

INRAE Response to the call for evidence - Strategy to promote generational renewal

Agriculture relies above all on human beings, more especially farmers and wage-earners. Farmers are performing agriculture to provide food and, to a lesser extent (but increasingly) energy to society. They also are the ones who are protecting lands, biodiversity, and the equilibrium of rural landscapes, all of each being key issues for the productivity, resilience, and competitiveness of the European agriculture. In addition, they are essential to maintain vibrant rural areas. Wage-earners' position - either as full time or part time workers, as part of service providers, machinery cooperatives or replacement services - is also indispensable both for keeping the farm wage bill constant and for delegation of tasks. To sum it up, **the agricultural workforce is the main asset of European agriculture**. It is therefore crucial to have a coherent strategy at the European level to make sure that men and women keep willing to invest themselves in agriculture and are well supported to engage and work in this sector. The issue of generational renewal in agriculture and the related strategy are and should be tightly linked with discussions on the future of the Common Agricultural Policy (CAP), long-term vision for rural areas, and the future European observatory for agricultural land.

In this contribution, we highlight some specific issues the strategy should address with a broader view on the challenges of generational renewal.

1. Scope of the Strategy

- **The Strategy should focus on farmers at every stage of their career and consider the various status of agricultural workers**

The Strategy should encompass the whole agricultural workforce, not just young people and "farmers" as owners of their farm business. It should rather **include all categories of agricultural workers** (women, young people, employees, migrants) in attractiveness policies. In addition, future retiring farmers should not be neglected. The lack of succession planning by farmers and the reluctance of older farmers to retire and effectively step aside to pass their farm onto the next generation is acknowledged as one of the main barriers in farm succession. In addition, even if inherited successions are part of the reflection, the strategy should also involve **new - not necessarily young - entrants** with various profiles and backgrounds. This variety of new entrants can bring innovation, sustainability, diversity and renewed understanding and aspirations regarding the role and activity of farmers. They may also consider more easily complementary productions (energy, biomaterials...) and activities (ecotourism, on-farm processed and/or sold products) than retiring farmers. The Strategy should consider how, on the one hand rural vitality and, on the other hand new entrants, can all serve as levers for a more resilient, innovative and attractive European agricultural sector, while contributing to food sovereignty in Europe.

- **The challenges of generational renewal also present an opportunity for fostering "better farms" that are more sustainable, resilient, innovative, and diverse**

The Strategy should integrate and encourage a diversity of farm models. As such, the fact that a majority of European farmers are retiring in the next ten years should not be seen only as a problem. It is indeed an opportunity to bring new ideas and to promote more resilient farming systems which are better suited to tackle the challenges ahead - particularly risks associated to climate change and other shocks such as epizooties and zoonoses, or fluctuations in inputs and products prices - and to contribute to the transition towards a more sustainable agriculture.

- **The solutions to generational renewal go well beyond better implementation of the Strategy as they depend on achieving the wider ambitions of a viable agricultural sector**

As the agricultural sector is evolving in so many aspects, there is a need for continuous evaluation and update of indicators and policies. This can include making rigid structures and process more flexible,

helping to reduce the administrative burden for farmers. Renewal of agricultural workforce should thus go beyond demographic indicators alone. It must incorporate the way new generations of farmers are designing, managing and redirecting their farm's activities, farm work and products valorisation, striving for improvements in farms' sustainability, innovativeness and diversity.

2. Propositions to overcome the barriers for new entrants and all kind of agricultural workers

- **Relevant information and tools**

Access to information about land availability is the major transaction cost when joining the profession for candidates who do not get agricultural exploitation from their family or in their area of origin – including sometimes for farmers' children themselves. Coordinated initiatives, such as the future European observatory for agricultural land, are highly relevant.

Several tools for gathering information about future successions exist, but this monitoring generally takes over a year. The length of negotiations varies and depends on the number of owners. To remove these barriers, the Strategy should seek to improve and disseminate information on land availability and support access to this information; and also, to encourage future retired farmers to share this information early in their trajectory.

⇒ The Strategy should **strengthen succession planning and support tools**, in order to **assist the entire farm transfer process**.

Young farmers often lack **the technical and economic references** they need at local level to set up their project (e.g. dominant production and crop specialisation in the area, systems dedicated to local food supply and local innovative systems, agroecological farm design...). Access to these data is key to assess the economic sustainability of the project and design farm size according to economic constraints.

⇒ The Strategy should emphasize the need for **local authorities to provide information regarding these technical and economic references** at local level. New entrants and advisors could thus consider local market opportunities.

- **Collaboration, long-term planning to access land and the emotional elements of farm transfer to younger generations**

The transition process should be collaborative to be successful as renewal is a long-term process involving farmers, their families, future entrants, training organisations, advisors, product supply and purchasing parties, the financial sector and public authorities. All parties involved should work together to support succession planning and transitions. In particular, it requires strong collaboration between farm managers and successors. This collaboration can last a few months or years, starting before succession and finishing after setting up. Therefore, the strategy should support systems that encourage buyers and farmers to get in touch as early as possible, before the latter retire. Peer-to-peer networks can empower generations, comfort them and amplify their voices in political context.

⇒ The strategy should **explore new forms of collaborative actions** based on equitable information sharing.

For many farmers, succession represents an emotional process, whereas current succession process often fails to consider and integrate these social aspects. This can sometimes lead to a distrust in national and European institutions.

⇒ The Strategy should recognise that succession process is often emotional and encourage farmers support networks that can aid **peer-to-peer emotional support and advice**.

While most of the available policy tools support only young farmers and focus on the period preceding farm transfer, an early support to both the future farmer and the retiring farmer may benefit the whole process. This joint support should be long enough for the transfer process to take place. This joint support should be sensitive to generational differences in what is perceived as 'good farming'. Creating safe spaces to discuss farming values is essential for a smooth and collaborative transition.

⇒ The Strategy should **promote a culture of forward-looking** and long-term succession planning within family farms, policymaking and farm advisory. It should support the entire transfer process, before and after succession.

- **Achievable conditions to access to credit**

Low-interest loans for agriculture and facilitated conditions for loans across Europe are interesting tools to explore. It should especially focus on all kind of new entrants, gender equality and green investments. Information about credit should be specific to the different categories of new farmers and to their needs which differ according to their age, background, gender... The level of debts associated to the exploitation should also be considered in the various schemes proposed by the banks. Ultimately, new ways of helping the farmers, over and above credits, could be explored.

Either it be on an existing farm or on a new one, becoming a farmer requires a relevant sizing of business activity in relation with an accurate evaluation and choice of trade outlets. These important decisions will impact banks' approval for access to credit and the grant of CAP support incentives.

⇒ Renewal-supporting policies should **encompass facilitated access to credit, enhanced risk management** geared at new entrants and support equalising opportunities to become more sustainable.

- **Attractiveness of rural areas, solidarity and working conditions of farmers and wage-earners**

Ensuring decent working and living conditions of farmers involves fair prices, appropriate, stable and predictable income and work-life balance, continuous access to training and innovation, improved social protection, retirement conditions and pensions, safety, housing, access to healthcare and childcare, and access to services within their local area. In rural areas, new entrants may have more and different expectations regarding working and living conditions than their predecessors. Ensuring decent working and living conditions implies capacities to rethink work organisation, in particular:

i) The distribution of tasks between farm workers or service providers;

ii) The recruitment of qualified workers;

iii) The attractiveness for the wage-earners: work conditions and valorisation of their tasks.

New generation of farmers should be able to **rely on local authorities, communities and initiatives**, to benefit from social innovations and territorial cooperation (whatever the source of funding: LEADER, CAP, etc.). Rural areas should provide adequate living conditions, including sustainable livelihoods, career opportunities, and access to essential services and digital connectivity.

⇒ **Working conditions of farmers** should be included as a component of renewal of generation for new farmers not only to start but also to continue engaging in farming. Working time duration and organisation, reduced drudgery, social security, etc. are central to attract new entrants in agriculture and to maintain them on farms. As working conditions depend on production systems, including transformation and short chain commercialisation for some of them, the solutions should be **identified system by system**.

- **Enhanced consistency at policy level**

It is essential to coordinate the numerous initiatives and policies at national and European level to ensure their consistency and effectiveness. For instance, it is vital to consider carefully and reinforce synergies between the additional 'Income Support for Young Farmers' of the first CAP pillar with support granted under the second CAP pillar for the installation of young farmers, new farmers and rural business start-up. This requires working also with local authorities.

⇒ **Turn generational renewal policy into a cross-functional priority**: integrate the challenges of generational renewal into environmental, social and economic strategies, as lever to ensure long-term viability of the sector and to mitigate land abandonment and rural depopulation.

The Strategy should encourage synergies between local, national and European policies. In particular, it should consider the diversity of national policies:

- National wage and labour policies, to be linked with the CAP social conditionality.
- National pension policy. Uncertainty about receiving a fair pension can lead the oldest farmers to postpone retirement and slow down the installation of new farmers. This is also linked to the way each Member States defines an ‘active farmer’ (i.e. one who is entitled to receive CAP subsidies). In France, for example, retired farmers are no longer considered “active”, and cannot combine CAP aid and retirement. This is both an opportunity - urging retired farmers to sell their farms - and a potential obstacle - slowing down retirement.
- Member States' land policy. Priority can be given to takeover projects rather than expansion projects if there is an establishment body managing land markets (e.g. SAFERs, the French Land Development and Rural Settlement Companies¹).
- National work policy. Some work practices can help to bring attractiveness to the sector: replacement services for holidays, training opportunities...
- Migration policy. Some farming systems (fruits and vegetables, vine-growing...) are highly dependent on migrant workers. This raises two major questions: first, recognising their contribution to the European agriculture, and second, guaranteeing their decent working and living conditions.

3. Research and Innovation (R&I) as an essential lever for tackling barriers to generational renewal in agriculture

Scientific socioeconomic evidence offers important guidance for overcoming the barriers of generational renewal and for realising the opportunities it entails. Great contribution from **basic research** is needed to strengthen the understanding of the determinants of work in agricultural sector, in the anticipation of future risks and scenarios for agriculture and exploring the various barriers for generation renewal. **Applied research** should be supported as well to overcome those barriers and deliver solutions for a successful transition towards sustainable and competitive European agriculture. Research is thus supportive throughout the TRL chain.

Also, collaborative research is very much needed to make comparative research, learn from each other and generate a worldwide impact through evidence-based and effective policies. If the generational renewal issue is almost the same across Europe, to varying degrees, there is no one size-fits-all solution for all Member States. Collaborative research helps to understand the various determinants, compare and share the solutions adapted to local context.

Some important **research themes** listed below should benefit from adequate level of funding:

- **Working conditions:** farms models and production systems are very diverse at European level. More research and feedbacks are needed to provide strong knowledge on working conditions for different agricultural models to determine which ones are the most - or less - attractive for new entrants in agriculture, and how to improve their attractiveness.
- **Business models:** the financial viability of agricultural exploitations, but also ecological and climate adaptation perspective depend on several parameters. This research field could be explored in order to identify sustainable requirements and the best way to apply them.
- **Legal forms:** navigating the legal and financial complexities of farm transfers can be challenging for both retiring and incoming farmers for various reasons including taxation implications and available financial mechanisms, farm assessment and follow-up or family ties. This can unduly

¹ <https://www.accesstoland.eu/Unique-land-agencies-the-SAFERs>

complexify successions process. More research and policy actions are needed to understand and alleviate administrative burden.

- **Social and human sciences:** the role of personal history, beliefs and norms in succession decisions, should be better understood, so as to integrate it into policy recommendations.

Moreover, **some specific research and innovation instruments and approaches** have proved effective and their funding must be sustained over the long term:

- **Multi-actor approach and living labs:** Farming being closely interconnected with social and economic policies all kind of stakeholders should be involved in research projects. Tools like **living labs** or **demonstration farms** should be deployed. As advocated by the European Commission, living labs are well adapted for accelerating the innovation and adoption of more sustainable practices by engaging farmers and other stakeholders in jointly developing the solutions to problems they face at the territorial level, considering the specificities of farming systems and their environment.

The EIP Agri (European Innovation Partnership on Agriculture) should be strengthened, increasing funding both through Horizon Europe – which promotes the multi-actor approach – and through the CAP (EAFRD) and its operational groups (OG). Better interlinkage should be promoted between OGs and research institutions to facilitate the knowledge transfer. The French ‘Mixed Technological Networks’ (*Réseaux Mixtes Technologiques* - RMT) gathering researchers, technical institutes and training organisations to tackle socio-economic aspects could be showcased at European level².

- **Building on the innovation potential of farmers.** New entrants can bring innovation, sustainability and diversity to the farming sector. It is therefore important to strengthen cooperation between research, training, extension services, advisors, local stakeholders, and public policies.

It is necessary to foster the uptake of up-to-date knowledge and innovation, and facilitate the transfer of technologies. The strengthening of the AKIS (Agricultural knowledge and innovation system) is crucial when it comes to providing the right knowledge and tools to the farmers. The Digital Farm (La Ferme Digitale) launched an Observatory³ of agricultural innovation. It carried out a study, all agricultural sectors combined, over more than 1000 agricultural producers to understand the uptake of innovation at the field level.

The best practices and the technical factsheet collected at the European level through the CAP network should be supported and EU-funded project should emphasize results dissemination to increase their impact and contribution to agricultural transformation. The SCAR AKIS plays a major role in exchanging best practices and knowledge across Europe.

- **The role of agricultural advisors is major** and their training should be adapted to the level of knowledge of the farmers they are working with. **More holistic advice** including on climate change adaptation and mitigation, agroecological practices, soil health improvement, use of digital tools (including those using Artificial Intelligence), financial aspects, work organisation or farm management (financial, technical, human) should be considered. Therefore, there should be **a standard in the advisors initial training** with homogeneous certification across Europe, delivered by the appropriate organisation. This also supposes that advisors are aware of the up-to-date knowledge and get access to actionable solutions developed in close link with researchers and companies, e.g., through continuous training.

² <https://modernakis.eu/france-akis-updates-on-the-different-akis/>

³ [L'Observatoire de l'Innovation Agricole - La Ferme Digitale](#)

