

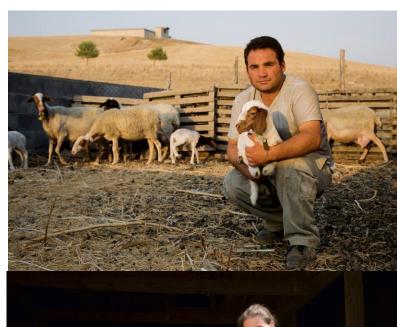
EU farms and farmers in 2013: an update

Farms are the basic organisational unit for agricultural production. How many farms are there in the EU and how has their number changed in recent years? Are they becoming bigger and more specialised? And what about the farmers who take production decisions and receive CAP payments – what do we know about them?

Every 3-4 years, new data on farm structures in the EU become available¹. They provide a long-awaited update of key indicators for agricultural policy: farm numbers, farm sizes, land ownership, livestock numbers, as well as characteristics of the agricultural labour force. The latest such update offers data from 2013 and **preliminary results** have just been published. This brief summarises the main findings, with a particular focus on farmers of different age groups and the characteristics of their farms.

explained/index.php/Glossary:Farm_structure_survey_(FSS)). 2013 data are preliminary and may still change in the near future.

Picture source: European Union





 $^{^{\}rm 1}$ Data on farm structures are taken from Eurostat's Farm Structure Survey (http://ec.europa.eu/eurostat/statistics-

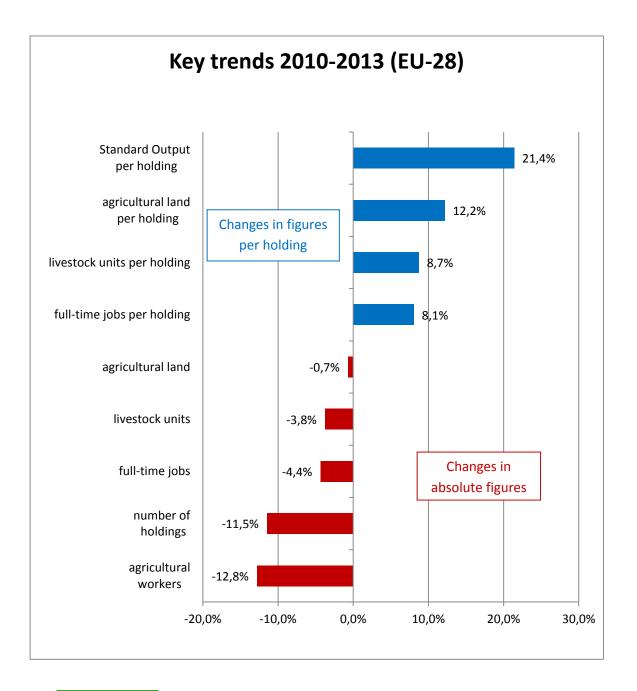
Main figures and trends in a nutshell

In 2013, a total of 10.8 million farms operated in the EU-28, down from 12 million farms in 2010 (-11.5%). The **long-term decline in the number of agricultural holdings** thus continued - between 2005 and 2013 the average annual rate of decline stood at -3.7%. While some of these losses may be due to changes in survey thresholds, it is clear that a **consolidation process towards larger, more competitive farms** is taking place across the EU, with an **increase in the average farm size** from 14.4 to 16.1 ha of agricultural land (+12.2%) between 2010 and 2013.

Farms are growing even more in economic terms. The Standard Output per holding, which is a measure of the economic farm size, increased by a remarkable 21%.

The increase in competitiveness is further expressed in the **lower number of regular agricultural workers** (22 million in 2013, down from 25 million in 2010; -12.8%). Converted into full-time jobs, the decline is less pronounced (-4.4% between 2010 and 2013), indicating a **shift towards more full-time employment** in agriculture.

While all key indicators **declined in absolute terms**, their **average numbers per holding increased**, indicating a trend towards bigger, more productive farms.



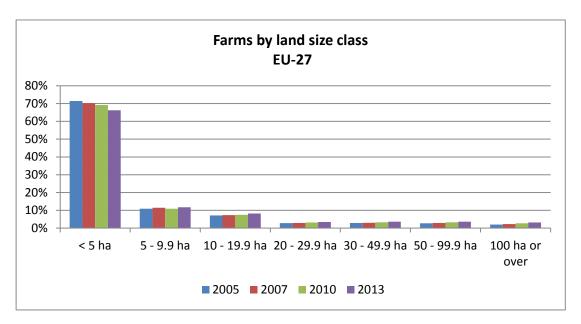
Small farms and big farms

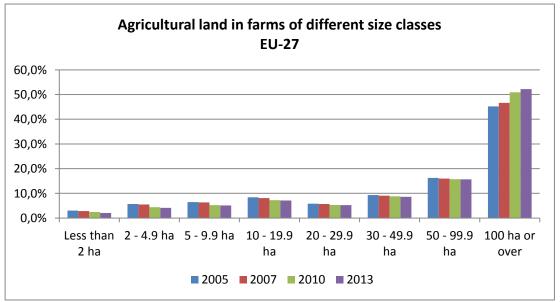
Despite this consolidation process, the majority of farms in the EU are still very small. More than two-thirds of all holdings work on less than 5 ha of agricultural land and more than half have a Standard Output (i.e., a standardized sales value over the course of one year) below 4 000 euros or roughly 333 euros per month, before deduction of any production costs.

The **total area occupied** by these small farms only comes to 6%, while more than half of the agricultural land belongs to farms which have more than 100 hectares. From an environmental point of view, the practices on big farms are thus much more significant than those on smaller holdings.

The percentage of the smallest farms is constantly declining. The gradual nature of the consolidation process is shown in the slight increases for all other farm size groups — where a small farm stops operations, the land is taken over by another farm, which then moves on to the next size class.

The **overall number of big farms** in the EU context is still rather limited, with significant regional differences.





Full time and part-time work

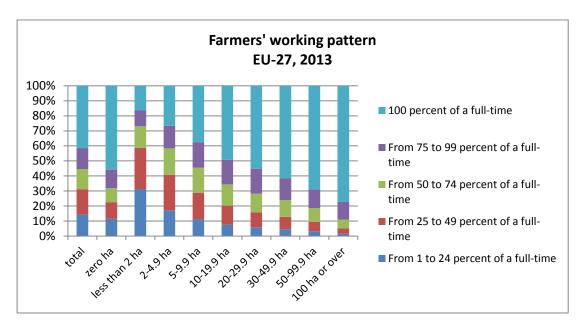
Clearly, such very small farms do not provide a viable income for the farmer and his/her family. They are either run as **part-time operations**, where other sources of income play an important role, or they are used to **supplement retirement pensions** with cash or food.

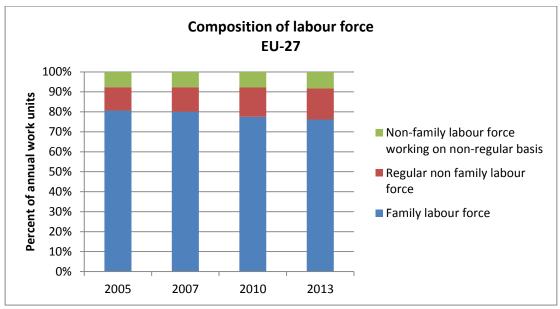
In 2013, 42% of all farmers worked full-time. The bigger the farm, the greater the share of full-time farmers — with the exception of farms without any agricultural land at all (mostly intensive pig and poultry holdings), which also had a high share of full-time farmers.

Family and non-family work

Family members still provide the bulk of agricultural labour on EU farms (more than 75%), although the importance of regular and non-regular labour input by non-family members has increased since 2005.

In fact, even in 2013, 97% of all farms were held by a single natural person (as opposed to legal entities and group holdings), making them family farms for all intents and purposes.



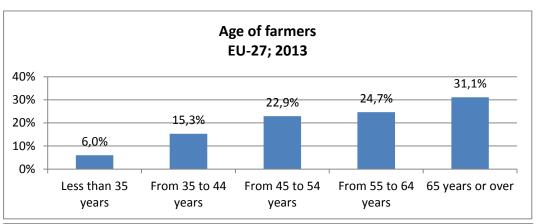


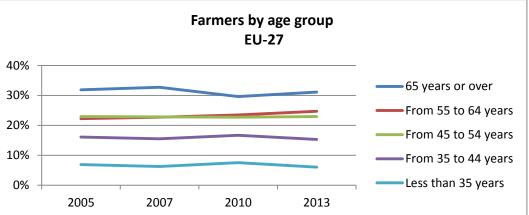
Young farmers and elderly farmers

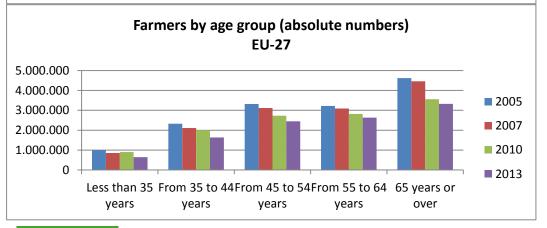
The majority of EU farmers (i.e., the persons responsible for the day-to-day management of a farm) were older than 55 years and only 6% were younger than 35 years in 2013. Close to one-third of all farmers are above the normal retirement age of 65. The overall ratio of young (below 35 years) to elderly (over 55 years) farmers came to 0.11 in 2013, meaning that for every young farmer, there were 9 elderly farmers.

Between 2005 and 2013, the relative importance of the different age groups has not changed significantly. Slight changes in trends may be as much due to various changes in survey methodology as to any real developments.

In absolute terms, however, there has been **a massive decline in the number of elderly farmers** (-1.3 million between 2005 and 2013).



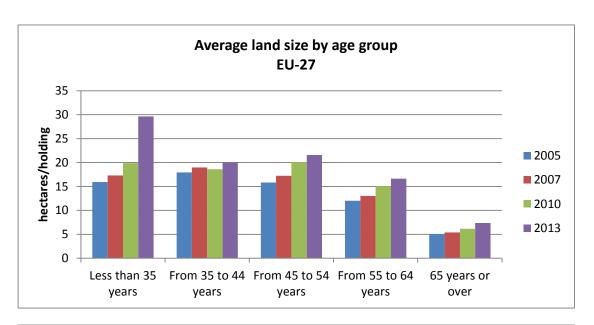


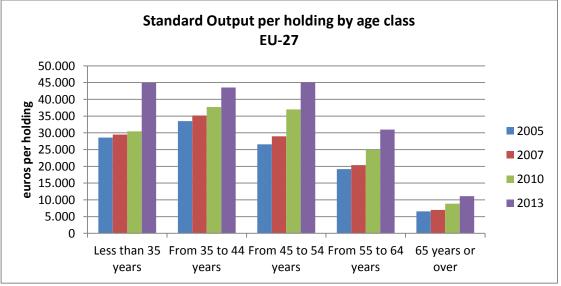


Farm sizes differ with farmers' age

While average farm sizes have increased for farmers of all age groups, the preliminary figures for 2013 suggest that this has been most significant for the youngest farmers. In fact, they now own the biggest farms, surpassing those of middle-aged farmers. The oldest farmers hold by far the smallest farms, giving further support to the idea that agricultural activities here serve mainly as a supplement to a pension or as a hobby.

For economic farm size, remarkable improvements are visible for all age groups, but most significantly again for the youngest farmers. Their farms now seem to have a similar economic size as those of well-established farmers up to the age of 54. The oldest farmers have the smallest farms in economic terms, in line with their small average land size, but even here, there is an upward trend.



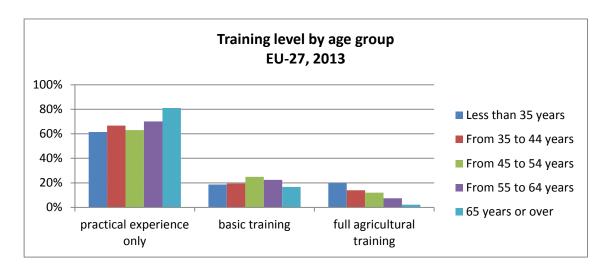


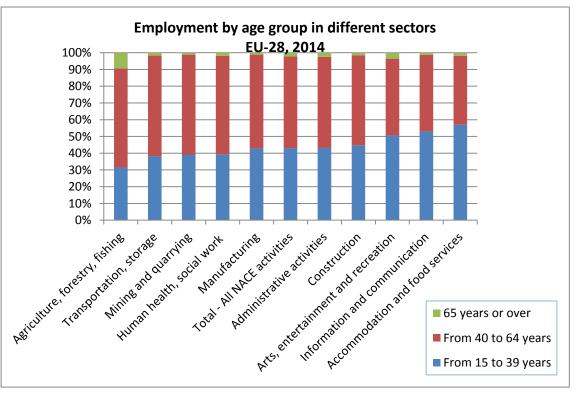
Training levels – much room for improvement

Even in 2013, the vast majority of EU farmers have learned their profession only through practical experience. This is particularly the case for the oldest farmers, among which more than 80% never had any agricultural training. More worrying, however, is the fact that this also applies to over 60% of the youngest farmers, who will need advanced knowledge if they want to stay in business. While roughly 20% of all farmers have received basic training, a meagre 9% have followed a full agricultural training course – this is more common among the younger age groups.

Fewer young people in agriculture than in other sectors

Looking beyond farm managers to the overall agricultural labour force, the proportion of young people in the agricultural sector (31.5%) is lower than in any other sector of the economy (43% on average)². On the other hand, agriculture seems to be the sector in which it is most common for people to continue work after the age of 65.





² Eurostat, Labour Force Survey 2014.

In summary

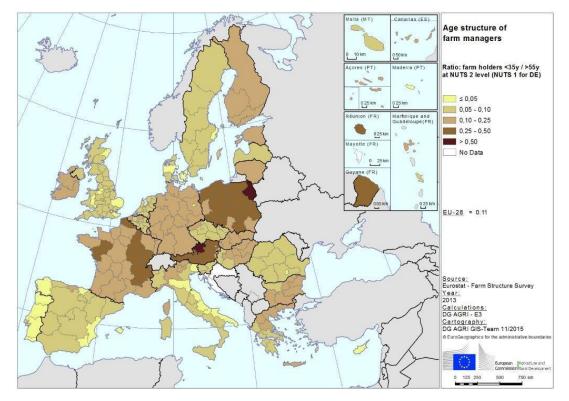
Agriculture in the EU is undergoing a steady but non-dramatic process of structural change.

Farms are getting bigger and more productive, with a declining dependence on labour, but there are still vast numbers of very small farms, primarily run in a part-time fashion and often by elderly farmers.

Roughly 75% of agricultural labour is provided by family members.

While the number of elderly farmers has declined quite drastically over the years, they still represent the majority of farmers in Europe. In fact, agriculture is the sector in which it is most common for people to continue work after the age of 65.

Young farmers hold bigger farms; they are also the best-trained group of EU-farmers, even though much more could be done to increase overall training levels.



Agriculture and Rural Development This document does not necessarily represent the official views of the European Commission

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