

Joint Ventures

TONY EVANS

tevens@theandersonscentre.co.uk

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FARM *business*
CONSULTANTS

Joint Ventures

Are You:

1. Looking to get into the Dairy Industry?
2. Wanting to expand?
3. Thinking about how you structure the family partnership?
4. Wanting to do less but not leave the farm?

If so, a Joint Venture is worth considering for you!!

What is a Joint Venture?

“ A business relationship between two or more people with a clear goal of optimising profit”

- Insufficient profit in a joint venture can result in failure.
- All parties involved need to trust and respect each other.
- All parties need to understand everyone's objectives and ensure they are either deliverable or deemed un-achievable before the Joint Venture starts.

Types of Joint Venture - Livestock

1. **Contract Heifer Rearing**

- Suits small dairy units to convert and consolidate cows onto bigger units.
- Allows “retirement” from day to day milking.
- Heifers get best attention – so do the cows and your capital!

2. **Contract and Share Farming**

- Similar structures to each other.
- Allows best operations to expand or develop on from herdsmen into businesses on their own.
- Rewards for risk and achievement .

3. **Equity Partnerships (LLP or Limited Company)**

- Turns family partnerships into business models to reward for capital and input (time and brains).
- Joint venture for growth and investment.

Take Home Messages

- Joint Ventures can be very successful for positive change, growth and best use of capital.
- Profit and cash must be sufficient for longevity.
- Keep it simple and understand and deliver everyone's objectives.

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