



Land Mobility

Generational Renewal
and Support Service

2023 Report



FBD

An FBD Trust
funded initiative

Options for
Landowners and
Opportunities
for Young Farmers



Contents

Joint message from The Land Mobility Chairman and Macra President	1
The Land Mobility Team	2
Statistics	5
The Land Mobility Service Facilitation and Support Process	6
The Service Explained	8
Who will be farming this farm in five years' time? – Landowner Options	10
Some Questions for Landowners to ponder	11
Lessons learned, for consideration	12
Collaborative Farming Options	14
Long-term Leasing	14
Share Farming	16
A Family Farm Partnership	19
Case Studies	21
Stepping back with support from The Land Mobility Service	21
Opportunities for Young Farmers	23
A transition for both owner and young farmer	24
Land Mobility providing ongoing support and reviews	25
Sheep and a Farm Enhancement Lease	28
Share Farming, a Landowners experience	29
Share Farming, a Young Farmers experience	30
From employee to Partner	31
A Young Farmer expanding in Tillage and Cattle	33
A focus on the person rather than money	34
Creating time for family by stepping back	35
No Farming Successor in Donegal	36
Share Milking in Wexford	37
A Decade of The Land Mobility Service: Impact and Future Direction - U.C.D.	38
CAP 2023 The Changes	45
Tax Information	46
Nitrates, a Restriction or Opportunity	48
Farm Survey Results	49
Supporters and Associates	50

Joint message from The Land Mobility Chairman and Macra President



The success of The Macra Land Mobility and Generational Renewal Facilitation Service has seen the service grow and have facilitators in place to deal with inquiries from landowners, farmers and potential farmers. The Service provides options for landowners and opportunities to young farmers through matching and facilitating arrangements that are sustainable and work for all parties. Service funding is a combination of subsidised landowner / farmer fees, industry support and Dept. of Agriculture funding. Delivery through the Service would not have been achieved without Department of Agriculture grants, the support of industry partners (both financial and logistical) and the pioneering vision of FBD Trust.

Climate targets in Agriculture are a huge challenge for the industry. We fully believe that young farmers will be the drivers to this change. Research suggests that farmer characteristics, including age, impact the preparedness they have to tackle environmental measures on farm. The research suggests age also impacts the decision to adopt smart farming or precision farming technologies. Generational Renewal and ensuring viable compliant

farms with good infrastructure remain available to active farmers is vital for the environment, young farmers and rural communities.

Where there is no obvious farming successor or where additional land is required for the future viability of a farm, interventionist type supports are needed to deliver generational renewal. The Land Mobility Service is addressing an important need here and has a track record of delivering. The conversation on Land Mobility at farm level is time consuming and protracted, where to do nothing is the simpler option a dedicated and subsidised support service is required.

Inquiries have never been as high as in 2022, engagement with three facilitators has also grown. Some 100 arrangements have been facilitated in 2022.

This 2023 booklet coincides with the start of a new CAP period and a need to ensure Generational Renewal is not neglected.

John Keene *John Buckley*

The Team

An Independent Expert Confidential Service

The Service is independent and confidential. We have the expertise and experience to help people evaluate their options and should they so wish, assist them in finding a collaborator. We then support both in formulating and implementing a win-win arrangement.

Programme Manager and Facilitator – Austin Finn

The Land Mobility Service team is headed up by Austin Finn. Austin is a B. Ag. and Chartered Accountant, he also farms part time in Kilkenny. The farm operates through a registered partnership with his daughter. He has extensive agri business and consultancy experience. Austin has the financial and farming expertise to assist people in planning for their futures. Austin sees his role in ensuring that the best options and advice are provided to all parties and that their wishes are fully respected. Firstly, the farm business must be sustainable then the Parties need to be compatible and finally the Arrangement must work for both the Farmer and Landowner. Austin stresses that all contact is confidential and without commitment.



Facilitator – Patrick Brady

Patrick Brady is a B. Ag. Based in Cavan. He is an experienced farm advisor and also runs the family dairy farm. He has vast experience in farm schemes, advisory services and farm planning. Patrick's focus is exploring options for landowners followed by matching people and facilitating arrangements in the North Eastern and Midlands Region.



Facilitator – Mícheál Larkin

Mícheál Larkin from Mayo, is A.T.U. qualified in Rural Enterprise and Agri Business. He has a vast experience in leadership, interpersonal skills and planning. His previous roles included Training Development Officer with Macra na Feirme and in Sales and Marketing. He farms at home in partnership with his Dad & Brother. Mícheál believes that collaborative farming is an excellent way of creating options for landowners and farmers and there is a deal to suit all parties with a win-win scenario for all involved. Mícheál covers the Western Region.



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962
known
Arrangements
Facilitated since
2015 exceeding
75,000 acres

**Greater
Generational
Renewal
Needed**

**Demand
exists for
Additional
Facilitators**

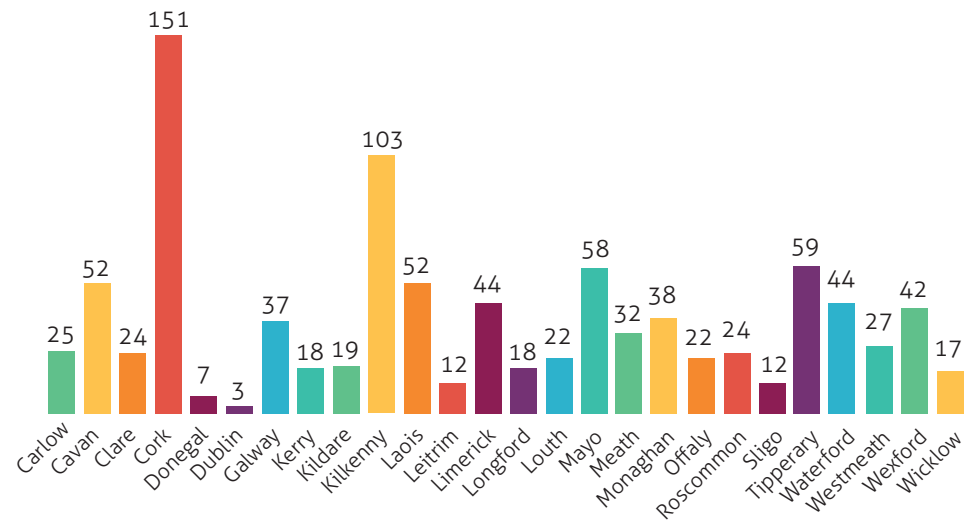
586
Engagements
with 3 Facilitators
2022

1080
inquiries in 2022,
the most ever

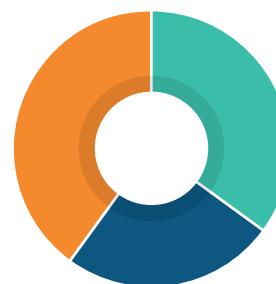
*“Providing Options for
Landowners and Opportunities
for Young Farmers”*

Statistics

Arrangements Facilitated by County

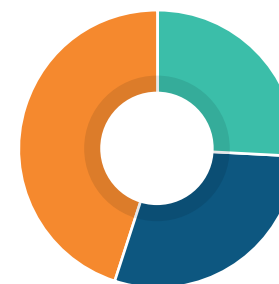


2022 Inquiries



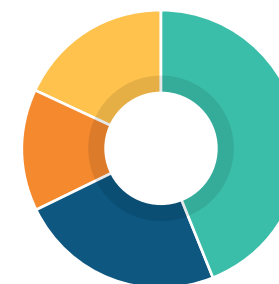
- Young Farmer / Potential New Entrant **35%**
- Existing Farmers looking to Expand **25%**
- Landowner looking to step back **40%**

2022 Engagements



- Young Farmer / New Entrant **26%**
- Existing Farmer looking to Expand **29%**
- Landowner looking to step back **45%**

2022 Arrangements



- Long Lease **44%**
- Share Farming **24%**
- Partnership **14%**
- Farm to Farm **18%**

The Land Mobility Service Facilitation and Support Process

Stage 1

Awareness

Is created using platforms such as media, referrals and information events, from which inquirers emerge. Teagasc, Food Processors and Farm Organisations play a vital role in this.

Stage 2

Inquiry

Once an inquiry is received it is categorised and allocated to a Facilitator. Categories would include landowner with no farming successor looking to step back, landowner looking to step back but constrained, landowner wanting to understand his/her/their options, young farmer or potential young farmer with no or little land looking to go farming, and farmer looking to expand.

Stage 3

Service explanation

The inquiry is spoken with. The confidential, independent, expert and without obligation nature of the service is explained as is the ultimate goal, i.e., to deliver a sustainable arrangement that works for all parties. Farming information is ascertained and a summary of options outlined.

Stage 4

Stage 4 Engagement

Once a farmer or landowner is prepared to pursue matters further a farm visit is arranged. Terms of Engagement are provided. The facilitator will call to the farm to view and speak with the owners (and often other non-farming family members). Options are outlined, explained (including implications) and discussed.

Subsequent to this visit plans are proposed for the farm as are options for identifying a suitable collaborator.

The Engagement Fee applies at this stage.

Stage 5

Stage 5 Progression and Facilitation

Farm plans and structures are progressed including budgets. Where matching is required expressions of interest are provided. Persons selected by the landowner from the expressions of interest as potential collaborators are invited to visit the farm and meet the owners. Confidentiality is preserved in the interest of all parties. The service acts as the honest broker and facilitator during these visits. Further to the farm visits those interested are asked to outline their proposal and plan for the farm. Preferred collaborators emerge from this process. The process is good for all parties as it allows them at an orderly pace and in a confidential manner to form opinions, assess the person and the opportunity. It also allows time for proper financial and logistical planning.

The Service facilitates an appropriate and sustainable arrangement between the owner and the farmer, once an overall plan and structure is agreed both parties engage with their advisors (Accounting, Tax, Legal, Agri, Schemes, Co-Op, D.V.O.) to ensure that the proposed plan is OK. The Service provides appropriate draft templates / draft contracts to reflect the proposed plan. These templates have been formulated in conjunction with Teagasc, Agricultural Solicitors, and the IFA.

Stage 6

Legal Agreement

Relevant Advisors, supported by the Service, finalise the legal contract and the parties sign.

Stage 7

Support the Arrangement

The Service supports the arrangement and the parties thereto. It will provide clarifications where required, facilitate/mediate any misunderstandings or items not previously considered or items arising out of rule changes, and help with communications / collaborator meetings.

The Service facilitates reviews / review mechanisms and exit mechanisms that are built into agreements.

The Service Explained

The Macra Na Feirme Land Mobility Service has been a great success since its inception in 2015. While providing options for landowners it has provided opportunities for young and expanding farmers. It has given people, who otherwise would not have had it, the chance to farm and it has helped make other farms viable. It has facilitated over 900 arrangements representing over 75,000 acres.

The focus of the service is continually evolving, fundamentally it is about developing engagements and facilitating arrangements that are both win-win and sustainable. Sustainability is no longer about expansion but instead the EU Green Deal, Diversification, Food Vision, and utilizing the well documented advantage of young

people adopting new environmentally conscious practices and technologies.

The Rationale for the Service remains

- Generational Renewal has a positive environmental and rural impact (NUIG et al)
- One third of farmers are over the age of 65, an increase from 26% since 2010 (Eurostat)
- 48% of full-time farmers have no identified farming successor (Pat Bogue 2012)
- 77% of farmers over the age of 55 have no definite succession plan (IFAC 2021)
- Landowners benefit from supported facilitation (Shane Conway NUI Galway)
- Generational Renewal remains a significant issue in spite of young

farmer supports and tax incentives, more targeted and focused support is required (Macra na Feirme)

- Attracting young farmers and facilitating business development in rural areas is a CAP objective (EU Commission 2021).

The Service provides options for landowners and opportunities for young, trained farmers. There are three key elements to the service:

1. Create awareness and provide information.
2. Facilitate and deliver arrangements including matching.
3. Support operating arrangements.

The Service supports all landowners but the cohort with whom the Service has most engaged are farmers with no identified farming successor and those with a successor but requiring an additional land resource for viability.

The Service is independent, confidential, and has no vested interest which continually emerges as a major positive.

The Land Mobility Generational Renewal Facilitation Service plan for 2023 to 2025 is to

- Focus on viable farms where no farming successor exists but the family want to see the farm continue to operate
- Match these owners with young and potential young farmers
- Facilitate and support sustainable arrangements
- Pioneer share farming and joint venture scenarios for young farmers
- Encourage diversification and alternatives including horticulture, organics and tillage



Who will be farming this farm in five years' time? – Landowner Options

If you as a farm family or landowner cannot answer this question it is time to explore and evaluate your options.

The facts are that 26% of farmers are over the age of 65 and 48% of full-time farmers have no identified farmer successor. On the other hand, farms are an important family asset capable of generating an income. Any discussion and plan must take into consideration protection and maintenance of that asset, income security for older family members, protection of BPS/EU entitlements and of course tax. The farm business must be capable of generating a return for all parties involved. For these reasons accurate relevant information is key so that informed decisions can be made.

For those thinking about change or for whom there is no plan, options do exist.

There is now a greater acceptance and appreciation for Long-term mutually beneficial collaborative arrangements between farmers and landowners. People have seen first-hand the benefit to all parties, where they work.

There has been a shift away from short term and one-sided arrangements. The ethos of "Get the best price possible and to hell with the consequences" has almost disappeared, however with recent inflated demand arising from regulation changes the short-term ethos has unfortunately resurfaced.

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 are all aimed at providing workable and sustainable options for landowners.



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 landowner 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 landowners and opportunities for young farmers.



Lessons learned, for consideration

The Land Mobility Service has a lot of experience and expertise in the area of collaborative farming, be that a lease, share farming, a partnership or some other arrangement like contract rearing or contract production. This has given us an insight into what works and what doesn't and the problems that can arise, some are obvious, some less so.

- Agreements and decisions should be documented.
- Decisions based on price alone or price chasing never works out well.
- Respect and communication are vital.

Where **young farmers** have ticked the following boxes, we have found that opportunities open for them;

- ✓ Farming skills and experience whether that be in Ireland or abroad together with an ability to demonstrate this experience and track record.
- ✓ There is NO example where a person has jumped straight in with a collaborator at a top level.
- ✓ The farmer would need to show a track record and career path. Finance is required together with a willingness to invest and take risk.
- ✓ Having family, previous employer or existing farmer support is very helpful. There are several examples where such support and backing has made a difference.



- ✓ Enthusiasm for and interest in farming, you do not need to own land to be a good farmer, but you do need to be interested and committed.
- ✓ Age, experience, and patience. Straight out of college is too early but on the other side waiting too long or being too settled restricts ability to go for an opportunity.
- ✓ Being considerate of the needs of the stepping back landowner and his/her family. Remember needs are far more important than wants. Being able to look at things from their perspective is very important rather than trying to tell them what they need or being unnecessarily critical.
- ✓ Being very clear as to how you plan to operate the farm and who will be there on a daily basis.

For **landowners** stepping back is a major and difficult decision, it is not to be rushed. When the right person and farm plan is found the outcome is good. Successful landowners realise;

- ✓ Stepping back with a plan is a positive move. A common mistake is waiting too long with both the farm and person deteriorating in the interim.
- ✓ Not to over-focus on simple things like ESB, water or insurance. The agreement and facilitator will deal with all this.
- ✓ The new farmer will do things differently, this does not mean wrongly.
- ✓ Every farm is different, it is about finding a plan and person that suits you and your farm. There are many options and paths.
- ✓ The need to have a plan for their own time and have things to do.
- ✓ The Service is there for support. Should things not be going to plan, or there are misunderstandings, or the farmer is not delivering on his / her commitments non-confrontational, early intervention and resolution works best.



Collaborative Farming Options

Long-term Leasing

Since only a small percentage of agricultural land is sold annually (CSO 0.3%) and the purchase price of land can be prohibitive from a farming perspective leasing plays an important role in the agricultural land market.

Feedback from Teagasc, Accountants (IFAC and FDC), Revenue (Stamp Duty Returns), and the Dept of Agriculture (Entitlement Leasing) is that Long-term leasing continues to grow and is significant. Teagasc (Gordon Peppard 2020) report Long-term leasing is growing in importance and relevance year on year with the number increasing from 3,290 in 2011 to 10,820 in 2018.

Long-term leasing provides benefit to both landowner and farmer. For landowners, ownership is retained and they benefit from income tax incentives. For farmers, a long-term lease provides security of tenure, freedom to farm, and time to invest.

How Does Leasing Work, Considerations and Registration Requirements

Long-term leasing (minimum 5 years and can be considerably longer) is a popular and effective land use collaboration. It is very tax efficient for the landowner and gives the farmer secure use of the land for a defined period.

1. Owner Income Tax Relief

Landowners qualify for Income Tax exemptions on Long-term leases.

The relief is per landowner and annual

■ Leases 5 or 6 years	€18,000
■ Leases 7, 8 or 9 years	€22,500
■ Leases 10 to 14 years	€30,000
■ Leases 15 years or more	€40,000

The lease term must be at least 5 years (as need be any extensions).

The tenant farmer must be an active or trained farmer and the land must be commercially farmed.

The owners and the tenant farmer must not be connected.

The lease must be appropriately constructed, in writing, signed by all parties and witnessed.

Allowable lease income for tax relief includes land rent, any infrastructure rent, and BPS/BISS/EU Entitlement value (if applicable).

In practice Revenue need only to be notified of the existence of the lease as part of annual tax returns.

2. Stamp Duty / Revenue Certification

Stamp Duty applies at a rate of 1% of one year's rent. Stamping a lease and obtaining a Revenue Cert is required by

the farmer tenant if he/she is planning to use the leased land for inter alia

- TAMS
- To secure a Herd Number
- Registered Partnerships
- Other Schemes

In practice the benefit is to the farmer tenant so stamping obligation is with them. The Land Mobility Service can organise stamping of a Lease if required. A digital Stamp Certificate is issued via ROS.

If the lease is 6 years or more stamp duty relief applies meaning no stamp duty may be payable.

3. PSRA

The PSRA was established in 2012, one of its functions is to maintain a register of commercial leases. This register is to cover office, retail, industrial, warehouse, and most agricultural leases. It requires the submission of a commercial lease return; this is an online return www.psr.ie. The onus is on the tenant farmer to submit this return.

4. CONSIDERATIONS

As with any collaborative farming arrangement three key considerations should apply

The Person

The Person must be right. It must be someone you can work with, that

person's vision for the farm must be compatible with yours. It is important to identify someone who is realistic, has farming ability and has done budgets. Don't be afraid to check out reputations and talk to people they have worked with before, always inspect each others' current / recent businesses.

The Price

The Price must be fair, realistic and sustainable. All parties must make a return and this should be backed up by a proper budget and farm plan. People should be open and be prepared to share this information with confidentiality and respect. Mechanisms and templates exist to link price with farming returns and to acknowledge farm enhancement, this delivers fairness.

The aim is to avoid unrealistic price demands and complicated price reviews. Chasing the top price or being captivated by price alone is a recipe for disaster.

The Period

The Period or term must be sufficient so that it works for all parties. This is especially relevant where investment is required, the period must be sufficiently long to deliver an adequate return. A longer agreement also gives more security and provides a degree of certainty.

Share Farming

Share Farming is where two or more people come together to operate the same piece of ground. Share Farming has many names and guises including share cropping, share milking, joint-venture, contract production, and production partnerships.

Share Farming is best known in tillage and dairying, but it can and does operate in beef and sheep also.

Shared arrangements can be really attractive to landowners who have good blocks of land and/or good infrastructure who are looking to step back but are not yet ready to fully retire. On the other side these type of arrangements can be a really good option for a young or expanding farmer with the farming skills but insufficient equity to buy or lease more land.

Share Farming can also work for smaller parcels of land where the landowner

is prepared to allow the land to be included as part of the dominant farmer's BPS/BISS return.

Share Farming offers a real alternative option for people who are happy to work with others and who have a real interest in farming. Shared arrangements can work both within the family and between non-connected persons.

Shared arrangements offer Landowners

1. The opportunity to step back while still having a real input into the farm business.
2. A mechanism whereby they retain their active farmer status.
3. A strategy where they can exit from farming in stages allowing equity release in a tax-efficient manner and a gradual move towards full retirement.
4. An alternative to hired labour.



Shared arrangements offer Farmers

1. A more sustainable and secure route to expansion
2. Land and infrastructure costs linked to farm performance and product/system returns
3. A mechanism whereby they can share the risk and the rewards
4. Less resources locked up in infrastructure and land
5. An opportunity to develop an arrangement with a landowner where everyone wins.

Fundamental to these shared arrangements is transparency and the sharing of information. There has to be an agreed plan and mechanisms to review and monitor performance. Expectations need to be realistic and management performance needs to be good.

Share Farming Scenarios

- Farm inherited, good commercial farm with infrastructure, owner interested in progressing same but not in a position or does not have the desire/skills/experience to be a full-time farmer. The Owner Farmer supplies the land and infrastructure including any infrastructure enhancement. The Share Farmer supplies the labour, daily management and livestock.

Farm revenues and operating costs are shared. Both parties are active farmers, the Owner Farmer herd number is typically used. The herd number is only an animal health control vehicle it does not bestow ownership rights. The split is determined by who brings what and who does what, in the end of the day it has to be defined, fair and sustainable. No two farms are the same so all arrangements will differ. Share arrangements are dynamic and can change or evolve over time. While similar in many respects a share arrangement differs from a registered partnership principally in how BPS/BISS Entitlements and Herd Number Registration are dealt with.

In terms of split

Land and Infrastructure typically equates to	40%
Labour and daily management	40%
Livestock	20%



Share Farming Scenarios

- Existing farmer with a good compliant commercial farm looking to step back but not yet ready or interested in leasing. He links in with a young trained skilled farmer who buys into livestock and will take on most of the labour and daily management. A clear path, farm plan, role definitions and time scales are important here. For the right people this is an excellent steppingstone or ladder progression.
- Tillage farmer with aging machinery and struggling with new regulations and regeneration but wishes to remain an active farmer. Long-term leasing provides income tax relief but the owner ceases to be an active farmer, this can have implications for some. He/she engages with a young progressive tillage farmer high on technology, regulations and regeneration. The Share Farmer provides the machinery, labour and up to date expertise. The Owner Farmer supplies the land. The parties agree a cropping strategy and split, the typical split is 50:50 of input costs and revenues including scheme payments.

Whether or not a person trades as a company does not impact ability to enter a shared arrangement.



A Family Farm Partnership

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.

Adding a family member onto the herd number effectively creates a share or partnership arrangement. The next step is to register the arrangement with the Department of Agriculture, by doing this a registered farm partnership is formed.

A company can enter into a partnership with an individual. A registered farm partnership requires two existing farmers or an existing farmer and a young trained farmer. A fundamental principal of registered partnerships is that no partner is discriminated against by being part of a partnership but instead positively favoured.

Registered partnerships usually involve family or connected persons but can be entered into between two non-connected persons. Most family partnerships are single herd number, others could have two herd numbers merging.

As with any collaboration good communication, clearly defined roles, and transparency are required. Conflicts should be quickly resolved and independent facilitation availed of.



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) Avoidance of the logistical problems and potential compliance concerns of multiple herd numbers farming together

- f) Partnerships can facilitate and safeguard succession management.
- g) Formalised partnerships can be registered with the Department of Agriculture, giving full recognition to the arrangement and the parties involved.

Registered Farm Partnerships require

1. All partners to be named on the herd number if a single herd number partnership.
2. All partners and only the partners named on the partnership bank account
3. The partnership to have a name, this can be the people involved or a registered name
4. A list of all lands, assets and

resources being made available to the partnership

5. Formal registration for a minimum of five years with the Dept of Agriculture.

The Land Mobility Service can assist farmers in formulating partnerships or exploring options for their farm. The service can also provide independent facilitation.

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



Case Studies

Stepping back with support from The Land Mobility Service

Imelda and Tommy Walsh have operated their family farm in Barbaha Co. Tipperary for many years, keeping both milking cows and beef stock. Recently Imelda and Tommy in conversation with their two children who work away from home decided it was time to look at alternative options to their farming enterprise due to the level of work and some health setbacks, with this in mind Imelda approached The Land Mobility Service.

Both Imelda and Tommy were keen to allow a young trained farmer the opportunity to take over the farm as to allow the next generation the chance. They kept an open mind to new ideas and the process. A suitable collaborator was identified. Imelda and Tommy were delighted with the help provided from the service, offering clarity on anything that required specialist expertise. The service helped with the legal, financial



and physical aspects of the lease. Imelda and Tommy offer advice and relief labour to the new farm operator. By agreement Tommy has helped with herding and foddering which has allowed both parties grow a strong relationship.



Stepping back with support from The Land Mobility Service

Pat Savage has farmed on his family dairy farm on the North Cork / Limerick border all his life, on a platform of 155 acres. Having taken over the farm from a young age after the tragic passing of his father in a farm related accident, Pat brought the farm through significant change and investment down through the years. Pat started off milking 50 cows supplying Golden Vale at the time, he gradually increased cow numbers by purchasing quota. The abolition of milk quotas came late for Pat, but he managed to increase cow numbers again to close to 135 cows. After a health scare in 2018 Pat and his family began looking at possible options for Pat to step back from farming.

His son and daughter always helped on the farm but were not at the time interested in going farming due to successful off farm careers. Pat made contact with The Land Mobility Service through a contact of his local vet. Having contacted the service and after a considerable amount of thought and advice Pat decided to explore Long-term leasing. The Land Mobility data base and page in the Irish Farmers

Journal was used to obtain expressions of interest, 30 interested applicants emerged.

A process of evaluating the suitability of interested applicants followed. This was an interesting and informative process for Pat and helped him determine what was best for the farm and him. The Service managed and helped all parties in the process which included farm visits and meetings with the potential collaborators, detailed farm plans, and financial outlooks. Pat and his family decided on the most suitable applicant, who Pat thought to be both resilient and trustworthy. The Service worked with both parties to facilitate an agreement. In the agreement Pat provides a contractor role where he does the majority of the winter machinery work on the farm. For Pat the ability to work on farm as a contractor, without pressure, has helped with stepping back. Also, the good working relationship he has with the new operators together with the fact that they have delivered on their promises means the family is happy, the farm has developed and is very well cared for.



Opportunities for Young Farmers

Kieran Kennedy operates a dairy farm outside Nenagh Co. Tipperary in a long-term lease agreement with the landowners, who have stepped back after many years farming.

Kieran having completed his Green Cert in Pallaskenry Agricultural College went on to work for a local dairy farmer, before moving on to become a farm manager on another dairy unit. Kieran's training, work experience and farm management allowed him to attain crucial skills and knowledge that he now implements on his own dairy enterprise.

Kieran, although from a farm where his brother and father operate knew that leasing a farm was likely to be the best route into farming for him but finding the correct set-up and people was very important.

Through family Kieran became aware of the opportunity. With the help of the service, along with mentorship and support from his family and previous employer Kieran designed a specific farm plan, both operational and financial, to approach the landowners with.

This plan represented the foundation of the lease agreement subsequently facilitated by the Service. The farm plan included a cost control plan along with farm specific details that Kieran plans to implement. Kieran has



brought 70 heifers of his own into the farm along with purchasing dairy stock from the owners. The purchase of the dairy stock was structured so as to suit both parties. Kieran plans to milk a comfortable 140 cows next year, utilising modern and efficient farming techniques, keeping the farm sustainable, efficient and improving environmental benchmarks. His long-term plan is to implement a reseeding plan and enhance infrastructure to ensure environmental sustainability. The farm will be set up to be labour efficient and operate at an environmentally conscious cow number. Kieran had full confidence in the plan with the peace of mind in having the service on his side to ensure the lease is both fair and financially viable for both him and the landowners. Key to Kieran's success in attaining the landowner's confidence and securing a lease was his farm plan, farming skills and experience and support from family and previous employer.

A transition for both owner and young farmer

Up until 2018, **Eamon McCarthy** in Cork, was a full-time dairy farmer. He then took the decision to sell off all the milking herd. For the next two years, Eamon reared the remaining heifer calves and yearlings up to the point of calving and did some contract rearing.

Having been referred to The Land Mobility Service and their good work by a neighbour, Eamon contacted the service. Following discussion of options, the farm opportunity was included on the Irish Farmers Journal page, receiving many expressions of interest. There were many plans and options presented to Eamon for the use of his farm, including split leases, support ground, heifer rearing and milking. Further to farm visits, farm plans and Land Mobility liaison a preferred collaborator and plan was identified.

Both Eamon and the new farmer, Ben O'Connor, agreed to a transitional / trial year of an arrangement. This period of time allowed both farmer and landowner to get to know each other in a working capacity while also re-enforcing with the owner Ben's farming ability and experience. An appropriate contract and strategy was put in place for the transition period for the protection and clarity of both parties. The trial period proved very successful for Ben in particular giving him time to get his ducks in a row and certainty that things would work before committing to a long-term lease.

Ben is now farming full time. Both parties are very happy with the agreement.



Land Mobility providing ongoing support and reviews

Linda O'Neill in partnership with Pat Ryan lease a 200-acre block outside Dungarvan Co. Waterford, milking 180 spring calving cross bred cows. The farm is a medium input, medium output system with the aim of a 500 kg cow producing 500 kg in milk solids. After studying in Clonakilty Agricultural College, Linda worked as a farm manager and an advisor with LIC Ireland. Linda is passionate about farming and an excellent operator so was interested in looking at options to lease land.



Back in 2016 Linda reached out to The Land Mobility Service for advice and information on possible opportunities who put her in touch with a local dairy farmer who was familiar with her as an advisor. Further to meetings and discussions the service facilitated a lease and ensured both parties questions were answered. The Service offered excellent advice and help with entitlement positions and young trained farmers grants. The Service also ensured the lease was fair and sustainable.

The lease is now in year 7 of 15, with Linda, the landowner, and Land Mobility continuing to work closely to grow and develop the farm in a way that's sustainable for all parties. The farm business has seen significant

improvements to both infrastructure and animal genetics since Linda began the lease. With stricter compliance regulations the farm will require further investment in the years ahead, through good communication, a shared approach and reviews facilitated by Land Mobility a plan has been agreed.



Opportunities for Young Farmers

Thomas and Aoife O'Reilly

are dairy farmers in Granard, Adare, Co Limerick on a long-term lease. Thomas comes from a dairy farm in Co Cavan and has always been interested in farming. Following the completion of a Dairy Business course, through Teagasc Ballyhaise and Dundalk IT, Thomas traveled the world and gained vast experience working on dairy farms in England, New Zealand, and Saudi Arabia.

After a number of years abroad and with desire to run his own farm in Ireland, Thomas spotted an opportunity to lease a dairy farm through The Land Mobility Service. Following a viewing, this farm had the scale and potential that Thomas wanted. Thomas's prior experience managing farms combined with the fact he had built up equity and had support from family were vital in



the owner's decision to shortlist him to the point of developing a business proposal, and outline of his vision to the owner. This plan including on farm capital investment, stock purchase and enabling the owner to have a

contracting role attached to the farm ticked the owners' boxes. A more detailed plan and a lease arrangement was facilitated by the Service.

Thomas is now running a spring calving herd and aims to expand to over 200 cows in the coming years. To reduce his fertiliser bills and make the farm more sustainable Thomas is in the process of reseeding the entire grazing block. He is sowing clover and mixed species.

The Land Mobility team has always been on hand to assist Thomas with any queries.



Opportunities for Young Farmers



Although not originally from a farming background, **Rikki Bayer** has always had a passion for animals and farming. This was the career path she choose to pursue. Rikki completed an honours degree in Agriculture and then worked on multiple farms around the world. While working in Ireland, she responded to a Land Mobility Service opportunity in the Irish Farmers Journal, a farm for long-term lease to a young farmer with experience in robotic milking.

Having provided the farmer with a business proposal, Rikki was successful with her application and ready to take

on the challenge. The farm, based in Ballythomas, Co Cork, was very well set up and did not require any major changes to the infrastructure. Rikki changed the production pattern from a spring calving herd to split Spring / Autumn calving in order to make the best use of cows, infrastructure and her labour. Transitional arrangements that worked for both her and the landowner operated in the first year, the hand over process between the owner and Rikki is now nearly complete.

Rikki found the help of The Land Mobility Service hugely beneficial. The Land Mobility team were there at every stage of the process and provided advise on financial, labour, and Dept of Ag queries. They greatly assisted with getting set up and taking over the farm.



Sheep and a Farm Enhancement Lease

Dave Heraty is a sheep farmer from Co. Mayo. Along with his home farm Dave rents a block of 35 acres in Kilquire Co. Mayo, running a flock of 120 New Zealand Romney ewes. Farming always played an integral role in Dave's life; he took over the family farm full time 10 years ago at the age of 21 after the tragic passing of his father.

Dave approached Service facilitator Mícheál Larkin for help in finding an opportunity that would best complement his home farm. Mícheál helped Dave engage with a landowner in a long-term lease agreement, which ensures Dave is protected and has security of tenure to protect and allow payback on any investment that he makes on the farm. As there was such a high level of investment, the rate paid for rental is reflective of this and also changes from an agreed lower band to slightly higher band as the term progresses.

Within the lease both Dave and the landowner agreed on measures to improve the farm, land and

infrastructure while maintaining and growing biodiversity initiatives, with the landowner paying particular focus on improving and maintaining biodiversity. Dave has divided the farm into paddocks with each paddock having drinkers, along with this he's reseeded incorporating clover into the swards while increasing both P&K levels on the land. Dave has also maintained old stone walls and fenced off all turloughs on the farm. Dave plans to continue to improve the land he's rented and to work closely with the landowner to ensure the land and infrastructure are maintained.

It's the security of tenure, farm plan and good communication with the landowner that enables this arrangement to work well for all parties, especially in terms of high levels of investment.

Dave aims to also look at expanding his enterprise and work closely with Land Mobility if any such opportunities should arise.



Share Farming, a Landowners experience

Tony McCormack has farmed on his family farm in Delvin Co. Westmeath for the past 20 years, running it in conjunction with his father while also retaining an off-farm job. The farm is 270 acres in total, with 175 acres on the milking platform. Tony operated a 120-cow dairy herd along with a beef enterprise, bringing all progeny onto slaughter.

With no immediate farming successor, and a full-time off farm job Tony wanted to explore what options may best suit him and his farm.

Tony approached the service three years ago, after attending a share milking seminar and reading the Land Mobility web site. For Tony and his farm there were many options including manager, farm himself, reduced system, lease or share farm all with different pros and cons. It was decided to aim for a share-farming type arrangement. In

early 2021 the Irish Farmers Journal page and Land Mobility data base were used to promote the opportunity and seeking expressions of interest. Significant genuine interest emerged. Through a process of meetings, facilitation and detailed business plans including farm infrastructure improvements and financial cash flow projections, Tony selected a progressive young trained farmer who has a keen eye for business performance. Since the beginning of the share farm agreement the farm has seen significant improvement with new farm laneways, new milking parlour, improvement to fencing along with significant level of reseeding. A really good working relationship has developed. The confidence of both parties in The Land Mobility Service has ensured this arrangement has gone from strength to strength benefiting all parties involved.





Share Farming, a Young Farmers experience

Christopher Cahill operates a 270-acre dairy farm outside Delvin Co. Westmeath under a share farm agreement. He is currently milking 180 cows with the aim to expand the operation to 240 cows. Christopher did not grow up on a farm, the interest in farming came from helping on his uncle's dairy farm. He studied Agriculture in UCD and has worked on farms and in the agri industry.

Always wanting to go farming himself he put his interest on the Land Mobility data base. He initially looked at leasing opportunities. Two challenges emerged firstly smaller units lacked the scale to be a sustainable standalone lease operation whereas the bigger units required more finance in terms of working capital, cows and infrastructure spend than he could afford.

Christopher helped by the Service decided to seriously look at share

farming opportunities, the scale was there and the financial step was much more realistic. The key for him was finding a farm with potential and a compatible landowner. The Service kept him up to date with possible opportunities within his locality. The Service also helped Christopher in the initial steps, helping in drawing up farm plans including financial and labour elements. The facilitation process also helped build trust between him and the landowner.

Christopher has thrived as a share farmer making a good return for himself and at the same time progressing the farm with improvements to grassland infrastructure including multispecies swards, paddock and water system improvements and extra roadways. Christopher has improved the farms biodiversity and reduced chemical fertiliser usage.

From Employee to Partner

Tom Short and Dean Kelly

are Farming in Partnership in Newtownmountkennedy, Wicklow.

Dean, who is from a farming background, has been working on Tom's farm since he was 16 years of age, has a huge passion for farming and from an early age had the desire to go and forge a career in the sector.

Tom, who was a beef, sheep and tillage farmer, the latter of which is still a central enterprise on the farm, has been farming his whole life and is no stranger to dairy having worked as a dairy farm manager in Cork when younger.

Trust and a good working relationship exists between Tom and Dean. In 2018 they started talking about how they could progress the farm together. Tom said: "We had this idea of coming together but we didn't know how to go about piecing it all together. "We didn't know if we had to go to the accountant, solicitor or tax advisor but once we made contact with The Land Mobility Service, they had a blueprint of how we could piece it together. Their experience and understanding was very evident. "They had the experience and 'know how' and they ticked all the boxes we were looking for to get this pieced together."



Apart from putting all the pieces together Land Mobility ensured that the agreement was good for everyone highlighting the importance of good communication and transparency and what needed to be done if things were



not working as planned. The agreement provided Tom and Dean with certainty and security.

The Dept of Ag Registered Partnership route was adopted so that the farm and Dean could maximise benefits from Young Trained Farmer Schemes.

Since commencement of the partnership the livestock section of the farm has been converted to dairy and the tillage side has continued but with a greater focus on regenerative practices.

According to Tom "The partnership and farm has gone from strength

to strength. We all know our own responsibilities. Dean looks after the dairy and I look after the tillage. From a work point of view, it's working for us. No-one is overburdened and responsibility is shared. We have monthly meetings where we sit down and talk about how everything is going; all information and decision making is shared. These meetings are critical to avoid misunderstandings and deal with potential concerns. Finally, even though the farm has expanded and developed my work life balance is significantly better than before the partnership".

A Young Farmer expanding in Tillage and Cattle

"Economically, it didn't make sense to buy land in the area around my home farm but without more land I wouldn't be able to farm full-time which was my dream, so I had to look at other options." This is the view of **Donal Phelan Kilkenny** an experienced young trained farmer with limited owned land.

The 30 acres of land he owned wasn't sufficient for him to be able to farm full time and while some advised him just to lease it out, he wanted to farm. This led him to The Land Mobility Service, of whom he was aware from Macra. He wanted help in finding a landowner looking to step back and give an opportunity to a young person.

As it happened The Land Mobility Service had been engaging and exploring options with a landowner who knew Donal and was his second cousin. The Service initiated discussions, they spoke and explored options. Plans became more concrete and when both were happy to move ahead with an arrangement the Service facilitated and formalised same.

The Landowner Paddy ran a beef and tillage enterprise and was looking to take a step back from full-time farming but still wanted to be involved in some casual way and wanted the farm to be properly cared for.



The Farmer, Donal on the grass side is operating a dairy calf to beef system and some contract rearing. He has expanded the tillage adopting newer technologies and a more environmental focus. Donal also does some hedge cutting and tractor work for hire for income security.

Paddy and Donal have respect for each other, Donal appreciates his opinions and advice while Paddy admires Donal's can-do attitude and how clued in he is with new technologies and ideas. There are particular jobs Paddy likes for example combining, which Donal is happy to let him do.

A focus on the person rather than money

Making an instant and lasting impression on his first visit to **Irving and Elizabeth Moore's** farm in Mayo was the start of what is now year three of a long-term lease for farmer Michael Langan.

The Moore's ran a suckler and beef enterprise for many years before looking to step back and engaging with The Land Mobility Service. The preferred option was a long-term lease with the focus on finding the right person rather than maximum price. They like the Land Mobility approach. The liked in particular the win-win focus and the way they were

able to get a feel for each potential collaborator.

They were very impressed with Michael, his approach, his plan, his attitude and his openness.

According to Irvine "We live here on the farm, so we wanted the right person for the farm but also for ourselves, to have that peace of mind before agreeing to a lease, having similar values was very important".

A lease is in place and it is working very well for all parties.



Creating time for family by stepping back

With no farming successor and having come to a stage where they wanted to take a step back from farming, Monaghan husband-and-wife team **Vincent and Mary McCarvil** felt it was time they weighed up what options were available to them.

The McCarvil farm goes back multi-generations, like so many Irish family farms. This means a strong attachment with wonderful memories so selling was never a consideration.

Vincent and Mary operated the farm together running dairy and beef with Vincent also working off farm. They had

reached the point where they wanted more time for themselves and their grandchildren.

Options were explored with Patrick Brady of The Land Mobility Service. They had heard about the Service through Lakeland Dairies. Having decided upon leasing Patrick went through the whole process with them and what needed to be considered. Farm care and management were important considerations. With the help of Patrick two local farmers were identified, as it turned out a split lease is what suited the farm and all parties best.





No Farming Successor in Donegal

Farming in Donegal, just outside Rathmelton, **Billy and Anne McMahon** ran a dairy enterprise comprising 80 cows up until 2019. The husband-and-wife team wanted to take a step back from the farm but had no farming successor in the family to take over so other options had to be considered as they did not want to sell their farm.

A lease deal was entered into with Christopher Digimas, it was arranged with the help of The Land Mobility Service and started in 2020.

Christopher came from a small farm which was never going to be viable

in his own right, he studied farm management and worked on different farms until he was ready to take on a farm. He had managed to build equity in cows through a share arrangement in Mayo.

The McMahon farm was in excellent condition with good grass and nutrient status, excellent infrastructure and good cows. Land Mobility helped Christopher with budgets and financial projections for the farm, he remembers Austin Finn saying "if you look after the farm and the owners the farm will work for you" and this has proven to be the case.

Share Milking in Wexford

Jeremy Hinchions alongside the Dalton family is in his third year of a share milking arrangement. Jeremy a young trained farmer was previously managing a dairy farm in Offaly but always had in his mind a plan to own his own cows.

The Land Mobility Service were able to help Jeremy and the Daltons pair up to form a sharemilking arrangement with the Daltons providing land and infrastructure. Jeremy first learned about The Land Mobility Service from his previous employer.

Jeremy provides all the stock, labour and dairy management. Replacements are contract reared off farm which allows Jeremy to maximise cow numbers in a sustainable manner.

Jeremy has delivered in terms of farm performance and efficiency, as a result the Daltons have invested in farm infrastructure to benefit both Jeremy and the farm, they see it as a win-win.

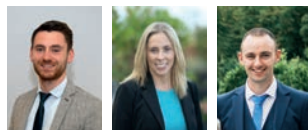
Austin Finn from The Land Mobility Service facilitated the share agreement and provided guidance on how things can work in practice, when others were thinking of problems, he was finding solutions. It is effectively a joint venture arrangement. By its nature a good share arrangement is always flexible and evolving so Jeremy and the Daltons had been back and forth with Austin as the farm has progressed.



A Decade of The Land Mobility Service: Impact and Future Direction



Professor Karina Pierce, Assistant Professor Brian Leonard and Assistant Professor Tomás Russell
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Introduction

The sustainability and future prosperity of the family farming model and rural areas ultimately depends on generational renewal within the farming population (Conway et al., 2018). In Ireland and developed countries alike, there is a growing concern over the aging farming population, with the average age of farmers in Ireland at 58 (Teagasc, 2022). More than half of farm holders are aged 55 years or over, while just 5% of farm holders are under 35 (CSO, 2018).

Access to land is widely seen to be the single most significant obstacle for young people seeking to join the agricultural sector (Zagata et al., 2015). Removing obstacles to land mobility and encouraging the next generation of farmers is a critical step to ensuring that ambitious sector targets are achieved. Research shows that there is a strong correlation between young farmers and farm progression, efficiency, and innovation (Leonard et al., 2017).

In Ireland, new entrants to farming occurs mainly through inheriting land and farming assets. With less than 1% of farmland sold on the open

market annually (Bradfield et al., 2020), this results in inflated land prices, essentially cutting off this route for new entrants. With a projected increase of 6% in national land values (SCSI, 2022), it is apparent that purchasing land as a means of entry to the sector will only be an option to those with significant capital resources. Current land prices illustrate a disconnect between supply and demand, questioning the return on investment for new entrants.

Government intervention such as tax incentives are critical in these circumstances and action in this regard by government has resulted in positive outcomes to further land mobility. At present, there are a suite of tax incentives associated with agricultural land transfer. The main measures include relief on Capital Gains Tax (CGT), Capital Acquisitions Tax (CAT), and Stamp Duty (SD). With regard to CGT, retirement relief can eliminate or significantly reduce tax liability on transfer of assets. For CAT, Agricultural Relief reduces the value of assets being transferred to 10% of their initial value. SD relief comes in the form of Young Trained Farmer Relief, which can reduce SD in full.

Enhanced income tax incentives have also made leasing more attractive.

The current low levels of land mobility are limiting the younger generation's ability to embark on a career path of full-time farming (Coopmans et al., 2021). Indeed, Food Wise 2025 identified land mobility in Ireland as a "weakness" and a potential challenge to achieving sustainable and viable farm businesses. More recently, Food Vision 2030 emphasised the need to support generational renewal and young farmers, who can adapt positively to industry challenges and the changes required to achieve the ambitious sectoral targets.

In recent years there has been an increase in the number of students entering Agricultural Science programmes who are not from traditional farming backgrounds. For example, children of farmers who will not inherit their family farm, and students who do not come from a farming background. While this is a positive development and indicates

an interest in agriculture beyond land holders, there is a need to create opportunities for these skilled graduates in the future in order to realise their potential within the sector.

Collaborative farming arrangements, such as farm partnerships, share farming and land leasing serve as methods to improve land mobility, encourage optimum use of land, and facilitate the farm succession process of farm transfer. These collaborative models are seen as an alternative pathway to assist in overcoming land access barriers for young farmers along with the emotional complexities associated with inheritance (legal transfer of assets). Partnerships between farmers who are not family members have proven more challenging due to differing motivations, expectations and concerns around responsibilities and working relationships (Ingram and Kirwan, 2011). Findings from Walsh (2022) indicate that there is increased interest by young farmers in collaborative



farming arrangements, with farm partnerships and renting identified as the most popular land mobility measures for young farmers. However, Leonard et al. (2017) highlighted some challenges in the Irish policy environment regarding the uptake of farm partnerships outside of the dairy sector. Succession Farm Partnership tax relief had limited impact in the case of beef farms, particularly those with average income. In addition, while supporting farm partnerships was noted as positive, a lack of or limited retirement income for farmers meant there was little incentive for them to consider transferring assets to their successor.

The Macra Na Feirme Land Mobility Service was established in 2015 following a research report 'Land Mobility and Succession in Ireland' by the late Pat Bogue, Broadmore Research and supported by FBD Trust. In that report, it was highlighted that 48% of full-time farmers had no identified farming successor. More recent research highlights that 77% of farmers over the age of 55 have no definite succession plan (IFAC, 2021). The purpose of the Land Mobility initiative was to provide a subsidised, independent, and expert service that would promote and facilitate collaborative farming arrangements.

This report considers the impact

of The Land Mobility Service since its inception and provides recommendations for its future direction if it is to continue to meet its objectives to provide options for landowners and opportunities for young and expanding farmers.

Impact

It is clear from the statistics available in the various Land Mobility Reports and farmer/land owner testimonials, that The Land Mobility Service has provided a significant stepping-stone to help alleviate some of the stress associated with land access and transfers of land to the next generation, by identifying opportunities for farmers wishing to expand or young people with the correct agricultural skill-set to operate a commercial farm (Land Mobility Reports 2016 and 2019). Farmers emphasised the important role The Land Mobility Service played in the setting up of the agreements between the parties and the importance of a dedicated professional service was key for the success of the arrangement. Farmers also identified the fact that The Land Mobility Service was a fully independent and impartial service and that it was a crucial feature in supporting the arrangements (Moloney 2021).

Interactions with The Land Mobility Service are measured under 3 different categories: Inquiries, Client

Engagements and Arrangements. Each year, the service receives an increasing number of inquiries, with an increase in the number of Engagements as a result. Figures at the end of 2022 (Finn per comms, 2023) show a total (cumulative) of 962 Arrangements since the service began, involving 75,000 acres. The Arrangements facilitated include Long Term Leases, Partnerships, Shared Arrangements and Farm to Farm Arrangements such as contract rearing. While there is some variation year to year, in the last 5 years, Long Term Leases comprise the majority of Arrangements at c.40-45%, with share farming comprising c.24-27%, Partnerships c.14-16% and Farm to Farm Arrangements at c.18-20%. The high percentage of land lease arrangements is to be expected since only a small percentage of agricultural land is sold annually (<1%, Bradfield et al., 2020). With the purchase price of land being prohibitive, leasing plays, and will continue to play, a very important role in the agricultural land market.

Future Direction

Given the increasing demand for The Land Mobility Service and the positive feedback from those that have engaged with the service, there is significant scope to further develop and enhance the service beyond its current form. The enhancements identified below

will fortify the position of The Land Mobility Service within the sector and potentially support the issues of generational renewal in Irish Agriculture. Within the scope of this enhancement are four key areas: Remit of the Service, Network and Collaboration, Staffing and Succession and Arrangement Type.

Remit of the service

To date The Land Mobility Service has provided an effective and highly professional service to those seeking to establish collaborative farming arrangements. Research by Maloney (2021) identified The Land Mobility Service as a vital feature in forming a successful collaborative arrangement but noted that farmers who had used the service had already identified a partner to collaborate with. There is the potential for The Land Mobility Service to examine the offering it provides, including clarifying and focusing on the different parts of the succession process to offer different packages/ services to farmers divided as:

1. The early stages or the "matchmaking" stage where The Land Mobility Service focuses on the human element of matching two partners. This requires more of a focus on meditation and matching personalities, motivations, goals and aims.



2. The development and application of the collaborative farming arrangement. This stage would focus on the administrative elements of an arrangement, ensuring that the correct legal and financial criteria are addressed and would require the relevant legal, accounting, and auctioneering skills.
3. The final stage is on the future direction and sustainability of the collaborative arrangements. Here The Land Mobility Service has the potential to focus on future business planning and supporting any changing motivations and disagreements within the arrangement. Given that issues can always arise, there is an important need to provide a follow up service (annual) in the early years of arrangements, to identify and support any potential issues arising.

It is acknowledged that The Land Mobility Service is currently doing most of the above, however, greater clarity around aspects of the succession process and where The Land Mobility Service can support it would be beneficial.

Network and Collaboration

Due to the complexities of farm transfer and in particular succession, there is a need for an industry wide approach to support the further development and enhancement of collaborative farming arrangements. The Land Mobility Service has proven to be an effective service in providing support to farmers but more integration with other actors in the industry including Teagasc, ACA, Succession Ireland and the various education providers would better support the work of The Land Mobility Service. This integration could come in the form of a broader independent Stakeholder Steering Group with other actors in the industry providing relevant insights to The Land Mobility Service.

Staffing

Given the success of The Land Mobility Service, there is a clear need for increased staff to allow the service to scale to a point where it can support the demand from the farming community. Combined with this is the need for specific staff training to



ensure that there is the appropriate skill sets within the Service. When supporting farmers with succession planning, professionals need a more holistic approach where they take on the roles of coaches or therapists. This entails training and skills development more focused on soft communication and mediation skills (Russell et al. 2020). This training is critical, particularly when focusing on the "matchmaking" element of the service. Although bespoke, this type of training is included in the EU Certificate for European Consultants in Rural Areas (CECRA) delivered in Ireland by Teagasc, the UCD Masters in Agricultural Extension and Innovation programme and by the International Farm Transition Network in the USA.

Succession Arrangement Types

As evidenced in the figures provided heretofore, The Land Mobility Service has facilitated a large number of land arrangement types since its inception. Of these arrangements, the majority pertain to dairy farms. In addition, the arrangements are predominantly lease or share farming arrangements. With regard to clientele engaging with the Service, there is a mismatch in terms of the number of farmers looking to step back (45%), and young farmers seeking a collaborative arrangement (26%) (Finn, per comms 2023). In geographic terms, the majority of arrangements

facilitated have been in the south/southeast of the country.

The implication here is that there is significant room for expansion with regard to the type of arrangement, location, and farmers engaging with the Service. Farm succession and inheritance issues are faced by all farming systems, while collaborative arrangements are diverse in nature. A key facet in the future of The Land Mobility Service will be facilitating arrangements across all enterprise types, whilst also encouraging arrangements such as farm partnerships between non-family partners.

Recommendations

Within this report, a number of key observations have been made with regard to the impact to date and future direction of The Land Mobility Service. In brief, based on the current research, consultation with The

Land Mobility Service, and industry insights, it is evident that the following recommendations will further build on the development of the Service.

- **Focus of offering:** A streamlining of the service to provide matchmaking, administration, and follow up on collaborative arrangements. This will include ongoing and retrospective data capture with regards to sustainability and performance of arrangements facilitated by the service.
- **Industry collaboration:** The creation of an independent Stakeholder Steering Group will facilitate networking within the sector, key insights and direction to the Service as it develops.
- **Targeted training:** Expansion of the current skillset of The Land Mobility Service staff members in order to cater for non-technical elements of farm succession.

- **Staffing:** Build on the current team in order to support the increasing demand. The nature of any future roles could be considered by the Stakeholder Steering Group.
- **Future research:** While this report provides direction to the service, further research is required in order to explore in greater detail the future needs of the sector with regards to generational renewal, to which The Land Mobility Service will be key.

References

All academic references for this research piece are available at www.landmobility.ie



CAP 2023 The Changes for Entitlements and Payments

In Summary

- The old BPS payment system has changed and is now replaced by BISS, CRISS and ECO.
- BISS is directly linked to Entitlements and equates to approximately 60% of your 2022 BPS value including greening.
- Instead of BPS Application it will now be BISS Application, the May dates will still apply.
- ECO is payable on all eligible land whether or not you have Entitlements for all the land.
- The value of the Young Trained Farmer Top Up is increasing to over €8,000 per year for five years.
- Leasing of Entitlements will continue to be allowed.
- For any Entitlements sold in 2023 or 2024 no claw back will apply, any sale will continue to be subject to CGT.

What will my new BPS / BISS Payment be

The current BPS and Greening Payment is being replaced by new terminology and composition. From 2023 this will be BISS plus ECO and CRISS.

BISS will continue to be based on historic Entitlements but with its value moving towards a national average (convergence).



CRISS is a front-loading mechanism worth approximately €40 on the first 30 Hectares.

ECO is an environmental payment worth €75 per Hectare (€30 per acre).

Other schemes like ACRES, Organic, Sheep, Beef, ANC are additional with additional application, eligibility criteria and payment.

While the BISS and ANC is only year on year it is important to remember that many other schemes involve a commitment for five years or more locking and restricting the land for that period with payback and penalties for non-delivery. If you are looking at succession planning or stepping back be very careful about joining such schemes particularly ACRES or Organics.

Additional information is available at www.landmobility.ie

Summary Tax Information

Farming is exposed to tax on income generated and tax on asset transfers, however reliefs and considerations apply.

■ Young Trained Farmers

- ◆ Qualify for 100% Stock Relief
- ◆ Qualify for Zero % Stamp Duty

These combined are subject to a lifetime limit. The Revenue age for a young trained farmer is under 35 compared to 40 for CAP.

■ Stamp Duty, three rates of stamp duty are presently applicable

- ◆ 7.5% on land purchase and non-connected land transfers
- ◆ 1% within family land transfer
- ◆ 0% Spouse or civil partner
- ◆ 0% Young Trained Farmer Relief

Stamp Duty only applies to a within life transfer, there is no Stamp Duty at Death. However, waiting until death can have other implications including Fair Deal and the recipient lacking asset security.

■ Retirement Relief, farmers over the age of 55 qualify for CGT retirement relief on the sale or disposal of land provided they have owned and farmed that land for at least 10 years prior to disposal, once 10

years farmed subsequent long-term leasing does not impact the relief.

■ CAT Agricultural Relief, CAT is payable by the recipient upon receipt of a gift or inheritance. Those in receipt of farms / farmland should always strive to qualify for Agricultural Relief. This relief reduces the value of the asset(s) by 90% for CAT (a €3m farm asset is treated as €300k for CAT purposes). Agricultural Relief applies when

- ◆ Upon receipt of the farm asset(s) 80% of the recipients' assets are agricultural
- ◆ The recipient following receipt must actively farm or lease to an active farmer for at least six years. Active farming compliance is easiest for recipients with an agricultural qualification (Green Cert).

An alternative to Agricultural Relief is Business Relief.



■ CAT Exemptions, Thresholds and Rates; CAT applies at 33% to the value of the asset in excess of the applicable threshold and said value having been adjusted for any reliefs (e.g., Agricultural Relief)

Relationship to Disposer	CAT Exempt Threshold
Spouse or Civil Partner	No Limit
Child, minor grandchild if child deceased, favored niece of nephew	€335,000
Brother/Sister, Niece/Nephew, Grandchild, Parent, Grand-parent	€32,500
Other / None	€16,500

An Annual Gift Exemption of €3,000 also applies.

■ CGT Rates, CGT typically applies at 33% to the value of the gain adjusted for the disposers annual exemption (currently €1,270). The gain at disposal is calculated as the difference between the Net Sales Price (if sold) or market value (if gifted) less the base cost. The base cost is purchase cost or market value / stamp duty values used when received by way of gift or inheritance.

■ Long-term Leasing Income Tax Relief, Income tax relief is available annually to landowners who lease their land Long-term for farming purposes.

Lease Term	Annual Rental Income Tax Exempt per Landowner
5 or 6 years	€18,000
7, 8 or 9 Years	€22,500
Between 10 and 15 Years	€30,000
15 Years or more	€40,000

- The amount of exemption is cumulative not per lease
- Rental income includes land rent, any infrastructure charge and BPS/BISS value
- The relief is per landowner, a double threshold applies if joint ownership
- Should the lease terminate through no fault of the Owner there is no claw back of any tax relief
- Leases must be in writing, for a minimum of 5 years, and the land must be farmed by an active farmer
- Not all land needs to be leased
- Farm Leases of six years or more are relieved from stamp duty
- Normal personal tax allowances and reliefs remain available towards other income.

This Taxation Information is a guide and summary only, complete tax planning requires consultation with your professional advisors and consideration of all assets and all income streams.

Nitrates, a Restriction or Opportunity

Farming is continuously changing and evolving but it dies without Generational Renewal. Young people bring perspective and adopt new approaches and technologies.

Nitrate Rules and an Environmental focus now applies across all sectors and enterprises from margins and green covers in cereals to animal organic nitrogen and slurry storage in livestock.

The ability to grow grass, carry livestock, or produce grain is no longer a limiting factor it is how these are produced.

The next generation of successful farmers will produce in a financially and environmentally effective manner. They will explore technologies, organics, and regenerative.

Presently there is significant reactionary short-term decision making

and herd thinking amongst farmers, advisors and decision makers. Reflex reactions often do not deliver the best outcomes

- I am close to my nitrates ceiling; I am told I need more land or have less cows
 - ◆ **Reflex:** Rent more ground, pay too much, need more labour to manage the new land, too much grass/fodder, going backwards.
 - ◆ **Balanced:** Look at my present systems, remove inefficient animals, deliver more efficient use of labour, land and infrastructure



Farm Survey Results... Questions and Answers on changes since collaboration

Question

Has farm performance improved since collaboration

1. Output
2. Efficiency and Margin
3. Adoption of enhanced environmental measures and technologies

Answer

1. Yes on over 50% of farms surveyed
2. Yes on 85% of farms surveyed
3. Yes on 92% of farms surveyed

Have infrastructure or H&S improvements been made

Yes on all farms surveyed

Are there plans to further decrease the farms environmental and carbon footprint

Yes on all farms surveyed



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Service Governance

The Land Mobility Service is a Macra na Feirme and FBD Trust initiative established to support Generational Renewal.

The service is registered with the CRO and Revenue as a not-for-profit Designated Activity Company, Macra Land Mobility Services DAC. This company is 100% owned by Macra na Feirme and has its registered and administration office in the Irish Farm Centre Bluebell Dublin 12.

The company is controlled by a Board comprising a chairperson, 5 Macra and regulatory nominees, 3 agri industry nominees, and 2 others. The present Chairperson is John Buckley.

This publication is an information guide and is based on our understanding of current regulation and practice (March 2023). Should you wish to pursue any of the suggestions outlined we recommend that you contact us for further information and consult with your professional advisers. While every effort has been made to ensure accuracy the authors or publishers accepts no responsibility for errors or omissions, nor for the consequence of any action taken on the basis of the information included in this leaflet.

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The Land Mobility Generational Renewal and Support Service is a subsidised independent expert service focused on facilitating collaborative farming arrangements such as long leases, share farming, and partnerships. This provides options for landowners and opportunities for young trained farmers. The Land Mobility Service is a Macra na Feirme Macra and FBD Trust initiative supported by other stakeholders including Food Processors.

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