Animal & Grassland Research and Innovation Programme

Moorepark Dairy Levy Research Update

Entry, Progression and Succession Pathways for Dairy Farm Businesses Open Day

Shinagh Estates, Gurteen Dairy Farm, Bandon, Co. Cork

Thursday 22nd May, 2025

Series 43

Teagasc – Agriculture and Food Development Authority

Shinagh Estates Limited

Dairy Research Ireland – funded by Irish Dairy Farmers

Carbery

An Roinn Talmhaíochta, Bia agus Mara
Department of Agriculture, Food and the Marine

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Shinagh Estates welcome

I would like to welcome everyone to Gurteen Dairy Farm today, as we in Shinagh Estates, in conjunction with Carbery, Teagasc, and together with our share farmer Kerry Desmond, display how a dairy share farm agreement works. Kerry is the third share farmer at Gurteen Farm, since its inception as a dairy farm back in 2015. What was then a Greenfield site has been developed into the well laid out dairy farm you will see today.

Gurteen Farm is owned by Shinagh Estates Limited which in turn is owned by the four West Cork Co-operatives, Bandon, Barryroe, Drinagh and Lisavaird. The Board of Shinagh is made up of representatives of Board members from the four cooperatives. It was this Board and Padraig French, that took the suggestion to Teagasc to run an Open Day in Gurteen again to highlight how our share farm agreement works, and to demonstrate how and why share farming should be seen as a real option when considering retirement, succession, generational renewal and collaborative opportunities in farming.

Many would say we as an agricultural sector, are at a crossroads with an ever ageing farmer profile and a society that offers careers to a very well educated next generation anywhere in the world. We can't force anyone to go farming but succession is inevitable and we must look at alternative farm structures that can retain farms within family ownership as well as retaining cows on Irish farms.

I want to thank all those that helped with this open day - Kerry for being so accommodating to our idea, and Padraig Cunnane for sharing his ongoing success since moving on from Gurteen. Finally, I would like to thank the fantastic Teagasc team, including Padraig French, Don Crowley, Grainne Hurley, Ruth Fennell, and Conor Hogan, for their work in organising the booklets, boards, and contributing as speakers on the day. Finally, thank you to all the Forum speakers and our chair for their valuable insights and contributions.

Kerry Desmond bought his cows in the winter of 2023 and entered a share farming arrangement with Shinagh Estates. His cows started calving here in late January 2024. Now, Kerry will tell you the rest!

Enjoy your day.

Sean Deasy

Chairman of Shinagh Estates

Shinagh Estates Ltd are wholly owned by the four West Cork Co-ops: Bandon, Barryroe, Drinagh and Lisavaird. They are also the constituent Co-ops and owners of Carbery milk processor.

Teagasc welcome

As we look to the future of Irish agriculture, particularly dairy farming, it is clear that succession planning has never been more important. The vitality and sustainability of our farms depend on the ability to pass on knowledge, expertise, and responsibility to the next generation. This is not only critical for the continuation of farm businesses but it is essential for ensuring the long-term health of our milk pool.

Here at Teagasc, we are committed to supporting farmers and families in navigating the complexities of succession. In 2015, Teagasc in conjunction with the owners of Shinagh Estates, Drinagh, Bandon, Barryroe and Lisavaird Co-Op's converted Gurteen farm into a new dairy demonstration farm while also demonstrating the setup, operation and financial performance of a dairy Share Farming arrangement. The objective of this Open Day is to update dairy farm families on both the physical and financial performance of the Gurteen Share Farming arrangement, while also to explore the necessary steps to ensure sustainable farm transfers, both financially and personally, so the next generation can continue to contribute to a thriving dairy sector.

There are a growing number of successful people in the industry, including Kerry Desmond and Padraig Cunnane, who have set up their own dairy farming business despite not owing a milking platform. These people are great role models to encourage others to choose dairy farming as a career. The current collaborative structure as demonstrated on this farm exhibits how farmers can work together in a formal business arrangement. There are other forms of collaborative farm arrangements such as contract heifer rearing, long-term land leasing and registered farm partnerships that will be discussed on the day and our Teagasc experts and local advisors are here to assist farm families on their future plans.

Enjoy the day!

Grainne Hurley

Teagasc Regional Manager, Cork West

Working together: Collaborative farming models for a sustainable future

Ruth Fennell

Teagasc, Kildalton Agricultural College, Piltown, Co. Kilkenny

Summary

- Collaborative farming helps address challenges such as land access issues, labour shortages, and rising costs.
- It benefits new farmers, landowners, and those stepping back, offering land access, income, and gradual transitions.
- Clear agreements and communication are essential to manage risks and protect everyone's interests.

Introduction

Across Ireland, farming is more than just a livelihood—it's a way of life, deeply rooted in family, land, and community. For many, the family farm is a great source of pride passed down through generations, but the future can bring difficult questions. Who will carry it on? Can the next generation afford to stay? How do we ensure that the farm is well managed financially and physically without having to work or continue to be tied to the farm? Where potential successors are not in a position to take over but the current generation want to step back, what are the options?

Farming is now more challenging than ever. With rising costs, labour shortages, land access issues, increasing environmental pressures and a desire for a better work-life balance, many farmers are rethinking how they operate. Collaborative farming offers a practical solution—bringing together people, resources, and ideas to build resilient agricultural businesses. Whether it's sharing land, skills, or responsibilities, collaborative arrangements are not only practical—they are vital for the future of sustainable agriculture and rural viability.

The benefits of collaborative arrangements

Collaborative arrangements are about creating an environment where different needs and strengths of the individuals come together. The potential benefits vary depending on who you are.

New/young farmers: For new and young farmers, especially those without their own land, getting started is often the biggest hurdle. Buying land is prohibitively expensive in today's market place, and even leasing can require significant capital investment and knowledge that new entrants may not have yet acquired. Collaborative arrangements, such as share farming and registered farm partnerships, allow these new entrants to work alongside experienced farmers, access land, and build their skills and capital without the burden of doing it alone. They gain mentorship, reduce financial risk, and can gradually increase their stake in the business.

Landowners: Landowners who don't wish to be involved in the day to day running of the farm can benefit significantly from collaborative models. By working with someone who has the energy and expertise to farm the land, they ensure the land remains productive while receiving an income or profit share.

Farmers planning to step back: For farmers who want to step back but remain connected to the farm, collaborative arrangements can offer numerous potential exit strategies. Many farmers find it hard to walk away from decades of work, and selling the farm is often not considered as an option. Collaborative arrangements with an identified successor or a new/younger farmer allows a phased transition, where knowledge is passed on, the farm continues to thrive, and the original farmer can step back gradually.

Alleviating concerns around collaborative farming businesses

A lack of awareness or understanding of possible options may result in a reluctant attitude towards entering some collaborative arrangements. Concerns around personal security, profit sharing, and maintaining autonomy are valid concerns but they are also very manageable with the right arrangement and thoughtful forward planning.

Legal agreements are an essential part of any potential collaborative arrangement. These should outline the terms of the agreement, responsibilities, profit and cost sharing, duration, and exit strategies. With distinct goals, good communication and a clearly defined agreement, all parties should have peace of mind that their interests are protected. It is vitally important that significant effort and thought is put into the drawing up of the exit strategy for the proposed arrangement so that if and when the agreement ends, the dissolving of the business is straightforward and without complication.

While some may fear reduced individual income, collaborative arrangements can lead to better financial outcomes. Collective decision-making brings more ideas and perspectives to the table.

Concerns about decision-making power are natural, especially for those who have been managing their farms independently for many years. However, depending on the agreement, collaborative arrangements don't necessarily mean giving up all control; it means negotiating shared goals. Good partnerships are built on mutual respect, complementary skills, and good communication. Setting boundaries and responsibilities early helps to ensure a good working relationship into the future.

Beyond individual benefits, collaborative farming arrangements have broader implications for rural sustainability. They can contribute to healthier rural economies and communities by keeping land in use, providing opportunities for existing farmers that are looking to expand or for those looking to take an initial step on their farming journey.

Collaborative models keep land productive, often in more environmentally sustainable ways, as younger farmers implement eco-friendly approaches and bring fresh energy to the table. One of the consequences of rural decline is the loss of skilled young people who move away with alternative employment opportunities now freely available. By creating entry points for the next generation of farmers, collaborative arrangements can help to retain and attract people to rural areas. **Working together promotes continuous learning**. Current farmers pass on their lived experience, while younger farmers contribute new innovation. This cross-generational collaboration can energise the farming operations.

Conclusion

Farming can be isolating, especially for those without additional labour coming onto the farm. Collaborative arrangements build relationships—not just within the partnership but across the wider community. Collaborative farming isn't just an alternative model—it's a promising way forward for agriculture in the 21st century. It addresses immediate concerns like land access and generation renewal, while also tackling larger structural issues like rural depopulation and sustainability. The key lies in thoughtful, well-planned agreements that balance trust, transparency, and shared vision.

Share farming in practice: The structure and the Gurteen share farming arrangement

Conor Hogan[1] and Gus O'Brien[2]

[1]*Teagasc, Animal & Grassland Research and Innovation Centre, Moorepark, Fermoy, Co. Cork;* [2]*Shinagh Estates, Bandon, Co. Cork*

Summary

- Share Farming is one of several collaborative options—alongside leasing and partnerships—that can offer numerous financial and lifestyle benefits to farm owners and prospective share farmers.
- It is built on a win–win principle, where milk sales and expenses are shared, aligning the interests of both parties and distributing the risks and rewards of farming.
- A strong working relationship is the foundation of a successful Share Farming arrangement.

Introduction

Share Farming is a relatively new collaborative farming structure to Ireland. However, these models will play an increasingly important role in the future, providing solutions to challenges including generational renewal, access to skilled labour, and access to land, capital and responsibility for young farmers. They are well established in countries like New Zealand, where about 29% of its 10,500 farms are estimated to operate under this model. They create viable pathways into the industry for young people without the need for land ownership. For farmers wishing to step back, they offer a mechanism to step back gradually and remain involved in farming, while ensuring the productive and profitable use of the land is maintained. The current paper outlines the core structure and benefits of share farming in the context of the Gurteen share farm structure.

The core principle of share farming involves;

- The landowner providing land and infrastructure (e.g., milking parlour, wintering facilities, roadways).
- The share farmer supplying all of the labour, some or all of the livestock, and managing the farm's daily operations.
- Machinery may be provided by either party, depending on the agreement.

In return, both parties receive a **percentage of the milk cheque**, usually close to a 50/50 split when the share farmer provides all the livestock, or 60/40 in the case of the Gurteen arrangement (Table 1). **Stock sales go to the livestock owner, and the BISS remains with the farm owner.**

How are costs shared?

Some costs are individual, while others are shared based on the milk income split:

- Individual costs:
  - » Farm owner covers costs tied to their assets (e.g., roadway repairs).
  - » Share farmer covers costs tied to their assets (e.g., animal health if they own the stock).
- Shared costs associated with producing milk (e.g., feed, fertiliser) are shared proportionally to the milk cheque division.

An extract for these costs in terms of Gurteen Farm is presented in Table 1 at the end of this document.

In practice, costs are split in two ways:

- At source – e.g., the milk processor issues separate statements to each party; input suppliers can invoice both parties for their share (e.g., three tonnes each for a six tonne fertiliser order).
- At farm level – e.g., one party receives the full invoice or cheque and distributes the shares accordingly, with written records (invoices/receipts) to track transactions.

Accordingly, the business relationship between the farm owner and share farmer are vitally important to manage cost and keep up-to-date on moving payments in and out.

The importance of a legal framework

Additionally, a clear and robust legal framework is essential for the success of any Share Farming arrangement. It ensures transparency, sets expectations, and protects the interests of both the farm owner and the share farmer. By defining roles, responsibilities, cost-sharing mechanisms, and dispute resolution procedures, the contract minimises misunderstandings and promotes trust. The Teagasc Share Farming agreement provides a comprehensive template that can be tailored to suit individual arrangements. It is paramount that experienced legal advice is sought in the development of these arrangements. A well-drafted legal agreement forms the foundation for a professional, long-term partnership that can adapt and evolve as the needs of the farm and the individuals involved change.

Share Farming arrangements can last any period of time but typically contracts are signed for a minimum of three years. At the end of a contract, the share farmer may want to move to another opportunity or continue to progress, and must give at least six months' notice if this is the case. The same notice period generally applies to the farm owner if they wish to end the contract.

Why Share Farming?

Share Farming provides numerous benefits to both parties.

Benefits to the farm owner are:

- Continue dairy farming while releasing time and assets, and no longer needing to carry out the work themselves.
- Offers an option for farm succession where the farm family has no successor or is waiting for a successor to develop.
- Ensures continued productive use of the land and infrastructure, protecting asset value.
- The farm is managed by a reliable person who has skin in the game to succeed.
- It alleviates the land owner of key pressures around managing the farm and labour.
- It represents an option if converting to dairy from tillage or drystock, allowing access to skills and livestock from the share farmer.
- Maintain active farmer status for the BISS.
- More secure than employing staff, as share farmers commit long-term via contract.
- The share farmer is motivated to maximise farm performance, which benefits both parties. Evidence of the benefits of working with skilled people can be seen from New Zealand data which shows farms operated through Share Farming are more productive and profitable than owner-operator farms.
- It allows the land owner an opportunity to step back but remain involved at a capacity decided by themselves.
- The collaboration between both parties helps ensure grazing (e.g., soil fertility) and farm infrastructure is maintained at a high standard (there is an onus on both parties to be motivated and productive).

Benefits to the share farmer are:

- Access to a developed and productive farm.
- An entry pathway into dairy farming without the need for land purchase or large capital investment.
- Investing only in productive assets (livestock) which will increase in value over time, and have high equity growth potential.
- The opportunity to run their own business (in conjunction with the farm owner).
- A stepping-stone to other opportunities, enabling capital growth with lower initial investment.
- Potential to gain valuable experience and mentorship from the farm owner, as well as building a track record with banks.

Gurteen Farm – Why go Share Farming?

Gurteen farm is a 34 ha farm that is owned by Shinagh Estates, which in turn is owned by the four West Cork Co-ops. The farm is located 2km away from the Shinagh farm, outside the town of Bandon in Cork. The farm was previously used to rear heifers, however, in the end of 2015 this farm was converted to dairying with the intention of going into a Share Farming arrangement with a skilled person who would provide approx. 100 cows and run the farm for a set term.

Shinagh Estates's original objectives for this venture where to:

- To generate more profit from the Gurteen farm by converting it to dairying.
- To get a good return (10%) on the investment required to convert to dairying.
- To do this with minimal time input via working with a highly skilled share farmer.
- To demonstrate a collaborative farming model which allows skilled people to start dairy farming without having to buy or lease land, and allow farmers without successors to continue farming.

Choosing a share farmer

Before selecting a share farmer, or indeed, for a share farmer choosing a landowner, it is essential to have a clear understanding of what you're looking for in a partner. Defining your criteria in advance helps ensure a good fit and sets the foundation for a successful working relationship. The next article in this booklet outlines key criteria to consider when assessing potential arrangements.

Once the criteria are clear, the next step is finding the right person. This can be done through various channels, such as advertising in local or national newspapers, leveraging personal networks, or using word of mouth. Another valuable option is the Land Mobility Service, which has successfully facilitated over 1,000 arrangements since 2015.

After advertising it is a matter of conducting a detailed interview process to find the right candidate. A number of people were shortlisted for the Gurteen position and as part of the interview process these candidates had to prepare a budget for the farm as a way of testing their financial skills. Each candidate was requested to provide a CV and their references were contacted to examine the candidates' performances in previous positions. A second interview with the candidates was completed on farm so they could see the farm first-hand and to ask more questions.

Kerry Desmond impressed in both interviews and had gained valuable experience working on well-known dairy farms, and having completed the Professional Diploma in Dairy Farm Management from Moorepark.

Relationships

Beyond the legal agreement that underpins a Share Farming arrangement, a strong working relationship between the farm owner and the share farmer is essential. This relationship should be built on mutual respect and a clear understanding of roles and expectations.

For example:

- The share farmer should respect the farm and manage it with the same care and responsibility as if it were their own.
- The farm owner should respect the share farmer's role as the day-to-day manager and avoid unnecessary interference, while still having input into the broader principles of how the farm is to be run.

To support this relationship, it is often beneficial to involve a third party—such as an adviser or consultant—as an independent facilitator. This person can monitor farm performance against agreed targets, help ensure both parties are fulfilling their responsibilities, and assist in resolving any emerging issues.

Common sources of tension in Share Farming arrangements include:

- Poor farm tidiness or cleanliness.
- Facilities not meeting agreed standards or timelines for upgrades.
- Farm performance being below par.
- Over-involvement by the farm owner, leading to frustration and reduced autonomy for the share farmer.

Some level of conflict is natural, but it must be addressed proactively. Both parties must recognise their interdependence and the importance of cooperation. Flexibility, open communication, and a willingness to compromise are vital. A failed arrangement can have serious consequences for both sides; farm owners may struggle to attract future partners, and share farmers risk damaging their reputations within the industry. As the Irish dairy sector is close-knit, maintaining a positive professional reputation is essential for creating future opportunities.

Table 1. Extract from the Gurteen Share Farming Contract

DIVISION OF VARIABLE COSTS		
The Landowner and the Share Farmer agree the following proportions set out in which Variable Costs are to be discharged in accordance with Clause 48 of This Agreement		
Item	**Landowner %**	**Share Farmer %**
Purchased concentrates	40	60
Purchased forage	40	60
Nitrogen	40	60
Phosphorus & potassium (build-up)	100	0
Phosphorus & potassium (maintenance)	40	60
Ground limestone	100	0
Veterinary costs		
TB testing	0	100
Dry cow therapy	0	100
Vaccinations	0	100
Drugs	0	100
Call-outs	0	100
AI /breeding	0	100
Contractor		
Silage cutting	40	60
Reseeding	100	0
Fertilizer for reseeding	40	60
Reclamation work	100	0
Slurry spreading	40	60
Fertiliser spreading	40	60
Hedge cutting	100	0
Feeding stock during housing	40	60
Seed and sprays	100	0
Milk recording	50	50
Parlour expenses	40	60
Detergents	40	60
Teat spray	40	60
Liners and rubber ware	40	60
Milk socks	40	60
Annual IMQCS milking machine test	40	60
Routine maintenance	40	60
Major repairs	100	0
Bulk tank maintenance	40	60
Routine maintenance	40	60
Major repairs	100	0
Cow minerals	40	60
Silage additive and polythene	40	60
Levies and transport (stock)	0	100
Straw	40	60
Animal identification tags	0	100
Sundry variable costs	0	100
Farm insurance	100	0
Professional fees	100	0

Successful collaborative farming arrangements – The key considerations for farm owners and share farmers

Conor Hogan[1] and Ruth Fennell[2]

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Summary

- Taking time to assess alignment in goals, values, and communication styles is vital as successful agreements are built on trust, compatibility, and a shared vision.
- A capable share farmer combines technical expertise, financial management skills, resilience, and professionalism to drive the farm forward and build equity.
- Good farm owners provide the foundation for success, ensuring farm infrastructure is adequate to support the farm to grow, and allowing space for the share farmer to lead.
- Ongoing communication, mutual respect, and access to advisory and peer support networks will help to maintain a healthy working relationship and strengthen the business.

Introduction

The success in collaborative farming arrangements depends on the compatibility of the parties' involved, clear agreements, and strong business and communication skills. The following paper outlines the skills and characteristics required for both parties to excel in a collaborative farming arrangement. Farmers interested in entering a collaborative farming arrangement, be it as a farm owner or progressing farmer, can use the descriptions and checklists below to help judge their own suitability for a collaborative farming arrangement, and also that of a potential business partner. We have described the progressing farmer as a share farmer below; however, this farmer could be entering any type of collaborative arrangement, and the same factors will still apply.

The importance of evaluating potential business partners

Before entering into a collaborative arrangement, it is essential that both the farm owner and the collaborating farmer take time to assess whether or not they are a good fit to work together. Compatibility in vision for the business, work ethic, and communication styles can make or break a collaboration. Prospective partners should ask themselves the following questions as a guide:

- Do we share a common vision for the farm?
- Are our attitudes towards the style of farm management aligned?

- Are our attitudes towards risk and investment aligned?
- Are both parties financially secure and able to contribute to the business?
- Do we have the necessary support systems in place, such as legal and financial advisors?
- Can we trust and work well with each other over the long term?

Checklist successful collaborative farming arrangements

To assist all parties in evaluating their readiness and compatibility for a collaborative farming arrangement, the following checklist can serve as a guide. Reviewing these checklists and answering yes to the majority of the questions can indicate if you are ready to enter an agreement. It can also highlight potential areas that you can work on. It is important when considering transition of the farm, that the farm owner considers the importance of consistently innovating to improve the farm, for example in terms of grazing infrastructure and facilities, to ensure that the prospective successor on the farm (whether that is a family member or share farmer) has the best opportunity to hit the ground running.

For farm owners:

- [ ] Do I have a clear vision for my farm's future and am I open to collaboration?
- [ ] Is my farm infrastructure in good condition, including;
    - » Grazing infrastructure (fencing, roadways, and water access)
    - » Milking facilities
    - » Winter housing facilities
- [ ] Can I step back and allow the share farmer to take responsibility for daily operations?
- [ ] Am I willing to support and mentor my collaborative partner while maintaining a professional relationship?
- [ ] Do I have a well-structured legal agreement in place to protect both parties?
- [ ] Am I financially prepared for this arrangement, with clear profit-sharing and cost agreements?
- [ ] Am I committed to regular communication and performance reviews with my partner?

For share farmers:

- ☐ Do I have the necessary technical and farm management skills to run the farm successfully?
- ☐ Am I financially stable and able to invest in stock, equipment, or other necessary assets?
- ☐ Do I share a common vision and farm philosophy with the owner?
- ☐ Am I prepared to manage risk, financial planning, and market fluctuations?
- ☐ Do I have strong communication skills and the ability to maintain professional working relationships?
- ☐ Have I reviewed the legal and financial aspects of the agreement with a professional advisor?
- ☐ Am I willing to participate in regular meetings and performance evaluations?
- ☐ Have I a positive network of people supporting me, and good references from well-respected sources?

What makes a good share farmer in a collaborative arrangement?

A successful share farmer must possess several key skills and attributes to ensure smooth running of the farm and a mutually beneficial relationship. Below are the core skills that will need to be developed to support being successful in collaborative farming arrangements.

Technical ability and farm management skills - The share farmer should have strong livestock and grassland management skillsets, ensuring that animal health, breeding, and nutrition are maintained at an excellent standard. The ability to produce milk efficiently with a low cost of production is absolutely essential to build equity within a collaborative arrangement.

The share farmer must be adept at:

- Grassland management to maximise herbage production and herd performance.
- Stockmanship – Managing the herd effectively to achieve high performance in terms of milk production, calving, breeding, animal health, etc. Low empty rates, low culling rates and low calf mortality are among the key drivers of economic growth.
- Maintaining farm infrastructure to a high standard.
- Managing and working with people effectively – this includes, not only the farm owner, but also staff and necessary support advisors (accountants, Teagasc advisor), contractors, etc.

Business acumen and financial management - Share farmers must be financially literate, capable of managing budgets, cash flow, and farm investments. This includes:

- Understanding cost structures and maximising profitability.
- Planning for market fluctuations and low milk price years.

- Budgeting for labour, feed costs, capital improvements, and equity growth.
- Have a clear understanding of the collaborative agreements, how income/expenditure is split and why.
- A strong acumen of the impact that different variables/changes to key variables will have on the farms profitability (e.g., milk price, feed costs, milk solids output)

Access to capital and repayments – Share farmers will generally need to invest in stock and/or equipment. There should be a sustainable repayment plan in place in relation to any assets. A strong financial foundation indicates commitment and stability. The plan should be based on realistic targets that considers the impact of volatility of inputs or outputs.

Compatibility in farming philosophy and long-term goals - Farm owners and share farmers should align on production systems and the vision for the farm's future. If the perspectives on farm systems do not align, conflicts can arise. There should be clarity on the share farmer's commitment to the farm, and they should be comfortable with committing to the farm through difficult periods and dealing with setbacks. Resilience is an important aspect of building any farm business. There should also be an understanding that as the share farmer, you are essentially managing the farm owner's asset. It is important that you are respectful of this and where possible support the maintenance and upkeep of the farm. Likewise, it would be expected that the farm owners assets (land and buildings) are of adequate quality to support the share farmer.

Experience - Farm owners typically seek share farmers with a solid track record of farm management. Those who have:

- Gained experience working on well-run farms.
- Owned and managed their own livestock, showing an intent to progress.
- Worked abroad to gain different perspectives.
- Have strong references from well-respected people
- Have shown a level of trustworthiness and exhibited high levels of integrity.

These experiences contribute to a well-rounded farmer capable of managing the complexities of a collaborative arrangement.

Personality, communication, and work ethic - A share farmer must be trustworthy, open to feedback, and able to work well with others. Clear communication and respect are key to maintaining a productive working relationship with the farm owner. Additionally, the ability to cope with peak workload, and problem-solving under pressure is essential. As with any positive relationship, there will be a need for good communication, flexibility and give and take. There is also a need to budget and adequately resource full-time/ relief help to ensure that work-life balance is maintained, and the farm business is in the best possible position to maximise performance.

Building and maintaining positive networks – A significant component of developing a successful farm business involves placing yourself in networks of positive people that will allow you and your farm business to grow. The support group should include family and friends, but more direct to the farm business, it should involve placing yourself around a good team of advisors (accountant, bank, Teagasc advisor) and mentor farmers. Participating in a positive discussion group that is challenging the limits is important in this regard.

What makes a good farm owner in a collaborative arrangement?

A farm owner's willingness to collaborate, their ability to provide a good working environment, and their approach to financial agreements all impact the success of the venture. Below is a list of some of the key requirements for the farm owner.

Farm suitability – The farm should be in a position to grow and graze high volumes of grass. Land type, soil fertility, sward type and grazing infrastructure (fencing, roadways and water access) should all be considered.

Farm infrastructure - The farm must be in good working condition, with adequate milking facilities, and winter housing. The land should be capable of supporting a profitable enterprise. Issues such as poor soil fertility, inadequate fencing, or outdated facilities can add unnecessary pressure on the share farmer and should be addressed beforehand. There should be an agreement in place around any future developments required on the farm and timelines before commencing the arrangement.

Willingness to step back - Farm owners must trust the share farmer to manage daily operations. Micromanagement can strain relationships, whereas a structured but flexible approach allows the share farmer to make decisions within agreed guidelines. The farm owner needs to be open minded regarding different approaches to completing tasks.

Financial and contractual fairness - A well-structured financial agreement ensures equitability for both parties. This includes clear arrangements on profit sharing, cost allocation, and reinvestment plans. The farm owner should recognise that a share farmer takes on significant financial and operational risk, and the agreement should be structured to reflect this. This should include an understanding that the share farmer will be looking to build equity, as opposed to working for a wage, and that they have no security of tenure and possess a riskier asset (livestock vs land).

Mentorship and support - Experienced farm owners can provide guidance and support to the share farmer. Access to a network of advisors, discussion groups, and financial professionals can help ensure both parties succeed in the shared venture. There is also opportunity, in many cases, to support at key time periods and agree arrangements where the farm owner can remain involved in the day-to-day running of the farm at a degree that suits both the share farmer and farm owner.

Mutual respect and long-term thinking - A good farm owner acknowledges that the share farmer is not just an employee but a business partner investing in the farm's future. Respect for the farmer's role, fair treatment, and a shared commitment to long-term success are crucial elements of a strong working relationship.

Conclusion

Collaborative farming offers a practical solution for both farm owners and aspiring farmers. However, the right match, clear agreements, and ongoing communication are essential for long-term success. By carefully selecting partners, structuring agreements properly, and maintaining open dialogue, collaborative farming can be a win-win scenario for all involved.

The physical and technical performance of a share farm – The Gurteen case study

Kerry Desmond[1] and Don Crowley[2]

[1]Share Farmer, Gurteen Dairy Farm; [2]Teagasc, Cork West Advisory Unit

Summary

- Sourcing high quality stock is a fundamental pillar. Kerry has prioritised EBI, disease history, SCC and buying from as few farms as possible when putting his herd together.
- Focus on grass utilisation is crucial, Kerry did 40 grass walks in 2024 and has 10 walks done to-date in 2025. Kerry grew 13 tonne of grass and purchased 360 bales to ensure supplies for winter.
- In share farming, both parties (the share farmer and farm owner) must have a great handle on costs, as payments and receipts must be settled every month. It gives both sides a real understanding of how the business is going.
- The Gurteen case study shows the benefits of prudent financial management, where both parties have good incomes from a 100 cow farm. It also highlights the opportunity for the wider dairy industry to strengthen financial and cost management skills to improve profitability.

Introduction

This is Kerry Desmond's second year in this Share Farming arrangement on Gurteen Farm. Kerry is the third share farmer working with Shinagh Estates in such a share farming arrangement, following on from John Sexton and Padraig Cunnane. The farm is owned by Shinagh Estates, which is in turn owned by the four West Cork Co-ops; Bandon, Barryroe, Drinagh and Lisavaird Co-op. The farm consists of 37 ha, all in grassland, and is located just outside Bandon. The farm was previously run as a heifer rearing block for Shinagh Estates dairy farm. At the end of 2015, the farm was converted into a dairy block, with the intention of entering a Share Farming arrangement with a share farmer who would provide approximately 100 cows and run the farm for a set term.

Kerry establishing his herd

Kerry purchased 106 cows from two farms. The main criteria for purchase were high fat and protein percentages, and high EBI stock (with a high fertility sub index). A specific focus was placed on minimising disease risk and optimising biosecurity. Once cows were purchased, the herd were vaccinated with IBR live two weeks before they left for Kerry's farm, and also treated with a liver fluke and rumen fluke dose (Zanil) based on the recommendation of Kerry's veterinary surgeon.

Animals were purchased based on the criteria of high EBI with a high fertility sub index. All of the herd were crossbred. Kerry decided to purchase all cows so as to increase milk solids output, ease of management and increase cash flow in the first year.

All cows had been milk recorded previously, which reduced the risk of buying cows with previous mastitis and/ or SCC issues.

Milking routine

Kerry kept problem cows last during milking, and post dipped all cows. He did get some cases of mastitis in April, due to difficult weather conditions, but in general found mastitis easy to cure. Kerry used the California milk test on high cows after a milk recording to identify the high quarters. Average SCC in 2024 was 128,000, which was a good achievement. The herd is milk recorded four times during the year.

The current EBI of the herd is excellent at €229, placing the herd in the top 10% of herds in the country. A full breakdown of the herd's EBI is presented in Figure 1.

Report Date: 24/04/2025 (Mar 2025 Evaluation)
Herd Owner:
Herd No:

Snapshot of your herd based on the 24-APR-25

1. EBI Herd Summary

Average EBI for all dairy cows with; (i) a known sire (or milk recorded progeny with a known sire) and (ii) are currently on your farm.

* Number of animals that are missing an EBI result

Animal Group	Num of Cows	Milk Kg / Fat / Prot	% / %	Surv% / CI Days	Milk	Fertility	Carbon	Calv	Beef	Maint	Mgmt	Health	EBI €
Cows with EBI	92	-88			€ 54	€ 106	€ 23	€ 38	€ -32	€ 30	€ 2	€ 8	**€ 229**
Missing EBI*	2	9.2	0.23	2.7									
Total Cows	94	4.5	0.13	-5.8									
2nd Lactation	20	-67			€ 66	€ 76	€ 19	€ 36	€ -35	€ 31	€ 2	€ 10	**€ 205**
		11.3	0.25	1.8									
		6.2	0.15	-4.2									
3rd Lactation	25	-83			€ 54	€ 110	€ 23	€ 36	€ -30	€ 29	€ 3	€ 7	**€ 231**
		9.5	0.23	2.7									
		4.5	0.13	-6.1									
4th Lactation	9	-25			€ 59	€ 93	€ 16	€ 38	€ -27	€ 26	€ 3	€ 3	**€ 211**
		10.2	0.20	2.5									
		6.1	0.12	-4.9									
5th Lactation (+)	38	-116			€ 45	€ 123	€ 26	€ 40	€ -33	€ 31	€ 2	€ 10	**€ 244**
		7.6	0.22	3.2									
		3.2	0.13	-6.6									

Figure 1. *Summary of the herd EBI for Gurteen Share Farm*

Kerry purchased 106 cows from two farms. Even though they were all scanned in-calf, four cows slipped their pregnancy, 102 cows were calved down in spring 2024. Calving went well, some were in-calf to Friesian, but the majority of the calves were Hereford's and all calves were sold. Six week calving rate was 80% and the fact it was all cows calving was helpful from a workload point of view (Figure 2).

It was a difficult spring in 2024, as everyone knows, with grazing conditions particularly difficult. All cows were put in-calf to beef sires in 2024, as Kerry is supplying high DBI beef calves to Ballyvaddin Farm. No dairy straws were used in 2024. All AI is used with no stock bull on the farm. Fertility in 2024 was disappointing with an empty rate of 16%. When we looked at the figures, grass was very tight in June (poor growth rates plus too much ground stopped for silage) and the herd had an outbreak of lungworm. The stress of poor grass performance and lungworm resulted in a lot of embryonic deaths. This was evident the following spring, as there was a significant gap in calving from early to mid-march.

Fertility & Calving data based on HerdPlus 2024 Calving Report					
Calving Interval (days) Average number of days between successive calvings for cows calved during the period	**362**	387	363	93%	★★★★★
Spring 6 Week Calving Rate Number of cows/heifers calved within the first 6 wks **(82)** as a proportion of all cows calved during the Spring **(103)**	**80%**	70%	89%	69%	★★★★
% with known Sire and Calving Survey recorded Calves where sire **(105)** and calving survey **(104)** are recorded as a proportion of all births during the period **(105)**	**100%**	70%	100%	100%	★★★★★
%AI bred replacements Calves born in the period from dairy AI **(18)** as a proportion of dairy females born **(18)**	**100%**	62%	100%	100%	★★★★★
% of Heifers Calved at 22-26 months No. of heifers calved **(0)** that were between 22 & 26 months of age **(31)**	**0%**	75%	100%	9%	★

Figure 2. *Summary of fertility and calving data for Gurteen Share Farm in 2024*

In August 2024 Kerry sold 19 empty cows and some poor performing cows, and purchased 20 in-calf milking cows around the same time.

In 2025, 97 cows calved down, calving was a lot more spread out but still calving finished by 20th April. Kerry lost three cows during calving, one with burst blood vessel and two cows with difficult calving's. Calves were very healthy and we have had a very good spring. The herd is vaccinated for IBR, *Salmonella* and *Leptospirosis*.

Farm performance

Total milk solids sold for 2024 were 467 kgs Ms/Cow at 4.79% Fat and 3.88% protein at a price of 57 cent per litre (Figure 3). SCC averaged 128,000 for the year. The farm consists of a 37 ha grazing block at a stocking rate of 2.6 LU/ha. In 2024, it grew 13 tonne of grass with 191 Kgs of N/ ha applied (Figure 4). The milk solids output was produced with 705 kg of ration per cow. The farm struggled for grass until June; closing up too much ground for silage put the farm under pressure. 362 bales were made on the farm with a further 238 bales purchased before Christmas and 134 bales purchased in Jan/Feb 2025. Kerry was anticipating a winter forage shortage and decided to set 2.5 ha of Redstart. It worked very well, conditions were excellent the cows loved it and they performed very well on it.

	Your Herd	Bandon Average	Bandon Top 10%	Your Rank out of 100	Your Star Rating[1]
Milk performance for 2024 (Jan - Dec) based on Bandon data					
Fat + Protein (Kg/cow) Average Fat and Protein yield per cow for your herd	**467**	425	534	64%	★★★★
Litres per Cow per Day Avg litres of Milk per cow from Jan - Dec 2024	**14.3**	14.43	17.7	42%	★★★
Fat % to end December 2024 Weighted average Fat % from Jan - Dec 2024	**4.79**	4.26	4.53	98%	★★★★★
Protein % to end December 2024 Weighted average Protein % from Jan - Dec 2024	**3.88**	3.55	3.71	99%	★★★★★
Average Milk Price (cpl) Incl. VAT Average milk price received from Jan - Dec 2024, (Includes Bonuses/Penalties, Excludes Levies)	**57.0**	50.3	53.3	99%	★★★★★
SCC (,000 cells/ml) The weighted average Somatic Cell Count for Jan - Dec 2024	**128**	172	93	65%	★★★★

Figure 3. *Bandon/ ICBF performance scorecard for Gurteen Share Farm*

Cows went to grass as soon as they calved in 2025 and the first round was finished on the 4th April. As of the end of April, 100 units of N have been spread 80 units in chemical form (protected Urea and 18-6-12) and 20 units in organic slurry.

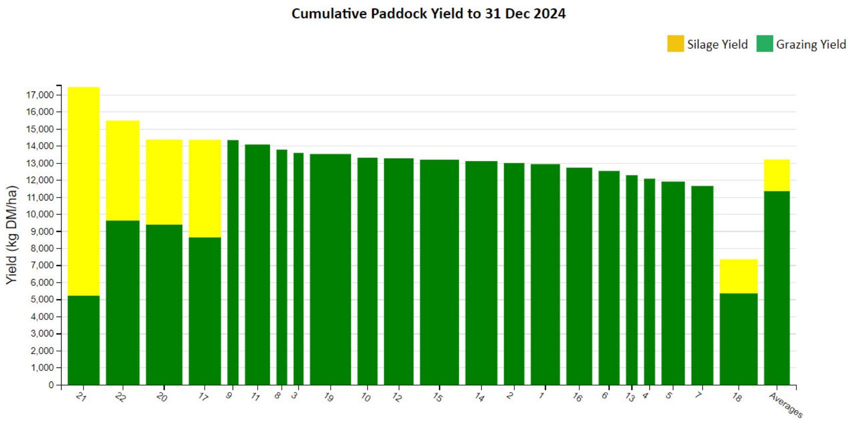

Figure 4. *Cumulative grass yield per paddock for Gurteen Share Farm in 2024 (PastureBase)*

Soil fertility is very good on the farm (Figure 5), 76% >6.2 pH, 78% > Index 3 for phosphorus, and 85% > Index 3 for K (potassium). Sixty tonne of lime was spread last year, which was paid for by the land owner. The agreement is that maintenance allowance costs are split 60:40 while build up is 100% Shinagh Estates liability.

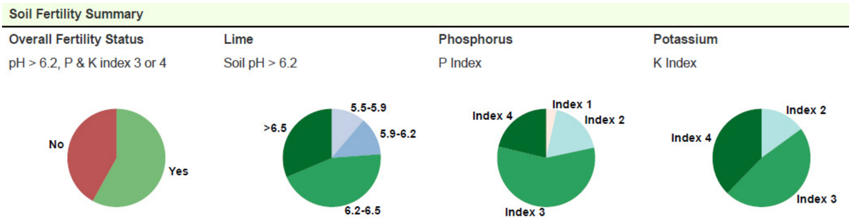

Figure 5. *Soil fertility status for Gurteen Share Farm*

Financial performance 2024

Table 1 highlights the Teagasc Dairy Profit Monitor results for the Gurteen Share Farm in 2024. Feed costs for 2024 included the purchase of 238 bales of silage in 2024. This purchased forage cost €205/ha. All machinery work is contracted out, therefore, there is very little machinery running or machinery depreciation costs on the farm. Kerry does have his own tractor which is used for winter feeding. In 2023, winter feeding was carried out by contractor, Kerry receives 40% of this bill from Shinagh Estates for feeding the cows over the winter. All tractor running costs are Kerry's responsibility.

The Profit Monitor figures here do not include a cost for Kerry own labour.

Table 1. Teagasc Dairy Profit Monitor Costs for the Gurteen farm 2024

	€/ha	€/kg MS	Cents/litre	€/Cow
Dairy Output	**€7875**	**€6.87**	**61.4 c**	**€3179**
Feed cost	€839	€0.73	6.5 c	€ 339
Fertiliser	€306	€0.27	2.4 c	€123
Veterinary	€151	€0.13	1.2 c	€61
AI and breeding	€121	€0.11	1.0 c	€49
Contractor	€515	€0.45	4.0 c	€208
Other variable costs	€369	€0.32	2.9 c	€149
Total variable costs	**€2301**	**€2.01**	**18.0 c**	**€929**
Machinery	€194	€0.17	1.5 c	€78
Car/ESB/phone	€93	€0.08	0.7 c	€38
Depreciation	€485	€0.42	3.8 c	€196
Labour	€10	€0.01	0.1c	€4
Other fixed costs	€405	€0.36	3.2c	€164
Total fixed costs	**€1187**	**€1.04**	**9.3 c**	**€480**
Total costs	**€3488**	**€3.05**	**27.3 c**	**€1409**
Net profit	**€4387**	**€3.82**	**34.1 c**	**€1770**

The following is a breakdown of return for the Share Milker and Land Owner (Table 2).

Milk sales are split 60% to Kerry (Share Milker) and 40% to Shinagh Estates (land owner). Kerry keeps 100% of stock sales and Shinagh Estates keeps 100 % of the BISS payment.

Table 2. **Summary of total income and total return of Gurteen Share Farm 2024**

	Total €	Per hectare €
Milk sales	€297,629	€7602
Stock sales	€10,694	€273
Total income	**€308,323**	**€7,875**
Total expenses	€136,729	
Farm profit	**€171,594**	
Share farmers return	**€102,956**	60%
Farm owner return	**€68,637**	40%
+ BPS	€14,444	Owner
Total farm owner return	€83,081	

Note: 39.2 ha was used for profit monitor BISS figure.

Kerry's return of the profits must cover:

- Replacement stock - Kerry purchased 20 young in-calf high EBI milking cows, which must be taken from his return. Remember there are no heifer rearing costs also.
- Bank repayments.
- Tax - Stock relief for Kerry was a significant advantage to reduce tax liability.
- Return on own Labour. This is to cover personal drawings.

Conclusion

It has been a great start for Kerry on his dairy career. It is very important for any aspiring dairy farmer to work with and learn from a solid dairy farmer mentor for a number of years before taking on such a venture. For Kerry, this was invaluable, it allowed Kerry to tackle the challenges with confidence, and gave Kerry the confidence and outlets to look for assistance and advice when he needed it.

Buying the right high EBI stock is paramount to ensure a positive outcome, as well as managing costs and optimising grass utilisation which are fundamental building blocks for a successful venture. The milk-price for 2024 was a significant help, even though from a grass point of view it was difficult up until October 2024. The milk price received was seven cent above the Co-op average, which delivered an extra €35,000 over the co-op average price in 2024. 2024 proved to be a very strong financial year for Kerry and the Shinagh Estates share farming agreement. A win-win for both parties.

Exploring different collaborative farming models

Ruth Fennell

Teagasc, Kildalton Agricultural College, Piltown, Co. Kilkenny

Summary

- Collaborative farming models help farmers to share resources, improve sustainability, and ease generational transition.
- Options like Registered Farm Partnerships, Share Farming, Land Leasing, and Contract Rearing offer different levels of involvement and benefits.
- Choosing the right model requires clear agreements, professional advice, and alignment of goals between parties.

Introduction

In recent years, collaborative farming models have become increasingly popular across Ireland, offering landowners, existing farmers, new entrants and young farmers the opportunity to make better use of resources, improve work-life balance, and create a more sustainable future in agriculture. Collaborative farming can facilitate generation renewal by enabling younger farmer's access to land and resources without the prohibitive costs associated with outright ownership. These models also provide older farmers with opportunities to transition out of active farming while still maintaining an interest in their operations, thus ensuring that knowledge and expertise are passed on. Alternative farming arrangements are no longer fringe options—they are becoming a vital part of the Irish farming landscape.

Whether you are looking to scale back or are a new/young entrant aiming to establish a foothold, there are various different collaborative models that should suit your needs. The models outlined below, registered farm partnerships, share farming, land leasing and contract rearing are the most commonly considered options but in many cases there may be a combination of models that suit a particular circumstance or business proposal. There are template agreements available on the Teagasc website for all of these options, which should assist individuals in drawing up agreements and thus help to reduce the cost of establishing these collaborative arrangements.

Collaborative farming options

Registered Farm Partnership (RFP) - RFPs are a legal arrangement where two or more individuals operate as a single business, sharing profits, decision-making, and responsibilities. This model is often used as the first step in succession planning, bringing the next generation into the farming business at an earlier stage and officially recognising their role in the farming operation. They can be a powerful tool to blend experience with energy - combining an older farmer's knowledge with a younger partner's ambition. Partnerships are also used between non-family members, bringing together two farming operations where resources can be pooled, efficiencies of scale can be maximised and labour and management tasks can be shared between the partners.

The formation of the partnership is based on the legal agreement that the parties sign up to. This legal document outlines what assets each individual is bringing to the partnership, there is no requirement to transfer any of the assets as part of the agreement and this provides security to the asset owner if and when the partnership is dissolved. The profits that are generated are then divided in line with the profit sharing ratio that is outlined in the partnership agreement.

The partnership is registered with the DAFM Partnership office, and once the partnership number is issued they can to apply for enhanced benefits. The Targeted Agricultural Modernisation Scheme (TAMS) ceiling for RFP's is capped at €160,000, compared to the €90,000 ceiling for sole traders. Where a partnership includes a young trained farmer, the first €90,000 of this can be claimed at 60% and the remaining €70,000 at 40% (or 60% if there is also an eligible woman in the partnership). In addition to the increased TAMS funding, partnerships that include a young trained farmer can also avail of the Complementary Income Support for Young Farmers and the National Reserve, where eligible. These schemes often provide vital capital funding to develop and enhance the farm, ensuring its viability into the future.

There are currently over 4,800 partnerships registered with the DAFM's Partnerships office. Many of these are family partnerships but there are also a number that involve non-family members. As part of the application process, it is necessary to complete a partnership agreement and an on-farm agreement. The partnership agreement outlines what each party is bringing to the partnership, what land is to be farmed and how the profits are to be divided. Where a young farmer is part of the agreement, they must be entitled to a minimum of a 20% share of the profits. The on-farm agreement outlines how the arrangement will work on a day-to-day basis, what duties will be assigned to each partner, what roles each will undertake and what work schedules will be in place. The on-farm agreement forces the parties to sit down and discuss how the agreement will work over time so each partner has a clear understanding of their role and requirements within the partnership structure. It is vitally important that there are open and honest discussions from the outset if the partnership is to last the test of time. Each party will have their strengths and weaknesses and ideally the partnership model should make the best use of each individual's strengths within the agreement.

Where capital investment is planned, the agreement should outline how this will be funded and if the partnership was to be dissolved, what the financial implications are for the capital projects in place.

Share Farming - In a share farming agreement, two independent businesses operate on the same land. Each party contributes resources such as land, labour, livestock, or machinery and they share the output (crops, milk, or livestock) and the associated income.

The key distinction here is no legal **partnership** is formed, instead they operate under a share farm agreement. **Both parties remain separate business entities, filing individual accounts and taking responsibility for their own portion of the inputs and outputs.** This model works particularly well in tillage and dairy sectors where yields can be clearly divided. It allows younger farmers to build capital and experience while giving landowners a continued role in the farm without full responsibility.

In the case of share farming arrangements within the dairy industry, the share farmer will often provide the livestock and labour while the land owner provides the land and facilities. Costs are divided in line with the agreement and the milk cheque is then divided according to the agreed ratio. There are alternative scenarios also in operation where the landowner also provides the livestock and these may then be purchased by the share farmer over the life-time of the arrangement. At the outset, capital investment may be required to scale up the farm to provide for the two incomes – one for the landowner and another for the share farmer.

Finding the right individual's for such an arrangement will require careful consideration. From the land owner's perspective, it is vitally important that any potential share farmer has good stockmanship skills, is capable of managing and running the farm efficiently and to a high standard, has excellent quality cows so that output can be maximised and has the attributes that you think would align with your goals. Given that the output is divided between the landowner and share farmer, it is vitally important that any potential share farmer can maximise output efficiently and economically, thus increasing the financial return for both parties. The initial set up costs for the share farmer are often less than the capital that would be required in the case of operating on a leased farm and therefore it may be a more financially viable first step towards running their own business.

While land leasing is often considered a "hands-off" approach for the landowner, registered farm partnerships and share farming offer more collaborative, involved models. These are ideal where both parties want to remain active in the business or share resources. A comparison of these models is presented in Table 1.

Table 1. Comparison of Registered Farm Partnerships and Share Farming arrangements

	Registered Farm Partnerships	Share Farming
Structure	Formal partnership between two or more parties	Two individuals operating separate businesses on the same land
Business Structure	One bank account with shared income and expenses	Separate businesses, with individual bank accounts, income and expenditure
Profit & Loss	Profits and losses shared according to partnership agreement	No sharing of profit/losses; each party earns based on their own share of output and expenditure
Herd Number	In the name of all partners/ partnership name	In the name of the land owner, share farmer not listed on herd number
Day to day labour	Provided by partners within the partnership	Provided by the share farmer
Ownership of Assets	Can include individually owned and jointly owned assets, outlined in partnership agreement	Assets are separately owned by each party
TAMS III	Ceiling of €160,000	Ceiling of €90,000
Stock relief	100% for Young trained farmer (YTF) for fours years, enhanced relief of 50% for other partners, subject to limits	Only available if they own livestock: 100% for Young trained farmer for four years, standard relief of 25% for landowner, subject to limits
Eligibility for YTF schemes	Complementary Income Support and National Reserve, where eligibility requirements met	Not eligible as YTF not listed on herd number
Control & decision making	Joint decision making as outlined in the agreement	Independent decision making; collaboration on specific aspects only

Land Leasing is perhaps the most straightforward and widely-used collaborative model in Ireland. In essence, it involves a landowner leasing out land to another farmer for an agreed period and payment. Long-term leasing can provide a steady, tax-efficient income while stepping away from the physical demands of farming. For farmers without access to land, especially young, ambitious individuals, it offers a viable pathway to build a business without the financial burden of land ownership.

The Irish government supports land leasing with tax incentives that reward leasing arrangements that are in excess of five years. These leases can provide significant tax-free income, with tax relief starting at €18,000 per year for a five year lease and rising to €40,000 in the case of a 15+ year lease (Table 2). There can be current and future tax implications when dealing with land leasing arrangements so it is important that land owners discuss any potential options with a financial or legal advisor before they proceed.

Table 2. Income tax thresholds for long-term land leasing

Term of lease	Max tax free income/year
5-7 years	€18,000
7-10 years	€22,500
10-15 years	€30,000
>15 years	€40,000

Contract Rearing involves the movement of livestock from the owner's farm for rearing on contract by another farmer. The most common arrangements are where replacement heifers leave the dairy farm to be contract reared on a drystock farm and subsequently return to the owner in-calf and ready to commence milk production post calving. Due to the expansion of the dairy herd, the reduction in the stocking rate limits for many derogation farmers and the reduction in the availability of leased land, there has been an increase in demand for such services. Based on figures from ICBF, it is estimated that there are currently over 780 dairy farmers whose heifers are being reared on contract and a similar number of farmers providing a professional rearing service.

From the dairy farmers perspective, having the heifer's contract reared simplifies the system, allowing more time to be allocated to managing the cows. It reduces not only, the stocking rate on the farm but also the requirement for slurry storage facilities if heifers remain with the contract rearer for one or possibly two winters. In addition, the reduction in stocking rate should result in a greater availability of grass for the cows, thus reducing the cost of producing a kg of milk solids.

From the rearers perspective, there are numerous advantages associated with contract rearing including removing the risks associated with volatile markets, better cash flow as payments are generally made on a monthly basis, no investment in livestock required and it can often complement existing farm enterprises.

It is not only important that the contract rearer has excellent stockmanship abilities, but they must also be able to manage grass so that growth rates can be maximised to ensure that heifers reach weight for age targets. The dairy farmer must ensure that calves arrive healthy and on target on the rearer's farm and that payments are made in a timely manner. These arrangements need to be "win-win" for both parties. Teagasc have advisors within each of the units that are assigned the role of providing support and technical advice to those considering and operating under rearing arrangements.

Many of these advisors also have discussion groups specifically established for those involved in contract rearing.

Conclusion

Aside from the models above, there are many other examples of collaborative arrangements in operation within the Irish agricultural industry. Examples of these include cow leasing, machinery shares and contract growing of crops. The best model for each particular circumstance depends on goals, resources, and life stage for the parties involved. The following questions should be asked to determine what option would work best in each circumstance:

- Do you want to be actively involved, or step back entirely?
- Are you looking for a long-term commitment or seasonal arrangement?
- Do you have a successor in mind, or are you open to partnering with a non-family member?
- What kind of responsibility are you willing to share?

Seek professional advice before making a decision. Speak with farmers that are currently operating under different collaborative arrangements, discuss the legal and tax implications with your accountant and solicitor, explore your options, do your homework, and find a model that works for you.

A new chapter for the farm: Conor Murphy and Padraig Cunnane's land leasing success

Padraig Cunnane[1] and Conor Murphy[2]

[1]Cloonkirgeen, Dunmanway, Co. Cork; [2]Clonlea, Clonakilty, Co. Cork

Summary

- Land leasing arrangements are often considered the complete step back, however, it does not necessarily require the farm owner to step back entirely.
- Farmers can adapt to change, and finding the right model is the key to making this transition easier.
- Collaborations can flourish through shared respect and support, proving adaptive models in farming can succeed.

Introduction

Conor Murphy has been farming all his life. Based in Clonlea, he operated a top-class dairy farm while also managing a separate beef and heifer unit a few miles away in Cahermore. Known for his meticulous approach, Conor won multiple awards for milk quality, with every aspect of his operation run to perfection. Conor had wonderful support for a number of years from a farm assistant through FRS. However, in the spring of 2023, things changed.

A turning point

When his long-time employee had to leave due to unforeseen circumstances, Conor found himself facing an overwhelming workload. He was calving cows, feeding calves, getting stock to grass, and running between farms. He was working long hours on his own, and it soon became clear that this pace was unsustainable. His two sons were still in secondary school and were not showing any interest in dairy farming at that time. Looking for guidance, Conor contacted John McNamara from Teagasc for advice. John suggested reaching out to Padraig Cunnane - someone Conor already knew well.

Reconnecting

Padraig had previously worked on Conor's farm for six months, eight years previously. Back then, they had discussed possibilities like land leasing and share farming, but neither were looking to pursue such arrangements at that time. Subsequent to that, Padraig worked on several dairy farms across West Cork and eventually set up a very successful share farming operation in Gurteen, together with Shinagh Estates. This was his first taste of running his own business, milking his own cows, all while still receiving support and mentoring from the landowners, Shinagh Estates.

Conor, along with his local discussion group, had previously visited the Gurteen farm to see it in action. They came away impressed; not only by Padraig's results, but also by the clear and mutually beneficial agreement that was in place between the farmer and landowner.

Building the working relationship

After much thought, Conor decided leasing the dairy farm was the best option for his future. He leased the Clonlea operation to Padraig but retained the Cahermore out-farm, where he continues to run his beef enterprise. The lease agreement was initially drawn up for seven and a half years, thus, giving an option for Conor's sons to return to the farm in time if he so wishes. Conor has also retained ownership of all the machinery.

The period that Padraig spent operating as a share farmer in Gurteen allowed him to build up a good record with the bank. The regularly published updates on the successful management of the share farming arrangement demonstrated Padraig's strong work ethic and operational expertise – this made the financing of the new leasing arrangement with the banks considerably easier. Both men knew that business arrangements can be challenging, but they quickly forged a strong working relationship. "You can't be too nit-picky when drawing up an agreement," Conor advises. "It has to be fair, but flexible too." Conor also admits that if he offered the farm to lease on the public market it would have made a higher lease price but he preferred to lease to someone that he knew and that he believed would do the farm justice going forward – as a result the lease was priced with the target of being fair to both parties so that they could each receive a financial return, one for their assets, the other for their inputs and labour. Prior to commencing the lease, Conor took steps to ensure that he was in a good financial position to allow him to take a step back.

Adapting to change

At first, it was strange for Conor to see unfamiliar cows in his yard – moving from a traditional black and white herd to a crossbred herd. But over time, he came to embrace it. "The main thing is not to be jealous," he says. "I'm just happy the farm is still milking cows and being well looked after."

Padraig, for his part, was grateful to take over a well-maintained operation where very little capital investment was required at the commencement of the lease agreement. In addition, soil tests taken in January 2025 showed that 43% of the land was already at optimal pH and nutrient levels. "That's a credit to Conor," he says. "He left the farm in great shape."

Helping each other

The spring of 2024 was particularly tough. Constant rain kept cows indoors and turned fields to mud. Padraig was feeling the pressure. One morning, Conor dropped into the yard and quickly sensed that Padraig was feeling the strain due to the inclement weather. Understanding the challenge, he grabbed a reel and posts, and within minutes had cows out grazing. That moment turned everything around for Padraig. Having run the farm himself for over 40 years, Conor knew exactly where cows could go when ground conditions were poor, this hands on knowledge about the day to day working of the farm has been invaluable. Today, Conor still plays an active role on the dairy farm. He transports and sells the calves for Padraig, giving him a reason to visit the mart and stay connected with friends and neighbours. He also helps with mowing and fertiliser spreading when needed.

A Win-Win outcome

Both men agree that the lease arrangement has worked out remarkably well. For Conor, it means more time with family, and time for hobbies like cycling and gardening, which once took a back seat to farming. For Padraig, it's the fulfilment of a lifelong ambition; to run his own dairy farm while still receiving great support from Conor if and when required. Their working relationship is proof that, with the right mind-set and mutual respect, farmers can adapt to change and find new ways to succeed together.

Financial planning around farm succession

Susan Maher

Agri Development Manager, Bank of Ireland

Summary

- Build your farming skills and experience early to strengthen future loan applications and business credibility.
- Start saving and building equity (cash or stock) to show financial commitment and share risk with lenders.
- Engage professional advisers early to align goals, plan finances, and access the best funding and tax advice.
- Prepare a detailed farm plan with cashflow projections to demonstrate the financial viability of the farm business.

Introduction

Farm succession planning involves planning how you will transfer your farm to another person when you retire or step back from farming. It is important to not only plan for how you will transfer ownership of the farm, but to also plan for transferring skills, knowledge, and labour.

This can be a complex and emotive process, so you need to plan it carefully to avoid family disputes and ensure you make the most of any available supports or tax incentives.

You should also give yourself plenty of time to make the plan, as issues such as paying into a pension for your retirement need to begin well before transferring your farm.

At Bank of Ireland, we understand that financial planning is a key part of succession planning and we offer a range of supports for farmers who are starting a farm business.

What are your options?

- Bank of Ireland offers unsecured loans up to €120,000. For larger loans, security in the form of land is required and/or a Personal Letter of Guarantee supported by a charge over land.
- Term lending is available through the Strategic Banking Corporation of Ireland (SBCI) schemes, the Growth & Sustainability Loan Scheme (GSLS)), designed to support the provision of low cost longer term finance to farmers on an unsecured basis for borrowings of up to €500k for investment purposes.
- Enviroflex offered through Bank of Ireland, offers sustainability linked finance to dairy farmers including new entrants to dairy who are participating in qualifying Co-ops Sustainability Programme to support on farm investment. Enviroflex is now available to 95% of dairy farmers nationally.

Five steps to consider to secure finance for your farm business

Step 1: Get experience

Ensure you have the appropriate farm management skills, experience on a farm, and necessary skills and qualifications to operate a farm. Consult Teagasc, Skillnet or other organisations to see what training courses are available to develop this skill set. If you don't have formal training, it is recommended to have at least 6 months experience on a farm.

Step 2: Open a farm current account & start to save

Start now to set aside equity/savings – This can be in form of cash equity or equity in stock.

Any start up/new farmer is expected to have a level of equity built up or assets in the form of stock to contribute to the business. It demonstrates an ability to generate and accumulate equity and also represents a sharing of the risk between the farmer and the lender with both having "skin in the game."

Step 3: Get the right advice & communicate openly

Be open with the farmer/farm owner (be that a relative or third party) of what your intentions are. Clarify your goals and those of the land owner to ensure they are aligned. Engage a team of trusted advisers and professionals to help – Land Mobility Service, Agri Consultant, Accountant, Solicitor, Agri Adviser in your Bank to provide you with the best advice. Together with the right advisers for both parties, this will ensure everyone's needs are met. It is also important to speak to your family and those close to you.

Step 4: Appraise the farm

There are a number of key steps around appraising the farm.

Assess the viability of the farm and appraise the assets – stock and grazing, housing, and milking infrastructure.

Prepare a farm plan including five year cashflow and P&L projections for the business to understand the viability of the proposition.

Stocking the farm is one of the biggest start-up costs & one of the biggest capital costs you will incur. Do you have stock of your own? This is recognised as equity/savings that you are contributing to the business. If you plan to purchase stock and require bank funding, breeding stock can be financed over a maximum of seven years. If you plan to lease stock in the initial years these costs in addition to land lease costs need to be accounted for in your farm plan.

Is the infrastructure fit for purpose? Is there any farm development works required (reseeding, roadways, slurry storage, milking facilities, housing) and if so, at what cost, which party will invest and how will this be funded?

Step 5: Agree structure and source of funding

By engaging your team of trusted advisers including your agri-consultant and agri-lender you can be confident that you are making the right decision for everyone. This decision may be to operate the farm in a partnership, long term lease, share-farm or ownership. If you inherit a farm, you may have to pay Capital Acquisitions Tax and Stamp Duty. Seek tax advice as there may be different tax reliefs available to you to reduce these taxes.

Gather your information and engage your Bank as early as possible in the process.

For more information visit: https://businessbanking.bankofireland.com/credit/farm-loans/

Passing it on: Succession planning and the role of collaborative arrangements

James McDonnell
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Summary

- Initiating early, structured succession discussions enables effective financial planning, optimises tax efficiency, and facilitates intergenerational goal alignment.
- Collaborative farming models (e.g., Registered Farm Partnerships, share farming) provide formalised pathways for phased farm transfer, labour sharing, and income distribution for the farmer.
- The development of robust legal structures is critical to manage operational roles, safeguard financial interests, and ensure orderly transition or dissolution.
- Proactive financial management, tax planning, and periodic business reviews are essential to sustain the arrangement and support long-term positive outcomes.

Introduction

Farming is more than just a business—it's a family affair; often with multiple generations engaged in a business together. Transitioning a farm to the next generation requires careful planning and open discussions. Using a collaborative (team) arrangement may simplify the handover of the business. If the farming operation, the land, and the family can be separated into different discussions, the process can be simplified. Collaborative farming is a collective name used to describe different types of farming arrangements that have been developed in recent years to aid with the process of generational renewal. These arrangements provide a structured approach that can help ensure a smooth and successful transition. They are especially useful where the younger generation want to get involved in farming and their parents are not in a position or eager to retire.

Some arrangements include:

- DAFM Registered Farm Partnerships (RFP's)
- Share farming
- Contact rearing
- Cow leasing
- Land leasing

Getting everyone on the same page

Starting a conversation about farm transition can be challenging, particularly when different generations or stakeholders are involved. Here are some steps to guide the discussion:

- **Start early** – The sooner discussions begin, the more time there is to address concerns and develop a plan that works for everyone. Leaving things to the last minute, regularly results in extra tax, and so increases the cost of transfer.
- **Identify aims and expectations** – Each party should outline their long-term vision for the farm. This includes financial goals, workload distribution, and succession planning. Not everyone has the same ambitions for the farm, or reason why they farm, so this is an important step in the process.
- **Encourage open communication** – Honest, transparent discussions are crucial. Each participant should feel heard and respected. Many farms are now part-time operations and when combined with the time constraints of off-farm work, future goals for the farm might not be as ambitious with the next generation, but it is important to facilitate all opinions in the discussion.
- **Taxation and EU Schemes are complex** - When agreement is reached, it is important to understand the tax implications of the impending decisions. If the tax cost looks large, the time to adjust the plan is before it becomes legally binding. EU schemes are also very complex so it is important to talk with your farm advisor so that you can maximise all of the supports as these will help reduce the cost of the farm transition and perhaps give a leg up to the incoming generation.
- **Consider collaborative farming** - These arrangements are relatively new. They are a brilliant mechanism to allow a phased transition, allowing different generations to work together. The key to their success is the legal agreement between the different parties and open communication between the parties involved. The agreement deals with the operation of the business on a day-to-day basis. So everybody knows where they stand and how the profits are shared. These arrangements commenced in 2015 and there are about 4,800 in Ireland. These arrangements allow the separation of the business from the land in the farm transfer process.

Choosing the right collaborative model for your family

- **DAFM Registered Farm Partnerships:** This model lets two or more people run a farm together while still retaining ownership of their assets. Most of these partnerships are between family members, but some neighbours have made it work well too. It's a practical way to share the work and the profits, with an agreed split that reflects what each person brings to the table.
- **Share Farming:** One party provides land, while another provides labour and management, and farm inputs may be shared. These are more common in tillage enterprises, but we have seen an increase in interest in dairy enterprises.
- **Contract Rearing or Farming:** A contract-based arrangement where one party raises livestock or grows crops for another. Most of these arrangements are used by dairy farmers to raise replacement stock.

- **A combination of models:** A combination of these models might also be used. For example, a farmer might lease some land to a young dairy entrant, provide labour and do some contract rearing on an out block.

Trust

Trust is the foundation of any successful farm partnership. Whether it's between family members or neighbours, partners need to rely on each other to make fair decisions, pull their weight, and respect shared goals. Farming brings plenty of challenges and knowing you can count on your partner during busy seasons or tough times makes a big difference. Open communication, honesty, and sticking to agreements helps to build that trust over time. Without it, misunderstandings and conflict can quickly take over. A strong level of trust keeps the partnership running smoothly and ensures everyone feels valued and respected.

Keep the saying in mind — 'the day you set up the partnership is the day you wind it up' — can make it easier to agree on the terms from the start." It is important that equal effort is placed on the entrance plan as the exit plan if/when the partnership is dissolved.

The legal plan

- Teagasc has developed template agreements to minimise the cost, help with providing a structure, and aid in the process of setting up arrangements that can be used to form legal agreements.
- There are grants available from the Department of Agriculture to help with both the cost of set up and also to avail of farm succession advice.

Financial management and tax planning

- Consult you agricultural and financial advisors to develop the long term business plan for the business to ensure the financial sustainability of the agreement.
- In partnership arrangements, tax must be paid by the partners based on their profit share, so a long-term view needs to be taken to ensure the correct business structure is set up to make tax planning easier.
- Consider grants and financial incentives for young farmers or collaborative setups.

Normal operational roles

- Establish a clear work plan, including who is responsible for daily operations, financial management, and long-term planning.

Regular reviews and adjustments

- Periodic reviews help address any issues early and allows for adjustments as needed.

- Over time the capital accounts may need to be adjusted as, assets might be passed from one generation to another over the course of the partnership.
- Roles may also change as one generation may wish to step back and take on less physical role in the normal operation of the business.

Common pitfalls and how to avoid them

Collaborative farming can bring many benefits, but it is important to navigate potential challenges carefully.

Lack of clear communication – Regular meetings and structured decision-making processes can prevent misunderstandings.

Unclear financial arrangements – Clearly defined profit-sharing and cost structures helps to avoid financial disputes.

Resistance to change – Generational differences can lead to conflicting approaches. Open-mindedness and flexibility are key.

Failing to plan for the future – Ensure exit strategies and succession plans are built into the agreement to avoid future uncertainty.

By taking a structured, open, and proactive approach, farm families and partners can establish successful collaborative arrangements that secures the farm's future for generations to come.

Farm succession planning – via a team approach

James McDonnell
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Summary

- Deciding to hand over the farm is a big step for any farming family.
- It's important to talk as a family and agree on expectations early on.
- Getting advice from professionals like accountants, solicitors, and farm advisers is essential.
- Working as a team can make the process smoother and easier.

Introduction

Every farmer will eventually have to decide how to pass the farm on to the next generation. The right time for every farming family is different, and the process will take a considerable amount of time to organise. Farms consist of two elements, there are the farm assets and the farm business, in many cases they are transferred together, and it is possible to separate these two elements should the need arise. There may also be other non-farm assets to be considered. Good planning and professional advice can make the transition much smoother and avoid problems down the line. Farm succession is not just about legal paperwork; it's also about maintaining the farm's long-term success. A well-planned succession ensures that the retiring farmer is financially secure, while the new generation has the support needed to continue running the farm effectively. Farm advisors, accountants and solicitors are the main professionals used to support this process.

First Step in Farm Succession

The first step is to sit down as a family and discuss what a successful farm handover looks like. Effective communication is the key ingredient to successful succession planning. It allows for family members to share concerns, decide on options available and what actions to take. It also allows for effective planning and helps to prevent disputes, misunderstandings and unnecessary anger.

Answering the following key questions is a good starting point.

- Who will take over the running of the farm?
- How will farm and non-farm assets be divided?
- How will the retiring farmer support themselves financially?
- What is the timeline for the transition?
- Will the new owner need additional training or mentoring before taking full control?

Having open and honest discussions early on can prevent misunderstandings later. Some farmers may assume their children want to take over the farm, but it's essential to confirm their interest and ensure they are ready for the responsibility.

Reaching agreement on these key issues early on will make it easier to get the right advice from professionals later.

Seeking professional advice

Start by speaking to your farm adviser. They have experience with farm succession planning and can offer practical advice on:

- What works well based on past examples.
- The earning potential of the farm and whether it can financially support new family members.
- Farm schemes, EU entitlements, and tax benefits for young trained farmers.
- Helping you understand your options and avoid common mistakes.

It's a good idea to meet with an adviser before speaking to a solicitor or accountant so you can outline the key issues that need expert advice. If you are finding the first steps difficult or you foresee challenging conversations within the family, hiring a professional mediator will help you to smoothen the process.

Two key areas where specialist advice is needed

1. Tax advice

Taxes can be a major concern when transferring a farm. If not planned properly, the handover could result in unexpected tax bills. The main taxes to consider include:

- **Capital Gains Tax** – applies when selling or transferring assets.
- **Capital Acquisitions Tax** – applies to gifts or inheritances.
- **Stamp Duty** – applies when land or property is transferred.
- **Income Tax & VAT** – extra costs may apply in some situations.

A tax adviser can help plan the transfer in a way that minimises tax costs. If the farm operates as a company, additional planning may be needed to ensure a smooth handover. Good tax planning will minimise the cost of the farm transfer.

2. Legal advice

A solicitor plays a key role in checking land ownership, updating farm structures (e.g., sole trader, partnership, or company), and ensuring legal paperwork is in order. If there is no will in place, this should be completed as a "backstop" while discussions are ongoing. If the farm has debts, a bank manager may also need to be involved. Once the plan is completed, the will needs to be reviewed in case there are any unintended consequences. The new farmer should also complete a will as they now have significant assets in their name.

The Farm Succession Team Approach

A good way to manage the process is to bring all key advisers together for a family meeting (Figure 1). This team might include:

The farm adviser – to guide on schemes and general planning.

The solicitor – to ensure all legal matters are handled correctly.

The accountant/tax adviser – to advise on tax and financial matters.

This meeting will help to explore all options and ensure that tax, legal, and financial issues are dealt with properly. After this, each professional can work with the family step by step to complete the transfer.

Figure 1. *Example of professional advisors required for a farm succession team meeting*

Final thoughts

Farm succession is a major decision that affects both the family and the business. Communication is a key part to effective succession planning. Taking time to plan, getting the right advice, and working together as a team will help ensure a smooth and successful transition for everyone involved. For further information, log onto the farm succession page on www.teagasc.ie/farmtransfer or scan the QR code.

Teagasc Education

Teagasc is the primary provider of accredited further education for the land–based sector.

Scan QR for more details!

www.teagasc.ie/education

Teagasc deliver Level 5 and Level 6 Further Education courses in agriculture, horticulture, equine and forestry in addition to Higher Education Level 6 and Level 7 Apprenticeships delivered through a network of agricultural and horticultural colleges and regional advisory offices. Graduates also progress into other Higher Education programmes.

Teagasc welcomes applications for courses starting in September 2025. Teagasc also provide short courses and continuous professional development across the land-based sector.

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