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Small agricultural holdings

European Parliament resolution of 4 February 2014 on the future of small agricultural holdings (2013/2096(INI))

(2017/C 093/08)

The European Parliament,

- having regard to the objectives of the common agricultural policy as laid down in Article 39 of the Treaty on the Functioning of the European Union, and in particular the objectives of increasing ‘agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour’, and ensuring ‘a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture’,
 - having regard to Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 ⁽¹⁾, and in particular Articles 32 and 61 thereof on redistributive payments and the small farmers scheme respectively,
 - having regard to Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 ⁽²⁾, and in particular Articles 7 and 19 thereof on thematic sub-programmes and farm and business development respectively,
 - having regard to the Commission communication of 3 May 2011 entitled ‘Our life insurance, our natural capital: An EU biodiversity strategy to 2020’ (COM(2011)0244),
 - having regard to its resolution of 7 September 2010 on ‘fair revenues for farmers: a better functioning food supply chain in Europe’ ⁽³⁾,
 - having regard to the 2013 study entitled ‘Semi-subsistence farming: value and directions for development’ by Parliament’s Policy Department B (Structural and Cohesion Policies),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development (A7-0029/2014),
- A. whereas small agricultural holdings in Europe are subject to sustained demographic, commercial and technological pressure, which is leading to the gradual de-agrarianisation and depopulation of villages in areas in which such holdings predominate, with small livestock holdings being abandoned en masse and specific local crops no longer being grown;
- B. whereas these smallholdings represent a model of social agriculture which is still predominant in the EU and which can and must coexist with other, more large-scale and market-oriented models of agriculture;
- C. whereas the roles played by small agricultural holdings are not just production-related, in that such holdings also play key roles in the delivery of public goods; whereas these include roles relating to nature and the countryside (helping maintain both the characteristic features of Europe’s countryside and biodiversity in rural areas), social roles (providing a livelihood for millions of people in Europe, preventing poverty and constituting a workforce reserve for industry and other sectors of the economy, such as tourism), and cultural roles (preserving fine traditions, customs and other non-material heritage and manufacturing regional and traditional products);

⁽¹⁾ OJ L 347, 20.12.2013, p. 608.

⁽²⁾ OJ L 347, 20.12.2013, p. 487.

⁽³⁾ OJ C 308 E, 20.10.2011, p. 22.

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- D. whereas small agricultural holdings create favourable conditions for carrying out agricultural activities that are environmentally friendly and good for animal welfare;
- E. whereas depopulation and the rural exodus are highly detrimental to living conditions in rural communities — and therefore to the quality of life and working conditions of farmers — and are frequently a determining factor in decisions to retain or abandon small agricultural holdings; whereas the creation of sustainable prospects, in particular for young people, in rural areas is of vital importance to the future of small agricultural holdings;
- F. whereas in some areas the presence and survival of small agricultural holdings guarantees a source of income and limits depopulation;
- G. whereas market price volatility is often made worse by intermediate buyers dictating prices, taking advantage of producer vulnerability;
- H. whereas small agricultural holdings tend to be more flexible and adapt more easily to market crises;
- I. whereas many small agricultural holdings are specialised and come together to form producer organisations, thereby allowing them a rightful claim to produce for the food market on an equal footing as larger holdings;
- J. whereas a broader approach is needed to address the problems of small agricultural holdings; whereas support for possible alternative incomes and the prospect of diversification, as well as the creation of non-agricultural jobs and the provision of public services in rural areas are vital for the future of small agricultural holdings and rural communities;
- K. whereas small agricultural holdings are not given sufficient consideration under the common agricultural policy (CAP), and whereas the reasons for this include the fact that the structure of CAP support is principally based on surface area and past production levels, and is therefore unable to respond suitably to the situation and function of small agricultural holdings, the fact that some Member States place minimum funding thresholds in the second pillar and the Member States' failure to bring in implementing measures that meet the needs of this type of holding;
- L. whereas it is difficult for smallholders to secure financial support given that they may, for example, have problems in accessing EU programme funding due to their inability to meet the capital and/or capacity requirements for eligibility, or the fact that they have a low or non-existent level of creditworthiness;
- M. whereas smallholdings in the outermost regions should also receive particular attention given the dual constraints under which they operate;
- N. whereas supplementary and ancillary earnings are of great importance for many small agricultural holdings;
- O. whereas some types of smallholdings, such as subsistence farms, are acting as a buffer against absolute deprivation, providing at least meagre levels of food and income;
- P. whereas in certain cases smallholders do not receive enough administrative support or good quality advice; whereas Member States often create unnecessary red tape' and certain smallholders not having the necessary resources and experience to follow the relevant administrative processes effectively;
- Q. whereas because they are dispersed geographically, the bargaining power of agricultural holdings in the food chain is far weaker than that of other participants in the market, and whereas this is particularly acute in the case of small agricultural holdings;
- R. whereas small agricultural holdings play a special role in maintaining the vitality of certain areas, such as mountain areas, less-favoured areas and outlying regions, not to mention those in which, owing to geographical and morphological constraints, farming is one of the few — if not the only — economically sustainable activities;
- S. whereas the level of income and the living standards of families who make their living by working on small agricultural holdings are much lower than those of commercial farmers or farmers employed in other sectors of the economy;

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- T. whereas many smaller agricultural holdings cannot survive on farming alone, with alternative sources of income being necessary to keep them afloat; whereas, at the same time, these smallholders should focus increasingly on the profitability and productivity of their operations;
- U. whereas small agricultural holdings provide, in many regions, a livelihood to families who do not have the opportunity to find other sources of income;
- V. whereas there are not enough reliable data available on the situation with regard to small agricultural holdings and the impact of CAP instruments on the sector, and the definition of small farms varies substantially from one Member State to another;
- W. whereas certain smaller agricultural producers, such as beekeepers, do not possess or make use of land and are thus excluded from the small farmers scheme;
- X. whereas the United Nations General Assembly has declared 2014 the International Year of Family Farming;
1. Calls on the Member States and the Commission to take appropriate action under the new common agricultural policy and draw up guidelines for the period beyond 2020 in which greater attention is paid to the specific needs of small family holdings, which are an important element of the European agricultural model and which are central to the multi-functional development of rural areas and to sustainable regional development in general;
 2. Calls for a policy of supporting the consolidation of agricultural land and of granting payments to farmers participating in the small farmers scheme who have definitively transferred their land to another farmer, to be continued as an effective means of improving the production structure of agriculture;
 3. Takes the view that simply reducing the number of small agricultural holdings should not be the main objective of restructuring, as this will not boost the competitiveness of larger holdings; calls, in this connection, on the Member States to come up with appropriate solutions and development models for smallholdings, taking account of the specific characteristics of farming in the country that are concerned and of regional variations, to boost the competitiveness, viability and profitability of smallholdings, to foster entrepreneurship, to create jobs and to curb rural depopulation;
 4. Takes the view that the process of rural exodus and depopulation must be countered without delay in order to ensure suitable conditions and sustainable prospects for smallholdings in their current locations; calls on the Member States, to deploy efficiently available EU funding to promote infrastructure, educational, medical and nursing facilities, childcare, access to high-speed internet and the establishment and development of rural small and medium-sized enterprises (SMEs), so as to ensure equivalent living conditions in urban and rural areas; recommends that efforts be focused on the creation of sustainable future prospects for young people, the well educated and women;
 5. Calls for an increase in direct sales — such as sales of traditional products — on local and regional markets, and for the development on smallholdings of a sustainable, responsible form of processing and an essential and proportionate monitoring system; encourages the Commission and Member States to review the existing provisions on food safety with a view to reducing burdens and eliminating the obstacles that they may cause for the development of food processing and sales by small agricultural holdings; encourages the Commission and the Member States to establish a platform for the exchange of best practices on how to regulate and monitor the processing carried out by small agricultural holdings; calls, furthermore, on regional authorities to be more active with regard to the development of infrastructure for direct sales, including rural and urban marketplaces, making it easier for consumers to acquire cheap, healthy, high-quality farm produce;
 6. Takes the view that in the process of solving the problems of small agricultural holdings, other EU policies, including the cohesion policy, must be brought in alongside the CAP to help improve technical infrastructure and access to public services in rural areas, whilst resources from the European Social Fund should be used to finance community and social action involving social inclusion, education, training and the transfer of knowledge; takes the view, furthermore, that since these smallholdings do not have a significant impact on the market, permission could be given for additional support to be provided from national resources in line with rules agreed upon with the Commission and without hindering competition;
 7. Draws attention to the upward pressure on farmland prices resulting from the forthcoming property market deregulation in the new Member States; points out that small-scale farmers will be the hardest hit by rising land prices;

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8. Calls on the Member States to ensure that their education systems include appropriate infrastructure for vocational education and training in agriculture;
9. Draws attention to the upward pressure on farmland prices resulting from urban expansion;
10. Is very pleased that the support scheme for small-scale farmers has been established under the first pillar of the CAP, but takes the view, nevertheless, that it is only the form of transfer which has been simplified, whilst the low direct-payment rates allow no room for development, and that these measures are still insufficient to improve the situation of smallholdings in the EU; believes that a mechanism should be established which would enable small agricultural holdings to submit multiannual applications for direct payments, with such applications being updated only in the event where changes to the holding in question occur;
11. Draws attention, once again, to the major disparities between farm subsidies in the various Member States, which are to the disadvantage of the new Member States;
12. Emphasises that, given the voluntary nature of the small farmers scheme within the first pillar of the CAP, it is essential that all possible opportunities to support small producers within the second pillar be reviewed and utilised;
13. Considers it essential, further to such measures, to find an effective means of supporting those small agricultural producers whose activity and output do not entail the ownership and/or use of agricultural land;
14. Calls on the Member States to establish appropriate financial instruments, for example in the shape of microcredit, subsidised interest rates on loans, financial leasing, first instalment repayments or credit guarantees; takes the view, furthermore, that regional and local authorities should be involved in the process of providing such support;
15. Stresses that even smallholdings are bound by the dictates of good agricultural practice and by European and national production and consumer protection requirements in particular, making it necessary for smallholders to possess minimum qualifications; calls, in this connection, on the Commission and the Member States to consider ways of ensuring that such qualifications can be generally acquired and adapted to the needs of smallholdings;
16. Calls for free advice to be better tailored to the needs of smallholdings, for procedures relating to information, training, risk assessment and health surveillance to be simplified, for information campaigns to be mounted, for the sharing of best practices where the short food supply chain is concerned and for technical assistance to be provided to help those applying for EU funding, as well as for advice that helps smallholdings to adapt the profile of their production activity to their production and environmental potential;
17. Emphasises the need for smallholdings to come together to form organisations, producers' groups or cooperatives and mount joint marketing campaigns; takes the view that all types of smallholder association in the form of cooperatives, producer organisations or the pooling of resources, including machinery, should receive special support under EU and national mechanisms;
18. Takes the view that smallholdings in mountain areas, less-favoured areas and outlying regions should be able to benefit from coupled support, such as for livestock farming, where they also fulfil specific environmental functions;
19. Considers agricultural activities to be of unprecedented strategic importance, a fact that should be taken into account accordingly by all Member States in seeking ways of enabling small farmers to continue their activities, so as to strike a balance between agricultural prices and production costs;
20. Calls for the Member States to include, in their pillar I and II programmes, sub-programmes and measures geared towards smallholdings; indicates that smallholdings in particular need to engage in supplementary and ancillary activities, such as in the tourism sector, in order to secure a sufficient income; stresses, in this connection, the importance of ensuring that the second pillar of the CAP has ample resources and that rural development programmes are properly geared towards the needs of smallholdings;

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21. Recommends that the scope of the Farm Accountancy Data Network be extended in order to look into the situation of smallholdings and the impact that the CAP has on them, and to plan their development;
 22. Instructs its President to forward this resolution to the Council and the Commission.
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