

The EU farming employment: current challenges and future prospects

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Structure of the Presentation

1. Aim and scope of the study
2. Main trends and features of the EU agricultural labour force
3. Key drivers of structural changes
4. Prevalent challenges
5. Microeconomic strategies
6. Impacts of the CAP
7. Policy recommendations

1. Aim and scope of the study

Aim of the study

- Analyse the current patterns of EU farming employment
- Investigate the drivers of structural changes
- Discuss future development paths (incl. the role of the CAP)

Scope

- EU-wide analysis of the agricultural labour force

Methods

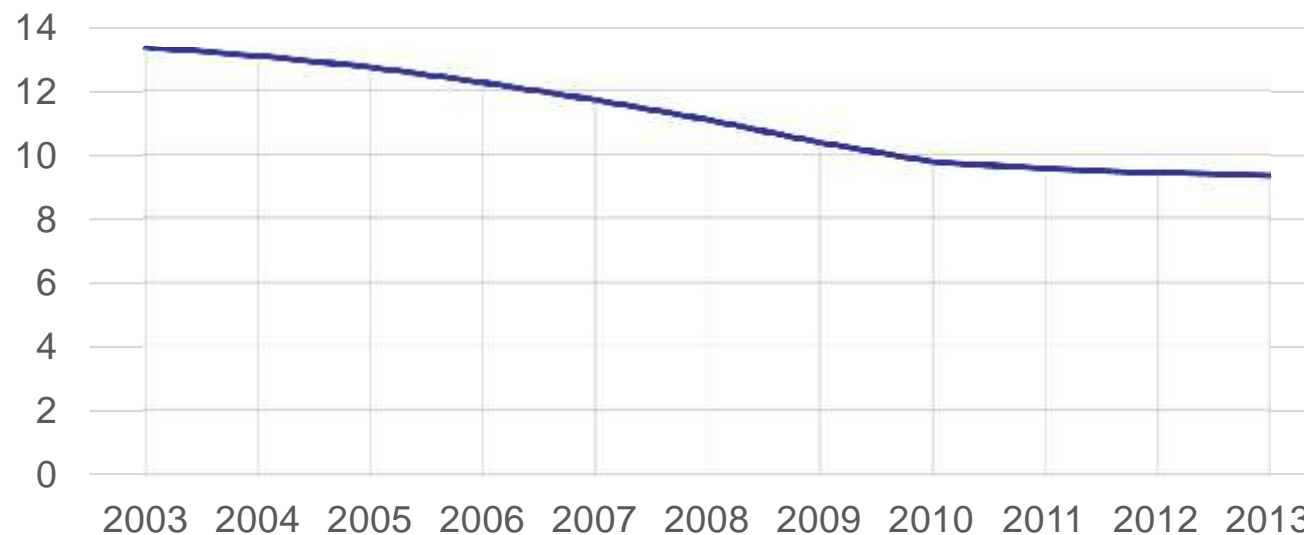
- Literature review
- Statistical and mapping analysis
- Case studies: 8 regions across Europe

2. Main trends and features of the EU agricultural labour force

Historic trends

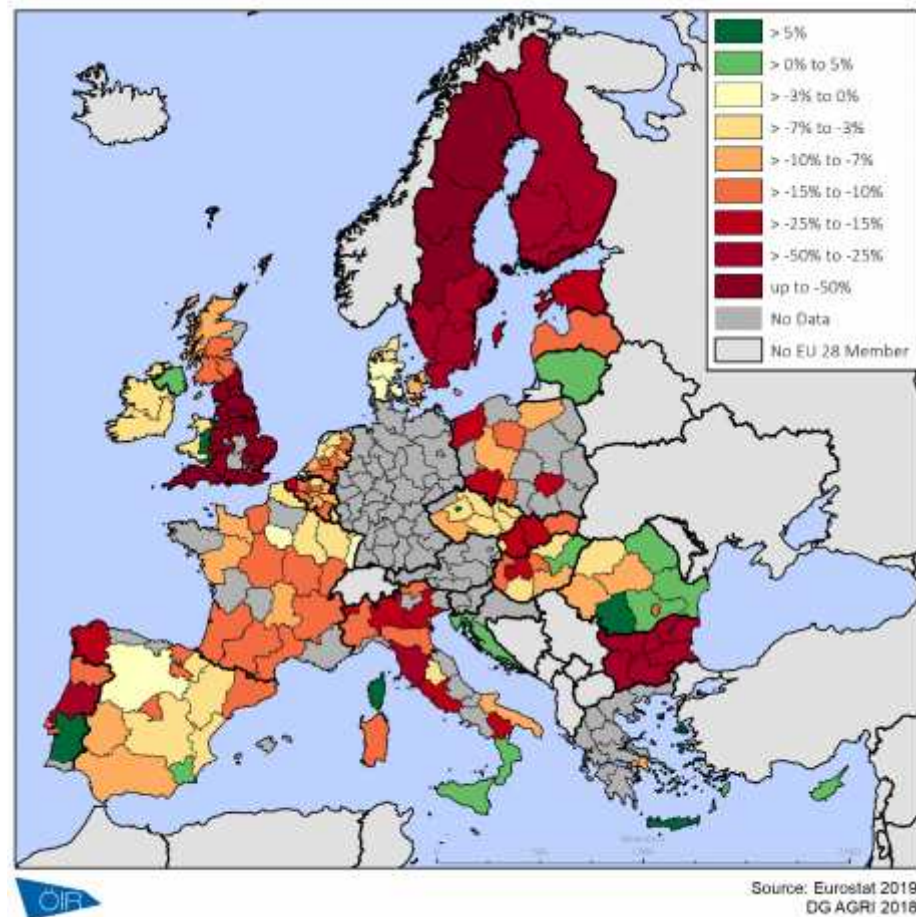
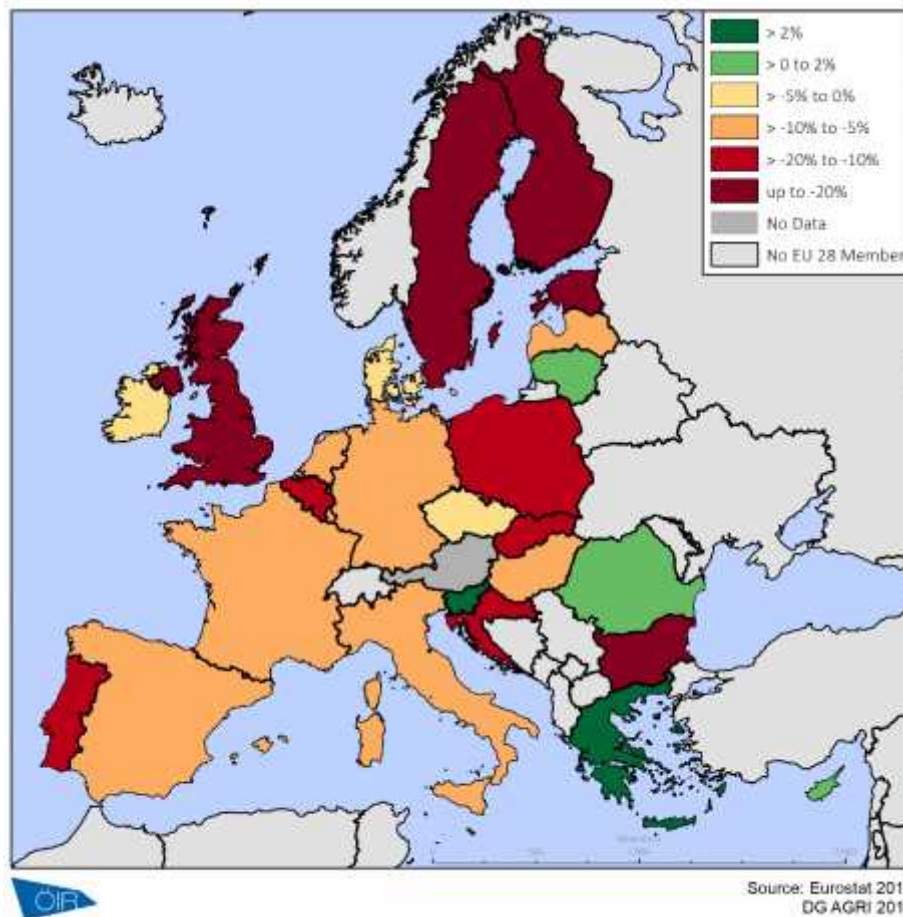
- Steady decrease in EU agricultural labour force ...

Labour force directly employed by agricultural holdings in the EU27 (in million AWU)



- ... across the majority of EU countries and regions

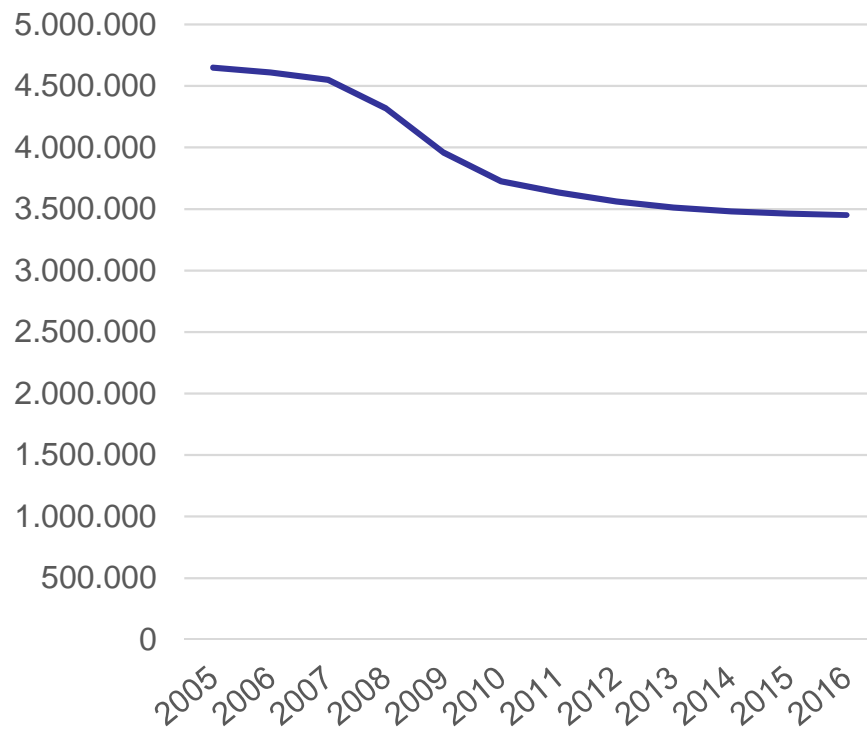
Percentage change in the agricultural labour force between 2010 and 2016 (AWUs)



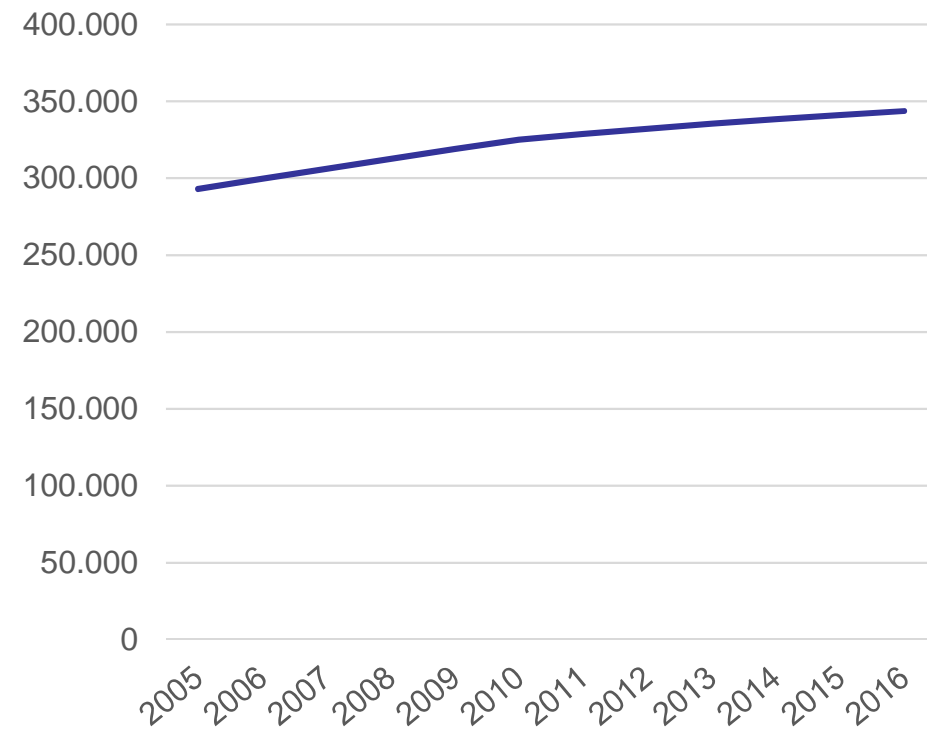
Structural patterns

- Consolidation of the farming sector

Farms between 2 and 10 hectares (EU27)



Farms larger than 100 hectares (EU27)

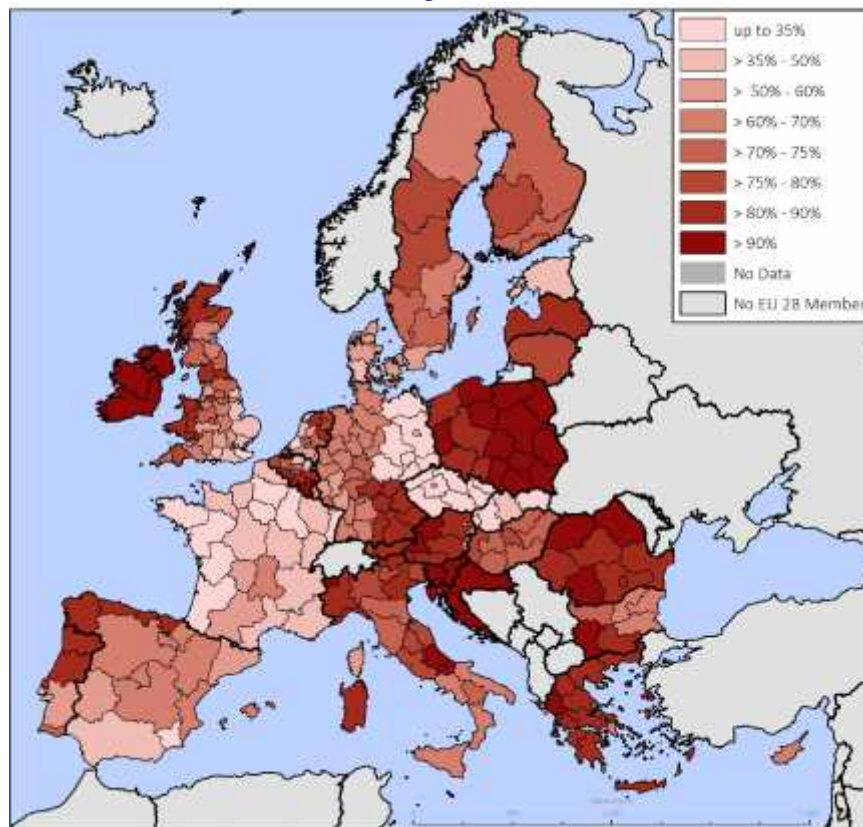


- Family farming models vs. corporate farming models

Family labour = **76%** of the EU agri labour force (AWUs)

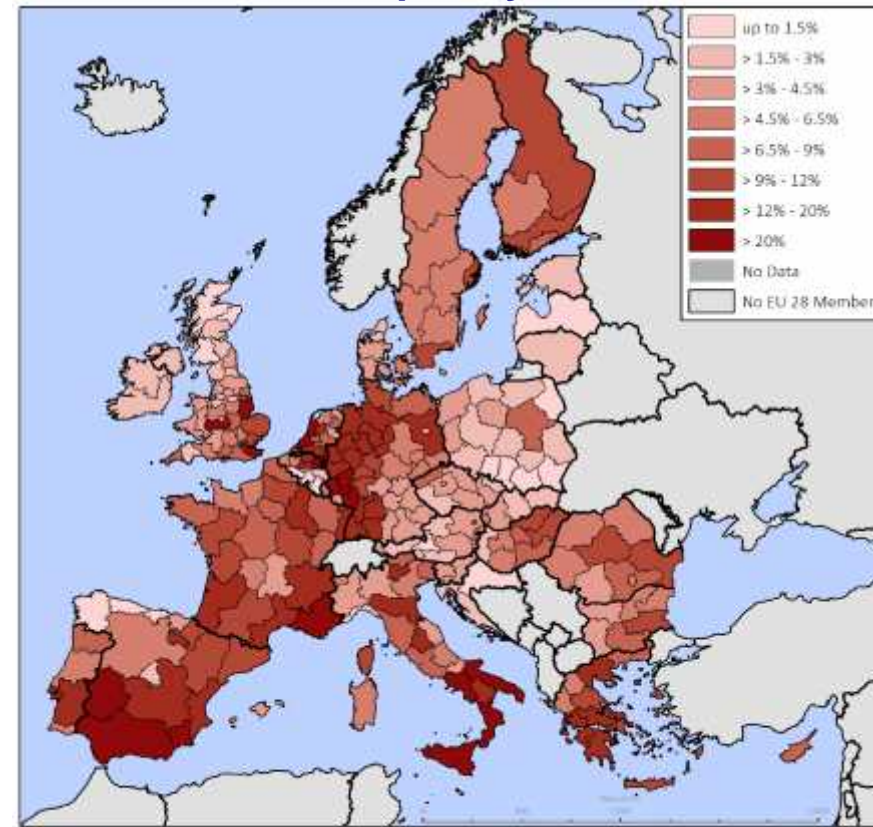
Temporary labour = **8%** of the EU agri labour force (AWUs)

Share of family labour force



Source: Eurostat 2019
DG AGRI 2018

Share of temporary labour force



Source: Eurostat 2019
DG AGRI 2018

3. Key drivers of structural changes

Technological progress

- ↗ Reduction of human labour
- ↗ Increased demand for highly-skilled labour

Attractiveness gap

- ↗ Working conditions and income (stability)
- ↗ Member State transition

Age and education

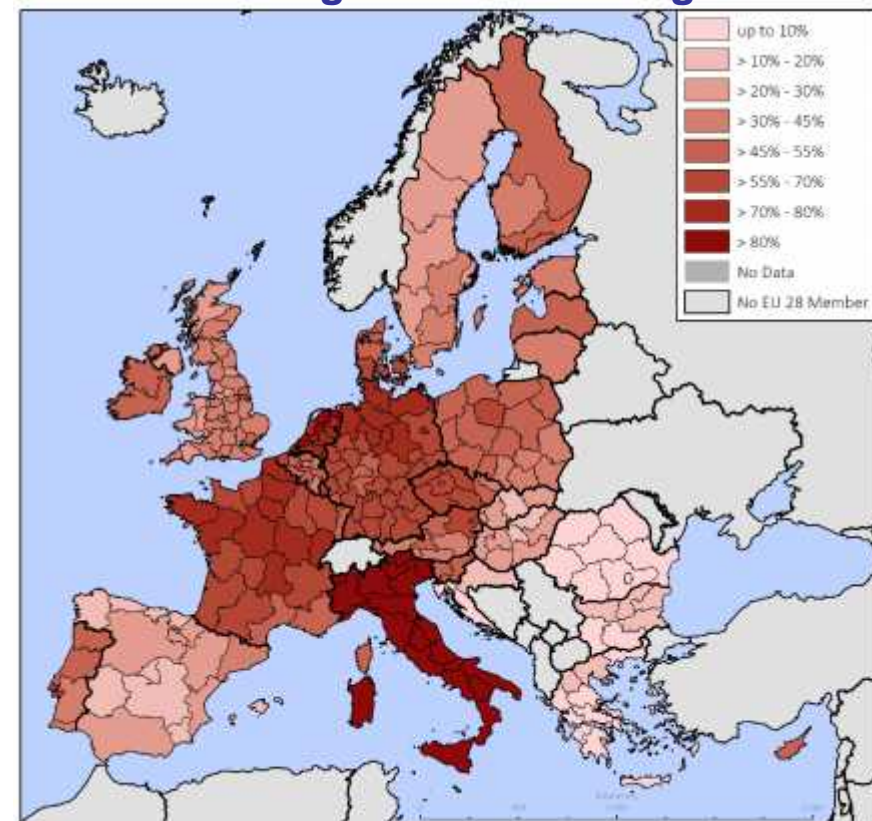
- ↗ Young people and people with higher education levels

4. Prevalent challenges

Intensification, Mechanisation and Innovation

- Researcher-practitioner gap
- Small-sized farms: less capacity to take up technological innovation and remain competitive

Share of farm managers with basic or full agricultural training



Source: Eurostat 2019
DG AGRI 2018

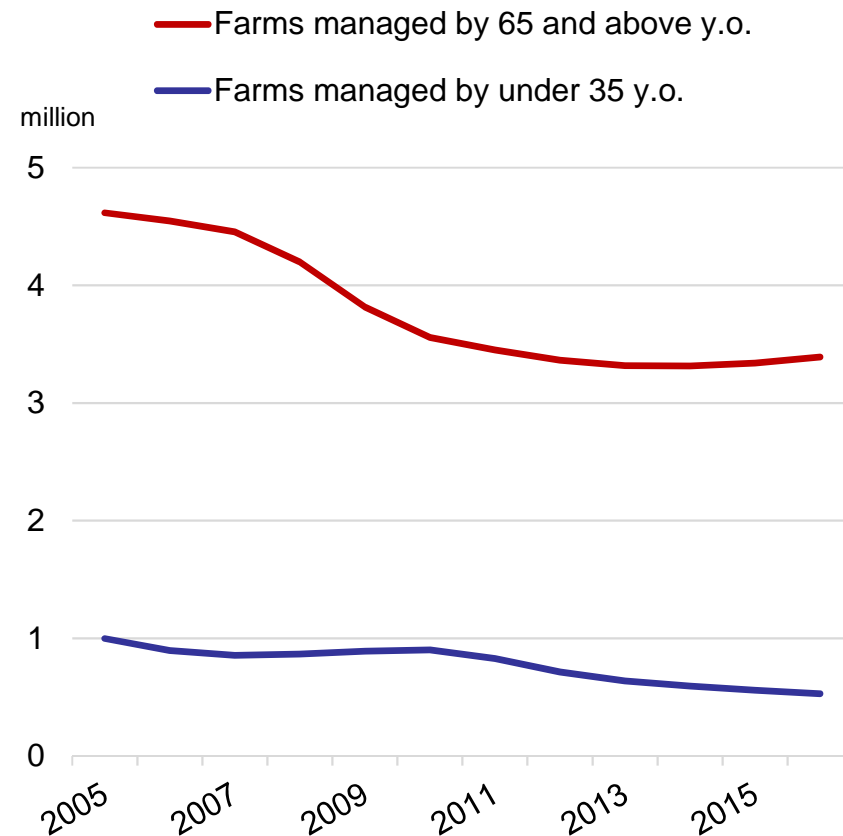
Attractiveness divide between agriculture and other economic sectors

- High work intensity, labour conditions
 - Seasonality of labour
 - Lower income and pension – impact of wage regulations
- Seasonal peak demand - migrant workforce

Generational renewal

- Low pension levels
- CAP decoupled payments
- Deficient land cadastres
- Low rate of farm transfer
- Low income and few job opportunities for relatives
- Difficult access to land/credit
- Limited availability/quality of public services in rural areas
- Fewer young farm managers

Number of farms managed by farmers below 35 and above 65 years of age in the EU27



5. Microeconomic strategies

Pluriactivity

- Nearly 40% of EU farms managed by a pluriactive farm holder (2013)

Diversification

- Growing trend among farms ...
 - Processing and marketing of agricultural products
 - Agritourism
 - Renewable energy production
- ... but constrained by several barriers
 - Access to/repurposing of land
 - Access to financing
 - Need for additional, specific skills

6. Impacts of the CAP

Mixed effects of the CAP on farming employment	Positive effect on labour		Negative effect on labour	
	Direct	Indirect	Direct	Indirect
CAP 2014-2020				
Pillar I: Direct payments to farmers				
Basic payment scheme (BPS)/Single area payment scheme (SAPS)	✓		✓	
Pillar II: Rural development policy				
M04 – Investments in physical assets	✓		✓	
M06 – Farm & business development	✓		✓	
M07 – Basic services & village renewal	✓			
M08 – Investments in forest areas	✓			
M10 – Agri-environment-climate		✓		
M11 – Organic farming		✓		
M19 – LEADER/CLLD	✓			
CAP – Post 2020 proposal				
Direct payments to farmers				
Basic income support	✓		✓	
Income support for young farmers				
Schemes for the climate and the environment		✓		
Rural Development				
Environmental, climate and other management commitments		✓		
Investments	✓		✓	

7. Policy recommendations

Generational renewal

- Encouraging younger generations to remain in the sector as well as supporting new entrants
- Facilitating generational transfer (farm transfer and access to financing)

Quality of rural employment

- Investing in diversification and adding value to farming
 - Synergistic with de-carbonisation and improved sustainability
- Increasing the variety of farming and farming-related roles
 - Examples: social farming, health therapy, energy and waste in the circular economy, etc.

Status and wages of farm workers

- Improving status and wages through
 - adding value and increasing farm sector resilience,
 - introducing structural change: focusing on training and education helping farmers to take up technological innovation
 - promoting actions which enable producers to obtain fairer prices for their products in a globalisation context

Labour and social conditions

- Implementing social conditionality of direct payments
 - quality of labour conditions, health and safety standards, and compliance with Directive 91/533/EEC
- Bolstering the integration of seasonal and migrant workers into the local community

CAP tailored to regional needs

- Offering more flexibility to fine-tune CAP Pillar 1
- Tailoring Pillar 2 to regional needs and potentials (e.g. rural identity)

Common vision and clear objectives with regard to farming employment

- Across the two pillars of the CAP
- Across the different policies and programmes of the EU
- Across the strategies of the EU and Member States

Thank you for your attention