Impact of the Young Farmers pc









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Abstract

The EU agricultural sector has experienced significant structural changes over the last decades, mostly consisting of a decline in the number of farms, farm size growth, and a conversion towards intensive systems. Among the different EU policy instruments, the Young Farmer payment (YFP) addresses the issue of an ageing farming population. This paper aims to assess the impact of the YFP on the structural change of two EU regions farming systems, namely the Altmark in Germany and the Flanders in Belgium. The paper adopts a mixed-methods approach, combining quantitative and qualitative methods. Firstly, the impact of the YFP is estimated using the agentbased model AgriPoliS, simulating three scenarios: i) no young farmers payments; ii) maintaining the current level of young farmers payments; iii) doubling the current level of young farmers payments (as proposed by the European Council of Young Farmers (CEJA)). Secondly, the model's results were validated by regional stakeholders during workshops organized in each region. The participatory workshops were also used to obtain a qualitative assessment of the YFP and to develop policy recommendations. Results show that the policy has minor effects on the Flemish and Altmark farming systems, contributing to slowing down the process of farms exiting the agricultural sector but not significantly arresting it. Stakeholders agreed with the model's results and suggest that the financial resources for the YFP could be more usefully employed for alternative measures such as agricultural education and training or subsidies coupled to investments.





1 Introduction

The European Union (EU) agricultural sector has experienced significant structural changes over the last decades, mostly consisting of a decline in the number of farms, farm size growth, and a conversion towards intensive systems (Neuenfeldt et al., 2019). This process led to a concentration of the EU agricultural sector towards fewer, bigger, and more specialised farms, seeking higher profits through economies of scale. There are multiple drivers of structural change, and they vary between EU farming systems according to their characteristics. The most common drivers of structural change are an ageing farming population, the past farming structure, natural and ecological conditions, technological innovation, and off-farm employment opportunities (Olper et al., 2014).

During the process of structural change, it is important to ensure a viable and sustainable agricultural sector, resilient to the current global challenges (e.g. market volatility and climate change). In particular, farms need to continue providing private and public goods (Meuwissen et al., 2019), such as food supply and ecosystem services, in order to ensure fair standards of living as well as food safety and security for both the rural and urban populations. In this context, the low proportion of young farmers within EU farming systems is seen as an impediment to the creation of a competitive, innovative, more profitable, and resilient farming sector. Young farmers are considered to be more motivated and more willing to adopt innovative behaviours, to be less risk averse to using loan capital to expand their business, and therefore more capable of building a sustainable and resilient sector (May et al., 2019). Additionally, a high proportion of young farmers ensures the continuity of the farming sector as the older generations retire.

Among the different policy instruments of the EU Common Agricultural Policy (CAP), a few measures to support young farmers are in place to address the issue of an ageing farming population. The CAP rural development programmes (Pillar II) provide measures to help young farmers such as grants, loans, advice on how to develop a rural business, and on how to enter the farming sector. However, the most significant measure is the Young Farmer payment (YFP) included in the Pillar I of the CAP since the 2013 Reform. The YFP supplements the basic direct payment given to EU farmers 40 years old and under. It consists of direct income support per hectare (generally up to 90 ha, but different rules can apply in different EU Member States) for a period of five years.

This paper aims to assess the impact of the YFP on the structural change of two EU regions farming systems, namely the Altmark region in Germany and the Flanders region in Belgium. The paper adopts a mixed-methods approach, combining quantitative and qualitative methods. Firstly, the impact of the YFP is estimated using the agent-based model AgriPoliS, which has been extended





to allow for the simulation of the farm succession process based on regional data. Three scenarios were simulated and analysed: i) no young farmers payments; ii) maintaining the current level of young farmers payments; iii) doubling the current level of young farmers payments (as proposed by the European Council of Young Farmers (CEJA)). Secondly, the model's results were validated by regional stakeholders participating in a workshop organized each of the regions. Finally, the participatory workshops were used to obtain a qualitative assessment of the YFP and to develop policy recommendations.

The model's results show some important differences between the two regions. Overall, the policy has minor effects on the Flemish farming system and on the Altmark system. In particular, in both Altmark and Flanders the YFP contributes to slightly slowing down the process of farms exiting the agricultural sector. While in the Altmark most of the farms exit because of high opportunity costs with respect to finding an off-farm job, in Flanders the drivers of farm closure are spread across illiquidity, opportunity costs, and lack of a successor. Moreover, while production specialisation does not vary in Flanders across the different scenarios, in the Altmark higher payments can induce a slight decrease in dairy cows and intensive bovine fodder production. Interestingly, the YFP has opposite impacts on land rental prices in the two model regions. In the Altmark, the average rental price decreases with higher payments; while in Flanders prices remains relatively unchanged, although a small increase was detected. In terms of labour use, higher payments contribute to higher rates of family labour rather than hired labour in the Altmark region, while these payments do not affect labour use in the Flanders region.

Overall, stakeholders agreed with the model's results. In particular, stakeholders were not surprised by the fact that the YFP has almost no impact on structural change of the agricultural sector in the two regions. Flemish stakeholders indicated that, despite the YFP is unlikely to affect the number of people that start farming, the measure could contribute to a "good start" of those that do decide to start farming. Stakeholders suggest that the financial resources for the YFP could be more usefully employed for alternative measures such as agricultural education and training or subsidies coupled to investments.

The remainder of the paper is organized as follows. Section 2 explains the methodology developed for the AgriPoliS simulations and the participatory workshops. Section 3 presents the results of the model, of the stakeholders' validation and of the qualitative assessment of the policy (SWOT analysis). Finally, Section 4 concludes and provides policy recommendations.





2 Methodology

In order to study the effects of the CAP's YFP we took a mixed-method approach, combining quantitative agent-based modelling with qualitative participatory workshops. Agent-based modelling was conducted with the AgriPoliS model in order to capture possible effects of changing the CAP's Young Farmers support on regional agricultural structural change (farmers' entry/exit). The results from the AgriPoliS simulations were validated in a stakeholder workshop. Participants also assessed the effectiveness of the policy in reducing structural change and promoting resilience of the farming systems.

2.1 The Case Studies: the Altmark and Flanders

The study has been conducted in two different case study regions: the Altmark in Germany and Flanders in Belgium. Figure 2.1 shows the locations of the two regions.

The Altmark is an agricultural region located in Saxony-Anhalt, in eastern Germany. The region has undergone significant structural change due to the formation of the communist German Democratic Republic and the subsequent German reunification. During communism, the majority of farmland was converted into large-scale operations and run by state collectives or cooperatives. With the fall of the German Democratic Republic came the emergence of the Altmark's current dualistic farm structure, wherein family, cooperative, and corporate farms all contribute to the regional production. Arable crops, dairy, and extensive livestock are the main focuses of production. The region has relatively poor soil quality, but also lower land prices. The Altmark, like much of rural eastern Germany has been facing a decreasing population. Poor infrastructure makes the region even less attractive and more difficult for the farms to obtain the skilled hired labour which they are highly dependent on.

Flanders is the northern part of Belgium, excluding the Brussels Capital Region. About 619,000 ha in Flanders is used for agriculture and horticulture, which is about 46% of total land in Flanders. Of this, fodder crops account for the largest share of agricultural land use (57%), showing the importance of livestock production in Flanders. About 34% of agricultural land is used for arable production. Agricultural land is used by more than 20,000 farms with an average farm size of ~30 hectares. The average farm size is increasing, while the number of farms is decreasing. This tendency is seen across all agricultural sectors. Production in Flanders is heterogeneous with dairy, horticulture, pig and poultry, as well as arable crops, with the majority of farms being medium-sized and capital-intensive (saving on labour and land) family farms. Farms are becoming more specialized, more focused on either animal or crop production, although mixed farms are





still relatively common. About half of the farms are specialized in livestock production (milk production, pigs, cattle, and poultry), 26% in arable farming (cereals, potatoes, sugar beet) and 12% in horticulture (vegetables, fruit, and ornamental horticulture). Total agricultural production in Flanders is still increasing, especially in sectors such as dairy, poultry, potatoes and vegetables, and is mainly the result of increases in productivity, although in some sectors such as dairy and potatoes, this is also due to structural increases in acreage and number of animals. Family labour is predominant in Flanders with ~20% of the labour being hired labour. On average Flanders loses 3-4% of its farms annually, and many current farmers state that they have no successor.



Figure 2.1 Maps with locations of the two case studies: A = the Altmark in red; B=Flanders in green.

2.2 Agripolis agent-based model

The Agricultural Policy Simulator (AgriPoliS) is a spatially explicit agent-based model used to study structural change as well as the effects of policies and shocks in European agriculture (Happe et al., 2006). Agent-based models are a bottom-up approach to modelling; wherein the modeller sets the rules, and the autonomous agents act and interact based on those rules. The decisions made by each individual agent shape the system and allow for emergent phenomena to be captured.





In AgriPoliS, the myopic heterogeneous agents are the typical farms of a region, which have been scaled up to the region's farm structural data. The agents' interactions are through market competition; predominantly on the land market. At initialization, each agent receives an age, managerial ability, investments, and the location of the farmstead and plots. Each decision the agents make is calculated based on the goal of maximizing their household income or profits. Figure 2.2 displays the agent's decision-making process in AgriPoliS. A full model description is available in the form of an ODD Protocol in Sahrbacher et al. (2012).



Figure 2.2 AgriPoliS decision making flow chart



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Particularly relevant to the study of farm succession and related policies is the box in Figure 2.2 called "Farm Future." Once the agents reach this point in the simulations, they assess whether they close their farm or continue for another iteration, the equivalent of one model year. If the agent is not financially able to continue, the farm closes. If it is, the agent asks itself if it is time for generational change. The age at which generational change takes place is set by the modeller based on the model region's statistics. If it is time for the agent to retire and the agent does not have a successor, the farm closes. If the agent has a successor, it calculates the opportunity cost of the successor to take over the farm based on what they could earn outside the sector. The model assumes that there are higher opportunity costs for a young farmer than an older farmer, due to the increased likelihood that they could find employment elsewhere. If the costs are too high, the farm closes. If it is not time to retire, the agent assesses its own opportunity costs of continuing farming. Again, if the costs are too high, the farm closes. Farm closures and the reasons for closures are recorded in the output data.

2.2.1 The Altmark in AgriPoliS

Following the automated upscaling method in Sahrbacher (2008), typical farms were selected from the Farm Accountancy Data Network based on matching regional characteristics of the Altmark, seen in the "adjusted" column in Table 2.1. The selection is based on minimising the squared deviations between the defined characteristics and the typical farms. This method results in the typical farms, each of which comes forward a set number of times in the model region. The model region of the Altmark has 19 heterogeneous farms which are typical of the region. Table 2.1 shows the regional data and farm characteristics used in the upscaling process. The first column of data, "statistics" is the actual farm structural data (Statistisches Landesamt, 2016). The second, "adjusted", is the "statistics" column adjusted to fit the model. In November and December 2018, the model region was discussed and validated with regional experts. They consisted of two regionally active farmers, a farm consultant, and a member of the state agricultural ministry. Based on this consultation, the "adjusted" column was created to exclude the farms run as a hobby, rather than a business. Failure to remove these farms from the model would result in the farms' immediate closure thereby creating artificially fast structural change. The next column, "upscaled" is the structural data of the model region from the upscaling process. The final column "deviations in %" shows the deviations between the adjusted farm structural data and the model region.





Table 2.1 The Altmark upscaling

	Statistics	Adjusted	Upscaled (model region)	Deviations in % (from adjusted to upscaled)
Number of Farms	1080	933	928	-0.536
Farm by Farm Type				
Arable crop	461	383	384	0.261
Grazing animals	364	271	268	-1.11
Granivore	43	18	18	0
Mixed	212	261	258	-1.15
Farms by Legal Form				
Corporate	142	142	150	5.63
Family Farms	938	791	778	-1.64
Agriculturally Used Area (UAA)	273694	272935	272135	-0.293
UAA by Land Type				
Arable land	203342	203120	197677	-2.68
Grassland	70352	69815	74458	6.65
UAA by Farm Type				
Arable crop	94397	94191	95430	1.31
Grazing animals	70366	70097	69590	-0.652
Granivore	4102	4086	4120	0.832
Mixed	104829	104561	102995	-1.53
Farms by Land Size Group				
(from up to hectares)				
under 5	50	/	/	/
5 – 10	97	/	/	/
10 - 50	296	296	297	0.338
50 - 100	112	112	112	0
100 - 200	148	148	148	0
200 – 500	220	220	221	0.455
500 - 1000	99	99	94	-5.05
1000 or more	58	58	56	-3.45
Livestock (in livestock units)				
Dairy cows	44774	44702	44525	-0.396
Under 200	12102	12030	12040	1.54
200 to 500	17750	17750	17935	-0.113
500 or more	14922	14922	14580	-2.29
Cattle	55820	55820	55706	-0.321
Fattening pigs	11159	11159	11170	0.618
Sows	4556	4556	4565	0.307

Necessary for the analysis of the Young Farmer payment is accurate data on the farmers' age. Table 2.2 summarizes the demographic data input file for the Altmark model region. The data is derived from the available Eurostat (2013) data at national level.





Table 2.2 The Altmark Demographics input data

Initialization:								
Family Farmer's age	minimum: 30 years	maximum: 70 years						
Corporate Farmer's age	minimum: 30 years	maximum: 66 years						
Family farmer age distribution	average: 51.5 years	standard deviation: 11.83						
Corporate farmer age distribution	average: 50.1 years	standard deviation: 11.14						
Generational Change:								
Age of generational change	67 years							
New farmer's age	minimum: 30 years	maximum: 45 years						
New farmer's age distribution	average: 35 years	standard deviation: 1.5						
Probability of a Successor:								
Family farms	75%							
Corporate farms	100%							
Farming without a Successor:								
Maximum age of farmer with no successor	75 years							

2.2.2 Flanders in AgriPoliS

The model region of Flanders was implemented through the same automated process as the Altmark selecting typical farms based on farm structural data of 2016 provided by Statbel (Algemene directie Statistiek – Statistics Belgium). The upscaling produced 19 heterogeneous typical farms. Although horticulture and permaculture exist in Flanders, they are not suited to be modelled in AgriPoliS. There was insufficient data to implement horticulture. Specifically, information on typical investments required for horticulture was unavailable. The nature of permaculture, or the requirement of several years without harvest but high costs, is not suited to the agent's yearly decision making. For this reason, they were removed from the statistics in Table 2.3 and subsequently, the model region. The "upscaled" column shows the aggregation of the typical farms from the upscaling process. The final column states the deviations between the statistics and the upscaled model region.

Table 2.4 summarizes the demographic data needed to simulate generational renewal in Flanders. Like in the Altmark, the parameters were derived from the available Eurostat (2013) national statistics. While some might contest that the number of farms in Flanders with successors is lower, this is a hypothesis, whereas the Eurostat statistics provide robust evidence on farm numbers over time. Actually, the number of farms with succession might be much lower, with only an average of 13% of farmers over 50 years of age having a successor. The study additionally showed that succession is particularly problematic for smaller holdings. The larger the holdings, the greater the proportion of holdings with a probable successor. Succession also depends on the sector, as succession was most often guaranteed on specialised dairy farms.





	Statistics Statbel	Upscaled	Deviations in %
	(2016)	(model region)	
	(without horticulture		
	and permacrops)		
Number_of_Farms	19753	20309	2.81
Farm by Farm Type			
Fieldcrops	6659	6947	4.32
Grazing Livestock	7941	8110	2.13
Granivores	2850	2897	1.65
Mixed	2303	2355	2.26
Agriculturally_Used_Area (UAA)	571727	574432	0.47
UAA by Land Type			
Arable land	357583	355451	-0.59
Grassland	214144	218981	2.26
UAA by Farm Type			
Fieldcrops	143590	140861	-1.9
Grazing Livestock	268945	268368	-0.21
Granivores	51092	51075	-0.03
Mixed	116613	114128	-2.13
Farms by Land Size Group			
(fromup to hectares)			
under 10	6353	5977	-5.92
10 to 20	4313	4212	-2.34
20 to 50	7165	6843	-4.49
50 to 100	2765	2767	0.07
100 to 200	468	470	0.42
200 to 500	40	40	0
Livestock (in livestock units)			
Dairy Cows	311403	307831	-1.15
under 50	68636	69663	1.5
50 to 100	122089	118468	-2.97
100 or more	120678	119700	-0.81
Cattle	548054	554698	1.21
Broilers	166049	166314	0.16
under 200	19660	20247	2.99
200 or more	146390	146067	-0.22
Laying Hens	174315	174213	-0.05
under 200	9875	9566	-3.13
200 or more	164440	164647	0.12
Fattening Pigs	1155117	1147680	-0.64

Table 2.3 Flanders upscaling based on statistics provided by Statbel (Algemene directive Statistick- Statistics Belgium)





Table 2.4 Flanders demographics input data

Initialization:		
Family farmer's age	minimum: 30 years	maximum: 70 years
Corporate farmer's age	minimum: N/A	maximum: N/A
Family farmer age distribution	average: 52.2	standard deviation: 9.27
Corporate farmer age distribution	average: N/A	standard deviation: N/A
Generational Change:		
Age of generational change	67 years	
New farmer's age	minimum: 30 years	maximum: 45 years
New farmer's age distribution	average: 35 years	standard deviation: 1.5
Probability of a Successor:		
Family farms	75%	
Corporate farms	N/A	
Farming without a Successor:		
Maximum age of farmer with no successor	75 years	

2.2.3 Scenarios

In each model region, three scenarios were developed and simulated in AgriPoliS to analyse the effects of financial support for young farmers. The first is a baseline scenario, where young farmers receive the same support as all other farmers. Secondly, the Young Farmer's (YF) scenario simulates the current Young Farmer Payment. In the build up towards the next CAP, the European Council of Young Farmers (CEJA) called on Member states to double their ambition towards young farmers (Phelan, 2019). To assess the extent to which this would have an effect on the regions, the third scenario – the CEJA scenario - simulates doubling the support of the current Young Farmer's Payment. Table 2.5 outlines the parameters of the YF and CEJA scenarios¹.

The parameters are based on the actual requirements of the current YFP in each state. The one difference between regions is the amount young farmers receive with the payments. Each member state chooses the amount of support to provide, and as a result, Flemish young farmers receive double that of young farmers in the Altmark.

¹ The scenario parameters for the Altmark were taken from: https://www.bundestag.de/resource/blob/500026/b1c0da58a603bcb27f188f43c4562c15/WD-5-012-17-pdf-data.pdf; while for Flanders from: https://lv.vlaanderen.be/nl/subsidies/perceelsgebonden/betaling-jonge-landbouwer



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Table 2.5 YF and CEJA scenario parameters

	The Altmark	Flanders
Maximum age for payments to begin	40	40
Maximum hectares to be paid	90	90
Years of payment	5	5
Amount paid in Baseline scenario (Euros/hectare)	0	0
Amount paid in YF cenario (Euros/hectare)	44	88
Amount paid in CEJA scenario (Euros/hectare)	88.72	177.44

2.3 Stakeholders participatory workshops

Workshops were organised in February 2020 in both case studies in order to (i) validate the AgriPolis simulation results, and (ii) undertake a SWOT analysis with regional policy makers and experts for different policy scenarios for young farmer measures. A summary of the participants is provided in Table 2.6.

Participant type	Altmark	Flanders
Policy makers	3	3
Advisors		5
Farming association	1	
Banks		3
Farmer	6	5
Other (e.g. lobbyist, supplier)	3	1
Total	13	17

Table 2.6 Workshop participants in the Altmark and Flanders

Note: two of the Flemish farmers also have a formal role in young farmers' associations.

In the first part of the workshop, participants were asked if the AgriPoliS simulations aligned with their own understanding of what the likely impacts of the YFP on farming system structure would be. This was followed by a SWOT analysis of policies. During the SWOT analysis participants deliberated on the strengths and weaknesses of the policies, as well as outlining any opportunities and threats. Participants in Altmark were asked to determine if there were any differences in the strengths, weaknesses, opportunities and threats posed by the YFP. Participants in Flanders were asked to do the same but with respect to the current portfolio of all policy interventions





supporting young farmers, instead of focusing only on the YFP. This different focus of the SWOT analyses between the two case studies was taken because in Flanders stakeholders thought that neither the YFP nor the CEJA proposal could stimulate the generational renewal enough to guarantee the continuation of the farming sector in the region, while generational renewal could be achieved in Flanders considering the whole policy environment.

Finally, stakeholders deliberated on policy recommendations, focusing on how the weaknesses and threats identified can be overcome, and how the strengths and opportunities can be enhanced.

Data from the workshops consisted of detailed notes of the discussions, alongside the SWOT analysis outputs. These were analysed by comparing responses across the case studies, identifying similarities and differences between the two cases.





3 Results

This section provides the results of the mixed-method analysis described in the previous section. The first two sub-sections describe the model's result and the validation provided by the stakeholders, while the third section provides a qualitative assessment of the YFP through the SWOT analysis.

3.1 AgriPoliS results and stakeholders' validation in the Altmark – Germany

Overall the stakeholders saw value in modelling policies. In particular, the model confirmed their stance that the current YFP does not fulfil its ambitions.

A few participants had technical questions about the model, specifically in relation to the exclusion of certain farms from the simulations. The rationale for excluding certain farms from the model region, as recommended during expert consultation, was explained and the participants agreed with this decision.

The first model result presented to and discussed by stakeholders was the simulated evolution of the number of farms in 10 and 20 years. Because the initialisation period and data are from 2016, 10 model years correspond to 2026 and 20 model years to 2036. As a start, stakeholders were presented with Figure 3.1. The figure shows an overall decrease in the number of farms in the Altmark in all three scenarios, suggesting that in 20 years' time a general reduction in the number of farmers could be expected in the region, regardless of the level of YFP. However, in 2040 we can observe a slightly higher number of farms in the CEJA and YF scenarios than in the Baseline scenario.

More details on the results of the simulations were provided to stakeholders in Table 3.1 and Table 3.2. These two tables explain the number of and reasons for farm exits after 10 and 20 simulation years, respectively. In the Altmark there are 9 less farms in the Baseline scenario than there are in the YF or CEJA scenario after 10 simulation years (Table 3.1). That difference is, however, 1% of the farms in the region. Closures due to opportunity costs decrease from the baseline to the YF and CEJA scenarios, while closures due to illiquidity or lack of a successor remains almost the same. This suggests that the main effect of increasing the YFP in order to reduce the pace of farms exit relies on lowering the opportunity costs – i.e. a farmer's ability to earn more off farm.

After 20 simulation years (Table 3.2), there are some relatively larger effects, but overall, the policies do not have a drastic impact. Table 3.2 shows a less than 3% difference between the





number of farms open in the Baseline scenario and the CEJA scenario. In all three scenarios, the main driver of farm closure is high opportunity costs, although, this decreases over the three scenarios.



Figure 3.1 Number of Farms Altmark

The stance from the stakeholders was that 44 or even 88 euro/ha up to 90 ha is not enough to make a significant difference. As one policy maker commented, "for 4,000 euros you can think about taking a more expensive vacation, but nothing else."

Regarding agricultural production, the AgriPoliS simulations show that there are small effects of the scenarios on the production in the Altmark region driven by livestock production. Figure 3.2 shows slight differences in bovine production, with the largest differences found in the Baseline scenario. With fewer farms in the Baseline scenario, the farms are larger than they are in the YF and CEJA scenarios. This growth allows the farms to invest in additional dairy stables, explaining the slight increase in dairy cows. Land use cultivation follows livestock production, with slight increases in intensive bovine fodder production in the Baseline scenario.





Table 3.1 Farm Operational Status 2026

Status	E	Baseline		YF	CEJA		
Open	771	(83,08%)	780	(84,05%)	780	(84,05%)	
Closed due to opportunity costs	72	(7,76%)	67	(7,22%)	65	(7%)	
Closed opportunity costs at generational change	5	(0,54%)	2	(0,22%)	3	(0,22%)	
Illiquidity	29	(3,13%)	28	(3,02%)	29	(3,13%)	
No successor	51	(5,5%)	51	(5,5%)	52	(5,6%)	

Table 3.2 Farm Operational Status 2036

Status	E	Baseline	eline YF		CEJA	
Open	602	(64,87%)	621	(66,92%)	628	(67,67%)
Closed due to opportunity costs	173	(18,64%)	162	(17,46%)	148	(15,95%)
Closed opportunity costs at generational change	17	(1,83%)	9	(0,97%)	17	(1,83%)
Illiquidity	41	(4,42%)	38	(4,09%)	38	(4,09%)
No successor	95	(10,24%)	98	(10,56%)	97	(10,45%)







Figure 3.2 Altmark production 2026

The effect that the additional payments have on the land rent price in the model varies between scenarios and between arable and grassland (Figure 3.3). Overall, the average rental price is on par or slightly lower in the YF and CEJA scenarios than in the Baseline scenario. There are several contributing factors to this. First, there are more farms in the YF and CEJA scenario, so less new land is going onto the market. This affects the average price because the new land rental prices are higher than the starting prices. A second factor for slightly higher rental prices in the Baseline scenario is that farms are larger, exploiting their economies of scale, and therefore bidding more for an additional plot of land, as they could expect to return larger profits for additional plots.

The one area where some stakeholders expected that the YFP would have an impact was, indeed, on land prices. Some stakeholders thought that an increase in Young Farmers direct payments would mean an increase in land rental prices. Stakeholders were not divided on this. The gaps in expectations on the model for land prices had to do with previous studies about direct payments and land prices showing that in Germany direct payments go to landowners not farmers







Figure 3.3 Rental prices Altmark

Although the average rental price is lower in the YF and CEJA scenarios, the model assessed if the bids for new land increase for farmers who receive the payment. Table 3.3 shows the average price of newly rented arable land and grassland for the YF and CEJA scenarios differentiating between farmers who received an additional premium and those who did not. Overall, farmers who did not receive the additional premiums have higher new rental prices than those who do. Within that group, the variation of the amount paid is insignificant.

Scenario Type of land		Price per ha for farmers with additional payment	Price per ha for farmers without additional payment
YF	Arable	412.79 €/Ha	421.69 €/Ha
CEJA	Arable	419.02 €/Ha	421.29 €/Ha
YF	Grassland	410.15 €/Ha	417.63 €/Ha
CEJA	Grassland	403.83 €/Ha	416.33 €/Ha

Table 3.3 Average rental prices for new rented plots Altmark 2026





Regarding labour use, Figure 3.4 from the model shows that in the Baseline scenario there are slightly more hired agricultural workers than in the YF and CEJA scenarios. This is due to slightly less family labour being used as farms which remain open in the YF and CEJA scenarios exit in the Baseline scenario. However, as depicted in Figure 3.5, the differences in the amount of family labour are less than the differences in the amount of hired labour in Figure 3.4. The additional increase in labour is explained by the production patterns in Figure 3.2, where there is more labour-intensive production in the Baseline scenario than in the other two.

Stakeholders sought to identify the causal relations between the slight increase in extensive agriculture, the higher number of farms using family labour, and the drop in hired labour. Stakeholders debated the issue of whether more money per ha would cause and increase in extensive agriculture. This then led to a short discussion on the current prices of extensive agriculture (very low) which concluded that 44 or 88 euros more per ha is not enough to encourage a farmer to increase their extensive production. The stakeholders agreed that it was more likely that with increased family labour you would have more extensive agriculture to maximize your profits but avoid hiring relatively costly external labour. The profit-maximizing behaviour that the participants spoke of when rationalizing the results supports the model's assumptions.



Figure 3.4 Number of hired workers Altmark







Figure 3.5 Family labour units Altmark

In order to provide a comprehensive validation of the model's results, stakeholders were asked to express their opinion on the extent to which the model's predictions met their own expectations, distinguishing between the effects of the YFP on the farms' operational status, land use, land rental prices, and hired labour. Figure 3.6 presents the feedback from all stakeholders. The operational status and land use are mostly in line with stakeholders' expectations, suggesting a positive validation of these model's simulations. On the contrary, stakeholders' feedback on land prices and hired labour are mostly either better or worse than their expectations, suggesting that stakeholders are less sure about the model's predictions. For the predictions that *"are better than I expected"*, stakeholders were surprised that there was any effect at all, although the effects are small. For *"worse than I expected"*, even though the participants did not think that the YFP is overall ineffective, they thought that there would be a slightly larger difference between the scenarios. Stakeholders were unsure whether 44 euro/ha for 90ha could really make a difference given that investments can easily exceed that amount.







Figure 3.6. Stakeholders' feedback scores of the Altmark simulations

3.2 AgriPoliS results and stakeholders' validation in Flanders - Belgium

In Flanders, stakeholders had some questions about the model and its assumptions. Among these were questions related to how the model accounts for environmental issues and legislation. For instance, an expansion of livestock herds is not possible in some areas of Flanders that are close to either nature areas (to avoid nitrate deposition) or residential areas (to safeguard air quality). Also, the model's assumption that the amount of agricultural land available for farmers in the region remains constant over time does not strictly apply, as each year the total agricultural area in the region decreases, because land is acquired by buyers who want to use it for other purposes such as residential use or industry. Moreover, stakeholders noted that young farmers in Flanders receive around 66 euro/ha, rather than the 88.72 euro/ha used in the model, as there were more demands for the subsidy than expected and the total budget for the YFP is fixed. After the discussion, the consensus was that some of these issues were covered by the model, while some others were not.

The first set of AgriPoliS results are reported in Figure 3.7 and Tables 3.5 and 3.6. The number of farms in operation between the three scenarios does not vary as much as in the Altmark region





in Germany, suggesting that the effect of these payments on the exit of farms is very limited in Flanders, if not negligible. For this reason, the three lines depicting the Baseline, YF and CEJA scenarios in Figure 3.7 are almost completely overlapping, making differences unobservable. More details can be obtained from Table 3.5 and Table 3.6, showing that there is less than 0.28% difference in the number of farms in operation in each scenario after 10 and 20 model years.

According to AgriPoliS' results, the drivers of farms' closure in Flanders are spread across illiquidity, opportunity costs, and lack of successor. However, the illiquid farms are those which drop out relatively early on in the simulations, as seen by the ~0.078% increase in illiquid farms between model years 10 and 20. In contrast, the number of farms closing due to opportunity costs of the current farmer or the successor continues to grow in all scenarios throughout the simulations. While there are fewer farms in the YF and CEJA scenarios exiting agriculture due to opportunity costs, the difference is less than 1%.

The majority of the stakeholders did not expect a change in both scenarios, similar to what was shown by the model, suggesting that these model's results are positively validated by stakeholders. However, one stakeholder had a different opinion and expected that the number of farms would increase by the CEJA scenario.



Figure 3.7 Number of farms Flanders





Status	Ba	seline	YF		CEJA	
Open	16,251	(80.01%)	16,287	(80.19%)	16,305	(80.28%)
Closed due to opportunity costs	924	(4.55%)	903	(4.45%)	888	(4.37%)
Closed opportunity costs at generational change	375	(1.85%)	357	(1.76%)	360	(1.77%)
Illiquidity	1,575	(7.75%)	1,578	(7.77%)	1,572	(7.74%)
No successor	1,185	(5.83%)	1,185	(5.83%)	1,85	(5.83%)

Table 3.4 Farm operational status Flanders 2026

Table 3.5 Farm operational status Flanders 2036

Status	Ba	seline		YF		CEJA
Open	14,469	(71.24%)	14,496	(71.37%)	14,517	(71.48%)
Closed due to opportunity costs	1,119	(5.51%)	1,074	(5.29%)	1,065	(5.24%)
Closed opportunity costs at generational change	903	(4.45%)	894	(4.4%)	897	(4.42%)
Illiquidity	1,584	(7.8%)	1,596	(7.86%)	1,584	(7.8%)
No successor	2,235	(11%)	2,250	(11.08%)	2,247	(11.06%)

The model's simulations with additional premiums in the YF and CEJA scenarios have a minimal effect on production in Flanders, as shown in Figure 3.8. This is due to the insignificant difference in the number of farms between the three scenarios and the relatively smaller farm size in Flanders. The few farms which do exit in the Baseline scenario are not large enough to give other farms the opportunity to scale up and make investments which would result in an impact on land





use and regional production. Looking at these figures, one of the stakeholders was expecting an intensification of the production per ha as a result of increasing Young Farmers payments.





Regarding land price, it should be noted that the land market in Flanders is semi-regulated with an official price ceiling for long-term tenancy but none for seasonal rent. However, even with the official price ceiling, competition on the land market is fierce and resembles a traditional uncapped market. For this reason, the initial rental prices begin at the official price ceiling but farmers can bid without a price ceiling. Figure 3.9 shows that in the CEJA scenario, there is a slight increase in the average rental price of both grassland and arable land. However, overall there is no real difference between the three scenarios.

Table 3.6 looks at the model's results concerning the average prices for new rented land in Flanders in the year 2026 in the YF and CEJA scenarios. In the CEJA scenario, the average payments for new rented land are higher for those who received premiums than those who did not. Additionally, the average cost is higher in the CEJA scenario than in the YF scenario for those who received premiums. However, in both the Altmark (Table 3.3) and Flanders (Table 3.7), there is not a consistent enough story to conclude that higher premiums necessarily transfer into higher land rental prices.

During the workshop, stakeholders expected the rent price to increase in the YFP scenario and even more in the CEJA scenario where payments are doubled, whereas the model only predicts a very marginal change. The fact that the rent prices do not increase additionally under both YFP





and CEJA scenarios is considered a positive result by stakeholders. It was feared that the extra support would provoke an increase in rent prices, reducing the net positive effect of the payments for the farmers. The simulation results show that that is not the case and that the support would go mainly to the young farmers.

Scenario	Type of	Price per ha for	Price per ha for
	lanu	additional navment	additional navment
YF	Arable	1572,52 €/Ha	1584,99 €/Ha
CEJA	Arable	1587,93 €/Ha	1582,81 €/Ha
YF	Grassland	1032,03 €/Ha	1030,21 €/Ha
CEJA	Grassland	1061,09 €/Ha	1025,02 €/Ha

Table 3.6 Average new rental prices Flanders 2026



Figure 3.9 Land rental prices Flanders





As the number of farms decrease in Flanders, so does the amount of family labour. However, as with the scenarios' simulations about the number of Flemish farms in Figure 3.6, there is no observable difference between the three scenarios also in terms of family labour in Figure 3.10. Figure 3.11 shows that during the steeper exit of farms there is a slight decrease in the amount of family labour per farm. However, overall the number remains relatively stable and decreases less than 0.1 labour unit. Looking at these results, one stakeholder indicated that hired labour will most likely increase, as young farmers have more money to invest in external labour. However, the model shows that the YFP will not significantly change the amount of hired labour.



Figure 3.10 Family labour units Flanders

The most important conclusion of the simulations for the Flanders region is that the YFP and the CEJA proposal to double the amount of payments has almost no impact on the main structural characteristics of the Flemish farming system as a whole. Stakeholders in the workshop were unsurprised. According to most participants, this compensation does not guide the decision whether or not to take over a farm. Rather, it merely provides a little flexibility during start up, but does not allow large investments to be made. For this, the amount is simply too low.

Finally, stakeholders provided a detailed response about whether the model's predictions align with their expectations. These responses are reported in Figure 3.12, which shows that the predictions are mostly as the stakeholders would expect, suggesting an overall positive validation of the model's results. Note that the figure is based on the response of nine of the seventeen stakeholders participating at the workshop in Flanders.







Figure 3.6 Family labour units per farm Flanders



Figure 3.12 Stakeholders feedback scores of the Flanders simulations





3.3 Stakeholder's SWOT assessment of policies for young farmers

The stakeholders' workshops in both regions were also used to obtain a qualitative assessment of the policies supporting young farmers. As explained in Section 2.3, the SWOT analysis in the Altmark focused on the YFP while in Flanders the SWOT focused on the whole portfolio of policy measures to support young farmers.

Starting from the SWOT on the YFP conducted in the Altmark, Table 3.7 summarizes the results. Firstly, the SWOT analysis encouraged participants to think about potential benefits of the policy, the main one being the symbolic value of the YFP. From a political point of view, the fact that there is support for young farmers is important not only for the already operating young farmers, but also for those people in the process of deciding whether or not to become a farmer, enhancing a sense of confidence even if the actual support fails to fulfil its goal. Stakeholders also indicated that, even though the amount of support is limited and does not permit significant investments, such additional income can be a useful and easy-to-access form of liquidity for farmers, potentially facilitating generational change.

Despite the above-mentioned strengths, stakeholders listed a much larger number of weaknesses of the policy. Such weaknesses especially relate to the design of the payment. The public budget dedicated to the policy is relatively large making it quite expensive, but the amount of support for each farm is limited and does not allow for significant investments. Therefore, it is unlikely that these payments have a significant impact on the decision of young people to enter the sector. Elements such as the duration of the support, the farmers' age to access it, the fact that it is not available for farmers in a large cooperative, that the payment is calculated per ha and it can vary depending on the number of applicants, makes the policy unfit for purpose.

Concerning opportunities, stakeholders provided suggestions on how to improve the policy and/or use the money in alternative ways. The general consensus, including from policy makers, was that the money is currently wasted and should and could be spent in more effective ways, such as: i) delivering training and education to all farmers; ii) providing initial "start-up" support to be distributed one year earlier than the succession of the farm; iii) improving access to the land market; and iv) supporting technology and innovation.

Finally, stakeholders also identified a number of threats potentially linked to the YFP. Firstly, the way the payment is designed can provoke an "artificial" structural change. For example, a farm can be administratively divided in two holdings for the five-year period of the payment and come back together after the support period. Another important threat is represented by the fact that this policy can drain money out of more useful uses, such as incentives for innovation. Moreover, stakeholders think that there is a risk that these subsidies are capitalised in the value of land,





increasing land prices. However, the model's results do not provide a consistent enough evidence to conclude that higher premiums necessarily transfer into higher land rental prices.

Table 3.7 SWOT analysis of the YFP in Altmark

STRENGTHS	WEAKNESSES
 Symbolic value of the policy showing special attention to young farmers and generational renewal in European and regional policies Provides some breathing space for young farmers Effect on generational change: during the time of farm succession, the younger farmer could be incentivized to take over Easy to apply for It gives a sense of care and support to young entrepreneurs 	 An expensive policy with no impact, barely having any influence over the future of farms The amount of support per farm is too low to have any significant and long-term impact or investments. The support period (only five years) is too short and the age for receiving it is too low Amount of payment depends on the number of requests, evolves over the years The fact that the support is per ha is a limitation Does not influence the decision of a farmer to take over the farm, no influence on generational renewal and the number of young farmers Depends on legal form of farm and targets family farms It is not possible for employees in cooperatives to receive the additional support It can add significant bureaucracy to farmers No room for innovation and reorganization of the farm (e.g. radical shifts in production) "Deadweight effect" (deadweight loss)





OPPORTUNITIES	THREATS
 Use the money for delivering training and education to all farmers and not only the young ones Initial / start-up funding can lead to influencing the decision whether or not to take over a farm Innovative technology should be subsidized Accelerated farm succession Initial subsidy should be paid before the handover of the farm, not a year later This policy could relieve the pressures of competing against corporations and global market prices Improved access to land market Increase the payments for everyone but within a time period and ending Obliged to continue farming for a period of time after the payments end 	 Artificial structural change (splitting up farms for payments and then coming back together after 5 years) and wrong incentive Draining of resources (public funds) that could otherwise be used for innovation There are other factors which influence decision making that cannot be influenced by money Raising of land rental prices What is being produced will not be paid attention to Risk of changing bureaucracy so that it is more complicated and more controls to receive the payment Jealousy of other sectors (e.g. there is no young craftsperson's premium despite the fact that there is a decrease in craftspeople)

Moving to the SWOT in Flanders, results are presented in Table 3.8 and are referred to all policy interventions in supporting young farmers and not only to the YFP. This different focus with respect to the Altmark SWOT was mainly due to the fact that all participants stressed the limited capacity of the YFP in solving the young farmers' problem. This opinion was shared by all participants in Flanders, therefore it was not possible to continue the workshop with a SWOT only on the YFP, as it would have led to ignoring stakeholders' wishes to talk about other measures. For this reason, it was decided to have a general discussion on policy and generational renewal.

Overall, the main consensus in Flanders was that the YFP or the CEJA proposal may be a good policy to assist young farmers during the first couple of years, but that the amount is too low to have a noticeable impact on the number of young farmers specifically or on the structure of the sector in general. It was argued that nobody would change their plans not to start farming because of either the YFP or CEJA support.





Table 3.8. SWOT analysis of all policy measures to support young farmers in Flanders

STRENGTHS	WEAKNESSES		
 Concrete measures: 1) 'Flemish fund for agricultural investments' (VLIF) provides 'takeover premium'; 2) donation in the context of takeover of family business Special attention to young farmers and generational renewal in European and regional policies, e.g. easier access for young people for investment support 	 Lack of policy coherence: European versus regional policy, different policy areas Insufficient understanding of the practical feasibility of legislation for specific farms, regions, etc. Lack of long-term vision Focus Pillar I to support young farmers Policies that allow abuse 		
OPPORTUNITIES	THREATS		
 High population density and high degree of urbanization provides opportunities for new business models. Young farmers are often more innovative. Good knowledge infrastructure in terms of research, development and extension. 	 High population density also provides threats and agricultural policies gradually shift towards rural policies whereby agriculture is seen as only part of the rural environment (and sometimes seen as being a hindrance) High population density and urbanisation leads to a high pressure on agricultural land also for non- agricultural purposes Societal preferences Climate change Young farmers are a minority in the farmers' population Economic conditions in general Education level of farmers could be improved 		





Regarding strengths, two regional policy measures where discussed:

- a. The VLIF takeover premium: to obtain the premium, a number of conditions must be met to avoid aid being directed to the wrong target group. Beneficiaries do not receive a standard amount, but it can vary from € 40,000 to € 70,000. This variability was considered to be positive by stakeholders as it can prevent landlords overcharging on rent or acquisition of the land. On the contrary, with direct payments per ha, the landlord, consciously or unconsciously, might ask for higher prices knowing that the farmer receives this fixed extra income. In Wallonia, a young buyer receives 70 000€, in Flanders hardly anyone gets such a high amount. One negative aspect is that new farmers entering the sector for the first time with nothing to take over (no livestock, no infrastructure) cannot access aid.
- b. The Flemish favourable regulatory regime for the succession of family businesses: the Flemish regulation provides tax reduction for the succession or transfer of family businesses, whereby donations can be made at 0% tax and inheritance at 3% tax. The objective of this regulation is to stimulate the succession of family firms, including farms. The farm must be personally exploited and operated by the donor or his partner, whether or not together with others. The donor, together with his family, must be the owner of this company. The participants were convinced that this regulation is effective if there is a successor. Especially when working with partnerships (as legal structure), the parents are incentivized to donate the farm to the young successor.

Among the weaknesses, participants stressed that there is a general lack of coherence between European and Flemish policies, which can conflict. For example, access to land is one of the most important challenges for young farmers. Nevertheless, the inconsistency of policy areas leads to situations in which good agricultural land is given a new purpose (e.g. nature conservation), while less good soils remain in agriculture. Moreover, policies are missing a long-term vision, creating uncertainty among farmers. This hinders young farmers from taking long-term plans. Environmental regulations, for instance, are generally becoming stricter and there is lack of certainty concerning plots of land that could be taken out of production in the future to serve other purposes such as nature or industry. This lack of long-term vision and stability could prevent young farmers from making large investments, or even prevent them from starting a farm. Another weakness of the policy is its strong focus on the number of young farmers while it should consider supporting investment on innovation done by young farmers. Moreover, the YFP is per ha support which stakeholders would rather see be linked to the activity. By focusing on land, this puts even greater pressure on the availability of land, which is one of the most important challenges for young farmers in Flanders.





When discussing the weaknesses, Flemish farmers spent considerable time discussing tenancy regulations and practices that use or misuse the tenancy law. Many issues were mentioned with respect to how the tenancy law and practices (both legal and illegal) inhibit access to land. Many of these practices are not well documented and many people know only fragments of it, yet everyone agrees that some of these practices are becoming quite problematic. The purpose of the tenancy law is to provide farmers with long-term security on agricultural land. However, this law is also abused. The fact that the tenancy law protects the tenant is seen by many as positive. However, it prevents old farmers from leasing their land to younger farmers out of fear that it will become more difficult to sell the land afterwards when they want. Secondly, there are many stories about practices that have by now become almost institutionalised even though the tenancy law never intended this to happen. Many of these practices are legal, some are not. For instance, in some areas in the western part of Flanders, more and more young farmers are being asked to pay an initial 'entrance fee' if they want to start leasing land. This can amount to \notin 20,000 euro/ha. Agricultural land is also increasingly being acquired by people that are not farmers to be leased at very high prices.

Overall, the consequence of these practices is that agricultural land is increasingly being controlled by non-farmers, with the official ceiling price for leasing land acting more as a floor price, with the result of land becoming increasingly more difficult to acquire. Participants agree that if a number of adjustments are made, these abuses can in part be controlled. It is suggested, for example, that leasing should be limited to the age of 65, and that older farmers can no longer enjoy the pre-emptive right, and can no longer operate land on a seasonal lease. Other solutions are seen in linking fiscal measures to the lease law, so that the inequality is tackled between those who offer land through long-term lease versus seasonal lease. Others also indicate that the tenancy law reform should be tackled together with direct payment support, with the proposal to stop direct payments from the age of 65 or 67. To prevent this from being included in the seasonal rent, the tenancy law must also be adjusted so seasonal leasing can only be a privilege for active farmers, or, ultimately, to make land less attractive by linking conditions to the purchase of agricultural land. Once the land is bought, the buyer has to run it themselves for a minimum of 9 years before the land can be leased through seasonal leases. Another proposal is to increase the land registration taxes in the case that newly acquired agricultural land will be used to different purposes. A pre-condition for many of the proposed reforms is to introduce more transparency into the land market, which is currently lacking. For instance, there is no a database on land transactions and lease prices, and Belgium stopped reporting land purchase prices to Eurostat because of a lack of reliable statistics.





Regarding the opportunities, stakeholders were asked to answer the following question: "What opportunities can you think of that can further support the strengths of the policy?". Stakeholders listed the following opportunities:

- The high population density and the high degree of urbanisation supports a variety of business models
- Young farmers are more adaptive, more flexible and innovative.
- Flanders has strong infrastructure for research / advice / education. However, it is also noted that there is fragmentation at this level too, and that complementarity should be ensured.
- Farmers pay a lot of registration fees, for instance when inheriting a farm or when buying fixed assets such as land. This could offer opportunities for additional tax benefits.

Finally, threats were considered in terms of which factors have a negative impact on the number of young farmers in Flanders. In this respect, stakeholders listed the following threats:

- The high population density is also a threat because it puts more pressure on land. In addition to farmers, many other residents also live in rural areas. This impacts policy and regulations. Participants indicate that it is becoming increasingly difficult to get a permit for agricultural activities. This is often a source of uncertainty for farmers: does my farm have a future? One participant said, "we no longer speak of an agricultural policy but of a rural policy, where it is pleasant to live, relax and enjoy, and where agriculture is no longer seen as the main driver of development, jobs, and prosperity, but sometimes also as a hindrance". More and more support is directed at greening and to environmental measures. In the meantime, there is also a debate about whether support for environmental measures on agricultural land should be opened up to non-farmers. Participants wonder if this will not further increase the pressure on land.
- Social acceptance of agriculture and social expectations are also an issue, as agriculture is often put in a negative light. By translating certain social expectations as policy priorities, it can undermine the competitiveness of the sector.
- Climate change and the environment (air, water, and biodiversity) are a threat as well. Farmers are struggling to meet the stringent regulations addressing these issues, while continuing to deal with social and economic challenges.
- Young farmers are a minority within the farming system; therefore, they struggle to make their voices heard in the debate. Young farmers have organisations to represent them, but they think that such organisations are not sufficiently addressing their specific concerns.
- Farmers have little bargaining power within the supply chain, and they compete against different products on the world market. As a consequence, farms are becoming larger as





are investments. These capital-intensive farms are not easily transferred to young successors.

• Young farmers are insufficiently advised before, during, and after the acquisition of a farm. Moreover, in their training, too little attention is paid to the financial skills, with many farmers having insufficient knowledge of economics and financial management. There is also relatively little research that focuses on this (e.g., insight into labour requirements for different types of activities and insight into marketing).





4 Conclusions and policy recommendations

The AgriPoliS simulations show an overall lack of impact of the YFP on the structural change of the farming systems in the Altmark and Flanders. Stakeholders were unsurprised by this outcome. On the contrary, they were surprised that there was any difference between the scenarios at all given how little money is given to each young farmer. According to some stakeholders, this can be due to the fact that the profitability of the farming sector in the two regions is currently very low and therefore any monetary support can help.

Overall, the stakeholders' perspective is that the YFP is neither the most effective measure to support young farmers nor is the existence of such a payment particularly influential on the decision to become a farmer. A number of issues not covered by the policy need to be addressed in order to facilitate generational renewal, such as the perceived low social acceptance of agriculture, the workload, the uncertainty, and the incompatibility of farming as an occupation with modern expectations of work-life balance. In addition, stakeholders think that policy makers are disconnected from the realities of the agricultural regions and even the local policy experts expressed that they were bound to fulfil directives which they saw as making little sense.

The concluding discussion among stakeholders at the workshops was dedicated to how to improve the Young Farmers policy. A number of measures are expected to be more effective, therefore the following recommendations has been drawn:

- The most favoured recommendation in the Altmark was to use the money intended for the YFP in alternative ways than annual per hectare subsidies. For example, funds could be used to provide all farmers with targeted agricultural training and education. This might be in the form of scholarships for young farm employees who wish to study agriculture, or it could be financial support given to agricultural schools and universities to support students. In the Altmark region such an approach would compensate for the fact that there is no support for the young farmers in the co-operatives.
- Agricultural schools should put more emphasis on the financial aspects of managing an agricultural holding.
- Another alternative would be to support young farmers with access to the land market and credit for investments. For example, a payment coupled with new investments allowing the young farmer to establish themselves. As a condition to obtain the financial support, young farmers could submit an investment and business plan.
- Furthermore, in order to improve the public perception towards agriculture, stakeholders suggest introducing lessons about 'agriculture and food production' very early in the schooling system. In this way the social alienation of food production can be prevented.





- The current policy should allow for more flexibility to be better tailored to the specific situation of the farm.
- Policy makers must have a more systemic view of the regulations in order to be able to formulate advice for specific regions or farms if different policy objectives lead to conflicts. An improved coherence across policy measures could be obtained through tests which check interactions across different measures and to determine the impact of (environmental) policies on the competitiveness of agriculture (economic and social impact besides environmental impact).
- Opportunities to stimulate generational renewal, farm transfer, and investments through a reform of fiscal policies should be investigated and exploited.
- Provide more transparency regarding the land market, including tenancy practices, and implement reforms and measures to halt bad practices.
- Regulations that disadvantage alternative business and financing models, including share farming, should be reformed, to foster new possibilities for generational renewal and involvement in farm businesses.

In conclusion, the AgriPolis model provides a useful tool to predict the utility of the YFP on farm structure, and aligns well with stakeholder perceptions of the policy. Both the simulation and stakeholder assessment identify that the YFP has little impact on young farmers' decisions on whether to enter farming or not due to a number of shortcomings with the YFP. These findings, therefore, suggest that alternative approaches to supporting young farmers are needed that better address the challenges and barriers to entry.





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