

“The Present and the Future of Small Farms in the European Union” - a high level conference held on 8-9 July 2011 in Krakow, Poland

Draft Conference Summary

Background

The conference was organised by the University of Agriculture in Krakow, the Institute of Rural and Agricultural Development of the Polish Academy of Sciences in Warsaw, the Malopolska Association of Agricultural Extension Services, the Agricultural Advisory Centre in Brwinów (Branch Office in Krakow) and the Office of the Member of the European Parliament Czesław Siekierski. It is considered as a follow-up to the ENRD Seminar on Semi-subsistence Farming held in October 2011 in Sibiu, Romania.

Overview

The conference was opened by the Rector of the University of Agriculture in Krakow prof. Janusz Żmija; the Counsel General, Ministry of Agriculture and Rural Development, Zofia Krzyżanowska; the Marshal of the Malopolska Province Marek Sowa; the Member of the European Parliament Czesław Siekierski and other high level officials from the province, district and commune.

Dacian Cioloş, Commissioner for Agriculture and Rural Development sent a letter emphasising the political will for simplification of payments for small farms under Pillar 1 and ensuring that small farmers benefit from Pillar 2 measures, including from measures of key importance, i.e. producer groups and training. More details will be available in October - indicated Commissioner Cioloş.

The official opening also included messages from Paolo de Castro, Chairman of the European Parliament's Committee on Agriculture and Rural Development, and the rapporteur of the Committee. They expressed a strong belief that Europe will not witness a decrease in CAP Pillar 2 funding and assured the conference that they will work hard for the policy needs of small farms.

The Plenary session was divided into two blocks with keynote speakers. The first block included Polish experts who presented a comprehensive picture of small farms in Poland and in Malopolska province. The keynote speakers were Józef Zegar, Institute of Agricultural and Food Economics (IERIGŻ), Warsaw; Zenon Pijanowski, Wiesław Musiał and Józef Kania from the University of Agriculture in Krakow; and Marek Zagórski from the European Fund for the Development of Polish Villages.

In the second block, the invited foreign experts presented case studies (Austria, Peter Raggle, Tyrolean Farmers' Association; Hungary, Csaba Forgacs, Corvinus University of Budapest; Romania, Nathaniel Page, Foundation ADEPT; Salvatore Carfi, accreditation of the Paying agency procedures A.G.E.A. Brussels; and Gerfried Gruber who presented the European Economic and Social Committee view on the future of small farms in the EU. Sophia Davidova, who represented ENRD, focused on the comparative experience in different EU Member States and the policy needs of small farmers.

The second part of the programme included three parallel sessions: “The role of small farms in the economic development of regions and food sector”, “The role of small farms in the process of social changes in rural areas” and “The role of small farms in protection of

environment and biodiversity in rural areas". The parallel sessions involved shorter interventions by Polish academics, members of local administrations and advisory service.

The second day of the conference included two short sessions to discuss different drafts proposed for the conference conclusions and trips to farms in Malopolska region. Some of these farms have made substantial investments in diversification in agro-tourism and organic production. The main problem is the low effective demand for their services and produce.

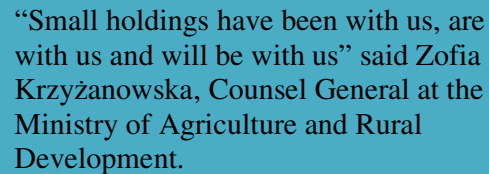
The conference proved a timely opportunity to continue the dialogue on the future of small farmers and their impact on rural areas.

Key issues discussed

The conference raised several key issues concerning the development of small farms, their importance for rural development and their policy needs. To a great extent the discussion was oriented towards options for operational solutions, particularly important with the responsibility of the Polish administration for the EU Presidency in the second half of 2011.

The nature of small farms in the EU

There was a unanimous rejection of the assertion that small farms are a remnant from the past, and that they do not play an important role in rural areas and do not have future in the modern agricultural system. It was underlined that some supporters of purely productivist approach may argue that only large farms can survive due to their higher productivity and profitability, but such a tendency has not been observed around the world. Small farms have a role in delivering public goods beyond farming; they mean households, rural inhabitants. Unfortunately, the standard of living of the households managing small farms is still not adequate.



“Small holdings have been with us, are with us and will be with us” said Zofia Krzyżanowska, Counsel General at the Ministry of Agriculture and Rural Development.

The Member of the European Parliament Czesław Siekierski emphasised the need to disentangle the nature of small farms - whether they are a business or a social unit; whether are they a temporary phenomenon or a more enduring farm structure which is constantly changing and diversifying. The prevailing opinion expressed by participants was that small farms are a family business.

How small is small?

One of the central issues concerned the need to define 'how small is small' and set thresholds for 'small' farms for the purpose of the expected new CAP measure for support of small farms. Various options were suggested, i.e. a combination of land area in hectares and economic size in ESU; farms that currently receive an amount of direct payments below some set threshold, e.g. € 2,000; a provision of flexibility for individual EU Member States to translate a general legal definition into particular size bands.

Appropriate support mechanisms

An important question for discussion concerned the design of the new measure for support of small farmers, namely whether it should be funded from Pillar 1 or Pillar 2; whether the payment should be a lump sum or designed according to a more complex formula. The prevailing opinion was that the payment should be a lump sum and although it appears that the measure will be funded from Pillar 1, Pillar 2 might be more appropriate as it is multi-annual and could better help small farms to restructure and improve their opportunities for alternative sources of income. The conference participants wanted to see more priorities in spending from Pillar 2 on rural job creation, rural infrastructure and agri-environment.

Conference proposals

Several proposals emerged as a result of the discussions, some more short-term whilst others were related to a longer-term institution building:

- In the immediate future to work on a definition of small farms for the purpose of the new CAP measure for support of small farms.
- Krakow (in particular the University of Agriculture) to become a centre for research and advice on small farms since they are a typical farm structure in Malopolska province.
- To establish an international network that can bring together state agencies, farmers organisations, academics and NGOs for exchange of information about the needs of small farmers in different EU Member States, the best practice in associations of small farmers, farm diversification and development of pluriactivity, and advice to the European institutions on the policy needs of small farms.

Excerpt from the draft conference conclusions

"This conference held in Krakow 8-9 July 2011 as a follow-up to the Sibiu Conference in October 2010 has agreed in the vital social, economic and ecological importance of Europe's small-scale farmers. This can be summed up by the public goods supplied by small-scale farming systems and small-scale farming communities linked to High Nature Value landscapes.

- The conference applauds the recognition by Commissioner Dacian Cioloş of the role of small-scale farmers in Europe and the contribution they make to the quality of life of European citizens, urban and rural.
- The conference, therefore, decides....to establish a platform as a channel by which small-scale farmers can be informed about policies and policy discussions that affect them, and by which small farmers can feed back their opinions to policy-makers with a united voice."

(draft conclusions submitted by the group of external speakers)