



Farm Rents 2014/15 - 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 and 2014/15 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 2014/15 Farm Business Survey (FBS) will be referred to as the 2014 results.

The key results for each agreement type in 2014 are given below.

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

- In 2014 the average rent for Full Agricultural Tenancy (FAT) agreements was £176 per hectare, 3% higher than 2013.
- The average rent for FAT agreements increased in all regions except for the West Midlands.

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

- In 2014 the average rent for Farm Business Tenancy (FBT) agreements was £207 per hectare, 5% higher than 2013.
- The average rent for FBT agreements increased for all farm types and in all regions except for the West Midlands and East of England.

Seasonal agreements ([Figure 5](#))

- The average rent for seasonal agreements was £142 per hectare in 2014; 12% higher than in 2013.

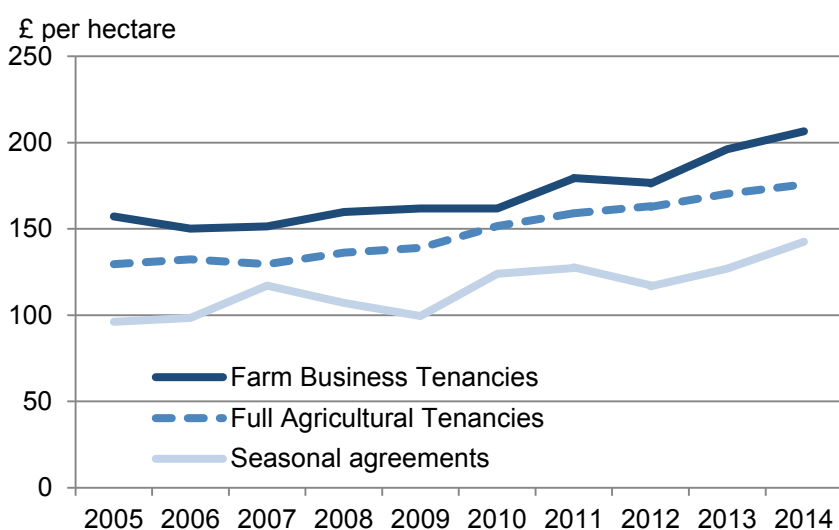
Detailed results

All agreements types

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

	£ per hectare				
	2013	2014	2014-13 % change	2013 confidence interval	2014 confidence interval
Full Agricultural Tenancies (FATs)	170	176	3%	± 13	± 9
Farm Business Tenancies (FBTs)	196	207	5%	± 14	± 13
Seasonal agreements	127	142	12%	± 24	± 26

Figure 1: Average rents by agreement type: 2005 - 2014

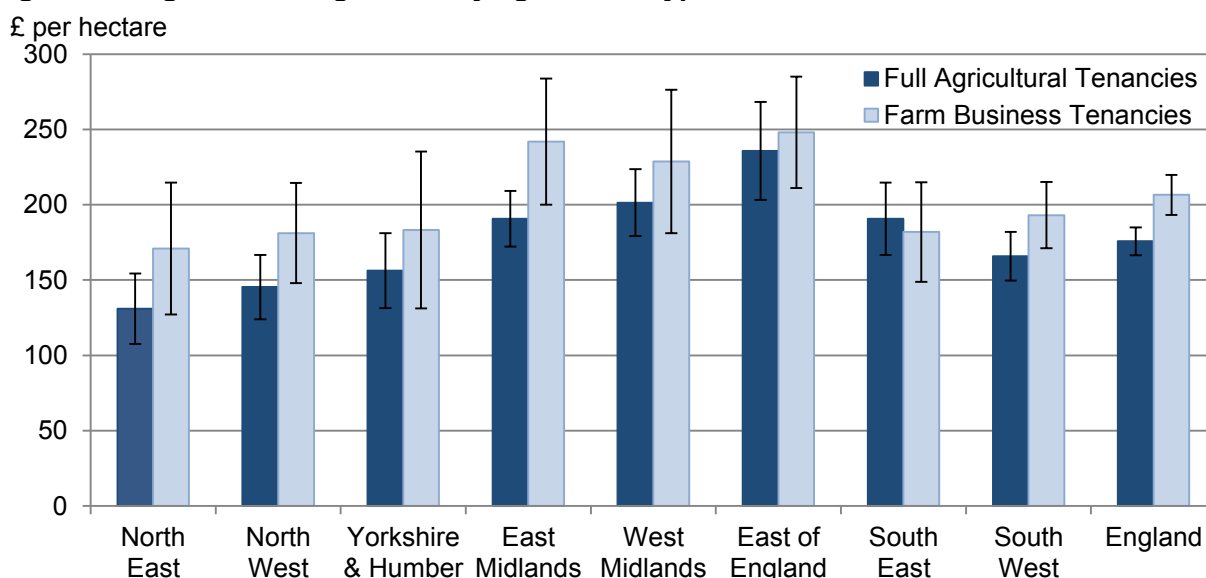


Between 2013 and 2014, the average rent for Full Agricultural Tenancies (FATs) increased by 3% to £176 per hectare; the average rent for Farm Business Tenancies (FBTs) increased by 5% to £207 per hectare; the average rent for seasonal agreements increased by 12% to £142 per hectare (Figure 1 & Table 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 reflecting factors such as the quality of the land and that agreements may only include land 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: 2014



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

Full Agricultural Tenancies

Key findings

- In 2014 the average rent for Full Agricultural Tenancy (FAT) agreements was £176 per hectare, 3% higher than 2013.
- The average rent for FAT agreements increased in all regions except for the West Midlands.

Those agricultural tenancies agreed before 1 September 1995 are known as 1986 Act tenancies, or Full Agricultural Tenancies (FAT). Generally, tenancies granted under the 1986 Act have lifetime security of tenure. The total area of land under FAT agreements fell by 3% between 2013 and 2014 (Table 2) to 1,512 thousand hectares. The average rent per hectare for land under FAT agreements increased by 3% between 2013 and 2014 to £176 per hectare. There were increases for most main farm types and for all regions except the West Midlands (Figure 3).

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

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

Source: June Survey of Agriculture

(a) Figures relate to commercial holdings only. Commercial holdings are those with significant levels of farming activities defined by the thresholds used in the June 2010 Census. For further details please see section 3.3 of the June Survey methodology at: <https://www.gov.uk/government/collections/structure-of-the-agricultural-industry/>.

(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 9% from £182 to £199 per hectare (Table 3). For those agreements with a recorded change to terms and conditions, the average rent per hectare also increased by 9% from £159 to £172 per hectare.

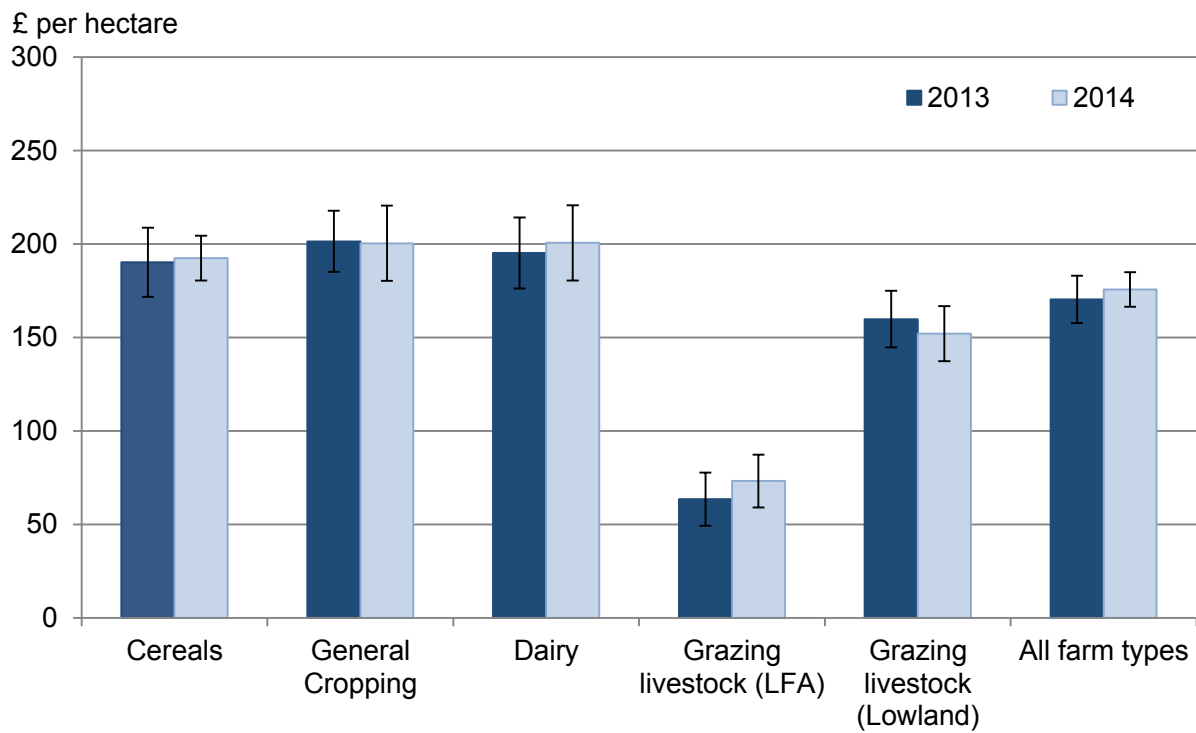
Table 3: Average rents for FATs with rent reviews and changes to terms and conditions

£ per hectare

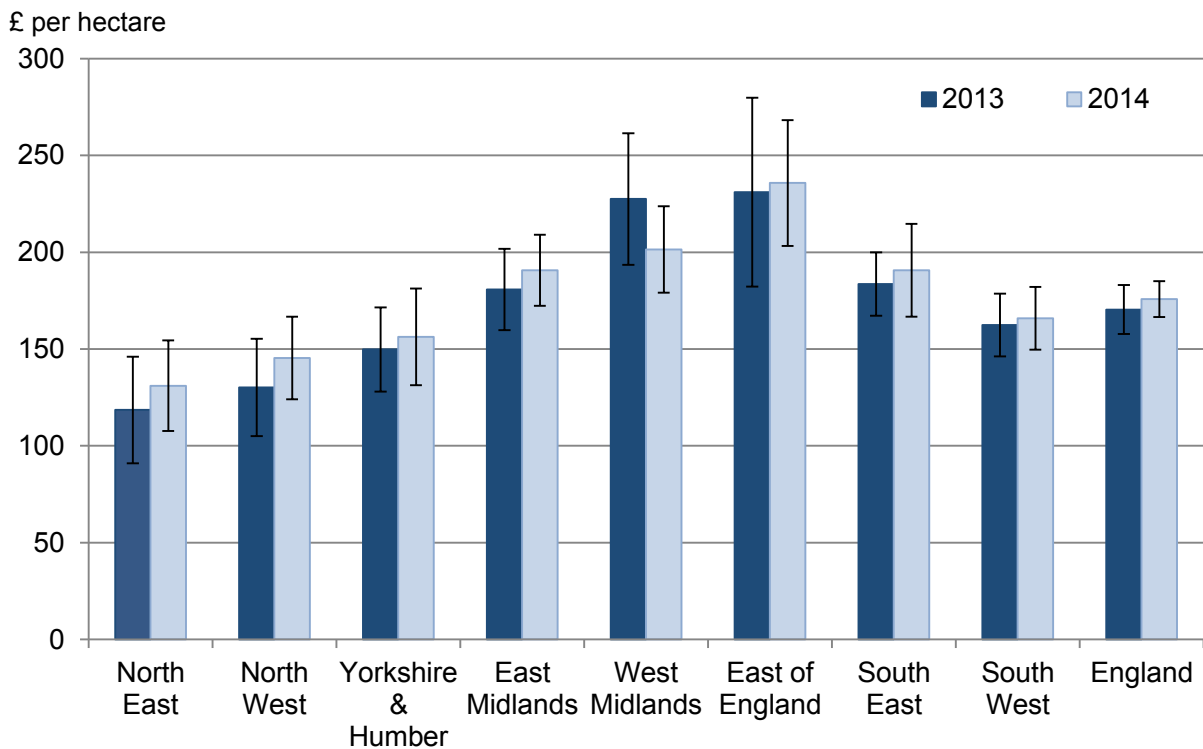
	Average Rent in 2013	Average Rent in 2014	% Change in Rent
Agreements with a recorded rent review in 2014	182 (±16)	199 (±17)	9%
Agreements with recorded change to terms and conditions in 2014	159 (±27)	172 (±30)	9%

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

Figure 3: Average rents for FATs (England) 2013 and 2014 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 FAT agreements relating only to land¹ increased by 6% in 2014 to £204 per hectare (Table 4). The average rent for all other FAT agreements increased by 3% to £170 per hectare.

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

	£ per hectare				
	2013	2014	2014-13 % change	2013 confidence interval	2014 confidence interval
Land only FAT agreements	192	204	6%	± 29	± 29
All other FAT agreements ^(a)	165	170	3%	± 14	± 9
All FAT agreements	170	176	3%	± 13	± 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 Single Payment Scheme (SPS) entitlements. There are very few FAT agreements within the sample (21 in 2014) 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 Payment Scheme (SPS) entitlement

	£ per hectare				
	2013	2014	2014-13 % change	2013 confidence interval	2014 confidence interval
FAT agreements excluding SPS entitlements ^(a)	152	156	3%	± 80	±56
FAT agreements including SPS entitlements	170	176	3%	± 13	± 9
All FAT agreements	170	176	3%	± 13	± 9

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

¹ In 2014, 44% of sample agreements were land only.

Farm Business Tenancies

Key findings

- In 2014 the average rent for Farm Business Tenancy (FBT) agreements was £207 per hectare; 5% higher than 2013.
- The average rent for FBT agreements increased for all farm types and in all regions except the West Midlands and East of England.

Agricultural tenancies agreed since 1 September 1995 under the Agricultural Tenancies Act 1995, are known as Farm Business Tenancies (FBTs). In 2014, the total area of land under FBT agreements was 1,120 thousand hectares, little changed from 2013 (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
Cereals	328	334	334	341	351
General Cropping	154	152	160	153	143
Dairy	120	118	122	118	120
Grazing Livestock (LFA) ^(d)	172	178	188	188	188
Grazing Livestock (lowland)	152	152	158	164	167
All farms^(e)	1 075	1 084	1 123	1 123	1 120

Source: June Survey of Agriculture

(a) Figures relate to commercial holdings only. Commercial holdings are those with significant levels of farming activities defined by the thresholds used in the June 2010 Census. For further details please see section 3.3 of the June Survey methodology at: <https://www.gov.uk/government/collections/structure-of-the-agricultural-industry/>.

(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 FBT² agreements increased by 5% between 2013 and 2014 to £207 per hectare. There were increases for all farm types and across all regions except the West Midlands and East of England (Figure 4).

For those agreements with a recorded rent review (Table 7) in 2014, the average rent per hectare increased by 8% from £199 to £215 per hectare. For those agreements with a recorded change to terms and conditions, the average rent per hectare also increased by 8% from £209 to £224 per hectare. Where recorded³, the average length of term for FBT agreements was 4 years.

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

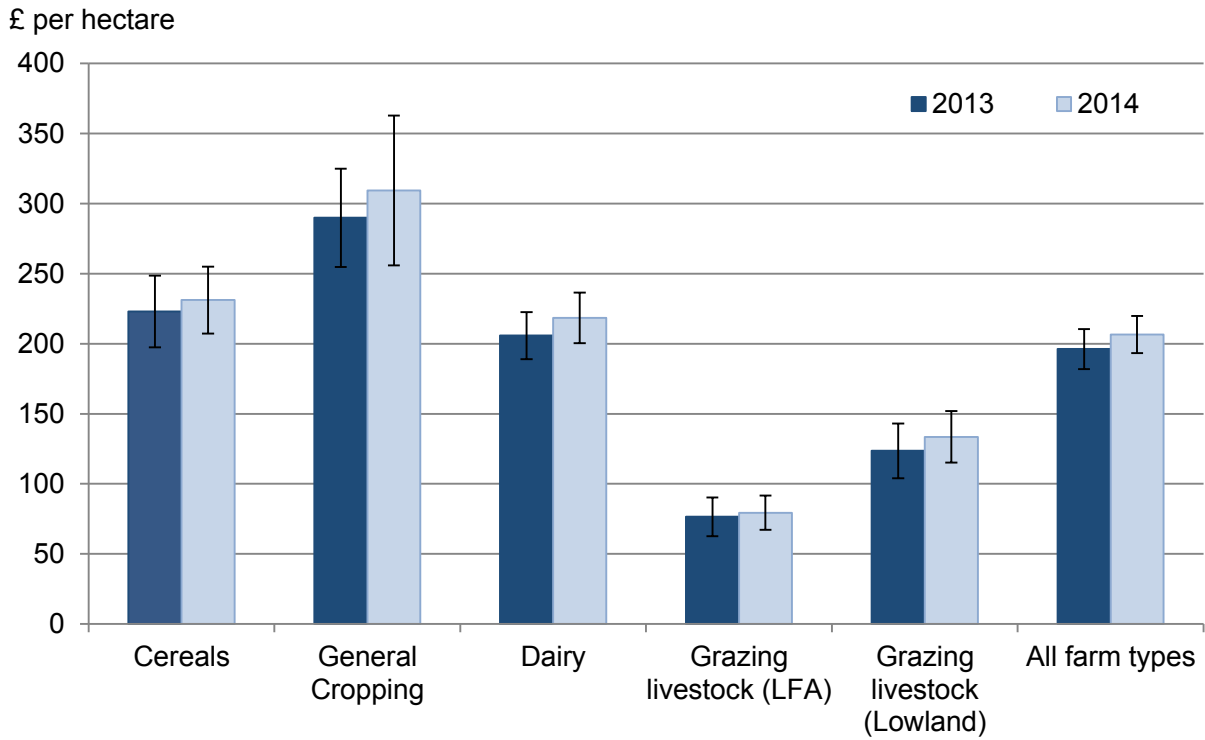
	£ per hectare		
	Average Rent in 2013	Average Rent in 2014	% Change in Rent
Agreements with a recorded rent review in 2014	199 (±23)	215 (±25)	8%
Agreements with recorded change to terms and conditions in 2014	209 (±38)	224 (±39)	8%

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

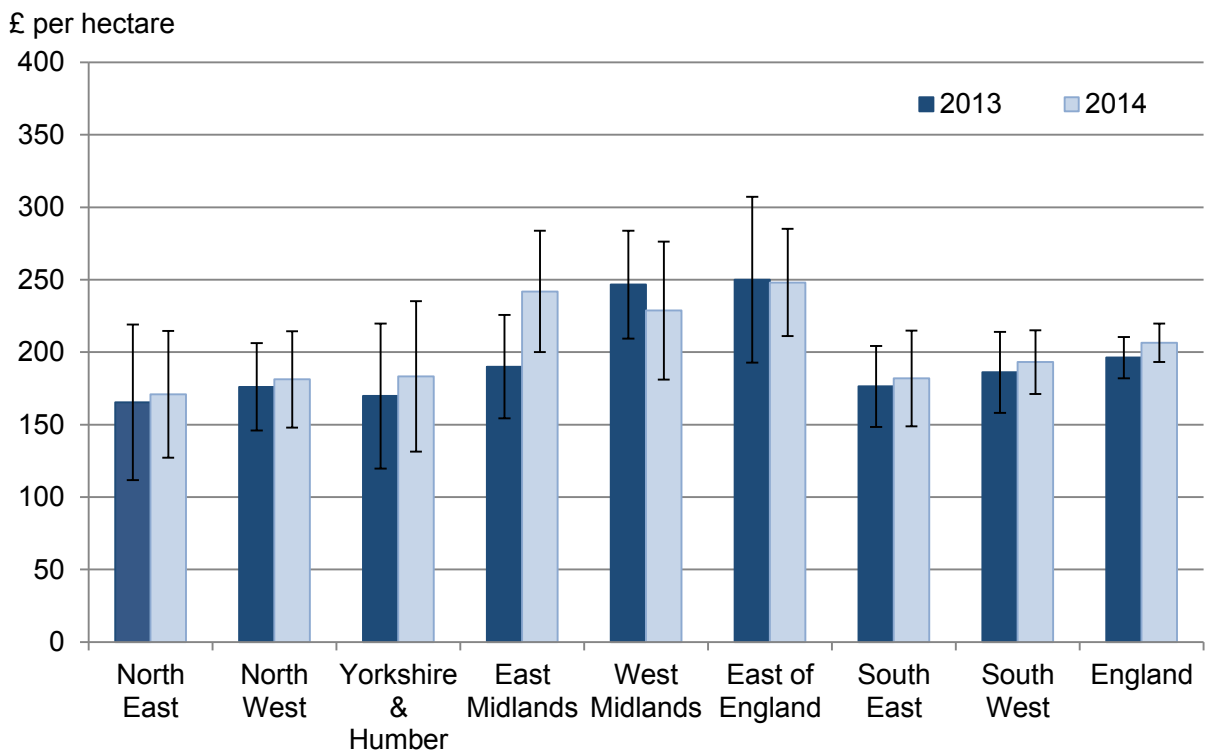
² Includes Farm Business Tenancies and similar informal agreements. Informal agreements in this context are those based on the same principles as an FBT but without the accompanying legal documentation.

³ Agreement lengths are not recorded for all FBTs. See for [Data Analysis](#) further details.

Figure 4: Average rents for FBTs (England) 2013 and 2014 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 land⁴ increased by 3% in 2014 to £196 per hectare (Table 8). The average rent for all other FBT agreements increased by 8% to £221 per hectare.

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

	£ per hectare				
	2013	2014	2014-13 % change	2013 confidence interval	2014 confidence interval
Land only FBT agreements	190	196	3%	± 17	± 15
All other FBT agreements ^(a)	204	221	8%	± 22	± 23
All FBT agreements	196	207	5%	± 14	± 13

(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 Single Payment Scheme (SPS) entitlements. The average rent for those FBT agreements including SPS entitlements⁵ increased by 8% in 2014 to £205 per hectare (Table 9). The average rent for those FBT agreements excluding SPS entitlements fell by 4% to £213 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 (±£30 per hectare in 2014).

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

	£ per hectare				
	2013	2014	2014-13 % change	2013 confidence interval	2014 confidence interval
FBT agreements excluding SPS entitlements	222	213	-4%	± 50	±30
FBT agreements including SPS entitlements	191	205	8%	± 14	± 14
All FBT agreements	196	207	5%	± 14	± 13

⁴ In 2014, 84% of FBT agreements within the sample were land only.

⁵ In 2014, 72% of FBT agreements within the sample included SPS entitlements.

Seasonal agreements

Key findings

- The average rent for seasonal agreements was £142 per hectare in 2014; 12% higher than in 2013.

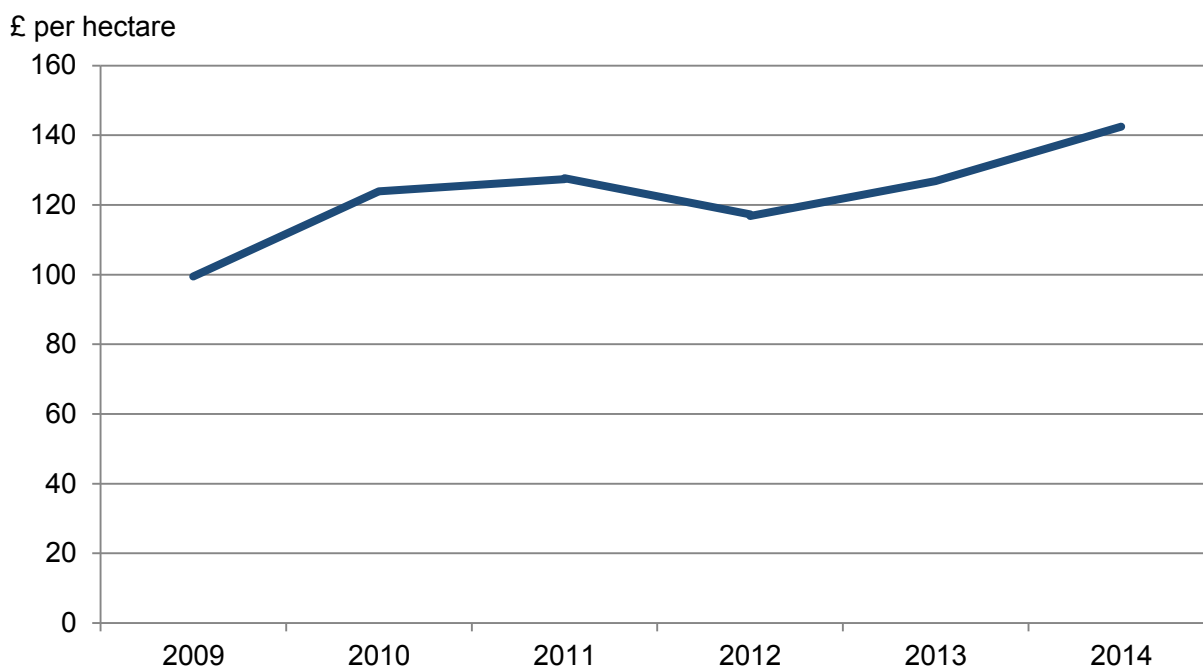
Seasonal agreements may be for any length of term less than 12 months. These include licences for grazing and/or mowing only and may include SPS entitlements.

The average rent per hectare for seasonal agreements increased by 12% between 2013 and 2014 to £142 per hectare.

Table 10: Average rents for seasonal agreements in England

	2013	2014	2014-13 % change	2013 confidence interval	2014 confidence interval
Seasonal agreements	127	142	12%	± 24	± 26

Figure 5: Average rents seasonal agreements (England) 2009 to 2014



Survey methodology

Results show the average amount of rent paid per hectare per year (excluding VAT). 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 1,900 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/>.

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 2014, 43% of FBT agreements within the sample had a recorded length of term. The average term length of these agreements was 4 years. Some 56% of FBT agreements were recorded as having no fixed term. The remaining 1% of FBT agreements were described as having "life" 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 £176 per hectare for 2014 with a 95% confidence interval of \pm £9 per hectare. This means that we can be 95% confident that the range £167 - £185 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 2013 has been updated since the previous release. The overall revisions are small (of the order of \pm £1 per hectare). Previously published results for 2013 can be found here: <https://www.gov.uk/government/statistics/farm-rents>

Definitions

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

- FATs include Full Agricultural Tenancies with and without Single Payment Scheme (SPS) entitlements.
- FBTs include Farm Business Tenancies and similar informal agreements with and without SPS entitlements. Informal agreements in this context are those that are based on the same principles as an FBT but without the accompanying legal documentation.
- Seasonal agreements include licences for grazing and/or mowing only with and without SPS entitlements.

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

Other survey results and next publications due

Farm rent estimates from the Farm Business Survey for England are published annually with the next publication due in March 2017 for the results from the 2015/16 survey.

There is also a time series 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. According to industry comments, many tenant farms underwent rent reviews in early 2009, following the large increase in commodity prices in late 2007. Tenants and landlords looked to Defra figures to advise on current rental prices.

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.

© Crown copyright 2016. You may re-use this information free of charge under the terms of the Open Government Licence v.3. To view this licence visit www.nationalarchives.gov.uk/doc/open-government-licence/version/3/