

2 Developments on new Agricultural Structure Acts and the case of Thuringia in Germany (Kati Volgmann, ILS)

2.1 Introduction

When young farmers, new entrants and young farm successors start farming, the financial obstacles are generally very high in Germany. This mainly affects the young generation that does not take over a farm, but starts a new one. In addition, opportunities for access to agricultural land are very limited. Especially in West Germany, there is hardly any available land. The situation for agricultural start-ups is somewhat different in East Germany, there is still potential because not all land has been leased or sold yet ([interview]).

Agriculture is one of the most capital-intensive sectors (excluding land purchase) in 2018. The capital input per full-time employee is about 600,000 EUR. Another obstacle is access to farm and land; the purchase prices for agricultural land have risen sharply in recent years. The national average was 25,500 EUR per hectare in 2018 (9,955 EUR in 2008). There are very large regional differences, too. For instance, the costs for land increased by 262 percent in this period in Mecklenburg-Western Pomerania and by 21 percent in Saarland. Farm successors are in a comparatively comfortable situation compared to those who start from the very beginning with only a very small amount of land (Lehnert, 2021, 88).

Young farmers need access to local networks, municipalities, churches (are often owners of land), private owners and to convince them of their farm concept (Gräschke *et al.*, 2021). There is no national official advisory service for young farmers where their questions about starting a business are answered. Expert knowledge must be obtained at great expense for innovative operating concepts. Mentoring programmes for young farmers, in which experienced farmers share their professional knowledge and life experience, are becoming increasingly important; this is more than a classic advisory culture, as they are accompanied over a longer period of time. Such programmes currently exist in Lower Saxony and Brandenburg (see 2.4).

In 2007 legislative competence for agricultural land and land lease transactions has been transferred from the national level to the federal states. This could be an opportunity to re-regulate previous developments on the land market and give young farmers and new entrants to agriculture a voice and new chances. The following analysis focuses on the legal regulations on the agricultural land market and their new developments in the federal state Thuringia. It is based on the analysis of written sources and 8 interviews with people from the Thuringian Farmers' Association, BVVG², the national association of non-profit rural land associations (BLG), an NGO working on agricultural issues, the Federal Ministry of Food and agriculture, the Ministry of Infrastructure and Agriculture of Thuringia, a working group of small and medium-sized farms and a lawyer with specific expertise. The following analysis examines:

² The BVVG is a federally owned company and is legally mandated to privatise the formerly state-owned agricultural and forestry land by 2030.

- recent trends on German land market (section 2.2.1), the legal arrangements on the agricultural land market (section 2.2.2) and the demands as well as recommendations for new Agricultural Structure Acts (AGS) in Federal States in Germany (section 2.2.3),
- the status of the Agricultural Structure Act (AGS) and report of the agricultural structure and land market in Thuringia (section 2.3.1) and the potential objectives and effects on the Agricultural Structure Act (AGS) in Thuringia (section 2.3.2),
- and further demands for access to land for young farmers and new entrants (section 2.4).

2.2 Short context

2.2.1 Recent trends on German land market

The agricultural land market in Germany has been characterised by radical changes and challenges for years. In particular, the drastic increase in the purchase and lease prices of agricultural land makes it difficult for many farmers to maintain their or acquire more land to secure their existence. This affects both established farmers as well as young farmers and new entrants to agriculture. The drivers of the price increases are manifold:

- With the **privatisation principle of the Bodenverwertungs- und -verwaltungs GmbH (BVVG)** the land prices have risen dramatically since 2007 (Forstner *et al.*, 2011). The purchase values of the BVVG land have clearly decoupled from the purchase values between third parties (Goetz, 2012a). From 2007 onwards, land was sold through public tenders to the party with the highest bidder. While transparency was created in the land market, this pushed up the prices (Tietz, 2018, 56). The average sales values of the BVVG are higher than the average purchase values per hectare shown in the statistics of the Federal Statistical Office. For the new federal states and the year 2019, the average purchase values of the BVVG are 31.4 percent above the average value stated by the Federal Statistical Office (in 2018: 28.5 percent higher, in 2017: around 25 percent higher) (Goetz, 2020, 7). Since 2010 there has been a restricted competition for arable land and grassland. Labour-intensive forms of farming - for example organic farming, vegetable cultivation and young farmers - are eligible to compete ([interview]). In 2020, about 1,400 Hectares were sold and 4,000 Hectares were leased to eligible farms (BVVG, 2021). However, they often do not succeed, especially because the price level is too high for start-ups ([Interview]).
- (Financial) **Incentives for renewable energies** have enormously intensified competition for agricultural land (Goetz, 2012a; 2012b).
- Every day, around 90 hectares agricultural land are converted into **non-agricultural land use**, so the land available for agriculture is permanently shrinking (Goetz, 2012b).
- The increasing activities of **non-agricultural capital investors** on the land market (share deals) have led to a change in the ownership of agricultural land through the purchase of company shares (predominantly in eastern Germany) (Tietz, 2017; AgrarBündnis and Netzwerk Flächensicherung, 2018). The investors usually come from other regions or economic sectors and often own several agricultural enterprises in different regions.

The appearance of such supra-regionally active investors has received a lot of attention in agriculture and agricultural policy, but also in the media (BLAG, 2015). The development of share deals is often critically discussed and linked to the claim of greater control and stricter regulations. There is a legal imbalance in land market policy; on the one hand there are laws restricting the purchase of agricultural land by non-farmers, but on the other hand there are no instruments to control share deals (Laschewski Lutz, 2020).

Tietz (2018; 2020, 54) assesses the rise in lease prices as a consequence of increasing competition between farms for decreasing acreage. This is mainly due to subsidies for the production of renewable energies. Intra-farm competition leads to farm managers orienting their lease offers more and more towards marginal returns or cross-subsidising lease payments from other farm sectors (Tietz, 2018, 55).

The causes for the development on the purchase market are different. According to Tietz (2018, p. 55), these are primarily due to non-agricultural sectors. The conversion to settlement and transport areas or the limited opportunities to invest capital profitably leads investors to seek real estates.

2.2.2 Legal arrangements in the land market in Germany

Legal instruments of the land policy regulation are the approval requirement under the 'Real Property Transaction Act'³ (GrdstVG) and the right of first refusal (pre-emption right or 'Vorkaufsrecht') for rural associations under the 'German Reich Settlement Act'⁴ (RSiedlG) in Germany. Both instruments are closely linked in terms of constitutional law and content. With the Federalism Reform I in 2007, the legislative competence for agricultural land and land tenancy as well as the RSiedlG was transferred from the national level to the 16 German federal states. The GrdstVG remains effective until they are replaced by new Agricultural Structure Acts (AGS) at federal state level. Baden-Württemberg is the only federal state that has so far passed its own state legislation in the Agricultural Structure Improvement Act⁵ (ASVG), which essentially incorporates the provisions of the GrdstVG and RSiedlG and develops them in individual issues primarily with regard to the special features of the agricultural structure of the federal state (Levesque (Ed), 2016, 17). Other federal states have not yet been able to adapt this act. However, some federal states debate about new drafts on Agricultural Structure.

³ In German: *Grundstückverkehrsgesetz* (GrdstVG) in the revised version published in the Federal Law Gazette part III, section 7810-1, last amended by art. 108 of the status of 17December 2008 (Federal Law Gazette part I, section 2586¹).

⁴ In German: The *Reichssiedlungsgesetz* (RsiedlG) is a German law passed by the Weimar National Assembly in July 1919.

⁵ In German: *Agrarstrukturverbesserungsgesetz: Gesetz über Maßnahmen zur Verbesserung der Agrarstruktur in Baden-Württemberg* (Agrarstrukturverbesserungsgesetz - ASVG) vom 10. November 2009*

According to the GrdstVG, agricultural land sales are subject to approval from a lower limit of land size (from 0.25 to 2 hectares) set by the respective federal state. Approval can be refused by the authority in the following cases:

- If the sale will lead to poor distribution of the land,
- If the agricultural structure worsens on account of the negative reduction or the fragmentation of the land,
- The sale price is disproportionate compared with that of an equivalent piece of land (if the sale price exceeds the market rate by over 50 percent. The limit in Baden-Württemberg is 20 percent) (Levesque (Ed), 2016, 17; Booth, 2020, 3).

In practice and case law, the land policy regulatory framework of the GrdstVG and RSiedlG is currently applied on purchases of agricultural land by non-farmers, agricultural holdings, non-local farmers, by shareholders of an agricultural holding and by an agricultural holding company (Goetz, 2012b).

If permission is prohibited, e.g., because agricultural land is sold to a non-farmer, the non-profit rural associations can apply for the right of first refusal. Rural associations are joint-stock corporations with the legal form of a limited liability company. The rural association verifies the exercise legally and economically, as it bears the risk. The right of first refusal is exercised if there is at least one agricultural holding in need of, willing to and able to restock land. The rural associations replace the buyer originally envisaged (the initial buyer) under the contractual conditions agreed upon at the outset. The rural association becomes the owner and is registered in the land register. It subsequently sells the land to an agricultural holding that meets and accepts the above-mentioned conditions (second buyer) (BLG, 2020).

The situation is different in Baden-Württemberg. In accordance with the 2010 'Law on the improvement of the agricultural structure', the right of first refusal of the rural association Baden-Württemberg GmbH, was extended. Since then, it has been able to exercise the right of first refusal without having to prove that there is a second or subsequent purchaser, provided that the land is used to improve the agricultural structure for the next 10 years. The right of first refusal was exercised in 25-30 percent of the cases. In most cases, no farmer (second buyer) was found who was interested or able to acquire the land (Levesque (Ed), 2016, 17). The LPachtVG⁶ provides the legal grounding for lease control. In Baden-Württemberg this has been developed (in 2010) into a 'Law on the improvement of the agricultural structure' (Levesque (Ed), 2016, 18).

"The purpose of these laws is to fend off any dangers to the structure of the agricultural sector. They do not provide an instrument by which to regulate the land rental market. New lease agreements or significant changes to lease agreements require the approval of the Land government authorities. The owner has to notify the authorities within one month of the signature of the agreement. The same reasons can

⁶ In German: Landpachtverkehrsgesetz (LpachtVG), in revised version of 8 November 1985 published in the Federal Law Gazette part I, page 2075, last amended by art. 15 of the status of 13 April 2006 (Federal Law gazette I, part 885).

be invoked as for the refusal of a sale: poor distribution of land, fragmentation of land or a disproportionately high leasing price. The legal consequence is primarily the modification of the lease agreement. If the signatories to the agreement do not change the agreement within the agreed period the lease agreement is deemed legally void. The biggest problem in enforcing the law is that the authorities are not informed about agreements, and there is no sanction for failing to notify the authorities.” (Levesque (Ed), 2016, 18).

This has led to a discussion on the improvement of the agricultural land law.

2.2.3 Demands and recommendations for new agricultural structure laws in Germany

For several years, the GrdstVG has been the focus of sometimes heated discussions on agricultural law and policy. It is demanded that the federal states exercise their right to enact new, stricter and more fitting regulations and replace the old federal law. This is particularly important because only the federal states can abolish the GrdstVG, RSiedlG and LPachtVG through their own laws ([interview]). Consequently, some federal states are currently discussing legislative changes. There have already been initiatives in some of the Federal States (Thuringia, Saxony, Saxony-Anhalt, Mecklenburg-Vorpommern, Brandenburg, Lower Saxony and Bavaria).

Based on the expert interviews and secondary literature, the following legal aspects should be addressed in the new AGSs of the federal states:

Preliminary contracts

Preliminary contracts should not be presented to a land transaction authority for verification. Sellers/lessors should/need to finalise the contract upon submission to the legal authority. The aim should be to reduce circumvention ([interview]).

The right of first refusal for new forms of farming

From an agrarian structural point of view, however, it is necessary to open up the right of first refusal for certain groups of people or forms of farming (common good ownership, alternative farming, solidarity farming, cooperatives). It would be important, for example, to improve access to land for young farmers and to facilitate the establishment of new farms. Securing the existence of side-line farms could also be an objective. If possible, land should be allocated in a way that supports a local and regional food economy (Thomas, 2019, 75).

The right of first refusal by the rural associations

One possibility could be that the rural associations receive a stronger right of first refusal in future and intervene more strongly in the event of price abuse. Within six years (currently ten years under discussion), the land can be used to improve agricultural structures (e.g., opening up for land - increasing the number of farms, also for access for agricultural structure enterprises). It is therefore important for Thuringia to define what the second acquisition of land may and can be used for ([interview]). In addition, it is important to designate in the law two authorities, the Land Transaction Authority (controls and refuses) and the rural association.

Price brake for purchase and lease

According to the EU Commission, state intervention in prices and land market regulation could be allowed. Only this way, farmers would have a chance against non-agricultural interested parties. It would make sense to estimate the value of agricultural land on the basis of its yield capacity and to derive corresponding purchase and lease prices (Thomas 2019: 76). Contrary to this very concrete price orientation, it would also be possible to introduce an intervention threshold if the regional comparative prices are exceeded by 20 percent. Currently, the authorities intervene as soon as the selling land price exceeds more than 50 percent of the local land price (Thomas, 2019, p. 75).

The allocation of agricultural land ([interview]) could be carried out in the same way as for a city or a church, so that the bidder with the highest price does not necessarily win the contract, but the one who proposes the best business concept. In order to promote organic farming, a price brake is needed. The costs for species-appropriate animal husbandry or extensive grazing are high and farmers cannot finance the "production factor soil" only through farming.

Furthermore, a right of first refusal for rural associations must be combined with a reduction of price abuse. However, price abuse has not been properly implemented for a long time, otherwise there would not be a problem in eastern Germany or, in the past, in Baden-Württemberg. A rural association can already buy if the price is exceeded at 20 percent in Baden-Württemberg. Even if no second buyer can be found, the rural association can buy the land anyway. A respondent [interview] is of the opinion that the rural association should have made use of their right of first refusal much more often. Then there would have been more land for purchase. Three to five interventions in a region may be enough, to demonstrate that interventions are taking place and to put an end to price elasticity in future purchasing processes. ([Interview])

Enforcement of LPachtVG

According to LPachtVG or ASVG in Baden-Württemberg, there is a duty of notification for new leases and changes to leases. At present, 75 percent of the leases are not notified in contravention of the law. In many regions, leasing prices are charged that are contrary to the law ([interview]). As a result, control by the authorities is considerably limited. In order to counteract the enforcement deficit, there is a possibility of improvement through a change in the law. The legal effectiveness of a land lease or its substantial amendment may then depend on the notification that has been made. According to a respondent [interview], sanctions in the direction of non-approval of financial support could be considered. It is very important that the LPachtG is enforced, because this can also lead to such large concentrations. The tenancy has a much greater impact on land mobility than the sale of agricultural land. Lease changes can thus trigger major agrarian structural breaks and can regulate land markets. (Goetz, 2012, p. 6)

Limiting and controlling share deals

For a long time, there have been claim to limit share deals and to control them more closely. One possibility would be an obligation to report share deals ([interviews], (Jungehülsing, 2020). Other demands go in the direction of a licensing requirement, namely through controls of companies that have land of a certain size (Lehmann and Schmidt-De Caluwe, 2015). The federal states could define the sizes individually. However, it has to be considered that this

regulation interferes with the fundamental rights of professional practice and property freedoms and can only be justified with the associated public welfare goals (Lehmann and Schmidt-De Caluwe, 2015, 67-68). It is important, emphasises a respondent [interview], that the Agricultural Structure Acts must be legally secure and not open to attack. Otherwise, the structures would be exploited.

With the modification of the Real Estate Transfer Tax Act (legally effective 01/07/2021), share deals are only made slightly more difficult. However, capital investors and hedge funds are still able to purchase farms uncontrollably via the share deal model. Until 30/06/2021, land transfer tax is due if more than 95 percent of the shares in a company with land ownership are transferred to new shareholders within five years. With the new act, the limit will be lowered to 90 percent. The holding period is extended from five to ten years (BLAG, 2015; Lehmann, 2021).

Abolition of the 'double land transfer tax'

In the case of the exercise of the right of first refusal by a rural association land transfer tax is incurred. When this land is later acquired by a farmer, this tax must then be paid a second time. This increases the farmer's acquisition costs for the land acquisition accordingly. This leads to a not inconsiderable price increase (double land transfer tax, ancillary costs and settlement fee). Despite the modification of the Land Acquisition Act, the double land acquisition tax still exists (BLAG, 2015; Lehmann, 2021).

2.3 Short narrative of the case

2.3.1 Status of the Agricultural Structure Act (AGS) und report of the Agricultural Structure and Land Market in Thuringia

In Thuringia in particular, there are public calls for a new agricultural structure law, not least because one of the largest agricultural enterprises, the *Agrar-, Dienstleistungs- und Baugesellschaft* (Adib), with a total area of around 6,000 hectares, was sold to an ALDI foundation (Boscor Land- und Forstwirtschafts GmbH) in 2020. The sale went through the press nationwide (Kalusa, 2020).

In March 2021, the report on the development of the agricultural structure in Thuringia from 1990 until 2020 was presented by the Ministry of Infrastructure and Agriculture of Thuringia (Thüringer Ministerium für Infrastruktur und Landwirtschaft [TMIL], 2021). The report serves as the basis for a new Agricultural Structure Act (AGS) in Thuringia. The first draft of the AGS is currently being prepared and will not be presented until autumn 2021, after the Landtag elections.

"Minister of Agriculture Benjamin-Immanuel Hoff explained in an interview with the *Bauernzeitung* that his ministry has worked out key points and now wants to discuss them, among others, with the associations in the federal state." (Hartmann, 2021)

Agriculture in Thuringia is facing major challenges. Many farms are confronted with a generational change. But the economic conditions for farms are difficult. In addition to the necessary investments in more animal welfare, climate, nature and species protection, the

consequences of climate change and low prices for agricultural products are complicating the business situation of many farms.

In addition, the purchase prices for agricultural land increased by 115 percent between 2005 and 2020 (TMIL, 2021, 34). The number of sales cases decreased by eight percent in Thuringia between 2010 and 2019 and the associated land sales decreased by 14 percent (Goetz, 2020, 6). From 2016 onwards, the decline in land sales was caused by the change in the BVVG's privatisation volume target. Thuringia has the highest share of leased land (75 percent) in Germany. The national average is 59 percent (Goetz, 2020, p. 6).

The political, social and technical changes have had a strong impact on Thuringia's agricultural structure. Before World War II, there were about 149,000 farms in Thuringia with an average of eight hectares of cultivated land. After the land reform and forced collectivisation in the GDR, there were only 202 farms with an average of 4,200 hectares of land left in 1989. Since reunification, there has been a massive transformation of the previously predominantly cooperative farms from 1990 onwards. In 1991, 2,100 farms were newly established and the number of farms increased to almost 4,600 in various legal forms and with an average farm size of around 220 hectares in 2019. Thuringian farms also had a large backlog of investments due to the investment backlog in the GDR and they had to invest in land purchases to secure the production base and especially the creditworthiness of the farms (TMIL, 2021, p. 5).

2.3.2 Potential objectives and effects on the Agricultural Structure Act (AGS) in Thuringia

So far, no details about the new AGS in Thuringia have become public. At this point, only few objectives and issues from the interview with an official of the Thuringian Ministry of Infrastructure and Agriculture [interview] can be mentioned. The draft law is intended to be streamlined with the aim of modern settlement law and more transparency in the market for agricultural land.

To achieve this, however, regulations that threaten agricultural structures must be prevented and this must be done in a consistent manner. The respondent from the ministry [interview] points out that the new AGS can only act within limitations and it remains questionable to what extent the legislator can intervene in the land market (land tenure, local residency).

The draft law could regulate the following objectives and issues:

- The proposals for an **upper limit of property and tenant land concentration** will presumably not be fixed, but rather the upper limits will be based on existing structures. Existing farms should be not disadvantaged and punished. It will probably be a relative measure based on reality.
- The **price brake** should be based on the local farming costs and consider, i.e., what a farmer is able to earn. The question that arises in this context is, whether the right

price level already exists and where it will end up. The aim is to reflect the economic reality of agriculture.

- In the draft act, indirect land acquisition (**share deals**) will be subject to so-called trigger thresholds. A **double tong** with area size (hectares) and shares in the enterprise could serve to curb the purchase of shares in enterprises. In this context, it must be taken into account that danger prevention is only necessary above a certain land size.
- **New forms of actors** in agriculture should also be reflected in the draft act. In the old acts, forms of solidarity-based agriculture, ecological agriculture and regenerative agriculture are not represented. The ownership of agricultural land has to be reformulated: In this way (according to [interview]) the proposal puts public welfare-oriented cooperatives on an equal level with existing forms of farming.

According to the respondent from the ministry ([interview]), the draft act for newcomers and young farmers will not turn things around or “miracles” are not to be expected. It is not possible to dictate to whom land is to be leased or sold. Nevertheless, it could strengthen the position of new forms in agriculture because they are to be put on an equal level with the previous forms. The new AGS may also be able to contain the concentration of agricultural land, as long as the legislation is complied with and the rural association exercises its right of first refusal. The *Thüringer Landgesellschaft mbH* (rural association of Thuringia) has to exercise a right of first refusal in favour of a farmer and hold land for up to six years. This can be a controlling factor for young farmers and newcomers to acquire land from the rural association. Here, consideration should be made whether public land (federal, state or municipal property) or land owned by rural association should be allocated according to criteria that take greater account of young farmers when selling and leasing land. But the coordination of private landowners as well as the churches should also be part of the tasks (Gräschke *et al.*, 2021; Lehnert, 2021).

A respondent [interview] points out that if share deals were more tightly controlled or regulated, there could be a potential to make agricultural land available to young farmers and newcomers. The price abuse clause in the leasing agreements must also be regulated, then there would be a chance to lower the leasing prices a little. In his opinion, there is no point in having a funding scheme for young farmers and start-ups, while having to high prices making farming unprofitable.

2.4 Discussion on access to land

In Germany and in the Federal State of Thuringia, there are few specific political or legal measures for young farmers and new entrants to access farmland. However, there are clear differences between farm successors, trained young farmers and new entrants. The opportunities for inner-family and non-family farm successors are slightly better than the opportunities for new entrants, who lack the technical and professional training and also lack the networks.

With regard to access to land, the **Hof(stellen)börse** and the **Land Allocation for Sustainable Agriculture Brandenburg**, among others, can be presented:

With the aim of helping young farmers to develop their own livelihoods, to secure the existence of existing farms by increasing the amount of land, and to enable farmers who want to give up farming to leave active farming in a socially acceptable way, the federal rural associations set up farm exchanges in the period from 2002 to 2005. The farm exchanges of the rural associations in the federal states are networked via the national BLG (rural association) (www.hofboersen.de). The organisation and the range of services offered by the farm exchanges are adapted to the regional structures and market conditions (BLG, 2020, p. 21). However, the practical relevance of these farm exchanges is controversial. In 2019, six farmsteads and 16 farms (including two start-ups) were newly occupied via the farm exchanges. In addition, 30 additional areas of land were purchased in Bavaria. Moreover, two farms were reoccupied on a lease basis (BLG, 2020, 22).

Another programme is the '**Land Allocation for Sustainable Agriculture Brandenburg**' (<https://flaechen.nachhaltige-landwirtschaft-brandenburg.de/>). On this platform, landowners can offer their land to young farmers and smaller farms in Brandenburg. In addition, young farmers can create an individual profile for a land application. This is intended to contribute to cooperation in the allocation of land between owners and farmers and to support sustainable, climate-friendly economic models in agriculture in Brandenburg.

According to information from the interviewee from the Thuringian Ministry of Infrastructure and Agriculture [interview] there are considerations in Thuringia for a young farmer programme in the next funding phase (compare Box 2box). Up to 100,000 EUR are to be provided as direct payments and investment support. More details will be announced in the near future.

The granting of start-up funding serves as a role model in Saxony-Anhalt: This funding for young farmers came into force on 30 June 2017. The LGSA (rural association of Saxony-Anhalt) is the farmer's central point of contact and checks, advises and coordinates the projects. Since the programme was announced, a total of 108 young farmers have contacted the rural association (17 in 2020 and 14 in 2019). The demand is for business management assistance, investment support and land.

A total of 63 applications have been approved for young farmer support at the federal state level so far, 11 in 2017, 18 in 2018, 24 in 2019 and 10 in the 2020 reporting year. In 2021, budgetary allocations are expected to be reserved for a total of 10 young farmers. The bottleneck factors cited were "unrealistic imagination, lack of ideas or poorly founded farm concepts, expected low farm results and lack of land availability" (BLG, 2020, 22). Furthermore, the LGSA (rural association of Saxony-Anhalt) cites "a lack of or only very limited land and expected low operating results, as well as a lack of business concepts and professional qualifications" (BLG, 2021, 20). The other rural associations report only few enquiries from "newcomers and new entrants". The rural association (BLG) points out that it will not work without the provision of substantial public funds to finance the purchase of land into a land pool to equip or increase such farms with leased land, which will later be acquired by them (BLG, 2021, 21).

A respondent [interview] sees a disadvantage in this funding because it requires a high standard output for the existence programme, which in turn favours larger farms and disadvantages smaller ones.

Box 2 Start-Up Funding

Nevertheless, when the programme starts, it should also be taken into account that not only monetary support is important for young farmers and new entrants. Advice services and networks are often crucial for success or failure. The advisory service could cover the areas of socio-economics, farm development and farm management. It should also act as an interface between federal and state administrations in order to fulfil corresponding synergy effects. The work of the chambers of agriculture can be used for advisory services (Gräschke *et al.*, 2021, 3).

Mentoring networks (Box 3) would be a useful way for newcomers and young farmers to exchange their questions directly with experienced farmers, where people are welcome and can create co-operations. Such processes can be initiated and structured. A respondent [interview] sees the federal state of Thuringia as having a responsibility here. It is about access to land, advice, funding, networks/corporations. So far, newcomers or young farmers have hardly any opportunities to gain a foothold on the land market (Rüter, 2020).

One mentoring programme is the **Mentoring Network** in Organic Agriculture, Competence Centre for Organic Agriculture in Lower Saxony (KÖN) (www.mentoring.bio). The programme supports young farmers with a mentor on various topics.

Another project is the **Fördergemeinschaft Ökologischer Landbau** Berlin-Brandenburg (FÖL) "Establishing a network for mentoring and advice for young farmers in Brandenburg" (www.junglandwirtebrandenburg.de). Twelve young farmers are supported by an experienced farmer as a mentor for two years. Valuable experience and expertise are to be shared in the start-up tandems. This includes targeted advice on topics such as farm development, farm succession, marketing strategies and exchange among the young farmers.

Box 3 Mentoring

This requires complementary measures. Another respondent [interview] emphasises in this context that there should be more support for start-ups and newcomers and names three pillars: (1) access to land, (2) access to capital and (3) access to start-up advice. However, he points out that the new Agricultural Structure Acts can only change access to land. Access to capital or access to start-up advice would be a common task of the agricultural structure for which support instruments must be established.

2.5 Conclusion

This chapter has focused on the way how in the federal state of Thuringia the decentralised legislative competence for agricultural land and land lease transactions has been used and analysis whether this has been used as an opportunity to provide access to land for new generations.

The conclusion is that this has only be partially taken up. There are initiatives outside the formal regulation that may provide some access. The objectives set in the law may allow for some improvements. A promising element is the potential regulation of share deals by the new law. However, as is often in the case of legislation, it is all about the details that matter and in the process of law making these may get in more or less enabling for new access to land. There is still a lot of uncertainty on these details and so, on the question whether the new legislation will make a difference.