

Farm Succession in Brief

Farm Succession Processes in the EU

In the EU only 7% of EU farmers are under the age of 35. This figure is mainly due to difficult access to land for young people throughout Europe as a result of increasing land prices, little agricultural land on the market, and most importantly, succession process related problems. Consequently, there is a need for increased support in this area to help ease the succession process for young people, and therefore more easily allow them to become farmers.

According to the European Parliament, national legislation within the EU regarding family inheritance often makes it difficult to arrange fair and smooth succession processes on family farms from one generation to the next. For example, in many Member States, there is a 'Code Napoleon' inheritance system, which enforces everyone to pass all their assets to their children in equal shares. In an agricultural context, this system is not advantageous and has led to the consistent fragmentation of farms across Europe. Nevertheless, some Member States, such as Germany and Italy, have introduced alternative measures in order to attempt to ease fragmentation of agricultural land through farm succession by reducing or delaying inheritance taxation. Nevertheless, across the EU, more than half of family farms smaller than five hectares are run by farmers older than 55 years of age. These older farmers are living longer and have fewer reasons to leave their farms and farming businesses. Consequently, very rarely are farmers on European family farms prepared to relinquish the ownership of their farms to the next generation through succession processes, especially before this age, making it increasingly difficult for new young entrants to enter the sector.