



**IFA**

# **Generational Renewal in Farming**

## **Irish Farmers Association**

January 2025

**YOUR ASSOCIATION. YOUR VOICE.**

[www.ifa.ie](http://www.ifa.ie)

## Introduction

IFA is the largest farming representative organization in Ireland, with approximately 72,000 members in 939 branches nationwide. For nearly seven decades, we have protected and defended the interests of Irish farmers at national and EU level. The IFA President and various Committee Chairmen, along with branch and county representatives are democratically elected by the farmer membership. IFA represents all farming sectors at National, European and International level. Through our office in Brussels, the IFA represents Irish farmers on the European umbrella body of farm organisations COPA/COGECA.

IFA has commodity committees representing the main agricultural sectors, including livestock, dairy, sheep, tillage, pigs, poultry, organic production, and aquaculture. It also has several cross-sectoral committees with overarching responsibility for issues affecting the entire agricultural sector, including environment, rural development, and farm business.

The establishment of the Commission on Generational Renewal in Farming by the Minister for Agriculture Food and the Marine in 2024 was a positive development. IFA will endeavor to support this Commission in identifying the barriers for generational renewal and farm succession and put forward proposals that would facilitate greater numbers of young people entering the sector and gaining managerial responsibility for farms and farm assets.

## Summary of IFA Submission

Economic viability is at the core of any vibrant industry. Young people will be attracted to a sector when they can visualize a long term future, a career in agriculture which will allow them to build their businesses and lives around. This is one of the main reasons why many people are currently not attracted to the agricultural farming sector. Farming has many advantages in its lifestyle but the economic realities of today's cost of living mean that for most young people, a career that has the potential to return at least the average industrial wage and greater is a more prudent choice. It is recognized that international markets have a huge influence on much of our output prices. However, we live in a high-cost economy, our Government and the EU must strive to address the cost of doing business for farmers. High input costs coupled with the high cost of regulation can often leave Irish farmers uncompetitive and this needs to be addressed.

For the older generation of farmers, their long-term economic survival is also a key influence and often the main barrier to a timely farm succession and handover of farmland to the next generation. A well-funded farm succession scheme must give financial security to farmers who have spent their working lives in the agricultural sector. Many of these more mature farmers will be completely dependent on state pensions and live in fear of the high cost of healthcare in the future. Many elderly farmers have taken the decision to retain land in particular as their own security net. This must be addressed in the farm succession scheme the government has committed to in the Programme for Government.

IFA welcomes this Government commitment in the 2025 Programme for Government for a Farm Succession scheme that supports generational renewal and the commitment to act on the recommendations from this Commission. A Farm Succession scheme is a fundamental part of this objective to encourage both the older generations to allow younger people to become more involved in



the management of farms and control of the assets and also to give the young farmers security that there is a future in farming for them.

## Background

Attracting the next generation of young people into Irish agriculture is essential for the continuation of a sustainable farming sector. Statistics published by the CSO and Teagasc in recent publications are clear; we have a significant issue with regard to farm succession in Ireland. 7% of farmers under the age of 35 while over 30% are over the age of 65. This demographic will not allow the Irish family farm model to continue in the coming generations, unless a number of policy and mindsets changes are implemented.

Policy is important to support the timely transfer of farm management, financial responsibility and farm assets to younger generations. National and EU policy can remove barriers and provide supports for both generations, the experienced and youth, to facilitate this transfer in a more timely fashion than has occurred over the past 20 years in Ireland. The EU Agricultural Commissioner Christophe Hanson address the IFA AGM on the 23rd of January 2025 and outlined generational renewal as one of his key priorities during his tenure as EU Agricultural Commissioner and in the next Common Agricultural Policy (CAP).

### Questions proposed by the Commission to be addressed in this submission:

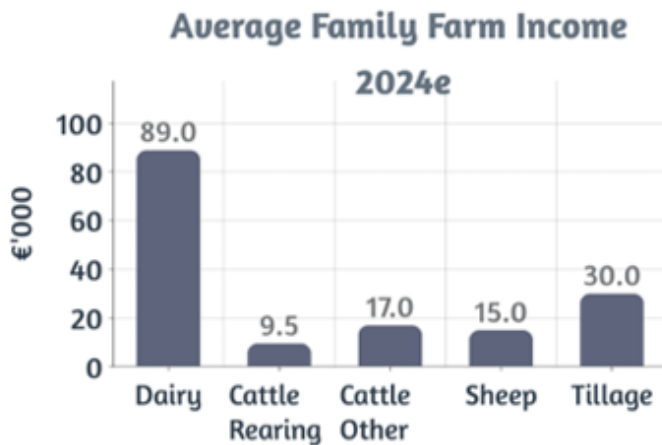
1. What do you feel are the key issues behind the aging farming sector?
2. With just 7% of farmers in Ireland under 35, what can be done to encourage more young people into agriculture?
3. A third of all farmers in Ireland are over 65. What can be done to assist those older farmers to engage with succession and generational renewal?
4. There are a range of supports currently available to support generational renewal, including measures under the current CAP Strategic Plan, a suite of taxation measures, education & training, and access to finance measures (see appendix 1 for a summary).
  - What do you think of the current measures for supporting and promoting generational renewal?
  - Are there any additional initiatives that could be undertaken, or could the current supports be improved?

## 1. What do you feel are the key issues behind the aging farming sector?

### Economic Viability

Income potential is fundamental to encouraging generation renewal.

The Teagasc economic report published in December 2024 *Outlook 2025, Situation and Outlook for Irish Agriculture*, demonstrates that most agricultural sectors are simply not viable on a full-time basis. Dairy is the only mainstream sector which has the ability to provide sufficient income to the younger generation who have an ambition to become full-time farmers. Average industry salary in Ireland stands at c.€44,200 in 2024 and the drystock sectors have failed to return anywhere near this return over many years. The 2024 estimated income shows an improvement, after a poor year for agriculture sectors in 2023, but still remains at an insufficient level to encourage more younger farmers to enter the sector.



*Teagasc Annual Review and Outlook 2025*

Cost of doing business in Ireland is increased by the high burden of regulations, which places additional cost on farmers in carrying out their normal day to day farming activities. The IFA campaign in early 2024 “*Enough is Enough*” highlighted that additional regulations and compliance were placing unnecessary cost and burden on farmers, and similar farmers campaigns took place across many member states in the EU.

## Agricultural Supports

EU and national schemes provide necessary income support to agriculture sectors with the dry stock cattle and sheep sectors extremely reliant on this income stream but is also fundamentally important to the viability of our tillage and the dairy sectors. EU support schemes in the form of BISS (basic income support scheme), Conditionality and Eco-schemes, in conjunction with number of national support schemes such as ANC's (areas of natural constraint), TAMS (targeted agriculture modernisation schemes), and ACRES (agri-climate rural environment scheme)

Regardless of incentives and schemes to support young farmers and new entrants which are important to encourage generational renewal, it is long term income which will ultimately be required to have a sustainable renewal of our farming demographic into Irish agriculture. Supports mentioned above and additional schemes must be fully funded at both EU and national level. The EU multiannual financial framework (MFF) needs to increase to provide an increased CAP Budget that can provide support through schemes to current farmers along with additional financial support for new entrants and younger farmers.

## 2. With just 7% of farmers in Ireland under 35, what can be done to encourage more young people into agriculture?

There is no one measure that can encourage more young people into agriculture but rather a combination of factors. One of the main and often overlooked barriers to generational renewal is it the current cohort of mature farmers must be mindful that without encouragement and support to the next generation, young people will not contemplate agriculture as a viable option.

While education, often up to third level, has been high on the priority list of many farming families for their children and will hopefully remain so, it should not be to the exclusion of agriculture as a career choice. Some of the best farmers have level 8 and higher education in areas such as science, engineering, and business. No educational experience will be unused as a farmer.

Public perception of farming plays a crucial role in shaping the future of agriculture. There is a growing need for positive education and awareness campaigns to inform the general public about the realities of farming, the sustainability efforts of farmers, and the essential role agriculture plays in society. Misconceptions about farming can lead to negative attitudes and unrealistic policy expectations, which may discourage the next generation from entering the sector. It is vital that government policies not only support environmental measures but also ensure they do not place undue burdens on farmers, making agriculture an attractive and viable career choice for young people.

There is a responsibility on farmers and their representatives to encourage the next generation to be engaged in the sector where it is viable. Farmers can often be the most vocal detractors of the sector as a career choice and way of life, but the reality is there are many benefits to agriculture as a career choice over office based or less diverse occupations.

The current supports listed in *Appendix 1 Summary of Supports* on gov.ie [www.gov.ie](http://www.gov.ie) **Public Consultation on Generational Renewal in Farming** give a list of the current supports. One of the most critical supports that needs to be addressed within this list is access to finance. The Growth and Sustainability Loan Scheme (GSLs) is a useful source of finance for many farmers but is not dedicated to the younger generation of farmers, this is what is needed. Competitive finance over a long term (20+ years) to reduce repayment burden in early start up years of establishment, with no security is required. Access to finance is a major barrier to entering agriculture in your own right and increasing the availability of accessible finance to the next generation will encourage more young people to explore agriculture as a viable option.

A new succession scheme (not a retirement scheme!) that will provide financial assistance and encouragement to more mature farmers to create succession plans and implement these plans. This would see younger farmers gain managerial responsibility for farming operations over an agreed time frame (example 5-10 years) resulting in the gradual transfer of assets including land title to young farmers between aged 30-40 of age.

### **3. A third of all farmers in Ireland are over 65. What can be done to assist those older farmers to engage with succession and generational renewal?**

A new Farm Succession scheme, as committed to in the *Programme for Government*, rather than a retirement scheme, is required to encourage generational renewal in farming. A major barrier for the older generation of farmers to succession is the financial uncertainty of life after farming. Many older farmers do not have private pension funds and will be reliant on the state contributory pension, and in many incidents the farmers spouse might have a dependent state pension or none at all. Reliance on state pension (€289 per week) is not a viable option for most older farmers living in rural Ireland.

Farmers in the older generation are afraid of the concept of outright retirement and succession is a far more acceptable concept to encourage the timely handover of managerial responsibility, and assets, to the next generation.

See appendix 1 IFA Pension Proposals Budget 2025.

Promotion by DAFM and Teagasc of the need for succession planning in conjunction with local professional providers of taxation and legal advice. Teagasc organized a number of regional clinics in 2024, titled “*Transferring the Family Farm*”. These events were very well attended, highlighting the need for greater education and information to be provided to the older generation of farmers about succession planning. Initiate such as these events need to be increased and supported by DAFM. Many farmers do not have the basics such as a legal Will made, let alone a succession plan. Communication around this is key and sessions such the “*Transferring the Family Farm*”, event organised by Teagasc are to be applauded and should be supported in the coming years. Ultimately, farmers need to engage the professional service of their own solicitors and tax advisers, sit down and go through their own individual circumstances and start the succession plan process.



Very often there is huge reluctance among the older generation to relinquish managerial control of the farm, the finances, and the land to the next generation for fear and insecurity about their own financial status into older age. Medical costs and private nursing home care costs often weigh on the minds of many older farmers. The Fair Deal scheme remains very much misunderstood by many farmers. It is often advised by

*See appendix 2 IFA Fair Deal Proposals Budget 2025*

**4. There are a range of supports currently available to support generational renewal, including measures under the current CAP Strategic Plan, a suite of taxation measures, education & training, and access to finance measures (see appendix 1 for a summary).**

- What do you think of the current measures for supporting and promoting generational renewal?
- Are there any additional initiatives that could be undertaken, or could the current supports be improved?

Currently The **CAP Strategic Plan 2023-2027** supports are all excellent initiatives to support the next generations of farmers, but they do not address the barriers for young people to enter farming such as the lack of (and perceived lack of) a viable income, access to finance and access to land.

The current taxation measures to facilitate farm succession are positive for young farmers and must be retained. Stamp duty reliefs for younger farmers (<35) are a significant incentive to encourage the transfer of land assets to young generations.

Access to finance is a major barrier to young farmers entering the sector and must be increased through long term (20 year plus) unsecured finance for qualifying new farmers. IFA call on the EU Commission to provide financial supports through the European Investment Bank to facilitate this additional finance to be administered by the Strategic Banking Corporation of Ireland SBCI with a ring-fenced young farmer fund.

The main initiative that is required is the introduction of a **Farm Succession Scheme** as committed to in the Programme for Government. IFA proposes that such a scheme will provide financial support to the older generation to give finance security as they implement a succession plan that will gradually see the management, financial control and assets being transferred to the younger generation. The younger generation will be provided with a plan where they can learn on the job, become financially responsible for the day to day operation of the farm, become involved and responsible for the medium and long-term investments and ultimately require access to the farm assets.

## Education

IFA calls on The Department of Finance to ensure all Teagasc education courses are fully recognised as approved courses to allow for tax reliefs similar for other third level education courses.

## **Appendix 1**

### **IFA Pension Proposal Budget 2025**

In many instances, often due to low-income levels, farms find themselves at a disadvantage when it comes to receiving the state pension. There is a requirement for these farmers to be treated in a fair manner to recognise their lifetime of work and contribution to the Irish economy.

IFA Propose:

- Similar to recipients of the Jobseeker's Benefit and Jobseeker's Allowance, recipients of Farm Assist should receive credited social insurance contributions for pension purposes.
- The Total Contribution Approach (TCA) for calculating Contributory State Pension payments should be implemented in line with National Pension Framework (2008) agreement.
- The option for people to use the "average" calculation should be retained so as not to disadvantage people who may have entered the social welfare system later in life.
- Social insurance credits should be provided to farmers on Farm Assist prior to 2007, when they were ineligible to make PRSI contributions under the scheme.
- All farmers and spouses/partners working on the farm, to be included in the PRSI system to ensure entitlement to the contributory old age pension and reduce the risk of poverty in old age
- A review of the means tested calculation for the non-contributory old age pension. Attributing notional income to assets where in reality no such income has materialised is not conducive to the primary objective of the non-contributory
- pension of ensuring that individuals over the age of 66 have a minimum amount of cash at their disposal on a weekly basis.
- The new Workplace Pension Scheme must be extended to include farmers and other self-employed people, with every €3 saved by a farmer, a further €4 will be credited to their pension savings account by the Government.
- The introduction of a retirement/pension scheme to encourage farmers to transfer farms to a younger generation.



## ***Appendix 2***

### **IFA Fair Deal Proposal Budget 2025**

Older farmers and other older people living in rural Ireland can experience poverty and social isolation because they rely on small, fixed incomes that are vulnerable to increases in the cost of living or unexpected expenses, such as medical care. Rural dwellers face higher costs of living than those in urban areas, particularly in expenditure on transport and the necessity to own a car. The needs of older people and low income farm families need to be addressed.

IFA Propose:

- A reduction of the 5-year land/business transfer clause to a maximum of 3 years to allow more farmers to benefit from the Fair Deal Scheme.
- The new a new, statutory Home Support scheme needs to be introduced as a matter of urgency and adequately funded to support older people to live at home.
- In the interim older people need to be supported to live at home through increased funding for the Home Support Service so that the number of hours provided is increased.
- Private nursing homes need to be supported at the same rate as public nursing homes to ensure older people are cared for close to home.
- The new Workplace Pension Scheme must be extended to include farmers and other self-employed people, with every €3 saved by a farmer, a further €4 will be credited to their pension savings account by the Government.