Farmland Owners and Changing Demographics
Rising Farmland Values:
Causes and Cautions
Chicago Federal Reserve Bank
Michael Duffy, Director
Iowa State University
Beginning Farmer Center
November 15, 2011
Distribution of Iowa Farmland by Gender of Owner

- Spouses: 40%
- Single owner-male: 20%
- Single owner-female: 20%
- Multiple owners: 20%
Percent of Iowa Farmland by Type of Owner and Year

- Sole owner
- Joint tenancy
- Tenancy in common
- Trust
- Corporation
- Other

Year:
- 1982
- 1992
- 2002
- 2007
Percent of Iowa Farmland by Year and Residence of Owner

- **Live on farmland**
- **Do not live on farmland**

<table>
<thead>
<tr>
<th>Year</th>
<th>Live on farmland</th>
<th>Do not live on farmland</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>60%</td>
<td>40%</td>
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<tr>
<td>1992</td>
<td>55%</td>
<td>45%</td>
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<tr>
<td>2002</td>
<td>58%</td>
<td>42%</td>
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<tr>
<td>2007</td>
<td>57%</td>
<td>43%</td>
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</table>
Primary Reason for Owning Farmland Based on Place of Residence

- Current Income
- LT Investment
- Family/Sentimental
- Home/Way of life
- Recreation

Legend:
- Lives in Iowa
- Does not live in Iowa
Farm Land Sales
Total Iowa Land Sales Reported by Iowa Land Sales Report
Percent of Iowa Farm Land Sold per Year

- 1990
- 2005
- 2009
- 2010
Percent of Land Sales That Were Contract for Deed

- 1990: 27%
- 2005: 11%
- 2009: 5%
- 2010: 7%
- 2011***: 5%
Percent of Iowa Farm Land By Anticipated Method of Disposal

- Will: 45%
- Gift: 10%
- Sell to Family: 10%
- Sell to other: 5%
- Trust: 15%
- Other: 10%
Location of Sellers and Buyers of Iowa Farmland by State

- Iowa to Iowa
- Another State to Iowa
Iowa Farmland Sold by Type of Seller

- Single
- Family
- Estate
- Trust
- Corp

Year:
- 2005
- 2009
- 2010
- 2011***
Percent of Iowa Farmland by Type of Buyer

<table>
<thead>
<tr>
<th>Year</th>
<th>Single</th>
<th>Family</th>
<th>Trust</th>
<th>Corp</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
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<td>2009</td>
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<tr>
<td>2011***</td>
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</table>
Impact of Price Increases on Plans to Buy More Land, 2007

- More likely to buy
- Less likely to buy
- No change in plans

- More likely to sell: 5%
- More likely to keep: 15%
- No affect: 80%
Farm Land Use
Percent of Farms and Cropland by Percent of Land Rented, 2007

Percent of Acres Rented

- Farms
- Cropland
Percent of Iowa Farmland, Excluding Acres in Government Programs or Custom Farmed, by Operator and Year

- **Owner-operated**
- **Cash rented**
- **Crop share**
Observations

- Type of farmland ownership is changing. Sole proprietors and joint tenancy are decreasing while tenants in common and land in trusts are increasing.

- As a consequence, farmland ownership is becoming more dispersed while management is becoming more concentrated.
Observations

• High land prices are an issue for beginning farmers and those wanting to expand. This is not a new problem but it has escalated recently.

• Increasing reliance on rented base is changing risk and farm transfer strategies and options.
Observations

• People tend to be holding on to their land; although there are some signs this might be changing
• Changing family dynamics will change ownership patterns
• The percent of farmland owned by people over the age of 65 is increasing and will likely continue to do so
Observations

- Farmer and investor interest have increased. But, amount of land being sold has remained relatively constant.
- Changes in ownership patterns, reasons for owning, gender, and farming practices will change land use and land values.
Thank-you

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