



## POLICY BRIEF

### Proposal for an EU Observatory on Agricultural Land

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#### Why an EU Observatory on Agricultural Land?

The EC's Strategic Dialogue on the Future of EU Agriculture (September 2024) calls for the creation of a European Observatory for Agricultural Land. This represents an important step towards tackling major challenges related to land concentration, generational renewal, and the transition towards sustainable food systems.

By providing comprehensive data and analysis on land tenure and governance, the Land Observatory will support evidence-based policymaking and promote transparency and accountability in decision-making around farmland and prioritize access to land for agroecological farming systems, young farmers, and new entrants. This can pave the way for a new EU land policy framework such as an EU Directive on Agricultural Land.

#### What are the objectives of an EU Land Observatory?

- To enhance land market transparency and identify the actual beneficiaries of agricultural production units in order to tackle land concentration and the rise of corporate farms and speculative cross-border investments in farmland.
- To guide and improve systems and tools for land market regulation in order to prioritise access to land for sustainable food production, including agroecological farming systems and new entrants.

#### What data will the Observatory collect?

The Observatory will establish an inventory of European farm units and their final beneficiaries that would:

1. Identify »farm units« i.e. units generating agricultural production, subject to unified technical, economic, and organizational management
2. Identify their beneficial owners
3. Distinguish farmers and non-farmers among them

The EU Observatory, together with a network of Observatories at member state level, should also collect key data on agricultural land market dynamics including land sales, leases, and the transfers of shares in agricultural companies. This can be used to develop a harmonised monitoring system in each member state and allow public authorities, in collaboration with local communities, to approve or reject proposals for the transfer of land use rights in line with key policy objectives.

## How should the Observatory be governed?

The Land Observatory will be housed within the European Commission.

The European Access to Land network strongly urges the creation of a task force involving EU institutions (DG AGRI, DG ENVI), peasant farmers' unions, civil society organizations, rural development agencies, municipalities and local authorities, to guide the work of the Observatory. This task force will undertake policy research and issue regular flagship reports on major trends concerning European farmland to inform land policy reform and innovation.

This policy brief outlines a proposal for the creation of an EU Observatory on Agricultural Land. It provides the rationale for such Observatory, its core objectives, what data it should collect, and how it should function and be governed. It has been prepared by the [European Access to Land network](#) together with the support of key strategic partners including [AGTER](#), [ECVC](#), and [TNI](#). The brief serves as a reference document and invitation to dialogue with policymakers, farmers, practitioners and civil society organisations throughout Europe.



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1. Biodynamic Land Trust
2. Soil Association (Land Trust)
3. Real Farming Trust
4. De Landgenoten
5. Terre-en-vue
6. Terre de Liens
7. BioBoden
8. Kulturland eG
9. Danmarks Økologiske Jordbrugsfond
10. Nadace Pro Půdu
11. ALPA

### Network

1. Xarxa per a la Conservació de la Natura - XCN
2. Netzwerk Flächensicherung

### School

1. Rurbans

### Farmers Union

1. Eco Ruralis

### Research Institute

1. Shared Assets
2. Die Agronauten
3. ADRI



# POLICY BRIEF

## Proposal for an EU Observatory on Agricultural Land

### 1. Why an EU Observatory on Agricultural Land?

Agricultural land is no ordinary commodity but rather a precious and scarce resource that serves as the basis of livelihoods, ecosystem functions, cultural identity and the realisation of fundamental human rights. This makes it worthy of protection and special regulation.

The EU currently has no agricultural land policy framework. This is despite the fact that agricultural land throughout Europe is facing a number of unprecedented pressures from competing land uses; from land and soil degradation and water pollution; and from multiple crises in the food and agricultural system that have made access to land for peasant, organic, regionally rooted and agroecological forms of farming more difficult to secure.

The agricultural land that remains is concentrated in ever fewer hands: just 3% of farms control over half of EU farmland. Meanwhile, corporate agricultural holdings, often with backing from financial investors with little connection to farming, are expanding rapidly. Even in France, praised for its land regulation system, at least 10% of French farms have the look of a firm. This represents 28% of employment and 30 % of Gross Standard Production (GSP) in agricultural sector<sup>1</sup>. The rise of these corporate farms signals a fundamental break with the European style farming: salaried labour - often seasonal and precarious - substitutes for family labour and farm capital is increasingly controlled by shareholders who do not perform agricultural work and whose aim is to maximize return on investment. Large corporate farms often prioritize monoculture production models and increasing use of fossil fuel inputs designed for short-term financial returns rather than long-term ecological health. The result is a simplification of landscapes, accelerating the continued collapse of (agricultural) biodiversity and depletion of soil organic matter along with the demographic desertification of the countryside.

All these are signs of dysfunctional land markets that discriminate against small-scale food producers, threaten the EU model of multifunctional family farming, undermine social cohesion, disrupt complex socio-ecological balances, and ultimately also put European food security and food sovereignty at risk. There is an urgent need to address and reverse these damaging trends by prioritising access to land for those modes of farming that create more jobs, generate more wealth, preserve the environment, and strengthen rural vitality, such as agroecological and small farming systems. The importance of securing access to land for rural families is recognised by many EU member states. The Irish Constitution, for example, explicitly recognizes this principle, stating in Article 45.2.v that »there may be established on the land in economic security as many families as in the circumstances shall be practicable«.

Yet, the EU currently lacks a land policy framework that prioritizes these objectives, making the establishment of a Land Observatory an urgent necessity. The lack of transparent and comprehensive data on land market dynamics and the ownership structure of farmland and agricultural holdings is an impediment to sound land

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<sup>1</sup> From Purseigle, Nguyen et Blanc (coord.), *Le nouveau capitalisme agricole*, Presse de Sciences-Po, 2017.

<https://www.pressesdesciencespo.fr/fr/book/?GCOI=27246100509220>

policymaking. National land tenure systems are patchy and inconsistent across Member States while data provided through EUROSTAT and the Farm Accountancy Data Network (FADN) is still limited, in particular in their ability to tackle the issues of land concentration; the rise of corporate agricultural holdings and speculative, cross-border farmland investments; and a persistent lack of access to land for peasant, small-scale, young, agroecological farmers and new entrants. Access to and control over farmland is moreover intimately connected to the activation of the EU system of entitlements through the EU's Common Agricultural Policy (CAP), making it of clear interest to both the EU and Member States to gain better insight into who uses, owns and benefits from access to European farmland.

## 2. What are the objectives of an EU Land Observatory?

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The Observatory should have as its primary function the collection, integration, harmonisation and dissemination of relevant land tenure and land market data. The Observatory should go beyond simply serving as a repository of information to be fully operational with a learning, monitoring, and policy guidance role to ensure that interventions in land markets are in line with the achievement of key EU policy objectives related to the CAP and rural development, territorial cohesion, biodiversity protection, climate, and soil health. Ultimately, the Observatory can serve as the evidence base for the development of a new European land policy instrument, for example through the development of an EU Directive on Agricultural Land.

**The core objectives of the Observatory are summarised as follows:**

- 1) **To enhance land market transparency and identify the actual beneficiaries of agricultural production units:** the Land Observatory must provide transparency on who actually uses, owns, and benefits from access to farmland in the EU, including financial investors in farmland that control land through the transfer of shares in agricultural companies.
- 2) **To guide land market regulation in order to prioritise access to land for sustainable food production, including agroecological farming systems and new entrants:** the Land Observatory must monitor land transactions and transfers of land use rights (purchase, lease, control of shares), price trends and market behaviour, and changes in land use in order to provide relevant land governance bodies with needed information to better regulate land markets. The goals of such regulation must be to direct farmland towards sustainable food production systems, enhance land mobility and foster generational renewal.
- 3) **To facilitate experience sharing, learning and coordination across Member States in order to address cross-border challenges:** Pressures on farmland affect all EU countries differently depending on their national and local contexts while Member States adopt different instruments to regulate their land markets. The Observatory can commission comparative studies to enable exchange and learning on land market regulation, interfacing also where useful with such other data gathering instruments such as the EU's [Rural Observatory](#). The Land Observatory can help to guide land policy innovation at EU level, for example through the development of an EU Directive on Agricultural Land.
- 4) **To serve as a hub for ecological and climate monitoring:** the Land Observatory can also function as an alert system for land related climate impacts, connecting with the EU's [Soil Observatory](#) to link land market dynamics with soil health data in order to monitor impacts and trends in

land degradation, soil fertility, and carbon sequestration, thereby contributing to climate resilience and biodiversity protection.

### 3. What data should the Observatory collect?

The Observatory must have the authority and capacity to collect, monitor and evaluate socially relevant data on land market dynamics, farm transfers and takeovers to respond to the critical issues facing the regulation of agricultural land across the EU. While not precluding the possibility for the Observatory to collect and cross-check a broader range of data sets, we propose that the Observatory focus on two principal targets of data collection and investigation:

i) Beneficial owners of farm units (see Appendix for definition of terms). The broader 'financialisation of agriculture' implies that agricultural holdings and farmland are acquired by legal entities or natural persons who make farming decisions at a distance, often through the transfer of shares in agricultural companies involving complex and sometimes undisclosed investment webs spanning multiple jurisdictions. This means that the true scale of land concentration in the EU is much higher than official statistics show. While local assets of the former agricultural company Spearhead International for example were known to national authorities, it was only at a much later date that the true extent of the companies' holdings - which amounted to 90,000 hectares across the UK, Poland, Czechia, Slovakia, and Romania - came to light.

These sophisticated financial arrangements allow legal entities to amass CAP subsidies and circumvent regulations on agricultural land. Before it went bankrupt for example, KTG Agrar, one of Germany's largest agricultural firms, had used opaque refinancing and subsidiary mechanisms to sell farmland to a preferred single buyer, evading the right of first refusal by local farmers. Other cases across Europe detail instances of alleged fraud, elite enrichment and corruption.

To shed light on and combat these developments, it is necessary to establish an inventory of European farm units and their final beneficiaries that would:

- Identify 'farm units' i.e. units generating agricultural production, subject to unified technical, economic, and organizational management;
- Identify their beneficial owners;
- Distinguish farmers and non-farmers among them.<sup>2</sup>

This is now possible. To combat money laundering and terrorism, the European Commission has required every Member State to establish a register of the final beneficiaries of companies. Using these registers and CAP applications, it is possible to identify the final beneficiaries and determine if they are engaged in agricultural activities. The Commission can also identify farm units operating in multiple Member States.

#### ii) Agricultural land market dynamics

To enable Member States to preserve agricultural land, foster generational renewal in agriculture, and direct land towards sustainable food production systems, public authorities, in collaboration with local communities, must have the capacity to approve or reject proposals for the transfer of land use rights – whether through sales, rental agreements, or transfers of shares in agricultural companies.

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<sup>2</sup> Article 39 of the Treaty on the Functioning of the European Union stipulates that, *inter alia*, the CAP's objectives are "to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture". CAP support is not intended to increase the financial return on shares by investors who are not involved in farm work.

Several Member States already have a number of policies in place: in Germany with administrative lease permits and pre-emptive rights at the Länder/regional level; in Poland with a state agency's pre-emptive right; and in France with the system of public-private land development and rural establishment companies also known as SAFER. However, these tools have to date, failed to curb land price inflation, prevent consolidation, or ensure fair access, as market pressures and loopholes continue to drive speculative investments and concentration.

The EU Land Observatory can be an independent reference point to guide the creation of such land governance systems and improve the functioning of existing land regulation instruments and bodies. It should assist and interface, where appropriate, with [national, regional, or community based Observatories](#) to make visible intended land transfers before they are completed, allowing any candidate for establishment or expansion to know in real-time about land sales, leases or share transfers.

#### 4. What tasks will the Observatory carry out?

In line with the objectives, the core activities of the Observatory can be described as follows:

- Document and analyse land tenure data and land governance trends at the EU level;
- Compile and centralise public land data to make it more accessible and usable to public institutions, civil society, and research institutions;
- Develop a registry system for farm unit beneficiaries so that this data can be cross-checked and interpreted on an EU level;
- Develop a monitoring system inciting Member States to develop tender and notification systems for future land ownership and tenure transactions. Notaries of Europe (CNUE) could be an important interlocutor in this process.
- Provide a platform and technical support for experience sharing between Member States on sustainable land governance practices;
- Assess the impact on access to land of EU regulatory changes. E.g. the impact of the Renewables Directive on land market prices through the development of Renewables Acceleration Areas (RAA)'s;
- Undertake policy research and issue regular flagship reports on major trends concerning European farmland.

#### 5. How should the Observatory be governed?

The Land Observatory will be housed within the European Commission. The European Access to Land network strongly urges the creation of a task force involving EU institutions (DG AGRI, DG ENVI), peasant farmers' unions, civil society organizations, rural development agencies, municipalities and local authorities, to guide the work of the Observatory.

The collection of data should integrate and harmonise existing administrative data as well as generate new data involving also participatory methodologies for data gathering and validation that engage small-scale food producer organisations and grassroots movements.

The data collected by the Land Observatory should be accessible to all, including local authorities involved in land management, farmers' unions, and civil society

organizations.

### Conclusion: The time for an Observatory is now

The establishment of a European Land Observatory represents a critical step towards tackling key challenges around access to land and land concentration. By providing comprehensive data and analysis on land tenure and governance, the Land Observatory will support evidence-based policymaking and promote transparency and accountability in decision-making around farmland and prioritize access to land for agroecological farming systems, young farmers, and new entrants.

However, its success will depend on the vision guiding it. The Land Observatory can either simply document the status quo or serve as a tool for policy innovation and reform to promote greater diversity and resilience in EU agriculture. Without stronger regulation, current market trends will only worsen the situation. Much will hinge on how lessons from successful sustainable land management practices across Member States and other EU observatories (like the Soil and Rural Observatories) are incorporated. The proposal for an [EU Directive on Agricultural Land](#) as put forward by ECVC can serve as a useful point of departure, ensuring that land policy in the EU is in line with global frameworks such as the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGTs) and the United National Declaration on the Rights of Peasants (UNDROP).

Recommendations for the creation of an EU Land Observatory by the European Parliament have been longstanding. In 2017 and in 2023, respectively, the MEPs Maria Noichl and Isabel Carvalhais called for the Commission to set up such an Observatory in two own-initiative reports. These calls have been given a significant boost by the recent recommendation by the [EC's Strategic Dialogue on the Future of EU Agriculture](#) (September 2024) for the creation of a European Observatory for Agricultural Land.<sup>3</sup>

With this in mind, the European Access to Land network and its allies invite the Commission to an exchange on the imminent creation of an EU Observatory on Agricultural Land in order to address key societal concerns around land access, distribution, ownership, mobility, and market behaviour. **The time to act is now!**



<sup>3</sup> See Recommendation 3.1.2. entitled 'European Observatory on Agricultural Land' on p.71 of the final report of the Strategic Dialogue: *As recommended by the European Parliament, this new Observatory should be launched by the European Commission, with the involvement of the national authorities competent on land. It will enhance transparency and cooperation in domains such as land transactions and transfers of land use rights (purchase, lease, control of shares), price trends and market behaviour, changes in land use, loss of agricultural and natural land, soil quality, and erosion. The Observatory should have a monitoring role, including issuing annual reports and providing recommendations based on a set of criteria, including CAP and environmental objectives.*

## Appendix. Definition of terms

**Farm unit:** The term 'farm unit', as defined by the Food and Agriculture Organization (FAO), generally refers to an 'agricultural holding'. This is understood as an economic entity engaged in agricultural production under a single management, encompassing all land, livestock, and resources used for farming, regardless of the holding's legal status, title, or size. The farm unit can include all production activities on the land managed as a cohesive entity. It may consist of land parcels and other resources that might be contiguous or non-contiguous, but they are collectively managed under one operational plan or management entity. Importantly, the FAO's definition emphasizes that the farm unit functions as a cohesive unit, aimed at agricultural output, under unified operational or managerial oversight, which can include land, water, labor, and other resources necessary for agricultural production.

**Farm unit beneficiary owner:** A farm unit beneficiary owner is the individual who ultimately benefits from or controls the assets and income of an agricultural unit, even if they are not the direct, legal owner. This concept applies to cases where the ownership structure of the farm may be complex, involving intermediaries or legal entities (like trusts or holding companies). The beneficial owner in this context is the person with ultimate control or financial interest. Identifying beneficial ownership ensures that resources and benefits reach those actively involved in production, rather than only those with legal but indirect control in addition to promoting compliance with financial and tax regulations and accountability in agricultural management.

**Small farms:** A comprehensive definition of small farms is not easy to develop, given the varied agricultural contexts that exist across European countries. Available definitions of small farms, focusing on physical or economic dimension, tend to fail to grasp the diversity of small farmer realities across Europe. Moreover, existing EU definitions tend to have major normative implications; they exclude a large number of small farms from statistics, hence from policy support. They also ignore the contributions of a number of small farms to food sovereignty, job creation and rural livelihoods. Finally, they tend to pressure farmers towards land consolidation, mono-activity and full time work. Rather than opting for quantifiable parameters such as physical or economic size, small farms are best distinguished by analysing the public goods they provide and the critical role they play in the viability, vitality and even survival of rural communities. Small farms contribute to a resilient, healthy and balanced regional development. A small farm can thus be seen as a complex and multifunctional entity, which engages in sustainability in its broadest sense – economic, social and environmental.

This policy brief is written in the frame of the Erasmus project "Upskilling pathway for agroecology practitioners toward European synergies on land" which is co-funded by the European Union. It was elaborated jointly by the project partners which are the members of the European Access to Land Network and their allies ECVC, AGTER, and TNI.



Co-funded by  
the European Union