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**DOES THE FUTURE OF A FARM DEPENDS ON ITS
NEIGHBOURHOOD ? EVIDENCE ON INTRAFAMILY
SUCCESSION AMONG FRUIT AND VEGETABLES
FARMS IN ITALY**

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Abstract

Aim of contribution - Agriculture in Italy and in Europe relies on farms that are predominantly family-owned. For this reason intra-family succession is the preferential way through which farm management is transmitted to next generations. Even if evidence on farm performance after intra-family succession are not univocal (Bertoni et al., 2017; Carillo et al., 2013), generational turnover and renewal in agriculture is still largely assured by such modality. For this reason in-depth analysis of mechanisms and determinants of intra-family succession is relevant for multiple challenges Italian and European agriculture will face over the next decades. The majority of literature on farm succession determinants (Stiglbauer and Weiss, 2000; Kimhi and Nachlieli, 2001; Simeone, 2006; Glauben et al., 2009; Cavicchioli et al) focused on the effect of farm, farmer and potential heirs features (when available) paying limited attention on the effect exerted by socio-economic conditions around the farms examined, with some notable exceptions (Glauben et al., 2004, Aldanondo Ochoa et al., 2007; Corsi, 2009). This paper contributes to the literature by accounting explicitly for the interaction between farm and farmer characteristics with local labour market and contextual variables on farm succession. By including the latter group of variables we consider intra-family farm succession as an alternative to find an employment in non-agricultural sectors. In so doing we make a bridge between traditional farm succession analysis and occupational choice theory (Mundlak, 1978; Barkley, 1990 and Larson and Mundlak, 1997). According to such theory, finding a job in another sector is (linearly) fostered by the income-gap between sectors, by the population density and employment rate, and by the relative dimensions (in labour size) of the economic sectors in which the migration takes place. As we consider succession as a complement to out-farm migration, the effect of such variables is expected to be the opposite. We then test: i) whether local labour market and contextual variables

affect farm succession ii) whether their effect is linear or non-linear iii) whether the inclusion of such variable change the estimated effect of other farm, farmer and contextual variables on farm succession.

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Data and methodology - We tested the above mentioned hypothesis with a probit regression, using farm-holder expectation on farm succession as dependent variable. We used data of a survey among fruit and vegetables farms belonging to a consortium of Producers Organisations. We selected a sample of 259 farms with farm-holder older than 40 years having at least one child older than 15 years. For those units farmer, farm and location characteristics (altimetry and region) have been used as explanatory variables. Local labour market and contextual variables (income gap, population density, employment rate and share of agricultural labour) were computed at Local Labour System level.

Results - Variables that affect intra-family farm succession (across various specifications) are: graduation of farm-holder (negative), "age" of the farm (positive), specialisation in fruit or ready prepared fresh vegetable (positive). Labour market and contextual variables exerted a nonlinear effect on farm succession (while their effect should be linear). Their inclusion changed the effect of mountain location (from positive to negative, increasing its magnitude) and made farm-holder age significant and non-linear.

Keywords : Farm succession, out-farm migration, Family farm, Local labour market, Fruit and vegetables

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