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3 The problems of small farms on the Continent

G Preuschen

INTRODUCTION

Up to 1950, 'small farms' on the Continent tended to mean in general, those of between 1 and 5 ha providing little more than a means of subsistence for their part-time occupiers who had other off-farm occupations. Such part-time farming is still important, though today 'small farms' on the Continent are officially defined as those that fail to provide a set level of 'sufficient' or 'adequate' income for their operators. In this paper I shall use the term 'small farm' with this Continental meaning.

There are 3 important factors to be considered when assessing the national importance of small farms in the various countries of Europe:

- (i) The total number of such farms in a country as well as their proportion of all farms;
- (ii) Their total area as a proportion of the national area of agricultural land;
- (iii) The division of such farmers between tenant-farmers and owner-occupiers.

SOME STRUCTURAL TRENDS

Table 1 presents such details for various European countries for 1950 (though some of the figures are estimates). Unfortunately, no more recent comparable figures are available but I will discuss some of the changes since 1950 later in this paper.

TABLE 1

Some characteristics of farm structure in various European countries, 1950

Country	1	2	3	4	5	6	
	Farm size grouping (ha)	Numbers of Column 1 farms (‘000)	Column 2 as a proportion of all farms (%)	Total area of farms in Column 1 size groupings (‘000 ha)	Column 4 as a proportion of total agricultural land (%)	Tenanted (%)	Owner-occupied (%)
Austria	2 - 10	182	50	1100	36	15	85
Belgium	1 - 10	207	80	790	45	45	55
England and Wales	2 - 10	140	30	880	5	56	44
France	1 - 10	1100	34	5160	16	66	34
Holland	1 - 10	150	65	680	30	52	48
Switzerland	1 - 10	120	75	600	28	15	85
West Germany	2 - 10	850	55	3100	29	12	88

However, in every country the total number of all farms has fallen and, in particular, small farms, though there has been a certain increase in the numbers of medium and large-sized farms. The development has been different in each country on the Continent with the most important differences being in land tenure.

As can be seen from Table 1 in England and Wales in 1950 some 56% of small farms were tenanted as compared with France (which is roughly representative of the Romanic countries) with 66% tenanted and West Germany (which is roughly representative of Germanic countries) with 12% tenanted. In Holland and Belgium the proportion of small farms tenanted fell somewhere between these two extremes.

Moving on to consider the relative size of the small farm sector compared with all farms, it will be seen from Table 1 that, of the 7 countries, small farms were least important in proportionate terms in France and England and Wales. In the former country (with the special exception of Brittany, discussed later) whilst

34% of all farms were under 10 ha, they only accounted for 16% of the total agricultural area. In England and Wales, whilst 30% of all farms were under 10 ha, they made up only 5% of the agricultural area. In Belgium and Holland the ratio of small to all farms was much higher as was the small farm proportion of the total agricultural area. In the German-speaking countries about half the farms were under 10 ha, accounting for between 28 and 36% of the agricultural area.

RURAL CHANGE AND INDUSTRIAL GROWTH

The above structural characteristics of farms in the various countries have, in the main, been determined by politico-historic factors, and not by economic ones. In German-speaking areas the dependencies and commitments of farms (the remains of feudalism), which hindered changes in tenure, were abolished between 1816 and 1850 so that, in addition to the long-established properties, there sprang up small, independent, owner-occupied farms. In France, despite the Revolution (which only changed the type of landowners), farmers remained, on the whole, tenants. Hence the large number of tenant farmers in France today.

A key factor affecting the balance between the numbers of tenants and the numbers of owner-occupiers is the degree to which small and part-time farmers can change their off-farm occupations. Similarly, their geographical mobility (in the sense of whether they remain in rural areas or head for the cities) also has effects on farm structure.

Even before the creation of the EC, the agricultural policies of the above countries (the UK excepted) aimed to improve the financial position of farm families by allocating them small parcels of land and providing, through industrial development, opportunities for off-farm employment.

In areas where tenant farming predominated, these policies caused swift changes. The case of France is a good example where there was a large increase in the population of the Paris region due to the influx from the countryside. (Brittany, however, was an exception for although it had the largest proportion of small farms in France, migration to industrial areas was slight, because in general the Breton farmers were owner-occupiers and, not liking Paris or other urban areas, were reluctant to move to improve their low incomes.)

Just as limited was the exodus from German-speaking areas, where, for over 1000 years the Franconian law of succession had been in operation. This law gave each child the same rights of inheritance, so land was divided up by 'gavelkind' with each child having the same right of ownership regardless of place of residence. Thus, in this way, because of the continuing right to landownership (which also kept farm size small) the population was disinclined to move. So, as a result, industry went to the countryside and between 1950 and 1965 there were several

successful programmes to attract industries with smaller production units into such rural areas. Full advantage was taken of the potential provided by the fact that farm workers thus did not have to give up either the land they owned or their dwellings. In Germany south of the River Maine, such schemes were particularly successful though in southern France similar attempts failed.

By about 1968 this migration of industry to the countryside had ceased, as most of the surplus farm-based labour had been employed. However, general industrial growth in urban areas was still continuing despite a shortage of labour.

THE MANSHOLT PLAN

The Mansholt Plan was designed to solve this problem by phasing-out all farms which only provided a low income, their owners becoming industrial workers. The remaining small farms were to be made more viable by amalgamating with the farms whose owners had left the land. But this policy was based on the false assumption that farm incomes were solely dependent on farm size and not on product prices. Abandonment of the smaller farms was encouraged by the provision of 'early' pensions, subsidies for land sales, the simplification of leasing arrangements so as to encourage enlargement, retraining for new jobs and incentives for industrial development in rural areas.

Initially, the Mansholt Plan appeared to solve the low income problem of small farms as industrial wages were substantially higher than farm incomes. However, the seeds of this misguided agricultural policy were sown after the Second World War when low prices were set for farm produce. At that time such low prices were justified (and understandable) when entire economies had to be rebuilt. But, by the mid-1960s, it had become fundamentally wrong to adhere to this low price policy as it was creating great difficulties for farmers. One of these was the problems ensuing from the resulting low rents so that many kept hold of their land, only farming it at weekends. This enabled them to supplement their incomes and provided a sense of security to some extent. But such land could, if the rent levels had been more realistic, have enabled full-time farmers to expand and be able to reach income levels comparable with those of industrial workers. In theory, the policy was correct — but only if high product prices prevailed — and in practice it had the opposite effect for, even if farms did expand, their incomes hardly rose. As, for political reasons, politicians did not want to change the price levels (though economic reasons for so doing were always being produced) farms had to grow continuously in size in order to remain solvent. Whilst industrial growth continued the resulting surplus labour could be employed provided it was mobile. But by the early-1970s many became unemployed and could find no new work near their homes, and this phenomenon is not yet over. However, all these negative results

are clear enough to see. Whereas during the first phase of this change people who had taken up industrial work still worked their land at, say, week-ends, by the second phase there were enough larger farmers who were prepared to rent this land and so those who had migrated could benefit in this way. In regions where small farms predominated there were soon entire villages where the only farming practised was part-time as there were not enough full-time farmers left to take over spare land. The result was that substantial areas of land were no longer farmed, with detrimental landscape effects. Set against this is the fact that during the late-1960s public attention began to be focussed on such environmental changes and this abandonment of land became an important political issue. The area now affected is so great that urgent solutions are needed. However, it is unlikely that a purely economic approach will provide these.

NEW POLICIES

By the early-1970s governments realised that the Mansholt Plan had to be rejected. It had caused a permanent reduction in the number of farm workers, an increase in farm size, the displacement of many people and considerable social and economic problems had resulted. New approaches had to be devised. The most urgent thing to tackle was the income position of farmers in the Alps and other mountainous areas so as to prevent them abandoning land. Since then perhaps the Swiss example has been the most successful, partly due to them never adopting the Mansholt Plan. Their mountain farmers were given higher product prices, had to pay lower taxes and rates and the provision of roads and other infrastructure was subsidised. The aim was to retain the population in the valleys and hence protect the environment. In this way migration was slowed down but much still remains to be done. Major changes are still needed to our agricultural policies to make smallfarming in general more viable and thus prevent the abandonment of farm land on the Continent and there are signs that this is being recognised by governments.

There was also a trend amongst the urban population to desire to 'go back to nature', to become part of a community again and thus avoid the stress of urban life. This vague romanticism has been quickly hardened by the discovery that farming is an attractive and fulfilling career even though its monetary rewards are less than those that can be obtained in the towns. Such potential new entrants then faced the problem of either buying or renting a farm. The provision of cheap credit facilities has helped but, since 1980, rising interest rates have made this more difficult. Suitable training schemes have also had to be developed for these new entrants who are keen to take on small farms and resettle abandoned land.

SMALL FARMS AND ORGANIC FARMING

Recently there has been much interest on the Continent in ecological or, as it is often called, organic or biological farming. Such farming involves the recycling of all possible organic matter in conjunction with the rotation of crops and subsoiling. This leads to full and deep root systems with a natural soil fertility and tends to result in higher yields.

Organic farming has 3 main advantages for the smallfarmer:

- (i) The system is self-sustaining with nature rather than industry providing fertility;
- (ii) Few inputs or working capital are needed. Thus, organic farmers are largely protected from future increases in the prices of inputs like fertilisers and sprays. What machinery is needed can be secondhand and organically-active soil needs less tractive power for cultivation than soil on conventional farms;
- (iii) Organically grown produce attracts a price premium compared with that conventionally grown. In addition, as such produce is often sold directly by the farmer, transport and marketing costs can be minimised.

An organic farmer does not need any more technical knowledge than one farming conventionally, merely more care and attention to detail. Instead of a complicated series of operations, much can be left to nature, but the right things must be done at the right time. Close observation is required — of soil, plants and animals — and this takes time. Thus large capital-intensive farms have difficulty switching over to organic farming for, if a man has 80 cows or 1000 pigs to look after, he simply does not have the time to observe each individual animal. On such farms disease and livestock losses are increasing despite higher veterinary fees. However, here the old advantages of small labour-intensive farms come into play for their careful management can avoid most of these problems. They can also grow specialist crops which are not economic on large farms.

CONCLUSION

So far, organic and labour-intensive smallfarming has only been promoted in a few areas on the Continent and then not by governments. Nevertheless, a start has been made and I believe it will continue. A desire by many to leave the towns and 'go back to nature', if harnessed to organic farming, may well cause a revival in the fortunes of smallfarming. The growing demand for chemical-free and naturally-grown produce could well encourage this trend and the result would be the better use of land and a much-improved agriculture, free from many of the problems of our other industries.