

Extended Abstract

Please do not add your name or affiliation

Paper/Poster Title	Challenges and Opportunities of Long-Term Land Leasing in Northern Ireland: A Stakeholder Perspective
---------------------------	--

Abstract prepared for presentation at the 97th Annual Conference of the Agricultural Economics Society, The University of Warwick, United Kingdom

27th – 29th March 2023

Abstract	<i>200 words max</i>
<p>The nature of land rental systems has the potential to influence individual farmer's land-use decisions in relation to land-use, specifically investments to increase land productivity, environmental sustainability and farm business efficiency. The predominant land rental system in Northern Ireland is the conacre system; a short-term land rental contract (nominally 11 months or 364 days) that is unique to Ireland. While offering flexibility between landowner and those renting the land, the uncertainty of tenure associated with conacre does not encourage long-term investment planning.</p> <p>The aim of this study is to examine the demand for and viability of alternative longer term land rental systems in Northern Ireland. We also explored the challenges and opportunities of long-term land leasing in Northern Ireland. To achieve our objectives, we employed a multi-stakeholder analysis approach which included key informant interviews with important stakeholders within the Northern Ireland farming industry, focus group discussions and a survey of farmers. We found that although there were some levels of variability in the perspectives of the stakeholders in relation to long-term land leasing, the systems ability to improve agricultural productivity was generally acknowledged. Suggestions on how to encourage uptake of long-term land leasing include tax incentives and building trust between landlords and tenants.</p>	
Keywords	Land Leasing; Conacre; Tenure security; Land use
JEL Code	e.g. Energy: Demand and Supply Q41 see: www.aeaweb.org/jel/guide/jel.php?class=Q)
Introduction	<i>100 – 250 words</i>
<p>The importance of the role that land rental systems play in agricultural economies and farm business investment decisions is well documented (Yoder et al. 2008, Geoghegan and O'Donoghue 2018). Land rental systems play an important role in shaping farmers' land-use decisions in terms of providing sufficient incentives to increase their efficiencies, productivity and environmental sustainability. In Northern Ireland, the preferred land rental system is conacre, a system where land is leased for 11 months or 364 days and is often "rolled over" annually, where the same contract is agreed upon year after year. Although conacre as well as other short-term land rental system are considered to offer flexibility between landowners and those farmers renting the land, the uncertainty of tenure linked to the system may present problems.</p>	

Critics of short-term land rental systems claim there aren't adequate incentives to encourage those farmers renting the land to make longer-term investment planning and decisions, particularly for sustainable land management practices and productivity improvements (Conway, 1986. Ciaian et al. 2011). At an aggregate level, this ultimately impacts on the overall competitiveness of the agri-food sector.

The objective of this study is to explore the challenges and opportunities of long-term land leasing in Northern Ireland and to identify ways in which farmers can be encouraged to take up long term land leasing.

Methodology

100 – 250 words

To achieve the study objectives, qualitative analytical techniques were employed. A number of qualitative data sources were used, with in-depth interviews of experienced and relevant stakeholders and focus group discussions with a number of farmers from across Northern Ireland. Each interview followed a semi-structured format, where the focus was on the participant's opinions and perspectives around a number of questions regarding conacre and long-term land leasing as well as the benefits, barriers and incentives to encouraging long term land leasing. We ensured sufficient variation among participants of the focus group discussion to stimulate discussion and the interviews were conducted mainly through Cisco Webex video conferencing platform.

The focus groups followed a similar methodology, where semi-structured questions were asked regarding long-term land leasing and participants controlled the flow of dialogue, allowing for more insightful and genuine discourse into the topic. This allowed participants to address topics that our research had not previously considered, alongside our own questions. The focus group discussions were recorded and transcribed for analysis later.

This study is also part of a larger investigation into long-term land leasing in Northern Ireland. In line with the quantitative approach to this topic, a number of questionnaires were distributed across Northern Ireland on long-term land leasing. The qualitative section of this was also analysed in this study, where participants were free to discuss anything they wanted to add. Their opinions and concerns have been included and analysed in this study.

Results

100 – 250 words

The study found that despite their different backgrounds, stakeholders shared similar opinions on the difference between conacre and long-term land leases and the effects each had on Northern Ireland's agricultural economy. There was also overlap on the perceived benefits of long-term land leasing however differences appeared on questions surrounding the best method of motivating and incentivising participation of landowners in leasing land out with longer contracts. Cautionary observations were also given on the use of regulations as well as the reliance of cross-country comparisons between land leasing in Northern Ireland and other countries, due to Northern Ireland's unique agricultural economy where small farm businesses are the norm.

There was much more disparity from the viewpoints of those in the focus group discussions and questionnaire responses. Many differing opinions were shared, some participants argued against the need for longer-term land leasing and considered that the conacre system was adequate and fit for purpose. Others expressed a desire for long-term contracts and explained the benefits' they felt it would provide to their farm business. Concerns emerged around how the longer-term agreements would be implemented and how the benefits could be limited to those actively farming and involved in agriculture. Key insight for barriers to long-term land leasing were discovered, with landowners seemingly being most resistant to these contracts. Trust issues between landowners and tenants were identified as being key to this resistance.

Barriers identified in this study may therefore provide key areas and suggested pathways that should be addressed when implementing a successful long-term land rental system in Northern Ireland.

Discussion and Conclusion

100 – 250 words

This study provides an overview and insight into Northern Ireland's land leasing policies as well as the possible benefits that incentivising long term land leasing would have on the agricultural economy. Key stakeholder interviews and focus group discussions were held alongside the gathering of questionnaire answers, to determine the perspectives of experienced experts on the topic. Findings indicate the perceived benefits that long term land leasing would provide to farm businesses in Northern Ireland, including increased productivity and investment in agricultural businesses. Improvements to the relationship and trust between landowner and tenant is key to encouraging uptake of long-term land leasing contracts. Other incentives and pathways, such as tax incentives, should be explored in order to encourage the uptake of a long-term land leasing system in Northern Ireland.

Bibliography

Ciaian, Pavel, d'Artis Kancs, Johan Swinnen, Kristine Van Herck, and Liesbet Vranken. 2011. "Rental Market Regulations for Agricultural Land in EU Member States and Candidate Countries."

Conway, AG. 1986. "Land Leasing: Findings of a Study in the West Region of the Republic of Ireland." *Irish Journal of Agricultural Economics and Rural Sociology*:1-18.

Geoghegan, Cathal, and Cathal O'Donoghue. 2018. "Socioeconomic drivers of land mobility in Irish agriculture." *International Journal of Agricultural Management* 7 (2):26-34.

Yoder, Jonathan, Ishrat Hossain, Francis Epplin, and Damona Doye. 2008. "Contract duration and the division of labor in agricultural land leases." *Journal of Economic Behavior & Organization* 65 (3-4):714-733.