Aging, farm size and land use changes in Europe: evidence from Poland and Portugal

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Symposium on Land Consolidation and Land Readjustment for Sustainable Development
Technical Session A1 The Spatial Context
November 9-11 2016, Apeldoorn
How do changes in population size and age affect farm size and land use in Europe?

• Trends in rural demographics in Europe
• Impact on farm structure
• Impact on land use
• Case study of Poland and Portugal
• Possible explanations – policy instruments and land consolidation agents
• Discussion and Conclusions
Rural Demographics – densities and age profiles

Population density in European Union

Proportion of the population over 65 years
Aging and Farming in Europe

- Single largest group of farmers by age cohort are those over retirement age (FSS 2013).
- 97% of the 10.8 million farms, two thirds of which are under 5 hectares are owned by single individuals.
- In terms of UAA, the sector accounts for 6%. However, majority are concentrated in just a few countries. Poland for example has the single largest number of farms, those under 5 hectares occupy almost 13% of the land, under 10 occupy 25%.
- The actual amount of land that is effectively unworked because of problems of succession and land market operation is unknown.
Comparing older and newer EU members (FSS 2005-2013)

Portugal

• Total number of units down by almost 20% in less than ten years.
• Numbers of farms that are run by people under 35 years - 6,860 in 2005 to 5,620 in 2013. As a proportion of the whole, this is very small at around 2%.
• Over half the farms are held by people over retirement age, but replacements in question perhaps as steep falls in the two age categories below.

Poland

• Total numbers of units down by over one million, vast majority small and micro holdings
• Drop in the numbers of young farmers from 313,000 to 173,000
• But dramatic decrease in the number of retirees that are holders of agricultural units from around 17% of the total to less than 10%
What did this mean in terms of farm sizes?

- Almost one million Polish small holdings disappeared, but proportion of holdings in 10-20 category also dropped by 13% in the period.
- Modest increase in farms between 20-50 hectares, but big increase of over a quarter in the number of farms up to 100 hectares.
- Finally the group of farms over 100 hectares in size also increased by around a quarter.

- 20% fewer farms in Portugal, with smallest holdings down from 241,000 to 190,000, a drop in the 10-20 ha category and in those up to 100 relatively unchanged.
- The only increase was those farms over 100 hectares in size, there was a 10% increase in this category between 2005-13.
- Also supported by looking at the figures for the economic size of holdings. Largest farms in the country with annual standard output of over 500,000 euros from 600 to 950, while all farms producing less than 50,000 fell in numbers.
Average land prices

Leasing contracts with Agricultural Property Agency per 100 farms in 2013

Share of workers employed in agriculture, forestry, hunting and fishery in % of all workers
Implications for sustainable land use (and cadastre use)

- Polish case shows rapid commercialisation in some parts of the country, with clear connection between direct payments, increased land sizes and formalization of ownership.
- Also evidence of far faster absorption of micro holdings in areas where there are farms above 20 hectares.
- Increasing gerontification of farming in Portugal, not offset by significant growth in commercial and larger sector growth leading to suspicion of increasing amounts of undocumented abandoned land.
- In terms of land use, both cases suggest need for increased policy mechanisms to stimulate land markets, especially in more remote, less densely populated areas.
Discussion and Conclusion

• Land banking has relatively modest impact on overall land use changes in Portugal but Agricultural Property Agency has clear impact in some Polish areas.

• Need to reconsider relation between land as security, pension provisions and care in old age acknowledging very different conditions throughout Europe.

• Need to develop robust measures that can act as early warning indicators for land abandonment.

• Thank you for your attention