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REPORT

on the situation and perspectives of young farmers in the European Union
(2000/2011(INI))

Committee on Agriculture and Rural Development

Rapporteur: Neil Parish

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PROCEDURAL PAGE

At the sitting of 21 January 2000 the President of Parliament announced that the Committee on Agriculture and Rural Development had been authorised to draw up an own-initiative report, pursuant to Rule 163 of the Rules of Procedure, on the situation and perspectives of young farmers in the European Union and the Committee on Employment and Social Affairs and the Committee on Culture, Youth, Education, the Media and Sport had been asked for their opinion (2000/2011INI)).

The Committee on Agriculture and Rural Development had appointed Neil Parish rapporteur at its meeting of 11 October 1999.

The committee considered the draft report at its meetings of 23 May , 9 October and 23 November 2000.

At the last meeting it adopted the motion for a resolution unanimously.

The following were present for the vote: Friedrich-Wilhelm Graefe zu Baringdorf, chairman; Joseph Daul and Encarnación Redondo Jiménez, Vice-chairmen; Neil Parish, rapporteur; Gordon J. Adam, Alexandros Baltas (for António Campos), Carlos Bautista Ojeda, Niels Busk, Arlindo Cunha, Christel Fiebiger, Francesco Fiori, Carmen Fraga Estévez (for Hedwig Keppelhoff-Wiechert), Georges Garot, Lutz Goepel, María Izquierdo Rojo, Elisabeth Jeggle, Heinz Kindermann, Dimitrios Koulourianos, Astrid Lulling (for Michl Ebner), Albert Jan Maat, Miguel Angel Martínez Martínez (for Michel J.M. Dary), Xaver Mayer, Emilia Franziska Müller (for Robert William Sturdy), Camilo Nogueira Román (for Danielle Auroi), Mikko Pesälä, Giovanni Procacci, Michel Raymond, Agnes Schierhuber, Dominique F.C. Souchet, Struan Stevenson and Eurig Wyn (for Giorgio Celli).

The opinion of the Committee on Culture, Youth, Education, the Media and Sport is attached; the Committee on Employment and Social Affairs decided on 1 February 2000 not to deliver an opinion.

The report was tabled on 27 November 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session is on 7 December 2000.

MOTION FOR A RESOLUTION

European Parliament resolution on the situation and perspectives of young farmers in the European Union (2000/2011(INI))

The European Parliament,

- having regard to the study commissioned by the European Parliament which was completed in April 2000,
 - having regard to Rule 163 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development and the opinion of the Committee on Culture, Youth, Education, the Media and Sport (A5-0357/2000),
- A. whereas farmers, and especially young farmers, constitute the social group which will provide the future basis for the common agricultural policy and, if their activities are not promoted, farming would eventually be abandoned; whereas they also perform a very important role in the social life of villages and rural communities, promoting and maintaining the countryside and contributing to the economic, social and environmental needs of the community,
- B. whereas Articles 32-38 of the Treaty provide for the implementation of a common agricultural policy (CAP), which remains the foremost and biggest of the Community's common policies,
- C. whereas young farmers are undergoing severe economic difficulties, which are exacerbating problems of rural depopulation, desertification, decline in rural areas, as well as social and cultural problems; whereas the principle of subsidiarity means that only certain aspects of these problems come within the competence of the European Union; whereas complementary action by the EU, Member States and applicant countries is necessary to confront these problems affecting the long-term future of young farmers,
- D. whereas the European Union must address the problems of young farmers, of rural depopulation and of regional disparities in terms of social and cultural life,
1. Points out that there has been a continuous fall in farm holdings over the last decade, with the steepest decline (28%) being experienced by farmers under the age of 35, and that the number of young farmers as a proportion of farmers is declining in nearly every Member State;
 2. Regrets that various EU Member States do not make use of the measures the European Union has put in place for young farmers, given the importance of young farmers in terms of innovation and renewal in agriculture; calls on the Council and the Commission to put an end to this situation;

3. Notes that the chief problems faced by young farmers in the EU and applicant countries are high installation costs, uncertain economic prospects, the lack of availability of farms, problems in training and the general administrative burden, as well as the general problems of the economic malaise and the poor image of farming for the public;
4. Draws attention to specific problems stemming from land sale and rental prices, high cost of machinery and farm improvements, legal and fiscal barriers to new entrants, as well as the more general problem of decline in many rural area, leading to degradation of the infrastructure and social life as well as rural depopulation;
5. Points out that the high installation costs lead to high indebtedness amongst young farmers, at a time when their prospects of a reasonable income from farming are poor;
6. Points out that high agricultural land costs are influenced by EU dominated factors such as the level of subsidies, quotas or other limitations on production and direct payments and also by the negative effects inherent in certain EU schemes which can encourage speculative gains for commercial interests outside the farming sector; points out further that high land costs are influenced by nationally imposed factors and are likely to continue to be a feature of agriculture in the coming years unless steps are taken to identify and rectify contributory factors where possible;
7. Points out that there has been no thorough evaluation of EU measures either by the Member States or the Commission and believes that this deficiency should be urgently reviewed; calls on the Commission to undertake a rigorous and detailed evaluation of existing support measures for young farmers and to submit the relevant report during the next year; points out in this respect that the Committee on Agriculture and Rural Development of the European Parliament proposed increasing the budget line for the year 2001 in order to provide funds that could partly be used for an evaluation and inter-country comparison; stresses the urgency of this in view of the 2002-03 spending review;
8. Suggests therefore that a comprehensive database be set up on the economic and social situation of young farmers in the European Union, into which data on the situation of young farmers in the applicant countries and the situation of women farmers should also be entered; calls on the Member States to make the relevant data available;
9. Calls on the Commission to develop a statistical system capable of recording the age and number of farmers taking retirement, the age and number of young farmers setting up and the sectors concerned, in order to create an instrument for forecasting retirements and business set-ups in the agricultural sector;
10. Takes the view that the EU should consider making it mandatory for the Member States to provide minimum levels of installation aid to young farmers;
11. Calls for installation aids and supplementary investment grants to be increased and, in view of the long term nature of farming investments, to be made available for a minimum of eight years after setting up; such investment aids should be further enhanced where there are tangible environmental benefits or where the farm is situated in structurally less-favoured areas that may contain deserted villages or holdings that have been abandoned owing to a cessation of activity, where young farmers could revive the rural economy by developing new agricultural products of regional interest, repopulating the countryside,

and increasing employment;

12. Calls also for Member States to reserve a certain proportion of their production rights and quotas for young farmers; takes the view that Member States should also ensure that production rights are transferred from non-producers to young farmers; Member States and the EU should also target the necessary measures and aid in particular at young farmers in countries and rural areas that are structurally disadvantaged owing to the ageing of their population;
13. Calls on the European Union, together with the Member States and farming organisations, to boost their efforts to assist young farmers wishing to set up in business and to offer comprehensive advice on the choice of sector, investment, schemes, taxation, laws of succession, etc; also calls on farming organisations to actively promote farming as an occupation in the context of careers advice at schools and higher educational establishments;
14. Considers that, since eligibility for aid has been extended to include young part-time farmers, the Commission should reallocate sufficient resources to Article B1-401 of the Community budget (setting-up of young farmers);
15. Believes that the early retirement provisions of the EU should be improved, particularly in the case of farmers who pass on their farm to younger farmers, enabling them to create economically and socially viable units, and that further schemes should be considered to improve the incentive to retire; in addition the early retirement provisions should be regularly reviewed in the light of the various rates of inflation in different Member States; believes further that older retired farmers should be permitted a degree of involvement which utilises their experience and protects their self-respect, without jeopardising their entitlement to the provisions of the scheme;
16. Considers that, in respect of any form of aid provided, where investments are made by young farmers, incentives must be provided in the form of lower interest rates;
17. Stresses that it is important that the benefit of the interest rate subsidies should go to the young farmers involved rather than the bank through which it is paid; calls for clear guidelines on interest rate subsidies to be established in this respect which require the banks to demonstrate transparently that the interest rate subsidy is not contributing to their calculation of the interest rate applied;
18. Asks the Commission to examine the feasibility of all alternative methods of assisting farmers, including the use of rural credit guarantees, especially for young farmers, and to encourage alternative schemes such as the development of organic production, agri-tourism and rural tourism, a source of wealth in many rural areas of the Union where tourism is a mainstay of the economy and contributes to sustainable and lasting development;

19. Calls on the European Union, in the context of equal opportunities, to encourage Member States to adopt fiscal measures aimed at developing the role of young women farmers, and in particular at supporting them during maternity leave and in bringing up farming families;
20. Urges the Commission to continue to promote sustainable, high-quality agricultural production, not only by enhancing existing mechanisms such as designations of origin and support for organic farming and indigenous breeds of livestock, but also by creating specific support mechanisms for regional products of special quality as a way of creating agricultural markets with high value-added and ensuring new investment prospects for young farmers;
21. Urges the Commission to use every possibility afforded by the rural development pillar and by the Structural Funds to supplement Member States' efforts to support the creation and maintenance of basic infrastructure and a network of good-quality public services and to boost local and regional markets as a way of combating the depopulation of rural areas, ensuring adequate conditions for investment in the least-favoured rural areas and making it more attractive for young farmers to set up;
22. Believes that there is scope for developing schemes whereby both the established and the young farmer work together to develop the farm, each providing a combination of experience and innovation; points out that schemes such as share farming, (where the established farmer provides land and capital while the young farmer provides skills and labour) can be successful; points out, however, that such schemes can only be developed where there is a regulatory framework which ensures that neither party will be exploited by the other;
23. Notes that it is important for Member States to take steps to ensure that institutional landowners give preference to concluding leases – albeit on equal terms – with young farmers;
24. Stresses the importance of further education and training, in order to raise the level of qualifications and skill applied to farming and considers that such skills must be geared in particular to the vocational training of women whose livelihoods are in rural areas; believes that the EU should fund programs for farmers relating to the latest developments in the market, as well as new and alternative techniques; stresses also that all forms of education, including computer courses, which meet standards recognised in the Member States, and are provided by colleges, as well as courses run by private or state bodies, should be eligible for this funding;
25. Stresses the importance of the development of the use of computer technology and the internet particularly in the context of the e-Europe initiative;
26. Considers that the Directorates-General for Agriculture and for the Information Society must undertake to study and submit to the European Investment Bank (EIB) a special investment programme for the acquisition and use of new information technologies and to make available appropriate funding in the context of the European Social Fund, for continuing education programmes; considers that the EIB, for its part, must undertake to

set up a special 'young farmers' information desk' as part of the Innovation 2000 initiative or to strengthen any such facilities that exist and are geared to new technologies;

27. Calls on the Commission to bring together in a single document all existing and future measures designed to help young farmers;
28. Emphasises the importance of continued rural development schemes which have considerable benefits for the rural community as a whole, and benefit the agricultural sector in particular, and urges the EU to include rural development in the sectors to be reviewed in 2000-2003 so that assistance to young farmers will be the key element of rural development; calls on the Commission to study the feasibility of establishing new Community initiatives targeted specifically at young farmers;
29. Proposes that, in order to counter farming's general loss of image and raise awareness amongst the general public of the problems associated with agricultural policy, public information campaigns on farming be included amongst CAP information measures, as well as an initiative for informing school pupils about studying agricultural sciences;
30. Points out that EU enlargement will necessitate changes in the farm structure of the applicant countries and in the way the CAP will operate; demands that the requirements for the young farmers be given priority by all concerned in the context of the overall limit of SAPARD, which was fixed at the Berlin Summit;
31. Believes that the EU should encourage applicant countries to target investment aids to young farmers, and introduce early retirement measures; believes that the EU should allow these countries to pay higher levels of installation aid during the immediate post accession period;
32. Considers that the Union should encourage, through its Socrates and Leonardo programmes, measures to strengthen education and training facilities for young farmers and the allied trades and professions, in order to raise their skills to the required level, so long as adequate additional funding can be made available;
33. Instructs its President to forward this resolution to the Council and Commission.

EXPLANATORY STATEMENT

Introduction

The origin of this report lies in the European Parliament's keen interest in the subject of agriculture. Young farmers are an essential part of the farming future. At the suggestion of the Rapporteur and with the support of the Committee on Agriculture and Rural Development, a study on "The Future of Young Farmers in the European Union"¹, was commissioned at the beginning of the year 2000 by independent consultants working for the Parliament's Directorate General for Research.

The Importance of young farmers

Farmers and especially young farmers perform a very important role in the social life of villages and rural communities, promoting a whole range of activities and participating in local associations. Farmers help to promote a healthy and prosperous countryside by maintaining the landscape. In this respect it is important to note that all categories of young farmers should be taken into consideration, since they all have a vital role to play and represent a tremendous potential for the future of agricultural and rural development in an enlarged Europe.

Scope of the Report

It is not the intention of this report to summarise the findings of the study, which contains an excellent synopsis. Moreover, this report has a different objective and different scope from that of the study. It is a political report, which is both more ambitious and more limited. It focuses primarily on aspects which are within the competence of the EU, and which are feasible. There are a number of problems for young farmers, which stem from aspects such as land prices or the law of succession¹ or taxation in different Member States, where changes would no doubt greatly facilitate progress. For example, land prices are an important factor affecting young farmers – perhaps the most important aspect – but it is unrealistic to suppose that EU policy could be changed, given the principle of subsidiarity and political realities of the time, to alter land prices substantially.

Economic Background to the Present Situation

A few significant points from the study may be highlighted: EU agriculture is characterised by a continuous restructuring. There has been a constant fall in farm holdings (19%), accompanied by a steady increase in average farm size (from 13.3 ha to 18.4 ha) during the period of 1990-97, which is the most recent period for EU-wide consistent data. The proportion of farms run as family business enterprises has remained stable (approx. 98% of all EU farms are family farms). 55% of all farmers are over the age of 55. Overall the number of farmers is declining at a

¹ The Future of Young Farmers in the European Union, DG for Research, AGRI 134N

¹ In 1996, the European Commission produced a report on "Young farmers and the problems of succession in European Agriculture"

significant rate in the EU: 28% for the under 35 age group during the 1990-97 period, 19% for ages 35-44, 21% for ages 45-54, and 25% for ages 55-64). The proportion of farmers over 65 is almost stable, and there is little tendency for older farmers to retire or leave the business. The number of young farmers as a proportion of total farmer numbers declined in nearly every Member State from 8.75% to 7.68% in the above period.

Problems identified by the study

The study attempts to quantify these problems by means of a matrix, which shows that in practically all EU Member States, the chief problems are high installation costs, uncertain economic prospects for the farming sector as a whole, the availability of farms, problems in training and the general administrative burden. In the applicant countries, the same problems feature. In more specific terms, the study identifies problems stemming from land sale and rental prices, cost of machinery and farm improvements and other costs which farmers incur when they set up business, as well as legal and fiscal barriers to new entrants; problems relating to gender (e.g. inadequate social security provisions such as maternity benefit and childcare), insufficient or inappropriate training and education; the decline in many rural areas in terms of infrastructure, activities and social life; rural depopulation as well as certain social problems such as the exodus of women from rural areas, which will lead to a further reduction in the future farming population.

Installation costs

Young farmers need to borrow heavily in order to overcome high installation costs, and this is at a time when their borrowing ability is low. Heavy indebtedness is therefore a feature of young farmers' business lives. However, this comes at a time when it is difficult for a young farmer to make a reasonable living.

The high installation cost for young people to enter the sector is affected by a number of factors, such as the price and availability of land, the cost of machinery, the purchase of production rights, and indebtedness. (esp. Sweden, Denmark, Germany and the UK). In this respect, the need for borrowing is aggravated by low income, inheritance problems and the CAP, which is not weighted towards young farmers (e.g. direct support payments).

Land prices

Farmland seems to be the farmers' greatest outlay. The price of land in the EU ranges from, in parts of France (3 000 €/ha) to parts of Luxembourg (15 000 €/ha). It is important to mention that high *land prices* are influenced by:

- (a) Subsidies: According to some estimates, the effect of 1% increase in subsidies in wheat payment have an effect of 0.4% increase of the land value, in the UK it is 0.25% increase.

(b) Quotas and similar limitations on production: High land prices caused by support for commodities or quotas not only add to the capital intensive demands faced by young farmers, but force them to channel assets into areas which may not bring a return if land prices fall, i.e. this is a potential risk for the future.

(c) Direct payments, especially arable area aid: Farmers' increasing dependence on direct aid payments, intensified by the recent Agenda 2000 reforms, will continue to support the trend for high land prices and exacerbate the problems of young farmers.

However, it must be noted that the headage premium rights for livestock do not influence the increase in land price to the same extent.

The cost of land is also influenced, to some extent, by availability and short-term variables such as national interest rates, and inflation rates.

Production rights

In respect of the production rights, there is inconsistency among the Member States and sectors. In some Member States, such as in Germany and Denmark, the young farmer has to purchase the respective production rights. From the entrepreneurial point of view, the need for the purchase of production rights is inconsistent with long term investment. This is due to the fact that there is no long-term stability in the farming business. In a system where it is uncertain what will happen to milk quotas after the next review, farmers still have to buy quotas to produce!

EU measures in force

The rules for young farmers are partly contained within the measures directed at all farmers, and are partly set out by specific provisions. Assistance for young farmers has been through a series of regulations, including Regulation 950/97 on improving the efficiency of agricultural structures which has been superseded by Regulation 1257/99 on support for rural development, notably in Chapter I and Chapter II. In essence these measures granted setting-up aid (although it should be noted that these are not obligatory in the Member States) and also supplementing investment aid. Other measures from which young farmers derive benefit are the CAP market organisations, early retirement schemes, and LEADER +.

Lack of evaluation of existing measures

There has been little evaluation of EU measures either by the Member States or the European Commission, and no report on the subject of young farmers by the European Parliament.¹ The Court of Auditors produced a special report on measures to assist the employment of young persons², which was only to some extent an evaluation; this confirmed that there was no proper EU or Member State evaluation of the impact of EU assistance measures, and suggested greater attention should be given to interest rate subsidies on loans, and also that it is essential to reduce delays in the implementation of installation aids and investment grants. Following this report the Commission launched an evaluation exercise in February 1999, based on a questionnaire asking

¹ A draft report was prepared by Mr Antonio Campos in 1997, but not put to the vote by the Committee on Agriculture and Rural Development.

² Court of Auditors Special Report N°3/2000 on the European Social Fund and the European agricultural Guidance and Guarantee Fund (Guidance Section) – Measures to Assist the Employment of Young Persons.

Member States to give points for the application and impact of the main measures of potential benefit to young farmers. Results of this exercise are not yet available.

It is essential to undertake a much more thorough and fundamental evaluation of present measures in time for the 2006 review of the rural development regulation, in order to provide an in depth look at the problems of young farmers and practical potential solutions to these problems.

The challenge of EU enlargement

The situation of young farmers, as well as the general state of agriculture, varies among the candidate countries. This report considers the "First wave of countries", also known as the Luxembourg group, namely: Cyprus, Czech Republic, Estonia, Hungary, Poland and Slovenia.

- (a) Present Situation: Family farms in CEECs (Central and Eastern European Countries) seem to account for the vast majority of farms in the candidate countries. However, there are two major exceptions; Hungary and to a lesser extent the Czech Republic, are the countries where a significant proportion of co-operatives or other, larger enterprises (transformed co-operatives) are involved in farming. On the other hand, in Poland, there are over a million farms also not classified as "family farms", as they are very small, more or less subsistence operations.
- (b) Prospects: On July 20th 1999 the European Commission laid down the indicative budget allocations among the applicant countries from Central and Eastern Europe under the SAPARD programme (Special Accession Programme for Agriculture and Rural Development). The SAPARD programme should be active for seven years (2000-2006).

These allocations are based on objective criteria, such as the size of the agricultural population, the total agricultural area, per capita GDP, purchasing power parity, and the specific situation of rural areas.

In order to accelerate changes in farm structure in candidate countries so that they can adapt to new market realities, the adoption of CAP-type farm support schemes is inevitable. Given the limited national and EU funds available to the candidates under SAPARD, and the several competing needs of the candidate countries' farming industries, this is likely to be a difficult period for new entrants to install as farmers.

Once the candidates become members, even if there are transitional arrangements, this situation is likely to improve, as the new members are put on a more equal footing with their counterparts in the current EU.

Nevertheless, the candidate countries have started (or are starting) to introduce production quota arrangements in some sectors, in anticipation of accession to the EU. While this is understandable, given that such production rights form part of the *acquis communautaire*, the introduction of such rights will lead to the same disadvantages for future young farmers in the candidate countries as are already experienced by their EU counterparts.

Policy suggestions

The actions proposed below are those which are within EU competence, although the rapporteur makes some observations addressed to the Member States. The Member States could take a number of measures which would facilitate the position of young farmers. These include matters concerning succession, inheritance law, taxation, and transfer of farm ownership. A number of other detailed suggestions have been put forward by the Parliaments' study, which should perhaps be considered by the Commission's specialist services.

While there is a great need for specific help for young farmers, there is also a need to improve the overall viability of agriculture in the European Union.

- (a) Installation aid (for farmers under 40 years old): There is supportive evidence for the increase of installation aid and supplementary investment grants. Investment grants for young farmers should be offered not just at the time of setting up, but for a period of 8 years thereafter. Investment aid should be enhanced not just when the farm is situated in an LFA (Less Favoured Area) but where there is an environmental improvement or when employment opportunities need to be increased.

The EU should recommend that Member States provide a minimal level of installation aid for young farmers. However, a uniform rate of actual aid is inappropriate to the varied circumstances of EU farming.

- (b) Supplementary investment aid (for farmers under 40 years old): Supplementary investment assistance should be further enhanced where a young farmer is investing in improvement to a farm in an LFA. LFAs are going through a period of depopulation leading to rural decline and various social problems. Furthermore, costs of investment are often higher in the LFAs.
- (c) Encouraging early retirement: The EU has a specific Chapter IV in Regulation 1257/99 on encouraging older farmers to retire early. At the moment, it is not obligatory for Member States to offer the scheme. There has been no requirement for early-retiring farmers to look for a young farmer to take over their farm. The European Commission should encourage Member States to offer a retirement package for older farmers who pass on their farm to a young farmer. It is important that the early retirement scheme must be linked to the installation of a young farmer. This should provide an adequate pension for retiring farmers and therefore allow a dignified way for farmers to retire. The farm hand-over in such circumstances should take place over a set period of years, facilitating a young farmer's introduction into farming, in such a way that he can create an economically and socially viable unit.

Some Member States do offer a higher premium for retiring farmers who agree to transfer their farm on to young people, by providing a reserve of released land to be made available for young farmers setting up, and for young farmers interested in expanding their farm.

- (d) Production rights: When changes are made in the future, the European Commission should take the opportunity to allocate more production rights to

young farmers. It will be important for Member States to manage their national reserves in a way that will give young farmers a better share of producer rights. It is essential that young farmers have greater access to production rights, because the commodities under these special regimes are usually the most profitable. It is difficult to take away production rights from existing farmers and allocate these rights to young farmers, but in future re-organisations, young farmers should have greater preference¹.

- (e) Possibility of interest rate subsidy: Some Member States offer interest rate subsidies for young farmers and the European Commission should encourage all Member States to do the same. It is important that the full advantage of the interest rate subsidy will go to the young farmer rather than the banks involved, since it is often not transparent how banks treat these loans.
- (f) Assistance with credit terms: The European Commission should consider alternative methods of assisting farmers to include the possibility of the EU offering rural credit guarantees, especially for young farmers. This would help to resolve the perennial problem faced by young farmers, of having available sufficient collateral as the basis for loans to improve the viability of their farms.
- (g) Taxation: The Rapporteur believes that Member States should introduce tax incentives for land owners to rent their land to young farmers.
- (h) Share farming²: In some countries such as Spain, but especially outside the European Union, share-farming is practised successfully. This might be one of the ways in which a young farmer could enter the farming sector. The European Commission should be encouraged to look at this option.
- (i) Education, training and networking: There is a need for young farmers in the whole EU to have greater access to agricultural and rural development education. Young farmers will need to be very adaptable to changes in the CAP, which are linked to the WTO framework. Training of young farmers to market their agricultural products will be very important in the future.

The modernisation of the farming sector depends on its ability to adapt to the challenges ahead and training and information are key elements in European farming. Specific Community programmes able to educate and inform young farmers should be developed to enhance young farmers global and international understanding of agricultural issues, foster cooperation and exchange of know-how between young farmers, facilitate interaction between Europe's various agricultural structures, and improve their professional know-how, awareness and

¹ In this context, it is important to consider the beneficial role of winegrowers, as they improve the landscape and prevent soil erosion. The wine-growing sector has, in some regions, considerable economic importance. Furthermore, the European Union is the world's largest wine producer; more attention should therefore be given to young winegrowers and they should be given greater access to production rights.

² Share farming: The established farmer provides land and capital, while the young farmer provides skills and labour services. They share the profit.

commercial skills.

There is a need to provide support for practical on-farm training and education (a "hands on" approach). The example of some Member States (e.g. Germany, Austria) where practical on-farm education is possible should be utilised. Furthermore, the model of "combined educational system", which means a combination between practical farming and schoolwork should be considered, so that youngsters get direct experience of farming.

The use of computer technology and the Internet must be considered a vital resource, and young farmers should be encouraged to use them. There are already examples of successful schemes involving the internet, e.g. in LEADER +. The e-Europe initiative should include the agricultural sector, which has a natural suitability for internet technology, and finance should be increased to do this. Furthermore, the EU should provide Community funding to inform young farmers on issues relating to the latest developments in the market, as well as on new/alternative production methods and marketing.

- (j) Rural development and farming: The European Commission has rightly given more emphasis to the subject of rural development. Rural development is complementary to farming. Problems such as desertification, environmental problems, the decline of rural schools and village services, transport and roads, have to be tackled at the same time as problems in the farming sector, which includes problems facing young farmers. These are problems which go far beyond the scope of this report, but which are complementary to it.
- (k) Accession countries: The EU should encourage the candidate countries to increase investment aid to young farmers, and to introduce early retirement measures. Such measures should be applied on a voluntary basis and should vary from country to country in order to meet different needs. Some countries will need a robust restructuring.

The candidate countries should be able to pay higher levels of installation aid during the immediate post-accession period, when the SAPARD funds will be replaced by EU support. After accession of the applicant countries to the EU, these countries should then be eligible for Objective 1 status and assistance to young farmers should be given through this funding.

The European Commission has asked the applicant countries to put in place the administrative capacity for effective implementation and enforcement of the *acquis communautaire*, which includes, of course, the minimum sanitary, environmental and veterinary standards. In return, these countries should be given a fair share of the production quotas. There is an opportunity to introduce a system of quotas into the accession countries that will give a fair percentage of the production rights to young farmers.

When the applicant countries accede to the European Union, there will be changes in their agricultural policies that will give a unique opportunity to help young farmers. Similarly, as is the case in the present Member States, there will be the need for education, training and for the support for Internet use. Furthermore, the

training of young farmers to market their products successfully will be important.

13 July 2000

OPINION of the Committee on Culture, Youth, Education, the Media and Sport

for the Committee on Agriculture and Rural Development

on the situation and perspectives of young farmers in the European Union
(2000/2011(INI))

Draftsman: Martine Roure

PROCEDURE

The Committee on Culture, Youth, Education, the Media and Sport appointed Martine Roure draftsman at its meeting of 25 November 1999.

It considered the draft opinion at its meetings of 22 June 2000 and 13 July 2000.

At the latter meeting it adopted the conclusions below unanimously.

The following were present for the vote: Giuseppe Gargani, chairman; Vasco Graça Moura, vice-chairman; Ulpu Iivari, vice-chairman; Martine Roure, draftsman; Konstantinos Alyssandrakis (for Alexandros Alavanos), Ole Andreasen, Roberta Angelilli (for Thierry de La Perriere), Pedro Aparicio Sánchez, Per-Arne Arvidsson (for Sabine Zissener), Christine de Veyrac, Geneviève Fraisse, Lissy Gröner, Ruth Hieronymi, Maria Martens, Jens Dyhr Okking, Doris Pack, Roy James Perry, Christa Prets, Frédérique Ries (for Marco Formentini), The Earl of Stockton (for Christopher Heaton-Harris), Kathleen Van Brempt, Luckas Vander Taelen, Eurig Wyn and Teresa Zabell Lucas.

I. INTRODUCTION

The situation of young farmers is poses a serious problem in the European Union, and they do not have any real prospects despite the support provided by the Union and the Member States. The situation obviously varies from Member State to Member State, considerably in some cases. However, the general trends are practically the same everywhere:

- an unfavourable economic climate in farming, sometimes very much worse for young farmers;
- lack of prospects for young farmers;
- a big decline in the number of farmers, and an ageing of those who remain.

Indeed, the constant restructuring of agriculture in the Community means that in 30 years the number of young farmers (which fell from 8.75% to 7.68% between 1990 and 1997) will have

dropped drastically if appropriate measures are not taken to stem the decline.

What can the Union do? The future of young farmers is linked to that of the common agricultural policy (CAP), the first amongst the Community's integrated policies, which accounting for almost half the Community's budgetary resources. Farmers, and young farmers in particular, are facing enormous difficulties which basically stem from the excessively high cost of setting up (sale of land, rents, cost of machinery, cost of improving holdings, etc.), problems associated with inheritance, social problems (due to the inadequate social security benefits paid to women, a limited cultural and social life, etc), the rural exodus which increasingly isolates those who remain on the land, and frequently unsuitable training.

These problems are common to all farming areas, but it should not be forgotten that young farmers are not a very homogeneous group. A distinction may be drawn between:

- the children of farmers,
- students at specialised schools and colleges,
- young people who wish to set up in rural areas.

Likewise, their aims are not necessarily the same. Some of them wish to carry on running a family farm, others want to innovate and diversify, and yet others dream of entering the large-scale agri-business sector.

II. THE EUROPEAN UNION AND ITS YOUNG FARMERS

A European policy aimed at supporting young farmers is impossible outside the CAP, the broad lines of which were reformulated in Agenda 2000 for the period up to 2007. Nevertheless, when they are revised, young farmers must be able to see:

- an increase in the subsidy to which they are entitled when they take on their first holding,
- additional investment grants,
- changes in the early retirement incentive, farm transfer support and other schemes,
- the removal of fiscal and legal obstacles,
- the development of specialised education and training,
- appropriate information facilities (creation of a database etc).
- the development of complementary activities (rural tourism etc.).

The Committee on Culture, Youth, Education, the Media and Sport, having been asked for its opinion on this subject, does not wish to focus on aspects which fall within the remits of the Committee on Agriculture and Rural Development and the Committee on Employment and Social Affairs but rather to highlight the issues associated with education, training and information policies and the social and cultural life of young farmers.

Young farmers experience problems resulting from education and training that is often poorly suited to their needs. Even Agenda 2000 neglects these fundamentally important aspects.

Moreover, a study conducted by European Council of Young Farmers (CEJA) showed there to be a cultural deficit when it came to understanding the rural community and its activities, many children thinking that oranges grow in the UK and the cotton comes from sheep. Your draftsman

therefore welcomes the project which is designed to raise children's awareness of farming and which will be taken out into primary schools starting this year.

With regard to the education and vocational training provided to young farmers:

- the Union must encourage, through its Socrates and Leonardo programmes, measures to strengthen education and training facilities for young farmers in order to raise their skills to the required level,
- in the context of the information society, the Union must assist with the IT training of young farmers,
- internet access for young farmers must become a reality (for instance the e-Europe initiative should include measures for helping young farmers train up on, equip themselves with and use new communication and information technologies),
- young farmers must be able to become acquainted with integrated production and marketing management systems so as to manage their holdings effectively,
- young farmers must have the opportunity to grow alternative crops, switch to organic farming or diversify into complementary activities such as rural tourism,
- the Union must increase financial assistance to encourage the establishment of associations and networks which would help young farmers when setting up and choosing crops, etc.
- action must be taken to combat depopulation, in particular by maintaining public services in rural areas (schools, post offices, transport services) and social facilities must be maintained by pooling the resources of several communes or by resorting to the use of mobile services.

If the right conditions for revitalising farming are created, then young urban dwellers enthusiastic about nature and keen to improve their quality of life will be able to set up in the country and rural youth will no longer abandon the farms passed on to them by their parents.

III. CONCLUSIONS

The Committee on Culture, Youth, Education, the Media and Sport calls on the Committee on Agriculture and Rural Development, as the committee responsible, to incorporate the following points in its draft resolution:

- A. whereas Articles 32-38 of the Treaty provide for the implementation of a common agricultural policy (CAP), which remains the foremost and biggest of the Community's common policies,
- B. whereas the European Union must address the problems of young farmers, of rural depopulation and of regional disparities in terms of social and cultural life,
 1. Considers that the Union should encourage, through its Socrates and Leonardo

programmes, measures to strengthen education and training facilities for young farmers and the allied trades and professions, in order to raise their skills to the required level, so long as adequate additional funding can be made available;

2. Calls on the Commission, in the context of the information society, to assist with the training of young farmers in information technology;
3. Urges the Commission, as part of the e-Europe initiative, to help young farmers train up on, equip themselves with and use new technologies, especially the internet;
4. Urges the Commission to ensure that existing EU internet sites inform young farmers about the programmes, funding, initiatives and actions of relevance to them;
5. Stresses that young farmers must become acquainted with integrated production management and marketing systems so as to manage their holdings effectively;
6. Considers that support should be given to young farmers wishing to grow alternative crops or switch to organic farming;
7. Encourages the Commission to increase financial support to foster the establishment of associations and networks for helping young people in rural businesses, especially farming, when setting up and developing their businesses;
8. Considers that given the diverse nature of the challenges and of local cultural and traditional social structures, decisions on detailed implementation are best taken at a national, regional or local level;
9. Calls on the Commission and the Member States to do all they can to encourage the development of private and public services in areas of the Union threatened by depopulation so as to preserve their social fabric and ensure equal access for everyone, in particular farmers, to such services.