

**Follow up to the European Parliament resolution of 27 April 2017 on  
the state of play of farmland concentration in the EU:  
how to facilitate the access to land for farmers**

**2016/2141 (INI)**

- 1. Rapporteur:** Maria NOICHL (S&D/DE)
- 2. EP reference number:** A8-0119/2017 / P8\_TA-PROV(2017)0197
- 3. Date of adoption of the resolution:** 27 April 2017
- 4. Subject:** Farmland concentration in Europe
- 5. Competent Parliamentary Committee:** Committee on Agriculture and Rural Development (AGRI)
- 6. Brief analysis/ assessment of the resolution and requests made in it:**

The resolution is essentially concerned with the difficulties of farmers to get access to farmland. Its three main objectives are:

- to improve the data basis and to raise awareness of the developments on agricultural land markets in Europe (sales and rental prices, land distribution);
- to adjust the Common Agricultural Policy (CAP) with a view to avoiding incentives for farmland concentration in the hands of a few agricultural and non-agricultural undertakings; and
- to induce the Commission to provide Member States with guidance on how to regulate farmland markets in line with EU law.

The resolution refers in particular to the Commission's legal action against recent land market regulations in Hungary, Bulgaria, Slovakia, Lithuania, Latvia and Poland. It calls for a moratorium on the proceedings until the Commission publishes legal guidance on the guidance matter.

**7. Response to requests and overview of action taken, or intended to be taken, by the Commission:**

- *"Calls on the Commission to establish an observatory service for the collection of information and data on the level of farmland concentration and tenure throughout the Union, noting that it should be tasked with: recording purchase prices and rents, and the market behaviour of owners and tenants; observing the loss of farmland following changes in land use, trends in soil fertility and land erosion; and issuing regular reports"* (paragraph 2):

The Commission has organised and will continue to organise meetings with Member States at expert level to discuss and exchange information on the issues referred to (the last meeting took place on 28 March 2017).

In recent years, the Commission has acknowledged the need for comparable statistics on agricultural land prices and rents in the EU. Actions were undertaken by Eurostat to develop a common methodology for data collection on land prices and rents which was agreed in December 2010 (and updated in 2017). Since then, Eurostat and the relevant national authorities (some assisted by grants) have been working to collect land prices and

rents data within the framework of the common methodology. This resulted in a research paper which was published by Eurostat in December 2016, covering the period of 2011-2014.

Eurostat is preparing a draft European Statistical System (ESS) agreement to document the requirements of land prices and rents in view of the regular dissemination of data. Last year, a task force meeting was organised by Eurostat with some Member States to review the common methodology on land prices and rents statistics. The conclusions were presented at the Meeting of the Working Group on "Agricultural Accounts and Prices" in February this year.

As concerns the legal basis, discussions are on-going on the most appropriate legal basis to find a common approach among Member States to cover the land price and rent statistics in the future. These discussions take place in the context of the Eurostat Strategy on Agricultural Statistics 2020 and beyond to modernise the European Agricultural Statistics System (EASS), resulting in two new framework Regulations, one for Integrated Farm Statistics (IFS), and one for Statistics on Agricultural Input and Output (SAIO).

As regards the environmental aspects of land and changes in land use, the Commission produces annually the Common Context Indicators which include environmental indicators such as "Soil erosion by water". The indicator shows the estimated soil loss by water erosion. Land use change and soil quality in general are also among the Commission's relevant agri-environmental indicators. Beside these, the Commission is involved in the LUCAS (Land Use/ Cover area frame statistical) 2018 survey, in order to improve the availability and quality of the land cover/ use statistics.

The data collected by LUCAS provides harmonised information for studying a range of socio-environmental challenges, such as land take, soil degradation or biodiversity.

- *"Calls on the Commission to set up a high-level task force to examine the problem of farmland concentration, to conduct a study on the impact that the policy measures taken by the EU and the Member States have on land concentration and agricultural production"* (paragraph 4):

The Commission takes note of the calls.

Many studies have already been carried out on the impact that policy measures taken by the EU and Member States have on land concentration and agricultural production.

In particular, the Commission has already commissioned several studies to better understand the impacts of policy decisions. The most relevant research work to mention is the study "On the Functioning of Land Markets in the EU Member States under the Influence of Measures Applied under the Common Agricultural Policy" (November 2008) as well as the Factor Markets research project (supported by the Seventh Framework Research Programme between 2010 and 2013).

The Commission will pursue current analytical work and examine the feasibility of undertaking a new study in the future.

- *"Calls on the Commission and the Member States to regularly collect data on rent levels and land prices [...] calls on the Commission to publish guidelines on the harmonisation of accounting practices, and to encourage the sharing of best practices in national legislations, in order to identify measures to safeguard farmland and farm activities"* (paragraph 6):

The Commission seeks to promote and accelerate the data collection on rent and land prices based on a common and harmonised methodology. The introduction of land prices and rents survey in the Statistics on Agricultural Input and Output (SAIO) Regulation will be discussed at the next Directors' Group on Agricultural Statistics (DGAS) meeting. The

DGAS met on June 7-8 2017 to discuss a first draft of the SAIO Regulation (also including land prices and rents). Since the next meeting will take place in 2018, the Commission does not have the exact dates yet.

DGAS is composed of the Directors in charge of agricultural statistics in the National Statistical Institutes in the Member States. It reports directly to the European Statistical System Committee (ESSC), the highest strategic and decision body of the European Statistical System (ESS).

See response to paragraph 2 for further details.

- *"Calls at the Commission [...] to report at regular intervals to the Council and Parliament on the situation regarding land use and on the structure, prices and national policies and laws on the ownership and renting of farmland, and to report to the Committee on World Food Security (CFS) concerning the EU's implementation of the CFS's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)" (paragraph 8):*

The Commission will continue to cooperate with the Member States and the European Parliament and share information in dedicated meetings with experts from Member States on issues falling under the Commission's competence. The regulation of the ownership and lease of farmland is a competence of the EU Member States.

The Commission contributed to the preparation of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) and to their application in developing countries. The Commission does not have a mandate to report on the implementation of the VGGT in the EU, which is the responsibility of the individual EU Member States. However, where appropriate, the Commission may sensitise EU Member States to refer to the VGGT through its cooperation with specialised institutions such as FAO, the custodian for the VGGT.

- *"[...] calls on the Commission to provide proper instruments, in the framework of the CAP and related policies, that facilitate their entry into farming by ensuring fair access to sustainable credit" (paragraph 17):*

The common agricultural policy (CAP) includes many instruments to facilitate the entry into farming, in particular for young farmers.

The Commission considers generational renewal a priority for the future and will continue to support new entrants who start an activity in the agricultural sector.

In this domain, special attention will be paid to facilitating the access of farmers to credit.

- *"Calls on the Member States and the Commission to support all innovative land-sharing measures favourable to enabling young farmers to establish themselves, in particular by means of investment funds, based on the principle of solidarity, that enable savers to invest their funds in a socially useful manner by assisting young people without sufficient resources to acquire land and to embark on careers in farming" (paragraph 26):*

The Commission takes note of the call.

- *"Calls on the EU and its Member States [...] to implement the VGGT, ratified by all Member States; [...]" (paragraph 27):*

See response to paragraph 8.

- *"Suggests [...] that the Commission adopt recommendations on EU land governance, in line with the VGGT and taking into account the horizontal EU frameworks on*

*agriculture, the environment, the internal market and territorial cohesion"* (paragraph 28):

See response to paragraph 8.

- *"Believes that, under the reformed CAP, ceilings should be introduced, and the direct payment schemes adjusted [...] calls on the Commission to introduce a more effective aid redistribution system in order to guard against farmland concentration"* (paragraph 31):

The Commission takes note of the call.

- *"[...] calls [...] on the Commission to publish information, in line with data protection rules, not only on owners of farms that receive CAP subsidies, but also on beneficiaries such as land owners/ parent companies"* (paragraph 32):

The transparency rules are designed to make information about the beneficiaries of CAP payments accessible to the public. This information provides details about the measures, the nature and purpose of the CAP payments in order to enhance transparency regarding the use of Union funds in the common agricultural policy and to improve the sound financial management of these funds.

Extending this tool to all owners of agricultural land, independently from the fact that they receive CAP subsidies would go well beyond the purpose of transparency of CAP funding.

- *"[...] calls on the Commission to ensure that only active farmers are beneficiaries of direct support"* (paragraph 33):

The Commission takes note of the call.

- *"Calls on the Commission to monitor all relevant policy areas, such as agriculture, energy, environment, regional development, mobility, finance and investment, to see whether they promote or counteract the concentration of agricultural land in the EU and [...] to launch a consultation procedure to assess the existing situation with regard to the administration of farmland in line with the VGGT and the terms of reference adopted by the CFS"* (paragraph 34):

The Commission's internal decision making process (in particular impact assessments) takes account of all impact which the relevant policy areas might have, including possible impacts on the concentration of agricultural land.

While the Commission is available to promote multi stakeholder processes, the final monitoring and reporting falls under the responsibility of individual Member States.

- *"Suggests that [...] the Commission should give Parliament better insight into the documents on infringements of the Treaties and the preliminary proceedings in connection with regulation of the land market by the Member States"* (paragraph 38):

The inter-institutional framework agreement between the Commission and the European Parliament (OJ 20.11.2010, L 304/47) stipulates that "[i]n addition to specific reports and the annual report on the application of Union law, the Commission shall make available to Parliament summary information concerning all infringement procedures from the letter of formal notice, including, if so requested by Parliament, on a case-by-case basis and respecting the confidentiality rules, on the issues to which the infringement procedure relates".

Therefore, upon a specific request, the Chair of a Parliamentary Committee or the President of the Parliament can ask from the Commission for additional information on a specific infringement case, provided the confidentiality rules, as recognised by the Court of Justice of the European Union (CJEU), are respected.

In addition, the access to documents concerning infringement proceedings is governed by Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents as well as by inter-institutional arrangements.

The access to documents on preliminary proceedings depends on the procedural rules of the national courts and of the Court of Justice of the European Union.

- *"Calls on the Commission in conjunction with the Member States and stakeholders, to publish a clear and comprehensive set of criteria [...] that ensure a level playing field and make it clear to the Member States which land market regulation measures are permitted, taking into account the public interest and the four freedoms of the European Union, with a view to ensuring easier acquisition by farmers of land for farming and forestry; calls on the Commission to consider a moratorium on the ongoing proceedings aimed at assessing whether Member States' legislations on farmland trading comply with EU law until the aforementioned set of criteria are published"* (paragraph 39):

The Commission, following consultations with stakeholders and Member States, is intending to adopt a Commission Interpretative Communication which will address many of the issues raised by the European Parliament, in particular by drawing conclusions from the jurisprudence of the CJEU on how to regulate agricultural land markets in conformity with EU law. This should help Member States in their efforts to determine which measures can be adopted to attain – in compliance with EU law – legitimate policy aims.

- *"Calls on the Commission to raise the awareness of the Member States about, and support them in combating, tax evasion, corruption and illegal practices (such as 'pocket contracts') in connection with land transactions; draws attention to the abuses under investigation by judicial authorities in certain Member States concerning the farm land acquisition process"* (paragraph 40):

The Commission is organising informal meetings with Member States to discuss and exchange information on the issues referred to (the last informal meeting took place on 28 March 2017, officials from the European Parliament secretariat and assistants of MEPs were invited to participate as observers, see also the response to paragraph 2). A further meeting will take place before the end of 2017. In this context, the Commission also offers, within its competence, its support to Member States.

- *"Calls on the Commission to maintain, during the development of the draft CAP for the period after 2020, measures to combat the concentration of agricultural land and to develop additional measures in support of micro, small and medium-sized enterprises"* (paragraph 42):

The Commission takes note of the call.