

The Next Generation of Farmers

Nuffield Scholarship report sponsored by the Royal Norfolk Agricultural Association



Author: Michael Mack NSch JP

“Farms run by young people are, on average, more profitable, and young farmers are more willing to adopt innovative solutions, use environment-friendly farming methods and adjust to market requirements.” (Vealdi, 2008)

Abstract

The introduction of the next generation of farmers to UK agriculture has been a perpetual problem. Access to land, costs of entry, skills, traditions all play a part in discouraging some of the best people entering agriculture. If UK agriculture aims to meet the needs which are in front of us: the need to increase production, the need to reduce our dependence on fossil fuels and the need to protect the environment, we must ensure that the industry has the best and most able people.

Over 50% of decision makers in agricultural businesses are over 55 years old. This situation is created by; significant barriers to entering the industry through the creation of a business, difficulties in undertaking the succession process within family businesses and perception issues of limited opportunities within the sector.

The author has used his Nuffield Scholarship to research how countries around the world are addressing the challenges. The study has focused on mainland Europe and North America as these areas appear to have replicable systems and because recent studies into this topic have included only limited information on these parts of the world.

This report looks at the challenges facing people of all ages as they develop an agricultural business in England. The study took the author to France, Hungary, USA and Portugal. The visits had been arranged to enable meetings with leading organisations, commentators, colleges and farms. During the research which focused on the primary question above, evidence was gathered which highlighted the values which new entrants bring to the industry.

Understanding the career lifecycle and the way in which individuals respond to different influencing factors, the use of land which is currently underused, succession within a family business, support organisations and grant funding are all topics explored through this paper.

The conclusion of the report provides clear actions for the agriculture industry; it also looks at how individuals already in the sector can help the next generation. The conclusion has focused on six areas where further focus and support is needed to enable the next generation to step forward, these areas are; Sharing knowledge between generations, developing opportunities, creating the leaders of the future, eradicating the farm boy syndrome, embedding the correct skills to lead businesses and to maximise the opportunities of the Common Agricultural Policy for new entrants.

Author

Michael Mack has grown up in the Norfolk farming world; at an early stage he aspired to be a “farmer”, but having no farm to inherit this ambition has not been achieved.

Michael studied agriculture at both First and National Diploma levels at Easton College where he also gained his Craftsman’s status. He then moved on to study and graduate in Agricultural Economics at Reading University.

During his early career he worked on a number of farms in both Norfolk and Zimbabwe. Following his degree, he worked for Defra, initially as a project officer on economic grants such as the Rural Enterprise Scheme and later as manager of the North-West Norfolk agri environment team.

In 2005 he moved to Easton College to join Norfolk Rural Business Advice Service. Since then he has helped secured three separate Leader programmes for Norfolk and Suffolk, and developed and secured funding for the Land Skills East partnership. His current role is as the Director of the Rural Enterprise Hub at Easton College.

Michael also plays an active role in a number of Norfolk organisations. Including serving on the committee to the Friends of Easton College charity, council member for the Royal Norfolk Agricultural Association and sitting on the Norwich magistrate’s bench.

This report has been made possible by the support provided by the author from the Nuffield Scholarships Trust and associated with the Trust, the Royal Norfolk Agricultural Association the farmers, extension workers, agricultural supporters and Easton College.

Justification

The challenges facing the next generation of farmers have interested the author for a long time. 4 years ago and with Norfolk Young Farmers Club, he set up the Farmers and Business Forum which aims to support young people who aspire to run a farm. The Forum holds meetings looking at tenancy issues, developing ideas, exploring areas of interest and improving skills. The Forum also runs an annual competition which awards prize money to one of the members who can make best use of the funding to develop their business.

Running this programme and working with Fresh Start nationally, it was clear to the author that there are many challenges and issues which are currently not being addressed and that we need to open our eyes to look at how others are dealing with these issues. In this way fresh ideas will be brought forward and current thinking challenged.

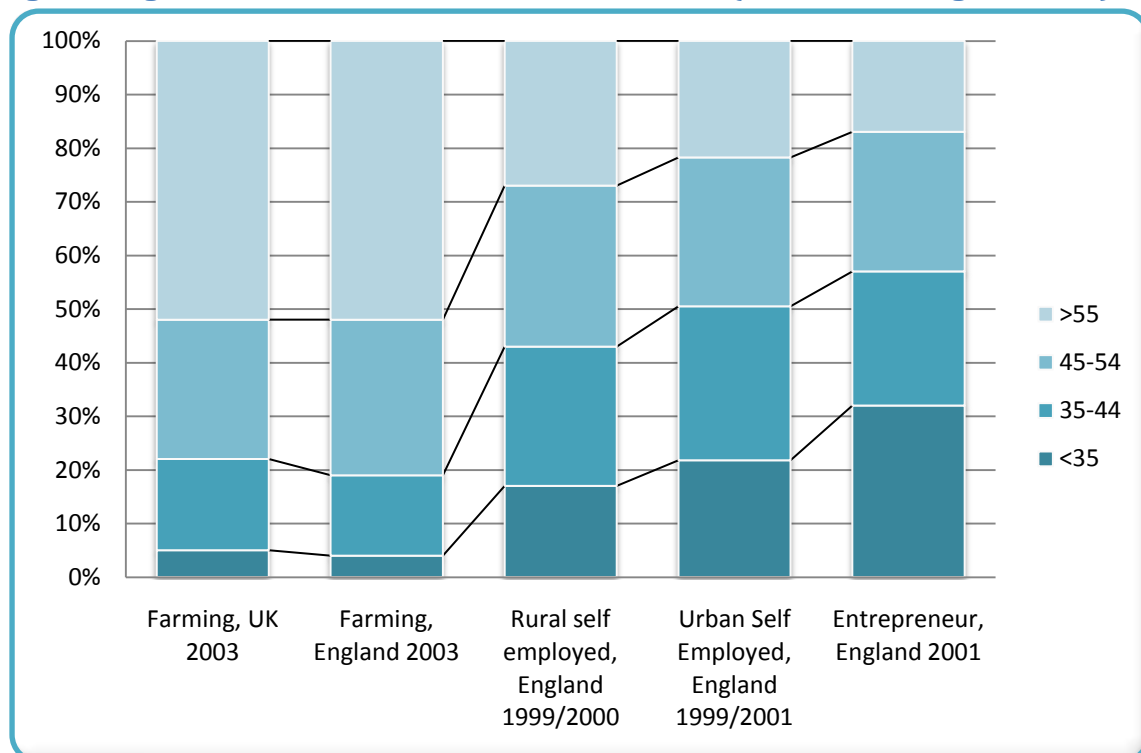
The English Position

Farming is not a young industry, it does not have a great diversity of people and it suffers from the Farm Boy Syndrome.

In 2004 ADAS produced a detailed report for Defra which set out in detail the issues facing the next generation of farmers. This report looked at the entry and exit rates for new entrants and discussed at length the age profile of the UK agricultural sector. It included detailed primary research which highlighted that the age of the farmers assessed as decision-makers when set against entrepreneurs and self employed people were dramatically older. The following table clearly shoes that in the Agricultural sector over 50% are over 55 years old while for the rural self-employed this falls to 27%. In urban businesses and entrepreneurs this rate reducers further to 22% and 17% respectively.

This position is consistent with the situation across the EU countries “More than 50% of EU holdings are run by farmers over the age of 55, and 25% by farmers over the age of 65. The most critical situations are to be found in the southern Member States. Only 7.6% of EU farms are run by people under 35 years of age. In Austria and Germany, young farmers make up approximately 17% of all farmers, in Finland and Belgium more than 14% and in France and Ireland around 12%. The Mediterranean Member States have the lowest percentage of young farmers, with particular reference to Portugal (3.7%) and Italy (5.2%).” (Vealdi, 2008).

Figure 1. Age Profile of Decision Makers in Businesses (ADAS Consulting Ltd, 2004)

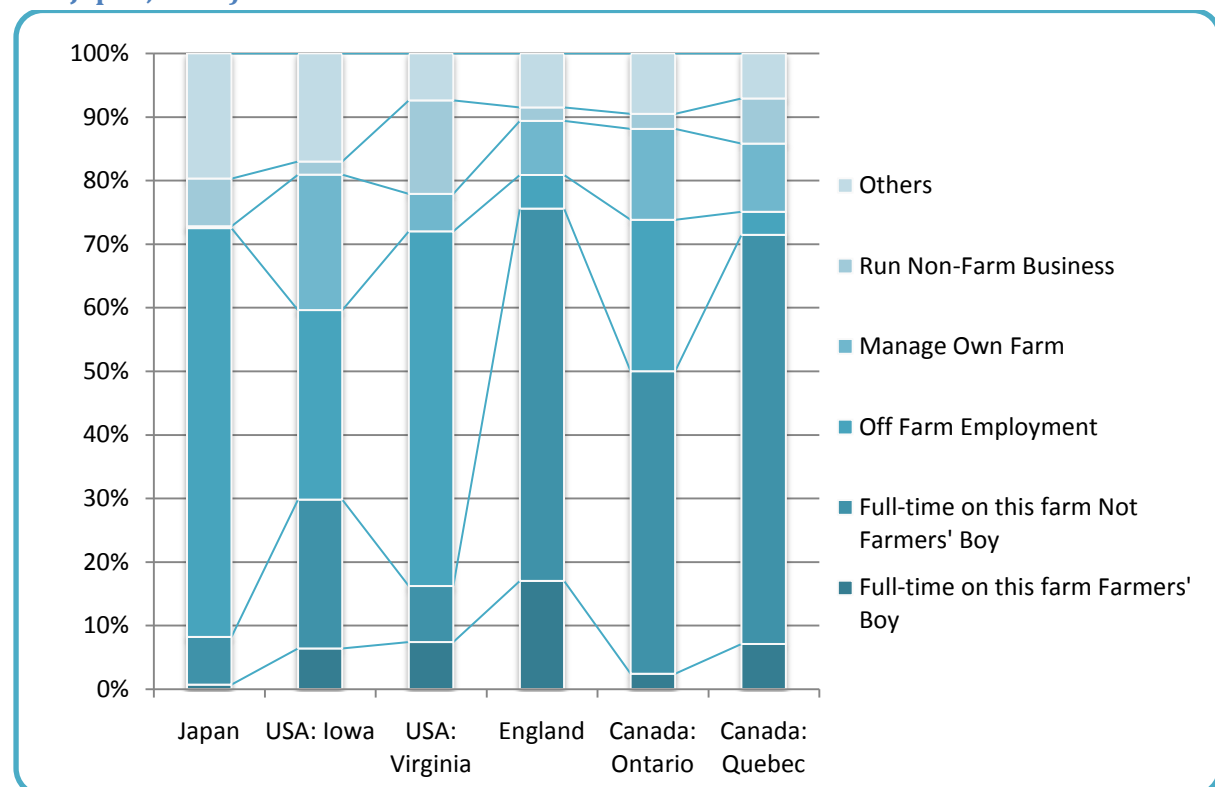


Research undertaken by Matt Lobbly (Uchiyama, Sustaining the family farm: Dimensions of intergenerational farm business transfers in Canada, England, USA and Japan, 2007) of Exeter University has highlighted the extent of the Farm Boy Syndrome. The Farm Boy Syndrome can be described as those people who are working on the farm that they will ultimately manage and inherit, who are over thirty-five and have no management role in that business. The challenge this brings is

that by the time the new entrant reaches a point when they do make key business decisions, they have been indoctrinated in the old way of working and their dynamism has been lost.

Looking next at the financial barriers to farming for a young person, it is quickly apparent that land has value above and beyond its productive capacity. As farm sizes have increased, this issue has become more significant. The reason for the differential between productive value and sale value is due to years of social history. A small island with a large population will always result in competition and security. In England this is further accentuated by the status that land gives. This issue is further emphasised when the mix of demands placed on land from other uses is included; this may be large home owners who wish for larger grounds or it could be demands for development. A further reason that the land market does not act in a perfect market place is due to the affect the UK Tax system has. Issues such as inheritance tax do provide opportunities for people to own land for its tax benefits.

Figure 2. Location of Succession Candidates by Country, (Uchiyama, Sustaining the family farm: Dimensions of intergenerational farm business transfers in Canada, England, USA and Japan, 2007)



Due to policy changes and economic pressures, the amount of tenanted land has significantly dropped in many areas. One of the mainstay options for entry into farming over the last 92 years has been the County Council Estates, however the pressures placed; increased demands on budgets, maintain low tax rates, on the County Council owners of this land mean that this resource is under pressure.

The Value of the Next Generation

Attitude to Risk

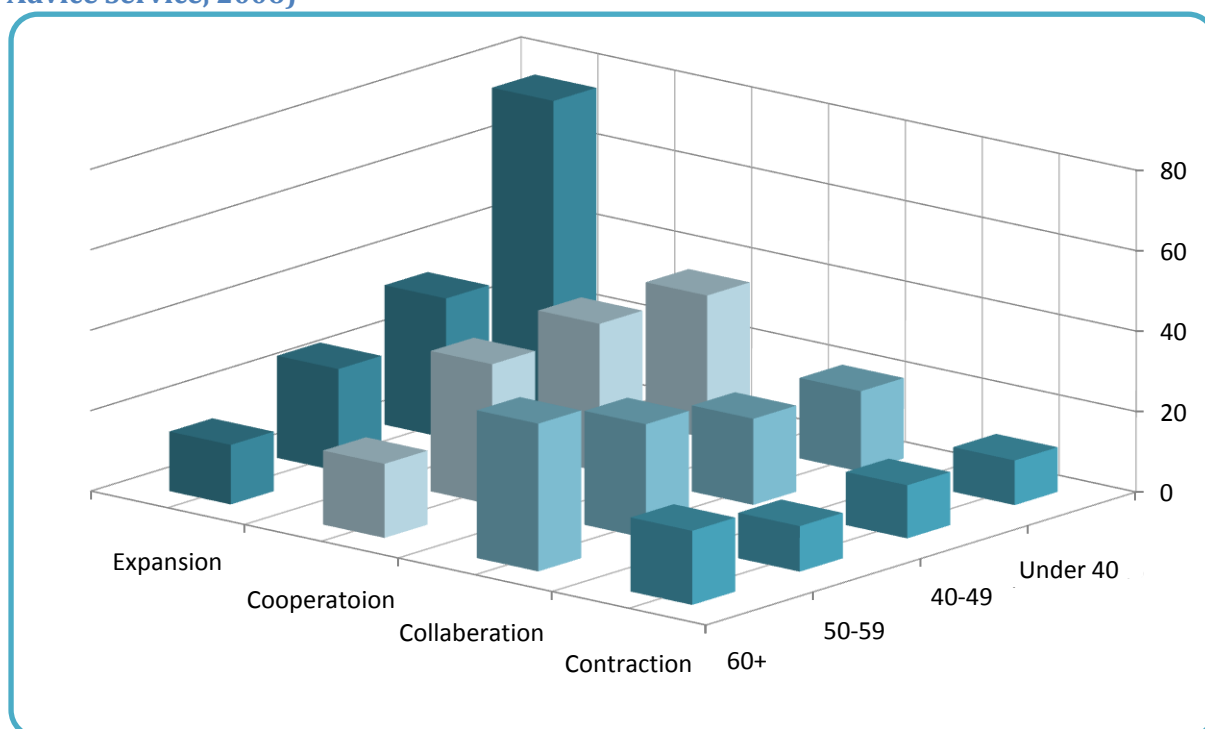
What value would be brought to agriculture if it had a greater level of diversity in the age of business leaders? The concluding line of Conseil Européen Des Jeunes Agriculteurs' (CEJA) declaration to the European ministers of agriculture at their meeting looking at the future of CAP post 2013 was "A preference should be given to young farmers in every aspect of a future agriculture policy because the European farming sector cannot stay sustainable and competitive if more attention is not paid to the renewal of generations with young, innovative proactive farmers" (Conseil Européen Des Jeunes Agriculteurs, 2008).

Sir Don Curry, the chair of Defra's Sustainable Farming and Food Delivery Group, commented in his report on the role of County farms "New entrants are essential for any industry, however, the capital requirements of agriculture make farming one of the most difficult industries to enter. This is particularly true today. Tenancies offer a very useful and effective way of bringing in new entrants to agriculture and sustaining businesses into the long term since both the capital requirements and risk are shared jointly between landlord and tenant in long-term, binding agreements. The County Council farm structure has, in the past, provided a major contribution to this and should be allowed to retain the capacity to continue to do so in the future." (Sir Donald Curry, 2008).

Alan Spedding further emphasised the role the next generation will play in UK agriculture in his contribution to the New Blood report for the Royal Agriculture Society for England paper earlier this year by saying "Our industry needs injections of blood from outside to keep it healthy". In the same report David Leaver comments "A dynamic and competitive industry is needed to face the future challenges of food security and the industry will have to operate within the constraints required to satisfy the growing demands of environmental stewardship. For this we will require producers who are progressive, entrepreneurial and have outstanding business management skills, and they will need to be supported by a highly skilled operational workforce. But while there are many good examples of good young people coming in to the industry and making their mark, are there enough of them?" (Spedding, 2009).

Figure 3: Farmer Age against Attitude to Business Strategy has been taken from the Norfolk Farm Study and shows that from a sample size of 340 businesses, farmers who are younger do have a more positive outlook on business strategy. Interestingly, the age of the farmers did change the view they have on collaboration and cooperation. Older farmers are more inclined to look at a contractual relationship with other farmers, while younger farmers are more inclined to work in partnership with other farmers. These two points highlight that as farmer's age, their attitudes to risk change.

Figure 3: Farmer Age against Attitude to Business Strategy (Norfolk Rural Business Advice Service, 2006)



While there are many more examples which could be used, it is clear that to achieve the targets which are ahead, the industry must be innovative, entrepreneurial, co-operative and professional. It is also clear that younger farmers and farmers who have experience from outside agriculture have a higher disposition to these traits.

Impact on the Rural Community

Rural areas across Europe are suffering from an outmigration of young people. This is leading to a breakdown in social structures and the infrastructure which supports the communities. The value of maintaining a vibrant rural community has been included as a key theme for the Rural Development Programme across Europe.

Recent research into probable changes in the age composition of rural communities carried out by Newcastle University shows: "Remote rural areas in particular are expected to have a 47 per cent increase in the number of residents aged over 50 years old by 2028. This is compared with a 30 per cent projected increase of this age group on a national scale.

Some rural districts - including Berwick-upon-Tweed, West Somerset, North Norfolk, East Lindsey, West Dorset and South Lakeland - are set to have three out of five of their residents aged over 50 by 2028." (Newcastle University, 2006)

Highlighting opportunities to young people and building their aspirations is a key focus for many council projects designed to ensure that younger people do have opportunities; these support programmes often fail to connect with the agricultural sector due to poor communications and a disregard for rural economies.

In northern Portugal and Iowa the issue of keeping the best young people in the area is one which is taken very seriously. Both areas have had the topic as a focus by local and national government for over 14 years.

In Portugal the use of the Leader approach in the Rural Development Programme is a key tool in reducing the outmigration of young people. Leader funding focuses on local communities. Firstly, identifying the issues facing them and also, giving the community the tools to deal with them. The Associacao Do Douro Historico Local Action Plan for Leader focuses on that business creation which will generate business opportunities for young people. By connecting this approach to their national programme for young farmers, they have been able to provide support at the time the young entrants need to grow a small farming business. The Duouro region of Northern Portugal is dominated by large scale port producers which result in land values being very high and assess to land being particularly difficult. The fringes of this hilly area host smaller farms and communities while the centre acts as a major tourist centre. One example of this was at ErvasFinas where central funding had been used to set up the production side of the farm and a Leader grant was used to set up a trials kitchen and training room. This has enabled the business to connect directly with its customer base.

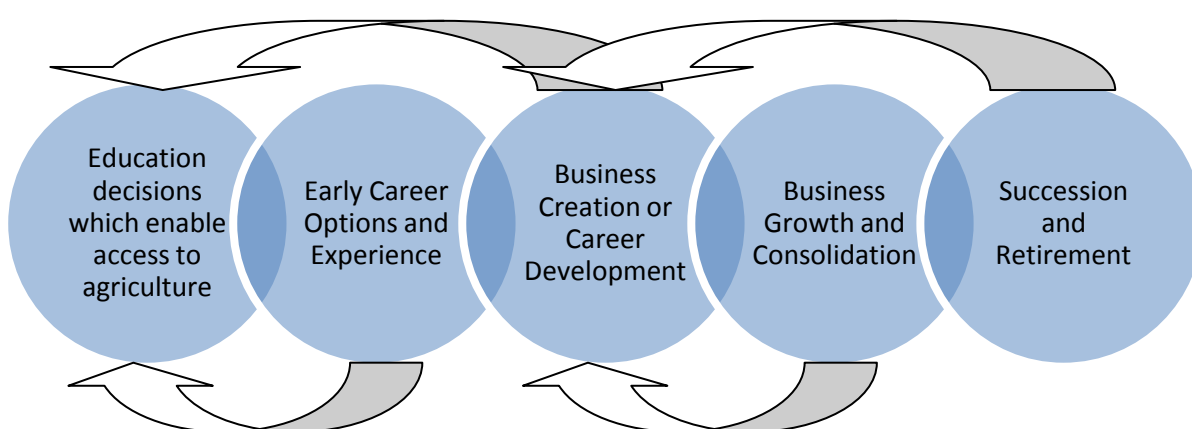
In Iowa the issue has led to significant changes in the structure of agriculture in the area. Michael Duffy (Hamilton, 2008) from Iowa State University has undertaken research which has shown that 60% of farm land in Iowa is rented and 55% is owned by people over the age of 65. In many situations farmers who wish to pass the farm on to the next generation do not have the next generation near to the farm or with the inclination to take over the business. This is having a wider impact on the local communities: aging populations living in increased isolation and pressure on the cost of providing services.

Agriculture as a Journey

“Farming is not something which suddenly happens to you. The move to become a farmer takes time and is part of a life journey” John Baker, Iowa State University. “Dealing with one part of the process will not result in sustainable solutions” Kathy Ruhf, taken from a presentation given at the Beginning Farmer Conference in New York State, USA. When looking at the support needed to develop the next generation we need to focus on the key decision point of the farmer lifecycle.

The concept of career development phases has been researched by academics for over 50 years. The four key phases identified are identification and exploration, establishment, maintenance and disengagement, (Super, 1957).

The key decision points are:



Identification and Exploration

The Exploration phase looks at the period when an individual identifies the industry they wish to work in and the period of preparation for this industry. For many people this stage of the career path would be at the age of between 10 and 15; however this can be at any time in a life and some people experience it more than once. All the influences up until this point will be used by an individual to make their decision. The strongest of these would be family, friends and school (Beauregard, 2007). Due to the disconnect between the general population of England and agriculture it would be fair to say that many of these influences will be based primarily on their perception of farming. The education choices of an individual are often made at the same time as choosing a career path but for others it can be influenced by grades achieved and interest in school later on. Having the right career advice and support coupled with ensuring businesses offer good early career opportunities is vital to the success of recruiting youngsters into farming. Due to health and safety legislation limiting opportunities for inexperienced people and the technical demands of modern day farming many people's first jobs on farms leave them demoralised, resulting in them prematurely leaving the industry.

Establishment

Establishment is the period of developing early career opportunities to progress; the relevant rewards such as pay and job satisfaction or the perception of these rewards will influence the role individuals play in their chosen industry. Farming does not have a clear career path; this could be

because the businesses are small and promotion opportunities are limited within an individual business. Predominance of the farmer as business owner being the main decision-maker limits the opportunities for those without access to capital to become decision makers. While the aspiration may sit with some for their whole life without action, others will have the desire to establish a business of their own very early in their career. The availability of the correct support is the key, to help individuals negotiate the maze of issues. In farming, decisions will revolve around access to land, capital, training and mentorship. However the biggest barrier determinant is the attitude to risk. As an individual becomes established with a family, a job, a mortgage etc, the risk of setting up a business increases because the loss felt if the business fails will have a bigger impact.

Maintenance

Business consolidation, the value of an individual to the industry, will depend on their commitment and enthusiasm to grow their business or role. The availability of opportunities to move a person or business forward is critical.

Disengagement

Succession: most farmers feel that their business is there to pass on to the next generation; however the perceived risk to the older generation of dealing with succession appears to be delaying or even stopping the process. This creates a lack of opportunity and a poor image of the career opportunity to people at early stages of the process. Retirement: for many it is difficult to find viable options for their retirement. This creates a blocking process which prevents the next generation taking opportunities. Farmers in the phone survey by ADAS (ADAS Consulting Ltd, 2004) cited the highest reason for not wishing to retire as being that they loved the way of life.

Skills, Education and Knowledge

To run a business of any type, it is important that the manager is well equipped with the correct skills. The people who are considering entering the industry are doing so from different starting points and it must be appreciated that they will have different areas of training need and learning styles. Kathy Ruhf, New England Land Link, outlined that you need three sets of skills to be a farmers:

- The ability to manage a business
- The ability to grow things
- The ability to sell what you grow

The Ability to Manage a Business

Basic business management skills are needed at all stages of a business if it is to survive. These include areas such as risk management, financial planning, staff management, negotiating skills and, specifically for agriculture, legislation and working with public funding. A recent pressure on agricultural colleges across the UK has led to the reduction in training time in many of these areas for courses below degree level. Looking back, 15 years ago the National Diploma included substantial time and focus on areas such as records and accounts, business planning and IT. The equivalent course now has been shortened in length by a year and the taught hours per week have dropped. This has led to a reduction in business management training through the college system.

To counter this decline, we are now seeing the growth of Fresh Start academies across England. Each of these focuses on business skills for people looking to enter the industry. Most deliver through a 12 to 18 month period of evening seminars and events. These are designed to give members the chance to build on their business skills to enable them to set up a farming business. Fresh Start Academies have been running for approximately 3 years with approximately 23 academies operating. These are run through volunteer time and industry support. Defra backed the Fresh Start movement initially but currently there is no central funding to develop it further. *Appendix 3, Fresh Start Study Programme*

It should be noted that many new entrants to farming are coming from other careers. This often means that they have business management skills and may only need to focus on developing their skills to fit the industry needs.

The Ability to Grow

In any business it is imperative that you can deliver what you plan and that it fits market needs. In agriculture this translates into the need to grow something and harvest it.

New entrant from outside farming, the need to grow things is a very daunting challenge. New entrants interviewed in the New York area did not have experience of farming. Many had come from urban families and had city jobs. The move to the country to run a farm has been a major step. One of the mechanisms which had been developed organically was an informal mentoring process. New farmers would come out of the city and agree to work on an existing farm for a growing season. This relationship was symbiotic as the mentee received training and guidance and the mentor received cheap (often for board and lodgings only) labour.

Case Study 1: B.R Shute, Hearty Roots Farm , New Your State, USA

Mr Shute left New York City with a dream of setting up a farming business through the Community Supported Agriculture (CSA) model. However he did not have a wealth of knowledge about crop production. His first lessons therefore had to be in farming and food production. To this end he took a job in return for food and lodging on a friend's CSA. He spent two growing sessions on this farm before finding his own land. Being located in the rural community and learning production, marketing and management skills, he was able to directly transfer these lessons to his own business.



The Ability to Sell What You Grow

There is no point in having a well managed business that can produce wonderful produce if you are unable to sell it. If a new entrant is establishing a business which aims at added value or produce high value products, then the ability to connect with the customer is the key.

Many of the businesses talked to through this research had come from non-farming backgrounds but had a clear idea of a market place. They used this experience to drive the business.

In England the agricultural industry is good at working together; however an externality of this is that the industry exposure to other people and their views is limited. For example, as part of the Norwich and Norfolk Food Festival a group of young farmers each year takes a farm to the city centre. Here they hear the views of people who generally do not connect with farmers. These views help to inform the young farmers to expand their opinions about the opportunities available to them. Oliver Walston responded to a student from Royal Agricultural College's question "what one bit of advice would you give me starting a career in agriculture?" by saying "by not studying here; you have been brought up on farm, now you study farming and then you will go to the family farm. You need to broaden your horizons".

The UK is a very diverse country with over 50 ethnic groups living in London alone; each of these provides a potential market place for niche producers of food. However, understanding these markets can only be achieved by taking the time to get to know their needs and predilections. New York City Council operates a programme to support migrants to take on farming businesses. The programme identifies individuals who have wide agricultural experience from their home country and marries them to a small area of land. This results in the migrant creating a future for themselves, while also creating a food supply to that ethnic group.

Support from the Industry

Constantly throughout this study the issue of mentoring has arisen; however no replicable examples could be found. It was felt by most that the role of the current generation of farmers in supporting the next generation was important, and that informal mentoring is a valuable system for doing this. Formal processes do not seem to exist or where established in the past, have not been sustainable.

The Concept of Innovation

Mankind has managed to supply the food he needs due to innovation, whether this was the domestication of animals, developing simple implements, selecting varieties to grow, terracing hills, selective breeding, or introducing genetic manipulation of plants. To maintain our food supply, we need to continue to be innovative. Innovation and creative problem solving often comes about as reaction to an opportunity or challenge. An area where innovation can have a significant impact is in the adaption of production systems. In each of the examples below the farmers have had a clear idea about their business model and the market place. However, their understanding of the production and processing systems were limited at the start of the process to establish the business. Therefore, the innovation has come from necessity.

A constant theme which appeared throughout the research for this paper was that the farmers who had started from a non-farming background all used innovative solutions to overcome key barriers. The examples below highlight how innovation can lead to the creation of a business.

Case Study 2: Kevin Ferry, Cabbage Hill Farm, www.cabbagehillfarm.org, New York State
Cabbage Hill is a small farm 50 miles from central New York which specialises in traditional breeds of animals and aquaponics. The aquaponics system focused on the use of nutrient rich water to produce salad plants, the water also provided a home to tilapia. The food for the fish was converted by the fish into nutrients which then fed the plant.



The farm is located on the edge of a hill and the plant and fish production takes place in a rundown greenhouse. Kevin Ferry had a good understanding of the market place he wished to operate in and when he found the land, his key problem was how to maximise the opportunity of the land he had to the market he chose. The innovative solution was to develop a novel production system. This was not a shop-bought system but home-built using his engineering training and relied on second-hand equipment and basic building supplies.

The sale of the fresh salad plants and the tilapia was through a farm stall and farmers' markets.

Case Study 3: John McAdam, Ervital, Castro Daire, Portugal, www.ervital.pt

John an American, farms in partnership with two native Portuguese people. The skill set of the three is not conventional for most farms; John is a trained psychologist, one of his partners is a philosopher, and the last one is an



agriculturalist. The mix between the three has enabled them to develop a business which focuses on a very niche market. The business produces dried herbs for both culinary and medicinal purposes. The three partners are able to use their skills to develop the business in ways that someone with only a production agriculture background would not do. The business has grown steadily over a number of years and a major part of the production is now outsourced to other producers. This enables John to focus on the development of new markets. However this has not stopped the partnership from producing their own crops. The farming is currently carried out on very poor quality land which had little or no management before the business took it over. This means that weed burdens are high and management through an organic system is difficult.



Case Study 4: Grace Soares, Ervas Finas, Vila Real, Portugal www.ervasfinas.com

Ervas Finas is a three year old business owned and run by Grace Soares. Three years ago Grace was working in a local food processing business and dreamed of developing her own enterprise. She managed to secure a Beginning Farmers Grant from the EU and with this secured 3 hectares of scrub land. The land lay at the bottom of a pine forest high in the Duoro Valley area of Portugal. She managed to clear the land, erect two poly-tunnels and install a water supply.

She now produces edible flowers and baby herbs which are sold directly to high value restaurants. Grace's understanding of the market place has enabled her to develop a niche product which commands a premium price. This is achieved through close working with the restaurants. Each restaurant comes to the farm and in the experimental kitchen a number of plants will be tested by the chef. The chef then is able to have the plants produced to order. This has resulted in a high trust business, and chefs are now confident to let Grace produce the crop and they will amend their menus to fit. One of the key elements of this business is the constant development of ideas. This includes new crops, new products from existing crops and adding value to crops during gluts in production. The solution to dealing with gluts in production has been to work with the chefs in the individual restaurants on recipes for preservatives and chutneys, which are produced for the chefs and sold through the restaurants over the winter months.

Support Organisations

Start-up businesses benefit from support that enables them to maximise their time and to ensure that they are able to explore issues with others. This enables the businesses to challenge thinking in a safe environment and to identify new opportunities. One of the common themes encountered through this study was the use that was made of a range of support agencies and the different roles they can play in supporting new entrants.

Some of the key organisations have been identified below. Each organisation has a value to the people it aims to support and they have been selected as good examples of organisations of their type.

European Council of Young Farmers



European Council of Young Farmers (CEJA) describes its self as “the voice of Europe’s next generation of farmers to the European institutions. CEJA’s main objective is to promote a younger and innovative agricultural sector across the EU 27 and to create good working and living conditions for young people setting up in farming and those who are already “Young Farmers”. CEJA achieves this by acting as a forum for communication and dialogue between young farmers and European decision makers.”

Inga Witter the General Secretary of CEJA explained that the organisation functioned by enabling the young farmers who form the membership to lead on issues, topics and actions. CEJA membership covers 19 counties through 25 organisations. The membership has no representation from England, Wales or Northern Island.

CEJA run events which pull together representatives from all its members to focus on key issues. Many of these link up with key dates and events in the EU calendar. When the EU agriculture Ministers met in Annecy to agree the midterm review of CAP, CEJA ran a parallel conference looking at the role of the next generation of farmers post 2013.

This event clearly showed the value of the organization for its members. The event was structured to allow the attendees formal and informal time with key policy makers in agriculture and allowed them to work collectively to agree on a position. The chosen topic for discussion was “which Common Agricultural Policy after 2013 for ensuring the renewal of generations in agriculture”. The speakers list included Mariann Fischer Boel (European Commissioner for Agriculture and Rural Development), Michel Barnier (French Minister for Agriculture and Fisheries) and Neil Parish (President of the European Parliament’s Commission for Agriculture and Rural Development).

The first day was focused on listening to key presentations about the future direction for CAP, the second day focused on the development of these ideas; during the third day the young farmers drafting a Declaration (Appendix 1, European Young Farmers' Proposals for a CAP after 2013) which they presented to the European Ministers for Agriculture.

Using the above example it was clear that members firstly built their understanding of policy issues across the EU and how each member state viewed them, and secondly it embedded leadership skills such as negotiation, presentation and working with industry leaders. It is clear that by not being part of this organisation, England is missing out. Being a member would achieve two clear outcomes: firstly it would improve our understanding of the European Union, its partners and systems; and secondly it would improve the confidence and skills of the next generation of farm leaders.

Greenhorns, USA

In truth the greenhorns did not offer any solid support to young farmers but worked through the provision of a social network which bound them together. In this way the farmers shared best practice and ensured their social wellbeing was maintained. The Greenhorns website states "The Greenhorns is a documentary film that explores the lives of America's young farming community -- its spirit, practices, and needs. As the nation experiences a groundswell of interest in sustainable lifestyles, we see the promising beginnings of an agricultural revival. Young farmers' efforts feed us safe food, conserve valuable land, and reconstitute communities split apart by strip malls. It is the film makers' hope that by broadcasting the stories and voices of these young farmers, we can build the case for those considering a career in agriculture -- to embolden them, to entice them, and to recruit them into farming. Our mission, as a small grass-roots nonprofits based in the Hudson Valley of New York, is to support, promote and recruit young farmers in America."

The Greenhorns uses modern media to champion the views opinions and policy of young farmers across America who fails to conform to standard farming systems. It clearly considers that in this way it is in a position to provide opportunities and support for these young farmers. Greenhorns is led by a very passionate leader Severine von Tscharner Fleming, who has dedicated her career to championing artisan farming.

While the organisation has no clear manifesto or membership, it effectively engages with its target group through listening to and engaging with them. Meeting Severine showed that passion directed in the correct way can achieve considerable results including the production of a guide to farming, countless events across the USA for its friends and an interactive map with Organic Valley Milk which now has over 60 young farmers connected to it. The true value of the Greenhorns is as an outlet and catalyst for new entrants across the USA how are looking for similarly minded people to help them in the creation of their business.

Iowa State University (Beginning Farmers Centre)

The USA continues to have a fully functioning extension service with ensures that universities across rural areas have full connection with the industries they are working with. The Beginning Farmer Centre is a good example of an extension product.

The idea for a Beginning Farmer Centre developed from a series of discussions with legislators, extension personnel and others concerning what could be done to encourage new farmers. These

discussions led to the conclusion that it was necessary to have a centre to focus exclusively on the needs and issues facing beginning farmers. It was also determined that this Centre should facilitate the matching of beginning farmers with existing farmers who wanted to pass their farm businesses on to the next generation. The Centre "shall... assist in facilitating the transition of farming operations from established farmers to beginning farmers".

John Baker the head of the Beginning Farming Centre ensures that the service focuses on the key elements facing the next generation of farmers in parallel to the issues facing the current generation. Iowa has a significant problem of attracting young people into farming. This is exemplified by the high level of land which is managed by absentee landlords.

The Beginning Farmers Centre acts a central point to many different forms of support. These programmes include state level grant programmes, succession training and a succession programme for farms with no heir. These tools create links to other nationally run programmes that enable maximum opportunities to the new entrants to farming the.

Availability of Land

Land is one of the most important assets if you intend to farm; however the supply is finite and it holds a value above its productive worth. To a new entrant, the access to land is one of the biggest hurdles to overcome. In England the challenge of accessing land has become increasingly difficult for the current generation. The drive for farms to grow to ensure profitability together with the demands for land for housing and industry leave the availability of land limited. Agricultural commentators consider that the number of decision makers in farming will dwindle, with power moving to large farms that can benefit from economies of scale. This leaves limited options available to a young person looking to enter the industry:

- Look at the options to manage a farm on behalf of an estate or non farming land owner.
- Wait for a standard tenancy to become available
- Establish a business on underused land.
- Establish a joint venture
- Establish succession on a family holding

The competition for tenancies is fierce; when the land adjoins a large scale farming businesses, the landlord is viewed as a good landlord or the land has good productive value. The key challenge is that most tenancies are decided by the rental value achieved for the Landlord as the primary factor. If a large farming business can access the land and increase its economies of scale, then that farm is able to offer a rent above that which is possible for a new entrant to the industry. This issue is further aggravated by the lack of facilities needed by a larger farming business incorporating the land into their system in comparison to a new entrant. The new entrant will require buildings, housing etc while a large farm is more likely to favour a bare land let. This enables the landlord to let buildings and sell or live in the farmhouse.

County Farms

English reaction following both the first and second world wars was to purchase agricultural land for returning soldiers. The objective of this land has changed over time and is now viewed as an asset for new entrants joining the industry. The following quote from Sir Don Curry in 2008 clearly highlights the level of land available, the current rate of decline in the amount of land and its availability.

“In England in 2006, 50 counties and unitary authorities owned and managed 96,206 hectares (237,725 acres) of agricultural land as statutory smallholdings. This land is let to 2836 tenants under tenancies governed by both the 1986 Agricultural Holdings Act and the 1995 Agricultural Tenancies Act. In 1984, a total area of 137,664 hectares (340,167 acres) was let to 6753 tenants. Over that 22 year period the amount of land on smallholdings estates has:

- Fallen by 41,458, a 30% reduction; this equates to an average reduction of 1884 ha per year.
- Number of tenants has fallen by 3917 - a reduction of 58%.” (Sir Donald Curry, 2008)

While a county council has legal obligations when it owns this land to make it accessible to new entrants to agriculture, there is no obligation to retain the land for this role. The land is managed by each county with no direct link to central government. This means that the land is subject to continual pressures as council budgets are squeezed and political pressure to increase spending in other areas and by the need to keep council tax low.

Policies for the management of county farms change according to the pressures placed on the Council from external and internal pressures. While the pressure to sell remains a high priority in many councils there are occasions when a more positive view of management is taken. Between 2007 and 2009 the estate in Norfolk has been subject to intense scrutiny. The County currently (2009) has 16,236 acres of land tenanted by 145 individuals. While the exact management system is still being explored it appears a very proactive focus is being developed. The paper presented to the Cabinet Group of Norfolk County Council included the following key policy statements:

- Maintain the size of the Estate at 16,000 acres or more. Where land or buildings are declared surplus, reinvest the capital receipts in order to further develop the Estate.
- Develop the Estate as an exemplar of innovation, working with tenants, the County Council, communities and external partners.
- Provide opportunities for new entrants to farming and for progression of tenants on the Estate
- Develop strategies to enable older tenants to retire with dignity and the Council to meet its obligations to tenants on retirement tenancies. (Council, 2009)

Strategies such as this should be actively encouraged by the industry and the council should be helped by the farming leaders for their positive view of what is possible.

Underused land

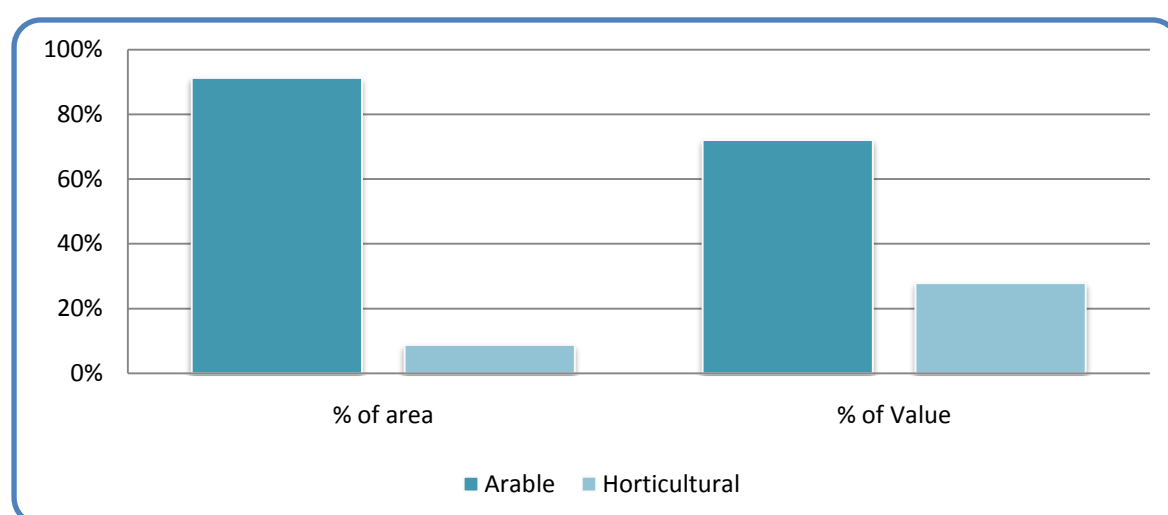
The concept that land is under-used in England flies in the face of agricultural land. Having a high value, high population density and ever increasing demands on land from industry, housing, conservation and leisure. However there are areas of underused land across the country which is prime opportunities for new entrants.

Underused land can be split in to two categories:

- Land which is not producing at its optimum level
- Land which is not farmed for a number of reasons such as it is poorly located, connected to a non farming holding or abandoned.

The first category focuses on the highest quality area of land in any production system. Most farming systems employ rotations and as such need a significant area of land to function. This system will cross a number of different soil types and as such there will be good land and poor land. To highlight the potential of this, the table below shows that in Norfolk, converting arable land to horticultural land would increase the GVA (Gross Value Added – a measure of financial output) of agriculture. The main restricting factor appears to be the skills, time and investment needed for this conversion.

Figure 4, The Area of land Used against the Value of Output in Norfolk



The opportunity to increase the productive value of the land for a new entrant is one which should be explored. The new entrant would be in a position to bring time and skills into a business, leaving the existing business to invest the capital. This could be in the form of a loan or as a joint venture. Developing a business in this way would enable a new entrant to have access to land, support in the form of a mentor and the capital to establish their business. The relationship would ensure that the existing business would receive a rental income from the land which would reduce the risks to the business; it would also benefit from any increase in asset value arising from the investment in land.

The second category of under-used land focuses more on areas of land which are forgotten or are repeatedly left out of production. There are many reasons that land may be under-used; the following are a few examples:

- Land retained for a potential development value
- Area of farmland which proves to be unsuitable for modern production; this may include small fields or those having poor access.
- Areas of land sold with high-value country properties.
- Aging farmers and farm widows finding the farm too much for them.

This type of under-used land appears to be the favoured option for many young farmers. From the examples highlighted in the innovation section, each has in common new entrants who have found a productive use for land which would otherwise be left redundant or cropped marginally.

The first and probably biggest hurdle to starting a business in this way is finding the land. By its nature, this land is not talked about and active strategies to find tenants are often not used. A new entrant must therefore find the land through local networks and knowledge. The recent launch of LandShare by Hugh Fearnley-Whittingstall has highlighted that at the small scale food production level, the introduction of a well promoted process which links land owners and producers can work. A further example of a match-making system which is having some limited success is the use of the Sheep Keep system which links livestock owners with land. Due to the decline in livestock numbers and the increased need to find graziers for conservation reasons, systems like this are acting as a portal for new entrants to find land. However there has been limited success in developing these

links further, leaving the new entrants to build their own network of contacts. The technique adopted by most examples has been to make contact with a local farming community.

Figure 5, Ervas Finas, the picture on the left shows how the land was before production the picture on the right three years later



Case Study 5: Mr Attila Lang, Pepper Production, Nyiregyhaza, Hungary

As well as working full time for the Agrarian Chamber as a consultant, Mr Lang has received a Beginning Farmer Grant from the EU to establish a horticultural business. The grant has been used to purchase land and erect two poly tunnels which are used for pepper production. The land he has is located in the front of a grain store. Before this use, the land was derelict. Mr Lang now manages the business in the evenings and weekends. His market is through the local co-operative which ensures he has a guaranteed outlet. While Mr Lang understands the grant and advice systems for farmers, he had a low level of knowledge about production and was using a text book to guide him through the production process.

The innovation adopted here arose through the demand for land and the high cost of conventional farm land. By using land which was non productive, a symbiotic relationship was reached with the owner of the land.

Establishing a farming business through this system is high risk; these risks have the effect of ensuring only the most dedicated people take on the option and



make it succeed. Below is a risk assessment for an example business setting up on this type of land:

Figure 6 Risk Appraisal of Adopting Underused Land

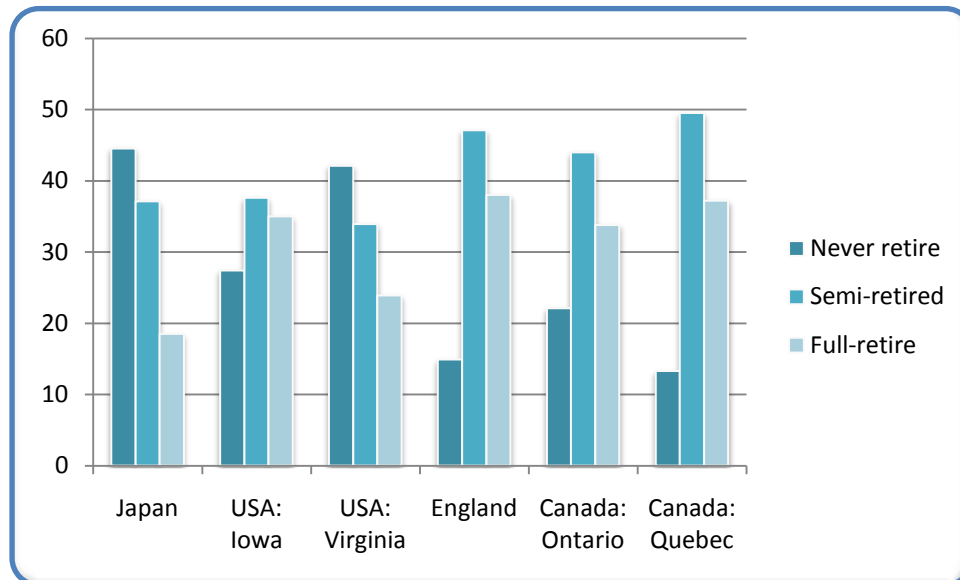
Risk	Impact
Multiple area of land, each being small and having limitations	Increase in management time needed
	Increase in time to manage landlord relationships
Poor quality land e.g. subject to flooding, high weed burden or heavily sloping	Poor production levels
	Limitations to production options
	Lost harvests
	Increased costs created by legislation
Short term contracts	Uncertainty and lower incentive to invest in the land
	Low incentive to invest in appropriate equipment
	Management time need to find new land or negotiate extensions in leases.
Unit size too small to operate	Inordinately high cost structure
Good will contract	Lack of clarity for decision making
	Ability for the landowner to change plans at short notice

While the option of adopting underused land carries high risks for setting up a business, it does however present opportunities. Work on identifying available land and then supporting the business through the early years is essential to maximise this opportunity.

Succession

One of the biggest opportunities to install the next generation of farmers is through succession. This may be through a family member or to a non family member.

Figure 7, Retirement plans (Uchiyama, Sustaining the family farm: Dimensions of intergenerational farm business transfers in Canada, England, USA and Japan, 2007)



The plan to retire is the starting point to enable the succession on a farm; if the head of a business is not planning to move from that business, then there is no space for a successor. Figure 7, Retirement plans shows that in England we are not in a poor situation in regards to plans to retire with 15% of farmers not planning to retire – much lower than in Japan and the USA. The identification of a successor is the next challenge. Figure 2. Location of Succession Candidates by Country, shows that we also have a clear plan of where the successor is coming from. From these two points it appears that England does not have a problem; however the masked issue is that the successors are not taking over full control of the business at a suitable time.

The Farm Boy Syndrome

Talking about succession to a young farmer recently who is working at a junior management level on the family farm, while he was keen to support the family through a succession, the challenge would be to get his parents and grandparents in the room together. This is not uncommon with farms being run on a day to day level by a son or daughter in their fifties with their father still the head of the business, making long-term and financial decisions

Research has shown that the “Farm Boy Syndrome” (Uchiyama, Sustaining the family farm: Dimensions of intergenerational farm business transfers in Canada, England, USA and Japan, 2007) is an issue in over 15% of UK farming businesses. This has two impacts on the industry; firstly it sends a message out to potential new entrants that the industry does not welcome new people and therefore opportunities are limited, secondly it results in the successor taking on the business without the relevant training and experience.

To address the issues which delays succession we need to understand them more fully. Some of the key barriers are highlighted in Figure 8, Issues Obstructing Succession. This list is not exhaustive but

clearly shows that the key barriers are those around the people involved. It should also be noted that many of the issues cited focus on legal or tax issues; in some situations these really are barriers but in the majority of situations they are an excuse used to justify the attitudes of the individuals involved.

Figure 8, Issues Obstructing Succession

New Entrant Issues	Existing Generations Issues
Lack of commitment to the business	Fear of being redundant
Working away from the farm	Fear of the successor failing
Poor communication of objectives	Poor communication of objectives
Willingness to take risks	Fear of change
Profit maximisation	Lifestyle maximisation

Case Study 6: H and H Farms, Eldora, Iowa

H&H Farms covers 971 acres of arable land which produces maize and soya, and 120 breeding sows. Dave Hommel is currently half way through a succession plan which spans approximately 15 years. This plan started with the attendance at a succession workshop run by Iowa State University's Beginning Farmers Centre. The programme enabled the whole family to understand individuals objectives to establish communication and then to set long term objectives.

The succession process started in 2000 with the establishment of H&H Farms, in 2004 Dave made the final payment to his farmer for half the farms capital. This signified that Dave was a joint partner in the business. The key advice from the family is to set long term plans, communicate across all parties and bring in advice at the appropriate time.



Four Stage Process

For succession to be successful, it needs to go through 4 key stages: understanding objectives; integration of the next generation; joint working; and withdrawal of the older generation. The process of succession within any business will take time and should not be rushed. The process described below will take an average of 15 years to fully follow.

Understanding objectives: understanding the roles played by all people connected to the farm and their aims and ambitions is a key starting point for successful succession. If the long term plans of the people involved in the business are not compatible or have fundamental differences, alternative options must be explored. For this stage to be a success, effective communication needs to be developed; this can be formal or informal but must span a considerable period of time and all relevant parties need to engage. In this ways trust, confidence and understanding will all grow.

Experts in tax and law should be brought in during this phase to ensure that objectives are agreed in light of their impact on both the business and the individuals. Long term mentorship is of real benefit

throughout this process and each party may need a different mentor to ensure they have an unrelated outlet for frustrations.

The conclusion of this phase of the process is an agreement to a plan; this plan may span a relatively short or a long period of time but must include key outcomes for each stage with agreed time frames.

Integration: the starting point for most plans would be for a period where the two generations start to work together in the business. This period will be phased in over time, in some situations this could be over 5 years or more. The starting point of the process will differ with all businesses, for example the new entrant may have an off-farm job which they leave half-way through the integration period. In others the new entrant may be leaving college and moving straight to the farm. If a model is used where the new entrant has to purchase a share of the working capital, during this period they would be paying off this value.

Joint Working: following the integration period, it must be understood that both the new and the older generation are equals in the business. In most situations, a formal business structure will help to deal with the issues which are generated by the differing views of working. As in the integration period, this process can take up to 5 years before both parties are ready to move on to the next stage.

Withdrawal: at some point the business must move from a jointly run business over to one managed by the new generation. This process is one of the hardest to deal with for the exiting generation as it includes high levels of stress and anxiety. The older generation will lose their position leading decisions and will have concerns that the new generation may fail. If the preparation work during the phases of integration and joint working has been well managed, this process is the natural step for all parties. Again the process may take a period of time to complete or the exiting generation may choose to take a sudden and quick step away from the farm.

Grant Support

With the introduction of the Rural Development funding from the EU which focuses financial support on both new entrants entering agriculture and retiring farmers leaving it, it is now possible to assist young people into agriculture and then to develop that business, through the reduction of risk, to invest and grow.

Grant support is available in many European countries through the Rural Development regulation. Member countries had the option to make use of these measures and of the amount of support given, (Appendix 2, Installation Aid for European Young Farmers). Direct grants to new entrants range from €0 in England to €110,000 in France. In addition, preferential grant rates can be awarded to new entrants under other funding measures.

During this study it became clear that grants were being used across the continent to enable new entrants to become established. These funds have been and are being used both as direct assistance to new entrants to the industry and to assist succession in taking place on farms.



Case Study 7: Annecy, France, New Entrant Milk Producer

In this upland area of the French Alps, production is undertaken in very traditional ways. Co-operative production and processing are common and land is linked to these. In addition subsidies are linked to the land which results in the land values being relatively high. More of a challenge however is the ability to access land as very little comes on to the market.

This new entrant received Rural Development funding to take over this farm and enable his father to retire. The funding was used to re-equip the

parlour, provide new winter housing and purchase bespoke production equipment. All milk from the farm is produced on a solely grass diet (grass and hay) and is sold to the co-operative, which makes the protected Roblochon cheese.

Case Study 8: Elismero Oklevel Zolt, Hungary, Dairy

Elismero's father, who is a practicing large animal vet, established the farm in 2000 with a third party and, when this partnership split up in 2007, Elismero took



over the farm with the help of both Rural Development funding and local grant aid.

The combination of grant funding covered 100% of the costs of investment into the farm. This has resulted in the farm achieving record production levels in Hungary in 2007 and 2009.

Traditionally the milk has been sold to the wholesale market but due to poor payment and poor terms, the farm is looking at ways of increasing income and reducing risks. The farm now runs two vans on local retail delivery routes.

Both of these examples matched the views of other farms interviewed who had benefited from grant funding, that they would be in farming in one form or another without the funding but they would not be running their own business and would not have been able to invest in the business to the levels they have. However, it should be noted that there was substantial anecdotal evidence to suggest that such grants are frequently abused across the EU.

While the UK has not selected the measures to support new entrants directly, it has enacted some which may be of support to a new entrant. The funding for training of people involved in agriculture is one of the prime examples. This measure supports up to 100% (restricted in most situations to 70%) of the cost of training. The training is *managed* in many regions of England through a structure known as LandSkills. In each of the regions, there is pressure on the funds to support new entrants. However the opportunity to do so is limited in practice.

To benefit from the funding, applicants have to be “reliant” on agriculture. Therefore if they currently do not work in the sector or have been made redundant from the sector they would not be eligible. This limitation is proving to be a significant barrier to the development and delivery of training for people who aspire to enter the industry.

The view of the Ueropean Union has been captured through a report produced by the Italian MEP Donato Tommaso Veraldi in 2008 which set out how the 2013 review of the CAP should take in to account new entrants as a core theme. This paper has been agreed unanimously by the Committee on Agriculture and Rural Development. The key conclusions of the report are;

- “Considers that one of the objectives of the reformed CAP should be to ensure better generation change in farming and that, with a view to achieving it, the first and second pillar instruments in support of sustainable farming and developed rural communities respectively are especially complementary;
- Maintains that action to foster generation change in farming is essential in order to address the food, energy and territorial challenges facing European farming today and in the future; considers that all such challenges cannot, if society's expectations are to be met, be addressed without a strong farming sector and a large number of farmers in the Union;
- Notes that the main factor in renewing the farming industry's age profile is access to land, given its high cost;
- Takes the view that, in future, the CAP must seek to remove the barriers currently facing young people wishing to set up in farming, by making generation change one of its priorities;
- Points out that, because of the great demands on 'tomorrow's managers', curricular training must be systematically stepped up to ensure genuine knowledge transfer from agrarian research to farming;

- Urges the Commission, in its legislative proposal on the 'health check', to propose that the aid for young farmers provided for in the legislation on rural development should figure among the compulsory measures included in the plans drawn up by the Member States, which should also be accompanied by an increase in the amount of setting-up support;” (Vealdi, 2008)

This report shows that while the EU support the view that new entrants add significant value to agriculture while also being subjected to major barriers to enter the UK government do not share these views. Jonathan Shaw MP as the Defra Minister for Marine, Landscape and Rural Affairs stated that “that grants did not make financial sense as they helped to create unviable businesses”.

Conclusion

This report demonstrates that while England is starting to make some positive moves towards supporting the next generation of farmers, there are significant areas where further action is required.

Agriculture as an industry is aging; the average age of decision makers in businesses is substantially above that of other industries in England. This issue is not only a problem for England but is felt in most developed agricultural economies. In some parts of the world the issue is having a substantial impact on the functioning of the businesses and the social balance of the rural communities which house those businesses. The outmigration of young people has left the rural communities in Iowa struggling to provide services and farming businesses increasingly working with out-of-state landlords. It would be wrong to assume that the problem in England is yet a worst case scenario; however the issue is starting to have an impact and actions need to be taken to ensure that England's agricultural industry can maintain its position as a leader in world farming.

Firstly the true extent of the problem in England must be understood. While research is being undertaken into a number of areas which are parts of the problem, it is vital to take a holistic view to ensure the emergence of a complete picture.

In supporting the next generation of farmers, focus is needed on five areas; training, knowledge transfer, opportunities, succession, and leadership.

Sharing knowledge between generations: the development of an informal mentoring programme is a critical step in creating opportunities for people to benefit from the wealth of knowledge and experience held in the industry. The current generation of farmers is willing to help the next generation to become established businesses; this has been demonstrated through the way nearly all new entrants have been helped by farmers during their early years. However the next generation do not feel that comfortable asking for support because the current generation are too busy and would not be interested in their ideas. The development of an informal mentoring process would result in an improvement in sharing information between generations and would embed the concept of mentoring with the new entrant.

Developing opportunities: to ensure the industry has the best and most able people joining it, such people need to be able to see the opportunities available to them. Some of these are easy to see and hard to access, while others are hard to see and hard to access. The key opportunities which need to be highlighted include: county council estates, commercial estates, underused land, and setting up niche businesses, adding value to an existing business, joint ventures and managing an existing estate.

There is a need to strategically look at the role of county farms as a platform for new entrants plays; a critical assessment of the effectiveness this route is urgently required.

There is a need to promote opportunities to new entrants; this should be addressed collectively. This could be addressed through a web based portal enabling people to identify or promote opportunities available or sought. Cross-industry support is required to make this process successful; critically buy-in from agricultural businesses, land agents, county farm agents and landlords is needed to ensure a high use rate is achieved by the site.

Create leaders of the future: to enable the next generation not only to take part in the industry but to ensure we have a forward looking industry for future generations, there should be investment in the leadership skills of the new entrants. The key skills needed include: communication, negotiation, co-operation, directorship and policy. Closer connections with CEJA should be made to enable the strongest of our leaders to develop their skills and understanding of the policy world farming operates in at an early point in their career.

The key challenge in establishing both the skills and supporting the new entrant in a leadership role is that the time and effort needed to establish a new business is substantial. Funding for training needs to embrace this challenge by including the costs of travel and working away from the business.

Eradicating the Farm Boy Syndrome: The Farm Boy Syndrome is one of the biggest barriers to new entrants joining the industry. Breaking down this issue is not easy and must be achieved by the industry itself.

Firstly there is a need to understand the true extent of the problem in English farming; this could be done by rerunning the International Farm Transfer study across England.

Secondly there is a need to change the way succession is dealt with at a farm level. Succession issues should be openly discussed in farming circles and this would help to break down the barriers which have been built up through generations. Consultants, agents, NFU group secretaries, Young Farmer Clubs, Fresh Start academies, accountants and solicitors need to support their clients to look at objective setting for farming businesses; this should focus on the integration of generations in the business and should look long term. Overall agreement on objectives between generations should lead the process of succession; financial management and legal systems should aim to address the objectives set.

To make the above change in succession planning happen, a series of workshops should be run across the UK to stimulate this change of thinking.

There is a need to review the legislative and tenancy barriers to succession which deter new entrants from coming forward. Issues such as inheritance tax and tenancy processes prevent farms from transferring between generations at an appropriate time. The industry must champion appropriate changes to these systems to remove barriers to new entrants. However, even today in most situations, succession can happen if well thought through. Case studies should be developed both to open up the debate on succession and to highlight the options available.

Embedding skills: the next generation needs three key sets of skills: technical proficiency, business management and market understanding. A review of the current training systems in colleges and universities should be made to ensure that these three areas are being adequately delivered.

Outline the way the UK should embrace the Rural Development options in a post 2013 CAP: in the review of the CAP for 2013 there is likely to be continued funding for Rural Development Programmes. Lobbying should start now to ensure that the measures which focus on new entrants and succession planning are part of the options adopted in England. Connection to EU networks such as Conseil European Des Jeunes Agriculteurs (CEJA) would enable a better understanding of the options available and would allow new entrants in England the opportunity to influence policy.

Works Cited

- ADAS Consulting Ltd. (2004). *Entry to and From Farming in the United Kingdom (RMP2037)*.
- Beauregard, A. (2007). *Family Influences on the Career Life Cycle*. London School of Economics.
- Conseil Europeen Des Jeunes Agriculteurs. (2008).
- Council, N. C. (2009). *Report by the Cabinet Members for the Corporate Affairs and Efficiency and the Managing of NPS Property Consultants Ltd*. Norwich: Norfolk County Council.
- Hamilton, N. (2008). *Obama should Launch a New Farmers Corps*. The Des Moines Register.
- LANTRA. (October 2009). *A skills Assesment for the Environmental and Land-Based Sector*.
- Newcastle University. (2006, April). *Press*. Retrieved January 2009, from Newcastle University: www.ncl.ac.uk/press.office/press/release/item
- Norfolk Rural Business Advice Service. (2006). *Norfolk farm Study*.
- Sir Donald Curry, C. F. (2008). *The Importance Of The County Farms Service To The Rural Economy*. DEFRA.
- Spedding, A. (2009). *New Blood, Attracting the Best Young People to Agriculture*. Royal Agriculture Society for England.
- Super, D. (1957). *The Psychology of Careers. An Introduction to Vocational*.
- Uchiyama, T. L. (2007). *Sustaining the family farm: Dimensions of intergenerational farm business transfers in Canada, England, USA and Japan*.
- Vealdi, M. D. (2008). *Report on the Future for Young Farmers Under the Ongoing Reform of CAP*. Committee on Agriculture and Rural Development.

Appendix

Appendix 1, European Young Farmers' Proposals for a CAP after 2013



CONSEIL EUROPEEN DES JEUNES AGRICULTEURS

European Council of Young Farmers - Europäischer Rat der Junglandwirte

Ref: CEJA-N-058-2008-EN

European Young Farmers' proposals for a CAP after 2013

European Young Farmers from CEJA wish to play a major role in the elaboration of a future agriculture policy in Europe. In the discussion around the CAP after 2013, they would like to underline the following fundamental issues for a successful future of European agriculture:

1. Assuring the renewal of generations in agriculture

For any successful agricultural activity in Europe in the future, the renewal of generations in the farming sector is crucial. With only 8% of European farmers under 35 years and over 50% older than 55 years, concrete measures urgently have to be taken to assure European strategic food independence and self-sufficiency, while taking an active part in finding solutions for the increasing food demand on a global level at the same time. CEJA therefore asks for an **obligatory support for young farmers through installation aid in the second pillar of the CAP**, accompanied by a clear national policy in the Member States. The recently elaborated European Parliament report on the future for young farmers under the ongoing reform of the CAP (2007/2194(INI)), takes the same stance and asks for **improvement of the setting-up support scheme** through a higher ceiling of the European setting-up premium, **improved access to credit for young farmers** through investment support and interest subsidies as well as the granting of fiscal advantages that facilitate the financial situation during the installation period. Best practices from different European countries should be carefully analyzed to identify the most competitive and sustainable support in the long run.

2. Providing young farmers with adequate market tools

The new challenges and opportunities in agriculture make it necessary to develop tools for an innovative and sustainable approach to the changing conditions. European farmers can only become more competitive with adequate market tools and a better information policy, such as developing a **genuine strategy of cooperation between farmers and other stakeholders of the supply chain and creating innovative tools for market management within the 1st pillar of the CAP** which allow managing risks and crisis in agriculture and offer « safety nets » to European producers. Stronger collaboration with research institutions and more possibilities for the training of young farmers should also be a priority of the future CAP. For CEJA, agricultural policy should play the role of a compensator for the very high social, environmental and quality standards European farmers have to fulfill. These standards should be recognized on an international level and transparency in international markets needs to be guaranteed for a fairer competition worldwide.

New instruments and a constant evolution of the agricultural sector make a strong budget necessary. European young farmers from CEJA believe that it is important to define the needs and objectives of the agriculture sector before starting the budget discussion.

CEJA – Conseil Européen des Jeunes Agriculteurs
Rue Belliard 23/A, Bte 8., 1040 Brussels, Belgium
TEL +32 (0) 2 230 4210 FAX +32 (0) 2 280 1805
E-Mail: CEJA@CEJA.BE WEB: WWW.CEJA.ORG

3. Promoting the agricultural sector and changing its outdated image

Agriculture's role has considerably changed over the last years and it is important to inform society about the new situation of the sector and consumers' changing expectations. **A communication, education and promotion strategy** should therefore be developed to modify the outdated image of agriculture. European young farmers would like to use the bilateral meetings with European Agriculture Ministers to develop concrete ideas of such promotion strategies on a national level, in line with projects that have already been launched by the European Commission such as, for example, the Fruit School Scheme that supports a healthier diet with fresh products for school children. It is furthermore important to discuss new training possibilities for young farmers that allow them to constantly improve their farming practices and constantly adapt to modern standards.

European Young Farmers from CEJA claim that installation of a new generation in agriculture has to be a priority of the CAP in the future. A preference needs be given to young farmers in the implementation of the future agriculture policy because the European farming sector can in fact only stay sustainable and competitive if more attention will be paid to the renewal of generations with young, innovative and pro-active farmers.

Appendix 2, Installation Aid for European Young Farmers



CONSEIL EUROPEEN DES JEUNES AGRICULTEURS

European Council of Young Farmers - Europäischer Rat der Junglandwirte

Ref : CEJA-N-003-2009-EN
Last updated : January 2009

- Installation aid for European Young Farmers -

COUNTRY	TYPE OF AID (art. 8.2)	10 % HIGHER SUPPORT FOR YF FOR INVESTMENT IN AGRICULTURAL HOLDING (art. 7)
Belgium Wallonie	<p>- EUR 100.000 investment: A single premium of 45% investment.</p> <p>- EUR 100.001 to 175.000 investment An interest subsidy covers 5% of the interests on the loan the YF has taken, it goes up to a max of EUR 10.000. Min 1% of the interest is in charge of the YF.</p>	<p>Yes,</p> <p>- 10% of investments for YF less than 6 years old set up. Aid can not exceed the amount of EUR 100.000. For YF less than 6 years old set up, aid can not exceed the amount of EUR YF 150.000</p>
Belgium Flanders	<p>There is still no higher support for YF in investment in agriculture holding.</p> <p>A single premium of max EUR 25 000 is paid over the first two years after setting up the farm.</p> <p>An interest subsidy of max EUR 30 000 covers 4% of the interests during 10 years.</p> <p>The above mentioned subsidies can be less because of an obligatory guaranty asked by the bank to the farmer who get this guaranty from the government for max EUR 25 000 euro.</p> <p>Max total aid is EUR 55,000</p>	No.
Denmark	<p>There are no direct installation aid.</p> <p>young farmers can loan 20 percent (from 70% to 90%) (maximum EUR 520.000) of the price of the farm with a State guarantee. The first 70 percent of the price are no problem, and can always be loaned. The last 10% is the young farmers savings and bank-loan.</p>	No.
Germany	<p>A single premium of EUR 10,000 if the young farmer invests at least EUR 50,000.</p> <p>This amount of aid differs between the federal states of Germany, e.g. Rheinland-Pfalz doubles this amount out of its own resources.</p>	No.
Greece	A single premium :	55% of the whole investment but

CEJA- Conseil Européen des Jeunes Agriculteurs
Rue Belliard 23/A, Bte 8, 1040 Brussels, Belgium
TEL +32 (0) 2 230 4210 FAX +32 (0) 2 280 1805
E-Mail: CEJA@CEJA.BE WEB: WWW.CEJA.ORG

	<ul style="list-style-type: none"> Mountainous area: EUR 25,000 Disadvantageous area: EUR 20,000 Flat land: EUR 15,000 	it can not exceed the amount of EUR 225,000 per farm.
Hungaria	<p>The single premium depends on the size of the farm and it is not linked to an investment</p> <p>There are 3 categories</p> <ul style="list-style-type: none"> - EUR 20.000 – 4 ESU - EUR 30.000 – 7 ESU - EUR 40.000 – 10 ESU 	Yes, max 50% and 60% in less favoured areas of a max. invest in different measures. Only for individual owner who has business plan and special “young farmer” registration. of
Spain	<p>A single premium of max. EUR 20,000 not linked to an investment.</p> <p>An interest subsidy of max. EUR 20,000</p> <p>This sum can be increased each time by + 10 % when:</p> <ul style="list-style-type: none"> It is a woman who is setting up You hire an additional UTA You are located in a less favoured area or zones of article 36 a): (i), ii) or iii) of regulation (EC) n° 1698/2005 <p>Max total aid: EUR 55,000</p>	<p>Yes, max 50% and 60% in less favoured areas of a max. invest of</p> <ul style="list-style-type: none"> Individual owners: EUR 90,152 per UTA and EUR 180,304 per holding (max 2 UTA) Firms and companies: EUR 90,152 per shareholder and EUR 360,600 per holding (max 4 UTA) Intensive crops (greenhouses for fruits and vegetables): EUR 601,012
France	<p>The max of the single premium depends on the zone and it is not linked to an investment</p> <ul style="list-style-type: none"> EUR 35,900 mountainous areas EUR 22,400 in less-favoured area EUR 17,300 in flat land <p>Interest subsidy: The max amount of the loan the young farmer can take is EUR 110 000 for a period of 12 years in flat land and 15 years in other land; the loan can be activated during 10 years; the interest is subsidised by the state, so the interest that have to be paid by the YF is rather low. The interest also depends on the zone.</p> <ul style="list-style-type: none"> 2,5 % in flat land 1 % in other areas 	Yes
Ireland	A Single premium of 15,000 Euro (Suspended in 2009!)	N/A
Italy	<p>Single premium of EUR 25,000</p> <p>Interest subsidy linked to the cost of the investment with a capitalised value of a maximum of EUR 25,000</p> <p>Max total aid EUR 50,000</p>	
Luxembourg	<p>A single premium of max EUR 25,000 - not linked to an investment.</p> <p>An interest subsidy of max. EUR 25,000</p> <p>For an additionnel diplôme: EUR 5,000</p> <p>Max total aid: EUR 55,000</p>	<p>Yes it is possible within 5 years after installation to obtain:</p> <p>Max: For investments in special-purpose crops, the max amount can be 55% of EUR 625,000.</p>

CEJA– Conseil Européen des Jeunes Agriculteurs
Rue Belliard 23/A, Bte 8, 1040 Brussels, Belgium
TEL +32 (0) 2 230 4210 FAX +32 (0) 2 280 1805
E-Mail: CEJA@CEJA.BE WEB: WWW.CEJA.ORG

The Netherlands	Single premium of 20% of maximum investment of EUR 100,000 per YF Max aid EUR 20,000	NO
Austria	Single Premium linked to the labour use on the holding and to an investment of at least EUR 15,000: <ul style="list-style-type: none"> • 0.5 to 1 full-time labour unit: max EUR 1,850 • 1 full-time labour unit (off-farm activity >50%): max EUR 4,750 • 1 full-time labour unit (off-farm activity < 50%): max EUR 9,500 	Yes, Max 45% of max invest of EUR 127,177.46/VAK or of max EUR 254,354.92/farm and 55% in the less favoured area
Portugal	A single premium of EUR 40.000	Yes, for YF setting up with project over EUR 25,000
Finland	A single premium of max EUR 22,000, which is not linked in doing an investment, is an income in the final taxation. An interest subsidy of max EUR 22,000 and/or A fiscal exemption for the usual capital transfer tax equal to 4% of the purchase price Max total aid incl. the fiscal exemption EUR 50,000	Yes, max 25% to 55% out of max invest of EUR 840.000 in agricultural holding and EUR 1.300.000 in horticultural, there is no difference between the areas.
Sweden	There is a single premium of max EUR 11,000. Advantages are given to women and full time young farmers Farming has to be at least 25% of the total income. 2 years after setting up, the YF can obtain an interest subsidy of max. EUR 11,000 Max total aid EUR 22,000	Yes (details still missing)
United Kingdom	No	No

Please note that the blue parts have been updated in January 2008, and the green parts in October 2008 and January 2009.

Appendix 3, Fresh Start Study Programme

YORKSHIRE FRESH START ACADEMY



Provisional Yorkshire Academy Programme

<u>Date and Venue</u>	<u>Title and Main Speakers</u>	<u>Detail</u>
30th October 2007 Committee Room B	Financial Management Sue Densley -Rural Business Administrator Stuart Wilson - Business Link Sue Williamson - NatWest	<i>The basics of farm accounts and bookkeeping</i> <i>Compiling business plans</i> <i>How banks can offer support to businesses, information which banks need to base decisions on</i>
20th November 2007 Old Design Room	Farming Structures James Severn -Andersons Case Study Farmers TBC	<i>Business Structures</i> <i>Farming agreements</i> <i>Case Study Farmers</i>
11th December 2007 Committee Room A	Presentation and Interview Skills	<i>Interview technique</i> <i>Curriculum Vitae</i> <i>Networking</i> <i>Self confidence</i>
8th January 2008 Committee Room A	The tenancy process	<i>Outline the key points of farm business tenancies and how to tender.</i> <i>Talk to agents and estate owners on what they look for in a tender.</i>
29th January 2008 Committee Room A	Marketing in agriculture	<i>Commodity marketing</i> <i>Understanding the food chain</i> <i>Adding value to produce</i>
19th February 2008 Committee Room A	Cost of Production	<i>Looking at main agricultural sectors</i> <i>Benchmarking</i> <i>Technology that can be used to reduce costs of production</i>
11th March 2008 Committee Room B	Single Payment Scheme	<i>Background to the Single Payment Scheme</i> <i>Current issues to note surrounding SPS 2008 claim</i> <i>The future for SPS</i>
1st April 2008 Committee Room B	Diversification	<i>On farm and off farm diversification</i> <i>Issues surrounding diversification</i> <i>Planning and rural housing</i> <i>Support agencies and grants available</i>
22nd April 2008 Committee Room B	Employment Issues	<i>How to manage people</i> <i>Leadership</i> <i>Staff training</i> <i>Legislative employment issues</i>
13th May 2008 Committee Room A	Farm businesses and the law	<i>Legislation and regulations specifically relating to agricultural businesses</i> <i>Tax</i> <i>Succession planning</i>
3rd June 2008 Committee Room A	Supply options	<i>Finance available to farming businesses</i> <i>Machinery and equipment sources</i>
24th June 2008	Farm walk	<i>A visit to a dynamic local farm to serve as a final meeting in the programme.</i>