Access to Land for Community Connected Farming

Seven case studies
from the UK, Germany,
Romania, France,
Lithuania and Italy

2011

Funders

This project benefited from the financial support and fruitful involvement of the Fondation de France and the Fondation Charles Léopold Mayer (FPH), as well as from that of European ethical banks: La Nef association and La Nef bank, Triodos bank, GLS bank and Merkur bank.

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Graphic Design

Cécile Dubart - March 2012

This case study series is part of a broader project on Access to land for Community-Connected Agriculture in Europe, conducted in 2010-1 by a group of European civil society organisations. The objectives of the project were:

- To document experiences of community-connected farming, through case studies and a mapping exercise describing community-connected farms and related projects throughout 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.

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 (International) were all active partners of the project.

The 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).

Contact:

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

Terre de liens:
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Foreword

In Europe, the past decade has witnessed the expansion of civic initiatives which have sought to provide alternative approaches to food production and consumption. These have been geared towards locally-oriented and small scale production, organic or other environmentally responsible production techniques, shortening of food chains, the development of closer producer-consumer ties (box schemes, farmers' markets, etc.) and more especially a combination of these characteristics - as part of what has been termed civic agriculture.

Our organisations have sought to document European experiences which are developing new forms of socially and environmentally responsible farming, and stronger connections with their local or broader community. We view these experiences as instances of community-connected agriculture, which we define 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.

Our organisations have conducted seven case studies, documenting local or national experiences from various European countries: the UK, Germany, Romania, France, Lithuania, and Italy. Through these case studies, we seek to explore both the functioning and the benefits of community connected agriculture. Such farms indeed 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, the case studies seek to highlight difficulties and solutions in terms of access to land. Indeed, 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. Community-connected farmers often struggle to find agricultural land that is available to them at affordable price and on secure terms. A number of experiences presented in the case studies are developing responses and innovative solutions to gain and maintain access to land for local, civic agriculture.

Tablehurst and Plaw Hatch Community Farms

East Sussex, UK

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

Dr Neil Ravenscroft, Professor of Land Economy, University of Brighton, and Chair of the Tablehurst Community Farm Management Group

and

Ms Rachel Hanney, member of the Tablehurst Community Farm Management Group

November 2011

Tablehurst and Plaw Hatch Community Farms, East Sussex, UK[1]

Dr Neil Ravenscroft, Professor of Land Economy, University of Brighton, and Chair of the Tablehurst Community Farm Management Group[2]

and

Ms Rachel Hanney, member of the Tablehurst Community Farm Management Group

Overview

Tablehurst and Plaw Hatch Community Farms (TPH) are two farm businesses owned by an Industrial and Provident Society (IPS) with approximately 600 local shareholders. The IPS is a form of cooperative society in which each member (shareholder) has one vote, regardless of the number of shares that they own. The IPS, which was established in 1995, is administered by an elected committee which sets out the strategic priorities for, and appoints the Directors of, the two farming companies. The key strategic priority is that the businesses must farm biodynamically. The businesses farm approximately 300 hectares of land, the majority of which is owned by St Anthony's Trust, a local land trust whose charitable aims include the training of biodynamic farmers. The businesses employ approximately 20 staff, including farmers, growers, food processors and shop staff, and have a joint annual turnover of more than £1.5m. Each business is run by a separate management group comprising a mix of farmers and IPS shareholders. Apart from the initial share capital contributed by the IPS, there is no community financial contribution to working capital or annual running costs, and shareholders (known locally as farm partners) receive no direct benefits (such as dividends or price reductions) for the value of their shares. Rather, they view their share purchases as a 'virtual gift' to the farms, with no shareholders having ever sought to sell or redeem their shares.

1 - http://www.tablehurstandplawhatch.co.uk/index.html

2 - Contact N.Ravenscroft@brighton.ac.uk

Tablehurst Farm

Tablehurst Farm is a two-hundred hectare arable and stock farm comprising three main blocks of land to the north and west of Forest Row, East Sussex. Tablehurst was, for many years, the training farm for the biodynamic agriculture course offered by Emerson College, and was situated on land owned by the college. This land was eventually transferred to St. Anthony's Trust, to ensure that it would remain in biodynamic farming. The other two blocks of privately-owned land that now comprise the farm are to the west of Forest Row, at Kidbrooke Farm and Springhill Farm. Both of these blocks of land are held on Farm Business Tenancies, which offer security of tenure, but for a limited number of years. The farm produces meat (beef, pork, lamb and poultry), vegetables and cereals, all of which are processed on the farm and most of which are sold through the farm shop, or through Plaw Hatch farm shop. In addition, the farm runs a small residential care home for three adults with

disabilities who live and work on the farm, and it also offers training for apprentices and for students studying biodynamic agriculture at the Biodynamic Agricultural College (BDAC), which is located adjacent to the farm. The farm is also home to Tablehurst Orchard, a recent business start-up that has been helped by Tablehurst Farm, in terms of expertise, machinery and business management training (Tablehurst Orchard is now well established and has acquired additional land close to the farm in order to expand its business).

Tablehurst Farm employs approximately 14 full time equivalent staff, including farmers, growers, butchers, shop staff, care workers and apprentices. Some of the farmers run the care home in addition to farming, although all are equally responsible for supervising the residents during the working day. Some of the farmers and growers are involved in training the BDAC students when they are on the farm. In addition to the employees, 6 IPS shareholders are part of the farm management group, and include the Chair of Directors, the Company Secretary and two non-executive Directors. These volunteers meet regularly with the farmers to plan and manage the business, including taking responsibility for the strategic plan, the budget, health and safety and liaison with the IPS.

Plaw Hatch Farm

Plaw Hatch Farm is a 100 hectare dairy farm and market garden situated south west of Forest Row, East Sussex. The land is largely owned by St Anthony's Trust, with some additional land rented from private landowners. The farm has a herd of 50 MRI milking cows, with all milk being either bottled for direct sale or processed on farm into products such as cream, yogurt and cheese. The 10 hectare market garden includes a large number of polytunnels that allow year-round cultivation of a range of vegetables. Produce is sold mainly through the farm shop or through a market stall in Brighton, some 30km to the south. Plaw Hatch Farm employs 8 full time equivalent workers, including farmers, gardeners, a cheese and yogurt maker, a shop manager and shop staff. There are also apprentices and work experience students from BDAC. In common with Tablehurst Farm, there is a management group comprising farmers and co-op members.

History

There are two strands to the development of connections between the community and the farms: St Anthony's Trust's purchase of the Plaw Hatch land and farming business; and the establishment of the Tablehurst and Plaw Hatch IPS.

St Anthony's Trust and Plaw Hatch Farm

St Anthony's Trust was established in 1972 in order to provide for the retirement of teachers at Michael Hall Steiner Waldorf School in Forest Row and to support the training of biodynamic farmers. In 1979 St Anthony's Trust launched a public appeal for funds to buy Plaw Hatch Farm. This appeal was successful, and Plaw Hatch became an embryonic biodynamic agricultural community farm with 93 local community members. Informed by the teachings of Dr Manfred Klett, then the director of the

Department of Agriculture at the Goetheanum in Switzerland[3] and formerly one of the farmers at Dottenfelderhof in Germany[4], the new farmer, Andrew Carnegie, set about developing the 'agricultural community' around the farm. He envisaged this community as a support group addressing:

- The whole farm organism (he wanted to create a biodynamic farm that could function as a strong, self-sustaining and vibrant single organism that recognized and respected the basic principles at work in nature)[5].
- The economic realm, including determining the prices to be charged for the farm's produce; and
- The infrastructure of the farm (a group that would care for the buildings, public spaces and other physical aspects of the farm).

Although it was never formalised, Carnegie did create such a community, comprising farm staff and community members, which supported him until he left the farm to concentrate on advising other farmers. The following farmer was unable to maintain Carnegie's success and by 2000 the farm was in financial difficulty. The business then came into community management and was transferred to the recently created Tablehurst and Plaw Hatch IPS in 2001.

Tablehurst Farm and the establishment of the IPS

The Tablehurst and Plaw Hatch Community Farm IPS initiative was born in 1994 when it appeared that Tablehurst Farm might be lost to biodynamic agriculture after more than 25 years of careful husbandry by Emerson College. The college could no longer support the farm and was considering selling it. A group of local people formed a community group around farmers Peter and Brigitte Brown, who had previous been at Dottenfelderhof in Germany, and, following a major community fund-raising drive, managed to buy the farm assets and acquire a tenancy of the land. The 100 hectares of land was at this time still in college ownership. The Browns, together with farmers Alan and Bernie Jamieson and a management group of local people, built up the farm in the following years, including extending

3 - The Goetheanum, located in Dornach, Switzerland, is the global centre of the anthroposophical movement (dedicated to the teachings of Rudolf Steiner). Named after Johann Wolfgang von Goethe, the Goetheanum includes administrative space for the Anthroposophical Society and a number of exhibition and performance spaces. The building hosts various conferences and events, including an annual agriculture conference (see http://www.goetheanum.org).

4 - One of the first community farms in Europe (http://www.dottenfelderhof.de/)

5 - See http://www.biodynamic.org.uk/

and converting the farm house to a residential care home, to provide a meaningful life experience for young people with disabilities while also securing a revenue stream from the local care service to underpin the development of the farm business. During this period the farm also expanded in size by renting, from a number of private landowners, a further 100 hectares of land nearby (formerly part of Spring Hill Farm).

The IPS (known locally from the start as the Co-op) was founded in June 1996. At this stage, there was a clearly expressed intention that the original ideas for the agricultural community for Plaw Hatch Farm should be realised, and that it should be brought into the Co-op in due course. The transfer of the Plaw Hatch farm business took place in 2001, again following major community fundraising, meaning that St Anthony's Trust was no longer involved in the farming, although it retained ownership of the Plaw Hatch land.

St Anthony's Trust and the acquisition of the Tablehurst land

Following a period of stability for both farms, it became clear that Emerson College could no longer serve the best interests of Tablehurst Farm, particularly in terms of releasing funds for improvements to the buildings and farm infrastructure. Following prolonged negotiations, the trustees of Emerson College donated a significant part of the Tablehurst estate to St Anthony's Trust in 2005, so that the Trust could ensure that the land was retained for biodynamic agriculture and the training of biodynamic farmers. Since that time the Trust has funded the construction of a new barn and, with a partial Government grant, the development of an enlarged shop, abattoir and butchery facility. It has also worked with the Tablehurst farmers to fund raise for the conversion of an old vegetable store to a new farm house and apprentice accommodation.

St Anthony's Trust and the Biodynamic Agricultural College

By 2010 it was clear that Emerson College was in financial difficulties, which threatened the future of the biodynamic agriculture training and Tablehurst Farm's occupation of the remaining Emerson land. Following a community fund raising initiative, St Anthony's Trust has recently (2011) taken possession of a further 5 hectares of the Tablehurst estate, as well as the teaching building used for the biodynamic training (the Rachel Carson Centre), while the Biodynamic Association has relaunched the biodynamic training with a stronger input from Tablehurst Farm, which now provides practical training in a range of subjects.[6]

6 - The training is run by the Biodynamic Agricultural College (http://www.bdacollege.org.uk/)

The Biodynamic Land Trust and the Brambletye Fields

While the land at Tablehurst Farm has been secured by St Anthony's Trust, the Spring Hill Land remains subject to short term tenancies arranged with private landowners. These owners are all sympathetic to Tablehurst's approach to farming, but they cannot guarantee security to Tablehurst. Indeed, the owners of 15 hectares of the Spring Hill land (known as the Brambletye Fields) have recently (2011) had to put their land up for sale, with the prospect that it could be sold to someone who no longer wished to rent to Tablehurst. This has resulted in an appeal being launched by the Biodynamic Land Trust[7], on behalf of Tablehurst Farm, to secure the land in perpetuity for biodynamic farming. The indications are that the appeal will be successful and that the land will be bought by the Biodynamic Land Trust at some time in 2012.

Land management

Both farms are run biodynamically, embracing the idea that the whole earth is a living organism and that each farm is an individual organism within it. In common with most biodynamic farms, both farms are mixed, with a balance of animals and crops, a system of recycling and benign methods of pest and disease control. Both farms use specific biodynamic preparations added in minute quantities to soil, compost and growing plants. There is no use of chemicals or artificial fertilizers. The farms strive to be self-sustaining, depending largely for their manures and feedstuffs on their own resources. They therefore embody a deeply sustainable approach to farming and land management that is in harmony with nature and fosters an environment that supports wildlife and creates an harmonious landscape. The farming takes into account the whole environment, including the underlying rock strata, the soil, the atmosphere, the local flora and fauna and above all, the cosmic forces acting upon them. In recognition of this approach, both farms enjoy modest grant aid through the Environmental Stewardship scheme, which is financed through Tier 2 of the Common Agricultural Policy.

7 - http://www.biodynamiclandtrust.org.uk/

Financial performance

On a year-to-year basis, Tablehurst and Plaw Hatch farms have to be financially self-sustaining, including making provision to replace machinery and maintain their land, yards and buildings. Any capital investment by St Anthony's Trust, such as a new building, can only be financed out of the rents that the trust receives from the farms, or through legacies from community members. This presents a considerable challenge for the farmers and their management groups, because the yields per hectare are lower than conventional agriculture, particularly in terms of cereal crops, while the labour required is greater. This is off-set to some extent by the price premium that biodynamic food commands, although both farms seek to keep their prices to a minimum viable level, in recognition of their community ownership. The data set out below are typical of the Tablehurst Farm budget in the period 2008-2010:

Income (£)

Shop and farm sales	550,000
Residential home	100,000
Subsidy (CAP tiers 1 and 2)	35,000
Community events	15,000
Total	**700,000**

Costs

Labour (all farm, shop and home staff)	130,000
Shop costs (inc abbatoir, processing, sales)	150,000
Livestock, seeds and bought in forage	80,000
Services (water, electric, gas)	50,000
Rent	25,000
Machinery and buildings repairs, insurance, etc	100,000
Office (computing, telephone, etc)	20,000
Accounting and auditing	12,000
Staff support (food, training, equipment)	50,000
Machinery depreciation	30,000
Fuel	30,000
Certification and compliance measures	15,000
Total	**692,000**

Surplus 8,000

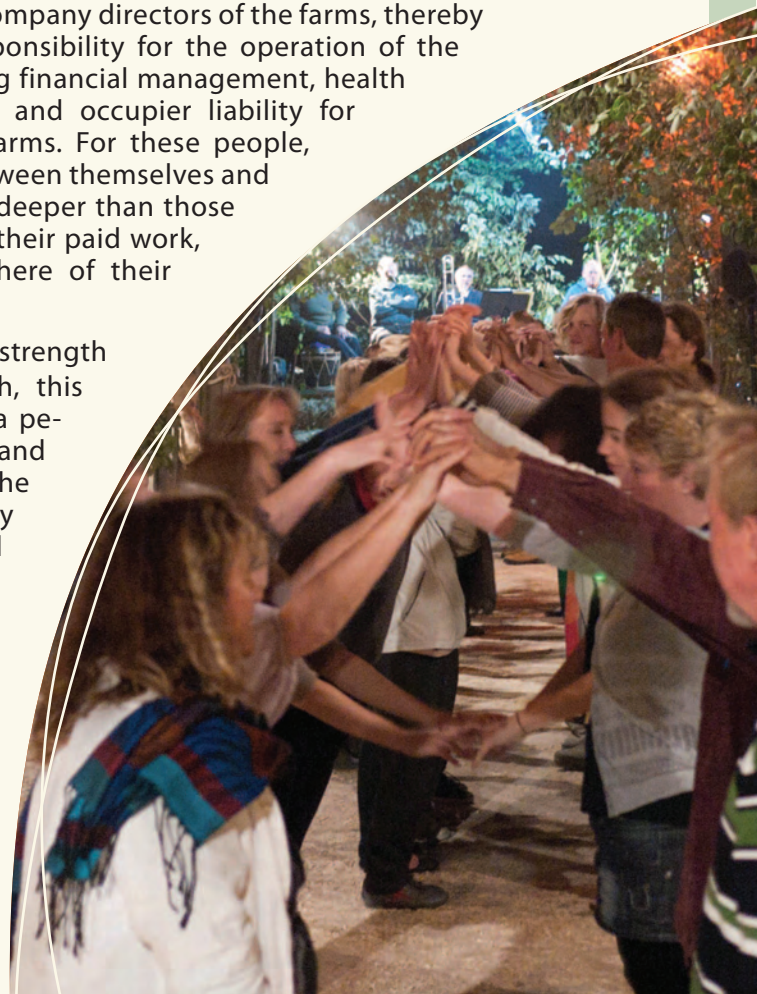
Community connections

The principal community connection at TPH is the provision of working capital to the farms by 600 members of the local community, in the form of £100 shares purchased in the IPS. Although there is no public record of share ownership, it is understood that most people own more than one share and a few own as many as 20. Most of the shares were purchased during the major fund-raising campaigns to buy the Tablehurst and Plaw Hatch farm businesses. Although the shares can be sold, either to the IPS or to an individual (whether he or she is already a shareholder), there is no record of anyone seeking to sell shares, with most people treating them effectively as a gift to the businesses. This relationship is enhanced by the fact that no dividends are paid and no financial incentives or advantages are offered to farm partners (shareholders). This has led some members to claim that their share represents the best £100 that they have ever spent, since it represents a pure act of giving in order to secure the availability of biodynamic produce for all community members to buy.

The openness engendered by this financial relationship means that community connections extend well beyond those who own shares: many non-members visit the farms and purchase food; many people walk on the farms, especially Tablehurst which is close to the village of Forest Row; many people attend farm walks, open days and barn dances; and many people visit the farms to see how they have achieved and operated their form of community support. Both farms also have important educational connections with the community, through the BDAC and through local schools which visit regularly. There are also a number of economic connections, with a range of businesses either based at the farms, or trading extensively with them. Chief among these is Tablehurst Orchard. However, there are also a number of other businesses operating wholly or partially from the farms, while both farms supply a small number of local organic shops and cafes.

In addition to being farm partners, a small number of community members (currently around 20) volunteer to join the farm management groups and the IPS committee. These people, especially those joining the management groups, make very deep and strong connections to the farms and farmers, often combining their voluntary work with specific skills such as book keeping, law, event organising and marketing. Many of them also develop new skills (often with training and certification), such as food processing, serving in the shops and running barbeques and other events. Within this group, several community members become company directors of the farms, thereby taking on legal responsibility for the operation of the businesses, including financial management, health and safety at work and occupier liability for those visiting the farms. For these people, the connections between themselves and the farms are often deeper than those they enjoy through their paid work, or in any other sphere of their social lives.

While being seen as a strength of the IPS approach, this openness, allied to a period of financial and social stability on the farms, has led many members to feel that the community connections are not as strong as they were 'in the early days'. Less people attend



the annual general meeting of the IPS, less people join farm walks and fewer people come forward to help at events. While perhaps inevitable, as the lives and priorities of many of the pioneer members have changed (as their children have left home, or through retirement from work), this situation has led some members to suggest that the IPS is in crisis. However, there are others who feel that the changing nature of the connections is a sign that the farms have been successful (there is now a secure supply of biodynamic food available to all and the farms can now afford to pay staff for work that was once done voluntarily) and that they can turn their attention to new issues, such as the Transition Village movement and green politics. These changes have presented a challenge to the farms, for they continue to see a need to 'serve' their community in the ways that they have done since the IPS started, which can be frustrating when fewer people come to events or otherwise engage with the farm. As a result, the community is currently at a turning point in its relationship with the farms, where it has negotiated its way past the early pioneer stage of development and is seeking a new set of connections to two increasingly mature and sophisticated businesses.

Conclusions

Tablehurst and Plaw Hatch Farms are examples of what might be termed community connected social enterprise. They owe their existence to the working capital raised by a substantial group of local people, and they continue to benefit from access to land and buildings via St Anthony's Trust. However, there are no annual subsidies or other financial arrangements with the IPS members, with all operational risks taken by the farmers and their management groups. This has the advantage of giving the farmers considerably more operational freedom than is found in many conventional CSAs, although it does mean that they shoulder more responsibility than most CSA farmers and cannot rely on sharing risks when times are hard. It also means that they have to market their produce in the way that conventional farmers do, while simultaneously trying to keep prices low so that community members feel that they are getting value for their initial investment. This is a price that the farmers are prepared to pay, because it gives them access to a farm without the need for personal wealth, while also allowing them a large degree of freedom to develop the farms as they see fit, within the overall objectives of the IPS.

Questions have been posed, particularly in the USA, about how far any approach to CSA is a sustainable form of business operation rather than a transitional process. This is usually applied to farms (and farmers) requiring an injection of fixed or working capital to get through a structural problem in their business, or needing to find new retail markets for their produce. It has also been applied to the problem of members/customers losing interest or finding new sources of food. Most of these situations apply to Tablehurst and Plaw Hatch Farms. The community did rally round when they thought that the farms might close, leaving them without locally produced biodynamic food. And some of the original members have drifted away, to seek other interests and, undoubtedly in some cases, to find other sources of food. However, in many respects this is less a problem for TPH than for conventional CSAs, because none of the parties are in a position (even if they wanted to) to acquire the IPS capital or otherwise bring the financial and ownership relationship to an end. Neither can they buy out the land trust. And, since the farmers never relied wholly on sales to IPS members, they are not now struggling (any more than usual) to find markets for their products. Rather, what it does mean is that the farmers and IPS committee have decisions to make about how far they wish to re-engage with local people, and in what forms.

Hamburg City Estates

Hamburg, Germany

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

Dr. Titus Bahner

May 2011

Hamburg City Estates

By Titus Bahner[1]

Overview

For decades the old merchant town of Hamburg has pursued a policy of buying up agricultural land inside and outside the city limits 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. All three estates are located at the north eastern city limits, one inside, two beyond, close to rather well situated housing quarters.

Gut Wulksfelde and Gut Wulfsdorf, which were rented out in 1989, have developed into large diversified farm businesses, one organic, one biodynamic, with a high degree of food processing and direct marketing. They serve their local area in manifold ways, mainly as sources for organic food (sold through their large farm shops) but also as a destination for school class trips, a place for cultural events, the location for several large annual public events, and the maintenance of a diverse cultural and ecological landscape with hedgerows, habitats and accessible pathways. Both farms also operate delivery services that serve the whole of the city of Hamburg and its surrounding area. Wohldorfer Hof, on the contrary, has developed into a highly specialized organic dairy farm with additional livery horses and little community involvement.

The city's support for the three estates consists mainly in offering long term (30-40 year) leases on what are now favourable terms, and in investing in additional buildings on the two multifunctional estates. The tenants themselves have also invested large amounts of money. Uniquely, Gut Wulfsdorf initiated and supported the development of several eco-housing projects nearby that are now home to about 400 people. These residents are loosely connected to the farm, mainly as customers and non-material supporters.

The conversion of the three estates in Hamburg was a successful but singular step. Even if the positive development of the two community connected estates is widely acknowledged and both farms contribute significantly to living quality and a good image for Hamburg, the administration sees no comparable situation in any other of its very extended land possessions.

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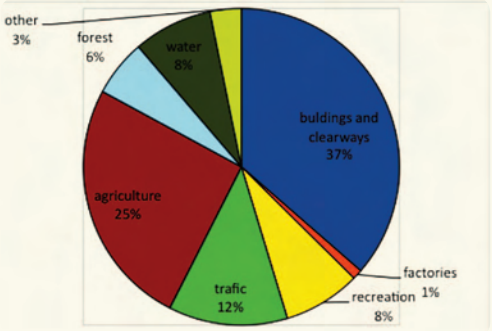
1. Agriculture in Hamburg Municipality

The city of Hamburg, an independent city-state in the German federal system, is surrounded by the predominantly agricultural federal states of Schleswig-Holstein in the north and Niedersachsen (Lower Saxony) in the south.

Location of Hamburg in Northern Germany

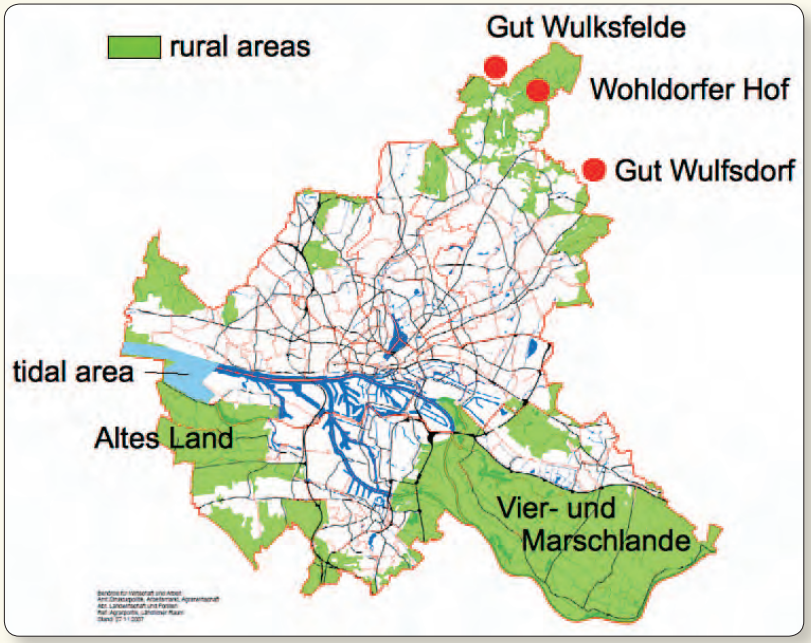
Being an old trade town since medieval times and, today, very much a service economy, the primary sector in Hamburg employs very few people (0.5% of the work force). This is a much lower share of the work force than the average for Germany (2.3%).

Land use in Hamburg City (total area 75,500 ha)



Land use in Hamburg is dominated by buildings, clearways and traffic areas, which account for 48% of the land area. The remainder is divided between agricultural land (25% of the total) and waters, forests and recreational areas (22 % of the total). About 8 % of Hamburg - parts of the forest, water and agricultural area - is protected as a natural area. Such protection is increasing in Hamburg, more so than in any other federal state.

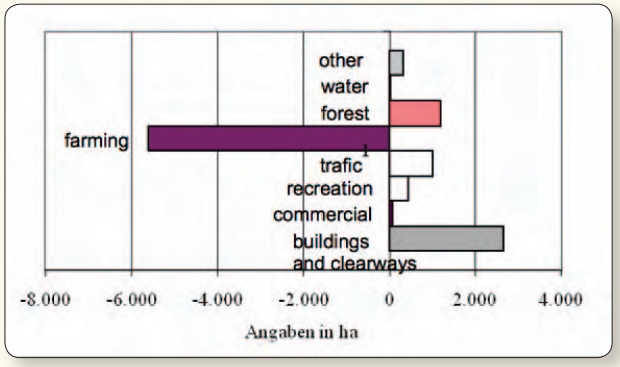
The spatial distribution of agricultural land is indicated on the map below which locates the main horticulture areas in southern Hamburg, as well as the three city farms in northern Hamburg. About half of the city's agriculture land is grassland, 40% arable land, and about 12 % are permanent crops such as orchards and nursery plants.



Source: Stadt Hamburg, Behoerde für Wirtschaft und Arbeit

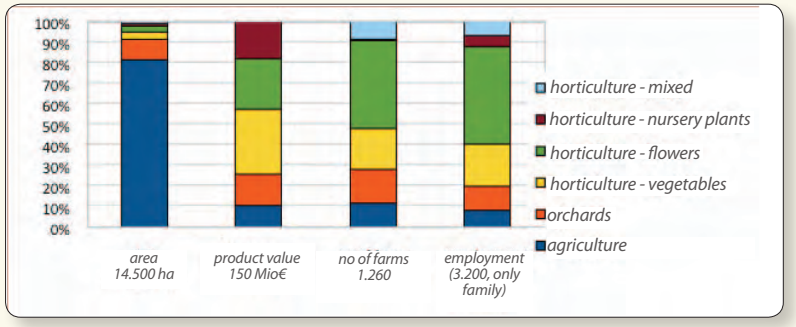
Annually, about 145 hectares (1 % of Hamburg's agricultural area) is lost due to urban pressure. The number of farms in Hamburg is decreasing by about 3% annually over the last decade. The average age of Hamburg farmers is much higher than in Germany as a whole, with more than a third being 55 years and older.

Changes in Land Use 1979 - 2005 in ha



Within the city limits there are about 1200 farms with an average size of just 11.5 hectares. The graph below sets out the structure of these farms. About 80% of the land is farmed by «ordinary» farms with an average size of 85 hectares. These are mostly mixed farms with a regular use of alternative income sources. Organic farming makes up about 7 % of the farmland area. However, the vast majority of farms are horticultural farms – vegetables, flowers, nursery plants - and fruit growers (orchards). Although occupying a small land area, these horticultural units account for about 90% of farm numbers, family employment and also product value.

Shares of Farming Types in Hamburg Agriculture



The main area for horticulture farms are the marshy soils of the «Vier- und Marschlande» in south east Hamburg. This is the largest greenhouse cultivation area in Northern Europe. Fruit orchards are concentrated in the south west of the city and downstream along the Elbe marshes, the «Altes Land». Arable and grassland farming is common in the northern parts of the city, where there are sandy upland soils.

Meat and dairy production have more or less been abandoned within the city limits; the number of dairy cows has declined to well below 1000 animals, on 15 farms only. Since 1990 the number of cattle has decreased by 40 %, while pigs and chickens have decreased by 70 %. Those that do remain are mainly found on mixed farms, where they are mainly reared for direct sale to customers. The number of horses has almost reached the number of chickens (ca. 3000).

Market prices for farmland in Hamburg range from 20,000 €/hectare in the south-east to 38,000 €/hectare in the northern parts of the city. Forest land, at 27,000 €/hectare is almost as expensive as farmland. Fields for horticultural use are even more expensive, at between 30.000 and 50,000 €/hectare (average values from 2006). There are no statistical data available for farm rents, but the levels in neighbouring Schleswig-Holstein and Lower Saxony are currently around 300 €/ha p.a. for arable land and 200 €/ha for grassland.

2. Hamburg's Agricultural Policy

2.1 Hamburg's Sustainable Development Policy

At least since the 1920s the Hamburg city fathers, maybe in some sense for luxury due to their „trade spirit", have pursued the development of a comparatively beautiful and green city with large city parks and the waters of Elbe, Alster ponds and small channels in the city centre.

After the upheaval of the student generation in the 1960s, issues of environmental protection and sustainable development became a political topic in Germany in the 1980s, reflected in the foundation of the Green Party and in policy shifts by the other large parties. Hamburg, traditionally governed by the social-democrats, was at the forefront of these new challenges. Climate change became an important topic in Hamburg in the 2000s. This was partly motivated by the growing risk of extreme flood incidents as the city centre is increasingly threatened by rising North Sea levels. To address this, a very ambitious CO2 reduction programme was implemented. With its coherent long-term policy for sustainable development under both social democratic and conservative city councils in coalition with the greens or the liberals, the city was nominated the „European Green Capital" of 2011.

2.2 Political Priorities on Farming over time

The city's approach to sustainable development of its nature and landscapes translates into a careful spatial planning approach to define an equilibrium between the different claims for buildings, commercial development, traffic, recreation, nature protection and farming. This has significant impacts for farming, which has traditionally served the local markets with fresh produce, grains, meat and also flowers. Notwithstanding this, agricultural land has been needed for the development of buildings, industrial areas and also recreational areas like city parks. For a long time, these uses were seen clearly as superior to agricultural land use, meaning that the process of reducing agricultural land in the city was not seen as a problem but rather as a success of city development.

Since the 1980s, however, a growing demand by citizens for quietness and natural environment gave agricultural areas an additional value in terms of landscape quality and biodiversity. Hence, the maintenance of «greenbelts» and coherent agricultural areas between the developed areas became an explicit policy goal of the city. Maintaining economically viable farms in these areas also became a political goal because of the social and cultural value placed on the open landscape of the farms and the food and other services that they offered (like horse riding).

During the agricultural planning period 2007-2013 the city state - like any other regional government in Germany - implemented a rural development plan for the allocation of EU structural funding. In this plan the traditional sectoral political approach was abandoned and an integrated approach to reconciling agricultural and other land uses was applied. The three main targets - economic competitiveness, ecological improvement and the vitalisation of cultural landscapes - were underpinned by a forth «frame target» of improving the image and identity of Hamburg agriculture. To preserve the complete existing agricultural land area for future farming purposes was a deliberate goal of the plan. But this had limited impact, as admitted by the responsible administrative unit of the city council.

The city uses several political instruments to foster the development of a multifunctional agriculture that provides citizens with local food and cares for the environment:

- Agri-environmental measures are offered e.g. for the protection of breeding birds on wet grassland.
- The different designation levels of protected areas in German environmental law are used to place restrictions on farming development, e.g. to prevent construction of large stables that are out of character with the landscape, or to ban the use of

agro-chemicals in certain vulnerable areas. The latter of course is financially compensated.

- Local marketing options are supported in different ways, e.g. by promoting weekly farmers' markets in many city districts and by supporting short food supply chains with information and publicity measures.

However until now the city has not opted to set something like a numerical goal on the percentage of food self-sufficiency from the nearer surroundings.

In the context of the larger Hamburg metropolitan area which comprises the city and its surrounding counties there is a "regional initiative" labeled "From the Region for the Region": restaurants, schools and retail stores are encouraged to use regional products and to build a network of business partners. But besides forming a large coalition of good will there seems to be no tangible action behind it yet.

The conservative-green city government from 2009-2011 tried explicitly to foster the growth of organic farming, but with little success. After a certain rush in the 1990s there was virtual stagnation in the numbers of organic farms and acreage. The new social-democrat city government from 2011 now plans a new emphasis on residential and commercial development which should happen primarily on already designated but not yet developed areas, but is likely also to have an impact on the remaining agricultural land.

2.3 Land Ownership by the City

Unlike many city administrations, the Hamburg government has, for many years, followed a policy of buying up any piece of land which may be relevant for future development within the city limits and to some extent even beyond. Of the total of 14,500 hectares of productive agricultural land in the city, about 8,000 are owned by the city. Even more land had been acquired in the past and now has been turned into developed areas. However the financial administration of the city government monitors the price level and rejects purchases that are well above the average price published by the "expert committee on land values", which publishes an annual report of land prices on the regional (NUTS III) level. The actual prices that the city pays to acquire land may be slightly above this average level, but not by too much.

The land reserve is managed by a city-owned company (Sprinkenhof AG) which charges an annual lump sum per rental contract (or per ha) for this service. The city lets the purchased land back to the farmers on short term leases in order to be able to use the land when needed. To provide security for investments it guarantees the restitution of remaining investment values at the end of the lease (Übernahmeerklärung). This is sufficient for the banks to grant credits.

Apart from the city there seem to be no other large landowners in Hamburg. Indeed, the other land holdings are rather scattered, with many private owners. Paradoxically, the Hamburg merchant mentality does not see land as a tradeable good. Rather, land is kept and inherited; if a citizen sells land, this is considered a bad sign.

Despite the large role of the city as an agricultural land owner, there is no systematic attempt to use this position to influence land use in a direct way, e.g. by putting conditions in rental contracts. Exceptions to this are the contracts for the three city estates described below, which were rented out in 1989 and 1994, on the condition that the land would be farmed organically. The reason is that except in the rather peculiar situation of these estates, the plots which are acquired usually are only parts of an existing farm, or consist of a whole farm which has been bought by the city and rented back to a family who have farmed it for generations before.

An example of this is a large strip of «Vier und Marschlande» called Billwerder that was identified as a potential site for an extension of the harbour area in the 1960s, but which was never developed for this purpose. The city bought up about 60 complete farms in the area and rented them back to the farmers. About 45 of them, of between 1 and 100 hectares in size, are still actively farmed today, so by the fourth generation of the farming family. These farmers would not voluntarily quit their land or change their production system just to conform to the ideas of the administration.The administration sees no point in chasing these existing farming families out to install new ones or forcing the existing ones to farm differently. The "Vier- und Marschlande" have for centuries found their way in serving the local markets, have developed peculiar strategies to cope with the frequent risk of river floods as well as with changing economic circumstances, and therefore have developed a strong mentality of self-sufficiency and determinacy. Newcomers from the town who move to the «countryside», different from other Hamburg districts, have not succeeded on putting their standards of quietness and clean air upon the local farming population. On the other hand the area is very unsusceptible to organic farming which only makes up for 2% of production, compared to 7% in all of Hamburg. Therefore, in due consideration of local self governance and mentality, the city does not put rental conditions for a change in land use in their contracts, even if it legally could do so.

The case of the three Hamburg estates at the north eastern city limits (one inside, two beyond the borders) is a different story. Traditionally this was an area with large agricultural holdings and estates, owned by rich merchants or noble families who from time to time bought or sold an estate or went bankrupt (in other words, not a family farm situation). In this district as early as the 1900s, the city pursued a policy of preventing the development of what in German is called "bacon belts", settlements outside the city limits which pay their taxes to the surrounding municipalities. Following their commercial instincts, the city fathers systematically bought up land around the city to prevent it from being developed. This strategy was quite successfully applied and led to the development of residential areas inside the city limits which nowadays host a quite prosperous and open-minded population who provide the main target groups for the three organic estates - a different situation compared to south eastern Hamburg.

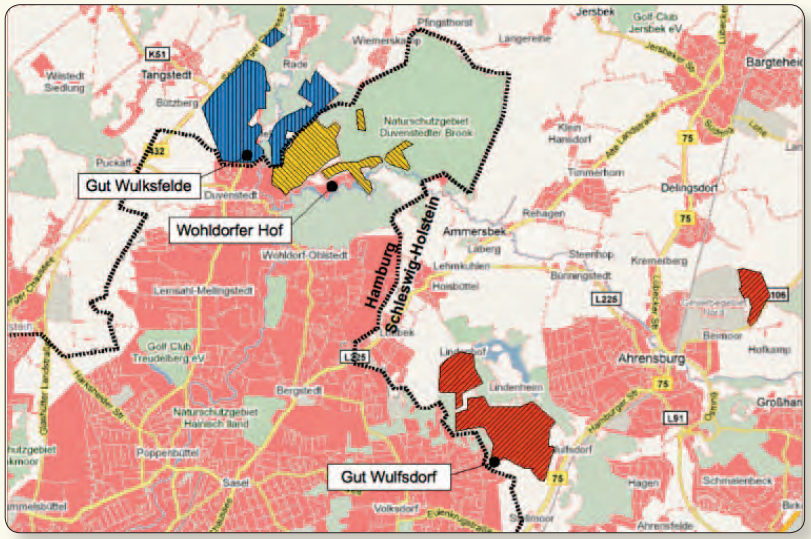
The responsible administration officer in the city's commercial department (who is still in charge today) sees no contradictions here. The renting out of other farms than the three northern estates under similar intentional conditions has never been considered by policy or administration, he says. It has been a peculiar situation because of the significance in size of these estates (they are the largest estates that the city owns), and that their tenancies have ended at the same time, thus allowing the city to seek new tenants. All other farms have short-term leases which are automatically extended as long as the fields are not directly used for non-agricultural purposes. The decisions taken about these three estates therefore extended beyond the interests of the northern city districts, to bring benefits to the whole city in terms of local food provision, of community attractions and of landscape quality.

3. Turning City Estates into Multifunctional Community Farms performance

3.1 The Story of Conversion

The location of the three estates in Hamburg is shown on the map in section 1. The farmed areas are indicated in the following map:

Farm Areas of the Three Estates in Northern Hamburg



The three city estates had been bought up by the city many years ago. Gut Wulfsdorf, outside the city limits, was bought in 1922 and became the city's farm-work and education home for difficult juveniles until the 1960s. With increasing mechanisation, the farm turned to large scale pig fattening and arable farming. Gut Wulksfelde and Wohldorfer Hof were bought in the 1960s on the basis of plans for a new airport north of Hamburg (which later were not realised) and the need for ecological compensation areas for these plans. Both farms were originally much larger; more than half of their initial land, mostly forests and less fertile fields, were converted to natural and protected areas adjacent to existing nature reserves.

With the end of a first round of long-term leases in the 1980s, the city looked for new tenants for Gut Wulksfelde and Gut Wulfsdorf, which became available at the same time. Wohldorfer Hof followed in 1994. A key person in this process was environmental activist Andreas Brandt – environmental technician by profession - who had very close relations to the city administration. He was able to convince environmental senator Jörg Kuhbier from the social democratic party to turn the two estates into multifunctional organic model farms and to organize a public call for new tenants. The city parliament adopted the proposal with a large majority across all parties. To shape a different future for Hamburg's largest area of farm land was seen to offer a unique opportunity. The prospect of creating new jobs was also important. There has been no formal ex-post evaluation of this decision until now, but since all three farms are commercially successful there is little apparent need for such an evaluation.

The city issued a public call for tenders, with the tender procedure managed by the city's environmental department. Among the applicants were three groups with appropriate concepts, two relating to organic farming and one to biodynamic farming. They all applied primarily for Gut Wulfsdorf, due to its better development options in terms of neighbourhood structure and its quieter situation. Since the biodynamic applicant, Georg Lutz, was only willing to farm at Gut Wulfsdorf, the city decided to let Gut Wulksfelde to the two organic groups with the condition that they should merge and agree on a joint concept. In return, the Gut Wulksfelde group received more initial support from the city to bring the poor farm buildings into good condition. The city invested about 800,000 Deutsche Mark, which is roughly equivalent to the same in euros now. Biodynamic farmer Georg Lutz, on the other estate, promised to improve the buildings more or less from his own resources.

The third estate, Wohldorfer Hof, followed in 1994 with a similar call for tenders. The responsibility for managing it meanwhile had changed to the financial department. Among the applicants there were none who proposed a truly multifunctional concept. Apart from a hypothetical correlation of this fact to the change in departmental responsibilities, this had a certain practical logic because the local demand for large farm shops was already served by the two neighbours. So the winning concept was a specialized dairy farm with provision for pensionary horses (stabling, feeding and caring for private horses in return for a monthly livery payment).

The lease contracts initially were restricted, according to the first paragraph, for the purpose of "organic farming", which was in a subsequent paragraph more precisely defined as farming according to the standards of the German association for organic farming (EU regulations were not available at this time). The lease contained no additional obligations with respect to locally oriented marketing or cultural activities etc. and so left the tenants entirely free to set their own priorities. The organic condition later posed a problem because this prevented the farms from receiving EU support for organic farming. For the legal principle of subsidiarity a farm that is obliged to farm organically anyhow cannot apply for public support to do so. Therefore in an amendment to the contract in 2000, the condition to farm organically was replaced by a regulation that the price of the lease would be doubled if organic agriculture were to be abandoned. Thus the tenants of the farms are no longer legally obliged to farm organically. The city influences the way of farming only by choosing tenants who propose an appropriate concept for farm development.

3.2 The Three Estates Today

The following table summarizes some basic data for the three farms.

	Gut Wulksfelde	Wohldorfer Hof	Gut Wulfsdorf
conversion to organic farming	1989	1994	1989
size (hectares) - in city ownership	317 260	215 215	366 290
- arable land	254	135	236
- grassland	37	80	100
- other	6 ha horticulture 14 ha biotopes incl. 12 km hedgerows orchard with 40 old varieties	10 km hedgerows	16 ha horticulture 18 ha biotopes seed breeding
soil quality	loamy sand (20-40 points out of 100)	loamy sand (18-38 points out of 100)	loamy sand 22-36 points out of 100
organic standard	organic (Bioland)	organic (Bioland)	bio-dynamic (Demeter)
cattle - breed	48 suckler cows 150 head in total German Angus with horns	70 dairy cows ø 8.500 kg p.a. 140 head in total Holstein-Frisian without horns	55 dairy cows ø 6.200 kg p.a. 315 head in total Red-White with horns
other livestock	220 fattening pigs 5 sheep 1200 chickens 550 geese 100 ducks zoological garden	50 horses	18 sows 400 fattening pigs/year 12 sheep + lambs 300 geese 1 horse, 3 ponies
workforce intensity (farm only)	2.5 / 100 ha	1.9 / 100 ha	0.8 / 100 ha
on-farm processing	bakery	small dairy	butchery, bakery
marketing	farm shop box scheme with online ordering service farm restaurant	10% on-farm sale	farm shop 9 farmers markets coop. with box scheme
employment (farm, processing, marketing)	110 permanent staff	4,5 permanent staff	60 permanent staff
annual turnover - of which EU support	8 500 000 € 120 000 €	500 000 € 90 000 €	6 400 000 € 150 000 €
turnover per ha	26 800	2 300	17 500
recent investments by the city	0.65 Mio €	...	1.0 Mio €

Gut Wulksfelde is run as a limited company owned by two managers. Besides farming and keeping a herd of suckler cows and other livestock, they operate a large farm shop and online delivery service. A bakery, market garden, farm restaurant and a carpentry shop are run by independent subtenants. The farm even has a little farm zoo and playground for children. The ensemble of farm businesses has a total of 110 regular employees with a turnover of 8.5 Mio €. More detail is given in the next section.

Gut Wulfsdorf is run as a family farm and employs regularly about 60 people. In addition to arable farming, dairy cows and livestock and market gardening, the farm runs a shop and has a stall at nine farmers' markets. In addition, a butchery, bakery and a cooperative box scheme are run by independent subtenants. The total turnover of the whole is about 6.4 Mio € annually. This farm engages intensively with housing projects in the close neighbourhood, where people are jointly developing housing areas for multi-generational living and work-life-spaces, including offices and some community facilities.

Wohldorfer Hof has developed to a highly intensive organic dairy farm with 50 horses at livery. It is organized very leanly, with two tenant farmers, two workers, and one part time person (the wife of one of the farmers) to do the milk processing. Ten per cent of the milk is processed to provide pasteurized fresh milk, yoghurt, quark, cottage cheese and cheese. These products are sold at the farm. The rest is delivered to an organic dairy 35 km away. A delivery service for dairy products, that once employed five people, was stopped after one of the employees left the business. There are no community activities, and the farm has a difficult relationship with the local environmental NGO that cares for the nature reserve surrounding parts of the farm. The farmers have no objections to a new approach to direct marketing, if the right person came forward, but they are not actively pursuing it.

3.3 Gut Wulksfelde: Developing a Large Community Farm

Gut Wulksfelde is run as a limited company (GmbH), with the company being the legal tenant for the farmland and buildings. The lease was signed in 1989, with the farm run initially by a group of six managers drawn from the two organic teams that tendered for the farm. Since then, five of the managers have left the farm, among them Andreas Brandt, who left in 2006. The farm is now managed by Uwe Westebbe from the initial group and Rolf Winter who joined in 1993.

The farm business, the farm store, the delivery service and the bakery are run by the limited company. The large market garden business is subcontracted to independent tenants as well as the new restaurant business established in 2009 and a small furniture carpentry business.

Initially all six group members were shareholders of the limited company, each having equal shares. Whoever left was paid off by the remaining ones or by the new entrants. The work in different departments is organised in a friendly but clear hierarchy, with heads of departments responsible for the management of their staff.

Initially the group had an 18 year lease with an option for another 12 years. In 2000 the lease was extended to another 30 years, until 2032. The price corresponded to a normal rent level, of 200 Deutsche Mark per ha (100 €/ha). This has not been altered since, although this would have been possible according to the contract.

After the farm had developed successfully for 15 years, the city again invested in the buildings. In 2006 the manure and silage storing facilities were renovated, at a cost of €250,000; in 2009 a new barn for machinery, the geese and the pigs was constructed, at a cost of €400,000 and the drainage system was renovated. These investments were financed from the city's general investment budget and managed by the city's commerce department (Wirtschaftsbehörde), which had previously taken over responsibility for the estates from the environmental administration.

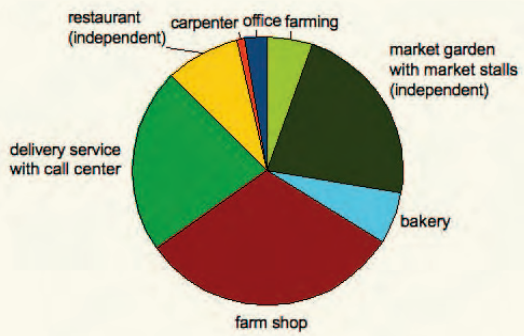
After the successful development of the farm shop and the processing businesses, the city considered applying a commercial rent to the commercial buildings (as opposed to those used for primary production). This would have posed a significant financial problem for the farm business. After negotiation, the city decided to sell the buildings to the farm, using an hereditary lease («Erbbaurecht»), a legal option where a building is sold for a fixed number of years while the land on which it stands remains the property of the seller. The owner of the building pays an annual rent (interest) to the owner of the land. City and farm agreed a contract for 66 years, with the capitalised value of the rent plus additional investments financed by the ethical GLS bank, which in turn gets an annual income consisting of interest and loan repayment.

The farm area of Gut Wulksfelde has increased by 50 ha since the beginning. In contrast, the turnover of the business has increased substantially, to about 8.5 Mio € per annum. Only €120,000 of this represents a direct support payment from the EU. The scope of production and processing is tailored to the demands of the retail customers. The vast majority of products are marketed directly through the farm shop and a box scheme delivery service that operates throughout Hamburg city. Additional products are bought in from cooperating farms to supplement the farm's own production.

In the period 1996-2000, Gut Wulksfelde was the main partner of a EU-funded project to develop large-scale organic processing and marketing for the wholesale trade. Food from Gut Wulksfelde was served in the Hamburg canteens of German airline Lufthansa, which served about 1.000 meals per day, and in several other large companies. However, after 9-11 2001, Lufthansa invested all its resources in additional security measures and stopped the purchase of organic food. Nevertheless, the project has become independent of the farm, and is run by a group of people in another town. However, it still purchases products from the farm for processing.

Including the subcontracted market garden, the farm employs about 110 people. The wages conform to standard union tariffs but with less difference between the low and the high level jobs. Work relations are quite stable and the departmental managers are highly qualified. To improve their leadership skills, the heads of departments are sent to expen-sive training courses.

Employment Structure on Gut Wulksfelde

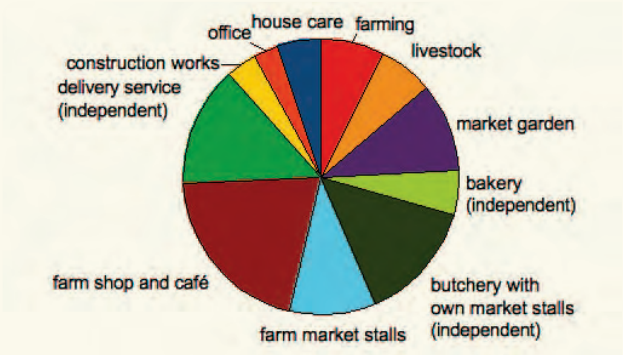


About 25% of the merchandise (by turnover) comes from the farm, with the rest from wholesalers who source their products from the surrounding region. For example, milk comes from the organic diary which processes the raw milk bought from Gut Wulfsdorf and Wohldorfer Hof. The large number of people employed in the farm shop results from two working shifts, 6 days a week, and a high degree of information and service provided for the customers. At any time in the shop there are around 10 staff at work: 3-4 behind the meat counter and behind the bread, cake and pastries counters respectively, others stack-ing shelves, and some at the cash desks. Some farm products are also processed by the shop staff, like delicatessen salads.

For comparison, the employment structure of Gut Wulfsdorf is somewhat similar with most jobs created in marketing:

employment by department	skilled workers	unskilled workers	apprenti ces	trainees	annual working hrs
farming	2	2	1		10000
livestock	1,5		1	1	9000
market garden	3	5	1	3	14000
bakery (independent)	1	2			7200
butchery with own market stalls (independent)	3	5			19200
farm market stalls	3	2			14000
farm shop and café	10	4			28000
delivery service (independent)	3	5			19200
construction works	1	1			5000
office	1,5				4000
house care	2	1	1		7000
sum (total = 66)	31	27	4	4	136600

Employment Structure on Gut Wulfsdorf (by hrs)



Gut Wulksfelde's activities are centred around providing their customers with good food. The farm shop serves around 5.000 customers weekly, the delivery service another 2,500, while the farm's marketing contact list contains about 7,500 addresses. The food prices are comparable to the general price level for organic retail stores. For consumers it is the quality and transparent local origin of the food, allied to the attractive environment of the farm shop, which attracts them to buy at the farm. For customers of the delivery service, the prices reflect usual retail prices plus a convenience premium.

Social and cultural activities support these community relations. About three times a year there are large farm fairs which attract several thousand visitors from all over Hamburg and beyond. About 150 school classes visit the farm annually for half day education trips. A little farm zoo with domestic goat, pig and poultry breeds attracts children, as do the adjacent playing facilities (including a sand pit). These attractions provide parents with opportunities for quiet shopping.

An "association of friends to support the farm" (Förderverein Gut Wulksfelde e.V.) has a place for a young volunteer for ecological work (Freiwilliges Ökologisches Jahr, done instead of obligatory military service). Together with the volunteer, association members organize guided tours on the farm for the public and for school classes, discussion evenings and

environmental work days. They also maintain good contacts to the local branch of the environmental group NABU. The association members have also planted an orchard with 40 old varieties of fruit trees. From time to time a cultural evening is offered with food and a classical concert. Since 2009 a farm restaurant has opened which offers high class cuisine, with chefs who have previously gained international experience in New York and Dubai.

All these activities are derived from a good sense for the needs and wishes of the regular customers, who are always seen to be at the centre of farm development. However, the farm does not engage in philosophical discussions about food prices or CSA-type legal structures.

A recurring problem – for all three estates – is the security for investments made by the tenants. In the years after signing the initial lease, the local farmers' cooperative bank made unsecured loans for farm equipment because the bank was satisfied with the farmers' business plan. This is no longer possible. This has led to the farmers asking customers for private loans ("Genussrechte") of at least €10,000 at an interest rate of 7% per annum. Eighteen customers have lent a total of €400,000. The interest is paid in merchandise at the farm shop and so costs the farm only about 5%.

The development potential for Gut Wulksfelde is not in terms of acreage because more land is not available locally. Rather, there is potential to intensify the animal husbandry and to improve the delivery service.

Until now, heat for the farm has been produced by conventional fossil gas. But plans will be realised in late 2011 to run a pipeline from a local municipal compost biogas plant. This will power a combined heating and electricity power station that will serve all the farm's buildings. Electricity will be distributed by a domestic grid, with surpluses exported to the public grid. In addition to the private loans of €400,000, the farm has applied for a 50-75% grant from EU and national funds.

At Gut Wulfsdorf, a 200 kW chopped wood heating system, largely supplied from the farm's own biomass, went into production in 2000. Recently 120 kilowatts of photovoltaic panels have been installed on the farm roofs.

3.4 Gut Wulfsdorf: Organizing Good Neighbourhood

A peculiarity of Gut Wulfsdorf is its tremendous impact on its neighbourhood by attracting people who want specifically to live near the farm and developing housing projects. The farmer, together with about 60 other parties, has created a holding association to purchase the city's youth home buildings, which are adjacent to the farm. The main motivation for this step was to prevent the development of an anonymous quarter close to, but without connection with, the farm and its activities.

The housing project - called «Wulfsdorf commons» (Allmende Wulfsdorf) - has now developed 100 apartments, craft shops, a kindergarten and a health care centre, all to ecological standards. Allmende Wulfsdorf has also become home to the

farm's breeding activities, in cooperation with an ecological seed breeding company (Bingenheimer Saatzucht AG). The farm has also bought a large barn for vegetable storage. To finance its share of the purchase, the farm undertook basic engineering works such as digging ditches for basements and cables, and paving gravel paths.

Hamburg University's botanical institute traditionally had its plant breeding facilities on the farm. Shortly after the farm had turned to organic cultivation, the institute planned to release genetically engineered potato varieties on neighbouring test fields. The farmer lobbied against these plans and was supported by many allies including the city administration. The farmer and his supporters won the battle and the botanical institute has gradually withdrawn from its activities at Wulfsdorf. The university facilities came up for sale in the late 2000s, and another group of settlers, mainly young families, organised a second housing project, with a nice dome-shaped seminar and event building, called «Wild Roses», which is open for newcomers.

A third housing project "Bornseck" was developed slightly further away, but still with close connections to the farm. Twenty-four apartments and a Waldorf-kindergarten were constructed there as a multi-generational living project.

The impact of Gut Wulfsdorf, with its involvement in housing activities, is acknowledged by the city administration. The farm has been an important catalyst in bringing vitality to the area in terms of living quality. Although the housing projects are outside the city limits, they influence the adjacent housing quarters within the city boundaries. It is likely that the area would have been developed for housing regardless of the farm's intervention. However, the multi-generational and social approach to living, the combination of living and work spaces, and the eco-housing standards with low CO2, waste and traffic emissions, all create public benefits to the surrounding communities.

The inhabitants of the housing projects are not formally connected to the farm, and beyond the farmer being a member of one of the owner associations, the farm is not formally linked to the projects. But the neighbourhood is a vital source of support to the farm, not only through purchasing goods in the farm store, but also by engaging in voluntary activities. An association has been formed to organise cultural events on the farm. Three to five events are organised every month during the summer. Most of these are run by external people who come to the farm to present their knowledge about cooking, nutrition, ecology or fairy tales.

The wealth of personal relationships stabilizes the farm and enables it to respond effectively to customers' preferences. It may even be a valuable resource for direct forms of financial participation in the farm development, a vision which the farmer would like to develop in the future.

The Jaglea family farm

Carpatians, Romania

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

Caroline Le Crouhennec,

June 2011

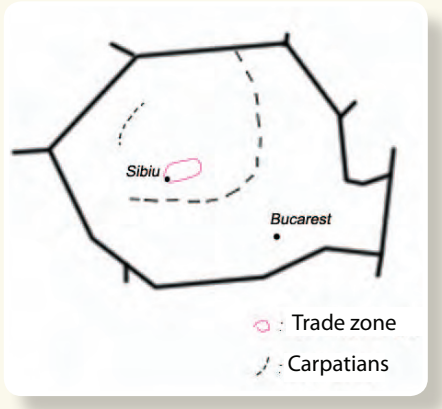
The Jaglea family farm,
at the crossroad of tradition and inovation

by Caroline Le Crouhennec, June 2011 [1]

English translation: Sally Sorel, December 2011

Overview

The Jaglea family lives in Rosia (population 5500) near the town of Sibiu (population 15 500), in the Carpatians.



Ioan and Ramona apply the principles of traditional, organic[2] farming to mixed cropping and dairy farming:

- The farm satisfies the family's food needs and is profitable. The farm's products are sold directly to local consumers.
- Their approach to farming is systemic, with the farm being managed as a living organism of interrelated parts.
- The family constitutes the basis for the farm: its values, needs and work frame the management, practices and outputs of the farm.
- The farm applies the principles of agro-ecology.
- The good health of the farm is assured by the careful observation of plants and animal behaviour.
- The size of the farm is in accordance with the family's needs and ethics.

This represents a new kind of farm in Romania, one where tradition and innovation meet to form an emerging "new peasantry". The farm's evolution has taken place in a broader context of economic recession and rising unemployment since 2008. While historically, semi-subsistence farming has been a source of food security and income for deprived Romanians, the challenge for the Jagleas is to develop an economically viable business, while remaining true to their roots and values.

This study will first describe the farm, its background and seasonal work cycles, before analyzing its successful blend of tradition and innovation. Lastly, the study will consider the farm's goal of sustainable development on a human scale.

1.The farm today

1.1 History

Ioan and Ramona Jaglea are both from Rosia. After their marriage, they moved into the family house and became owners in 2006. Farming was a natural choice, as they were given their first cow as a wedding gift and had use of 3 hectares of family land. The herd, the land, and the family expanded over the years. Between 2006 and 2007, the farm geared up, with the purchase of 4 additional cows. This was a time of both full growth and great confusion due to European Union regulations, with many farmers giving up cattle breeding during this period. A cow cost 100€ at that time, compared to 1000€ today. In 2007, their milk quota was 7000 litres per year, based on the 3 cows declared in 2005. In 2011, the quota was reassessed at 28 000 litres for 12 cows that were declared in 2009.

1 - Caroline Le Crouhennec works free-lance to facilitate cross-cultural cooperation c.lecrouhennec@gmail.com.
2 - In Romania, certified organic agriculture is called "ecological agriculture". This text will use the more common expression "organic agriculture."

FARM: KEY DATA

Farmers and farm workers:
- Ioan and Ramona JAGLEA/ 35 and 32 year old
- Adrian, Ioan's brother and Toma, Ramona's father
- 2 seasonal workers from Rosia

Type of agriculture:
- traditional-type mixed farming, based on cow breeding
- agro-ecology, certified as "organic agriculture" (European label)

Production:
- average milk production of 2,800 l per year, per cow (summer > 120l per day). Quota: 28,000l per year
- 50% of the milk is processed into cream, butter, yoghurt, traditional cheese
- fodder (corn, cereals, hay, alfalfa, clover, marrow)
- vegetables

Land:
- 17 ha of land, including 10 ha in the vicinity of the farm
  - > 3,4 ha directly owned, with another 3 ha belonging to the family
  - > 10,5 ha rented
- buildings:
  - > the house, barn and cowshed are owned by the farmers
  - > 2 barns and one granary have been lent by family members

Legal status:
Farm-holder status (Ioan), exempt from taxes, allowing for the sale of live animals, on-farm processing and direct sales

Sales: 75% of the output is sold
Direct sales: home delivery, sales through the producers' cooperative in Sibiu (Biocoop)

Until recently, Ioan and Ramona Jaglea considered farming as their second job. Ioan worked in the Credicoop Bank in Rosia, then as an accountant in the local school, before being laid off in 2010. At the same time, he undertook training in agro-ecology in the early 21st century. In 2003, he worked for 3 months on an organic farm in Germany. Ramona worked for a company in Sibiu that exported decorative items to Austria, and she also worked a few months in Germany. From 2004-2009, she took a parental leave to raise the couple's 3 children. Since that time she has been officially unemployed, with no recognized status for her work on the farm. In 2010, the couple decided to make agriculture their main job, and to expand the farm (by renting additional pastures and arable land from retired farmers whose children have left the village, or from Saxons who have gone to live in Germany[1]) so that its income would provide for the whole family. Ramona recently took a 3-month course in animal husbandry at the Chamber of Agriculture. She would like to officially join the business as a farmer.

1.2 Organisation of work and tasks

The farm follows the model of a traditional family farm, with the bulk of the work done by the couple, with the help of other family members. The days are long, as many of the tasks are done manually. This is due to financial constraints but also choice, since the couple feel that it guarantees high quality products and controls the farm's development.

Division of labour

Ioan is in charge of the herds and crops. He handles the finances, land transactions and deliveries. Every day, he and his brother hand-milk the cows. He insists on feeding the hens, pigs and newborn calves himself, to assure their health and quality.

1 - Almost the entire Saxon community fled Romania in the 90s.

Ramona is responsible for processing and packaging the milk, for gardening, and for canning fruits and vegetables. On a day-to-day basis, she also looks after the house and the children.

Winter period

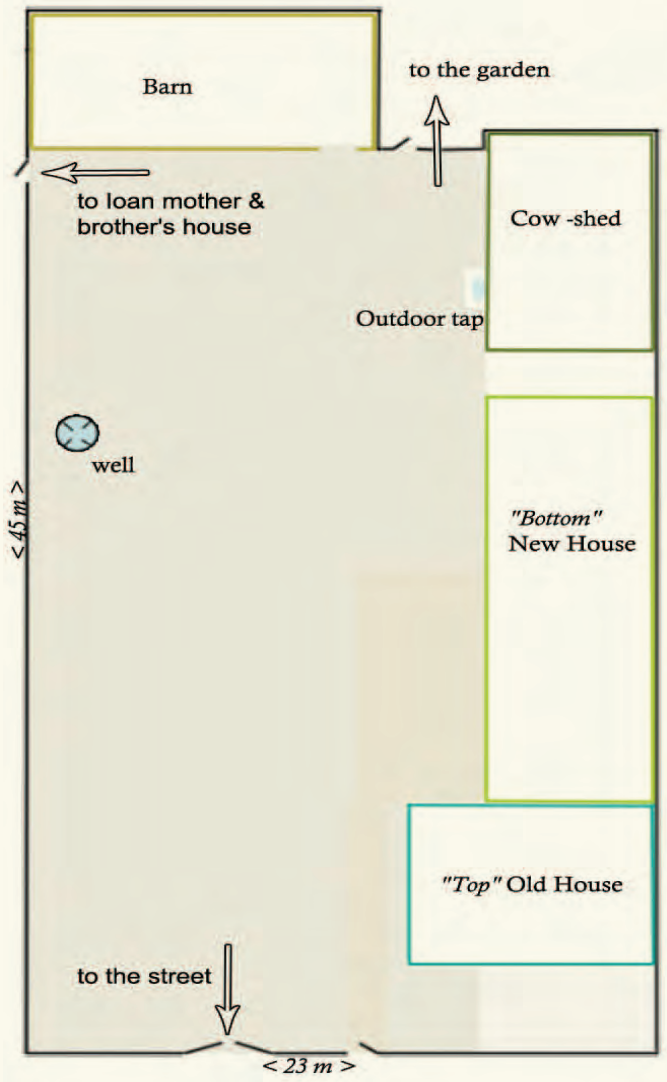
The work day is regulated by milking and caring for the animals: 5:30am-8am and 4pm-6:30pm.

Ioan's father-in-law cleans the barns and takes the manure to the compost heap in a neighbouring field. After caring for the pigs, calves and hens, the cows are let out for a drink and a run. Ioan spends his spare moments on handiwork and repairs, as well as farm-related appointments and errands.

Ramona's days revolve around the children's schooling and the milking. In between milkings, Sundays are devoted to the family and to the Greek Orthodox Church. Ioan is a soloist in the church choir.

Summer period

Come spring, work begins in the vegetable garden. The pace speeds up in early summer with the hay making. A neighbour cuts 10 hectares with his tractor and almost 4 hectares are



Map of the farm (buildings)

done by scythe. Windrowing and gathering are done entirely by hand. Taking into account the second cut, hay making takes up the better part of the summer. When milk production is at its peak (usually from May to December), the cows are kept in a common herd called the "ciurda". Those with small herds can access the town-owned pastures and together, they pay the cowhand. Milking time for the collective herd is moved up to 5am and the cows are seldom brought in before 10pm. Ioan and Ramona process and package the milk the same evening, as they have no refrigerated tank for storage. After the harvest is in and preserves put up for winter, the pace slows down in autumn.

2. A project combining tradition and innovation

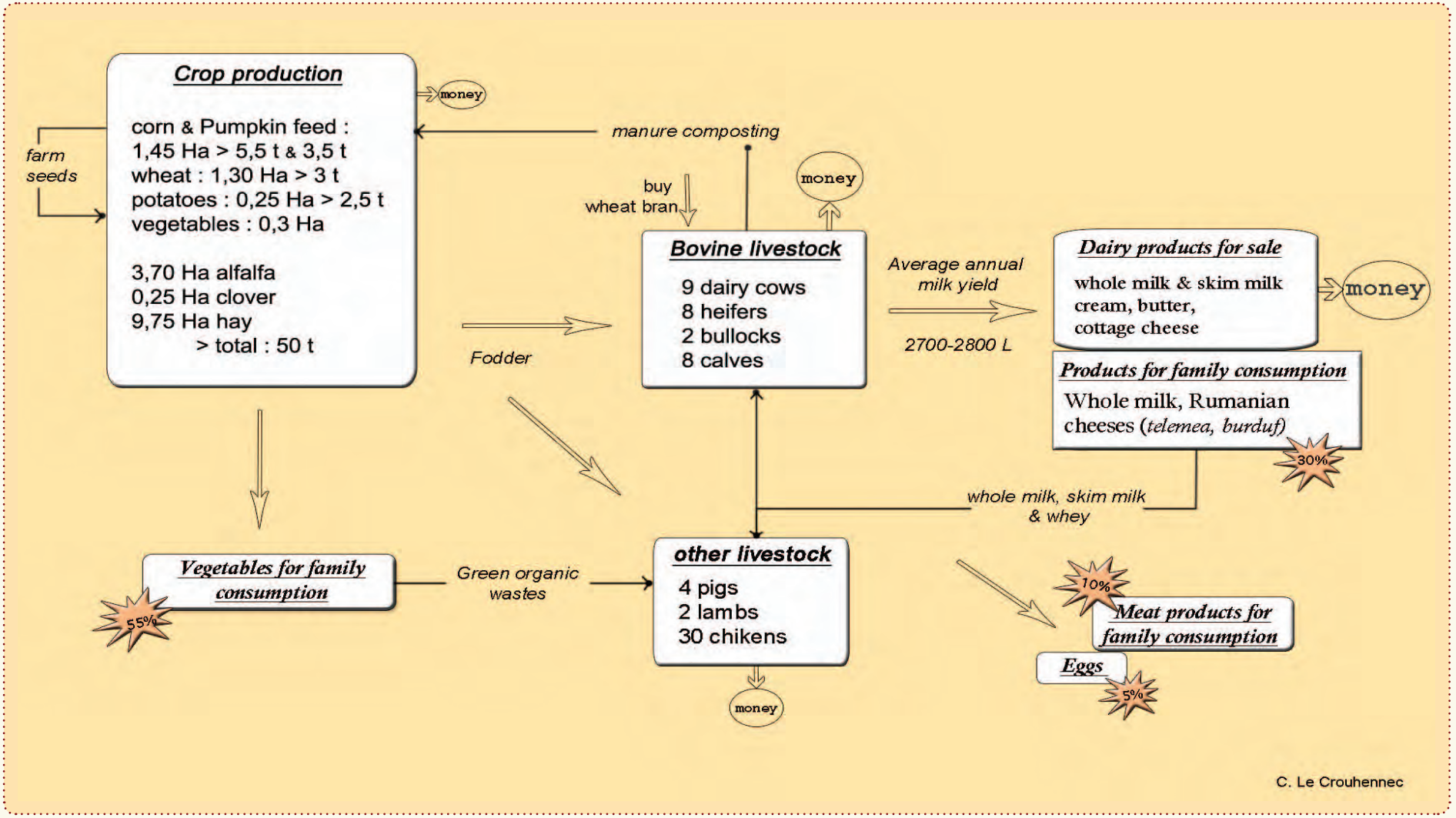
Romanian farms have long offered 2 models: the small traditional farm; and the large commercial farm. For those who wish to make a living by farming on a human scale, the first is a source of inspiration, the second an example of what not to do. In this context, organic agriculture is an escape route for Romanian farmers anxious to give up semi-subsistence farming without resorting to intensive agriculture. Coming from a long tradition of small farmers, the Jaglea family immediately saw it could respect its roots while enabling them to move away from semi-subsistence farming and develop new environmentally-friendly and community-oriented practice.

2.1 The two building blocks of the farm: self-sufficiency and organic farming

Ioan and Ramona's lives revolved around traditional Romanian agriculture, and it is on this basis that their farm has developed. Their approach to farming revolves around two basic principles: that the farming is mixed and meets the basic food needs of the family (vegetables, dairy produce, meat and grains); and that most of the animal feed is farm-produced (complemented with the purchase of wheat bran.)

To date, the farm has no machinery, with all work done by hand. Ioan sees mechanisation as a way to meet real needs by facilitating the work. For example, he hires neighbours to do certain field work requiring a tractor. For Ioan, manual work fosters a closeness to the animals such that the smallest problem can be quickly spotted and addressed. Mastitis is usually identified at an early stage and is treated with a traditional massage using homemade soap. Antibiotics are used only as a last resort, just once in the last 10 years. Summer or winter, the Jagleas can rarely leave the farm for even a few days, as they have no one who can fully replace them to tend to the farm.

Systemic view of Jaglea farm 2010



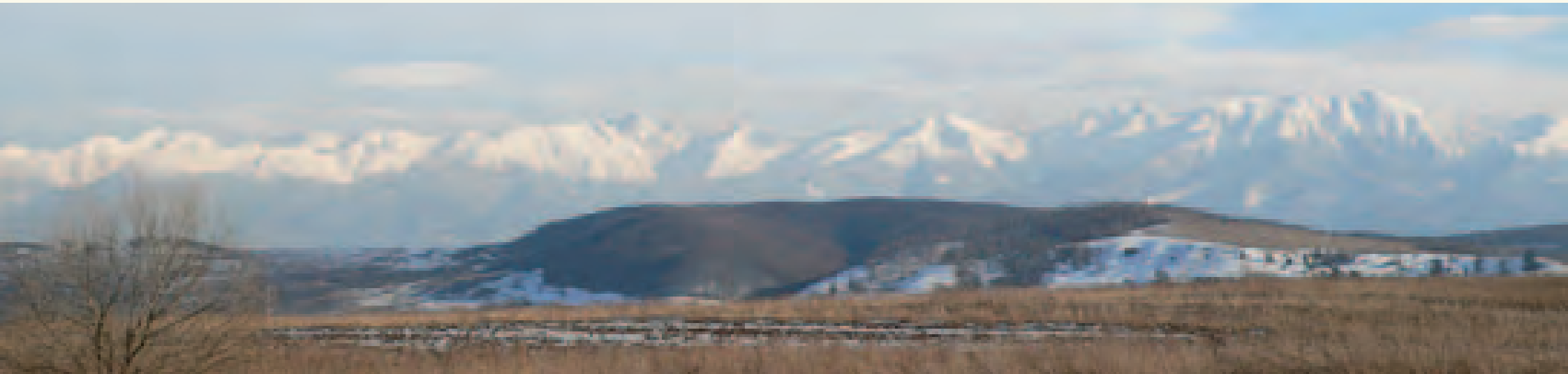
The symbiotic relationship between semi-subsistence farming and organic farming is a recent phenomenon in Romania. Under Ceausescu's Communist dictatorship, the majority of the population was only able to survive thanks to family farms. In spite of all the efforts to industrialize, Romania remains a predominantly rural country, rooted in traditional agriculture. Romanians look at traditional peasant agriculture with fond nostalgia, and are deeply attached to "good natural products." At the same time, traditional farming is considered archaic and inefficient, and the ruling political leaders aim for a single model, based on productivist agriculture. However, over the last decade a new farming model has emerged, as a result of the synergy between traditional Romanian farming and new Western European organic farming practices. The association Eco Ruralis[1] has spearheaded the movement, by bringing together peasant farmers and activists and by lobbying for the recognition of traditional and organic agriculture.

At the turn of the century, Ioan attended training seminars in agro-ecology, which introduced him to composting and crop rotation, both of which had been abandoned by many Romanian farmers. This allowed him to move forward from a traditional model of agriculture to one that is both healthy and profitable. Organic farming certification enabled Ioan to stand out from the crowd and to be recognized. At the time, organic products were not "in", and organic farmers had to start from scratch. The choice of outlet soon turned naturally to direct selling. In 2004, Ioan joined a small group of organic farmers in his region. Together, they founded Biocoop, an organic store in Sibiu selling directly to the public.

For Ioan and Ramona, organic farming has opened the door to a whole new world of solidarity. In summer 2010, they welcomed foreign volunteer workers. But before joining the WWOOF[2] network, they took time to think things out: how could they reconcile the presence of volunteers while respect for the intimacy of family life? How could they balance the positive contribution provided by these volunteers with the investment in time and food involved in welcoming wwoofers? Last year, for the first time, a family from Sibiu who buy the Jaglea's products biked over to have a look at the farm. This led Ioan and Ramona to consider inviting city dwellers to share farm chores in exchange for accommodation.

Ioan and Ramona also enjoy the contact with other organic farmers through training initiatives. For example, the Biocoop organized a trip to Austria to visit farms and meet members of ÖBV (Via Campesina Austria). This enabled Ioan to study different setups and compare farm efficiency. The couple

2 - World Wide Opportunities on Organic farms, an international network of volunteers who work on organic farms. In Romania, the organization is run by Eco Ruralis.



realized that income from the direct sale of farm products, complemented by subsidies, is an economically viable choice for a family farm.

From the building blocks of peasant farming, with its principles of self-sufficiency, semi-subsistence farming and family solidarity, organic farming is a natural choice, reconciling tradition and innovation.

2.2 Production based on the family's food needs and direct sales

The farm's first priority was to feed the family. It then expanded to bring in extra income, and to provide financial security.

2.2.1. Family consumption

The 500m^2 of garden and orchard are devoted first and foremost to the family, who live off it all year round, thanks to freezing, lacto-fermentation and the storing of root vegetables. The animals raised for family consumption are slaughtered on the spot, in the traditional manner authorized by law. The meat is frozen or made into cooked pork meats. Part of the corn (maize) crop is ground into flour (maläi) to make a polenta-like dish called mamaliga, traditionally served with milk. With the exception of Lenten fasting before Easter, dairy products are a food staple. The only food items purchased are sugar, oil, rice, flour and sweets. While far from rich, Ioan and Ramona are well-known for their generosity, and are often called upon to help the community with its daily needs: young and old alike stop by for a litre of milk or some clothing.

Family Consumption as percentage of total farm production:

> Milk: 30%
> Vegetables: 55%
> Meat: 10%
> Eggs: 5%

Average: 25% of Jaglea farm production

2.2.2 A short supply-chain: straight from producer to buyer

Selling direct was a natural choice, a win-win situation for both consumers and producers. The former get quality products at affordable prices; the latter get a fair income from their labour, and the social networking enriches both parties. In this kind of setup, the quality of the milk and other products is paramount. For Ioan and Ramona, milk is both the showcase and the business itself, attracting new customers and maintaining their loyalty. The close contact with customers means careful attention must be paid to milking and packaging. For Ioan, the focus on quality sets him apart from farmers who sell their milk to commercial dairies that pasteurize the milk as soon as it is collected. Ioan and Ramona encourage their customers to buy unpasteurized milk, and give out leaflets explaining its benefits.

Home delivery and on-the-spot sales

Today, the farm has about 50 customers, three quarters of whom live in Sibiu and the rest in Rosia. Generally speaking, the customers are attracted to the genuineness, taste, and nutritional aspect. Half of the milk yield is home delivered on Monday and Thursday mornings, packaged in empty mineral water bottles that are replaced after each delivery. The volume of orders varies from 1 to 20 litres per week. The other half of the milk yield is made into cream, butter and cottage cheese, as well as a local cheese for family consumption. The cream

and butter are most often bought by Sibiu customers, with demand exceeding supply at the present time.

Animals are usually sold on the hoof. Most of the pigs are sold during the December holidays to friends who no longer have animals. Like all farmers who still raise animals, part of any meat is sold to friends, neighbours and some customers in Sibiu. At present, none is sold to order.

SELLING PRICE

> **Whole raw milk is sold 3 lei/ litre (0.70€)** to customers in Sibiu, except for retirees who pay 2.5 lei/ litre (0.60 €) because of their small pension. People from Rosia pay 2.5 lei/ litre. To compare, the price per litre of ordinary sterilized milk in supermarkets can reach 5 lei (1.20 €) whereas agri-businesses buy it for 0.50 lei.

> **Butter is sold direct for 28 lei/ kg (6.70 €);** at the Biocoop, it costs 36 lei/kg (8.60 €). In late 2010, the prices of certain products in large stores, notably butter, fell with the sharp fall in the population's purchasing power. Ioan and Ramona had to fall in line and cut the price of their butter from 32 lei/kg (7.62 €) to 28 lei/kg. Ideally, Ioan would like to sell the butter direct for 35 lei/kg (8.30 €).

> **Veal:** the whole carcass with bone (on average a quarter of the piece) is sold for 15 lei/kg (3.60 €) (in general, 100 kg of carcass during slaughtering).

> Occasionally, **chicken** is sold 20 at lei/kg (4.80 €).

The Biocoop

The Biocoop was set up in 2004 by Ioan and a small group of the region's organic farmers who had training in agro-ecology. At that time, supermarket distribution and the agro-food industry were growing in Romania, and eating habits were changing. The weekly market day no longer met people's needs. So, Biocoop decided to offer an alternative, relying on a core of committed customers. Initially, they swapped products, but then decided to go commercial and market the organic label. First set up as a non-profit association, the producers took turns keeping shop two days a week. In 2005, with business growing, they became a cooperative, a legal status that few farmers opted for at the time. Today, the Biocoop is open Monday to Friday and, since 2008, has had a paid manager.

For Ioan and Ramona, the Biocoop was a good starting point to build up a customer base in Sibiu. It remains a strategic point of sale, even if the sales volume there is low: in winter 2010-2011, they sold 14 litres of the 150 litres of milk sold each week. Thanks to the Biocoop, the Jaglea family has built up its own network of home-delivered customers, paving the way to a more lucrative channel of distribution.

THE SIBIU BIOCOOP

Selling price: Store prices are based on producer prices, plus 11%. Some Biocoop prices are lower than supermarket prices (milk, cheese, telemea) or those at the town market (honey).

Supply chain: The cooperative has a dozen regional producers, who supply honey and other apiculture products, bread and biscuits, milk and dairy products, apple juice, herbal teas, jams, syrups, tinned foods, fresh vegetables in season, and sometimes eggs.
Deliveries are twice weekly.
Today, the producers are not able to assure a steady supply of certain products like eggs and butter. This hurts turnover, as some customers seek a wide range of products under one roof, and prefer to shop elsewhere rather than do without.

Customers: The customer base is relatively well-off (university professors, town employees, entrepreneurs, retirees who lived abroad, etc.), but also pensioners in poor health seeking natural products. Since 2008, the economic slump has impacted the store's activity. Some customers have turned to the market in Sibiu, where prices tend to be lower. Others remain loyal to the Biocoop, trusting the origin and quality of the products, especially vegetables and eggs.

Best selling products: Bread and milk are the main purchases. Vegetables and dairy products are often bought for children. Jams, tinned food, or syrups are bought occasionally.

2.2.3. Balance sheet: a low profit margin

2010 was a "mixed bag", with Ioan drawing 2 pay packets until September and Ramona being a home-maker. The transition was a positive one, as they managed to make a profit from the farm, albeit a small one. As farm-holders, they are not required to keep accounts where earnings, profits and expenses are clearly noted, and there is no tax on profits. Farming is mostly an underground economy. The amounts listed below are Ioan's estimates:

EXPENSES	Lei	Euros	INCOME	Lei	Euros
I - Agricultural production					
Land tax	500	119	Sale of milk + dairy products	30000	7143
Land rental	2000	476	Sale of calves and bullocks	6500	1548
Contract work: haying	3000	714	Sale of pigs	1000	238
Contract work: harvesting	3300	786	Sale of chickens	1500	357
Seeds	700	167	Sale of vegetables	1000	238
Seasonal workers	1500	357	Subsidy per hectare	5000	1190
Ioan's brother and Ramona's father	5000	1190	Cattle subsidy per head *Detail of subsidies:* *80 € / ha CAP + 30€/ha State* *200€ dairy cow*	5000	1190
Veterinary fees	300	71			
Purchase of animals	2200	524			
Purchase of feed (wheat bran etc)	2200	524			
Maintenance and repairs	5000	1190			
Upkeep of car + petrol	3000	714			
Total annual expenses	**1300**	**310**	**Total yearly income**	**50000**	**11905**
	30000	**7143**	**Estimated yearly profit**	**20000**	**4762**
			Estimated monthly profit	**1667**	**397**
II - Other budgeted items					
Loan payments	12600	3000	Ioan's pay thru Sept.	11600	2762
			Ioan's unemployment benefits	2200	524
			Family allowance	1200	286
Total yearly expenses	**12600**	**3000**	**Total yearly income**	**15000**	**3571**
			Monthly balance	**200**	**48**

Estimated Balance Sheet for 2010

By selling 75% of their production, choosing high quality products and eliminating wholesale, and by keeping production costs down, Ioan and Ramona made a profit of 4762 € in 2010, 40% of their annual income. While not enough to support the whole family, the transition towards full-time farming appears promising. Taken together, the family's income comes to about 880€/ month. To make a comparison, the minimum wage is around 150€ /month, whereas an adult with no children needs at least 350€/month to live decently in town. Subsidies account for 20% of farm income. Though they do not like the idea of subsidised agriculture, Ioan and Ramona are glad to have the extra income in these difficult times.

In 2007, in order to renovate the part of the house where the family now lives, the Jagleas took out a loan in Swiss francs, widely considered to be stable and advantageous at the time. But since the financial crash in 2008 their monthly payments have doubled from 150€ to 300€. Ioan hopes to negotiate with his bank for a change in currency. Though their budget is tight, the Jagleas look on the bright side, noting that unlike many Romanians, they have no mortgage payments.

Overall, the Jaglea farm combines traditional working methods and cultural habits with significant innovations in marketing, distribution, certification and social networking. The symbiosis between tradition and innovation has impacted all aspects of the farm, as shown in the chart below:

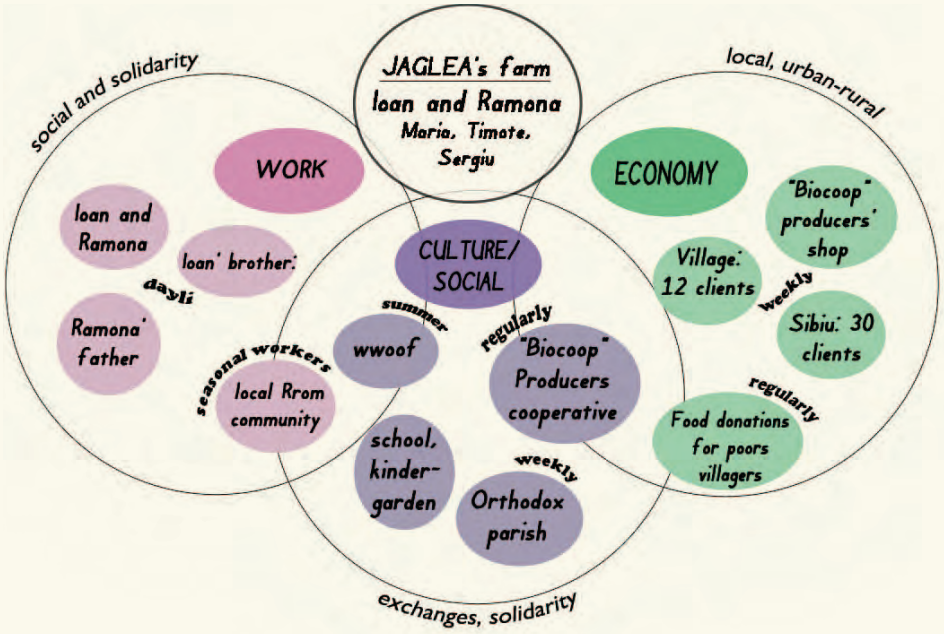


Diagram of social relations of JAGLEA's farm, spring 2011

C. Le Crouhennec, 2011

This new form of peasant agriculture, in the midst of ever-present traditional farms, is a landmark of post-Communist countries. It has enabled farmers such as the Jagleas to go beyond subsistence farming, by giving them greater incomes, providing locally grown high-quality products to consumers and strengthening economic and social ties throughout the community.

3. Future development plans

To date, the farm has grown in a 'pioneer' way, with no set objectives or timetable. Now, without salaried jobs, Ioan and Ramona have elected to become full-time farmers and to make a decent living from it. To maintain balance, their philosophy has always been "Go slow, and keep investments down." Their one and only experience with bank loans has made them cautious. Ideally, Ioan and Ramona would like to deliver different products: milk, dairy products, veal, fresh and tinned vegetables, eggs and occasionally pork, chicken and bread. As the farm is managed in a systemic fashion, with the land, animals and farm production working interdependently, such a change would have important repercussions.

Their first goal is to build up the animal population to twenty dairy cows, 100 hens and at least 2 pigs. Once the dairy business is running smoothly, and the customer base optimized, they'll take up Ramona's passion: market gardening, by setting up a greenhouse in the garden behind the house. Ioan's mother has a wood-burning bread oven, and they are considering making and selling their own bread. They also dream of having bees, and of course will continue to supply most of the family's needs. Financially, their goal is to have an income of 4500 lei (1000 €) per month within 3 years, with overall yearly expenses of 90000 lei (21500 €).

3.1 Planned development

Targeting production

To become profitable as quickly as possible, they will focus on just a few items: milk, butter, cream and veal. Production figures for milk are calculated for the period of minimum output, so that deliveries can be assured and customers satisfied all winter long. This is cost-effective, as skimmed milk is added value when sold and when used to feed calves.

Customers

The Jagleas will offer a wider range of products to their present customers, and will need to expand their customer base. Flyers will be handed out to parents whose children attend the nursery schools and elementary schools in Sibiu. As for local sales, the Jagleas are already well-known in the village.

Land and buildings

The project will require additional land. They calculate that they require 20 hectares of pastureland and 25 hectares of cultivated land (for a cereal and grass rotation). They will also require 0.5 hectares for the vegetable garden adjacent to the farmhouse. For a herd of 40 cows, the barn will be converted into loose housing, mandatory for the organic agriculture certification as from 2013. They will also build a new dairy shed, with hot running water and wastewater drainage. Lastly, a new henhouse will be built in the farmyard, to accommodate approximately 100 hens. The work will be done by Ioan and a

villager to whom the Jagleas lent money. Materials will be paid for from future savings.

A legal status adapted to needs

Ioan will try to keep his status as "farm- holder" for as long as possible because regulations are less stringent, in terms of sanitary norms and animal well-being. He can thus expand the farm while keeping a traditional, informal framework. There is no tax on their products and they can expand at their own pace. The Jagleas hope to continue like this for another 2-3 years. When the time is ripe, they will set up a company. This will allow them to sell their products to different shops in Sibiu.

3.2 Financial choices

Investment needs are multiple and cannot all be met by savings: buying a second-hand tractor or car, fitting out a small cheese workshop, transforming the barn into loose housing, etc. As the couple wish to avoid debt, their choices are difficult ones and involve sacrifices.

A measure from the second CAP pillar could be the answer: Measure 121, designed to support young farmers. Ramona could qualify if she enrolls as a new "farm-holder." This would bring in a subsidy of up to 2500 €, non refundable and with no co-financing. The Jagleas remain cautious and want to weigh all the pros and cons before making a decision. They are not interested in any subsidy requiring co-financing as they cannot afford their contribution.

3.3 Difficult access to land

In Romania, only 0.4% of farms are medium-sized (between 20 and 50 hectares). The number of such farms did not grow between 2005 and 2007[1] as the socio-economic situation and on-going laws are a clear incentive to adopt the "European" farming model, with its triple reliance on mechanization, chemicals and subsidies. Ioan has the impression that farming is on the wane, whereas agricultural statistics in Rosia show an increase in the animal population since 2007. In fact, it is the way of working that has changed. Aging populations are giving up farming, keeping only small plots of land and rarely passing the farm on to their children[2]. On the other hand, many farmers are specializing in large-scale sheep husbandry, but keeping to tradition: Shepherds tend the ewes, which are kept outside all year and are grass-fed, with a hay supplement during winter if needed.

Pasture land

Ioan would like to rent 20 hectares of pasture land from the town hall, though access is usually restricted to herds of 40 head minimum. Ioan has pleaded his case with the mayor, arguing that he cannot expand without this grazing land, and that he will have 40 animals medium term. Pasture land is much sought after in this valley since it is classified as Natura 2000 land and attracts an agro-environmental subsidy of 200€ / hectare. Sheep farmers live off these subsidies and pay little attention to flock management. Pastoral transhumance to the Black Sea is a thing of the past; today, the flock stays in the valley all year round. This has dire consequences for farms like the Jaglea's, as ewes break loose and devastate everything in their path. In Ioan's opinion, the present criteria for allocating subsidies is unfair and penalizes high-quality, local agriculture. He notes how easy it is for large sheep farmers to turn the regulations to their advantage and to access extra land.

Arable land

A good deal of arable land remains available, though it is hard to buy or rent. Land title is not easy to determine for 2 reasons: first, former landowners who benefited from land restitution in the 90s have numerous heirs whose claim is not officially recognized as the land was never cadastered;

1 - Eurostat, European Union statistics.

2 - Less than 4.5% of farms under 5 ha between 2005-2007.

and secondly, landowners do not report the land that they let, so as to benefit from CAP subsidies. Acquiring additional land is difficult, as plots are usually cut up and are less than 3 hectares, the minimum required by Ioan. In addition, the present economic slump has aggravated poverty and sparked a rise in thefts of building materials like copper, and of produce in isolated fields. The fruit in Ramona's father's orchard is often stolen, so Ioan and Ramona try to work land as close to the farm as possible, for security reasons.

Conclusion

Ioan and Ramona want to work a medium-sized farm that respects natural resources, and that earns them a decent living. There are almost 3 million traditional peasant farmers in Romania[1], but the Jaglea's farm is a new model, combining tradition and innovation in every aspect of the farm. That is their strength.

While Ioan and Ramona have no clearly drawn map to follow, they do have 4 strengths which should help them weather any difficult times:

- Family solidarity is an important regulator, as the work load can be juggled with less regard for market economics.
- Direct sales cushion the couple from dramatic market fluctuations (such as during the milk crisis). The Jagleas can also adapt quickly to market changes and to shifts in buying power.
- The informal nature of the set-up spurs flexibility and money savings, which allow an entrepreneur to expand without going into heavy debt.
- As Ioan and Ramona fine-tune the practice of mixed farming, they can keep the primary function of subsistence farming.

Life is not easy for the Jagleas, but their short lead time gives them an edge over the rigid, dominant model of industrial agriculture, which is weighed down with overheads, health and safety norms, bank loans and investments. For Ioan and Ramona, freedom of choice is the keystone of any decision they make, and they willingly accept the financial limitations that go with that freedom. The first few years will be difficult, and every euro invested must be accounted for.

1 - In 2007, 2.6 million peasants farmed less than 1 ha (Eurostat statistics).

Romanian political leaders do not back polymorphous, sustainable agriculture, but the latter could be spearheaded by the "Leader"[2] program. When operational, this program will energize local development from the inside. For now, networks like EcoRuralis, Wwoof, ASAT[3] or Biocoop are spreading the word and making themselves known. By organizing training seminars and talk groups, they are opening channels of dialogue that can pave the way to a real social and personal transformation.

2 - LEADER: a CAP development program designed to foster initiatives and jobs in devitalized rural areas. The Local Action Group in the Hartibac Valley was set up in 2007, but folded in 2011.
3 - Equivalent to Community-Supported Agriculture in the UK.

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

France

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

Véronique Rioufol and
Sjoerd Wartena

November 2011

Terre de Liens

By Véronique Rioufol et Sjoerd Wartena[1]

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 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[2], 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.

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. 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.

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[1]. 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[2]. As a result land prices have increased dramatically[3] 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[4];
- 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 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;

1 - 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.
2 - 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.
3 - 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.
4 - 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.

- 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[5], 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

5 - 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.

terre de liens

- 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[6] 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.

6 - 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[1], 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.

1 - 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[2]. In 2010, a change in the tax system has nearly eliminated this tax

2 - The tax rebate is limited per person/ household per year. For the richest tax-payers, subjected to a wealth tax, the rebate is 75% of the value of the shares.

rebate while the public issue of shares was underway. While it 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[3] (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

3 - 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).

and buildings for projects as long as:

- 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[1] (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[2], 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 famers 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.

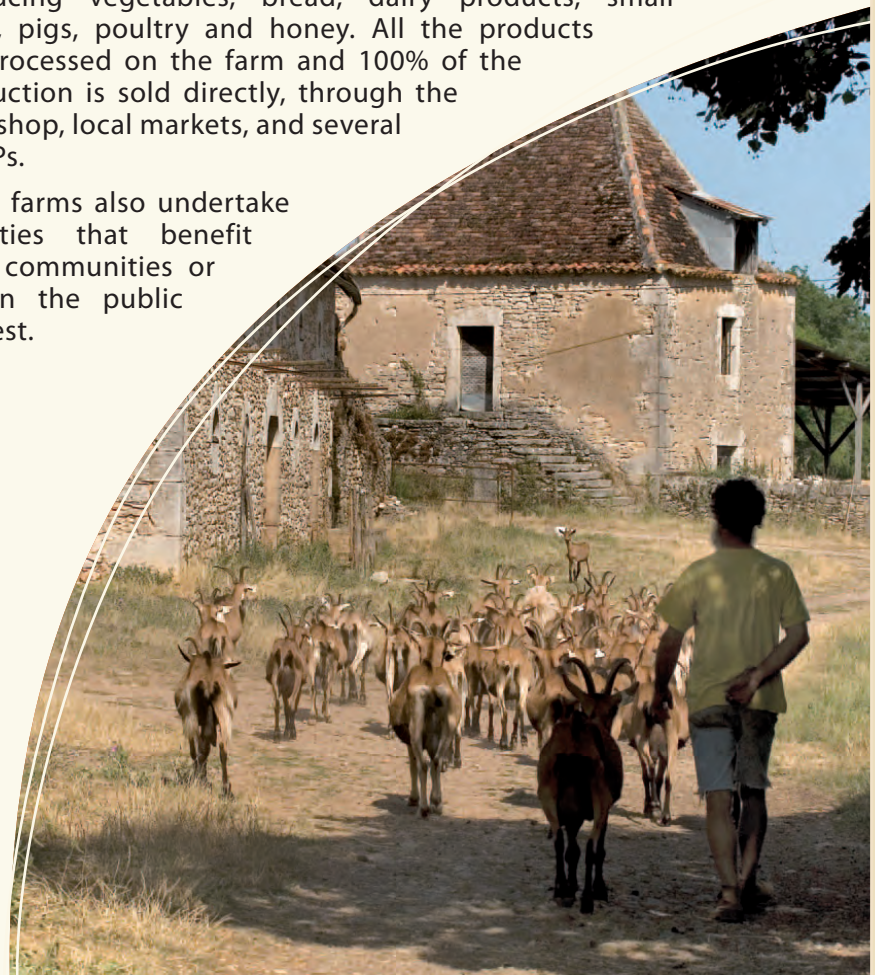
By bringing capital from beyond the personal and local supporters, Terre de liens also creates extended solidarity: between organic consumers and producers, urban and rural, old and young. The success of the first public issue of shares largely stemmed from the strong mobilisation of the Biocoop, the major French network of organic shops, and AMAP[1] 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.

1 - 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[1].

1 - 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 TdI 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 TdI's initial field. Besides, the Foncière struggles to pay the costs of repairing, maintaining and upgrading the buildings, as the rents are low[2] 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

2 - 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).

(larger) philanthropic grants from companies. It also needs 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[1]. 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

1 - 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

have the skills, experience, and financial capacity to take over bigger, diversified farms. Terre de liens is thus supporting several farms which work as incubators for farmers wishing to become organic farmers. Le Germoir, 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[2], 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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2 - 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

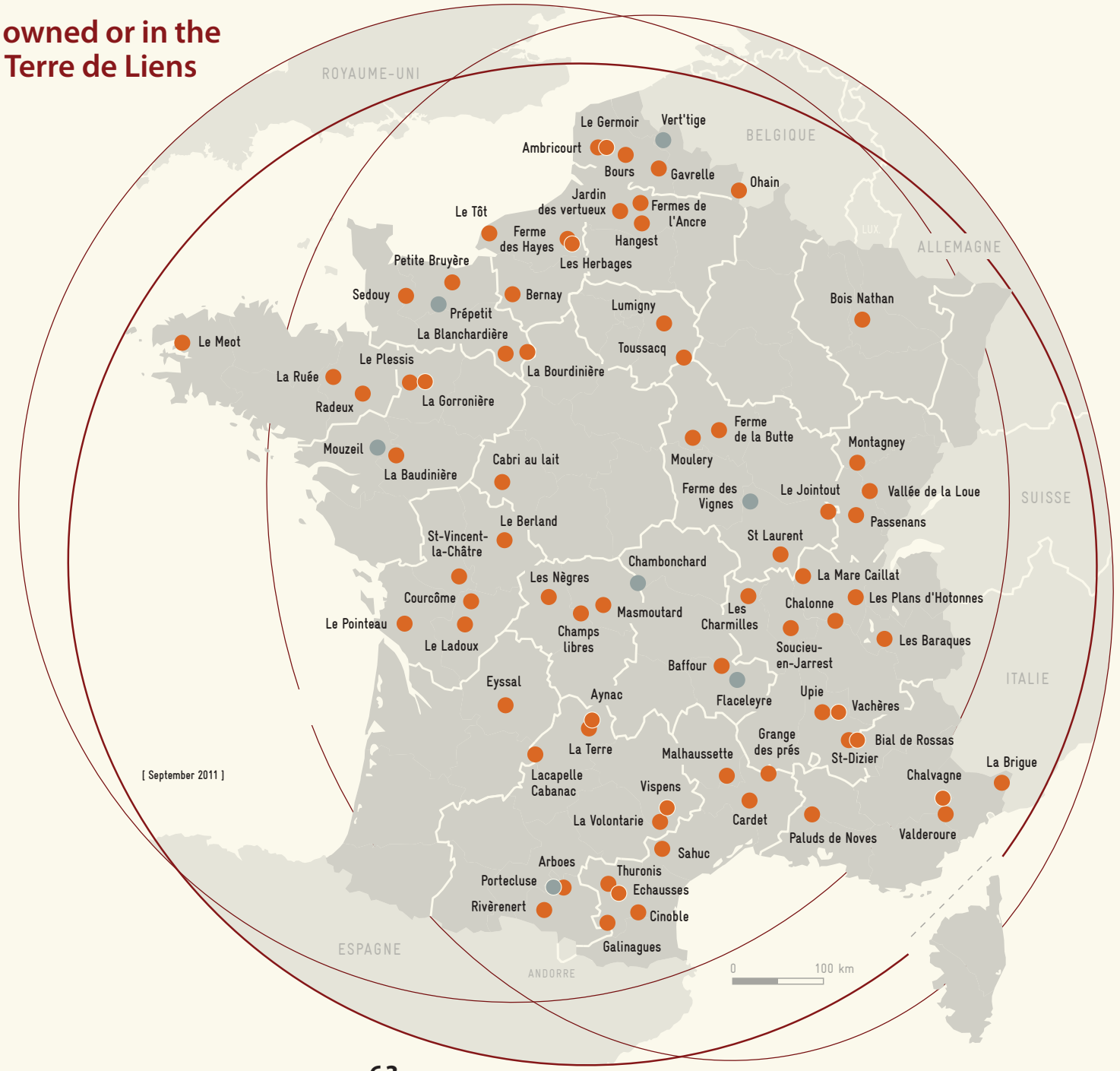
The experience of Terre de liens underlines how access to land can be a key obstacle for the development of sustainable, notably organic, agriculture geared towards local markets and community participation. Its success shows the readiness of many members of the public to support the establishment, preservation 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



The Regionalwert:

Creating sustainable regional structures through citizen participation

Baden Württemberg, Germany

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

Peter Volz, Die Agronauten

July 2011

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Overview

The Regionalwert AG (RWAG) was founded in 2006 near Freiburg, south-west Germany, by agriculturalist Christian Hiss. It was conceptualised as a citizen shareholder corporation in which people could invest in small and medium sized (SME) socio-ecological enterprises in the region, mainly in the agriculture and food sector. Access to land is facilitated for new entrants to farming, and farm succession can be secured, thereby helping to maintain the region's agriculture and thus its characteristic landscape. But there is much more: the RWAG aims to build up a network of enterprises to establish a sustainable food supply chain and regional added value. Its concept has successfully managed to gain the support of regional residents who are now investors. It can serve as an inspiration for those interested in helping to foster a sustainable transformation in regional agriculture (addressing ethical financing, public support, economy of solidarity).

Pressures on small-scale, local agriculture in the Kaiserstuhl Region

The experience of Regionalwert AG is anchored in the Kaiserstuhl Region, near Freiburg, in South-western Germany. This volcanic region has valuable soils and a distinctive ecosystem with many rare animal and insect species and plants.

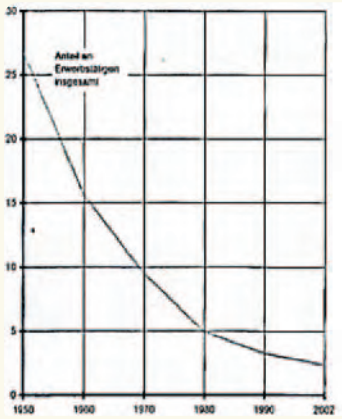
Wine production and small-scale farming has dominated the region and shaped its landscape.

In contrast, corn monoculture is practised nearby in other parts of the Upper Rhine area, with consequences for soil, water and the ecosystem. As in other parts of Europe, this latter form of agriculture is largely based on large agro-industrial enterprises, water and energy intense monoculture, long transport routes, high market integration, the loss of

small-scale farming and environmental depletion[1]. The growth of large-scale, monoculture farms has also led to the decline of family and small-scale agriculture, particularly through farm closures and amalgamations, as well as inability of small scale farmers to secure working capital and land. For example, about half of the farms in the federal state of Baden-Württemberg have closed in the last 20 years. This underlines the significance of continued support for SME agriculture enterprises in the Kaiserstuhl Region.

FIGURE 1:

People working in forestry and agriculture in the German state of Baden-Württemberg 1950 – 2002
(Statistisches Landesamt)



1- In the European Water Framework Directive (WFD) the agricultural sector showed as one of the key polluters (see Dvorak et al 2010). The State of the Environment Report of the European Environment Agency highlights the negative effects of agriculture on biodiversity and soils.

From the refusal of a bank loan for a small organic farm...

Christian Hiss grew up on one of Germany's first organic farms, started by his parents in 1953 in Eichstetten, a small village in the Kaiserstuhl Region. His father had been a prisoner of war in England and came in contact there with organic agriculture. He brought these ideas home to Germany.

An agriculturalist by training, Hiss took over their farm and experienced firsthand the challenges of succession in agriculture. He asked for a loan from his bank to build a new cowshed. The bank refused the loan, despite his sustainable business plan. He recognised from this experience that if he was finding it hard to raise capital even though he inherited the farm, the situation for new farmers would be even harder. Indeed, without financiers to provide start-up investment, no farm could be started.

When he was refused capital from the bank, Hiss decided to take matters in his own hands and change the way money is made available for small and medium sized farmers. According to Christian Hiss's estimate, it cost about € 250.000 to establish a farm, while the income generated was too low (turnover - not income - of € 40.000 to € 80.000 per year) to expect quick returns. Thus, the banks refrain from providing the money. Together with friends, Hiss reflected upon a way to start an institution to help farmers in a similar situation to maintain their farms and the modes of agriculture that had shaped the landscape for generations.

... to the creation of a Citizen Shareholder Company

Christian Hiss examined several possibilities. He eventually decided to create a shareholder corporation ('Aktiengesellschaft', AG). This kind of corporation is a widespread business model in Germany, which requires a minimal initial capital investment of €50,000. It was, however, not utilised to acquire capital in the agricultural sector, where cooperative societies ('Genossenschaften') were the prevalent model. Rather, its business model was to generate capital by selling shares and investing the money in land, real estate and equity holdings. As with all shareholder corporations, shareholders are liable for losses and profits, and vote for the Board of Directors at the Annual General Meeting (AGM). They can thereby exert influence on the direction of the work undertaken by the company. It is monitored by financial authorities just like any other company.

Christian Hiss chose a shareholder corporation as it was the organisational form that provided the appropriate scope for his concept. His idea was clearly larger than just the future of his farm. Furthermore, the AG had some practical advantages to other financial forms. In particular, it is the only organisational form where shareholders cannot withdraw their investment (it can only be transferred from one shareholder to the other), thus providing financial stability. It is also comparatively easy to manage, with shares being easy to acquire without a notary. In 2006, Hiss thus officially registered the RWAG at the commercial register with an initial capital of € 435,500, which was the value of his farm, as estimated by an independent auditor. To raise this capital he handed over his family farm to the RWAG and continued it as leaseholder. The shareholders now owned the farm. According to him, he did not hesitate for a moment to take this decision; in fact, for him, this was liberation.

Christian Hiss

It took around half a year to get through the administrative formalities but once the RWAG officially started to offer shares, 20 shareholders joined the RWAG, amongst them two large investors who believed in the innovative vision. From there on, the popularity of the RWAG has grown[2], supported in part by extensive media coverage, but also because the idea of the RWAG struck a chord with local people who had an increasing awareness of regional and environmental issues. Currently there are 485 investors. They have bought shares ranging from the minimum price of one share € 500 to shares worth €150,000. The total capital investment stands at almost €2 million. The RWAG is often referred to as a 'Bürgeraktiengesellschaft'. This means Citizen Shareholder Company, which refers to the fact that the shareholders are private individuals and not companies or investment funds. The key players of the RWAG are the Managing Directors, composed by the agriculturalist Hiss and the banker Volker Schwarz, and the Board of Directors that acts as controlling body. The Managing Directors, which are running the company, are elected by the Board of Directors for 5 years. The Board of Directors themselves are elected by the shareholders every 5 years at the AGM.

When founding the RWAG, Hiss deliberately conceived it to be a 'for profit" enterprise so as to stimulate shareholders to think about the nature of the profits they want. The profit is not reduced to financial gains but also includes the societal and ecologic dimensions. In financial terms, there is no guarantee by the RWAG to pay dividends, and none have yet been paid.

2 - Even regional celebrities like the popular coach of Freiburg Football club became shareholder.

The investors are instead guaranteed that their money is used according to RWAG's pre-determined criteria. Clearly, the prospect of quick financial gain was not the decisive factor for the investors. Instead idealistic and pragmatic motivations have prevailed. By investing in RWAG, citizens support the development of a sustainable regional food supply chain, from agriculture to food processing, to shops. They thus invest in their living environment, have their say in the development of food supply chains and contribute to regional landscape management. Investment in RWAG fosters urban-rural connections as city inhabitants invest in food production and supply from their immediate locality. As such, investing in RWAG is investment with a feel-good factor, underpinned by investment in land and real estate being perceived as a secure option. There is hardly any withdrawal of shareholders since 2006. If people want to sell their shares they will be transferred to new shareholders - a waiting list available for those willing to buy these shares. In that way the financial stability of the RWAG is guaranteed.

Creating a regional organic food supply chain

Providing venture capital

The RWAG supports small and medium farmers and food businesses that usually experience difficulties in securing equity capital from banks as they do not have sufficient equity. The RWAG, and in particular the Managing Directors, check the business plans of entrepreneurs who request finances and, where necessary, co-create suitable business plans with inexperienced people, including guiding them through the first years of their enterprise management. There may be a charge for the financial consultations provided but this depends on the context and the scope of the service. The RWAG has a catalogue of criteria for financial participation where economic, ecologic and social criteria carry equal weight.

If their business plans are viable, the RWAG offers the entrepreneurs (who then become RWAG's partners) various forms of financial support for start-ups as well as investments in business expansion. There are various forms of financial engagement. One common approach is to provide capital in the form of silent holdings with a fixed rate of interest of between 3-8% on repayment (for land, machines etc). Another approach is to lease land to farmers at a reasonable rent (depending on the case). There is also the establishing of an associated company where the RWAG holds shares in the enterprise. In that case it shares the profits and losses of the enterprise, depending on the contractual terms agreed. Whatever form the assistance takes, the enterprises can benefit from being part of the RWAG network. Through the capital brought in, new enterprises can be founded and existing ones can be maintained. In essence, local citizens provide cover

for the young entrepreneurs and secure their existence. The investment is direct, without fund managers, agents or other intermediaries, and it supports only SMEs. In some cases, the venture capital of the RWAG enables enterprises to gain easier access to bank loans. In some instances the banks even recommend the RWAG and some of the partner enterprises have only received finance from the bank because the RWAG co-financed a certain percentage of the investment. In these circumstances, RWAG takes an equity stake of between 30-100%, with the bank financing the remainder.

Creating a local food chain from farm to fork

The RWAG aims to create an economically viable chain of added value from farm to fork and even beyond. Therefore, the RWAG buys agricultural land and farms, as well as enterprises that process, distribute and sell food. The land bought is then leased - not sold[1] - to qualified entrepreneurs, who have to manage their business according to the RWAG criteria and justify it in an annual sustainability report and at the RWAG AGM. Support is tied to this condition but it does allow for a transitional period from non-organic to certified organic farming. So far sixteen partner enterprises are being financed and more contracts are soon to be completed. The current 16 enterprises of the RWAG network are:

Producers

- A vegetable farm which also produces seeds (leased land, farm succession outside the family);
- A dairy farm that produces cheese (leased land, farm succession outside the family);
- A fruit farm/orchard (business start-up / non-voice share);
- A vineyard (acquisition of vineyards and lease);
- A multifunctional farm;
- A vegetable farm (limited partnership);

1 - In order to maintain the sustainable use of land

Processing

- An organic caterer (business start-up / non-voice share);
- A manufacturer for the drying of food (renting real estate, start-up);

Retail and Marketing

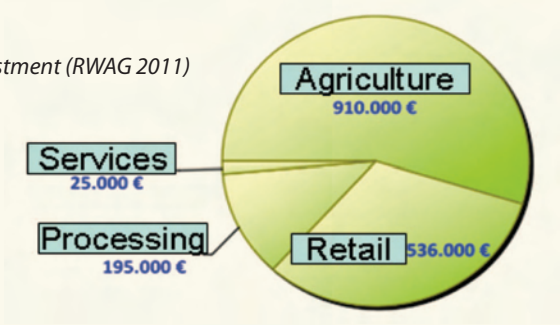
- An organic food shop (support to proprietary capital/non-voice share);
- An organic food wholesaler (support to proprietary capital/ non voice-share);
- An organic food shop (share);
- An organic food shop (share);
- A delivery service for the produce of the RWAG partner enterprises (start-up/subsidiary);

FIGURE 2: Chain of Added Value (Hiss 2011)

Services

- A service company providing inter alia accountancy (start-up);
- A real estate company (start-up, subsidiary);
- A research organisation named "Die Agronauten" dealing with all relevant questions related to the RWAG and sustainable regional agriculture.

FIGURE 3:
Distribution of Investment (RWAG 2011)



Altogether the RWAG owns eight hectares of land and has shares in 220 ha of land. There are about 60 people working in the partner enterprises[1] and about 350 people receive organic food boxes from the partners. In total, the RWAG has invested more than € 1,600,000 in the enterprises with the rest of the money in the bank. Most of the money in the bank is designated for new projects and thus already planned for use. The following figure shows the distribution of the investments per sector.

Creating synergies between the businesses

The idea of networking the enterprises is an important component of the RWAG concept. The partner enterprises operate independently but are all connected through the RWAG network. Such cooperation reduces the costs so that the small-scale structures become more competitive. Practical examples are the use of the waste of the vegetable farm by the dairy farm, the use of the cow-dung by the vegetable farm, the use of RWAG products by the caterer, the selling of RWAG produce in the shops and the distribution of vegetables by the box scheme. The long-term goal is to have an integrated structure that ensures regional supply, benefits enterprises as well as the shareholders and creates wider societal benefits. This diversity of businesses within the network allows risks to be spread and thus reduced. In addition, the big and successful enterprises of the RWAG group have higher interest rates and thus support the smaller, newer ones. Decisions like these are taken by the executive board and have to be approved by the board of directors. The businesses meet informally every 2 month in order to better get to know each other and to exchange on relevant issues in the network, including conflicts. Recently, the whole network increased cooperation by extended meetings and the instalment of working groups related to improvement of logistics, inner structure and marketing.

Measuring and emphasising the non-monetary return

In order to measure and communicate the sustainable effects of its partner enterprises, the RWAG has developed a set of 64 qualitative and quantitative indicators (see Figure 4).

The RWAG network at a meeting in 2011 (Maier, 2011)

1 - Additionally 150 people are employed by the wholesale organic food company where the RWAG holds a small share.

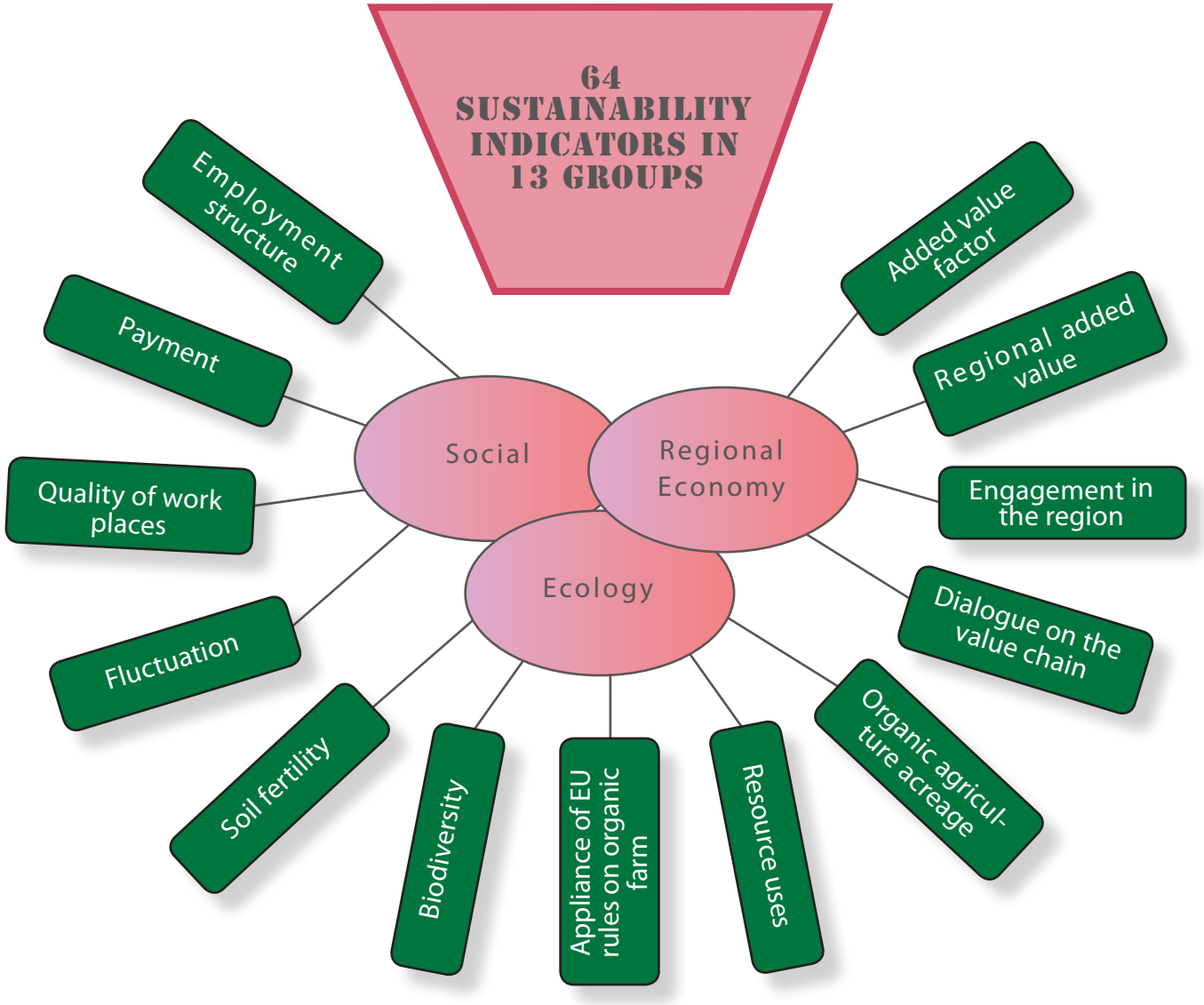
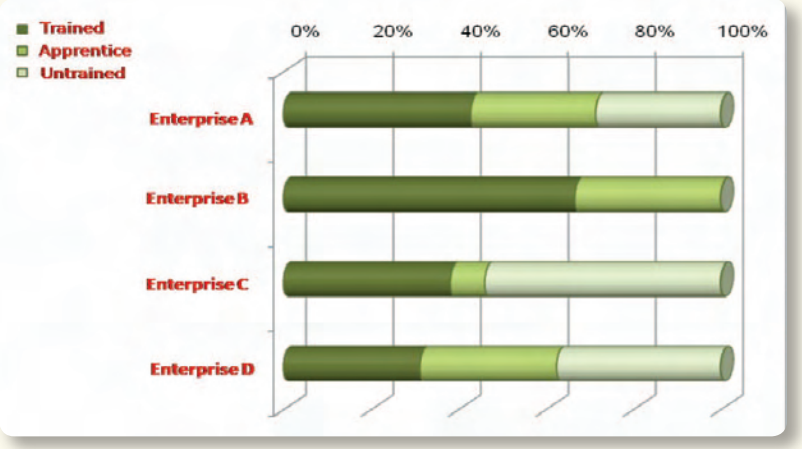


FIGURE 4: 64 Sustainability Indicators (RWAG Geschäftsergebnis 2009)

These indicators address the economic, social and ecological impacts of the enterprises. This includes the situation of the employees (e.g. income, contracts, and apprenticeship positions), the ecological impacts of the enterprises (like soil fertility, resource use, biodiversity) and the impacts on the regional economy (added value for the region, commitment to regional initiatives, educational events).

FIGURE 5: Example of a social indicator for all RWAG enterprises (RWAG Geschäftsergebnis 2009)



The set of indicators came about as the result of a 6 month research undertaken by the Imug consultancy, involving expert roundtables and public discussions. This approach, which focused on extra-financial values, has three functions:

- To develop an evaluation tool for the social, ecological and regional services of the enterprises;
- Display of progress of indicators
- To provide a communication tool for the shareholders in the annual report.

The enterprise performance is given in the annual business report of the RWAG with the help of the indicators. Furthermore, an overview is given of all enterprises supported by the RWAG. The indicators are described qualitatively and quantitatively and also provide information on the evolution and future prospects for the enterprises.

The approach is currently being enhanced in order to offer a comprehensive impact assessment for the whole value chain, from the farmer to the consumer. The improvements include the embedding of the indicators into accountancy and the improved measuring, valuating and communicating.

A source of inspiration for others

The RWAG has received widespread attention and a positive public response; the model was recently highlighted by the German Minister of Agriculture as an innovative network that deserves attention and praise. Christian Hiss also received an Ashoka Fellowship in October 2009 for creating the RWAG. One month later he received the German Government Council for Sustainability Award for 'social entrepreneur of sustainability'. In addition to its home region, the RWAG concept is currently being transferred to two other regions in Germany (Frankfurt, Munich).

The RWAG provides consultancy services for farms, and designs business and capital plans. Since autumn 2009, a series of seminars was held on the issue of‚regional sustainable agriculture'. Another recurring event is the 'Eichstetter Wirtschaftsgespräche' (economic round table), which brings high profile thinkers and leading actors to the region for presentations and discussions.

Many issues related to the RWAG concept are still to be researched, which was the reason behind the recent creation of the "Agronauten[1]" , a non-profit research body.

1 - http://www.agronauten.net

Conclusion: A corporate concept making sustainable development real at the regional level

The model of the Regionalwert AG offers interesting insights into financing methods and regional structural transformation in the field of small and medium scale organic farming. It does this by addressing the three pillars of sustainability:

- **Ecological dimension:** The RWAG can contribute positively to shaping a healthy, aesthetic and (bio)diverse landscape ecology by supporting organic farming and consumption of local produce which shortens supply chains and reduces emissions. Citizens of the region participate in the development of a regional food supply chain that is small, organic and localised.

- **Social dimensions:** The RWAG supports a regional agriculture that is based on small/medium enterprises which provide jobs, increases regional identification and cohesion and life quality.

  People are more than just consumers; they are an active part of shaping regional development. SMEs can be founded or preserved; jobs are created; and knowledge about regional sustainable agriculture is preserved and communicated to others. The capital investment of the RWAG is tied to fair payment for employees of the enterprises. Through capital investment and transparent accountancy, people obtain an insight into the problems of small-scale agriculture. The trend of small farm closure may be reversed in this way.

- **Economic dimension:** the RWAG network links small actors and is embedded in the region. This offers a certain degree of protection from structural dependencies and vulnerabilities. It can boost development in deprived regions and set the frame for a stable, healthy and sustainable economy that has benefits for all.

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Interviews with Christian Hiss on the 26th of January, the 18th of March and the 13th of May 2011

Viva Sol: an association of cheese eaters and producers

Lithuania

Audrius Jokubauskas,
Viva Sol

July 2011

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

Viva Sol: an association of cheese eaters and producers

by Audrius Jokubauskas, Viva Sol[1]

1- Lithuania Overview

1.1 Background

With a territory of 65,300m^2 and 3,05 million inhabitants, Lithuania is the biggest – and most southerly - of the three Baltic countries. It is characterised by its natural landscapes and outstanding biodiversity, with lakes and forests occupying one third of the land. In 2010, agriculture represented 3,4% of Gross Value Added and 7,1% of total employment[2]. About 1,1m people live in rural areas, and 200,000 people are farmers[3].

The last two decades have witnessed major changes in Lithuania, as has been the case for other post-Soviet Eastern European states. Since 1990, Lithuania has undergone a transition out of the Soviet Union and into the European Union, of which it has been a member state since 2004. For the agricultural sector, it has meant evolving from Soviet kolkhoz, through the embryonic stages of private farming in the 1990s, to EU subsidised agriculture[4]. One of the key sign of these changes is the very high level of net migration: for the period 2008-10, over 120,000 people (3,6% of the population) left Lithuania, reaching a peak of 7000 people per month in 2010. Most migrants leave for work reasons, either because they are unemployed, or because their quality of life does not match up to their expectations. Internal migration is a relatively minor phenomenon, with just over 10,000 people (0,3% of the population) moving from rural to urban areas in 2010.

1 - Contact: asociacija@vivasol.lt

2 - Source : EC, Member States Factsheets, Lithuania, May 2011

3 - 2010 agricultural census, holdings of 1 ha and above, or those who create agricultural produce for 1,450 Euros per year. All agricultural data taken from 2010 census and 2003 census.

4 - These major changes are strikingly reflected in all agricultural statistics, in particular the last two national agricultural surveys conducted in 2003 and 2010.

1.2 Main features of agriculture and rural areas

The Common Agricultural Policy has led to the consolidation of market-oriented agriculture

The main impact of CAP payments has been to increase the utilised agricultural area. Lithuania's UAA is 2.73 million ha, up by 10% since 2003. Because the payments are mostly based on acreage, they have acted as a direct incentive to extend the agricultural area. However, some of the 'reclaimed' land supports no more than a minimum level of grazing or is even, in practice, left abandoned. As a corollary, there has been an intensification of agricultural land use[5]. The area of pasture land has decreased by 38% since 2003, with the number of milking cows declining by 22%. In contrast, the total area of arable land has increased by 41%, mostly due to more land being planted to colza, cereals and perennial herbs. The CAP has also boosted farmers' incomes relative to the average income of Lithuanian households (farmers' incomes rose by 2,6 times in the period 2004 to 2008, whereas general household incomes doubled in the same period[6]). Most of this additional income has been as a result of wholesaling agricultural produce, although a small number of farms (less than 2% of the total) earn additional income from contracting, rural tourism, crafts, processing of produce and wood-related businesses.

5 - European Environmental Agency, SOER, Land Use, 2010.

6 - The average income went up from 171 to 348 Euros for urban households, 118 to 235 Euros for rural households and 117 to 300 Euros for farmers.

Increasing polarisation between small and large farms

Alongside the evolution of Lithuania towards a more urban society and market economy, the CAP has contributed to an increasing polarisation between family and subsistence farming, and large-scale corporate agriculture. Indeed, since 2003 the number of farms in Lithuania has declined by a quarter, to a total of just under 200,000 units. The decline in farm numbers has been concentrated on the smallest farms, where more than a third of farms of between 1 and 5 hectares have been lost in the period 2003 to 2010. There has also been an above-average decline in the number of farms between 5 and 30 hectares. Concurrently, the number of large farms (200 ha or more) has increased by nearly 90% during the same period (see Table 1), although they still account for less than 1% of the total number of farms. However, these few large farms now account for 30% of Lithuania's UAA. As Table 1 indicates, the average farm size has increased from 10,4ha to 15ha between 2003 and 2010.

Table 1 *Number and UAA of farms by farm size, 2003-2010*

Farm Size (ha)	Number of farms				UAA (ha)			
	2003	*2010*	*Evolution 2003-2020*	*% of total in 2010*	*2003*	*2010*	*Evolution 2003-2010*	*% of total in 2010*
0-1	396	1154	+191%	0,6%	129	393	+204,7%	0,0%
1 - 5	168508	116429	-31%	58,2%	474496	312668	-34,1%	11,4%
5 - 30	93137	68057	-27%	34,0%	968598	733877	-24,2%	26,8%
30 - 100	8005	10652	+33%	5,3%	394505	553568	+40,3%	20,2%
100 - 200	1211	2188	+81%	1,1%	165467	300573	+81,7%	11,0%
>200	854	1600	+87%	0,8%	487763	835352	+71,3%	30,5%
Total	**272111**	**200080**	**-26%**	**100%**	**2490958**	**2736431**	**100%**	**10%**

Source: National Agricultural Surveys, 2003 and 2010

In addition to being area-related, structural support through the CAP is directed at increasing farm sizes. For example, small farms (i.e. from 1 to 3,99 ESU[1]) are eligible for payments under Pillar II, but in order to secure a payment the farmers must commit to increasing their ESU by 20% within 3 years. Similarly, young farmers must own 12ha of land before they are eligible for the 'setting up of young farmers' measure within CAP, and they must also commit to acquiring at least an additional 8 hectares within 3 years after establishment.

Rapid development of organic agriculture

Organic agriculture has developed rapidly over the last decade. In 2009, there were over 2600 registered organic farmers and 4,8% of the UAA was cultivated organically, up from 1,4% in 2004. This phenomenon is largely driven by large, intensive farms: in 2007, organic farms had an average size of 42 ha[2] (11 ha for non-organic farms) and used, on average, 2,7 AWU [3]/ 100 ha (7,1 for non organic farms)[4]. Between 2007 and 2009, the number of organic farms declined by 6% while the average organic farm size kept growing, to 48,3 ha in 2009[5]. This tendency can be explained by the role of agribusinesses that convert to organic practices. In 2010, Agrowill, the largest Lithuanian agro-food company (30 000 ha, half as private property), announced that its aim is to farm 20% of its land organically by 2015[6]. It also launched 500ha of organic triticale fields in North-East Lithuania ("Agrowill Alanta").

1 - The economic size unit, or ESU, is a concept defined at EU level to measure the economic activity of the farms : for each activity (for instance wheat, dairy cow or vineyard), a standard gross margin is estimated, based on the area (or the number of heads) and a regional coefficient. The sum of such margins in a farm is its economic size, expressed in ESU (1 ESU is a 1200-Euros standard gross margin). Source : http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:European_size_unit_%28ESU%29

2 - Ekoagros, the Lithuanian organic certifying institution: www.ekoagros.lt

3 - Annual Working Unit (AWU) means the labour force working yearly, i.e. a worker employed on full time basis and working 1984 hours (284 working days of 8 working hours per day).

4 - European Commission, DG Agriculture, An analysis of the EU organic sector, June 2010, 92p, see: http://ec.europa.eu/agriculture/analysis/markets

5 - Ekoagros, the Lithuanian organic certifying institution: www.ekoagros.lt

6 - Company's vision, www.agrowill.lt

Algirdas Pereckas, CEO of the Agrowill Group, justified this investment on the basis that "the worldwide demand for organic products is about 10 times higher than the supply. This shows the enormous potential of the market."

An ageing agricultural population

The ageing of farmers may very soon become a great concern in Lithuania. While the general population of Lithuania is relatively young, nearly 40% of farmers are over 65 year old, and less than 5% are under 35 year old. This is a particular problem for small farms (less than 10ha), where around half of the farmers are over the age of 60. In contrast, only 10% of those farming 100ha or more are of a similar age[7]. At the same time, there are no optimistic signs of young farmers ready to step in. Attachment to the land, which used to be very important for Lithuanians, has largely been severed. Fifty years of Soviet occupation, where there was restricted private property (only 0,6ha to grow one's food), has almost destroyed people's connection to their land. In the early 1990s there was a certain revival of the 'son of the soil' mentality. But the new generation, born and raised in the USSR (or its immediate aftermath), increasingly see land as a commodity and agriculture as a business. On the policy side, the implementation of CAP measures to encourage young farmers has not been successful. The objective –to support 1800 new farmers in the period 2007-2013 – is not ambitious enough and has been poorly implemented (only 475 young farmers were supported from 2007 to November 2010)[8]. Indeed, the criterion for eligibility –to own 12 ha already - means that the measure is restricted to those who inherit land and/or are rich enough to acquire such land.

The separation of people from land

Most Lithuanians have severed their relations with the countryside. Just a generation ago most had family in the countryside. However, the rapid changes post 1990 have meant that most Lithuanians now buy food from supermarkets. In common with much of Europe, contemporary Lithuanian food policy has a clear direction – towards world markets. Even the majority of the remaining small farmers sell their calves to international food processors and then buy Polish sausage in the supermarket. In many cases there is no longer local food available in Lithuanian villages. In addition, during Soviet times farmers became agricultural waged workers on large collective farms. They lost control of their methods and choices of production, with the collective farms geared solely towards quantitative output. The farmers also lost a sense of place, autonomy and life cycle. This trend has been reinforced since the 1990s through the extension and intensification of very large farms, alongside residual subsistence farming. As

7 - Source: Agricultural holding register, 2010.

8 -Source : European Rural Network.

a result, Lithuanian agriculture has been narrowed down to food production, severed from the local territory, and with little consideration given to the other functions of farming, such as land stewardship, and contributing to community life. The existing farmer unions and consumer organizations, which are largely connected to public institutions[1], have not reacted to this situation, meaning that most farmers remain socially and culturally isolated.

1.3- The land situation

Land reform started in 1991 and took the shape of restitution to former owners, meaning that a lot of non farming/urban people received agricultural land. Today, with restitution virtually complete, about 46% of agricultural land is farmed by its owners, while 54% is rented. Approximately 22% of the UAA is still state owned[2]. In some places – particularly west, east and south-east Lithuania - restitution has resulted in considerable fragmentation of farms, with villages often distributing land as follows: each person regained 3 hectares of land: 1 ha by their house, and 2 on opposite sides of the village. This is shown on the photograph below, of an area of the village of Dargužiai in south-east Lithuania. There also remains some unused land that has been abandoned because it is infertile or too remote to be of interest to the larger farms that could afford to acquire it.

1 - Most farmers' organizations are based in the chamber of agriculture and funded by or through the Ministry of Agriculture, such as: Family Farmers' Union, Lithuanian Farmers' Union, Ecological Farms' Association, etc.

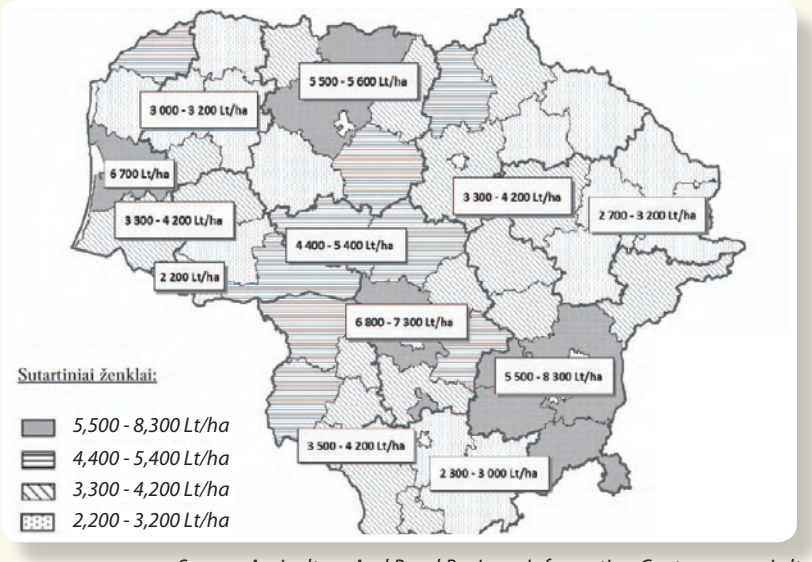
FIGURE 1: *Aerial photo of pastures in a village in south-east Lithuania*

Note: the boundaries on the photograph illustrate the complex nature of land restitution. The numbers are not relevant to this case study.

2 - The Land Fund of Lithuanian Republic, 01/01/2010

Land prices, for both sales and rents, are steadily growing. The year after Lithuania joined the EU, agricultural rents tripled, as a result of the introduction of direct payments under CAP. While still low compared with Western European prices, land prices have also been increasing, particularly in the most fertile areas and in the vicinity of cities. The following map shows land prices for 2009. At the time the national average price for agricultural land was 3540 Lt/ ha (or 1025€/ha).

FIGURE 2: *Land sale prices, Lithuania (2009)*



Source: Agriculture And Rural Business Information Centre, www.vic.lt

According to the EU accession treaty, Lithuania was due to permit the sale of agricultural land to foreign citizens on May 1, 2011. But this has been postponed for three years. It is expected that land prices will increase dramatically once the market is open to foreigners. Already, agribusiness companies and investors view Lithuania as a good investment opportunity, thanks to its good climate, political stability, economic development and EU membership.

2. Viva Sol

2.1 Origin

Viva Sol is an association of cheese eaters and producers, established in autumn 2006 by 2 farmers and 2 eaters[3]. Its mission is to develop and maintain solidarity relations between city and country, and contributes to the settlement of small farmers and artisans in rural Lithuania. Viva Sol believes that the countryside becomes alive through the development of many autonomous units of activity. Viva Sol emerged as a response to the growing need to re-engage producers and eaters. It advocates small and responsible farming that can generate economic, ecological, and social added value.

3 - Viva Sol's name comes from Viva – latin for 'long live', and Sol – sun, salt, earth in various languages. See: www.vivasol.lt

Such farms can be defined by four criteria:

- All the work is done by the farmer, with no additional wage-labour;
- The farmer's purpose is to produce, process and sell;
- There should be environmentally friendly practices in all stages of production, processing and selling;
- Farmers should rely on their own labour, with as little investment as possible.

More generally, Viva Sol believes that a certain renaissance of rural Lithuania will emerge from this approach to farming and the new settlers that it will attract, who are more open to local, sustainable farming. Two of the founders of Viva Sol are farmers who were new entrants to farming and who had previous business experience outside farming (and outside Lithuania), through which they got to know about alternative, ecological and peasant forms of farming. They chose to establish themselves as farmers and to adopt a peasant approach to farming, based on small-scale production, limited inputs, environmentally-friendly production practices and strong links with consumers and local inhabitants.

The personal story of Valdas Kavaliauskas, spearhead of Viva Sol, is exemplary of such an evolution. After 15 years working in international companies, Valdas decided to settle in a village 50km from the capital Vilnius, and to start cheese-making, which he had learned in Normandy (France). Together with his wife, Rasa, they understood that surviving in the countryside depended on production of food for themselves, with a little extra for sale. After spending their first winter in the countryside on only €60 per month, they saw that for a quality life a certain compromise is needed between autonomy and the market. Hence they understood the need to connect with consumers, and to found an organisation – Viva Sol – to underpin this connection.

2.2- Activities

Viva Sol is based in the village of Dargužiai, near Vilnius, where two of its farmers are established. In 2011, it has 10 members, equally city and village people. It has a council of 5 members and one executive director, all voluntary. There are no permanent staff[1]. In addition to its members, Viva Sol also has about 500 active supporters throughout the country. Supporters commit to attending events and joining initiatives on a regular basis. Viva Sol's annual budget is around €10,000, which is mostly funds for projects[2], all of which are financed

1 - There are many debates inside the association, whether to expand and employ, or not. For the moment Viva Sol's position is more of a think-tank with an official flag, with very little internal bureaucracy.

2 - Dairy sheep and goat project, knowledge transfer project, workshops.

from external sources. Membership fees and donations make 200 Euros per year. In spite of being quite small and with no permanent staff, Viva Sol has already developed a wide range of activities, over several areas of work.

Farmers' Markets

In autumn 2007, Viva Sol started its first project: the SOLmarket, a farmers' market centred on the idea of solidarity between producers and eaters. It enabled four small farmers producing cheese and bread to market their produce directly, once a week, in Café de Paris, in Vilnius old town. It was started as a result of solidarity relations between two of the farmers and three eaters, including the chef of the café. It was conceived both as an opportunity to better market the products and to organise direct, regular exchanges between producers and consumers. In summer 2011 the SOLmarket was renamed the Cheese Market.

In 2009, two more markets were started in two villages, one to the North and one to the South of Vilnius. The aim was to develop local consumption of locally produced food. These initiatives died out in 2010 as the participating farmers acquired enough regular consumers who were prepared to pick up the products at the farms, rather than going to the markets.

Vegetable Box Scheme

Inspired by the French AMAP and Community Supported Agriculture schemes, Viva Sol encouraged farmers to create direct and regular commitments with consumers. In 2010, two vegetable growers started a subscription scheme, with weekly delivery of vegetable boxes to about 10 households. In 2011, only one of them has continued, with 40 consumers.

Supporting small-scale breeders

Since 2009 Viva Sol has run a project, together with Heifer international, called 'Promotion of Dairy Sheep and Goat Husbandry in Lithuania Combining Traditions with Innovations.' Its aim is to distribute milk sheep and goats to about 15 small farmers, as well as provide them with cheese-making, animal health and marketing skills. This is a means for family farmers to diversify their activity and generate new income, and for new entrants to get established more easily. Once the animals they received have offspring, the farmers are asked to pay forward (or pass on the gift, as Heifer International says), by distributing the same number of animals to other small farmers.

Environmental agriculture

Together with the Baltic Environment Forum (BEF), Viva Sol has started an initiative called 'A Different Farming'[3]. They have organised a network of ten farms to demonstrate the additional value to farm produce given by environmentally friendly farming practices. Together, they also run training and information sessions for farmers, local authorities, environmentalists, etc. which address the issue of the importance of agriculture to environment protection.

Cheese-Makers' Home (Sūrininkų Namai)[4]

In spring 2010, Viva Sol started a not-for-profit company, the Cheese-makers' Home, with the help of a young French couple who are professional restaurateurs. It is located in Valdas's house in Dargužiai, which he rents out while he is away during the summer for the transhumance. His simple country house is fitted out with a professional kitchen, large tables and a terrace.

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3 - See: http://www.agroaplinkosauga.lt/
4 - See: www.surininkunamai.lt

The Cheese makers' Home sells locally produced cheeses, bakes bread, and cooks food with the neighbour's vegetables. Apart from four local cheese-makers, the institution involves other village people, including an accountant, a waitress, a vegetable grower, a milk producer and maintenance workers[1]. This amounts to six people in total. In the 2011 season, Cheese-makers' Home will increase the village population by 7 more people (volunteer workers from outside who come and live in the village).

Besides offering food through the restaurant and shop, the Cheese-makers Home also organizes concerts, training, social activities and serves as a meeting place for the villagers. Some activities are also organised to present Viva Sol and its activities, which is much more easily done in this context. For its first season, the Cheese-makers' Home had an average weekly turnover of 2000 Euros. It ended the season with a surplus of 2500 Euros. As a non-profit organization, Cheese-makers' Home decided to invest all its surplus in Viva Sol projects, such as the SOL Hatchery and Land Fund. In 2010 it lent 2300 Euros to Viva Sol to finance a visit by a group of ten Lithuanian eaters and farmers to the Terra Madre gathering in Turin, Italy[2].

Valdas' farm, where he lives in the winter, hosts not only the shop/restaurant building, but a newly renovated, traditional stable for 5 cows, a country house and a cheese-making facility with a cellar. In 2012 there will be a new wood-burning bread oven, capable of baking 50kg of bread at a time. Potentially, the estate can host 2 families, who would manage the farm shop and an educational farm. Being only 50km from the capital, Cheese-makers' Home has great prospects to develop as a showcase of solidarity relations between city and country. By 2013 it should be open all the year round.

European project on knowledge transfer

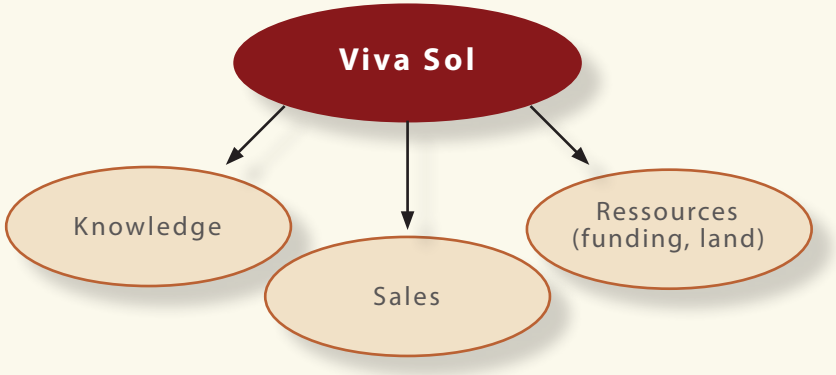
Together with partners Bioselena (Bulgaria) and Savoir-Faire Et Découverte (France), Viva Sol is engaged in a project for sharing high ecological know-how within a European network of professionals. The project funded by the Grundtvig programme for life-long learning took place in 2010-2011. Some 30 professionals came together to work on active pedagogical methods for the more effective transfer of know-how.

1 - There are 155 houses, and 250 people in Dargužiai. In 2002 the village had 250 cows, now has 35. There are 6 people (including the three cheese makers) whose main income is generated by farming.

2 - Viva Sol had a National Rural Network funding for that, but for various reasons the money arrived 7 months after the travel, and to be able to carry out the project, Viva Sol had to borrow. It shows the need of micro-crediting for NGOs, that does not exist in Lithuania.

2.3 Answering the needs of small farmers

After five years of existence, Viva Sol has synthesised its work into three main directions, to answer the needs of small farmers.



Sales is currently the most developed part of Viva Sol's work. Over the past four years, nine farms have benefited from help: 4 newcomers and 5 established farmers. The Cheese Market in Vilnius, which will celebrate its 5th birthday in autumn 2011, is the main income source for three cheese-makers and one baker. It also served as a stepping-stone for five more farmers, and is a great example to many others[3]. The box scheme model, which was widely promoted, finally has vegetable-growers and receives much public attention. The project aimed at bringing back local food to villages is lagging behind, as both markets have closed.

What has ceased to exist in Lithuania is ***knowledge*** about how to run a small-scale, environmentally-friendly farm that processes its produce and generates a high added value. The formal agricultural education is aimed either to serve science or factory farms. And pesticide providers are increasingly more active in educating their clients. Viva Sol has started engaging in training and promoting the small-scale farming model since its establishment. It has now joined forces with the Baltic Environmental Forum and international partners. Together, they have prepared and run a series of video lectures on small farming and environmentally-friendly techniques. In addition, Viva Sol has conducted numerous workshops on cheese-making, animal husbandry, marketing, etc. mostly as part of the project run with Heifer International. But Viva Sol would like to develop its training activity and promote a more systematic training system for peasant farmers wishing to engage in environmentally-friendly practices and community connected farming. This should begin to take shape from 2012, with the creation of SOLhatchery, in connection with a local crafts school. It will provide both theoretical and practical training for new entrants, covering a wide range of topics

3 - In 2010 Viva Sol has been contacted by about 30 families, who wish to start up a country life according to the same model.

including farming, food-processing, business and marketing skills, and environmental protection.

Usually those willing to start-up a small farm lack not only knowledge and marketing experience, but also resources (funds and access to land). The project with Heifer International has so far provided 6 farmers with dairy sheep and goats. Thanks to the 'pay forward' scheme, the number of farmers benefiting from the project will automatically grow over time and create a community of small farmers. The Cheese-makers' Home is another interesting way to generate more income for farmers, and has received much attention.

Viva Sol has not yet addressed the issue of land. Since 2008 it has envisaged creating a Land Fund to raise investments or donations in order to buy agricultural land. This land would be rented out on favourable terms to small-scale farmers. Viva Sol has started exploring the issues involved and examining concrete examples, but is for now faced with the difficulty of finding enough resources to start the fund. This is becoming a pressing issue, as several Viva Sol farmers graze their animals on land that is held on short-term leases.

Viva Sol has also tried to voice the needs and concerns of small farmers. In 2010 it hosted every main official with responsibility for agriculture in Lithuania. This included the minister of agriculture and two vice-ministers, the head of the parliamentary committee of rural affairs of the Seimas[1], and President Dalia Grybauskaitė. This meeting indicated that Viva Sol and its farmers are everyone's pride, but at the same time they are not regarded seriously enough. Indeed, they are widely seen as archaic or marginal in terms of their role in the economy, rural development, environmental conservation, and social inclusion. Viva Sol nevertheless managed to influence regulations on semi-subsistence farming, in favour of small farmers. As a result of Viva Sol's exchange with the President, the Ministry of Agriculture recently reduced the lowest ESU census measure of Axis 1 in the Lithuanian Rural Development Programme, to the benefit of semi-subsistence farmers. Moreover, with its well-developed marketing practices and lobbying, Viva Sol has created the possibility for the development of numerous farmers' markets in Lithuania today[2]. Ten small farms are now working according to its farming and marketing model – four in south-east Lithuania, connected to the Cheese-makers' Home, and six operating individually in other regions. There are also two sales points that have been developed which ensure stable incomes to the farmers (Cheese Market and Cheese-makers' Home).

1 - The Seimas is the Lithuanian congress of public representatives

2 - About 50 new ones all over the country, playing on the positive image of "the farmer", developped since 2007 as a result of Viva Sol lobbying and changing conditions of agricultural markets.

2.4- Bringing people together

Viva Sol seeks to organise initiatives to help village people and city dwellers meet. Its vision is that acquaintance will grow into trust, and trust into solidarity. The association is working to open each one to the other: the producer and the eater. The Cheese Market in Vilnius, Viva Sol's first activity, is emblematic of this effort to re-engage consumers and producers. It now brings together 4 farmers and about 500 consumers. Although it is open to all, most consumers are regular customers, who come to the market every Sunday. Besides being a market, it is also a place to organise direct exchanges, build interpersonal relations and present Viva Sol activities.

The central farmers of Viva Sol, three people with urban/international backgrounds, find it easy to organise a talka – a common work-party with some 30-50 people cleaning the stables and afterwards eating a common meal. But such activities are clearly more easily done by "new" farmers, than by long established ones. Talka serves as a showroom for the farmer. The eaters see him in his surroundings, allowing to build their trust in him. In this way, Viva Sol argues, the openness serves both producer and consumer, as no additional labelling agency or quality check is needed when there is a direct relationship based on trust.

While new entrants find it easier to develop direct connections with consumers or engage with other stakeholders, this is also the basis of a latent conflict with villagers. Different approach to land, agriculture and commerce, different values and different quality standards make the new settlers look strange to the majority of the village population. On the one hand, the new farmers would like to open up to the consumers, but on the other hand the village in general is rather unwilling to be exposed in this way. And this is a major problem for community-connected farms in societies where there is no precondition for mutual trust.

On the other hand, encouraging eaters to commit more is another important part of Viva Sol's work. Viva Sol sees the producer and the eater as solidarity partners with a common purpose. So eaters are encouraged to participate in the box schemes (SOLbasket), to get a deeper understanding about the origins of food (Slow Food Vilnius), and to financially engage into the construction of a lively village (Land Fund).

3- Audrius Jokubauskas farm

3.1 Personal history

Originally a dancer and journalist, after quitting law school, Audrius found his way to the countryside. In 2007 he joined Viva Sol to help establish the SOLmarket in Vilnius. Getting deeper and deeper into understanding where farmer's products come from and what is needed for them to exist, Audrius found himself one day digging manure with a pitchfork. In 2008 he did a 6-month internship on Valdas' farm, making cheese and looking after goats. That same year, they wrote a project for Heifer International, to receive 40 dairy sheep and 40 goats. 20 sheep were intended for Audrius, the rest of the animals to create a small farmers' network. In April 2009, after a month long, intensive, internship in the French Alps, Audrius settled 2km outside Dargužiai village, 50 km south-west of the capital, Vilnius. He now milks 20 sheep and sells his cheese in the Cheese Market, as well as in the Cheese-makers' Home in Dargužiai. Audrius plans to have 45-50 sheep in 2014, and then to limit himself to this flock, so that he does not have to hire people, or invest in expensive buildings and machines.

3.2 The farm

Audrius rents a farm (with a contract for 3,5 years) that comprises 7,5ha of pastures, a house and two farm buildings. The territory is flat, low and swampy, which together with the River Merkys, creates an outstanding habitat for birds. The land is rather poor, and thus ideal for extensive animal grazing[1]. The farm buildings are adequate for the hay and animals. Audrius did not construct any buildings or buy equipment, so he relies on fellow farmers to make him hay and harvest grain. The farm produces cow and sheep milk cheeses and yoghurts. The cheeses are sold fresh, and some are matured in a stone cellar under the house. In winter the farm also produces bread. About 5% of the farm's produce is consumed by Audrius and his family.

Audrius is the only full-time worker on the farm. Additional help comes in three times per year: manure clearing, hay loading, and so that he can have a winter vacation. This help mostly comes from friends and eaters. In winter, when the milking season is over, one or two eaters come to take care of the animals and discover country life for a couple of weeks.

His daily work includes milking, feeding, making cheese and selling it. All the work is manual, as there is no equipment and Audrius does not see much of a need for it at the moment[2]. The equipment he uses in his daily work is a gas stove, a large pot, a thermometer, a knife and several plastic buckets. His total investment to start the production amounted to 600 Euros. Other equipment includes a sheep-shearing machine and manual tools. However, he rents a neighboring certified dairy, as his own is under construction, which should cost 3000 Euros.

3.3 Economic model

The products are sold in the Cheese Market (all year) and the Cheese-makers' Home (May-October). The Cheese-makers' Home keeps 20% of the revenue as commission. The commission paid by all 4 cheese-makers is enough to maintain the sales-point and pay the salary for the local sales-person. The price charged for the products is based on the cost of the milk, and constructed as follows: 1/3 milk + 1/3 processing + 1/3 selling. Selling through the Cheese-makers' Home implies

1 - Crop yields are 5 to 6 times lower than in central Lithuania.

2 - Thus, Audrius has a milking machine, but milking with it, and then cleaning takes more time than milking by hand.

that, of the 33% which would be considered as the margin, only 13% reaches the farmer's pocket. A wholesaler or a shop would add at least 50% on top, which would mean that Audrius' cheese would either not cover its production cost, or become too expensive. At present Audrius can afford to sell at up to 60% lower than supermarket prices, and still be cost-effective.

Audrius does not receive CAP subsidies: the landowner has registered as the beneficiary and manages to keep the entitlement as Audrius's lease is only short-term[3]. On the other hand, the taxes for small-scale farmers are very low. As dairy sheep in the Lithuanian ESU methodology count the same as other sheep, Audrius' farm has the size of 0.25 ESU, and, like other farms under 2 ESU, only has to pay 24 Lt (€7) per month for health insurance[4]. Over his first three years Audrius was able to develop the following annual financial scheme, which indicates that Audrius gets a salary of about 371 Euro per month. This enables him to maintain the farm and a satisfying quality of life, but does not provide him with the means for further investment, which is needed in order to have enough pastures for 45-50 sheep.

Income		Expenses (in €)	
Number of Sheep	20	Hay	580
Milk from 1 sheep / year (in l)	200	Grain	868
Selling price of 1 l milk (when transformed into cheese) (in €)	2,60	Veterinary services	600
		Farm rent	600
		Transformation and sales costs	1.500
		Minor investments	1.800
Annual total income (in €)	10.400	Annual total expenses	5.948
Average monthly income (in €)	866	Average monthly expenses	495
		Annual total benefits	4452

While it is a good option for start-up, initial learning and experiments, the current farm will soon not be big or secure enough. At the end of his current lease (July 2012), he will have either to buy the farm and add land to it, or move to another farm. There are three reasons why he does not want to stay in his current location. First, it has poor access from the road. Second, the pastures are rather humid, which is a problem for the sheeps' health. And last, house prices in such proximity to the capital are too expensive for this type of farming. As a result, Audrius' project is to start an environmentally friendly farm in Dzūkija National Park in south-east Lithuania, close to the Belorussian border. The region is famous for its untouched nature (there were no Soviet kolhozes in this area), preserved traditional lifestyles and an emerging community of city

3 - To compensate part of the loss, Audrius negotiated with him that he pays for the annual hiring of a tractor to cut the hay.

4 - Farmers start paying income tax when their farm is above 14 ESU, and VAT for annual income above 100,000Lt (about 30,000 Euros)

expats with an alternative vision of rural community. But at the same time, there are very few farmers in the region. He is currently looking for a farm to suit both his and potential investor's needs. Audrius would buy the land, and then rent a farm bought by the investor, with an initial contract for 15 years. The budget of the project is as follows:

Land	20 ha	868 Eur/ha	17.360 Eur
Farm	3 buildings + house		43.000 Eur
		Total	60.360 Eur

Conclusion

The rapid development of Lithuanian agriculture has left many gaps, including ageing farmers, fewer small scale farms, declining social diversity in rural areas, biodiversity that is in danger and, above all, market-oriented intensive farming that leaves no physical and mental space for an alternative model. The Lithuanian countryside is being taken over by subsidy-driven agribusinesses.

However, Viva Sol is able to use the advantages of a small country, a favourable tax system, and a moral appeal to help promote small-scale, community connected farming. As Lithuanian agriculture advances towards the European model, Viva Sol might face an increasing demand for assistance in re-establishing consumer-producer relations. However, its means (time, money and people) are increasing only very slowly. This hampers, for the moment, its ability to react quickly enough to policy changes, and to explicitly formulate and communicate its model. Viva Sol seeks to promote the settlement of new farmers with community connected models of farms, through work on strengthening knowledge, sales and resources. While the knowledge and sales aspects of Viva Sol are developing well, the question of resource, primarily land, is lagging behind. The confusing results of the land reform process, and the forthcoming foreign investment in land, add to considerable uncertainty about the future of rural Lithuania.

Agricoltura Nuova: a Multifunctional Cooperative Farm integrated in its territory

Periphery of Rome, Italy

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

Marta Fraticelli, aGter

November 2011

Agricoltura Nuova: a Multifonctional Cooperative Farm, integrated in its community and territory

by Marta Fraticelli, aGter[1]

Overview

Agricoltura Nuova is an agricultural cooperative located on the south-western periphery of Rome. The cooperative was formed in July 1977 when a group of young unemployed people from Rome occupied 180 ha of agricultural land that had been designated for non-agricultural development. Their goal was to transform this land into a workplace and a residence, hence defending it against urban expansion. The cooperative was – and remains - a unique experiment that came out of a very particular historical context associated with social protest against the excesses of a rapidly modernising Italian society.

Over the last 30 years, Agricoltura Nuova has formed a strong relationship with the residents of Rome. From the start, the Cooperative has managed to mobilize support from the local community, particularly in preserving the agricultural use of the land and, more broadly, maintaining local agriculture around Rome. Over the years, the Cooperative has changed, but has remained true to the ideals and goals of its founders. Successive decisions all had the same unifying thread: to create an alternative rural space that breathes new life into traditional agricultural practices and values, wherein farmers manage complete production cycles, from working the land to selling food that has been processed on-site.

1 - Site : www.agter.asso.fr

1. The Italian Context

In Italy, as in other western European countries, agriculture is a minor economic sector. In 2009 it accounted for 1.8% of the Gross Domestic Product (GDP) and 3.9% of the active population (compared to 5% in 2000)[2]. Italy is a mountainous, hilly country; plains only occupy 23% of the territory, principally in the north. There is considerable regional diversity: in the north-centre of the country, agricultural production covers less than 40% of the territory, 1.6% of the GDP and 3.9% of the active population. In the south, it covers half of the territory, 3.4% of the GDP, and 8.6% of the active population.

1.1 Access to land

Evolution of farm structure over time

Land ownership has historically been polarized in Italy. There were a large number of small farms and a very small number of large, latifundiary farms[3]. The land redistribution policy of 1950, which consisted of agrarian reform and the creation of an office for the formation of a small-holding peasant class, led to the virtual elimination of very large properties. However, it did not prevent the smallest landholdings from fragmenting into even smaller ones. Subsequent land reform policies have not been able to reverse this trend.

In the wake of the agrarian reform, Italy underwent a major rural exodus in the 1960s and 1970s. This change occurred later than in most European countries. A simultaneous process of modernization and mechanization further exacerbated inequalities between the different types of farms.

2 - A. D., L'agricoltura italiana conta 2010, INEA, 2010. The figures from this section were taken from this work and from the Italian Statistical Institute (ISTAT)
3 - Latifundiary farms are large industrial agricultural units often producing a limited number of crops for export.

Current dynamics: continued reduction and concentration of the Utilized Agricultural Area (UAA)

The number of farms in Italy has almost halved since 1990. At the same time, Italy's utilized agricultural area (UAA) has been significantly reduced: in 2007, at 14.2 million hectares, it accounted for 16% less than it had in 1990[1]. The decline in the UAA has essentially been caused by urbanization and associated development. Uncultivated land is also a considerable problem, with approximately 500,000 ha of unused agricultural land in Italy that has not been put up for sale or rent[2].

Property has also become extremely concentrated: farms of more than 50 ha, numerically the minority (2.4%), take up 50% of the utilized agricultural area[3], while farms of less than 5 hectares (73.4%) only occupy 15.8% of the utilized agricultural area. Most concentration has occurred in the north of the country, where the majority of capital intensive farming companies are located. In the south, agriculture still creates many jobs and plays an important social role. The state of the land market has seriously restricted the expansion of existing farms and access to land for new farmers: each year only 2 percent of the utilized agricultural area is involved in a transaction of any kind, and land prices are very high (with an average price of €17,500/ha in 2008). Italian farmers have developed a number of different strategies to deal with these constraints: they have intensified their systems of production, diversified their activities, chosen to concentrate on high value-added products (organic farming, processing at the farm, etc.), farmed part-time, and externalized certain agricultural activities[4].

1 - Source: FAO http://faostat.fao.org
2 - L. Gallico, Promuovere il diritto d'uso rispetto al diritto di proprietà, BioAgricoltura, March-April 2011
3 - A. Onorati, Nessuno vende la terra su cui cammina il suo popolo. A parte gli stolti, BioAgricoltura, March-April 2011
4 - The purchase of external services consists in contracting out certain activities (labor, harvest, etc.). This has allowed many smaller farms to survive.

1.2- The success of local and organic agriculture

In Italy, organic farming has increased significantly over the last two decades. Between 1993 and 2000, the UAA used for organic farming grew from 0.6% to 8%, and the number of farms from 4,700 to 54,000[5]. Italian organic production is greater than organic production elsewhere in Europe, both in terms of the surface area utilized and the quantities produced. In 2009 it accounted for 10% of the world organic market. This is above all the result of the agro-environmental measures put in place under the CAP in 1992. It has also been reinforced by the success of direct sales and the use of organic food in large scale catering (restaurants in schools, hospitals, public authorities and large companies, for example).

Direct sales have expanded considerably over the last few years (+32% from 2007-2009); consumers are seeking out fresher and healthier products, as well as products that have been produced with local knowledge and traditional methods. Direct sales have principally been developed through farm shops and through producers' markets. From 1994 onwards, "group purchase organizations" ("Gruppi di Acquisto Solidali" or GAS) multiplied very quickly. A GAS comprises at least 5 households who make a combined weekly group order directly to producers, mostly of local and/or organic products, but also of imported foodstuffs and non-food products such as clothes. This system differs from that of AMAPS/CSAs, which focus on food products and encourage interactions between producers and consumers. There were more than 750 GAS in 2010.

1.3- Social integration through agricultural activity: the growth of "social agriculture"

The term "agricultura sociale" designates agricultural activities that integrate social services aimed at the training and social

5 - Trisorio, A., Misurare la sostenibilità. Indicatori epr l'agricoltura italiana, rapport INEA, 2004

integration of dependent, disabled, and/or marginalized individuals (children at risk, unemployed, etc.)[6]. Activities of this kind were first developed in the 1970s, in co-operation with youth movements in favour of cooperative agriculture, against drug addiction, and against conditions in prisons and psychiatric units. A number of different legislative measures have contributed to the emergence of this form of social agriculture, in particular the "Basaglia Law, 1978", which required that psychiatric units should be closed and also provided legal status for social cooperatives. The law distinguishes 2 different types of social cooperative: Type A, which provide socio-sanitary and educational services, and Type B, which offer activities that facilitate social integration.

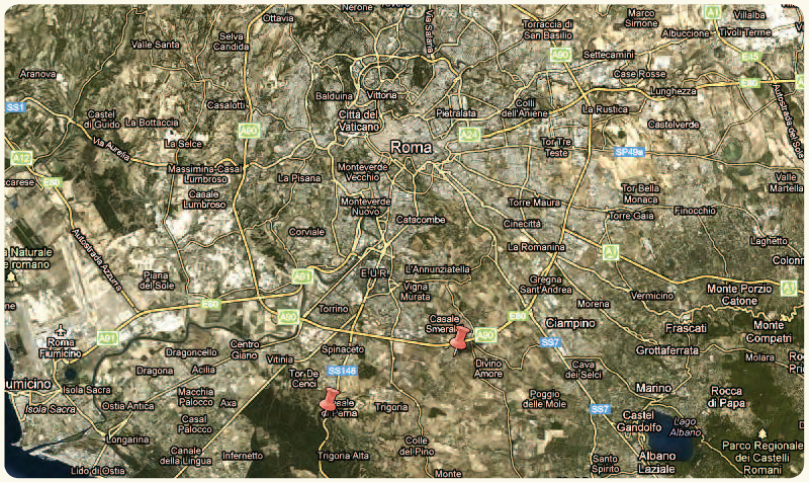
In 2001, the legislative decree 228 legitimated agriculture's 'social' status by recognizing both its multifunctional character and the social activities associated with it. Many agricultural cooperatives provide an organized approach to improving the relationship between rural and urban communities, by offering education activities to schools. These are referred to as "educational farms."

"Social Agriculture" is currently widespread in Italy: in 2007, there were around 2000 such farms, of which 470 were Type B. The majority of these farms use organic methods while maintaining the more general goals of environmental conservation and worker and consumer health.

6 - A. Ciaperoni, L'agricoltura sociale biologica tra nuovo modello di sviluppo rurale e nuovo welfare locale, in the issue AIAB "Bioagricoltura sociale, buona due volte' AIAB 2007

2- Agricoltura Nuova today

2.1 A multifunctional farm located in the periphery of Rome



Agricultora Nuova is a large multifunctional organic farm started in 1977. It occupies some 250 hectares, in two locations to the south of Rome, just a few minutes from the ring road. The first of these two locations, "Castel di Decima," where the cooperative was founded, consists of 180 hectares belonging to the municipality of Rome. The second site, at "Castel di Leva," a few kilometres to the east, belongs to the Santa Catarina religious conservatory. The conservatory, which owns a significant amount of land in the region, is involved in a range of activities benefitting socially marginalized people. In 2006, it offered to rent 70 hectares to Agricoltura Nuova, which was already renowned for its achievements in the field of social agriculture, as a way to expand employment opportunities for people with disabilities.

Agricoltura Nuova was started by a group of young people who decided to occupy an abandoned farm. While they started as a conventional farm, they rapidly reoriented their activities towards a diversified organic farm, processing food products (dairy products, bread and pasta, etc.) and focusing on direct marketing. It has also developed a broad range of social and pedagogical activities to give access to the farm to visitors and schools. These activities are a means to engage with the local community, to consolidate relationships with a range of local players and to diversify income.

2.2 A Workers' Cooperative

Agricoltura Nuova was founded as a workers' cooperative to own and run the farm. For a long time, all those working and living on the farm had the status of 'associates' who were involved in the management as well as the work of the cooperative. As the organisation has grown, fewer associates have lived on the farm, while the cooperative has also recently started to hire contract workers. There are currently 50 workers, employed in a range of activities: farming, food-processing and sales, educational activities, etc. Of these, 27 are associates, and 23 are contract workers. The Cooperative is currently seeking a way to better involve the latter, either as associates or under a different status.

The Cooperative is managed by the 27 associates, who each have one vote. Profit cannot be shared out between associates and must be invested in productive activities. Each production sector (gardening, sheep husbandry, cereals and bakery, etc.) is relatively autonomous: the choice of products and production methods are decided by each sector, which then communicates with other sectors regarding the appropriate quantity to produce.

2.3 A large diversified organic farm

The cooperative has been a certified organic farm since the 1980s. It produces a broad array of products, from the cultivation of fruits and vegetables to the processing of grains into bread and fresh pasta.

Fruit and vegetable gardening
This is the farm's dominant activity. It is also its most diverse. Vegetable and fruit cultivation is extensive and spread throughout a variety of rotating locations linked to cold greenhouses and tree nurseries.

Cereals
The Cooperative produces a wide range of cereals. Half of the cereals used for processing bread, pasta, and other bakery products come from the farm, with the other half bought in from outside.

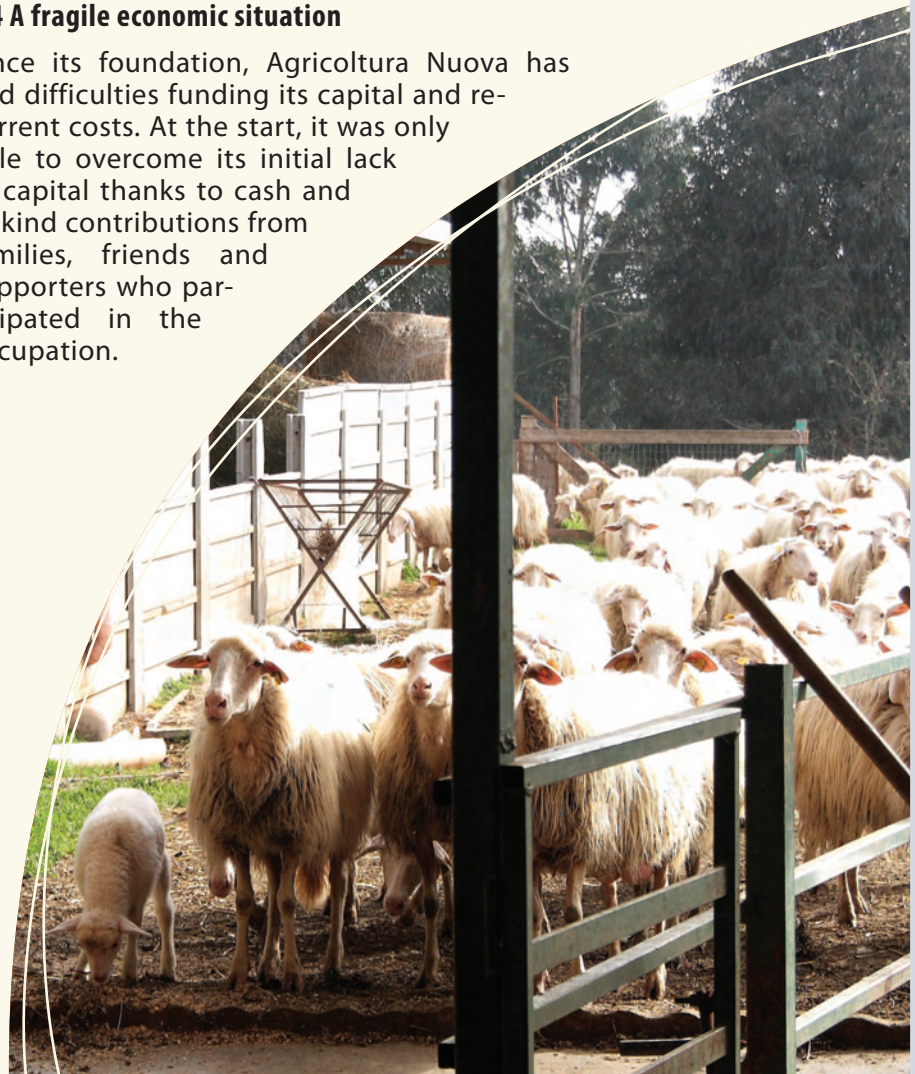
Sheep husbandry and cheese production (ricotta, pecorino, yogurts)
A flock of 1000 Sarde ewes, known for the quality of their milk (which is used in pecorino cheese), graze on 150 hectares of extensive prairie. This is supplemented by grains (barley and oats) over the course of their 180 day lactation period. They produce one litre of milk per head per day. 90% of the cheese produced is distributed through direct sales. The cooperative's cheeses have received many awards for "best regional organic product."

Additional livestock: lamb, veal and pork
These animals graze and consume a mix of horse beans, bran, corn, and barley. Animal feed is grown on the farm as a catch crop.

Beekeeping
Thanks to more than 400 hives, the cooperative produces six different kinds of honey (more than one hundred quintals), honeydew, royal jelly, and pollen. These are all produced organically and sold on the farm or in local markets.

2.4 A fragile economic situation

Since its foundation, Agricoltura Nuova has had difficulties funding its capital and recurrent costs. At the start, it was only able to overcome its initial lack of capital thanks to cash and in-kind contributions from families, friends and supporters who participated in the occupation.



The Cooperative's economic situation has slowly stabilized over time. In 2009, it had a turnover for goods and services of 2,22 millions euros (2,37 Mi euros in 2008). It also had an estimated 200,000€ worth of food consumed by the cooperative's workers. About a third of the agricultural turnover comes from fruits and vegetables, and over a third from dairy products. Very little of the farm's income is derived from CAP payments (about 90,000€ in 2009).The cooperative sells all its food directly (through farm shops, markets stalls, GAS and the farm restaurant), which has proved much more profitable than wholesaling. Non agricultural activities (mostly the restaurant and educational activities) have become a significant part of the Cooperative's income.

Thanks to its widespread recognition, the quality of it products, and its reputation as an innovative local farm doing social agriculture and a range of other activities, Agricoltura Nuova has managed to establish a large and stable pool of customers and supporters. It has also consolidated its appeal to local authorities and now receives public funding for various projects (an information centre on renewable energy, agronomic and food-processing experiments, etc.). Life however remains hard for the Cooperative, as for many small and large diversified farms, and it does not always make a profit.

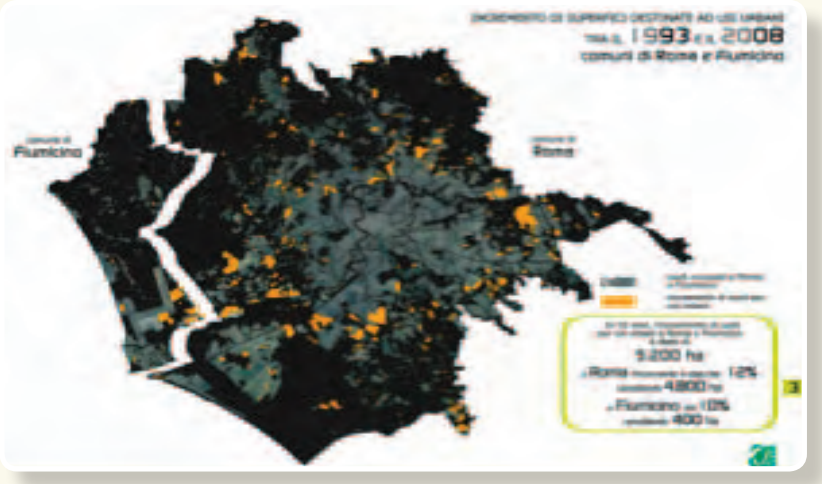
3- Agricoltura Nuova's long struggle to acquire land rights

3.1-Urban pressure on the outskirts of Rome

Unlike many other European capitals, Rome has retained a significant amount of green space and rural land. With 52,000 hectares of agricultural land (about 40% of the municipality's surface area), Rome is the most agricultural municipality in Europe. A third of this agricultural land is public property. In 2006, there were roughly 1900 farms, including 200 farms of more than 50 ha. Many of them now include on-site food processing and/or have converted to organic farming over the last few years. Rome also possesses a lot of natural space and an impressive degree of biodiversity. Municipal, departmental, and regional administrations have accomplished much in the way of managing this natural, agricultural, and cultural heritage.

Despite the presence of farming and green space, commercial and housing pressure around Rome is considerable. There has been large-scale development on the city's periphery since the end of WWII. In many cases, land has been illegally developed, with the apparent acquiescence of public authorities. It has led to the formation of extensive commuter neighbourhoods that lack basic services. Agricultural lands were the first to be developed; absentee latifundist owners profited from this by leaving their property unutilized in the expectation of non-agricultural development. From 1962 onwards, urbanization plans have attempted to manage land usage more closely and to limit urban expansion. In a 2011 report, Legambiente, the Italian League for the Protection of the Environment, denounced the pace of development around Rome: between 1993 and 2008, 4800 ha, or 12% of the municipal territory (indicated in yellow on the map), was urbanized. The area that extends towards the sea, which includes both Rome and Fiumicino, was the most affected.

Conversion of land to urban uses - 1993-2008 (source: Legambiente, 2011)



3.2- Founding the cooperative: from illegal to legal occupation

A cooperative founded under exceptional circumstances

On July 2nd, 1977, a group of 30 young people, students and former agricultural workers looking for work occupied 60 hectares of the "La Perna" estate, which had been abandoned for 25 years. Although the municipality of Rome had purchased the property in 1960, they were tacitly tolerating a local absentee owner, who was claiming ownership of the land in the hope of developing it. The project in question involved the construction of a residential neighbourhood capable of housing 6000 people on 86 ha. In occupying the land, the cooperative's founders aimed to preserve its agricultural function, and to create employment for young people who wished to return to the countryside.

From the beginning, the collective enjoyed the support of family, friends and volunteers, who provided them with a tractor, plough and tools to work the earth. Buildings abandoned for decades were very quickly restored and transformed into housing and agricultural infrastructure. Residents from

surrounding neighbourhoods supported the members of the cooperative in their effort to prevent the area from being urbanized. The cooperative organized a call for subscriptions for the purchase of tools, seeds, and fuel, with contributors being asked to make a once-only payment of 500,000 lira (€258 today). The first harvest was sold two months after the start of the occupation. During the months and years that followed, the cooperative became very popular throughout Italy and Europe, attracting numerous young people who hoped to contribute to its success and development. Salaries remained very low during these first years, as the bulk of the cooperative's revenue was reinvested to improve the farm[1].

From the beginning, the occupation faced threats from previous residents, and the cooperative members frequently had to resist public authorities. Thanks to union and political

1 - In 1978, the 12 members of the cooperative were receiving a monthly salary of 70 000 Lire, thanks to fees and voluntary contributions (source: "Il Corriere della Sera").

support, they were able to remain on the land for 20 years. They received considerable aide from the Federation of Agricultural Workers (la Federbraccianti), the Peasants' Alliance, and the Regional Association of Agricultural Cooperatives. Support also came from agricultural cooperatives in the north of Italy which, for example, waited until after the harvest was sold to receive payment for seeds and fertilizers. The cooperative also enjoyed the support of all the Italian environmental organizations, who were fighting to append a clause to Rome's urbanization plan that would protect "remarkable" areas because of the quality of their landscape, environment, or cultural heritage. In the very polarized political context of the 1970s and 1980s, the support of the communist party was also decisive: it provided both day to day advice and conveyed the cooperative's needs and requests to political authorities in Rome. Because of the power and influence of the construction industry, however, the cooperative's relationship with the municipality of Rome was quite difficult, even during left wing administrations.

Towards the recognition of land rights

The occupation initiated a 20 year battle against the urbanization project and for the recognition of the cooperative's right to the land. In this fight, the cooperative highlighted the fact that they were occupying one of the few non-urbanized areas leading to the sea. Urbanizing this land would bring about the complete urbanization of the Tre Decime region (>1.400 ha), a haven for biodiversity and a natural water source for the city of Rome. The cooperative also relied heavily upon an agro-pedological study commissioned by the Deputy Mayor in 1978. This study emphasized the alluvial quality of the soil, which was appropriate for agricultural irrigation but would require significant investment in order to be viable for construction.

In 1989, the municipality ordered the cooperative to leave the land. From this moment onwards, it benefited from the support of its local district (the XIIth circumscription of Rome[1]), which approved of its request that the urbanization plan be modified. The Lazio region, which was able to mobilize a 1927 law guaranteeing civic usage rights of land in the "Tre Decime" region, also wished to prohibit further construction.

The cooperative finally obtained a tenancy contract for the Castel di Decima land in 1996. The contract required that the cooperative pay rent for the 19 years that they had already been occupying the land. The contract was negotiated in the context of an agreement between the agricultural assistant to the mayor and the construction industry. It granted permission to construct buildings only outside of the Tre Decime region, which was now designated as a protected natural zone.

1 - One of the administrative districts of Rome

4- Becoming an environmentally friendly, civically responsible and multifunctional cooperative

Agricoltura Nuova has evolved over the years and now has multiple purposes and produces a variety of goods and services. It is also nationally recognized as an historic experiment in "Social Agriculture" and as a pioneer in agricultural land preservation. The unifying thread of all its evolutions has been the will to construct an autonomous, alternative, agricultural model that is environmentally friendly and anchored in its territory.

4.1-From monoculture to mixed farming

Initially, the cooperative sold only to large scale retailers. This meant that only one crop was cultivated on the land, and production was entirely oriented towards the demands of the market. Bulk distributors sought large quantities of grains and vegetables (zucchini, broccoli, etc.). This system was both specific and demanding, and was not profitable for a farm of the cooperative's size; after 2 years, members began to think about other options. The cooperative chose to diversify its garden production and began cultivating trees and grains. It also began beekeeping and animal husbandry, both for meat (beef, pork, poultry), and other animal products (eggs, cheese).

4.2-From large-scale wholesale to direct sales

While the cooperative was diversifying its production it was also moving away from large scale commercial distribution and towards direct sales. In 1980, it stopped selling to bulk distributors and retailers and began selling its products from the farm and at local markets. The farm shop includes all of the cooperative's products as well as a variety of organic products from partner cooperatives and individual producers, to provide a wider range of options for its customers. The cooperative now sells at two local markets on the outskirts of Rome, five days a week. The success of these direct sales was such that, in 2010, the Cooperative decided to open a second farm shop at its new production site, Castel di Leva.

Since 2006, the cooperative has also sold fruit and vegetable baskets through GAS groups. At first, it collaborated with other local organic producers in this; together, they formed

a cooperative with its own quality control label, which kept prices down and provided an online ordering system[1]. But management problems eventually ended this collaboration, and Agricoltura Nuova now furnishes the GAS groups alone.

Selling directly has proved profitable: not only does it encourage the local sale of products, but it underpins economic viability and frees the cooperative from the requirements imposed by bulk distributors and retailers. It also reinforces Agricoltura Nuova's relationship with consumers, by encouraging direct contact with producers, providing information about the origins and history of products and building trust that encourages loyalty.

4.3-Conversion from conventional agriculture to organic and biodynamic farming

The cooperative started producing organically at the end of the 1980s; members were increasingly attracted by the possibility of non-chemical, non-genetically manipulated farming that would preserve the quality of the soil and ecosystem, as well as protecting worker health. This transition towards organic farming complemented the transition towards direct sales; eliminating intermediaries and providing quality products is what has allowed the cooperative to survive.

More recently, the cooperative has become interested in biodynamic agriculture. In 2010, it signed an agreement with the regional government of Lazio to begin a biodynamic trial on one piece of its land. The cooperative wants to be sure that it can obtain sufficient yields with this system before converting the entire farm.

1 - http://www.officinaebio.it/ This website offers small and large organic fruit and vegetable baskets (€7.50 and €14), plus a €3 deposit.

4.4-From production to processing

The cooperative has also engaged in on-site processing. This allows it to exercise more control over the production cycle and to benefit fully from the added value obtained from processing. It has begun this transition with the transformation of ewe's milk into pecorino cheese. It started out artisanally, using local knowledge, and then developed its production and expanded its range of products to include bread, pasta, jam, cakes, etc.

While diversifying its agricultural activities, the cooperative has also begun to engage in a number of non-agricultural activities as a way to diversify income, fulfil multiple social roles and create stronger connections with the local community.

5- A Cooperative integrated into its territory

Agricoltura Nuova is more than a place where food is produced and processed. It is a farm that is connected to its territory, provides social activities, forms bonds with local people and actively constructs partnerships with local economic actors and institutions.

5.1-Social integration of marginalized individuals

From the beginning, one of the Cooperative's goals was to create employment through agricultural activities. It very quickly expanded upon this objective in seeking to offer jobs to socially excluded people and individuals with mental disabilities. Ten of the cooperative's current workers (all associates) are going through a process of social integration. They work, but do not live on the farm, in a range of agricultural and non-agricultural activities.

5.2-A plural environmental approach

The cooperative's activities have always been designed to respect the environment and the landscape. It is also involved in the development of renewable forms of energy. In 1979, members equipped the farm with photovoltaic panels. They then installed a windmill, expanded the farm's use of solar panels and installed a rainwater collection system. More recently, the cooperative partnered with local companies to construct an information centre focused on eco-construction and renewable energy. The centre works to share practical information with both experts and the public. It allows visitors to watch the production of wind and photovoltaic energy, facilitating their comprehension of the way these systems work. It also provides visitors with the opportunity to evaluate the costs and the yields of this equipment and to explore a number of different funding possibilities. Since 2002, the Cooperative

has also been reusing the organic waste generated by the city of Rome's park and garden maintenance functions. It benefits doubly from this activity, in terms of soil fertility and a fee for accepting the waste.

5.3-An agricultural cooperative at the heart of the Decima Malafede Regional Park

While engaged in the fight for the recognition of its own rights to the land, the cooperative was also fighting for the creation of a protected natural zone. The agreement it signed with the city of Rome in 1996 also resulted in the creation of the Regional Park "Decima Malafede." The cooperative's lands are in the centre of this park. The park, which is managed by Roma Natura (a public conservation body) has prevented the urbanization of 6000 hectares of land and made possible the preservation of agricultural lands as part of a protected natural zone. The goal of the park's management is to balance natural landscape and habitat preservation with environmentally friendly agriculture.

If farmers provide services that valorize the regional territory (direct sales, tours of the farm, educational activities, promotion of regional products, renewable energies, etc.), they can make use of the "multifunctional company" label[1].

5.4-A place for exploration, information and education

With Roma Natura, the cooperative has become involved in the "Educational Farms" project initiated by the city of Rome. The project aims to develop educational activities around environmental issues and sustainable agriculture on farms surrounding Rome. Each year, 10,000 schoolchildren visit the cooperative to attend tours and agricultural workshops that demonstrate its various production and processing activities and discuss renewable energy sources. In workshops, children participate in the production of bread, cheese and wool, amongst other things. The cooperative also allows family visits. Its farm shop is the initial entry point to its activities. Visitors can also go to the restaurant, which is open every week-end, or use the picnic grounds, which are always accessible. Finally, they can go to the equestrian centre or visit the information centre on eco-construction and renewable energy. The cooperative also allows other groups to use its land for cultural, athletic, and scientific events.

1 - Roma Natura created a directory that includes all multifunctional farms in the region. These farms can use a logo designed by Roma Natura. Partnership projects between Roma Natura and these farms can be developed as a priority over other projects

5.5-The garden sharing project

Since 2006, the cooperative has rented 70 hectares in the Castel di Leva zone, which it farms with the participation of workers with disabilities, thus meeting its obligation to the Santa Caterina religious conservatory which owns the land. The Cooperative has opened a farm shop and a restaurant at Castel di Leva, allowing it to distribute and promote its products on an even wider scale.

Since 2009, the cooperative has also been collaborating with the organization "Sole, Acqua, Terra" on a family vegetable farming project. It has divided one hectare of land into 111 plots of 40 m^2, the surface area needed to satisfy the average family's annual fruit and vegetable needs. All products cultivated in these gardens are organic. The cooperative financed the creation of the gardens, and support for participants is provided by two agronomists who work for the cooperative. Each family signs a contract giving them access to their plot for 4 years, which is automatically renewable one time in exchange for a modest contribution (€350 for 8 years). The cooperative also offers paid services to these families (initial plot preparation, making wells and footpaths, etc.).

The vegetable gardens have an educational purpose: to encourage organic farming and enable participants to experiment environmental protection and composting. They encourage citizens, notably children, to interact with the environment and to view the earth as a common good that must be protected.

5.6-A network of partnerships with territorial stakeholders

The cooperative has numerous accords with local and regional institutions (examples include its partnership with "Roma Natura," and its collection of green waste from Rome). It also collaborates actively with the Lazio Region, in particular with the Regional Agency for Agricultural Innovation and Development[2], which promotes multifunctional agriculture and emphasizes the ways in which agricultural activity preserves the environment and the landscape. Agreements with the province of Rome have also benefitted the cooperative, by contributing to the information centre on renewable energy and to experiments with traditional cheese-production techniques.

The cooperative has also forged strong bonds with a number of other organic producers in the region. This has allowed it to broaden the range of products that it sells directly, and has contributed to other processing activities. For example, it planted 40 ha of olive trees, with a local agricultural company, Castel di Guido, responsible for processing these olives into olive oil. Income from the sale of the oil is shared.

Some institutional relationships have proved difficult, in part because the cooperative has traditionally functioned quite independently from other institutions. For example, all of the cooperative's activities must conform to the Regional Park's 'Territorial environmental management and agricultural improvement' plan,' which requires it to request authorization every time it wishes to construct or modify buildings.

2 - *http://www.arsialweb.it/cms/index/php*

Conclusion:
The significance of Agricoltura Nuova

Today, Agricoltura Nuova legally occupies 250 hectares and employs 50 people full-time in its farming activities. Over the last 30 years, it has progressively constructed an alternative agricultural model that is autonomous, close to the people and integrated into its local environment. In the minds of the cooperative's members, organic production cannot be dissociated from a variety of activities including both animal husbandry and the cultivation of vegetables; it must also be accompanied by control over the entire production and processing chain and must be sold directly. This model has managed to provide quality products at reasonable prices while maintaining high levels of employment.
The cooperative is not only recognized for its agricultural activities. It is widely viewed as one of Italy's first experiments in social agriculture and as an exemplary agricultural model that uses educational and environmental activities to restore a strong bond between the territory and the citizens who live there. This experiment, which was born out of a very particular political and historical context, seems difficult to reproduce today. Current challenges and concerns have changed, and the divide between the urban and rural worlds has become more pronounced; land access is more difficult in a context where farmable land is rare and prices are high. However, new dynamics are developing with the population's increasing desire to 'return to the land' and establish closer relationships with producers. There are currently many initiatives aiming to recreate relationships with the land and with agricultural activity around new values, such as respect for the environment and through community bonds. A new social contract is forming in Italy, between farmers and society.

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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.