

High Level Economic Perspective on Land Use in Ireland



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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



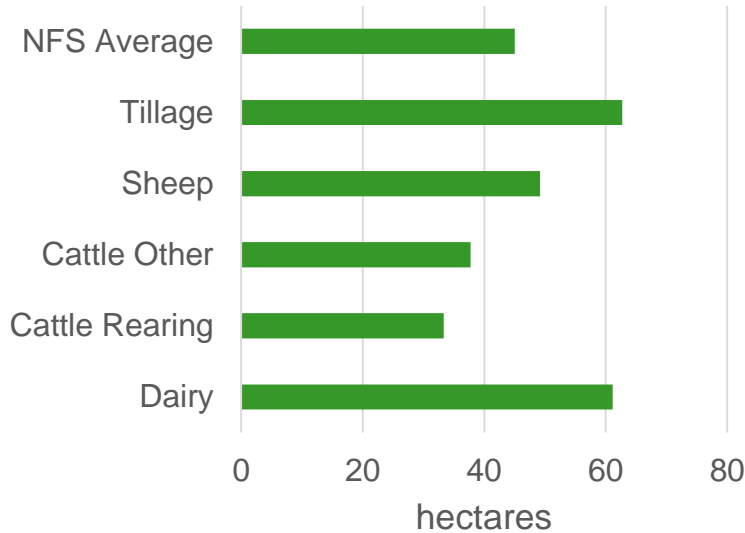
Farm Size Variability

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

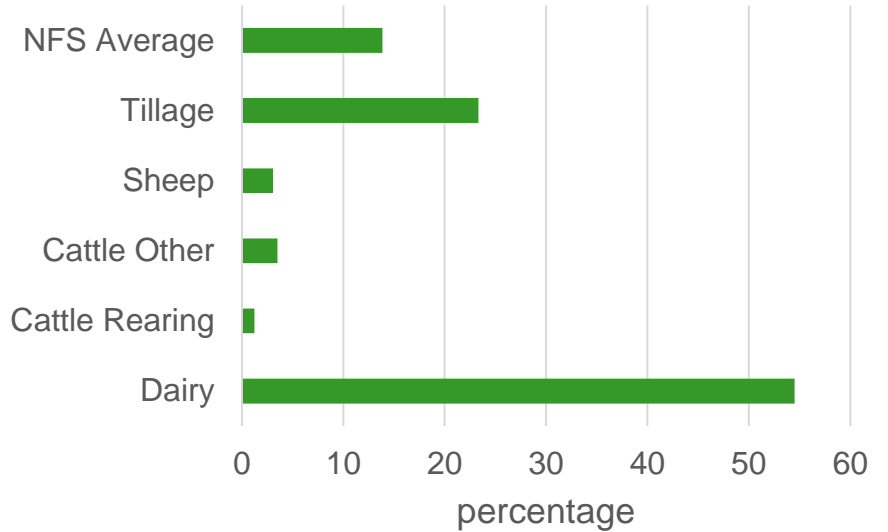


Farm Size and Farm Income

Average Farm Size (2019)



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



Source: NFS

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Farm Consolidation/Fragmentation

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

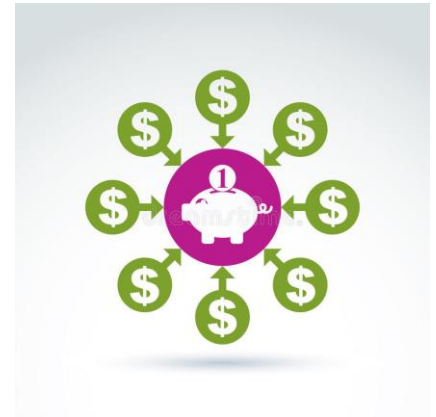


Farmer Characteristics

- 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)

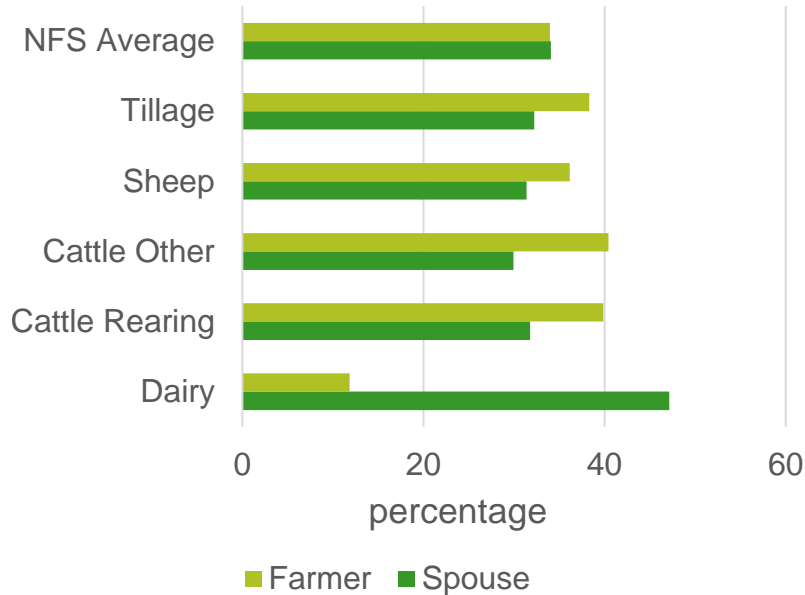
Income Sources in Farm households

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



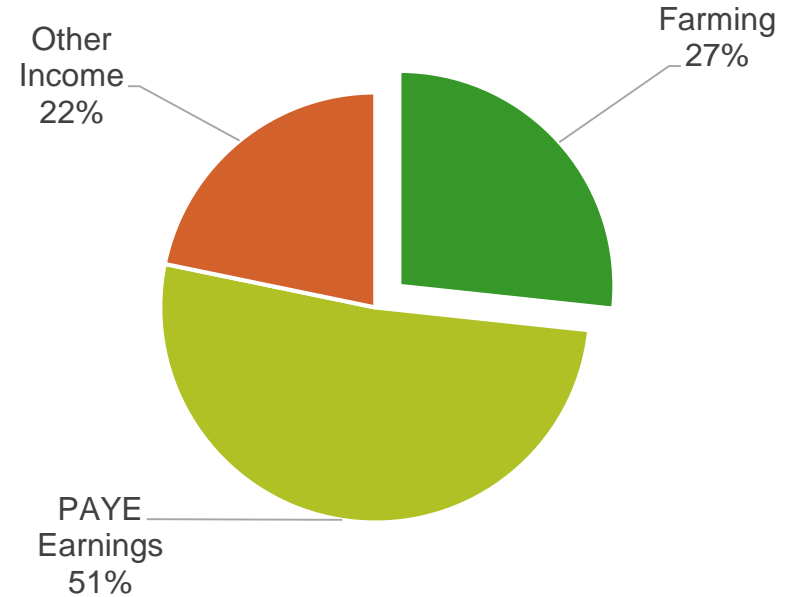
Off Farm Employment

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