



HOW CAN PUBLIC POLICY SUPPORT SMALL-SCALE FAMILY FARMS?



Avec le cofinancement de l'Union Européenne,
Direction générale de l'agriculture
et du développement rural



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The International Year of Family Farming, launched under the auspices of the United Nations in 2014, has underscored the important role played by small agricultural holdings in « feeding the World and Europe ».

2014 was also the year when the new CAP¹ was implemented, coinciding with a newly elected Parliament.

One year on, this is the chance for our organisation to issue a reminder about the central role that small and medium sized farms in Europe hold in building strong economies, protecting the environment and enhancing social cohesion. It is time for us all to analyse the impact of the new CAP and propose a political roadmap which protects the future of small-scale farmers, in the context of a major climate crisis.

This booklet summarises documents, analyses and data from several different sources which are cited at the end of the document.

It is a booklet which also takes farmers and their organisations as its source:

Testimonies from small-scale farmers from different European countries are included in order to give a face to those who are often spoken about as statistics.



1) WHAT IS MEANT BY SMALL-SCALE FARMS ?

In Western Europe, the intense process of modernising production began in the 1950s, based on the 2 MWU² working family model, along with large quantities of inputs³ and intensifying mechanisation, which allowed more land to be worked by fewer people. Farmers had to either adapt or disappear, leaving little hope for small-scale producers. The Common Agricultural Policy of the 60s and 70s accompanied this process, as did national policies across Europe.

Nevertheless, a few decades later, the majority of small farms had not yet disappeared thanks to a range of strategies including diversifying roles and pluriactivity, transforming farms and systems that cut back on inputs.

From 2004-2007, EU enlargement brought in countries heavily based on farming such as Poland, Romania and Bulgaria, doubling the number of farmers in Europe and bringing in millions of very small holdings based on self- or semi-sufficiency. Nevertheless, agricultural policy did not change and continues to favour large holdings or even very large holdings which date back to collective farms from the former Communist bloc.

The concept of 'sustainability' appeared in the early 1990s, with three dimensions to it: economic – social – environmental. It shed a new light on small-scale farming and the peasantry, which allows us to offer the definition of « peasants », *"peasants are men and women, including the landless, who have a direct relation with land and nature through the production of food and agricultural products by working the land"⁴*. Small-scale farming is based in an attachment to the land and prioritises added value over producing in large quantities, it

2 - Man Work Unit, a measure for calculating physical productivity per unit of the workforce
3 - Products which are not naturally present in the soil and which are added in order to improve yields

4 - "Successful stories from the Peasant Family Farming (PFF)" (IPC – Report to FAO, Rome – 2014)

favours the system's sustainability over competitiveness. At the end of the 90s, 'multifunctionality' also entered into the vocabulary of agricultural policies, thus acknowledging that agriculture is a great deal more than just an economic activity. Nevertheless, small-scale farms are still not fully recognised.

Under the mandate of the last European Commission [Barroso Commission 2 / 2009-2014], the Commissioner for Agriculture, Dacian Cioloș, included the term 'small farms' in the draft for the new CAP. In April 2012, a large conference was organised which clearly set out the link between small farms, short distribution circuits and the dynamism of communities.

In 2014, the International Year of Family Farming has helped to make this farming system more visible and the conclusions of the many consultations which were held during the year offer great insights⁵.

Whereas in many countries, family farming is a byword for small farms, the situation in Europe is more complex. 97% of holdings are owned by one single person and could be considered family farms despite some of them being very large in size⁶. This plurality of meanings is why ECVC prefers not to use this term. Instead we speak about small-scale farming or « peasant farming » in many countries.

Defining Small and medium-sized farms

Defining small farms includes using criteria such as farm size, standard gross margin – expressed in Economic Development Unit (EDU) - or turnover.

The notion of a 'smallholding' varies over time and is specific to a unique context. Whereas in France, a 25-30ha farm is considered 'small', the same farm would be considered 'medium-sized' in Portugal or Italy, which is why the different terms are used in the text.

5 - 'Family farming: dialogue towards more sustainable and resilient agriculture in Europe and in the world'

6 - Structures and dynamics of EU farms : changes, trends and policy relevance – EU agricultural economics briefs n°9 october 2013 – European Commission

15 years of making demands for support tailored to small farms in France.

Given the permanent discrimination against the smallest farms and their low incomes, the Confederation Paysanne (second largest French farming trade union) has undertaken discussions with the minister calling for support tailored to small farms.

A proposal to define small farms was made in 2002 by the Conseil Supérieur d'Orientation de l'agriculture (CSO) under the aegis of the minister, "Small farms have a pre-tax turnover (three-year average) below 45,000€ per Annual Work Unit⁷ (AWU); 56,230€ per 1.5 AWU; 67,500€ per 2 AWU (and beyond). This turnover only includes subsidies from the first pillar (three-year average) which who figures below 12,000€ per farm". On the basis of this definition, small farms represented a third of professional holdings in France. (By way of comparison, average subsidies in France for 2014 stood at 298 euros per hectare, or rather 22,689€⁸ per year per holding). This definition should be recognised by all and updated. No subsidies have as yet been recorded.



7 - Man Work Unit, a measure for calculating physical productivity per unit of the workforce
8 - 2010, ASP sheet on CAP subsidies paid in 2010

Marie-Claire Leurgorry – France, Basque Country

Started her family farm in 1995.

12ha of pasture and 12ha of nature trails and moorland. She has a herd of 18 suckler cows and practises transhumance. Produce is sold directly to the consumer. She is a member of the ELB trade union (Euskal Herriko Laborarien Batasuna, Basque region, France).

«The need to maintain traditional practices (cows and sheep) is absolutely fundamental in our region. This production requires space and allows us to fight against the abandonment of farmland and the closing down of farms. Nevertheless, this production is demanding in terms of labour and investment (equipment and buildings). Given the limited size of small farms, they are directly punished or even killed off by current agricultural policy, which is based on funding allocated in accordance with size and LSU (livestock units), whereas they also have to cover proportionally high costs for their premises, running costs, social security and tax.».



2) SMALLHOLDINGS ARE THE BACKBONE OF EUROPEAN FARMING

In 2010, the European totals stood at 12 million farms on 174 million hectares of arable land, with 25 million people involved in agricultural production⁹. In Europe, farming is mainly carried out by small and very small farms. 69% of EU farms work less than 5 hectares of land each and only 2.7% of farms work over 100 hectares each¹⁰. The average size of a European farm is 14.2ha.

It is worthy of note that the thresholds for what is considered farming land can greatly influence figures: some countries simply do not count farms smaller than 5ha!

IN EUROPE :

2,7 %

of farmers have
over 100 hectares

97,3 % of farmers have
less than 100 hectares

In Europe, 2.7% of farmers have over 100 ha and have 50% of land that can be farmed whereas the remaining 97.3% who have less than 100ha share out the remaining 50% (69% of whom have less than 5ha each).

9 - Source : Eurostat : Tableau code : ef_kvaareg 2010

10 - Source Eurostat : Agriculture holdings by size of holding, 2010. AgriPB 13

SIX GOOD REASONS TO PROTECT SMALL FARMS

1 SMALL FARMS CREATE EMPLOYMENT

Small farms are the source of most rural employment in almost all European countries and are recognised as 'social shock absorbers' in the crisis that we are living through.

Even though many farms practise several different types of activity so as to raise their income¹¹, it should be noted that for all farm sizes (from below 5ha to above 100ha) at least 50% of the farmers have no other source of income, thus underscoring the importance of the farm for their survival. Inversely, thousands of migrant workers, seasonal or otherwise, come from those small farms that have been forced to close down because they couldn't make viable livelihoods.

2 SMALL FARMS ALLOW YOUNG PEOPLE TO SETTLE

Industrial food production, mechanised in order to be more 'competitive' provides few job opportunities.

Inversely, employment on small and medium-sized farms which cannot be delocalised acts as the foundations for local economic and social activity, thus creating the dynamism of areas. Many urban young people are drawn in by local agroecological production, which they see as making sense for them and for their communities.

3 SMALL FARMS CONTRIBUTE TO FOOD SECURITY

It is estimated that globally, roughly 500 million small-scale farms provide 70% of food. It is hard to know the share of food coming from small-scale farms in Europe given the lack of research in this field. However, the proportion is large and undeniable when it comes to considering quality: a dense network of small farms, backed up by adapted short distribution circuits allows for varied and fresh food which is better for health, a major issue in Europe, where over 50% of the population are overweight and 20% are obese according to the WHO (World Health Organisation), not to mention chronic illnesses linked to food such as new allergies or diabetes.

Local, small-scale distribution circuits allow for non-calibrated produce to be more highly valued, with consumers showing greater respect for and throwing away less food, thus reducing waste.

4 SMALL FARMS HAVE GREAT CAPACITY FOR INNOVATION

In recent years, small farms in alliance with urban citizens have provided the richest innovations in production, processing and product distribution. The new present stage consists of defending agroecology as a driver of the energy transition and the social transition and working towards food sovereignty. Innovations from small farms are often copied by the larger structures who see their incomes falling as a result of market volatility.

5 SMALL FARMS FAVOUR BIODIVERSITY

Large farms are the reflection of a form of economic rationality that creates standardised systems of production: caged animals selected for maximum productivity, loss of pasture, feed produced through industrial monoculture of just two or three species, soybean meal supplements which are imported and predominantly genetically modified. All of this flies is contrary to the systems of small farms where different races and varieties can be bred and grown while also carrying out farmer selection which is adapted to local conditions. Small farms create and foster biodiversity!

This natural biodiversity cultivated by small-scale farmers over several millenia is at the heart of the diversity of our food and rural areas, it is the source of culinary pleasures and is a wealth that cannot be forgotten. It is also a less resource intensive way of organising agriculture.

6 SMALL FARMS ARE A RICHNESS FOR EUROPEAN CULTURE

The rich and varied gastronomy of each region is intimately linked to the identity of its peoples. These cuisines have been shaped over the centuries by local produce which is developed and supplied by small and medium-sized farms. What would the lives of European citizens be like without raw milk cheeses, without traditional recipes, without farmers' markets, without ripe and tasty local fruit? What would life be like if our citizens were condemned to eating the same standardised supermarket food which is invading all European countries?

Small farms are a response to the hopes of those citizens who are attached to local, high quality produce, made on human-sized farms.

11 - Structures and dynamics of EU farms : changes, trends and policy relevance – EU agricultural economics briefs n°9 october 2013 -European commission-Table 1

Fergal Anderson- Ireland

12ha, of which 9 are forestland and 2.5 are for vegetables sold as veg baskets.

“Consideration needs to be shown and small-scale farming should be redynamised as a craft. There is a need for public structures to develop resilient and local structures. Unfortunately, our country focuses entirely on exports. This is a disgrace given that at the same time, the beef sector in Europe is facing significant threats from the trade treaty that the EU is negotiating with the United States (TAFTA).”



3) 2014-2020 NEW CAP FEW OPPORTUNITIES FOR SMALL FARMS

The new CAP has turned out to be an ‘à la carte’ menu for Member States and regions, leaving little hope for small farms who often face an unequal power balance and have had damaging measures imposed upon them.

The ‘small farm’ scheme seeks to respond to the demands of very small farms, particularly in Eastern Europe. In the end, it has been used by 15 Member States, including Germany and Italy, proving the extent to which small farms are a European reality. Unfortunately, the amounts paid out are insufficient, particularly with regards to the employment provided. Furthermore, the measure offers no prospect of great change for the farmers who choose it.

Redistributive payments for the first few hectares, benefitting medium-sized farms, have been used by only eight Member States and in most cases go hand in hand with the absence of a payment reduction mechanism for larger areas.

Several Member States use the maximum possible degression of payments beyond 150,000 €. However it is unclear whether this ceiling will help to provide better access to payments for small and medium-sized farms.

The impact of maintaining coupled payments, as we have supported, is reduced by the introduction of lower limits and productivity ratios which exclude the smallest producers.

Flawed definitions of active farmers, along with high minimum claim areas and minimum payment amounts are leaving hundreds of thousands of small farms without any support at all from the CAP.

A large part of the rural development budget is set aside for investment which is essentially directed towards the mechanising of farms, which is generally not suitable for small farms.

Other aspects of the regulation stand as obstacles which are impossible to overcome for small farms. Attaching conditions to payments goes against farmer practices and expertise. For instance, the obligation to electronically tag small ruminants (goats and sheep) incurs pointless expense which is disproportionate for small herds and which does not bring about the desired traceability, encouraging many breeders to give up farming altogether.

Maria Paola – Italy, Piedmont

Works on a family farm: beekeeping, vineyard, hazel trees, market gardening. 5ha of arable land and 5ha of woodland. She has set up an agri-tourism project, for which she has requested European funding.

“I had set up a bedroom with tiling, a sink and windows with mosquito nets. I approached the health authorities and I was told that many other things were needed: a plan signed by a surveyor, wall covering up to a height of 2 metres, waste disposal authorisation, an analysis of the water supply twice a year costing €600 each time. The obligations we face in order to receive EU support help to put small-scale holdings in a vulnerable situation while hindering our development and causing us to suffer.”



On the whole, the overarching thinking behind this CAP has not changed since the previous one. Agricultural policy is put at the service of finance: farm produce is considered a commodity like any other, produced and exchanged across the four corners of the earth. The CAP is a policy which is less and less common and is in essence a programme for distributing public subsidies.

Because subsidies are linked to the number of hectares used they disproportionately benefit the largest farms, for many of whom this additional support is not necessary. At present 80% of European subsidies go to 20% of the farmers, and 50% of European farmers receive less than 500 € per year¹².

By subsidising larger farms above smaller farms, the value of products is artificially lowered, making it harder for the smaller farms to compete. In addition, large structures are encouraged to grow even bigger by expanding their land holdings, in their neighborhood or in other countries.

By increasingly deregulating, Europe is setting in motion its own inability to intervene on price volatility and on the crises that afflict several sectors. The new CAP continues to encourage liberalisation and the concentration of production, inevitably leading to the destruction of small family farms and millions of jobs across Europe.

This clearly contradicts the declared desire to favour 'all forms of agriculture' in Europe.

12 - <http://www.pouruneautrepaq.eu/pac-2013/notre-vision/guide-pac/>

António Valente – Portugal

Works on a family farm
Production: herd of 40 suckler cows and 20 young heads of cattle.

Prevented from developing his farm because of urban sprawl, António is concerned about the future of his farm. "As a result of this CAP reform, I have lost some of



the funding that I receive, such as special entitlements to the tune of €3,500, (entitlements for raising cattle not linked to one land area). In Portugal, funding is shared out in a very unfair way! As for the of the quota system, I think that will be a disaster for small and medium producers, opening up the prospect of a sharp drop in prices and more milk being imported into Portugal. As a matter of fact, it is already said that prices will fall by 2 cents at the start of the year. It is of utmost importance that Europe sets up mechanisms to guarantee prices that pay fairly."

In 24 years (1990 to 2014), Portugal has gone from having 80,000 milk producers to 6,300 today.

4) ECVC HAS CONCRETE AND VIABLE POLITICAL PROPOSALS FOR MAINTAINING AND DEVELOPING SMALL FARMS

Following the unanimous conclusions of the International Year of Family Farming, it is time to implement the policies and measures that will allow these conclusions to be enacted:

Helping young people to farm: it is absolutely necessary that strong measures are taken in order to ensure that there is a renewal of the rural population.

The rural population in Europe is ageing and the same applies to the farming population. In 2007, more than 34% of farmers were aged over 65 and only 6% were under 35¹³!

Entire regions are being depopulated and renewing the rural population is an urgent challenge. Farming has to be made attractive as a profession by ensuring a decent income and good prospects in the short and long term. Many young urban people, both men and women, are attracted towards farming lifestyles and work. Strong support measures must be implemented and support for bodies and associations that work in this area must be provided. The growing demand for quality local food illustrates that this is a viable profession that can create employment. This is why we need public policies to provide access to resources such as land, credit and training.

Access to land and preserving arable land

At the current time, the issue of land does not appear in the European treaties, however, the artificialisation of land and the buying of land by large companies to the detriment of family producers is a growing concern in almost all EU countries. ECVC and several NGOs are working to promote a directive on land so as to protect agricultural land from financial speculation and artificialisation, thus prioritising the right to use land for agriculture over ownership rights.

13 - Eurostat, Farm structure survey, 2003-2007

Levente Hajdu – Romania, Transylvania

Set up farm in 2000. Member of Ecoruralis, organisation of traditional and organic farmers.

5.5ha of arable land and 1ha of land for grazing. He works with his family, with his wife, daughter and grandmother.

Produce: vegetables, fruit, honey and poultry.

“My great concern is regarding how the land around us will be used. More and more land is bought up by a handful of companies who take advantage of farmers entering retirement who are unable to pass on their farms to young people because the youth have scant support for their farming plans. For those who stay behind, gaining access to land is increasingly difficult as it is too expensive. Romanian farmers are the greatest strength of this country and are part of a sector that creates employment and local economic dynamism. Policy must be founded on peasant farmers and should be the basis of a solid supply chain in a dynamic rural economy. Policy that seeks to leave peasant farmers out and make them obsolete should be replaced by policies that place them at the centre of the action.”



Short distribution circuits and local economies

Specific policies are needed to enhance access to healthy and quality food for all European citizens, especially the poorest. Short supply chains allow small farms to be preserved and strengthened while ensuring variety and quality in food markets as well as dynamism in rural areas.

Specific standards adapted to small-scale production. Processing and short supply chains must be put together and implemented. Regulations and standards are designed by and for the agroindustry and large industrial farms, imposing pointless constraints and costs on smaller operators where the producer himself accompanies the products through the full production process. Local systems for purchases from small-scale farmers should be encouraged through public markets.

In several programmes (in particular rural development) investment should be directed towards local and sustainable farming systems.

Food chains: guaranteeing fair practices

Fighting against bad practices is not enough to ensure a sustainable future. In today's globalised world, the loss of market regulation tools without compensatory structural changes has placed farmers in a weak position. We must start with the weakest link in the chain by implementing measures that allow producers to balance set prices with real costs. Communicating on these costs is fundamental in helping the consumer to understand the value of the goods they buy. These two elements are essential.

Unfair trade practices must be eliminated – they generate pointless costs, pose a threat to small farm profitability and create distortions in competition. They offer no advantage to consumers and incur costs for operators. Obligatory regulation and a single legal approach for the whole of the European Union banning abusive practices is necessary.

Peasant seeds: a question of biodiversity and farmers' rights

The development of a system for intellectual property rights and its increasing application to seeds (UPOV Convention 91, which protects plant variety rights and above all the patent system which is now spreading to genes) threatens the possibilities that peasant farmers have to use, develop, reuse, stock, exchange, give away and sell their seeds, thus directly threatening small farms. The official catalogue, which is reserved for standardised industrialised seeds, bans the sale of peasant seeds, limits the diversity available and poses a true threat to 'informal' peasant farming systems. The withdrawal of the 'better regulation' draft for new seeds regulations should not reduce mobilisation against industrial property rights and a true opening up in favour of seed autonomy, peasant farming and biodiversity should be made.

Recognising the rights of peasant farmers

At the Human Rights Council work is underway to obtain a 'declaration on the rights of peasant farmers and others working in rural areas', which seeks to guarantee rural populations the right to land, to traditional seeds, to education, to information, to markets for those who are victims of discrimination while also protecting their right to produce. The aim is to allow peasant farmers to continue feeding the people. This is essential given the hegemony of the agro-industrial model in discourse today. It is of utmost importance that the European institutions support this process.

ECVC calls upon European political representatives to show coherency and an innovative approach, leaving behind the unfair policies that marginalise over 80 million impoverished Europeans.¹⁴

Against the backdrop of growing climate chaos in which the industrialisation of agriculture has been identified as one of the major causes, it is essential that we support and develop agricultural systems that save energy, and that show respect for the environment and for human life.

THE ENERGY TRANSITION MUST BE BASED ON SOCIAL JUSTICE AND A REFUSAL TO COMMODITISE NATURE.

SMALL FARMS MUST BE SUPPORTED AND DEVELOPED!

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- 1- IYFF Global dialogue FAO report
- 2- Final report 'Small farms innovation seminar' ECVC 29 Oct 2014 –
- 3- Reconnaissance, maintien et soutien des petites fermes -De l'utilité publique d'une agriculture structurellement lésée' – **ELB 2010 France**

14 - 16.9% of Europeans, 84 million people according to Eurostat institute in 2011 lived below the poverty line,



EUROPEAN COORDINATION VIA CAMPESINA (ECVC) is a European small-scale farmer organisation which brings together 26 organisations of small and medium-scale farmers, farm workers and rural youth in 17 European countries. It is part of the international movement of La Via Campesina, the only Producer-led organisation to defend family farming on a day-to-day basis. It is made up of 170 organisations representing over 200 million farmers in 80 countries.

ECVC was set up in 2008 in order to continue and to broaden the Coordination Paysanne Européenne (CPE – founded in 1986).

ECVC is recognised by European and international institutions including the FAO, where it is a representative stakeholder organisation. ECVC also takes part in EU Civil Dialogue Groups, as well as a number of different official forums.

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