



Changes in farm structures from a social aspect in the post-socialist MS since their accession to the EU

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Competitiveness of the Economy in the Context of Social Policy Measures

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Structural change in EU agriculture

In general, farms are becoming...

- fewer
- larger
- more specialised
- more capital-intensive

While the farming population is...

- declining
- with an increasing average age

But...

- structural change is a complex phenomenon occurring at a different pace across the regions of the EU

Understanding the drivers of these developments is of core importance for designing agricultural policies

This presentation is based on...



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **B**
STRUCTURAL AND COHESION POLICIES



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RESEARCH FOR AGRICULTURE AND RURAL DEVELOPMENT
COMMITTEE - STRUCTURAL CHANGE IN EU FARMING: HOW CAN THE CAP SUPPORT A 21st CENTURY EUROPEAN MODEL OF AGRICULTURE?

WORKSHOP - STUDIES

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2016

RESEARCH FOR AGRI COMMITTEE - FARM STRUCTURAL CHANGE IN CENTRAL AND EASTERN EUROPE AND THE CAP

STUDY

79

Methodology and data

Data source

- EUROSTAT Farm Structure Survey (FSS)

Structural changes are presented...

- through changes in CAP context indicators for
 - » 2005 (first FSS with SO) and
 - » 2013 (most recent FSS with preliminary data)
- for the EU-10 comprising of
 - » BG, CZ, EE, HU, LV, LT, PL, RO, SK & SI
- in particular cases for 3 basic physical and economic size categories
 - » corresponding to the farm structure indicators defined by the EC

Size categories	Physical	Economic
Small	< 5 hectares UAA	< EUR 4,000 SO
Medium	≥ 5 < 50 hectares UAA	≥ EUR 4,000 < EUR 50,000 SO
Large	≥ 50 hectares UAA	≥ EUR 50,000 SO

Methodology and data

Important limitations of the FSS

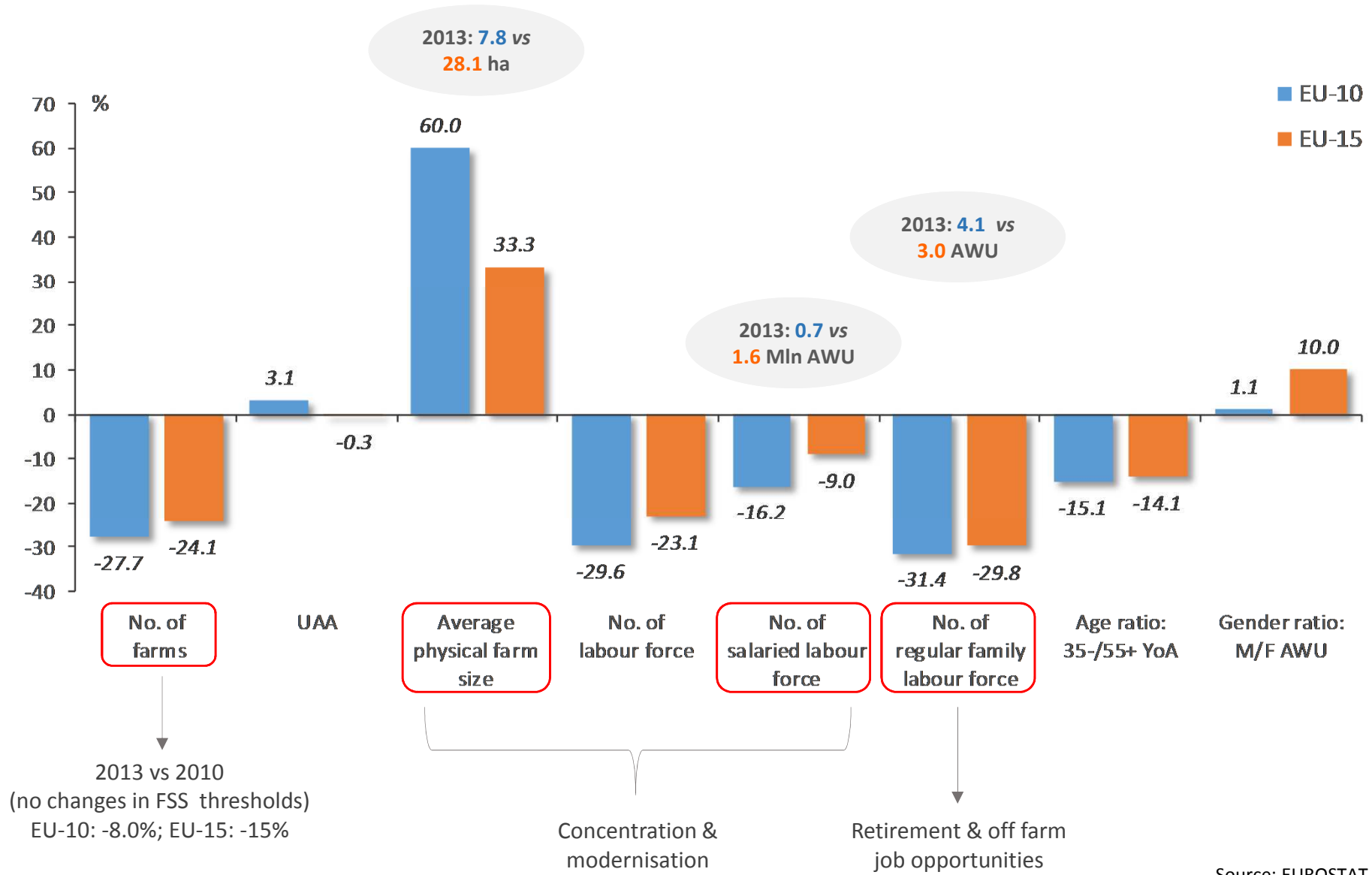
- physical thresholds are exclusive and not constant over time
 - » *PL, CZ & SK: trends in indicators on labour force, number of holdings, holding characteristics, and impacts on specific livestock and land use categories affected*
- inclusion of common land in 2010
 - » *BG: significant increase in the UAA distorts trends in indicators*
- physical farm size corresponding to a certain SO level varies widely
 - » *difficult to compare trends in different MS*

Indicators for the EU-10 are heavily influenced by...

- changes in the FSS methodology
- the weight of RO & PL in the number of farms, UAA and AWU

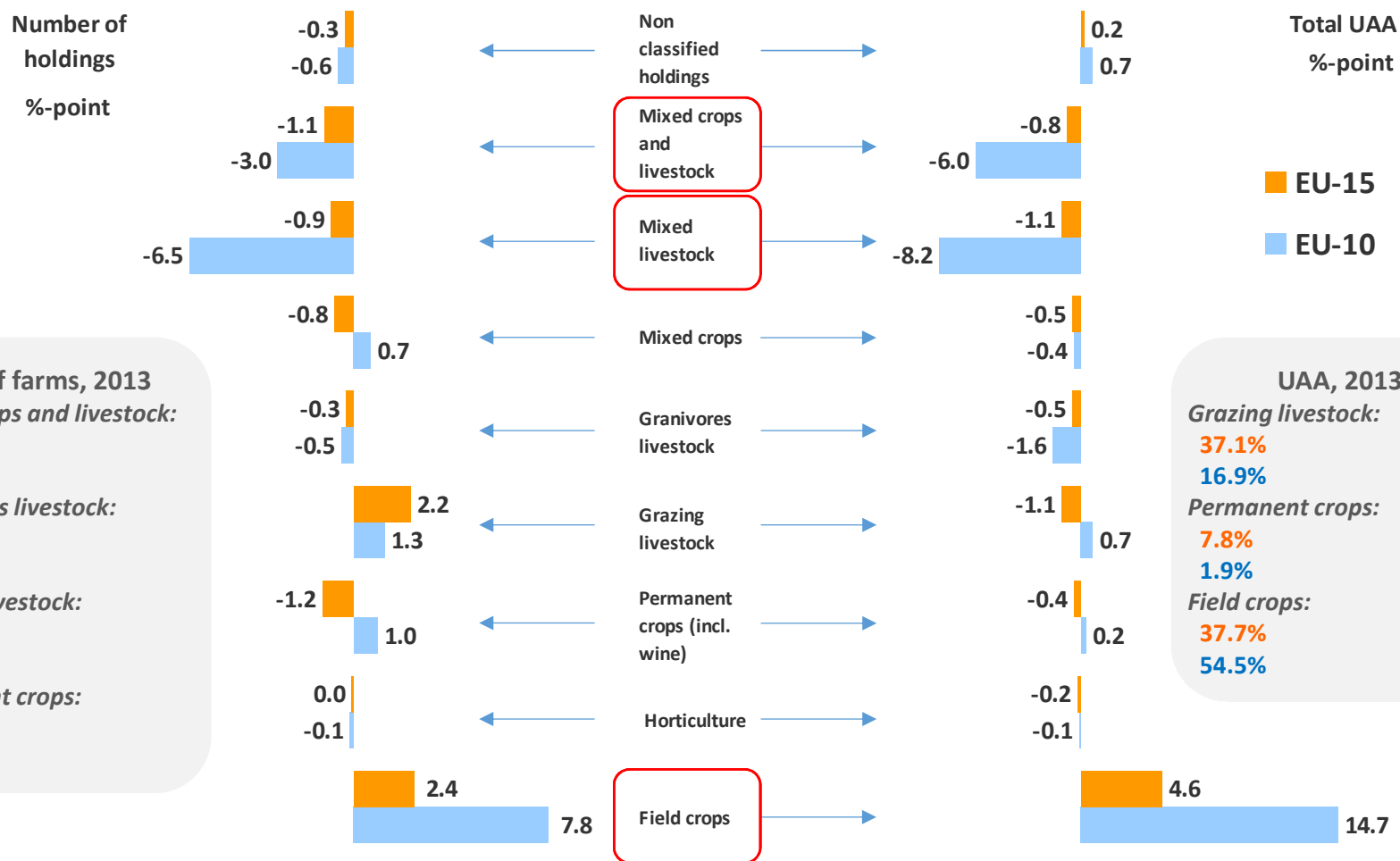
Nevertheless...

Changes in the main indicators



Source: EUROSTAT

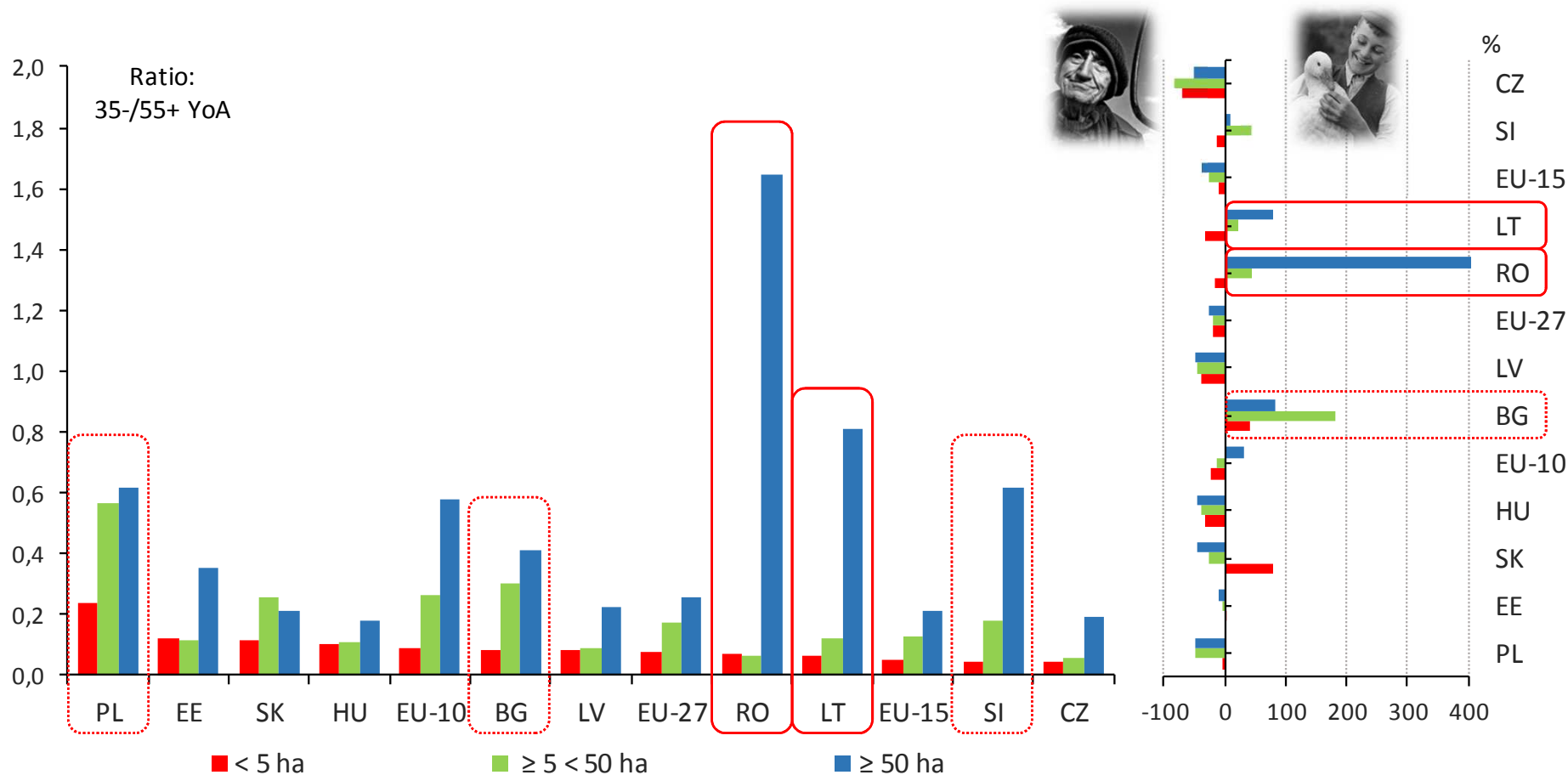
Changes in specialisation



Source: EUROSTAT

Age structure in the EU-10

35-/55+ YoA ratio in the EU-10 MS by physical farm size classes in 2013, and percentage changes in the 35-/55+ YoA ratio, 2013 versus 2005 (on the right)

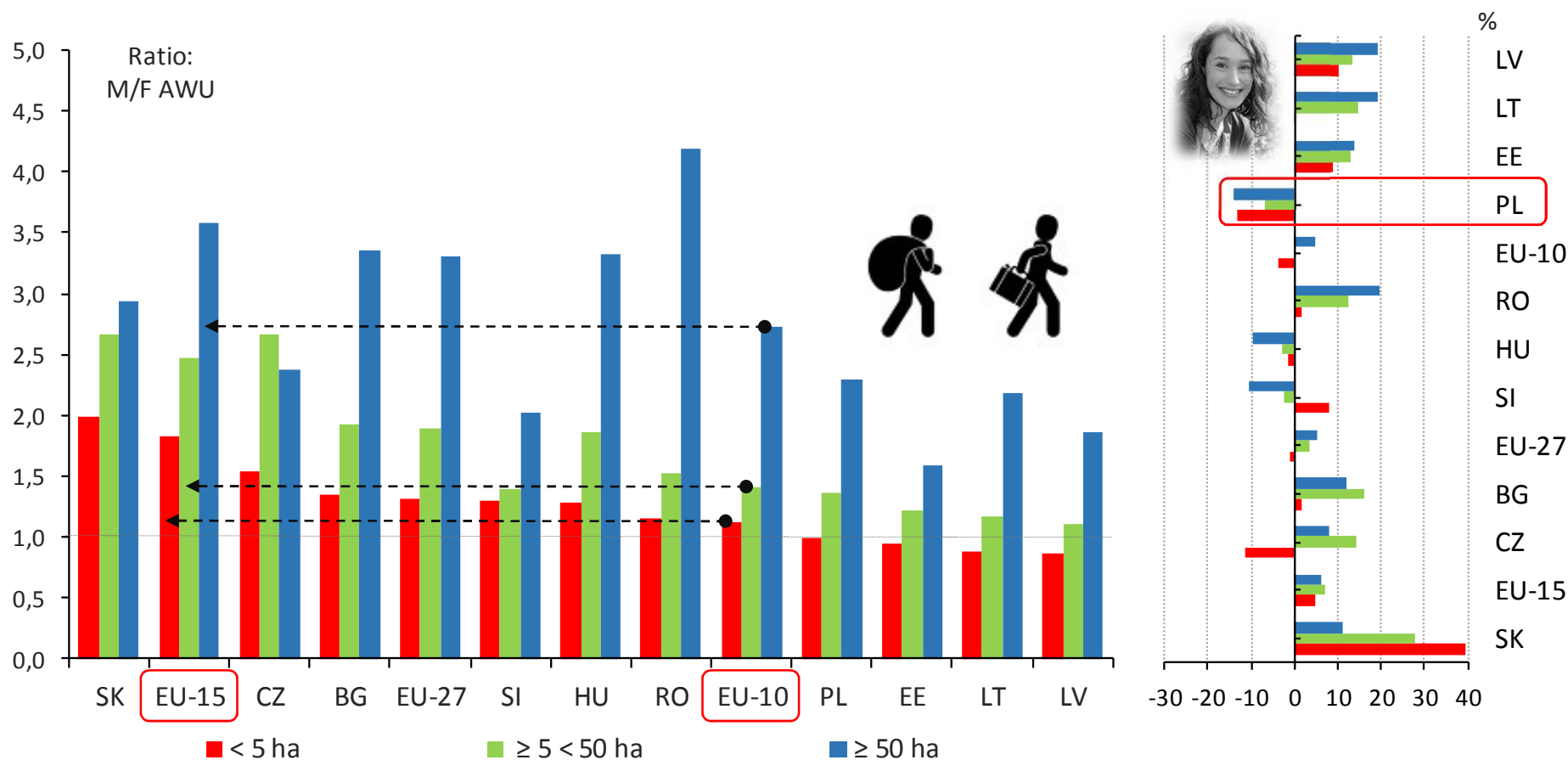


• EU-10 MS in descending order by value for small farms

Source: EUROSTAT

Gender structure in the EU-10

M/F AWU ratio in the EU-10 MS by physical farm size classes in 2013, and percentage changes in the M/F AWU ratio, 2013 versus 2005 (on the right)

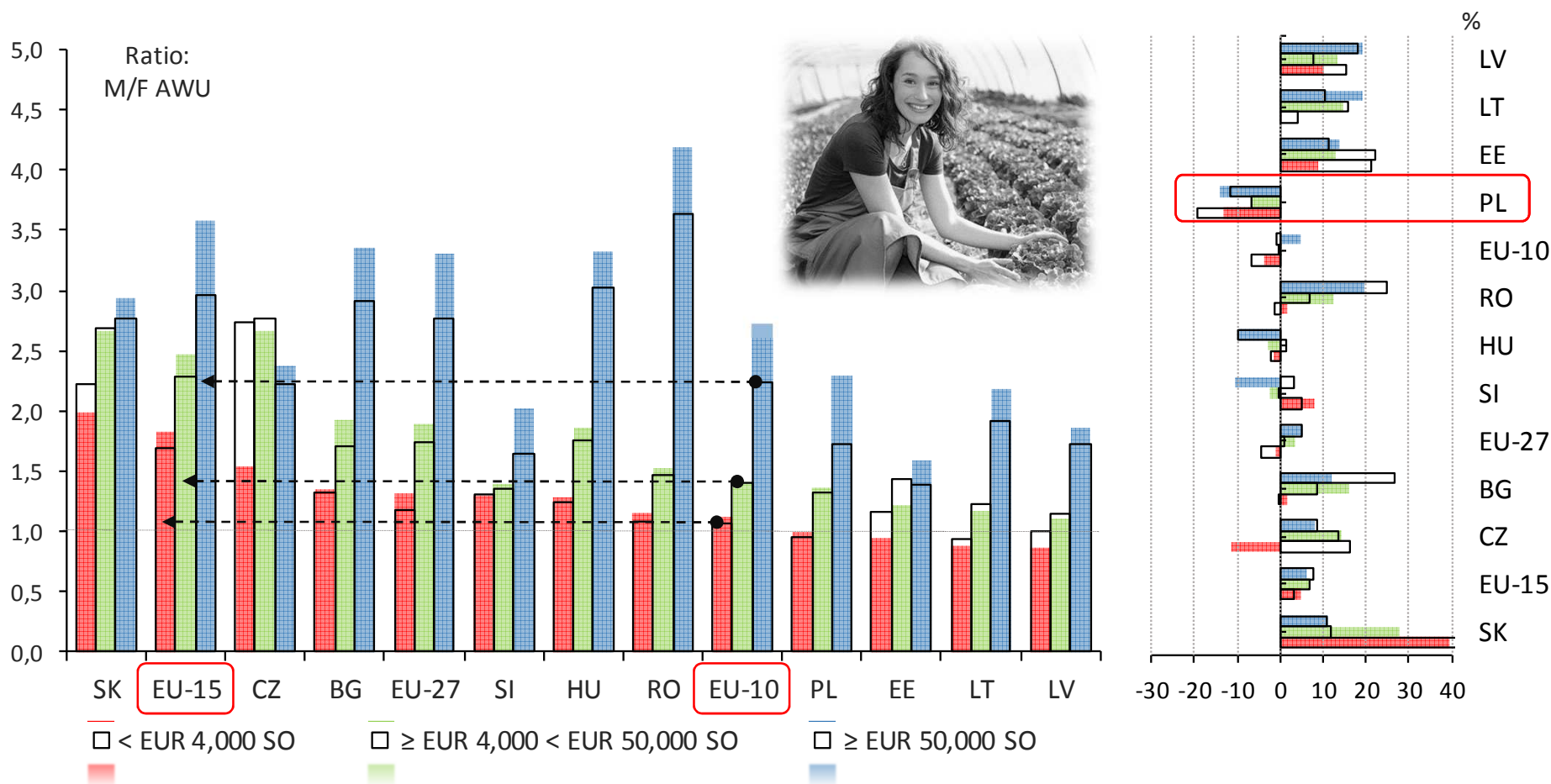


• EU-10 MS in descending order by value for small farms (1 = perfect balance)

Source: EUROSTAT

Gender structure in the EU-10

M/F AWU ratio in the EU-10 MS by economic farm size classes in 2013, and percentage changes in the M/F AWU ratio, 2013 versus 2005 (on the right), in comparison to physical farm size classes



Source: EUROSTAT

Human capital

Vocational qualification of farm managers by economic farm size classes, 2013 versus 2005

Economic size class	<i>Practical experience only</i>		<i>Basic training</i>		<i>Full agricultural training</i>	
	EU-10	EU-15	EU-10	EU-15	EU-10	EU-15
2005						
< EUR 4,000 SO	85,7%	45,3%	64,7%	13,9%	45,5%	7,2%
≥ EUR 4,000 < EUR 50,000 SO	14,0%	46,3%	33,9%	51,3%	48,0%	31,9%
≥ EUR 50,000 SO	0,3%	8,4%	1,4%	34,8%	6,6%	60,9%
Total number	7,006,720	4,530,370	975,030	677,910	597,610	638,100
2013						
< EUR 4,000 SO	80,6%	40,8%	48,1%	22,0%	31,6%	7,6%
≥ EUR 4,000 < EUR 50,000 SO	18,6%	47,2%	46,7%	48,6%	55,1%	33,7%
≥ EUR 50,000 SO	0,8%	12,0%	5,2%	29,4%	13,3%	58,7%
Total number	5,122,950	2,404,780	559,200	1,632 440	517,270	402,340

Source: EUROSTAT

Development path in the EU-10

Farm demographics



Impact of EU agricultural policies

EU direct payments in the EU-10

- positive impact on farm incomes and on access to capital
 - » *slowing down the rate of exit of the older generation from subsistence and semi-subsistence farming*
- negative impact on the intensity of labour use
 - » *accelerated by decoupling*
- impacts are not uniform across the regions and businesses
 - » *differences in the unit amount of payments*
 - » *differences in physical size and specialisation*

} *but there is convergence*
- direct payments + market measures + international market developments induce changes in production structures
 - » *field crops gaining popularity*
- ‘cross compliance’ and ‘greening’ not main drivers of structural change
(OECD, 2015; EC, 2015)

Impact of EU agricultural policies

Rural development support in the EU-10

- investment support raising productivity and speeding up structural change
 - » *flowing to more prosperous farms*
- environmental measures creating additional labour demand
 - » *preference for extensive production systems*
- quality of life measures contributing to the retention of rural population (in farming) by diversification of activities
- promoting the rejuvenation of farming society
- gender-specific issues receiving only modest attention

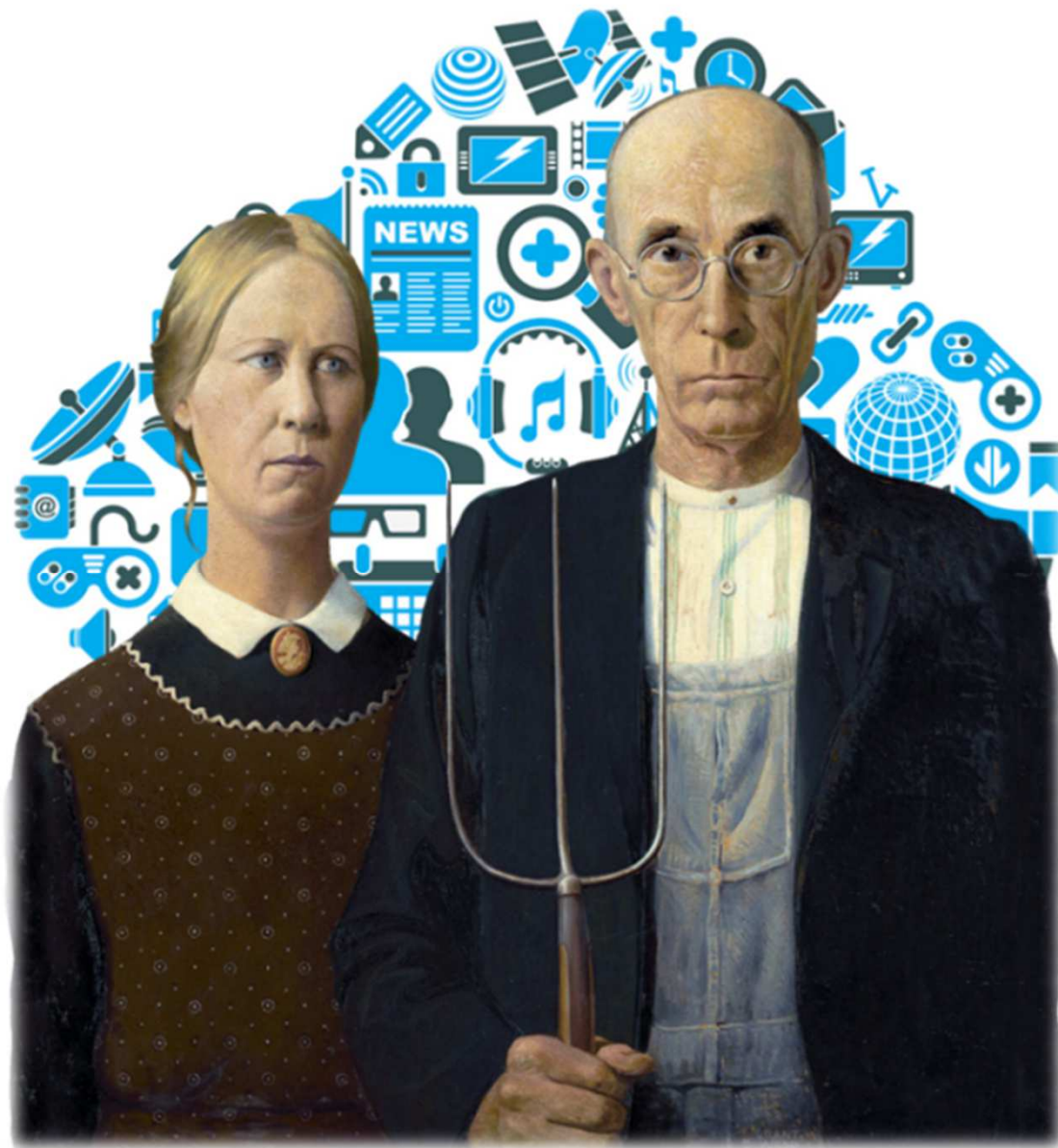
*Positive
environmental
and social impacts*

Some of the EU AG policies speed up



structural changes

Some of the EU AG policies slow down



How could the CAP be coherent in respect of its impacts on the changes in farm structures, in order to enhance the ability of farms to adapt to economic, social and environmental challenges?

Dziękuję za uwagę!