

# Family farms in Latvia



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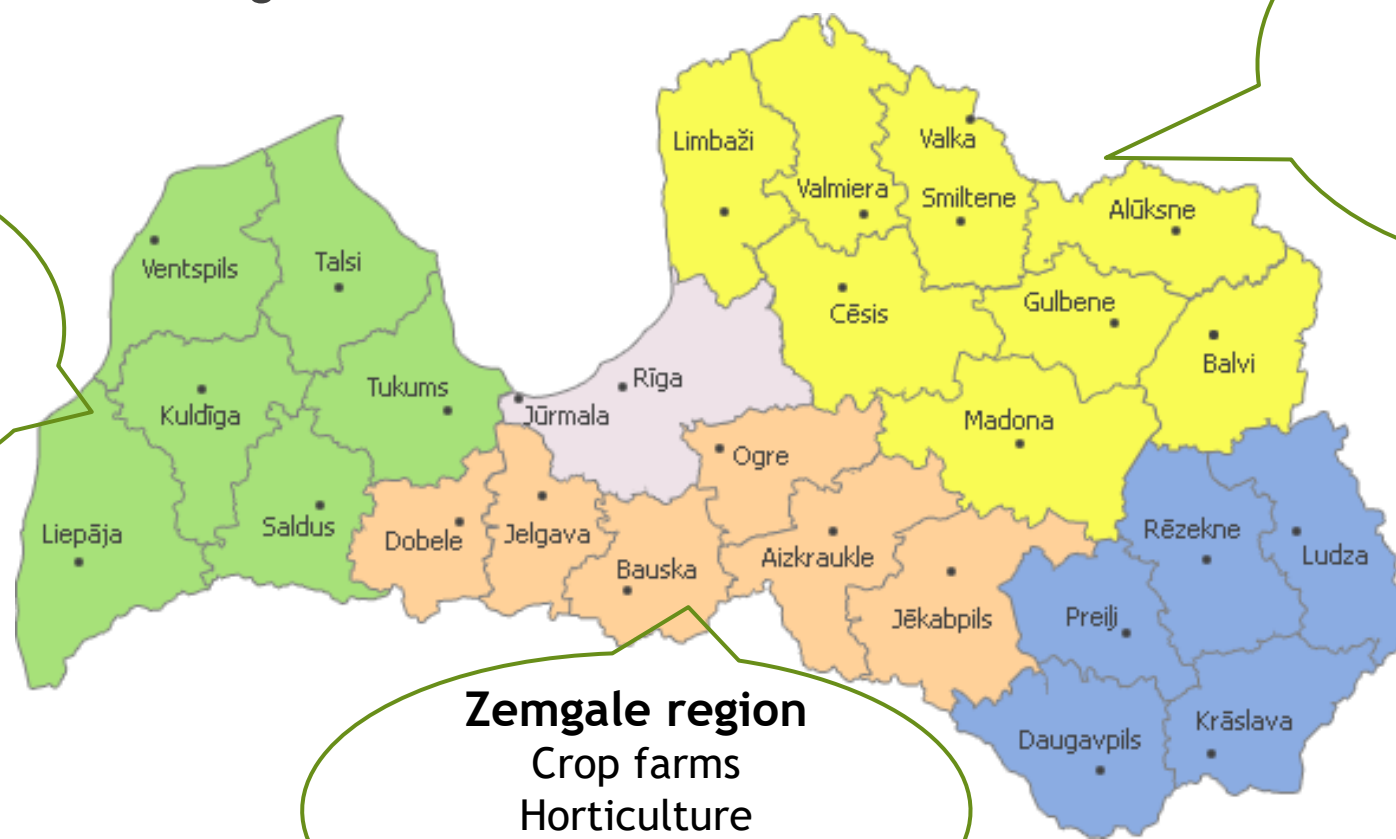
# Latvia

## EU Member State since 2004



# Latvia

- ▶ The area of Latvia is 64,589 km<sup>2</sup>
- ▶ 1,875 million inhabitants on 01.01.2022 (-17,5 thsnd. since 01.01.2021)
- ▶ 85% of inhabitants lives in Riga and its area



## Kurzeme region

Orchards  
Crop farms  
Cattle farms  
Dairy farms

## Vidzeme region

Organic farms  
Cattle farms  
Dairy farms  
Crop farms

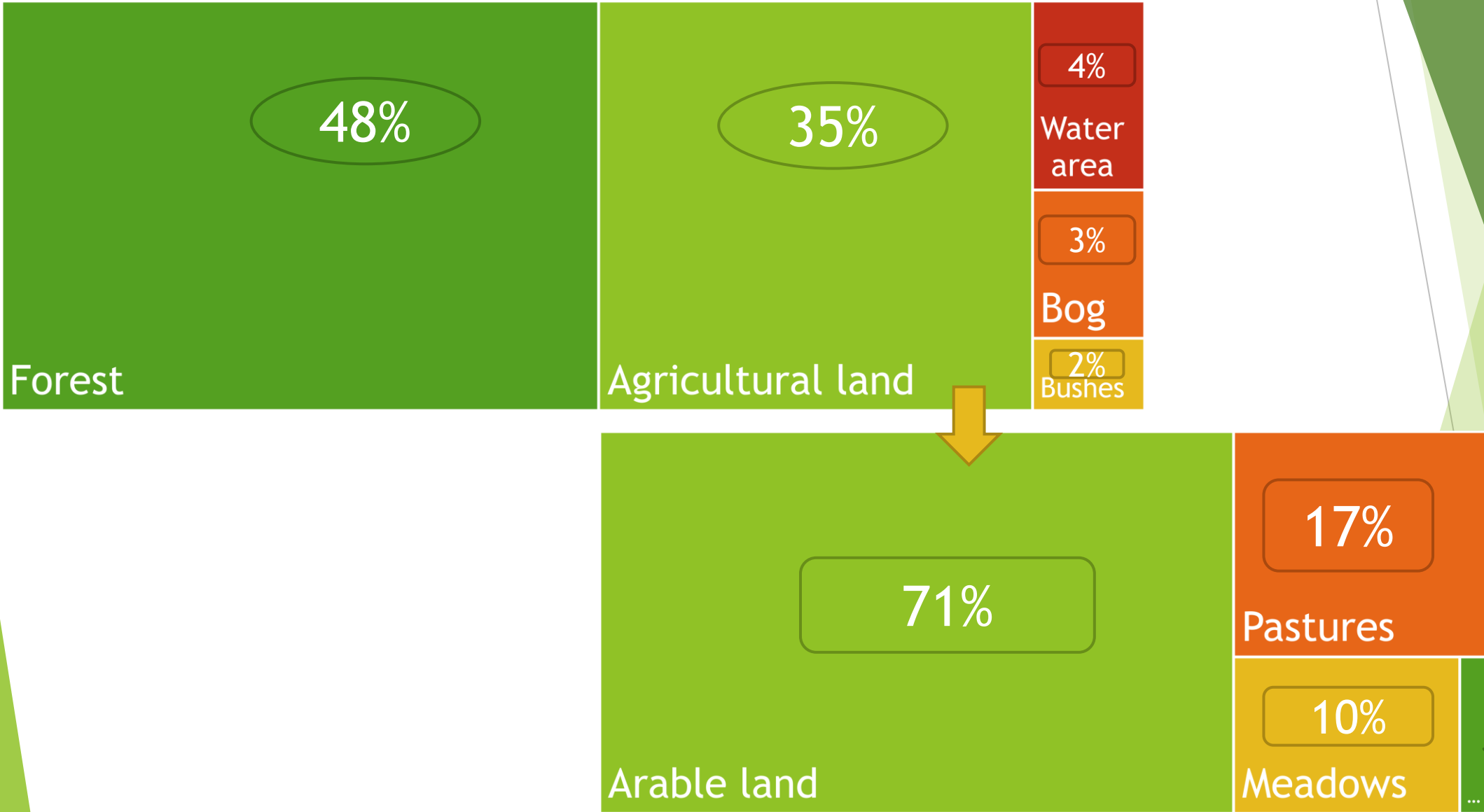
## Zemgale region

Crop farms  
Horticulture  
Orchards  
Dairy farms

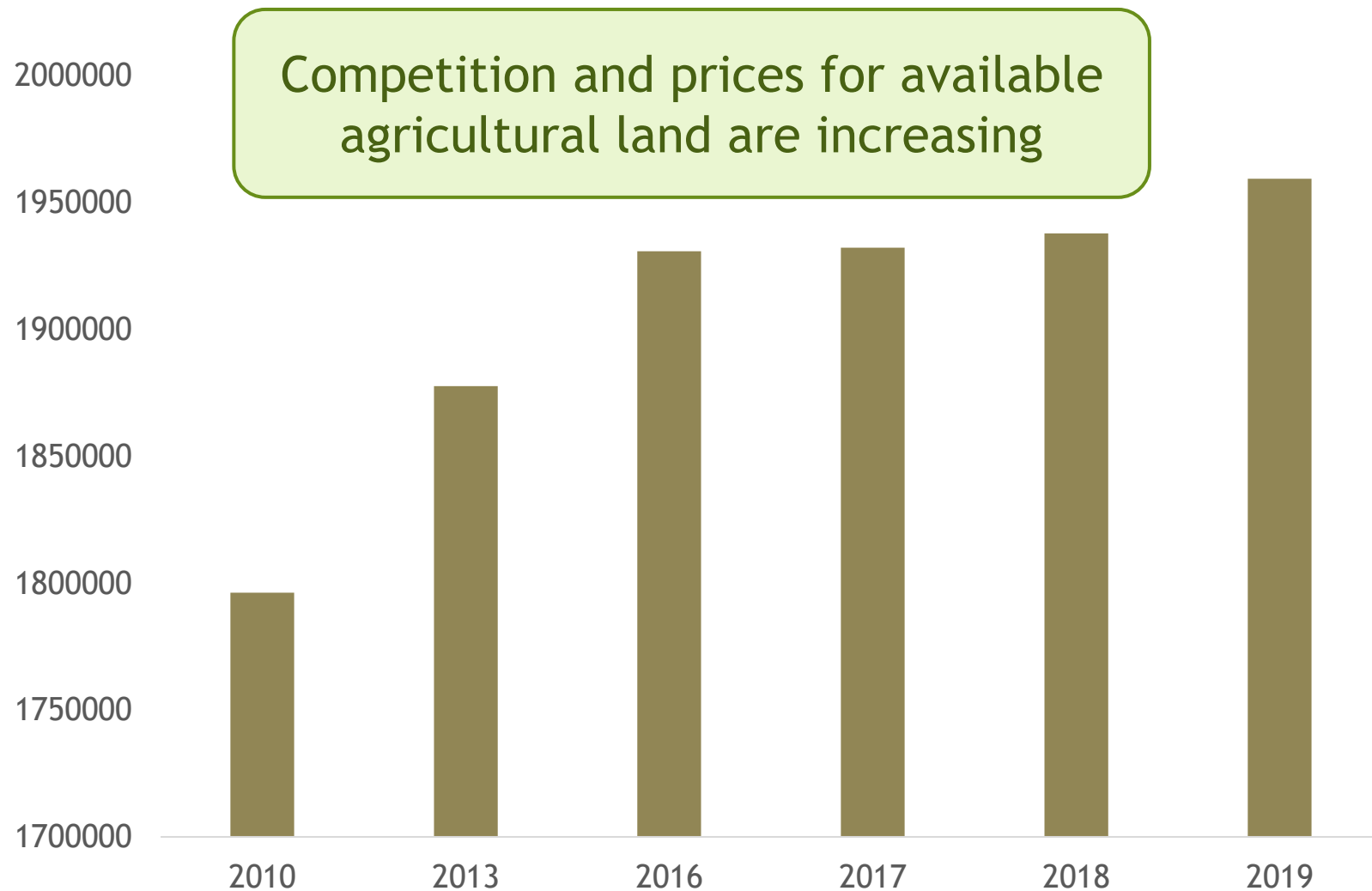
## Latgale region

Organic farms  
Cattle farms  
Dairy farms  
Crop farms

# Land use in Latvia



# Agricultural area in Latvia (ha) 2010-2019



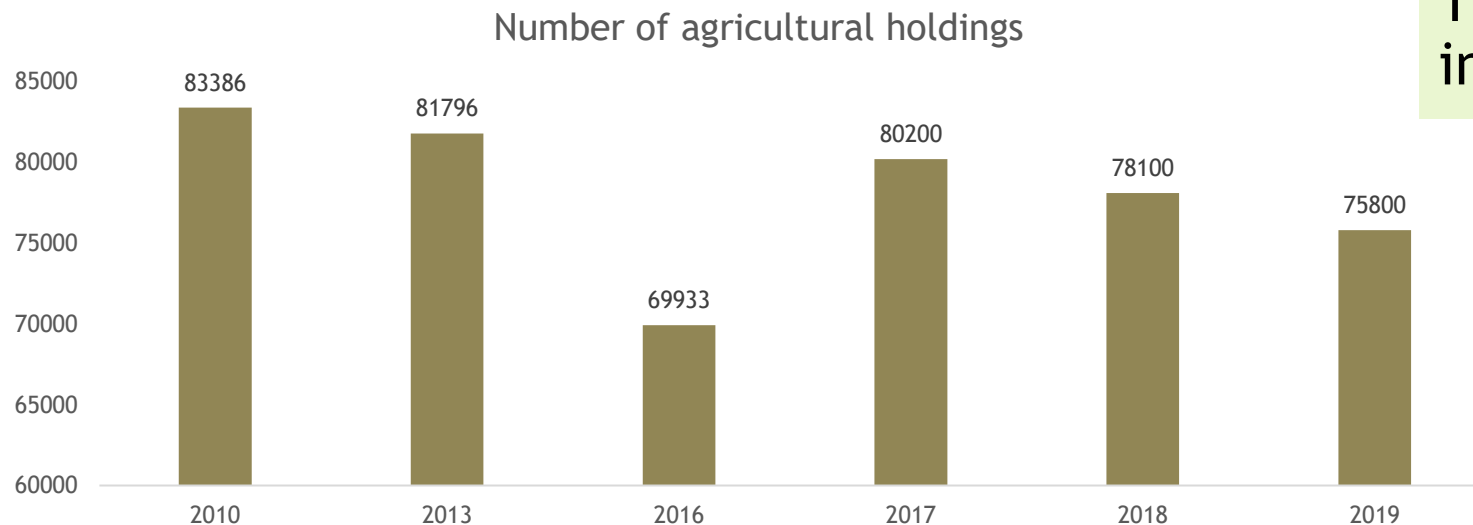
Competition and prices for available agricultural land are increasing

It is difficult for smaller farmers and young farmers to buy agricultural land

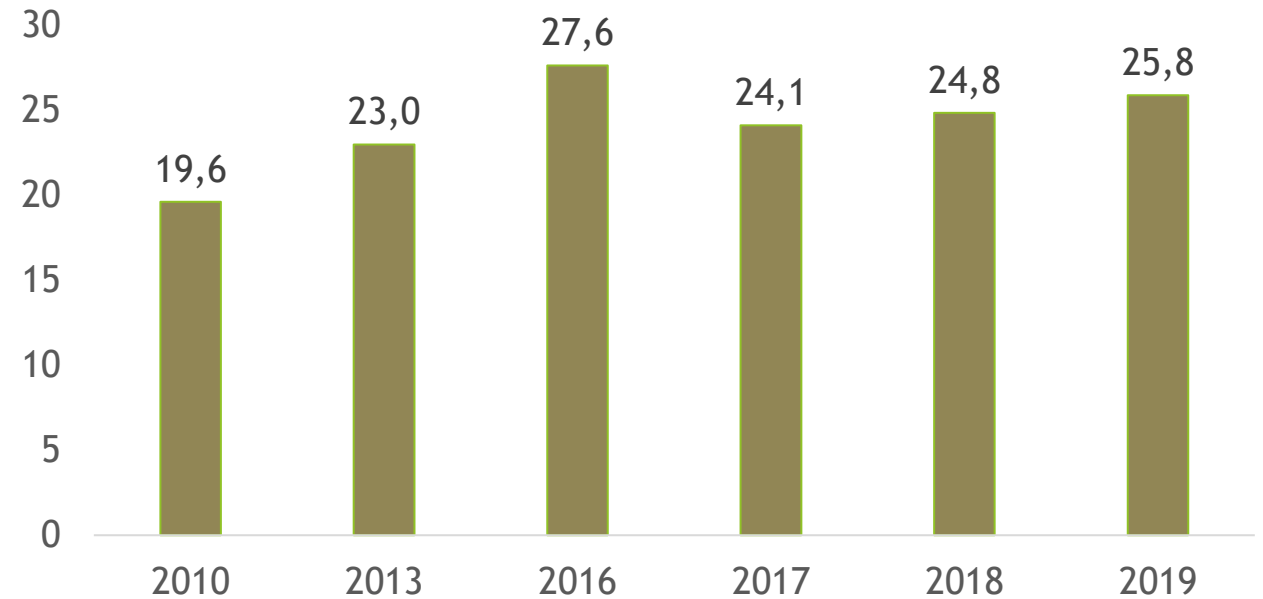
- ▶ The total agricultural area in Latvia has increased by 9% over last 19 years.
- ▶ 40,6 thousand ha needed to reach 2 million ha of agricultural area in Latvia

# Farm number in Latvia 2010-2019

Number of holdings has  
decreased by 9% since 2010



The agricultural area on average per holding (ha)

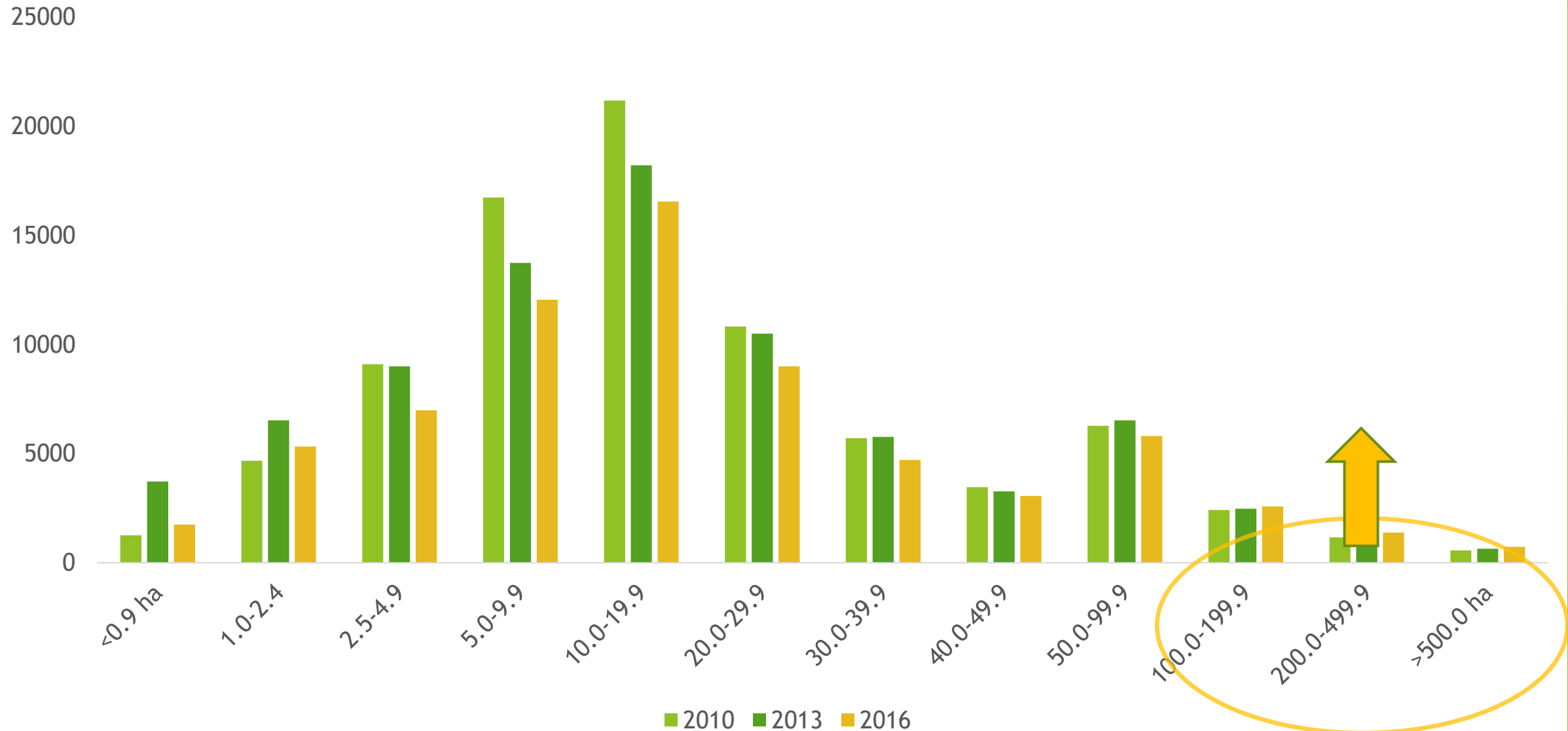


The average size of the farm has  
increased by 30% since 2010

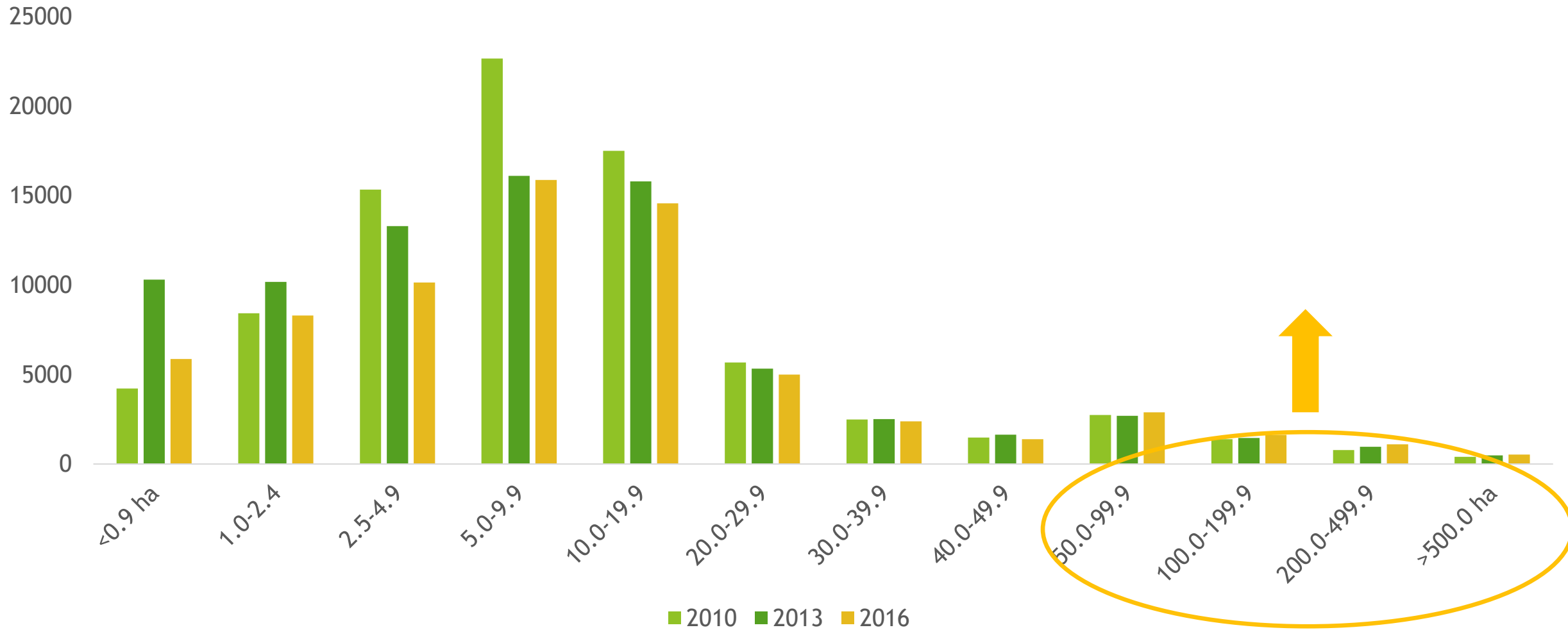
69 thousand farms on 2020

22 thousand farms have applied  
for support within EAFRD

# Farm structure sorted by total land area (ha) in Latvia 2010 - 2016



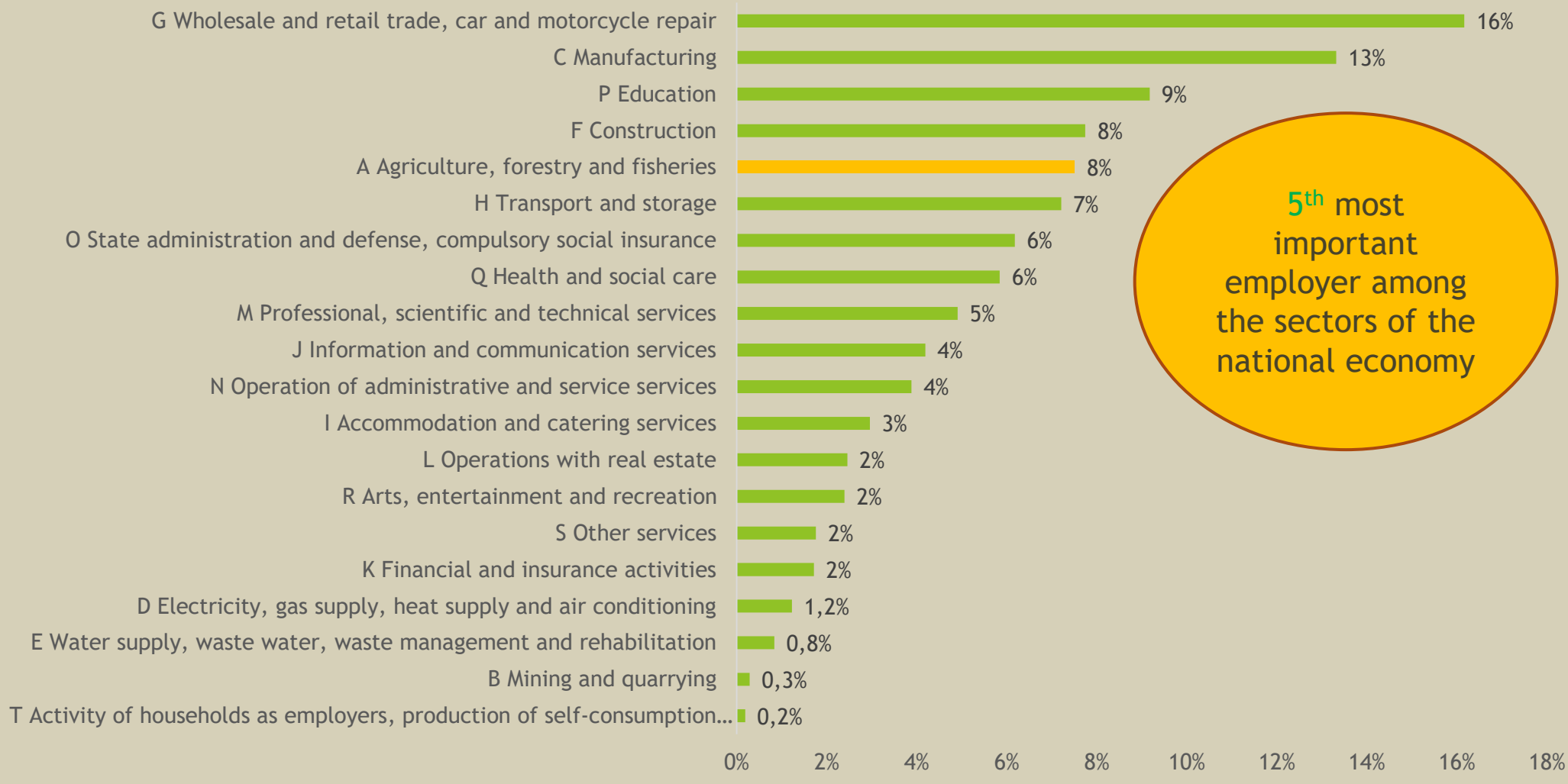
# Farm structure sorted by total agricultural area (ha) in Latvia 2010 - 2016





# Employment in Agriculture, forestry and fisheries

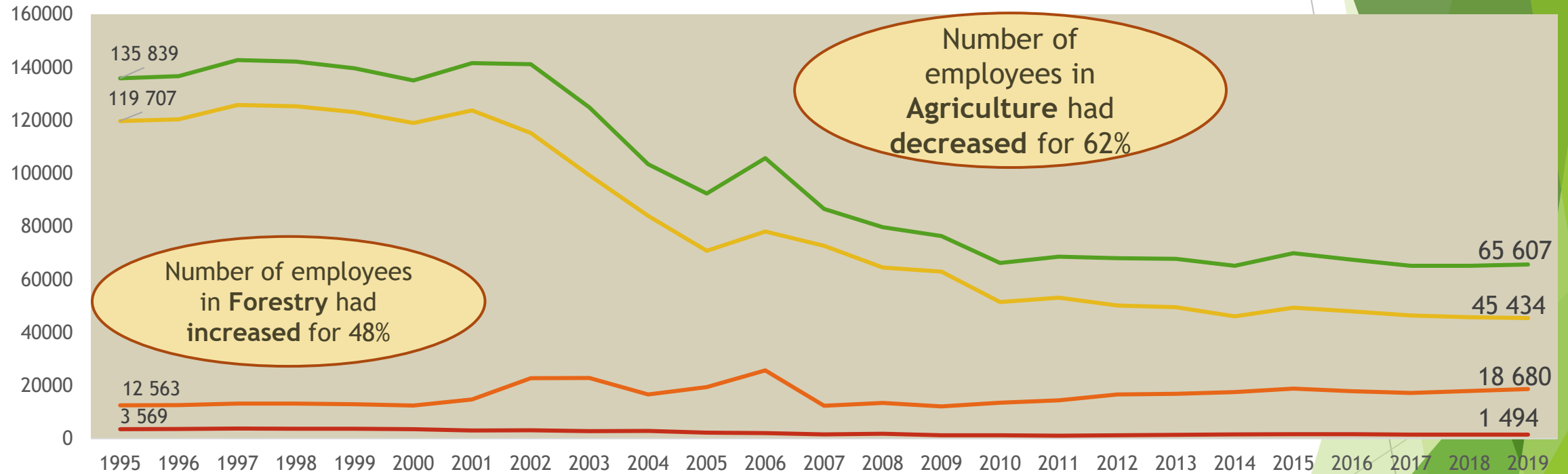
Proportion of the total number of employees (%) divided by types of activity (according to NACE 2nd edition)



# Employees in agriculture, forestry and fishery



Trends in the total number of employees in agriculture, forestry and fisheries in Latvia in 1995-2019



Number of employees in Agriculture had decreased for 62%

Number of employees in Forestry had increased for 48%

— A Agriculture, forestry and fisheries — A01 Crop and animal husbandry, hunting and related auxiliary activities — A02 Forestry and logging — A03 Fisheries

-52%

-62%

+48%

-58%

# Challenges in Agriculture

- ▶ Latvian agricultural policy has strengthened increase of larger farms.
- ▶ Number of farms continues to decrease in Latvia.
- ▶ Number of small farms decrease rapidly.
- ▶ Bioeconomy sectors (agriculture, forestry and fishery) is the 5<sup>th</sup> most important employer in Latvia among the sectors of the national economy.
- ▶ 83% of employed people work in small farms (61% in very small farms).
- ▶ Neither Common Agricultural Policy (CAP), neither European Maritime and Fishery Fund (EMFF) (2007-2013 and 2014-2020) have not prevented the decrease of the number of employed people in agriculture.

# Legislative support for family farms in Latvia

There are no special legislative for family farms in Latvia:

- ▶ NO family farm law
- ▶ NOT mentioned in Latvian constitution
- ▶ NO specific laws, decrees, regulations, measures etc., mentioning family farms
- ▶ NO clearly set legislation or support that helps the transfer of the farm from generation to generation

Time by time we have discussions

- ▶ What, exactly, are the family farm?
- ▶ What, exactly, are the small and medium farm (*land area (ha) or income?*)
- ▶ How to keep diversified structure of the farms?
- ▶ How to support family farms in rural economy and for rural sustainability?

# CAP Strategic plan 2023-2027

- ▶ Basic income support for sustainability - ISIP basic rate 87,7 EUR/ha (in 2023) to 95,3 EUR/ha (in 2027) + «extra» 10 EUR/ha for farms in counties with income-reducing conditions
- ▶ The minimum set in the regulation for at least 10% redistribution of support to small and medium-sized farms will be met by implementing TM2 and TM1.3. interventions, the total amount of funding of which is 11.2% annually.
- ▶ 9% will be allocated to TM2 «Complementary redistributive income support for sustainability», ensuring a balanced and proportional distribution of support between farms of different sizes, targeting higher income support in favor of small and medium farms with lower incomes;:
  - ▶ 3,10 ha to 30,00 ha «extra» 53-61 EUR/ha (2023-2027)
  - ▶ 30,10 ha to 100,00 ha «extra» 12 EUR/ha
- ▶ 2.2% will be allocated in TM1.3 to ensure the existence and viability of small farms with lower incomes (500 EUR per farm. It can be interesting for farms <3 ha)
- ▶ TM3 - Additional income support for young farmers (40 EUR/ha)

# Conclusions

- ▶ There are NO special legislative for Family Farms in Latvia
- ▶ 98% of farms in Latvia are Family Farms
- ▶ When we talk about family farms, we mostly think about small and medium farms in Latvia.
- ▶ And even more frequently we talk about values that is more then just money. It's about family, community, food quality and availability. It's about us and next generations. It's about future and sustainable development.
- ▶ Sustainability = economic + social + environmental
- ▶ By avoiding family farms (of different scales) decreases the potential of rural entrepreneurship, rural population, employment and sustainable rural development, as the availability of a variety of local food.

Small doesn't mean less. Big doesn't mean more.

# Thank You for Your attention!



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