

Focus on succession

In this edition of *Today's Farm*, we have a number of articles which focus on Teagasc activities supporting young people who plan a career in farming. Our cover story focuses on a story from Seamus Kearney about a farm family succession in Waterford. We have an article by Patrick Gowing starting on page 9, which features a young new entrant to dairying in Westmeath.

In addition, we have an article on

page 26 by James O'Donoghue on distance-learning, which enables those in full-time employment to gain their Green Cert. Our article from the Teagasc College at the National Botanic Gardens by John Mulhern points out that students can earn a Green Cert there. It's a great time to be entering farming and all Teagasc staff are working hard to assist those who make this exciting career choice. – Mark Moore

Succession done well in Waterford

Gerry Murphy had just collected his son Ger, from Dublin Airport. As they were driving back home to the family farm in Co Waterford, Ger was enthusiastically relating his experiences in Australia where he had been working for over a year. As a qualified metal fabricator, he had been impressed by the technology and earning potential in the mines of Western Australia. As Ger made it clear that he couldn't wait to get back to Oz, Gerry had a "light-bulb" moment.

"I could see that Ger was never going to come home to farm if he returned to Australia and that I had to make him an attractive offer," says Gerry, who as a young man had himself made the decision to leave a job in a bank to come home and farm.

"Dad made a promise that he would hand over the farm and the cows in a couple of years if I still wanted to farm," says Ger. "That meant I could see a real future in staying here."

According to local Teagasc advisor Seamus Kearney, there are key moments for any family when succession issues must be addressed. "Despite the fact that it's clear that succession needs to be discussed and planned to ensure that all parties' needs are met, the topic is often placed on the long finger. Sometimes, turning points can be reached (such as a potential successor considering a job offer) and if they are missed, the eventual outcome might not be the best possible.

"Gerry was shrewd to recognise that his son needed the prospect of something solid in order to commit to the farm. Too often, young people don't know for certain they will inherit the land or at least when they will have a

major say in how it's run. If parents make a conditional offer, then the younger generation can plan."

For Ger Murphy, the agreement was that if he worked on the farm for a couple of years and still wished to farm, his father would sign over a good proportion of the 240-acre farm and stock. "With retirement on the horizon, I had been reducing dairy cow numbers and considering drystock," says Gerry. "But my preference was for one of my children to take over."

Gerry and his wife Moy have five children: his daughters were not interested nor was his eldest son. "Ger had the education (both a Green Cert and his qualification as a metal fabricator) and skills to take the business forward," says Gerry.

Transition phase

When Ger began the transition phase, there was a six-unit milking parlour which meant that milking the 65 cows was a laborious process. Having put in many hours milking, Ger began making innovations to make running the farm less labour-intensive.

Once Ger had taken over the business, he also set about investing in new capacity. "If succession has not been resolved it can act as a brake on investment," says Seamus Kearney. "No one is keen to make major investments unless they see a future."

With the succession issue resolved (Gerry rejected the idea of having a partnership as an interim step on the basis that Ger had earned the right to outright ownership), Ger Murphy investigated the potential of robot milking machines. "We visited a number of farmers who are operating robot milking machines," he says. "We



and new entrants

Gerry Murphy and his son Ger.



decided to install two robots as we are up to about 105 cows and rising.

“This is another example of why the family are a great example of a well managed succession,” says Seamus Kearney. “Ger has started a new era with a substantial investment in new technology. Gerry has also genuinely stepped back – some parents continue to try to influence decisions when allegedly retired.”

According to Seamus Kearney, responsibility and the freedom to make decisions are often more important than income for young people considering a career in farming.



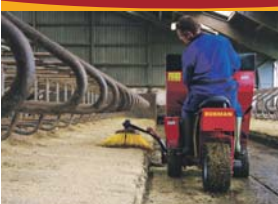
Ger, who is happy to consult his father on issues on the farm, tells about the time he was going to do the final deal on the robots. Just before he was about to leave, he said to his father: “Do you think I should go ahead and buy the robots?”

“Whatever you think is best, it’s up to you,” was Gerry’s reply. “It’s at moments like that when you have the satisfaction of knowing you’re running the business yourself,” concludes Ger.



Once Ger had taken over the business, he set about investing in new capacity

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Dr Monica Gorman of UCD, Tomás Russell and Teagasc director, Professor Gerry Boyle, at the launch of the *Farm Succession & Transfer Guide*.

Teagasc guide to farm succession and transfer

Teagasc has produced a new *Farm Succession & Transfer Guide*, which aims to support farm families in making decisions on succession and farm transfer. Tomás Russell of Teagasc/UCD, and author of the book, said: “This book provides farm families with a step-by-step guide through the processes of succession, helping them to deal with the emotional and complex issues involved in identifying a successor and discussing the future of the farm.”

Through information and self-complete exercises, it helps farm families to tease out the various issues relating to the farm transfer. It addresses key issues such as the potential of the farm, the role and implications of other family members, communication, management responsibilities and farm transfer. This is a book which should be completed with the help and support of the farm family, Teagasc advisor and other key professionals.

The book was created by Tomás Russell, as part of his PhD study in the Teagasc/UCD Agricultural Innovation Support Programme. His studies were funded through the Teagasc Walsh Fellowship Programme. The

guide was produced with collaboration from farmer representative organisations, as well as the banking and legal sectors and a number of farmers and successors who are currently confronting this challenge.

Tomás Russell said: “Starting the conversation on succession and farm transfer with the family can be one of the most difficult tasks and keeping the lines of communication open can help farm families to go through the process while minimising conflict and anger.”

Those interested in getting a copy of this booklet should contact their local Teagasc office. The publication is chargeable, but free to Teagasc clients.



Tips for succession

- Communicate: It is sometimes easier said than done. It may be better to have discussions away from the home farm.
- If a young person begins discussing a full-time off-farm job, they may really be asking: “Have I a future around here?”
- Genuine responsibility and the power to make decisions are often more important to a young person than income.
- The rights and expectations of parents/grandparents/siblings should all be discussed and addressed.
 - A partnership or a concrete offer to pass on ownership subject to a successful period working on or managing the farm may be a way to manage risk while meeting the aspirations of the potential successor.
 - Newly installed successors will value support but must be allowed to manage the farm without unwanted interference from retirees.
 - An outside view can be useful. Many Teagasc advisors work with farm families on succession.