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Small farms in Spain common agricultural policy (2023-2027): A critical review

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► **Abstract.** The role of small-scale farming in forming a sustainable food system is significant due to its greater ability to support biodiversity, ensure food and job availability for the population in remote rural areas, and preserve the identity of local production. Accordingly, any Commission Agricultural Policy reform requires evaluation from this perspective. The aim of this study was to critically assess the potential for adapting the needs of small-scale farming in Spain's new Commission Agricultural Policy Strategic Plan and to provide recommendations to address identified imbalances. Consequently, an analytical review of the agricultural sector was conducted, guided by statistical information, to investigate the main trends in the transformative changes within Spain's farming structure. The analysis of the political document allowed for the identification of component changes in line with the agricultural policy reform. The method of analytical-critical thinking was used to analyse the payment structure and fair distribution of funds for small-scale farming. As a result, the study identified weaknesses and disparities in Spain's new Commission Agricultural Policy Strategic Plan and provided relevant recommendations that could facilitate better adaptation of small farms to the new agricultural policy. The provided recommendations can serve as a basis for further scientific discussion and improvement of agricultural policy. This research can be useful for stakeholders in making political decisions to better adapt to the stated ambitious goals of the new Commission Agricultural Policy Strategic Plan

► **Keywords:** eco-schemes; active farming; redistributive income support; rural development; organic farming

► Introduction

Effective agricultural policy is a crucial part of a country's economic development and a driver for the preservation of rural areas. Economic challenges and climate change make government support for the agricultural sector a necessary condition for ensuring sustainable development, stimulating innovation, and supporting farmers. A recent study by A. Magrini (2022) assessed the resilience of agriculture in European Union countries, identifying positive shifts in achieving sustainable development goals due to government support. On the one hand, such state support is due to the importance of the sector in shaping food security in the country and regions (Volkov *et*

al., 2019), but on the other hand, paradoxically, can lead to certain imbalances and dependencies that, as a result, will have a negative impact on the sustainability of agriculture as highlighted in the work of C. Détang-Dessendre & H. Guyomard, (2022). The European Commission Agricultural Policy (CAP) was originally introduced with the aim of expanding agricultural production, regulating market relations and developing rural areas, but to date it has undergone reforms in many areas, shifting its priorities to meet the goals of The European Green Deal (2019). A recent study by C. Boix-Fayos & J. de Vente (2023) provided a contextual review of the policy tools in approach-

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es to sustainable agricultural systems, which to varying degrees contribute to achieving the goals of the European Green Deal. The authors of the study emphasised the necessity of socio-economic recognition for agricultural stakeholders who prioritise ecosystem services, thereby being more capable of effectively achieving sustainable development goals. The latest policy review (Regulation (EU) 2021/2115..., 2021) focused on strengthening green ambitions through attention to biodiversity, providing stronger incentives for agroecological farming practices, taking into account climate relevance, and improving equity and competitiveness. As noted in the study by, P. Homet *et al.* (2024), the new CAP is the most ambitious in the environmental context. The latest reform aims to provide a new way of working with greater efficiency and effectiveness, primarily by introducing national strategic plans for each Member State, which, in this context, will provide some leeway in placing financial emphasis (Approved 28 CAP strategic plans, 2023). In addition, the new CAP framework provided an opportunity to take into account the needs of small-scale farming by developing each Member State's own strategic plans, adapting social, environmental and economic mechanisms to its own food supply system. Attention to small-scale farming in the new CAP is especially relevant at local levels of food supply. The role of small-scale farming in food security remains significant (Analysis of the characterization..., 2023). Its importance is especially relevant at local levels of food supply. In many ways, the effectiveness of small-scale farming depends on the established interaction between local food systems and supply chains. It is the latter that open up the possibility for small farms to move from self-sufficiency to a viable business (Small Farms' Role in the EU Food System, 2022). The development of small-scale farming in Spain is particularly relevant in the context of maintaining the viability of rural and remote areas, preserving landscape features and biodiversity. In the study by A. Pardo *et al.* (2020), evidence can be found that greater ability to maintain biodiversity through a more diversified product portfolio reduces the risks of monoculture cultivation. Moreover, small-scale farming contributes to the preservation of the identity of local production and employment of the local population in remote parts of rural areas, makes a greater contribution to food production compared to large farms due to higher productivity and a larger share of food products than non-food products in total production. In addition, small farms allocate a larger share of their plant production to food (almost 60%) compared to larger farms (Lowder *et al.*, 2019).

Given this flexibility in the strategic approach of the new CAP framework in developing by Member States their national plans that should take into account local needs and specific conditions in the reallocation of funding, it is of interest to analytically evaluate individual plans of Member States, especially those countries that are able to meet not only national food needs, but also have significant export potential and play a significant role in providing food to the EU. The agricultural policy of Spain, as a country with an average annual export growth rate of 7%, ranking 8th in the world and 4th in the EU in terms of agri-food trade balance (Analysis of the characterization..., 2023).

In this context, the main question remains whether Spain's new strategic plan will effectively fulfil its stated ambitious promises in areas such as stronger incentives for agroecological farming methods and maximum adaptation to the needs of small-scale farming. This article aimed to foster a discussion on how to adapt the needs of small-scale farming within Spain's new agricultural policy, providing a comprehensive analysis of weaknesses and disparities that could lead to gaps in the resilience of agricultural systems.

► Materials and methods

The primary sources, such as the Strategic Plan of the Common Agricultural Policy of Spain 2023-2027 (Spain: CAP Strategic Plan 2023-27, 2022), have enabled to determine the subject-object component using the method of structural generalization and proposed a compilation scheme of the goals of the Strategic Plan. The analysis of policy documents is a common method of critically reviewing government policies. The scientific sources selected on the principle of reliability have served as a scientific basis and evidence base for determining the relevance and urgency of considering small-scale farming as a significant component in the formation of the Spanish food system. The analytical conclusions and recommendations provided are formed on the basis of an analysis of databases of the European Commission (Data and analysis, n.d.), the International Organization for Economic Cooperation and Development (OECD agriculture statistics, 2023), as well as the Spanish Ministry of Agriculture, Fisheries and Food (Annual Performance Report – CSP Spain, 2024). The EU Regulations, the Green European Deal and the UN Global Sustainable Development Goals have served as the starting point for the review of governance requirements, as well as environmental and agricultural conditions. The dialectical method to clarify the causal relationships between the analysed phenomena. When analysing the structure of payments for contributions to the development of small farming, the method of analytical and critical thinking has been used to identify imbalances and bottlenecks in the approach to the redistribution of funds. The study by A. Giuliani & H. Baron (2023) served as a starting point for analysing the structure of payments and the fair redistribution of funds for small-scale farming. This document provided a benchmarking basis for formulating recommendations for the Spanish agricultural sector. The presentation of statistical information using graphical methods has enabled to demonstrate the main trends of transformational changes in the structure of farming in Spain and support the evidence base with digital arguments. An example of cooperation between the State and the private sector based on a platform for spreading digital innovations in one of the regions of Spain (Andalusia) has been considered using the method of analysis. The information and statistical method have been used to provide a brief overview of the Spanish agri-food sector, environmental impacts and general trends. Finally, the abstract and logical method, which involves providing key recommendations based on an analysis of a current policy document or a new academic study, has been used to discuss and draw conclusions from this review.

► Results

Spain's agriculture accounts for more than 10% of the total economy and provides jobs for more than 2.6 million persons. The share of agricultural land in Spain is 52.33%, while the average for EU countries is 41.03%. About 7% of Spain's workforce works in the agricultural sector (OECD, 2023). The average annual growth rate of export volume is 7%. Spain annually exports more than 55,000 million agricultural products. euro, ranked 8th in the world ranking and 4th in the EU in terms of agri-food trade balance (Data and analysis, n.d.). Olive oil, wine, citrus fruits, strawberries, pepper form the main volume of exports, and since 2010 pork meat has been added to this list. Such a rapid development of animal husbandry creates an import demand for corn and soybeans to provide a feed base for livestock. Spain ranks the 6th place in the world and 2nd in Europe in terms of organic land area with the highest concentration in Andalusia (50%). The number of agricultural organic farms as of 2020 was 42,312 (Analysis of the characterization..., 2023). Most organic products are export-oriented, as domestic consumption is still low. These indicators characterise the economic and social significance of the sector and the strategic importance associated with the formation of food security not only at the state level, but also with the corresponding impact on the global agricultural market. At the same time, the environmental price of a highly productive agricultural sector is extremely high. Agriculture accounts for 14% of Spain's total greenhouse gas emissions. The sector is also responsible for 63% of methane emissions and 77% of nitrous oxide. Due to the need for irrigation, the agricultural sector is the largest consumer of water and puts significant pressure on Spain's underground and surface waters. Nitrates and other nutrients from agriculture negatively

affect groundwater and soil condition. As of 2022, Spain is the only country in the EU that has not yet reached an acceptable level of ammonia emissions into the air, mainly due to the agricultural sector. The rate of soil erosion in Spain is higher than the EU average, and 74% of Spain's surface is at risk of desertification (OECD, 2023).

Another important characteristic of the Spanish agricultural sector is the transformational changes in the structure of farming. As of 2022, the total number of farms in Spain was 914,000. More than 50% of all agricultural land are occupied by 6% of farms that exceed 100 hectares in size. The level of contract labor increased by 14%, while the reduction of family workers by 50% (OECD, 2023).

The Spanish food system is quite well formed, but at the same time it needs to maintain a territorial balance and reduce the level of depopulation in rural areas. Accordingly, the Strategic Plan (2023-2027) of the Common Agricultural Policy of Spain is presented as a ten-year basis for balanced agricultural development in economic, environmental and social dimensions (Spain: CAP Strategic Plan 2023-27, 2022). While retaining key elements of previous achievements, the 2023-2027 Strategic Plan declares gradual changes towards improving efficiency to reward farmers' environmental and climate commitments (Huyghe *et al.*, 2023), which should contribute to the achievement of the three main goals. Special attention is paid to the implementation of the goals of the Green Deal, such as achieving progress in: reducing the use of pesticides, antimicrobials and chemical fertilizers; increasing the area of organic farming, restoring and preserving biodiversity, expanding broadband in remote rural areas. The overall and specific goals of the Strategic Plan (2023-2027) of the Common Agricultural Policy of Spain are presented in Table 1.

Table 1. Compilation of objectives of the Strategic Plan (2023-2027) of the Common Agricultural Policy of Spain (compiled on the basis of the Spain CAP Strategic Plan (2023-2027))

SP goal units	Overall goal	Specific goals	Intermediate goal
Economic	Promoting the development of a smart, sustainable, competitive agricultural sector with a focus on its diversification to ensure long-term food supplies	Ensuring stable incomes for farmers Increasing the level of competitiveness of farming Balancing in the middle of supply chains	Promoting the exchange of innovation and knowledge, digitalization and modernization of agriculture.
Ecological	Promoting increased environmental care and adaptation to climate change	Preventing climate change Environmental protection Conservation of biodiversity and local landscape	
Social	Promoting the socio-economic context in rural areas	Support for generational change in farming Rural revival Protecting the quality and health of food products	

Source: compiled by the authors based on Spain: CAP Strategic Plan 2023-27 (2022)

According to Spain SP (Annual Performance Report – CSP Spain, 2024), the annual budget for financing agricultural activities is EUR 4,800 per year. The structure by

funding areas is shown in Figure 1. The largest amount of funding is allocated to support basic income for sustainable development.

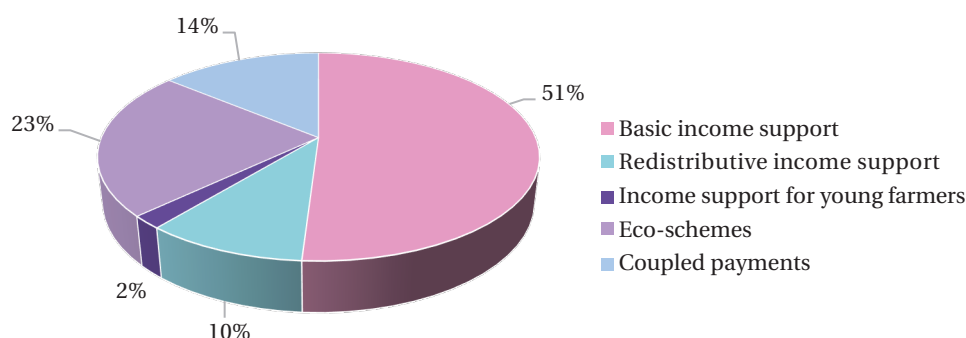


Figure 1. General directions of financial support for the new Strategic Plan of Spain

Source: compiled by the authors based on Annual Performance Report – CSP Spain (2024)

It should be noted that almost a fifth of the basic income support (EUR 483) is allocated to pay only for the first hectares of the farm. This can be considered as a new step in the policy of supporting small-scale farming. At the same time, support of EUR 677 per year (14%) for vulnerable sectors of large-scale agriculture in terms of socio-economic development is maintained. An innovation is that almost 23% of the total direct funding is allocated to encourage farmers' initiatives to implement specific agricultural environmental practices that meet higher requirements. In addition, a small part of the budget (EUR 96.5 M per year) is allocated to support the income of young farmers for the first 100 hectares, with a 15% advantage for female farmers. Thus, the financial support provided under the EU Common Agricultural Policy is an important

security cushion for the Spanish agricultural sector, which has a 30% lag in profitability compared to other sectors of the economy. Such direct payments reward farmers for certain measures in their activities (socially important services, such as environmental and climate actions, provision of products, viability of rural areas), which cannot be rewarded by the market without losing competitiveness in price. On the one hand, this approach makes the agricultural sector resistant to fluctuations in market prices and provides an opportunity to ensure continuous agricultural activity, and on the other hand, it makes the sector dependent on changes in financing (Amorim *et al.*, 2023). The main changes that are taken into account in the new plan for the development of the Spanish agricultural sector are systematised in Figure 2.

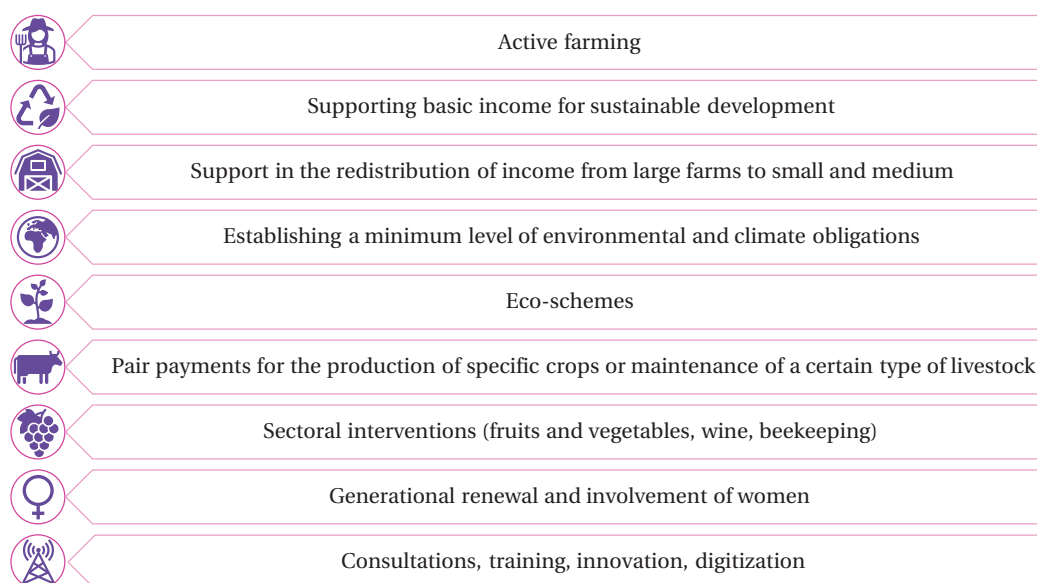


Figure 2. Component changes in line with Spanish agricultural policy reform (2023-2027)

Source: compiled by the authors based on Spain: CAP Strategic Plan 2023-27 (2022)

Active farming involves employment in the agricultural sector, both full- and part-time. To receive financial support from CAP, a farmer shall meet one of the following conditions to be considered an active farmer: 1) be self-employed in the agricultural sector through the Social Security System; 2) a minimum of 25% of the farmer's total income shall be provided by agricultural activities; 3) the

amount of income received shall be EUR 5,000 per year, or less (Annual Performance Report – CSP Spain, 2024).

Basic income support for sustainable development will be provided by regional differentiation. Regions are defined as agricultural areas with similar agronomic conditions. One of the changes in the existing Spain SP is a significant reduction in the number of regions (from 50 regions

to 20 regions), which can contribute to a more equitable distribution of the budget through convergence at the regional level. All 20 regions are divided into 5 categories by land type: 1) rainfed arable land (5 regions); 2) irrigated arable land (5 regions); 3) permanent crops (4 regions); 4) permanent grassland (5 regions); 5) Balear region (1 region). The category 2) irrigated arable land has the highest basic support, and category 4) permanent grassland has the lowest support. Moreover, thanks to the internal convergence mechanism, the level of differences between the cost of payment rights of farms is reduced that has made it possible to achieve a fairer financial distribution in regions with similar requirements and circumstances. It is planned that such an innovation will eliminate the disparity in regional distribution that has arisen over the past 10-15 years of funding under the CAP Policy and will enable each farmer to reach 85% of the right to payment by 2026, and full convergence should be achieved by 2029 (Spain: CAP Strategic Plan 2023-27, 2022).

Supporting income redistribution from large farms to medium and small-sized farms is in addition to supporting basic income for sustainable development. This support depends on the set threshold levels, of which there are only 2 and which depend on the category and type of region. It should be noted that Spain has introduced such a redistribution in favour of medium-sized professional farms, since it means 40% of the average regional cost of medium-sized farms. But small-scale farming will not benefit from such a redistribution. For each of the 20 regions, our own thresholds have been calculated, taking into account the structural composition of farms in a particular region. Category 2) irrigated arable land has the highest level of support for income redistribution from large farms, and category 4) permanent grassland has the lowest level.

Establishing a minimum level of environmental and climate obligations requires compliance with 11 management requirements and 10 environmental and agricultural conditions to be met in order to preserve the environment, resist climate change, maintain public health and the health of livestock and plants, and animal welfare. The new management requirements include the EU Directive establishing a framework for Community action in the field of water policy (Directive 2000/60/EC..., 2000) and the EU Directive on community action to achieve sustainable pesticide use (Directive 2009/128/EC..., 2009). The new environmental and agricultural conditions are "Protection of wetlands and peatlands" and "Sustainable fertilization" (Peatlands and wetlands in the new CAP..., 2022; New CAP unpacked..., 2022).

Eco-schemes are agricultural practices that are good for the environment and climate. The list of such practices includes the following: 1) extensive grazing, 2) sustainable mowing and creation of biodiversity islands, 3) crop rotation with improving species, 4) direct seeding, 5) sustainable water layer management, 6) spontaneous or sown vegetation cover, 7) inert vegetation cover. The farmer may choose one of the suggested options and apply it to a specific plot. It should be noted that funding is provided only for one selected practice. If a farmer chooses several sustainable practices, only one is funded (Will CAP eco-schemes..., 2021).

Coupled payments for the maintenance of a certain type of livestock or the cultivation of a certain type of crop are established by Spain for the purpose of economic and social support for vulnerable categories of production. The focus is mainly on animal husbandry and growing protein crops to avoid import dependence on plant proteins. As a percentage, the largest assistance is provided for the maintenance of cattle (27.6%), the second place in terms of funding is the sustainable maintenance of sheep and goats in extensive or semi-expanded animal husbandry (19.4%), followed by the maintenance of dairy cattle (18%), and the sustainable production of vegetable protein accounts for 7.6% of funding. In addition to this support, separate funding for ecological cotton of specific varieties is provided in the amount of EUR 59.7 million.

Sectoral intervention provides for 3 directions: 1) production of vegetables and fruit with a 15% level of environmental costs and a 2% level of research costs (total financial support will amount to EUR 377 million); 2) wine production with its 5% level of costs for achieving climate and environmental goals (total financial support will amount to EUR 202.1 million); beekeeping (total financial support will amount to EUR 19.1 million).

Generational renewal and involvement of women. A specific annual budget of EUR 220 million is provided for the renewal of generations. Clearly setting an age limit (persons under 40) reduces the risk of bureaucracy. In addition, young farmers will have access to all other payments provided for by the CAP. An additional incentive for farmers who have recently established farms to prioritise the distribution of rights to payments from the National Reserve. The gender component is also taken into account in the reformed CAP, giving a 15% preference to women. Autonomous communities may apply rural development measures aimed at promoting youth engagement in their territories, such as young farmers' settlements, among other measures that may have a differentiated and supportive regime for young people, such as training and counselling services, and launching rural businesses.

Consultations, training, innovation, digitization. The Strategic Plan (2023-2027) of the Common Agricultural Policy of Spain provides for the modernization and digitalization of the agricultural sector. Special attention is paid to consultations and training programs that are designed to expand knowledge and innovation. The budget for consulting services and training will increase to 60% (Spain: CAP Strategic Plan 2023-27, 2022).

While the new CAP framework focuses on supporting small-scale farming, there are a few key points that may be overlooked, which will ultimately jeopardise the fulfilment of announced ambitious promises. The greatest danger is concentrated in the transformational structural and demographic changes of small-scale farming. Recent decades have been marked by a tendency to reduce small family farms (Fig. 3). The main reasons for this trend are related to demographic changes in remote rural areas, climate changes associated with extreme weather conditions, as well as market pressures and inequality in access to innovation and new technology. According to statistics, small farms are run by older farmers (Fig. 4). The generational inheritance factor is very weak in Spanish

agriculture, which leads to the fact that at the end of farm management with the onset of retirement age, the farmer's land may be abandoned or merged with another farm. This trend is confirmed by an increase in the average farm size in Spain. Moreover, abandoned land creates more opportunities for expanding activities, rather than encouraging young people to enter business because of the risks associated with the cost of starting a new farm and

the lower level of attractiveness of agriculture compared to other sectors of the economy. Not the least role in this regard is played by the low level of agricultural education, which is below the EU average (only 18% of Spanish agricultural workers have a middle-level education and 75% have a low level (OECD, 2023). The above socio-economic context can create demotivating factors for the younger generation of potential farmers.

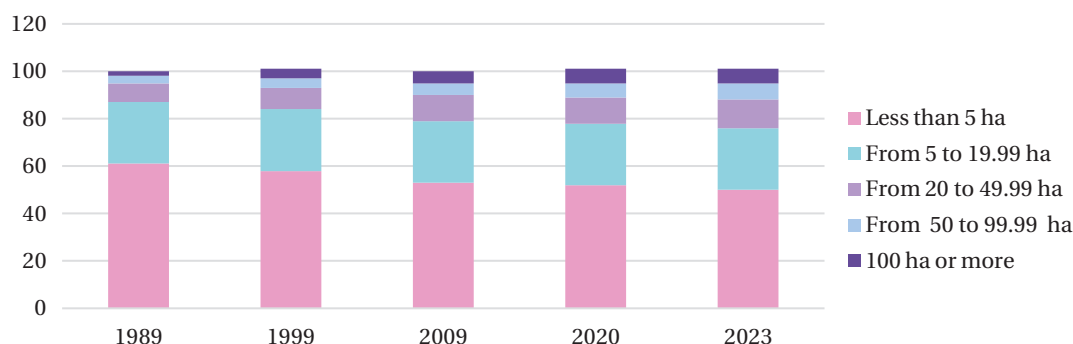


Figure 3. Distribution of the number of farms by size 1989-2023

Source: Data and analysis (n.d.)

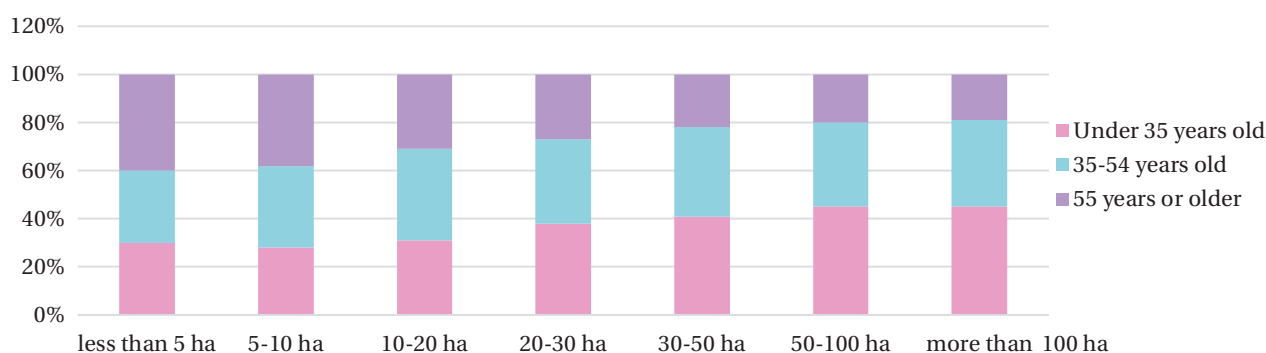


Figure 4. Age composition of farm management in Spain

Source: Farms and farmland in the EU: Tables and figures (n.d.)

The Spain Strategic Agricultural Plan has introduced certain mechanisms for redistributing funds from large farms to medium and small-sized farms in order to avoid concentrating funds in the hands of large beneficiaries. Such mechanisms include a new approach to the definition of “active farmer”, as well as payment restrictions (no more than EUR 200,000 per beneficiary). The next mechanism is the introduction of redistributive income support, which provides for

additional payment for the first hectares of the farm. A fairer redistribution specifically for small-scale farming, i.e. a 20% increase in support for the first 5 hectares, could reduce concerns about a higher level of support for medium-sized farming compared to small-scale production. An analysis of the structure of payments for contributions to the development of small farms (Table 2) shows some weaknesses in the approach to reallocation of funds.

Table 2. Agriculture policy support for small farms in Spain according to the Strategic Plan (2023-2027)

Policy area	Description	Amount of funding	Contribution
Redistributive income support	To be paid for the first hectares of the farm	Total support amount of €483M/year	This redistribution is more supportive of average farms, as the average area of up to 5 hectares is 20%, and more than 5 hectares-40%
Rural development	Investments are planned in 9 areas, the largest volume in environmental and climatic.	Total support amount of €1,762/YEAR	Despite the problem with education and farmers and the disproportionality of technological development in remote regions, the reallocation of funds to knowledge exchange and information dissemination is only 2.2%, and to technical assistance 1.9%

Table 2, Continued

Policy area	Description	Amount of funding	Contribution
Eco-schemes	Assistance is provided only for one selected practice	Total support amount of €1,107M/year	For small firms, which often use multiple sustainable practices at the same time, such a reallocation of funds may not be fair
Support for young farmers	Farmers under the age of 40 will receive additional benefits; for women, pay increases by 15%.	Total support amount of €96.5M/year	Given that most small farm owners are people over the age of 55, this reallocation does not support existing small farms
Active farmer mechanism	Criterion for receiving benefits is self-employment in the agricultural sector or 25% income from agricultural activities	Basic support, paid for all hectares €2,460M/year	The main funding is focused on supporting farmers' incomes, while there is still little financial support for new businesses, small farming cooperation tools, and marketing for agricultural markets.

Source: compiled by the authors based on Spain: CAP Strategic Plan 2023-27 (2022)

The analysis of the payment structure revealed that the financial mechanisms for supporting small-scale farming in Spain's new agricultural strategic plan remain suboptimal. A. Giuliani & H. Baron (2023) highlight the uneven management of financial flows favouring large companies. This imbalance could ultimately exacerbate risks related to biodiversity and the underutilization of agricultural knowledge and innovations by small farms. A number of important lessons can be found for a fairer distribution in favor of small-scale farming in Spain. Rural development could be improved by supporting new rural businesses and encouraging young people to start their own farming businesses. Support for the purchase of land, animals, and agricultural infrastructure elements could improve the situation for small market operators. Promoting collective action on small farms will also be useful, especially for the development of short supply chains. Given that the percentage of direct sales in Spain is only 5%, attention to developing partnership approaches is desirable for the development of local markets, especially in remote rural regions. Stronger links could be expected between the local agricultural, food and tourism sectors.

More equitable support for eco-schemes could be achieved through the provision of basic incentives and bonuses for the implementation of integrated and systemic practices, not limited to funding just one practice. Given that small farms are more capable of maintaining biodiversity through a more diversified product portfolio and reducing the risk of monoculture cultivation, funding multiple practices at the same time could help improve the environmental sustainability of small-scale production.

The gap in digital skills and the use of digital technology are still significant for rural areas in Spain. Targeted and broader support in providing advisory services to small-scale farmers can help narrow the skills gap and achieve a more equitable distribution of income, taking into account the training needs of the agricultural sector labour force (Policies for the future..., 2023). There is a need for more concentrated government support, taking into account the specific needs of small farmers on digital issues. Funding for the training and involvement of consultants on the application of sustainable technology and practices in agriculture, marketing and distribution support, technology and innovations for improving productivity,

and other issues is considered a useful area. The use of digital skills by small farm managers can contribute to the development of a more sustainable agricultural model. Today, there are already examples of cooperation between the State and the private sector of Spain in this area and they should be disseminated. The AGROTECH DIH platform (Andalucía Agrotech Digital..., n.d.) is an example of public-private partnership. Their goal is to promote digital transformation in the agri-food sector by introducing cutting-edge technologies, promoting innovation and collaboration, and connecting with the European digital ecosystem. The company provides technology and training services. The basic function of the platform is to help farmers find providers of services such as big data, precision farming, and artificial intelligence. The platform contains open sources of data on entrepreneurship training and other educational elements. Another new example of interaction between R&D and small-scale farming, which is not yet widespread in Spain, is the creation of "living laboratories", whose activities are based on consumer-oriented innovations. This approach is the direction of spreading the concept of agroecology in Europe. It promotes the simultaneous involvement of farmers and scientists in joint efforts to design environmentally oriented land use.

► Discussion

The development of small-scale farming in Spain is particularly relevant in the context of maintaining the viability of rural and remote areas, preserving landscape features and biodiversity. The presented results of the critical review of Spain's strategic agricultural plan raise a discussion on enhancing support for small-scale farming. Transformational changes in the structure of farming in Spain demonstrate a trend towards a reduction in the number of small farms and a low rate of generational succession. A number of studies raise debates about the contribution of small-scale farming in the new strategic CAP plans of member countries (Toma *et al.*, 2021; Petsakos *et al.*, 2022; Giuliani & Baron, 2023). The study by I. Toma *et al.* (2021) provides an evidence-based analytical foundation of the existing needs of small-scale farming in Poland, Romania, and Latvia, as these countries where small-scale farming is a dominant feature. For each of these countries, national

narratives related to market integration, rural infrastructure, innovation, and agricultural education have been developed. By drawing an analogy in forming a narrative for Spanish small-scale farming, the following national narratives can be identified: 1) higher support rates for the first hectares; 2) improved mechanisms for encouraging young farmers; 3) development of innovations, technologies, and agricultural infrastructure for small-scale farming; 4) promotion of short supply chains.

A higher rate of support for the very first hectares of farms can improve the design of reallocation of payments and help avoid concentrating support for medium and large beneficiaries. Following the example of the Netherlands and Germany, as indicated in the study by J. Poláková *et al.* (2024), the enhancement of rural development could be achieved by reallocating direct payments to national-level funding. In agreement with the assessment provided in the study by the European Parliament, a significant achievement should be considered the 50% funding for rural development, which is associated with agri-environmental measures for areas with specific constraints (Comparative analysis..., 2023). The amount of payments received for the implementation of eco-schemes should encourage the simultaneous use of more than one practice in order to be fair for small-scale farming.

Mechanisms should be improved to encourage young farmers to enter the business and follow the family business by increasing the attractiveness of the farmer's profession and the level of agricultural education. In developing appropriate programs to stimulate small-scale farming and attract young people, their typology should be considered. For example, in the study by V. Graskemper *et al.* (2021), one can find an example of the typology of German farmers. Implementing such a clustering methodology could be beneficial for the development of these proposed programs in Spain.

Investments in reducing the gap between the innovative, technological and information levels of large- and small-sized farms will help to increase the competitiveness of the latter. The digitalization of the agricultural sector also plays a key role in this context. The complexity of calculations for obtaining funding under eco-schemes requires proper communication with farmers and assistance in these calculations. Following the example of the Netherlands (Jongeneel & Gonzalez-Martinez, 2023), the creation of a user-friendly modelling tool designed to facilitate calculations and enable the testing of different options could simplify decision-making regarding eco-schemes for Spanish farmers. Enhancing agricultural infrastructure through public funding, such as a 30% reimbursement of funds invested in the reconstruction of infrastructure for storage and processing (Pietrzyk, 2022), could also be an effective measure in supporting small-scale farming.

Stimulating the development of short supply chains in remote agricultural regions will help stabilise the profitability of small farms and reduce the market burden. Alternative food networks aimed at reducing the number of intermediaries from producer to end consumer could address this issue by implementing the goals of the EU's Common Agricultural Policy. The development of infrastructure for cooperation of small farmers will help strengthen their position in market negotiations.

In addition to adapting to the needs of small-scale farming, it is also important to address the general bottlenecks within Spain's SP that affect all beneficiaries of the agricultural sector. In the updated Strategic Plan, the developers have not managed to get rid of the contradictions between traditional and organic agricultural production, which raises the issue of further sustainability of the agricultural sector. No significant changes are observed in the industry structure or the mass transition of certain types of activities to organic production. As noted in a recent study by G. Calabro & S. Vieri (2023), merely promoting the expansion of organic acreage is unlikely to result in the desired shift from conventional farming methods to organic farming. In this context, it should be agreed that achieving ambitious goals of 25% organic acreage, as exemplified by Spain, mainly involves engaging farmers who are already more sustainable, which does little to facilitate the overall transition to organic farming. Additionally, the situation in Spain is exacerbated by the fact that none of the eco-schemes provide support for organic farming. This situation arose because representatives of organic farms were not involved in formulating recommendations for the development of the government's agricultural policy.

Overall, the situation with eco-schemes for organic farming is uncertain in the CAP strategic plans of many EU member states (Evaluation of support..., 2022). Only countries like Denmark, Italy, and Poland have planned the creation of eco-schemes that specifically support organic farming. The Danish government has planned to allocate support amounting to 3.5 million Danish kroner to promote organic farming, which is considered sufficient to achieve the goal of a 20% increase in organic acreage (Evaluation of support for organic farming..., 2022). Overall, Denmark serves as an example of a country that supports organic farming not only from the producer's side but also from the consumer's side. The example of promoting the consumption of organic products through the introduction of organic food procurement programs by public institutions (Daugbjerg, 2023) could be useful for Spain, where the level of organic product consumption is low compared to the EU average. For many Spanish farmers, marketing policies remain one of the biggest challenges, despite the consumption culture and focus on healthy eating in society (Amorim *et al.*, 2023). And here traditional economic laws play a role, the effect of which cannot be cancelled. For example, small-sized farms cannot compete with large producers in marketing support. Accordingly, they cannot receive an additional price premium. The study shows that the greater the distance of sale of organic products, the greater its carbon footprint becomes, and accordingly the logic of organic production disappears. Hence, it is essential to create a system of support for the local distribution of products of a local producer (Simón-Rojo *et al.*, 2020; Stefanovic *et al.*, 2020). In this context, the issues of marketing support for local organic producers, popularizing their preferences and consumer benefits are not decisive. The protectionist support policy provides only support through financial incentives, such as subsidies, but does not play a role in ensuring its sustainability. The dilemma of the "long-short" supply chain is not solved in the updated Strategic Plan as well.

At the same time, countries such as Germany and Luxembourg do not include eco-schemes suitable for organic farms in their strategic plans due to the avoidance of double funding. These discrepancies in agricultural strategic plans have arisen because, on the one hand, the new CAP model has become more flexible, allowing member states to adjust national CAP tools, while on the other hand, as rightly noted in the study by N. Röder *et al.* (2024), the lack of clear restrictions and the vague recommendations provided by the European Commission may lead to a decrease in the expected environmental contribution of the new CAP. Consequently, in the case of Spain, to avoid a situation where the advantages of organic farming compared to conventional farming disappear, support measures for organic farming should be considered as additional measures compatible with agri-environmental and climate measures. The recommendations presented could serve as a foundation for further scholarly debate and encourage stakeholders to re-evaluate specific aspects of agricultural policy, with the aim of enhancing its alignment with the implementation of the stated ambitious objectives.

►Conclusions

Given the importance of small-scale farming for the formation of a sustainable European food system, an evaluation of Spain's new CAP Strategic Plan was conducted in this context. The reformed European agricultural policy is undoubtedly aimed at developing agroecological and sustainable systems, yet it still lacks effective mechanisms to support small-scale farming, which may pose risks to food security in the future. The analysis presented in this study identified weaknesses that could negatively impact the ambitious goals of Spain's new CAP Strategic Plan: transformative structural

and demographic imbalances (more than 50% of all agricultural land is occupied by 6% of farms larger than 100 hectares); the increasing average age of farmers and insufficient level of agricultural education (only 18% of Spanish agricultural workers have a medium level of education and 75% have a low level); the digital skills gap and the use of digital technologies in rural areas; and the low competitiveness of small-scale farming. In addition to the need for adaptation to the requirements of small-scale farming, the new CAP Strategic Plan for Spain lacks adequate attention to organic farming, which is a bottleneck for all agricultural sector beneficiaries. To maintain territorial balance and reduce disparity levels, this study provides a set of narratives that could improve the adaptation of small-scale farming to the new CAP Strategic Plan for Spain. Leveraging the positive experiences of other countries could be beneficial in overcoming these disparities. The provided recommendations can serve as a basis for further scientific discussion and the improvement of agricultural policy. Further research could focus on a more in-depth analysis of the effectiveness of eco-schemes for small-scale farming and the socio-economic impacts of new policy initiatives on small family farms and remote rural areas.

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►Conflict of interest

None.

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Спільна сільськогосподарська політика для малих фермерських господарств в Іспанії (2023-2027): критичний огляд

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► **Анотація.** Роль малого фермерства у формуванні сталої продовольчої системи є значною через його більшу здатність підтримувати біорізноманіття, забезпечувати доступність продуктами харчування та робочими місцями населення віддалених районів сільської місцевості, зберігати ідентичність локального виробництва. Відповідно, будь-яка реформа Commission Agricultural Policy потребує оцінки з цієї точки зору. Метою цього дослідження було критично оцінити потенціал адаптації потреб малого фермерства у новому стратегічному плані Commission Agricultural Policy Іспанії та надати рекомендації, які допоможуть подолати виявлені диспропорції. Відповідно, керуючись статистичною інформацією було зроблено аналітичний огляд сільськогосподарського сектору та досліджено головні тенденції трансформаційних змін у структурі фермерства Іспанії. Аналіз політичного документу дозволив виокремити компонентні зміни відповідно до реформування сільськогосподарської політики. Метод аналітично-критичного мислення було використано для аналізу структури платежів та справедливого перерозподілу коштів для малого фермерства. Результатом стало виявлення вузьких місць та диспропорцій у новому стратегічному плані Commission Agricultural Policy Іспанії та надання відповідних рекомендацій, які б могли сприяти кращій адаптації малих ферм нової сільськогосподарської політики. Надані рекомендації можуть стати основою для подальшої наукової дискусії та удосконалення сільськогосподарської політики. Це дослідження може бути корисним для зацікавлених сторін у прийнятті політичних рішень в процесі кращої адаптації до виконання заявлених амбітних цілей нового стратегічного плану Commission Agricultural Policy

► **Ключові слова:** еко-схеми; активне фермерство; підтримка перерозподільного доходу; розвиток сільських територій; органічне землеробство