

Foreword

The Common Agricultural Policy has deeply evolved in the past 15 years with the McSharry reforms, the 2000 Agenda and the mid-term review, or Fischler reform, in reference to the Commissioner having initiated it.

It is in this context that I wished to deepen the reflections on the future of European agriculture. It seemed to me important to discuss the subject under the point of view of young farmers and to analyse together with them the problems they face within the context of the reformed Common Agricultural Policy as well as in that of the new expectations and demands of the community at large, and to reflect together with those young people called on to take up the glove on the way we can face this new context and the challenge it represents for them.

Along the preparation of our meeting the Presidency has elaborated a questionnaire bearing on the great subjects of discussion regarding young farmers that was forwarded to the Ministers of Agriculture and to the CEJA (the European Council of Young Farmers). The main results are recorded in this document. Four principal ranges of questions, which are partially connected, stood out and were discussed by work groups held between Ministers and young farmers:

- the access to agricultural activity
- the image of agriculture
- education and training, further education and exchanges
- the instrument of the common agricultural policy and young farmers.

Our various discussions allowed us to draw different conclusions, some of which might I hope be integrated in the future rural development policy, either at the level of the Union at large, or at the level of the various member States.

I would not wish to fail at this point to congratulate the representatives of the CEJA for their precious contribution to the meeting we held and the enriching exchanges that took place. I can only encourage them to strive towards the realisation and implementation of a sustainable and competitive European agriculture in all regions of the European Union.

Fernand Boden Chairman of the Council of EU Agriculture Ministers

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Foreword

In 2003 the European Union adopted a fundamental reform for the future of European agriculture. Those modifications brought to the Common Agricultural Policy aim at giving it a lasting framework meant to answer to economic, social and environmental imperatives. The reform rests on a new social contract between farmers and the whole of European citizens.

It was thus rather timely for the Luxembourg Presidency to choose to dedicate its informal meeting of the Council of Ministers that was held from 8 to 10 May 2005 to the analysis of the place to be given to young farmers in the future Europe and in particular within the framework of that new Common Agricultural Policy.

As in all economic activities, the commitment of a sufficient number of young people who are ready to take up future challenges is indeed an indispensable condition for the prosperity of all. This is in particular true for agricultural activity, which is characterised by a significant part of active population nearing retirement age, and by the size of investments needed and of the varied knowledge to be mastered by those persons wishing to install in agriculture. This is why measures ensuring agricultural competitiveness on an overall plan and specific measures promoting the installation of young farmers ought to be readily implemented.

All opinion surveys indicate that the citizens of member States are ready to continue to support European agriculture, if certain conditions are met. It is precisely to take those expectations into account that some new mechanisms have been adopted, and in particular the decoupling of direct payments, the cross-compliance and the modulation. This ought to encourage a better

orientation towards the market as well as accrued competitiveness. It will ensure a support of income that will be more efficient while reducing the risks that are the more significant at the time of installation, and will maximise the impact of budget transfers. And last of all, this will afford agricultural support a greater legitimacy.

Whereas we are entering the implementation stage, all parties to the process, at the first rank of which the various administrative departments of the member States, have undertaken to succeed in implementing this reform. Its success now depends indeed on a duly considered and appropriate use to be made of the possibilities and flexibility offered by the regulation thereby adopted.

As regards young farmers, various provisions are set forth in the Community legislation that ought to facilitate their installation. Concerning payment rights, specific regulatory provisions are provided for, such as the possibility of calling on the national reserve in order to grant rights to young incoming farmers, among other things. All of this without forgetting the provisions in favour of young farmers beginning their agricultural activity along the reference period, those measures taken in favour of young people taking up a family holding, the exemption of any taxes on transfer of the holding to a new farmer. In order to respect the new cross-compliance conditions, financing will be available to allow compliance with those Community standards that were just adopted, in view of improving food quality and to respect the environment as well as animal wellfare.

In order to complete the coherent aggregate of those measures already adopted within the framework of the reform, a new framework aiming at rural development has moreover been proposed and should be adopted



in the very near future. It intends to intensify the supportive measures set for improving training and to pursue those relating to installation, largely used already by certain member States, and which are more than ever necessary. It was among other things proposed that the ceiling of support for the installation of young farmers should be maintained at a level of 55,000. €, which shows that, in times of strong budget constraints, there is a voluntarist political commitment to support those who decide to work in agriculture.

Beyond mere financial support, young farmers also need to be encouraged in the development of a dynamic socio-economic environment. Farmers, who play a crucial role in the development of rural space, indeed live sometimes in a difficult environment, which depending on specific areas varies from depopulation to a strong urban pressure. This is why a support to rural economies, in particular through the encouragement of services and diversification, is also proposed. The full use of those measures should allow

member States to increase the potential of rural areas, which will retain people in agriculture and even attract new farmers.

An effort will also need to be made in two other areas whose importance is strongly underlined by young farmers: the need to ensure a better dialogue, in view of a true mutual acknowledgement, between agriculture and society at large on the one hand, and that of ensuring an ever strengthened training for young farmers on the other hand, which would allow them to reach the required level to be able to play their role as entrepreneurs. On that last item, a new tool will be made available to them with the new measures proposed by the Council.

The aggregate of the measures already decided within the framework of the reform of the CAP and of those proposed for Rural Development, which are presently in the course of negotiation, provide agriculture with a stable economic and legal framework. They will support motivation, encourage the efforts of young women and young men who have or will decide that they

want to become farmers.

Just as the European Union did at the time of the informal meeting of the Luxembourg Council, it owes to itself to remain attentive to young farmers. The pursuit of this dialogue will allow, together with them, the construction of the common future of European Agriculture.

Mariann Fischer Boel Commissioner for Agriculture







Foreword

It was really something special that we, Europe's young farmers, were invited to take active part in the informal council realized the 8-10 May 2005 in Luxembourg to discuss today the agricultural sector of tomorrow with 29 ministers of agriculture. I warmly thank Mr Fernand Boden, Luxembourg minister of agriculture, for having given us, European Young Farmers represented by the CEJA, this important opportunity.

A debate about the future model of agriculture in Europe is a debate about our future. We hope and believe that our skills will help to make it possible to keep a diversified, innovative, competitive, multifunctional and sustainable European agricultural model tomorrow. We hope that our innovative ideas can create rural employment and we trust that our performance can be a key to make European citizens realise the many roles that European agriculture actually have.

The informal council encouraged an intense debate among young farm leaders across the EU on how we see the way forward in a sector where 52% of the farms in the EU-15 are owned by persons over the age of 55; while less that 8% are owed by farmers under the age of 35. As a result of this debate we prepared a position approved by unanimity among CEJA. The

main messages of our working document were put forward in the working groups. Meaning that the young farm leaders who took part in the working groups were representing the voice of 1 million young farmers.

I believe that this informal council was a unique moment for Europe's young farmers to make it clear that we believe in a future in farming. That we are aware that farming in the future means investing both financially and intellectually to develop new and profitable ideas, but that we are ready to take the chance.

As this informal council meeting was being realised in the time where the Council is defining the rural development policy 2007-2013, we were allowed to present our ideas on how EU could create the framework for the establishment of the "package for young farmers" as an integrated part of the rural development programming for the years to come. The young farmers, through the business plan, engage in the development of a sustainable farm enterprise while the public administration offers a number of instruments to support the young farmers in reaching their long term perspectives.

It was also a unique opportunity to present TELLUS, CEJA's educational material for primary and secondary schools of the European Union. TELLUS informs the young people about realities and the diversities of agriculture throughout Europe. Please take a look on TELLUS via our web-site (www.ceja.org), also at our new booklet on agriculture in the new member States.

I would like to thank all the ministers and Mariann Fischer Boel, Commissioner for agriculture and rural development, who all seem to show interest in our work and for having listened to our ideas. I hope that



we will continue to have moments like this and I am looking forward to turn the words into action.

Giacoma Ballari President of the CEJA





Farming in the future – a challenge for young farmers

Discussion paper for the informal meeting of Agriculture Ministers

in Luxembourg, 10 May 2005

Introduction

The Common Agricultural Policy, created over 40 years ago, has been reformed many times during its existence and has often been the subject of debate. Thus, in 1997, during the Luxembourg Presidency, it was possible to have all Member States adhere to the European model of agriculture. Under this model agriculture, as an economic sector, must be competitive, sustainable, multifunctional, and distributed throughout the territory of the European Union. This model was confirmed during the most recent in-depth reform of agriculture policy in June 2003 arising from Commission proposals during its mid-term review of Agenda 2000. The reasons which led to this reform were as follows:

- to maintain budgetary costs at an acceptable level in an enlarged Union of 25 Member States,
- to take account of the interests of customers and taxpayers while continuing to give adequate support to farmers,

- to preserve the rural economy and the environment.
- to set up the adoption of a strong negotiating position on agriculture in the World Trade Organisation (WTO).

The key elements of the reform are as follows:

- the introduction of a single payment scheme, decoupled from production, with Member States nonetheless having the possibility of partially maintaining direct aid coupled to production volume for certain produce,
- the linking of the single payment to observation of a set of environmental, food safety, animal and plant health and animal welfare standards,
- the requirement to keep all farmland in good agricultural and environmental condition («crosscompliance»),
- modulation of direct aid in order to finance further rural development measures,
- a financial discipline mechanism which will ensure that CAP expenditure remains within strict financial limits, and
- the expansion of the scope of instruments for rural development.

Any consideration of future development in agricultural policy should take place in the broader context of the Lisbon and Gothenburg strategies.

The EU's main priorities as defined in these strategies are employment, growth, innovation and sustainabil-

ity. In the context of sustainable development, account needs to be taken of the social, environmental and economic aspects of developments in farming practice

The broad lines of the EU strategic guidelines for rural development policy for 2007 to 2013 are currently being drawn up.

It is in this context that the Luxembourg Presidency of the Council of the European Union wishes to consider in depth the future of farming. Broaching the subject from the point of view of young farmers, and together with them, would seem to be the most pragmatic and promising approach, since young people who envisage, or who are about to embark upon, a career in farming are asking themselves a number of questions about the future of the profession and about farming in general. The contribution of young farmers will enhance discussions on the reform of agricultural policy in years to come.

The position of young farmers in the European Union

The results of the Community survey on the structure of farm holdings indicate the situation on holdings regarding, inter alia, the age of farmers. The following data refer to those Member States in the European Union of 25 for which information is available through EUSO-STAT.

The average farm size was 20,7 ha in 2003, an increase of 12,5% on 1999/2000.

In 2003, 24,5% of holdings (excluding collectivities) had heads of holdings aged younger than 45 years. This percentage was slightly higher in 1999/2000.

In 2003, the average size of holdings run by heads of holding aged younger than 35 years was 31,3 ha as against 31,2 ha for heads of holdings aged between 35 and 44 years, 26,5 ha for heads of holdings aged between 45 and 54 years, 19,4 ha for heads of holdings aged between 55 and 64 years and 8,2 ha for

heads of holdings aged 65 or more. The category of heads of holdings under 35 years is now in pole position as regards average area per holding, whereas in 2000 it was the second most significant category, next to heads of holdings aged between 35 and 40 years. This reflects the fact that restructuring of holdings is more likely to happen when holdings change hands.

Strong trends in the European agriculture of the future

Due mainly to technological progress, agriculture shall be restructured in years to come, result-

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ing in a reduction in the number of holdings and an increase in the average size of the remaining holdings. However, in parallel with restructuring and rationalisation, an effort must be made to reduce production costs at all levels.

Farmers are unlikely to be indifferent to the social progress which can be expected. Will they be willing and able to achieve similar social progress for themselves?

Farmers must align production on market requirements; there is no point in producing if one cannot sell one's produce. Agricultural production must therefore, reflect and to be constantly adapted to, consumer requirements. Account must be taken of needs, not only in terms of quantity but also in terms of quality. New agricultural products and production methods must be developed, in cooperation with the agri-food sector, to satisfy the ever-changing needs of consumers.

Instead of merely producing in sufficient quantities and of the quality required, farmers must also become more involved in the debate on agricultural production and produce. Farmers have an important contribution to make to this debate. In actively informing about their profession, agricultural production methods and farming in general, they can help boost the brand image of farming, give farming and farm produce the importance they deserve and tackle the problem of alienation with which farmers are increasingly faced. Dialogue must address the farming world but also, and especially the non-farming world.

The recent crises in the agri-food sector show that consumers have become more demanding in matters of food safety. But food safety must be approached in terms of the agri-food chain as a whole, and agriculture

is only one link in that chain. Farmers, together with the other partners in the agri-food chain and the public authorities, must make the necessary effort to ensure a high level of food safety and to dialogue with consumers on the subjects of food safety and public health.

The production methods used by farmers are increasingly friendly towards the environment and nature conservation. Equally, there is a growing awareness among the population of problems relating to the environment and nature. There must, therefore, be an ongoing dialogue between farmers and the non-agricultural population, conducted through professional organisations and the various interest groups, on problems relating to the environment and nature conservation.

Young farmers, developers of tomorrow's agriculture

It is the young farmers who will take over from the present generation of business leaders and who constitute the living resources of agriculture. If agriculture is to be able to develop normally, farmers who retire or leave the profession must be replaced in sufficient numbers by young farmers who are capable of efficiently managing a farm. The age structure of the family workforce currently reflects the fact that it is a markedly ageing population, especially among the men, with certain variations according to Member State. This trend towards the ageing of the agricultural population cannot be reversed in the short term.

In order to identify the areas on which discussion should be targeted, the Presidency sent the delegations and the young farmers' organisations of the CEJA a questionnaire, an assessment of which is annexed to this document.



We can identify four major areas, partially interconnected, which are worthy of discussion.

1. Access to agricultural activity

Considerable importance is attached to those aspects relating to access to agricultural activity, which are currently being dealt with in connection with the examination of the proposal on support for rural development by the European Agricultural Fund for Rural Development (priority axis 1: improving the competitiveness of the agricultural and forestry sector; (a) measures aiming to improve human potential; measure (ii): establishment of young farmers). These measures will have to be devised in such a way as to allow the succession of farms so that the current deficits in the age structure of farmers and agricultural workers can be reduced, bearing in mind the increased requirements in terms of professional training and qualification which will provide the best possible conditions for such succession.



- How can the large number of successions of farms (necessary in order to balance the age structure of farmers) be reconciled with requirements relating to training, professional qualification and an adequate economic dimension, all of which are crucial to the success of such successions?
- To what extent does attracting young people to the agricultural sector depend on improving the living conditions of the population and young people in the rural environment?

2. The image of farming

Young farmers are particularly concerned about projecting a positive image of both their profession and agricultural products to the non-farming world. Improving knowledge about the origins and method of production of agricultural products and raising awareness of

the role of the farmer in the agricultural production process is becoming increasingly important since most citizens have no direct contact with the world of agriculture and are at the mercy of other sources of information on foodstuffs and the services provided by farming to society. The rather negative image of farming in the eyes of consumers following the disposal of surplus agricultural products, and successive crises during which food safety has been called into question, seems to be showing clear signs of improvement as a result of the efforts which have been made to redress the balance. This more positive image of farming should therefore be consolidated, both





with regard to consumers and within the agricultural sector itself.

Questions :

- Who are the best people/what is the best way to develop a positive image of farming
 - with regard to consumers?
 - with regard to the world of agriculture?
- Do consumers require more information on the Common Agricultural Policy?
- How can the link between farming and farming products be made more visible/strengthened?

3. Training, continuing education, exchanges

In today's increasingly knowledge-based society, ensuring that young farmers have an appropriate level of training and the ability to increase the level of the knowledge which they have acquired is becoming ever more essential in order to guarantee the continued existence of farms. Hence, along with economic factors such as the size of the holding and the level of non-farm income, other factors such as entrepreneurial spirit and - above all - a young farmer's level of training and qualifications have a positive effect on levels of farm successions. Young people opting for farming and its associated professions therefore need to be provided with the means of achieving the highest possible level of training. Agricultural training covers many areas: in addition to general education, it also extends to the technical, economic, environmental and animal welfare aspects of agricultural production.

The initial training given to farmers must be supplemented and adapted at regular intervals by means of continuous education.

Exchanges, traineeships and networking, e.g. the EU-ROPEA (agricultural training in Europe) network are effective means of increasing training levels in general and plugging any gaps in agricultural training.

Questions :

- How can continuous education and agricultural exchanges be developed further?
- How can we ensure that agricultural training and research are in step with the economic and social realities of the farming sector?

4. The instruments of the Common Agricultural Policy and young farmers

The first pillar of the Common Agricultural Policy was reformed recently with the introduction of a single payment system regardless of the volume of production and the establishment of a link between this single payment system and compliance with standards in the field of the environment, food safety, animal and plant health and animal welfare, together with a requirement to keep farming land in conditions that are agronomically and environmentally satisfactory.

Moreover, the successive reforms that have taken place since the early 1990s have progressively reduced support for production by means of guaranteed prices.



The second pillar of the Common Agricultural Policy, which relates to sustainable rural development, is currently being redefined around the major axes of improving the competitiveness of the agricultural and forestry sector, land management, the diversification of rural economies and the quality of life in rural areas.

Questions :

- What impact will the reorganisation of the first pillar of the Common Agricultural Policy have on young farmers?
- Which rural development policy instruments are capable of encouraging and supporting young farmers in particular?



Farming tomorrow – a challenge for young farmers

-Evaluation-

N°	Chapter/Subject	Discussion	Ove evalu		Com	ments
			Minis- ters	CEJA	Ministers	CEJA
1	Farm succession					
1.1	European and national political framework	Foreseeability/ Stability	②	⊗	Existence of long-term.	There is a real problem of instability. MTR changed in the fundamental reform of the CAP. Extension of election intervals desired
1.2	Legislative frame	Favourable legislation as regards succession	\odot	©	Consider: - the interests of young successor farmers, - the conditions proposed for older farmers, - handing down of inheritance/handing down of farms.	
		well regulated statute of the agricultural holding	©	©		Problems especially if there are several owners. Little provision for statute on spouses.
1.3	Specialised advise	Availability	③	00		High cost of qualified advisors
		Competence	©	<u> </u>		



N°	Chapter/Subject	Discussion	Overall evaluation		Comments	
			Minis- ters	CEJA	Ministers	CEJA
1.4	Farm land	Price		88		
		Availability	⊗	88	Price and availability vary considerably from one region to another. Problems in particular in urban and out-of-town regions characterised by high population density. Competition with other economic sectors. Ensure favourable legislation as regards succession.	In many regions, availability limited and prices very high. Prices do not bear any relation to soil productivity. The price of farming land is artificially stimulated by over-obvious state aid. Increasing pressure due to a continuous loss of farming land to society: ecological adjustments, building land,
1.5	Image of the profession	Image of the agricultural profession in society	⊙	⊙	Heavily dependent on the degree of food safety offered and the presence/absence of foodstuff crises. Growing gap between the agricultural sector and society in general. Ignorance of the farming world generates a negative image which is often unjustified.	Unappreciated profession, far from the realities of city-dwellers. State aid harmful to farming's image. Farmers have a duty to promulgate the real image of modern farming.

N°	Chapter/Subject	Discussion	Ove evalu		Com	ments
			Minis- ters	CEJA	Ministers	CEJA
1.6	Economy	sufficient economic size of the farms to be overtaken	8	8	Considerable differences depending on region, degree of specialisation and technical/economic orientation. Question mark over market regulatory systems (quotas). Costs of succession => need for favourable legislation.	either too small or too big and too expensive
2	Farm structure					
2.1	Economic size	Average economic size of farms is suitable	8	8	cf. point 1.6.	difficult to develop the economic dimension at the rate required by technical innovation in farming.
		Possibility of access to additional rights of production in order to increase the economic size of the farms	☺	⊗	Over-expensive purchased rights of production compromise profitability. Development of farm structure slowed down.	Purchase price of rights of production too high. Need for a policy oriented towards installed young farmers. Centralised management of rights of production essential in order to limit prices.



N°	Chapter/Subject	Discussion	Ove evalu		Comments	
			Minis- ters	CEJA	Ministers	CEJA
		Encouragement of initiatives of diversification in order to increase the economic size of the farms	© ©	8	Increase the economic dimension of farms via aid under the second pillar.	Make additional efforts. Increased multifunctionality could improve the image of farming in society, but beware the additional workload.
2.2	Family farms	Acceptable workload in the family farms	⊕⊛	⊗	Depends on the structure and technical-economic orientation of farms. Often requires the cooperation of all family members. Develop services to help find temporary workers.	The workload is comparable to that of other independent employees, but the level of income is inadequate. Young heads of farms often do not have enough time for their private life, and remain isolated.
2.3	Agricultural employees	Availability of qualified agricultural labour	<u>(i)</u>	88	Particular need for seasonal workers.	Difficult, in particular with regard livestock rearing. Excessively high social
		Cost of available labour	\otimes	8	High cost in general (not specific to farming). Affects the competitiveness of the farms in question.	security contributions. Migration of the population to urban regions has been observed.



N°	Chapter/Subject	Discussion	Ove evalu		Comments	
			Minis- ters	CEJA	Ministers	CEJA
2.4	Cooperation and partnerships	Currently the cooperation between farms is already practised successfully	3	8	Reluctance of entrepreneurs in the past. Especially feared loss of autonomy. Governments trying to encourage closer cooperation. Specialised and efficient management consulting necessary to improve trust (particularly in Eastern European countries.) Willingness, particularly of young farmers,	Very bureaucratic. Inflexibility of administration
		partnership (group holding) exists and functions well	⊕	8		A lot of misunderstanding and uncertainty amongst farmers concerning the new forms of holdings. Yet to become the norm.
		favourable legislation to the development of new forms of holdings	₿	₿		Comparison to exploitative Eastern European cooperatives Possibility of reducing costs and increasing
		Willingness of the farmers to engage in new forms of holdings	☺	8	to cooperate. Possibility of creating expanding structures given appropriate resourcing.	productivity Specialised management consulting.

N°	Chapter/Subject	Discussion	Ove evalu		Comments	
			Minis- ters	CEJA	Ministers	CEJA
3	Agriculture in the S	Society				
3.1	Media	The image of agriculture and the profession of farmers presented by media is objective	⊗	88	Hazy and ill- informed image. Except when there are scandals, agriculture does not make the headlines.	Lack of objectivity in the media who seek the sensational,: crises, The image portrayed is unrealistic: - outmoded or romantic profession, or: - polluting biotechnology.
3.2	Communication by farmers	Willingness of the farmers to communicate their profession to the none agricultural world	☺	©8	Particularly on the part of young farmers. The education of children is particularly important.	
		Know-how of the farmers to communicate their profession to the non- agricultural world	☺	⊗	Try to portray a positive image of farming => not only to communicate problems. Communication requires education, which must be available to farmers.	Farmers' level of education is important. Continuing education is necessary. Need also to «educate» consumers to understand farming.



N°	Chapter/Subject	Discussion	Ove evalu		Comments		
			Minis- ters	CEJA	Ministers	CEJA	
		Use of new technologies of communication by the farmers	8	⊗	Used by young farmers, but mainly to inform themselves and rarely to communicate with the outside world.	Considerable variation between the Member States. In general, young farmers are fascinated by new technology: increasingly used. But mostly for among themselves and rarely with outside world.	
3.3	Marketing of agricultural products	Sufficient personal engagement of the farmers in the marketing of the agricultural products	☺	8	There are some good initiatives but they need to be developed. Problem of necessary workforce. In general, the Common Agricultural Policy's market regulation does little to encourage initiative.	Direct sales allow closer links between producers and consumers: => traceability, loyalty, But more labour-intensive Most processing and distribution is by cooperatives, agrifoodstuffs industry and major distribution chains, with whom the major responsibility therefore lies.	
		Interest of farmers to develop new products adapted to the rhythm of life of society	©	©	Processing and distribution industries also involved.		



N°	Chapter/Subject	Discussion	Overall evaluation		Com	ments
			Minis- ters	CEJA	Ministers	СЕЈА
3.4	Decoupling of payments	The decoupling of payments makes it possible to better bring in line the production with the demand on the market	©©	88	Possibility often yet to be availed by farmers	Works only in theory. Detrimental effect on agriculture: ⇒ «Early retirement of farmers», ⇒ disorganised markets! becoming increasingly difficult to defend CAP.
4	Food safety					
4.1	Farmers	Sufficient efforts of the sector and the farmers in order to guarantee high quality and traceability standards	©©	©©	Cross-compliance criteria will help to get agriculture moving in the right direction. Many quality levels have been successfully introduced.	Encouragement through CAP second pillar measures.
4.2	Consumers	Willingness of the consumers to pay more for food with guaranteed high safety and traceability	⊗	88	Becomes more noticeable during food scares.	Purchasing power of consumers limited in certain MS. According to public opinion, all food should be produced to a high standard, so why pay more if you can by the «same» product cheaper?



N°	Chapter/Subject	Discussion	Overall evaluation		Com	ments
			Minis- ters	CEJA	Ministers	CEJA
5	Research and educ	cation in agriculture				
5.1	Basic professional formation	Availability	©©	©		young people often end their training too soon to work full-time on the family farm.
		Suitable training level for the installation on a farm	© ©	⊗	Theoretical aspects of training usually sufficient, but often practical experience (traineeships) not enough.	Level of training is improving Theoretical training generally sufficient, but often practical experience (traineeships) is neglected. Availability of traineeships very limited and badly organised.
5.2	Continuous training	Availability	©©	:		Difficult to motivate young people to follow a training course that is generally optional.
		Quality	00	<u></u>		
		Cost for farmers	00	©	Generally state- subsidised.	

N°	Chapter/Subject	Discussion	Ove evalu		Com	ments
			Minis- ters	CEJA	Ministers	CEJA
5.3	Research and innovation	Results usable in practice	©	(3)	Research primarily needed in the field of	Communication
		Collaboration with the practical agriculture is done and functions well	©©	8	the second pillar of the common agricultural policy (environmental questions).	often difficult. More intense cooperation would be appreciated.
6	Agriculture and en	vironment				
6.1	Second Pillar of the CAP	Feasibility of the suggested programs	©©	8	Regular information and competent management advice needed to promote the often complicated programs. Avoid too heavy an administrative burden.	Major administrative burden. Great differences between the practicability of the suggested programs. Economic compensation provided is not always sufficient.
		Positive impact of the suggested programs on the economic result of farms	©©	©		Depends on the level of economic compensation proposed. Payments often take
		Positive influence of the payments on the management of the holding	©©	©	Encouragement of sustainable agriculture.	a very long time. Sometimes lacks continuity



N°	Chapter/Subject	Discussion	Overall evaluation		Com	ments
			Minis- ters	CEJA	Ministers	CEJA
6.2	Decoupling of payments	Decoupling involves an extensification of agriculture, especially in less favoured areas, which benefits to the environment	☺	8	In general: positive environmental effects. Avoid too intense extensification in less favoured areas through second pillar measures and crosscompliance criteria.	Extensification only in regions not under land pressure or else danger of abandonment of agricultural land.
6.3	Environment	Enough respect towards agriculture in regards to environmental legislation	<u>©</u>	©	Problems mainly in animal production.	More intense cooperation wanted in future. Need to communicate the «reality» of farming to the competent authorities.
		Willingness of the competent authorities to cooperate with the agriculture sector	© ©	8	Good, but too much bureaucracy. Communication must be improved.	Problems more «national» than «European».
6.4	Renewable energies	Agriculture is already strongly committed in the production of renewable energy	₿	8	Little interest in society and among consumers.	Mainly at experimental level. Very heavy administrative burden.

N°	Chapter/Subject	Discussion	Ove evalu		Com	ments
			Minis- ters	CEJA	Ministers	CEJA
		Willingness of the farmers to be more engaged in the renewable energy production.	©	©	Search for production alternatives. Need to offer economic conditions favourable to agriculture.	Clear will, but question of profitability!
		High price of fossil energies ensures the profitability of renewable energies.	©	©	Influence of the policy thre	ough fiscal measures also.
		Existence of a legislative framework (subsidies) favourable to the development of the renewable energy production	⊗	8		Could be improved, at Community level also. Eventually, profitability without subsidies is desirable.
		The energy production (renewable) allows the diversification and the creation of added value in the agricultural areas	☺	©		

The workgroups' conclusions:

At the time of its informal meeting held on 10 May 2005 the council centred the debate relating to "Tomorrow's agriculture – a challenge for young farmers" on four central aspects defined in the document provided for reflection. Those aspects stood as the subjects of reflection of four workgroups. The conclusions of the discussions held within those groups are shown below.

1. Access to agricultural activity



Chairman:
Mr. Dominique Bussereau
Secretary:
Mr. Serge Medinger
Delegations:
Belgium, DG-Agri,
France, the Netherlands,
SCG

There is a political will to ensure in the coming years a true "renewal of generations". Tomorrow, today's young farmers will be responsible for taking up the glove from the hands of the current generation of enterprise managers and will need to set up in the future the network of the living forces of the agricultural sector.

There will thus be a need for a sufficient number of installations as well as perspectives for the future for young farmers.

This goes through the implementation of an active and

integrated policy in three distinct fields:

- professional training
- the installation of young farmers, and
- the improvement of agricultural income.

Installation and/or transmission policy

An active installation policy has been successfully implemented for many years. The way agricultural holdings are taken over however, as well as the profile of those persons following in the steps of the manager strongly differ depending on the EU country concerned.

In order to facilitate installation, it seems essential to maintain, on the one hand, a stable regulatory framework for the CAP while at the same time lightening the administrative charge through a confidence to be granted to farmers on an a priori basis, and on the other hand to work in the direction of a better integration of regulations.

Access to production factors must be made easier by promoting an entrepreneurial attitude, for the sake of which the young have to be better trained.

It would be advisable to allow for a targeted implementation of a basket of supportive measures in the field of installation (installation grants, lightening of charges, tax advantages), of measures aiming at an access to investment and advisory services in order to help agricultural holdings to evolve towards competitive, viable and diversified agricultural enterprises, able to create jobs and respectful of the environment within a time framework compatible with the installation phase. Some of those measures could vary depending on the member States and regions concerned.

Measures intended to support a gradual retirement or a form of partnership between retiring farmers and young farmers through a measure aiming at facilitating installation spread over time (more than 5 years) would make access easier for young farmers to production rights and real estate property.

Young farmers in the meaning of community regulations on rural development (age and training) should be in priority allocated unique payment rights from the reserve.

Promoting diversification and multi-activity development steps

The more attractive income perspectives can be made, the more young people will be attracted by agricultural activities. In order to turn that objective into a reality, diversification steps, innovative projects, territorial approaches and research for added value must be pro-

moted, resting on a better prospective understanding of markets. The re-grouping of farmers to broach the market as well as multi-activity development could well stand as an adequate solution.

Improving life and work conditions on agricultural farms

Encouraging young people to engage in the agricultural field will need an improvement of the life conditions of the population and in particular that of young people in rural surroundings.

The improvement of life and work conditions on agricultural holdings could be made a reality through:

- the development of work in common in all its possible forms
- the implementation of an agricultural social protection equivalent to that of the other sectors of activity
 - the implementation of special measures intended to compensate the constraints particular to the agricultural profession
 - the acknowledgement of the status of a spouse performing an active role on the farm.

Improving life conditions in rural territories

But beyond work conditions on farms, the attractiveness of the profession of farmers also depends on life conditions in rural territories. Prob-



lems are not specific to agriculture, and can be diverse depending on the region itself; they can depend on access to public services (schools, health, transportation, infrastructures, etc.), on social life quality that can develop there and on relations between farmers and citizens at large.

Within the framework of the rural development policy one may take into account the fact that farmers represent the pivotal point of rural communities in terms of economy, social and cultural heritage and the protection of landscape and environment.

A proper integration of agriculture in the rural world is a factor of success for any and every region.

2. An image of agriculture



Chairman:
Mrs. Ann-Christin Nykvist
Secretary:
Mr. Jean-Paul Hoffmann
Delegations:
Bulgaria, Cyprus,
Greece, Ireland, Malta,
Czech Republic, United
Kingdom, Sweden

- A real necessity exists to change the image that consumers and the public at large have of agriculture; to want to have the image of agriculture evolve is a long term project that needs a sustained and repetitive effort on the part of those actors dealing with it.
- That project needs to be led by the farmers

- themselves, and in particular the young farmers, since we are talking about their future.
- The image of agriculture to be propagated in the direction of consumers must be authentic and true.
- A good way to address the public on the subject of agriculture is to start as early as school (refer to the TELLUS project prepared by CEJA).
- It is important to draw an argument at the level
 of the communication of the assets of agricultural production and of the products of European
 agriculture, which are a strong differentiation
 of products depending on their origin (regional
 products), on their quality (quality labels) and
 according to the various production methods
 used.
- Innovation bearing on agricultural products and production methods needs to be put forward in communication on the image of agriculture.
- Co-operation between young farmers and other organisations that are active at the level of the community at large (organisations working to promote nature and environmental protection, organisations in the field of consumer protection etc.) allows to give a solid foundation to the image of agriculture.
- One should not put aside the significant role played by distribution corporations (supermarkets etc.) in communicating on agriculture through the food products offered to the consumer.
- Citizens at large ought to be informed regarding the various and different functions assumed by agriculture: function as producer of foodstuffs

and renewable raw materials intended for the industrial sector, but also its role as protector of the environment, its role with regard to land-scape conservation, its role as an economic and social actor in rural areas, etc.

- Communication on the image of agriculture can be promoted on the political plane by simplifying the rules applying to the Common Agricultural Policy, supporting rural development, and acting in view of changing the attitudes of authorities regarding agriculture as a whole.
- Farmers themselves can contribute to improve the image of their profession by orienting their production more decisively on the requirements of the market, by acting within their own holdings as entrepreneurs, by reversing the stereotype of the farmer always on the search for additional financial support.

3. Training, further education, exchange



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Chairman:
Mr. Josef Pröll
Secretary:
Mr. Gérard Conter
Delegations:
Austria, Germany, Spain,
Estonia, Hungary, Italy,
Lithuania, Poland,
Romania, Slovenia

The need for a stable political framework as a basic condition is put forward ...:

- The CAP offers a political framework within which a policy taking better account of the situation of young farmers ought to be integrated.
- Considering its importance, it would be adequate to provide for the incorporation of the educational and training policy at a global level (WTO) as well as on the economic level (Lisbon Strategy).
 - The specific situation of young farmers demands that their specific needs are taken into account. The rural development programme represents an adequate platform for promoting professional entry, for creating educational and training opportunities, and guaranteeing an establishment premium, ...

 \dots while at the same time taking the following aspects into account :

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- the objective of the reforms undertaken or to be undertaken must be a durable and competitive agriculture. It ensures the valorisation of human resources and acts as the seat of a high-level professional education and training.
- Education and training are not limited to young people, further education programmes for adults should be considered. Education and training is the key to professional success.
- It is recommended, taking into account the continuity of the educational and training process and of their practical aspects, to integrate recourse to private counselling (agricultural vulgarisation) in educational and training programs.
- In the perspective of mutual learning and apprenticeship, intra-community networks should be set up in the aim of a transfer of information and the exchange of experience in matters of professional agricultural education and training.
- Innovation and creativity in the elaboration of programs should be taken into consideration.

Broadening the educational and training framework

- The Rural Development Programme is an appropriate framework for setting up supportive measures for agricultural education and training.
- The creation of platforms guaranteeing access to new communication technologies and to the collection of information is essential.
- Research must be closely linked to agricultural

- practice. This relation would allow the taking into account of the potential and motivation of young farmers.
- Intra-community exchange is of great importance. Exchange promotes mutual motivation, learning, apprenticeship and stimulus. The measures to be undertaken should not be limited to promoting exchange between farmers, but also be extended to the contact between advisors and teachers. The building up of an exchange network of pilot enterprises is a must.

Tomorrow's farmer should be a graduate and fully qualified territorial manager with skills in the fields of services and maintenance of the landscape to the production of high-quality foodstuffs. He should moreover ensure the conservation of traditions.

4. The instruments of common agricultural policy and young farmers



Chairman:
Mr. Jaime Silva
Secretary:
Mr. Marc Kreis
Delegations:
Commission, Croatia,
Denmark, Finland, Latvia,
Luxembourg, Portugal,
Slovakia, Turkey

The implementation of the reform of the first pillar raises questions for young farmers; it is currently too early to assess the influence of the various measures set to be undertaken, the more since not all member States have chosen the same methods of application; there issues from the debate however that young farmers appreciate the flexibility offered by the decoupling, while pointing out that it could have a negative effect at the level of the installation cost (capitalisation of rights), especially in the new member States.

The Commission has moreover put forward the existence of national reserves, which could be used to support the installation of young farmers; the choice to grant priority to young farmers rests with the member States themselves.

Young farmers understand the significance of the crosscompliance as an argument allowing for the legitimacy of the public support given to agriculture; the stake of the improvement of the image of European agriculture is of prime importance.

The significance of a proper exchange of information, both as regards the application of the reform in the different member States and between young farmers has been duly underlined.

There is a general agreement on the importance of the second pillar for the future of agriculture and of the rural area.

The rural development policy must propose a range of coherent measures completing the first pillar; that policy has been assessed as crucial for certain member States and certain regions.

Rural development must likewise integrate the objectives defined by the Lisbon Strategy (growth, employment, innovation, education and training).

The young farmers have shown their satisfaction regarding most of the proposals currently being negotiated.

The young farmers consider that support is not merely a financial matter. They ought to be helped in their installation, and be offered a moral support helping to change mentalities, as well as the conditions and instruments allowing them to succeed in their enterprise.

The Commission has undertaken to put the accent on young farmers in the elaboration of the strategy for the rural development.





PREPARING TODAY FOR THE AGRICULTURE OF TOMORROW

At the Informal Meeting of Agricultural Ministers, held in Luxembourg on the 10th of May 2005, organized by the Luxembourg Presidency in collaboration with CEJA, ministerial delegations of the EU 25 and Bulgaria, Croatia, Romania and Turkey, along with young farmers from those 29 countries, discussed 'the agriculture of tomorrow – a challenge for young farmers'.

The tendency in European farming

The future of agriculture is closely linked to our ability to consolidate and preserve the European agricultural model, which is multifunctional, diversified and integrated in the territory, through a system of agricultural enterprises that are aware of their economic, social and environmental roles.

The current tendency is for young farmers' enterprises to be bigger and more specialized than those of the older generation. Young farmers need to restructure but also to diversify in order to improve their income perspectives in the future. The European agricultural sector is being asked to become more market oriented, but since consumer preferences often change faster than farmers can change their agricultural production,

the best way to success for the young generation is to concentrate on the particular skills of the new entrant – developing the farm in the direction where the young farmer is best qualified.

This individual choice will be the tool to ensure that the agricultural model remains vital, viable, integrated and diversified, and that the agriculture of tomorrow will still represent a cultural laboratory at society's disposal. This laboratory is a repository of an inestimable heritage of knowledge and know-how. European rural areas will still depend on farmers, who represent the backbone of rural communities in terms of economy, social and cultural heritage, landscape and environmental protection.

Europe's young farmers need to engage in the following ways

Agriculture must be INNOVATIVE, not only in its processes and products, but also in its ability to face new challenges created by economic and social changes, which are happening faster and faster and opening up the whole sector to a global dimension.

Agriculture must become more visible and recognizable to all of European society. Every citizen, not only the agricultural sector, should be aware of the economic, social and environmental role played by farmers.

The agricultural enterprise must be competitive and profitable, as in every economic sphere. The income must be proportional to the creativity, knowledge and skills that each young farmer is able to show.

The agriculture of tomorrow can become real only if today's young farmers are allowed to exploit current opportunities and potential. It is principally young enterprises that are able to interpret and concretize this evolutionary process, which would promote a young and vital agricultural sector that is integrated in the territory and in the economy, and is able to guarantee quality products, good maintenance of the environment and the tangible development of rural areas.

European young farmers want to play a key role in defining the agriculture of tomorrow. We are ready to offer our contribution in terms of entrepreneurial skills, knowledge and know-how, in order to build an agricultural model that fulfils the needs of farmers and at

the same time responds to the demands of society as a whole.

We are ready to start serious discussions on potential new goods (including biomass production) and services that farmers can offer to society. Also, in order to support the smaller farm structure in the EU, we need to rediscover cooperation between farms.

Europe's young farmers call on policymakers to work closely together to develop policies that will keep agriculture viable throughout the EU and to allow us to play our strategic, innovative and fundamental role.

A policy proposal from European young farmers

We believe that the ongoing debate on rural development should focus on how to develop a package of horizontal measures for young farmers as an integrated and mandatory part of the rural development regulation from 2007-2013, to ensure the continuation and

development of agriculture by young farmers in the longer term, and to help them to make entrepreneurial choices.

This package should include a business plan in which young farmers have to state clearly their ideas of the takeover and adjustment needed to obtain a farm with reasonable income perspectives without neglecting environmental and social standards in farming. Guidance in this process should be available to young people through advisory services and information points offering all kinds of information for farmers and non-farmers. On the other hand, the business plan should give access to



installation aid and ensure the young farmer priority access to a number of rural development measures directly correlated to the development of the farm, such as training and advisory services, investment support, agri-environmental schemes, etc. While a gradual early-retirement scheme linked to the installation of a young farmer is an important tool to increase young farmers' access to farms and land.

The package should be a tool to reduce administrative procedures. The mandatory installation aid should help young farmers to take over the farm while the other measures should help them to restructure and create a viable and competitive agricultural enterprise.

This package, if developed properly, would not only give more business spirit to agriculture, but could also become a contract with society that each young farmer in the future has to make in order to receive public funding. On the condition of a proper ex ante and ex post evaluation, the business plan could become a tool for the public administration to check that public money is being spent appropriately on the implementation of the European agricultural model, to ensure better farming in favour of the whole society.

Innovative farming ideas could very easily be spread across the EU by establishing a programme of training and exchange for young farmers, enabling individuals and groups of current and future young farmers to take part in study exchanges to find out about best farming practices, innovative ideas etc. in other countries. This programme could be like an Erasmus programme for vocational training in agriculture. The programme could be coordinated by CEJA to ensure the European dimension, implemented by the national young farmers' organisations across the EU, and it should be eli-

gible as part of the European network for Rural Development.

Within the EU there are enormous differences in the way farms are taken over, and in who takes them over. While farming on rented land is becoming 'normal' for the young generation all over the EU (in 2000 farmers under 35 in the EU-15 owned just 44% of the land they used, against 73% for the over-55), there are still enormous differences between EU member states in succession, both in terms of heritage rules but also in terms of traditions (new entrants without a farming background, young people's willingness to start farming in another country, etc.). It would be interesting if the European Commission carried out a European study mapping the different traditions relating to installation. Such a study could identify best practices for smooth generational changes and serve as a tool to promote agriculture as a potential future career for the young generation in the EU.

Now that globalization is also a reality in terms of trade in agricultural products, we need more than ever well-defined rules within the WTO that allow farmers, and particularly young farmers, to enjoy a good standard of living and quality of life. What we need is a worldwide agricultural framework that allows fair agricultural trade and respects local characteristics, protecting the origins of products and allowing local non-trade-distorting public support as a tool to promote the existence of farmers in order to let them play their economic, social and environmental role.

The very nature of the agricultural production and the increased transport of agricultural products makes us believe that now it is the right moment to ensure the development of a clear set of EU risk-management tools.

The young generation of farmers often has to take on significant loans in the setting-up period and we are often more specialised than our older colleagues. This makes us more susceptible to market instabilities and risk

Finally, the Common Agricultural Policy (CAP) has been reformed three times in the last ten years. The last time, in 2003/4, the majority of agricultural support was decoupled (and linked to strict cross-compliance rules) and calculated on historical references. There is a need to make sure that CAP first-pillar support is also available to the young generation, as a priority, to ensure that future farmers will also be able to obtain support for providing society with services that cannot be charged through sale of the final product. We call on all institutional and social partners to start thinking together about how European policies, including the CAP (1st and 2nd pillars), should look after 2013.

EU. The EU prime ministers have already recognized this by paying special attention to young people and targeting policies such as the recent relaunch of the Lisbon strategy objective, realized during the summit held 22-23 March 2005 in Brussels. Now it is time for the agriculture ministers to do the same, and turn the priority of young farmers in the rural development policy into a real priority within the agricultural and rural development policies.

Young people are the resource for developing tomorrow's





Speech by Sylvain Marmier, President of the European Council of Young Farmers in the

Informal Council of Agricultural Ministers in Luxembourg on 10 May, on the topic 'the agriculture of tomorrow – a challenge for young farmers'

Dear ministers, ladies and gentlemen...

First of all, I would like to warmly thank Mr Boden for having chosen to speak about 'the agriculture of tomorrow – a challenge for young farmers' during this informal council here in Luxembourg.

Also, I would like to thank all of the ministers and/or their representatives and the Commissioners who, by their very presence, show the interest they have in this subject.

The EU is currently facing a number of challenges, such as the WTO negotiations, votes on the constitution in a number of member states, and the fixing of the financial perspectives for the years to come. These changes will all influence the future of the Common Agricultural Policy and as a result, that of Europe's agricultural sector. This is why we, Europe's young farmers, have start-

ed a reflection on which agricultural sector we want for tomorrow and what resources we require to put this model into place.

We believe that EU needs a strong agricultural sector, integrated in the territory and in the economy and at the same time able to guarantee quality products, good maintenance of the environment and the tangible development of rural areas.

It will very much depend on us - the younger generation - to what extend the EU agricultural model of tomorrow will remain diversified, multifunctional, profitable and maintain its vital role in the rural community. Our individual choices will help to make the difference!

- The agricultural enterprise, like any economic sphere, must be performing, competitive, and organised. We are ready to start serious discussions on potential new goods and services like bio-energy, tourism etc. that farmers can offer to the society.
- Farmers must be innovative in a world that is developing constantly and the skills of the farmers is becoming more important every day as a tool to develop the income perspectives of the farm.
- The farming community must become more visible and recognizable to make sure that citizens

across the EU are aware of the economic, social and environmental role played by farmers.

Unfortunately the young generation in farming face a number of difficulties during take over and while restructuring. The young generation is often short of capital. With farms becoming bigger this problem becomes more serious. Heavy administrative burden during installation becomes more important than solid long term planning; and finally a continuously changing CAP does not create incentive to make long term investments.

Much can be done to change this negative tendency, as the younger generation often possess the knowledge and drive required to invest in innovative farming. What we need is:

 A solid installation project to help us financially and train and advise us during take over and restructure of the farm.

- Fair trade rules on the world market and a longlasting, future-oriented CAP. We need long lasting policies where all member states must offer the young farmers priority access to production and payment rights.
- Finally, the image of farming and the farming community's direct dialogue with citizens is influencing the extent to which the EU community will be able to understand farmers economic, social and environmental roles in the future.

Therefore, I really welcome the choice of today's working groups. I hope the debate will be a first step in a new direction for European agriculture – putting the young generation first. Let me conclude by wishing us all a rich and constructive debate.

Thank you for your attention.

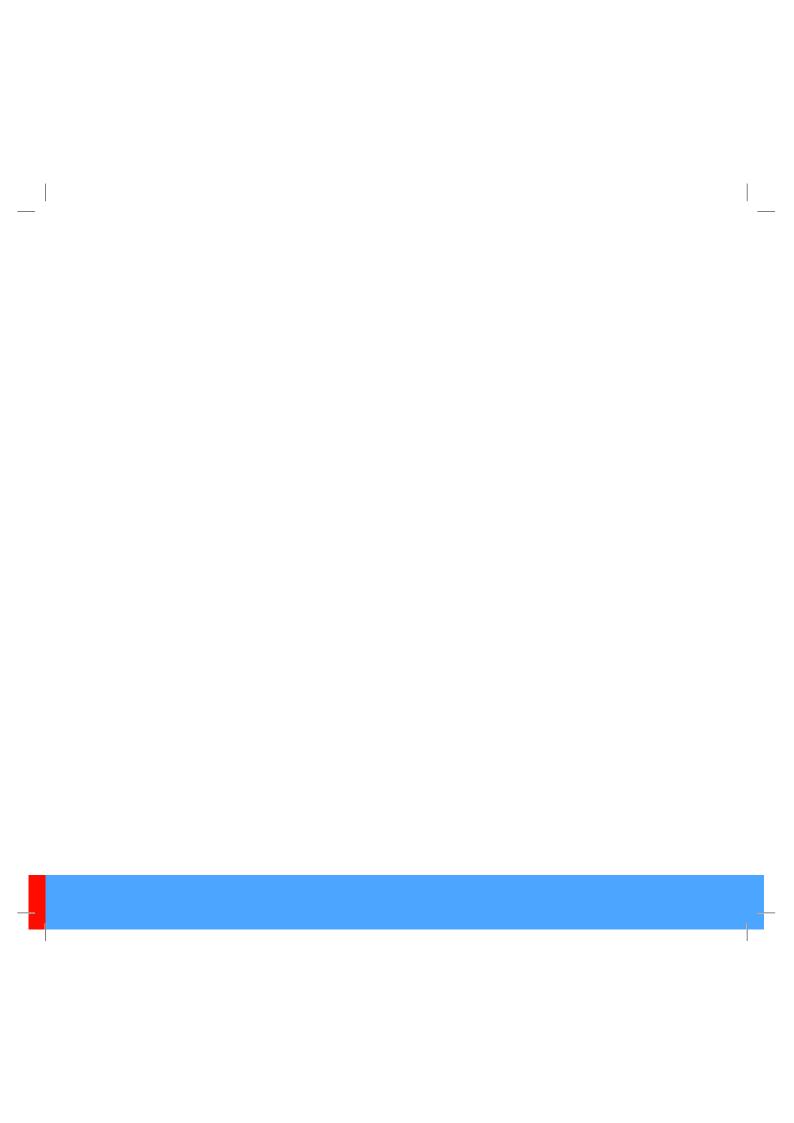


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Luxembourg Presidency of the Council of the European Union

