

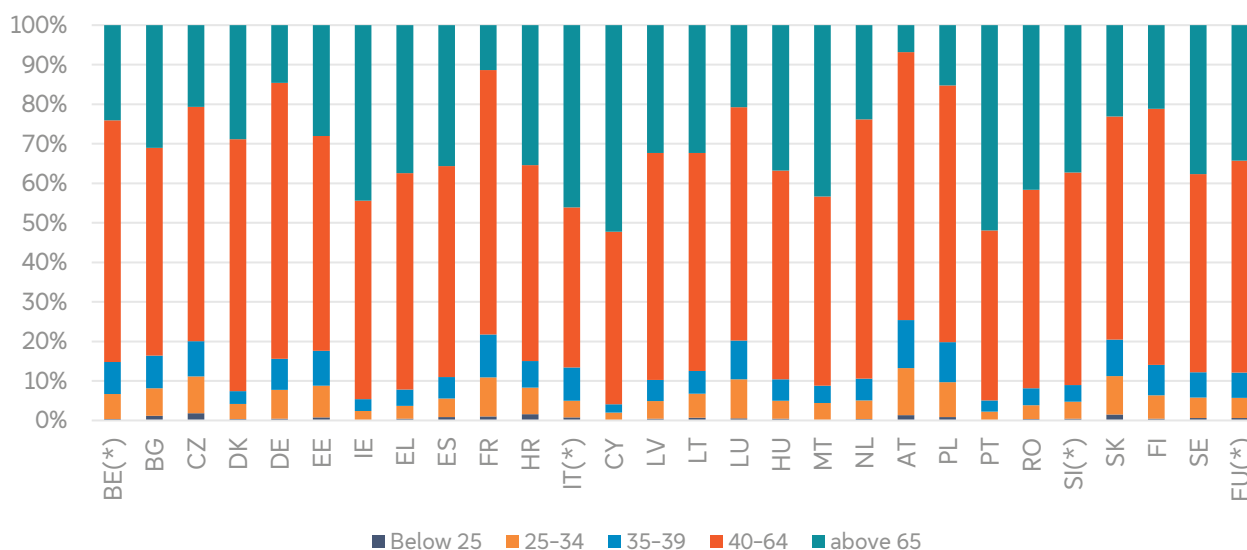
Generational change in agriculture: Comparative analysis of businesses run by young farmers in selected EU countries



Key findings

Structural change affects the farm sector in Europe. Overall, the number of young farmers continues to decline – from around 1,1 million in 2016 to 960.000 in 2023. In 2023, around 11% of European farmers were below the age of 40 and only around 1% were below the age of 25. Against the backdrop of structural change and the impacts of demographic decline in the farming sector, the Common Agricultural Policy (CAP) 2023-2027 provides around EUR 8,5 billion in public expenditure to support young farmers. This includes dedicated support from a set of instruments, such as complementary income support for young farmers (CIS-YF), start-up aid for young farmers and new entrants (INSTAL), higher aid intensities for investments (INVEST), and other support via advisory services, training and cooperation targeted at young farmers.

Age composition of farmers in 2023



Source: ÖIR GmbH, based on Eurostat Farm Structure Survey data. Note: 2023 data was not available or incomplete at the time of publication for Belgium, Italy and Slovenia (*)

This study assessed the characteristics of farm businesses of young farmers in four Member States: Finland, Spain, Luxembourg and Poland. The four Member States implement specific support to young farmers and cover a variety of production systems, with generally more specialised young farmers compared to the overall sector.

In Finland, on average at around 94 hectares, farms managed by young farmers are larger than of farmers above 40 years (on average 69 hectares). The Finnish farming sector is characterised by a relatively high degree of specialisation, particularly in field crops, dairy and other grazing livestock. Young farmers operate similar farm businesses as the overall sector, albeit with a comparatively higher specialisation in dairy and other grazing livestock.

Young farmers in Spain manage farms which are, on average, slightly larger than those of older farmers: 51 hectares compared to 47 hectares. Spain's agricultural sector is characterised by a high share of farms in permanent crops, wine, field crops and non-dairy grazing livestock. Spanish young farmers are more likely to specialise in non-dairy grazing farms and horticulture and slightly less specialised into permanent crops.



Luxembourgish young farmers manage farms of, on average, 109 hectares, compared to 93 hectares for older farmers. Luxembourgish farms specialised into dairy, other grazing livestock, as well as field crops and wine. Young farmers tend to be more represented in dairy farming compared to the overall farming sector.

Polish young farmers operate farms with a similar size as their older peers (on average 21 hectares). They are active in similar sectors (field crops and dairy) with lower numbers of mixed farms compared to the overall farm sector.

In the four analysed Member States, the CAP plays a central role in supporting young farmers, particularly using complementary income support (CIS-YF) and start-up aid (INSTAL), but also other interventions, such as via investment support (INVEST) and cooperation (COOP). The Member States implement complementary national policies supporting young farmers with an emphasis on business continuity. Finland, Spain and Poland improve access to finance and land with financial instruments. Luxembourg leans heavily on the CAP implementation structure by applying substantial national co-financing for generational renewal schemes, with a specific attention placed on human capital improvements of young farmers. Poland operates a dedicated social security system for farmers, alleviating income-needs among older farmers.

Conclusions and policy options

Generational renewal and approaches to attract young and new farmers are emphasised in the proposals and strategies accompanying the discussion of the Multiannual Financial Framework 2028-2034. The proposals for the CAP 2028-2034 (COM(2025) 560 final) require Member States to develop national strategies on generational renewal within the new National and Regional Partnership Plans. The proposal also includes new measures, such as the “Starter Pack for Young Farmers”, covering set-up aid, investment support, financial instruments and advisory services, accessible through a single package. Although no explicit ringfencing of CAP funding for generational renewal is included in the regulatory proposals (in contrast with the minimum of 3% of national envelopes for direct payments to be used to finance measures for young farmers in the CAP 2023-2027), the Commission’s Strategy for generational renewal in agriculture (COM(2025) 872) recommends that at least 6% of ring-fenced agricultural expenditure be dedicated to generational renewal.

- **Generational renewal can be supported through integrated policy mixes that combine CAP support with national policies to target needs, especially access to land, which are traditionally not covered by CAP interventions.** The analysed Member States complement CAP support by implementing specific national instruments to target needs of young farmers tied to financial liquidity and access to land via non-CAP interventions.
- **Simplified and one-stop shop application procedures for young farmers should be mainstreamed, especially to consolidate national and EU support.** The complexity of the administrative processes underpinning support can be a hindering factor in promoting synergies between national and EU policies for young farmers.
- **Specific attention is recommended to mitigating disincentives on farm exit of elderly farmers due to national legislation and policies, such as tied to inheritance taxes and laws or the pensions system.** The analysed Member States apply national policies, such as tax exemptions and provisions in inheritance laws and social security systems, to incentivise farm transfer.
- **Financial instruments can leverage private capital via preferential loans, state guarantees and interest subsidies to finance capital and land investments.** These tools can complement core CAP delivery approaches (such as INSTAL and CIS-YF).
- **Support to young farmers should be flanked by general support to improving quality of life in rural areas, especially by supporting essential services and the economic fabric of those areas.** This includes improving the availability and accessibility of essential services and transport infrastructure.
- **National and EU support to young farmers should account for the specific needs of women as young farmers to improve attractiveness and vitality of the sector.** The analysed interventions in the four Member States place a focus on supporting family farms and intergenerational transfer between family members. However, women as young farmers remain underrepresented in the sector.

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Administrator responsible: Lapo NANNUCCI

Editorial assistant: Jana BERGMAN

Contact: Poldep-cohesion@ep.europa.eu, Further information: <https://research4committees.blog/agri/>. Follow us: [@PolicyAGRI](https://twitter.com/PolicyAGRI)

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