

# Support for young farmers in the European Union: How much discretion for Member States?

Anna Florentine Gall  | Clara Lina Bader | Edwin Alblas

Law Group, Wageningen University & Research, Wageningen, the Netherlands

## Correspondence

Anna Florentine Gall and Edwin Alblas.

Email: [anna.gall@wur.nl](mailto:anna.gall@wur.nl) and

[edwin.alblas@wur.nl](mailto:edwin.alblas@wur.nl)

## Abstract

Generational renewal is at the heart of the European Union's (EU) agricultural priorities embedded in the Green Deal and Farm to Fork Strategy, since young farmers not only play a vital role in ensuring the competitiveness of European agriculture but also have significant potential in transitioning towards a sustainable agri-food system. However, the number of young farmers across the EU has been rapidly decreasing over time. To address this issue and enable better access of young people to the farming profession, the EU's Common Agricultural Policy (CAP) lays down various mechanisms to support young farmers. In case C-119/20, the Court of Justice of the EU took important steps to clarify the exact degree of discretion for Member States in terms of these support schemes, specifically on the definition of a 'young farmer', as well as the possibility to accumulate different types of financial support under the CAP. This case note presents the reasoning behind the Court's judgement, before discussing the judgements' impact on young (female) farmers in light of the goal of fostering generational renewal in rural areas and a transformation towards a sustainable agri-food system. We conclude that the Court's decision might threaten to meet the goal of generational renewal, along with associated sustainability goals.

## 1 | INTRODUCTION

Enabling generational renewal through support for young farmers is one of the main priorities of the European Union's (EU) Common Agricultural Policy (CAP).<sup>1,2</sup> Young farmers play a vital role not only

in ensuring the competitiveness of European agriculture but also in achieving the objective of transitioning towards a sustainable food system,<sup>3</sup> as reflected in the EU's Green Deal and the Farm to Fork Strategy.<sup>4</sup> As the European Commission writes, the 'sustainability of agriculture and food production relies on young, motivated and well-trained people who find living in rural areas attractive, remaining in those rural areas and establishing

<sup>1</sup>Regulation 1305/2013/EU on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 [2013] OJ L347/487 (Rural Development Regulation) art 19; This regulation has been consolidated as the reform of the CAP (2023–2027) came into force on 1 January 2023. See Regulation 2021/2115/EU establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) [2021] OJ L435/1 art 5(2)(b).

<sup>2</sup>European Court of Auditors, 'EU Support to Young Farmers Should Be Better Targeted to Foster Effective Generational Renewal' (2017) <[https://www.eca.europa.eu/Lists/ECADocuments/SR17\\_10/SR\\_YOUNG\\_FARMERS\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR17_10/SR_YOUNG_FARMERS_EN.pdf)>.

<sup>3</sup>M Sponte, 'The Role of Young Farmers in the Sustainable Development of the Agricultural Sector' (2014) 15 Calitatea 410.

<sup>4</sup>Commission (EU) 'The European Green Deal' (Communication) COM (2019) 640 final, 11 December 2019; Commission (EU), 'Farm to Fork Strategy: For a Fair, Healthy and Environmentally-friendly Food System' (2020) <[https://food.ec.europa.eu/system/files/2020-05/f2f\\_action-plan\\_2020\\_strategy-info\\_en.pdf](https://food.ec.europa.eu/system/files/2020-05/f2f_action-plan_2020_strategy-info_en.pdf)>.

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commercially viable farms'.<sup>5</sup> Scholarly research also highlights the potential of young farmers as 'innovation enablers', witnessing a significant environmental awareness in this new generation of farmers.<sup>6</sup> Furthermore, without generational renewal in rural areas, the transformation to a sustainable food system is threatened due to the sheer lack of labour and human capital.<sup>7</sup> As such, young farmers hold a strong potential to contribute not only to environmental sustainability but also to the social and economic dimensions of sustainability as they enable a rejuvenation of rural areas.<sup>8</sup> However, the number of young farmers across the EU has been rapidly decreasing over time, among others due to a lack of access to finance and access to land.<sup>9</sup>

To address these issues and enable better access of young people to the farming profession, the CAP lays down various mechanisms through which young farmers may be supported.<sup>10</sup> EU law allows a certain degree of discretion to Member States as to how these mechanisms should be designed at the national level and how and when farmers can (or cannot) avail of such support mechanisms. The scope of Member States' degree of discretion, however, is relatively unclear. In case C-119/20 (*Līga Šenfelde v Lauku atbalsta dienests*),<sup>11</sup> the Court of Justice of the EU (CJEU) has taken important steps to clarify the exact degree of discretion for Member States on this issue. The case arose from a request for a preliminary ruling, issued in the context of a dispute between Ms Līga Šenfelde and the Latvian Rural Support Service (LAD, *Lauku atbalsta dienests*). The request concerned both the question of how to define a 'young farmer' and the possibility to combine different types of financial support under the CAP.

This case is of particular interest because it clarifies the means of support for young farmers, which is of key relevance not only for generational renewal but also as said for the transition towards a sustainable agri-food system. The divergence between the Court's findings and the opinion of Advocate General (AG) Juliane Kokott exemplifies how Member States' discretion in the context of the implementation of the CAP may be interpreted in different ways. This is particularly relevant as the new CAP, which entered into force at the start of 2023, emphasizes Member States' responsibility to tailor the CAP to the national context. In this case note, we first outline the factual background of the case and then analyse both the AG's opinion and the Court's judgement. Our conclusions consider the impact of the judgement on young (female) farmers in Latvia and in the EU more broadly, in light of the goal of fostering generational renewal in rural areas.

<sup>5</sup>Commission (EU), 'Young Farmers' <[https://agriculture.ec.europa.eu/common-agricultural-policy/income-support/young-farmers\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/income-support/young-farmers_en)>.

<sup>6</sup>Al Guerra and JC Lopes, 'Young Farmers as Innovation Enablers in Rural Areas: The Role of The EU's Support in a Portuguese Peripheral Region, Trás-Os-Montes' (2021) 61 *Revista Portuguesa de Estudos Regionais* 85.

<sup>7</sup>See also L Zagata and LA Sutherland, 'Deconstructing the "Young Farmer Problem in Europe": Towards a Research Agenda' (2015) 38 *Journal of Rural Studies* 39.

<sup>8</sup>Guerra and Lopes (n 6).

<sup>9</sup>Commission (EU), 'CAP Specific Objectives ...explained - Brief No 7, Structural Change and Generational Renewal' (2019) <[https://agriculture.ec.europa.eu/system/files/2019-11/cap-briefs-7-structural-change\\_en\\_0.pdf](https://agriculture.ec.europa.eu/system/files/2019-11/cap-briefs-7-structural-change_en_0.pdf)>.

<sup>10</sup>Rural Development Regulation (n 1) art 19(a)(i).

<sup>11</sup>Case C-119/20 *Līga Šenfelde v Lauku atbalsta dienests* [2021] ECLI:EU:C:2021:817.

## 2 | CASE BACKGROUND

The case dealt with the cumulation of two types of agricultural business start-up aids available under Article 19(1)(a) of the Rural Development Regulation. In October 2015, Ms Šenfelde applied for a business start-up aid for the development of small farms for her family farm.<sup>12</sup> Her application was granted by the LAD in January 2016. In July 2016, the applicant inherited the farm from her parents. Following this change of position and the growth of her farm, she became eligible for a second fund: the business start-up aid for young farmers,<sup>13</sup> which is linked to the production potential of a farm.<sup>14</sup> The LAD, however, refused her application based on its interpretation of Article 19(4) of the EU Regulation 1305/2013/EU. The central point of controversy related to the possibility to accumulate two types of aids for similar objectives. The LAD argued that, under Article 20 of Latvian Regulation 292,<sup>15</sup> it is not possible to receive a start-up aid more than once under the same Regulation—also known as the 'single-payment rule'.<sup>16</sup> The applicant, in turn, claimed that the prohibition of receiving business start-up aids more than once applies to each of the business start-up aids separately, instead of their cumulation.<sup>17</sup> The parties to the dispute also disagreed on the definition of 'young farmers' and whether the fact of being the recipient of a start-up aid for the development of small farms was compatible with the applicant's status as a 'young farmer'. The LAD argued that, under Latvian legislation, it was not possible to apply for the development of small farms when already receiving the business start-up aid for young farmers. It argued that the reception of business start-up aids for the development of small farms would clash with the prerequisite to receiving of the business start-up aid for young farmers, that is, a farm takeover or a first establishment.

Ms Šenfelde filed a lawsuit against the LAD's refusal of the provision of the cumulation of the two types of business start-up aids under the Rural Development Regulation, which was dismissed by both the Latvian District Administrative Court (*administratīvā rajona tiesa*) and the Regional Administrative Court (*Administratīvā apgabaltiesa*). Both courts reasoned that the business start-up aid would be used for the same objective, namely, the development of a small farm.<sup>18</sup> The courts took the view that granting a cumulation of business start-up aids would entail a disproportionate use of funds, which conflicted with the single-payment rule under Latvian law. Furthermore, the courts argued that the provision of the business start-up aid for the development of small farms disqualified the applicant from being defined as a 'young farmer'. The applicant filed an appeal before the Latvian Supreme Court (*Augstākā tiesa*) in November 2017,

<sup>12</sup>Rural Development Regulation (n 1) art 19(1)(a)(iii).

<sup>13</sup>*ibid* art 19(1)(a)(i).

<sup>14</sup>Case C-119/20 (n 11), Opinion of AG Kokott, [2021] ECLI:EU:C:2021:458 paras 42, 43, 51.

<sup>15</sup>Regulation (Latvia) 292 of the Council of Ministers of 9 June 2015 on the procedure for granting national and European Union aid under the sub-measure 'Business start-up aid for the development of small farms' within the measure 'Farm and business development' [2015].

<sup>16</sup>Opinion of AG Kokott (n 14) para 28.

<sup>17</sup>Case C-119/20 (n 11) para 25.

<sup>18</sup>*ibid* para 23.

arguing that the Rural Development Regulation had been interpreted incorrectly by the lower courts. The Latvian Supreme Court was uncertain on whether, under EU law, it was lawful to receive business start-up aids both for the development of small farms and for young farmers. Therefore, on 24 February 2020, the court requested the CJEU to issue a preliminary ruling under Article 267, asking questions that were rephrased by the AG and the Court as follows:

1. Whether Article 19(1) of the Rural Development Regulation precludes the receiving of the business start-up aid for young farmers following the granting of the business start-up aid for the development of small farms,<sup>19</sup> with the AG emphasizing the ‘young farmer’ status.<sup>20</sup>
2. Whether Member State legislation that precludes the granting of cumulating two types of aids precludes the applicant from receiving the business start-up aid under Article 19(1)(a)(i), following the reception of the business start-up aid under Article 19(1)(a)(iii).<sup>21</sup>

### 3 | OPINION OF THE AG

On the first question, the AG argued that under Article 2 of the Regulation, a ‘young farmer’ is defined as a person under 40 years of age, with sufficient competence and skills, setting up as head of his holding for the first time when applying for a business start-up aid. She found that these criteria hold true for Ms Šenfelde. AG Kokott noted<sup>22</sup> that, under Article 19(4), the granting of business start-up aids is, subject to the submission of a business plan and dependent on lower and upper thresholds for the size of the agricultural holding. She noted that the eligibility criteria differ between the two business start-up aids. Therefore, the eligibility criteria can theoretically not be fulfilled at the same time, meaning that the two aids cannot be granted at the same time.<sup>23</sup>

The AG then highlighted that the applicant met both these preconditions in a short period of time, due to an increase in her farm's production following the grant of aid under Article 19(1)(a)(iii). Thus, the applicant was able to contribute towards one of the main goals of the Regulation as stated in Article 5(2b)—that of generational renewal through the entry of a competent farmer in the agricultural sector.<sup>24</sup>

The AG noted that the refusal of Ms Šenfelde's second application for aid stood in the way of achieving the Union's priorities of rural development.<sup>25</sup> The AG moreover argued that, regardless of receiving the business start-up aid for the development of small farms, the applicant still fulfilled the precondition for the business start-up aid

for young farmers of ‘setting up for the first time’,<sup>26</sup> as the aid has an application period of 24 months after setting up the farm business.<sup>27</sup> According to the AG, one business start-up aid does not exclude a second grant per se.<sup>28</sup> In cases of cumulation, the amount of aid would only need to be adjusted, in order to stay below the maximum allowed under Article 19(6) of the Rural Development Regulation,<sup>29</sup> to prevent double funding.<sup>30</sup> This interpretation seems in line with the objectives of Article 5(1) of the Rural Development Regulation and the reality of the life of young farmers.<sup>31</sup> To quote the AG:

To refuse a young farmer aid for young farmers in this kind of situation on the ground that he or she has previously received aid for the development of a small farm in respect of the same farm and the same project would run entirely counter to the objectives of Regulation 1305/2013 and the Union priorities for rural support.<sup>32</sup>

The AG, therefore, concluded that the applicant should not lose her ‘young farmer’ status and should instead remain eligible to receive the aid, as long as the previously received business start-up aid was taken into account and the maximum threshold was not exceeded.<sup>33</sup> Instead, the AG argued that allowing the cumulation of the aforementioned aids is ‘consistent with the spirit and purpose of the support offered to [young farmers] under Regulation No 1305/2013’.<sup>34</sup>

On the second question, the AG stressed that, when the Member States take measures to implement a regulation, they must remain within the ‘degrees of latitude’ of the Regulation in question.<sup>35</sup> Thus, although the Member States have a degree of discretion to ‘take account of their respective socio-economic condition’, this does not encompass going beyond the fundamental criteria for the eligibility of young farmers, which are set by the Rural Development Regulation itself and are directly applicable.<sup>36</sup> According to the AG, Member States should not deny the business start-up aid to young farmers, if they fulfil the eligibility criteria laid down in the Regulation, as long as the amount of the first business start-up aid is deducted from the amount of the second.<sup>37</sup>

<sup>19</sup>ibid para 28.

<sup>20</sup>Opinion of AG Kokott (n 14) para 37.

<sup>21</sup>Case C-119/20 (n 11) para 52; Opinion of AG Kokott (n 14) para 83.

<sup>22</sup>Thus, already highlighting the different degrees of discretion that exist under the Regulation.

<sup>23</sup>Opinion of AG Kokott (n 14) paras 43–45, 48.

<sup>24</sup>ibid paras 47, 80.

<sup>25</sup>ibid para 79.

<sup>26</sup>ibid para 53.

<sup>27</sup>Regulation 2017/2393/EU of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material [2017] OJ L350/15; Opinion of AG Kokott (n 14) paras 54, 59.

<sup>28</sup>Opinion of AG Kokott (n 14) paras 54–55, 62.

<sup>29</sup>ibid paras 56, 66–67, 70.

<sup>30</sup>ibid para 74.

<sup>31</sup>ibid paras 56, 75.

<sup>32</sup>ibid para 79.

<sup>33</sup>ibid paras 72, 82.

<sup>34</sup>ibid para 73.

<sup>35</sup>ibid para 86.

<sup>36</sup>ibid para 85–86.

<sup>37</sup>ibid para 87.

## 4 | THE JUDGEMENT OF THE COURT

On the first question, like the AG, the Court also identified Ms Šenfelde as a ‘young farmer’ under Article 2(1)(n) of the Rural Development Regulation.<sup>38</sup> The Court noted that Articles 19(1)(a) and 19(4) of the Regulation do not specifically address the issue of the cumulation of grants. The Court nevertheless found that Article 19(5) supports the cumulation of grants, by stating that

the possibility of cumulating the two types of aid at issue in the main proceedings is supported by the fact that Regulation No 1305/2013 provided for the aid for young farmers to be paid not only once but in instalments, the possibility to make such payments in instalments being expressly provided for in Article 19(5) of that regulation.<sup>39</sup>

The Court further highlighted that, according to the European guidelines for State aid in the agricultural and forestry sectors, aid can be cumulated, as long as the stipulated thresholds are not exceeded.<sup>40</sup> The Court, therefore, concluded that the cumulation of the two aids at issue would not be precluded, as long as the threshold provided under Article 19(6) is not exceeded.<sup>41</sup>

Regarding the second question, the Court, however, departed from the line of argumentation of the AG. The Court found that the implementation of the Rural Development Regulation through the adoption of rural development support programmes allows the Member States a reasonable scope of discretion. This discretion is aimed at ensuring the efficiency and effectiveness of financial resources,<sup>42</sup> alongside the contribution to the specific achievement of EU rural development priorities.<sup>43</sup> The Court noted that Article 20 of Latvian Regulation 292 on the granting procedure for national and EU aids for ‘Business start-up aid for the development of small farms’ within the measure ‘Farm and business development’ states that applicants may only receive one of these business start-up aids within one programming period. The Court concluded that the Member State could legitimately restrict the cumulation of aids and, consequently, the granting of the business start-up aid under Article 19(1)(a)(i).<sup>44</sup>

## 5 | DEGREES OF LATITUDE IN SETTING UP SUPPORT FOR YOUNG FARMERS

Our analysis considers two key elements of the judgement, namely, the discretion of Member States in implementing national systems for granting CAP subsidies and the importance of young farmers in the

EU agricultural system. We furthermore consider the matter of gender, which was not explicitly mentioned but merits further analysis.

### 5.1 | Discretion in implementing the CAP

The judgement addresses a common theme in EU jurisprudence, namely, the tension between the decision-making power of the EU and Member States’ discretion. In this specific case, the AG emphasized that the ‘degrees of latitude’ of Member States are limited to those ‘expressly provided for’ in the Regulation and ‘do not relate to the fundamental criteria governing the eligibility of young farmers under Article 19(1)(a)(i)’.<sup>45</sup> The Court, instead, granted broader discretion to the Member States, arguing that they do in fact have the option to lay down restrictions on the granting of the business start-up aids for farmers who have received aid provided for under Article 19 (a)(iii) of the Regulation.

The Court’s judgement seems to align with its recent case law. For example, in case C-830/19, the CJEU found that the Rural Development Regulation does not preclude national legislation that sets out criteria for thresholds that may result in denying the granting of business start-up aids.<sup>46</sup> This discretion might be necessary to adapt to national socio-economic situations and prevent for instance that support is granted to young farmers whose holding generates such a large economic output that they ‘do not actually need support’.<sup>47</sup>

The Court’s line of reasoning seems to reflect the fact that national authorities should have discretion to decide on how they want to allocate the (reduced and scarce) CAP funding, in line with national law and national characteristics. As mentioned above, the new CAP (2023–2027) leaves further discretion to Member States in designing their National Strategic Plans and deciding national policies for (young) farmers.<sup>48</sup> While there are good arguments for increasing Member States’ discretion in light of national characteristics, an important question is whether there are presently sufficient safeguards in terms of ensuring young farmers across the EU get the (financial) opportunities to maintain or set up their businesses. A recent fi-compass report on financial needs in the agriculture and agri-food sector, for example, highlights the struggle to meet the demand for grants under the Rural Development Programme 2014–2020.<sup>49</sup> With specific regard to Latvia, there is already an anticipated reduction of 8.1% in the rural development fund in the upcoming CAP.<sup>50</sup> While the Court has thus clarified that Latvia’s authorities

<sup>45</sup>ibid para 86.

<sup>46</sup>Case C-830/19, C.J. v *Région wallonne* [2020] ECLI:EU:C:2020:275 para 44.

<sup>47</sup>ibid para 37.

<sup>48</sup>See further Commission (EU), ‘CAP Strategic Plans’ <[https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans\\_en](https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans_en)>.

<sup>49</sup>Fi-Compass EAFRD (2020) Financial needs in the agriculture and agri-food sectors in Latvia. <[https://www.fi-compass.eu/sites/default/files/publications/financial\\_needs\\_agriculture\\_agrifood\\_sectors\\_eu\\_summary.pdf](https://www.fi-compass.eu/sites/default/files/publications/financial_needs_agriculture_agrifood_sectors_eu_summary.pdf)>Fi-Compass is a platform for advisory services on financial instruments under EU shared management, as provided by the EU Commission in partnership with the European Investment Bank. See also Commission (EU), ‘Factsheet on 2014–2020 Rural Development Programme for Latvia, 2021’ <[https://agriculture.ec.europa.eu/system/files/2023-05/rdp-factsheet-latvia\\_en.pdf](https://agriculture.ec.europa.eu/system/files/2023-05/rdp-factsheet-latvia_en.pdf)>.

<sup>50</sup>Ministry of Agriculture, ‘Priorities of Latvia of the Common Agricultural Policy (CAP) after 2020’ (2020).

<sup>38</sup>Opinion of AG Kokott (n 14) paras 38–40.

<sup>39</sup>Case C-119/20 (n 11) para 41.

<sup>40</sup>ibid para 48.

<sup>41</sup>ibid para 51.

<sup>42</sup>ibid, para 54–56.

<sup>43</sup>ibid paras 58–60.

<sup>44</sup>ibid para 62.

were within the Member States' degrees of discretion under the CAP, in the future, it will be important to closely monitor whether Latvia and, indeed, all Member States have and employ the necessary means to achieve the CAP's objectives on generational renewal.

## 5.2 | Young (female) farmers in the EU

The Court's decision highlights the need for a deeper analysis of the impact of the CAP on the socio-economic realities of young farmers. As of 2010, farmers younger than 35 years accounted for 7.5% of the EU's farmer population. The Latvian average is even lower, with only 5.4% of farmers under the age of 35.<sup>51</sup> This low proportion of young farmers is particularly worrying considering the need to transition towards a more sustainable food system and the farmers' role in delivering it.<sup>52</sup> After all, if there is no labour force nor human capital left in rural areas, it will be impossible to take up young farmers' potential in terms of generational renewal. Scholars have furthermore witnessed a significant environmental awareness in the new generation of farmers.<sup>53</sup> Their workforce is thus needed in creating and taking up more innovative and eco-friendly farming practices,<sup>54</sup> for instance, organic farming practices.<sup>55</sup> Supporting generational renewal is therefore crucial for improving the sustainability performance of European farms and achieving the goals of the European Green Deal.<sup>56</sup>

In this context, the EU has emphasized that generational renewal requires 'empowering'<sup>57</sup> and encouraging 'the creation and development of new economic activity in the agricultural sector'.<sup>58</sup> Yet young European and Latvian farmers are facing barriers to entering the agricultural sector, such as the struggle to access agricultural land and a stable and sufficient income alongside accessing secure loans due to the lack of capital.<sup>59</sup> Furthermore, gender is another factor, with males being more likely to inherit the family farms, according to recent

research.<sup>60</sup> In light of the above, the CJEU could have interpreted the room for discretion in the Regulation in light of the overarching priorities of rural development underlying Article 5 of the Rural Development Regulation, including the objective to ensure generational renewal and keeping different realities of young farmers in mind, as suggested by the AG.<sup>61</sup>

One arguably noteworthy element of the case not discussed by both the AG and the Court is the gender dimension. Presently, only 29% of European farmers are female, and young female farmers account for only 4.2% of the European farming population.<sup>62</sup> Furthermore, 42% of European female farmers are above the age of 65, as opposed to 29.2% of male farmers.<sup>63</sup> Not only do women innovate differently than their male colleagues, for example, through smaller scale initiatives and farm diversification activities, their farms are also considerably smaller than men-led farms, even in countries like Latvia where women-led farms are more common.<sup>64</sup> There is, therefore, an urgent need to increase the number of young farmers in the EU and to put further emphasis on supporting young female farmers—as the 2023–2027 CAP objectives also mention.<sup>65</sup> In light of the above, restrictions to aids available to young farmers could have a particularly negative impact on the opportunities of young (female) farmers, which warrants further consideration.

## 6 | CONCLUSIONS

Generational renewal is one of the 10 key objectives of the CAP (2023–2027),<sup>66</sup> which is particularly challenging, in light of the ongoing trend of an ageing farming population across the EU.<sup>67</sup> In case C-119/20, the referring Latvian court essentially asked whether, under the CAP, business start-up aids for the development of small farms and young farmers can be cumulated. At its core, the case also dealt with the discretion of Member States in setting up national systems for granting business start-up aids for young farmers under the CAP, in order to achieve (or not) the overall CAP objectives on generational renewal and sustainability.

The Court's judgement did not align with the AG's opinion. While the AG argued that allowing the cumulation of the aforementioned aids is 'consistent with the spirit and purpose of the support offered to [young farmers] under Regulation No 1305/2013',<sup>68</sup> the Court found that Member States can set subsidy thresholds for agricultural

<sup>51</sup>Commission (EU), Directorate-General for Agriculture and Rural Development, 'Young Farmers and the CAP' (Publications Office of the European Union, 2016).

<sup>52</sup>D May et al, 'Preventing Young Farmers from Leaving the Farm: Investigating the Effectiveness of the Young Farmer Payment Using a Behavioural Approach' (2019) 82 Land Use Policy 317.

<sup>53</sup>Guerra and Lopes (n 6).

<sup>54</sup>W Hamilton et al, 'Entrepreneurial Younger Farmers and the "Young Farmer Problem" in England' (2015) 61 Agriculture and Forestry 61; G Kountios et al, 'Measuring the Environmental Awareness of Young Farmers' (2017) Proceedings Volume 10444, Fifth International Conference on Remote Sensing and Geoinformation of the Environment (RSCy2017).

<sup>55</sup>See in this context: D Läßle and T Rensburg, 'Adoption of Organic Farming: Are There Differences between Early and Late Adoption?' (2011) 70 Ecological Economics 1406.

<sup>56</sup>CEJA and DeLaval International AB, 'European Young Farmers: Building a Sustainable Sector' (2017), <<https://wordpress.ceja.eu/wp-content/uploads/2019/09/CEJA-Delaval-Survey.pdf>>; Guerra and Lopes (n 6); May et al (n 52).

<sup>57</sup>European Court of Auditors (n 2).

<sup>58</sup>Commission (EU), Directorate-General for Agriculture and Rural Development (n 51).

<sup>59</sup>At the same time (intra-family) succession remains difficult due to various (socio-economic) reasons, such as lacking retirement plans and connected financial insecurity, and the fear of loss of identity and social recognition that the succeeded has obtained as an active farmer. Regarding Latvia specifically, despite dedicated financial support and increased agricultural funds available, the ageing process continues, with the median age of farmers increasing from 53 (2009) to 57 (2019). The competitiveness added value of products and productivity of Latvian farmers also remains below the European average. See A Nipers and I Pilvere, 'Age Structure of Farm Owners and Managers: Problems and the Solutions Thereto in Latvia' (2020) 44 Rural Sustainability Research 15; Commission (EU) (n 49).

<sup>60</sup>May et al (n 52); European Court of Auditors (n 2).

<sup>61</sup>Opinion of AG Kokott (n 14) para 79. See also C-830/19 (n 46) para 43.

<sup>62</sup>Commission (EU), Directorate-General for Agriculture and Rural Development, 'Females in the Field' (8 March 2021) <[https://agriculture.ec.europa.eu/news/females-field-2021-03-08\\_en](https://agriculture.ec.europa.eu/news/females-field-2021-03-08_en)>.

<sup>63</sup>ibid.

<sup>64</sup>LA Sutherland, 'Who Do We Want Our "New Generation" of Farmers to Be? The Need for Demographic Reform in European Agriculture' (2023) 11 Agriculture and Food Economics.

<sup>65</sup>Commission (EU), 'New Common Agricultural Policy (CAP) 2023–2027, Common Agricultural Policy Overview' <[https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/new-cap-2023-27\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/new-cap-2023-27_en)>.

<sup>66</sup>Commission (EU), 'Key Policy Objectives of the New CAP' <[https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-2023-27/key-policy-objectives-new-cap\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-2023-27/key-policy-objectives-new-cap_en)>.

<sup>67</sup>European Court of Auditors (n 2).

<sup>68</sup>Opinion of AG Kokott (n 14) para 73.



holdings and restrict the cumulation of aid schemes. On the one hand, this is in line with the new CAP's increased emphasis on Member States' discretion by means of National Strategic Plans, enabling them to adapt the realization of the CAP to national-specific socio-economic realities. On the other hand, in the present case, this discretion appears to threaten the meeting of the goal of generational renewal.

The Court's stance does not seem to align with the ambitions enshrined in the European Green Deal and the Farm to Fork Strategy, which is aimed at addressing the rapid biodiversity loss on farmlands, the increase in greenhouse gas emissions, resource depletion and soil degradation.<sup>69</sup> The strategy is aimed not only at making agri-food systems healthy and fair but also at fostering a transition towards a fundamentally environmentally friendly sector.<sup>70</sup> If the EU wants the CAP to 'become the global standard for sustainability',<sup>71</sup> this requires a drastic renewal of the agricultural profession, encompassing all three pillars of sustainability.<sup>72</sup> While promoting the opportunities of young farmers is certainly not the only solution for fostering this sustainability transformation of the agricultural profession, their potential for taking up new farming practices is deeply needed. In this context, the Court could have taken a more teleological approach, aligning with the AG's stance and opening further opportunities for young (female) farmers, to access and contribute to transforming the agricultural profession, thereby limiting Member States' discretion in this field.

#### CONFLICT OF INTEREST STATEMENT

The authors declare no conflict of interest.

#### DATA AVAILABILITY STATEMENT

Data sharing not applicable to this article as no datasets were generated or analysed during the current study.

#### ORCID

Anna Florentine Gall  <https://orcid.org/0009-0000-6981-959X>

#### AUTHOR BIOGRAPHIES

**Anna Florentine Gall** is an MSc student of Governance of Sustainability Transformations at Wageningen University & Research with a specific interest in just (agri-food) system transformations and the role policy and law play in enabling these transformations.

**Clara Lina Bader** is an MSc student of Resilient Farming and Food Systems at Wageningen University & Research with an interest in law, human rights and an equitable transformation towards a sustainable food system.

**Edwin Alblas**, LL.M., is an assistant professor in environmental law at Wageningen University & Research, teaching and researching on sustainable farming, nature conservation and related topics in the environmental domain. He completed his PhD in environmental law at the University College Dublin in 2021 and a subsequent postdoc in environmental democracy at the University of Groningen in 2022.

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<sup>69</sup>G Pe'er et al, 'Action Needed for the EU Common Agricultural Policy to Address Sustainability Challenges' (2020) 2 *People and Nature* 305.

<sup>70</sup>Commission (EU) (n 4).

<sup>71</sup>Commission (EU), 'A Healthy Food System for People and Planet' <[https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/agriculture-and-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/agriculture-and-green-deal_en)>.

<sup>72</sup>Commission (EU), "'Fit for 55": Delivering the EU's 2030 Climate Target on the Way to Climate Neutrality' (Communication) COM(2021) 550 final, 14 July 2021.