

# CASE STUDY

## Mixed Use Farm

### Background

- Bank debt £4m
- Mixed farm trading as a partnership with three generations
- Unable to fund losses without increased bank borrowing
- Partners unable to agree on sale of non-core assets and exiting dairy business
- One partner over extended as helped fund son acquire a farm in Dorset

### Moorfields Action

- Cessation of the dairy operation generating immediate cash flow via the sale of cows and young stock;
- Sale of a 25 acre plot (timeframe 3-6 months); and
- An increase in other income (rental/storage etc.) given the reduction in livestock and construction of a new barn on the property.
- IBR helped persuade dissenting partners to exit dairy, although delayed by positive TB test and problems exacerbated by consequent feed costs
- Dairy exit enabled some land to be sold
- Introduced new funder
- Bank repaid in full

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### Critical Issues

- Individual partners interests divergent
- Succession
- Partners inability to agree a strategy
- TB
- Loss making business

## CAN WE HELP?

If you would like to discuss how Moorfields can assist you with your agriculture clients, or any of the issues raised above, please contact:

**Simon Thomas**  
**0207 186 1143**