

## Appendix 16: Canary Islands, (Spain, SC1)

Organising partner:	<b>Consulta Europa</b>	<b>Innovation Type</b>  
Practice:	<b>Farm diversification at succession (Belgium, BE3B)</b>	
Practice context:	<b>East Flanders, Belgium - Predominantly rural</b>	
Confrontation context:	<b>Canary Islands - Intermediate with mostly rural</b>	
Workshop location:	<b>Online</b>	
Date:	<b>December 15th 2021</b>	

### Summary

In recent years, the economic development of the Canary Islands has affected urban and rural territories in a different way. The uneven development between urban and rural areas should not only be seen on an individual level, but there is also a great difference between the capital and non-capital islands. This has resulted from the gradual ageing of the existing population of the rural areas as well as an increasing phenomenon of rural exodus. This problem is combined with the demand for food sovereignty in the islands, reducing dependence on external sources, as well as the need for diversification in production and regeneration of rural areas. To address this widespread problem, a workshop on rural development has been organised to present an innovative practice on diversification at succession (BE3B) as a driver to identify critical factors and barriers to its implementation in the islands, as well as possible measures and actors that should be involved. As part of the workshop, 3 brainstorming sessions were organised according to different target groups, therefore inputs are provided from 3 groups representing rural associations and local action groups (LEADER), policymakers and stakeholders, and citizenship (farmers, young people from rural areas, rural entrepreneurs, researchers etc.). The workshop concluded with a focus group discussion, highlighting steps to further cooperate among main representatives of these groups. Overall, diversifying production is perceived as necessary, although the future of rural areas in the Canaries seems to depend on sectors like tourism or the digitisation process.

## Context

The Canary Islands, being some of the islands predominantly rural (El Hierro and La Gomera), but most of them considered as intermediate rural territories, was chosen as the confrontation setting. Urban-rural differences are felt at the economic level, since rural areas have not had the same access to the welfare produced by the intense development of the cities. Likewise, the difference between the capital islands (Tenerife and Gran Canaria) and the non-capital islands (La Palma, La Gomera, El Hierro, Fuerteventura, Lanzarote, and La Graciosa) is notable, especially in those areas where tourism development has not had the necessary scope to make them more dynamic. To this fact, a clear imbalance between the income of their inhabitants, and the insular conditioning factor must be added.

Despite the differences between the islands themselves, throughout the archipelago prevails the problems surrounding diversification in agricultural production and the aging of people in rural areas. In this sense, the study case selected is a good example to open the debate around diversification in inherited agricultural businesses, especially to analyse the phenomenon of rural exodus and generational renewal. Thus, the innovative practice helped to identify some of the critical factors that condition young people's decision to stay in rural areas, as well as to continue with their parents' agricultural businesses.

The context has been chosen not only because of its relevance as a predominantly rural territory, but also because of the importance of agricultural businesses (especially bananas) and the problem faced when the main source of income depends on an agricultural product, hence the need for diversification. It should be noted that in the Canary Islands, many of the family businesses that depend on agricultural production are artificially maintained thanks to subsidies, so it is not profitable for successors to continue, as it has been raised during the workshop. However, Biohoeve Hof te Muizenhole and De Speiboerderij are two inspiring examples of farms where, after succession, diversification decisions were made, either to switch to organic farming or by adding branches in agricultural production. These actions succeeded in making the businesses profitable so that the successors could work full time, even hiring other family members.

Likewise, this type of business that managed to become profitable for the successors in the cases presented from Flanders are of interest for comparison with family businesses in the Canary Islands. On the one hand, Flemish municipalities resemble some rural Canarian municipalities in terms of population size and age, as well as agricultural business trends. Organic farming is also becoming a trend in the Canaries, but especially for the younger generation. On the other hand, the existence of similar success stories is unlikely to happen, mainly because successors either do not want to continue with the family business or do not want to stay in the rural areas.

In addition to identifying critical factors, the workshop generated debate on the main barriers that must be overcome to implement actions presented in the framework of the innovative practice from Flanders (Belgium). However, the debate has not only focused on the ideas derived from the case study presented but has also been extrapolated to the reality lived in rural areas in the Canary Islands. Common barriers

that hinder rural development and generational renewal in the islands were identified, then addressing some of the main problems with respect to the diversification of production.

For this confrontation, participants from all over the archipelago were selected, trying to maintain a minimum of representation from each island, as well as considering that there should be a minimum of female representation, approximately 50%. In addition, each participant was specifically chosen according to their social profile and their relationship with rural areas. The brainstorming sessions have been organised according to this profile, being able to share very different points of view, from the individual (such as a farmer, an entrepreneur, a young person living in a rural area or a researcher), representatives or networks (local action groups, rural associations, heads of local employers' associations, farmers' organisations, etc.) to local/regional politicians involved in the definition/implementation of policy measures (policy-makers and stakeholders).

Participants in each target group included representatives of several LEADER local action groups, regional and island rural associations, representatives of the Government of the Canary Islands and the island councils, as well as the two Canary Islands universities: the University of La Laguna (ULL) and the University of Las Palmas de Gran Canaria (ULPGC). But more importantly, the workshop has had the participation of people who actually live in these rural areas of the islands, especially highlighting the profile of young and not so young farmers. There were cases of people who obtained aid from the program of young farmers of the Government of the Canary Islands, self-employed and entrepreneurs. Especially, it is worth noting a foreign person who comes from a big city and chose to live in a rural area and start a business called Maybeez (newcomer)<sup>36</sup>. Nowadays, her business of organic products without plastic is known as a success story throughout the islands.

The workshop has been focused on rural development in the Canary Islands. It has served to share the knowledge generated in the project and to assess its possible implementation in the Canary Islands, thus contributing to rural regeneration in our islands, to promote generational renewal and, ultimately, to promote the ruralisation process in the Canary Islands. In addition to the short presentation of the RURALIZATION project, the workshop included a presentation about trends<sup>37</sup> affecting regeneration of rural areas in Europe and the RURALIZATION dream inventory as well as other innovative practices.

## Results

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<sup>36</sup> MayBeez originated on a small but incredible island of La Gomera, the Biosphere Reserve. As described by the owner, it is a small piece of land surrounded by the Atlantic Ocean that has everything as if it were a miniature world. Unspoiled coastlines, ancient forests, breath-taking landscapes, sudden changes of climate - everything you find here in this magical and authentic place. MayBeez was inspired by the power of nature that shows itself at every step in this paradise of eternal spring. Official website available here: <https://www.maybeez.es/>

<sup>37</sup> Full documentation of the extensive trend analysis exercise that was carried out in 2019–2020 among the participants of the EU funded RURALIZATION project available here: <https://ruraltrends.eu/>

Organised as an online workshop entitled “Rural areas as an engine for sustainable and inclusive development in the Canary Islands: A look at the process of island ‘ruralisation’, the new rurality and the generational renewal”. The confrontation practice involved three brainstorming sessions and one focus group. The main results derived from the brainstorming sessions and the focus group are presented below. The following are some of the most important conclusions of the sessions held with the target group 1 named “rural networking”, target group 2 called “rural policy-making” and target group 3 denominated “rural generations”.

### Acceptance and interest in implementing the practice

Initially the ideas presented as part of the innovative practice on diversification at succession have been well received by the workshop attendees. However, most of them have questioned their implementation on the islands. The main problem when implementing the practice was identified as the lack of interest on the part of the successors to continue with the family businesses. In addition to this fact, it must be highlighted the phenomenon of rural exodus from the rural areas of the islands to the cities, as well as the transfer of the new generations from the non-capital islands to Tenerife and Gran Canaria.

However, many of the incentives analysed during the presentation promoted the debate around the existing economic aids in the Canary Islands. Among these measures, the subsidies of the Flemish Agricultural Promotion Fund stood out, either to continue with the family business (Biohoeve Hof te Muizenhole) or to create a new one, by adding an additional branch in the succession of the business (De Speiboerderij). A key element discussed during both the brainstorming sessions and the focus group was the advisory process after receiving a grant, as it is deficient. In this regard, it is claimed that most of the new subsidised farm businesses die after the second or third year.

### Identified critical factors related to the implementation of the practice in the context

After the introduction of the practice about diversification on inherited agricultural businesses, initial emphasis has been placed **on the critical factors or obstacles that exist in the islands to promote the diversification of agricultural production and generational change in Canary Islands rural areas**. By addressing the problems and factors that would make impossible to replicate this practice in the archipelago, a wide variety of aspects of daily life have been covered, such as social services, education, basic resources such as water or access to property along with excessive land protection, among others. The lack of services in rural areas is seen as one of the main barriers (education, health, access to housing, land, transport, digital structures, etc.). Most people would not consider going to the countryside if they cannot raise a family and have the minimum services.

- **Access to land, property, and resources such as water**

**Lack of planning, over-protection of land and the lack of water** so characteristic of the islands become obstacles for people who want to move to the countryside or who must decide whether to stay. Regarding more administrative issues, there are also bureaucratic problems when it comes to knowing who has access to water and who needs it. In addition, a lack of funding is also identified along these lines.

The islands in general have a lot of uncultivated land, but the land is **fragmented and even abandoned**. Despite the large amount of unused land, a **barrier to land access** is identified, but mainly about

bureaucratic issues and land use. In addition to the problem of land access, there is the difficulty (especially for young people) in **gaining access to property**, especially with farms with access to water.

- **Lack of services and working in the primary sector do not provide an attractive context**

Added to this situation there is a need to show a more attractive rural environment, so the context becomes an essential element to consider. Nowadays, to work in the **primary sector is not very attractive**, especially for the new generations.

Participants in this session alluded to the positive reception of young people's support but questioned who would stay in rural areas when **there are no services that contribute to making the environment more attractive for daily life**. Therefore, the availability of services makes the rural environment a more desirable context to live.

- **Digitalisation of rural areas is not a reality yet**

To improve employment in rural areas, as well as access to structures and information, **it is necessary to invest in the digitalisation of rural areas**, not only to create more specialised jobs, but also to **modernise the primary sector itself**, in terms of monitoring, the use of sensors, automatization, etc.

- **Excessive bureaucracy in granting subsidies and lack of communication**

In addition to the information overload on the one hand, and the lack of knowledge of existing grants on the other, there is the **problem of identifying and understanding the calls for proposals**. There is also a basic need for this information to be well articulated, so that it is not necessary to search in numerous different places, organising access to the tools in an effective way.

- **Supply and demand problem and valorisation of primary sector products**

It is difficult to organise production in such a way that it can be sold all year round, especially when there is a constant tourist demand for a particular product such as lettuce, which is not available all year round on the small islands, so that **farmers miss out on this sales opportunity as they eventually must import the product**. There is a permanent need for market access and valorisation of the product, identified especially in the non-capital islands.

Facing the difficulties raised, some key measures that would encourage the diversification of agricultural production and generational change in rural areas, as well as the settlement or return of young people to these areas, have also been outlined.

### **Key issues and barriers for implementing the innovative practice in the context**

The following ideas related to key issues as well as obstacles to implement the innovative practice were mentioned during the brainstorming sessions and final debate:

*Existence of strong social barriers for youth*

During this session, the **existing social barriers for young people in the Canary Islands** were highlighted, especially when it comes to staying in rural areas (and more particularly in the non-capital islands), or when they want to start or continue with the family business.

Amongst the proposals that could be implemented, **the supply of services (health, education) and profitability (organic products should be more than just expensive)** are emphasised. As an example, the fishing sector on the island of El Hierro is used, where it can be seen how young people are returning, especially the rejuvenation of the fishing sector.

#### *Cultural barriers and differing generational horizons*

The new generations have a very broad horizon and very different expectations from those of their parents. **Young people nowadays have a very different background, more experienced when it comes to travelling. New generations aspire to have a very different lifestyle** to the one lived in the countryside, as it is considered very hard.

#### *Youth from rural areas tend to be digitally isolated*

Another of the barriers highlighted is more related to the sociological profile of the population. In this sense, the profile of a young person from the countryside in the Canary Islands has been compared with that of a young person from any other European country. **Insularity is a very important conditioning factor, especially in the case of the smaller islands, where young people in rural areas are more isolated, not only geographically but digitally too.** There is a lack of digital literacy due to no internet access and omission of information related to grants or calls for proposals. It is argued that the real return from subsidies would be obtained by ensuring that youth in rural areas are digitally literate.

#### *Lack of training and information*

Another of the most frequently addressed problems is related to the **training of older people, who are most of the population in many rural areas.** Educational problems are related to areas such as business management and marketing. However, we are beginning to see the difference with the new generations, who have more skills and training in these fields.

In addition to the lack of training, there is a **lack of information in rural areas**, as opposed to the excess in urban areas. The contrast is striking when **looking at cases of entrepreneurship**, so it should be ensured that both information and training also reach the people who need it most in these areas. This lack of information becomes a real problem when it comes to the subsidies that are aimed precisely at this social profile; **there is widespread ignorance of the existence of the aid that they could receive** and, at the same time, it seems that the aid tends to have the same recipients.

#### *Lack of support and bureaucratic barrier*

One of the most prominent obstacles in all the sessions was the **lack of support and accompaniment for people who receive grants, especially after the first year in which they start a business.** An example was given of a young man from the island of El Hierro who had to return the full amount of

the aid he received due to a small inconvenience. It is argued that there are mechanisms that do not work well.

Furthermore, **there is a significant bureaucratic barrier when applying for aid**. If there is no guarantee that 100% funding will be received, the percentage of interest is considerably reduced. A thought is given to the lack of confidence that young people and rural citizens have towards subsidies and the lack of personnel to ensure this information reaches them.

**Rural associations and networks such as LEADER groups emphasise the excessive time spent on the justification of subsidies** and management of calls for proposals, as opposed to the lack of time spent on communicating the existence of subsidies and providing aid in a more direct way.

#### *Business viability and dependence on subsidies*

**Agricultural products are sold at very low prices**, which is currently reflected in the price of cow's milk in Spain. Thus, many of the businesses whose main source of income depends on agricultural production need subsidies to be profitable.

#### *The orography of the Western Islands as an obstacle to mechanisation*

In the case of the western islands in the Canary Islands, being more mountainous, the landscape is characterised by the existence of terraces<sup>38</sup> and there is not so much flat land, which makes it difficult to use machinery in the fields. Initially, although it does not seem to be a determining factor, the orography can also become an obstacle for farmers and stock breeders to innovate and invest in the mechanisation of tasks and the acquisition of new machinery to work in the fields.

#### *Creation of new jobs in the primary sector before diversification production*

Among the participants, there are direct questions about how to diversify existing jobs in the primary sector. **Diversifying agricultural production is an issue, but there is also a need to create new jobs in the primary sector**, as well as to make existing jobs more attractive.

### **Identified measures and actors that need to be involved to overcome the obstacles and succeed in the implementation of the practice**

Some of the most important measures to be considered and possible actors to be involved are summarized as follows:

#### *Product diversification can become a successful case*

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38

In areas with steeper slopes, terracing is traditionally practised in the Canary Islands, giving rise to problems of mechanisation

The case of Lanzarote's cheeses is well known, as they have received awards, have been widely marketed and have even had to buy milk from abroad. It was precisely the young people who continued this business and decided to diversify production and sell cheeses instead of just milk.

#### *Structure and direct marketing channel to avoid intermediaries*

During the session, the **need to achieve a marketing channel that does not involve intermediaries was emphasised**. The association of farmers and stock breeders in the Canary Islands, **ASAGA-ASAJA, publishes a price index which compares the cost of products at origin and destination**; in other words, how much the farmer sells a product for and how much the recipient sells it for. Surprisingly, in the agricultural sector, the difference is typically 11 times between the farmer's price and the selling price at destination. However, in the case of meat products, the difference is between 3.5 and 5 times. Therefore, the commercial structure is essential to avoid the chain of intermediaries, it is necessary to shorten the channels of communication (e.g., farmers selling their products directly or through the internet).

#### *Need for advice and support when applying for subsidies*

Mention is made of the **need for measures to facilitate access to subsidies for young people in rural areas, as well as the need for strategies to apply for subsidies**. In this regard, it is criticised that many of the subsidies for business start-ups push young people to take out a loan from the bank, which in most cases they must pay back before they receive the subsidy. Therefore, there is also a need for subsidies to be paid out earlier to avoid having to resort to bank loans, as well as to avoid paying interest. It is necessary to consider the profile of the young people at whom the aid is aimed, and it is necessary for the public administrations to "get out of their offices" and provide real support for these young people. It is also criticised that public management is focused on subsidies and not on training citizens and ensuring success stories.

#### *Social and service restructuring in rural areas*

**A comprehensive social restructuring is needed to bring people back to the countryside, starting with making life pleasant, especially for growing old and having all the necessary services**. It is important for the government and the administration to encourage people and life in the countryside by promoting attractive measures and providing subsidies, but it is also necessary to promote a comfortable place to live in with necessary basic services, both for the elderly and for the new generations. The rural areas of Italy are given as an example, where living houses are well equipped, transport works, there are schools for the kids, internet is available, there are attractive gastronomic options.

#### *Education as a basis: accessibility to specialized rural training and additional skills*

Another aspect that needs to be emphasised is that farmers are **trained, not so much on the cultivation side, but more on the business side**, so having a business plan is essential. For example, in agricultural training schools, entrepreneurship training is encouraged. One of the most recurrent options is direct sales via the web.



Specialised education on topics that concern rural areas does not reach people in these areas. Often there are only online courses that do not go in depth into the knowledge needed to make a farm business profitable. Moreover, people who really need access to such training are often unaware of the existence of such courses. Therefore, it is recommended to facilitate access to education in rural areas, especially those courses that can be useful for this social group: entrepreneurship, ecological productions, certifications, access to grants and advice, digital and commercial skills, etc.

#### *Municipalities and city councils as connectors with rural areas*

As a measure, it is proposed that local councils function as "dissemination antennae" for relevant information. It also proposes the creation of advisory offices, in the form of field workshops, highlighting the figure of the rural development agent.

#### Overcoming the obstacles requires the intervention of multiple actors

With regard to the actors that need to be involved in order to overcome the obstacles and succeed in the application of innovative practises on farm business diversification and generational renewal in rural areas in the Canary Islands, the main actors highlighted were the **public administrations as promoters of rural development in general, and more specifically, rural development agents, the government at regional level (especially through the Canary Islands Rural Development Programme) and the university.**

The **profile of the rural development agent is crucial; however, it is felt that they have gone from being useful to technicians who write projects** but do not promote development in practice. Rural development agents could promote attractive areas, improve work plans, and promote initiatives adapted to the different realities of the islands. In general, both politicians and the administration are key players in promoting and boosting development.

On the other hand, it is perceived that the education system seems to live out of the rural world, so **it is recommended that the university take a more active role.** The need for generalised training is emphasised, teaching entrepreneurship, and showing the reality of work in the countryside, as it seems that education only focuses on filling in curriculum. In addition to training activities, special emphasis is placed on counselling and, above all, on accompanying people in rural areas, especially when it comes to applying for subsidies.

In addition to the educational sphere, there is **also a call for citizenship as a main actor, especially when acting from the Union**, exercising pressure as a lobby, which confers power to the sector. Lobby groups, together with the government at regional level and local councils and town councils, are the fabric that has the capacity to overcome obstacles and succeed in implementing innovative practices that contribute to rural regeneration.

There is also an agreement between the Directorate-General for Agriculture of the Canary Islands Government and the banks, but all measures requiring investment will be considered and the

participation of other entities will be assessed. It is also stated that these agreements need to be reformulated to ensure financing aid for young people.

### Further innovative ideas to foster rural regeneration and development in the context

After identifying some of the most important measures to implement the presented practice as well as overcoming main barriers, other innovative ideas to foster rural regeneration and generational renewal were arising. The following topics were highlighted:

#### *Systemic profitability of organic production*

In addition to the supply of services, it is also necessary to think organically: **the by-product of livestock farming is not only fertilizer, it also produces energy**. In general, added value must be produced at the system level. There are studies that verify that organic production is indeed profitable and provides higher income and a higher profit margin.

One example is the organic butcher's shop in El Pinar (El Hierro), where father and son look after the livestock, while the mother manages the shop. The family sells its products both in El Hierro and Gran Canaria, they oversee packaging the products and setting the selling prices; however, it is said that the sellers would prefer this not to be the case, to be able to increase the final price.

#### *Need for specialisation and buying "zero kilometre" products*

On the other hand, reference is made to **the need for high specialisation and the importance of buying locally (local and "zero kilometre" products)**. The idea is that in a few years' time, agricultural production in Europe will be organic, and young people can contribute by providing new marketing mechanisms, as the current marketing systems are outdated. Even though organic farming has not yet developed much in the Canary Islands, there are many young people who are inclined to start in this sector.

#### *Local markets should exist at the municipal level*

The existence **of markets makes it easier for farmers and stock breeders to sell their products**, so access to this public infrastructure is essential. However, there are still many municipalities that do not have a local market, paradoxically the most rural ones, as may be the case in some municipalities in La Gomera.

#### *Need for counselling, feasibility studies and communication between councils and government*

Youth grants are a very important incentive that has received several constructive criticisms during this session. Specifically, reference was made to the last call for these aids, in which there was a disparity of criteria between livestock and agriculture. The lack of **resources and budget to pay GESPLAN, a public company attached to the Regional Ministry of Territorial Policy, Sustainability and Security of the Canary Islands Government, was also highlighted, resulting in a lack of support in the process of granting subsidies**. The Directorate-General for Agriculture of the Canary Islands Government has confirmed this lack of budget and assures that this will not happen again next year.

They also insist on the importance of the support provided by GESPLAN and on the need to better inform young people of their obligations.

The cabildos ask for more attention from GESPLAN for the next call for proposals, especially because some cabildos have employed groups of economists to carry out feasibility studies due to the complexity of agriculture and livestock farming. As an example of an island from which more aid is requested, specifically from the island of Lanzarote there was a very large response in the application for subsidies despite the strong vocation for tourism. Even so, it is recommended that there should be **more communication between town halls and the government.**

Finally, it is recommended that subsidies be paid in advance, although it is feared that some of the loans may have to be repaid if some projects are not viable. In view of this situation, the Directorate-General for Agriculture of the Canary Islands Government has stated that it will rethink the situation in a different way.

#### *Pilot project to recover land in forest areas*

Regarding the problem of access to land in the Canary Islands, it is necessary to facilitate the leasing of land. Despite this, it is a major problem in the islands, as they have a large part of the protected landscape. The Directorate General for Agriculture of the Canary Islands Government argues that a tractor project will be launched to recover farms in forest areas.

#### *Renewable energies to promote local energy circuits in rural areas*

Integrated training adapted to the agricultural reality; the qualification is necessary to be well involved in the rural environment. Som Energia is a non-profit cooperative of green energy consumption<sup>39</sup>. Through advice and the use of renewable energies, an increase in self-consumption could be achieved and dependence on the grid could be reduced, promoting local energy circuits in rural areas.

#### *Adding non-agricultural activities such as experiential tourism generates added value*

If diversifying production is not seen as a fully profitable option, adding non-agricultural activities such as the creation of leisure services on the farm is a very attractive alternative. In this sense, **experiential tourism is becoming a trend in the Canary Islands, whereby value is added to the agricultural businesses.** Guided tours of the farm business are a very ingenious way of creating a more enriching experience for the consumer, who will value the product more highly after learning about all the work that goes into making it. Other options such as offering tastings, small live music performances, renting rural houses or other rural experiences are some examples that add value to farm business infrastructures, significantly increasing profits.

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39

Among its main activities are the commercialisation and production of energy from renewable sources. As a main commitment, they aim to promote a change of the current energy model to achieve a 100% renewable model. Additional information is available on the official website: <https://www.somenergia.coop/es/quienes-somos/>

## Lessons learned and recommendations

One of the most important conclusions of the workshop was the decision to schedule regular meetings between the agricultural extension agencies of the islands and the Directorate General for Agriculture of the regional government, following the proposal to have regular collaboration meetings with the inter-island governments.

### Internet and digitisation as key to rural development

Another key factor is the internet and the digitalisation of services, especially for entrepreneurs, as well as acting as an incentive to attract population. In the case of the island of La Gomera and, in general, of the non-capital islands, **the installation of optical fibre networks for rapid internet access has promoted the arrival of digital nomads** (who tend to repeat visits and return to the island), as well as helping to fix the resident population. During the brainstorming sessions, some of the entrepreneurs in attendance explained that starting a business on the island of La Gomera a few years ago was much more difficult because they had problems getting products, both personally and for their business.

One of the most characteristic cases in all the islands is the presence of foreign workers (mainly Germans) who live on the island normally during winter season and return to their countries during the rest of the year. This phenomenon can be observed in a very particular way in La Gomera. **The arrival of the internet in some of the more remote areas has allowed living in the countryside to become a luxury**, being able to work surrounded by nature, which becomes a "dream" for someone coming from a big city, as is the case of some of the attendees. However, the purchase of houses in rural areas by foreigners has also increased the price of housing, making it less affordable for young people.

### The Food Chain Law: a hopeful horizon?

Reference is made to the new Food Chain Law (**Law 16/2021, of 14 December, which amends Law 12/2013, of 2 August, on measures to improve the functioning of the food chain**)<sup>40</sup>, which could have a positive effect on the profits of the first link in the chain: farmers and livestock farmers.

The text is basically the **framework of good practices, regulations and sanctions that must define the relationship between all those involved in the food sector**, from producers -farmers or livestock farmers-, agricultural cooperatives, industry, and manufacturers; to distribution, whether they are supermarkets, hypermarkets, or large catering firms.

The aim of this regulation is to make price formation more transparent and, above all, to increase protection for the weakest links, such as small farmers. In addition, it seeks to put a stop to practices considered anti-competitive, such as what is known as 'selling at a loss', which consists of selling below cost, charging less than what has been paid for.

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40

Legal text available here: <https://www.boe.es/buscar/doc.php?id=BOE-A-2013-8554>

The law introduces changes for all actors in the chain, who will always have to seal their contracts in writing and reflect the costs they face. These contracts, whether new or existing, will have to be recorded on a platform, a virtual register. So that, if there are breaches or complaints, for example, because a farmer is not being paid the agreed amount during the established period, those responsible for supervising the chain<sup>41</sup> will have these contracts at their disposal on the platform.

### Promoting innovative projects

In general, there are plenty of projects that could be promoted at the local level that would serve to revitalize rural areas, including facilitating access to land for young people, as well as making use of the large amount of abandoned land that currently exists. In terms of policy making, it is important that agriculture and sustainability are among the policy areas of interest at the municipal level. There are also very significant small actions that can be implemented such as planting trees on the roadside, allocating grants for green manure, reusing abandoned farms and farmsteads, building rainwater wells in agriculture or purifying water for irrigation, etc. Collaboration between municipality-province-neighbours as well as citizen participation are the basis for contributing to the regeneration of the rural fabric.

### The future of the primary sector is cross-sectoral

There are many sectors that are interlinked with and add value to the primary sector, such as tourism. When it comes to businesses whose main source of income is agricultural production, diversification of production is often not enough to make it profitable. However, looking at non-agricultural activities that add value to the business can provide a radical change. Some options are related to experiential tourism (guided tours), outdoor activities (trekking, star gazing, etc.), rural accommodation, gastronomy (tastings and explanations of winemaking processes), art and culture (exhibitions, live music, theatre performances, etc.).

### Idealised view of rural life by outsiders

Newcomers are often those who have an idealized view of life in the countryside. These people usually come from big cities and see a return to nature as a higher quality lifestyle. This is often made possible by teleworking and the installation of optical fibre networks for rapid Internet access in small towns. However, many of these people also decide to become entrepreneurs and lead a different lifestyle, having their own business and a life without the stress of the city. It is agreed that the future of the rural areas of the islands is more likely to depend on this social profile than on the new generations inheriting a family farming business.

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41

Such as the autonomous communities or the Food Information and Control Agency (AICA), attached to the Ministry of Agriculture of the Spanish Government.

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