

SUSTAINABLE TRANSITION OF THE RURAL ECONOMY THROUGH GENERATIONAL RENEWAL



DAFM PROJECT 2021R631

Final Report

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Foreword

Martin Heydon T.D.
Minister of State
Department of Agriculture, Food
and the Marine



I want to congratulate all those involved in the Sustainable Transition of the Rural Economy Through Generational Renewal research project. Generational renewal is a key challenge facing the Irish agricultural industry and I am delighted to see this important research project funded by my Department come to fruition.

Generational renewal is a key priority for Irish agriculture and it was interesting to learn how this project emphasises that a dual focus is required to facilitate this. By highlighting how a framework of supports is required to assist retiring farmers, while simultaneously providing a framework to enable farm successors and new entrants a formal route to farm ownership, this project provides some valuable findings and recommendations.

It is important that new entrant farmers are encouraged into Irish agriculture to achieve generational renewal. The government extends strong supports for generational renewal, both through the tax system and the Common Agricultural Policy (CAP). Industry stakeholders including farmers, agricultural advisory services, and policymakers, can learn from the research conducted in this project to ensure that the full potential of facilitating generational renewal through collaborative farming is achieved.

The project finds that it is also essential that the financial welfare of farmers in retirement is supported to facilitate generational renewal, and that pension provision and the social security system in Ireland for farmers is a key issue in this respect. This project offers some important findings regarding pension provision for farmers which can be considered when future policies are being developed in this area.

Agriculture has survived in Ireland across many generations, it is a huge part of who we are as a country, and I look forward to this project's learnings playing an important part in supporting the current and next generations of farmers.



Executive Summary

This project titled *Sustainable Transition of the Rural Economy Through Generational Renewal* is a funded project conducted under the Department of Agriculture Food and the Marine (DAFM) 2021 funding programme and is a collaboration between Maynooth University and Teagasc. Generational renewal is fundamental to the sustainability of agriculture in Ireland and in many other countries around the world. The information gained in this project makes a significant contribution to research and delivers knowledge for practice and policy around generational renewal.

Sustainable generational renewal programmes necessitate a dual focus. They require a framework of supports for adequate retirement income provisioning for retiring farmers (and their dependants) within a clear exit strategy from the farm. Secondly, a framework to provide farm successors and new entrants a formal route to farm ownership is required. Most farms in Ireland operate as sole-traders and this can hinder family-farm transfers and act as a barrier for new entrants. Collaborative farming and alternative farm business structures offer potential frameworks for families to farm together and for new entrants to join the industry, but to date have low adoption in Irish agriculture. Accordingly, this project has two research objectives (RO's):

- RO1:** To conduct a comprehensive review of collaborative farming and alternative farm business structures in Irish agriculture, its role in farm succession and in attracting/facilitating new entrants, thereby developing a framework for the integration of alternate farm business structures into start-up/succession and retirement planning.
- RO2:** To conduct a comprehensive review of retirement income provisioning in Irish agriculture, its impact on farm succession and on living standards of retired farmers (including their dependants), thereby developing a sustainable model for farm succession which supports both successors/new entrants and retiring farmers.

Through an in-depth review of the literature, the conduction of cross county comparative analysis using a desk-based research approach, the completion of qualitative interviews with farmers and agricultural advisors, and the conduction of a survey with farmers, this study develops a comprehensive understanding of the role of collaborative farming arrangements and pension provision for the farming community to address the generational renewal challenge. This executive summary profiles the key project findings and recommendations.



Project Findings

Several key findings emerge on each of the projects research objectives, which include:

Collaborative Farming:

- The landscape of collaborative farming via alternative business structures across European countries is not uniform.
- There is significant potential in Ireland to assist in the generational renewal challenge.
- The area where growth in collaborative farming arrangements in Ireland is targeted needs to be carefully considered by policymakers given the economic vulnerability of many farm enterprises.
- The reasons for forming, and the benefits associated with, collaborative arrangements broadly centre around two motivating factors; financial incentives, and a desire to involve the next generation in the management of farm enterprises (generational renewal).
- Financial concerns and concerns over uncertainties in the future are seen as significant challenges that contribute to a reluctance of farmers to engage in collaborative farming.
- The main reasons for breakdowns in collaborative arrangements are strained personal relationships among participating farmers, and/or differences between how the arrangement operates post-establishment and the expectations of those involved about how it would work pre-establishment.

Retirement Income Provision:

- Many countries in Europe have bespoke subsidised State pension arrangements for the farming community, which recognise farmers as a unique cohort of individuals and incorporate provisions to ensure that the social insurance system extends fully to all individuals within the farming community.
- The analysis conducted highlights significant differences for farmers across Europe in the qualifying conditions for full contributory State Pension, with the Irish system potentially requiring one of the highest level of contributions- up to 40 years.
- The Irish pension system, by not having mandatory registration for spouses/civil partners and “prescribed relatives” working on farms, and by having a means testing system which imputes notional income to non-cash generating assets, has created significant gaps in social welfare pension coverage within the farming community.
- The findings therefore suggest that Ireland lags in terms of its social security pension system, as it applies to farmers.





- The level of private pension coverage in the farming community is approximately 50% with significant variations depending on farm system – dairy and tillage circa 70%, sheep and cattle circa 40%.
- Reasons given for low private pension coverage levels include, lack of affordability, have not got around to setting up a pension, lack of trust in private pension providers, and reliance on other personal savings/assets to fund retirement.
- Farmers without a private pension cite, the State Pension, family support, continued farming, and private savings/assets as future sources of income after the age of 66.

Project Recommendations

This project provides some key recommendations for consideration by policymakers and industry stakeholders surrounding the two research objectives:

Collaborative Farming:

- Given the potential for growth in collaborative farming arrangements in Ireland policies to encourage increased participation could be developed to specifically target economically viable farms systems and/or lower income farm systems which are not capable of supporting a family on its own, but through co-operation with other more viable farms and/or other farm systems additional collaborative opportunities may arise.
- Farmers contemplating entering collaborative arrangements need to be made aware of the various challenges associated with them prior to establishment, and to be cognisant that such arrangements are not always successful. Therefore, careful planning is required pre-establishment to ensure that they operate successfully.
- Agricultural advisors who are involved in promoting the formation of, and assisting with the establishment of, collaborative farming arrangements need to have a holistic understanding of how they operate so that they can educate farmers in this regard.
- Formalised farm partnership arrangements should be encouraged and incentivised, as within loosely formed “informal” collaborative farming arrangements, no commitment to transfer farm assets to assist in generational renewal exists.
- Policy initiatives could be developed to financially incentivise farmers to engage in succession planning, which could include the consideration of forming formal collaborative farming arrangements such as partnerships and companies.



- While data was available from various sources in Ireland, and in other European countries, on the prevalence of alternative business structures, obtaining accurate and comparable data is quite challenging. More comprehensive and accurate data on such alternative business structures would inform policy development and allow for industry stakeholders to obtain a deeper understating of the farming landscape, and changes over time in that landscape, across Europe in this area.

Retirement Income Provision:

To close the gaps in social welfare pension coverage within the farming community in Ireland policy change is required. This should include:

- Young farmers (successors in waiting), who work on family farms, should be required to pay PRSI from the time they begin to work so that their contribution history for State pension purposes will not be contingent on when they inherit and become farm owners.
- Likewise, spouses and civil partners working on family farms should be required to register for PRSI, to ensure they will have a social insurance contributions history independent of their spouse/civil partner and will not necessarily be reliant on the means test provisions for pension benefits.
- Transitional provisions are required to ensure those currently not adequately covered by the State system do not remain disadvantaged even if mandatory registration is introduced. This could include amendments to the means testing provisions to remove automatic notional imputation of income to non-cash generating assets and automatic attribution of one half of farm assets to spouses/partners. It could also include long-term retention of the “yearly average method” as an optional method of calculating State pension entitlement where this results in a higher pension entitlement than the “total contributions approach”.
- Auto-enrolment does not extend to the self-employed or farming communities nor is there currently any equivalent proposals to help the percentage of self-employed who currently have not got around to organising a pension. Lack of affordability may mean in any event that private pension coverage amongst the more financially vulnerable sections of the farming community will remain low. This exacerbates the requirement for a State pension system which is inclusive of all farmers.
- Increasing private pension coverage amongst the self-employed community including farmers will remain a challenge. Consideration should be given for the extension of autoenrollment in some form to the self-employed community.

1 Background and Study Context

According to the EU Commission, 7% of farmers are under 35 years of age across all EU member states. Ireland, although slightly better than the EU, has presently and will continue to face considerable challenges to encourage the transfer of the farm holding and attract the next generation into the industry. In Ireland, the Department of Agriculture, Food and the Marine (DAFM) in their strategic policy document 'Food Wise 2025', states that environmental protection and economic competitiveness will be considered as equal and complementary, one will not be achieved at the expense of the other, but that sustainable growth of the industry is a core element of the plan. Therefore, there needs to be a balance between economic, environmental and social objectives. This is further highlighted in the recent DAFM policy document 'Food Vision 2030', which seeks to strike a balance between:

- 1 A climate smart, environmentally sustainable agri-food sector;
- 2 Viable and resilient primary producers with enhanced wellbeing;
- 3 Food which is safe, nutritious and appealing: Trusted and valued at home and abroad;
- 4 An innovative, competitive and resilient agri-food sector, driven by technology and talent.

The current generation of Irish farmers face the biggest challenges of their careers with fundamental shifts in policy towards a cleaner and greener society, yet with so many demands on producing food. Change is occurring rapidly with many farmers not having the resources and skills to meet these demands or may not want to be part of it at this stage in their careers. The number of farmers in the older age categories in Ireland is very high, so there is a real and serious threat to the sector if these farmers abstain or are apathetic towards agri-policy. The sector must investigate and establish the necessary supports required by farmers to promote generational renewal to support the policy changes.

Younger farmers face challenges in accessing farm ownership, while older farmers face challenges providing for and transitioning to retirement. Both sets of challenges are interlinked, but the overlap is not always visible. Not only do these issues affect farmers but they also affect, the financial wellbeing of farming spouses/dependants as well as the wider rural economy and rural life generally. The economic importance of the





Irish Agricultural Industry is well documented, however, in these unprecedented times focus has turned to its social importance. It is vital that a sustainable rural economy is developed, not just for economic reasons but for social reasons, such as the basic social need of food supply. Therefore, it is important that research projects like this are undertaken to identify barriers that exist to the sustainability of the industry, develop frameworks that address these barriers and assist policymakers in sustainable generational renewal policy development.

The vision for this project was to contribute to knowledge transfer, policy development and to assist in providing a framework to meet these challenges throughout the farm business lifecycle. Policy development for generational renewal needs to have a dual focus. Firstly, it needs to facilitate entrance routes into the industry for young farmers (successors and new entrants) which facilitate access to farm ownership through collaborative farming and alternative farm business structures. Secondly, it needs to facilitate exit strategies that include a framework of supports for adequate retirement income provisioning so that retiring farmers (and their dependants) have financial stability. Essentially, government policy needs to incentivise the smooth transitioning of farm assets and land to younger farmers, whilst securing financial stability in retirement for older farmers, thereby creating a sustainable transition of the rural economy. As generational renewal is a key focus for the Irish agricultural industry and CAP policy this project builds on the considerable bank of stakeholder knowledge and research recommendations to address challenges in this area. While generational renewal programmes exist, further research and policy development is required to explore additional mechanisms and opportunities to enhance such programmes.

The research objectives recognise the dual role required from generational renewal frameworks. They need to cater for younger farmers (farm successors and new entrants) entering the industry and for older farmers preparing for retirement. In this respect, RO1 focuses on exploring how collaborative farming and alternative farm business structures offer potential frameworks to allow younger farmers enter the industry. While at the other end of the farm business lifecycle, RO2 focuses on exploring retirement income provision and financial stability for the retiring farmer (and dependants), linked to a clear exit strategy from the farm.

The remainder of this report is structured as follows:

- Section 2 outlines the research approach adopted.
- Section 3 provides a detailed summary of the project.
- Section 4 provides details on the project team members.
- Section 5 outlines the dissemination plan for the project findings.
- Section 6 provides our concluding thoughts.



2 Research Approach

The research approach undertaken in this project was multifaceted and consisted of two phases. Phase 1 consisted of an in-depth review of the prior literature and industry data surrounding the two central topics of collaborative farming and retirement income provision. Phase 2 involved empirical data being collected to gain a more comprehensive understanding of each of these central topics through semi-structured interviews and surveys. Each element of the research approach is now described in more detail.

2.1 Desk-based Research

To fulfil the research objectives of the project the research project began with a comprehensive review of the literature surrounding collaborative farming arrangements and retirement income provision. Following this desk-based review of the literature and industry data a cross country comparison of the prevalence of collaborative farming arrangements and the pension systems in operation was conducted to gain an understanding of how the Irish situation compared to other European countries. Subsequently empirical data surrounding pension provision and collaborative farming arrangements was gathered using a mixed methods approach which included qualitative interviews and quantitative survey data.

2.2 Semi-structured Interviews

To gain a deeper understanding of collaborative arrangements it was deemed important to discuss the benefits, challenges, and barriers of them through qualitative interviews with agricultural advisors and farmers who had experience with their establishment/operation. Using a detailed interview guide a total of 20 semi-structured interviews were conducted which comprised of 12 farmers and 8 agricultural advisors. Essentially agricultural advisors and farmers who had experience with the establishment and/or operation of alternative business structures (namely, farm partnerships and limited companies) were selected for interview. Agricultural advisors were interviewed about their awareness of the challenges, benefits and associated issues related to the establishment and operation of collaborative farming arrangements for farmers, based on their role of advising farmers in this regard. To gain further insights on such issues, farmers who operate within collaborative farming arrangements were interviewed to gain an understanding from the perspective of individual farmers.

The agricultural advisors selected for interview each serve a large client base of farmers that engage in farming across a variety of farm systems. All of the advisors have experience in advising farmers on the establishment of collaborative farming arrangements and many having numerous clients currently operating within these structures. The farmers selected for interview also operate across a range of farm systems (including dairy, tillage, cattle, and sheep farming) in order to provide insights across a broad spectrum of farming systems. Interviewees selected included both male and female participants located throughout various counties in Ireland. Appendix 1 provides a schedule of interview participants.

In line with ethical guidelines, prior to participation in the study, each interviewee was provided with a plain language statement (which outlined what the study involved). In addition, a consent form was signed by each farmer and advisor before the interviews commenced which included permission for the interviews to be recorded. Subsequently the interviews were transcribed and analysed using thematic analysis to identify and report patterns within the data.

2.3 Survey Data

The Teagasc National Farm Survey (NFS) is a survey conducted by Teagasc annually in fulfilment of Ireland's statutory obligation, as a member of the European union, to provide farm data to the European Commission. The NFS has evolved and expanded its data collection and analysis over the years, producing a comprehensive set of data and measures relating to farm sustainability, to include economic, social and environmental performance metrics in addition to core farm financial, output and costs data and demographics. The NFS is a survey of approximately 800 farms, which are representative of approximately 85,000 farms in Ireland. To ensure that the sample is representative of the population, farms in the sample are selected at random from strata (categories) in the farm population. These strata ensure that the sample contains an appropriate mix of farm systems and that the economic size (measured in farm output) of the farms selected is also representative of the population. The nationally representative results that are produced are not a simple multiplication of the results for each individual farm. Each farm in the sample is accorded a weighting factor and this means that each farm in the sample is representative of a specific number of farms in the population.

As part of the 2023 NFS the researchers on this project availed of the opportunity to include questions in the autumn supplementary survey, specifically related to the topic of pensions, in addition to the core NFS dataset. The research team designed a set of questions to explore the level of private pension coverage of farmers, the reasons why farmers may not contribute to private pensions, and in the absence of not contributing, what the expected primary sources of income of farmers are after they reach retirement age. The overall NFS was administered by Teagasc and on completion the responses to the questions specially related to pensions were provided to the research team for analysis. The research team conducted a through analysis of this survey, matching the pension dataset to other relevant variables within the wider NFS survey.





3 Project Summary

There is a concern about the sustainability of the Rural Economy in Ireland with business continuity and an aging farming population as one of its major challenges. The increasing average age of farmers and the economic vulnerability of many farm enterprises are indicators of this challenge, with similar issues noted in other countries. Research correlates older land-holders with lower production, reduced efficiency and reduced technology adoption, thereby highlighting significant challenges facing the sustainability of farming. The strongest barriers to innovation in agriculture are identified at farm level, and relate to business structures, lack of land mobility and aging farmers. This is not just an Irish problem, as the EU Commission states that only 7% of farmers are under 35 years of age across all EU member states. With a growing worldwide population, the demand for food is expected to increase by 70% by 2050, and the agricultural industry needs a vibrant and committed workforce to meet such demands. In this context, generational renewal within the industry is of utmost importance.

In this context, sustainable generational renewal programmes necessitate a dual focus. Firstly, a framework to enable farm successors and new entrants a formal route to farm ownership is required. Secondly, a framework of supports for adequate retirement income provisioning for retiring farmers (and their dependants) within a clear exit strategy from the farm is required. The majority of farms in Ireland operate as sole-traders and this can hinder family-farm transfers and act as a barrier for new entrants. Collaborative farming and alternative farm business structures offer potential frameworks for families to farm together and for new entrants to join the industry, but to date have low adoption in Irish agriculture.

Accordingly, this research project has two objectives (RO's):

- RO1:** To conduct a comprehensive review of collaborative farming and alternative farm business structures in Irish agriculture and its role in farm succession and in attracting/facilitating new entrants, thereby developing a framework for the integration of alternate farm business structures into start-up/succession and retirement planning.
- RO2:** To conduct a comprehensive review of retirement income provisioning in Irish agriculture, its impact on farm succession and on living standards of retired farmers (including their dependants), thereby developing a sustainable model for farm succession which supports both successors/new entrants and retiring farmers.

Phase 1 of Project

The initial stages of our project were desk based, as we sought through a comprehensive review of both academic articles, industry reports and governmental briefings, to ascertain the state of play elsewhere in Europe. Establishing European practice in both these areas established benchmarks to assess Irish performance and develop policy recommendations.

Our first paper titled *“The Role of Collaborative Farming in Generational Renewal and Farm Succession”* highlighted that the prevalence of alternative business structures across European case countries is not uniform, and that potential for growth in collaborative farming exists in Ireland to meet the generational renewal challenge. It is important to note that the area where growth in those structures is targeted needs to be carefully considered by policymakers given the economic vulnerability of many farm enterprises. For example, it is questionable how attractive a taxation benefit would be to farmers considering incorporation. In this context, while incorporation

can undoubtedly act as a mechanism to facilitate generational renewal, careful attention to where the focus of policy development is targeted is imperative. While data was available from various sources in Ireland, and in other European countries, on the prevalence of alternative business structures, the researchers found that obtaining accurate and comparable data proved quite challenging. It was also noted that some collaborative farming arrangements appear to be more formalised across different countries. For example, in Ireland some farmers may be working in partnership together under an informal arrangement and are therefore not captured in any data sources in this area, while a similar situation may, or may not, exist in other countries. Consequently, a recommendation emerging from this study is a call for a more uniform classification of the various types of alternative business structures in existence, and a more accurate and comparable dataset detailing the prevalence of these business structures, in agriculture across European countries. More comprehensive and accurate data on such alternative business structures would inform policy development and allow for industry stakeholders to obtain a deeper understanding of the farming landscape, and changes over time in that landscape, across Europe in this area. This paper was published in a peer reviewed academic journal – *International Food and Agribusiness Management Review* – the full article can be accessed at https://brill.com/view/journals/ifam/27/1/article-p94_6.xml

Our second paper titled “Pension Provision in the Farming Sector – Lessons from Europe” identified a number of European countries with State subsidised bespoke social welfare pension systems for farmers, which recognise the complexities of the family farm structure and extends social insurance coverage to all family members working on the farm. This includes quasi mandatory social insurance registration for all working in the industry, favourable contribution rates and a pension top-up (means tested in some countries) where individuals do not have the required levels of contributions to qualify for the full contributory State pension. All this in turn requires significant State subsidies. The Irish system, by not having mandatory registration for spouses/civil partners and “prescribed relatives” working on farms, and by having a means testing system which imputes notional income to non-cash generating assets and attributes 50% of farm asset ownership to spouses/partners regardless of the cash reality, has created significant gaps in social welfare pension coverage within the farming community. This has consequent potential effects on poverty for farmers in old age and creates a reluctance to retire and pass on farm businesses to the younger generation. The findings of this paper suggest that Ireland lags in terms of its social security pension system, as it applies to farmers and that reform is needed to ensure that a basic State pension is available for all engaged in farming to protect their financial welfare and the financial welfare of their spouses/partners in retirement thereby facilitating full retirement and supporting generational renewal in agriculture.

Phase 2 of Project

After undertaking the desk-based element of the research project the research team proceeded to gather empirical data to develop a further understanding of the issues explored in the two research objectives of this project.

To develop **our third paper “Evidence from the Ground: Insights into Collaborative Farming for Generational Renewal”** interviews with farmers and agricultural advisors were undertaken to gain a deeper understanding of the operation of collaborative farming arrangements in Ireland. The findings highlight that the reasons for forming, and the benefits associated with, collaborative arrangements are broadly focused on two motivating factors; financial incentives, and a desire to involve the next generation in the management of farm enterprises. It was noted that involving younger farmers in collaborative farming arrangements not only facilitates the sharing of ideas and joint decision-making, but also provides younger farmers with a sense of involvement in the management of a farm enterprise, rather than being considered a farm labourer. The strong emphasis on “financial incentives” as a key driver for establishing collaborative arrangements demonstrates that policy initiatives that include a financial incentive could have a positive effect on increasing farmer participation in collaborative arrangements. Despite these benefits, barriers to the establishment, and challenges associated with the operation of, collaborative farming arrangements exist. Financial concerns and concerns over uncertainties in

the future are seen as significant challenges that contribute to a reluctance of farmers to engage in collaborative farming. The “financial concerns” mainly refer to a concern about the ability of the farm enterprise to support all collaborating parties, and a concern over the retirement income of farmers who may be stepping back. In terms of “concerns over uncertainties in the future”, these often relate to the absence of a clearly documented succession plan. The administration process around the establishment, and ongoing reporting requirements, associated with collaborative arrangements (primarily partnership arrangements and limited companies) is also noted as being quite onerous and cumbersome, thereby acting as a deterrent to an increase in their prevalence. This paper also identifies the main reasons why collaborative arrangements breakdown. Quite often the reasons for breakdowns are strained personal relationships among participating farmers, and/or differences between how the arrangement operates post-establishment and the expectations of those involved about how it would work pre-establishment. Essentially trust among collaborating parties is key and this can often be achieved through open communication surrounding issues pertaining to farm management, decision-making procedures, future intentions for the farm enterprise, and how disagreements can be resolved. Procedures for addressing these issues could be documented in a comprehensive formal agreement.

Finally, in our fourth paper “*Pensions through the lens of the Farmer*”, the attitudes of farmers to private pension provisioning to supplement their State pension in old age was explored using the Teagasc National Farm Survey. While the objective of the State pension is to provide a basic and effective protection against pensioner poverty, it is not designed or intended to secure a high level of pension adequacy.

As the ‘first pillar,’ the State pension should, in most cases, be combined with individual retirement savings in the form of ‘second pillar’ occupational pensions and/or ‘third pillar’ personal pensions.

(Government of Ireland, 2018)¹

Therefore, supplementary savings arrangements aim to secure a payment level in retirement that, when combined with the State pension, replaces a sufficient proportion (e.g. 50%– 60%) of an individual’s pre-retirement earnings to enable the individual concerned to maintain a reasonable standard of living after retirement (Government of Ireland, 2018). Our findings suggest that only approximately 50% of farmers have any form of private pension, but there is quite a variation across the various farm systems reflecting the disparity in underlying farm incomes. Dairy and tillage farmers indicated the highest rate of private pension coverage (in excess of 70%), while coverage among cattle and sheep farmers was much lower (close to 40%). Reasons given for non-coverage were: lack of affordability, lack of trust of pension providers, tax relief of no value, not enough time to organise a pension, and other personal savings available to fund retirement. The overall low coverage rate is not inconsistent with coverage rates for the self-employed generally. The Irish Central Statistics Office (CSO) “Pension Coverage Report 2023”² reports that in Quarter 3 of 2023, the supplementary pension cover of persons who are self-employed, and/or assisting relative, was 54% and this had dropped from 56% in the same period in 2022. By comparison, seven in ten (70%) employees have supplementary pension cover, an increase of two percentage points on the same period in 2022 (CSO, 2024). Of those without supplementary coverage, the main reasons cited in the CSO report were lack of affordability (43%) and never got to organise it/will do at future date (also 43%). Our findings emphasise the requirement for a State pension system which extends to and is inclusive of all farmers, given their low levels of “second pillar” coverage. Auto-enrolment, due to be implemented in January 2025, will go some way towards addressing low private pension coverage in the employed community or at least for the percentage of those employees currently without supplementary coverage who can afford but have not got around yet to organising a pension. It is less clear how employees, who cannot afford a pension will cope with the additional deductions from their take-home pay. Auto-enrolment however does not extend to the self-employed at all, nor is there currently any equivalent proposals for the percentage of self-employed who currently do not have a private pension. Increasing private pension coverage amongst the self-employed community including farmers will remain a challenge. Consideration should be given for the extension of auto-enrolment in some form to the self-employed community.

¹ Government of Ireland (2018) *A Roadmap for Pensions Reform 2018-2023* available at www.gov.ie

² CSO (2024), *Pension Coverage 2023*, available at www.CSO.ie

4 The Research Team

This project brought together leading researchers in the areas of financial management, pensions provision, and issues surrounding the rural economy from Maynooth University and Teagasc. Members of the research team have detailed knowledge and experience of the structure and dynamics of the farming sector in Ireland. The impact of their involvement in this project is far reaching, with opportunities to engage with the farming community and wider agricultural sector to disseminate the knowledge gained from this project and the potential to contribute to policy development for the sector. The research team is set out below:

- **Dr. Michael Hayden**

Project Lead and Principal Investigator (Maynooth University)



Michael is an Assistant Professor of Accounting in the School of Business at Maynooth University. He is a Chartered Accountant and lectures in the areas of financial management, management accounting and financial accounting. Michael comes from a farming background, and this ignited his research interests in the agricultural industry on which he completed his PhD. Michael is an experienced researcher and disseminates his research at national and international conferences. He has published his research in leading national and international peer reviewed journals. He has also won an award for his research and has secured significant amounts of research funding for agricultural research projects.

Michael's research output include:

- Hayden, M., Mattimoe, M., Jack, L. (2023) The Sensegiving Role of Advisors in Farmer Decision-making. Irish Journal of Agricultural and Food Research, 62 (1)
- Hayden, M., McNally, B., and Kinsella, A. (2021). Exploring State Pension Provision Policy for the Farming Community. Forthcoming Paper accepted for publication in the Journal of Rural Studies.
- Hayden, M., Mattimoe, M., Jack, L. (2021) Sensemaking and the Influencing Factors on Farmer Decision-making. Journal of Rural Studies. Vol (84): pp. 31-44.
- Hayden, M., Mattimoe, M., Jack, L. (2021) Sensemaking and Financial Management in the Decision-making Process of Farmers. Forthcoming paper accepted for publication in the Journal of Accounting and Organisational Change.
- Hayden, M. (2017). Sensemaking and Financial Decision-making on Irish Farming. PhD Thesis. Dublin City University.

- **Dr Bridget McNally**

Principal Investigator (Maynooth University)



Bridget is an Associate Professor in Accounting at Maynooth University School of Business and a Deputy Head of the School. Bridget qualified as a chartered accountant and is a member of the Irish Tax Institute. Since joining Maynooth University Bridget has lectured extensively in financial accounting and reporting at undergraduate and postgraduate level. She completed her M.Litt in 2004 (Thesis Title: A Study of Irish Pension Funds; Performance, Institutional Structure and Outlook), her PhD in 2011 (Thesis Title: Occupational Pension Schemes in Ireland; Costs, Governance and Regulation), and has researched extensively in retirement income provisioning. She is a member of both the Pension Policy Research Group – an independent, multidisciplinary

research group which was set up in 2004 to carry out research on Ireland's public and private pension systems and the European Network for research on Supplementary Pensions.

Bridget's publications in the pensions area also include:

- Garvey, A., McNally, B., and T. O'Connor. (2019). Valuation of defined pension schemes in IAS 19 employee benefits – true and fair? *JOURNAL OF FINANCIAL REGULATION AND COMPLIANCE*, Vol. 27, pp. 31-42.
- McNally, B. and O'Connor, T.G. (2013) Actuarial valuation of Pension Schemes: An Irish Perspective. *Accounting, Finance and Governance Review*. Dublin: Irish Accounting and Finance Association, Vol. 20: 45 – 70.
- McNally, B. and Stewart, J. (2014). The Role of Costs in Irish Pension fund Performance. *Journal of Accounting Finance and Economics*. Australia: Zia World Press, Vol. 4. No.1, 27-42.
- McNally, B. and Stewart, J. (2014). Trustees and Pension Schemes in Ireland. *Journal of Financial Regulation and Compliance*, United Kingdom: Emerald Group Publishing, Vol. 22, Issue 1, 2-14.
- McNally, B. and O'Connor, T.G. (2014). Actuarial valuation of Pension Schemes. *Accountancy Ireland*, Dublin: Chartered Accountants Ireland, Vol.46: 54-56.

- **Anne Kinsella**

Principal Investigator (Teagasc)



Anne is a senior economist working in the Rural Economy and Development Programme (REDP), Teagasc. She specialises in the area of production economics and farm level analysis. Her research interests include land-use economics, with a particular interest on the impact of policy and taxation on decisions in relation to succession, inheritance and land mobility. Anne compliments her economics research with her qualification as a chartered certified accountant and also holds a masters of science from UCD. Having completed her postgraduate dissertation on area specific environmental policy, she retains a keen research interest in environmental and multidisciplinary projects, to include the most successful BurrenLIFE project which has been instrumental in policy changes, on which she was a member of the steering committee with responsibility for farm financial survey data. Anne is a member of a number of international research consortia, including OECD, examining issues such as the economic performance of farms, and the impact of policy on agriculture. She has published widely in both academic literature and mainstream media.

A selection of Anne's most recent publications include:

- Conway, S, McDonagh, J., Farrell, M., Kinsella, A., (2021), Going against the grain: Unravelling the habitus of older farmers to help facilitate generational renewal in agriculture, *Journal of the European Society for Rural Sociology*, June 2021.
- Conway SF, Farrell M, McDonagh J, Kinsella A. (2020). Mobilising Land Mobility in the European Union: An Under-researched Phenomenon. *International Journal of Agricultural Management* 2020;9:7-11.
- Conway, S., McDonagh, J., Farrell, M. and Kinsella, A. (2019). Human dynamics and the intergenerational farm transfer process in later life: A roadmap for future generational renewal in agriculture policy. *International Journal of Agricultural Management* Vol. 8 Issue 1.
- Geoghegan C, Kinsella, A, O'Donoghue, C, (2017). Institutional drivers of land mobility: The impact of CAP rules and tax policy on land mobility incentives in Ireland, *Agricultural Finance Review*.
- Leonard, B, Mahon, M, Kinsella, A (2017). The potential of farm partnerships to facilitate farm succession and inheritance, *International Journal of Agricultural Management*.

- **Dr. Mika Wakamatsu Shin**
Post Doctoral Researcher (Teagasc)



Mika is a postdoctoral fellow in the Rural Economy & Development Programme at Teagasc, specialising in Agricultural Economics. With a consistent focus on the social dynamics of rural communities and their implications for rural development, her expertise lies in farm succession, evaluation of agricultural policy, and farmland use. Her doctoral research, *The Effect of Rural Development Policy on Farmland Conservation and Community Capacity*, exemplifies her dedication to understanding the intersection of policy and community resilience in rural areas. Mika possesses advanced skills in Panel Data and econometric modeling, as demonstrated in her research output on modeling farm succession with Probit model and Cluster analysis. An accomplished researcher, she regularly presents her work at both national and international conferences and has contributed to peer-reviewed journals. Notably, one of her publications was honoured with an award from the Korean Society of Rural Planning, underscoring her significant contributions to the field. Mika's publications include:

- Shin, M.W., Kinsella, A., Hayden, M.T. and McNally, B., 2023. The role of collaborative farming in generational renewal and farm succession. *International Food and Agribusiness Management Review*, 27(1), pp.94-116.
- Shin, M.W. and Kim, B.H. (2020) The Efficiency of Payment for Ecosystem Services on preservation of farmland in the age of Climate Change. *Journal of The Korean Society of Rural Planning*, Vol. 26, No. 1, 2020 (001-012)
- Shin, M.W. and Kim, B.H., 2019. The effect of direct payment on the prevention of farmland abandonment: the case of the Hokkaido Prefecture in Japan. *Sustainability*, 12(1), p.334.

- **Dr Hana Hlochova**
Post Doctoral Researcher (Maynooth University)



Hana worked as a postdoctoral researcher at the School of Business in Maynooth University for the duration of this project. Hana is currently an Assistant Lecturer in TU Dublin. Hana lectures in the areas of Strategic Management, Business Management and HRM, along with an active role of supervising research projects, for both BSc and MSc students in HRM and other disciplines. Hana's PhD focused on the role of Corporate Social Responsibility (CSR) in the supplier-buyer relationship. Her research analyses how, and in what ways, CSR influences the supplier-buyer relationship within the agri-food sector in Ireland and the Czech Republic. An accomplished researcher, she regularly presents her work at both national and international conferences. Hana's publications

and working papers include:

- Hlochová, H. (2019). The Origins of CSR in Theory and Practice: Chapter from CSR History in the CEE Region. *International Journal of Business Research and Management*, 10(4), 84-10.
- Hlochová, H. (2019). CSR in buyer-supplier relationship: Empirical Evidence from Ireland and the Czech Republic. Paper presented at EUROMA: 6th Sustainable Operations and Supply Chains Forum, Gothenburg University.
- Hlochová, H., Coughlan, J, & Sweeney, L. How do farmers understand and implement corporate social responsibility? Research from Ireland the Czech Republic.

5 Dissemination of Project Findings

This study provides a holistic and comprehensive in-depth analysis of the role of collaborative farming and retirement income provision in generational renewal. The findings and recommendations of this project has and will be communicated to various stakeholder groups in the agricultural industry as follows:

- Knowledge will be shared with farmers to educate them of the role of collaborative farming and retirement income provision in facilitating generational renewal.
- The findings will be shared with professional advisors (agricultural consultants and rural accountants) around key criteria that need to be considered to facilitate generational renewal. In addition, key areas where farmers require advice from professional advisors will be highlighted.
- Education and training providers for farmers must also be informed of the project findings, to assist in the dissemination of information on generational renewal.
- The project recommendations will be shared with policy developers to advise them of key issues facing the farming community in relation to generational renewal and policy initiatives that must be implemented to overcome such issues.
- Research findings will be disseminated in academic journals and conferences to encourage discussion, debate and further research on this all important subject.

To share and transfer knowledge through dissemination of the findings, conclusions and recommendations to the various stakeholder groups above, the following channels will be used:

- Official launch of the final report by Minister Martin Heydon.
- Key media briefings and publicity through the agri-press outlets to promote the results of this project.
- Online promotion via social media activities will be created to inform stakeholder groups of the project.
- The project team members are members of Professional Industry Organisations, they will play a key role in the development of dissemination activities in their organisations and sectors.
- Presentations at seminars/conferences will be undertaken to share knowledge with key stakeholders in the industry.
- Policy briefings will be prepared and disseminated to regulatory stakeholders.
- Publication of summary research outputs targeting stakeholder group industry publications.
- This Final Project Report, presented to DAFM, comprehensively communicates all findings and recommendations. DAFM may then disseminate this report to other stakeholder groups in the agricultural industry.
- Research findings will be published and available for reference at national/international research conferences to promote debate and further research on this important subject.
- Publication of research findings in academic journals to further promote debate and further research to the wider community.

Dissemination activities undertaken to date

Conference Presentations:

- The role of Collaborative farming in Generational Renewal and Farm succession. AESI Annual conference. Cork, June 2023.
- Pensions in the Farming Sector – Lessons to be learned from Europe – AESI Annual conference. Cork, June 2023.
- Pensions in the Farming Sector – Lessons to be learned from Europe – 35th Irish Accounting and Finance Association Annual Conference, University of Galway. June 2023.
- A Comprehensive Insight to Collaborative Farming for Generational Renewal – Agricultural Economics Society (UK) Annual Conference in the Agricultural Industry University of Warwick, UK – March 2023.
- A comprehensive insight to collaborative farming for generational renewal in the agricultural industry. Agricultural Economics Society of Ireland, Early career day. Dublin Ireland – February 2023
- Pensions in the Farming Sector – Lessons to be learned from Europe – Pension Policy Research Group Seminar – University College Dublin – January 2023.
- Timely and Smooth Succession Path to a Sustainable Transition of the Rural Economy – Generational Renewal Agricultural Economics Society of Ireland Annual Conference NUI Galway – May 2022.
- Pensions and the Sustainability of the Rural Economy Online – Pension Policy Research Group Seminar – January 2022.

Publications:

Academic Journals:

- Shin, M.W., Kinsella, A., Hayden, M.T., and McNally, B. (2023). ‘The role of collaborative farming in generational renewal and farm succession’. International Food and Agribusiness Management Review.

Industry Publications:

- Hayden, M.T., Kinsella, A., Shin, M.W., and McNally, B. (2024). Regeneration through collaboration. TResearch, Summer Issue, Published by Teagasc

Working Papers under Review with Academic Journals:

- Shin, M.W., Hayden, M.T., Kinsella, A., and McNally, B. – Evidence from the Ground: Insights into Collaborative Farming for Generational Renewal.
- Hlochova, H., McNally, B., Hayden, M.T. and Kinsella, A. – Pensions in the Farming Sector- Lessons to be learned from Europe.
- Hayden, M.T., McNally, B., Hlochova, H. and Kinsella, A. – Pensions through the Lens of the Farmer.



6 Conclusion

Given the important role of generational renewal to the future of Irish agriculture, this project set out to conduct a comprehensive review of the dual roles of collaborative farming and retirement income provisioning in facilitating generational renewal. Through a combination of desk-based research, interviews with farmers and agricultural advisors, and a survey of farmers, the dual roles of collaborative farming and retirement income provisioning in facilitating generational renewal was comprehensively explored. This project provides some key recommendations for consideration by industry stakeholders and policymakers and within the agricultural industry.

This project also provides some directions for future research regarding both the projects research objectives. In respect to collaborative farming this project explored the experience of Irish farmers and agricultural advisors in operating collaborative farming arrangements. It would be interesting for future research to explore the benefits and challenges associated with collaborative farming arrangements in other countries, and to compare them to the findings of this project. Interestingly, steps are in place to promote the engagement of farmers with professional advisors in succession planning through the recent establishment of a Succession Planning Advice Grant (SPAG) by DAFM. SPAG is a policy initiative developed to financially incentivise farmers to engage in succession planning, which could include the consideration of forming formal collaborative arrangements such as partnerships and companies. Future research could explore the impact of this policy initiative on the engagement of farmers in collaborative farming arrangements. On the complex topic of retirement provisioning, income replacement/adequacy rates in the farming community will continue to pose challenges even with a fully inclusive first pillar State pension system. We must continue to explore and research opportunities for adequate and sustainable levels of income for our farming community after they have passed the mantle to the younger generation.

Finally, the project team would like to thank the funders (DAFM) of this important research as it is envisaged that the knowledge gained in this project will make a significant contribution to research knowledge and deliver information for practice on generational renewal. It is also hoped that policy changes will be forthcoming to assist in meeting the generational renewal challenge which will contribute to developing more sustainable farm enterprises.

Appendix 1: Schedule of interview participants

Agricultural Advisor Interviews		
Interviewee	Location by County	Male/Female
1	Laois	Male
2	Galway	Female
3	Kilkenny	Male
4	Donegal	Male
5	Donegal	Male
6	Sligo	Male
7	Laois	Female
8	Limerick	Female

Farmer Interviews				
Interviewee	Location by County	Farm System	Male/Female	Business Structure
1	Clare	Dairy	Female	Partnership
2	Clare	Beef	Male	Partnership
3	Clare	Dairy	Male	Partnership
4	Cork	Dairy	Male	Limited Company
5	Laois	Beef	Female	Partnership
6	Galway	Dairy	Male	Partnership
7	Kilkenny	Dairy	Male	Limited Company
8	Kilkenny	Dairy	Male	Limited Company
9	Wicklow	Tillage	Male	Limited Company
10	Laois	Beef	Female	Partnership
11	Kildare	Tillage	Male	Partnership
12	Laois	Tillage	Male	Partnership

