

# Renting Land Instead of Buying



**Thematic area:** Transversal.

**Priority:** How to manage issues related to access to agricultural land?

**Need:** Land cost: Difficulties in acquiring land (price of agricultural land, competition with other sectors of agricultural production), what solutions?; How to access land with increasing prices?

**Solution EU number:** LA-03.

**Content of the solution:**

Partnerships with landowners enable equine farms to access agricultural land through rental or use agreements without purchasing the land.

### Reasons for Implementing the Solution

Avoiding land purchase significantly reduces initial capital requirements and lowers financial risk for equine farms. This approach allows investments to be directed toward operational needs such as infrastructure, equipment, and equine stock.

### Description of Solution Strategies

Equine farms can secure access to land through various contractual arrangements that differ in duration, cost, and level of security. Common options include rural or agricultural leases with regulated rent, loan-for-use agreements where land is provided free of charge in exchange for maintenance obligations, and temporary or short-term occupancy agreements.

These contractual models allow equine enterprises to adapt land access to their development stage, offering flexibility for new or expanding farms while ensuring legal clarity regarding land use, responsibilities, and financial commitments. Renting land instead of buying supports a gradual and resilient farm setup, particularly for young farmers or newly established equine operations. While rental costs may apply depending on the contract type, the equine farmer typically remains responsible for investments in infrastructure and site development.

**Example:** In some EU Member States, public land agencies facilitate access to agricultural land through temporary or medium-term agreements. In France, for example, SAFER provides mechanisms such as temporary occupancy agreements or land provision contracts, allowing equine farms to access land for limited periods under regulated conditions.



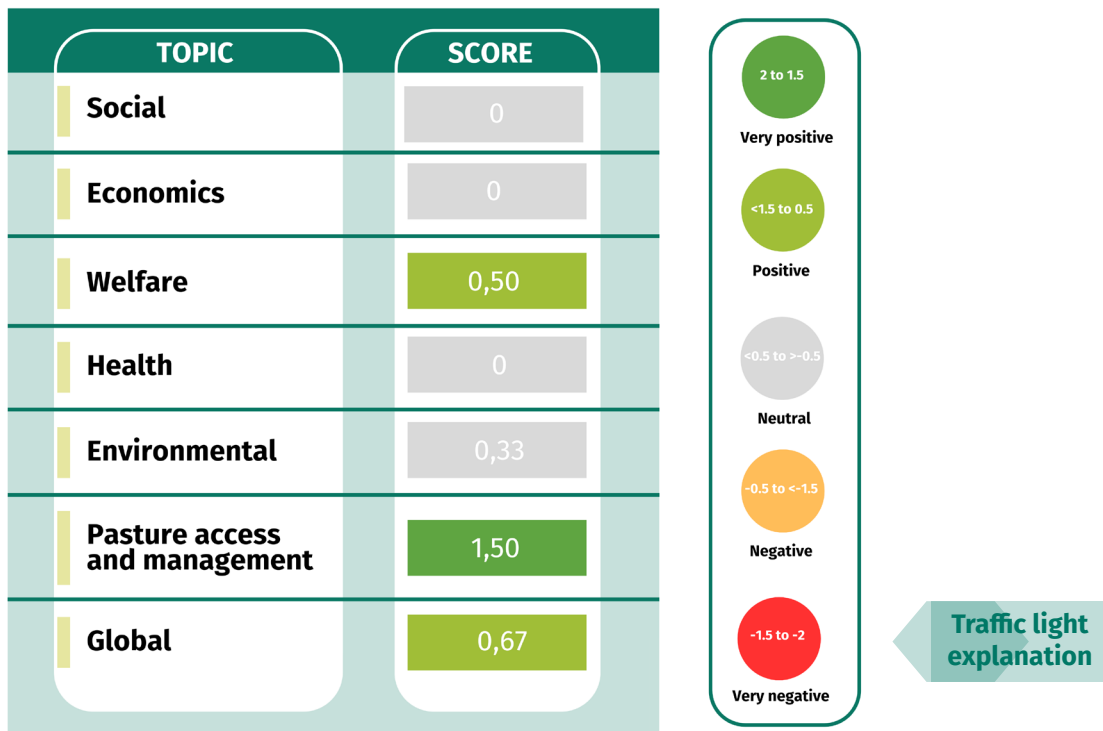
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## **Implementation Steps**

1. Clearly define the equine project (activities, production system, land requirements, business model)
2. Assess land and infrastructure needs based on the planned equine activities
3. Identify a landowner or intermediary institution interested in a partnership
4. Select the most suitable contract type based on duration, cost, and legal security
5. Clarify rights and obligations, including rent, maintenance, and infrastructure investments
6. Formalize the agreement and progressively implement the equine operation

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### How Will this Solution Impact the Performance of your Farm?



**Socioeconomics:** This solution will not have effect on the social performance of the farm because renting land is generally perceived as a neutral practice in the equine sector: while cooperation with a landowner can enhance credibility and local relationships if the project is well managed, land ownership still carries strong symbolic legitimacy in this sector. As a result, renting land neither clearly strengthens nor weakens social outreach or reputation, and its impact on social performance largely depends on context rather than the solution itself.

This solution will not have effect on the economic performance of the farm because although renting land reduces upfront costs and frees financial resources for investment in horses or equipment, it does not directly increase the farm's asset base or guarantee long-term economic gains. Rental fees, administrative costs, and uncertainty over contract renewal can offset savings, making the overall economic effect enabling but structurally neutral unless combined with effective management and long-term agreements.



**Health & Welfare:** This solution is expected to have a neutral effect on the farm's health performance, as many health problems originate from factors not directly related to the farm's land area. If the additional land is used, for example, for the production of feed other than equine feed, it will not contribute to a reduction in pain or the overuse of drugs in animals. However, if the land is designated for the production of high-quality equine feed, including medicinal and health-promoting plants, the solution has the potential to positively affect the farm's health performance. Moreover, if the land is used as pasture or paddock, the increased area can promote free movement, resulting in healthier joints and tendons.

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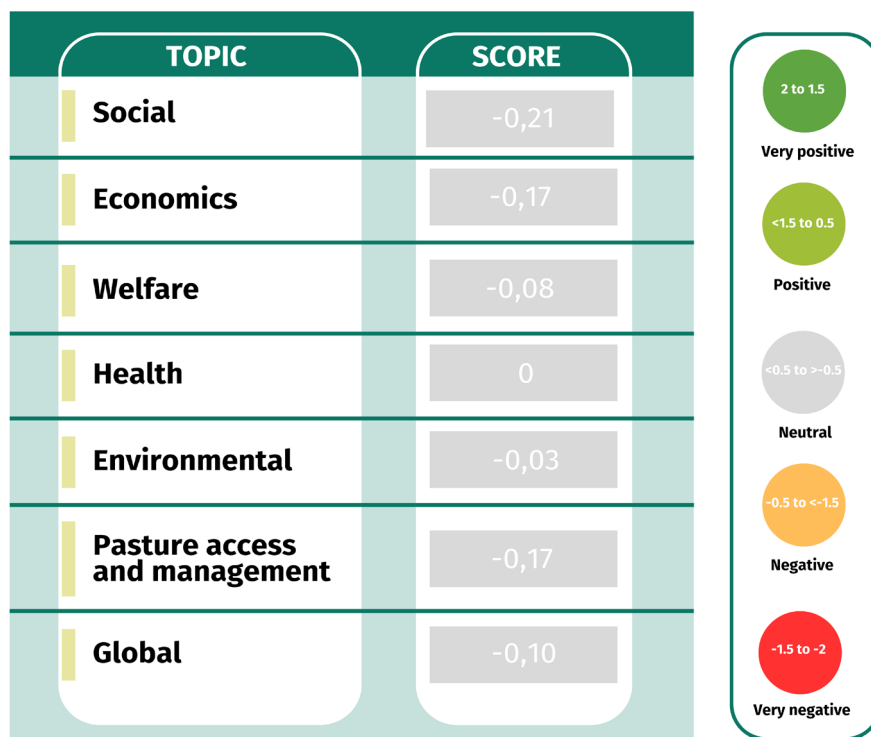
This solution will support the farm’s welfare performance if the farmer decides to allocate the land for pasture use. Grazing enhances appropriate forage intake and free movement, and when equines graze in groups, the principles of the three Fs (freedom from hunger, freedom from discomfort, and freedom to express natural behaviour) are better fulfilled. Consequently, the solution is beneficial, as it promotes a positive emotional state through satiety, reduces musculoskeletal problems, and satisfies social needs.



**Environmental sustainability:** This solution will not have effect on the environmental performance of the farm because partnering joint equine projects with landowners project does not directly improve the farm’s climate-change adaptation or mitigation capacity. However, the solution may affect grassland management by giving farmers access additional pastureland. This helps to prevent environmental damage by enabling proper land use and thus help to halting biodiversity loss and better water management.

This solution will strongly support on the land access and land management performance of the farm because it gives farmers access to additional land. It also ensures that grassland and other agricultural land owned by people in transition (retirement, succession, potential sale) continue to be maintained instead of being abandoned.

### How Will this Solution Impact the Resilience of your Farm?



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**Socioeconomics:** This solution will not impact social performance of the farm facing external challenges assessed because renting land does not fundamentally change the farm's social positioning or relationships when crises occur. In situations such as pandemics or disease outbreaks, land tenure arrangements neither strengthen community ties nor significantly weaken them, and animal welfare perceptions remain largely independent of whether land is owned or rented. While public sensitivity to welfare or NGO pressure may increase, this is not directly driven by renting itself but by management choices, making the social effect broadly neutral under external challenges.

This solution will not impact economic performance of the farm facing external challenges assessed because renting land is primarily an enabling arrangement rather than a stabilizing economic buffer. Although it generally costs less than buying and preserves capital in inflationary contexts, rising lease prices, uncertainty of access, and the risk of sudden land loss can offset these advantages. During pandemics, disease outbreaks, or extreme weather events, renting does not shield the farm from income loss, feed shortages, or implementation constraints, and economic resilience depends more on overall management and diversification than on land tenure alone.



**Health & Welfare:** This solution has a neutral effect on the farm's health performance, as it does not directly reduce pain, mortality, or the need for medication when the farm is exposed to external pressures. However, it may indirectly help safeguard animal health if, despite these challenges, the farm is able to intensify the production of medicinal and health-promoting plants as a result of the expanded land area.

Similarly, this solution has a neutral effect on the farm's welfare performance, as it does not directly protect welfare-friendly housing conditions or promote a positive emotional state when the farm is exposed to external pressures. Moreover, it may potentially reduce animal welfare if, due to external challenges, the farm is forced to discontinue pasture leasing or rental, thereby reducing the area in which the 3Fs could be realised by the animals. Conversely, if land rental remains possible, depending on the nature of the external challenge, the farm may continue to provide animals with access to an extended land area.



**Environmental sustainability:** This solution will not impact environmental performance of the farm facing external challenges assessed because it does not directly help farm to adapt or mitigate climate change, halt biodiversity loss or water management. This solution will not impact land access or management performance of the farm facing external challenges assessed because if it is already in use, it does not improve the situation in challenges defined.

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How can this solution help your farm to face specific external challenges to be more resilient?

CHALLENGES	SCORE
Inflation	0,17
Pandemic	-0,04
High welfare standard	0
High infectious diseases	-0,33
Extreme weather event	-0,08
Loss/limited access to grassland	-0,21

2 to 1.5

Very positive

<1.5 to 0.5

Positive

<0.5 to >0.5

Neutral

-0.5 to <-1.5

Negative

-1.5 to -2

Very negative



**Inflation & Social Crises:** Social challenge: This solution will not impact the global performance of the farm facing pandemics because renting land does not alter how the farm interacts socially during a health crisis. Pandemic-related restrictions, labour shortages, and limits on services affect farms regardless of land ownership status and renting land neither strengthens social outreach nor significantly weakens welfare perception or community relations in such contexts.

Economic challenge: This solution will not impact the global performance of the farm facing inflation because although renting land usually requires less capital than buying, rising rental prices, uncertainty over lease renewal, and the risk of losing access to land can counterbalance these benefits. In an inflationary context, leasing does not provide a stable economic buffer, as increased rents and reduced security may neutralize potential savings, leaving overall economic resilience largely unchanged.



**Welfare & Diseases:** Health challenge: This solution has a neutral effect on the global performance of the farm across all three areas when facing an infectious disease challenge. Socioeconomic, environmental, as well as health and welfare priorities may not be adequately fulfilled if the farm is confronted with a sudden infectious disease outbreak, particularly when continuity of long-term rental is uncertain. Effective management of infectious diseases requires specific measures, including the ability to isolate sick animals, appropriate resources to ensure biosecurity, and access to veterinary services and pharmaceutical products. Expanding the rural land area does

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not improve the farm owner's capacity to manage infectious diseases, unless the rental includes buildings that allow for the isolation of sick animals.

**Welfare challenge:** This solution also does not directly affect the global performance of the farm when facing legislation imposing high welfare standards, since land renting alone does not guarantee that it will be designated to a pasture. However, it has the potential to support improved welfare conditions if land rental enables horse pasturing. In this case, the farm may be better prepared to comply with higher welfare standards when they become mandatory.



**Climate Change & Access to Land:** Environmental challenge: this solution will not impact the global performance of the farm facing abnormally high temperatures and/or draught, because the situation can disrupt project implementation, leading to potential loss of land or increased land-leasing costs. High temperatures or draught may also limit horses' access to food. In addition, for instance in France, property tax relief is available after droughts, but this benefit applies only to landowners, not tenants or project operators.

**Land access/management challenge:** this solution will not impact the global performance of the farm facing loss or limited access to agricultural land because the situation might be forcing farms to hire additional staff, buy external feed, and face financial liquidity problems. Limited land availability may reduce animals' living space and require downsizing the herd. Competition for rental land could increase.

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### Cost-benefit Analysis

#### Costs

##### Socioeconomics:

- Time and administrative effort required for land search, negotiations, and contract management
- Mental and administrative burden linked to lease renewals, amendments, and compliance with contractual obligations.
- Investment costs for infrastructure and site development borne by the equine farmer.
- Possible constraints on farm layout or development imposed by the landowner.
- Risk of non-renewal of contracts or changes in landowner priorities.
- Potentially lower perceived legitimacy within parts of the equine sector that traditionally value land ownership.
- Capitalization of subsidies into land rental prices.

##### Health & Welfare:

- No direct negative impacts identified at animal level.
- Equine health and welfare outcomes depend strongly on land use planning and the objectives of the equine project.

##### Sostenibilidad medioambiental:

- No significant environmental costs identified.
- No direct effect identified on the farm's capacity to adapt to climate change.



#### Benefits

- Access to land without heavy upfront investment, freeing capital for other uses.
- Possibility to develop and consolidate the equine project before any potential land purchase.
- Improved cash flow allowing investment in equipment, facilities, or equine stock.
- Increased credibility and prestige with financial institutions and public authorities when operating within a clear contractual framework.
- Improved farm capital through targeted investments rather than land ownership.



- Improved access to land, enabling adequate paddock space, grazing areas, and turnout.
- Potential for better living conditions through increased pasture availability and reduced stocking density.
- Opportunity to design equine management systems better aligned with species-specific behavioural needs, depending on project design.



- Improved use and maintenance of grassland that might otherwise be abandoned or underutilised.
- Support for continued agricultural management of land during transition periods (e.g. succession, retirement, pending sale).

### Costs

#### Cooperation between farms:

- Potential tensions or conflicts between equine farmers and landowners.
- Dependence on ongoing cooperation and mutual trust for successful project continuation.



### Benefits

- Better pasture management practices, contributing to soil protection and landscape maintenance.
- Prevention of environmental degradation through controlled grazing and appropriate land use.
- Encourages cooperation and partnership between equine farmers and landowners.
- Promotes shared responsibility for land use and long-term land stewardship.
- Can strengthen local agricultural networks and intergenerational collaboration.

### Additional Resources

#### Publications

- Graubner, M. (2018). Lost in space? The effect of direct payments on land rental prices. *European Review of Agricultural Economics*, 45(2), 143–171. <https://doi.org/10.1093/erae/jbx027>

#### Websites

- French Language
  - Regional SAFER – [www.safer.fr](http://www.safer.fr)

## Ideas to Animate a Workshop About the Solution

- Ask a land advisor, agricultural consultant, land agency, or rural law specialist specialized in land tenure, agricultural contracts, and farm establishment to sponsor the workshop.
- Find a model equine farm operating on rented land where the workshop can take place.
- Complete the required tasks and let the participants take part in these demonstration tasks so that they can get to know the system (e.g. analysing contracts, land needs, and partnership models).

## Proposed Structure for the workshop on Renting Land Instead of Buying in Equine Farms

### 1. Introduction to Renting land instead of buying

- What does renting land instead of buying mean for equine farms?
- Key features and components of land rental models (contractual framework, rights and obligations, duration, rent).
- Types of land access arrangements available (agricultural lease, loan-for-use agreement, temporary occupancy agreement, partnership-based land provision).

### 2. Benefits of renting land instead of buying in equine farms

- Reduced financial pressure at farm establishment or expansion stage.
- Improved cash flow allowing investment in equine welfare, facilities, and equipment.
- Increased flexibility and lower long-term financial risk.
- Possibility to test and develop an equine project before committing to land ownership.

### 3. Practical Applications on equine farms

- Use of rented land for grazing, paddocks, training areas, or forage production.
- Integration of land access into different equine business models (breeding, boarding, training, leisure).
- Gradual farm development adapted to contract duration and land availability.

### 4. How to Choose the most suitable land access approach

- Evaluation of the farm's land needs and long-term objectives.
- Assessment of legal security, duration, and flexibility of different contract types.
- Clarification of responsibilities regarding land maintenance, infrastructure, and investments.
- Comparison of rental conditions and associated constraints.

### 5. Hands-On Demonstration

- Presentation of real land contracts (anonymised examples).
- Group exercises analysing advantages and risks of different rental agreements.
- Simulation of negotiations between equine farmers and landowners.



## 6. Maintenance and Troubleshooting

- Managing contractual relationships over time.
- Handling contract renewals, amendments, and landowner changes.
- Strategies to reduce administrative burden and prevent conflicts.

## 7. Case Studies and Real-World Examples

- Examples of equine farms successfully operating on rented land.
- Discussion of how land access has supported farm establishment or growth.
- Lessons learned and practical tips from equine farmers and landowners.

## 8. Cost Analysis and Return on Investment (ROI)

- Comparison of renting versus buying land for equine farms.
- Assessing financial implications based on farm size and activity type.
- Long-term economic benefits of reinvesting capital into operations rather than land.

## 9. Q&A Session

- Open discussion on legal, financial, and practical concerns.
- Exchange of participant experiences with land access and partnerships.

## 10. Wrap-Up and Resources

- Summary of key messages from the workshop.
- Additional resources (guides on land contracts, advisory services, land agencies).
- Information on advisory support or partnership programs facilitating land access.