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Survey of Agricultural Tenant Farmers



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SURVEY OF AGRICULTURAL TENANT FARMERS

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EXECUTIVE SUMMARY

Introduction and methodology

A Ministerial led review of the Agricultural Holdings (Scotland) Act 2003 is being carried out by the Agricultural Holdings Legislation Review Group. As part of this review, the Scottish Government commissioned Ipsos MORI to carry out a survey of all tenant farmers in Scotland.

The survey covered the following topics:

- the current level, nature and types of agricultural land tenure arrangements in Scotland
- changes in land tenure since 2000 among existing tenant farmers
- views on the future of the farming sector in Scotland
- relationships of tenant farmers with their landlords
- tenant farmers' views on the Absolute Right to Buy
- tenant farmers' plans for the future of their business.

A total of 3,095 surveys were completed either by post or online. This represents a high overall response rate of 53%. Results were weighted to reflect the distribution of tenant farmers by regional location and type of farm.

Tenant farmers and the land they farm

Almost three quarters of respondents were aged over 50 years, with a third aged over 65 years. Fewer than one in ten were aged less than 40 years.

Half of respondents said that they or their families had farmed their main tenancy for over 50 years, while around a quarter of respondents said that they or their family had been farming on their main tenancy for less than 25 years.

The majority of tenant farming businesses farmed one holding (71%), with 17% farming two holdings and 12% farming three or more. The median hectareage of a business holding was 390 hectares.

Around a quarter of respondents reported that they did not hold any Secure 1991 tenancies, 61% rented-in one Secure 1991 tenancy, with 10% renting-in two or more.

The main reasons that respondents gave in relation to why they rent-in land were "Want to stay on our family farm", followed by "Want to farm but I can't afford to buy" and "Content to stay as I am on a tenanted farm".

Changes in land tenure since 2000

The majority of respondents had been farming on some or all of their main tenancy since at least 2000 (83%), while in 5% of cases a respondent had not been farming on their main tenancy but someone in their family had been.

Ten percent of respondents said that neither they nor someone in their families had been farming on all or some of the land since at least 2000 and therefore were either new entrants to the sector or existing farmers who had moved location.

The most common reasons given by respondents for increasing the hectarage of their business were to increase the production capacity of the business (94%), because of the availability of nearby land (87%) and to help maintain the current financial position of the business (77%).

The biggest challenges faced by those who had increased the hectarage of their business were the supply of land to rent or buy and the cost of land to rent or buy. The main reason given for a decrease to the hectarage of a business was tenancies not being renewed by landlords (39%).

Relations between tenants and landlords

Overall, two-thirds of respondents said that they were either very or fairly satisfied with their current landlord, while 15% said they were dissatisfied.

Those with at least one Secure 1991 tenancy were more likely to be dissatisfied with their landlord than those with no such tenancy. Results suggest that there is a relationship between length of tenure on a tenancy and the extent to which respondents are positive or negative about their relationship with their landlord. The longer that a main tenancy has been held, the more likely it is that the tenant will hold a negative view on certain aspects of their relationship with their landlord.

Future plans and challenges

The majority of respondents (56%) said that they expect their business to be the same size in five years as it is now, with 22% planning that their business would be larger than now and 4% planning for their business to get smaller.

Respondents who planned to increase the hectarage of their business thought the biggest challenge to do so would be the supply of land to buy or rent or the cost of land to buy or rent.

Respondents who own land that they do not rent-out were asked if they would consider doing so in the future. Over a third (37%) gave a response, suggesting that they own farmland that they don't currently rent out. Of these, over two-thirds said that they would not consider renting it out in the future. Overall, around 12% of respondents owned farmland which they don't rent out but would consider renting out in the future. The preferred types of lease arrangements to rent-out land were grass lets and contract farming.

In terms of planning for their future, almost three quarters of respondents said that they had an eligible successor in place and of this group two thirds said that their successor was willing to take on all of their tenancy or tenancies. However, while the majority of respondents have eligible successors and are making pension

provision for the future, half of the respondents do not expect to retire until they are over the age of 65.

The Absolute Right to Buy

Almost a half of respondents (46%) said that all tenant farmers with a traditional Secure 1991 tenancy should be offered the ARtB, and a further 26% said that certain categories of tenant farmers with such a tenancy should have the offer of the ARtB. However, 29% said that no tenant farmer should be offered the ARtB.

One-third of respondents said that they would definitely like to buy their tenancy, in principle, if the ARtB were introduced, while a similar proportion said that they would possibly like to buy their tenancy.

Almost two thirds of respondents felt that if the ARtB were introduced that the land should be valued at the sitting tenant value, while 12% said that vacant possession value should be used, and 7% that it should be valued at investment value. Overall, 68% of respondents said that they were confident they could afford to buy their tenancy if it were sold at sitting tenant value, while 20% were not confident.

Views on farming in Scotland

The biggest challenges and issues faced by tenant farmers were found to be based around the availability of land to rent, agricultural holdings legislation, encouraging new entrants, and passing on tenanted farms to family members.

The most important factor in relation to the shaping of a good agricultural tenancy system was thought to be 'Good business relationships between tenant farmers and landlords', rated as important by 93% of respondents. The assurance of security of tenure for at least ten years was thought to be the most important aspect of this relationship (89%).

1 INTRODUCTION

Background

- 1.1 Tenant farming accounts for almost a quarter of all farmed land in Scotland¹. It represents an important part of Scottish agriculture, with tenancies providing a means of entry into farming. The continued decline in agricultural tenancies, alongside ongoing high profile legal debate on the future of agricultural policy and regulation, has necessitated the need for better information on the tenant farming sector in Scotland to support policy and regulatory development.
- 1.2 The Scottish Government commissioned Ipsos MORI to carry out a survey of tenant farmers in Scotland. The aim of the research was to assess the nature of agricultural land tenure arrangements in Scotland and to identify and assess some of the issues faced by tenant farmers in Scotland. This included an examination of the proposal to grant those with agricultural tenancies secured under the 1991 Act the absolute right to buy (ARtB).
- 1.3 The survey measured: the current level, nature and types of agricultural land tenure arrangements in Scotland; changes in land tenure since 2000 among existing tenant farmers; views on the future of the farming sector in Scotland; relationships with their landlords; views on the Absolute Right to Buy; and plans for the future of their business.
- 1.4 The research will support a Ministerial led review of the Agricultural Holdings (Scotland) Act 2003 that is being carried out by the Agricultural Holdings Legislation Review Group.
- 1.5 This research is part of a series of studies being conducted by the Scottish Government to support their development of agricultural policy and regulation. A similar survey of agricultural landlords is being conducted to provide evidence on the same set of issues. A survey of landowners who do not rent out agricultural land will be conducted in order to better understand the reasons why this group do not rent out agricultural land. Additionally, further surveys of agricultural landlords and tenant farmers will be undertaken on issues such as rent reviews, dispute resolution, waygo arrangements, farm diversification and fixed equipment.

Methodology

- 1.6 A self-completion survey was sent to 6,190 tenant farming businesses in Scotland, sourced from the Scottish Government's agricultural census database. Businesses were included only if they rented-in some or all of their land on a lease of one year or more, though it seems from returns that some only had seasonal lets. Those who had both a croft and farmland were advised not to include their croft land and activities when completing the survey. A further 30 questionnaires were sent out in response to requests to be included in the survey from others who rented-in land. These requests may

¹ If seasonal lets are included, the sector accounts for over a third of all farmed land in Scotland.

have been from those who had not filled out a census form or whose circumstances had changed since completing a census form.

- 1.7 Fieldwork took place between 22 January and 10 March 2014. All tenant farming businesses in Scotland were sent a copy of the survey by post. The questionnaire is provided in Appendix A. The front page of these surveys included a unique link to an online version which could be completed in place of the postal survey if desired. Those who had not completed the survey were sent a postal reminder one month before the end of the fieldwork period, with another reminder sent out two weeks before fieldwork ended.
- 1.8 Of the initial 6,220 addresses, 475 were returned as undeliverable or considered out of scope for some other reason such as the land being no longer farmed, no longer rented, or that the named respondent had died. A total of 3,095 surveys were completed across both modes - postal surveys were completed by 3,026 respondents, with a further 69 surveys completed online, giving an overall final response rate of 53%.
- 1.9 Results were weighted to reflect the distribution of tenant farmers by regional location and type of farm according to the Agricultural Census.
- 1.10 Table 1.1 shows the unweighted and weighted number of respondents by broad geographical area². Response rates were lowest in the North West (42%) but broadly similar across the other areas.

Table 1.1: Respondents by area

	North East	North West	South East	South West
Total population	1,174	1,812	1,384	1,814
Percentage	19%	29%	22%	29%
Unweighted total of completed surveys	648	756	745	921
Unweighted Percentage	21%	24%	24%	30%
Weighted total of completed surveys	583	900	688	900
Response rate	55%	42%	54%	51%

- 1.11 Table 1.2 shows the spread of respondents by the type of farming that takes place on their agricultural tenancy. Response rates were highest among tenants of *Livestock (LFA cattle and sheep) over 80 hectares* farms (63%) and lowest among *Other* farms (35%).

² 25 responses were received from the additional 30 questionnaires sent out. We did not have information on area or type of farm for these cases and they were given a neutral weight.

Table 1.2: Respondents by type of farm

	Arable	Livestock (LFA cattle and sheep) over 80 hectares	Livestock (LFA cattle and sheep) under 80 hectares	Mixed	Non-LFA cattle and sheep	Other
Total population	753	1,281	1,342	683	625	1,500
Percentage	12%	21%	22%	11%	10%	24%
Unweighted total of completed surveys	399	807	660	369	315	520
Unweighted Percentage	13%	26%	21%	12%	10%	17%
Weighted total of completed surveys	374	636	666	338	310	746
Response rate	53%	63%	49%	54%	50%	35%

- 1.12 The survey findings represent the views of those farmers who replied, and not the entire population, so they are subject to sampling tolerances. This means that not all differences will be statistically significant. Throughout the report, differences between sub-groups are commented upon only where these are statistically significant, i.e. where we can be 95% certain that they have not occurred by chance, and are on the assumption that there is no response bias.
- 1.13 Where respondents have left a question blank, these have generally been excluded from the base. Where percentages do not sum to 100%, this may be due to computer rounding, the exclusion of 'don't know' categories or multiple answers.
- 1.14 The final page of the questionnaire gave space for respondents to add any additional information not covered in the survey that they thought important to the future of the sector. We have included some of these comments throughout the report. These are illustrative only and will not necessarily reflect the proportion of respondents who hold such views.

2 TENANT FARMERS AND THE LAND THEY FARM

Summary

1. Almost three-quarters (74%) of respondents were over 50 years old. Fewer than one in ten (7%) was under 40.
2. Half of the respondents said that they or their family had farmed their main tenancy for over 50 years. One in ten respondents had farmed their main tenancy for fewer than ten years.
3. The main reasons respondents gave for renting-in land were that: they wanted to stay on their family farm; were content to stay on a tenanted farm; or that they could not afford to buy land.
4. The majority of tenant farming businesses in Scotland farm one holding. A third of tenant farming businesses leased all of their business under a Secure 1991 Tenancy, while a similar proportion leased up to a quarter of their business under this type of tenancy.

Characteristics of Tenant Farmers

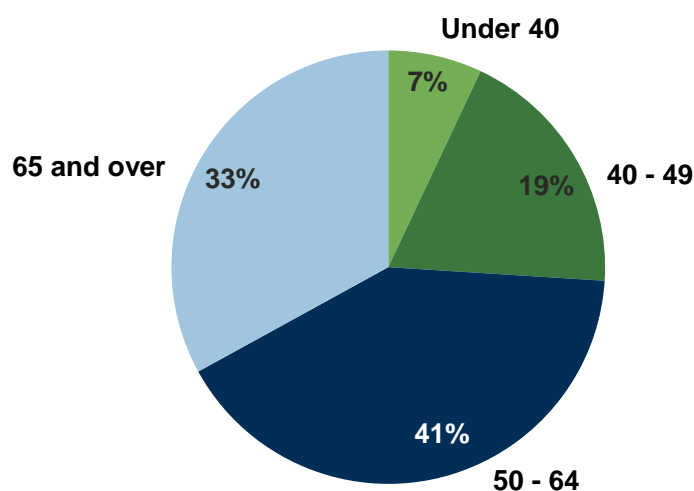
- 2.1 Around nine out of ten respondents who participated in the survey were male and one out of ten female (88% and 12% respectively), a similar split to the population of farm occupiers in general³.
- 2.2 Three quarters were aged over 50 years (74%), with a third aged over 65 years (33%). One in five (19%) respondents were in the 40-49 age group, while fewer than one in ten were aged under 40 years (7%). These results are shown in Figure 2.1 below, and reflect the population of farm occupiers in general⁴.

³ Farm Structure Survey <http://www.scotland.gov.uk/Publications/2013/11/7625/1>

⁴ Farm Structure Survey <http://www.scotland.gov.uk/Publications/2013/11/7625/3>

Figure 2.1: Age of respondents

Q. What age group are you in?



Base: All respondents who gave an answer (3,028)

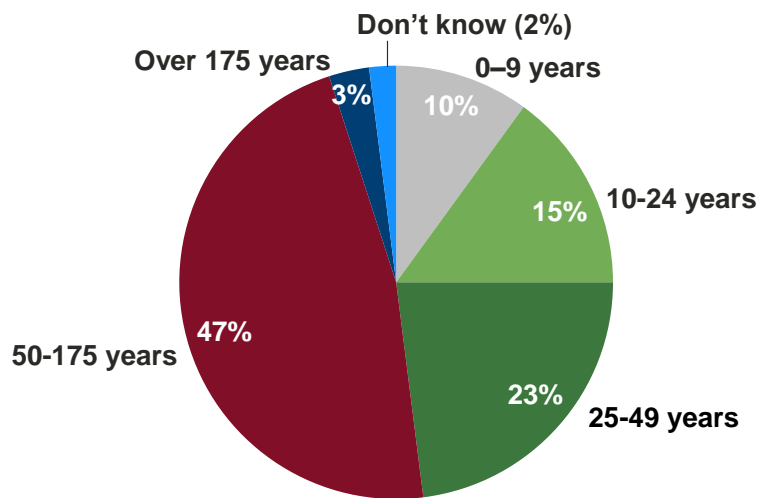
Source: Ipsos MORI

- 2.3 It was found that respondents who were aged over 70 years were more likely to farm Livestock (LFA sheep or cattle) under 80 hectares and 'Other' type farms (25% and 29% compared to 20% overall). Respondents in the North West were more likely to be aged over 70 years (27% compared to 20% overall).
- 2.4 Seventeen per cent of respondents had a long term illness, disability or health problem (including problems due to old age) which limits the daily activities or work that they can do. Of this group, almost all were aged over 50 years (95%), with six in ten aged over 65 years (62%). This compares with 19% in the general working-age population⁵. Given the previously mentioned age profile of respondents, this will reflect the fact that farmers need to be active.
- 2.5 Respondents were asked how long they or their family had farmed on their main tenancy (Figure 2.2). Half of respondents said that they or their families had farmed their main tenancy for over 50 years (50%), while around a quarter said they or their families had farmed it for 25 to 49 years (23%). A quarter of respondents said that they or their family had been farming on their main tenancy for less than 25 years (15% between 10-24 years, and 10% for 0 to 9 years).

⁵ Scottish Household Survey

Figure 2.2: Length of time farming on main tenancy

Q. How long have you or your family farmed on your main tenancy?



Base: All respondents who gave an answer (2,933)

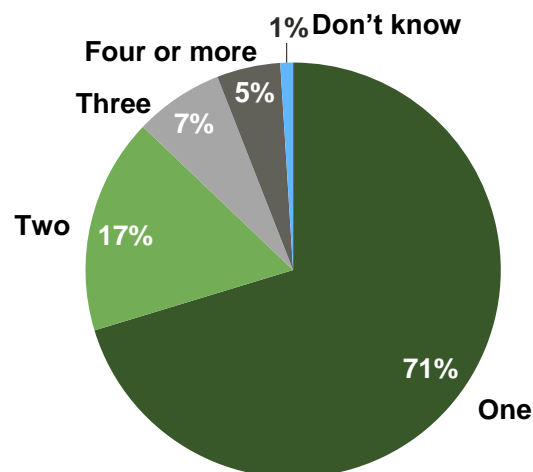
Source: Ipsos MORI

Land farmed by Tenant Farmers

2.6 Respondents were asked about the number, size and nature of the holdings that they farm. The majority of respondents farm one holding (71%), 17% farm two holdings, and 12% farm three or more (Figure 2.3).

Figure 2.3: Number of holdings farmed

Q. How many holdings do you farm?



Base: All respondents who gave an answer (3,010)

Source: Ipsos MORI

Table 2.1: Number of holdings farmed by region, farm type and business size

	Number of holdings farmed (excluding don't knows)				Base
	One	Two	Three	Four or	
	%	%	%	%	
Region					
North East	69	17	9	5	629
North West	76	15	6	3	710
South East	67	21	7	5	732
South West	71	17	7	5	897
Farm type					
Arable	64	21	9	6	390
Livestock (LFA cattle and sheep) <i>over</i> 80 hectares	67	21	8	5	798
Livestock (LFA cattle and sheep) <i>under</i> 80 hectares	77	14	5	4	644
Mixed	69	18	9	4	360
Non-LFA cattle and sheep	71	16	7	5	308
Other	74	15	7	5	468
Farm business size⁶					
Up to 80 hectares	86	11	3	1	461
81 to 400 hectares	67	22	7	4	922
401 to 2,000 hectares	66	16	10	8	612
2,001 hectares and over	69	18	8	5	833
Overall	71	17	7	5	2968

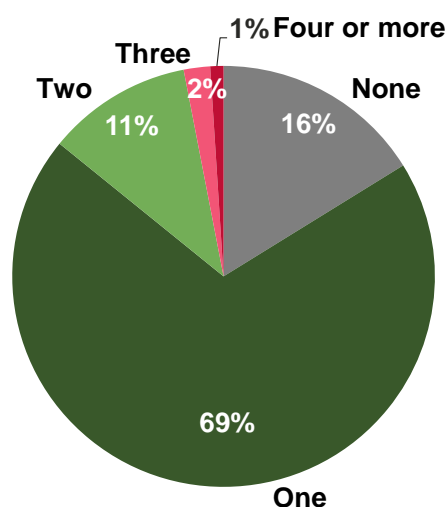
2.7 Table 2.1 shows the number of holdings farmed by region, farm type and farm business size. Those who held Arable farms and those who occupied Livestock (LFA sheep or cattle over 80 hectares) were more likely than average to farm more than one holding (36%, 34% respectively compared to 29% overall), while those who occupied Livestock (LFA sheep or cattle) under 80 hectares farms were more likely to farm just one holding (77% compared to 71% overall). Those in the North West were more likely to have one holding (76% compared to 71% overall) while those in the South East were most likely to have more than one holding (33% compared to 29% overall). Unsurprisingly, smaller farms are more likely to be comprised of a single holding.

2.8 As shown in Figure 2.4, the majority of respondents reported that they had one landlord for leases of more than one year (69%) with 11% having two landlords and 3% having three or more. Sixteen per cent of respondents reported that they had no landlords for leases of more than one year. These respondents are most likely to farm using seasonal lets.

⁶ Those who did not report any hectareage are excluded.

Figure 2.4: Number of landlords

Q. How many different landlords do you have for leases of more than 1 year?



Base: All respondents who gave an answer (3,006)

Source: Ipsos MORI

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- 2.9 Respondents in the North East were more likely to have two or more landlords for leases of more than one year, as were those who farmed Livestock (LFA cattle and sheep) over 80 hectares type farms (19% and 20% respectively, compared to 15% overall).
- 2.10 Respondents were asked about the size of their holdings, as well as how long they had been held by the respondent or their family and whether or not they were Secure 1991 tenancies.
- 2.11 From the information on holding size, it is possible to estimate the proportion of tenant farms holding any land under these arrangements. However, this is not straightforward and there is some uncertainty around these results. This relates to how blank responses are interpreted. For the individual components a blank response is normally assumed to mean that no land is held in this way as respondents tend to assume that a blank will be interpreted as a zero.
- 2.12 Treating blank responses as representing no holdings, the proportions of respondents who farm these types of tenure are as follows:
- 80% reported renting some farm land on a lease of 1 year or more. (Among this group, 31% also reported renting-in some land as a seasonal let, and 36% reported also holding land that they own and farm).
 - 37% gave a figure for an amount of land that they own and farm themselves.
 - 30% reported renting-in land as a seasonal let.
 - 5% gave a figure for owning land and renting it out as a seasonal let

- 2% gave a figure for owning land and renting it out on a lease of one year or more.

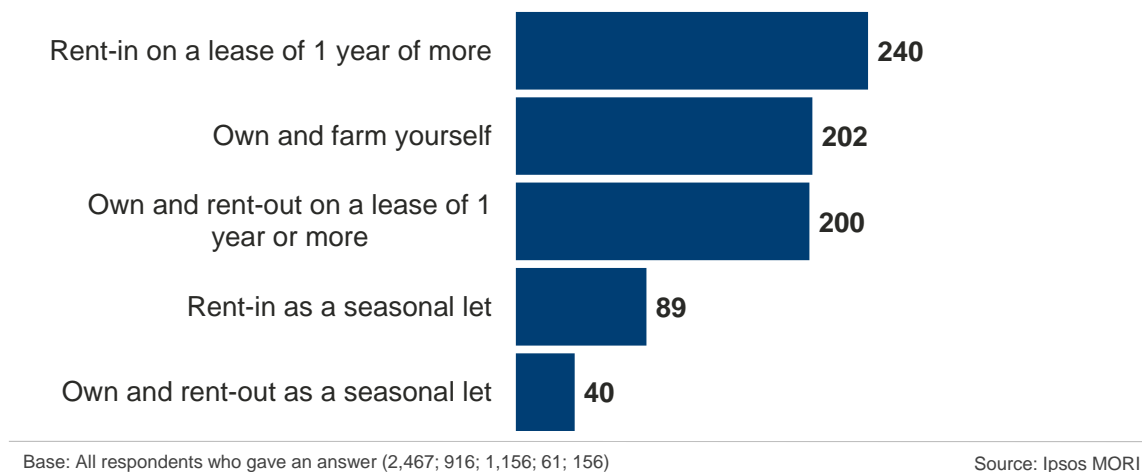
2.13 However, overall, 9% of respondents did not give figures to any of the hectareage questions. This could be because they did not know, preferred not to say, or for some other unknown reason. If these cases are excluded from the analysis, the proportion renting farm land on a lease of 1 year or more increases to 88%, those owning land that they farm themselves to 41% and those renting in as a seasonal let to 33%.

2.14 The total size of holdings can be estimated by summing the size of the various types of holding. Again, there is some uncertainty in these estimates due to the 9% who did not report a hectareage on any of these types of holding.

2.15 Excluding respondents who did not report any hectareage, the median size of a business holding overall was found to be 390 hectares. The largest 20% of holdings farmed over 6,566 hectares, while the smallest 20% of holdings farmed fewer than 90 hectares.

2.16 A summary of the median values of hectareage by type of arrangement is shown in Figure 2.5. The average holding size of land rented-in on a lease of 1 year or more was 240 hectares for those that held this type of land, while the average hectareage of land owned and farmed was 202 hectares. The average size of land rented-in as a seasonal let was 89 hectares.

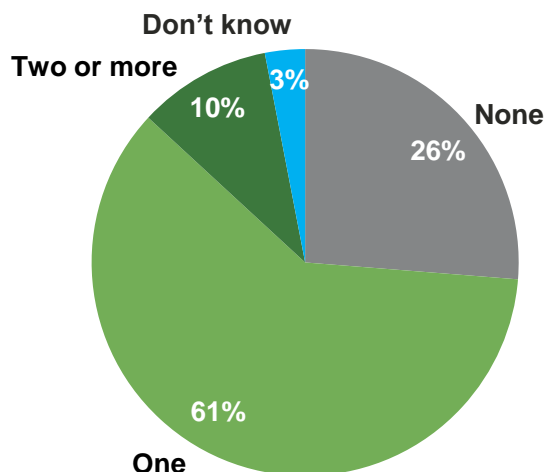
Figure 2.5: Median size of different types of land category within the farm business



2.17 Respondents were asked how many Secure 1991 tenancies they rented-in. As shown in Figure 2.6, around a quarter (26%) said that they did not hold any Secure 1991 tenancies, 61% rented-in one Secure 1991 tenancy, with 10% renting-in two or more.

Figure 2.6: Number of Secure 1991 Tenancies

Q. How many Secure 1991 Tenancies do you rent-in?



Base: All respondents who gave an answer (2,969)

Source: Ipsos MORI

2.18 As shown in Table 2.2, those who rented-in no Secure 1991 tenancies were more likely to be aged under 50 years of age (33% compared to 26% overall).

Table 2.2: Number of Secure 1991 Tenancies by age group

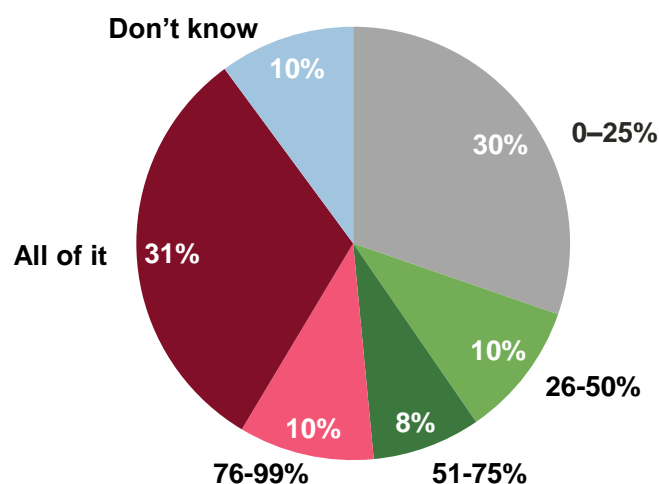
	Age			
	Under 40	40 to 49	50 to 64	65 and over
	%	%	%	%
None	38	31	25	22
One	48	54	64	61
Two	4	8	8	8
Three or more	2	3	2	5
<i>Base</i>	214	567	1,278	893

2.19 Livestock (LFA cattle and sheep) over 80 hectares type farmers were more likely than other types of farmers to farm just one Secure 1991 tenancy (67% compared to 60% overall), while Mixed farmers were more likely to farm two or more Secure 1991 tenancies (17% compared to 10% overall). Farmers in the North East were more likely than other regions to farm at least one Secure 1991 tenancy (78% compared to 70% overall).

2.20 Respondents were asked to record the proportion of their business that was leased-in under a Secure 1991 tenancy. Almost a third (31%) of respondents leased all of their business under a Secure 1991 tenancy, with half (50%) leasing over 50% of their land under a Secure 1991 tenancy. Around a third (30%) rented less than a quarter of their business under a Secure 1991 tenancy. The overall results are shown in Figure 2.7.

Figure 2.7: Proportion of land leased-in under Secure 1991 Tenancies

Q. Roughly what proportion of your business is leased under a Secure 1991 Tenancy?



Base: All respondents who gave an answer (2,815)

Source: Ipsos MORI

- 2.21 Respondents who leased less than a quarter of their business under a Secure 1991 tenancy were more likely to be aged under 40 years (42% compared to 30% overall). Meanwhile, those who leased all of their business under a Secure 1991 tenancy were more likely to be aged over 65 years (39% compared to 31% overall).
- 2.22 Table 2.3 shows the proportion of businesses rented under Secure 1991 tenancies by farm size, type and broad geography. Livestock (LFA cattle and sheep) over 80 hectares and Mixed type farms were most likely to lease more than half of their business under a Secure 1991 tenancy (69% and 58% respectively compared to 55% overall). Further, those who leased 76% or more of their business under a Secure 1991 tenancy were more likely to farm holdings of farm type Livestock (LFA cattle and sheep) over 80 hectares than the other types of farm (54% compared to 42% overall). There was less variation by region and farm size.

Table 2.3: Proportion of business leased under a Secure 1991 Tenancy by region, farm type and business size

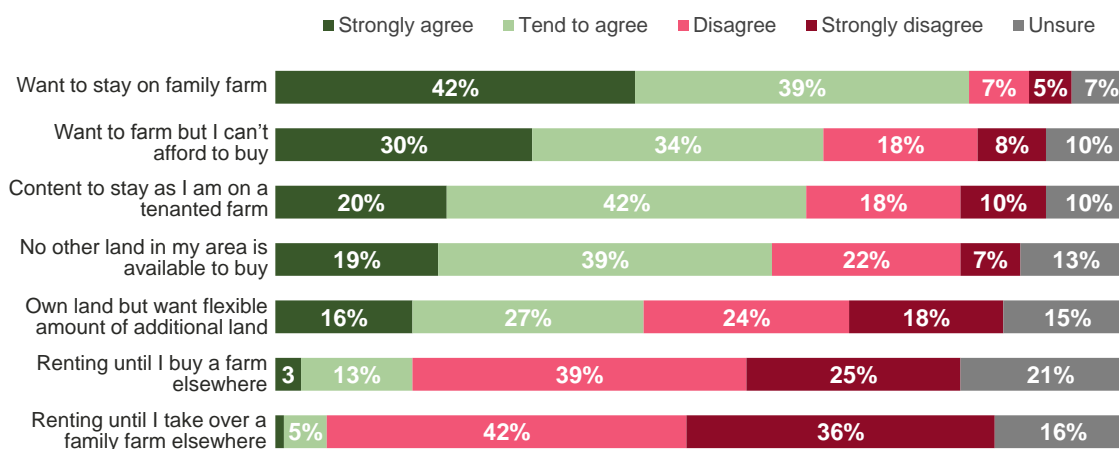
	Proportion of business leased under a Secure 1991 Tenancy (excluding don't know responses)					Base
	0-25%	26-50%	51-75%	76-99%	All of it	
	%	%	%	%	%	
Region						
North East	29	13	12	10	35	508

	Proportion of business leased under a Secure 1991 Tenancy (excluding don't know responses)					Base
	0-25%	26-50%	51-75%	76-99%	All of it	
North West	34	10	6	8	41	605
South East	37	10	9	13	31	609
South West	33	11	9	13	33	765
Farm type						
Arable	38	11	9	12	29	329
Livestock (LFA cattle and sheep) over 80 hectares	19	12	12	18	39	568
Livestock (LFA cattle and sheep) under 80 hectares	44	10	6	5	35	498
Mixed	32	10	14	14	30	298
Non-LFA cattle and sheep	37	13	9	11	30	253
Other	36	10	6	9	40	539
Farm business size⁷						
Up to 80 hectares	34	6	7	7	46	346
81 to 400 hectares	34	13	10	12	31	836
401 to 2,000 hectares	37	11	7	12	32	533
2,001 hectares and over	31	11	10	13	35	748
Overall	34	11	9	11	35	2512

2.23 To understand why tenant farmers choose to rent-in land, respondents were presented with a series of statements and asked to what extent they agreed or disagreed with each. The results present a mixed picture of motivations.

Figure 2.8: Main reasons for renting-in land

Q. How much do you agree or disagree with these statements on why you rent-in land?



Base: All respondents who gave an answer (2,554; 2,496; 2,602; 2,452; 2,446; 2,366; 2,341)

Source: Ipsos MORI

⁷ Those who did not report any hectareage are excluded.

- 2.24 The statement that most respondents agreed with, in relation to why they rent-in land, was “Want to stay on our family farm” (81%). Two-thirds of respondents agreed that they “Want to farm but I can’t afford to buy” (64%), while a similar proportion agreed with the statement “Content to stay as I am on a tenanted farm” (62%). Overall results are shown in Figure 2.8.
- 2.25 Respondents who had been farming their main tenancy for less than ten years were more likely to *strongly* agree with the statement “Want to farm but I can’t afford to buy” (43% compared to 30% overall). Further, this group were more likely to *disagree* with the statement “Content to stay as I am on a tenanted farm” (37% compared to 28% overall).

3 CHANGES IN LAND TENURE SINCE 2000

Summary

1. The majority (83%) of respondents had been farming their main tenancy since 2000. Around one in ten respondents have entered their current tenancy since then and are potentially new entrants to the tenant farming sector or existing farmers who moved location.
2. Two thirds (64%) of respondents' businesses were the same size as they were in 2000. Almost a quarter of respondents reported that the hectarage of their business was larger than in 2000, while the hectarage of around one in ten businesses had decreased.
3. Respondents said that the biggest challenges to increasing the hectarage of a business included both the supply and cost of land to rent or buy. Reasons given for reductions to size of holdings were tenancies not being renewed and that respondents were getting older and wanted smaller holdings that were easier to work.

- 3.1 Respondents were asked to provide details of any changes to the land they farmed since 2000 in order to explore the level of change in agricultural land tenure arrangements. The time since 2000 was considered to provide a suitable period over which to measure any changes, being recent enough for most respondents to remember but long enough to reflect change over time.
- 3.2 The majority of respondents had been farming on some or all of their main tenancy since at least 2000 (83%). In 5% of cases, a respondent had not been farming on their main tenancy since 2000 but someone in their family had been.
- 3.4 Ten per cent of respondents said that neither they nor someone in their families had been farming on all or some of the land since at least 2000. These are either new entrants to the sector that have begun farming after this date or potentially existing farmers who had moved location.⁸
- 3.5 Not surprisingly, respondents aged 50 years or over were more likely to have been farming on their land since 2000 (87% compared to 83% overall) while, those aged under 40 years were more likely to have *not* been farming on all or some of their land since 2000 (40% compared to 15% overall).

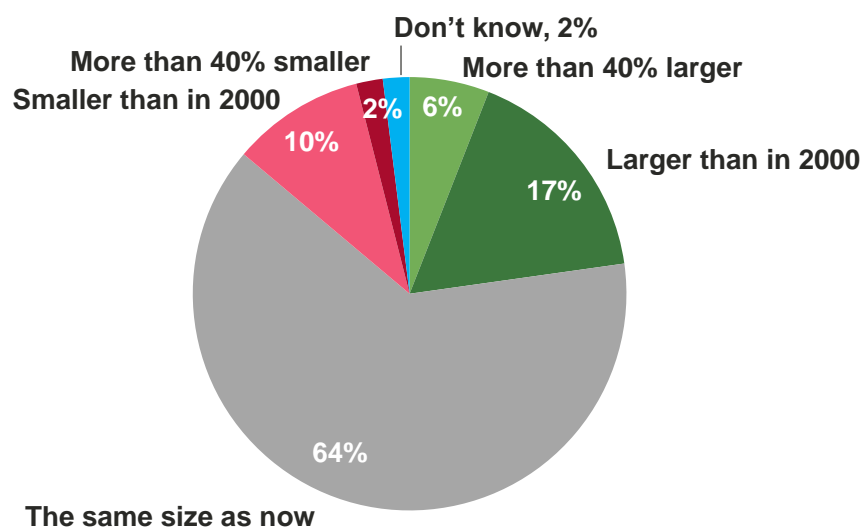
⁸ The remaining 2% of respondents did not know if they or someone in their family had been farming the land in 2000.

Changes since 2000

- 3.6 Respondents who said that all or some of their land had been farmed by them or their family since 2000 were asked about whether and how the hectarage of their business had changed in that time. As shown in Figure 3.1, around two-thirds (64%) said that their business was the same size now as it was in 2000. More businesses had increased in size than decreased: overall, 17% of respondents reported that their business was up to 40% larger than in 2000 and 6% reported that their business was more than 40% larger. In comparison, 12% said that the hectarage of their business had decreased.

Figure 3.1: Changes to the hectarage of businesses since 2000

Q. Compared to 2000, is the hectarage of your business now...

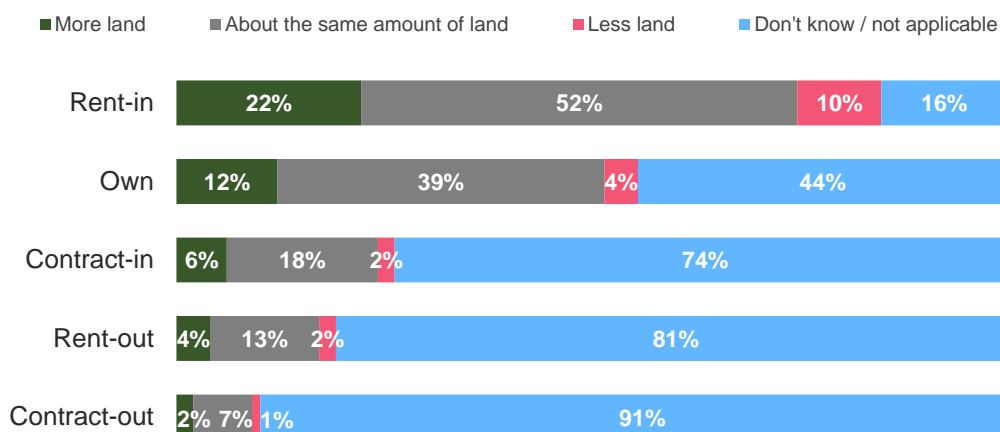


Base: All respondents who gave an answer and whose land was farmed by them or their family since 2000 (2,609) Source: Ipsos MORI

- 3.7 Respondents who said that their tenancies were larger or a lot larger than in 2000 were more likely to be aged under 65 years (27% compared to 23% overall). Livestock (LFA cattle and sheep) over 80 hectares, Mixed and Non LFA cattle and sheep farmers were more likely than the other types of farmer to have tenancies that were larger or a lot larger than in 2000 (27%, 28% and 32% respectively, compared to 23% overall).
- 3.8 Respondents whose tenancies were the same size, smaller or a lot smaller than in 2000 were more likely to farm only one holding (83% compared to 75% overall), while those whose tenancies were larger or a lot larger than in 2000 were more likely to farm two or more holdings (41% compared to 23% overall). Respondents in the North West were more likely than other regions to have tenancies that were the same size as in 2000.
- 3.9 Respondents were asked to indicate any changes to the size of land held under different arrangements since 2000. The results are shown in Figure 3.2.

Figure 3.2: Changes in tenure since 2000

Q. Compared to 2000, do you...



Base: All respondents who gave an answer and whose land was farmed by them or their family since 2000 (2,576; 2,553; 2,527; 2,499; 2,480)

Source: Ipsos MORI

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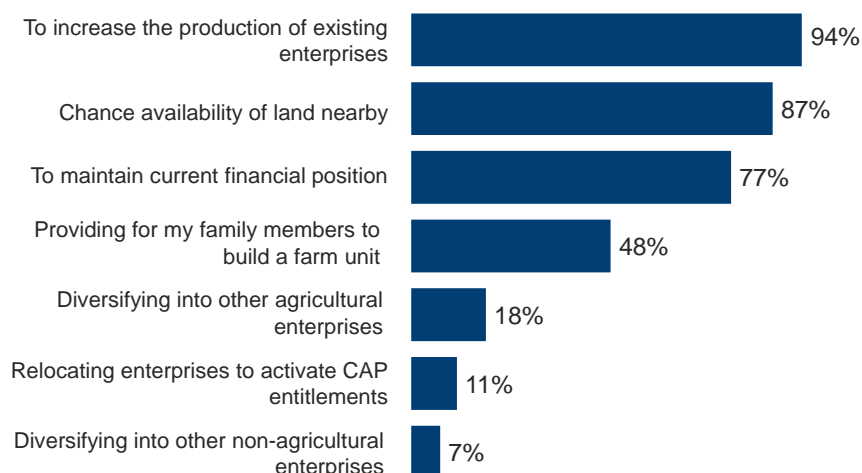
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- 3.10 Changes to the size of holdings were most commonly reported to have taken place through increases or decreases in rented-in land, with 22% of respondents reporting that they rent-in more land since 2000, and 10% saying that they rent-in less land.
- 3.11 The next most common change in relation to size of business holding was in relation to amount of land owned, with 12% of respondents reporting that they owned more land compared to 2000, and 4% saying that they now own less land.
- 3.12 Changes in the amount of land rented-out and contracted in or out was less common. Four per cent rented-out more land and 2% rented-out less, while 13% rented out the same amount of land. Six per cent of respondents said that they contracted-in more land, while 2% contracted-in less land and 18% contracted-in the same amount. Contracting-out of land was relatively uncommon: 2% said they contract-out more land, 1% that they contract out less land and 7% that they contract-out the same amount of land.
- 3.13 Those that had increased the hectareage of their holdings since 2000, around 20% of all respondents, were asked to give their reasons for doing so (Figure 3.3). The reasons most commonly agreed with were to increase the production capacity of the business (94%), chance availability of nearby land (87%), and to help maintain the current financial position of the business (77%). Fewer said that they were providing for their family members to build a farm unit (48%), were diversifying into other agricultural enterprises (18%), were relocating enterprises to activate CAP entitlements (11%) or that they were diversifying into other *non-agricultural* enterprises (7%).

Figure 3.3: Main reasons for increasing the hectarage of businesses

Q. What were your reasons for increasing the hectarage of your business?



Base: All respondents who gave an answer and who had increased the hectarage of their business since 2000 (570; 570; 543; 544; 534; 524; 530)

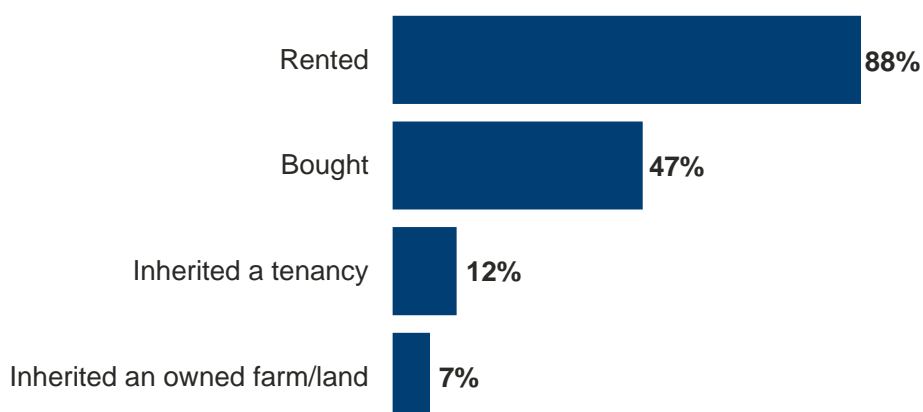
Source: Ipsos MORI

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3.14 This group of respondents were also asked if they had bought, rented or inherited the land. As shown in Figure 3.4, the most common method of increasing the size of their holding was to rent land, followed by buying land, chosen by 88% and 47% of respondents respectively. Twelve per cent of respondents had inherited a tenancy and 7% had inherited owned land.

Figure 3.4: Main ways in which the hectarage of businesses were increased since 2000

Q. When you increased the hectarage of your business did you buy the land, rent the land or inherit the land?



Base: All respondents who gave an answer and who had increased the hectarage of their business since 2000 (541; 451; 400; 389)

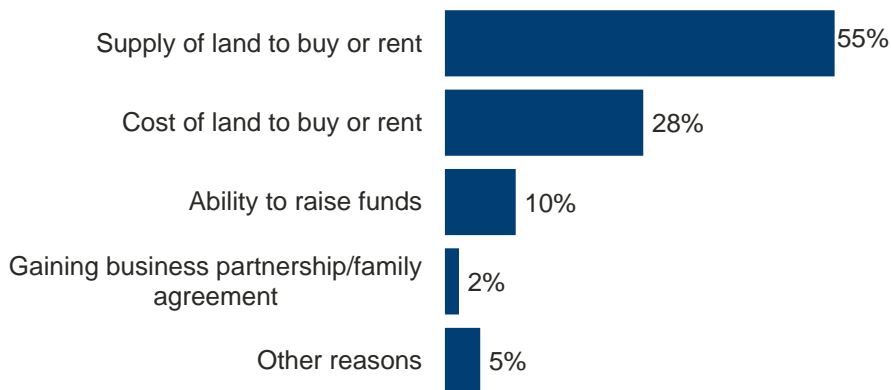
Source: Ipsos MORI

3.15 Those that had increased the hectarage of their business were also asked about the challenges they have faced in increasing the hectarage of their farm

business (Figure 3.5). Overall, 55% of respondents cited the supply of land to rent or buy. The next most commonly cited challenge was the cost of land to rent or buy (28%). Fewer respondents said the ability to raise funds (10%) or gaining agreement from business partnerships/family (2%) was the biggest challenge.

Figure 3.5: Challenges faced in increasing the hectarage of businesses

Q. What was the biggest challenge in increasing the hectarage of your farm business?



Base: All respondents who gave an answer and who had increased the hectarage of their business since 2000 (586) Source: Ipsos MORI

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3.16 The supply of rented land was mentioned in a number of the comments given by respondents. The following quote is one example.

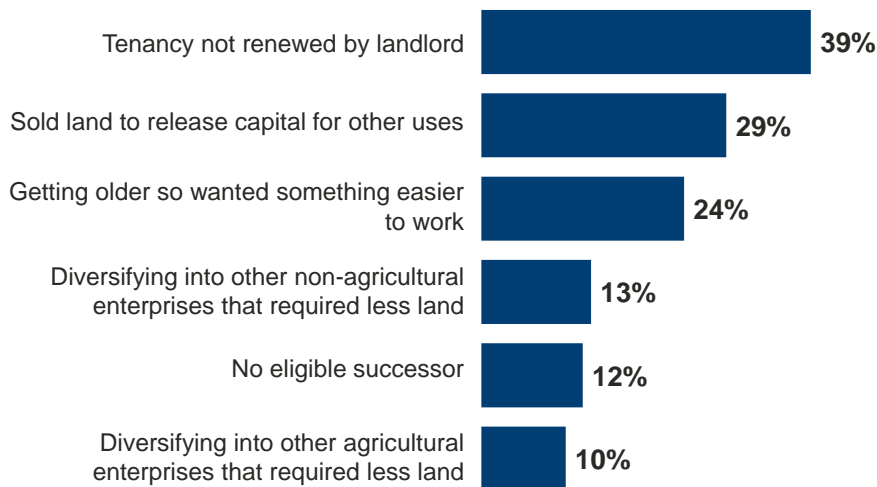
“The availability of small rented farms is far too scarce. If a farmer has 2 children (or more) who wish to farm it is nearly impossible to rent another piece of land”

3.17 Other challenges given by respondents comprised of a broad range of concerns, including the costs of equipment, overheads and repairs, finding out when land was available for sale or rent and a lack of staff, skills or knowledge.

3.18 Respondents who reported that the hectarage of their business had decreased since 2000 were asked why this had occurred (See Figure 3.6).

Figure 3.6: Main reasons for decreasing the hectarage of businesses

Q. What were your reasons for decreasing the hectarage of your business?



Base: All respondents who gave an answer and who had decreased the hectarage of their business since 2000 (181; 171; 178; 156; 165; 164)

Source: Ipsos MORI

3.19 The main reason given for decreasing the size of a business, among the 12% of respondents whose holding had decreased since 2000, was tenancies not being renewed by landlords (39%). The following quote is an example.

“[My] two immediate neighbours on the same estate as our rented farm have both not had their tenancies renewed and the farms [have been] absorbed into the landlords’ own farming enterprise. I cannot help but wonder if the possible future introduction of ARTB played any part in the landlord’s decision which if true would be rather ironic not to say tragic.”

3.20 Just under a third (29%) said that they were getting older and wanted something smaller to work and 24% said that they had sold land to release capital for other uses. Fewer respondents said their reason for decreasing the hectarage was because of diversifying into other non-agricultural enterprises that required less land (13%), they had no eligible successor (12%) or that they were diversifying into other agricultural enterprises that required less land (10%).

4 RELATIONS BETWEEN TENANTS AND LANDLORDS

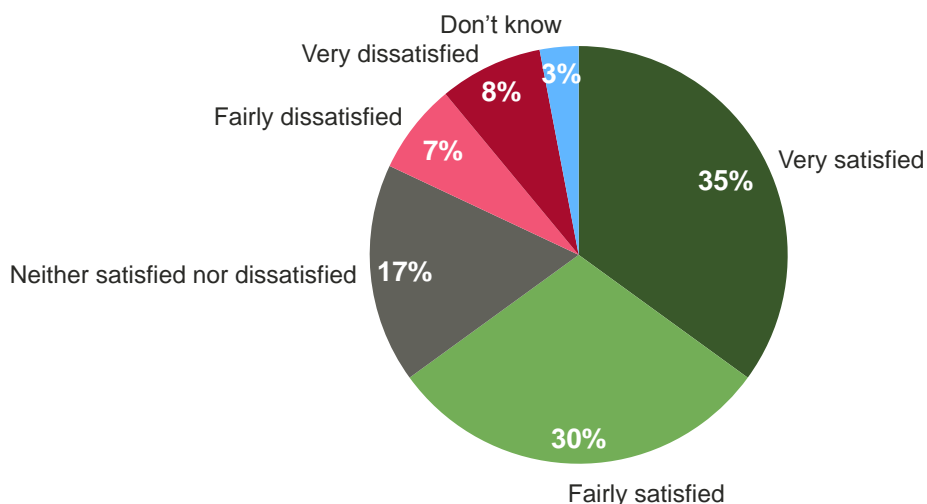
Summary

1. Most tenant farmers were very or fairly satisfied with the relationship they have with their current landlord. However, 15% are either very or fairly dissatisfied with their landlord.
2. In general, respondents had a positive opinion towards specific aspects of this relationship.
3. There is a relationship between length of tenure and views on their relationship with their landlord. The longer that a main tenancy had been held, the more likely it was that a tenant held negative views on certain aspects of their relationship with their landlord.

4.1 A key aim of the research was to examine tenants' views of the relationship with their landlords, including levels of overall satisfaction with their landlord. Respondents were instructed to answer these questions in relation to the landlord from whom they rent the largest hectareage of land if they had more than one landlord.⁹

Figure 4.1: Level of satisfaction with current landlord

Q. How satisfied or dissatisfied are you with your current landlord?



Base: All respondents who gave an answer (2,921)

Source: Ipsos MORI

⁹ Overall, 15% of respondents said that they had more than one landlord for leases of more than 1 year. However, the questions on satisfaction with landlords did not specify that respondents should answer only in relation to landlords for leases of more than 1 year.

- 4.2 Overall, two-thirds of respondents said that they were very (35%) or fairly (30%) satisfied with their landlord compared to 17% who were neither satisfied nor dissatisfied and 15% who said they were dissatisfied (Figure 4.1).
- 4.3 Satisfaction with landlords was higher among respondents who had, or whose family had, farmed on their main tenancy for a shorter time. Three quarters (74%) of those whose family had farmed on their main tenancy for less than ten years, and a similar proportion (75%) of those whose family had farmed their tenancy for 10-24 years, reported that they were satisfied with their current landlord. This dropped to 59% among those whose family has farmed their tenancy for 50-175 years, and 61% among respondents whose family has farmed their tenancy for more than 175 years.
- 4.4 Two per cent of those whose family had farmed on their tenancy for less than ten years reported that they were very dissatisfied, rising to 11% among those whose family had farmed the tenancy for over 175 years.
- 4.5 There were no clear trends by age group, although those aged 65 and over (69%) were more likely than those aged 40-49 (60%), those aged 50-64 (62%), and overall (64%) to say that they were satisfied with their current landlord.
- 4.6 Table 4.1 shows satisfaction with landlords by area, farm type, farm size and number of Secure 1991 tenancies held¹⁰:
- Those in the North West were less likely than those in other areas to be dissatisfied with their landlord (10% compared to 15% overall).
 - Respondents with Livestock (LFA cattle and sheep) over 80 hectare farms were most likely to be dissatisfied (24% compared to 15% overall).
 - There was no clear pattern between size of farm and satisfaction with landlords.
 - Those with one Secure 1991 tenancy and those with two or more tenancies were more likely to be dissatisfied with their landlord than those with no such tenancy (18% and 21% compared to 10% respectively).

¹⁰ Note that don't know responses are not included in Table 4.1. This means that the base is slightly different from Figure 4.1.

Table 4.1: Satisfaction with landlord by area, type, farm size and number of Secure tenancies held.

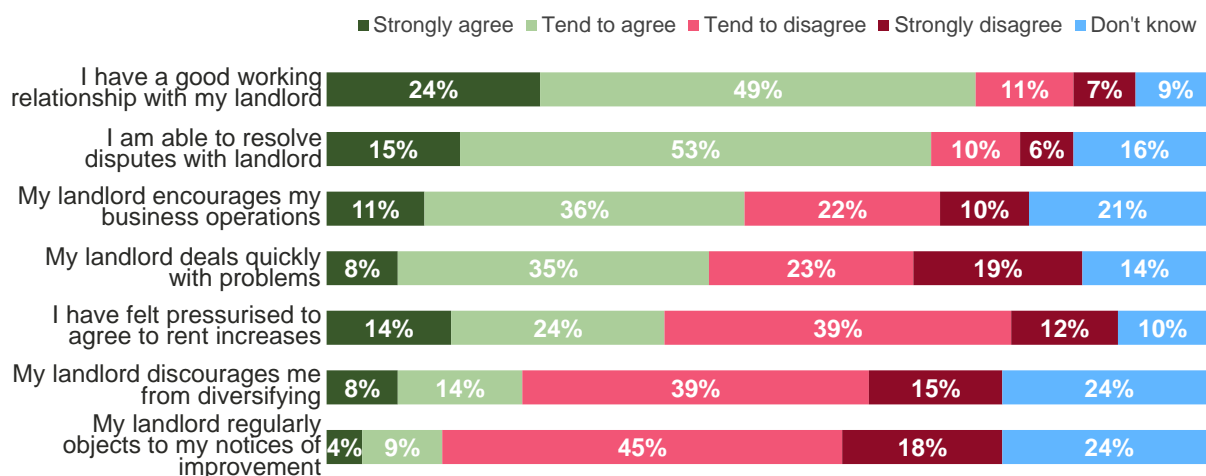
	Satisfaction with landlord (excluding don't know responses)					Base
	Very satisfied	Fairly satisfied	Neither satisfied nor dissatisfied	Fairly dissatisfied	Very dissatisfied	
	%	%	%	%	%	
Region						
North East	33	32	19	9	7	601
North West	45	26	18	3	7	662
South East	34	34	15	8	9	698
South West	30	32	19	9	10	859
Farm type						
Arable	35	30	20	7	8	372
Livestock (LFA cattle and sheep) over 80	29	30	18	10	14	788
Livestock (LFA cattle and sheep) under 80	40	32	18	4	6	586
Mixed	31	34	17	11	7	347
Non-LFA cattle and sheep	30	30	22	8	10	287
Other	44	30	15	5	6	440
Farm size¹¹						
Up to 80	40	29	18	6	7	420
81 to 400	33	31	20	8	8	890
401 to 2,000	35	32	18	7	8	578
2,001+ hectares	34	31	17	8	10	800
Number of Secure 1991 tenancies						
None	43	33	15	4	6	643
One	33	31	19	8	10	1768
Two or more	31	28	20	10	11	295
Overall	36	31	18	7	9	2,842

4.7 Respondents were asked the extent to which they agreed or disagreed with a number of attitudinal statements concerning their relationship with their landlord (or the landlord from whom the largest hectareage of land is rented), as shown in Figure 4.2.

¹¹ Those who did not report any hectareage are excluded.

Figure 4.2: Aspects of tenant-landlord relationship

Q. Thinking about your landlord, to what extent do you agree or disagree with the following statements?



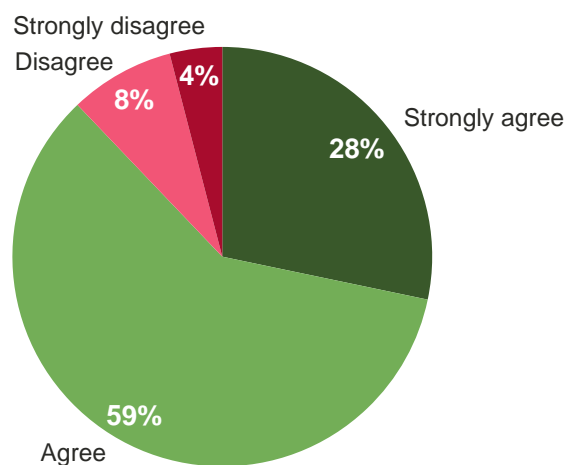
Base: All who gave an opinion (2,858; 2,819; 2,797; 2,813; 2,809; 2,759; 2,784)

Source: Ipsos MORI

- 4.8 In general, respondents were positive in relation to various aspects of their relationship with their landlord. Three-quarters (74%) of respondents agreed (with 24% agreeing strongly) with the statement ‘I have a good working relationship with my landlord’, while 18% disagreed. Sixty-eight per cent agreed with ‘I am able to resolve disputes with my landlord’, while 16% disagreed; 63% of respondents *disagreed* that their landlord regularly objects to their notices of improvement, with 13% agreeing.
- 4.9 However, on other issues opinion was more divided. While 22% and 39% of respondents agreed with the statements, ‘My landlord discourages me from diversifying’ and ‘I have felt pressurised to agree to rent increases’, just over half of respondents disagreed (53% and 52% disagreeing respectively). Similarly, while 46% of respondents *agreed* with the statement ‘My landlord encourages my business operations’, 33% disagreed. Opinion was also divided over the statement, ‘My landlord quickly deals with problems’ (44% agreed and 42% disagreed).
- 4.10 Similar to overall satisfaction, respondents’ likelihood to agree that they have a good working relationship with their landlord appears to be related to length of tenancy. Eighty-two per cent of those whose family had farmed their tenancy for 0-9 and 10-24 years agreed that they have a good working relationship with their landlord. The corresponding figure for those whose family has farmed their tenancy for 175 years or more is 63%.
- 4.11 As shown in Figure 4.3, the majority of respondents who only have seasonal lets agree that they have a good working relationship with their landlord. This subgroup was more likely than tenant farmers overall to agree that they have a good working relationship with their landlord (87% compared with 73% overall). Only eight per cent disagree, and 4% strongly disagree, that they have a good working relationship with their landlord.

Figure 4.3: Seasonal lets and working relationship with landlords

Q. To what extent do you agree or disagree that you have a good working relationship with your landlord?



Base: All respondents who only have a seasonal let (270)

Source: Ipsos MORI

4.12 Those whose family have farmed on their tenancy for 50-175 years (22%) or 175 years or more (20%) were more than twice as likely to *disagree* that they have a good working relationship with their landlord than those whose family have farmed their tenancy for less than ten years (10%).

Table 4.2: Aspects of tenant-landlord relationship by family length of tenure

		Time family have farmed on tenancy (years)				
		0-9	10-24	25-49	50-174	175+
		(%)	(%)	(%)	(%)	(%)
I have a good working relationship with my landlord	Agree	82	82	75	69	63
	Disagree	10	12	18	22	20
I am able to resolve disputes with my landlord	Agree	75	76	71	63	58
	Disagree	10	13	15	20	19
My landlord encourages my business operations	Agree	60	57	50	39	39
	Disagree	21	26	32	40	34
My landlord deals quickly with problems	Agree	57	56	45	37	34
	Disagree	27	34	40	50	44
I have felt pressurised to agree to rent increases	Agree	23	28	39	46	46
	Disagree	63	64	53	45	40
My landlord discourages me from diversifying	Agree	19	21	22	24	26
	Disagree	57	57	58	50	47
My landlord regularly objects to my notices of improvement	Agree	9	11	12	15	13
	Disagree	65	70	65	61	50

4.13 As can be seen in Table 4.2, the general pattern is for those who have farmed on their tenancy for the shortest lengths of time to have the most positive views towards each aspect of the relationship with their landlord.

- 4.14 While relations between tenants and landlords were found to be generally positive for the majority of tenant farmers, a number of comments pointed to the impact on the tenant farmer when the relationship was less positive.

“Our experience is that the tenant/landlord system has broken down with little dialogue or common ground between either side. The landlord seems to be happy to take the rent but do nothing else.”

- 4.15 Additionally, a number of tenants noted their dissatisfaction with their relationship with land agents. This was not specifically asked about in the questionnaire but will be covered in future survey work. The following responses are illustrative.

“The recent incursion of professional land agent companies into the factoring of estates has soured relationships between tenants and landlords across the country in recent years.”

“The more important point, not covered, is our satisfaction with our factors/land agents. This is the area giving most problems in landlord/tenant relationships.”

“We are finding it particularly difficult to negotiate with our landlord’s agent, especially when it comes to rent reviews and building maintenance.”

“In too many cases land agents are often the cause of poor relationships between tenant [and] landlord.”

5 FUTURE PLANS AND CHALLENGES

Summary

1. The majority of tenant farmers expected their businesses to be the same size five years from now, and around a quarter expect to increase their hectareage.
2. Just under three quarters have an eligible successor for their business in place, while a similar proportion said that their successor is willing to take on the tenancy.
3. While the majority of respondents *are* making pension provision for the future, half of respondents do not expect to retire until they are over the age of 65.

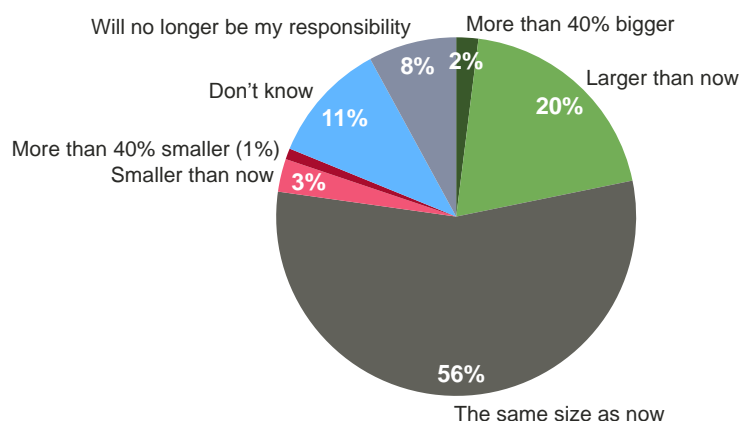
5.1 Respondents were asked a series of questions about their views on the future of their agricultural tenant farming business and what challenges they expect to face. They were also asked about how they were planning for retirement and for succession.

The future of tenant farming businesses

5.2 The majority of respondents (56%) said that they expect their business to be the same size in five years (see Figure 5.1). More tenant farmers expect their farms to expand than contract - 22% planned that their business would be larger than now (including 2% who plan on an increase of greater than 40%). Few planned for their business to get smaller (4%). Around one in ten (8%) respondents said that their farm business would no longer be their responsibility five years from now.

Figure 5.1: Planned future size of farm business

Q. In 5 years, do you plan that your farm business will be...?



Base: All respondents who gave an answer (2,985)

Source: Ipsos MORI

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- 5.3 Respondents whose family had farmed the tenancy for more than 175 years (65%) were more likely than overall (56%) to believe that their business would be the same size in five years. Respondents aged under 40 (47%), aged 40-49 (38%), and those with two or more landlords for leases of more than one year (33%) were all more likely than overall (22%) to say that they expected the size of their business to be larger in five years from now.
- 5.4 As shown in Table 5.1, Respondents within the North West of Scotland were less likely to say that they plan to increase the hectarage of their business in the next five years (14% compared to 22% overall).

Table 5.1: Planned future size of farm business in five years by geography, type, and farm size.

	Planned future size of farm businesses in five years				Base
	Larger	Same size as now	Smaller	Don't know/ No longer my responsibility	
	%	%	%	%	
Region					
North East	25	56	3	15	621
North West	14	62	3	21	717
South East	27	52	3	18	729
South West	23	52	5	19	893
Farm type					
Arable	26	55	4	15	392
Livestock (LFA cattle and sheep) <i>over</i> 80 hectares	21	54	4	20	797
Livestock (LFA cattle and sheep) <i>under</i> 80 hectares	16	62	4	19	638
Mixed	28	52	2	19	354
Non-LFA cattle and sheep	31	51	5	13	305
Other	18	56	4	22	474
Farm business size¹²					
Up to 80 hectares	18	59	4	19	462
81 to 400 hectares	27	54	3	16	920
401 to 2,000 hectares	24	55	4	17	608
2,001 hectares and over	20	55	4	21	823
Overall	22	56	4	19	2985

- 5.5 In terms of farm type, respondents with Mixed farms and with Non-LFA sheep and cattle farms were most likely to say that they plan to increase their business in the next five years (31% and 28% compared to 22% overall).

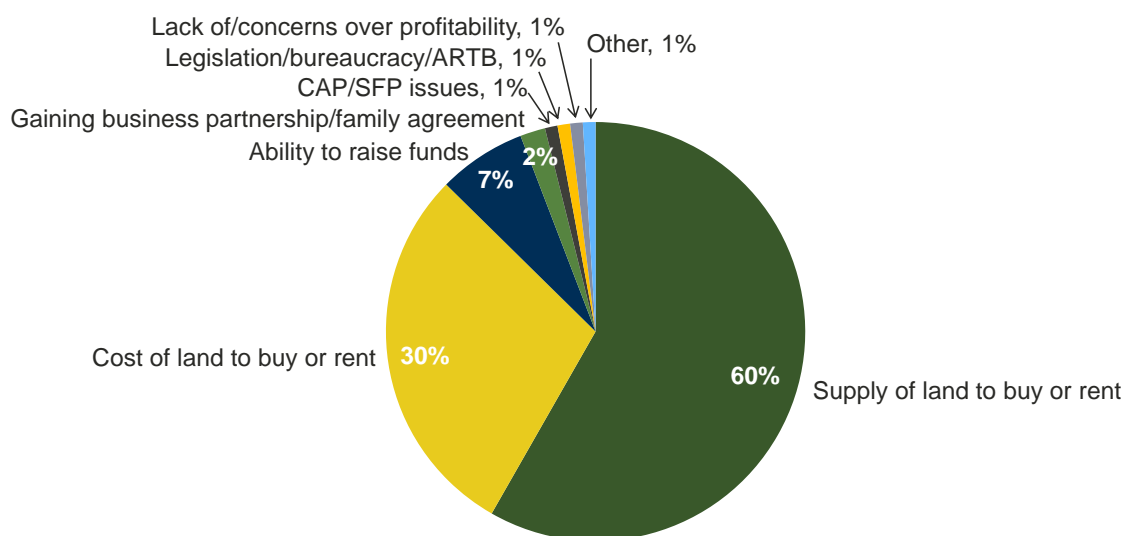
¹² Those who did not report any hectarage are excluded.

Those with Livestock (LFA cattle and sheep) under 80 hectares were the least likely to be planning for expansion (16%).

- 5.6 There was no clear pattern of planned future size by current size of holdings.
- 5.7 Respondents who plan to increase the hectareage of their business were asked what they thought would be the biggest challenge in doing so. The reason most cited was the supply of land to buy or rent (60%), while a further 30% said that the cost of land to buy or rent would be the biggest challenge.

Figure 5.2: Challenges to increasing hectareage

Q. What do you think will be the biggest challenge in increasing the hectareage of your farm business?



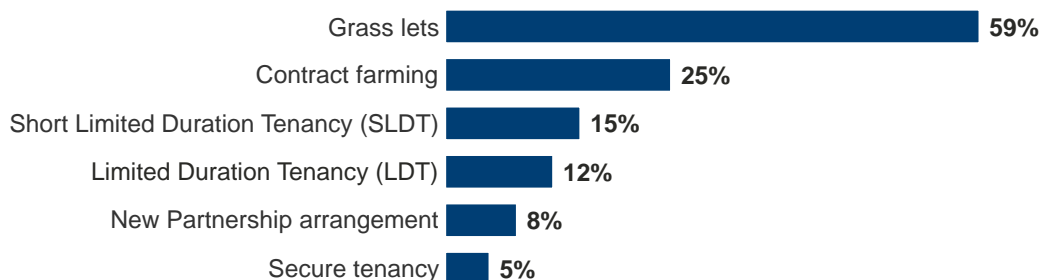
Base: All who plan to increase the hectareage of their business (639)

Source: Ipsos MORI

- 5.8 Respondents who own land that they do not rent-out were asked if they would consider doing so in the future. Excluding “don’t know/don’t own any farmland” responses, 37% gave a response, suggesting that just over a third own farmland that they don’t currently rent out. Of these responses, over two-thirds (69%) said that they would not consider renting it out in the future, while 31% said that they would consider this. This means that overall, around 12% of respondents owned farmland which they don’t rent out but would consider renting out in the future.
- 5.9 Those who said that they would consider renting-out farmland that they own were then asked by which types of lease or arrangements they would prefer to do this. The majority (59%) favoured grass (seasonal) lets, while 25% said that they would consider contract farming, 15% by Short Limited Duration Tenancy (SLDT), and 12% said that they would consider Limited Duration Tenancy (LDT). Only 5% said that they would prefer to use a secure tenancy.

Figure 5.3: Preferred method for renting-out farmland

Q. What type of lease(s) or arrangement(s) would you prefer to use?



Base: All who would consider renting out land in the future (354)

Source: Ipsos MORI

5.10 Those who said they would not consider renting-out any land were asked to write in what might encourage them to do so. Of those that gave a response¹³, the most commonly mentioned factors were, financial reasons such as increased income or increased profitability (n=88), and health reasons or an inability to farm themselves (n=81). A sizeable number also mentioned something related to either legislation or that they were put off by the prospect of Absolute Right to Buy and would consider renting-out if the proposal were to be stopped (n=59). Other reasons mentioned by a small number of respondents included retirement (n=18), old age (n=16), tax incentives (n=14) and flexible contracts/freedom of contract (n=11).

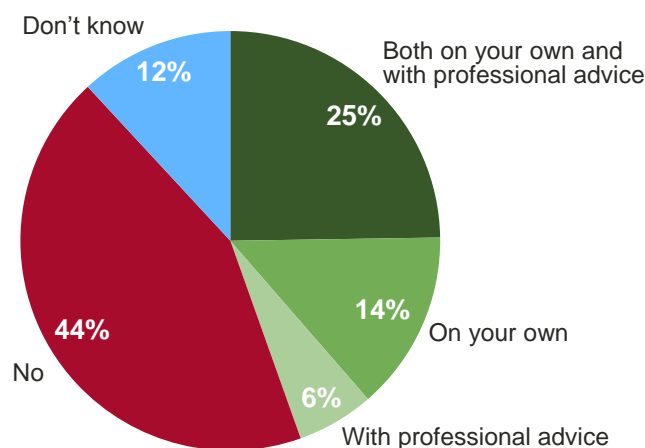
Planning

5.11 Overall, 44% of respondents had undertaken some form of long-term business planning. A quarter (25%) had undertaken planning both on their own and with professional advice, while 14% had done so on their own only and 6% had taken professional advice only (Figure 5.4). A similar number (44%) had not undertaken any business planning.

¹³ Around 350 gave a valid response.

Figure 5.4: Long-term business planning

Q. Have you undertaken any long-term business planning...?



Base: All respondents who gave an answer (2,273)

Source: Ipsos MORI

5.12 Likelihood of undertaking any long-term business planning was found to be highest among those in the under 40 age group: 40% had undertaken planning on their own and with professional advice, with a further 19% doing so on their own only. In contrast, 62% of those aged 65 or over said that they had not undertaken any long-term business planning, with only a fifth (21%) having undertaken long-term business planning on their own and with professional advice, and 11% having done so on their own only (Table 5.2).

Table 5.2: Any long-term business planning by age group¹⁴

	On your own and with professional advice	Only On your own	Only With professional advice	Neither on your own nor with professional advice	All	
	(%)	(%)	(%)	(%)	(%)	Base
Under 40	40	19	6	35	100	172
40-49	31	19	5	45	100	437
50-64	28	16	7	48	100	931
65 and over	21	11	6	62	100	501
All	28	16	7	50	100	2041

5.13 As shown in Table 5.3, respondents in the South East region were the most likely to have undertaken any long-term business planning. More than one-third (37%) had done so both on their own and with professional advice, while a similar proportion had not undertaken any such planning. Two-thirds (65%) of respondents in the North West region said that they had not undertaken any long-term business planning, and only one-fifth (19%) said that they had done so both on their own and with professional advice.

¹⁴ Respondents who answered don't know to these questions are excluded from this table.

Table 5.3: Any long-term business planning by region¹⁵

	On your own and with professional advice	Only on your own	Only with professional advice	Neither on your own nor with professional advice	
	(%)	(%)	(%)	(%)	<i>Base</i>
South East	37	18	8	37	513
South West	29	16	6	48	636
North East	27	16	8	48	433
North West	19	13	4	65	452
Total	28	16	7	50	2034

5.14 Arable farmers were the most likely to have undertaken long-term business planning on their own and with professional advice (43%), with a further fifth (18%) having undertaken this planning on their own only. One-third (32%) of this group had not undertaken any long-term business planning. Two-thirds (66%) of small livestock farmers had not undertaken any long-term business planning, with smaller proportions reporting having undertaken such planning both on their own and with professional advice (16%) or on their own only (14%).

Table 5.4: Any long-term business planning by farm type¹⁶

	On your own and with professional advice	Only on your own	Only with professional advice	Neither on your own nor with professional advice	
	(%)	(%)	(%)	(%)	<i>Base</i>
Arable	43	18	7	32	270
Non LFA cattle and sheep	30	19	8	43	219
Mixed	31	18	6	45	246
Livestock (LFA cattle & sheep) >80ha	29	15	7	48	597
Other	26	14	6	54	296
Livestock (LFA cattle & sheep) <80ha	16	14	4	66	406
Total	28	16	7	50	2034

Succession

5.15 Seventy-one per cent of all respondents said that they had an eligible successor in place, while 22% said that they did not, and 7% that they did not know/not relevant (see Figure 5.5). The likelihood of respondents having an eligible successor in place was found to increase with:

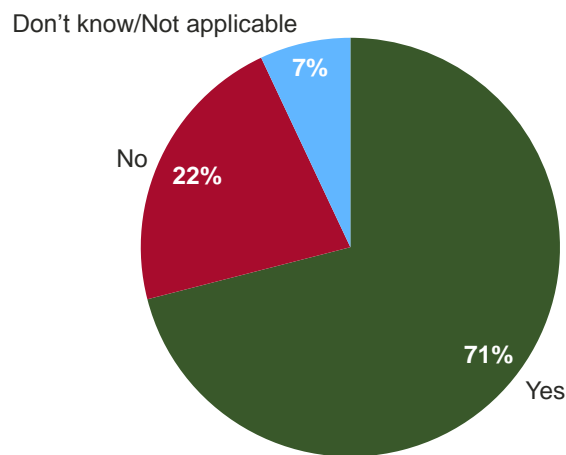
¹⁵ Don't know responses not shown.

¹⁶ Don't know responses not shown.

- age of respondent (55% of those aged under 40, rising to 76% of those aged 65 or over)
- length of time the family have farmed the tenancy (59% of those under ten years, rising to 77% of those who have farmed the tenancy for 175 years or more)
- number of holdings farmed (70% of those farming one holding, 76% of those farming two or more)
- number of different landlords for leases of more than one year (64% of those with no such landlords, rising to 76% of those with two or more)
- and number of Secure 1991 tenancies rented-in (65% of those with no such tenancies, rising to 78% of those with two or more).

Figure 5.5: Eligible successors

Q. Do you currently have an eligible successor in place?



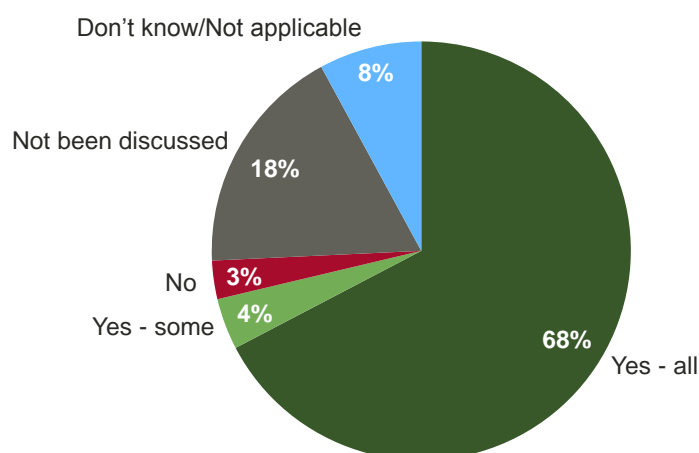
Base: All respondents who gave an answer (2,965)

Source: Ipsos MORI

5.16 Of those who have an eligible successor in place, two thirds (68%) said that their successor was willing to take on all of their tenancy or tenancies, while a further 4% said that they would take on some of them. One in five (18%) said that the issue had not been discussed, while 3% said that their successor was not willing to take on the tenancy (Figure 5.6).

Figure 5.6: Willingness of eligible successor to take on the tenancy

Q. Is your eligible successor willing to take on your tenancy/tenancies?



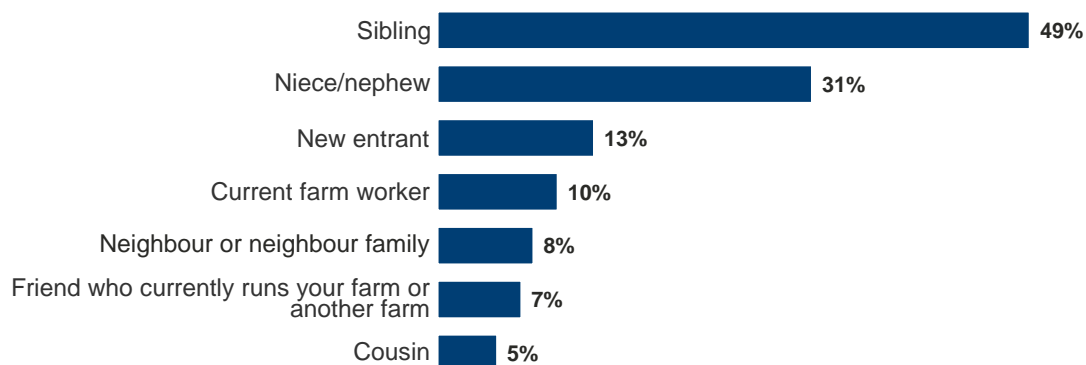
Base: All who have an eligible successor in place (2,105)

Source: Ipsos MORI

5.17 Respondents were asked if they have someone who cannot currently be defined as an eligible successor, but who would like to either succeed or be assigned to their tenancy. Only 20% of respondents said that they did know of someone in this category. Of those who said that they had such a person, 49% said that this was a sibling, while 31% said that it was a niece or nephew.

Figure 5.7: Identity of willing, non-eligible successors

Q. If yes, are they a...?



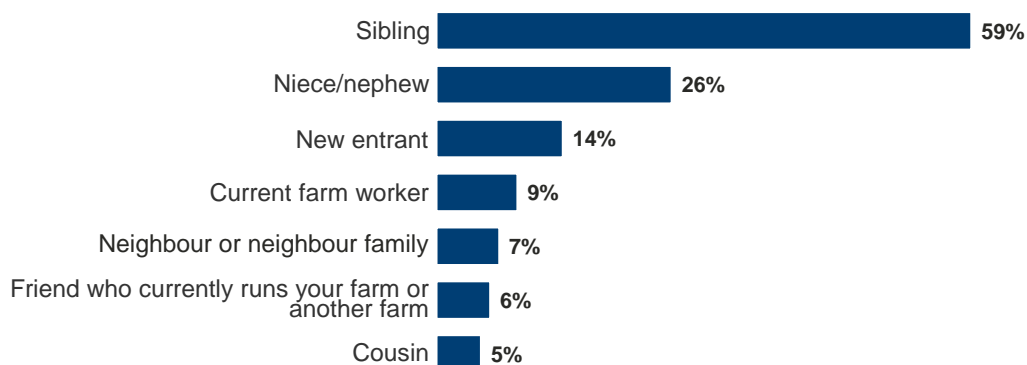
Base: All who have a non-eligible successor who would like to succeed or be assigned (562)

Source: Ipsos MORI

5.18 Figure 5.8 below shows the breakdown of possible non-eligible successors among those respondents who reported that they currently have an eligible successor. Fifty-nine per cent of this sub-group said that they have a sibling who would like to succeed or be assigned to the tenancy, while a quarter (26%) said so of a niece or nephew.

Figure 5.8: Identity of willing, non-eligible successors among those with a successor in mind

Q. If yes, are they a...?



Base: All with an eligible successor, who also have a non-eligible successor who would like to succeed or be assigned (410)

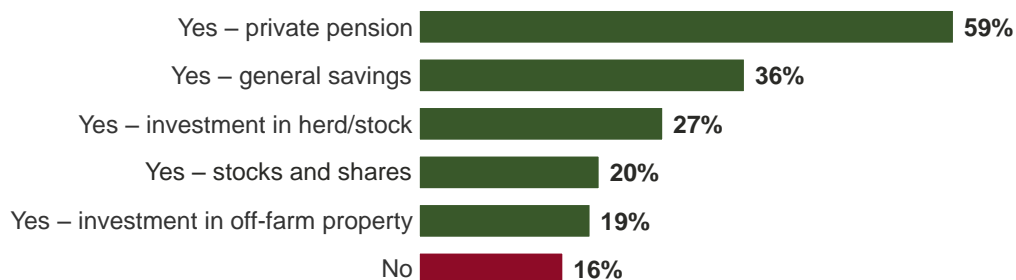
Source: Ipsos MORI

Retirement

5.19 Respondents were asked if they were making pension provision for the future. Fifty-nine per cent of respondents said that they were investing in a private pension, while 36% had general savings, 27% had on-farm investments such as herds or stock, 20% had investments in stocks and shares, and 19% had invested in off-farm property. Sixteen per cent said that they were not making any pension provision for the future.

Figure 5.9: Pension provision

Q. Are you making pension provision for the future?



Base: All respondents who gave an answer (2,932)

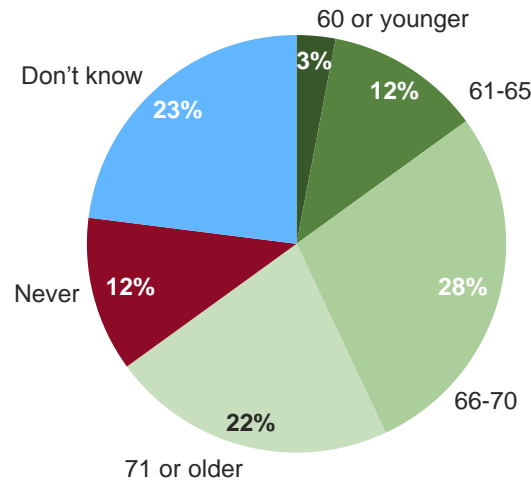
Source: Ipsos MORI

5.20 Arable farmers (69%), Mixed farmers (68%), and Livestock (LFA cattle and sheep) over 80 hectares farmers (67%) were more likely than overall (59%) to have invested in a private pension.

5.21 When asked at what age they expect to retire from working on their farm or to hand it over, half of respondents said that they expect to retire over the age of 65 (28% when aged 66-70; 22% at over 70). Twelve per cent said that they expect to retire between the ages of 61 and 65. A similar proportion (12%) said that they do not expect to retire from working on their farm, while a quarter (23%) said that they do not know when they expect to retire.

Figure 5.10: Expected retirement age

Q. At what age do you expect to retire from working on the farm or hand over the farm?



Base: All respondents who gave an answer (2,952)

Source: Ipsos MORI

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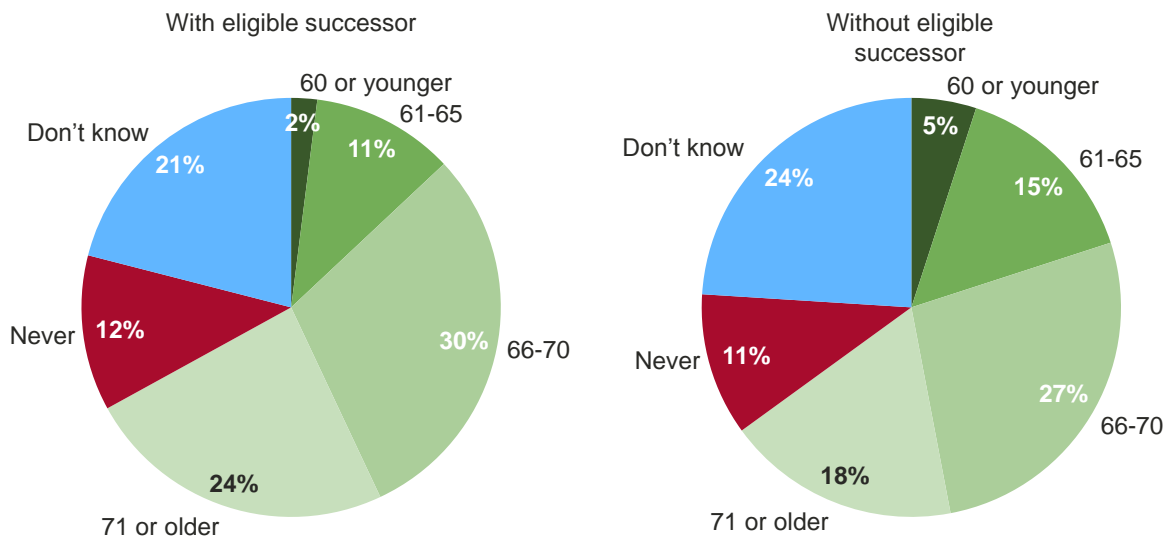
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5.22 Figure 5.11 shows a comparison of the expected retirement ages of those who have an eligible successor in place and those who do not have an eligible successor in place. Interestingly, respondents who have an eligible successor are more likely to expect to retire over the age of 70 than those without an eligible successor (24% and 18% respectively); while those without an eligible successor are more likely to expect to retire at 65 or younger (20% compared with 13%).

Figure 5.11: Expected retirement age and succession

Q. At what age do you expect to retire from working on the farm or hand over the farm?



Base: All respondents who have an eligible successor (2,101); All respondents who do not have an eligible successor (630)

Source: Ipsos MORI

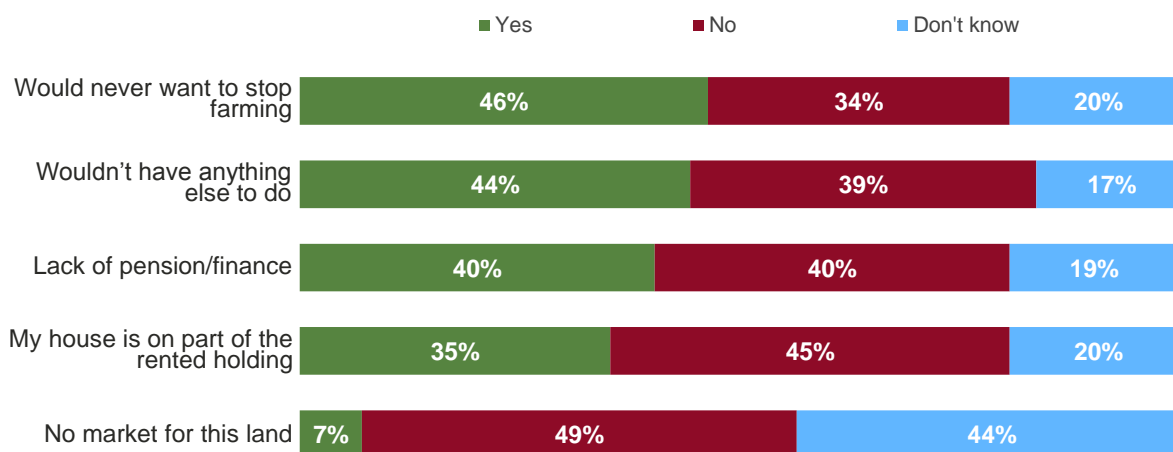
5.23 Respondents were presented with five factors (see Figure 5.12) which could have a role in preventing them from retiring or handing over their farm when they want to:

- ‘I would never want to stop farming’ was agreed with by 46% of respondents while one-third (34%) held the opposing view
- ‘I wouldn’t have anything else to do’ was agreed with by 44% of respondents with 39% not seeing this as a barrier.
- Forty per cent said that “Lack of pension/personal finance” might stop them from retiring or handing over the farm, while a similar number held the opposite view.
- My house is part of the rented holding’ was agreed with by 35% of respondents, though 45% disagreed with this.
- ‘No market for this land’ was agreed with by only 7% of respondents.

5.24 Unsurprisingly, respondents aged 65 and over were more likely than overall to say that never wanting to stop farming would be a barrier to retirement (54% compared with 46% overall). They were also more likely to say that not having anything else to do would be a barrier to retirement (53% compared with 44% overall).

Figure 5.12: Possible barriers to retirement

Q. Would any of the following factors stop you from being able to retire or from handing over the farm when you want to?



Base: All respondents who gave an answer (2,537; 2,456; 2,404; 2,439; 2,295)

Source: Ipsos MORI

5.25 Respondents were also invited to report on other factors, not specifically asked about, that might stop them being able to retire or hand over the farm when they want to. These were generally mentioned by less than 3% of respondents overall: Health issues/health (56 respondents), no successor (28 respondents), already in the process of succession (11 respondents) land owners reluctance to renew/refusing farm to be assigned to family member (10 respondents).

5.26 A number of comments gave views on retirement. The following are a selection:

“If there was a retirement package for tenants more land might be made available, as on many average sized farms, tenants cannot afford to retire.”

“I feel very strongly that a retirement scheme should be put in place that would allow tenants to retire on a pension, maybe this could be a percentage of S.F.P. entitlements that the tenant holds. This would free up land for new young entrants.”

“At pension age, a farmer would receive less single farm payment, unless he takes a younger person in as a successor, partner, share farmer, tenant or apprentice, only when the farm is over a certain size/turnover. Farmers must be allowed to farm in their retirement - but with less state aid - to allow youngsters the opportunity to farm when young.”

“Stop farmers claiming SFP over 65 yrs. - Encourage existing farmers to retire at 65 and lease out land/farm”

6 THE ABSOLUTE RIGHT TO BUY

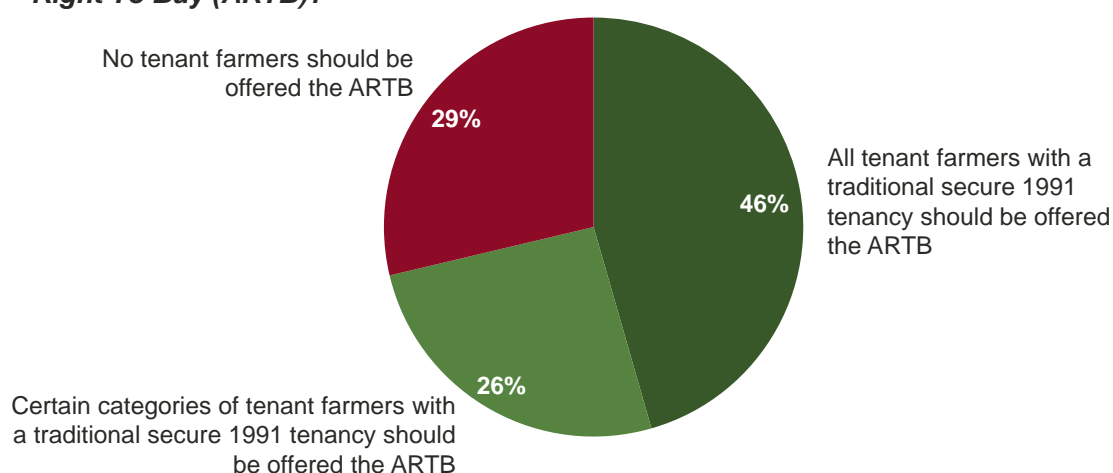
Summary

1. Forty six per cent of tenant farmers agreed that an Absolute Right To Buy (ARtB) should be offered to all tenant farmers with a traditional secure 1991 tenancy. A further 26% said that it should be available to certain categories of tenant farmers with Secure 1991 tenancies. Twenty nine per cent said that no tenant farmers should be offered an ARtB.
2. Around a third (32%) would definitely like to purchase their tenanted farm, and a further third (32%) would possibly like to purchase their farm.
3. A third expected that they would be able to invest more in their business if they were able to buy their tenancy, and a further third expected that they could maintain current levels of investment.

6.1 Respondents were asked to indicate which of three statements came closest to their view on the Absolute Right To Buy (ARtB). Of those who gave an answer, 46% said that all tenant farmers with a traditional Secure 1991 tenancy should be offered the ARtB, and a further 26% said that certain categories¹⁷ of tenant farmers should have the offer of the ARtB, However, 29% said that no tenant farmer should be offered the ARtB.

Figure 6.1: Views on the introduction of ARtB

Q. Which of the following statements comes closest to your view on the Absolute Right To Buy (ARTB)?



Base: All respondents who gave an answer (2,844)

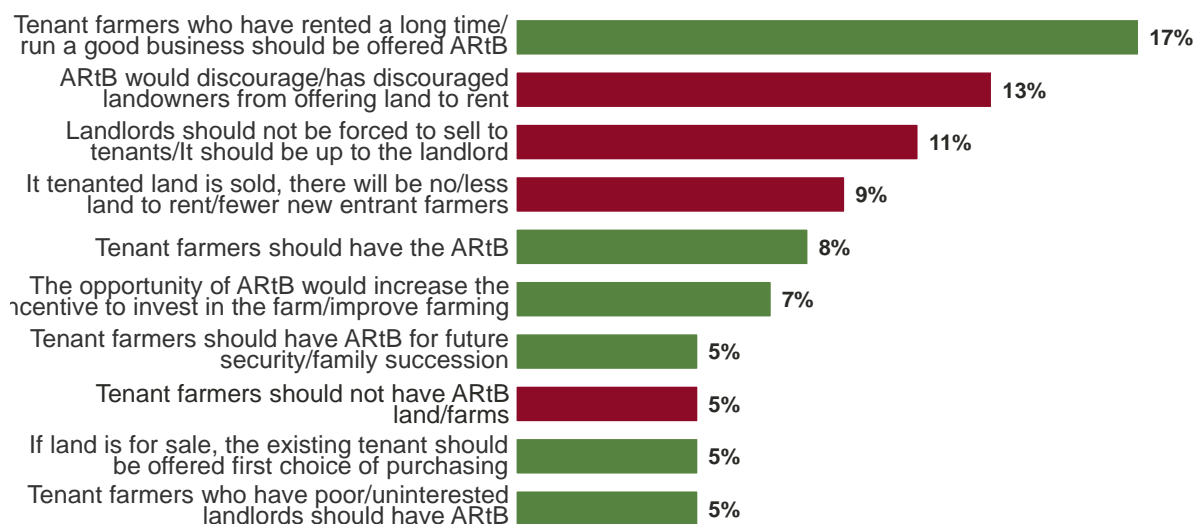
Source: Ipsos MORI

¹⁷ The statement given was "Certain categories of tenant farmers with a traditional secure 1991 tenancy should be offered the ARtB". Respondents are likely to have differed somewhat in their views on what types of category should be offered ARtB.

6.2 Respondents were invited to give a reason for the view they put forward on the ARTB, and over 1900 gave a valid response. Figure 6.2 below shows the ten most frequently given explanations of respondents' views on the ARTB.

Figure 6.2: Reasons for respondents being for or against the ARTB

Q. Please briefly explain why you are for or against the Absolute Right to Buy (ARtB)



Base: All respondents who gave an answer (1,910)

Source: Ipsos MORI

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6.3 Seventeen per cent thought that the ARtB should be offered to tenant farmers who have rented for a long time, invested in the farm or run a good business. This view was given by 28% of those in favour of the ARtB for all tenants, and 23% of those who felt that some should have the ARtB.

6.4 On the other hand, 13% overall said that the introduction of ARtB would discourage, or had already discouraged, landowners from offering land to rent. This view was given by one-third (34%) of those who were opposed to the introduction of ARtB. The following quote gives one example of this view.

“A right to buy policy is totally wrong. It will discourage future landowners from letting land. Estates will become fragmented and not managed properly.”

6.5 Satisfaction levels with landlords and views on the Absolute Right To Buy (ARtB) were closely linked. The majority of respondents who were dissatisfied with their landlord were in favour of the introduction of the ARtB for all secure 1991 tenancies (67%) with a further 22% in favour of its introduction for certain secure 1991 tenancies and 11% opposed to the ARtB. Opinion was more divided among those tenants who are satisfied with their landlord, with 39% in favour of the ARtB being made available to all secure 1991 tenancies, 27% of the view that certain types of secure 1991 tenancies should be offered the ARtB, and 34% saying that no tenant farmers should be offered the ARtB.

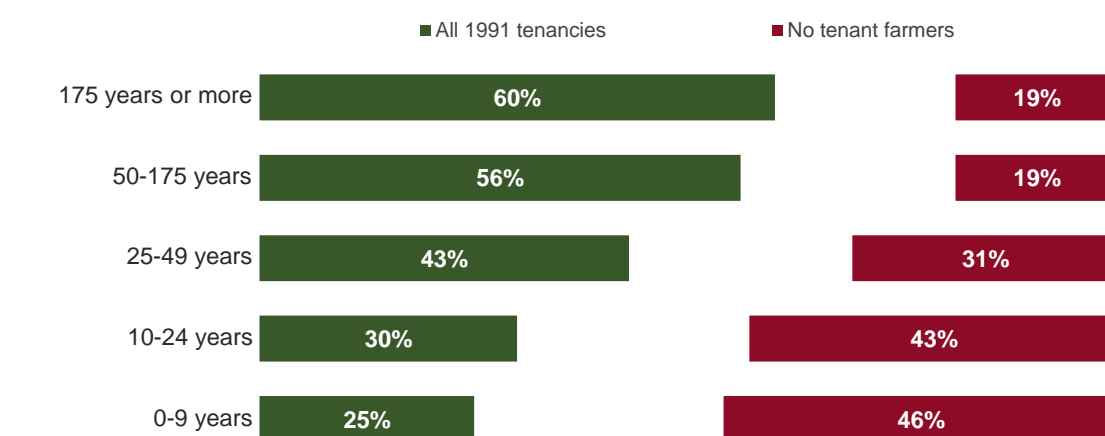
6.6 Support for ARtB for all traditional Secure 1991 tenant farmers increased with the number of Secure 1991 tenancies rented-in (26% of those with no such

tenancies, 51% for those with one, and 55% for respondents with two or more Secure 1991 tenancies). Those who do not rent-in a Secure 1991 tenancy were more likely to say that no tenant farmers should be offered the ARtB (46% compared with 29% overall).

6.7 Support for the ARtB to be offered to all Secure 1991 tenancies also increased with the length of time the respondent or their family have farmed on the tenancy (Figure 6.3). While only 25% of those who have farmed on their land for 0-9 years supported ARtB for all Secure 1991 tenancies, the corresponding figure for those whose family has farmed the land for 175 years or more was 60%¹⁸.

Figure 6.3: Views on the introduction of ARtB by family length of tenure

Q. Support for ARtB by family length of tenure



Base: All respondents who gave an answer by length of tenure on tenanted farm (89; 1,306; 646; 413; 260)

Source: Ipsos MORI

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Potential action should an Absolute Right To Buy be introduced

6.8 One-third (37%) of respondents who held at least one 1991 Secure tenancy said that they would definitely like to buy their tenancy, in principle, if the ARtB were introduced, while 35% said that they would possibly like to buy their tenancy. Fourteen per cent said that they would probably not like to buy and a further 7% said that they would definitely not like to buy their tenancy.

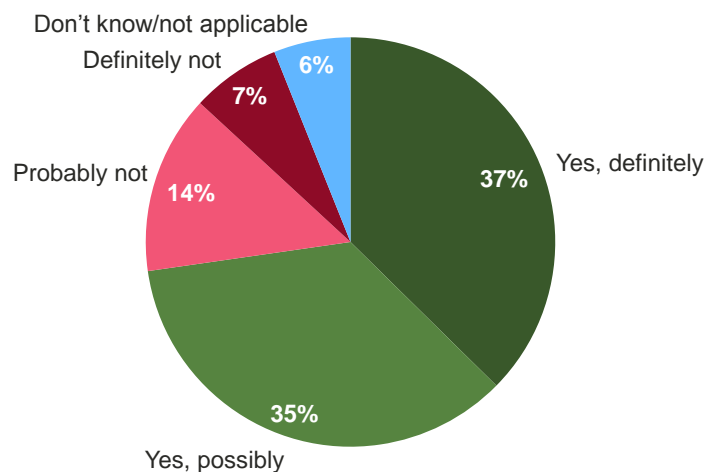
6.9 Among those who rent-in on a Secure 1991 tenancy, those whose families have farmed their tenancy for 175 or more years (39%), 50-175 years (42%),

¹⁸ It is worth noting that those who have farmed their land for a relatively short period are less likely to hold a 1991 Secure tenancy – only 27% of those who have been farming on their main tenancy for 0-9 years hold at least one 1991 Secure tenancy compared to 82% of those who have been farming on their main tenancy for 175+ years. However, after excluding respondents who do not hold a 1991 Secure tenancy, the link between length of tenure and views on ARtB remains. When the analysis for Figure 6.3 is repeated among only those who hold at least one 1991 Secure tenancy, a similar pattern emerges. Support for ARtB for all Secure 1991 tenancies ranged from 61% among those who have farmed their main tenancy for 175+ to 39% among those who have held their land for 0-9 years. The corresponding figures for opposition to the ARtB ranged from 15% to 34%.

or 25-49 years (33%) were more likely to say that they would definitely want to buy their tenancy than those who have farmed their tenancy for 10-24 years (25%) or 0-9 years (30%).

Figure 6.4: Likelihood to buy tenancy if ARtB were introduced

Q. If the ARTB was introduced, in principle, would you like to buy your tenancy?



Base: All respondents with at least one 1991 Secure Tenancy who gave an answer. (2,077)

Source: Ipsos MORI

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- 6.10 There was no clear relationship between size of holdings and whether respondents would either definitely or possibly like to buy their tenanted land should ARtB be introduced.
- 6.11 Views on whether ARtB should be introduced were aligned to whether respondents would in principle like to buy their tenancy (Table 6.2). Half (52%) of those respondents with a Secure 1991 tenancy whose view is that all 1991 tenancies should be offered the ARtB said that they would definitely like to buy their tenancy. A further third (34%) said that they would possibly like to buy. This compares with 29% and 43% respectively of those who felt that certain 1991 tenancies should have the ARtB made available saying that they would definitely or possibly like to buy.
- 6.12 Interestingly, of those respondents who were not in favour of the ARtB being made available to any tenant farmers, 14% said that they would definitely like to buy their tenancy and a further quarter (23%) said that they would possibly like to do so.

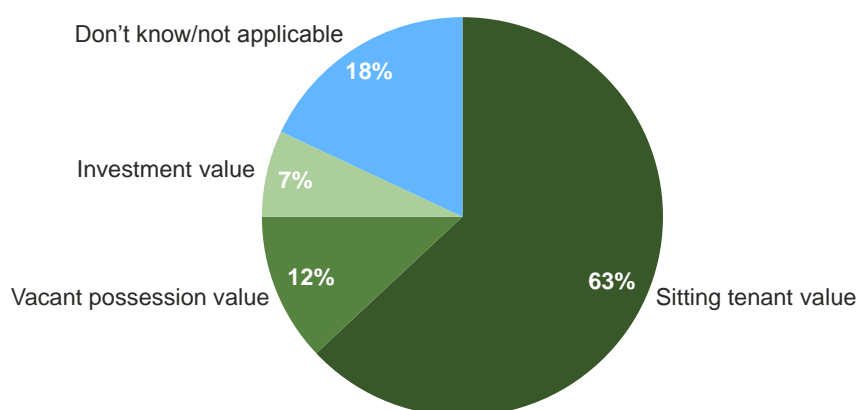
Table 6.1: Likelihood to buy tenancy by views on ARtB

	Would like to buy tenancy...				Base
	Definitely	Possibly	Probably not	Definitely not	
ARtB should be made available to...	(%)	(%)	(%)	(%)	
All secure 1991 tenancies	52	34	8	2	1,265
Certain secure 1991 tenancies	29	43	17	5	725
No tenant farmers	14	27	26	23	825

6.13 Respondents were also asked how land should be valued¹⁹ if the ARtB was introduced. Sixty-three per cent of respondents said that if the ARtB were introduced, the land should be valued at the sitting tenant value, while 12% said that vacant possession value should be used, and 7% that it should be valued at investment value (see Figure 6.5). Eighteen per cent did not know.

Figure 6.5: Preferred way of valuing land for ARtB

Q. If the ARTB was introduced, how do you think the land should be valued?



Base: All respondents who gave an answer (2,919)

Source: Ipsos MORI

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6.14 Overall, 68% of respondents who held at least one Secure 1991 tenancy said that they were confident (28% very confident, 40% fairly confident) that they could afford to buy their tenancy if it were sold at sitting tenant value, while 20% were not confident, as shown in Figure 6.6.

¹⁹ The following definitions were given in the questionnaire:

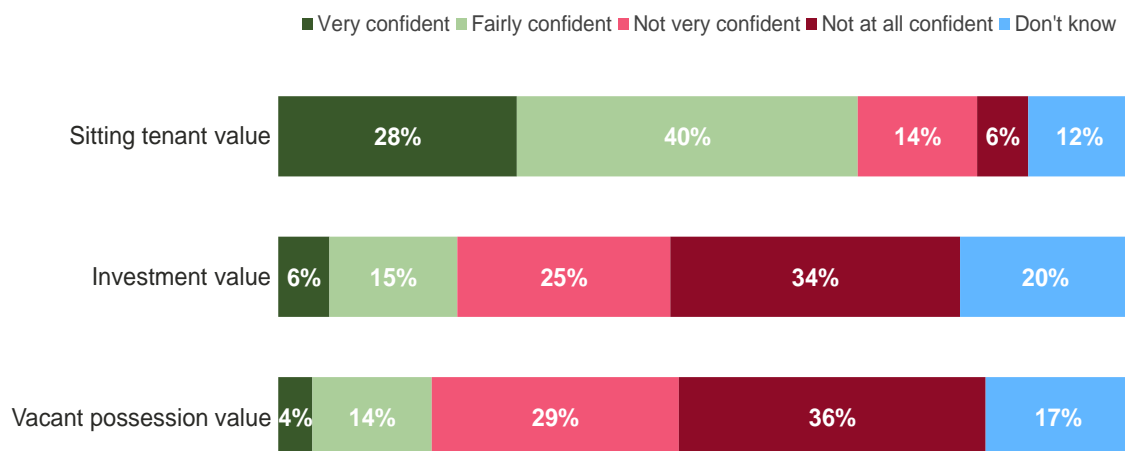
Sitting tenant value – land value where it is sold to the sitting tenant (with the landlord and tenant negotiating willingly);

Vacant possession value – land value where it is sold to a third party without any tenancy arrangements in place;

Investment value – land value where it is sold to a third party with the tenancy arrangements remaining in place.

Figure 6.6: Confidence of buying land by method of valuation

Q. How confident are you that you can afford to buy your 1991 agricultural tenancy if the land was sold at...?



Base: All respondents with at least one 1991 Secure Tenancy who gave an answer (2,043; 1,789; 1,783)

Source: Ipsos MORI

- 6.15 Among those who held a Secure 1991 tenancy and would definitely like to buy it, half (53%) were very confident of being able to afford to buy at sitting tenant value, with a further 38% saying that they were fairly confident of being able to do so. Furthermore, 71% of those who held a Secure 1991 tenancy and would possibly like to buy it said that they were very or fairly confident of being able to buy at sitting tenant value.
- 6.16 Overall, fewer respondents were confident that they could afford to buy their Secure 1991 tenancy if the land were sold at investment value (21%) or vacant possession value (18%) than if it was sold at sitting tenant value (68%).
- 6.17 There was a mixed picture in terms of whether or not tenants with a Secure 1991 tenancy would have to release land or business assets in order to help them buy their tenancy in the event of the introduction of the ARtB: 36% said that they would have to do so and 32% said that they would not need to, while 31% said that they did not know.

ARtB and views on future investment

- 6.18 Over a third (38%) of respondents with a Secure 1991 tenancy said that their level of investment in their business would increase in the future should they buy their tenancy, a further third (36%) said that their level of investment would be maintained, while 9% said that it would decrease (see Figure 6.7).
- 6.19 Respondents who were very or fairly confident that they could afford to buy their tenancy if the land was sold at sitting tenant value were much more likely than those who were not very or not at all confident to say that their level of future investment would increase (47% compared with 12%).

6.20 Additionally, respondents with two or more Secure 1991 tenancies were more likely to say that their level of future investment would increase (44% compared with 38% overall).

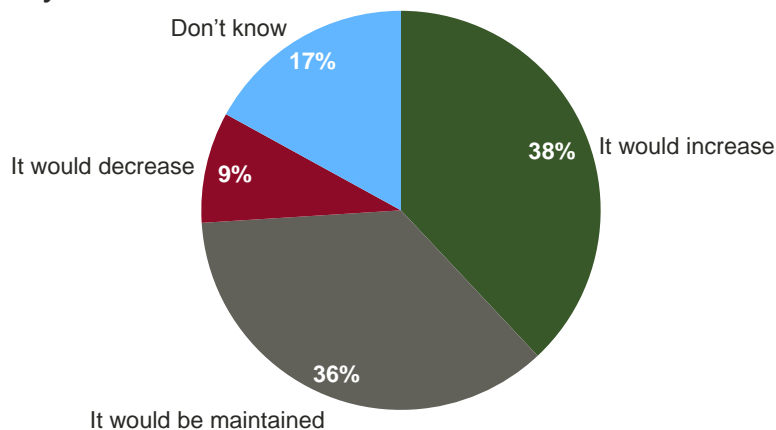
6.21 The following quotes are illustrative.

“ARtB is the best way to increase investment on farms. Our own situation is a limited partnership running for 30 years, with a post lease agreement. The owner has not and does not invest any funds in the holding. Owning the farm would give the security to us to pursue ideas and investments.”

“If the ARtB was introduced it would increase the number of family farms who could invest in the future of Scotland... More ownership would bring more investment into farming and more jobs to the countryside.”

Figure 6.7: Effect on investment of buying the tenancy

Q. If you bought your tenancy, what would be the effect on the level of future investment in your business?



Base: All respondents with at least one 1991 Secure Tenancy who gave an answer (2,062)

Source: Ipsos MORI

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Implications of the Absolute Right To Buy

6.22 Respondents were asked about the extent to which they agreed or disagreed with a series of statements on the possible implications of the introduction of the ARtB. The results give a mixed picture. As can be seen in Table 6.2, respondents were more likely to agree than disagree with each statement. However, more respondents agreed with the statements that suggested that the ARtB would bring benefits to farmers than the statements that suggested increased risks or difficulties. For example, around three-quarters agreed that introducing the ARtB would:

- Make it easier to pass on land/farm through generations (78%)
- Give farmers more control over business decisions (75%)
- Allow farmers to sell land to release assets (74%).

6.23 Smaller proportions agreed (and around a quarter) disagreed that the introduction of the ARtB would:

- Make it more difficult for new entrants to rent land (60% agree, 28% disagree).
- Increase farmers' risk of negative equity (59% agree, 23% disagree)
- Expose farmers to higher debt levels (57% agree, 28% disagree)

Table 6.2: Views on possible implications of the introduction of ARtB

Thinking about the Absolute Right to Buy (ARtB) to what extent do you agree or disagree with each of the following statements. Introducing an Absolute Right To Buy would...	Agree	Disagree	Unsure	
	(%)	(%)	(%)	Base
Make it easier to pass on land/farm through generations	78	12	10	2,861
Give farmers more control over business decisions	75	15	10	2,855
Allow farmers to sell land to release assets	74	12	13	2,823
Lead to more investment in farms	70	18	12	2,841
Give farmers increased financial security	66	21	13	2,833
Discourage landowners from renting out land	65	22	13	2,863
Make it more difficult for new entrants to rent land	60	28	13	2,861
Increase farmers' financial risk of negative equity if prices fall	59	23	17	2,831
Expose farmers to higher debt levels	57	28	15	2,844

6.24 The following comments from tenant farmers illustrate the interplay between views on landlords, the future provision of land for rent, and views on the ARtB.

"It cannot be morally acceptable in 21st C for tenants like me to be subjected to years of feudalistic pressure from intimidatory landlords. My landlord has made every possible attempt to regain control of my land. These actions have not had the desired effect but I have been subjected to years of intimidation, costly legal & professional bills & my health has been detrimentally affected. ARtB would transform my life."

"Landlords appear to favour contract farming arrangements to leasing land. The reason is quite clearly that they wish to retain control over their land. They have little confidence in leasing land and the possibility of the ARtB being introduced is a major impediment to the creation of land tenure."

"If the Government wants to increase the area of land that is available to let, it must make it attractive to both landowner and tenant/prospective tenant. If the Government wants to open up land ownership to more individuals it should do this through the tax system not through ARtB."

“I am a bit torn about ARtB as I would not be farming if it were not for the chance of a tenancy. However I find myself getting more and more frustrated at the lack of care/love and efficiency my estate shows to my farm and the community in general. Their absence means they are very naive to the hardships of tenants especially the terrible year that was 2012/2013. I have a good relationship with my landlords’ agents and staff because I have to!! Short term leases due to tax avoidance and ARtB threat mean I have no leverage to be able to negotiate better for improvements.”

7 VIEWS ON FARMING IN SCOTLAND

Summary	
1.	Issues around the availability of land to rent, encouraging new entrants, and passing on tenanted farms to family members were identified as particular challenges to the sector and areas where action should be taken.
2.	Uncertainty over the future of agricultural holdings legislation was seen as a particular challenge (by 84% of respondents).
3.	Good business relationships between tenants and landlords was identified as the most important factor in shaping what a good agricultural tenancy system would look like.

7.1 Respondents were presented with a series of attitude statements covering three topics:

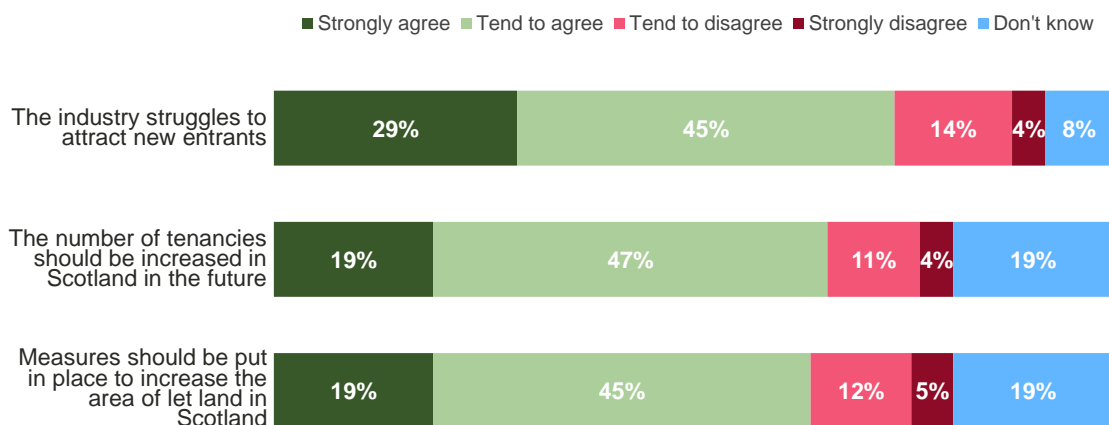
- general views on the current state of the farming sector in Scotland
- the current challenges facing the tenant farming sector
- factors which would shape a good agricultural tenancy system.

Views on the tenant farming sector in Scotland

7.2 Of the eight statements asking about the current state of the tenant farming sector, three were about the availability of land to rent and entry into tenant farming (see Figure 7.1 below). Three-quarters (74%) of respondents agreed (29% strongly agreed) that the farming industry struggles to attract new entrants, while 18% disagreed. Respondents whose family have farmed their tenancy for 175 years or more (82%) were more likely than overall to agree.

Figure 7.1: Views on current availability of tenanted agricultural land

Q. Thinking of farming in Scotland, to what extent do you agree or disagree with each of the following statements?



Base: All who gave an opinion on each statement (2,912; 2,895; 2,896)

Source: Ipsos MORI

7.3 Furthermore, two-thirds (66%) agreed (19% strongly) that the number of tenancies should be increased in Scotland in the future, while 15% disagreed.

7.4 Two-thirds of respondents (65%) also agreed (19% strongly) that measures should be put in place to increase the area of let land in Scotland, while 16% disagreed.

“We need to encourage new generations to join farming in Scotland to ensure quality of product and quality of care for the land and livestock.”

7.5 Those dissatisfied with their landlord and respondents on large livestock farms were more likely to agree that such measures should be put in place. (76% and 73% respectively compared to 65% overall).

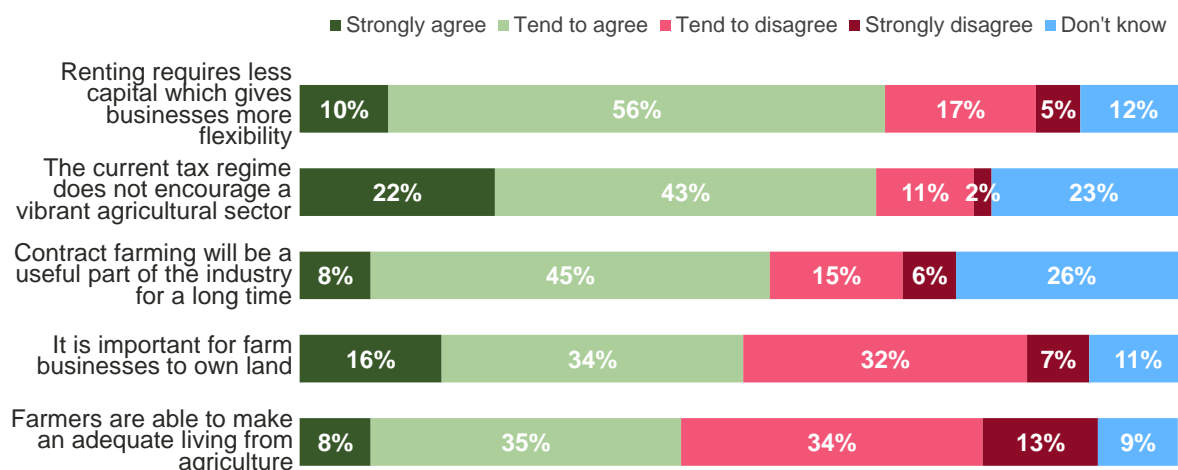
7.6 Responses to these statements did not differ depending on whether the respondent owned land and would/would not consider renting it out.

7.7 The remaining five statements are shown in Figure 7.2 below:

- Two-thirds (66%) of respondents agreed that renting requires less capital and gives businesses more flexibility, while 21% disagreed
- Sixty-four per cent agreed (22% strongly) that the current tax regime does not encourage a vibrant agricultural sector, while 13% disagreed
- 53% agreed that contract farming will be a useful part of the industry for a long time, while 21% disagreed.

Figure 7.2: Views on aspects of the current structure of the sector

Q. Thinking of farming in Scotland, to what extent do you agree or disagree with each of the following statements?



Base: All who gave an opinion on each statement (2,892; 2,888; 2,880; 2,897; 2,897)

Source: Ipsos MORI

7.8 Opinion was more divided over whether it is important for farm businesses to own land and if farmers are able to make an adequate living from agriculture:

- Half (50%) agreed and 39% disagreed over whether it is important for farm businesses to own land

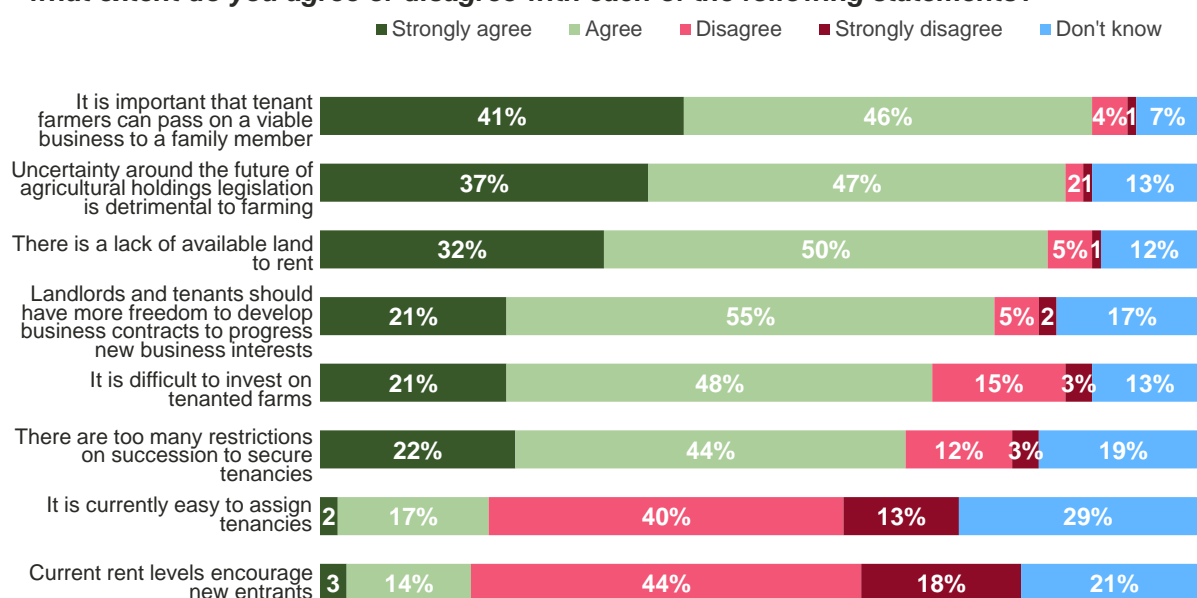
- Half (48%) *disagreed* and 43% agreed that farmers are able to make an adequate living from agriculture.

Challenges facing the farming sector in Scotland

7.9 Respondents were presented with a series of attitudinal statements concerning different types of challenges for the tenant farming sector in Scotland, as shown in Figure 7.3.

Figure 7.3: Issues facing the tenant farming sector

Q. Thinking about the challenges facing the tenant farming sector at the moment, to what extent do you agree or disagree with each of the following statements?



Base: All who gave an opinion on each statement (2,914; 2,906; 2,910; 2,893; 2,840; 2,889; 2,871; 2,852)

Source: Ipsos MORI

7.10 While 87% agreed (and 6% disagreed) that it is important that tenant farmers can pass on a viable business to a family member, views were more mixed on assignment and succession:

- 66% agreed that 'There are too many restrictions on succession to secure tenancies', while 15% disagreed
- 53% *disagreed* that 'It is currently easy to assign tenancies', while 19% *agreed*.

7.11 Availability of land to rent and rent levels were also acknowledged as challenges by the majority of respondents:

- 83% of respondents agreed that 'There is a lack of available land to rent', while only 6% disagreed
- 62% *disagreed* that 'Current rent levels encourage new entrants', while 17% *agreed*.

7.12 The remaining statements were concerned with broader aspects of the current tenant farming system:

- 84% agreed that ‘Uncertainty around the future of agricultural holdings legislation is detrimental to farming’; only 3% disagreed
- Three-quarters (77%) agreed that ‘Landlords and tenants should have more freedom to develop business contracts to progress new business interests’, while 7% disagreed
- 69% of respondents agreed that ‘It is difficult to invest on tenanted farms’, while 18% disagreed.

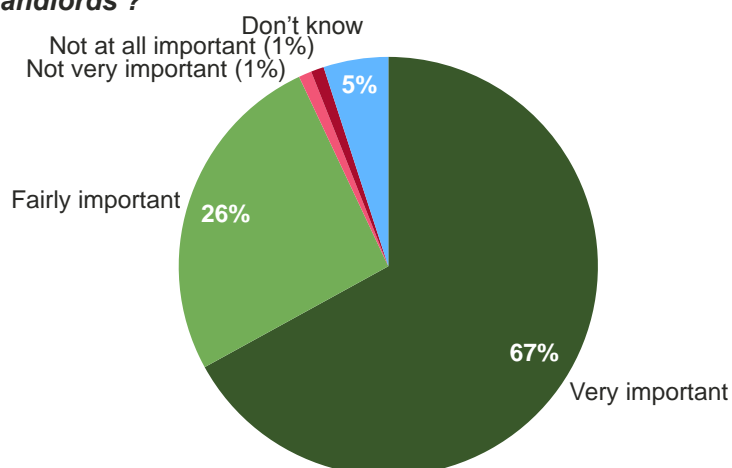
Factors shaping a good agricultural tenancy system

7.13 Respondents were presented with a number of factors and asked to rate how important or unimportant they felt each one was in relation to what a good agricultural tenancy system would mean to them.

7.14 Perhaps unsurprisingly, ‘Good business relationships between tenant farmers and landlords’, was rated as important by 93% of respondents (with 67% rating it as very important) (Figure 7.4).

Figure 7.4: Importance of issues around contractual arrangements

Q. Thinking about what a good agricultural tenancy system would mean to you, how important or unimportant are: ‘Good business relationships between tenant farmers and landlords’?



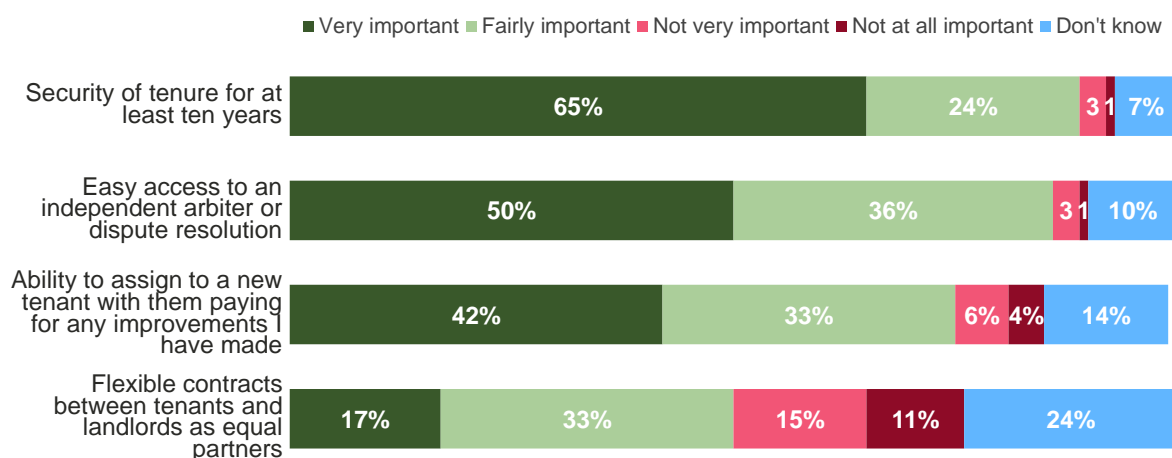
Base: All respondents who gave an answer (2,894)

Source: Ipsos MORI

7.15 Four statements concerned specific aspects of the contractual relationship between tenants and landlords, and are shown in Figure 7.5. Security of tenure for at least ten years was said to be important by 89% of respondents, including 65% who thought that it was very important. Only 4% overall thought that this was either not very or not at all important.

Figure 7.5: Importance of issues around contractual arrangements

Q. Thinking about what a good agricultural tenancy system would mean to you, how important or unimportant are the following features?



Base: All who gave an opinion on each statement (2,904; 2,884; 2,875; 2,843)

Source: Ipsos MORI

- 7.16 Easy access to an independent arbiter or dispute resolution measures was viewed as very important by half (50%) of respondents and as fairly important by a further 36%; again, only 4% saw this as not important. Respondents most likely to think that this is very important were those dissatisfied with their landlord (72%) and those who would definitely like to buy their tenancy (65%).

“The present system to settle rents through the land court is very expensive and most tenants will never go to land court so may have to pay rent more than they can afford. A better system of arbitration is needed that is far cheaper to both sides.”

- 7.17 Three-quarters (76%) of respondents were of the view that the ability to assign a tenancy to a new tenant, with the new tenant paying the outgoing tenant for any improvements they have made, was important (42% rated it as very important); 11% felt that this was not important.
- 7.18 In contrast, only half of respondents (50%) said that flexible contracts between tenants and landlords as equal partners, was an important factor, while a quarter (26%) thought that this was not important.
- 7.19 Three factors concerning rent reviews and rent increases were asked about and opinion was divided on these, as shown in Figure 7.6 below. A regular, independently-carried out, binding rent review was seen as important by 62% of respondents, and not important by 20%.
- 7.20 Fifty-five per cent said that rent agreed at the start of a tenancy that increases annually by inflation rather than by open negotiation was important, with a quarter (25%) saying that this was not important.
- 7.21 Opinion was most divided over whether the current rent review system is continued, with 41% saying that this is important, 31% not important, and 28%

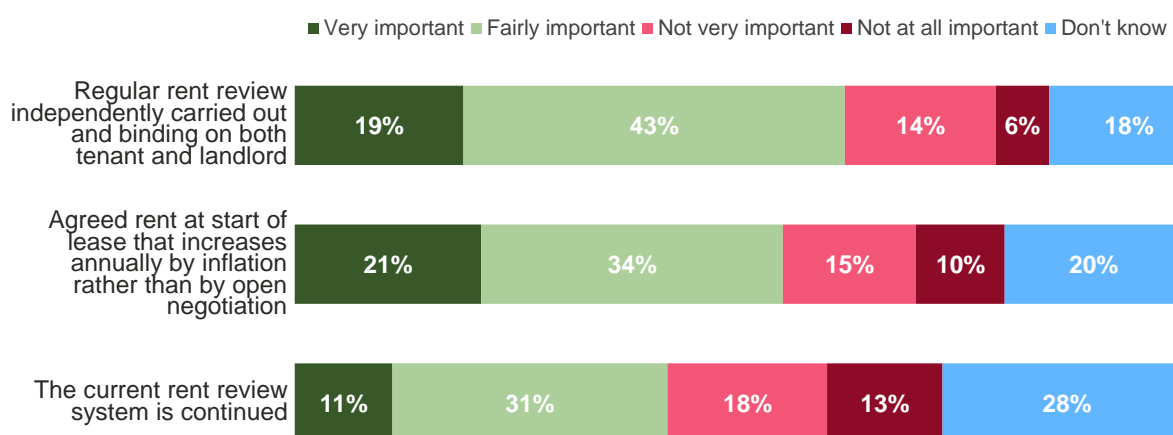
saying that they don't know. Respondents who are satisfied with their landlord (49%), and those who would definitely not like to buy their tenancy (48%), and respondents in the North East region (48%) were more likely than overall to view this as important. An illustration of respondent's views are given below.

“Tenant farming is open to however the landlord chooses to do his rent reviews, whether decent or brutal, this person can make the tenant farmers' life exceptionally stressful.”

“Rent reviews for tenants should be carried out by independent arbiters who are not estate agents.”

Figure 7.6: Importance of issues around rent review

Q. Thinking about what a good agricultural tenancy system would mean to you, how important or unimportant are the following features?



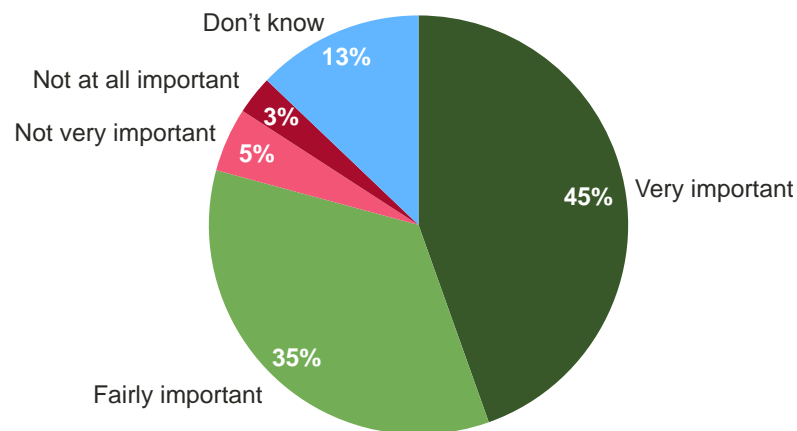
Base: All who gave an opinion on each statement (2,871; 2,881; 2,848)

Source: Ipsos MORI

7.22 Finally, respondents were asked about tax and subsidy measures. As shown in Figure 7.7, 79% of respondents thought that tax or subsidy measures that encourage landlords to release land for letting was important, with 45% saying that this was very important and 8% that it was not important. Respondents with arable farms (88%) and those with two or more landlords for leases of more than one year (87%) were more likely than overall (79%) to say that this was important. Those dissatisfied with their landlord (15%) and respondents who would definitely not like to buy their tenancy (12%) were more likely than overall to feel that this was not important.

Figure 7.7: Importance of tax or subsidy measures to encourage letting land

Q. Thinking about what a good agricultural tenancy system would mean to you, how important or unimportant are: 'Tax or subsidy measures that encourage landlords to release land for letting'?



Base: All respondents who gave an answer (2,882)

Source: Ipsos MORI

7.23 Two comments relating to new entrants are provided below.

"It is very important that farming has a vibrant and forward-looking approach. Young entrants by their very nature are generally vibrant and positive, which is a good job as they will still have to be focussed and determined to succeed in this very important industry. I don't think there are any easy answers with regards to ARTB. and succession in general. The overall hurdle is still generating sufficient income for investment, ongoing security and personal financial security."

"I have been farming on this holding for 9 years with no SFP or CFASS support and feel the whole system of new entrants and so called slipper farming is totally wrong and gives no incentive for young people to actively farm."

8 CONCLUSIONS

- 8.1 Agricultural land arrangements have long been contested in Scotland and agricultural holding legislation has attempted to steer a course that maintains a delicate balance between the interests of tenant farmers and those of landowners, as well as supporting the overall state of farming in Scotland.
- 8.2 While good relations between tenants and landlords was seen as very important for a good agricultural tenancy system by almost all respondents, current levels of satisfaction with landlords were mixed. While the majority of tenant farmers said that they are satisfied with their landlord, only around a third said that they are very satisfied and 15% said that they are either fairly or very dissatisfied. The longer that a tenancy had been held, the more likely that tenant farmers were to say they were dissatisfied with the relationship with their landlord.
- 8.3 The tenant farming sector is seen as an important route into farming for new entrants and there have been concerns about the decrease in the number of holdings that are tenanted over the last decade.
- 8.4 The survey results show clearly that tenant farmers in Scotland, as with farmers in general, are a relatively old population. Almost three-quarters of respondents were over 50 years old. Fewer than one in ten was under 40. Moreover, the survey also suggests that there are few new entrants into the sector at the moment. Only one in ten respondents said that they or their family had farmed their main tenancy for fewer than ten years.
- 8.5 One of the key measures being considered by the Agricultural Holdings Legislation Review Group is the introduction of an Absolute Right to Buy for Secure 1991 tenancies. The survey found that support for the Absolute Right to Buy is considerable but not universal. Although the majority of tenant farmers think that some form of the Absolute Right to Buy should be introduced, less than half think that it should be given to all Secure 1991 tenancies. Indeed, given that tenant farmers may gain from its introduction, that nearly a third (29%) of tenant farmers who responded do not think that the Absolute Right to Buy should be introduced for any Secure 1991 tenancies is considerable. Concerns were expressed about the effect of ARTB on the supply of rented land in the future.
- 8.6 The strongest predictor of support for ARTB for all Secure 1991 tenancies was tenants satisfaction with their landlords – the less satisfied they were with their landlord, the more likely that they would support ARTB.

APPENDIX 1 - QUESTIONNAIRE

SCOTTISH AGRICULTURAL TENANT FARMER SURVEY

BEFORE YOU FILL IN YOUR SURVEY PLEASE READ THE INFORMATION BELOW

The aim of this survey is to find out about your views and experiences as a tenant farmer in Scotland. Your views will inform Scottish Government policy development.

This questionnaire consists of 15 pages and should take no longer than 20 minutes to complete. There are 7 sections. Please fill in the questionnaire using **black or blue ink**.

Most questions require 'tick box' responses. Please read each question carefully and tick (✓) the box which comes closest to your views. **Please only tick one box for each question, unless asked to tick more than one box.** If it is difficult to choose, then tick the answer that best reflects your experience. Some questions include an 'other' option. If you would like to include an answer other than one of the options provided, please tick the 'other' box and write your answer in the space provided. **There is a section at the end for any additional comments. Please note, only comments on the form will be considered. Do not include extra pages.**

If you tick a box and want to change this, please score over your first answer and then tick your new answer in the box that applies.

Please answer all questions unless asked otherwise. Some questions will not apply to you. Where a question might not apply to you, you will be given instructions on what question to move onto next.

If you have both a croft and farmland do not include your croft land and activities when completing this survey.

Please be assured that confidentiality of your response will be maintained and that no personal details or individual responses will be disclosed to any third party.

When complete, please put your survey into the pre-paid envelope provided and return to Ipsos MORI by **Friday 7th February 2014. You do not need to add a stamp.** If you do not have a return envelope, please return your completed questionnaire to Freepost RSHS-TKHU-HRYJ, Tenant Farmer Survey, Ipsos MORI, Research Services House, Elmgrove Road, Harrow HA1 2QG. You do not need a stamp.

The Scottish Government wants to thank members of the Tenant Farming Forum Data Sub Group and their parent organisations (STFA, NFUS, SLE, SAAVA, RICS) for their help in developing this survey for the benefit of the industry.

If you need any help or have any questions, please contact David Myers on freephone 0808 238 5376 or email David.myers@ipsos.com.

ID number here

BARCODE HERE

Section 1: About you

Q1 Are you male or female?
PLEASE TICK ✓ ONE BOX ONLY

Male

Female

Q2 What age group are you in?
PLEASE TICK ✓ ONE BOX ONLY

Under 30

30-39

40-49

50-59

60-64

65-69

70 and
over

Q3 Do you have any long term illness, health problems or disability which limits your daily activities or the work you can do? Include problems which are due to old age.

PLEASE TICK ✓ ONE BOX ONLY

Yes

No

Q4 How many holdings do you farm? (Most farm businesses contain one holding but some businesses contain more)

PLEASE TICK ✓ ONE BOX ONLY

One

Two

Three

Four or more

Don't know

Q5 How many different landlords do you have for leases of more than 1 year?
PLEASE TICK ✓ ONE BOX ONLY

None

One

Two

Three

Four

Five or
more

Don't
know

Q6 What is the hectarage of the land you...
**PLEASE WRITE AMOUNTS IN EACH LINE. IF EXACT HECTARAGE ISN'T KNOWN
ROUGH ESTIMATES WILL DO**

a) ...rent-in on a lease of 1 year or more?

Hectares

b) ...rent-in as a seasonal let?

Hectares

c) ...own and farm yourself?

Hectares

d) ...own and rent-out on a lease of 1 year or more?

Hectares

e) ...own and rent-out as a seasonal let?

Hectares

Q7 How many Secure 1991 Tenancies do you rent-in? (If you are not sure, but a tenancy has been yours or a family members for a long time, it is probably a Secure 1991 tenancy).
PLEASE TICK ✓ ONE BOX ONLY

- | | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| None | One | Two | Three | Four | Five or more | Don't know |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q8 Roughly what proportion of your business is rented-in under a Secure 1991 Tenancy?
PLEASE TICK ✓ ONE BOX ONLY

- | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 0-25% | 26-50% | 51-75% | 76-99% | All of it | Don't know |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q9 How long have you or your family farmed on your main tenancy?
PLEASE TICK ✓ ONE BOX ONLY

- | | |
|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> 0-9 years | <input type="checkbox"/> 50-175 years |
| <input type="checkbox"/> 10-24 years | <input type="checkbox"/> 175+ years |
| <input type="checkbox"/> 25-49 years | <input type="checkbox"/> Unsure |

Q10 How much do you agree or disagree with these statements on why you rent-in land?
PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Strongly agree	Agree	Disagree	Strongly disagree	Unsure
a) Want to farm but I can't afford to buy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) No other land in my area is available to buy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Content to stay as I am on a tenanted farm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Renting until I buy a farm elsewhere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Renting until I take over a family farm elsewhere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Want to stay on our family farm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Own land but want flexible amount of additional land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 2: Change in land tenure over time

We would like you to think about your business and your main tenancy and how these may have changed since 2000 (We have chosen the year 2000 as we thought it was recent enough for most people to remember what had happened.) Some of the questions in this section ask about renting-in and contracting-in. By this we mean:

- Renting-in – when you lease land
- Contracting-in – when you farm the land under an arrangement with someone else, but do not either own the land or lease the land under a seasonal let or a secure agricultural tenancy

Q11 Were you farming on some or all of this land in 2000?
PLEASE TICK ✓ ONE BOX ONLY

- | | |
|------------------------------|-------------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> Don't know |
| <input type="checkbox"/> No | |

Q12 Was someone in your family farming on some or all of this land in 2000?

PLEASE TICK ✓ ONE BOX ONLY

Yes

Don't know

No

IF YOU ANSWERED NO TO BOTH Q11 AND Q12 PLEASE GO TO SECTION 3. IF YOU ANSWERED YES TO Q11 OR Q12 PLEASE COMPLETE THE FOLLOWING QUESTIONS

Q13 Compared to 2000, is the hectarage of your business now....

PLEASE TICK ✓ ONE BOX ONLY

A lot larger (more than 40% bigger)

Smaller than in 2000

Larger than in 2000

A lot smaller (more than 40% smaller)

The same size as now

Don't know/not applicable

Q14a Including seasonal lets, compared to 2000, do you **rent-in** more land, rent-in less land, or rent-in the same amount of land?

PLEASE TICK ✓ ONE BOX ONLY

Rent-in more land

Rent-in the same amount of land

Rent-in less land

Don't know/not applicable

Q14b Compared to 2000, do you **contract-in** more land, contract-in less land, or contract-in the same amount of land?

PLEASE TICK ✓ ONE BOX ONLY

Contract-in more land

Contract-in the same amount of land

Contract-in less land

Don't know/not applicable

Q14c Compared to 2000, do you **own** more land, own less land, or own the same amount of land?

PLEASE TICK ✓ ONE BOX ONLY

Own more land

Own the same amount of land

Own less land

Don't know/not applicable

Q14d Including seasonal lets, compared to 2000, do you **rent-out** more land, rent-out less land, or rent-out the same amount of land?

PLEASE TICK ✓ ONE BOX ONLY

Rent-out more land

Rent-out the same amount of land

Rent-out less land

Don't know/not applicable

Q14e Compared to 2000, do you **contract-out** more land, contract-out less land, or contract-out the same amount of land?

PLEASE TICK ✓ ONE BOX ONLY

Contract-out more land

Contract-out the same amount of land

Contract-out less land

Don't know/not applicable

+

Q15

ONLY ANSWER THIS QUESTION IF YOU HAVE INCREASED THE HECTARAGE OF YOUR BUSINESS SINCE 2000 (SEE QUESTION 13). IF YOU HAVE DECREASED THE HECTARAGE SINCE 2000 PLEASE GO TO Q18

What were your reasons for increasing the hectarage of your business?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

- | | Yes | No | Don't know/ not applicable |
|---|--------------------------|--------------------------|----------------------------|
| a) To increase production of existing enterprises | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Diversifying into other agricultural enterprises | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Diversifying into other non-agricultural enterprises | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Providing for my family members to build a farm unit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Chance availability of land nearby | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f) To maintain current financial position | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Relocating enterprises to activate CAP entitlements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h) Other, please write in below | <input type="checkbox"/> | | |

Q16

ONLY ANSWER THIS QUESTION IF YOU HAVE INCREASED THE HECTARAGE OF YOUR BUSINESS SINCE 2000 (SEE QUESTION 13)

When you increased the hectarage of your business did you buy the land, rent the land or inherit the land?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

- | | Yes | No |
|---------------------------------|--------------------------|--------------------------|
| a) Bought | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Rented | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Inherited a tenancy | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Inherited an owned farm/land | <input type="checkbox"/> | <input type="checkbox"/> |

Q17

ONLY ANSWER THIS QUESTION IF YOU HAVE INCREASED THE HECTARAGE OF YOUR BUSINESS SINCE 2000 (SEE QUESTION 13)

What was the biggest challenge in increasing the hectarage of your farm business?

PLEASE TICK ✓ ONE BOX ONLY

- | | |
|--|---|
| <input type="checkbox"/> Cost of land to buy or rent | <input type="checkbox"/> Ability to raise funds |
| <input type="checkbox"/> Supply of land to buy or rent | <input type="checkbox"/> Gaining business partnership/ family agreement |
| <input type="checkbox"/> Other, please write in below | |

Q18

ONLY ANSWER THIS QUESTION IF YOU HAVE DECREASED THE HECTARAGE OF YOUR BUSINESS SINCE 2000 (SEE QUESTION 13)

What were your reasons for decreasing the hectarage of your business?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Yes	No	Don't know/ not applicable
a) No eligible successor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Getting older so wanted something easier to work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Diversifying into other agricultural enterprises that required less land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Diversifying into other non-agricultural enterprises that required less land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Tenancy not renewed by landlord	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Sold land to release capital for other uses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Other, please write in below	<input type="checkbox"/>		

Section 3: Views on the future of farming in Scotland

These questions ask about your views and aspirations for the future of your farm, for agricultural tenancies and for the Scottish farming industry in general.

Q19

EVERYONE PLEASE ANSWER THIS QUESTION.

In 5 years, do you plan that your farm business will be...

PLEASE TICK ✓ ONE BOX ONLY

- | | |
|---|---|
| <input type="checkbox"/> ...a lot larger (more than 40%) bigger | <input type="checkbox"/> ...smaller than now |
| <input type="checkbox"/> ...larger than now | <input type="checkbox"/> ...a lot smaller (more than 40% smaller) |
| <input type="checkbox"/> ...the same size as now | <input type="checkbox"/> ...will no longer be my responsibility |
| <input type="checkbox"/> ...don't know/not applicable | |

Q20

ONLY ANSWER THIS QUESTION IF YOU PLAN TO INCREASE YOUR HECTARAGE

What do you think will be the biggest challenge in increasing the hectarage of your farm business?

PLEASE TICK ✓ ONE BOX ONLY

- | | |
|--|---|
| <input type="checkbox"/> Cost of land to buy or rent | <input type="checkbox"/> Ability to raise funds |
| <input type="checkbox"/> Supply of land to buy or rent | <input type="checkbox"/> Gaining business partners/family agreement |
| <input type="checkbox"/> Other, please write in below | |

Q21 ONLY ANSWER THIS QUESTION IF YOU OWN FARMLAND WHICH YOU DON'T RENT OUT

Would you consider renting it out in the future?

PLEASE TICK ✓ ONE BOX ONLY

- Yes
- No
- Don't know/Don't own any farmland

Q22 ANSWER THIS QUESTION IF YOU ANSWERED YES TO Q21

What type of lease(s) or arrangement(s) would you prefer to use?

PLEASE TICK ✓ ALL THAT APPLY

- Grass lets
- Limited Duration Tenancy (LDT)
- Secure tenancy
- Not applicable
- Contract Farming
- Short Limited Duration Tenancy (SLDT)
- New Partnership arrangement
- Don't know

Q23 ANSWER THIS QUESTION IF YOU ANSWERED NO TO Q21

What might encourage you to rent out land in the future?

PLEASE WRITE IN THE BOX BELOW (MAX OF 3 IDEAS)

Q24 Thinking about farming in Scotland, to what extent do you agree or disagree with each of the following statements?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Strongly agree	Agree	Disagree	Strongly disagree	Unsure/ Don't know
a) Farmers are able to make an adequate living from agriculture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) It is important for farm businesses to own land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Renting requires less capital which gives businesses more flexibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Contract farming will be a useful part of the industry for a long time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Measures should be put in place to increase the area of let land in Scotland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) The number of tenancies should be increased in Scotland in the future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) The current tax regime does not encourage a vibrant agricultural sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) The industry struggles to attract new entrants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q25 Now thinking about the challenges facing the tenant farming sector at the moment, to what extent do you agree or disagree with each of the following statements?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Strongly agree	Agree	Disagree	Strongly disagree	Unsure/ Don't know
a) There is a lack of land available to rent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) There are too many restrictions on succession to secure tenancies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) It is currently easy to assign tenancies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Current rent levels encourage new tenants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) It is difficult to invest on tenanted farms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) It is important that tenant farmers can pass on a viable business to a family member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Landlords and tenants should have more freedom to develop business contracts to progress new business interests	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Uncertainty around the future of agricultural holdings legislation is detrimental to farming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q26 Now thinking about what a good agricultural tenancy system would mean to you, how important or unimportant are the following features?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Very important	Fairly important	Not very important	Not at all important	Unsure/ Don't know
a) Flexible contracts between tenants and landlords as equal partners, sharing risks and profits and losses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Security of tenure for at least 10 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Tax or subsidy measures that encourage landlords to release land for letting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Agreed rent at start of lease that increases annually by inflation rather than by open negotiation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Regular rent review independently carried out and binding on both tenant and landlord	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) That the current rent review system is continued	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Good business relationships between tenant farmers and landlords	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Ability to assign a tenancy to a new tenant with them paying me for the improvements I have made	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Easy access to independent arbiter or dispute resolution measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 4: Tenants and landlords

This section asks you about your landlord.

Q27 How satisfied or dissatisfied are you with your current landlord? (If you have more than one landlord, answer in relation to the lease with the largest hectareage.)

PLEASE TICK ✓ ONE BOX ONLY

- Very satisfied
- Fairly satisfied
- Neither satisfied nor dissatisfied
- Fairly dissatisfied
- Very dissatisfied
- Don't know

Q28 Thinking about your landlord, to what extent do you agree or disagree with each of the following statements? (Again, if you have more than one landlord, answer in relation to the lease with the largest hectareage.)

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Strongly agree	Agree	Disagree	Strongly disagree	Unsure/ Don't know
a) My landlord discourages me from diversifying	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) I have a good working relationship with my landlord	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) I have felt pressurised to agree to rent increases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) My landlord encourages my business operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) My landlord deals quickly with problems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) My landlord regularly objects to my notices of improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) I am able to resolve disputes with my landlord	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 5: Views on Absolute Right to Buy (ARTB)

In 2013 The Cabinet Secretary for Rural Affairs announced that a Review Group would be set up to examine issues around agricultural holdings legislation, including the Absolute Right To Buy for tenant farmers to buy their tenanted land. In order to inform the work of the Review Group, this section asks about your views on the Absolute Right To Buy.

Q29 Which of the following statements comes closest to your view on the Absolute Right to Buy (ARTB)?

PLEASE TICK ✓ ONE BOX ONLY

- All tenant farmers with a traditional secure 1991 tenancy should be offered the ARTB
- Certain categories of tenant farmers with a traditional secure 1991 tenancy should be offered the ARTB
- No tenant farmers should be offered the ARTB

Q30 Please briefly explain your answer to Q29 above.

PLEASE WRITE IN THE BOX BELOW

Q31 Thinking about the Absolute Right To Buy, (ARTB) to what extent do you agree or disagree with each of the following statements? Introducing an Absolute Right To Buy would...

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Strongly agree	Agree	Disagree	Strongly disagree	Unsure/ Don't know
a) ...give farmers more control over business decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) ...lead to more investment in land/farms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) ...expose farmers to higher debt levels	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) ...give farmers greater financial security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) ...make it easier to pass on land/farm through generations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) ...increase farmers financial risk of negative equity if land prices fall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) ...allow farmers to sell land to release assets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) ...make it more difficult for new entrants to rent land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) ...discourage landowners from renting out land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q32

If Absolute Right To Buy (ARTB) was introduced, in principle, would you like to buy your tenancy?

PLEASE TICK ✓ ONE BOX ONLY

- Yes definitely
- Yes possibly
- Probably not
- Definitely not
- Don't know/ Not applicable

Q33

If Absolute Right To Buy (ARTB) was introduced, how do you think the land should be valued?

PLEASE TICK ✓ ONE BOX ONLY

- Sitting tenant value** – the value of the land where it is sold to the sitting tenant (with the landlord and tenant negotiating willingly)
- Vacant possession value** – the value of the land where it is sold to a third party without any tenancy arrangements in place
- Investment value** – the value of the land where it is sold to a third party with the tenancy arrangements remaining in place
- Don't know

Q34

How confident are you that you can afford to buy your 1991 agricultural tenancy ?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Very confident	Fairly confident	Not very confident	Not at all confident	Don't know/ Not applicable
a) ...if the land was sold at sitting tenant value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) ...if the land was sold at vacant possession value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) ...if the land was sold at investment value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q35

Would you have to release land or business assets to help you buy the tenancy?

PLEASE TICK ✓ ONE BOX ONLY

- Yes
- No
- Don't know/Not applicable

Q36

If you bought your tenancy what would be the effect on the future level of investment in your business?

PLEASE TICK ✓ ONE BOX ONLY

- It would increase
- It would decrease
- It would be maintained
- Don't know

Section 6: Planning, Succession, Assignment and Retirement

This section asks you about your planning for your future and the future of your farm.

Q37 Do you own (either with or without a mortgage) a house(s)...

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

- | | Yes | No |
|--|--------------------------|--------------------------|
| a) ...on the land covered by the business? | <input type="checkbox"/> | <input type="checkbox"/> |
| b)elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> |

Q38 Which of the following best describes your current role?

PLEASE TICK ✓ ONE BOX ONLY

- I am the named tenant but the farm is managed by someone else
- I am solely responsible for the financial management of the farm only
- I am solely responsible for both financial and operational management of the farm but am not always actively involved on a day- to- day basis
- I am solely responsible for all decisions and actively involved in the day to day running of the farm
- We work as a family partnership where I have an equal stake with others

Q39 Have you undertaken any long term business planning...

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

- | | Yes | No | Don't know/ not applicable |
|----------------------------------|--------------------------|--------------------------|----------------------------|
| a) ...on your own? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b)with professional advice? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q40 Do you currently have an eligible successor? (Eligible successor is defined as a surviving spouse, civil law partner or a natural or adopted child or grandchild who has active farming experience or training and is of good character and has adequate finances)

PLEASE TICK ✓ ONE BOX ONLY

- Yes
- No
- Don't know/Not applicable

ANSWER THIS QUESTION ONLY IF YOU HAVE AN ELIGIBLE SUCCESSOR.

Q41 Is your eligible successor willing to take on your tenancy/tenancies?

PLEASE TICK ✓ ONE BOX ONLY

- | | |
|--|---|
| <input type="checkbox"/> Yes – all | <input type="checkbox"/> Yes – some |
| <input type="checkbox"/> No | <input type="checkbox"/> Not been discussed |
| <input type="checkbox"/> Don't know/Not applicable | |

ALL PLEASE ANSWER

Q42 Do you have another person, who is not an eligible successor as defined above, that is actively involved in farming and would like to succeed or be assigned to your tenancy?

PLEASE TICK ✓ ONE BOX ONLY

- Yes
 No
 Don't know/Not applicable

IF YES, Are they a...?

Q43 **PLEASE TICK ✓ ALL THAT APPLY**

- | | |
|--|--|
| <input type="checkbox"/> Sibling | <input type="checkbox"/> Current Farm worker |
| <input type="checkbox"/> Niece/nephew | <input type="checkbox"/> Friend who currently runs your farm or another farm |
| <input type="checkbox"/> Cousin | <input type="checkbox"/> New entrant |
| <input type="checkbox"/> Neighbour or neighbour family | |

ALL PLEASE ANSWER

Q44 Are you making pension provision for the future?

PLEASE TICK ✓ ALL THAT APPLY

- | | |
|--|--|
| <input type="checkbox"/> Yes – off farm investment (private pension) | <input type="checkbox"/> Yes – on farm investment (herd/stock) |
| <input type="checkbox"/> Yes – off farm investment (property) | <input type="checkbox"/> Yes - general savings |
| <input type="checkbox"/> Yes – off farm investment (stocks and shares) | |
| <input type="checkbox"/> No | |
| <input type="checkbox"/> Don't know | |

Q45 At what age do you expect to retire from working on the farm or hand over the farm ?

PLEASE TICK ✓ ONE BOX ONLY

- 60 or younger
- 61-65
- 66-70
- 71 or older
- Never
- Don't know

Q46 Which of the factors below do you think might stop you being able to retire or from handing over the farm when you want to?

PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

	Yes	No	Don't know/ not applicable
a) No market for this land	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) My house is part of the rented holding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Lack of pension/finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Wouldn't have anything else to do	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Would never want to stop farming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Other, please specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 7: Other comments

This final section is for any comments or suggestions you would like to make. Please note that we may publish some of these in the report. Your responses are anonymous – we may use what you say in our report but no feedback would be attributed to an individual.

Q47 Please use this space to give any information not covered in the survey that you think is important to the future of A VIBRANT farming sector in Scotland.

PLEASE WRITE IN BELOW

End of the survey

Thank you for taking the time to complete this survey. Your views will remain anonymous and the data you give us will only be used for this project.

We will publish the findings from our survey on the Scottish Government website.

In the meantime, if you have any comments or suggestions please contact David Myers on 0808 238 5376 or email David.Myers@ipsos.com

This document, along with full research report of the project, and further information about social and policy research commissioned and published on behalf of the Scottish Government, can be viewed on the Internet at: <http://www.scotland.gov.uk/socialresearch>. If you have any further queries about social research, please contact us at socialresearch@scotland.gsi.gov.uk or on 0131-244 2111.

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