

Implementation of CAP young farmers' tools in the EU after the 2013 reform

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The Committee on Agriculture and Rural Development adopted the own-initiative report by Nicola CAPUTO (S&D, IT) on the implementation of CAP young farmers' tools in the EU after the 2013 reform.

Young farmers are the key to a sustainable, diversified and inclusive agricultural sector and promoting their access to farming will help safeguard future food production and protect the environment and rural landscapes. However, in the EU only about 6 % of all people in charge of farms are younger than 35 years old and more than half are aged over 55. Disparities between Member States are wide.

In the 2007-2013 period, the number of young farmers in the EU as a whole decreased from 3.3 to 2.3 million, and the area of farms cultivated by young farmers decreased during that period from 57 to 53 million hectares.

Although the most recent reform of the CAP introduced a series of tools which can be combined and adapted to national circumstances in the Member States, not all of them have a genuine policy relating to setting up in agriculture or use all the instruments that the CAP offers to support young farmers.

In the light of these changes, it is essential to create opportunities for agriculture as a modern and attractive industry to encourage young people to pursue careers in farming.

Members made the following recommendations:

Budget and access to finance: they advocated maintaining a strong common agricultural policy with a view to the forthcoming reform, given that this would constitute the most attractive incentive for young people wishing to engage in an agricultural activity.

They requested that the support to the '**Young Farmer Scheme**' should continue by increasing the maximum level of national funding allocation **beyond 2 % for compulsory payments** (under the first pillar) and by increasing the support rate under the second pillar in order to encourage generational renewal.

The report highlighted that the reinforcement of a **start-up aid measure** for young farmers (young farmer grants) should be considered in any future CAP.

While welcoming the creation of an agricultural guarantee instrument, proposed by the Commission and the European Investment Bank (EIB) in March 2015, which should make it easier for young farmers to access credit, Members recommended that access to finance be improved through **subsidised interest rates** on loans for new entrants, also from private financial operators, in particular by implementing financial instruments to disburse **interest-free loans** for the investments of young farmers. They called for improved cooperation with the EIB and the European Investment Fund (EIF) to foster the creation of financial instruments dedicated to young farmers across all Member States.

Simplified administration: Members welcomed the fact that common agricultural policy (CAP) reform 2014-2020 introduced new measures to support young farmers in setting up farms. However, they expressed concern that the level of administrative burdens often inhibits the take-up of these measures. The overall administration of the direct payments and Rural Development Programme measures is

perceived as very complex and difficult, especially for new entrants who are not familiar with the payment system. Greater effort to simplify procedures and reduce the time required for payment approval should be made.

They called on the Commission to develop a more **holistic approach** enabling greater synergies between pillar I (direct payments) and pillar II (rural development).

Access to land: the report noted that access to land is one of the main barriers to young farmers and new entrants to farming in the EU which is exacerbated by the current direct payment structure, which may lead to higher land rental costs and purchase prices. The Commission is called on to establish recommendations at European Union level to encourage more active national policies on access to land based on best practices.

As for the Member States, they should give new entrants and young farmers **priority** in the access to farmland. They should also encourage farm management advisory services to support and facilitate **land mobility and succession planning services**.