EIP-AGRI Focus Group
New Entrants to farming: lessons to foster innovation and entrepreneurship

MAY 2015 – MARCH 2016
New Entrants Focus Group experts

Members from Belgium, Bulgaria, Czech Republic, Estonia, France, Finland, Germany, Hungary, Ireland, Italy, The Netherlands, Portugal, Slovenia, Spain, United Kingdom
EIP-AGRI Focus Groups tackling agricultural challenges

- Open calls for interest of participation
- 19 participants, varied types of actors
- Short duration, focused
- Inspiration for Operational groups
- Suggestions for further research
EIP-AGRI Focus Groups, tackling agricultural challenges

- Priorities for innovative actions
- Research needs from practice
- Propose projects to test solutions
- Ideas for Operational Groups

Exchange practical knowledge

Practice + Research
EIP-AGRI Focus Groups
Question tackled

- Clarify the main challenges and potential solutions
- Identify the potential business and organisational models of newcomers
- Propose potential innovative actions to enhance and stimulate setting up new agricultural enterprises
- Identify needs from practice and gaps in knowledge for future research
Specific Focus Group tasks

Defining new entrants

What is the voice of new entrants?

How can new entrants access land, capital and markets?

What is the role of local authorities?

What are the gender issues amongst new entrants?

How can advisory services support new entrants?

How are new entrants involved in urban/rural interactions?
Challenges multiple ‘types’ of new entrant

- Were you raised on a farm? No
- Are you farming on that farm? No
- Did you access land through extended family members? No
- Are you making a major change to the farm operation? No
- Are you diversifying? No
- Direct Successor

- Were any of your business partners (or spouse) raised on farms? Yes
- Are you farming on that farm? No
- Did you access land through extended family members? No
- Are you making a major change to the farm operation? Yes
- Are you diversifying? Yes
- Diversifying successor

- Are you making a major change to the farm operation? No
- Are you diversifying? No
- Delayed successor

- Are you making a major change to the farm operation? Yes
- Are you diversifying? Yes
- Innovative Successor

- Are you making a major change to the farm operation? Yes
- Are you making a major change to the farm operation? Yes
- Are you diversifying? Yes
- Innovative new entrant

- Are you employed off-farm? Yes
- Do you aim to earn a livelihood from your farm? Yes
- Full time new entrant

- Are you making a major change to the farm operation? Yes
- Are you diversifying? Yes
- Innovative new entrant

Key:
- new entrants
- successors

Indirect Successor or
Hybrid new entrant
Hobby farmer
Part-time new entrant
Conclusions – definitions

No single best definition of new entrants =
Definitions of ‘new entrants’ should be ‘fit for purpose’ – suited to the purpose for which the definition is being sought
New entrants can be of any age and
New entrants can be of any background (from direct successors to *ex novo*)
BUT NOTE THAT:
It is not currently possible to assess the number of new entrants in European agriculture
Drivers for new entrants as voted by FG 14

Other drivers: reconnecting the food system, political movement
What new entrants bring to the agriculture sector

Stimulating local economies through:

• Introducing new knowledge or techniques
• Developing new business models based on end-users
• Developing more sustainable farming systems
• Developing new organisational models (e.g. share farming, pre-financing, crowd sourcing)
• Increasing connections between farming and the local community (particularly in areas where there is substantial land abandonment and/or depopulation)
• Adapting traditional knowledge to develop business innovations (e.g. artisanal food production)
• Higher visibility of women in agriculture
Barriers to new entrants as voted by FG experts

- Access to land
- High start-up costs
- Access to markets
- Low profitability of farming
- Low status associated with farming
- Limited access to information
- High levels of bureaucracy/paperwork
- Low access to off-farm employment
- Lack of farm diversification opportunities

Most common barrier is access to land

Other barriers
- Marketing knowledge
- Institutions support mainstream farmers
- Lack of support from existing farmers and technicians
Important supports for new entrants

• Advisory services: can support new entrants through training, facilitating networking, enabling share farming and joint ventures

• Local authorities: can support new entrants through local procurement, enabling access to publically held or abandoned land and local housing

• ICT: important for marketing, accessing information and establishing networks
Conclusions – new business models

FG experts identified a wide range of business models which can be adopted by new entrants to address barriers

Examples include: career-ladder farming, contract farming, crowd funding, crowd sourcing, community supported agriculture, equity partnerships, farming incubators, junior-senior partnerships, land partnerships, share farming, social enterprise and workers’ cooperatives

- Some models are widely known in some countries (e.g. incubators in France) but unknown in others

- These models have been developed from the grass roots and are largely disconnected from agricultural curricula and research
Conclusions – main research needs

Very limited research to date on new entrants

FG experts identified research priorities which will directly enable future new entrants to join the agricultural sector:

1. Assess the support needs of new entrants
2. Identify success/failure factors
3. Promote and develop collaborative business models
4. Assess and promote the value added by new entrants
5. Characterise new entrants (including demographics)
6. The role of local authorities in supporting new entrants

Although the focus group experts did not prioritise research into the definition (and therefore numbers) of new entrants, or gender issues relating to new entrants, both are necessary to underpin any further policy development relating to new entrants.
Follow-up actions

- Final report
- Minipapers
- Case study posters
- Overview fact sheet
- PPT presentation
- Information note for advisors
- Information note on business models

Potential operational groups:
- Land partnerships
- Worker’s co-operative
- Share farming
- Social enterprise
Find out more in the factsheets

New entrants into farming: lessons to foster innovation and entrepreneurship

Which patterns characterise new entrants in farming and what can be learnt from them to foster innovation and entrepreneurship in agriculture?

New entrants - people entering farming for the first time, or returning to farming after a period of off-farm employment - are recognized as important to the vitality and competitiveness of the rural regions in Europe, but little is known about them and their stories. The Focus Group "New entrants into farming" brought together 20 experts, many of them farmers themselves, to gather the existing practical and academic information available, focusing on those with limited prior experience in agriculture. They identified a number of benefits that new entrants bring, such as:

- Introducing new knowledge, techniques or more sustainable farming systems
- Developing new business and organizational models
- Increasing engagement between farming and the local community

These actions stimulate local economies. However, new entrants face a number of obstacles (access to land, high start-up costs...) and they have found very different ways to overcome them. The EIP-AGRI Focus Group report presents cases and ideas illustrating how new entrants work, who they are, and what lessons they can provide.

"New entrants are not just a handful of people with a pie-in-the-sky idea who decide to test and experiment with agriculture just to see what happens. The group that is emerging is a growing reality recognised by more and more sectors of society who see that the role these farmers are playing in the territory is becoming truly strategic."

- Neus Monlir (Spain), expert from the EIP-AGRI Focus Group on New entrants -

New entrants into farming: lessons to foster innovation and entrepreneurship

Ideas for Operational Groups

- Toolkit for local administrations to engage new entrants
- Setting up new agribusiness incubator structures to be used by new entrants
- Share farming to connect people through projects
- Joint processing and economic sharing, combining different resources and developing new products to create added value, and develop social capital and new business models

Research needs from practice

- Which types of support do new entrants need (markets, land access, financing) and how best to help them?
- Key factors and indicators for successful new entrants’ initiatives
- Collaborative business models: relations with industry, markets and other new entrants
- Added value of new entrants: their positive impact on the economy and society
- Quantification of the characterisation of new entrants: definition, age range, policy implications, gender issues, skills...
- Role of local authorities in enabling (or limiting) new entrants

More ideas for Operational Groups and research needs available in the Focus Group report

Other outcomes

- Specific messages for local authorities, advisers or other potential new entrants in the targeted factsheets
- More practical knowledge in the case study posters, or bibliography (final report)

More information

Focus Group report

Factsheets

Case study posters

Contact: EIP-AGRI Service Point - Avenue de la Toison d’Or 72 - 1050 Brussels - BELGIUM
Tel +32 2 549 37 48 - servicepoint@eip-agri.eu - www.eip-agri.eu

Join the EIP-AGRI Network!

Register to the EIP-AGRI website where you can find peers, projects, ideas and resources to catalyze innovation in agriculture, forestry and horticulture.

Funded by the European Commission
Targeted factsheets

Recommendations for advisers

What do new entrants into farming need?
- Access to land
- Access to capital
- Specific agricultural knowledge and business mentorship programmes
- Access to markets and short supply chains
- Networking and connections with traditional farmers and the local community
- Communication with public authorities

Recommendations for local authorities

Why are new entrants to farming good for local communities?
- New entrants - people entering farming for the first time, or returning to farming after a period of off-farm employment - are an important resource for the development of rural communities. Often they are highly educated and bring business skills and networks from other jobs.
- New entrants who establish successful businesses can stimulate local economies, creating new jobs and business opportunities.

Business models for other new entrants

New entrants into farming: models to enter agriculture
- A new farmer enters a dairy farm as an employee or manager, then becomes a contract milker, and ultimately either runs their own enterprise or is employed as a contract milker. In exchange, he receives a share of the turnover or profit, depending on what he brings to the farm in terms of labour or other inputs. Following this career path, the new farmer can eventually become a farm owner.
- Land partnerships: a growing trend for sharing risks between farmers and people interested in land via a local landshare scheme.
- Contract milking: a farmer sources a part or all of his milk to a professional farmer to run the operations of the enterprise. This model may also be an option for farmers who are new to farming or have a small herd or limited access to resources.

- Joint venture partnerships: a new or young farmer cooperates with an experienced farmer who needs qualified labour support. In turn, the young farmer gains valuable experience, and the older farmer has access to new ideas and resources to continue their business. Different legal frameworks are possible.
- The model of the self-employed entrepreneur: a model developed in the UK, which involves organisations supporting young enterprising farmers to set up their businesses. Typically involves renting office space, planning, subsidies, financing, and marketing assistance, but also helps with capital and in some cases land.

- The network returns to the new entrants to test their business idea in practice.
Thank you for your attention!

EIP-AGRI Focus Group webpage
servicepoint@eip-agri.eu

+32 2 543 73 48

EIP-AGRI Service Point
Avenue de la Toison d’Or 72
1060 Brussel
Belgium

www.eip-agri.eu
Register today!