



European Commission
Agriculture and Rural Development



Other Gainful Activities

Pluriactivity and Farm Diversification

in EU-27

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Outline of the presentation

- Definitions: pluriactivity and farm diversification
- Extent and overview of Pluriactivity
- Extent and overview of Farm Diversification
- Contribution of Rural Development Measures



Definitions (1)

■ Pluriactivity

- Farm manager
- Existence of other gainful activities for the farmer, i.e. every activity other than activity relating to farmwork, carried out for remuneration
- E.g.: External employment, setting up of tourism activities...

■ Diversification

- Holding
- Creation of any gainful activity that do not comprise farm work but are directly related to the holding
- E.g.: tourism, handicraft, processing of farm products, wood processing, aquaculture, contractual work using equipment of the holding...



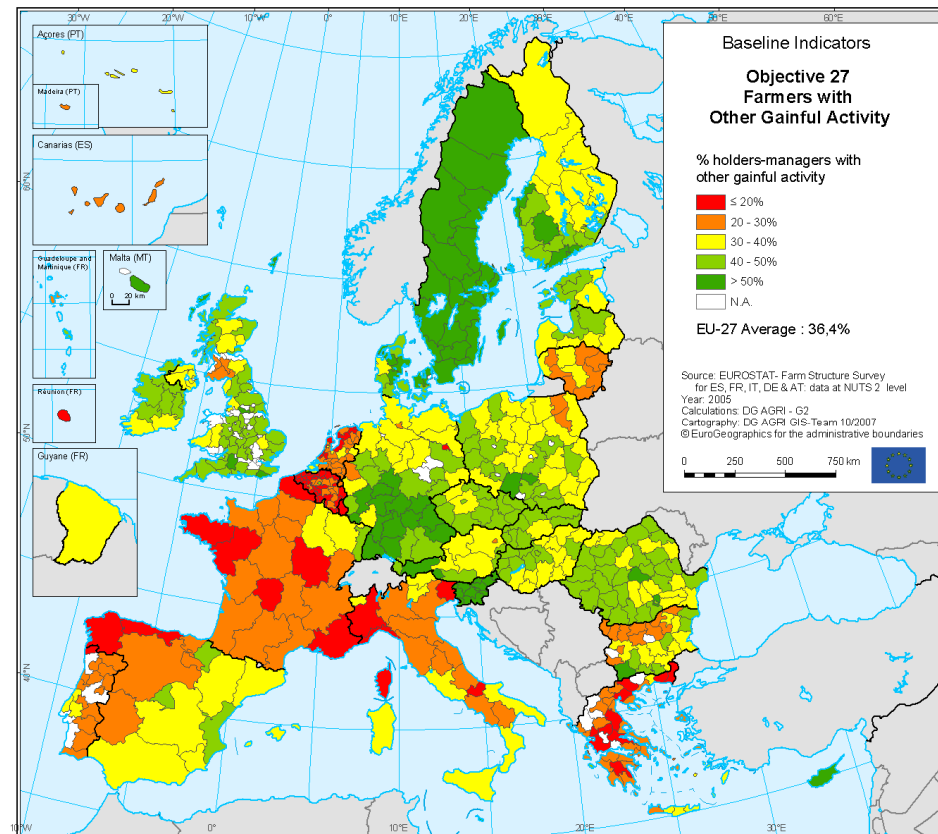
Definitions (2)

Farm status		Pluriactivity of the manager		Diversification of the holding	
Family farms (sole holder holdings)	Sole holder is the manager	Manager is pluriactive	<i>Outside the farm:</i> - on another holding - non-farm work - farm work - <u>employment in a non-agricultural enterprise</u>	Grey zone	<i>On the farm using the resources of the holding</i> at least the manager of the family farm carries out this diversification
			<i>On the farm, not using the resources of the holding</i>		No diversification
				(*)	Another member of the family, or any other person carries out diversification activity
	Sole holder is not the manager				No diversification
				Not surveyed	Diversification activity
	Non-family farms (legal entities, group holdings)				No diversification
			Not surveyed	Diversification activity	

Grey zone, due to definition



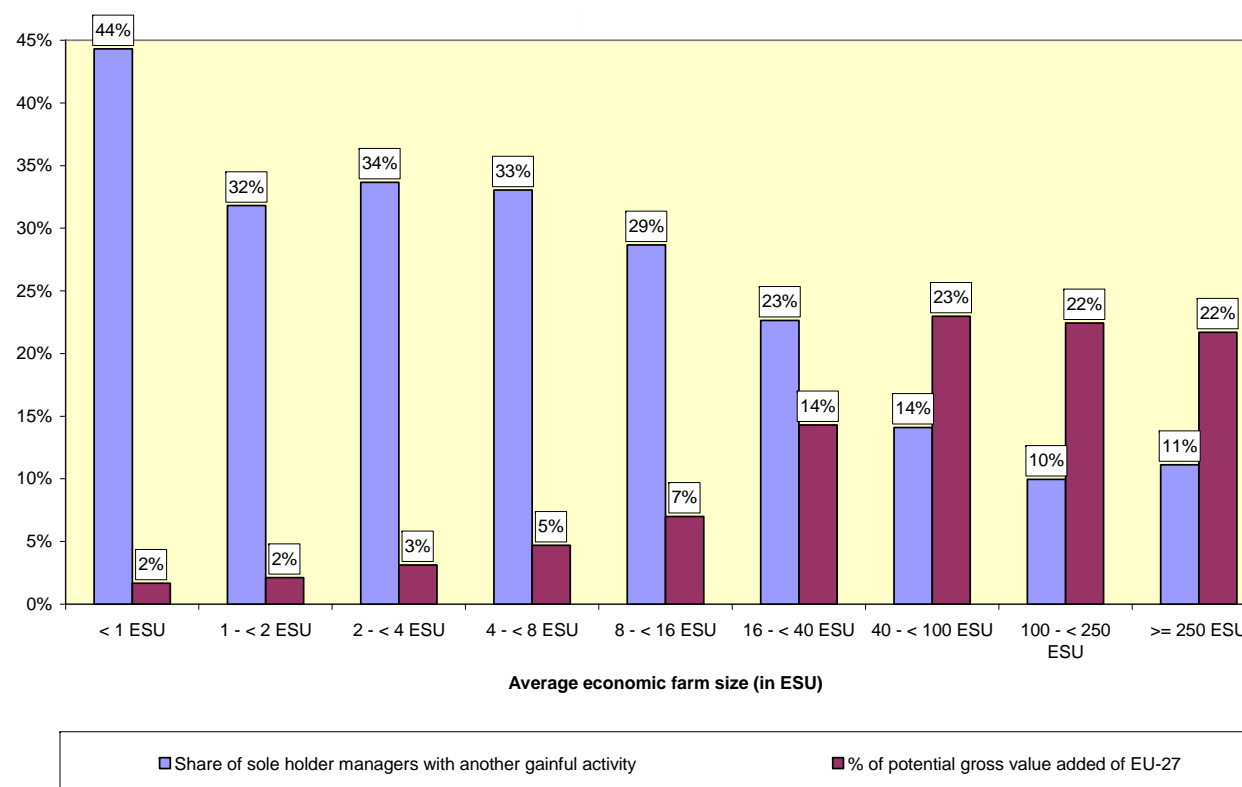
Pluriactivity: 36% of EU-27 family farm managers



Year: 2005 - Source: Farm Structure Survey (FSS)



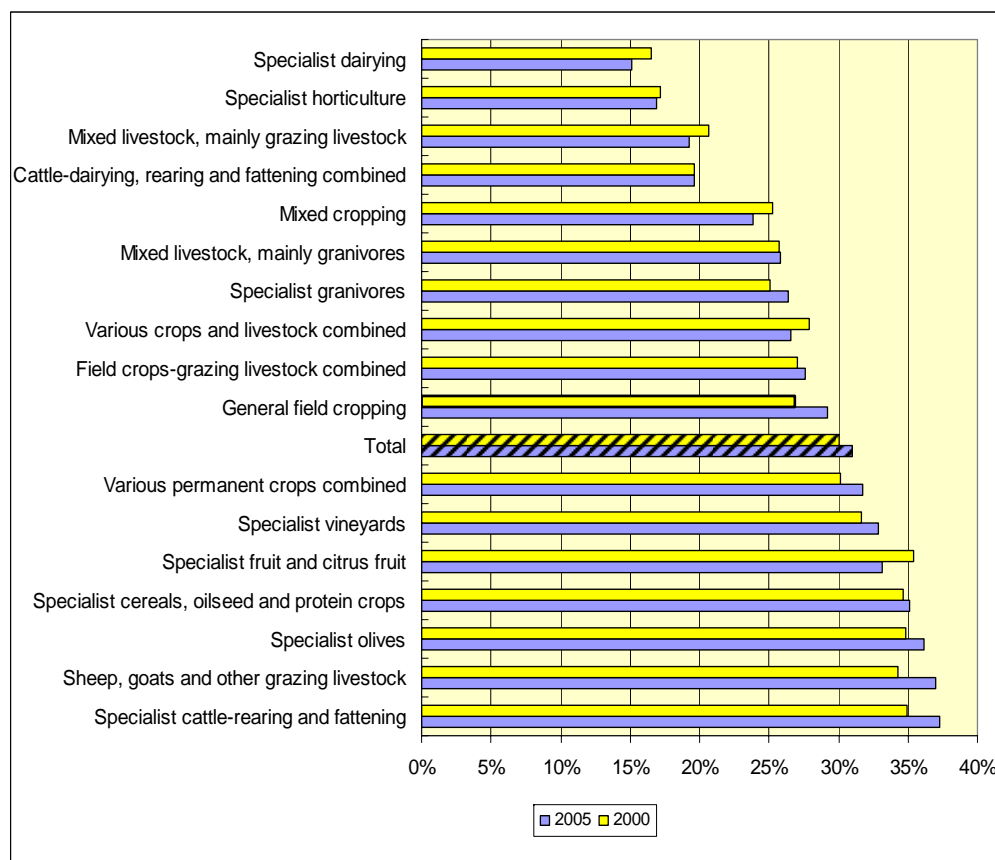
Pluriactivity: a specificity of small farms





Pluriactivity & type of farming

Share of pluriactive sole holder managers by farm type – EU-15



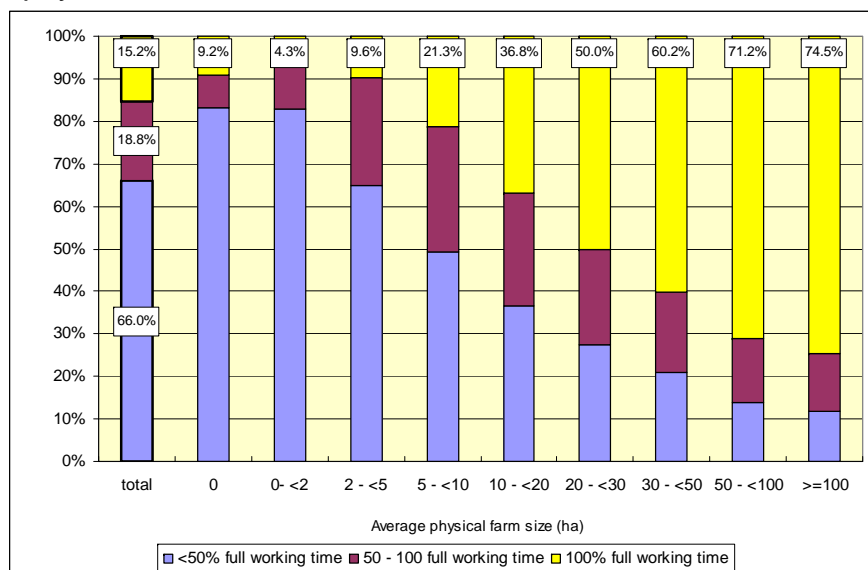
Dairy farmers
are about
twice less
pluriactive than
others...

Source: Farm Structure Survey (FSS)



Pluriactivity, part-time farming & age

Distribution of family farm holders by working time and physical size of the farm – EU-27 - 2005



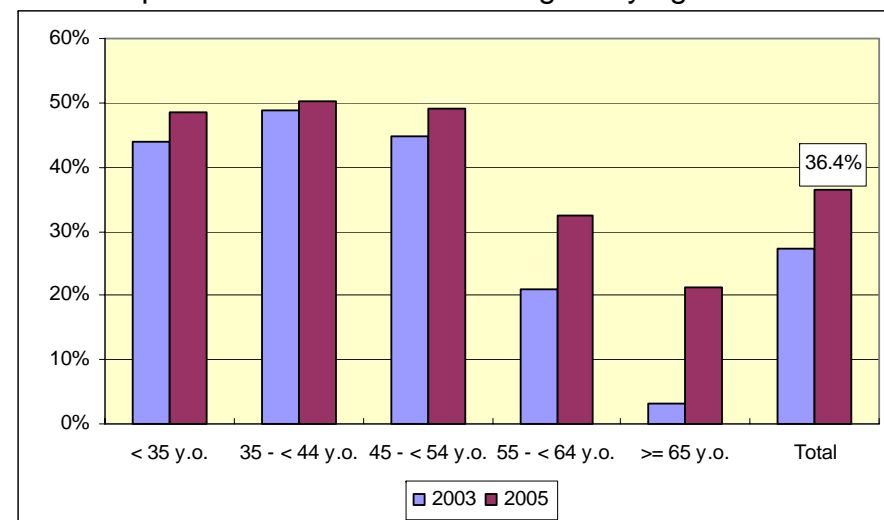
And of course, pluriactivity is not praised by older farmers →

Whereas old farmers are the majority in some countries (IT, GR)

To become pluriactive, **time availability** is a major constraint ...not met on larger farms or on some types of farms



Share of pluriactive sole holder managers by age class – EU-27





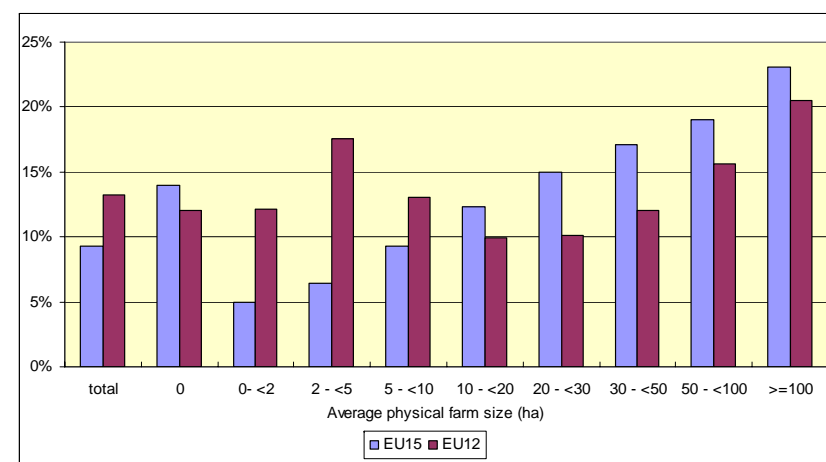
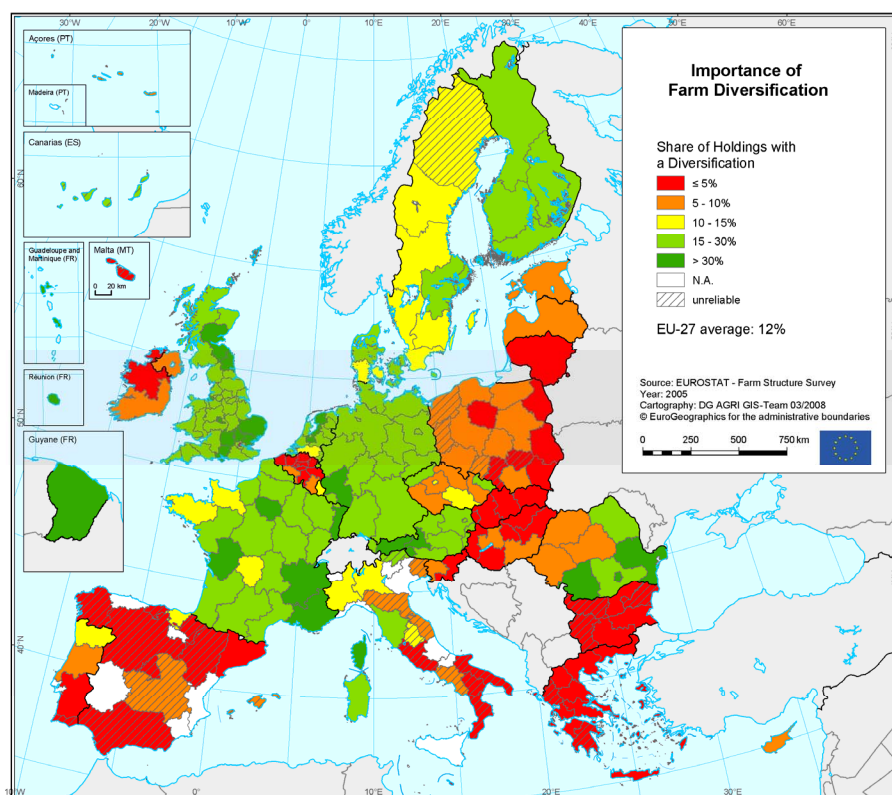
Farm diversification

12% of EU-27 farms

More widespread on big farms

More widespread in EU-15

Comparative share of farms with diversification in EU-15 and EU-12 according to the physical size of the farm





Processing of agricultural products is the most popular diversification activity, tourism not so widespread

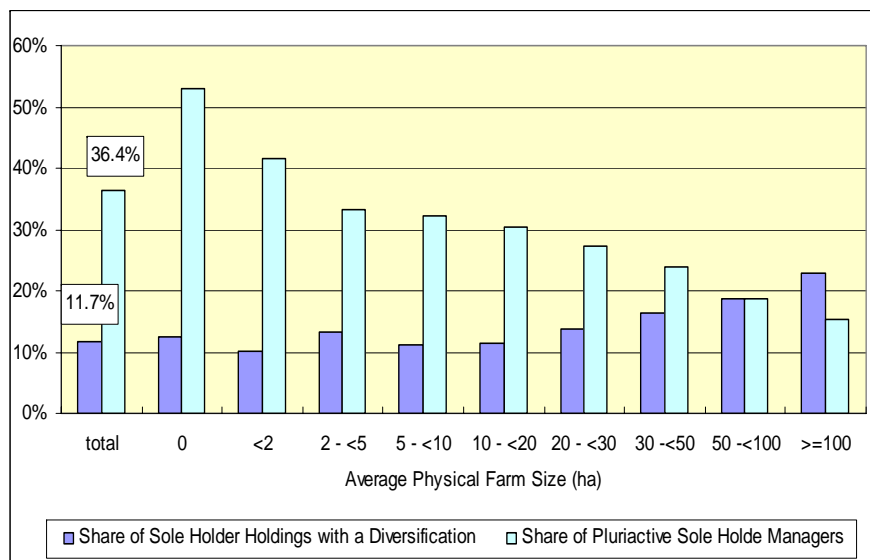
Table 2: Importance of three selected diversification activities - 2005

% farms diversified in processing of farm products	EU-27	55.8%	From 1.6% in Latvia to 93.8% in Malta. Also important in Cyprus (92.5%), Portugal (86.2%), Italy (84.0%), Romania (73.4%), and Hungary (62.7%) Less than 5% only in UK (5.0%), FI (4.3%), PL (4.0%) IE (3.6%), DK (3.2%) and LV (1.6%)
	EU-15	41.4%	
	EU-10:	17.1%	
	EU-12:	63.1%	
% farms diversified in tourism	EU-27	7.1%	From 0% in Malta to 46.8% in the United Kingdom. Also important in Austria (35%), Sweden (22.8%), Belgium (20.1%), Slovenia (20.0%) and Ireland (19.6%)
	EU-15	18.1%	
	EU-10:	6.6%	
	EU-12:	1.4%	
% farms diversified in contractual work	EU-27	11.3%	From 0% in Czech Republic to 72.8% in Bulgaria. Also important in Finland (55.9%), Greece (55.4%), Sweden (46.7%), and Denmark (43.8%)
	EU-15	19.8%	
	EU-10:	18.2%	
	EU-12:	7.0%	

Source: Eurostat- Farm Structure Survey



Diversification and farm size

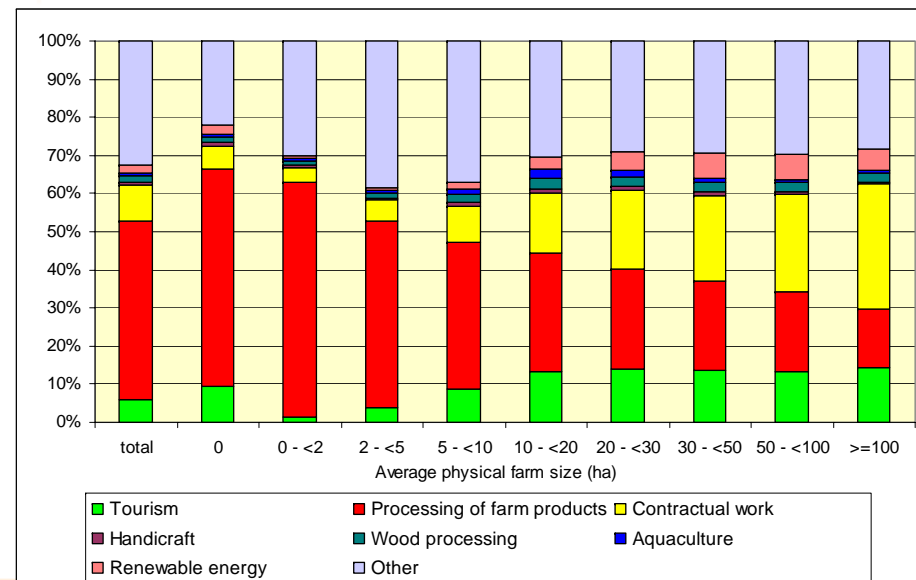


Processing of agricultural products on small farms, contractual work using equipment of the holding on the larger ones →

Farm diversification increases with farm size



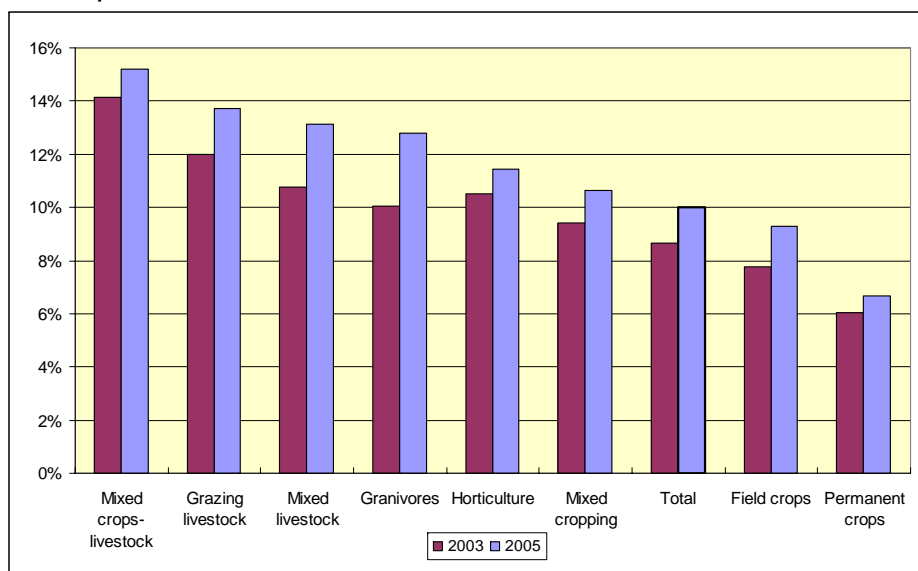
Frequency of given diversification activities according to the physical farm size





Diversification and type of farming

Share of farms with a diversification activity according to the farm specialisation – EU-15

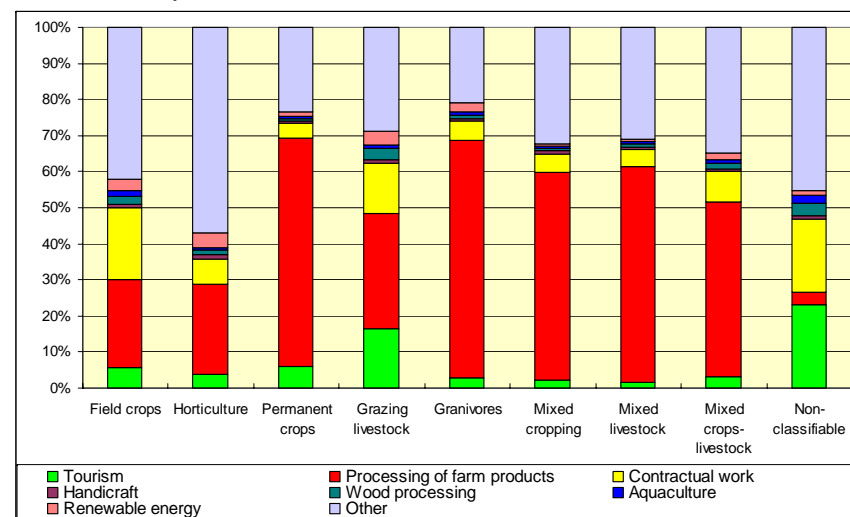


The choice of diversification activity also depends on the farm specialisation →

Farms specialised in animal husbandry are more diversified than crop farms (by contrast to pluriactivity)



Frequency of given diversification activities according to the farm specialisation – EU-27

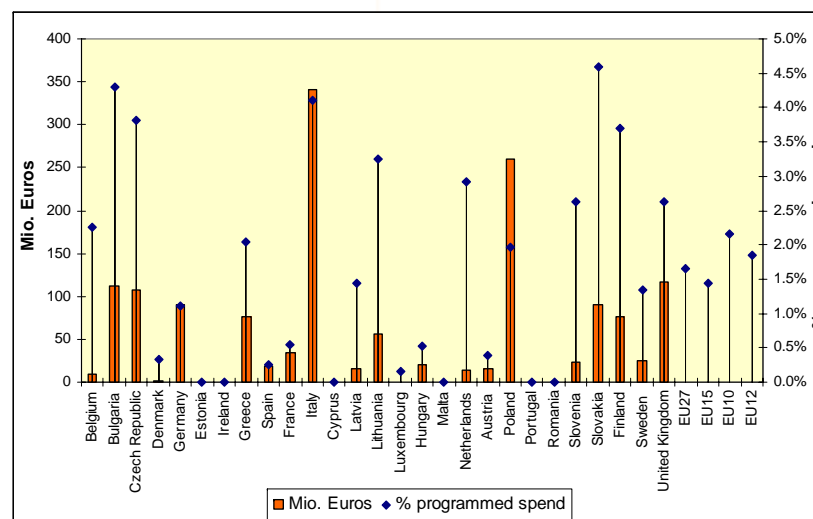




The contribution of RD measures (1)

- 1 specific measure: diversification into non-agricultural activities
(Objective 5B programmes / 2000-2006: measure 'p' / 2007-2013: measure 311)

Graph 15 Programmed Rural Development expenditure on measure (311) by Member State - 2007-2013



Note: situation as of November 2007.

- But many other possibly contributing (Leader, investment on farms, ...)



The contribution of RD measures (2)

- A long tradition in some MS...
- ...with a parallel development of diversification

Table 5: Diversification of agricultural holdings in selected countries – 2000 - 2006

Country	United Kingdom	Netherlands	Italy	France	Austria	Finland
% Guarantee RD spent 2000-2006	2.8%	2.1%	1.8%	1.1%	1.4%	1.0%
% farms with 2000 diversification	19.3%	2.9%	8.8%	22.7%	16.7%	21.4%
2005	24.0%	22.5%	6.1%	25.0%	21.4%	29.0%

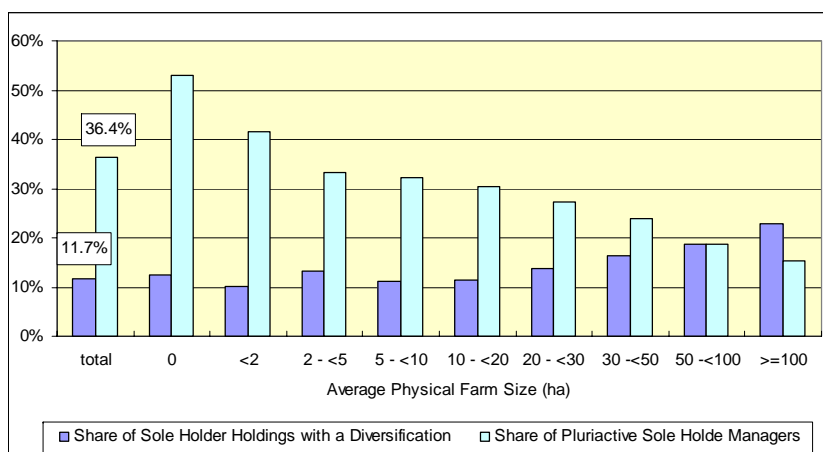
Sources: DG AGRI & Eurostat Farm Structure Survey

- A positive impact on employment & income
- But other factors involved
 - Educational attainment, motivation, national legal provisions...



Conclusion

- The occurrence of OGA is influenced by:



- Farm **size**
- Farm **specialisation**
- Farm **location**
- Human capital**

EU-27 – 2005 – Source: FSS

- The RD diversification measure plays a positive role
 - Setting-up, employment, income
- But not the solution for all farms