



European Network for  
Rural Development

# ENRD Workshop: Generational Renewal

## Attracting Young Farmers and Entrepreneurs in Rural Areas: Focus on Ireland

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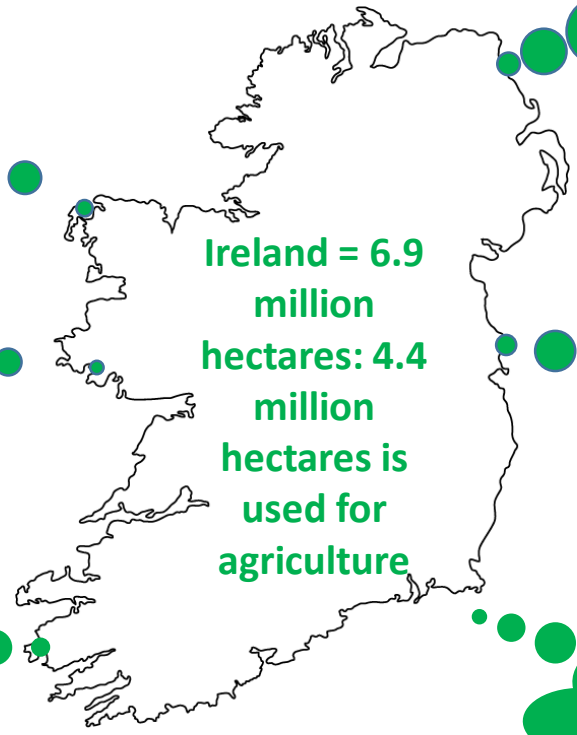


# Irish Agriculture

In 2016 CSO, 139,500 farms in Ireland and the average size 32.5 hectares

173,000  
Employment in  
Agri Sector -

Nearly half Irish farm households (49%) have off-farm employment



Ireland = 6.9 million hectares: 4.4 million hectares is used for agriculture

In 2016, Irish food and drink exports rose by 2% to reach €11.15 billion

Gross Agricultural Output (GAO) was valued at €6.92 billion and Generated 7% GVA (€13.9 billion)

8.5% of the nation's employment

# Generational Renewal: Irish Context

## Older farmers need to be 'incentivised' to retire

Teagasc expert says Scandinavian model would also boost farm safety



There is no set retirement age for a farmer. But an old

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**Cease agricultural activity forever? Underestimating the importance of symbolic capital**

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**ABSTRACT**

Similar to what is occurring on a global scale, Irish agriculture is populated by an older generation of farmers. Consequently, intergenerational family farm transfer is increasingly viewed as crucial to the survival, continuity and future sustainability of the family farm and agricultural sector. A review of existing research highlights how financial incentives that encourage succession and retirement from farming have stimulated little change in the behavioural intentions and attitudes amongst elderly farmers. Drawing on two previously disparate literatures (transferring the family firm and transferring the family farm) and applying Pierre Bourdieu's concept of symbolic capital as a theoretical framework, this paper sets aside financial enticements and presents an insightful, nuanced analysis of the human factors that influence the process of transferring the family farm from the perspective of the senior generation. This research employs a multi-method triangulation design, consisting of self-administered questionnaires in conjunction with complimentary Problem-Centred Interviews, to acquire data on the complex psychodynamic and sociodynamic emotions involved in the process. The prominent themes to emerge from the empirical data are farmer's concerns regarding potential loss of identity, status and control upon transferring management and ownership of the family farms and retiring. Many older farmers appear to prioritise the building and maintenance of their personal accumulation of symbolic capital rather than ceasing agricultural activity. The paper concludes by suggesting that future policies and programmes encouraging family farm transfer must take into account the pervasiveness of symbolic capital and work within this structure to develop effective strategies that address the emotional well-being of elderly farmers.

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**1. Introduction**

Interest in intergenerational family farm transfer and its impact on the farming economy has grown considerably amid concerns about the sustainability of an ageing farming population (Ozgen and Kirwan, 2011). Global demographic trends reveal an inversion of the age pyramid with those aged 65 years and over constituting the fastest growing sector of the farming community. In Europe, preliminary results from Eurostat's most recent Farm Structure Survey indicate that 6% of farmers were aged 35 and under in 2013, while over 55% were aged 55 and older (European Commission, 2013; European Commission, 2015). The situation in the Republic of Ireland is closely analogous to that of its European counterparts; in 2010, only 6.2% of Irish landowners were under 35 years of age whilst 51.4% were over 55 years old (CSO, 2012). Between 2000 and 2010, those over 65 years increased by 31%, while those within the 55 to 65 age bracket increased by 20%, with a 52.8% reduction in the amount of farmers aged less than 35 years recorded (ibid). This 'greying' of the agricultural community, will see the number of ageing farmers facing farm transfer accelerate in the coming decades (Mishra and D'Osta, 2007), a situation meriting serious and timely investigation.

Intergenerational farm transfer is a multifaceted process that encompasses three distinct but interrelated processes; succession, inheritance and retirement (Gasson and Errington, 1993). Succession is viewed as managerial control which is gradually relinquished; retirement is associated with the owner withdrawing from active participation in the business of the farm, while inheritance is the final stage when all of the business assets are legally transferred to the successor (Errington, 2002). Whilst conceptually

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## Succession and inheritance

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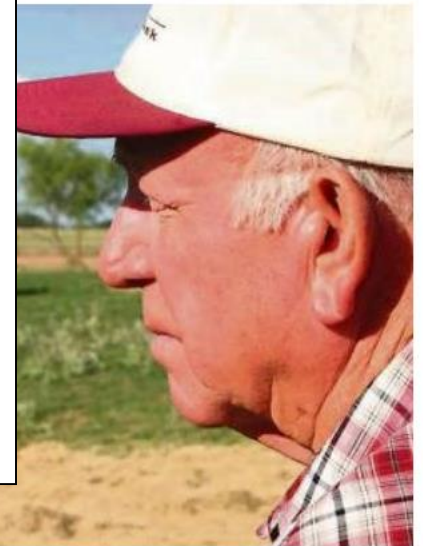
Succession and inheritance is increasingly considered a complex phenomenon which affects not only the continuity of farm family life but also the agricultural sector more broadly. Farm transfer in particular is increasingly viewed as fundamental to the future of global agriculture. In the majority of EU countries, the number of farmers over 65 years of age is increasing, while the number of farmers under 40 years of age is declining. This demographic trend may have negative implications for the future of the sector because it is younger and not older farmers who are responsible for maintaining and developing effective production practices. The question of what

But an old

WhatsApp

+ More

he helps someone look for a solution to



Dear Karen

Funded by the



European Commission

# 'Succession Effect'



*'Suggests that a more innovative and advanced farm system can exist if a successor or individual is identified or in place to take over the farm'. (Potter and Lobley, 1996).*



# Irish Policy Tools: Generational Renewal

## Early Farm Retirement Schemes

- 1993, 2000, 2007 - Three separate **Early Farm Retirement Schemes (ERFS)**, but all were short lived and had little or no impact.
- Similar schemes in **Greece, Spain, Norway, Finland and France** - under the EU funded Rural Development Programme, but again their effectiveness was problematic.
- **Wales 2004 - The Fresh Start Initiative**, aligned young farmers or new entrants to farming with older, retiring farmers, but...
- Since 2007, no other Irish ERS, but..

➤ **A Young Farmers Scheme and New Entrants into Farming Scheme - Policies around Farm Partnerships.**



# Young Farmer and New Entrant Initiatives

## Young Farmer Capital Investment Scheme

- Part of **Targeted Agricultural Modernisation Scheme (TAMS II)** (RDP 2014-2020)
- Scheme provided grant aid of 60% to young farmers between the ages of 18 and 40 years for:

*‘The construction, acquisition, including leasing or improvement of immovable property and the purchase or lease purchase of new machinery and equipment up to the market value of the asset’.*

- Upgrade farm buildings with a further incentive for dairy farmers to renovate dairy buildings.
- Additional educational incentive also included



Image Credit: AIB

By April 2018, the scheme had paid out €21.8 million to 837 young farmers nationally.



# Young Farmers Scheme



Image Credit: Lorraine Teevan

- Introduced in 2015 under the reformed CAP and regime of Direct Payments.
- Under this scheme, the DAFM allocated 2% of the Basic Payments Scheme to fund young farmers until 2019,
- In total, €24 million was allocated annually, the highest allowable under the EU Regulations.

Over 8,000 young farmers qualified for the scheme in 2015 and will continue to receive payments for a five-year period.

# National Reserve and the Young Farmers Scheme

- Scheme to enhance and encourage entry of young and well-educated farmers in to the agricultural industry.
- Contained two mandatory categories, **‘Young Farmers’** and **‘New Entrants’**,
- Eligibility criteria included requirements in terms of off-farm income and agricultural educational qualifications
- Successful applicants on the scheme were also paid for Greening activities, which was worth an additional sum of money to all applicants.

**Figures from the DAFM showed that over 9000 young farmers and new entrants engaged in the National Reserve Scheme in 2018.**



*“The 2019 National Reserve will continue to build on this progress in supporting the regeneration of agriculture in Ireland and providing a solid basis for the future of the industry,” Minister Creed*



# Farm Partnerships

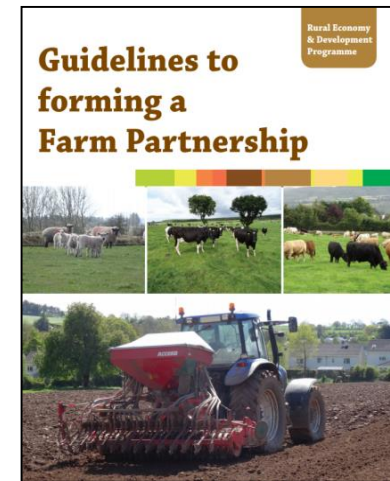
## The Succession Farm Partnership Scheme

- Provides a farmer and their successor with a tax incentive if both parties enter an approved partnership, culminating in the transfer of at least 80% of the farm assets to the successor.
- Incentivised by offering an annual tax credit worth up to €5,000 for a five-year period.
- On-farm agreement put in place, includes day to day running of the farming and the responsibilities assigned to each partner.



## Collaborative Farming Grant Scheme

- Introduced to allow farmers to **engage a number of experts** in drawing up a farm partnership and to cover service costs, including **legal, advisory and financial services**.



# Case Study Example



Macra na Feirme



- Maighread Barron, Co. Waterford (South of Ireland), completed a Degree in Dairy Business in University College, Dublin in 2016.
- Had the option of a four way farm partnership, with family, at 24 years of age opted instead to take out a 15 year lease on a 100 acre dairy farm approximately a half an hour from her own home.
- Maighread is currently milking 89 cows, with a key focus on producing top-quality milk.
- Took advantage of the **2018 National Reserve (Young Farmer/New Entrant) Scheme**, and following advice from her local Teagasc advisor, Maighread successfully applied to upgrade her milking parlour via a government 60% grant.
- Maighread's aptitude for farming and business was recently recognised as she successfully reached the **Macra na Feirme, Young Dairy Farmer of the year 2018 Final**.



# Rural Entrepreneurs

## Remaining In Rural Ireland

- **Farm diversification** – only a small proportion engaged – and mainly those failing to make a viable income from farming (Teagasc, 2012).
- Recent **Teagasc publication**, alludes to countless possibilities for farm diversification/business development – including farm tourism options, organics and social farming.
- Off-farm young rural entrepreneurs – encouraged with funds via **LEADER Programme**
- Towards the end of 2018, over **€24 million** was allocated to rural projects under the **Rural Economic Development and Enterprise** theme of the **LEADER programme**.



# Rural Entrepreneurs: Examples



An Irish Artisan Coffee Roasting Company -  
from a farm business near Fermoy, Co.  
Cork.



- Aerial Agri Tech is an innovative start-up business by Cian Gallagher in 2015.
- Aerial Agri Tech - uses a range of earth observation platforms and image processing technology to provide a unique insight into their environment, allowing for the highest levels of productivity.
- LEADER Funding – RDP 2014-2020

# In Conclusion

- To remain innovative and dynamic – Irish agriculture requires young farmers and new entrants.....As such....
- It is imperative.....Young Farmer and New Entrant Schemes - continue in next CAP
- Rural Entrepreneurs – both on-farm and off-farm are essential for the sustainability and development of rural Ireland – essential policy reflects this.

**New Horizon 2020 Project**

**RURALIZATION - NUI Galway**



# Thank You For Your Attention

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