

Some challenges in the use of agricultural real estate. An overview of projects for housing and Production facilities in rural land: domestic issues and public policies.

**SEBASTIÁN NORRIS**  
Abogado LLM  
Partner  
Araya & Cía.

# CHILE, A POWERHOUSE FOOD INDUSTRY?: A MATTER OF PUBLIC POLICY.

## We have identified our goals:

*In the international context, the great challenge of this sector is to steadily increase its competitiveness and to prepare and seize the great opportunity of the increase in the demand expected for the next 30 years. It's not enough to lean on the privileged natural conditions and other factors that our country has been building over time. Innovation is needed to pave the way for those millions of consumers in a competitive manner.*

**\* Presidential message to congress (Bill for Registry of Agriculture Contracts. March 8, 2013).**



# A CLASH OF INTERESTS. HOUSING PROJECTS IN RURAL AREAS VS PUBLIC POLICY

We refer to prior presentation.

**LEGAL BACKGROUND:**

## ❖ **DECREE LAW N° 3.516 (1980):**

- Regulates subdivision of rural areas: Stops the “urbanization of the countryside” to protect agriculture, livestock and forestry land.
- **PROHIBITIONS:**
  1. Subdivision of lots under 0,5 hectares;
  2. Prohibition of changing the use of land pursuant to articles 55 y 56 of the Ley General de Urbanismo y Construcciones (OGUC). Exemptions apply.



# SUBDIVISION OF RURAL LAND PLOTS: A SEDUCTIVE MARKET THAT -MAY- GO AGAINST POLICY

...Studies show: Productive fields are being used for housing projects.

*Urban growth, for decades, has generated intense debates, given the multiple effects provoked in existent economic activities, as well as those provoked on natural resources. **In the central part of Chile, this growth has occurred, almost exclusively, on agricultural lands, fomenting the displacement of sectorial activities and affecting the productive potential of the country in terms of the production of foodstuff, since it is executed occupying the lands with the greatest productive potential that surround the cities.** For the Ministry of Agriculture, this is a topic of great concern due to its commitment to the challenge of transforming Chile into an important worldwide participant in the production and export of healthy and safe foodstuff, destined to satisfy the increasing demand for food products throughout the following decades. For this purpose, it must count on a foundation and productive infrastructure consistent with this objective in medium to long term.*

*“Expansión urbana y suelo agrícola: revisión de la situación en la región metropolitana”. Diciembre 2013 Oficina De Estudios Y Políticas Agrarias. Ministerio de Agricultura [www.odepa.gob.cl](http://www.odepa.gob.cl)*

*[In this aspect, the situations presented in the Copiapo river’s watershed, the strip of La Ligua – Petorca (with a strong reversal in its avocado surfaces), as well as the belt of rural communes that surround the metropolitan areas of the cities of Santiago and Rancagua, all with great fruit potential, are abundantly clear. **The urban expansion and land subdivision into condominiums and vacation housing plots are factors that explain, to a great length, the constriction between the net balance of the fruit surface of these communes, where you can observe a decrease in plantations for peaches and nectarines, table grapes, Japanese plums, apricots and avocados, which occurs simultaneously with the increase of surface of walnut and cherry trees.***

*“La fruticultura en Chile: tendencias productivas y su expresión territorial”. Mayo 2019 Oficina De Estudios Y Políticas Agrarias – Odepa. Ministerio De Agricultura )*



# PREMISE: YOU DON'T BUILD ON AGRICULTURAL LAND

## But... What Happens When An Agricultural Project Fails

### Example:

- Table grapes in the Limarí Region. Flame variety. Replaced by California varieties.
- Blueberries in the south.



# What Happens when An Agricultural Project Fails

- **A fickle market?**
- **What failed and why?**
- **What alternatives are there?:**
  - Housing on market demand. Should it be stopped?
  - Adjusting the Agriculture Project.



# Adjust The Agriculture Project: Challenges Still Apply...

Big challenges...

- Market research. What does it want?, for how long?.
- Conversion to new varieties: An investment that requires times.
- Respecting IP Laws.
- Technology.
- Water.

**It comes down to two:**

- Community.
- Financing.

The contemporary agricultural sector faces many new challenges, from new crop diseases to the impacts of climate change. Yet these challenges can often be combatted with new and improved technologies developed through scientific research.

In addition to addressing large-scale trends, this research can often solve problems encountered by small-scale agricultural producers – with tangible benefits. For instance, low production of crops, livestock and fish can be overcome by turning to newly developed varieties and breeds. Or better nutrition and food sufficiency can be attained by diversifying diets.

Yet in many developing countries, the connection between this research and agricultural development is weak. There is little investment in agriculture-focused research as the immediate impacts are easy to overlook.

# Adjust The Agriculture Project: Challenges Still Apply...

## Water and the community.

- Watering crops instead of running water for the rural community? Is that where we stand?.

## Financing:

- Where do we get the money? A current issue in agriculture.

ENVIRONMENT AUGUST 20, 2020 / 5:49 PM / UPDATED 3 YEARS AGO

## U.N. water rights expert questions Chile's avocado and energy priorities

By Aislinn Laing

2 MIN READ



SANTIAGO (Reuters) - Chile on Thursday faced questioning by a United Nations water rights expert who suggested the government could be placing economic development over human rights through controversial agriculture and energy projects.

lectando... eo Heller, the UN special rapporteur on human rights to drinking water and



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## Water in Agriculture

The World Bank supports countries with sustainable intensification of agriculture through critical investments in irrigation infrastructure and key institutional reforms, which also help achieve Sustainable Development Goals (SDGs) on efficient use of water as well as on eliminating hunger.

## In the midst of Chile's megadrought, anger turns toward avocados

By Flora Genoux (Buenos Aires (Argentina) correspondent)

Published on October 20, 2022, at 8:30 pm (Paris), updated on October 20, 2022, at 8:30 pm

🕒 10 min. [Lire en français](#)

📌 Subscribers only



FEATURE | In the province of Petorca, the river has dried up and locals are reduced to collecting dew for their water. However, the vast expanses of avocado trees are still flourishing.



# SOME SOLUTIONS FROM THE PRIVATE SECTOR

## I FINANCING ... For research, technology.

### - **Formality.**

Contracts and credit worthiness go hand in hand.

### - **Guaranties.** What can Lawyers say or do?: Traditional financing through Banks. Think outside the box.

### - **Tax and investment.** New DL 701?

4. Countries organize themselves to face the great "threat-opportunity" that the awaited scenario represents. Innovation starts to occupy a critical place in future success, and the access to technology and financing to respond to the awaited demand are also key factors of such success.

5.- Allow for exporters to count on greater certainty regarding their product supply, which shall permit them to develop better products, access better markets and obtain better prices.

6.- Promote economic development of small and medium sized companies that are dedicated to the agricultural sector, above all, by means of greater and better financing.

7.- Develop future agricultural markets, at a domestic level as well as internationally

8.- Search for the best positioning for Chile in international agricultural markets, making the industry more competitive in a worldwide scenario, and promoting the development of our country as a food industry powerhouse.

\* Presidential message to congress (Bill for Registry of Agriculture Contracts. March 8, 2013).

## II REACH THE COMMUNITY

- **Community and Family Farming.**

Consider the case of the Flame variety. Jobs are needed.

Certification as a means to reach consumers.



HOME

CLAC ▾

WHAT WE DO ▾

COMMERCIAL AREA ▾

FAIR TRADE



**FAIRTRADE**



**LATIN  
AMERICA**



There is also the Fair Trade Advocacy Office (FTAO), which advocates on behalf of the Fair Trade movement and promotes trade justice to improve the livelihoods of producers and workers in the global south. The FTAO is a joint effort of Fairtrade International, WFTO and the European Fair Trade Organization. The FTAO was born in 2004 as an informal cooperation mechanism between Fair Trade networks and was legally constituted as an independent foundation in 2010. The FTAO has a clear mandate to advocate for European Union policies to



# II REACH THE COMMUNITY



FAIRTRADE  
INTERNATIONAL

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## Adaptación y mitigación del cambio climático

**Intención y alcance:** La agricultura es vulnerable al cambio climático. Además, tiene el potencial para reducirlo mediante la reducción de emisiones, el aumento de sumideros de carbono, la mejora de la biodiversidad y la conservación de los hábitats naturales. Mejorar la sostenibilidad de los sistemas de producción local mediante la disminución de la dependencia de los insumos externos puede ser un camino importante de adaptación al cambio climático.

Los requisitos sobre cambio climático de esta sección se aplican a toda la finca donde crecen cultivos de Comercio Justo Fairtrade.

### 3.2.42 NUEVO 2019\*\* Adaptación al cambio climático

Des	Usted implementa medidas de adaptación al cambio climático.
Año 3	

**Orientación:** Las actividades y medidas de adaptación dependen de los riesgos identificados y de las prácticas existentes en su región / producto y son acordes a la capacidad humana y financiera de su organización y los miembros.



## Organization/plantation Fairtrade Project



**94** WORKERS PARTICIPATED IN THE PROJECT



**62** WORKERS PARTICIPATED IN THE PROJECT



**5** NEIGHBORING COMMUNITIES PARTICIPATED IN THE PROJECT



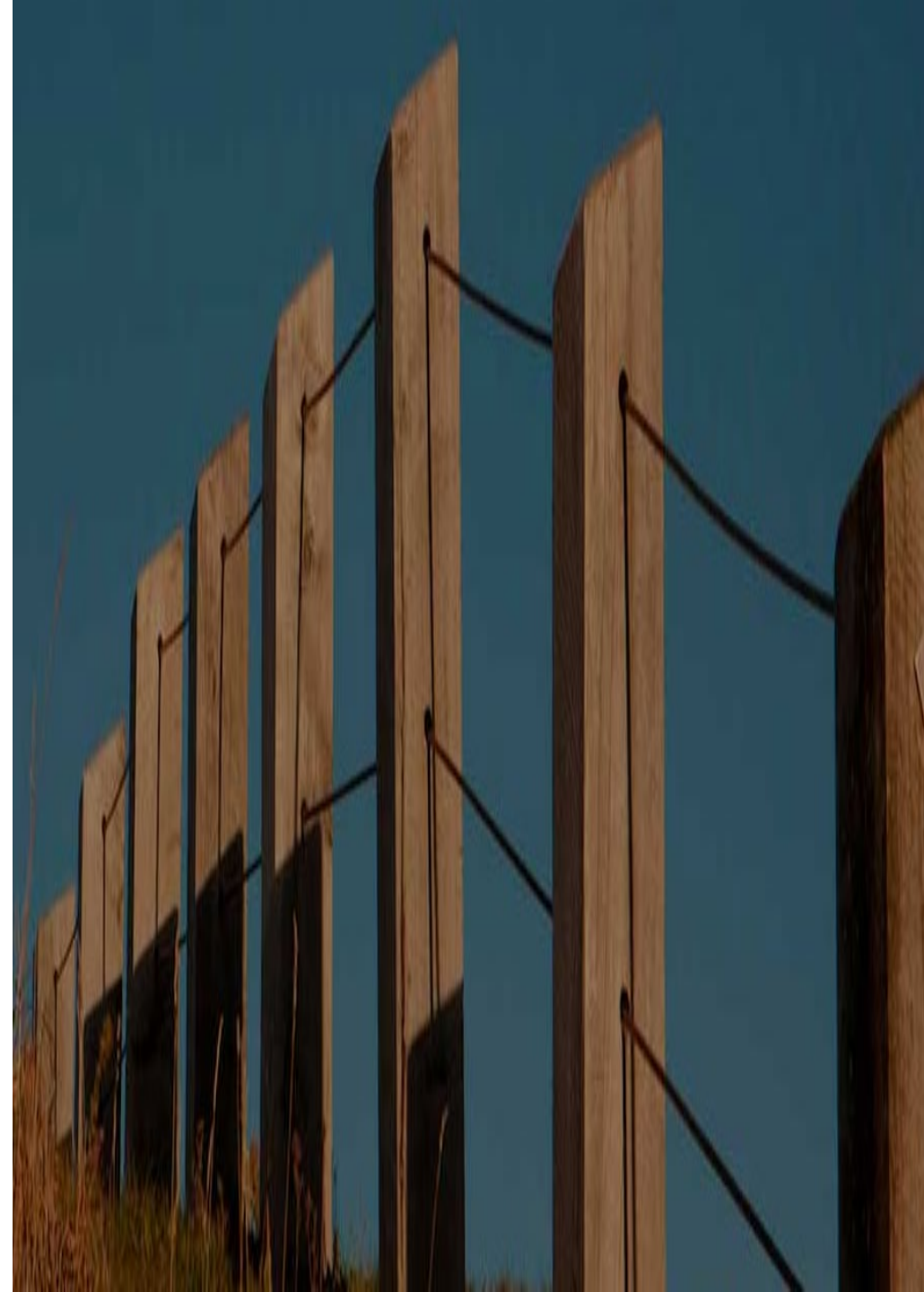
# Conclusions.

Strong Public Policy.

Regulation.

Certainty.

Collaboration.



# Thank you!



**SEBASTIÁN NORRIS B.**

Abogado /Socio de Araya & Cía.

[SNORRIS@ARAYA.CL](mailto:SNORRIS@ARAYA.CL)

Linkedin: **sebastian norris**

2 2208 2993

Nueva de Lyon 145, Piso 11, Providencia. RM

[www.araya.cl](http://www.araya.cl)