



## Collaboration? take the broad view

Collaborative farming arrangements include registered partnerships, contract heifer rearing, share farming, cow leasing and land leasing

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**W**hether it's a partnership or contract rearing, all collaborative farming arrangements involve people working together for mutual benefit. The working relationship between the people involved is the engine room and the key to success. It needs to be managed and nurtured at all times.

At the beginning, the key question for any farmer considering a collaborative arrangement is simple: Why am I doing this? Why do I want to get into a collaborative arrangement? Is it for lifestyle, economic reasons, increased labour, shared workload, reduced isolation, expansion opportunities, reduced capital investment, or to facilitate off-farm work?

It is important for farmers to be clear about the issues around these questions and to answer them for themselves and their families.

### **Personal circumstances**

The personal circumstances of a

farmer can often be a key motivator when considering a collaborative arrangement. It may involve the stage of life of the farmer. The need for more time to devote to a young family. The presence or absence of a successor in the mid- to late-stage of a farmer's career. Inadequate size of farm or scale of operation to provide a living for the family. Collaborative farming can offer solutions to these issues.

### **Changing mindset**

Forming a collaborative or joint farming venture is a major change on the part of the people involved. Farmers need to change their way of thinking from "I and me" to "us and we". For example, decisions in the arrangement will be taken not for my business but for our business.

So, how do you go about identifying a person to collaborate with? The key is to recognise that a potential collaborator is a "person" and not simply an asset source. Many farmers look on other farmers as an asset source that may be of value to their business. In order to form a successful collaborative arrangement, you must take a broader view.

Figure one on page 30 illustrates the areas that each farmer should consider in a collaborative arrangement for both themselves and for the person they are considering forming a collaborative arrangement with. Approaching it this way will tune the farmers into their potential collaborator and themselves.

### **Core Values**

A prerequisite for successful collaborative arrangements is that they are based on strong core values, including: good communication; a positive attitude; transparency; trust; respect



and flexibility. These values are established as two farmers consider an arrangement but are reinforced during the formation of an agreement and throughout the lifetime of an agreement. Without these core values, the arrangement will never get off the ground.

### Personality

Everybody has a different personality. Some people can work very well together, some people cannot work together and others can work successfully together when the daily work is well structured. A collaborative

arrangement does not require people to work side by side at all times. By using this approach, different personalities can work successfully together.

It is a useful for each farmer considering a collaborative arrangement to do a personality profile. This will help to establish what your values are. Are you a person that someone else could work with?

Take a simple example. If you are a person who does not place a lot of importance on a farm being tidy, then someone who does is unlikely to be a suitable collaborator or vice versa.

The ability to see the big picture and

the positives of collaborating with another farmer must be to the fore in the thinking of each perspective partner.

A positive, can-do attitude is vital. There will be many hurdles to overcome in putting an arrangement together and problems arise when these personality traits really come into their own.

It has to be recognised that some people are just not suited to collaborative farming. This is more often than not down to their inability to see the real advantages to the combined business and change their mindset



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away from thinking only about “me” and “my business” to “us” and “our” business”.

### Compatibility

Establishing whether two people can work together is often tricky but is hugely important to the success of a collaborative arrangement. Where there is a previous working relationship, compatibility, or lack of, has probably already been established.

A common theme to the many successful partnerships in operation is that there was a previous working relationship of some sort. For example, in the Kiltallagh/Rinkinstown partnership, Andrew Purcell and Alf McGlew helped each other out with milking as the need arose. The relevance of this is that there was a lead-in period of cooperation.

Other relationships can include having been a member of the same discussion group where the people involved had the opportunity to get to know one another. Where they could establish if they had similar goals, were trustworthy, honest, flexible in their approach and hard working.

In situations where people are coming together without a previous working relationship, compatibility can be established during the exploration and formation stages of putting an agreement in place.

Farmers considering a collaborative option such as a partnership can establish early on whether they have common goals, outlooks, plans for the future, and systems of farming.

### Skills

We all have things we are good at doing and things we are not so good at doing. When two farmers are preparing to form a collaborative arrangement, you get a greater mix of skills.

It is vital that a collaborative arrangement utilises all the skills that are available to it through the people involved. This can be done by putting a work structure in place that maximises those skills. A recent trip to France to look at joint farming ventures (GAEC's) in practice left a lasting impression on me about the strong emphasis placed on skills and skillsets that are of value to the businesses involved.

Skills can include business skills, technical skills and people skills. These can be itemised further by doing a skills audit. Farmers considering a collaborative arrangement should do a skills audit by listing their various skills and rating themselves on how good they are at carrying out these skills.

Surveys carried out by Teagasc in

FIGURE ONE: What to consider before entering into a collaboration



the past have shown that decision making can be better on farms in partnership due to the mix of skills available.

### Personal Interests

Personal interests can be of benefit to the arrangement as they often lead to an eagerness to gain skills that are of benefit to the arrangement. Examples of this would include taking a strong interest in financial management, breeding or grass measurement.

### Farm goals

Farm goals need to be aligned for any arrangement to be successful. If expansion is a priority, both farmers need to be fully on board with this from the outset as it will involve big decisions that have to be made in terms of capital investment etc. Other examples would include setting targets for technical and financial efficiency.

### Resources available

The resources available to each farmer are important to the overall mix. They may determine whether a collaborative arrangement is a runner from an economic point of view or not. In other words, are there sufficient resources to provide two farm incomes to the parties involved? Resources include: stock, land, buildings, machinery, labour and access to capital.

### Risk

Risk exists in any business and it is an integral part of daily farming life. The main risk in relation to collaborative farming is: what happens if the arrangement is dissolved?

Risk must be weighed up in the context of the many potential benefits of collaboration but it can be managed two ways:

- By drawing up a written agreement that clearly spells out how the arrangement is to be dissolved. This should be done at the outset and not at the point of dissolution.
- Nurturing the core values referred to in this article and the working relationship between the parties during the lifetime of the arrangement.

In summary, if you are considering a collaborative arrangement, take a broad view. Look at your potential collaborator as a person. Always treat them with respect and dignity. Value their skills and listen to their opinions. Look at the arrangement from your own perspective but also seek out and try to understand the perspective of your potential collaborator. Take your time when preparing a robust and clearly written agreement.

Templates are available on <http://www.teagasc.ie/collaborativearrangements/>. Teagasc advises all farmers to seek taxation advice and independent legal advice during the formation of agreements.