Crops, Environment and Land-Use Programme

Oak Park

CROPS COSTS AND RETURNS 2019

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teagasc

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Crop Margins

The Teagasc Crops Costs & Returns are intended as an indicative guide to crop margins; however land suitability, rotation, risk avoidance and husbandry skills must also be considered. As well as completing crop margins, all growers are strongly advised to complete a full financial appraisal of their business using the Teagasc Profit Monitor and Teagasc Machinery Costs Calculator.

There is little difference in margins between the feed cereals. Non-cereal break crops offer benefits in terms of rotation, workload and risk-spreading but the sale of inter-farm produce needs careful planning to ensure profitable crops. In the case of malting barley, food-grade oats and milling wheat, the availability of contracts and fulfillment of specific contract requirements such as specified varieties, quality parameters and input purchases need to be appraised in conjunction with the guideline margins here.

Under the Basic Payment Scheme, payments are decoupled from the crop being grown. Crop changes as a result of Crop Diversification (2 or 3-Crop Rule) need to be considered over at least a 5-year time frame, to avoid future rotational issues such as pest, weed or disease build-up. The land, on which you claim entitlements, must be maintained in "good agricultural and environmental condition" as heretofore.

Leasing entitlements; where a farmer doesn't have enough land to claim their entitlements, these surplus entitlements can be leased out without land to a farmer who has surplus land.

Note: The margins shown here do not include the Basic or Greening payments. For protein crops such as Beans/Peas the Protein Crop subsidy (€3 million over 12,000 ha = €250/ha) is included. However this payment will be reduced if the national threshold of 12,000ha is breached.

For more information see **https://www.teagasc.ie/crops/crops/greening/**

Conacre appraisal

The following table will provide a guide for growers and land owners as to the value of conacre.

1	Entitlement Value (€/ha)	
2	Gross Margin achievable (€/ha)	
3	Land issues* e.g. fertility, pH, P, K, trace elements, grass-weeds, other additional costs (€/ha)	
4	Total available for rent + contribute to fixed costs + profit (€/ha) (1+2) - 3	

* Growers also need to evaluate potential costs due to Greening when considering land rental.

Material Costs

Level of yield has a major influence on profitability. Decisions on input strategies must be tailored for individual fields and farms. The prices of grain (+ other crop output) and fertilisers may vary considerably from those predicted. The fertiliser strategies contained within are guidelines only, hence growers are advised to complete a nutrient management plan and utilise organic manures where feasible. Timeliness and attention to detail in carrying out all operations are vital to maintaining profitability in crop production. All material costs should be optimised, consistent with good husbandry practices.

Machinery Costs

Investments in machinery require a thorough financial appraisal before any purchasing decision is taken. The average machinery cost (incl. repayments, depreciation, fuel and repairs) on 139 tillage farms (15,000 ha) in **2016** was **€293/ha**, this figure does not include labour. The cost of machinery is the largest single cost on tillage farms, typically about 30% of total growing costs and along with fertiliser and land rental account for approximately 70% of the total cost of growing crops. The total machinery costs on 14% of the farms surveyed in 2016 were higher than the estimated contractor costs, even before labour costs are taken into account. The machinery costs on these farms were analysed using the Teagasc Machinery Cost Calculator which is available from your local Teagasc Tillage Advisor.

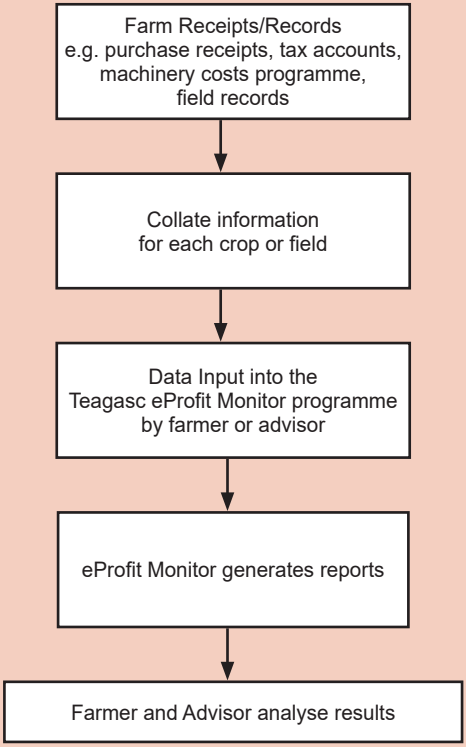
Fixed Costs

Fixed costs such as repairs and maintainance, insurance, car ESB & phone etc. (not incl. interest, machinery or land rental) are unique to each farm. The average fixed costs recorded in the 2016 and 2017 Teagasc eProfit Monitor results is approximately €182/ha. However, the data from the both years results also show that there can be a large variation in fixed costs (€147 - 230/ha) depending on each individual situation. Therefore, since fixed costs are largely unique to each individual farm, all farmers should calculate their own costs rather than using standard industry figures. The eProfit Monitor can be used calculate these figures for farmers.

e-Profit Monitor

The Teagasc eProfit Monitor (ePM) is an online financial analysis tool that farmers can use to record the income and expenditure on farm for each specific enterprise and or crop in any given year. The ePM records both variable and fixed costs on the farm. The tool can help farmers to calculate both the gross and net profit of each individual crop on the own farm. The information is specific to the farmers own farm and the analysis simply shows what the farm made in terms of income from each crop and where your money was spent. The ePM records can then be used by the farmer to compare the performance of different crops on their own farm, these can also be compared against other farmers results with your advisor or in a discussion group format, they can also be compared against the national results which can be found here **https://www.teagasc.ie/crops/crops/crops-margins--ecrops/.** Farmers can then benchmark their own performance against their peers and then investigate areas in which they may improve. The results can also be compared over different years and in this way farmers can see trends in crop performance. For further details contact your local Teagasc office.

Four simple steps to farm completing EPM;



EXPLANATORY NOTES

Fixed or Overhead Costs per Hectare

Grass weed control (cultural/glyphosate) €18, Lime €20, Maintenance of Land and Fences, Car, Phone, ESB, regular hired labour and professional/agronomist fees etc (Approx. €182/ha Source 2016/2017 ePM)

Vat is excluded from input costs and outputs

A. INPUT COSTS: CEREAL CROP €/ha

Seed: €560 /t Blue Label (Extra dressings/ton: Deter €170; Latitude: €210 barley, €310 wheat)

Rate: W. Wheat - 150 kg/ha; W. Barley (+ Deter) - 170 kg/ha
W + S Oats - 160 kg/ha; S. Barley & S. Wheat - 170 kg/ha

Fertiliser:	Total Fertiliser (kg/ha)			Fertiliser Bags (No. of 50kg bags/ha)			
	N	P	K	CAN + S	Cmpnd*	50% K	€/ha
W. Wheat	250	37	110	15.8	7.4	1.4	€439
W. Barley	210	37	100	12.8	7.4	1.0	€383
W. Oats	150	37	130	8.4	7.4	2.2	€339
S. Wheat	190	29	110	9.3	9.8	0.5	€364
S. Barley	165	29	100	7.5	9.8	-	€326
Malt Barley	155	29	100	6.8	9.8	-	€315
S. Oats	131	29	111	5.0	9.8	0.5	€297
CAN + S @ €315/t; ***S. Cereals** 13-6-20 @ €425/t; ***W. Cereals** 10-10-20 @ €435/t; 50% K @ €410/t							

N = Index 1 + yield bonus; P & K = Index 3 + yield bonus. Based on SI No. 31 of 2014.

P & K Build Up – At soil Index 1 & 2 additional P & K will cost €55 & 35/ha respectively.

Herbicides:	W. Wheat & W. Barley €56/ha; S Wheat & S Barley €45/ha; Oats €30/ha		
Fungicides:			**€/ha**
	Winter Wheat:		
	T0:Chlorothalonil (CTL)+/- Morph	€11	
	T1: Eyespot + B.S. + CTL @ 3rd last leaf fully emerged	€61	€193
	T2: Broad Spectrum (B.S.) + CTL. @ G.S. 39	€71	
	T3: B.S. (incl. triazole) @ G.S. 55-60	€50	
	Spring Wheat:		
	T1: 1/2 rate (B.S. + Morph. + CTL) @ G.S. 30-32	€31	
	T2: B.S. + CTL. @ G.S. 37-39	€56	€127
	T3: B.S. (incl. triazole) @ G.S. 55-60	€40	
	S. Barley: 2 Fungicides (Triazole/SDHI/Strob) G.S. 30, GS 37-49		€91
	Winter Barley: 3 Fungicides (Triazole/SDHI/Strob) G.S. 30/31, 32-37, 49		€136
	W. Oats: Triazole + morph at T1+T2, Triazole + Strob at T3		€105
	S. Oats: Reduced Rates W. Oats		€80
Insecticides:	Winter wheat: Reduced Slug Pellets (€13/ha) + Aphicide (€10/ha)		€23
	Winter barley: Deter €27/ha + contact €5/ha		€32
	Other Cereals: Aphicide (€5 - €10/ha)		€5
Growth Regulators:	W. Wheat, W & S Oats	=	€15
	Spring Wheat	=	€10
	Winter Barley	=	€30
Hire Machinery:	Plough (€78/ha), Till, Sow & Roll (€98/ha)	=	€177
	Spraying (@ €18/ha):		
	W. Wheat: Weeds + Aphids, PGR, Fungicide x 3	=	€101
	S. Wheat: Weeds + Aphids, PGR/Fungicide x 3	=	€81
	W. Barley: Weeds + Aphids, PGR/Fungicide x 3	=	€81
	S. Barley: Weeds + Aphids, Fungicide x 2	=	€60
	W. Oats: Weeds + Aphids, PGR/Fungicide x 3	=	€81
	Fertiliser Spreading (@ €18/ha)	=	€35-52
	Harvesting	=	€121
Interest 6%:	Seed + Fertiliser + 0.5 Agchem; Winter - 10 months; Spring - 6 months		

2019 CEREAL CROP MARGINS

Variable Costs excl. VAT (€/ha)

	WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
MATERIALS	**810**	**649**	**731**	**565**	**558**	**585**	**523**
Seed	84	98	94	98	98	91	96
Fertilisers	439	364	383	326	315	339	297
Sprays:							
Herbicides	56	45	56	45	45	30	30
Fungicides	193	127	136	91	96	105	80
Insecticides	23	5	32	5	5	5	5
Growth Regulators	15	10	30	0	0	15	15
HIRE MACHINERY	**450**	**430**	**430**	**393**	**393**	**413**	**413**
Plough, One-pass & Roll	177	177	177	177	177	177	177
Spray	101	81	81	60	60	81	81
Fertiliser Spreading	52	52	52	35	35	35	35
Harvesting	121	121	121	121	121	121	121
MISCELLANEOUS	**99**	**71**	**90**	**63**	**60**	**79**	**59**
Interest (6%)	33	17	30	15	15	25	14
Transport (€ 6/Tonne)	66	54	60	48	45	54	45
TOTAL VARIABLE COSTS	**1360**	**1150**	**1251**	**1021**	**1011**	**1077**	**995**
Break-even yield (grain only)	8.0	6.8	7.8	6.4	5.6	7.0	6.4
Cost per tonne @ target yields*	124	128	125	128	135	120	133
Net Price (€/Tonne)	170	170	160	160	180	155	155
AID (BPS) = NOT included	0	0	0	0	0	0	0
Straw (€/ha)	243	198	300	250	250	248	216

Gross Margins (€//hectare)

(Incl. Straw)

	WHEAT		FEED BARLEY		MALTING	FEED OATS	
Tonnes/hectare	Winter	Spring	Winter	BARLEY Spring		Winter	Spring
6.5	-12	153	89	269	409	178	229
7.5	158	323	249	429	589	333	384
8.0	243	408	329	509	679	411	461
9.0	413	578	489	669	859	566	616
10.0	583	748	649	829	1039	721	
11.0	753		809				
12.0	923		969				

*Crop margins are underlined for the various crop target yields.
Totals may not agree due to rounding
An online version of this calculator is available at **www.teagasc.ie/crops**

B. INPUT COSTS: NON CEREAL CROPS €/ha

Fertilisers/ha

Beet:	1,000 kg Beet cmpnd @	€400/t	=	€400	
	400 kg CAN + S @	€315/t	=	€126	€526
Maize:	620 kg 0-7-30 @	€405/t	=	€251	
	670 kg CAN + S	€315/t	=	€211	€462
Potatoes:	1235 kg 7.6.17 + S	€475/t	=	€587	
	250 kg CAN	€315/t	=	€79	€665
Beans/Peas:	370 kg 0-7-30	€405/t		€150	€150
Winter OSR:	370 kg 10-10-20 @	€435/t	=	€161	
	250 kg Urea @	€390/t	=	€98	€347
	280 kg ASN @	€315/t	=	€88	
Spring OSR:	370 kg 13-6-20 @	€425/t	=	€157	€261
	330 kg CAN+S @	€315/t	=	€10	

Interest 6%: Beet, Maize, WOSR & Potatoes = 7 Months; Beans = 6 Months; SOSR & Peas = 5 Months

Forward selling

The selling price of the grain is the principal driver of profitability on tillage farms, however, prices at harvest are often at their lowest point in the year. Most companies now offer farmers the opportunity to sell grain at different times of the year in order to reduce the risk of selling below cost. In order to forward sell growers need to know the cost of producing the grain on their farm. The tables below are based on the variable costs in this booklet and show the cost per tonne of producing grain at different yields excluding straw. Obviously the higher the yield the lower the cost per tonne will be as generally most crops receive a similar spend on inputs.

Estimated cereal costs/tonne excl. straw

T/ha	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
6.5	209	177	193	157	156	166	153
7.5	181	153	167	136	135	144	133
8	170	144	156	128	126	135	125
9	151	128	139	113	112	120	111
10	136	115	125	102	101	108	100
11	124		114				
12	113						

Costs per tonne excl. straw or protein payments

T/ha	Peas	Beans	Oilseed Rape	
			Winter	Spring
2.0	460	459	617	443
2.5	368	368	493	354
3.0	307	306	411	295
4.0	230	230	308	221
4.5	205	204	274	197
5.0	184	184	247	177
5.5	167	167	224	161
6.0	153	153	206	148

Note; Figures above based on total variable costs

Note; Farmers should calculate the costs per tonne over the three most recent harvests before making any decision to forward sell. This will give a more realistic figure to base the calculations on. The calculation is based on the total variable costs, including machinery costs, divided by the average yield.

2019 NON-CEREAL CROP MARGINS

Variable Costs excl. VAT (€ /hectare)

	FODDER Beet	Potatoes Main Crop	MAIZE Covered	PEAS Feed	BEANS	OILSEED RAPE Winter	OILSEED RAPE Spring
MATERIALS	**974**	**2895**	**760**	**470**	**478**	**668**	**389**
Seed	173	1500	188	153	161	80	90
Fertilisers	526	665	462	150	150	347	261
Sprays:							
Herbicides	205	106	110	80	80	121	30
Fungicides	30	503	0	80	80	91	0
Insecticides	40	120	0	7	7	30	8
HIRE MACHINERY	**665**	**2431**	**672**	**397**	**394**	**508**	**468**
Plough, Till and Sow	250	775	337	177	177	177	177
Roll	0	0	0	18	18	18	18
Spray	81	362	0	60	60	101	60
Fertiliser Spreading	35	35	35	17	17	52	52
Swathing/Dessication	0	84	0	0	0	40	40
Harvesting (grading into store)	300	1175	300	124	121	121	121
MISCELLANEOUS	**424**	**4181**	**287**	**54**	**47**	**57**	**28**
Interest (6%)	34	101	27	12	14	23	10
Transport (€6/Tonne)**	390	240	0	30	33	27	18
Bird Control	0	0	0	12	0	6	0
Plastic Film/Potato storage***	0	3840	260	0	0	0	0
TOTAL VARIABLE COSTS	**2063**	**9507**	**1718**	**920**	**919**	**1233**	**885**
Break-even yield (excl. BPS)	51.6	38.0	34.4	4.4	4.6	3.5	2.5
Net Price (€ /Tonne)	40	250	50	210	200	350	350
(Protein Crops Scheme)	0	0	0	250	250	0	0

Gross Margins (€ /ha)*

Tonnes/hectare (Maize, beet & potatoes)	Tonnes/ha Pulses/OSR	BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE Winter	OILSEED RAPE Spring
	2.0							-185
	2.5							-10
30	3.0		-2007	-218		-69	-183	165
35	4.0		-757	32	170	131	167	515
40	4.5	-463	493	282	275	231	342	690
50	5.0	-63	2993	782	380	331	517	
55	5.5	137		1032	485	431		
65	6.0	537		1532	590	531		
70		737						
75		937						
80		1137						

Totals may not agree due to rounding

* Gross margin does not include storage costs for beet or maize. ** Transport cost of €6/tonne at target yields. Maize harvesting cost includes transport to pit (4-5 trailers). ***Potato storage cost @ €16/t per month for 6 months at target yields

Note: Irrigation costs of approximately €175 /ha per application can be added to machinery costs when needed.

2019 CEREAL CROP MARGINS

Variable Costs excl. VAT (€/ac)

	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
MATERIALS	**328**	**263**	**296**	**229**	**226**	**237**	**212**
Seed	34	40	38	40	40	37	39
Fertilisers	178	147	155	132	127	137	120
Sprays:							
Herbicides	23	18	23	18	18	12	12
Fungicides	78	51	55	37	39	42	32
Insecticides	9	2	13	2	2	2	2
Growth Regulators	6	4	12	0	0	6	6
HIRE MACHINERY	**182**	**174**	**174**	**159**	**159**	**167**	**167**
Plough, One-pass & Roll	72	72	72	72	72	72	72
Spray	41	33	33	24	24	33	33
Fertiliser Spreading	21	21	21	14	14	14	14
Harvesting	49	49	49	49	49	49	49
MISCELLANEOUS	**40**	**29**	**37**	**25**	**24**	**32**	**24**
Interest (6%)	13	7	12	6	6	10	6
Transport (€ 6/Tonne)	27	22	24	19	18	22	18
TOTAL VARIABLE COSTS	**550**	**465**	**506**	**413**	**409**	**436**	**403**
Break-even yield (grain only)	3.2	2.7	3.2	2.6	2.3	2.8	2.6
Cost per tonne @ target yields*	125	129	127	129	136	121	134
Net Price (€/Tonne)	170	170	160	160	180	155	155
AID (SFP)=NOT included	0	0	0	0	0	0	0
Straw (€/ac)	98	80	121	101	101	100	87

Gross Margins (€/acre)

(Incl. Straw)

Tonnes/acre	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
2.6	-10	57	31	104	160	67	88
3.0	58	125	95	168	232	129	150
3.2	92	159	127	200	268	160	181
3.6	160	227	191	264	340	222	243
4.0	228	295	255	328	412	284	
4.4	296		319				
4.9	381						

*Crop margins are underlined for the various crop target yields.
Totals may not agree due to rounding
An online version of this calculator is available at **www.teagasc.ie/crops/crops_margins**

2019 NON-CEREAL CROP MARGINS

Variable Costs excl. VAT (€ /ac)

	FODDER Beet	Potatoes Main Crop	MAIZE Covered	PEAS Feed	BEANS	OILSEED RAPE Winter	OILSEED RAPE Spring
MATERIALS	**394**	**1171**	**308**	**190**	**193**	**270**	**158**
Seed	70	607	76	62	65	32	36
Fertilisers	213	269	187	61	61	140	106
Sprays:							
Herbicides	83	43	45	32	32	49	12
Fungicides	12	204	0	32	32	37	0
Insecticides	16	49	0	3	3	12	3
HIRE MACHINERY	**269**	**984**	**272**	**161**	**159**	**206**	**189**
Plough, Till and Sow	101	314	136	72	72	72	72
Roll	0	0	0	7	7	7	7
Spray/Irrigation	33	147	0	24	24	41	24
Fertiliser Spreading	14	14	14	7	7	21	21
Swathing/Dessication	0	34	0	0	0	16	16
Harvesting (grading into store)	121	476	121	50	49	49	49
MISCELLANEOUS	**172**	**1692**	**116**	**22**	**19**	**23**	**11**
Interest (6%)	14	41	11	5	6	9	4
Transport (€6/Tonne)**	158	97	0	12	13	11	7
Bird Control	0	0	0	5	0	3	0
Plastic Film/Potato Storage***	0	1554	105	0	0	0	0
TOTAL VARIABLE COSTS	**835**	**3847**	**695**	**373**	**372**	**499**	**358**
Break-even yield (excl. BPS)	20.9	15.4	13.9	1.8	1.9	1.4	1.0
Net Price (€ /Tonne)	40	250	50	210	200	350	350
(Protein Crop Subsidy)	0	0	0	101	101	0	0

Gross Margins (€/ac)*

Tonnes/acre (Maize, beet & potatoes)	Tonnes/ac Pulses/OSR	BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE Winter	OILSEED RAPE Spring
	1.0							-8
12	1.2		-847	-95			-79	62
14	1.4		-347	5	23	9	-9	132
16	2.0	-195	153	105	149	129	201	342
20	2.2	-35	1153	305	191	169	271	
22	2.4	45		405	233	209		
26	2.6	205		605	275	249		
28		285						
30		365						
32		445						

Totals may not agree due to rounding
* Gross margin does not include storage costs for beet or maize
** Transport cost of €6/tonne at target yields. ***Potato storage cost @ €16/t per month for 6 months at target yields
Note: Irrigation costs of approximately €70 /ac per application can be added to machinery costs when needed.

CROP BUDGETS & SHARE- FARMING

Variable Costs excl. VAT (€/Acre)

		WINTER WHEAT		SPRING BARLEY		SHARE FARMING	
		Your Figures	Teagasc Figures	Your Figures	Teagasc Figures	Landowner Share Crop 1	Landowner Share Crop 2
MATERIALS (**A** =B+C+D+E+F+G)	A		**328**		**229**		
Seed	B		34		40		
Fertilisers	C		178		132		
Sprays:							
Herbicides	D		23		18		
Fungicides	E		78		37		
Insecticides	F		9		2		
Growth Regulators	G		6		0		
HIRE MACHINERY (**H** = I+J+K+L)	H		**182**		**159**		
Plough, Till and Sow	I		72		72		
Spray	J		41		24		
Fertiliser Spreading	K		21		14		
Harvesting	L		49		49		
MISCELLANEOUS (**M** =N+O)	M		**40**		**25**		
Interest (6%)	N		13		6		
Transport (€6/Tonne)	O		27		19		
TOTAL VARIABLE COSTS (**P** = A+H+M)	P		**550**		**413**		
Tonnes to cover variable costs (**Q** = P/R)	Q		3.2		2.6		
Net Price (€/Tonne)	R		170		160		
AID (€/Acre)	S		0		0		
Straw (€/Acre)	T		98		101		
Projected yield	U		4.4		3.2		
Gross Margins (€/Acre) (V = (R*U)+S+T-P)	V		**296**		**200**		

Totals may not agree due to rounding.
See share-farming notes on back page

2019 FORAGE CROP MARGINS

Variable Costs excl. VAT (€/hectare)

Crops for use on farm	F. BEET	W'CROP WINTER WHEAT	KALE	RAPE	STUBBLE TURNIPS	MAIZE
MATERIALS	**974**	**810**	**489**	**320**	**168**	**1020**
Seed	173	84	78	20	28	188
Fertilisers	526	439	351	300	140	462
Plastic Film	0	0	0	0	0	260
Sprays:						
Herbicides	205	56	60	0	0	110
Fungicides	30	193	0	0	0	0
Insecticides	40	23	0	0	0	0
Growth regulator		15				
HIRE MACHINERY	**995**	**615**	**215**	**195**	**97**	**672**
Seedbed Prep + sow	250	177	177	177	80	337
Spray	81	101	20	0	0	0
Fertiliser Spreading	35	52	17	17	17	35
Harvesting+COVERING	300	285	0	0	0	300
Washing and chopping	330	0	0	0	0	0
MISCELLANEOUS						
Interest 6%	34	33	24	16	8	27
TOTAL VARIABLE COSTS	**2003**	**1458**	**729**	**530**	**274**	**1718**
GREEN YIELD (Tonnes/hectare) Leaves(+roots) Fresh wt.	124	30	37	42	25	55
DRY MATTER (Tonnes/hectare)	13.0	12.5	6.0	3.5	2.5	15.0
COST (€/Tonne utilised DM)	154	117	121	151	110	115
UFL Value (Kg DM)	1.12	0.8	1.05	1.1	1.2	0.8

Totals may not agree due to rounding.
The table above is based on all crops being utilised on the farm on which they are grown therefore no transport charges apply.

Comment on Forage Crop Costs

The convenience of growing, storing, feeding and animal performance, are important considerations when deciding which fodder crop to grow. As well as costs per ton of dry matter, forage crops should also be evaluated on net energy (UFL), protein content and feeding system to discern a more complete value. One UFL equals the energy content of 1kg of dried barley.

The opportunity cost of land should be taken into account when making comparisons of fodder and bought in feed. Thus a rental charge of €400/ha may be applied for a full year in the case of grazed grass, maize and whole crop cereals but proportionally less in the case of grass silage and brassicas.

Share farming

Share Farming is an agreement between two individuals (or two businesses) to jointly manage a farming operation. This legal agreement allows both the grower and the landowner to farm as separate legal entities but share in the risks and rewards of growing crops. As both individuals remain separate business entities, they can continue to claim the EU/DAFM payments etc. in their own name as normal.

Key points:

- Share Farming is fully compliant with EU/DAFM schemes
- The agreement is not land rental or a Partnership agreement
- The output generated from the land are to reward the
  - Landowner for the land, labour and inputs supplied
  - Share farmer for labour, expertise and inputs supplied
- Both parties are separate business entities and must not open or operate joint accounts to run the farming operation
- Share farming is compatible with the Basic Payment Scheme and Greening, subject to conditions.

A template of a Share Farm Agreement is available on (**www.teagasc.ie**) which also displays example agreements. Contact your local advisor for more details.

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