

Collaborative Farming Options

National Equine Conference 2016

Thomas Curran
Farm Structures Specialist
Teagasc
<http://www.teagasc.ie/collaborativearrangements/>



The Irish Agriculture and Food Development Authority

What is success based on??

- **Arrangement Must Benefit all parties**
- A strong working relationship
- **An Agreed Work Structure**
 - ***“On-farm Agreement”***
- Thorough Preparation (Formation)
- A Well Written Agreement
- Ability to generate additional/multiple incomes
- Considering Options: - Take a broad view



Keys to Success...

Skills /
Interests



Core Values

Personality /
Compatibility

Personal
Circumstances

Resources
Available

Risks

Opportunities
/ Farm Goals

A Written Agreement

Start with the practical Issues

- How is this arrangement going to work ??
 - Start and end dates – “rearing period”
 - Numbers of animals
 - Work out performance criteria
 - Veterinary Costs ???
- Come to a Verbal Agreement: Then write it down



A Written Agreement is vital “Get it in Writing”

- Contract signed by both parties and independently witnessed
 - It’s a written commitment to the arrangement
 - A record of what’s agreed
- Both parties have a signed copy.

1. Farm Partnership in Ireland

A DAFM
Register in
2015

First
Register
2002

Key Role in
Succession

1,500
partnerships
Registered

Registered Farm
Partnership

Farmers
Joining
together

Skills,
Resources,
Opportunity

Potential for
adoption in
Equine
Industry

Farm Partnerships in Ireland

Benefits of Partnership

- Improved work/life Balance
- Shared Workload
- Shared investment/risk
- Reduced Isolation
- Positive Impact on Farm Safety
- Better Decision Making
- Greater Skills mix
- Very Successful Family Farm Succession Structure
- New Skills, ideas and abilities introduced to farm business
- Scheme & Taxation Benefits



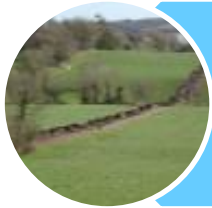
2. Contract Rearing ??



Farmer Rears Heifers for Dairy Farmer



Written Agreement



Payment is based on daily rate



1,470 farmers involved in contract Rearing

Why Contract Rearing

- **Gain for Dairy Farmers**
 - Increase Cow numbers
 - Better option than land rental
 - Labour efficient
 - Avoids costly capital investment
- **Gain for Rearer**
 - Increase farm profit where performance is good.
 - Steady monthly income
 - No capital tied up in stock



3. Long-term Land Leasing

- **Gain Landowner**
 - Income Tax Incentives
 - More favourable with land transfer
 - Provides incentive to tenant to invest in land
 - Can lease out outside blocks to a third party and avail of tax incentives
- **Gain for Lessee (Active Farmer)**
 - Can justify investment in land improvements with longer term.
 - Plan farm business with more certainty



3. Long-term Land Leasing

Income Tax Incentives

Term of Lease	Max Tax Free Income/Year
5-7 yrs	€18,000
7-10yrs	€22,500
10-15yrs	€30,000
>15 yrs	€40,000

Summary

- Collaborative Arrangements can be used in the equine industry
- There must be a gain for everyone involved
- Good Communication, trust, respect & honesty are essential
- A written agreement is essential
- Contract Rearing & Land Leasing may offer alternative income sources



A photograph of a herd of cows in a lush green field. In the background, there is a line of trees and a hill under a cloudy sky. The cows are of various colors, including brown, white, and tan. Some have yellow ear tags. Two speech bubbles are overlaid on the image: a green one in the upper left and a purple one in the lower center.

**Thank you
for your Attention**

Questions?