



Farm Rents 2015/16 - England

This release provides estimates of average rents paid under Full Agricultural Tenancies, Farm Business Tenancies and seasonal agreements (those of less than 12 months) for 2013/14 to 2015/16 together with the area of land covered by these agreements. The data are used by tenant farmers and landlords to set rents and by Defra to inform decisions on statutory succession. Throughout this release the results from the 2015/16 Farm Business Survey (FBS) will be referred to as the 2015 results.

The key results for each agreement type in 2015 are given below.

Full Agricultural Tenancy (FAT) agreements ([Tables 2 - 5](#))

- In 2015 the average rent for Full Agricultural Tenancy (FAT) agreements was £180 per hectare, 2% higher than 2014.
- There were small increases for most main farm types and for all regions except the East of England and South East.

Farm Business Tenancy (FBT) agreements ([Tables 6 - 9](#))

- In 2015 the average rent for Farm Business Tenancy (FBT) agreements was £209 per hectare, 1% higher than 2014.
- There was little overall change for individual farm types or regions.

Seasonal agreements ([Figure 5](#))

- The average rent for seasonal agreements was £162 per hectare in 2015; average seasonal rents are estimated to have risen by 7% between 2014 and 2015.

Detailed results

All agreements types

Table 1: Average rents FAT, FBT and seasonal agreements in England

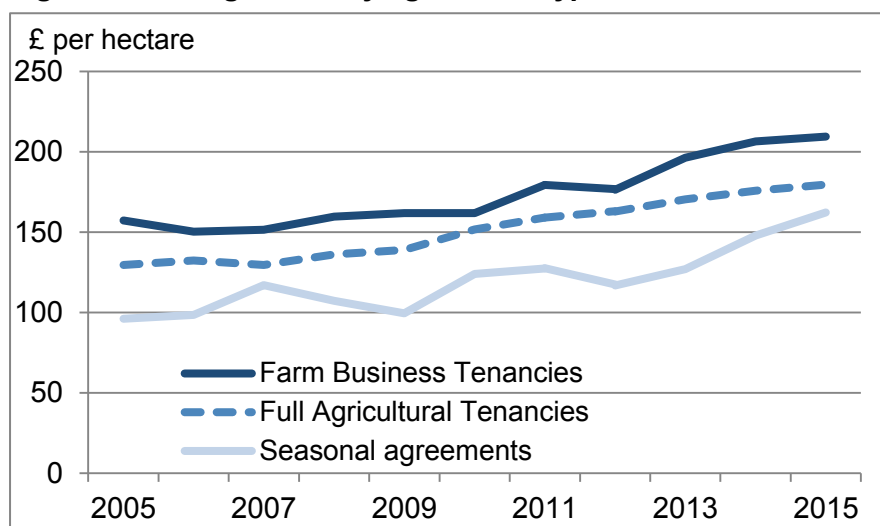
£ per hectare

	Average rent			2015-14 % change	Confidence Intervals		
	2013	2014	2015		2013	2014	2015
Full Agricultural Tenancies (FATs)	170	176	180	2%	± 13	± 9	± 9
Farm Business Tenancies (FBTs)	196	207	209	1%	± 14	± 13	± 15
Seasonal agreements ^(a)	127	148	162	(b)	± 24	± 26	± 13

(a) There were changes to the classification of agreements in 2015. If agreements are classified according to their 2014 type, the average seasonal agreement rent for 2015 would have been £158/ha +/-£12/ha, an increase of 7% from 2014. The average rents for other agreement types are not affected by this change.

(b) The average rent shown here for 2015 is not directly comparable with 2014. See footnote (a).

Figure 1: Average rents by agreement type: 2005 - 2015

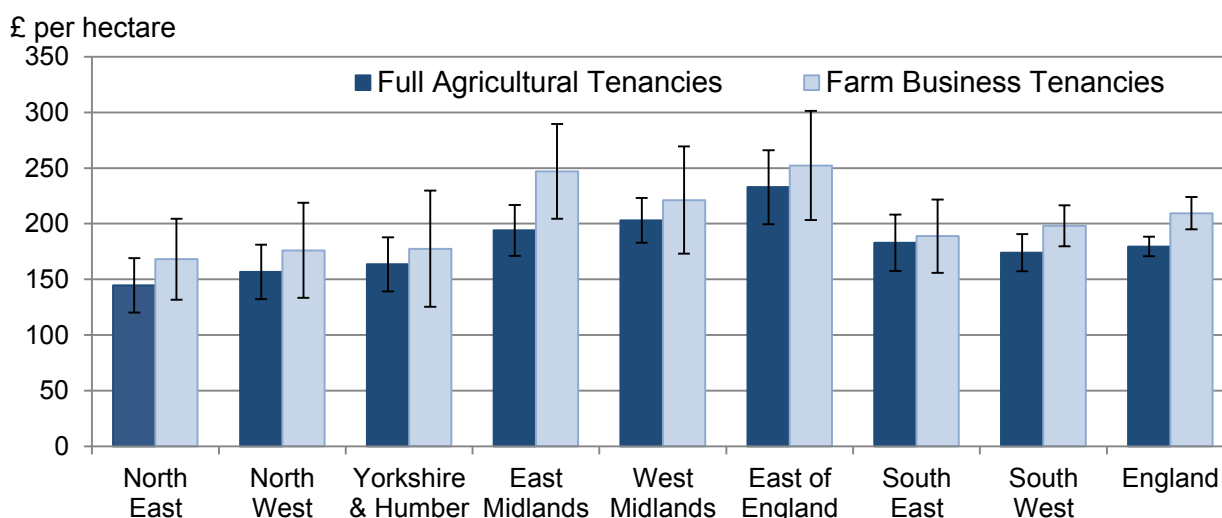


Between 2014 and 2015, the average rent for Full Agricultural Tenancies (FATs) increased by 2% to £180 per hectare; the average rent for Farm Business Tenancies (FBTs) increased by 1% to £209 per hectare (Figure 1 & Table 1).

Average rents tend to be higher for FBTs than for FATs, and to be higher in the East of England, East Midlands and West Midlands than in other regions (Figure 2). There is considerable

variation in rents at agreement level. This reflects factors such as the quality of the land and that agreements may be for land only or may also include any combination of dwellings, buildings and other assets (see tables 4 and 8).

Figure 2: Regional average rents by agreement type: 2015



The lines at the top of the bars indicate the [95% confidence intervals](#).

Full Agricultural Tenancies

Key findings

- In 2015 the average rent for Full Agricultural Tenancy (FAT) agreements was £180 per hectare, 2% higher than 2014.
- The average rent for FAT agreements increased in all regions except the East of England and the South East.

Full Agricultural Tenancies (FAT), also referred to as 1986 Act tenancies, were agreed before 1 September 1995. Generally, tenancies granted under the 1986 Act have lifetime security of tenure. The total area of land under these agreements fell by 5% between 2014 and 2015 (Table 2) to 1,444 thousand hectares. The average rent per hectare for land under FAT agreements increased by 2% between 2014 and 2015 to £180 per hectare. There were small increases for most main farm types and for all regions except the East of England and South East (Figure 3).

Table 2: Total area of rented land under FAT agreements in England by farm type^(a)

Type of farm	Thousand hectares					
	2011	2012	2013 ^(b)	2013 ^(c)	2014	2015
Cereals	513	520	503	517	512	500
General Cropping	222	224	220	206	188	164
Dairy	157	149	147	140	132	129
Grazing Livestock (LFA) ^(d)	312	309	298	299	295	281
Grazing Livestock (lowland)	156	160	165	171	165	159
All farms^(e)	1 592	1 592	1 565	1 565	1 512	1 444

Source: June Survey of Agriculture

(a) Figures relate to commercial holdings only. Commercial holdings are those with significant levels of farming activities. For further details please see section 3.3 of the June Survey methodology at:

<https://www.gov.uk/guidance/structure-of-the-agricultural-industry-survey-notes-and-guidance>.

(b) Farm types assigned using 2007 Standard Output coefficients (see (c)).

(c) The Standard Output coefficients used to assign farm types were updated in 2013 in keeping with EU methodology. They are now based on "2010" SO coefficients. Results for 2013 have been presented using both methods for comparability.

(d) LFA = Less Favoured Area.

(e) Figures for 'All farms' include values for other farm types (pigs, poultry, horticulture and mixed farms).

For those agreements with a recorded rent review, the average rent per hectare increased by 6% from £170 to £180 per hectare (Table 3). For those agreements with a recorded change to terms and conditions, the average rent per hectare increased by 4% from £152 to £159 per hectare.

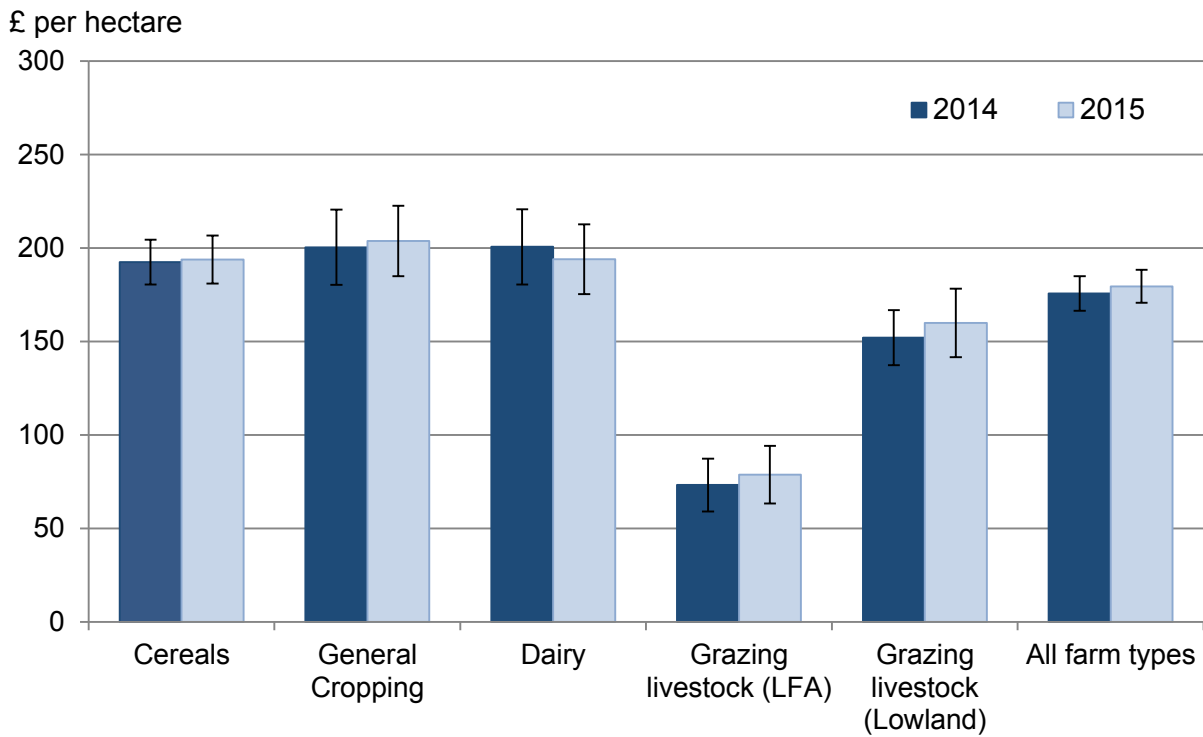
Table 3: Average rents for FATs with rent reviews and changes to terms and conditions

£ per hectare

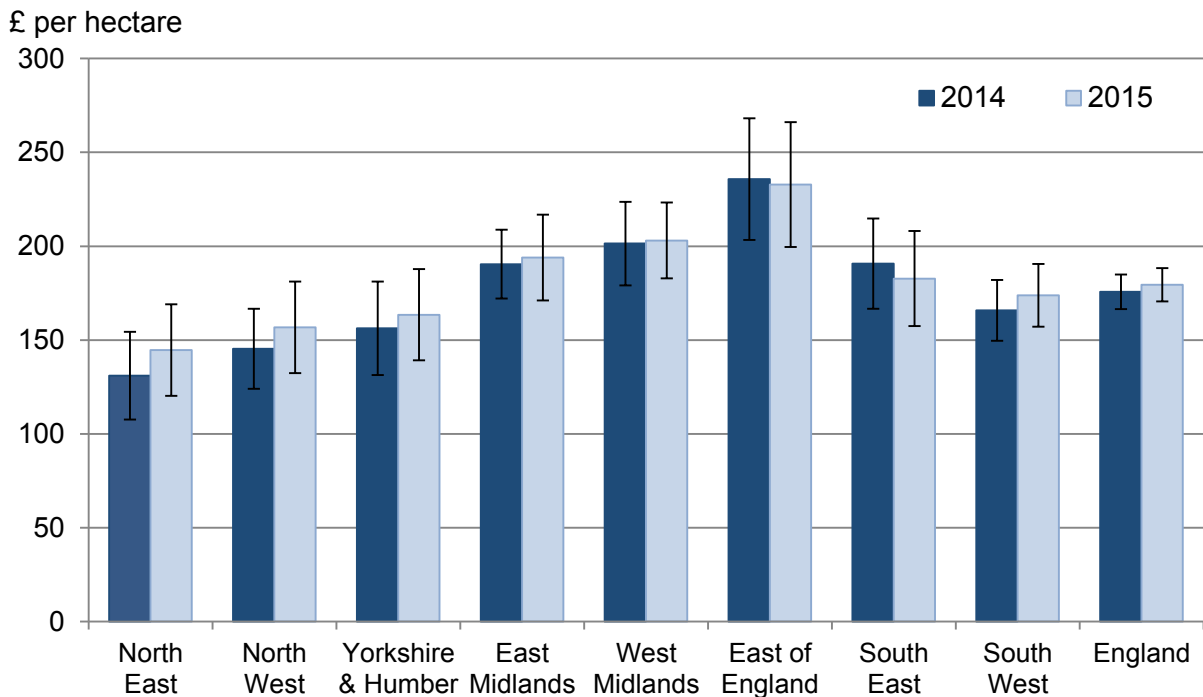
	Average Rent in 2014	Average Rent in 2015	% Change in Rent
Agreements with a recorded rent review in 2015	170 (±21)	180 (±23)	6%
Agreements with recorded change to terms and conditions in 2015	152 (±24)	159 (±26)	4%

Figures in brackets are the [95% confidence intervals](#).

Figure 3: Average rents for FATs (England) 2014 and 2015 by farm type (top) and region (bottom)



Note: Averages for “All farm types” include other farm types (pigs, poultry, horticulture and mixed farms).



The lines at the top of the bars indicate the [95% confidence intervals](#).

The results used to produce these charts can be found in the accompanying spreadsheet.

Tenancy agreements may relate to land only or include any combination of dwellings, buildings and other assets. In 2015, the average rent for those FAT agreements relating only to land¹ was £202 per hectare, little changed from 2014, when it was £204 per hectare (Table 4). The average rent for all other FAT agreements increased by 3% to £175 per hectare.

Table 4: Average rents for land only and other FAT agreements in England

	£ per hectare						
	Average rent			2014/15 % change	Confidence Intervals		
	2013	2014	2015		2013	2014	2015
Land only FAT agreements	192	204	202	-1%	± 29	± 29	± 26
All other FAT agreements ^(a)	165	170	175	3%	± 14	± 9	± 9
All FAT agreements	170	176	180	2%	± 13	± 9	± 9

(a) All other FAT agreements here include those agreements covering land and/or any combination of dwellings, buildings and other assets.

Tenancy agreements may include Basic Payment Scheme (BPS) entitlements (or Single Payment Scheme (SPS) prior to 2015). There are very few FAT agreements within the sample (18 in 2015) that do not include entitlements. The data are shown in Table 5 for completeness, but the difference in average rents between the two groups is not statistically significant.

Table 5: Average rents for FAT agreements in England by Single/Basic Payment Scheme (SPS/BPS) entitlement

	£ per hectare						
	Average rent			2014/15 % change	Confidence Intervals		
	2013	2014	2015		2013	2014	2015
FAT agreements excluding SPS/BPS entitlements ^(a)	152	156	135	-14%	± 80	±56	± 41
FAT agreements including SPS/BPS entitlements	170	176	180	2%	± 13	± 9	± 9
All FAT agreements	170	176	180	2%	± 13	± 9	± 9

(a) Based on a small number of observations. In 2015 there were only 18 FAT agreements within the sample that did not include SPS entitlements (in 2014 there were 21).

¹ In 2015, 43% of sample agreements were land only.

Farm Business Tenancies

Key findings

- In 2015 the average rent for Farm Business Tenancy (FBT) agreements was £209 per hectare; 1% higher than 2014.
- There was little overall change for individual farm types or regions.

Agricultural tenancies agreed since 1 September 1995 under the Agricultural Tenancies Act 1995, are known as Farm Business Tenancies (FBTs). In 2015, the total area of land under FBT agreements was 1,125 thousand hectares, little changed from 2014 (Table 6).

Table 6: Total area of rented land under FBT agreements in England by farm type^(a)

Type of farm	Thousand hectares					
	2011	2012	2013 ^(b)	2013 ^(c)	2014	2015
Cereals	328	334	334	341	351	348
General Cropping	154	152	160	153	143	141
Dairy	120	118	122	118	120	122
Grazing Livestock (LFA) ^(d)	172	178	188	188	188	191
Grazing Livestock (lowland)	152	152	158	164	167	163
All farms^(e)	1 075	1 084	1 123	1 123	1 120	1 125

Source: June Survey of Agriculture

(a) Figures relate to commercial holdings only. Commercial holdings are those with significant levels of farming activities. For further details please see section 3.3 of the June Survey methodology at:

<https://www.gov.uk/guidance/structure-of-the-agricultural-industry-survey-notes-and-guidance>.

(b) Farm types assigned using 2007 Standard Output (SO) coefficients (see (c)).

(c) The Standard Output coefficients used to assign farm types were updated in 2013 in keeping with EU methodology. They are now based on "2010" SO coefficients. Results for 2013 have been presented using both methods for comparability.

(d) LFA = Less Favoured Area.

(e) Figures for 'All farms' include values for other farm types (pigs, poultry, horticulture and mixed farms).

The average rent per hectare for land under FBT agreements increased by 1% between 2014 and 2015 to £209 per hectare. There was little overall change for individual farm types or regions (Figure 4).

Until 2014, the Farm Business Survey included similar informal agreements within the definition of FBT agreements. Informal agreements in this context were those based on the same principles as an FBT but without the accompanying legal documentation. In 2015, the classification of agreements was changed to improve the collection and reporting of data. The FBT agreements reported here for 2015 are defined as being written or unwritten for any period subject to the provisions of the Act. This will include formal FBTs that have rolled on informally, but in law are still regarded as FBT. Informal agreements where there is no formal tenancy agreement but the land is part of the Utilised Agricultural Area (i.e. not seasonally let) are now being separately recorded and reported. The results presented in this section exclude these informal agreements unless stated. Whilst this has resulted in some reclassification of agreements, it has had a minimal impact on the average FBT results. Including those FBTs now classified as "informal" would have resulted in an average FBT rent of £210 (+/- £14) per hectare in 2015.

For those agreements with a recorded rent review (Table 7) in 2015, the average rent per hectare increased by 12% from £198 to £223 per hectare. For those agreements with a recorded change to terms and conditions, the average rent per hectare increased by 13% from £190 to £214 per hectare. Where recorded², the average length of term for FBT agreements was 5 years 2 months (+/- 10 months).

² Agreement lengths are not recorded for all FBTs. See [Data Analysis](#) further details.

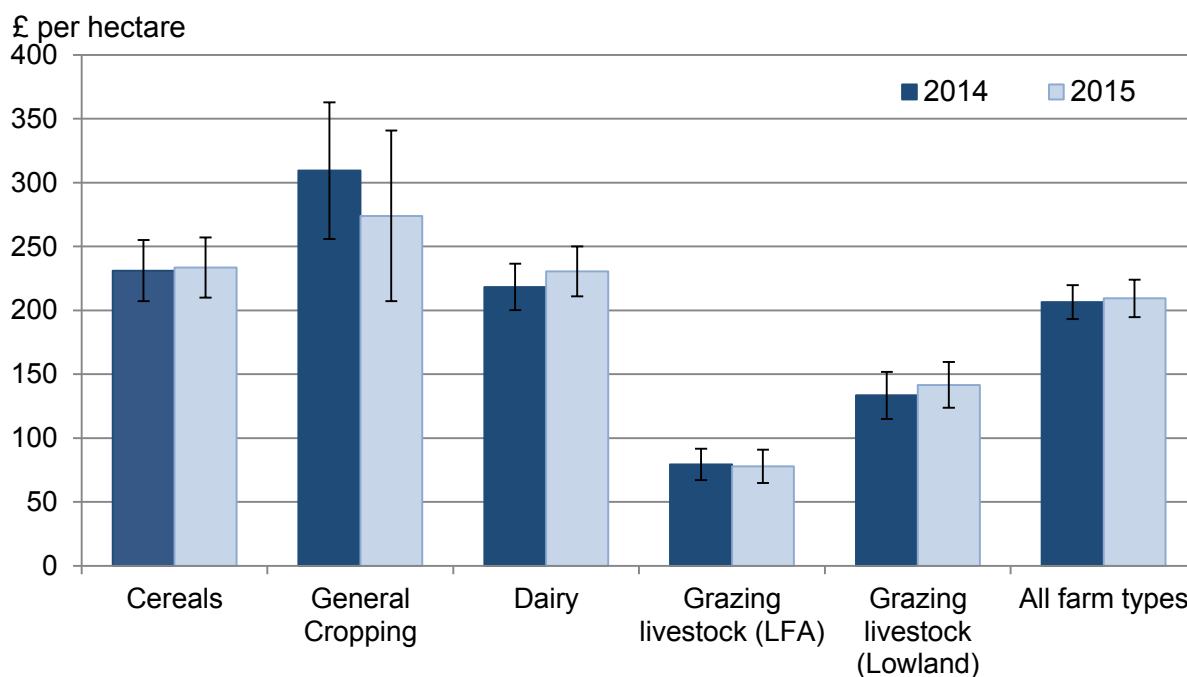
Table 7: Average rents for FBTs with rent reviews and changes to terms and conditions

£ per hectare

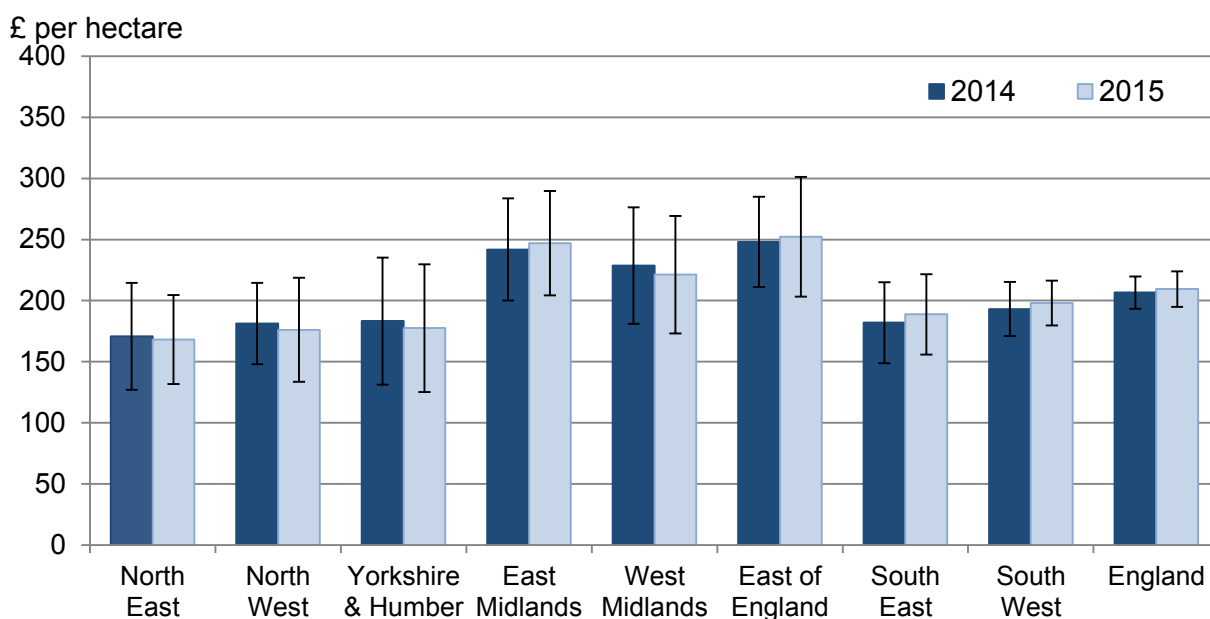
	Average Rent in 2014	Average Rent in 2015	% Change in Rent
Agreements with a recorded rent review in 2015	198 (±30)	223 (±33)	12%
Agreements with recorded change to terms and conditions in 2015	190 (±35)	214 (±38)	13%

Figures in brackets are the [95% confidence intervals](#).

Figure 4: Average rents for FBTs (England) 2014 and 2015 by farm type (top) and region (bottom)



Note: Averages for “All farm types” include other farm types (pigs, poultry, horticulture and mixed farms).



The lines at the top of the bars indicate the [95% confidence intervals](#).

The results used to produce these charts can be found in the accompanying spreadsheet.

Tenancy agreements may relate only to land or include any combination of dwellings, buildings and other assets. The average rent for those FBT agreements relating only to land³ increased by 5% in 2015 to £205 per hectare (Table 8). Whilst the average rent for all other FBT agreements fell by 3% to £215 per hectare, there is considerable variability in the data as reflected in the confidence intervals.

Table 8: Average rents for land only and other FBT agreements in England

	£ per hectare						
	Average rent			2014/15 % change	Confidence Intervals		
	2013	2014	2015		2013	2014	2015
Land only FBT agreements	190	196	205	5%	± 17	± 15	± 17
All other FBT agreements ^(a)	204	221	215	-3%	± 22	± 23	± 24
All FBT agreements	196	207	209	1%	± 14	± 13	± 15

(a) All other FBT agreements here include those agreements covering land and/or any combination of dwellings, buildings and other assets.

Tenancy agreements may include Basic Payment Scheme (BPS) entitlements, or Single Payment Scheme (SPS) prior to 2015. The average rent for those FBT agreements including SPS/BPS entitlements⁴ increased by 1% in 2015 to £208 per hectare (Table 9). The average rent for those FBT agreements excluding SPS/BPS entitlements increased by 4% to £220 per hectare. However, it should be noted that there is considerable variability in this data and the confidence intervals for this result are relatively wide (±£38 per hectare in 2015).

Table 9: Average rents for FBT agreements in England by Single/Basic Payment Scheme (SPS/BPS) entitlement

	£ per hectare						
	Average rent			2014/15 % change	Confidence Intervals		
	2013	2014	2015		2013	2014	2015
FBT agreements excluding SPS/BPS entitlements	222	213	220	4%	± 50	±30	± 38
FBT agreements including SPS/BPS entitlements	191	205	208	1%	± 14	± 14	± 16
All FBT agreements	196	207	209	1%	± 14	± 13	± 15

³ In 2015, 83% of FBT agreements within the sample were land only.

⁴ In 2015, 74% of FBT agreements within the sample included BPS entitlements.

Seasonal agreements

Key findings

- The average rent for seasonal agreements was £162 per hectare in 2015; the increase is estimated to have been 7% between 2014 and 2015.

Seasonal agreements may be for any length of term less than 12 months. These include licences for grazing and/or mowing only and may include BPS entitlements (or SPS until 2014). As noted in the previous section, there were changes to the way in which agreement types were classified within the Farm Business Survey in 2015. This has resulted in some seasonal agreements being reclassified as “informal agreements”. Results have been calculated based on 2014 and 2015 agreement classifications to provide comparable results. In practice, the averages calculated in this way are similar and well within the annual confidence intervals.

The average rent per hectare for seasonal agreements was £162 in 2015; an estimated increase of 7% based on comparable data.

Table 10: Average rents for seasonal agreements in England

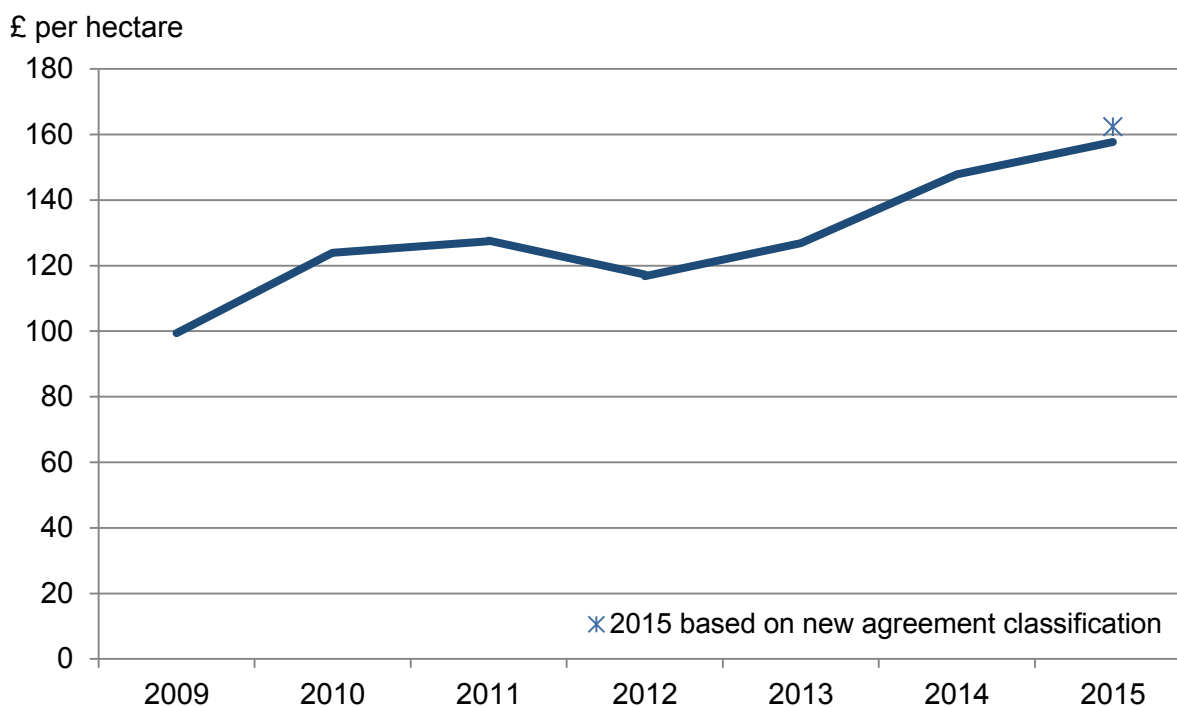
	Average rent			2014/15 % change	Confidence Intervals		
	2013	2014	2015 ^(a)		2013	2014	2015
Seasonal agreements	127	148	158	7%*	± 24	± 26	± 13

(a) Uses 2014 agreement code for those agreements existing in 2014, 2015 classification for other agreements.

(b) Based on 2015 agreement classification.

* Calculated using comparable data.

Figure 5: Average rents seasonal agreements (England) 2009 to 2015



Informal agreements

In 2015, there was an improvement to the way in which tenancy agreements were classified in the Farm Business Survey. A new category of “informal agreements” was introduced. These informal agreements are those where there is no formal tenancy agreement but the land is part of the Utilised Agricultural Area (i.e. not seasonally let). This resulted in the reclassification of a number of agreements (Table 11).

Table 11: 2014 agreement type for those agreements classified as informal in 2015.

2014 Agreement Type	Number of agreements
Full Agricultural Tenancy	3
Farm Business Tenancy	149
Seasonal Agreement	65
Other agreements ^(a)	157

(a) The average rent for these agreements has not previously been included in published results. The table shows numbers for matched agreements. In addition, there were 145 informal agreements where a match could not be found with an agreement in 2014 (i.e. new agreements) and 53 informal agreements on farms that were new to the FBS in 2015.

In 2015, the average rent per hectare for informal agreements was £204 per hectare, Table 12. However it should be noted that due to the nature of these agreements there is considerable variability. For those agreements that are land only, there is much less variability. For these agreements the average rent was £179 per hectare in 2015.

Table 12: Average rents for land only and other informal agreements in England

	2015	Confidence interval
Land only informal agreements	179	± 29
All other informal agreements ^(a)	422	± 242
All informal agreements	204	± 132

(a) All other informal agreements include those agreements covering land and/or any combination of dwellings, buildings and other assets these. These agreements account for 10% of informal agreements within the sample.

Survey methodology

Results show the average amount of rent paid per hectare per year. They cover a wide range of rental agreements including those that are land only and those that include dwellings, farm buildings and other assets. To give an indication of the difference in rents, results have also been produced to show average values for land only agreements (see tables 4 and 8).

In 2009 a Defra review concluded that the Farm Business Survey (FBS) data should become the main data source for farm rents and that the previous Tenanted Land Survey should be discontinued. Further information about the review can be found here:

<https://www.gov.uk/government/collections/farm-business-survey/>.

The FBS is an annual survey conducted by experienced data collectors via interview and access to farmers' documents. The FBS collects data at a business level for all rental agreements, with a sample of around 1,800 farm businesses in England. The sample covers all types of farming in all regions of the country, and includes owner-occupied, tenanted and mixed tenure farms.

The FBS has a threshold which removes the smallest farm businesses (those with less than 25,000 euros of Standard Output) from the survey. More detailed information about the Farm Business Survey and the data collected can be found at:

<https://www.gov.uk/farm-business-survey-technical-notes-and-guidance/>.

Definitions

Results within this release are shown for four main types of rental agreements; Full Agricultural Tenancies, Farm Business Tenancies, Seasonal and Informal agreements. Information about agricultural tenancies can be found at <https://www.gov.uk/guidance/agricultural-tenancies>. Unless otherwise stated results for each of the agreement types are defined below:

- Full Agricultural Tenancies (FAT), also referred to as 1986 Act tenancies, were agreed before 1 September 1995. Generally, tenancies granted under the 1986 Act have lifetime security of tenure. FATs include Full Agricultural Tenancies with and without Single/Basic Payment Scheme (SPS/BPS) entitlements.
- Agricultural tenancies agreed since 1 September 1995 under the Agricultural Tenancies Act 1995, are known as Farm Business Tenancies (FBTs). Until 2014, Farm Business Tenancies were defined within the Farm Business Survey as including similar informal agreements with and without SPS entitlements. Informal agreements in this context were those based on the same principles as an FBT but without the accompanying legal documentation. In 2015 the classification of agreements was changed to improve the collection and reporting of data. FBT agreements reported in this notice for 2015 are defined as being written or unwritten for any period subject to the provisions of the Act. This will include formal FBTs that have rolled on informally, but in law are still regarded as FBT.
- Seasonal agreements include licences for grazing and/or mowing only with and without SPS/BPS entitlements.
- From 2015, informal agreements are defined as those where there is no formal tenancy agreement but the land is part of the Utilised Agricultural Area (i.e. not seasonally let).

Detailed results have been included to show the difference in average rents for those agreements with and without BPS/SPS entitlements. These results are shown in tables 5 and 9.

Data analysis

The data are subject to rigorous validation checks which identify inconsistencies within the data or large year-on-year changes.

The survey data are weighted so that the results reflect the population of farms represented by the survey. Initial weights are applied to the FBS records based on the inverse sampling fraction for each design stratum (farm type by farm size). These weights are then adjusted (calibration weighting) so that they can produce unbiased estimators of a number of different target variables. Further information on calibration weighting can be found in the 'Statistical Issues' document here:

<https://www.gov.uk/farm-business-survey-technical-notes-and-guidance/>.

Where appropriate, results are published by farm type and region. More information about farm type classification can be found in section 5.2 of the June Survey methodology via the following link:

<https://www.gov.uk/government/collections/structure-of-the-agricultural-industry/>.

Agreement lengths

The results for Farm Business Tenancies (FBTs) presented within this notice include other similar informal agreements. For each agreement the researchers recorded the agreement length, whether the agreement was for “Life” or had no fixed term. In 2015, 49% of FBT agreements within the sample had a recorded length of term. The average term length of these agreements was 5 years and 2 months (+/- 10 months). The remaining 51% of FBT agreements were recorded as having no fixed term.

Accuracy and reliability

As a guide to the accuracy of the results, we have included the 95% confidence intervals for all the latest rents shown in the tables. For example, the survey results show that the average annual rent for all land under Full Agricultural Tenancies is £180 per hectare for 2015 with a 95% confidence interval of ±£9 per hectare. This means that we can be 95% confident that the range £171 - £189 per hectare contains the actual population average rent for all land under FATs.

Confidence limits are based on the standard errors multiplied by 1.96 to give the 95% confidence interval. The standard errors only give an indication of the sampling error. They do not reflect any other sources of survey errors, such as non-response bias and interviewer errors.

It should be noted that the confidence intervals are higher for the regional estimates compared to those for the published farm types. This is because the regional estimates include all farm types including pig, poultry and horticultural farms for which rents tend to be more variable.

Percentage changes shown within this release are based on unrounded figures. Totals may not necessarily agree with the sum of their components due to rounding.

Revisions

Data for a small number of farms for 2014 has been updated since the previous release. The main impact has been to the average rent for **seasonal agreements** which has been revised from £142 per hectare to £148 per hectare. Previously published results for 2014 can be found here:

<https://www.gov.uk/government/statistics/farm-rents>

Other survey results and next publication date

Farm rent estimates from the Farm Business Survey for England are published annually. The next publication is due in March 2018 for the results from the 2016/17 survey.

A time series is available containing results from the Farm Business Survey from 2004 onwards. Estimates are also included for the FBS backdated to 2001. This can be found at:

<https://www.gov.uk/government/publications/farm-rents/>.

Historical results from the now discontinued Annual Rent Enquiry (1968 to 1995) and Tenanted Land Survey (1996 to 2006) can also be found via the same web link.

Results from all the Defra farming surveys can be viewed on the Defra website at:

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/about/statistics/>.

Data uses

Defra uses the rent data in the calculation of net incomes in the annual Units of Production Order (UPO), which the Minister is required to make annually under the Agricultural Holdings Act 1986. This is to determine eligibility for statutory succession to an agricultural tenancy order. Tenant farmers and landlords use the data when setting rental prices on tenant farms.

User engagement

As part of our ongoing commitment to compliance with the Code of Practice for Official Statistics (<http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>), we wish to strengthen our engagement with users of these statistics and better understand the use made of them and the types of decisions that they inform. Consequently, we invite users to make themselves known, to advise us of the use they do, or might, make of these statistics, and what their wishes are in terms of engagement. Feedback on this notice and enquiries about these statistics are also welcome.

Please contact Charles Mbakwe at fbs.queries@defra.gsi.gov.uk.

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