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Farmers Still the Primary Owners of Farmland, Midwest Ag Conference Attendees Are Told

By Chicago Fed Staff Writer

Agriculture | Regional Economy



David Oppedahl, Chicago Fed policy advisor and agricultural specialist, addresses the Federal Reserve Bank of Chicago's 2023 Midwest Agriculture Conference, held at the Bank in November.

"Who owns Midwest farmland? And why?" asked the title of the Chicago Fed's recent Midwest Agriculture Conference. Farmers still own a whole lot of it, was one of the answers provided by the event's expert panelists—despite headlines about outside investors buying up crop property.

Another answer: Older farmers own ever more of it, partly because they are the ones who can afford the increasingly expensive acreage. People age 65 and over owned two-thirds of Iowa farmland in 2022, up from under half of it in 2002, said Rabail Chandio, an Iowa State University economics professor and lead researcher for the annual Iowa Land Values Survey.

"Farmers are still in the game," Chandio said, presenting her research at the November 28, 2023, edition of the annual event, held at the Bank in downtown Chicago and online. In Iowa ownership surveys, "the highest buyers of farmland are existing farmers," she said, adding that while investor farmland ownership has climbed past 25%, some of those investors are themselves retired farmers, or in some cases their neighbors.

Her explanation that farmers aren't yet being priced out of land in their area was one of the more intriguing top-level data points shared in a nearly full day of talk about farmland pricing, emerging issues in ownership of farmland, and some of the perils and plusses of investing in farmland.

The discussion, of course, revealed further nuances, and a video replay, transcript, and the presenters' slide decks, plus the day's agenda and list of speakers, are available via the links below.

Some additional participant highlights:

- Chicago Fed Policy Advisor David Oppedahl, conference organizer and the author of the Bank's quarterly *AgLetter*, pointed out that significant proportions of land, especially in Illinois and Iowa, are leased out. So, in many cases, "the owners are not farming it themselves. They're offering it for rent out to neighboring farmers or others," he said. "That's an important part of the discussion."
- In the U.S. the "total amount of foreign-owned or leased land in 2020 was 37.6 million acres," said Mykel Taylor, a professor in the Auburn University Department of Agricultural Economics and Rural Sociology. "That's a big number. But it's only about 2.9% of all privately-held ag land." Where foreign farmland leasing seems to be highest, Taylor added, is in states where wind-energy development is strong.
- Describing himself as "the token farmer on this panel," Bob Stewart from the Yorkville, Illinois, area said that for his family operation, investing in farmland real estate is, yes, about location. "Our main deal is we want to farm it if we're going to buy it," he said. "If we're going to find it for an investor, we want it close to our grain systems, something that's efficient for us to be able to manage."

For further reading:

See the agenda, speakers' bios, transcripts, and replays of the individual sessions here.

Find previous Midwest Agriculture Conferences here.

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