

2017 Iowa Farmland Ownership and Tenure Survey

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Outline of this news conference

- History and Background; Statistical Methodology
- Where to find the report, what is new in 2017
- Trends in land ownership
- Trends in farmland leasing
- Demographics of farmland owners
- Anticipated farmland transfer
- Conservation programs and conservation practices
- Key Takeaways

History and Background
Statistical Methodology
What is New in 2017?

Iowa Farmland Ownership and Tenure Survey - history

- **The first and only consistent data collection of land ownership & tenure in the nation:**
 - 1949, 1958, 1970, 1976, 1982, 1992, 1997, 2002, 2007, 2012, and **2017**.
- **Statistically representative of all owners & all land in Iowa**
- **Telephone survey**
- Widely used and best available information
- Mandated by Iowa Code since 1989 to be conducted every 5 years
- USDA data: AELOS 1999, TOTAL 2014

Statistical Methodology

- Sampling design, sample size and response rate (Appendix A, B)
 - Step 1: 705 statistically selected, randomly chosen 40-acre parcels (used since 1988)
 - Step 2: identify ag parcels and landowners with help from county auditors - 788 landowners for ag parcels
 - Telephone interviews by trained specialists at ISU Center for Survey Statistics and Methodology
 - 68% response rate (535 owners completed surveys)
 - One owner randomly selected for parcels with multiple owners

Data is mainly presented in percent of land, but could also be percent of owners

As of **July 1, 2017**, how many acres of Iowa farmland were owned by [OWNER] (as a [OWNERSHIP TYPE THE SAME AS THE 40-ACRE PARCEL IDENTIFIED IN STEP 1])?

Funding Sources + What's New in 2017?

- 1. Land tenure and conservation, conservation practices, landowners' WTP for cover crops
- 2. More details about the farmland transitions and transfers, absentee & women landowners
- 3. The use of agricultural co-ops on Iowa land for inputs, marketing & custom services
- (future) Comparative study with USDA 2014



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Economic Research Service

TOTAL (Tenure, Ownership, Transition of Ag Land) **Survey**

Where to find the full report and slides?

- **When:** June 28 Thursday afternoon
- **What:** the full report, press release/executive summary, slides, recordings of this news conference

- **Where to find**

ISU CARD: www.card.iastate.edu

Ag Decision Maker: www.extension.iastate.edu/agdm/

Zhang's website: www2.econ.iastate.edu/faculty/zhang/

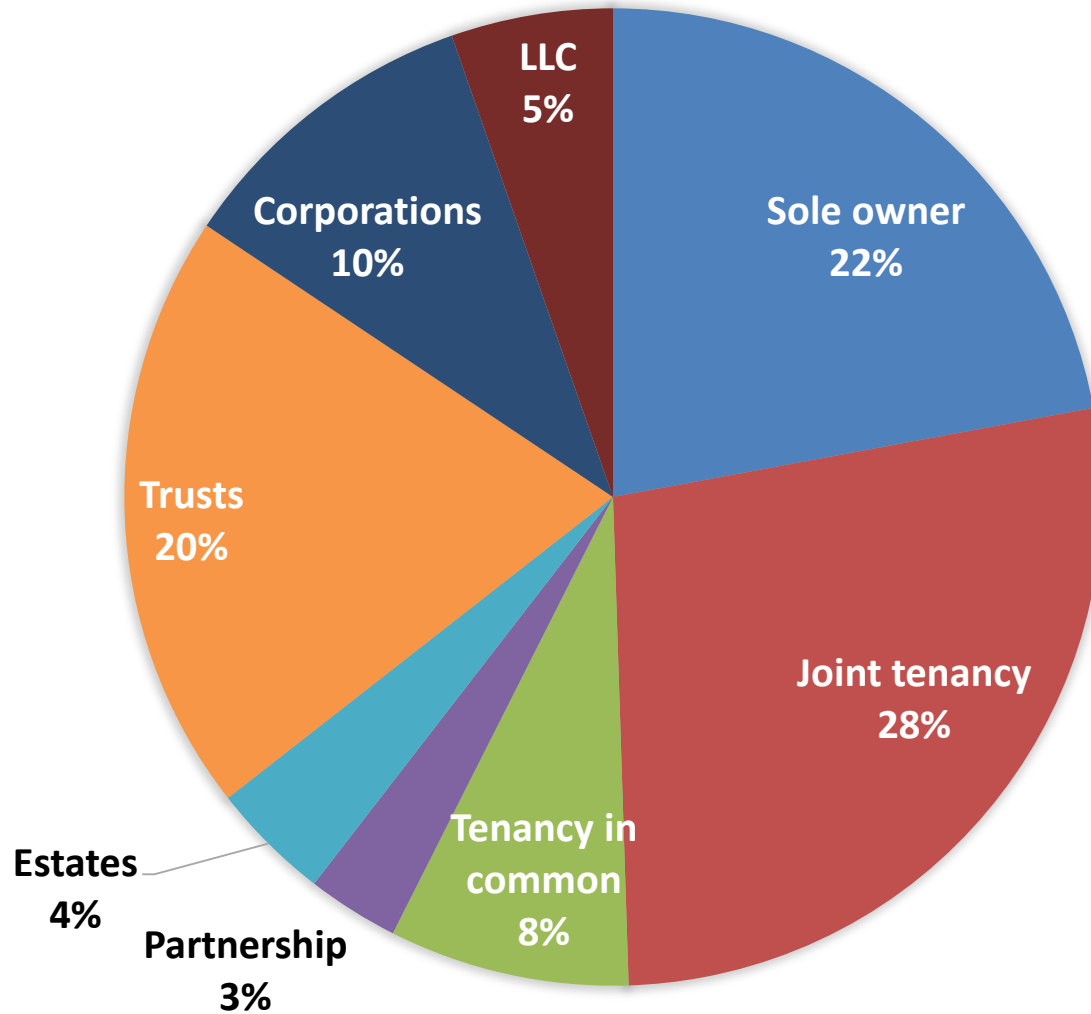
ISU Extension Store PM1983:

<https://store.extension.iastate.edu/Product/6492>

- **Who to contact:** Wendong Zhang wdzhang@iastate.edu;
Alejandro Plastina plastina@iastate.edu

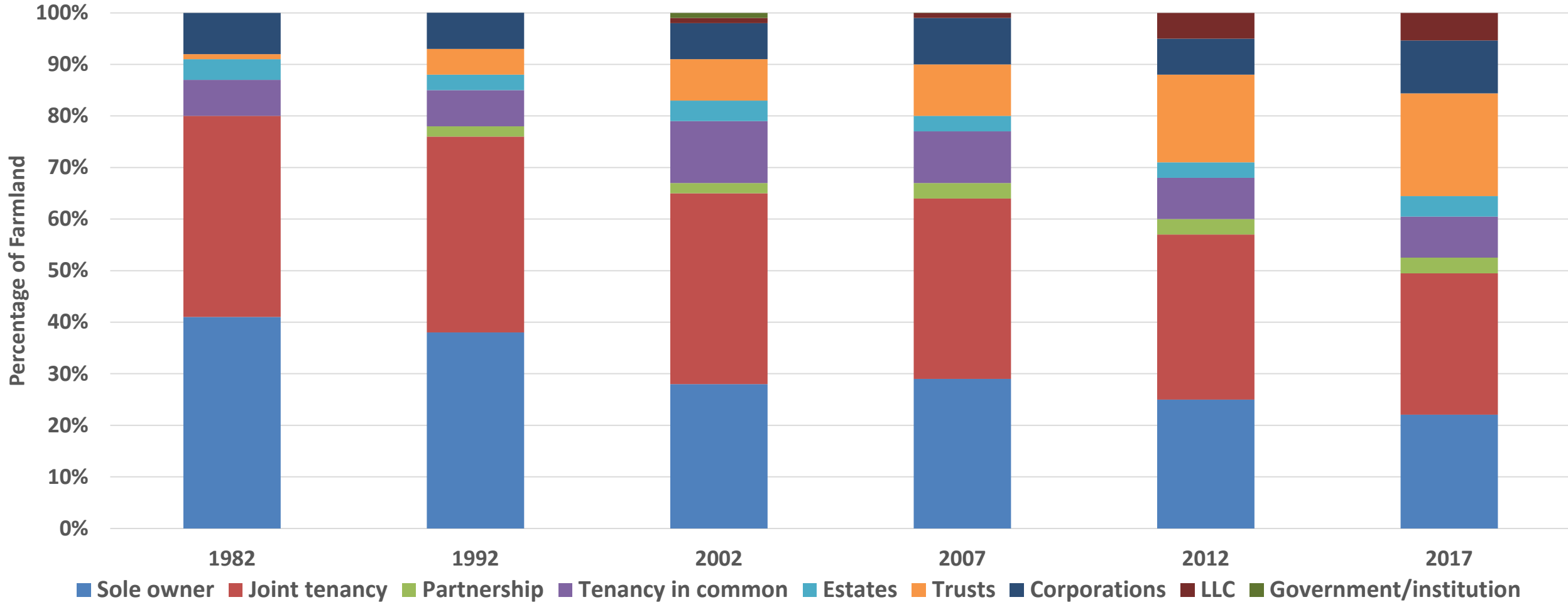
Trends in Land Ownership

2017 Iowa Farmland Acres by Ownership Types



Total Farmland:
30 million acres

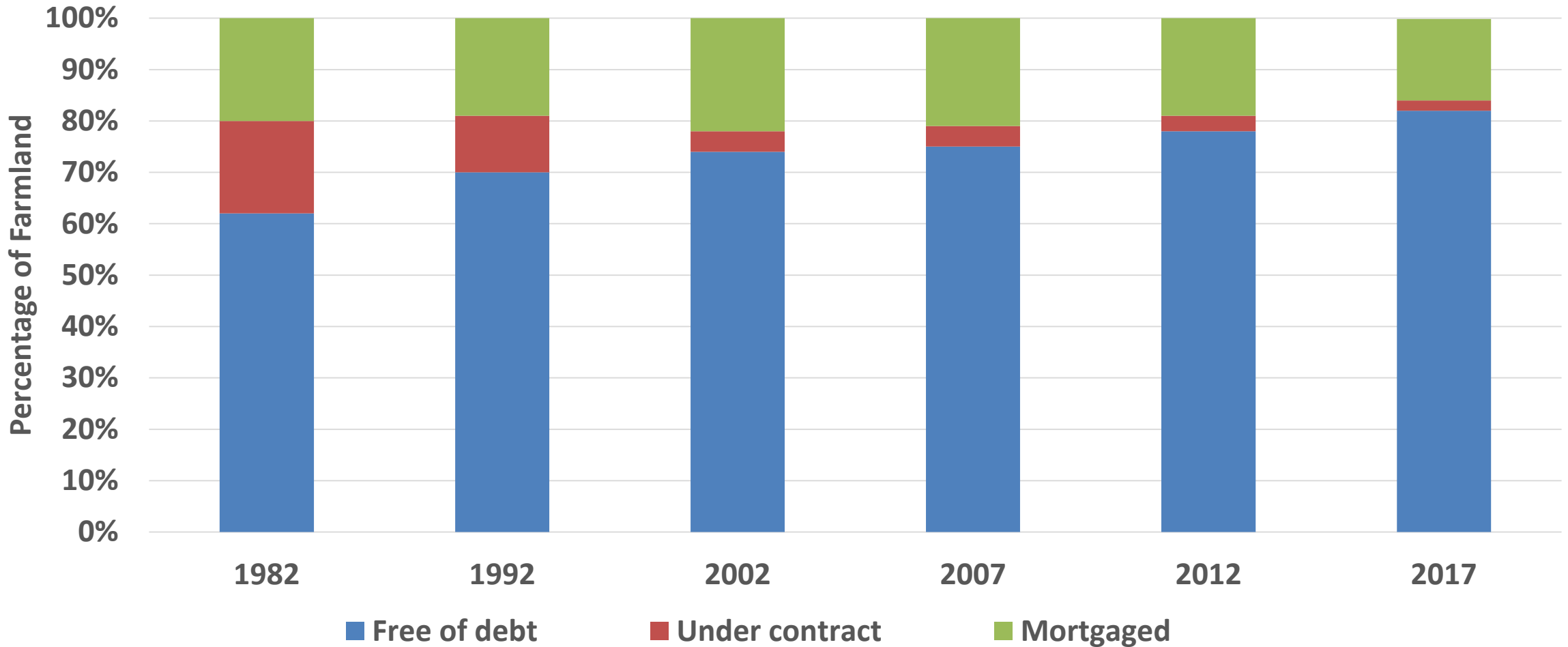
Distribution of Iowa Farmland Acres by Land Ownership Type 1982-2017



Percent of Land across Ownership by Crop Reporting District, 2017

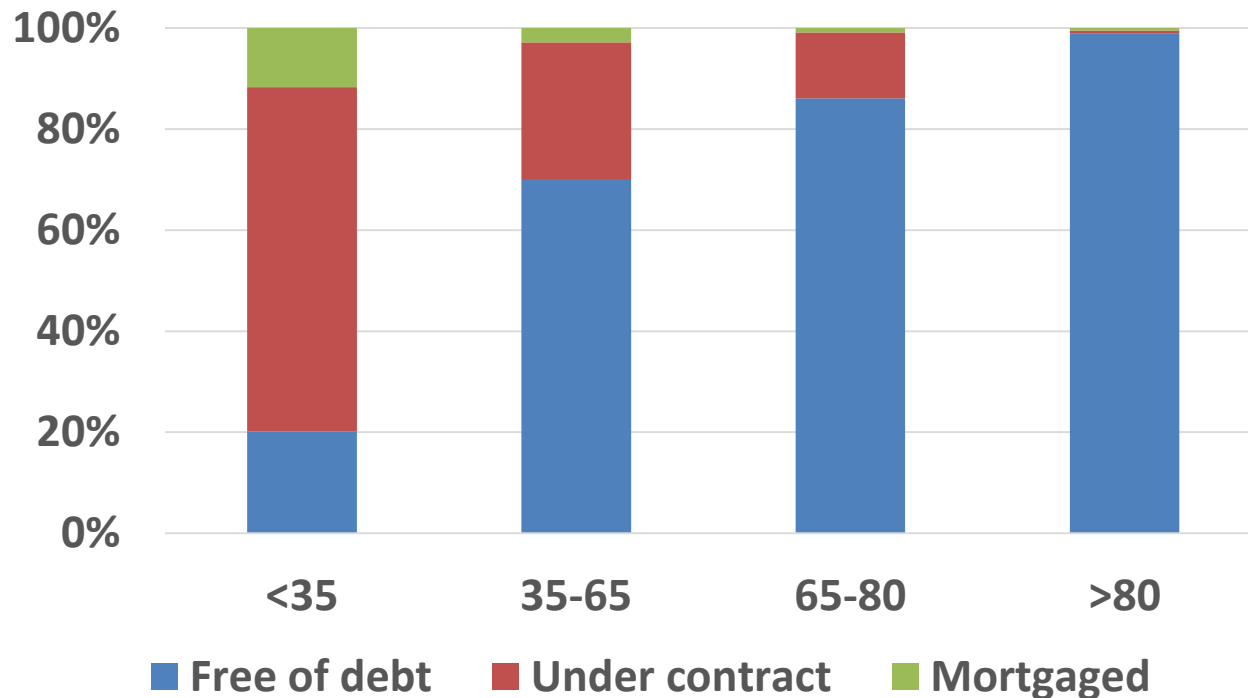
Ownership Type	NW	NC	NE	WC	C	EC	SW	SC	SE
Sole owner (22%)	21%	20%	26%	26%	24%	25%	18%	18%	18%
Joint tenancy (28%)	23%	28%	40%	22%	23%	24%	24%	31%	36%
Tenancy in common (8%)	11%	4%	5%	8%	17%	11%	<1%	5%	5%
Partnership (3%)	1%	<1%	4%	<1%	4%	<1%	5%	9%	10%
Estates (4%)	2%	10%	1%	4%	<1%	3%	5%	7%	5%
Trusts (20%)	25%	25%	8%	28%	12%	22%	32%	19%	6%
Corporations (10%)	13%	6%	11%	5%	17%	6%	15%	9%	11%
LLC (5%)	4%	7%	5%	7%	4%	8%	<1%	3%	10%
% Land in District	13%	12%	12%	14%	13%	10%	9%	8%	8%

Method of Finance 1982-2017



Younger owners have more land under contract and mortgaged

Percent of Iowa Land by Financing and Age of Owner



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

Trends in Farmland Leasing

Distribution of Iowa Farmland by Tenure

July 2017

	Percent		Acres
Owner Controlled:	47%		13,851,567
Owner operated		37%	10,819,245
Custom farmed		2%	583,485
Gov't programs and other uses		8%	2,448,837
Leased:	53%		16,771,192
Cash rent (fixed)		35%	11,502,256
Cash rent (flexible)		9%	2,354,117
Crop share		9%	2,875,316
Other types of leases		<1%	39,503
Total:	100%		30,622,759

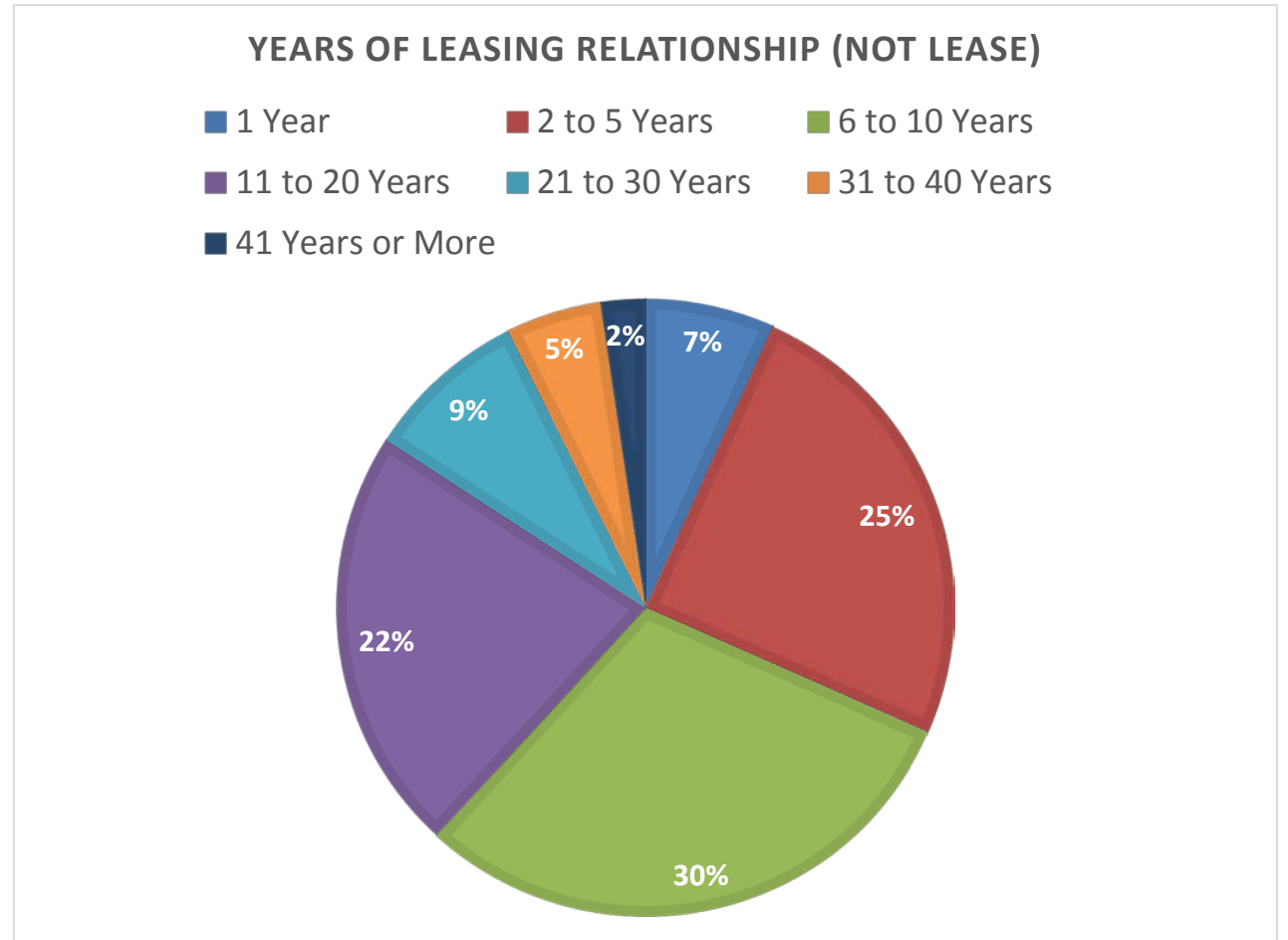
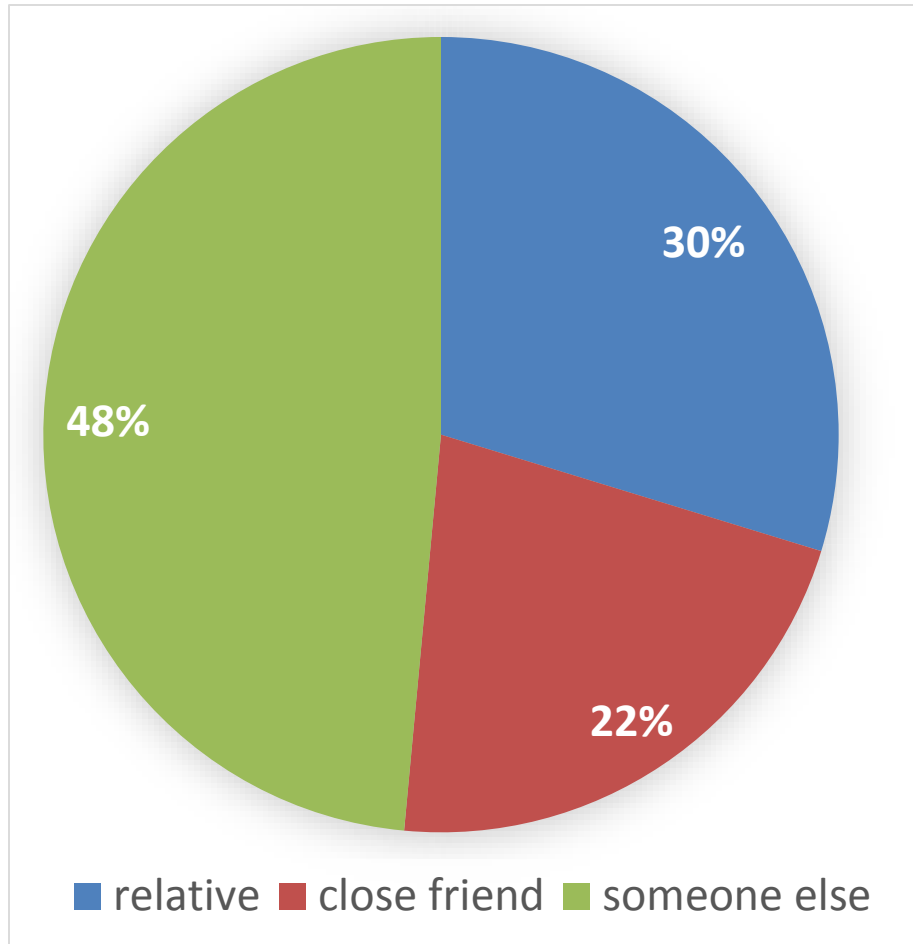
Distribution of Iowa Leased Farmland by Types of Leases 1982-2017



Leasing Relationship by district 2017

	NW	NC	NE	WC	C	EC	SW	SC	SE	STATE
Crop share	17%	14%	5%	30%	21%	8%	31%	16%	13%	17%
Cash rent	82%	86%	95%	70%	79%	92%	69%	84%	87%	83%
Flexible cash rent	23%	12%	13%	18%	21%	5%	<1%	16%	13%	17%
Percent of farmland leased	61%	70%	42%	59%	55%	49%	48%	47%	29%	53%

Tenants – Who They Are & How Long is their Leasing Relationship



Percent of Land across Ownership and Leasing Relationship 2017

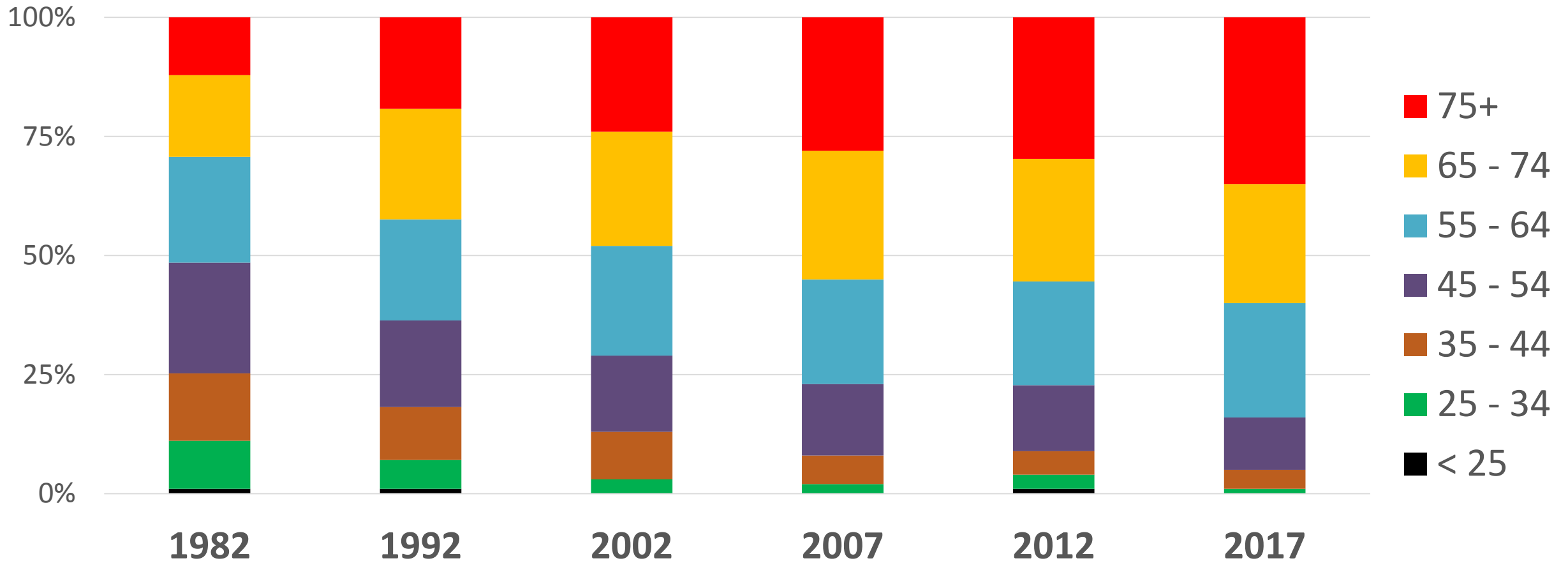
Ownership Type	Owner-Operated	Cash Rent	Crop Share	Percent of Land by Ownership
Sole owner	40%	50%	10%	22%
Joint tenancy	68%	27%	6%	27%
Tenancy in common	61%	30%	9%	8%
Partnership	45%	49%	6%	3%
Estates	41%	53%	6%	4%
Trusts	21%	61%	17%	20%
Corporations	55%	36%	9%	11%
LLC	33%	59%	8%	5%

Percent of Land across Age and Leasing Relationship 2017

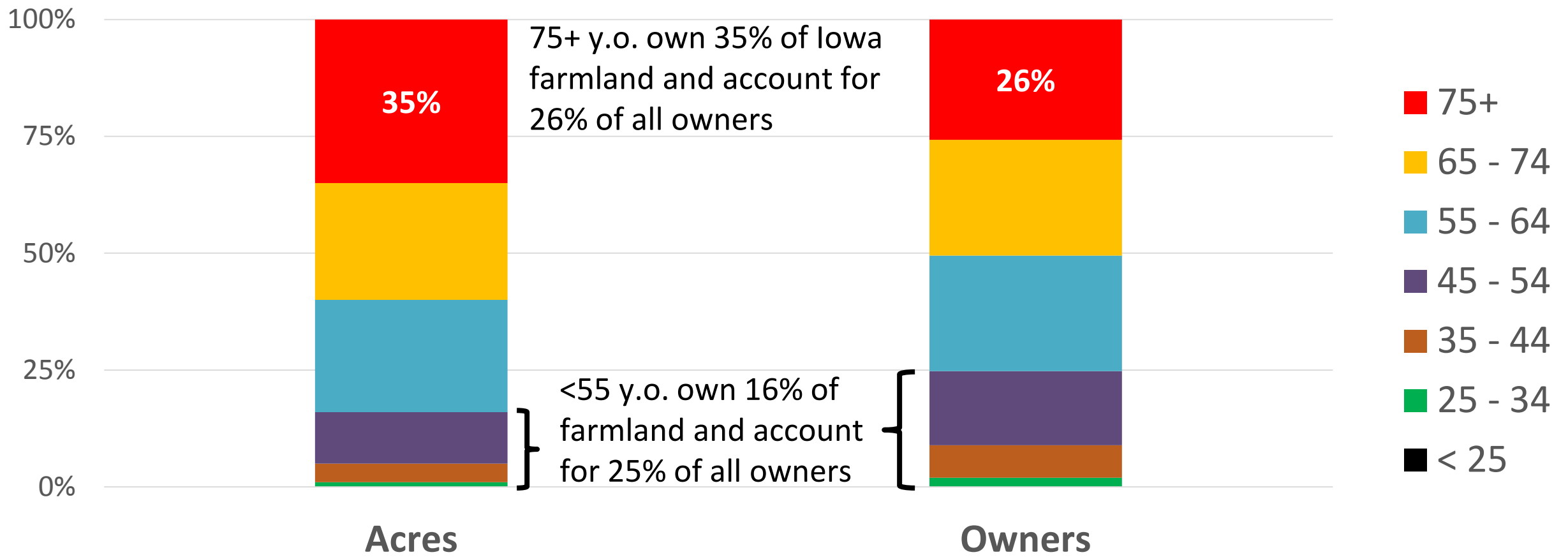
Age of Owner	Owner-Operated	Cash Rent	Crop Share	Percent of Land by Age
< 25 Years old	47%	53%	<1%	<1%
25-34	70%	30%	<1%	1%
35-44	83%	12%	5%	4%
45-54	61%	32%	6%	11%
55-64	61%	32%	7%	24%
65-74	47%	40%	12%	25%
75 or above	27%	61%	11%	35%

Demographics of Landowners

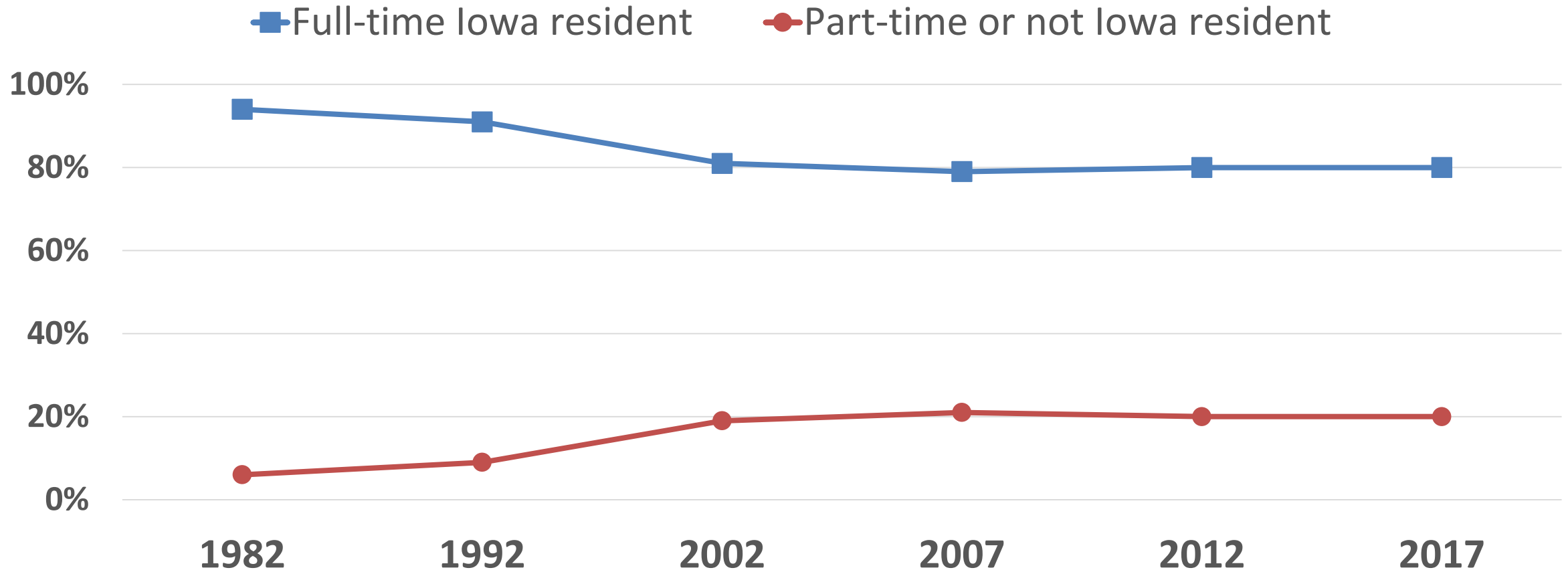
Percentage of Farmland by Age of Owner



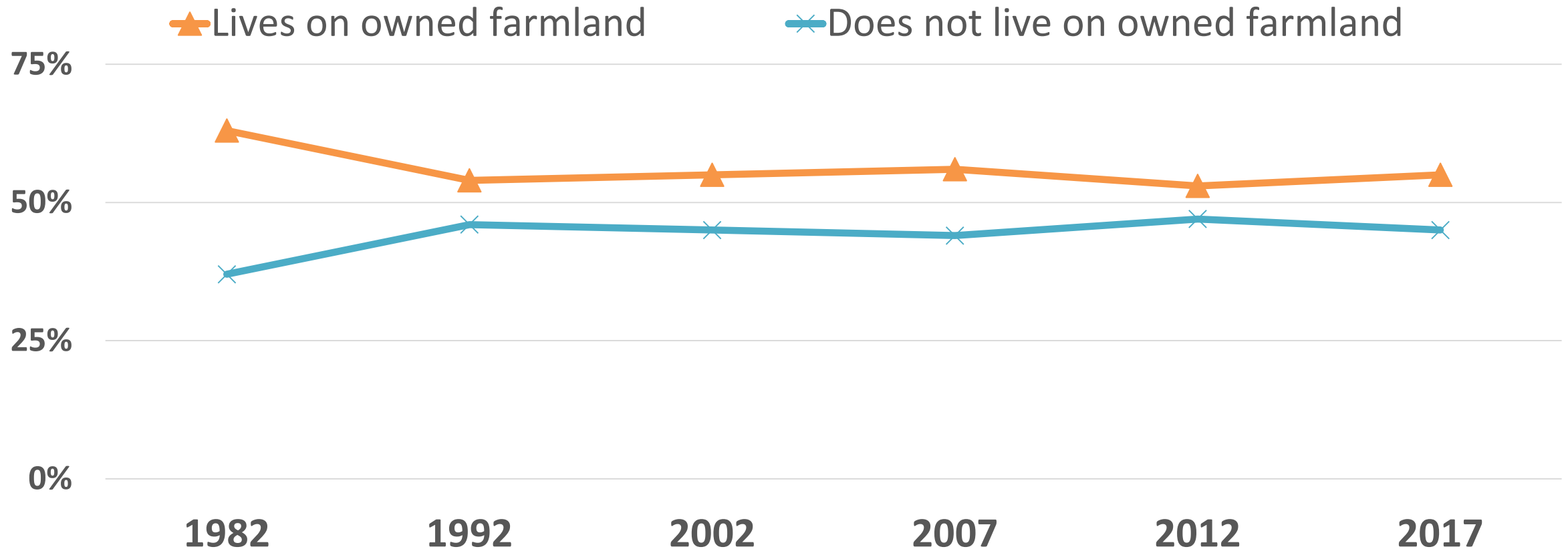
Percentage of Farmland Acres and Owners by Age of Owner in 2017



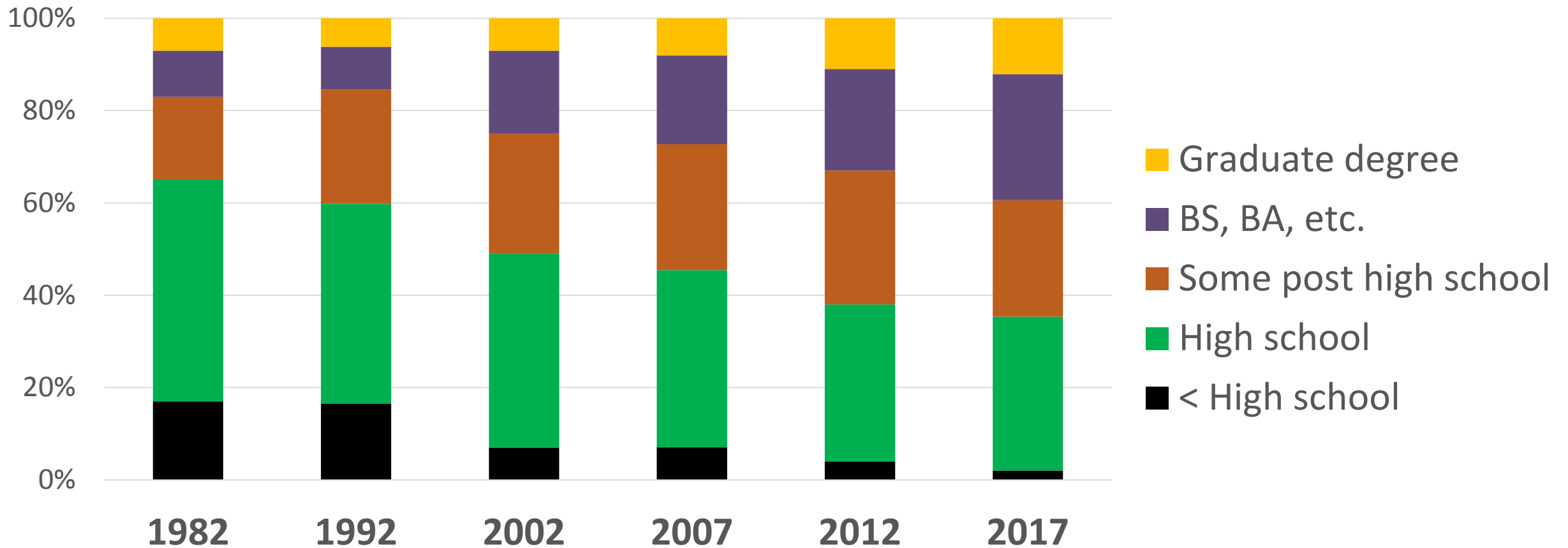
Percent of Iowa Farmland Owned by Iowa Residents



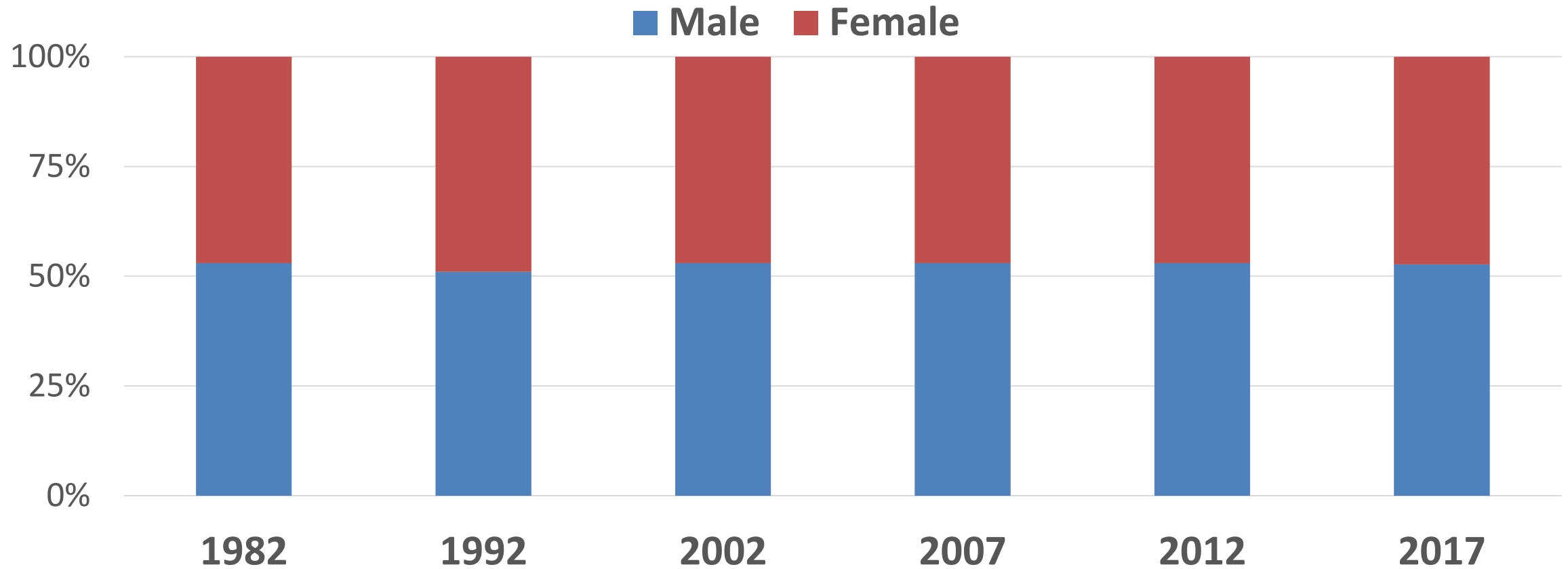
Percent of Iowa Farmland by Owner Occupancy



Percentage of Farmland by Owner's Highest Level of Formal Education

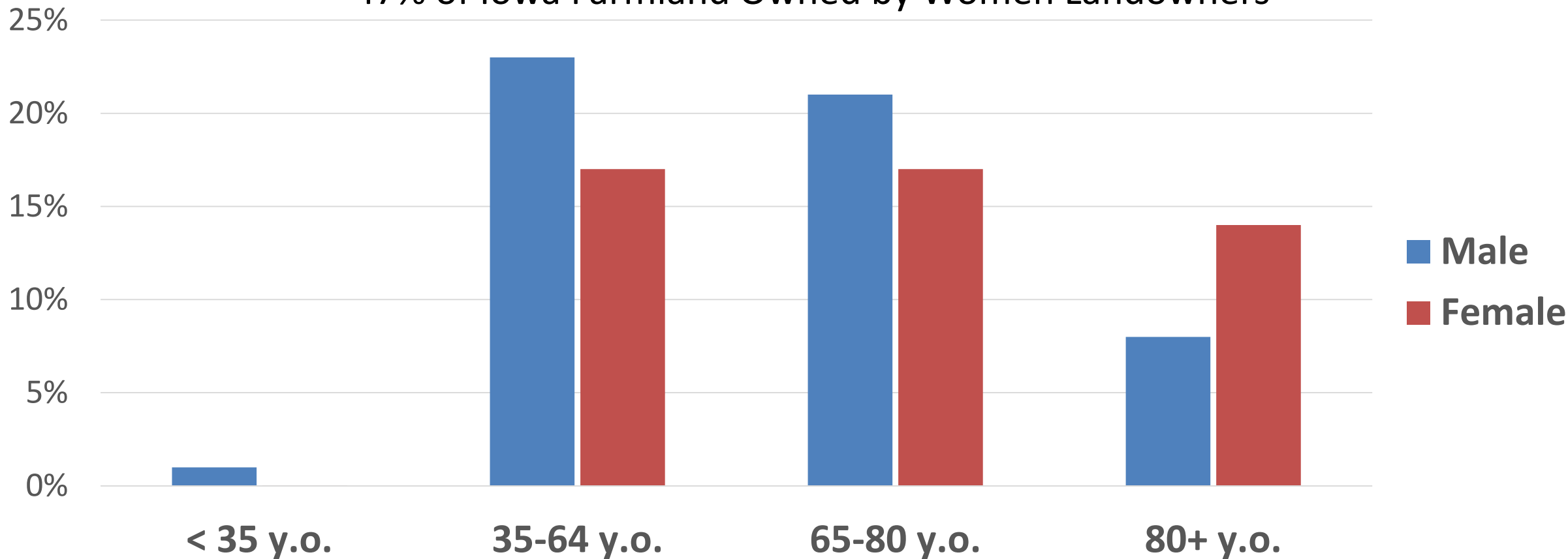


Percentage of Farmland by Gender of Owner



Percentage of Iowa Farmland by Age and Gender of Owner, 2017

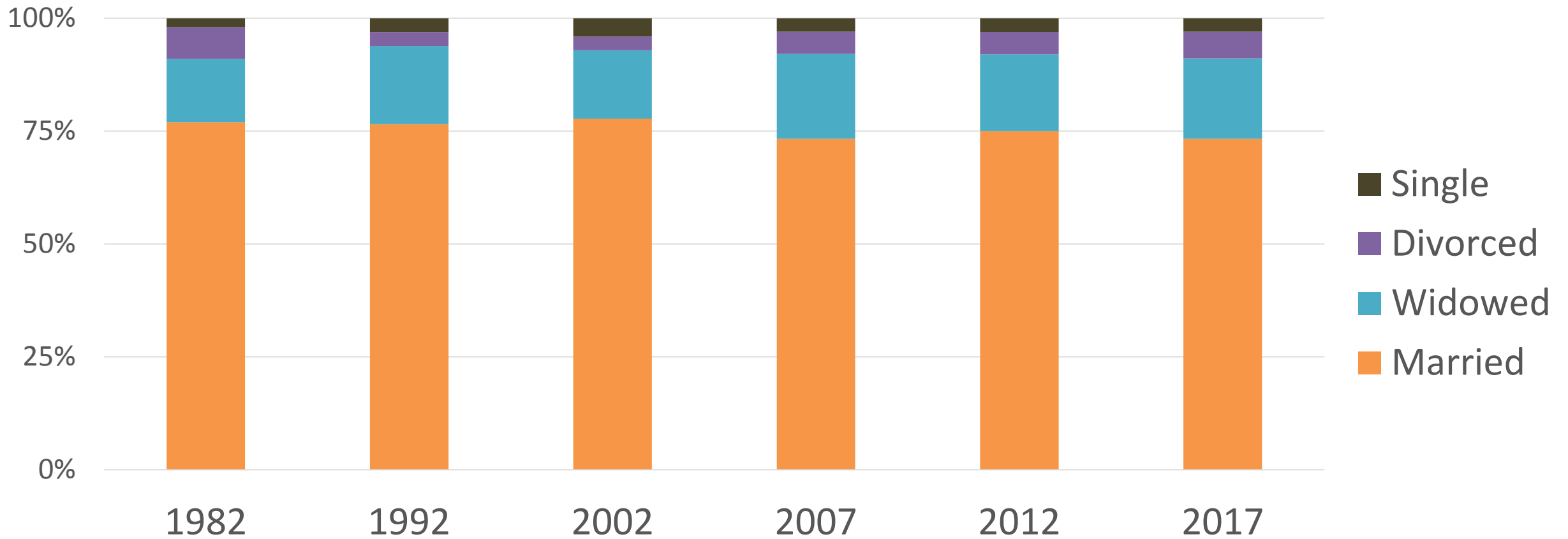
47% of Iowa Farmland Owned by Women Landowners



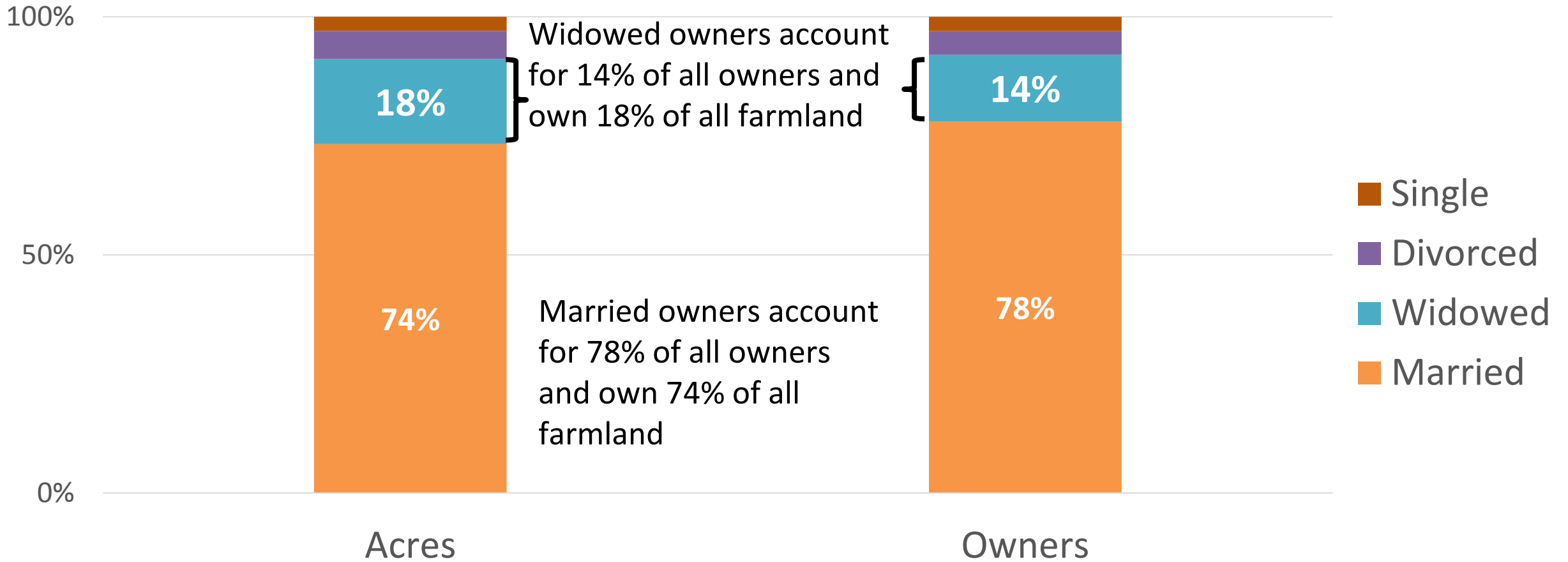
Percentage of Land across Gender of Owner and Leasing Relationship 2017

Gender	Owner-Operated	Cash Rent	Crop Share	Percent of Land by Gender
Male	55%	38%	7%	53%
Female	39%	49%	12%	47%

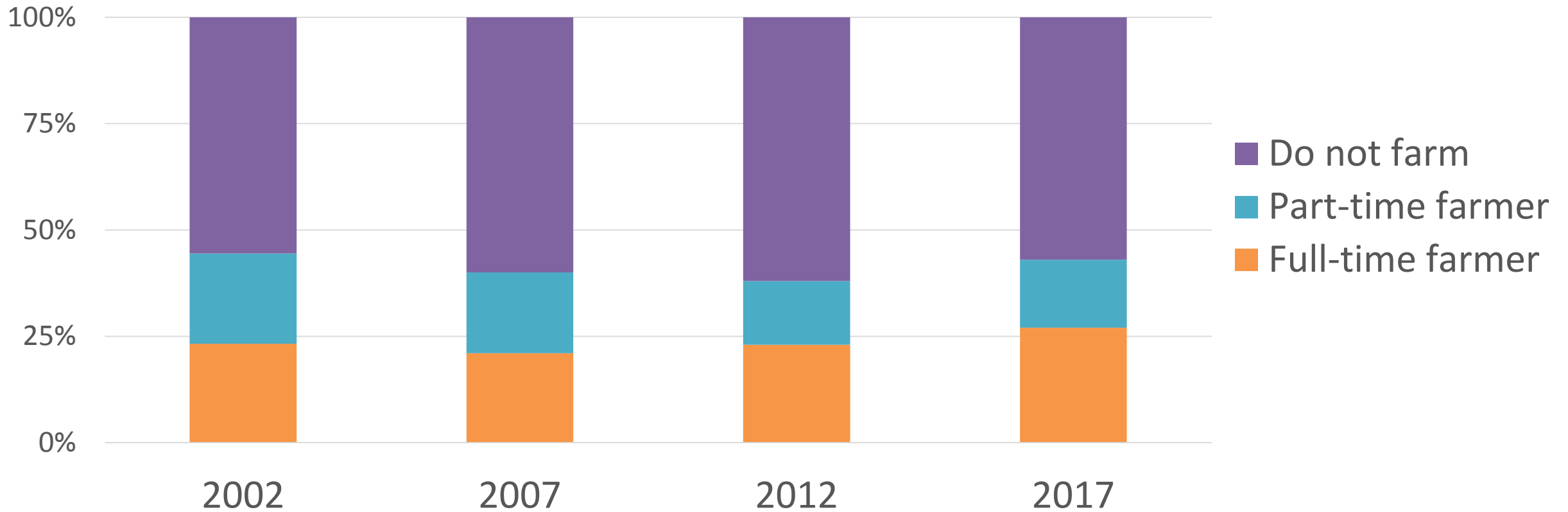
Percentage of Iowa Farmland by Owner's Marital Status



Percentage of Farmland Acres and Owners by Owner's Marital Status, 2017



Percentage of Iowa Farmland by Farming Status of Owner



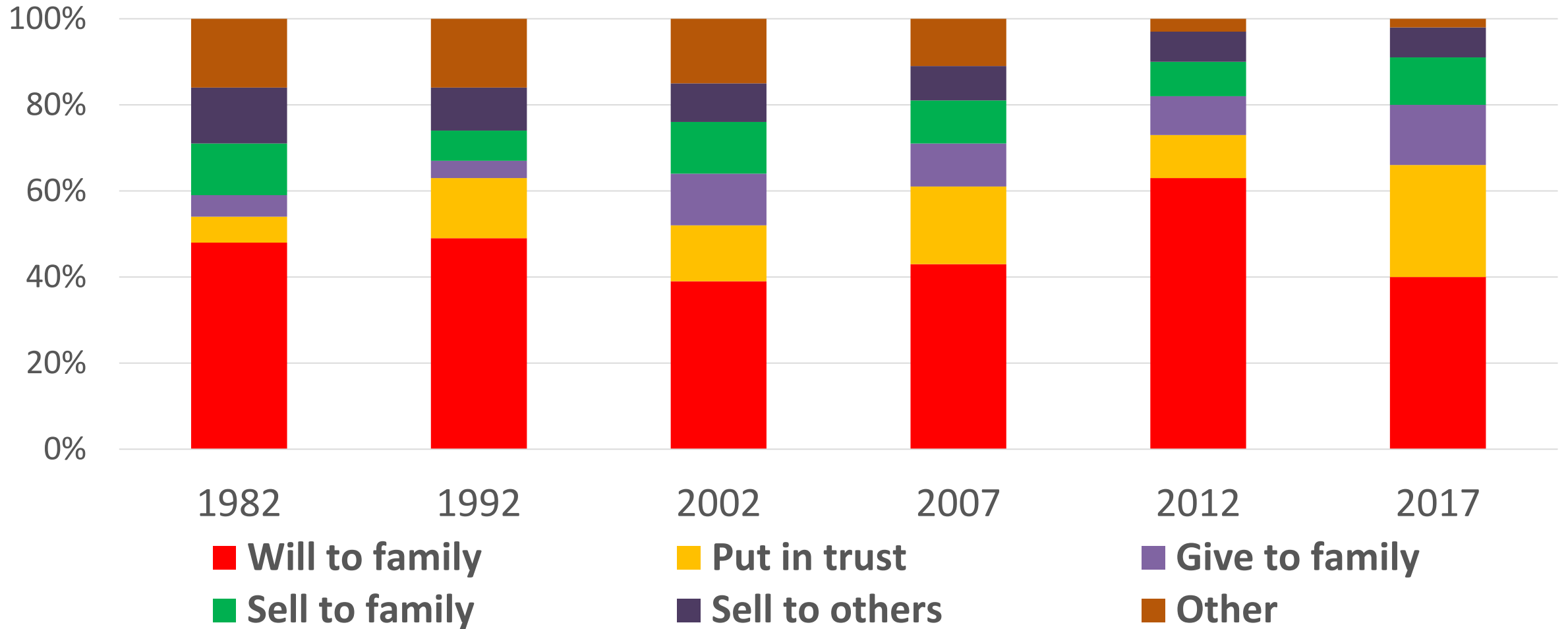
2017: 57% of land owned by owners who do not farm; of these, 34% land owned by owners with no farming experience and 23% by retired farmers

Anticipated Land Transfer / Transition

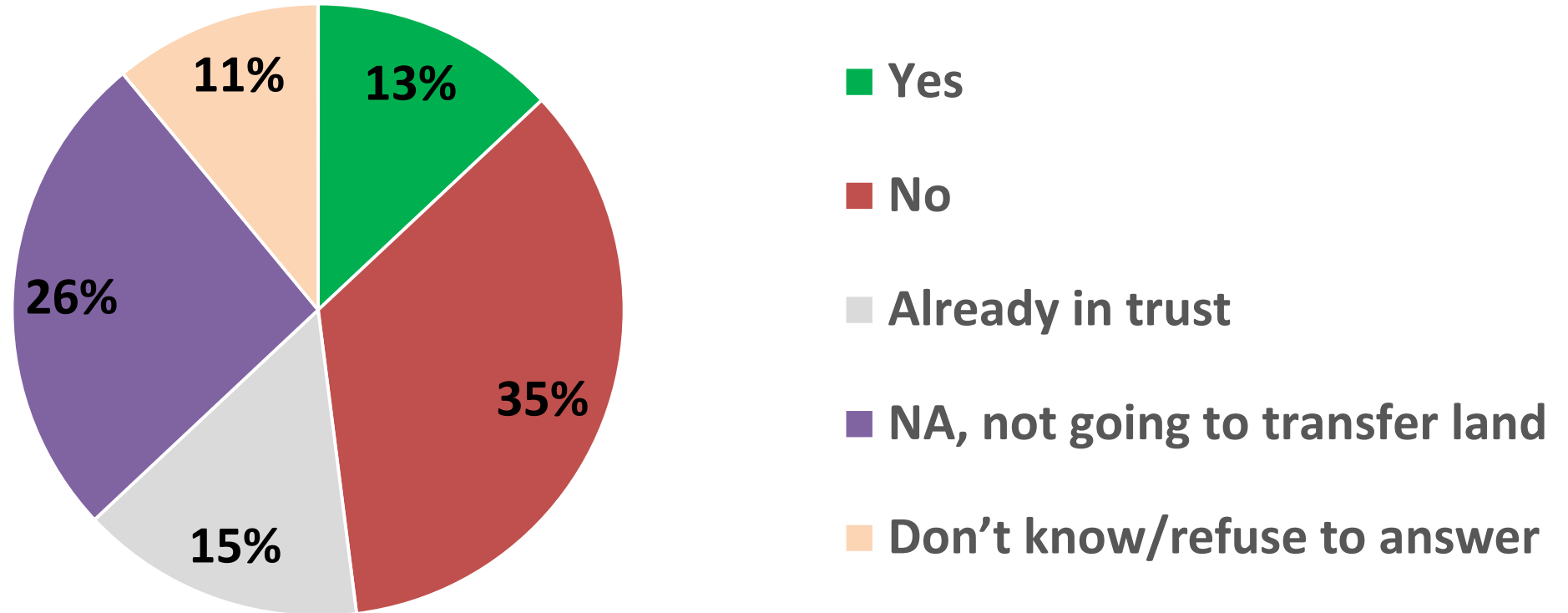
Primary Reason to Own Land 2012 vs. 2017

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%

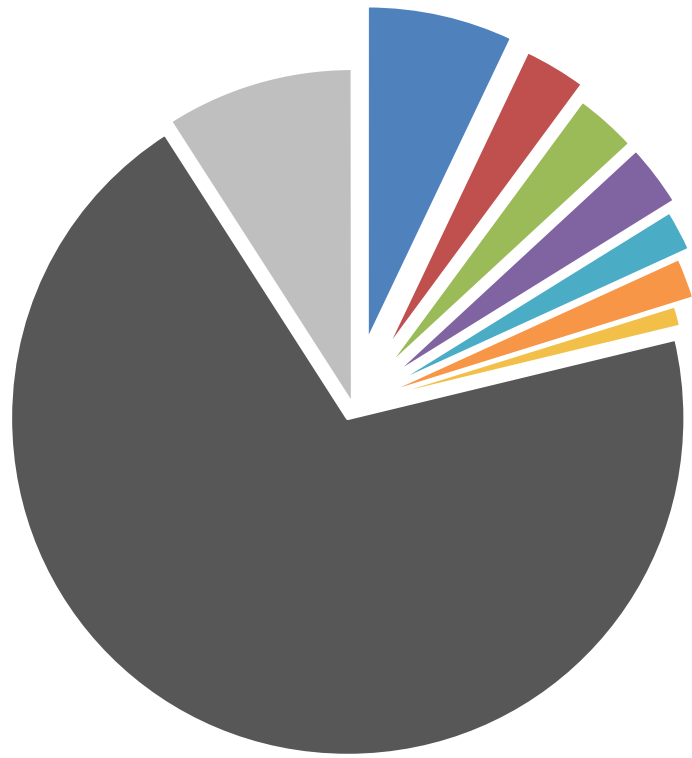
Percentage of Land by Anticipated Transfer Method



Percent of Owners Who Anticipate Land Transfer in Next Five Years, 2017



Percent of Iowa Farmland by What Would Prompt Owner to Sell Land, 2017



- Retirement from farming (7%)
- Higher selling price per acre (3%)
- Elimination of step-up basis tax benefits for heirs (3%)
- Personal reasons (3%)
- Decision will be made by heirs (2%)
- Lower capital gains tax rate (2%)
- Sale is in process (1%)
- Not planning to sell (69%)
- Don't know (9%)

Conservation Programs and Conservation Practices

Percent of Land and Owners Using Various Conservation Practices 2017

	Owners	Acres
No till	21%	27%
Cover crops	5%	4%
Buffer strips	3%	3%
Pond or sedimentation basin	1%	2%

Percent of Owner Willing to Help Tenant Adopt Cover Crops by Type 2017

	Pay for a portion of cost to plant cover crops	Lower rent for tenants who plan to plant cover crops	Longer lease for tenants who plan to plant cover crops
Yes	20%	10%	5%
No	25%	7%	9%
Maybe	16%	1%	3%

Percent of Land in Conservation Practices by Region, 2017

	NW	NC	NE	WC	C	EC	SW	SC	SE	State
No till	16%	8%	19%	40%	29%	33%	56%	26%	26%	27%
Cover crops	<1%	1%	8%	5%	2%	2%	4%	7%	12%	4%
Buffer strips	2%	6%	6%	1%	4%	4%	3%	3%	3%	3%
Ponds	<1%	<1%	2%	1%	<1%	2%	1%	5%	3%	2%

Percent of Owners' Likelihood of Increasing Conservation Acreage by Policy, 2017

	Estate tax	Cost share	Tax credits
1 = Not at all likely	27%	24%	16%
2	10%	5%	6%
3	25%	20%	21%
4	11%	15%	21%
5 = Very likely	11%	21%	24%
Unsure	15%	16%	13%

Key Takeaways & Trends

- 82% of Iowa land is debt-free
- 60% of land owned by owners 65+ years old, one-third of land owned by 75+ years old, 13% of land owned by women landowner 80+ years old
- Ownership continues to shift from sole ownership to trusts and corporations
- 53% of Iowa land rented out – mainly cash rent
- 34% of Iowa land owned by landlords with no farming experience, 23% of land owned by retired farmers who do not currently farm
- 29% of Iowa land owned primarily for family/sentimental reasons
- 4% of Iowa land with cover crops planted; 20% of owners willing to pay for a portion of planting cost to plant cover crops

Thank You!

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2017 Iowa Farmland Ownership and Tenure Survey report

www.card.iastate.edu

www.extension.iastate.edu/agdm