

Farm Partnerships – a promising practice?

Anne Kinsella

Teagasc – Agriculture and Food development Authority, Ireland

Research Questions

- Concern about the sustainability of the Rural Economy in Ireland, with business continuity and succession planning one of its major challenges.
- Increasing average age of farmers and the economic vulnerability of many farm enterprises are indicators of this challenge.
- Research correlates older land-holders with lower production, reduced efficiency and reduced technology adoption - highlighting significant challenges facing sustainability of farming.
- Strongest barriers to innovation in agriculture relate to business structures, lack of land mobility and aging farmers.
- In this context, collaborative farming arrangements have an important role to play in addressing some challenges facing the sustainability of the agricultural industry.
- Despite policies in place & opportunities **Registered Farm Partnership (RFP)**, as formal legal arrangements infer, still low adoption in Irish agriculture
- Currently 3,260* RFP in Ireland – low % farming population – c. 3%
- Informed by research
EU Horizon **Ruralization** project - Case study on **“Farm partnerships as a promising practice in the West of Ireland”** undertaken on the Irish farm partnerships model (Kinsella (2021))

*Data Source: Department of Agriculture, Food and the Marine, personal communication: RFPs - Farm Partnership Unit database as of mid-December 2021



Literature Review & Methodology

Literature Review

Cush and Macken-Walsh (2016)

- Outline how joint farming ventures (JFV) have the capacity to overcome land mobility issues, arguing that JFV provide career pathways for younger farms, also preserve the intergenerational dynamic of family farming.
- Farm partnerships, in particular, facilitate the sharing of skills, labour and knowledge between younger and older farmers.

Leonard, Kinsella et al. (2017)

- Outline how farm viability plays a large role in whether/or not collaborative farming is viewed as a option for farmers.
 - Reveal how tax incentives to enter RFP will bear little economic benefit to cattle farmers (tax benefits infer more value on dairy farmers) – RFP rationale for larger, more financially viable farms.
 - RFP are to some extent a suitable means to expedite farm succession and inheritance
- Duesberg et al. (2017)
- Explored land transfer choices for farms without a successor
 - Maintain that favorable consequences of entering a partnership was regarded as lowering the workload, allowing continued involvement in farm work, and the ability to stay on the farm.
- Conway et al. (2021)
- Use Bourdieu’s notion of habitus to reveal that the attitude and behaviour required for farmers to step aside and retire “go against the grain” of the older farmers habitus.
 - Perhaps farm partnerships could facilitate farmers to contribute to causing minimum disruption to one’s habitus.

Farm Partnerships

Registered Farm Partnerships (RFP) as Pathway to facilitate **Farm Succession** to take place in more timely collaborative manner

- Irish farmers can avail of number of financial incentives/supports - encouraging their development
- **Succession Farm Partnership Scheme** - Provides structure through which farmers & successors can enter partnership with appropriate profit-sharing agreement
- Farm transferred to successor at the end of a specified period (not exceeding 10 years)
- Identified as a **promising practice** especially dairy enterprises - further incentivise new set of working arrangements between ‘retiring’ & the ‘successor’ farmer

Case Studies and Focus Groups

- Conducted April 2020 - June 2021
- Feedback Sessions June 2021
- Conducted with stakeholders, including policy makers. Putting farm partnerships in policy perspective context with their economic constraints and incentives

Partners, duration and references

Partners

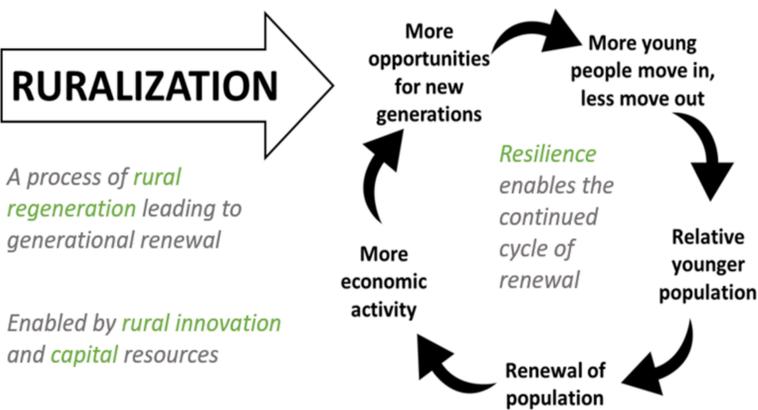
Duration

2019 – 2023



Relevant Project Reports

Kinsella, A., Kovách, I., Megyesi, B., Sivini, S., Vitale, A., (2020). **Deliverable 5.1 Report on “Analysis on rural newcomers, new entrants into farming and successors in farming”** RURALIZATION Project. **RURALIZATION Case Study Report in Deliverable 5.2 - 30 Case studies on rural newcomers, new entrants into farming and succession.** p. 824-888. “Farm Partnerships as a promising practice in the West of Ireland” Available at: <https://ruralization.eu/deliverables/>



Main Outcomes and Recommendations

Issue of **financial viability**, a **crucial aspect**. If cannot sustain farmers unlikely to be viewed as a feasible & sustainable option, regardless of capacity to encourage farm succession **“I think the incentives are really important and the design of those incentives is probably the most critical thing”**
Some wider **non-economic benefits** - could in turn bring a **shift in mind-set** about the value of **earlier farm transfer** **“since we’ve gone into partnership there has been a lot of changes, even a mind set change. There’s a bit more trust in play, imparted on me, and it’s... it was a pure subconscious change, I think”**

Positive Impacts

Formalised nature RFPs – carved space outside traditional family farming. Enacting change including **mindset** **“I think Irish people maybe changing their mentality an awful lot compared to what they would have been maybe even 10 years ago”**

- **Economic** - Improving on-farm & local economic viability. impact/spin off local shopping, services.
- **Social** - on-farm working together. Social cohesion, successor return/to continue farming business. Maintain more vibrant rural population, establishment successful farm business. Spin-off social connections, reduce rural isolation.
- **Cultural** - Network & Synergies enabled. Working within communities; remote work opportunities, awareness **“have been kind of a culture of saying don’t do it?”**

Some Recommendations

- More formalised FP arrangements **encouraged/incentivised more**. Some arrangements very **loosely formed**, e.g joint herd number options more inclined to **go on with no commitment to transfer any assets**
- Some **additional tax breaks** for **“Retiring”** farmer, so as to give additional incentive for **land accessibility** to younger farmers
- **Non family partnerships** – quite rare in Ireland so that access to land still a big issue for new entrants
- Scope for a **“CAP type”** payment for families, to engage in **succession planning** - eligible for a once-off payment to cover prescribed hours of legal fees, tax advice, meeting with agricultural advisor and solicitor.
- More cooperation various sections Department of Agric., Food & Marine/other Dept.
- Better **rural agency links** – on-going progression & opportunities both on & off -farm and in **wider community**, ongoing mentoring
- More focus on **share farming** rather than just land leasing incentives - seen as assisting farmers already set up
- **Rural Broadband** and development of the network seen as absolute **priority** “the modern-day road” – **rural diversification**
- Start-up grants/Installation aid for young farmers – **grant levels possibly? linked to region/farm system**
- **Low interest funding** enable greater number of successors to participate in & the on-going success of farm partnerships

Case studies quotes

“In Ireland we have a funny relationship with the land”

“We need to talk about succession’ That just doesn’t work”

“We’re trying to work with the environment like...and we’ll do the best we can like...But like, I don’t know, they seem to be going backwards instead of going forward”

“The red tape”...a lot of paperwork, a lot of red tape, put every obstacle in our way that you can imagine...”

“Its not like when I joined the farm, it was a family farm and it was run by the family. Now its more external like...everybody is telling you what to do now and you can only do it this way and you cant do this”

“We work well together, we have our moments”