

What future for young farmers under the ongoing reform of the CAP?

2007/2194(INI) - 06/05/2008

The Committee on Agriculture and Rural Development adopted an own initiative report by Donato Tommaso **VERALDI** (ALDE, IT) on the future for young farmers under the ongoing reform of the CAP.

MEPs take the view that, in future, the CAP must seek to remove the barriers currently facing young people wishing to set up in farming, by making generation change one of its priorities. They consider that, in planning and implementing support measures for young farmers, specific account should be taken of the situation of young farmers in the new Member States.

The report emphasises that young farmers face the dual challenge of implementing measures to improve farming practices and make them both more sustainable and more viable, whilst at the same time restoring agriculture's crucial role in managing environmental aspects and thereby becoming a leading player in tackling climate change. To this end, policies and measures need to offer long-term and sustainable prospects for young farmers and financial support must be granted for their efforts to protect the environment. Generation change is necessary to preserve a high level of quality for European food, food safety and the European Union's self-sufficiency in the future.

The report draws attention to the continuing difficulties stemming from high setting-up costs (including agricultural property sale and rental prices) and the need to invest continuously in tangible capital and human potential in order to make technological and logistical improvements. The Commission is called upon to propose, in its legislative proposal on the 'health check', that the aid for young farmers provided for in the legislation on rural development should figure among the compulsory measures included in the plans drawn up by the Member States, which should also be accompanied by an increase in the amount of setting-up support.

Emphasising the contribution made by land prices to the problems experienced by young people setting up in farming, the report recommends the introduction of instruments enabling priority in respect of agricultural land transfers to be given to young farmers setting up in business rather than to existing farmers wishing to increase the size of their holdings, including an early-retirement mechanism, deferred-purchase aid, phased setting-up arrangements and rental of part of the land. The Commission is called upon to support the Member States in creating a land bank on the basis of land freed up as a result of early retirement.

The report recommends that, as part of the incentive scheme for initial setting up, provision should be made for incentives for owners who rent farms to young farmers and/or for rent support until the tenth year after setting up.

In order to prevent the desertification of disadvantaged farming areas, MEPs urge that it be made easier for young farmers to set up in business in areas with a permanent natural handicap, such as islands and mountain areas. Bearing in mind the difficulties involved in setting up in problem farming areas, the Community aid ceiling should be raised from EUR 55 000, and the time limit for achieving compliance with the rules should be increased from three years to five years after set-up.

MEPs take the view that young farmers' entrepreneurialism should be supported through transparent, simpler and less cumbersome rules and through the lower costs that this would entail. Member States and regional authorities should examine the options for introducing or improving schemes to provide start-up

capital to new farmers at preferential rates. The Commission and Member States are called upon to develop new (fiscal) measures to help young farmers carry the heavy interest costs which they face following the procurement of their farms.

The report recommends that more flexibility be introduced in farm setting-up and transfer procedures. In respect of succession arrangements, consideration should be given to introducing legislation that focuses more closely on keeping farms together, with a view to achieving both economies of scale and economies of scope. Succession arrangements involving parties who are not family members should be facilitated in order to preserve farms and to enable young entrepreneurs with an education in farming to become farmers.

MEPs take the view that overall setting-up and holding-development plans should include special measures relating to the statutory recognition of young farmers, thus ensuring equal social rights for men and women. It is vital, in this regard, to maintain certain essential services in rural areas, such as crèches, kindergartens and mothers' helps.

The Committee on Agriculture points out that, because of the great demands on 'tomorrow's managers', curricular training must be systematically stepped up to ensure genuine knowledge transfer from agrarian research to farming. It also stresses the need to provide increased support for lifelong training for farmers. MEPs encourage, in particular, programmes to promote mobility among young farmers in the Union (including Leonardo) and the creation of an agricultural best-practice exchange programme for young farmers.

Lastly, the report stresses that young farmers should be given support in the years following their setting-up and that a special reserve fund should be established to help them deal with unforeseeable circumstances at the time of setting up, such as damage to crops due to extreme weather or a sharp increase in costs.