



Land Mobility

Working Towards
a Shared Future



FIBID Trust
An FBD Trust
funded initiative

The Land Mobility Service Annual Report 2015





2 years in operation

3

pilot areas

360
CLIENTS

138 arrangements

Industry wide support

Making a difference

Foreword by Michael McBennett



The Land Mobility Service has completed another year of successful operation and is now publishing its second Annual Report. The Advisory Group continues to monitor and to advise on the operation of the Service.

Thanks to the efforts of Austin Finn in developing the service we have now reached the situation where we must move to expand our operation beyond the original pilot areas towards covering the whole country. In order to help achieve this it has been decided to appoint Kieran O'Dowd, ex President of Macra na Feirme, to service the North West. Kieran is from Sligo and is a solicitor so he is well placed to fill the role. The last year saw the introduction of a weekly page in the Irish Farmers Journal with news of the activities of the service and listing opportunities for both young trained farmers and land owners.

As we are now expanding the operation of the service we now need to establish the operation on a more financially independent basis. To this end a charge has been introduced for the use of the service which will go part of the way in covering costs.

In conclusion I would like to thank all the organisations that contributed financially, advisory and by providing various professional services to our operation. I would to thank Austin Finn in particular for all his hard work and dedication over the last year and in making 2015 another successful year.

Michael A. McBennett
Chairman, Advisory Group

Foreword by Seán Finan, President Macra na Feirme



I'm delighted to introduce the 2015 annual report of the Land Mobility Service. As the service enters its third year it's wonderful to see the service expand and develop year on year, now with 138 arrangements in place.

This initiative would not be possible without the continued financial support of FBD Trust. I would like to thank FBD Trust under the chairmanship of Michael Berkery for the ongoing support for this ground breaking initiative. I would also like to acknowledge the financial support of the three pilot area Co-ops Aurivo, Dairygold and Glanbia.

The Land Mobility Service is developing arrangements and opportunities which enable young farmers to access land more easily and to subsequently take the next steps in their farming careers. The service also means older farmers retain ownership of their land but see it farmed to its full potential by getting involved with an enthusiastic, energetic, educated young farmer in a collaborative arrangement such as a long term lease, partnership or a sharefarming arrangement. The service as it grows will play a huge role in changing the age demographic of Irish farming by getting more young farmers involved in the sector.

Recent budgetary announcements combined with last year's tax incentives for long term leasing have made collaborative farming arrangements financially more attractive and show the commitment of policy makers to collaborative farming and land mobility.

We were delighted to recently receive Department of Agriculture funding, up to the end of 2016, to provide an extra part time resource to further grow the service in the Midlands and North West. Kieran O'Dowd was recently appointed as a Land Mobility Facilitator for the North West on a part time basis.

I would like to thank Austin Finn the Land Mobility Service Manager for his continued hard work and also to the advisory group chaired by Michael Mc Bennett for all their support and guidance with the service during the year.

Finally I would like to acknowledge all the stakeholders in the industry who have helped us to grow the service and we look forward to working with you all as we continue to develop the Land Mobility Service in 2016.

Seán Finan
Macra na Feirme National President 2015 - 2017

Section A: The Service Background

The Land Mobility Service was established in late 2013 by Macra na Feirme with the financial support of FBD Trust, and subsequently Aurivo, Dairygold and Glanbia.

The overriding aim of the service has been the delivery of land mobility and access to land through collaborative farming arrangements. Since its inception the service has demonstrated that with dedicated independent expertise, farmers can be facilitated to enter into new collaborative arrangements leading to a better return for both the farmer and the landowner.

The service has three key functions

1. Create awareness and provide information
2. Deliver arrangements
3. Support operating arrangements

Following two years of effort the service has delivered and proven its benefit.

Contributing to this has been the active support of farmers, the IFA, the Minister for Agriculture and his department, the Irish Farmers Journal, Teagasc and the three pilot area co-ops Dairygold, Aurivo and Glanbia. The Macra Land Mobility Service was established with the generous financial support of FBD Trust. The provision of core funding by FBD Trust has been the single most important factor in getting this service off the ground.

Information and Awareness



The provision of correct and relevant information coupled with the creation of awareness is very important for the delivery of land mobility. Land owners, new entrants, and expanding operators alike benefit from knowing and understanding the available options.

This remains an ongoing action through seminars, workshops, farm walks, the Irish Farmers Journal and other media.

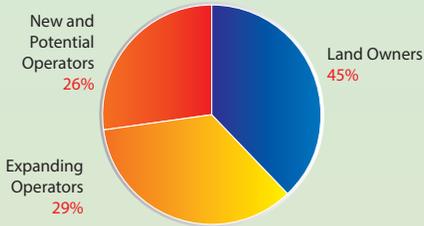


*Top: 2014 Land Mobility Annual Report Launch
Above: Austin Finn speaking at a Glanbia information forum*

Client numbers and engagement from farmers, farm families and other land owners continues to grow. The service now has 360 clients made up of land owners, expanding operators and new entrants.

FIBID Trust

Client Profile

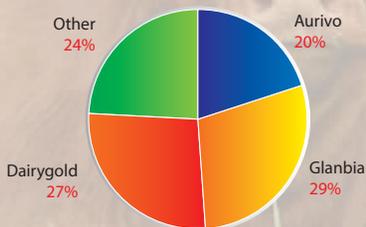


The largest group continues to be land owners seeking suitable collaborators. Overall there is more land available than potential operators ready to avail of the opportunities offered. Land owners in the most part are made up of farmers and farm families who wish to step back or retire. The next biggest component are non farming or casual farming land owners.

While overall numbers have increased across all client categories in the last year, there has been an increase in the proportion of expanding operators and a drop in the percentage of new and potential operators.

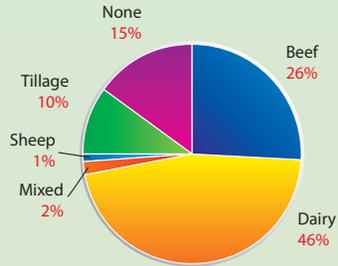
The regional profile of clients reflects the focus on the pilot areas.

Clients by Region



The client base encompasses all farm enterprises, and the service will continue to

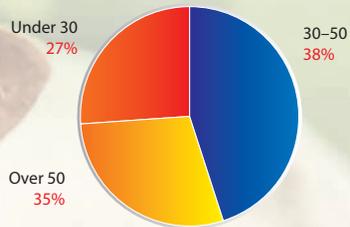
Client Profile by Farming Enterprise



support all enterprises. Dairying continues to be the most significant participant due to its greater income earning potential per acre. In the chart above, none or no farm enterprise represents landless potential new entrants and non farming land owners.

The client age profile spans all age categories.

Client Age Profile

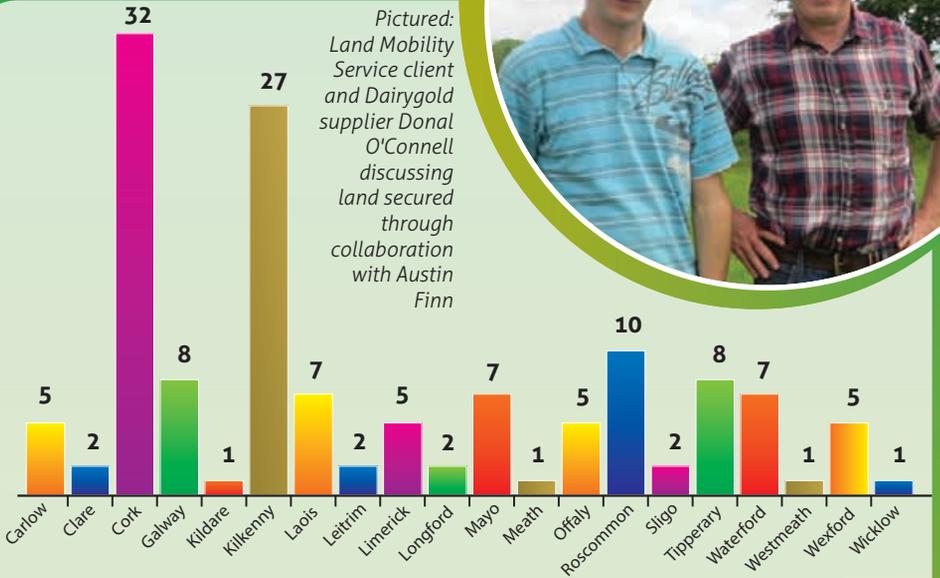


Delivery of Arrangements

With limited resources and focused on identified pilot areas a remarkable 138 arrangements have been delivered. Long term leasing has proven to be the most popular arrangement. The good spread of other arrangement types illustrates the importance of options and how different arrangements suit different farms.

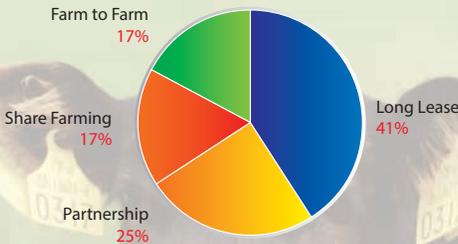


*Pictured:
Land Mobility
Service client
and Dairygold
supplier Donal
O'Connell
discussing
land secured
through
collaboration
with Austin
Finn*



Facilitated Arrangements by County

Arrangements Facilitated by Type



The delivery by county demonstrates that where support was most available the level of delivery was highest.

The service has proven its need and demonstrated that its presence benefits the delivery of arrangements. In response to demand the move away from a pilot to a national delivery is now critical, while at the same time ensuring full penetration and delivery in the catchment areas of the supporting co ops.

The service is putting structures in

place to ensure adequate resources exist to meet this demand from farmers and land owners. Efforts to date in this regard have included

- 1) Putting an additional facilitator in place.
- 2) Linking in with the Irish Farmers Journal for a nationwide confidential contact service.

The Land Mobility Service page in the Farmers Journal helps people find their land mobility opportunity.

Finding your Land Mobility Opportunity

A key element of the Land Mobility Service is matching people to opportunities. To further facilitate this and help you find your ideal match we have linked up with the Irish Farmers Journal.

Phone 01 4199555 where with confidentiality assured you can have your interest passed onto identified opportunities or you can determine without obligation what interest there may be in your opportunity. This is a perfect discreet way to test the water in confidence.

Once you have identified someone or an opportunity that might work for you we at the Land Mobility Service can help you explore the options and formulate a workable arrangement. Simply then call Austin at 086 2541425 or email info@landmobility.ie The service is an independent expert facilitator that will help put an arrangement in place that works for everyone.

Step 1 – Test the water or find out more
Call 01 419 9555

Step 2 – Putting an arrangement in place
Call 086 254 1425

Supporting existing arrangements

This is an extremely important element of the service, and will grow in importance over time. The service is an expert independent facilitator who works for the arrangement making sure it is fair and continues to work for all parties.

Developing Brave

Proportionally more of the land mobility opportunities available are being taken up by people over the age of 35 rather than under 35. This is not because younger farmers are not being presented with these opportunities, there just seems to be something holding many of them back.

The service has a high number of young trained farmer clients looking to develop their farming business or establish themselves in farming in their own right, however many are struggling to take the final step, why?



Kevin Moran speaking at the Macra na Feirme Rally in Cork

Others like Kevin Moran from Mayo are developing their business. Kevin is a 22 year old new entrant to dairying, who with no owned land will be milking 270 cows by 2017. What makes Kevin different?

What we have found to be common among all the successful young operators like Kevin is

- Good communications are maintained with the land owner(s)
- An ability to think outside the box when it comes to finance
- Good cash flow management and realistic risk assessment
- An understanding that investment in income generating mobile assets like cows is not a risk
- Confidence in their own technical ability

There is a need to develop these skills in our potential future farmers. In addition to land, skilled management and labour will be the new quotas.

The service supports the ag colleges and other third level colleges in developing these skills through the provision of lectures and workshops. The service is also involved in professional development programmes for young farmers.

Teagasc

The service works very closely with and compliments Teagasc land mobility efforts. Teagasc templates, budgets and guidance are used when developing and facilitating arrangements.

The service also takes referrals from Teagasc advisors and supports Teagasc farm walks, discussion groups, and information events.



Aaron Forde, Kieran O'Dowd and Roberta McDonald discussing the Land Mobility Service Aurivo joint programme

Section B: Arrangement Options

Choosing the option that suits best

Options and opportunities exist for farmers and farm families looking at expansion, changing enterprise, or stepping back. The option chosen must work for you and your farming circumstances. The choice includes

a) Contract production or contract rearing,

this is straight forward and allows two people work together for better land use. Each party farms in his/her own right and looks after their side of the arrangement.

b) Long term leasing is clean and simple, delivering access to land at a known cost for a definite period. The land owner benefits from income tax relief and has income security. The tenant is the farmer and the land owner effectively retires, however land owners can opt to retain some land and continue to farm that themselves.

c) Partnerships are an excellent arrangement for two like minded people with a similar vision who wish to develop a farm business together. Partnerships can be very effective for a dairy farmer linking up with a drystock neighbour for example. Partnerships are an excellent progressive arrangement within the family and should be encouraged for all family farms as part of succession planning.

d) Share farming is an arrangement where

by two or more people come together to farm the same piece of ground. All parties are active farmers and share in the risks and rewards. Share farming can work for any enterprise but is most common in tillage (share cropping) and dairy (share milking). Share farming can work very well for land owners who wish to step back but are not yet ready to retire, they stay involved in the farm business. On the other side share farming represents an excellent opportunity for new entrants and young trained farmers, it allows them to get involved in a farm business at much lower risk and investment than would be the case with a lease.

The Land Mobility Service is available to go through all options with interested parties, and has the expertise and templates to facilitate any type of arrangement.

Developing a Workable Arrangement

For anyone looking at Land Mobility or contemplating Collaborative Farming, two key questions arise;

1. Can I work with this person?
2. Can I make this opportunity work?

There are ten steps to developing a workable arrangements, and remember the arrangement must work for all parties.

1. Define in broad terms your own goals.

Where do you want to be in five years time and what do you want



from your farm/farming. This is important whether you are considering expansion or stepping back or anything in between.

2. Identify a suitable collaborator.

This person should have a similar vision for the land/farm/business, he or she should be someone you can communicate and work with. They must have respect for property, other people, display integrity and have a realistic business plan. Regardless of the final arrangement type, in the long term these things will be far more important than the initial price.

3. Meet to explore options and opportunities:

- Agree a rough plan as to what you jointly want to achieve
- Start the process by exploring the detail

4. Seek independent professional advice:

- Arrangement facilitation (eg The Land Mobility Service)
- Farm planning (eg Teagasc advisor)
- Accountancy, taxation, and legal (eg Accountant/Solicitor)

5. Formulate an agreement:

- a) Decide upon agreement type/form
- b) Define what each party is bringing to the arrangement
- c) Outline duration including a year by year plan, together with budgets
- d) Define responsibilities and how investment (if any) is to be catered for
- e) Define payment terms; be that rent, costs and revenue split, or profit share
- f) Specify review mechanisms and review triggers



6. Draft a formal agreement.

7. Arrange a final meeting.

Include all participants together with relevant family members and professional advisors

8. Sign the agreement.

9. Register or file copies of the agreement with relevant parties (Revenue, Dept. of Agriculture, Agreement Facilitator, Accountant, Solicitor)

10. Implement the agreement

Some arrangements in more detail

(1) Good Supports are available for Family Partnerships

Family partnerships are proving to be an excellent progressive mechanism for succession planning and management of the family farm. This arrangement as part of a succession plan has now received additional support in the budget.

The parties form a partnership to run the farm, this partnership is given permission to use the land and other assets. Some of the benefits of registered partnerships include

- a) Partnerships allow both younger and older generations to be actively involved.
- b) Partnerships have positive EU payment benefits including Young Trained Farmer Top Ups and TAMS.

- c) Partnerships offer tax saving opportunities through stock relief and personnel allowances.
- d) Additional income tax reliefs are now available to the members of a partnership, where the partnership forms part of a farm succession plan.
- e) The partnership helps to define roles, develop a farm plan, and determine income split.
- f) Partnerships can facilitate and safeguard succession management.

- 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 can help people formalise and register a family farm partnership, for more information see www.landmobility.ie or email info@landmobility.ie

The steps involved in forming a registered family partnership are

1. Add the new farmer(s) onto the herd number (Form ER1.1). Please note that this is just the first step and not an end in itself.
2. Open a farm partnership bank account, this bank account is used for all farm revenues and expenses. The named persons on this bank account are those participating in the partnership.
3. Register the partnership with Revenue (Form TR1).
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

(2) Share Milking can be a great option

Share Milking represents an excellent start up opportunity for young skilled dairy farmers. There are many young people equipped with the skills to be excellent dairy farmers.

On the other side there is a significant supply of farms offering share milking opportunities for any one with such skills, mobility, and an inclination to take on such an opportunity.

Share Milking is a real option for

- dairy farm and herd managers
- those waiting to go home
- farmers for whom home offers insufficient scale or viability
- those working on dairy operations in the UK, New Zealand or elsewhere.

The big mindset challenge for anyone contemplating share farming is the move away from known return (a weekly wage) or perceived control (not owning the land) to a true Risk Reward and Sharing scenario. The potential rewards are enormous.



Regardless of milk price share milkers who run efficient operations meeting key performance targets (grass growth and utilisation, six week calving %, etc) are generating significant income and building up their equity through stock.

Share milking also facilitates entry into significant dairy farming with a much lower finance requirement compared to leasing a good sized farm.

For young farmers the big down side to leasing is the level of finance required to make it work, the young farmer will need adequate resources to

- a) stock the farm
- b) upgrade infrastructure, soil fertility, fencing, water, reseeding, etc
- c) pay the rent

It can be a very long and risky time before any return materialises.

With share farming revenue and operating costs are split between the land owner and share farmer based on what each party brings to the arrangement. Typically the land owner supplies land, infrastructure and facilities, and some cows. The share milker supplies the management skills and labour to drive on the farm business and some cows.

Taking a 150 to 180 cow operation with the share milker responsible for labour and management and providing half the cow herd, the share milker split would be 45 to 50%.

Every farm is different, The Land Mobility Service has the experience and expertise to help people formulate an agreement
(info@landmobility.ie)



(3) Long Term Leasing can have many benefits

Long term leasing is proving to be a very effective land use collaboration providing certainty and security to both parties. Recent budgets have provided a significant stimulus for long term leasing.

From the land owners perspective

1. Long term leasing is extremely tax efficient, the rental income that is annually exempt from Income Tax for qualifying leases taken out on or after 1 January 2015 is
 - €18,000 on leases for 5 or 6 years
 - €22,500 on leases for 7, 8 or 9 years
 - €30,000 on leases for 10 to 15 years
 - €40,000 on leases for 15 years or more

Alternatively under con acre all income is exposed to income tax. In addition long term leasing can still allow land owners qualify for Capital Gains and Capital Acquisition Tax reliefs, con acre leaves land owners exposed to such taxes.

2. As with all arrangements it is important to select the right person. With a correct choice, long term leasing provides income security and certainty, and it will also result in the land and facilities being properly maintained or enhanced.
3. Long term leasing agreements tend to be clean and simple.
4. Land owners wishing to step back can opt to lease part of their farm and continue to farm the remainder themselves.

5. Leasing does not suit all land owners as they may not be ready to retire or might want to stay involved, for what ever reason, in which case they may look at other options such as share farming or contract rearing.

From the farm operators perspective

1. Long term leasing delivers access to land for a definite period at a known cost, this provides certainty allowing an operator develop his/her farm business. A sustainable farm business can not be developed around con acre.
2. Where, in order to make the best use of leased ground, investment is required; be that on your own or the leased farm it is important that the lease duration is sufficiently long to justify same. In reality 5 years is too short in most cases.
3. Long term leasing agreements tend to be clean and simple.
4. The principal reason why leases break down is when the rent is not realistic (either way), before finalising a price it is important that you do your budgets and know your cost of production.
5. When looking to extend leases or enter new leases your record in land and infrastructure care and how you honoured previous agreements is very important, your reputation will follow you.
6. Young farmers, new entrants and small operators can find themselves at a disadvantage when considering a significant lease. Established operators tend to be best positioned to have the finance required to cover stock, investments, inputs and the rent.



Section C: Case Studies

Long Lease is a good fit for Carlow Landowner

John Kehoe has been farming in Carlow for the last forty years operating a 145 acre mixed farm. John has always been a progressive farmer aiming to maximise return from his holding. In recent years John has focused on beef and tillage.

In the last few months John has decided to step back from farming and with the help of The Land Mobility Service he has been looking at his options.

John has two adult children with successful off farm careers, they help with the farm but will not go farming themselves. The 145 acre farm is all in one block of good quality with reasonable facilities, and has delivered an income for a number of generations of the Kehoe family.

The scenario and dilemmas faced by John are quite common. Thankfully there are options available, and there are many excellent young and not so young farmers prepared to avail of such opportunities.

The two most important things for John are income security and ensuring that the farm is properly looked after. John and his family looked at the merits and implications of a range of options including leasing, share farming and contract rearing. For them a long lease is the preferred option providing certainty and tax relief, but as John explains the most important thing was "finding the right person".

Following some investigation and fact finding John entered into discussions, facilitated by The Land Mobility Service, with a progressive farmer. This farmer was known to John and has a good reputation.

John continues to farm himself while the terms of the

lease are being worked out, but both parties have started to work together and have agreed a memorandum of understanding. There is a good working relationship and both have a similar vision for the farm, the important thing for both is that "the agreement works for all parties".

A 15 year lease will commence from January 2016.

Sharing in Longford

Two farmers near Lanesborough in Longford are coming together to develop a dairy business, Bernard Casey an existing dairy farmer in his 50's and Ian Kelly a new entrant in his 20's.

Bernard is presently farming 160 acres and milks 100 cows. Ian is a qualified young farmer with 110 acres which was in drystock.

Bernard and Ian started discussions in 2014 looking at how they might work together. Using The Land Mobility Service as a facilitator and drawing on input from other advisors they formulated a farm plan. According to Ian "the farm plan was the first key step and showed that we both had a similar vision for the business". Bernard



stressed "that having an expert facilitator with whom they could evaluate all options and ensure all implications were considered was very important".

At present Bernard and Ian are working together, but under a loose arrangement, while they finalise their longer term agreement.

Ian is rearing heifers while upgrading his grassland and putting grazing infrastructure in place. Together Ian and Bernard are operating the present dairy herd. They will be milking 150 cows in 2016 and intend to quickly move to 200 cows. They will operate a spring calving herd with the focus on production from grass. They are very focused on grass growth and utilisation, timely compact calving and herd



Seamus O'Mahony, Austin Finn, Kieran O'Dowd, Jim Woulfe and Edmond Connolly reviewing land mobility progress with Dairygold

health. They are finding that together they have an excellent mix of skill sets. For them it is not just about sharing land and labour but also these skills and having someone to bounce ideas off. For both "working together will deliver a more sustainable business than would be the case if we stayed alone".

Bernard and Ian have explored both Share Farming and Partnerships in detail, and are opting for a partnership agreement. They feel that a partnership will suit their circumstances best particularly for shared investment and EU payments. With the help of The Land Mobility Service they are presently in the process of registering their partnership with the Department of Agriculture and it will take effect from 1 January 2016.

Contract Rearing in action in Cork

Andrew Desmond entered into a contract rearing arrangement, facilitated by The Land Mobility Service, with Michael and Jerry Murphy in the spring of 2015.

Andrew farms 80 acres and was a dairy farmer before converting to suckling. Andrew wanted to stay farming but wanted a more manageable operation and was frustrated by the uncertain returns in beef. With the help of The Land Mobility Service Andrew explored the various options open to him, (including leasing, sharing, contract rearing), to see what best suited him.

Andrew met up with dairy farmers Michael and Jerry Murphy to see how a contract rearing arrangement might work. Father and son Michael and Jerry were



looking to expand their dairy operation. Key to them was maximising cow numbers on the milking platform. They had been building up heifer numbers but wanted to release land for milking cows. They looked at leasing and contract rearing.

Upon meeting Andrew they felt he was someone they could work with and a contract rearing agreement was facilitated. In March 2015 Michael sent over 72 yearling heifers, these were followed by an additional 70 weaned heifer calves at the end of May. Both parties feel that the arrangement is working very well, key reasons attributed to this include

1. From the beginning there was proper discussion followed by a proper agreement, all potential issues were discussed and agreed.
2. There is good communication between all parties.
3. Things are done right.

According to Andrew "Good communication has been vital" with Michael adding "The heifers have never looked as good".

This successful contract rearing arrangement has helped Michael and Jerry expand their cow numbers, for them "it is not just the ground released by the heifers but also the reduced workload". This has allowed them focus their efforts on cow and grass performance. From a base of 115 cows in 2013 Michael and Jerry are presently milking 185 cows and will move to 210 cows.

Appendices

Appendix 1: An Independent Expert Confidential Service

The service is independent and confidential, and has the expertise and experience to help people properly evaluate their options, and should they so wish will support them in formulating and implementing an arrangement.



Austin Finn programme manager for the Land Mobility Service is a chartered accountant and B Ag, he also farms part time. His financial and farming expertise is ideal when it comes to assist people in planning for their future.

Austin Finn 086 2541425 or
info@landmobility.ie



Kieran O'Dowd land mobility facilitator with special responsibility for the North West is a barrister and solicitor. Through Macra na Feirme Kieran has been involved in the Land Mobility Service from its inception and has built up a lot of experience in the area. This together with his legal background is ideal when it come to facilitating arrangements.

Kieran O'Dowd 087 2065010 or
info@landmobility.ie

The Land Mobility Service Advisory Group is chaired by Michael McBennett on behalf of FBD Trust. The following organisations are represented on the advisory group, those listed below have attended on behalf of these organisations.

Macra na Feirme	Sean Finan, Edmond Connolly, and Derrie Dillon
The IFA	Fintan Conway, Gerry Gunning, and James McCarthy
The Irish Farmers Journal	Peter Young and Peter Varley
IFAC Accountants	Willie Fahey and Philip O'Connor
The Dept. of Agriculture	Sinead Mc Philips *
Aurivo	Martin Walsh and Roberta McDonald
Glanbia Ingredients Ireland	Pat O'Keefe and Pat Ryan
Dairygold	Paul O'Connell and Seamus O'Mahony
Teagasc	Thomas Curran, Anne Kinsella, and Páidí Kelly

* Sinead replaces Anne Derwin and Noel Collins who vacated the group following their promotions within the Department of Agriculture. Both Anne and Noel have supported the service since its inception and have been instrumental in formalising some of the policy initiatives which are contributing so positively to land mobility.

Appendix 2 Tax Update

1. Young Trained Farmers (green cert Fetaac level 6 or equivalent and under 35) qualify for both 100% stock relief and 0% stamp duty. Half rate stamp duty (1%) applies on transfers to close relatives over 35, provided they are active farmers and transferor is under 66.
2. Generous tax exemptions apply to land owners who lease. The following exemptions apply to new leases undertaken since 1 January 2015;
 - Lease period 5 to 7 years up to €18,000 rental income exempt from income tax
 - Lease period 7 to 10 years up to €22,500 rental income exempt from income tax
 - Lease period 10 to 15 years up to €30,000 rental income exempt from income tax
 - Lease period greater than 15 years up to €40,000 rental income exempt from income tax

The exemptions are from income tax, USC and RSI are still payable. The rental income can be a combination of land value and Single Farm Payment/Basic Payment. The land owner is also deemed active for up to 25 years for capital tax reliefs.

3. Capital Gains Tax (CGT) is a tax on a person disposing of property whether by way of gift or sale. A qualifying farmer over the age of 55 will be eligible for Capital Gains Tax Retirement Relief on sale or transfer of land.

This relief exempts cumulative sales up to a value of €750,000 (€500,000 if over 65) and transfers within the family up to a value of €3m (unlimited upper threshold if under 66) from CGT.

This relief is also available to land

owners who have leased out their land for up to 25 years in total (provided that prior to leasing they farmed themselves for at least 10 years).

4. Land owners who currently operate conacre arrangements have a once off window which expires on the 31st of December 2016 to avail of Capital Gains Tax Retirement Relief, either by disposing of their land or entering long leases (minimum 5 years). The 10 year usage rule prior to first letting still applies.

5. To compensate for volatility farmers can opt for income averaging, a five year averaging period applies.

6. Capital Acquisitions Tax (CAT) is a tax payable by the recipient of a gift or inheritance, under agricultural relief the asset value is reduced by 90%. To qualify the recipients total asset value, excluding in most cases his/her principal private residence, following receipt of the farm must be 80% agricultural and he/she must either actively farm or lease out the land on a long term basis (greater than 6 years) to an active farmer.

The tax free thresholds (cumulative) for receipt of a gift or inheritance are as follows

Relationship to the donor	Tax Free Amount
Husband or Wife	No Limit
Child or Favoured Niece/Nephew	€ 280,000
Brother, Sister, Nieces, Nephews	€ 30,150
Any other person	€ 15,075

After adjusting for Agricultural Relief (should it apply), the Tax Free Threshold, and any annual exemptions the balance remaining is liable for tax at 33%.

7. Partnerships have some additional tax reliefs including,

- a. Enhanced stock relief.

- b. An annual €5,000 income tax exemption for five years if the partnership is part of an approved succession plan.

Income and inheritance tax planning is very important, tax specialists should be consulted to ensure decisions are tax efficient.

Appendix 3 Fees

The Land Mobility Service is an independent expert service focused on facilitating collaborative farming arrangements such as long leases, share farming, partnerships, and contract rearing.

This is currently a subsidised service, while fees are necessary to help sustain the service those fees do not represent the full cost of providing the service. The Land

Mobility Service is financially supported by Macra na Feirme, FBD Trust, Dairygold, Aurivo and Glanbia. In 2016 it will be necessary to charge fees to fund the growth of the service and prepare the

service for delivery after the three year (2014-2016) pilot period.

Further discretionary discounts on fees may apply to case study farms, stakeholder co op members, FBD customers and Macra na Feirme members.

Guide fees together with indications of elements which may be part recoverable under the Collaborative Farming Grant Scheme are made available at initial consultation meetings.



Pictured at the launch of the first Land Mobility Service annual report, which detailed the huge level of interest in the service established by Macra na Feirme, were Pat Smith, General Secretary IFA, Michael McBennett, FBD Trust, Kieran O'Dowd, Minister for Agriculture Simon Coveney, Pat Ryan, Glanbia and Austin Finn.

Appendix 4 Stakeholders



Macra na Feirme



FBD Trust



Aurivo

glanbia



IFAC
Accountants

Tax
Advisors

IRISH FARMERS JOURNAL





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This Service is an initiative of Macra na Feirme.

It has industry wide support including those listed below.

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Macra na Feirme

