Granular

Who Owns, Rents and Buys Farmland Today

Speaker: Dr. Wendong Zhang, Iowa State University

Moderator: Dr. LeeAnn Moss, AcreValue

Iowa State University

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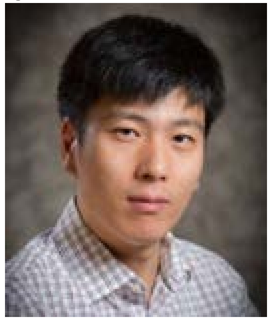
Our Speakers Today

Featured Guest:

Dr. Wendong Zhang, Iowa State University



- Assistant Professor of Economics
- Leading Researcher of Iowa Land Value & Ownership Surveys
- ISU Center for Agricultural & Rural Development affiliation
- Co-founder of new ISU China Ag center
- Ph.D., Ag Econ, Ohio State

Dr. LeeAnn Moss, AcreValue

- Director of Industry Marketing
- Joined Granular in 2017
- Former farm real estate broker, auctioneer and Appraiser
- Ph.D., Ag Econ, University of Illinois

Iowa State University AcreValue

Today's Agenda

1 / Quick Poll

2 / Farmland Ownership

3 / Farmland Leasing Relationships

4 / Landowner Characteristics

5 / The Future: What Could Change?

6 / Parcel-level Data with AcreValue

7 / Q&A

Survey sources

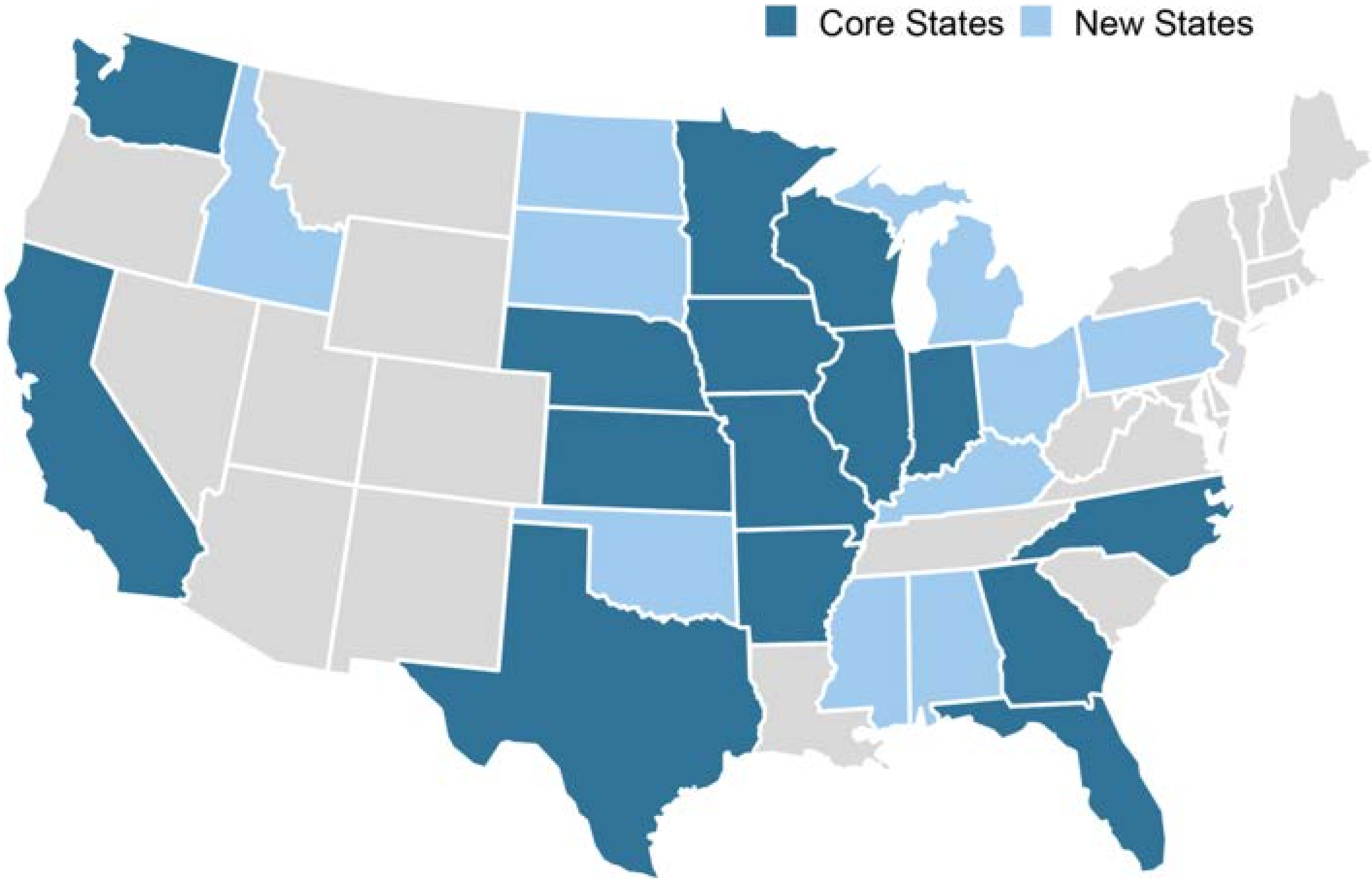
US-based survey 2014 (USDA)

- Tenure, Ownership and Transition of Ag Land (TOTAL)
- Jointly done with USDA/NASS and ERS
- Only nationally representative data since 1999

Iowa-based survey 2017 (ISU)

- Iowa Statue University Farmland Ownership and Tenure Survey
- Statistically representative of all owners and all land
- Conducted every 5 years since 1982

States the US TOTAL survey covers

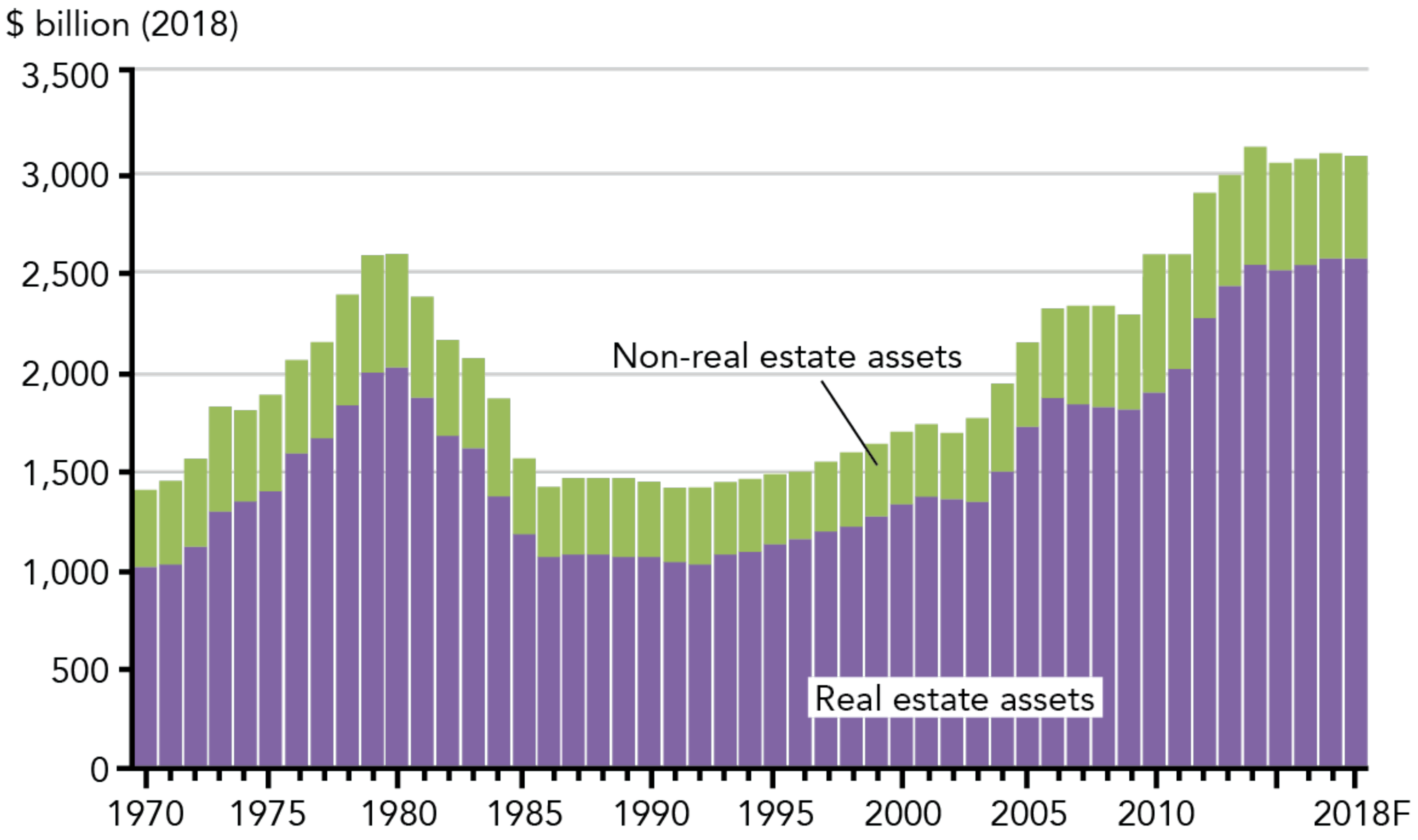


Trends in Farmland Ownership

Who owns it

How it's acquired

US farm assets: Land is > 80%



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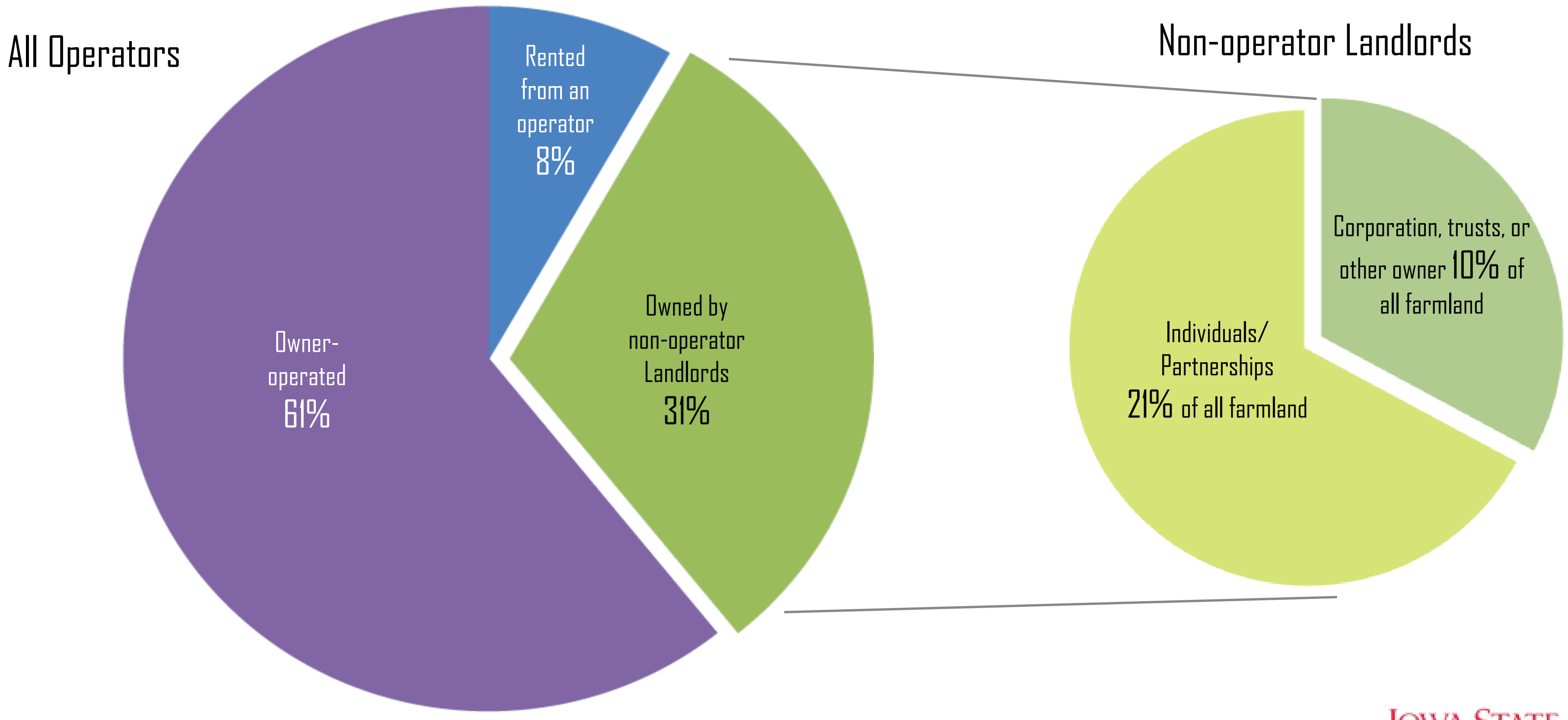
40% of land in farms is rented from others

Over time, more land in trusts & corporations



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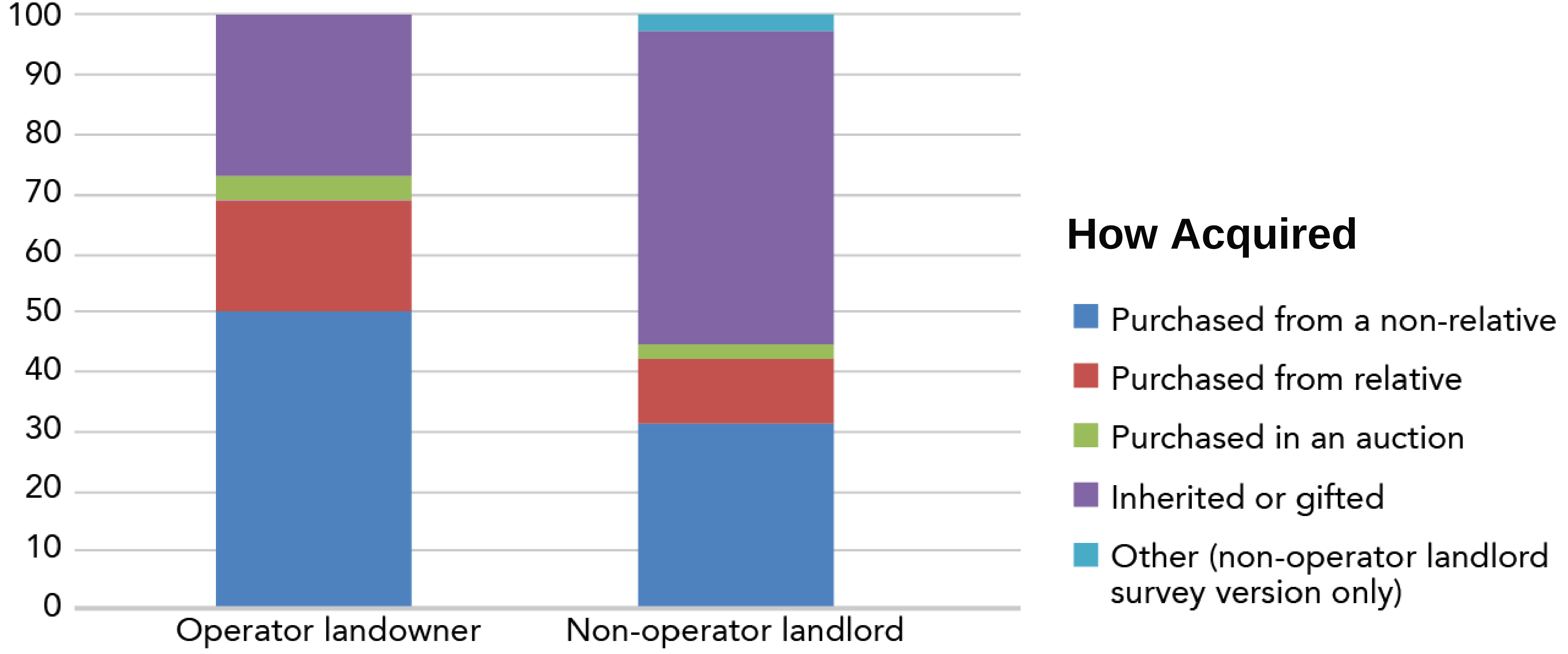
Non-operators more likely to inherit land

70% of land owned by operator landowners is purchased



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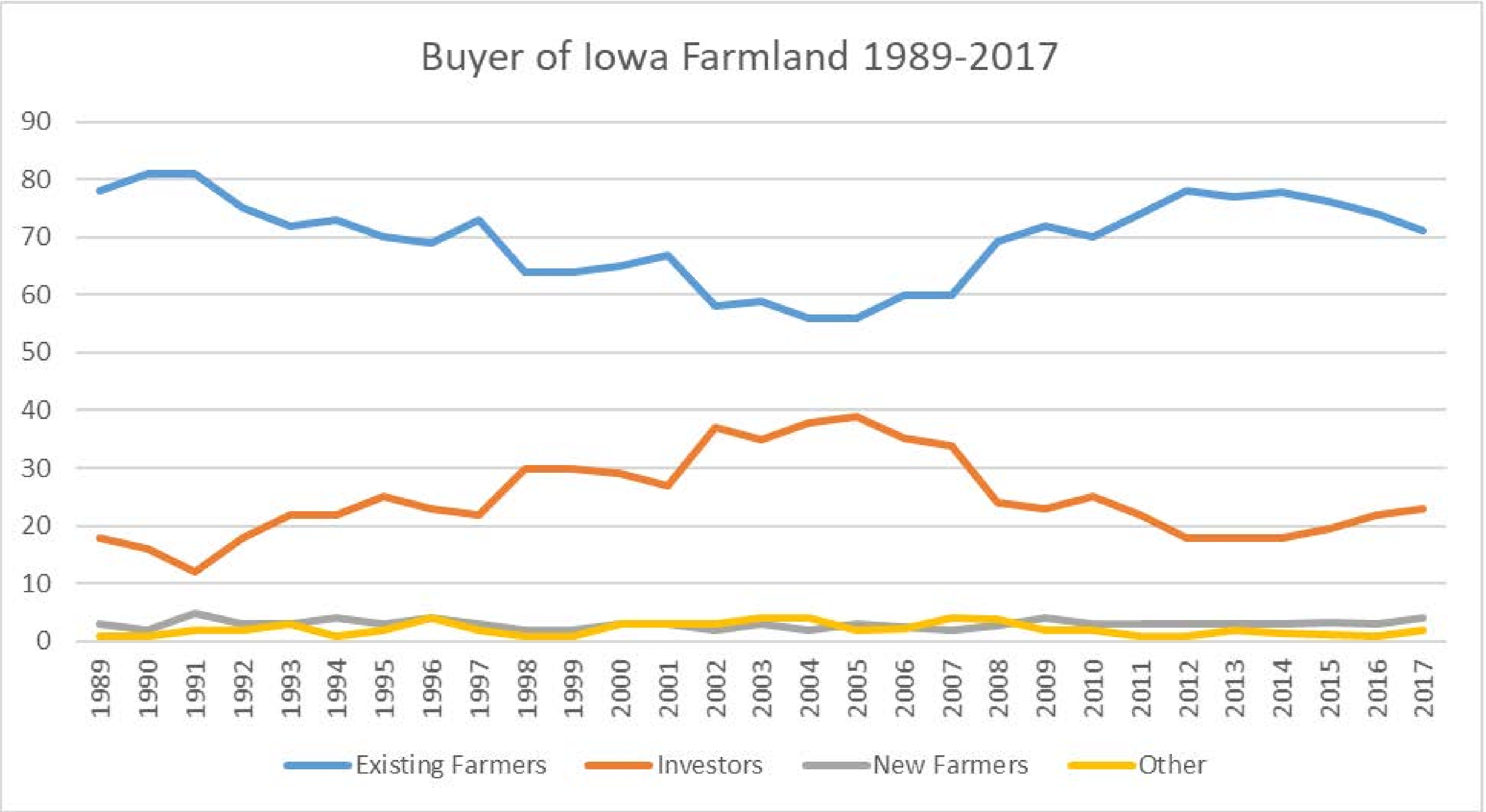
Existing farmers are primary buyers of Iowa farmland

Investor share increased when farm income dropped



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Primary reason for Iowa owners to own land

	2012	2017				
		All	<35	35-65	65-80	>80
Current income	56%	**49%**	40%	56%	45%	41%
Long-term investment	19%	**19%**	44%	15%	22%	19%
Family or sentimental	22%	**29%**	0%	25%	30%	38%
Home	1%	**2%**	12%	2%	1%	1%
Recreation	1%	**1%**	5%	1%	1%	0%
None given	1%	**1%**	0%	1%	0%	1%

Farmland ownership is a long-term commitment

Iowa Data

Years Owned	2012	2017
> 50 Years	20%	8%
40-50 Years		12%
30-40 Years	15%	13%
20-30 Years	19%	20%
10-20 Years	21%	24%
< 10 Years	24%	24%

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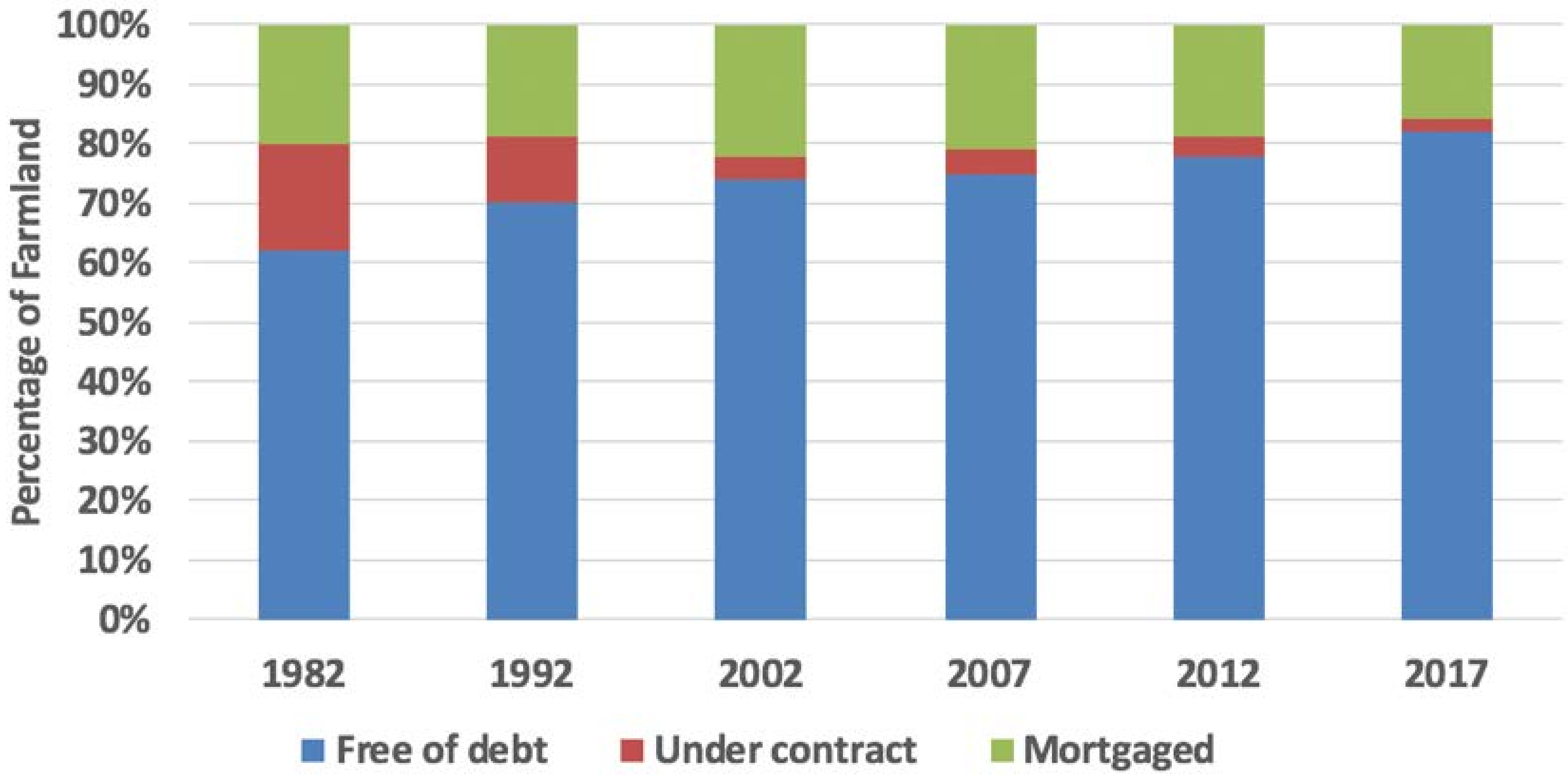
82% of Iowa land is owned free of debt



Trends in Farmland Leasing Relationships

Who are the
landlords

Who are the tenants

Lease types

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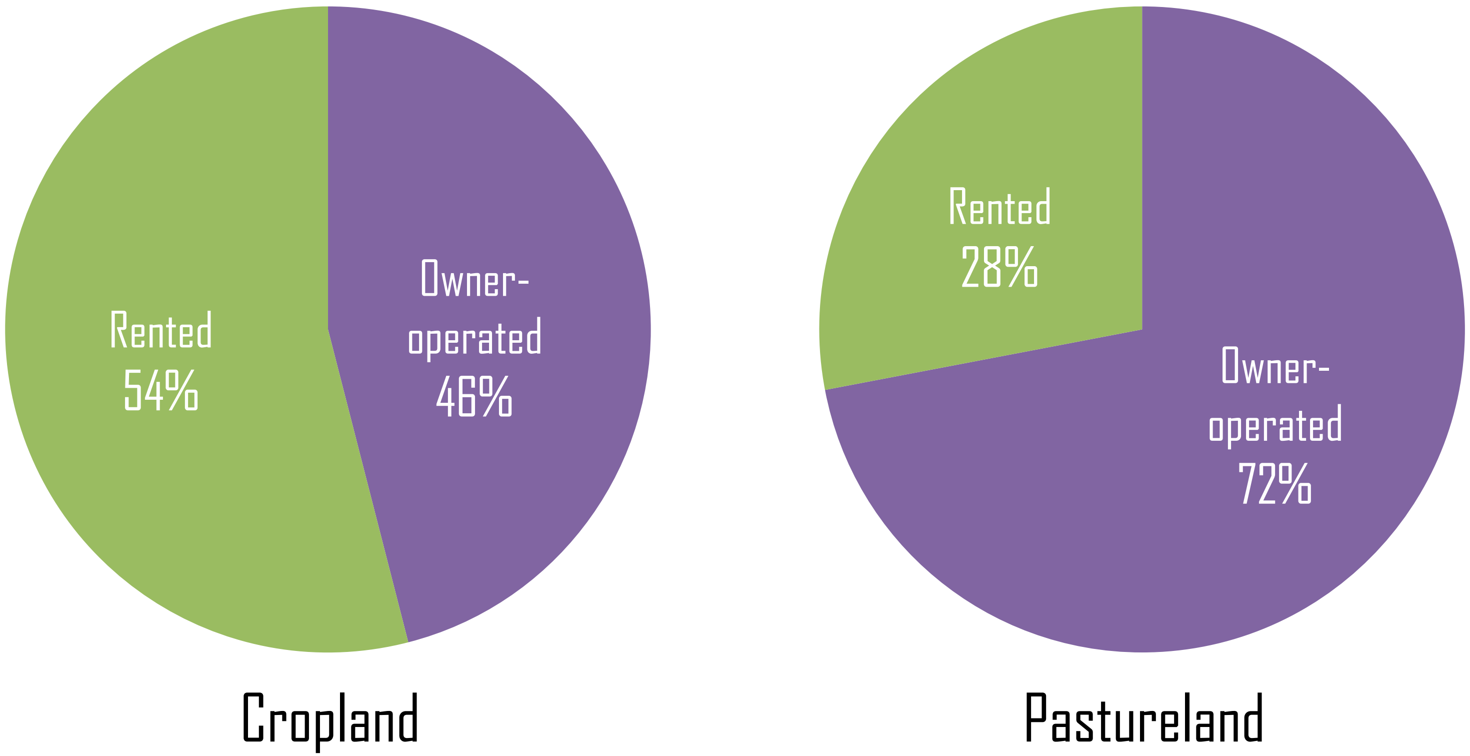
Pastureland more likely to be owner-operated than cropland



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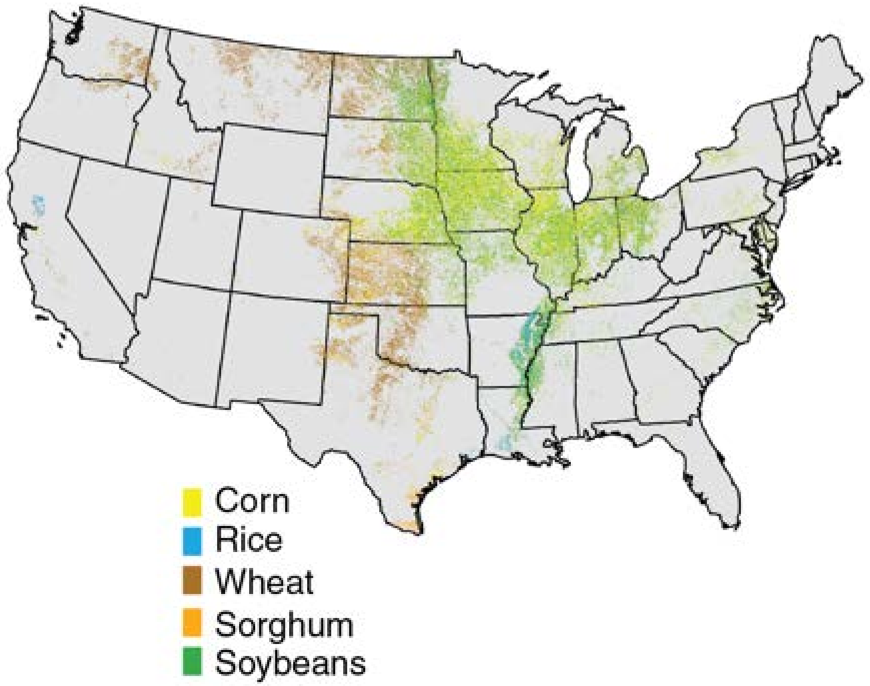
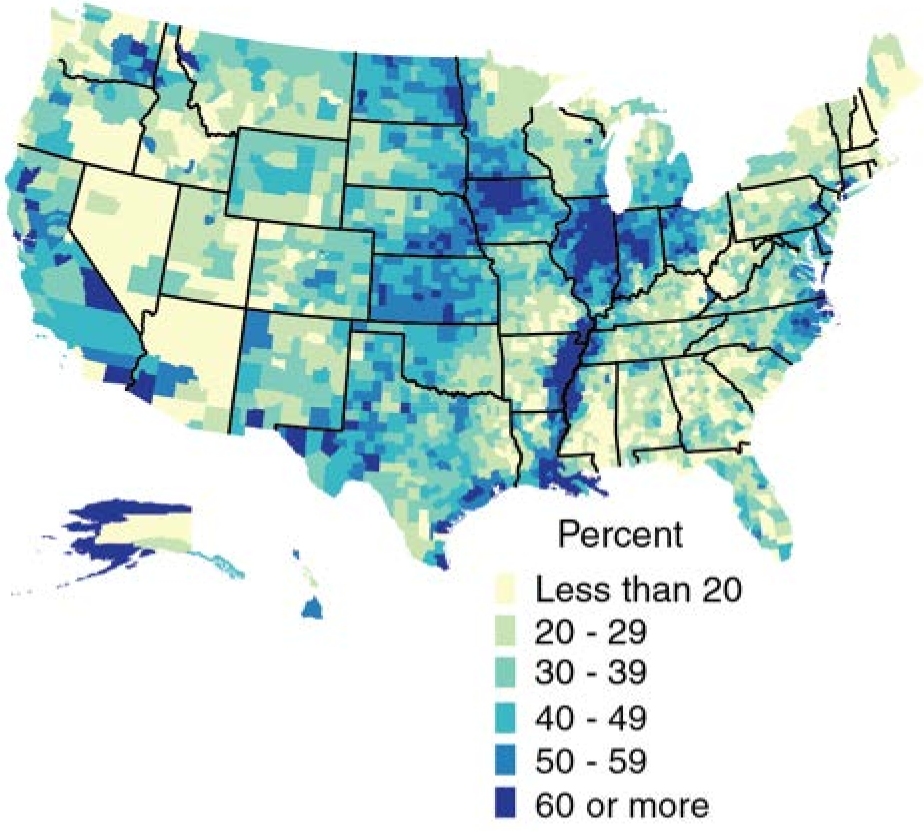
Most rented farmland concentrated in cash grain production regions

% rented land is higher in areas with higher quality soils





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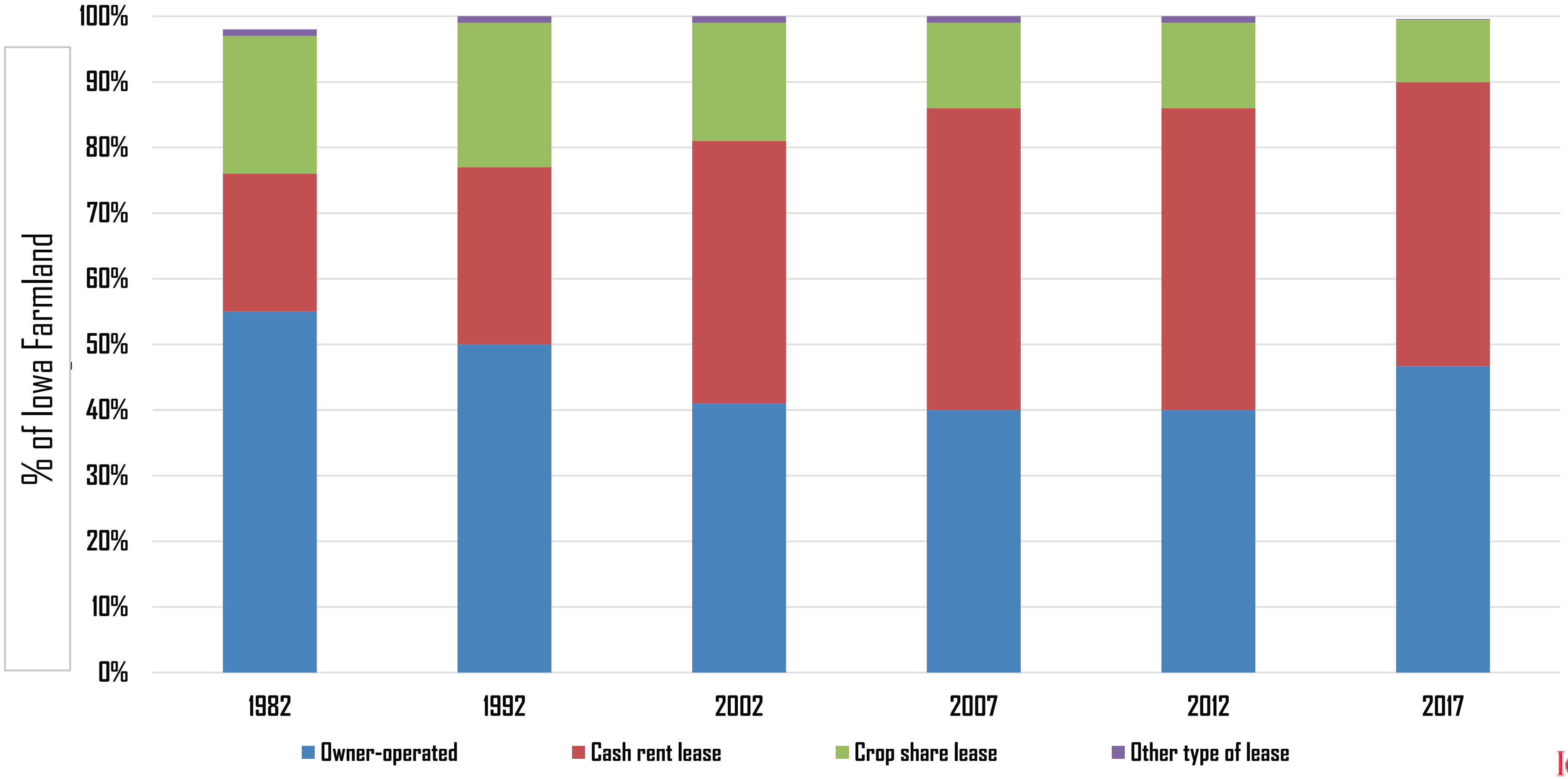
A shift toward cash rent

Crop share less popular in current low margin times



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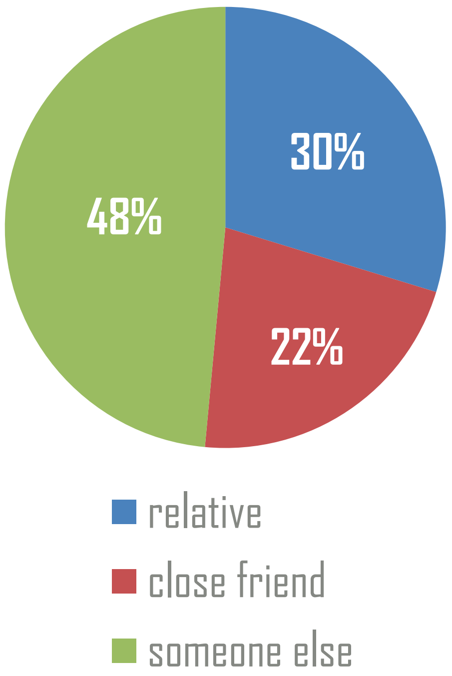
Tenants: who they are & their leasing relationships

Non-operators offer longer term leases



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Trends in Landowner Characteristics

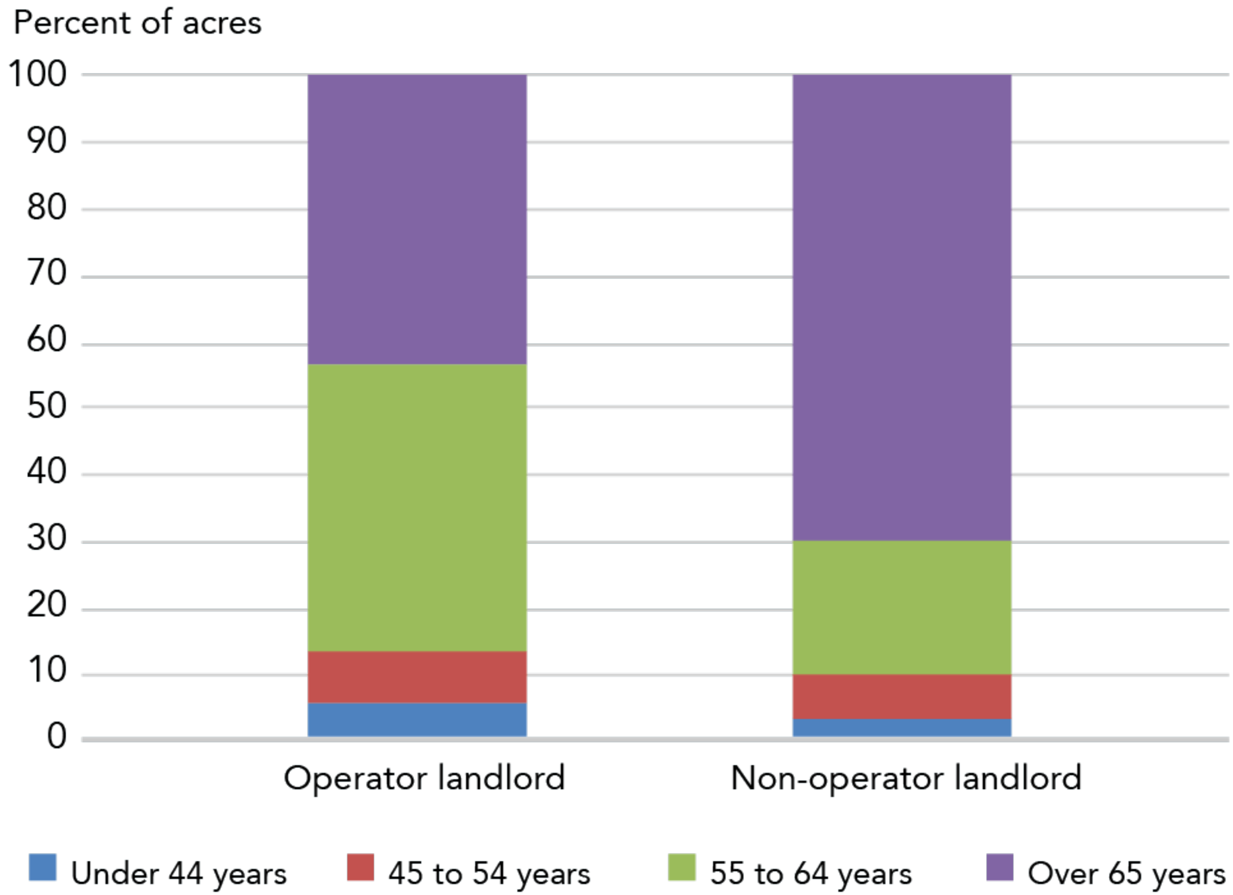
What’s changing

What’s not

Implications

US land ownership concentrated among older operators & landlords

Concentration > 65 years old greater for non-operator landlords



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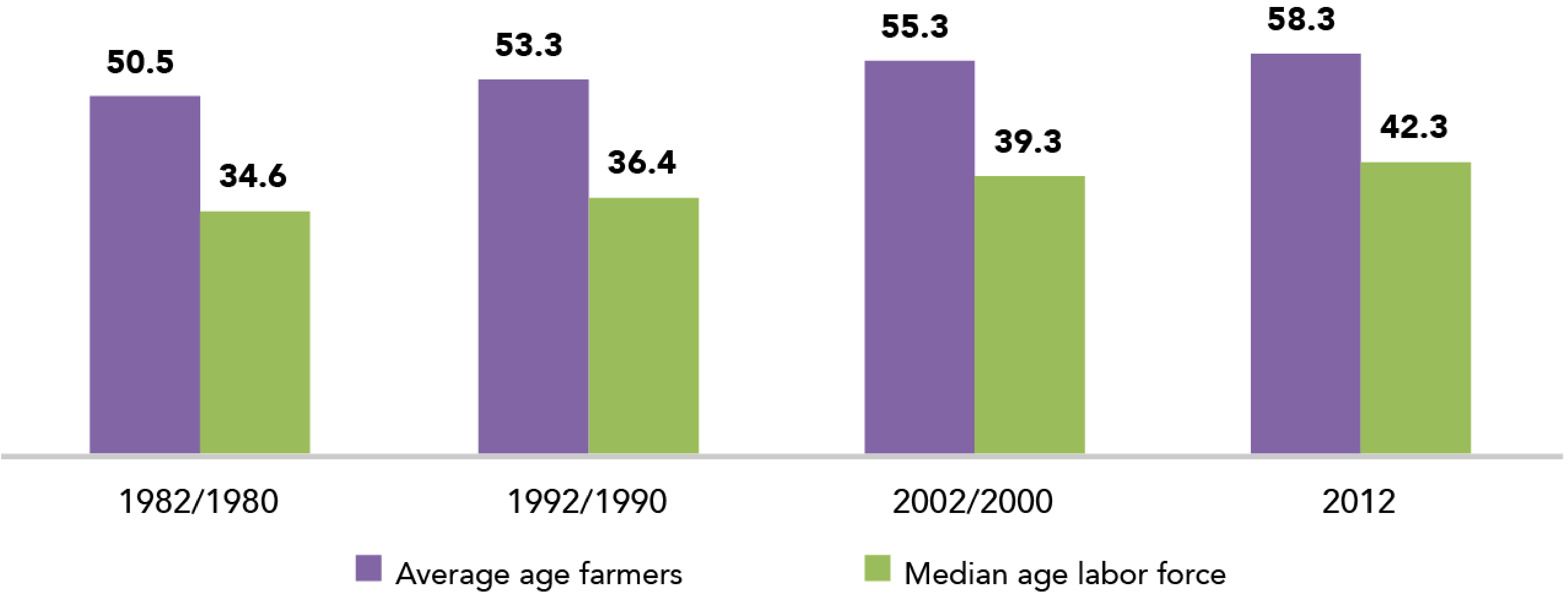
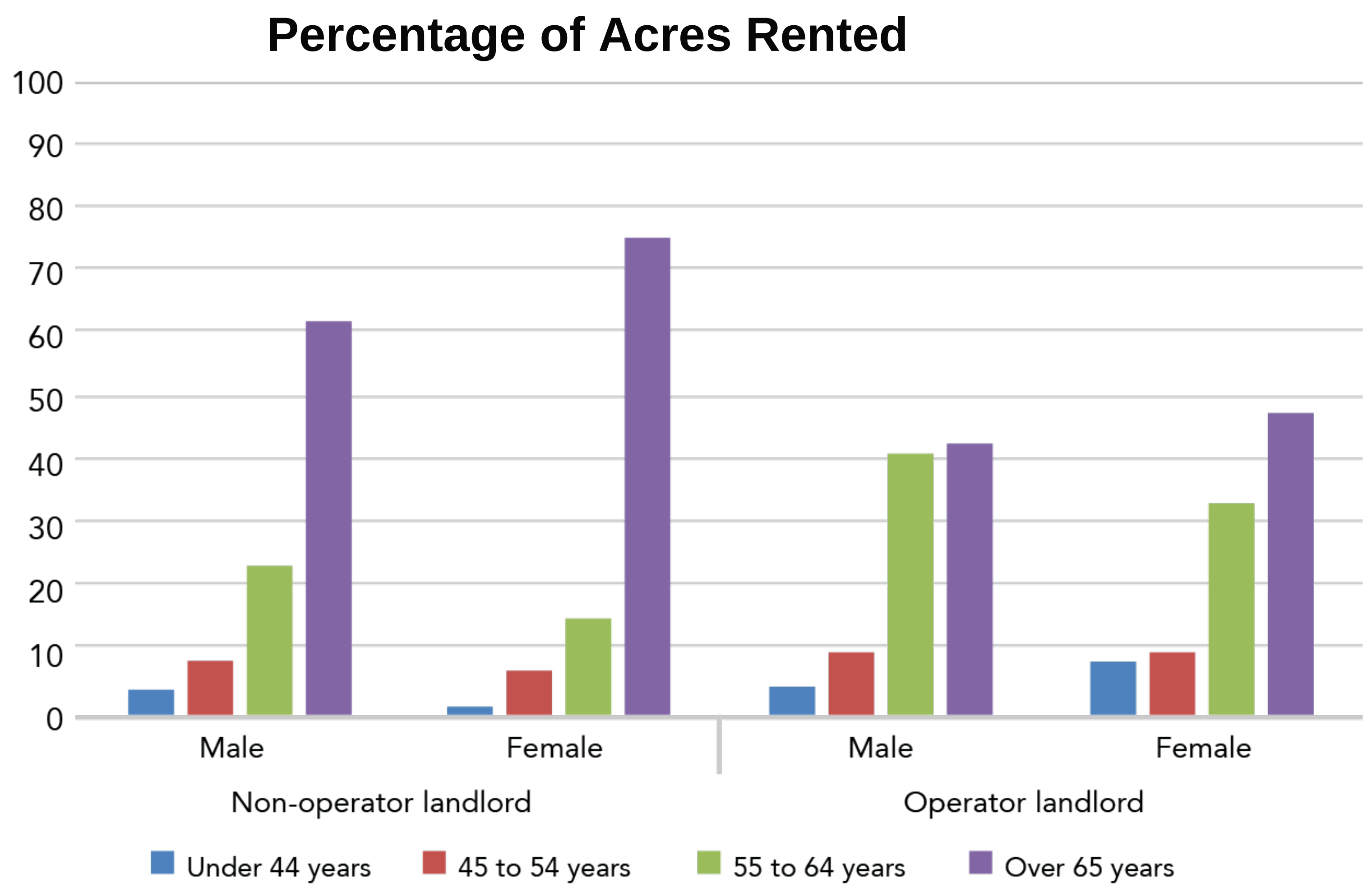
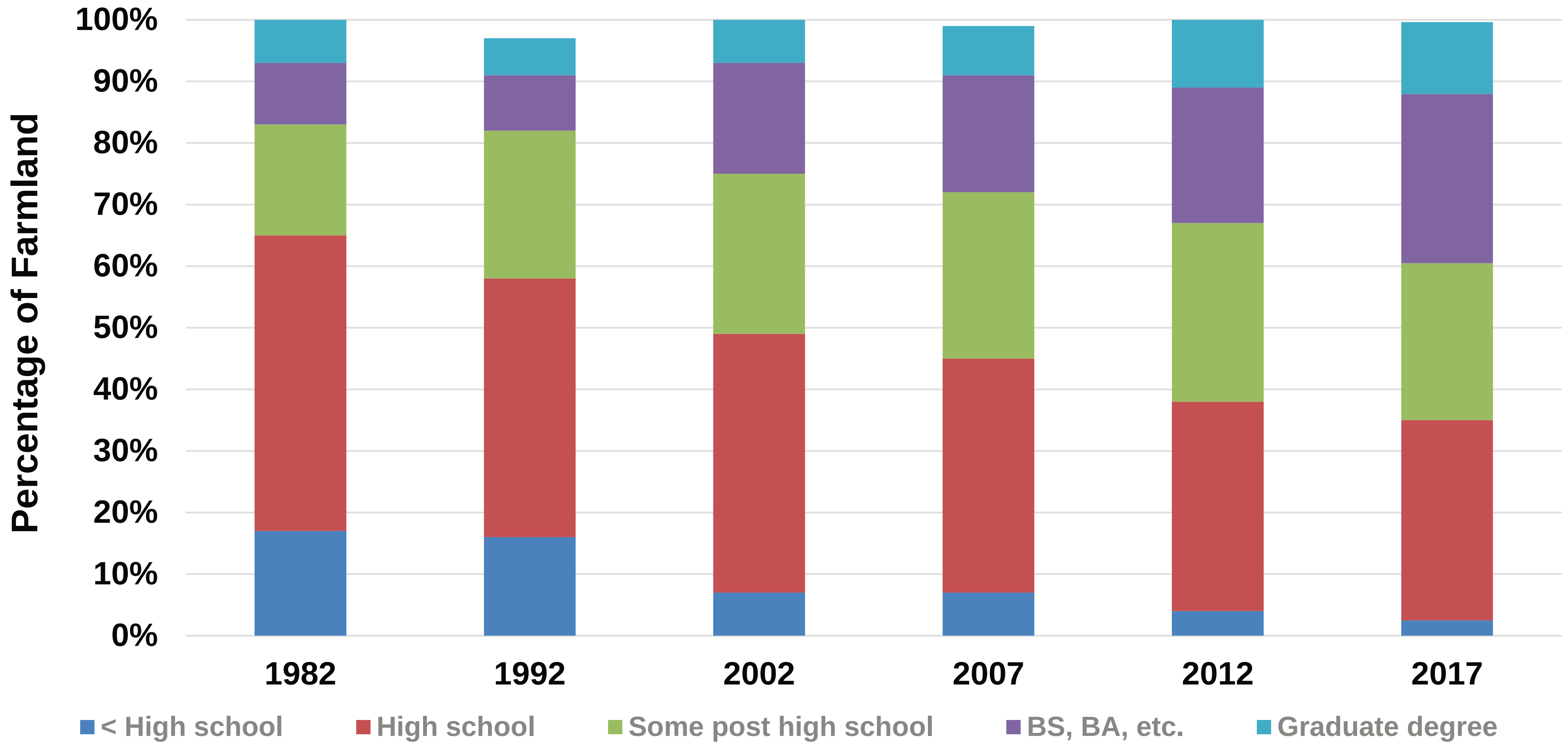
Average age of both growers & labor force trending older



Half of leased land is owned by women



Landowners increasingly educated



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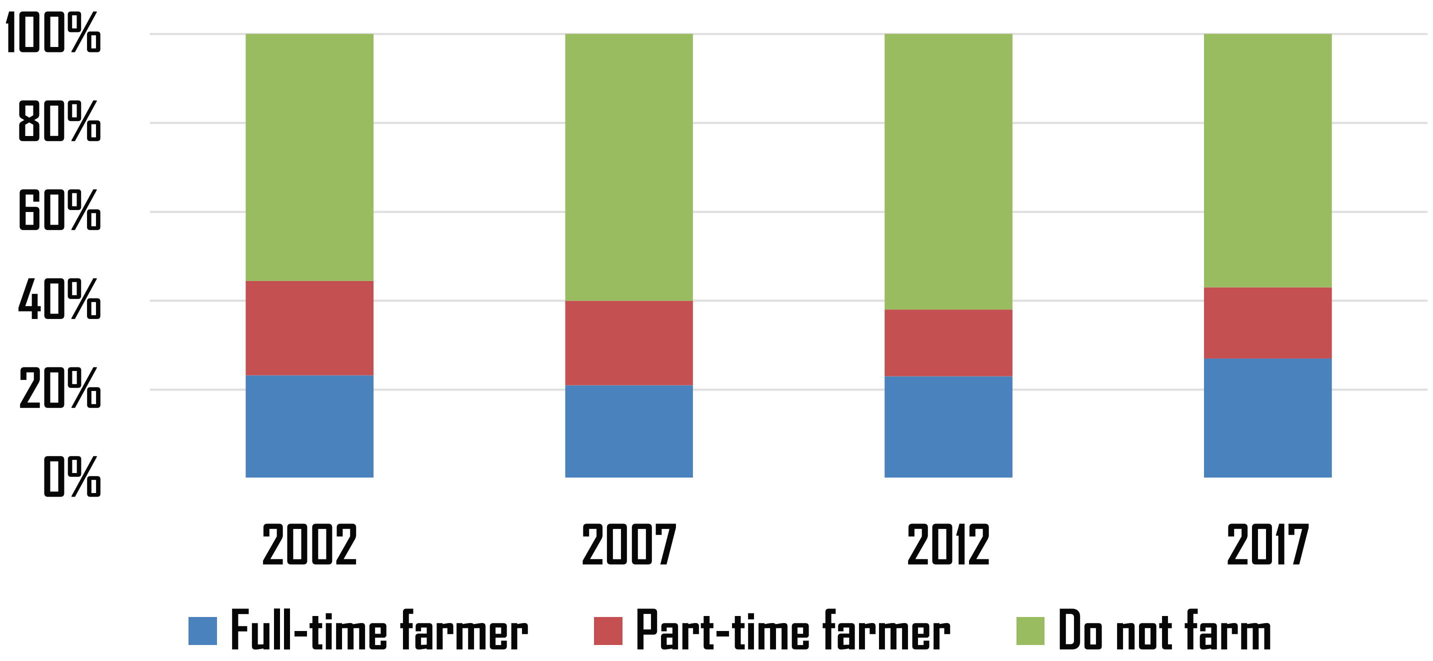
57% of Iowa land is owned by those who do not currently farm

Of those, 34% are owners with no farming experience



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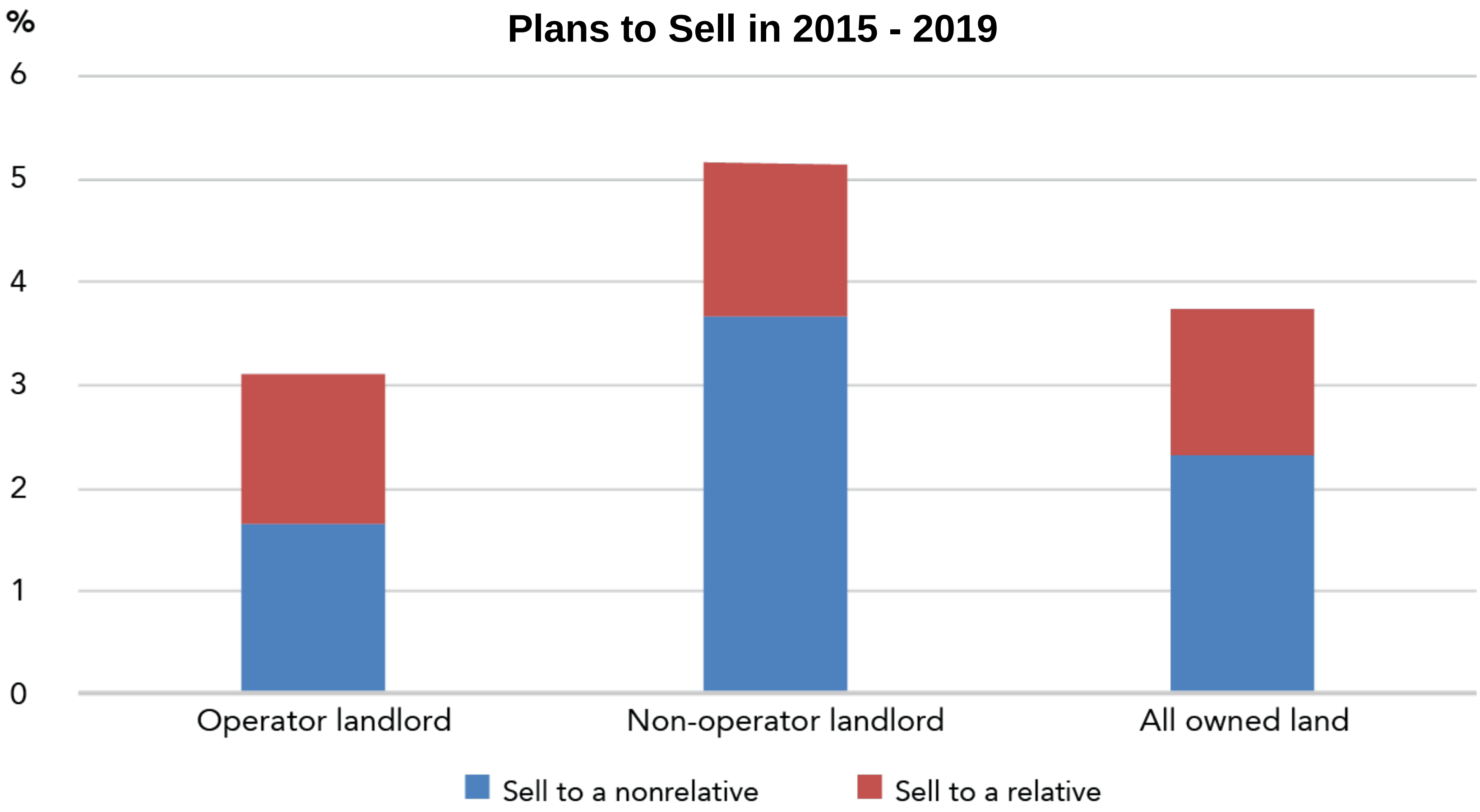
The Future –
What Could Change?

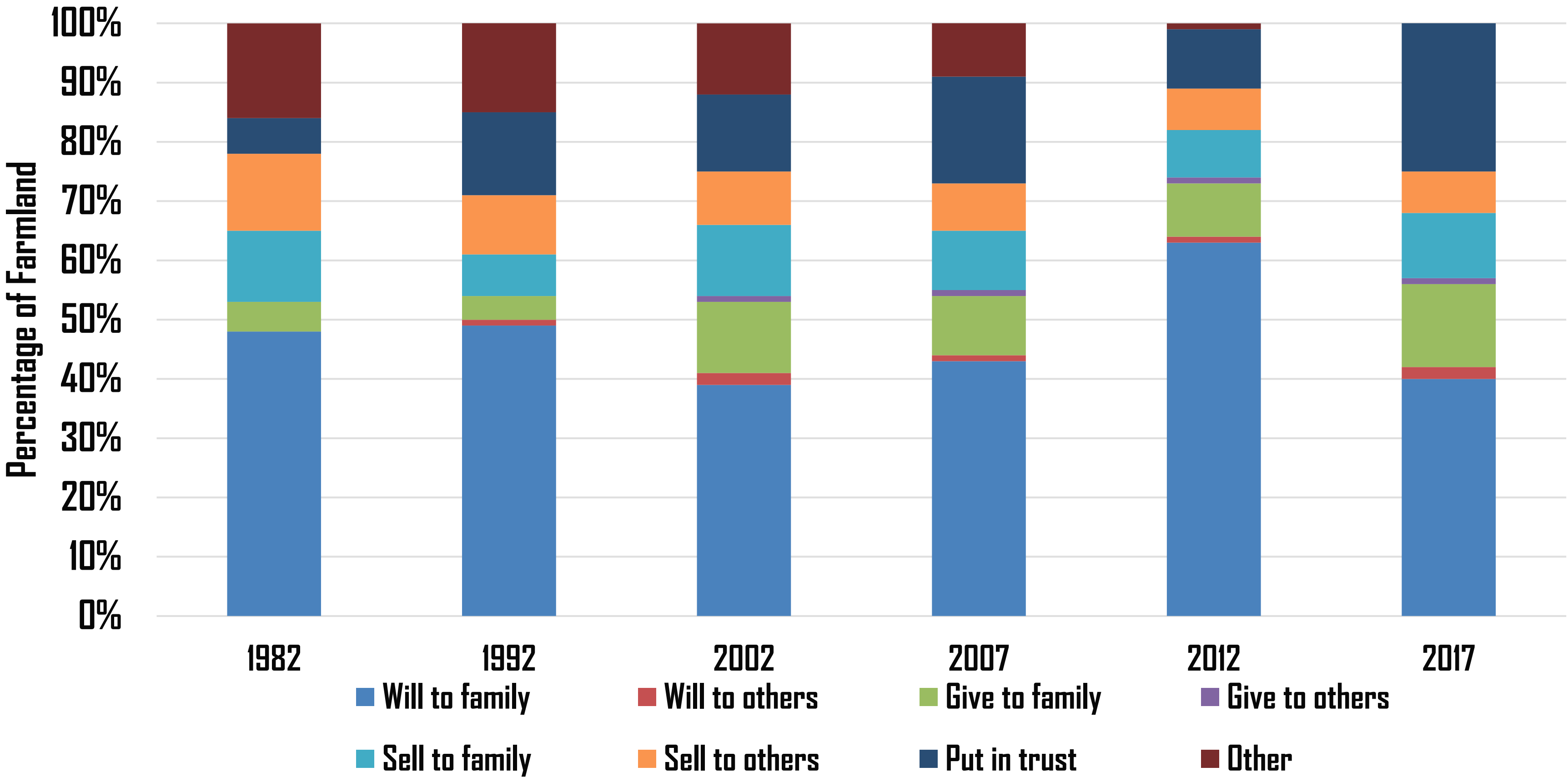
The land market remains tight

4% of land expected to go on open market in a 5 year period



Landowners: not planning to sell outside family or put land on market

Dominant land transfer methods: will, gift to family, or trusts



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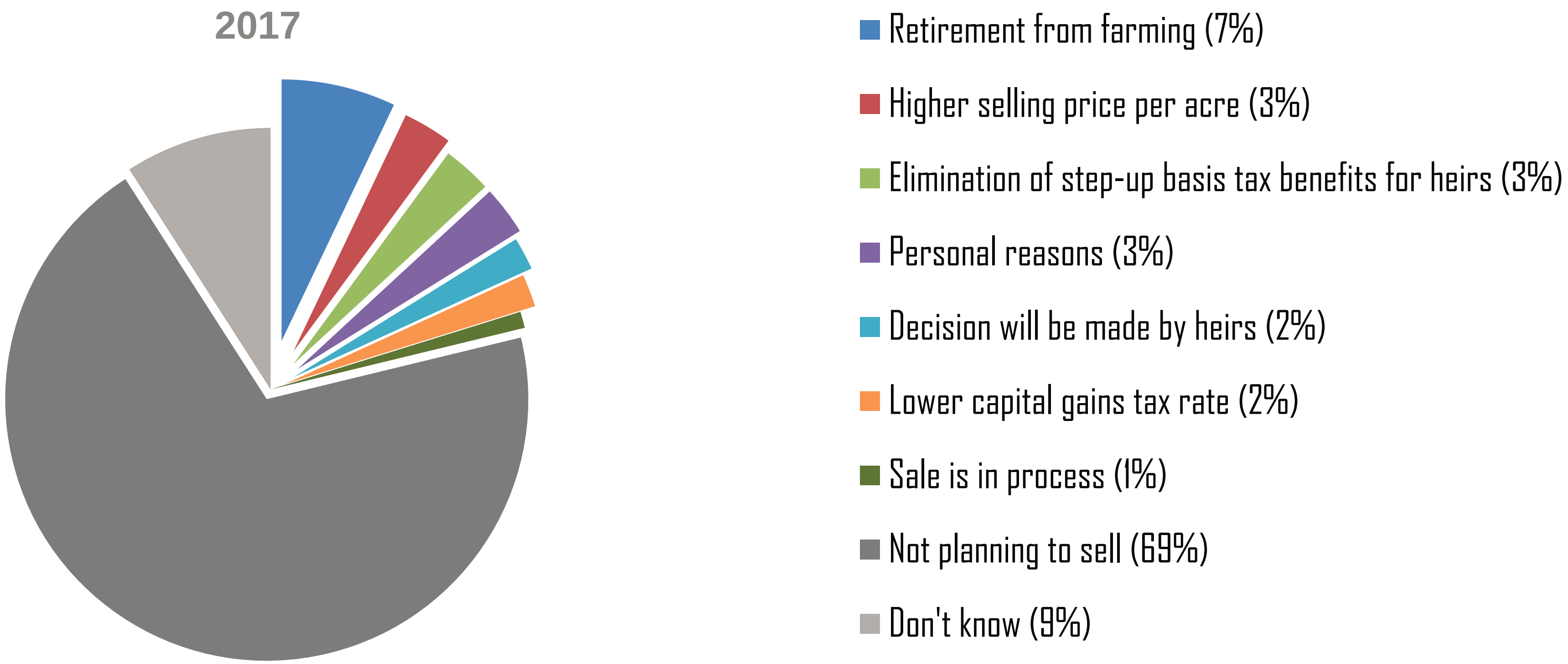
69% of Iowa land will not be sold: reasons are unknown

Retirement from farming encourages sales



Summary & Looking Ahead

Land	Owners & Ownership	Trends & Looking Ahead
Farmland is a long-term investment	60% of land is owned by owners 65+, a third by 75+	Cash rent is increasingly popular and dominant
Farmland market will remain tight, with land transfers mostly within family	13% of Iowa land owned by women 80+	Land values under double downward pressures (interest rate hikes + trade uncertainty)
82% of Iowa land is owned debt-free	Ownership shifting to trust and corporations	Lower land prices may present opportunities for investors as return (rent/land price) might increase
29% of Iowa land owned primarily for sentimental reasons	More land owned by owners with no farming experience	Trade disputes will impact younger farmers more, especially those with financial stress

How to Find Parcel and Ownership Details in AcreValue

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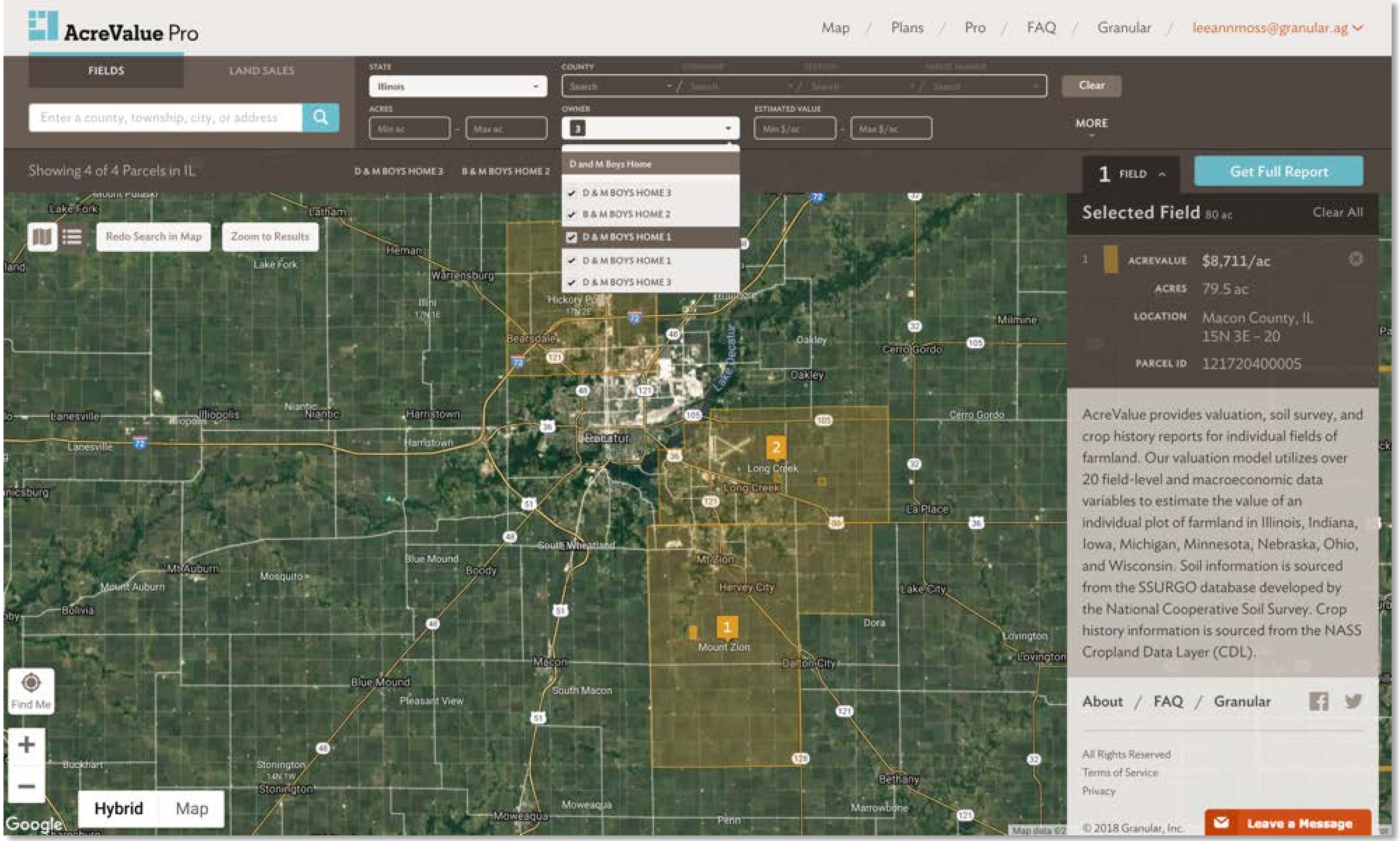

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FIELDS
LAND SALES
Enter a county, township, city, or address
STATE
Illinois
COUNTY
Clear
ACRES
OWNER
ESTIMATED VALUE
MORE
D and M Boys Home
D & M BOYS HOME 3
B & M BOYS HOME 2
D & M BOYS HOME 1
D & M BOYS HOME 1
D & M BOYS HOME 3
Showing 4 of 4 Parcels in IL
1 FIELD
Get Full Report
Redo Search in Map
Zoom to Results
Selected Field 80 ac
Clear All
ACREVALUE $8,711/ac
ACRES 79.5 ac
LOCATION Macon County, IL 15N 3E - 20
PARCEL ID 121720400005
AcreValue provides valuation, soil survey, and crop history reports for individual fields of farmland. Our valuation model utilizes over 20 field-level and macroeconomic data variables to estimate the value of an individual plot of farmland in Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, Ohio, and Wisconsin. Soil information is sourced from the SSURGO database developed by the National Cooperative Soil Survey. Crop history information is sourced from the NASS Cropland Data Layer (CDL).
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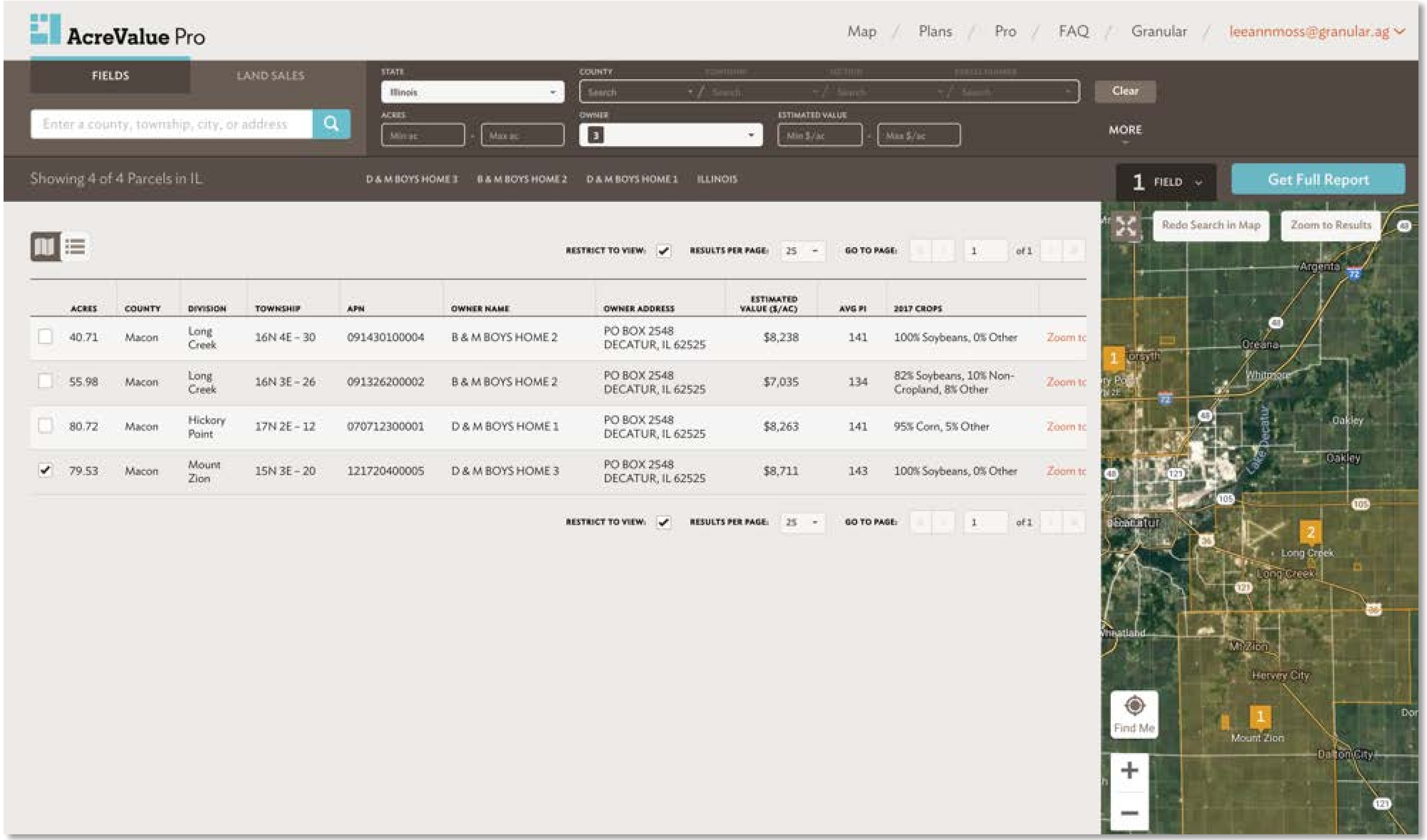

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Search
ACRES
OWNER
3
ESTIMATED VALUE
Clear
MORE
Showing 4 of 4 Parcels in IL
D & M BOYS HOME 3
B & M BOYS HOME 2
D & M BOYS HOME 1
ILLINOIS
1 FIELD
Get Full Report
Redo Search in Map
Zoom to Results
RESTRICT TO VIEW:
RESULTS PER PAGE: 25
GO TO PAGE: 1 of 1
ACRES | COUNTY | DIVISION | TOWNSHIP | APN | OWNER NAME | OWNER ADDRESS | ESTIMATED VALUE ($/AC) | AVG PI | 2017 CROPS
40.71 | Macon | Long Creek | 16N 4E - 30 | 091430100004 | B & M BOYS HOME 2 | PO BOX 2548 DECATUR, IL 62525 | $8,238 | 141 | 100% Soybeans, 0% Other
55.98 | Macon | Long Creek | 16N 3E - 26 | 091326200002 | B & M BOYS HOME 2 | PO BOX 2548 DECATUR, IL 62525 | $7,035 | 134 | 82% Soybeans, 10% Non-Cropland, 8% Other
80.72 | Macon | Hickory Point | 17N 2E - 12 | 070712300001 | D & M BOYS HOME 1 | PO BOX 2548 DECATUR, IL 62525 | $8,263 | 141 | 95% Corn, 5% Other
79.53 | Macon | Mount Zion | 15N 3E - 20 | 121720400005 | D & M BOYS HOME 3 | PO BOX 2548 DECATUR, IL 62525 | $8,711 | 143 | 100% Soybeans, 0% Other
Argenta
Oreana
Whitmore
Oakley
Decatur
Long Creek
Mt Zion
Hervey City
Mount Zion
Dalton City
Find Me

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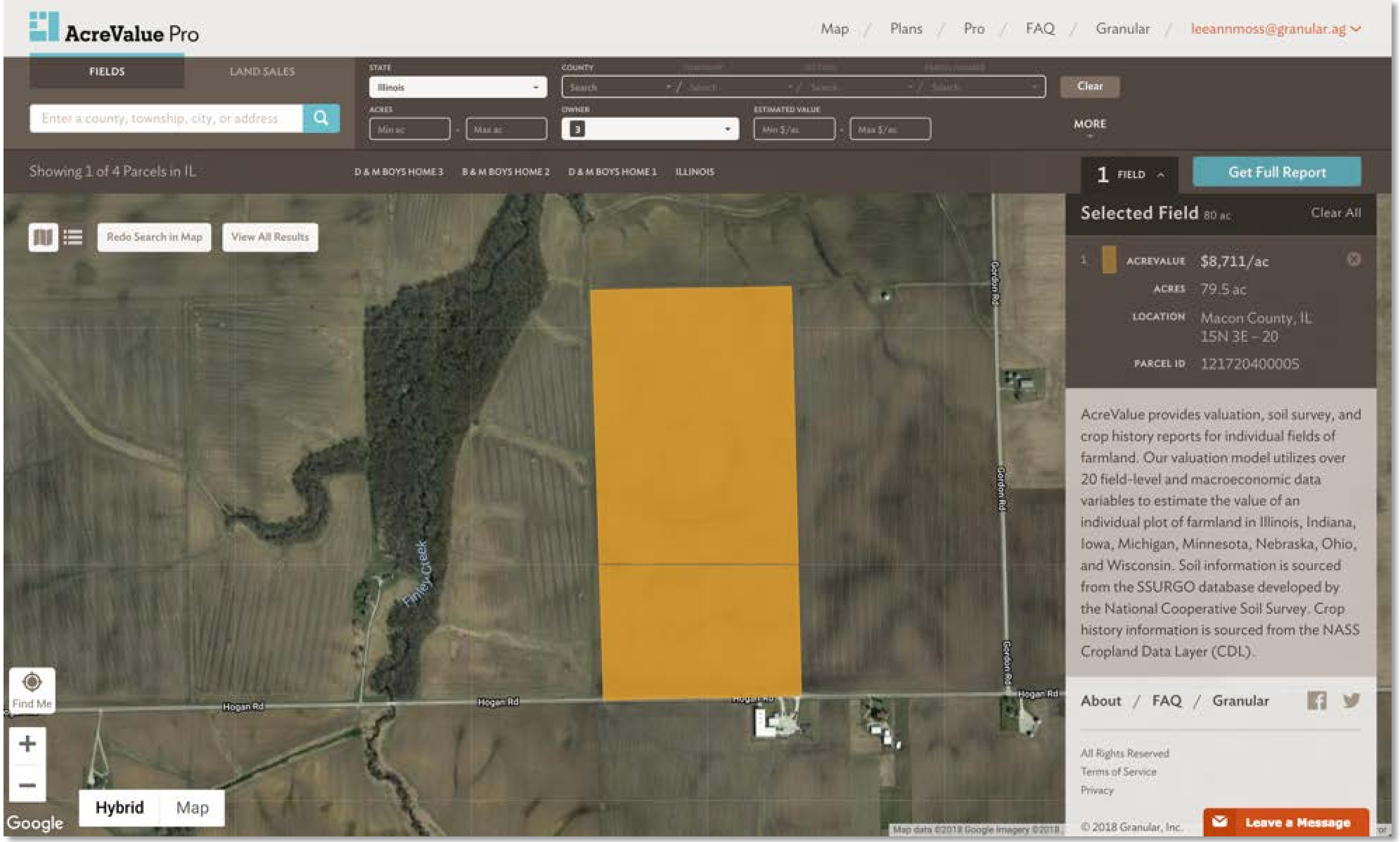
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LAND SALES
Enter a county, township, city, or address
STATE
Illinois
COUNTY
Search
Clear
ACRES
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ESTIMATED VALUE
MORE
Showing 1 of 4 Parcels in IL
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1 FIELD
Get Full Report
Redo Search in Map
View All Results
Selected Field 80 ac
Clear All
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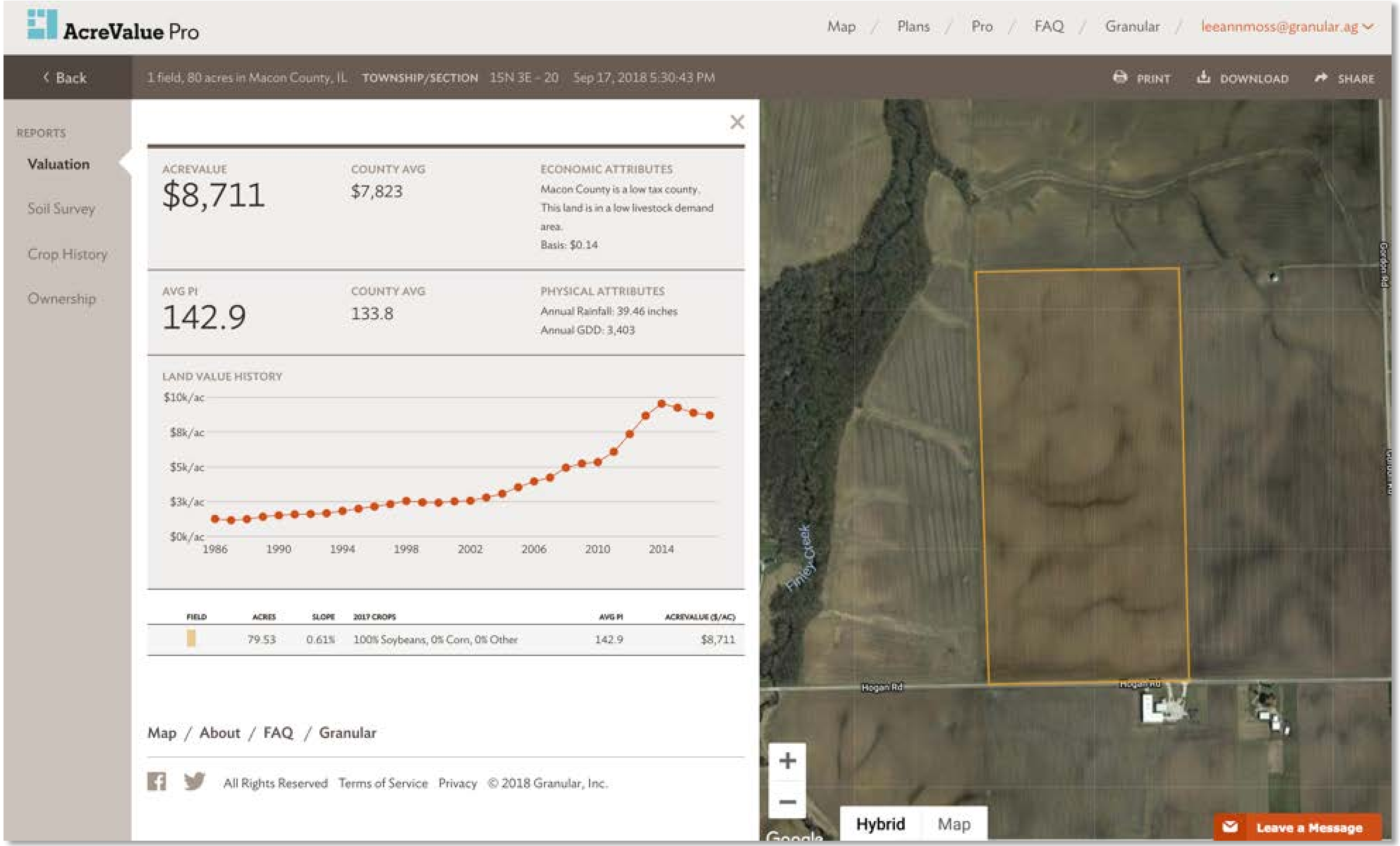

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Back
1 field, 80 acres in Macon County, IL TOWNSHIP/SECTION 15N 3E - 20 Sep 17, 2018 5:30:43 PM
PRINT
DOWNLOAD
SHARE
REPORTS
Valuation
Soil Survey
Crop History
Ownership
ACREVALUE
$8,711
COUNTY AVG
$7,823
ECONOMIC ATTRIBUTES
Macon County is a low tax county.
This land is in a low livestock demand area.
Basis: $0.14
AVG PI
142.9
COUNTY AVG
133.8
PHYSICAL ATTRIBUTES
Annual Rainfall: 39.46 inches
Annual GDD: 3,403
LAND VALUE HISTORY
$10k/ac
$8k/ac
$5k/ac
$3k/ac
$0k/ac
1986
1990
1994
1998
2002
2006
2010
2014
FIELD ACRES SLOPE 2017 CROPS AVG PI ACREVALUE ($/AC)
79.53 0.61% 100% Soybeans, 0% Corn, 0% Other 142.9 $8,711
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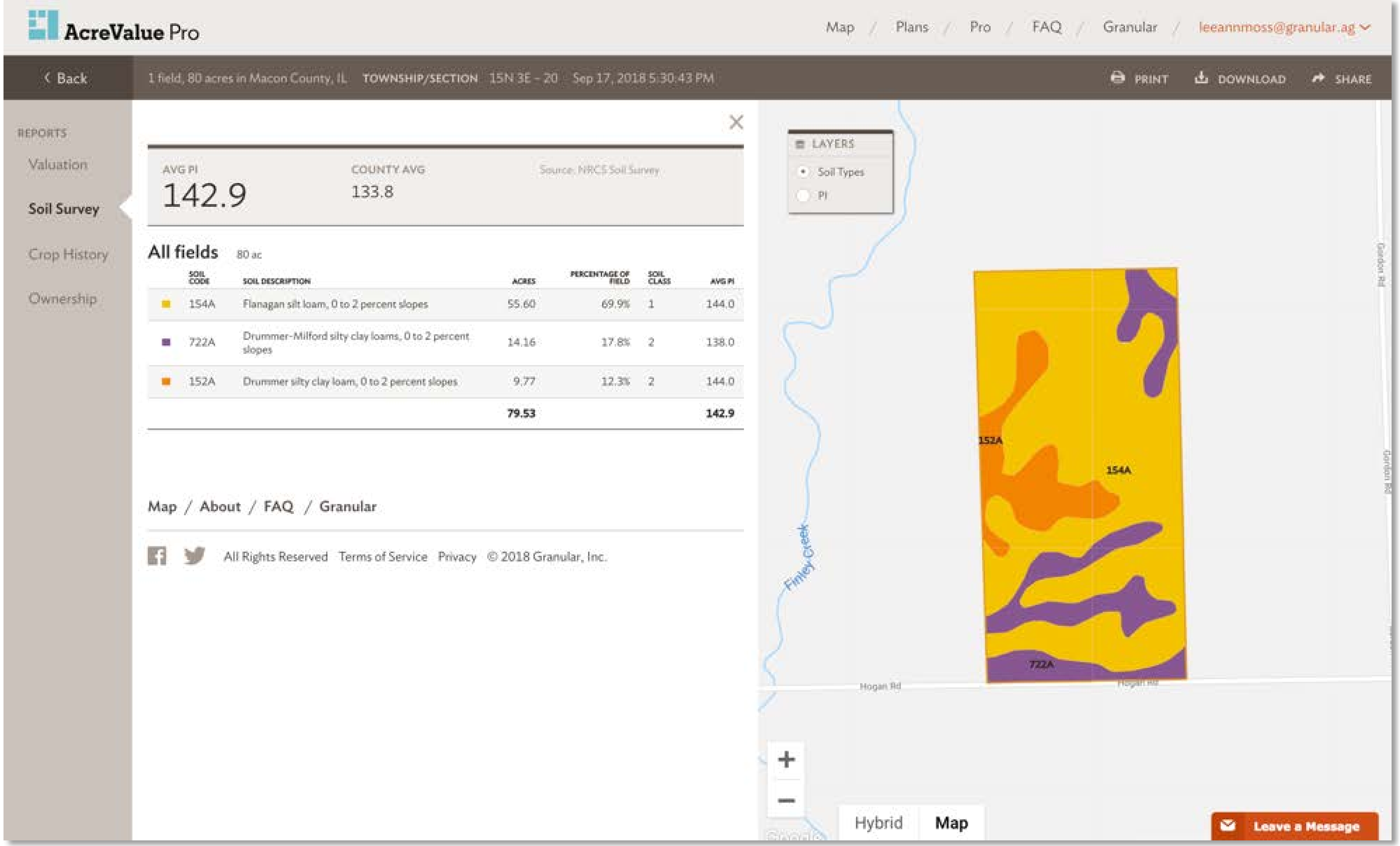

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REPORTS
Valuation
Soil Survey
Crop History
Ownership
AVG PI
142.9
COUNTY AVG
133.8
Source: NRCS Soil Survey
All fields 80 ac
SOIL CODE | SOIL DESCRIPTION | ACRES | PERCENTAGE OF FIELD | SOIL CLASS | AVG PI
154A | Flanagan silt loam, 0 to 2 percent slopes | 55.60 | 69.9% | 1 | 144.0
722A | Drummer-Milford silty clay loams, 0 to 2 percent slopes | 14.16 | 17.8% | 2 | 138.0
152A | Drummer silty clay loam, 0 to 2 percent slopes | 9.77 | 12.3% | 2 | 144.0
79.53 | 142.9
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LAYERS
Soil Types
PI
Finley Creek
152A
154A
722A
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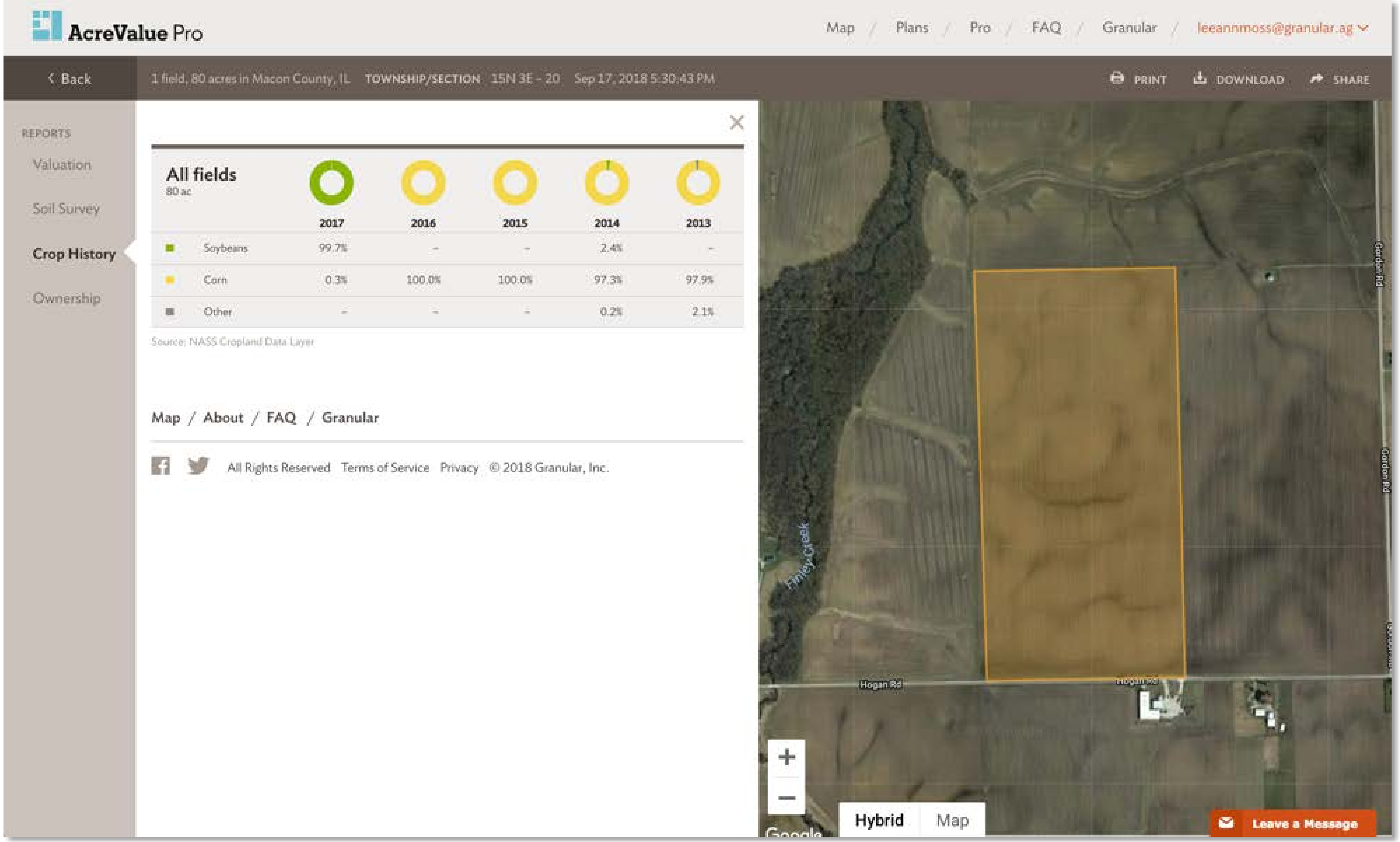
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Crop History
Ownership
All fields
80 ac
2017 2016 2015 2014 2013
Soybeans 99.7% – – 2.4% –
Corn 0.3% 100.0% 100.0% 97.3% 97.9%
Other – – – 0.2% 2.1%
Source: NASS Cropland Data Layer
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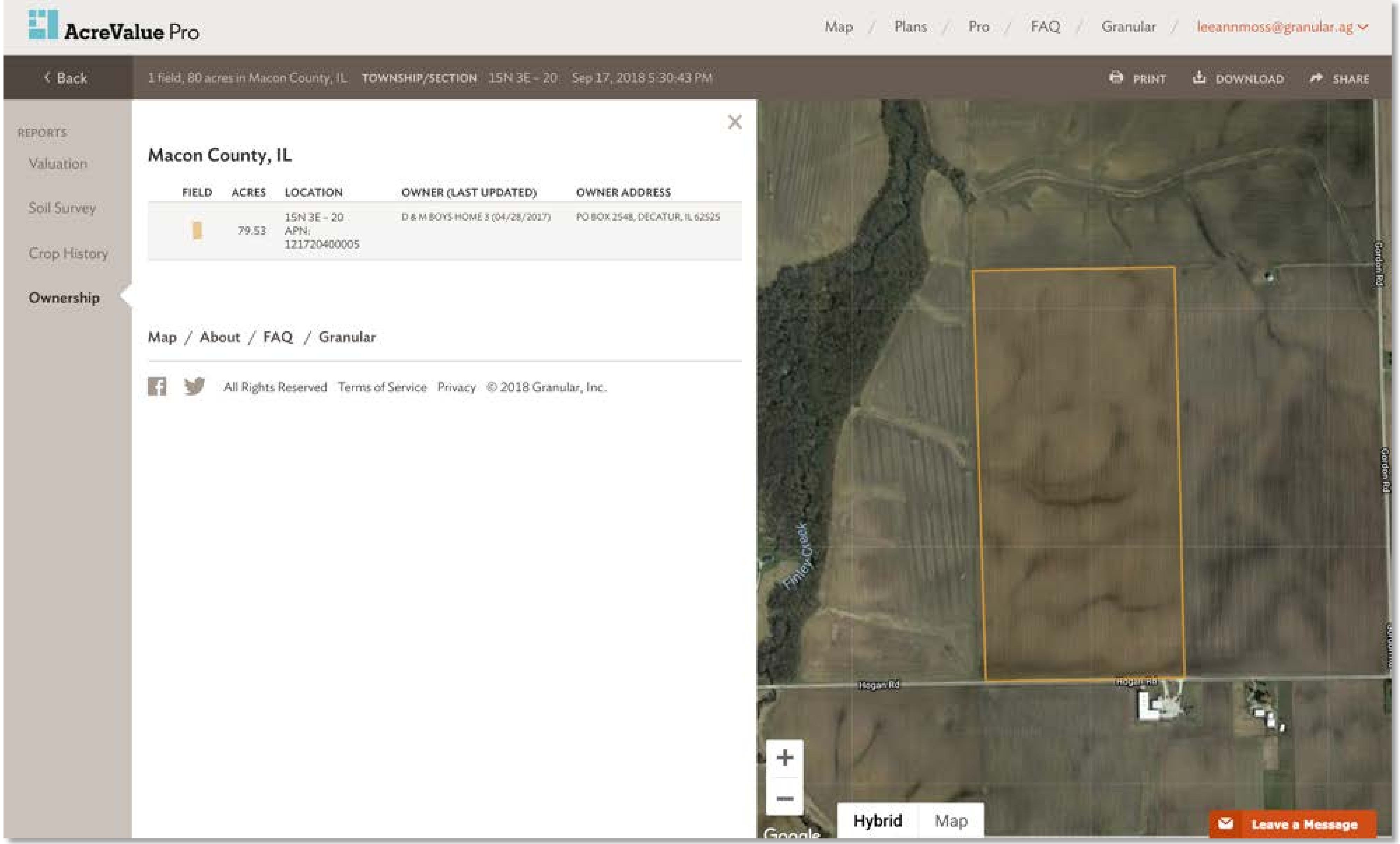

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TOWNSHIP/SECTION 15N 3E - 20
Sep 17, 2018 5:30:43 PM
PRINT
DOWNLOAD
SHARE
REPORTS
Valuation
Soil Survey
Crop History
Ownership
Macon County, IL
FIELD
ACRES
LOCATION
OWNER (LAST UPDATED)
OWNER ADDRESS
79.53
15N 3E - 20 APN: 121720400005
D & M BOYS HOME 3 (04/28/2017)
PO BOX 2548, DECATUR, IL 62525
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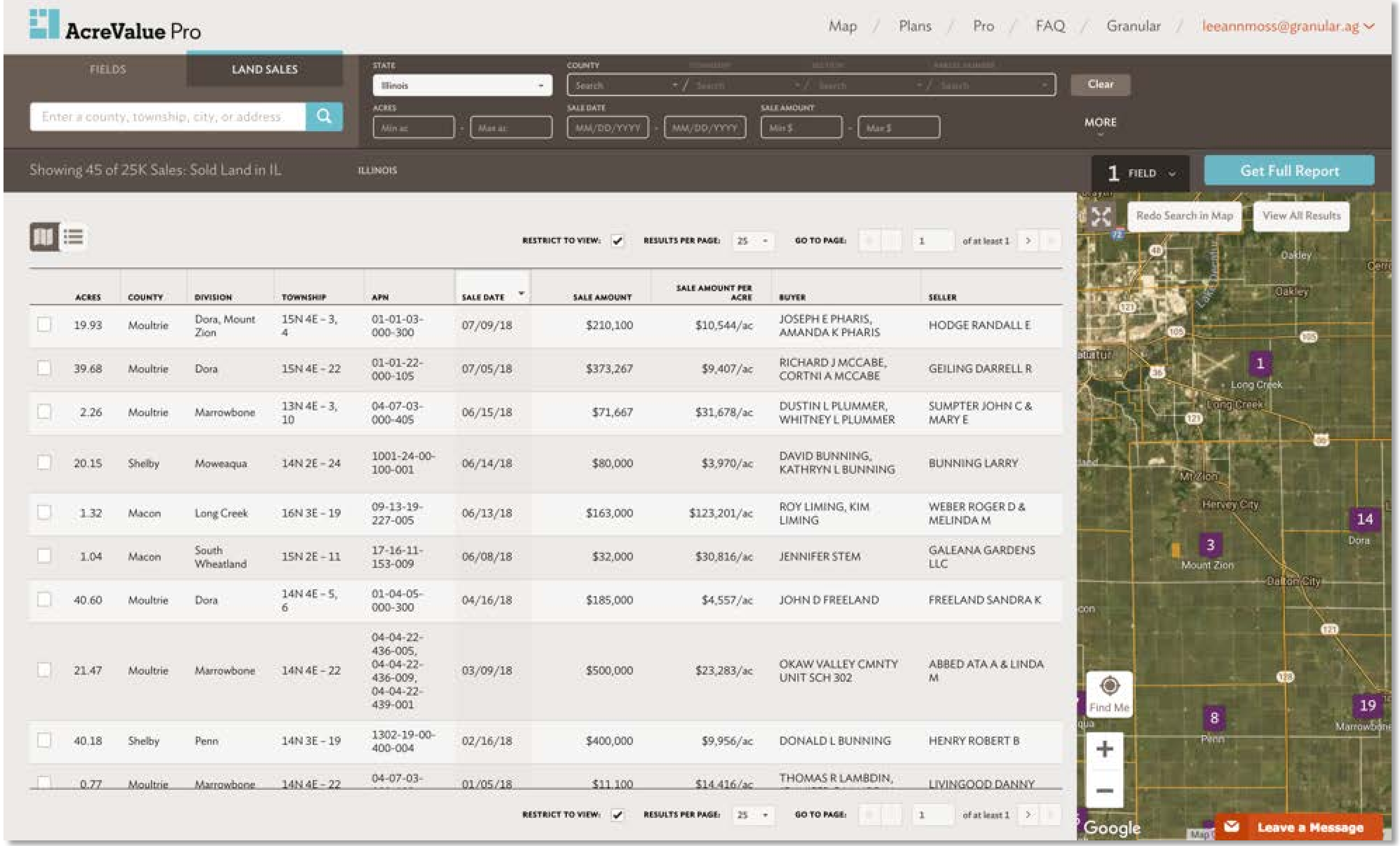
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ACRES
SALE DATE
SALE AMOUNT
MORE
Showing 45 of 25K Sales: Sold Land in IL
ILLINOIS
1 FIELD
Get Full Report
Redo Search in Map
View All Results
RESTRICT TO VIEW:
RESULTS PER PAGE: 25
GO TO PAGE: 1 of at least 1
ACRES | COUNTY | DIVISION | TOWNSHIP | APN | SALE DATE | SALE AMOUNT | SALE AMOUNT PER ACRE | BUYER | SELLER
19.93 | Moultrie | Dora, Mount Zion | 15N 4E - 3, 4 | 01-01-03-000-300 | 07/09/18 | $210,100 | $10,544/ac | JOSEPH E PHARIS, AMANDA K PHARIS | HODGE RANDALL E
39.68 | Moultrie | Dora | 15N 4E - 22 | 01-01-22-000-105 | 07/05/18 | $373,267 | $9,407/ac | RICHARD J MCCABE, CORTNI A MCCABE | GEILING DARRELL R
2.26 | Moultrie | Marrowbone | 13N 4E - 3, 10 | 04-07-03-000-405 | 06/15/18 | $71,667 | $31,678/ac | DUSTIN L PLUMMER, WHITNEY L PLUMMER | SUMPTER JOHN C & MARY E
20.15 | Shelby | Moweaqua | 14N 2E - 24 | 1001-24-00-100-001 | 06/14/18 | $80,000 | $3,970/ac | DAVID BUNNING, KATHRYN L BUNNING | BUNNING LARRY
1.32 | Macon | Long Creek | 16N 3E - 19 | 09-13-19-227-005 | 06/13/18 | $163,000 | $123,201/ac | ROY LIMING, KIM LIMING | WEBER ROGER D & MELINDA M
1.04 | Macon | South Wheatland | 15N 2E - 11 | 17-16-11-153-009 | 06/08/18 | $32,000 | $30,816/ac | JENNIFER STEM | GALEANA GARDENS LLC
40.60 | Moultrie | Dora | 14N 4E - 5, 6 | 01-04-05-000-300 | 04/16/18 | $185,000 | $4,557/ac | JOHN D FREELAND | FREELAND SANDRA K
21.47 | Moultrie | Marrowbone | 14N 4E - 22 | 04-04-22-436-005, 04-04-22-436-009, 04-04-22-439-001 | 03/09/18 | $500,000 | $23,283/ac | OKAW VALLEY CMNTY UNIT SCH 302 | ABBED ATA A & LINDA M
40.18 | Shelby | Penn | 14N 3E - 19 | 1302-19-00-400-004 | 02/16/18 | $400,000 | $9,956/ac | DONALD L BUNNING | HENRY ROBERT B
0.77 | Moultrie | Marrowbone | 14N 4E - 22 | 04-07-03- | 01/05/18 | $11,100 | $14,416/ac | THOMAS R LAMBDIN, | LIVINGOOD DANNY
Oakley
Long Creek
Mt Zion
Hervey City
Mount Zion
Dora
Dalton City
Penn
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Final Polling Questions

Q & A

Thank you

Contact Us:

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leeannmoss@granular.ag

Wendong Zhang
wdzhang@iastate.edu