

## To Lease or Share

There is now a greater acceptance and appreciation for long term mutually beneficial collaborative arrangements between farmers and landowners. People are seeing first hand where they are working to the benefit of all parties.

There has been an obvious shift away from short term and one-sided arrangements, the ethos of “Get the best price possible and to hell with the consequences” is thankfully disappearing. Instead the focus is “The Three P’s : Person, Price, Period”.

Government support through Tax Relief for Long Term Leasing, Department of Agriculture recognition of Partnerships and Share Farming, Teagasc education and independent facilitation through The Land Mobility Service have all helped to deliver this favourable shift.

We are now moving towards the end of the present round of CAP with 2022 the last year of the current BPS. From 2023 farm supports and Entitlements will continue, however value, rules and criteria in the claiming of same will change especially as regards the Greening component of historical BPS. Talk and headlines regarding these rules coupled with active farmer comments, clawbacks, national reserve etc. etc. is confusing and are best ignored until the rules are decided and documented.

Some Questions for Landowners to ponder

### **1. Am I better to do nothing?**

*Doing nothing is not a plan*, you need to look at options with a view to a long-term strategy. Allowing a farm slip back and get run down is usually regretted in the long term.

### **2. Should I Lease?**

Long Term leasing is a simple tax efficient arrangement, provided you identify the right person your farm and income is safeguarded. One concern with leasing is that the owner effectively retires and may cease to be an active farmer. For many landowners it is a trade-off between the tax relief and active farmer status.

### **3. What about Share Farming?**

Share Farming is a definite option, key to share farming is that the owner continues to take a risk and remains an active farmer. The owner receives a share, or percentage, or payment related to output/performance rather than a fixed rent. In reality over time the actual return to the land owner and conversely the cost to the farmer differs little whether the arrangement is a shared one or a lease.

### **4. What about following the Schemes?**

Subsidy or Scheme Farming is again a definite option however experience and expectation is that it is a route to diminishing returns unless done with a Young Trained Farmer or as part of Generational Renewal.

***The Land Mobility Service is both independent and expert, options provided are without obligation, and engagement is confidential. The Service has no vested interest other than to help. It is a subsidised service and at the very least you will be armed with relevant factual information.***

***The service is about providing options for land owners and opportunities for young farmers.***

The Land Mobility Service [info@landmobility.ie](mailto:info@landmobility.ie) can help you

- Explore your options and make informed choices
- With expert independent advice
- Independent facilitation
- Documenting any agreement

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