

# THE COMMON AGRICULTURAL POLICY POST-2020



## Attracting young farmers and fostering generational renewal

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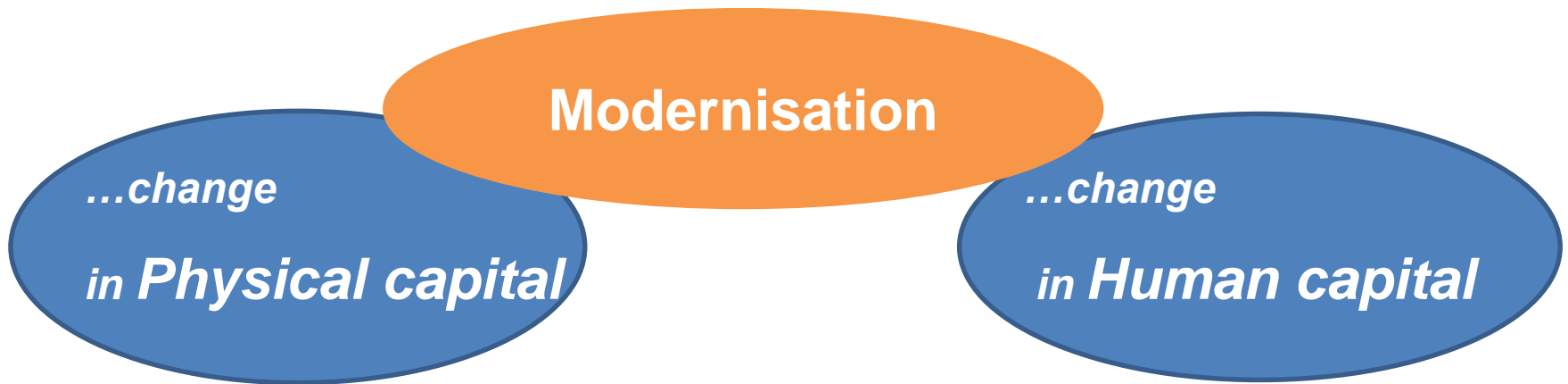


I Congress of young cooperativists  
Cooperativas Agro-alimentarias - COGECA

Valencia, 22/3/2019

#FutureofCAP

***“A prosperous agricultural sector can develop only if a real change of generation takes place”***



-   
**ENSURE FAIR INCOME**
-   
**INCREASE COMPETITIVENESS**
-   
**REBALANCE POWER IN FOOD CHAIN**
-   
**CLIMATE CHANGE ACTION**
-   
**ENVIRONMENTAL CARE**
-   
**PRESERVE LANDSCAPES & BIODIVERSITY**
-   
**SUPPORT GENERATIONAL RENEWAL**
-   
**VIBRANT RURAL AREAS**
-   
**PROTECT FOOD & HEALTH QUALITY**

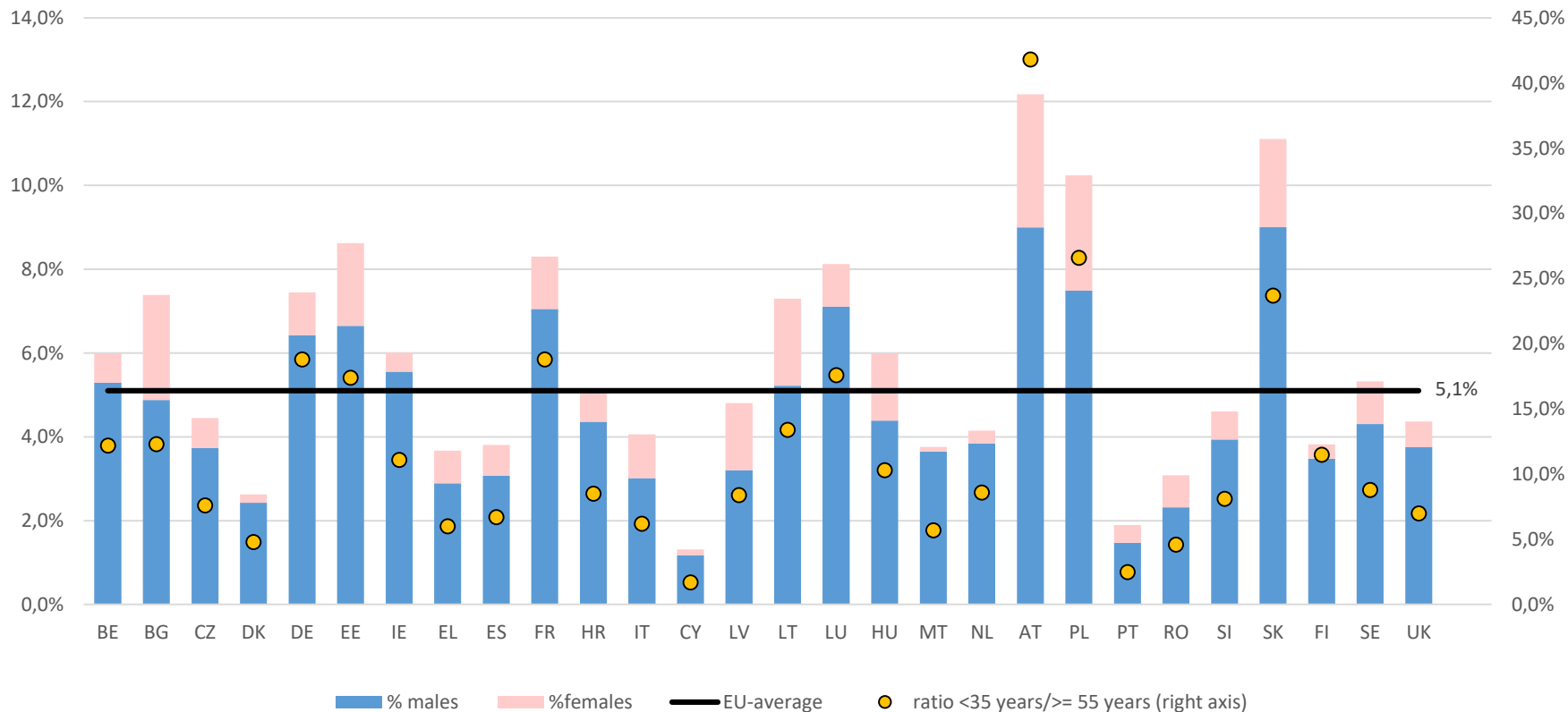
- 1. Some basic data on EU farming today...***
- 2. What are the problems? What has to be improved?***
- 3. What has the European Commission proposed?***

# *1. Young farmers in Europe: the figures*



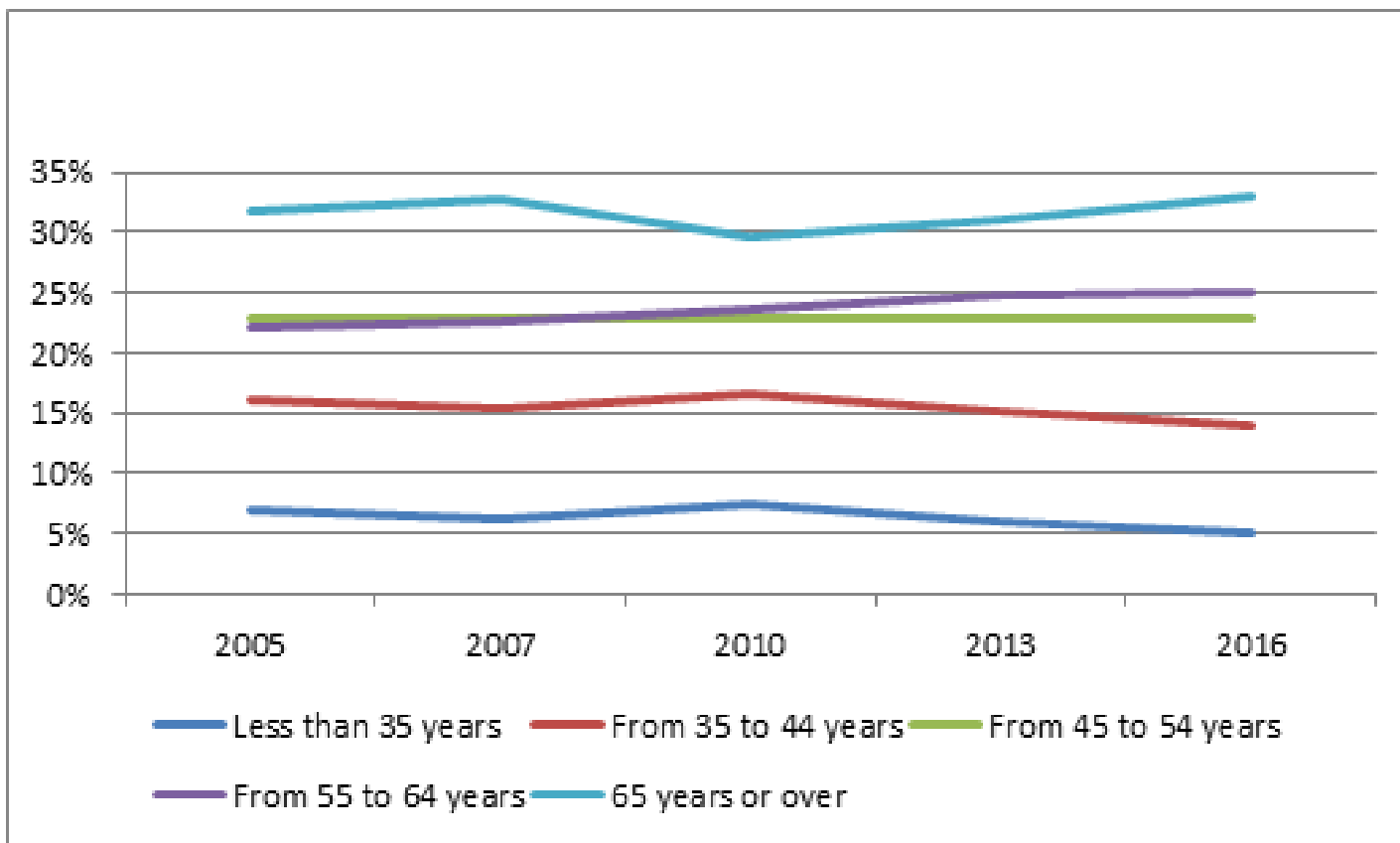
# Age structure of farm managers

Share of farm managers below 35 years old per MS by sex in 2016



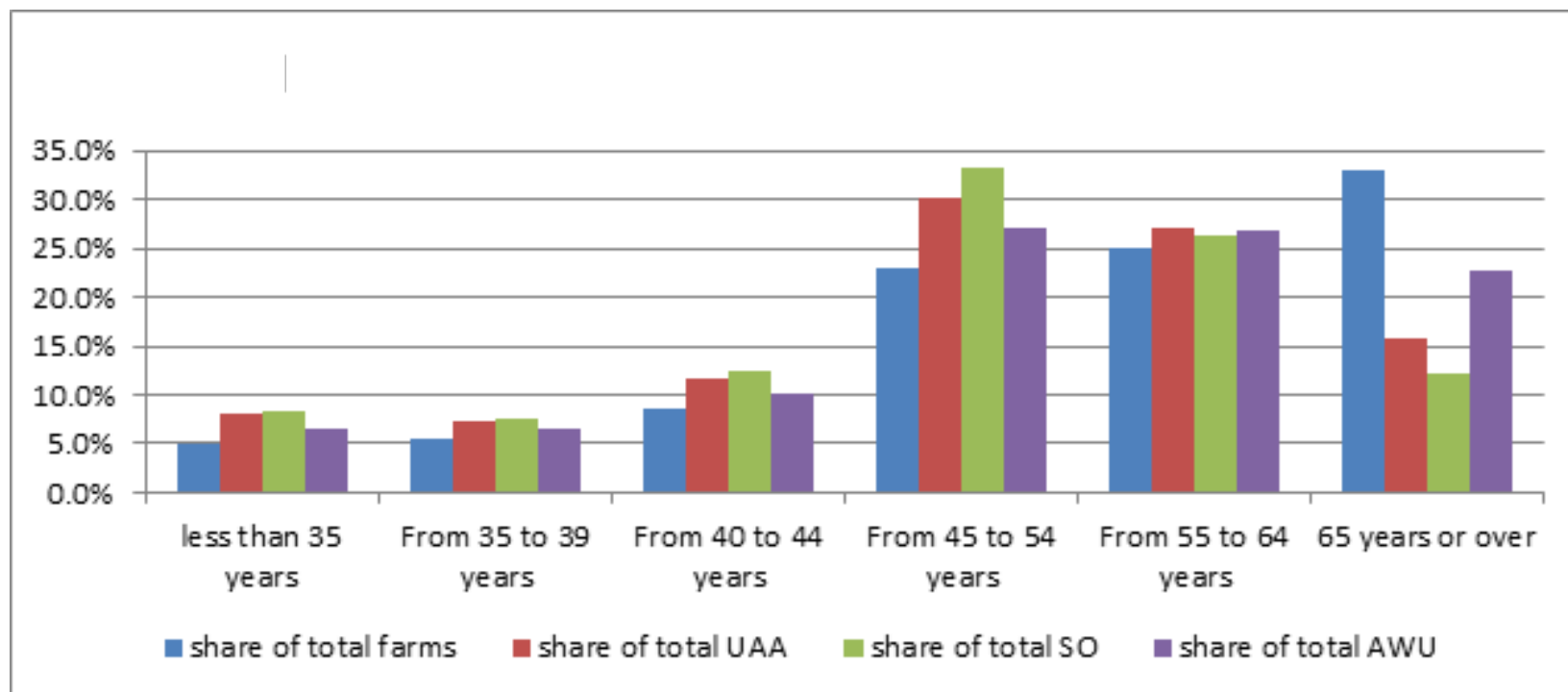


## EU farmers by age group

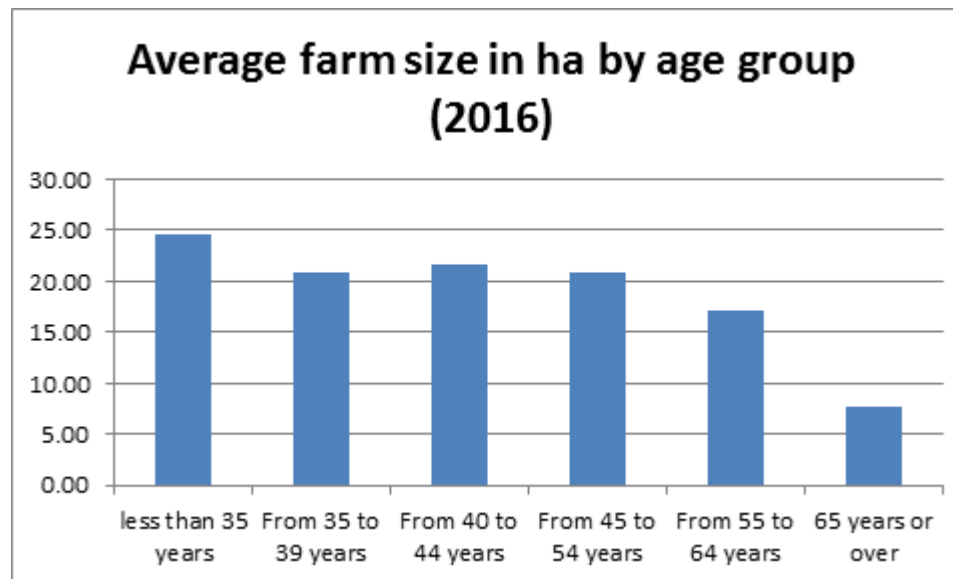
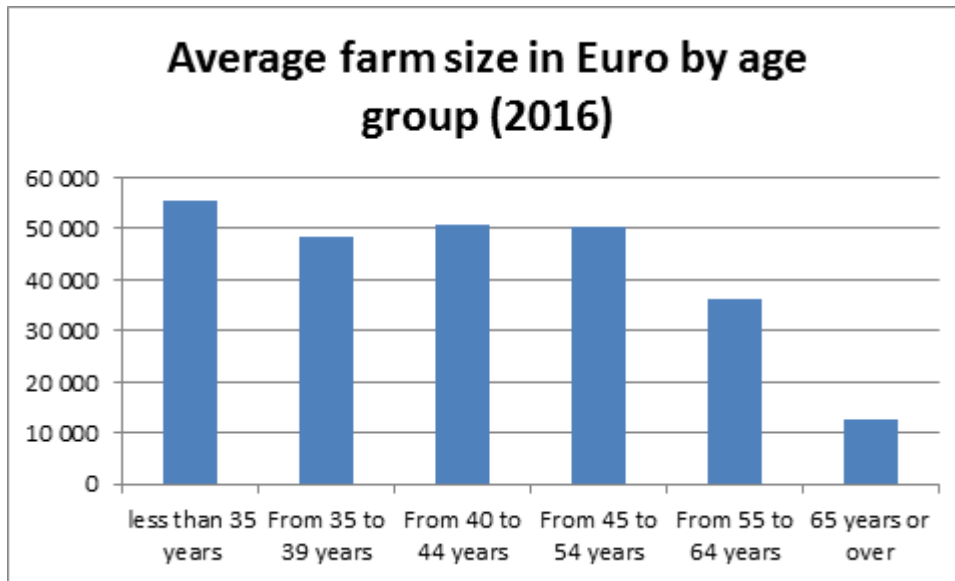




## Key farm parameters by age group (2016)



# Farm size by age



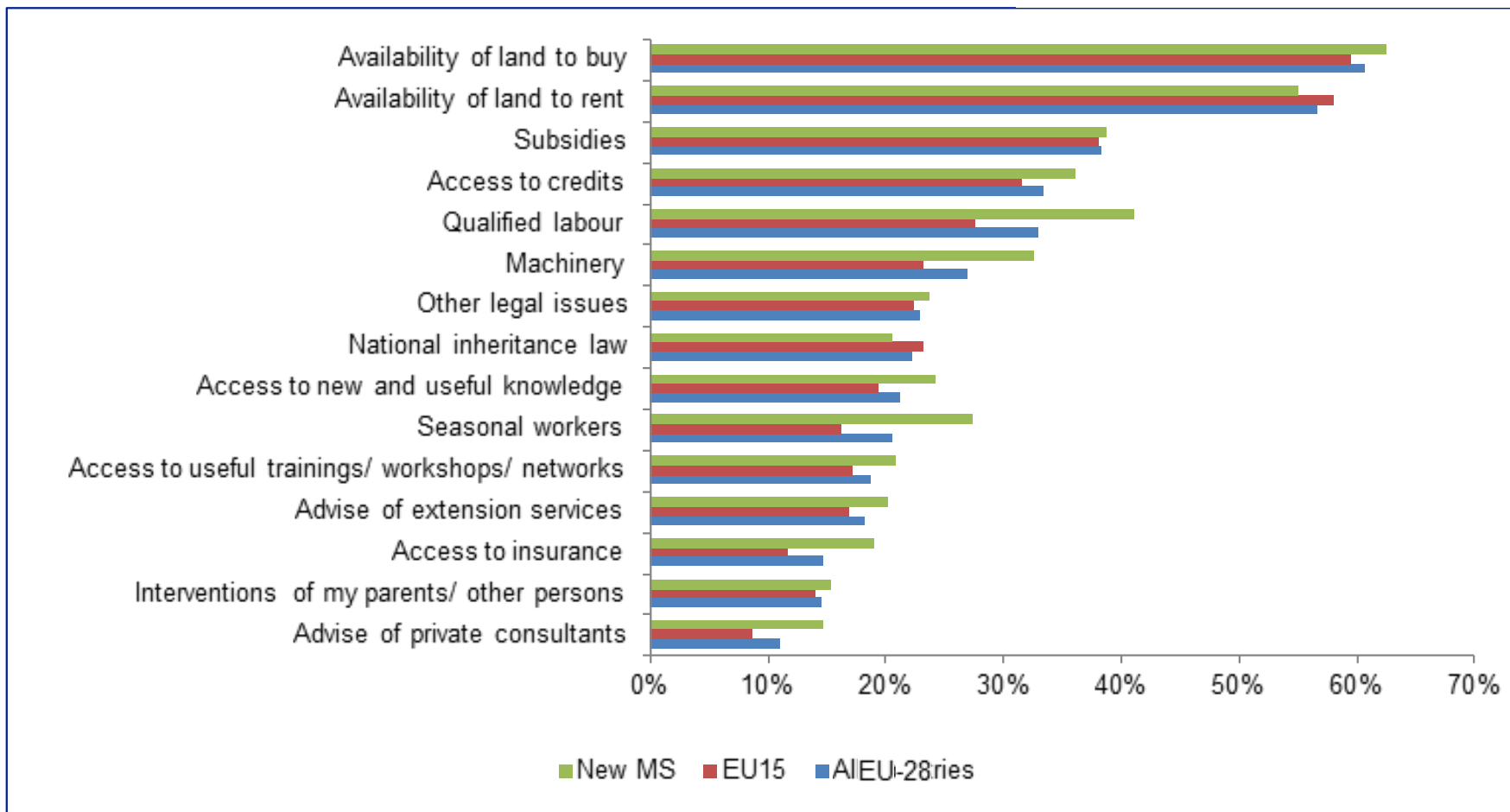


***2. What are the problems?***

***What has to be improved?***

# What are the needs of young farmers?

According to young farmers...

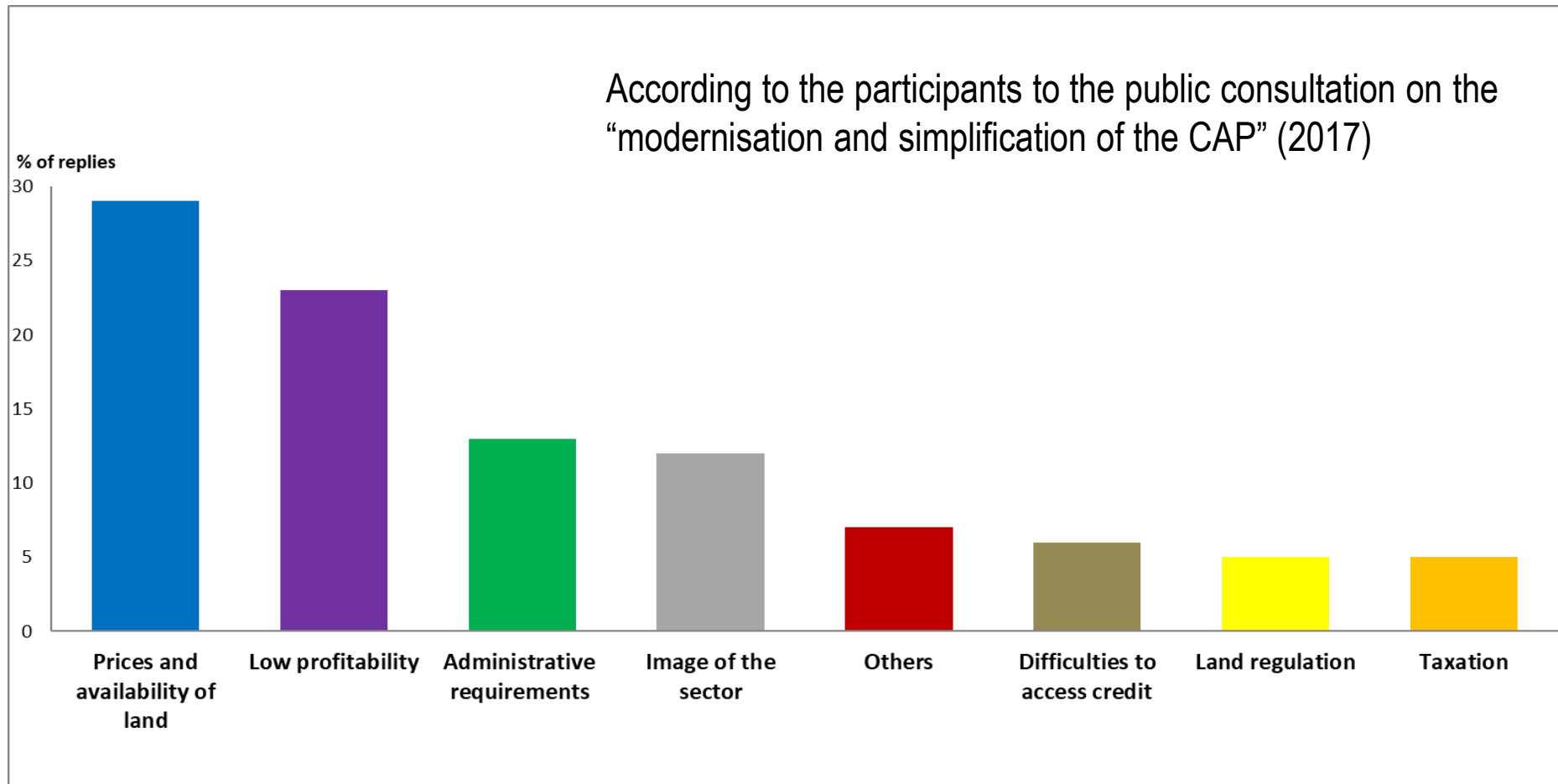


Source: Ecorys in cooperation with LEI and Aequator Groen & Ruimte, 2015.

Pilot Project “Exchange programme for Young farmers”, available at:

[https://ec.europa.eu/agriculture/external-studies/young-farmers\\_en](https://ec.europa.eu/agriculture/external-studies/young-farmers_en)

# What are the barriers to enter the sector?



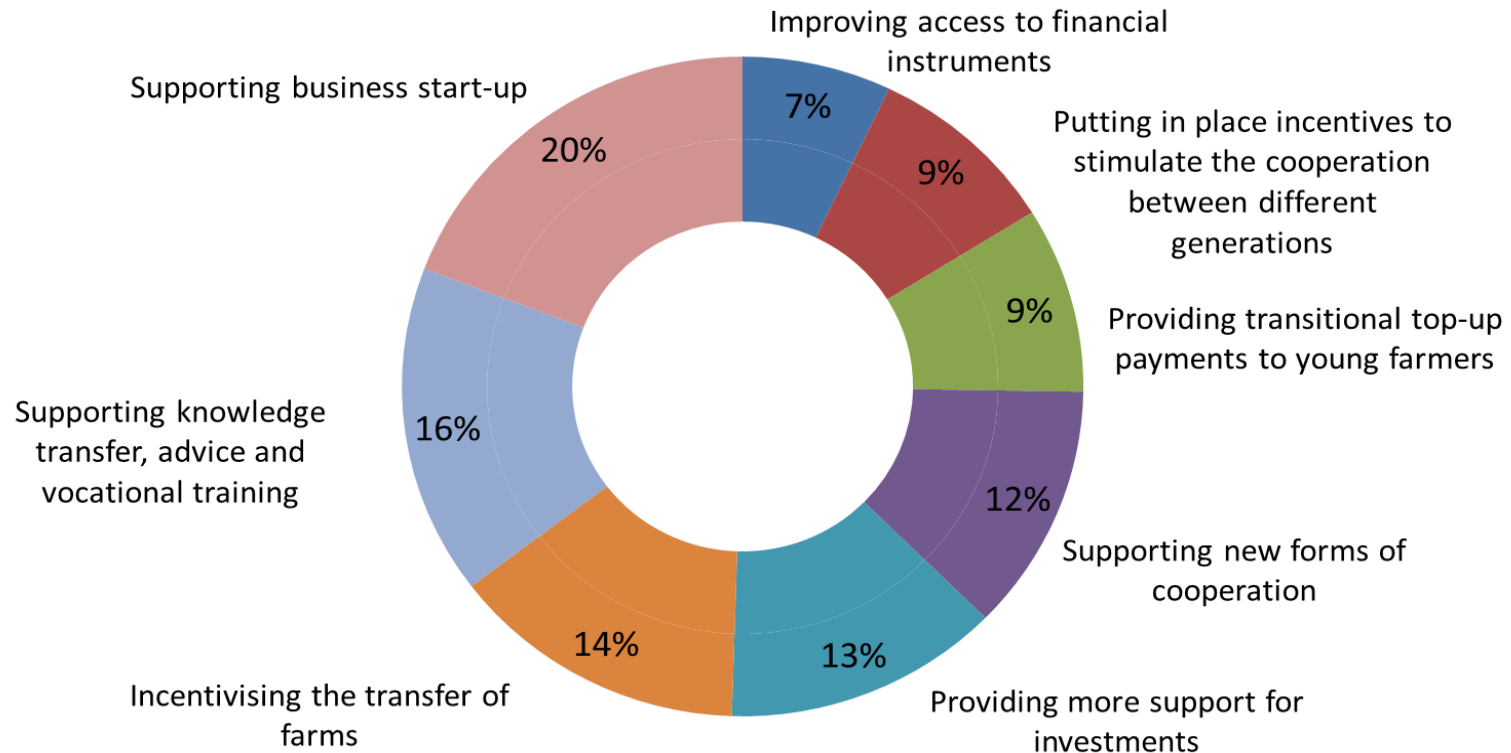
Source: Public consultation on the “modernisation and simplification” of the CAP.

Summary of the results available at:

<https://ec.europa.eu/agriculture/sites/agriculture/files/consultations/cap-modernising/summary-public-consul.pdf>

# How can the CAP better help young farmers?

According to the participants to the public consultation on the “modernisation and simplification of the CAP” (2017)



Source: Public consultation on the “modernisation and simplification” of the CAP. Summary of the results available at:  
<https://ec.europa.eu/agriculture/sites/agriculture/files/consultations/cap-modernising/summary-public-consul.pdf>

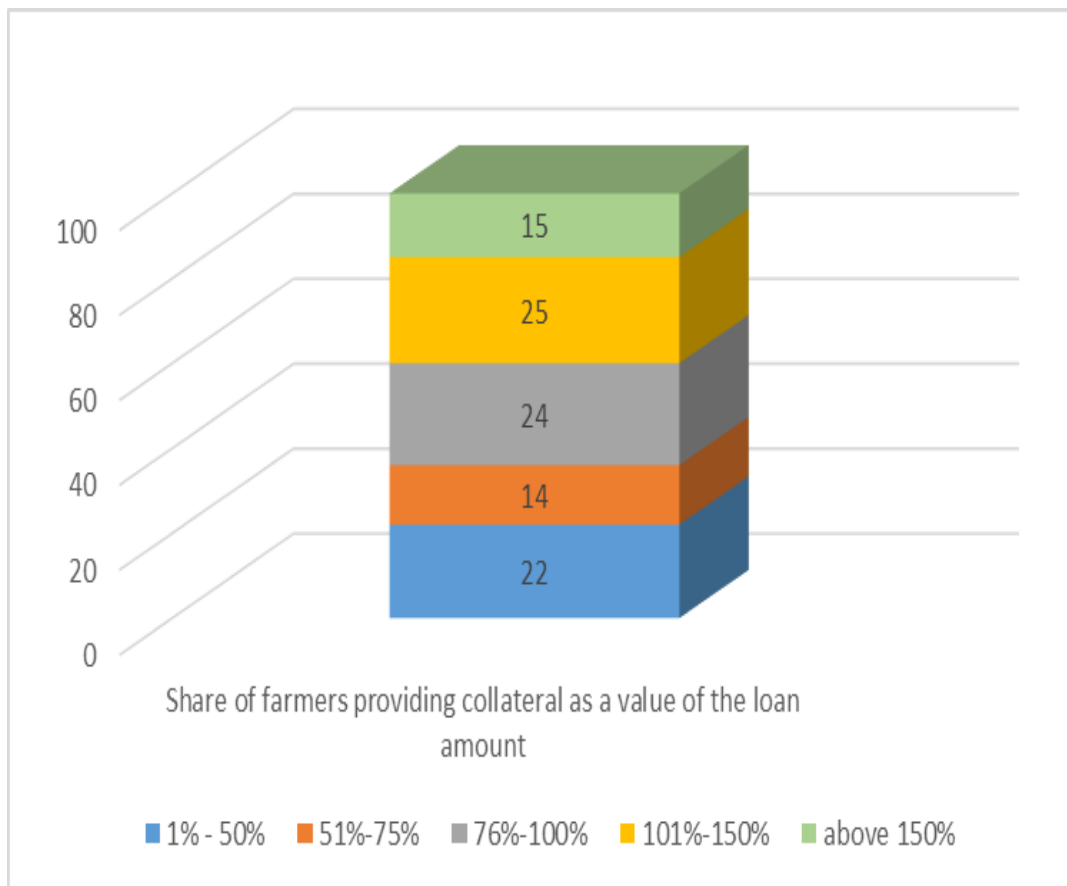


# Lending characteristics of young farmers in the EU: clear need of properly designed financial instruments

**23% of YF are afraid to apply for a loan, as they may be rejected**

**35% of YF have no movable or immovable assets for collateral – unfavourable conditions**

**YF use more financing from private sources**



Source: DG AGRI / fi-compass survey of 7,600 EU farms

# What has to be improved?

**Better targeting of the support**

**Better integration between the different actions**

**Better interplay with national/regional actions**

**More cooperation among actors**

### *3. What has the European Commission proposed?*

# THE 9 CAP OBJECTIVES and main policy principles



**KNOWLEDGE & INNOVATION**



## SIMPLIFICATION



Reduce administrative burden

## PERFORMANCE BASED SYSTEM



Ensure policy results

## BETTER TARGETING



Rules with better links to local realities

## KEEP STRONG COMMON ELEMENTS



Keep a level playing field

Enhanced ambition





# OVERVIEW

## Attract young farmers and facilitate business development in rural areas

- ✓ Summary of the SWOT analysis:
  - ✓ access to land, land mobility and land restructuring
  - ✓ access to finance and credits
  - ✓ access to knowledge and advice
- ✓ Overview of the generational renewal **strategy**, identifying a clear and coherent set of interventions, including the interplay with **national instruments** with a view of improving the consistency between Union and national actions

- Top-up income support (I pillar) and/or lump-sum payment (II pillar)



*Ring-fencing of the budget*

- Cooperation
- Investments and financial instruments
- Agricultural Knowledge and Innovation System (AKIS)
- Risk management
- Other relevant rural development interventions

# DEFINITION

## YOUNG FARMER

shall be defined in a way that includes:

A maximum age limit that may not exceed 40 years

The conditions for being 'head of the holding'

The appropriate training and/or skills required





## A RING-FENCED BUDGET FOR THE TWO MAIN TOOLS

At least **2%** of the national envelope  
of direct payments

Top-up:  
Complementary  
income support for  
young farmers  
(I pillar)

*And / Or*

Lump-sum:  
Installation grant  
for young farmers  
up to EUR 100,000  
(II pillar)

**+ reserves for payment entitlements**



# KEY TYPES OF INTERVENTION (1)

## ✓ COOPERATION

- Farm partnerships between generations of farmers
- Retirement planning or lump-sum payments for farmers in the retirement age who permanently transfer their holding to a young farmer
- Farm succession or transition planning services
- Brokerage for land acquisition
- Innovative national or regional organisations engaged in promoting and facilitating matching services between young and old farmers
- LEADER



## KEY TYPES OF INTERVENTION (2)

### ✓ INVESTMENTS

- **Preferential** conditions or priority via selection criteria may be set for young farmers and new entrants with higher risk profiles

### ✓ FINANCIAL INSTRUMENTS

- Purchase of **land** (exception for young farmers)
- Support for **working capital**: key for young farmers, whose start-up difficulties often lie with high investments and low returns
- **Preferential** conditions may be set for young farmers and new entrants with higher risk profiles

### ✓ RISK MANAGEMENT

- **Working capital** to overcome crises and a more flexible toolkit to better target the needs



## KEY TYPES OF INTERVENTION (3)

### ✓ **SECTORIAL INTERVENTIONS**

**(very relevant for the young cooperativists)**

- The inclusion of the Fruit and Vegetables and Wine sectorial interventions under a single CAP Plan
- Sectorial interventions in other sectors using the model of the producer organisations (up to 3%)



## KEY TYPES OF INTERVENTION (4)

- ✓ **KNOWLEDGE, INNOVATION and DIGITALISATION as a CAP cross-cutting objective**
  - Use of digital technology, e.g. area monitoring system; geo-spatial application (GSA)
  - Agricultural Knowledge and Innovation Systems (**AKIS**)
  - European Innovation Partnership (**EIP**) and **Horizon** Europe
  - **Erasmus+**
    - A certain share of the EAFRD may be used to finance actions in respect of transnational learning mobility with a focus on young farmers



# THANK YOU !

***REPORTS AND MORE INFORMATION :***

***On CAP legislative proposals, Impact Assessment and Background***

[https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-common-agricultural-policy_en)