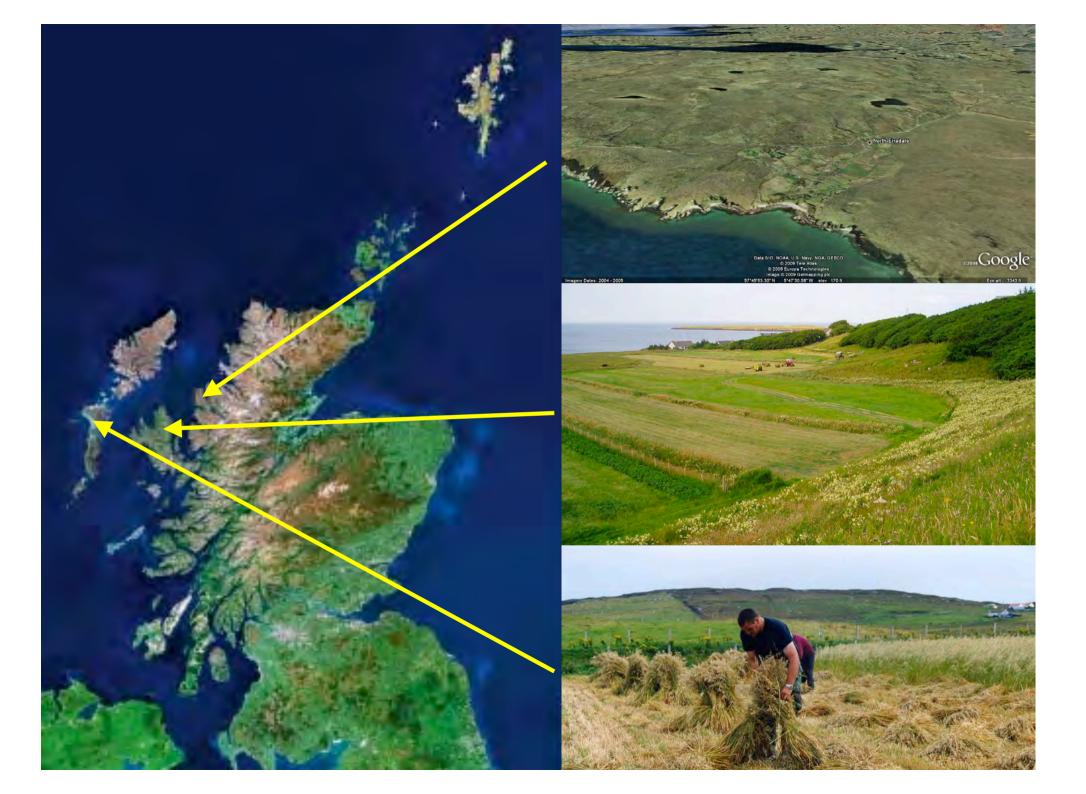


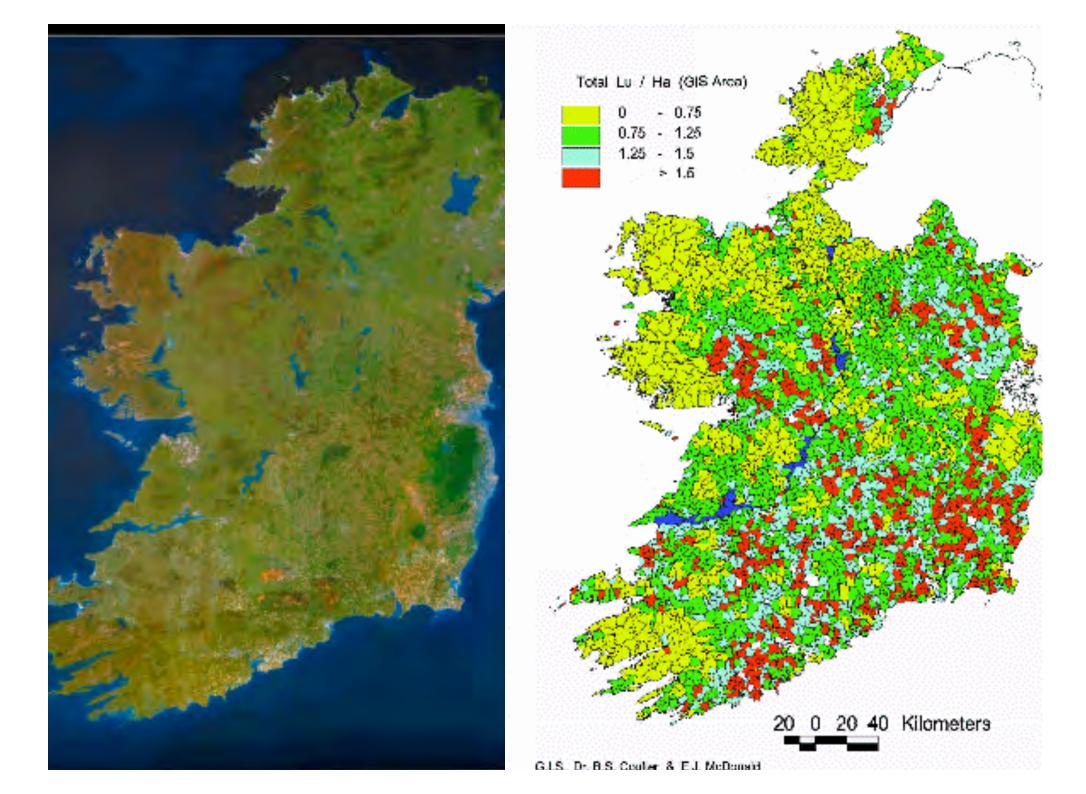
Socio-economic realities - fundamental considerations, not afterthoughts

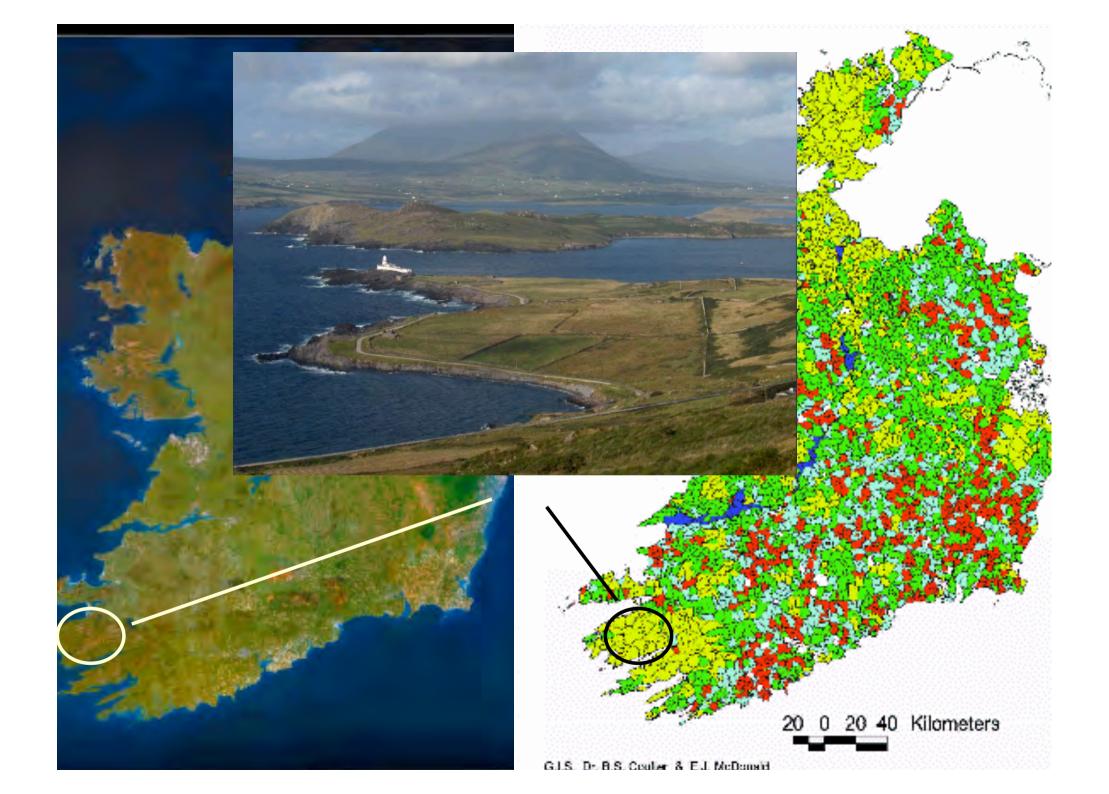
Gwyn Jones, EFNCP

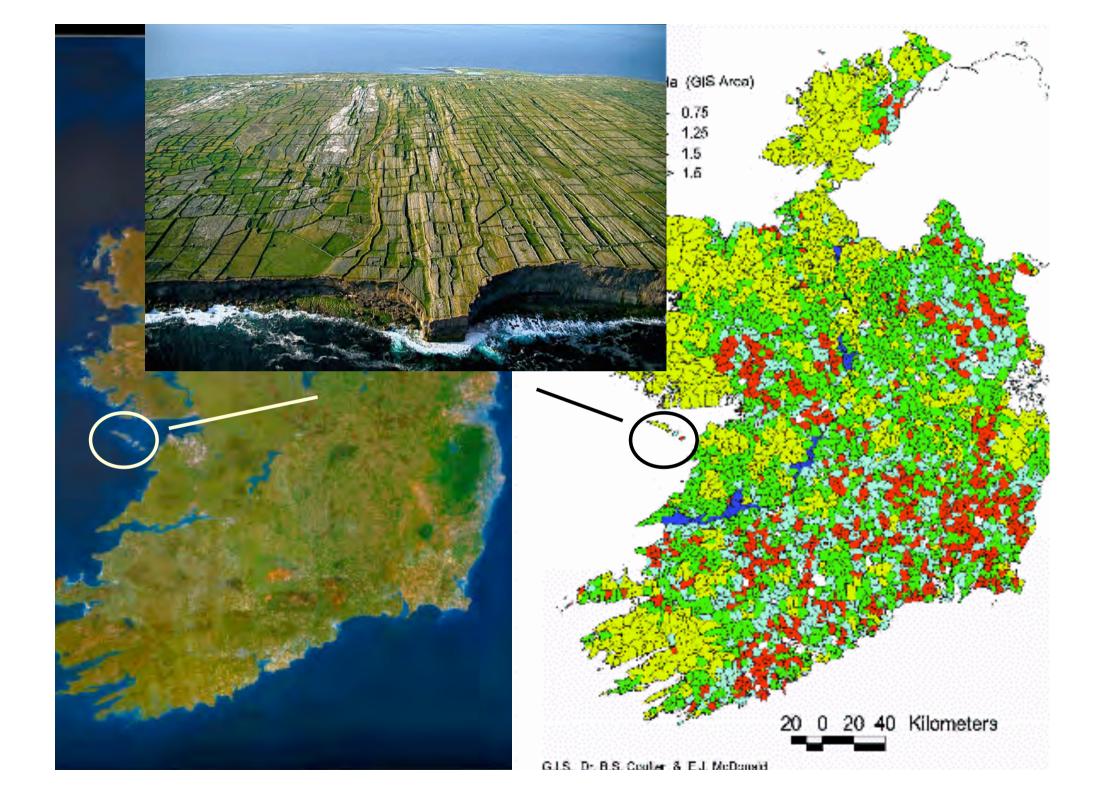


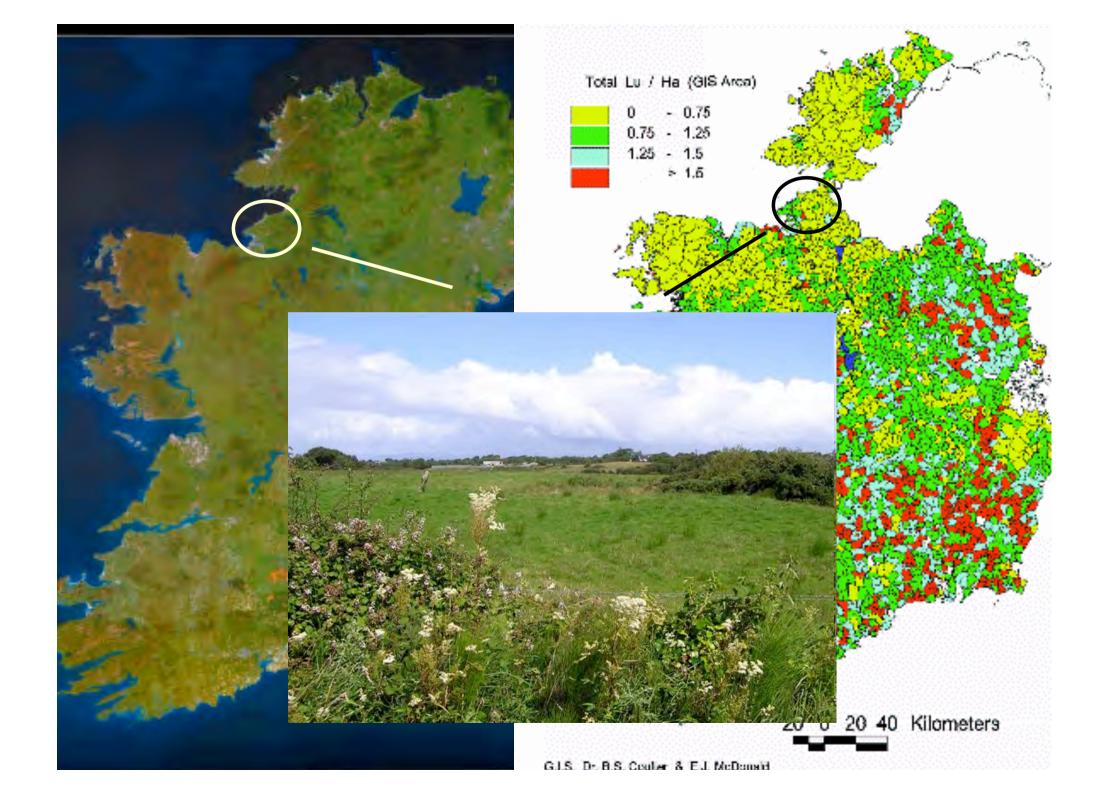




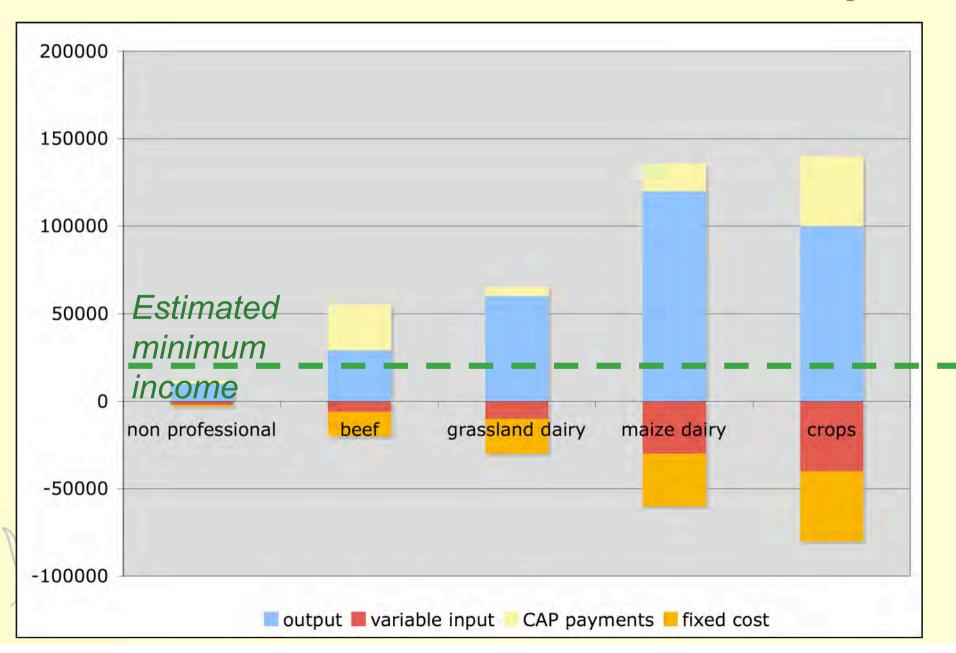


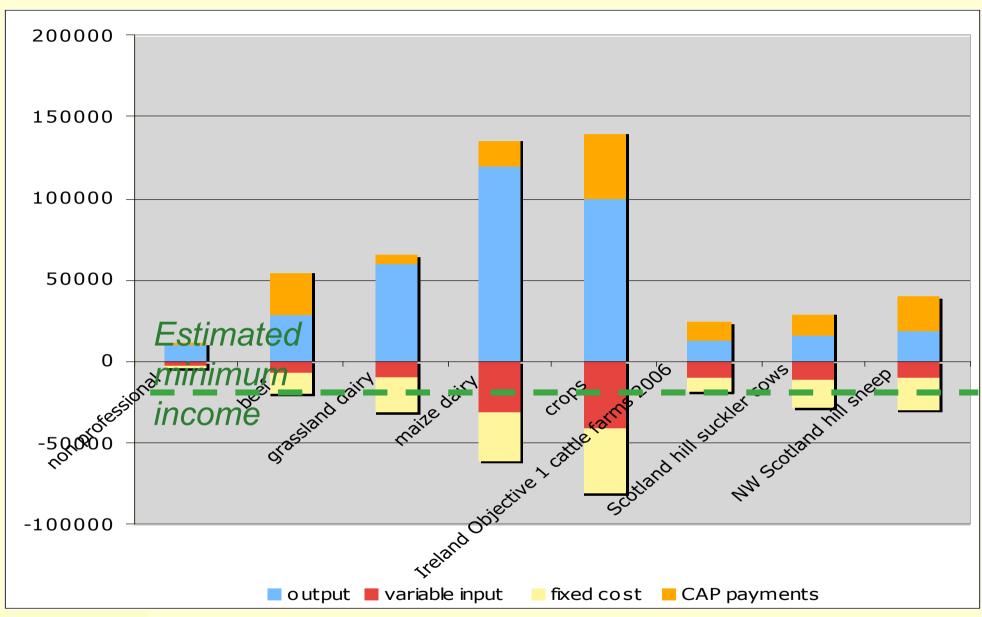




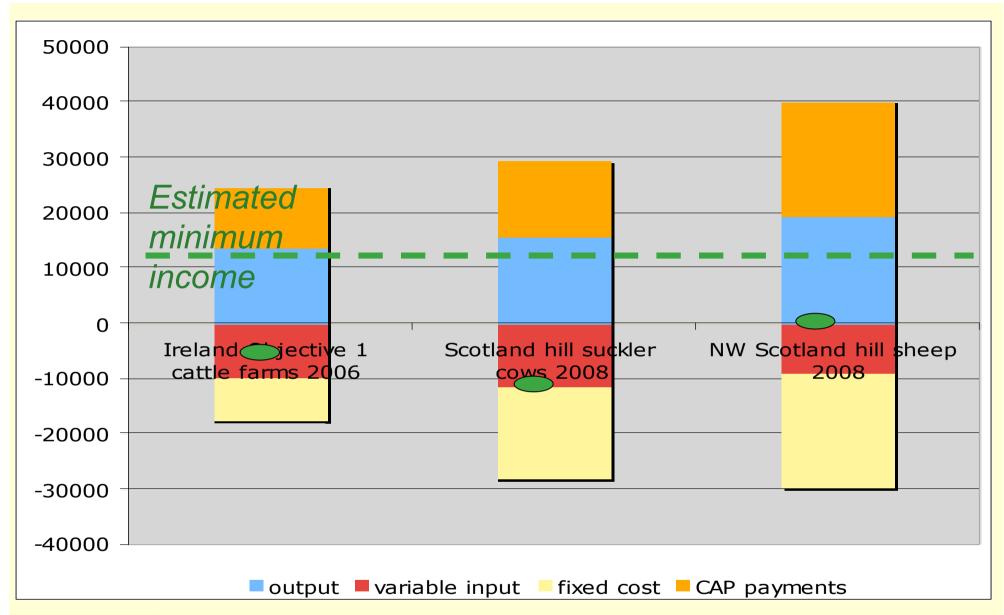


Estimated structure of farms economy

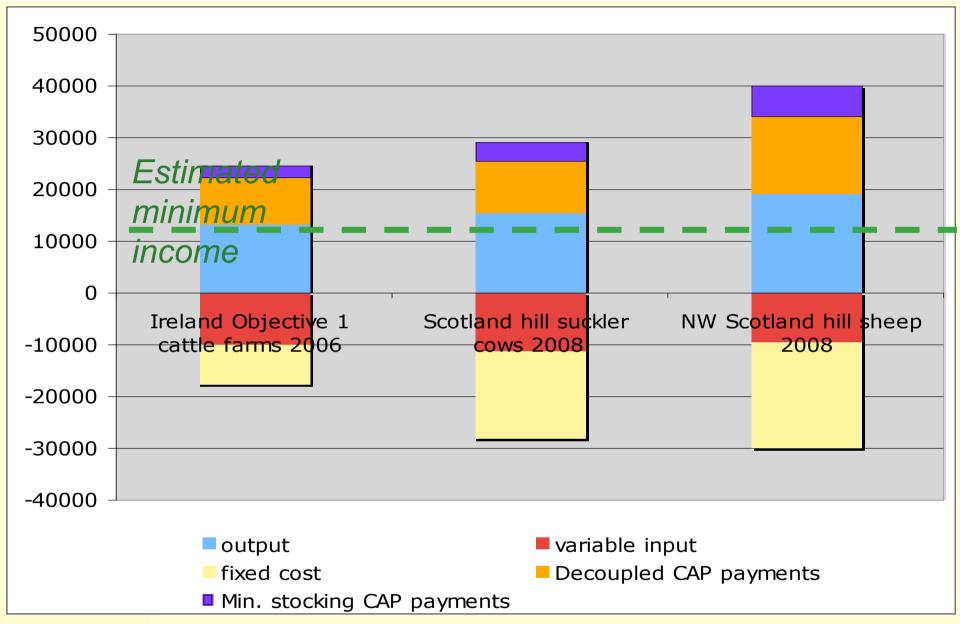




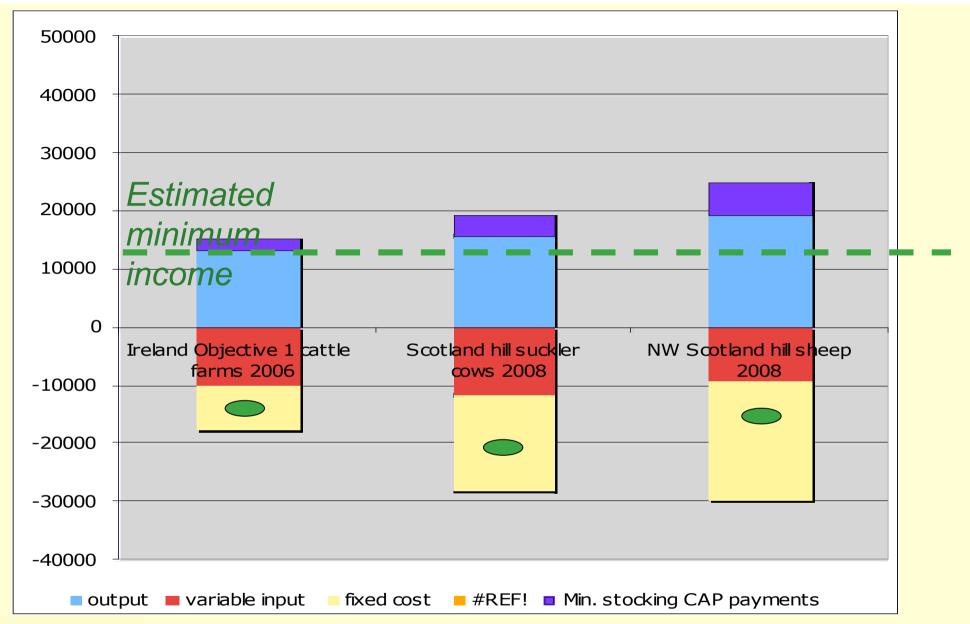




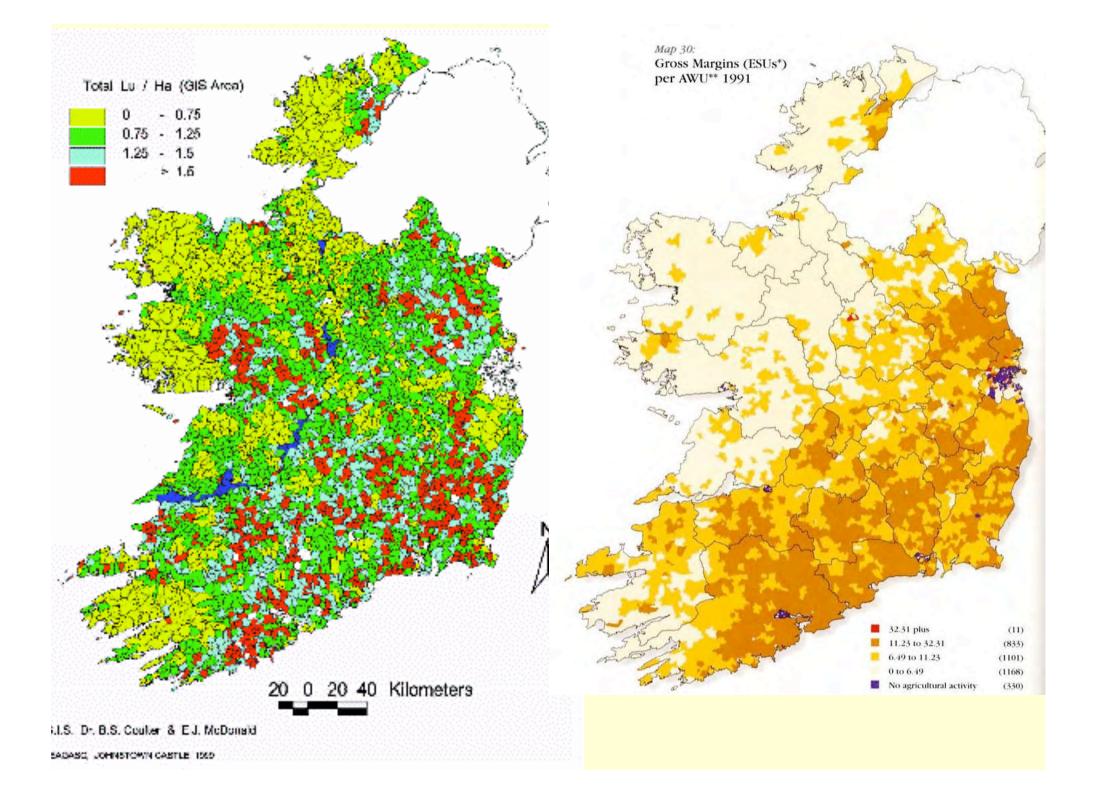






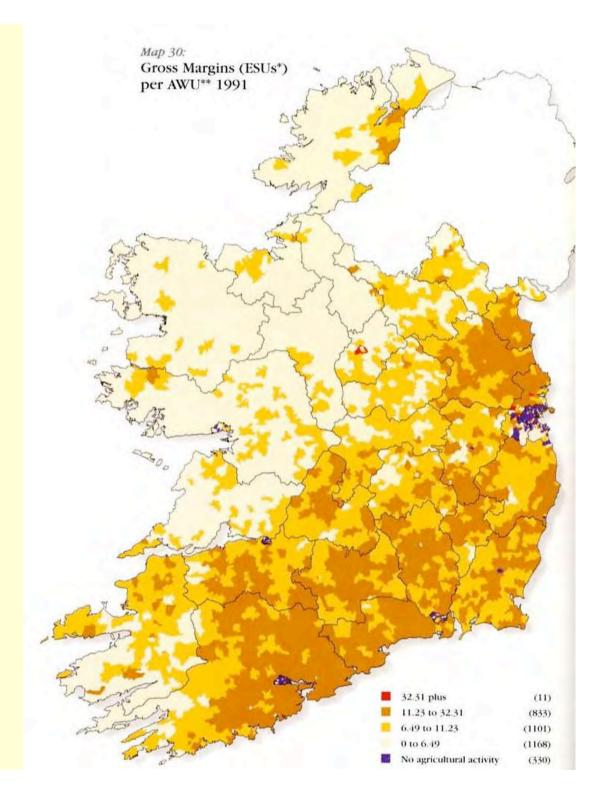


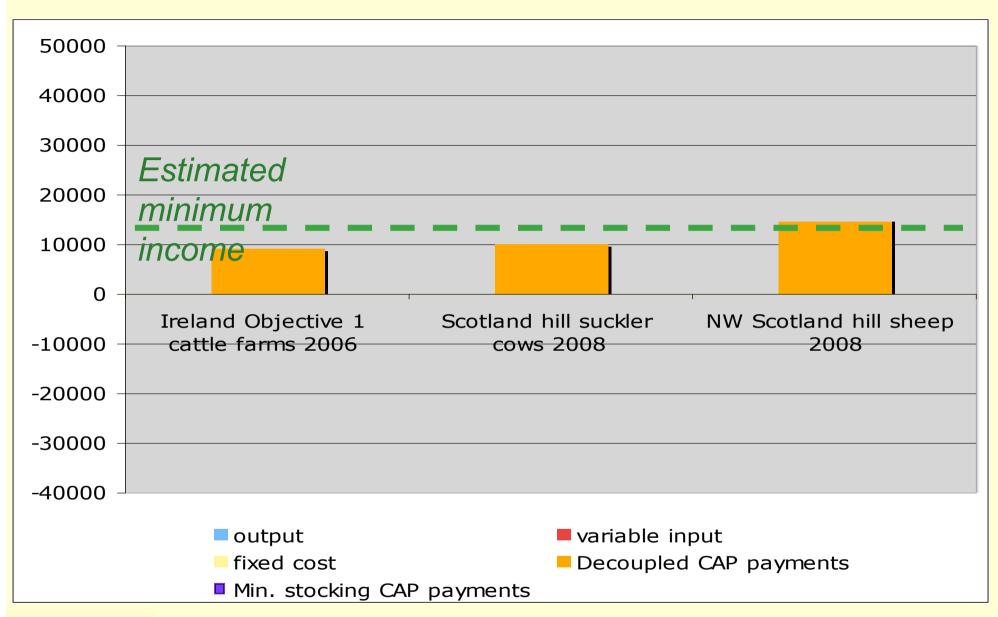




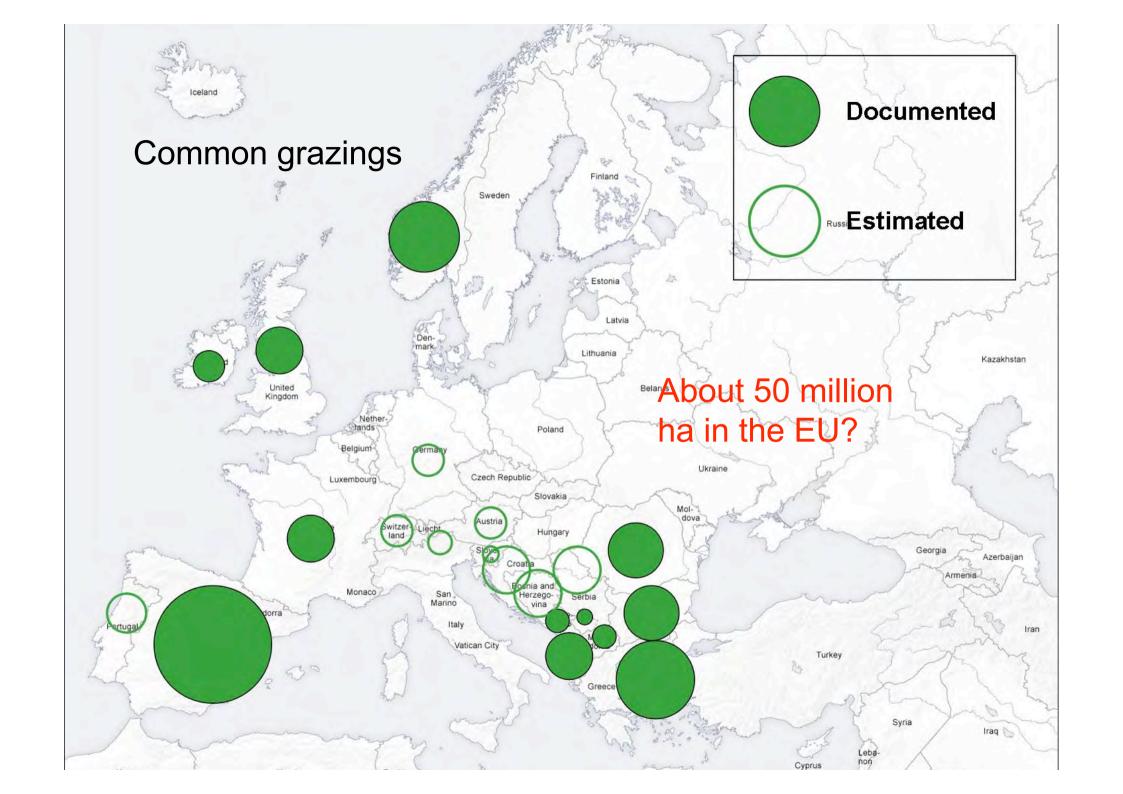
Gross margins (ESU/AWU 1991)

- ESU is €1200 of GM
- AWU is 2200 hours
- Minimum wage (2010) is €8.65/hr or €19030/AWU
- ..which is almost 15 ESU
- [Though replacement value of farm labour is higher (perhaps
 €15/hr)]



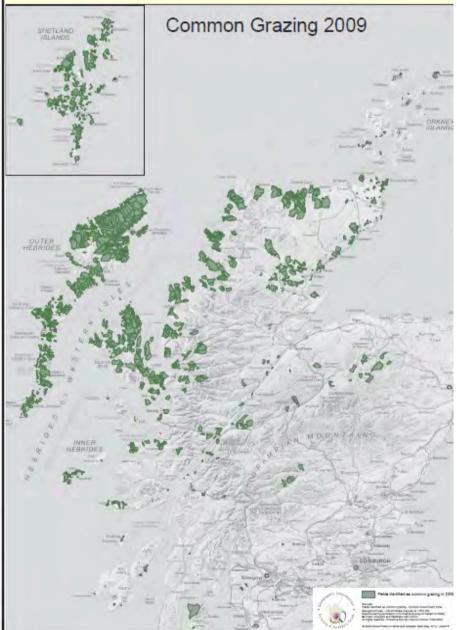




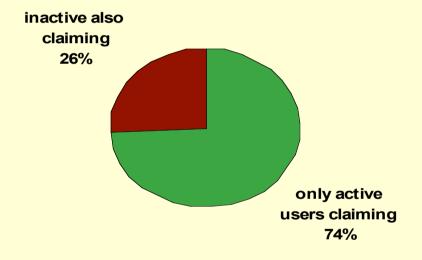


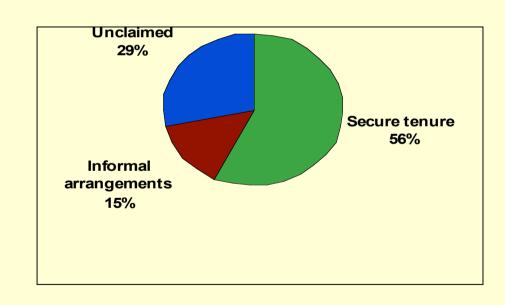
Highlands and Islands Enterprise Iomairt na Gaidhealtachd 's nan Ellean Priority areas 2008 Fragile areas Areas of employment deficit Scale 1:2,250,000 ® Wendy Price Cartographic Services 2008. Based on Ordnance Survey mapping

Found mostly in socioeconomically marginal areas

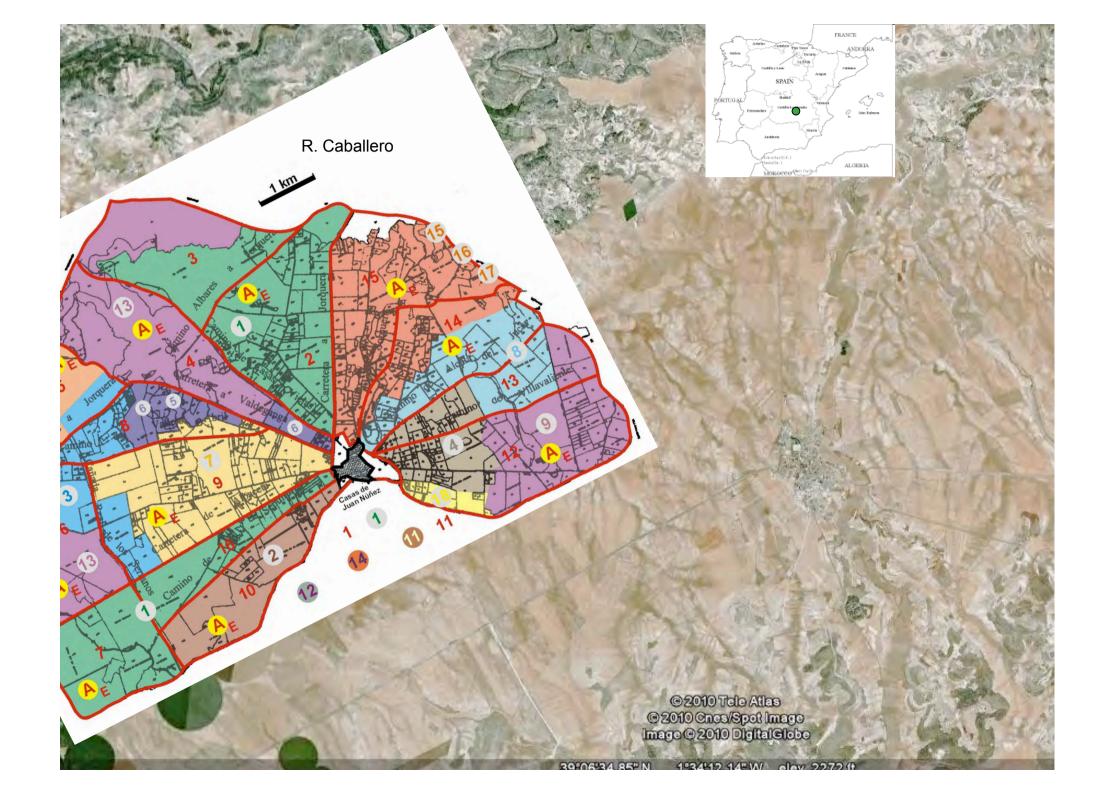


Inactive benefit; active bear the costs?





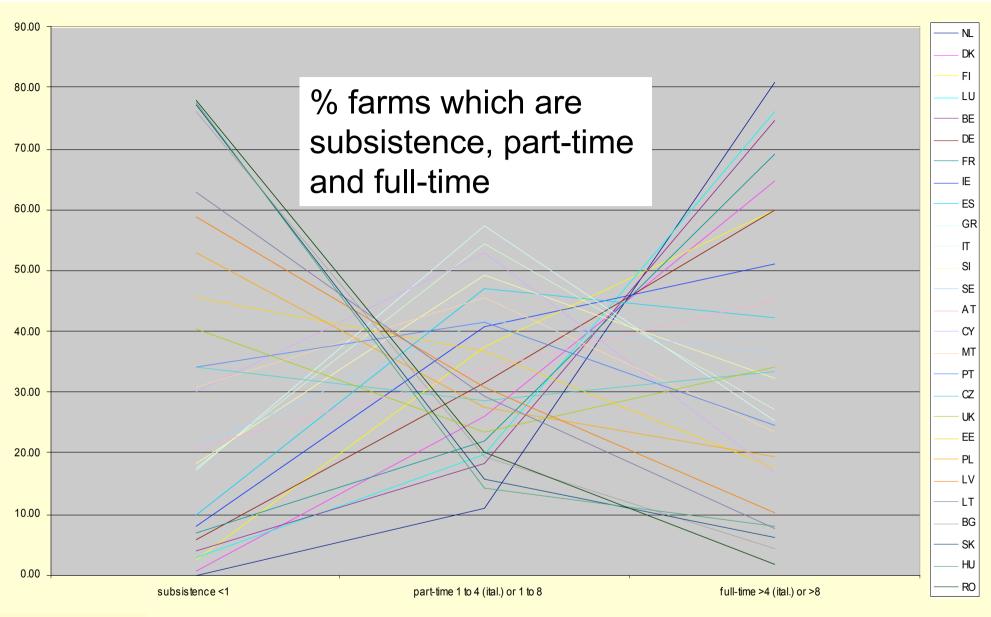




Economic context is important

- Full-time?
- Part-time?
- Semi-subsistence?
- Subsistence



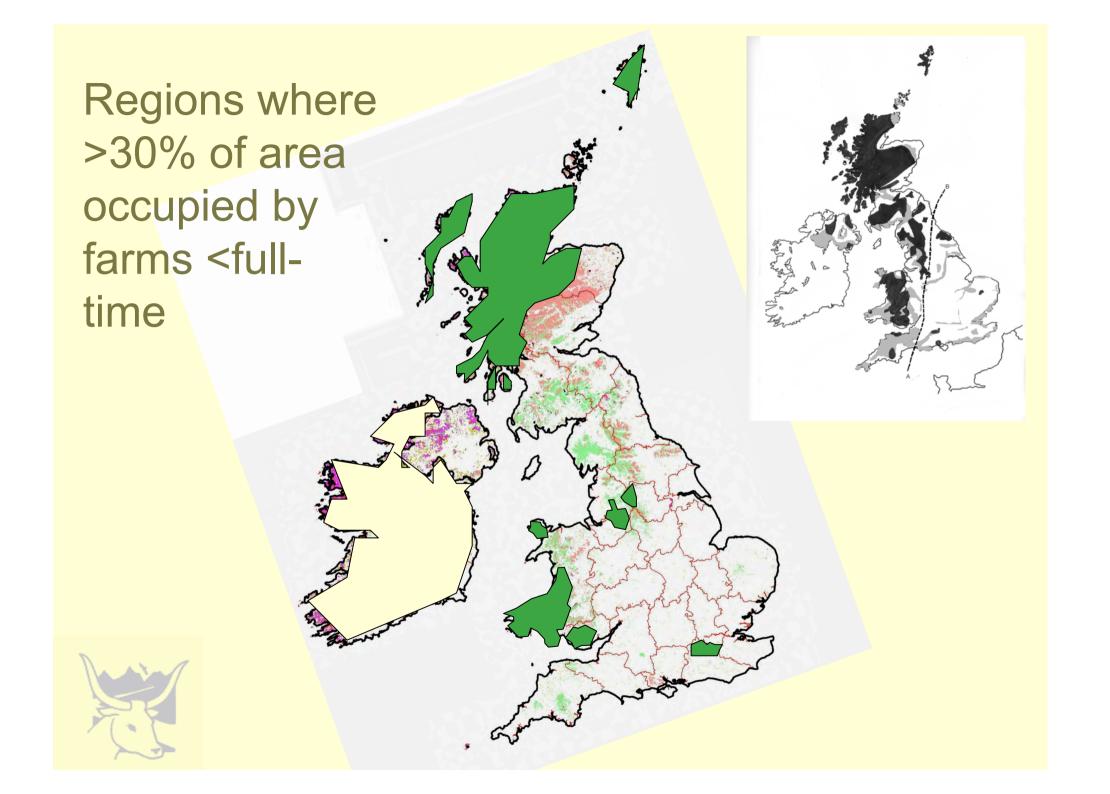


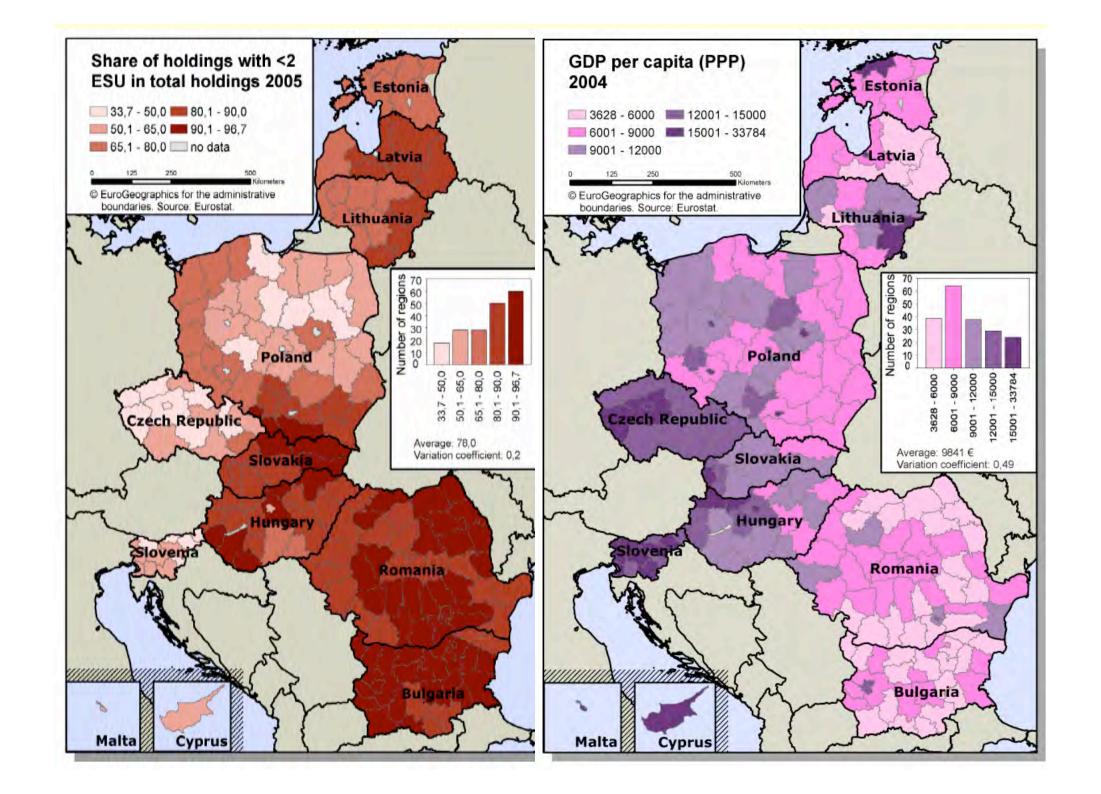


Number of farms of different economic sizes

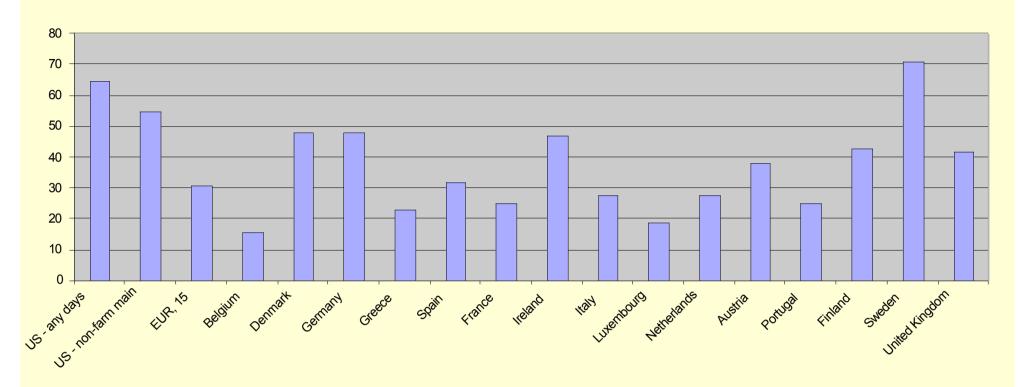
- Only in 8 Member States are majority of farms full-time (NL, LU, BE, FR, DE, DK, FI, IE). Largest category in AT
- In (IT, GR, CY) part-time are a majority and the biggest class in (ES, SI, MT, PT, SE)
- In 7 MS, majority are semi-subsistence/ subsistence/ hobby (BG, RO, HU, LI, SV, LV, PL) and biggest class in EE and UK
- In CZ and UK farms fairly evenly divided between classes







% area of pluriactive farms



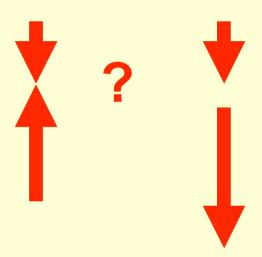






What is the policy message?

- Full-time?
- Part-time?
- Semi-subsistence?
- Subsistence
- ABANDONMENT
- This is not just a macroeconomic question!
- Need to integrate ALL our objectives for rural areas
- Abandonment can result from both poverty AND prosperity!



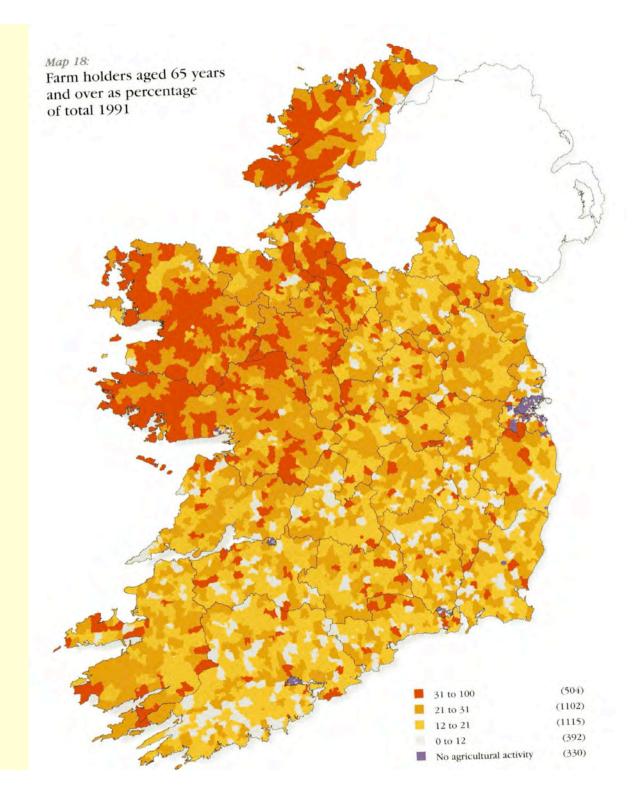


HNV farmers often aged

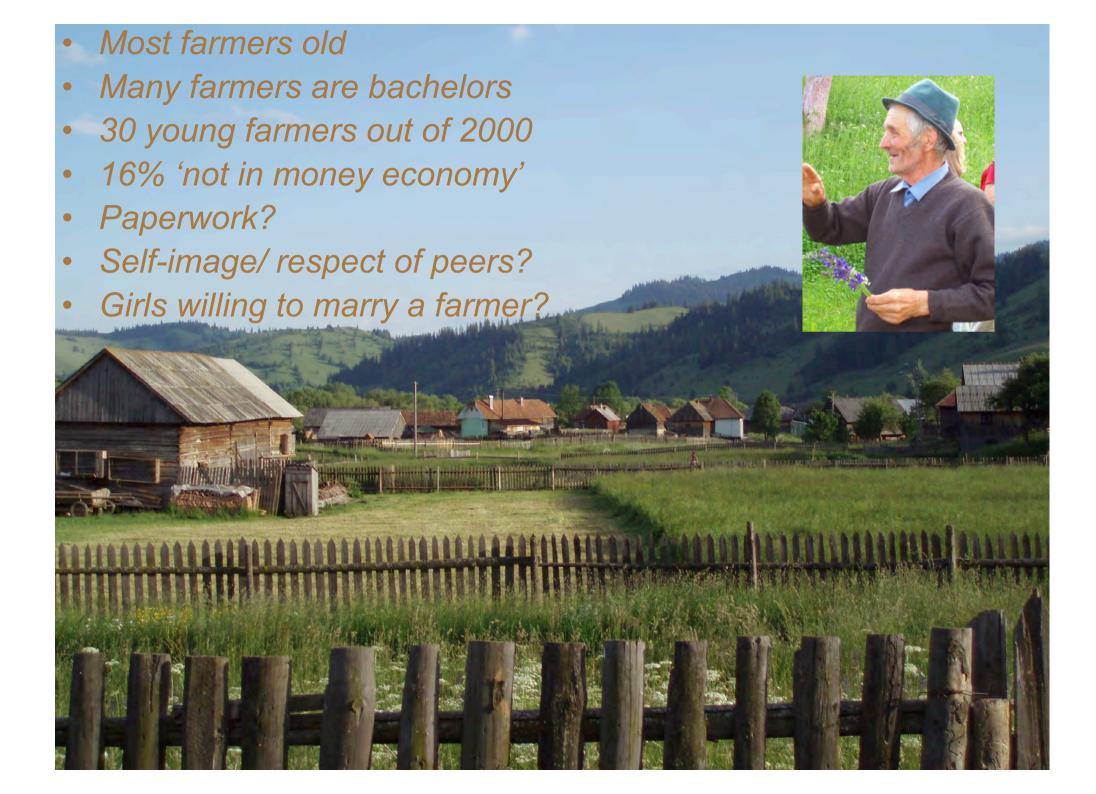
- Might be a historic pattern
- Might be a 'problem' which RD might address
- Might be a strength!
- But it's how it is

 payment
 conditions and

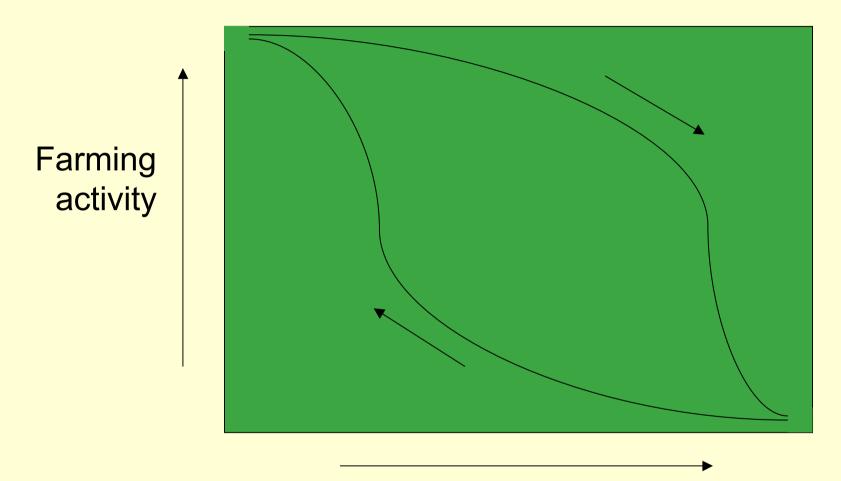
 mechanisms
 must reflect it



SCOTTISH EXECUTIVE Environment and Rural Affairs Department	Integrated Administration and Control System 2005 FIELD DATA SHEET FOR ALL PERMANENT LAND FIELD DATA SHEET FOR SHEET	s Field Data Sheet FDS) please read the IACS (1) 2006 Explanatory Booklet ment Scheme (SPPS) and other scheme literature. In centre pages of the Explanatory Dischement Scheme (SPE) and IBLACK INR throughout. SA Attorier and should be entered in the appropriate country's forms.	2000年	A C	10.00
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Lessons from the response curve

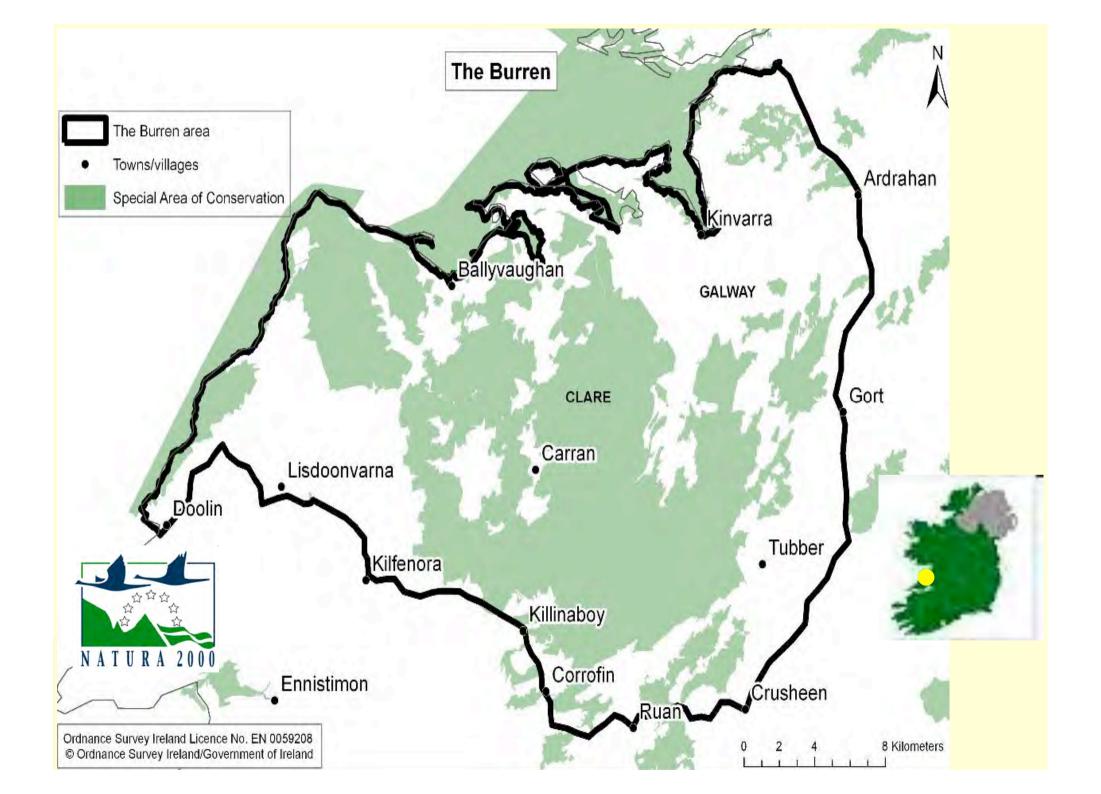


Farming disadvantage

It's ok not to want some farmers, but if you think you might want them, don't let them disappear! Decide first!!!

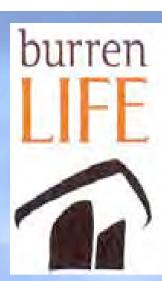
In summary.....

- Main problem in medium term is low return on labour for the hours worked
- And/or continuous falling behind in returns from the land compared to other opportunities
- And/or non-financial pressures (e.g. paperwork, regulations)
- And/or loss of prestige/self-respect
- Being part-time in widest sense is NOT the problem, but neither is it necessarily the obvious panacea
- Some other aspects of the farming system can be a real problem if administration (EU/State/local) don't take them into account
- Some of these issues are fundamental to the overall shape of policy
 - SOME of these issues are best resolved at local level









2010-13 **Art. 68**

Agriculture, Fisheries and Food

Talmhaíochta, Iascaigh agus Bia







Comhshaol, Oidhreacht agus Rialtas Áitiúil Environment, Heritage and Local Government



Comhshaol, Oidhreacht agus Rialtas Áitiúil Environment, Heritage and Local Government







NUI Galway OÉ Gaillimh





Burren farm income calculations

	Hill beef	Other beef	Dairy (only 17 farms)
Market output	7111	12828	25757
Costs	129527	16884	33291
Loss	-5841	-4056	-7534
Livestock Units	21.1	28.9	49.23
Loss/LU	-276.83	-140.35	-153.03

- Designed a scheme 'paying for'
 - Opportunity costs (market loss, herding cost, incentive)
 - Capital costs

Source: James Moran, BurrenLife

Measure 1. The Production of species-rich limestone grasslands

Veg. quality class	10	9	8	7	6	5	4	3	< 3
0-40 ha	€100	€90	€80	€70	€60	€50	€40	€30	nil
40-80 ha	€50	€45	€40	€35	€30	€25	€20	€15	nil
80-120 ha	€25	€22.50	€20	€17.50	€15	€12.50	€10	€7.50	nil



Measure 2. Site enhancement works

- 75% grant on scrub work, stonewall work, and habitat restoration
- 50% grant on 'durable goods'
- 25% grant on access provision up to max. €3000
- Maximum Measure 2 grant calculated with reference to area:

0-40	€100
ha	
40-80	€50
ha	
80-120	€25
ha	



Measure 3. Protection of Designated land and other areas of Annex 1 Habitat

Payment analogous to RD Natura 2000 measure

0-40 ha	€42
40-80 ha	€24
80-120 ha	€18

This is a PILLAR 1 scheme!!!

....designed by and embraced by FARMERS!



Final thoughts

- Measures are not fundamental, just the means to the end
- Aims should be central and should be integrated between Pillars and Axes (or their successors)
- Axis 2 delivery requires most work other Axes and Pillars can threaten delivery, so specific integration needed
- Farmers must be part of the solution, not seen as the main obstacle to progress
- Delivery mechanisms are important
- Local delivery has many strengths Axis 4 ethos is underused (and seen as the territory of local Axis 3 delivery) but needs to develop organically
- Good examples should be spread by the Commission
- Delivering aims requires proper needs analysis, clarifying economic relationships, but not JUST the economics



What good is it, my brothers, if a man claims to have faith but has no deeds? Can such faith save him?

Suppose a brother or sister is without clothes and daily food. If one of you says to him, "Go, I wish you well; keep warm and well fed," but does nothing about his physical needs, what good is it?

In the same way, faith by itself, if it is not accompanied by action, is dead.

James 2:14-17