



SCOTTISH FARM
LAND TRUST

WANTED:

Land for New Farmers



The Scottish Farm Land Trust (SFLT) is a new organisation, which aims to increase access to land for new entrants who want to farm using agroecological methods. The SFLT aims to acquire farmland to rent out with secure, affordable tenancies, and in this way support a thriving farming landscape in Scotland with farms that are connected to local people.

This document explores the issue of access to land for new farmers, looking at the demand for farmland, the barriers to people entering the sector and how a land trust could contribute to a positive future for farming in Scotland.



Photo: Lar Field, Locavore, Glasgow. Credit: Clem Sandison

This research has been conducted by Nourish Scotland on behalf of the Scottish Farm Land Trust, with funding from the Big Lottery, please contact bella@nourishscotland.org.uk or contact@scottishfarmlandtrust.org for further information.

Scottish Farming today

The proposition to establish the SFLT comes at a critical time for Scottish agriculture, with uncertainties for rural economies, communities and our environment. These include:

- The number of people working in agriculture is at its lowest since current records began, employing 8% of the rural workforce while using 71% of the land.¹
- Farm Business Income fell for the sixth consecutive year in 2016, to an average of £12,600, with 59% of farmers generating incomes equivalent to less than the Minimum Agricultural Wage.² Support payments account for over 70% of the overall net profit from Scottish agriculture.
- The average age of a farmer is estimated to be 58, with less than 10% under 41 years old.³
- Since 1980 the number of pollinating insects in Scotland has declined by over 50%.⁴
- Terrestrial birds are used as a key indicator for measuring overall health of biodiversity, and several farmland bird populations have depleted significantly, for example kestrel (-77%), lapwing (-58%) and curlew (-49%) between 1994-2014.⁵
- A disconnect between farmers and local communities; we export much of what we produce and import much of what we eat. Diet-related health inequalities significantly affect both quality of life and life expectancy.⁶

Agroecology is a model of farming which offers solutions to these multiple issues. It looks beyond a focus on yields and considers the social and environmental benefits that farms deliver, such as rural employment, healthy local food, resilient ecosystems and reduced greenhouse gas emissions.⁷

Emphasis on social and environmental productivity does not necessarily mean lower yields, or diverting attention away from the core business of food production. A recent report found that this type of farming achieves higher yields on 18 indicator vegetable crops compared to non-organic field-scale yields.⁸ It also demonstrated increased employment, with an average of 2.3 full time equivalents working on each holding, and an average of 3.2 jobs per hectare (or 0.68/ha if holdings of <1ha are excluded). Either way, this is significantly higher than the 0.026 jobs per hectare average for the UK as a whole.⁹

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Agroecological farming is a good use of land: it could help address rural depopulation in Scotland, as well as deliver wide ranging environmental and social benefits. Jo Hunt, who runs Knockfarrel Produce, an organic farm near Inverness, has prioritised social and environmental productivity and can demonstrate measurable results.

¹ Scottish Government (2017), *Farm Labour*, available at: <http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/agritopics/farmlabour>

² Scottish Government (2017), *Farm Basic Income*, available at: <http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/Publications/FBI>

³ Scottish Government (2017), *Farm Labour*, available at: <http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/agritopics/farmlabour>

⁴ Scottish Government News (2017), *Boost for bees and butterflies*, available at: <https://beta.gov.scot/news/boost-for-bees-and-butterflies/>

⁵ Scottish Natural Heritage (2015) *Index of Abundance for Scottish Terrestrial Breeding Birds 1994 to 2014*, available at: <http://www.snh.gov.uk/docs/A1817370.pdf>

⁶ Food Standards Scotland (2016), *The Scottish Diet: It needs to change*, available at: http://www.foodstandards.gov.scot/downloads/Final_Report.pdf

⁷ For example, UN (2011), *Agroecology and the Right to Food*, available at: <http://www.srfood.org/en/report-agroecology-and-the-right-to-food>
LUPG (2016), *The Role of Agroecology in Sustainable Intensification*, available at: <http://www.snh.gov.uk/docs/A1652615.pdf>

French Ministry for Agriculture (2015), *Implementing Agroecology in France*, available at: <https://ec.europa.eu/jrc/sites/jrcsh/files/Brun%20EXPO%20JRC%20Agroecology%202015.pdf>

⁸ CAWR (2017), *A Matter of Scale*, available at <https://drive.google.com/file/d/0B5dw4mKBC3yEdzRIOHhNbkFwUFg1MWNyCHNpZW5JaDBnWVNr/view>

⁹ This is a high figure due to the high number of holdings <1 ha that were included in the sample. *A Matter of Scale*.

CASE STUDY: Knockfarrel Produce

Jo and his partner Lorna spent four years looking for land within a 30-mile radius of Inverness. The 18-hectare organic croft on which they now farm was on the market for just three days, and in that time received seven bids. They established the farm with significant set up costs, and it was five years until Knockfarrel Produce broke even and became an economically viable business.

Initially, they aimed to produce and sell nutritious food; train and employ local staff, and look after the environment, particularly through carbon avoidance and sequestration. From 2012-2014 they had 3.2 full-time equivalent (FTE) jobs on the farm, and were selling their organic vegetables, eggs and meat mostly through wholesale, including a school meals contract with Highland Council. Jo calculated the value of this model to society in terms of

environmental services, rural employment generation and the provision of healthy food to be around £42,000 a year.

The farm receives just £1,200 a year in subsidy. If Jo was being rewarded for the social goods his farm produced then he would still be producing £42,000 of social benefit each year on a 18ha farm. However, in order to make his business viable within the current market and Common Agricultural Policy (CAP) support, Jo has had to reduce his staff; stop supplying Highland Council school meals service, and focus instead on direct sales to local households and at farmers markets, where incomes are higher. Jo currently creates 1.4 jobs FTE; locks up 90T of CO₂e and supplies 250 people with a better diet. This has a lower but still significant social benefit estimated to be worth £24,000 a year.



Wanting to farm but nowhere to go

We could have a lot more of these farms that deliver wide ranging benefits in Scotland.

A survey looking at the demand for farmland in Scotland received 1,286 responses of whom 989 want to establish agroecological farm businesses.¹⁰ It also found that a number of

people had been motivated to pursue a career in farming, but had encountered too many barriers along the way.

66% of the people looking to establish agroecological farm businesses are under 40 years old. When asked about their motivations for farming, 85% said 'looking after the environment' and 79% said 'help build/sustain rural communities'. The level of response to the survey demonstrates significant numbers of potential new farmers in Scotland.

¹⁰ An online survey, carried out between April-July 2017 by Nourish Scotland on behalf of the SFLT.

CASE STUDY: Future Farmer

CLEM SANDISON is one of the people who responded to the 'looking for farmland?' survey; her dream is to produce food for people, including high welfare organic meat and dairy products, in the most regenerative way possible. Having been inspired by farms elsewhere, particularly Ridgedale Permaculture in Sweden, she believes agroecological farming involving pastured livestock and no-till crops is the best model. Clem points out that the future of our planet might depend on how we manage our soils and grazing systems. As well as planting trees, she believes holistic management of livestock (sometimes referred to as "mob-grazing") has huge potential to restore ecosystems and build topsoil.

Clem has been looking for land in an area between Glasgow, Loch Lomond & Stirling. She has spoken to nearby landowners and has been checking the open market online regularly for the past year. However, in this search area, there has been very little land that has come on the market. Either land comes with a big farmhouse, which Clem cannot afford, or is completely bare. Her ideal is 60-80 acres, with at least some woodland to provide shelter for animals.

Clem said, "It would be brilliant if the SFLT already existed, I would already be farming!"

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The survey found a range of barriers to starting farming including insecurities of tenure, lack of business support and access to housing. However, **access to land was the primary barrier, with 71% of respondents stating that it is a significant barrier and a further 17% describing it is a barrier.** Access to housing and insecurity of tenure were also rated highly, with social isolation and 'other factors' considered to be not of much relevance.

	A significant barrier	A barrier	A factor to consider	Not of much relevance for me
Access to land	71%	17%	10%	3%
Access to housing on/near farm land	53%	23%	19%	5%
Low profitability of farming	18%	25%	45%	12%
Uncertainty in current political climate	19%	17%	40%	23%
Insecurity of land tenures	25%	31%	36%	8%
Access to business support	16%	30%	40%	14%
Social isolation	3%	8%	28%	61%
Difficult to farm 'part-time'. Farming not compatible with other commitments	13%	19%	36%	32%
Lack of skills/confidence	11%	20%	36%	33%
Other	25%	12%	10%	53%

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Photo: Tap o'Noth, Inverness. Credit: Clem Sandison

The price of agricultural land in Scotland has risen sharply in the last decade, with the greatest increase in good arable land, which has more than tripled, from £3,000 in 2006 to £9,046 in 2016.¹¹ As a result, the cost of land greatly exceeds the return from farming, making buying land impossible for most new entrants to farming. It is perhaps for this reason that data shows more farmers selling land and fewer farmers buying it. Non-farmers, and particularly investors, represented the biggest percentage of purchasers in the past 12 years.¹² Farmland is valued as an investment opportunity rather than for producing food.

The way in which the market is structured does not meet the needs of new entrants. Not only is land very expensive, but the land available is often far larger than people would like to farm. The average size of farmland for sale in Scotland is around 150 ha.¹³ Of the 989 people surveyed who are interested in establishing agroecological farm businesses, **73% of people were looking for land of <20 hectares.**

We also disseminated a survey to landowners in Scotland, which received a lower response rate of only 32 respondents. Although the vast majority of landowners who responded to the survey

were interested in the SFLT, there was very little willingness to sell land.

Renting was traditionally a route into the farming sector. However, Scotland has one of the lowest proportions of rented land anywhere in Europe, and the amount is decreasing rapidly. 41% of agricultural land was rented in 1983, but this has fallen to 23%.¹⁴ The structure of tenancy arrangements has also changed. Statistics for 2015 and 2016 show a drop in secure tenancies, with increases in Limited Duration Tenancies (up 16%) and Short Limited Duration Tenancies (up 13%).¹⁵ **56% of survey respondents stated that insecurity of tenure was a barrier to entering farming.** Farming requires considerable long-term investment; this lack of security of tenure is prohibitive to new businesses developing.

Of the survey respondents, 52% had actively started looking for land in Scotland. 36% stated that they didn't know where to start/where to look for support. Many of the comments refer to the difficulty in navigating this process, the lack of support available and a perception that a lot of land changed hands outside of the open market, dependent on local knowledge and connections.

¹¹ Knight Frank (2016), *Scottish Farmland Index*, available at: <https://kfcontent.blob.core.windows.net/research/443/documents/en/scottish-farmland-index-h1-2017-4814.pdf>

¹² Savills World Research (2016), *Market Survey UK Agricultural Land*, available at: <http://pdf.euro.savills.co.uk/uk/rural--other/uk-agricultural-land-2016-lr.pdf>

¹³ Saint Property Research (2015), *Scottish farms and land market*, available at: <http://www.saintproperty.com/news/2015/09/29/scottish-farms-and-land-market/>

¹⁴ Scottish Government (2014), *Scottish Agricultural Tenure Evidence Review*, available at: <http://www.gov.scot/Publications/2014/06/9792/7>

¹⁵ Scottish Government (2017), *Economic Report on Scottish Agriculture 2016*, available at: <http://www.gov.scot/Topics/Statistics/Browse/Agriculture-Fisheries/PubEconomicReport>

CASE STUDY: The Scottish Borders

The Scottish Borders has a total agricultural area of 383,109 hectares; around 20% of this is crops and fallow (72,517 ha), with the majority grass and rough grazing, and 33,074 ha of woodland. It has the largest proportion of holdings over 200 hectares of any region in Scotland, at 23% of all holdings as well as by the Scottish Tenant Farmers' Association.

The issue of rural depopulation and lack of opportunities in the region has recently

been recognized by the commitment to a new South of Scotland Enterprise Agency, to match the support given to the north through Highlands & Islands Enterprise.¹⁶

200 people who filled in the looking for land survey said they would like to farm in the south of Scotland. Establishing 200 new agroecological farms of an average 10 ha would use just 2.8% of the arable land area in the Borders and bring an estimated 460 new jobs to the region.¹⁷

The results of our research, which demonstrate that access to land is a critical barrier to achieving a more inclusive and innovative farming sector, are also reflected in other studies. The National Farmers Union Scotland recently conducted a survey of its members on challenges facing the new generation, and found that 'the price of land and start-up finance is keeping the door to farming shut for a generation who are very much needed for Scottish agriculture's future viability'.¹⁸ The pattern of land consolidation and the damage this does to the agricultural sector is also noted in recent evidence to the European Parliament,¹⁹ and access to land was found to be the most common barrier identified for new entrants in a 2016 EIP-Agri focus group report²⁰ as well as by the Scottish Tenant Farmers' Association.²¹

Increasing access to land and supporting new entrants has been a key priority for the Scottish Government and a number of other organisations in Scotland, with support for people and communities to buy land²², as well as initiatives to provide tenancies²³. The mission of the recently established Scottish Land Commission is to make the most of Scotland's land, for the benefit of everyone.²⁴

The SFLT welcomes these initiatives; however, as the survey results reveal, there are gaps in the support provision, particularly for people who are completely new to the sector, and those wishing to establish agroecological farms.

¹⁶ Scottish Government (2017), *South of Scotland Enterprise Agency Report*, available at: <http://www.gov.scot/Publications/2017/06/1344/2>

¹⁷ Based on the *A Matter of Scale* figure of average of 2.3 FTE per holding of between 0-20 ha.

¹⁸ National Farmers Unions for Scotland (2017), *New Generations Survey*.

¹⁹ Committee on Agriculture and Rural Development (2017), *On the state of play of farmland concentration in the EU: how to facilitate the access to land for farmers*, available at: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2017-0119+0+DOC+XML+V0//EN>

²⁰ EIP-AGRI Focus Group (2016), *New Entrants into farming: lessons to foster innovation and entrepreneurship*, available at: https://ec.europa.eu/eip/agriculture/sites/agri-eip/files/eip-agri_fg_new_entrants_final_report_2016_en.pdf

²¹ Scottish Tenant Farmers Association (2008), *Barriers to New Entrants to Scottish Farming*, available at: http://www.tenantfarmingforum.org.uk/eblock/services/resources.ashx/000/244/597/58_final_report_from_contractors.pdf

²² Including through the New Entrants Grants and Scottish Land Fund

²³ For example, the Forestry Commission New Entrants Scheme, and work of the FONE group, available at: <http://www.gov.scot/Topics/farmingrural/Agriculture/NewEntrantsToFarming/meeting5a>

²⁴ <http://landcommission.gov.scot/>

How Land Trusts can help

Land Trusts are one way of directly tackling this market failure and supporting more people to start farming. The basic principle is:

- ▶ The land trust raises money through public and private investment
- ▶ This is used to buy farmland to be held by the land trust in perpetuity
- ▶ The land is rented out at affordable rates with secure tenancies

Land trusts have been used to increase access to land and support new entrants in a number of European countries and around the world, for example Terre de Liens in France, the Agrarian

Trust in the US, and Bioboden in Germany. Where successful, they have been well supported by local and regional governments and by the general public who recognise the importance of this kind of direct intervention. In some cases they have also created cooperative networks of farmers and social movements.

Agroecological farming has a lot to offer, and access to affordable and secure tenancies is a crucial foundation. Land trusts around the world have also supported the success of the sector through providing opportunities for training and spaces to nurture innovation.



Photo: Left Field, Locavore, Glasgow. Credit: Clem Sandison

CASE STUDY: Terre de Liens

Terre de Liens in France is an organisation set up in 2003 to develop farming networks and practically support access to land for ecological agriculture. It has enabled over 200 farmers to establish businesses on land (partially or fully) owned by the trust. This has been made possible through the support of 12,000 citizens who have contributed €58 million in investment and €2.8 million in donations.

Terre de Liens and farmers agree on a specific type of agricultural lease that includes legally binding environmental protection clauses. In addition to buying land and leasing it to farmers, Terre de Liens also brings together citizens, farmers, local authorities and other stakeholders in jointly defining and managing land use. They emphasise the importance of building a movement that sees land differently, that is about collaborating to ensure land is managed well in the long term.

Next steps for SFLT

A Scottish Farm Land Trust could help address the issue of access to land. 60% of people looking for land for agroecological farms said they would definitely be interested in leasing land from the SFLT, with a further 36% potentially interested. Buying land to provide secure tenancies could be done with a combination of:

- ▶ Socially conscious private investors
- ▶ Institutional Social Investment
- ▶ Public Investment
- ▶ Tax incentives for investors
- ▶ Donations

Investing in land to rent out at affordable agricultural rents will yield a relatively small return, and is less attractive if there is no prospect of capital gain through selling in future. However, a land trust that is specifically facilitating agroecological farms would give shareholders other returns. People would be investing in the health of soils, in the preservation of pollinator populations, in the provision of nutritious food, and in sustaining rural livelihoods.

Over the winter of 2017 a feasibility study will be published which explores these options in depth and considers the next steps for the Scottish Farm Land Trust.

Conclusion

The impetus for a Scottish Farm Land Trust comes at a time of considerable uncertainty for Scotland's agricultural sector. We are still lacking clarity on what Brexit will mean for farm subsidies, land prices, trade, agricultural workers, and many other related issues. On the other hand, there is a lot we do know, and even within this uncertain picture, there is clear evidence for action.

Farming in Scotland faces multiple challenges – from short-term profitability, to longer-term environmental imperatives. However, there are hundreds of people in Scotland who are motivated to enter the sector and establish farms that deliver social and environmental benefits. There are a few examples of successful small-scale agroecological farm businesses

already in Scotland, but access to land is a critical barrier preventing more people getting started.

Land trusts have had noted success elsewhere as a direct intervention to enable access to land for new entrants. There is strong commitment to the idea of a land trust from people across Scotland. Harnessing this energy and making a practical intervention in how we use our land and produce our food is not only necessary but very possible. The SFLT could play a crucial role in treating Scotland's land as a resource that will bring collective benefit for generations to come.

If you are interested in supporting SFLT by joining the board, becoming a member, making a donation, or contributing in another way please get in touch:

contact@scottishfarmlandtrust.org



Photo: Urban Croft, Leavore, Glasgow. Credit: Clem Sandison



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Photo: Vital Veg, Aberdeenshire. Credit: Wendy Seel