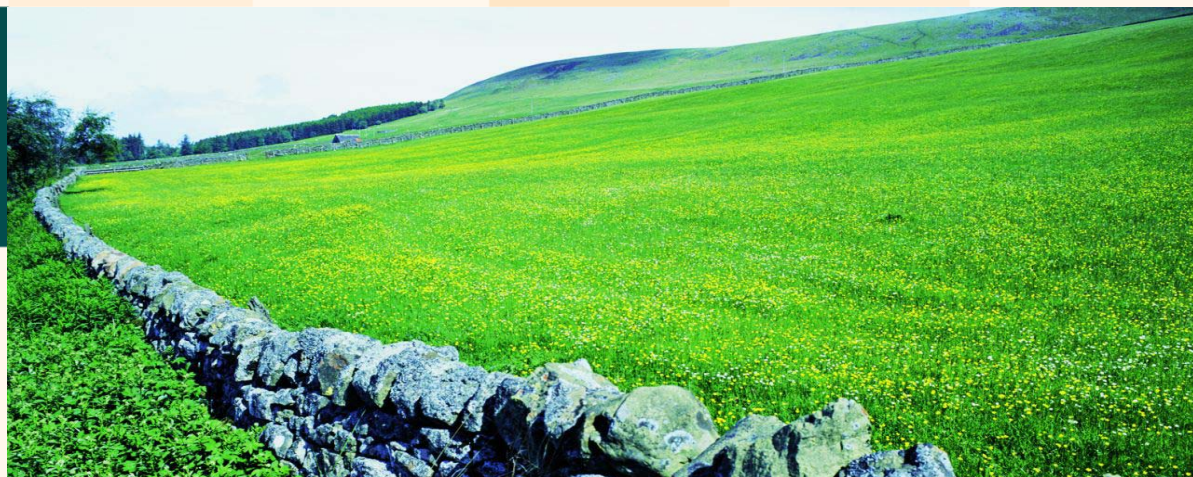




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# **Other Gainful Activities Pluriactivity and Farm Diversification in EU-27**

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17 juin 2008



# 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)

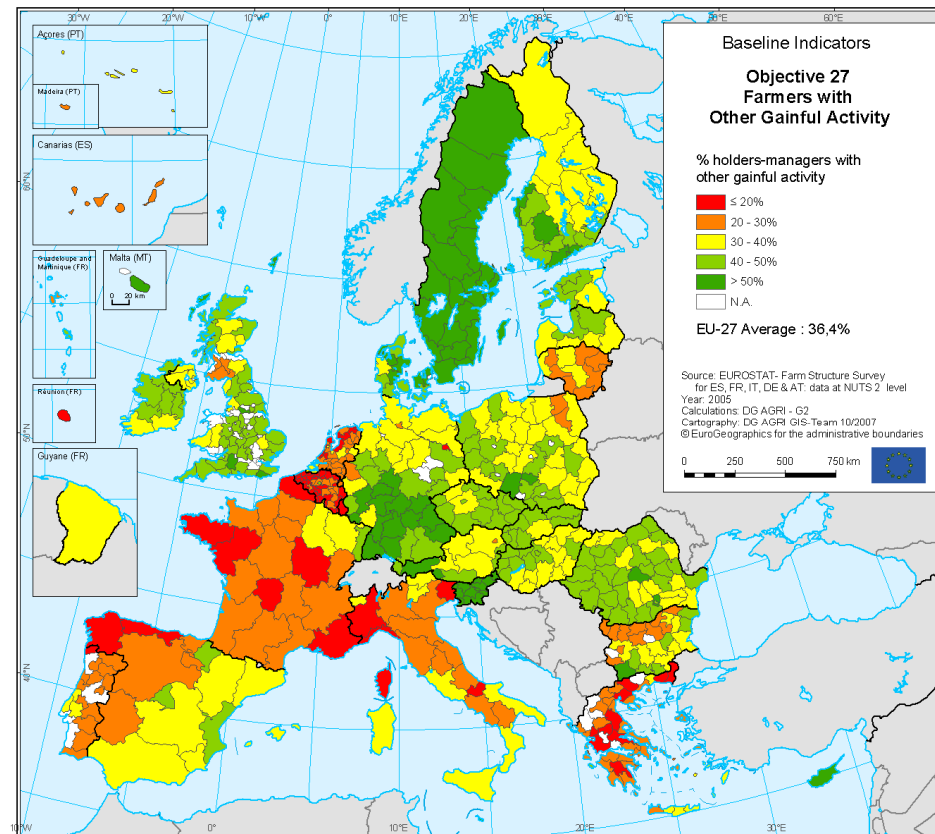
Farm status		Pluriactivity of the manager		Diversification of the holding	
<b>Family farms</b> (sole holder holdings)	Sole holder is the manager	Manager is pluriactive	<i>Outside the farm:</i> - on another holding - non-farm work - farm work - <u>employment in a non-agricultural enterprise</u>	Grey zone	<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			Grey zone	No diversification
			Not surveyed		Diversification activity
	<b>Non-family farms</b> (legal entities, group holdings)			Not surveyed	
					Diversification activity

Grey zone, due to definition



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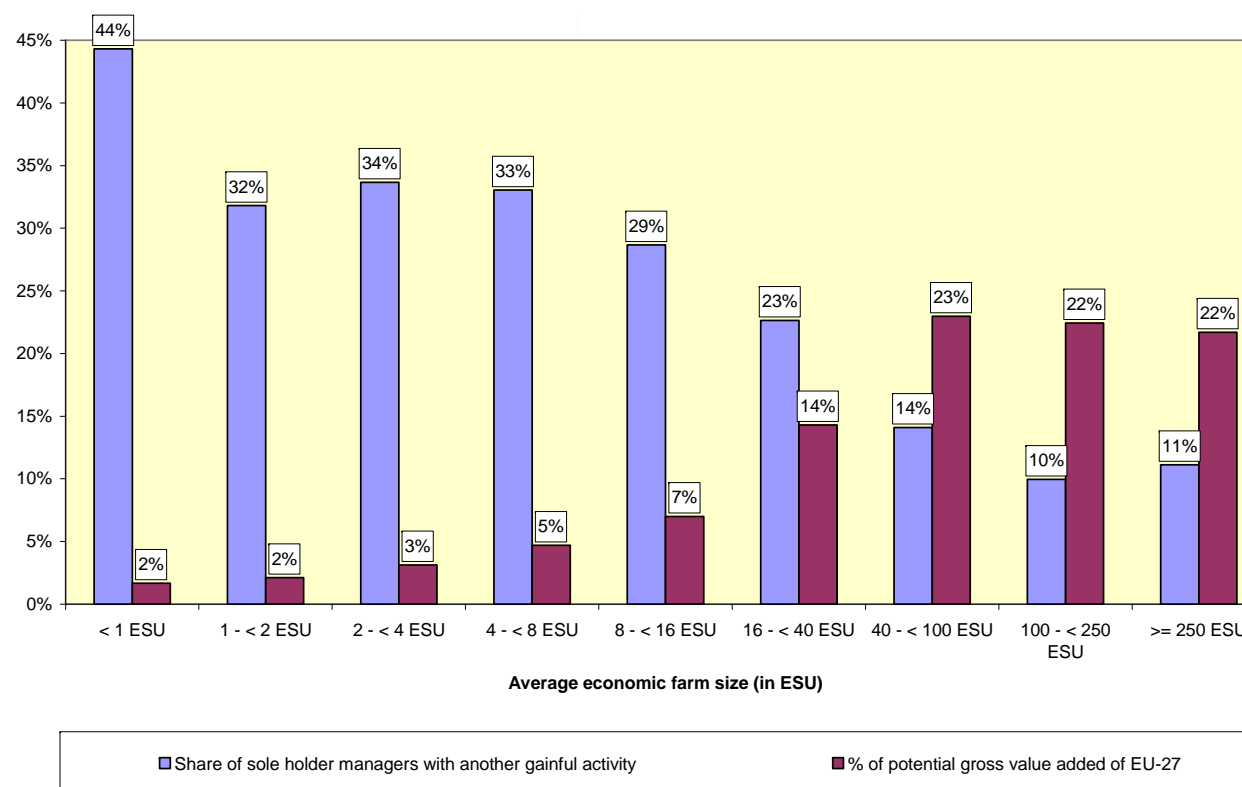
# Pluriactivity: 36% of EU-27 family farm managers



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



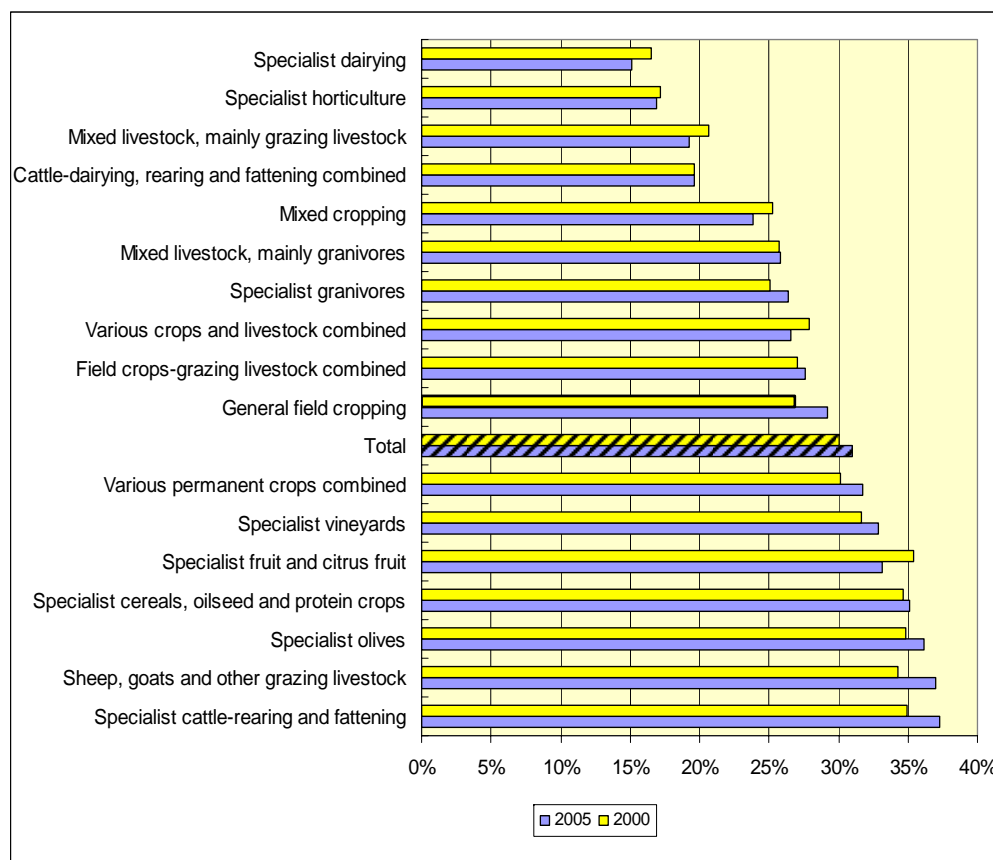
# Pluriactivity: a specificity of small farms





# Pluriactivity & type of farming

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

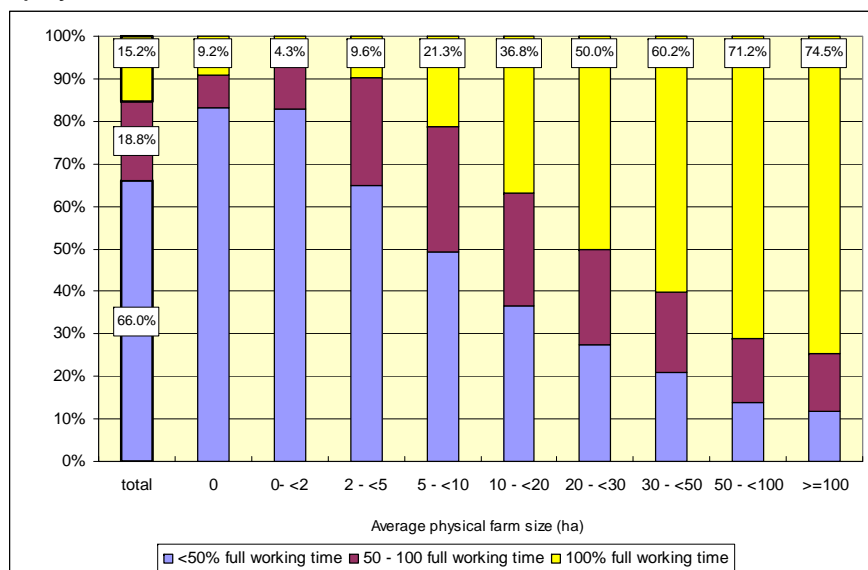


Dairy farmers  
are about  
twice less  
pluriactive than  
others...



# Pluriactivity, part-time farming & age

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



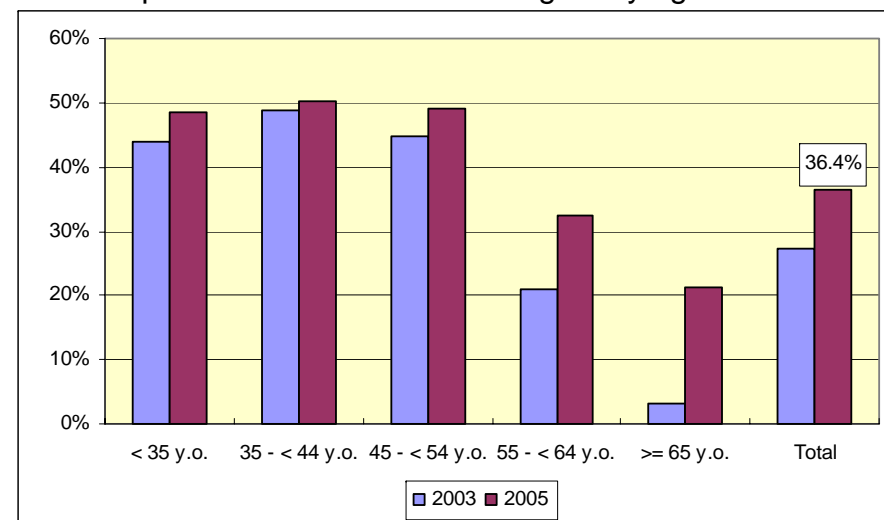
And of course, pluriactivity is not praised by older farmers →

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







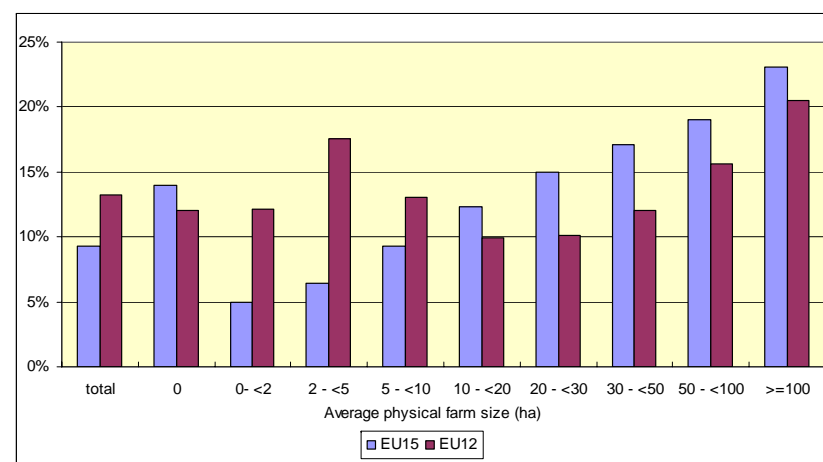
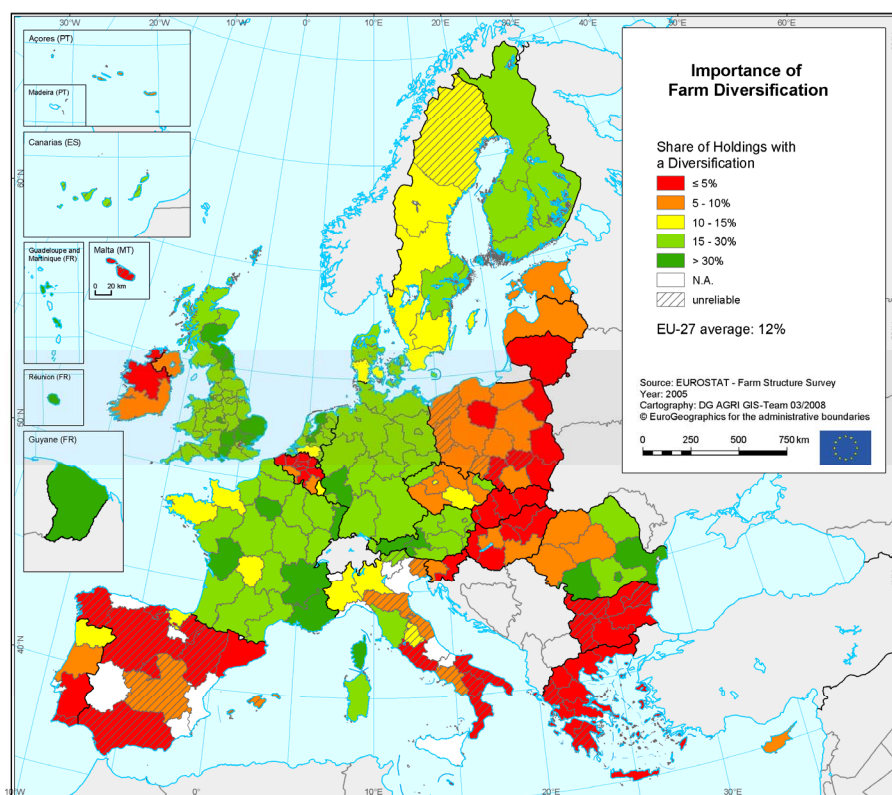
# Farm diversification

## 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

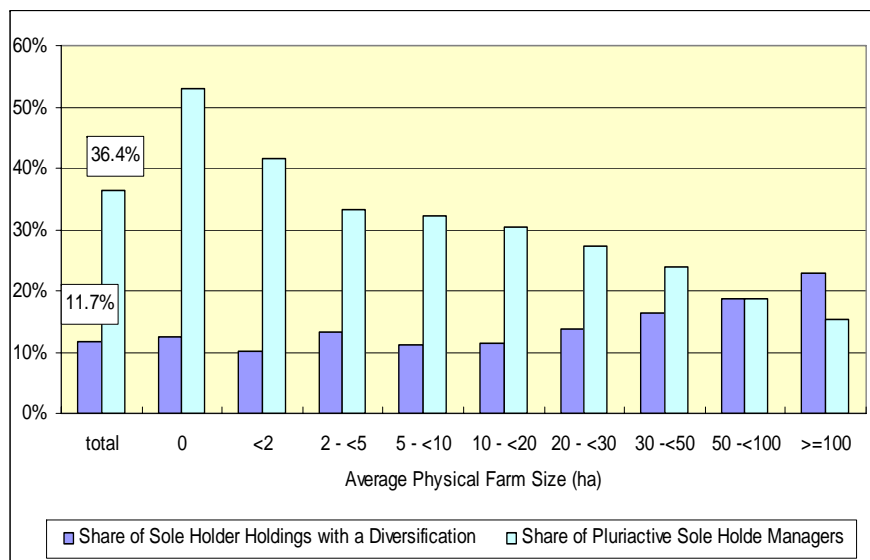
**Table 2: Importance of three selected diversification activities - 2005**

% 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

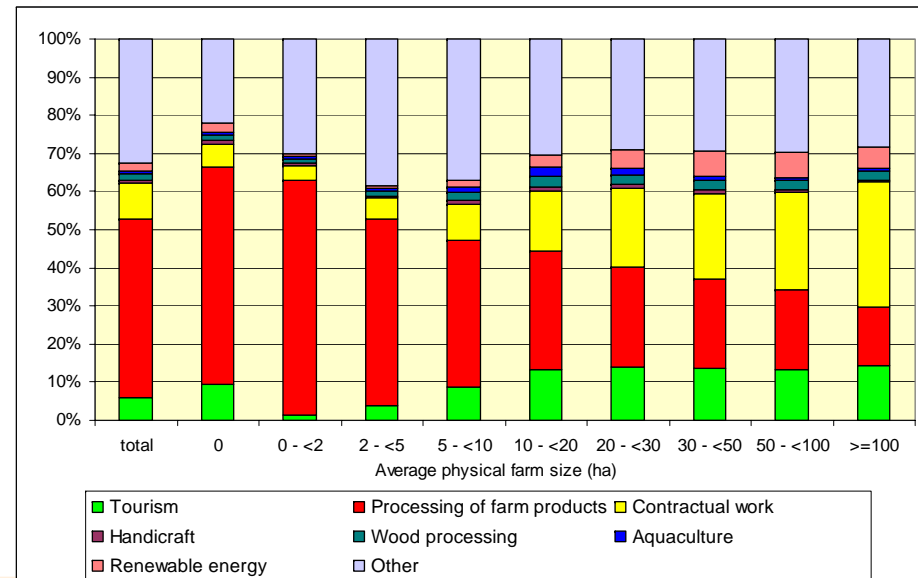


Processing of agricultural products on small farms, contractual work using equipment of the holding on the larger ones →

Farm diversification increases with farm size



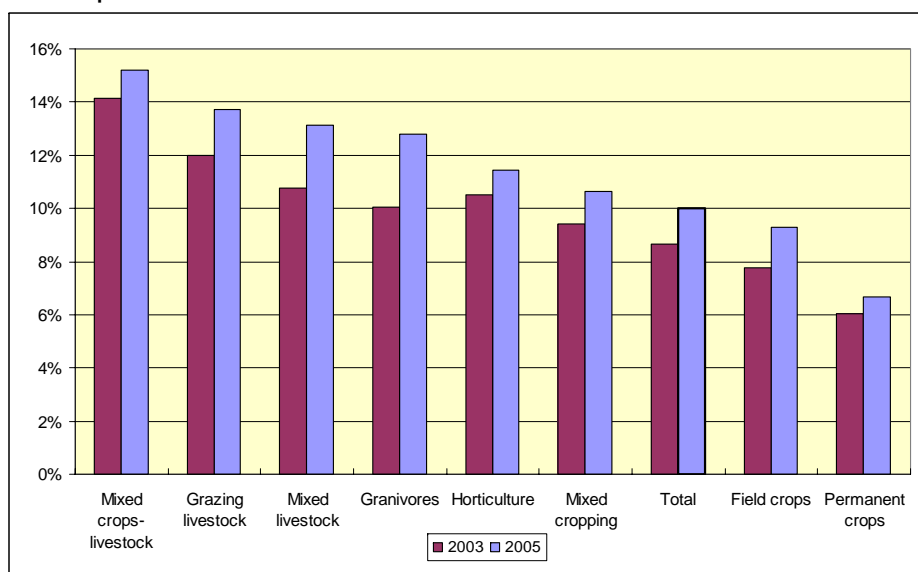
Frequency of given diversification activities according to the physical farm size





# Diversification and type of farming

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

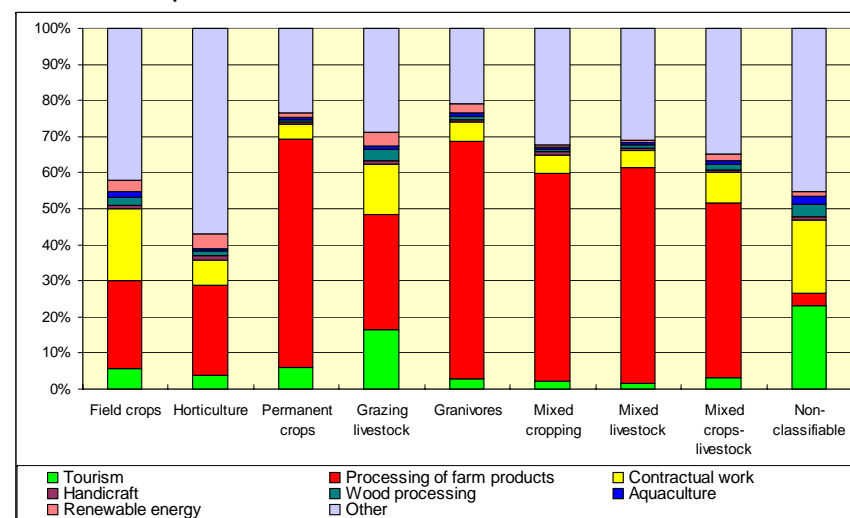


The choice of diversification activity also depends on the farm specialisation →

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

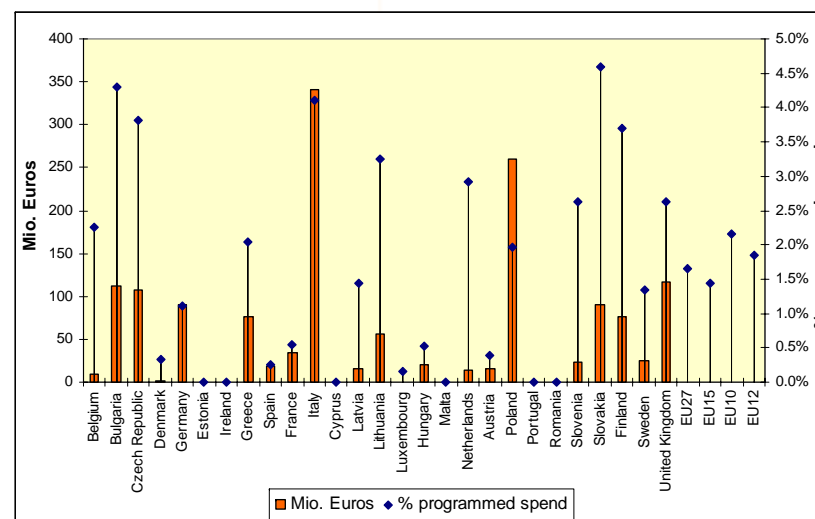




# The contribution of RD measures (1)

- 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%

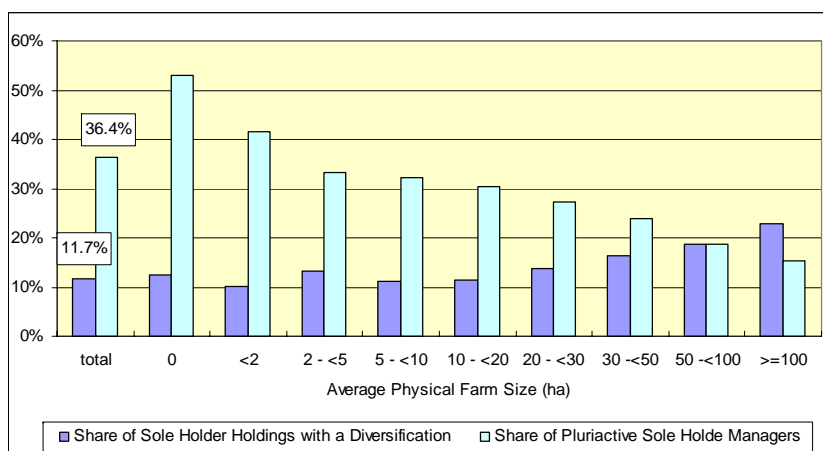
Sources: DG AGRI & Eurostat Farm Structure Survey

- 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