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Chair of Industrial Policy in Europe

Young entrepreneurship in the European  
agriculture: Innovations in the CAP 2023-  
2027 and comparative analysis of three  
Member States

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*People only accept change  
when they are faced with necessity,  
and only recognize necessity  
when a crisis is upon them.*

*Jean Monnet, 1978*

## **Abstract**

Throughout its history, EU's Common Agricultural Policy (CAP) has undergone several modifications aimed at encouraging more diverse support measures to sustain European agricultural production. The issue of generational renewal, aggravated by the sector's economic insecurity, has grown in prominence throughout successive CAP transitions, finally becoming a crucial goal for the future of European agriculture in the present programming period.

Through a detailed analysis of national strategies in three Member States – France, Italy and Spain – this thesis aims at highlighting the key challenges for young farmers and how these Member States have responded to them through the implementation of CAP policies.

The comparative research demonstrates that all three nations have achieved great progress in aiding young farmers, but there are noteworthy disparities in policy objectives. While France has taken a balanced approach to direct income support and rural development, Italy has prioritized improving rural infrastructure and socioeconomic development. In contrast, Spain focuses on income support through the CAP's supplemental income measures.

This study highlights the change from a strictly economic strategy to more integrated rural development strategies, which coincide with wider European aims such as the European Green Deal and climate neutrality. The findings suggest that the future of European agriculture is dependent not only on financial help, but also on the creation of appealing, sustainable rural places where young people may thrive.

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## List of abbreviations

AITA - Accompagnement à l'Installation et la Transmission en Agriculture  
AKIS – Agricultural Knowledge and Innovation Systems  
ARV – Average regional value  
AWU – Annual work units  
BTA – Banca nazionale delle terre agricole  
CAP – Common Agricultural Policy  
CEJA – European council of young farmers  
CIS – Complementary Income Support  
CSP – CAP Strategic National Plan  
EAFRD – European Agricultural Fund for Rural Development  
EAGF – European Agricultural Guarantee Fund  
EAGGF – European Agricultural Guidance and Guarantee Fund  
EARL - Exploitation Agricole à Responsabilité Limitée  
EFSI – European Fund for Strategic Investments  
EIF – European Investment Fund  
ESF – European Social Fund  
FMA – French Ministry of Agriculture  
GAEC - Groupement Agricole d'Exploitation en Commun  
INAF - Initiative Nationale pour l'Agriculture Française  
INCASOL - Institut Català del Sòl  
INE - Instituto Nacional de Estadística  
INSEE - Institut National de la Statistique et des Études Économiques  
ISMEA - Istituto di Servizi per il Mercato Agricolo Alimentare  
ISTAT – Istituto Nazionale di Statistica  
LEADER - Liaison Entre Actions de Développement de l'Économie Rurale  
LDS – Local development strategies  
NAV – Net added value  
NFI – Net family income  
PDO – Product of Designation of Origin  
PGI – Protected Geographical Indication  
ROA – Returns on Assets  
SAFER - Sociétés d'aménagement foncier et d'établissement rural  
UAA – Utilised Agricultural Area  
YF – Young farmers  
YFP – Young Farmer Payment

## **1. Introduction**

### **1.1 Background and context**

Agriculture is a cornerstone of the European building. From the 1960s, through the Common Agriculture Policy (CAP), the European Community has strongly contributed to the economic stability of the agricultural sector by providing subsidies to farmers and, from the 1980s on, by subsidizing rural development in order to promote the socio-economic progress of agricultural regions (Snyder, 2012).

Today, agriculture faces a number of specific challenges ranging from general issues of rural development to broader food security issues and to the sector's capacity to contribute to the sustainability goals of the European Union (EU). To address these concerns, exacerbated by the growing threat of climate change, the EU rebalanced the targets of its food policy within the larger context of the European Green Deal (Communication from the Commission: The European Green Deal, 2019).

The new CAP programming, which differs significantly from its predecessors, reflects the intention of the Commission to foster the correction of various market distortions and difficulties in the sector that are caused not only by economic but also, and more crucially, by social factors. Among these socioeconomic challenges, generational renewal is prominently included in the new CAP agenda (Bourget, 2021).

In fact, the constant aging of the workforce, together with the decreasing number of farms, represent the major visible concerns linked to the 'industrial' structure of the sector.

In particular, the aging workforce comes together with a decreasing number of young entrants in the agricultural sector. In fact, the share of young farmers in the EU (workforce holding a farm under the age of 35) represents just 5.6% of the total workforce (Eurostat, 2022a).

The importance of generational renewal in the sector, in particular, has been addressed with specific attention by the new CAP plan for 2023-2027. This renewed attention is due to the role detained by young farmers in improving technological implementation and ensuring the respect of sustainability goals in confront of their older pairs, (CEJA, 2019).

One of the main policy aims of the new CAP plan is, in fact, to better target the needs of young people, thereby reversing the trend toward aging of the sector and addressing the challenges in the access of the market, including land, credit and educational opportunities (Lecarte & Negre, 2022).

## **1.2 Research problem and questions**

In this general context, the present research aims to analyse EU's 'narrative' in respect of young entrepreneurship and how this trend has been translated in national legal orders. In particular, an analysis of the fund allocation towards young entrepreneurship in three European countries, namely France, Italy and Spain, will be analysed. More specifically, the thesis will delve into the similarities and differences in the allocation of CAP funds in these different Member States.

The goals of the study are, therefore, two-fold:

- (1) identify the European 'narrative' in the field of young entrepreneurship
- (2) identify similarities and differences between different Member States in the allocation of funds to improve the possibilities of young farmers to enter the market.

As a consequence, the research confronts two main questions: "What is the European position towards youth entrepreneurship in CAP 2023-2027?" and "How are the CAP 2023-2027 funds towards young entrepreneurship allocated in France, Italy and Spain?"

## **1.3 Thesis structure**

The first goal will be accomplished within chapters 2 and 3, where the study will focus on identifying the European narrative of young agricultural entrepreneurship. Specifically, this narrative will be tackled from two angles. First, the perspective of young farmers will be examined by describing the framework in which they operate and the labour market with which they engage. Following that, the research will shift to the history of European policies supporting young agricultural entrepreneurship over time, culminating in the innovations of the present CAP program. By the conclusion of Chapter 3, the study will have addressed the thesis's first issue, "What is the European position towards youth entrepreneurship in CAP 2023-2027?".

Chapter 4 introduces the second part, which is also the focus of this work, that examines how the three Member States under consideration France, Italy, and Spain - have allocated funds to young farmers within the national context, tailoring the type and form of investments to national and regional characteristics and addressing diverse needs. The following three chapters will each focus on one nation in alphabetical sequence, beginning with France, then Italy, and lastly Spain. Chapter seven will look at the variations and similarities in the allocation of funding across the three nations. The comparison is the culmination of this thesis's objectives and seeks to:

- 1) Understand the CAP's flexibility, which allows member nations to tailor funding to national configurations and features while supporting uniform growth via diversification.
- 2) Determine how the three Member States responded to comparable issues.
- 3) Identify disparities in resource allocation and in the type of interventions.



In this sense, the current work does not seek to evaluate the three countries' decisions, nor the allocation for young farmers decided at the European level, but rather to provide a clear framework for effectively analysing how equal or similar resources can be distributed in different ways, resulting in varying outcomes.

## **1.4 Research Methodology**

To answer these questions the study employs a descriptive research design based on a mixed-approach that takes into consideration both qualitative and quantitative methods. The descriptive methodology was chosen to offer a full assessment of current funds distribution and their influence on the employment of young farmers. The research refers to case studies from Italy, France, and Spain to provide thorough insights into each country's implementation of the CAP. Data were collected by the European Union institutions and the national authorities of the three chosen countries.

The decision of France, Italy, and Spain is mostly based on their respective economic production. In the European Union, they are among the top four in terms of economic output. France is first with €96.0 billion, Italy third with €71.9 billion, and Spain fourth with €65.6 billion (Eurostat, 2024a).

Data given at the regional level relates to comparable territorial entities referred to as regions or, in the case of Spain, Comunidades and Ciudades Autónomas (independent provinces).

To provide a uniform comparison, each chapter employs the same economic and social indicators to assess the allocated money as well as the overall status of domestic agriculture and young agricultural entrepreneurship. However, the three nations do not provide fully consistent data descriptions. While France and Italy use the same criteria to identify young farmers as those aged 18 to under 41, Spain's official statistics data defines young farmers as those aged 18 to 35 (INE, 2022b). The following age group includes farmers aged 35 to 44, which goes beyond the criteria of a young farmer as indicated in the European legislation that this study addresses. As a result, the national data on youth agricultural employment in Spain may be distorted by the age groups studied.

Another distinction in data presentation includes information and tables linked to budget allocation. To begin, although Italy and Spain have indicated the proportion of funding committed to young farmers, France has not, making it impossible to compare the amount of funds provided consistently. Furthermore, the tables in the different financial appendices do not provide the same degree of detail regarding the allocation of funding for the various activities.

France and Italy has a clear division, although Spain do not. As a result, the money distribution will be kept as generic as feasible to ensure uniformity in the comparison.

Another difference relates to the objective value of the result indicators. While both Italy and Spain have provided the objective value for the result indicators of interventions related to young farmers, France has not provided any reference. In this sense, the section for the objective value contained in the Table 3 “Result indicators for objective 7 in France” will not contain any data.

## **1.5 Key terms and concepts**

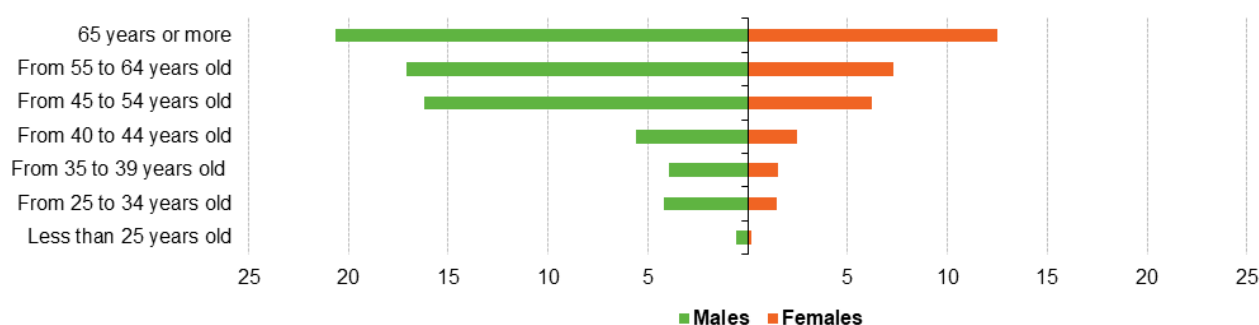
In this study, ‘young farmers’ are defined according to the European Union criteria contained in Articles 3(1) and 4(6) of the Regulation (EU) 2021/2115 (Regulation (EU) 2021/2115, 2021). To qualify as ‘young farmer’, the Regulation establish three traits.

- (a) a young farmer must be younger than 40 years old;
- (b) the individual must be the 'head of the holding', which means they have effective authority over the property (European Commission, n.d.). This feature is particularly relevant for the current study since it restricts the research to landowners exclusively and so does not account for the age of the broader workforce;
- (c) the young farmer must possess appropriate training and/or skills. More precise definitions for the three parameters, such as the type of qualification, are provided by each Member State on the basis of their needs and the population distribution (European Commission, n.d.).

## 2. Youth in agriculture

The constant aging of the workforce represents one of the most alarming trends in the European agricultural sector, since farmers near to retirement are not being countered by a generational renewal rate sufficient to balance the losses (Eurostat, 2022b). As a consequence, Europe is suffering a ‘young farmers problem’, in the sense that the rate of generational renewal is not sufficient enough to ensure the stability of the European agricultural sector in the future.

**Figure 1 - EU farm managers divided by age class as a percentage of the total EU farm managers**



Source: Agricultural statistics (online data code: ef\_m\_farmang) – (Eurostat, 2022a)

In the EU, as represented by the table above, farm owners under the age of 35 constitute only the 6.5% of managers of family farms and the 9% of non-family farms, much lower than the share of over-65 managers (which represent more than 20%), a trend that has fallen of 1 percentage point from 2010 (Eurostat, 2022a).

What emerges from the deconstruction of the ‘young farmer problem’ is that, while young people recognize the importance of agriculture in the national economy, various aspects of the sector increase youngsters’ tendency to search for other job opportunities, usually in urbanised areas. In fact, the lack of economic incentives and appropriate profit, as well as the lack of infrastructures and opportunities, push youth to perceive agriculture as an old-fashioned and burdensome profession (Cosentino et al., 2023). These flaws, which characterise most of European Member States, have been caused by a lack of focus on rural development during the first decades of CAP (Sutherland, 2023), which resulted in the increased abandonment of the agricultural profession, and, as a consequence, in a steady decline in the number of young farmers (Eurostat, 2022a).

In the last years, generational renewal has been increasingly liked with the major benefits connected to the participation of young people in agriculture by a number of studies, such as Vanslebrouck et al., (2002), Burton (2006); van Passel et al (2007) and Läßle and Van Rensburg (2011), which state that young farmers are more innovative and productive (Zagata and Sutherland, 2015).

## **2.1 Impact of young farmers on a sustainable and profitable agriculture**

The studies above mentioned have highlighted that young generations play a crucial part in the food system, contributing to long-term food security, agricultural innovation, and rural development. In the field of sustainability, they are more eager to support climate-smart agriculture, organic farming, and precision agriculture, which assist to reduce environmental hazards and increase biodiversity. Furthermore, they have a higher average educational attainment compared to their older pairs, which make them more eager to contribute to technological development, especially considering that it generally requires specific knowledge and skills to be implemented (Kote et al., 2024).

At the economic level, youth in food processing and agribusiness increase the economic value while also creating jobs and strengthening local food systems. Their packaging, branding, and marketing strategies widen markets while also improving food quality. They have higher returns on assets (ROA), especially between 18 and 24 years old, and larger average net investments per farm, with peaks between the ages of 35 and 44, showing a strong preference for long-term planning and risk-taking (European Commission, 2021).

As innovators and information disseminators, young agricultural professionals enhance methods, address issues such as climate change and soil degradation, and promote best practices. Furthermore, youth participation in policy advocacy influences agricultural policies and investment objectives, promoting youth empowerment, gender equality, and social inclusion (Kote et al., 2024).

## **2.2 Challenges for young farmers approaching to agriculture**

In their approaching to agriculture, young individuals can find it enormously difficult to bear the costs of starting a new activity. Challenges vary in nature, spanning from economic, to environmental and territorial ones (Marie-Jose et al., 2015). According to the Commission's studies and interviews with relevant associations, the key challenges for youth in agriculture include the access to land, capital, knowledge, a sufficient and stable income and basic infrastructure and services, particularly in the field of education (European Court of Auditors, 2017).

In the next sections the three principal challenges of young farmers will be highlighted. These challenges, reported by the CEJA report on young farmers 'Informing generational renewal', are the access to land, to credit and the lack of educational and training opportunities (CEJA, 2023).

### 2.2.1 Access to land

According to CEJA (2023), land access represents one of the two most important barriers to youth participation to agriculture (CEJA, 2023). The issue of land access, which is a primary concern in the European context, is a consequence of two principal factors (1) the increased competition for agricultural land, and (2) land mobility (CEJA, 2023).

The degree of land access difficulties varies across the EU-27 as the competition for agricultural land derives from various factors, including national and regional ones, between which has a relevant influence the amount of land available. Large disparities can be found not just between the EU 27, but also between regions of the same Member State. As a result, the average price for one hectare varies from €3.700 on average in Croatia to the average €233.230 in Malta (Eurostat, 2024a). The disincentives are particularly strong in the presence of leasing contracts, which represents more than half of farmed land. In this case, long-term investments are lowered, particularly in the context of sustainable agriculture, where soil care and management expenses rise owing to environmental-friendly practices (CEJA, 2023).

Land mobility represents another significant issue in the agricultural industry. Given that the European agricultural landscape is composed by an overwhelming majority of family farms (about 93% of all the farms in 2020) (Eurostat, 2022b), the problem of land mobility is principally caused by the lack of ownership transfer from one generation to the next, which is confirmed by the minor presence of managers under 35 in family farms compared to non-family farms (Eurostat, 2022a). This is frequently caused by two major variables. First, the absence of a structured pension plan in the sector increases concerns about financial stability, motivating farmers to continue working. Another cause is farmers' intense attachment to their labour. Agriculture, unlike other industries, symbolizes more than simply a job; it is a way of life to which people connect strongly. This makes it difficult for elderly farmers to accept becoming passive members of society, resulting in a delayed retirement. The consequence is that successors may feel disappointed to not be involved in the management of the business and further decide to leave the activity (May et al., 2019). Despite the introduction of major initiatives across Europe to promote land mobility, such as Ireland's Land Mobility Service, the problem persists. This dilemma is compounded by non-agricultural entities' increased interest in owning land (CEJA, 2023).

### **2.2.2 Access to credit**

Access to credit represents the second major obstacle. The financing gap in agriculture has grown in recent years, reaching €62 billion, an increase of 33% compared to 2017. Young farmers account for 22% of this gap, an 11% rise over 2017. Despite their major confidence in financial tools, young farmers face greater loan application rejection rates than other age groups. The main causes are their perceived higher risk profiles and insufficient capital (CEJA, 2023). In fact, data from the European Commission state that in the case of young farmers, more than 50% of all their loan applications were declined, of which 30% were caused by the high risk associated to them, while in the case of older farmers the rate of rejection is 32% (European Commission, 2023a). Combined with their young age, which usually comes with low economic possibilities, these factors negatively influence the willingness of young people to participate in agriculture.

### **2.2.3 Educational and social opportunities**

Long-life opportunities are considered as not accessible in several regions, usually because the specific training is private-founded and requires additional costs that young farmers are not able to bear. In fact, 72.3% of farm managers in the EU in 2020 had only practical experience, the 17,5% have a basic agricultural training and only 10.2% had a full sector-specific training (CEJA, 2023).

Another critical factor frequently disregarded by policymakers is the social dimension of the agriculture economy. Rural dimensions usually lack incentives for young people to stay. In these areas, the age-specific disadvantages for young people are much more exacerbated by the underdevelopment of social services and digital and/or physical infrastructures. Kote *et al.* (2024) highlights the impact of inadequate transportation methods and lack of market information, leading to decreased competitiveness (Kote et al., 2024). Rural depopulation is a substantial deterrent to investment since working and living circumstances in isolated locations can be alienating. As a result, establishing and maintaining rural communities provides a significant incentive to stay, particularly among young people (CEJA, 2023).

### **3. Policy measures for young farmers and innovations in the CAP 2023-2027**

Policy measures in support of young farmers are a late development in European Agricultural Policy. In fact, in terms of promoting generational renewal and supporting youth entrepreneurship, the Common Agricultural Policy did not envisage any provision until the 1990s. Prior to the reforms of the 1980s, the CAP primarily followed economic goals, prioritizing farmers' income, price stability and improved production. The Memorandum on the reform of the CAP (*Memorandum on the Reform of Agriculture in the European Economic Community*, 1968), can be considered the first one in which young people were mentioned in relation to the demographic decline of the working population. Consequently, the analysis of the evolution of provisions for young farmers will start by the above-mentioned Memorandum.

#### **3.1 From margins to priority: The evolution of measures for Young Farmers in the CAP**

##### **3.1.1 The introduction of the 'young farmer problem' (1962-1992)**

In terms of generational renewal, the Memorandum of 1968 stated that the European agricultural workforce was already 57 years old on average, and young people were hesitant to take over farms because of the low level of life. The Commission noted that, in contrast to the older generations, who lacked knowledge and found it more difficult to shift employment despite bad living conditions, younger people were more willing to emigrate and quit agriculture (*Memorandum on the Reform of Agriculture in the European Economic Community*, 1968).

Yet, despite this attention to the question, until 1988, the situation remained mostly unaltered. It is only in that year that the issue of generational renewal entered the scene, with the Council's meeting conclusions of February 11-13, 1988 (Consolidated conclusions of the European Council, 1988). As a matter of fact, it is on that occasion that the Head of Government and State first presented the 'young farmers issue' and advocated reorganizing the budget around five broad goals, encompassing, *inter alia*, the generational issue. It was then indicated that the EU budget would go to:

- a) promoting the development and modernisation of less-developed regions (regions whose per capita GDP was close or lower than 75% of the average European per capita GDP);
- b) converting the areas seriously affected by industrial decline by regulating the socio-economic environment of these areas;
- c) addressing long-term unemployment;
- d) fostering the employment rates for young people;

- e) reforming the CAP in order to promote modernisation and structural adjustments of the agricultural sector and rural areas (Consolidated conclusions of the European Council, 1988).

In order to promote generational renewal, the Council's meeting conclusions highlighted the necessity to facilitate "the occupational integration of young people", also suggesting the introduction of an early retirement system to encourage generational turnover (Consolidated conclusions of the European Council, 1988).

This statement of the European Council represents the first impetus for the reforms made from the 1990s on, that were to be marked by the increased focus on the generational issues of the sector.

### **3.1.2 The introduction of measures to promote generational renewal: the MacSharry reform (1992)**

The MacSharry reforms represents the beginning of a new era for the European agricultural policy marked by the shift towards a more global approach to the sector aiming at increasing the attention to the environmental and employment conditions. In fact, the reforms included several provisions to address the structural deficiencies of the sector, included the possibility - but not the obligation - to adopt early retirement aid through the European Agricultural Guidance and Guarantee Fund (EAGGF) (Council Regulation (EEC) No 1765/92).

This initiative was intended to allow major generational renewal, thus increasing the economic efficiency of agricultural enterprises. The scheme, offered to workers from the age of 55, was augmented by a premium for activity cessation. A second provision that benefited young farmers was the establishment of decoupled payments (Council Regulation (EEC) No 1765/92, 1992).

The system of coupled payments, predominant until the 1990s (European Commission n.d.), was tied to the productivity level, inherently favouring established farmers with grown, highly productive land. On contrast, young farmers were counteracted by the several number of years necessary for the land to reach its optimal productivity, making it difficult for them to access to funds.

In this context, decoupled payments, linked to the quality of the agricultural output rather than productivity, fostered a more equitable distribution of funds, indirectly giving to more young farmers the possibility to receive funds.



### **3.1.3 The formalisation of support: Agenda 2000 and the Fischler reforms (1999-2003)**

Although young farmers were not explicitly mentioned, the measures implemented through the MacSharry reforms indirectly created a more favourable environment for young farmers to establish themselves, kicking off a series of reforms that eventually led to the current generational renewal policies. The Agenda 2000 policy initiative represents a step forward in that the initiative's Communication highlights the need to increase young people's perspective of a life in agriculture, especially by reducing youth unemployment and by increasing qualifications and life-long opportunities for continuous learning (Agenda 2000: For a stronger and wider Union, 1997).

As a result, young farmers were explicitly included for the first time in the CAP following Agenda 2000, specifically in the Regulation on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) (Council Regulation (EC) No 1257/1999, 1999), with the goal of facilitating their establishment. In more specific terms, articles 8 and 9 of the regulation provided a setting-up aid to help young farmers establish themselves, based on a single premium of 25,000 euros (Council Regulation (EC) No 1257/1999, 1999).

At the beginning of the Millennium, the so called "Fischler reform", approved in September 2003, witnessed an increase in the protection for young farmers in comparison to the one provided under Agenda 2000 (Council Regulation (EC) 1783/2003, 2003). In fact, the Regulation (EC) No 1783/2003 was explicit in emphasising the importance of young farmers in developing vibrant and competitive rural areas, calling for the intensification of subsidies designed for them. As a consequence, in addition to the single premium included in Agenda 2000, the reform increased the financial framework for young agricultures, providing an interest subsidy on loans used to finance start-up costs. Furthermore, young farmers who needed advisory services during the setup process could be eligible for an extra single premium of up to 30,000 euros (Council Regulation (EC) No 1783/2003, 2003).

### **3.1.4 The 2007-2013 CAP programming**

While, as we have seen, starting from 1988, the "generational issue" made its increasing presence in Common Agricultural Policy, it started to be subjected to a more profound treating from the 2007 on. In particular, Regulation (EC) No 1698/2005 of the Council, dated September 20, 2005, on assistance for rural development by the European Agricultural Fund for Rural Development (EAFRD) provides greater space to young farmers (Council Regulation (EC) No 1698/2005, 2005). In general, the regulation emphasised the negative impact of the socio-economic decline of rural areas, calling for a major effort in promoting activity diversification, technological and

digital advancement, and employment promotion. More specifically, the legislation underlined the relevance of installation help for young farmers, not only as a start-up but also as a means of modernizing farms. Within the same context, the continuance of the Early Retirement Scheme was emphasized as a strategy for encouraging generational renewal (Council Regulation (EC) No 1698/2005, 2005).

The regulation had clear indications on the matter. It stated that “with regard to human potential, a set of measures on training, information and diffusion of knowledge, setting up of young farmers, early retirement of farmers and farm workers, use by farmers and forest holders of advisory services and on the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services should be made available” (Council Regulation (EC) No 1698/2005, 2005).

Consequently it provided more financial support for young farmers compared to previous Regulations. In fact, the maximum premium was set at 55,000 euros per young farmer, compared to the 25.000 euros maximum established by Agenda 2000 and confirmed in the Fischler reforms (Council Regulation (EC) No 1783/2003, 2003, Regulation (EC) No 1698/2005, 2005).

Apart from the single premium, art. 20 of Title IV "Support for Rural Development" specifically included young farmers (as defined in Article 22 paragraphs 1 and 2) as beneficiaries of measures to support agricultural and forestry sector competitiveness, as well as measures to promote knowledge and human potential. Contemporaneously, the CAP 2007-2013 had maintained the Early retirement scheme (Regulation (EC) No 1698/2005, 2005).

### **3.1.5 Improving the framework: the 2014-2020 programming period**

The strengthening of policies for young farmers continued with the 2014-2020 programming period. In this respect, Regulation (EU) 1307/2013 providing the framework for the Programming period indicated the financial challenges of creating and developing new agricultural activities for young farmers and highlighted the importance of young farmers for the competitiveness of the sector. Therefore, the legislation declared that an annual payment specifically designed for young farmers should be implemented in addition to the income support (Regulation (EU) 1307/2013, 2013).

In fact, the relevant regulation was the first to formally incorporate the Young Farmer Payment (YFP) under the First Pillar, requiring the distribution of 2% of direct payments to young farmers. However, the increased direct payments designed for YF have been matched with the remotion of the Early Retirement Scheme (Regulation (EU) 1307/2013, 2013).

Overall, the funding allocated during the CAP 2014-20 by Member States to young farmers was significantly lower than anticipated, but still higher than previous reforms (Zagata,

et al., 2017). In this sense, the 2014-2020 programming period can be considered an improvement in respect to previous reforms in terms of amount and variety of the policy instruments proposed. In general terms, in terms of concrete results, it is considered that measures taken for young farmers under the CAP have had minimal impact over their presence in the sector. It is argued that the cause of this ineffectiveness stems from the issue's complexity, which includes not only providing financial aid but also creating an environment that can provide young people with the security they need to stay in rural areas and pursue a career in agriculture (Zagata, et al., 2017).

### **3.2 Young farmers in the CAP 2023-2027**

This progressive growth of measures for young farmers sees an additional moment of growth in the 2023-2027 programming, when the topic of generational renewal is given even more attention. It may be argued, by many means, that with the present programming the European Union has finally recognized the crucial relevance of young people in agriculture and the need for more assistance. In this respect, Regulation (EU) 2021/2115 (Council regulation (EU) 2021/2115, 2021), which provides the legal framework to the 2023-2027 Programming period, emphasizes the need of strengthening measures to assist young farmers, underlining their critical role in ensuring a competitive and appealing agricultural industry for future generations (Council regulation (EU) 2021/2115, 2021). Furthermore, the legislation emphasizes the unfavourable conditions in many European rural regions, which include skill shortages, underinvestment in digital technologies, and a lack of job opportunities (Council regulation (EU) 2021/2115, 2021).

The EU's plan is implemented through a variety of financial and non-financial initiatives targeted at promoting the formation and extension of farms owned by people under the age of 41. The Commission seeks to promote more uniform development by using diverse instruments and giving Member States more leeway in tailoring the proposed tools at the national level, allowing countries to adapt the measures to their specific regional characteristics (European Commission, 2023a).

This increased importance of the matter can be highlighted by a series of elements which depict an overall framework in support of young farmers which results from the combination of different aspects:

- (a) Increased strategic focus;
- (b) Stronger financial assistance;
- (c) Greater attention to technical assistance.

### 3.2.1 An increased strategic focus

The increased strategic focus is given by the introduction of “generational renewal” as one of the Commission’s 10 objectives for the current programming period. These objectives, to which each one of the 28 CAP Strategic Plans (CSPs) must adhere, combine the CAP’s core purposes (economic stability, a fair income for farmers and enhanced competitiveness) with a number of objectives related to climate change mitigation and to the promotion of a stable and fair labour market. Generational renewal represents the seventh objective (*Key Policy Objectives of the CAP 2023-27*, n.d.).

**Figure 4 - The CAP 2023-2027’s 10 objectives**



Source: *Key policy objectives of the CAP 2023-27* (n.d.)

### 3.2.2. Stronger Financial instruments for young farmers

This increased strategic attention found its direct reflection under the financial perspective. As a matter of fact, financial instruments delineated in the CAP plan in favour of young farmers contained in Regulation (EU) 2021/2115 are far more detailed than previous plans.

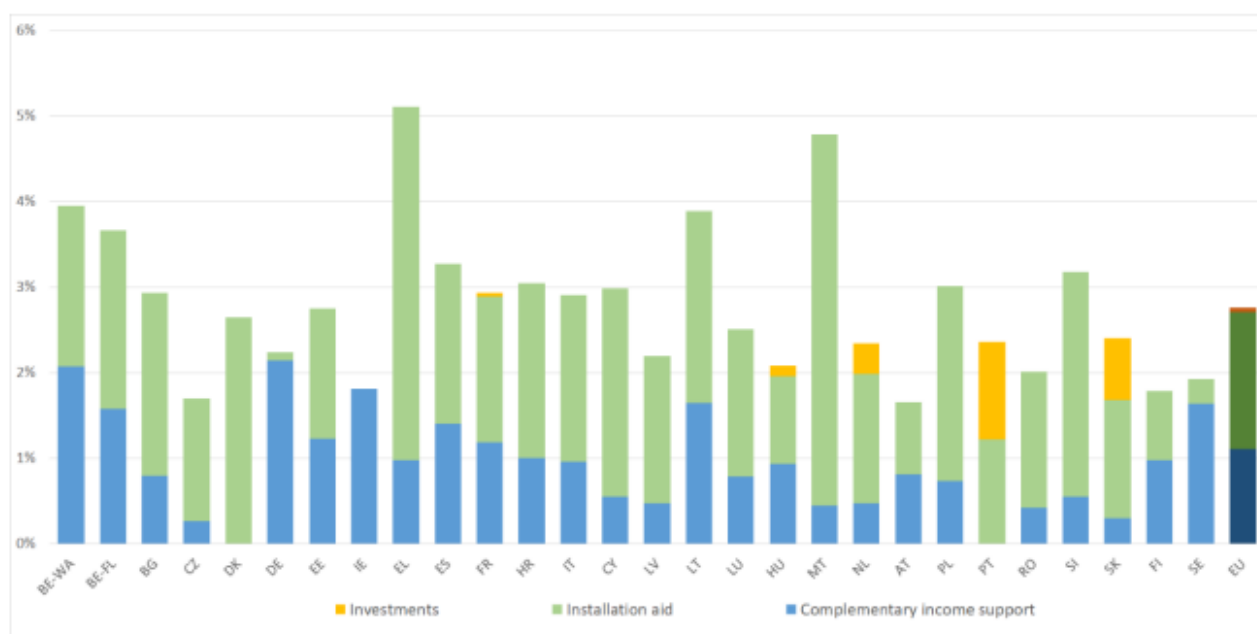
The financial innovations can be divided into three categories

- (a) *Augmented financial instruments.* In this context, the increased use of financial instruments improves access to financing and property purchasing options. Subsidies can be distributed in different forms, such as loans, guarantees, subsidised interest rates, etc... and can be used by Member States in combination or singularly. A main novelty is the possibility for young farmers to be supported through public aid for the purchase of land and in order to support working capital. Other key policies for the objective 7 include the Local development

strategies (LDS) through LEADER, which are key to address social inclusion and fostering services and innovation (European Commission, 2023a). In general, the number of policies as well as the volume of subsidies designed for young farmers have increased substantially in comparison to previous plans.

- (b) *Preferred position.* As stated in Article 26(4) of Reg. 2021/2115, any kind of subsidy provided in the CAP framework, being it general or specific, must be preferentially distributed to young and new farmers. This clause is notable for its capacity to restructure the allocation of funds, ensuring that young farmers receive subsidies before others (Regulation (EU) 2021/2115, 2021).
- (c) *Amount of funds.* A third important novelty is the greater attention in the amount of fund allocated. In comparison to the Programming phase related to 2014-2020, the amount of minimum EARDF funds countries have to devote to young farmers has grown of 1 percentage point, reaching 3% (Official Journal of the European Union 2021). It must be noted, however, that various Member States have allocated more than the minimum threshold for objective 7: with Europe's average investment on generational renewal being at around 4%. As visible in the graph below, the minimum allocation has been met in 22 of the 27 states (European Commission, 2023a).

**Figure - Total public expenditure on generational renewal as a share of total public expenditure under each CSP according to the allocation for main tools payments (% of the envelope for direct payment)**



Source: European Commission (2023a)

### **3.2.3. Greater attention to technical assistance**

Among the innovations introduced in the latest programming phase there is a stronger focus on non-economic measures. More specifically, under the so called Agricultural Knowledge and Innovation Systems (AKIS), Member States are obligated to provide a variety of assistance interventions, such as knowledge sharing, information dissemination, and training (Regulation (EU) 2021/2115, 2021).

In this respect, programs like LEADER, the European Innovation Partnership (EIP), and Horizon Europe are critical in these efforts, opening to young farmers possibilities potentially benefitting their activity. In addition, it is foreseen that Member States can use a portion of the EAFRD to “promote transnational learning mobility of people in the field agricultural and rural development with a focus on young farmers in accordance with the Erasmus+ Regulation” (European Commission n.d.).

Also linked to non-financial assistance is the fact that is foreseen that Member States will be able to fund cooperative projects among farmers, boosting collaboration between older and younger generations. These partnerships may include retirement planning and lump sum payments for retiring farmers who transfer their holdings, succession planning services, "matching" programs for the gradual relocate assets and knowledge from retiring farmers to new ones, and for land brokerage services (European Commission, 2023a). Furthermore, it is expected that new entities such as “creative cooperatives” and groups can increase land mobility and enhance links between farmers and local communities (European Commission, n.d.).

These different interventions can also be utilized for evaluating new collaborative business models, such as community-supported agriculture, incubator-supported start-ups, and contracted farming (European Commission, n.d.).

### **3.3 The centrality of young farmers: the recall of the Strategic dialogue on the future of agriculture**

This approach has been confirmed also with a view to the future. In this respect, it must be signalled that, on September 4<sup>th</sup>, 2024, the Commission has published the Strategic dialogue on the future of EU agriculture (Strategic dialogue on the Future of EU agriculture, 2024). In the document, the European administration further stresses the fundamental role played by younger generations in addressing the imbalances of the agricultural market (Strategic dialogue on the future of EU agriculture, 2024). More specifically, the Strategic Dialogue clearly highlights the importance of promoting concrete initiatives addressing the barriers faced by young farmers trying to establish their business in order to be ready for the challenges also after the end of the current programming period. In this respect, the document indicates three key priorities for a

further action plan:

- 1) Addressing the barriers linked to land mobility. As the access to land represents a primary challenge to installation of young farmers, the Strategic Dialogue calls for the establishment of guidelines on land mobility schemes by the European Commission. Furthermore, it highlights the necessity to provide instances of cooperation measures and calls for Member States to address their retirement schemes in order to promote generational turnover;
- 2) Addressing the barriers linked to credit. The Strategic Dialogue promotes larger dedicated loan packages for young and new farmers and calls for the collaboration of banks and other relevant financial stakeholder in reducing the rejection rate for younger generations
- 3) Increasing training. The document calls for the reinforcement of educational opportunities for farmers, especially considering the goal of a carbon neutral EU. Improving the structure of agricultural training could benefit agricultural occupations by increasing the visibility of agricultural professions, which encompasses different occupations. Furthermore, the European Commission should increase the funds for educational programmes, included Erasmus+ (Strategic dialogue on the future of EU agriculture, 2024).

Overall, the Strategic Dialogue further confirms the intentions of the Commission on strengthening the European interest for young farmers, thus promising a brighter future for younger generations approaching to agriculture (Strategic dialogue on the future of EU agriculture, 2024). In particular, the text represents a commitment from the Commission that continues beyond the 2027 horizon, emphasizing the rising importance of young people in the future of agricultural policy.

### **3.4 The issue of Young Farmers in the National Strategic Plans**

Given this context, and compared to its predecessors, the CAP 2023-2027 appears to promise a more successful future for young people in agriculture, with stronger policies and a greater emphasis on the social difficulties surrounding the 'young farmers problem'. While the number of target farmers varies greatly per nation, in principle, the CSPs hope to assist an estimated 377,000 young farmers in starting their own companies by allocating funds specifically for youth (European Commission, 2023a).

The work now turns to the issue of how these strategic indications concerning generational renewal are being addressed at the national level. More specifically, our analysis will focus on three countries: Spain, France and Italy.

## 4. France

French agriculture differs from its European counterparts in different respects, all of which have a substantial influence on the sector's dynamism. First, French agriculture has the highest economic production, producing €96.0 billion in 2024, approximately €20 billion more than the second ranked, Germany, and €24.1 billion more than Italy (Eurostat, 2024b). Secondly, agriculture in France accounts for 3.5% of GDP, well exceeding that of Spain or Italy (INSEE, 2024). Finally, France is one of the only two European countries, together with Estonia, in which family farms do not dominate the industry (Eurostat, 2023a).

These elements do not, however, imply that French agriculture is without obstacles, particularly:

- (a) *Price volatility caused by climate change*: Climate change has had an influence on price volatility and productivity in French agriculture throughout the years, causing irrigation capacity challenges in some years and reducing agricultural production. Although these occurrences had little effect on total production, which increased by 2.9% in 2023, it is crucial to highlight that climate change has a considerably greater influence on individual crops, affecting specific sectors of the industry.
- (b) *Regional differences in the agricultural sector*: French agriculture has significant regional disparities, both in terms of the aging population and farmers' pay. The over-55 population represents for 43% of the labour force. In terms of pay, specialization has a substantial impact on poverty rates, which may be up to six times higher in industries like sheep and cow farming, as well as horticulture and vegetable production.
- (c) *Steady demographic decline*: even with a much lower weight compared to other European nations, France is suffering of the demographic loss. In fact, in 2020, France has reached the average age of agricultural entrepreneurs of 51.4 years. As a result, 45% of farmers are expected to retire in the next 10 years and the replacement rate is expected to cover just one third of the farms whose owner is going to retire. The share of young farmers declined of 1% from 2010 to 2020 (Plan Stratégique National de la PAC 2023-2027, 2023).



## 4.1 The agricultural young entrepreneurship: skilled, cooperative and sustainable

French agricultural young entrepreneurship highlights several key positive aspects.

Firstly, France benefits from a lower average age of farmers compared to its European counterparts. Despite the decrease in the number of farm operators across all age classes with the exception of those between 60 and 75 years, the share of farm operators under the age of 40 has remained steady between 2010 and 2020, indicating consistency in young farmers' entrance in the market (INSEE, 2024).

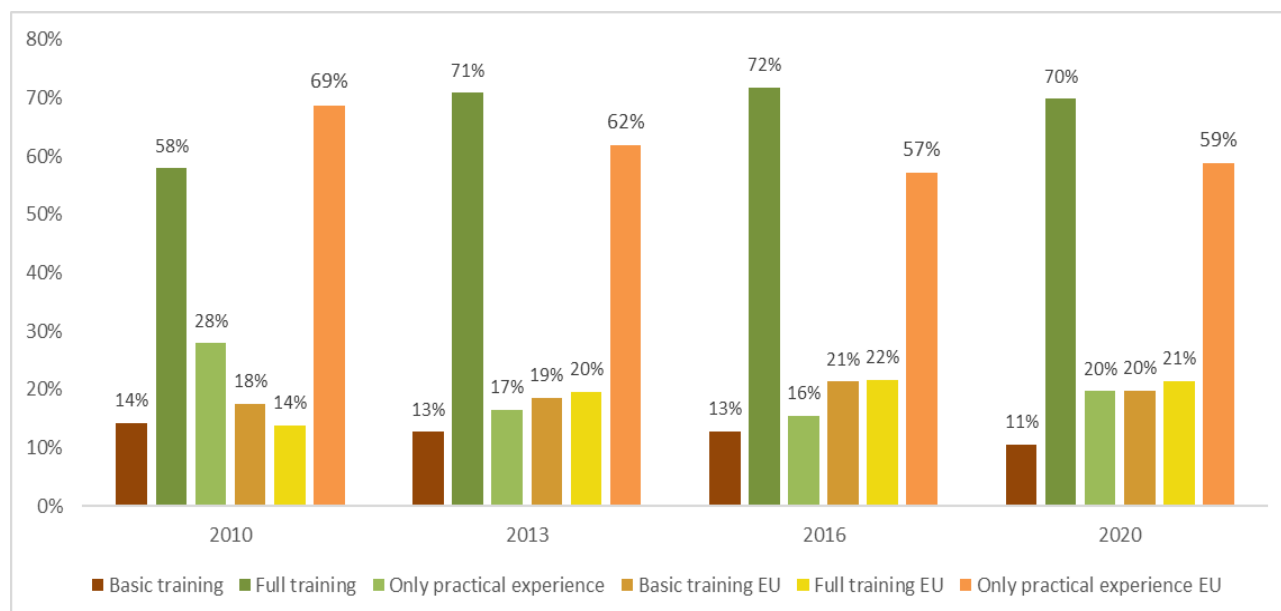
Another notable feature is the proliferation of alternative models to family farming, particularly among young farmers. In fact, France is an outlier to the European average: whereas 70% of European farms are family-owned, this type of management account for just 40% in France (Eurostat, 2023a).

In the context of young farmers, several positive aspects of the French agricultural sector can be highlighted:

- (a) *Bigger farms*: compared to their older counterparts, young operators are frequently the head of larger and more financially stable businesses. In fact, large farms operators have an average age of 48 years. In contrast, elderly farmers, particularly those over the age of 60, are more likely to operate micro-farms, which are often less economically intensive. In fact, the 56% of young farmers operates in a large farm, while small farms account for 16% of the total young owners.
- (b) *More inclined to co-management*. In general, younger generations are more likely to vary their management models. While they are less likely to collaborate with their spouse (21% compared to 38% of farmers over 40 years old), they are more likely to form partnerships or work on corporate farms. Currently, 42% of farms managed by at least one young person are run by many managers. The average percentage of owned land increases almost linearly with the average age of the operators. On average, in farms managed exclusively by young farmers, a third of the UAA is owned or leased from partners. This proportion is 43% in farms co-managed by young farmers and farmers over 40 years old, whereas it reaches 59% in farms without young farmers. Corporate arrangements, notably *Groupement Agricole d'Exploitation en Commun* (GAECs), are the administrative structure for 60% of farms with at least one young farmer in charge. Thus, 23% of farms with at least one young farmer are GAECs, and 21% are EARLs (*Exploitation Agricole à Responsabilité Limitée*).
- (c) *More inclined to sustainability and technological development*. Younger farmers' firms are more inclined to embrace new techniques and current technology, owing to their greater educational backgrounds and the economic needs of large-scale agricultural operations.

- (d) *Better educated.* French young farmers tend to have better educational credentials in comparison with the older ones, with 85% having obtained at least a high school certificate or equivalent. Among operators aged 60 and more, 23% had not finished general or agricultural education beyond basic school, although practically all following generations had at least a secondary education (INSEE, 2024).

**Figure 2 - Agricultural training of farmers under the age of 35 years old in France**



Source: author's elaboration on Eurostat data (European Commission, 2023b)

## 4.2 Challenges of the French young farmers

The French young farmers attempting to establish their businesses face various challenges:

- (a) *Economic conditions.* Both land prices and access to credit represent the major obstacles faced by young operators. Land prices have skyrocketed in recent years, weighting especially on young farmers, while access to credit is able to cover only one-third of new installations, owing to administrative limits and age requirements. Diversified or creative initiatives sometimes struggle to demonstrate their economic feasibility when compared to specialized projects, as they rely on new market niches or a less steady client base. What is more, the conversion of payment entitlements into land or agricultural capital raises the cost of taking over farms, preventing both farm succession and new installations. The lack of an age limit for obtaining area-based CAP subsidies, along with low levels of agricultural pensions, might cause older farmers to prolong retirement, complicating farm transfers even more.
- (b) *Specific training.* In recent years, agricultural training is becoming less focused on young farmers, particularly when training programs expand into sectors such as personal services. The lack of training is particularly visible in the case of women. In fact, even if women

usually have a larger share of general training, their share of specific training is lower than their male counterparts (Agreste, 2022). In general, skills held by new generations are lower than those required by the market, such as organization of work, long-term entrepreneurship, management of human capital, agricultural enterprise management, and transition to agroecology. Furthermore, the adaption rate of skill training is insufficient to adapt to the new needs of the sector (Ministère de l'Agriculture et de la Souveraineté alimentaire, 2021).

- (c) *Low attractivity*. Primarily due to the rigidity of the market and the psychosocial risks linked with the working conditions, agriculture is considered unattractive. The inadequate support between the cessation of farm operations and the demand for transfer by new owners has a significant impact in lowering the interest of young generations.
- (d) *Regional disparities*. The regional and sectoral differences in terms of generational renewal represent one of the major vulnerabilities for French agricultural sector, as well as the installation rate, which has been stagnant for 10 years (Ministère de l'agriculture et de la souveraineté alimentaire, 2021). Farm owners over 55 years old are particularly present in some regions. The highest proportion is found in Occitanie, with variations ranging from 38% to 52%. Conversely, the proportion of operators aged 55 or older is lowest in the Pays de la Loire and Bourgogne-Franche-Comté regions (Agreste, 2022).
- (e) *Gender disparities*. Even if the share of female entrepreneurs remained stable from 2010 on, attesting for 26% of total farm owners, female owners usually start their own agri-business at an older age compared with males. In fact, 45% of female operators started their farms before the age of 35, and 25% after the age of 48, compared to 80% and 5% for males. The gender disparity also encompasses the working hours dedicated to the farm: the 71% of male owners work full-time, compared to the 59% of females (INSEE, 2024).

Overall, high land prices, restricted financial availability, and land mobility barriers are the major concerns of the sector. Specific training, especially for women, is sometimes missing. The agriculture industry is likewise subject to poor attractiveness and regional differences in farm succession rates. Gender discrepancies exist, with women beginning farms later and working fewer full-time hours than males. These difficulties have been addressed by the French government through a wide range of policy instruments aiming at fostering the objective of generational renewal (Plan Stratégique National de la PAC 2023-2027, 2023).

### 4.3 The French National Plan

Among European countries, France has placed a high priority on generational renewal since a longer time. Benefiting from a less dramatic population decrease, France's objective of generational renewal begins from a stronger position. However, the National Strategic Plan emphasizes that the issue continues and must be addressed. In this regard, the government stated in the Plan that it has strengthened its support for young farmers. The Plan comprises a variety of initiatives targeted not just at generating revenue and assisting young farmers in establishing themselves, but also at boosting access to loans and land and fostering modernization (Plan Stratégique National de la PAC 2023-2027, 2023).

The biggest novelty is evident in quantitative terms, with a 50% increase in funds allocated for direct payments to young farmers, who currently account for 1.6% of the total (in the past programming period it was equal to 1%). Beyond direct payments, France's national strategy for young farmer support, which reaches the 3% threshold, includes a wide range of activities totalling €1.652 billion (including state co-financing). The budget, which spans the years 2023-2029, includes five categories of funding: supplemental income assistance for young farmers, investments, new installations, the Young Farmers' Scheme (DJA), and LEADER support, which are allocated as follows (Plan Stratégique National de la PAC 2023-2027, 2023).

**Table 1- Funds allocated for each intervention of objective 7 in the period 2023-2027**

Intervention	Funds allocated (2023-2029)
Complementary income support for YF	581.389.604 €
Investments	28.083.250 €
New Installations	40.518.450 €
Young Farmers' Scheme (DJA)	500.207.688 €
LEADER	502.089.706 €
<b>Total</b>	<b>1.652.288.698 €.</b>

*Source: author's elaboration on data contained in Appendix H. of the detailed financial plan (Plan Stratégique National de la PAC 2023-2027, 2023)*

The strategy is organized into seven forms of interventions, which may be further classified into three subcategories: (1) income assistance, (2) installation support, and (3) investment support. The table below summarizes the interventions (including one targeting Corsica) and their goals.

**Table 2 - Interventions for young farmers established under the French CSP 2023-2027**

<b>Intervention code</b>	<b>Type of intervention</b>	<b>Goal</b>
30.01	Complementary income support	Provide young farmers with a stable income
75.01	Installation aid	Encourage installation and generational renewal to Prevent the decline of populations witnessed over the previous decade, but also to maintain the useable agricultural area of the territories.
75.03	Installation aid (Corse)	
75.04	Installation aid (DJA)	
75.05	Installation aid for new farmers	Encourage the entrance of new farmers in the market
73.17	Productive agricultural investments for young farmers	Providing support at the start of the activity, when the need for investment can be higher (in particular in case of acquisition of a farm that has to be modernised)
75.02	Installation aid for businesses in rural areas	Encourage the installation for all those who do not meet the criteria to obtain other installation aids
77.04	Cooperation for generational renewal in agriculture	Support the farm succession by fostering cooperation between retiring farmers and one or more project leaders within collective installation projects, and/or a support structure

*Source: Author's elaboration based on data of the French CSP (Plan Stratégique National de la PAC 2023-2027, 2023)*

The financial aid is divided into five types of interventions specifically targeting young farmers and three measures which assist the overall goal of generational renewal.

The complementary income support (30.01) will support the agricultural income of young farmers, providing them the stability necessary to continue their activities. The income support has been subjected to a minimum ceiling of skill training necessary to obtain the subsidy, which has been introduced to incentivize farmers to pursue a specific education (Plan Stratégique National de la PAC 2023-2027, 2023).

The aids for installation are provided in the form of grants that consist of capital allocations necessary for starting the new activity. The French government has planned to support an average of more than 5.000 new installations per year. The installation aid can further be supported by regional authorities through an array of financial instruments, notably in the form of guarantees, interest rate subsidies, honour loans in equity or quasi-equity in direct management or partnership with an operator, or seed funds for (Plan Stratégique National de la PAC 2023-2027, 2023).

Productive agricultural investments for young farmers are provided by some regions to support agricultural activities at their beginning, when the need for investment is higher than in successive stages (Plan Stratégique National de la PAC 2023-2027, 2023).

In addition, France has designed two subsidies for those who do not meet the criteria for the aids for young farmers, but whose activities enrich rural areas. One covers the installation of new farmers (75.05) and one the creation of new businesses or the taking over an already existent one in rural areas (75.02). Both measures targets farmers above the age of 40, or anyway those who do not meet the criteria. Although not specifically targeting young farmers, these two financial measures help to establish a vibrant and dynamic rural environment, thus fostering productivity, competitiveness and generational renewal. As a result, they are considered as part of the objective 7 (Plan Stratégique National de la PAC 2023-2027, 2023).

Lastly, France has chosen to activate a cooperative measure to help the transition between retiring farmers and young or new entrants (Plan Stratégique National de la PAC 2023-2027, 2023).

#### 4.4 National services to foster generational renewal

Considering that land represents one of the vulnerabilities of the French agricultural sector, France has chosen to improve land mobility through land policies rather than using CAP funds (Plan Stratégique National de la PAC 2023-2027, 2023).

a) *Reforms on land policies*. The reform on land policies, which is already in progress, assigns a priority allocation of available arable land to installation projects rather than projects carried out in pre-existing farms. In parallel, the French government has adjourned its leasing policies for agricultural lands in order to control land prices. This provision is particularly important in consideration of the fact that, as highlighted in the French CSP, leasing land represents the 60% of the total UAA in mainland France. Land mobility is also fostered by the *Sociétés d'aménagement foncier et d'établissement rural* (SAFER), which is developing new tools in collaboration with financial institutions to promote land access through rental guarantees for young and new farmers, and lease-to-own solutions agreements. The Government has also changed its policies on agricultural pensions in order to decrease the number of retired farmers who retain their activity to maintain a stable income. In particular, Law 2020-839 has revaluated agricultural pensions to 85% of the minimum wage as of November 2021.

(a) *Tax exemption*. The French government has provided young farmers with a tax exemption on taxable profits under a real tax regime.

(b) The *Initiative Nationale pour l'Agriculture Française* (INAF). The initiative sees the collaboration of the French Ministry of Agriculture and the European Investment Fund (EIF) and it is jointly financed by the resources of the FMA and the European Fund for Strategic Investments (EFSI). The initiative targets various objectives in the field of rural development, included generational renewal. Over 80% of projects funded are for new entrants, and more than 70% of beneficiaries are under 40 years old.

(c) *Expansion of "installation reception points"*. The French government has expanded its installation points, created to provide farmers with a personalized professionalization plan and supplemental training and internships to enlarge their skills. The service also provides additional support to transferors when the successor of the farm is a young farmer through the Accompaniment for Installation and Farm Transmission (AITA) service.

(d) *Accompagnement à l'Installation et la Transmission en Agriculture* (AITA). This instrument has been designed with the aim to support the installation of young farmers and the transfer of farms to younger generations. It primarily provides training and advisory actions, as well as information initiatives.

- (e) *Regional aids*. Several Regional Councils have also created financial instruments to assist with farm installation (for example, honour loans for certain sectors or new entrants ineligible for DJA, land access support, no-guarantee loans, interest-free loans). Examples include the Regions of Auvergne-Rhône-Alpes, Brittany, Corsica, Nouvelle Aquitaine, and Occitanie.
- (f) *Sectoral prioritization*. The French CSP has also provided the priority in the distribution of funds for specific agricultural crops, namely viticulture and olive cultures (Plan Stratégique National de la PAC 2023-2027, 2023).

#### 4.5 The performance of 2023

The year 2023 was marked by the contemporaneous end of the previous programming period and the beginning of the current one. In this sense, the year 2023 was not marked by any development since the distribution of funds has started between the end of 2023 and the beginning of 2024. Furthermore, some payments resulting from the 2014-2020 programming period were still being delivered during 2023, making it difficult to determine the results of the current programming. Consequently, the last part of the Chapter will directly delve into a brief description of the result indicators used by the French government, followed by an overall conclusion on the measures outlined by the French CSP (Plan Stratégique National de la PAC 2023-2027, 2023).

**Table 3 - Result indicators for objective 7**

Result indicator	Objective value
<b>R.01</b> - Enhancing performance through knowledge and innovation - Number of persons benefitting from advice, training, knowledge exchange or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance.	n/a
<b>R.09</b> – Farm modernisation - Share of farms receiving investment support to restructure and modernise, including to improve resource efficiency	n/a
<b>R.36</b> – Generational renewal - Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown	n/a
<b>R.37</b> – Growth and jobs in rural areas - New jobs supported in CAP Projects	n/a
<b>R.39</b> - Developing the rural economy - Number of rural businesses, including bio-economy businesses, developed with CAP support	n/a

Source: Author's elaboration on the French CSP's data (Plan Stratégique National de la PAC 2023-2027, 2023).



The French government has linked the interventions for young farmers to five output indicators.

- (a) The indicator R.01 corresponds to interventions not specifically targeting young farmers but addressing any lack in advisory and education services. This objective is important as it tackles the structural imbalances in the agricultural formation and it is particularly important for fuelling the gender gap, especially considering that, as outlined in the section 4.2, the latter represents an important challenge in the context of young farmers.
- (b) Indicator R.09 refers to intervention 73.17 on productive agricultural investments for young farmers, which provides support for the installation in farms that need to be modernised.
- (c) Indicator R.36 refers to interventions for installation, namely 75.01, 75.02, 75.04, and the complementary income support.
- (d) Indicator R.37 to the installation aid 75.01, specifically targeting young farmers' agricultural business, and the installation aid 75.02 for businesses that do not meet the criteria of the other installation aids. Differently from indicator R.36, the R.37 has the aim to foster the overall modernisation and development of the French agricultural sector by providing a more general aid.
- (e) Finally, indicator R.39 is linked to intervention 73.17, as the aid for productive investments helps to develop the overall rural economy (Plan Stratégique National de la PAC 2023-2027, 2023).

#### **4.6 Conclusions**

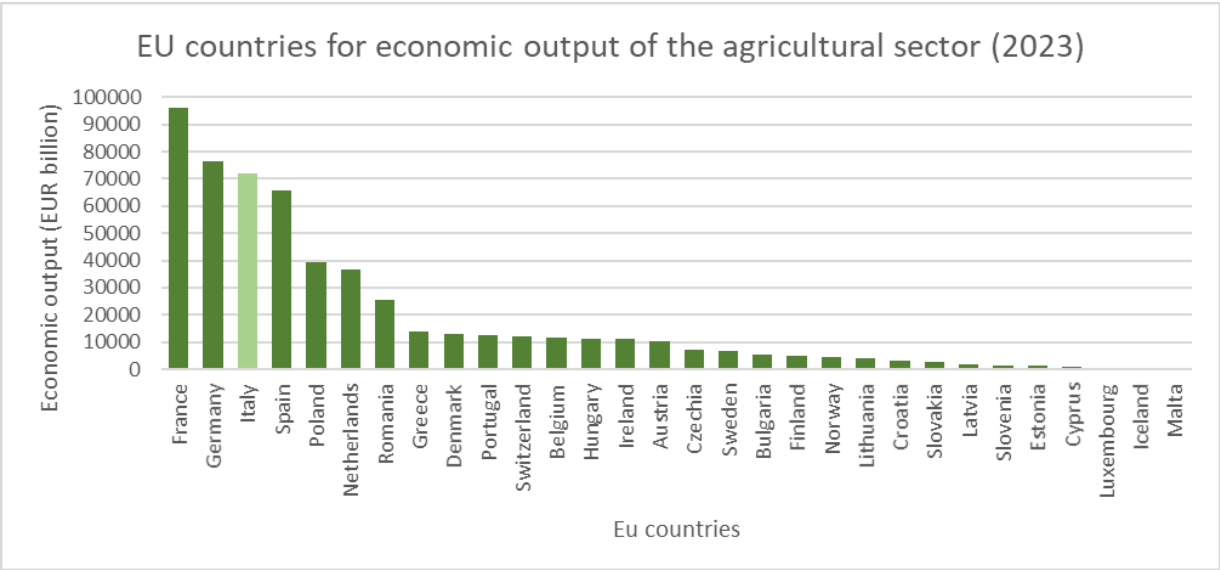
The French plan to address the objective of generational renewal is based on a renewed attention to fostering young farmers' possibilities to access and prosper in the agricultural market. The strategy outlined in the National CAP Strategic Plan envisage numerous interventions to address the challenges outlined by the SWOT analysis (Plan Stratégique National de la PAC 2023-2027, 2023). The goal is realised through a series of specific interventions which are based on:

- (a)*Expanded financial instruments*: France has increased the funds designed for young farmers in order to reach the 3% threshold. In addition, it has outlined several targeted measures to help installation, modernisation and cooperation.
- (b)*Renovated policies for land and credit access*: at the national level, the French government has tackled young farmers' difficulties in accessing land and credit through policy changes, new institutions and a tax exemption. Overall, these instruments are able to provide better support, not just financially but also through the provision of more advisory services, especially to foster farm succession (Plan Stratégique National de la PAC 2023-2027, 2023).

## 5. Italy

Italy is a country with a large and significant agricultural sector. When compared to the ones of France, Germany and Spain - with which Italy shares the top European rankings for agriculture - it evidences a smaller “Utilised Agricultural Area” (UAA). In terms of economic output, Italy ranks third in Europe with €71.5 billion, which represents the 13% of the total value of EU’s agricultural output, after France (€97.1 billion) and Germany (€76.2 billion) (Eurostat, 2024c).

**Figure – EU Countries’ economic accounts for agriculture (2023)**



Source: Author’s elaboration of data on the economic accounts for agriculture (Eurostat, 2024c)

This situation can be seen as a result of Italy's great biodiversity and variable temperature, resulting in a very diverse range of agricultural products, notably between the North and South: with the former mostly producing grains, meat, and dairy products, whilst the southern areas of the country specializing in fruit, vegetables, olive oil, wine, and durum wheat (European Commission, n.d.). In addition to that, Italy leads Europe in the number of Products of Designation of Origin (PDOs) and Protected Geographical Indications (PGIs), as well as wine production (European Commission, n.d.). Agricultural and livestock land accounts for around 40% of the national territory, slightly less than France (44%), Spain (46%), and Germany (47%) (CSConfagricoltura, 2017).

Given this diverse and productive scenario, currently the Italian agricultural sector faces three main challenges:

- (a) *Abnormal weather occurrences*: in 2023, such events had a substantial influence on the industry, with output volume reducing by 1.8%, according to the ISTAT report of June 18, 2024 (ISTAT, 2024).
- (b) *Demographic decline*: in 2023, Italy ranked as the oldest country in Europe, with a median age of 48.4 years old (Eurostat, 2024d). Furthermore, compared to other Member States, a

greater proportion of the Italian population, around 53%, lives in rural regions. In the previous 20 years, the number of persons over 80 in Europe has nearly quadrupled, while in Italy, the incidence of youth in the entire population has fallen from 29% to 22%, resulting in the loss of 4 million young people aged 20 to 39. This demographic loss is especially visible in rural regions: between 2012 and 2021, the number of young people in these areas decreased by 44% (compared to a European average fall of 21%), while numbers in urban and intermediate areas remained stable, with substantially lower decreases. The reason for these demographic dynamics is due to the fact that rural regions are frequently marked by the lack of basic infrastructure services such as day nursery and fast Internet band, aggravating the challenges that young people come across and discouraging settlement in these regions, where agriculture remains one of the most important economic sectors (ISMEA, 2024).

- (c) *Concentration of agricultural enterprises.* Between 2005 and 2013, the number of farms in Italy fell by 41%, a much higher increase than the one recorded in Germany (-27%), France (-17%), and Spain (-11%). This decrease in the number of farms did not coincide with an equally significant decrease in UAA, which has remained more or less consistent. Within this tendency, it is worth noting that Italy has been far more affected by the decline in small enterprises than other major Member States. As a result, Italy's national average UAA has increased by 64%, compared to Germany's 34%, France's 21%, and Spain's 5%. This is especially noteworthy because small farms are far more numerous in Italy, thus implying that the rate of agricultural entrepreneurial concentration is increasing quicker than the European average (CSConfagricoltura, 2017).

### **5.1 The Italian agricultural young entrepreneurship: fewer but more dynamic**

Italian agricultural firms employ 2.1 million individuals, with the majority of them being family members of the owners. In fact, over 93% of Italian farms are family-run (Eurostat, 2023a).

Compared to the other "big three" of European agriculture, Italy sees two types of agriculture flourishing equally: subsistence and entrepreneurial farming, but the latter is increasing faster than the former (CSConfagricoltura 2017).

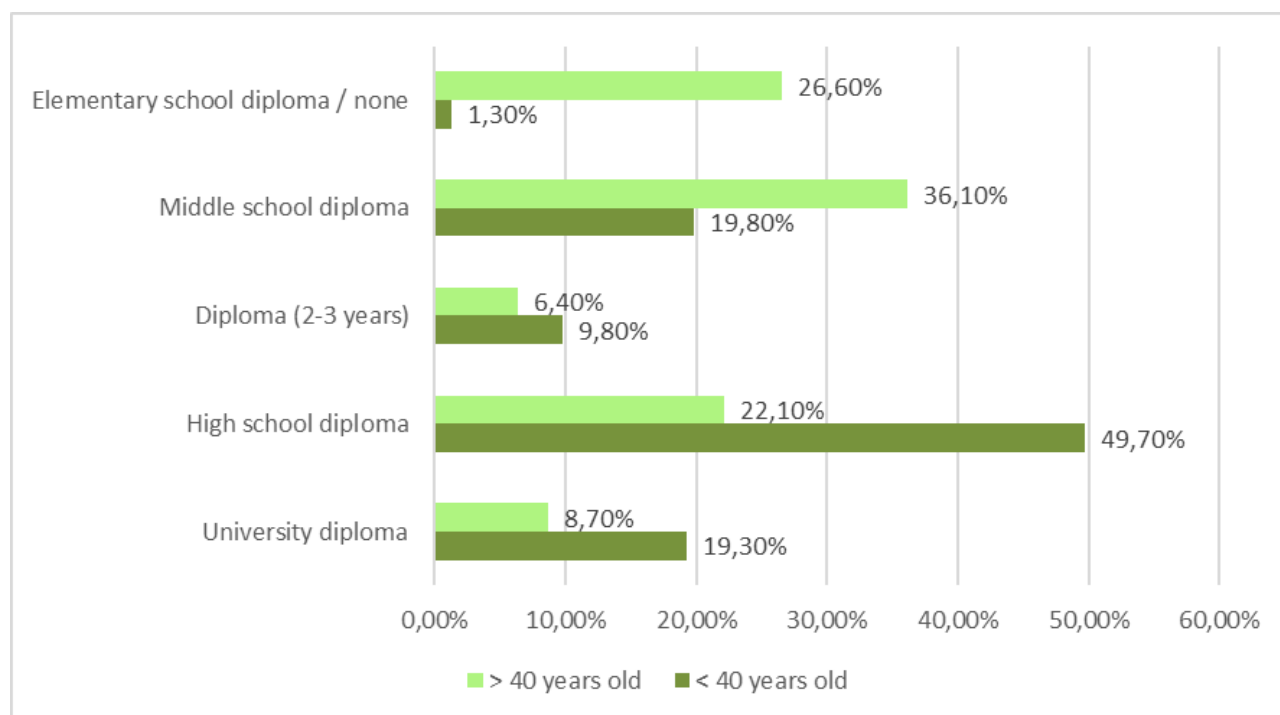
As previously indicated, similarly to the rest of Europe but with a stronger dynamic, small farms have declined, being absorbed by bigger ones, resulting in a higher average UAA. Compared to 2010, figures from the seventh ISTAT agricultural census reveal a 37% drop in employment in the agricultural industry, which is greater than the European average (ISTAT, 2022). Young people follow this general trend.

As a matter of fact, Italy has one of the lowest percentages of young farmers in Europe, with just 9.3% of farm companies run by people under the age of 41, compared to 18.2% in France, 14.9% in Germany, and 11.9% on average in the EU (ISTAT, 2022).

Also in view of these general trends, certain positive aspects emerge:

- (a) *Resistance to the fall in employment rate*: Compared to the general national decline recorded in terms of youth enterprises, young agricultural entrepreneurs appear to be more resilient than those in other sectors of Italian industry. According to the seventh ISTAT agricultural census, agricultural firms managed by people under 35 fell by 8.5% compared to 2018, which was less than the overall 12.4% fall in the general economy (ISTAT, 2022).
- (b) *More added value*: Farms owned by people under the age of 41 generate 4,500 euros per hectare, which is considerably more than the European and French averages, as well as the unit value generated by young German and, particularly, Spanish firms. More specifically, Italian youth entrepreneurs outperform their European counterparts in terms of added value and crop quality, notably in fruit and vegetable production, floriculture, and winemaking (ISMEA, 2024).
- (c) *More digital and more sustainable*: In addition, statistical evidence points out that Italian young farmers' businesses are twice as digitally sophisticated as those of those over the age of 41 (33.6% vs. 14%), and they are leading the way in multifunctional agriculture. Also in terms of sustainability, environmental, economic and social, their enterprises are more involved in renewable energy and social farming, as well as agricultural activities such as agritourism, product processing, direct sales, educational farms, and farm-based childcare (such as "agriasili").
- (d) *Better educated*: According to the ISMEA youth report (2024), young farmers are, finally, more trained than previous generations (ISMEA, 2024). In this respect, it is highlighted that more than half of young farmers have a high school education degree, with 19.4% of them having a University degree. While European figures show a very low number of farmers with substantial agricultural training, it is worth mentioning that within this 19.4% of young Italian farmers having a University degree. This, in turn, implies that many young people bring a diverse set of talents to their agricultural companies, which is of significant importance given the growing demand for entrepreneurial abilities to operate a farm. It has to be noted, to highlight and qualify this 'generational gap', that educational achievement among farm managers declines with age; among those over 40: with just the 22.1% of them having a high school diploma, and 8.7% having a University degree (ISMEA, 2024).

**Figure – level of education of young farmers compared to older farmers (2022)**



Source: Author's elaboration on the data of ISMEA's "Rapporto giovani e agricoltura" (ISMEA, 2024)

## 5.2 Challenges of the Italian young farmers

In this general context – evidencing, as seen, positive and negative aspects - young agricultural entrepreneurs under 41 in Italy confront various challenges in attempting to establish their businesses:

- (a) *Entry barriers.* Young Italian businesses entering the agriculture industry face challenges in obtaining financial assistance and land. Under the first angle, younger people are generally more likely to be denied loans because of the significant risk involved with new firms, a lack of suitable guarantees, and weak business strategies. As a result, banks are more reluctant to grant loans to young people, threatening the viability of youth entrepreneurship. The same is true, but with distinct concerns, in the case of land. More specifically, land transfers frequently benefit older farmers or larger agricultural firms, resulting, as indicated, in an increase in the national average UAA. Furthermore, elderly farmers frequently transfer their companies to persons over the age of 41, reducing the availability of land for younger generations. On the overall, this scenario is further aggravated by unnecessarily long administrative processes for accessing to financial resources, which limit incentives to use the European and available (Piano Strategico della PAC, 2023). In fact, the number of agricultural enterprises that have purchased their land have strongly declined in the last ten years (-44%), in favour of a strong increase in land rental (+39%) (Cappellini, 2023).

- (b) *Economic conditions*. Agriculture is more volatile in terms of income and employment rates than other industrial sectors, making it less appealing to young people, who frequently end up preferring cities over rural locations. This is worsened by a general lack of infrastructure in rural areas, such as schools and other non-agricultural activities related to rural socioeconomic development, aggravating the situation in these places. Furthermore, general studies highlight the difficulty in obtaining alternative services in agricultural enterprises, making it difficult to reconcile work with personal and family responsibilities. As a result, agriculture is frequently considered negatively by young people, prompting them to pursue other industries considered as more competitive owing to more favourable prospects (Piano Strategico della PAC, 2023).
- (c) *Education*. Another aspect that is pointed out to explain the scarce attractiveness of agriculture in comparison to other employment areas is linked to the educational aspects. As a matter of fact, the educational options for agriculture are not entirely matched with the declared demands and do not account for considerable regional variances (Piano Strategico della PAC, 2023).

In terms of policy, the Italian government has recognized all of these vulnerabilities affecting the agricultural industry, notably among young people, in the Strategic Plan for the CAP 2023-2027 (Piano Strategico della PAC, 2023). In order to address these limitations, Italy has thus developed an intervention plan to fulfil the objective of generational renewal, including both financial and non-financial measures to boost young entrepreneurship in agriculture (Piano Strategico della PAC, 2023).

### **5.3 The Italian National Plan**

Similarly to the rest of Europe, and in line with the EU objectives, Italy has demonstrated growing interest in supporting generational renewal by offering more substantial assistance to young people joining the agricultural sector.

The government stressed the significance of the agricultural sector in national policy during a meeting with the leading agricultural associations on February 9, 2024, hosted by Prime Minister Giorgia Meloni in reaction to farmer protests that also affected Italy. In this occasion, the government emphasized the need to redistribute funds in favour of the most disadvantaged, with the goal of rewarding productivity rather than building privileges. In this context, increased assistance for young people has been regarded as one of the most important strategies in agriculture policy change (Dell'Orefice, 2024).

The new CAP 2023-2027 plan confirms the government's attitude since it incorporates

more detailed actions than in earlier programming periods (Piano Strategico della PAC, 2023). Indeed, Italy's CAP strategic plan considers young farmers as a vital asset for the future, emphasizing their openness to innovation and digitization, which better prepares them to face the new challenges of competition and resilience in agriculture. Promoting entrepreneurship in rural areas by supporting the admission and retention of young and new entrepreneurs is considered vital in all regions, whether flat, hilly, or mountainous. Furthermore, the plan seeks to strengthen educational and informational offerings, particularly for young people, as well as to encourage employment and social participation, with a particular emphasis on youth and women's roles (Piano Strategico della PAC 2023-2027, 2023).

The first aspect that allows a conclusion in this respect is quantitative. During the 2014-2020 programming period, only one form of payment was made to young people, with a national maximum of 1% and an extra percentage point supported by state reserves that could only be utilized if the support was considered insufficient (Coldiretti, n.d.). In contrast to this, the allocation provided for the programming period 2023-2027 has reached the 3% threshold. This finding is noteworthy, especially given that not all European governments have allocated the minimum 3% required by the current European mandate (Eurostat 2024). Furthermore, the current plan has maintained the provision, already existent in the previous programming period, that requires incentives to be priorly distributed to young and new farmers (Piano Strategico della PAC, 2023)

Beyond the quantitative dimension of financial support towards youth entrepreneurship, the 2023-2027 framework is objectively more extensive. The intervention lines are based on the results of the SWOT analysis, which enabled a thorough study of the issues that young farmers confront. The ensuing interventions are intended to give the latter more complete and adequate support.

The primary novelty, without a doubt, is the variety of interventions targeted at addressing the demands of young agricultural entrepreneurs, rather than simply compensating them financially. More specifically, the funds allocated for generational renewal total €1.07 billion and are split into four intervention lines, as shown in the table below (Piano Strategico della PAC 2023-2027, 2023).

**Table 4 - Funds allocated for each intervention of objective 7 in the period 2023-2027**

<b>Intervention</b>	<b>Funds allocated (2023-2027)</b>
PD 03 - CIS YF - Complementary income support for young farmers	352.150.092 €
SRE01 - Establishment of young farmers	680.859.350 €
SRE02 - Establishment of new farmers	39.557.952 €
SRE04 - Start-up of non-agricultural enterprises	4.153.334 €
<b>Total</b>	<b>1.076.720.728 €</b>

Source: author's elaboration of data extracted by the Italian CSP (Piano Strategico della PAC 2023-2027, 2023)

The Italian government's interventions to boost young entrepreneurship in agriculture are separated into two categories: (1) providing new possibilities in the agricultural sector and (2) aiding farmers in diversifying their activities (Piano Strategico della PAC 2023-2027, 2023). The first category comprises efforts that help young farmers get started, while the second focuses on supplemental income support and non-agricultural enterprises.

**Table 5 - Interventions for young farmers established under the Italian CSP 2023-2027**

<b>Intervention code</b>	<b>Type of intervention</b>	<b>Common output indicator</b>
PD 03 - CIS YF	Complementary income support for young farmers	Providing young farmers with a stable income
SRE01	Establishment of young farmers and new agricultural enterprises	Increasing the number of young farmers benefitting of installation aids
SRE02	Establishment of young farmers and new agricultural enterprises	Increasing the number of young farmers benefitting of installation aids
SRE04	Installation aid for non-agricultural businesses	Encourage the dynamism of rural areas

Source: author's elaboration of data extracted by the Italian CSP (Ministero dell'agricoltura, della sovranità alimentare e delle foreste, 2023)



The first form of intervention, the complementary income support, has a financial allocation of €352 million, is financed through EAGF in the form of decoupled direct payments and is focused primarily at vulnerable subgroups (young people, women, and the long-term jobless). These initiatives are designed to encourage the formation of new entrepreneurial enterprises in the sector by providing establishment subsidies and, particularly for young people, supplementary income assistance during the start-up period (Piano Strategico della PAC 2023-2027, 2023).

The second type of intervention attempts to help non-agricultural start-ups, building a thriving economic and social environment in rural regions that allows young people to construct a fair standard of living and encourages them to join this sector. This category of initiatives includes AKIS funds and tools. The EAFRD and ESF Plus collaborate to improve the conditions for the growth of innovative entrepreneurship in rural regions. In fact, as stated in the Partnership Agreement, the latter will work to provide skills and knowledge for the development of existing professional capabilities in the agri-food and forestry sectors, as well as to create new job opportunities, with a particular emphasis on youth and female entrepreneurship. In this context, the goal is to encourage new entrepreneurship in the disciplines of circular economy, ecosystem service conservation, and integrated territorial development, while also acknowledging the profound links and job possibilities that exist between rural and urban regions (Piano Strategico della PAC 2023-2027, 2023).

#### **5.4 National services to foster generational renewal in agriculture**

The Italian government has decided to foster generational renewal with a number of national initiatives aiming at facilitating young farmers' access to credit and land (ISMEA, 2024).

1. *The National Bank for Agricultural Land* – in Italian Banca Nazionale delle Terre Agricole (BTA) – is a free online tool that list all the agricultural lands available for purchase at the national level, which obviously simplify the research (Banca Nazionale delle Terre Agricole, n.d.). The instrument, established in 2016, provides access to auctions for land obtained by ISMEA through land operations, including land confiscated from the Mafia and publicly held land. Young farmers acquired 75% of the land allotted between 2016 and 2022. The BTA's contribution to generational renewal is accomplished through two primary benefits. First, only young farmers are eligible to acquire the allotted land with thirty-year mortgages. Second, the earnings of these activities are utilized to support entrepreneurial efforts for young people using various ISMEA financial methods (ISMEA, 2024).
2. *Generazione Terra*. The initiative is aimed at both young people joining the business and those who are already established. It assists young entrepreneurs who wish to grow their farm's land area or consolidate leased property by acquiring it. In the case of funding startups,

two target groups are considered: young individuals with expertise in the industry, who must be under 41 years old, and young people without experience but with a suitable degree for the occupation of agricultural entrepreneur, who must be under 35 years old (ISMEA, 2024).

3. *Più impresa – Imprenditoria giovanile e femminile in agricoltura*. Italy implemented a financing access project through ISMEA for young individuals under the age of 41 and women of all ages who want to take over or improve the competitiveness of an existing farm. The project provides zero-interest loans and non-repayable grants. In 2021, about 90% of the proposals received were filed by young people, with an average value of roughly €700,000 per sponsored project (ISMEA, 2024).

## 5.5 The performance of 2023

For the programming period 2023-2027, the targets and milestones used by the European Commission to evaluate the annual performance of each Member State have been subjected to a complete redesign in comparison to the previous programming period, which already envisaged this control instrument (Piano Strategico della PAC 2023-2027, 2023).

In the case of Italy, the distribution of funds is a competence of the 22 regional managing authorities, each one provided with a specific amount of funds allocated by the government on the basis of the importance and necessities of each region (Piano Strategico della PAC 2023-2027, 2023).

In consideration of this, the process of determining the new targets and milestones for the Italian government has represented a complex and multifaceted process that combines national and, more importantly, regional actions. This procedure has been further complicated by the fact that most quantifiable values in milestones and objectives are subject to some degree of uncertainty, primarily owing the shortage of reference data. Considering that most of the result indicators are subjected to more interventions, Italy has chosen to evaluate each result indicator by taking into consideration just the most relevant intervention, in order to avoid double counting (Piano Strategico della PAC 2023-2027, 2023).

**Table 6 - Result indicators for objective 7 in Italy**

Result indicator	Objective value
<b>R.36</b> – Generational renewal - Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown	80.000,00
<b>R.39</b> - Developing the rural economy - Number of rural businesses, including bio-economy businesses, developed with CAP support	6.390,00

Source: Author's elaboration on Italian CSP's data (Piano Strategico della PAC 2023-2027, 2023)

As visible from the table, in relation to the generation renewal objective, Italy has decided to link the interventions for young farmers to two output indicators.

- (a) The first, Indicator R.36, corresponds to two of the four Italian CAP's interventions: the SRE01 intervention - installation of young farmers (EAGF) and the additional income assistance for young farmers (EAFRD).
- (b) The second indicator, R.39, is based on nine regional's rural development and sectoral initiatives. In particular, indicator R.39 comprehends: investments in agricultural holdings for diversification into non-agricultural activities (SRD03), investments in the processing and marketing of agricultural products (SRD13), including interventions related to financial instruments (SRD17 and SRD19), non-agricultural productive investments in rural areas (SRD14), productive forestry investments (SRD15), and the establishment of new non-agricultural enterprises (SRE). Each of these initiatives attempts to promote entrepreneurial and sustainable development in rural areas while taking into account the different circumstances of Italy's rural regions (Piano Strategico della PAC 2023-2027, 2023).

### **5.5.1 Results for the year 2023**

The first year of implementation has been marked by the completion of the 2014-2022 programming cycle and all efforts required to commence advance payments for the majority of CAP investments, which are not considered by the annual performance report.

In this sense, the year 2023 was fundamentally marked by the completion of the administrative operations. These operations included the creation of a national legislation to build a regulatory framework for the CSP's implementation. Consequently, they were fundamental to deliver the CAP funds. Since no payments are scheduled before October 15, 2023, the milestone value for the first year is equal to zero (Ministero dell'agricoltura, della sovranità alimentare e delle foreste, 2023). According to the most recent implementation statistics, 36,586 agricultural firms have filed for Complementary Income Support for Young Farmers through direct payments (CIS-YF), including 3,081 in the first year of installation. As a result, the data looks to fall short of the 2024 milestone (16,000 units), necessitating a reconsideration to determine a new goal date (AGEA, n.d.).

## 5.6 Conclusions

The national generational renewal strategy for the 2023-2027 programming period differs from prior plans in that it focuses more on young farmers. In this regard, the strategy identifies as a primary goal the improvement of rural areas' resilience and vitality through the generation of new entrepreneurial opportunities based on the consolidation of natural and social assets, thereby creating the conditions for marginal areas to become more attractive and inclusive (Piano Strategico della PAC 2023-2027, 2023). This goal is concretely realized through:

- (a) Expanded financial instruments and focused interventions: Beyond supplementary income assistance, Italy has implemented various targeted measures to help new and young farmers establish themselves (Piano Strategico della PAC 2023-2027, 2023).
- (b) Promotion of Rural Vitality: In response to the need to reinvigorate rural areas, Italy has planned an intervention to assist non-agricultural firms in these regions (Piano Strategico della PAC 2023-2027, 2023).
- (c) National aid schemes for accessing financing and land: ISMEA has provided instruments as the National Land Bank, *GenerazioneTerra*, and *Più Impresa* for numerous years but with a renewed emphasis during the present programming to help young people start their own agricultural businesses (ISMEA, 2024).

## 6. Spain

Within the European context, Spain is fourth in terms of standard economic output of the agricultural sector (12.2% of EU's total), but second to France in terms of UAA with 23.9 million ha, the 15.2% of EU's total UAA (Eurostat, 2022b).

The Spanish agricultural sector, which accounts for 2.9% of the gross value added, produces half of the olives sold in the EU and one-third of the fruit. Conversely to the countries with which Spain shares the top rankings in the European agricultural sector, rural and intermediate areas represent the vast majority of the country, accounting for 83.9% of the Spanish land. The population is particularly concentrated in urbanised areas, resulting in a low share of the population living outside cities. In fact, just the 15,9% of the population lives in rural areas, whilst the remaining 84.1% lives in urban ones (Ministerio de Agricultura, Pesca y Alimentación, 2023a).

- (a) *Drought and climate change*: The sector is deeply affected by droughts and extreme weather conditions, leading to severe material and financial losses. In 2023, abnormal weather events have led to a loss of 1.241 million of euros, equal to a 56% increase in respect to the previous year (Efeagro, 2024).
- (b) *Concentration of agricultural enterprises*. The results of the last agricultural census (2022) of the Spanish statistic institute have recorded a 7.57% decrease in the number of exploitations (about 70.000 farms) (INE, 2022a). Similarly to Italy, the reduction of farms is linked to an expansion in the average UAA, which has increased of 8.92% in the last ten years.
- (c) *Demographic decline*: Spain is experimenting a strong demographic decline, which is more exacerbated in the case of rural regions. The youth ratio has dropped by 18.4% between 2013 and 2020, with a higher percentage of urban areas (-20.4%) than in rural ones (-11.7%). However, the youth ratio is lower in the case of rural municipalities, where the ratio is equal to 49.9, compared to 73.8 in urban municipalities. The percentage of young farmers is 8.6% with evident regional disparities. While some regions, namely Cantabria, Extremadura, Andalucía, and the Canary Islands have more than 10% of farm owners younger than 40, others, like the Basque Country (6.2%) and Valencia (5.8%) exhibit lower percentages (INE, 2022a).
- (d) *Fragmented land ownership*. The fragmented land ownership, which is particularly strong in insular regions, poses a significant challenge for agricultural development and modernization. More in particular, the 'Operational Technical Units' (*Unidades Técnicas y*

*Económicas*), have a very low production and face commercialization issues (Ministerio de Agricultura, Pesca y Alimentación, 2023a).

- (e) *Gender disparities*. The Spanish agricultural sector presents a low percentage of women entrepreneurs, which represents the 22.63%. Also in this case, regional disparities are significant. In the case of Galicia, the percentage of women reaches the 50%, while in La Rioja is 11% (Ministerio de Agricultura, Pesca y Alimentación, 2020).

## **6.1 The Spanish young agricultural entrepreneurship: sustainable and profitable**

The Spanish agriculture industry has enormous and diversified assets. Spain has a highly adaptable agricultural organizational structure that allows for partial attention to agricultural activities while supplemented by other seasonal and diversified farm businesses.

This flexibility has encouraged a high degree of entrepreneurship in rural regions, with young people demonstrating a strong entrepreneurial spirit, resulting in significant investments and a high rate of self-employment. Although representing a very small percentage of the agricultural entrepreneurs (7%), young farmers demonstrate various positive characteristics which define them in respect to older agricultural entrepreneurs:

- (a) *More added value*: farms operated by young farmers are often greater in size and more profitable. Furthermore, these farms are highly mechanized and modernized, with a professional management style, making them well-prepared to respond to CAP reforms and market shifts. Young farmers usually invest more and in greater amounts, exhibiting their dedication to agricultural progress. They keep their debt under control, which, together with the sector's general reliability, reassures and motivates financial institutions to lend their assistance (Ministerio de Agricultura, Pesca y Alimentación, 2023). Furthermore, young farm owners generate more labor. In terms of Annual Work Units (UTA), young farmers' enterprises produces 1.51 UTA, compared to the 0.77 of farm owners over 65 years old.
- (b) *Better targeted by policy measures*. In terms of financial aids, young farmers receive three times of the funds compared to owners over 65 and benefit from specific support programs.
- (c) *More sustainable and innovative*. Young owners are usually keener to sustainability and innovation. Furthermore, they usually spend more on modernisation and automation compared to their older counterparts (Ministerio de Agricultura, Pesca y Alimentación, 2020).

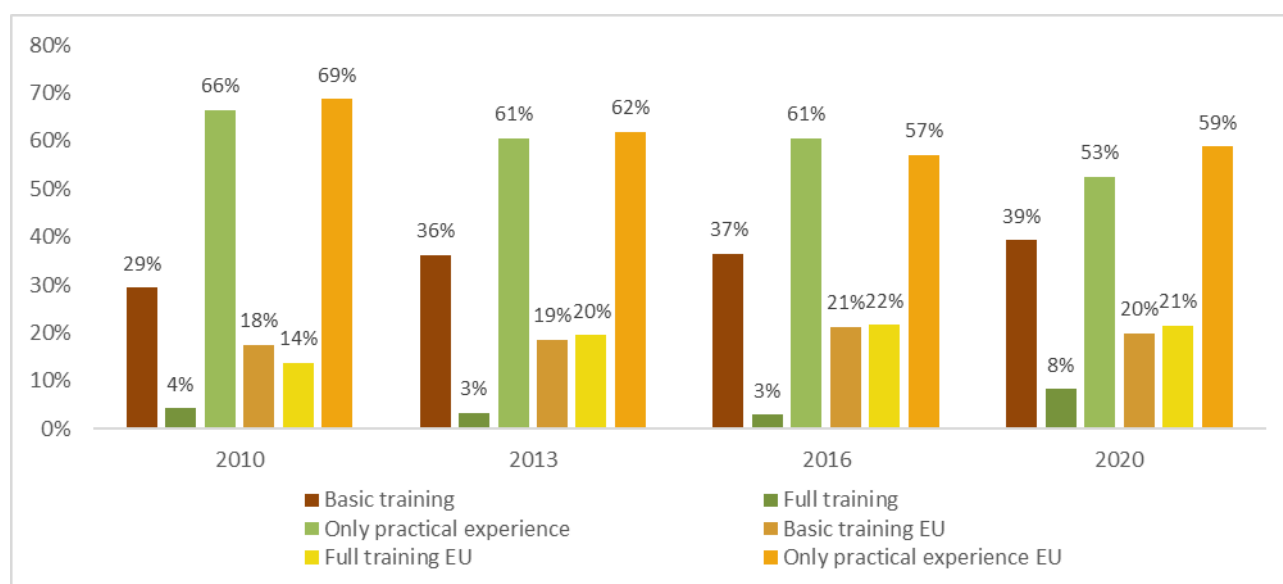
## 6.2 Challenges for Spanish young farmers

The Spanish agricultural sector highlights few positive aspects compared to the other two countries analysed and is subjected to various challenges for young farmers:

- (a) *Significant gender disparities.* Young female entrepreneurs present lower outputs in comparison to males. Their farms are generally smaller in terms of UAA and less productive in terms of both Net Added Value (NAV) and Net Family Income (NFI). While the 27.4% of young males' farms have made investments, this percentage decrease to 15% in the case of women, indicating a lower investment rate. This data is linked to the average investment, which between 2015 and 2017 rose by 40.7% in the case of young owners but decreased by 41.6% for young women. Over the same period, the importance of investment on assets remained constant across farms but increased from 5.2% to 8.4% for young owners and decreased from 8.1% to 4.1% for women-led farms. Furthermore, women are subjected to gender pay gaps, lower employment rates and low representation in leadership position, resulting in exacerbated access conditions.
- (b) *Land mobility barriers.* The complexity of obtaining land exacerbate the condition of young farmers. In both Spain and Catalonia, there is little control of the land market. The market is subjected to different issues dependent on the agricultural region, the sector and land ownership status of the young farmer acceding to land. The many tenants farming legislations that have been enacted are generally ineffectual. Attempts at land reform in the most unequal areas, such as Andalusia, have had minimal impact. The absence of effective regulation contributes to a wide price discrepancy and a black market. In Catalonia, the Catalan Institute for Land (INCASOL) has been purchasing land since 1980, but its operations have mostly focused on social housing and promoting economic activity such as industry. In the framework of the CSP, there is no direct provision that facilitates access to land (Accesstoland, n.d.). Land prices are high owing to competition from other economic sectors and low offer. In fact, just an average of 0.25% of the total rural area in Spain has been subjected to sales in the last years, suggesting a significant difficulty in owning the land. Furthermore, new farmers have little access to specialist financial guidance. As a result, there is a predominance of leasing between young farmers, which represents the 38% of the agricultural areas used by young entrepreneurs, whose low capacity to obtain financial aid increase the monopsonist power of larger farms owned by big companies (Ministerio de Agricultura, Pesca y Alimentación, n.d.).

- (c) *Administrative burdens*. Spain also suffers from excessive bureaucracy, with too strict application deadlines and a high rejection rate for aid requests (Ministerio de Agricultura, Pesca y Alimentación, 2020).
- (d) *Low specific training*. Although young farmers often have higher educational levels and professional qualifications, the majority of farmers under the age of 35 (53%), have solely practical experience. Merely 8% of the remaining half have received full training, while 39% have received basic training. Despite major improvements over the previous decade, the Spanish average remains quite low when compared to European counterparts (Analytical Factsheet – Spain, 2023). Furthermore, State expenditure on education in the primary sector has been cut, limiting the number of farmers with specific training (Ministerio de Agricultura, Pesca y Alimentación, 2023a).

**Figure 1 - Agricultural training of farm managers under 35 years old in Spain**



Source: Author's elaborations based on Eurostat data (Analytical Factsheet - Spain, 2023)

Overall, young farmers in Spain face several challenges. Data indicate that young women own smaller and less productive farms, make less investments, have a gender wage gap, and are underrepresented in leadership roles, resulting in a significant gender gap. In addition to that, entry obstacles impede access to land and funding, as land prices are high and supply is limited, with just 0.25% of rural land traded each year. Furthermore, new farmers frequently lease property owing to trouble securing loans, providing bigger farms with a competitive advantage. Administrative barriers impede growth even further, with excessive bureaucracy resulting in high rejection rates for aid requests. Finally, lack of specific training hinders the preparation of young farmers, with many depending on practical experience and inadequate formal education (Ministerio de Agricultura, Pesca y Alimentación, 2020).



### 6.3 The Spanish National Plan

Given this background, it is obvious that generational renewal represents a fundamental objective for the 2023-2027 CAP programming period and a political priority. As a matter of fact, during the Pamplona's forum on generational renewal in the agricultural sector of July 3<sup>rd</sup>, 2024 (*Luis Planas Destaca Que Jóvenes Y Mujeres Son Garantía De Futuro Para El Sector Agrario Y El Medio Rural*, 2024), the Spanish Minister of Agriculture, Luis Planas, has emphasised the necessity to include young people and women to foster a bright future for agriculture. The Minister explained this support considering generational renewal as one of the biggest challenges for both Europe and Spain and has remarked in this respect the effort made by the Spanish Ministry of Agriculture, which has increased the budget and modified the Food Chain Law to address the demographic challenges (Ministerio de Agricultura, Pesca y Alimentación, 2024).

In respect to the previous programming period, the current one is better targeted at fostering generational renewal. In particular, while in the 2014-2020 programming young farmers were included in some general provisions related to farm modernisation and advisory services, the general administrative effort was not as strong as the one set up in current programming period (Programa Nacional de Desarrollo Rural, 2013).

The Spanish ministry of Agriculture has identified eight key issues to address during the current National Plan, which have been divided in different priority rates. The highest one is given to promoting generational renewal, while a medium priority level is given to facilitating access to land and improving professional qualifications. Facilitating access to credit has a low priority. Of the last three needs, improving farms has been prioritised by interventions under objective 2 “increase competitiveness”, while promoting entrepreneurship and combat depopulation has been addressed through objective 8 “vibrant rural areas” (Ministerio de Agricultura, Pesca y Alimentación, 2023b). In this sense, these three necessities will be addressed through the funds allocated to objective 2 and 8. Consequently, they are not comprised in the budget allocated for generational renewal.

**Table 7 - Identification of necessities for objective 7 (Generational renewal)**

<b>Necessities</b>	<b>Establishment of Priorities at the Scale of the PAC Strategic Plan</b>
Promote Generational Renewal	+++
Improve farms	Prioritised in SO2
Facilitate access to land	++
Facilitate Access to Credit and Improve Taxation	+
Improve Professional Qualifications	++
Entrepreneurship and Talent	Prioritized in SO8
Combat Depopulation	Prioritized in SO8

*Source: author's elaboration based on Spain CSP (Ministerio de Agricultura, Pesca y Alimentación, 2023).*

The minimum budget for SO7 is €724,249,263 at current pricing, which covers the period from 2023 to 2027 and beyond. This sum will be used to supplement young farmers' incomes and/or to establish new young farmers. Apart from the funds specifically designed for young farmers, the category will benefit from any payment established in the CAP plan, such as eco-schemes. Complementary income support payments for young farmers accounts for 2% of the total financing of the first pillar, while EAFRD allocations represents the 1%. In this respect, Spain has respected the European minimum threshold for Objective 7 (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

The Spanish government's interventions to boost generational renewal can be separated into three categories:

- 1) providing a stable income,
- 2) fostering young and new farmers' establishment and investments,
- 3) encouraging cooperation (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

**Table 8 - Interventions for young farmers established under the Spanish CSP 2023-2027**

Intervention code	Intervention type	Goal
CIS - YF	Complementary income support for young farmers	Provide young farmers with a stable income
INVEST (73-74)	Investments, including investments in irrigation infrastructure	Encourage investments of young farmers
INVEST(73-74)	Investments, including investments in irrigation infrastructure	Encourage investments of young farmers
INSTAL (75)	Establishment of young farmers and new agricultural enterprises	Increase the number of young and new farmers receiving installation aids
INSTAL (75)	<b>INSTAL(75):</b> Establishment of young farmers and new agricultural enterprises	Increase the number of young and new farmers receiving installation aids
INSTAL (75)	<b>INSTAL(75):</b> Establishment of young farmers and new agricultural enterprises	Increase the number of young and new farmers receiving installation aids
COOP (77)	<b>COOP(77)</b> Cooperation interventions	Increase the cooperation between two or more operational units
COOP (77)	Cooperation interventions	Increase the cooperation between two or more operational units

Source: Author's elaboration based on Spain strategic plan (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

Complementary income support is the major financial tool for ensuring generational renewal, and it remains an essential economic support for young farmers. For the first time, Spain has opted to prioritize the distribution of rewards to new farmers. The amount of the payment is calculated on the basis of the average regional value (ARV) of the payment entitlement for a maximum of 100ha and has a duration of 5 years. The total budget dedicated for income support to young farmers amount at €96.5 million per year. (Ministerio de Agricultura, Pesca y Alimentación, n.d.).

The other seven economic measures are funded by the EAFRD. The budget devoted to young farmers and rural business start-up is €664 million, with the major intervention in terms of budget being the establishment of young farmers with €678 million (Ministerio de Agricultura, Pesca y Alimentación, n.d.).

Furthermore, the Spanish CAP Strategic Plan has provided two incentives designed for young farmers:

- (a) *Incentives for eco-schemes*. For young farmers whose farms are subject to an eco-scheme, the total payments will increase. The payment amount, which is applicable for only one eco-scheme per hectare (for a total of 100 ha), can be requested if the farmer has implemented one of the eco-schemes listed by the EU, such as extensive grazing, direct sowing, crop rotation with improver species, etc.
- (b) *Incentives aiming at reducing the gender gap*. In order to reduce the masculinisation of rural areas, Spain has added a criterion which establish a 15% increase of the payments in the case the co-owner of the farm is a woman (Ministerio de Agricultura, Pesca y Alimentación, n.d.).

Apart from the standard economic measures provided by the CAP subsidies, Spain has decided to concentrate on a number of programs aiming at fostering advisory services and knowledge sharing, all included in CAP financing, which although not specifically targeting young farmers can have an impact on fostering new entrances:

- (a) *Advisory services*. Farmers will have access to an advice service for farms that covers economic, environmental, and social factors, as well as technological and scientific knowledge on themes such as sustainability, innovation, and the use of digital components on the farm.
- (b) *Knowledge sharing*. In order to foster knowledge sharing, two types of CAP networks have been established. One will work at the EU level, while the other one at the national one. The CAP networks provide a framework to promote the exchange of knowledge and the practical implementation of innovative techniques
- (c) *The European Association for innovation regarding productivity and sustainability*. As part of the cooperative measures, the European Association has been established in order to accelerate innovation according to its necessities. The operative groups are created on their own initiative and have to be composed by at least two members with an experience in the sector, being them farmers, counsellors, food and agricultural companies, researchers, etc (Ministerio de Agricultura, Pesca y Alimentación, n.d.).

It has to be noted that advisory services for the development of more modernised and market-oriented farms were already in place in the 2014-2020 programming period. Similarly to the present programming, also the last one envisages general advisory services but cited young farmers as the target of some sub measures related to fostering advisory and training services in the field of digitalisation (Programa Nacional de Desarrollo Rural, 2013).

## **6.4 National services to foster generational renewal in agriculture**

Apart from CSP provisions, Spain has established the *CULTIVA* program, specifically designed to help young farmers by providing short-term training stays on model farms that excel in production, management, environmental practices, and innovation. These stays are designed to improve the technical, economic, and environmental management abilities of young farmers (Real Decreto 425/2021 de 15 de junio, 2021).

The program is dedicated to YF under 41 years of age who have established their farm in the last five years, where priority is given to those who have just joined the agricultural sector and to women farmers. During these stays, participants get guidance on a variety of topics, including digital technology use, sustainable agricultural methods, economic and financial management, and more. The stays run between five and fourteen days and are meant to deliver at least seven hours of instruction each day (Real Decreto 425/2021 de 15 de junio, 2021).

The initiative is controlled centrally by the Ministry of Agriculture, assuring a consistent approach across the country. Organizations that arrange these training stays receive support in the form of subsidies. The initiative covers the cost of the stay, including airfare, lodging, and other related expenditures, so it is free for the young farmers who participate (Real Decreto 425/2021 de 15 de junio, 2021).

## **6.5 The performance of 2023**

Similarly to Italy, Spain has had several challenges in developing its outcome indicators. The reasons are substantially the same, with both countries citing worries over measurement error due to a lack of previous references that would have allowed for exact calculations.

The redesign of targets and milestones have resulted in hard adaption to the new standards, for which the national government has no expertise. Furthermore, Spain has underlined the problem of coordinating the seventeen regional authorities in charge of the local execution of initiatives (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

As a consequence, Spain has experienced the same difficulties of Italy, choosing to evaluate each intervention by relying on the most important result indicators in order to avoid any double counting (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

**Table 9 - Result indicators for objective 7 in Spain**

<b>Result indicator</b>	<b>Objective value</b>
<b>R.36</b> – Generational renewal - Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown	16.528,00
<b>R.37</b> – Growth and jobs in rural areas - New jobs supported in CAP Projects	17.347,00
<b>R.39</b> - Developing the rural economy - Number of rural businesses, including bio-economy businesses, developed with CAP support	41.865,00
<b>R.42</b> – Promoting social inclusion – Number of persons covered by supported social inclusion projects	0,00

Source: author's elaboration based on data of the Spanish CSP (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

The table above indicates the target indicators linked by the Spanish government to the generational renewal objective.

(a) For the result indicator R.36 - generational renewal - the number of young people expected to be supported by establishment aids is planned to be lower than 13,000, a slight decrease compared to the previous programming period, where Spain had targeted 20,619 young people. Spain has justified the reduction as a consequence of the fact that the majority of young farmers have already been established through the Young Farmers' Scheme in previous programming period. As a consequence, Spain has decided to focus on three aspects:

- 1) establishing a smaller number of young farmers with better conditions to ensure long-term sustainability,
- 2) concentrating on fostering new entrants in the market,
- 3) providing higher financial support to ensure the establishment of women, as the country reports the masculinisation of agricultural lands.

(b) For indicators R.37 - Growth and jobs in rural areas - and R.39 - developing the rural economy, Spain has activated initiatives outside of European funds. For instance, the government has created the General Secretariat for the Demographic Challenge within the Ministry of Ecological Transition and the Demographic Challenge. Moreover, Spain has delivered funds for these indicators from the Recovery, Transformation and Resilience Plan, thus reducing the economic weight on the EAFRD. Finally, Spain has declared that the creation of employment will be fostered by the LEADER approach through Local Development Strategies (LDS).

- (c) The last indicator, R.42, has been left empty as social inclusion has been addressed in precedent programming period through LEADER financing. Spain has declared that projects will be included once LDS are put into place but has not specified the objective value for the result indicator (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

Similarly to Italy, also for Spain the year 2023 has not been marked by significant implementation progresses since the funds have been delivered at the end of 2023. Consequently, the result indicators and their objective value are not linkable to this year (Ministerio de Agricultura, Pesca y Alimentación, 2023b). The first significant results will be available within the end of the first complete year of complete implementation, the 2024.

## 6.6 Final remarks

The provisions favouring generational renewal result reinforced in terms of both financial resources and advisory and training programs, even though the latter are not specifically focused on young farmers. Overall, the main aspects of the Spanish strategy can be summarized as follows:

- a) *More weight to the complementary income support* for young farmers, which represents 2% of the expenditures for this category. Conversely, less weight is given to rural development, which represents the remaining 1%.
- b) *Expanded advisory and training services*. In response to the strong lack of specific education of young farmers, Spain has expanded its advisory and training services by providing various interventions. Within the means provided by the CAP funding, Spain has established an advisory service, a network for knowledge sharing and the European Association for innovation and sustainability, while financing through national funds the CULTIVA program.
- c) *Expanded incentives*. Spain has provided two incentives targeting young farmers, one for eco-schemes and one to reduce the gender gap, in order to promote a more sustainable and inclusive agricultural sector. This incentive responds to the strong need for modernisation and gender equality in Spanish rural regions (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

Overall, the strategy tackles two of the most fundamental challenges for the Spanish agricultural sector: the lack of specific training and the need for modernisation of farms. Conversely, the Spanish CSP do not take into consideration the problem of land mobility. Although the issue has been addressed in a specific study highlighting the shortages in land purchase and the lack of control of the land market (Estudio sobre el acceso a la tierra, 2021), the CSP do not provide any provision to foster land mobility, nor has the government promoted national policy measures.

## 7. Conclusion: the results of the comparative analysis

In the last three chapters, the analysis has delved into the national realities, in which the CAP implementation presents a strong level of flexibility established to foster the resilience of the single national realities. In the case of the agricultural sector, the analysis has shown that most of the barriers to which young farmers are subjected mirror the broader European trend.

Access to land and funding are the most major impediments to the development of new businesses, owing to low loan acceptance rates by banks and, in the case of Italy and Spain, excessive bureaucracy. Due to limited land availability, new farmers frequently lease their property. Issues concerning the retirement of elderly farmers are among the most serious issues impacting land turnover in all three nations (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023).

All countries are seeing a decrease in public funding on agricultural training, resulting in a big number of young people, notably in Italy and Spain, missing any type of sector-specific education.

Regional and gender inequities are both ongoing issues. While gender inequality is rarely emphasized as a major issue in Italy, it is prevalent in France and, particularly, Spain (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023).

In this environment, the agricultural sector faces shared issues, probably strengthened by decades of a European agricultural policy based purely on financial aid which have, over time, exacerbated pre-existing underdevelopment conditions in specific regions. The EU's CAP 2023-2027, and the Strategic Dialogue published on September 4<sup>th</sup> (*Strategic dialogue on the Future of EU Agriculture*, 2024), demonstrate its goal to foster a more balanced agricultural growth, with a strong emphasis on environment conservation and rural development.



## 7.1 Young farmers in the CAP national Strategic Plans of France, Italy and Spain

In response to the intensification of the European effort to foster generational renewal and to the deterioration of the ‘young farmers problem’ in the national contexts, France, Italy and Spain have made a stronger commitment to promote generational renewal than during the preceding programming period.

At the domestic level, the three countries have designed more targeted interventions to promote young farmers’ establishment, investments and cooperation, while also increasing their budget to reach the 3% threshold established by the European mandate. The importance of generational renewal for the overall stability of the agricultural sector has been recalled both through governmental conferences, as in the cases of Spain and Italy, or in the CAP strategic plans (Dell’Orefice, 2024; *Luis Planas Destaca Que Jóvenes Y Mujeres Son Garantía De Futuro Para El Sector Agrario Y El Medio Rural*, 2024).

France has particularly stressed the importance of this objective by pointing out that, according to forecasts, 45% of French farmers will retire over the next ten years, with just one-third of them being replaced by the current rate of generational turnover (Plan Stratégique National de la PAC 2023-2027, 2023).

### 7.1.1 Differences and similarities in the financial support

From a general standpoint, the financial support for young farmers can be analysed following the division in the two pillars.

- 1) *First pillar - complementary income support*. The complementary income support provided through EAGF is considered in all the three cases the primary support mechanism. However, two types of strategies can be detected. France and Spain have increased the share allocated to young farmers, which have been respectively increased by 50% and 100% (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Plan Stratégique National de la PAC 2023-2027, 2023). Italy, on the other hand, has prioritized rural development, allocating 63% of the budget to young farmers, with the remaining 33%—equivalent to 1% of the entire financial allocation for Objective 7—going to direct payments (Coldiretti, n.d.).

**Table 10 - Allocation for complementary income support to young farmers**

Country	CIS-YF (2023-2027)	Percentage allocated (2014-2020)	Percentage allocated (2023-2027)	Variation
France	€581 million	1%	1.6%	+50%
Italy	€352 million	1%	1%	/
Spain	€724 milion	1%	2%	+100%

Source: French, Italian and Spanish CSPs (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023)

2) *Second pillar - rural development*. A complete novelty in respect to the previous programming period for all the three countries is represented by the inclusion of targeted measures for young farmers under the second pillar. The French and Spanish government have already introduced focused measures by introducing the Young Farmer Scheme but with less extended funds. In fact, even if being targeted by general rural development measures aiming at fostering modernisation and social inclusion in rural areas, the current programming period is the first one in which the three governments have envisaged specific interventions to foster young farmers' establishment. The financial allocation varies, with Italy and Spain attesting to similar spending while France accounts for about €100 million less than Spain (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023).

**Table 11 - Allocation for rural development targeting young farmers**

Country	Funds allocated for Rural Development	Percentage allocated (2014-2020)	Percentage allocated (2023-2027)
France	€568 million	From 2015 (percentage not available)	1.4%
Italy	€680 million	none	2%
Spain	€664 million	1.2% (From 2018)	1%

Source: French, Italian and Spanish CSPs (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023)

From a more specific standpoint, is possible to divide the types of interventions financed through the EAFRD:

- (a) *Aid to establishment*. These measures, applied by all the three Member States, represent the most consistent part of interventions under the second pillar. These interventions also comprehend the establishment of new farmers and, in the case of France and Italy, of non-agricultural enterprises in rural areas (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023).
- (b) *Aids for investments*. In the case of France, the CSP has envisaged an intervention aiming at promoting productive investments in the agricultural sector. The aim is to provide major financial support to those businesses which need stronger investments to modernise their farm, especially targeting those young farmers taking over a business that has to be developed (Plan Stratégique National de la PAC 2023-2027, 2023).
- (c) *Aids for cooperation*. France and Spain have promoted interventions to promote cooperation. In the case of France, cooperation aids aim at supporting farm succession by fostering collaboration between retired farmers and one or more installation projects. In the case of Spain, these aids aim at increasing the number of subsidised of cooperative projects and encouraging the overall cooperation, excluding installations (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Plan Stratégique National de la PAC 2023-2027, 2023).

Overall, this analysis of the financial allocation for young farmers under the CAP in France, Italy and Spain reveals various similarities and differences. All the three countries have allocated the 3% of their budget to young farmers, although dividing the percentage differently between the First and the Second pillar (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023).

France has taken a more balanced approach, devoting 1.6% of funding to CIS and 1.4% to rural development, resulting in a nearly equal distribution of resources between direct payments and long-term rural development programs (Plan Stratégique National de la PAC 2023-2027, 2023).

Italy, on the other hand, has prioritized rural development, allocating 2% of its expenditures to rural development projects and just 1% to CIS, indicating a larger focus on enhancing infrastructure, modernization, and socioeconomic development in rural regions (Piano Strategico della PAC 2023-2027, 2023).

Spain has chosen the opposite approach to Italy, favouring CIS with a 2% allocation while putting only 1% of its budget toward rural development. This suggests a preference for either

direct income support as a more immediate and effective strategy to assist young farmers, or for a longer-term emphasis on structural reforms (Ministerio de Agricultura, Pesca y Alimentación, 2023a).

When it comes to rural development initiatives, the most important and consistent component across all three nations is the installation assistance. This provision, which encourages young people to start farming, is the most large and persistent intervention under the CAP's second pillar in France, Italy, and Spain. However, other from this shared commitment to installation aid, there are significant disparities in the implementation of other sorts of rural development programs (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023).

France has placed a high priority on investment support for young farmers, with a particular emphasis on agricultural productivity. This is intended to ease modernization, particularly for those taking over farms that require significant development. In addition, France has implemented cooperative aids that encourage collaboration between retiring farmers and younger generations looking to start new farming businesses. This collaborative strategy is meant to streamline the process of farm succession and improve knowledge transmission between generations (Plan Stratégique National de la PAC 2023-2027, 2023).

Italy, on the other hand, has focused on broader rural development initiatives, allocating greater funds to non-agricultural firms in rural regions. Italy, like France, provides investment aid, but it also focuses on areas other than agriculture, encouraging diversification and innovation in rural economies. However, Italy has placed less emphasis on collaboration than France, focusing instead on developing new farmers and fostering rural enterprises (Piano Strategico della PAC 2023-2027, 2023).

Spain differs slightly from France and Italy in that it allocates less funds to rural development in general. While Spain supports installation aid, it prioritizes cooperative projects that do not include installations, with the goal of increasing the number of funded cooperative ventures. Spain's strategy stresses wide rural cooperation, with the goal of fostering economic dynamism via community action rather than individual farm investments or succession planning (Ministerio de Agricultura, Pesca y Alimentación, 2023a).

Overall, the three countries have in common the high priority given to installation aids, while differing in the promotion of other types of intervention. France's approach is based on promoting investments and cooperation (especially targeting farm succession), Italy has focused on promoting the general dynamism of rural areas by subsidise non-agri businesses and, finally, Spain has promoted rural cooperation with less focus on direct investments (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan

**Table 12 - Types of interventions for young farmers under the Second pillar in France, Italy and Spain for Objective 7**

Country	Type of intervention under Objective 7			
	Installation	Investment	Cooperation	Diversification
<b>France</b>	Yes	Yes (productive investments)	Yes (Farm succession)	Yes (non-agricultural enterprises)
<b>Italy</b>	Yes	Yes (non-agricultural businesses)	No	Yes (non-agricultural businesses)
<b>Spain</b>	Yes	No specific focus	Yes (rural cooperation)	No

Source: author's elaboration of data in the French, Italian and Spanish CSPs (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023)

### 7.1.2 Analysis of national strategies

Apart from the aid provided by CAP subsidies, all the three countries have implemented some forms of aid fostered by the national government but with different targets.

- (a) *France* has promoted the most homogeneous national aids, targeting different barriers of the sector. For land mobility, the French government has promoted the restructuring of the national policies while also developing new credit possibilities to buy the land. For the access to credit and the overall stability of young farmers' income, France has provided a tax exemption and various economic aids, between which it is relevant the possibility to access to regional aids for farm installation. To promote advisory and training services, the government has promoted the enlargement of these services through new installation points and aids for farm succession (Plan Stratégique National de la PAC 2023-2027, 2023).
- (b) *Italy* has concentrated on land credit access. For land purchasing, young farmers dispose of a free online tool to find the land sold in all national areas, while fostering land acquisition through the sale of expropriated land. The land available can be purchased by young farmers by benefiting of favourable credit options. For credit access, Italy has promoted favourable loans for young farmers who want to modernise their farms. The option is also open to women of all ages in order to reduce the gender gap and promote female entrepreneurship (ISMEA, 2024).

- (c) *Spain* has promoted a single national initiative targeting training service open to young farmers and women of all age with the goal of providing guidance on various topics and short-training (Real Decreto 425/2021 de 15 de junio, 2021).

It has to be noted that, even though not envisaged in national actions, Spain is the only country between the ones analysed to foster the application of eco-schemes and the reduction of gender gap through added incentives for young farmers (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

**Table 13 - Type of national aid provided by France, Italy and Spain**

Country	Type of national aid				
	Land access	Credit access	Advisory and training services	Gender gap (CAP)	Eco-schemes (CAP)
<b>France</b>	Yes	Yes	Yes	No	No
<b>Italy</b>	Yes	Yes	No	Yes	No
<b>Spain</b>	No	No	Yes	Yes	Yes

*Source: Author's elaboration author's elaboration of data in the French, Italian and Spanish CSPs (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023)*

The table compares national agricultural intervention policies in France, Italy, and Spain based on several sorts of assistance measures for young farmers. For a more holistic approach, the incentives for eco-schemes and gender gap promoted by the Spanish government, although inserted in the CAP Strategic Plan, have been included in the table with the aim to visualize the type of impact that each countries wants to produce on the sector.

France and Italy have made major efforts to improve young farmers' access to both land and loans. France, in example, provides a full package that includes consulting and training services, which Italy has not prioritized (Plan Stratégique National de la PAC 2023-2027, 2023; Piano Strategico Nazionale della PAC 2023-2027, 2023).

Spain, on the other hand, has a distinct focus on closing the gender gap and developing eco-schemes, demonstrating its dedication to sustainability and social inclusion. Unlike France and Italy, Spain does not provide land or finance access, indicating a difference in strategy to enabling the admission of new farmers (Ministerio de Agricultura, Pesca y Alimentación, 2023b).

## 7.2 Trends emerged from the comparative analysis

From the present analysis, the following trend emerge:

- (a) All three Member States have increased their assistance for the formation of young farmers through both European initiatives and state funding. This strengthening is quantitatively evident in both the economic value assigned to Objective 7 and the quantity of planned initiatives.
- (b) The flexibility of agricultural development plans, encouraged by the European Commission with the goal of enabling the transmission of the European mandate within the national context and responsiveness to domestic subtleties, has resulted in disparities across Member States' policies. Because of this flexibility, significant contrasts and similarities in policy execution may be noticed, including:
  - (1) all states prioritizing installation aid;
  - (2) investment aid is present in Italy and France;
  - (3) cooperation aids are present in France and Spain;
  - (4) aids for the diversification of rural areas are present in France and Italy;
  - (5) all states have promoted national aids
- (c) According to the strategy, the three nations may be classified into two categories. In Italy and France, a long-term approach has been advocated through initiatives that assist non-agricultural enterprises aimed at revitalizing rural communities. In contrast, Spain has prioritized young farmers' incomes, suggesting a more short-term plan, owing to the large number of subsidies previously supplied in earlier programs.

Based on the approach, we may classify the countries into three categories.

- 1) France has promoted a holistic strategy, offering assistance on all fronts. In this regard, the French policy stands out as the most extensive in terms of intervention diversity.
- 2) Given the frequently dreadful status of rural regions, Italy has supported a 'targeted' strategy, in the sense that, while less diverse than France, it is predicated on the notion of encouraging young people to enter rural areas by making them more appealing.
- 3) Finally, Spain has promoted a 'modular' strategy centred on assuring long-term revenue, preferring to act on modernization through actions that address other goals. Spain defended this short-term policy as necessary, citing the fact that the bulk of young farmers in the region had already settled (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023).

### 7.3 Conclusion

During the last two decades, the ‘young farmer problem’ has been increasingly central in the discussion on EU’s agricultural reforms, culminating with the inclusion of “Generational renewal” among the ten fundamental objectives of the CAP 2023-2027 (European Commission, n.d.).

This clearly indicates that young farmers have been finally recognised as a fundamental part of the development of the agricultural sector, as their businesses are confirmed by various studies to be more productive, economically efficient, sustainable and developed (Burton, 2006; CEJA, 2023; Läßle and Van Rensburg, 2011; van Passel et al., 2007; Vanslembrouck et al., 2002).

At the EU level, the importance of young farmers, was stressed both in the Regulation establishing the CAP 2023-2027 (Regulation (EU) 2021/2115, 2021) and by the European Commission's Strategic Dialogue on the Future of EU Agriculture, published on September 4, 2024 (Strategic dialogue on the future of EU agriculture, 2024), which stated five primary objectives for generational renewal:

- 1) Facilitate land mobility
- 2) Provide adequate financial support
- 3) Provide better education
- 4) Provide better job opportunities
- 5) Reduce gender disparities

The Dialogue have underlined the importance of a comprehensive and integrated approach to agriculture that considers the diversity of natural landscapes, rural regions, sophisticated and sustainable production methods, and the promotion of a healthy diet. As a result, it can be argued that the Union has definitely moved away from its solely economic approach to embrace development policies that are actually capable of encouraging the homogeneity of European development, which is necessary to attain the goals set by the European Green Deal (Communication from the Commission. The European Green Deal, 2019), notably the carbon neutrality. In this regard, it is possible to argue that key institutions, both at the European and national levels, have progressively grown awareness of how the agricultural sector operates. In particular, it is now clear that in order to promote sector stability, it is not only necessary to ensure price and income stability, but also to foster the development and attractiveness of rural areas, especially in a world where being constantly connected and surrounded by stimuli becomes increasingly important with each passing year.

In this respect, young people are viewed as critical to establishing this holistic approach. Encouraging generational renewal is, therefore, not regarded as a solitary target, but rather a multi-level goal that embraces all of agriculture, boosting the vibrancy and dynamism of rural



regions and promoting a competitive agricultural market (Strategic dialogue on the Future of EU Agriculture, 2024).

In order to foster the implementation of aids for generational renewal, the European mandate has established a 3% minimum threshold to be allocated to young farmers, a 2% increase in respect to the previous programming period. Moreover, the establishment of young farmers have been fostered by the introduction of targeted interventions (Regulation (EU) 2021/2115, 2021).

At the domestic level, the three Member States assessed responded differently to the European mandate. The analysis has shown in all the three cases an improved willingness to help young people start their own agricultural companies. In fact, a review of the link between the 2014-2020 initiatives and the current ones reveals a heightened emphasis on generational renewal (Coldiretti, n.d.; Fonds européen agricole pour le développement rural, n.d.; Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023; Programa Nacional de Desarrollo Rural, 2014). While included in previous policies, agricultural plans were mostly based on complementary income support and modernization measures, with young farmers having a minor role in comparison to the current program (Coldiretti, n.d.; Fonds Européen Agricole Pour Le Développement Rural, n.d.; Programa Nacional de Desarrollo Rural, 2014).

On the basis of the analysis made, it can be stated that Member States considered have provided the aids in order to foster the five objectives highlighted by the Commission in the Strategic dialogue.

Because of the flexibility allowed, States have allocated their financial resources differently according to the specific domestic flaws highlighted by the SWOT analysis. In this sense, the differences in the type of interventions made, as well as the scopes behind the interventions chosen, are well visible in Member States' choices. These various tactics reflect each country's own domestic concerns and governmental agendas. As a consequence, while all three countries aspire to ensure generational renewal, their policies differ greatly (Ministerio de Agricultura, Pesca y Alimentación, 2023a; Piano Strategico della PAC 2023-2027, 2023; Plan Stratégique National de la PAC 2023-2027, 2023). These contrasts demonstrate that a common problem may be tackled using a variety of ways, each of which can contribute equally to accomplishing a same goal. In reality, increased diversification has allowed Member States to tailor implementation not only to the structure of the agricultural sector, but also to that of the administrative sector, resulting in more effective administration.

To conclude, it is important that the problem has been addressed through increased financing measures, especially considering the crucial role of the 'young farmer problem' in ensuring the

future stability of the sector. The end of the current programming period will eventually demonstrate how the diverse array of approaches have impacted the future of young farmers by providing a more homogeneous development of the European agricultural sector, or rather by diversifying European countries on the basis of their effort. Certainly, this increased emphasis on the 'young farmers issue' represents a significant incentive, both for promoting young people's stability in the agricultural sector and for ensuring a prosperous future for rural areas, whose vitality is heavily influenced by the presence of younger generations.

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