

# Smart Resource Management: Leasing & Renting vs. Buying



**Thematic area:** Socio-Economic Performance.

**Priority:** How can farm profitability be improved?

**Need:** How to manage the increase of credits?

**Solution EU number:** PRO-08.

**Content of the solution:** Leasing and renting material and infrastructure enable equine farms to operate with lower capital requirements, greater flexibility, and reduced financial risk.

## Reasons for Implementing the Solution

Leasing and renting land, infrastructure, and equipment reduce initial investment costs and limit long-term debt for equine farms. They also increase flexibility, allowing farm operators to adapt more easily to economic conditions and evolving production models.

## Description of Solution Strategies

Leasing and renting land, infrastructure, and equipment provide equine farms with a flexible alternative to ownership, particularly in contexts where access to capital is limited or investment risks are high. Instead of committing long-term loans, farms can use rental agreements to access essential resources such as grazing land, stables, riding arenas, training facilities, and specialized machinery.

This approach supports financial stability by limiting debt and keeping capital available for core activities such as horse welfare, feed management, veterinary care, staff training, and business development. Lease payments are treated as operating expenses, which can simplify accounting and improve cash-flow management compared to asset purchases.

Renting also allows equine farms to test and adjust their production or service models (e.g. boarding, breeding, training, therapeutic riding) before making irreversible investments. It enables gradual scaling of operations, seasonal adaptation, or relocation if market conditions or land availability change. Furthermore, leasing can facilitate faster farm establishment, as rental agreements typically involve fewer administrative procedures than land or infrastructure purchases. In some cases, farms may rent only specific infrastructure elements or equipment, allowing them to complement existing facilities without over-investment.

All rental and leasing arrangements are subject to national legal frameworks, making clear contracts and long-term planning essential for ensuring operational security and continuity.



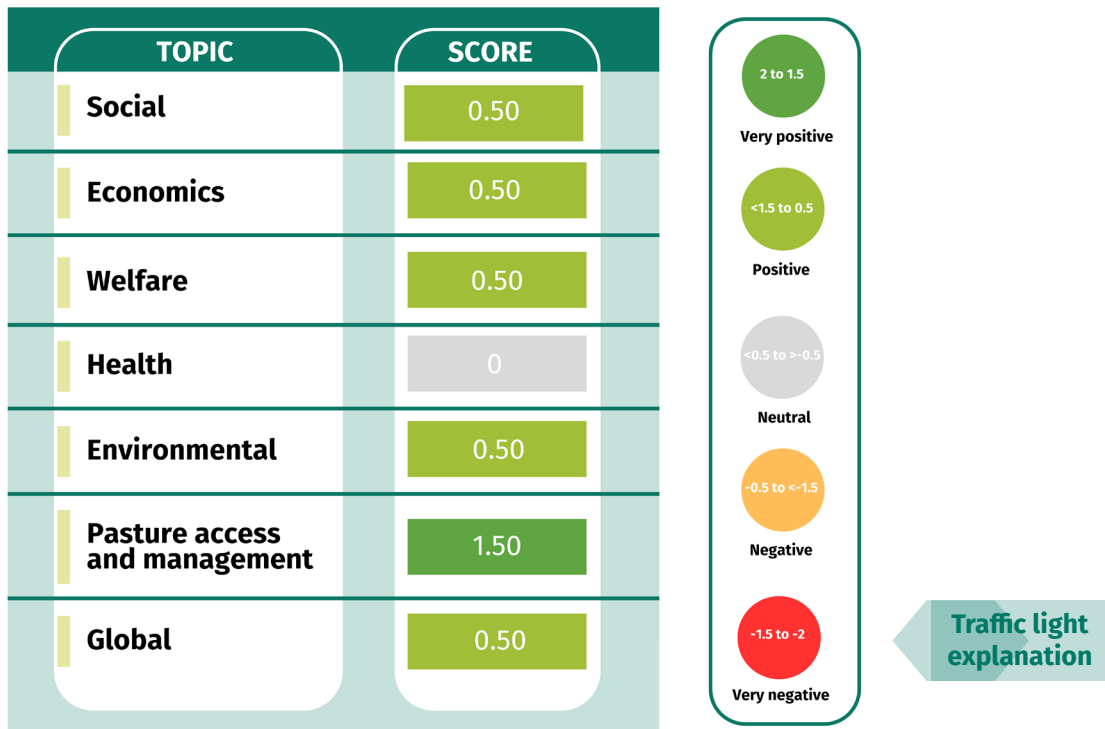
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## Implementation Steps

1. Assess the farm's operational needs for land, infrastructure, and equipment.
2. Identify available leasing or rental options from private owners, cooperatives, or service providers.
3. Review lease and rental contracts to ensure compliance with national and EU regulations.
4. Compare rental costs with purchase and financing options to evaluate economic benefits.
5. Integrate lease payments into the farm's operating budget and financial planning.
6. Regularly reassess rental agreements to adapt to changes in farm size or economic conditions.

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



**Socioeconomics:** This solution will support the social performance of the farm because renting or leasing infrastructure and equipment can help the farm integrate into existing networks, benefit from established customer bases, and build professional relationships with partners. When rental arrangements function well, they enhance the farm’s image, credibility, and reliability, while also facilitating access to modern tools that can improve working conditions and reduce physical strain, despite the need for careful planning and coordination.

This solution will support the economic performance of the farm because leasing and renting significantly reduce the need for upfront capital investment, lower financial risk, and improve cash-flow management. Access to equipment and infrastructure without ownership allows farms to remain flexible, adapt more easily to changing needs, and potentially reduce labour and maintenance costs. Although this approach does not directly increase farm capital, it strengthens short- and medium-term profitability, particularly when supported by clear, long-term contractual agreements.



**Health & Welfare:** This solution will not directly affect the health performance of the farm, as it does not inherently contribute to disease-risk prevention or to improved health care in general. However, if it is economically efficient, it may enable owners to invest in biosecurity measures and veterinary care, thereby reducing pain, mortality, and the overuse of medication.

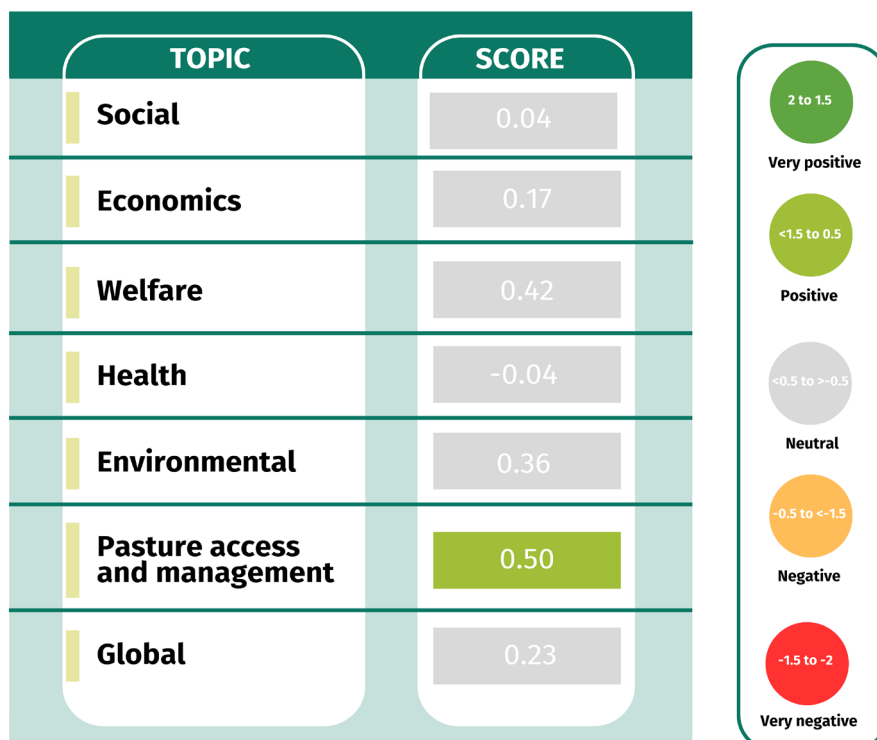
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This solution can support the welfare performance of the farm when rental or leasing arrangements provide additional land for grazing. Under this option, the farmer may ensure fulfilment of the 3Fs criteria by offering equines greater opportunities for group grazing, which addresses key needs such as prolonged forage consumption, social contact, and free movement. As a result, this solution can be considered beneficial, as it contributes to a positive emotional state of the animals.



**Environmental sustainability:** This solution will support the environmental performance of the farm because it provides an opportunity to have access to suitable machinery and tools that help adapt to climate change and mitigate its effects, halt biodiversity loss, and improve water management. Equine farms can for instance rent semi-natural meadows and pastures for grazing, which can support local biotopes or the genetic diversity of native equines. Or a farmer can rent machinery that is not often used on the farm and, for example, use direct sowing instead of plowing. This solution will support the land access or management performance of the farm because access to suitable equipment and land areas can greatly improve pasture management.

### 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 leasing and renting arrangements mainly affect operational flexibility rather than social relationships or outreach. While renting can occasionally require adaptations (e.g. changing facilities, moving horses, or coordinating shared equipment), these effects are context-specific and do not consistently strengthen or weaken the farm's social image, community ties, or quality of working life when facing external challenges such as pandemics, welfare regulation changes, or disease outbreaks.

This solution will not impact economic performance of the farm facing external challenges assessed because the financial advantages and drawbacks tend to balance each other across different scenarios. Leasing provides flexibility during inflation or crises by avoiding long-term debt and allowing contracts to be adjusted or stopped, but rental prices may fluctuate and availability of equipment or infrastructure can be uncertain during extreme events. Similarly, while renting can reduce repair costs and ease adaptation to regulatory or climatic constraints, risks linked to shared use, mobility of horses, or limited access to suitable facilities may offset these benefits, resulting in an overall neutral effect on economic resilience.



**Health & Welfare:** This solution will not directly impact the farm's health performance, as it does not inherently reduce pain, mortality, or the need for medication when the farm is exposed to various external pressures. Depending on the nature of the challenge, it may nevertheless help safeguard the animals' health status if the farm is able to reinvest profits generated through the rental or leasing of equipment, facilities, or land into biosecurity measures and veterinary care, thereby reducing pain, mortality, and the overuse of medication.

Similarly, this solution will not directly improve the farm's welfare performance, as it does not automatically enhance welfare-friendly housing conditions or the animals' positive emotional state when the farm faces external pressures. However, it may contribute to maintaining a positive welfare status if, despite such challenges, the farm can use rented land for pasture, ensuring appropriate keeping conditions and supporting key welfare needs.

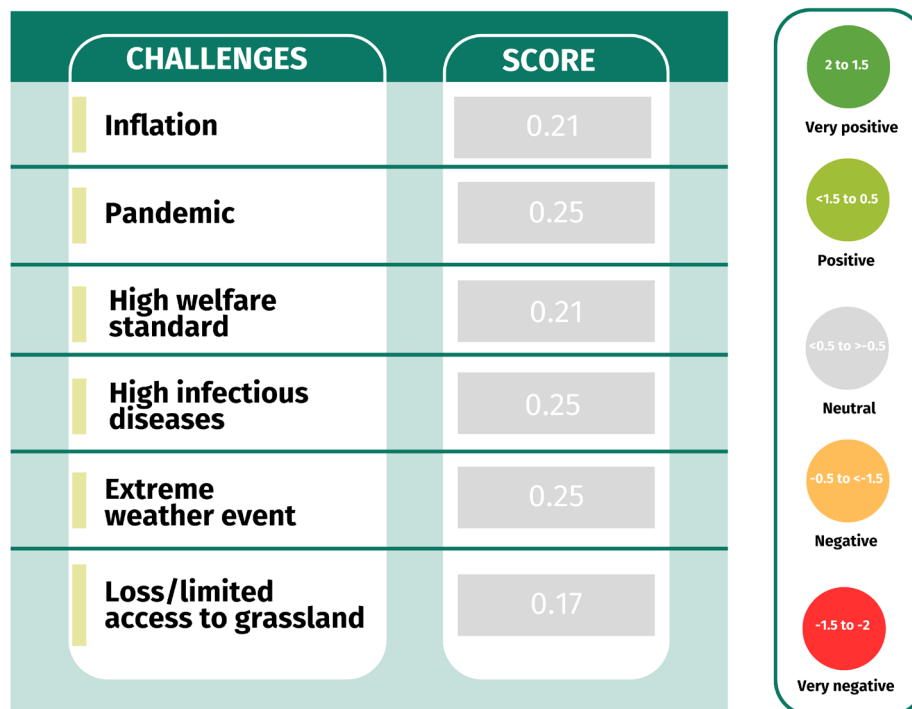


**Environmental sustainability:** This solution will not impact environmental performance of the farm facing external challenges assessed because effects are dependent of the type of renting or leasing.

This solution will support land access or management performance of the farm facing external challenges assessed because renting and leasing provide flexibility, which is important when farm is coping with external challenges. For instance, when farmers are already renting grasslands when the face these challenges, they might be able to find other areas for renting, or machinery to increase productivity in remaining areas.

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



**Inflation & Social Crises:** Social challenge: This solution will not impact the global performance of the farm facing pandemics because leasing or renting equipment and infrastructure mainly affects technical and contractual arrangements. In a pandemic context, activities may stop or slow down, but rental contracts can usually be paused or ended, and social interactions, outreach, and working conditions are neither significantly improved nor worsened by this solution. Economic challenge: This solution will not impact the global performance of the farm facing inflation because the increased flexibility gained from avoiding ownership and loans is counterbalanced by variable rental prices and potential cost increases. While leasing can help avoid long-term debt in an inflationary context, rising rental fees and uncertainty over availability mean that positive and negative financial effects tend to offset each other, resulting in a neutral impact on economic resilience.



**Welfare & Diseases:** Health challenge: this solution may not support the global performance of the farm across socioeconomic, health and welfare, and environmental areas when facing an infectious disease challenge. However, the possibility of using rented buildings or land may facilitate the temporary separation and isolation of sick animals until the epidemic situation improves. Welfare challenge: this solution will also not significantly improve the global performance of a farm facing stricter welfare standards legislation. Nevertheless, rented buildings or pasture may support welfare-friendly housing conditions. The potential positive effect on the animals' emotional state, resulting from improved housing conditions, may not, however, be sufficient to offset challenges in other areas (socioeconomic or environmental) that may arise when higher welfare standards become compulsory.



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**Climate Change & Access to Land:** Environmental challenge: this solution will not impact the global performance of the farm facing abnormally high or low temperatures, drought excessive raining, windstorms and/or flood effects were quite neutral. However, it may provide some degree of operational flexibility. It would be important to establish a written contract clearly defining responsibilities, particularly regarding insurance coverage and the repair of potential damage. In addition, equipment may not be available for rental if it has been damaged by an extreme weather event.

Land access/management challenge: this solution will not impact the global performance of the farm facing situations involving the loss of, or limited access to, agricultural land, as its effects are largely neutral. Moreover, regulatory changes may lead to the loss of leased land.

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### Cost-benefit Analysis

#### Costs

##### Socioeconomics:

- Time and effort required to identify suitable rental options and contact equipment providers or infrastructure owners.
- Additional planning effort to coordinate equipment availability, sometimes influenced by unpredictable factors such as weather or seasonal workload.
- Potential increase in transport and travel costs when rented infrastructure is located off-farm.
- Financial risks linked to deposits, guarantees, or long-term lease commitments.
- Ongoing rental or leasing fees, which may increase over time.
- Rental payments are not capitalized or depreciated, which may limit long-term asset accumulation.
- Risk of dependency on external providers if rental conditions change or activities cease.

##### Health & Welfare:

- No direct negative impacts on equine health and welfare have been identified when rental arrangements are well managed.



#### Benefits

- Access to a wider range of equipment and infrastructure without high upfront investment.
- Better adaptation of equipment and facilities to current farm needs and production systems.
- Preservation of cash flow and reduced indebtedness.
- Increased flexibility, allowing farms to test new activities or business models.
- Improved visibility and professional image of the farm through access to appropriate infrastructure.
- Opportunity to develop additional services (e.g. transport services, feed production using rented machinery).
- In the case of leasing, full on-farm availability of equipment, improving operational efficiency and economic relationships with suppliers.



- Time savings from using rented machinery or infrastructure, not easily available for purchase, can allow farmers to spend more time monitoring and caring for horses.
- Access to appropriate equipment, up to date and not easily available for purchase supports the production of high-quality, self-produced feed, contributing to improved nutrition and overall horse welfare.



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### Costs

#### Environmental Sustainability:

- Risk of overexploitation of rented land if lease conditions do not sufficiently encourage long-term soil and grassland care.

#### Cooperation Between Farms:

- Possible competition between farms for access to shared equipment or infrastructure, particularly during peak seasons.
- Farm expansion through leasing may reduce incentives for cooperation if operations become more self-sufficient.



### Benefits

- Access to suitable, up-to-date equipment, not easily available for purchase, can improve grassland and pasture management practices.
- Better management contributes to soil fertility, vegetation quality, and long-term ecosystem functioning.
- Reduced need for purchasing underused machinery may limit resource consumption and material waste.

- Strengthening professional relationships and networks between farms, equipment providers, and landowners.
- Potential for informal cooperation, knowledge exchange, and shared planning, even when equipment is rented rather than jointly owned.



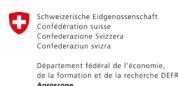
# Technical Sheet for Solution Implementation

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### Additional Resources

#### Websites

- English Language
  - “EU agricultural land prices and rents: huge contrasts” (eurostat) <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240126-2>
  - “Funding opportunities for farmers” (Europ. Commission) [https://commission.europa.eu/funding-tenders/how-apply/eligibility-who-can-get-funding/funding-opportunities-farmers\\_en](https://commission.europa.eu/funding-tenders/how-apply/eligibility-who-can-get-funding/funding-opportunities-farmers_en)
- French Language
  - <https://www.feve.co/installation/ressources-installation/louer-sa-ferme>
  - <https://www.realease-capital.fr/blog/pourquoi-faut-il-louer-son-materiel-dentreprise-plutot-que-de-acheter/>
- German Language
  - “Finanzierungsmöglichkeiten für Landwirtinnen und Landwirte” (Europ. Kommission) [https://commission.europa.eu/funding-tenders/how-apply/eligibility-who-can-get-funding/funding-opportunities-farmers\\_de](https://commission.europa.eu/funding-tenders/how-apply/eligibility-who-can-get-funding/funding-opportunities-farmers_de)
  - “So stark schwanken die Pachtpreise innerhalb der EU” <https://www.topagrar.com/markt/news/so-stark-schwanken-die-pachtpreise-innerhalb-der-eu-b-20000014.html>
- For Belgium
  - STATBEL
  - EN “Agricultural land renting prices” <https://statbel.fgov.be/en/themes/agriculture-fishery/agricultural-land-renting-prices>
  - FR “Fermages dans l’agriculture” <https://statbel.fgov.be/fr/themes/agriculture-peche/fermages-dans-lagriculture>
  - NL “Pachten in de landbouw” <https://statbel.fgov.be/nl/themas/landbouw-visserij/pachten-de-landbouw>
  - DE “Pachtpreise” <https://statbel.fgov.be/de/themen/landwirtschaft-fischerei/pachtpreise>
- Finland
  - EN: <https://www.luke.fi/en/statistics/land-purchase-prices-and-agricultural-land-rents>
  - FI: <https://www.luke.fi/fi/tilastot/pellon-osto-ja-vuokrahinnat>
  - SE: <https://www.luke.fi/sv/statistik/inkops-och-arrendepriser-pa-jordbruksmark>
  - Konetyön kustannukset ja tilastolliset urakointihinnat <https://www.doria.fi/handle/10024/193473> Doria



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## Ideas to Animate a Workshop About the Solution

- Ask a leasing company, equipment rental provider, land or infrastructure owner, or agricultural advisor specialized in equine farm economics and farm management to sponsor the workshop.
- Find a model equine farm that partly or fully relies on rented or leased land, infrastructure, or equipment where the workshop can take place.
- Complete the required tasks and let the participants take part in practical exercises such as comparing rental vs. purchase scenarios, reviewing lease contracts, or planning farm activities using rented equipment, so they can get to know the system.

## Proposed Structure for the Workshop on “Leasing and Renting Material and Infrastructures Instead of Buying” in Equine Farms

### 1. Introduction to the Solution

- What does leasing and renting material and infrastructure mean in equine farming?
- Key features and components of the solution (e.g. rented land, stables, arenas, riding halls, machinery, transport equipment).
- Types of leasing and rental options available (short-term rental, long-term lease, seasonal rental, equipment leasing, infrastructure-only rental).

### 2. Benefits of Solution on Equine Farms

- Reduced initial investment: Lower capital requirements when setting up or expanding an equine farm.
- Financial flexibility: Preserving cash flow and limiting debt exposure.
- Adaptability: Ability to adjust infrastructure and equipment to changing farm needs.
- Risk management: Avoiding long-term financial commitments in uncertain economic conditions.

### 3. Practical Applications on Equine Farms

- Renting land for grazing, forage production, or seasonal use.
- Leasing stables, arenas, or riding halls without purchasing buildings.
- Renting machinery for forage production, manure management, or maintenance tasks.
- Temporary rental of transport equipment or specialized machines for peak workloads.

### 4. How to Choose the Most Suitable Approach

- Evaluation of the farm’s operational and strategic needs.
- Assessment of location, accessibility, and compatibility with existing farm structures.
- Review of contract conditions (duration, flexibility, responsibilities, exit options).
- Comparison of rental costs versus purchase and financing alternatives.

### 5. Hands-On Demonstration

- Presentation of real rental or leasing contracts and agreements.
- Live demonstration of planning farm activities using rented equipment or infrastructure.
- Group exercise: designing a simple equine farm setup based on rented resources.



## **6. Maintenance and Troubleshooting**

- Coordination and planning of rental periods and equipment availability.
- Responsibilities for maintenance, insurance, and repairs.
- Managing dependencies on external providers and avoiding operational bottlenecks.

## **7. Case Studies and Real-World Examples**

- Examples of equine farms using rented land, infrastructure, or machinery.
- Discussion of how leasing has influenced farm setup, flexibility, and costs.
- Lessons learned and practical tips from farm operators using rental systems.

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

- Comparison of rental and leasing costs versus ownership over time.
- How to calculate ROI based on farm size, activity level, and rental duration.
- Economic implications of flexibility and reduced financial risk rather than asset ownership.

## **9. Q&A Session**

- Open discussion on participants' experiences with renting or leasing.
- Address concerns related to availability, contracts, and long-term planning.

## **10. Wrap-Up and Resources**

- Summary of key messages from the workshop.
- List of useful resources (leasing providers, advisory services, contract templates).
- Information on possible partnerships, collective rental options, or advisory support.