

Can small farms and small food businesses in SALSA's Southern European countries contribute to sustainable food security?

It is estimated that the total number of small farms in Southern European (SE) countries has decreased by 33% between 2010 and 2019. This loss is despite the widespread acknowledgement and appreciation of the important role that small farms play in supporting rural livelihoods, conserving biodiversity and maintaining traditional landscapes, rural traditions and cultural heritage. Can we really afford to lose any more?

SOUTHERN EUROPE AT A GLANCE



Vaucluse (FRANCE) - Imathia, Larisa, Ileia (GREECE) - Lucca, Pisa (ITALY) - Alentejo Central, Oeste (PORTUGAL) - Castellón, Córdoba (SPAIN)

1 884 390 SMALL FARMS



62% out of total farms
(Eurostat, 2016)



Occupy ca. 38.8% of total area in these 10 regions (Eurostat, 2017)



Occupy ca. 17.4% of the Utilised Agricultural Area (UAA) in these 10 regions (Eurostat, 2017)

KEY POLICY MESSAGES

Small farms in Southern Europe contribute to a large share of the overall regional production. However, their contribution to the regional food security is generally low because their **commercialization pathways are mostly export-oriented.**

Nonetheless, there is **good potential for them to contribute much more to local markets and regional food security.** The findings of the SALSA project indicate that for the products studied, Southern European small farms could potentially cover 100% of the regional demand and generate surplus in 44% of the regional food systems analysed.

In order to enable this, the **needs of small farmers** need to be addressed in **four main areas:**

- Products, markets and marketing;
- Natural resources and climate;
- Generational renewal and new entrants;
- Knowledge and innovation.

This policy brief proposes a **range of policy responses** to these needs and clearly highlights **priority actions by national and regional authorities**, notably those responsible for the programming of EU post-2020 Common Agricultural Policy (CAP) funds.



Source: EU - adapted by SALSA

SALSA is an EU Horizon 2020 project that set out to assess the current and future role of small farms and related small food businesses (suppliers, processors, distributors) in achieving sustainable Food and Nutrition Security (FNS).

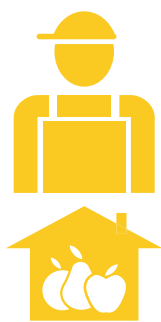
SALSA studied small farms in 30 reference regions in 20 countries - 25 regions (at the so-called NUTS3 administrative level) in Europe and 5 regions in Africa.

Research was conducted in 10 regions (NUTS3 level) of 5 Southern European (SE) countries – France, Spain, Italy, Portugal and Greece. The number of small farms varies from country-to-country, but throughout Southern Europe they are consistently found to be strategic players in the regional food systems studied by the SALSA project.

Small farms in SE countries tend to be 'export-oriented'. In other words, although they produce a large proportion of the studied food items at regional level, a great share of this production is often not consumed within the region but is exported outside of the region. Not surprisingly, small farms in Southern Europe are especially important as producers of fruits, vegetables and olive oil for the European market and they rely heavily upon formal cooperative structures to facilitate access to these markets.

Although small farms are mainly export-oriented, for some products the total production from small farms at regional level is so large and diverse that if it were to stay in the region it has the potential to totally supply the regional demand for food.

SALSA typology of small farms



1. Part-time farms



2. Conventional strugglers



3. Conventional entrepreneurs



4. Business specialised



5. Business multifunctional

Most representative types in Southern Europe

Farming appears to be a **secondary activity** that supplements other sources of income, by generally **young farmers**, who started **farming as their own option**; a high proportion of production stays in the household

Second poorest cluster, and oldest; farming is rooted in **tradition**; agriculture accounts for a **high proportion of income**; high household self-consumption

Relatively wealthy, relatively old and established in farming; rely on **family labour**; access markets through **cooperatives**

Wealthiest group, relatively old and established in farming; extensive use of **hired labour**; access to markets through **cooperatives**, invest in **certification**

Wealthy, relatively **young and new to farming**; extensive use of **hired labour**; **diverse portfolio of buyers**



WHO ARE SMALL FARMERS IN SOUTHERN EUROPE?

According to the **Typology of Small Farms** developed by the SALSA project, the most common types of small farm found in the SE countries are **'Conventional Entrepreneurs'** and **'Business Specialized'** (see the graphic for more explanation).

Furthermore, according to the **SALSA Typology of Regional Food Systems** in many of the NUTS3 regions studied in SE countries the food system of selected products are characterised by **specialized production for export**, thereby further reinforcing the tendency of the small farms found within these regions to contribute less to regional food security and more to exports.

'Conventional Strugglers' are also found in the SE countries, but national/regional authorities will have to assess whether they are policy responsive and which is the most appropriate development path to encourage them to adopt.

As this Policy Brief highlights, there is **considerable potential** to use available policy instruments to help these small businesses develop further and **consolidate their existing position** within their regional food systems – both as exporters, but also as potential suppliers to their local/regional markets.



WHAT ARE THE NEEDS OF SMALL FARMS IN SOUTHERN EUROPE?

The results of the analysis undertaken in the five SE countries studied by the SALSAs project indicate that the **needs of small farmers** in Southern Europe consistently fall into **four main areas**:

1) Products, Markets and Marketing

There is a clear need for much greater attention to the challenges of **increasing and strengthening the integration** of small farmers into both **new and existing value chains** for their products. Whilst it is clearly understood that many small farms in SE countries are strongly focussed on exports of specialised products, there is also the need for targeted actions to foster the development of more **short supply chains** that open-up **greater access to local markets** for small farms.

Other specific needs identified in association with this include a) **local value chain strategies** that promote greater **co-ordination** between small farmers and value chain actors, as well as more **cooperation** between farmers; b) the **development and promotion** of more products, food labels and brands **targeted at regional markets**, and; c) **consumer awareness-raising campaigns** about the full range of benefits of buying products from local small farms.

All these activities also imply the need for a solid foundation of appropriate **food hygiene/safety rules** for smaller producers, as well as **reduced bureaucracy**. Small farms **cannot be expected** to compete with larger producers according to the same demanding standards. This is particularly important for encouraging (if considered appropriate) the **market integration of the less-commercially oriented** 'Conventional Strugglers' that are found in the SE countries.

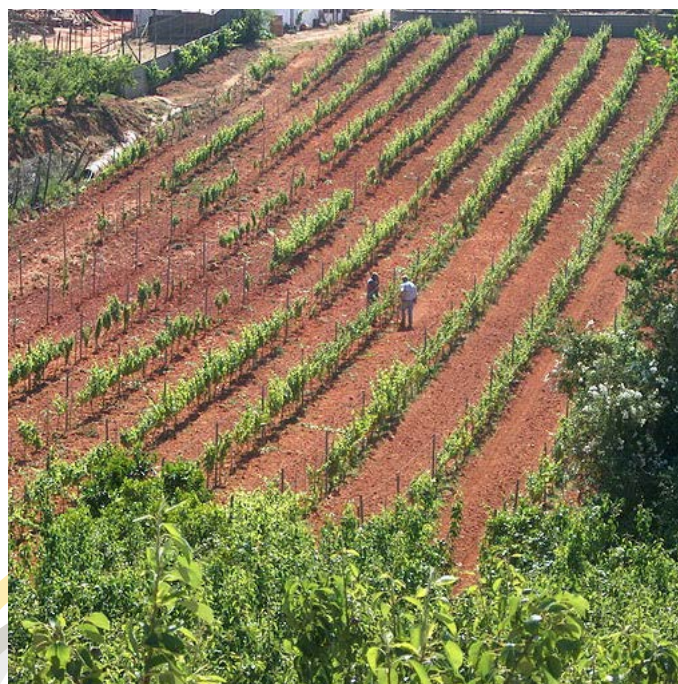


2) Natural Resources and Climate

All SE countries are facing the **negative impacts of climate change** upon agriculture. These include prolonged water shortage; extreme weather events; wildfires; the emergence of new pests (e.g. Asian bug and *Drosophila suzukii*) and diseases, and; the soil degradation processes (e.g. soil erosion) associated with desertification.

Small farms are especially vulnerable to these impacts and there is a clear need to support them more fully and effectively in the **uptake of appropriate adaptation measures**.

A major need for adaptation identified by the SALSAs project is the **diversification/restructuring of production systems to enhance their resilience** to the negative impacts of climate change. This includes the need for more drought resistant crop rotations that integrate new/traditional crops, varieties and cultivars; the increased uptake of organic farming and other forms of agro-ecology; plus the introduction of new technologies, such as minimum tillage and smart irrigation.



3) Generational Renewal and New Entrants

Generational renewal and the **encouragement of new entrants** in agriculture are key issues in SE countries. At a general level these challenges are symptomatic of the broad range of factors, such as the **lack of basic services** and **poor connectivity** that make rural areas across Europe relatively unattractive places to live and work. But there is also the need to address specific issues, such as **lack of access to land** for new entrants; the **inability to pay competitive wages** for labour when setting-up new businesses, and; the **lack of vocational training and advisory services** for young farmers.

4) Knowledge and Innovation

Many countries in Southern Europe (e.g. Greece and Portugal) suffer from very **weak and fragmented** Agricultural Knowledge and Innovation Systems (AKISs). This is a complex issue with **many factors** contributing to a poor connection between research and practice; lack of well-trained advisers; decline in agricultural training etc. Whatever the balance of factors, small farms are inevitably the most vulnerable because they **cannot afford to pay** for alternative sources of information, knowledge and advice.

A critical need exists for **publically-funded knowledge exchange and innovation support systems** for small farmers, including services that go well beyond simple administrative support for CAP payments etc. This is a **major cross-cutting need** that influences all other needs above.



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HOW CAN POLICY ENABLE SMALL FARMS IN SOUTHERN EUROPE?

Policies are rarely implemented in isolation, but usually as a **'mix' of complementary measures**. The following policy recommendations for addressing the needs of small farms identified above are therefore formulated with reference to the three main types of policy intervention:

- **Regulation**
- **Financial Support**
- **Advisory and Innovation Support**

Where relevant some new tools and good practices are also mentioned.

Products, Markets and Marketing

Regulation

Numerous regulations impact upon the competitive environment within which small farmers operate.

Compliance with food safety and hygiene standards are a **constant source of pressure** upon small farms and there is potential at national level for further **flexibility in their interpretation and implementation**. But at the same time, **minimum standards must be maintained** as the cornerstone of greater market integration for small farms.

Other potential regulatory interventions by **national authorities** include:

- The **legal definition of agri-food supply chain agreements** that require all actors along the value chain to collaborate and rebalance power in the food chain, including more bargaining power for small farmers;
- The **legal definition of short supply chains**, including the establishment of specific rules for the branding and control of products within the supply chain. Italy's [Campagna Amica](#) (see box on the last page) is a very good example of this approach that could be replicated in other countries;
- More **flexible public procurement rules** that enable public caterers, such as schools and hospitals, to favour the purchase of produce from local small farms.

At **EU level**, it is **crucial to establish trade agreements** that define legal conditions and production standards that do not subject small farmers to unfair competition. In this respect there is also scope to **enhance the functioning** of the EU Quality Package to ensure it works more in favour of small-scale producers.

The **regulation of minimum prices**, such as in the “Milk Package”, is very beneficial for small farmers and could be extended to other sectors characterised by small-scale production.

Financial Support

There is great potential in the SE countries to continue **investing in the creation of a “culture of cooperation”** via financial support for the establishment of short supply chains based upon **clearly defined and functional local partnerships**. The cooperation measure (Measure 16) was **very popular and effective** during the 2014-2020 programming period of the Common Agricultural Policy (CAP) with much potential to enhance it further in the post-2020 CAP. For example, by connecting it with greater funding for **product innovation; branding** (e.g. by linking with traditional landscapes or nature conservation); **collective marketing**, and; **consumer awareness**.

Natural Resources and Climate

Financial Support

EU Member States will continue to be obliged to dedicate a significant proportion (minimum of 30%) of their post-2020 CAP rural development budgets to interventions for the environment and climate action. The proposed new ‘green architecture’ of the CAP offers the flexibility to develop **new and innovative ‘eco-schemes’ targeted at small farms** (e.g. promoting Integrated Pest Management) and encourages alternative/enhanced approaches for voluntary agri-environment-climate (AECM) schemes, notably via adoption of the results-based approach and/or **collective approach** (which is of particular value for enabling small farms to benefit from AECM payments).

As a general point, investments in irrigation infrastructures financed through national programmes may facilitate greater access to water for many farmers, but strategic investment is also needed for **building the resilience and adaptive capacity** of those small farms without the means or resources to secure regular access to water.

National authorities should also consider the development of **specific risk management tools** to help small farmers deal with the risks associated





with climate change. There are inspiring examples available from the international development community.

Advisory and Innovation Support

As already noted, significant improvements are needed in the knowledge exchange and innovation support systems provided for small farmers. This is especially important regarding natural resource management and climate action, but is of course also relevant to improving their economic and social performance.



National authorities are recommended to consider:

- The targeted use of public funding to provide **more strategic advisory support for small farms on key issues** such as eco-conditionality and adaptation to climate change. In some SE countries this needs to begin with **basic issues such as increased spending on local advisory offices and the better training of advisers**. But it also extends to **more funding for research of relevance to small farms** and greater co-ordination/communication between small-scale farmers, advisers and researchers;
- The **development of innovative new advisory approaches for small farms**, such as knowledge exchange networks, discussion groups and specialist demonstrations farms. This may involve the **more flexible interpretation of eligibility criteria** to allow a more diverse range of actors to access post-2020 rural development funding;
- The development of mechanisms to **better co-ordinate public and private advisers** in order to ensure more efficient and complementary knowledge exchange activities benefiting small farmers;
- Controlling the market entry and operation of private advisers **in certain specific domains** (e.g. agrochemicals).

Existing EU support for interactive innovation **should be continued** and national authorities are encouraged to **foster and facilitate much greater uptake of post-2020 CAP funding** for EIP-AGRI Operational Groups that aim specifically to address the needs of small farmers.

Generational Renewal and New Entrants

National authorities must put much **greater emphasis upon fostering generational renewal and new entrants** in the small farm sector. Again there are multiple dimensions to this issue and the **national authorities of individual countries are best placed to assess how to intervene** on specific issues such as land price regulation, taxation, laws on inheritance or territorial planning.

Financial Support

Whilst young farmers must continue to be targeted as a specific beneficiary for various forms of CAP support, it is also recommended to **recognize new entrants (with clearly defined eligibility criteria) as a distinct category deserving similar direct support**, but having slightly different requirements and expectations. New entrants into small farming can also receive direct financial support from local/regional authorities and there are examples of such existing schemes in other European countries.

Drawing on the Spanish experience, **land banks** are also a good practice to promote in order to improve the access of farmers who want to enter farming and/or develop existing small-holdings.



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Advisory and Innovation Support

One of the key resources often overlooked in discussions about generational renewal and new entrants is the **knowledge and experience embedded in older generations of farmers**. There are numerous opportunities within the post-2020 CAP rural development funds (including LEADER) for the development of **support measures for rural networking, demonstration farms and general knowledge transfer between old and young farmers**.



GOOD PRACTICES

THE ITALIAN NETWORK SHORT SUPPLY CHAIN BY CAMPAGNA AMICA, THE FOUNDATION PROMOTED BY COLDIRETTI

The **Campagna Amica** network is managed according to a common set of rules. These refer to branding, colours, behaviour, environmental ethical code, and control systems regarding the origin and quality of food product. Each point of sales is managed by farmers. Campagna Amica provides support as training activities, common promotion and communication about the initiative, advisory services on legal framework.

FOOD SUPPLY CHAIN AGREEMENTS DEVELOPED BY BY THE ITALIAN AGRICULTURE MINISTRY

They require to the actors along a sectorial food chain to collaborate, defining the minimum priced paid to the farmers and the minimum quantity that farmers should guarantee.

COLDIRETTI'S "INNOVATION ADVISORS"

The training courses developed by Coldiretti under Measure 16 of the 2014-2020 Rural Development Programs with the aim of creating a national network of Innovation Advisors were well received and praised also by European policy makers. These facilitate the introduction of innovation within farms, even small ones.



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