



**Terre de liens: Removing land from the commodity market and enabling organic and peasant farmers to settle in good conditions**

France

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Case Study from a Series on Access to  
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## Case Study Series on Access to Land for Community Connected Farming

In 2010-11, an informal group of civic organisations from across Europe conducted a project on Access to Land for Community Connected Agriculture. A key part of the project lies in a series of seven case studies, documenting experiences from various European countries and different levels of activity (local, regional, national). These case studies seek to explore both the functioning and the benefits of community

connected farming. From this they seek to identify the constraints that limit access to land of sufficient quality and size, and the potential solutions that have been found to reduce the impacts of these constraints. The case studies are illustrative of a variety of issues and situations and, taken together, present some interesting and innovative approaches to the development of local, civic agriculture.

### • Viva sol, Lithuania:

A National Association of cheese eaters and producers established to support the development of solidarity between urban and rural people, and to encourage the settlement of small farmers and artisans in rural Lithuania. Viva sol has started a farmers' market in Vilnius, a box scheme, environmental training and activities to support small-scale breeders. Faced with the issue of several farmers being unable to find affordable land, it is currently envisaging creating a Land Fund to raise investments or donations in order to buy agricultural land.

### • Tablehurst and Plaw Hatch Community Farms, UK:

Two Biodynamic Community Farms located in East Sussex, UK, wholly owned by a cooperative (an Industrial and Provident Society) with approximately 600 shareholders, most of them local to the farms. The farms occupy approximately 300 hectares of land, the majority of which is owned by St Anthony's Trust, a local land trust. The farmers employ about 20 staff, process and sell their products directly and have established strong community connections.

### • Hamburg City Estates, Germany:

For decades, Hamburg municipality has purchased agricultural land to be able to influence city development. In 1989/1994, the city opted for the conversion of three large estates in its ownership to organic farming. These farms all play a major role in providing local organic food, and two of them have developed direct marketing and a large array of social and cultural activities involving the community.

### • Terre de liens, France:

A civic organisation established to assist organic and peasant farmers in gaining access to land. The organisation also promotes new ways to own and manage land as a common good. Terre de liens has created financial tools (a solidarity investment company and an endowment trust) to collect investment funds and donations, and educational tools to inform the public and raise awareness about land access and agriculture. It now has a network of 2000 members and 8000 shareholders, and owns 2400 hectares of farmland, supporting about 200 farmers.

### • Jaglea Farm, Romania:

An organic farm located near Sibiu, in the Carpatians, which illustrates a new kind of farm in Romania, where tradition and innovation meet to form an emerging "new peasantry". The Jaglea family practice a low-input, largely manual agriculture, which is certified organic and which seeks new ways to be economically, socially and environmentally sustainable. They process and market all their products directly, and took part in the creation of the first organic producers' cooperative shop in Romania. One obstacle that they face in seeking to expand their activity is gaining access to more land in the vicinity of the farm.

### • Cooperativa Agricoltura nuova, Italy:

A cooperative farm on the periphery of Rome, formed in 1977 following occupation of the land by a group of young people opposing urban development. It is now a 250 ha mixed organic farm, geared towards on-farm processing and direct marketing and hosting a range of environmental and social activities (an information centre on renewable energies, community gardens, social integration of vulnerable adults, etc.). In 1996 it obtained a tenancy contract from the municipality of Rome, which has established a regional park in the area surrounding the farm.

### • Regionalwert AG, Germany (RWAG):

A citizen shareholder corporation, located in the area of Freiburg em Brisgau, that supports the development of organic agriculture and local food production, marketing and distribution. It has collected €1.7 million from about 500 mostly local shareholders. The capital is invested in 6 farms and associated land, processing businesses (caterer, processor), and marketing businesses (retail and wholesale shops, box delivery). As part of its operation, RWAG has developed a detailed methodology to report on the social, economic and environmental impact of its investments in the region.

*These case studies have been brought together and edited by Véronique Rioufol (Terre de liens) and Neil Ravenscroft (University of Brighton and Tablehurst and Plaw Hatch Community Farms).*

# Terre de Liens

By Véronique Rioufol et Sjoerd Wartena<sup>1</sup>

## Overview

Terre de Liens is a civil society organisation created in 2003 to address the difficulties faced by organic and peasant farmers in securing agricultural land. Land prices are high and land market so competitive that access to land has become a major bottleneck for farmers seeking new farms or additional land to maintain their current activities. Terre de liens first supported collective ownership schemes, wherein farmers received contributions from their kin, consumers or local

*1 - Véronique Rioufol is Terre de liens' European Project Coordinator, Sjoerd Wartena is founding member and current Chair of Terre de liens. For further information, see: [www.terredeliens.org](http://www.terredeliens.org). This case study was written thanks to the invaluable contributions of Jérôme Deconinck, René Becker, Elsa Vidon, Philippe Cacciabue, Valérie Rosenwald, Pierre-Marie Moreau, and Neil Ravenscroft.*

community to set up an investment business to buy their land. Since 2007, Terre de liens has also directly acquired farmland, which it holds in perpetuity for the sake of current and future generations. Terre de liens' land is let to farmers who undertake to farm organically or biodynamically or who are peasant farmers committed to respecting the environment. To acquire farmland, Terre de liens has created two financial tools: *la Foncière*, a solidarity investment company; and *le Fonds*, an Endowment Trust which collects investment or donations in cash or kind. Through the *Foncière* and the Fund, Terre de liens now owns, or is in close to acquiring, 102 farm estates, amounting to 2300 hectares, where 180 farmers are working. This has been made possible by the support of 1700 members<sup>2</sup>, about 6500 (mostly individual) shareholders bringing over €23,5 millions, local inhabitants and local authorities. In just five years, Terre de liens has made significant progress towards freeing land from the commodity market so that it can be preserved in sustainable agricultural production.

*2 - Terre de liens is a membership association, composed of one national association and 21 regional associations, with 1700 individuals who have registered as members.*



## 1. History

Since the 1960s, France has experienced a decline in its total area of agricultural land, due to land abandonment and conversion of farmland to non-agricultural uses<sup>3</sup>. In addition to the loss of farm land, there has also been a decline in the number of agricultural holdings because the dominant intensive agricultural model has tended to concentrate activity in a declining number of increasingly large farms<sup>4</sup>. As a result land prices have increased dramatically<sup>5</sup> and young farmers have found it increasingly difficult to buy or rent land. Access to land is a particular issue for the following groups:

- New entrants who do not inherit farmland from their family and therefore have to acquire it. This group is becoming a major challenge because the proportion of new farmers getting started outside family transfers is increasing rapidly<sup>6</sup>;
- Farmers who wish to create small farming units, with higher value activities (vegetable growing, organic/ biodynamic farming, on-farm processing), which do not require big, intensive production. These projects are often not deemed economically viable, and hence may fall outside subsidy and support mechanisms, and are not always welcomed by the agricultural community; and
- Farmers who do not wish to buy land, for personal, ethical or political reasons (rejecting private ownership, considering

*3 - Between 1960 and 2007, France lost 5,1 million hectares in utilised agricultural area (UAA), i.e. 15% of its UAA of 1960. Source: Pointereau and Coulon, Abandon et artificialisation des terres agricoles, Courrier de l'environnement de l'INRA n°57, July 2009.*

*4 - From 2000 to 2007, the number of farms decreased by 24% (from 695 000 to 528 000 farms) and the agricultural workforce by 18%. Source: Agreste, French Ministry of Agriculture.*

*5 - In 2009, a hectare of arable land cost, on average, 5100 Euros, with important discrepancies across regions, type of lands, etc., up from 3330 Euros in 1990, i.e. a 150% increase in 20 years. Source: Agreste, Ministry of Agriculture.*

*6 - In 2007, 43% of farmers are above 50 year old (up from 36% in 2000) and about one third of new farmers are settling outside family transfers of farm or farmland. Source: Agreste, Ministry of Agriculture.*

land as a common good), but however seek enough security of tenure to develop their activities.

One response to improve access to land emerged in the 1960s with the development of collective structures of farmland ownership (and management). In such situations, farmers called upon their families and friends to contribute financially to land acquisition and to thus becoming shareholders in land investment companies. Two main statutes in the French legal system exist to support this type of arrangement: the Société Civile Immobilière (SCI) is the common statute for real estate investment companies; and the Groupement Foncier Agricole (GFA) is specifically for farmland. While SCI and GFA were effective in enabling farmers to settle, they were faced with several limitations:

- Collecting money. It is difficult to create trust beyond an inner circle of relatives and friends. In addition, it is not legal in France to make a public issue of shares without being registered with the national Financial Markets Regulatory Authority and such registration is very difficult to achieve;



- Shareholder turnover. Over time, the challenge is to find new individuals who share the same goals and values as the founding members and are willing to undertake long-term investment in farmland. In the long run, the unavoidable withdrawal of major shareholder(s) endangers the financial viability, or even the very survival, of the SCI or GFA; and
- Maintaining a lively and committed group. Beyond the start-up phase, shareholders tend to become less involved, undermining the purpose of the collective investment structure, or making it dysfunctional (e.g. inquorate General Assemblies).

In 1999-2001, RELIER<sup>7</sup>, a rural development association, convened a series of workshops to explore ways of overcoming the limitations of these collective land ownership models. It also addressed the need for farmland for new entrants wishing to engage in sustainable peasant farming or alternative rural activities. These workshops brought together farmers engaged in collective land ownership structures, the organic and biodynamic movements, rural development specialists and the ethical bank La Nef. This collective dynamic led to the creation, in 2003, of the association Terre de liens. As defined by its founding Charter, its principal aims are:

- To support access to land for economically, socially and environmentally sustainable projects, organic, biodynamic and peasant farming, pluriactivity in rural areas, establishing new farmers and preserving existing farms;
- To promote solidarity and citizen dynamics to support these projects, including direct consumer-producer relationships, the sharing of capital and experiences between urban and rural, and local groups supporting the establishment of a farmer; and

<sup>7</sup> - RELIER is a people's education organisation, whose aim is to promote exchanges between people, from all professional backgrounds, who choose to settle and live in the rural areas.



- To put on the agenda the issue of access to land through concrete actions, including mobilising local authorities, fighting against land and property speculation, enabling citizens to have a say in land planning, or promoting green belts.

Over the years, Terre de liens has developed its local presence throughout France, to gather support and strengthen ties with local partners. It now has a branch in every Region<sup>8</sup> and a network of 1700 members. These local branches are fundamental to the operation of Tdl, connecting project holders with the Foncière and the Fund, mobilising local support, co-ordinating Tdl's actions with those of collective authorities and other civil society organisations, and informing and mobilising shareholders, donors and volunteers. About sixty per cent of the budgets of the local branches are funded by Regional Councils, demonstrating the interest and support of local elected representatives for civil society initiatives in the fields of land management and support for sustainable farming methods.

<sup>8</sup> - Except overseas territories.

## 2. An original tool: *la Foncière Terre de liens*, a private company limited by shares

Initially, Tdl's main activity was to advise and support farmers wishing to set up collective land ownership structures (largely SCI or GFA). At the same time, it was looking for a means to overcome the limitations of these structures as well as to make a significant impact on the land market to counter the commodification of land. The **breakthrough** was made in 2006 with the discovery of a little used business status: the 'société en commandite par actions' (SCA) or **private company limited by shares**, and the creation of such a company, *La Foncière Terre de liens*, in 2007. As a company, *la Foncière* can undertake public share issues to raise capital. As a company limited by shares, it creates two categories of participants: the shareholders, who provide capital and are liable only to the extent of the capital provided; and the managing partners who run the company and are jointly and severally liable for the debt. The status of the *Foncière* thus separates those who own the capital from those who decide on how to invest it and run the company. In the case of Tdl, the first group is composed of individual shareholders, non-profit organisations, companies and institutional investors<sup>9</sup>, while the second group is composed of the association *Terre de liens*, the ethical bank *La Nef*, and Sjoerd Wartena, co-founder and President of Tdl. This separation ensures that the land bought by *La Foncière* is forever owned and managed to serve the long-term goal of the association: preserving agricultural land in good heart and sustainable production for the sake of future generations. The *Foncière* has two statutory bodies: the Supervisory Board, which is elected by the general assembly of shareholders and oversees the management; and the Investment Committee, a committee of experts appointed by the Supervisory Board, which studies every land acquisition and gives an advisory recommendation.

<sup>9</sup> - 99% of the shareholders are individuals, the rest are mostly organic shops and consumers groups.

*La Foncière* was created with an initial capital of €57,200, contributed by 47 shareholders. From October 2008 to March 2009, a first public issue of shares exceeded all expectations by raising €4 million from 2200 shareholders in only 5 months (the objective was to collect €3 million in 9 months). A second public issue of shares from October 2009 to June 2010 raised an additional €6 million. The *Foncière* continues organising one public issue of shares every year. In addition, it also receives individual subscriptions for shares at any time of the year.

A share costs €100. Shareholders are not remunerated for their investment (at best, they receive an interest rate equivalent to the inflation rate). Up to 2010, the main financial incentive for shareholders was that they were entitled to a tax rebate amounting to 25% of their investment in the *Foncière*<sup>10</sup>. In 2010, a change in the tax system has nearly eliminated this tax rebate while the public issue of shares was underway. While it

<sup>10</sup> - The tax rebate is limited per person/ household per year. For the richest taxpayers, subjected to a wealth tax, the rebate is 75% of the value of the shares.



has slowed down the pace of share issues, it does not seem to have resulted in current shareholders trying to withdraw their investment. 2011 will be the real test year.

Since 2010, the Foncière also receives investments from company saving schemes, which has increased substantially the amounts raised. In any case, a shareholder can, at most, own 5% of the Foncière capital. Half of the capital is owned by a third of shareholders who own between €1,000 and €10,000. This shows that the capital has been raised from a large number of medium-size shareholders who choose to use part of their savings to support the goals of Tdl. As of October 2011, the Foncière has a capital of €23,5 million, owned by 6500 shareholders (hence, the average subscription is €3,610).

With this capital, the Foncière buys agricultural land and buildings to enable new entrants to gain access to a farm, or to help established farmers maintain or develop their activity. The Foncière bought its first farm in February 2007. It now owns, or is in the process of buying, 92 farms, amounting to approximately 2200 ha and 164 farmers<sup>11</sup> (see map in Annex 1). All the farms are organic or biodynamic, or are in conversion. They are very diverse in size, production and organisation: most are small farms (a few hectares only), although there are a few large ones (100 ha or more); many are mixed farms or grow vegetables, while a few produce cereals; some are in fertile plains, while others are in less favoured areas or in green belts.

Most often, the Foncière is approached by farmers who wish to start farming and have found suitable land, or by farmers who are already established and have the opportunity to buy (part of) the land they already farm. The Foncière buys land and buildings for projects as long as:

<sup>11</sup> - As of October 2011, the Foncière owns 56 farms and is in the process of buying 36 farms. The former represent 1529 hectares and 117 farmers, the latter 674 hectares and 47 farmers. Beyond the number of farmers, the total number of working adults on the farms is 243 (including the farmers, farmers' partners and other adults working in non-agricultural activities).



- they match the principles and goals set out in Tdl's Charter;
- the farmers are ready to be tenants and do not wish to own the land;
- the farms are economically viable;
- the farms are sustainable, make agronomic sense, and respect the environment; and
- the farmers receive local support (such as local fundraising, the constitution of a group of supporters and/ or consumers, or interest from the municipality).

The Investment Committee examines the project twice, first to determine its overall fit with the principles and aims of the Foncière, and then to study in detail how it matches the aforementioned criteria. The review by the Investment Committee is informed by in-depth reports and field visits conducted by the local branches of Terre de liens. The Investment Committee may express a favourable opinion (with or without conditions), reject the project or ask for additional information.

Once it owns the land and/ or buildings, the Foncière rents them to the farmer. Initially, it offers a 9-year lease, which is the classic agricultural lease in France; it is now evolving towards 18-year leases or even 'career' leases, to provide more security of tenure for farmers and to establish long-term relationships with them. Because the aim is to suppress speculation, Tdl rents the land and building according to locally regulated prices. It thereafter maintains contact with the farmers, regularly checking the progress of the project, the development of activities, economic sustainability, and respect for the environment. It also intervenes where necessary to restore or upgrade the farm buildings and houses.

### **3. Decommodifying land in perpetuity: towards a Land Trust**

In 2009 Terre de liens created a Land Endowment Fund, as a precursor to a fully-fledged Land Trust. While the Foncière collects investments and uses them for social objectives, the Fund collects donations and resorts to not-for-profit statute and tools to decommodify land in the long run. Its stated mission is to protect agricultural land as a common good and to improve it in exemplary fashion (for example through the protection of biodiversity, soil and water, the management of sensitive areas and the use of renewable energies). It has three main activities: informing and mobilising individuals, local authorities and companies; collecting donations; and managing land and farm properties to protect and enhance them in the long run.

The Fund receives legacies as well as donations in cash or in kind (land, buildings) from individuals and companies. As of November 2011, it has an endowment of over €690,000, brought by almost 800 donors. It has acquired 6 farms and is in the process of acquiring 4 more as bequests or donations. As with investment in the Foncière, individuals and companies who make donations to the Fund benefit from a tax rebate.

Tdl's aim is to turn the Endowment Fund into a Trust classified as being in the public interest, which requires a minimum endowment of €1 million and complex registration with the Ministries concerned, but is also a source of greater public visibility and trust.

The Fund, and thereafter the Trust, truly embodies the core vision and long term goal of Terre de liens: freeing the land from the commodity market and speculation, considering the land as our common good and holding it in trust for the next generation, to ensure environmental protection and preservation of the agricultural use of land throughout the country. Although much smaller than the Foncière, it is thus a key component of Terre de liens.

While the Foncière examines jointly the acquisition of the land and the project of the farmer who will farm the land, the Fund has to conduct two separate analyses: deciding whether to accept the donation/ bequest and on which terms; and finding an adequate agricultural/ rural project and project holder for this specific land. The main questions regarding the donation are to determine:

- If the donation/ bequest covers its costs (including conveyancing fees and any major structural works);
- Whether the specific terms expressed in the will can be fulfilled in the long run;
- Whether the land can remain in agricultural use in the long run; and
- Whether it is an economically viable unit (the Fund managers must be aware of the risk of accepting small or disjointed plots of land that cannot be viable for farming).

In some cases, the land acquired by the Fund is already farmed in accordance with its principles and mission; in other cases, the Fund has to find new farmers to take over from the transferors.



## 4. Land stewardship

### 4.1 Preserving agricultural use of the land

With 102 farms<sup>12</sup> (92 in the Foncière and 10 in the Fund) amounting to over 2300 hectares of land, Terre de liens is already fulfilling its goal of keeping land in sustainable agricultural use. Although marginal when compared with the French utilised agricultural area, it is a strong sign that, if given a chance, large numbers of citizens support the development of local sustainable agriculture and are happy to have their say in land planning and management. This has enabled Tdl to open up space for debate about the need to maintain agriculture throughout France, to support organic farmers and to develop short-supply chains and green belts.

The rapid expansion of Tdl and the strong public support that it enjoys have also drawn attention from public bodies and local authorities. Tdl has now been approached by municipalities

wishing to support existing farmers and help establish new farmers. In this way it bought a 120-hectare farm in Barjac, in Southern France, at the request of the municipality. Tdl is now supporting conversion of the farm to organic production, as well as a bottom-up project of local sustainable development involving the establishment of several farmers and their families and the development of short supply chains to supply municipal catering services, local markets and organic shops.

Terre de liens also engages with SAFERs<sup>13</sup>, the regional bodies responsible for rural land management. SAFERs are the cornerstone of the French rural land market: they must be notified of any rural land transaction and they can pre-empt the purchase of any piece of land and decide to whom it is sold. The mission of the SAFERs includes contributing to the maintenance and development of sustainable agriculture and protection of the environment and of landscapes. However, the SAFERs have been rendered dysfunctional and their actual



practice has fallen short of these goals because they are dominated by the farming establishment's vision of an intensive agricultural paradigm. In some regions, the SAFER collaborates actively with Terre de liens and has decided to pre-empt land in its favour. To strengthen this relationship, Terre de liens recently signed a partnership agreement with the National Federation of SAFER to enhance co-operation at local and national levels, in particular to support organic agriculture and new entrants to farming.

#### 4.2 Ensuring environmental protection

Terre de liens is committed to preserving the land in good heart and to protecting the environment - hence its choice of organic, biodynamic and peasant farming. It goes further by incorporating protection of the environment in all its agricultural leases. The environmental agricultural lease – or *bail rural environmental* as it is known in France- was created by law in 2007 so as to enable public authorities and

environmental organisations who lease agricultural land to enforce environmentally friendly production practices.

Thanks to effective lobbying Tdl, together with several associations and Foundations, obtained in 2010 an amendment to the law, extending the list of eligible lessors to foundations and endowment funds classified as being in the public interest, as well as investment companies registered as 'solidarity companies'. The Foncière and Fund of Tdl are therefore now in a position to impose legally binding environmental clauses in their agricultural leases. This is a key dimension to assure shareholders and donors that their contributions are indeed used to protect the environment and that Terre de liens can enforce this protection. In establishing and implementing these leases, Tdl is however cautious not to impose excessive or inadequate constraints to farmers. Rather, the leases are carefully negotiated between Tdl and the farmer(s) in order to assess what are relevant and reasonable clauses, which are conceived to be part of an improvement process rather than a sanction.

Today, most leases signed by Tdl include the requirement to undertake certified organic (or biodynamic) farming. Beyond organic production, Tdl also includes other aspects, as appropriate to each farm. These may include soil preservation; prohibition of irrigation and drainage; diversification of crop rotation; specific harvesting techniques; and the creation, preservation and management of particular landscape components such as hedges, slopes, terraces, ponds and groves. Such leases provide for a review of the environmental state of the farm every three years. Tdl has also experimented, and will try to generalise the use of, a tool for agro-environmental diagnosis, helping farmers to assess the state of their land and environment and to define priority actions.



## 5. Community Connections

### 5.1 Bringing capital and support for farmers' access to land

Local mobilisation is key to help farmers identify adequate land, to obtain the agreement of the transferor, to put pressure on local authorities and SAFER, to obtain the priority to buy the land, and to create an inner circle of shareholders and future consumers. Farmers are also asked by Tdl to organise local mobilisation and fundraising, in order to gather local support for their project, and complement the capital raised at national level. Thanks to its members and partners, Terre de liens also has the expertise to advise the farmer on the adequacy of the land for its intended purpose, on its economic viability or on its agronomic coherence and sustainability. Local supporters may also lend a hand to clear abandoned plots, fix buildings and undertake other tasks in the start-up phase.

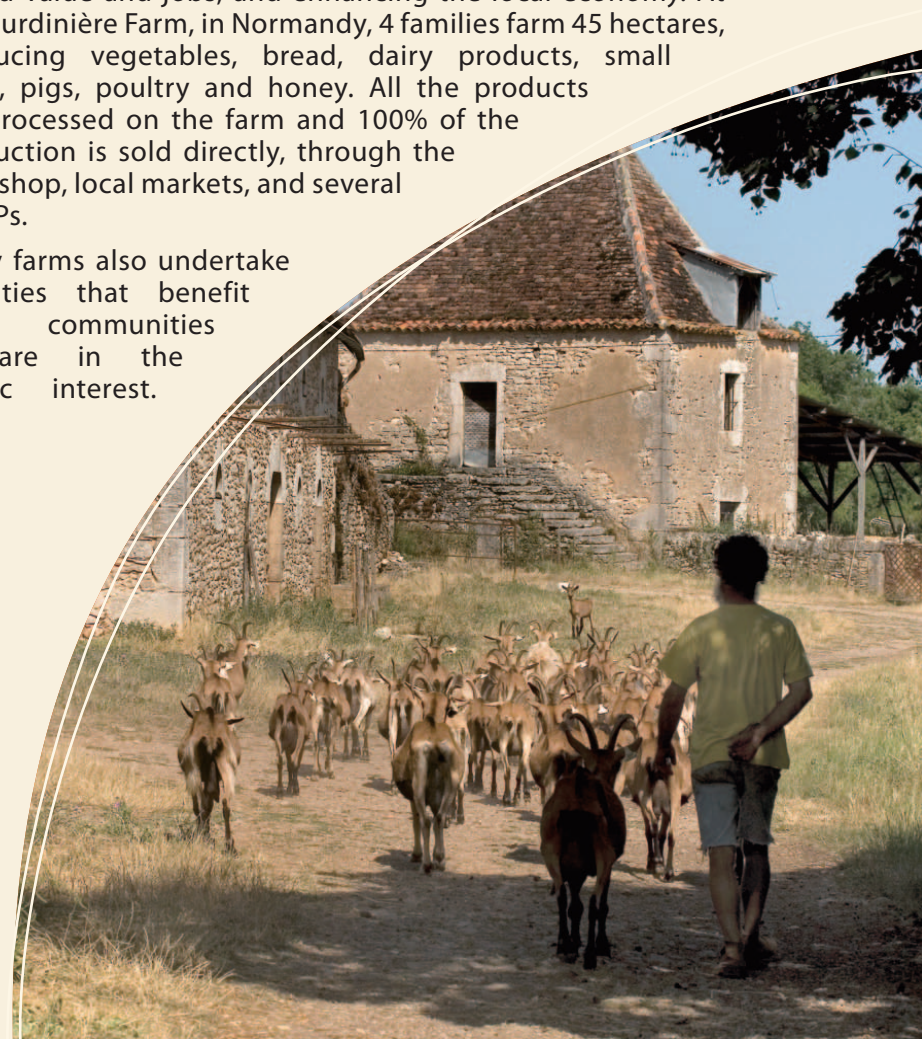
By bringing capital from beyond the personal and local supporters, Terre de liens also creates extended solidarity: between organic consumers and producers, urban and rural, old and young. The success of the first public issue of shares largely stemmed from the strong mobilisation of the Biocoop, the major French network of organic shops, and AMAP<sup>14</sup> networks whose consumers proved committed to supporting the establishment of organic farmers in their area. Thus, in Val de Roure, in Southern France, 160 families from AMAPs receiving eggs and meat from a couple of local breeders took shares in the Foncière to help maintain them on their land.

*14 - AMAP are Associations for the preservation of peasants' farming (Associations pour le maintien d'une agriculture paysanne), set up between organic farmers and consumers to create lasting and strong connections. Consumers pre-pay a number of 'baskets' or boxes (usually one per week for the duration of the semester year), making it possible for the farmer to invest and have financial security and visibility. Every week, the farmer(s) deliver the products to the consumers, either on the farm or in town. In Fall 2010, there were over 1500 AMAP, gathering 70 000 families and over 1000 farmers*

### 5.2 Promoting community-based agriculture

The farms of the Terre de liens network contribute, in different ways, to supplying local consumers, or providing social services. Almost all farms market their products locally, through farm shops, local markets, shops, or caterers, or as part of a community-supported agriculture scheme (AMAP). They thereby contribute to short supply chains and direct relations between consumers and producers. Many farms are also engaged in processing activities, such as producing bread, cheese, preserves and meat on the farm, thereby creating added value and jobs, and enhancing the local economy. At La Bourdinière Farm, in Normandy, 4 families farm 45 hectares, producing vegetables, bread, dairy products, small fruits, pigs, poultry and honey. All the products are processed on the farm and 100% of the production is sold directly, through the farm shop, local markets, and several AMAPs.

Many farms also undertake activities that benefit local communities or are in the public interest.



These include training for organic/ biodynamic apprentices, conservation of rare or traditional breeds and species, agro-tourism, open days and cultural events, school premises or educational activities, vocational training for vulnerable youth or unemployed adults, and the preservation of urban agriculture. In Northern France, Vert'tige was created in 1986 to undertake organic market gardening as a basis for providing vocational training and long-term jobs to unemployed adults. Vert'tige, which is in the process of being donated to the Endowment Fund, has now also opened an organic supermarket on the farm and employs 13 people.

Because they are often multifunctional farms, or because they also host other activities (such as shops, processing businesses, schools and agro-tourism), the farms of the Terre de liens network contribute to job creation, diversification of the rural economy, and local development. The results are particularly telling in terms of employment: while the French agricultural sector has, on average, one farmer for every 20 hectares, on the land owned by Terre de liens the ratio is one farmer for 12,8 hectares<sup>15</sup>.

*15 - There are 164 farmers on the farms owned or in the process of acquisition by the Foncière, and 15 on those of the Fund.*



## 6. New challenges and solutions

### 6.1 Ensuring the economic sustainability of the Foncière and the Fund

The creation of the Foncière has meant the development of a national, secure market for shares, thereby making shareholding easier and leading to a rapid increase in the capital and the number of farms owned by Tdl. A major challenge now is to manage the capital effectively and to manage the properties efficiently. From the start, the Foncière decided to reserve 25% of its capital to allow for the exit of shareholders. Given that it spends about 8% of an acquisition price in conveyancing and administrative fees, it means that for any acquisition, it needs to have 133% of the acquisition price. When buying shares in the Foncière, people may decide whether their money is allocated to a specific project/ region or not. In order to ensure strong local support for the project, and to keep some financial margins, the Foncière asks farmers and their local support group to raise about 45% of the acquisition price, the rest being brought from the common pool. This system may, however, create financial tensions, as the Foncière often has to buy before all the project-specific money is raised, thus drawing more from the common pool and reducing the capital available for other acquisitions. Another issue is the financial burden represented by buildings. While created to buy farmland, the Foncière now spends over half of the capital that it invests in farm buildings and houses. These are clearly indispensable for the farmers but the Foncière tries to encourage farmers to own at least the farm house and sometimes the buildings. To contain the value of the buildings within the total acquisition costs, and to fulfil its objective of helping farmers to get established, Tdl now evaluates the ratio of fixed assets compared to the number of jobs created/ maintained. Given these various constraints, the Foncière considers that it has, for now, the financial and human resources capacity to buy about 20 new farms per year.

Regarding property administration, the challenge is to manage and maintain buildings. Not only do buildings represent

a considerable initial cost, they also take up most of the time, human resources and money dedicated by Tdl for the administration of its properties. Assessing the costs to repair derelict buildings, choosing the best investment in a new heating system, contacting the insurance after a storm are all typical activities for a property manager but require a vast scope of technical expertise and are quite remote from Tdl's initial field. Besides, the Foncière struggles to pay the costs of repairing, maintaining and upgrading the buildings, as the rents are low<sup>16</sup> and cannot cover these costs. Another difficulty is to know the local situation of each farm, to assess and prioritise what has to be done, contact local contractors and follow up the works. The Foncière is thus currently exploring ways to transfer this responsibility to farmers, on a voluntary basis. One option is that farmers pay themselves for repairing and upgrading the buildings, and are compensated at the end of their lease. The Foncière is also seeking to better assess the cost of structural works that will be necessary, before buying, so as to include them in the acquisition cost.

Because the Fund is more recent, it is still in the process of defining its economic model. Some of the questions it has to address are the same as for the Foncière: which part of the capital to allocate to new acquisitions, and which part to the management of properties; which part of the acquisition costs should be allocated to buildings and which part to land; how to administer the properties and follow up the work on farms located all over the country. It also has two specific challenges. The first one is to raise large sums of money or donations in kind, so as to reach a significant size, and evolve rapidly towards a fully-fledged Land Trust. So far, donations have mostly come from individuals and the Fund now needs to raise (larger) philanthropic grants from companies. It also needs

<sup>16</sup> - Farm rents in France are state-controlled, with a bracket defined by region. This system was adopted after World War II, as part of the set of rural policy tools protecting tenant farmers' rights and living conditions. The average national farm rent in 2006 is 121 Euros per hectare per year (with great local disparities) (Source: Safer).



to build strong partnerships with local authorities who wish to make donations and will be able to do so once the Land Trust is created. The Fund has thus been contacted by a large municipal authority seeking a way to promote sustainable farming and environmental conservation on 200 hectares in order to protect its catchment area. The second specific issue is to cover its operational costs, such as human resources, fundraising, educational activities and communication. While the Foncière covers these costs thanks to the rents and the revenue of its capital, the Fund has a much smaller income from rents and capital. It thus needs to find extra resources to cover these costs. One question to be refined is thus how much of the donations in cash should be allocated to the capital, and how much to operational costs.

## 6.2 Creating strong synergies with other civil society organisations

Terre de liens benefits from the support and expertise of a rich network of progressive farming, rural development and environmental associations. It works hand in hand with them to support farmers and new entrants, promote organic, biodynamic and peasant farming and short supply chains, and raise awareness on the link between agriculture, food, health, landscape, rural vitality. In Ile de France, for instance, Terre de liens works closely with both the regional chapter of the organic farmers' union (GAB) and the AMAP network to share information and resources and conduct joint activities on three main topics: supporting project holders (information meetings, training, etc.); informing the public about organic and local agriculture; and helping local authorities seeking to establish organic farmers and/or promote organic food in public catering. A similar dynamic is taking place in the Poitou Charentes region, where the regional office of Tdl is

part of InPACT Poitou Charentes, a regional confederation of 8 associations promoting local organic and peasant farming<sup>17</sup>. They share resources (offices, training, fundraising activities, etc.), publicise their activities and events, and conduct joint activities to promote local sustainable farming. They work together to promote conversion towards organic/ sustainable farming, support project holders wishing to establish and develop a farming/rural business, and advise local authorities in the development of local supply chains. For Tdl, the challenge now is to generalise such partnerships, and to develop long term inter-organisational co-operation at the national level so that existing synergies develop not only on a local basis, around a specific project, but become part of the functioning of the non-profit agricultural and rural development sector.

## 6.3 Finding adequately trained farmers

Everywhere in France, training in organic farming remains limited and often lacks a practical element. Knowledge and protection of natural resources (such as soil and water) are also often absent from the training curricula. Business skills are usually geared towards monoculture and long supply chains, with little consideration of the pros and cons of undertaking on-farm processing activities, practicing pluriactive farming, or developing in short supply chains. In addition, many farmers have never received any training in co-operative business skills, particularly the creation of direct relations with consumers or the setting up of a SCI/GFA. Another difficulty is finding farmers ready to take over an existing organic farm. While there are many farmers wishing to get started, most are new entrants who prefer to start with a small farm and a few products. Very few farmers have the skills, experience, and financial capacity to take over

<sup>17</sup> - The eight structures are Accéa+ (accompanying farmers for business management and accountancy), Accueil Paysan (agro-tourism), AFIPaR (training and information), ARDEAR (farming and rural employment), Agrobio (organic agriculture), Fédération régionale des CIVAM (exchange of experiences, support network and promotion of sustainable development), Solidarité Paysans (helping farmers to overcome financial difficulties and social exclusion) and Terre de Liens Poitou-Charentes. See: <http://www.inpactpc.org>



bigger, diversified farms. Terre de liens is thus supporting several farms which work as incubators for farmers wishing to become organic farmers. Le Gerموir, in Northern France, is one of them, where farmers can farm a plot of land for 1 or 2 years, as a means of testing various production and distribution techniques, while having access to support and training as well as building connections with other local farmers, consumers, and public authorities. They can thus strengthen their farming and co-operative business skills before setting up their own enterprise.

#### **6.4 Developing partnerships with local authorities for land ownership**

Another challenge is to significantly expand the impact of Terre de liens, by receiving contributions in land or cash from local authorities. Some regional or municipal councils would like to contribute to Tdl in order to promote the establishment of local and sustainable farmers. By contributing to Terre de liens rather than owning the land themselves, they ensure the long-term agricultural use and stewardship of the land, while avoiding the tasks and responsibilities of property managers. However, in the current legal context, local authorities are not allowed to invest in private companies nor make donations to an endowment fund. For now, Tdl has thus resorted to ad hoc schemes, as in the case of Lacapelle-Cabanac, in Midi Pyrénées, where the municipality wished to establish organic vegetable growers on 3 hectares of land. Tdl agreed to buy the land and buildings from the municipality and arranged to lease the land to the farmers (35-year agricultural lease) and the buildings to the municipality (99-year emphyteutic lease). The municipality then rents the buildings to the farmers (35-year lease). In this way, Tdl supports a local project without bearing the responsibilities and costs of maintaining the buildings. Other options with respect to public-private economic partnerships are being considered and will be piloted. Eventually, the creation of the Land Trust will support such partnership arrangements, as public authorities will be able to participate in them.

#### **6.5 Reforming rural land management**

In the longer term, Terre de liens seeks to make an impact on rural land management policies and organisations. It is already opening up space for debate through leading by example, building strong partnerships with local authorities (in particular regional councils), and engaging with SAFER and various local and national bodies (Water Agencies, Conservatoire du littoral<sup>18</sup>, Town Planner Federation, etc.). One aspect would be to revise existing agricultural and rural land management bodies to include more representatives from organic/ biodynamic, small-scale and peasant farming and civil society groups (consumers, environmental groups). Another dimension would be to rethink land management, including: defining objectives and tools (regulatory measures, tax and financial incentives, etc.) to preserve agricultural land throughout the country; achieving a better balance between the respective rights and duties of land owners and users; rationalising and better articulating land planning at local, regional and national levels; supporting the transmission of farms and the establishment of community-based sustainable farmers; reforming urban and peri-urban planning to include agricultural land; and developing land stewardship and environmental protection of the land.

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*18 - Public administrative body responsible for conducting appropriate land-use policies for the protection of threatened natural areas on the coast, banks of lakes and stretches of water of 1000 hectares or more.*

## Conclusions

The experience of Terre de liens underlines how access to land can be a key obstacle for the development of sustainable, notably organic, agriculture geared towards local markets and community participation. Its success shows the readiness of many members of the public to support the establishment, preservation and development of this kind of agriculture and to stop the disappearance of small farms. It also opens up space for debate about land management, the preservation of agriculture throughout the country, the development of local organic farming, rural development, and the strengthening of solidarity between urban and rural, consumers and producers and generations. This is all the more crucial as France has entered a time when aging farmers will retire in great numbers and will need to find new farmers willing and able to take over their farms. It is thus a critical time to valorise existing know-how in land stewardship and sustainable farming, to maintain lively rural areas and to reorient production towards organic farming and environmental protection. The experience of Terre de liens also shows that sustainable peasant farming generates many social and environmental common goods, including job creation, diversified economic and social activities, healthy food, conservation of natural resources, preservation of biodiversity, conservation of natural and cultural heritage and lively rural areas.

In the long run, one key challenge will be to reform policies and social representations so that youth are once again interested in agricultural work and rural life, that agriculture and rural areas are recognised as a source of employment, and that the education system provides adequate training in sustainable agriculture and co-operative business skills. Another challenge will be to promote a change in attitudes and representations about land ownership and stewardship so that land is regarded as a common good, entrusted to long term users on the basis that they keep it in good heart and fulfil social needs and priorities.

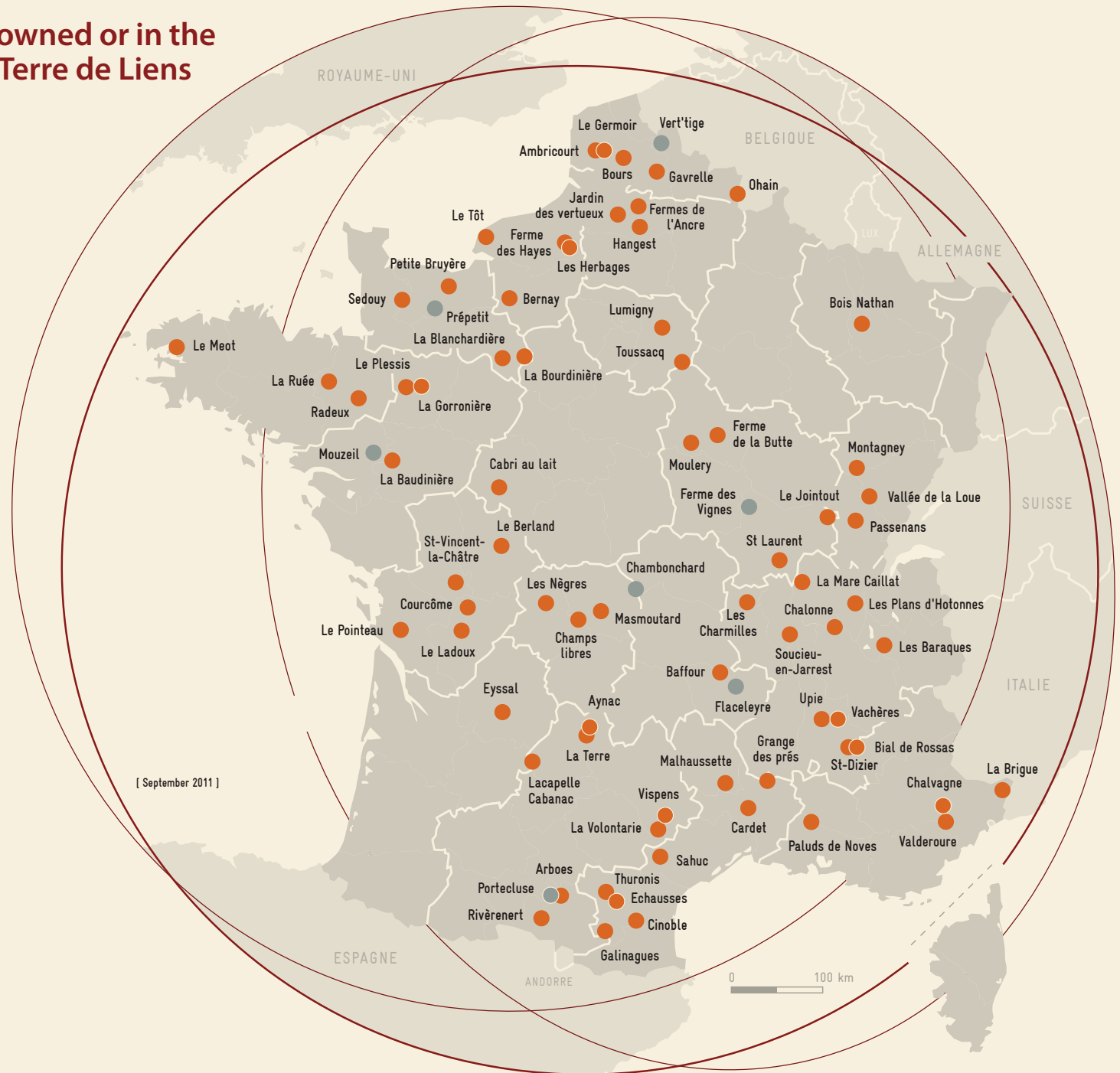




# Appendix - Map of farms owned or in the process of acquisition by Terre de Liens

September 2011

- Acquisitions by *the Foncière*
- Donations to the Fund



# Access to land for Community Connected Agriculture in Europe Project 2010-1

This case study is part of a broader project on Access to land for Community Connected Agriculture in Europe run by a group of European civil society organisations.

## Project Presentation

Our European project on Access to Land for Community Connected Agriculture focused on experiences of Community Connected Farming where there have been particular issues related to gaining and maintaining access to land.

We define Community Connected Agriculture as:

- sustainable, i.e. with no chemical inputs and minimal use of external and non-renewable resources, such as organic farming or extensive grazing;
- civic, i.e. concerned with the broader social, economic, environmental and cultural implications of caring for the land and producing food and/ or engaging directly with their community;
- local, i.e. open onto their local environment and nurturing the local social and economic fabric through direct marketing, on-farm transformation, job creation, social activities, consumers' participation, etc.

## The objectives of the project were:

- To document such experiences, through seven case studies and a mapping exercise of about 100 community-connected farms and related projects throughout northern, southern and central Europe;
- To disseminate information about and analyses of these experiences and the difficulties that they have faced, to feed into the broader public debate about the future of European agriculture and rural areas.

Local, civic agriculture is developing in Europe, and is gaining broader support from consumers, citizens, civic organisations and local authorities. Such farms often have many benefits: they provide local and quality food to consumers; they contribute to the protection of the environment and the reduction of farming's carbon footprint; they often create more jobs, per hectare, than more conventional farms; they contribute to the maintenance of green belts

around cities; and they are often multifunctional and pluriactive farms, which reinforces their economic sustainability and the vitality and viability of rural areas.

At the same time, one key obstacle to the preservation and development of local, civic agriculture is that many such farms are unable to compete successfully for access to sufficient land that is in good condition. Such civic farmers often struggle to find agricultural land that is available to them at affordable price and on secure terms. A question at the core of our project therefore was to explore these difficulties and, where possible, to identify innovative solutions.

## Project Partners

The project was coordinated by Sjoerd Wartena and Véronique Rioufol - Terre de liens (France) and Titus Bahner - Forum Synergies (Europe). Neil Ravenscroft - University of Brighton and Tablehurst and Plaw Hatch Community Farms (UK), Jan Douwe van der Ploeg - Wageningen University (Netherlands), Audrius Jokubauskas - Viva sol (Lithuania), Peter Volz - Regionalwert AG/ Die Agronauten (Germany), and Marta Fraticelli - aGter (France/ international) were all active partners of the project.

## Funders

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## Contact:

We welcome information and contact regarding similar European initiatives and studies. The results of our work, and on-going activities, are available (from March 2012) on the website of:

**Terre de liens:**  
<http://www.terredeliens.org>

**Forum Synergies:**  
<http://www.forum-synergies.eu>

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