



More farmers now leveraging land assets

A survey of farmers attending its 'off farm' investment roadshows, including one in Cork, by Farrelly and Mitchell, Business and Property Consultants, has shown an increasing number of farmers wanting to leverage the value of their land assets to grow their personal wealth.

Results of the survey show that farmers are becoming increasingly aware of the opportunity to create wealth from outside their traditional farm enterprises, specifically by using the huge value locked up in their land to secure bank borrowing for off-farm investments.

The results showed that nearly 60% of 200 farmers surveyed intended to invest off-farm within the next 12 months and of those, over 50% intended to invest more than €100,000. Only 17% of respondents intended to invest at that level on-farm in the next 12 months.

Farrelly & Mitchell's Managing Partner, Malachy Mitchell said, "Relatively low borrowing costs and highly valuable land assets along with reducing cash incomes is generating investment planning needs and opportunities for progressive farmers today. Many farmers are seeing that

there are opportunities to create wealth from outside their traditional farm enterprises."

Most of those surveyed wanted to invest in two to three different off-farm investment categories, but the most popular investment category with farmers was commercial property syndicates (41%), followed by shares (33%) and overseas property (27%).

Malachy Mitchell also sounded a note of caution; "As with any investment, farmers should do their homework on the investments, fully understand the risks involved and make sure they are investing in a trustworthy project. Farmers should also consider using land parcels that are not part of the core farming enterprise as security to obtain borrowing."

Just over 50% of farmers attending the conferences were dairy farmers. Most of these dairy farmers (62%) had a milk quota between 50 to 100 thousand gallons, giving them a solid financial footing.

Malachy Mitchell continued, "This survey has provided us with invaluable information on emerging market trends

within the off-farm investment sector in Ireland. It will assist us in developing and enhancing our range of consultancy and investment services to our clients. Farrelly & Mitchell have recently completed the acquisition of a number of major commercial mixed-use properties in Germany valued in excess of €35m on behalf of private clients. The Company are also in the advanced stages of acquiring prime development and office properties in Belfast city centre and waterfront areas. In addition, Farrelly & Mitchell will be launching major German and US commercial and development property investments over the coming weeks.

The survey was conducted using a sample of 200 farmers who attended a number of off farm investment seminars held by Farrelly and Mitchell held in Cork, Limerick, Navan and Gorey last November. Such was the interest in the seminars, Farrelly and Mitchell is convening meetings to be held on February 26 in the SAS Radisson, Letterkenny, February 27 in the Landmark Hotel, Carrick on Shannon and February 28 in the Meadowcourt Hotel, Galway.