

Emerging modes of ownership and investment in Danish farming

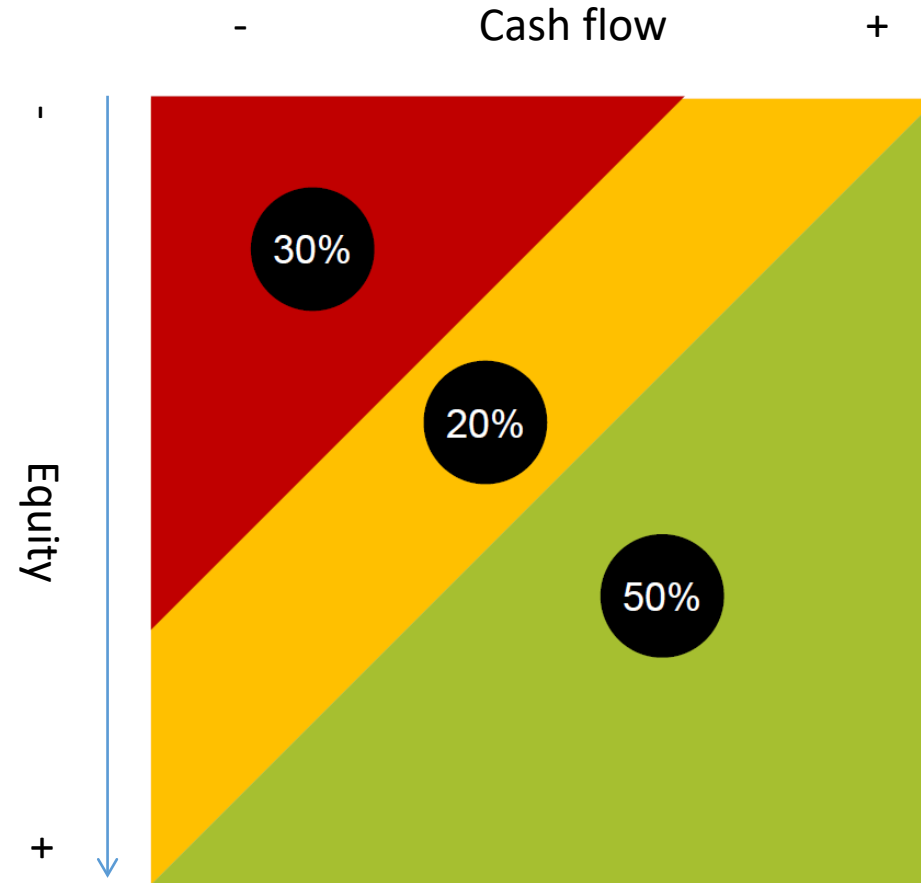
Martin Hvarregaard Thorsøe, Aarhus University

Egon Noe, University of Southern Denmark

Introduction (1)

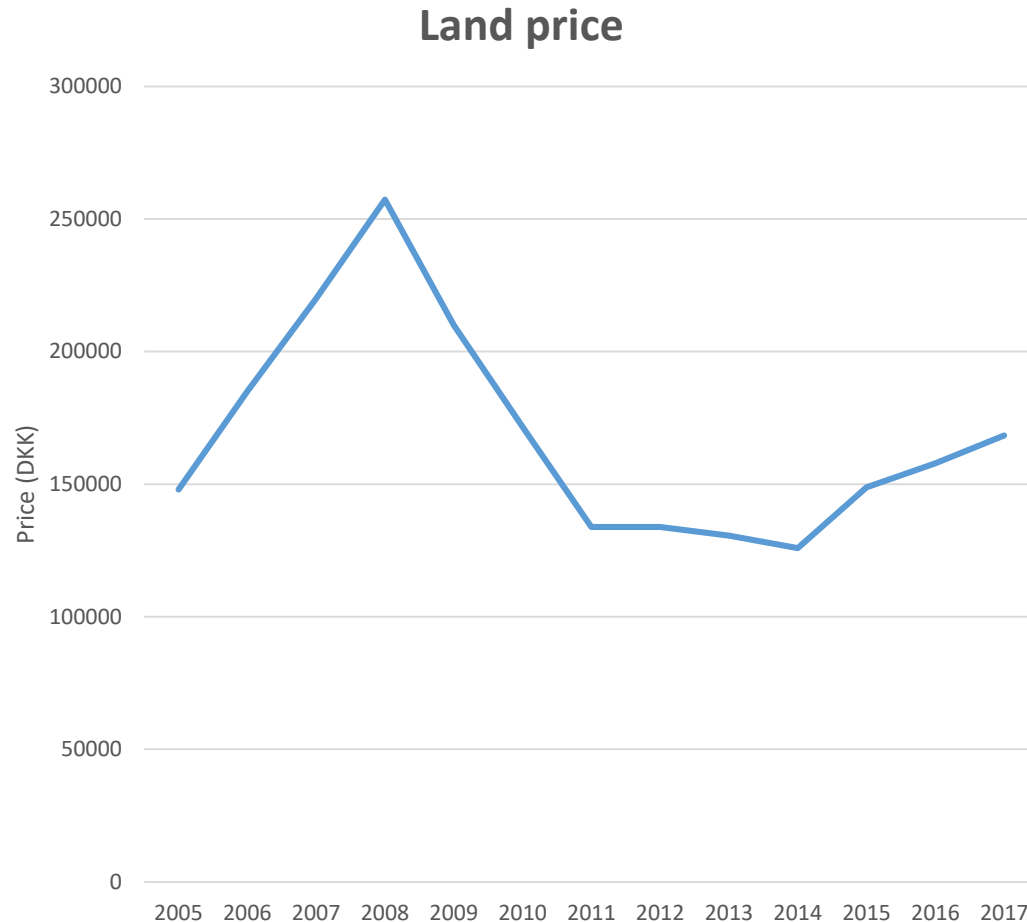
- Current financial situation in Danish farming

- Challenged economy among many Danish farmers
- High rate of bankruptcies
- Farmers have a difficult access to venture capital
- No succession
- No reinvestments
- Highest dept pr farmer in Europe



Introduction (2)

- Causes of the current challenges, traces of financialization



- Mortgage financed succession
- A capital intensive mode of production
- Dedicated focus on economies of scale
- Previous overinvestments and inflated land prices
- Banks have changed their risk profile
- Volatile commodity market

Crisis response (1)

- Changing investment rationales
- Institutional reform has enabled new forms of ownership (2014)
- What is the meaning embedded in the current investments
- Each investment regime incur a particular vision concerning:
 - Values
 - Discourses – what counts as a rational argument
 - Who has an influence on the farming and field practice?



Crisis response (2)

- Changing investment rationales

	#1 Family business	#2 Investment asset	#3 Local sustainability	#4 Control of the value chain
Actors	Traditional family farmers	Pension plans, hedge funds, private investors	Community owned farms, crowdfunding	Value chain actors (vertical integration)
“Yield”	Occupation and	Economic yield and security	Realizing alternative capitals or specific community needs	Economic, security and specific qualities
Rationality	Full control of decisions concerning farming and field practice	Interest in land as an object of speculation providing higher yield or lower risk	Ensuring stability for productions that are unsustainable on free market terms	Need for direct control to ensure certain values or qualities

Concluding remarks

- Danish farming currently undergoes a fundamental restructuring that change some of the foundations of the sector
 - Private ownership is challenged
 - Difficult to attract investment capital
 - New forms of ownership emerge
 - This is also an identity crisis – which role should the future farmer fulfill?
- A basic question remain: How does the future for Danish agriculture look like, how should it be financed and which sector emerge in the future?