



Opportunities in Dairy Farming: Succession and Progression Pathways

Gordon Peppard
Farm Business Structures Specialist

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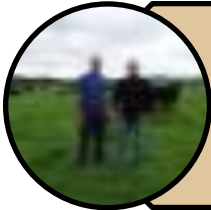
Outline:



Succession and Progression Pathways



Why do we need them?

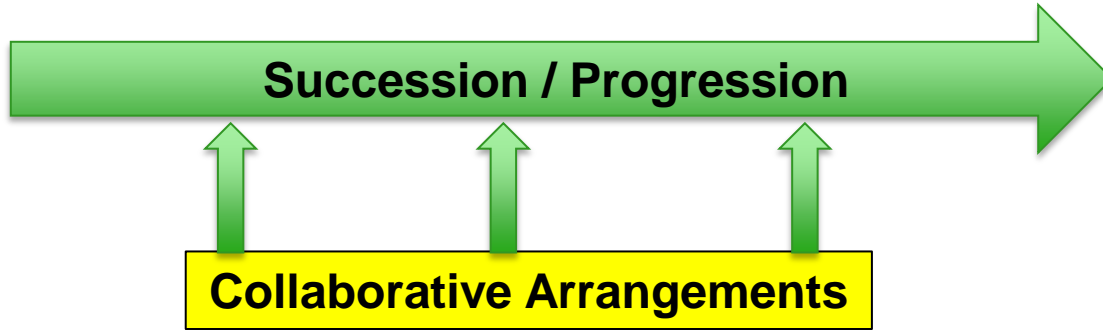


What are they?



Different types of arrangements

Succession & Progression Pathways:



**Practical
Farming Skills**

Knowledge

**Values/
Attitudes**

Responsibility

Decision Making

Why Collaborative Farming?

Farm Worker Required for 150 Cow dairy farm. Must have ability to work on own initiative.

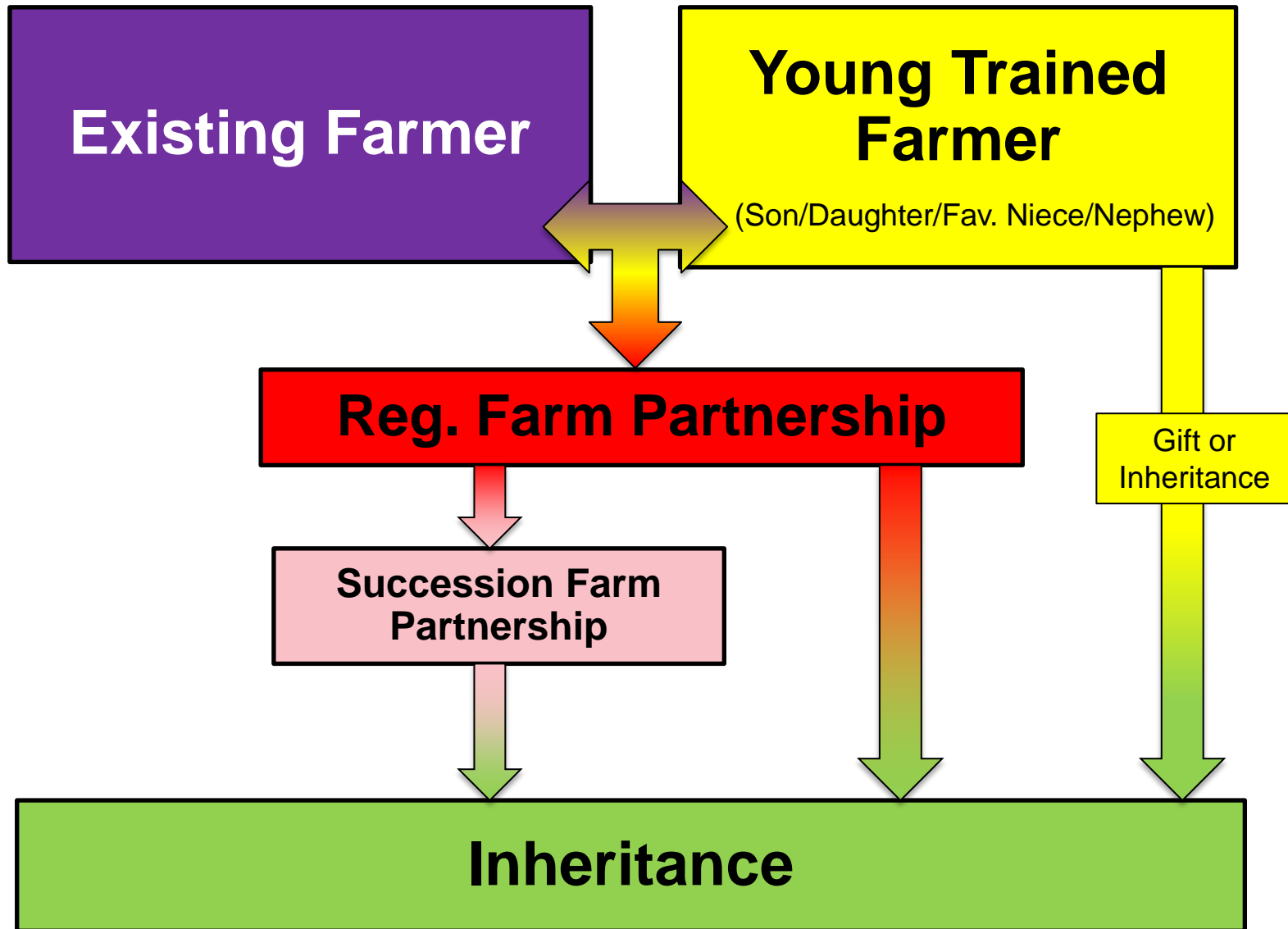
Farm fragmentation is still an issue, with an average of 3.5 land parcels per farm

- What farms need to be:
- Economic
 - Social
 - Environmentally
 - Sustainable

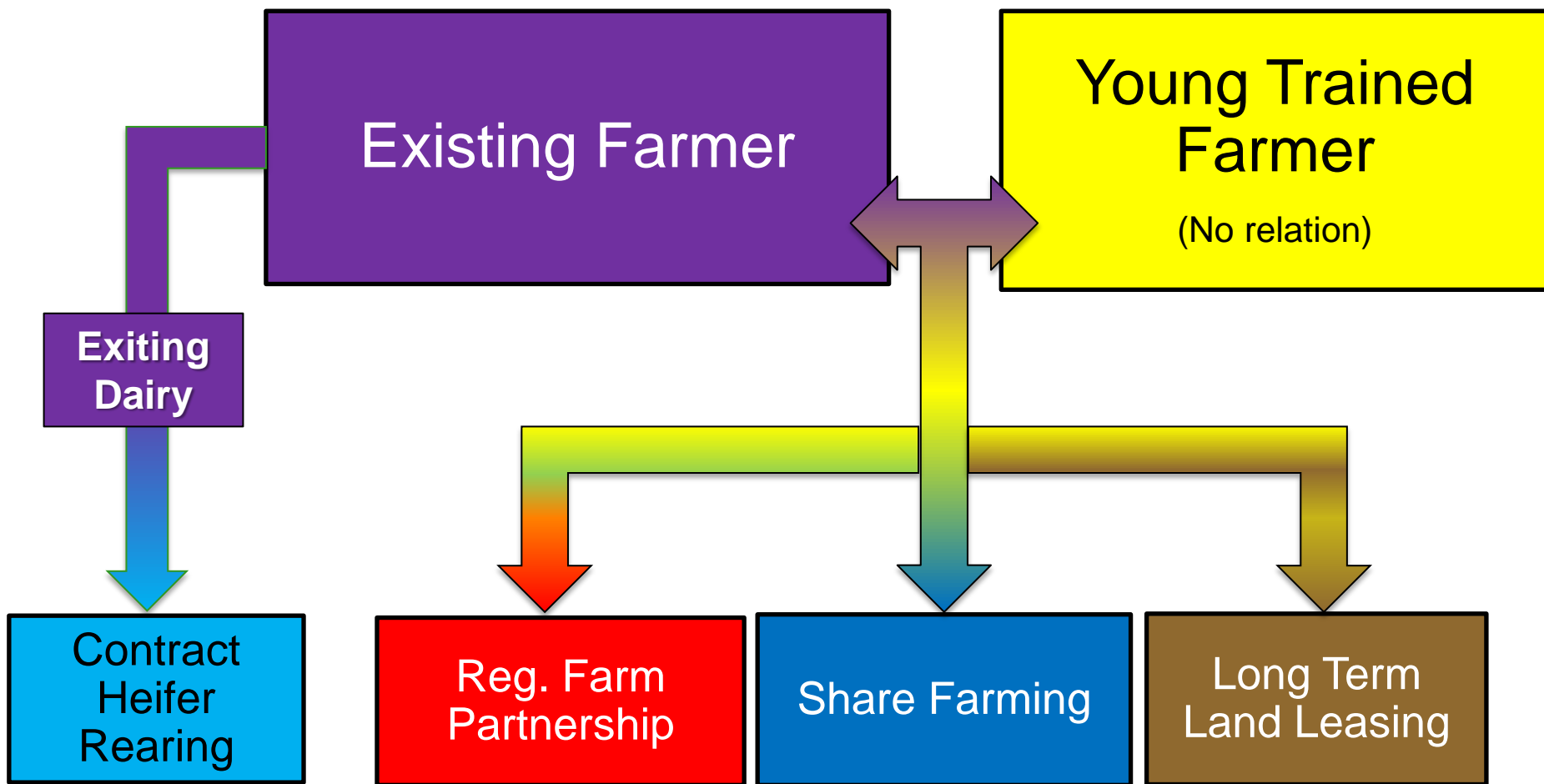
Dairy expansion driving up land prices new survey finds
May 25, 2015
RURAL LIFE

FARM IRELAND
Sunday 12 May 2019
NEWS AGRI-BUSINESS PROPERTY DAIRY TILLAGE BEEF SHEEP
Third of farmers are over retirement age, while the number of young farmers declines

Succession & Progression Pathways: Family



Succession & Progression Pathways: Non Family



Pathway: Partnerships

`The relation which subsists between persons carrying on a business in common with a view to profit`

Physical Benefits

- Increased skills available
- Sharing of work
- Improved efficiency
- Better work life balance
- Opportunity to increase scale
- Safer farms

Financial Benefits

- Max. income at low income tax
- Stock Relief
- TAMS 2 Grant
- Basic Payment Scheme Incentives
- Collaboration Grant
- Succession Farm Partnership -
€5,000 tax credit - 5 years



Pathway: Long Term Land Leasing

- Land leased for > 5 years
- Legal agreement stamped by Revenue

- **Benefits to Lessee**
 - Security of tenure
 - Justify financial investment

- **Benefits to Lessor**
 - Improvements/Investment into land
 - Income tax incentives



Pathway: Long Term Land Leasing

Income Tax Incentives

<u>Lease Duration</u>	<u>Tax Free Threshold per annum*</u>
5 – 7 years	€18,000
7 – 10 years	€22,500
10 – 15 years	€30,000
> 15 years	€40,000

- Threshold includes Lease fee & Basic Farm Payment. The payment is liable for USC and PRSI.
- Thresholds may be doubled where land is jointly owned.

Pathway: Contract Heifer Rearing

■ Benefits to Dairy Farmer

- Simplify the system
- Reduced need to lease land
- Work/Life Balance

■ Benefits to Contract Rearer

- Reduces exposure to volatile beef prices
- Regular cash flow
- Less investment in livestock



Take Home Messages:

■ Many Opportunities:

• Partnerships

- » Progression for young farmer
- » Addition of new skills and labour

• Long Term Land Leasing

- » Security of tenure

• Contract Heifer Rearing

- » Opportunity to specialise

• Succession/Inheritance

- » Start of a new era

