

Economic Vulnerability of Farming

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#Economicvulnerability



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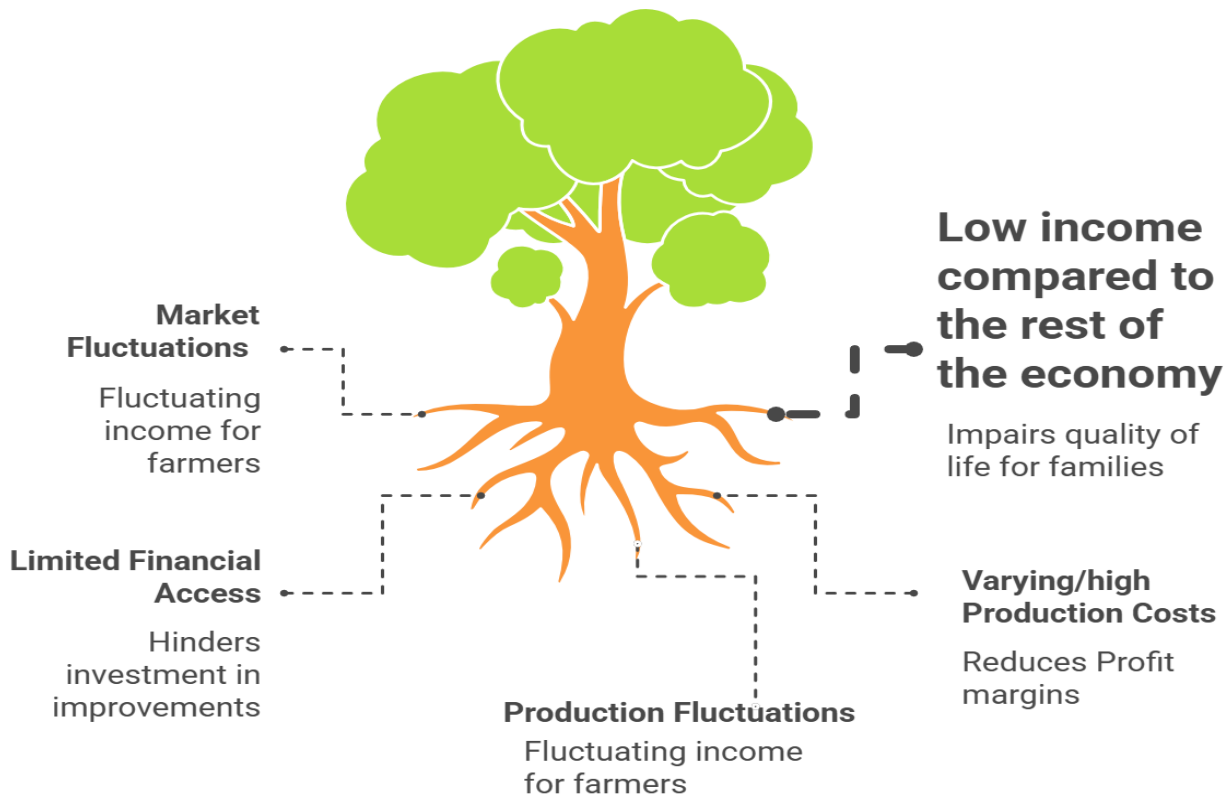


Drivers and possible ways of addressing economic vulnerability of farming



Financial Instability in Farming

Context





Economic Vulnerability of Farming

In other words... Being a farmer is synonymous to being subject to external impacts, sometimes causing you to be economically vulnerable.

But some segments of the sector are more vulnerable than others, or more likely to be subject to vulnerabilities in the future due to emerging drivers, this varies for example between:

- Member States.
- Regions and geographical areas.
- Agricultural sub-sectors.
- Different size segments of the sector.
- Etc (non-exhaustive list).

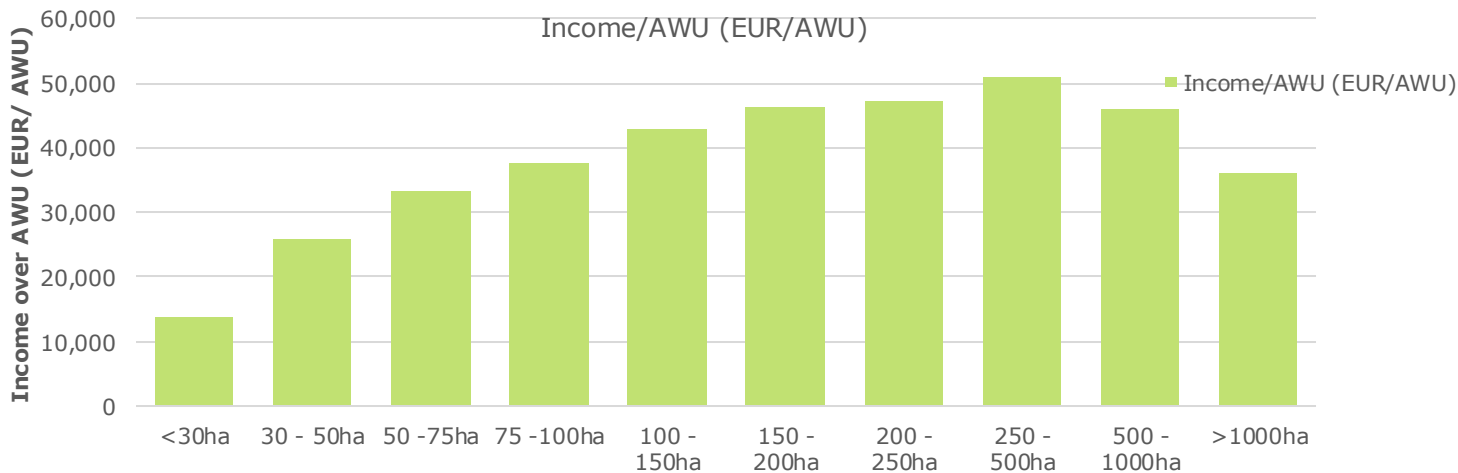
And it varies depending – to some extent – on farmers ‘preparedness’ (ability to collaborate and coordinate with others, training/knowledge/skills, etc) and it may vary over time.



External and internal drivers of economic vulnerability of farming.



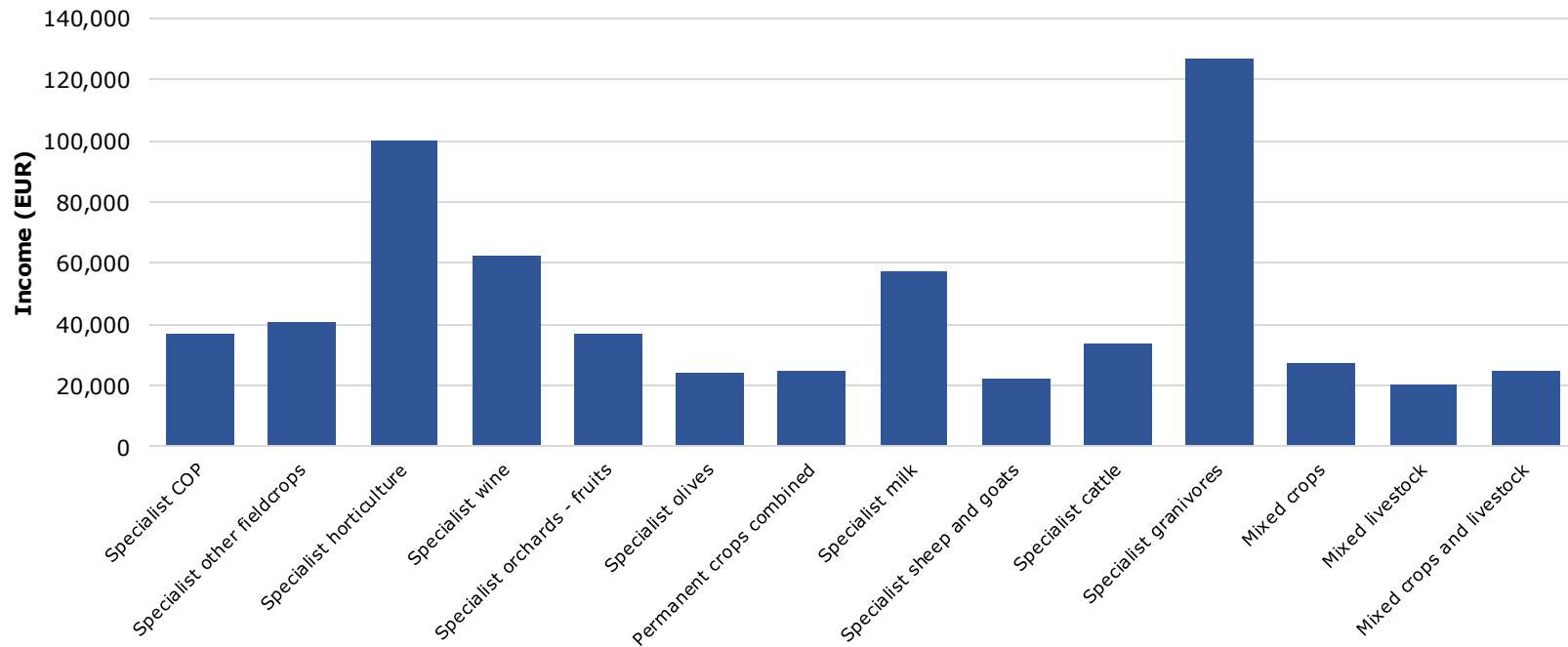
Agricultural Income (€/AWU) by Farm Size, EU28



Source: AGRI DP Income distribution per farm size and classes
AWU, Annual Work Unit = equivalent to the work of one person working full-time for one year.



Gross Farm Income per Farming Sector in the EU-27 (2020) (EUR)



Source: FADN



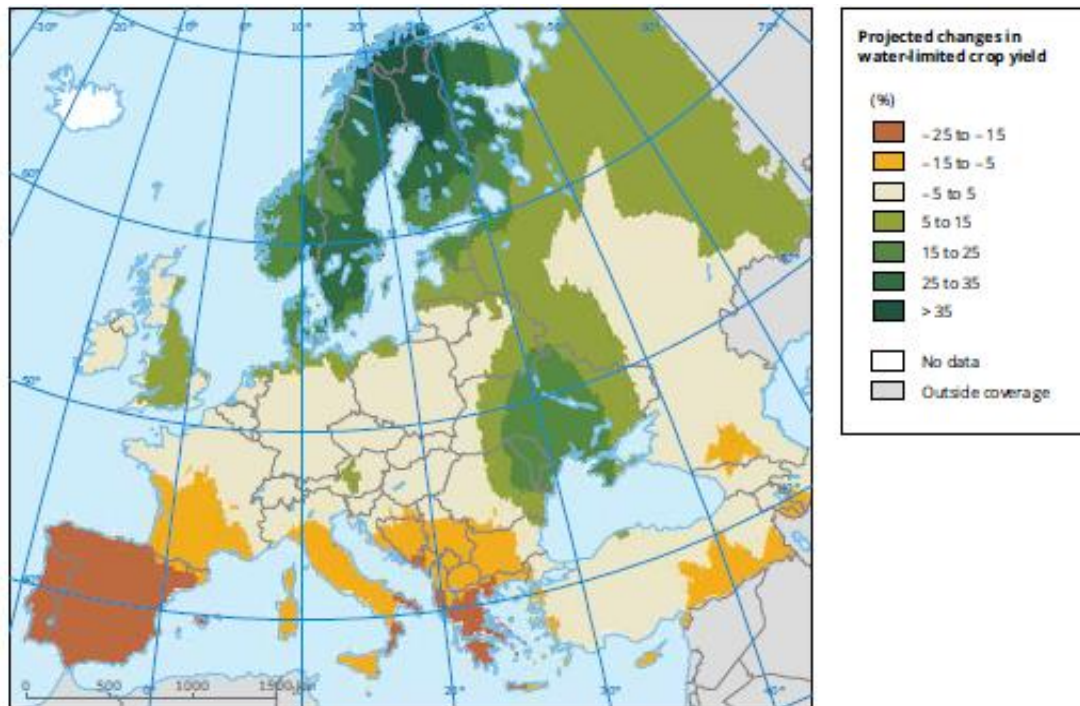




And climate change is expected to further increase the economic vulnerability of farmers...



Projected Changes in Water-Limited Crop Yield by 2050

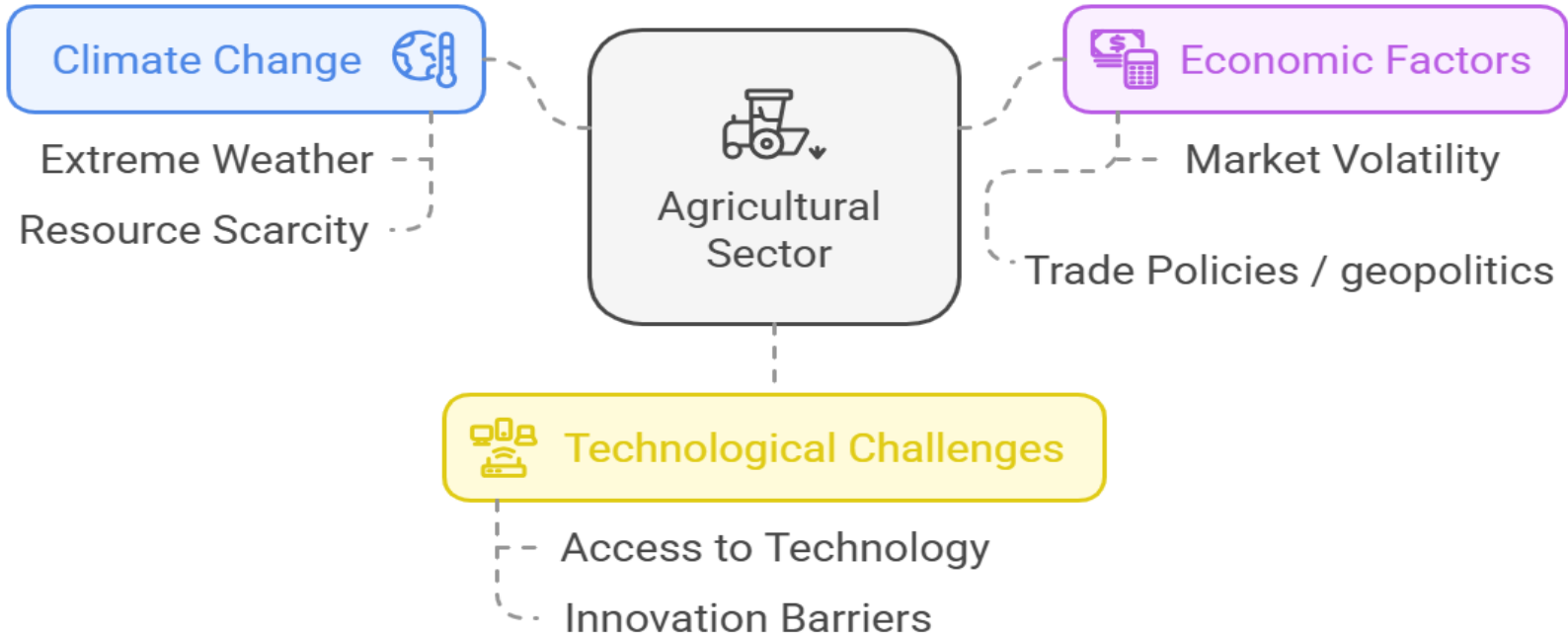


Note: The map shows the mean relative changes in water-limited crop yield simulated by the ClimateCrop model for the 2050s compared with the period 1961–1990 for 12 different climate model projections under the A1B emissions scenario. The simulation assumes that the irrigated area remains constant, and the results combine the response of the key crops wheat, maize and soybean, weighted by their current distribution.

Source: EEA 2017



Drivers of Economic Vulnerability of Farming



Possible Responses to Economic Vulnerability of Farming

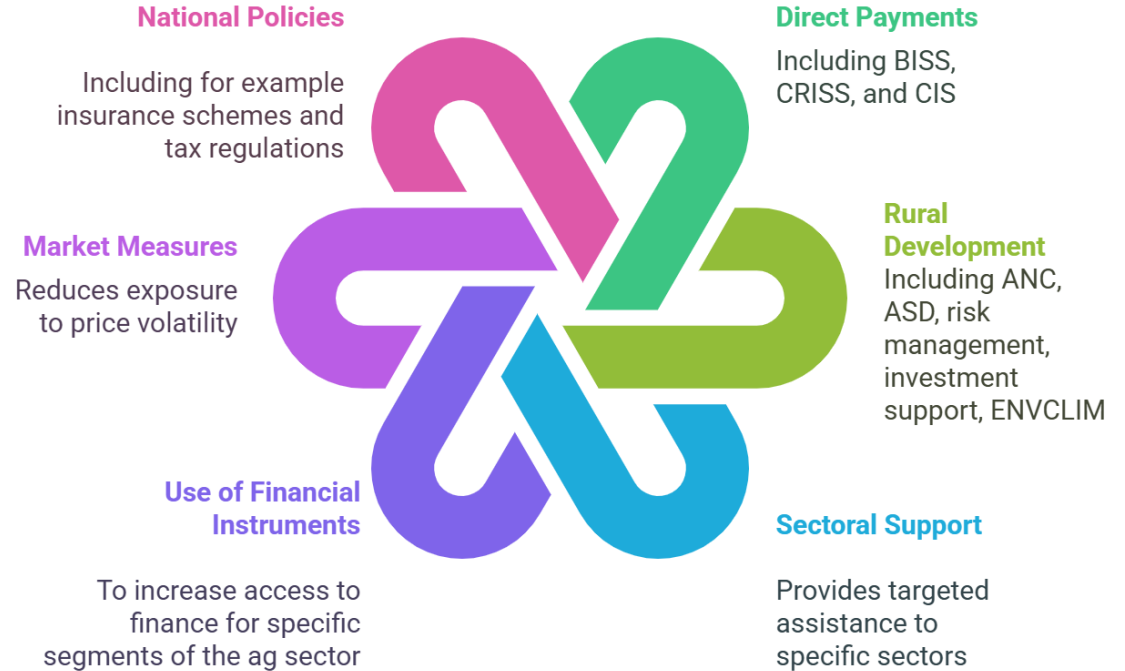




Wide spectra of tools available through the CAP and national policies to support EVF.

For 2023-2027, Member States have chosen different strategies depending on the identified needs and the tools considered most appropriate to address the needs.

Primary policy responses to EVF



**How one defines economic
vulnerability and the vulnerabilities
one considers most urgent to
address will define the policy
response**



Thank you for your attention!

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