

# Iowa Farmland Ownership Dynamics

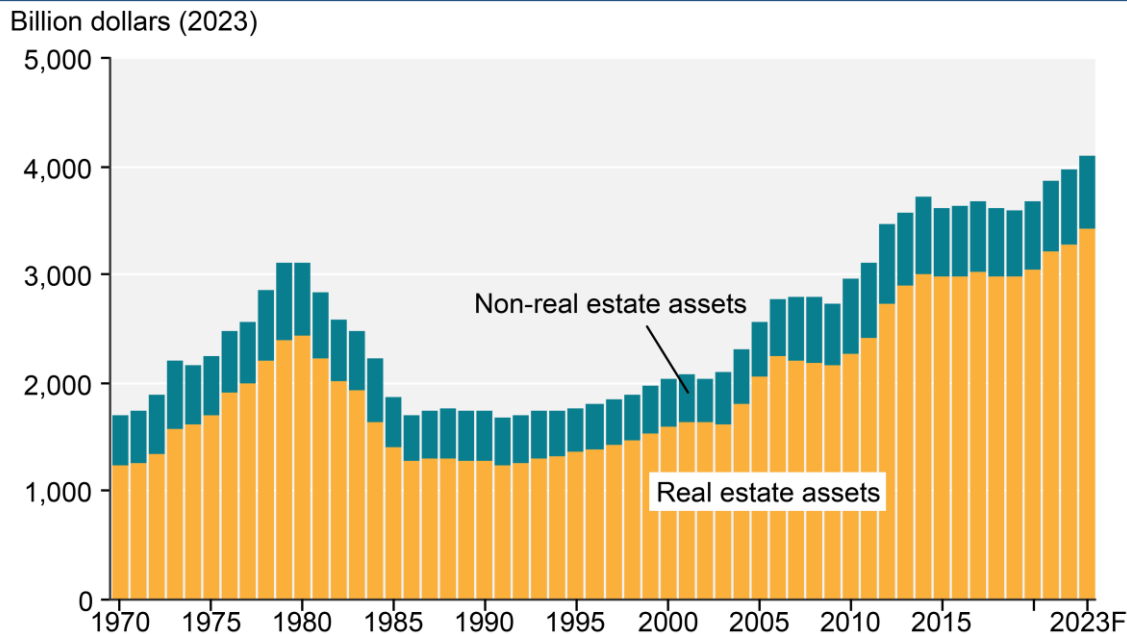
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Tuesday, 28<sup>th</sup> November 2023

# Why care about Farmland Ownership?

## U.S. farm sector assets, inflation adjusted, 1970–2023F



Note: F = forecast. Real values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2023 by USDA, Economic Research Service.

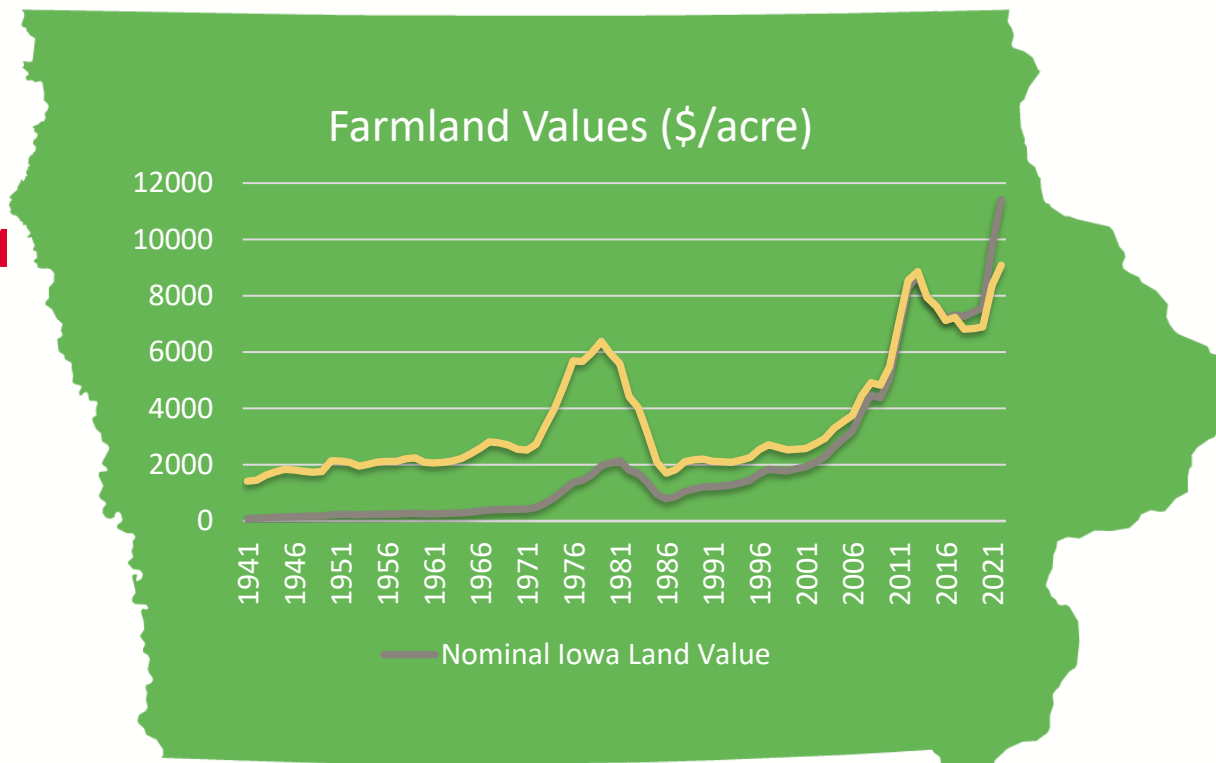
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

Data as of August 31, 2023.

# Strong Iowa land values 2022

**Nominal Value: \$11,411**  
**Change: +17%**

**Real Value: \$9,088**  
**Change: +8.6%**



# Who is buying farmland?

*The New York Times*

## *Farmland Values Hit Record Highs, Pricing Out Farmers*

Small farmers are now going up against deep-pocketed investors, including private equity firms and real estate developers.

# Who is buying farmland?

The New York Times

**The  
Guardian**

it Record Highs, Pricing

Bill Gates is the biggest private owner of farmland in the United States. Why?

*Nick Estes*

# Who is buying farmland?

≡ Forbes

How Much U.S.  
Farmland Does China  
Really Own? More Than  
Bill Gates—And Less  
Than 17 Other Countries

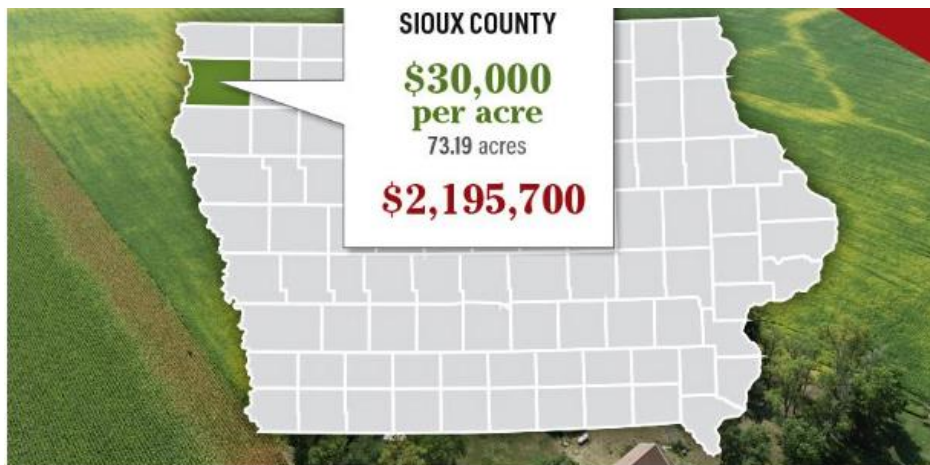
# Who is buying farmland?

## Who owns Iowa farmland? In many cases, it's not farmers.

*The sense Iowa's agricultural land is both scarce and gaining value has driven the average price to a record-setting \$11,400 per acre last year. Now Iowa farmers are bidding not only against neighbors, but out-of-state investors including professional athletes, well-known billionaires and the Mormon Church.*

by Erin Jordan, The Gazette

# Farmers are still in the game



*Not to sound like a broken record, but we have another record for farmland sales. In Sioux County, Iowa, 73.19 acres of high-quality farmland sold for \$30,000 per acre during an auction on Nov. 11.*

**\$30,000 Per Acre? Yep,  
The Details on the  
Latest Record-Breaking  
Farmland Sale**

**November 15, 2022  
By Sara Schafer, Farm Journal**



# Farmers are still in the game

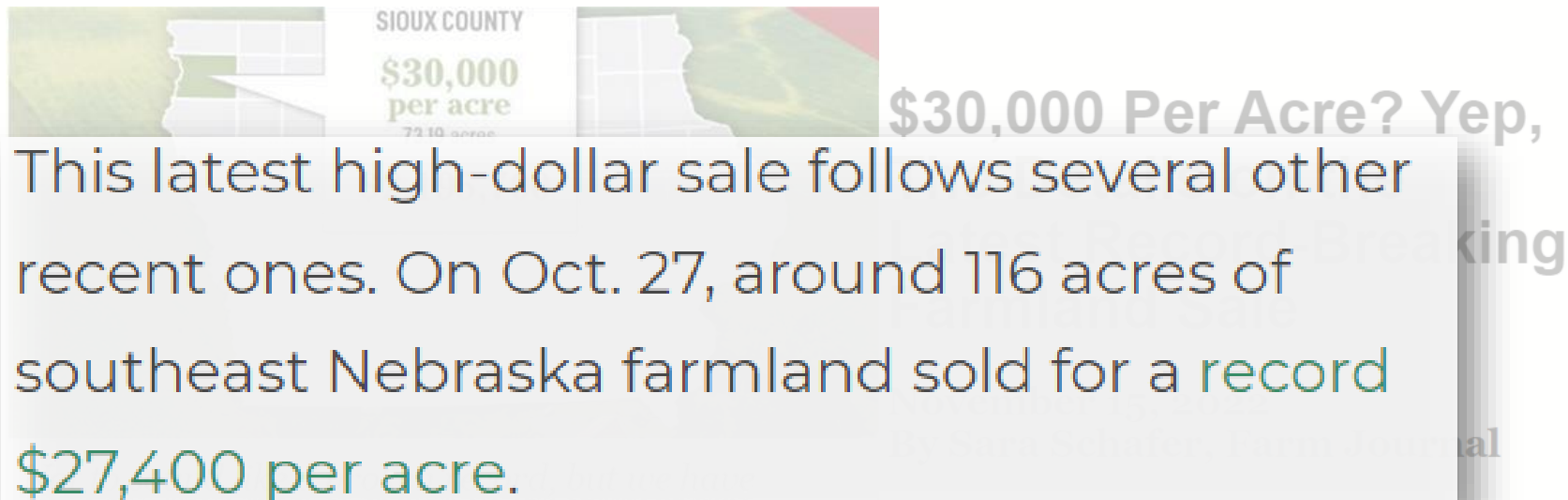


\$30,000 Per Acre? Yep,

This latest high-dollar sale follows several other recent ones. On Oct. 27, around 116 acres of southeast Nebraska farmland sold for a record **\$27,400 per acre.**

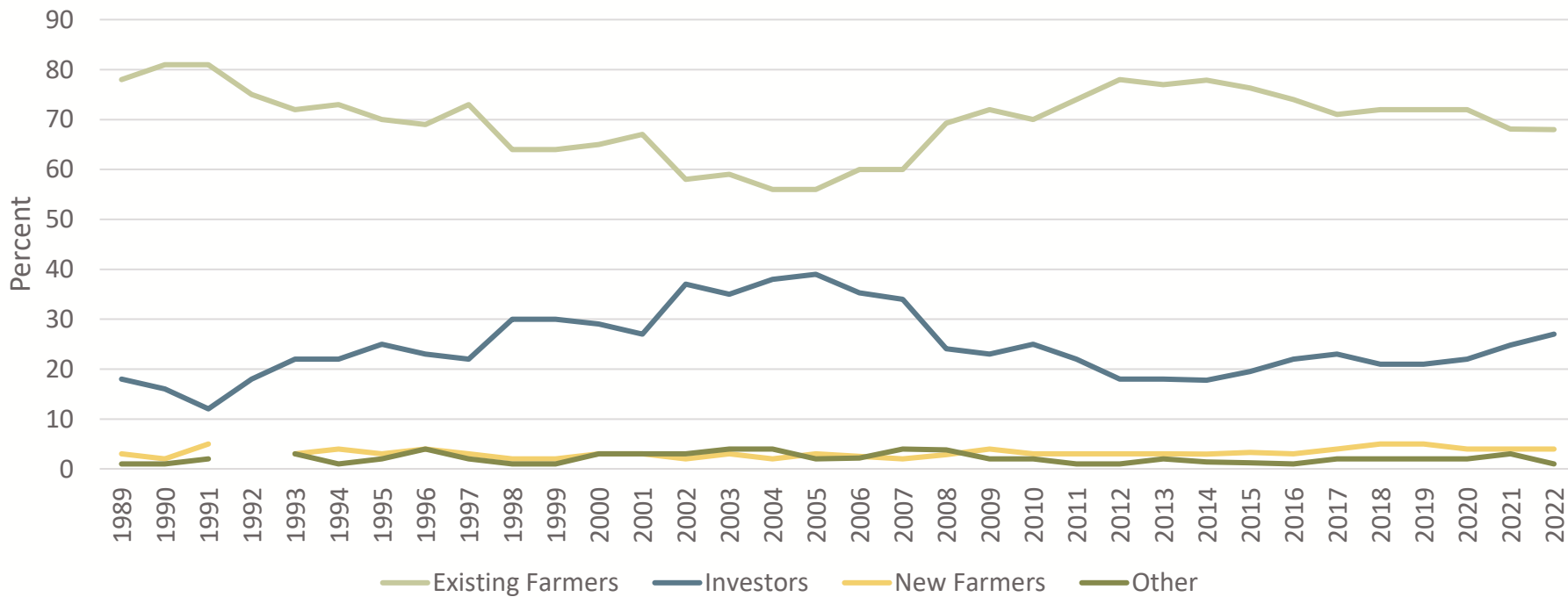
*another record for farmland sales. In Sioux County, Iowa, 73.19 acres of high-quality farmland sold for \$30,000 per acre during an auction on Nov. 11.*

# Farmers are still in the game



A local farmer bought the farm

# Iowa Farmland Purchases by Buyer Types 1989–2022



# Who Owns Iowa Farmland?

# People aged 65+ own 66% of Iowa farmland, 2022

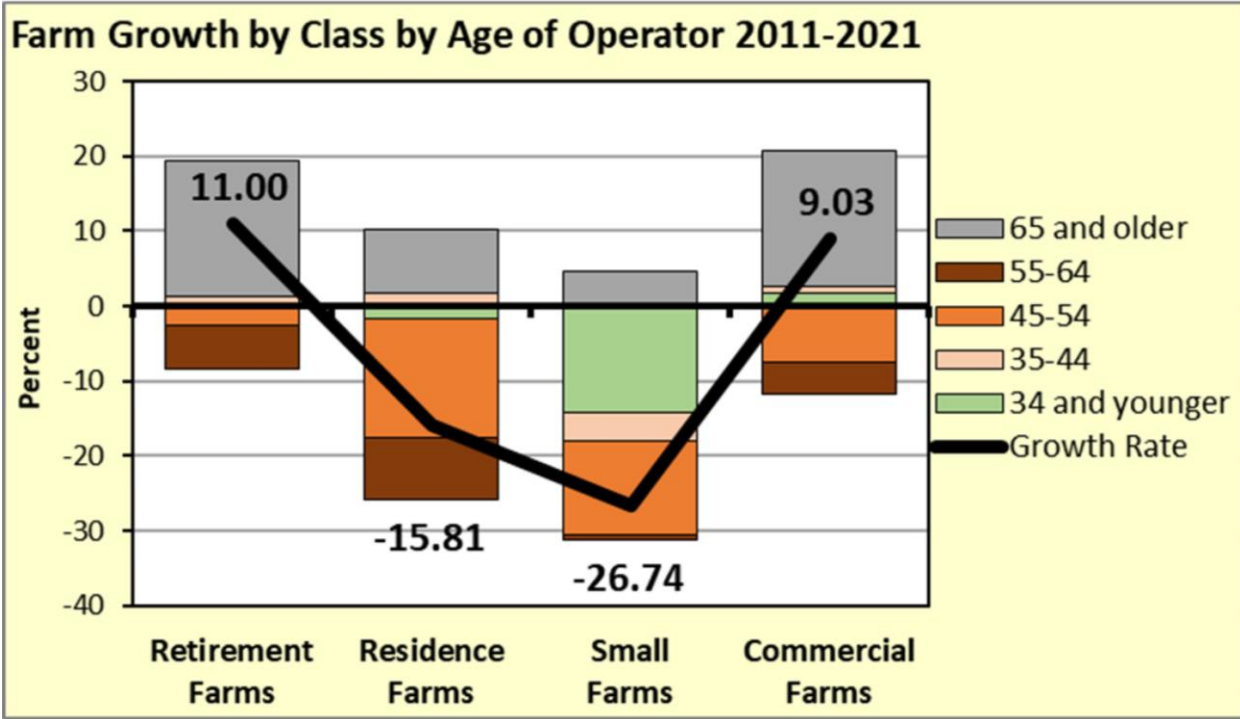
	Age	Owners	Acres
Early stage	< 25	<1%	<1%
	25 - 34	2%	1%
Mid-stage	35 - 44	3%	3%
	45 - 54	8%	9%
	55 - 64	21%	20%
Late stage	65 - 74	31%	29%
	> 74	34%	37%

# % Farmland by Age

	1982	1992	2002	2007	2012	2017	2022
<b>Early stage</b>							
< 25	1%	1%	<1%	<1%	1%	<1%	<1%
25–34	10%	6%	3%	2%	3%	1%	1%
<b>Mid-stage</b>							
35–44	14%	11%	10%	6%	5%	4%	3%
45–54	23%	18%	16%	15%	14%	11%	9%
55–64	22%	21%	23%	22%	22%	25%	20%
<b>Late stage</b>							
65–74	17%	23%	24%	27%	26%	26%	29%
> 74	12%	19%	24%	28%	30%	34%	37%

# Farming is a greying occupation

- Younger farmers leaving farming



# 84% of Iowa Land is Debt-free

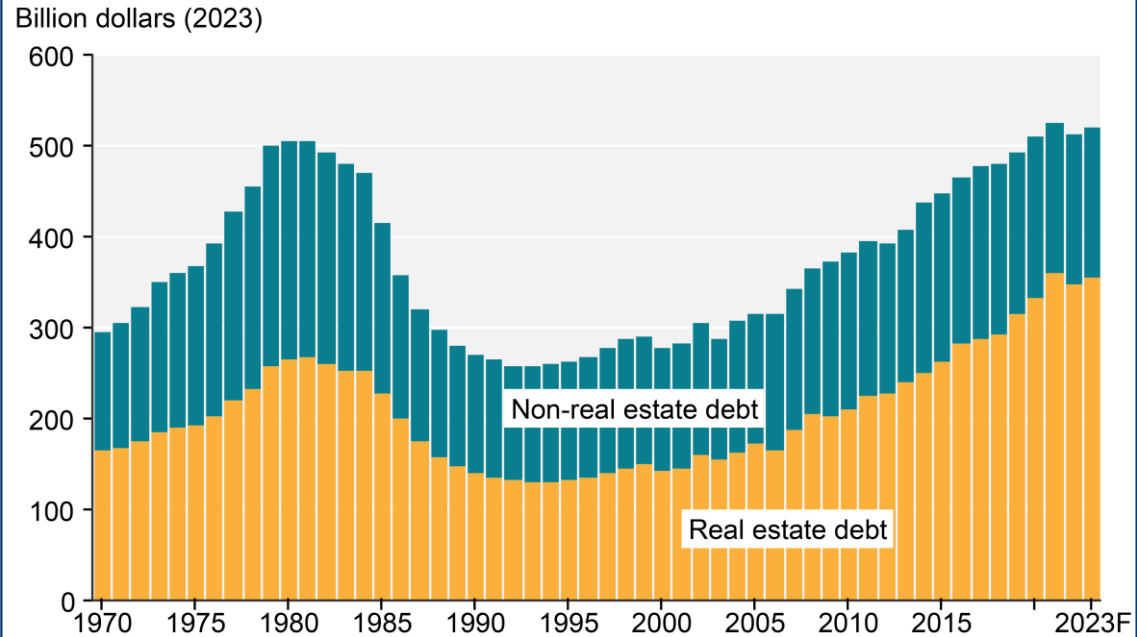
	1982	1992	2002	2007	2012	2017	2022
<b>Free of debt</b>	62%	70%	74%	75%	78%	82%	84%
<b>Under contract</b>	18%	11%	4%	4%	3%	2%	2%
<b>Mortgaged</b>	20%	19%	22%	21%	19%	16%	14%

	<35	35-64	65-80	>80
<b>Free of debt</b>	17%	70%	90%	95%
<b>Under contract</b>	21%	2%	1%	0%
<b>Mortgaged</b>	62%	28%	9%	5%



# Real Estate vs Non-Real Estate Debt

## U.S. farm sector debt, inflation adjusted, 1970–2023F



Note: F = forecast. Real values are adjusted for inflation using the U.S. Bureau of Economic Analysis Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2023 by USDA, Economic Research Service.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.

Data as of August 31, 2023.

# >50% of Iowa farmland is owned by the same owner 20+ years

% of farmland

	2012	2017	2022
> 50 Years	20%	8%	10%
40-50 Years	15%	12%	9%
30-40 Years	19%	13%	15%
20-30 Years	21%	20%	21%
10-20 Years	24%	24%	22%
< 10 Years	24%	24%	22%

} 54% (2012: 20% + 15% + 19%)  
} 53% (2017: 8% + 12% + 13%)  
} 55% (2022: 10% + 9% + 15%)

# Residency and Farming Status

% of farmland

Iowa Residency	1982	1992	2002	2007	2012	2017	2022
Full-time Iowa resident	94%	91%	81%	79%	80%	80%	75%
Part-time or not an Iowa resident	6%	9%	19%	21%	20%	20%	25%

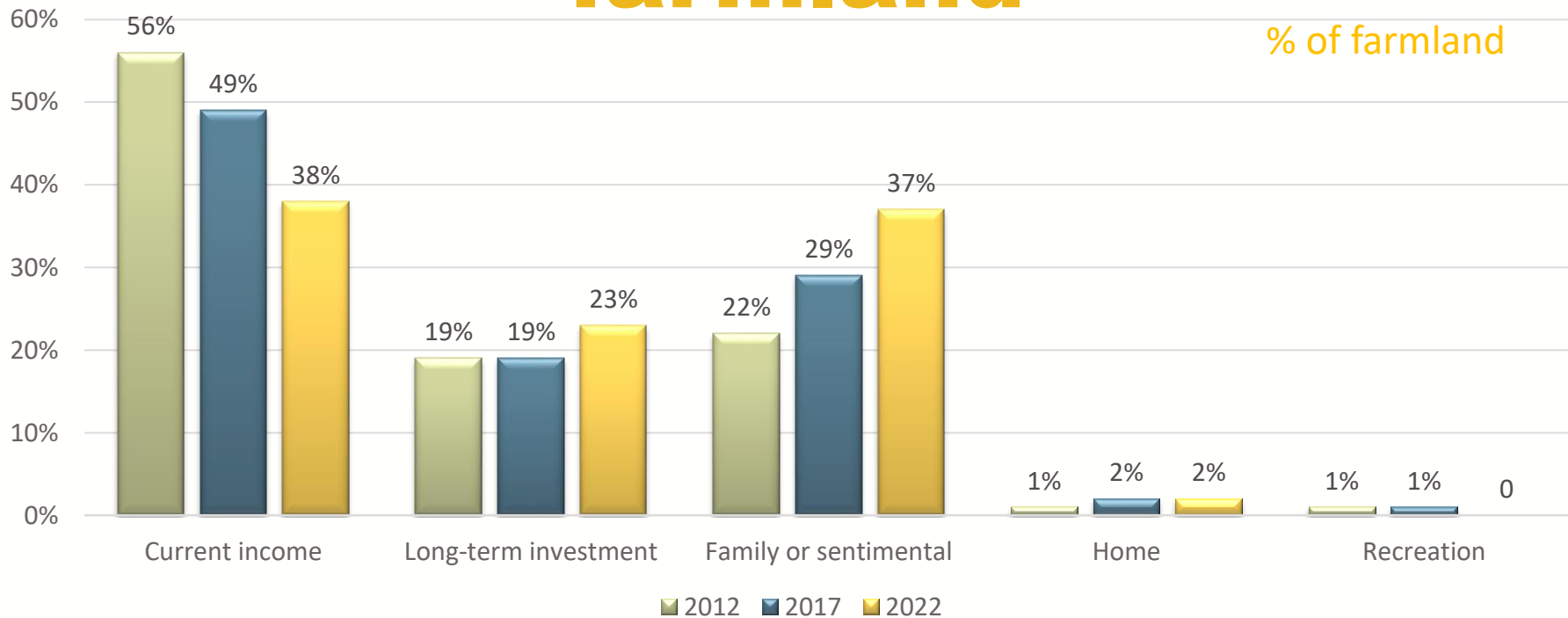
Farming Status	2002	2007	2012	2017	2022
Full-time farmer	23%	21%	23%	27%	28%
Part-time farmer	21%	19%	15%	16%	17%
Do not farm	55%	60%	62%	57%	55%

# Residency by Farming Status

% of landowners, 2022

	Do not farm		Part-time farmer	Full-time farmer	Total
	Past experience	No experience			
<b>Full-time resident</b>	20%	15%	26%	17%	<b>79%</b>
<b>Part-time resident</b>	2%	2%	2%	1%	<b>6%</b>
<b>Non-resident</b>	2%	10%	1%	2%	<b>15%</b>
<b>Total</b>	<b>24%</b>	<b>27%</b>	<b>29%</b>	<b>20%</b>	<b>100%</b>

# Primary reason for owning farmland



# Leased Farmland in Iowa

# Iowa land control 2017-22

% of farmland

	2017	2022
<b>Owner Controlled:</b>	<b>47%</b>	<b>42%</b>
Owner operated	37%	32%
Custom farmed	2%	3%
Government programs/other uses	8%	8%
<b>Leased:</b>	<b>53%</b>	<b>58%</b>
Cash rent (fixed)	35%	42%
Cash rent (flexible)	9%	9%
Crop share	9%	7%
Other types of leases	<1%	<1%
<b>Total:</b>	<b>100%</b>	<b>100%</b>

# Evolution of land tenure

- **Cash rent on 56% of Iowa farmland**

% of farmland

	1982	1992	2002	2007	2012	2017	2022
Owner-operated	55%	50%	41%	40%	40%	41%	35%
Cash rent lease	21%	27%	40%	46%	46%	49%	56%
Crop share lease	21%	22%	18%	13%	13%	10%	8%
Other type of lease	1%	1%	1%	1%	1%	< 1%	1%



# Land Leasing by Iowa Residency & Farming Status

Iowa Residency	Cash Rent	Crop Share	All Leased Acres
Live in Iowa full time	71%	63%	70%
Live in Iowa part time	8%	4%	7%
Do not live in Iowa	22%	33%	23%

Farming Status	Cash rent	Crop share	All Leased Acres
Full time	9%	4%	8%
Part time	12%	19%	13%
Do not farm	79%	77%	79%

# Age & Leasing Relationship

Age of Owner	Cash Rent	Crop Share	All Leased Acres
< 25	<1%	0%	<1%
25-34	1%	0%	1%
35-44	1%	4%	2%
45-54	7%	7%	7%
55-64	14%	15%	14%
65-74	30%	21%	29%
75-80	19%	22%	20%
> 80	23%	26%	24%

Summary of Leasing Relationships for Older Owners:
   
 - Owners aged 65-80: 72% use Cash Rent, 69% use Crop Share, and 73% of all leased acres are under these arrangements.
   
 - Owners aged 75-80: 69% use Cash Rent, 69% use Crop Share, and 73% of all leased acres are under these arrangements.
   
 - Owners aged > 80: 73% use Cash Rent, 69% use Crop Share, and 73% of all leased acres are under these arrangements.

# Conservation in Iowa

# Age & Conservation

Age	2017		2022	
	All farmland	Farmland in Conservation Programs	All farmland	Farmland in Conservation Programs
< 25	0%	< 1%	<1%	<1%
25 - 34	1%	< 1%	1%	0%
35 - 44	4%	4%	3%	4%
45 - 54	11%	11%	9%	7%
55 - 64	25%	18%	20%	22%
65 - 74	26%	31%	29%	27%
> 74	34%	35%	37%	40%

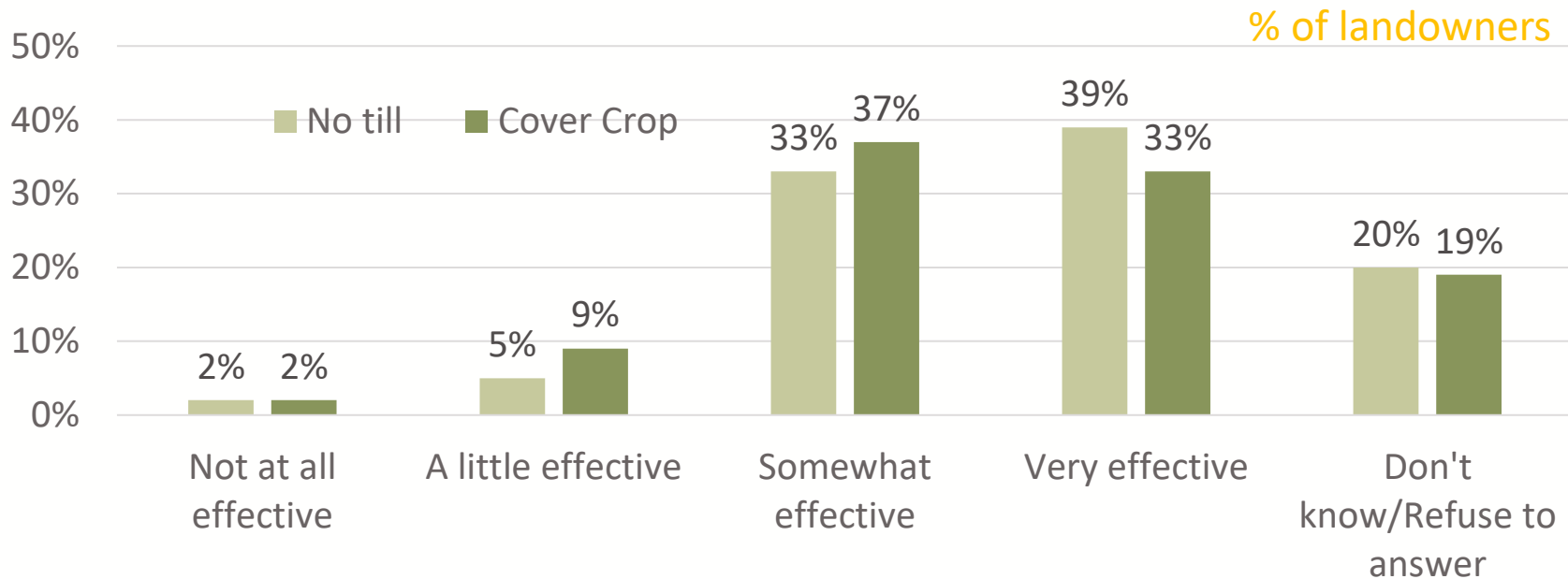
# Land Transfer & Conservation

Whether Owner Thinks Land Transfer Will Happen within Five Years	% Farmland in Government Conservation Programs
Yes	11%
No	22%
Already in revocable living trust	33%
Already in irrevocable living trust	0%
Already in business entity	1%
NA, not going to transfer land	19%
Don't know/refuse to answer	15%

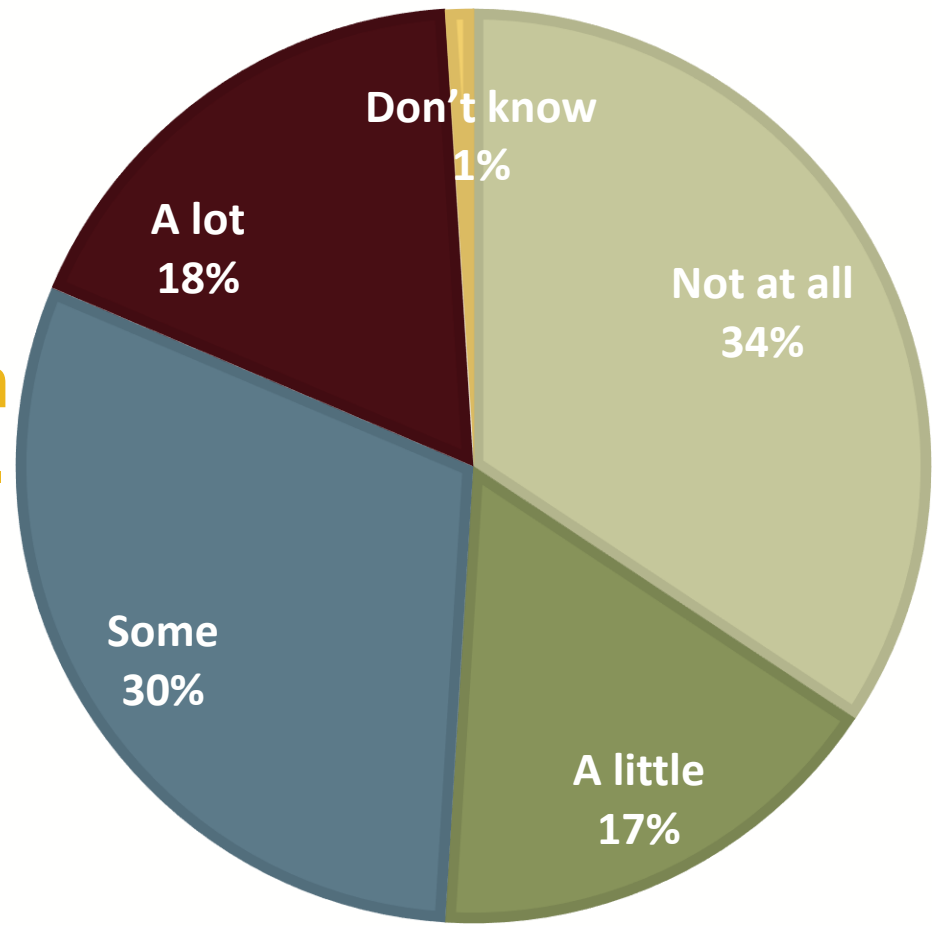
# Types of Conservation

	2017		2022	
	Owners	Acres	Owners	Acres
No till	21%	27%	29%	30%
Cover crops	5%	4%	7%	7%
Buffer strips	3%	3%	3%	2%
Saturated buffers	NA	NA	<1%	<1%
Bioreactor	NA	NA	<1%	<1%
Nutrient removal wetland	NA	NA	<1%	<1%
Reduced tillage	NA	NA	36%	40%
Grassed waterway	NA	NA	62%	NA

# Perceived Effectiveness of Conservation Practices, 2022



# **% Landowners' Willingness to Adopt Conservation Depending on Cost-share Payments from Government Programs, 2022**





# Thank You!

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