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Policy options for resilience-enhancing farm demographics

IAMO publishes policy brief as part of the SURE-Farm project

Halle (Saale), 1 September 2020 – The EU-funded SURE-Farm project contributes to a better understanding of the sustainability and resilience of European agricultural systems. A recent policy brief discusses policy options to address demographic challenges of the agricultural sector.

In the coming decades, the baby boomer generation will retire. The following generations entering the labour market are significantly fewer in numbers. Because of this, the agricultural sector is facing a generational renewal problem. Until now, the existing EU agricultural policy has addressed the challenges of agricultural generational renewal by focusing strongly on farm succession. Currently, this is primarily implemented by granting young farmer payments in the form of payments per hectare of cultivated land to farmers age 40 and under. However, these payments are made without reference to a business plan or sustainable income prospects of the respective farm and have been criticised as ineffective by the European Court of Auditors. Based on simulation analyses for selected regions and stakeholder feedback, the authors of this policy brief also conclude that these payments can at best be considered largely ineffective and a waste of taxpayers' money. The EU focus on maintaining existing agricultural structures misses the large sectoral challenges, according to which many farmers, despite extensive subsidies, see themselves under enormous economic and social pressure due to their technical and economic inefficiency.

To support the agricultural sector in meeting the demographic challenges in times of increasing pressure on agriculture to adapt, political action should focus on creating favourable conditions for attracting qualified agricultural labour and innovative new entrants to the sector. This calls for stronger support for education and training of the workforce, increasing the attractiveness of rural areas for young families, greater openness to alternative agricultural business models, and clear and consistent policies that offer long-term prospects.

The SURE-Farm policy brief “Policy options for resilience-enhancing farm demographics” was published in English and German. The issues can be downloaded free of charge on the following website: www.surefarmproject.eu/deliverables/policybusiness-briefs-and-short-communications.

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Further information

The research project “Towards SUsustainable and REsilient EU FARMing systems” (SURE-Farm) is led by Wageningen University & Research, Netherlands, and supported by 15 other partners, including IAMO, from 13 European countries. The project is funded by the European Union's Horizon 2020 research and innovation programme. More information can be found on the project website: www.surefarmproject.eu.

About IAMO

The Leibniz Institute of Agricultural Development in Transition Economies (IAMO) analyses economic, social and political processes of change in the agricultural and food sector, and in rural areas. The geographic focus covers the enlarging EU, transition regions of Central, Eastern and South Eastern Europe, as well as Central and Eastern Asia. IAMO works to enhance the understanding of institutional, structural and technological changes. Moreover, IAMO studies the resulting impacts on the agricultural and food sector as well as the living conditions of rural populations. The outcomes of our work are used to derive and analyse strategies and options for enterprises, agricultural markets and politics. Since its founding in 1994, IAMO has been part of the Leibniz Association, a German community of independent research institutes.

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