

Commissioner Phil Hogan

Speech at ENRD/CEJA Event

Brussels, 25th January 2017

Thank you Michael. President Jagoe, ladies and gentlemen,

(Introduction)

My thanks to CEJA and the ENRD for making today's workshop possible. This event is both well-timed and well-designed.

Well-timed, because 2017 will be a critically important year for making headway on a number of policy fronts, and it is imperative that you are ready to hit the ground running if you are to play a full and active role.

Well-designed, because the aims of your organisations are entirely complementary. In fact I would go so far as to say that you are relying on the other's success to ensure your own success.

Bringing generational renewal fully into the policy mainstream cannot happen without the support system of a strong and targeted rural development policy. And there will be no "better life for rural areas" as called for in the Cork 2.0 Declaration without a new generation of farmers and rural communities taking up the reins.

My team and I have made this two-way relationship a central plank of our work as we look to modernise and strengthen the CAP. And the starting shot has already been fired.

(Communication – Future CAP)

In December President Juncker announced a roadmap to begin designing the future CAP, which will culminate with the publication of a Commission Communication by the end of 2017.

This process will begin with a wide-ranging public consultation, which will launch on February 2nd - a little over a week from now. I expect strong and bold submissions from your organisations.

When I spoke at the CEJA General Assembly last July, I called on you to bring your exceptional expertise to the table and prepare your position as to how we can improve the lot for young farmers and stimulate generational renewal in European farming.

I urged you to bring radical and creative ideas to the table, as a generation of disruptive innovators. Well, folks, as they say: now's your chance! The consultation will be open for 12 weeks, and I will host a conference in early summer to take stock of its findings. I look forward to hearing your ideas.

(Cork 2.0)

I am also grateful for the central role you are already playing in the aftermath of Cork 2. The declaration included strong language on the need to meet the aspirations of rural youth concerning diverse and well-rewarded employment opportunities and facilitation of generational renewal.

Promoting rural prosperity, strengthening rural value chains, and investing in rural viability and vitality are among the recommendations I consider most pertinent for young farmers.

CEJA was actively involved in the work of the Cork Conference, now it is time for all rural stakeholders pull together to ensure that the declaration serves its intended purpose.

Just last week, at the International Green Week in Berlin, a meeting was held to outline ways to translate the Cork declarations into concrete policy pathways. And in December, a large Rural Networks Assembly was held in Brussels with the same goal.

The Cork 2.0 Declaration also provides an important input and orientation for Communication on the Future CAP.

In the coming weeks we will launch a website dedicated to turning the Cork Declaration into action. The intention is to keep track record of progress made. I invite you and indeed all stakeholders concerned to contribute to this platform in the same spirit as everybody contributed to the Cork declaration.

This matters, because many of the priorities we need to build into the future CAP will be most effectively delivered by a new generation. When President Juncker and I announced the Communication in December, I pointed out that generational renewal is an issue that goes far beyond a reduction in the average age of farmers in the EU.

It is also about empowering a new generation of highly-qualified young farmers to bring the full benefits of technology to support sustainable farming practices in Europe.

There is no shortage of young people who want to get into farming, but many of them face imposing obstacles. I want to focus on those barriers which hinder young people from taking up agricultural activity, and identify better ways to remove those barriers. With that in mind, let me outline some of the priorities I expect to see reflected in your contributions.

(Access to finance)

Access to finance continues to be an important barrier for generational renewal in the agricultural sector. Young farmers who are setting up usually have little collateral at their disposal and therefore are perceived as clients with a higher risk by lending institutions.

The introduction of innovative and targeted Financial Instruments into Rural Development Programmes is particularly useful to address this funding gap. Financial Instruments can help to tackle the high investment needs required when setting-up, notably in view of the low turn-over during first years in businesses.

The recent omnibus proposal, which outlines further options for simplifying the CAP, contains a number changes pertinent for young farmers, namely:

- The simplification of conditions related to start-up-support;
- Specific provisions to allow start-up support to be provided through Financial Instruments;
- And the simplification of eligibility rules regarding Financial Instruments.

(Access to Land)

Next let me move from access to finance to access to land.

Recent research and stakeholder consultations confirm that access to land is the most important barrier to enter into the agricultural sector.

The limited availability of agricultural land, together with competition for land for non-agricultural purposes, puts pressure on prices.

Land mobility is low because the older generation does not pass it on to the next generation. This is, among other factors, linked to the receipt of direct payments or to preferences for keeping the land "within the family"

Other factors at national level, like fiscal law, heritage law and social law, can complicate matters further.

I am committed to looking into ways to promote and simplify farm transfers between more experienced farmers and new entrants. The farm succession project that will be presented later on today could provide some useful insights.

Access to knowledge is also fundamental. Young farmers need guidance as to how different investments can contribute to improving the economic and environmental performance of their holdings. This is why young farmers need access to knowledge about the latest technological developments as well as best production practices.

Rural development funds supports knowledge transfer activities, which includes training, demonstration activities, farm visits, and exchanges for a practice-oriented learning process.

Support for short exchange schemes and visits is a novelty of the current programming period. It will give farmers the possibility to learn directly and in a practical way from peers.

Besides the exchange schemes supported by Rural Development, young farmers can also participate in the initiative "Erasmus for Young Entrepreneurs" and take part in "Leonardo Da Vinci programmes" aiming to contribute to their professional and personal development.

I would like to make a special reference to the Erasmus+ programme, one of the most successful EU initiatives, which celebrates its 30 year anniversary this year.

We are keen to involve young people in Erasmus+ apprenticeship programmes in agriculture. Apprenticeships allow young people to connect and obtain experience.

The farm succession project, which will be presented during this workshop, is a fine example of a successful Erasmus+ project, addressing the needs of young people who want to become farmers.

(European Data Economy)

The Commission has started to work on developing a European Data Economy, one of the building blocks for bringing the digital revolution into farming practice.

To this end, the Commission intends to launch a wide-ranging stakeholder dialogue on how to share and combine data in innovative ways. I invite you to participate actively and share your ideas.

Young farmers are the "digitally native" farmers, and, they will benefit from the work we do to kick-start the European Data Economy and the digital revolution in agriculture.

(Conclusion)

Let me conclude by repeating that 2017 can be a significant year, if we all do our part. You will have noted that I have very deliberately and very publicly mainstreamed generation renewal as part of my planning for the future CAP.

Now I'm calling on you to make your voices heard. As the representative organisation of young European farmers, CEJA has a clear and dynamic role to play. And the ENRD is an equally important forum for exchanging views, demonstrating best practice, and giving a nudge to those rural development programmes which need to catch up!

We need to be singing from the same hymnsheet in 2017, so let's make sure that we know the song.

Thank you, and the best of luck for your event today.