

The SAFER

Society for land développement and rural structures

- ▶ Their missions on the agricultural land market
- ▶ Their inadéquacy and limits

Main features of land policy in France since the early 1960's

1 - Furthering modernisation of agriculture

Favouring family farms (with 2 pers)

2 -Limiting 'land speculation' and impact of land income on farm produce.

- For ex. : indexing farm rent on farm produce prices, then on the average farmer's income, not indexing on the land market.

3 - Favouring the purchase of land by the farmer.

- *"The land to the one who works on it"* : for the farmer = the land, the capital and the labour .
- Land property is the security and stability for the farmer.
- This implies that the farmer's pension is insured by property , and not by the welfare state (public pension system)

4 - Two separate land administrations

- Farm land and buildings : administrated by farmers organisations (under State control)
- Urban land : by local authorities

The prices are very different !

SAFER = Society for Land Development and Rural Structures

One of the main tools of the installation policy

► Along with and/ or linked to

- The installations control which is administrative control of transfer of the farm land use – authorisation of farming is delivered by the ‘préfet’ – i.e. the State.
- The policy to set young farmers up (EU policy).
- Land consolidation and land development operations.
- Farm tenants' status

The SAFERs are given 3 missions of general interest

► Which are established by law :

1. Improve the land plans for setting up or for preserving of farms. (more than 75% of their activity)
2. Plan the land development in relation with local or public authorities (20% of their activities, including land storage and market observation and land surveys)
3. Participate in landscapes variety and environmental protection.

► Which include as well : *a knowledge of the agricultural and rural land market.*

- The solicitor (le notaire) is required by law to notify to the SAFER every sale planned operation including :
 - The identity of both the person willing to sell and the person willing to buy and their relation in the contract and /or their family ties.
 - The characteristics and references of the plots.
 - The price agreed.

The SAFER is a major actor on the land market thanks to the pre-emptive right :

- *An efficient tool*
- *A “deterrent weapon”*

But it is not used in such massive dose any more !

For ex. in 2012 : on a land market of 490 000 ha,

- ▶ the SAFERs intervened on 86.000 ha, i.e. 18% on this market

But it is 32% of the sales in which they are entitled to operate (250 000 ha on 490 000).

- ▶ → Among their interventions, private purchase are majority (79.400 ha = 91 %)
- ▶ → And purchase with pre-emptive right only counted 6.600 ha (8% of their interventions)

Land market in France : a massive business

- ▶ In 2012 it's 490.000 ha, 1.85 % of the agricultural area
(=> in 30 years more ½ the farming area has been purchased/sold)
 - ▶ à nearly 70.000 ha for non-farming use (14 % on this market)
 - ▶ à 180.000 ha purchased by the tenant farmer (36%)
 - ▶ à 86.000 ha have involved the SAFER (18%)
- ▶ Finally, farmers purchase, directly or through SAFER, around 370 000 ha :
 - ▶ More than 2/3 of the vacant land (national average price : 6.010€/ha in 2015) ; percentage decreasing since several years.
 - ▶ And, through their préemptive right, more than 90% of rented farm land (national average price : 4.470 €/ha)
- ▶ Today, the 'farming families' own approx. 85% of the land and nearly the whole of farm buildings.
- ▶ => *On this point, success of the French land policy !*

The point of view of the advocates of the free market and of the property ownership rights

► The SAFER :

- ⬆ is jeopardizing the right of absolute ownership
- ⬆ is jeopardizing free circulation of capital
- ⬆ is putting a brake on French agriculture competitiveness by hindering the action of Trade and Market on the “ necessary “ evolution of farming development
- ⬆ favouring land purchase by the farmers , the Safers increase their debt instead of productive investments.

► But for a large majority of farmers , the SAFER is a necessary - and even essential - tool to regulate :

- ⬆ the land prices
- ⬆ and most of all the sharing out of the land.

Inadequacy and limits of the SAFERs (I)

1. It is a public service in the hand of a part of farmers' organisations
- The SAFER is a private law company, whose management has been given since 1962 to the FNSEA-CNJA (federation union) and to the chambers of agriculture (Chambres d'Agriculture)
- After the crash of the land market (1978 -1983) , the **SAFERs have been bailed out by local authorities**,
- ...but **the same farmers organisations have kept on the management of the SAFERs** (further more the local authorities have not been willing to take the command, though first shareholders.)
- for a few years now, The SAFERs have to let in some **new shareholders** (in minority) : other farmers Unions, environmental associations, etc... But, that does not change the way the SAFERs are run

Inadequacy and limits of the SAFERs (II)

2 - The SAFERs allot the land with a high preference...

- ...to extend **big farms** (more than 2/3 of sold land) ...and not to set young farmers up (less than 1/3).
It is particularly difficult for these who are not coming from farmers families,
- Favouring **high productivity farms** (*'productivisme'*), letting down **new agriculture forms** such as **sustainable and diversified farming** : transformed products, local market, high value production system, and even currently organic farming. Which need less farming land surface, create employment in rural areas, and are more environment friendly.

Inadequacy and limits of the SAFERs (III)

3 - They lack financial facilities to stay owner of land in view to set up new farmers .

- ⬆ This policy is possible only if local authorities pay for the cost in the scope of a 3-part agreement : SAFER-region- banks .
- ⬆ As private companies the SAFERs don't benefit in taxes like 'Public Land Establishments' * do.

▶ *which are run by local authorities for the planning of urban areas.

4 - They are not efficient against land speculation

- ⬆ Pre-emptive operation with lowering of the price is very rare, because inefficient.
- ⬆ As obliged to re-sale quickly, they only “follow” the evolution of land prices.
- ⬆ This evolution mostly depends on the volume of local offer and the competition between farmers.

In Fine

With the SAFER, and most of all, the farmer tenant status

(Thanks to the pre-emptive right on land sold by the lessor owner)

the land owned by the farming families has become widespread in France .

→ **The positive point** : it is a **efficient guarantee against the massive arrival of capitalistic investors**

→ **The negative point** : it's the **pre-eminent place of land 'patrimony'** with all it can imply :

- Unequal repartition of the land according to each farmer's own wealth.
- High level debt of the farmers, to the detriment of productive investments.
- Farmer's families's corporatism towards new comers planning to set up who are not coming from farmers families.
- Confirmed tendency of farmers not to modify their agricultural practices to meet new issues at stake in food production and in environment.

An alternative point of view : Land as public good – its use - a tool

Aiming to a **fair repartition and use for the common interest;**

This requires a **strong political will** and **efficient land management rules** and **controlled by the State.**