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# Family Farming in Europe: challenges and prospects

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## Key questions

- How to define family farming (FF)?
- What are the current and new challenges to FF: economic, demographic, sociological and territorial?
- What are the future prospects for FF in Europe?

## Context

- 2014 UN IYFF: help FF to become a more central focus of policy interest
  - *“a family farm is an agricultural holding which is managed and operated by a household and where **farm labour is largely supplied by that household**. ... The family and the farm are linked, co-evolve and combine economic, environmental, social and cultural functions” (FAO 2013)*
- FF a key element in sustaining the European Model of Agriculture

## EU farm structure is highly diverse

- **Family farms (often part-time or pluriactive)**
  - Semi-subsistence (small, part-time, maybe Other Gainful Activity)
  - Lifestyle (small, part-time, Other Gainful Activity)
  - Commercial (small, medium or large; part-time or full-time; with or without Other Gainful Activity)
- **Non-family farms**
  - Partnerships
  - Family-run companies
  - Non-family companies
  - Production cooperatives (New Member States)
  - Trusts and charities

## FF definitions

- Can be based on:
  - proportion of family labour
  - ownership and control (and thus succession between generations)
  - legal status (sole holder)
  - bearer of business risk

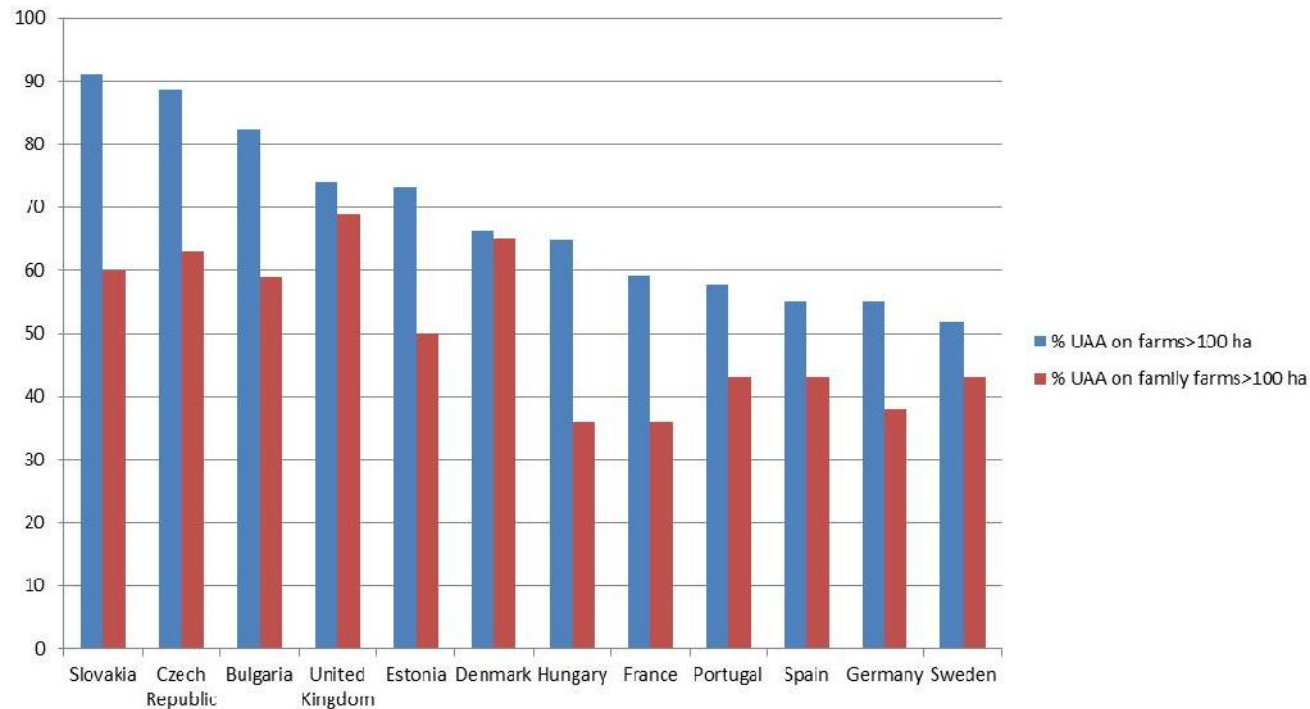
## Data findings – sole-holder FFs (1)

- Sole-holder FFs in 2010 accounted for 85% of all EU farms, for 68% of total UAA, and 71% of total Standard Output (SO). But their importance varies widely across the EU
- Non-family farms cultivated the largest proportion of UAA in Slovakia, the Czech Republic, Bulgaria, Hungary and France, and produced four-fifths of SO in the Czech Republic and Slovakia

## Data findings - sole-holder FFs (2)

- **Major differences between the EU-15 and the NMSs** where over 75% of UAA is operated by (mostly large) non-family farms
- Sole-holder FFs mostly under 5 ha UAA in the EU-15 South and NMS-13, but extend to over 100 ha UAA in EU-15 North-West

## Proportions (%) of total UAA on all and family farms 100 ha and over, selected EU MSs, 2010



**Family farms in Europe are most definitely not all “peasant” farms!**



## FFs operating mainly with family labour

### Share of Family Labour in Total Labour

75-100%    50-75%    25-50%    0-25%

### Proportion (%) of each sub-group in:

Number of farms	69.9	11.8	9.2	9.0
Total UAA	34.6	8.8	9.5	47.1
Output	29.2	9.9	13.0	47.9
Total labour (AWU)	31.9	8.4	9.5	50.2

### Average farm size in each sub-group according to:

UAA (ha)	50	75	104	524
ESU	44	82	131	431
Total labour (AWU)	1.5	2.4	3.4	18.5

Own calculations based on EU FADN

## Family labour thresholds: Conclusions

- Such a family labour threshold determines the number of farms which become the policy focus
- The higher the threshold (% of labour which is family), the more the policy focus will be on smaller farms (in land area or economic size)
- Such a threshold will always exclude farms that closely resemble FF

## Challenges

- Economic
  - **Smallness**
  - Access to farming resources
  - Credit constraints
  - **Powerlessness in the food chain**
- Environmental
- Territorial (LFAs, remote areas, peri-urban areas)
- Social and demographic
  - **Inter-generational succession**
  - Aging

## Future prospects: larger FF and non-family farm organisations?

- Differential between farm and other incomes
- Technological progress and structural change (will offset some but not all FF disadvantages)
- Farm specialisation
- Existence of willing successors
- **Territorial unevenness across the EU**

## However there are factors acting in the opposite direction

- Moves to FFs from production cooperatives and corporate farms in New Member States
- Pluriactivity and farm diversification
- Emotional attachment to land
- Farmers' cooperation and collaboration

## National policies to deal with challenges to FFs

- **Access to resources:** land market regulations – protection of local owner-occupiers or tenants
- **Succession:** appropriate legislation (in some MSs, move away from Code Napoleon)
- **Farmers cooperation:** cooperative legislation
- **Credit constraints:** is there policy in place particularly for the smaller FFs?

## EU Policies

- CAP “bias” to large farms (not against FFs as such)
- Research and best-practice exchange
- Important roles for both CAP Pillar 2 and Structural and Cohesion Funds
  - reduce rural-urban income disparities
  - facilitate pluriactivity and diversification
  - improve rural infrastructure

## Conclusions and policy issues

- FF is likely to continue to dominate EU agriculture
  - farm numbers; land use and output
- Policy questions:
  - Should policy objectives for FF be more clearly specified in the CAP?
  - What makes FFs different, and deserving specific measures under CAP, EU structural funds and national policies?