



The NEWBIE network brought together new entrants, successors, advisors, and researchers, as well as regional and national stakeholders and policy makers to identify, create, discuss and disseminate new business models and approaches to help new entrants. The national steering groups and a survey of the Newbie network in Belgium, Bulgaria, France, Germany, Ireland, the Netherlands, Portugal, Slovenia and the UK identified policy recommendations which would further assist new entrants and successors to establish thriving farm businesses.

Key Recommendations

The two largest barriers to new entrants are **access to land** and **access to finance**.

Access to land can be facilitated by:

- Prioritisation of new entrants for rental or tenancy of publicly owned land
- Tax incentives for landowners to sell land or enter joint ventures with new entrants
- Establishment of land matching services
- Facilitation of succession planning

Access to Finance can be facilitated by:

- Grants, low interest loans and loan guarantees for new entrants
- Tax incentives and tax relief for new entrants
- Business incubation to help establish viable businesses
- Training in how to write business plans and manage a business

New entrants and their supporters also identified the importance of **subsidised access to advisory services**, particularly advice on:

- how to access funding
- technical aspects of production
- legal issues and accounting
- diversification
- marketing

New entrants would also benefit from advice on environmental protection, and mental health supports.

Although 90% of survey respondents agreed that support payments for new entrant farmers were important to helping new entrants succeed in their businesses, **two thirds of surveyed new entrants and their supporters rated current new entrant supports as 'poor' or 'very poor'**. Initiatives and supports at European, national and regional level are further described in this briefing note.



NEWBIE Data underpinning the Policy Recommendations

The NEWBIE Network was funded through the European Commissions' Horizon 2020 Framework Programme. It was a 'coordination and support action', aimed towards supporting the development of a network of new entrant farmers and their supporters. To this end, NEWBIE collected and produced practical resources to assist new entrants. It was not a research project in the traditional sense; recommendations are based on the expertise of NEWBIE teams and their steering groups. NEWBIE policy recommendations are informed by:

- Newbie project outputs (e.g. practice abstracts, pedagogical materials)
- National Steering Group recommendations
- Survey of 330 NEWBIE network members

Each of the 9 national teams formed steering groups of new entrant supporters, who met twice per year to identify topics for discussion circles and international exchanges, and to provide feedback on NEWBIE outputs. These steering group members comprised representatives of farming organisations, consultants, agricultural advisors and regional policy makers who were experts in new entrant issues. Each of these steering groups provided examples of successful new entrant supports, as well as policies which directly or indirectly had a negative impact on new entrant farm business development.

NEWBIE encouraged participants to register as members, in order to receive national newsletters and emails about NEWBIE activities and events. Over 600 new entrants and their supporters registered. In the final months of the NEWBIE project in 2021, an on-line survey was distributed to registered NEWBIE participants, as well as through social media and farming organisations in the 9 NEWBIE countries, to assess the characteristics of members (e.g. age, farm size, motivations for farming). The survey generated 330 completed responses. Over half of these were from Germany, with other response rates ranging from 7 (Ireland) to 46 (France). Statistics presented have been cross checked to ensure that they are not overly weighted towards responses from German participants. As the survey was not representative, responses should be seen as indicative of trends, rather than statistically representative.



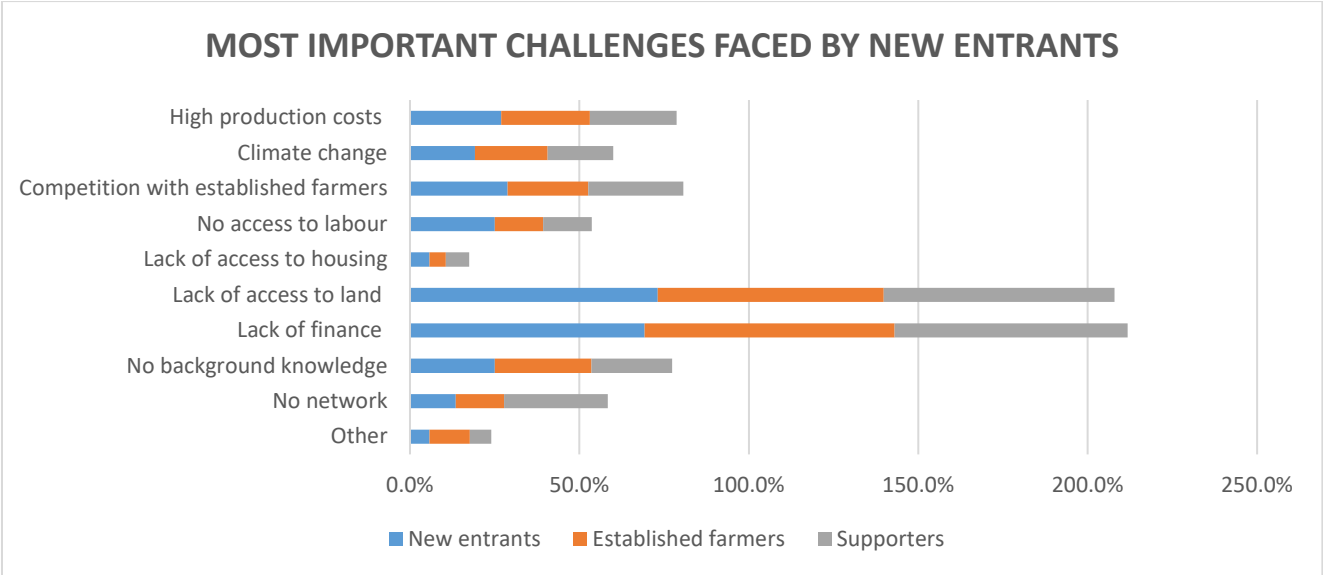
New Entrant Strawberry Producer

NEWBIE Survey Findings: Challenges Faced by New Entrants

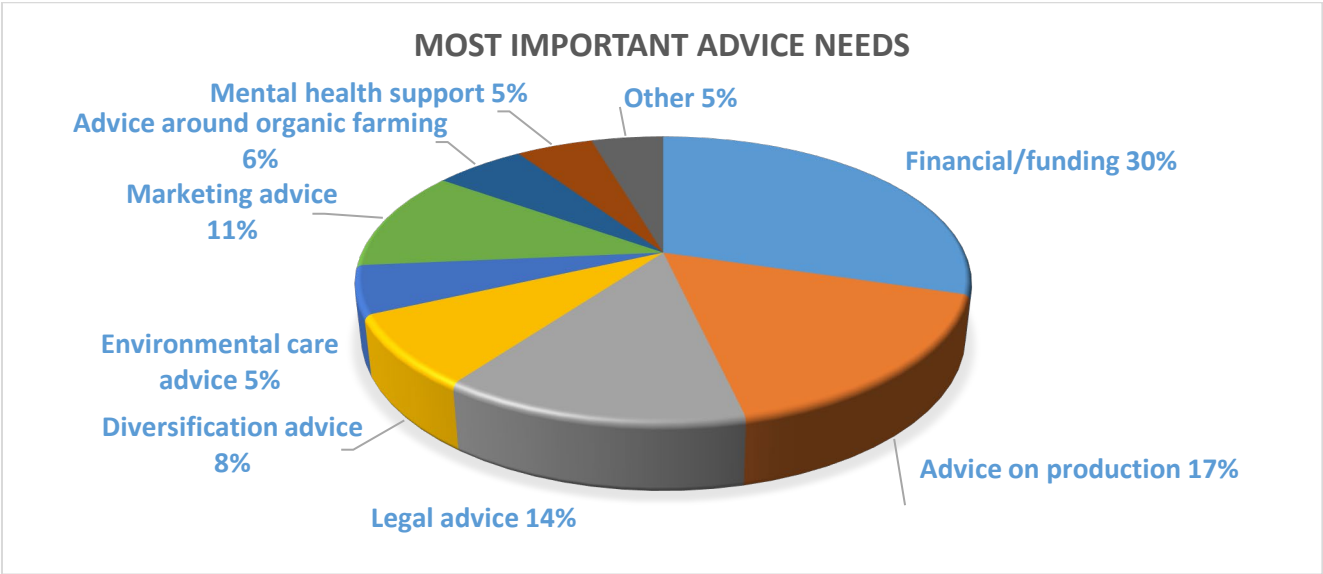
Policies supporting new entrants are supported on the grounds that new entrants represent an important resource for innovation and transition towards sustainability in the agricultural sector. New entrants bring with them higher levels of education, innovation and often experience from working in other sectors.

New entrant participants in the survey were better educated than their farming supporters. This partly reflects higher educational achievement amongst younger people in general, but also demonstrates the new capabilities coming into the sector.

Survey respondents identified the most important challenges faced by new entrants (Figure 1). Access to land and finance were clearly the most important issues for new entrants, recognised by established farmers and other supporters of new entrants, as well as new entrants themselves.



Study participants also identified specific needs for advice for new entrants (Figure 2). How to access funding, and legal advice emerged as most important.



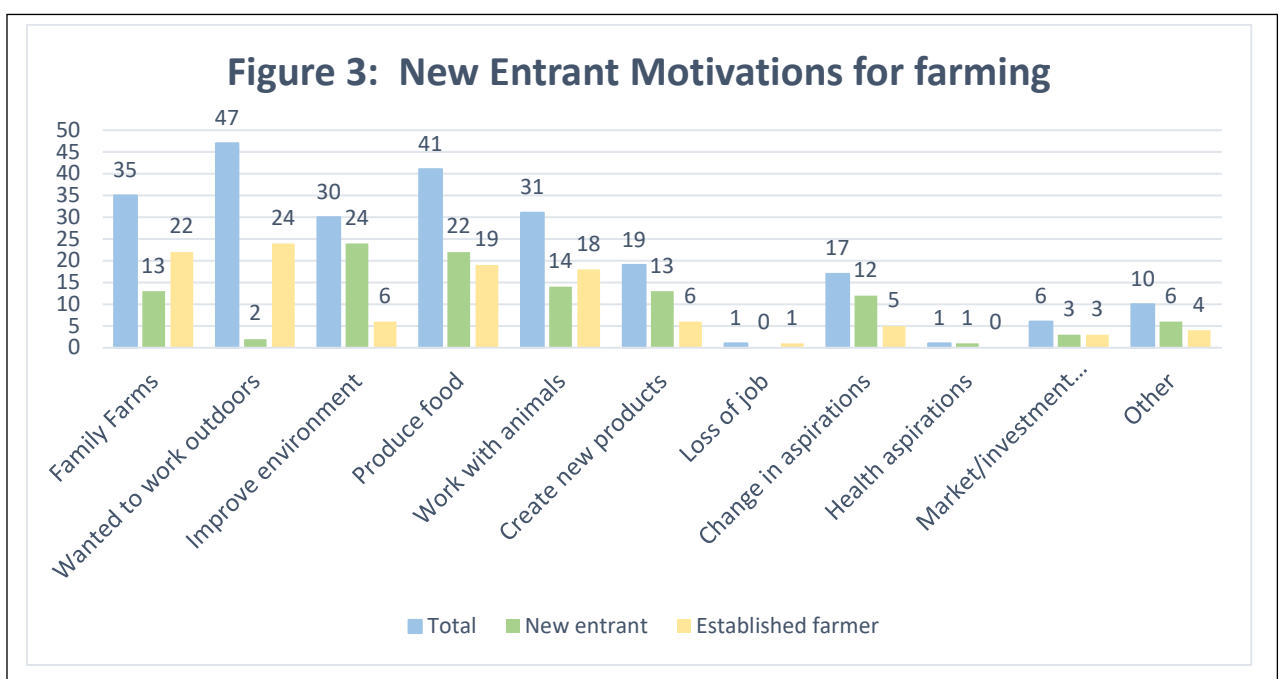
European Level Policy Supports

The 2023-2028 Common Agricultural Policy offers important opportunities to support new entrants:

- 3% minimum for young farmers under 40
- Removal of age limits on new entrant supports
- Reallocation of supports to small-scale farmers
- More support for environmental programming

These proposals represent important steps forward. The 3% minimum represents an increase over previous funding levels. The removal of age limits is consistent with research, which has shown that new entrants can be of any age, often entering farming later in life; that is, after they have had time to accumulate the resources to establish a farm. Successors are also often over 40 by the time they fully take the reins of the business, as farmers routinely actively manage their farms long after many other business owners would have retired (i.e.. into their 70s or 80s). Starting a new business, or completing a succession process are important 'trigger events' for major change on-farm and therefore important to sustainability transitions in the agricultural sector. However, the removal of age limits at EU level does not necessarily mean that these will be taken up by Member States. Slovenia, for example, proposed a new entrant measure for farmers over 40 years of age, but this was ultimately not included in their 2023-2027 CAP strategic plan.

Reallocation of supports towards smaller farmers and environmental programming is also expected to be beneficial to new entrants. New entrants are often smaller scale than established farms, owing to the difficulties they face in accessing land. In addition, new entrants are often more environmentally oriented than existing farmers, reflecting ideals around engaging with nature which initially attracted them to farming. Figure 3 demonstrates that for new entrants in the survey, improving the environment was the most commonly identified motivation for farming.



It is important to note that state supports are typically accessed more easily by successors than *ex novo* new entrants. Successors are more familiar with how to access subsidies and other available supports.

Improvements which could be made to European policies

EU new entrant supports are very well received by new entrants and their reporters. However, they also identified a number of opportunities for improvement, and policies which are detrimental to the establishment of viable new entrant businesses.

Supports often require access to land, or are based on land held e.g. the 'area based payment model'. This is particularly problematic for newcomers, as it dis-incentivises land sales and rental (unless the owner can keep the subsidies). When new entrants do access land, it may be too small a base to qualify or benefit substantively. 'Historic payments', similarly restrict access to subsidies to long-term farmers.

Steering group participants recommended extending the current 5 year limit on eligibility to financial supports. Establishing a viable farm business typically takes longer than 5 years. In addition, many new entrants start to build up resources (e.g. livestock and machinery) and register their farm businesses before they have access to land. Restricting access to state supports to five years after the business is first registered, can disincentivise new entrants from progressively developing their business, or mean that they are ineligible when they do take the step to accessing land on a long-term basis.

Farmers (including new entrants) prefer long-term policy measures, which enable them to plan for the future. Longer term policy windows enable farmers to plan for succession and joint ventures. They also enable new entrants to develop accurate business plans. Uncertainty, particularly around eligibility for future subsidies, can cause inertia. The regular up-dates and evaluations of the CAP cause uncertainty within the sector.

New unconventional farms often do not fit inside the classification used by policies to determine what is a farming business. Unconventional farms have to follow legislation that are not tailored to them, which stifles business innovation. Greater flexibility in the definition of farming production (e.g. to include edible insects, non-traditional forms of farm diversification etc) would assist innovation.

National Level Initiatives

Member states define which farmers have access to supports, often restricting access based on farm size, commodity produced and history of access to subsidies (i.e. 'historic payments'). For example, although about 80% of new entrants in the survey reported that they had access to new entrants supports, but in Portugal this was only 40%. In other countries, the specific measure to support was either not taken up, or shut down after a couple of years, once the allocated funding was spent (e.g. Scotland). Some countries and regions (e.g. Flanders in Belgium) go beyond the EU minimum to offer higher levels of financial support to new entrants.

Further bespoke initiatives to support new entrants and farm succession are undertaken at national level, often intersecting with or being implemented at local or regional level.

Successful existing national level initiatives identified by NEWBIE steering groups included:

- 'Land banks': make land available to new entrants. This can be land which is owned by a charity specifically supporting new entrants (e.g. Tier de Liens in France), publicly held land (e.g. the Forestry Commission land in Scotland), or hybrid public/private/charitable partnerships.
- Tax incentives and concessions. Tax incentives can encourage retiring farmers to lease their land on a long-term basis to new entrants (e.g. on income and stamp duty, stock relief), This can reduce the financial burden on new farms starting up. Tax incentives have been successfully established in the Netherlands, where taxes associated with farm transfer are postponed for 10 years. Capital gains and inheritance taxes can also impede land transfer.
- Land matching services have been established in the UK and Ireland to 'match' new entrants with established farmers, enabling new entrants to build up assets and skills. Established farmers benefit from new on-farm innovations and labour.
- Joint venture supports can enable newcomers to effectively partner with existing farmers, gaining skills as well as accumulating financial resources. Formalising joint ventures can also help with farm succession (see <https://www.newbie-academy.eu/word-map/#w2gm-listing-2800>)
- Subsidised access to credit: New entrants often have limited collateral and can be considered high risk by banks. Targeted supports enabling new entrants to access finance; loans can be underwritten by state measures, reducing the risk to lending institutions. These are in place in Portugal, as Rural Development Programme credit lines. However, there are some challenges around co-financing and reliance on high new entrant capital investment. In the Netherlands, the Young Farmers Fund assists young farmers who have low solvency; the government provides a guarantee to the bank for part of the loan. However, owing to high levels of bureaucracy, this has had limited take up
- Subsidised advice: Several NEWBIE countries have subsidised access to advice for new entrants. In Portugal, new entrants can receive assistance on business planning In the Netherlands, farmers can apply for a voucher for advice, this can be used for advice on business start-up, and established farmers can access it

for succession advise. In France, the State services gives a label (and public funds) to one organization per region to can play the role of “New Entrants Info Desk”. In 2 Regions, this Info desk is also targeting farmers who want to pass over their farm to a New Entrant (in those cases, it is called the “New Entrants and Farm Transmission Info Desk”. This info desks inform new entrants on administrative procedures to become a farmer, support new entrants in applying to subsidies (especially the National Grant to New Entrants), advise advise new entrants on their business plans, orientate new entrants towards different advisory services (branches corporations, farmer unions, rural and farm incubators, training centres, banks, etc.), coordinate the different advisory services supporting new Entrants and farmers who want to pass over their farms, anticipate farm transmissions, create links between future farmers and future retirees. Most of these New Entrants Info Desks are managed by Chambers of Agriculture, but in some regions it can also be managed by Young Farmer’s Union or coordinated NGO and advisory services (eg: Organic farmer’s association, rural development associations, etc.)

- Subsidised mentoring schemes. These schemes offer mentoring at business start up on a range of issues, to help prevent mistakes make through inexperience. These are in place in Scotland as ‘Farm Advisory Service Mentoring Schemes’.
- Housing schemes such as the croft housing scheme in Scotland, which enables crofters (small-scale farmers) to build a residence on their croft makes crofting more feasible for new entrants, and reduces the additional financial burden of paying for residential accommodation off-site.
- Training targeted towards women in agriculture disproportionately benefits new entrants to farming. New entrants are more likely to be women.

Early retirement schemes have been pursued in several countries (e.g. Ireland, the UK), but the evidence is mixed about their impact. The schemes are based on the premise that few farmers have viable sources of retirement income, or alternative housing arrangements. However, evidence from academic research has demonstrated that the schemes are primarily taken up by farmers who would have retired in any case.

Further national supports which are not yet in practice

National steering groups also made the following suggestions for new entrant supports

- Subsidising Machinery Rings and Co-operatives which enable access to labour and equipment. These organisations are common in the UK, Ireland and Germany, and can reduce start-up costs and increase cash flow for new entrants. They are also an important sources of employment and skills development for young people working in agriculture.
- Training grants for yet-to-be-farmers. Most grants are only available for full-time farmers, but new farmers often start part-time and would benefit from skill development prior to formally starting a farm business and/or acquiring land.
- Targeted subsidies for part-time farmers. Access to finance is particularly limited if you are not a full-time farmer. Small-scale new farmers would benefit from targeted subsidies with low transaction costs.
- Training grants for new entrants (small farmers) in digital agriculture Supporting digital upskilling will enable farmers in general and new entrants in particular to be more agile, market more effectively and sell into diverse markets.

On-farm diversification by farm successor into direct milk sales.



Regional Level Initiatives

NEWBIE identified a number of actions taken at regional level to support new entrants to farming. Particularly useful approaches include:

- Farming incubators: sites where new entrants can test out new products and production techniques in a sheltered environment. NEWBIE partner RENATA is the French national association for rural business incubators.
- 'Shepherding schools' in Portugal raises awareness and train people on how to pasture livestock in mountain areas. There is a shortage of shepherds, who are an important resource to livestock production and associated products and value chains (e.g. artisanal meats and cheeses). Training also increases the status and appeal of the profession, as well as shepherding skills.
- KRATOS subsidies for training in Flanders, Belgium enables new entrants to farming to access training for a minimal cost. (see practice abstract)
- Platform for better networking of different actors: German Hofnachfolge brings together farm seekers and succession seekers to support them to network for the purpose of accessing land.
- Germany Innovation and marketing funding targets not only new entrants, but they are able to get support in the course of EIP projects, e. g. innovation actions, funding for innovative ag solutions

Potential regional initiatives

The Slovenian national steering group recommended the development of a register of abandoned farms and farming facilities. Land abandonment is a growing issue in Slovenia. NEWBIE developed a toolkit on abandoned agricultural land and facilities (more than 70 locations). Already presented at the Ministry of Agriculture, Forestry and Food (2. 7. 2020).



NEWBIE discussion circle for new entrants

Further resources

[insert list of practice abstracts etc specifically oriented towards policy options]

NEWBIE

New Entrant network

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in European Agriculture

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