

**YOUNG FARMERS, SMALL FARMS AND ENTREPRENEURSHIP  
UNDER THE NEW EUROPEAN UNION GREEN DEAL**

Goulas Apostolos<sup>1&2</sup>, Papachatzis Alexandros<sup>1&2</sup>,

<sup>1</sup>Department of Agriculture – Agrotechnology, University of Thessaly, Geopolis Campus,  
41500 Larissa, Greece, goulasap@yahoo.com

<sup>2</sup>HORTLAB, Horticultural & Soil Resources Laboratory, University of Thessaly  
*Correspondence author. E-mail: goulasap@yahoo.com*

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**ABSTRACT**

The European Union in recent years has adopted and implemented a new policy, the European Green Deal, which aspires to be a comprehensive plan to make the EU economy sustainable by turning climate and environmental challenges into opportunities. At the core of this strategy, is agriculture, as it both contributes to and is affected by climate change. This paper investigates the opportunities and challenges facing young farmers, small farms, and agricultural entrepreneurship under the framework of the Green Deal. Especially, it explores how the Green Deal's goals of climate neutrality, biodiversity preservation, and sustainable food systems impact young farmers, small farms and agricultural entrepreneurship, while identifying ways in which they can align their practices with this new policy framework. The paper concludes with policy recommendations to support young farmers and small-scale agricultural entrepreneurs in achieving sustainability while enhancing their economic viability.

**INTRODUCTION**

Agriculture is central to the European Union's economic and environmental objectives, and the implementation of the European Green Deal marks a new phase in the continent's approach to farming and rural development. The Green Deal aims to make Europe the first climate-neutral continent by 2050, emphasizing sustainable growth and a circular economy (European Commission, 2019). As a result, European agriculture is expected to transform, especially with regards to reducing greenhouse gas emissions, protecting biodiversity, and ensuring food security in the face of climate change (Boix – Fayos & de Vente, 2023).

However, these changes are likely to disproportionately impact small farms and young farmers, who are often less resilient to external shocks and policy changes (Zagata & Sutherland, 2015). According to Zagata and Sutherland (2015), many academics identified the 'young farmer problem' and its aspects in terms of sustainability (Comer et al., 1999), orientation towards sustainable and efficient agriculture (van Passel et al., 2007), up – take of organic farming (Laepfle and van Rernsburg, 2011) and impacts on the welfare of animals kept on farms (Mann, 2005).

This paper examines the intersection of young farmers, small farms, and entrepreneurship within the context of the Green Deal, highlighting both the challenges and opportunities that this new policy framework presents. The main objective of the present research paper is to investigate how the EU's Green Deal impacts young farmers, small farms and agricultural entrepreneurs. As already mentioned, The European Green Deal is a package of policy initiatives, which aims to set the EU on the path to a green transition, with the ultimate goal of reaching climate neutrality by 2050. It supports the transformation of the EU into a fair and prosperous society with a modern and competitive economy (European Commission 2020a).

## **MATERIALS AND METHODS**

### The European Green Deal and Agriculture

The European Green Deal, launched in 2019, is a comprehensive policy framework that aims to achieve climate neutrality in Europe by 2050. It encompasses a range of legislative initiatives and action plans that affect various sectors, including energy, transport, industry, and agriculture (European Commission, 2020a). The key objectives of the Green Deal relevant to agriculture include reducing greenhouse gas emissions, promoting biodiversity, and transitioning to more sustainable food systems (FAO, 2020).

The Green Deal includes two critical policy instruments that directly target the agricultural sector: the "Farm to Fork" strategy and the Biodiversity Strategy for 2030. The Farm to Fork strategy aims to create a fair, healthy, and environmentally friendly food system by encouraging sustainable agricultural practices, reducing the use of pesticides and fertilizers, and promoting organic farming (European Commission, 2020b). The Biodiversity Strategy seeks to protect and restore ecosystems, including agricultural landscapes, which are vital for biodiversity and ecosystem services such as pollination and soil health (Pe'er et al., 2020).

### Implications for Agriculture

The Green Deal, as already mentioned before, represents both a challenge and an opportunity for European agriculture. On the one hand, it requires significant changes to agricultural practices to meet sustainability targets. For example, the Farm to Fork strategy sets ambitious goals for reducing the use of chemical pesticides by 50%, reducing nutrient losses by at least 50%, and increasing organic farming to 25% of total agricultural land by 2030 (European Commission, 2020b). These goals necessitate substantial investments in new technologies, farming methods, and knowledge.

On the other hand, the Green Deal offers opportunities for farmers to benefit from new markets and financial incentives. Goulas (2022), claims that local products, produced by small farms, with traditional methods, gain interest from consumers globally and create a new market for those farmers and their products. The EU's commitment to supporting rural development and innovation is reflected in the Common Agricultural Policy (CAP) reform, which includes provisions for eco-schemes and climate-resilient agricultural practices (European Commission, 2022). Additionally, the Green Deal is focused on the creation of a sustainable food system, because food sector is one of the main factors of climate change. Moreover,

sustainable food systems may create various opportunities for small farms and niche agricultural enterprises that can meet the demand for organic, local, and climate-friendly products (Goulas et al., 2023).

## Policy Support for Farmers Under the Green Deal

To support the agricultural sector's transition to sustainability, the EU has put forward several policy measures under the Green Deal. The CAP reform, which came into effect in 2023, introduced eco-schemes, which are voluntary initiatives that reward farmers for adopting environmentally friendly practices (European Commission, 2020a). These eco-schemes provide financial support for activities such as agroforestry, organic farming, and precision agriculture.

Moreover, the Green Deal emphasizes the importance of research and innovation in agriculture. The Horizon Europe program allocates significant funding to projects that develop sustainable farming technologies and practices, such as digital farming, carbon sequestration, and resilient crop varieties (European Commission, 2021). These initiatives are crucial for helping farmers, particularly young farmers and small-scale agricultural entrepreneurs, to adapt to the new policy environment.

## Young Farmers and Small Farms in the European Union

### The Role of Young Farmers

Young farmers are critical to the future of European agriculture, as they bring new ideas, innovation, and energy to the sector. However, they also face significant barriers to entry, including access to land, capital, and knowledge (Zagata & Sutherland, 2015). The average age of European farmers is increasing, with only 11% of farmers under the age of 40 in 2016 (Eurostat, 2018). This demographic challenge poses a threat to the long-term sustainability of the agricultural sector.

Young farmers have the potential to bring change in a region under threat by rural exodus and ageing of the remaining population (Guerra & Lopes., 2022). Also, according to the research of Guera and Lopes, (2022), young farmers are innovation enablers and contribute to a rejuvenation of the region and the farming activity. They can adopt and apply new technologies on the field and adopt sustainable farming practices. They are also more open to diversifying their farm businesses, engaging in agritourism, direct marketing, and other forms of entrepreneurial activity (Zagata & Sutherland, 2015). However, the challenges they face, particularly in accessing finance and land, can limit their ability to take advantage of the opportunities offered by the Green Deal.

### Challenges Facing Small Farms

Many academics claim that small farms and family farms produce significant proportion of world food, and play a vital role in rural economies, local economies and food production (Lowder et al., 2021). However, they also face unique challenges, including limited access to markets, lower economies of scale, and vulnerability to environmental and economic shocks (Davidova et al., 2009). The Green Deal's focus on sustainability may pose additional challenges for small farms,

as they may lack the resources and technical capacity to meet new regulatory requirements.

Nevertheless, small farms can also benefit from the Green Deal's emphasis on local food systems and biodiversity-friendly practices. Many small farms already employ traditional and low-input farming methods that align with the goals of the Farm to Fork strategy and the Biodiversity Strategy. Furthermore, the rise of local food markets and consumer demand for sustainable products provides new opportunities for small-scale agricultural entrepreneurs.

### Opportunities for Young Farmers and Small Farms Under the Green Deal

The Green Deal presents several opportunities for young farmers and small farms. First, the shift toward more sustainable and resilient agricultural systems aligns with the interests of many young farmers, who are often more environmentally conscious and innovative than previous generations (Zagata & Sutherland, 2015). Second, the Green Deal's focus on local and organic food systems creates new market opportunities for small farms, which are often better positioned to meet local demand for sustainable products.

Additionally, the policy framework of the Green Deal includes financial support for young farmers and small farms through eco-schemes, rural development programs, and innovation grants (European Commission, 2020a). These measures can help young farmers and small-scale agricultural entrepreneurs overcome some of the barriers they face in accessing capital and land, while also incentivizing the adoption of sustainable farming practices.

## **RESULTS AND DISCUSSIONS**

The European Green Deal represents a transformative shift in EU agricultural policy, aiming for climate neutrality and sustainability across sectors. Analysis of the implications for young farmers, small farms, and agricultural entrepreneurship reveals both challenges and opportunities.

Young farmers face significant hurdles in the transition to sustainable practices due to barriers in accessing capital, land, and technical expertise. Despite these challenges, they are often more inclined towards adopting innovative and environmentally friendly farming methods compared to older generations. Small farms, which form a substantial part of the EU agricultural landscape, encounter issues related to economies of scale and market access. However, their existing practices often align with the sustainability goals of the Green Deal, such as lower-input farming and biodiversity-friendly methods. Entrepreneurship in agriculture has the potential to drive innovation and sustainability, but young agricultural entrepreneurs face challenges including limited access to financing and regulatory constraints. The Green Deal offers opportunities through its support for sustainable and local food systems, which can provide new avenues for value-added products and market growth.

Overall, while the Green Deal sets ambitious goals for sustainability, its success hinges on addressing the specific needs of young farmers and small farms. Enhanced financial support, targeted educational programs, and better market access are essential to help these stakeholders align with the Green Deal's objectives. By addressing these areas, the EU can foster a more resilient and sustainable agricultural sector that benefits both the environment and the agricultural community.

## CONCLUSIONS

The European Green Deal presents both challenges and opportunities for young farmers, small farms, and agricultural entrepreneurs. While the transition to sustainable agriculture requires significant investments and changes to existing practices, it also offers new market opportunities, financial support, and innovation potential for those who are able to adapt. To ensure that young farmers and small-scale agricultural entrepreneurs can thrive under the Green Deal, targeted policy interventions are needed to enhance access to finance, education, and markets. By supporting these key stakeholders, the EU can promote a more sustainable, resilient, and inclusive agricultural sector that contributes to the Green Deal's broader environmental and economic objectives.

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