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Farm diversification at succession

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D5.2 30 Case studies on rural newcomers, new entrants to farming and successors



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T5.2 Case study report (Code BE3B)

Farm diversification at succession

Marjolein Spaans (TU Delft)

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Introduction

At succession of a farm successors often evaluate the farm operation and whether to continue in the same way, to diversify or to specialise. An increasing number of successors chooses to diversify their farm income, either by *diversification* which aims at changes in agricultural production and management (like adding production-oriented branches, processing and selling home-made products and the switch to organic production) or by *broadening* which aims at adding non-agricultural activities to the farm company (such as creating farm leisure services like camping sites, B&B overnight stays, workshops etc.). The market for this type of products and services is growing, but there may also be other reasons to choose for diversification and broadening. It may create more employment (for a partner, family and others) and lead to more satisfaction because there is direct contact with the end-users of the farm products.

This case study focuses on diversification and addresses two Flemish farms where at the moment of succession or at the entrance of the new generation decisions were made about agricultural management. They kept agricultural production as main source of income and adapted their agricultural management either by switching from traditional to organic agricultural production (Biohoeve Hof te Muizenhole) or by adding an agricultural branch to the existing organic farm management (organic dairy goats and home processing and direct sales). De Speiboerderij). The two examples are situated in Flanders (Belgium) in the province of East-Flanders in two neighbouring municipalities, Herzele en Lierde (Figure 1).



Figure 1. Location of the two examples in Flanders (Belgium); municipalities in red Source: <u>https://www.geopunt.be/kaart</u>

Research is based on analysis of 11 interviews (see annex 1) with relevant stakeholders in both examples, relevant literature (both official and grey), open data available on internet and information on relevant websites. Two meetings have been organised on this case, one to discuss preliminary results to receive feedback to further improve the case study report (May 25) and one to present the final results with an interested public including respondents (June 17).

Biohoeve Hof te Muizenhole

Local context

Biohoeve (or Organic Farm) Hof te Muizenhole is situated in the sub-municipality Deftinge which is part of the municipality of Lierde (Figure 2). The acreage of the farm is (<u>https://hoftemuizenhole.be</u>) and the soils can be characterised as loamy (<u>http://www.geopunt.be</u>: soil map).

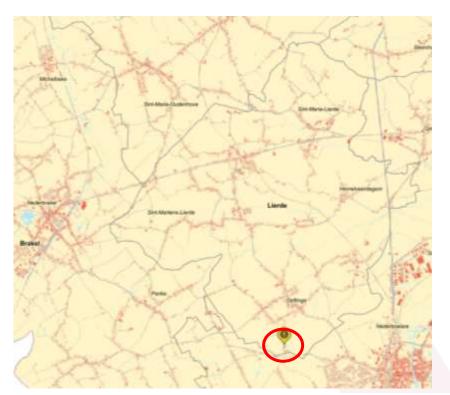
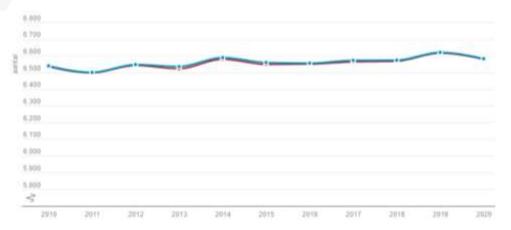


Figure 2. Location of Hof te Muizenhole (circle on the map) in the municipality of Lierde Source: <u>http://www.geopunt.be/kaart</u>

The Natura 2000 area 'Flemish Ardennes' (total surface 5,548 hectares) consists of scattered pieces of land of which one part is located in Lierde, but not bordering agricultural land (<u>https://www.natura2000.vlaanderen.be/gebied/vlaamse-ardennen</u>, BE3B/Int.5). The altitude varies between 30-95 meters above sea level (<u>https://nl-nl.topographic-map.com</u>). The municipality of Lierde is 2,613 hectares large (<u>http://www.lierde.be/website/5-www/7-www.html</u>). In 2020 the population size of Lierde was 6,582 (Figure 3) with a population density of 2.50 inhabitants per hectare (as compared to 4.88 for the Flemish Region). The

breakdown of age categories compares well to Flanders as a whole (Figure 4). The average household size is 2.38 comparable for the Flemish Region (2.32) (Rijksregister, provincies.incijfers.be). Figure 5 shows data on the employment rate, which is higher in Lierde than in the Flemish Region.



Blue: total number of inhabitants according to Rijksregister and official statistics Red: official statistics of the total number of inhabitants Figure 3. Population size Lierde (2010-2020) Source: various sources 2010-2020 (https://provincies.incijfers.be/dashboard/dashboard/bevolking/

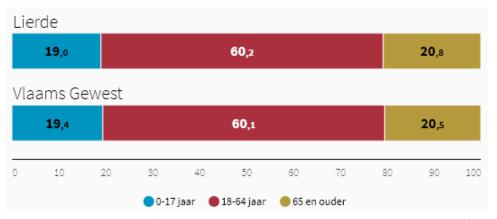


Figure 4. Age categories of inhabitants in Lierde compared to the Flemish Region (Vlaams Gewest) (2020 in percentages)

Source: Rijksregister | provincies.incijfers.be (2020)

n. 	20.0	70.5	[71,1]	(71,3)	71,3	71,6	71.7	72,9	(73,3)	73,2
64,6	69,9	68,0	66.3	66,2	64,1	66,3	66,6	67.2	68.2	68.9
10.										

Figure 5. Employment rate for the population of 15-64 years of Lierde (in blue) compared to the Flemish Region (in red) (in percentage for 2008-2018)

Source: VAR/ provincies.incijfers.be (https://provincies.incijfers.be/dashboard/dashboard/economie)

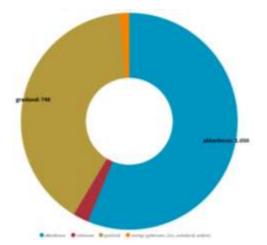


Figure 6. Acreage (in ha.) in Lierde for arable farming (blue), horticulture (red), grassland (beige) and other (orange) (2018)

Source: Departement Landbouw en Visserij/ provincies.incijfers.be (2018): <u>https://provincies.incijfers.be</u>





In 2020 83.9% of the total area in Lierde was in use for agriculture which is higher than for the Flemish Region as а whole (57.7%) (https://provincies.incijfers.be/dashboard/dashboard/ruimte). Figure 6 shows the breakdown of agricultural land with 56.2% arable land and 40.0% grassland. The agricultural typology map of Flemish municipalities (2016) shows that Lierde is characterized by 'specialisation cattle' (https://provincies.incijfers.be/dashboard/dashboard/landbouw). The number of businesses with agricultural production in Lierde fluctuated between 48 and 52 in the period 2011-2019 (Figure 7). The larger farms have a successor; this is more problematic for the smaller businesses. Of the existing farms in Lierde around 50% are estimated to have a successor who will probably take over in due time. The other 50% will probably be leased or sold to other farmers or investors in land or turned into part-time farms where the successor has another job along the farming (BE3B/int. 5). It is very difficult to take over a farm company: in 2019 agricultural land costed on average €53,899 per hectares in Flanders (https://www.notaris.be/nieuws-pers/detail/landbouwgrond-in-ons-land-kost-gemiddeld-46-778-euro-per-hectare) and the way European subsidies currently find their way to farm companies stimulates large scale companies.

Origin of the practice

History

Biohoeve Hof te Muizenhole dates back to the 12th century when it was a property of the Sint-Pieters Abbey in Ghent of which it remained property as leasehold until the French Revolution. The farm was once over 160 hectares. In the 17th century, part of the farm was split off as a new court – Hof ter Plancken – whereas 115 ha remained for Hof in Muizenhole. A turning point was the French Revolution in which property of the church was publicly sold to private persons. From that moment on there has been a succession of new owners and tenants with varying acreages (https://hoftemuizenhole.be/ons-verhaal-1/historiek.html). In 1957 the Charles Depraetere-De Wolf family settled here and ran a mixed farm with cultivation, dairy cows and beef cattle. In 1991 their son Guy Depraetere and his wife took over the farm and transferred it to an arable farm with only beef cattle. He ran the farm part-time aside another job most of the time and worked at the General Farmers' Syndicate ABS (*Algemeen Boerensyndicaat*) as General Secretary and later on as farm company advisor

in the field of organic production.

Current practice

Although son Damien Depraetere did not have an educational background in agriculture but in mechanics and for long did not plan to succeed his father on the farm, he decided to take it over and joined in 2010 (<u>https://hoftemuizenhole.be/ons-verhaal-1/historiek.html</u>, BE3B/Int. 1). The son took a starter course at the National Agricultural Centre (*Nationaal Agrarisch Centrum*) where he discovered his interest in organic farming. During the decision process whether father and son would opt for organic farming, they visited a number of organic farms in Belgium and the Netherlands, used external expertise and called on specialists of Inagro, which conducted a feasibility study on the financial and cultivation part of the switch (N.n., 2010).

The expertise of the father from his work at ABS gave them the insight that continuation of traditional farming would need the farm to keep up with trends as globalisation and scaling up in agriculture. Arable farming with beef cattle would offer little future for a successor unless added value was given to it. The switch to organic farming would give such an

opportunity. It would give added value to the soil, and thus products would have added value for the average consumer who would be willing to pay a higher price than for a traditionally produced product. Father and son also saw the potential that the short chain offers as well as a high demand from industry for certain organic vegetables. They thus combined a different approach to farming by turning to organic with another approach to sales by turning to short chain and now offer a better quality for a better price (https://hoftemuizenhole.be/ons-verhaal-1/historiek.html, BE3B/Int 1).

The current farm covers 93 hectares with grassland and arable land, of which 65 hectares is clustered (N.n., 2012). The acreage did not change upon succession and the major part is in long-term lease. It was converted to organic cultivation in a period of 3 years (2009-2012), after which it was fully certified on the basis of the EU Organic Label. All vegetables and meat are now sold as such. Management focusses on the short chain which means that they try to take out middlemen or intermediaries from the sales process to wholesale distribution and the frozen industry and they incorporated direct sales via their own webshop and vending machine on the farm (BE3B/Int 1, <u>https://hoftemuizenhole.be</u>). Hof te Muizenhole is now one the largest organic arable farms in Flanders (N.n., 2010).

Actors involved

Farmers and family

The father farmer took over the farm in 1991 and run the farm part-time aside another job most of the time at the General Farmers' Syndicate ABS (*Algemeen Boerensyndicaat*) as General Secretary and later on as farm company advisor in the field of organic production. He is also a member of the local council of Lierde. Based on the expertise of the father on the agricultural context they decided to switch to organic agriculture. They also made use of expertise by the Flemish Promotion Fund for Agriculture (VLAM, *Vlaamse Promotiefonds voor Landbouw*) and expertise by of the Interprovincial Research Centre for Organic Cultivation (*Interprovinciaal Proefcentrum voor de Biologische Teelt vzw*, PCBT). This is part of Inagro, a public-private expertise centre on organic farming. Whereas the father worked part-time on the farm, the farm had to be turned more profitable to give the son a fulltime job at the farm (BE3B/Int 1).

By focussing more on the short chain there is less involvement of middlemen and the farmer can be more in control and receive a higher margin. Switching to organic production also means that the farmer should become more aware of the demand on the market. Where a traditional farmer would put more focus on production and be less involved in the demand side, this is different when focussing on the short chain and producing on the basis of demand for certain products (BE3B/Int 1).

When the son took over the farm he held 70% of the shares and the father/parents 30%. Since then the son took over the other 30% shares of the father. The reason is that in order to be able to obtain support by the Flemish Agricultural Investment Fund (*Vlaams Landbouwinvesteringsfonds*, VLIF), none of the partners can be retired: a retired partner in the company would mortgage the support. That is why it was decided that the joint exploitation would be stopped and that the son would continue as sole shareholder. The government fund VLIF makes grants available for young starters in agriculture taking over an existing farm company (<u>https://lv.vlaanderen.be/nl/subsidies/vlif-steun/vlif-overnamesteun-voor-land-en-tuinbouwers</u>). One of the options was to split agricultural production and sales into separate entities where the father would still be a partner in the sales entity but

ultimately this was not implemented (BE3B/Int 1). Although the father is formally no longer involved in the business, he is still active and takes care of administration, sales and partly marketing, using his former expertise, while the son focuses on cultivation and innovation in techniques. Dealing with all these issues is considered as difficult to handle for only one farmer (BE3B/Int 1; N.n., 2010).

In addition to the son there is also a daughter in the family. She contributes to the farm in the administration but is not formally involved with shares. When the father withdrew, anticipation of the inheritance upon death of the parents was considered, but was ultimately not decisive in the transfer of the 30% share of the father/parents to the son. The compensation of the daughter will be settled in a later phase (BE3B/Int 1). At succession housing is an issue to be tackled. The parents always lived on the farm, but when the son joined the business the parents moved to a nearby house (zoned as residential), as they considered the main farmer has to live on the farm (BE3B/Int 1).

Inagro

Inagro vzw is an external independent agency of the Province of West-Flanders. It is one of the Flemish practice-oriented research stations for agriculture and horticulture. Although the Province of West-Flanders is its main sponsor, Inagro is open to all Flemish farmers. One of its activities is advising agricultural businesses on many issues. Since 1998 the Interprovincial Research Centre for Organic Cultivation (*Interprovinciaal Proefcentrum voor de Biologische Teelt vzw*, PCBT) was established. Farmers considering a switch to organic farming can turn to it for tailor-made advice, for which they pay a fee of which part can be reimbursed by the Flemish government (BE3B/Int 3). The PCBT provided tailor-made advice to the Hof te Muizenhole farmers before and after their switch to organic farming.

Other advisory services

Other advisory services or sources of inspiration include:

 BioForum Vlaanderen vzw which is the sector organisation of organic agriculture and food. It offers various advice options for businesses that want to switch to organic food production or are already working on it (<u>https://www.bioforum.be</u>).

- 'Organic looks for Farmer' (*Bio zoekt Boer*) project, which started in 2009 as a collaboration project by the Farmers Union (*Boerenbond*), the General Farmers' Syndicate ABS and BioForum. It supports farmers considering a switch from traditional to organic farming with their questions on legislation, subsidies, management, quality labels, phasing of the switch, etc. opportunities and bottlenecks are jointly looked into (<u>http://www.biozoektboer.be</u>). The father farmer was the spokesperson in this project on behalf of ABS.
- Flemish Centre for Marking of Agriculture and Fishery (Vlaams Centrum voor Agro- en Visserijmarketing, VLAM), which is a public-private centre on market knowledge in the field of agriculture and fishery and provides information on marketing and sales (https://www.vlaanderen.be/vlam).

Sales market

An example of sales of Hof te Muizenhole potatoes is their availability at local Bio-Planet shops. The purchase of products is handled by the national Bio-Planet organisation. Whereas focus of Bio-Planet used to be predominantly on organically cultivated products, local production now also receives increasing attention. In this sense 'local' is at the scale of Belgium (with the exception of freshly baked bread). In addition to products with an organic food production quality label, there is also room for products 'in transition towards' organic food production quality label to facilitate (BE3B/Int 4).

Province of East-Flanders

At provincial level the most involved department related to the two examples in this case study report is the Department of Agriculture and Rural Areas (*Landbouw en Platteland*). European policy largely determines the agricultural sector and its impact on rural areas. This European policy is then translated into policy and regulations at the level of the Flemish Region. The province develops policy that is insufficiently covered at higher levels of government and which intends to facilitate business climate and to increase liveability and perceptibility of that rural area. The five Flemish provinces try to harmonize their policy on agriculture as much as possible. Provinces are by far the most important financier of applied scientific research in agriculture and each province has one or more specialized centres. As

Flemish municipalities are relatively small in size, the province also acts as a documented discussion table, where municipalities can turn to with questions and information (BE3B/Int. 2). It also provides information on new forms of agriculture for agricultural businesses (Provincie Oost-Vlaanderen, 2019). It is also the province – more than municipalities – that has a budget for grants for improvements in rural areas.

Municipality of Lierde

Lierde is a small municipality with a limited staff. Amongst its policy fields are agriculture and sustainability (on the basis of a climate plan). The municipality has a predominantly rural character. Actions in the field of agriculture and sustainability include among others planting of trees along roads and subsidies for green manure. Water availability might be a problem in the future and the construction of rainwater wells in agriculture is stimulated. The municipality does not have an active role in stimulating organic agriculture; the Hof te Muizenhole farm is currently the only one in Lierde (BE3B/Int 5).

Lierde integrated its Agricultural council in the broader Environmental council (*Milieuraad* or *Mina Raad*). Different stakeholders have a seat in this council and it serves as an advisory board to the local administration. The Hof te Muizenhole farm was an existing farm turning to organic farming and thus did not need new permits. For additional activities permits will have to be submitted. Recently the owner submitted a permit to construct a wadi to collect rainwater (2 million litres). If that is according to regulations and no objectives will be submitted the municipality will approve (BE3B/Int 5).

There is occasional collaboration between neighbouring municipalities and with the province. An example of collaboration between municipalities is on a plan for wind turbines and the role of citizen participation in this project. With regard to the province of East-Flanders: Lierde is a pilot municipality for the re-use of farms for which province and municipality jointly draw a covenant (BE3B/Int 5).

Style of farming and activities promoted

In 2010 when the son joined business, the farm switched to organic farming in a 3-years period. The first 40 hectares of arable land were converted in June 2009 and in April 2010 grassland and 8 hectares of tare spring wheat followed as well as the beef cattle. The remaining 22 hectares of arable farming land followed later and the farm was completely working organically in 2012 (N.n., 2010, N.n., 2012).

Arable agriculture

Before 2010 the farm cultivated crops as wheat, potatoes, sugar beets and corn and 40 beef cattle in a traditional way. It changed to organic cultivation of about 10 varieties of potatoes with additional vegetables: winter cereals (triticale, oats, spelled), summer cereals (summer wheat, summer barley), potatoes, celeriac, cabbages (white, red, savoy, pointed, Chinese and turnips), pumpkins, butternuts, maize, grass and clovers. The condition of the soil is important in organic farming. No chemicals are used and the soil structure is preserved by low-pressure tires, tramlines and use of organic fertilization such as stable and green manures (https://www.hoftemuizenhole.be).

Switching to organic farming requires a completely different way of thinking about farming. Compared to traditional agriculture the farmer has to think more preventively and react more quickly. Weather plays a bigger role in organic arable farming than in traditional. If something happens, there is less opportunity to intervene. Weed control is one thing, to prevent it is another. This means other machinery. The son decided on investing in tractors with precision control via GPS-RTK. In addition approved organic agents or systems against insects are used (https://www.hoftemuizenhole.be, N.n., 2010).

Beef cattle

Beef cattle was replaced by another breed. Before the switch they had the Belgian whiteblue breed which is common in the Ardennes region of the farm. This beef cattle breed produces good quality and thick steaks, but cannot calve alone, but only via caesarean section with the help of a veterinarian. As this does not fit in the organic and more natural

approach with less human intervention, this type was replaced by the French Blonde d'Aquitaine breed which completely calves on its own. In 2021 plans are to phase out beef cattle as beef is not considered as a growth market by the farmers. As land is partly located in the hilly areas of the Ardennes some grassland now in use for cattle, will be ploughed and sold as roughage to other farmers. But new ideas to deal with these grassland might further evolve (BE3B/Int. 1).

Sales

It took the Hof te Muizenhole farmers an effort to find their way into the short chain sales market and to find stable partners there. Farmers in organic agriculture which aim at a more direct relation with the sales market also need more marketing insight into the behaviour of customers than is asked from traditional farmers. Potatoes are stored and packaged on the farm. Use is made of sustainable paper packaging with contact details of the farm, which was developed by organic potato growers and partly subsidised by BioForum. After that most of the production goes to retail via wholesale distribution such as Bio-Planet, Delhaize, Carrefour. There is usually still one middleman or intermediary involved, but the chain is shorter and the price more directly in hands of the farmer who is then also more responsible for the quality (BE3B/Int 1).

Another part of the production goes to the frozen industry (celeriac, savoy, yellow turnip, white cabbage). The fact that there are (still) few suppliers to the frozen industry gives Hof te Muizenhole an advantage (BE3B/Int 1). Maize and grass go to their own cattle. Grain is sent to fellow organic farmers and some of it is destined for own use.

Baking wheat is cultivated as well. In May 2021 the Colruyt Group – a retail group with food (a.o. Bio-Planet) and non-food formats in Belgium, France and Luxembourg –, five organic arable farmers, a flour mill and a bakery signed a collaboration agreement to jointly create a new chain for Belgian organic baking wheat to ensure availability of Belgian organic bread in the Bio-Planet stores. The Hof te Muizenhole farmers deliberately chose to cultivate baking wheat as return is considerably higher if products can be marketed for human food instead of animal feed (<u>https://vilt.be/nl/nieuws/colruyt-group-werkt-aan-nieuwe-keten-voor-belgische-biobaktarwe, https://hoftemuizenhole.be</u>). This is another example of a shorter chain approach via collaboration.

Part of the potatoes is sold via farm sales via a vending machine and a webshop. Webshop customers can collect their delivery on Saturday morning or by appointment. They are sold per 5 kg in a paper bag from August to April along with a limited range of seasonal vegetables (https://hoftemuizenhole.be, BE3B/Int.1). The farm also has its own Facebook page supporting the marketing of farm sales. After the switch the farmers experimented with meat packages on the basis of subscriptions. They collaborated with a local butcher who put together packages after which they were collected by the customers. This did not turn out sufficiently successful and it was labour-intensive. The packages were stopped and meat is now sold via wholesalers on the organic sales market (https://www.hoftemuizenhole.be, BE3B/Int.1).

Synergies and networking

Relationships with the local community

In general, there is less of a local farmers' community than decades ago: society turned more individualistic, farming has become more mechanised and at a larger scale. Farmers are less in contact with each other locally and the impact of one farm switching to organic cultivation probably does not have a lot of impact on other farmers locally. The Hof te Muizenhole farm is still the only organic farm in Lierde (BE3B/Int 5). Nowadays farmers network via sector related networks and umbrella organisations at different scales. Information and advice via experts is more accessible (through internet and dedicated networks). The fact that the father has been a member of the local council for long and was employed at the General Farmers' Syndicate ABS made local relationships and relations within the farming community easy. Also the direct sales from the farm connects the farm with the local community, as well as online marketing tools via website and Facebook.

Networking established

Biohoeve Hof te Muizenhole is not directly linked to a larger network of comparable farms or businesses. Occasionally a visit among organic farms is organised to exchange experiences (Delanote, n.d.). As a result of the focus on the short chain, new networks with respect to the sales market have been developed. The recent collaboration on organic baking wheat with the Colruyt Group is such an example. This is also the case with respect to expert advice, cultivation techniques and machinery.

Policies and institutional supports

Use of expertise by advisors on switching to organic farming

Tailor-made advice and available information on switching to organic farming is key in the decision making process of farmers. Services or sources of inspiration such as the BioForum, the Research Centre for Organic Cultivation of Inagro, and the 'Bio searches Farmer' project are very valuable in this process. One of the respondents indicated that on the basis of his expertise in advising farmers in their (potential) switch from traditional to organic farming, his perception is that Flemish farmers are often further in their process on deciding on their switch to organic farming when they engage an advisor than Dutch farmers. Flemish farmers have often already obtained a lot of information themselves before calling in an advisor and focus the advice more on the technical aspects of organic farming, where Dutch farmers use it more as a source of information to decide on a potential switch (BE3B/Int 3).

One of the motivations to switch to organic farming is to secure a future perspective for the farm. There are only a few moments in the career of a farmer when new investments in the farm are considered and a future perspective on the farm is needed. Farmers can then decide to continue in the same way, to diversify or to specialise. Past farm management also plays a role in deciding which future perspective for the farm would suit farm location, acreage, type of agricultural production, market and personal situation best. In the near past this was often not at the succession from father to son or daughter, when there was already a heavy financial burden for the new farmer who also had to become acquainted with the new farm company and often first continued this as before succession. According to one of the respondents an important moment of reconsideration often comes around the age of 40 when the largest financial burden is reduced and when there is still a future perspective for the farmer of another 20 years. A traditional medium-sized arable farm will be more inclined to consider a switch to organic production in view of a future-proof business. Farmers at age (around 60 for example) without a potential successor are not likely to consider a change in business operation like a switch to organic farming (BE3B/Int 3).

Organic farming is a demand market and still a relatively small one, but it does not automatically offer itself to the farmer, who has to actively get involved in this market. It

requires additional skills from the farmer or expertise by a specialist. Other than knowledge of the market for organic products, a switch also requires another farm management. If the successor does not want to keep pigs for example, how can (s)he organise the farm company such that is remains profitable? Or how can it be organised that two people can earn their living at a certain time (BE3B/Int 3)?

Policies activated, constraints and need of new policies

A switch to organic farming needs careful analysis of its impact on the farm company. Regardless of belief whether organic farming contributes to a sustainable way of living, the other side of the coin is the financial feasibility of the traditional way of farming as compared to the organic one. The successor will have to invest in finding his/her way into the new way of cultivation (incl. new machinery) and the new sales market. Policies which facilitate this process will help successors in taking a considered decision.

Impact and perspectives

In Flanders and the Netherlands agricultural policy is strongly influenced by European policy. The agro-business complex is strongly industrially oriented, and export oriented. The business climate for farmers is still considered to be conservative and industrially managed in Flanders. In the past many traditional farmers saw organic farming as a sort of betrayal of the agricultural sector but that picture is slowly changing (BE3B/Int 3). In 2019 the average of organically cultivated agricultural land in EU countries was 8.49% with Austria (25.33%), Latvia (22.33%) and Sweden (20.43%) as frontrunners. Belgium's share was 6.85% of which only 10% was situated in Flanders in 2019. In the Netherlands the share of organic crop area (https://ec.europa.eu/eurostat/web/main/data/database, even lower: 3.75% was https://statbel.fgov.be/nl/themas/landbouw-visserij/biologische-landbouw#news). There still seems to fill a gap with respect to switching to organic farming.

De Speiboerderij

Local context

As the previous example De Speiboerderij is also situated in the province of East-Flanders, in Sint-Lievens-Esse which is part of the municipality of Herzele (Figure 8). The municipality of Herzele neighbours Lierde where Biohoeve Hof te Muizenhole is situated. The acreage of the farm is 97.5 hectares (Van Driel, 2020) and the soils can be characterised as loamy (<u>http://www.geopunt.be</u>: soil map).

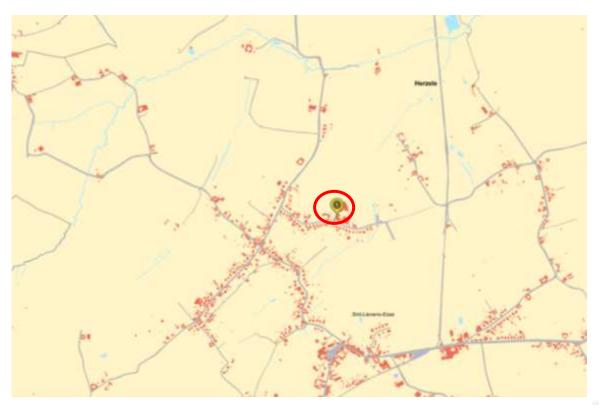
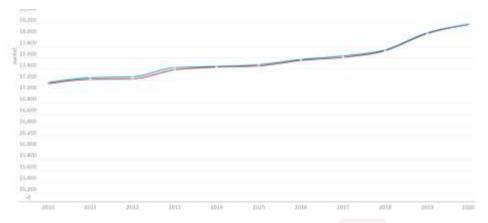


Figure 8. Location of De Speiboerderij (circle on the map) in the municipality of Herzele Source: <u>http://www.geopunt.be/kaart</u>

Herzele – as Lierde in the previous example – is one of the municipalities in the Natura 2000 area of the 'Flemish Ardennes'. The total surface is 5,548 hectares and consists of scattered pieces of land. One of the smaller habitat areas is situated near De Speiboerderij farm, but the farm acreage does not border this nature area

(<u>https://www.natura2000.vlaanderen.be/gebied/vlaamse-ardennen</u>). The altitude varies between 35-80 meters above sea level (<u>https://nl-nl.topographic-map.com</u>).

The municipality of Herzele is 4,740 hectares large and counted a population of 18,192 inhabitants in 2020 (Figure 9), which amounts to a population density of 3.84 inhabitants per hectare (as compared to 4.88 for the Flemish Region). When looking at the breakdown of age categories in Herzele the category 18-64 years is slightly larger than the younger and older categories compared to the Flemish Region Figure 10) (Rijksregister, provincies.incijfers.be). Figure 11 shows data on the employment rate, which is higher in Herzele than in the Flemish Region as a whole.



Blue: total number of inhabitants according to Rijksregister and official statistics

Red: official statistics of the total number of inhabitants

Figure 9. Population size Herzele (2010-2020)

Source: various sources 2010-2020 (https://provincies.incijfers.be/dashboard/dashboard/bevolking/

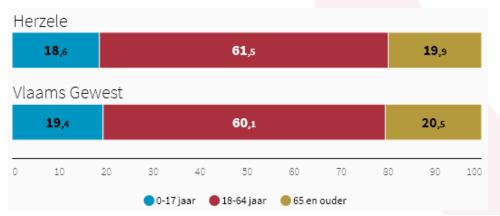


Figure 10. Age categories of inhabitants in Herzele compared to the Flemish Region (Vlaams Gewest) (2020 in percentages)

Source: Rijksregister | provincies.incijfers.be (2020)

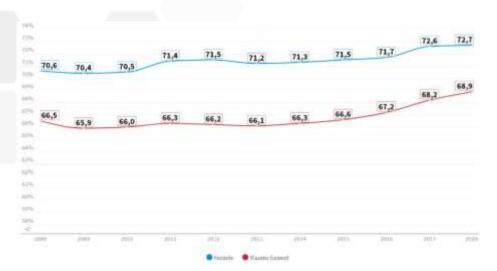


Figure 11. Employment rate for the population of 15-64 years of Herzele (in blue) compared to the Flemish Region (in red) (in percentage for 2008-2018) Source: VAR/ provincies.incijfers.be (https://provincies.incijfers.be/dashboard/dashboard/economie)

In 2020 74.8% of the total area in Herzele was in use for agriculture which is higher than for the Flemish Region (57.7%) https://provincies.incijfers.be/dashboard/dashboard/ruimte). Figure 12 shows the breakdown of agricultural land with 52.1% arable land and 42.3% grassland. In 2016 when an agricultural typology map was made of all Flemish municipalities, Herzele was characterized as 'specialisation cattle' (https://provincies.incijfers.be/dashboard/dashboard/landbouw). The number of businesses with agricultural production in Herzele decreased from 108 in 2011 to 94 in 2019 (Figure 13). In 2021 there were 4 organic producing agricultural businesses and 8 had home production (provincies.incijfers.be). Respondent 5 estimates that around 40 farms are operated as a main occupation. Most of those farmers are at age and will experience problems with succession. Some farmers are changing their farm management to be able to work part-time aside the farm company, for example switching from dairy cows and beef cattle to arable farming as this is less labour-intensive. Farmers stopping their business most often lease their land to other farmers (BE3B/Int 5).

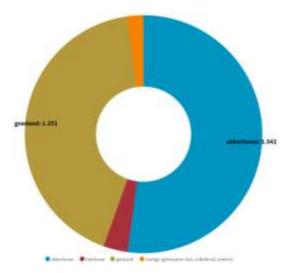


Figure 12. Acreage (in ha.) in Herzele for arable farming (blue), horticulture (red), grassland (beige) and other (orange) (2018)

Source: Departement Landbouw en Visserij/ provincies.incijfers.be (2018): <u>https://provincies.incijfers.be</u>

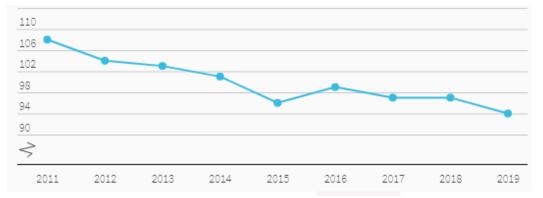


Figure 13. Number of businesses with agricultural production in Herzele (2011-2019) Source: <u>https://provincies.incijfers.be/dashboard/dashboard/landbouw;</u> Statbel/ provincies.incijfers.be (2011-2019)

Origin of the practice

History

De Speiboerderij farm has been in the family for over 5 generations (BE3B/Int 1a). Father Wim stepped into his parents' farm in 1983, at the age of 22. At that time it was a mixed farm with arable agriculture, dairy cows and pigs. He stopped with the pigs when he took over. In the 1990s new legislation on manure and crop protection was coming up which made him reconsider the economic and environmental aspects of this farm. In 1998 he decided to change his farm management and to switch from traditional to organic farm management. This was also based on the conviction that organic farming would be better for the environment; the dioxin crisis shortly afterwards strengthened his choice. He then had 60 dairy cows and about 60 hectares for forage harvesting which had to be converted to organic agriculture. An additional motivation was that he was looking for a more labourintensive approach in which he could involve his brother-in-law as an independent contractor (zelfstandig loonwerker). By choosing organic farm management there would be sufficient work for two workers for example on the more labour-intensive weed control. The higher market value - and thus income - of organically produced products justified additional labour force. At that time the time period to switch to organic farming was only 2 years to become a certified organic agricultural business. Nowadays the transition from traditional to organic dairy cattle can be done within 1.5 year (N.n., 2020, BE3B/Int 1a and 2a).

In the period that De Speiboerderij switched to organic production, there was no separate collection of organic milk yet. It was still the pioneer phase of organic food production and at that time mainly dominated by organic horticulturists. Organic dairy farmers usually processed their milk on their own farm; De Speiboerderij also did so at the start. The rest of the milk went to the regular sales market at the cost of traditionally produced milk. From 2000 onwards organic milk was collected separately by a Walloon company because an increasing number of dairy farmers had switched to organic production. But due to the wide spread of the milk producers, this was not feasible and the company stopped. Wim De Middeleer and 24 fellow organic dairy farmers, spread across Flanders, then took the initiative to start the Biomelk Vlaanderen cooperative in 2001. In 2006 a group of Walloon

dairy farmers joined the cooperative which resulted in the Belgian cooperative Biomilk.be in 2017. Early 2021 20 Flemish and 22 Walloon farmers participated in the cooperative. It has a board with 9 farmers, in which Wim De Middeleer has been responsible for sale of the organic milk since its foundation (N.n, 2020; Van Driel, 2020).

The mother was involved in small scale home production of the organic cow milk and processed it into butter, buttermilk and yogurt. The reason was that at the start of the switch to organic production it was not evident that the sale would be assured. A small farm shop was installed which opened one day a week (BE3B/Int 1a).

Current practice

When succession by son Jasper and later daughter Lore came up for discussion a choice had to be taken between further investments in dairy cows or broaden the farm company with an additional branch. The cow shed was outdated and needed renovation if they would decide on milking more cows. But the sales market for organic cow milk was difficult at that moment, while there was an increasing demand for organic goat milk. They chose the second option as they considered that two sectors would provide more operational security (N.n., 2020; Van Driel, 2020). They also wanted to keep the farm company at a small scale and to ensure work satisfaction for all by giving family members the opportunity to work in the farm company.

In 2012-13 steps were taken in anticipation of the succession the parents converted the farm from ownership by the parents to an agricultural company (*landbouwvennootschap*) to which the production rights and leaseholds were transferred. In 2015 son and daughter joined the company by buying shares from their father. In order to finance that they took a loan for which they received investment aid and takeover support by the Flemish Agricultural Investment Fund (*Vlaams Landbouwinvesteringsfonds*, VLIF). One of the available subsidies by this government fund is support of young starters in agriculture taking over an existing farm company (<u>https://lv.vlaanderen.be/nl/subsidies/vlif-steun/vlif-overnamesteun-voor-land-en-tuinbouwers</u>). Since then they work with three shareholders in the company, each with one third of the shares (BE3B/Int 2a). The father focusses on the cow, the sun on the goats and the daughter took over home production and farm sales from her mother and further extended these activities. She is also responsible for the

administration and helps with the goats if needed. Brother in law of the father and his son also work at the farm but are contracted and not shareholders in the farm company. SBB – an accounting and consultancy firm – was the advisor of De Speiboerderij on administration before succession and also advised them on the administration of the new branch (BE3B/Int 1a).

The acreage is 97.5 hectares of which 75 hectares of grass clover, 20 ha of wheats, 1.5 hectares of fodder beet and 1 hectare of potatoes. The main agricultural branches are organic dairy cows and organic dairy goats. Home production of around 5% of the cow's and goat milk forms a third branch. The home products are sold in a farm shop on the property (Van Driel, 2020). The acreage did not change upon succession. The agricultural company (*landbouwvennootschap*) only leases land; one quarter of the land is in 'family ownership'.

Actors involved

Farmers and family

Father De Middeleer has a family of three children, two of whom joined the farm company and will eventually take it over. The eldest son was always supposed to succeed the father and has an educational background in agriculture. As the father did not plan to retire yet, they diversified their farm management with dairy goats in order to create financial room for a next generation and to be able to work on the farm with more family members. The son works fulltime on the farm, the father combines it with part-time work as board member for sale at the organic milk cooperative Biomilk.be (BE3B/Int 1a). The eldest child – a daughter – studied Biology. After graduation she worked part-time for Landwijzer – the Flemish specialised training centre for organic and biodynamic agriculture – and part-time on the farm in the goat branch. After becoming a mother she quit Landwijzer to work fulltime on De Speiboerderij. She runs the farm shop for two days a week. The other days she is busy with processing part of the cow's and goat milk into home sold products and helping with the goats if needed. The youngest son has another educational background and is not interested in joining the farm company (BE3B/Int 1a).

The original farm house is now inhabited by the daughter and her family. The parents live in a house across the road which was built by the grandparents when they left the farm to their son Wim. A second farm house will soon be built on the property for the son so that all family members in the farm company can live on the property, which is considered important with cattle. Getting a permit took time but eventually was granted by the municipality (BE3B/Int.1a).

Organic Goat Coöperatie (OGC)

The goat milk produced by De Speiboerderij is sold through Organic Goat Coöperatie, a Dutch based cooperative. Goat milking came up in the late 1980s. At that time producers mainly home processed the milk into cheese. Because of the growing volume of goat milk since then it was also sold to external processors of the milk. Until early 2009, Dutch and Belgian organic dairy goat farmers were spread over many processors in the Netherlands for

the sales of their milk. There was great pressure on the price and at a certain point there was even talk of excessive milk, which threatened the price to fall. The association *De Groene Geit* (the organic dairy goat farming association) took the initiative to set up a cooperative for organic dairy goat farmers (<u>https://organicgoatmilkcooperatie.nl/historie</u>, BE3B/Int 4a). About two thirds of Dutch organic dairy goat farmers are affiliated with OGC as well as some Belgian producers. A few years after the start some German farmers also joined the cooperation (BE3B/Int 4a).

OGC has some 25 buyers of the milk, spread over a number of European countries. Milk should meet certain quality requirements. The organic production is certified by SKAL. In addition the quality of the goat milk has to meet the *KwaliGeit* requirements. This is the branch quality assurance system of the Dutch Goat Dairy Organisation (*Nederlandse GeitenZuivel Organisatie*, NGZO). Since January 2021 it was also introduced in Belgium. Milk of each producer is sampled for fat, protein and health of the goats. Milk is collected twice a week at each producer. It is then transported directly to the nearest customer. There is a delivery obligation by the producer and a purchase obligation by the customer. The range of the yearly volume production is between 100,000 - 6 million liters per producer. Often a producer processes part of the milk at the farm, which is allowed by OGC but limited to a maximum of 5-10% of the total volume (BE3B/Int 4a).

New members can only join OGC if there is a guaranteed sales for three years. OGC therefore works on the basis of agreements for 3-5 years ahead. In 2020 the price for 1 litre of traditional goat milk was 0.65- 0.70 and OGC paid 0.90 for organic goat milk. It has become increasingly difficult to start an organic dairy goat farm from scratch, because of the initial investments. Most farms starting with dairy goats switch from dairy cows to dairy goats, or are arable farmers broadening their farm with dairy goats for manure. Combining dairy cows and dairy goats is difficult when handled by one person only as dairy goats are more labour intensive than dairy cows. In the case of De Speiboerderij each branch is handled by another farmer. Certainty about milk sales is a major issue to address when starting a new dairy goat farm (BE3B/Int 4a).

Local sales market

Apart from sales of farm produced products at the farm shop of De Speiboerderij, products are also sold locally in Herzele. One of the shops is Eco & Fair, which sells products by initiatives contributing to a solidarity and fair world via the shortest possible chain. Recently also locally and regionally produced high-quality products were added to the product range. The decision to enlarge the product range was taken after positive experiences with the pop-up shop Her-Culi with regional products. This pop-up store was a collaboration of Climaxi vzw with Eco & Fair cvba, 't Uilekot vzw, the municipality of Herzele and the province of East-Flanders (BE3B/Int.3a, <u>https://www.climaxi.be/her-culi</u>). The offer of products is in development but will be from within a radius of 15-20 km. As there are many farms producing comparable products as goat cheese, yogurt and butter, but also specific fresh fruits and vegetables, attention is paid to a sufficiently diverse range of products.

A matter which had to be dealt with was packaging of some of the products and transport of products from farm producers to the shop. In the example of De Speiboerderij customers at the farm shop would bring their own bottles and jars to be filled which is not possible at a shop like Eco & Fair. It was the Eco & Fair shop which handled permits requested by the Federal Agency for the safety of the food chain (*Federaal Agentschap voor de veiligheid van de voedselketen,* FAVV) as farm shops often do not need these. The producer sets a price and Eco & Fair adds 30% on top of that. The transportation still needs further attention (BE3B/Int 3a).

Municipality of Herzele

Although slightly larger than Lierde in the previous example, Herzele is still a small municipality with a limited staff. The Flemish Region is the most involved government tier with respect to regulations and policies in agriculture. The municipality has only limited responsibilities in this field and foremost in issuing permits. Among the municipal actions in the field of agriculture and sustainability are erosion control, collection of agricultural foils and subsidy for green manure and soil decomposition. Also the starters premium is considered an important subsidy; starters (not only in agriculture) can apply for a subsidy for 5% of their first-year investments with а maximum of €625 (https://www.herzele.be/subsidie-startende-ondernemer). The municipality also organises a

number of events to promote local agriculture and products. There is a two-yearly open day on agriculture and a yearly farmers' market (BE3B/Int 5a and 6a).

Herzele has an Agricultural council in which stakeholders from the agricultural sector have a seat. As other Agricultural councils it serves as an advisory board to the local administration (BE3B/Int 5). Mostly the council has to weigh agricultural interests versus the individual owner's interests in its advise (BE3B/Int 6). The province serves a body of expertise for the municipality and has some subsidies available for companies for example on climate actions. There is little collaboration between neighbouring municipalities, only occasionally on tuning permits for cross-municipal farm companies and in informal networks (BE3B/Int 5a and 6a).

Province of East-Flanders

As the Biohoeve Hof te Muizenhole also De Speiboerderij is located in the province of East-Flanders. We refer to the previous example for more information on the role of the province.

Style of farming and activities promoted

Organic dairy cows

When the father switched to organic farm management this mainly affected the forage production on the land. He hardly had to adjust the stables as the cows are almost year-round outdoor. With 60 dairy cows – a cross between Holstein and Montbéliarde – he had a small-scale farm. He mainly had to make the change from a maize to a grass-clover ration. In order to provide a balanced ration with a low proportion of maize he had to include more leguminous plants which are not labour intensive and have a beneficial effect on the soil (N.n., 2020). In 2017 a huge grass drying shed was built. Since both goats and cows eat hay, the farmers found it useful to dry the grass in this way instead of ensiling it in plastic which makes it also more sustainable. As there is sufficient labour available, the farmers can handle the intensive spring work themselves (N.n., 2020; Van Driel, 2020).

Organic dairy goats

The farmers characterize their style somewhat as 'trial and error'. In the process of deciding on a new branch they did their own research on keeping organic dairy goats and they wanted to find out for themselves if that would work for them. They visited a number of goat farms, consulted colleagues and adapted the construction of sheds and fencing themselves. The son had an agricultural educational background and followed two internships at goat farms. Additionally they made use of the organic farming network of BioForum with exchange of expertise among organic goat farmers (BE3B/Int 1a).

In the beginning it was quite a search, especially in the rearing of lambs. The stable has been adapted several times to further it and now functions properly. Also in this matter they have found their way by trial and error (BE3B/Int 1a). The goat herd now numbers around 650 animals, with 500 lactating goats. Most of them are of the Saanen breed, but there are also crosses with Toggenburger and Nubian. Only limited renovations on the farm were needed to integrate the goat branch into the farm and it only needed a new milking and an automatic feeding system (N.n., 2020).

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The sales market of the organic goat milk is different from the organic cow milk. They follow the same market trends but are disconnected from each other. Overall there is an increasing demand for organic and ecological products. However, there is little choice at the sale: early 2021 there were only 5-6 organic goat milk farms in Flanders and sale via the Dutch based cooperative Organic Goat Cooperation (OGC) the only possibility. Part of the milk production is home processed by the daughter (BE3B/Int 2a).

Home production and farm shop

The daughter processes around 5% of the organic cow and goat milk into products as yoghurt, butter, buttermilk, goat cheese, rice pudding and ice-cream and sold at the farm shop. Raw cow milk and raw goat milk are also sold. In addition, there are also cheeses from Biomilk.be processors in the range. The shop is run by the daughter but if needed the mother helps out. There are no employees or volunteers involved. In addition to the farm shop there are two shops in Herzele that sell their products as well but to a limited extent. The philosophy is to focus is on unpackaged and ecologically produced products. People come to the store with their own bottles to fetch milk, or with jars for some of the other products. If it would have been packed it should comply to regulations of the food agency. There is a rule by the food agency that if only a small percentage is produced at the farm, it does not need to keep a full administration. The intention is not to further scale up home processing and sales. Other than that this would not fit in their philosophy, and it would also add to the additional administrative burden (BE3B/Int 1, N.n., 2020). Home processing is labour intensive, but provides more margin. The added value is not only financial, but gives the opportunity the farmer to communicate with customers and show them where the products come from (Van Driel, 2020). This is considered as an increase of work satisfaction. Since early 2020 the shop opens an additional day and it opens now two days a week on Friday and Saturday. One of the reasons was to spread the clientele a bit more in light of the Covid-19 measures, but it also generated more customers. This might be a side effect of Covid-19 where customers became more interested in locally produced food, but the additional other day in the week also gave customers more flexibility (BE3B/Int 1a). The range of products has been expanded since the daughter took over business. Some have been added on request of customers. New products added are different varieties of cheese and ice-cream; the latter because the daughter wanted to start this herself. It was difficult to find an appropriate course on how to produce ice-cream professionally. With an amateur course and by trial and error she now produces a number of flavours . Also some additional machinery has been bought for the home processing. The shop and the processing area have not been modified yet, but there are plans to reconsider the logistics as these are not optimal yet: shop and processing area are not adjacent which makes combining the two activities challenging (BE3B/Int 1a).

The farmers do not extensively market the farm sales; it is often on the basis of word of mouth. A sign has been placed along the road indicating the farm shop. The farm also has its own Facebook and Instagram pages supporting the marketing of farm sales. The website (<u>www.despeiboerderij.be</u>) needs further content and elaboration. In addition there are two local shops in Herzele which sell De Speiboerderij products, but this has started only recently (BE3B/Int 1a). Supporting online marketing activities as website, social media take time and sometimes need additional skills.

Among future plans are optimising the logistics of the farm with cows, goats, processing room and shop. Steps have been made in energy efficiency with sun collectors and a wood gasifier. A future step might be to get electricity from manure (BE3B/Int 1a).

Synergies and networking

Relationships with the local community

Home production and sale has not only been further developed for its financial margin. An additional motivation was contact with local customers and acquaint them with good quality local food products. Participating in a project like Her-Culi with local sales of products and the Eco & Fair also contributes to strengthening relations with the local community.

Networking established

Father De Middeleer was one of the founders of the organic cow milk cooperative Biomilk and is still one of its Board members. Via this network he was also familiar with the organic goat milk cooperative OGC. Being members of these cooperatives provide wide and useful networks. Networking with other goat farmers via internships by the son and via BioForum also proved valuable in finding their way in the new branch.

Policies and institutional supports

Available information and expertise on new branches like organic dairy goats is valuable in the decision making process for successors. Often farmers find their own way into finding information and use their network in this process. Offering expertise on how to process and produce certain farm products and how to pack and sell them will support successors in taking up this branch more easily. The investment aid and takeover support by the Flemish Agricultural Investment Fund (*Vlaams Landbouwinvesteringsfonds, VLIF*) is helpful in financially supporting successors.

De Speiboerderij was already an active farm working on an organic basis and was already classified as agricultural business. The classification did not need to be changed; the environmental permit had to be adjusted because of the addition of the dairy goats. With goats this was easier than if it had been for pigs. Also the farm production and sales were already in place and after succession they remained sufficiently small scale that they do not need additional permits (BE3B/Int 1a and 2a).

The way Her-Culi project – a pop-up shop with regional products – was set up and subsidised is valuable. Subsidy was given for an innovative initiative. Room was given to try something by giving room to experiment for a certain period. After that it can be evaluated and lessons can be learned. It worked as an incentive to continue selling local and regional product in a more structured way (BE3B/Int 3a).

Policies activated, constraints and need of new policies

As with the switch to organic farming, a further diversification also needs careful analysis of its impact on the farm company. The specific situation of both family and farm company will be at the basis of the decisions made. How to settle the financial issues in the transfer from parent to child(ren) and how to compensate the child(ren) not involved in the farm, is an major issue to be tackled. Advice on both new agricultural branches and farming management and its financial repercussions will further facilitate successors in taking a considered decision.

Impact and perspectives

Taking on a second agricultural branch spreads risks and creates a financial base for successors when one or more children take over. Insight in the sales market of the new branch is indispensable and certainty in sales at the start is important. De Speiboerderij shows that diversification also attributes to a financial base for more children in which work pleasure for each is important.

Analysis of and conclusions on the two examples

Biohoeve Hof te Muizenhole and De Speiboerderij are both inspiring examples of farms where upon succession decisions were taken on diversification, either to change to organic farming or by adding branches in the agricultural production. We will summarize the main elements of each before we draw conclusions on a number of issues.

Biohoeve Hof te Muizenhole

When the son took over the farm company, he switched to organic farming and used the short chain principle in sales. Farm management also changed from part-time to fulltime. Although the son is now the sole owner, the father still works on the farm. The farm focusses on organic arable farming of potatoes and a variety of other vegetables and also has organic beef cattle. Upon switching to organic the breed of cattle was replaced by a naturally calving breed. Cattle will probably be discontinued in the near future because of market considerations.

The major motivation for changing to organic and short chain was a financial one: organic farming would give products an additional value for which customers are willing to pay a higher price. With the focus on the short chain, intermediaries are taken out of the sales process which results in a higher price for the farmer. This would result in a more profitable farm company.

When Hof te Muizenhole switched to organic farming the farmers decided to invest in specialised GPS machinery as to avoid labour intensive farming. They became more directly involved in sales and marketing. Potatoes are stored and packaged on the farm. Potatoes and vegetables are distributed via wholesale distribution to retail and the frozen industry. A recent collaboration has been set up in relation to baking wheat: a food retail group, organic arable farmers, a flour mill and a bakery form a new chain to ensure availability of Belgian organic bread. Part of the production is sold via farm sales via a vending machine and a webshop. They experimented with meat packages on the basis of subscriptions, but this was suspended and meat is now sold via wholesalers on the organic sales market.

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These changes require additional skills from a farmer such as specialised skills in organic farming (soil treatment, fertilizing, weed and insect control) and sales and marketing. In the case of Hof te Muizenhole the son had a mechanical educational background which helped in introducing specialised machinery. He is responsible for cultivation and innovative techniques. But a farmer also has to become familiar with the demand side of the market and become involved in marketing and sales of products. This also requires skills in social media and keeping a website. Even though the father formally is not involved in the farm company any more, he takes care of administration, sales and partly marketing, using his former expertise at the General Farmers' Syndicate ABS. The additional fields of expertise make it challenging to be dealt by only one person.

De Speiboerderij

When son and daughter joined the farm company of their father, a new branch was added. De Speiboerderij now has organic dairy cows, goats and home produced products sold at a farm shop. The dairy goats' branch is new and home production and sales were further developed. Other family members work on contract basis on the farm. While the father is responsible for the dairy cows, the son and daughter are so for the dairy goats with the son in the lead. The daughter is responsible for home production and sales as well as for the administration.

The major motivation for adding the dairy goat branch was to extend the financial basis and to allow two successors to join the company. An additional branch as compared of extending the existing one also would spread risks and provide more operational security. They also wanted to keep farm management small scale and to ensure work satisfaction. They made use of little external advice, but used their own analysis and network in their decisionmaking. Certainty of the sales market for goat milk was crucial. In farm management and logistics they work more on a sort 'trial and error' basis to find their way in efficiently running the farm. This concerns both cows and goats farming and home production and sales.

The major volume of the milk is sold via two cooperatives, one for the cow milk and the other for the goat milk. Only a small percentage (5%) is home produced and sold. Being a member of a cooperative gives certainty in sales and price. The new branch required

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additional skills on keeping dairy goats. The son acquired these by following two internships at goat farms. Further extension of home production also required additional skills, but these were difficult to find. The daughter developed these more or less by herself. Home sales requires additional skills in marketing and social media.

Conclusions

Interesting issues arising from the two examples are the following:

- The main motivation for diversification at succession by changing agricultural management (switch to organic or adding a branch) is often economic. The future farm company will have to be sufficiently profitable for both parent and successor(s) (in a transition phase) or for successor(s) (in the final phase). This can be achieved by giving agricultural products an additional value for which customers are willing to pay more or by spreading risks to provide operational security. But work satisfaction for the successors was also mentioned as a motivation.
- It is important to take a conscious decision on a future proof organisation of the farm company at succession in which also the division of tasks and responsibilities among parent and successors is included. Diversification is found challenging when only one farmer is involved. When farm management aims at a short chain for example the sales market will bring additional work.
- In both examples the successors made use of available grants by the Flemish Agricultural Investment Fund (VLIF) which supports young starters in agriculture taking over an existing farm company. We consider this a valuable financial helping hand for successors.
- Settling the financial issues in the family with regards to the other siblings who are not involved in the succession, is an important issue to address in the new organisation of the farm at succession.
- New farming management requires choice in approach. For example with regard to organic farming: specialised mechanisation (GPS) to control weed versus contracted labour intensive weed control.
- In the decision process of diversification external advice on sales market, techniques, and administration is useful. In the two examples the farmers' own network were used in the decision process.
- Additional skills on techniques and sales market on new branch is needed, as well as marketing skills (for example on website and social media).

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Annex 1. The list of interviews

Code	Gender	Role	Place and date of the interview
		Biohoeve Hof te Muizenhole	Interview
BE3B/Int.1	male	farmer	Online, 9-3-2021
BE3B/Int.2	male	Dept. of Agriculture and Rural Areas, Provincie	Online, 31-3-2021
		Oost-Vlaanderen	
BE3B/Int.3	male		Online, 1-4-2021
BE3B/Int.4	male	Bio-Planet Aalst shop	Online, 1-4-2021
BE3B/Int.5	male	Municipality of Lierde	Online, 1-4-2021
		De Speiboerderij	
BE3B/Int.1a	female	farmer	Online, 8-3-2021
BE3B/Int.2a	male	farmer	Online, 16-3-2021
BE3B/Int.3a	male	Initiator Climaxi and Her-culi	Online, 18-3-2021
BE3B/Int.4a	male	Cooperative Organic Goat Coöperatie	Online, 18-3-2021
BE3B/Int.5a	female	Expert of Municipality of Herzele	Online, 6-4-2021
BE3B/Int.6a	male	Municipality of Herzele	Online, 8-4-2021

Table 1. Interviews