

# Young farmers - Policy implementation after the 2013 CAP reform

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# Structure of the Presentation

1. Aim of the report and methods used
2. Background of the 'young farmer' problem
3. State of implementation
4. Results of the implemented tools
5. Policy conclusions and recommendations

# 1. Aim of the report and methods

## Aim

- How the EU Member States implemented the current CAP young farmers mechanism
- What are the structural results of the implemented measures in relation to:
  - Barriers and opportunities for newcomers to farming
  - Possible instruments to facilitate young farmers' entry into the farming business

## Methods

- Secondary data analysis (Eurostat, RDPs)
- Case study research in 7 Member States (focus groups)

## 2. Background of the YF problem

### Key assumption

- Understanding the ‘young farmer’ problem in its complexity is important for increasing the efficiency of the support

### Topics underpinning the ‘young farmer’ problem

- Restructuring the agricultural problem
- Farm succession
- Ageing farmer population
- Distinguishing young farmers and new entrants
- Potential of the policy tools

# Ageing farmer population (EU level)

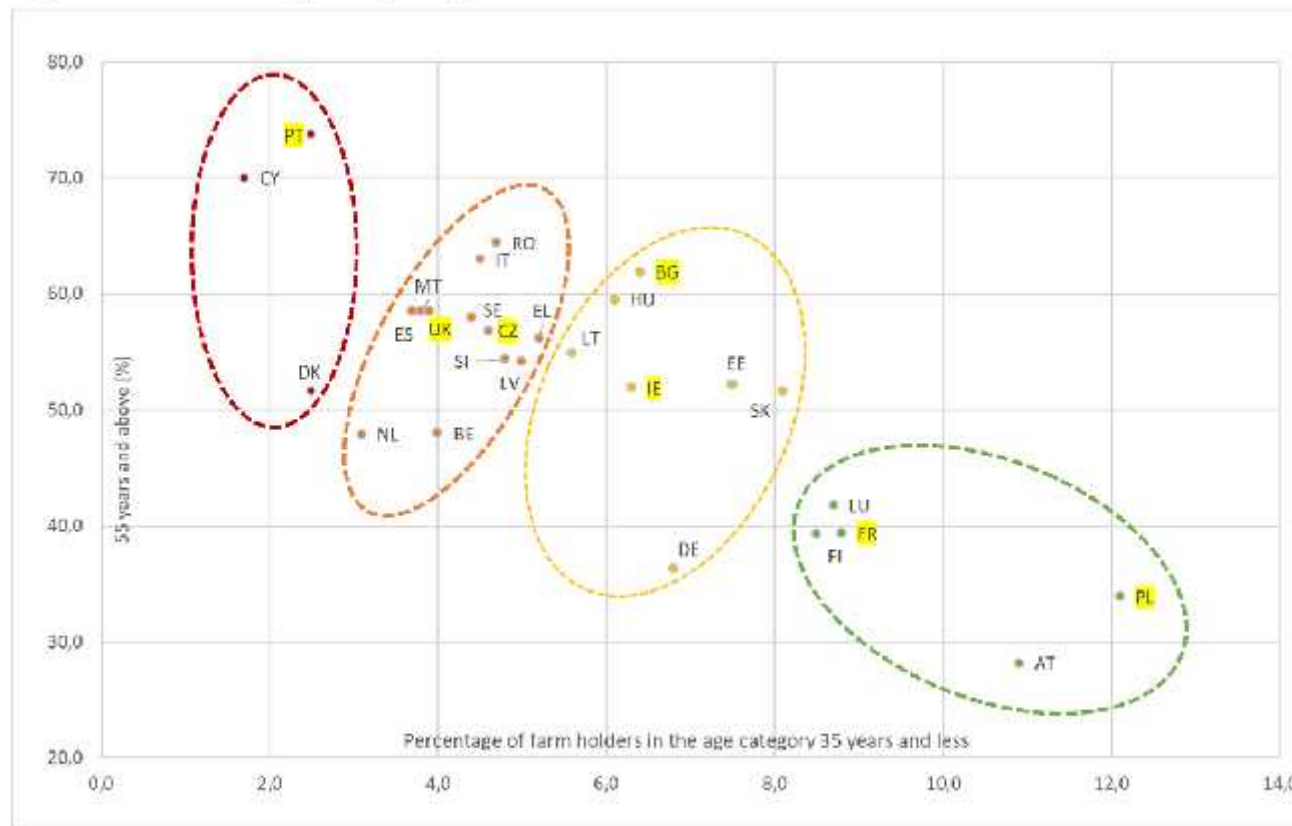
**Table 1: Distribution of farm holders according to age categories in the EU**

YEAR	UNDER 35 YEARS OF AGE	55 YEARS OR ABOVE
2005	6.89	54.10
2007	6.23	55.47
2010	7.45	53.19
2013	5.94	54.92

**Source:** Eurostat (2017a), EC (2016a)

# Ageing farmer population (EU Member States)

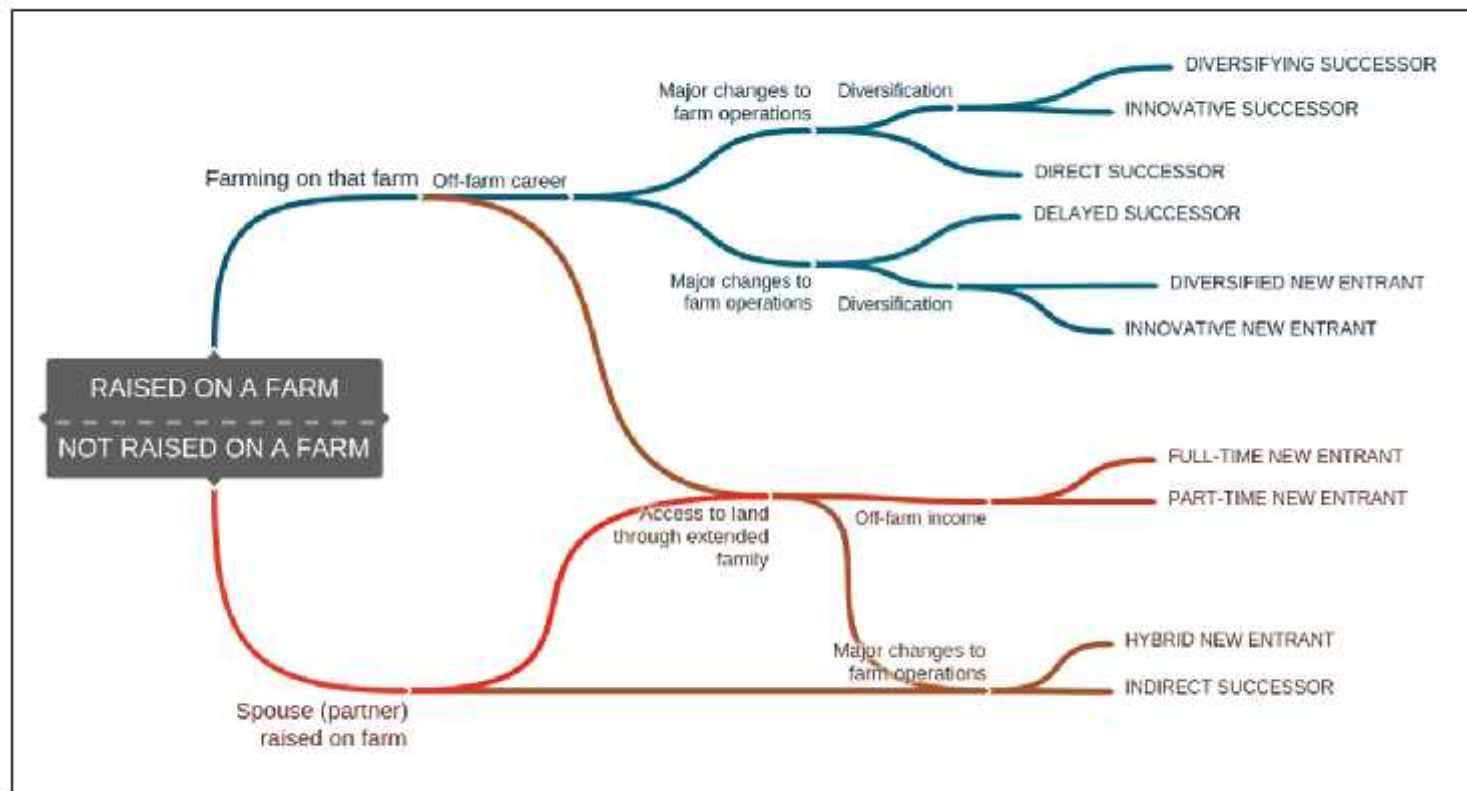
Figure 1: Percentage of young and older farm holders in the EU-28



Source: Eurostat (2017a), European Commission (2016)

# Young farmers and new entrants

Figure 2: Typology of farmers starting in agriculture



Source: Adapted from EIP AGRI (2016)

## 3. State of implementation

### Implemented policy tools

- Pillar I  
(Young Farmers Payment)

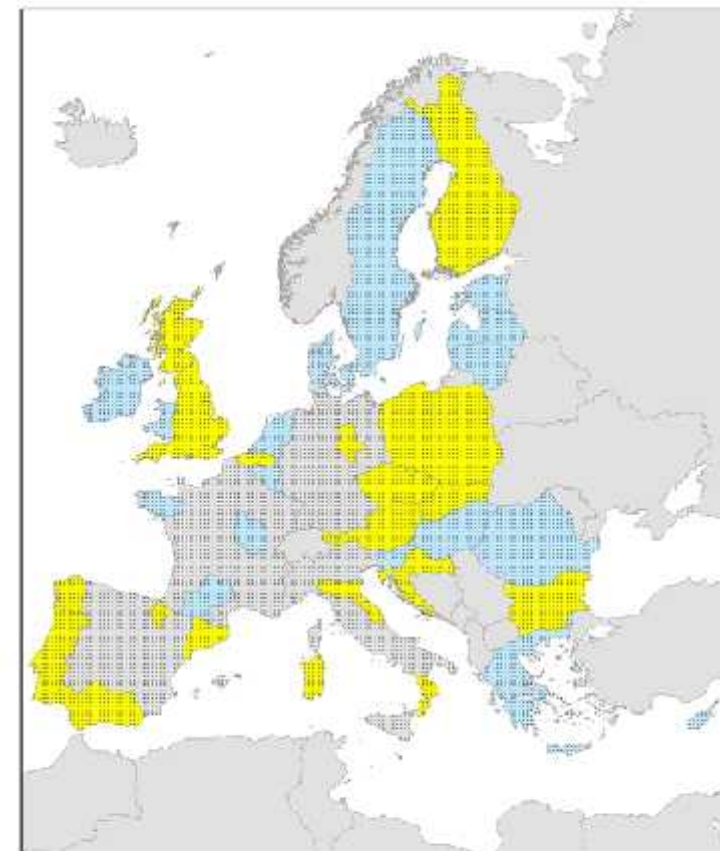
- Pillar II  
(RDP: Priority 2, sub-theme B)

**Table 5: RDP measures and operations of particular relevance to young farmers**

M01	Knowledge transfer and information
M02	Advisory services, farm management and relief services
M04	Investments in physical assets
M06.1	Business start up aid for young farmers
M16	Cooperation

Source: Regulation (EU) No 1305/2013, EP (2016)

Map 1: Overview of the analysed RDPs



Legend:  
EU-26  
Review of RDP  
Detail Review of RDP

Scale: 0 to 1,000 km

Source: Eurostat/GISCO  
EuroGeographics for the administrative boundaries



## Pillar I (Young Farmers Payment)

- Approximately 4.1% of basic payment applicants benefitted from the young farmer payment
- Determined limits to the YF payment
  - Most MS set the area limit 90 ha
  - 11 MS opted to limit the area below 90 ha
- Ceilings of the YF payment are changing
  - 5 MS increased the ceilings
  - 10 MS decreased their ceilings (> 10%)

## Pillar II (Priority P2B and RDP measures)

- YF policy tools under the Pillar II are differently prioritized by the MS/regions

**Table 6: Clusters of regions/MS according to share of P2B in the total RDP budget**

>10%	7-10%	4-6%	1-3%	<1%
FR52	ITF6	FR62	BG	UKM
FI1	ES51	HU	LT	UKEng
ES22	CY	BE3	IT13	SE
ITH5	ITG2	ES61	IE	DEE
BE2		ES11	HR	FI2
FR26		SI	SK	DK*
		GR	EE	NL*
		RO	LU	UKL*
		PL	AT	UKN*
		PT	CZ	
		MT	LV	

Source: Authors' calculation based on review of RDP documents (Chapter 10)

## Measure 6.1 (Business start-up aid)

- Key instrument for addressing the priority P2B
- Implementations styles differ in setting
  - Target group and eligibility conditions
  - Fulfilment conditions (business plan)
  - Support level and payment conditions

## 4. Results of the implemented tools

### Main challenges faced by newcomers

- Access to land
- Profitability and competitiveness
- Access to finance and capital
- Skill development

### The experience of the selected Member States

- Who uses the support and what are the results

## Challenges faced by newcomers

- Access to land is limited, the existing supports do not address this issue
- Current support enhances competitiveness and profitability of YFs and NEs farms
- Access to capital is improved by the existing supports, as well as the skill development

## Experience of the selected Member States

- General evaluation of the existing supports is positive, and highly attractive for applicants
- Different expectations of the stakeholders (cannot be met simultaneously)
- Primary beneficiaries are successors to existing farms
- Impacts: competitiveness and new business activities, plus professionalization and innovativeness

## 5. Policy conclusions and recommendations (1)

### Creating opportunities for Young farmers

- Increase supports beyond 2%

### Encourage land mobility

- Re-evaluate the Direct Payment structure
- Re-consider farm exit schemes and retirement incentives
- Review requirement for secure land access
- Support national and regional initiatives which enable land access (e.g. starter farms, land trusts, incubators, land matching...)

## 5. Policy conclusions and recommendations (2)

### Addressing other barriers

- Increasing private capital access
- Invest in business skill development
- Support succession planning

### Distinguish supports for young farmers from new entrants

- Review the age limit of new entrants
- All young people in agriculture should be eligible for support



## 5. Policy conclusions and recommendations (3)

### Administration:

- Increase flexibility of the required business plan
- Clearly define the purpose of the supports

### Options for new forms of support

- Showcase successful models (NEWBIE H2020)
- Reformulate how regional differences are addressed
- Target particular types and scales of farming (where new entrants are more common)