Semi-subsistence Farming: Concepts and Key Issues

The case of smallholders in Ireland

Dr. Jim Kinsella, School of Agriculture, Food Science and Veterinary Medicine
University College Dublin, Ireland
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IRELAND

- Population = 4.3mn people
- 70,000 sq km
- ~ 95% classified as rural
- 54% population is rural
- 25% of rural households farm
- Joined EU (EEC) in 1973
- GDP (2008) = €185bn with per capita GDP of €42,000
- Labour Force = 2.2mn people
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Ireland - Population

Figure 1 Irish Population Trends: 1926 - 2006

Source: Census of Population, 2006
Economic Development - Ireland
Percentage GDP Growth and Unemployment Rates, Ireland 1973-2009

GDP Growth Rate
Unemployment rate
Ireland and Farming

- Farmers comprise 7% of the total workforce
- Agri-food sector accounts for 25% of net foreign earnings and 10% total employment
- 54% farms in mainly beef production; 21% in beef and sheep mix; 16% in dairying
- 75% UAA is permanent grassland and meadow
- Average farm size is 34 hectares with approaching 19% of farms less than 10 hectares and nearly 60% less than 30 ha (2007)
## Number of Farms by Size and Year, Ireland

<table>
<thead>
<tr>
<th>Farm Size</th>
<th>1991*</th>
<th>1997*</th>
<th>2007**</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 20ha</td>
<td>91,600</td>
<td>69,600</td>
<td>46,100</td>
</tr>
<tr>
<td>20-50 ha</td>
<td>59,400</td>
<td>57,300</td>
<td>49,300</td>
</tr>
<tr>
<td>50-100 ha</td>
<td>15,700</td>
<td>16,600</td>
<td>18,000</td>
</tr>
<tr>
<td>100+ ha</td>
<td>3,900</td>
<td>4,200</td>
<td>4,500</td>
</tr>
<tr>
<td>Average size</td>
<td>26 ha</td>
<td>29.4 ha</td>
<td>34 ha</td>
</tr>
<tr>
<td>Total farms</td>
<td>170,600</td>
<td>147,800</td>
<td>117,900</td>
</tr>
</tbody>
</table>

Sources: *CSO Ireland Data ** Eurostat Data
Income and Poverty

• Poverty Line in Ireland calculated at 60% of median income per adult
  – 2008 Annual Relative Income Poverty Line for:
    • an adult = €11,700
    • a Family of 2 adults and 2 children = €27,150

• Average farm income (2008):
  – €37,600 for full-time farms (> 0.75 SLU)
  – €7,600 for part-time farms (<0.75 SLU)
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Farm Household Incomes

Smallholder Farms in Ireland

- 60% Irish farms less than 30ha (70,000 farms)
- Average Family Farm Income (2008) for:
  - 20-30ha farms was €8,700;
  - 10-20ha was €4,300;
  - <10 ha was €2,700
- Smallholder farms in Ireland < 30ha UAA and <0.75 SLU required for farm operations
- Predominantly in beef and sheep production systems which yield lowest margins/ha
Smallholder Farmers in Ireland

- 45% are over 60 years old while 27% are less than 45 years old
- 90% of farmers who are over 60 years old do not have post-primary education
- 24% adults in Ireland with primary education or less are at risk of poverty in contrast to 14% who completed second level education
  - the majority of these are smallholder farmers
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Strategies of Smallholders

- Decline and exit
- Rural Social Scheme
- Survival mode
- Farm development incl. specialisation and/or diversification
- Off-farm work

[Diagram showing distribution of strategies among Irish Smallholder Farmers 2008:
- Off-farm work: 60%
- Survival: 21%
- Farm development: 11%
- Rural Social Scheme: 4%
- Decline/Exit: 4%]
Decline/ Exit

• Trend is towards reduction in number of smallholders (approx 4% per annum)
• Number of farms <20 ha halved over the period 1991 to 2007
• Number of farms > 50 ha grew by 15% over same period
• Majority of exits from farming were result of death of elderly farmer while the land was purchased or inherited by bigger farmers
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The Rural Social Scheme

- Scheme that allows low-income farmers who are unable to earn an adequate living from their farm holding to earn a supplementary income
- Scheme is nationally funded and administered through LAGs
- Participants undertake up to 19.5 hours/week
- Work such as: care of older people; village and countryside enhancement; and maintenance of community/sport facilities
Survival on low farm income

• Many of the older small scale farmers do not avail of the Rural Social Scheme
• Derive income from farming and state old-age pension
• Large proportion are unmarried and living alone
Farm Development

• Relatively young and enterprising farmers
• Dairy expansion – low external input systems with best use of land/grass and labour resources (requires innovative approaches)
• Adding value to produce through short chains, high value commodities (organics) and new on-farm enterprise
Off-Farm Work

- Farmers who work off the farm tend to be employed in low skilled/trade related jobs in the traditional sectors of the economy such as, agriculture, construction and manufacturing.
- By contrast, farmers’ spouses are typically employed in professional and administrative jobs in the services sector.
- Off-farm work for farm operators doubled from 25% in 1971 to 50% in 2007.
Off-farm work contd..

- The occurrence of off-farm work by farmers is highest in the small farm size groups, while the spouse is most likely to have an off-farm job in the larger farm size groups (Hynes et al, 2005)
- Off-farm income sources allow farm households to remain on non-viable farms
- Important contributor to *living countrysides* as farm businesses support local economies and farm households contribute to rural society
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Key Issues - Main messages

• On-going decline in number of smallholder farms
• Responses by farm households vary depending on age and education profile
• Innovation is key for small scale development farmers – availing of new markets
• Extension and research services to meet needs of those with off-farm employment
The future?

• Next generation of smallholders will be more educated and their farming systems will be based on lifestyle choices

• Smallholder farms will remain critical to achieving the EU’s ‘Living Countrysides’ agenda throughout Europe