

Rural Economy
& Development
Programme

Farm Succession & Transfer Guide

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Farm Succession & Transfer Guide

Introduction

By involving the younger generation on the farm, you can ensure that the farm remains a progressive and productive work place and way of life.

Farming is not only a business, but a way of life for many farmers. In most cases the farm has remained in the family for years, being passed down from generation to generation and going through a number of changes. As the farmer you have the opportunity to decide the future of the farm, and making decisions early allows for forward planning which prevents decisions being made for you.

This manual is an aid to support you in making decisions on succession and inheritance. It is a document that can be used at any age of life and not just when you are thinking of transferring the farm. It will provide you with a template to help tease out all the various angles relating to the transfer of your own farm. It can be followed through step by step or dipped into as reference to assist you with a particular query.

Encourage your family members to read this manual to help them to be better informed about the process.

This manual will:

- Help deal with the emotions involved in succession and inheritance
- Provide you with the options available to help transfer management and ownership of your farm
- Identify the main issues and facts on succession and inheritance
- Highlight some of the main areas that you need to get professional advice and guidance on
- Provide you with the best methodical approach to succession and inheritance

How to use this manual:

Ideally this book should be completed with help, support and discussion from your family, agricultural advisor and key professionals. Read through the manual and roughly fill out the exercises throughout the book.

On completion copy the exercises into the formal succession plan at the back of the document.

It is recommended to use this document in conjunction with “A Guide to Transferring the Family Farm” which is available from any Teagasc office

By proactively planning for succession & inheritance you can avoid potential stress relating to and uncertainty around the future of the farm business and the family member's role in it

01 First Steps



01 First Steps



“SUCCESSION”

The gradual transfer of **MANAGEMENT** from one generation to the next

“**FARM TRANSFER**” is succession and inheritance combined

“INHERITANCE”

The legal transfer of **OWNERSHIP** from one generation to the next



When considering Succession a farm partnership is a useful option as it allows for the gradual transfer of management and shared responsibilities without having to transfer assets.

The most important first steps is to make a will. Although the thought of making a will is not that appealing, a will should be made as early as possible in life and it is not something that you should fear.

A “**Will**” is a document which outlines how your assets should be divided when you pass away.



“**Intestacy**” is where a person dies without a will or where the will is invalid.

More details on wills on [page 40](#)

Advantages of a will:

- Protects and provides for loved ones
- Allows parents to appoint guardian(s) for their children and long term dependents
- Gives legal status to what you intend to do with your assets or possessions

There are a number of steps involved in the succession and inheritance process and each step has different requirements and actions which need to be taken. Use the chart below to establish where you are in the succession and inheritance process.



What if I have no successor to identify?

If a successor can't be identified due to:

- Lack of successor
- No successor interested

There are a number of options to consider:

Relatives

Have you considered nieces/ nephews/cousins/grandchildren?

Often there might be someone outside the immediate family who hasn't been considered and might have an interest in farming and getting involved in some form on your farm.

Non Family Partnership

There are often opportunities for existing farmers or young farmers who are not members of your family to get involved in a partnership. You might consider involving another person and setting up a farm partnership where the responsibilities and management are shared and the profits are shared.

Leasing

The farm could be leased out to another farmer. Ownership would still be retained by the farmer while receiving a regular income from the lease of the farm and not having to farm it. The farmer can agree on the duration and conditions of the lease and it can be reviewed after a certain period of time

Share Farming

This is where each party is still a farmer in his/her own right. It is very suited to the tillage sector, a typical arrangement would have the land owner supplying the land (and some inputs and possibly labour) with the shared farmer supplying labour, inputs, and machinery. Risk and management is shared.

The concept also has possibilities for milk and drystock. Provided the arrangement is operated correctly there are no negative tax or SFP implications.

Partial or Complete sale

The farmer has the option of selling the whole farm or part of the farm. This would ensure that the farmer has an income and support for the future. The farm can also be sold with the condition of life time use. This is where the farmer sells the farm asset but has the use of the farm for their life time.

When considering succession and inheritance, it is not only the transferring of management of the farm. Succession is sharing management of the farm and the gradual transfer of the management responsibilities to another. While inheritance is the transferring ownership of the legal assets.



Why should I transfer management of my farm?

- Farming can be an isolating career and having another person working on the farm, sharing the business and helping to make big decisions can improve the situation
- Give the young person an opportunity to gain experience on the farm without having to relinquish ownership
- Reduce level of responsibility and financial risk on the farm/business
- Retain the security of owning the assets while slowly transferring the management

Why should I transfer ownership of my farm?

- Provide younger generation with asset security
- Fully retire from farming
- No longer want the responsibility of the asset

Complete the box below and identify 3 key reasons why you want to share or transfer management of your farm to the next generation (Succession) and the ownership of the farm (Inheritance)

Management	Ownership
01	01
02	02
03	03

02 & 03 Profiles



02 Profile of farm



Main Enterprise

2nd Enterprise

Land – owned

Land – farmed

Whole farm stocking rate

No of people working on the farm

Breeding stock numbers (cows, ewes, etc)

Output milk, beef, sheep (kg milk solids, kg beef, etc.)

Total value of assets

What is current level of debt (incl lease/hire purchase)?

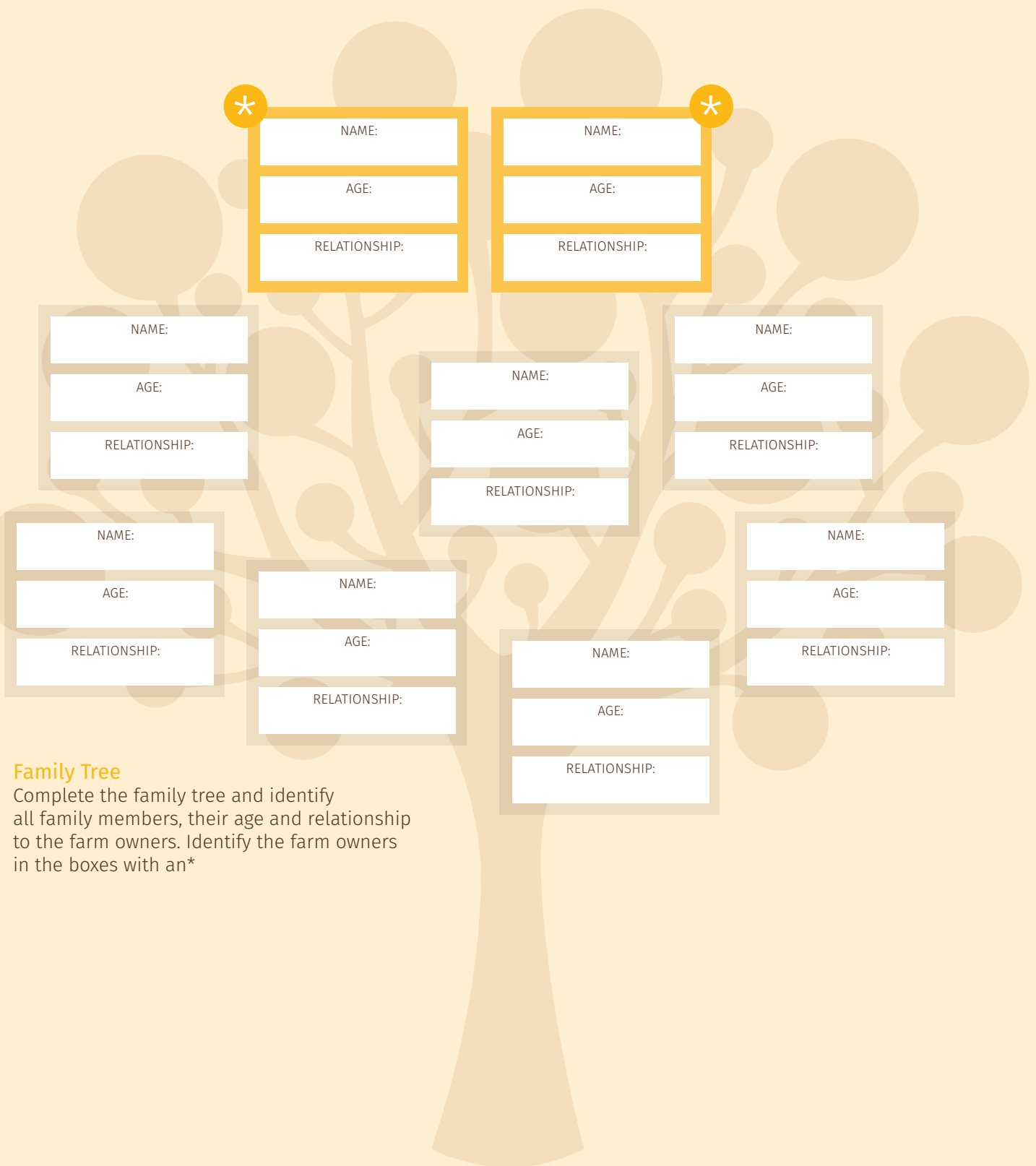
What is current total cost of production per unit? (Refer to Teagasc Profit monitor for these figures)

Profit incl premia

Profit excluding premia

Future plans for the farm business (5-10 years)

03 Profile of family



Family Tree

Complete the family tree and identify all family members, their age and relationship to the farm owners. Identify the farm owners in the boxes with an*

04 Communication



04 Communication

Good communication allows family members to share concerns, decide on options available and what actions to take.

Good communication allows for effective planning and helps prevent disputes, misunderstandings and unnecessary anger.

Good communication allows for plans to change and facilitates family harmony.

There is a process to communication particularly when communication involves the family farm. Follow the steps below to assist with communication:



1. Communicating

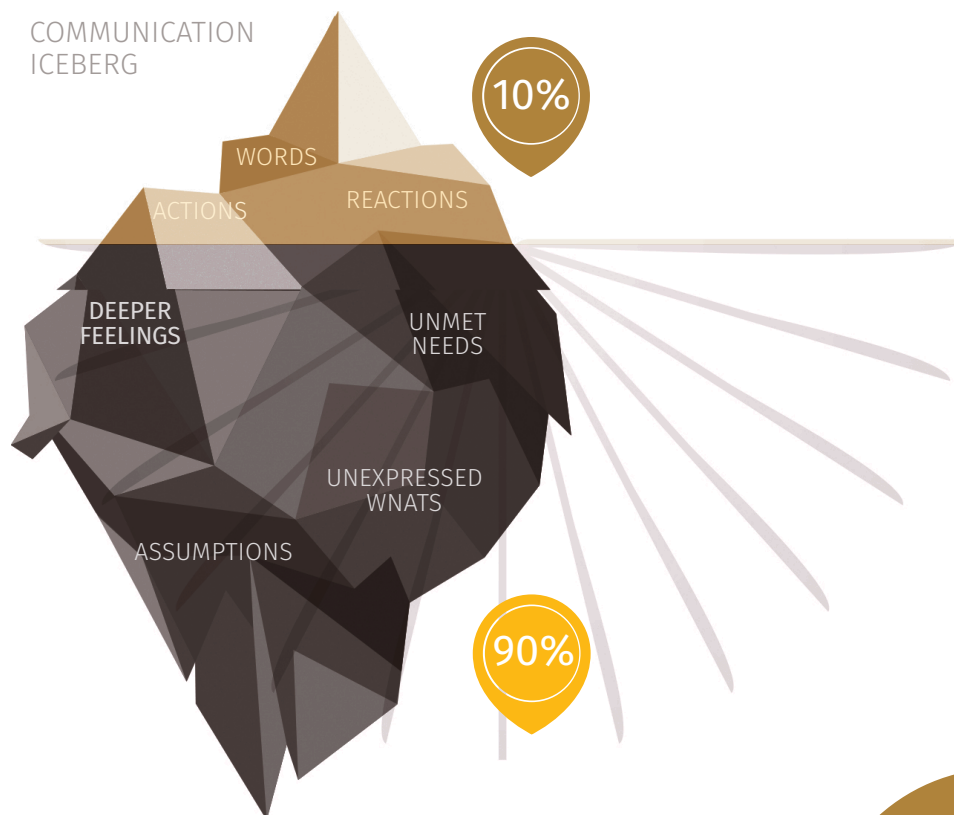
We all communicate every day, but when it comes to talking about the farm, things can get emotional and fear of saying the wrong thing might jeopardize someone's future.

For many families it can be difficult to open up and start that discussion. Starting the conversation on the future of the farm can be hard because:

- Potential gains or losses are high
- Differing opinions
- Varied and high levels of emotions are involved

This is called the “Communication Iceberg”.

When discussing succession and inheritance all that is communicated is words, actions and reactions. That’s only 10% of the problem, it’s very important to communicate the other 90% which are assumptions, deeper feelings and unmet needs. It’s what’s underneath the surface that can bring down the ship.

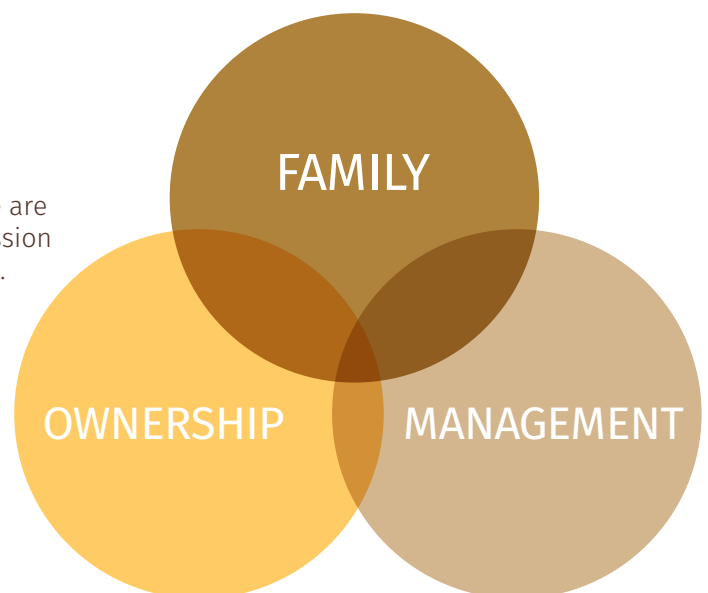


Three key discussion factors

When having a family conversation it is important to involve all family members in the conversation. There are three key areas that should be included in any discussion on the farm with the family aspect always the biggest.

All discussions on farm succession and inheritance should include:

1. Ownership
2. Family/Personal
3. Management



2. Family Communication

When planning for succession and inheritance, the first step is to start communication with all family members. Once the lines of communication are open, all family members start to think about their role and expectations from the farm business.

Family communication on the future of the farm is crucial. It enables the continuation of the farm business and allows them to identify and deal with any conflict while it is minor and manageable.

Good family communication ensures members of the family understand and know each other's thoughts, needs and requirements of the farm business which allows better planning for the future.

Succession & Inheritance Communication Plan

Don't think of succession and inheritance as one big conversation. It should be a planned process that ensures all views are heard and respected.

When planning the discussion the following should be considered:

1. Who should be involved in the discussion:

It is very important to include all adult children in this conversation but also who else might be affected by the outcome of the discussion and could be included

2. What needs to be discussed:

List exactly what aspects of the farm business and the transfer of the farm assets need to be included on the agenda for discussion

3. When and where to meet:

It is very important to choose somewhere neutral for this discussion so that everyone feels comfortable and can talk openly

4. What life stage are the children at:

There are a number of distinct life stages and it's necessary to discuss some key aspects at each stage.




 EXERCISE
03

Follow the chart below and recognise the key points to be addressed at each different stage.

Whole Family	SECONDARY SCHOOL KEY POINTS TO DISCUSS: <ul style="list-style-type: none"> • Are they interested in farming? • Are they aware that it is an option for them? • Is the farm capable of supporting their income? • Would they like to be involved full time/part time? • Will you consider gaining experience on another farm? • What college courses are they interested in? • Have they looked into the Green Cert? 	COLLEGE KEY POINTS TO DISCUSS: <ul style="list-style-type: none"> • Do they plan to come home and farm straight away? • Do they plan to farm part time/ full time when they finish college? • Have they looked into career options? • What level of responsibility will they have if they want to come home and farm straight away? • Have they thought of travelling to gain experience working other farms? • Expansion / Change plans
	EARLY CAREER KEY POINTS TO DISCUSS: <ul style="list-style-type: none"> • Level of management responsibility on the farm • Share of profits or wage • Income requirements • Timing of succession and progression up the ladder • Expansion/change plans for the farm 	MID CAREER KEY POINTS TO DISCUSS: <ul style="list-style-type: none"> • Income requirements • Partnership options • Level of responsibility • Capital/ loan/mortgage requirements • Family requirements
Successor		



It is very important to open the lines of communication early with family members and have a simple discussion around needs and expectations. This gradual process will help to prevent disagreements in the future especially when the time comes to transfer the farm.

To start the conversation discuss the requirements and fears of the family members and fill in the following chart honestly to establish what they hope to require and fear for the farm business This chart should be completed by the farm owner or facilitator There are individual charts to complete at the back of this book.

Requirements & Needs

Who	Position
<i>e.g. John</i>	<i>e.g. Son</i>
Requirements	
<i>e.g. Site for a house College costs covered</i>	
Fears	
<i>e.g. Parents won't be looked after Sister Ciara won't get some of the farm</i>	

Who	Position
Requirements	
Fears	

Who	Position
Requirements	
Fears	

Who	Position
Requirements	
Fears	

Who	Position
Requirements	
Fears	

Who	Position
Requirements	
Fears	

It's important to realise that everyone has different ideas and perceptions concerning the farm and that's why it is worth identifying the expectations of each family member even if they have no involvement in the farm business they still might expect an education or a site for a house.

3. Listening



We hear a lot of information every day, but do we really listen, do we really take it all in?

When planning for succession or inheritance, listening is a crucial skill to ensure that the process is successful and efficient and that everyone is as happy as possible with the end result.

So what is listening?

- Listening is hearing something and understanding it
- Picking up the correct message from others and using it appropriately
- Listening is different to hearing

How to listen effectively?

- Stop talking
- Allow the person to speak, and take the time to understand what they are saying
- Keep an eye on body language and the tone of the person talking
- Respond to them, clarify and ask questions
- Be interested in what they have to say and don't look distracted
- Don't get angry or impatient

Are you a good listener?

	Almost Always	Usually	Seldom	Never
1 Do you let people finish what they are trying to say before you speak?	4	3	2	1
2 If the person hesitates do you try to encourage them rather than reply?	4	3	2	1
3 Do you withhold judgement about the person's idea until they have finished?	4	3	2	1
4 Can you listen non-judgementally even if you do not like the person who is talking?	4	3	2	1
5 Do you stop what you are doing and give full attention when listening?	4	3	2	1
6 Do you give the person appropriate eye contact, head nods and non-verbal's to indicate that you are listening?	4	3	2	1
7 Do you listen fully regardless of the speaker's manner of speaking? (<i>grammar, accent, choice of words</i>)	4	3	2	1
8 Can you listen fully even though you think you know what they are about to say?	4	3	2	1
9 Do you question the person to clarify their ideas more fully?	4	3	2	1
10 Do you restate/paraphrase what is said and ask if you got it right?	4	3	2	1

YOU'RE COMBINED TOTAL SCORE:

YOUR RESULTS

- 36 – 40 Outstanding: truly attentive and trying to listen. Probably have the reputation of being a good listener
- 30 – 35 Very good. With some effort, you could move into the upper range. Probably need to put more effort into attention and judgemental evaluations
- 26 – 29 Need work. Identify your lowest self-ratings and ask why you see yourself that way. Does it interfere with your work? What would the pay-off be if you could improve?
- 24 or below Most of all ask yourself... was I really serious about this quiz? If you were, then examine your behaviour. What are you getting by answering the way you did? What would you gain if you could answer each question more positively?

Ref: A Guide to Communication for Farming Families, GRDC

4. Agricultural Advisor/Client communication

Your agricultural advisor is an impartial person who only wants the best for you and your farm business and will take into account your situation and your wishes to provide you with advice so you can make an informed decision.

When deciding to start the succession or inheritance process it is highly recommended to talk to your family first and establish their requirements and fears.

Then sit down with you advisor who will discuss your options and the pros and cons of each.

What can your advisor help you with?

- Discussing the different succession and inheritance options available to you
- Choosing the best option to suit your farm business
- Talking through your concerns, worries and issues
- Providing you with independent, non-judgemental advice
- Implementing decisions which you have already made

What is the potential of the farm?

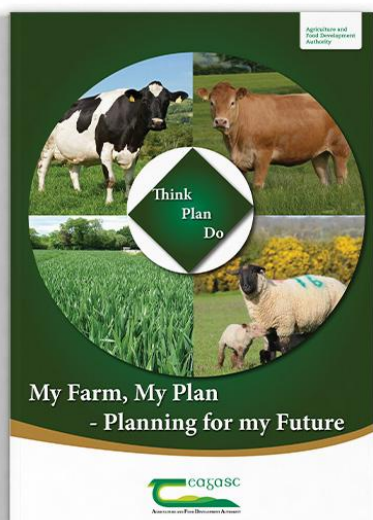
One key consideration to take into account is the potential of the farm.

Can the farm be expanded any more or can efficiency and productivity be increased for increased profit. The succession process has been shown to give the farm a new lease of life and increase productivity and efficiency.

When considering succession or inheritance it is very important to talk to your agricultural advisor to:

1. Establish where the farm is at financially and physically with a profit monitor
2. Identify where you want the farm to go
3. Develop a farm plan including the new parties to be involved in the farm

For more info on this check out the Teagasc “My Farm, My Plan – Planning for my Future” Book



The 4 Core Principles of Mediation

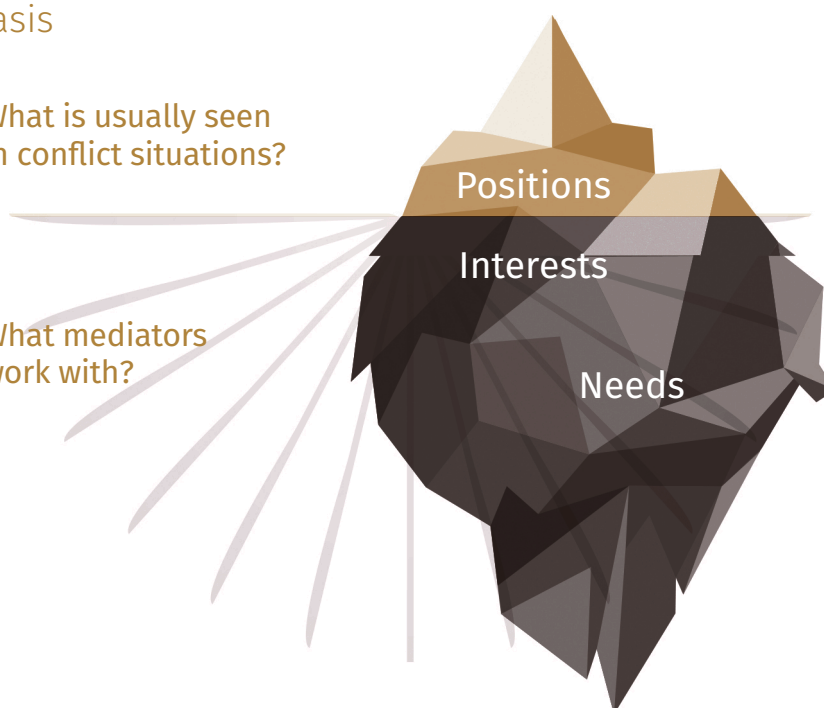
1. Confidentiality
2. Impartiality
3. Voluntariness
4. Self-determination

5. Mediation

Mediation is where an independent trained registered person assists parties to help them to reach a mutually acceptable and voluntary agreement to resolve a dispute on a voluntary basis

What is usually seen in conflict situations?

What mediators work with?



When might you use a mediator?

- A family member wants to enter into the business/ retire from the business
- New member joins the business through partnership/marriage
- Something unplanned happens e.g. marriage breakdown, ill health or sudden death
- Communication has broken down in the family
- No one are interested/available to take over the business
- There is doubts/issues with the successor

What are the advantages of using a mediator?

- Independent/Impartial
- Trained
- Effective for re-establishing communication
- Facilitates the parties to work together to a resolution

6. Considerations

When thinking about succession and inheritance, it is important to keep in mind some important considerations, some of the main considerations are:

Siblings not involved in the farm

If there is a change in management or ownership of the farm it is important to consider the siblings in the farm family, as they may have requirements from the farm. The first thing to consider is the age of the siblings as their requirements might be different at different ages as shown below.

AGE	REQUIREMENTS
< 18 years old	E.g. school payments and pocket money
18 – 25 years old	E.g. education and college payments
> 25 years old	E.g. Site for a house

Elder Care arrangements

Most farms are the main source of income for the farm family. Also traditionally the family house is built on the farm. If the management or ownership of the farm is transferred to the younger farmer, arrangements should be made for the care of the parents when they get old. These questions are also relevant to siblings with special needs.

Such considerations should be:

- If they fall into ill health, who will look after or mind them?
- Where will the money come from to support their day to day living and health expenses?
- If a nursing home is required, who will pay for this?
- Where will they live?

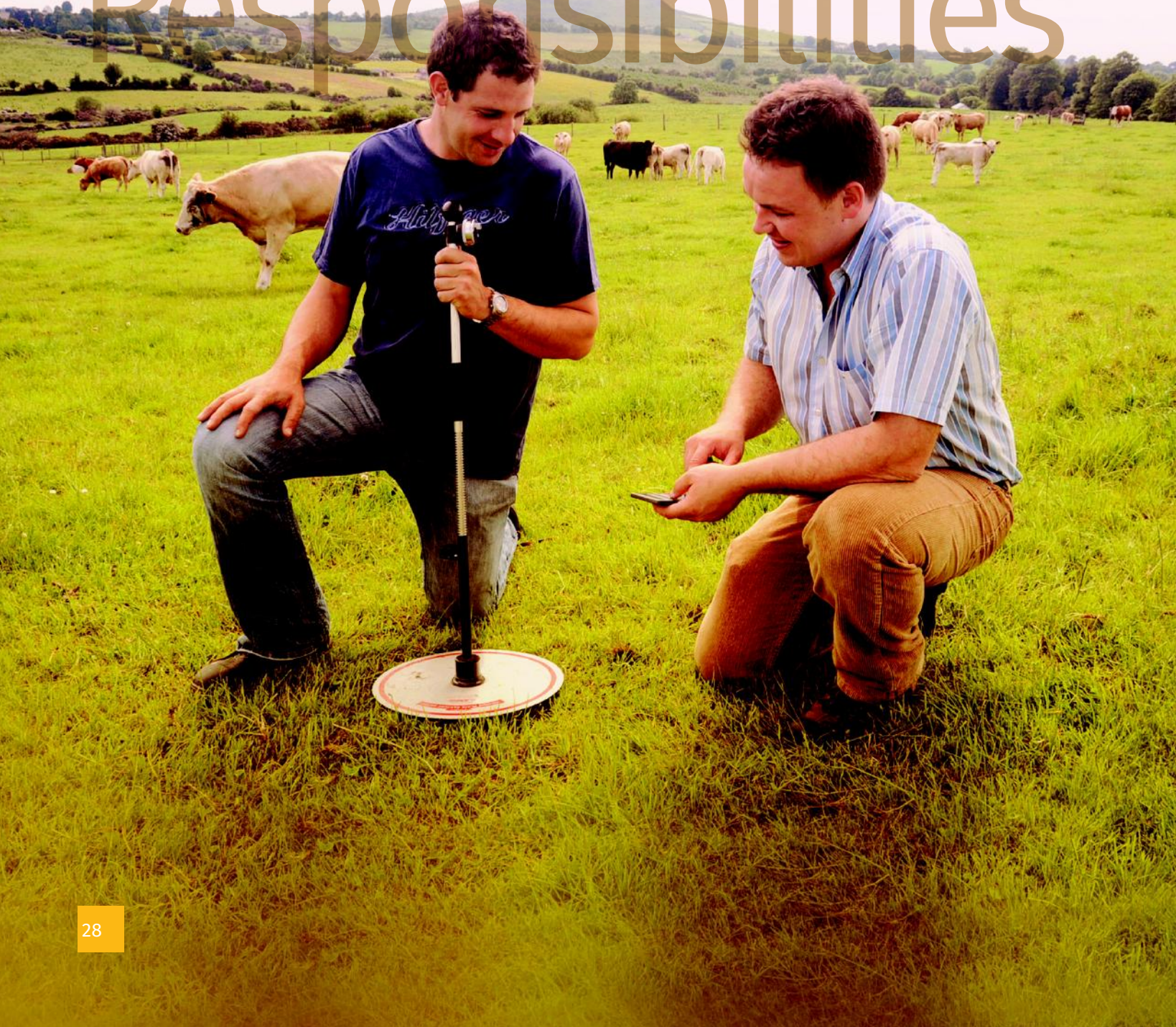
Family Settlements

If there are siblings in the family and the management or ownership of the farm is transferred to one or more of the children, there might be an expectation that the other sibling should receive something from the farm. This could be in the form of a financial payment, education or a site to build a house. All these aspects should be considered before the ownership is transferred.

Where the parents will live

Typically on farms the family home is based on the farm. If the farm is to be transferred, considerations should be made for where the parents should live. Will they remain in the family home on the farm or will there be a new house built for them on or off the farm.

05 Management Responsibilities



05 Management Responsibilities

Succession is the gradual transfer of management from one generation to the next. It can also be described as the shared management of the whole farm. Specifically succession is the transfer of management responsibilities.

The transfer of management responsibilities is a gradual process that occurs over a period of time from a few months to over 10 years depending on a number of factors. The farmer and successor can decide on the speed and timing of succession depending on their situations and plans.

There are many different types of management responsibility, but they can be divided into a few main categories:

Practical Jobs (Technical)

- > Deciding how to do specific jobs
- > Plan day to day work
- > Register Calfs Online
- > Livestock management

Farm Planning (Strategic)

- > Make annual crop/livestock plans
- > Decide mix & type of enterprise in the long term
- > Decide type & make of machinery and equipment
- > Decide amount and quality of work

Sales and Purchases (Marketing)

- > Decide when to sell livestock/ crops
- > Negotiate Sales and Purchase of livestock

Farm Accounts (Financial)

- > Decide when to pay bills
- > Decide and plan capital projects
- > Identify and source finance
- > Keep and manage farm accounts

Each category has a number of different jobs which can be done. A young farmer can step up the levels of responsibility at whatever speed that is agreed on.

The speed can depend on a number of factors such as:

1. Age
2. Education
3. Off farm Job
4. Experience
5. Income needs
6. Health

The succession ladder is the ideal way of transferring **MANAGEMENT** from the farmer to the successor it involves a bit of sharing responsibility as well as a gradual transfer of management.

Responsibility doesn't necessarily mean physically labouring on the farm. A farmer can have responsibility but this does not mean he has to do the physical work.

Succession Ladder Example

John and his wife Mary are in their early 50s. They have a son Patrick who is 20 years old. They have a large beef and sheep farm. Patrick has just finished agricultural college and wants to start farming. Patrick sits down with his parents and discusses succession and inheritance. The family complete the partnership on farm agreement and decide that they are going to use the succession ladder.

- First John and Mary give Patrick day to day decision making. He is now on the first step of the ladder. Patrick looks after the daily jobs on the sheep enterprise such as feeding, herding & flock health.
- After 3 years Patrick is now 23. As decided in the succession plan, Patrick moves up another step on the ladder and has more strategic long term planning on the farm. Patrick now decides the type of system the farm will have and also decides on expansion plans and gets a wage increase for taking on the new level of responsibility.
- After another 2 years, Patrick and his parents sit down again and decide that Patrick is doing well and should now take over the marketing. Patrick now decides when the livestock are ready for sale and negotiates price. They then decide to formalise the working arrangement and they form a partnership
- After another 4 years Patrick is 29. They decide Patrick should take the final step on the ladder and look after the farm finances. Patrick now manages the farm accounts and pays the bills, John still owns and works on the farm and receives an income but Patrick makes all the decisions and gets a good wage for this.



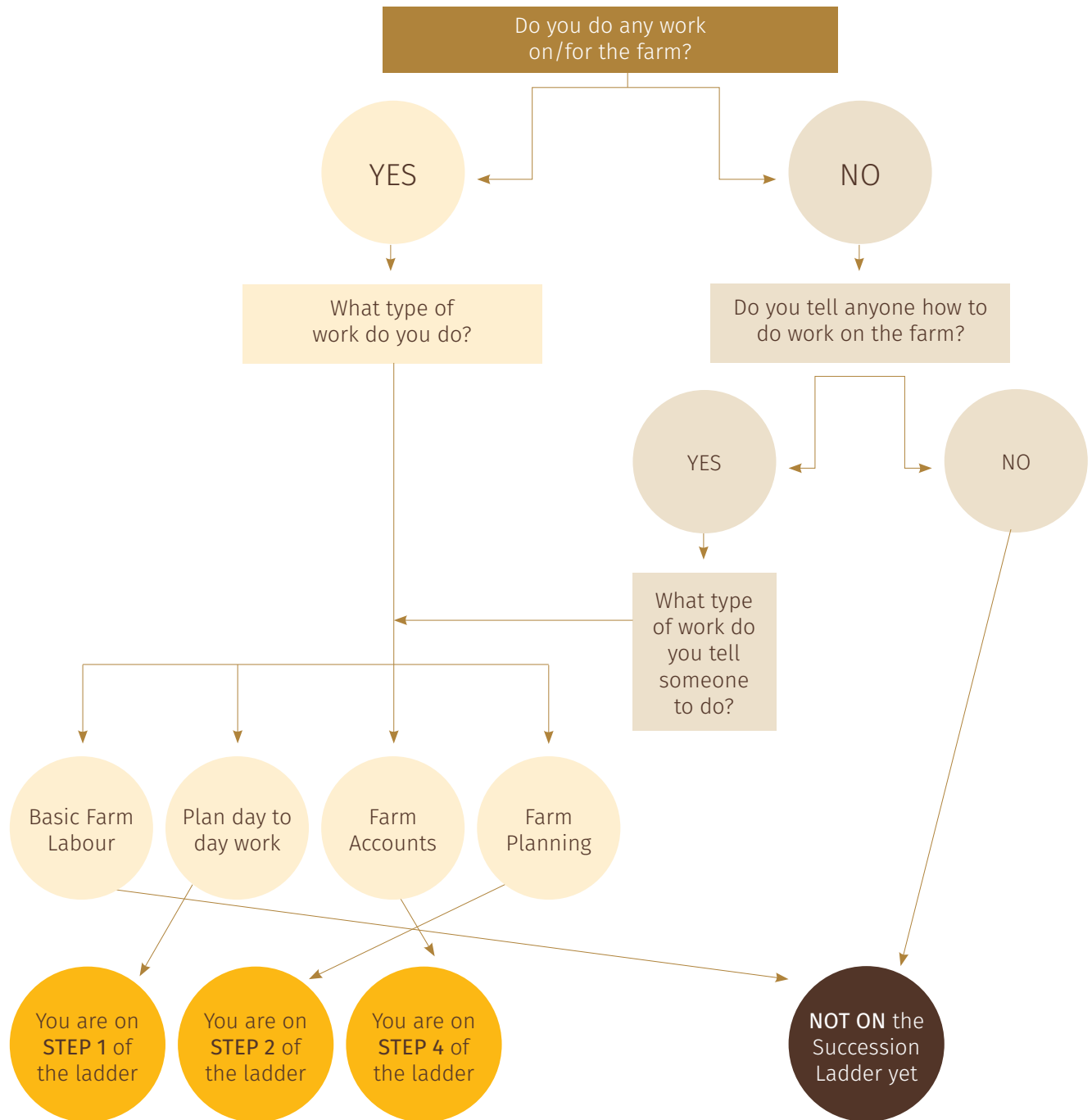
This example is for illustration purposes only. The speed of succession will differ between families and will be dependent on a number of factors

By proactively planning for succession & inheritance you can avoid potential stress relating to and uncertainty around the future of the farm business and the family member's role in it

**EXERCISE
05**

Are you on the succession ladder?

Are you on the ladder yet? The successor should complete the following decision tree to establish if they are on the succession ladder.



Current management role/responsibilities

If you have found that you are on the succession ladder, it is important to clarify the current jobs and responsibilities which each part has on the farm. Fill in the chart below to include who does what jobs and what responsibilities they have.



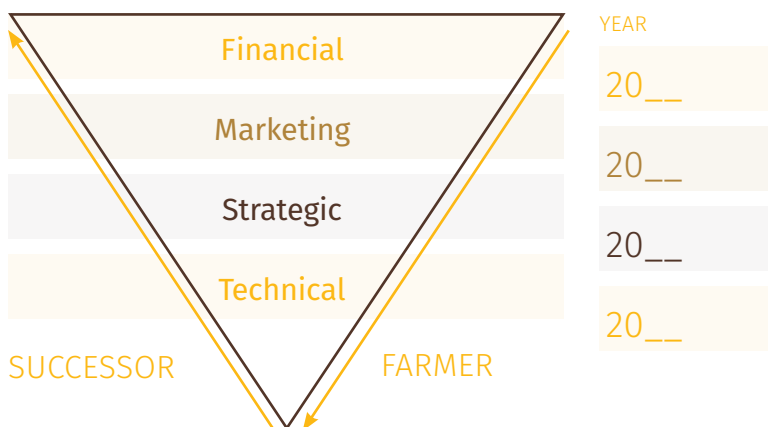
Name	Area of Responsibility	Jobs Done

Progression up the ladder:

Once you have established if the successor is on the ladder or not and if so how far on the ladder the successor is, it is then time to look at the next step. Now it is either established or not that the successor is on the ladder.

Look at how long has the successor been doing the specific jobs and has had the specific responsibilities. Complete the time plan below to include the year and the relevant level of management.

Time scale



PARTNERSHIP

A partnership is a structure which supports the successor to get on the ladder and formalises this. It allows the successor to exercise some level of management on the farm, either on their own or with the farmer, they need a chance to learn and develop the skills to manage the farm and get used to the different levels of management.

What is a Partnership?

A registered farm partnership is a legal business arrangement where two or more individuals come together combining their respective resources to achieve mutual benefits. This is recognized by the Department of Agriculture.

Partnerships are capable of dealing with a wide range of scenarios and multiple partners, including companies. To safeguard land title, land is licensed by the land owner for use by the partnership and a clear cessation mechanism can be provided for in the agreement.

Benefits of a Farm Partnership:

- Formalises the succession ladder process
- Puts a formal, legal arrangement in place to share responsibility and profit from the farm
- Both individuals bring skills and knowledge to the business, the older farmer has broad and farm specific knowledge and the younger farmer might have new skills and knowledge from college and experience gained from another farm, perhaps abroad.
- Farmer retains full ownership of the assets and can transfer some or all of the assets at whatever stage the farmer wants
- Gives the younger farmer the opportunity to develop skills and knowledge in the practical running of the farm
- Provides a boost to the farm with two people sharing the management and responsibilities.

To Form a Farm Partnership there are a number of key requirements

> Your accountant will need to register the partnership with Revenue using the TR1 form and make an annual report to Revenue using the FIRMS 1 form. This is an important but relatively straightforward process. It is generally advised that partnership should begin in-line with the end of the previous tax year. That means if the previous tax year ended on the 31st of December, the partnership should begin on the following 1st of January.

> While template agreements are available from Teagasc they are only templates. Legal advice must be sought from a solicitor to tailor the template agreement to suit the particular circumstances in any situation. This may include the addition of clauses in some situations and the removal of clauses in others.

> Once the written agreement is completed and signed, it needs to be kept up to date. Any change to the original circumstances on which the agreement was signed requires an amendment in the written agreement. For example, in a partnership where the profit-share has been changed over time, the written agreement must be amended each year to reflect this.

> Ask yourself, what difference will the partnership make to the day to day work on the farm? To answer this, you should complete the template "On-farm Agreement" to cover the day to day practicalities. There are three key areas to this document.

- > Roles/Responsibilities/Record Keeping/Decision making
- > Structure the labour input/weekends off/holidays
- > Profit Share/Salaries/monthly drawings

Other options for progression:

When the successor has started to become involved in the management of the farm it is then important to start looking at the plan to progress up the ladder.

The simplest way to progress up the ladder is to follow the steps by transferring the different levels of management to the successor at set periods of time but there are a number of other options for progression:

Lease:

A young farmer could lease their own land or farm and establish their own enterprise. The young farmer can farm some of the existing stock on the farm or purchase new stock but can farm on their own or use resources from the home farm. In this situation the succession ladder should still be used for the home farm but the rate at which the successor climbs the ladder might be slower due to the level of responsibility they have on their own farm and the amount of time this takes up. The young farmer could also lease some or all of the land from the farmer and pay for it. This provides the farmers with a level of income and the successor with full management control of the farm that they are renting.

Alternative Enterprise:

A young farmer could establish an alternative enterprise on the home farm like growing vegetables or fruit for market sale or where there is a mixed enterprise on the farm the young farmer can take full control of that enterprise or else establish a second enterprise on the farm. The purchase of stock for that enterprise can be done by the farmer, young farmer or both. The young farmer takes full management responsibility for this enterprise and this can also be combined with the purchase or lease of land. In this situation the successor purchases their own stock and uses the existing land but retains full control of the management of that enterprise.

Transfer / Purchase Land:

A young farmer could purchase a piece of land or a farm, to farm themselves or a piece of land could be transferred to them from the existing farmer. This allows the young farmer to establish capital on their own. This land can be farmed using the current enterprises from the farm or the young farmer could purchase their own stock for the land.

Successor motivation

Another key consideration to keep in mind is the financial incentive which should be linked to each step on the ladder. As the successor increases responsibility this should be linked to an increase in wage or increase in their share of profits on the farm. This keeps the successor interested and also provides an incentive to work hard and progress to the next stage of responsibility

The financial incentive could also be included as an increase in assets either as a transfer from the farmer or the purchase or rent of stock by the successor to increase the land or stocking rate of the farm.

As the successor gets more involved in the farm and as time passes, their needs will change. As they get older they will need increased income with marriage and children and also require land and collateral for the purchase or building of a home.

Consideration should be made for this change and an awareness of this should be addressed in the plan.



What level of financial reward is linked to level of management?

Income/ Profit Share

Level of Management	Main Responsibilities	Wages/Income/ Profit Share
Financial Having the cheque book		
Marketing Decide when to sell		
Strategic Long Term Planning		
Technical Day to Day Running		

Capital:

Consideration should be given to the options for establishing capital on the farm. The young farmer might need this capital for a mortgage, loans, etc. Options where capital can be established include:

- Partial transfer of the farm
- Purchase of land
- Purchase of stock for the farm

06 & 07 Plans for the future



06 Next Steps

Having reached the stage where you have engaged in the communication process and have discussed with your family all the issues in relation to succession and inheritance and the available options.

It may be time to come to a final decision and complete the succession plan which is available at the back of this book.

Put into action

Using all the information that you have collated so far in this manual sit with your successor(s) and put a plan on paper and then into action.

This plan can be changed and reviewed and recommended to do so annually. Use the succession plan template at the back of this book to assist you with this process.

Steps to take if you cannot get to a decision

01 Contact a mediator:

Mediators are trained to deal with issues, conflict and emotions.

A mediator will help you to make a decision and the best outcome to suit the family and understand the best plan is made.

02 Division:

If the family fail to reach a positive outcome, you could consider the possibility of dividing the farm or giving a payment to the different parties involved.

03 Selling:

If a resolution cannot be achieved the option of selling the farm and dividing the proceeds is another consideration. This option is a last resort but one which can also be considered.

Support Publications & Websites:

Teagasc: www.teagasc.ie

Mediation Service: www.themii.ie

Making a Valid Will

Making a will can be more complicated than one realises. It is very important that a will is made early and it is not something to be frightened of. Using a personal affairs checklist can help in a coherent way to gather all the required information to complete your will.

An example can be found at www.condolan.ie/personal_affairs_checklist.pdf

Consult a solicitor who will guide and advise you through the confidential process of making a will for the benefit of your loved ones, while providing the assurance that what you have written is legal and valid.

For a will to be valid in Ireland:

The person making the will must:

- > Be aged 18 or over (or be – or have been married)
- > Act of their own free will
- > Be of sound mind, memory and understanding
- > Must know the nature and extent of his/her property and be capable of recalling all of the people who may expect to benefit from his/her estate

The document must:

- > Be in writing
- > Be signed by the person making the will (or by someone in their presence and by their direction)
- > Have a signature which is witnessed by two people, both present at the same time
- > Be signed by both witnesses in the presence of the person making the will
- > Not benefit a witness or their spouse

A will should contain:

- > The testator's name and address & current date
- > A revocation clause
- > A clause appointing at least one (pref 2 or more) executors
- > A list of legacies (gifts of money or goods) & devises (gifts of real property)
- > A residuary clause, disposing of the remainder of the estate
- > Testator's signature
- > Attestation clause or testimonium

A "Will" is a document which outlines how your assets should be divided when you pass away.



07 Farm Transfer

The transfer of the farm can be a straight forward process once the farm owner knows to whom the farm will be transferred to.

The key people involved in the transfer of the farm are listed below in order of priority.

Each of these have a role and key responsibilities in ensuring the smooth transfer of the farm.

01 FAMILY MEMBERS

Role:

To help and support the transferor make the best and fairest decision for the farm

Responsibilities:

- Discuss openly their aspiration from the farm
 - Agree on a divide of assets if appropriate
 - Attend meetings with professionals if required
 - Ensure transferors future needs are met
-

02 AGRICULTURAL ADVISOR

Role:

To listen to the clients wishes, advise and facilitate the transfer of the farm business

Responsibilities:

- Facilitate discussion with those directly involved in the farm business
 - Give initial advice on taxation and legal issues
 - Advise on best options for the future farm business
 - Ensure that the herd number is transferred
 - Ensure any other farm scheme paper work is transferred
-

03 FINANCIAL INSTITUTION

Role:

To provide advice on loans, capital and farm related debt

Responsibilities:

- Administer farm loans
- Provide details on any loans
- Provide details on any debts
- Transfer farm business accounts

04 AUCTIONEER

Role:

Value the assets to be transferred

Responsibilities:

- Put a value on the assets to be transferred
 - Put a value on transferees other assets
 - Ensure the valuation is correct
 - Signed document identifying the asset value
-

05 ACCOUNTANT

Role:

To ensure that the farm is transferred efficiently and all tax reliefs are availed of

Responsibilities:

- Ensure transfer of assets is achieved tax efficiently
 - Maximise agricultural relief and all other tax reliefs
 - Plan future farm income and expenditure for transferee
 - Comply with revenue
-

06 TRANSFEROR SOLICITOR

Role:

To act on behalf of the transferor and ensure the transfer of the assets is completed legally

Responsibilities:

- Ensure all legal aspects of land transfer is reviewed properly
 - Ensure that there is right of residence for the transferor and the family home is secure
 - Ensure the farmer signs the transfer deed and lodges papers
 - Ensure that rights of way are accounted for
 - Drafting of will
-

07 TRANSFEEE SOLICITOR

Role:

To act on behalf of the transferee and ensure the transfer of the assets is completed legally

Responsibilities:

- Provide legal advice on the advantages/disadvantages of receiving assets
- Receive the transfer of deeds
- Lodge stamp duty return form to revenue
- Lodge transfer papers with the property registry authority
- Drafting of will

PROFESSIONALS CONTACT DETAILS**AGRICULTURAL ADVISOR**

NAME

COMPANY

ADDRESS

TELEPHONE

EMAIL

FINANCIAL INSTITUTION

NAME

COMPANY

ADDRESS

TELEPHONE

EMAIL

AUCTIONEER

NAME

COMPANY

ADDRESS

TELEPHONE

EMAIL

ACCOUNTANT

NAME

COMPANY

ADDRESS

TELEPHONE

EMAIL

TRANSFEROR'S SOLICITOR

NAME

COMPANY

ADDRESS

TELEPHONE

EMAIL

TRANSFOREE'S SOLICITOR

NAME

COMPANY

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TELEPHONE

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COMPANY

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TELEPHONE

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COMPANY

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TELEPHONE

EMAIL

Farm Succession Plan



08 Farm Succession Plan

This is a succession plan for:

FARMER(S) NAME:

SUCCESSOR(S) NAME:

Facilitated by:

AGRICULTURAL ADVISOR:

COMPANY:

Completed on the:

DATE:

This plan is only a guide to facilitate the farmer and successor through the succession process. It does not have to be strictly followed and should be reviewed and updated with the facilitator on an annual basis.

Profile of farm



Main Enterprise

2nd Enterprise

Land – owned

Land – farmed

Whole farm stocking rate

No of people working on the farm

Breeding stock numbers (cows, sucklers, ewes)

Output milk, beef, sheep (kg milk solids, kg beef, etc.)

Total value of assets

What is current level of debt (incl lease/hire purchase)?

What is current total cost of production per unit? (Refer to Teagasc Profit monitor for these figures)

Profit incl premia

Profit excluding premia

Future plans for the farm business (5-10 years)

EXERCISE
02

Family members' profile

Fill out the boxes below for all the family members. Identify each individual and their role on the farm, direct or indirect, their level and type of education, their employment status and if they have an income, pension etc.

Name	Farm Involvement	Education	Employment	Current Income Requirements	Spouse	No. of children
e.g. John	e.g. Farm Accounts, Milking etc.	e.g. Arts Degree	Teacher	e.g. Have a job and an income don't require one from farm	e.g. Yes	e.g. 2

Communication Plan

Whole Family



Conversation: Secondary School

Present

Key Points Discussed:

Key Outcomes:

Conversation: College

Present

Key Points Discussed:

Key Outcomes:

Communication Plan Successor

Conversation: Early Career

Present

Key Points Discussed:

Key Outcomes:

Conversation: Mid-Career

Present

Key Points Discussed:

Key Outcomes:

Individual Requirements and Fears for the Farm Business



Who

Position

Requirements

Fears

Who

Position

Requirements

Fears

Who

Position

Requirements

Fears

Who

Position

Requirements

Fears

Who

Position

Requirements

Fears

Who

Position

Requirements

Fears

Who

Position

Requirements

Fears

Who

Position

Requirements

Fears

Are you on the succession ladder?



Use decision tree diagram from [page 27](#) to complete this.
Are you on the succession ladder?

YES NO If "Yes" where on the ladder are you?

Management Responsibilities



Successors Current Position on the succession ladder

Financial Having the cheque book	<input type="text"/>
Marketing Decide when to sell	<input type="text"/>
Strategic Long Term Planning	<input type="text"/>
Technical Day to Day Running	<input type="text"/>

Current management role/responsibilities

Name	Area of Responsibility	Jobs Done
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Timeline



Start of Succession (date)	Role
<input type="text"/>	<input type="text"/>
Review Date:	Responsibilities:
<input type="text"/>	<input type="text"/>
Start of Next Step (date)	Role
<input type="text"/>	<input type="text"/>
Review Date:	Responsibilities:
<input type="text"/>	<input type="text"/>
Start of Next Step (date)	Role
<input type="text"/>	<input type="text"/>
Review Date:	Responsibilities:
<input type="text"/>	<input type="text"/>
Start of Next Step (date)	Role
<input type="text"/>	<input type="text"/>
Review Date:	Responsibilities:
<input type="text"/>	<input type="text"/>

Income Profit Share



Income/ Profit Share

Level of Management

Main Responsibilities

Wages/Income/ Profit Share

Financial

Having the cheque book

Marketing

Decide when to sell

Strategic

Long Term Planning

Technical

Day to Day Running

Goals Farmer

Name

Short term (1-3 years):

Intermediate term (5 years):

Long Term (10 years)

Goals Successor

Name

Short term (1-3 years):

Intermediate term (5 years):

Long Term (10 years)

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