



Arbeitsgemeinschaft
bäuerliche Landwirtschaft e.V.

Position Paper

Public Welfare oriented Leasing

Criteria for the leasing of agricultural land
in public and private hands

May 2022

Preamble

Landlords of agricultural land have a very powerful influence on our cultural landscape and rural livelihood through the selection of tenants. They can set the course for the preservation or even creation of jobs in the region, the revitalization of empty landscapes, and, finally, that villages remain attractive as a place to live. The choice to whom the land is leased also determines whether diverse and varied farms are maintained or whether large-scale and intensively managed farms are promoted. Diverse farms create a variety of positive effects on the environment, climate, and animal welfare. They ensure social inclusion and economic prospects for many people in rural areas.

Often, these decisions are left to the administrations, which are not always well prepared for this task. Therefore, we are hereby presenting a proposal on how the allocation of leases can be shaped in a way, that public welfare is maximized. All proposed criteria can be easily recorded as they are elements of reports and notifications, which have to be prepared for other reasons. They are also easy for the administrations to handle, as they only have to compare the provided numbers.

The AbL is committed to strengthening peasant farm structures and to greening the entire agriculture - irrespective of the division between conventional and organic farming. Future-oriented farming methods that serve to build up humus and are adapted to climate change are important for us. Further, we highly value production for the local people, close relations between consumers and producers, and the creation of attractive rural areas for people, animals, and plants. Our criteria are based on these premises.

„Public welfare-oriented leasing“ is a tool to actively fight for a democratic, pluralistic society, which highest value is the inviolability of human dignity. This is important for us to emphasize because topics such as circular economy and regional marketing play a central role in national socialist concepts and right-wing extremist organizations. Let us be clear: we distance ourselves from racist, sexist, and other discriminatory or inhuman statements and behavior of any kind and oppose any attempts to exploit the public welfare-oriented leasing criteria.

The procedure of „public welfare-oriented leasing“

The leasing procedure should be designed in the following way: All applicants for a lease must provide information on the criteria described in the upcoming chapters. These are evaluated and points are awarded according to the criteria. The applicant with the most points will be awarded the contract.

In the event of a tie, other criteria may be considered. Before the lease is signed, all applicants will be informed about their score, so that there is enough time for questions and clarifications. In general, the principle of trust should apply: The information provided is not checked on-site by the administration, but it is assumed that all information has been provided correctly. If there are justified doubts about this, or if the administration becomes aware of violations during the lease period, it has the right to check them. If necessary, it can then make use of its special right of termination. More details can be found in chapter 6 „*Agreements in the leasing contract*“.

As a matter of principle, leased areas should be tendered in small lots to allow all interested parties to bid. One possible method is to set the lot size at 5 % of the average farm size in the region. Of course, it is also possible to apply for multiple lots. However, each lot will be evaluated separately. To make it possible for farms oriented towards public welfare to operate, landlords should formulate a clear lease level. This level should not be higher than 110% of the average lease level in the region. In the event of overbidding the specified lease level, the lease applicant does not gain any advantage. Overpriced leases create discontent in the villages and preference is given to economically one-sided farms. When farms are threatened in their existence by the loss of previously leased land, the land in question can be returned for a limited time without a land allocation procedure. The case of hardship must be proven.

We recommend that the respective concept is reviewed by the legal department prior to the legally binding adoption of a lease allocation regulation.

Since the agricultural structure varies widely between different regions, the figures and criteria proposed here must be adapted to local conditions. Regional-specific points or criteria can be decided under chapter 5. “*Regional variations*”.

1. Criteria for exclusion

1.1 Violations of democracy and human dignity

Farms or tenants who are involved in right-wing extremist, nationalist, or anti-democratic parties or organizations shall be excluded from public welfare-oriented leasing. The landlords distance themselves from right-wing extremist organizations, associations, or individuals that are active in the agricultural environment.

1.2 Violations of minimum social standards

Agricultural businesses that have been proven to have violated minimum labor standards in the past five years, such as the Minimum Wage Act or the Workplace Ordinance, are to be excluded from the leasing procedure for the next ten years.

1.3 Genetic engineering

Farms that knowingly sow genetically modified seeds and/or cultivate genetically modified plants are to be excluded from the leasing procedure. This also includes all new genetic engineering techniques, such as CRISPR/Cas.

1.4 Exclusion of holdings

At a time when non-agricultural investors are purchasing farms and agricultural land, and when the ownership structures of many farms, including cooperatives, are no longer comprehensible from the outside, transparent ownership structures are a basic prerequisite for public welfare-oriented agriculture. Farms that are part of a holding company cannot become leaseholders.

1.5 Exclusion of commercial livestock farming

To reduce greenhouse gas emissions from agriculture and counteract excessive nitrate inputs to groundwater, it is necessary to reduce the number of animals in livestock-dense regions. For this reason, farms with commercial animal husbandry are excluded from the leasing process in accordance with tax law.

2. Criteria for the management of cropland and grassland

2.1 Average size of the parcels (0 to 3 points)

The relationship between large-scale agriculture, cleared landscapes, and species extinction has been scientifically described and documented. The average field size of the farm, resulting from the total size of the farm and the number of fields, can be easily found in the declarations which have to be prepared annually by the farm for the application of the CAP basic payments. The average field sizes of the leasing applicants are ranked: Those who are in the lowest quarter (i.e. who have the largest average size) receive 0 points, in the 2nd quarter 1 point, in the 3rd quarter 2 points, in the 4th, and the highest quarter 3 points.

2.2. Size of the agricultural business (0 or 1 point)

Smaller and medium-sized farm structures are currently the „losers“ on the land market. To strengthen these structures, the farms, which are smaller than the average size of all applicants, receive one point. If the farm size is above the average, the farm does not receive a point.

2.3. Organic management (0, 2, or 3 points)

Organically managed farms provide special services for the common welfare. Certified farms (according to the EU organic standard) receive 2 points. Farms that are part of an organic growers' association receive 3 points.

Organic farms which have been outsourced from a conventional farm or which are part of a conventional farm cannot be awarded any points in this category.

Conversion farms or farms that want to convert their entire farm from the coming year onwards also receive 2 points for the EU organic standard and 3 points for an organic growers' association. If the conversion does not take place in the following year, the leaseholder can make use of a special right of termination.

2.4 Landscape structure and climate protection (0 or 3 points)

The creation of orchard meadows, hedgerows, new agroforestry systems, and forest gardens ensures the creation of habitat for wildlife and plants, and the enrichment of our cultural landscape by increasing species and structural diversity. Farms that declare their willingness to implement such measures within the next 3 years or to improve existing structural elements such as orchards receive 3 points.

For agroforestry systems, the following minimum requirements must be met: The spatial share of woody plants in the overall agroforestry system is a minimum of 2% or at least 50 trees per hectare. At least two strips of woody plants with a minimum width of 3 m must be planted. For forest garden systems, the following applies: The proportion of woody plants for the overall forest garden system has to be at least 30 % per hectare. For the establishment of hedgerows, at least 1 % of the total farm area is characterized by hedgerow structures. At least three hedge strips shall be established over a length of at least 30 m and a maximum distance between the strips of 150 m. At least 50 % of the planting material is native to the area.

In addition, for the maintenance of fruit orchard trees, a qualification or an aspired qualification is needed, in particular for the professional pruning of trees.

2.5. Vegetable and fruit production (0, 2, or 3 points)

Tree nurseries and market gardening businesses which specialized in the cultivation of vegetables and fruits produce food which can be sold directly and locally. These farms also have higher yields per unit area. In Germany, the degree of self-sufficiency for vegetables is 37 %, and for fruits it is around 20 %. It is therefore particularly important to strengthen these farms. Horticultural farms are characterized by the fact that they grow fine vegetables in addition to field vegetables. Thus,

horticultural farms with vegetable or fruit production as well as tree nurseries receive 2 points. Farms that produce these vegetables and fruits exclusively locally (in a 150 km radius) receive 3 points.

3. Criteria for animal husbandry

Animal husbandry which is adapted to the region and which couples the number of animals with the available area reduces feed imports and strengthens local nutrient cycles. Only farms with livestock above 0.3 LU/ha and below 2 LU/ha can receive points for criteria 3.1. to 3.4.

Points in the sense of public welfare are only granted to livestock farms that generate their fodder on their land. Exceptions are made for migratory shepherds and farms with fodder and manure cooperation within a radius of 50 km around the farm.

3.1. Absence of genetic engineering in fodder (0 or 1 point)

If a farm is GMO-free in the barn (this applies in particular to the fodder used), 1 point is received. If GMO fodder is fed, no point is awarded.

3.2 Own fodder production (0 or 1 point)

In order not to encourage industrial livestock farming without an on-farm feed basis and with all its ethical and ecological problems, leasing applicants will receive 1 point if at least 80 % of the fodder is produced on own or long-term leased land (usually minimum leasing period of 12 years). Fodder from regional purchases (up to 50 km) can also be considered.

3.3. Maximum animal stock size (0 or 1 point)

One point is awarded if the number of animals on the farm is less than 1,500 fattening pigs, 560 sows, 30,000 broilers, 15,000 laying hens, 15,000 turkeys, and 600 cattle (figures from the simplified procedure according to the 4th Federal Immission Control Ordinance, Annex 1, No. 7).

3.4. Animal welfare (0 to 1 point)

Farms with pasture grazing for ruminants and outdoor husbandry for poultry and pigs receive 1 point. The decisive factor is regular outdoor exercise. The lowest standard for an animal group is considered, even if other animals are kept better.

4. Social and community criteria

4.1 Regional rootedness of the lease applicants (0 to 3 points)

To enable the leaseholders to identify with the rural community, it is desirable that the main place of agricultural business of the applicant is located as close as possible to the land being leased. For this purpose, the distance of the farmstead to the leased area is determined. In the case of several leased areas in one lot, the average distance to all areas is used.

The farm-field distances of the various leasing applicants are compared to each other and evaluated as follows: Whoever is in the lowest quarter (i.e. has the greatest distance) receives 0 points, in the 2nd quarter 1 point, in the 3rd quarter 2 points, in the 4th and top quarter 3 points.

Landowners should support the establishment of new farms to revitalize the villages and allow new farmers to lease land. Therefore, new farmers, including those from outside the village, who present a coherent concept for the establishment of a farm and who will have their residence in the area will receive 3 points.

The classification as a „new farmer“ is granted in the first 5 years after the establishment of the business and is analogous to the conditions for young farmers (chapter 4.2), but includes all founders regardless of their age.

4.2 Founders of agricultural businesses (0 or 3 points)

Founders of agricultural businesses who can show a coherent concept for starting their farm and move their place of residence to the district or neighboring districts receive 3 points. The classification as a founder is granted in the first five years after the farm is founded and is analogous to the conditions for the young farmer support but includes all founders regardless of their age.

The scoring according to the other criteria is based on the operating concept.

4.3. Direct Marketing and CSA (0, 1, or 3 points)

Farms that market some of their products directly are connecting rural producers and consumers. They also create more jobs in the region. Therefore, they receive 1 point. The proof is the offer of a subscription box, sales at farmers' markets in the region, a farm shop, or regular deliveries to local retailers.

Farms that exclusively market their products directly receive 3 points. Farms that only sell directly are often operated in the form of community-supported agriculture (CSA). They ensure a regional, close-to-city supply of food and increase the interest of young people in agriculture. Solidarity financing concepts such as bidding rounds enable people with lower incomes to obtain healthy food. For all these reasons, CSAs should be given special consideration in the leasing process.

4.4. Labor force (0 to 3 points)

Rural areas only remain vibrant if local people can secure their livelihoods. Agriculture can be an important contribution. Therefore, a maximum of 3 points will be awarded to farms that create and secure as many jobs as possible through their diverse structure. The calculation units determined by the agricultural employers' liability insurance association are a useful criterion for evaluation, as they can be easily queried.

The sum of the calculation units of the farm applying is divided by the respective area and thus the average labor requirement per hectare is determined. Applicants who are in the lowest quarter (i.e. have the lowest labor requirement) receive 0 points, in the 2nd quarter 1 point, in the 3rd quarter 2 points, and in the 4th and top quarter 3 points.

4.5 Social agriculture (0 or 2 points)

Proven special social commitment of the lease applicant can also be taken into consideration (care for the elderly on farms or farms that work with people with disabilities, addiction problems, mental problems, or with young people who are difficult to raise, etc.). The commitment has to be related to

the management of the farm. Personal involvement in non-profit, church, or charitable organizations or donations of material or cash is not considered. A corresponding confirmation of the farm-related commitment can be made via advertising on the homepage, handouts, or confirmation by a responsible office. It has to be provided with the application.

4.6 Education and urban-rural relationship (0, 1, or 3 points)

Educational programs offered by farms link producers and consumers. They provide a „hands-on“ experience and increase the understanding of agricultural processes.

Farms that offer farm tours and actively publicize them e.g. on their homepage, on flyers, or in the newspaper, receive 1 point. A confirmation must be submitted with the leasing application. Farms that offer education in formats such as lectures, staff days, child-specific offers, and workshops (a total of at least 5 per year) will receive 3 points. Here, an active advertisement e.g. on the homepage, flyers, social media, or newspapers is required as well.

4.7 Vocational training (0 or 1 point)

Agricultural businesses that train apprentices take responsibility for passing on agricultural knowledge and preserving the profession. Therefore, they receive 1 point.

4.8 Public welfare-oriented energy production (0 to 1 point)

In times of climate change and dependence on fossil resources also of other countries, it is indispensable to switch to renewable energy sources from local production as soon as possible. However, energy production on terrestrial land must prevent the loss of agricultural area.

Farms that intend to build agri-photovoltaics or a small wind turbine on their land are accepting a great deal of bureaucracy and are contributing to the common good. Therefore, they receive 1 point. Flexible biogas plants play an important role in providing the so-called residual load, i.e., the amount of electricity that is demanded when wind and sun are not generating power. Farms that own a flexible biogas plant with combined heat and power generation and buffer storage and obtain the biomass to be fermented mainly from food production residues (incl. manure) also receive 1 point. This also applies to farms that plan to upgrade their existing biogas plant to a flexible one within the next three years and convert it to residual biomass or which build a new one according to these criteria.

5. Regional variations

The soil and weather conditions as well as the historically grown agricultural structures and traditions vary greatly from region to region. Therefore, such a catalog of criteria cannot include identical criteria and thresholds for all regions of Germany or Europe. Adaptation to the local context is required.

6. Agreements in the leasing contract

The leaseholder has a special right of termination as soon as more than 50% of the leasing business is sold or becomes part of a holding company. This is also true if companies have not implemented the measures for which they have received points, and if it is proven that they have made seriously false statements in the leasing procedure. If the criteria for GMO-free fields and barns are violated during the lease period, the leaseholder has a special right of termination as well. The same applies if there are other serious changes in the way of management, which lead to deductions of more than 7 points.

The lease agreement must also include a special right of termination if leased land is needed again as access for agricultural land of third parties during the lease period.

In addition, leasing parties agree to tolerate structural elements on the leased land at the request of the leaseholder. In addition to the selection of the leased farms, the design of the lease agreement is another way to reconcile management and conservation.

List of criteria

Criteria	Rating
1. Criteria for exclusion	
1.1 Violations of democracy and human dignity	yes/no
1.2 Violations of social minimum standards	yes/no
1.3 Genetic engineering	yes/no
1.4 Operation form: Exclusion of holdings	yes/no
1.5 Commercial livestock farming	yes/no
2. Criteria for cropland and grassland management	
2.1 Average size of the parcels	0 – 3 points
2.2 Size of the agricultural business	0 or 1 point
2.3 Organic management	0, 2, or 3 points
2.4 Landscape structure and climate protection	0 or 3 points
2.5 Vegetable and fruit production	0, 2, or 3 points
3. Criteria for animal husbandry	
3.1 Absence of genetic engineering in fodder	0 or 1 point
3.2 Own fodder production	0 or 1 point
3.3 Maximum animal stock size	0 or 1 point
3.4 Animal welfare	0 or 1 point
4. Social and community criteria	
4.1 Regional rootedness of the leasing applicant	0 – 3 points
4.2 Founders of agricultural businesses	0 or 3 points
4.3 Direct marketing and CSA	0, 1, or 3 points
4.4 Labor force	0 – 3 points
4.5 Social agriculture	0 or 2 points
4.6 Education and rural-urban relationship	0, 1, or 3 points
4.7 Vocational training	0 or 1 point
4.8 Public welfare-oriented energy production	0 or 1 point
5. Regional variations	
	Total

Appendix: Further explanations

To the preamble

The humus content should increase. This is important for the preservation of soil fertility, the promotion of soil life as well as the storage of carbon in the soil, which is thus removed from the atmosphere.

Unfortunately, there is still no reliable method to clearly determine the humus content of the soil. Therefore, we cannot base our criteria directly on the impact on the humus content. If new measurement methods are developed in the coming years, we will adapt our criteria accordingly.

1.2 Violations of minimum social standards

Unfortunately, exploitative structures in agriculture and associated sectors such as slaughtering and processing are still widespread, especially when it comes to employing seasonal workers. It is important to us that jobs are created through agriculture, but they should be "good jobs".

1.3 Exclusion of genetically modified seed and planting material

The old as well as new genetical engineering methods have significant impacts on peasant agriculture, food production, and our environment: loss of biodiversity and agri-diversity, the promotion of technology-fixated solutions without considering the system as a whole, an increase in pesticide use, dependencies on corporations, e.g. through patents on seeds, non-retrievability, etc.

Therefore, only those farms should be admitted to the leasing procedure which do not knowingly use genetically modified seeds on their land.

2.4 Agroforestry

Permanent structural elements such as hedgerows, agroforestry systems, and ponds provide habitat and migration corridors for numerous animal and plant species, preventing further species extinctions. They enrich our cultural landscape and are thus central to human well-being. Furthermore, they function as wind brakes, support the water retention capacity of the soil, and protect it from erosion. The nutrient uptake of crops is also supported by the deep tree roots ("nutrient pump"). In this way, permanent structural elements contribute to the adaptation to climate change but also support carbon sequestration and the reduction of greenhouse gases. For hedgerows to live up to their special importance for nature conservation and species protection, native planting material should be used.

3. Area-adapted animal husbandry

Area-adapted animal husbandry ensures that animal excreta in the form of liquid manure and dung are used as high-quality organic fertilizers. Unlike in industrial animal husbandry, it does not accumulate in excess and has to be disposed of. This contributes to the protection of our ground and drinking water, the protection of the soil from overfertilization, and the reduction of climate-damaging nitrous oxide.

Furthermore, the number of animals kept is based on the amount of fodder that can be produced on the farm's land. This avoids high CO₂ emissions caused, for example, by the clearing of rainforests for the cultivation of animal fodder and transport.



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