Press release: New proposals to boost security for tenanted farmers

Plans to modernise and update agricultural tenancy legislation have been published today (Tuesday 9 April) as part of a <u>public consultation and call for evidence</u>.

The proposals build on the work of the Tenancy Reform Industry Group (TRIG), which has provided advice on the key policy priorities for the tenanted sector as we leave the EU.

The consultations in England and Wales set out proposals to remove existing barriers to productivity improvements and help bring about structural change, improving the overall competitiveness and sustainability of the tenant farming sector.

The options that are being explored include:

- Enabling tenants of Agricultural Holdings Act (AHA) agreements to hand over their lease to new tenant farmers on their retirement, encouraging earlier succession planning.
- Incentivising more landlords to let new Farm Business Tenancies of 10 years or more, giving tenants greater security to invest and grow a sustainable businesses.
- Removing barriers which may currently dis-incentivise landlords and tenants from investing and making improvements to their AHA rented holdings. For example, there is currently the risk that agreed tenant interest payments made on investments can be lost during the rent review process.

As the existing legislation on agricultural tenancy applies to England and Wales, two consultations will run for 12 weeks in both countries.

Farming Minister Robert Goodwill said:

We are seeking views on how we can open up more opportunities for the next wave of tenant farmers, breathe new life into the sector and step up farming productivity.

We are exploring a number of options to reboot the sector, such as encouraging earlier succession planning and having more flexibility in current tenancy agreements.

The policy framework for agricultural tenancies needs to be fit for the future, and I welcome all views on the proposals set out in this consultation.

Views will be sought from farmers in tenancy agreements, agricultural

landlords and the organisations which represent these groups, as well as professional advisers and financial organisations in the sector.

The government is also seeking to gather evidence on mortgage restrictions and repossession protections for farmland to better understand any issues that exist in this area.

Julian Sayers, Chairman of the Tenancy Reform Industry Group (TRIG) said:

The cross industry Group has worked closely with Defra to identify further legislative and other measures which will hopefully help to maintain and invigorate the tenanted sector.

We face a period of significant change across the whole farming industry to which both landlords and tenants must be in a position to adapt over the course of the next few years and beyond.

I therefore encourage all those with an interest in land tenure, which has such an important part to play in the future of many of our agricultural business, to respond to the consultation.

The deadline for responses is 2 July 2019.

All queries regarding this consultation can be directed to agriculturaltenancies@defra.gov.uk