Future of small agricultural holdings

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The Committee on Agriculture and Rural Development adopted the own-initiative report by Czesaw Adam SIEKIERSKI (EPP, PL) on the future of small agricultural holdings.

The report noted that small agricultural holdings in Europe are subject to sustained demographic, commercial and technological pressure, which is leading to the gradual de-agrarianisation and depopulation of villages in areas in which such holdings predominate.

These smallholdings represent a model of social agriculture which is still predominant in the EU and which can and must coexist with other, more large-scale and market-oriented models of agriculture.

Financial and administrative difficulties: according to the report, small agricultural holdings are not given sufficient consideration under the common agricultural policy (CAP). The reasons for this includes the fact that the structure of CAP support is principally based on surface area and past production levels, and is therefore unable to respond suitably to the situation and function of small agricultural holdings. It is difficult for smallholders to secure financial support given that they may, for example, have problems in accessing EU programme funding due to their inability to meet the capital and/or capacity requirements for eligibility.

A **broader approach is needed** to address the problems of small agricultural holdings. Support for possible alternative incomes and the prospect of diversification, as well as the creation of non-agricultural jobs and the provision of public services in rural areas are vital for the future of small agricultural holdings and rural communities.

Member States often create unnecessary red tape' and certain smallholders not having the necessary resources and experience to follow the relevant administrative processes effectively.

The Member States and the Commission are called upon to take appropriate action under the new common agricultural policy and draw up **guidelines** for the period beyond 2020 in which greater attention is paid to the specific needs of small family holdings.

Member States should come up with **appropriate solutions and development models** for smallholdings in order to boost the competitiveness, viability and profitability of smallholdings, to foster entrepreneurship, to create jobs and to curb rural depopulation. They should also **deploy efficiently available EU funding** to promote infrastructure, educational, medical and nursing facilities, childcare, access to high-speed internet and the establishment and development of rural small and medium-sized enterprises (SMEs), so as to ensure equivalent living conditions in urban and rural areas; recommends that efforts be focused on the creation of sustainable future prospects for young people, the well educated and women.

Direct sales of products: the report called for an increase in direct sales – such as sales of traditional products – on local and regional markets, and for the development on smallholdings of a sustainable, responsible form of processing and an essential and proportionate monitoring system. In this context, the Commission and the Member States are encouraged to **review the existing provisions on food safety** with a view to **reducing burdens and eliminating the obstacles that they may cause for the development of food processing and sales by small agricultural holdings.**

A platform for the exchange of best practices on how to regulate and monitor the processing carried out by small agricultural holdings should be established.

Complementarity with existing EU policies: Members stated that, in the process of solving the problems of small agricultural holdings, other EU policies, including the cohesion policy, must be brought in alongside the CAP to help improve technical infrastructure and access to public services in rural areas, whilst resources from the European Social Fund should be used to finance community and social action. Since these smallholdings do not have a significant impact on the market, Members considered that **permission could be given for additional support to be provided from national resources** in line with rules agreed upon with the Commission and **without hindering competition**.

Welcoming the fact that the support scheme for small-scale farmers has been established under the first pillar of the CAP, Members, on the other hand, took the view that it is only the form of transfer which has been simplified, whilst the **low direct-payment rates allow no room for development**, and that these measures are still insufficient to improve the situation of smallholdings in the EU. The report suggested that a mechanism should be established which would enable small agricultural holdings to **submit multiannual applications for direct payments**, with such applications being updated only in the event where changes to the holding in question occur.

Member States are called upon to establish appropriate financial instruments, for example in the shape of **microcredit**, subsidised interest rates on loans, financial leasing, first instalment repayments or credit guarantees.

Information to smallholdings: Members called for free advice to be better tailored to the needs of smallholdings, for procedures relating to information, training, risk assessment and health surveillance to be simplified, for information campaigns to be mounted, for the sharing of best practices where the short food supply chain is concerned and for technical assistance to be provided to help those applying for EU funding, as well as for advice that helps smallholdings to adapt the profile of their production activity to their production and environmental potential.