Procedure file

Basic information INI - Own-initiative procedure Generational renewal in the EU farms of the future Subject 3.10.01 Agricultural structures and holdings, farmers

Key players			
European Parliament	Committee responsible AGRI Agriculture and Rural Development	Rapporteur	Appointed 17/11/2022
		S&D CARVALHAIS Isabel	
		Shadow rapporteur	•
		SANDER Anne	
		europe. DECERLE Jérémy	
		ROPĖ Bronis	
		DAUCHY Marie	
		RUISSEN Bert-Jan	
		MACMANUS Chris	
European Commission	Commission DG	Commissioner	
	Agriculture and Rural Development	WOJCIECHOWSKI Janusz	

Key events			
24/11/2022	Committee referral announced in Parliament		
19/09/2023	Vote in committee		
03/10/2023	Committee report tabled for plenary	A9-0283/2023	Summary
19/10/2023	Results of vote in Parliament	<u> </u>	
19/10/2023	Debate in Parliament	-	
19/10/2023	Decision by Parliament	T9-0376/2023	Summary

19/10/2023	End of procedure in Parliament		
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Technical information		
Procedure reference	2022/2182(INI)	
Procedure type	INI - Own-initiative procedure	
Procedure subtype	Initiative	
Legal basis	Rules of Procedure EP 54	
Other legal basis	Rules of Procedure EP 159	
Stage reached in procedure	Procedure completed	
Committee dossier	AGRI/9/10660	

Documentation gateway				
Committee draft report	PE745.357	29/03/2023	EP	
Amendments tabled in committee	PE746.940	02/05/2023	EP	
Committee report tabled for plenary, single reading	A9-0283/2023	03/10/2023	EP	Summary
Text adopted by Parliament, single reading	<u>T9-0376/2023</u>	19/10/2023	EP	Summary
Commission response to text adopted in plenary	SP(2023)641	31/01/2024	EC	

Generational renewal in the EU farms of the future

The Committee on Agriculture and Rural Development adopted the own-initiative report by Isabel CARVALHAIS (S&D, PT) on generational renewal in the EU farms of the future.

In 2020, a majority (57.6 %) of farm managers were at least 55 years old and approximately only 12 % of farm managers were under 40 years old. In many Member States, a relatively high proportion of farmers are 65 or over, with an average of three farm managers over 65 for every farmer under 40. The challenge of generational renewal is particularly acute in those Member States that have both a lower than average share of young farmers and a higher than average share of farmers above retirement age.

Given that farming remains a predominantly family activity, the lack of generational renewal may lead to land abandonment. Therefore, generational renewal requires young people from agricultural backgrounds to remain on this professional path and newcomers to be encouraged to enter the sector.

The report stressed that generational renewal is key for the future social, economic and environmental sustainability of rural areas and EU food security. Young farmers and new entrants are more likely to introduce innovative business ideas, promote shorter food chains, apply new technologies and production methods and implement sustainable farming practices, including agroecological practices and organic farming.

Challenges for generational renewal

Members noted that the price and availability of land, the generally low profitability of agricultural activities, administrative requirements and the image of the sector were identified as the main barriers to becoming a farmer. Moreover, the limited availability of and the cost of renting or buying land are major obstacles for young farmers, especially those who do not come from a farming family.

While acknowledging the positive effect of CAP young farmers measures on the number of young farmers, in particular those located in more peripheral rural areas, the report stated that the administrative burden is excessive and that the current design of the CAP may have a role in maintaining barriers to young and new farmers entry into the sector by contributing to increasing the price and reducing the availability of arable land, as well as in farm concentration.

Promoting generational renewal in farming

Member States are called on to develop coherent and long-term strategies to promote generational change and increase the attractiveness of working in agriculture, combining different measures in a complementary way, such as financial support, including installation aid, broader tax breaks and incentives, particularly for land transfer, and adequate pensions and social protection.

Other measures called for include:

- sharing best practices and innovative ideas between Member States regarding the design of measures for young farmers;
- setting up a one-stop-shop system to simplify administrative procedures;
- regulating agricultural land markets and agricultural land use to promote land access for young farmers via purchase, leasing or other forms of access;

- establishing an EU observatory on farmland to monitor and share data on, in particular, trends and prices for land sale and rental, tenancy regimes, land concentration, as well as changes in farmland use and land abandonment.

Young farmers for the future

Members called on the Commission to:

- come forward with a communication on women in farming, analysing and advocating best practices in Member States and identifying gender-specific obstacles to farm renewal;
- identify young farmers specific needs and requirements of young farmers and new farmers in a holistic way, particularly the needs of those who do not come from farming families;
- pay more attention to crisis-prone agricultural sectors, as it is the fear of possible frequent crises that deters young people from certain agricultural sectors, such as the dairy sector.

The report insisted that generational renewal must remain a high priority in the future programming period, particularly for the CAP, under which it must receive increased, mandatory support. Furthermore, greater focus should be given to the creation of quality jobs in the agricultural sector, guaranteeing rights and stable and fair wages and working conditions. Member States are called on to promote and improve systems for the replacement of farmers or any farming employees in the event of illness or accident or in order to ensure a better work-life balance for farmers.

Lastly, the Commission is called on to end unfair competition by banning foreign products that do not comply with the environmental standards imposed on European farmers.

Generational renewal in the EU farms of the future

The European Parliament adopted by 447 votes to 14, with 7 abstentions, a resolution on generational renewal in the EU farms of the future.

In 2020, a majority (57.6 %) of farm managers were at least 55 years old and approximately only 12 % of farm managers were under 40 years old. In many Member States, a relatively high proportion of farmers are 65 or over, with an average of three farm managers over 65 for every farmer under 40. The challenge of generational renewal is particularly acute in those Member States that have both a lower than average share of young farmers and a higher than average share of farmers above retirement age.

Given that farming remains a predominantly family activity, the lack of generational renewal may lead to land abandonment. Therefore, generational renewal requires young people from agricultural backgrounds to remain on this professional path and newcomers to be encouraged to enter the sector.

The resolution stressed that generational renewal is key for the future social, economic and environmental sustainability of rural areas and EU food security.

Challenges and resources for generational renewal

Members noted that the price and availability of land, the generally low profitability of agricultural activities, administrative requirements and the image of the sector were identified as the main barriers to becoming a farmer. Moreover, the limited availability of and the cost of renting or buying land are major obstacles for young farmers. The resolution also pointed out that it is becoming increasingly challenging for young farmers to obtain loans to invest in farmland.

While acknowledging the positive effect of CAP young farmers measures on the number of young farmers, in particular those located in more peripheral rural areas, the resolution stated that the administrative burden is excessive and that the current design of the CAP may have a role in maintaining barriers to young and new farmers entry into the sector by contributing to increasing the price and reducing the availability of arable land, as well as in farm concentration.

Moreover, the underfunding of specific measures for agriculture in favour of the outermost regions of the Union (POSEI) should be duly corrected in the next multiannual financial framework according to Parliament.

Promoting generational renewal in farming

Member States are called on to develop coherent and long-term strategies to promote generational change and increase the attractiveness of working in agriculture. They are also called on to provide access, in their farm advisory services schemes, to a farm succession facilitator that can provide guidance during farm transfers, namely on intergenerational dialogue, legal, taxation and cadastral service frameworks and financial support possibilities, establishing an installation pathway with a farm diagnosis and ensuring follow-up. The transfer of knowledge, skills and ownership of the farm business from one generation to the next is crucial.

Other measures called for include:

- sharing best practices and innovative ideas between Member States regarding the design of measures for young farmers;
- setting up a one-stop-shop system to simplify administrative procedures;
- regulating agricultural land markets and agricultural land use to promote land access for young farmers via purchase, leasing or other forms of access.

Parliament highlighted the need for constant investment in the infrastructure supporting the agriculture sector, such as water and transport infrastructure, and the need to increase farms energy efficiency to reduce production costs.

Young farmers for the future

Members called on the Commission to:

- come forward with a communication on women in farming, analysing and advocating best practices in Member States and identifying gender-specific obstacles to farm renewal;

- identify young farmers specific needs and requirements of young farmers and new farmers in a holistic way, particularly the needs of those who do not come from farming families;
- pay more attention to crisis-prone agricultural sectors, as it is the fear of possible frequent crises that deters young people from certain agricultural sectors, such as the dairy sector.

The resolution insisted that generational renewal must remain a high priority in the future programming period, particularly for the CAP, under which it must receive increased, mandatory support. Furthermore, greater focus should be given to the creation of quality jobs in the agricultural sector, guaranteeing rights and stable and fair wages and working conditions. Member States are called on to promote and improve systems for the replacement of farmers or any farming employees in the event of illness or accident or in order to ensure a better work-life balance for farmers.

Lastly, the Commission is called on to end unfair competition by banning foreign products that do not comply with the environmental standards imposed on European farmers.

Transparency				
CARVALHAIS Isabel	Rapporteur	AGRI	20/09/2023	European farmers
DAUCHY Marie	Shadow rapporteur	AGRI	10/08/2023	Agriculteurs
DAUCHY Marie	Shadow rapporteur	AGRI	07/08/2023	Agriculteurs
DAUCHY Marie	Shadow rapporteur	AGRI	02/08/2023	Agriculteurs
DAUCHY Marie	Shadow rapporteur	AGRI	01/08/2023	Agriculteurs
DAUCHY Marie	Shadow rapporteur	AGRI	31/07/2023	Agriculteurs
SANDER Anne	Shadow rapporteur	AGRI	05/07/2023	European Coordination Via Campesina
CARVALHAIS Isabel	Rapporteur	AGRI	28/06/2023	COPA-COGECA
DAUCHY Marie	Shadow rapporteur	AGRI	19/06/2023	Agriculteurs
CARVALHAIS Isabel	Rapporteur	AGRI	17/06/2023	Association européenne des Institutions d'Aménagement Rural
VANDENKENDELAERE Tom	Member	22/03/2023	Groene Kring	