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AGRICULTURE & INNOVATION



# EIP-AGRI Focus Group

## New entrants into farming: lessons to foster innovation and entrepreneurship

MINIPAPER: Advisory and supportive systems for New Entrants – 01 12 2015

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## 1. Introduction

The objective of this mini-paper is to identify and describe advisory services and support systems for new entrants into farming in European settings. Many existing advisory services are not specifically focused on new entrants, and new entrants looking for advisory services may not find them relevant to their needs. We have identified three primary issues facing New Entrants (NE):

1. Need for technical knowledge
2. Networking - knowing where and how to find networks
3. Where to find information?

New entrants are almost by definition trying to do something different, and many are looking outside of conventional advisory services to find advice and knowledge that is relevant to their specific needs. It is worth mention here that there is not reliable information available (statistics) about new entrants in most European countries. There is no data collection who NE are and how many exist. In many countries there are formal associations of young farmers, however it is unknown how many of the young farmers are actually NE.

Using case studies and examples of best practices drawn from our collective experiences, we also aim to provide solutions for new entrants to draw on. We will finally provide a number of potential solutions, creative approaches or directions for research to respond to the needs of new entrants. One approach we have also identified is the need to provide training to advisors so that they are better equipped to advise new entrants in their specific needs.

## 2. Need and sources for knowledge

Running a successful farming business requires knowledge in a wide variety of areas. Farming practices e.g. growing carrots or taking care of cattle are usually learned both from experience on farms as well as agricultural training and thus constitutes serious challenges NE face. These skills can be learned from different schools, on the job and through training courses.

General business skills such as marketing, accounting and management, can be previously acquired by NE and can actually be one of the key factors for new entrants' success. In this sector the innovative solutions and previous experience is a valuable resource to be traded and spread across agricultural businesses.

Knowledge about markets and supply channels is also required. Generally sales of farm products in conventional agriculture is through long term contracts between wholesale companies and farmers. These markets are for obvious reasons quite closed to NE to enter and alternative solutions to supply chain are often necessary. Certain openness of wholesale markets could lead to better balance in supply-demand and encourage new entrants through secured sales. New entrants are often innovative in their marketing strategies, using CSA schemes or short supply chains, farm-to-table or small producer's cooperatives. Otherwise finding a niche product or a niche market is usually required for NE to be successful.

Farming also requires a lot of paperwork and knowledge about policies and available subsidies. Many organizations offer training to all farmers about required paperwork and NE can easily use the same services. Becoming familiar with farming administration and paperwork can take a long time for NE and in that sense be a discouraging factor. On larger farms the importance of subsidies is higher and NE farms tend to be smaller so economically the difference seems not so big between experienced farmers and new entrants.

According to a Hungarian survey on knowledge sharing needs among young farmers from whom there is a substantial part of NEs, variations of peer-to-peer or farmer-to-farmer training is the most appropriate training method for production and technical skill development. Also, the specialized nature of small farm enterprises (as most NEs are small in farm size) tends to stress market training as a crucial category as well. Market creation is often more critical for addressing small farm economic issues than market access. Creating markets involves coordination of production with market research and tends to bring the farmer off the farm and into the realm of the consumer. This is a more complex process than simply arranging access to an existing marketplace as it necessitates development of a different skillset than either producing or processing the original product. Obviously specialised alternatives of marketing – such as CSA – serve as a complex solution to a complex challenge from the farmer's point of view.

### Specificities of CEE countries

According to a Hungarian survey on knowledge sharing needs among young farmers from whom there is a substantial part of NEs, variation of peer-to-peer or farmer-to-farmer training is the most appropriate training method for production and technical skill development. Also, the specialized nature of small farm enterprises (as most NEs are small in farm size) tends to stress market training as a crucial category as well.

For most of NEs transferring from other sectors and previous non-farm experience to agriculture the most requested education and training is in production methods. The range of composition of production enterprises as well as geographical distribution play important roles in developing proper training and educational capacities, and these programs must be adequate for NEs delivering practical, useful, hands-on knowledge. It is stressed here because most of the trainings or advisory services in Central-East European (CEE) countries are very theoretical; often there is a "reality gap" gap between the trainers and the trainees.

Formal education in CEE countries is mainly not adequate to prepare someone to farm as it is too theoretical and not practical enough. Specialised types of farming, such as organic farming seems a plausible solution for NE. Most NEs in Hungary interested in organic production methods as well (either certified or non-certified). This group approaches farming either with degrees and work history from outside of agriculture, or education that is primarily focused on conventional, non-organic production. This dual handicap increases the need for continuing education and training programs that do focus on organic production methods for NEs. However, for

the NE with higher education and business experience from other sectors it is easier to use the opportunity of Internet and social media to access the customers and communicate among themselves sharing advice and experience.

### 3. The power of human interactions

#### Community Supported Agriculture

Alternative approaches to markets, farming practices and funding options are more popular among new entrants. One popular alternative way to handle many aspects of farming business is CSA (Community Supported Agriculture) networks. The community can be a group of farmers, clients and other parties to operate and finance the production and distribution. Valuable knowledge can be traded among participants, whether they are producers or consumers. The consumer sector can inform the farmer about demand for specific crops, which allows farmers to respond with adequate supply and farmers can exchange knowledge about best practices for production. A part of operation i.e. transport and distribution can also be organized by dedicated parties thus relieving farmers to focus on production. Internet based services can prove to be highly valuable in connecting cities and rural areas to organize supply chain of farming products. In France CSA approaches have increased considerably since 2000 and are a very popular, secure and safe short supply chain solution for NE. CSA seems an ideal marketing structure for many NEs as a way to secure the farmer's startup phase. The community dimension is important, if a problem occurs, the consumers can help the farmer to solve it. The solidarity between the farmer and the consumers is a success factor of the farms' startup.

#### Peer-to-peer support

For new entrants, working together can also be a great source of inspiration, and good support. In the farm incubators developed in France, it is frequent that several future farmers work in the same field, but in different plots. Each one has his own way of producing, but they can see each other, they can exchange on the way they are doing things, on the difficulties they are facing, and on the solutions they have found. They can help each other if necessary, and they can also commercialize together. The fact that they are testing their projects side by side creates a solidarity that will be mobilized in the future.

#### Internships

Many agricultural studies, especially below university level, include work experience. Often it is advised or even mandatory to obtain it by working on a farm. From farmers' perspectives this can be seen as a low cost or even free workforce, though it requires a significant level of mentoring and guidance and received value from trainee labour is usually less than with an experienced worker. For example, Lehtokummun Tila, a Finnish case study farm, involves a lot of interns on their farm and sees it as one key factor to their success and as development of agriculture over all. Sometimes the intern/student can be a future new entrant and work experience could be seen as a networking opportunity in addition to gathering knowledge.

Unifying agricultural studies and farmers' (new or old) networks can be seen as valuable exchange of time, knowledge, work and networks. In many cases in fact a farmer, especially a new entrant, could learn valuable skills from the intern. Seeing a running business of new entrant, the intern could also be encouraged to aim to agricultural entrepreneurship when graduated. Interaction between agricultural studies and farmers exists, but emphasis should be placed on new entrants and innovation.

## 4. Examples of farmer networks, institutional programs and information hotspots to support NEs

Different kind of supportive networks for NEs may exist:

- networks of new entrants
- networks between new entrants and “conventional” farmers
- networks between new entrants and customers or subscriber groups
- mentoring networks between established new entrants and new new entrants, or mentoring networks more generally

Experienced farmers around NE could provide valuable knowledge and possibly support with equipment and land but in general the integration into existing farmers networks is considered a challenge for NE. NE can be seen as waste of time, a threat as a future competitor or otherwise unsuitable for cooperation. For experienced farmer to cooperate with NE would require some additional motivation to which there are good examples.

On the other hand in some cases a retiring farmer does not have a direct successor and NE could gradually adopt the farming operation meanwhile learning effective practices and using existing equipment. In France programmes exist to support the transmission of farms from retiring farmers to new farmers whether they are new entrants or not. These programmes provide financial incentives, support and training to the retiring farmer as well as to the new farmer, irrespective of their status as new entrants or not.

### France

In France a network of CSA organisations called MIRAMAP (formerly known as Alliance Provence) funds experienced CSA farmers to provide training and mentoring through farm visits and exchanges with new entrant or other farmers new to CSA (<http://www.lesamapdeprovence.org/-PAYSAMAP-.html>). This programme is supported by the CASDAR funding mechanism.

The AGIR programme funded in part by the Regional Council of Provence Alpes Côtes d’Azur allowed farms to receive an agro-environmental diagnosis and to apply innovative, environmentally-sound solutions. This created a network of best-practice farms, some of which were veteran (old) new entrants who opened their farms to visits from other farmers ([http://www.bio-provence.org/spip.php?cef\\_ferme13](http://www.bio-provence.org/spip.php?cef_ferme13)). This programme allowed new entrant farmers to experience and learn about practical approaches to best environmental practices and gain a foothold in networks of “old” new entrants, organic farmers or other like-minded peers.

Still in France, NE testing their project in farm incubators (“espaces-test agricoles”) are supported by mentors. Those farmers (or former farmers) take time with NE in order to show them how they work. They are remunerated for that, with money or with an exchange of work.

In France, and Belgium, farm incubators are a tool developed to support newcomers in their startup process.

In a farm incubator, a future farmer can test his project (economic and personal feasibility, personal motivation...). It consists in enabling prospective farmers to develop a real-life, life-size farming activity, in an autonomous way, during a limited period of time (2-3 years), and in an environment designed to reduce risk-taking. At the end of the time period, the prospective farmers evaluate their project and themselves, so as to decide whether to continue their project, modify it or abandon it.

Each farm incubator is different, but they all bring together the necessary conditions for the test:

- a legal framework providing the legal basis for the farming activity;
- production tools (land, equipment, buildings, working capital...),
- a scheme to train, support and advise the future farmer.

It always guarantees the reversibility of the process. If the new comer ultimately decides not to take forward his project, the farm incubator will accompany him in his decision.

Farm incubators are multi-stakeholder initiatives involving various stakeholders: agricultural and rural development associations, business incubators, business cooperatives, agricultural institutions, local authorities, agricultural colleges, etc.

It is useful to consider the steps involved in becoming a NE in France as these can determine how and whether new entrant farmers are able to access information. In general, the simplest path for a new entrant to follow is to contact and register with the local "point info installation" which is meant to offer a single, unique portal for any farmer, whether new entrant or not, and accompany them through the complicated process of establishing a farm business. The difficulty is that these "information one-stop-shops" are not always easy to find nor do they necessarily communicate effectively. Thus even finding them to get onto the farming on-ramp is not trivial, even if they are associated with the Chambers of Agriculture. This brings us to the next step which is declaring the new farm business with the Chamber of Agriculture, which used to be assisted by advisors at no cost. Recently all the advisory services provided by the Chambers of Agriculture have become fee-based, so there will likely be even greater difficulty in disseminating information to new entrants who may be unfamiliar with accessing these institutions. Certain regions such as Provence-Alpes Côte d'Azur previously offered a once-off 3000€ start-up grant to assist with non-material expenses such as advisory services, consulting on business plans, soil analysis, water analysis, initial organic certification, to name a few. These grants are no longer widely available (the PACA region ended them in 2014).

In parallel to the French Chambers of Agriculture, several non-profit organisations such as Agribio or farmer's unions such as the Confédération Paysanne provide assistance to new entrants with establishing a farm and negotiating the numerous bureaucratic hurdles. Most also offer training in a number of domains ranging from accounting, conceptualising business plans, and technical aspects of farming, using the VIVEA funding mechanism (at no cost to trainees). It remains a challenge for new entrants to know where to turn and there is still a heavy reliance on word of mouth and personal communications, referrals and ad-hoc mentoring which can be very effective but is much more difficult to generalise.

## Finland

In Finland any farmer can receive a yearly grant of 3000€ to buy advisory services from selected professionals of which many are experienced farmers. A way to support trading of experience between NE and experienced farmer, e.g. business knowledge to farming practices, would benefit NE and agriculture business in general.

## Bulgaria

In Bulgaria networks are unofficial and rely on personal contacts mainly. Despite the registered branch farmer associations declaring on their web sites that they provide services to their members including training and improving qualifications, as a matter of fact there is not available concrete and practical information about agricultural experience. Most of the services are lobbying at the ministries and project proposal development for EU funding. However there are some Bulgarian farms such as Lunbul and organic farm Moravsko selo which are open and share their own experience and agree to be visited by NEs. Concerning "conventional" agriculture usually NE could find and ask experienced farmer for advice in rural areas as there are still available relatives and or acquaintances with agricultural experience in villages. The problem is innovation and new knowledge as well as marketing as it is difficult to have access to it in rural areas.

During 2001-2009 there was a National project JOBS, funded by the Bulgarian Government, where one of the main priorities was agriculture. A network of business incubators and centres were established and developed to provide local support through information, consulting and mentoring, training and micro-financing. NE had quality services and expertise free of charge or at very affordable prices. For rural areas it used to be very valuable as the farmers had access to knowledge and expertise in a single place. There is not a direct funding for local agricultural support anymore and the business incubators and centres depended on unpredictable EU funding to have financial resources to deliver services and expertise to the local farmers.

The Bulgarian National Rural Network is trying to organize working groups for identifying needs, sharing good practice and experience and encouraging innovation including new farmers.

The [Ministry of Agriculture and Food](#) works with some National branch association of farmers and NE could choose to become their members however there is no an official network of NE so the communication is either individually or through the regular association.

The [National Agricultural Advisory Service](#) (public state agency) provides knowledge free of charge: advice, information, training and other services in the area of agriculture (business plans and project proposal development for EU funding) and assists with the transfer of scientific and practical knowledge into agricultural practice. It also makes chemical soil analyses, plants and forages, irrigation water and fertilizers and makes recommendations.

## Hungary

The current Hungarian advisory and consultancy system is not integrated, but rather fragmented. Four types of institutions/actors offer these services, namely: (a) national level free advisory services, financed by the EU and domestic resources called "village extension service"; (b) the [Farm Advisory System \(FAS\)](#) which is currently under reorganization by the National Agricultural Chamber as applied by the Hungarian Government, supported under the CAP; (c) commercial consultancy; and (d) free consultancy offered by input providers. None of these systems can offer adequate advice for Hungarian NEs. Advisors involved in the first two (a) and (b) are almost exclusively offer administrative support, concerning cross compliance, direct payments, rural development measures, obligations, deadlines etc. Furthermore, they are also supposed to fill in electronic applications and EU payment requests on behalf of the producers. The waste majority of the advisors involved are not able to provide professional advice regarding production technology, business and marketing strategy or anything else goes beyond the formal obligatory administration tasks. Commercial consultancy (c) is market driven and out of scope for NEs because a generally small scale start-up business cannot pay off the price of such a service optimized for big, specialized producers. Due to a significant concentration process Input providers (d) are mainly big firms target their advisory activities for larger farms whose mode of production is "conventional industrial agriculture". Usually, sustainable agricultural practices are not a priority for these consultancies and their service is focused on selling technology packages not optimized for farms run by NEs.

[AGRYA - Young Farmer's Association](#) is a well organized actor, but among its membership there is hardly any new entrants, rather successors from farming families. AGRYA regularly organizes conferences, info events and farm visits but no specific service appointed for NEs. [The Hungarian Research Institute of Organic Agriculture](#) organized some training events targeting young/beginning farmers in 2013 but there was no continuation of this initiative.

Similar to the Bulgarian situation and supposedly likewise in the entire Post-communist countries in Europe there is still no or minimal services available within formalized networks targeting NEs. A limited number of farms accept interns in Hungary but most of the cases the intern is not involved in complex farm activities nor receive any training of formal advice on how to start a new farm operation. No mentorship program exist for NEs.

## 5. Access to information systems

Formal sources of knowledge have been extensively inventoried elsewhere, but whether and how new entrants are able to access these sources remains to be understood.

<http://www.proakis.eu/inventory/country-reports-%E2%80%93-inventory-akis-and-advisory-services-eu-27>

