

NEWS RELEASE
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STFA REACTS TO LANDMARK RENT DECISION

The Scottish Tenant Farmers Association (STFA) has welcomed the long awaited landmark decision by the Scottish Land Court on the first rent review case before it for more than two decades. The rent review case concerns the 470 acre arable farm of Moonzie near Cupar in Fife referred to the court following the failure to agree rent at the November 2008 term date. The Court has now reduced the rent on the farm from £22,000 to £20,800. Moonzie is owned by Richard Morrison-Low and rented by the Paterson family.

The decision released by the Scottish Land Court yesterday extends to a 78 page judgement covering a range of important and often contentious issues which have been the source of disagreement since the changes to agricultural legislation in 2003. Reacting to the news of the court's verdict STFA chairman Angus McCall said; "Scottish tenants will be delighted that the Paterson family have at last had their rent settled and will now be paying marginally less rent. However, this is an important court ruling over a range of complex arguments and it will take some time to digest the detail and assess the implications of the court's decisions. One of the court's most important findings is its' opinion that the Single Farm Payment *"is not part of the earnings of the farm"*, although *"A tenant would make an allowance for the convenience of being able to use the farm to realise his entitlement rather than seek a cheaper method, such as renting naked acres"*

"This judgement is bound to affect the rent review cases which coming the Land Court in the coming weeks, and encourage early settlement to the 15 disputes now being referred to the court following the May round of rent reviews.

"For some time now, STFA has been highlighting the shortfalls of the current system of dispute resolution and the pitfalls of using a judicial process to solve what should be a simple disagreement over rent. STFA is actively exploring ways of introducing codes of practice which would encourage the use of alternative methods to settle disagreements without having to resort to the courts.

“The Land Court has pointed out the disproportionate nature of the legal and professional fees incurred in the judicial process compared to the sums of money under dispute. It is very likely the cost of this whole rent review case could have pretty well have re-equipped Moonzie Farm. This cannot be good for Scottish agriculture and the future of the tenanted sector. ”

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The Moonzie decision (SLC/233/08) can be obtained from the Scottish Land Court.

STFA members can obtain decision from the Technical papers section of the STFA website – www.tfascotland.org.uk