

AGRICULTURAL SUPPORT MODEL: TOWARDS LONG-TERM VIABILITY

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Over the recent decades the EU CAP was criticized and the reform of direct payments was underlined as an important challenge empowering desired changes. The research challenges a problem of the national support model improvement in order to promote a welfare-orientated agriculture and ensure viability of family farms. The article aims to evaluate the relevance of the Lithuanian direct payments' model for the period 2015–2020 and propose recommendations on the development of support model. The analysis of literature on viability and the CAP issues was conducted stressing the importance of the selected viability concept for agricultural policy development. The synthesis of previous research, calculus of variations and legislation analysis were employed to estimate the relevance of current direct payments' model in Lithuania and identify the revision of redistributive payments as possible development directions aiming to ensure long-run viability of agriculture. The recommendations on the development of the current support model are based on the estimation of impact and the comparative analysis of the selected alternatives.

Keywords: agricultural policy, direct payments, family farm, support model.

JEL Codes: Q14, Q18.

1. Introduction

The Common Agricultural Policy (CAP) covers the largest share of the European Union's (EU) budget and plays a critical role preserving agriculture in member states. These facts make disputes over the efficiency and the cost of the policy for taxpayers a hot issue. Over the last decades the voices of critics become louder and the support model has been criticized for the impact on undesired structural changes, farmers' aging, negative environmental issues, etc. The main criticism is dedicated to the model of direct payments, which absorbs the largest share of the CAP budget and has the strongest impact on the direction of the EU agriculture development. However, the European Commission (EC) launched a new CAP reform in 2014 and offered general guidelines for the establishment of the national direct payments' model helping member states to overcome difficulties and promote the most vulnerable areas of the agriculture.

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Although the main direction of the development is clear, each member state has a freedom of action and can set the agricultural support model within a framework of legislation. The vision of the national agriculture becomes an important issue determining selection of support measures.

Remarkable changes in the political discourse on the CAP and the main goals of the EU agriculture are emphasized by K. Erjavec and E. Erjavec, (2009), Z. Bednaříková and J. Jilková (2012), A. Bailey *et al.* (2016). Authors analyze the importance of evolving challenges and their reflection on the establishment of the CAP support model. These publications stress the influence of different scientific thoughts, employed by policy makers, on the development of the EU agricultural policy. The article contributes to the scientific discourse of the CAP issues enriching the research of viability-orientated approaches towards the establishment of the agricultural support model. B. Cousins and I. Scoones (2010) argue that the concept of viability, applied for the agricultural reform, is the essential aspect determining the future of agriculture. The article discusses differences between support models driven by neoclassical and welfare economics viability concepts and employs Lithuanian case to demonstrate the impact of stronger support model's instruments orientation towards society wellbeing on farms.

The *aim* of the study is to evaluate the relevance of the Lithuanian direct payments' model for the period 2015–2020 and provide recommendations on the support model's development.

The *research object* is the national direct payment model for the period 2015–2020, funded from the EU budget. The study is aiming to answer a *question*: how the national support model of the CAP could be improved in order to promote a welfare-orientated agriculture in Lithuania and ensure viability of family farms.

Research methods. The article provides main results of scientific literature and legislation analysis on the topic of viability and the CAP issues, underlines the impact of selected viability concepts on the development of the national agricultural system. Main conclusions on the relevance of the national direct payments' model for the period 2015–2020 are justified by the results of previous research on viability issues in Lithuania (Jurkėnaitė, 2012; 2013; 2015a; 2015b; Volkov, 2014), calculus of variations and the analysis of limitations introduced by the EC legislation. A synthesis of aforementioned methods allows identifying elements of the national direct payments' model, which could be improved in order to get stronger orientation towards society wellbeing. Given results are employed for the identification of the alternative models of direct payments. The impact of mentioned alternatives on the economic viability of the selected group of family farms is estimated on the basis of Farm Accountancy Data Network (FADN), Statistics Lithuania and State Enterprise Agricultural Information and Rural Business Centre data. Recommendations on the development of the national direct payments' model are justified by the comparative analysis of the selected alternatives.

2. Research methods

Viability concept, measures and thresholds. Since the establishment of the CAP in 1962 the evolving challenges and the growing diversity of the EU agriculture grounded a lasting need of reforms (K. Erjavec and E. Erjavec 2009; Zwaan and Alons 2015). Z. Bednaříková and J. Jílková (2012) identified two dominant directions of the policy development competing with each other: the gradual removal of subsidies for farmers and the continuation of the state support. It should be noted that the main differences between these two agricultural support models are inspired by attitudes towards the concept of the farm viability introduced by neoclassical and welfare economics. The aforementioned viewpoints determine incompatible scenarios of the desired future of the EU agriculture and justify different policy tools to achieve the desired future.

Neoclassical economics treats a farm as a business entity. According to this concept farmers are maximizing their profit (Cousins 2010) and competing for a survival. A. Marshall formulates the law of “the survival of the fittest”, i. e. survive only organisms, “which are best fitted to utilize the environment for their own purpose” (Marshall, 1890, p. 140). This law means that the viable structure of agriculture is based on market forces and argues that disappearance of the particular farming types under conditions of market economy is a predictable and justifiable result of the evolution. In this case the structure of agriculture and provided public goods contributing to society wellbeing are optional and depend on market demand. Neoclassical economics identifies the agricultural support as a market distortion and economists stress the importance of structural changes and gradual removal of subsidies. The desired result of the policy is the subsidy-free agriculture with economically viable farms.

Political efforts to metamorphose farms into enterprises were made in 1968 introducing the memorandum “Agriculture 1980” (Seidel, 2010). However, the EC ambitions to take “European farmers off welfare”, transform agriculture into business able to “generate a satisfactory income” and rely on market forces were watered-down (Seidel, 2010, p. 84). It should be noted that remarkable signs of the support orientation towards economically viable farms and the enlargement of their share in agriculture remains in the CAP and has a strong lobbying even nowadays. In fact, the criticism of support models’ frameworks, inspired by neoclassical viability concept, is reasonable as the redundant attention to the economic dimension of the viability and selected support tools contributed to the drastic structural changes, disappearance of small farms and certain farming types. These groups of farms are not able to compete with economically viable large and wealthy farmers generously funded from the CAP budget. The negative impact of the support model is also underlined by the World Trade Organization, which stands for the EU market liberalization and the rejection of the world trade distortions introduced by the CAP.

Although the mentioned subsidy-free vision of the EU agriculture is unlikely due to path dependence, the utilization of the neoclassical viability concept is widespread in research and decision-making. This concept offers to investigate economic via-

bility of the farm or agriculture introducing marginal limits and cost benefit analysis. Scientists analyzed different horizons of economic viability (Morehart, 2000; Jurkėnaitė, 2015), utilized various profitability indexes (Morehart, 2000; Jakušonoka, 2008; Hennesy, 2008; Dillon, 2016; Argilés, 2010; Cesaro, 2013; Coppola, 2013), conducted research on farm economic efficiency (Scott, 2001; 2005; 2008) and made studies of other important financial indicators (Jakušonoka, 2008; Scott, 2008; Burja, 2010). These indicators or sets of selected indicators are used to evaluate the financial status, identify the most vulnerable groups of farms, justify the support model and distribution of public money. However, economically rational decisions often contradict sustainability (Flores, 2004) and the long-term viability of agriculture.

Welfare economics offers another approach to the farm viability. The driving force, determining structure of the viable agriculture, is the society's wellbeing and preferences for public goods. Welfare economics justifies agricultural support protecting and improving society's wellbeing. It should be noted that the CAP was established as a "welfare shelter" helping to overcome post-war difficulties and ensure stability in the agricultural sector. The need of the support was explained by the importance of farmers' role to safeguard and ensure productive capacity and export potential (Erjavec, 2009), guarantee the survival of farmers (Bednaříková, 2012) and food at reasonable prices (Consolidated..., 2016). However, such agricultural exceptionalism encouraged dependence on production subsidies and market regulation measures, which were generously funded from the CAP budget. The early policy direction reduced the importance of food security issues and the EU faced overproduction accompanied by undesired environmental problems.

New challenges involved a wider range of the concerned agents into the policymaking framework; and the productivist conception has been changed to the discourse of the multifunctional agriculture. The justification of the CAP support model overcame socio-economic discourse and covered different aspects of the agricultural and rural long-term viability (social, cultural and ecological issues). All stakeholders were concerned by retaining the CAP budgetary means for the EU agriculture (Erjavec, 2009) and public money for their particular needs in order to guarantee the European Model of Agriculture. Accordingly the composition of the CAP support model has evolved and introduced sustainable development of agriculture aiming at the long-term viability. The model of direct payments for the period 2015–2020 meets challenges of farmers' aging, disappearance of small farms as well as environmental issues. The justification of this support is driven by the vast majority of indicators reflecting the state of the art in the desired public goods (for example, number of young farmers, farms or areas applying certain farming techniques, etc.).

However, the most important economic issue remains farmers' income level and the discourse about the fair standard of living and the role of the CAP. According to welfare economists the support for the farm viability is justified by poverty alleviation and household food security (Cousins, 2010). The redistribution of public means should target the most vulnerable groups of farmers and help them to survive. Policy interventions are necessary to ensure social protection and reduce risks in the voluntary groups. Viability thresholds also are linked to the term "fair standard of living"

(Consolidated..., 2016, p. C202/63). This position introduces farmers' income benchmarking with other economic activities. It could be presumed that non-viable farms do not generate enough income, compared to other employment possibilities, thus farmers might exit family business and seek a more attractive career.

To summarize, several viability thresholds are selected to estimate the impact of the direct payments' alternatives on business viability and the contribution of the support model to the society wellbeing. Family farm economic viability thresholds are driven by the neoclassical viability concept, while alternatives including direct payments, compared to poverty and income thresholds, introduce values of welfare economics.

Structure of the direct payments' model and alternatives: Lithuanian case. The guidelines for the development of national direct payments' model for the 2015–2020 are provided in the Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the Common Agricultural Policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 (the Regulation No 1307/2013). This document indicates specific rules concerning compulsory and voluntary elements of the national direct payments' models and provides annual national ceilings for the budget allocation.

The synthesis of legislation analysis and previously conducted research is provided in the table 1. The analysis of the main elements of the direct payments' model for the period 2015–2020 shows that the CAP is moving from the establishment of agriculture with predominate share of economically viable farms to the welfare-oriented support model and improves the long-term viability of agriculture paying attention to economic, social and environmental dimensions.

It is true to say that the composition of the Lithuanian direct payments' model for the period 2015–2020 and the accompanying budgeting allows responding to the main challenges in Lithuanian agriculture. However, the current model retains stronger orientation to the wealthy farmers and the support of economically viable farms (over 1/3 of the current budget is absorbed by the basic payment scheme). The higher share of redistributive payments in the budget and changes of payment rules could contribute to the improvement of the situation on small-scale farms and enlargement of society welfare.

Table 1. Relevance of the Lithuanian direct payments' model for the period 2015–2020

Elements (budget, %)	Estimation of relevance
Basic payment scheme (38.25%)	<p>Lithuanian basic payment scheme applies single area payment scheme, i. e. the direct payments depend on the number of hectares on the farm. This element has a strong orientation towards the support of economically viable and wealthier farms, contributes to the maintenance of the transition towards neoclassical vision of the viable agriculture.</p> <p>According to the Regulation No 1307/2013, the share of this element in the budget is determined by the distribution of the other elements, the regulation of average payment per hectare and capping.</p>
Green payment (30.00%)	<p>The element contributes to the establishment of the welfare-orientated vision of the viable agriculture covering environmental issues of the long-term viability.</p> <p>According to the Regulation No 1307/2013, member states have no decision-making flexibility and the share of green payments in the direct payment's budget must be 30.00%.</p>
Young farmers scheme (1.75%)	<p>The element contributes to the establishment of neoclassical and welfare-orientated visions of the viable agriculture. On the one hand, the improvement of the demographic situation in the EU agriculture could be treated as a public good and this element ensures the succession in vulnerable farm groups. On the other hand, the share of young farmers is associated with the national capacity to achieve better economic results introducing innovations, higher investments and consolidating farmland in agriculture.</p> <p>According to the Regulation No 1307/2013, the maximum allocation of the budget could amount up to 2.00%. The conducted research (Jurkėnaitė, 2013; 2015a) discloses serious demographic problems in Lithuanian agriculture and confirms the importance of the element. However, the trend forecast of the number of young farmers shows that the selection of the maximum budget's share is pointless due to a little group of young farmers and limits of payment per farm, introduced by the Regulation No 1307/2013. Lithuania selected maximum area threshold (90 ha) per farm, though the conducted research shows that this threshold could be higher.</p>
Redistributive payment (15.00%)	<p>The element contributes to the establishment of the welfare-orientated vision of the viable agriculture redirecting payments to the most vulnerable farms.</p> <p>According to the Regulation No 1307/2013, redistributive payments in member states can be allocated between 0.00 and 30.00%. The redistributive payment is provided for the first hectares (the number is ranging from 0 to 30 ha). Lithuania selected the maximum threshold – 30 ha. The conducted research (Jurkėnaitė, 2012; 2015a; 2015b) shows that Lithuania has a specific structure of agriculture and over the past decades a drastic decline of small farms determines evolution and violates rural viability. Redistributive payments could be used to maintain these problems and the share of this element in the budget could be increased.</p>
Coupled support (15.00%)	<p>The element contributes to the establishment of neoclassical and welfare-orientated visions of the viable agriculture. On the one hand, the element assists in maintenance and preserving of the non-viable niches of agriculture. On the other hand, the impact of this support is criticized by the WTO as the payment scheme is favorable for economically viable farms and distortions of the world trade.</p> <p>According to the Regulation No 1307/2013, the budget for the coupled support in member states can be allocated between 0.00 and 15.00%. The conducted research (Jurkėnaitė, 2012; 2013; 2015a; Volkov, 2014) shows that situation in livestock and mixed farms has changed dramatically over the past decades and the coupled support is an important element protecting viability. It is not recommended to reduce the share of this element in the budget of direct payments in Lithuania.</p>

Elements (budget, %)	Estimation of relevance
Natural constraint support (0.00%)	<p>The element contributes to the establishment of the welfare-orientated vision of the viable agriculture solving demographic problems.</p> <p>According to the Regulation No 1307/2013, this element could absorb up to 5.00% of the direct payments' budget. The measure is relevant for Lithuania; however, it has long-term funding traditions from the 2nd pillar of the CAP. It is not recommended to relocate the measure to the 1st pillar.</p>
Small Farmer Scheme (0.00%)	<p>The element contributes to the establishment of the welfare-orientated vision of the viable agriculture facilitating access of small farms to direct payments.</p> <p>According to the Regulation No 1307/2013, this scheme in member states can amount up to 10.00%. The conducted research (Jurkėnaitė, 2013; 2015a; 2015b) shows that activation of this element will redirect funding to the group of farms with the lowest indicator of demographic viability, i. e. the support will be used for the non-viable in the long-run farms. This scheme has a strong orientation towards social support and may encourage negative changes (for example, shrinking of the livestock population on the small farms, contravention of cross-compliance and greening requirements). The EC small farm definition introduces limitations, which allow stating that redistributive payments are more beneficial element of support.</p>

Table 2 demonstrates main differences between the selected alternatives of direct payments. Six different compositions of direct payments' models are provided: 1) direct payments are removed, 2) Status Quo – the model without changes, 3) alternative 1 – removal of redistributive payments, 4) alternative 2 – the share of payments in the budget remains the same, redistributive payments are paid only for the first 15 ha, 5) alternative 3 – the share of redistributive payments is 30.0%, payments are paid for the first 15 ha, 6) alternative 4 – the share of redistributive payments is 30.0%, payments are paid for the first 30 ha.

Table 2. Alternative compositions of the direct payments' budget allocation

	Direct payments are removed	Status Quo	Alternative			
			1	2	3	4
Basic payment scheme, %	0.00	38.25	53.25	38.25	23.25	23.25
Redistributive payment for the first Hectares, %	0.00	15.00	0.00	15.00	30.00	30.00
ha	<i>0 a</i>	<i>30 a</i>	<i>0 a</i>	<i>15 a</i>	<i>15 a</i>	<i>30 a</i>
Other direct payments, %	0.00	46.75	46.75	46.75	46.75	46.75

The impact of selected alternatives on the farm viability is estimated as a result of average direct payments' contribution to wellbeing of the particular farm group. The conclusions are based on the benchmarking of alternatives, the analysis of the allocation of direct payments and the overrun of the selected viability thresholds:

✓ Family farm *economic viability thresholds*. Neoclassical economists argue that economically viable farm generates the level of income that enables farm to cover costs. The study evaluates the impact of the selected alternatives on two indicators of economic viability. The first indicator – economic viability “A”/gross

profit without depreciation – considers if total output is enough to cover total inputs without depreciation costs. This indicator shows an important aspect of the viability and farm's ability to survive in the short run covering business expenses. The second indicator – economic viability “B”/gross profit including depreciation – shows if total output covers total inputs (including depreciation). This criterion demonstrates farm's ability to survive in the longer run and develop business. The viability indicators for the each farm group are calculated on the basis of the FADN weighted average for the year 2010–2014;

✓ Family farm *poverty threshold*. It should be noted that farm's ability to cover business costs could be insufficient to ensure adequate income for the family and retain the farm viable in the long run. Welfare economists argue that direct payments must contribute to the solution of the poverty problem in rural areas and the viable family farm must overrun a poverty threshold. The conducted research employs the annual at-risk-of-poverty threshold for 2 adults and 2 children younger than 14 years. The threshold is calculated on the basis of the data provided by the Statistics Lithuania for the year 2015. Further analysis is conducted adding different compositions of direct payments to economic viability indicators and comparing the results to poverty threshold. The average direct payments per farm group are calculated in accordance with the Regulation No 1307/2013 (Regulation..., 2013) employing the State Enterprise Agricultural Information and Rural Business Centre statistics for the year 2015;

✓ Family farm *income threshold*. The Treaty of Rome justifies intervention in agricultural sector as a policy instrument ensuring “a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture” (European Union, 2016, p. C 202/63). The conducted research assumes that a family farm must generate enough income to compensate for the members' work on the farm, i. e. overrun income threshold. It is presumed that this criterion shows attractiveness of the farm business, compared to other types of economic activities, and could be treated as an indicator of the long-run viability. The research employs the average annual national income threshold for the average family farm working unit. The threshold is calculated on the basis of the data provided by the Statistics Lithuania for the year 2015 and FADN farm working unit weighted average for the period 2010–2014. The analysis is conducted adding different compositions of direct payments to economic viability indicators and comparing the results to income threshold. The average direct payments per farm group are calculated in accordance with the Regulation No 1307/2013 employing the State Enterprise Agricultural Information and Rural Business Centre statistics for the year 2015.

The comparative analysis of selected alternatives is applied to define the most vulnerable groups of farms and analyze the impact of selected policy directions on family farms' welfare and economic viability of farms. The visualization of the research results shows differences between the selected direct payments' alternatives.

3. Research results and discussion

The impact of selected direct payments' alternatives on the viability of family farms is demonstrated in the table 3. Calculus of variations is based on the economic viability threshold "A", i. e. depreciation costs are not estimated. The comparison of farm groups by size shows that all farm groups are able to cover costs and could be treated as economically viable in the short term.

Table 3. The impact of selected alternatives on family farms' viability

	Household's thresholds	Family farm groups by farm size, ha							
		< 10	10–< 20	20–< 30	30–< 40	40–< 50	50–<100	100–<150	>=150
Direct payments are removed	Economic viability "A"	+	+	+	+	+	+	+	+
	At-risk-of-poverty threshold	-	-	-	-	-	+	+	+
	Income threshold	-	-	-	-	-	-	+	+
Status Quo	At-risk-of-poverty threshold	-	+	+	+	+	+	+	+
	Income threshold	-	-	+	+	+	+	+	+
Alternative 1	At-risk-of-poverty threshold	-	+	+	+	+	+	+	+
	Income threshold	-	-	+	+	+	+	+	+
Alternative 2	At-risk-of-poverty threshold	-	+	+	+	+	+	+	+
	Income threshold	-	-	+	+	+	+	+	+
Alternative 3	At-risk-of-poverty threshold	-	+	+	+	+	+	+	+
	Income threshold	-	-	+	+	+	+	+	+
Alternative 4	At-risk-of-poverty threshold	-	+	+	+	+	+	+	+
	Income threshold	-	-	+	+	+	+	+	+
“+” – viable / “-” – non-viable									

However, the alternative of the removal of direct payments makes Lithuanian agriculture vulnerable and contributes to the further disappearance of farms smaller

than 50 ha as these farms are not able to ensure fair standard of living for the farmer's family. The rejection of direct payments and the transition to the neoclassical vision of agriculture could determine the evolution of the agricultural structure and the domination of the larger farms.

The selection of alternatives with direct payments remarkably contribute to the welfare of small farms and help to overrun the poverty threshold for the farms larger than 10 ha. It should be noted that the change of the budget allocation and the eligible first hectares do not make an impact on the threshold situation. However, differences could be noticed on the Fig. 1. The comparison of the redistributive payment removal (alternative 1) to the redistributive payments for the first 15 ha (alternative 2 and 3) shows that the payments' retention improves the situation on farms smaller than 40 ha. Nevertheless, the Status Quo alternative and the allocation of 30.00% of the budget for the first 30 ha (alternative 4) improve the economic situation of farms less than 50 ha and the contribution of these alternatives to farmers' welfare is important.

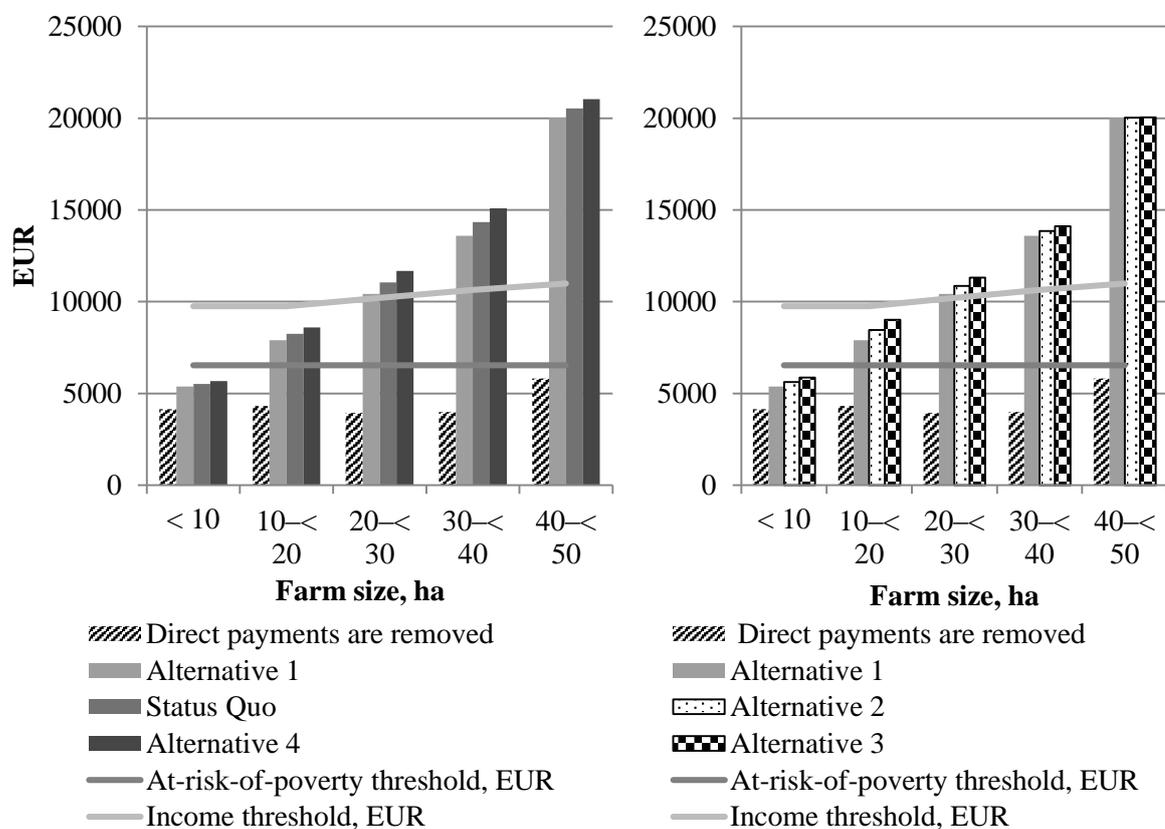


Fig.1. Gross profit (without depreciation) and direct payments

The calculus of variations, based on the economic viability “B”, is provided in the table 4. The comparison of farm groups by size shows that most of the farms are able to cover costs and could be treated as economically viable, with the exception of farms ranging from 30 to 50 ha. The removal of direct payments shows a higher share of vulnerable family farms. It could be assumed that the farms smaller than 50 ha face economic viability challenge and they cannot be treated as an attractive business alternative for young people ensuring farm succession and the maintenance of the current agricultural structure.

Table 4. The impact of selected alternatives on family farms' viability
 (incl. depreciation)

	Household's thresholds	Family farm groups by farm size, ha							
		<10	10–<20	20–<30	30–<40	40–<50	50–<100	100–<150	>=150
Direct payments are removed	Economic viability "B"	+	+	+	-	-	+	+	+
	At-risk-of-poverty threshold	-	-	-	-	-	-	-	+
	Income threshold	-	-	-	-	-	-	-	+
Status Quo	At-risk-of-poverty threshold	-	-	+	+	+	+	+	+
	Income threshold	-	-	-	-	+	+	+	+
Alternative 1	At-risk-of-poverty threshold	-	-	+	+	+	+	+	+
	Income threshold	-	-	-	-	+	+	+	+
Alternative 2	At-risk-of-poverty threshold	-	-	+	+	+	+	+	+
	Income threshold	-	-	-	-	+	+	+	+
Alternative 3	At-risk-of-poverty threshold	-	-	+	+	+	+	+	+
	Income threshold	-	-	-	-	+	+	+	+
Alternative 4	At-risk-of-poverty threshold	-	-	+	+	+	+	+	+
	Income threshold	-	-	-	-	+	+	+	+
“+” – viable / “-” – non-viable									

It should be noted that the change of the budget allocation and the limits for the first hectares do not make an impact on the threshold situation (Fig. 1). The direct payments' model allocating 30.00% of the budget for the first 30 ha (alternative 4) shows the most significant impact and makes the gap between the indicator and thresholds smaller, compared to Status Quo and another alternatives.

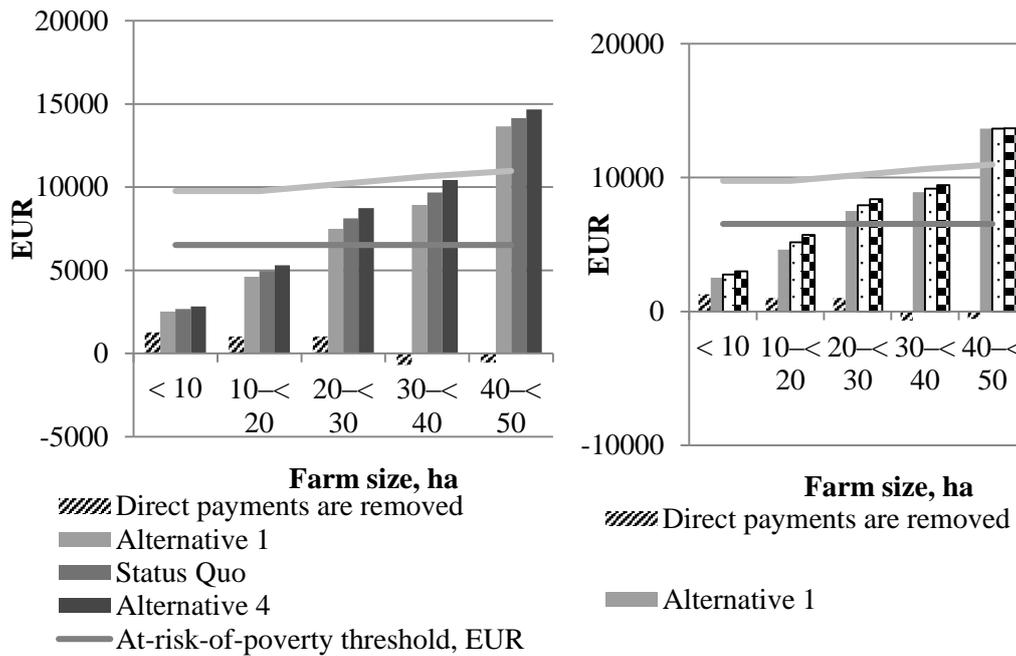


Fig. 2. Gross profit (incl. depreciation) and direct payments

The cutting of the threshold for the first hectares from 30 to 15 ha empowers redirecting of the support to the smaller farms. On the one hand, the economic situation in the groups of small farms is not improved remarkably. On the other hand, the previous research (Jurkėnaitė, 2013; 2015a) shows that these groups face demographic viability challenge. The selection of the higher threshold for the first hectares allocates direct payments to the most vulnerable group of small and medium-sized farms redirecting the support of farms to a group with better prospects for the long-run viability.

4. Conclusions and recommendations

1. The conducted research shows that only farms larger than 150 ha are viable and able to generate enough income to motivate farmers to stay in business in the case of direct payments' removal. Smaller family farms face economic viability challenge and are not able to generate income enabling investments in business development and overrun a household poverty threshold. Status Quo model, compared to the alternative of direct payments' removal, significantly contributes to the wellbeing of smaller family farms.

2. The research results allow stating that the Lithuanian model of direct payments for the period 2015–2020 responds to the most important challenges of the long-term viability. However, the model retains a remarkable share of the budget (38.25%) for the basic payment scheme, which mainly allocates the support on economically viable farms. It is recommended to reduce the share of the basic payment in the budget and redirect the support to the redistributive payment.

3. According to the research results the selection of the lower threshold for the first hectares – 15 ha – redirect support to the smaller farms. The change of the

budget allocation for the first 15 ha from 15.0% to 30.0% expands the threshold for the group of beneficiaries from 20 ha to 30 ha and strengthen the situation of farms less than 20 ha. Alternatives of direct payments for the first 15 ha redirect the support to the smallest farms, which have a low demographic viability and can be treated as vulnerable in the long run.

4. Status Quo model of direct payments allows the support of economically vulnerable medium-sized farms (up to 50 ha). It is recommended to enlarge the budget allocation for the first 30 ha up to 30.0%. This model of direct payments redirects support from larger farms to the small and the medium-sized ones, and contributes to the increase of wellbeing on the most vulnerable family farms with better business prospects and the demographic viability.

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ŽEMĖS ŪKIO PARAMOS MODELIS: LINK ILGALAIKIO GYVYBINGUMO

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Santrauka

Pastaraisiais dešimtmečiais ES bendroji žemės ūkio politika (BŽŪP) buvo kritikuojama, o tiesioginių išmokų modelio reforma įvardijama svarbiausiu siektinu tikslu. Straipsnyje nagrinėjama BŽŪP nacionalinio paramos modelio, užtikrinančio didesnę orientaciją į visuomenės gerovę ir ūkininkų ūkių gyvybingumą, tobulinimo problema. Tikslas – įvertinti Lietuvos 2015–2020 m. tiesioginių išmokų modelio tinkamumą ir pateikti rekomendacijas dėl paramos modelio tobulinimo. Šiam tikslui pasiekti atlikta mokslinės literatūros, skirtos gyvybingumo koncepcijų ir BŽŪP problematikai, analizė akcentuojant pasirinktos gyvybingumo koncepcijos poveikį žemės ūkio politikos formavimui. Ankstesnių tyrimų, variantinių skaičiavimų ir teisės aktų analizės sintezė leido įvertinti galiojančio Lietuvos tiesioginių išmokų modelio aktualumą ir išskirti galimas tobulinimo kryptis, susijusias su perskirstymo išmokoms skirtos dalies valdymu, siekiant užtikrinti ilgalaikį žemės ūkio gyvybingumą. Galiojančio paramos modelio tobulinimo rekomendacijos yra pateiktos remiantis pasirinktų alternatyvų lyginamąja analize.

Raktažodžiai: paramos modelis, tiesioginės išmokos, ūkininko ūkis, žemės ūkio politika.
JEL kodai: Q14, Q18.