

Assessing diversity and changes of European farming structure

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Abstract – Land systems in Europe face increasing challenges by societal demands for securing ecological quality and socio-economic development of farming as well as rural vitality. We present main findings from a study, carried out recently for the European Parliament, that aimed to assess the effect of the decline in the number of farms across the EU. It reviews the role of the European Farming Model (EFM), which builds on the notion of multifunctionality and provision of public goods. As such it is not a sectoral target but seeks to enhance beneficial land systems adapted to the diverse types of rural regions in Europe, thus fostering sustainability and resilience of farming activities. The findings of our study underscore that policy must embrace the emerging diversity of farmers' profiles and stimulate socially desirable adaptive strategies that preserve the social and ecological beneficial outcomes of farming.¹

INTRODUCTION

Even if the original objectives of the Common Agricultural Policy (CAP) focused on food security and farm income, the broad concern for food systems has included aspects of ecological, social and territorial impact, as well as quality aspects, for a long time. This widely shared perspective has been incorporated in the notion of the "European Farming Model" (EFM), a term elaborated at the end of the 1990s to capture the specificity of farming practice in European regions, as compared to large-scale structures of land management in other farming systems of the industrialized world.

However, long-term technological, socio-economic and institutional changes have contributed to concentration of land management and markets that put strong pressure on this idealized picture of European farming. The relevance of the model is hence more and more questioned. As this trend is discerned primarily through the decline of its key characteristics (diversity of management features, benefits due to provision of multifunctional tasks, including highly valued public goods, and positive implications for socially and territorially balanced development of rural regions), concern about future structural development is rising.

This paper draws on the study "The Future of the European Farming Model", carried out by the authors for the European Parliament's Committee on Agriculture and Rural Development (Schuh et al. 2022). The project was committed to analysing the main socio-economic and territorial impacts of structural changes and adjustments on the EFM.

Research methods included classical quantitative synthesis work (desk and literature review, cluster and GIS analyses of structural trends over the last 20-30 years), as well as qualitative investigation of main drivers, inspired by five regional case studies and supplemented by risk analysis and forecasting as well as scenario building. The synthesis of findings builds upon expert contributions by external experts, triangulation of the quantitative and qualitative methods and results in recommendations for mitigating EU policies, both within and outside the remit of the Common Agricultural Policy.

COMPLEXITY AND DYNAMICS OF LAND SYSTEMS

The paper focuses on the high complexity of drivers and the adverse trends of land management in social-ecological systems of European regions. Against the backdrop of the primacy of technological changes, an increasingly neoliberal policy framework, stifling climate change adaptation and short-term stakeholder interests, adapted policy responses are demanded. However, in this context of uncertainty, particularly aggravated by the recent multiple crises (financial, ecological, pandemic, and conflicts and wars), far-reaching scenarios have to be considered.

The dynamics of structural development point to a high geographical specificity and particular influence of national/regional regulation systems. According to location of agricultural areas and land systems specificities (Meyfroidt et al. 2021), the adaptation of EU regions is variable, with long-term structural change in farming, visible through a steady increase in average farm sizes and a concentration of production on fewer and larger farms. However, farmers of the future are not expected to be uniform but could differentiate into many distinct groups (Bock et al. 2020). These future "types" of farmers will have to respond to substantial changes of the social-ecological systems and imminent needs to foster sustainability and resilience. Many of these emerging profiles of farmers go beyond a simple small—large, or disadvantaged—competitive dichotomy, as they address specific functions and combine styles and activities with inter-relations to non-farming activities, different use of technologies and digital opportunities, as well as different product mixes and quality development benchmarks.

CHALLENGES TO THE EUROPEAN FARMING MODEL

The study assessed the expected changes of farming practices not just in their quantitative effects on farm

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structure development but also in their ability to fulfil the core functions of the EFM. The outcomes will not only be observed in a decline of farm numbers, but will entail implications on landscape, ecology, value chain development, quality products, food system resilience, as well as through rural vitality issues. What makes the analysis of farm structural change particularly urgent is that effects are often hidden or visible only after a time lag, and changes are typically difficult to influence due to path dependency and irreversible effects.

First tentative scenarios discussed in this study highlight that irritating trends of structural development might be even exacerbated by current crises and increasing strain put on social-ecological systems. The heavy effects looming in a mid-term perspective due to climate change imply an intensified engagement with future farm structure options and adaptations.

To cope with these challenges, it seems important to be aware of the different characteristics of a set of drivers:

- The first group of factors relates to the general socio-economic context and thus is external to agriculture, but might have a strong impact, in particular on its value chains.
- The second group includes triggers for farms adaptation, like technological change and digitisation, input/output prices, agri-food chains and market organisation, as well as obstacles to agricultural productivity, access and land market regulation etc.
- The third group relates to public interventions, with an emphasis on CAP instruments.

DESIGNING APPROPRIATE POLICY RESPONSES

In seeking effective policy responses, we have to acknowledge that the first two sets of factors explain much more the adaptation decisions of farmers than drivers affected by direct policy implementation. Nevertheless, it is crucial to shape the policy framework so that it enhances the objectives of the EFM and contributes to socio-cultural shifts. This implies a more explicit focus on specific structural challenges and a deliberate orientation towards small- and medium-sized structures aiming to sustain their important functions (Guarín et al. 2020). In view of the transition to sustainable food systems, CAP measures require a thorough overhaul, also in terms of addressing structural objectives. The future CAP needs to be more open to new forms and types of agriculture, if the EFM is seen as a commonly shared model.

In view of the complex framework underpinning policy development and change in land system management, policy adaptation is not conceived as a primarily rational planning task. It is basically dependent on a host of assumptions of continuity or change, theoretical conceptions and creativity for change (Dax and Copus 2021). Given the current universal challenges of climate change, resource depletion and interrelated food system resilience, as well as mobility effects and scenarios on future

development, it is a contentious issue which pathway future policy should take and who, where and how reorientations towards social-ecological resilience should take place.

CONCLUSION

Multiple functions of agricultural activities have been perceived as a core framework for a common perception of land systems across European regions. This widely shared view found expression in policy design and the various reforms of CAP in the past. However, analysis of implementation found limited effectiveness and observed an ongoing farm decline throughout all areas. The main deficiencies are seen in the only partial orientation of the CAP towards the EFM's objectives and long-disproven misconceptions of land systems effects. Basically, the fundamental objectives of growth have not been altered to adjust towards an orientation on resilient farm systems and sustainable development pathways. Particularly due to rising global crises the relevance of the EFM and the urgency to turn towards supporting the inherent objectives is more and more justified.

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