



Farming Family Future

LFB are Strategic Tax Advisers and Accountants for Farmers. We prepare many sets of farm accounts and the benchmarking of farming businesses is still a very important part of what we do – we have had clients who have joined us because of the benchmarking!

The strategic tax work dovetails into family farm structures. This has been a natural progression of the work we carry out

- Joint ventures between neighbours
- Family succession planning
- Family disputes
- Family Constitutions and Family Agreements
- Planning for development gains – which links in with family agreements

It is interesting how a family meeting discussing communication and transparency can positively change the family atmosphere.

It is also interesting how substantial windfall gains from development land sales can destroy family relationships if not planned for in advance.

Benchmarking results are hugely influenced not only by technical or financial efficiency but also by what we call the soft skills.

The Future

Our latest benchmarking results show that 84% of the average profit consists of BPS, bottom 25% more than 100% and top group still 52%. These numbers clearly show the impact we are going to be facing.

Another largely hidden impact we could be facing in the industry is wellbeing and depression as many families will attempt to struggle on – this will creep up on us slowly and unfortunately may remain under the radar.

Most farming businesses will benefit from some form of collaboration – this has the benefit of addressing the wellbeing problem as well as financial efficiency – is it a missed opportunity by DEFRA to not include financial incentives replacing BPS to promote and assist collaboration?

Machinery capital is the largest cost in the arable sector - it makes sense to be part of a machinery syndicate and in addition have a share farming agreement on the cropping.

The farming family with good communication has a huge strength – farming families collaborating is the future of our industry.

Gary Markham

