

A winter landscape with snow-covered ground and bare trees against a sunset sky. The sun is low on the horizon, casting a warm orange glow. The trees are dark and leafless, their branches silhouetted against the sky. The ground is covered in a layer of snow, and a fence line is visible in the foreground.

# *The View* FROM ABROAD

**THE NEXT TIME YOU THINK TAXES AND REGULATIONS ARE OVERBEARING FOR LANDOWNERS IN THIS COUNTRY, CONSIDER WHAT IT'S LIKE TO OWN FORESTLAND IN GERMANY. AN AMERICAN JOURNALIST AND LANDOWNER WITH PROPERTY BOTH THERE AND IN THE U.S. WRITES HOW OWNING FORESTLAND IN GERMANY IS A BUREAUCRATIC AND REGULATORY NIGHTMARE.**

**BY LEON MANGASARIAN**



The author had this barn built from stones on the property in the old Lusatian style (the region is Lower Lusatia) by Polish stone masons who still build this way.

**F**orestry in Germany is different from that in the U.S. The German state heavily regulates all forest operations. It subsidizes good and bad things in forestry – including reducing timber production.

I started our family forestry almost 25 years ago, buying 900 acres in Brandenburg state, two hours southeast of Berlin. The soils are mainly poor and sandy, and summers are hot and dry, while winters are colder than in most other parts of Germany. My wife and I now own and manage 4,500 acres of forest in eastern Germany.

Some of World War II's final battles were fought in or near our forests. There are graves of fallen soldiers around our woods. When older trees are cut and sent to sawmills, they're first checked with metal detectors for shrapnel before being sawed into boards and beams.

We bought the forests from the German federal government which privatized woodlands held by defunct communist East Germany after the 1990 reunification. This created our first problem. The German state bars you from selling forest you buy from them for 15 years, robbing owners of one of the most basic powers linked to running a business. Many forests we purchased range from 25 to 100 acres. We plan to sell all of these and consolidate our biggest holdings. But for now, we waste time and energy running forests we have no intention of keeping.

Here's another bizarre aspect of buying forest from the German state: The contracts – which are always non-negotiable -- say that I need to have my main residence "close by" the forest. Nowhere is it defined what this means in miles. The BVVG privatization agency, which belongs to the German Finance Ministry, dragged me into court, claiming my home was too far away. The legal circus lasted five years and cost \$50,000 in

lawyer fees. I won the first trial, then won the appeals trial. The BVVG still insisted on taking me to the Federal Court of Justice. The judges rejected the case with a letter that my lawyer laughingly decoded as saying, "Why are you even sending us sh\*t like this?"

We again battled the German state this year – and lost. Adjoining a forest we own in Saxony-Anhalt state are 70 acres of meadow. Our son wants to raise beef cattle, so the plan was to get the meadows and produce grass-fed beef. After years of negotiating, we signed a contract to buy the land from a neighbor. But the state had other ideas. When it comes to farmland, Germany is a socialist, state-planned economy. The county government blocked the sale to us and awarded the land to another farmer, one of the region's biggest landowners. Go figure.

This illustrates German forestry in a nutshell: my biggest problems in the past quarter-century haven't been markets or weather but rather the grasping regulatory hand of the government.

Here are some further regulatory strictures illustrating how different German forestry is from, say, southwest Georgia, where I own 600 acres.

In Germany, clear-cutting is almost totally banned. In theory, you can clear-cut up to 5 acres. But in Brandenburg state, there are so many prohibitions linked to clear-cuts that the forestry cooperative we belong to won't clear-cut more than an acre due to fear of fines or legal action.

The German government, which collapsed in November 2024, may have had a Social Democratic chancellor, but hard-line Greens party members ran the agriculture and environment ministries. What they had in the pipeline would have made an excellent contribution to crashing the nation's forestry industry. Whether these laws still come into force depends on the next

German government.

**Exhibit No. 1** is that the Greens no longer hold such silly, old-school views that forests should produce sustainable timber. Instead, the obsession is with reducing all timber production and creating a "Klimawald" or climate forest – whatever that may be. They seek to ban timber production in parts of forests and want to end all monoculture planting of trees. This is despite German scientific studies showing forests used for growing timber have far higher biodiversity than those taken out of production. But the government won't follow the science. Regarding monoculture, a mixed forest requires far more labor to maintain. Almost nobody in Germany wants to become a forest worker and we're even having trouble recruiting the Poles and Romanians who used to do this work. How these mixed forests will be maintained is anybody's guess. The upshot of all this is Germany importing more timber from countries with

"This law is true satire given Germany's expanding forest and the goal of cutting bureaucracy," said Franz Schencking, managing director of MWL-Märkische Walddienstleistungen GmbH, a forestry cooperative with over 500 members that manages 57,000 acres. Full disclosure: my wife and I are members of the MWL and I am chairman of its advisory board.

**Exhibit No. 5:** Leasing the hunting rights for a forest can bring considerable income - between \$8 and \$10 per acre, per year in eastern Germany. But there's a problem. The wolf population has exploded over the past 20 years. The Greens love the wolves and they are protected. True, wolves reduce browse on trees. But, get caught shooting a wolf, and the media and public outrage is viral – and the punishment is severe. The trouble is that wolves have largely wrecked hunting, making it harder to lease out hunting rights. A friend with a driven hunt near Berlin used to have a bag of up to 100 deer and boar. He's now happy



A pine harvest on the author's property is deceptive as a large amount of timber comes from thinning a large area. The author cut the maximum number of trees allowed by law in Germany.

laxer forest laws while strangling forestry at home.

**Exhibit No. 2** is a planned new federal forestry law, double the length of the perfectly fine old law. In its original draft, it threatened to throw forest owners in jail for transgressions. Welcome to post-modern Germany where rapists get probation but tree farmers are threatened with prison.

**Exhibit No. 3** is the European Union's deforestation supply chain law backed by Berlin. Even though Germany's strict laws make deforestation impossible, forest owners here would be forced into costly, bureaucratic compliance as if this were a corrupt Third World nation. On the contrary: German forest stewards are so good that the forest-covered area is increasing. In an admission of the chaos this law will cause, implementation had been delayed until 2025.

**Exhibit No. 4** is a new subsidy law demanding so-called "habitat trees" be marked and GPS registered. The trees cannot be cut – but only for the next eight years. After that the program expires. Documenting costs over \$6 per tree, with five trees required for every hectare (2.47 acres). For a 7,400-hectare church forest that I advised, an offer to mark the trees came at more than \$100,000. None of the trees we selected for this program would have been cut anyway. They are either crooked, rotten or at a growth stage where they won't be felled before 2032.

to shoot 20 animals. The roe deer population in our forests where wolves live has been reduced by two-thirds.

Thinking about higher and better use for a German forest that borders a growing city? You can forget about it. Elon Musk may have clear-cut some forest to build his Tesla factory outside Berlin. But only because he did this at his own risk before getting the necessary permits to build the plant. For ordinary people, converting forest land to, say, a housing subdivision, is almost impossible.

Want to post your land against trespassers? Don't even think about it. In Germany, anybody can go walking, mountain biking, or horseback riding on any private property, anywhere. I've had trespassers yell at me as I drive the truck through my own woods. In one case, I told an elderly woman I was the forest owner. "Anybody can claim to be a forest owner!" was her reply.

And then there was the dude who drove up to me in a forest we own in Western Pomerania. He got out of his car, pulled a knife, approached my car and threatened to slit my tires. I introduced myself as the forest owner and asked his name. He refused to identify himself but continued swinging his knife around. I photographed him and his car license plate before he left. We identified the man and filed charges. Six months later, the state prosecutor closed the case and said in a letter that the



Unlike the 30-year cycle of pine growing in the Southeast, it takes 100 years for pines to grow to maturity in Germany.

gentleman had denied his actions.

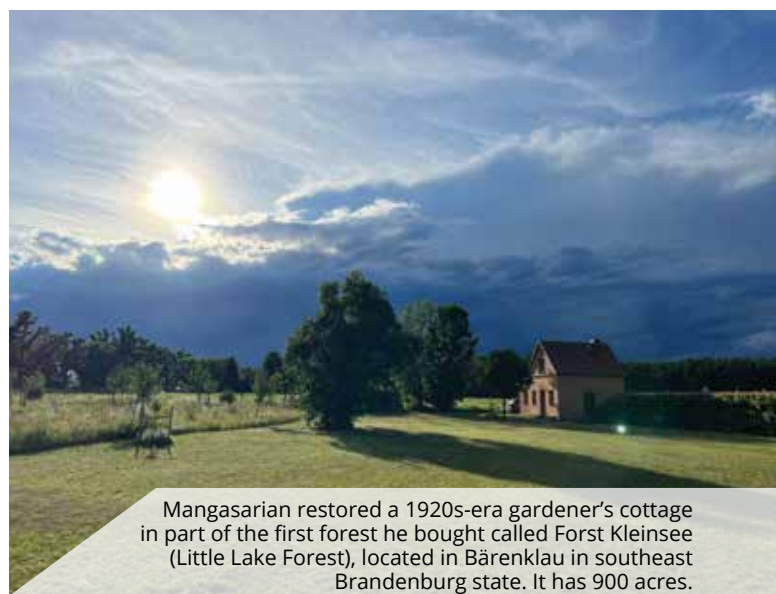
More annoying are the mandatory fees that forest owners have to pay. I am not talking about property tax, which we also pay. First, in Brandenburg state is the Wasserund Bodenverband or Water and Soil Association. They clear the ditches so that water can run off. But I don't want the ditches cleaned because I want to keep the water in my forest. No chance. I pay over \$2,000 per year for the 900-acre forest to get a "service" that's doing me harm.

Another forced fee is the Landwirtschaftliche Berufsgenossenschaft or Agriculture Trade Association. This is glorified and costly insurance in case someone is injured while working in the forest. All my subcontractors and foresters have their own insurance. The Association claims they offer better insurance. The bills they send each year are incomprehensible, which I am sure they do on purpose. My latest annual bill is almost \$6,000. Again, there is no way out of this program for forest owners in Germany.

All of the above is bad for business but there's something even worse. What's deeply worrying in Germany is that state bureaucracy is so suffocating that even politically supported projects struggle to win approval.

Despite the outgoing government's top priority for renewables, Germany has failed to speed up the construction of new wind parks and the high-tension lines needed to shift electricity around the country. In the first half of 2024, just 250 new windmills were built in Germany. That's only 25 percent of the year's target.

I've been trying to build a wind park with my neighbors for the past four years in a forest near the Polish border. The town council has approved it four times, and a year-long environmental impact study found scant conservation conflicts. I have



Mangasarian restored a 1920s-era gardener's cottage in part of the first forest he bought called Forst Kleinsee (Little Lake Forest), located in Bärenklau in southeast Brandenburg state. It has 900 acres.

committed to reforesting land as compensation for the footprint of the windmills. You would think we're ready to go. No way.

Early this year, a state regional planning agency announced that the wind park was too big and demanded it be reduced to just five from the planned 15 wind turbines.

Other government agencies immediately criticized the project. A nature protection official said he's against windmills in forests – even though they are legal in Brandenburg. Then, the historic monument agency claimed the wind park would detract from sightlines at two, historically insignificant castles. We'd already commissioned an expert opinion on this. It found that both castles had their parks planted with commercial trees after 1945. The historical sightlines no longer exist.

These same state officials, who've been blocking renewables for the past decade, continue to do so. Laws that outgoing Chancellor Olaf Scholz and Greens Economics Minister Robert Habeck have passed, which they claimed will speed up renewables, are easily undercut at the state and county levels. The only way for Germany to accelerate the building of windmills and power lines would have been for the federal government to politically castrate regional and local officials. But this never happened.

I am not a fan of subsidies but I confess that I take them from the German state. In our largest forest in Saxony-Anhalt's Altmark – about two hours west of Berlin – we've benefited from subsidies for converting pine forest into mainly deciduous woodland. The state pays for 85 percent of the costs, including plants, planting, building fences to protect the seedlings from deer, and annual clearing of competing brush and bushes to ensure the trees grow.

We've also gotten subsidies for building logging roads. In Brandenburg a road deemed useful for potential natural disasters was 100 percent funded. In Thuringia state, a logging road running atop a small mountain received 85 percent funding.

Finally, there's a new program paying \$40 per acre per year for enacting onerous conservation measures. I signed up with my 900 acres, but my wife, Tatjana, who owns far more than I do, took one look at the state's terms and said she wouldn't go near it. My dear wife is a former head nurse with more than a dash of Margaret Thatcher in her business soul.

These subsidies are fine if you want to risk taking them, but I prefer the state to leave us alone and let us run our business.

In sum, the German state doesn't trust those who run the economy and pay taxes. Germany suffers from massive overregulation, a lack of both skilled and unskilled workers, sky-high energy costs, and possible future energy shortages. This, combined with Germany's generous social welfare, has again made the country into the sick



Author and forest landowner Leon Mangasarian.



The author's wife, Tatjana Gräfin von Hohenthal-Mangasarian.



The author's son, Carl-Leon Mangasarian, takes water to trees during a hot summer. They only water the bigger oaks and sweet chestnuts planted along forest roads or the edges of meadows.

man of Europe. For the second year in a row, the German economy, the third biggest in the world, is going to shrink.

"I would not advise anybody, at the present time, to invest in forest land in Germany," says Lorenz Klein von Wisenberg, a Forest Landowners Association member and forest owner in Germany and Georgia, who advises investors on buying forest land in Europe and the Americas.

Despair over Germany as a place to do business also led me to start bailing out. I bought the forest in Georgia in 2017.

When I deal with Georgia officials and bureaucrats, it still confuses me to discover that most of them want to help me succeed. My takeaway after seven years? We plan to sell forests in Germany and shift at least 50 percent of our land holdings to the U.S.

In Georgia, we do what tree farmers increasingly cannot do in Germany. We simply produce what the market wants.

Getting out of the way so an industry can produce for the market is totally foreign to Germany's Scholz and Habeck. They're too busy regulating, banning, and subsidizing.

Yet, whenever I visit the U.S., I am struck by how many people complain about regulations, bureaucracy, or taxes.

My fellow American forest owners: Cheer up! You don't know how good you have it until you attempt to run a forest in another country. 🌿

*Leon Mangasarian grew up in Wisconsin and studied at the University of Wisconsin-Madison and the London School of Economics. He worked as an editor and reporter for Bloomberg News, Deutsche-Press Agentur, and United Press International in Berlin, Bonn, Brussels, Kyiv, and Athens. He never misses the Wisconsin deer season and thinks the lack of squirrel hunting in Central Europe is the only drawback to the old world's field sports traditions.*