



High Level Economic Perspective on Land Use in Ireland



High Level Economic Perspective on Land Use in Ireland

Trevor Donnellan

Agricultural Economics and Farm Surveys Dept.,
Teagasc

Land use differs for various reason

- **Land Characteristics**
- **Farm Ownership Status**
- **Farm size**
- **Farm consolidation/fragmentation**
- **Farmer Characteristics**
- Importance (or otherwise) of **farm profit** in overall farm household income



Land Ownership Status

- 15% of land is rented
- **Pros**
 - provides access
 - land fragmentation
- **Cons**
 - Limits choices
- State intervention



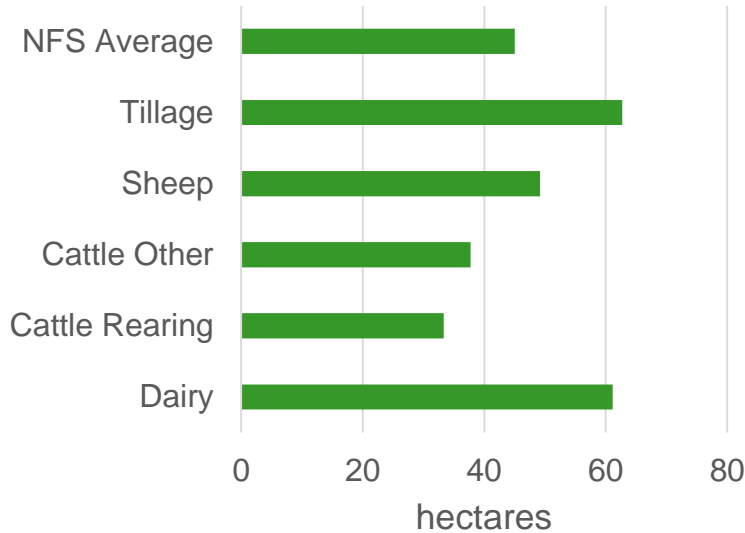
Farm Size Variability

- **Differentials**
 - Farm Size
 - Profit
- **Both are engrained**

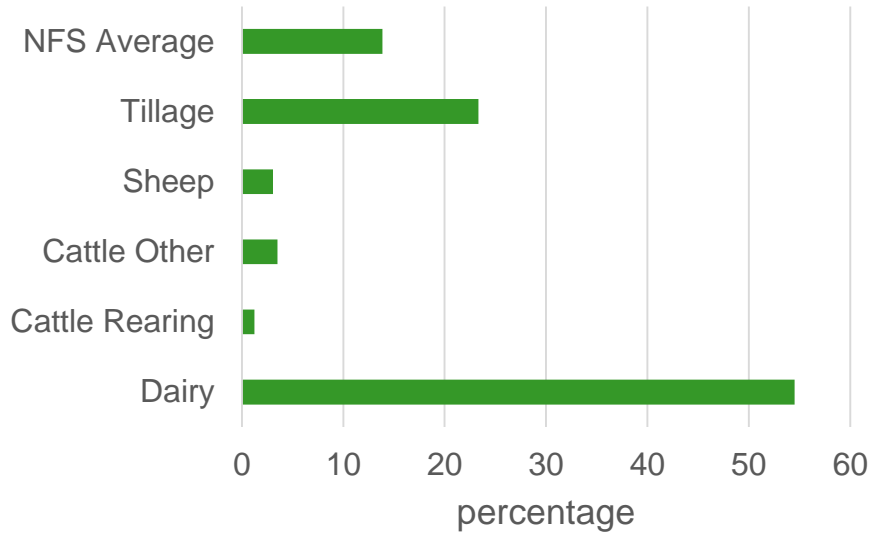


Farm Size and Farm Income

Average Farm Size (2019)



Share of farms generating income over €50k (2019)



Source: NFS

Source: NFS

Farm Consolidation/Fragmentation

- **Cultural norms** around land inheritance
- Leads to land fragmentation
- Reduces land use options

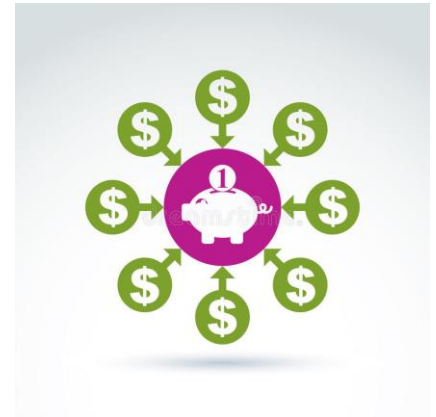


Farmer Characteristics

- Differences across farm types
 - Education, Risk Attitude, Age
1. Cognitive Factors (learning and reasoning)
 2. Dispositional Factors (personality - money and other motivators)
 3. Social Factors (trust, norms, influencers)

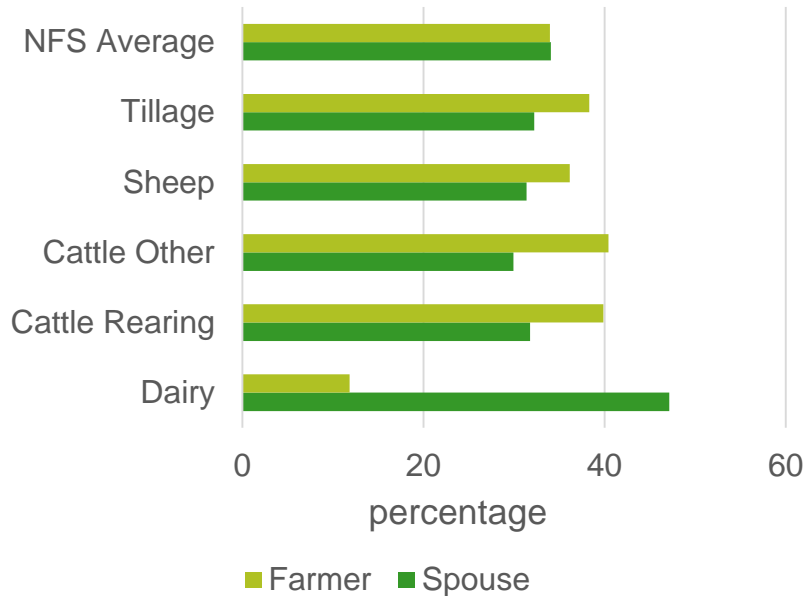
Income Sources in Farm households

- Farm income is not the only income
- What if other income sources are significant?



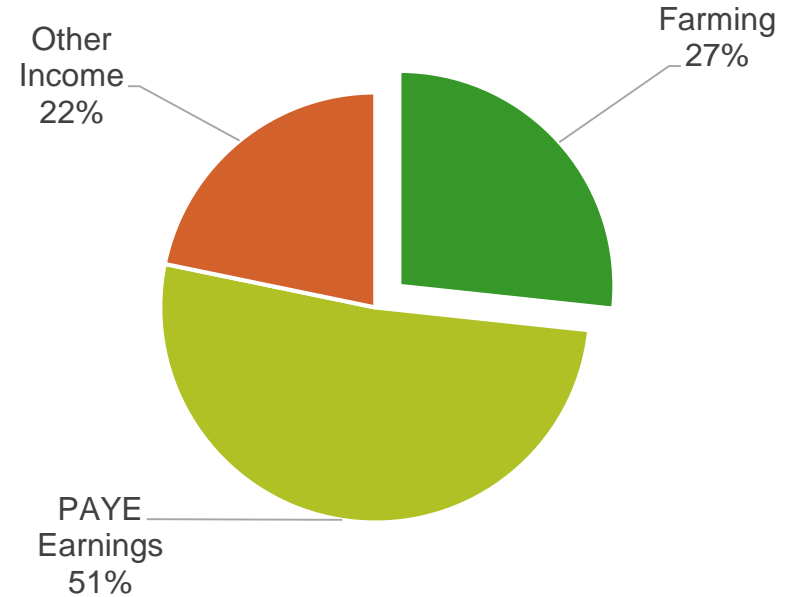
Off Farm Employment

Off Farm Job - Farmer & Spouse (2019)



Source: NFS

Sources of Income in Farm Households (2018)



Source: Revenue Commissioners

Conclusion

- **Factors** that determine land use decisions are **varied**
- **Agronomic** considerations are part of the story
- **Economic and Social** considerations are also integral
- Understanding this **complexity** is critical to the **development of land use policy**
- Depending on their circumstances, **farmers** will be **motivated** in their land use decisions **by different incentives**



END