



Succession in EU farming: Challenges and Opportunities

By CEJA

Right across the EU, farming is faced with a serious demographic challenge. Not enough young people own agricultural holdings in the EU with only 7% of EU farmers under the age of 35. A huge contributing factor to this demographic crisis which shows no sign of letting up is problematic access to land for young people in Europe, because of spiralling land prices, little agricultural land on the market, and succession-related problems. In this respect, the European farming population needs a more coherent succession policy across the Union which should be based on responses from young farmers across all Member States as to the challenges they face when it comes to attempting to take over the family farm. Land ownership and transfer can, understandably, be a hugely sensitive issue for farming families and therefore they need all the help they can get to facilitate the legal, financial and emotional implications of farm succession.

The processes vary greatly from one EU Member State to another, and because of the lack of comparative analyses of succession processes within the EU, it is difficult to say what is needed at EU-level without further research. What we do know for sure is that because of the sensitivity of the issue of succession in family farms and as depicted by low levels of young farmers right across the EU, there is a need for increased support on the matter of succession – and probably increased fairness between Member States too, in order to promote a more level playing field across the EU for young people attempting to access the sector. Although the situation is much worse in some Member States than others, young farmers are in low numbers in every single one, meaning that there is an obvious need for an EU-level response on succession: Poland has the highest proportion of young farmers at 14% of their holdings being owned by a farmer under 35 whereas Portugal and UK are the lowest with under 4% or less of their farming population considered as young.



According to the European Parliament, “national legislation on family inheritance often makes it difficult to arrange fair and smooth succession of farms from one generation to the next” in the EU. In many Member States, there is a ‘*Code Napoleon*’ inheritance system which makes everyone pass all assets on to their children in equal shares. In an agricultural context, this has led to the consistent fragmentation of farms right across the Union. An overview of legislative aspects of every Member State is simply too ambitious to include in this article, but there is a huge need for such an overview in order to identify the challenges and solutions posed in the area of agricultural succession across the EU.

Some Member States, such as Germany and Italy, have introduced measures to attempt to ease the challenge of fragmentation by reducing or delaying inheritance taxation for example. We need more information on whether these go far enough and whether there should be a case for challenging the status quo of ‘*Code Napoleon*’ in some EU countries. It is not clear whether these measures are effective, but there is an obvious need for a comparative analysis of inheritance and succession laws in all 28 Member States in order to draw conclusions on what is needed by the agricultural sector in order to facilitate access to farmland. There is little at EU-level on this issue at the moment. There should also be more work done on improving access to land across the board and facilitating the transfer of ownership of land in other ways – for example in Ireland, the young farmers’ association launched a Land Mobility study which then turned into an Initiative in itself: the [Land Mobility Service](#). This is a great example of a support service for families going through the succession process, and is also a huge source of information on land mobility, land transfers, and the demographics of Ireland’s farming population itself. Every EU Member State should take note of this Service.

The demographic challenge is greater for family than non-family farmers. On non-family farms, there is not the problem typical for some family farmers that the successor has to wait until his/her 50s to



inherit the farm. In European family farms however, it is rare that a farmer is prepared to relinquish the ownership of his farm to the next generation before then – and it is this that needs to change – and even incentivised. And yet, it is common knowledge that the family farming model is the one European citizens cherish and would like to see continue to flourish. For that reason, it is essential that we improve our rates of succession of farms across Europe.

Family farm sizes vary greatly across the Union. However, almost everywhere, more than half of family farms smaller than 5 ha are run by farmers older than 55. Older farmers are living longer and there are a few reasons for them to leave, making it increasingly difficult for young new entrants. On top of this, due to the lack of an early retirement scheme in the current Common Agricultural Policy (CAP) as well as the system of direct payments tied to historic land entitlements, this encourages older farmers to stay on their land and keep receiving their entitlements rather than transferring it to the younger generation. Additionally, this drives up land prices considerably. This is even worse in some Member States where farmers over 65 are able to claim their state pension, while still receiving their land entitlements.

In conclusion then, the challenge of improving succession processes in family farms across the EU and therefore achieving greater land mobility and better access to land for all is substantial. This is mainly due to the difficulties in the internal family discussion, complicated land laws including inheritance and taxation (which vary across the EU, leading to an unlevel playing field, and usually foster the fragmentation of farmland), and finally the incentives which still exist to encourage older farmers to keep hold of their land. However, there are opportunities in some Member States which others could learn from, in particular Ireland's recent 'Land Mobility Service'. Such initiatives should be mirrored at EU-level in order to improve the situation across all 28 Member States, all of which desperately need support in helping more young people take over their family farms.