

Green Entrepreneurship

Successful business cases of Green Entrepreneurs in the Mediterranean



Terre de Liens: Ethical investment for small scale organic farming in France

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Name:	Terre de Liens
City, country:	Various regional offices, France
Name of entrepreneur/ founder:	Sjoerd Wartena

Description: The organizations aim is to create a network of farms whose voice is heard in political, economical and social debates about land use. Terre de Liens provides funding to small scale organic farmers through raising investment from individuals with an interest in sustainable agriculture and promoting the rural economy.

Investment:

Start up capital: The organization began with voluntary time from the founder and other individuals. Once the project was launched 50.000euros was raised through individual investors within the first year.

Rate of return on investment: Between 4 and 5%, individuals who invest for the minimum of 5 years are guaranteed this rate of return due to a special fiscal arrangement by the organisation.

Sources of funding: The management of the organisation is funded by contributions from regional governments and the ethical investment company is funded mostly by individual investors, with 5% of the capital from pension funds which are obliged by French law to invest in an ethical fund.

Stakeholders: Relier, a national association for the rural economy, the biodynamic and organic agriculture movement, NEF, an international ethical bank, and small groups of finance networks for farmers, GFA (Groupement Foncier Agricole).

Employment generation: Terre de liens regional associations have 35 full time staff, 1500 volunteers, 20 regional branches. 300 people work on the farms supported by the organization (average of 1 person for 8 hectares).

Timeline:

- 1973 Sjoerd moved to France from Holland
- 1980 had the first idea, inspired by the Community Land Trust in the UK and Triodos Green Funds in Holland. Sjoerd was also well connected to the organic and biodynamic farming movement
- 1998 Set up first working group to develop the initiative
- 2003 Founded the organization
- 2006 License granted to be able to manage investment funds
- 2009 License to receive donations (in land or money)
- 2011 7000 members and 20 regional branches, with a total of 20million euros invested

Feasibility study: 7 years of developing the project with a working group of other interested individuals and organizations. All legal, financial aspects were studied during this time as well as the overall project concept and it's practicality.

Geo-social-economic setting:	The rural landscape is dominated by official agricultural policies targeted at stimulating large scale production for international markets. However at the same time in France there is an interest in eating quality, locally produced food and people look for local products. In this context there is both an interest to support the local economy however a back drop of economic challenges where land is used as a speculative commodity.
Key features:	Connecting consumer interest with land management needs. The project has arrived at the right time.
Overall rational and motivation:	On arriving in France Sjoerd saw that the transmission from generation to generation of farming knowledge had been severed, and that a new way of preserving this knowledge was needed. Freeing the young farmer from the obligation to buy land is the key driver. Terre de Liens buys the land and leases it to farmers so that they can invest in material, seeds etc. The socio-economic driver for the initiative is to maintain the rural economy and give young farmers access to capital to buy land and develop their production, as well as promote an environmentally sustainable way of farming.
Strengths:	Strengths: The mix of ideas and actions – with experience on the ground.
Challenges and constraints:	Getting the message from the sustainable agricultural community heard in the relevant forums, and organizing groups to this aim.
Direct activities and Impacts:	<i>Social:</i> 150.000 volunteers across France. Local groups directly linked to farm projects have helped the farmers to develop markets, buildings etc. <i>Environmental:</i> 80-100 farms supported by the organizations' finance, 17 farms have been directly donated to the organization, 2500 hectares in total working under the project <i>Economic:</i> €20million invested by 7000 shareholders in the SCA (Société en Commandite d'Actions) with 700. The average shareholder investment is €3000.
Use of innovative Technologies:	A biodynamic or organic response to agriculture. The internet is becoming increasingly useful for the organization and Terre de Liens is looking to further develop the use of social networks.
Evidence of a holistic approach/world view:	Biodynamic agriculture, and the desire to change attitudes to the land
Policies, incentives and regulations needed:	The concept that land is a commodity needs to be changed – it should be considered a common resource like air and water. Fiscal changes that encourage people to make donations would also be useful. A hectare of agricultural land costs around 40.000€ in many regions in Western Europe, a price totally disconnected with economic agricultural reality of food production and investment possibilities of young farmers. In Eastern Europe investors from Western Europe acquire the land instead of young local farmers hindering sustainable, multifunctional farm development!
Lessons and recommendations:	Keep your feet on the ground, and find accomplices – they are everywhere!
References:	www.terredeliens.org