Community Models for Farm Ownership

Briefing Paper: Community Buyouts

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Related Reports and Further Reading

This briefing paper is part of a series of reports created by the Community Models for Farm Succession project, which investigates various opportunities, barriers and approaches to community-ownership of farmland. The other reports can be accessed here.

Acknowledgements

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Context

This briefing plugs a research gap into the factors that support successful community farmland buyouts, facilitating an increase in buyouts and safeguarding land for all of us effectively as commons, now, and into the future. It links to the Finance briefing paper as providing one approach to finance the purchase of farmland.

The term Community Buyout (CB), is used to describe a community buying out an asset – this could be a business or piece of land. For a CB, a share offer or crowdfunder is often used to raise the capital required to purchase and save the asset for community use. There have been a large number of CBs of shops and pubs in recent years driven by a threat of the loss of these assets in local communities, and supported by specific funding streams dedicated to this purpose. There have been fewer CBs of farmland for a variety of reasons. They include: a community farmland buyout model is less developed and there is less awareness that it can be successfully used; farms tend not to have a 'customer base' like pubs do; the cost of land plus buildings is high; and, as yet, there have not been any dedicated support schemes for farmland CBs.

We engaged with representatives from 11 farms (see table below) that were either community-owned or in the process of becoming so, through interviews and/or participation in a roundtable[1].

In a separate strand of work we interviewed Riverford Farm, which has recently transitioned to 100% employee-ownership (EO) and reference them within this paper as an example of another model of democratic ownership.

Supporters campaign to raise community shares to buy Fordhall Farm, 2005

[1] Additionally we interviewed a representative from the Plunkett Foundation which supports community ownership. We also talked to Community Energy Together.

Table 1: Community-owned Farms, legal form and the model of buyout

Farm	Legal form	Model of buyout	Notes
'Fordhall Community Land Initiative' at Fordhall Organic Farm	Charitable CBS	Community Shares via CBS model. Ben Hollins[2] remains the tenant farmer, paying rent to the CBS.	8,000 shareholders owning 128 acres bought for £800,000 in 2006. Each share cost £50 (to avoid "attaching financial dividends to nature").
Tablehurst and Plawhatch	various[3]	The land was gifted to the trust. The farm businesses, and new projects have been supported through the sale of shares in the co-operative.	Buildings and most of the land are owned by St Anthony's Trust (with trustee board made up of local people[4]) and farms also rent additional land. The two farm businesses are owned by The Tablehurst and Plaw Hatch Registered Society ('The Coop') on behalf of over 800 shareholder members, mainly from the local community. The Coop Committee sets the broad overall direction of the farm businesses and supports farm projects. Each farm is a limited company in its own right and the direction and day-to-day management of the farms is undertaken by the farms' own boards of directors and management teams.
Babbinswood Farm	Charitable CBS	Community shares	In 2024 Babbinsood was in the process of CB led by the family who farm there.
Moss Lane Farm	NA	NA	Moss Lane Farm is exploring the idea of a buyout to solve succession and longevity issues.
Canalside CSA	CBS	Converted from a Company Ltd by Guarantee to a CBS to run a Community Share offer.	Land was bought by 168 shareholders in 2019 having been previously rented for 10 years at a cost of £100,000 for 10 acres. Two years later a further two acres was purchased for £25,000.

[2] The son of the original farmer.
[3] A three-tier model, influenced by biodynamic structures, of a charitable trust which owns the land, a cooperative which owns the two farms and two separate limited companies who run the farms.
[4] none of whom are part of the co-op committee or farm boards of directors

Farm	Legal form	Model of buyout	Notes
Hardwick Estate	Charitable Company	The land will not be bought, but instead transferred from private ownership to a Charitable Company.	In the process of transferring ownership of the estate to a Charitable company which will be run by the community with trustees elected from the membership[5]. This will be the first community run estate in England.
Kindling Farm	CBS	Community Shares via CBS model and a bank loan.	The 78 acre Kindling Farm was bought for £1.8m in 2023, raised from 800 investor members and a £600,000 Triodos loan, possible because a substantial amount had already been raised by the share offer.[6]
Stockwood Community Benefit Society	CBS owns the land. Farm business is a separate company - Rush Farms Ltd.	Community Shares via CBS model and a mortgage which is being paid off through another share offer.	Over 500 members who have together invested over £1,700,000. Each share to become a member costs £1, with a minimum investment of £100, and a maximum of £100,000, in multiples of £50.
Plotgate Land Trust	CBS	Loanstock via CBS and donations.	The first piece of land (which was part of a county farm) was bought In 2007. Plotgate Land Trust[7] was constituted and investors were issued loanstock which could be transferred into leases which run for 150 years to enable security of tenure for development. There are currently three leasees[8]. A further 16 acres was bought in 2023 and is yet to be leased. Leases are on condition that they can only be sold back into the land trust for the CPI adjusted value plus improvements - lease repayment and loans are matched.

[5] Residents will be eligible to apply for membership but if they don't become members they won't be able to vote.

[6] Kindling Farm is a CBS and is legally separate to the Kindling Trust. Kindling Trust is a charitable company that established the CB share offer, as well as other food and farm-related initiatives in Greater Manchester (e.g. Veg Box People). The Trust is closely connected to the Farm, with two of its directors also directing the Farm.

[7] Vision: Access to land for all with rich and diverse ecosystems everywhere and meaningful connection between people and the land. Mission: To enable ecological stewardship through land-based livelihoods and access to affordable land, in perpetuity.

[8] Current Leasees: Plotgate Community Farm (10.5 acres). Avalon Organic Greenhouse (6 acres), Dan and Amy (6.5 acres)

Farm	Legal form	Model of buyout	Notes
Jubilee Farm	CBS	Community shares via CBS model and loans.	Bought in early 2019 for £280,000. Around £160,000 for the house and £120,000 for the land. It was sold like a private house purchase on the open market. The steering group of the CBS negotiated a share offer with 153 members. They could not raise the whole amount with a share offer so a friendly organisation and some individuals lent them the rest of the money for 10-20 years with low interest.
Bosavern Community Farm	Charitable CBS	Bought with a combination of community shares, a loan from a local benefactor and National Lottery funding.	37 acre farm with one of the oldest CSAs in the UK, bought from the Council over a three -year period from 2011-2014 through a community share offer at a cost of £299,500 through £30 minimum member shares (no interest) and one major investor of £100,000 who they are still paying off, as well as lottery funding.
Riverford Farm	Employee Ownership Trust	Previously family owned since 1987, in 2018 Riverford became an employee-owned business.	After founder Guy Singh-Watson sold his remaining 23% of the company in 2023, Riverford became entirely employee-owned in 2018.

What's at stake?

As land becomes an increasingly valuable asset – bought for investment rather than farming – the benefits of securing land in perpetuity to farm food, and putting this land firmly into more democratic ownership, are clear. In the Community Benefit Society (CBS) model, the most commonly used CB model for these farms, those buying shares become investor members and farm co-owners. Essentially, the farm is governed by the community for the community[9].

"Everyone wants to have a positive impact but they don't know how to do it – when we launched our community share scheme, we saw this feeling in bucket loads. Community shares were their way of having a positive impact with farming, without being the farmers." - CB roundtable participant

The large shareholder base and community-embedded nature of these businesses generates resilience. This increases the likelihood of them being able to:

- provide local food in perpetuity
- help to safeguard against the sale of farmland into non-farming use and rising land prices
- reverse the trend of increasing food imports
- address the difficulty of achieving land security and developing your business long-term

Common Themes

The **overriding theme** was of pioneers leading purpose-driven projects where livelihoods, community, climate and sustainability matter as one answer to a food system in crisis. Despite significant differences in how and why the farms had become community owned, what stood out was the shared desire for a better alternative, and the common principles around how to approach that.

Participants agreed that:

- Community ownership means they can **plan long-term and stay on the land into the future**
- They were keen to **share and gift their combined knowledge to help others** follow in their footsteps.

We heard that:

These farms are successful because of **collaboration, symbiotic relationships** and the ability that community ownership has given them, to **think and plan long-term** without extractive farming practices (in contrast to many other farm businesses).

Having a clear vision and telling a captivating story about it, is crucial.

[9] Stockwood CBS has a video about the process which explains this

It takes time and passion, and for many farms it was the energy and drive of one or two people, without whom the process would not have happened.

Community Shares have driven almost all the buyouts and without them the land would have been lost. All but two of the farms use, or plan to use, a CBS structure[10].

Networks and connections have been important across the board in order to engage local people and generate community buy-in.

Outside help and consultancy are worth paying for – e.g. to help set up a share offer and make a successful transition to community ownership.

Inspiration from others / pioneers has helped:

"I think it's just so nice that there's such an amazing group of people in the room that didn't exist at the same level when we were working on this back in 2004 or 2005. There is already a movement and that is really inspiring."
- CB roundtable participant

For almost every farm, **the engagement of a wealthy demographic of investors** has supported a large proportion of the buyout.

An engaged community and local support have often been pivotal and many farms had community members on the board, involved in the farm, or volunteering.

Many of the **farms are diverse in what they provide** and include non-farming services of social and environmental benefit to the local community.

We also learned that:

- **Every farm and model is different,** making research and a bespoke approach a sensible option.
- The majority of farms have made the **transition for social and environmental reasons** and are less interested in the commercial aspect or dividends from shares. However, even once capital has been raised to purchase a farm, there is still the challenge of developing a business model that generates enough revenue to pay farmers fairly, pay dividends, and repay loans.
- Converting to community ownership **does not necessarily mean more land is available** to new entrants/CSAs - at Hardwick the land will go to the community already there and at Fordhall the existing tenant farmer has land succession rights for their children - but, long-term, both these farms may offer more opportunities for others.
- CBs are a way to **offer farmers longer leases,** when many landowners won't as a long-term lease can halve the value of land.[11]

[10] Of the others, one is a Charitable Company and another a three-tier model of charity, cooperative and limited company.

[11] For example, the moment Ben Holliss signed a 100-year lease at Fordhall, the farm dropped in

- For the farms we talked to, because they had written in the option to suspend or limit share withdrawals if the need arose, **withdrawal of shares had not caused financial difficulties.** Despite this, they all expressed a **desire for more favourable financial conditions**.
- The **time taken to complete the process varied** from months to years.
- **Buying from scratch straight off the market is challenging** because of the rapidity of sales versus time it takes to generate finance.
- Generally farm members want **engagement as a return more than any financial gain**. Whilst this is time consuming to manage, it reaps rewards in the long term and offers long-term security and resilience.

Challenges

Many of the challenges reported by our participants were common across the farming world, such as:

- **Lack of affordable housing** for workers (see also the Housing briefing paper).
- **Low wages**
- **Rising costs** in general related to farming.
- Difficulty in the process of buying land and the **high value of land**.
- a **lack of suitable training** structures for new entrants.

Others, more specific for CB farms included:

- A **lack of a replicable model and support resources**.
- **Finding the right person to drive the transition**, develop a good governance structure and manage the share offer can be a challenge.
- A **lack of a dedicated support organisation**.
- A **lack of financial support** such as tailored loans and patient bridging loans.
- Learning **how to facilitate partnership working,** work collaboratively and find resources to involve the community whilst running a farm.
- **Reliance on wealthier people being able to invest** makes it harder to achieve in low income areas and/or where there is not a wealthy demographic supporting the farm. Further work is needed to identify how community farm buyouts can be replicated in less wealthy areas/communities.

value by half from £800,000 to less than £400,000 making it unlikely that many landowners will offer a long-term tenancy.

Recommendations

Learn from Scotland

- **We can learn much about what works and doesn't from Scotland** and the introduction of the "Right to Buy" as part of their land reform process. In fact, one of the participants, Hardwick Estate, had based their land transfer process almost exclusively on Scottish examples. This is of particular relevance as the new UK government has proposed strengthening the community right to buy.

Share best practice and improve access to training, resources, etc.

- **Create a suite of resources and support** incl. video stories, case studies and peer-to-peer support
- Hold **regular quarterly meetings with roundtable participants to develop a support network** with a clear set of objectives
- Create a **directory of affordable professional advice / support / mentors, e.g.** lawyers, land agents, funders, and promote it.
- **Clearly document all existing forms of community ownership**.
- **Increase the visibility** of farm CBs – moving the idea into the mainstream, for example through presenting at relevant events, and having more active engagement with landowners.
- Develop **specialist education and training for new farm owners including financial literacy**.

What else would help?

Financially:

- **Larger, more flexible loans** with low interest rates from a new land bank, existing financial institutions or funders
- The **return of a development land tax**[12] which puts money back into the local community or a scheme like the Scottish Community Benefit Fund.
- A **better tax context to support investment** e.g. reintroduce the Social Investment Tax Relief for agricultural land
- Funding platforms e.g. Ethex, having systems in place to **enable the quick purchase of land** if it is on the market for only a limited time

In policy and legal terms:

- **Revised planning law** for farmworker dwellings[13] (see Housing briefing here).
- **Legislation** like The Community Power Act which could help support more buyouts as could legislation to safeguard our land for the purposes of human and environmental health

And research:

- **(Further) research** about the financial, ecological, social and cultural benefits of community ownership

[12] As in The Community Land Act 1975 and Development Land Tax 1976

[13] At the time of writing there is an attempt by ELC, the LWA and others to lobby for positive changes to Labour's new planning amendments.

Case Studies

Canalside CBS owns and runs a 12-acre CSA[14] near Leamington Spa with a £100,000 turnover, and five PT staff. Canalside received support from Shared Assets and paid for consultancy from a CB expert throughout the year-long process of conversion from a Company Ltd by Guarantee to CBS and running of the share offer. The land, which they'd rented for ten years, was bought with 168 shareholders between 2019 and 2022 at a cost of £125,000.

Shares were offered preferentially to those who were already farm members (the majority of shareholders). Shareholders get interest on their shares, generally 2% per annum, decided at the AGM,, but aren't paid in case of a loss and a limit on the number of shares able to be withdrawn each year stabilises finances. For example, as a profit was not made in 2023/24, the CSA only allowed £5,000 to be withdrawn.

Hardwick Estate in South Oxfordshire, is a 900 acre estate including housing and businesses, owned by the Rose family for generations. Inspired by Scotland, and supported by a transition facilitator, they are in the process of transferring ownership to a Charitable Company to become the first community owned and run estate in England. There will still be an employed staff team running the day to day business of the estate, under management of the charity. The transition will cost £150-200,000 financed by sale of a small piece of land.

Stockwood CBS owns 190 acres enabling Rush Farms Limited (the family farmers) to continue farming the land. The Parsons siblings, having seen their grandparents' organic and biodynamic farm sold from under their feet in the 80s, vowed to buy it back. They didn't buy that farm back, but, with the help of over 400 biodynamically motivated shareholders from across the globe, who invested over £1.5m at a 5% return and a loan from CAF bank, they did buy Rush Farm. Alongside farm rent, the CBS also earns rent from the 29 business units on the land and the renewable energy ground source heat pump they installed with a second share offer. At the tenth anniversary (2024) another share offer sees them aim to repay the mortgage and become completely community owned.

[14] Community Supported Agriculture: A model that directly connects farmers and members (customers), often, but not always, through up-front commitment to the farm. See their website for more information.