

A joint venture

A great example of a mix 'n' match approach to creating an evolving set of agreements that suit people, time and place.



Some time ago, Robert and Janet Bostock and Philip Feeney set up business together. Robert and Janet brought their organic, 700-acre Old Hall Farm near Malpas and their successful breeding herd to the table. Phil brought his enthusiasm and his ambition but little capital.

Now, some eight years later, Robert has been able to step back into a less demanding role in the business, which was one of his main aims, while Philip has, cow by cow, been able to buy a good percentage of the milking herd and build up his equity.

How have they done it?

Initially, both parties signed a formal contract where they each received a return on the capital they invested into the joint business. This document outlined, for instance, that Philip would buy the machinery and 25% of the original 320-strong herd. Alongside this contract ran a cow hire agreement which enabled Robert to see a return on his assets while Philip milked the herd and had an agreed share of any surplus left over in the business account.

Now that the business has grown substantially, the contract farming agreement has been replaced by a 50/50 equity farming partnership between Robert, Janet and Philip that suits them better at this stage of their business's evolution.

What's been the key to their success?

"By purchasing the cows gradually, the herd size didn't have to decrease which enabled me to operate at a scale that could produce enough profits for all parties," comments Phil. "In fact, we now have 700 cows in the herd and I own half of them. The other essential ingredient, of course, is good communication."

Where next?

They all enjoy what they do and are always keen to evaluate new opportunities, to keep the farm moving forward. That could be through milking more cows on the farm or elsewhere, depending on the suitability of any proposal.