

Executive Summary

For a resilient farming system, smooth and sufficient intergenerational renewal is crucial, and it has been defined as one of nine goals for the CAP post-2020. Before implementing specific policy measures and instruments, however, policy makers must determine the degree and nature of the generational renewal problem that needs to be addressed. Also, policies need to focus on increasing the attractiveness of farming as an occupation and lifestyle, as many non-entry decisions are made before measures aimed at the young farmer start to play a role. Further policy directions include increasing the mobility of land and labour, supporting the management of extreme calamities as they involve a great risk of exit and non-entry and facilitating the provision of personal and farm-specific advice and coaching. The power and responsibility of national and regional governments to address these issues is often underestimated and overlooked.

CURRENT POLICIES FOCUS ON SUPPORTING THE YOUNG FARMER

Background and motivation

Smooth and sufficient intergenerational renewal is one of the characteristics of resilient EU-farming systems. Across the EU, however, there is a fear among stakeholders that a combination of factors might lead to a structural deficit of entry into farming, which can lead to a collapse of the farming system and a loss of the functions it provides. Official statistics confirm the greying of Europe's farmers, with only 11% of farmers under the age of 40 in general, albeit with large differences among member states. Local organisations and governments are trying to stimulate intergenerational renewal and it has been defined as one of the nine goals of the Common Agricultural Policy (CAP) post-2020.

The main policy approach has been to strengthen young farmer support. In particular, the EU executive proposed that a minimum of 2% of direct payments allocated to each EU country (Pillar 1) should be set aside for young farmers, complemented by financial support under rural development objectives and measures facilitating access to land and land transfers. Nonetheless, questions remain regarding the extent of the generational renewal problem and whether the policy approach focusing on supporting young farmers is adequate.

SURE-Farm

The SURE-Farm project aims to better understand and to improve the resilience of European farming systems. Because the resilience of farming systems is influenced by and manifested in the smoothness of the generational renewal process, the SURE-Farm project investigated the process of intergenerational renewal in 11 EU-farming systems and identified its enabling and disabling conditions. A qualitative research approach was used, using in-depth interviews with farm managers, owners, workers, parents, children, entrants and non-entrants across 86 farm businesses.



INTERGENERATIONAL RENEWAL IN EU-FARMING SYSTEMS. WHAT CAN POLICY DO?

Policy Brief

August, 2019

SURE-Farm's main policy recommendations are:

- To better consider **the policy goals** regarding the territorial extent of the generational renewal problem;
- To complement **the policy orientation** towards tackling the generational renewal problem at an earlier stage;
- To further implement **policy measures** to facilitate access to land and labour and to accommodate the capital-intensive nature of farming;
- To strengthen **policy instruments** to manage extreme calamities and to support personal and farm-specific advices and coaching.

Policy goals: consider territorial needs regarding how much intergenerational renewal and what type of farming systems to stimulate

Stakeholders and policy makers often implicitly assume that there is not enough new entry into farming. Yet, whereas it is clear that without a critical level of intergenerational renewal, farming systems risk collapsing with a loss of all functionality, the severity of the young farmer problem and the extent to which this is more the case in farming compared to other sectors is debated. Further, it is not clear-cut how much intergenerational renewal and which direction of structural change is desired or required. A good basis are the functions that farming systems provide, i.e. the delivery of private and public goods such as food provision and keeping natural resources in good conditions. It should be the ambition to maintain these functions and/or to strengthen the delivery of private or public goods currently underdeveloped without dramatically reducing the delivery of other functions. For this, a territorial rather than sectoral policy framework should be applied. Countries and regions should first determine which functions should be strengthened and based on this create enabling conditions for the level and nature of intergenerational renewal that supports the delivery of these functions. Indeed, the goal of policies should not be to assist intergenerational renewal as such, but also consider what type of farming systems are envisaged.

Policy orientation: territorial policies that increase the attractiveness of farming as an occupation

Many policy instruments intended to facilitate intergenerational renewal, i.e., the young farmer support are directed to the stage of the farm transfer process, for instance by providing specific young farmer support. Whereas these instruments may be effective to enable that particular stage, SURE-Farm has found that a great deal of non-entry decisions are made earlier.

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**NON-ENTRY
DECISIONS ARE OFTEN
MADE BEFORE YOUNG
FARMER SUPPORT
CAN PLAY A ROLE
BECAUSE FARMING IS
CONSIDERED AN
UNATTRACTIVE
OCCUPATION**

Across all EU-farming systems, the cocktail of hard work, a risk of low remuneration, administrative burden and contested societal acceptance leads many potential entrants to view farming as an unattractive occupation. If potential entrants do not develop a farmer's identity or when this development is not strong enough, measures to ease the transfer process are belated. This is one area where the dominant family farm model can be a curse to intergenerational renewal. Whereas this model certainly has advantages, such as labour flexibility, the fact that it has been bred into the farming community can also discourage (new) entry and maintains several occupational features of farming that often don't match with modern career path and work-life preferences. Policies that can increase the attractiveness of farming as an occupation can resort a big influence on the number of young people entering into farming.

Whereas these issues are not entirely specific to agriculture, farming as occupational choice often becomes a very particular lifestyle choice. Hence, policies to increase the attractiveness of farming as an occupation should consider the fact that it often becomes a lifestyle choice. Several features of this lifestyle choice are considered unattractive, such as the hard work, often isolated occupational activity and the difficult work-life balance. Policies that address these issues can have a positive impact on the attractiveness of farming and thus enable intergenerational renewal. For instance, policies that increase labour flexibility such as possibilities to hire temporary staff, that moderate peak labour and allow farmers to take holidays provide a more positive outlook on farming as occupational choice. Further, since farming as occupational choice entails a life on the countryside, the attractiveness of these rural areas is also of great influence. In several EU-countries, rural areas are often remote and lack several basic facilities which leads to an out-migration of the young generation. This leads indirectly to low entry into the agricultural sector, before farming as occupation is even considered.



On the one hand, farming as a lifestyle can become unattractive because of a number of sociological processes (changing work-life preferences, out-migration from rural areas) and policies willing to address intergenerational renewal should take these phenomena into account. On the other hand, whereas both non-entrants and entrants experience farming as a demanding occupation, the positive features of farming as a lifestyle is often what distinguishes entrants from non-entrants. Hence, policies should intend to mitigate the negative aspects without undoing all its positive features.

POLICIES NEED TO
ADDRESS THE
MOBILITY OF
PRODUCTION
FACTORS, SUPPORT
THE MANAGEMENT
OF EXTREME RISKS
AND FACILITATE
PERSONAL ADVICE

Policy measures: facilitate access to production factors

The intergenerational renewal process is very much influenced by conditions affecting the need for, access to and availability of land, capital and labour. As these conditions are largely determined by regional and national policies, this governmental level has considerable power to steer the level and the nature of intergenerational renewal and structural change. The increasing capital-intensive nature of farming, for instance, raises questions concerning its financeability, and is affected by inheritance policies, investment support policies, fiscal policies and the legal framework surrounding the organisational mode of farm businesses. Land and labour mobility should be increased in order to enable intergenerational renewal. For instance, in several countries, land lease policies intended to protect the tenant disable land mobility, which negatively affects intergenerational renewal.

Policy instruments: manage extreme calamities

Extreme loss events or physical and mental health issues can cause the farm business to enter the stage of farm transfer in an unanticipated and thus unprepared way. This entails a great risk of exit and non-entry and thus jeopardizes the continuation of the farm business. Measures to deal with these issues can resolve many unnecessary exit and non-entry decisions. Examples are instruments to support agricultural insurance against extreme calamities, to overcome repayment difficulties and to resolve temporary managerial insufficiencies and labour shortfalls.

Policy instruments: support personal advice and coaching

Farm demographic change is often a very person- and farm-specific process. Hence, territorial and sectoral policies alone are unlikely to tackle all the causes that affect intergenerational renewal. First, there should be legal framework to deal with all issues surrounding farm transfer that is on the one hand clear and stable, but on the other hand diverse, offering a portfolio of options that meets the heterogeneity of farms. Second, policies can facilitate, e.g., through specific subsidies, the provision of individual advice and coaching, which is at this moment in several countries provided by organisations such as farmers' unions and rural development networks. Farm-specific advice is required and especially in the stage of the farm transfer process, this advice often takes the form of mental coaching and interpersonal counselling. This is another area where the family farm model can be both an enabler and a barrier because financial, legal and managerial collaboration within a family setting can be easier, but in other families much more cumbersome compared to a non-family setting.



THE POWER AND
THUS
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AND OVERLOOKED

Generational renewal: a multi-level policy perspective

Policies at all different levels and domains can have a substantial impact on intergenerational renewal. Beyond agricultural policies, also environmental, fiscal and inheritance and rural planning policies can exert a profound impact into the level and nature of generational renewal. The common agricultural policy, with its focus on young farmer support and through its support for risk management plays a significant role. However, the power and thus responsibility of national and regional governments is often underestimated and overlooked. Many issues that affect generational renewal are not European policy responsibilities but can be regulated at the national and regional level. Examples are rural planning, environmental permits, land market policies and fiscal regulations. Even municipalities can have a substantial influence through the way they govern environmental permits, rural planning and the land market.

Further reading

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