

Opinion of the European Committee of the Regions — Supporting young European farmers

(2017/C 207/11)

Rapporteur: Arnold Hatch (UK/ECR), Member of Craigavon Borough Council**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. notes that in the EU only about 6 % of all people in charge of farms are under 35 years old, whereas more than half are aged over 55. The increase in the proportion of elderly people is a general feature of the EU population due to increasing life expectancy and declining birth rates. However, this trend is more accentuated in agriculture compared to other sectors of the economy. With older farmers living longer, and with significant inducements for them to remain in farming and few incentives to leave, Europe's farm workforce is gradually ageing, creating substantial barriers for new entrants;
2. overall, the reluctance of older farmers to transfer their farm is also influenced by the fact that farming is a community-based lifestyle that prevails beyond the legal retirement age. In this respect, farming is different from many other economic activities. Impediments to transfers often result from the fact that it is difficult for elderly managers of farms to leave their holdings and phase out agriculture since their place of residence and place of agricultural activities are the same. The general 'brain drain' of rural areas is exacerbating the problem, as an increasingly better-educated work force is not any longer interested in jobs in agriculture;
3. believes that many young people tend to see agriculture as an undesirable profession owing to the low income, low return on investment, long working hours, few opportunities to take holiday leave — especially for livestock farmers — and the numerous associated risks and uncertainties. Whilst direct succession within the same family is still the most common mechanism to firstly access farming, there are indications that the number of new entrants not inheriting their farms is growing. The challenges facing rural areas — limited or difficult access to transport; poor communication; education, cultural, social or health services — compounds this problem. In order to stay in rural areas, young people require a developed rural economy with services and leisure opportunities; otherwise, they will often prefer to migrate to towns and into non-agricultural occupations;
4. considers that the shortage of young people pursuing careers in farming is jeopardising the economic and social sustainability of rural areas. Supporting young farmers is a prerequisite for preserving agriculture across the EU and for keeping rural areas alive, in order to meet the territorial cohesion objective enshrined in the Treaty of Lisbon;
5. reiterates its call on the Commission and Member States to be more proactive in encouraging and facilitating the establishment of young people in rural areas, particularly women, by promoting activities that help farmers to achieve a work/life balance more easily ⁽¹⁾;
6. considers that further work should be done to identify and address the barriers women continue to face when starting and building a career in the sector;
7. notes the 'Young Farmers Manifesto' which was launched in 2015 by European Council of Young Farmers, which calls for: access to land and credit through public support measures; regulation to curb unfair trading practices in the food supply chain; measures to reduce income volatility for young farmers; the legal protection of all EU standards in trade negotiations and increased promotion support for EU producers; and support for access to land in order to safeguard and protect soils and optimise land use by young farmers for food production;

⁽¹⁾ OJ C 225, 27.7.2012, p. 174.

8. shares the concern expressed in the Cork 2.0 Declaration of 6 September 2016 about rural exodus and youth drain, and the need to ensure that rural areas and communities (countryside, farms, villages, and small towns) remain attractive places to live and work by improving access to services and opportunities for rural citizens and fostering entrepreneurship in traditional rural domains as well as new sectors of the economy;

Finance

9. considers that the current economic crisis has made accessing credit more difficult for many young rural entrepreneurs, who often lack the security needed to guarantee their loans, and may face excessive red tape;

10. welcomes the creation of an agricultural guarantee instrument, proposed by the Commission and the European Investment Bank in March 2015, which should make it easier for young farmers to access credit;

11. welcomes the fact that CAP reform 2014-2020 introduced new measures to support young farmers in setting up farms. Expresses concern however that bureaucracy and red-tape may be inhibiting take-up of these measures. It is important to ensure that young farmers are not prevented by excessive bureaucratic rules from making the most of these new measures. In a number of Member States, for example, young farmers make use of partnership structures. Measures from Brussels therefore need to fit in with local legal and financial structures of this kind;

12. urges Member States to make use of the possibilities provided under the new CAP to support young farmers and generational renewal such as support under Articles 50 and 51 of Regulation (EU) No 1307/2013;

13. draws attention to the opportunities for young farmers offered in the ESI Funds ⁽²⁾ to design and implement financial instruments in the form of loan, guarantee or equity funds in order to provide access to finance to those in need;

14. notes, however, that young farmers' economic position is best and most effectively strengthened after they have actually taken over the farm. In order to strengthen the economic position of young farmers taking over farms in partnership structures, Article 50(5) of Regulation (EU) No 1307/2013 should be amended. The Committee of the Regions therefore suggests that, should that Regulation be revised in future, the whole second sentence of Article 50(5) should be deleted so that the text reads as follows: 'The payment for young farmers shall be granted per farmer for a maximum period of five years'. The Committee also asks the European Commission to find an interim solution that allows young farmers to make the best possible use of these measures;

15. notes that in the Omnibus Regulation proposed by the Commission in 2016, it intends to extend the possibility to use the financial instrument type of support also for young farmer start-up aid, which will allow for an increased level of financing to this group taking into account the nature of these types of instruments (the aid content of a loan or guarantee is much lower than that of the grant);

16. considers that support should be provided first and foremost to family farms on the grounds that they create added value and jobs, and help make it possible for new generations of farmers to enter the sector as it is easier to pass on farms that are viable and reasonably sized;

Access to land and countering 'land-grabbing' ⁽³⁾

17. recalls that the European Commission's Report on the Needs of Young Farmers shows that availability of land to buy and to rent are the biggest problems facing young farmers and new entrants into farming ⁽⁴⁾;

⁽²⁾ Regulated in the Articles of 37-46 of the Common Provisions Regulation (EU) No 1303/2013 and its delegated and implementing acts.

⁽³⁾ 'Land-grabbing' is the large-scale acquisition of agricultural land without consulting the local population beforehand or obtaining their consent. Ultimately, this diminishes the opportunities available to the local population to manage agricultural businesses independently.

⁽⁴⁾ http://ec.europa.eu/agriculture/external-studies/2015/young-farmers/final-report-1_en.pdf

18. acknowledges with concern that farming is moving ever more rapidly away from the family-farm model, to the extent that 2014 was designated International Year of Family Farming to draw global attention to the issue. Believes that because land tends to be a safe investment for non-agricultural investors, access to land is becoming more and more difficult for young farmers wanting to set up a farming business;

19. calls on the Commission to evaluate the direct and indirect effects of European policy on land concentration and grabbing in Europe; for example, the Common Agricultural Policy (CAP) and the subsidies granted under it explicitly favour large farms and marginalise small farms, and may impact on different sectors in different ways;

20. noting that several Member States have national regulations that prevent forced land concentration and purchases by foreigners — for example by providing for a pre-emptive right — believes that the Member States and regions should be given more power to regulate farmland and set restrictions to that end, particularly to tackle Europe's land-grabbing and concentration phenomenon, which is limiting young farmers' options when starting out;

21. although there is a very limited scope of action for the European Commission to intervene in the land market legislation (which falls under a national competence), the following ideas could be explored:

- Stimulate the use of the possibilities under RD to support the new actions to foster land mobility (land banks, farmland matching initiatives and other initiatives promoted at local level to encourage the access to land to the new entrants).
- Broaden the scope of the support actions to new farm business models (in particular innovative types of partnerships among farmers).
- Encourage more active national policies with EU recommendations on access to land with best practices (depending on the level of ambition).

22. takes the view that industry, leisure and, above all, growing urbanisation are leading to rapid redevelopment and the disappearance of agricultural land. Considers therefore that local communities should be involved in decisions on land use and thereby given additional rights and opportunities;

Employment and training

23. stressing the need to give young farmers long-term prospects in order to address rural depopulation, calls on the Commission and the Member States to introduce initiatives to support entrepreneurship, emerging industries and the labour market in agriculture and forestry in order to create new and maintain existing agricultural jobs as well as to make them more attractive to young people;

24. notes that the training and information needs of young farmers are considerable and highly varied: for some young farmers, the need for technological skills and skills related to the development of a farm strategy are paramount, for others there is a need for entrepreneurial skills — such as marketing, networking, communication and financial skills — to keep their farm viable. They are not always aware that they could benefit from all these different kinds of skills, tending to manage their farm in a traditional way and do not see the need to change;

25. believes therefore that efforts should be made to raise awareness of these opportunities and the benefits of upskilling in secondary and tertiary education. Local and regional authorities, as well as national and EU agencies, have an important room to play in this respect;

26. emphasises that young farmers are also young entrepreneurs and so points out that the Erasmus for Young Entrepreneurs programme (financed by the COSME framework programme focusing on the competitiveness of SMEs) has considerable potential. The programme facilitates cross-border discussion enabling new or aspiring entrepreneurs to benefit from the experience of established entrepreneurs and should be properly supported and rolled out, including in the primary sector;

27. recalls that, in its opinion on innovation and the modernisation of the rural economy, the Committee of the Regions recommends modernising the vocational training provided in rural regions and adapting it to global competitive conditions and the needs of local businesses, and increasing the ESF funding allocated to vocational training in rural areas ⁽⁵⁾.

Brussels, 9 February 2017.

*The President
of the European Committee of the Regions*
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⁽⁵⁾ OJ C 120, 5.4.2016, p. 10.