



# Farm Diversification in the EU

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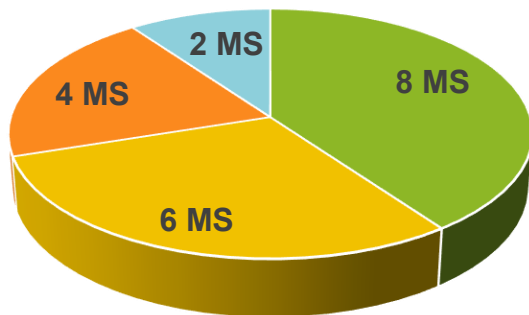
## Managing Authority Survey on Farm Diversification:

- 13 questions provided a snapshot of farm diversification in different Member States
  - identify challenges
  - insights on the role of the CAP including issues and suggestions for increased impact of the CAP;
- Received 20 responses from 19 Member States between March and April 2026.
  - AT, BE-Flanders, BG, DE, DK, EE, ES, FI, FR, GR, HU, IE, IT, LU, MT, NL, PL, PT-mainland, PT-Azores, RO, SK



# Data availability & monitoring of farm diversification

## Data availability in the Member States



- Census, official statistics, or sector observatories
- Project-level data from RDPs, CSPs, or LEADER
- No publicly available data or documentation
- Some information exists, but it is partial, outdated

## Monitoring

- 8 MS use agricultural census, CAP monitoring applications, FADN, national farm surveys, evaluation studies, etc.;
- 2 MS rely on fragmented, partial, or internal data sources;
- 2 MS track diversification indirectly through LEADER or RDP project data, based on project approvals and reporting mechanisms;
- 7 MS stated that no monitoring system exists.





# Challenges to farm diversification & Role of women and young people

## Challenges to farm diversification

### Structural

- Small or fragmented farm structures
- Labour shortages
- Increased workload
- Lack of skills

### Financial

- Access to capital
- High start up and compliance costs
- Low or unstable incomes to support new investments

### Regulatory

- Complex permitting procedures
- Spatial planning restrictions
- Bureaucracy
- Market access challenges

### Social

- Ageing farmers
- Youth outmigration
- Resistance to change
- Slow uptake of new opportunities
- Gender specific barriers and gaps

## Role of women & young people

### Women frequently lead diversification via:

- Agritourism
- Direct sales
- Processing
- Community-oriented services
- Hospitality
- Social and educational services
- Preservation of local heritage through cooperatives

### Younger farmers and household members are associated with:

- Introducing new technologies
- Digital marketing
- Online sales
- New business models
- Helping farms adapt to changing markets and societal expectations





# Role of the CAP

Most relevant CAP interventions	Bottlenecks or challenges affecting its impact	Suggestions to increase the CAP's effectiveness
Investment support for non-agricultural activities (12 MS)	Bureaucratic and administrative burden (9 MS)	Stronger support for on-farm processing, direct sales and value-adding activities
LEADER/CLLD (11 MS)	Insufficient funding or limited financial allocations (4 MS)	Simpler, lower-threshold diversification schemes
Processing and short supply chain interventions (6 MS)	Limited focus on skills, training, and advisory support (3 MS)	Better coordination and integration between measures
Cooperation / networking (incl. EIP, OGs) (6 MS)	Fragmented support landscape and weak coordination between measures (2 MS)	More targeted support for market-oriented capabilities: branding, sales, digital
Knowledge-transfer and advisory services (4 MS)	Ambiguity in definitions and eligibility rules (2 MS)	Greater use of financial instruments
Start-up support (non-agricultural) (3 MS)	Limited private capital and high co-financing requirements (2 MS)	Stronger focus on training, advisory services and knowledge flows
Young farmers support (3 MS)	No bottlenecks in the implementation of the CAP (4 MS)	Broader recognition and support for emerging sectors and rural services





# Thematic Group on Farm Diversification

## Main Goal:

- › To identify what lessons can be learned from current approaches, and
- › To identify how policies and support mechanisms can be better tailored to improve farm resilience and economic sustainability through diversification.

## Objectives:

- › To explore the opportunities and challenges for farm diversification in the EU;
- › To share examples that illustrate the success factors for effective farm diversification;
- › To assess the effectiveness of current CAP interventions and wider policy frameworks for supporting farm diversification;
- › To identify opportunities for enhancing the role of the CAP in farm diversification.





# The Thematic Group Journey....

We recognised:

- › That **farm diversification is key to thriving rural economies**, there are opportunities for farm diversification in service provision, healthcare, circular bioeconomy and energy
- › The **importance of business support**, skills development and career support
- › **Opportunities for retaining/attracting young people in rural areas** through farm diversification
- › **Contributions of female leadership** in diversified farm businesses

Informal in-between meetings - we interrogated the issues further:

- **Coherence of policy and regulatory frameworks** for farm diversification
- **Defining the potential of farm diversification** in strengthening rural economies
- **Potential for young people and women as leaders and innovators** in farm diversification

[#FarmDiversification](#)





# The Thematic Group Journey....

Highlights of group proposals:

- Definition of farm diversification is location-specific, relevant to local areas and businesses and adaptable to national and regional settings.
- Introducing simpler mechanisms to enable and support farm diversification as part of a flexible regulatory framework.
- Incentivising farm diversification through clusters, tax benefits and grants
- Drive innovation through the provision of professional services and dedicated supporting landscape.
- Using clusters as drivers of smart specialisation for farm diversification
- Promoting the use of mixed funding options for farm diversification
- Developing targeted place-based approaches to farm diversification





# The TG Journey....

## A coherent policy framework for farm diversification:

- **clear intervention logic**
- **clear outcomes**
- **clear strategy** - integrated with other policies, funding and support mechanisms, with a focus on rural resilience and rural places.
- CAP working alongside other EU funds, national and private funding to ensure farm diversification succeeds.
- An inclusive multi-actor approach acting to policy development, implementation and governance.





# Farm Diversification & LEADER

## Some reflections:

- A **strategic role for local partnerships** to identify and support opportunities for farm diversification
- **Opportunities to support sectoral growth** within and between LAG areas – strategic initiatives & support for individual businesses.
- **Animation function of LEADER** working alongside other expertise.
- Critical role within an **inclusive multi-actor approach** in policy development, implementation and governance of actions related to farm diversification





# ARIA 2026: When equality powers the next generation

- › We are looking for inspiring projects that are CAP-funded and implemented at local level.
- › Thematic categories:
  - › Environmental protection
  - › Smart & Competitive agriculture
  - › Socio-economic fabric of rural areas
  - › Gender Equality
  - **Cross-cutting theme**
    - › Generational renewal
- › 6 winners + popular vote winner
- › Contact your National Network to guide you through the application process
- › More info [here](#)





# LEADER resources

## Discover



### LEADER Explained

Discover about the origins of the LEADER approach and its key characteristics.

[Find out more >](#)



### LEADER Transnational Cooperation (TNC)

Find out all the tools developed by the EU CAP Network to support your TNC experience.

[Find out more >](#)



### LEADER LAG Directory

Connect with LEADER Local Action Groups across Europe from the 2023-2027 programming period.

[Find out more >](#)

## Latest LEADER news



18 MAR 2025  
**Smart Rural 27: outcomes and recommendations**

The final report of the Smart Rural 27 project clearly underlines the importance of LEADER as the main tool to implement Smart Villages...

■ CAP Implementation



18 MAR 2025  
**ARIA 2024 prize winners showcase LEADER's...**

LEADER co-financed ten out of the 24 finalists of ARIA 2024 across all the award categories, including some of the winners, thus showing...

■ CAP Implementation



17 MAR 2025  
**Demonstrating LEADER's added value: new...**

A new simple tool co-designed by the Managing Authority and Local Action Groups in Luxembourg demonstrates the added value...

■ CAP Implementation ■ Evaluation



# All you need to know about LEADER



# Thank you for your attention!

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