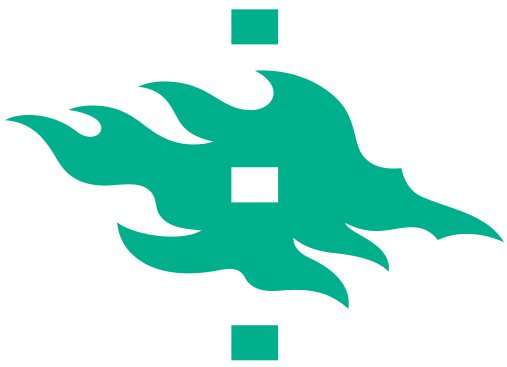




Finnish Farmer Perceptions on the Future of Family Farming

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Introduction

- Family farming has had the dominant role in Finland and many other countries for centuries (e.g. Losch, 2015, Mäkelä-Alitalo, 2003, Grubbstrom & Soovali-Sepping, 2012)
- Family farms can be considered as a special form of family entrepreneurship (Gasson et al. 1988, Suess-Reyes & Fuetsch 2016).
- Family businesses tend to have multiple strategic objectives, which partly relate to family and succession (Cristman et al. 2008)



FARMER AS A SOLO ENTREPRENEUR?

- The number of the self-employed is increasing fast. Solo farmers have been identified and are recognized part of self-employed (Skrzek-Lubasińska and Szaban 2019)
- There are only few studies concerning solo farmers, they are often excluded from solo entrepreneurship studies (e.g. Pärnänen and Sutela, 2014)
- Solo farmer is here defined as:
 1. *A farm entrepreneur, who operates farm alone, without hired labour or work conducted by family members* (Statistics Finland, definition of solo entrepreneur 2022), or
 2. *A farm entrepreneur, who operates farm with the hired labour, but without help of family members* (OECD 2021).



Objectives

The objectives of this paper are to study

- 1) Differences between family farm businesses and solo farmers
- 2) Finnish farmers' views on future of the family farming

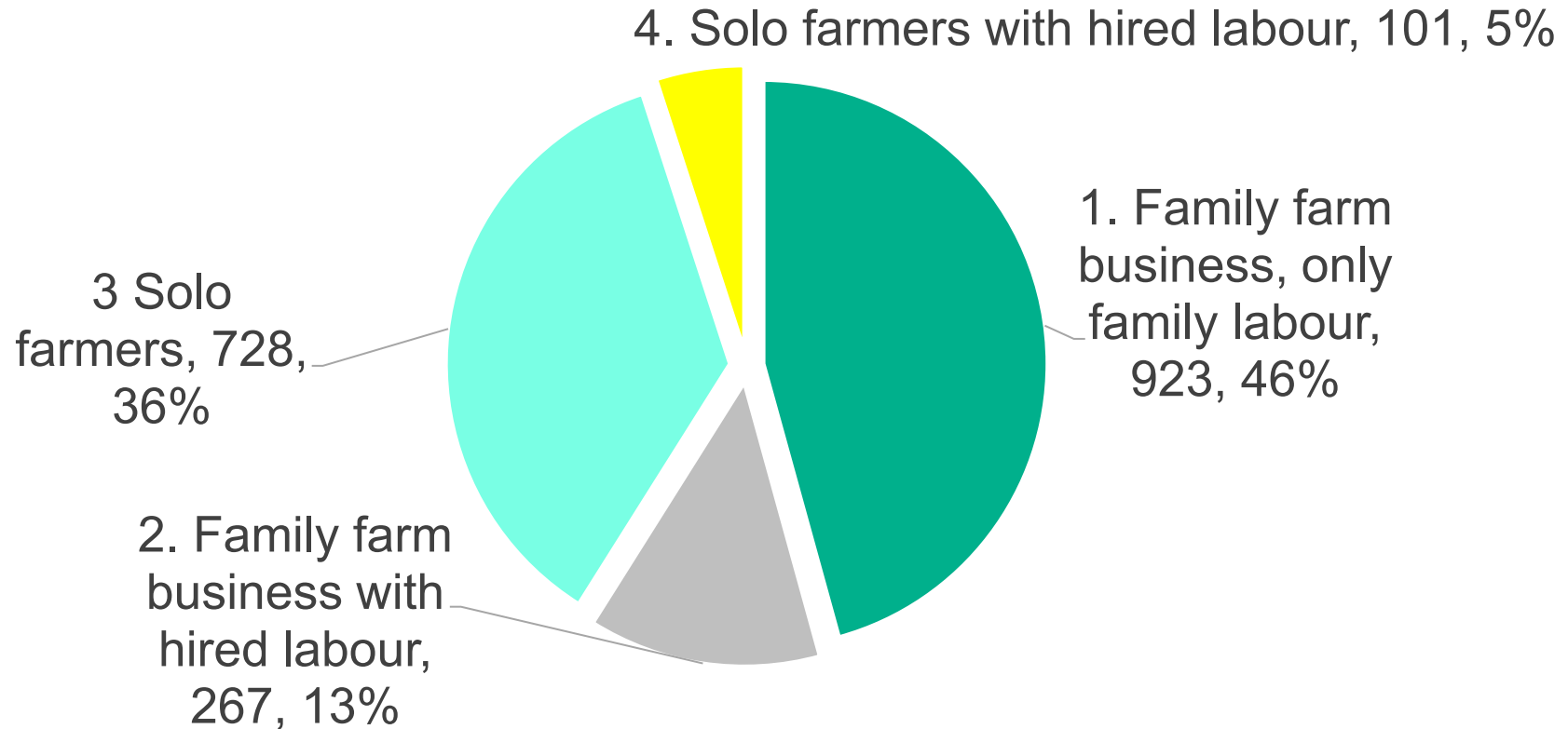


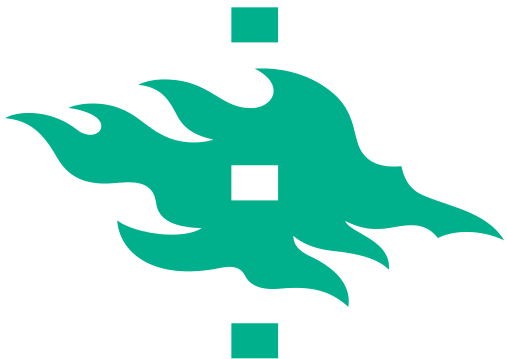
Data and methods

- The data were collected using a nationwide electronic survey in 2021 (N = 2052).
- The survey was sent to 20 000 Finnish farmers. The random sample was picked from registers of Finnish Food Agency.
- Response rate was 10. Based on the analysis of loss of the background variables, responses represent quite well Finnish farm structure, large farms are a little over presented.
- One open-ended question regarding the future of family farming (n = 1288).
- In the analysis, we use a mixed method by combining statistical data analysis (factor analysis, non-parametric tests) and qualitative text
- Analysis is supported with panel data from Agricultural Censuses 2000 - 2020



The theory-driven taxonomy (survey results)





Basic information

Variable	1. Family farm business, only family labour	2. Family farm business with hired labour	3. Solo farmers	4. Solo farmers with hired labour	p
Turnover 2021,€, mean	133 500	466 000	64 373	266 909	***
Arable land area 2021, ha, mean	66	129	41	90	***
Share of < 40 years old	16 %	23 %	11 %	17 %	***
Share of > 60 years old	29 %	21 %	35 %	30 %	***



Production Lines

	1. Family farm business, only family labour	2. Family farm business with hired labour	3. Solo farmers	4. Solo farmers with hired labour	Total
Cereals	46 %	18 %	62 %	29 %	47 %
Other plant production	17 %	17 %	23 %	21 %	20 %
Horticulture	2 %	16 %	1 %	16 %	4 %
Milk production	16 %	25 %	2 %	12 %	12 %
Other animal production	14 %	20 %	8 %	15 %	13 %
Others	5 %	5 %	4 %	7 %	4 %
Total	100 %	100 %	100 %	100 %	100 %



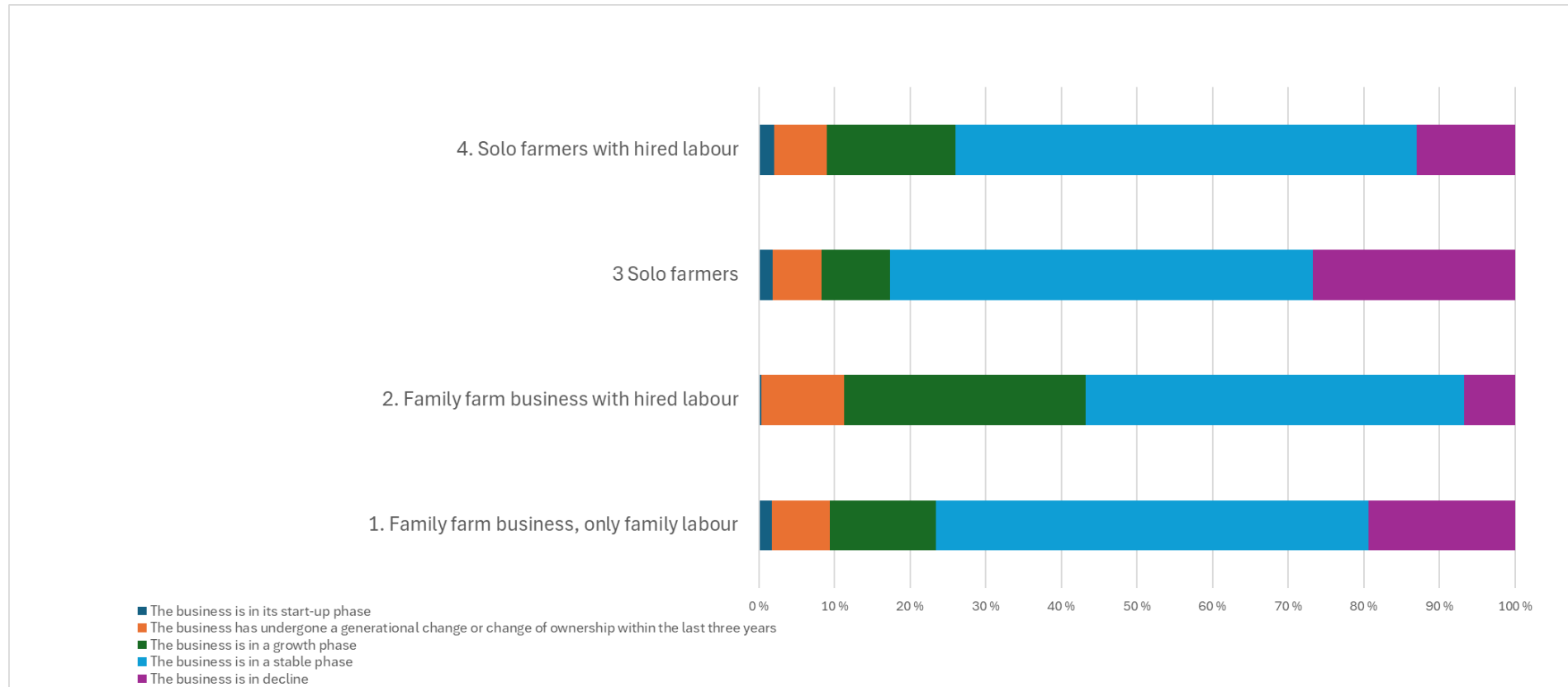
Strategic objectives

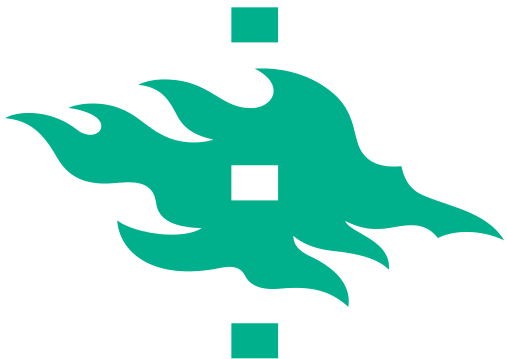
Variable (scale 1 – 5) 1 = not important at all, 5= very important	Family farm business, only family labour	Family farm business with hired labour	Solo farmers	Solo farmers with hired labour	p
Sales growth, mean	3,11	3,52	2,90	3,16	***
Economic success, mean	3,82	4,13	3,71	3,84	***
Satisfaction to own work, mean	3,92	4,10	3,88	3,83	***
Continuity, keeping farm in the family, mean	3,68	3,69	3,41	3,33	***

Kruskal-Wallis non-parametric test

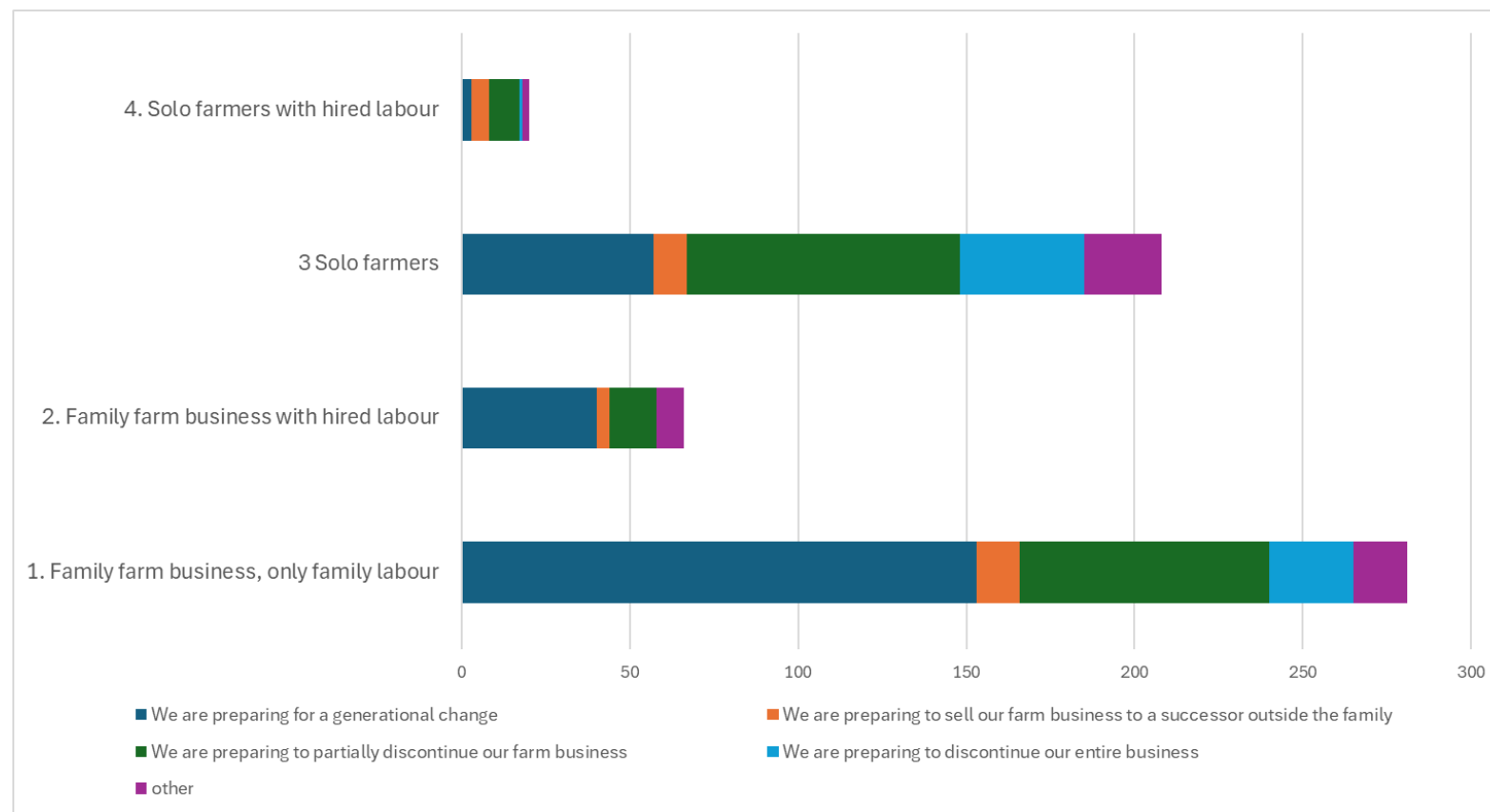


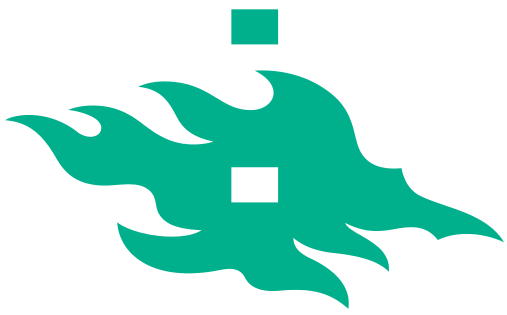
Life cycle stage





Farms that plan succession/closing down (n = 575)





Future perceptions

1. Family farm business, only family labour

52 % had optimistic view for future of family farming

- Emphasis of the central role of family farming in the future food systems,
- Emphasis on innovations, company form changes
- Common opinion: family farm structure will be more polarized
- Concerns about profitability and policy measures

3. Solo farmers

43 % had optimistic view for future of family farming

- *Little emphasis on the central role of family farms , many felt that family farms are no longer needed.*
- *“We don’ have a successor – luckily”*
- Concerns about profitability and policy measures
- Hobby farming vs. pressures to grow

2. Family farm business with hired labour

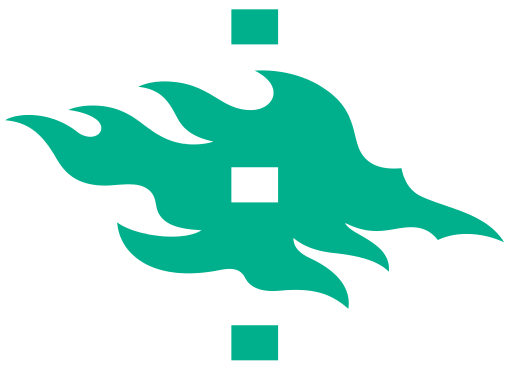
59 % had optimistic view for future of family farming

- Strong emphasis of the central role of family farming in the future food systems, on the other hand many also indicated that family farms are no longer needed.
- Increase of the number of limited companies, large farms were commonly seen as the trend for future

4. Solo farmers with hired labour

47 % had optimistic view for future of family farming

- Strong emphasis of the central role of family farming in the future food systems.
- Increase of the number of limited companies, large farms were commonly seen as the trend for future, but at the same time room for smaller and hobby farms



Conclusions and discussion

- Many farmers did not see the future of family farming or agriculture appealing. They do not value keeping the farm in the family as much as earlier generations.
- On farm level successions should be started early enough. Both successor and older generation need support.
- Many Finnish farmers are open for idea that successor is not from the family.
- However, only a small proportion of young people consider agriculture an attractive career option, especially if they do not have a background in agriculture. Even if they are interested in, there are barriers to entry.
- Benchmarking successful initiatives from other countries.



Thank you!

- This presentation is part of the Successful Finnish family farm project (2020-2025)
- Funding: Fanny and William Ruth foundation.

More results:

Yigit, F., Rantamäki-Lahtinen, L., & Sipiläinen, T. (2024). How does perception of success change between family and solo farmers: A perspective from strategic resources and entrepreneurial orientation. *Journal of Rural Studies*, 110(103359). <https://doi.org/10.1016/j.jrurstud.2024.103359>





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