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New entrants into farming: lessons to foster innovation and entrepreneurship

MINIPAPER: Barriers and solutions for access to land, capital, labour and markets – 03 12 2015

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Introduction

New entrants into farming, especially those who seek to start a farm business independent from family succession, face often considerable entry barriers. These barriers result in no or restricted access to land, difficulties to get capital and labour force and sometimes in problems to participate in the market or to develop the right marketing channel.

Access to land seems to be the first challenge in most circumstances for new entrants in Europe, often directly linked with access to capital. It can be limited for different reasons:

- Land prices and land leasing rates might be in some regions simply too high, driven up by internal concurrence of farmers, by land investors and by side effects of policy measures (direct payments and other subsidies indirectly linked to farming activities, livestock density and liquid manure regulations, support of renewable energies ...)
- Lack of information about land available for a new business, fragmented and non-transparent land markets
- "Closed circles" of local persons, which give preference for land transfers to local, already known persons
- Limited offer of long term land leasing contracts, necessary for investments (which can not be realized based on short term contracts or informal agreements).

Access to capital seems to be an important challenge for new entrants as well for following reasons:

- High interest rates, especially in South-Eastern states outside the Euro-zone
- High requirements for securities for loans: without land property no credit or only at high interest rates; sometimes even land is not well accepted as a security for loans (depending on juridical situation on land market)
- No "credit history" and no "trustful relationship" with local banks, which facilitate new credits for established farmers.

Access to labour can be a limiting factor for a new farm business as well, especially if it needs much labour force, like in horticulture, viticulture, on-farm processing and in direct marketing. Another aspect may be the possibility to generate an off-farm extra income to support the starting phase of a new farm business (or to cross-subsidize it in the long run).

Access to market can be a further problem under specific circumstances, where e. g. new entrants can not or are not allowed to take part in existing marketing channels. Reasons for that should be mostly technical (not matching quantity and quality requirements for deliveries) or logistical (distance to processing units or trading hubs). In some regions lack of infrastructure and marketing channels form an important barrier to market participation.

Purpose of this paper is to describe these barriers under different circumstances, under which new entrants in Europe have to act, and show some "starting points for solutions" to overcome them under the current European and national policy environment. The analysis is based on case studies about new entrants realized in 2015 by EIP-Agri Focus Group "New entrants in farming" and the personal expertise of the focus group members. However, national and regional land market policies can influence access to land in a quite important way, but they don't have necessarily positive effects to new entrants. Often these policies are designed and used in practice to protect established farms against soil speculation by non-agricultural land investors and against new competitors with the objective, to facilitate farm area growth following structural change. Depending on specific circumstances, these regulations can also hamper new entrants to enter the farming sector. Positive effects can be expected if land market policies define an official mission to support young farmers (including new entrants) and include an active interference on land market to realize this task. Land market authorities which such a mission like the French "Sociétés d'aménagement foncier et d'établissement rural" (SAFER) can play a decisive role for facilitating access to land. In other European countries exist also several public rural development bodies which may serve to support new farm start-ups, but i.g. they don't have such a strong regulatory framework like e. g. in France. Another instrument supporting tenant farmers

and young farmers in general are tax incentives for long term leasing contracts and legal obligations to retire and hand over a farm as a precondition to receive public pension. Referring limited capital accessibility by high interest rates specific interest subsidized loans can be recommended, and subsidized / public covered insurances for credit failures as well for overcoming the barrier of missing securities for loans.

It seems quite difficult, to describe barriers to new entrants within an European context without having any structuring element for differentiating at least very roughly certain types of circumstances. However, types of national land market policies can be used for that, but policy recommendations were not the task of the focus group, but to look for starting points for practical - and market oriented - "best practise" solutions applicable on farm, local and regional level. Various reports, case studies and the discussions in EIP-AGRI Focus Group "New entrants into farming" showed the great heterogeneity of situations and conditions, which new entrants challenge in different regions of the EU. Nearly all individual circumstances for starting and running agriculture anywhere in Europe are different, caused in principle by following locational factors:

- Natural factors (agro-ecological, landscape and climatic conditions)
- Technical factors (availability of technology and biological potential of crops and livestock)
- Structural factors (logistical situation, accessibility for transport, linkage and distance to factor and product markets/cities and agglomerations)
- Market factors (product and factor prices, non-farm job market)
- Institutional factors (legal conditions, policy framework, public support).

Individual case studies about new entrants in agriculture showed, that limitations in access to land, capital, labour and markets are important - if not the most important - barriers to a successful taking-up of a new farming activity - and that they are determined by natural, structural and market factors mentioned above. However, national institutional factors - see land market policy - play a decisive role as well, but using it as an criteria, a cross-country typification would not be feasible, because legislations and land regulation practices are very heterogeneous. Following this, this paper proposes to distinguish five typical agro-geographical situations for new entrants with different framework conditions based on a combination of natural, structural and market factors with the idea, to offer a substructure for addressing barriers and solutions in an operational way:

- Urban agriculture
- Peri-urban horticulture
- Areas of intensive agricultural use: horticulture regions, viticulture regions, livestock production regions, high yield field crop production regions
- Agriculturally disfavoured regions / regions with extensive agriculture
- Economically disfavoured rural regions with agricultural potential.

However, technical and regional/local institutional factors are important as well, but they can be influenced by R&D, advisory and policy (*see starting-points for solutions and recommendations of other mini-papers*).

Urban agriculture

Urban agriculture in a stricter sense is defined as agricultural activities inside cities, including new technical solutions like in house-farming, rooftop farming, aquaponic systems or other concepts like vertical farming etc.. It is in generally very strongly oriented and focused on consumer and society needs and trends.

Land accessibility situation is in general characterized by a high concurrence for land for building, infrastructure and leisure purposes, against which any agricultural production has economically no chance to compete. Some chances exist for intermediary use of land planned to be developed and further chances for use of abandoned space (buildings and/or former industrial land; often with polluted soil, which brings further challenges). New chances can be opened by planning designations (agricultural parks, green belt care by agriculture...).

Starting points for solutions can be:

- Negotiation with local authorities, which can also pro-active facilitate access for land for new farm startups following own objectives like creation or maintenance of productive green belts
- Temporarily use of abandoned (public) land / space
- Short term rental agreements
- Face to face negotiations with owners
- Cooperation with local incubators / land access/purchase by incubator (*see annex I "Entry models"*)
- Informal land use agreements.

Capital accessibility is mainly considered as a secondary problem - there are realized in practice several innovative solutions like crowd funding, CSA or incubator support, especially for experimental systems completing traditional financing. Actors may be excluded from standard agricultural support schemes because of their non-farming background / formation and because of the status of the land/space used.

Starting points for solutions can be:

- Cooperative / participative approaches like CSA, workers cooperative, social enterprise (*see annex I "Entry models"*)
- Start-up schemes outside farming
- Incubator loans / capital engagement
- Crowd funding (*see annex I "Entry models"*)
- Product sponsorships.

Labour accessibility depends on overall economic situation in the urban agglomeration, but should not be limited in general. Urban agriculture farms and projects often attract volunteers for support for labour intensive activities, and some of them use also labour force (co-)financed by social funds, if they employ f.e. disabled persons, socially disfavoured people or persons without access to the commercial labour market. To find an off-farm employment to get an extra income should be also feasible, if the urban job market runs well.

Market accessibility seems to be in general not a problem, but volume of purchase power and specific demand for differentiated products are important for direct selling schemes and may differ significantly between urban zones and in relation to overall economic situation. Actors are often bringing marketing and trading knowledge with them and developing innovative business models; mostly by shorten the value chain and increasing value added of agricultural raw products in different creative ways.

Starting points for solutions can be:

- Innovative and strongly consumer oriented business models: Diversification, Differentiation, "The commons"/"Share economy", Experience (*see annex II "Business models"*)
- Diversification into non-agricultural offers (social, educational, leisure activities, *see annex II "Business models"*)
- Differentiation by high value products, direct selling (farmer shops, farmer markets, box schemes, vending automates...), own processing / own gastronomy.... (*see annex II "Business models"*)
- "The commons" by CSA, product sponsorships (*see annex II "Business models"*)
- "Experience" by selling "experiences" more than mere products... (Cooking and wine tasting seminars, workshops for vegetable growing and processing...*see annex II "Business models"*).

Peri-urban horticulture

Peri-urban fringes of agglomerations host traditionally city oriented horticulture (fruits, legumes, ornamentals, gardening); it is/was typically small structured and often blocked by further expansion by surrounding urban development. Small structured traditional horticulture is today often under strong cost pressure caused by import products and intensive large scale greenhouse productions.

Land accessibility situations in these regions are in general characterized by high land prices and competition, especially if the land status allows development outside from agriculture - or a change of land status for this is expected (or can be even influenced...). There are some chances to get land for intermediary use with the problem of short term rental contracts and missing planning security for long term investments. Sometimes structural change in traditional peri-urban horticulture can offer chances to overtake abandoned land and greenhouses, which were given up by traditional horticulturists because of cost pressure by state-of-the-art greenhouse production.

Starting points for solutions: *See "Urban agriculture"*.

Characteristics of **Capital accessibility** and starting points for solutions: *See "Urban agriculture"*.

Labour accessibility *see "Urban agriculture"*. Commercial horticulture operations in peri-urban areas often face serious problems acquiring fixed labour force for the wages they can pay, if overall economy runs well. Unskilled seasonal labour for simple work by hand should be less a problem, but underlays also urban job market competition.

Market accessibility characteristics are similar to those for urban agriculture (*see "Urban agriculture"*). Especially by overtaking e. g. land and greenhouses, which are not more competitive under a low cost business strategy, new business models are absolutely compelling.

Starting points for solutions: *See "Urban agriculture"*.

Areas of intensive agricultural use: horticulture regions, viticulture regions, intensive livestock production regions, high yield field crop production regions

Due to restrictions, tax and environmental regulations, quotas/zoning regulations and more **Land accessibility** in this kind of intensively used production regions is difficult: There is a high competition for land among operating producers mainly following a low cost business strategy, which all try to realize economies of scale by continuous expansion. Under these circumstances newcomers without regional/agricultural base/family roots have very low chances to get access to land; partnerships and cooperation may offer a chance.

Starting points for solutions can be:

- Share farming or equity partnerships (*see annex I "Entry models"*)
- Partnerships / co-operations with one or more colleagues
- Junior-senior-partnerships (*see annex I "Entry models"*)
- Non family farm succession with a contract with a farmer without family successor
- (Farm purchase on free market, land auctions)
- Professional farm brokers
- Farm offer websites
- Career-ladder farming (*see annex I "Entry models"*)
- Match-making services

Capital accessibility is considered in most cases as a secondary problem, but can turn to a serious barrier especially in cases, where little or no own capital (or securities for loans) from the new entrant and from the assets of the new business is available. This can be, if a new entrant wants to rent a whole farm (so he will not be the owner and a bank would not accept buildings or land as credit securities) and has to finance a new

machine park and/or new buildings, installations and operating funds as well. In general, a new entry in any form of intensive conventional (and mainly world market determined) agriculture requires high investments for taking up and/or modernizing production and is i.g. limited by securities for loans as limiting factors. There are already standard instruments within the agricultural support and credit scheme, including young farmer schemes, but most of them are only accessible after the start / founding of the new farm business and may not cover all individual needs.

Starting points for solutions can be:

- Family support
- Career-ladder farming approach
- CAP and national support scheme for young farmers (subsidies, specific interests for loans, investment aids)
- Machine pooling (f.e. German "Maschinenringe" and French "Coopératives d'Utilisation de Matériel Agricole" CUMA).

Labour accessibility can be limited depending of quantity and level of formation of labour force required. Well formed specialized personnel seem to be not always available in relation to the needs of farms, but labour pooling - like machine pooling, often offered by the same organisations or organized by a group of farmers - can be considered as a flexible and efficient solution. Unskilled seasonal labour for simple work by hand should be not a limiting factor - if paid well and if national regulations for seasonal work are flexible enough. To generate extra off-farm income may be not so easy compared to agglomerations, but often there are full-time and part-time jobs in agribusiness done by farmers.

Market accessibility is usually no problem in intensive agriculture zones and assured by well developed marketing channels. Developing new channels and realizing new business models may require some efforts, bridging the physical (and mental) distance to consumers.

Starting points for solutions can be:

- Constant message about product requirements by the market from processors and extension
- If a Low cost business strategy is applied, traditional mass marketing channels should be available / should be used.
- Other business models - first of all diversification and differentiation - are possible, but marketing has to bridge the distances to consumers, e. g. by direct marketing via internet by offering specific certified qualities or by contract deliveries to traders and wholesalers specialised on guaranteed premium qualities.

Regions with extensive agriculture (agriculturally disfavoured regions)

Besides Europe's clusters of intensive agriculture there are wide traditional rural agricultural areas, which were kept in production in the last decades mainly with the help of CAP and national support schemes, because they would not be able to compete under free market conditions with imports and products of low cost intensive production areas. These regions have usually developed special forms of extensive agriculture, very often historically adapted to difficult agro-ecological conditions, like low and high mountain areas, semi-arid or sub-arctic climates, specific soil conditions or other types of difficulties in naturally disfavoured regions. Under CAP support scheme, farms in regions / zones classified as "Areas facing natural or other specific constraints" (ANCs) receive complementary financial aids to their direct payments (compensation for natural handicaps).

Referring to **Land accessibility** there are less competition by persons interested in production and therefore better chances for new entrants because of lower concurrence for agricultural land, lower land prices, greater farm offer caused by structural change, low productivity/cost pressure for "standard" products and migration of farmer's children to cities and/or non-agricultural jobs. On the other hand there arises new competition for farms, farm buildings and also for land caused by urban investors looking for a second home for leisure and recreation or simply for a safe investment harbour for money. Among this group are also persons engaged in

agriculture and land management, ranging from simple hobby activities up to serious farming businesses. These new land owners may serve as cooperation partners or lessors for new entrants as well. Because in general agricultural land prices are by far not so high as those in intensive production regions or near urbanizations, land purchase by incubators in favour for new entrants has there a chance, also the realization of models of non-family farm succession (specific contracts with old farmers).

Starting points for solutions can be:

- *See also proposals for "areas of intensive agricultural use"*
- Land purchase by private investors or incubators, renting it to new entrant(s)
- Providing information about farms to sell / farms without family successors by agricultural / regional authorities / institutions (match-making service)
- Support by local farmer's unions and evtl. touristic bodies: maintenance of original cultural landscape should be in their interest
- Identification of potential model farms and recruiting mentors in these areas to demonstrate, what can be achieved with new forms of cooperation involving new entrants.

Capital accessibility can be a primary problem in these zones, but i.g. there are standard instruments of the agricultural support and credit scheme, including young farmer schemes and regional / rural development support schemes as well.

Starting points for solutions: *See proposals for "Areas of intensive agricultural use"*; further regional and rural development funds and schemes.

Labour accessibility can be limited, because these regions often correspond with little industrialization and low population density. But even so there can be a regional unemployment problem, and offering jobs can be a strong argument for public support, also in the start-up phase. On the other hand it can be difficult to find an off-farm employment, if an extra income should be needed.

For standard production **market accessibility** can be an important barrier, because following structural change traditional marketing channels / local collectors and processors often disappear or concentrate their activities near intensive agricultural production zones. This requires development of new own marketing channels and business models; if possible including tourism, eco-services or other kinds of diversification. Bridging the physical and mental distance to consumers will be the main challenge.

Starting points for solutions can be:

- *See also proposals for "areas of intensive agricultural use"*
- Support of marketing by regional marketing / branding and, if possible, linked with tourism and ecological associations
- More information and interaction with customers, supported by advisory and processors.

Economically disfavoured rural regions with agricultural potential

Economically weak - often peripheral - European regions offer sometimes relative good agro-ecological production conditions, but are threatened by migration and depopulation due to an overall weak economic structure with missing offer of non-agricultural (and well remunerated) jobs, insufficient infrastructure (and probably also inefficient public institutions, blocking new entrepreneurs and new actors in general...). This kind of region can be found in several European countries, but typically in the South Eastern and Eastern member states. They get i.g. specific support conditions by European Regional Policy; till 2013 by programmes under the competitiveness and employment objective financed by European Regional Development Fund (ERDF). ERDF programmes formerly excluded support of agricultural primary production, but currently an improved linkage between ERDF and the CAP-instrument European Agricultural Fund for Rural Development (EAFRD) is under way and synergies between both instruments, if realized in practice, could be helpful for agricultural and rural businesses of new entrants.

Compared to capital, **land accessibility** is often reported as a secondary problem compared to capital because of relative low concurrence for land and often a huge willingness of land owners to rent land to a solvent producer. Some institutional barriers may exist and complicate land access, also tenant security may not be efficient in all cases.

Starting points for solutions: *See instruments proposed for "urban agriculture", "areas of intensive agricultural use" and "regions with extensive agriculture".*

Capital accessibility is in general considered as the primary barrier for new entrants because of comparative high interests for credits outside of the Euro zone or in Euro zone states with a weak banking sector, high requirements for securities for loans and eligibility criteria, bureaucratic barriers and low experience / efficiency of local authorities with the handling of CAP support schemes, including those of rural development.

Starting points for solutions can be:

- Family, incubator or investor support
- CAP and national support schemes for young farmers (subsidies, specific interests for loans, investment aids). In case of high interest rates specific interest subsidized loans can be recommended, and subsidized / public covered insurances for credit failures as well
- Improved access and use of regional and rural development funds and schemes
- Setting up a specific incubator / land investment fund supporting new farmers not only with capital and land, but also with qualified advisory service
- Machine pooling.

Labour accessibility: *See regions with extensive agriculture.* Labour pooling can be a flexible and efficient instrument, if labour offer does not match well individual labour needs of farms.

Market accessibility may be in these regions an important barrier as well, or very low local producer prices due to monopolistic positions of a small numbers of traders controlling market channels. Transformation process and structural change has often destroyed former regional collecting and processing structures. New marketing channels have to be developed; co-operations / cooperatives might be an instrument. Public support for building up / improving market infrastructure is often necessary. Innovative business models should be considered, but among them differentiation should be envisaged first in an overall weak regional economic context. Standard and differentiated products should be in the focus, while in a lot of cases it is often already a challenge to meet average product standards charged by traders.

Starting points for solutions can be:

- Public investment in general and market infrastructure
- Support for differentiation of products (quality management, labelling, certification, regional/cooperative marketing).

Conclusions

The concept of typifying regions mainly by agro-geography, where new entrants have started or plan to start agricultural activities, should help to structure further discussions, considerations, policy recommendations and proposals for further applied research. Beyond this first analysis referring access to land, capital, labour and markets, deeper research about entry barriers and the strengths and weaknesses of new entrants related to them is needed. The mentioned "entry models", in some cases already successfully applied or in preparation, can be used as starting-points for improved institutional support for new entrants all over Europe (*Short overview see table in annex III*). Further research is needed on detailed analysis about the characteristics, functions, preconditions for implementation, success factors and challenges of these instruments, and to evaluate the application feasibility of them under different agro-geographical and institutional conditions. Among the "entry models" mentioned in the paper (*see also annex I*) incubator support, share farming, junior-senior-partnerships and career-ladder farming seem to be promising "best practises", which can be realized under different regional and national circumstances. For realization, local authorities - which can overtake the

role of an incubator or a match-maker as well - can play a decisive role and facilitating actively the access to land.

Without denying the potential of national land market policy and national support schemes, entrepreneurial spirit and ideas of potential and already installed new entrants themselves are mostly decisive for their success. Under given institutional framework conditions, improving their specific business know how and exchanging successful ideas can offer an important support and decrease failure risks. In practice, this can be realized by the installation of a new network of successful new entrant farms, informing themselves and potential newcomers about their business models. This should be supported by applied research and advisory about innovative business strategies, which offer an income potential, but serve societal needs and demands towards more sustainability as well.

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Annex I: Explanatory notes to some of the proposed entry models

Career-ladder farming: A stepwise entry in an established farm business, known from and practised in New Zealand dairy production. A young farmer enters a farm as employee or manager, can later proceed as contract milker and can get first own entrepreneurial responsibility as "labour-only sharemilker". This means he/her brings in only his labour force in the dairy production, and all other assets including cattle are provided by the farm owner. The remuneration of the share milker will be a certain predetermined share of the milk turnover or profit. Beyond being a labour-only share milker there are several better remunerated options, like f.e. the "50-50 share milker", depending what quantity of inputs is provided by the share milker, f.e. whether and why he/her finances variable inputs and brings in machinery and own cattle. The final steps of such a career are being an owner of a farm and later perhaps to take himself a junior partner to retreat stepwise from active operation.

Contract farming: Contract farming is often used, where a farmer outsources a part - or all - operational farming activities to a contractor, while staying legally fully responsible for his business with all tax and subsidy implications. It is often a way for elder farmers without heirs interested in agriculture to retreat part by part from active business - and can offer new entrants a stepwise entry possibility to farming without own land property or without a tenancy, being so a phase of an entry process. There are also "mixed" forms of contract farming and share farming - f.e. where the field operations are completely sourced out and paid by a predetermined share of the harvest.

Crowd funding: Not an entry model per se, but an intelligent way of financing a new start-up business: In principle a lot of small capital owners finance together a new business. Often crowd funding is organized based on the web for reducing transaction costs; capital donors often support with their money a common vision with the new business idea.

Crowd sourcing: Not an entry model per se, but a possibility to limit labour costs or to get additional labour force, f.e. in critical phases of a start-up operation. In principle it means outsourcing of internal tasks of a business operation to volunteers, mainly organized via internet.

Community Supported Agriculture: Not exclusively a new entry model, but CSA farms offer participation possibilities in farm operation, which can serve as an entry model for new entrants: If successful started, there can be soon need to develop new activities and business branches, offering chances for new (co-)entrepreneurs. In principle CSA can be considered as a community based farm financing / marketing form: The owner(s)/managers of a farm set up at the beginning of a year a comprehensive production plan, estimate the physical output and calculate the production costs. A group of persons / households / families pays a fixed sum per month / per year and buys the whole production to cover their personal food needs. The sum depends on personal needs and personal economic conditions of the participating consumers and is calculated proportionally to the overall farm production costs: All participating consumers cover together with their fixed payments the total production costs of the farm. Advantage of the system is a strong producer-consumer-relationship, and that it takes economic pressure from a farm: The model is also suitable for small and middle sized operations with little opportunities for increasing their farm area - and can be an instrument for saving small family farms in the long run from structural change.

Equity Partnership: see also junior-senior-partnership and career-ladder farming. In an equity partnership partners form a new joint venture business for pooling their resources, typically capital from one side and labour / knowledge from the other side. Often the labour partner is employed or working as the farm manager.

Incubator-supported start-up: Economists define a business incubator as an enterprise or an organisation, which supports young entrepreneurs to set up their business. Typically incubators offer office space, planning, subsidy, financing and marketing advisory, but also equity capital and - referring agriculture - in some cases also land. Public local authorities can act as incubators for new entrants in agriculture, but also NGO's and established private enterprises or private persons interested in developing the sector. An outstanding example is the French network "Réseau National des Espaces Tests Agricoles" (RENETA), which provides land to new entrants for testing their business idea in practice and limiting like this the risks and damages in case of a failure.

Junior-Senior-Partnerships: An entry model, where a young / new farmer cooperates with an established experienced farmer, who needs (qualified) labour support and/or looks in the long run for someone to continue with his business. The new entrant can start as an employee, and be later a business partner with a defined share of input and output. There are also cases involving more junior and senior partners, working together in different legal enterprise frameworks. Typically those partnerships set up a new legal business platform, which rents the fixed assets like land and buildings (sometimes also machinery) from the individual partners. This kind of entry model has great advantages especially where land prices and leasing rates are very high and where established farmers have a clear interest in continuation of their farm business'.

Land Partnerships: Land partnerships can be understood as a generic term for different ways of cooperation and interaction between landowners and people interested in or already running a rural business / a farm without or with insufficient own land property. The "Land Partnership approach", as proposed by the UK Fresh Start Land Enterprise Centre, defines it as a guided process for creating sound new business relationships by bringing together landowners and new entrepreneurs for cooperation within several forms of legal frameworks. Types of legal frameworks can be contract farming, licences, share farming, partnerships, conventional tenancies and long term lets (Fresh Start Land Enterprise Centre 2015).

Share farming: or share cropping (if only field production related) is a form of cooperation, where two parties join their resources to farm together while staying independent from one another with their business. Typically the landowner provides land, buildings, fixed equipments (sometimes also livestock or specialized installations like irrigation facilities), while the farmer provides management knowledge, labour, variable inputs and sometimes also a part of the mobile machinery and/or livestock. Input costs are financed in agreed proportions and every partner gets a predetermined share of the final output (Fresh Start Land Enterprise Centre 2015).

Social enterprise: Objective of a social enterprise is to create societal benefits rather than profit by applying commercial business methods. They can be non-profit or (also) profit oriented and can be developed in several legal frameworks. Their financing is typically realized by a mix from commercial turnover for products and services, but also from donations and public support related to their societal tasks and contributions. There are also several social enterprises run or set up by new entrants, who sometimes bring in their former experiences in a new combination of commercial and social engagement. Depending on individual circumstances, a convincing social enterprise idea can receive public support and be like this also a new entry model for social entrepreneurs in farming.

Worker's cooperative: A worker's cooperative is a cooperative enterprise, which is owned and managed in self-responsibility by its workers. As a new entry model in agriculture it has the advantage, that a lot of persons join their resources and knowledge and improve like this their chances for business success. On the other hand, participants must have a joint vision of this approach and personal ability to teamwork and team decision making. Worker's cooperatives can be an entry model for persons interested in urban or peri-urban agriculture, among them also those, who want to keep non-farm jobs besides their farm engagement.

Annex II: Business models in agriculture

Low cost: The low cost strategy in conventional agriculture and horticulture is usually about expanding the business in order to specialize and realize economies of scale.

Differentiation: A differentiation strategy is based on creating distinctions with conventional products and supply chains, by offering an added value like a specific high quality, specific origin, specific compositions or a specific supplementary service sold with the product.

Diversification: A diversification strategy is aimed at providing other goods and services, aside from the original core activity. Diversification can happen in two directions: starting from agriculture, and diversifying into other kind of business', or coming from other sectors and entering agriculture. In multifunctional agriculture diversification means first offering a diversity of products and food, but also f.e. equestrian activities, landscape maintenance, conference and event facilities, leisure activities, social/green care, re-integration, child care services, education, area development/place making, energy, waterbuffering, climate control.....

The Commons / Share economy: This business strategy is based on the sharing of resources and production - and/or choosing the means of production as much as possible in the domain of common property. Sharing resources instead of owning them, is the principle in short.

Experience: This strategy is based on the insight that more value is added by providing memorable experiences than by providing basic goods or services (the experience economy). The value proposition is "selling rather a story than a product": For example you can sell an egg, you can sell a pancake - or you can sell the experience of baking your own pancake....(van der Schans et al. 2015)

Annex III: Overview of proposed starting points for solutions

Table: Short overview over barriers and starting points for solutions for new entrants into farming

Barriers in access to	Urban and peri-urban agriculture and horticulture	Agriculture in rural regions
Land	Negotiation with local authorities Temporarily use of abandoned land Face-to-face negotiations with owners Cooperation with local incubators Informal land agreements	Career-ladder farming Share farming Equity partnerships / junior-senior partnerships Contract farming Non family farm succession Professional farm brokers Match-making services Incubator-supported land purchase Model farms for convincing land owners Support by local farmer's unions and touristic bodies
Capital	Cooperative / participative approaches Start-up schemes outside farming Incubator loans / capital engagement Crowd funding Product sponsorships	Family support Career-ladder approach CAP and young farmer support schemes Regional and rural development funds Machine pooling Incubator support Equity partnerships
Labour	Crowd sourcing Social funds	Labour pooling
Market	Consumer oriented business models Diversification into non-farming activities Share economy business models Experience business models	Support by processors and advisory Using traditional marketing channels Checking potential for diversification and differentiation business models Support by regional marketing/branding Support by tourism and ecological associations Public investment in general and market infrastructure Support for product differentiation