

Partnership

Rhys Williams and Dafydd Wynne Finch

Padog Farms Ltd



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Background

Rhys Williams and Dafydd Wynne Finch are co-directors of Padog Farms Ltd, a business that runs two separate joint ventures in north Wales.

Rhys was looking for opportunities for rapid equity growth in farming while Dafydd, as a farm owner, wanted someone on the ground with experience of large scale, low cost milk production. Both men had good knowledge of the concept of share farming which is common in New Zealand and wanted to replicate it.

"It was a chance meeting, not just of the people but also of the minds," Rhys explains. "Both of us knew what the other wanted and it was straightforward from there on to formulate a plan."

Partnership summary

The venture began in 2005 at Home Farm, Cefn Amwlch. The second venture followed in 2009 at Tyn Y Bryn, Pentrefoelas.

At Home Farm, a herd of 1000 spring-calving New Zealand-cross cows produces 3,200 litres on a once-a-day milking system. The business also manages 400 in-calf heifers and 400 heifer calves are reared as replacements.

At Tyn Y Bryn, 400 New Zealand-cross cows are milked twice a day for half their lactation and once a day for the remainder. This is also a spring calving herd, producing 3,500 litres to supply to Glanbia. The farm manages 80 in-calf heifers, 200 heifer calves and 30 New Zealand-cross bulls.



The philosophy of the business is to deliver a sustainable farming system for profit, in harmony with the environment, cows and people.



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“The farming system we have here encourages people to grow and develop whilst still being low in stress for the cow and the people involved in the business,” Rhys explains.

How the partnership works

Rhys and Dafydd are equal shareholders in Padog Farms Ltd. The company owns the cows and the associated working capital. The company rents Home Farm and Tyn y Bryn from Dafydd who owns the properties. Dafydd has invested in the milking platform infrastructure which includes cow tracks, the water system and milking facilities. Padog Farms pays Dafydd a rent that reflects this level of infrastructure. It also rents land from other landowners for the youngstock and some of the grass is harvested as silage for winter fodder. The profits are split equally between Rhys and Dafydd at the end of each financial year.

Rhys explained their individual roles. “I am employed by Padog Farms as operations manager and I take care of the day-to-day running of the farming activities. Dafydd is employed as accounts manager and takes care of all financial activities.”

Both shareholders have an involvement in each other’s roles and cite communication as a key to the success of the business. This is underlined with monthly meetings when physical and financial performance is discussed.

Rhys says the venture has exceeded both their expectations. “The company is based on owning cows, mutual trust and friendship strengthened by the fact that we both value and understand each other’s needs,” he says.

A major benefit for Rhys is the opportunity to build equity and to take control while the arrangement gives Dafydd peace of mind that the daily running of the business is being done responsibly. It also helps that both share the same goals and objectives, work well together and trust each other’s ability and understand the business.



Key areas for success

As a result of the joint venture Rhys is able to do the following:

- Further grow equity through a sustainable farming system in association with other people who share the same mindset.
- Create a steady income stream that allows him to spend time with his wife, Kelly, and their four children.
- Striking a good life balance between work and family life.

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