

Non-private land ownership

Toward new strategies to land access

Thorsten Arnold

Grey Bruce Centre for Agroecology

contact@thorstenarnold.com

www.thorstenarnold.com

August 2021

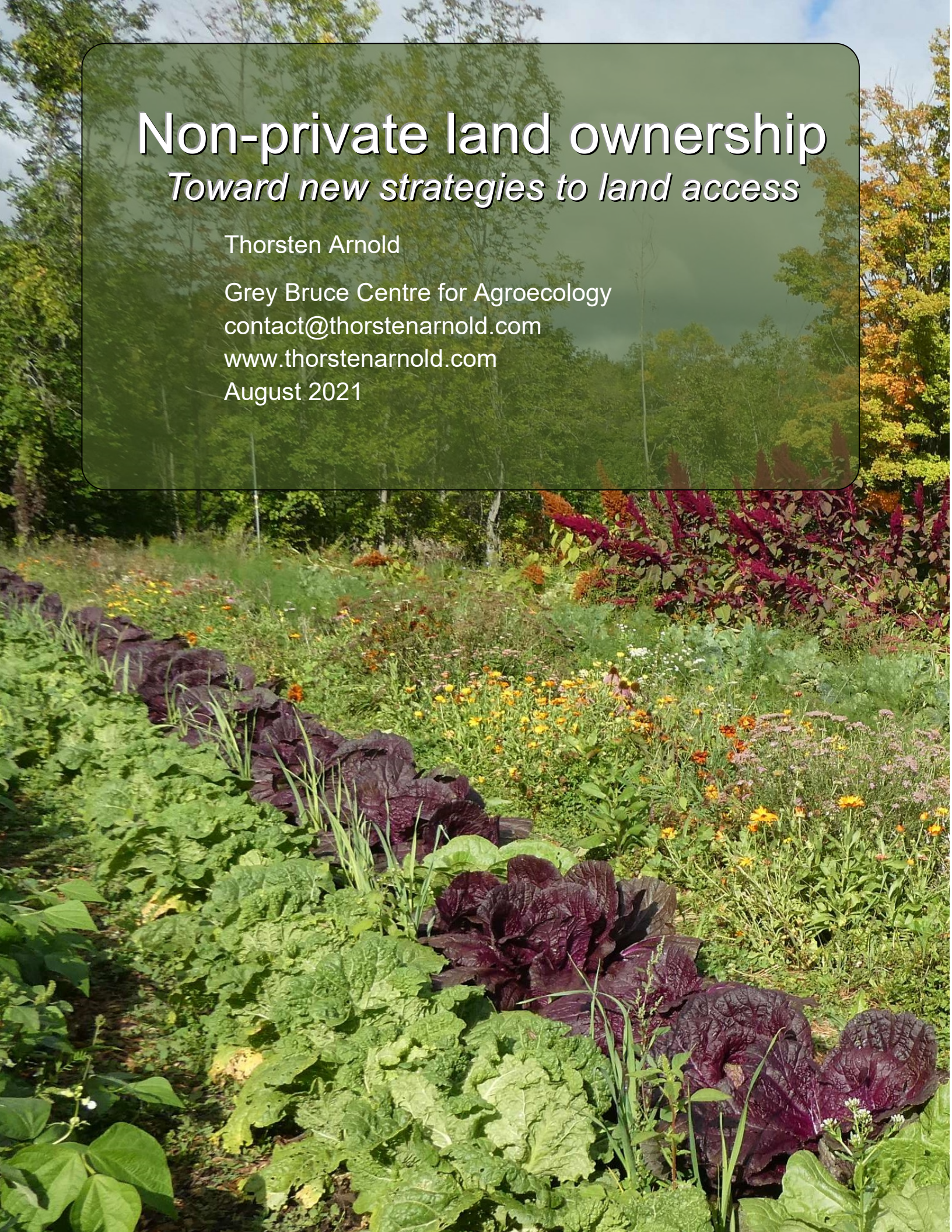


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1. Introduction: Land access in Ontario

1.1. Scope of this report

This report is a compendium of several ideas around land access. Within the Planetary Crisis (Rockström et al., 2013; [Steffen et al., 2015](#)), industrial agriculture is a key driver of land degradation globally – whether it is with regards to biodiversity loss, disrupted nutrient cycles ([Campbell et al., 2017](#)), carbon dioxide emissions from soils ([Sanderman et al., 2017](#)), or the disruption of the terrestrial water cycle ([Levia et al., 2020](#)). Land access in Ontario has become the main barrier to a transition to sustainable or regenerative land use; land access has become one of the main hurdles to tackling the planetary environmental crisis. This barrier is so profound that it can only be addressed through a large coalition of movements – young new farmers and small-scale family farmers, First Nation groups and people of color, conservation and biodiversity activists, water and food advocates, fishermen and hunters, the Agritourism sector, health-aware eaters, anyone who values the beauty of mosaic landscapes above homogenous monocultures, and responsible citizens who have concern for the world they have borrowed from their children and grandchildren.

In recent years, vast stretches of agricultural land are accumulating in the hands of very few people and land holding corporations. And these enormous land parcels are managed by imposing simple rent regimes that favour these unsustainable land use practices. A transition to regenerative land management would require far higher involvement of skilled human beings who manage land according to contextual needs. Typically, regenerative land management requires:

- (1) long-term secure access to the land (through ownership or long-term leases),
- (2) direct financial benefits from land improvement to those who invest into land regeneration, and
- (3) especially in temperate regions, much smaller land management units compared to those rented out to monoculture cash cropping or prairie ranching.

The purpose of this report is to introduce structural solutions to land access from around the world, especially solutions that work under today's framing of private land ownership and land speculation. The compendium is neither complete nor focused on any particular interest group. The report was written with deeper equity concerns in mind, but without testing how equitable each of these solutions may be.

This compendium complements other resources on land access. The National Farmers Union - Ontario has collected several resources¹, most notably an excellent report by the Young Agrarians² from 2018. The Local Food And Food Co-operative network offers a wealth of resources on co-operative farm ownership to its members³. Farm co-operatives are an excellent option to purchase a single farm, yet they do not provide a structural solution to land access – the effort of forming one co-op is significant and

¹<https://nfuontario.ca/new/land-access-resources/>, accessed Sept 29, 2021

²<https://www.dropbox.com/s/dk4z5eim9kr9o8p/landaccess-ontario-july7-sm.pdf?dl=0>, accessed Sept 29, 2021

³<https://www.localfoodandfarm.coop/coops>

despite significant education efforts, there are only a few farm co-ops in Ontario still. Other land access resources are offered by Farms At Work⁴, including FarmStart's "[Accessing Land for Farming in Ontario](https://farmsatwork.ca/content/start-farm)".

This compendium reviewed a range of strategies to approach the land access conundrum. Several of these operate within the capitalist system of land as private investment property. These approaches do not overcome those more fundamental issues around commodifying land and nature. However, I regard these approaches as potential stepping stones, where dwellers could potentially access land now and manage it for regeneration. In my eyes, these intermediate "within-the-system" strategies can help regain some of the knowledge and skills around land stewardship, much of which is lost after centuries of capitalist colonization. Other approaches, like Germany's Ackersyndikat or the Kulturland Co-operative, propose solutions that are designed to transition land ownership away from speculation in the capitalist system. While these examples are structurally sound, the speed of conversion may be slower than necessary to address the planetary crisis. These international examples may require some rethinking. Canada may involve indigenous people in the oversight of land – a true opportunity to reconnect with regenerative management approaches.

⁴<https://farmsatwork.ca/content/start-farm>

1.2. Motivation

With soaring land prices, land ownership in Ontario is increasingly out of reach for new entrant farmers. Meanwhile, more and more farmers now farm rented land, and only own a small portion of the land they work. Relying on annual land lease agreements, farmers that I interviewed voiced their reluctance to invest into long-term soil improvement because they lack secure access to that land. Instead, farmers feel in a position where they should extract value from land, even if they are organic or share regenerative values. In short, the common land ownership and land rental situation was repeatedly stated as a barrier to a transition to regenerative farming.

The imperative of landscape regeneration, and the ecological (or regenerative) farming movement has to come to terms with a new reality around land ownership and the economics of land prices. Farmers may not own the land they farm. So how can regeneration persist in this new reality of land ownership?

After several discussions, private land *ownership* is not regarded as the main barrier to regenerative farming. Rather, barriers include (1) *insecure land access* due to short-term rental agreements, (2) insufficient recognition of investment into land, and (3) lack of financial incentives to regenerate soil health and landscape health. These barriers can be attributed to several interconnected causes: barriers are partly found within the mechanics of land holdings as shareholder-owned corporations that speculate on land value, partly with the way how modern land rental agreements favour few large land leases over a multitude of small land leases, partly the sense that land speculators and their shareholders avoid being locked into long-term leases, and partly due to tax incentives that favour commodity monocultures. For example, non-farm land owners enjoy tax rebates if they lease agricultural land to farmers, without any consideration of landscape health or soil health.

Land access solutions for regenerative farming may be viable by addressing these barriers:

- (1) ***longer-term land rental agreements*** that recognize, reward, or even require tenants to regenerate soil health and landscape health;
- (2) ***financial policy incentives*** that reward such regeneration efforts, e.g. in taxation policies, or Ontario's crop insurance subsidies;
- (3) ***communal or collective land ownership*** – in co-operatives, charities, government or mixed forms.

As previously mentioned, several land ownership forms are not considered further in this report: co-operatively owned farms, private partnerships between philanthropically inspired individuals and new farmers, eco-villages and collectives, and many forms of informal partnerships. This compendium describes structural approaches to address land access, without diminishing these less formalized farmland partnerships or cooperatives.

1.3. Land price trends in Canada & Ontario

Quote: “With 400 million acres of land in the U.S. expected to change hands over the next two decades, the time for transformation in land ownership is now.”⁵

Farmers need long-term secure land access in order to implement regenerative practices. The benefits from regenerative farming become financially significant after 4-5 years, while rental agreements can be ended any time. Unfortunately, the costs of land compared to the prices of agricultural products are such that farming cannot pay for land.

On average, Canadian farmland prices have increased by 5-20% per year (Figure 1). While the graph indicates that price increases are slowing down, the impact on young or new ecological farmers requires a more detailed analysis. In Ontario, most ecological farmers are direct marketers and require land in the vicinity of larger urban settlements (Figure 2). Around cities and in the south, land prices have stabilized at high levels, out of reach for ecological farmers. Young farmers were moving further away and travelling farther to their customers, e.g. into municipalities like West Grey, Lucknow, or South Bruce, or around Peterborough. It is these regions that have experienced the steepest farmland price increases.

In addition, COVID has led to a dramatic exodus of urban dwellers into the countryside. Small or low-quality agricultural land, which would be suitable for regenerative grazing or market garden operations, have experienced over-proportional price increases for residential/recreational purposes. Interviewees gave several examples where property values doubled since 2016. This further squeezes out entrant-level ecological farmers looking for appropriate farmland.

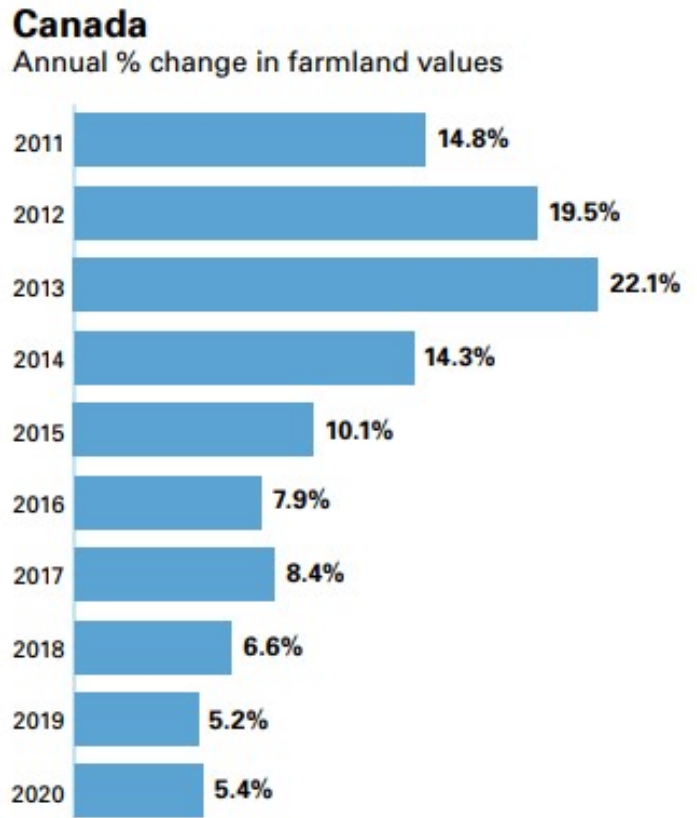


Figure 1: Farmland price trend in Canada (from FCC 2020)

⁵<https://agrariantrust.org/agrariancommons/>

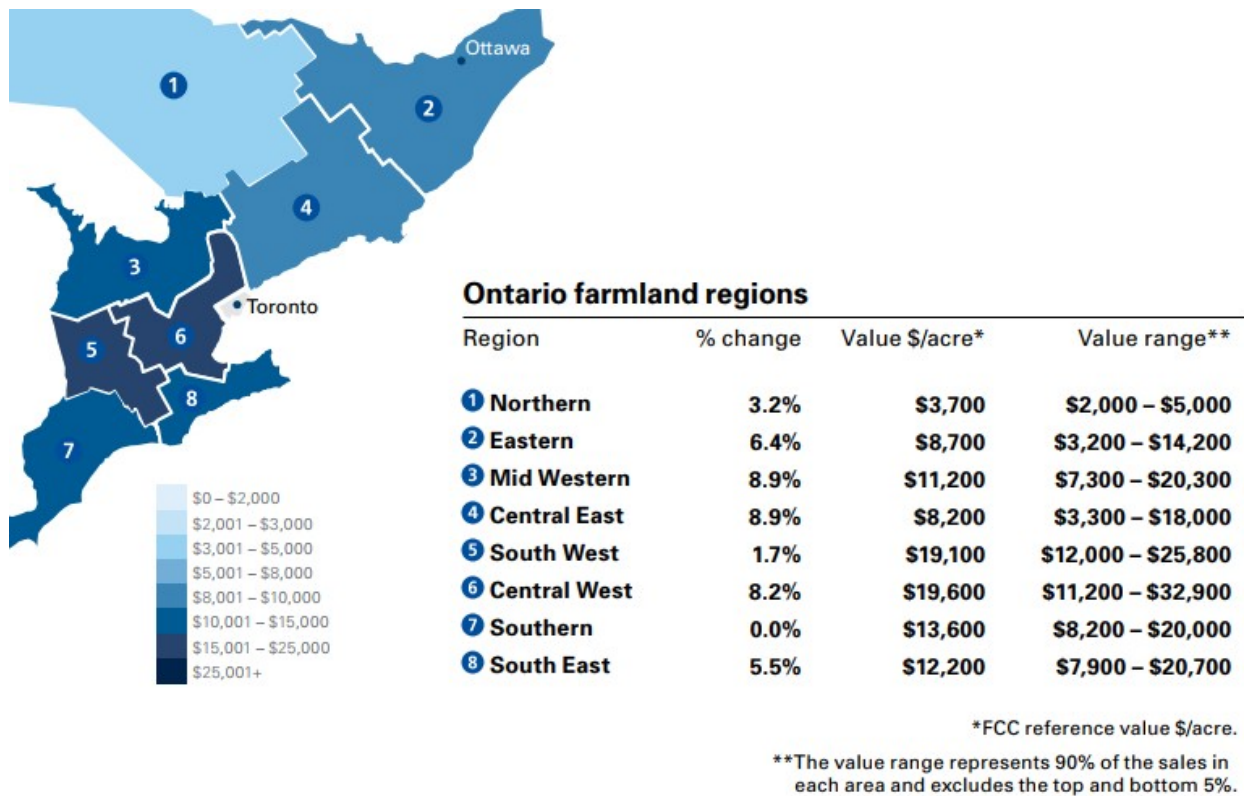


Figure 2: Farmland price increases in Ontario, by region (from FCC 2020)

During interviews about barriers and opportunities for regenerative farming, increasing land price has been a common theme. Farmers cited that “regenerative farming” only makes sense if farmers have long-term security for land access. Unfortunately, Ontario’s traditional path to secure long-term land access was via ownership. This path is now out of reach for new farmers, unless they can rely on very strong financial backing. Rental agreements seldom provide the land security and value recognition that would warrant several years of investment into soil health, hedge rows, or other habitat features. As a consequence, interviewees focus their regeneration efforts on the small portion of land that they own, and rental land is farmed with less considerations of soil health. **Due to the lack of secure land access, regenerative farm investments have low practical relevance for most interviewees, even if this conflicts with personal values.**

2. Government ownership of farmland

2.1. Bruce Community Pasture, Ontario

Ontario has a long history of community pastures that dates back to 1957, when prime minister John Diefenbaker announced a national agriculture program for Canada. In November 1961, Federal agriculture minister Alvin Hamilton announced the Agricultural Rehabilitation and Development Act (ARDA). Its primary objective was to improve the productivity of marginal land. The plan involved three levels of government: federal, provincial, and municipal.

The provincial government delegated responsibility to the Conservation Authorities. For the Bruce Community Pasture in Kincardine, Saugeen Valley Conservation Authority (SVCA) took on the project. Among the benefits of a community pasture was land access for small farmers who could not afford to buy a grass farm. This way, small farmers could rent additional pasture and keep cattle until maturity, freeing first-quality land for cropping.

Between 1966 and 1968, the Conservation Authority purchased 1,400 acres in southern Bruce County that included 100 acres of steep hills and 100 acres of bush. Thorn bushes were cleared, new fences erected in 100 acre paddocks, a well was drilled and water piped to all lots. The farm was then seeded down. In 1991, an extensive stream-back erosion project was undertaken with help from the SVCA and Ontario Hydro: 75,000 cedars, spruce, and white pine were planted. Fences were erected along the creek to prevent the cattle from polluting it and breaking down the shoreline.

After initial support by the Government for land purchase and the initial development costs, the farm has paid for itself until today. In 1997, the provincial government decided to sell off the Ontario pasture farms. The management committees of all 11 farms lobbied to save them. In 1999, the farms were offered for sale at a price of \$1-million. The 11 pasture farm committees formed a not-for-profit corporation, Association of Community Pastures, and purchased the land in 2000. The association's head office is in Guelph, and the affairs are managed by a board of directors representing the 11 farms.

The property under the Bruce Community Pasture has continued to pay its own way and the obligation was free of debt in 2010. A new processing chute was purchased in 2015 which proved to be beneficial by weighing the cattle on arrival and departure to determine how well the cattle did over the season ⁽⁶⁾.

Community pastures exist in several provinces, and have been struggling against privatization ambitions of governments ⁽⁷⁾. According to the Leeds-Grenville Stewardship Council, there are 11 community pastures in Ontario ⁽⁸⁾: Bruce, Leeds ⁽⁹⁾, six in Northern Ontario, and three that were not identified. For Northern Ontario, Barry Potter and Kaitlyn Schenk assessed regional economic development impacts of these community pastures in 2017 (*Figure 3*).

⁶<https://www.kincardinerecord.com/story.php?id=2753>

⁷<https://www.canadiancattlemen.ca/crops/forages/pasture/community-pasture-patrons-and-staff-persevere-through-tough-transitions/>

⁸<https://onregionalecdev.com/2017/08/17/growing-agriculture-with-northern-ontario-community-pastures/>

⁹<http://www.lgstewardship.ca/leeds-community-pasture.html>

2017 Economic Impact of Community Pastures in Northern Ontario						
	Algoma	Ice Lake	Man. Island	Rainy River	Temisk.	Thunder Bay
No. Full Season	71					215
No. Mid Season						12
No. Shortkeepers	40					85
No. Cow/calf pairs		79		262	349	98
No. Yearlings	112		236	179	125	107
No. Bulls				11		2
Grazing Season- No. of days on Pasture						
Short Keep	39					91
Mid Season						118
Full Season	109	180	115		130	132
Pasture Charges						
Entry Fee/ Head	\$20					
Per Head	\$0.60/day					\$0.60/hd/day
Bulls				\$120		
Cow Calf Pair		\$110		\$120	\$80	
Yearlings			\$70	\$90	\$60	
Revenue:						
Full Season	\$6,063.40					\$17,028
Mid Season						\$849.60
Short Season	\$1,736					\$4,641
Bulls				\$1,320		
Cow Calf Pair		\$8,690		\$31,440	\$27,920	
Yearlings			\$16,520	\$16,110	\$7,500	
Total:	\$7,799.40	\$8,690	\$16,520	\$48,870	\$35,420	\$22,518.60
Overall Total:	\$139,818					

Potential Economic Impact Provided by Northern Pastures						
	Algoma	Ice Lake	Man. Island	Rainy River	Temisk.	Thunder Bay
No. Cow/Calf Pairs		79		262	349	98
No. Yearlings	112		236	179	125	107
No. Bulls				11		2
Potential Revenue:						
Cow/Calf Pairs		\$94,800		314400	\$418,800	\$117,600
Yearlings	\$168,000		\$354,000	\$268,500	\$187,500	\$160,500
Bulls				\$13,200		\$117,600
Total:	\$168,000	\$94,800	\$354,000	\$596,100	\$606,300	\$395,700
Overall total:	\$2,214,900					

*Assumed sale of calves to be \$1,200 and sale of yearlings to be \$1,500

Figure 3: Economic impacts of community pastures. Tables reproduced; Source: see footnote 8

A renewal of the Community pastures concept may offer a way forward for land access to BIPOC, new farmer entrants, and other people who require access to grazing land or land for other ecological farming practices.

2.2. Open Space management in Boulder, CO

In Colorado, the "Open Space" program enables local governments to **purchase land and manage it in the public hand**. Some space is used as parks, some rented out to a diversity of farmers. Many of these are organized in [Colorado Open Space Alliance \(COSA\)](#), a statewide organization of publicly funded local and regional open space programs. Within COSA, open space programs work cooperatively to share information, create public awareness and foster partnerships needed to protect and preserve the special places of Colorado.

The Open Space program emerged sixty years ago in Boulder, as a more ambitious approach to the protection of wild or scenic lands. To intensify Colorado's previous efforts in landscape protection, Boulder residents wanted to create a mechanism to protect landscapes from rapid development. *"The city council and city administration [at the time] didn't want anything to do with it," remembers 90-year-old Boulder resident Oak Thorne. "We got it on the ballot by citizens' signatures. It was totally a citizens' movement."* ⁽¹⁰⁾. Since then, Boulder has set aside budgets to continuously increase open spaces (*Figure 4*). Citizens continue to promote and extend open spaces, as documented by Grace Hood in August 26, 2019 ⁽¹¹⁾. Several of these open spaces (*see Figure 4*) have been managed by small farmers, to whom the city provided land access ⁽¹²⁾.

A citizen science project conducted a 10-year Ecological Soil Health monitoring story, supported by SARE ⁽¹³⁾. The group that has overseen the project is a consortium of 40 organizations ⁽¹⁴⁾. Results were presented in 2020 and demonstrate how open spaces, including several farms located on these, have continuously increased soil health ⁽¹⁵⁾.

Whether this approach is transferable to Ontario – in greenbelts or conservation authority land – remains unclear. The great appeal and success warrants further investigation.

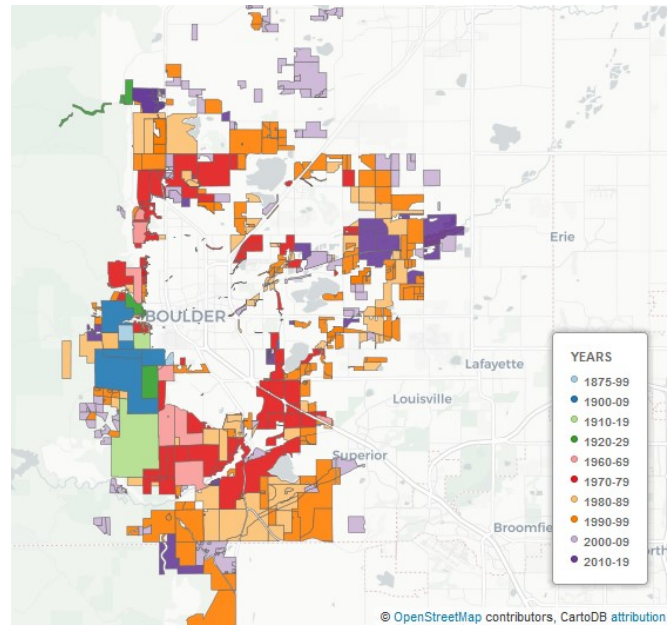


Figure 4: : Boulder open space acquisitions color coded by the decade the city closed on the land.

Source: [City of Boulder Open Data](#)

¹⁰<https://www.cpr.org/2019/08/26/colorados-love-affair-with-open-space-started-with-a-boulder-experiment/>

¹¹<https://www.cpr.org/2019/08/26/colorados-love-affair-with-open-space-started-with-a-boulder-experiment/>

¹²<https://www.bouldercounty.org/open-space/management/agriculture/>

¹³https://projects.sare.org/sare_project/fw19-341/

¹⁴<https://www.cocewl.org/about-us.html>

¹⁵<https://boulderbeat.news/2020/01/05/study-snapshot-boulder-county-ranches-open-space-have-healthiest-soil/>

3. Real Estate Investment Trusts (REITs)

3.1. Real estate investment trust (REITs)

A REIT (real estate investment trust) is a company that makes investments in income-producing real estate. Investors who want to access real estate can, in turn, buy shares of a REIT and through that share ownership and effectively add the real estate owned by the REIT to their investment portfolios. Canada is home to many REITs, for example Bonfield which manages assets valued at more than \$1 billion.

REITs must be distinguished from land trusts. The term Land Trust refers to non-profit, charitable organizations which have as one of their core activities the acquisition of land or interests in land (like conservation easements) for the purpose of conservation.

Corporate land holdings, or REITs, are not designed to ensure regenerative land uses or provide access to new entrant farmers. They are a well-established mechanism that transfers almost unlimited amounts of investor capital into the land market, especially from large institutional investors that can leverage tens of billions in assets. Today, these institutional investors do not rely on significant annual financial returns from these investments but rather value the security and speculative gains via increasing land values. They could make amendments to their rental agreements which could ensure regenerative land use, e.g. by postulating soil health regeneration or ecosystem regeneration. Also, intermediate players (e.g. a not-for-profit) could rent large areas from REITs and manage rental to multiple new entrant farmers.

When relying on REITs, tenant farmers do not accumulate capital through real estate price increases. Their security of land access depends entirely on the land rental agreement, as do long-term regeneration incentives. Today, rental agreements are typically limited to one or a few years, without any consideration for soil health or landscape health. This could easily change with appropriate policy.

Meanwhile, responsible investment may offer another pathway. **Environmental, Social & Governance (ESG) criteria around agriculture and agricultural land are only emerging** ^(16, 17). So far, ESG investors focus mainly on the stocks of value chain actors. To my knowledge, no ESG method exists for corporate land holdings. This means that there are no accepted methodologies to distinguish regenerative and degenerative land holdings.

3.2. Regenerative real estate investment trust (REITs)

In recent years, impact investors are recognizing the need for regenerative REITs. Examples exist, including the [Iroquois Valley Farmland REIT](#). In their own words, *“Iroquois Valley addresses one of the biggest barriers to the expansion of organic farming: patient capital. Our innovative leases and mortgages allow organic farmers long-term land security. Our operating lines of credit improve on-farm cash flow so*

¹⁶ <https://www.spglobal.com/en/research-insights/articles/how-is-agriculture-impacted-by-esg-investing>

¹⁷ <https://www.marketwatch.com/story/7-ways-for-esg-investors-to-profit-from-sustainable-agriculture-11616600205>

that farmers can invest in their land. Each investment the Company makes represents a direct partnership with an independent organic farm”⁽¹⁸⁾. This REIT has put out a Direct Public Offering worth \$50 million and allows both accredited and non-accredited investors to invest (Figure 5).

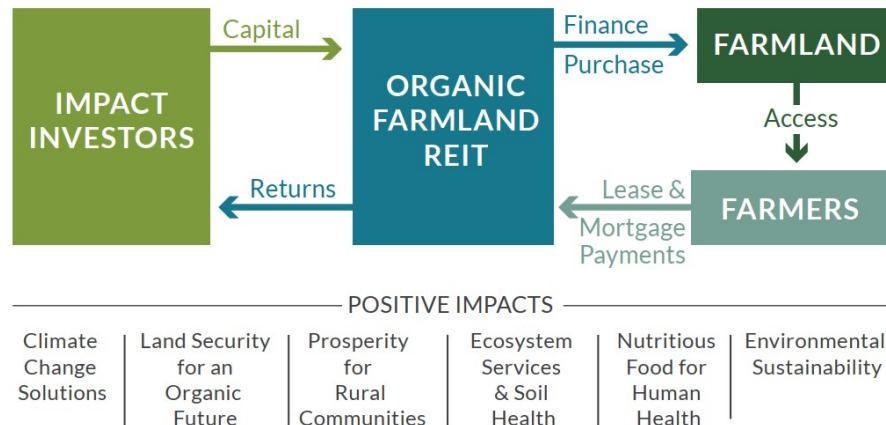


Figure 5: Impact investment with the Iroquois Valley Farmland REIT. Graph taken from Factsheet (154)

4. Land Trusts & charities

Land trusts may directly own land, or they may oversee land use easements on a privately owned property. Many conservation land trusts reward land owners with tax credits: by excluding certain land uses, the speculative monetary value of a property diminishes. When protecting land under a charitable land use easement, property owners receive tax credits for the estimated loss in property value. Alternatively, charitable land trusts can issue tax receipts if land is donated to them. Charitable land trusts also provide long-term protection for those who want to protect land from development, so many land trusts accept donations of land. Land trusts may also raise community funding to protect critical land, e.g. for conservation purposes.

Examples of regenerative land trusts and regenerative land holdings are only emerging. This list is not complete by any means, but rather serves to exemplify different land trust designs.

1. The **Sustainable Iowa Land Trust (SILT)** is “about securing a healthy food supply from the ground up – for good.”⁽¹⁹⁾. For SILT, this means permanently protecting land for sustainable food farming with benefits on food security (increases the amount of fresh, ripe food in the Midwest), and rebuilding Iowa’s rural economy in a diversified manner, permanently improving water and soil quality and a landscape that helps mitigating climate change while becoming more resilient to climate change; and providing affordable land access to farmers. SILT accepts donations of farmland, and offers farmland easements that limit the type of farming activities.

¹⁸https://iroquoisvalley.com/wp-content/uploads/2021/05/Fact-Sheet_May-2021.pdf

¹⁹<https://silt.org/for-iowa-and-the-planet/>

2. Ontario's [Escarpment Biosphere Conservancy](#) is a very similar to the SILT land trust: an Ontario-based land trust that provides tax credits to land owners who put their land under easements. Such easements can include the stipulation that only organic farming is permitted, or that some land is taken out of production. The conservancy also accepts land donations, e.g. in a will, and raises capital to purchase sensitive properties of high ecological and community value.
3. The [Kawartha Land Trust](#) is currently exploring whether the EOV (plus a holistic management plan) can be used as a land trust stipulation. This would move away from the traditional model that designates certain areas for conservation. The theory behind mosaic landscapes requires mosaics to move and adapt to changing conditions, which is inconsistent with the traditional land trust model but consistent with outcome-based land protection. Early discussions between the KLT, farmers, and Nature Conservancy Canada also highlight how EOV creates a shared language and allows bridge building between groups.
4. The [Northeast Farmers of Color land trust](#) (NEFOC LT) is a **hybrid model** land trust, bringing together a **community land trust model** and a **conservation land trust model** to re-imagining land access as well as conservation and stewardship of communities and ecosystems with the goal of manifesting a community vision that uplifts global Indigenous, Black, and POC relationships with land, skills, and lifeways. The trust is working to conserve land through protecting **native species ecosystems**, engaging in **regenerative farming and agroforestry**, and advancing environmental policy that upholds the **Rights of Nature (Personhood)**.

NEFOC LT is currently developing tools such as “cultural respect agreements, conservation easements, rights of first refusal, voluntary taxation and land repatriation”. The trust aims at acquiring 2,000+ acres of land in the next five years through land return, donation, repatriation, and purchase; and connect farmers to land through facilitating up to 50 leases during this period. NEFOC plans to acquire a 100-500 acre parcel of land to build a flagship community with incubator farms, commons for production, child care, health care, and integrated ecosystem restoration. NEFOC is raising \$4,000,000 over the next 3 years to care for this land in perpetuity. Furthermore, NEFOC is aiming at collaborations with allied and sibling organizations for training, education, markets, business development, and financial planning, that farmers need to thrive on the land.

5. Pension Plans and other portfolio investments

Farmland has become increasingly attractive for financial managers (^{20, 21}). **Portfolio investments** are the ownership of bundles of stocks, bonds and other financial asset with the expectation that it will earn a return and/or grow in value over time. Portfolio investments distribute assets by risk categories. Depending on their risk aversion, portfolio funds put a percentage of assets into high-risk investments (stocks, financial products) and the remainder into lower-risk asset classes such as bonds, money market funds, property funds, real estate and land.

In all cases, portfolio investments are considered [passive investments](#) made through real estate investment trusts (REITs) or private equity pools. Some pension funds run real estate development departments to participate directly in the acquisition, development, or management of properties²². However, most pension funds invest into shares of REITs as intermediaries, and it is the REIT managers that buy and sell land and impose landuse requirements. With such intermediaries in place, pension fund managers may not even aware where the land properties that they are invested in are actually located – and they can conveniently pass on any responsibilities for land degradation.

In the US, corporate purchases of farmland remain a relatively low portion of overall land ownership²³. In Canada, the Canadian Pension Plan and other pension plans have discovered the great economic opportunity in buying large areas of land. The interest in land started to skyrocket before COVID²⁴, and has performed exceptionally well during the pandemic. For example, the Healthcare of Ontario Pension Plan (HOOP) proudly announces that the *“Increases in the value of our land holdings and developments in progress this year”* compensates for the *“Negative impacts on our Canadian retail holdings and our office portfolio”*(²⁵).

In addition to Canadian land purchases, pension plans are expanding to purchase agricultural and timberland worldwide. [Gerald Pilger](#) (²⁶) reported for the Country Guide that the Alberta Investment Management Corporation, which invests on behalf of numerous Alberta pension, endowment and government funds, purchased 2,500 square km of “timber and agricultural land” in Australia. The environmental footprint of portfolio investments thus far outweighs local impacts.

According to SHIFTACTION, a Toronto-based NGO that lobbies for wealth planning in ways that don’t destroy the planet, our investment portfolios make up the majority of our environmental impact – far more than any personal action (Figure 6).

²⁰<https://www.forbes.com/sites/forbesfinancecouncil/2019/07/09/why-money-managers-are-moving-into-farmland/>

²¹<https://www.avenuelivingam.com/investing-canadian-farmland/>

²²<https://www.investopedia.com/articles/credit-loans-mortgages/090116/what-do-pension-funds-typically-invest.asp#real-estate>

²³<https://www.forbes.com/sites/forbesfinancecouncil/2019/07/09/why-money-managers-are-moving-into-farmland/>

²⁴<https://www.country-guide.ca/guide-business/the-new-land-barons/>

²⁵<https://hoopp.com/investments/hoopp-investment-management-and-funding/hoopp-real-estate>

²⁶<https://www.country-guide.ca/contributor/gerald-pilger/>, gpilger@syban.net

If looking at fossil fuel emissions alone, the annual emissions hidden in a \$500,000 pension plan exceeds the emissions from driving a car by a factor of 20 (Figure 6). These numbers neither include any land use-related impact on biodiversity nor direct climate impacts (terrestrial water cycle, heat island effects). Furthermore, portfolio investments conceal how many assets are directed to agricultural and timber land holdings, even though they are important risk management tools.

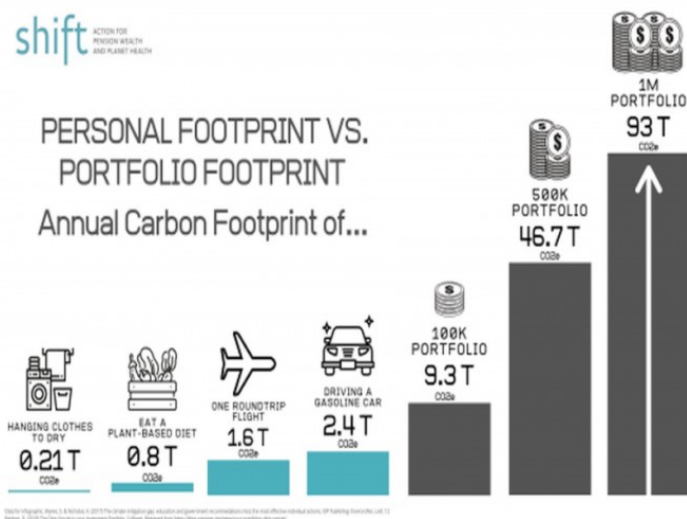


Figure 6: The fossil fuel footprint of portfolio investments far exceeds the impact of individual lifestyle choices. Source: SHIFTACTION

Influencing portfolio funds through democratic means is almost impossible. Shareholders have a small chance to vote for a board director. The board directors jointly direct management staff through strategic investment directives. However, the fiduciary responsibility of this director forces him to put asset profitability before any environmental considerations.

Potential solutions and the role of ecological health monitoring

Some awareness around the impacts of pension fund’s land purchases led a few funds to avoid farmland (e.g. ²⁷). However, there are currently no systemic mechanisms that support land regeneration within portfolio investments.

As class action lawsuits are emerging against the destructive investment practices of pension plans and other portfolio funds (including philanthropic foundations), the call for “divestment” from destructive assets is now more prevalent. However, investors are facing a scarcity of regenerative investment opportunities – a need that may soon reach a tipping point. Regenerative REITs, as discussed in the last section, would be a good vehicle for such re-investment.

However, portfolio funds operate at different scales. According to insiders, most pension plans set a minimum investment volume of \$200 Million – a substantial scale gap from any existing regenerative REIT. At the same time, most pension plans also have separate streams for experimental investments. A successful pilot, e.g. with a EOV that was tested in a pilot partnership with individual investors, may qualify for these streams. Good timing is essential here; if public pressure is high, e.g. after a class action lawsuit, portfolio funds may welcome and support regenerative REITs that have already been piloted.

²⁷ <https://www.reuters.com/article/cbusiness-us-cppib-farmland-exclusive-idCAKBN17S2JX-OCABS>

6. Complex ownership structures from Germany

6.1. Crowd-funding co-operative land ownership:

The *Kulturland e.G.* (Cultural Landscapes Co-operative Inc.)

Kulturland e.G. is a self-help community of farmers and citizens who have set themselves the goal of permanently securing agricultural land for ecological and regionally integrated agriculture. It is an incorporated co-operative with the goal of owning and protecting farmland. The *Kulturland* cooperative is a social enterprise that was developed in cooperation with farmers, cultivation associations and advisors. Inspiration also came from friendly organizations in France, England and Belgium. *Kulturland* co-op is independent of banks, companies or industry associations.

Website: <https://www.kulturland.de/>

What is *Kulturland e.G.* (Cultural Landscapes Co-operative Inc.)?

Many farms that turn to *Kulturland* co-operative incorporated ("*Kulturland e.G.*") are well-positioned businesses whose existence is suddenly threatened because they lose access to leased land, or because they struggle with succession. The *Kulturland e.G.* supports regionally oriented organic farmers in securing their agricultural land in the long term. Customers, friends, supporters of a farm (the "community") as well as city dwellers from the metropolitan areas and of course "villagers" can invest money in the co-operative through shares in the co-operative. In the words of farmer Markus Poland: "The prices for land have risen in the last few decades in ways that far exceed the returns that any farmer can generate sufficient surplus on the land. We could never earn the purchase price for land in our lives, not even in the lives of our children and grandchildren." "It is not at all important for us that we own these areas" says Eileen Jahnke, Markus's wife. "It is important for us that we know that they are being managed sustainably in the future."

For every German citizen, the nation provides 2,000 m² agricultural area. If taking into account the lower-value land in the Eastern part of Germany, this land is valued, on average, around Ca\$5000 (in Germany, hectare land prices for one hectare of agricultural land range between \$20,000 and \$60,000). Citizens can participate in *Kulturland e.G.* by purchasing this land, in the form of co-operative bonds valued at Ca\$1000. Every German citizen can purchase up to 5 land bonds for their respective land ownership. If citizens want to support *Kulturland e.G.* further, they can donate memberships with bonds to their friends and family! This way, citizens raise the capital that is necessary for land purchases and take on a piece of responsibility for the fertile soil on this earth that nourishes all of us. Ownership of the land is mutualized and thus withdrawn from speculation. In exchange for a rental payment that is very reasonable, and within ecological values set out by *Kulturland e.G.*, land can be cultivated by those who take their human responsibility to care for the well-being of the soil, plants, animals and society.

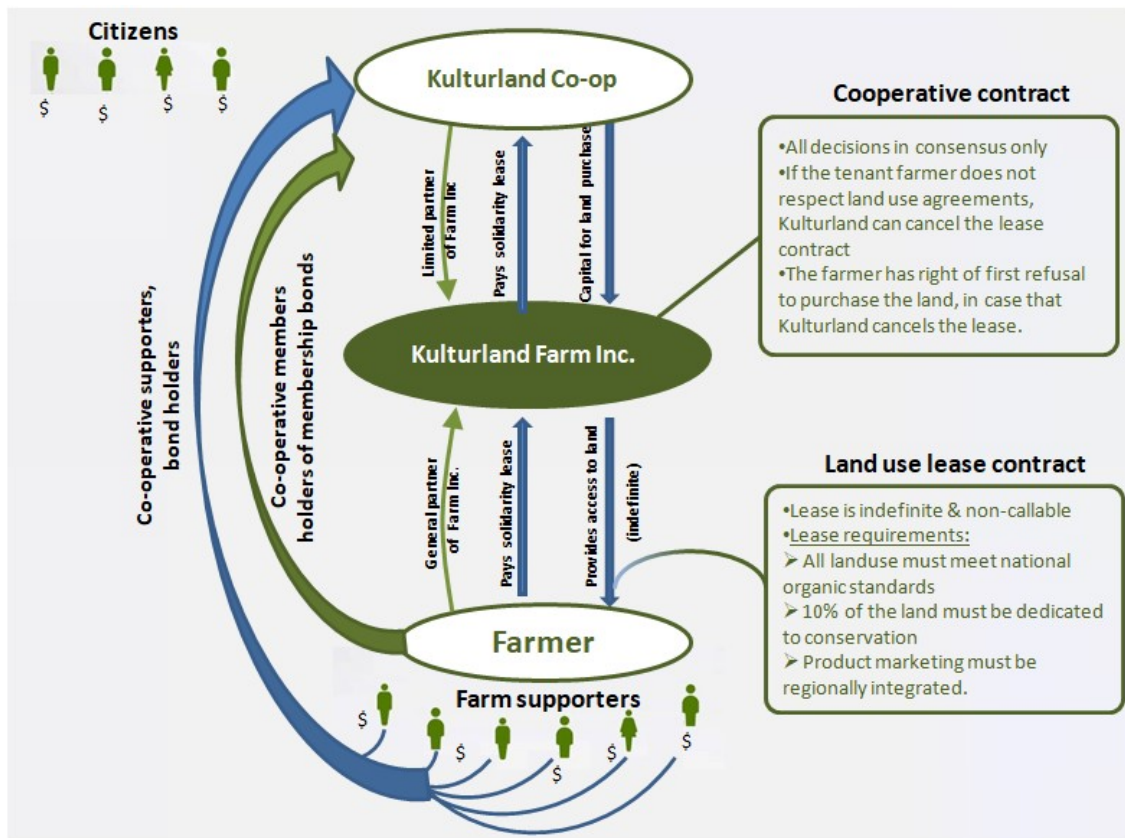


Figure 7: Ownership and membership in the Kulturland Cooperative Inc.

“We acquire arable land, meadows, pastures, hedges and biotopes and make the land available to regionally integrated farms that market organic food on site, offer tours, practice nature conservation and landscape maintenance, provide social care or work with school classes in an educational way. As part of the Kulturland Co-operative, you can take on responsibility for your 2,000 m² and, if you want, take part in farm life.”²⁸

In practice, *Kulturland e.G.* supports farms in crowd-funding capital to purchase their land. The co-op offers clear criteria for the types of farms that they support – ecological farms that show a strong regional presence and integration, offer educational tours, protect natural areas and are dedicated to protecting landscapes, heritage plant varieties and animal breeds, and are willing and able to provide CSA-type returns to local investors.

Interested partner farms are first reviewed and evaluated. If approved, partner farms receive a short “project description”, a visit by an evaluator and advisor. Larger purchases require explicit consent by its board of directors. With this consent, *Kulturland e.G.* and the new partner farm develop a Memorandum of Understanding (MoU). This MoU sets out that

²⁸<https://www.kulturland.de/>, translated

- *Kulturland e.G.* provides the capital for the land purchase in full;
- *Kulturland e.G.* helps in the recruitment of co-operative members (bond holders) and specific actions on how this is accomplished;
- The farm updates *Kulturland e.G.* about the development of the farm on a regular basis
- The farm contributes to the campaign costs financially.
- The MoU sets out annual leases for the land once it is acquired.

With this agreement in place, *Kulturland e.G.* develops information materials that are necessary to approach the community and find bond holders that can raise equity investments. The materials are presented by *Kulturland e.G.* on its website and on social media. It is the farm's responsibility to distribute this information locally, to clients and local networks. *Kulturland e.G.* also supports farms in other options (media press releases, information stands at community events, or special fundraising events on the farm or nearby). This community fundraising is expected to raise 1/3 of the total purchasing price. The remainder is contributed directly by *Kulturland e.G.* from its asset base.

Once the capital is raised, *Kulturland e.G.* forms a dedicated corporation "Kulturland <Farmname> Farm Corp." that then acquires the land.

6.2. ***Start-up financing revitalizes food value chains:***

The Regionalwert AG ("Regional Value Corporation Inc.", RVCi)

The Regionalwert AG (*Regional Value Corporation Inc.* or RVCi) is a mechanism for securing high-risk start-up financing for rebuilding regional food value chains. This strategy is necessary to address the loss of important value chain elements – distribution, processing, or production investments.

RVCi addresses land access indirectly, even though revitalization of the production sector is the main objective of RVCi. First, RVCi ensures profitability of the value chain for producers by addressing value chain barriers. Then, it establishes a financing mechanism to invest into land and real estate, which provide land access.

Website: <https://regionalwert-impuls.de/>

What is the Regionalwert AG?

RVCi is a citizen shareholder corporation. As such, RVCi organizes the interaction between investors and partner companies in order to build a sustainable regional economy in the Freiburg region. RVCi is interlinking a value-based economy with socioecological value-creation. RVCi shapes this dialogue according to established transparency criteria, in ways that investment impacts can be measured and actively directed by RVCi's stakeholders.

When instigator and CEO Christian Hiss thought about starting to farm, he realized that it is far easier to open a natural food store in an urban centre than get into food production. Far more value was added in the retail sector than in production, while production required far more assets to cover investments. This

way, value chains were structurally unfair – even within the ecological sector. An idea was born – an investment mechanism that builds fair value chains – production, processing, distribution, and retail. In 2006, Christian Hiss founded a community-powered regional value corporation that, today, is about far more than food value chains. But food value chains remain its backbone.

RVCI's mission is to establish regional food sovereignty on the basis of a social contract between producer and consumer by strategically directing financing flows. In short, RVCI is a community-driven value-based investment vehicle, a community-financed stock corporation that strategically rebuilds locally integrated value chains and related infrastructure. RVCI is financed by local investors, governed by local board members, directed toward local businesses, and rewarding communities through a multiple bottom line of development. RVCI intends to stimulate the ecological transition by fostering entrepreneurial action within its regional context. RVCI offers citizens the practical opportunity to take responsibility for a sustainable and resilient agriculture and food industry. With the purchase of regional shares and participation rights, citizens support small and medium-sized organic businesses in their region. As a value-based shareholder, RVCI invests local money into local enterprises, land, buildings and facilities owned by regional partner companies. This way, RVCI strategically revitalizes entire value chains. With strategic financing, RVCI creates a partnership network of farms, food processors and retailers, restaurants and service providers that measures their return on the basis of ecological, social and regional economic outcomes.

RVCI's vision is locally integrated food sovereignty of the population via profitable, ecological food chains:

- ***In practice***, RVCI manages capital flows to systematically interconnect rural and urban areas – producers and consumers, farmers and non-farmers. The value proposition of this investment corporation is a New Local Deal, i.e. a localized community contract.
- ***In economic terms***, RVCI acts as an intermediary vehicle that reconnects
 - business management with the larger economic system,
 - the finance sector with the real economy of local ecological food supply chains, and
 - generate profits with multiple bottom lines.
- ***In terms of regional policy***, RVCI assumes a steering role for regional development, by focusing capital investments in value chain bottlenecks.
- ***In terms of its work***, RVCI takes on the responsibility of economic rural development. Its main area of work is supporting strategic regional enterprises through the foundation and start-up phase.
- ***In terms of land***, RVCI is a contact point for those looking for and releasing farms. Financing a farm succession outside the family is one of its main business purposes.
- ***Socially***, RVCI is focused on elevating humans who work in the food value chain. RVCI aims at creating a conducive work framework for those who provide food and cultivate a community living context, in order to give back face and dignity that workers have lost behind the curtain of anonymous competition.

The RVCI service network

- To *acquire land and other real estate*, RVCI has created a separate entity **RV-IMMO**. This way, RV-IMMO can support RVCI partner enterprises. Investors receive a return of 1.5% and maintain or

increase their value, while directly and visually benefiting the local economy. Investors can receive their returns in the form of products that RVCi is generating.

- To *monitor outcomes*, RVCi has established a separate evaluation and assessment corporation.
- *True cost accounting* with QuartaVista. QuartaVista is supporting local businesses in true cost accounting. In addition to the financial profit dimension, QuartaVista enterprises consider three additional dimensions “society”, “nature” and “knowledge”. As a consequence, businesses are enabled to strategically direct themselves towards these dimensions and to navigate accordingly. With this new economic understanding, modern businesses and the entire economy can safeguard future success.

Furthermore, RVCi is engaged in applied and policy-relevant research projects, business development and support, and agricultural extension. This way, RVCi creates a knowledge infrastructure that is independent from ever-shifting government priorities. Ongoing projects look at the multidimensional benefits of ecological agriculture for a region in order to reflect these benefits holistically.

Replicable, not scaleable

RVCi Freiburg (see *Figure 8*) was replicated in several other locations (Hamburg, Berlin, Rheinland, Oberschwaben, Oberfranken, Wien) and more locations have incorporated and acquired a license. Since 2020, RVCis operate under a single common umbrella **RV Impuls** that ensures the seamless flow of knowledge and exchange of expertise between these regional initiatives, to avoid replication and to share scarce resources.

How successful is RVCi?

For investors, RVCi aims to generate a macroeconomic, i.e. ecological, social, regional and financial return. However, since it was founded, RVCi has not yet been able to distribute any financial dividends to its shareholders and at this point in time, it is not foreseeable whether such a financial return will be paid in the next few years. Despite the positive sales development of the partner companies, which are now partly reflected in their positive annual results, the planned, cumulative initial losses at the level of the partner companies and RVCi must first be reduced before a dividend can be paid out to the shareholders. In the long term, we see RVCi shares as a sustainable investment with stable value, which sooner or later will also be expressed in dividend returns.



Figure 8: RVCi Freiburg's enterprise network

RVCi originated in Freiburg, and this region is home to most of its investment projects. Enterprises include regional development initiatives for natural food, retail stores, restaurants, catering businesses for socially vulnerable groups, distributors, and several farms of different sizes. RVCi financed research initiatives, extension services, and renewable energies.

Economic impacts - Today, RVCIs have achieved significant scale. Together, RVCIs have secured support from over 3,000 investors and are employing over 20 staff for administration, true cost accounting, monitoring, and sustainability assessment.

RVCI has supported partner businesses with over Ca\$15 million of start-up investment. RV-IMMO has acquired real estate worth over Ca\$10 million. Over 100 of RVCI's partner businesses employ over 1500 staff persons and generate regional revenues of Ca\$350 Million.

6.3. **Transitioning land to ownership by the commons:** **The Acker Syndikat ("Acres syndicate")**

The Acker Syndikat is a radical idea that re-communalizes land ownership and removes it from private speculative ownership forever. Basically, tenants partner with a charity to purchase the land. Tenants continue to be tenants and pay annual rent, while lease terms are set out by the charity.

Website: <https://ackersyndikat.org/>

What is the Acker Syndikat?

Germany's **Acker Syndikat** was recently launched, using a slightly adapted legal structure from the [Mieter Syndikat](#) ("tenant syndicate"). This tenant syndicate offers a collective ownership solution for real estate that is designed as a snowball. The Syndicate is based on the radical idea that all real estate should be returned to the commons and removed from the speculative market. It also empowers its members to make long-term decisions in a sustainable manner.

The basic business model is simple: The syndicate purchases real estate and tenants pay rent to cover mortgage payments. Unlike for-profit landlords, the not-for-profit syndicate does not extract profits for investors. Rent can thus be much lower than market rate; rents are typically frozen forever at 50% of the market rental cost at the time of the purchase. Once the syndicate has paid off the mortgage, tenant payments continue and finance new projects – a snowball designed to "remove all real estate from the speculative real estate market". The syndicate already owns hundreds of houses, some of which are condominiums with dozens of apartments.

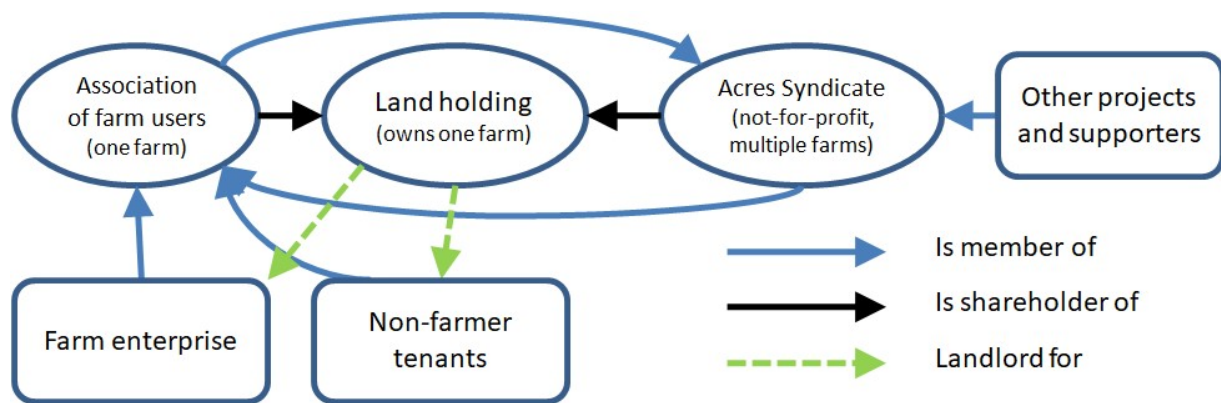
Renters do not accumulate capital but enjoy secure and low-cost access to real estate for as long as they choose to. The syndicate also accepts loans by investors for additional real estate purchases, paying out less interest than bank's interest rate for long-term mortgages.

In 2020, the Acker Syndikat was formed as a decentralized solidarity association of self-organized farms. Within the Acker Syndikat, farmland "*always belongs to the people who manage and use this land in an*

ecologically responsible manner". However, land ownership is shifted from private equity to an unsellable common good – a pragmatic solution in uncertain times that may be the best of many difficult options.

Farms are organized as a corporation with two shareholders (Figure 9). The majority owner is the association of farm users, in which all users of the land are organized and through which the land is administered and uses are self-organized. The second owner is the non-profit Acker Syndikat which, through a veto right, guarantees that the GmbH property cannot be sold. As a guardian institution, the association only has a voting right in the case of changes to the corporation's articles of incorporation, the approval of the annual financial statements, and the question of a sale - which it cannot permit. In addition, the Acker Syndikat fosters cooperation between the farms and enables knowledge transfer, advice, financial support and a joint representation of interests.

Farm purchases are financed through direct loans from the users' networks and regular bank loans. The participation of the Acker Syndikat is also made possible through donations and direct loans by supporters.



(a) Ownership and membership structure

Advantages compared to:	
A central land holding co-operative	Farm coops / associations
Full self-determination by & autonomy of farm users	Start-up assistance with expert advice, contract templates, tried-and-tested concept, among other things
Limited personal responsibility and risk	Networking and exchange keep projects alive and provide help in crisis situations
Financial support by Acres Syndicate	Financial support by Acres Syndicate
Local network financing without additional costs for the farm	
No mandatory contributions to the central coop by landuser members	
Sale of real estate permanently prevented	Sale of real estate permanently prevented

(b) Advantages

Figure 9: The Acres Syndicate

7. Comparison of land access solutions

Structural approaches

At this point, none of the examples offer a directly viable path toward securing significant areas of land for regenerative farming practices:

1. The **charity approach** requires donations of land or significant capital. The total area owned is growing very slowly, even though land trust charities have existed for several decades already. Unless the rate of growth is changed massively, this model is too slow to reverse the planetary crisis, prevent the conversion of farmland into development land, or overcome the crisis around land access. It seems best suited to secure high-visibility locations that easily attract public attention, or conservation easements that provide tax incentives.
2. The **investment approach** (corporate land holdings or private investment partnerships) rely on (1) investors who are seeking regenerative long-term investments with low risk, low capital returns, and high security, and (2) clear and enforceable stipulations that ensure regenerative land use. Please note that the “Investment approach” do not preclude slow money or low or deferred returns.
3. **Government ownership** of land was established in two examples: the community pastures in Ontario, CA, and Open Spaces in Colorado, US. Government ownership is a strong means of protection, but a changing policy paradigm – as experienced since the Thatcher/Reagan “Washington Consensus” globally, and in Ontario especially under the Harris government– may lead to selling out public assets. Government ownership is dependent on active, engaged citizenship.
4. **Co-operative land ownership.** Land co-operatives are well established yet still seldom seen in Ontario. Some innovative co-ops can be found at the Local Food & Farm Coop (LFFC) network (<https://www.localfoodandfarm.coop>). LFFC can establish connections and, for members, also provides tools and resources for establishing such a co-op.
 - An interesting systemic co-operative solution to land ownership is Germany’s **Kulturland Cooperative** – a national umbrella organization that supports the establishment of co-operatively owned farms across the nation.
5. **Combined approaches.** More complex, these initiatives combine multiple approaches and usually include several enterprise entities. These may be regenerative investment funds, co-operative land ownership, and/or a charity.
 - Germany’s **Regional Value Corporation** focuses on high-risk investment for start-ups, but also includes a separate enterprise entity as an investment vehicle for land & real estate.
 - The German **Acres Syndicate** is a hybrid approach that joins the charity and the investment approach. It uses donations, but generally relies on the contribution of tenants/land users to generate the capital. Acres syndicate was launched only recently and cannot contribute many lessons yet, even though the legal structure is well-established and has passed the test of time for housing real estate. It remains to be seen whether this approach can gain traction and receive sufficient financial support and grow to scale.

Lease requirements

Independent of the investment and ownership structure, land use agreements/leases generally prescribe certain practices (e.g. meeting organic regulations; certain types of production systems). Outcome-based legal agreements are currently lacking because no enforceable outcome-based verification method has been established yet; Savory Institute's Ecological Outcome Verification may offer an interesting and robust option here, at least for grazing operations. An innovative approach was taken by Germany's Regional Value Corporation, an investment vehicle that immediately established triple-bottom line evaluation of its investments.

Finality

Nothing is final – even the most robust legal ownership structure can be turned over, over time. Governments can expropriate every legal entity: almost all constitutions in the world empower their government with these strong measures to protect the citizenship at large. Expropriation can affect every ownership structure. Governments can also sell public assets that are in their ownership, as has happened with conservation lands, water utilities, public transport, and many other services that governments once provided.

So rather than framing the longevity of land ownership as “finality”, a more appropriate criterion may be “robustness”. Robustness to internal quarrelling and group divide, to speculative and profit interests, expropriation, or privatization. From my own reading, I believe that ownership through charities (land trusts, conservation trusts) and co-operatives are most likely to provide protection into the future – but it may take combined approaches to turn these ideas into reality.

8. Final remarks

Secure land access, in combination with the lack of meaningful regenerative land use requirements, together remain two core barriers to transitioning agriculture to regenerative practices. Due to the planetary scale of environmental impacts of agriculture (compare [Campbell et al., 2017](#) and [Levia et al., 2020](#)), this shift to regenerative practices is an imperative for societal survival. Regenerative agriculture is the main answer to biodiversity extinction and the re-invigoration of the terrestrial watercycle, and carbon sequestration by regenerating degenerated soil is an important strategy for curbing climate change ([Sanderman et al., 2017](#)). Regenerative agriculture also provides meaningful rural employment and healthy living conditions.

However, investments that farmers need to make for soil regeneration and biodiversity recuperation are not feasible without long-term security in land access. Regeneration takes time – between three to four years if farmers are experienced or receive excellent coaching. Such a long return period exceeds the logic of short-term investment cycles – at the potential peril of our entire society as we know it. This compendium highlights that templates for solutions exist. It takes leadership, education, and – most of all – community. Neither farmers nor conservationists can turn this ship by themselves. I hope that these options inspire some of you to translate these into Ontario's context. It certainly takes a team approach, and the leadership of bold individuals.

	Land owner	Capital access	Benefits for investors	Access security for farmers & Exit Option	Land use restrictions
Sustainable Iowa Land Trust	Charity	Donations of land and money	<ul style="list-style-type: none"> • Tax receipts • Unlimited access to land 	Farmers only utilize the land that is owned by the charity, and are free to move on. With easements, farmers own their land but the easement remains in place if property is transferred.	<ul style="list-style-type: none"> • Land use restricted to fruits, vegetables and livestock farming with regenerative practices • Total retirement of some areas (conservation easement)
Escarpment Biosphere Conservancy	Charity	Donations of land and money	<ul style="list-style-type: none"> • Tax receipts 	Farmers only utilize the land that is owned by the charity, and are free to move on. With easements, farmers own their land but the easement remains in place if property is transferred.	<ul style="list-style-type: none"> • Land use restricted to fruits, vegetables and livestock farming with regenerative practices • Total retirement of some areas (conservation easement)
Northeast Farmers of Color Land Trust (NEFOC)	Charity	Donations of land and money	<ul style="list-style-type: none"> • Tax receipts 	Farmers only utilize the land that is owned by the charity, and are free to move on.	<ul style="list-style-type: none"> • “vision of conserving native species ecosystems, sustainable human habitat, regenerative agriculture, ceremony, and cultural preservation and offers alternative land access mechanisms” ⁽²⁹⁾
Germany’s Kulturland Co-operative	Co-operative	<ul style="list-style-type: none"> • Community members 	<ul style="list-style-type: none"> • Via bond, ownership of small plot of agricultural land 	Indefinite and non-callable; Right of first refusal in the case that the lease is terminated by farmer or the farmer cannot meet landuse restrictions.	Meet national organic standard; 10% conservation Regional integration
Germany’s Regional Value Corporation	Value-based land holding, Regionalwert-IMMO	<ul style="list-style-type: none"> • Community members 	<ul style="list-style-type: none"> • Triple bottom line in community • 1.5% return to investment • Products 	Indefinite and non-callable lease agreement.	Meet national organic standard; Regional marketing
Germany’s Acker Syndikat	The Syndicate	<ul style="list-style-type: none"> • Member’s rental payments • Private loans 	<ul style="list-style-type: none"> • Unlimited access to land • Significant cost reduction 	Indefinite and non-callable lease agreement.	Regenerative farming practices.
Regenerative REITs	Private investors own a share in the holding that owns the land	<ul style="list-style-type: none"> • Private investment. 	<ul style="list-style-type: none"> • Long-term investment security. • Impact 	As laid out in the lease contracts.	As specified in the rental contract; currently such specifications are not implemented.

²⁹<https://nefoclandtrust.org/programs-1>

