

The Scottish Farm Land Trust: What Can We Learn from Existing Models?

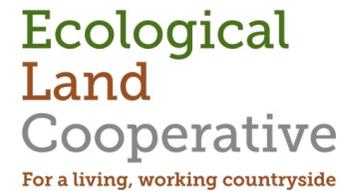
A document for:



Contents:

- Background..... p. 2-3
- Overview of different models..... p. 4
- Ecological Land Coop..... p. 5-7
- Biodynamic Land Trust..... p. 7-9
- Terre en Vue..... p. 9-12
- Agrarian Trust..... p. 12
- Kulturland..... p.12-14
- SWOT overview..... p. 15-16
- Key decisions for SFLT..... p. 17-19
- Conclusions for SFLT..... p. 19-20

Looking at the following models:



Background:

Farming in Scotland is at a crossroads, pressures ranging from financial to environmental are mounting on the agricultural sector, and potentially major policy changes, following the EU referendum decision, are on the horizon. Meanwhile, the Land Reform Act has signaled an intention to make more of Scotland's land, with a vision for a fair, inclusive and productive system of land ownership that delivers greater benefits for all the people in Scotland.

At this crucial juncture, the Scottish Farm Land Trust (SFLT) has come together with a vision to support farmers who want to use ecological production methods and provide nutritious food for local communities. It aims to acquire farmland to rent out with secure, affordable tenancies, and in this way support a thriving farming landscape in Scotland and farms that are connected to local people.

The issue:

Currently farmland in Scotland is largely inaccessible, with a highly concentrated pattern of land ownership. The price of good arable land in Scotland has more than tripled in the last decade, from £3,000 in 2006 to £9,046 in 2016. This is the most extreme increase, but prices for average arable, grass and

permanent pasture have also risen considerably.¹ The value for land is disassociated from the potential income that can be made from farming. It is perhaps for this reason that land agents indicate more farmers selling land and fewer farmers buying it. Lifestyle buyers, investors and institutional/corporate buyers represented the biggest percentage of purchasers in the past 12 years.²

With farmland expensive to buy, renting was traditionally a route into the farming sector. However, Scotland has one of the lowest proportions of rented land anywhere in Europe³, and the amount is decreasing rapidly. 41% of agricultural land was rented in 1983, but this has fallen to 23%. The structure of tenancy arrangements has also changed, statistics for 2015 and 2016 show a drop in secure tenancies, with increases in Limited Duration Tenancies (up 16%) and Short Limited Duration Tenancies (up 13%).⁴

The number of people working in agriculture is at its lowest since current records began, impacting on the sustainability of rural communities. The average age of a farmer is around 58, with less than 10% of farmers under 41 years old. Farmers'

¹ Knight Frank (2016), *Scottish Farmland Index*, available at: <http://content.knightfrank.com/research/443/documents/en/h1-2016-3947.pdf>

² Savills (2016), *Market Survey: UK Agricultural Land*, available at: <http://pdf.euro.savills.co.uk/uk/rural---other/uk-agricultural-land-2016-lr.pdf>

³ Scottish Government (2014), *Scottish Agricultural Tenure Evidence Review*, available at: <http://www.gov.scot/Publications/2014/06/9792/7>

⁴ Scottish Government (2016), *Economic report on Scottish Agriculture*, available at: <http://www.gov.scot/Publications/2016/06/5559>

Basic Income fell for the sixth consecutive year in 2016, to an average of £12,600. This represents a decrease of 75% in real terms since 2010.

Farming is a key contributor to environmental challenges, and will increasingly suffer the consequences of less resilient ecosystems and less predictable weather patterns.

The model:

SFLT have outlined three main aims:

- purchase quality land to be held in trust for the use of low-impact ecological farming
- support the development of sustainable rural employment
- support new entrants into farming

The principal mechanism identified for achieving these objectives is the acquisition of land to be held in trust and rented fairly to new entrants.

Land Trusts have been established in England, Europe and across the world with similar intentions to the Scottish Farm Land Trust. In addition to acquiring land directly, organisations

often engage in training and mentoring provision, offer land-matching services between landowners (public and private) and farmers, participate in policy processes and work to build a social movement around ecological agriculture.

This report follows research and conversations with five existing land trusts and outlines different aspects of their structures and processes.

Summary of advice from other land trusts:

- ⇒ **Adaptive governance:** there are many aspects that are difficult to predict, and governance structures should have some flexibility to respond to changing circumstances.
- ⇒ **Connecting with key stakeholders:** organisations and individuals may not share the ethos of the SFLT but relationships with unlikely alliances can be instrumental in enabling progress on objectives.
- ⇒ **Maintain trust at all costs:** a respected reputation is the most powerful asset in this sector, honesty and integrity with investors, farmers and other stakeholders is critical.

Overview of land trusts:

	Established	Land owned (ha)	Main activities	Financial mechanisms	Amount of shares raised	Interest on shares	Min-Max, withdrawal	Structures
Ecological Land Coop	2007	24 (3 projects)	Buying bare land, obtain planning permission to establish smallholdings.	Mostly time-limited site-specific share offers.	£780,000	Yes. Up to 3%.	£500-40,000. Withdrawal within 3 months.	Investors: 25% of voting rights; Workers: 25%; Farmers: 50%
Biodynamic Land Trust	2011	66 (4 projects) + 61 stewarded	Work with existing biodynamic farms and secure land for new farming projects.	Community shares, returns from investment in sister companies.	£456,330	No	£100-100,000. Withdrawal within 6 months, with three year minimum.	One member, one vote, 'exempt charitable status'.
Terre en Vue	2012	70 (7 projects)	Buy farmland; run training programmes; land matching service	Predominantly shares (half specific project, half open).	€1.8 million	No	€100-50,000 Withdrawal within 3 months.	One member, one vote. NGO, and Cooperative Company and Charity.
Agrarian Trust	2013	N/A	Focus on building the movement, supporting stakeholders with resources.	Grant funding and donations	N/A	No	N/A	NGO, without shareholders (at the moment).
Kulturland	2014	51 (7 projects)	Focus on existing farms at risk of losing land or wanting to expand.	60% shares, 40% member loans	€1.4 million (May 2017)	No	€500 per share. Five years min, withdrawal in 6 months.	One member one vote. Charitable donations facilitated through external partner. ⁴

Ecological Land Coop

Background:

The Ecological Land Coop has focused on establishing new smallholdings rather than supporting existing ones. All three projects were bought as bare land. Greenham Reach has had three different smallholding businesses going since 2015, and they purchased a 7 ha field in Sussex to follow a similar model in 2017. Their third purchase will support the expansion of an existing farm – Cae Tan CSA in Wales. The model of buying bare land and creating small clusters of smallholdings enables them to keep costs low by purchasing land at a lower price per hectare and distributing infrastructure costs. Their business plan indicates a continued focus on creating new smallholding opportunities, with an aim to establish 20 by 2020.

Structure:

The Ecological Land Coop is registered with, but not authorized by⁵, the Financial Conduct Authority, as a community-benefit-society. It functions as a multi-stakeholder Cooperative, with three types of membership that have different shares of voting rights. Investor members (25% share of voting rights); Worker members – employees and volunteers that work for over 15 days a year (25% share of voting rights); Steward managers –

⁵ Non-authorisation means exemption from the Financial Services and Markets Act 2000, therefore shares are not safeguarded by any depositor protection scheme.

ecological land managers, including but not limited to the smallholders on ELC land (50% share of voting rights). They also have a charitable arm to facilitate donations, which they plan to give more attention to in the future.

Staff and volunteers:

There are three executive board members (paid), and three non-executive board members (reimbursed for expenses, but not paid for time). One full-time operations manager, and four part-time staff: site manager, funding support coordinator, and communications. Current staff costs are £89,923 (20,017), with all staff members receiving the same wage (£13.29/hr).

They have a wide volunteer network, which provides labour support on the projects.

Financial mechanisms:

Staff costs for the Cooperative are covered through the sale of 150-year leases on the land that is bought through their public share offer. Thus costs are covered retrospectively, ideally ELC would have their own pot of money to borrow from and then pay back after the sale; however, ELC started from scratch and therefore has been using some external loans for their model.

They have a strong ethos of ensuring that the smallholding opportunities are as accessible as possible; the price of the lease

reflects the costs involved in raising the share offer, obtaining planning permission and developing the land, but no additional costs are charged to further support ELC and create a buffer for the organisation.

ELC have focused on time-limited site-specific community share offers. They raised £340,000 in 2015 for their second site in Arlington, East Sussex and £440,000 in 2017 for two new future sites. They have opted to offer interest with shareholders choosing the amount they take, up to 3%. This currently averages at 2.5%. The offer of interest is reviewed by the membership at each AGM.

They also have an open share offer, but due to concerns about over investment, which they then have to pay interest on, they do not have this open all of the time.

They raised an infrastructure grant of £25,000 for Greenham Reach, and are applying for similar grants for Arlington. Although, as a Cooperative with equity they find it easier to access loans than grant funding. They have a loan facility with a charitable foundation, to allow the continuation of purchases in the event of insufficient shares raised (loan interest fixed at 2%). So far ELC has had one commercial loan (through a social enterprise award) and one charitable loan, they hope to secure further social enterprise loans at no or low cost. Once granted planning permission, they can apply for mortgages for 'rent to buy' properties.

ELC also release loan stock, members can apply for an annual return of between 0-3% and applications for loan stock are accepted where targets are not met for new equity investment. At present majority of loan stock is issued at 0%.

Tenancies:

So far the model has been to buy land, create 150-year leases and sell the leases. At Greenham Reach two businesses bought the lease outright, with one business on a rent-to-buy scheme.

Over the next three years, they plan to also establish smallholdings for rent, enabling access for people who don't have savings and prefer a lower level of commitment, and providing a steady income stream to the ELC.

Tenancies are linked to section 106 of the Planning law, which ensures land is kept in agro-ecological use in the long term. There are also stipulations to ensure that the majority of livelihoods come from the land.

Tenants benefits include:

- Infrastructure support, such as renewable energy, rainwater collection, and shared barn.
- One-year business mentoring support and ongoing support and advice regarding business planning.
- Labour support, with volunteer days organised by ELC.

Tenants pay a fixed fee of £400 to contribute towards site monitoring costs, including soil testing, biodiversity monitoring etc., The ELC business plan includes a further fee (n/a to first site) of £650 to contribute to the support costs listed above (decreasing to £0 over 10 years, as support needs lessen).

Smallholdings function as independent businesses, but there is also a whole-site ecological site management plan.

ELC are currently refining their process for deciding on tenants in preparation for the second site.

Barriers and obstacles:

Planning: currently Wealden District Council has not granted planning permission for the second ELC site, in East Sussex. The Council have questioned the functional need for on-site accommodation; financial viability of the smallholdings; and potential impact on the Ashdown Forest. ELC are currently appealing.

Interpersonal dynamics between the smallholdings on the first site also proved challenging. This has improved over time with facilitation and mediation support. More time for prospective tenants induction will be incorporated into the process for the second site.

Policy background:

Land values in the UK are unregulated and there are various competing interests for land, which has led to a fall in the amount of agricultural land. Land is also becoming consolidated into a fewer number of large farms.

The 1995 Agricultural Tenancies Act ended rent controls and introduced more flexible Farm Business Tenancies, which do not provide tenants with the same security, the average FBT lasts five years.

Plans for the future:

Now that the ELC has become established, it hopes to replicate the model rapidly and create 20 new smallholdings by 2020.

Biodynamic Land Trust

Background:

The Biodynamic Land Trust was established in 2011 with a charitable donation of £1 million. They used part of this money to set up and invest in a sister organisation – the Ecodynamic Community Benefit Society, which owns a wind turbine in Cornwall. The BDLT receive regular income from repayments on the loans and shares they invested.

They also supported the founding of Stockwood Community Benefit society in 2012 and provided the organisation with a loan of £125,000 over three years, and shares of £25,000, enabling Stockwood Community Benefit Society to buy 61 ha Rush Farm.

BDLT's four land purchases to date have been funded by a £456,330 of public shares and £515,870 of investment from their own fund.

Structure:

BDLT is registered as a Community Benefit Society and functions on a one member one vote system. As of June 2017, there were 379 members.

They are registered with HMRC as an exempt charity, which means they are able to access funding that requires charitable status and can receive gift aid on donations. However, they have occasionally had issues with the recognition of this status as it is not common.

Staff and volunteers:

They have a staff team of three people working part-time (1.6 FTE), and a voluntary board elected by the membership at the AGM.

Staff costs are about £45,000 per year, which includes time spent on running the organisation, fundraising and development, managing land and farm acquisitions.

BDLT organise regular volunteer days to get involved in the farms.

Financial Mechanisms:

The BDLT currently rely on repayments from investments in the Ecodynamic CBS and Stockwood CBS to cover core funding for the organisation. Rent repayments from farms would only cover 2-4 hours staff time a week. They are working to create a more sustainable model, in which land acquisitions can provide more of the income to the trust.

When raising a share offer, they focus on the local community to the farm. They have an open share offer in which you can invest at any time and either specify the farm you would like to invest in or leave it open.

BDLT has found it easier to raise shares to buy land than for infrastructure. Until now, they have been reliant on the original donation to support acquisitions, but this fund has run out so they are focused on ensuring other ways to fundraise into the future.

They have received Leader funding (only eligible because a charity) to support infrastructure work on their site in Devon, with Leader covering 40% of certain recognised costs.

Tenancies:

BDLT use Farm Business Tenancies with a stipulation of sustainable farming. They work with potential tenants on questions of what sustainable means, and how biodynamic organic farming methods relate to this. An agreement is reached on what is acceptable on that farm, with a discussion on how the farm will help fulfill the BDLT's aims in areas such as biodiversity, community engagement and education. Tenants are required to submit an annual report to BDLT outlining farm activities and how they have supported BDLT to achieve their aims.

There is no specific stipulation for community orientation, but again the expectation is that farms will engage in community activities.

BDLT tend to give a 15-year agreement, with a seven-year break clause on both sides with one-year notice. The first three years are subject to meeting BDLT's expectations for the land.

Support for tenants varies and is kept to a minimum, although BDLT aim to keep rents low, particularly for the initial years of the tenancy.

Barriers and obstacles:

An exclusive focus on Biodynamic agriculture may not generate the same amount of public interest as perhaps a broader ecological agriculture definition.

Plans for the future:

BDLT plan to try and work more with retiring farmers, including securing donations of land, i.e encouraging leaving legacies of land to the Trust.

In order to promote the ideas and ambitions of the Trust they are developing a network of 'land whisperers' – activists who can communicate about the issues and promote the BDLT.

Their big ambition is a community farm for every community.

Terre en Vue

Background:

Terre en Vue emerged from an existing organisation: 'The Network for the Defence of Peasant Agriculture', which agreed land and seed sovereignty to be priorities in 2011.

Terre en Vue launched in 2012 as an organisation for French-speaking Belgium, with a separate Flemish organisation forming. In their initial stages, they aimed to work with a diverse range of actors, including public sector, local government, and private individuals, to create a range of projects, including different ownership and stewardship collaborations with individuals and groups on an array of farm types. During this period, they also focused on developing resources such as legal contracts, advisory services and communication tools.

As well as buying farmland, Terre en Vue offer training courses for citizens on issues of agriculture, food system and access to land, to build a strong network of active citizens and ambassadors.

In 2017, they launched TupperTerre – a meeting platform for landowners and farmers.

Structure:

The NGO was launched in 2011 (which allows funding through public bodies and is a membership organisation), with a Cooperative company launched in 2012 (which allows community share offers). They have recently established a charitable foundation to facilitate donations of land and cash.

Local groups of shareholders come together around the farms they support, these do not have legal status and are largely autonomous of the national organisation.

Staff and volunteers:

Board of Directors with seven people and six staff members (5.5 FTE).

Terre en Vue have an active volunteer network with local groups associated with each farm, as well as a network of people who have participated in their ambassador training programme.

Financial mechanisms:

The NGO functions as a membership organisation, with individual and organisational membership. This covers a small amount of core costs.

The majority of staff costs are covered through public funding, both at a European and national level, for example through the Ministry of Economy in Belgium.

Share offers are a minimum of €100 and a maximum of €50,000, with a current average of €1100. There is no interest on shares with inflation understood as a donation to the Cooperative.

Currently TeV have over 1,600 shareholders, with around €1,800,000 of investment raised. Around half of shares are

dedicated to a particular project, with the other half 'solidarity shares' – these allow TeV to be reactive and seize opportunities.

It is encouraged that if you want to withdraw shares you find somebody who wants to invest, TeV supports this process by spreading the message through local groups. TeV also have regular investments, averaging €30,000 a month, and so withdrawal doesn't tend to be a problem. They aim to limit repayment period to a maximum of three months.

Tenancies:

Terre en Vue have struggled to create appropriate tenancy contracts within the Belgium system (see below). As an organisation they prioritise organic and community-connected agriculture, and work with a range of farm types at different scales to further this vision. They do not specifically prioritise smallholdings although for some projects they have divided large plots of land into small areas.

They are in the process of developing new contractual arrangements with the tenants.

Shareholders are encouraged to get actively involved with Terre en Vue local groups associated with each farm, the way local groups work varies, sometimes functioning as formal or informal CSAs.

Barriers and obstacles:

The high price of land in Belgium means Terre en Vue perceive an exclusive focus on buying land to lease would limit the impact of their organisation. They have overcome the challenge of high land prices by running other activities such as trainings and workshops on the whole food system to stimulate a generation of engaged food citizens.

Another significant obstacle for Terre en Vue has been creating tenancy contracts that meet their needs as an organisation. There are some strict regulations, which have made it difficult to stipulate conditions on lease contracts such as organic agriculture and do not allow landowners to terminate contracts.

Policy context:

Between 1980 and 2014 average farm size has tripled in Belgium, with 60% of farming jobs disappearing. Farmers have a pre-emptive right to buy, but on the condition that they can meet the highest price proposed by the seller. Land prices are very expensive, varying between €25,000 – 50,000 per hectare.

In 2015 the Walloon government published a new agricultural code and the intention to monitor land ownership more closely and potentially move towards the French system where the state holds farmland to provide space for farmers to acquire funds and buy it back from the state, rather than being sold to investors.

Plans for the future:

Terre en Vue is beginning an urban agriculture strand to support farming and food growing in towns and cities.

Agrarian Trust

The Agrarian Trust began in 2013 as a project of the Schumacker Centre for New Economics and Greenhorns. Until now, they have focused on raising awareness, framing solutions, supporting stakeholders and developing resources. They plan to begin raising community shares in due course.

They have held 'Our Land' Symposiums, developed an Agrarian lawyers network, created numerous resources on accessing land and are building a strong movement on this issue.

They are open to donations of land and plan to start raising community shares to buy land in the near future.

Kulturland

Background:

Kulturland Cooperative was established in August 2014 (after two years of preparation) with first 9 ha of farmland acquired December 2014. They now have 51 ha across seven farms – owning one farm completely, the other six they own part of the farm.

Kulturland's primary mission is securing land in commons, to this end they work a lot with existing farms, who are at risk of losing some of their land or wanting to expand. Transferring ownership of existing farmland is a simpler process than creating new smallholdings, which perhaps explains their rapid development as an organisation.

Structure:

They are a Cooperative with a one member one vote system, with three Managing Directors elected at the AGM. They are clear that members do not get any financial benefit from their investment, and promote it as an idealistic investment.

They do not have a charitable arm, but facilitate donations through a partner charity: Schweisfurth Foundation.

Staff and volunteers:

Kulturland has one full time member of staff and one part time admin role (10hrs/week).

They have 15 volunteers, including board members, active volunteers and ambassadors.

Financial mechanisms:

Finances are raised through public investment, with shares in Cooperative totaling around 60% of income, and member loans making up the other 40%. Shareholders also pay a 5% entrance fee to the Cooperative, which contributes to staff costs.

Member shares are €500 euros, there is no interest and a 5 year minimum of investment with 6 months notice for withdrawing shares. There is no upper investment limit, but investments above €20,000 need support from the board to ensure long-term engagement of the investor.

Member loans can receive up to 1% interest, they have a longer notice period of three years, and people providing loans do not have to pay the 5% entrance fee to the Cooperative, although this might change in the future.

Previously, you could only invest loans if you had invested shares, but this has changed.

They have around 300 members, with 1.4 million euros of investment.

In 2017, they acquired 32 hectares for €400,000.

Tenancies:

Tenancy agreements are for community-connected organic farming. Tenants have to farm organically according to EU standards; in addition, they have to give 10% of their land over to biodiversity. Community activities include, working with endangered species, school trips, working with minorities and cultural events.

Tenants are obliged to help find shareholders to invest in the farms.

Support for tenants includes organising opportunities for knowledge exchange, networking and sharing experiences. Kulturland also offers support developing PR materials.

Barriers and Obstacles:

The principal difficulty for the organisation is covering staff costs, they were unable to secure public funding and are reliant on significant volunteer labour.

Communicating the message has also been a challenge and Kulturland have put a lot of energy into honing their PR strategy.

Policy background:

Land prices in Germany have doubled since financial crisis in 2008. Despite a strong legislative framework for land market regulation which favours farmers, it is estimated that one third of land purchases in Germany are non-farmers.

This regulative framework did prove a hurdle for Kulturland to acquire farmland though, which was eventually overcome by working with the authorities to develop a contractual model to establish a joint holding society with each farmer.

Plans for the Future:

Kulturland intends to scale up this model, keep growing and taking land out of the commodity market.

SWOT Overview:

Land Trust	Strengths	Weaknesses	Opportunities	Threats
Ecological Land Cooperative	<ul style="list-style-type: none"> - Established a positive reputation and are able to attract people willing to invest patient capital. - Contributing to providing new smallholding opportunities. - Provides support and an example to follow for other smallholders facing the planning process. 	<ul style="list-style-type: none"> - Model has been slow to develop and the focus on a smaller number of more complicated projects potentially makes it less resilient than other models that have been able to acquire land faster. - Margins are tight which limits capacity to get involved with wider policy processes. 	<ul style="list-style-type: none"> - Now that the model has been established, it is much easier to replicate and thus provides an opportunity to not only change land ownership, but also the pattern of land use. 	<ul style="list-style-type: none"> - New entrants may need significant support in challenging economic environment.
Biodynamic Land Trust	<ul style="list-style-type: none"> - Have investments elsewhere to contribute to core costs. 	<ul style="list-style-type: none"> - Niche farming system limits numbers of potential investors. 	<ul style="list-style-type: none"> - A strong focus on ensuring projects are community-orientated may provide a widening support base. 	<ul style="list-style-type: none"> - Reliance on initial start up donation means a sustainable model has not been established.
Terre en Vue	<ul style="list-style-type: none"> - Have been able to secure significant investment and grow rapidly. - Investing in movement building whilst making strong progress acquiring land, providing for long term success. 	<ul style="list-style-type: none"> - Receive public funding but this is insecure, which impedes long-term planning. 	<ul style="list-style-type: none"> - Have built a functioning model for rural land, but given the pattern of land use in Belgium, their new focus on peri-urban and urban land may enable significant development. - Have focused on 	<ul style="list-style-type: none"> - Are involved in a wide variety of projects and activities, which may be difficult to manage adequately if funding is cut.

	<ul style="list-style-type: none"> - Projects are varied in size and farm type, seen as a respected and viable option for different landowners and farmers. - A centralized organisation with autonomous local groups facilitates involvement. 		<p>establishing partnerships with a broad array of actors, which opens opportunities.</p>	
Agrarian Trust	<ul style="list-style-type: none"> - Development of a strong network and knowledge to raise the issue and frame the solutions. 	<ul style="list-style-type: none"> - Difficult to assess until the model for buying land is more firmly laid out. 	<ul style="list-style-type: none"> - Have established a support base and expertise, which provides a solid platform for future initiatives of the trust. 	<ul style="list-style-type: none"> - Intend to rely on donations of land, this may limit opportunities for engagement and broad participation.
Kulturland	<ul style="list-style-type: none"> - Model is scalable, have been able to secure investment and land rapidly meeting core aim of taking farmland out of the commodity market and preserving for organic agriculture. 	<ul style="list-style-type: none"> - Supports existing farms, but does not have such a significant impact in creating opportunities for new entrants. 	<ul style="list-style-type: none"> - Have built a scalable model and acquired a lot of land in a small time, this provides a stable foundation to grow further. 	<ul style="list-style-type: none"> - High bar for investors: no interest rate + additional joining fee, possible to exhaust the number of ideological investors.

Scottish Farm Land Trust: Key Decisions

1. Defining priorities and long-term vision:

Scottish Farm Land Trust has outlined their broad aims as:

- purchase quality land to be held in trust for the use of low-impact ecological farming
- support the development of sustainable rural employment
- support new entrants into farming

With further aims to:

- remove land from the commodity market
- boost the rural economy and support the re-population of rural communities
- create farm landscapes which are wildlife friendly
- create a sustainable and affordable model
- facilitate cooperation between producers
- provide local, healthy food
- provide education and volunteering opportunities

Although these broad aims are shared across the examples of land trusts, different priorities have been emphasised. The ELC has focused on providing new smallholding opportunities, while Kulturland has focused on taking land out of the commodity market. Of course, these approaches

can – and often are – combined, but the long-term vision of SFLT will determine short-term priorities.

Organisational resilience may be supported by involvement in a variety of different models in the initial years, as was the strategy for Terre en Vue.

Focusing on one intensive project as the ELC has done means that they have acquired skills and experience for this specific model, which they plan to replicate.

Kulturland have been successful in building up a portfolio of land quickly, which enables greater stability and freedom to get involved with more complicated projects in the future.

2. Legal Structure:

A Community Benefit Society, which could be organised along cooperative principles as has been demonstrated by the ELC, seems a fitting model for the SFLT.

Charitable status enables tax-deductible donations and enables access to certain funding opportunities. The example of the Biodynamic Land Trust shows that it is possible for a Community Benefit Society that raises shares to also acquire charitable status; although the system is slightly different in Scotland, this will also be an option for the SFLT. Other land

trusts have established a company to raise shares and a charity to receive donations.

3. Covering staff costs:

Each organisation has a slightly different strategy for covering staff costs. Kulturland includes an additional 5% entry fee to the organisation for investors, alongside land lease payments this contributes to the sustainability of the organisation. The ELC on the other hand cover staff costs through the sale of the leases, at which point they are able to retrospectively pay for the staff time involved. This can mean relying on loans and is a system with tight margins. They intend to have more rental agreements in the future to provide a more continuous income stream. The BDLT are able to cover some costs through repayments on investments; however, unless SFLT begins with a significant donation this is not an option.

Terre en Vue is the only model assessed here who have been able to secure public funding, with staff costs covered through support from the Belgium Government and European Parliament. Given the policy environment in Scotland, there is potential to access grant funding to support the development of the SFLT. There is already a precedent for this with public money dedicated to enabling community ownership of land.

Another option would be to look for external grant funding, which can kickstart the organisation with dedicated staff time. Given the wide variety of specialist skills needed funding is likely to be required to pay for contractors to undertake specific bits of work, as well as organisational development.

4. Interest rates:

The ELC elected to offer interest for investors, this is a significant decision because it both encourages investment but also poses some questions for the organisation. ELC do not have share offers open all of the time because they have to be careful in managing the investment rates to avoid paying interest on money they don't need immediately.

Other organisations have chosen not to pay interest as an ideological decision, believing that investing in land should not provide financial benefits and people receive social and environmental returns on their investments.

SFLT have to decide whether to focus on the value-driven pitch, which excludes financial interest as a matter of principal, or whether to potentially expand the number of interested investors by offering interest.

5. Tenants:

Advice from the ELC includes ensuring there is accurate awareness concerning the difficulties in making a living from small-scale farming. Their experience, which perhaps reflects the response to the SFLT Looking for Land survey, is that people often hold idealistic imaginaries of living from the land that are not borne out in the economic realities and so tenant selection has to be undertaken carefully. As mentioned earlier they are also planning to include more opportunities for potential tenants on the same site to meet each other in the future.

Conclusions for the Scottish Farm Land Trust

Strengths:

The Scottish Farm Land Trust is well placed to take advantage of the learning and experience of other land trust models, and adapt these approaches for the Scottish context.

Previous research indicated a high level of interest in farming ecologically in Scotland, and as mentioned above the policy environment is favourable for significant interventions in Scotland's land use and ownership.

Opportunities:

Across the world, and Scotland is no exception, there is a rise in citizen consciousness concerning food issues. We may still be far behind countries such as France in terms of food culture, but this is an area receiving significant public policy attention. The Good Food Nation Bill is anticipated in this Parliamentary term and expected to build on the approach taken by the Land Reform Act in considering socio-economic rights of citizens – including the right to food. This may give attention to supply chain infrastructure and other mechanisms that will provide support for ecological and community-orientated farmers.

This policy environment should also provide opportunities to work with the public sector, such as local authorities and public landowners, as well as the potential to receive public funding for core costs.

Increased awareness about the issues will support SFLT in raising shares beyond those who are already engaged. Raising shares is likely to be further supported by the safety of investments secured by land in an uncertain financial climate, and low interest rates, which limit the attractiveness of other investment opportunities.

Threats:

The profitability of farming is a critical question; if Scottish Farm Land Trust is focusing on new entrants into

agriculture, processes to ensure people are not set up to fail will be vital. In addition to access to land, access to training and resources are challenges for new entrants.

The reputation of the SFLT will be the pivotal element in securing investment and donations; if SFLT does not have the capacity to establish a positive and constructive relationship with key stakeholders, this may limit options for the organisation and reduce public visibility.