

Semi-subsistence farming in the EU: Current situation and future prospects

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Workshop 2

**Wider implications of semi-subsistence
farm for society and environment**

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In EU-27 small farms remain the dominant form of farming in terms of number.



In 2007 in the EU-27 there were 9.65 million small farms, below 5 ha, (70.4% of all agricultural holdings), operating on 8.4% of UAA.

Romania- farm structure per economic size and age of farmer

Age of farmer	0-2 ESU	2-8 ESU	8-40 ESU	40-100 ESU	Above 100 ESU	Total no of farms
<34	210 056	13 902	1 983	185	100	226 226
35-39	246 853	20 962	2 436	267	151	270 669
40-54	905 500	81 394	9 785	1 602	1 050	999 331
55-64	849 094	90 505	5 939	762	532	946 832
>=65	1 659 739	147 554	5 398	268	135	1 813 094
Total	3 871 242	354 317	25 541	3 084	1 968	4 256 152

4.22 million farms (99.2 % are classified as SF and SSF – only 30593 farms are above 8 ESU
 2.75 million farmers (64.8%) are above 55 years old

Farm structure in Romania – no of farms applying for SAP payments

Year	< 5ha	5-20 ha	20-100 ha	100-500 ha	500-1000 ha	1000-10000 ha	> 10000 ha	Total
2007	996 413	194 172	22 296	8 549	1 655	810	8	1 223 903
2008	912 121	176 272	22 017	8 648	1 693	819	8	1 121 578
2009	900 154	179 669	23 873	9 246	1 751	873	9	1 115 575

Source: APIA -LPIS

Farm structure in Romania applying for SAPs – area ha

Year	<5 ha	5-20 ha	20-100 ha	100-500 ha	500-1000 ha	1000- 10000 ha	>10000 ha
2007	2370152,09	1548665,93	925706,29	1934206,69	1143975,33	1483335,83	171227,88
2008	2370152,09	1405949,27	928636,77	1942789,81	1173773,28	1484008,74	171365,61
2009	2370152,09	1442418,10	1007513,19	2068690,50	1206109,70	1553985,25	179414,20

Source: APIA-LPIS

Role of SF and SSF

SF and SSF has been afforded three main roles in agriculture and rural development:

- buffer against poverty;
- provider of environmental benefits ;
- basis for farm diversification and multifunctionality

I - SF and SSF –buffer against poverty

- In Romania poverty incidence is much higher in rural area. 70% of poor people lives in rural area.
- Subsistence farming is crucial for the survival of poor rural households. **58.5% of income of this households below poverty line is “in-kind”**
- Farm income represents in average about 45% of household income in rural area in Romania.
- 77% of farm income is made of non-marketed farm output.

SF and SSF – buffer against poverty

Households do not sell their output as they depend on it to satisfy their own food-consumption needs.

After accession CAP and national support become a new source of income for small farmers especially in mountainous and hilly area.

II - SF and SSF as provider of environmental benefits

- SFs and SSFs delivers environmental public goods beyond the food and other farm products
- SFs and SSFs agriculture supports High Nature Value (HNV) farmland.
- SFs and SSFs delivers cultural asset (traditional food, local cultural traditions) and community benefits
- They keep countryside alive, maintain local population, preserve biodiversity and local specificity

In Romania SFs and SSFs are mainly located in hilly areas, not suitable for intensive farming

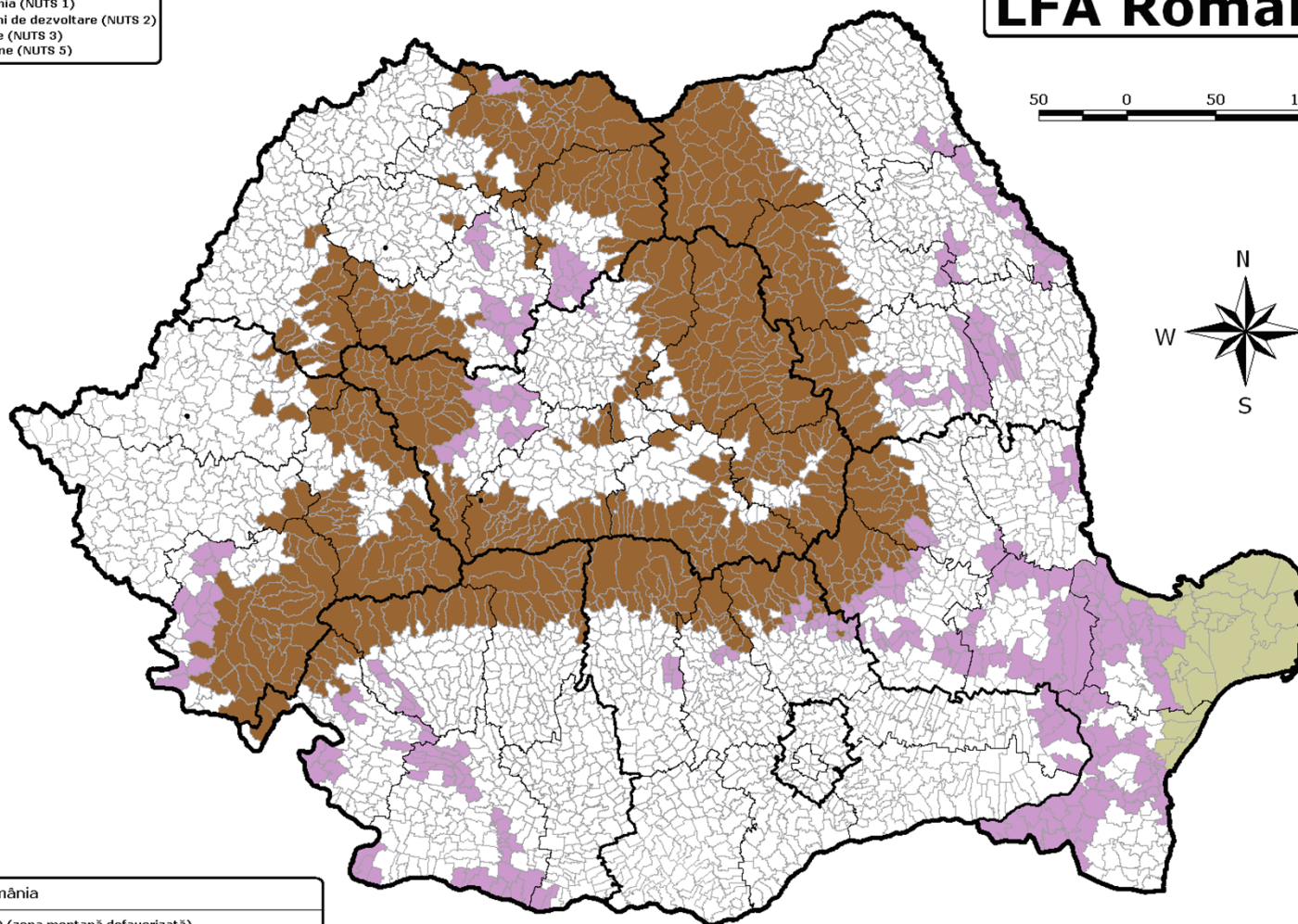


Less favoured areas in Romania

- Unități administrativ-teritoriale
- România (NUTS 1)
 - Regiuni de dezvoltare (NUTS 2)
 - Județe (NUTS 3)
 - Comune (NUTS 5)

LFA România

50 0 50 100 Km

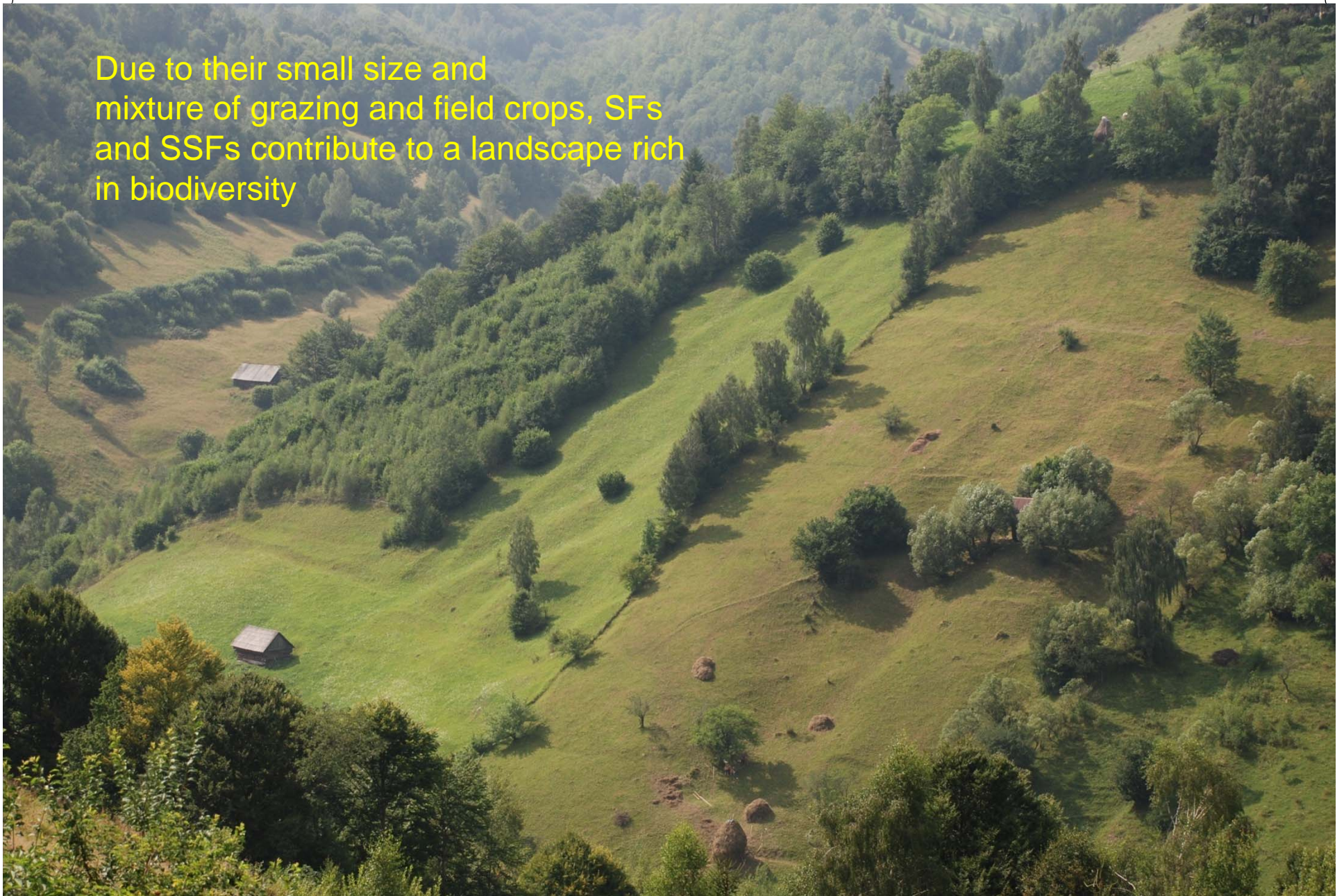


- LFA România
- ZMD (zona montană defavorizată)
 - ZSD (zone defavorizate de condiții naturale specifice)
 - ZDS (zone semnificativ defavorizate)
 - non LFA România

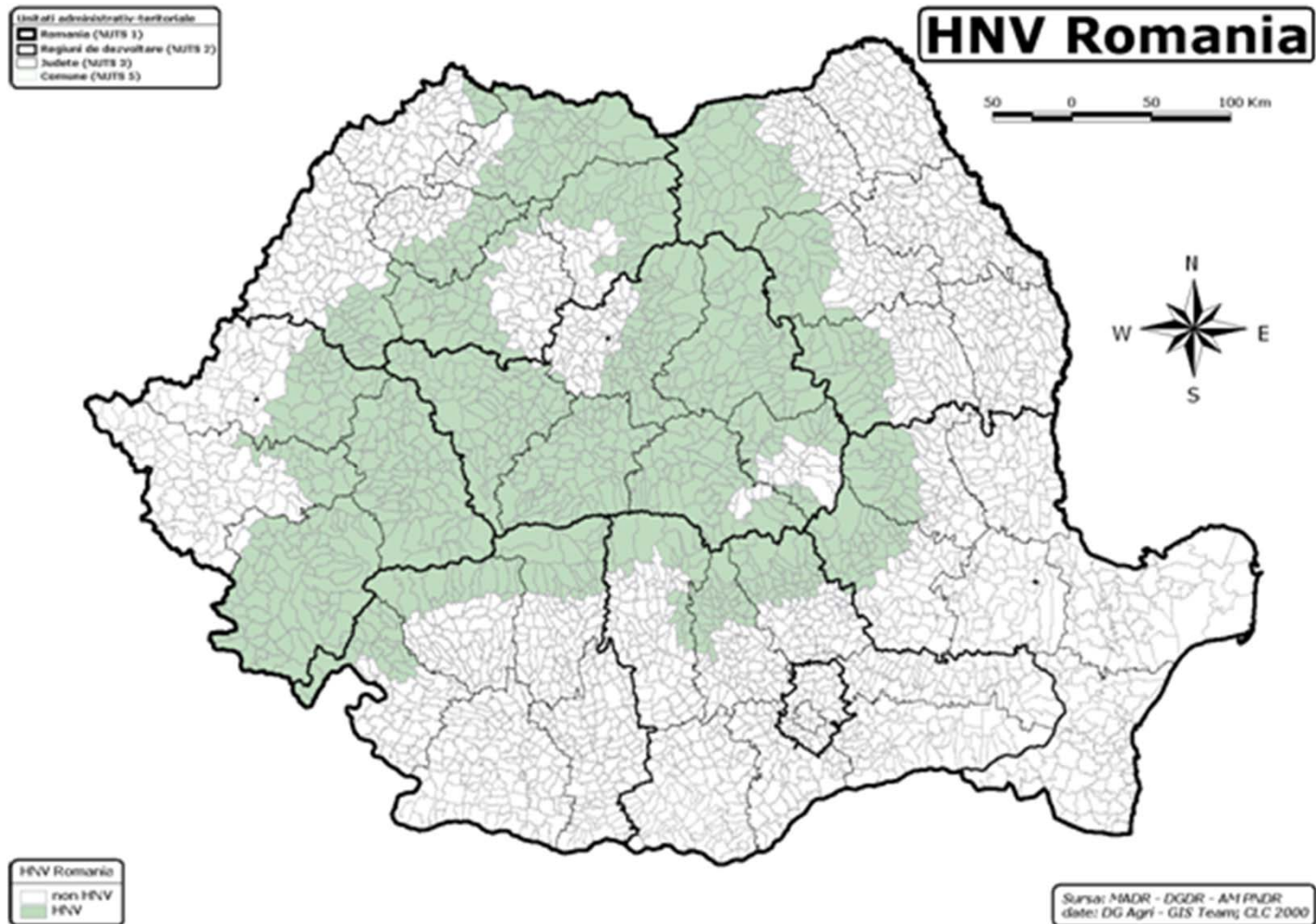
Sursa: MADR - DGDR - AN PNDR
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Due to their small size and mixture of grazing and field crops, SFs and SSFs contribute to a landscape rich in biodiversity



HNV area in Romania



III - SFs and SSFs basis for farm diversification and multifunctionality

Small farms are usually the basis for:

- processing and marketing of farm products
- Production of added value traditional food
- agro-tourism and rural tourism
- forestry and wood processing
- handicrafts
- local services

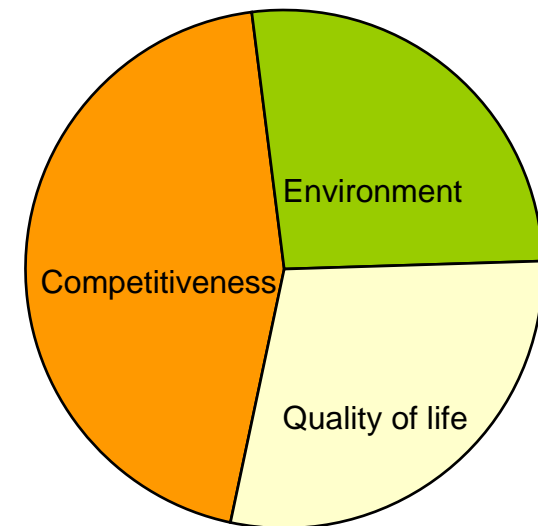
Existing policy support for small farms

Policies aiding small farms in their economic role are divided into three groups according to their objectives:

- diversification,
- restructuring
- exit

Distribution of EAFRD budget per objectives (including Leader)

	EAFRD budget (€)	%
Competitiveness	3 236 965 257	44.82%
Environment	1 905 072 515	26.38%
Diversification and Quality of life	2 079 462 259	28.80%
Total	7 221 500 031	100.00%



Existing policy instruments for SFs and SSFs in Romania

CAP pillar 1	CAP Pillar 2	National policy
SAPs 81 Euro/ha in 2010 All farms above 1 ha made up of parcels above 0.3 ha	LFA payment (mountain) 90 euro/ha in 2010 No of beneficiaries: 236 155	SAPs to up 50 Euro/ha 2010
Nr of beneficiaries: 1 100 000	214 Agri-environment measure Package 1: High Nature Value Grassland 124 euro/ha No of beneficiaries: 206 101 Package 2: Traditional farming 58 euro/ha No of beneficiaries: 166 295	CNDP cattle 140 Euro/head
Art 68. Support for dairy in less favoured area 100 Euro/head for up to 15 cows	Measure 141 semi-subsistence farms 1500 euro/year/farm for 5 years Nr of SSF targeted: 76 172	CNDP sheep & goats 11 euro/head
Nr of beneficiaries: 225 426		Reduction of accise duty for fuel jused in agriculture 0.3 euro cents/liter of diezel

Policy measures supported by RDP

- vocational training (M111) (diversification, restructuring)
- setting up of young farmers (M112) (restructuring)
- farm modernisation (M121) (diversification, restructuring)
- Adding value to agricultural products (M123)
(diversification, exit)
- Semi-subsistence farms (M141) (restructuring)
- creation & development of micro-enterprises (M312)
(diversification, exit)
- encouragement of tourism activities (M313) (diversification, exit)

Romania RDP Axis 2: 4 measures

Measure/axis	Public expenditure	%
211 - Mountain less favoured areas	607 754 544	26%
212 - Support for LFA other than mountain area	493 083 876	22%
214 - Agri-environment payments	963 233 617	42%
221 - First afforestation of agricultural land	229 341 338	10%
<i>Total Axis 2</i>	2 293 413 375	100%

Future of small farms –questions ?

Functions and future viability of these small farms remain an important issue for rural areas in Europe

Should the smallest farms (SF farms or farms below 1 ha) be supported by policy measures as they play an important social role and provider of public goods?

If yes then small farm support should be based on much simpler delivery mechanism compared with intensive commercial farms.

Vă mulțumesc pentru atenție!
Thank you for your attention!

