

# Thematic Group on Gen Z: Leading Generational Renewal in Farming

## Background Paper

October 2024



Funded by  
the European Union

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## 1. Introduction

**Generational renewal is crucial for the social, economic, and environmental sustainability of rural areas, European food security, and the preservation of rural landscapes.** It is particularly vital for the future of agriculture and the diversity of sustainable farming systems. Generational renewal involves more than just lowering the average age of farmers or replacing them; it is about building an attractive and sustainable agricultural system for a new generation. This requires understanding the needs and aspirations of young people in rural areas who have the potential to shape the future of farming.

Common Agricultural Policy (CAP) interventions have the potential to promote generational renewal in farming through financial support; however, better targeting is needed. The CAP must adapt to greater diversity in farm profiles and needs to specify more clearly the necessary conditions to preserve farming practices. The **Thematic Group (TG) on Gen Z: Leading Generational Renewal in Farming will provide an important platform to discuss the key characteristics and roles of future farmers from the perspective of young people.** The group will examine current CAP measures and explore the potential profiles of future farmers, and the TG work is expected to lead to policy recommendations to support the next generation of farmers.

The importance of addressing generational renewal is strongly recognised by the Strategic Dialogue on the Future of EU Agriculture<sup>1</sup>. Bringing together key stakeholders to shape recommendations for sustainable, resilient, and competitive agri-food systems in Europe, its final report emphasises the need for targeted policies to support young farmers through improved access to land, capital, and education. These measures are essential to ensuring their leadership in driving the agricultural transition while safeguarding the diversity and resilience of rural areas.

This background paper aims to help **TG members gain an overview of the current state of European Union (EU) agriculture from the point of view of generational renewal, the policy framework supporting it, and the current challenges young farmers face.** The paper also highlights the **vital role of youth organisations in rural areas.** The conclusions and key guiding questions presented in this paper will inform the discussion for the first TG meeting.

## 2. EU agriculture: generational renewal context

The agricultural sector is a vital part of the EU's economy, contributing significantly to food security, rural development, and job creation. It accounts for around 1.4% of the total GDP and provides employment to nearly 8 million people across the Member

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<sup>1</sup> [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/agriculture-and-green-deal/strategic-dialogue-future-eu-agriculture\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/agriculture-and-green-deal/strategic-dialogue-future-eu-agriculture_en)

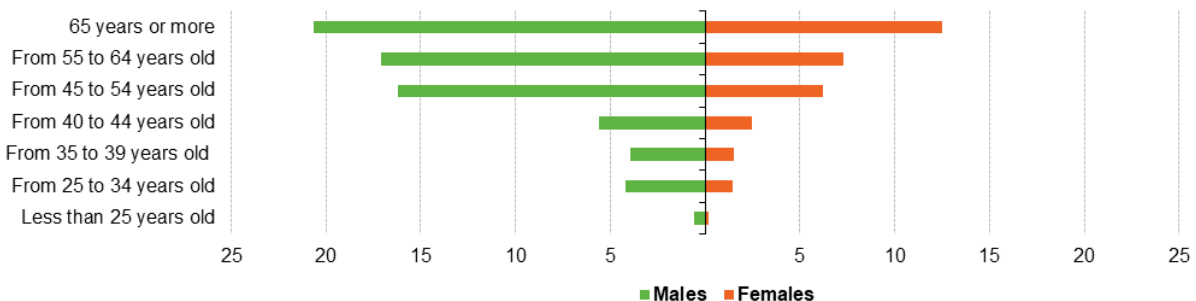


States (MS), **4.2% of the EU's employment**.<sup>2</sup> Many European regions are witnessing a steady increase in farm sizes and associated decrease in the number of farms. The number of farms in the EU has declined by 37% between 2005 and 2020<sup>3</sup> with an expected 62% decrease by 2040.<sup>4</sup>

In addition, agriculture is currently facing a significant **demographic challenge**: European farmers are increasingly considered a **greying population**. In 2020, almost three fifths of current farm managers in the EU were 55 years or older<sup>5</sup>, and a relatively high proportion were 65 or older.<sup>6</sup> The **proportion of farm managers under 40 is low in most European countries**: only 11.9% of farm managers were under the age of 40 years old and only 6.5% under 35. In particular, young farmers were most scarce in Cyprus (5.1 % of all farm managers), Portugal (6.4%), Greece (7.2%) and Spain (7.7%) and were more common in Austria (23.4%) and Poland (21.0%). While this reflects to a certain extent the general ageing of rural societies, it is also linked to the slow inter-generational transfer of farms. Many senior farmers have no successors in their family and have no identified successor outside of it<sup>7</sup>.

At the same time, farm managers are not only relatively old, but also **typically male**. In 2020, over two-thirds (68.5%) of EU farm managers were male. Female farmers remain scarce, though the share is increasing: **in 2020, 31.6% of farm managers were women**, up from 26.4% in 2005. Countries with relatively low percentages of female farmers include Malta, Germany, Denmark, and Ireland. In contrast, Latvia and Lithuania have a more balanced gender distribution in their farming communities.<sup>8</sup>

#### Age classes of farm managers, by gender (% of all farm managers, EU, 2020)



Source: Eurostat (online data code: ef\_m\_farmang)

eurostat 

Furthermore, while older farm managers tend to work on the smallest farms, **young farmers are more common on medium and larger size farms**. This distinction might

<sup>2</sup> These numbers do not provide the full picture because harvesting is a seasonal activity that employs many people under temporary, part-time contracts. When taking these particulars into account, Eurostat puts the labour force at 17 million people. Eurostat: [Farms and farmland in the European Union](#).

<sup>3</sup> Ibid.

<sup>4</sup> Research for EP AGRI Committee: [The Future of the European Farming Model: Socio-economic and territorial implications of the decline in the number of farms and farmers in the EU](#).

<sup>5</sup> In 2020 most farms managers were above 55 years of age (57.6%).

<sup>6</sup> European Parliament [Initiative Report on Generational Renewal in the EU Farms of the Future](#), 2022/2182(INI).

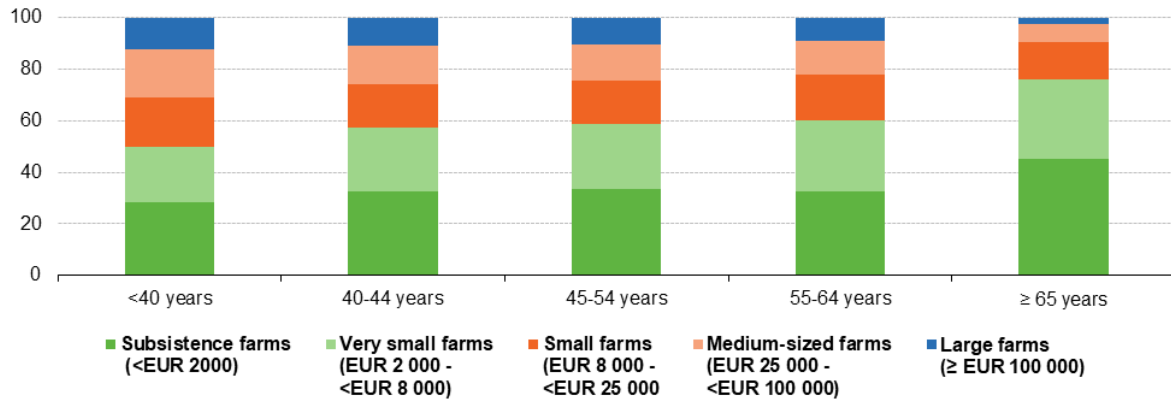
<sup>7</sup> For more information please see the EU CAP Network [Factsheet - Rural Youth Employment](#) and the work done in the context of the [Thematic Group on Rural Youth Employment: the Voice of Rural Youth](#), 2023.

<sup>8</sup> Ibid.



be explained by the fact that young farmers tend to have higher levels of educational attainment in terms of full agricultural training (21.4% vs 3.6% for over 65-year-olds) and to stay up to date by following professional training courses, including on new and innovative farming practices.

**Farm managers, by age class and economic size of farm**  
(%, EU, 2020)

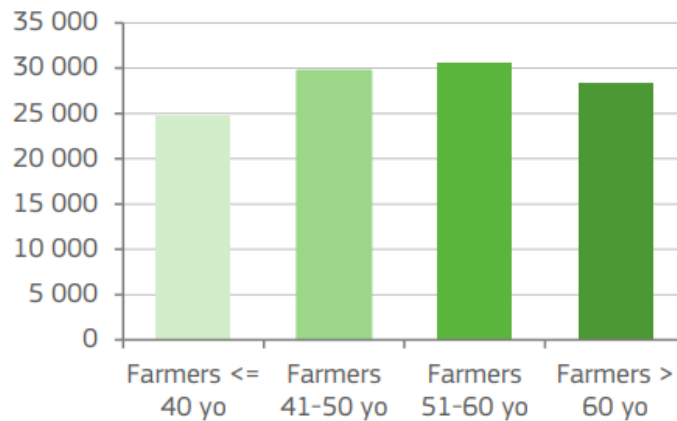


Source: Eurostat (online data code: ef\_m\_farmang)



**Younger farmers (under 40) have on average lower incomes than older ones (over 60) at the European level.** Middle-aged farmers (50-60 years old) tend to have the highest incomes and run the most successful farms, especially in countries like Poland, Italy, and Spain, where they often focus on field crop production<sup>9</sup>.

GRAPH 4 – Income levels by age of farmers, EU average, 2021(p)



It is important to underline that a **generational shift** is underway in agriculture, with well-educated young generations embracing environmental values and digital tools. Young farmers are at the forefront of agricultural innovation, leading the way in sustainable practices, shorter food chains, and the application of new technologies.<sup>10</sup>

<sup>9</sup> EC Analytical Brief: [Explore farm incomes in the EU](#).

<sup>10</sup> European Parliament [Initiative Report on Generational Renewal in the EU Farms of the Future](#), 2022/2182(INI).



### 3. Challenges to generational renewal

Generational renewal in agriculture faces several challenges that can hinder the entry and retention of young farmers.

**Economic barriers** are a major obstacle: limited access to land, difficulties in obtaining loans for business investment capital, and problems in accessing markets all create substantial hurdles especially for new entrants, often making it difficult to start or expand their operations. Among these, **access to land is undeniably the largest barrier** for young farmers, especially for those who are entering the activity from outside a family context.<sup>11</sup> Land is a finite resource, and the land used in the EU for agricultural production is becoming less and less available for young farmers. Its access is restricted by its **limited availability** for sale or rent, but also by **rising prices** and **high land competition from non-agricultural uses**, making it more challenging for young farmers to afford the purchase of farmland.<sup>12</sup>

Young farmers are increasingly adopting market-oriented financial management for their farms, leading to greater reliance on bank financing, in contrast to older farmers who typically depend on family and friends. Notably, over half of young farmers expect to need more funding, compared to 42% of their older counterparts.

However, their **access to finance** is still hindered by limited credit history and greater bank risk aversion compared to older farmers<sup>13</sup>. Young farmers are two to three times more likely to see loan applications to start or expand their agricultural businesses rejected, mainly because this is perceived as a 'risky investment' or due to their lack of banking history and of assets to put up as collateral, especially for small farms and family farms.<sup>14</sup> However, in recent years, young farmers' confidence in applying for bank financing has increased and they have a more positive outlook for turnover and profit growth, and more flexibility to adapt to economic hurdles.<sup>15</sup>

Young farmers are at the forefront of the fight against **climate change**. They will play a crucial role in climate adaptation and mitigation as the EU aims to become the first climate-neutral continent by 2050. European agriculture faces increasing challenges from extreme weather, more frequent floods and droughts, and greater temperature fluctuations, that will affect the future of the sector impacting in particular today's young

<sup>11</sup> European Parliament [Initiative Report on the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers](#), 2016/2141(INI).

<sup>12</sup> European Council of Young Farmers (CEJA) [Policy paper 2023: Access to land: are we losing the European plot?](#).

<sup>13</sup> Over 50% of their rejected loan applications stem from bank policy, compared to 32% for older farmers. Nearly 30% of young farmers' rejections are due to high perceived risk for new businesses, while only 4% of older farmers encounter this issue. Additionally, over 36% of young farmers' applications are affected by insufficient credit history, compared to 8% for older farmers. European Investment Bank (EIB) [Survey on financial needs and access to finance of EU agricultural enterprises](#).

<sup>14</sup> European Parliament [Initiative Report on Generational Renewal in the EU Farms of the Future](#), 2022/2182(INI).

<sup>15</sup> European Investment Bank (EIB) [Survey on financial needs and access to finance of EU agricultural enterprises](#).



farmers. Achieving ambitious sustainability targets depends on their ability to manage natural resources, implement carbon sequestration, and adopt sustainable practices<sup>16</sup>.

As recently demanded by European young farmers' representatives, they need a "**climate transition toolkit**", particularly financing instruments, to effectively tackle these challenges. Providing young farmers with access to funding, knowledge and education on climate change adaptation and mitigation will empower them to implement practical solutions in their daily work.<sup>17</sup>

Other obstacles to generational renewal are the **gaps in education, training, and technological adoption**<sup>18</sup>. Education and training programmes that equip young people with the necessary skills and knowledge to succeed in modern agriculture are essential, but may be limited or **inaccessible in certain regions**, preventing the use of technologies. The **high cost** of acquiring and maintaining new technologies and the required training can also be a substantial barrier for small-scale farmers. Although their adoption could improve productivity, sustainability, and profitability, there would still be significant expenses to face.<sup>19</sup> At the same time, the **digital divide** exacerbates these challenges. In rural areas with limited internet connectivity and digital infrastructure, young farmers may face difficulties accessing online training resources, remote learning, communicating with experts, and service provision, which limits their ability to fully benefit from technological advancements. These barriers create a disadvantage, hindering their participation in the digital transformation of agriculture and their competitiveness.<sup>20</sup> The evolution and specialisation of agriculture, and the challenges faced by micro-, small- and medium-sized enterprises in rural areas require an appropriate level of technical and economic training. This training should comprise technological, managerial, and entrepreneurial skills and be adapted to the needs of young farmers. It is important to acknowledge that as different types of farmers exist, they need to be provided with different kinds of knowledge and learning methods.<sup>21</sup>

Farming is also confronted by the general challenges faced by rural areas. In recent years many rural areas in Europe are experiencing **depopulation**. Statistics suggest that the majority of young people who leave rural regions do so in order to continue their education or in search of work and better opportunities in urban areas.<sup>22</sup> This trend is fuelled by several **social factors** including a **shift in societal values** as well as **persisting rural challenges**. The preference of many young people for urban lifestyles and the perception of agriculture as a less desirable career are discouraging young people from entering the sector. New generations prioritise careers with

<sup>16</sup> European Court of Auditor [Journal n. 2 202 - The new CAP creating new horizons](#), "Meeting young farmers' ambitions: a condition for the success of the new CAP", by Diana Lenzi, European Council of Young Farmers (CEJA).

<sup>17</sup> European Council of Young Farmers (CEJA) Press release: "[EU mandate 2024-2029: A new strategy for farming and food needs a generational renewal chapter](#)", 18 July 2024.

<sup>18</sup> For more information on the subject, see the background paper and outcomes of the EU CAP Network [Thematic Group on Nurturing Skills for a Thriving and Sustainable Agricultural Sector](#).

<sup>19</sup> European Council of Young Farmers (CEJA) Policy Paper, [Smart farmers for smart farming](#), 2023.

<sup>20</sup> The Council of Europe, [Young people in rural areas: diverse, ignored and unfulfilled](#), 2021.

<sup>21</sup> EU CAP Network Policy Insight "[Strengthening agricultural skills](#)", 2023.

<sup>22</sup> Eurostat: [Urban-rural Europe - demographic developments in rural regions and areas](#).





flexibility and better work-life balance, elements that cannot be easily reconciled with a farming lifestyle. Irregular working hours, physically demanding tasks to be performed in all kinds of weather and little financial reward make farming a difficult job which requires an incredible level of commitment.<sup>23</sup> Moreover, young people in many rural areas experience daily challenges like limited access to affordable housing, social services, infrastructure, healthcare and digital connectivity, especially in remote and less developed rural regions, discouraging young people from pursuing agricultural careers.<sup>24</sup>

Rural depopulation tends to lead to a decline in the agricultural workforce and a loss of traditional farming knowledge, while also having serious consequences for both urban and rural areas as it exacerbates socioeconomic disparities regions.

## 4. Generational renewal support within the Common Agricultural Policy

**Supporting generational renewal in agriculture is for the first time a specific objective of the CAP. Namely, Specific Objective 7 of the 2023-2027 programming period<sup>25</sup>.** Member States can tailor their approaches to the national context and country-specific conditions in their CAP Strategic Plans (CSPs) and combine different interventions to achieve this objective. MS must devote **at least 3% of their direct payments budget to support young farmers**, which is an increase from previous programming periods. This 3% can be granted as **income support, investment support or start-up aid**.

It is important to note that 22 MS allocate more than the minimum required amount of support for young farmers.

These interventions are aimed at **farmers under 40 years old, ‘head of the holding’ and with the appropriate training or skills** as determined by Member States<sup>26</sup>.

Under the direct payments, Member States may provide for **complementary income support for young farmers (CISYF)**, a voluntary scheme providing enhanced income support to young farmers who are setting up for the first time and who are entitled to basic income support<sup>27</sup>. The support is granted in the form of an annual payment per eligible hectare or an annual lump sum and for a maximum duration of five years.

Currently **25 CAP Strategic Plans have included the complementary income support for young farmers**, except the CSPs of the Netherlands, Denmark and Portugal<sup>28</sup>.

<sup>23</sup> European Youth Portal, [The future of farming in Europe](#).

<sup>24</sup> European Parliament [Initiative Report on Generational Renewal in the EU Farms of the Future](#), 2022/2182(INI)

<sup>25</sup> [Key policy objectives of the CAP 2023-27](#)

<sup>26</sup> As defined in the article 4 (6) EU Reg. 2021/2115

<sup>27</sup> Article 30 EU Reg. 2021/2115

<sup>28</sup> [Approved 28 CAP Strategic Plans \(2023-2027\)](#) - Summary overview for 27 Member States. Facts and figures.





Under **Rural development** support, additional opportunities to help young farmers get started may be included. In particular, the **setting-up of young farmers** where MS can offer farmers up to EUR 100 000 to help them with immediate start-up costs. Member States set the conditions for the submission and the content of a business plan which beneficiaries must provide in order to receive this support<sup>29</sup>.

27 CAP Strategic Plans include this support as a grant for setting up businesses in the form of a lump sum, and in some cases, they also include financial instruments. The support rates for setting up a farm business in some CSPs are differentiated based on criteria related to the scope or sector of farming activities. (i.e. Slovenia for organic farming, Greece for mountainous areas or areas with disadvantages)<sup>30</sup>.

**Investment support** is another key instrument, directly targeting young farmers by providing incentives to help them purchase the land<sup>31</sup>. Young farmers can of course access general support for investments alongside other farmers. In the Netherlands, for example, young farmers receive a higher support rate (55%) than older farmers (40%).

The 2023-2027CAP aims to **increase the accessibility of start-up aid and investment support for young farmers**, for example by promoting funding agreements between the Managing Authority and a financial intermediary in the form of “guarantee instruments” to lessen investment risks. Hence, at least six MS<sup>32</sup> included in their CSPs higher support rates for investments by young farmers<sup>33</sup>. Spain envisages a higher amount for set-up aid for young female farmers. Some CSPs like the ones of Hungary, Slovakia, Portugal, and France are planning a specific investment tool specifically for young female farmers.<sup>34</sup>

In the context of farm succession and farm transfer across generations of farmers, another possible intervention available to Member States is the **cooperation scheme**<sup>35</sup>. Only a few MS (including Spain, Ireland and the Netherlands) decided to make use of this tool to incentivise generational renewal. For example, Ireland designed the Collaborative Farming Grant that provides financial assistance<sup>36</sup>.

Also related to the support of generational renewal, under the rural development plans, nine<sup>37</sup> MS focus efforts to provide **training and knowledge specifically to young farmers**.

<sup>29</sup> Article 75 EU Reg. 2021/2115

<sup>30</sup> [Approved 28 CAP Strategic Plans \(2023-2027\)](#) - Summary overview for 27 Member States. Facts and figures.

<sup>31</sup> Article 73 EU Reg. 2021/2115

<sup>32</sup> Cyprus, Czechia, France, the Netherlands, Portugal and Slovakia.

<sup>33</sup> [Proposed CAP Strategic Plans \(CSPs\) – Key Facts and figures](#), EC 2022

<sup>34</sup> [Approved 28 CAP Strategic Plans \(2023-2027\)](#) - Summary overview for 27 Member States. Facts and figures.

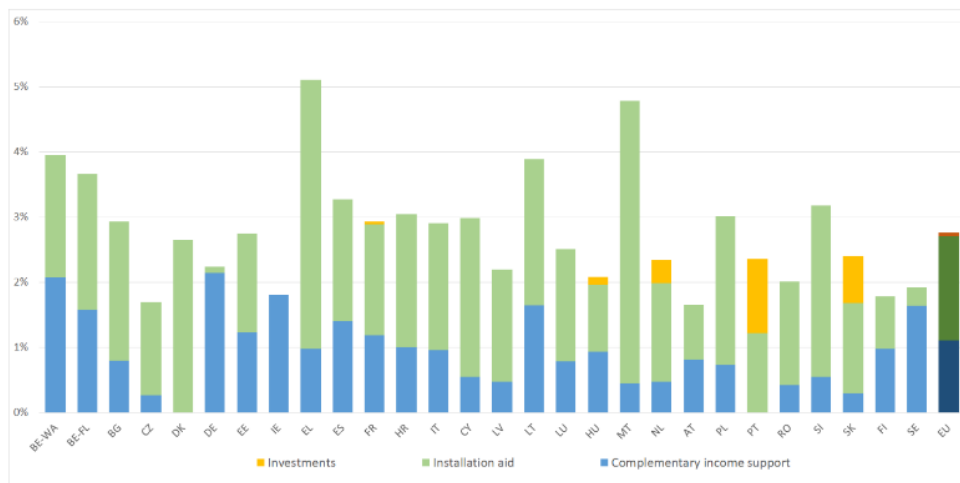
<sup>35</sup> Article 77 EU Reg. 2021/2115

<sup>36</sup> Department of Agriculture, Food and the Marine - [Conditions of the Collaborative Farming Grant Scheme](#)

<sup>37</sup> Slovenia, Estonia, Greece, Latvia, Malta, Poland, Portugal, Sweden and Slovakia.



At the EU level, planned support for young farmers amounts to EUR 6.8 billion from the EU and EUR 8.5 billion in total public spending. This includes EUR 3.4 billion for income support, EUR 4.9 billion for business start-ups, and EUR 160 million for investments. Approximately 380 000 young farmers are expected to benefit from these. Seven countries (Austria, Germany, Spain, Finland, France, Hungary, and Italy) will contribute an additional EUR 217 million for further support. Member States apply different approaches. For example, Portugal integrates cooperation, training, and investment, while Ireland focuses on income payments, cooperation, and investment support. Most MS define young farmers as those under 40, except for Luxembourg, where the limit is 39<sup>38</sup>.



*Total public expenditure on generational renewal as a share of total public expenditure under each CSP according to the allocation for main tools<sup>39</sup>*

According to a recent study<sup>40</sup>, the **impact of CAP generational renewal measures is mostly positive**, but their effectiveness varies depending on regional differences and farms' characteristics. For example, while the policies generally help increase the number of young farmers in less developed areas and improve farm business performance and resilience, they are more effective at enhancing socio-economic sustainability after farm set-up than at encouraging farm succession. They often fall short in promoting farm succession, particularly outside family transfers, and in addressing issues in access to land and credit markets, which remain the main obstacles to entering the farming sector.

Arguably the CAP may play an underlying role in maintaining barriers to the entry of young and new farmers to the sector by contributing to increasing the price and

<sup>38</sup> [Approved 28 CAP Strategic Plans \(2023-2027\)](#) - Summary overview for 27 Member States. Facts and figures.

<sup>39</sup> Ibid.

<sup>40</sup> EC Evaluation report: [The impact of the common agricultural policy on generational renewal, local development and jobs in rural areas](#), 2021



reducing the availability of arable land, as well as by encouraging farm concentration. CAP income support may slow down intergenerational farm transfer as older farmers may prefer to keep these payments to supplement low pensions. More can be done also to improve the implementation of CAP interventions by reducing administrative burden, making start-up and investment aid available throughout the entire budgetary period and reviewing the current time limit to access support.<sup>41</sup>

## 5. The vital role of youth organisations in rural areas

**Young farmers and rural youth organisations play an essential role** in tackling the challenges of generational renewal, while also contributing to the development and long-term sustainability of rural areas across the EU. These entities serve as vital **platforms for the social and economic empowerment of young rural people**, who may face significant challenges to the access to education, employment, and public services in their regions.

One of the primary roles of youth organisations in rural areas is to **foster a sense of community and cultural identity among young people**. By promoting and preserving local traditions, languages, and cultural practices, these organisations help maintain the cultural heritage of rural areas, ensuring that younger generations remain connected to their roots. This cultural engagement not only strengthens the social fabric of rural communities, it also contributes to a sense of belonging and pride among youth, which is crucial for their well-being and motivation to remain in these areas<sup>42</sup>.

**Youth organisations act as advocates for young people's involvement in decision-making processes** at local, regional, and national levels. In many rural areas, young people are underrepresented in political and administrative structures, which can lead to their needs and perspectives being overlooked. By organising workshops, training sessions, and forums, youth associations empower young individuals to engage in civic activities and contribute to the development of policies that affect their lives<sup>43</sup>. This involvement is particularly important in shaping policies related to rural development, agriculture, education, and employment, ensuring that the voices of young people are heard and considered in the decision-making process.

Additionally, **these organisations provide essential support to young farmers**, who are a keystone of the majority of rural economies. Through initiatives such as training programmes, mentorship and access to resources, youth associations help young people in agriculture to acquire the skills and knowledge necessary to succeed. They also **facilitate networking and collaboration** among young farmers, enabling them to share best practices, innovate, and collectively address the challenges they face.

<sup>41</sup> European Parliament [Initiative Report on Generational Renewal in the EU Farms of the Future](#), 2022/2182(INI).

<sup>42</sup> Congress of Local and Regional Authorities, Council of Europe "[The future of youth in rural areas - responsibilities of local and regional authorities](#)", 2022.

<sup>43</sup> Ibid.



**Educational opportunities** are another critical area where youth organisations can make a significant impact. In areas where geographic isolation and insufficient infrastructure can limit the access to quality education, youth organisations work to bridge this gap by providing educational programmes, scholarships and various international opportunities<sup>44</sup>. They also advocate for better educational facilities and services in rural regions, recognising that education is key to unlocking opportunities for young people and preventing youth outmigration to urban areas.

**LEADER Local Action Groups (LAGs)** are also valuable resources in rural areas where young people can learn about EU funding opportunities, gain entrepreneurial skills through LEADER projects, and build their professional networks<sup>45</sup>.

Overall, **youth organisations in rural areas play a multifaceted role** in building resilient and vibrant communities. By fulfilling the multiple roles described above, these organisations contribute to the sustainable development of EU rural areas. It is essential that these organisations continue to receive support and investment to ensure the long-term viability and prosperity of rural communities.

## 6. The way forward

As the agricultural landscape evolves due to the megatrends of climate change, technological innovation and consumer health and wellness, young farmers are uniquely positioned to lead sustainable farming practices across Europe with fresh perspectives and innovative ideas. Therefore, it is **crucial to empower young farmers and keep generational renewal a high priority in future policy frameworks**.

To successfully achieve generational renewal in agriculture, it is **essential to define the profile of future farmers**, focusing on their needs and aspirations. This understanding is key for creating **targeted policies that effectively support the younger generation entering the sector**. Beyond direct financial aid, broader issues such as access to land, credit, education and digital tools need to be addressed. Rural areas must offer improved living conditions, including access to essential services like healthcare, education, and social protection, to make farming an appealing career – and life – choice for younger generations.

Including the **voice of Generation Z**<sup>46</sup>, who aspire to enter the sector, ensures that policies addressing these challenges are grounded in the realities and aspirations of the very generation that will shape the future of farming. Additionally, these shifts represent opportunities for young farmers to innovate, leverage digital tools, and adopt sustainable practices, turning challenges into drivers of growth and resilience, while also contributing to the revitalisation and increased liveability of rural areas.

<sup>44</sup> EU-Council of Europe Youth Partnership study "[Young people in rural areas: diverse, ignored and unfulfilled](#)", 2021.

<sup>45</sup> EU CAP Network "[Young LEADER Forum](#)"

<sup>46</sup> Generation Z (Gen Z) refers to people born between 1996 and 2010. They're the second-youngest generation, between millennials and Generation Alpha.



**To facilitate meaningful discussion within the TG and explore the future profiles of young farmers, the following guiding questions can include:**

1. What key characteristics should define the future young farmers, considering current and future challenges?
2. What types of public support would best suit different farmer profiles in 10 years?
3. What is the impact of generational renewal in farming on improving the development of vibrant rural areas?
4. What role should youth organisation play in the future for more vibrant rural areas and farming sector? How will EU and national policies enhance and develop their role?

