Real Farming Trust

Access to Land for Enlightened Agriculture

Feasibility Study – June 2018

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Executive Summary

Access to affordable and secure land is one of the main barriers to the growth of Enlightened Agriculture and for those seeking to start or expand their farming and growing enterprises. High land values and rents and lack of security of ownership or tenure are two of the main issues which stop land based social entrepreneurs, communities and new entrants from implementing their ideas. Despite the high prices, little land comes onto the market to buy or rent; consolidation of farmland into larger holdings and the continued sale of the County farm estate is severely restricting supply while demand continues to rise.

This report explores the various financial / investment models and other related initiatives that could help with access to land for agro-ecological farming and growing. It reviews case studies from the UK, the rest of Europe and the USA, and uses the lessons learned to develop recommendations on how to best support those seeking access to land in the UK.

The case studies are grouped into four broad business models:

- Land Trusts: The land trust model is useful for receiving donations or pledges of gifts, including land and capital (e.g. The Soil Association Land Trust and Terre de Liens' La Fondation).
- Cooperative citizenship investment: The majority of land access organisations in Europe are cooperative membership organisations that raise community finance to purchase land for agroecological and new entrant farmers (e.g. The Ecological Land Cooperative, Biodynamic Land Trust, Terre de Liens' La Foncière, BioBoden, Terre-en-Vue and Regionalwert).
- Land investment funds: These are akin to unit trust investment models and normally offer some form of return on investment (e.g. The Local Farms Fund, the Equity Trust and Jordbrugsfond).
- Intermediaries: Intermediaries link farmers with investors (e.g. North East Farm Access and New Spirit Farmland Ventures).

The main lessons learned from the various case studies can be summarised as follows:

- People are increasingly looking for security in their investments. Security in terms of not risking their capital, but also security in terms of the long-term ethicality and viability of their investment and the reputational risk associated with it. Investing in land for communities and agroecological farming and growing is relatively secure and has the potential to deliver significant social and environmental benefits. The social investment marketplace is growing, and this presents opportunities for access to land initiatives.
- However, most of the cooperative membership organisations and other investment vehicles reviewed were founded in times of low interest rates and lower land prices, and it may become increasingly difficult to attract new members/investors if other

investments (including other social and ethical investments) and savings rates become more attractive, especially without certain tax advantages such as SITR.

- Organisational capacity and the need for core cost funding means most organisations are over-stretched which presents many problems including long term viability, the ability to quickly scale or replicate, and the ability to measure and report on social impacts/public benefit.

- Progress has been slow and relatively small scale. Solving the problems of land concentration through membership funded cooperatives presently has clear quantitative limits. This, combined with the inflated price of land in the UK, suggests that other initiatives that do not rely on purchasing land, per se, need to be explored.

- It seems clear that in the UK, given the high price of land and the low margins made, financial returns on investment will be low. The social and environmental return on investment needs to be made clear and mechanisms put in place to monitor and report on this.

- The most successful examples from around the world are about much more than the financial transaction. In Europe especially, the organisations are involved in campaigning, raising awareness and 'movement building' and have built the business model around that.

- The most successful approaches combine different business models. So, for example, Terre de Liens combines the land trust model with citizen investment. BioBoden is now working side by side with a new land trust, the BioHöfe Foundation.

- Similarly, the best approaches combine the reach, scale and influence of a national organisation or alliance with the focus, engagement and energy of local communities and grassroots organisations.

- We can no longer count on local authorities or any part of the public sector to work as active partners in helping with access to land, or in supporting communities to connect with farming. Addressing the politics of access to land for sustainable, local, community connected farming and food production needs to be made a priority.

Developing new financial models to encourage investment in land for agroecological farming and growing will be challenging in the current socio-economic, policy and regulatory environment in the UK. Even scaling up or replicating existing initiatives will be difficult and progress is likely to be slow. Lack of financial incentives such as tax rebates (e.g. SITR), low or zero returns on investment due to the high price of land and low margins, and increasing interest rates means tapping into the social investment market and wider institutional capital will be difficult, even with better evidence of the social and environmental return on investment and the relative security of that investment. Because of this, access to land initiatives are likely to continue to rely on charitable funding and a relatively small number of mission-driven social investors, at least in the short to medium term.

That said, there are **two areas that deserve further exploration and development**, as both could be set up relatively easily and without huge development costs. The first is to consider the **development of a Rolling Land Fund**, which would help communities and social enterprises secure land for agroecological farming and growing through the provision of short term loans, secured on the land itself. This would give land seeking organisations the ability to quickly secure land when it comes on the market. Without such an initiative many enterprises simply would not have the time or the funds to pull together a credible offer.

Secondly, the **development of an intermediary between land seekers and high net worth social investors** should be explored. There are undoubtedly social investors who are passionate about food and farming and would be willing to invest in land for agroecological farming. While such investments would provide only modest financial returns they would have a very positive social and environmental impact and be relatively risk free. This approach needs to be farmer led; helping the farmers and growers find the land they need to develop their businesses.

However, **the main recommendation from this report is to develop a more strategic and coordinated approach to access to land in the UK in parallel with developing the capacity of the existing organisations**. Sjoerd Wartena, the founder of Terre de Liens, believes that the UK's fragmented approach to land access is a major stumbling block to achieving anything significant. **We therefore propose that the key stakeholders come together to form a new access to land network or alliance**. This would have multiple benefits; initiating a national conversation and raising the profile of the issue with the public and policy makers, delivering coordinated campaigns and joint ideas for funding, networking and sharing of ideas, focusing on key issues such as incubator farms, policy reform, and acting as a sign posting service raising the profile of member organisations. The EU Access to Land Network, of which the Real Farming Trust and Soil Association are part, has been very successful and we recommend that a UK network continues to work closely with our EU partners. It would however, need to be well funded to ensure these benefits are fully realised and we would urge funders to support such an initiative. At this point in time, it is perhaps the single most important way of helping with access to land in the UK.

Finally, in parallel with the above we think that it is important to develop initiatives that are not reliant on purchasing land. Initiatives such as incubator and starter farms, land partnerships and better engagement with existing land owners, such as conservation organisations and the County Farms estate all need to be developed and formalised, and adequately funded. Campaigning to change the eligibility criteria for SITR should also be a priority and could have a big impact on investment in land for community agriculture. These initiatives could be led by the proposed access to land alliance. With a greater collective will and a more coordinated approach there is little reason to suppose that more land cannot be brought into trust, and more farmers found who are able and willing to connect with local communities.

Introduction

Context

Access to affordable and secure land is one of the main barriers to the growth of Enlightened Agriculture[1] and for those seeking to start or expand their farming and growing enterprises. High land values and rents is one of the main issues which stops land based social entrepreneurs, communities and new entrants from implementing their ideas and they often have to compete with other land users, lifestyle buyers, investors, developers and speculators. The value of land is no longer tied to what a farmer can pay, but rather to what an investor can pay making it unaffordable for most people seeking to make a living off the land.

Security of ownership or tenure is also an issue. Buying land at inflated prices often relies on mortgage finance meaning that the asset itself is insecure. If others buy the land on a producer's behalf it is an asset for them or their successors and as such they may want it back at some point at the current market price, rather than the historic cost. So, the issue isn't access to land, per se, but access to secure land where people can invest their time, energy and finances in working the land and improving it for sustainable farming, safe in the knowledge that they will have access to it for the long term, or even in perpetuity. In essence, this would mean removing land from the market and thereby removing it from the obligation to be both a factory floor and a store of wealth.

Despite the high prices, little land comes onto the market to buy or rent; consolidation of farmland into larger holdings and the continued sale of the County farm estate is severely restricting supply while demand continues to rise. While there is no comprehensive survey of demand for land, anecdotally there is plenty of evidence suggesting that it is a serious issue. For example, a recent survey by the Ecological Land Cooperative received 270 responses from people who wanted to start a farming business. The Scottish Farm Land Trust has also done some research into demand. Its survey received 1,286 responses, 989 of which wanted to establish agroecological farm businesses. It proves that a significant number of people have been motivated to pursue a career in farming but have encountered too many barriers along the way. Access to land was the primary barrier, with 71% of respondents stating that it is a significant barrier and a further 17% describing it is a barrier. Access to housing and insecurity of tenure were also identified as barriers (by 76% and 56% of respondents respectively).

Against this background of high land prices and insecurity of tenure and ownership lie other, more fundamental issues for those seeking access to land. Prospective land-based entrepreneurs are often unable to secure access to finance that allows them to respond quickly to opportunities as they arise. On top of this there is a lack of appropriate business and technical advice for land-based entrepreneurs and communities covering issues such as business planning, launching share offers, crowdfunding, developing lease and partnership

[1] Farming that is expressly designed to provide everyone, everywhere with food of the highest standards of nutrition and gastronomy, without cruelty or injustice and without adversely affecting other people and the biosphere both now and in the future.

agreements, trusteeships and so on. These issues from a range of different communities and organisations indicate a wider need for advice, models and structures that people need to tackle local land access issues. Finally, and perhaps most critically, there is a lack of affordable housing near to workable land, exacerbated by very restrictive planning laws.

It is also important to consider the issues from the perspective of social investors and land owners. There is often a lack of understanding of agroecology, or 'Enlightened Agriculture[2]', and a lack of consideration of the social, environmental and financial benefits that it brings. Traditional leases and partnership agreements often fail to recognise the needs of both parties. From land owners and investors especially, there is a concern that Enlightened Agriculture cannot compete with 'mainstream' forms of agriculture in terms of the rent that it can afford to pay or the return on investment that it can provide. Engaging with land owners and social investors is needed to increase the availability of land for enlightened agriculture purposes.

Engaging more with the public will also be a critical factor. Unlike many European counties, the UK is a highly urbanised society, and has a very different relationship with and understanding of food and farming. This could be a barrier, but equally it could be an opportunity, as those living and working in cities seek to develop a connection with the land and support the communities that produce their food.

The need for an innovative and coordinated approach

Professor Paul Nabhan, MacArthur Fellow and the Kellogg Endowed Chair in Sustainable Food Systems, University of Arizona, has described the need for new initiatives to support a more enlightened approach to food and farming. Progress so far in developing local food markets has mostly consisted of "widely dispersed, rather uncoordinated innovations by inspired individuals". But if we are to feed everyone well, restore the health of ecosystems, and foster community economic health then we need a root and branch redesign of our food systems. To achieve this, we must "intensify our exploration of novel means to finance the start-up and maintenance of innovative food and farming microenterprises across the country." We need to keep the "wealth recycling and doing added good in our community economies". Thus, as Professor Nabhan indicated, we need innovative initiatives to lead the way towards changing the status quo, as opposed to those that only work to fill the gaps in the present system. The Real Farming Trust (RFT) aims to work with people that have the capacity to lead this change and seeks to provide innovative forms of finance and other support to the sector to help with access to land, foster its entrepreneurial spirit and to allow it to grow and replicate.

There are several different organisations involved with access to land in the UK such as the Ecological Land Cooperative, The Biodynamic Land Trust, and the Soil Association Land Trust.

[2] Enlightened agriculture has three central concepts:(1) economic democracy, in practice rooted primarily in small to medium-sized enterprises that are generally conceived as social enterprises and are often cooperative in nature and community-owned; (2) food sovereignty, the idea that individuals and communities everywhere must have control over their own food supply; and (3) agroecology, where individual farms are conceived as ecosystems, and agriculture as a whole is seen as a key component of the biosphere.

Each of these organisations is approaching the issue in a different way, and all have had considerable success over the last few years and have ambitious plans for growth. However, each of these organisations is focused on their own particular issue or area and has different aims and objectives. This leads to a rather fragmented approach to access to land in the UK, competition for scarce resources and difficulties in scaling up. This is not out of choice; each of the organisations would like to do more, and work closer together, but resources are limited.

All of these organisations have been involved in this study and have reviewed and commented on this report. It is vital that any new ideas or initiatives have their support, and that consideration is given to their needs and concerns, so that we can all work to improve access to land in the UK, to the benefit of everyone.

Aims and objectives

The goal of this report is to explore the various financial / investment models and other related initiatives that could help with access to land for agro-ecological farming and growing. The aim is to review the current situation in the UK and the various initiatives being developed both here and in the rest of Europe and the USA, and to use this 'best practice' to develop recommendations on how to support those seeking access to land in the UK. We will investigate various models, including land trusts, a national 'farmland investment fund', bridging finance and the potential for attracting social investment into land and land-based projects, as well as other initiatives that support new entrants, but do not rely on the purchase of the land itself.

The key questions needing addressed can be summarised as follows:

- What lessons can we learn from other countries and initiatives?
- How can we funnel more investment into land for agroecological farming?
- Is there room for a new farmland trust or fund?
- How can the existing organisations work more closely together?
- Can land be secured for agroecological farming, without having to buy it?
- What else needs to change to help with access to land (e.g. policy, advice, etc.)?

With these in mind, the main objectives of this study are:

- To understand the current situation in the UK from the perspective of existing organisations, and to understand their longer-term vision and barriers to achieving that vision
- To learn from other countries, finding the key exemplars, reviewing their relative strengths and weaknesses
- To summarise the key lessons learned from these case studies
- To review the various ideas, initiatives and business models that might work in the UK context

- To develop a set of recommendations and next steps.

Structure of this report

The report starts with a set of case studies from the UK and abroad, including Europe and the USA. Lessons learned from these case studies are summarised and different ideas that could help with access to land in the UK are explored. Finally, recommendations are made for further study.

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Case studies from the UK

There are three main organisations working to provide land for agroecological farming in the UK:

1. Soil Association Land Trust
2. Ecological Land Cooperative
3. Biodynamic Land Trust

Organisation	Model	Area	Value	Income	Expenditure
Soil Association Land Trust	Gifts & legacies	162ha (8 sites)	£2.6m	£215,700	£83,796
Ecological Land Cooperative	Multi-stakeholder cooperative	24ha (3 sites)	£328k	£62,196	£68,168
Biodynamic Land Trust	Land Trust	66ha (4 sites)	£965k	£130,734	£92,524

*all figures 2015/16

In addition, a new organisation, the Scottish Farm Land Trust, is currently undertaking a feasibility study to explore options for increasing access to land for ecological agriculture. The study will look at how to set up the Scottish Farm Land Trust in order to establish a model for ecological and community-oriented farming in Scotland.

Finally, there are a growing number of stand-alone community owned farms in the UK, that have raised community finance to purchase a local farm and run it for the benefit of the community. A few examples of these are included for completeness.

Soil Association Land Trust

Background

The Soil Association Land Trust was formed in 2007 through the amalgamation of three organisations: Land Heritage; the Paget Estate; and the Soil Association ("SA"). The Land Trust is part of the SA with its own Memorandum and Articles of Association and a board of trustees with a range of backgrounds reflecting the original partnership that formed the Land Trust. It is a company limited by guarantee and a registered charity.

The Land Trust has two charitable objects: (1) to preserve, conserve and protect for the public benefit the environment of the countryside through the prudent management and holding of land and the use of natural resources, including the promotion and use of organic, traditional and sustainable land management techniques and related activities; and (2) the education of the public in the same.

The Land Trust's purpose is to protect land in its care and to ensure it continues to be used for agricultural purposes. The Trust's current focus is on landowners and farmers who have no family members that they can pass their land on to. The Trust is promoted through the SA website and communications network, to date in a fairly in a low-key way. Donors are motivated by their connection to their specific piece of land and a desire for it to remain in good (organic) farming use in perpetuity.

There are currently five holdings in the Trust's ownership currently valued at £2.6 million and twelve other holdings pledged to the Land Trust and will come over into its legal ownership in the next 10-20 years. Other potential holdings are in discussion. The Trust's assessment policy includes carefully reviewing any fixed assets gifted with the farm to ensure that the legacy does not include liabilities that cannot be met from the farm's own resources and to ensure the land donors' wishes can be carried out.

Once a landowner has expressed an interest and the Land Trust has assessed the suitability of the land, there are several options available, from amending their will in favour of the Land Trust to a lifetime gift of the holding, to a pledge with a less formal letter of wishes with varying legal implications of each depending on the arrangements made. Where the holding is left in the will on death, there is no direct acquisition of the land before the death but there may well be a mutual working together to affect the holding – for example, the Trust may help secure a share farmer or new entrant as per the landowner's wishes. Many of the farms will come with sitting tenants (often from families that have been farming the same farm over many generations). Where no tenant comes with the land the Land Trust will find new tenants and the aim with all the land is to explore opportunities to enable new entrants to get access to land. New tenants are recruited through SA and local connections and via the local and regional farming community. Land is held in trust in perpetuity subject to certain conditions being met including the ongoing financial sustainability of the holding. As part of the assessment process, the Land Trust considers whether it is the most suitable vehicle for the land and will recommend others such as the Woodland Trust or BDLT if appropriate. The Land Trust is focused on organic land but accepts other sustainably managed land with a view to conversion.

The Trust does not have a land acquisition fund, and this reduces the number of potential farms that the Land Trust can engage with. There are other options to an outright gift such as a lifetime tenancy, where the farmer effectively donates the land and enters a lifetime (rent free) tenancy.

Support staff are provided by the SA with advice from a land agent. Total income in 2016 was £215,700 consisting of £180,000 in donations and legacies and £36,000 in rent and renewable energy generation income. Total expenditure in 2016 was £83,796, including governance costs of £7,604, support costs of £27,882 and repairs, maintenance and other project costs on the farms (such as education) amounting to £33,597. As the Land Trust is a registered charity it can receive donations free of tax.

Issues that are hindering/holding back their work

- The exclusion of land and buildings from inheritance tax regulations puts pressure on land prices from speculators. This has made the gifting of land to the Land Trust more challenging and means progress is slow.
- There is little support for farmers to help them plan for retirement/legacy. Farmers who may like the idea of supporting the Trust with a land gift may need to sell their holdings for other needs (legacies to family, personal care needs). The County Farms used to have a support strategy for helping retiring farmers, but most of these no longer exist.
- As they are reliant on gifts and legacies they cannot grow the Land Trust very quickly. This is also a financial risk, and they will be focusing more on other more stable sources of income over the coming years.
- The liabilities of old, dilapidated and often listed buildings can constrain the amount of land they are able to accept.
- There is still work to do on educating the public, and the farming community about organics and agroecological production.

Future plans

The Land Trust will continue to grow slowly focusing on good stewardship of existing properties and the addition of new ones. The Trust is looking into ways of accelerating the process by exploring new models such as gift of long leaseholds whereby a long lease (99 years) is sold on the open market, releasing valuable capital for the farmer, and the freehold reversion gifted to the Trust. In this way the farmer generates a capital sum (the value of the leasehold) but passes the freehold and the responsibility for the lease to the Land Trust. After 99 years, or whatever length of lease is agreed, the Land Trust will be able to take full responsibility for the farm, with little cost involved (other than the administrative costs of managing the lease). In an ideal world, the Land Trust would hold an acquisition fund. In the meantime, a priority is to explore the potential with other like-minded trusts and organisations of collaborating to consider new land ownership and land stewardship models.

The Trust is very interested in the future potential of conservation covenants. These are similar to the conservation easements and agricultural conservation easements ("ACE") in the USA which can help with the long-term preservation of organic and agroecological land, although are less useful for helping with access to land. A fuller discussion on this can be found in the section below.

Ecological Land Cooperative

Background

The Ecological Land Co-operative ("ELC") was started in 2005 and formally incorporated in 2007. It was set up to address the issue of a lack of affordable smallholding sites for ecological land-based livelihoods in England.

ELC is a multi-stakeholder co-operative with three classes of members: investor members, worker members and steward members. The investor and worker members have 25% each of the voting rights, steward members have 50%.

ELC's vision is to create a model of collective, ecological and co-operative land ownership and land use. Its aim is to create small clusters of three or more affordable residential smallholdings on each site. It offers 150-year leases on plots with restrictions on transfer to make sure that the land stays affordable and in agro-ecological use. There are different models for how plot holders can take on the lease to take account of people's different financial situations:

1. "Lease purchase", where the smallholder buys the lease outright, with ongoing small service charges. This suits people with savings.
2. "25-year investment", where smallholders pay a smaller down payment (typically 20%) followed by ongoing monthly charges (in essence a 'lease to buy' arrangement).
3. "Ongoing monthly charge with risk sharing", where smallholders pay nothing upfront, but pay rent every month (in essence a standard lease agreement).

As well as land, ELC provides smallholders with permission to build their own sustainable home (initially on a temporary basis) together with off grid utilities and road access. It also provides smallholders with a mentoring service. The tenants pay a regular service charge to cover monitoring and any other additional costs. Each smallholding is managed as an independent business but collectively they are bound by a whole site ecological management plan that ELC ask them to report against regularly. ELC's model allows it to keep costs low, both through buying larger sites at a lower price per acre, and through distributing the cost of infrastructure, planning applications and subsequent site monitoring across several smallholdings. The model allows for the smallholders to work and learn together and to provide mutual support. The co-operative retains the freehold on each smallholding in order to protect it for affordable agricultural and ecological use in perpetuity.

As the plots bought are typically "bare land" in terms of agroecological enterprise, ELC can customise any site assets and resources ensuring they are fit for purpose. However, this means that the transformation costs are high, and the sites take time to develop. Annual management costs between now and 2020 are projected to be around £75,000.

To date ELC has acquired three sites totalling approximately 60 acres. The first site, Greenham Reach, secured 5-year temporary planning permission in 2013 and supports three smallholders and their families. Farmers are typically new entrants often with some experience of agroecological food production on a small scale (CSA, community gardening). The holdings were sold to the smallholders for £72,000 with two now purchased outright and one under a lease-to-buy agreement; on this plot the smallholders needed just £14,400 as a down payment, buying the remaining portion, with interest, incrementally over 25 years. The Co-operative will apply for permanent planning permission when the current temporary permission expires in 2018 although it is unclear whether this will be granted.

ELC is currently seeking similar temporary permission for its second site in East Sussex. However, the local council has said that it intends to refuse its application and the ELC is appealing on non-determination. Its ability to secure temporary and then permanent planning permission is an essential part of its business model but is also a key risk; the ELC is confident that in time, with more properties, and more successful planning applications, this risk should be lessened.

ELC maintains a very close relationship with tenants but at the same time it considers the autonomy of the smallholders and their right to run their own business without interference of primary importance.

The majority of ELC's funding is raised through community shares from individual investors with just the occasional institutional and high net worth investor. The first round of investment raised £340,000 and the second raised £445,000. Investors have been offered a 0-3% return, with many investors choosing 0%. Delivering positive returns is challenging but should become more easily achievable with a larger portfolio of sites.

The time and effort that is required both to run a share offer and to acquire land and obtain temporary planning permission makes it unlikely that ELC will be able to grow the number of sites and smallholdings any faster. As a result, progress will be steady but slow. Having the ability to purchase land quicker to prevent it falling into private and probably non-agroecological hands would help with its ambitious growth plans. In a situation where land prices are still on an upward trajectory this would also help it to manage its costs.

Issues that are hindering/holding back the work of ELC

- Complexity of planning laws and regulations and NIMBY attitudes in many communities and councils to smallholding development and particularly residential development. This is exacerbated by a general lack of understanding about agroecological production by the planning authorities and the public.
- As the model is based on purchasing land, land prices are a concern because they limit the speed with which the ELC can acquire land. Any reforms that might ease pressure on land prices (such as inheritance tax reform) would be very helpful. ELC would be interested in bridging loans which allow it to buy larger parcels of land, and then sell off the unused portion to repay the loan. This would also allow it time to raise additional community finance.
- There is concern about the size of the investor pool and how long it can continue to raise funds through community shares. However, for the time being it seems to be some way off capacity given that the last share offer raised £445,000. Keeping share offers relatively infrequent may help to generate repeat investors but could also slow down development.
- ELC smallholders are not eligible for CAP. A CAP-replacement scheme to support smallholders and/or tax incentives for investors e.g. Social Investment Tax Relief extended to agriculture would help support its work.

- Finding the right parcels of land (e.g. location, size, aspect, soil, access, visual amenity, price) is challenging. Supply is limited, and competition for land is high.

Future plans

Over the next few years ELC will concentrate on expanding its portfolio of sites to spread the risks and its operational overheads. It is essential that it grows as quickly as funds allow, as the more sites it has the more viable the business model becomes. By 2020 it hopes to have a portfolio of 22 smallholdings on six sites. Eight of the new holdings will be rental only to provide a steady income stream and make them more affordable to those who don't have the capital to purchase the site outright. One more share issue is planned for 2019.

To further accelerate the land under its management, ELC is exploring the possibility of providing a management service to other land owners (whereby the ELC would manage the site, the tenants, conduct research and so on). This would save it the expense of purchasing more land, while increasing the land under its care and control and providing more opportunities to those seeking land.

In parallel with growing the number of sites, ELC will continue to carry out research on the impact of its work, and to inform its development. This includes research into business viability, ecological diversity, soil health, and social impact. It also hopes to engage more with the planning authorities, sharing success stories, building the knowledge base, and in time, hopefully influencing policy and helping others by showcasing successful precedents.

Biodynamic Land Trust

Background

The Biodynamic Land Trust ("BDLT") was formed in 2011. It is structured as a charitable community benefit society and its mission is to secure land for biodynamic farming, gardening and food production in the long term. It is also keen to enable new entrant biodynamic farmers to access affordable farms, smallholdings and market gardens. Its aim is to do this in a number of different ways including: gift and lease back, bequests, partnerships, community involvement and share offers. As a charity it can claim Gift Aid on donations.

The BDLT currently owns or has long term leases on four farms (Huxhams Cross, Brambletye Fields at Tablehurst, Noltlands and Oakbrook), totalling around 162 acres and valued at around £940,000, with a typical size of around 40 acres. It is also a custodian trustee of Stockwood Community Benefit Society, which owns the 180-acre Rush Farm in Worcestershire. Its aim over the next five years is to work with a further two to three biodynamic farms either as legacies or by raising funds through further community share issues. While the preference is to secure biodynamic land, it will consider other types of land, either for conversion or for agroecological production.

The BDLT is currently a small land trust, with relatively small parcels of land under its stewardship. Operating costs are kept as low as possible and are currently around £38,000 per year. Income from various investments, including investment in and loans to Stockwood

CBS and an investment in Ecodynamic CBS, which has a wind turbine in Cornwall, help towards operating costs.

BDLT is keen on the idea of cross subsidy from different activities to secure the viability of its farmland and is conscious of the economic pressures that producers are under. Cross subsidy has been successfully developed at Stockwood CBS and is currently being developed at Huxhams Cross where a range of different activities are being developed.

Issues that are hindering/holding back the work of BDLT

- Lack of public/policy awareness of the value of biodynamic farming limits the number of people willing to invest.
- A founding focus on biodynamic land limits opportunities to increase the land in stewardship.
- The price of land inhibits growth. A legal and tax environment away from incentivising land ownership and towards Stewardship and management of land would help.
- Share offers are rolling (rather than having a distinct deadline), which means they can sometimes lack momentum. Also, shares do not offer a return which limits public interest in investing.
- It is sometimes unable to raise money quickly enough to buy land on the open market.
- Its small team can get over stretched.

Future plans

As well as continued stewardship of its existing portfolio of land, and the occasional purchase or bequest of additional land, the BDLT aims to grow the amount of land under its stewardship by partnering with other community benefit societies, either existing or created by the BDLT itself. While the partner CBSs would be autonomous, it would be connected to BDLT by custodian trusteeship which locks its assets into the Trust. Additionally, transparency, collaboration and alignment of aims would be fostered through a representative of the BDLT sitting on the partner CBS's board. Partner CBSs will have greater freedom in how they raise money, as they will be able to offer interest bearing shares, unlike the BDLT which, by its rules, can offer no return on investment. They can do this by blending land and non-land assets such as commercial and residential property and renewable energy generation together, as Stockwood CBS has successfully done (return on investment forecast to be around 5%). Working together, the BDLT and its partner CBSs can bring more land into community ownership and ecological farming, helping to fulfil the BDLT's aims. It is hoped that by itself investing in these partner CBSs, and by providing chargeable services the BDLT will have a more viable and scalable business model.

The BDLT also wants to take a lead in greater engagement with communities through citizen networking. Inspired by Terre de Liens, the BDLT wants to create a network of volunteers - which it calls "land whisperers" - as ambassadors for biodynamic farming and community land trusteeship. The BDLT believes that by engaging more with the public, more opportunities for community land ownership will present themselves, and more people will be galvanised to engage and invest in local land-based projects and community farms for the benefit of the local area and economy.

Scottish Land Fund and Scottish Farmland Trust

Although there has been much criticism of the Scottish Land Reform Bill that was passed in 2016, it has at least opened up the debate on the ownership of land. This is important given that in Scotland the majority of land is held privately by a relatively small number of people. The Bill ended tax relief for shooting estates and gave communities the right to purchase private land if the landowner was blocking “economic development”. The tax raised from shooting estates is being put into a Scottish Land Fund which will help communities buy land for “sustainable development”. The Fund is run by the Big Lottery Fund and Highlands and Islands Enterprise.

The Scottish Farm Land Trust (“SFLT”) is a new organisation, which aims to increase access to land for new entrants who want to farm using agroecological methods. The SFLT aims to acquire farmland and offer secure, affordable tenancies, thus supporting a thriving farming landscape in Scotland with farms that are connected to local people. The SFLT has recently published its first report on demand for land in Scotland and the barriers to people entering the sector. The next stage for the SFLT is to explore how it could be financed and what business models might work.

Community Farms

There are many successful examples of community owned farms in the UK, where the community has come together to save a local farm and provide local food and employment. Some of these have managed to buy the land, while others lease the land from land owners, often under very reasonable terms.

Tablehurst and Plaw Hatch Community Farm now manages over 700 acres in East Sussex. In 1995 the community raised the money needed to buy the farming assets of Emerson College Trust and negotiated an agreement to manage the 260-acre Tablehurst Farm. In 2001 the community business also bought the assets of another nearby farm owned by the St Anthony’s Trust; the farmland and buildings remained in the ownership of the Trust. In 2004, Emerson College Trust transferred the ownership of Tablehurst Farm to St Anthony’s Trust. The two farm businesses are managed separately, but are owned by one cooperative, the Tablehurst and Plaw Hatch Community Farm Ltd, an Industrial and Provident Society with over 600 shareholder members. Shares cost £100 each, they cannot be sold on, and do not create dividends or benefits of any kind. The Cooperative now manage 800 acres of land, biodynamically or in conversion and has a turnover of around £1.5 million per annum, employing around 20 people. The keys to the success of this initiative are the understanding landlords (with the St Anthony’s Trust providing 500 acres on very favourable terms and locked in for the benefit of the community) and the cooperative’s success in engaging and involving the local community.

Fordhall Farm in Shropshire is perhaps the best-known community owned farm in the UK. This important 140-acre organic farm was saved in 2006 by Ben and Charlotte Hollins and the support of over 8,000 other individuals who together, over only six months, raised £800,000 to purchase the farm and bring it into community ownership. The Fordhall Community Land Initiative, an Industrial and Provident Society, now owns the farm and rents the farmhouse and land to Ben Hollins who has a 100-year tenancy, with succession rights. This provides the tenant with the incentive and security to invest in the farm. Offering such a long-term tenancy is very unusual and did have an impact on the value of the farm, reducing it to around £500,000. While this is not an issue for a community owned farm, it does highlight the disincentive to offer long term farm tenancies. The farm also has a restaurant, tearoom and benefits the community through volunteering opportunities, school visits, community events and open and free farm access. Like Tablehurst and Plaw Hatch, its success stems largely from the degree to which it was able to engage with the local and wider community. The lessons learned from Fordhall, and others, have been captured by The Plunkett Foundation in its comprehensive report on setting up and running community owned farms.[3]

Case studies from Europe and the USA

Terre de Liens (France)

Terre de Liens ("TdL") – translated as 'Earth Links' - is a membership organisation comprising one national and 21 regional associations. The national association takes the lead in the strategic direction and development of TdL, with the regional associations working at grass roots level to support TdL initiatives. The regional associations have representation on the board of the national association and employ the majority of TdL staff.

TdL was founded in 2003 to try and develop a model that would open up land to new farmers by taking land out of the market. Terre de Liens was the outcome of this work. Initially the association only provided advice to farmers on the development of community land ownership and financing structures. In 2007 it began buying land and created groups in 16 regions across France. About 60% of the budget of these regional groups came from local authorities who were keen to support the aims of the Association.

To acquire land, TdL has created two financial organisations:

- La Foncière Terre de Liens which is a private company limited by shares ('Société en Commandite par Actions' or 'SCA'). As a company, La Foncière can undertake public share issues to raise capital. As a company limited by shares, it creates two categories of participants: the shareholders, who provide capital and are liable only to the extent of the capital provided; and the managing partner who runs the company and is jointly and severally liable for the debt (the managing partner is a limited liability company with a capital of €7500, which is currently composed of the

[3] A Guide to setting up and running community owned farms; how the lessons of the Fordhall Community Land Initiative can help and inspire others. http://www.feanetwork.org/wp-content/uploads/2014/08/A-guide-to-setting-up-and-running-Community-Farms.pdf

TdL Association (45%), Luc Moineville (10%) and the ethical bank, La Nef (45%)). The legal structure of an SCA was chosen because a partnership company allows for a distinction to be made between running the business and managing investments thus preventing the shareholders from influencing the direction of the business. It has a supervisory board (conseil de surveillance) and an acquisition committee (comité d'engagement) which advises the organisation on farm acquisitions.

- La Fondation is a Charitable Trust which collects donations in cash or kind from individuals, local authorities and companies. Investors in La Foncière can also donate their shareholding to the Foundation; they can do this at any time, but they receive certain tax advantages if they wait until they have held them for five years. The Foundation is a registered charity and has three areas of activity: information and promotion, receiving gifts and donations; and managing land and farms to maintain their long-term value. The Foundation currently holds a relatively small amount of the capital of Terre de Liens but over time it is hoped that more funds will be donated to the Foundation either from existing shareholders or from new fundraising so that more and more of the Terre de Liens landholding is held in Trust.

La Foncière was founded with partnership capital amounting to €57,200 from 47 shareholders. An initial public share offer in 2007 brought in €4 million from 2,200 shareholders during a period of six months. A second share offer between October 2008 and June 2009 raised a further €6 million. Since then the company has made a new share offer each year. It has to date raised €65 million through share offers. While the investment pays no interest or dividends, the book value of the investment can be adjusted by the managing partner. In 2013 it was decided that the share price should be adjusted from €100 to €103.50 per share. La Foncière is required by the regulatory authorities to ensure that its shares reflect the actual value of its assets. So, every year, a chartered surveyor reviews the value of 10% of La Foncière's farms. Based on this, the overall value of the farms owned by La Foncière is estimated and the managing partner then decides whether to change the value of the share to reflect the increase (or decrease) in the value of farm assets.

Shares can be offered back to the company for sale at any time at their current face value after a minimum holding period of six months. La Foncière will approve buying back the shares only on the general assembly of the year after the request was made by the shareholder (normally 6 to 17 months after the request was received). This is to ensure that the total amount of the shares sold back to La Foncière does not exceed 25% of its capital (in which case, some of the re-buy would be postponed to a later date). In 2015, €1.5 million were bought back by La Foncière, which represented only 3% of its capital at the time. The average shareholder investment is €2,700 (not including institutional investors). No shareholder can hold more than 5% of the total capital.

One of the main financial incentives for shareholders was that they were entitled to a substantial tax rebate on their investment in La Foncière. However, in 2010, a change in the tax system reduced this rebate; while capital growth has slowed, it is still growing at a steady rate. Furthermore, since 2010, La Foncière has been able to accept investments from company saving schemes. However, to preserve La Foncière as a citizen's movement, institutional investors cannot represent more than 20% of its total share capital.

With this capital, La Foncière buys agricultural land and buildings to enable new entrants to gain access to a farm, or to help established farmers maintain or develop their activity. When land is identified, the Acquisition Committee examines the project to determine its overall fit with the principles and aims of La Foncière, and to study in detail how it matches TdL's criteria. The review by the Acquisition Committee is informed by in-depth reports and field visits conducted by the local branches of Terre de Liens. The Committee may express a favourable opinion (with or without conditions), reject the project or ask for additional information.

La Foncière usually offers an 18-year lease (twice the length of a normal agricultural lease), to provide more security of tenure for farmers and to establish long-term relationships with them. TdL rents out the land and buildings according to locally regulated prices. It thereafter maintains contact with the farmers, checking the progress of the project, the development of activities, economic sustainability, and respect for the environment. It also intervenes where necessary to restore or upgrade the farm buildings and houses.

Currently all the farms are organic, biodynamic, or in conversion, although the constitution allows the organisation to support other forms of peasant farming as defined in the peasant farming charter (of the Confédération Paysanne, very similar to that of Via Campesina). They are very diverse in size, production and organisation: most are small farms (a few hectares only), although there are a few large ones (100 hectares or more); many are mixed farms or grow vegetables, while a few produce cereals; some are in fertile plains, while others are in less favoured areas or in green belts. The farms are found across the whole of France.

The Terre de Liens model is probably the most successful initiative of its kind in Europe. Through La Foncière and the Foundation, Terre de Liens has raised around €65 million and now owns, or is close to acquiring, 160 farms covering 3,100 hectares and supporting 197 farmers; with one farmer per 15 hectares, this is over twice the average labour per hectare in European farming. The organisation has 4,500 members and 12,300 shareholders. There are currently 19 regional TdL organisations. Around 1,000 farmers and would be farmers are advised each year on technical and legal issues around finding land and collective and community ownership.

There is a mixture of reasons contributing to this success:

- As elsewhere in Europe the price of land has risen in France during recent years but at around €6,000/ha it is still considerably cheaper than in most other European countries. This makes the TdL business model much more viable and scalable. The reason for this is a highly regulated market in agricultural land to preserve the agricultural landscape and communities. Land rents are also more favourable as leases are also highly regulated with rents calculated by reference to a national annual index based on the price in various agricultural products and inflation. Minimum and maximum rent charges are fixed annually in each region.

- France has a regulatory system that supports farmers, including the SAFER and Chambers of Agriculture, plus tenancy legislation and tax incentives that support occupation and management of land rather than ownership.

- France has a well-developed food culture, where citizens appreciate the connection between food and farming. The extensive CSA network (MIRAMAP) ensures that many entrant farmers on to TdL lands have a route to market for their first year of trading.
- There are tax advantages to investing in TdL. These provided the incentive to invest and allowed TdL to grow quickly. Despite a less attractive tax regime now, it has the scale, reach and momentum to continue growing in the long term.
- TdL is much more than a land trust or fund. It is a civic movement that has captured the imagination, support and investment of many people and the support of the authorities.

However, there are still challenges and issues that hold back TdL's growth and development:

- The cost of purchasing, maintaining and restoring fixed assets has been a significant drain on TdL's resources; until recently, around half of La Foncière's investment was spent on farm buildings and houses, rather than land, and very little of this investment can be recouped through rents. Buildings are also a significant drain on TdL administrative resources. To contain the value of the buildings within the total acquisition costs, and to fulfil its objective of helping farmers to get established, TdL now evaluates the ratio of fixed assets compared to the number of jobs created/ maintained before making investment decisions. This, together with more robust assessments of the condition of buildings and the likely restoration and maintenance costs, has meant that TdL are better able to control these costs. TdL will where appropriate, encourage the farmer to own at least the farm house and sometimes the buildings, but this is not a requirement.
- The decision-making committee of the regional branch of SAFER that looks at a particular land sale is largely made up of local representatives of the farmers union, who tend to speak for and support 'conventional' farmers. This means that local farmers often have a lot of influence in how land in their area is managed. However, this also means that they can stand in the way of new entrants and farmers who want to do things differently.
- A 'tightening' of financial regulations means that fewer tax advantages are available to investors; this has slowed the rate of growth. However, the global financial crisis has also meant that many investors (including institutional investors) are quite happy to invest in La Foncière, which is an investment that is absolutely not profitable, not very liquid, but very secure.
- An issue for TdL is how it can best cover its operational costs, such as human resources, fundraising, educational activities and communication. This is particularly acute for La Foncière (the number of farms purchased per year is limited by operational capacity rather than capital available), but also for the local associations, which rely more on grants and subsidies.

- Another challenge is how TdL can create strong synergies with other civil society organisations. It needs to develop long term inter-organisational co-operation at the national level so that existing synergies develop not only on a local basis, around a specific project, but become part of the functioning of the non-profit agricultural and rural development sector.
- Finding enough suitable tenants with organic expertise, knowledge of how to farm and protect natural resources, and experience of diversification and direct relationships with customers can be problematic. While existing farmers have the technical expertise, they may not have the skills needed to sell direct, whereas new entrants might lack the farming experience, and typically want a smaller holding to focus on a few products. Working in partnership with others, TdL has made some of its land and buildings available for incubator farms, to provide opportunities and training for new entrants for a few years before they feel confident enough to move onto larger holdings.
- TdL has also developed new ways of working with local councils. For example: encouraging and training local authorities to preserve land and facilitate access to land for agroecological farmers, helping them do an assessment of the local land situation (unused land, land for sale, land of retiring farmers, etc.), helping them set up a green belt or other specific project, finding farmers and drafting adequate leases etc.
- TdL has a very ambitious mission of supporting organic peasant farms. On the farms it owns, it has developed a series of tools and processes to advance agroecology, e.g. using environmental rural leases, involving citizens on-farm through farm tours and other educational activities, etc. However, TdL lacks the human capacity, and in many instances the methodology, to fully implement and monitor its objectives – e.g. are its organic farmers really growing organically, are they respecting the clauses of their environmental leases, is their home in an acceptable condition; in other words, how can TdL prove the impact of its work, is it a better landowner than most others and is it achieving its goals and ambitions? This lack of evidence of social impact, and the lack of resources and capacity for adequate monitoring and reporting is a reputational risk (with possible impact on investment), as well as an ethical and political challenge.

BioBoden (Germany)

Germany has a long standing and developed cooperative sector. Currently, there are approximately 3,000 food and agriculture cooperatives. Almost all of Germany's farmers and winemakers are part of a cooperative, together with 90% of bakers and butchers and 75% of retailers. 70% of German milk production is collected by cooperatives whilst around two thirds of the milk is processed in cooperatively run creameries.

There are, however, only a few land cooperatives in Germany, the largest of which is BioBoden which was established in April 2015. The mission of BioBoden is to preserve and develop regional, organic and diverse agriculture in Germany. It does this by buying land and renting it out to existing and new farmers at a fair price. It only buys land that is already managed organically.

The roots of the BioBoden cooperative go back to the pioneering work of the GLS Bank which was the first social and ecological bank established in Germany. GLS Bank has a long history of investing in organic land and promoting organic farming. This heritage has provided valuable support and has helped BioBoden to grow quickly, as it can attract many new members (through GLS advertising) and has financial security through the bank itself (for example, GLS Bank purchased some of the earlier shares). Since its launch it has grown to 3,200 members whose subscription shares are worth approximately €16.5 million. It has now acquired 2,584 ha of land split into 33 farms.

One share (and membership) is €1,000, but members are encouraged to buy a minimum of three shares as this corresponds to the 2000m^2 of agricultural land which is symbolically the amount of land that each person in the world would have if all the available agricultural land was evenly distributed (see sections below for more information on this initiative). As well as individual members there are several institutional investors. The farmers of BioBoden land do not themselves need to be members which means that the users of the land may not be part of the democratic decisions of the cooperative and be more remote from them.

There is the potential for dividends, but the social and ecological impact is prioritised above financial return. There are currently no plans to pay a dividend, but members of the cooperative decide on the appropriation of profits at the annual general meeting. It is understood that no dividends will be paid for at least 5-10 years. The minimum investment period is 5 years. Prospective members can also exchange land for shares. The cooperative is run by a board which is elected by the members and each member has a vote, regardless of the size of their holding. The board then appoints the executive team.

While BioBoden has been very successful since its launch, raising over €16.5 million in less than two years, there are barriers to further growth:

- Lack of available land. There is little land on the market, and when it does come onto the market, priority is given to existing farmers.
- No return on investment restricts the attractiveness of its shares to the general population. This may become particularly problematic in the future if interest rates start to increase.
- Despite being a commonly used governance model, there is little understanding of cooperatives, especially land cooperatives. Most people in Germany prefer private ownership.

Despite this, BioBoden aims to grow its membership by 2,000 members a year.

A new organisation, the BioHöfe Foundation, has recently been set up in parallel to BioBoden. BioHöfe is very similar to the Soil Association Land Trust and can accept gifts of land and capital to protect organic land in perpetuity. It has just had its first donation; a 75ha organic farm with buildings near the border with France. BioHöfe works side by side with BioBoden sharing staff and office space.

Regionalwert AG (Germany)

Regionalwert ("RWAG"), founded in 2006, is a citizen shareholder corporation, through which people can invest in small and medium enterprises that follow agroecological principals in the region of Freiburg. RWAG has four key aims:

- Secure and develop ecologically and socially sustainable agriculture and food production on a regional level through acquiring land and farms or investing in enterprises that support this agriculture e.g. processing, retail and support services.
- Build-up a network of enterprises along the value-added chain by fostering collaborations between different enterprises and developing a joint positive identity
- Gain added value: beyond dividends, RWAG aims at increasing the socio-ecological value of the region e.g. through job creation, increasing soil fertility, biodiversity, etc.
- Measure and communicate the performance of the enterprises through economic, social and environmental indicators.

RWAG's main driver is for citizens to take control of their local economy, and especially their food system. Its purpose is to allow for sustainable agriculture and food supply through the active participation of local citizens. The strength of the model is that it operates throughout the value chain and not just in agriculture. In so doing it builds a diverse investment platform and helps build a resilient localised food system by connecting different enterprises through the values that they share by being members of RWAG. On the agriculture side one of its main objectives is to finance agricultural enterprises with no family succession.

RWAG raises money through share offers from local citizens interested in supporting the development of local organic food production and marketing. Money is invested in organic farmland and farm businesses, as well as food processors, distributors and other related enterprises. RWAG receives funds through its shareholdings in the members businesses and through rents and tenancies on assets that it owns. For land and machinery, it sometimes makes loans available with 3-8% interest payable on repayment. The venture capital of the RWAG often enables enterprises to gain easier access to more commercial bank loans. In some cases, the banks even recommend RWAG; and some of the partner enterprises have only received finance from the bank because RWAG co-financed a certain percentage of the investment. In these circumstances, RWAG takes an equity stake, with the bank financing the remainder.

RWAG does not have the capital to buy large amounts of land (only around 10ha to date). However, it has created limited partnerships with existing farms through which is takes a shareholding in the farm (it currently has equity in 220ha of land). The land it owns is leased back to (often new entrant) farmers who then must manage the land in line with RWAG's sustainability criteria. RWAG will only buy or invest in organic land or members willing to convert to organic certification within four years. It also acts as a broker bringing together farmers who do not have family members willing to take on the farm with new farmers who have some capital but not enough to buy the farm outright. RWAG steps in and will provide bridging capital that enables them to buy the farm.

Participating enterprises must report yearly to the RWAG on their social and environmental returns as well as on their financial return. RWAG has developed its own toolkit of 64 sustainability indicators against which individual enterprises monitor their performance so that there is uniformity in measurement across the network. These indicators include the impact on employees (e.g. income, contracts, and apprenticeship positions), the ecological impacts of the enterprises (like soil fertility, resource use, biodiversity) and the impacts on the regional economy (added value for the region, commitment to regional initiatives, educational events).

To be considered as potential members of the network an enterprise must meet EU agroecological principles although RWAG will consider enterprises that are in conversion. The network includes partner organisations that do not directly produce or sell food but support such businesses. RWAG has detailed due diligence procedures for assessing the suitability of a business for investment. It usually takes at least six months for an assessment of a business to take place, and RWAG will help enterprises with this process (sometimes for a fee).

Currently RWAG has 720 shareholders, have raised €3.5 million and have supported 25 enterprises involved in organic farming and food, including farms producing vegetables and grains, fruits, dairy products, cheese and meat, wine, liquors and juices. Furthermore, there are school caterers, a fruit dryer, a box-scheme, three shops, a wholesaler, an accountancy enterprise and a research institute.

A share costs €500. Voting rights are based on the size of the investment but limited to a maximum of 20% of the share capital. No dividends have yet been paid and shares are not redeemable which has helped provide financial stability; shares can only be disposed of on an informal secondary market if other buyers are available. The organisation is managed by an Executive Committee whose work is overseen by the governing Council. Until RWAG becomes profitable members of the Executive Committee work on a voluntary basis.

The RWAG model is being replicated in other areas of Germany, including Hamburg, Rhineland, Isar-Inn and Berlin-Brandenburg. A holding company has now also been established of which individual RWAG's are members. The holding company advises new and existing RWAGs and provides marketing, legal and other mentoring support to the RWAGs. It also lobbies on behalf of the RWAGs with policy makers.

In Germany there are many municipalities that own land and entire farms, which they let on a lease. RWAG is exploring offering its skills to take over the administration of these properties from the municipalities, either by purchasing the land or farms, or by issuing the municipality with shares in RWAG in exchange for RWAG taking on the enterprise. This provides a potentially interesting avenue for the transfer of public land into the RWAG model.

In terms of its onward development RWAG is also targeting foundations as potential investors. These foundations hold capital of approximately €100 billion but to date have largely invested in the capital market, with little attention being paid to where the money was invested and what impact it had. Increasingly however, these foundations are becoming more concerned about the ethical dimension of their investments and RWAG believes there is potential to encourage them to consider agroecology as an area for investment.

Terre-en-Vue (Belgium)

Much like the ELC in the UK, Terre-en-Vue is a cooperative with social purpose. It was formed in 2012 and has already raised over €1 million in shares, buying six farms (34ha) with three more in the pipeline (another 35ha). Shares are worth €100 with a maximum holding of €5,000. Dividends can be paid if approved by the Board of Directors, but this is extremely unlikely given the price of land in Belgium (around €40,000/ha), relatively low rents and margins and high notary and registration fees. However, Terre-en-Vue is currently exploring other revenue generating opportunities to see if it can at least cover the cost of inflation for shareholders. Investors tend to buy shares as they are relatively risk free but deliver high social returns. Shares can only be sold if a buyer is waiting.

Jordbrugsfond (Denmark)

Jordbrugsfond, or the Danish Organic Farm Trust, was founded by The Danish Society for Nature Conservation and Organic Denmark (The Danish organic association). In early 2017 it set up the Ecological Agricultural Fund with a wholly owned subsidiary (Dansk Økojord A/S) through which it can issue shares. The fund has recently been approved by the Danish financial authorities and successfully raised 27.3 million DKK (£3.2 million) from 668 shareholders in its first investment round from September 2017 to January 2018. Each share is 1000DKK (around £120) and the minimum investment is 25 shares (25,500DKK, including 500DKK fee, so around £3000). Shares will not yield interest but will pay dividends although these will be 0% from 2017-2020, 1% in 2021 and 1.5% in 2022 and are at the discretion of the Board of Directors. Shares can be sold, but only when there is a buyer available. In the longer term it is hoped that a trading platform for shares will be established. Charitable donations are also accepted.

For all of the properties, 35% will be financed by the share capital and 65% by loans. 50% of this will be through a 10-year fixed rate loan at 4% and the remaining 50% will be through a five-year fixed rate loan at 1.5%. This gives it around 85 million DKK to invest in three to five farms (around 400ha) which will be leased to tenants on a long-term tenancy, but the land will be owned by the Trust in perpetuity[4]. The fund will use up to 20% of its capital every 6 months to purchase farms, using all of its capital by January 2020. All the land purchased must be organic or agroecological, or appropriate for conversion. Jordbrugsfond is making provision for investment in buildings and equipment, and current thinking is that for each 20 million DKK invested, 14 million DKK will go towards land and housing, 5 million DKK for buildings and 1 million DKK for equipment and other fixtures.

Rents will be set at 4.5% of the value of the land, farmhouse, buildings and equipment, plus a 5% fee for depreciation of buildings and a 10% fee for depreciation of equipment. For a

[4] The company will consider the sale of properties and other assets, but only in exceptional circumstances, and where it can be sure that the land will be kept in organic production.

100ha organic farm (or in conversion), plus farmhouse, buildings and equipment worth 20 million DKK, this would equate to an annual rent of around 1,200,000 DKK, or £143,000. This is obviously considerably more than an equivalent rent in the UK. It is clear that farmland in Denmark is around three times as productive as that in the UK, the cost of food is higher and the organic market is much more developed, hence the inflated rents. A similar model in the UK would only bring in a fraction of the amount in rent that Jordbrugsfond can raise in Denmark, and as such returns to investors would be even less.

Local Farms Fund (USA)

The Local Farms Fund is in New York state and was founded in 2014 to help farmers with access to land. The idea grew out of conversations between Slow Money investors and Working Farms Capital, an organisation that manages and develops farmland ventures. The fund's "farmer-driven" process - it works with farmers that have a clear plan for a specific tract of land - is borrowed from Iroquois Valley Farms, a pioneering investment effort in sustainable farming.

The fund purchases small farms in the New York City foodshed - encompassing New York, New Jersey, Connecticut and Pennsylvania - and sets up lease-to-own arrangements with matching farmers. Leases are typically twenty years with a right to buy after five years. This lease-to-own arrangement means that the farmer benefits from starting with the flexibility of a lease but has the security of ownership rights, blending the best elements of renting and owning. The farmer is better able to focus on building a successful sustainable farm operation knowing that he or she will be able to own the farm property at some point in the future. The long-term horizon provided leads to more successful and sustainable farms.

Adding development restrictions on the property (in the form of agricultural conservation easements) will not only protect the farm from development indefinitely it also will make the farm more affordable to farmers, thus facilitating a transfer earlier and with less financial burden.

The minimum investment is $5,000. The fund's cofounders anticipate a modest 3% annual return on the investments; 2% will be paid annually from the rental income from the properties, and the remaining capital plus an incremental 1% annual appreciation will be returned upon the sale of the farm property, expected in five to ten years. The farm is purchased by the farmer at the purchase cost, plus a below inflationary escalation, which makes it affordable, and provides a small return to the investors for the risk they are taking. To date it has made two farm investments and is currently working with three other farmers to develop further investment opportunities.

There are three factors that have made this venture successful. The first is that from a regulatory perspective, anyone from the New York region can invest in the fund; typically, in the US, funds are only open to High Net Worth 'sophisticated' investors. The second factor is the democratic governance model; the Fund operates a 'one investor, one vote' system and has a decision-making framework that involves all stakeholders, including the farmers themselves who get to choose one of the board members. The third is that it is not a land speculator hoping to generate capital growth from the land itself; rather it is 'farmer driven';

the farmer comes first, and once the due diligence has been done on that person (or people) the Local Farm Fund works with them to find appropriate land that fits their long-term vision.

The Local Farms Fund is low cost and flexible but tangible with strong community connections. The hope is that similar models can be developed in other regions in the US and potentially in other countries. Again, the main issue for the UK would be the different regulatory context, and the relative price of land and value of rents which would probably limit returns to less than the 3% offered by the Local Farms Fund.

The Equity Trust (USA)

The Equity Trust is perhaps one of the most interesting organisations tackling access to land in the USA, and is approaching the issue in many different, but complementary ways. It was set up over 25 years ago, and over that time has made 116 loans worth £8 million.

The Equity Trust Fund is a revolving loan fund capitalised through gifts and loans from socially motivated donors and lenders, primarily individuals and families, but also including land trusts, non-profits and other organisations. It makes fixed low-interest loans, typically between $5,000 and $150,000 at 5-7% for up to five years, to community supported agriculture (CSA) farmers, cooperatives, community land trusts, conservation land trusts, and other non-profit organisations that protect community access to land or affordable housing, or support community-controlled, sustainable economic development for low income communities.

Loans can be used for the acquisition of land or conservation easements, capital improvements, construction, equipment, predevelopment, refinancing, and working capital. Priority is given to loans where primary beneficiaries are low or moderate-income individuals or communities; projects that create permanent affordability; community-based, grassroots projects; and non-profit borrowers. It often lends in partnership with other lenders, and collateral is normally required. Over its lifetime it has never had a default on its loans and has never failed to make a repayment to its lenders.

Lenders can provide funds from as little as $1,000 and there is no maximum amount. The lender can set the terms of the loan from no interest to a maximum based on the number of years of the loan. Investors receive a fixed-rate annual simple interest return of up to 1% for loans of one year, up to 1.25% for loans of two years, up to 1.50 % for loans of three years, and increasing 0.25% for each additional year of commitment up to 3.25% for loans made for a term of 10 or more years. Most choose to lend at rates below these maximum amounts.

In parallel with its lending activities, the Equity Trust's Preserving Farms for Farmers Programme provides materials, technical assistance and financing to ensure farms remain affordable and accessible for current and new entrant farmers and local communities. Through this programme it provides advice on land tenure issues, promote alternative approaches to farm ownership, provide model documents (such as leases) and advice on how to adapt them to local circumstances and provide advice to local communities on how to protect land and farms for future generations. Working with other foundations, the Equity

Trust is able to provide loans and grants to help deliver this work (e.g. grants for agricultural conservation easements and technical assistance).

The Agrarian Trust (USA)

Inspired by Terre de Liens and the Bhoodan Movement[5], the Agrarian Trust is a national organisation set up in 2014 as a joint project of the Schumacher Centre for New Economics and Greenhorns (a grassroot organisation to help new entrants into sustainable agriculture) to secure alternative land access arrangements for ecologically responsible and community owned food production. It is primarily a farmland access advocacy organisation, but also has ambitions to be a community land trust. Its stated goals are to:

- Build the issue and reframe the solution through thought leadership, public symposia, collaborative advocacy campaigns, and stakeholder meetings.
- Support the network of stakeholders and service providers through collection and documentation of innovative models for land access and creating a comprehensive resource portal to pool the useful tools already developed (e.g. land and jobs listings, lawyers network).
- Secure, hold and transfer land to regional land organisations, and ensure its sustainable and productive stewardship for generations to come.

It is a young organisation but has already had considerable success in raising the profile of land access and starting a national conversation and is making available important information and resources for those seeking land. It will continue and expand this work but now wants to also build its capacity to receive land gifts, grow its network of agrarian lawyers, and pursue cooperatively financed land acquisitions to hold and lease farmland to farmers focused on regenerative agriculture. While Agrarian Trust will raise capital to purchase land, the most common method of obtaining and conserving land will be through donations or charitably discounted sales, both of which have tax advantages for the donor.

North East Farm Access (USA)

North East Farm Access (NEFA) is an intermediary that brings together farmers and investors to develop equitable partnerships that work well for farmers, investors, local communities and the land. NEFA negotiates with both investors and farmers to build on common interests and work through disparate ones**.** To date it has developed three large agricultural 'centres' and each project represents a $1.5-2.5 million investment with multiple lessees (each with a long-term lease or lease-to-own arrangement). It has two more large projects in the pipeline. NEFA pre-qualifies, assesses and coaches the farmers, finds and evaluates the potential of the farmland and acts as the intermediary between the various stakeholders.

[5] A voluntary land reform movement in India which started in 1951. The mission of the movement was to persuade wealthy landowners to voluntarily give a percentage of their land to landless people. However, this land could not be sold. In effect, landless labourers were being given a small plot of land on which they can settle and grow food. To date over 1 million acres has been donated.

Investors come to NEFA largely through word of mouth, and it has found that demand for investments is far greater than available opportunities, or at least its capacity to develop those opportunities. Each of the agricultural centres developed so far is held in an LLC by a coalition of financial investors, including impact investors, foundations, farmers, and other stakeholders.

New Spirit Farmland Ventures (USA)

It is unclear as to whether this organisation is still operational, but it is included briefly for completeness, as it is another example of an intermediary model of social investment. The founder, Robert Karp, believed that social investment could have a key role in helping with the access to land issue. In 2007 he was approached by a friend who wanted to invest $3 million in organic farmland in a socially responsible way for a 3-4% annual return and an expectation that the land would be donated to a land trust after 20-30 years (if not bought by the farmer).

New Spirit Farmland Ventures was set up to be the intermediary between the farmer and the social investor. It started by inviting farmers (with a minimum of five years of experience) to submit proposals. It then carried out the due diligence on those proposals, the investor purchased the land, and New Spirit set up the leases. Twenty applications were received, and three land purchases were completed for around $500,000 each (100-176 acres each). The initial lease was for five years, with a guaranteed option to renew for ten years and the option to quit with one year's notice. The farmer also has a right to buy at a fair market value if the investors ever needed to sell the land. If the farmer cannot or does not want to exercise this option, New Spirit would actively seek an alternative social investor rather than selling on the open market. The lease can also be passed from one generation to the next. Farmers need to be certified organic and must also develop and implement a conservation plan for the property. Rental values are set at around 4% of the purchase price (but range from 3-5% - $141 to $176/acre – depending on the quality of the land and the rental market in the region). New Spirit is the mediator if there are any disputes, and the rent is reviewed every three years.

Analysis and key lessons learned

Context is everything

While there are very interesting case studies from around the world and important lessons to be learned, any solution for the UK will need to be designed around the specific UK context. There are so many fundamental differences between the various countries that it becomes very difficult to compare like with like and to extract the best practice and lessons learned. In particular there are considerable differences in the following areas:

- The policy and regulatory context. The policy context fundamentally affects the shape and relative success of access to land initiatives in different countries. The success of Terre de Liens has been, in large part, due to the favourable tax regime in France, which meant that until recently investors could get a significant tax rebate on their land investments. No such benefits exist in the UK, as Social Investment Tax Relief ("SITR") cannot be claimed on investment into land or primary producers. There are also different regulatory rules and regulations pertaining to financial activities and investments.

- The economic framework. The price of land in the UK is the crux of the problem. At an average of £7,310 per acre in England[6] (less in Scotland) it is considerably more than most other European countries, except for the Netherlands and Belgium. This makes purchasing or renting land in the UK very difficult, and it has become particularly acute in recent years. The issue is exacerbated by the small margins made by most land-based businesses. A large proportion of what we spend on food in supermarkets goes to the immensely complex food chain; to the processors, distributors and retailers. The farmer only gets a fraction of the final price. This means that the margins produced by land-based businesses are meagre relative to the value of the land on which they operate and because of this there will be little available return on offer to investors.

- The social context. The UK is one of the most urbanised countries in Europe (90% of the population) and many people have little or no connection with the land, farmers or how their food is produced. Our food culture is one of price and convenience rather than quality and provenance. This is in stark contrast to other European countries, where many families still have a connection with the land, and a very strong connection with their food heritage. Furthermore, the UK has a very concentrated and illiquid land market, with the majority of rural land being owned by a tiny proportion of the population; this further exacerbates the problem.

All of this makes appropriate land difficult to find, and presents significant difficulties persuading people to invest in land for agroecological farming and growing. Without the personal connection with the land and food, with little return on investment and no tax advantages, it does not present a very enticing proposition for the majority of people.

Summary of business models

Despite these contextual differences, it is still possible to group the various case studies into four broad business models:

- Land Trusts: The land trust model is useful for receiving donations or pledges of gifts, including land, capital and in the USA, agricultural conservation easements. The Soil Association Land Trust and La Fondation (TdL) are both successful examples of this model. The Agrarian Trust is hoping to become a land trust in the near future.

- Cooperative citizenship investment: The majority of land access organisations in Europe are cooperative membership organisations that raise community finance to purchase land for agroecological and new entrant farmers. The Ecological Land Cooperative, Biodynamic Land Trust, La Foncière (TdL), BioBoden and Terre-en-Vue are all successful examples of this model. RWAG also uses this model, which allows

[6] Knight Frank research, Farmland Index Q3 2017.

citizens to take control of their local economy, and especially their food system, by investing throughout the value chain, from farm to fork.

- Land investment funds: These are akin to unit trust investment models and normally offer some form of return on investment. The Local Farms Fund and Jordbrugsfond (the Ecological Agriculture Fund) are both examples of this business model. The Equity Trust is also a rolling fund which makes short term affordable loans to food and farming enterprises. These can be used to help with the purchase of land.
- Intermediaries: Intermediaries link investors with farmers. The investors could be the general public (e.g. Slow Money and Kiva in the USA) or High Net Worth investors (e.g. New Spirit Farmland Ventures).

The strengths and weaknesses of these models are summarised in the table below:

Business model	**Strengths**	**Weaknesses**
Land Trusts	• Attractive to farmers thinking about succession options • Low cost with little capital needed • Works well in parallel with conservation easements • Land taken out of the market in perpetuity	• Reliant on donations, and therefore limited scale • Long timescales • Financial liabilities of dilapidated buildings • Currently, there is no framework for conservation easements in the UK.
Cooperative citizenship investment	• Public/community engagement and democratic structures • Local impact • Land taken out of the market in perpetuity • Farmer driven with local focus. • Replicable • Able to attract patient capital	• Difficulties in raising finance for core costs/overheads • Reliant on charitable giving (i.e. little or no return expected), and therefore limited scale • Normally locally based, rather than national (except TdL) which can lead to duplication of effort and fragmentation.
Land investment funds	• Potentially able to access investment at scale • More able to generate multiple income streams from their investments • Rolling fund could help with purchasing land that quickly comes on the market. • Most successful funds are farmer driven (e.g. TdL). • Replicable	• High overheads • Reliant on tax incentives or adequate return on investment • Continue to treat land as a commodity • More complex regulatory implications • Less democratic (although this can be addressed by appropriate governance) and less local engagement

		• Potential regulatory issues.
Intermediaries	• Low cost • Flexible • Farmer led	• Land still treated as a commodity • Less long-term security for farmers • Small scale (limited number of investors)

Key lessons learned

The main lessons learned from the various case studies can be summarised as follows:

- People are increasingly looking for security in their investments. Security in terms of not risking their capital, but also security in terms of the long-term ethicality and viability of their investment and the reputational risk associated with it. Investing in land for communities and agroecological farming and growing is both 'safe' and has the potential to deliver significant social and environmental benefits. The continued growth of the social investment sector and an increasing focus on good environmental and social governance is encouraging divestment from sectors that are perceived as being 'negative' (such as fossil fuels, agrichemicals and factory farming) and investment in other sectors that are perceived as having a more positive impact. This presents opportunities for access to land initiatives.

- However, most of the cooperative membership organisations and other investment vehicles reviewed were founded in times of low interest rates and lower land prices, and it may become increasingly difficult to attract new members/investors if other investments (including other social and ethical investments) and savings rates become more attractive, especially without certain tax advantages such as SITR.

- Organisational capacity and the need for core cost funding are clearly issues for many of the organisations reviewed. This presents many problems including long term viability, the ability to quickly scale or replicate, and the impact delivered (or at least the ability to monitor and report on the impact delivered, as highlighted by TdL).

- Even though many of the organisations have accumulated a considerable amount of capital in a short amount of time, it is clear that they cannot presently compete with the rate at which land concentration and loss of the small farm is happening. In short, solving the problems of land concentration through membership funded cooperatives presently has clear quantitative limits. This, combined with the inflated price of land in the UK, suggests that other initiatives that do not rely on purchasing land, per se, need to be explored.

- It is important to consider that any investment will only truly benefit farmers in general and new and beginning farmers specifically if investors are willing to accept a return on their investment tied to the margins farmers are able to achieve on the land while still maintaining a sustainable livelihood. Investment expectations that are dependent on the increasing value of land and/or market rates of return will inevitably make farmland less affordable and accessible to farmers and so work against what we are trying to achieve. It seems clear that in the UK, given the high price of land and the low margins made, financial returns on investment will be low. The social and environmental return on investment needs to be made clear and mechanisms put in place to monitor and report on this.

- The most successful examples from around the world are about much more than the financial transaction. In Europe especially, the organisations are involved in campaigning, raising awareness and 'movement building' and have built the business model around that. Even those from the USA, which tend to be more market driven, incorporate other activities, such as advice and mentoring, and the development of closer relationships between land owners, farmers and local communities. Initiatives that do not involve the purchase of land need to be considered. The Agrarian Trust is good example of an advocacy platform that is successfully raising the profile of access to land in the USA.
- The most successful approaches to access to land for agroecological farming and growing combine different business models. So, for example, TdL combines the land trust model with citizen investment. BioBoden is now working side by side with a new land trust, the BioHöfe Foundation, and is sharing office space and staff to actively reduce its overheads. The Agrarian Trust, which started with advocacy is now seeking to secure land, primarily through donations, but also through community finance.
- Similarly, the best approaches combine the reach, scale and influence of a national organisation or alliance with the focus, engagement and energy of local communities and grassroots organisations.
- In the UK, we can no longer count on local authorities or any part of the public sector to work as active partners in achieving access to land, or in supporting communities to connect with farming. This contrasts with some other European countries, but also to the US, where public bodies have supported the concept of agricultural conservation easements. This means that any land trust in the UK will most likely only be able to acquire a fraction of the land secured by an organisation such as TdL. Addressing the politics of access to land for sustainable, local, community connected land needs to be made a priority.

Sources of finance

Before reviewing the different initiatives and business models which could help with access to land in the UK context, it is important to consider the different sources of finance and to review the positive and negative attributes of each. There are three potential sources of finance that could help with land investment:

1. Charitable donations: According to the CAF UK Giving report (2017) around 60% of people give to charity either in one off donations, or regular monthly contributions.

51% give on an ad hoc basis (with an average donation of £40) and 25% give monthly (with an average donation of £18). Total charitable giving was £9.7 billion in 2017, with 7% of that going towards conservation, environment and heritage.

2. Social investment: The UK social investment market is widely recognised as one of the most advanced in the world. The market continues to grow and Big Society Capital estimate that it is now worth over £1.9 billion with a wide range of products, involving the following main stakeholders:

    a. Charitable trusts and foundations are using social investment as a method of meeting their objects and delivering public benefit (in the form of loans, equity, bonds etc), but to date, little of this has found its way to the food and farming sector. However, some foundations, such as the A Team Foundation are starting to provide loans to help with the purchase of land to specific organisations. Others, such as the Esmée Fairbairn Foundation, have been supporting the purchase of high conservation value land for conservation NGOs (including RSPB, WWT and the Woodland Trust) through a dedicated £10 million land purchase facility.

    b. Social banks, such as Triodos, Charity Bank and Unity Trust Bank are making an increasing number of investments in sustainable for-profit enterprises and CICs, charities and CBSs. However, they rarely support small scale, agroecological food and farming sector organisations as they are normally perceived as too risky and too small.

    c. High-net worth investors: There is an increasing interest in impact investing from high-net worth and sophisticate investors. The size of this market is not known, but tax incentives (such as EIS and SITR) and a growing number of impact investment funds and intermediaries such as Clearly Social Angels and Pymwymic, is helping to grow interest.

    d. Retail: Being able to offer a return on investment significantly increases the amount of money people are willing to give to good causes. People are much more likely to contribute to a project that protects their capital and offers a rate of return, and especially if there are certain tax advantages. According to BSC, at least £130 million was raised in community shares in 2016. The bulk of this investment will be in renewable energy projects, with only a small proportion currently in community food and growing. A recent survey found that although 73% of people with net wealth of between £50,000 and £100,000 were interested in social investment and 58% of the general public were aware of alternative models such as community shares and crowdfunding, only 14% have actually invested in this way. There is therefore plenty of scope for growth in this sector, but challenges remain in making it mainstream.

3. Financial institutions: This is the largest source of finance but is typically focused on delivering the highest annual returns for shareholders rather than on social impact. However, there is a growing ethical investment market place, and more and more

institutional investors are thinking about how they can spread their risk, reduce reputational risks and invest for good. For example, at the end of 2016, the value of investment funds committed to selling off fossil fuel assets has jumped to $5.2tn, doubling in just over a year. This is an unprecedented change in investment strategy in response to a concerted campaign which only started on university campuses in 2011. A similar campaign to divest from industrial agriculture is gathering momentum (for example the Farm Animal Investment Risk and Return (FAIRR) Initiative). Because of this, this sector of finance should not be ignored.

The attributes of each of these are summarised below:

Source of finance	Positives	Negatives
Charitable donations	No expectation of return Growing interest in food and farming	Competing interests from multiple charities and good causes Relatively small amounts Relatively little understanding of food and farming
Social investment (retail)	Scalable Increasing interest in food and farming; good link between urban and rural areas Desire to support British farmers & protect the environment Changing values (i.e. desire to do something good with their money) Growing interest in community finance Modest expectation of returns	Dispersed Multiple interests Differing values Differing expectations High admin costs Regulatory requirements Interest in food & farming/food culture growing, but still low when compared to other areas of social investment
Social investment (Foundations)	More patient capital Lower return expectations Shared values	Limited supply of capital Competing interests Shorter term view (unlikely to consider long term investment)
Social investment (HNW)	More flexible Shared values Personal interest in project Longer term view	Higher return expectations Potential regulatory issues.
Social investment (Social banks)	Large sums available Longer term view	High return expectations Focus on more conventional agricultural business models with good track record and profitability Less flexible

		Risk averse
Financial institutions	ESG increasingly important Interested in spreading risk Large sums of capital available	High interest expectations Few shared values Land viewed as a creator of wealth

While the priority should be to focus on charitable donations and social investment opportunities, we should also consider the possibility of blended models of finance, where, for example, community shares and/or bridging finance helps to leverage in more commercial sources of debt finance from a social bank in the medium term, and financial institutions in the longer term.

It is also important to consider the role of Government. Government strategy is to increase the social investment marketplace, and it has helped to do this through initiatives that increase supply (e.g. through the creation of Big Society Capital, introduction of SITR, and contributing to the Arts Impact Fund through the Arts Council), stimulate demand (e.g. creation of initiatives such as Big Potential, and Access – the Foundation for Social Investment) and create an enabling environment to connect demand with supply (e.g. through Social Impact Bonds, reviewing the regulatory environment). Its strategy for the next five years is to grow the social economy, further strengthen the social investment marketplace and use social investment to transform public services. While it will not invest directly, it can help by changing the policy and economic environment to support small scale agroecological farming (the key to this would be to allow SITR on small scale community farming investments).

Business models

There are six main business models to consider in the UK context:

1. Agroecological Land Purchase Facility
2. Rolling Land Fund (short term/bridging loans)
3. National 'Access to Land' Alliance
4. National Farmland Investment Fund
5. Social investment intermediary
6. Securing access to land without purchasing it.

Agroecological Land Purchase Facility

It is clear from our research that few communities or social enterprises are able to take on ambitious projects from the outset. Servicing high levels of debt puts strain on cashflows at critical stages. Raising community finance quickly enough to secure land that suddenly comes on to the market is impossible for most organisations. Social investors could act as initial (co)-owners and developers of assets with a view to transferring to communities once developed and viable. This asset transfer could be funded through community share issues, social investment or a social mortgage.

Esmée Fairbairn Foundation ("EFF") has done this successfully for conservation organisations through its Land Purchase Facility. It supports short term land purchases working with pre-approved conservation organisations in the UK. The fund is used to purchase pieces of land with a high conservation value. The land is purchased directly by EFF and simultaneously leased to the conservation organisation with the option for them to buy it in two years' time at the price EFF paid for it, plus a small interest charge and all associated costs. This provides the organisation with a window to fundraise. If after two years the organisation does not buy the land, EFF has the right to sell it on the open market.

Since 2008 the land purchase fund has made commitments of £16.5m across 29 transactions to support the acquisition of 2,120 hectares of land. Of this, £13.35m has been successfully invested, securing 1,425 hectares of land. This has included rare grassland, meadows, ancient woodland, old quarry sites, peat soils and wetland habitats. Several sites have been designated Sites of Special Scientific Interest (SSSI). 600 hectares of the land purchased by EFF has been successfully sold to conservation organisations so far, recycling £5.98m back into the fund. A further 825 hectares is due to be transferred by the end of 2018.

A similar model could be set up for agroecological land. A facility (either provided by a single foundation or a separate entity with multiple foundations behind it) could purchase land for agroecological farming, giving enterprises the time needed to raise the finance to purchase the land for themselves. Given that the RSPB, Woodland Trust and Wildlife Trusts are large membership organisations raising the finance within one or two years is normally quite achievable. For agroecological enterprises or land trusts, a longer timeframe may need to be considered (e.g. five years). This would allow the enterprise time to further develop the infrastructure, customer base and long-term viability before trying to raise the community finance (or longer-term debt finance) to purchase the land off the facility.

However, one of the main problems with such an approach is the potentially complex relationship between the current land owner (the facility), and the future land owner (the community, or land trust). Unlike conservation land, agricultural land will require new infrastructure, such as new buildings, building conversions, tracks, reservoirs/boreholes, electricity, and so on. It may also require planning applications for new buildings, conversions and temporary accommodation. This is a level of complexity that is unlikely to be of interest to foundations, as it will be more costly, risky and require a much deeper level of relationship with the tenant.

Strengths	***Weaknesses***
• Low risk, secure investment. • Can recycle capital when land is transferred to community/land trust. • Relatively simple concept which could be set up quickly using Esmée Fairbairn's	• Could end up having to hold land longer term or sell the land at a loss if community finance unsuccessful. • Only suitable for established enterprises, with good revenue and community of support (less useful for entrants).

experience. • Responsive with quick turnaround. • Allows enterprises time for site and business development. • Allows time for raising community finance and/or more commercial finance once the business is more developed and secure. • Allows fees to be built into community finance. • Relationships can be developed prior to land purchase. Long term relationships with agroecological land trusts will lower risk.	• Difficulties of developing infrastructure and long-term plans for the land while it is held by the facility. • Complex and trusting relationship required between facility and community/land trust.
Opportunities • None identified	***Threats*** • Changes in land prices • Little land on the open market • Increasing interest rates makes land less attractive • Regulatory changes or weak economy restrict growth in community finance.

While this model has worked successfully for conservation organisations, we do not think it will work as well for agroecological land given the differing requirements, expectations and complexity of making it work for all parties.

Rolling Land Fund (short term/bridging loans)

As mentioned above, land often comes onto the market suddenly and without warning, and such enterprises rarely have the time or resources to raise the money needed. A Rolling Land Fund would make short term, affordable loans to community and social enterprises wishing to buy land. This approach differs from that of the Esmée Fairbairn Foundation in that a loan is provided to third parties, secured on the land itself, rather than buying the land directly and then transferring it to the third party once the finance has been raised from elsewhere. The A Team Foundation has used such an approach with some success and has supported the ELC with its land purchases.

ow a 'rolling land fund' would help ELC

rolling land fund would be extremely helpful in mitigating some of the difficulties in securing nely and adequate funding to develop further sites. Developing an ongoing relationship with a own lender to potentially finance the development of multiple future sites would improve our sponsiveness and resilience, and reduce our costs associated with raising finance. Providing allholdings affordably is predicated on our working through a series of steps as efficiently as ssible; securing funding is one of the most difficult and time-consuming steps, and one which has ignificant knock-on effect on everything else."

Cate Chapman, ELC, 2016

This is a simpler approach than a land purchase facility as the enterprise has the freedom to develop the site infrastructure as it sees fit. However, it is still administratively costly for both parties and its attractiveness depends on the terms being offered. Nevertheless, with experience the complexity and cost of arranging these deals should come down and it would be worth exploring the development of a such a loan facility, potentially with multiple foundations behind it to help spread the risk.

Strengths	***Weaknesses***
• Low risk, secure investment • Able to offer low interest rates • Can recycle capital • Simple concept/quick to set up • Responsive with quick turnaround • Allows enterprises time for site and business development • Allows time for raising community finance and/or more commercial finance once the business is more developed and secure • Allows fees to be built into community finance • Relationships can be developed and due diligence completed prior to land purchase. Long term relationships with enterprises and land trusts will lower risk and increase responsiveness. • Provides more certainty to the enterprise	• Short term • Could end up having to sell the land at a loss if community finance unsuccessful and enterprise is unable to meet repayments • Only suitable for established enterprises, with good revenue and community of support (less useful for entrants) • Higher administrative and legal costs due to charge over land (although these should come down with experience)
Opportunities	***Threats***
• Increase in land prices	• Drop in land prices

	• Little land on the open market • Increase in interest rates • Regulatory changes or weak economy restrict growth in community finance.

While early attempts to provide loans for agroecological land have been costly and a strain on the limited capacity of both the investor and the investee, we believe it would be worth considering this idea in more detail.

In time, it could be that the RFT's new Enlightened Agriculture Loan Programme, could be expanded to include loans specifically for the purchase of land. This is something the RFT will look at once the loan programme is up and running.

Recommendation:

We recommend the development of a Rolling Land Fund, which would help communities and social enterprises secure land for agroecological farming and growing through the provision of short term loans, secured on the land itself. This fund would work best with multiple funders behind it as it would help to spread risk.

National 'Access to Land' Alliance

Sjoerd Wartena, the founder of Terre de Liens, believes that the UK's fragmented approach to land access is a major stumbling block to achieving anything significant. A much more strategic and coordinated approach is needed.

While this fragmented approach is clearly part of the problem, it can also be part of the solution. Access to land organisations have identified the same recurring needs but are also not placed to coordinate a joint approach to exploring and bringing to the fore shared solutions. We therefore recommend the creation of a new national platform or alliance of the various access to land stakeholders (herein referred to as the 'A2L Alliance'). This Alliance would facilitate and develop a coordinated approach to land access issues across the UK and would start a 'national conversation' about the issue.

The network of member organisations will be the driving force behind any new alliance. Each has its own goals and objectives, from the provision of small parcels of land for starter farms to the purchase of much larger farming estates, from campaigning and policy development to the provision of detailed technical advice on partnerships and leases. This diversity of knowledge and ideas, and the passion of all those involved would be brought together for the first time via an A2L Alliance. By better coordinating the networks' work and focusing joint efforts a new alliance would help to avoid duplication of effort, provide a more efficient use of funds and provide a 'one-stop-shop' for those seeking land, advice or funds.

The main objectives and roles of a proposed alliance could be:

- Networking and learning. The A2L Alliance would represent its member organisations whose approaches and experiences can be learnt from. It would develop a network of practitioners, a critical mass, sharing expertise and intelligence on land access issues, thus creating a hub of practical knowledge and shared learning to be drawn on by organisations, communities, landowners and farmers. This body of knowledge can then be used to develop innovative thinking and common solutions for making farm land more affordable and accessible for those wanting to farm it and will help to develop policies that help with access to land in the future.
- Campaigning. It is clear that policy change is needed to help with access to land. The alliance could develop policy ideas and campaign for changes to policy. For example, the A2L Alliance could campaign for changes in policy relating to the application of Social Investment Tax Relief for small scale community agriculture and the safeguarding of the remaining county farm estates.
- Intermediary services. A national platform through which funders and those seeking land can be successfully directed to the right partners and opportunities. This is primarily about signposting to existing organisations such as the Fresh Start Land Enterprise Centre but could include a database of current opportunities if funding allowed.
- National communications. The Alliance could promote fund raising campaigns, success stories and raise awareness. As such it could reach out to the general public and other funders to a much greater degree than the partner organisations could do on their own. It would start a broad and deep national conversation on the issue of access to land.

The alliance could also help with technical assistance (business planning, legal, land agency, leases etc) for those seeking to buy or rent land for agroecological purposes or for communities seeking to transfer land into community trusteeship. This is most likely to be a coordinating role, or simple sign posting to organisations that provide such services, such as the Community Land Advisory Service[7].

It is not proposed that this new national platform be directly involved with raising funds at this stage, although as it gets established it may take a more active role in the longer term. This is much like Terre de Liens, which in the early days was a simple association, providing advice to farmers on the development of community land ownership and financing structures and generally promoting the benefits of agroecological farming and growing. In time it took on a more central role in raising funds and buying land directly. The network could however, develop and promote the idea of investing in farmland for agroecology, and link people willing to provide funds with the various organisations it is set up to support. One idea would be to develop and use the highly successful concept of the '2000m^2 Project', a European initiative to engage people with land and food production (see box).

[7] However, the CLAS only has funding for advisors in Wales and Scotland. It no longer has any advisors in England or Northern Ireland. The A2L Alliance could have a role in resurrecting this service.

ıe 2000m² Project

ɿhen you divide all of the land capable of growing crops by the number of people in the world the ;ult is around 2000m² (1/5 hectare or ½ acre); this is the amount of land available for one person grow all of their food and fibre requirements. The area has declined since the 1960s when it was ɔund 4000m², and it is forecast to be only 1500m² by 2050. The 2000m² project aims to raise ɿareness of how much food can be produced from 2000m², what it would look like if it ɔresented the global situation, the amount that is wasted, the inputs required, the biodiversity, ɛ extra land we 'borrow' from other countries through imports. It is an excellent initiative, and ɹld have real value in the UK, helping people to engage with and take responsibility for where ɛir food comes from. It would be a good reference for the value of shares and provides a good ·entive to invest; the hope would be that people would eventually invest enough to secure 00m² of land, thereby financing and securing in perpetuity the land they need to provide their ɔd and fibre needs for the rest of their life.

e 2000m² project was set up by the Agricultural and Rural Convention 2020 (ARC2020), a ıtform of more than 150 organisations and initiatives from across the European Union. ARC2020 ıs founded to advise the European Union's institutions and legislators on the reform of the EU's mmon Agricultural Policy (CAP). For more information, see www.2000m2.eu.

The A2L alliance would need funding, both to cover its operational costs, but also to ensure that the various stakeholders have the capacity to engage fully with it. It need not be a large unwieldy organisation (rather it should be lean and flexible, driven by its stakeholders), but its impact will be directly proportionate to its available funding, and the degree to which existing organisations are engaged.

As part of this work, we met with the main access to land organisations in the UK and discussed this in some detail. There was general enthusiasm to work closer together but a slight concern that such a platform may further compete for scarce resources and detract from their own fundraising and communication campaigns. Nevertheless, if we are serious about improving access to land in the UK, we believe it is imperative that such an approach is considered and developed in a way that is sensitive to their needs and concerns, and adds, rather than detracts, from their important work.

We also believe that this should be developed side by side with, and learning from, the European Access to Land Network, which the RFT and Soil Association are a part of. This Network provides valuable learnings from other European countries, case studies and networking opportunities. It is currently developing new proposals for the next three years, and a new UK alliance should be part of these future activities. There may also be some seed funding available to help get the UK platform started.

Strengths	***Weaknesses***
• Builds on existing organisations and networks • Relatively cheap and simple to set up • Cooperative approach and sharing of best	• Slow pace of change • Small scale • Lack of capacity within existing organisations to get involved

practice/ideas • Campaigns and communications would have greater impact, raising the profile of agroecological farming and access to land • Can take forward some of the other recommendations made in this report, e.g. incubator farms, developing overarching mentoring and funding initiatives.	• Largely reliant on charitable donations; core funding will be difficult to secure • Potential duplication of effort and competition for funds
Opportunities • Increasing interest in sustainable food and farming	*Threats* • Fewer grants available for running costs

Recommendation:

We recommend that further discussions between the parties are initiated and more work is done to develop the mission, scope and governance of such an alliance. Additional funding will need to be secured to carry out this work.

National Farmland Investment Fund

This is the model most closely aligned with the highly successful Terre de Liens in France and some of the models being developed in the USA. A national organisation would have the advantage of scale. It would, for example, allow it to purchase larger farms to be subdivided for use by multiple new and beginning farmers. These “umbrella farms,” perhaps with common facilities and co-op opportunities, could potentially realise a stable income stream from multiple (but realistic) lease payments and could develop other income opportunities, e.g. renewable energy, housing developments and business parks and workshops in converted farm buildings. This blended income has proven to very successful for Stockwood CBS, for example, and could allow for some return on investment.

Its scale would also give it influence, allowing it to develop closer relationships with organisations such as county councils, working with them to secure the county farm estate for future generations, perhaps using community asset transfers.

It would have greater access to finance, both in terms of a ‘retail’ community finance offering to the general public and social investment from High Net Worth investors, foundations etc. It could also, like Terre de Liens, have an endowment trust, which would accept charitable donations of capital and land.

- Community finance: A national organisation can coordinate a national or regional campaign to raise finance from the public in the form of community shares or bonds. These investments would not attach themselves to any particular parcel of land but would be held in a central fund (a ‘unit trust’ model). However, on its own this will not be enough; local or regional groups are needed to raise finance pertaining to specific farms that are available for sale. It is only with this local connection and energy that community finance campaigns reach their full potential. This mix of a national campaign side by side with local activism is a powerful recipe for success.

- Social investment: While the low returns and long timescales are unlikely to be of interest to institutional investors or social banks at this stage, there is the potential to leverage in more commercial sources of finance once the concept has been proven and brought to scale. In the meantime, there is the potential to raise investment from social investors, either as equity or bonds.
- Charitable donations: This could be in the form of donations and legacies, both financial and donations of farmland along the lines of the Soil Association Land Trust. A National Farmland Trust would also have the potential to develop relationships with other national organisations, such as the National Trust. The National Trust may well have offers of farmland that it does not feel meet its charitable objects or fit neatly within its strategic plan. In such cases, it could refer the potential donor to the National Farmland Investment Fund.

The biggest problem with attracting community finance and social investment at scale is that there are few tax advantages currently in the UK that are available on investments in land or farming and growing enterprises. This is something that has significantly helped Terre de Liens raise €65 million over the last 10 years. To achieve a similar level of investment in the UK will require some return on investment to be offered, which is difficult given the value of land, and the limited margins that can be delivered from food and farming businesses. A model that has been used successfully with ELC is to offer a small return on investment of 1-3%, but to have 0% as an option in the share documentation. Many investees into ELC have chosen to forgo any return on investment.

While some much more detailed work would be needed to determine the best business model and governance structure, it is likely that the most successful structure would be a cooperative, where each investor is a member, building a strong community of interest in the success of the overall project and where the organisation uses its assets and earnings for the benefit of its members. It would also need to have a strong regional or local presence, along the lines of what TdL have done in France.

Despite the apparent benefits of scale, there are three significant problems with the concept of a National Farmland Investment Fund at the current time:

1. There is a concern that raising investment and securing land at a national level will detract from the work of existing organisations at this crucial time (i.e. through increased competition for resources and land).
2. The price of land in the UK, and the unsupportive policy and regulatory context (i.e. lack of tax incentives) do not favour investment in land or agroecological enterprises. It is therefore extremely unlikely that a new National Farmland Investment Fund would be able to offer a return on investment that could compete with other social investments. It is therefore unlikely to be able to attract the

investment required to have an impact; it would be very unlikely to get to the scale of TdL unless there is policy change.

3. Even if such a national organisation were successful in raising say £50 million in capital and donations over 10 years, this would still only equate to around 6-10,000 acres of land. The National Trust, one of the oldest and largest charities in the UK has over 590,000 acres of land; even this represents only 2% of agricultural land in the UK. While this is not an insignificant amount of land, and would provide huge benefits to new entrants, it does question whether it is money well spent in terms of the social benefit it delivers.

Strengths	***Weaknesses***
• Secure investment with social and environmental benefits • Greater reach and access to finance • More general focus on access to land for agroecological farming • Economies of scale • Could create a tipping point, where more and more land is made available for new entrants and existing farmers and growers wishing to farm agro-ecologically.	• Could detract from work of existing organisations (e.g. BDLT, ELC, SALT). • Could divert money from existing organisations • Larger farms often bring larger liabilities such as derelict buildings, listed buildings • Multiple skills needed (finance, land agency, land stewardship etc) • High set up costs and high overheads • Lack of tax incentives and limited (if any) financial return will restrict investment
Opportunities	*Threats*
• Farming policy changes may lead to more farmer retirements and increase in land coming onto the market (or by donation/legacy). • Potential to benefit from payments for public benefits	• Drop in land prices • Little land on the open market • Increase in interest rates • Regulatory changes or weak economy restrict growth • Differing regulatory regimes in each of the devolved nations

We do not believe the UK is ready for a National Farmland Investment Fund at the current time. There are many uncertainties around the policy environment and whether the returns on offer would attract investment at a scale to make it worthwhile. There are also genuine concerns about what the development of such an organisation would mean for the already established land trusts and cooperatives that are active in this field. We therefore do not recommend this option is pursued. Instead, efforts and funding should be focused on a new national land access platform as described above; in time, this may develop into something that raises money itself. We believe such an approach would have greater social impact and be better value for money and be more sensitive to the needs and concerns of existing organisations.

Social investment intermediary

This is a model that has been developed mainly in the USA with some success. There is no doubt that there is a growing interest in social investment, and that an investment in land for agroecological farming provides many social and environmental benefits, side by side with security, albeit with relatively modest returns. However, such investment is not well established in the UK, for several reasons:

- It is rare that an organisation in need of land has the breadth or depth of contacts with social investors, or the experience, knowledge and capacity necessary to develop such relationships and secure investments. Fortunate strokes of serendipity are rare.
- The administrative and due diligence costs of such deals are likely to be high, or at least perceived to be high, and this could put off investors and those seeking land.
- On the whole, social investors have limited knowledge of enlightened agriculture and consequently do not fully understand the social and environmental benefits, and there is a general perception of low returns and high risks. With other more established sectors (such as community renewables) offering a more developed marketplace and higher returns, it is not surprising that food and farming has been overlooked.
- Investments in land are by their very nature perceived as being long term and rather illiquid. There could be concerns about how to easily exit an investment.

A more structured and facilitated approach to direct social investment in land by high net worth investors for community and agroecological farming and growing may well be worth exploring. An intermediary could help:

- Develop a community of interest around access to land. This could include various events, meetings and seminars for high net worth social investors, family offices, foundations and philanthropists etc. As part of this, an intermediary could help develop a better understanding of enlightened agriculture, including sharing business models that are proven to work, exemplars and case studies, thereby growing interest and developing a better marketplace.
- Link farmers and communities with social investors. Experience from the USA suggests that this works best when it is 'farmer led'; i.e. farmers seeking land come to the intermediary who will then match them with a social investor and help with the land search (if necessary). The degree to which the intermediary gets involved would need further thought, but the best chance of success is likely to be through a more managed service where the intermediary vets the farmers through a process of mentoring and due diligence and helps the social investor with sector-based insight and knowledge.

- Be the intermediary between the two sides, building trust, bringing experience of previous deals, examples of leases and helping with issues as they arise.
- Assist with exiting investments. By having relationships with multiple social investors, exiting an investment should be easier and provide more stability and security of tenure to the farmer/grower.

Ideally this should be done by the proposed A2L alliance. Such intermediaries have been developed more generally in the social investment marketplace in the UK (e.g. Clearly Social Angels, part of ClearlySo), but nothing like this exists for land for agroecological food and farming.

Whilst such an approach doesn't remove land from the market in perpetuity, or necessarily provide better security of tenure, it does potentially offer a flexible, lower cost approach to making land available for agroecological farming and growing. Longer term leases could be offered (say 20 years), with an option to buy after a certain period.

Strengths	***Weaknesses***
• Secure investment with social and environmental benefits • Simple, flexible solution with little overhead • Farmer led	• Does not remove land from the market in perpetuity • Does not guarantee security of tenure • Lack of tax incentives and limited (if any) financial return will restrict investment • Not competitive when compared with other social investments out there. • Little knowledge of enlightened agriculture in the social investment marketplace • Potentially difficult to exit an investment without impacting the farmer.
Opportunities	*Threats*
• Farming policy changes may lead to more farmer retirements and increase in land coming onto the market (or by donation/legacy). • Potential to benefit from payments for public benefits	• Drop in land prices may slow investment • Little land on the open market • Increase in interest rates

Recommendation:

Development of more detailed proposals for an intermediary to link farmers and other land seekers with High Net Worth social investors.

Securing access to land without purchasing it

Given the difficulties associated with purchasing land for agroecological farming and growing in the UK, it is important to consider other initiatives that would help with access to land without having to purchase it.

Initiatives such as the Fresh Start Land Enterprise Centre's Land Partnerships matching service hold great potential to make available more opportunities for new entrants and other land-based entrepreneurs. The approach differs from the conventional approach to letting land in that it is based on a reciprocal relationship and a less predetermined view of what that relationship will look like. This leaves the process open to novel proposals and creates more potential for collaborative planning. Such opportunities are likely to increase over the coming years with more farmers retiring or scaling back their business, especially those without any clear succession plans.

The key is to further develop business models that work, providing a living wage and able to pay a competitive rent. These business models range from micro-enterprises (e.g. micro dairies, small scale bio-intensive horticulture, free range eggs, CSAs, etc.) through to larger joint ventures, share farming agreements or more traditional farm business tenancies. Through such an approach both parties benefit; new entrants or young farmers benefit from access to land, buildings, equipment, skills and knowledge (without the prohibitive cost of land purchase), while the land owner benefits from diversified income sources, better utilisation of their existing assets (e.g. underutilised buildings and land) and, potentially, clearer succession plans.

All of this relies on cooperation, trust and openness, and being able to form and maintain sound business-to-business relationships with common objectives and flexibility. Fresh Start has developed many of the necessary processes, guides and exemplars. The next step is to further roll out these ideas, or to replicate them in other regions or sub-sectors.

There is, however, a continued risk that land owners fail to adequately support new entrants and other land-based entrepreneurs, preferring instead to fall back on more traditional farming approaches and, on the advice of land agents and lawyers, standard types of tenancy. It is important, therefore, to further develop and promote new types of agreement, better communication and engagement with existing land owners about different business models that work, and also to provide more starter or incubator farms and farm hubs side by side with apprenticeship or training opportunities.

A good example of such an approach is Dartington Hall in Devon. This 1,200-acre estate was run as a standard dairy and arable unit until 2014 when the tenant retired. Since then it has developed a mixed approach to low-carbon farming and land use, demonstrating collaboration across land-based enterprises, encouraging social entrepreneurship and community involvement. The result is a smaller main tenancy of 489 acres at Old Parsonage Farm, which is run as a mixed farm combining a milking goat herd and a small Jersey herd (producing ice cream, yogurt, milk and other products), beef cattle and sheep. Then around 15 other land-based tenancies, ranging from one to 60 acres, including: a meat CSA, a vegetable CSA, community orchards, allotments, apiaries, multiple varieties of agroforestry, a youth project, a biodynamic farm, an English cut flowers enterprise, a 17-year-old new entrant, an urban mushroom farm using waste coffee grounds and an initiative providing training for current and ex-prisoners.

Other examples include Trill Farm, a 300-acre organic farm in Devon, which is making land and buildings available to new farming and food businesses. The Kindling Trust also has a Farm Start programme which has helped 20 aspiring farmers and growers get started in the sector. Stroud Community Agriculture is just launching a four-acre starter farm, providing an opportunity for two new entrants to develop their business and their skills over a two to three-year period, before moving on and making the site available to other people. The key for these starter farms is to provide the land and facilities side by side with a community of support, mentoring and training, and access to already established markets. It is also important to provide a development 'ladder' which might start with a short hands-on course for a few weeks, before moving on to a more established apprenticeship for up to 12 months, and then a starter farm for two to three years. This greatly increases the chances of success.

The incubator farm is a step up from the starter farm, offering not just temporary, and affordable access to small parcels of land and infrastructure for new entrants, but training and mentoring, for honing skills and launching farm businesses. A network of incubator farms, modelled on the successful RENATA programme in France, would have huge benefits, encouraging new sites to offer land for starter farms, sharing knowledge and ideas, training and mentoring, and networking. Through this network, France now has 49 incubator farms and a further 24 in development (the land being provided by public entities such as local councils, private landowners and Terre de Liens). Since 2007, 400 people have taken part and of those, 66% went on to start a farming business and 10% became farm workers. The Kindling Trust, Land Workers Alliance and others are already exploring the possibility of developing such a network in the UK.

Side by side with this, it is important to try and protect the remaining County Farms estate. The estate has been reduced in size by over 30% over the last 30 years (with a 58% reduction in the number of tenants), and that decline seems to be accelerating. Between April 2015 and March 2016, the County Farms estate was reduced by a further 1000ha, resulting in the loss of 61 tenancies. In 2017, Herefordshire Council sold almost all its estate, hoping to raise £40million to plug a hole in its accounts. Nevertheless, nationally, it remains an important route into the sector, and still covers approximately 86,700ha of agricultural land providing approximately 2,583 holdings for about 2,081 tenant farmers. However, preserving farmland is not enough; more of this land needs to be made available for new entrants and communities, particularly those seeking to pursue agroecological techniques and promote local food systems. Local authorities (and indeed other large land owners) need to be 'made aware' of the public benefits of agroecology in terms of environmental protection, mitigation of climate change, healthy and nutritional local food, local jobs, and resilient local economies and communities. There is a role here for civil society to point to the best examples of what local authorities (and others) have done to foster access to land, why they have done this, and how it can be replicated, and for local authorities to develop a more strategic approach to land management, local food and the delivery of public goods through their farm estate.

The proposed A2L Alliance could have a role in all of these areas, including the following recommendations:

Recommendations:

Build on the work of the Fresh Start Land Enterprise Centre to specifically promote more partnerships between land owners and agroecological farmers.

Develop a funded network to promote and coordinate the development of starter/incubator farms along the lines of RENATA in France, including development of appropriate legal framework and other materials, sharing of best practice and exemplars, a multi-faceted support and mentoring system, and, of course, linking aspiring farmers and growers with starter farm opportunities.

Campaign to stop the continued sell-off of the County Farms estate, including educating local authorities on the benefits of local food and agroecology and how it contributes to sustainable development (as defined by the National Planning Policy Framework), sharing and replicating best practice from around the country (and elsewhere), and the introduction of new requirements to report on (and consider) the social and environmental, rather than simply the economic, benefits of their farming estate.

Engage with other large landowners and land associations (such as the CLA), highlighting the benefits that can be generated by redistributing land away from large 'agribusiness' tenants towards smaller scale farmers.

Other key issues to consider

When considering access to land, it cannot be done in isolation from other issues that need to be addressed. There are five main areas which we believe need to be addressed in parallel with our thinking on access to land:

1. Housing
2. Tax incentives
3. Conservation easements
4. Access to working capital
5. Technical assistance

Again, the proposed A2L Alliance could have a role in all of these areas.

Housing

While small scale agroecological farms and smallholdings have the potential to provide many new jobs and opportunities for new entrants and existing farmers and their families, the impact will be limited if there is nowhere affordable for the farmers and growers to live. Housing, especially housing with land, is prohibitively expensive, and those seeking land-based careers normally have to apply for planning permission to live on site which is notoriously difficult to obtain. This is a critical issue, and one the ELC are trying to address but more needs to be done to both change planning law and engage with planning officers and the judiciary. Many of the recommendations made above, such as starter farms, farm hubs and partnerships, will fall short of their full potential unless the critical issue of affordable housing is addressed.

Recommendation:

A campaign to change planning policy and delivery to help small scale farmers and growers with access to affordable housing.

Education of planning officers so that they can make better informed decisions on appropriate and sustainable developments in the countryside.

Social Investment Tax Relief (SITR)

One of the key changes required to help with access to land and securing land for agroecological farming in the UK is the revision of SITR rules to include small scale (under 5 hectares) agroecological enterprises. This was being considered by government a few years ago, but nothing has made it onto the statute book.

The proposed A2L alliance could help campaign for these changes side by side with the LWA and the Land Justice Network which are already looking at policy changes required to reform the tax and planning systems.

Recommendation:

Engage with policy makers to see if SITR or other tax incentives can be expanded to include small scale community agriculture.

Conservation covenants

In 2014, the Law Commission made recommendations for the introduction of a new statutory scheme of conservation covenants in England and Wales. This would be similar to the conservation easements in the USA.

A conservation covenant is a voluntary agreement between a landowner and responsible body (charity, public body or local/central Government) to do or not do something on their land for a conservation purpose. This might be, for example, an agreement to maintain woodland and allow public access to it, or to refrain from using certain pesticides on native vegetation. These agreements are long lasting and can continue after the landowner has parted with the land, ensuring that its conservation value is protected for the public benefit.

In 2016, the then Secretary of State for the Environment, Food and Rural Affairs committed to exploring the role conservation covenants could play in the 25 Year Environment Plan. This Plan was published in 2018 and did not include such provision.

While not helping directly with access to land, such covenants may help reduce the agricultural market value of land that has a conservation covenant attached, which may make that land more affordable for new entrants. The value of the covenant would be the difference between the full market value, and the value of the land with a covenant attached; the land owner could choose to sell the covenant or donate it to a land trust or other appropriate organisation.

The main concern with such an approach is that while it may reduce the value of the land, it does not secure it for farmers or new entrants or ensure that it stays actively farmed. Indeed, there is a risk that the reduced value simply encourages more non-farmers wanting a certain lifestyle, and land of good conservation value. This could further increase the competition for such land.

Another approach would be that of agricultural conservation easements which have been successfully used in the USA. As well as protecting the conservation value of land, they also ensure that the land is used for agricultural purposes. As such they are very popular with farmers who are passionate about their land but have no succession plans in place and want to protect the stewardship of their land in perpetuity by donating or selling an agricultural conservation easement to a land trust or other appropriate organisation.

US land trusts have been relatively successful in using agricultural conservation easements to make land more available and affordable for farmers (e.g. the Vermont Land Trust Land Access Program, the Maine Farmland Trust Buy, Protect, Sell Program.) However, US land trusts benefit from the fact that several states use public funds to buy conservation easements; while unlikely in the UK, this would be worth exploring, as it is a very cost-effective way of delivering public benefits (when compared with other conservation programmes that rely on designation and regulation) and ensuring that farmland remains in active production for the next generation.

Recommendation:

Engage with policy makers to see if the Law Commission's recommendations could be incorporated into the statute book. If successful, review the viability of agricultural conservation covenants in the UK context.

Access to working capital

This goes hand in hand with access to land. Without security of tenure or ownership enterprises find it very hard to raise working capital. Equally, if spending all of their capital reserves on land, they rarely have enough available to invest in the business itself and cash flow becomes a serious issue. It is for this reason that the RFT is very keen to try and develop solutions to both access to land and access to working capital and support organisations with both. The RFT is currently developing the Enlightened Agriculture Loan Programme which will be the successor to its 'Just Growth' programme. This new £1 million fund will provide affordable loans, grants and technical assistance to eligible enterprises. The loans will be for enterprises beyond the start-up phase to grow and develop their activities. In the longer term, the EALP may consider loans for land purchase as well.

Technical assistance

As with any new business, many of the enterprises in the agroecological sector need mentoring as witnessed by the success of the Community Land Advisory Service ("CLAS") which was started in 2011 (it is funded in Scotland and Wales until 2018, but funding ended for England in 2016). Any new funding initiative for the sector needs to develop a mentoring service side by side with the finance; in such a way, these services would help reduce the risks of the finance. It may also be worth considering whether advice could be given to land owners wanting to put their farm into trusteeship; bringing together the exemplars and case studies, legal framework, and other resources necessary to successfully transfer land into community ownership. As discussed above, technical assistance will also be needed for the proposed network of starter farms. It would be worth exploring if longer term funding could be provided for the CLAS to provide these services.

Recommendation:

Ensure that for each initiative, appropriate technical assistance and mentoring is provided and appropriately funded.

Recommendations and next steps

Developing new financial models to encourage investment in land for agroecological farming and growing will be challenging in the current socio-economic, policy and regulatory environment in the UK. Even scaling up or replicating existing initiatives will be difficult and progress is likely to be steady, but slow. Lack of financial incentives such as tax rebates (e.g. SITR), low or zero returns on investment due to the high price of land and low margins, and increasing interest rates means tapping into the social investment market and wider institutional capital will be difficult, even with better evidence of the social and environmental return on investment and the relative security of that investment. Because of this, access to land initiatives are likely to continue to rely on charitable funding and a relatively small number of mission-driven social investors, at least in the short to medium term.

That said, there are two areas that deserve further exploration and development, as both could be set up relatively easily and without huge development costs. The first is to consider the development of a Rolling Land Fund, which would help communities and social enterprises secure land for agroecological farming and growing through the provision of short term loans, secured on the land itself. This would give land seeking organisations the ability to quickly secure land when it comes on the market. The A Team Foundation has experience of doing this successfully, and the lessons learned from that should be used to develop a more formalised approach, with multiple funders behind it. Without such an initiative many enterprises simply would not have the time or the funds to pull together a credible offer.

Secondly, the idea of developing an intermediary between land seekers and high net worth social investors should be explored. There are undoubtedly social investors who are passionate about food and farming and would be willing to invest in land for agroecological farming. While such investments would provide only modest financial returns they would have a very positive social and environmental impact and be relatively risk free. Such an approach could complement the Rolling Land Fund, with both initiatives working together to provide a 'funding ladder' for land. The Rolling Land Fund is primarily about short term loans to secure the land and provide the enterprise with the time to settle in, further develop its operations and seek other sources of funding. It may choose to use community shares or some other form of community finance, but it could equally develop a longer-term relationship with a social investor via the intermediary. Either way, this approach needs to be farmer led; helping the farmers and growers find the land they need to develop their businesses.

However, the main recommendation from this report is to develop a more coordinated approach to access to land in the UK in parallel with developing the capacity of the existing organisations. We therefore propose that the key stakeholders come together to form a new access to land network or alliance. This would have multiple benefits; initiating a national conversation and raising the profile of the issue with the public and policy makers, delivering coordinated campaigns and joint ideas for funding, networking and sharing of ideas, focusing on key issues such as incubator farms, policy reform, and acting as a sign posting service raising the profile of member organisations. The EU Access to Land Network, of which the RFT and Soil Association are part, has been very successful and we recommend that a UK network continues to work closely with our EU partners. It would however, need to be well funded to ensure these benefits are fully realised and we would urge funders to support such an initiative. At this point in time, it is perhaps the single most important way of helping with access to land in the UK.

Finally, in parallel with the above we think that is important to develop initiatives that are not reliant on purchasing land. Initiatives such as incubator and starter farms, land partnerships and better engagement with existing land owners, such as conservation organisations and the County Farms estate all need to be developed and formalised, and adequately funded. Campaigning to change the eligibility criteria for SITR should also be a priority and could have a big impact on investment in land for community agriculture. These initiatives could be led by the proposed A2L alliance. With a greater collective will and a more coordinated approach there is little reason to suppose that more land cannot be brought into trust, and more farmers found who are able and willing to connect with local communities.

Our full list of recommendations is as follows, in order of priority/impact:

#	Recommendation
1	Develop new national land access platform or alliance. Discussions between the various stakeholders should be formally initiated and more work done to develop the mission, scope and governance of such an alliance. Additional funding will need to be secured to carry out this work. Many of the subsequent recommendations below could be carried out by this new alliance.
2	Develop a Rolling Land Fund, which would help communities and social enterprises

	secure land for agroecological farming and growing through the provision of short term loans, secured on the land itself. This fund would work best with multiple funders behind it as it would help to spread risk.
3	Develop more detailed proposals for an intermediary to link farmers and other land seekers with High Net Worth social investors.
4	Engage with policy makers to see if SITR or other tax incentives can be expanded to include small scale community agriculture.
5	Engage with policy makers to see if the Law Commission's recommendations could be incorporated into the statute book and see if grants could be made available to help with the purchase of conservation covenants.
6	Develop a funded network to promote and coordinate the development of starter/incubator farms along the lines of RENATA in France, including development of appropriate legal framework and other materials, sharing of best practice and exemplars, a multi-faceted support and mentoring system, and linking aspiring farmers and growers with starter farm opportunities.
7	Campaign to stop the continued sell-off of the County Farms estate, including educating local authorities on the benefits of local food and agroecology and how it contributes to sustainable development (as defined by the National Planning Policy Framework), sharing and replicating best practice from around the country (and elsewhere), and the introduction of new requirements to report on (and consider) the social and environmental, rather than simply the economic, benefits of their farming estate.
8	Build on the work of the Fresh Start Land Enterprise Centre to specifically promote more partnerships between land owners and agroecological farmers.
9	Engage with other large landowners and land associations (such as the CLA), highlighting the benefits that can be generated by redistributing land away from large 'agribusiness' tenants towards smaller scale farmers.
10	Campaign to change planning policy and delivery to help small scale farmers and growers with access to affordable housing.
11	Programme to educate planning officers so that they can make better informed decisions on appropriate and sustainable developments in the countryside.
12	Ensure that for each initiative, appropriate technical assistance and mentoring is provided and appropriately funded.