



THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS

THE ANNUAL AGRICULTURAL LAND OCCUPATION SURVEYS FOR GREAT BRITAIN 2022

CAAV – Professionals in the Countryside

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INTRODUCTION TO THE CAAV AGRICULTURAL LAND OCCUPATION SURVEYS 2022

The Central Association of Agricultural Valuers (CAAV) has reported on the occupation arrangements for agricultural land in England and Wales since 1977 and in Scotland since 2012, following the affiliation of the Scottish Agricultural Arbiters and Valuers Association (SAAVA) to the CAAV. These are the only Surveys that offer this view of decisions made about land occupation each year over this length of time.

This paper first offers an overview of the state of the tenanted sector across all four parts of the United Kingdom accompanied by the latest statistics from England, Wales and Scotland.

The issues here are particularly salient at present with the potential role of the tenanted sector in answering British farming's productivity challenge, interacting with environmental expectations and the discussions of changes in tenancy law in all three countries, notably with the prospect of a new Land Use Tenancy in Scotland and the recommendations to the Government made for England by Baroness Rock's Tenancy Working Group at the end of this Survey period.

As the Irish Government has argued, access to land is a key constraint on raising productivity. This was identified as one of the key issues in its infrastructure theme by the Agricultural Productivity Working Group of the Food and Drink Sector Council. With the stasis in land occupation reported in our Surveys, the CAAV is actively looking at the ways by which this can be tackled, using taxation (with the increasing success of the Income Tax relief in Ireland), housing (whether for the old farmer or the new one) and other means. We are pleased to continue to contribute on these themes to the work of DEFRA's Agricultural Productivity Task Force, helping produce its summary guide to farming structures, as well as elsewhere. While barely started in the Survey period, the removal of Basic Payment now underway in England may play a part in that.

This description of the tenanted sector also bears on the discussion of the interactions between let land and the developing public goods schemes of post-Brexit policies, both as to tenants' participation and whether the now emerging options might offer an alternative to letting.

The Survey itself is in two parts: the first covering England and Wales and the second covering Scotland, with its different history and arrangements. With no significant tenanted sector as yet in Northern Ireland we do not yet conduct a survey there.

The Appendix then draws together some of the other data available on overall patterns of land tenure.

The CAAV is the specialist body representing some 2,900 members practising in agricultural and rural valuations throughout the United Kingdom. They provide professional advice and valuation expertise on issues affecting the countryside to all who require these services whether current or prospective owner-occupiers, tenants, landlords, conservation bodies, public authorities or lenders.

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THE CAAV'S AGRICULTURAL LAND OCCUPATION SURVEYS FOR 2022:

PART 1: OVERVIEW OF THE LET SECTOR IN THE UNITED KINGDOM

The United Kingdom offers an interesting demonstration of three different histories of agricultural tenure policy within a common society, market and taxation system with similar support regimes. The CAAV's Surveys have monitored their development in England and Wales since 1977 and now, separately, in Scotland since 2012.

These CAAV Surveys (and official data) showed that the 1995 reform in England and Wales turned the fortunes of the let sector around but the area payments of the CAP's Single and now Basic Payment Schemes then led to sustained stasis. More limited reforms, more complex legislation and the language of land reform in Scotland saw a continuing decline but one which has currently settled at a lower size which might still be precarious.

By no means all willing owners of farmland are natural farmers of that land. The experience in Northern Ireland shows the risks that, in the absence of a flexible tenancy framework, the result is a bias towards very short term permissions for access to land, to the general detriment of the agricultural and environmental quality of the land and the performance of the businesses farming it.

The 2022 Surveys largely show existing trends to have generally continued. However, the average length of tenancies in England and Wales has increased modestly to figures not seen since the Surveys of 2016 and 2017, with an apparent recovery from the low figure of 2018. The average term for tenancies let for more than a year in England and Wales rose above 5 years. The most obvious explanation when terms shorten is a combination of caution and uncertainty among owners and also prospective tenants in periods when policy is in flux, as with the Basic Payment negotiations of 2012 and 2013 or after the Brexit referendum.

The Surveys show that this is a much stronger influence on the lengths of tenancies below 5 years, where owners show much more interest in retaining flexibility, with longer tenancy terms varying much less, if at all. Decisions made in letting land for shorter terms, covering the larger area and number of holdings, appear more responsive to circumstances than decisions for longer lettings.

These are only overall averages across the wide range of lettings, concealing the practical detail and perspective reviewed in this report. While lettings of bare ancillary land, often let for short terms, predominate, the small fraction of what might ordinarily be seen as let "farms", with a house and buildings, are typically let for average periods of 8 to 12 years, whereas those with just buildings are let for 5 years or so. The length of the agreed tenancy also rises with the size of the letting so that, in 2022, lettings in England and Wales of less than 25 acres were for an average of 2.32 years but those over 200 acres for 7.81 years.

The CAAV's Surveys have generally shown that, where there is a change of occupier, some 20 to 30 per cent of lettings are typically to a new entrant (37 per cent in 2022). The key point is that the greater the number of letting opportunities, the more there are for both new entrants and progressing farmers to take; it is the overall number of new lettings that imposes the limit. Flexibility over the length of the tenancy can only encourage that.

Fundamentally, the health of the let sector requires private landowners (indeed, potentially retiring farmers of any age) to see letting their land as a positive option. The potential challenges as the new policies unfold point to the value to farming of using the flexibility and assurance that Farm Business Tenancies (FBTs) offer, opening up change and opportunities for proficient farmers, existing and new, to secure the use of land.

With the growing recognition in the United Kingdom of the need to tackle farming's productivity, the Irish Government, seeking to promote tenancies, has summarised its equivalent concern:

"Access to land and the low level of land mobility is one of the main challenges facing farmers who want to increase their productivity. There is a growing consensus that the actual use of land is becoming more of an issue than ownership."

With the opportunities offered by the active discussion of post-Brexit policy, the CAAV has been doing much work in this area. The April 2019 consultations by DEFRA and the Welsh Government on tenancy law largely reviewed the legislation for the existing let sector in both countries with some focus on changes to aid productivity improvement. Some of those proposals have been introduced under the Agriculture Act 2020. While that is helpful, the key issue for change and progress is how to enable and encourage more opportunities for proficient farmers to secure access to land. The withdrawal of Basic Payment in England (and prospectively also in Wales with much greater conditionality proposed in Scotland and potential erosion in Northern Ireland) is potentially powerful but more will be needed to ensure positive results. The CAAV has been working on the taxation, housing and other issues that could stimulate change and unlock the important opportunities here for a thriving agriculture.

The Survey period saw more discussion of the tenanted sector and environmental land management issues – the basic premise of the Rock Review's report to DEFRA in October 2022. It is too early to do more than foresee some of the potential land use

issues for the letting of farmland arising from climate change mitigation and adaptation, biodiversity and other concerns, with their possibly differing interactions with existing long term tenancies, shorter term lettings and land that might be let or re-let.

The Long View – Great Britain

A century ago, agricultural land in Great Britain was overwhelmingly tenanted with a series of factors seeing that fraction steadily decline, decade on decade, from some 90 per cent before the First World War. Extended security of tenure was introduced in the late 1940s with specific rules on rent, while other regulation developed thereafter. Succession already applied under Scottish law and, in 1976, opportunities for up to two successions were created in England and Wales. Compounded by the pressures of high taxation, experimentation with alternative arrangements gathered momentum from the late 1970s. With the tenanted sector then reduced to some 35 per cent of the agricultural area and seeming in free fall, England and Wales (followed later by the Isle of Man) then took a different route from Scotland with the Agricultural Tenancies Act 1995.

England and Wales – The 1995 Act introduced near freedom of contract for new agricultural lettings. The agreed changes since (as in 2006, 2015 and 2020) have essentially increased that freedom, tackling restrictions found to pose practical problems. CAAV Surveys showed an immediate revival in decisions to let with fresh land coming into the system, reversing the previous haemorrhaging of land from it.

That positive tide flowed until the announcement in 2003 of the draft and then settled EU legislation for the Single Payment, recasting support into payments for the area of eligible farmland occupied by the claimant. That created concern, confusion and divergent reactions in the land market since future control over the new payments turned on land occupation. Thereafter, the implementation and operation of an area-based payment has significantly coincided with reduced activity and stasis over letting. While land that has been let is generally re-let, little new land now comes in, barely offsetting the small area of land that now leaves the sector. There has seemed no reason for that to change while significant area payments remain available.

However, the let sector in England remains around 35 per cent of the agricultural land area – the previous decline has been halted and slightly reversed with almost half of the let sector now being on the Farm Business Tenancies introduced in 1995.

That stasis could thus soon alter with the prospective phasing out of Basic Payment under the post-Brexit policies in England and then Wales, and its de-linking from the occupation of land in England. As access to eligible land ceases to give access to area payments, so behaviour may change.

In the longer term and some years away, the decline in the 1986 Act sector can be expected to accelerate as the final successions expire though some third successions could run to the end of the century and company tenancies can endure indefinitely.

Scotland – Scotland only introduced more limited and complex reforms in 2003, doing so with the language of land reform that has followed through into the Land Reform (Scotland) Act 2016. That Act will ultimately see seven different types of agricultural tenancy in Scotland, while landowners are prevented from letting for a term of between five and ten years. In 2014, the Scottish Government's Agricultural Holdings Legislative Review Group Interim Report described traditional lettings as now seen as a "low return/high risk investment". Scottish Government surveys show the let sector declining but now stabilised at around 20 per cent of available farmland. Land continues to leave the 1991 Act sector but that outflow from the reduced sector has recently been balanced by re-lettings of limited duration tenancies, making the proportion re-let a critical variable. The CAAV's Surveys show that most lettings are now of bare land, rather than equipped units. With very little new land attracted to the sector, there is much more risk of further decline than opportunity for growth. The present stabilisation may not be a stable state.

For comparison, the reduced and reducing area of land under 1991 Act tenancies is perhaps only a little less than that under 1986 Act tenancies in England and Wales – broadly similar processes of attrition have applied to both these historic stocks of tenancies. That may diverge more sharply in a decade or two as the last 1986 Act successions expire but some of the more enduring 1991 Act tenancies continue.

However, while the area in England and Wales under FBTs roughly matches that under the 1986 Act, the area under Scotland's new tenancies is still markedly smaller than that under the 1991 Act and so stabilisation, if that can be maintained, is only with a smaller let sector. Of the European countries with a significant let sector, Scotland now has the smallest proportion of let land.

It should equally be noted that, despite the tenor of some discussion of the sector, the Tenant Farming Commissioner's survey of April 2018, *A Review of the Conduct of Agents of Agricultural Landlords and Tenants*, reported that:

"The results suggest that landlord/tenant relationships are generally good. 82% of tenants and 88% of landlords described their relationship with the other party as very or fairly good with only 6% of tenants and 1% of landlords describing the relationship as fairly or very poor."

Even stabilising the size of the let sector requires both high levels of re-letting land where tenancies end and a significant inflow of newly let land to balance the land that, for development, personal or other reasons, will not be available for re-letting. Owners who have avoided or have no experience of letting need to see it as attractive for new land to be let.

Nothing seems to encourage private landowners in Scotland (including retiring farmers) to offer land on a tenancy, ultimately the only source of land for a growing and vibrant let sector to be achieved. In effect, the system is in palliative care while it declines. The Savills survey of Scottish estates over several years (and reported in previous Surveys) showed that the area of in hand, contract farmed and seasonally grazed land on those estates exceeded the area of let land on those estates by 2016: land is being brought under more direct personal control.

So far as this creates a landscape of owner occupiers, without using other arrangements such as contract farming, this potentially leads to the situation seen in Ireland from which industry and government, in both Northern Ireland and the Republic, are trying to extricate themselves to assist productivity.

Northern Ireland

The island of Ireland has followed a separate path, its tenancy system having been dismantled entirely over a century ago. The resulting landscape of owner-occupiers, succeeding each other over the generations and with very low turnover by sale but not all now farming, has seen the rise of purely seasonal arrangements for grazing with an informal adaption of the older conacre approach. Used on some 30 per cent of the agricultural land area of Northern Ireland, this is now widely seen as a hindrance to good land management with conacre takers lacking the confidence to invest in liming, bio-secure fencing and other improvements and environmental management of someone else's land. That has now led to official support for a revival of tenancies, both north and south of the border, and promoted by the Gilliland Agri-Food Land Experts Group Report of October 2016 which implicitly looked at promoting lettings of 5 years or so.

The CAAV and its local association, the Northern Ireland Rural Valuers Association (NIRVA), have responded with a model tenancy agreement and supporting clarification on tax, agricultural support and other legal issues, taking advantage of the freedom of contract for agricultural lettings available in the province. The Land Mobility initiative has started work on breaking the logjam, promoting agreements between landowners and new farmers. However, these initiatives are in their earliest days.

South of the border, the Republic has also been trying to promote a more open land occupation market with tenancies. Alongside an established Land Mobility programme, its measures have included substantive Income Tax reliefs on farmland rents, rising with the length of term, where land is let at arms' length for at least five years. The essential insight behind this is that the real productivity gains come from enabling land to be used by the "trained". The indications are that this measure has been strikingly successful in attracting landowners, including retiring farmers, to let rather than use seasonal arrangements. Initially reviewed in Chapter 4 of the CAAV Discussion Paper, *Taxation: Agricultural Productivity, Land Occupation and Use After Brexit* (September 2017) and subsequent papers, this has seen the continuing re-creation of a new let sector in Ireland since 2015 from a standing start. The latest data suggest that perhaps 8 per cent of the Republic's farmland is now let on arm's length tenancies of at least 5 years.

Concluding Thoughts

25 years ago, England and Scotland had similar proportions of land in the let farming sector and both were in steady decline. The different roads taken, within a common tax system and broadly similar support policies under the CAP (with significant divergence only emerging after this Survey period), have seen radically differing outcomes. Each system now faces a potentially more challenging and commercial environment as well as the increased focus on climate change mitigation, biodiversity and the management of soil and water.

By contrast to England and Wales, it appears that Scotland, without a significant change in the use of the new forms of tenancy, will have only the opportunities of business contracts between owners and farmers rather than the combination of flexibility and assurance that a strong tenanted sector can bring.

In all parts of the United Kingdom, the tenanted sector will only grow if owners who do not want to farm directly themselves see letting land as an attractive and normal option for them to adopt.

Increasing the use and flexibility of our land occupation markets seems a critical reform for the future commercial success of agriculture as a creator of value, offering opportunities for progressive and new farming businesses and managing change. In that task, the Republic of Ireland's Income Tax relief for letting farmland for more than five years is showing strong and continuing signs of success in attracting retiring farmers (of any age) to let out their land to an extent that merits serious attention in the United Kingdom.

PART 2: THE AGRICULTURAL LAND OCCUPATION SURVEY FOR ENGLAND AND WALES

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1. INTRODUCTION

1.1 This is the forty-sixth annual Survey of let land in England and Wales carried out by the CAAV. Previously called the Tenanted Farms Survey, the name was changed both to reflect more accurately the various different types of arrangement made for the occupation of land and to recognise that lettings are now overwhelmingly of bare land with perhaps only a tenth including a house and farmstead.

1.2 This Survey, drawn from all 27 of the local associations of the CAAV across England and Wales as well as other bodies co-operating with us, summarises the decisions taken about land occupation in the year from 1st November 2021 to 31st October 2022. It indicates choices about new lettings and what happened where tenancies under both the 1986 and 1995 Acts came to an end. It covers a total of 64,468 acres, including 35,290 acres subject to new FBTs; 3,667 acres subject to new contract farming arrangements; 15,912 acres on new grazing agreements and 1,954 acres on which succession to 1986 Act tenancies took place.

1.3 The 2022 Survey results show that the virtual standstill in the area of land changing hands continues. It seems likely that this may be due in part to the stifling effect of area-based entitlements and subsidies; the pattern of lower activity and limited change since 2006 has been consistent with that. The let land market has appeared to have settled at an unnatural equilibrium between supply and demand in current circumstances, including the fact of area payments. It is quite possible that a less distorted market would see a larger let sector.

1.4 The Survey records decisions about land occupation that were then implemented in the year to 31st October 2022. This period included Russia's invasion of Ukraine with effects compounding existing trends for stronger prices in grain, energy and fertiliser markets. Wales only brought forward its first draft of the intended Sustainable Farming Scheme in July and its Agriculture Bill in the autumn, both really for change from 2025. England was in the early stages of its Agricultural Transition with the limited reductions in payments and initial steps with the Sustainable Farming Incentive dwarfed by movements in input and produce markets. Baroness Rock's Tenancy Working Group reported to DEFRA in October, after letting decisions for the Survey period would have been taken. DEFRA's Lump Sum Exit Scheme opened and closed in 2022 with some decisions over tenancies taken then but more for later. There was very little awareness of the prospect of England delinking payments from land occupation for 2024. The summer's sustained hot dry weather, with record temperatures, continued to indicate the unfolding of climate change with the pressures it will bring.

1.5 The overall area let on 1986 Act tenancies continues to decline naturally, albeit with some successions (seven recorded in 2022), typically on larger equipped holdings, ensuring that this sector will endure as a noticeable presence for some decades.

1.6 All areas are given in acres, as the measure most naturally used by respondents.

2. KEY INDICATORS

2.1 The reduced level of activity in the let sector since 2005 continues

The Survey records details of 921 units compared with 2,565 for 2002 (the last year unaffected by the 2005 CAP reform and payments expressly based on the area of farmland occupied).

2.2 There was a fall in the area of the tenanted sector

Fresh lets were marginally outweighed by losses from sales and let land being taken back in-hand this year, resulting in a net loss of 3,652 acres in the area of let land. This compares with an average annual gain of 35,000 acres between 1996 and 2003 and annual losses before the 1995 tenancy reform of 60-90,000 acres. In reality, the trend continues of a virtual standstill since 2003, when the first indications of the impact of CAP area payments were becoming apparent (with their effects on land markets) and particularly since 2006 once entitlements to the Single Payment Scheme had been allocated.

2.3 2,774 acres of FBT lettings were on land not previously let

2,774 acres of previously vacant land were newly let on FBTs, which is much lower than the already low range seen over the past ten years.

2.4 Two-thirds of the 1986 Act tenancies which ended with no successor were re-let as FBTs

Two-thirds of AHA tenancies, representing 59.2% in land area, were re-let on FBTs with an average length of 10.68 years. The proportion sold (7.1%) was consistent with past data while more land was taken in hand or for other arrangements. The Survey does not indicate any significant loss of land to environmental uses.

2.5 The decline in the number of AHA tenancies remains slow

The rate of decline in the number of AHA tenancies ending has tailed off and has been at a more or less consistent level since 2004.

2.6 The average agreed length for all FBTs was 3.66 years; for those over 1 year it was 5.46 years

This average length covers everything from seasonal grass to a long term FBT of 60 years. Where lettings of a year or less are excluded, the average term is 5.46 years. Larger and better equipped holdings are generally let for longer terms; holdings with a house and buildings let for an average term of just under 10 years. Fresh analysis in the report shows the way in which the variety of tenancy lengths adopted often responds to specific circumstances and issues. More generally and as was seen with the introduction of the Single and then the Basic Payment Schemes, prospective changes to area-based support payments affect decisions on letting land. 70 per cent of owners letting for between 2 and 5 years have flexibility in mind; only 2 per cent of those letting between 5 and 8 years do so.

2.7 Few tenancies are of whole farms

Only a small fraction of lettings (7.6%) was of fully equipped farms. The great majority of lettings were of bare land.

2.8 Sales to sitting tenants remain at very low levels

Reported sales to sitting tenants remained at a low level, continuing the recent trend and representing a significant change from the pre-1995 situation when sales to sitting tenants were among the most significant reasons for losses from the let sector.

2.9 New entrants are offered longer terms

Tenants perceived as new entrants by those reporting obtained nearly 11% of all lettings and 37% where the change in tenancy saw a new occupier, the latter being the highest proportion seen in the past decade. New entrants tend to be offered longer tenancies with 71% of all lettings to new entrants being for a term of more than five years.

2.10 Seven succession tenancies followed all 1986 Act tenancies that ended

Successions continue to happen, usually on the larger and better equipped holdings. Seven such successions were recorded in 2022 covering an area of 1,954 acres. The total area let on succession tenancies each year appears to have levelled off since 2004.

2.11 Contract farming arrangements

The total area reported as farmed under new contract arrangements amounted to approximately 10% of the area let on FBTs. The average term of agreements continues to be less than 2 years. The average size of the contract area was 183 acres. Contract farming continues to be predominantly in the arable areas of the country.

2.12 Grazing arrangements

The area of land reported as let on a variety of types of agreement referred to as "grazing arrangements" amounted to 45% of the total area let on FBTs. The great majority (94.5%) of grazing arrangements were for one year or less.

2.13 Comment

Overall, the 2022 Agricultural Land Occupation Survey in England and Wales shows no significant change in activity or area. If change is, as expected, to come, it has not come yet. New and emerging policies had yet to have an impact on the ground in the Survey period, taking very much a second place to farming economics and weather for practical farmers and owners.

While stronger payments for environmental land uses might, as with whole farm set-aside in 1988, offer owners an alternative option to letting, this Survey does not show this for 2022.

In practice, the Survey shows a similar pattern to previous years but with a modest lengthening of terms granted, after they had shortened in years of greater uncertainty. Looking beyond bare and relatively uninformative averages, the Survey continues to show the important texture of the market in which more fully equipped and larger units are let for longer terms, with more stability in those choices than is seen for the predominant shorter lets of bare land.

The factors bearing on those choices of terms are explored below for the second year, again drawing out the texture of motives and constraints, with many terms being case specific. A subject that has tended to be discussed in an undifferentiated way can now be reviewed with more practicality and understanding. It may be hazarded that the expected changes in policies, economics and technologies will drive even closer consideration of lengths and other terms of lettings in future where material to the parties.

The Survey shows letting to offer opportunities to new entrants, limited most by the low level of activity in the lettings market. It is by enabling more opportunities overall for good businesses to expand or enter farming, with the needed benefits for farming productivity improvement. At a time of prospective great change, discussion of policies for the let sector could be seen to be at a junction between opportunity and protection, with one road to its growth and flexibility and the other reducing its vigour with the opportunities then to be found outside it more naturally taken by larger and better established current businesses. We are making choices about managing risk, opportunity and the future.

3. WHAT THE SURVEY COVERS

3.1 This long-standing Survey seeks to capture information about decisions on changes in occupation of farmland. This year's Survey (based on the year from 1st November 2021 to 31st October 2022) covers a total of 921 situations on 64,468 recorded acres with changes involving decisions about letting in England and Wales, including (last year's figures in brackets):

- 504 (637) new FBTs covering 35,290 (45,487) acres
- 16 (10) full AHA 1986 Act tenancies on 2,141 (386) acres which ended or were sold and were not re-let of which 2 (1) units on an AHA tenancy amounting to 166 (40) acres was sold to sitting tenants
- 37 (34) FBTs which ended on 4,285 (1,901) acres and were not re-let of which 2 (2) FBTs on 114 (161) acres were sold to the sitting tenants
- 7 (1) successions under the 1986 Act covering 1,954 (112) acres
- 20 (57) new contract farming agreements covering 3,667 (10,096) acres
- 334 (384) new grazing arrangements covering 15,912 (17,466) acres
- 3 (7) share farming agreements were recorded, covering 1,219 (2,209) acres.

3.2 The lower level of activity since 2005 continues again, with even lower levels now shown for 2022. In every year since 2007, the CAAV Surveys have reported a pattern with:

- activity in the let sector at between 30 and 40 per cent of that in 1999 – down to 28% for 2022
- the number of new FBTs at 25 per cent of that in 1999 – down to 19% for 2022.

This appears to be a consequence of area-based arrangements made for CAP Direct Payment purposes, expressly so since 2005, with the letting market in England and Wales finding an equilibrium within current circumstances as well as caution while new policies develop.

3.3 The Survey continues to offer the industry and those interested in land occupation the largest, longest running and most comprehensive record of changes in occupation.

3.4 Throughout, the collection of information has used the same methods. Standard forms were circulated to all twenty-seven local Agricultural Valuers' Associations in England and Wales, who collected information from members in each district. The Central Association of Agricultural Valuers is very grateful to all who helped by submitting returns to enable this Survey to be as comprehensive as it is.

3.5 The analysis falls into four parts:

- Source of the new lettings
- Fate of land previously let
- Analysis of the newly let units
- New contract farming and other agreements.

4. SOURCE OF THE NEW LETTINGS

4.1 Previous Tenure of land

Table 4.1: Previous tenure of land newly let under FBTs

Previous tenure	2018		2019		2020		2021		2022	
	No.	%	No.	%	No.	%	No.	%	No.	%
Full AHA tenancy	35	6.6%	38	6.3%	42	6.3%	16	2.6%	28	5.6%
Grazing licence etc	16	3.0%	25	4.1%	12	1.8%	15	2.4%	7	1.4%
Let on FBT	431	80.7%	484	79.9%	555	83.5%	535	86.2%	436	87.0%
Vacant	46	8.6%	53	8.8%	40	6.0%	52	8.4%	28	5.6%
Contract farmed	5	0.9%	5	0.8%	15	2.3%	3	0.5%	2	0.4%

4.1.1 The majority of new FBT lettings continue to come overwhelmingly from land previously let on FBTs, so generally retaining land in the let sector. As reviewed below, there is a markedly higher rate of loss of land previously on AHAs (that were granted many more years ago). There is relatively little movement between the use of tenancies and other forms of agreement.

4.1.2 Relatively few FBTs are on land which was previously vacant with a particularly low number in 2022. Both the number of units and total area recorded in 2022 were the lowest figures seen in the past decade, as shown in Table 4.2.

Table 4.2: Fresh lettings of previously vacant units

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units	76	81	88	48	68	46	53	40	52	28
% of new FBTs	7.5%	11.7%	12.2%	9.0%	11.7%	8.6%	8.8%	6.0%	8.5%	5.6%
Area	7,514	6,277	7,999	5,067	5,450	4,650	5,403	2,816	3,846	2,774
Av size	99	77	91	105	80	101	102	70	74	99

4.1.3 No units were identified in 2022 as being purchased and then let on an FBT, following a pattern that now appears to run from 2014. The sector is not attracting investment in land by landlords – one barometer of its health.

Table 4.3: Lettings of purchased units

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units	13	14	0	1	0	0	0	1	1	0	0
Area	1,303	1,626	0	26	0	0	0	8	70	0	0

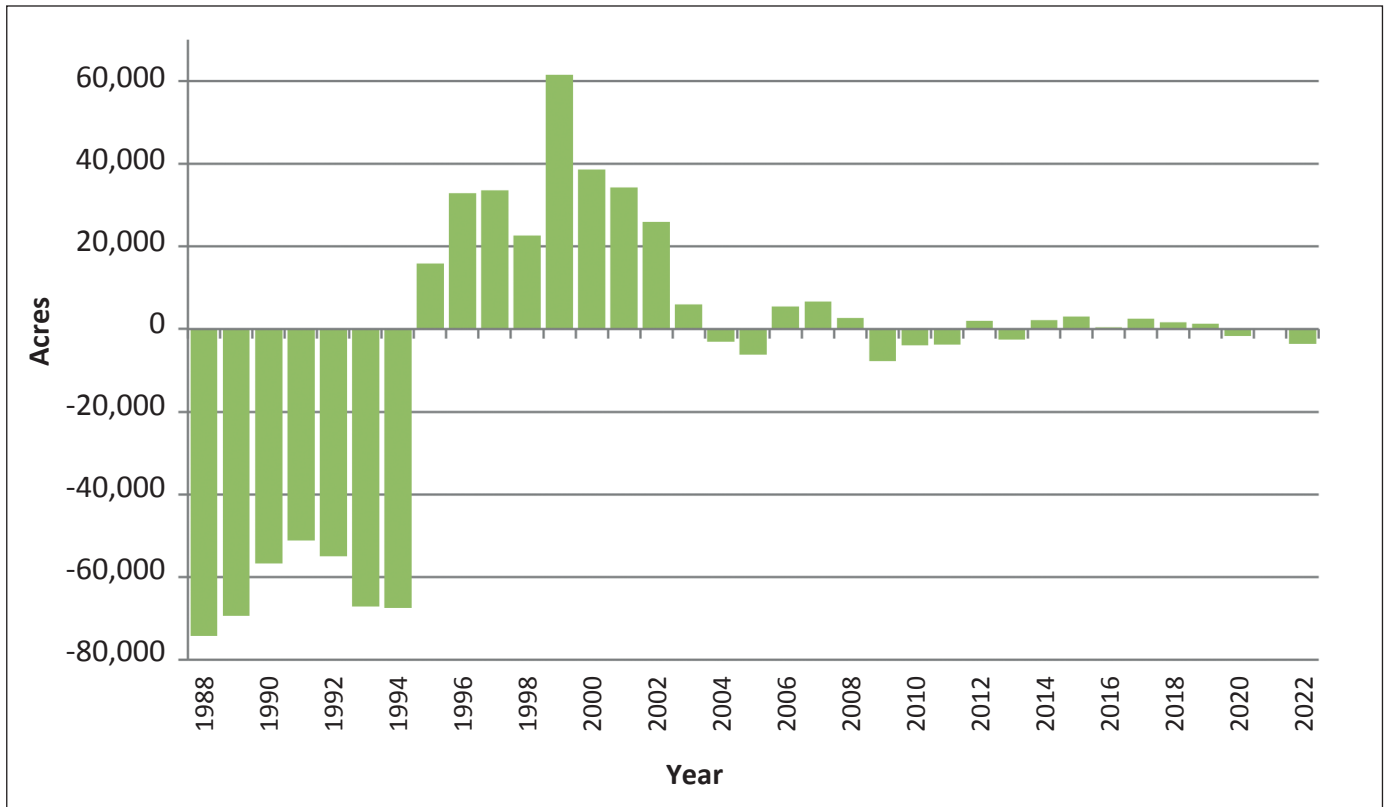
4.1.4 2022 showed that the near standstill in the area of the let sector continues, with a loss of 3,652 acres. While a slightly larger area of loss than in any year since 2009, that still fits their pattern more than suggesting a change. The overall trend remains that of a stand-still in the market since 2003, as shown in Figure 4.1. Within that picture, there is a little more land being taken in hand, rather than being sold or put to other forms of agreement, but the evidence of this Survey period does not point to a new trend.

4.1.5 Table 4.4 and Figure 4.1 are based on figures from the Survey for:
Land newly let that had not been let before,
less: Land previously let under the 1986 Act that had been taken in hand, or put onto a joint venture, or sold,
less: Land sold to sitting tenants and land lost from previous FBTs.

Table 4.4: Net Movements of Tenanted Land (by acres)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fresh let	6,277	7,999	5,067	5,450	4,651	5,403	2,816	3,846	2,774
Less ex-AHA									
– In hand	504	1,040	1,068	250	268	240	1,090	327	1,340
– Contract farming	595	–	879	735	–	–	226	141	158
– Grazing licence	10	376	52	125	30	55	66	211	68
– Sold	899	557	73	152	658	318	362	20	409
– AHA sold ST	135	150	4	104	–	24	57	40	166
– AHA re-grant	–	–	–	–	–	–	21	–	–
– Unallocated loss	–	–	–	1	–	–	9	–	–
<i>Sub-total</i>	<i>2,143</i>	<i>2,123</i>	<i>2,076</i>	<i>1,367</i>	<i>956</i>	<i>636</i>	<i>1,831</i>	<i>739</i>	<i>2,141</i>
Less ex-FBT									
– In hand	261	153	92	232	886	454	661	831	2,822
– Contract farming	868	1,598	1,590	692	185	1,317	1,377	674	380
– Grazing licence	243	586	246	65	582	484	87	623	257
– Share farming	216	–	–	–	–	–	332	–	–
– Sold	155	368	101	539	297	461	227	909	712
– Sold ST	303	210	4	0	103	370	29	161	114
– Unallocated loss	–	1	–	–	–	–	6	–	–
<i>Sub-total</i>	<i>2,046</i>	<i>2,915</i>	<i>2,524</i>	<i>1,605</i>	<i>2,107</i>	<i>3,420</i>	<i>2,719</i>	<i>3,198</i>	<i>4,285</i>
Net	+2,088	+2,961	+467	+2,478	+1,588	+1,348	-1,733	-91	-3,652

Fig 4.1: Net annual loss/gain in tenanted area 1988 – 2022



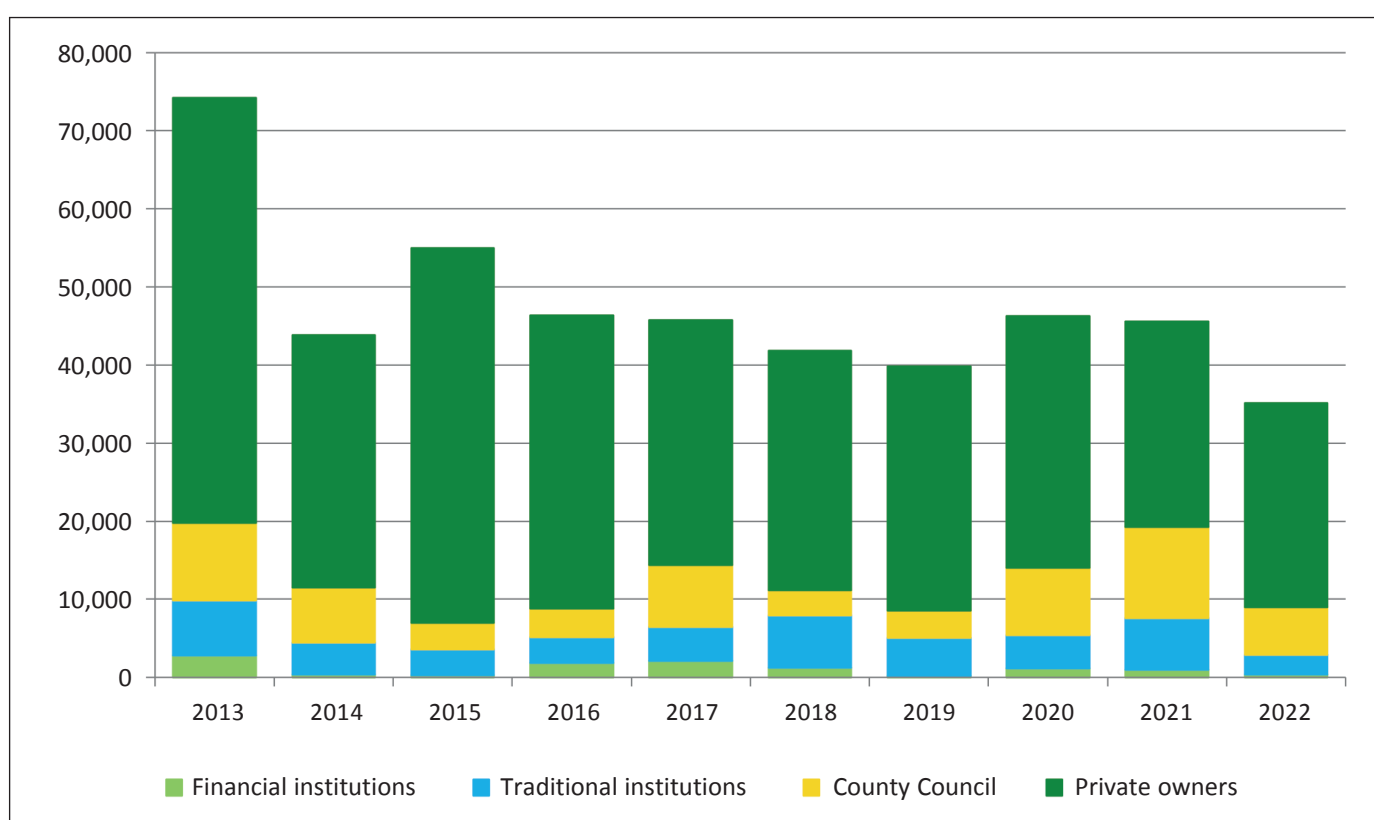
4.2 Lettings by Ownership

4.2.1 Table 4.5 and Figure 4.2 show that private landowners continue to provide the majority of all holdings for letting.

Table 4.5: Source of new lettings by ownership: 2022 compared to five year average

Let by	Number		Percentage		Area		Average area	
	2022	5 year average	2022	5 year average	2022	5 year average	2022	5 year average
Private owners	385	433	76.4	70.9	26,171	30,341	68	70
Traditional institutions	32	78	6.3	12.9	2,507	5,391	78	69
County Council	81	89	16.1	14.3	6,080	6,970	75	77
Financial institutions	6	12	1.2	1.9	389	1,127	65	117

Fig 4.2: Area let by type of owner – past 10 years



5. FATE OF LAND PREVIOUSLY LET

5.1 Termination of full AHA tenancies

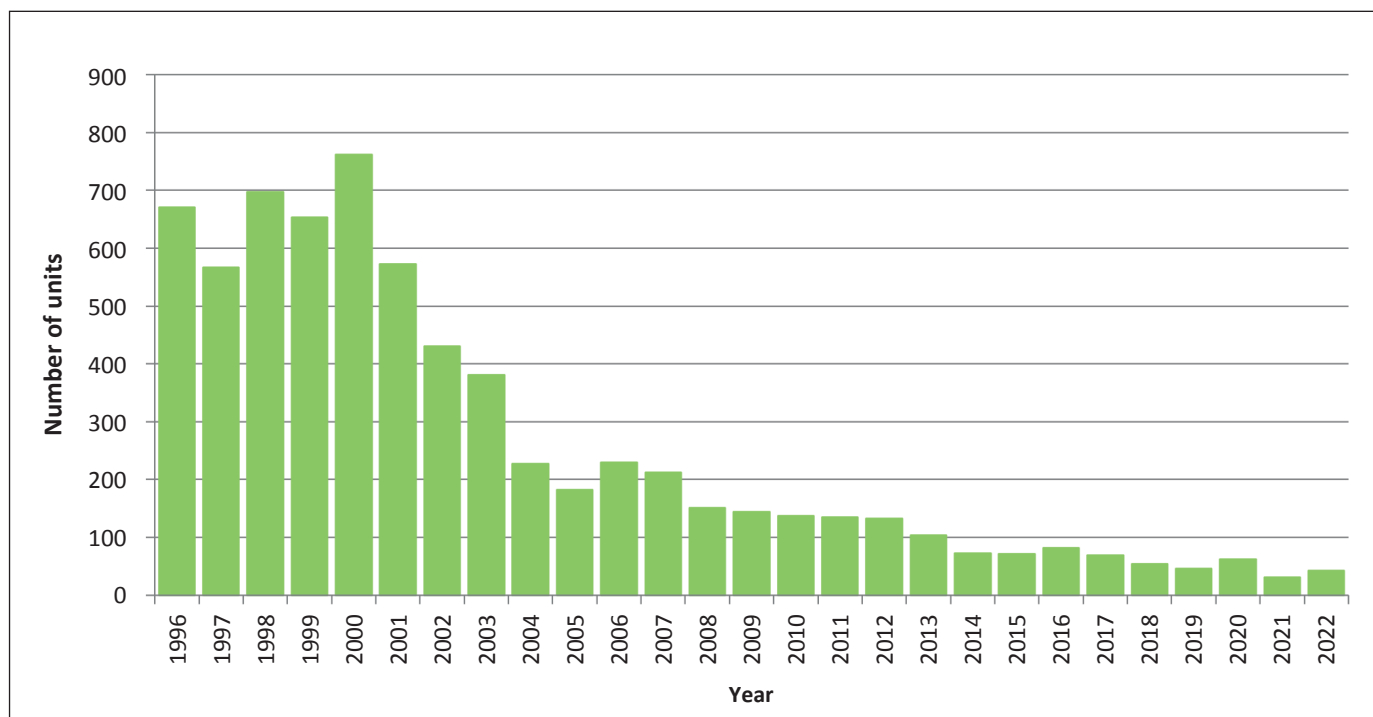
5.1.1 In 2022, 42 AHA tenancies were reported as coming to an end, excluding those where a succession took place. Figure 5.1 shows the slow “tailing-off” which has occurred since 2004.

5.1.2 Table 5.1 shows that around two-thirds of AHA tenancies coming to an end were re-let as FBTs; this is in line with the pattern of the past decade but accounting for a lower 59.2% of the area involved. A higher fraction, 28 per cent, was taken in hand with 2022 only seeing a small fraction on other arrangements. The proportion of land let on former AHAs which was subsequently sold was 8.5%, being made up of 3 units ranging in size from 47 acres to 210 acres.

Table 5.1: Fate of old full AHA tenancies which ended 2013 – 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number	103	72	71	82	69	54	46	62	31	42
Re-let (FBT)	62.1%	76.4%	76.1%	85.7%	75.8%	64.8%	82.6%	67.7%	51.6%	66.7%
Sold	21.4%	8.3%	11.3%	5.9%	15.4%	16.7%	6.5%	11.3%	12.9%	7.1%
In-hand	8.7%	6.9%	4.2%	2.4%	3.3%	9.3%	4.4%	6.5%	16.3%	16.7%
Contract Farming/ Grazing Lets	3.9%	8.3%	8.5%	5.9%	5.5%	9.3%	6.5%	8.0%	19.4%	9.5%

Fig 5.1: Number of AHA tenancies which ended



5.1.3 The analysis of previous AHA tenancies by area (Table 5.2) confirms earlier findings that the majority of those who have been used to being landlords prefer to carry on as such, with 59% of the area re-let on FBTs in 2022. The area taken back in hand was a larger proportion than seen in recent years, with 1,340 acres representing 7 units, the largest of which was 725 acres. Very little was sold (409 acres) or let on alternative arrangements (226 acres).

Table 5.2: Analysis of previous AHAs by area (acres)

	2018		2019		2020		2021		2022	
AHAs re-let as FBTs	3,843	80.1%	4,288	87.1%	5,377	74.8%	1,522	68.5%	2,867	59.2%
Taken in hand	268	5.6%	240	4.9%	1,090	15.2%	327	14.7%	1,340	27.7%
Used for grazing/ contract farming	30	0.6%	55	1.1%	292	4.1%	353	15.9%	226	4.7%
Sold	658	13.7%	342	6.9%	419	5.8%	20	0.9%	409	8.5%
Total not re-let	956		636		1,809		699		1,975	

5.1.4 Information on surrenders and re-grants is not expressly sought in the Survey, but these are sometimes referred to by respondents in the notes on their returns. There was no such reference in 2022 (1 in 2021, 2 in 2020, 4 in 2019, 5 in 2018, none in 2017, 2016 or 2015; 3 in 2014, 1 in 2013, 3 in 2012, 1 in 2011 and 4 in 2010). Other transactions may have had similar reasons but were not identified in the returns.

5.2 Former Farm Business Tenancies

5.2.1 Returns were received for 471 FBTs that ended. 93% of all those expiring FBTs were re-let as FBTs, in line with the evidence of previous Surveys which have consistently reported figures above 90%. They covered a slightly lower 87% of the area involved. Few units were taken in-hand (4.9%) or put on contract farming or grazing licence arrangements (1.3%). Sales of former FBT land (at 1.3%, representing 2.2% by area) have consistently been much less significant than for former AHAs but this might be natural as the decision to retain and let the land on a FBT was anyway more recent than where an AHA had first been let.

Table 5.3: What happened to FBTs that ended?

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number	799	495	532	395	457	467	533	597	578	471
Re-let	91.7%	93.3%	91.7%	94.2%	92.5%	92.3%	90.8%	93.0%	92.4%	92.6%
Sold	3.9%	1.6%	1.9%	1.0%	3.3%	2.4%	3.0%	1.2%	3.8%	1.3%
In-hand	1.5%	1.8%	0.4%	0.5%	1.5%	2.4%	2.8%	2.5%	2.1%	4.9%
CF/Grazing	2.5%	3.0%	5.6%	3.8%	2.6%	2.6%	2.8%	2.3%	1.7%	1.3%
Not allocated	0.4%	0.3%	–	0.5%	–	0.4%	0.6%	0.7%	–	–

5.2.2 The figures in Table 5.4 show the analysis of former FBTs by area.

Table 5.4: Analysis of previous FBTs by area (acres)

	2018		2019		2020		2021		2022	
Re-let as FBTs	41,810	95.4%	28,599	90.4%	36,304	93.1%	38,000	92.2%	28,530	87.2%
Taken in hand	886	2%	454	1.4%	661	1.7%	831	2.0%	2,822	8.6%
Grazing /CF	820	1.9%	2,135	6.8%	1,796	4.6%	1,296	1.7%	637	1.9%
Sold	297	0.7%	461	1.4%	227	0.6%	1,070	2.6%	712	2.2%
Total not re-let	2,003		3,050		2,684		3,197		4,171	

5.3 Succession to 1986 Act tenancies

5.3.1 14% of all AHA tenancies which came to an end in 2022 saw a succession, this representing 7 holdings (Table 5.5). It has been reported in previous Surveys that succession happened on about 10% of those AHA tenancies which ended in the period 1990 – 1994. Changes in succession activity may reflect changing views by tenants’ families on farming as a business. Its effect is to concentrate the AHA sector on larger, more equipped and durable units. Some in England may have triggered succession in conjunction with applying for the Lump Sum Exit Scheme in 2022; others may be waiting on the de-linking of Basic Payment.

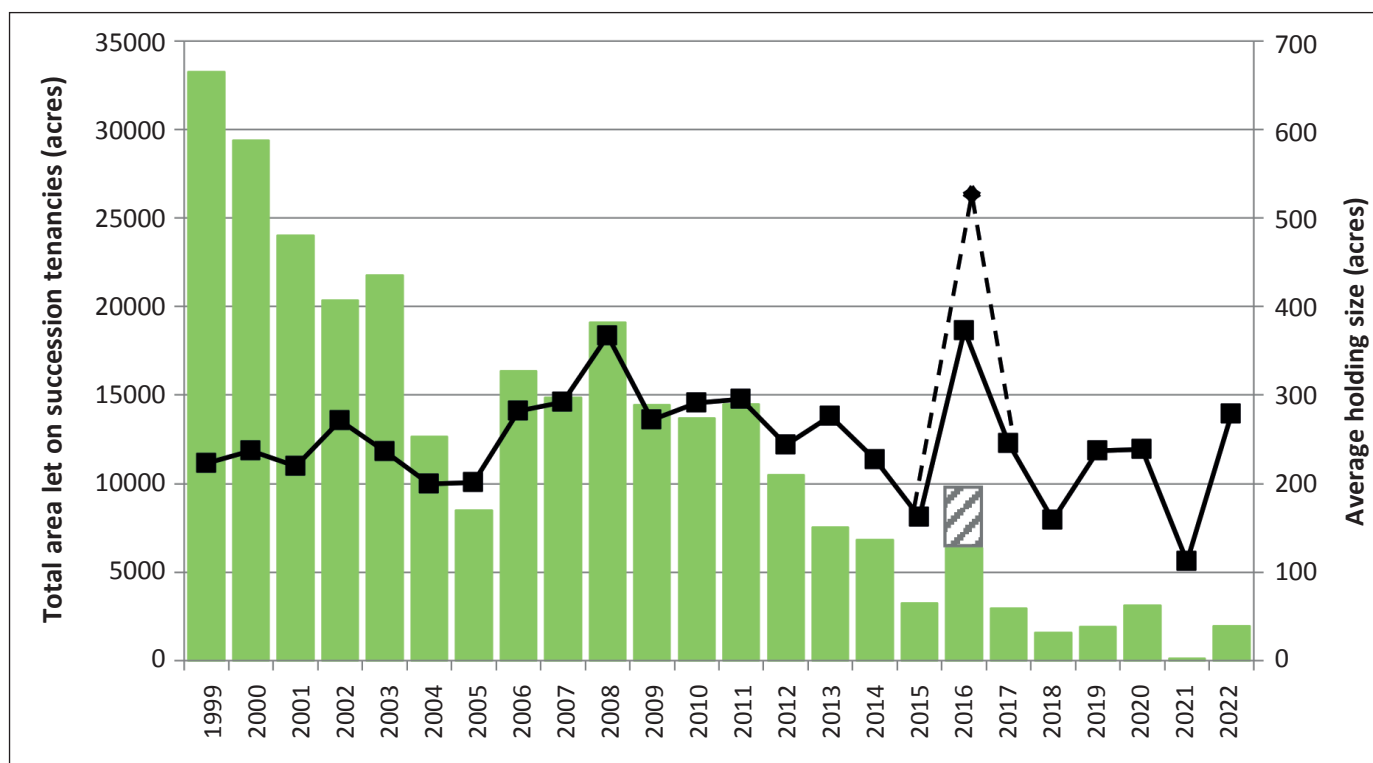
Table 5.5: Successions

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number	37	32	20	17	11	10	8	11	1	7
% AHAs ending	26%	31%	22%	17%	11%	16%	15%	15%	3%	14%
Area	7,533	6,817	3,250	10,350 6,350	2,938	1,591	1,892	3,105	112	1,954
Av size	276	227	162	609 373	245	159	237	239	112	279

5.3.2 The 2016 data were distorted by a 4,000 acre hill farm on which succession was granted during the survey period. Without that, the total area would have been 6,350 acres and the average size would be 373 acres.

5.3.3 The total number of successions and the total area let have both fallen since 2000. While the trend was for the average size of holdings to increase, that has generally levelled off since 2009 (albeit with the volatility natural in smaller numbers). Holdings let on succession tenancies tend to be larger than those in other categories in this Survey, providing an enduring core of 1986 Act tenancies. Figure 5.2 shows the total area of land let on succession tenancies in bars with the average holding size shown by the line. The dotted line and striped bar show the total figures including the 4,000 acre unit referred to above.

Figure 5.2: Total area and average holding size of AHA succession tenancies



5.3.4 In 2022, six successions covering nearly 90% of the area of land were on a privately owned holdings (86% of all successions). The remaining succession was on land owned by a traditional institution (10.7% of the area).

5.4 Sales to sitting tenants

5.4.1 These sales are analysed separately as they are not cases where the tenancies have ended in the usual way but are rather merged in the freehold ownership by negotiation.

5.4.2 In 2022 there were two recorded cases where land subject to an AHA tenancy was sold to a sitting tenant. Numbers of units sold are still much lower than those recorded before 2005.

Table 5.6: Sales to sitting AHA tenants

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cases	8	2	1	1	4	0	1	1	1	2
Acres	554	135	150	3.7	104	0	24	57	40	166

5.4.3 Two sales to FBT tenants were recorded on 114 acres.

Table 5.7: Sales to sitting FBT tenants

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cases	10	1	2	1	0	1	3	2	2	2
Acres	297	216	210	3.5	0	103	370	29	161	114

6. ANALYSIS OF THE NEWLY LET UNITS

6.1 Size

6.1.1 As in previous years, the Survey shows a very wide range of land types being let under FBTs, from bare land to fully equipped units, in all sizes from less than half an acre to over a thousand acres.

6.1.2 The average size of a unit let as an FBT was 70 acres in 2022 and the proportion of let units exceeding 150 acres was 11.1%, being the lowest level in the past 10 years.

Table 6.1: Average size of FBTs

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Av area (acres)	73	63	76	91	77	78	66	69	71	70
% > 150 acres	16.3%	15.2%	15.6%	21.1%	22.7%	15.8%	14.9%	20.9%	12.7%	11.1%
No. > 150 ac	126	80	94	91	90	85	67	98	81	56

6.1.3 The Survey forms asked for each unit to be classified according to whether it was bare land (without any buildings), land with buildings, or land with a house and buildings. The results have been analysed in Table 6.2, from which it can be seen that FBTs on bare land are significantly skewed towards smaller areas. In 2022 only four lettings of more than 500 acres were reported, two of which were land with buildings, one bare land letting and one having a house and buildings.

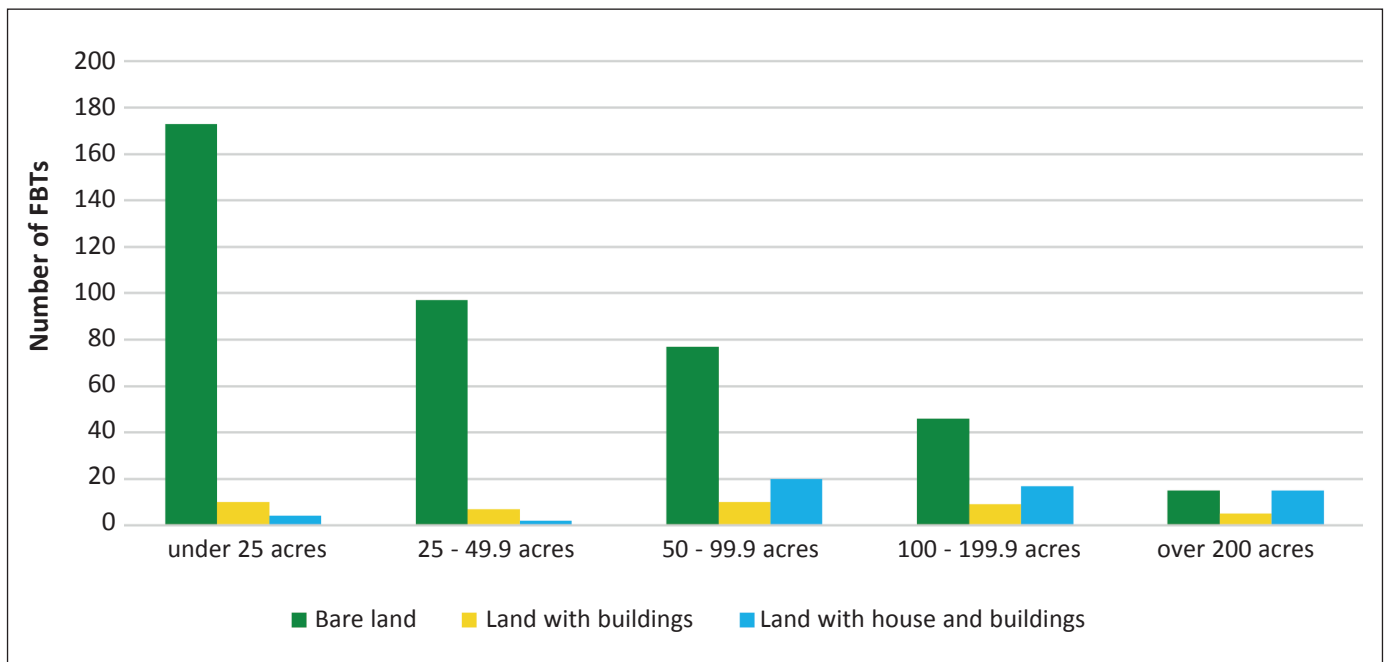
Table 6.2: Analysis of FBTs by type of holding and area

	Bare land	Land with buildings	Land, buildings and house
under 25 acres	173	10	4
25 – 49.9 acres	97	7	2
50 – 74.9 acres	45	4	8
75 – 99.9 acres	32	6	12
100 – 124.9 acres	18	4	3
125 – 149.9 acres	12	3	11
150 – 199.9 acres	16	2	3
200 – 249.99 acres	8	0	6
250 – 374.9 acres	5	1	6
375 – 499.9 acres	1	2	2
500 – 749.9 acres	0	2	1
750 – 999.9 acres	0	0	0
over 1000 acres	1	0	0

6.1.4 The information in Table 6.2 was grouped by size into five categories in Figure 6.1 showing how smaller let units are predominantly bare land.

6.1.5 It has previously been noted that one of the most obvious sources of fresh land for letting is the owner of smaller landholdings who may want to retain their home. **The stereotypical farm with house and buildings is only a small part of the marketplace (7.6% in 2022).** The small bare land lettings also include grazing land and specialist cropping land.

Fig 6.1: Analysis of FBTs by type of holding and area



6.1.6 As shown in Table 6.3, 67% of all bare land lettings are less than 50 acres in size, a proportion which has remained consistent over the past decade.

Table 6.3: Proportion of bare land lettings of less than 50 acres in size

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
%	67	70	71	63	69	61	69	66	68	67

6.2 Fixed equipment – houses and buildings

Table 6.4: Analysis by level of equipment on each unit in 2022 compared with 2021

	2021					2022				
	No. of units		Acres		Av area	No. of units		Acres		Av area
Bare land	528	83.0%	28,852	62.9%	55	408	80.5%	22,095	62.6%	54
Land with buildings	60	9.4%	7,183	15.7%	120	41	8.1%	4,601	13.0%	112
House, land and buildings	48	7.6%	9,812	21.4%	204	58	11.4%	8,593	24.4%	148

6.2.1 The 2022 returns are consistent with previous years. Typically, the figures over the years are:
 – by number, around 80% bare land, 10% with buildings and 10% with house land and buildings
 – by area, around 60% bare land, 20% land with buildings and 20% with house, land and buildings
 again showing the patterns that the more equipped a unit is, the larger it is likely to be and, as will be seen below, the longer it is likely to be let for.

Table 6.5: Analysis of equipment on each unit by ownership in 2022

	Private owners			County councils			Traditional institutions			Financial institutions		
	No.	%	Av. Area	No.	%	Av. Area	No.	%	Av. Area	No.	%	Av. Area
Bare land	334	86.7%	56	38	46.9%	37	29	90.6%	54	4	66.7%	39
Land with buildings	33	8.6%	110	5	6.2%	69	1	3.1%	387	2	33.3%	232
Fully equipped	18	4.9%	206	38	46.9%	114	2	6.3%	275	0	0%	0

6.2.2 As in previous years, it is county council lettings that are distinctively weighted towards fully equipped lettings, with nearly 47% of their total let with a house, land and buildings (29% in 2021, 26% in 2020; 24% in 2019; 23% in 2018; 38% in 2017; 34% in 2016; 38% in 2015; 30% in 2014) – important but a lower percentage than some might assume. Even so, most county council lettings have typically been of bare land.

6.2.3 In previous Surveys, the majority of fully equipped lettings by number and by area have been by private landlords. However, as shown in Table 6.6 below, in the last two years (2021 and 2022), county councils provided more fully equipped holdings than private landlords. Although this also accounted for a greater area, the holdings were of a smaller average size than that provided by private landlords. As has been typical previously, private landlords also let a greater proportion of their holdings for periods of ten years or more than county councils did, although that difference narrowed in 2022.

Table 6.6: Analysis of fully equipped holdings by type of owner

Year	Private owners		County councils		Traditional institutions		Financial institutions	
	2022	2021	2022	2021	2022	2021	2022	2021
Number of these holdings	18	11	38	36	2	1	0	0
% of these holdings	31%	23%	66%	75%	3%	2%	0%	0%
Total area for these	3,704	2,635	4,339	6,789	550	388	–	–
% of their total area	46%	27%	50%	69%	3%	4%	–	–
Average area per holding	206	240	114	189	275	388	–	–
Number let for 10 yrs +	10	6	19	15	0	0	–	–
% let for 10 yrs +	56%	55%	50%	42%	0%	0%	–	–

6.3 Basic Payment Entitlements

6.3.1 The survey included a question asking whether Basic Payment entitlements were included in the letting. 486 entries for new FBTs answered the question (96% of all entries). 28.6% of the responses stated that entitlements were included in the letting (37.4% in 2021, 44.5% in 2020; 37.3% in 2019; 54.7% in 2018; 42.8% in 2017; 46.6% in 2016; 50.2% in 2015). 71.4% stated that they were excluded (62.6% in 2021, 55.5% in 2020; 62.7% in 2019; 45.3% in 2018; 57.2% in 2017; 53.4% in 2016; 49.8% in 2015) and so, in principle, being for the tenant to provide, typically having them already, including from previous occupation of the land being let.

6.3.2 Of those who answered the question, entitlements were included in 30% (36%) of bare land lettings, in 40% (42%) of lettings of land and buildings and in 11% (48%) of lettings of fully equipped holdings (with no basis on which to comment on that drop when the other categories are relatively consistent).

6.3.3 One factor for review is whether the 2021 DEFRA consultation on the Lump Sum Exit Scheme and delinking of Basic Payment have had any effect. DEFRA did not respond until February 2022. Since then, attention and activity focussed on the Scheme with applications to be made by September 2022 and compliance removing entitlements from the system. There was little general awareness in the Survey period of the prospect of delinking but perhaps a wider climate of caution over losing control of future payments.

6.4 Farming enterprises

6.4.1 With only partial information, 163 lettings were described as only arable, with a further 4 units described as a mixture of arable and pasture. There was one letting for roots and 2 for horticulture. 83 units recorded grazing uses only. 140 lettings were for livestock, of which 52 were dairy farms. There was one unit recorded for poultry.

6.4.2 One letting mentioned Christmas tree production. Two referred to equestrian use, four to the rearing of deer and one for rearing buffalo. Diversification which takes place during a tenancy is not recorded by the Survey.

6.4.3 There were no lettings of buildings only, or where buildings were let with only a small area of land (3 in 2021, 2 in 2020, 10 in 2019, 1 in 2018, 3 in 2017, 1 in 2016, 7 in 2015, 8 in 2014).

6.5 Length of term

6.5.1 The Survey does not capture those cases where periodic tenancies continue to run on from year to year or where fixed term tenancies have been allowed to run on beyond the end of the term. Some longer tenancies are therefore not fully recorded and, in reality, the average length of an FBT in practice is likely to be somewhat longer than the Survey suggests. That is thought unlikely to be offset by the operation of break clauses to end a fixed term letting early. The CLA's summer 2022 survey of its members on agricultural tenancies and environmental schemes reported an average operational length of 8 years.

6.5.2 This report first considers the average length of FBTs as granted and then explores the variety of those lengths of tenancy hidden by that average with fresh analysis on why differing periods are chosen.

6.5.3 Average Length – Table 6.7 shows that the average length for all FBTs in 2022, including those from year to year, was an increased 3.66 years. The average over the previous 10 years was 3.55 years. This average includes all lettings, from seasonal lets of bare land to long term lettings of fully equipped holdings. It is generally the case that larger units and more equipped units are let for longer terms – see Table 6.8 and Figure 6.2.

6.5.4 If lettings for 1 year or less are excluded so discounting the many that are seasonal and rotational arrangements, the average term increases to 5.46 years and the average length of FBTs let for more than five years was 12.45 years, both higher than seen since 2017. Decisions implemented in 2018 saw a particular shortening of tenancy lengths which have tended to recover since then, albeit slipping back in 2021.

6.5.5 Over the years, these surveys have shown that periods of policy uncertainty see the average length of letting shorten. Most recently this is shown for 2013 with the prospect of the change to the Basic Payment potentially with a fresh allocation of area-based entitlements and 2018 as post-Brexit policies were first discussed. Table 6.7 shows that this effect is not evident where lettings are for more than 5 years but is a factor for the generality of shorter lettings, perhaps illustrating the sensitivity of this large part of the market.

Table 6.7: Average length in years of new FBTs granted

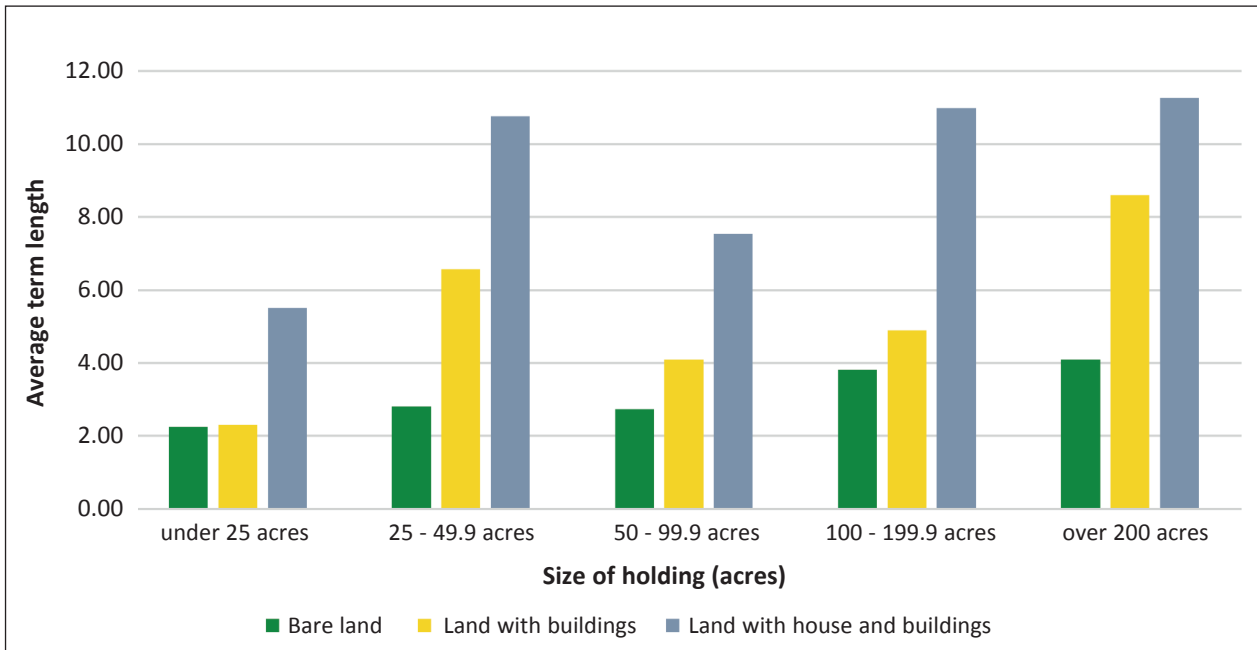
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
All FBTs	3.17	3.53	3.83	4.48	3.97	2.90	3.21	3.24	3.03	3.66
FBTs > 1 yr term	4.65	4.93	5.31	5.94	4.98	4.14	4.75	4.83	4.67	5.46
FBTs > 5 yr term	10.84	10.26	13.16	13.42	10.70	9.73	11.84	11.50	11.54	12.45

Table 6.8: Average term length in years by size and type of unit

Size of unit	Bare land	Land and buildings	House, land and buildings	Average length of all FBTs
Under 25 acres	2.25	2.3	5.5	2.32
25.0 – 49.9 acres	2.80	6.57 ¹	10.75	3.20
50.0 – 99.9 acres	2.74	4.1	7.53	3.75
100.0 – 199.9 acres	3.82	4.89	10.99	5.65
Over 200 acres	4.1	8.6	11.27	7.81

¹With only seven lettings reported here, a single letting for 25 years increases the average from 3.5 years.

Fig 6.2: Average term length in years by size and type of unit



6.5.6 The Variety of Lengths of Lettings – Table 6.9 and Figure 6.3 show an analysis of the term lengths for new FBT lettings and illustrate how the flexibility of the FBT format is widely used in practice. The range in lengths of FBT reported was from six months to 60 years. There were 37 reported periodic tenancies running from year to year, higher than the pattern seen before 2020.

6.5.7 While a length of 8 years has not previously been seen as significant for analysis, the Rock Review recommended that full Agricultural Property Relief on let land from Inheritance Tax be limited to lettings granted for at least 8 years (understood simply to have been taken from the average practical length of an FBT as reported by the CLA Survey of summer 2022, rather than adopted for any specific reason). In response, this 2022 Survey has divided the period previously analysed as lettings for periods between 5 and 10 years into two new groups

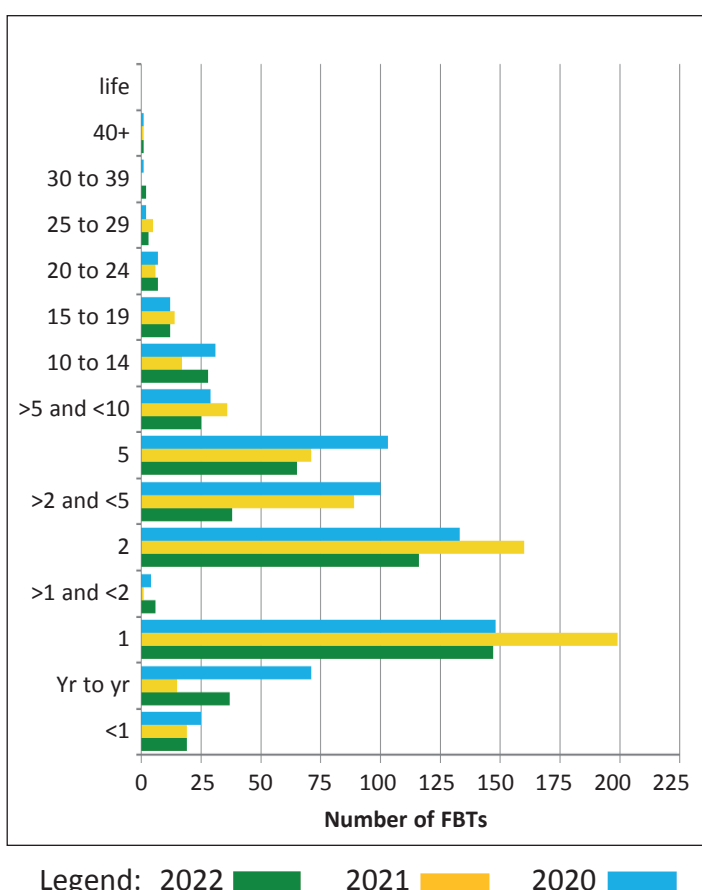
- those of more than 5 years but less than 8 years
- those of 8 years or more but less than 10 years.

The previous category has been retained for previous years and its results for 2022 are shown in italics. In practice, there were no lettings for a term of 8 years or more but less than 10 years. There were 25 lettings of more than 5 years but less than 8 years: 12 lettings for a term of 6 years and 13 lettings for a term of 7 years. Less than 5% of lettings were for periods between 5 and 10 years, all being for terms of 6 or 7 years in this category.

Table 6.9: Analysis of FBT term lengths in 2022

	2022	2021	2020	2019
Length	Number			
Life	0	0	0	0
40+ years	1	1	1	1
30 – 39 years	2	0	1	2
25 – 29 years	3	5	2	1
20 – 24 years	7	6	7	5
15 – 19 years	12	14	12	11
10 – 14 years	28	17	31	22
8 and <10 years	0	–	–	–
>5 and <10 years	25	36	29	25
>5 and <8 years	25	–	–	–
5 years	65	71	103	86
>2 and <5 years	38	89	100	74
2 years	116	160	133	133
>1 and <2 years	6	1	4	2
1 year	147	199	148	186
Annual periodic	37	15	71	24
< 1 year	19	19	25	35

Fig 6.3: Analysis of term lengths of FBTs (2020-2022)



6.5.8 Little Regulatory Influence on Length of Tenancy

A more detailed analysis of FBTs was carried out to assess the proportions of tenancies granted for various periods and possible reasons why those periods might have been selected. The results are shown in Tables 6.10 and 6.11 below. The periods selected were:

- year to year – retains flexibility
- two years or less – terminating automatically without a notice and allows for shorter notice
- more than two years up to three years – coinciding with a typical rent review period and not requiring to be made by deed, combining the shortest formal commitment with the ability for the tenancy to continue indefinitely
- more than 3 years up to 5 years – no interactions with other points, but 5 year periods appear popular
- more than 5 years up to 7 years – leases of less than 7 years do not have to be registered
- more than 7 years but less than 8 years
- 8 years or more up to 10 years
- more than 10 years.

Previous reports have analysed lettings for more than 7 years up to 10 years, however, this category has been split to show lettings of more than 7 years but less than 8 years and those of 8 years up to 10 years. As no lettings were for a period of between 7 and 8 years, Figure 6.4 adopts the categories used in previous reports for ease and consistency to compare with previous years.

6.5.9 Table 6.10 shows that the most numerous agreements are those made for less than two years, which consistently represent approximately half of all agreements but which include those seasonal and rotational lettings that by their nature are generally short term. FBTs of two years or less will terminate automatically and some landowners prefer the security of knowing that notices do not have to be served in order to bring the tenancy to an end. Many of these agreements will then be renewed on similar terms for a further period of less than two years, hence they are likely to be encountered more frequently in the annual survey. Others may move passively and informally to a new arrangement which, on analysis, might be a tenancy from year to year.

6.5.10 In general, Table 6.10 suggests that choice of term is relatively uninfluenced by other regulatory concerns, perhaps with any lack of awareness or mismatch of interest between landlord and tenant, though a couple of cases noted below were influenced by the requirement to register leases granted for 7 years or more.

Table 6.10: Length of FBT terms by number of agreements

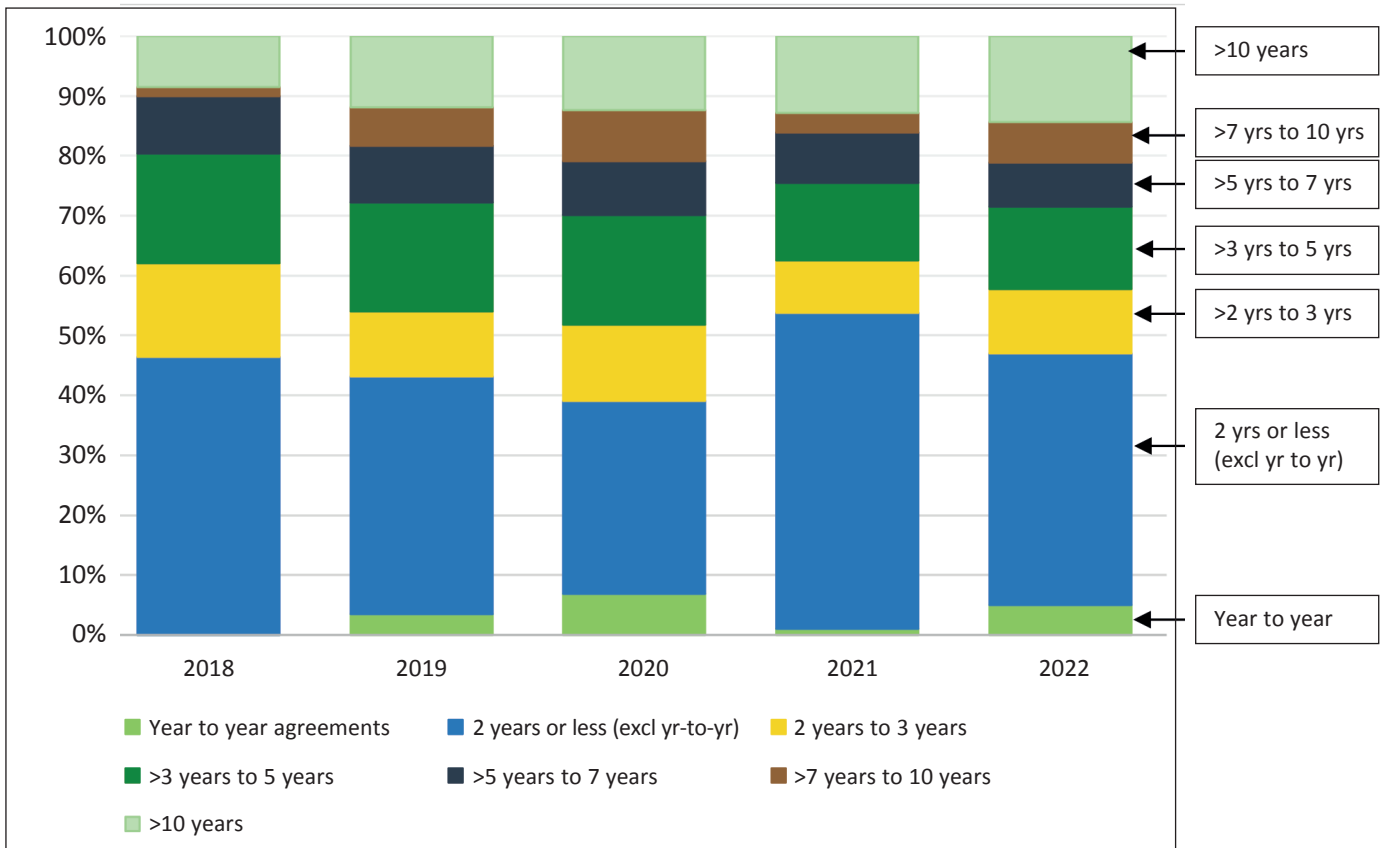
	2018		2019		2020		2021		2022	
	No.	%	No.	%	No.	%	No.	%	No.	%
Year to year	1	0.2	24	3.9	71	10.64	15	2.37	37	7.31
Up to 2 years (excl yr-to-yr)	338	63.1	356	58.7	310	46.5	379	59.78	288	56.92
>2 yrs to 3 yrs	69	12.9	70	11.5	98	14.7	77	12.15	33	6.52
>3 yrs to 5 yrs	74	13.8	90	14.8	105	15.7	83	13.10	70	13.83
>5 yrs to 7 yrs	34	6.3	24	3.9	27	4.1	34	5.36	25	4.94
>7 to <8yrs	–	–	–	–	–	–	–	–	0	0
>7 yrs to 10 yrs	5	0.9	21	3.5	26	3.9	17	2.68	–	–
8 yrs to 10 yrs	–	–	–	–	–	–	–	–	23	4.55
>10 yrs	15	2.8	22	3.6	30	4.5	28	4.42	30	5.93

6.5.11 The length of tenancies by area is shown in Table 6.11 and, like Table 6.10, this shows a degree of consistency between the types of tenancy, although the data for each type do vary from year to year. The area (and number) of year to year lettings remains a small percentage of the whole.

Table 6.11: Length of FBT terms by area

	2018		2019		2020		2021		2022	
	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%
Year to year	2.4	0.01	1,404	3.5	3,182	6.7	489	1.1	1,755	4.98
Up to 2 yrs (ex yr-to-yr)	19,405	46.5	15,775	39.6	14,887	32.2	24,048	52.7	14,818	42.0
>2 to 3 yrs	6,496	15.6	4,318	10.8	5,885	12.7	4,001	8.8	3,810	10.8
>3 to 5 yrs	7,666	18.4	7,233	18.2	8,507	18.4	5,926	13.0	4,835	13.7
>5 to 7 yrs	3,995	9.6	3,801	9.6	4,115	8.9	3,817	8.4	2,582	7.3
>7 to <8yrs	–	–	–	–	–	–	–	–	0	0
>7 to 10 yrs	630	1.5	2,526	6.4	3,946	8.5	1,499	3.3	<i>Recategorised</i>	
8 to 10 yrs	–	–	–	–	–	–	–	–	2,414	6.9
>10 yrs	3,555	8.5	4,739	11.9	5,733	12.4	5,827	12.8	5,049	14.3

Figure 6.4: Length of FBT terms by area (%)



6.5.12 The Varied Reasons for Choosing the Length of a Letting – In 2022, for the second year, the Survey asked respondents to comment on the reason for the term selected. As they were not prompted as to the potential reasons they might have, this analysis relies on the responses as given. 52% (261) of the returns provided a response and these highlighted the great variety of reasons that influence the length of term.

6.5.13 Again, the diversity of responses indicates that it is unrealistic to imagine that there is a stereotypical tenancy or landlord. They show a wide variety of situations and motives with the choices as to term made in response to them. While separated out here on the basis of the way respondents chose to reply, several factors could bear on many of the decisions: a landlord’s policy could be influenced by tax and uncertainty about agricultural policy.

6.5.14 Within the spectrum of reasons volunteered, potentially overlapping in many cases, of those that can be more clearly categorised:

- in 36% of cases, the term was driven by case specific reasons, including:
 - dovetailing with other events
 - starter farms or progression tenancies
 - tenant’s investment
 - the prospects for development and other uses
 - scheme related decisions, such as England’s Lump Sum Exit Scheme.

These are perhaps the cases where there is more often a predominant reason for the choice made while the other categories may be more likely to have an underlying combination of the factors reported, more often following practices already established in the absence of any specific forceful reason to change in the case to hand.

- 3% referred directly to uncertainty in considering the term, probably understating the force of this factor given the related responses under flexibility and the security categories.
- 19% of cases were directly reported as carrying forward the existing practice or the previous term, estate policies and landlord’s instructions. Many of these will be carrying forward what is seen as normal which is where the publicity given to the average term of all FBTs (including seasonal letting) may be oddly self-defeating for those urging the adoption of longer terms.
- 0.8% expressly cited tax planning which might in differing circumstances either be a case specific factor or part of a private landlord’s policy.
- 29.5% cited “flexibility”, probably mainly for the landlord offering the letting, some giving more details which indicated the overlap or interaction with the other categories.

There is then a miscellany of varied or more unclear answers, ensuring that this breakdown does not total 100% but represents the distribution of answers given.

6.5.15 In more detail, the common themes can be analysed:

Predominantly landlord-led decisions featured in 119 responses (45.6%) these made up of (but note some responses fell into more than one category):

- **Client instructions/landlord policy** – 40 units (15%), nearly half of which (19) were policies for starter farms and progression farms.
 - For “**progression tenancies**”, this particular group of 4 responses saw a new letting of fully equipped farms to the previous tenant on a longer term than the previous agreement (that perhaps the initial period had allowed the parties time to assess the viability of the business and other practical matters). All were let by county councils for a term between 15 and 17 years.
 - Of those **starter farms** (15), 14 were fully equipped holdings let by a county council landlord with 2 units let for 15 years, 3 for 10.5 years, 12 for 7 years and 1 for 2 years. The remaining starter farm was land and buildings let by a private owner for a term of 10 years.
- **Intentions for Development or Other Use** – For 51 responses (19.5%) potential or actual plans for development or other use governed the term chosen:
 - **Potential Sale or Development** – A total of 28 responses indicated that the landlord wished to retain flexibility because the land was thought to have development potential, of which three saw the land subject to option agreements. 20 of the units were let for 1 year, 7 for 2 years and one let for a term of 30 years, the latter of which was let back to the previous tenant who surrendered an AHA.
 - **Certain Development or Sale** – The 6 units identified as being certain of development or sale had terms of between 1 and 2 years (one being let year to year). One of the units was to be acquired by HS2.
 - **Other Uses** – A total of 17 responses indicated the landlord may need to regain possession for other reasons. Of these, the status of landlord as a charity or diocese indicated that flexibility for other uses was required in 5 of the responses. A further 3 responses indicated that the landlord may want to take the land back in hand (1 unit) or to retain flexibility for other uses (2 units). 10 responses indicated that the landlord wished to “retain flexibility” or to have “control” to regain possession. Except for 3 units let by charity landlords that each saw a term of 4 years, all others were for a term of 1 or 2 years.
- **Knowledge of the Tenant** – 36 (14%) respondents indicated that the landlord’s knowledge of the tenant had a bearing on term selected, with 19 of these also being informed by the landlord’s policy on new entrants or progression tenancies and so also featuring in the results category of ‘client instructions/landlord policy’ detailed above.
 - 19 units were for new entrants/starter farms.
 - 7 units were for progression tenancies.
 - 4 units were let to a new tenant (not considered to be a new entrant) of which 1 was let for 25 years, 1 for 10 years, 1 for 5 years and 1 for 1 year.
 - One unit was an AHA succession to the daughter of previous farmer of bare land let for 30 years.
 - One unit was a re-grant to the previous AHA tenant, being let for a term of 60 years.
 - 2 units were let to members of the landlord’s family, seeing terms of 1 and 5 years.
 - One respondent stated the landlord and tenant have a good relationship, with the term selected for 3.75 years.
 - One respondent indicated that the tenant was known for not paying the rent and so a shorter term of 1 year had been chosen.
- **Estate Management** – A total of 14 responses stated that the term selected was for “short term estate management” reasons, seeing terms of between 6 months and 1.5 years.

Scheme related decisions accounted for 14 (5%) responses, made of:

- 8 for the lump sum exit scheme, with 7 seeing terms of 5 years and 1 for 6 years.
- 4 to tie in with Countryside Stewardship Schemes, 3 being for a term of 5 years but one for a term of 11 years.
- 1 respondent indicated that the term had been selected so that it was “long enough for tenant to be interested and willing to carry out repairing obligations, but limited to 5 years due to uncertainty and potential impact of new schemes post BPS”.
- A further response stated the term of 5 years had been selected to take holding “past agricultural transition”.

Dovetailing with Other Events – 13 units (5%) had a term selected to tie in with other dates, with just over half of these selected to coincide with the end date of other agreements on the same holding. The range of terms varied from 6 months to 5 years, with the average being 3.6 years.

- Dovetail with other agreements – 7 responded that the term date had been selected to coincide with the end date of other agreements on the same holding, with one of these stating that it will enable a larger area of land to be included in the FBT next year.
- Age or Health – Two responded that the tenant and/or the landlord planned retirement age was to coincide with the term date, with one being for a term of 5 years and the other for 15 years.
- Interim Arrangements – Four responses indicated that the term had been selected as an interim arrangement while negotiations for a longer term was pending. Three of these had a term of 1 year, with the one unit having a term of 2 years.

Tenant's Investment – 12 responses (4.5%) stated that the proposed scale of tenant investment was the reason for the length of term, with the average being 11.3 years. Most (11) responses were on behalf of private owners, with one fully equipped unit let for 15 years and a further four fully equipped units let for 20 years. The remaining units let by private owners saw 5 let for 5 years and one for 6 years. The one unit let by a traditional institution was for just under 10 acres of bare land, let for 10 years.

Continuity/Established Practice – 9 responses (3%) indicated that the main reason for the term of the letting was that it was the same as the preceding agreement or other agreements that the landlord or tenant has; many “new” agreements are for an existing tenant to continue occupation for a further period. The range of terms was from 1 year to 5 years (average 2.3 years).

Flexibility, Uncertainty and Security – responses that have indicated “flexibility”, “uncertainty” and/or “security” may overlap with each other. Where a respondent has provided more detail to enable allocation to another category, their response has been recorded in all relevant categories and, therefore, some duplication of data exists.

- **Flexibility** – 77 responses (29.5%) indicated that flexibility was the reason for the term selected with the further detail offered often overlapping with other categories. Many of these (59) did not provide any further information, but around a quarter (18) indicated that the flexibility was required for the landlord, with some indicating the potential for changes in occupation or uncertainty. As that shows, many of the responses citing “flexibility” could equally be attributed to other categories, such as “uncertainty” or “potential development/sale”. However, and with this being only the second time that the Survey has asked about reasons for choosing the length of letting, they are held here under the label respondents chose to use. Most had a term of 1 or 2 years (including some year to year tenancies), but one was let for 5 years and another for 10 years.
- **Security** – was mentioned in 14 responses (5%), of which security for the tenant was the more frequent reason (10). Security of income for the landlord was the reason in 3 responses. The range of terms was 2 to 10 years, with an average term of 4.8 years.
- **Uncertainty** – 8 responses (3%) directly referred to issues of uncertainty, with terms ranging from 1 to 10 years (average 3.75 years) with:
 - Two responses stated “agreed rent already too strong”, perhaps seeing fluctuations in commodity prices and inputs being too unstable to allow for a longer term to be granted. Both were let for a term of 5 years.
 - Two responses also indicated that the term selected had been to allow a sufficient period for the tenant to invest or grow the business but not too long due to “uncertainty”, with one of these making direct reference to post-Brexit uncertainty with the loss of Basic Payment. One unit was let for 5 years and the other for 10 years.
 - Two units had been let to allow flexibility for the holding to be used in a different way, with one for a term of 1 year and the other for 2 years.
 - General Uncertainty – The remaining 2 responses simply cited “uncertainty”. Some of those noted above as referring to “security” and “flexibility” as the reason might also be best considered in this category.

Of the private owners giving reasons for their choice of term, 70 per cent of those letting for between 2 and 5 years included flexibility as a reason while 2 per cent of those letting for between 5 and 8 years did so. Not only does concern for flexibility drive the use of shorter terms but it may be that the types of owner concerned also differ between these categories.

Tax planning – 2 of the responses expressly cited tax planning as a factor. One of these had been let for 10 years, with the other let for 2 years.

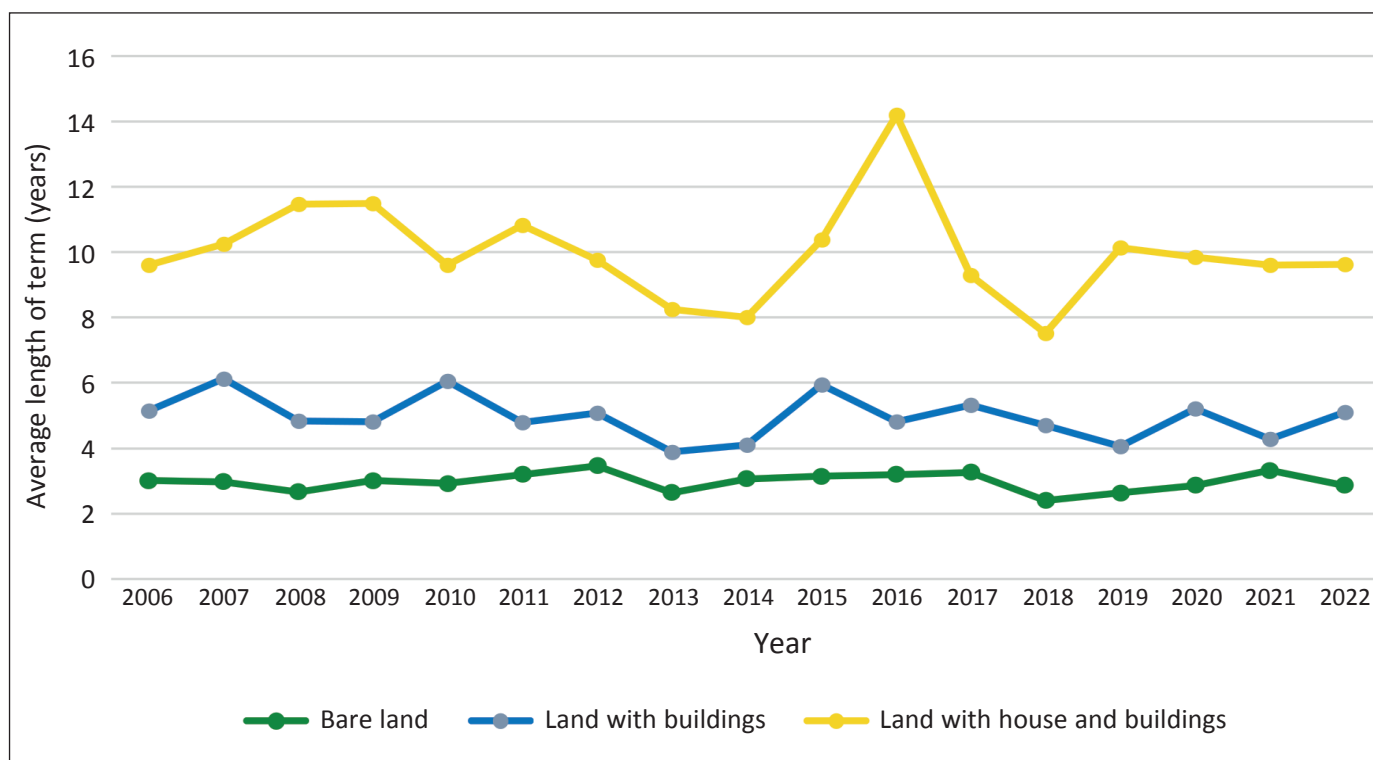
Miscellaneous – Of the remaining responses, 7 (3%) reported other reasons, including:

- 2 units let for a term as a joint decision by both landlord and tenant, one for 5 years and the other 7 years.
- 2 units had terms chosen to avoid the need to register the agreement on the Land Registry, both being let for 6 years.
- One was let as a 5 year extension to a previous 30 year agreement.
- The “cost of agreement” was cited as a reason for one unit let for 3 years.
- One response stated “rationalisation of term versus sustainability” and was let for 15 years.

It is otherwise known that some institutions let and renew FBTs for terms of, say, 5 years as a result of investment accounting practices, rather than for reasons of practical land management.

6.5.16 Length of Letting by Type and History of Unit – Figure 6.5 and Table 6.12 illustrate the length of term by type of unit and show that the average length of term for an equipped unit with house and buildings was 9.63 years in 2022; bare land units were let for an average of 2.87 years and those with buildings for 5.11 years (excluding year to year agreements).

Figure 6.5: Length of term by type of equipped unit



6.5.17 Table 6.13 shows the significant differences in average term length by level of equipment and by the previous form of occupation, with land previously let on AHA tenancies typically being let for much longer average terms. This may reflect the fact that those landowners are more familiar and comfortable with longer terms. All categories showed some increase in average lengths of letting in 2022.

Table 6.12: Average length of term by type of unit (in years, excluding year to year)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Bare land	2.64	3.06	3.14	3.20	3.26	2.40	2.63	2.86	2.57	2.87
Building / land	3.89	4.10	5.95	4.82	5.32	4.69	4.06	5.22	4.28	5.11
House/bldgs/land	8.24	8.00	10.39	14.19	9.29	7.52	10.13	9.84	9.60	9.63
<i>Previously:</i>										
– AHA	5.98	7.20	8.26	10.26	7.35	5.29	7.95	8.38	9.82	10.68
– FBT	3.13	3.56	3.47	3.53	3.52	2.55	2.87	3.37	3.06	3.37
– Vacant	3.44	3.23	4.63	4.04	3.68	3.98	4.09	3.91	3.76	4.88
– Contract farmed	3.94	3.40	3.52	4.37	5.22	5.00	3.25	2.97	2.00	5.00

6.5.18 Table 6.13 shows that the trend for local authorities to let for longer terms than other types of owner continues, consistent with their higher fraction of fully equipped units. Financial institutions were responsible for only 6 lettings in 2022 and although they had the longest average term length in 2020 and in 2016, there is no clear overall trend: in six of the last ten years, including 2022, they have had the shortest average term length of any type of owner. Some institutions are driven by their investment accounting models to let for terms of no more than five years.

Table 6.13: Average length of term by owner (in years)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Private owner	3.01	2.98	3.87	4.20	3.70	2.87	3.42	3.54	3.56	3.58
Traditional institution	3.27	5.10	3.21	4.27	3.28	2.86	2.53	3.15	2.18	3.11
County Council	4.60	5.75	5.00	7.00	6.16	3.95	3.49	4.47	4.39	5.52
Financial institution	1.64	5.50	3.00	7.57	3.08	1.19	2.00	5.00	1.68	2.67

6.6 New entrants and FBTs

6.6.1 The 2022 Survey sought once again to establish the proportion of lettings to new entrants. As pointed out in previous Surveys, it is difficult to agree a single serviceable definition of what constitutes a 'new entrant'. Respondents are accordingly asked to identify whether they consider a tenant to be a new entrant, with an option to reply "don't know". The results are therefore indicative rather than absolute.

6.6.2 Nearly 11% of all new FBTs were let to tenants regarded as new entrants. As many new FBTs are let to the previous tenant of the land, the figures were further analysed to determine the proportion of lettings to new entrants in cases where there was a change of occupation. The table below shows that this figure was 37%, the highest level seen in the past decade.

Table 6.14: FBTs let to New Entrants

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number	75	38	33	30	45	40	57	44	49	55
Area	6,607	3,473	3,568	3,423	5,376	3,584	3,399	4,617	4,264	5,500
Av size	88	91	108	118	117	90	60	105	87	100
<i>New entrants as % of</i>										
– Total lettings	7.4%	5.5%	4.6%	5.6%	7.6%	7.5%	9.4%	6.6%	7.7%	10.9%
– Changed occupation	26%	17%	14%	14%	18%	23%	32%	21%	28%	37%

6.6.3 56% of lettings to new entrants were county councils, 40% by private landowners, 4% by traditional institutions and none by financial institutions. 62% of lettings to new entrants (the highest figure since 2012) were of fully equipped holdings (33% in 2021, 41% in 2020; 19% in 2019; 20% in 2018; 42% in 2017; 50% in 2016; 36% in 2015; 34% in 2014; 33% in 2013; 16% in 2012).

6.6.4 The Survey shows that the majority (71%) of all tenants perceived as new entrants obtained tenancies of more than five years. In 2022 five new entrants gained tenancies of 20 years or more.

Table 6.15: Analysis of length of tenancy by tenant type

Length of tenancy	Under 2 years	2 – 5 years	Over 5 years
New entrants	9.1%	20.0%	70.9%
Other tenants	45.6%	45.3%	9.1%

7. NEW CONTRACT FARMING AGREEMENTS AND OTHER ARRANGEMENTS

7.1 Contract farming agreements

7.1.1 Contract farming agreements are perceived to be widely used, not least where a tenancy arrangement does not suit the parties. They are explored in more detail by the CAAV's publications *Arable Farming with Contractors* and *Contracting Arrangements with Breeding Livestock*. Since 1999 the Survey has asked questions about the extent and use of contract farming arrangements but it probably captures a smaller proportion of this less defined market than of tenancies.

7.1.2 In 2022, 20 returns were received for new agreements, covering 3,667 acres with an average unit size of 183 acres. Table 7.1 shows that this is far fewer than the range seen in previous years. A properly constructed contract farming agreement is better supported by a larger area than is needed for a tenancy and this is reflected by the average size of the unit, shown as typically between 150 and 200 acres.

Table 7.1: Survey of contracting agreements

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units	116	66	88	112	112	48	59	69	57	20
Area	22,317	13,502	13,175	21,629	16,175	8,175	10,642	15,442	10,096	3,667
Av area	192	204	150	193	144	170	180	224	177	183
Av term (years)	1.70	1.78	1.62	1.72	1.53	1.43	1.60	1.67	1.49	1.70
New entrants	5.2%	4.5%	1.1%	0%	0%	2%	6.8%	0%	10.5%	0%

7.1.3 As in previous years, the great majority of contracting arrangements in 2022 were for arable units. Only one case referred to grazing.

7.1.4 80% of the arrangements were made by private landowners, suiting the typical concerns of many, and 10% (two units) by financial institutions and 10% (two units) by county councils, both of which are likely to have only an occasional need for this option. No traditional institutions were recorded as entering a contract farming agreement.

7.1.5 The average length of agreement was 1.7 years and while 70% of agreements were for up to one year, terms ranged from 6 months to 5 years. 30% of agreements were for 3 years or longer.

7.1.6 All the agreements were for bare land. None were for land and buildings or for a fully equipped holding, a pattern consistent with this structure for providing farming services to a business.

7.1.7 None (0%) of agreements were recorded as being to new entrants, being the lowest proportion in the last 10 years.

7.2 Grazing agreements

7.2.1 This is the tenth year that the Survey has looked more closely at grazing arrangements. In practice, this term covers a variety of different types of agreement, from the traditional formal annual lettings, often conducted by auction, which are important in predominantly livestock farming areas, to less formal agreements made with other farmers or non-farmers, including a minority for use by horses.

7.2.2 In 2022, some 334 cases of grazing arrangements were recorded, covering 15,912 acres. In practice there will be far greater numbers of these arrangements made which are not recorded in the Survey. Of those recorded, 87% were to the same occupier as the previous year.

Table 7.2: Analysis of grazing agreements

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units	251	228	209	238	382	410	335	384	334
Area	11,339	11,312	8,145	8,613	18,383	17,821	15,151	17,466	15,912
Av area	45.7	49.6	39.4	36.3	48.9	43.5	45.23	45.48	47.64
To same occupier	74%	77%	80%	83%	88%	73%	86%	88%	87%

7.2.3 Most grazing arrangements were for a year or less, but in 15 cases (5.5%), arrangements for two years or more were recorded, but distinguished from FBTs.

7.2.4 92% of grazing arrangements were on land which had previously been let on similar terms (92% in 2021, 93% in 2020, 90% in 2019, 89% in 2018, 88% in 2017, 86% in 2016, 82% in 2015). Only 4% were on previously owner-occupied land (4% in 2020, 6% in 2019, 6% in 2018, 7% in 2017, 10% in 2016, 7% in 2015).

7.2.5 The substantial majority of grazing arrangements were made by private landowners (96%). 1.8% were made by traditional institutions, 0.9% by county councils and 0.9% by financial institutions.

7.2.6 5 cases involved horses (16 in 2021, 9 in 2020, 9 in 2019, 23 in 2018, 14 in 2017, 1 in 2016, 3 in 2015, 13 in 2014).

7.2.7 In 2022 there were no references to the Basic Payment claim being a factor in the arrangement (3.5% in 2021, 0.3% in 2020, none in 2019, 0.8% in 2018, 4.2% in 2017, 3.8% in 2016, 8% in 2015).

7.3 Other arrangements

7.3.1 Three agreements, covering 1,219 acres, were recorded as being share farming in 2022. All three were for bare land only, the largest of which (1,052 acres) was for a 5 year term. While the specific nature of these agreements was not recorded, share farming is anyway not a term with detailed meaning but generally sees two or more separate businesses combining to produce a common output whose gross receipts are divided between them.

Table 7.3: Analysis of share farming agreements

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of units	1	1	1	2	2	3	3	7	3
Area	155	59.5	95	112	275	522	528	2,209	1,219

PART 3:
THE AGRICULTURAL LAND OCCUPATION SURVEY FOR SCOTLAND

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8. INTRODUCTION

8.1 This is the eleventh annual Agricultural Land Occupation Survey to be held in Scotland. It has been conducted by the CAAV and SAAVA by circulating members and others with forms for information to be returned on land that had been let in 2022, land where tenancies ended in 2022 and on other arrangements such as contract farming and grazing agreements that had been established in the year. It has not been used to monitor crofting. We are grateful to all who have helped with this.

8.2 This report reviews the statistics yielded by the Survey and offers an initial analysis and commentary for discussion and review. As the eleventh such Scottish Survey, this allows comparison with the figures from the previous Surveys which are retained in brackets where relevant.

8.3 It has inevitably taken some time for a sufficient history of data to allow conclusions as to trends. This work has been complicated by market reactions to the implementation of the Basic Payment Scheme (particularly for arrangements in the years 2014 to 2016), the discussion of and changes to Scottish land tenure, the United Kingdom's protracted departure from the European Union and now the growing discussion of new Scottish agricultural policies.

8.4 The Relinquishment and Assignment provisions of the Land Reform Act were implemented from February 28th 2021. The CAAV published *Relinquishment and Assignment* in February 2021 as a professional guide for those involved in or looking at this work. While it may be that only few applications have been made to the Tenant Farming Commissioner in a process that requires much information, those provisions provide a backcloth for discussions thought to be underway between landlords and tenants. Last year's Survey included an Appendix setting out the results of a survey of members' experience of these informal discussions; this year's Survey notes two voluntary assignments.

8.5 This Survey, like the CAAV's Agricultural Land Occupation Surveys for England and Wales since 1977, primarily monitors changes in occupation and so the flows in and out of the tenanted sector and the nature of those changes, rather than the overall size of the let sector. Thus, the analysis is undertaken primarily in terms of the units let or not let as each represents a decision in the relevant circumstances. Overall acreages are given where this may lend perspective. That is particularly important in Scotland where the large acreages of some hill units can affect the appearance of the figures, especially for aspects with only a small number of units reported.

8.6 This Survey reports on a total of 67 (84) units on 25,031 (13,501) acres with changes involving decisions about the letting or occupation of agricultural land in Scotland in the year to November 30th 2022, so including the main late November Martinmas 2022 tenancy date. As some units in Scotland can cover very large areas, changes in acreage may be less significant as a barometer of decisions than changes in the numbers of units. Numbers of units and total acreages from 2013 are shown in Table 8.1.

Table 8.1: Number of units and total acreage reported

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number	132	53	107	176	142	128	257	130	84	67
Acres	107,254	25,424	46,279	62,201	35,179	38,665	26,023	34,657	13,501	25,031

- 8.7 The units reported in the Survey comprise (previous three year's data in brackets):
- 36 (21, 32, 45) where tenancies were reported to have been let in the year, covering 8,559 (4,121, 4,645, 7,124) acres. 7 (8, 12, 4) were MLDTs. By previous tenure:
 - 27 (15, 23, 24) were of units where a tenancy had ended – 2 1991 Act tenancies, 21 SLDTs and 4 LDTs
 - 4 (5, 4, 16) followed grazing arrangements
 - 2 (0, 0, 0) followed a contract farming arrangement
 - 5 (1, 1, 5) moving from in hand or newly acquired
 - 5 (2, 4, 0) successions to existing tenancies on 1,153 (476, 867, 0) acres
 - 2 voluntary assignments on 320 acres
 - 19 (12, 18, 8) tenancies that ended and the land was reported as not re-let covering 8,724 (4,457, 9,595, 785) acres of which (including holdings with multiple outcomes):
 - 6 (2, 3, 2) were taken in hand
 - 3 (4, 1, 3) went to grazing agreements
 - 5 (2, 8, 1) were put on a contract farming agreement
 - 4 (3, 1, 1) were sold
 - 1 (4, 0, 0) were sold to the sitting tenant
 - With much less reporting of essentially seasonal grazing arrangements than in recent years, 5 cases covering 5,443 acres were reported, noting the pattern of ensuring a break between lettings under s.3 of the Agricultural Holdings (Scotland) Act 2003 for grazing or mowing for less than a year. The last three years had seen 48, 64, 89 new grazing agreements covering 4,113, 16,763, 15,962 acres. There is no reason at present to suppose any change in real practice in this often more informal market.
- 8.8 Emphasising a theme of recent years that bare land lettings are now predominant in Scotland, only 3 (2) of the 36 (21) new lettings included a house while 10 (8) of the tenancies that ended and were not relet included a house. All 5 successions and the two assignments included a house.
- 8.9 One response noted the relatively low number of tenancies ending.

9. COMPARISON AND PERSPECTIVE

9.1 Throughout this analysis, it has to be understood that any single year's Survey can only be a snapshot. Trends will only appear as successive Surveys are held. In any one year, there may be some apparently striking results which later Surveys would put into perspective. This is especially so when reporting on relatively limited numbers.

9.2 Comparison is particularly made with the results of recent CAAV Scottish Surveys for 2020 and 2021 and also those from the CAAV's Agricultural Land Occupation Survey for England and Wales, which has been conducted since 1977. Where relevant, comparative figures are given to aid discussion of what might otherwise appear plain figures.

9.3 Reference can be made to the overall stocks of tenancies and tenanted land published by the Scottish Government and drawn from returns to the annual June Census.

9.4 In considering the relevance of comparison with England and Wales and the issues that bear on lettings decisions:

- Scotland shares a common taxation regime with England and Wales – capital taxation is often important to private owners' decisions and its pressures are the same throughout the United Kingdom
- the EU's direct payments regime (previously the Single Payment Scheme and now the Basic Payment Scheme) essentially applied throughout the United Kingdom in 2022 but with different arrangements in each territory of the United Kingdom with England having begun its phasing out in 2021.
- Even with Scotland's Stability and Simplicity paper of 2018, many farmers and owners in all areas of the UK have perceived uncertainty about future agricultural policy with resulting caution. The outline of future Scottish policies, geared to climate change goals, began to appear from later 2020 but were perhaps not widely evident and were anyway not defined in detail, though that future direction was reinforced by papers issued in 2022. The EU-driven removal of Less Favoured Area Support Scheme (LFASS) payments was reversed in 2021.
- Scotland is in the same markets for agricultural inputs and produce as England and Wales – any sense of farm profits improving or deteriorating might at the margin be expected to lead to greater or lesser interest by owners in farming directly or through contractors equally across the United Kingdom. Energy prices and their effect on fertiliser prices had become issues later in 2021, compounded by the effects of Russia's invasion of Ukraine in February 2022, including a strengthening of cereals prices: output for arable farmers and inputs for livestock farmers.
- any differences in the patterns of land holding and farming structures and practice
- there are differences in both the background land law and agricultural tenancy law, with the further point of the Scottish regime being significantly more complex. The later 2022 consultations ahead of the Agriculture and Land Reform Bills due in the 2023/24 session outlined possible changes to aspects of agricultural tenancy law but would have been too late to bear on decisions in the Survey period
- the unfolding of land reform legislation (including the background sensitivity to any discussion of the possibility of a tenant's absolute right to buy, even though it is not in the recent legislation) is a specifically Scottish feature within a climate of debate that does not apply elsewhere in the United Kingdom, again likely to prompt caution for landowners. The Statement of Land Rights and Responsibilities was revised within the Survey period. A further Land Reform consultation was issued in the second half of the year focused on "large landholdings" but also proposing a potentially more flexible Land Use Tenancy, covering environmental as well as agricultural uses. These, with the subsequent Small Landholders consultation, would have been too late to influence decisions in the Survey period.

There may always be other influences at work.

Only this sort of analysis will begin to engage with those questions.

10. OVERVIEW, KEY POINTS AND QUESTIONS

10.1 **Overview** – 2022 again saw a low level of activity with a let sector that appears to be both limited and sustained by the incentive that Basic Payment gives for claimants to stay in place, doing little for the vibrancy or economic health of farming. That is all the more concerning with the urgent need for agriculture to rise to its overlapping challenges, the economic one of improving productivity and competitiveness, mitigating and adapting to climate change and meeting environmental demands.

10.2 Within the let sector, bare land lettings remain the dominant type of letting, though not to the extreme extent seen in 2019.

10.3 With this leaving inheriting owner-occupiers and the continuing scale and strength of the seasonal grass lettings market as a major means for flexibility, Scotland could appear to be more closely resembling Ireland as a country of short-term non-tenancy arrangements between owners and farmers. In Ireland, the problems of that model are now leading to more pressure there for tenancies.

10.4 With the political risks seen in letting in Scotland, owners withdrawing from farming are often more comfortable with non-tenancy arrangements for a complex of motives including a closer sense of control over their land, consistency with retaining a business status, less demand for investment, taxation issues and a reluctance to be seen as a landlord. Some aspects of that are summarised by the comment of the Scottish Government's Agricultural Holdings Law Review Group describing letting as being seen now as a high risk, low reward activity. That seems unlikely to attract owner-occupier farmers to let their land where they become weary of continuing farming, yet the tenanted sector cannot solely rely on estates.

10.5 **With the backcloth of a long period of steady decline, the previous three years reported a rough, if slightly deteriorating, balance between land flowing into the let sector and land leaving it, with very small volumes of land on each side, illustrating the low levels of activity in this sector. 2022 sees greater losses, notably from the LDT and MLDT lettings, alongside the inevitable losses from 1991 Act tenancies.**

10.6 **2022's net loss of 8,525 acres (see Table 6.1) is greater than was seen in 2021 (3,780) and more broadly based than the net loss in 2020 of 8,640 acres**, influenced by just one large tenancy ending. 2019 saw a net gain of 2,466 acres while there were net losses of 78 acres in 2018 and 289 acres in 2017. All these figures are to be compared with the net loss in 2016 of almost 28,000 acres and about 12,000 acres in 2015, just over 1,000 acres in 2014, almost 10,000 acres in 2013 and over 37,000 acres in 2012.

10.7 Overall, this and the previous three Surveys are consistent with recent figures from the Scottish June Census Surveys which point to the let agricultural sector being on the edge of a recent plateau at risk of renewed decline. The 2021 June Survey showed for areas under tenancy:

- a marginal fall in the let area to 1,266,477 hectares (but 1,365, 932 in 2011)
- a 1.2 per cent fall in rented holdings (excluding crofts) to 5,940 units (but 6,516 in 2013)
- a 2.7 per cent fall in the number of 1991 Act tenancies to 3,821 on 606,748 ha (but 5,086 in 2013 and 793,558 ha in 2014 – data for 2013 not given – a 24 per cent reduction in area since 2014)
- a further 368 holdings are on Limited Partnership 1991 Act tenancies with 97,888 ha, also down

but, as those figures were always going to decline over time, there are increases in SLDT and MLDT lettings with new totals of:

- 1258 SLDTs (648 in 2013) on 152,496 ha – a 6.6 per cent decline in 2020 (111,624 ha in 2014)
- 918 MLDTs (389 in 2013) on 261,587 ha for both LDTs and MLDTs (the LDT area in 2014 was 104,501).

10.8 While those figures point to an increased usage of the new tenancies within a smaller let sector, their total area is still not yet 60 per cent of the reduced surviving full 1991 Act sector with the overall let sector at 22 per cent of the farmed area. In England and Wales, the two sectors are roughly equal and, even with subdued letting activity, holding the formal let sector at around a third of the farmed area.

10.9 **This 2022 Survey sees 61% of the let holdings that fell vacant reported as re-let (57%, 57%, 66%, 83%, 84%), again lower than was once the trend. The proportion of that area re-let was also lower than the long run trend (if above 2020) at 50% (40%, 28%, 81%, 87%, 87%, 35%).** A noticeable break is seen from the historic pattern for those landowners who were still landlords to be predominantly content with re-letting; neither legislation nor taxation was generally sufficient to dissuade them.

10.10 With little new land entering the let sector – 1,454 acres in 2022 (1,010 acres in 2021, 1,109 acres in 2020) – that attrition will see it continue to shrink.

10.11 **The average size of a new tenancy was 247 (196, 145, 183, 302, 325, 663, 231, 273, 279, 266) acres.** The higher figure for 2016 reflected a small number of much larger units alongside smaller lettings.

10.12 **The average length of a new tenancy dropped to 5.08** (7.24, 6.50, 3.57, 4.56, 3.68, 7.49, 5.47, 5.99, 6.69, 6.66) years but sharply polarised between the minority of MLDT lettings of between mainly 10 years but up to 25 years and SLDTs for periods of less than a year up to the 5 year ceiling. The average is one of two very different outcomes.

10.13 The pattern of lengths of tenancy by previous tenure was more confused than in most years, when the pattern has been for land let previously on longer tenures to be generally re-let for longer terms. In part this year's picture perhaps confirms that this Survey is reporting on what has become a residual market with little activity.

10.14 **67%** (52%, 75%, 93%, 81%, 78%, 68%, 65%) **of lettings in 2021 were of bare land and 8%** (10%, 15%, 7%, 19%, 12%, 24%, 22%) **included a dwelling – the balance includes buildings but no dwellings. While it has been conventional to think of Scottish agricultural holdings as fully equipped, the results in this Survey continue to highlight the dominance of bare land units in the number of new lettings in Scotland.** That appears to be a significant point for the larger policy debate as it shows a persistent majority of lettings to be of ancillary land, not of self-contained farms or core steadings. This has been a natural part of the restructuring for any industry under economic pressure and it will not be readily reversed.

10.15 **Just one newly let but previously unlet holdings included a dwelling** – last year, none did. As in previous surveys, that newly let unit including a house was distinctively larger than other lettings at 400 acres – previously average sizes of 437, 456, 1,058, 667, 1,535 acres.

10.16 Issues over housing are likely to become more difficult with the cost, work and disruption of meeting increasing Minimum Energy Efficiency Standards, the extension of the requirements of the Repairing Standard to agricultural housing from 28th March 2027 and the further extension of the residential tenancy regime to this housing foreshadowed by consultations on residential lettings. Where this requires significant expenditure on farmhouses and cottages, it may prompt a commercial review of their positions by both landlords and tenants.

10.17 6 of the lettings (2, 1, 11, 5, 4) were reported as being to new entrants. **While 16% of the small number of lettings, this was 50% of the even smaller number where the farmer changed** (33%, 9%, 65%, 33%, 20%, 0%, 50%, 20%, 18%, 23%). The best explanation of 2016 appeared to be seen in the context of 2015's incentives for new entrants with the introduction of the Basic Payment Scheme. The longer term picture given by the CAAV's Surveys for England and Wales shows that new entrants generally take some 20-30% of those lettings that are not re-lettings to the previous tenant. The figures can suggest an openness to letting to new entrants such that, were there more lettings, there would be more opportunities for them as well as for existing farmers. The decline in lettings has reduced that opportunity.

10.18 The 6 lettings to new entrants included 3 MLDTs and two tenancies had a house. The average length of letting was 9.33 years (4, 10, 5.13, 7.62, 7.5, –, 11, 11.25, 10.66, 9.8), again longer than the average length of letting. The average area let at 631 was an average of extremes (151, 367, 317, 120, 822, –, 680, 730, 545, 351) but once gain larger than the general average.

10.19 While, overall, continuing to confirm the present stasis of a tenanted sector that does not attract significant new land for letting, there are potential indications of its precarious condition in the face of accumulating uncertainty over agricultural and land policies. The patterns of behaviour noted above (including a lower proportion of units re-let so reducing the level of activity and some drift to contract farming) have echoes of what was seen in the uncertainty ahead of both the Single Payment and Basic Payment Schemes, with caution further limiting and distorting activity.

10.20 **Questions** – While recognising that each year's Survey is only a snapshot, this analysis raises questions

- if the let sector is to expand, that is most obviously achieved by attracting private owners who do not currently let to do so. With the historic move to owner occupation in the twentieth century, what would now encourage a significant number of weary or retiring farmers to let their land rather than remain farming, sell it or find other arrangements with other farmers?
- are owners who were willing to let now more reluctant? If so, why?
- what are the consequences of an increasing fraction of bare land holdings?
- with the general interest in encouraging new entrants, how is this done within a shrinking sector when existing farmers (including recent new entrants) also need expansion opportunities?

10.21 **One Estate's View** – With estates, rather than smaller owners or farmers, still responsible for a significant fraction of lettings in Scotland, these comments were offered by one estate as a long-term landlord in 2019 and stand repetition. With no changes in lettings to report for 2019, 2020 or 2021 and only one in 2022, it said:

- “we are potentially on the edge of some big changes in the tenancy sector locally”
- “our tenants have aged and those I have had conversations with have no obvious successors who wish to take on the tenancy”
- “over half the tenants, all on 1991 Act tenancies, have no obvious or likely successor”
- “almost all the remaining tenancies already have a younger generation active in the business”
- “the combination of the tenants' Amnesty and Brexit may be putting the future into sharper focus for these tenants, probably prompting them to open conversations about leaving or giving up parts of tenancies”
- “there is a demand for more grazing with no one wanting to give up grazing currently taken.”

10.22 **Looking Ahead** – If that perspective is remotely representative, it points to the potential for significant issues for the near future of the 1991 Act sector with a lack of successors and expected economic pressures that will require existing tenants and successors to operate effective businesses. The answers to the question of what happens when tenancies end is likely to be a function of how attractive letting might be as an option in Scotland, the quality of potential farmers whatever the arrangement with an owner and the alternatives such as forestry or measures in response to climate change. The same challenges will also face retiring owner-occupier farmers who consider letting some or all of their land.

10.23 Some will, no doubt, “hunker down” to retain a home but it could become increasingly challenging for the holding to provide an income under such an approach. The relinquishment and assignation option that has been implemented earlier in 2021 under the Land Reform (Scotland) Act might not offer as much money to the outgoer as may be needed or imagined. Where the landlord is willing to make a relinquishment payment, it will, for any given land quality and location, reflect the size of the holding in question and the remaining life expectancy of the tenant. Thus, payments will be less to older tenants on smaller holdings than to younger tenants on larger holdings.

10.24 Providing positive answers for that would be aided by a framework of policy and land tenure that is more supportive of a business-like approach and that enables the changes that create opportunities for such businesses.

11. NEW LETTINGS

11.1 This section reviews the 36 tenancies reported as having been let in 2022.

Table 11.1: Number of tenancies created

Year	2022	2021	2020	2019	2018	2017	2016
No. of tenancies created	36	21	32	45	26	63	25
Total area (acres)	8,889	4,121	4,645	7,124	8,564	20,517	16,673
Average size (acres)	247	196	145	183	302	325	663
Average length	5.09	7.24	6.50	3.57	4.56	3.68	7.49

11.2 Type of Letting – This is reviewed below when considering the lengths of the tenancies granted but, predominantly shorter term and bare land, they range from 9 months to 25 years. Of the 36 lettings, 7 (8) were MLDTs.

11.3 By Type of Owner – Table 11.2 again demonstrates the fundamental role of private landowners in letting farmland. 25 (14) of the 36 (21) lettings were by private owners, 2 by financial institutions and 9 by traditional institutions.

Table 11.2: Type of owner

Year	2022	2021	2020	2019	2018	2017	2016	2015	2014
Private landowner	25	14	22	22	24	59	24	36	19
Traditional institution and government bodies	9	7	9	22	2	3	1	2	–
Financial institution	2		–	1	–	–	–	2	–
Not known			1	–	–	1	–	–	–

11.4 Where Have the New Tenancies Come From?

11.4.1 Table 11.3 looks at the units that were let in the Survey period by the way in which that land had previously been occupied, whether let (and, if so, on which sort of tenancy), previously in-hand or on a contracting or grazing arrangement. Some lettings combined land let on differing terms (as, say, an SLDT and a grazing agreement).

Table 11.3: Previous Tenure of Land Let in 2022 – Comparison with 2021 Survey

	2022			2021		
1991 Act	1	2}	5%	4	4}	19%
1991 Act Ltd Partnership	1	}		0	}	
LDT	4		11%	2		10%
SLDT	21		55%	10		48%
Small Landholders	0			0		
Grazing Arrangement	4		11%	5		24%
Contract Farming	2					
Vacant	5		13%	1		5%

11.4.2 As in previous years, some units are reported to have been let when not having been let in any way before – 5 in 2022, 1 in 2021, 1 in 2020, 5 in 2019, 4 in 2018 and 12 in 2017.

Table 11.4: Acreages of New Units Let by Previous Tenure

	2022	2021	2020	2019	2018	2017	2016	2015
AHA	360	1,006	512	0	91	8,833	3,462	1,825
AHA LP	3,252	0	0	1,000	2,126	193	1,065	792
Total AHA	3,612	1,006	512	1,000	2,217	9,026	4,527	2,617
LDT	428	243	913	1,046	451	317	6,140	2,437
SLDT	3,562	1,862	1,960	1,503	4,857	8,413	3,967	1,769
Grazing	487	697	121	612	261	200	687	1,089
Contract Farming	164	0	0	0	0	0	340	–
Vacant	803	313	988	5,997	778	2,561	–	–

11.4.3 24 (11, 24, 42, 21, 46) of the 36 (21, 32, 45, 26, 60) lettings for which fixed equipment was known were bare land. Even though, at 67% of lettings decisions, this is lower than recent years (57%, 75%, 93%, 81%, 77%), this again shows the decline in the letting of equipped units. Covering 2,472 acres (1,527, 2,164, 1,367, 2,576, 12,291), they accounted for 28% (37%, 47%, 19%, 33%, 60%) of the let area.

11.4.4 Comparison with England and Wales shows that they have a much higher level of short term activity, perhaps as the limited Scottish use of the new forms of tenancy (SLDT, LDT and the new MLDT) contrasts with the wide use of FBTs in England and Wales as well as the large volume of Scottish pasture handled on short grazing arrangements that might in a different regime be let for more than a year. That limited use of the new forms of tenancy has seen a smaller volume of shorter term lettings develop and then lead to new tenancies as they are re-let. The re-letting of land on FBTs is the largest part of the English market in a way that has not developed in Scotland to the same extent, even for SLDTs.

11.4.5 Nonetheless, it appears that the high proportion of bare land lettings is now a confirmed feature of the Scottish agricultural lettings market, as also in England and Wales. Experience shows that bare land is more likely to be let for shorter terms and so, in Scotland on SLDTs as well as grazing tenancies. In practice, the boundary between the two may be obscure on the ground for arrangements of less than a year, largely turning on their terms and the facts of the case – including whether it is the owner or the grazier who is claiming Basic Payment.

12. TENANCIES THAT ENDED

12.1 This section looks at those units where a tenancy ended in 2022 and records whether it was re-let (and if so, in what way) or taken in hand, put to another arrangement or sold.

Table 12.1: Tenancies that Ended – 1991 Act (including Limited Partnerships), LDTs and SLDTs by number

NB Some holdings were split after the tenancy ended

Number	2022		2021		2020		2019		2018	
	No.	%	No.	%	No.	%	No.	%	No.	%
Total	45		28		40		36		23	
Re-let	27	60%	16	57%	23	57%	24	66%	19	83%
Sold	4	9%	3	11%	1	2%	2	6%	–	
Sold to tenant	1	2%	4	14%	1		1	3%	–	
In hand	6	13%	2	7%	3	7%	2	6%	2	9%
Contract Farming	5	11%	2	7%	9	22%	–	–	2	9%
Grazing	3	7%	3	11%	1	2%	3	9%	–	
Share Farming	–		–		4	10%	–		–	
Forestry	–		–		1	–	4	11%	–	
D/K					–	–	–	–	–	

Table 12.2: Tenancies that Ended – 1991 Act (including Limited Partnerships), LDTs and SLDTs by area

Area	2022		2021		2020		2019		2018	
	No.	%	No.	%	No.	%	No.	%	No.	%
Total	18,114		7,707		12,725		5,713		8,642	
Re-let	8,889	50%	3,111	40%	3,531	28%	4,615	81%	7,525	87%
Sold	2,388	14%	1,136	15%	20	0%	227	4%	–	–
Sold to tenant	500		1,147	15%	–	–	9	–	–	–
In hand	1,719	10%	816	11%	4,915	39%	126	2%	397	5%
Contract Farming	4,428	25%	606	7%	2,279	18%	–	–	720	8%
Grazing	474	3%	891	8%	279	2%	–	–	–	–
Share Farming					1,701	13%				
D/K							573	10%	–	–

12.2 Those figures continue to suggest a weakening of the general tendency that had been seen in Scotland as elsewhere for previously let units to be re-let. The pattern is perhaps similar to that around the introduction of the Basic Payment. Repeating the picture of 2020 and 2021, this now seems less the chance of single year's figures and more a mood of caution ahead of future support policy changes in Scotland.

12.3 The broader political climate for land tenure decisions and, more specifically, the discussions around the development and enactment of the Land Reform (Scotland) Act 2016 is also likely to have been in the minds of many owners. It is noted that the Agricultural Holdings Law Review Group's interim report in 2014 observed that being an agricultural landlord had become seen as a high risk, low reward activity.

12.4 While two agreed assignments are reported in Section 14 below, none of the terminations of letting are reported as flowing from negotiations under the shadow of the Relinquishment and Assignment legislation. It is possible that some might have done so.

12.5 A number of agreements, whether short tenancies, grazing or other arrangements, appear to be “holding” operations as where the owner is considering options, reacting to a change in family circumstances, ahead of development or in advance of an intended letting. This year, some are leases ahead of forestry planting.

12.6 Those points made, an overall review of the picture points to:

- the overall low numbers and level of activity involved
- letting now being predominantly an activity for bare land. While there are lettings of traditional units with dwellings and buildings, often of larger areas, they are now only a small part of the market.
- that pattern being accompanied by lettings of smaller areas of land
- some reversion to the patterns seen around the introduction of the Basic Payment in 2014 to 2016. CAAV surveys then and for 2003 to 2006 with the Single Payment showed that changes in support have an impact on land tenure arrangements as owners and farmers move to protect themselves or seek advantage
- some use of lettings as an interim arrangement, as by the purchaser of land for forestry before planting, ahead of development or other plans of the landowner
- in two cases, lettings were to family interests of the landowner.

The dominant theme though is the very limited letting activity.

12.7 However, activity continues in the letting of seasonal grazing arrangements (commonly tenancies under Scottish law). In that, Scotland could be seen to be becoming much more like Ireland with its enormous reliance on seasonal agreements and the potentially associated problems for land management that have now led to a desire there to recreate a tenanted sector.

13. NET MOVEMENT IN THE SIZE OF THE TENANTED SECTOR

13.1 This analysis looks at the flows of land into and out of the tenanted sector. It starts with the acres that the Survey reports as added to the let sector in the year – land that had not been let that is now let. The land lost from the let sector in the year is then recorded – that is the previously let land that has been taken in hand, put to contract farming or grazing arrangements, or sold. The result is a net figure of the overall acreage gain or loss for the sector and thus a barometer of its health, albeit one potentially obscured in Scotland by the very large areas of some units.

Table 13.1: Net Movements in the Area of the Scottish Tenanted Sector

	2022	2021	2020	2019	2018
Fresh Let					
Vacant (inc purchased)	+803	+313	+988	+2,952	+778
Ex Contract Farmed	+164	–	–	–	–
Ex Grazing	+487	+697	+121	+612	+261
Total Fresh Let	+1,454	+1,010	+1,109	+3,564	+1,039
Less Losses from Previously Let					
<i>Ex AHA/AHA Ltd Partnership</i>					
ex AHA to In-hand	611	550	4,299	–	397
ex Small Landholders to In-hand	–	–	–	110	–
ex AHA to Grazing	–	30	–	39	–
ex AHA to Contract Farmed	654	80	2,508	–	720
ex AHA LP to Contract Farmed	1,579	–	–	–	–
ex AHA LP to Grazing	–	–	–	–	–
ex AHA LP to In Hand	–	265	379	–	–
ex AHA LP to Other	–	–	–	–	–
ex AHA to Other	–	–	–	–	–
ex AHA Sold on End of Tenancy	1,086	636	–	150	–
ex AHA Sold to Sitting Tenant	–	786	–	9	–
ex AHA to Compulsory Purchase	–	–	–	–	–
Total AHA/LP Losses	3,930	2,347	7,341	308	1,117
<i>ex LDT/SLDT</i>					
ex LDT/SLDT to In Hand	1,108	–	237	16	–
ex LDT to Grazing Arrangement	–	335	–	–	–
Ex LDT/SLDT to Share Farming	–	–	1,702	–	–
ex LDT/SLDT to Contract Farmed	1,799	526	449	–	–
ex SLDT to Grazing Arrangement	254	722	–	124	–
ex LDT/SLDT to Other (forestry)	–	–	–	573	–
Sold on End of Tenancy	2,388	500	20	77	–
Sold to Sitting Tenant	500	360	–	–	–
Total LDT/SLDT Losses	6,049	2,443	2,408	790	0
Total Losses from Previously Let	9,979	4,790	9,749	-1,098	-1,117
Net Loss to the Tenanted Sector	-8,525	-3,780	-8,640	+2,466	-78

13.2 The final figure showing a net loss of 8,525 acres appears to be a deterioration from the previous five surveys with their apparent pattern of a rough balance between land leaving and entering the let sector, but on the edge of attrition. More than half the larger net loss in 2020 was accounted for the one tenancy being taken in hand. While not at present looking like the substantial losses seen in the first few surveys from 2012 to 2016, this Survey shows a much larger loss than in previous years from LDTs and SLDTs.

13.3 It is still broadly consistent with the data issued by the Scottish Government drawn from annual censuses on the overall size of the let sector showing its decline having slowed, reaching a more stable point at a reduced level with an increased use of the new forms of tenancy. Nonetheless, it shows the vulnerability of the sector to losses.

13.4 Again, the real theme is of the very low volumes of land involved – indeed, a very low level of activity overall. The picture continues of a tenanted sector attracting very little new land and so vulnerable to the chance of whenever the inevitable losses of land to other uses or more direct control by a cautious owner arise. The survey of termination negotiations reported in the Appendix to last year’s Survey indicates some appetite for tenants to leave if suitable terms are offered. It is not a picture of a healthy sector.

13.5 In broad terms, the let sector in England and Wales, having grown in the years after the 1995 reforms, has stood still since Single Payment entitlements were allocated (carried over in England for the Basic Payment Scheme) – area payments being seen as a force for stasis in land occupation, sharply reducing activity in the let sector and the number of new tenancies granted. This Survey may well now be showing a similar effect in Scotland following the allocation of Basic Payment entitlements on an area basis combined with the division of Scotland into three payment areas.

13.6 As in 2021, an increased area and number of holdings were sold on falling vacant. That appears a change from the preceding Surveys which, with the exception of 2016, have shown very few sales of previously let land in Scotland. Owners have preferred to retain land rather than capitalise on the access to value offered by the end of a tenancy or a deal with a sitting tenant. That may now be changing, at least to an extent.

13.7 There will always be some land lost each year to the let sector as, for example, land going to development or forestry as well as where the landlord wishes to farm or sell the land or the sitting tenant buys the holding. Even maintaining the present size of the let sector requires the letting of new land that had not been let. Reversing the decline of the let sector demands a much stronger pattern of fresh lettings. That is a matter of choice for landowners. It is not simply a matter for the large estates or public bodies but also for smaller owner occupiers. Perhaps the sharpest way to pose the question in terms of unlocking land for letting is to ask what would encourage a significant number of weary or retiring farmers to let their land rather than sell it? What would make letting attractive in comparison to the other arrangements for a landowner or retiring farmer to work with another farmer?

14. SUCCESSIONS TO TENANCIES AND ASSIGNATIONS

14.1 These are analysed separately as they do not represent choices about land occupation made by the owner but rather flow from the use of existing legal rights created by the law in respect of existing agreements.

14.2 5 (2, 4) successions were reported in 2022. All five holdings had a house.

Table 14.1: Succession tenancies

	2022	2021	2020	2019	2018	2017	2016	2015
Number of successions	5	2	4	0	0	1	0	9
Total area	1,153	476	867	–	–	81	–	2,792
Average unit size	231	238	217	–	–	81	–	310

14.3 This is the first of these Surveys to report on assignment of tenancies. These are by voluntary agreement rather than using the statutory process of Relinquishment and Assignment. Following the indications reviewed in the Appendix to last year's Survey, the implementation of the new legislation of the Land Reform (Scotland) Act has opened such discussions between landlord and tenant, using the greater freedom of negotiation over the shape of any package and its timing. In these cases, the two assignments covered 320 acres in total, both units having a house.

14.4 However, the Survey does not identify any of the terminations of tenancy as prompted by this procedure.

15. ANALYSIS OF NEWLY LET UNITS

15.1 General

This section more closely analyses the units let in 2022, particularly by size and length of letting. Unfortunately, the information collected this year is again too limited to provide sufficient data for analysis by enterprise.

15.2 Size of Unit and Fixed Equipment

15.2.1 The average area for these lettings was 247 (190, 145, 183, 302, 325, 663, 231, 273, 279, 266) acres, markedly larger than the 2021 average figure for England and Wales of 71 acres (which reflects the larger number of small areas of bare land let there). Scotland’s 2016 figure was influenced by a small number of very large lettings.

15.2.2 While Scotland may historically have seen lettings as typically of farms, that is fully equipped holdings with house and steading, that is now in the past. These Surveys have for several years shown a strong trend to a high proportion of smaller, bare land lettings, as in England and Wales. This Survey again confirms just that pattern, with bare land lettings, large and small, now predominating, albeit that fully equipped units can tend to be larger. In summary:

- bare land lettings accounted for 67% (57%, 75%, 93%, 81%, 77%) of lettings decisions and 28% (37%, 34%, 79%, 33%, 60%) of the let area, averaging 103 (139, 75) acres
- there were 9 (8, 3, 1, 0) lettings of land with buildings but not a house on 28% (47%, 19%) of the let area – in 2017 these were 12% of lettings and 17% of the let area)
- the 3 (2, 5) units with dwellings accounted for 8% (10%, 15%, 7%) of lettings and 44% (16%, 47%, 19%) of the let area, averaging 1,317 (330, 437) acres.

15.2.3 Table 15.1 below indicates the different character of fully equipped lettings from the predominant bare land lettings, the more equipped units tending to be larger.

15.2.4 One clear conclusion from the accumulated evidence of these Surveys since 2012 is that for discussion of new agricultural tenancies to be effective it should recognise that they are now typically of bare land, including some with large areas. The older model of letting fully equipped, potentially self-contained farms, more typical of those existing tenancies governed by the 1991 Act, is now a minor part when it comes to current lettings. Wider pressures on housing, including prospective legislation in this Parliament, are only likely to compound this structural change.

Table 15.1: Analysis by Size of Holding (previous year in brackets)

Size	Bare land	With buildings	Fully equipped
Under 25 acres	3 (1)	0 (0)	0 (0)
25-49	4 (2)	0 (0)	0 (0)
50-74	7 (1)	1 (0)	0 (0)
75-99	2 (2)	1 (1)	0 (0)
100-124	1 (0)	3 (0)	0 (0)
125-149	1 (2)	0 (0)	0 (0)
150-199	2 (2)	1 (2)	0 (0)
200-299	2 (1)	3 (0)	0 (1)
300-999	2 (1)	3 (0)	2 (1)
Over 1,000	0 (0)	0 (0)	1 (0)

15.3 Length of Tenancy Granted

15.3.1 This Survey reports the lengths of term for which new lettings were granted. In practice, this may on occasion understate the true length of occupation that may be achieved where some tenancies, notably MLDTs, run on beyond their granted terms. Equally, there will be a few tenancies which, for whatever reason, come to an end before their granted term expires.

15.3.2 Unlike England and Wales (and Northern Ireland), Scotland does not offer complete freedom of contract over the length of a tenancy. While it has been possible since 2003 to let land on a variety of terms, each with different legal effects, it remains a curiosity that it is illegal in Scotland to enforce a letting for a period of between 5 and 10 years.

15.3.3 The terms granted for the new tenancies reported to the Survey ranged from as short as 9 months to a maximum of 25 (30, 40, 15, 13, 35, 35, 25, 25, 38) years. In 2022, the longest letting was within a family structure.

15.3.4 Use of the Reduced Length for Longer Lettings (MLDTs, previously LDTs) – Consistent with the June Census data noted in the Appendix, this Survey found some use of MLDTs. Of the 7 (8, 12, 4, 7) MLDTs reported, 5 (6, 11, 2, 4, 8, 6, 8, 3, 7, 8) units were let for the minimum term of 10 years and only 2 (2, 1, 2, 3, 1, 3, 3, 3) for a longer term (15 and 25 years) – in 2019 none were let for a term of more than 15 years. 3 were let to tenants perceived as new entrants. While one was within a family structure, these might indicate use of the MLDT's new entrant break clause option.

15.3.5 That continues to show that the 2011 amendment to allow LDTs for a term of 10 years (previously 15 years) is still overwhelmingly used where the MLDT structure is adopted. It is not possible to tell from the data how many of these:

- would have been let anyway but at 15 years
- would have been let as SLDTs instead and so now have a longer term
- would not have been let

without the change. However, the last decade has seen more use of LDTs and now MLDTs. The June Census data shows them to have increased from 259 in 2010 and 289 in 2011 to 710 in 2017 and now a combined total of LDTs and MLDTs of 918 in 2021.

15.3.6 However, that is consistent with analysis suggesting that, where the law sets a minimum term then that figure tends to set a norm for owners who are willing to let, creating its own pressure for parties to use it. This was an important part of the English debate on tenancy reform since, where no minimum term is set, the parties have to judge the matter themselves.

15.3.7 5 (2, 8) of the MLDTs were of bare land covering 296 (242, 744) acres), 1 (4, 1) had buildings (212 (826, 512) acres) and 1 (2, 3) had houses (none in 2019 but 4 in each of 2017 and 2018) on 400 (660, 724) acres. While there had been no fully equipped units let in 2019, they had accounted for 3,489 acres in 2018 and 2,188 acres in 2017. In 2018, 3 (2) were of bare land covering 690 acres (4,433). Those earlier figures had been consistent with the general correlation found between scale of fixed equipment and length of term that had not been shown in 2019.

15.3.8 Re-Letting of SLDTs – Of the 28 (14, 20, 27, 14) SLDTs that ended, 7 (4, 3, 8) were not re-let (none were not re-let in 2018). The decision made in the remaining 21 (10, 17) cases saw:

- 2 (3) re-let as an MLDT for 10 years
- 11 (2) re-let for 5 years
- 1 (1) re-let for 3 years
- 0 (0) re-let for 2 years
- 3 (0) re-let for a year
- 0 (0) reported as re-let on a year to year basis
- 3 (4) re-let for less than a year (9 months each).

15.3.9 Overall Average Term – As shown in Table 15.2 below, the average length of a new letting has fallen back to 5.08 (7.24) years. On excluding lettings for less than a year, with all the difficulties of knowing which arrangements should be counted and which not, the figure then becomes 5.48 (8.8) years.

15.3.10 Table 15.2 shows the comparison with the average length of letting in England and Wales. These figures reflect the high proportion of smaller, bare land units and the typically low proportion of tenancies with houses that are let there. CAAV Surveys have shown that the lengths of lettings for units by levels of equipment are similar to those in Scotland. Thus, much of the apparent difference in the summary averages between the Scottish figures and those for England and Wales is accounted for by the different mix of types of holding. However, for 2018 and 2019 these historically different patterns appear to be converging.

Table 15.2: Average term lengths for new lettings
 No Scottish lettings were reported in 2021 or 2022 as being from year to year.

	2022	2021	2020	2019	2018	2017	2016
Scotland							
All lettings	5.08	7.24	6.5	3.57	4.56	3.68	7.49
Excl yr-to-yr	5.48	–	6.8	4.20	4.90	6.66	
England and Wales							
All lettings	3.66	3.03	3.42	3.21	2.90	3.97	4.48
E + W > 1 year	5.46	4.67	4.83	4.75	4.14	4.98	

15.3.11 That difference is now explored in more detail.

15.3.12 Patterns in the Length of Letting – As has been found in England and Wales, the terms granted typically vary with the previous form of tenure and the level of fixed equipment. In individual cases, this will reflect the circumstances and attitudes of each owner as well as the holdings in question.

15.3.13 Term by Previous Occupation (Numbers of Units) – However, the historic tendency for units that had previously been let under the 1991 Act to be let for longer terms (with an equivalent pattern in England and Wales) was not shown in 2022.

Table 15.3: Previous Tenure and New Type of Tenancy

	≤5 years (SLDT)						10 years + (MLDT)					
	2022	2021	2020	2019	2018	2017	2022	2021	2020	2019	2018	2017
AHA	1	1	–	–	1	–	–	3	1	–	–	4
AHA LP	1	–	–	1	2	1	–	–	–	–	1	–
LDT	1	–	–	1	1	–	3	2	5	3	–	2
SLDT	19	7	14	18	11	31	3	3	3	1	3	2
Total	22	8	14	20	15	32	6	8	9	4	4	8
VP	3	1	1	5	3	11	2	–	–	–	1	1
GA	4	5	1	16	2	10	–	–	2	–	1	–
CF	2	–	–	–	–	–	–	–	–	–	–	–
Total	9	6	3	21	5	21	2	–	2	–	2	1

Table 15.4: Length of Tenancy by Previous Tenure

	2022	2021	2020	2019	2018	2017
Ex 1991 Act	1.00 ¹	27.50	40.00 ¹	–	5.00 ¹	15.00
Ex 1991 Act Ltd Partnership	5.00 ¹	–	–	5.00 ¹	5.67	5.00 ¹
Ex LDT	10.00	10.00	10.00	10.50	10.00 ¹	10.00 ¹
Ex SLDT	4.13	4.60	4.25	3.31	3.35	2.53
Ex Grazing Arrangement	3.69	3.00	6.25	3.00	6.67	3.55
Ex Contract Farming	3.00	–	–	–	–	–
Ex Vacant Possession	7.60 ²	2.00	5.00	3.60	5.50	2.67

¹ – only one unit

² – an average of two long let units and 3 units let very short

15.3.14 Term by Level of Fixed Equipment – The average term by the extent of fixed equipment on a holding showed the normal pattern whereby the length of term increases with the level of fixed equipment as shown by previous Surveys and again consistent with that from England and Wales. 2019's figures were an aberration.

Table 15.5: Length of Tenancy (years) by Fixed Equipment

	2022	2021	2020	2019	2018	2017	E/W 2022
Bare land	3.57	3.57	5.40	4.31	3.32	2.42	2.87
Land with buildings	5.67	9.75	16.00	5.00	–	6.29	5.11
House and land	11.67	17.50	7.40	3.00	9.80	10.52	9.63

16. NEW LETTINGS AND NEW ENTRANTS

16.1 How Many Tenancies are Taken by New Entrants? – One question regularly asked is the extent to which new tenancies are taken by new entrants.

16.2 Beyond a very narrow (and, in practice, unilluminating) definition based on the first time a prospective farmer takes land, it is very difficult to define a new entrant. Scotland has attempted it statutorily for the break clause provisions of MLDTs but that endeavour with its formal complexity does not assist this Survey. Accordingly, respondents were simply asked:

- whether they considered the tenant of a new letting to be a new entrant
- whether the unit had been re-let to the person who had farmed it before.

16.3 Of the 31 (18, 22, 43, 20) cases where the question was answered, 6 (2, 1, 11, 5) lettings were to someone perceived as a new entrant. Looking more appropriately at where the tenant changed, of the 12 (6, 9, 17, 12) cases where the new tenant had not previously farmed the land, 6 (2, 1, 11, 4) were let to a new entrant: 50% (33%, 9%, 65%, 33%).

16.4 This avenue of entry is evidently limited by the number of opportunities to win tenancies. Experience shows that more opportunities overall yield more new entrants taking lettings, even with the caution that an owner might have about letting a farm to someone seen as a new entrant. Past Scottish surveys have found that, typically, 20% to 30% of the lettings where the land is not let to the same farmer as before are taken by new entrants (with similar figures seen in England and Wales). While that proportion is positive, it has, in reality and as here, only been out of a very small number of actual cases. In 2022, it was an increased proportion out of a small number of opportunities with 4 (1, 0, 2, 4) coming from the private sector that is the necessary long term source of potential lettings for the let sector to grow.

16.5 While this Survey sees use of MLDTs (as also shown by the Scottish Government’s June census data), 3 of the 6 new entrants were granted MLDTs – for the first time possible evidence of them being used for the 5 year break clause available where the letting is to a new entrant.

16.6 More generally, these figures also touch on the question of what would be desirable levels of entry to the let sector. If, over time, between a fifth and a third of lettings to farmers who did not previously have that land are to new entrants: is that about right? or too low (and perhaps a policy issue)? or even high enough to wonder about what it is really saying? What would be happening in the sector, if all such new letting relationships were with new entrants? Would that mean existing farmers (including recent new entrants) were not getting expansion opportunities? And then, if not, why not? Would it suggest that new entrants, having entered, were then not progressing? There is probably no optimal answer but such discussion, informed by data, allows this to be part of larger debate about the structure of the sector. If the sector is shrinking or inactive and relatively few new lettings are offered, that narrows opportunities for all, especially those trying to start farming on their own account by means other than purchase.

16.7 Length of Term for New Entrants – The average length of letting to a new entrant was 9.3 (4, 10) years. Over the years the average length of letting to a new entrant has been longer than the overall average. The 2019 average had been pulled down by the FONE lettings; without them the smaller sample from private owners would have been 7.5 years. The Surveys before 2016 showed new entrants having lettings for longer than average terms, a picture also seen in England and Wales.

Table 16.1: Lettings to new entrants

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Average term	9.33	4.00	10.00	5.13	7.62	7.50	–	11.00	12.50
Average size of holding	631	151	367	317	120	790	–	680	730
% of average area	255%	77%	229%	173%	40%	243%	–	294%	267%

Notes

- The nil figure for 2016 was likely to have been the result of more coming forward for the start of Basic Payment in 2015.
- 2020 had just one letting.
- 2022’s large average area covers both a unit of over 3,000 acres and a walled garden of 3 acres.

16.8 Average Size – 2022 saw a return to the usual position whereby new entrants have tended to take larger than average holdings, albeit distorted by the figures in the actual sample.

APPENDIX

THE AGRICULTURAL TENANTED SECTOR IN ENGLAND – DEFRA DATA

DEFRA's June Census reports give figures for the areas of owned and rented land on commercial agricultural holdings, in thousands of hectares. The overall pattern of broad stasis for FBTs and the slow decline of 1986 Act tenancies is consistent with CAAV Surveys.

	2010	2015	2019	2020	2021	2022	% of Area ex commons
Land Owned	5,645	5,887	6,179	6,168	6,133	6,211	64%
Land Rented in for 1 Year or More							
AHA	1,590	1,444	1,305	1,293	1,224	1,196	12%
FBT	1,063	1,125	1,267	1,204	1,242	1,270	13%
Other	471	415	441	437	469	458	5%
Seasonally rented in land	410	520	542	522	523	549	6%

With the area let under the 1986 Act naturally declining and, as the CAAV's Agricultural Land Occupation Surveys show, much of that land re-let as FBTs, 2021 was the first year when the area of FBTs was officially reported as greater than that under AHA tenancies. However, it seems likely that, in reality, the FBT area has been larger than AHAs for some time as a large proportion of the 458,000 hectares recorded as under "Other agreements" might well be FBTs; generally, those who have 1986 Act tenancies are aware of that.

The 2022 June Census data show the further natural fall in the AHA area with a corresponding 2.2 per cent growth in the FBT area matching the area lost from AHAs. The area of seasonally rented in land is now almost half that of the remaining AHA tenancies.

DEFRA's April 2019 agricultural tenancies consultation gave this broad picture from the 2017 June Census as to whether businesses are solely rented, solely owned or are mixed tenure.

	Holdings	% Holdings	% of Area
Wholly Tenanted	14,000	13%	15%
Mixed Tenure	36,000	34%	50%
Owner Occupied	54,000	51%	35%

WALES

After some years without significant data on the tenanted sector in Wales, the Welsh Government published the information given here, prepared partly to assist its work on post-Brexit policy. The data have been drawn together by Rural Payments Wales from the 2018 Single Application Forms.

	Holdings	%
All owned land	8,413	52%
Own more than rented	4,624	28%
Rent more than owned	1,685	10%
Tenants	1,503	9%
Total	16,225	

Area (ha)	Owned	AHA	FBT	Unwritten	Total Area
All owned land	517,186				517,186
Own more than rented	428,829	15,093	38,301	50,573	532,796
Rent more than owned	54,467	59,086	68,664	30,734	212,951
Tenants		37,971	51,433	14,069	103,473
Total	1,000,482	112,150	158,399	95,375	1,366,406
%	73%	8%	12%	7%	

SCOTLAND

Scottish Government Figures from the June Census

NB – One holding may include more than type of tenancy. The implication is that in 2018 up some 373 holdings (5%) had more than one type of tenancy. That figure would be lower if some had more than two types.

The 2020 table included figures for numbers and areas revised for 2018, generally upwards.

	2008		2015	2016	2017	2018	Change 2015-2018	
Holdings (No)							No	%
1991 Act	7,399		5,422	5,234	4,829	4,601	-821	-15%
– Conventional	6,441		4,904	4,731	4,370	4,198	-706	-14%
– Ltd Partnership	958		518	503	459	427	-91	-18%
SLDT	509		945	1,070	1,192	1,187	+242	+26%
LDT	205		557	647	710	769	+212	+38%
MLDT						29		
Small Landholder	98		74	74	76	68		
Total	8,047		6,609	6,587	6,428	6,281	-328	-5%
Area (ha)								
1991 Act			953,598	895,586	844,559	770,003	-183,586	-19%
– Conventional			796,701	750,125	735,710	644,781	-151,920	-19%
– Ltd Partnership			156,897	145,461	108,849	125,222	-31,675	-20%
SLDT			110,097	160,343	177,559	178,469	+68,372	+62%
LDT			97,923	111,949	157,437	181,045	+83,122	+85%
MLDT						2,875		
Small Landholder			3,126	2,889	2,212	2,158	-968	-31%
Total			1,164,744	1,170,766	1,181,768	1,134,550	-30,194	-3%
Rented Area as % of total area in sole occupation (Both ex-crofts)								
	26%		21%	21%	21%	20%		
Rented Crofts								
Number	11,226		10,167	10,002	9,786	9,879	-288	-3%
Area (ha)			154,981	148,779	153,089	147,479	-7,502	-5%

This table is consistent with the picture of the let sector reducing more sharply in the first half of the decade than in the second half. While overall decline then continued more slowly, the increased use of LDTs joined SLDTs to the point where, with the lower size of the let sector now reached, they nearly offset the continuing and almost inevitable loss of 1991 Act tenancies.

Those data are then supplemented by the tables supporting the reports for the June Censuses conducted in 2019 to 2021 with 2021 compared with 2018 and, for the numbers of holdings, with 2008. The 2022 Census did not happen but the 2023 Census is being held.

While the data for any one year may have their own distortions, that presentation can be read to suggest how:

- further evidence for the stabilisation of the size of the let sector
- the continued decline of 1991 Act tenancies
- reduced growth or even stabilisation in the use of SLDTs
- the natural erosion of the number of LDTs now that no new ones can be let
- that being more than balanced by new MLDT lettings, whether or not they would have been let by LDTs anyway
- those MLDT lettings now balancing the loss of 1991 Act tenancies.

While the Small Landholders sector has been the subject of a recent consultation, these tables point to it being a small and declining sector.

	2018	2019	2020	2021	Change 2018-2021		Change 2008-2020	
					No	%	No	%
Holdings (No)								
1991 Act	4,625	4,403	4,300	4,189	-436	- 9%	-3,210	-43%
– <i>Conventional</i>	4,198	4,002	3,927	3,821	-377	- 9%	-2,620	-41%
– <i>Ltd Partnership</i>	427	401	373	368	-59	-14%	-590	-62%
SLDT	1,187	1,258	1,251	1,258	+71	+6%	+749	+147%
LDT	769	749	743	743	-26	-3%	+538	
MLDT	29	98	132	175	+146	+403%	+132	
<i>LDT + MLDT</i>	798	847	875	918	+121	+15%	+713	+247%
Small Landholder	68	66	64	59	-9	-13%	-39	-39%
Total	6,281	6,210	6,134	6,057	-224	-4%	-1,990	-25%
Area (ha)								
1991 Act	770,003	738,774	719,055	704,636	-50,948	-7%		
– <i>Conventional</i>	644,781	618,998	619,451	606,748	-25,330	-4%		
– <i>Ltd Partnership</i>	125,222	119,776	99,604	97,888	-25,618	-20%		
SLDT	178,469	191,195	163,296	152,496	-15,173	-8%		
LDT	181,045	180,626	178,869	173,080	-2,476	-1%		
MLDT	2,875	23,143	70,150	88,507	+67,275	+2340%		
<i>LDT + MLDT</i>	183,920	203,769	249,019	261,587	+65,099	+35%		
Small Landholder	2,158	2,503	2,337	2,168	+179	+8%		
Total	1,134,550	1,136,241	1,133,708	1,120,886	-842	0%		
Rented Area as % of total area in sole occupation (Both ex-crofts)								
	20%	20%	20%	20%				
Rented Crofts								
Number	9,879	9,847	9,794	9,343	-536	-5%	-1,883	-17%
Area (ha)	147,479	147,671	152,096	145,561	-1,919	-1%		

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