

Policy Paper

Generational Renewal in Agriculture

Rural Youth Europe's position



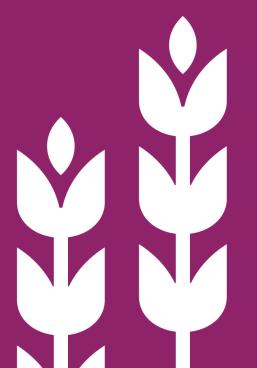


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Introduction

Rural Youth Europe (RYE) welcomes the ongoing efforts of the European Commission to prepare a comprehensive strategy for generational renewal in EU agricultural policy. As the strategy is prepared, we recognise the importance of this initiative in addressing one of the most pressing challenges facing rural Europe today. We also acknowledge the progress already made under the Common Agricultural Policy (CAP), such as first-pillar top-ups and second-pillar setting-up schemes, which have provided important support for young farmers entering the sector.

However, we believe that existing measures must be strengthened, refined, and complemented by new, ambitious approaches. Generational renewal must go beyond financial incentives. It must be embedded in a broader vision that addresses the full range of barriers young people face, from access to land and credit, to education, social protection, and cultural identity. This includes improving the attractiveness of rural living, ensuring mental well-being, and promoting the active participation of young people in decision-making processes.

A successful strategy must be long-term, inclusive, and grounded in territorial realities. It should be cocreated with rural youth and young farmers, not just on their behalf. The following document outlines our position, key priorities, and concrete policy recommendations for building a future where farming is a viable, fulfilling, and respected career path for the next generation.

Attractiveness of rural living and essential services

One of the most fundamental yet overlooked barriers to generational renewal in agriculture is the **persistent imbalance in the quality of life between rural and urban areas**!.Young people do not base their decisions solely on the economic viability of farming but also on whether rural communities offer the **conditions for a dignified and fulfilling life** like access to healthcare, education, cultural opportunities, and a vibrant social environment².

The lack of essential infrastructure, such as hospitals, public transport, and reliable connectivity, makes it increasingly difficult for young people to imagine their futures in these areas: accessible schools and childcare, youth and sports clubs, community spaces, cultural and leisure facilities such as cinemas or theatres, as well as churches or other places for spiritual life are everyday services and amenities that make a place liveable. Affordable housing and planning frameworks that enable young people to build homes, safe and reliable transport options like night buses or rural taxi schemes, and lower insurance costs for community events are also crucial to sustaining vibrant local life. Services need to be available and accessible for people to live, work, and build their futures in rural areas, helping to create genuine generational renewal. The lack of these elements contributes to the accelerated decline of thriving rural communities and underscores the need for a proactive approach to improving social inclusion, reversing depopulation, and making rural life more attractive for the next generation.

In this context, a **meaningful generational renewal strategy** must include tailored community-building efforts and targeted support for these areas, including relocation incentives (e.g. housing vouchers, startup grants) to help young people establish themselves in these overlooked areas. It needs to be a **territorial, rights-based approach,** tailored to the actual needs of rural inhabitants to ensure they have the same level of access to services as urban citizens. To do so, having a stable and **well-funded budget** to support initiatives that improve access to essential services, cultural activities, and

Murtagh, A.; Farrell, M.; Kuhmonen, T.; Weir, L.; Mahon, M.The Future Dreams of Ireland's Youth: Possibilities for Rural Regeneration and Generational Renewal. Sustainability **2023**, 15, 9528. https://doi.org/10.3390/su15129528



¹ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Urban-rural_Europe_- quality_of_life_in_rural_areas#Highlights

social infrastructure, but also the creation of jobs beyond agriculture, is crucial. This would facilitate the development of diverse and thriving communities, making rural areas more viable places for young people to live and work, and contribute to making any region economically, socially and culturally attractive.

Access to necessary services is as crucial as economic incentives for young people. Including minimum EU service standards (for broadband, healthcare, childcare, mobility), backed by cohesion funds and national investments, would facilitate greater social and territorial cohesion, reduce disparities across regions, and ensure equal access to essential services for all citizens. Addressing social isolation and fostering vibrant community life should be central to any strategy aimed at attracting and retaining young people. Making rural areas attractive is not optional, it is a precondition for achieving any long-term generational renewal³.

Well-being and mental health

To attract younger generations, **farming must also be sustainable from a human perspective.** Farmers' mental health can be impacted by several factors, including long working hours, geographical and social isolation, and financial uncertainty. Such issues are exacerbated by economic challenges, climate concerns, and increased scrutiny on the farming profession, therefore it is fundamental to address the well-being and mental health of farmers. However, the outreach of mental health care services available in farming communities remains an evolving process, and gaps in adequate mental health support persist in too many rural areas⁴. It is critical to **raise awareness among policymakers** at both EU and national levels about the importance of farmers' mental health, the stressors affecting them, and the implications of legislation on their well-being. Awareness-raising efforts must extend beyond institutions into local communities, supporting peer-to-peer learning, professional training, and campaigns led by farmers' organisations. **Communication with farmers must be improved**, ensuring their active involvement in the decision-making processes, especially through farmer-led organisations.

The strategy should prioritise mental health services by **destigmatising the issue**, funding prevention and promoting access to psychological support. **Creating networks and facilitating access to care services** is essential to combat the isolation, stress, and precarious conditions often faced by those in the sector. This includes collaboration between stakeholders (e.g. veterinarians, advisors, agricultural organisations), alongside anonymous mental health consultations and referral systems. **Relief systems, leave entitlements, and farmer replacement services** are key tools that help create a work-life balance and ensure mental health needs are met. LEADER groups, Operational Groups, and CAP cooperation tools offer promising platforms to deliver and co-finance well-being services. Generational renewal is only possible if rural life is not just viable, but also humane and mentally sustainable.

Supporting farmers: entry and ongoing support

Young farmers face persistent and interrelated barriers that hinder both their entry into and sustainability within the agricultural sector. Access to land and credit continues to be a main barrier for young farmers often exacerbated by restrictive eligibility criteria, difficulties in farm succession and limited planning security. Beyond entry, the long-term viability of farming is increasingly uncertain, with rising costs, market volatility, and insufficient income undermining prospects for stable livelihoods. At the same time, gaps in social protection leave young farmers vulnerable, further discouraging long-term engagement. While the CAP provides some early-stage support, it rarely extends the sustained assistance needed for a young farmer to succeed beyond the early years and to make farming a viable, secure, and attractive career. To be effective, the strategy must go beyond facilitating initial entry. While crucial, this singular focus neglects the ongoing journey and challenges faced by farmers after their initial establishment.

³ European Parliament Initiative Report on Generational Renewal in the EU Farms of the Future, 2022/2182(INI).

⁴ EU CAP Network, Policy Insights on <u>Mental health policy for EU farmers</u>, 20 June 2024.

Farm Viability

Farm viability lies at the heart of any sustainable approach to generational renewal. A strategy that ignores farm economics is destined to fail; it needs to offer **fair remuneration**, **economic security**, **and long-term prospects**.

Today's young farmers operate in a highly volatile environment marked by **unpredictable market prices, rising input costs, tightening regulatory demands, and increasing climate disruptions.** Small and medium-sized farms, in particular, struggle to remain profitable. An **imbalance of power in the agri-food supply chain** often leaves producers with a shrinking share of the final product's value, while large intermediaries and retailers capture most of the profit. This dynamic is both **demotivating and economically unsustainable.**

To reverse this trend, the strategy must prioritise **profitability and economic resilience** to make farming a viable and attractive career. This means ensuring that farmers can **retain a fair share of value** within the food supply chain. **Strengthening producer organisations**, improving **price transparency**, and supporting **local processing and direct sales** are key to enabling young farmers to capture more value at farm level.

At the same time, access to diverse and stable income sources is vital for making farming a secure livelihood. Multifunctional farms, combining agriculture with other rural business activities like agri-tourism, food processing, crafts, offer pathways to economic resilience. Income diversification should be actively encouraged and supported. However, current CAP rules and eligibility criteria often penalise diversified income streams or impose rigid thresholds. These frameworks must be revised to accommodate diversified business plans and introduce more flexible income thresholds that allow young farmers to explore entrepreneurial activities without risking their support.

Finally, while young farmers are often willing to take the lead in adopting sustainable practices, they **cannot be expected to bear the cost** of environmental or animal welfare measures alone. These regulatory demands must be **accompanied by adequate compensation and targeted support** to ensure they do not undermine farm viability.

Social protection

The **social sustainability element cannot miss** in discussions about generational renewal. The ongoing support to young farmers must include key aspects such as **social security.** While remaining a competence of the Member States, they should coordinate their social security systems in a way that support the goals of the CAP. European Commission should urge Member States to explore and implement measures like **robust pension schemes, health insurances, parental leave**, and initiatives to ensure **better working conditions** for farmers and farm workers. Examples such as the establishment of a **replacement service** can also serve for fostering a supportive and secure environment for all farmers throughout their careers. Strengthening **pension system** would also help older farmers retire with dignity, reducing the current slow exit from the profession that blocks young farmers' access to land⁵.

In addition to local services, we call for EU-wide standards on social protection, including working conditions, pensions, leave, labour protection, and health coverage. This would provide a more secure environment for young farmers across the EU.

⁵ Schuh, B. et al. 2022, Research for AGRI Committee – <u>The Future of the European Farming Model: Socioeconomic and territorial implications of the decline in the number of farms and farmers in the EU, European Parliament, Policy Department for Structural and Cohesion Policies. Brussels. at 82.</u>



Access to land and succession

Access to land remains one of the most significant and complex challenges for young farmers across the EU⁶. Limited land availability, rising prices and short-term leases continue to restrict entry into the sector and long-term investment. Land is mainly concentrated in the hands of older farmers or is being used for non-agricultural purposes, while speculative behaviour and land abandonment further distort the market. Where land is available, it is often prohibitively expensive, both to rent and to buy, making ownership unattainable for most young people and new entrants.

These structural constraints are compounded by **low intergenerational land mobility.** Many older farmers retain ownership and control of their land even after retirement, with little incentive to transfer it early. To address these challenges, the strategy must promote **both structural reform**, recognising the unique needs of young farmers. Key proposals include:

- Pre-emptive land rights for young farmers;
- **public or cooperative land banks** to make land more accessible;
- transparent land markets and national land observatories to monitor land use changes and prevent speculative acquisition.

The development of **land matching platforms**, as seen in Ireland and Austria, should be scaled up across Member States. These platforms facilitate generational renewal by connecting retiring landowners with young entrants, offering mentorship, lease-to-own models, and shared management options that enable gradual and collaborative land transfer.

In addition, many young farmers rely on **short-term leases**, which offer little security. This discourages investment in soil health, infrastructure or sustainability. National legal frameworks should promote long-term leases and develop legal and financial instruments that give tenants the confidence to invest in the land they manage.

Succession planning must also reflect the real-world structures of family farming. Current CAP rules often exclude young farmers involved in shared ownership models or informal family transitions. We call for greater flexibility in eligibility criteria to ensure these youth can access CAP support and are not penalised for being part of non-standard inheritance or partnership structures.

To facilitate smoother and more equitable land transitions, specific **fiscal tools** should be introduced at national and EU levels. These include **youth-specific tax incentives**, **succession tax reductions**, **and land purchase incentives** targeted at young and new entrants. Additionally, **pre-retirement tax benefits** for older farmers and **transparent land policy instruments** can support timely and voluntary generational transitions, reducing barriers to land access for aspiring young farmers. A well-designed taxation framework can significantly accelerate **succession planning** and address structural bottlenecks in land mobility.

Such reforms are critical to unlocking access to land, supporting viable farm establishment, and ensuring that land remains in the hands of active farmers across generations.

⁶ 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).

Access to credit

Access to credit remains a major barrier for young farmers, who are **2 to 3 times more likely to be denied loans**⁷. Financial institutions often perceive young or new entrants as high-risk borrowers due to their limited collateral, lack of ⁸, and often irregular income. This results in higher interest rates, stricter loan conditions, or outright denial of credit, which in turn limits their ability to invest in land, equipment or innovation.

The strategy must therefore include comprehensive tools to improve credit access, including:

- EU-backed guarantee schemes that reduce lender risk;
- **credit de-risking mechanisms**, such as blended finance, subsidised interest rates, and public co-investment schemes, should be scaled up and targeted toward young entrants;
- **youth-friendly loan products** with longer grace periods and repayment terms aligned with agricultural investment cycles.

Furthermore, access to credit must be complemented by access to **financial education and business support.** Many young farmers lack adequate training in financial management, risk assessment, and credit navigation. Financial literacy programs and advisory support services can empower them to engage more confidently with financial institutions and develop sustainable business models.

Finally, for generational renewal to be successful, a **long-term and comprehensive support system** is essential, extending beyond the initial years. One-off grants or short-term tools are insufficient. The duration and continuity of public support need to go beyond the usual terms and instead be aligned with **credit repayment timelines** and the **real cost-recovery periods of agricultural investments**, ensuring that young farmers are not left exposed once initial aid expires.

Policy framework

A robust policy framework is indispensable for fostering generational renewal. This includes not only maintaining strong **direct and investment support**, but also a revision of how support is delivered, ensuring it is accessible and aligned with the realities young farmers face. To ensure that support reaches the right beneficiaries, the definition of "active farmer" must be revisited at the EU level. Too often, CAP funds are allocated to individuals who are not actively engaged in agricultural production. A clearer and more practical definition would ensure public funds support actual farmers, not passive landholders, and would better incentivise generational renewal.

Simplification and accessibility

Young farmers are often **discouraged by the complexity** of existing CAP procedures and national support schemes. Application processes, compliance monitoring, and digital tools can create more burdens than benefits. To address this:

- A clear simplification agenda is needed, including streamlined application procedures, less bureaucratic compliance, and accessible formats for smaller operations;
- **digital tools** should be promoted only where they **reduce administrative workload**, not add to it;
- ensuring that **new regulations and sustainability requirements** are accompanied by **adequate financial compensation**, so farmers are not forced to absorb additional costs.



⁷ European Parliament Initiative Report on Generational Renewal in the EU Farms of the Future, 2022/2182(INI).

⁸ European Investment Bank (EIB) Survey on financial needs and access to finance of EU agricultural enterprises.

Improved risk management

With climate volatility and market instability on the rise, it is vital to enhance existing **risk management** tools to provide young farmers with greater **stability and predictability.** This includes:

- Strengthening existing insurance and income stabilisation mechanisms;
- linking risk tools to early warning systems and climate adaptation planning;
- supporting the creation and facilitating the adoption of **predictability tools**, to provide young farmers with greater stability and long-term planning capacity.

Trade

Trade policy and competitiveness are essential pillars of a resilient agricultural sector. They must have access to markets that offer fair prices, predictable conditions and a level playing field, both within the EU and globally.

Currently, many young farmers are exposed to **unfair competition from cheaper imports** that do not comply with the **high environmental, social, and quality standards** required of EU producers. This situation not only reduces profit margins but also undermines the incentive to adopt sustainable and responsible agricultural practices. To safeguard young farmers and encourage generational renewal, the EU must:

- **Promote fair competition** through legal frameworks that protect domestic producers from being undercut by substandard products;
- establish uniform production standards across Member States, so that farmers in countries with stronger environmental or quality standards are not economically disadvantaged.

Policy synergies

For the policy framework to be effective, there must be a push for **synergy across all relevant EU programs**, including CAP, Cohesion, Horizon Europe and Erasmus+. Generational renewal should be a shared objective across all these instruments, fostering a coordinated approach.

Cohesion funds should be mobilised to support tailored service provision in rural areas, addressing the broader living conditions that influence young people's decision to farm or remain in rural communities.

LEADER/CLLD must be strengthened and promoted as a flagship tool for **youth-led territorial development**, with a clear focus on long-term, stable, and accessible funding. Integrated, multi-fund approaches are essential to building sustainable and inclusive futures for rural youth.

Erasmus+ should be leveraged to support capacity building, mobility, skills exchange, and peer learning for young people in agriculture and rural development. Similarly, **Horizon Europe** should be used to foster innovation, digitalisation, and sustainability on farms and rural enterprises, ensuring young farmers are active participants in research and development efforts.

Finally, any strategy for generational renewal must be designed as a **long-term framework**, implemented with appropriate timelines and commitment by both the EU and national governments to ensure its effectiveness and sustainability.

Education and training

Generational renewal is not only about increasing the number of young farmers, but also about transferring and creating knowledge with new ideas and practices, building a diverse and innovative sector. To address the challenges facing young farmers nowadays (climate change, market volatility, evolving societal expectations etc.) they need free/affordable access to **up-to-date knowledge and cutting-edge training.** In this regard, equipping young farmers with the right education and new skills encompasses both formal and non-formal educational structures, which must be supported equally.

While intergenerational knowledge transfer remains valuable, it is no longer sufficient. Young entrants need access to up-to-date training in areas such as environmentally friendly practices, business planning, digital tools, and sustainable entrepreneurship. The EU must invest in training systems that reflect the realities of modern farming. This includes:

- Expanding ecological, entrepreneurial, and digital training programs;
- encourage the adoption of climate-resilient farming models, such as drought-tolerant crops and water-efficient systems, to prepare the next generation for environmental challenges.
- supporting rural mobility schemes and peer-to-peer learning;
- facilitating access to smart farming, robotics, and digital tools;
- promoting innovation that reduces manual workload, labour intensity and supports dignity in farm work.

Supporting these approaches will help make farming not only viable but an **appealing and dynamic profession** for the next generation.

The role of rural youth organisations

In this context, **rural youth organisations** are essential actors in the transformation, and their role in providing this kind of non-formal education must be recognised. These organisations are platforms for **peer-to-peer learning and knowledge exchange by providing training opportunities and capacity building.** They also contribute to fostering community cohesion, building a network, and mitigating social isolation among young farmers in rural areas. For this reason, we call for **better support for these organisations and dedicated assistance for their establishment** by the EU, Members States and regional authorities. To truly empower young people and the organisations that support them, **tailored financial support is needed for youth organizations working in the rural and agri-sector.**

Youth governance and cultural dimension

Young farmers and their representatives must be at the decision-making table. Their **active involvement** in governance at local, national, and EU levels is essential to shape policies that reflect their realities as they are the ones who will inherit and manage the future of European agriculture. Involving them would lead to more tailored, sustainable, and inclusive policies. We call for the **institutionalisation of youth participation**, including the creation of youth co-design bodies, such as youth advisory councils, innovation labs, and co-design processes in agricultural and rural policy. At the same time, it is essential to strengthen and utilise existing youth organisations and structures, ensuring that the role of informal youth-led rural initiatives and informal rural youth organisations is formally recognised and included in these processes.



Beyond governance, the **social and cultural value of farming** must be acknowledged and elevated. Farming is more than a job, it is a way of life, deeply tied to **place, identity, and intergenerational continuity.** A strong generational renewal strategy must celebrate this cultural dimension to attract and retain youth in rural areas. This includes:

- Supporting local food systems, creative rural enterprises, and cultural initiatives;
- promoting the role of agriculture in building community cohesion and local identity;
- encouraging community events such as youth-led initiatives that give meaning and connection to rural life.

Conclusions

Generational renewal in European agriculture cannot be achieved through isolated measures or short-term projects. It requires a coherent, integrated strategy that empowers young people with the resources, rights, and recognition they need to build sustainable futures in rural areas.

This means reforming eligibility criteria, ensuring fair market access, removing bureaucratic barriers, and aligning EU programmes from CAP to Cohesion, Erasmus+, and Horizon Europe, around shared goals. It means guaranteeing decent working conditions, inclusive education, and adequate mental health support. And it means recognising that farming is not only an economic activity, but also a cultural and social foundation of rural life.

Young farmers are ready to lead, innovate, and regenerate the sector, but they cannot do it alone. With the right tools, trust, and targeted support, Europe can cultivate a new generation of farmers who will not only feed the continent but also steward its land, culture, and communities for years to come.

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