run as a dairy farm but in 2007 it changed

over to a calf-to-beef enterprise, which is still the main enterprise on the farm. "I buy around 50 calves locally each spring with the calves being taken through to either forward store stage or finished in Kepak Watergrasshill," says John.

Pat and Catherine began the process of transferring the farm in 2018. "We are very happy with how smoothly the transfer of the farm to John has been," says Pat. "We firmly believe that it is vital to gather as much information as possible before starting the succession process."

Catherine, Pat and John sought advice from both Teagasc and their accountant who has expertise in the area of farm succession planning.

"One of the most important areas we focused on with our accountant was to ensure we qualified for all the

reliefs available such as Retirement Relief, and relief from Capital Gains Tax," says Catherine. John made sure he qualified for Stamp Duty relief and Capital Acquisitions Tax relief.

This all had to be completed by the time John turned 35 and the process of transfer began a number of years prior. "We sat down as a family to ensure that everyone was happy with the decisions made," says John.

Catherine and Pat said they were happy to stay involved in the farm as they are still fit and healthy and enjoy working with the stock. John was also happy with this as he would have extra help during spring when workload increased.

Time constraints can be one of the main problems for part time farmers. The Horgans have children to be picked up and dropped off and involvement with the likes of GAA and other outside interests taking up many of the free hours in the day.

Contractors

"We use contractors for all the main jobs on the farm such as silage, slurry, reseeding and even fertilizer spreading," says John. "A good relationship with your contractor is key. I keep him up to date on any works coming down the line and he ensures tasks are carried out on time."

To make the calf rearing process easier and avoid hassle with health problems John has made some labour saving investments on the farm. He built a calf shed to hold 50 calves with easy access to clean the sheds with a tractor and loader.

A mobile calf milk feeder and mixer was also purchased three years ago and this has been a 'game changer' in terms of the time spent preparing milk replacer and feeding calves according to John.

A weighing platform was also purchased to monitor performance of cattle at various times of the year. This helps John make informed decisions around selling cattle or when to begin intensive feeding.

"To condense the busy period rearing calves I purchase them over a 3-4 week window," says John. "This avoids having large age gaps between calves and avoids calves being bullied in the groups at troughs etc."

John's plans for the future include investing in slurry storage and some machinery. A new slatted shed would take pressure off housing in winter, allowing him to finish all his stock and ensure he has enough storage to hold slurry until at least March each year. "That means we can put out slurry when grass needs it so we get maximum benefit from the nutrients," he adds.



John and Pat Horgan: As part of the succession plan, Pat has remained active the farm.

Key points:Horgan family's farm succession plan

- Parents still have an active involvement in the farm while relinquishing overall responsibility.
- The gradual step back for parents means they are there to assist, while John works part-time and gets established on the farm.
- Early farm transfer means John still is young enough to make investments in the farm safe in the knowledge that his family will reap the benefits
- Advance financial planning. Having discussions with accountant, solicitor/tax consultant and Teagasc advisor well ahead of the transfer ensured financial mistakes were avoided.
- Succession decisions should not be rushed.
- Ensure that all tax reliefs from capital taxes involved in farm succession are availed of: Stamp Duty, Capital Gains Tax and Capital Acquisitions Tax.

Investment

John also plans to invest in a newer tractor and maybe a loading shovel. Given how tight time constraints are in evenings especially in winter, good equipment that starts and drives and gets the job done quickly is essential to ensure family time isn't interrupted by unwanted breakdowns.

"Having completed the process of transferring the farm at a relatively

young age allows us to not only plan investments but also to reap the benefit of these investments," says John.

"Big spend items such as farm buildings will take a number of years to pay back and depreciate and getting these investments completed early means Noelle, myself and the children will see the benefit," he concludes.

Call for study participants: delayed succession on beef and sheep farms

Approximately one-third of registered farm holders in Ireland are aged 65 or older. The traditional method of succession, where the father passes the land to his eldest son, is declining in prevalence.

While there's a noticeable shift with 18,000 farm holdings now registered to women, there remains a gap in understanding of the intentions of 'mature' successors. These potential successors are increasingly pursuing off-farm careers, leading to prolonged absences

from the farm.

A new study, jointly funded by Teagasc and Macra in partnership with Ulster University, seeks to explore the barriers to farm succession within the beef and sheep farming sectors from the perspective of potential successors. The study aims to gain insight into the plans of these individuals regarding the future of the farm.

If you're aged over 35 and considering taking over a farm, or if you're a farmer contemplating transferring the farm and are interested in participating in the study, please contact Holly Mullan at shepherd-h@ulster.ac.uk, or Emma Dillon of Teagasc at Emma.Dillon@teagasc.ie