



Press and Information

Court of Justice of the European Union

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Judgment in Case C-830/19

Région Wallonne (Support for young farmers)

## **European rural development policy: the determining criterion for enabling a young farmer to access business start-up aid is the standard gross output of the entire agricultural holding, and not simply his or her share in that holding**

*National legislation which lays down different conditions of access to start-up aid, depending on whether the young farmer sets up with other young farmers or with other farmers not belonging to that category, does not amount to discrimination*

EU law lays down the general rules governing EU support for rural development financed by the European Agricultural Fund for Rural Development (EAFRD), and supplements the common provisions on the European Structural and Investment Funds. In that context, Member States establish and apply specific conditions for access to support for young farmers where they are not setting up as a sole head of the holding.

In order to continue the family farm business, a young farmer, CJ, who is set up in Belgium, took over a third of his parents' farm. CJ farms as part of a de facto association with his father, who also owns a third of the holding, with the last third belonging to CJ's mother. CJ therefore filed an application with the Région wallonne (Walloon Region) for start-up aid, which was refused on the ground that the standard gross output ('the SGO') value of the holding taken over exceeded the upper threshold laid down by regional legislation, fixed at € 1 000 000.

CJ lodged a complaint with the paying agency, requesting that, when calculating the SGO, account should be taken of the fact that he was not setting up as sole head of the holding. That complaint was rejected and the payment agency confirmed that the SGO value to be taken into account was that of the farm as a whole which, at € 1 976 980.45, exceeded the upper threshold laid down by the national legislation. In order to evaluate the application and determine whether the farm's SGO reached the upper threshold for access to that aid, the Walloon Region took into account the entire farm and not just CJ's share.

In the action before it, the Tribunal de première instance de Namur (Court of First Instance, Namur, Belgium) asks the Court of Justice whether the EU law in question <sup>1</sup> precludes Member States from taking account of the SGO of the entire holding, and not simply the young farmer's share in it, in order to determine the thresholds for access to aid, where the agricultural holding is organised in the form of a de facto association in which the young farmer acquires an undivided share and becomes a head of the holding, though not the sole head.

In today's judgment, the Court holds that EU law on support for rural development does not preclude national legislation under which the **criterion for determining the upper threshold** for enabling a young farmer, who is not setting up as sole head of the holding, to access business start-up aid is **the SGO of the entire agricultural holding, and not simply that young farmer's share in that holding.**

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<sup>1</sup> Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ 2013 L 347, p. 487, and corrigendum OJ 2016 L 130, p. 1), read in conjunction with Article 2 of Commission Delegated Regulation (EU) No 807/2014 of 11 March 2014 supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions (OJ 2014 L 227, p. 1).

According to the Court, it is necessary to consider the terms of the provisions interpreted, where necessary, in the light of the context to which they belong and the objectives of the European regulation. In so doing, the Court notes that the provisions in question do not preclude Member States from taking into account the SGO of the entire holding. The Court considers that the use of the words ‘production potential of the agricultural holding’, which refer to the objective criterion of the ‘holding’, supports that interpretation.

The Court also points out that the support in question is intended to encourage business **start-ups** by young farmers and states that support for a business start-up should cover only the initial period of the life of such a business and **should not become operating aid**. It follows that that support is granted not in order to encourage, indiscriminately, the starting-up of any agricultural holding, but only **that of holdings which meet the conditions relating to the heads of holding, the activities or the sizes of those farms**, which enables the Member States to **regulate how that aid is granted**, according to the specific characteristics of the farms which young farmers take over.

The Court observes in that regard that the eligibility criterion laid down by the national legislation is specifically intended to meet those objectives, and to prevent the support in question being granted to young farmers whose holding generates such an SGO that those farmers **do not actually need support**. It further states that the specific conditions which Member States introduce for access to support, where a young farmer is not setting up as a sole head of the holding, cannot call into question the possibility of setting the upper threshold for access to the support concerned on the basis of the farm, not the beneficiary.

The Court also points out that legislation which makes the award of business start-up aid to a young farmer conditional on the SGO for the entire holding makes the young farmer who sets up on his or her own and the young farmer who sets up with other farmers falling outside that category subject to identical requirements.

As regards the Belgian legislation specifically, the Court notes that the increased upper threshold takes account of an **objective difference in circumstances and hence does not infringe the requirement of equivalence**, since two or more young farmers who set up together as heads of the holding are in principle able to produce more than one young farmer setting up on his or her own.

Finally, the Court finds that EU law **does not require** that the conditions for access to start-up aid for young farmers who are in two distinct situations be **equivalent**. It states in that regard that it is, moreover, consistent with the objective of start-up aid for young farmers that **the conditions for access** to that support be **more favourable for young farmers setting up together** than for a young farmer setting up with **farmers who do not fall within that category**.

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**NOTE:** A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court’s decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The [full text](#) of the judgment is published on the CURIA website on the day of delivery.

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