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## ECVC reflection paper on new entrants in agriculture

### **Back down to earth – supporting communities, local food systems and new farmers**

**We want new entrants to agriculture to be the CAP's top priority in all Member States.**

The CAP works as a subsidy system and uses approximately 40% of the total EU budget.

Instead of being a support system, it makes small-scale farmers increasingly dependent on constantly receiving subsidies to run their farms. The situation for each new entrant varies widely between EU countries. Many countries do not use all available opportunities to help young people and/or new entrants to agriculture.

Currently, agricultural subsidies are paid per hectare, which leads to land concentration and competition for agricultural land. This makes access to land difficult for those who wish to work in the agricultural sector, especially for those who do not inherit a farm. The current CAP has made land increasingly expensive, hindering access to the means of production.

At the same time, we cannot ignore the fact that we have an unresolved issue concerning decent pensions for those at the age of retirement. The absence of these pensions means that the land is not free and farmers carry on receiving CAP aid, which makes it more difficult for younger generations to establish themselves in this sector.

Many small-scale farmers are still fighting for survival, while wholesalers profit from the food supply chain. At the same time, local markets have dwindled and often farms do not even play a role in feeding their communities. Similarly, cities are dependent on large food supply chains.

For new entrants to agriculture, it is often difficult to enter into the subsidy system unless they inherit land or rights. Many of these new entrants, mostly young people, are bringing life to rural areas. They provide food for sale directly to their local communities, towns and cities in addition to being committed to the people, environment and climate of their area. Often, these farms are of a very high social and environmental value and they have breathed new life into towns and villages across Europe.

Despite its valuable work in regions across Europe, the CAP does not reward these young, small-scale farms. In many cases, these farms do not produce for traditional wholesalers, but rather for citizens, cooperatives and other direct sales outlets, such as community-supported agriculture.

Unfortunately, the Common Agricultural Policy does not support these new farms and new entrants. Given the current situation in which citizens demand more and more high-quality, locally-sourced food, the time has come to encourage and support farms and small-scale farmers that are trying to rebuild the fractured local markets in Europe and pave the way for a new generation of food producers.

It is also important to situate the CAP in its global context and to see that, as it stands, it is a harmful policy for African, Asian and Latin American agricultural systems. To deal with this problem, we should adopt a position that promotes public policies that offer protection and that are not geared towards global agribusiness but rather food sovereignty and making European towns rural again.

In this regard, the new CAP should consider the recommendations of the FAO voluntary guidelines on the responsible governance of tenure of land, fisheries and forests as guidelines for good practices.

This document offers suggestions for a new Common Agricultural Policy which specifically seeks to support and boost the production and consumption of local agricultural produce.

## **CHANGING FINANCIAL AID**

In many of the EU Member States, new farmers receive either little or nothing to establish themselves in farm or livestock production. In many cases, they need to already own land or a farm to receive these funds. Moreover, the amount they receive depends on the number of hectares that they own. There are also exclusion criteria to receive these funds, such as being less than 40 years old, having a minimum income or owning a minimum number of hectares.

We believe that every farmer who wishes to establish himself/herself should receive direct, punctual, financial aid. This aid should not be dependent on the number of hectares that the small-scale farmers wish to use, but rather on the farmer wishing to establish himself/herself in the farming community and the specific needs of each new entrant, given that a person wishing to take over a farm is not in the same situation as someone who wishes to start from scratch. There also needs to be the implementation of concrete strategies so that women and other groups that support sexual diversity can overcome the added difficulties at the time of their integration into the sector.

Currently, the aid limit in the European Union is €70,000 and the Court of Auditors has analysed that the aid for young people is ineffective because there is no analysis of what the new entrants' real needs are. Therefore, it would be interesting to use this initial aid for the new entrants' real needs, such as housing, training or marketing. This aid would enable people to live on farms at a human scale. It would also work to guarantee the right to safe and adequate food and breathe new life into rural areas.

We are aware that the average age in the European agricultural sector is high and that difficulties often arise when the time comes for younger members of farming families to take over the family farm. Therefore, it is necessary to consider the need for structural financial support aimed at young people taking over small-scale farms. This support can be integrated into the second pillar of the CAP, effectively directing subsidies to young people who are taking over their family farm.

## **INCOME SUPPLEMENT**

In the same way that it is necessary that there be financial aid for people wishing to establish themselves in this sector, it is challenging to make newly established farms financially viable in the long term. When a young new entrant sets up his/her farm, it is difficult to earn a decent income during the first years, which often leads to abandonment of the project.

In some Member States, some of the settling-in grants are aimed at salaries. However, in reality it is clear that they end up as part of larger investments, which moves us towards a more intensive agricultural model.

Therefore, we believe that the income aid should be part of the settling-in grants and that the aid should last as long as settling-in grants are received. This would be means-tested measure, which progressively decreases the amount received as the income increases. This aid should be divided and paid per month to ensure that it truly is an addition to incomes and that it will not be directed towards investment.

## **DIRECT AID FOR FARMS SUPPLYING LOCAL MARKETS WHICH PROMOTE AGROECOLOGY AND FOOD SOVEREIGNTY**

An effective way to support local production and encourage a new generation of farmers to move to the European countryside is through the development of a new support method specifically aimed at farms that supply local and regional markets.

This support should promote farms that choose to encourage direct sales and strengthen local markets in terms of Food Sovereignty. The participating farmers will need to meet various criteria:

- The farm has a minimum annual turnover from direct sales of its own produce (the figures would have to be adjusted according to local conditions)
- It is possible to prove that the farmer is actively engaged in agriculture as a main activity
- The farm can prove that 75% or more of its output is consumed within a 100km radius in the case of fresh produce, and a radius of 250km for processed goods (exceptions apply for certain geographical areas/depending on the density of the population, etc.)
- No obligation to own land or have a specific qualification in agriculture, recognition for agricultural day-labourers

Farmers can work together and form producer cooperatives to enter local markets. Together, they can also rebuild infrastructure which has been destroyed in many areas, such as dairies, abattoirs and mills. The CAP should promote local and small-scale farming cooperatives. Young small-scale farmers are essential for dynamic rural areas, local production and regional food systems.

## **ADJUSTING INVESTMENT AID**

Investment aids need to be adjusted. Up until now, in order to benefit from this aid, small-scale farmers had to buy new material. It is unacceptable to force them to run such risks, forcing them to buy new material at higher prices.

If the purchase of second hand material were possible within the ambit of the investment aid, new farmers could benefit more. Guarantees would be necessary that the material has been well looked after and, in cases where the goods come from a farm, that farm should not have purchase the same material through public finances in recent years.

## **A FREE ADVICE SERVICE**

There should be a new free advice service for new small-scale farmers. Up until now, in many European countries, there are few or no advice services available, or they are fee-paying. Starting a farming project

according to agroecological principles is complicated, especially for those who are new to farming. Duly-prepared advice services are essential to facilitate establishing oneself in the sector.

We believe that these measures will bring about positive secondary effects that will help to support and encourage the integration of more assets into agriculture and therefore promote the production and consumption of local agricultural produce.

Examples of some of the effects that these measures will have that we would like to highlight include employment opportunities in rural areas, the social benefits of short supply chains, improvement of food, better access to food, integration of urban and peri-urban farms, diversification and decentralisation of food production, a reduction in transport emissions and food storage as well as recognition for the role that food producers play in society.