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## **Number 17. Barriers Facing New Entrants to Farming – an Emphasis on Policy**

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# Barriers Facing New Entrants to Farming – an Emphasis on Policy

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## ABSTRACT

Recent UK studies highlight some of the challenges of adjustment facing the farming industry; an ageing farming population, a common absence of successor, and economic barriers combining to deter new entrants to the industry. Yet the future of farming is dependent on continued entry by new farm operators, either through the family farm business, new entrants from other sectors or via the ‘agricultural ladder’ i.e. from a farm worker to tenant to owner operator. Evidence suggests that new entrants in each situation encounter difficulties, some generic and some specific to individual cases. What is unclear is the role and influence of a range of policies on new entrant decisions. At a time when the farming industry is under pressure to compete and adjustment becomes increasingly urgent, the influential (direct or indirect) role of policy becomes more pertinent. This paper will review the current entry/exit situation in Scotland and, drawing upon recent research, highlight the main barriers affecting new entrants. The role and influence of various policies on new entrant decisions will be discussed. The paper concludes with a debate as to whether the issues raised warrant further intervention.

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## Introduction

Change in agriculture is inextricably linked with deep-seated economic and social change within the wider community. Intertwined with agricultural change are farm succession issues, such as patterns of inheritance, transfer of managerial responsibilities and policy response. The Common Agricultural Policy (CAP) Mid-term Review and the subsequent introduction of the Single Farm payment (SFP), and new Land Reform legislation (2004), are both recent policy changes likely to impact upon the ease of entry to, or exit from, farming in Scotland. Thus at this time questions are raised as to likely structural change in the farming sector and the implications of this for rural communities. This was acknowledged in the *Forward Strategy for Agriculture* (2001) that outlines the need for a public sector understanding of areas vulnerable to change.

UK studies (Errington and Lobley, 2002; Caskie et al, 2002; Lloyds TSB, 2003; ADAS *et al*, 2004) highlight some of the challenges of adjustment facing the farming industry: an ageing farming population, a common absence of successor, and economic barriers combining to deter new entrants to the industry. Yet the future of farming is dependent on continued entry by new farm operators, either through the family farm business, new entrants from other sectors or via the 'agricultural ladder' i.e. from a farm worker to tenant to owner operator. Evidence suggests that new entrants in each situation encounter difficulties, some generic and some specific to individual cases. What is unclear is the role and influence of a range of policies on new entrant decisions. At a time when the farming industry is under pressure to compete and adjustment becomes increasingly urgent, the influential (direct or indirect) role of policy becomes more pertinent.

Given the highly political nature of the multifunctionality concept, and the potential effects of successional processes on national land use, it is timely to re-visit the structural changes taking place in agriculture, in particular those aspects relating to concerns about the absolute number of farmers and their characteristics. Such an investigation is particularly poignant in that the future of farming and farming practice not only has implications for the industry and rural land uses, but also for the broader rural community.

The influence of socio-economic factors on the decision-making behaviour of existing and potential (future) farmers was investigated as part of a two year SEERAD (Scottish Executive Environment and Rural Affairs Department) study (Williams *et al*, 2006). Drawing upon the results of the SEERAD research project, this paper will review the current entry/exit situation in Scotland. The main barriers impacting upon the decisions of new entrants to farming will be discussed, highlighting in particular the role and influence of policy.

### i) The Current Situation

Entry to and Exit from Farming in the UK (ADAS *et al*, 2004) quotes a reduced rate of entry by young farmers and a reduced rate of retirement by older farmers as combining to age the agricultural population at an unprecedented rate. In Scotland, this is evident in the percentage of full-time males on main holdings aged less than 35, falling from 49% in 1993 to 37% by 2003. Over half of working occupiers are aged 55 and over, with nearly a quarter (23.8%) aged 65 plus (SEERAD, 2005). The percentage of young farmers in Scotland is one of the lowest among member states of the EU (CEJA, 2005). It cannot be denied that agriculture is an ageing industry and has witnessed a gradual but consistent decline in the labour force in recent years (SEERAD, 2006). The estimated number of farm businesses has also seen a 10% fall in the last six years (Scottish Executive, 2006)

Official statistics can mask the 'ageing farmer' situation. Younger farmers may be working on farms whilst the older generation remain the official head of the holding. This point is significant. Without a clear indication of the role of the potential entrant (and the existence of an older generation unable or unwilling to retire) the extent to which entrants are deprived of an opportunity to farm in their own right is not fully known. Farm strategies continue to be under increasing pressure in the face of constant social change (lifestyle, education and employment opportunities); values parallel to society at large are likely to be influential with farming no longer maintaining a distinctive status as in the past. This impacts upon the succession process, outcomes including: the aspiring successor taking on the farm (or another farm) at a later stage having acquired experience, skills and income from off-farm employment during the interim period; or the farmer's son/daughter chooses not to return to the farm, deciding that an uncertain future in farming cannot compete with regular, salaried employment elsewhere. Thus entry to farming may be as much a

matter of 'push' as 'pull.' For example succession by the next generation, "is affected not only by the ability of the farm to yield adequate and rising income in the foreseeable future but also by the young person's ability to earn a satisfactory living outside farming" (Fennel, 1981:35). The evidence suggests (Gasson *et al*, 1988; Errington and Gasson, 1996) that the greater the time the young person is away from the farm the less likely he or she is to return.

Evidence from a recent survey of farmers in three agricultural areas<sup>2</sup> in Scotland (Williams *et al*, 2006) gives further insight into the situation. From a random sample of 90 farmers (stratified according to farm type and size), over half of the farmers were over the age of 55. A quarter of farmers interviewed had no identified successor and planned to leave farming at some stage, with few exceptions this group tended to farm smaller units. The main reasons for an absence of successor were no family, the children opted out, or the farm could not sustain the involvement of another family member. Those farmers with identified successors had implemented one of two strategies to incorporate the next generation into the business; either through a partnership arrangement or adaptation of the business, the legal and day to day involvement of the named successor varying considerably.

## ii) Entry Routes

The future of farming is dependent on a next generation of farmers, all be they following in a long line of family farmers or first generation. There are three main entry routes to farming: through the family farm business, new entrants from other sectors or via the 'agricultural ladder' i.e. from a farm worker to tenant to an owner operator. Within each route are a variety of strategies and means each with their own anomalies and challenges.

Anecdotal evidence suggests that entry through the family farm business remains the most traditional route by which new entrants join the industry. However, the means by which this takes place has adjusted with the next generation farming independently at a much later stage in the family cycle (as evidenced by farmer's age statistics). Industry commentators suggest that there is an increase in the relative numbers of new entrants from other sectors, particularly in agricultural areas in close proximity to large centres of population. There is some debate as to the role and contribution of this group to the industry. Income derived elsewhere coupled with lifestyle considerations, fuels an argument that some new entrants may be less pre-disposed towards operating a competitive farm business and are 'hobbyist' in their approach (thus denying others the opportunity). Another mode of thought is that capital investment in the industry is beneficial and opportunities are afforded for mutually beneficial contract arrangements with other farmers. Finally, new entrants via the 'agricultural ladder' are now perceived to be a rare occurrence, the economic barriers facing this group (high start up costs with low expected rates of return) being insurmountable.

## Research Approach

Decision-making behaviour is a complex subject. To address this complexity, a mixed method (dual) approach to the research was adopted i.e. a combination of qualitative and quantitative methodology. The quantitative element of the work provided reference points, whereas the qualitative element sought depth within the subject. Three levels of investigation were undertaken:

1. As mentioned previously three agricultural areas (case studies) were identified for purposes of comparison: Grampian, Lothian and Dumfries and Galloway. Thus the first set of reference points, namely the external context or setting for the farm business and farm household, were provided.
2. The completed second stage of research was a questionnaire survey (face-to-face) of farmers in the selected case areas. A random, quota sample of 30 farmers in each study area was selected (stratified according to farm type and size). The questionnaire was designed to collect information, of a quantitative and qualitative nature, on the participant, the farm business, the farm household, succession issues and future plans.

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<sup>2</sup> North East, Dumfries and Galloway and Lothian.

3. The farmer survey provided a 'snowball sample' (the study population) and the farm business context (of respondents) for the third stage of research, the next generation survey. One representative from each 'succession unit' (consisting of farmer's children, aged 18 plus) was approached for interview. Given, that one of the study objectives was to consider the implications of decision-making behaviour for farm business structure and land use, priority was given to those children most likely to succeed to the farm. In the absence of an identified successor, the non-successor was interviewed. The survey involved taped, in-depth interviews with young people who have chosen to either succeed (stayers) or leave the family farm. The interview guide sought to gain information in terms of the respondent's current situation (i.e. life history and association with the parent farm) and identify drivers and barriers that have encouraged or discouraged the respondent to consider a future in agriculture. To date, 16 interviews have been undertaken with the next generation (i.e. sons or daughters of farmers from the first survey). Eight of these were children of farmers in Grampian, five of farmers in Lothian and three associated with Dumfries and Galloway. The majority of interviewees were farmer's sons, with only three female respondents.

### **Next Generation Survey: Preliminary Results and Analysis**

Towards the end of the interview (for the next generation element of the study), each interviewee was asked to classify themselves according to two criteria: firstly, the respondent's perceived current involvement with farming and secondly perceived future involvement in relation to farming. Thus each respondent had the option to classify themselves within one of four broad groupings: current (high) - future (more), current (low) - future (more), current (high) - future (less), current (low) - future (less). Twelve of the 16 respondents placed themselves in the current (high) - future (more) category, although there was variance within the group resulting in three clusters, described as 'successors', 'aspiring successors' and 'uncertain'. The four respondents placing themselves in either of the future (low) categories had decided that succession to the farm, or another farm, was very unlikely.

As regards their current situation, explanatory factors forming the basis of respondent's self classifications tended to be based according to the formality of their involvement with the home (or another) farm. Formalised ownership arrangements, residence on the farm, and greater day-to-day involvement in the management and decision-making relating to the business, combined to form a group (the successors) who considered their current involvement to be very high and they were confident that this would remain the case in the future.

The results from the interviews found that those respondents termed 'aspiring successors' and 'uncertain' had less day-to-day involvement in terms of the running of the farm, particularly in terms of ownership, management and decision-making. All of those (three) in the 'uncertain' category had been or were currently employed elsewhere, off farm. Two of four in the 'aspiring successor' category had off-farm employment and the remaining two were employed by the farm business. However, the individuals comprising these two groups still perceived themselves as 'involved', as successors, in the farm in the future, though they were less clear as to form that their involvement in this capacity would take.

The non-successors were those who considered their future involvement with the family (or another farm) likely to be significantly less in the future i.e. they intended to leave farming. The two females (both a sole child) of this group of four did not consider their current involvement with the farm as high and the decision to leave the farm had been made years prior. The two males of the group were both involved with their respective home farms, but were disillusioned with the 'economic situation' and felt forced to pursue alternative education and employment.

Thus the likelihood of succession taking place ranged from greater to lesser according to grouping i.e. successors, aspiring successors, uncertain, non-successors, respectively. Each grouping, as evidenced by the majority of individual cases, reflected the greater or lesser presence of economic barriers to entry. 'Aspiring successors' remained keen to run an independent business but were encountering entry problems e.g. high start up costs, poor expected rates of return, the presence of the current farmer. Among the 'uncertain' cluster, lifestyle choices were more evident in responses i.e. the prospect of long hours on the farm for less

return comparable to what they were earning in their existing roles. There were also some uncertainties among this group as regards their ability to farm (technical aspects). As regards the non-successors, the males who had, or will, opt out of farming attributed this to economic reasons.

Issues affecting perceptions and aspirations, the less tangible aspects of decision-making behaviour are subject to the influence of a number of socio-psychological attributes such as attitudes, norms, perceived control, and self-identity (Eagly and Chaiken, 1993). The influence of these factors was certainly present as regards the desire to succeed (or not) to the farm, but perceived behavioural control (more often the lack of it) was a particularly noticeable factor in responses, and one that related directly to the economic situation of the farm. Farm size (according to Standard Labour Requirement (SLR)) and/or type among the groupings varied in that each group contained a mix of farm size, farm type and owned or rented farms. The successor group contained medium, large and very large farms (i.e. no small farms) however a male non-successor had a very large, mixed farm background. Thus respondents from all farm sizes and types appeared prone to some feelings of uncertainty as regards economic factors in terms of the succession decision.

## **The Role of Policy**

A number of issues are generic, others, as demonstrated by the following case studies, are more appropriate to particular entry routes. Each case study is different and an array of factors is evident, but the critical challenges faced by these people are common: land availability, capital costs and exit and/or transfer issues. The role of policy, as evidenced by the following individual case studies, is contextualised in the short commentary relating to each case.

### **i) Land availability**

Despite low agricultural returns, land prices remain high. New entrants have to compete with existing farmers and landowners to acquire land. The combination of tight supply and strong demand has continued to strengthen the value of farmland in Scotland (RICS, 2006). In the past, land was attractive to neighbouring farmers who anticipated extra output without much increase in fixed costs (ADAS *et al*, 2004) and despite low agricultural returns (and the advent of the Single Farm Payment) in 2005, this appears to remain the case; farmer buyer activity continues to increase. Farmers represent approximately 60% of Scottish farmland buyers, a higher proportion than elsewhere in the UK (RICS, 2006). Demand remains strong. In the first quarter of 2006, some of the largest farmland price rises for two years were recorded in Scotland (*ibid*).

Non-farmers also have a significant presence on the market and the practise of 'lotting' is now widespread to cater for this demand and gain a higher price for the vendor. The farm is broken into a number of small 'lots' to appeal to a variety of buyers. Farmhouses and cottages are often sold separately to appeal to those from urban areas aspiring to live in the countryside. The residential value of such properties (and the development value of traditional farm buildings within commuting distance of population centres) outweighs that of the farmer running the property as part of the traditional agricultural business (Booth, 2005). This too has implications for the aspiring new entrant. In effect in some areas, he or she is facing strong competition from the farm sector for farmland and also strong competition from non-farmer buyers in terms of the residential market.

A number of industry commentators have expressed concern over the low take up of new tenancies (Limited Duration Tenancy (LDT's) and Short Limited Duration Tenancy (SLDT's,) particularly the former) under recent Agricultural Holdings legislation (2003). Aiming to improve the relationship between landlord and tenant, the Act intended to free up the market for let land and encourage new entrants into the industry. Whilst the Act (2003) is perceived to be an improvement on its predecessor (the 1991 Agricultural Holdings Act), the Act abolished the use of Limited Partnership tenancies and effectively disallowed the previously most popular and commonly agreed upon 10 year tenancy i.e. tenancies are now required to be for a fixed term of either five (SLDT) or fifteen (LDT) years.

### **Aspiring successor: Martin (aged 27)**

**Background:** Martin comes from a large family; his father is a builder and part-time farmer. After completing his studies at agricultural college, Martin immediately found a job in Scotland as a livestock technician. Within a few years Martin was promoted to farm manager but after five years employment, the company Martin worked for went into liquidation. Through contacts he had made during his time with the company, Martin was quickly offered another job in the area, which is where he is at the present time.

**Current situation:** Martin works for a farmer who tenants the farm on a fixed term tenancy and seasonal let basis. The farm (suckler cows, finishing, sale of breeding heifers) is operated in conjunction with a livery (a limited company), the two businesses complementing each other. The farm employs Martin on a full time basis and additional part-timers at certain times during the year. Martin has a salaried, farm manager position that allows him to work flexible hours. He has an informal agreement with the farmer regarding a performance related bonus. As part of this bonus, Martin can select a calf of his choice at the end of the calving season and keep the calf on the farm, thus he can begin to build his own pedigree herd on the farm.

**Future vision:** the farmer is in a 'grey area' as regards the existing tenancy agreement and there is some uncertainty as to how this will evolve. Should the farmer be able to secure a lifetime tenancy then Martin's involvement with the farm is assured, but at this stage the situation is unclear. Martin would like to farm himself, ultimately acquiring a tenanted farm of his own.

**Challenges:** Martin has not pursued his own tenancy to date because of the uncertainty surrounding his current situation; if the farmer is able to continue to farm the land for the next few years then Martin is able to build a stock base, and that is an incentive for him to stay. Martin also feels that his age counts against him at present, and that a potential landlord would seek more experience. Martin considers recent Agricultural Holding legislation to have made tenanted farms "harder to get into just now" and that until the problems are "ironed out" he is best to bide his time.

One mode of thought is that the inflexibility afforded by the legislation, hinders the take up of new style tenancies. The obligation on landlords to equip the holding to an adequate standard is also regarded as a disincentive to let. Other reasons cited include, "uncertainty over the effects of CAP Reform, tax implications for succession and continued concern amongst landlords or their agents regarding the right to buy" (NFUS and SAYFC, 2006:3). "The provision for a pre-emptive right to buy and the concern by some landowners of the possibility of an absolute right to buy being introduced in the future ... appears to have had a detrimental effect on the laudable objectives of the Act" (MacKenzie 2005:2).

So, whilst one of the main aims of the 2003 Act was to encourage new entrants to the industry, the available evidence suggests that less land is being offered for let and that the tenanted farm market has slowed (*ibid*). In addition to this, Mackenzie's study concluded that the reasons for the slow down include, "the attraction of keeping land in hand and using contract farming agreements for inheritance tax relief purposes". Contract farming agreements tend to favour larger, established farmers against which new entrants find it difficult to compete.

#### **ii) Capital costs**

The problems of an ageing farming population and the barriers facing new entrants have received attention in Europe. Measures of support have been included under the previous Rural Development Regulation (RDR) (2000-2006) and the current RDR (2007-2013) with a view to encouraging the exit of existing, aged farmers (Article 22: Early Retirement) and assisting entry for young farmers (Article 21: Young Farmers schemes). To date, Scotland has not used such measures as part of their Rural Development Programme and intentions in this respect are unclear; without doubt there are major resourcing issues to be addressed. Given the format of the current Scottish Rural Development Programme (SRDP) consultation (for the period 2007-2013) and the financial stringencies that have been made apparent throughout the consultation, it does not bode well for the introduction of such schemes in the near future. Some view this as problematic as a financial incentive

can encourage the land matching, entry-exit process, overcoming one of the main challenges of land availability.

#### **Aspiring successor: Neil (aged 25)**

**Background:** Neil's father diversified the farm business seven years ago with a view to growing the business to provide a living for his children should they so wish. The ground works business is now a separate enterprise to the three farms (totalling 330 ha, LFA cattle and sheep) but both entities complement each other. Neil successfully gained an agri-business degree last year and despite his parents encouraging him to pursue an alternative career, Neil wanted to return to the farm. Neil's brother (currently employed abroad) is likely to return to the engineering side of the ground works business.

**Current situation:** Neil has recently started with his own herd number and he has 20 pedigree cattle. Given that he has only recently completed his education, Neil was not eligible for the new entrant category of the National Reserve, so is unable to take advantage of any entitlement. Currently Neil's cattle are grazing one of the farms. Neil wishes to rent a farm off his father but is not in a financial position to do so. Neil works for the ground works enterprise and is paid a small salary out of this business. Neil is hoping to buy and renovate one of the farmhouses (to make three separate dwellings) and he will take out a mortgage to do so; his father will sell the house to him at less than the market value.

**Future vision:** Neil wants to farm and is trying to achieve his goal by working in the agri-business enterprise. This allows him a small salary and also his main living expenses are covered as he resides on the farm. Neil is also investing in a property on the farm, hoping that ultimately this will provide some capital for him in the long term.

**Challenges:** one of the main problems for Neil is that everything is tied to his father's business and name and Neil is not in a position to claim any assistance. If his father starts to transfer or change claims to accommodate Neil e.g. introducing Neil to IACS, then it has implications for the existing farm business (in terms of existing payments and schemes). Changing systems and schemes, the timescale involved and associated deadlines make it very difficult to plan ahead. Neil feels that farming is a very unstable choice at the moment and how the situation develops will affect what he ultimately decides to do.

The current National Reserve category for young farmers who were new entrants (within a particular time period prior to the SFP) has been called into question by NFUS and SAYFC (2006) given concerns about effective targeting and the resourcing of the National Reserve. Both organisations support the introduction of a single premium for young new entrants but as stated previously, while installation is available under Article 21 of the draft RDR, there are, as yet, no clear indications that Scotland will implement this measure.

#### **iii) Exit/transfer issues**

Factors affecting entry to farming are closely tied in with low exit rates. Farmers can now work to a greater age, many enjoy the lifestyle, are emotionally attached to the farm and are anxious about the severance of ties (Fennel, 1981). Combined with inadequate pension provision, a lack of affordable housing for retiring tenants and inheritance dilemmas, farmers are reluctant to retire.

As regards inter-generational transfer, less visible factors, such as the relationship of the farmer with his children, are also influential. For example, inter-generation conflict, the balance of power, the farmer's anxiety over his future security, a lack of confidence in his successor's ability and reservations about the changes his successor would make, can impinge heavily on the decision to exit.



### **Non-successor: David (aged 39)**

**Background:** on leaving school, David provided labour on his parents' small, mixed farm for seven to eight years. During the last three years of this time, David got married, bought a plot from his parents and built a house (with agricultural tie) adjacent to the farm. When his son was born, David needed a higher income than that which his parents' farm could sustain and he began work for a haulage firm.

**Current situation:** David remains with the haulage company and now has two children. The family reside in the same house that David built, and both David and his son work on the home farm on a part-time, voluntary basis. David's parents are now in their late 60's and David's father has downsized the business in recent years, initially giving up agricultural contracting work and then selling the livestock – only one hundred breeding sheep now remain.

**Future vision:** whilst David's mother is keen to leave the farm, David feels that his father is less inclined to do so. To retire his parents would need to release capital that is currently tied up in the farm. David would like to buy the farm from his parents but is not in a financial position to do so. He fears that the farm will eventually have to be sold.

**Challenges:** financial barriers are the biggest problems facing David; the farm is potentially available but he cannot afford it. David would need to buy the farm legitimately at the market value otherwise he feels it would create problems among his siblings. David fears that circumstances will dictate that he has no involvement with farming in the future.

Succession planning is an issue that has received little or no attention in many farm businesses, yet a smooth financial transition from the older generation to the younger generation is deemed essential for the long-term viability of the business. A new generation on the farm must start with a viable enterprise and the retirees must have financial security. "Where all the capital is in the business, planning is made more difficult as there are few options" (National, 2006:1). A sudden extraction of capital from the business to support retirees makes the task of the next generation more demanding from the outset. Early financial planning coupled with the "ability to accumulate off farm income whilst maintaining a healthy farm enterprise dramatically improves the chances" (ibid) for the next generation, but "a lack of advice and assistance and poor financial returns" have hindered this process in many businesses (NFUS and SAYFC, 2006:4).

## **Discussion**

There is concern about the ageing farming population and the implications of this for the long-term competitiveness and viability of the Scottish agricultural industry. This paper has reviewed the current situation and outlined the main barriers affecting entry to farming, namely land availability, capital costs and exit/transfer issues. Within a policy context, the cases of three would be entrants have highlighted the difficulties encountered.

The arguments favouring intervention to boost the rate of new entry to farming tend to be twofold. Firstly, a focus on the "claimed desirable characteristics and behaviour of potential entrants" and secondly, "concerns about the absolute number of farmers" (ADAS *et al*, 2004:6). Younger entrants are deemed to be more innovative, motivated towards the longer term and better able to adapt, thus in aggregate terms allowing the sector to become more productive, competitive and viable.

This point is recognised in the *Forward Strategy for Scottish Agriculture: Next Steps* (2006:14) "Entrepreneurship and innovation are vital ingredients for successful diversification so it is important to retain talented young people within the farming community and to attract enterprising new entrants." Defra's industry-led, '*Fresh Start*' initiative also aims to encourage more young people into farming recognising the need to "attract skilled and committed newcomers" (Defra 2004:1).

For a number of years, the challenges of an ageing farm population and the need to encourage younger farmers to remain in the industry have been on the European agenda. Arguments revolve around the concept of multifunctional agriculture: farming functions that go beyond the provision of high quality, safe food, for

example, environmental and animal protection, landscape preservation, conservation of natural heritage, biodiversity, rural tradition and culture. It has been argued that it is impossible to meet the multi-functional role of agriculture as demanded by consumers, if the average age of farmers remains high. “The continuing reduction in the number of young farmers leads to a weakening of the agricultural entrepreneurship in the sense of less capacity to face the opportunities of the market and to combine the functions of agriculture with the new necessity expressed by the consumers and citizens” (CEJA, 2003:1).

The family farm business remains the most traditional route of entry to the industry, yet would be new entrants face a number of economic barriers and uncertainties that discourage, hinder and prevent this from taking place. As seen in the research outlined in this paper, many would be new entrants find themselves in a ‘holding’ situation, whereby they do not wish to relinquish their option to farm but it becomes financially necessary to undertake alternative arrangements in the interim period (which may be decades as opposed to years). The longer the would-be farmer is elsewhere, the more difficult (in social and economic terms) it becomes for him or her to return to the home farm.

With existing and potential farmers looking to leave the industry, the implications undoubtedly point towards a more concentrated sector - decreasing farm numbers with a corresponding increase in farm size. Areas in close proximity to population centres (such as those studied i.e. Lothian and parts of Grampian) will continue to witness polarisation – increasingly concentrated, large scale farming at one end of the spectrum and small, lifestyle farms at the other. Also diversification and pluriactivity will continue to play an important role in boosting farm household incomes in these areas.

In the UK, although a number of the issues (surrounding entry to agriculture) discussed in this paper are recognised in policy rhetoric there has been little in the way of targeted intervention to date. As regards building an evidence base to inform policy decisions, certain areas warrant further investigative research: the ambiguous effect of land prices on new entry and the role of new entrants from other sectors in agriculture and the rural community; investigating and understanding the apparent barriers responsible for the slowing tenanted farm market; and examining the socio-economic role of young farmers in the wider rural community. The latter suggestion is acknowledgment that the problems faced by young people in rural areas have implications for both farming and rural development and that agriculture is but one part of the complex fabric of rural areas.

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