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Land is not a commodity

European Parliament calls for access to land for small and medium farmers, not corporations

For a long time "landgrabbing" - that is, the large-scale purchase of land for financial investment and industrial agricultural production - was considered primarily as a problem for developing countries. But Europe faces the same problem: Large investors are discovering arable land as a safe investment. At present, [just 3% of farms control more than 52% of arable land in Europe](#), and 80% of CAP subsidies go to only 20% of farms. This makes the situation in Europe comparable to countries like Brazil, Colombia and the Philippines, which are known for their notoriously unfair land distribution. The impact on rural areas is fatal: Existing small- and medium-size farms or new entrants can hardly access land at fair prices. Instead, the new feudal lords take over the land, with a business model based on speculation, subsidies and tax avoidance.

European Parliament rings the alarm bell

The European Parliament will not stand by any longer. Today, on 26 April 2017, the House adopted with a large majority the own-initiative report "[The current status of the concentration of agricultural land in the EU](#)", voicing its concerns on land grabbing in Europe for the first time. The Parliament draws an alarming picture and appeals to both the EU Commission and the governments of the Member States to stop the further concentration of Europe's agricultural areas. Small and medium sized farms should be better protected from corporations and speculators. MEPs ask for compulsory ceilings for direct payments per beneficiary (and not only per subsidiary), more redistribution towards the first hectares, better support for new entrants, transparency of ownership, monitoring of prices, but also of soil health, to be carried out by an European Observatory.

"The question of land distribution also raises the question of the socially desirable form of agriculture," says Maria Heubuch, who shadowed the report for the Greens/EFA Group. "Let's face the facts: Concentration of land in the hands of fewer and fewer corporations is poison for rural regions. [Jobs are being cut, added value is declining](#), and people's relationship to food and confidence in agriculture are lost."

The example of Boynitsa, a village in Bulgaria, illustrates the [precarious situation of rural communities](#): After the fall of communism, the land was returned to the original owners, who often had nothing to do with farming anymore. Now, the fields are leased to big corporations, but this hasn't created any local jobs.

Rather, heavy machinery is brought in to harvest the crops, destroying the water pipes below the roads and pathways in the process. Ironically, mending these water pipes is the only new occupation created for the inhabitants of Boynitsa.

The business model of the new feudal lords: speculation, subsidies and tax avoidance

Not only in the former communist countries, but all over Europe, corporations are buying up big parcels of land, often through legal loopholes. While the acquisition of land is regulated by law, in almost all Member States company shares in a farm can be sold to agricultural companies, without public control - and therefore also without taxes. By buying shares, companies are not technically 'acquiring land' whereas in practice they are clearly exerting control over the use of that land, through the shares they own. Agricultural soil is a coveted object for speculation in times of economic uncertainty and foreseeable raw material shortages. This increases land prices, also for small- and medium-size food producers and new entrants, who face difficulty in accessing land at reasonable prices. This land rush is boosted by the subsidies of the Common Agricultural Policy. Here, too, corporations use loopholes: Often they form several subsidiary companies in order to cream off higher subsidies for smaller farms.

The result: Many smaller establishments close shop or find no successor - but this is not necessarily recognized as a problem at the political level. The EU Commission speaks euphemistically about a "[natural and even necessary process of structural change](#)". As less than 3% of all EU farms are larger than 100 hectares, there is still room for further structural change, the Commission claims. The Greens / EFA are glad that the EU Parliament now took a clear stance against this cherry-picking approach and calls for policies to help small and medium-sized farms that operate in a respectful way towards workers, environment and animals. France is a telling example of how things can be very different if the political will is present: Land prices are relatively stable - because they are strongly regulated.

More info:

[Extent of farmland grabbing in the EU](#), study commissioned by the EP Agricultural Committee, 2015.

[Land Rush - The Sellout of Europe's Farmland](#), Brochure commissioned by MEP Maria Heubuch, 2016.

Greens/EFA Conference [Access to land for farmers in the EU](#), 2016

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