



Workshop1: Semi-subsistence farming concepts and key issues

# Semi-subsistence Farming: Concepts and Key Issues

## The case of smallholders in Ireland

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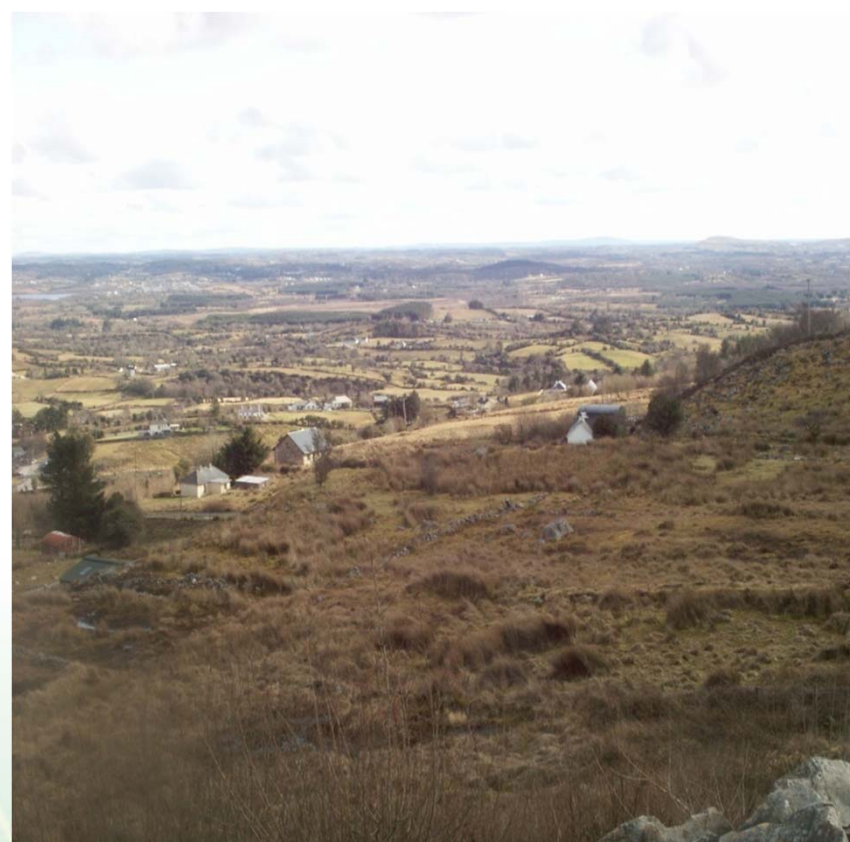
*Connecting Rural Europe*



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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

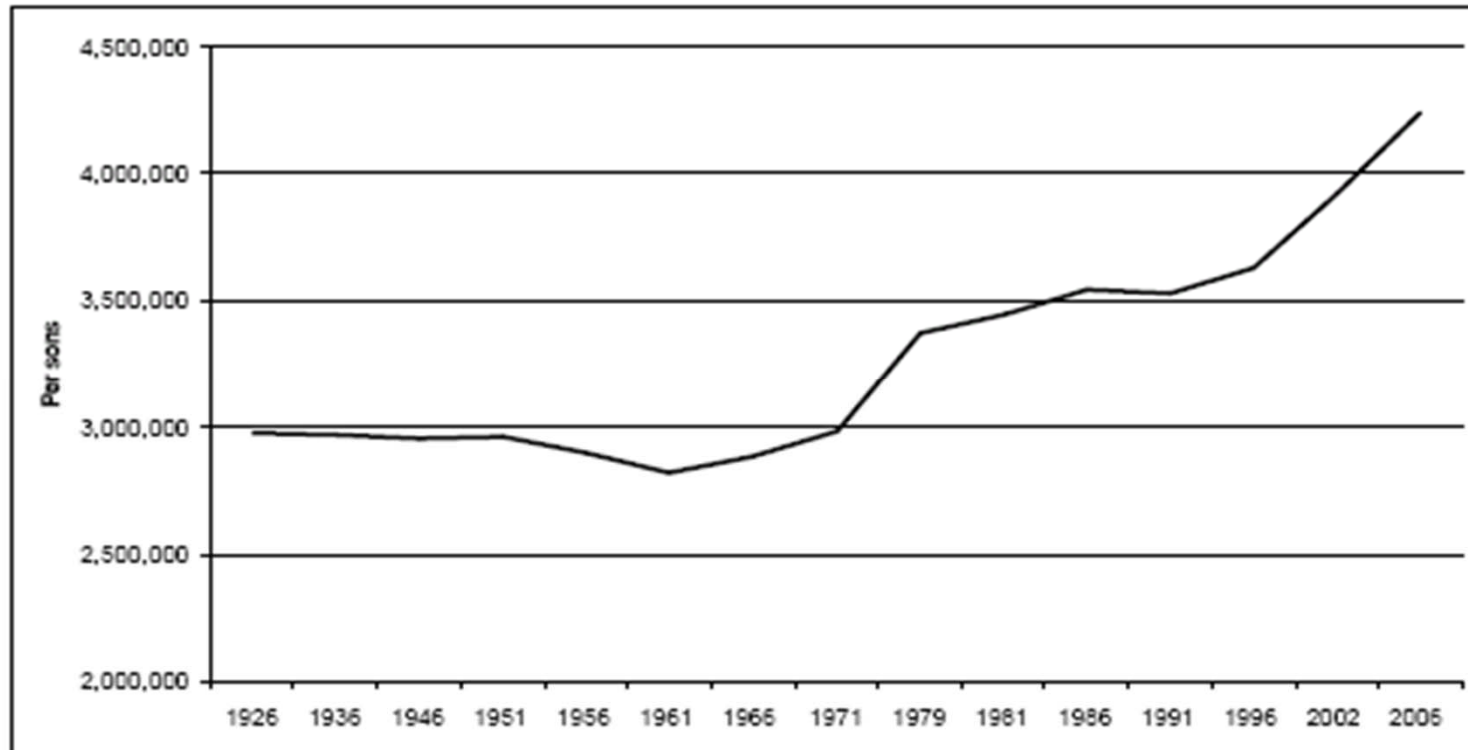




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# Ireland - Population

Figure 1 Irish Population Trends: 1926 - 2006



Source: Census of Population, 2006



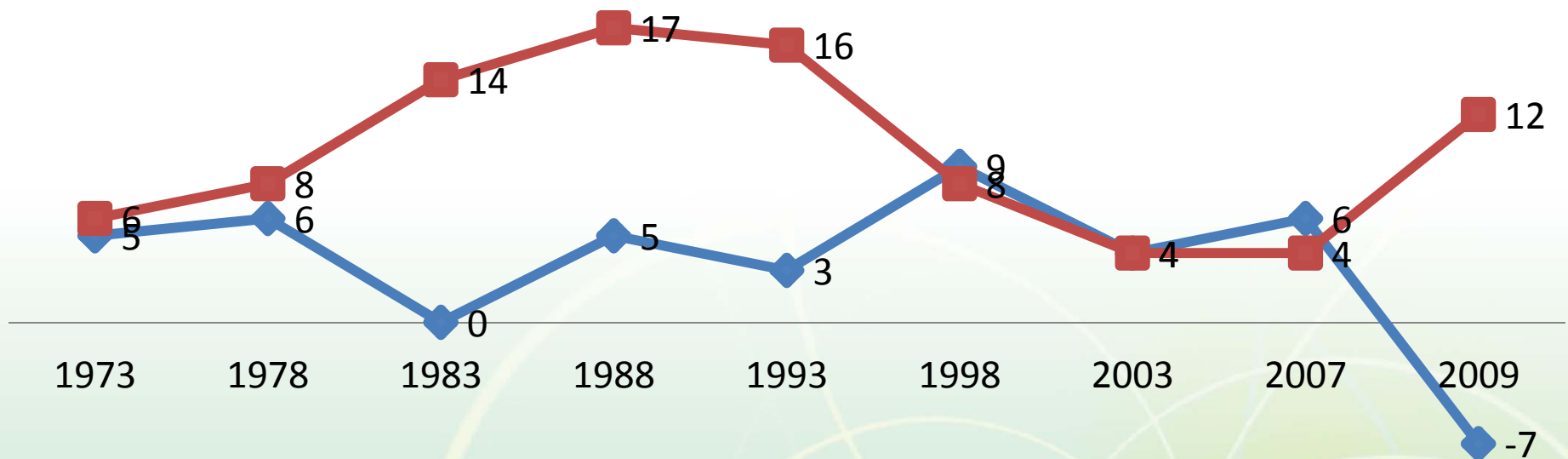


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## Economic Development - Ireland

Percentage GDP Growth and Unemployment Rates, Ireland  
1973-2009

◆ GDP Growth Rate    ■ Unemployment rate





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## 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)





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## Number of Farms by Size and Year, Ireland

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

Sources: \*CSO Ireland Data \*\* Eurostat Data





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## Income and Poverty

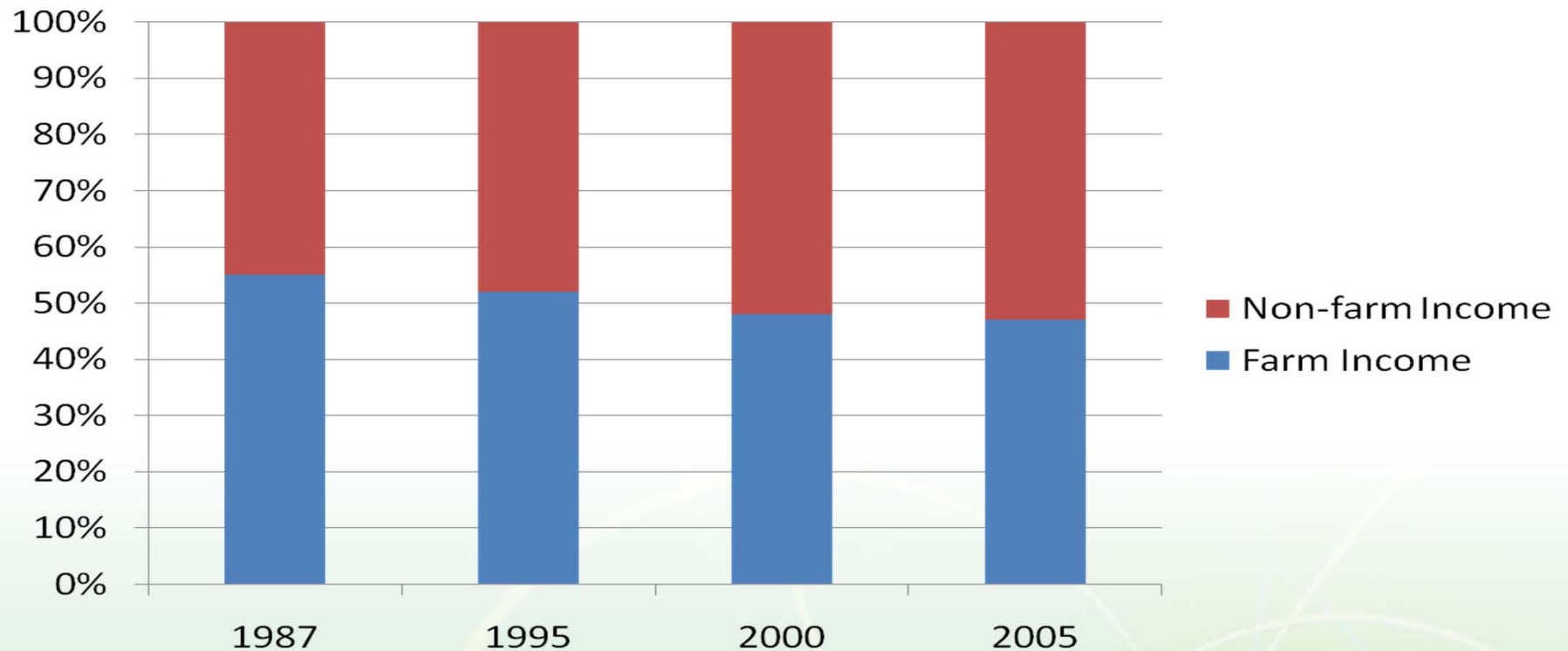
- Poverty Line in Ireland calculated at *60% of median income per adult*
  - 2008 Annual Relative Income Poverty Line for:
    - an adult = € 11,700
    - a Family of 2 adults and 2 children = €27,150
- Average farm income (2008):
  - €37,600 for full-time farms ( $\geq 0.75$  SLU)
  - €7,600 for part-time farms ( $<0.75$  SLU)





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# Farm Household Incomes



Source: O'Donoghue, 2009. *Farm Incomes and the Macro-economy*. Teagasc







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# 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





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# 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

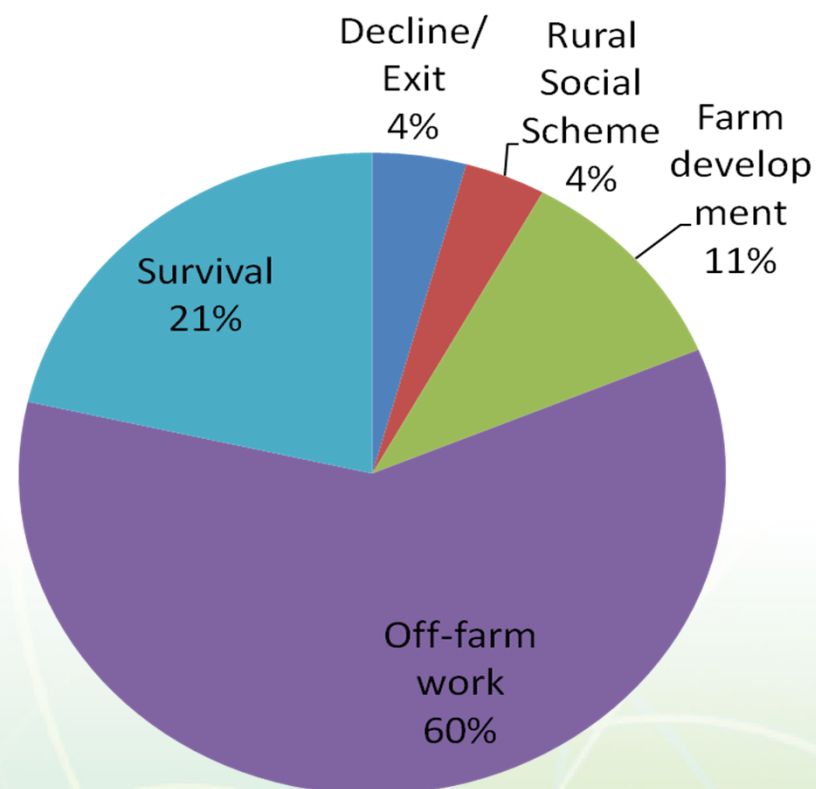




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# Strategies of Smallholders

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



**Irish Smallholder Farmers 2008**





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# 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

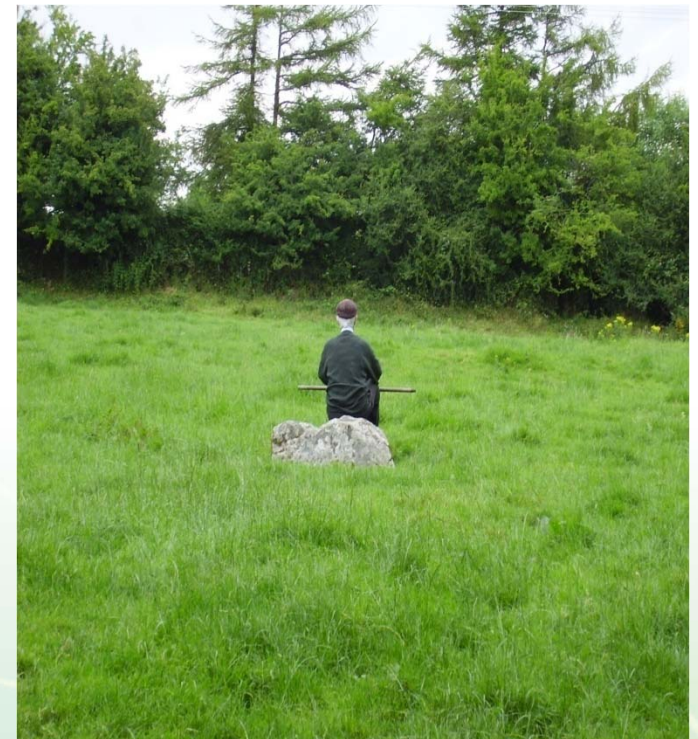




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# Survival on low farm income

- 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





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# 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





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# 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







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## 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





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# 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

