

Succession is inevitable, the sooner you start the 'journey', the better.



How to manage the farm succession process for everyone's benefit

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Transferring farm ownership and management from one generation to the next is rarely easy. There are legal, financial, emotional and social dimensions, each of which can complicate or delay the succession process.

For most farm families succession is not a single event but a journey, with many staging posts along the way.

Sad to say it, but farmers, as a co-

hort, are ageing. Fewer young people are entering farming as urban job opportunities and higher education draw potential successors away from rural life.

The demands and uncertainties of agriculture can deter young people from taking over family farms.

The financial viability of farms is also a consideration for potential successors. Many farms operate on narrow profit margins, making it challenging to support the needs of multiple generations.

The extremely high cost of land and the capital required for modern farming equipment further exacerbate these issues.

Successors may be reluctant to take on the financial burden associated with farming, especially where alternative career paths can offer stable and potentially higher income.

Family dynamics

Beyond the tangible challenges, farm succession is deeply entwined with family dynamics and emotional considerations.

Attachment to the land and the family legacy can create strong emotional bonds, but it can also lead to conflict and difficult decisions.

There is often a powerful desire to have the family name attached to land. Open communication within

10 steps to a smooth farm transfer

1 Start early: begin the succession planning process as early as possible. It's essential to have open and honest discussions with family members about the future of the farm and their roles in it. By putting it 'on the long finger', you might find that some taxes become unavoidable, placing an unnecessary financial burden on the successor. Make or update your will. The will then becomes the "backstop" should the 'unforeseen' happen before the succession plan is completed.

2 Assess goals and objectives: identify the goals and objectives of the farm succession plan. Consider factors such as preserving the family legacy, ensuring financial security, and maintaining the viability of the farm for future generations.

3 Understand legal and financial considerations: familiarise yourself with the legal and financial aspects of farm succession, in particular the tax and inheritance laws. Navigating the rules requires careful planning. Seek professional advice from solicitors, accountants and your local Teagasc advisor.

4 Identify successors: determine who will take over ownership and management of the farm. This may include one or more family members. Over the last decade, DAFM Registered Farm Partnerships have become an important stepping-stone in the succession process, especially where the generation gap is short, and the farm succession plan is a staged process. There are also attractive incentives to use this model (higher grant aid and tax credits).

5 Develop a succession plan: create a detailed succession plan outlining how the transfer of ownership and management will occur. Include provisions for decision-making, asset distribution, and the roles and responsibilities of each party involved.

6 Communicate effectively: maintain open and transparent communication with all family members, particularly those directly involved. Discuss expectations, concerns, and any potential conflicts openly in order to address them early and find mutually agreed solutions. Mediation services help families discuss their goals, expectations, and concerns in a structured and neutral environment. This process can prevent disputes and foster a collaborative approach to succession planning. Mediators can also assist in developing formal succession plans that outline roles, responsibilities, and timelines, providing clarity and reducing uncertainty.

7 Taxation: Irish capital taxation is complex. However, for the majority of farms, there will be little or no tax due if the transfer is well planned. There are good tax reliefs available (see Table 1), but they have conditions attached. Talk to your local Teagasc advisor, who can help you prepare for a meeting with your tax advisor.

8 Address financial security: ensure that the retiring generation has adequate financial security and retirement planning in place. Consider options such as pension plans, savings accounts, and investments to provide income during

retirement. Long-term care and the "Fair Deal" scheme, should also be considered. Family settlements sometimes create a huge burden on the successor and hold back the farm.

Catering for siblings of the successor needs to be carefully managed so that the financial sustainability of the farm is not undermined.

9 Document and review the plan regularly: it's highly advisable to put the succession plan in writing. It should be reviewed regularly to accommodate changes in family circumstances, farm operations, or legal requirements.

Too many plans are completed only when there is a sudden, life changing illness, or other major family event. Consequently, they are rushed. This can lead to tax liabilities and family disagreements.

10 Seek professional guidance: seek professional guidance throughout the farm succession planning process. Transferring the family farm clinics, organised by Teagasc offer one-to-one consultations with experts in legal, financial, mediation, and farm management fields. These help families understand their options and make informed decisions. Check out the events page to book into one near you in October 2025.

Table 1: Irish capital taxation

Tax on farm transfer	Paid by	Relief available*	Rate
Capital Acquisitions Tax	Transferee	Agricultural relief	33%
Capital Gains Tax	Transferor	Retirement relief **	33%
Stamp Duty	Transferee	Young Trained Farmer relief 0%	7.5%
		Consanguinity relief 1%	

*With all reliefs there are both qualification criteria and 'terms and conditions' to be aware of.

** The ceilings available reduce from 1 January 2025

the family which addresses expectations, roles, and responsibilities is essential.

Establishing a shared vision for the farm's future can help avoid potential conflict and ensure a smoother transition.

When you find yourself on the succession 'journey', what are the key considerations? By following the steps outlined in the above panel,

you can create a comprehensive plan that meets the needs of your family and ensures the long-term sustainability of the farm.

While there are significant challenges, proactive planning and leveraging tax reliefs will help you navigate the financial complexities of succession.

Mediation services and your Teagasc advisor can offer vital support

in addressing family dynamics and planning needs. I wish you well on your journey of creating a future for your farm successor.



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