Family Farming in Europe: challenges and prospects

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Key questions

• How to define family farming (FF)?
• What are the current and new challenges to FF: economic, demographic, sociological and territorial?
• What are the future prospects for FF in Europe?
Context

• 2014 UN IYFF: help FF to become a more central focus of policy interest
  • “a family farm is an agricultural holding which is managed and operated by a household and where farm labour is largely supplied by that household. ... The family and the farm are linked, co-evolve and combine economic, environmental, social and cultural functions” (FAO 2013)

• FF a key element in sustaining the European Model of Agriculture
EU farm structure is highly diverse

- **Family farms (often part-time or pluriactive)**
  - Semi-subsistence (small, part-time, maybe Other Gainful Activity)
  - Lifestyle (small, part-time, Other Gainful Activity)
  - Commercial (small, medium or large; part-time or full-time; with or without Other Gainful Activity)

- **Non-family farms**
  - Partnerships
  - Family-run companies
  - Non-family companies
  - Production cooperatives (New Member States)
  - Trusts and charities
FF definitions

- Can be based on:
  - proportion of family labour
  - ownership and control (and thus succession between generations)
  - legal status (sole holder)
  - bearer of business risk
Data findings – sole-holder FFs (1)

- Sole-holder FFs in 2010 accounted for 85% of all EU farms, for 68% of total UAA, and 71% of total Standard Output (SO). But their importance varies widely across the EU.

- Non-family farms cultivated the largest proportion of UAA in Slovakia, the Czech Republic, Bulgaria, Hungary and France, and produced four-fifths of SO in the Czech Republic and Slovakia.
Data findings - sole-holder FFs (2)

• **Major differences between the EU-15 and the NMSs** where over 75% of UAA is operated by (mostly large) non-family farms

• Sole-holder FFs mostly under 5 ha UAA in the EU-15 South and NMS-13, but extend to over 100 ha UAA in EU-15 North-West
Proportions (%) of total UAA on all and family farms 100 ha and over, selected EU MSs, 2010

Family farms in Europe are most definitely not all “peasant” farms!
**FFs operating mainly with family labour**

Share of Family Labour in Total Labour

<table>
<thead>
<tr>
<th>Proportion (%) of each sub-group in:</th>
<th>75-100%</th>
<th>50-75%</th>
<th>25-50%</th>
<th>0-25%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of farms</td>
<td>69.9</td>
<td>11.8</td>
<td>9.2</td>
<td>9.0</td>
</tr>
<tr>
<td>Total UAA</td>
<td>34.6</td>
<td>8.8</td>
<td>9.5</td>
<td>47.1</td>
</tr>
<tr>
<td>Output</td>
<td>29.2</td>
<td>9.9</td>
<td>13.0</td>
<td>47.9</td>
</tr>
<tr>
<td>Total labour (AWU)</td>
<td>31.9</td>
<td>8.4</td>
<td>9.5</td>
<td>50.2</td>
</tr>
</tbody>
</table>

Average farm size in each sub-group according to:

<table>
<thead>
<tr>
<th>UAA (ha)</th>
<th>50</th>
<th>75</th>
<th>104</th>
<th>524</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESU</td>
<td>44</td>
<td>82</td>
<td>131</td>
<td>431</td>
</tr>
<tr>
<td>Total labour (AWU)</td>
<td>1.5</td>
<td>2.4</td>
<td>3.4</td>
<td>18.5</td>
</tr>
</tbody>
</table>

Own calculations based on EU FADN
Family labour thresholds: Conclusions

• Such a family labour threshold determines the number of farms which become the policy focus
• The higher the threshold (% of labour which is family), the more the policy focus will be on smaller farms (in land area or economic size)
• Such a threshold will always exclude farms that closely resemble FF
Challenges

• Economic
  – Smallness
  – Access to farming resources
  – Credit constraints
  – Powerlessness in the food chain

• Environmental

• Territorial (LFAs, remote areas, peri-urban areas)

• Social and demographic
  – Inter-generational succession
  – Aging
Future prospects: larger FF and non-family farm organisations?

- Differential between farm and other incomes
- Technological progress and structural change (will offset some but not all FF disadvantages)
- Farm specialisation
- Existence of willing successors
- Territorial unevenness across the EU
However there are factors acting in the opposite direction

- Moves to FFs from production cooperatives and corporate farms in New Member States
- Pluriactivity and farm diversification
- Emotional attachment to land
- Farmers’ cooperation and collaboration
National policies to deal with challenges to FFs

- **Access to resources**: land market regulations – protection of local owner-occupiers or tenants
- **Succession**: appropriate legislation (in some MSs, move away from Code Napoleon)
- **Farmers cooperation**: cooperative legislation
- **Credit constraints**: is there policy in place particularly for the smaller FFs?
EU Policies

- CAP “bias” to large farms (not against FFs as such)
- Research and best-practice exchange
- Important roles for both CAP Pillar 2 and Structural and Cohesion Funds
  - reduce rural-urban income disparities
  - facilitate pluriactivity and diversification
  - improve rural infrastructure
Conclusions and policy issues

• FF is likely to continue to dominate EU agriculture
  – farm numbers; land use and output

• Policy questions:
  – Should policy objectives for FF be more clearly specified in the CAP?
  – What makes FFs different, and deserving specific measures under CAP, EU structural funds and national policies?