



European Economic and Social Committee

NAT/500
The future of
Europe's young
farmers

Brussels, 22 September 2011

OPINION

of the
European Economic and Social Committee
on
The future of Europe's young farmers
(own-initiative opinion)

Rapporteur: **Pedro Narro**

On 18 January 2011, the European Economic and Social Committee, acting under Article 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on the

The future of Europe's young farmers (own-initiative opinion).

The Section for Agriculture, Rural Development and the Environment, which was responsible for the Committee's work on the subject, adopted its opinion on 21 June 2011.

At its 474th plenary session, held on 21 and 22 September 2011 (meeting of 22 September), the European Economic and Social Committee adopted the following opinion by 136 votes with 6 abstentions.

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1. Conclusions and recommendations

- 1.1 The statistics clearly show that the number of young farmers is falling generally and that farming is being abandoned. In light of this unstoppable process, which is completely at odds with the need to deal with the food challenge, the EESC would like the policy to support young farmers to become a real priority of the European and national institutions.
- 1.2 The EESC recognises that rural areas offer fresh possibilities which can benefit rural youth. The work of farmers is becoming more and more complicated, technical and requires greater preparation. Young people are a step ahead in perceiving farming as a modern, business concept adapted to new technologies. Younger farmers, if they have the right tools at their disposal and the appropriate legal framework, are best qualified to deal with the challenge of food security by producing high-quality foods with rational use of natural resources.
- 1.3 The main problems facing young farmers are the difficulties in obtaining access to land and to credit. As a matter of urgency, new systems of access to land should be promoted and access to credit should be ensured through a European guarantee system.
- 1.4 The EESC proposes that a European observatory be set up to analyse and assess problems relating to setting up, transfer and more generally, all matters concerned with the next generation of farmers.
- 1.5 Support for young farmers cannot be confined exclusively to the area of rural development. Against the current background of CAP reform, a new line of support should be established under the first pillar of the CAP, geared specifically towards young farmers. Under the second

pillar of the CAP, support for setting-up should be converted into an obligatory measure throughout the European Union.

- 1.6 One outstanding task is to facilitate the transfer of farm ownership to young people. The EESC believes that the success of these policies depends in large part on improving pensions in order to allow the farmers to leave the profession with dignity.
- 1.7 Training and new technologies at the service of young farmers are the basis for the development of a business mentality. Outdated theoretical training is not adequate; young people deserve ongoing professional advice adapted to the real needs of their work. The EESC proposes that a new exchange programme for young farmers "Erasmus farmer" be set up and that the Leonardo programme be adapted. Given that the sector is becoming older, the EESC also calls for new channels of participation within farming cooperatives and organisations. Special training and education, including summer camps and various activities, for the children from the rural areas should be promoted.
- 1.8 The European Union bears a major responsibility towards young farmers. It is however essential for the Member States to use their own powers to offer tax breaks, cut red tape, invest in public infrastructure and services in rural areas, promote low-food-mile systems, foster diversification and, finally, help make rural areas attractive places to live and work.

2. **Young farmers in Europe**

- 2.1 It has been ten years since the EESC drew up its last opinion on young farmers¹. Unfortunately, the fears expressed in that opinion have proven to be founded; not only has the number of young farmers continued to plummet, those who are struggling to stay in the sector are facing, one decade later, a scenario with more dark than light at the end of the tunnel.
- 2.2 At European level, there is one farmer under 35 for every nine farmers over the age of 55. In certain Member States, such as Portugal, Spain, Italy, the United Kingdom or Bulgaria, the proportion of young farmer is very low (only one young farmer for every 20 over the age of 55.) However, countries such as Poland, Austria or Germany illustrate another side; one young farmer for every three over the age of 55. These differences are explained primarily by the existence in certain Member States of favourable legislative frameworks which have promoted the next generation of farmers in rural areas via incentives for the transfer of farm ownership.
- 2.3 Analysis of agricultural structures shows that, although with varying degrees of intensity, the number of farmers has fallen systematically and the ageing process is much more advanced

¹ OJ C 36, 8.2.2002, p. 29-35, *New economy, knowledge society and rural development: what prospects for young farmers?*

than in other economic sectors. Since 2000, there has been a 9% drop in the number of farmers, with 45% fewer young farmers.

- 2.4 The loss of active farmers cannot be offset over the long term by raising productivity. Against the backdrop of widespread volatility in the price of raw materials, strategic concepts such as food security and sovereignty², which have been addressed on various occasions in EESC opinions, are of particular relevance. The protection of the environment and other public goods are global interests which cannot be imported. The role of farmers is therefore much more than just an economic activity. The Europe 2020 Strategy, based on green, smart and sustainable growth, will be a mere utopia unless farmers are involved.
- 2.5 The strategic nature of farming is not called into question. However, the process of abandoning farming would appear to be ongoing and there is an urgent need, within the framework of the CAP reform, to launch an in-depth assessment of what policy is required to make farming more attractive and profitable. The situation is particularly acute in the livestock sector. If young people do not encounter favourable conditions to carry out the profession, all specific and well-intended measures on setting-up, training, transfer of ownership, taxation, etc. will be irrelevant.

3. **The challenges facing young farmers in Europe**

- 3.1 Farming in the EU is going through a process of change, and many people believe this represents a transition to a new agricultural model. Young farmers will be responsible for taking up the new challenges and steering their farming activities towards the agreed objectives. The absence of stable policies over the long term has generated such insecurity and instability in the sector that it has had an impact on farmers' economic planning.
- 3.2 Farmers are confronted with a paradoxical situation; they assume more risks, make more investments, face higher production costs, are better qualified and despite all this, they receive the lowest prices ever paid for their products. The debate on specific instruments and policies for young farmers cannot conceal the fact that farming will decrease in Europe unless farmers can be guaranteed a minimum profitability and a fair price for their products. To enable farmers to live on the fruits of their labours, the EESC recommends that regulation of agricultural markets be put in place, based on transparency in markets in agricultural produce, organisation of trade in food that permits food sovereignty, with the creation of large agricultural production and trade regions. Since WTO rules are unsuited to agriculture, dedicated bodies should be set up, as recommended by MOMAGRI (Movement for a World Agricultural Organisation) and others.

² OJ C 54, 19.2.2011, p. 20-23, *Security of supply in agriculture and the food sector in the EU*.

- 3.3 Imbalances in the food chain strongly discourage young people from taking up farming; major differences between the prices received by the farmer and the final price paid by consumers, the lack of transparency and unfair practices characterise the way in which the food chain operates³.
- 3.4 The EU is engaged in an ambitious process of trade liberalisation in the Mediterranean basin, Mercosur, Canada, etc. Young farmers are asking themselves how they will be able to reconcile production with higher quality, environmental and social standards with cheap imports of products far removed from the norms of Community production. This process promotes a concentration of production in the most competitive areas and condemns a very significant proportion of rural areas to abandonment⁴.
- 3.5 The reform of the CAP represents another opportunity to gear support towards the needs of young farmers and to focus it on production of agricultural goods. Supporting young people does not mean marginalising older people. It is about finding a coherent framework of support which makes farming viable.
- 3.6 Traditionally, measures relating to setting up in agriculture have been at the heart of efforts by the Community legislative authority to support young farmers. The moment has come to consider new measures which promote the farming activities of young people through the first and second pillars of the CAP. Setting priorities for granting support must form the basis of the new model.
- 3.7 The public authorities must play a major part in boosting and promoting farming. Despite the huge amount of European rules on labelling, quality and promotion, there is a high degree of ignorance about and growing indifference towards what it means to produce healthy, high-quality food⁵. European consumers spend only 14% of their budgets on food. The EESC recognises the crucially important work carried out by professional agricultural organisations at national and European level publicising and promoting the work of the farmer and the strategic role of the food sector in an informative way.
- 3.8 The Community slogan "from farm to fork", so-called "traceability", should be conveyed to the consumer in a consistent way. The quality product strategy is very important for the enterprises' competitiveness and for the consumers' health; therefore it should be effectively extended to products imported into the EU from third countries, in order to combat and discourage unfair commercial practices.

³ OJ C 48, 15.2.2011, p. 145-149, *A better functioning food supply chain in Europe*.

⁴ OJ C 255, 22.9.2010, p. 1-9, *Trade and Food Security*.

⁵ OJ C 18, 19.1.2011, p. 5-10, *The Community agricultural model: production quality and communication with consumers as factors of competitiveness*.

- 3.9 Budget is always a key element of any strategy. That said, the EESC recognises that many of the measures to help make farming viable depend not on additional funds but rather the political willingness to commit to change and a coherent long-term strategy making rural areas more attractive⁶.

4. **Areas of action**

Rural development – setting-up

- 4.1 Traditionally, the European debate on the future of young farmers and livestock farmers has focussed on the analysis of measures relating to setting up in agriculture. The statistics, although limited and partial, clearly show that the priorities and intensity of support for young peoples vary widely across Europe. Whereas countries such as France earmark some 10% of their rural development budget to help young people set up in agriculture, other countries such as the Netherlands, Malta, Ireland and Slovakia, for various reasons do not have any such measures in place. Across the EU, 3% of rural development funds will be dedicated to young people over the 2007-2013 financial period. The average age of young people setting up in agriculture is 28 years. The EESC believes that given the strategic nature of setting up in agriculture for the whole of the EU, it would be a good idea to make this measure mandatory in rural development plans and to establish a obligatory minimum percentage of support.
- 4.2 The EESC believes that the Community system relating to setting up in agriculture must be flexible with the aim of encouraging young people to enter the sector, primarily as far as deadlines are concerned. The complexity and vast bureaucracy of the system is an obstacle. In some cases, Member States should provide for different plans for setting-up of varying duration and thus with different financing arrangements. In many countries, the fact of having to commit oneself to setting up in agriculture for at least five years make its difficult for young people to take the decision to join the sector. Support for setting up in agriculture should be structured on different levels; in fact, it would be a good idea to differentiate between support for young people whose main activity is farming and those who do it on a part-time basis. In addition, in the new legislative framework the EU should take into consideration not only young people who set up in the sector after 2014 but also those who did so prior to this date.

The role of young people in the 1st pillar of the CAP

- 4.3 The reform of the CAP currently under way should pay special attention to the situation of young farmers within the framework of the new model of direct support. The Commission's

⁶ OJ C 132, 3.5.2011, p. 63-70, *The CAP towards 2020 - Meeting the food, natural resources and territorial challenges of the future*.

new approach as regards direct payments should champion priority assistance for young people. This support could be provided by means of an additional percentage of assistance to certain priority farmers, including young farmers. Another option could be to create a specific payment for young people. This payment would not be based on the area, rather it would be modulated depending on criteria such as employment, type of farm and investment made. The EESC supports the current discussions on the concept of the active farmer as the recipient of assistance and points out the need to address the concept of active cooperation.

The role of young farmers under the second pillar of the CAP

- 4.4 The second pillar of the CAP, like the first, must make a crucial contribution to providing support and encouragement for young farmers in the pursuit of their activities.
 - 4.4.1 Measures under the second pillar of the CAP can and must create the necessary conditions for young farmers to access those measures, ensuring that all applicants are taken into account in the event of a lack of budgetary resources.
 - 4.4.2 The necessary support structures must be created for young farmers under the second pillar, including an advisory service and a service providing assistance to livestock farms. Since livestock requires care and work by farmers every single day, the relevant policy measures should be adopted and organisations created in the Member States to ensure that farmers have back-up during periods of illness and holidays. The existence of an assistance service for farms is a crucial factor when it comes to young people deciding whether or not to continue the family business. Young people today are no longer willing to take on the management of a farm in the knowledge that, throughout their lives, they will have to work 365 days a year with no holidays. Since many Member States do not yet have an assistance service of this nature, mandatory measures should be provided for under the second pillar of the CAP enabling such a service to be used by livestock farmers during periods of illness (including maternity leave before and after birth) and on days off and/or periods of annual leave.

Training - new technologies

- 4.5 Training of future farmers is one of the basic elements in the success of farming. However, while there is adequate training in certain countries in others enormous gaps exist between the training offered by administrations and the real needs of farmers. Agricultural organisations must be taken into account in the process of training young people. It is a question of giving young people high-quality training, provided by highly qualified teachers using up-to-date syllabuses geared towards the needs of the young farmer. Sometimes training courses are a bureaucratic formality with the aim of obtaining assistance and are not promoted adequately. The lack of motivation that this generates is problematic, all the more so when the necessary conditions exist to make training a very useful tool in the hands of young farmers. Training plays a vital practical role; the Danish model has successfully integrated theoretical and

practical training in farms. Three years and eight months are required to achieve a "green card".

- 4.6 The EU should support European training programmes for farmers or farms which for at least one year host young people who have completed their agricultural training in the previous two years. The recipient of support should commit him or herself to drawing up a training plan for the young person, who may eventually take over the farm, but for the duration of the training period could bring knowledge and a new more innovative mentality to the farm. In short, it is a question of supporting and covering needs, which are often complementary between younger and older people. At the same time, it would be a good idea for certain community programmes, such as Leonardo, the 7th research framework programme or the Youth on the Move programme, to develop specific lines for young farmers. The EESC believes that the Erasmus programme, which is geared towards students and young entrepreneurs, should be adapted so that young farmers can participate in it and complete their training in other arable and livestock farms in the EU.
- 4.7 Organic farming represents an interesting alternative for people setting up in the sector, but it is not the only one. Integrated production or conservation agriculture should also be promoted at European level. Training must be geared towards new systems of production which improve yields and sustainable management of natural resources. Biotechnology could also provide new opportunities for young farmers in Europe⁷.

Stronger together

- 4.8 Involving young people actively in agricultural organisations and cooperatives is crucial in order to equip them with new ideas, innovation and a greater entrepreneurial spirit. Given that demand is concentrated in a handful of large retail chains, there is an urgent need to provide cooperatives with a fresh impetus to improve marketing. The EESC also proposes setting up central sales bodies run by farmers to balance the purchasing power of the large supermarket chains' central purchasing bodies. In this respect, it is vital to increase the number of young people in the management bodies of cooperatives and to involve them in the decision-making process, making the most of their training and business sense. France's main agricultural cooperative, Terrena, has various committees which initiate and train young people in the complex world of agricultural cooperatives.

Other European policies

- 4.9 The EU must use the funds of the various Community policies to first and foremost make farming attractive and secondly to consolidate the economic activities which, like agriculture, form the socio-economic backbone of rural areas. In this way, Community projects on the

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OJ C 100, 30.4.2009, p.44-52, *The European Union and the global food challenge*.

environment, research or business must create specific lines of support for young people in general and young farmers in particular. Certain positive experiences of the EU in this area must be revisited, representative examples being the PEJA exchange project, which enabled young farmers from across Europe to undertake a valuable period of training in other farms in the EU, and the Tellus educational programme (the product of cooperation between CEJA and the European Commission) with the aim of informing schoolchildren about the poorly-known work of the farmer. Ensuring the transition to the next generation in rural areas must be a visible objective of the EU. In this connection, the creation of a European observatory to analyse the situation of young farmers and their needs could form a sound basis on which to build new legislative initiatives. The aim is not to create new bureaucratic bodies but rather instruments which, through clear and specific functions, analyse and provide relevant information and statistics on the transition to the next generation in European rural areas.

National initiatives

- 4.10 European policies on young farmers must be accompanied by specific initiatives whose adoption falls within the national sphere. The main concerns of young people are inheritance, access to ownership and tax treatment. There is an urgent need to promote effective measures offering an incentive to take up farming. Generally speaking, however, it is fair to say that there is a complex bureaucracy in various EU countries which determines the success of many of the measures.
- 4.11 The Member States should concentrate their efforts on designing mechanisms which facilitate access to land for young farmers, bringing security to the major investments which are essential and represent one of the main obstacles to setting up. Some national initiatives represent particular courses of action; in France, the non-profit SAFER organisation has been tasked with limiting land consolidation and promoting access to land for young people.

Brussels, 22 September 2011.

The President
of the
European Economic and Social Committee

Staffan Nilsson

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N.B.: Appendix overleaf.

APPENDIX
to the
OPINION
of the
European Economic and Social Committee

The following amendments, which received at least a quarter of the votes cast, were rejected in the debate:

Point 3.2

Amend as follows:

"Farmers are confronted with a paradoxical situation; they assume more risks, make more investments, face higher production costs, are better qualified and despite all this, they receive the lowest prices ever paid for their products. The debate on specific instruments and policies for young farmers cannot conceal the fact that farming will decrease in Europe unless if farmers can be guaranteed have no prospect of a minimum profitability and a fair price for their products, proportional to production costs. ~~To enable farmers to live on the fruits of their labours, the EESC recommends that regulation of agricultural markets be put in place, based on transparency in markets in agricultural produce, organisation of trade in food that permits food sovereignty, with the creation of large agricultural production and trade regions. Since WTO rules are unsuited to agriculture, dedicated bodies should be set up, as recommended by MOMAGRI (Movement for a World Agricultural Organisation) and others."~~

Result of the vote

For	36
Against	66
Abstentions	27

Point 4.7

Amend as follows:

"Involving young people actively in agricultural organisations and cooperatives is crucial in order to equip them with new ideas, innovation and a greater entrepreneurial spirit. Given that demand is concentrated in a handful of large retail chains, there is an urgent need to provide cooperatives with a fresh impetus to improve marketing. ~~The EESC also proposes setting up central sales bodies run by farmers to balance the purchasing power of the large supermarket chains' central purchasing bodies.~~ In this respect, it is vital to increase the number of young people in the management bodies of cooperatives and to involve them in the decision-making process, making the most of their training and business sense. France's main agricultural cooperative, Terrena, has various committees which initiate and train young people in the complex world of agricultural cooperatives."

Result of the vote

For	47
Against	60
Abstentions	17
