

# C OF FARM



CASE STUDY: Dairy Farm Partnership

# Introduction

The traditional model of agriculture in Ireland is family farms owned and managed by a member of the farm family. As a consequence, the predominant route into farming is through succession/inheritance of the family farm. The history of land ownership and attachment to land results in a very low level of land sale. Renting and more recently long-term leasing provides an opportunity for farmers to gain access to land in order to become established in farming or expand their existing enterprises. There has been a long tradition of informal cooperation among Irish farmers whereby they assisted each other at times of peak labour demand or crisis. However, formal farm partnerships have really only significantly developed and evolved in Ireland over the past two decades. This development was driven by the establishment of Milk Production Partnerships which were facilitated under the Milk Quota regulations. The abolition of milk quotas in 2015 brought about changes in the rules and the concept of a Registered Farm Partnership. Two types of farm partnerships have developed in Ireland: intra-family; and inter-family. Intra-family are more common and can involve spouses, parents and children or siblings and often involve just one farm. Inter-family involve two or more non-family farmers collaborating and involve more than one farm focusing on one or more enterprises. Partnerships can be found in operation across all enterprises but are most common in dairying. It is estimated that there were approximately 1,800-1,900 registered farm partnerships in operation in 2017, approximately 75% of which were within families.

This case study describes a registered farm partnership involving two families the Treacy's and the Fitzgeralds. The primary farm operators are Sean Treacy and Kieran Fitzgerald. The partnership is located in Littleton, Co. Tipperary near the large town of Thurles in the south midlands of Ireland. The partnership commenced on the 1st January 2016 and is legally recognised by way of registration with the Department of Agriculture, Food and the Marine (which maintains an official register of farm partnerships in Ireland).

Sean is married to Lorraine and they have two children. Sean inherited the fragmented family farm and prior to the partnership was milking 70 dairy cows, rearing replacement heifers for the dairy herd and pedigree Friesian bulls for sale. Kieran is married to Angela and they also have two children. Kieran is a qualified farm manager and had previously worked as a farm manager but more recently had worked in the mining industry.

Sean and Kieran live in the same rural area and knew each other for a long number of years prior to the establishment of the farm partnership as Kieran's wife Angela is a cousin of Sean's. Kieran had also occasionally worked on the farm over a number of years.

# Basic information



Littleton, Co. Tipperary

Name Dairy Farm Partnership

Year of establishment 2016

Kind of cooperation Producers group

Number of farmers/ landowners/ entrepreneurs/ enterprises involved 2 Families

# Farm Data

## Description

The core farm unit includes the Treacy family farm which Sean inherited from his parents and land which he purchased. The farm operation including both owned and rented/leased land is approximately 80 hectares, 44 hectares of which are owned, 24 hectares on a 10 year lease and 12 hectares on shorter rental agreements. The milking platform around the farmyard is 23 hectares. The remaining land is 1-2 miles away in a number of fragmented blocks. Accessible land for dairy cows is a limiting factor on the expansion of the dairy herd.

The farm has a dairy herd of Friesian Holstein cross cows. Prior to the farm partnership, Sean was milking 70 cows. The plan for the partnership is to gradually expand the size of the dairy herd by rearing more replacements. Some 98 cows were milked in 2016, 112 cows in 2017 and 125 cows milking in 2018. The target is to reach 140 milking cows by 2019 and maintain the herd size at this level into the future supplying in the region of 1,000,000 litres of milk. The only stock maintained on the farm are the dairy cows and dairy replacement heifers.

The land area accessible to the dairy cows is limited and gaining additional grazing ground is not an option. As a result, the farm system now involves grazed grass and zero grazed grass fed to the cows. The most recent addition to the land base of the 24 ha on a long-term lease is ground which was reseeded for the purpose of zero grazing. They purchased a zero grazer harvester which allows them to utilise this grass for feeding the dairy herd throughout the grazing season.

# Cooperation Process Data

The farm partnership involves two families the Treacy's and the Fitzgeralds with Sean Treacy and Kieran Fitzgerald being the primary farm operators. It is evident that their spouses both influenced the initiation of the partnership process and benefit from the outcomes. Sean and Kieran currently work full-time on the farm.

## Origins and Development of the Farm Partnership

Prior to the partnership Sean was running the family farm and a herd of 70 dairy cows. As the abolition of milk quotas approached in 2015, Sean was exploring the options for increasing his cow numbers. The main challenges were the lack of available land and the ability to manage the farm on his own. In 2013, as part of a Teagasc event, Sean visited a successful farm partnership. As a result, he started to consider that a farm partnership may be a good option for him in terms of expansion, development, labour and ultimately quality of life.

Kieran is a qualified farm manager but had been working in the mining industry. Kieran always liked milking cows. Kieran was exploring his future employment options in 2015 as he was made redundant from his job. For him to continue working in the mining industry, he would have had to travel a long distance to work and this was not something he wanted to do primarily due to the negative impact on the quality of life for himself and his young family.

They are uncertain of how they started the discussion on developing a farm partnership together but it is something that they and their wives started talking about in 2014 as an idea and it evolved from there. Initially however, they looked at the option of Sean employing Kieran to work on the farm. However, this was discounted as:

- Kieran wanted to work 'with someone rather than working for someone';
- Sean felt that there would be more commitment from someone who was 'caring for their own livestock rather than those of an employer'.

As a result, they concluded that a farm partnership was the best option for them both. Kieran owned no land or livestock to bring into a partnership. However, the redundancy payment from his job allowed him to invest in the farm business.

Their primary motivations in setting up a farm partnership were to deliver an income and better work/life balance for both families.

## Setting Up the Farm Partnership

They sought advice from their Teagasc Agricultural Advisor on developing the farm partnership. They received advice and practical support from the Teagasc Farm Business Structures Specialist who has expertise in the area of collaborative arrangements. Teagasc provided reassurance, practical advice and guidance.

Initially they had concerns that the fact that Kieran was not a land owner could prove prohibitive but Teagasc clarified that this was not a problem. Teagasc provided a template for a farm partnership agreement which they modified to suit their specific needs.

Individually they got advice from their own solicitors to clarify the legal issues relating to their agreement and they

also got advice from their accountant.

They prepared a financial plan and finalised their partnership agreement and the formal partnership commenced on 1st January 2016. Their partnership agreement focuses on the broad areas of cooperation rather than the specifics of day-to-day activities or individual roles.

### Operation of the Farm Partnership

The partnership has now completed two years one of which was particularly challenging in terms of milk price. A farm development and expansion plan which is now being implemented with a target of milking 140 cows. They believe that this number of cows and production levels will be sufficient to provide an income for two families while also providing a good lifestyle for the two families.

In addition to expanding the dairy herd, investments were required in farm facilities. Sean brought his land base, existing facilities and dairy herd into the partnership while Kieran brought capital from his redundancy payment into the business.

One of the key successes of the partnership arrangement is that they work well together, they understand each other's motivations and they share a common vision for the farm. The prior knowledge of each other facilitated this positive working relationship. As a result, they found it relatively easy to adjust to being 'co-workers in a shared farm business'.

They have not found it necessary to specify individual roles and responsibilities for each partner as they found that these evolve and there have been no major problems in this area. Typically Sean does more machinery work and Kieran does more livestock work. Planning and decision making are typically made over the breakfast table where they agree on the priorities for the day and longer-term. Open and honest discussion has meant that no major problems have arisen.

### Benefits of the Partnership Process

The benefits of the partnership process for Sean and Kieran can be summarised as:

- Opportunity to increase and expand the dairy herd;
- Securing a better income for two families;
- Shared decision making – knowledge and experience of two people;
- Joint commitment to common goals;
- Reduced stress;
- Reduced labour burden allowing for more time off all year but specifically shared workload at peak times;
- Reduced reliance on hired labour;
- Better quality of life and greater family time; and
- Improved health, safety and well-being.

### Challenges/Threats to the Farm Partnership

To date they have not seen any major challenge or threat to their partnership. However, they believe that the strength of their working relationship and trust in each other is a key force against any threats. However, they believe that

other partnerships could be challenged if partners are not compatible, cannot work together or do not trust each other. They believe that people factors are more of a challenge to partnerships than any other factor on the farm or externally.

### Satisfaction with the Farm Partnership

While the farm partnership is still at an early stage of development, entering its third year, both partners are very satisfied with the experience to date. They are particularly satisfied from a work and time off perspective and the positive impact on family life.

### Knowledge, Skills and Training

Both the partners had agricultural training and experience of running and managing farms. Therefore, they did not require specific agricultural training prior to setting up the partnership. However, it is important that potential partners have a level of agricultural knowledge, experience and training.

Upon reflection, they believed that the best training that farmers embarking on the partnership process could get would be talking to other farmers involved in farm partnerships who could provide them with firsthand experience and knowledge of the process and guidance on practical issues to address.

Training may also be beneficial for potential partners in the ability to work together and to share responsibility however, this is difficult to provide training for as it is something that partners need to develop for themselves.

The essential skills required for a successful farm partnership include: core agricultural knowledge, training and experience; openness and willingness to work in partnership; trust in each other; shared goals and motivation; good communication skills; and a willingness to engage in shared decision making and to compromise.

## Advice/Recommendation

The fundamental success factor in this partnership is the compatibility of the partners therefore farmers considering a farm partnership should carefully consider who they are compatible with in terms of personalities, approaches to work, outlook, motivations and farm management practices.

“ People must have the same motivations and goals – they must sing off the same hymn sheet – the farm and stock are secondary to the people relationship. ”

“ The potential partner is more important than land or cows or anything else – other things can be sorted out once the partners are compatible. ”

The experience in this partnership is that a legal agreement is important to cover the major assets, machinery, buildings and investments. However, while some partnership agreements also specify roles, responsibilities and day to day activities, the need for this depth in the agreement will depend on the partners. In their case, the relationship is free-flowing and does not require the micro details to be specified in the agreement. Farmers need to tailor agreements to their own needs.

One important area to consider is the approach to time off and holidays. In their case, they are in agreement with taking time off and facilitate each other with regards to time off and holidays.

Advice and information is available particularly from Teagasc and farmers should utilise the expertise available as it will help to clarify issues and ensure that the process runs smoothly.

Other farmers who are involved in farm partnerships can provide insights into the process and guidance in getting started. It is also worthwhile for farmers to see how partnerships work in practice.

They identified that it is important to expose young farmers and students to farm partnerships and the potential opportunities that they present to them.

## Queries/Questions

- How compatible are you and your potential partner in terms of working together?
- Have you visited and spoken to farmers who are already in partnership?
- Can you gain access to advice and information such as that available from Teagasc in Ireland?
- What is your main motivation for considering a farm partnership?



## Key Words

### Cooperation Key Words

Producers group

### Farm Key Words

Dairy farm(s)

Small/family farm(s)

## Partners



Limerick Institute of Technology:  
(Ireland)  
[www.lit.ie/rdi](http://www.lit.ie/rdi)



Hof und Leben GmbH  
(Germany)  
[www.hofundleben.de](http://www.hofundleben.de)



Asociace  
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On Projects Advising SL  
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[www.onprojects.es](http://www.onprojects.es)



Union de Agricultores y Ganaderos-  
Jovenes Agricultores de Jaén (Spain)  
[www.coagjaen.es](http://www.coagjaen.es)



Biotehniški Center Naklo  
(Slovenia)  
[www.bc-naklo.si](http://www.bc-naklo.si)



Confederazione Italiana Agricoltori Toscana  
(Italy)  
[www.ciatoscana.eu](http://www.ciatoscana.eu)



European Landowners' Organisation  
(Belgium)  
[www.europeanlandowners.org](http://www.europeanlandowners.org)

## Social Media



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## Project Website

[www.cofarm-erasmus.eu](http://www.cofarm-erasmus.eu)



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