Agriculture, Fisheries and Rural Affairs

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Riaghaltas na h-Alba

Survey of the Views of Owner Occupier Farmers on Current Issues for Tenant Farming

social research

SURVEY OF OWNER OCCUPIER FARMERS

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The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

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EXECUTIVE SUMMARY

Introduction and methodology

A Ministerial led review of the Agricultural Holdings legislation is being carried out by the Agricultural Holdings Legislation Review Group (AHLRG). As part of this review, the Scottish Government commissioned Ipsos MORI to carry out a survey of farmers who own their land, in order to better understand their future intentions and views on renting-out land.

The survey is part of a series of studies being conducted on behalf of the Scottish Government to support the development of agricultural policy and regulation and covers the following topics:

- the current level and types of agricultural land owned in Scotland
- changes in land tenure since 2000
- agricultural owner occupiers' views on renting-out agricultural land
- the likelihood of agricultural owner occupiers renting-out land in the future
- agricultural owner occupiers' views on the future of the farming sector in Scotland
- agricultural owner occupiers' views on the Absolute Right to Buy

A total of 337 surveys were completed by post. This represents an overall response rate of 12%. Results were weighted by regional location and size of farm.

Agricultural owner occupiers and the land they own

The average hectarage of land owned by respondents was 142 hectares. Respondents were more likely to farm one holding in hand (70%), while 8% farmed two holdings or more. Twenty one per cent of respondents said that they did not farm any holdings in-hand. This may be because owner occupiers did not understand the question or they are owner occupiers of unmanaged hill ground etc.

Most respondents (84%) were actively involved in the management of their business, including farming activities, land based industries and other diversified enterprises. Ten per cent said that they were kept informed of the financial outputs of the business, while 6% oversaw the management of the business.

The majority of families or businesses (87%) had taken over ownership of their estate or holding since 1945, with 38% having taken over ownership since 1998 or after.

More than a half of respondents (56%) were aged over 60, with a quarter aged over 70 (27%). Fifty four per cent had a successor in mind for their business, with 52% planning to pass on their business to a family member, while 18% did not have a successor in mind and were planning to sell their business when they retired.

Changes in land tenure over time

The majority of respondents (77%) owned the same amount of land now as in 2000. Of those whose land had changed in size since 2000, it was more likely that their hectarage had decreased than increased, with 17% saying that their land was smaller than in 2000 compared to 6% who said that their land had increased during this time. The hectarage of land owned was more likely to have decreased in size by selling the land to another party (not a farmer) or by selling land to a neighbouring farm within a 10 mile radius (13% and 4% respectively).

Most respondents said that they did not contract out or in any agricultural land (88% and 86% respectively). Of those who did contract out agricultural land, 9% contracted out the same amount of land compared to 2000, 2% contracted out more land and 1% contracted out less land. Of those who contracted in agricultural land, 10% contracted in the same amount of agricultural land compared to 2000, 1% contracted in more land and 3% contracted in less land.

Absolute Right to Buy (ARtB)

Around a quarter of respondents (24%) said that all tenant farmers should be offered the ARtB with a further 22% saying that certain tenant farmers should be offered the ARtB. Less than half (44%) of respondents said that no tenant farmers should be offered the ARtB.

Similar proportions thought that if ARtB were to be introduced that the land should be valued at either vacant possession value or sitting tenant value (30% and 29% respectively). Five per cent thought that the land should be valued at investment value while 38% said that they did not know how the land should be valued.

When presented with a series of statements on the possible implications of the ARtB, the majority of respondents thought that its introduction would discourage landowners from renting-out land, make it more difficult for new entrants to rent land and increase farmers' financial risk of negative equity (63%, 56% and 56% respectively).

Respondents who thought that no farmers should be offered the ARtB had more negative opinions over its potential introduction. Seventy nine per cent of this group thought that the introduction of ARtB would discourage landowners from renting-out land (compared to 63% overall) and 68% thought that it would make it more difficult for new entrants to rent land (compared to 56% overall).

Future of Owner Occupiers' Land and the Farming Sector

In terms of attitudes towards renting out land, four out of five respondents (80%) said that it was unlikely that they would rent out land in the future, with 46% saying that it was not at all likely. However, one in ten (10%) said that it was likely that they'd rent out land in the future, with 2% saying that it was very likely. The types of arrangements that respondents were more likely to use to rent out land in the future were seasonal lets and informal agreements with neighbours (35% and 29% respectively). Five per cent of respondents said it was likely that they would use secure tenancies.

Some of the main reasons respondents did not rent-out land at present were: they needed all the land for their own business; they wanted to pass the land onto a family member; and uncertainty around future legislative change (76%, 66% and 61% respectively).

Financial incentives, less bureaucracy and more rights for landowners would make respondents more likely to rent-out land (43%, 42% and 42% respectively). Thirty four per cent of respondents said that being certain ARtB would not be introduced would make them more likely to rent-out land.

Respondents were presented with a series of statements concerning the challenges facing the farming sector in Scotland at the moment. Sixty six per cent of respondents agreed that 'Uncertainty around the future of agricultural legislation is detrimental to farming' and 58% agreed that 'Landlords and tenants should have more freedom to develop business contracts to progress new business interests'. Only 11% agreed that 'Current rent levels encourage new entrants'.

1 INTRODUCTION AND METHODOLOGY

Background

1.1 The Scottish Government commissioned Ipsos MORI to carry out a survey of farmers who neither rent-out nor rent-in agricultural land. The aim of the research was to assess the nature of agricultural land ownership and to identify and assess the future intentions of agricultural owner occupiers and their views on renting-out land. This included an examination of the proposal to grant tenant farmers with agricultural tenancies secured under the 1991 Act, the Absolute Right to Buy (ARtB).

1.2 The survey measured: details of agricultural owner occupiers' businesses; the current level and types of agricultural land owned in Scotland; changes in land tenure since 2000; views on renting-out agricultural land and the likelihood of renting-out land in the future; views on the future of the farming sector in Scotland; and views on the Absolute Right to Buy.

1.3 The research will support the Ministerial led review of the Agricultural Holdings legislation that is being carried out by the Agricultural Holdings Legislation Review Group (AHLRG).

1.4 It is part of a series of studies being conducted on behalf of the Scottish Government to support the development of agricultural policy and regulation. Separate surveys of tenant farmers and agricultural landlords providing evidence on similar and additional issues have also been conducted.

Methodology

1.5 A self-completion survey was sent by post to a sample of 3,000 landowners who do not rent-out or rent-in agricultural land in Scotland: that is owner occupier farmers. All farmers who were known to rent-out or rent-in land had been included in previous surveys, so a dataset was compiled of the remaining farmers. From this a random sample was taken, stratified by region and size of farm. Recipients were asked not to return the form if they had somehow been included in either the tenant or the landlord survey.

1.6 A small number of farmers reported that they had already completed the Tenant Farmer survey or the Agricultural Landowner survey that covers similar issues. These people were advised to not complete the survey.

1.7 In some cases, the survey will have been completed by a family member, representative of the landowner/company, or employee such as an estate manager, factor or land agent. Certain questions were asked only of specific groups of owner occupier farmers, such as individual business owners, family businesses and partnerships. It is possible that in a small number of cases, these questions have been answered in error. Occasions where this may have occurred have been footnoted in the report.

1.8 Fieldwork took place between 11 June and 9 July 2014. (The questionnaire is provided in Appendix 1.)

1.9 A total of 95 questionnaires were returned as undeliverable or considered out of scope for some other reason such as the recipient being a crofter. A total of 337 surveys were completed, giving an overall final response rate of 12%.

1.10 Results were weighted to reflect the distribution of owner occupier farmers by regional location and size of farm according to the Agricultural Census.

1.11 Table 1.1 shows the unweighted and weighted number of respondents by broad geographical area. Response rates were lowest in the North West (7%) but broadly similar across the other areas.

Table 1.1: Respondents by area

	North East	North West	South East	South West
Total population	486	1,270	478	766
Percentage	16%	42%	16%	26%
Unweighted total of completed surveys	69	92	70	106
Unweighted Percentage	20.5%	27.3%	20.8%	31.5%
Weighted total of completed surveys	54	142	54	106
Response rate	14%	7%	15%	14%

1.12 Table 1.2 shows the spread of respondents by size of farm. Response rates were highest among owner occupiers of farms over 100 hectares in size (19%).

Table 1.2: Respondents by type of farm

	<1ha	1-<2ha	2-<5ha	5-<10ha	10-<20ha	20-<50ha	50-<100ha	100+ha
Total population	256	406	742	408	313	320	226	329
Percentage	8.5%	13.5%	24.7%	13.6%	10.4%	10.6%	7.5%	10.9%
Unweighted total of completed surveys	23	31	79	41	29	38	34	62
Unweighted Percentage	6.8%	9.2%	23.4%	12.2%	8.6%	11.3%	10.1%	18.4%
Weighted total of completed surveys	28	45	83	47	33	37	27	37
Response rate	9%	8%	11%	10%	12%	12%	15%	19%

1.13 The survey findings are subject to sampling tolerances, meaning 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.

1.14 Where respondents have left a question blank, these have been excluded from the base. Where percentages do not sum to 100%, this may be due to rounding or where multiple answers were allowed.

2 AGRICULTURAL OWNER OCCUPIERS AND THE LAND THEY OWN

Summary

1. The majority of respondents owned 500 hectares or less of agricultural land, with a quarter owning fewer than 80 hectares. The median size of agricultural land holdings was 142 hectares.

2. Respondents were most likely to farm one holding in-hand. One in five did not farm any holdings in-hand.

3. Half of respondents were aged over 60 years, with a quarter aged over 70.

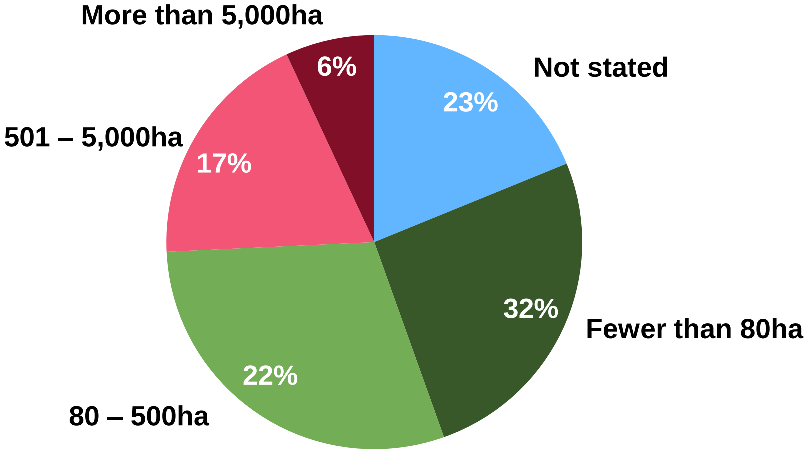
Land owned by agricultural landowners

2.1 In order to determine the size of their businesses, respondents were asked about the amount of land they owned, how many holdings they farmed in hand and how many people their business employed, both full time and part time.

2.2 Respondents were asked to provide details about the total amount of rural land they owned, which was a sum of agricultural land and *non-agricultural* land (including forestry).

2.3 As shown in Figure 2.1, the majority of respondents owned 500 hectares or less of rural land (54%), with 32% owning fewer than 80 hectares. Just less than a quarter of respondents owned more than 500 hectares of rural land (23%), with 6% owning more than 5,000 hectares. Twenty three per cent of respondents did not give a figure for the land they owned.

Figure 2.1: Total hectarage of rural land owned



Base: All respondents (337)

Source: Ipsos MORI

2.4 It should be noted that estimations of the median average size of land owned are not straightforward and there is some uncertainly around these results. This relates to how blank responses are interpreted. A blank response is normally assumed to mean that no land is held in this way as respondents tend not to complete questions that they assume are not relevant to them. However, 23% of respondents did not give a valid response to any of the questions on hectarage[1]. When calculating the median size of land owned, zero and blank responses have been excluded.

2.5 Excluding respondents who did not report any hectarage, the median amount of rural land owned was 166 hectares.

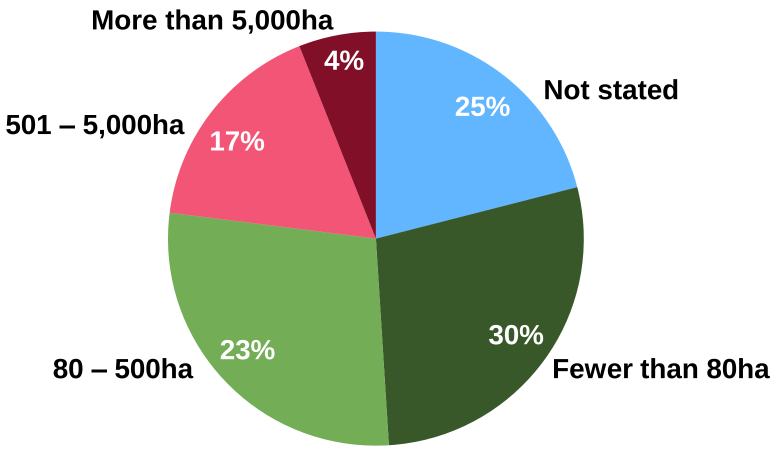
2.6 The figures shown in Figure 2.1 include *non-agricultural* land owned such as forestry. However, the majority of respondents said that they did not own any non-agricultural land or did not indicate how much they owned (67%). Of the respondents who did provide a figure, the majority (62%) owned fewer than 80 hectares of non-agricultural land. The median size of non-agricultural land owned was 46 hectares.

2.7 In terms of the amount of *agricultural* land owned (rural land excluding non-agricultural land such as forestry) the majority of respondents indicated that they owned 500 hectares or less of rural land (53%), with 30% owning fewer than 80 hectares. Less than a quarter of respondents said they owned more than 500 hectares of rural land (21%), with 4% owning more than 5,000 hectares. Twenty five per cent of respondents did not give a figure for the amount of agricultural land they owned.

[1] This may be because the respondent did not know, preferred not to say, or for some other reason.

2.8 The median size of agricultural land owned by respondents was 142 hectares[2].

Figure 2.2: Total hectarage of agricultural land owned



Base: All respondents (337) Source: Ipsos MORI

Land farmed in hand

2.9 Respondents were asked how many separate holdings (defined by different County/Parish/Holding (CPH) numbers) they farmed in-hand in Scotland at present (including contract farming) and how many people their business employed on a full time and part time basis.

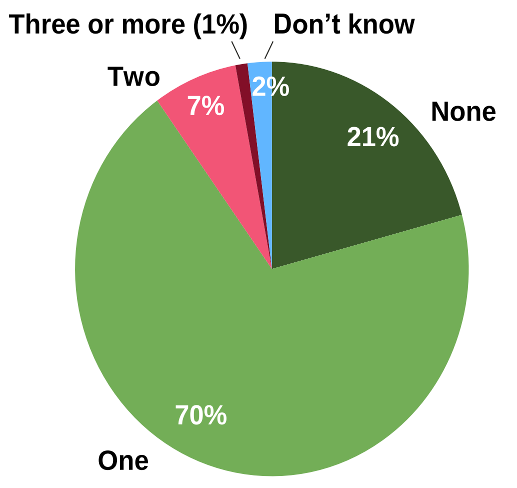
2.10 The majority of businesses (70%) farmed one holding, 7% farmed two holdings while less than 1% farmed three or more. Twenty one per cent stated that they did not farm any holdings in-hand at present[3], presumably because they had unmanaged farm-land, and 2% did not know (Figure 2.3).

[2] In comparison, the amount of land owned by agricultural *landlords* was 715 hectares. The median size of tenant farmers' business holdings was 390 hectares. (See: *Renting-Out Agricultural Land in Scotland Survey 2014 and Survey of Agricultural Tenant Farmers 2014*.)

[3] The 21% who said that they do not farm any holdings at present are more likely to be smaller holdings of less than 500 hectares. Those actively involved in the management of the business are less likely to say no holdings are farmed than those who are just kept informed of the financial outputs. (13% compared to 30%).

Figure 2.3: Number of holdings farmed in-hand

Q. Including contract farming, how many holdings (with different CPH numbers) do you farm in-hand at the present time in Scotland?



Base: All respondents who gave an answer (286) Source: Ipsos MORI

2.11 In terms of employees, 46% of respondents reported that they employed at least one person either full time or part time, while 54% did not have any employees (or did not indicate the number of employees). Respondents were more likely to have part time employees than full time employees, with 35% saying they employed at least one part time employee and 19% saying that they employed at least one full time employee.

2.12 In terms of full time employees, 10% had one full time employee, 7% had two full time employees and 3% had more than three full time employees. Of those who had part time employees, 21% had one part time employee, 12% had 2 part time employees and 2% had more than three part time employees.

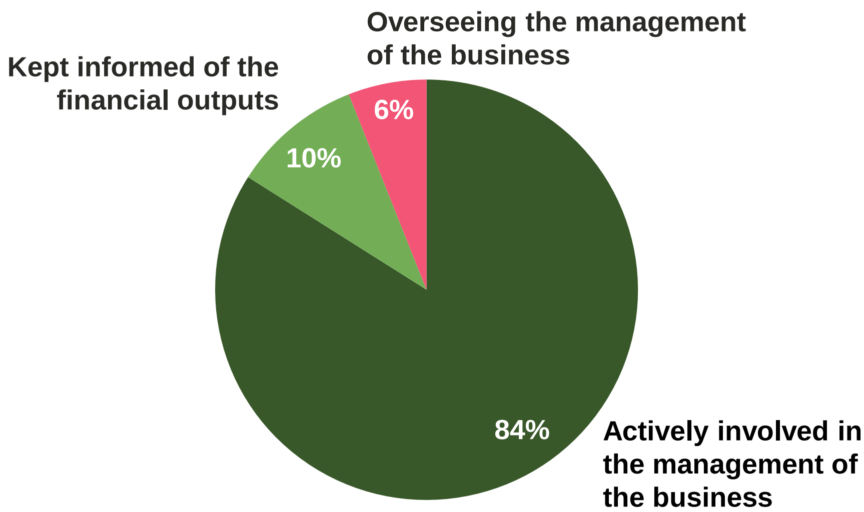
Characteristics of landowners

2.13 Respondents were asked about their role in the farming business, when they had taken over ownership/interest in their farm and about their plans for retirement.

2.14 As shown in Figure 2.4, 84% of respondents who provided an answer were actively involved in the management of the business, including farming activities, land based industries and other diversified enterprises. Ten per cent said that they were kept informed of the financial outputs of the business, while 6% oversaw the management of the business.

Figure 2.4: Role in the business

Q. Which of these best describes your role in the business?



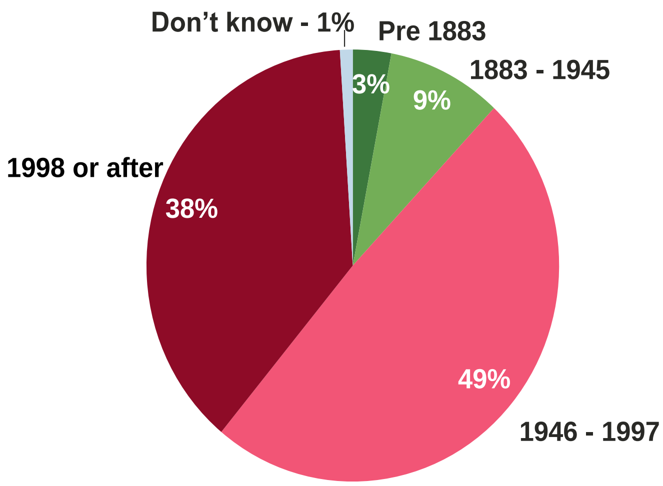
Base: All respondents who gave an answer (252) Source: Ipsos MORI

2.15 The majority of respondents, or their family or company, had taken over ownership of/interest in their estate or holding since 1945 (87%), with 38% taking over ownership from 1998 or after. Twelve per cent had taken over ownership before 1946, with 9% taking over between 1883 and 1945 and 3% having done so before 1883 (Figure 2.5).[4]

[4] In comparison, 59% of agricultural landlords said that they had taken over ownership after 1945, with 17% from 1998 or after. Thirty eight per cent had taken over ownership before 1946, with 22% taking over between 1883 and 16% having done so before 1883. (See: *Renting-Out Agricultural Land in Scotland Survey 2014).*

Figure 2.5: Length of ownership/interest in the estate or holding

Q. Approximately when did you/your family/company take over ownership/interest in the estate or holding, regardless of any business structure changes?



Base: All respondents who gave an answer (287) Source: Ipsos MORI

2.16 In cases where land was owned by an individual, family business or a partnership, respondents were asked to provide details of their gender, age, health and their plans for retirement[5].

2.17 Three out of four respondents were male (74%).

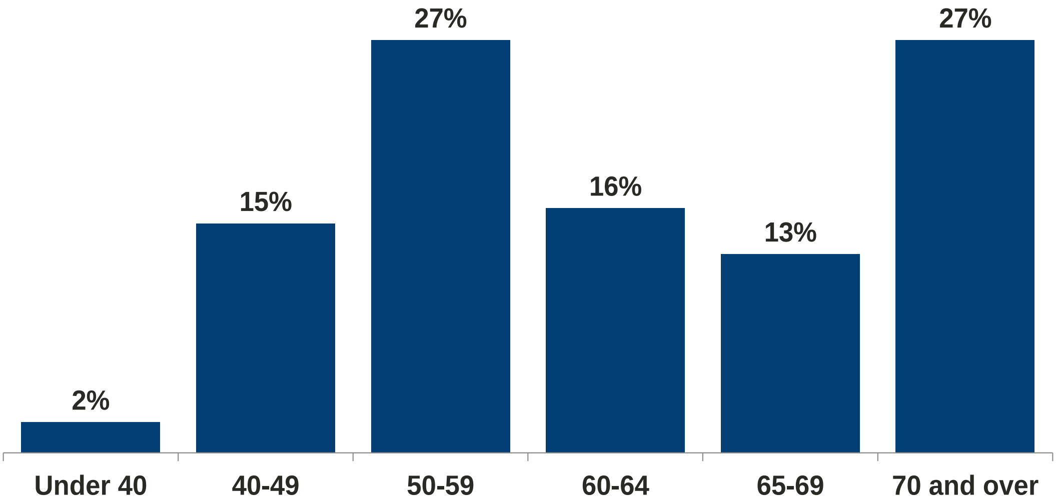
2.18 As shown in Figure 2.6, the majority of respondents were aged over 60 (56%), with a quarter aged over 70 (27%). A quarter of respondents were aged 50 to 59 (27%). Around one in five (17%) were aged 49 or younger.[6]

[5] It should be noted that although individuals, family businesses and partnerships only were asked to complete these questions there may be cases where people from outside these groups gave answers.

[6] In comparison, 18% of agricultural landlords were aged below 50, while 26% of tenants farmers were aged below 50. (See: *Renting-Out Agricultural Land In Scotland Survey 2014 and Survey of Agricultural Tenant Farmers 2014*.)

Figure 2.6: Age of respondents

Q. What age group are you in?



Base: All respondents who gave an answer (279)

Source: Ipsos MORI

2.19 Male respondents were more likely to be older than female respondents. Fifty seven per cent of male respondents were aged over 60, with 29% aged 70 and over. Twenty eight per cent were aged 50-59 and 15% were aged below 50, with 1% aged below 40. In comparison, 53% of *female* respondents were aged over 60, with 21% aged 70 and over. A quarter (24%) were aged 50-59 and 22% were aged below 50, with 5% aged below 40.

2.20 One in five respondents (23%) had a long term illness, health problem or disability (including problems due to old age) which limited the daily activities or work they could do. (This compares with a similar proportion (19%) in the general working age population[7]). Of this group, nine out of ten were 50 years or older and more than a half were aged over 65 (92% and 59% respectively).

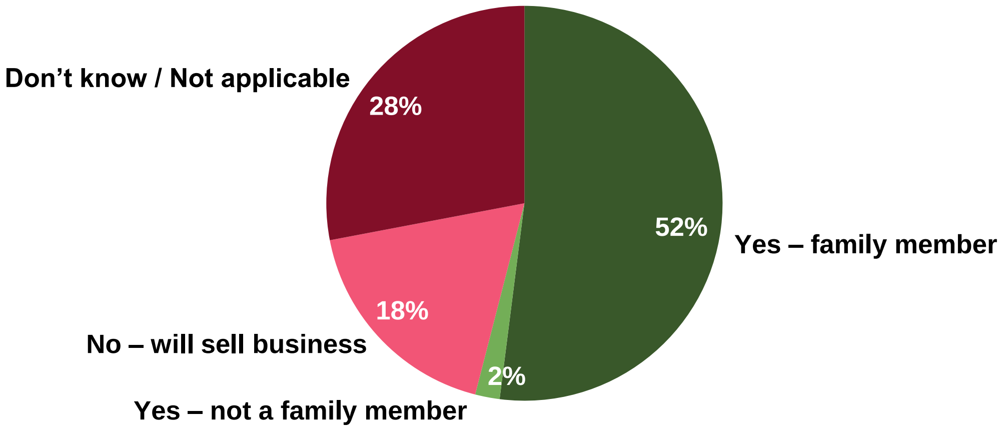
2.21 Respondents were asked a series of questions on their plans for the succession of their business and their retirement.

2.22 While the majority of respondents (54%) had a successor in mind for their business, with 52% planning to pass on their business to a family member, 18% did not have a successor in mind and were planning to sell their business when they retired (Figure 2.7).

[7] Scottish Household Survey

Figure 2.7: Having a successor in mind for the business

Q. Do you have a successor in mind for the business?

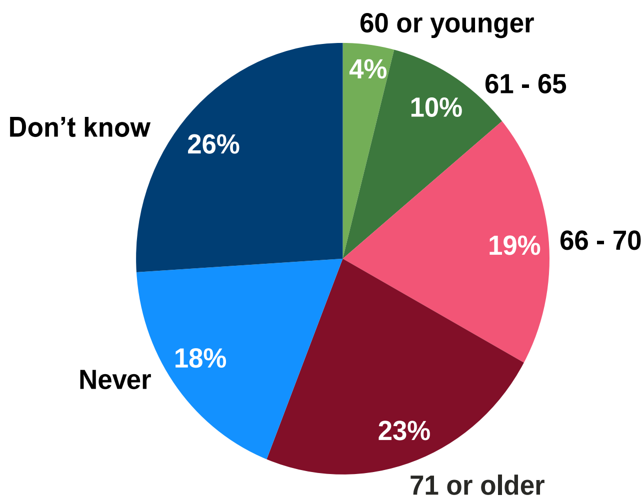


Base: All respondents who gave an answer (279) Source: Ipsos MORI

2.23 As shown in Figure 2.8, a quarter of respondents (23%) said that they did not expect to retire until they were over 70 and 18% said that they expected never to retire from their farming business. Nineteen per cent expected to retire aged 66 to 70 and ten per cent expected to retire aged 61 to 65. A quarter of respondents said that they did not know when they would retire (26%)[8].

Figure 2.8: Expected retirement age

Q. At what age do you expect to retire from the farm business?



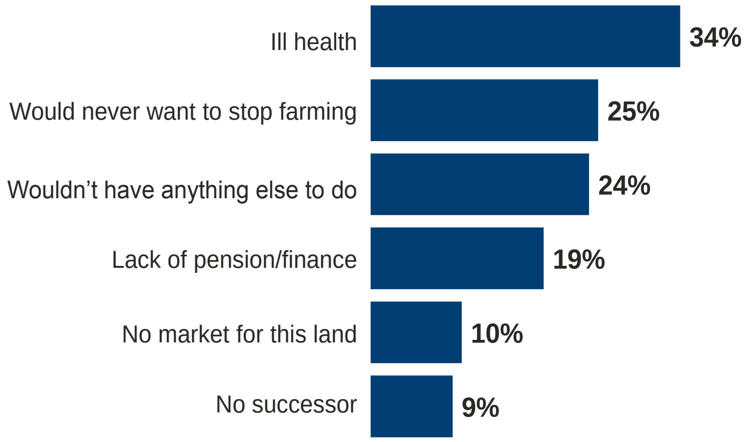
Base: All respondents who gave an answer (271) Source: Ipsos MORI

2.24 Factors that respondents thought might prevent them from retiring or from handing their farm over are shown in Figure 2.9.

[8] This compares to 22% of tenant farmers who said that they did not expect to retire until they were over 70, 28% aged 66-70, 12% aged 61-65, 12% who never expected to retire and 23% who did not know. (See: *Survey of Agricultural Tenant Farmers 2014.)*

Figure 2.9: Possible barriers to retirement

Q. Which factors do you think might stop you being able to retire or prevent you from handing over the farm when you want to?



Base: All respondents who gave an answer (120; 91; 85; 70; 37; 33)

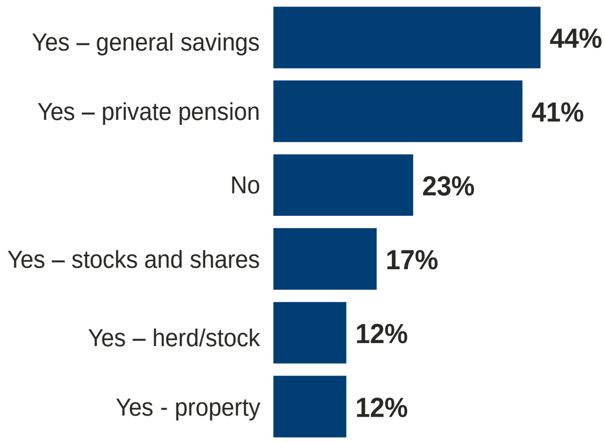
Source: Ipsos MORI

2.25 Ill health was given as a barrier to retiring as early as one would want by a third of respondents (34%). A quarter said that they would never want to stop farming or that if they did stop farming they would have nothing else to do (25% and 24% respectively). One in five respondents said that a lack of pension or finance would prevent them from retiring (19%).

2.26 In terms of pension provision for the future, 44% had general savings, 41% had private pensions and 17% were investing in stocks and shares. Twenty three per cent were not making any pension provision for the future (Figure 2.10).[9]

Figure 2.10: Pension provision

Q. Are you making pension provision for the future?



Base: All respondents who gave an answer (272)

Source: Ipsos MORI

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[9] This compares to 16% of tenant farmers and 11% of agricultural landlords who were not making any pension provisions for the future. (See: *Survey of Agricultural Tenant Farmers 2014* and *Renting-Out Agricultural Land In Scotland Survey 2014.)*

2.27 Those with a successor in place were more likely than those who did not have a successor in place to *not* be making pension provision (22% compared to 14%).

3 CHANGES IN LAND TENURE OVER TIME

Summary

1. Most respondents said that the size of their land had not changed since 2000. Of those whose land had changed in size since 2000, it was more likely that they owned less land compared to 2000 than more land.

2. Those who had sold land were more likely to have sold the land to another party (not a farmer) or to a neighbouring farm within a 10 mile radius.

3. There was little change in terms of leased land that had previously been rented-in or rented-out.

Changes in the ownership of land since 2000

3.1 Respondents were asked to provide details of any changes to the size of the agricultural land they owned since 2000 and how these changes had been made.

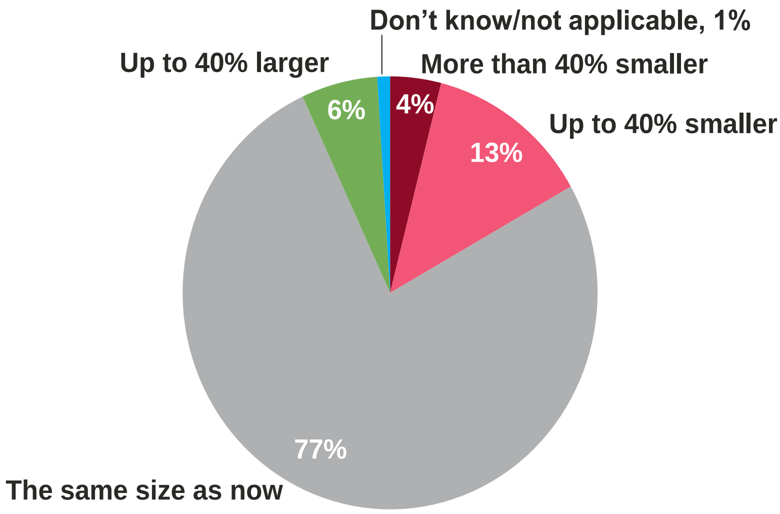
3.2 The majority of respondents had owned all of their land since 2000 (70%). Three per cent of respondents said that they did not own the land in 2000, but that someone in their family did. Overall, 73% said that either they or someone in their family owned some or all of the land in 2000.

3.3 Overall, most respondents said that the size of their land had not changed since 2000 (77%). Of those whose land had changed in size since 2000, it was more likely that respondents owned less land compared to 2000 than more land. Seventeen per cent of respondents said that their land was smaller than in 2000, with 4% saying that it was more than 40% smaller. Six per cent of respondents said that their land was larger than in 2000, with no respondents saying that it was more than 40% larger (Figure 3.1)[10].

[10] In comparison, 69% of agricultural landlords and 64% of tenant farmers said that the size of their land had not changed since 2000. Twenty three per cent of tenant farmers and 15% of agricultural landlords had increased the size of their land holding, while 15% of agricultural landlords and 12% of tenant farmers had *reduced* the size of their land since 2000. (See: *Renting-Out Agricultural Land in Scotland Survey 2014* and *Survey of Agricultural Tenant Farmers 2014.)*

Figure 3.1: Changes to the hectarage of agricultural land since 2000

Q. Compared to 2000, is the hectarage of all your agricultural land...?

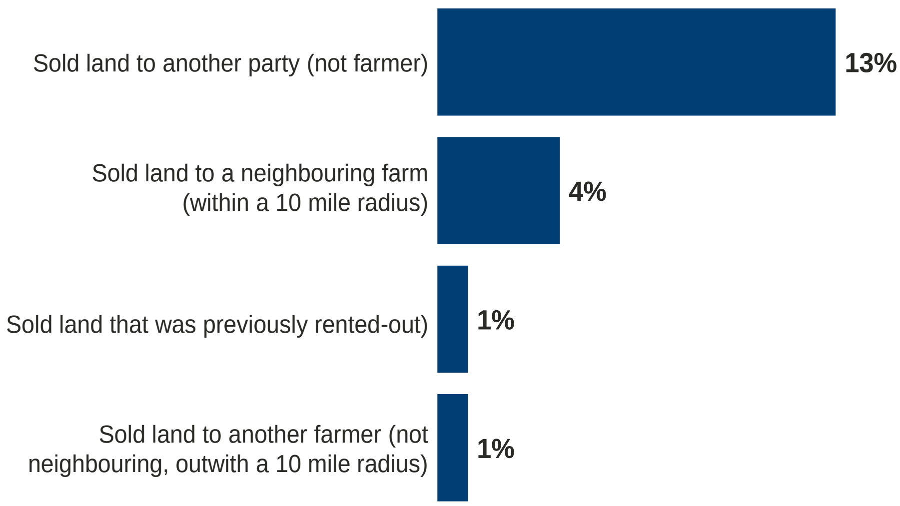


Base: All respondents who gave an answer and whose land was farmed by them or their family since 2000 (209) Source: Ipsos MORI

3.4 As shown in Figure 3.2, a reduction in land ownership was most likely to have occurred through selling the land to another party (not a farmer) and to a neighbouring farm within a 10 mile radius than other types of sale (13% and 4% respectively).

Figure 3.2: Reasons for a reduction in land ownership

Q. Since 2000 have you…?

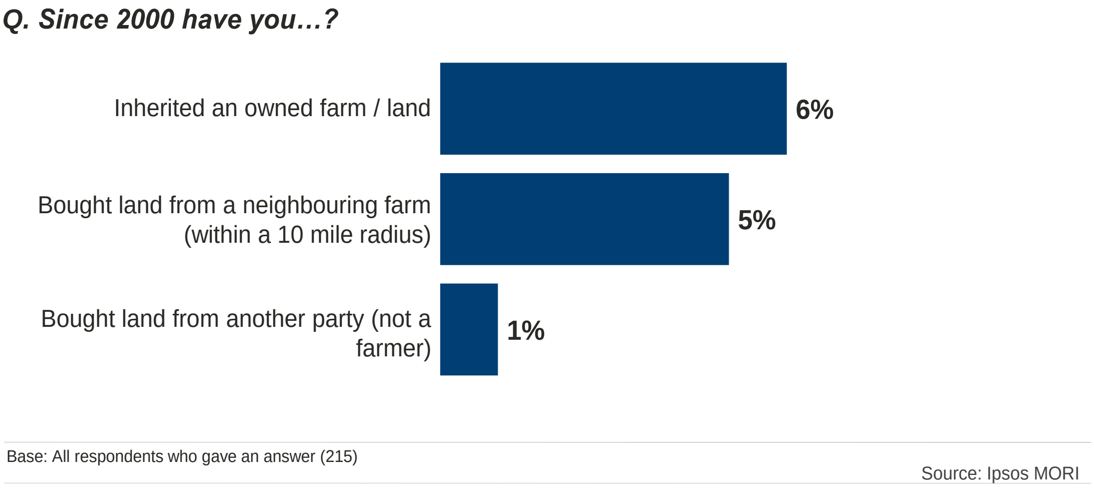


Base: All respondents who gave an answer (215)

Source: Ipsos MORI

3.5 An increase in land ownership was most likely to have occurred through respondents inheriting an owned farm or land or through buying land from a neighbouring farm within a 10 mile radius (6% and 5% respectively) (Figure 3.3).

Figure 3.3: Reasons for an increase in land ownership



3.6 In each case, 1% of respondents had sold land that they had previously rented-out, had either bought land they had previously rented-in or had taken land back in-hand when a tenancy came to a negotiated end.

Contract farming

3.7 Respondents were asked about whether they contracted in more, less or the same amount of agricultural land as in 2000, either as stubble to stubble or for specific activities. A similar question was asked about changes to the amount of land contracted out. The questionnaire also asked if there had been any changes to the amount of work they had carried out by contractors.

3.8 Overall, when asked about changes to the amount of agricultural land contracted out, 88% of respondents ticked not applicable/don't know, suggesting that they do not currently contract out land.

3.9 Among the remaining 12%, 9% contracted out the same amount of land compared to 2000, 2% contracted out more land and 1% contracted out less land.

3.10 When asked about changes to amount of land contracted in, eighty six per cent of respondents ticked not applicable/don't know, suggesting that they do not currently contract in land. Of the remaining 14%, 10% said that they contracted in the same amount of agricultural land compared to 2000, 1% contracted in more land and 3% contracted in less land. Overall, 9% indicated that they both contract in and contracted out land.

3.11 In terms of contracting out individual tasks, such as spreading fertilizer or harvesting, almost half of respondents reported that they had work carried out by contractors (44%). Of this group, 26% said they had the same amount of work carried out by contractors compared to 2000, 10% had more work carried out by contractors and 8% had less work carried out.

4 ABSOLUTE RIGHT TO BUY

Summary

1. Around a quarter of respondents (24%) said that all tenant farmers should be offered the ARtB with a further 22% saying that certain tenant farmers should be offered the ARtB. Less than half of respondents said that *no* tenant farmers should be offered the ARtB.

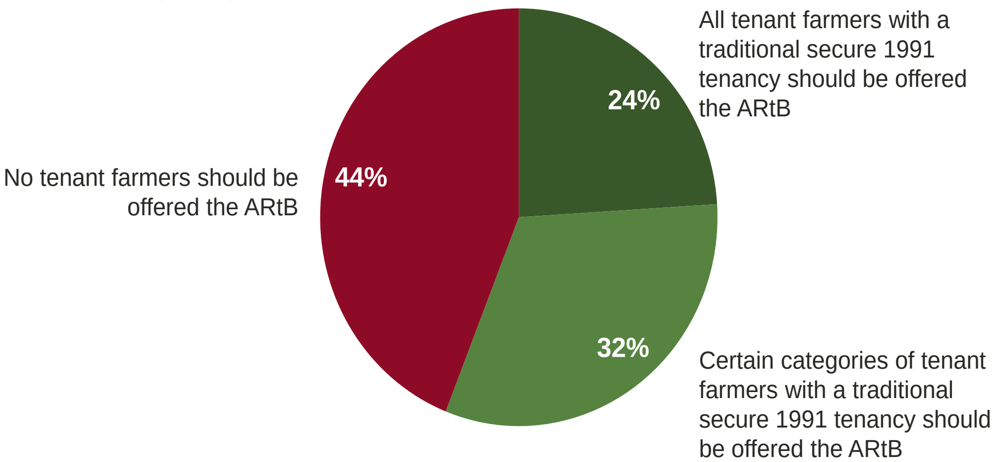
2. The majority of respondents agreed that the introduction of ARtB would discourage landowners from renting-out land and make it more difficult for new entrants to rent land.

Views on the Absolute Right to Buy

4.1 Respondents were asked to indicate which of three statements came closest to their view on the Absolute Right to Buy (ARtB). As shown in Figure 4.1, more than half of respondents said that all or certain tenant farmers with a traditional secure 1991 tenancy should be offered the ARtB (56%), with 24% saying that *all* tenant farmers with such a tenancy should be offered the ARtB[11]. Less than half of respondents said that *no* tenant farmers should be offered the ARtB (44%).

Figure 4.1: Views on the introduction of ARtB

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



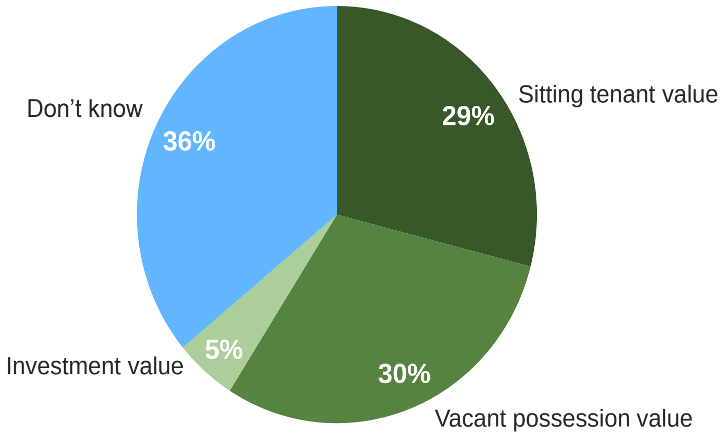
Base: All respondents who gave an answer (263) Source: Ipsos MORI

[11] This is more than the proportion of agricultural landlords who said that all or certain tenant farmers should be offered the ARtB (30%, with 11% saying that *all* tenant farmers should be offered the ARtB) but fewer than the proportion of tenant farmers (72%, with 46% saying that *all* tenant farmers should be offered the ARtB). (See: *Survey of Agricultural Tenant Farmers 2014* and *Renting-Out Agricultural Land In Scotland Survey 2014*.)

4.2 When asked how land should be valued[12] if the ARtB was introduced, there was found to be no clear consensus in respondents' opinions. A third (30%) said that the land should be valued at vacant possession value, 29% said it should be valued at sitting tenant value, with 5% saying it should be valued at investment value. A third (36%) of respondents did not know how the land should be valued (Figure 4.2).

Figure 4.2: Preferred way of valuing land for ARtB

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



Base: All respondents who gave an answer (278) Source: Ipsos MORI

Implications of the Absolute Right to Buy

4.3 Respondents were presented with a series of statements on the possible implications of the ARtB and asked to what extent they agreed or disagreed with each. As shown in Table 4.1, overall, respondents' answers suggest mixed views over the introduction of ARtB and its potential impact on the farming sector.

[12] 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.

Table 4.1: 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/ Don't know	
	(%)	(%)	*(%)*	*Base*
Discourage landowners from renting-out land	63	11	26	*274*
Allow farmers to sell land to release assets	58	10	31	*270*
Make it easier to pass on land/farm through generations	58	13	28	*273*
Make it more difficult for new entrants to rent land	56	12	32	*272*
Increase farmers' financial risk of negative equity if land prices fall	56	11	33	*270*
Expose farmers to higher debt levels	50	14	36	*268*
Give farmers greater control over business decisions	50	16	33	*270*
Lead to more investment in land/farms	43	24	33	*269*
Give farmers greater financial security	39	25	35	*267*

4.4 The majority of respondents agreed with statements concerned with the risks and difficulties associated with the introduction of an ARtB. For example, that introducing ARtB would:

- Discourage landowners from renting-out land (63%)
- Make it more difficult for new entrants to rent land (56%)
- Increase farmers' financial risk of negative equity if land prices fall (56%)
- Expose farmers to higher debt levels (50%)

4.5 Opinion was more divided over whether the introduction of ARtB would:

- Lead to more investment in land/farms (43% agreed and 24% disagreed)
- Give farmers greater financial security (39% agreed and 25% disagreed)

4.6 At least a quarter of respondents said that they were unsure or did not know about each of the statements on the implications of ARtB.

4.7 Unsurprisingly, respondents who said that no tenant farmers should be offered the ARtB had more negative opinions on its potential introduction. For example, 79% of this group agreed that introducing the ARtB would discourage landowners from renting out land (compared to 63% overall), while 44% *disagreed* that the introduction of ARtB would lead to more investment in land/farms (compared to 24% overall) (Table 4.2).

Table 4.2: Implications of ARtB among those who said that no tenant farmers should be offered 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/ Don't know	
	(%)	(%)	*(%)*	*Base*
Discourage landowners from renting-out land	79	6	14	*121*
Make it more difficult for new entrants to rent land	68	7	25	*119*
Expose farmers to higher debt levels	65	6	29	*117*
Increase farmers' financial risk of negative equity if land prices fall	63	11	27	*117*
Allow farmers to sell land to release assets	52	17	31	*117*
Make it easier to pass on land/farm through generations	45	27	28	*117*
Give farmers greater control over business decisions	38	28	34	*117*
Lead to more investment in land/farms	24	44	32	*117*
Give farmers greater financial security	23	45	33	*116*

4.8 In comparison, 73% of respondents who said that all or certain farmers should be offered ARtB agreed that the introduction of ARtB would make it easier to pass on land or farms through generations. Sixty seven per cent agreed that it would allow farmers to sell land to release assets and 65% agreed that it would give farmers greater control over business decisions (Table 4.3).

Table 4.3: Implications of ARtB among those who said that all or certain tenant farmers should be offered 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/ Don't know	
	(%)	(%)	*(%)*	*Base*
Discourage landowners from renting-out land	55	16	29	*135*
Make it more difficult for new entrants to rent land	51	17	32	*135*
Expose farmers to higher debt levels	43	21	35	*134*
Increase farmers' financial risk of negative equity if land prices fall	55	12	33	*135*
Allow farmers to sell land to release assets	67	6	27	*136*
Make it easier to pass on land/farm through generations	73	4	23	*137*
Give farmers greater control over business decisions	65	9	28	*136*
Lead to more investment in land/farms	62	11	27	*134*
Give farmers greater financial security	56	13	32	*134*

5 FUTURE OF OWNER OCCUPIERS' LAND AND THE FARMING SECTOR

Summary

1. Four out of five respondents said that it was unlikely that they would rent-out any agricultural land in the future. However, one in ten respondents said that they would be likely to rent-out land in the future.

2. The types of arrangements that respondents were more likely to use to rent out land in the future were seasonal lets and informal agreements with neighbours (35% and 29% respectively). Five per cent of respondents said that it was likely they would use secure tenancies.

3. Financial incentives for renting-out land, less bureaucracy and more rights for landowners would encourage respondents to rent-out land in the future.

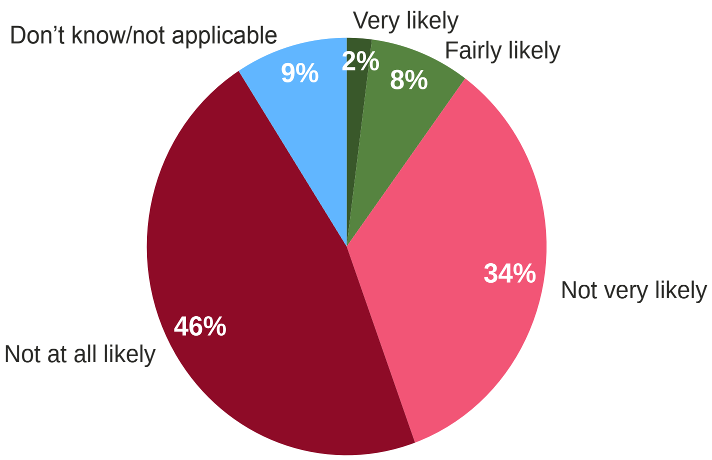
4. Uncertainty of the future of agricultural holdings legislation and a lack of freedom for landlords and tenants to develop business contracts were viewed as particular challenges facing the farming sector.

Owner Occupier Farmers' views on renting out agricultural land

5.1 As shown in Figure 5.1, most respondents (80%) said that it was unlikely that they would rent-out any agricultural land in the future, with 46% saying that it was *not at all* likely. However, one in ten respondents (10%) said that it was likely that they would rent-out land in the future, with 2% saying this was *very* likely.

Figure 5.1: Likelihood to rent out land in the future

Q. How likely, if at all, would you be to rent-out land in the future?



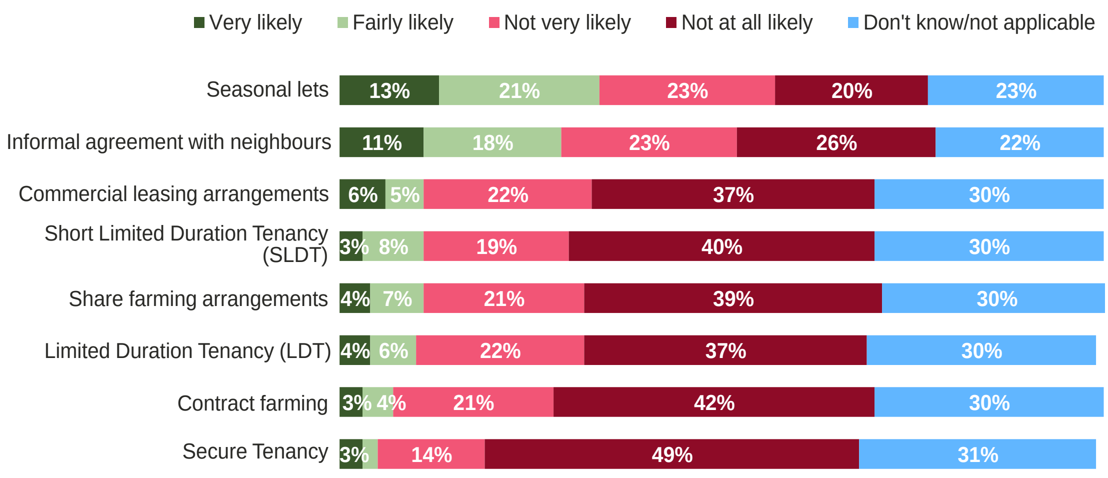
Base: All respondents who gave an answer (286) Source: Ipsos MORI

5.2 Respondents were asked what types of arrangement they would be likely to use if they were to rent-out agricultural land in the future. Sixty three per cent of respondents said that it was not likely that they would use secure tenancies, with half saying that it was *not at all* likely (49%). Five per cent of respondents said that it was likely that they would use secure tenancies, with 3% saying it was *very* likely.[13]

5.3 Seasonal lets (including grass lets, cropping lets, potato and vegetable lets) and informal agreements with neighbours were the most likely types of arrangement that respondents would use to rent-out land, with 34% and 29% respectively saying they would use these arrangements. Smaller proportions, around one in ten in each case, were likely to use the remaining types of arrangements commercial leasing, short limited duration and limited duration tenancies, share farming or contract farming(see Figure 5.2).

Figure 5.2: Likely arrangements for renting-out land in the future

Q. How likely, if at all, would you be to use the following types of arrangements to rent-out land in the future?



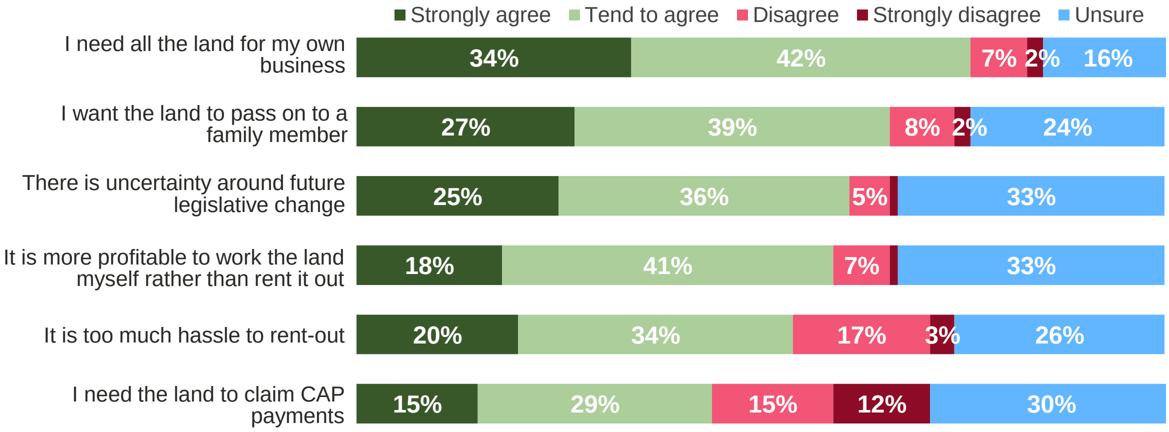
Base: All respondents who gave an answer (276; 270; 269; 269; 268; 270; 269; 268) Source: Ipsos MORI

5.4 Respondents were presented with a number of statements about reasons for not renting-out land at present. Several of the main reasons that respondents agreed with were concerned with a desire to keep the land within the business/family. For example, 76% said they needed all their land for their own business, 66% said they wanted to pass the land on to a family member and 59% said it was more profitable for their business to work the land themselves (Figure 5.3).

[13] In comparison, seventy nine per cent of agricultural landlords said that they would be *unlikely* to use secure tenancies to rent-out agricultural land in the future, while 2% said that they would be likely to use this type of arrangement. (See: *Renting-Out Agricultural Land in Scotland Survey 2014*.)

Figure 5.3: Reasons for not renting-out land

Q. To what extent do you agree or disagree with each of the following statements on why you don't rent-out agricultural land?



Base: All respondents who gave an answer (272; 276; 267; 272; 269; 267) Source: Ipsos MORI

5.5 Sixty one per cent of respondents who provided an answer agreed that uncertainty around future legislative change was a reason why they did not rent-out agricultural land, with 25% *strongly* agreeing.

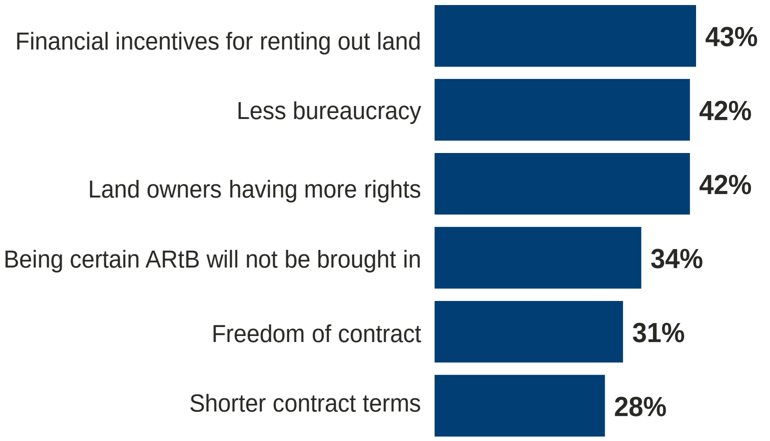
5.6 When asked what would make them more likely to rent-out agricultural land in the future, similar proportions of respondents said that financial incentives, less bureaucracy and more rights for landowners would make them more likely to rent out land (43%, 42% and 42% respectively). Thirty four per cent of respondents who answered said that being certain ARtB would not be introduced would make them more likely to rent-out land (Figure 5.4).

5.7 Almost a third said that freedom of contract and shorter contract terms would encourage them to rent out land (31% and 28% respectively).

5.8 A small majority of respondents who said that no tenant farmers should be offered the ARtB said that 'Being certain that ARtB will not be brought in' would make them more likely to rent-out agricultural land in the future (52% compared to 34% overall).

Figure 5.4: Factors which may encourage renting-out agricultural land

Q. Which of the following would make you more likely to rent-out agricultural land in the future?



Base: All respondents who gave an answer (267; 270; 269; 265; 268; 266)

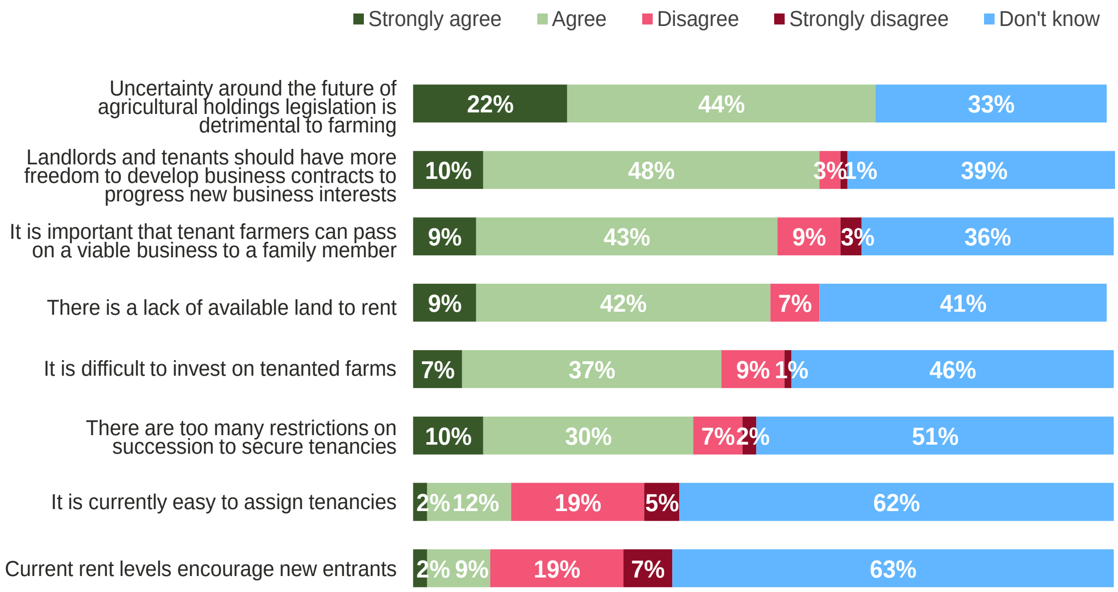
Source: Ipsos MORI

Challenges facing the tenant farming sector in Scotland

5.9 Respondents were presented with a series of attitudinal statements concerning the different types of challenges facing the tenant farming sector in Scotland (Figure 5.5).

Figure 5.5: 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 (272; 274; 278; 274; 273; 274; 273; 273)

Source: Ipsos MORI

5.10 Overall, 66% of respondents agreed with the statement that 'Uncertainty around the future of agricultural holdings legislation is detrimental to farming', with 22% *strongly* agreeing. Nobody disagreed with this statement and 33% did not know[14].

5.11 Fifty eight per cent of respondents agreed that 'Landlords and tenants should have more freedom to develop business contracts to progress new business interests', while only 4% disagreed. A half agreed that 'There is a lack of available land to rent' (51%). Less than half said that 'It is difficult to invest on tenanted farms' (44%), while only 11% agreed that 'Current rent levels encourage new entrants' (26% disagreed).

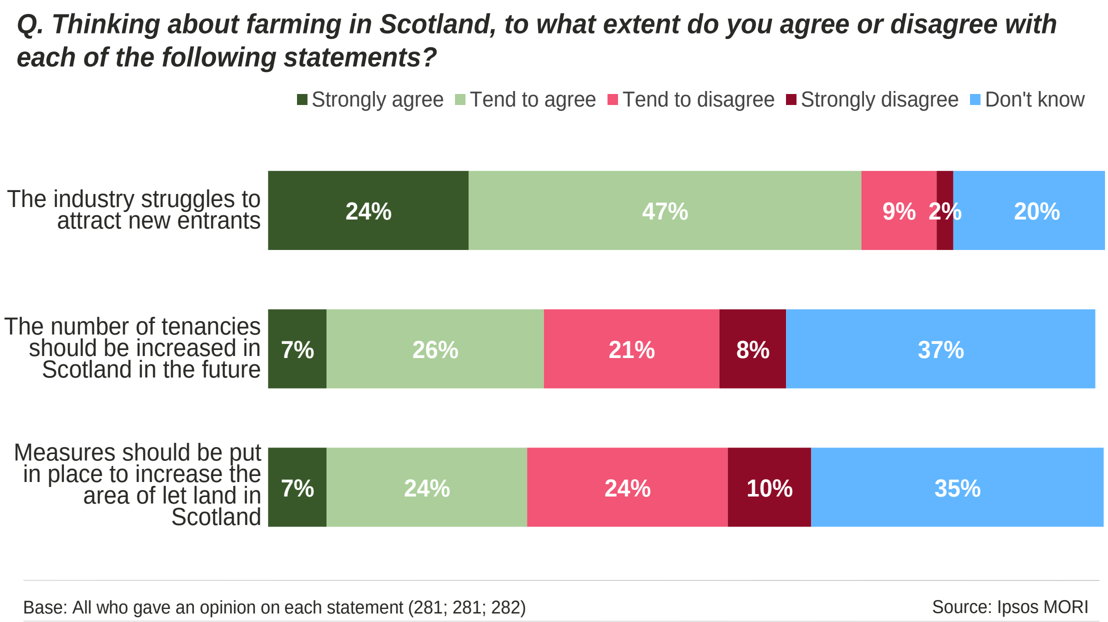
5.12 In terms of passing tenant farming businesses on to successive generations, 52% agreed that 'It is important that tenant farmers can pass on a viable business to a family member', 40% agreed that 'There are too many restrictions on succession to secure tenancies', while only 14% agreed that 'It is currently easy to assign tenancies' (24% disagreed).

5.13 Respondents who said that no tenant farmers should be offered the ARtB were more likely to disagree than agree that 'It is important that tenant farmers can pass on a viable business to a family member' (26% compared to 11% overall) and that 'It is difficult to invest on tenanted farms' (22% compared to 10% overall).

Views on farming in Scotland

5.14 Respondents were presented with eight statements about the future of the farming sector in Scotland. Three of these statements were related to the availability of land to rent and entry into the farming sector (see Figure 5.6).

Figure 5.6: Views on current availability of tenanted agricultural land

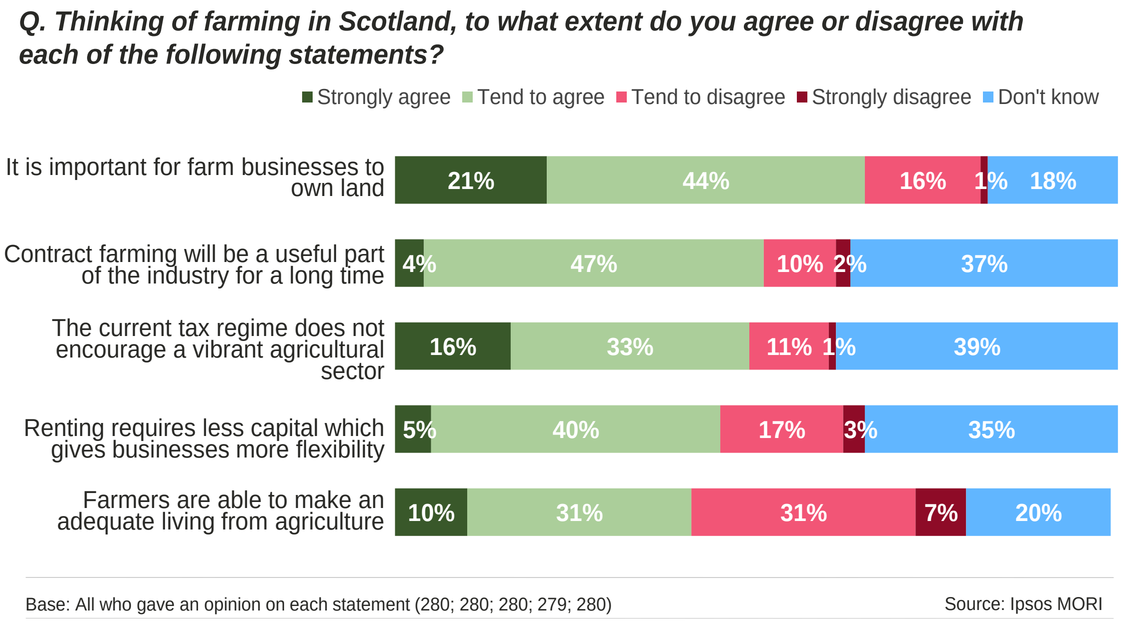


[14] Eighty-one per cent of agricultural landlords agreed that 'Uncertainty around the future of agricultural holdings legislation is detrimental to farming', while only 2% disagreed. Seventeen per cent did not know. (See: *Renting-Out Agricultural Land in Scotland Survey 2014*.)

5.15 Seventy one per cent agreed with the statement ‘The industry struggles to attract new entrants’ (24% *strongly* agreed). Opinion was more mixed over the remaining two statements. Thirty three per cent of respondents agreed and 29% disagreed that ‘The number of tenancies should be increased in Scotland in the future’, while 31% agreed and 34% disagreed that ‘Measures should be put in place to increase the area of let land in Scotland’.

5.16 The remaining five statements are shown in Figure 5.7.

Figure 5.7: Views on aspects of the current structure of the farming sector



5.17 The majority of respondents agreed that ‘It is important for farm businesses to own land’ (65%, with 21% *strongly* agreeing). Half of respondents agreed that ‘Contract farming will be a useful part of the industry for a long time’, ‘The current tax regime does not encourage a vibrant agricultural sector’ and that ‘Renting requires less capital which gives businesses more flexibility’ (51%, 49% and 45% respectively).

5.18 Opinion was divided over whether ‘Farmers are able to make an adequate living from agriculture’, with 41% agreeing and 38% disagreeing with this statement.

6 CONCLUSIONS

6.1 Overall, there was little change to the amount of land owned by owner occupier farmers since 2000. In terms of leased land, few respondents reported that they owned land that had previously been rented-in or rented-out. However, the survey suggests that there is the potential for this group to rent-out land in the future. One in ten respondents said they would be likely to rent out land in the future, with the preferred tenure arrangements being seasonal lets and informal agreements with neighbours.

6.2 Owner occupiers' opinions were split over one of the key measures being considered by the review group, the introduction of an Absolute Right to Buy for Secure 1991 tenancies. Just over half supported ARtB for either all or some tenants (56%) while just under a half opposed it (44%).

6.3 Similarly, there was no clear consensus over some of the factors required for a strong rented farm sector. When asked if the number of tenancies should be increased in the future, 33% agreed and 29% disagreed. Meanwhile, 31% agreed and 34% disagreed that measures should be put in place to increase the area of let land in Scotland.

6.4 Financial incentives, less bureaucracy and more rights for landowners were factors that were more likely to make respondents rent-out agricultural land in the future, chosen by 43%, 42% and 42% respectively. Additionally, 34% of respondents said that being certain ARtB would not be introduced would make them more likely to rent-out land.

6.5 In comparison to agricultural landlords (see *Renting-Out Agricultural Land In Scotland Survey 2014),* owner occupiers were more likely to have not made any changes to the size of their land since 2000 and less likely to have increased the size of their land. Seventy seven per cent of owner occupier said their land had not changed in size since 2000, compared to 69% of agricultural landlords, while 6% of owner occupier farmers said that their land was larger than in 2000, compared to 15% of agricultural landlords. The median average size of agricultural land owned by owner occupiers was 142 hectares, compared to 715 hectares owned by agricultural landlords.

6.6 Owner occupiers were also more likely than agricultural landlords to say that all or certain tenant farmers should be offered the ARtB (56% compared to 30% of agricultural landlords) and that they would be likely to use secure tenancies to rent-out land in the future (5% compared to 2%). Eighty-one per cent of agricultural landlords and 66% of owner occupiers agreed that 'Uncertainty around the future of agricultural holdings legislation is detrimental to farming.'

6.7 Compared to tenant farmers (see *Survey of Agricultural Tenant Farmers 2014)*, owner occupiers were more likely to have not made changes to the size of their land since 2000 (77% compared to 64%). Tenant farmers were more likely than owner occupier farm owners to have increased the size of their land since 2000 (23% compared to 6%), while owner occupiers were more likely to have decreased the size of their land during this time (17% compared to 12% of tenant farmers). The median average size of owner occupier's agricultural land was 142 hectares, compared to 390 hectares farmed by tenant farmers.

6.8 Tenant farmers were more likely to be younger than owner occupiers. Twenty six per cent of tenant farmers were aged below 50, compared to 17% of owner occupiers. In terms of retirement plans, similar proportions of owner occupiers and tenant farmers said that they did not expect to retire until they were over 70 (23% and 22% respectively), while 18% of owner occupiers said that they never expected to retire, compared to 12% of tenant farmers. Fifty four per cent of owner occupiers had a successor in mind for their business compared to 71% of tenant farmers.

Appendix 1 – Questionnaire

Ipsos MORI

SCOTTISH LANDOWNERS SURVEY

BEFORE YOU FILL IN YOUR SURVEY PLEASE READ THE INFORMATION BELOW

This survey is to find out about the agricultural land you own and your future intentions for that land including your views on renting land and giving tenant farmers an Absolute Right To Buy the land that they farm. Your response will help inform Scottish Government policy development.

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. We know that all these questions may not be relevant to everybody completing the questionnaire but please fill in as best you can – your views are important to us.

The questionnaire consists of 12 pages and should take no longer than 20 minutes to complete. 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.

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.

When complete, please put your survey into the pre-paid envelope provided and return to Ipsos MORI by 9th **July 2014**. **You do not need to add a stamp.** If you do not have a return envelope, please return your completed questionnaire to Freepost RSEZ-YLZK-KSEH, Scottish Landowners Survey, Ipsos MORI, Research Services House, Elmgrove Road, Harrow HA1 2QG. You do not need a stamp.

The Scottish Government wants to thank the Tenant Farming Forum Data Sub Group and their parent organisations (SLE, RICS, SAAVA, NFUS, STFA) for their help in developing this survey. **If you need any help or have any questions, please contact David Myers on freephone 0808 238 5376 or email David.myers@ipsos.com.**

Section 1: Basic information

These questions will ask you about agricultural land, irrespective of whether it is eligible for a Single Farm Payment or not. Please include naked hectarages. Forestry is not considered agricultural land. Please do not include crofts.

Q1 Do you own any agricultural land?

PLEASE TICK ✓ ONE BOX ONLY

☐ Yes

☐ No

☐ Don't know

IF YOU ANSWERED NO OR DON'T KNOW TO Q1 THERE IS NO NEED FOR YOU TO COMPLETE THIS FORM. PLEASE RECYCLE THE FORM AS APPROPRIATE. THANK YOU FOR YOUR TIME.

Q2 Do you rent-in or rent-out any agricultural land?

PLEASE TICK ✓ ONE BOX ONLY

☐ Yes

☐ No

☐ Don't know

IF YOU ANSWERED YES TO Q2 THERE IS NO NEED FOR YOU TO COMPLETE THIS FORM. PLEASE RECYCLE THE FORM AS APPROPRIATE. THANK YOU FOR YOUR TIME.

Q3 Which of these best describes your role in the business...?

PLEASE TICK ✓ ONE BOX ONLY

☐ Actively involved in the management of the business, including farming activities, land based industries and other diversified enterprises on my land.

☐ Overseeing the management of the business which includes farms, land based industries and diversified enterprises.

☐ Kept informed of the financial outputs including farming, land based industries and other diversified enterprises.

Q4 Approximately when did you/your family/company take over ownership/interest in the estate or holding, regardless of any business structure changes?

PLEASE TICK ✓ ONE BOX ONLY

Pre-1605	1605-1706	1707-1769	1770-1882	1883-1945	1946-1997	1998 or after	Don't know
☐	☐	☐	☐	☐	☐	☐	☐

Q5 Including contract farming, how many holdings (with different County Parish Holding numbers) do you farm in-hand at the present time in Scotland? Most farm businesses contain one holding but some businesses may contain more.
PLEASE TICK ✓ ONE BOX ONLY

None	One	Two	Three	Four	Five or more	Don't know
☐	☐	☐	☐	☐	☐	☐

Q6 How many people does your farm business employ…?
PLEASE WRITE AMOUNTS IN EACH LINE. IF EXACT NUMBERS ARE NOT KNOWN ROUGH ESTIMATES WILL DO

a)	…full time	☐	People
b)	…part-time	☐	People

Q7 Thinking about the rural land that you own, how much is….?
PLEASE WRITE AMOUNTS IN EACH LINE. IF EXACT HECTARAGE ISN'T KNOWN ROUGH ESTIMATES WILL DO

a)	Agricultural land	☐	Hectares
b)	Non-agricultural land (including forestry)	☐	Hectares
c)	**Total hectarage of the rural land you own (this should be a + b)**	☐	Hectares

Section 2: Change in land tenure since 2000

We would like you to think about your agricultural land in 2000. (We have chosen the year 2000 as we thought it was recent enough for most people to remember what has happened). Some of the questions in this section ask about contracting–out. By this we mean when you own the land but use contract farming to farm the land either stubble-to-stubble or for specific activities.

Q8 Did you own some or all of this land in 2000?
PLEASE TICK ✓ ONE BOX ONLY

☐ Yes ☐ Don't know

☐ No

Q9 Did someone in your family own some or all of this land in 2000?
PLEASE TICK ✓ ONE BOX ONLY

- ☐ Yes
- ☐ No
- ☐ Don't know

IF YOU ANSWERED NO TO BOTH Q8 AND Q9 PLEASE GO TO SECTION 3 ON PAGE 6. IF YOU ANSWERED YES TO Q8 OR Q9 PLEASE COMPLETE THE FOLLOWING QUESTIONS.

Q10 Compared to 2000, is the hectarage of **all** your agricultural land...
PLEASE TICK ✓ ONE BOX ONLY

- ☐ A lot larger (more than 40% bigger)
- ☐ Larger than in 2000
- ☐ The same size as now
- ☐ Smaller than in 2000
- ☐ A lot smaller (more than 40% smaller)
- ☐ Don't know/not applicable

The following 2 questions refer to contract farming including stubble-to-stubble.

Q11 Compared to 2000, do you…
PLEASE TICK ✓ ONE BOX ONLY

- ☐ Contract in more agricultural land
- ☐ Contract in less agricultural land
- ☐ Contract in the same amount of agricultural land
- ☐ Don't know/not applicable

Q12 Compared to 2000, do you…
PLEASE TICK ✓ ONE BOX ONLY

- ☐ Contract out more agricultural land
- ☐ Contract out less agricultural land
- ☐ Contract out the same amount of agricultural land
- ☐ Don't know/not applicable

The next question asks about contracting out of individual tasks such as spreading fertilizer or harvest.

Q13 Compared to 2000, do you…
PLEASE TICK ✓ ONE BOX ONLY

- ☐ Have more work carried out by contractors
- ☐ Have less work carried out by contractors
- ☐ Have the same amount of work carried out by contractors
- ☐ Don't know/not applicable

Q14 Since 2000 which of the following have you done?
PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

		Yes	No	Don't know/ not applicable
a)	Sold land to a neighbouring farm (within a 10 mile radius)	☐	☐	☐
b)	Sold land to another farmer (not neighbouring, outwith a 10 mile radius)	☐	☐	☐
c)	Sold land to another party (not farmer)	☐	☐	☐
d)	Sold land that was previously rented-out	☐	☐	☐
e)	Bought land from a neighbouring farm (within 10 mile radius)	☐	☐	☐
f)	Bought land from another farmer (not neighbouring, outwith a 10 mile radius)	☐	☐	☐
g)	Bought land from another party (not farmer)	☐	☐	☐
h)	Bought land that I previously rented-in	☐	☐	☐
i)	Inherited an owned farm/land	☐	☐	☐
j)	Took land back in-hand when tenancy came to a negotiated end	☐	☐	☐
k)	Took land back in-hand when tenancy came to a natural end (including death)	☐	☐	☐

Please make sure that you have ticked one box for each row above.

Section 3: Future uses of the land

These questions ask about your views on renting-out agricultural land.

Q15 You mentioned earlier that you do not rent out any agricultural land. To what extent do you agree or disagree with each of the following statements on why you don't rent-out agricultural land?
PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

		Strongly agree	Agree	Disagree	Strongly disagree	Unsure/ Don't know
a)	It is more profitable to work the land myself rather than rent it out	☐	☐	☐	☐	☐
b)	I need all of the land for my own business	☐	☐	☐	☐	☐
c)	It is too much hassle to rent-out	☐	☐	☐	☐	☐
d)	There is uncertainty around future legislative change	☐	☐	☐	☐	☐
e)	I need the land to claim CAP payments	☐	☐	☐	☐	☐
f)	I want the land to pass on to a family member	☐	☐	☐	☐	☐

Q16 How likely, if at all, would you be to rent-out land in the future?
PLEASE TICK ✓ ONE BOX ONLY

- ☐ Very likely
- ☐ Fairly likely
- ☐ Not very likely
- ☐ Not at all likely
- ☐ Don't know

Q17 Which of the following would make you more likely to rent-out agricultural land in the future?
PLEASE TICK ✓ ONE BOX ONLY FOR EACH ROW

		Yes	No	Don't know/ not applicable
a)	Freedom of contract	☐	☐	☐
b)	Shorter contract terms	☐	☐	☐
c)	Land owners having more rights	☐	☐	☐
d)	Less bureaucracy	☐	☐	☐
e)	Being certain ARTB will not be brought in	☐	☐	☐
f)	Financial incentives for renting out land	☐	☐	☐
g)	Other, please specify	☐		

Q18 How likely, if at all, would you be to use the following types of arrangements to rent-out agricultural land in the future?
PLEASE TICK ✓ ONE BOX FOR EACH ROW

		Very likely	Fairly likely	Not very likely	Not at all likely	Don't know/ Not applicable
a)	Seasonal lets (including grass lets, cropping lets, potato and vegetable lets)	☐	☐	☐	☐	☐
b)	Limited Duration Tenancy (LDT)	☐	☐	☐	☐	☐
c)	Secure Tenancy	☐	☐	☐	☐	☐
d)	Commercial leasing arrangements (farm shop, equestrian etc.)	☐	☐	☐	☐	☐
e)	Short Limited Duration Tenancy (SLDT)	☐	☐	☐	☐	☐
f)	Share farming arrangements	☐	☐	☐	☐	☐
g)	Contract farming	☐	☐	☐	☐	☐
h)	Informal agreement with neighbours	☐	☐	☐	☐	☐

Section 4: Views on the future of the farming sector in Scotland

Q19 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	☐	☐	☐	☐	☐
b)	It is important for farm businesses to own land	☐	☐	☐	☐	☐
c)	Renting requires less capital which gives businesses more flexibility	☐	☐	☐	☐	☐
d)	Contract farming will be a useful part of the industry for a long time	☐	☐	☐	☐	☐
e)	Measures should be put in place to increase the area of let land in Scotland	☐	☐	☐	☐	☐
f)	The number of tenancies should be increased in Scotland in the future	☐	☐	☐	☐	☐
g)	The current tax regime does not encourage a vibrant agricultural sector	☐	☐	☐	☐	☐
h)	The industry struggles to attract new entrants	☐	☐	☐	☐	☐

Q20 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	☐	☐	☐	☐	☐
b)	There are too many restrictions on succession to secure tenancies	☐	☐	☐	☐	☐
c)	It is currently easy to assign tenancies	☐	☐	☐	☐	☐
d)	Current rent levels encourage new tenants	☐	☐	☐	☐	☐
e)	It is difficult to invest on tenanted farms	☐	☐	☐	☐	☐
f)	It is important that tenant farmers can pass on a viable business to a family member	☐	☐	☐	☐	☐
g)	Landlords and tenants should have more freedom to develop business contracts to progress new business interests	☐	☐	☐	☐	☐
h)	Uncertainty around the future of agricultural holdings legislation is detrimental to farming	☐	☐	☐	☐	☐

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.

The Absolute Right To Buy would offer farmers who have Secure 1991 Act tenancies the opportunity to buy their tenanted land outright without the need for the land to be made available for sale by the landlord.

Q21 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

Q22 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	☐	☐	☐	☐	☐
b)	…lead to more investment in land/farms	☐	☐	☐	☐	☐
c)	…expose farmers to higher debt levels	☐	☐	☐	☐	☐
d)	…give farmers greater financial security	☐	☐	☐	☐	☐
e)	…make it easier to pass on land/farm through generations	☐	☐	☐	☐	☐
f)	…increase farmers financial risk of negative equity if land prices fall	☐	☐	☐	☐	☐
g)	…allow farmers to sell land to release assets	☐	☐	☐	☐	☐
h)	…make it more difficult for new entrants to rent land	☐	☐	☐	☐	☐
i)	…discourage landowners from renting out land	☐	☐	☐	☐	☐

Q23 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

Section 6: Questions for individuals, partnerships and family business

This section should be completed by individuals, family businesses and partnerships only.

Q24 Do you have a successor in mind for the business?
PLEASE TICK ✓ ONE BOX ONLY

- ☐ Yes – family member
- ☐ Yes – not a family member
- ☐ No – will sell business
- ☐ Don't know/Not applicable

Q25 Are you making pension provision for the future? **PLEASE TICK ✓ ALL THAT APPLY**

- ☐ Yes – off farm investment (private pension)
- ☐ Yes – off farm investment (property)
- ☐ Yes – off farm investment (stocks and shares)
- ☐ No
- ☐ Don't know
- ☐ Yes – on farm investment (herd/stock)
- ☐ Yes - general savings

Q26 At what age do you expect to retire from the farm business? **PLEASE TICK ✓ ONE BOX ONLY**

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

Q27 Which of the factors below do you think might stop you being able to retire or prevent you 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	☐	☐	☐
b)	Lack of pension/finance	☐	☐	☐
c)	Wouldn't have anything else to do	☐	☐	☐
d)	Would never want to stop farming	☐	☐	☐
e)	No successor	☐	☐	☐
f)	Ill health	☐	☐	☐

Q28 Are you male or female? **PLEASE TICK ✓ ONE BOX ONLY**

☐ Male ☐ Female

Q29 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
☐	☐	☐	☐	☐	☐	☐

Q30 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

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

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