



SCIENCE AND
EDUCATION **FOR**
SUSTAINABLE
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Agricultural businesses in the future

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Photo: Pixaby.com



Development of agricultural businesses – a look back



Structural change

- There are about 63 000 agricultural holdings in Sweden (stats from 2016).
- In 2005, there were about 76 000 agricultural holdings.
- At the same time, the average farm size has increased by 5 hectares to 41 hectares.
- The number of dairy farms has decreased from 5 619 in 2010 to 3 477 in 2018.
- The average herd size has increased from 62 cows to 92 cows.



- In 2016, there were about 23 000 small holdings.
- In 2016, about 15 500 farms were big enough to have an estimated labour need of above 1600 hours/year.



Farm diversification

- In 2016, about 27 000 agricultural businesses engaged in farm diversification activities.
- In 2005, this figure was about 15 000.
- Diversified farms were found economically more viable than specialized farms (Barnes et al. 2015)



Two trends...

A large, dark green oval shape containing the word 'Specialization' in white text.

Specialization

A large, dark green oval shape containing the word 'Diversification' in white text.

Diversification

Issues to deal with for today's and future agricultural businesses

- Fossil fuel dependency – how to become fossil free
- Negative impacts on biodiversity – how to reverse
- Dependence on imported soy-based ingredients for feedstuff
- Profitability problems – market problems
- Efficient use of agricultural resources in the whole country
- Succession
- Resilience



According to the farmers

- Access to financial resources;
- Farm characteristics in terms of layout and geographical location;
- Consumer demand;
- Available resources and
- Options for farm succession

(Source: Hansson & Sok, draft)



Agricultural land – a central production factor



How can land be owned and organized in an agricultural business?

The land acquisition act limits the possibilities for limited companies to acquire agricultural land.

This impacts how agricultural land can be organized in an agricultural business:

Common examples

- Sole proprietorship
- Sole proprietorship combined with limited company



How can agricultural land be owned and organized in the future?

We need new concepts!

These should facilitate collaboration between farmers and enable more efficient use of agricultural land, modernization and innovation, while maintaining the current way of owning agricultural land.



Example

- Individually owned agricultural land by private persons just as today
- Operated in larger limited companies which rents the land and where partners may not be closely related as to day.
- But how is farmer self-identity affected?



The future agricultural business – what can it look like?

- Specialization vs. diversification in response to demand
- Private, family/individually owned agricultural holdings, operated by jointly by large-scale collaboration initiatives.
- Fossil free production
- More of ecological production processes
- Agricultural production which is more adapted to regional conditions



The agricultural business in the future

Greening
focus

Fossil free

Stronger focus
on ecological
production
practices

Business
focus

Collaboration
in larger
limited
companies

What does it
mean for
farmer self-
identity?

Regional
adaptation



The farmers in the future

Engineers of
agriculture

Business
managers

Collaboration,
business partners



Thank you!

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