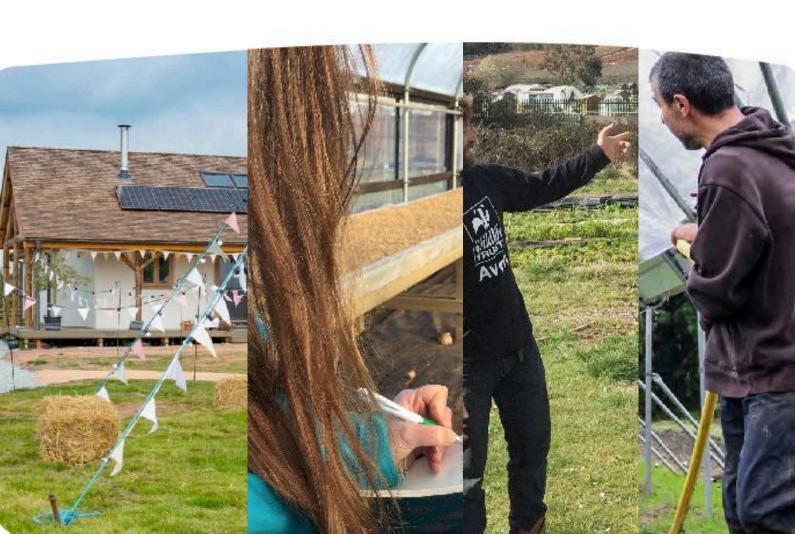


Community Models for Farm Ownership

Summary Report

Dan Woolley and Dr Nicola Scott, Stir to Action





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Related Reports and Further Reading

This Summary Report 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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Glossary

Terms marked with an asterisk (*) are further defined in the Introduction

AFTs Agroecological Farmland Trusts*

BDLT Biodynamic Land Trust: it secures UK land in trust, protects and develops biodynamic, organic, community-connected farms, and provides further opportunities for sustainable agriculture and entrant farmers/growers. See their website for more information.

cbs Community Benefit Society: a Cbs is a not-for-profit enterprise run for the benefit of the wider community. It is owned by its members who hold shares and control the society democratically, on a one-member one-vote basis.

Profits must be kept by the society and used to support its aims; they cannot be distributed to its members. A

Community Benefit Society can apply for a Statutory Asset Lock, which will allow it to guarantee its non-profit status. For more information about what a Cbs is, click here.

CBs Community (Farm) Buyouts

CIO Charitable Incorporated
Organisation: an incorporated structure
designed for charities that is registered
with the Charity Commission with the
Charity Commission

CELT Calderdale Ecological Land Trust: set up by the local <u>Grow and Graze</u> network to to own and/or manage land efficiently in the Calder Valley for the purpose of food production alongside nature recovery.

CLTs Community Land Trusts*: these are democratic, non profit organisations that own and develop land for the benefit of the community Also see the Community Land Trust Network's website for more information.

CPI Consumer Price Index: in the UK this is the main indicator of inflation. It measures the average price variations of common products and services that UK consumers paid for over the previous 12 months.

CSA 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.

ELC Ecological Land Cooperative: is a land trust that purchases land and subdivides it into a number of ecological residential smallholdings. See their website for more information.

Loanstock These are private loans made by individuals or organisations to a society. It accrues interest and gives the lender ownership of the shares







until the loan is repaid, much like conventional loans.

MFT Multiple-Farm Trust*

salt Soil Association Land Trust: it safeguards the legacies of productive land, providing a safe haven and preventing land from being lost from farming and growing. Land is donated by retiring farmers and landowners. The Trust is part of the Soil Association family and is governed by its own Articles and its own Board of Trustees. See its website for more information.

SFT Single Farm Trust*





Executive Summary

This report investigates alternative models for the ownership of farmland. It has been co-produced by four organisations: Stir to Action, Shared Assets, The Ecological Land Co-op and the Community Supported Agriculture Network UK. They have worked together to explore the strengths and weaknesses of available models and to begin mapping the alternatives. It arose from an initial phase in which we examined how family farm succession the process by which family farmers retire and contemplate selling - could be essential to preserving agricultural land and opening up new channels for democratic ownership.

Report recommendations will be useful to those with an interest in, as well as finance and funding for, the development of agroecological farming using community and democratic ownership models. The report also provides helpful information for organisations seeking to secure farmland through a community buyout and Community Land Trusts (CLTs) who wish to secure land for food production and/or for housing.

The common thread that runs through the exploration is the role and idea of Land Trusts (formal or informal), and their potential for increasing the amount of farmland held, sustainably and in perpetuity, under democratic ownership in England.

A 'land trust' is not a legal structure but is more a description of what an organisation does; it holds land in trust on behalf of a community or of future generations. However, from our research we introduce a typology, through which we hope to demonstrate that there exists a far greater number – and range – of organisations that share common objectives and could be classed as types of Land Trust.

In this report and the linked briefing papers, Agroecological Land Trusts (AFTs) are those which secure land ownership and utilise agroecological methods on their land. More detail is given about the different types of AFTs that exist in the UK in section 5 of this report.





The work is divided into four streams, each of which is covered in more detail within a separate Briefing Paper, each of which can be accessed via the relevant link below. These are:

- Financial mechanisms and ownership/governance structures that would enable the purchase of land for food production.
- Factors that support successful community buyouts of farmland, drawing upon a range of examples and approaches.
- The issue of housing for farmers and farmworkers, how this is impeding both experienced farmers and new entrants into farming, and impacting negatively on the growth of farmland trusts.
- Collective Enterprise (sometimes known as Enterprise Stacking): whether those farms which host different enterprises on its land with a number of potential stewards and to become a Collective Enterprise, make a move towards more democratic forms of land ownership more likely.

This work has resulted in promising developments. For example, it has opened dialogue between AFTs and CLTs. Where previously they were seen as distinct entities with separate concerns, this project has recognised

the common challenges around housing, and the opportunities for joined-up approaches. This has already paved the way for further collaboration. See our briefing paper on Housing for more information.

If we are to increase the capacity of Land Trusts in the UK, there will need to be greater access to appropriate forms of finance. There are undoubtedly some encouraging signs of innovation, such as Esmee Fairbairn Foundation's Land Purchase Facility (a tailored, sector-specific bridging loan supporting the acquisition of land for social outcomes). However, we found that whether through grants, loans or equity, only a very few of the UK's charitable foundations currently support Land Trusts, suggesting much more needs to be done. Our **Finance** briefing paper presents a 'state of the sector' overview, draws learnings from adjacent sectors, and makes recommendations for step-changing the funding landscape.

If a Land Trust is typically understood to be an organisation that owns and/or stewards multiple farms, we propose that organisations such as Fordhall Farm and Canalside CSA – each of which runs a single farm – offer a parallel and equally valuable model of community ownership. They might be considered 'single farm trusts' (SFTs). Our briefing paper on Community Buyouts explores







the variety of these SFTs, the approaches they have taken to acquiring farmland, and the common challenges. <u>Collective Enterprise</u> is where a farmer or landowner "stacks" different enterprises on the land, but each enterprise is owned by a different person. It can offer multiple benefits, from increased viability of business models to broader social and economic outcomes, such as training the next generation of farmers. Therefore, it is an important part of the overall picture, drawing together many of the challenges facing agroecological farming. Moreover, our research suggests that Collective Enterprise could lead to more democratic forms of land governance and, in some cases, more democratic land ownership.

We recognise that this report will raise further debates and questions about alternative models for the ownership of farmland, which provide the impetus to address them more in the future.

farming funders. Briefing papers on Community Buyouts, Collective Enterprise and Housing are also informed by conversations in March 2024 during two in-person roundtables and one online roundtable based on each of these three topic areas, respectively. Their briefing papers include further details about roundtable attendees and research participants.

Methodology

This report and its four individual briefing papers are based on desk-based research, as well as in-person and remote interviews with a range of people linked to AFTs, agroecological farming, CLTs, and





1. Key Findings

Finance

- A. In the UK, AFTs (both multiple farm trusts MFTs and single farm trusts SFTs) make use of a broad range of finance mechanisms, covering grants, equity (typically in the form of community shares) and loans. The 'blend' of these mechanisms varies considerably between AFTs.
- B. Community Shares have been utilised by almost all of the AFTs covered in our research. This both validates their importance as a tool, and also highlights the opportunity for scaling impact via booster funds (which have been especially successful in sectors such as energy, heritage, and community business).
- C. Most loan products present challenges to the business models of AFTs, being either too costly (in times of stubbornly high interest rates), and/or too short-term. Innovations such as the Esmée Fairbairn Foundation's Land Purchase Facility are welcome, and should encourage other charitable foundations to offer similar initiatives through their social investment arms.

- D. Many AFTs are legally structured as Community Benefit Societies, a legal form which is either misunderstood or actively excluded by many funders. Given that AFTs achieve a broad range of social outcomes, many of which are charitable, funders should be encouraged to make more grants available to AFTs.
- E. At present, the larger AFTs may only be able to scale up if they are 'gifted' land. This naturally limits their potential and leaves farmland vulnerable to market capture. An intervention by the UK Government, in the form of state funding and drawing on lessons from Belgium, could dramatically improve outcomes.

Full briefing paper here

Community Buyouts

A. Community shares have driven almost all the buyouts of participating organisations in this project, and without them the land would have been lost. 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).

- B. A clear vision, appealing story, committed individuals and a strong interested network are important elements of successful buyouts. Support from consultants can also be a significant help. Better finance options are also needed, and dedicated funding/finance streams would be enormously helpful.
- C. We can learn much about what does and does not work from Scotland and the introduction of the "Right to Buy" as part of their land reform process.
- D. Community ownership of farmland needs increased visibility in the public eye so that more people consider it when the opportunity arises. Everyone wants to have a positive impact but they don't know how to do it - Community Buyouts can provide an answer.
- E. The farms brought together for the roundtable on community buyouts considered themselves pioneers, and were all keen to share their combined knowledge to support others in achieving successful community buyouts. A more formal support network for community-owned farms was considered important to support growth in the area, as was a better

collection of resources to support buyouts, perhaps including a mentoring offer.

Full briefing paper here

Housing

- A. AFTs need to be able to develop housing for farm workers to live and work on site if their model of farm acquisition is to be successful.
- B. There is work actively underway within the CLT movement to explore the potential for CLTs to manage more land for food production and nature restoration.
- C. Both AFTs and CLTs could help each other through the provision of land for affordable homes, and affordable homes for farmers on land on or near where they work, respectively.
- D. There are a number of different roles AFTs could have in the provision of affordable housing on their land. These include: being a land provider to CLTs; as a CLT themselves; or AFTs jointly establishing a national housing association.

Full briefing paper here





Collective Enterprise

- A. The farms were all different with different forms of agreement with the hosted enterprises and varied reasons for developing a CE model, but they all shared a common goal of promoting agroecology. Some are building a circular economy on site and using farm 'waste'. Others saw collective enterprise offering a huge potential on land that wasn't currently utilised, or non-farming enterprises providing support to existing farming activity.
- B. Collective enterprise builds the local economy, creates a mutually supportive business community whose combined knowledge and expertise can be much more than the sum of its parts. It also engages the local community and brings increased routes to market for those involved.
- C. Collective enterprise models are offering unrecognised bespoke agroecological new entrant training and increasing employment per hectare.
- F. Participants were clear that the model increased resilience across multiple areas and it also appears to increase revenue streams and derisks other businesses. More research is needed to be able to

- clarify exactly how and why this occurs.
- D. The benefits of collectively stewarding the land may support some farmers and landowners to consider a move towards more democratic ownership

Full briefing paper here





2. Summary recommendations

The following recommendations are drawn from common themes, issues or ideas that cut across multiple areas of our research.

- There is a need for increased funding to build on the networks developed during the project's in-person and online roundtables.
- Specialist advice is often required, but is difficult to find and/or access; there is a need for a centralised 'platform' or directory of advisors with the relevant specialisms.
- 3. There is considerable potential to learn from the examples of Scottish land reform and European AFT's and translate their experience and learning into UK and devolved policy.
- 4. Rural housing for landworkers is an issue for all scales and types of community farm models. The 'local food' sector should work more closely with the 'social housing '/CLT sector in order to identify commonalities and mutual benefit and this process will need capacity and support.
- Single Farm Trusts or Community buyouts, would benefit from more

- recognition and dedicated support; this is something the CSA Network UK is planning to develop.
- Collective Enterprise, as a stepping stone towards more democratic forms of land ownership needs further investigation.
- 7. There is a need for increased visibility and public awareness of AFTs. "Commoning" as a concept is rapidly growing in the public mind. It involves people working together and sharing resources to meet basic needs, promote the wellbeing of people, communities, and environments; AFTS should be supported to do the same.
- 8. Funders could support a better analysis of, and reporting about the ecological and socioeconomic benefits of AFTs (and agroecology more widely). Findings can then be provided to bigger banks and institutional lenders than the sector currently users, to encourage better investment terms.





Background to this report

This Farm Succession project and report arose from an initial phase in which we examined how family farm succession the process by which family farmers retire and contemplate selling - could be essential to preserving agricultural land and opening up new channels for democratic ownership, such as community buyouts (explored in the Community Buyouts briefing paper). Key to this is that by making land more accessible, it will prevent changes in use to the farmland itself, and give communities more opportunities in farming and land for increased food security. As part of that first phase, we explored how AFTs could play a key role in the succession process as buyers of land. This would be through protecting it for agricultural use in perpetuity, and enabling agroecological farmers, including new entrants and community-owned farms, to scale up or develop their farming businesses within a supportive environment.

However, for Phase 2 we narrowed our focus because of the lessons learnt from the first phase. For instance, we now see that most community groups – whom we had originally envisioned as direct

participants and/or beneficiaries of farm succession – are not able to buy farms. This is due to the expenses and complexity involved in farming at any size larger than the smallest scale. The Resilient Green Spaces – Community Access to Farms and Land (Wales) and Pathways to Land for BPOC (England) reports include recommendations to address these issues.

At the same time, we have discovered that AFTs, especially in England, have not yet been able to reach their full potential, largely due to financial and planning constraints (see in particular this report's **Finance** and **Housing** briefing papers).

Consequently, as part of Phase 2 we explored the financial mechanisms and ownership/governance structures that would enable the purchase of land. This could be either through existing farmland, or land that is (or could be) used for growing food. It was also important to investigate how farmland could be purchased by a community through a community farm buyout (CB), and initiatives that could potentially meet the needs of both AFTs and CLTs to provide affordable land for housing, and affordable housing to farmers, respectively. Another focus was on Collective Enterprises on farmland as a form of land stewardship which might







help to ensure the long-term viability of that land, and lead to more democratic ownership.

Because the theme of AFTs is a strand that runs through this report, as they are an aspect of all four briefing papers within it, below we provide an overview of what we mean by land trusts and agroecological farmland trusts (AFTs) in England and the opportunities and challenges they face.

4. Land Trusts in context

The common thread that runs through the exploration is the role and idea of **Land Trusts** (formal or informal), and their potential for increasing the amount of farmland held – sustainably and in perpetuity – in democratic ownership in England.

Formally, as noted previously, Land Trust is not a legal structure but is more a description of what an organisation does. However, from our research we introduce a typology, through which we hope to demonstrate that there exists a far greater number – and range – of organisations that share common objectives, that could be classed as types of Land Trust.

What do we mean by 'Land Trust'?

At present, there is no common and consistent terminology that captures the range of organisation-types and models that can be referred to as 'land' trusts'. We came across these Land Trusts relevant to this project: the Soil Association Land Trust (SALT), the Ecological Land Cooperative (ELC), and the Biodynamic Land Trust (BDLT); small community owned farms; new land trusts just starting up such as the Calderdale Ecological Land Trust (CELT); community land trusts (CLTs) which are housing land trusts, and land in trust as a legal form used across different ownership models.

We coined the term Agroecological Farmland Trust to describe the range of organisations that have as their primary aim, the preservation and stewardship of farmland using agroecological techniques. We also saw a need to further divide AFTs into several subtypes.

First, as well as not being a formal legal structure, a land trust holds land in trust on behalf of a community or of future generations. Secondly, CLTs are different to AFTs in that their primary focus is securing land for affordable home building, while they can also protect community assets such as local





enterprises, food growing, or work spaces, or steward large areas of common or public land. See the **Housing** briefing paper for ideas about how CLTs and AFTs can mutually support each other.

AFTs are becoming an increasingly important mechanism for farmland succession as more farmers are reaching retirement with no successors. While their governance, work processes and models are diverse, there is much overlap in their objectives as AFTs operate to ensure land is purchased and protected as farmland. In the case of AFTs included in this report, social and/or ecological objectives underpin their overall aims and objectives.

5. Different types of AFTs

1. The larger land trust models – Multiple Farm Trusts (MFTs) – may own a portfolio of farms spread over a wider geographical area, often because they are part of a national wider movement for farmland protection. They grow their portfolio by actively seeking and purchasing farms on the open market or by receiving gifts of land and property, with different ambitions of scale.

They are unlikely to operate the farms themselves, usually leasing them to one or more individual farmers or farm business. All briefing papers in sections in this report include research on, engagement with, and learnings from such AFTs. In this report we use MLT to cover the ELC, the BDLT, and the SALT.

- 2. Larger landholdings, functioning at Estate level. are families or individuals owning larger areas of land, and possibly multiple houses and businesses within large estates. . For various reasons they may be unhappy with a singular family or person owning large areas of land and they are looking at alternative, and possibly more collective, ownership structures and community involvement.
- 3. The smaller models Single Farm
 Trusts (SFTs) are more likely to be
 place-based and looking to
 purchase or receive a single farm or
 a small number of properties in a
 specific local area. They may operate
 themselves or lease it to one or more
 individual farmers or farm
 businesses. While they may work as
 part of a wider approach to food
 system change, they exist within a
 context of economic regeneration in
 an individual place or region.







Also, community, cooperative and charitable organisations, often described as 'land trusts' and which can include SFTs, may take a range of different legal forms, but can share a number of key characteristics:

- They operate for community or public benefit.
- They are not for private profit.
- They cannot sell or use their assets for private gain.
- They are able to access a wider variety of sources of capital including grants, donations and community shares.
- They often involve the local community and other stakeholders in the governance of the organisation.

Currently, most land trusts that exist in the UK are purchasing smaller pieces of family farm land so there is a gap for family farmers who have larger portfolios of land. In other countries, this model is much more established and it is common for land of all sizes to be bought up by Trusts if there is noone to take on the land. The Finance briefing paper includes one such example of an MFT in Belgium.

Challenges to AFTs

The Resilient Green Spaces Community Access to Farms and Land
report in relation to Wales identified the
following challenges to develop AFTs.
These challenges are explored in more
detail through this project's briefing
papers:

- Public policy: planning policy restricts new housing on farmland and ecological developments; even if the finance for them can be found, there is the need for stronger rights for AFTs/communities to purchase land.
- Land prices: are being driven upwards by tax advantages and the perceived potential for green investment income.
- Finance and Funding: a lack of available 'patient capital' at scale to purchase land results in a lack of quick access to capital when land becomes available to purchase; furthermore, finance with prohibitive fluctuating interest rates is unsuitable for those with low farming incomes (see the Finance briefing and the New Economic Foundation's report Credit Where Due about these issues.). There are also insufficient grants and government financial support aimed at agroecology and regenerative farming.





- Housing: it is hard to secure planning permission for new agricultural dwellings and the cost of housing to secure a mortgage, rent or build it, prevents farmers from living within easy reach of where they work. The briefing paper on Housing addresses these challenges further.
- Capacity: there is limited capacity in organisations providing support for landowners, land trusts and communities. For example, local residents are often not used to being asked about farming practice, and landowners are not used to involving residents in decision making processes. There is also a lack of familiarity with working in collaborative, collective ways to secure land, which can prevent widening the pool of stakeholders and participants. See the Community Buyouts and Collective Enterprise briefing papers for more details about these issues.



6. Briefing Papers

All four briefing papers can be accessed here. The areas of work they focus on are:

Finance

What are the most appropriate and sustainable funding/finance options for Land Trusts themselves and the farms they acquire? What mechanisms will enable both the purchase of more farmland and the long-term viability of the farms?

Community Buyouts

How have AFTs been involved with CBs, and what are the inputs and processes needed for a successful buyout?

Housing

With the lack of affordable housing for farmers near to where they work being a barrier to enter or remain in the sector, how can AFT and CLT initiatives help each other regarding the provision of land for housing and the provision of housing for farm workers, respectively?

Collective Enterprise

How can utilising a business model such as Enterprise Stacking contribute to AFTs' financial stability? How does it support a CFB process?





7. Where next?

We hope to build on this work by....

- Developing a more concerted and unified approach to funders and lenders of all types, by a coalition of land trusts.
- Talking to larger funders about a dedicated AFT funding/ booster programme like "More than a Pub" business support programme.
- Supporting the expansion of AFTs into the North of England.
- Implementing an advertising campaign in the conventional farming media about the possibilities and successes of AFTs.
- Creating a publication showing the benefits brought by AFTs.

- Finding resources to develop
 Community Owned Farms as a
 significant and supported part of the
 CSA network, by increasing their
 visibility, developing toolkits to help
 communities to own farms, continue to
 bring these farms together to learn from
 each other, as well as those from further
 afield, such as in Scotland.
- Funding the development of social housing on AFT land.
- Capacity building work that engages local authority County Farms with AFTs, to work together on agreed outcomes.
- Supporting more work into assessing the benefits of Collective Enterprise on AFTs.

