



# FARM SUCCESSION AND AGEING OF FARMERS

A CHALLENGE TO SUSTAINABILITY IN CASEE REGION

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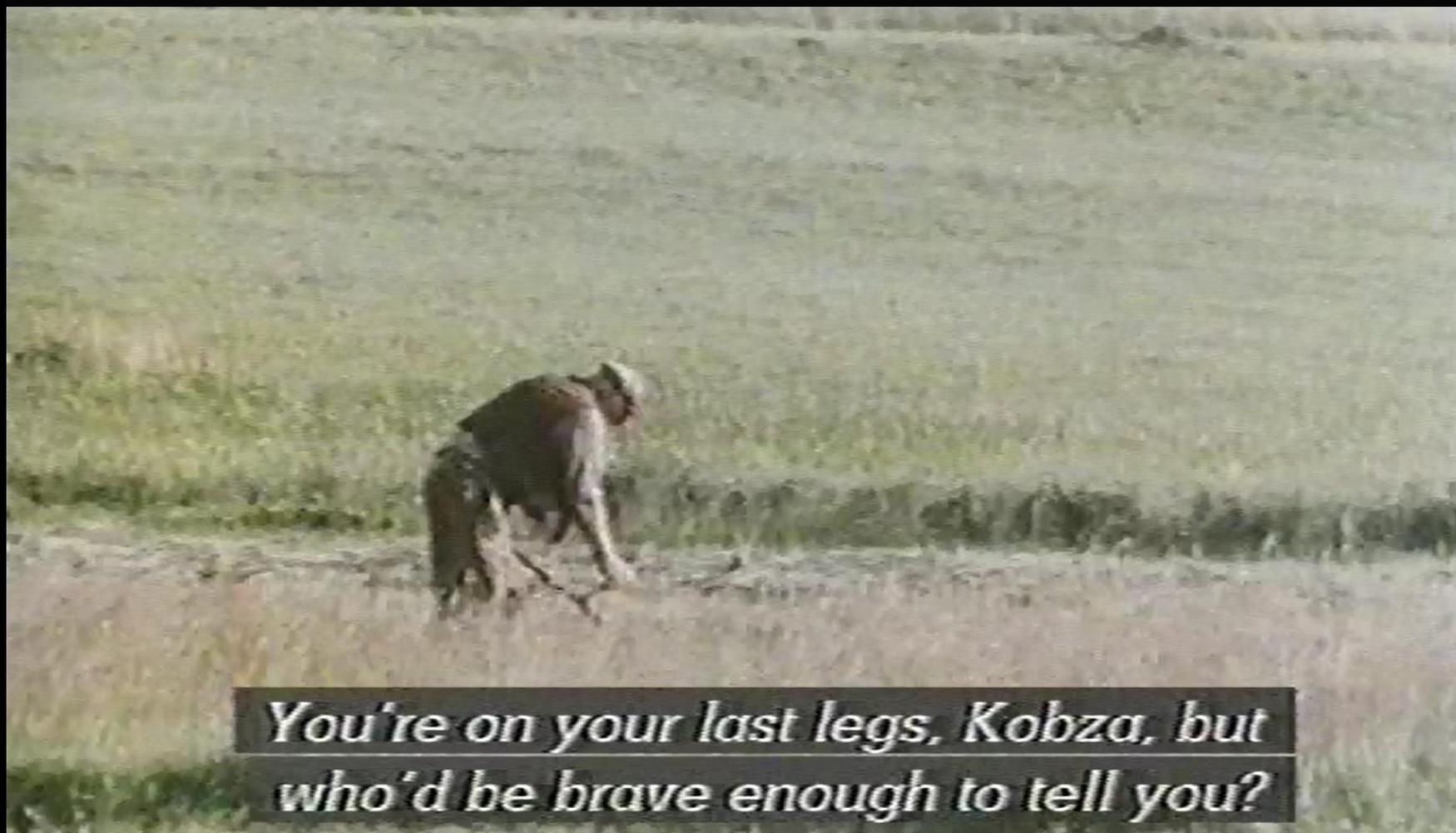


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# BACK TO AGRARIAN QUESTION

- The questions of the future of farms (small-scale farms and large scale farms in capitalism):
- K. Kautsky: Agrarian question (what is the future of small-scale family farms)





*You're on your last legs, Kobza, but  
who'd be brave enough to tell you?*

# PROBLEMS OF FARM SUCCESSION AND AGEING (A CASE STUDY)





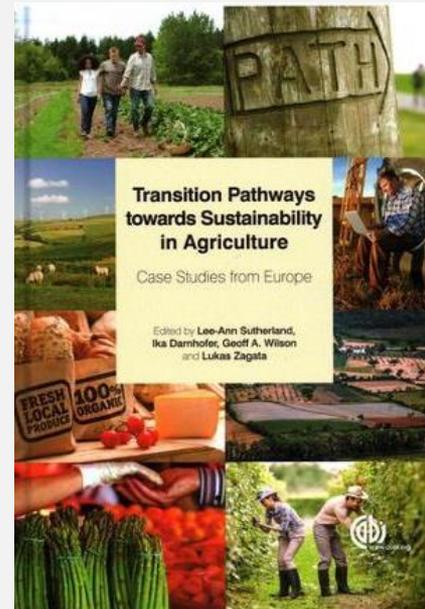
# WHO WILL OPERATE THE FARM IN THE FUTURE?



# AGEING AND SUSTAINABILITY

*What are the impacts of ageing on sustainability of agriculture?*

- Generational renewal as a precondition for social sustainability of agriculture
- More profitable farms are operated by young farmers
- Young farmers as carriers of environmental innovations



# HOW URGENT IS THE AGEING

New concerns: population of farmers in Europe is ageing

| Year | Less than 35 years of age | 55 years and above |
|------|---------------------------|--------------------|
| 2013 | 5.94%                     | 54.92%             |

Source: Eurostat (2015)

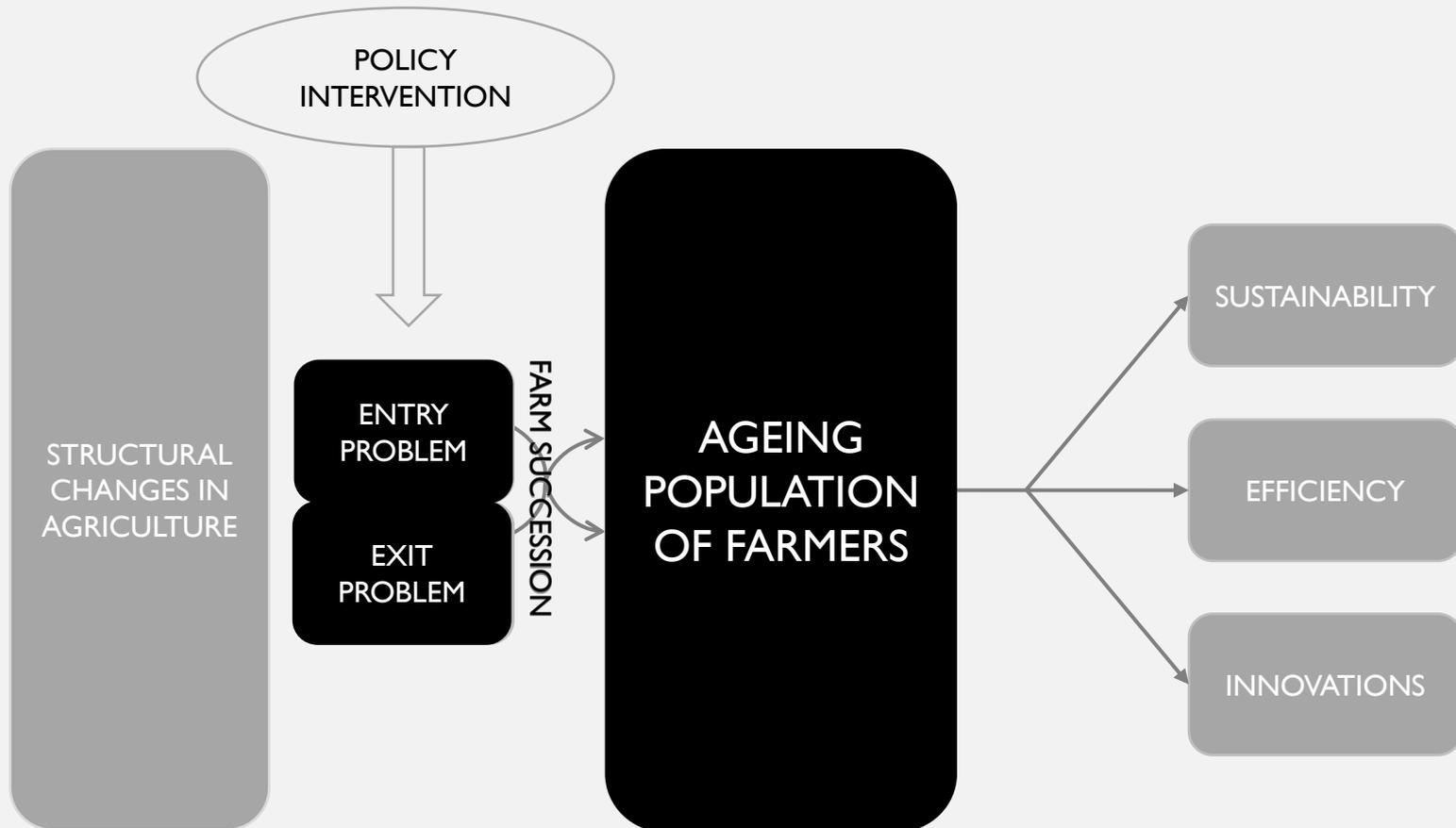
*“Bringing generational renewal fully into the policy mainstream cannot happen without the support system of a strong and targeted rural development policy.”*

EU Commissioner Phil Hogan (EC, 2017)

# WHAT IS RELATED TO AGEING?

- 'Ageing population of farmers' is associated with the ...
  - Farm Succession
  - 'Young farmers' question
  - New entrants to agriculture
  - Policy tools focused on generational renewal
  - Impacts on agricultural sector
  - Sustainability of agriculture

# DECONSTRUCTING THE PROBLEM

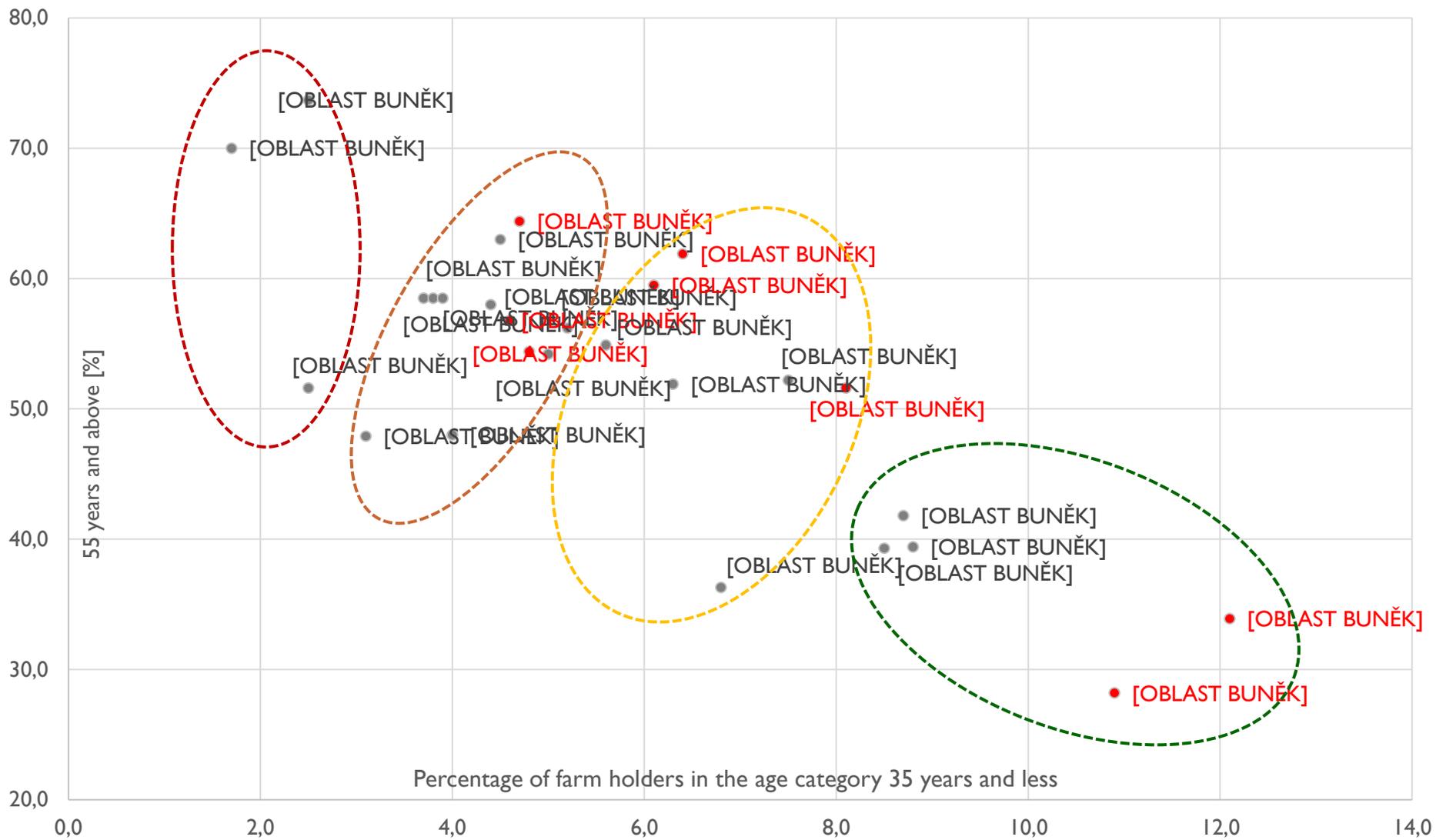


# HOW URGENT IS AGEING?

Distribution of farm holders according to age categories

| Year | Less than 35 years of age | 55 years and above |
|------|---------------------------|--------------------|
| 2005 | 6,89                      | 54,10              |
| 2007 | 6,23                      | 55,47              |
| 2010 | 7,45                      | 53,19              |
| 2013 | 5,94                      | 54,92              |

Source: Eurostat (2015); European Commission (2016)



# AGEING AS A SOCIAL PROBLEM

- Ageing of population of farmers is not an ubiquitous problem in Europe
- Generational renewal does not proceed equally
- European countries provide different conditions for encouraging young farmers (with diverse impacts)

*How to understand the process of generational turnover (academic perspective) and facilitate the transition (policy perspective)?*

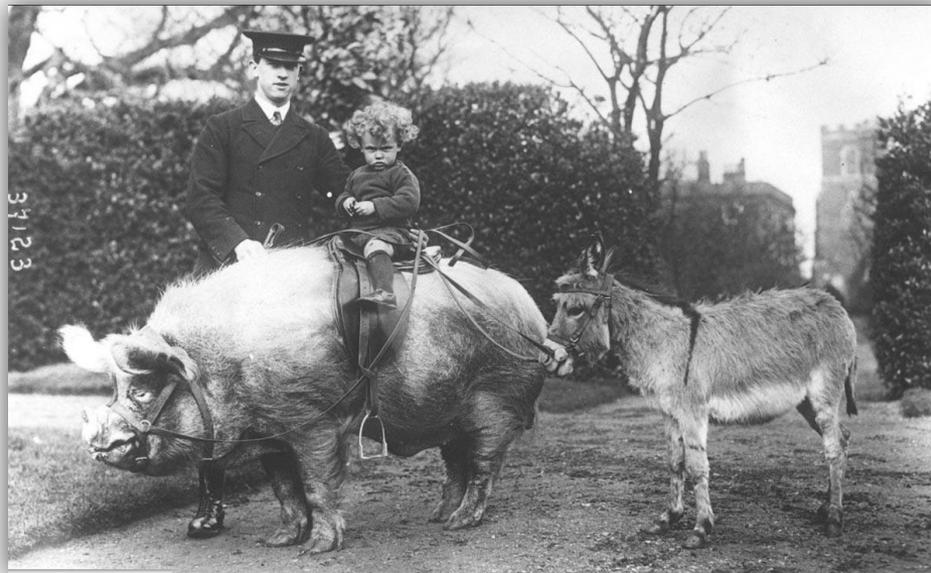
# FARM SUCCESSION

- Generational renewal is closely related to family farm succession
  - Family farms represent 97% of all farms in Europe (EP, 2014)
  - Holdings are passed within a family due to enormous amount of investment (Fischer and Burton, 2014)
  - Farm succession process includes the 'entry to' as well as the 'exit from agriculture'

# THE 'YOUNG FARMER' PROBLEM

*'Do you know how one becomes a farmer? He must be born on a farm and he cannot find anything else during its life.'*

(Zagata and Lostak, field notes: Farm G)



# HOW ARE FARMS TAKEN OVER

- Farm transfer includes (1) inheritance, (2) succession and (3) retirement (Gasson and Errington, 1993)
- Succession patterns are affected by individualization (Chiswell, 2016)
- Factors affecting succession (Fischer and Burton, 2016)
  - Structural factors (such as farm size, profitability, on farm diversification, transaction costs, ...)
  - Social factors (personal preferences, subjective values, level of education, inter-generational relations)

# SUCCESSION AS A HOLISTIC PROCESS

- ‘Endogenous cycle of the family farm’ coined by Fischer and Burton (2014)
- Farm succession is based on three stages:
  1. Forming a baseline of the social identity
  2. Successor climbs the ‘farm ladder’
  3. Farm itself is undergoing major changes
- Life cycle of the family is coupled with the life cycle of the farm on endogenous basis



# FARM SUCCESSION IN THE POST-SOCIALIST COUNTRIES



- Generational renewal follows a specific historical trajectory
- 1<sup>st</sup> generation of farmers had to (1) restore ‘script of continuity’ and (2) secure a successor
- More successful were families with a strong peasant tradition
  - Closely tied to land
  - Shared work across generations
  - Education and work in agriculture
- Less affected by available policy measures

# CONCLUSIONS

- Ageing of farmers is a *complex* problem, which is *not ubiquitous*
  - Structure of the agricultural sectors
  - History and tradition
  - Succession patterns (entry and exit problem)
- More evidence from different countries to
  - Understand specific patterns of generational renewal
  - Evaluate the implemented policy measures
  - Improve future policy tools

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QUESTIONS?

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