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Income of Farm Households and the Potential of Small-Scale Farming in France

SUDA Fumiaki

1. Introduction

The president of France's largest farmers' union, Fédération Nationale des Syndicats d'Exploitants Agricoles, Mr. Arnaud Rousseau, expressed optimism about new entrants to farming, stating, "In the next 10 years, three-quarters of new farmers will come from non-farming backgrounds." However, he tempered this expectation by noting, "This will only happen through attracting farm managers who are motivated to develop diverse and profitable projects" (testimony before the Commission des affaires économiques du SENAT, May 31, 2023). Profitable farming requires significant investment, which creates a substantial burden for those taking over farm management. A notable trend is that when the spouse of the farm manager works outside of agriculture, securing external financing becomes easier (Delame, 2023). This report introduces the realities of farm household incomes and explores the potential for new entrants through small-scale farming.

2. Diversity in the Income of Farm Households

(1) Agricultural Income

The European Farm Accountancy Data Network (FADN/RICA) tracks agricultural income in France, which covers farms with an annual sales turnover of EUR 25,000 or more (Delame, 2023). These farms account for 98% of total agricultural sales and 91% of agricultural land, but they only cover 65% of all farming operations. In other words, the realities of small-scale farms are not fully captured. According to the RICA, the average gross agricultural income per farm operator in France in 2020 was EUR 51,900, with the bottom 25% earning EUR 21,600 or less and the top 25% earning EUR 65,800 or more, indicating a threefold income disparity. A striking 93% of RICA-registered farms receive subsidies, with an average subsidy of EUR 33,500 per farm, which accounts for 14% of sales revenue and 47% of operating income. Without subsidies, 28% of farms would fall into deficit. Furthermore, 17% of farms receive half of the total subsidies. The average investment per farm is EUR 30,300, with 50% of this directed toward machinery and 30% toward buildings. In 2020, 25% of farms made no investments, whereas 18% had a net investment (difference between acquisitions and disposals) of over EUR 50,000. The average debt per farm is EUR 200,100, with 20% of farms carrying debts of less than EUR 50,000 and another 20% exceeding EUR 300,000 (Delame, 2023).

(2) Income of Farm Households

The RICA data on medium- and large-scale professional farm operations mentioned earlier do not capture the total income of all farm households; the data exclude small-scale farms. To address this gap, the Institut National de la Statistique et des Études Économiques has attempted to track the income of farm households using tax data.

According to Givois (2024), out of 28 million taxable households nationwide in 2020, 400,000 are farm households (1.5%). The disposable income of farm households is EUR 49,600, with 34% coming from agricultural income, 45% from other employment income (e.g., wages from the farmer or spouse), 15% from pensions and interest, 22% from asset income, 4% from social benefits, and 8% from other business income (e.g., handicrafts or tourism). Although this exceeds 100%, direct taxes amount to EUR 9,500, which is 19% of disposable income. Asset income is particularly high among farm households because many farmers lease their land to agricultural corporations they own, generating rental income. Additionally, older farm households or small-scale operations often receive pension income while continuing to work.

For the bottom 10% of farm households, disposable income is EUR 10,800, with EUR 400 from agricultural income and EUR 5,200 from wage income. In contrast, for the top 10%, disposable income is EUR 131,400, with EUR 53,600 from agricultural income, EUR 52,300 from wages, and EUR 51,400 from asset income. In no income bracket does agricultural income exceed half of total farm household income. Households with one farmer and a wage earner typically have higher income than those with two full-time farmers. This allows less profitable farms to remain viable.

To demonstrate this, Givois (2024) used data on the economic standard per household member (calculated by dividing disposable income by the number of household members). Households where only one person worked in agriculture and had no wage income make up 19% of farm households, with a median economic standard of EUR 18,100 per person. Households where multiple members worked only in agriculture make up 9%, with a median of EUR 21,000. Households where at least one person earned wage income outside of farming represent 72% of farm households, with a median of EUR 23,400. The median economic standard for farm households is EUR 22,800, almost the same as the national household median (EUR 22,400). However, 16.2%

of farm households live below the poverty threshold, compared with 14.4% of all households (Givois, 2024).

As for farm household income by type of farming, the total income of all farm households was EUR 52,400 in 2018, with EUR 17,654 from farming income and EUR 25,639 from wage income, largely earned by spouses (Bordet-Gaudin et al., 2021). Additionally, 20% of farmers also work in non-agricultural jobs. Beef cattle farms have the lowest disposable (EUR 38,060) and agricultural incomes (EUR 11,340). These households, which are often single-person households, are typically located far from urban areas, with limited off-farm employment opportunities. Dairy farms have higher agricultural income (EUR 17,017), but both spouses tend to work in farming, leading to lower wage income (EUR 19,822); only 13% of dairy farmers have off-farm jobs. Arable crop farms have the highest disposable (EUR 67,230) and agricultural incomes (EUR 28,160), with 40% of farmers earning wage income from nearly full-time off-farm employment (EUR 28,861).

3. Challenges in Farm Succession

According to Kirsch (2023a), from 1990 to 2020, the number of agricultural operations in France decreased by 60%, and the agricultural workforce shrank by 50%. However, the total asset value per farm increased by 50% during the same 30-year period, reaching EUR 476,500 in 2020. The capital needed to generate EUR 10,000 in income rose by 21%, reaching EUR 55,860. This capital intensification has significantly impacted farm succession.

Farm succession has become a major issue in France because farming is not very profitable. The net farm income in France is EUR 58,000, which is low compared with the income of EUR 122,000 in the Netherlands (according to the 2021 FADN/RI-CA data cited by Kirsch (2023b)). Although the average farm size in France is 94 hectares compared with 41 hectares in the Netherlands, the total capital value is EUR 525,000 in France and EUR 3,234,000 in the Netherlands. The share of land in fixed assets is 24% in France and 79% in the Netherlands, with self-financing levels at EUR 301,000 in France and EUR 2,350,000 in the Netherlands. The debt-to-asset ratio is 42.5% in France, 27.3% in the Netherlands, and as low as 2.8% in Ireland. These differences stem largely from inheritance practices in France compared with Anglo-Saxon countries. In France, owing to equal inheritance laws, farm successors must pay compensation to co-heirs. Meanwhile, in countries like the Netherlands and Ireland, farms are often passed on as a single unit without charge, provided the successor takes care of the parents (Kirsch, 2023b). France has historically been proactive in policies encouraging new entrants to farming, and succession remains a significant challenge.

4. Women as New Entrants: Emerging Agricultural Models

Faced with challenges in farm succession, certain regions in France may need to turn to small-scale farming. In 2020, the country recorded 107,596 small-scale farms (with sales below EUR 25,000), accounting for 28% of all farms. While this represents a 31% decrease from the 2010 census, small-scale farming remains prevalent in mountainous areas (44%) and less favorable areas outside of mountains (41%). These farms contribute to rural sustainability through diversification strategies, such as operating guesthouses, offering leisure activities, and conducting direct sales (Lécole, 2022, based on the 2010 census).

According to the 2020 census, 21% of farmers who started before 2010 came from outside the farming sector (including those who did not inherit their farms), but this figure increased to 34% for those starting after 2010. Furthermore, the percentage of part-time farmers rose dramatically from 16% to 29% over the same period, and the proportion of women among new farmers increased from 25% to 31%. While the proportion of small-scale farm start-ups grew from 21% to 28%, large-scale farm start-ups (with sales over EUR 250,000) decreased from 29% to 21% (Depeyrot et al., 2023). This suggests that while starting large-scale farms has become increasingly difficult, small-scale farming by part-time farmers is on the rise.

A study in Brittany (Tobassomi et al., 2024) revealed that the proportion of new entrants among farmers increased rapidly during the COVID-19 pandemic, rising by 10 percentage points in 2021–2022. The proportion of women farmers decreased from 40% in 1982 to 25% in 2019. While the percentage of sons inheriting family farms has remained stable at 25% since 1993, the percentage of daughters inheriting farms has steadily declined from 39% in 1977 to only 5.6% in 2020. This aversion to farming among women has significantly influenced agricultural workforce trends.

In Brittany, the renewal rate (the ratio of new entrants to retirees) for beef and dairy farms is low (50%), and only 25% of new entrants are first-generation farmers. Among farm operators and corporate co-managers under the age of 40 years, only 15% are women. However, in goat cheese production, the renewal rate is high. In 2020, 40% of the producers started after 2010, and among new entrants, which account for two-thirds of the farmers, men and women are equally represented.

The gradual increase in female-led small-scale farming, which requires less capital, is quietly transforming French agriculture. As eco-feminist Pruvost (2016) explains, many of these new entrants are driven by a lifestyle choice rooted in the "subsistence ecology" philosophy of "living better by spending less." These new farmers are unlikely to align with hegemonic growth models aimed at increasing agricultural competitiveness, such as the "farm-to-table" strategy. Instead, they represent counter-hegemonic projects, creating a distinct niche. Choices about agriculture and food are inseparable from broader decisions on the kind of society people want to live in, and in politically divided France, various agricultural models seem to be competing.

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