

A Family Farm Partnership

What are the benefits?

How can we form one?

Family partnerships are an excellent mechanism by which to operate the family farm. The partnership is given permission to use the land and other assets. Some of the benefits of partnership arrangements include

- a) Partnerships are an excellent progressive arrangement, keeping both younger and older generations involved.
- b) Partnerships can have positive EU payment benefits including Young Trained Farmer Top Ups, and higher rates and thresholds for TAMS.
- c) Partnerships can offer tax saving opportunities through stock relief and personnel allowances.
- d) The partnership helps to define roles, develop a farm plan, and determine income split.
- e) Partnerships can facilitate and safeguard succession management.
- f) Formalised partnerships can be registered with the Department of Agriculture, giving full recognition to the arrangement and the parties involved.

The steps involved in forming a partnership are

1. Add the new farmer(s) onto the herd number. Form ER1.1 is used for this. Please note that adding a person or persons onto the herd number is just the first step and should not be considered an end in itself. To prevent any negative tax or legal implications this step should be followed up with a formal agreement.
2. Open and operate a bank account for the farm, this bank account should be used for all farm revenues and expenses. The named persons on this bank account are those participating in the partnership.
3. The partnership can use people names or apply for a registered name, eg Tom and Mark Murphy or Murphy Highfield Farms. The partnership name should be advised to your co op and other merchants. The partnership must also be registered with Revenue.
4. A working or on farm agreement is prepared. This agreement outlines
 - Who the partnership is between
 - The start date and duration
 - The purpose of the partnership (eg to operate the Murphy Family Dairy Farm)

- The lands being made available to the partnership
 - Other assets and livestock being made available to the partnership
 - Bank account
 - Roles and responsibilities of each partner
 - How profits are to be split and details of regular payments to any partner
 - Where records are to be kept and who is responsible
5. The partnership agreement is formalised and registered with the Dept. of Agriculture.

The Land Mobility Service established by Macra na Feirme and FBD Trust and supported by food processors including Dairygold, Glanbia, Lakeland, Aurivo, Kerry and North Cork is an expert support service for farmers and farm families. This service will assist farmers in formulating partnerships or exploring options for their farm.

Support grants are also available from the Dept of Agriculture to cover the costs associated with establishing a registered farm partnership.

The service has templates of on farm agreements and formal partnership agreements.

For more information the Land Mobility Service can be contacted at info@landmobility.ie

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