



Achieving generational renewal in the CAP Strategic Plans

CEJA's President Jannes Maes | 11 October 2019





Specific Objective 7

Attract young farmers and facilitate business development in rural areas

METHODOLOGY

- CEJA has been acting as a **platform for young farmers from all over the European Union to discuss their needs and elaborate measures that would enable generational renewal** in the agricultural sector.
- Recently, we have launched **internal consultations for the elaboration of Strategic Plans**, more specifically on the Specific Objective 7 on attracting young farmers and facilitating business development in rural areas.
- Young farmers will be **key in achieving all CAP objectives**, especially the ones related to the preservation of environment and climate action, as well as to the viability of rural areas.

METHODOLOGY

SWOT and needs assessment:

- SWOT analysis to be related to:
 - Access to land, land mobility and land restructuring;
 - Access of finance and credits;
 - Access to knowledge and advice.
- Overview of the generational renewal strategy, including reference to relevant interventions and conditions (complementary income support, installation aid) and their relevant budgetary allocations;
- **Interplay with national instruments** and demonstration of how the Member States will prove the consistency between EU and national actions.

Context (impact) indicator:

I.21. Attracting young farmers:
evolution of number of new
farmers

Intervention strategy:

- Selection of the interventions;
- Setting of targets for each result indicators and related milestones;
- Allocation and justification of financial resources.

+ Setting of targets and resources, based on Result indicator R30 (Generational renewal: number of young farmers setting up a farm with support from the CAP)

NEEDS

Access to land, land mobility and land restructuring

STRENGTHS: willingness of young farmers to start a farming activity; existence of farmers' networks providers of mix-matching services;

WEAKNESSES: land concentration partly caused by hectare-based payments; inefficiencies of retirement policies resulting in a low degree of land mobility and transfer;

OPPORTUNITIES: defining active farmer; land mobility services, tax breaks on the selling and acquisition of land.

THREATS: increasing pressure on agricultural land resulting in high prices (interest of investors, urban sprawling).



NEEDS



Access of finance and credits

- **STRENGTHS:** strong entrepreneurship mindset among young farmers; willingness to invest in the sector (e.g. environmental and climate action);
- **WEAKNESSES:** lack of capital; lack of immovable collaterals; lack of treasury to guarantee resilience when facing risks;
- **OPPORTUNITIES:** financial instruments such as risk sharing loans or guarantee instruments; investment support; knowledge and training (i.e. how to formulate a business plan); risk management tools;
- **THREATS:** risks with higher impact for the starters; perceived risk of new businesses for the bank (i.e. fi-compass survey on the financing needs of agricultural enterprises).

NEEDS

Access to knowledge and advice

- **STRENGTHS:** strong innovation mindset; willingness to learn from others;
- **WEAKNESSES:** access to information; lack of time (particularly when not having employees or the family to help out);
- **OPPORTUNITIES:** connection access for online learning; farmers' network with peer-to-peer learning opportunities; Erasmus programme;
- **THREATS:** lack of training opportunities in rural areas.



INTERVENTION STRATEGY

Core interventions

- **Direct payments:** Complementary income support for young farmers (CISYF), Article 27 SPR + Priority to young farmers for the national reserve, Article 22.4;
- **Rural development:** Installation of young farmers, new farmers, sustainable rural business start-up and development (as amended by the AGRI Committee), Article 69 SPR.



INTERVENTION STRATEGY

Access to land, land mobility and land restructuring

Rural development

- *Cooperation measures (Article 71 SPR)*
 - Land mobility schemes (i.e. Irish system);
 - Intergenerational farm partnerships;
 - Retirement schemes in the form of planning or exit payments;
 - Farm succession services (i.e. Farm Success project by CEJA);
 - Support to national and regional organisations promoting matching services between generations.

National interventions

- Tax exemptions for the purchasing of land;
- Tax breaks for sellers who want to sell their land to young farmers;
- Spatial planning regulations to guarantee the maintenance of agricultural land;
- Improvement of the retirement system in the agricultural sector.



INTERVENTION STRATEGY

Access of finance and credits

Rural development

- *Investment support (Article 68 SPR)*
 - Preferential conditions or priority in selection criteria for young farmers;
 - Investments in physical assets, land, new technologies, etc.
- *Financial instruments (Omnibus Regulation, combined with investment support and/or installation aid)*
 - Preferential conditions or priority in selection criteria;
 - In the form of group loans (see EIB-DG AGRI joint initiative), guarantee instruments, risk sharing loans, etc.
- *Risk management tools (Article 70 SPR)*
 - Availability and flexibility of the tools;
 - Support to the constitution of a working capital to face crises (i.e. crisis reserve);
 - Tax relief at national level.



INTERVENTION STRATEGY

Access to knowledge and advice



Rural development

- Advisory services delivered to young farmers in the first 5 years of their activity;
- Agricultural Knowledge and Innovation Systems (AKIS)
- Networking opportunities, i.e. EIP AGRI Focus Group;
- Synergies with the Erasmus+ programme, both for students and young entrepreneurs.

National interventions

- Development of a clear educational framework guaranteeing specific training on topics such as entrepreneurial skills, risk management, training on farm safety, marketing and sustainability;
- Support to agricultural education and training, including from non-formal-learning structures (young farmers' organisations), and communication on training opportunities.

DEFINITIONS

Definition of “young farmer”



Maximum age limit of 40 years old;



Conditions for being “head of the holding” (attention given to cooperative forms of farming);



Appropriate training and/or skills required.

+ Inclusion of a definition of “genuine farmer”

The definition should focus on the individuals who depend on agriculture and also include levels of entrepreneurial skills (business plan, training, etc.).

