



# National and Regional Trends in Farmland Leases

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Farmland Leases: Tales, Types, and Trends  
Federal Reserve Bank of Chicago  
November 27, 2012



# Agricultural Resource Management Survey (ARMS)

- The primary source of information on the financial condition, production practices, and resource use of America's farm businesses and the economic well-being of America's farm households.
- Sponsored annually by Economic Research Service (ERS) and National Agricultural Statistics Service (NASS)



# Agricultural Resource Management Survey (ARMS)

- Survey of farm operators
- Complex survey design
- Delete-a-group Jackknife procedure



# Agricultural Resource Management Survey (ARMS)

- Acreage classified as
  - Owned
  - Fixed or flexible cash rent
  - Share of the crop or livestock production
  - Free
- Farm structure and region
- Special questions about rented acres in 2010



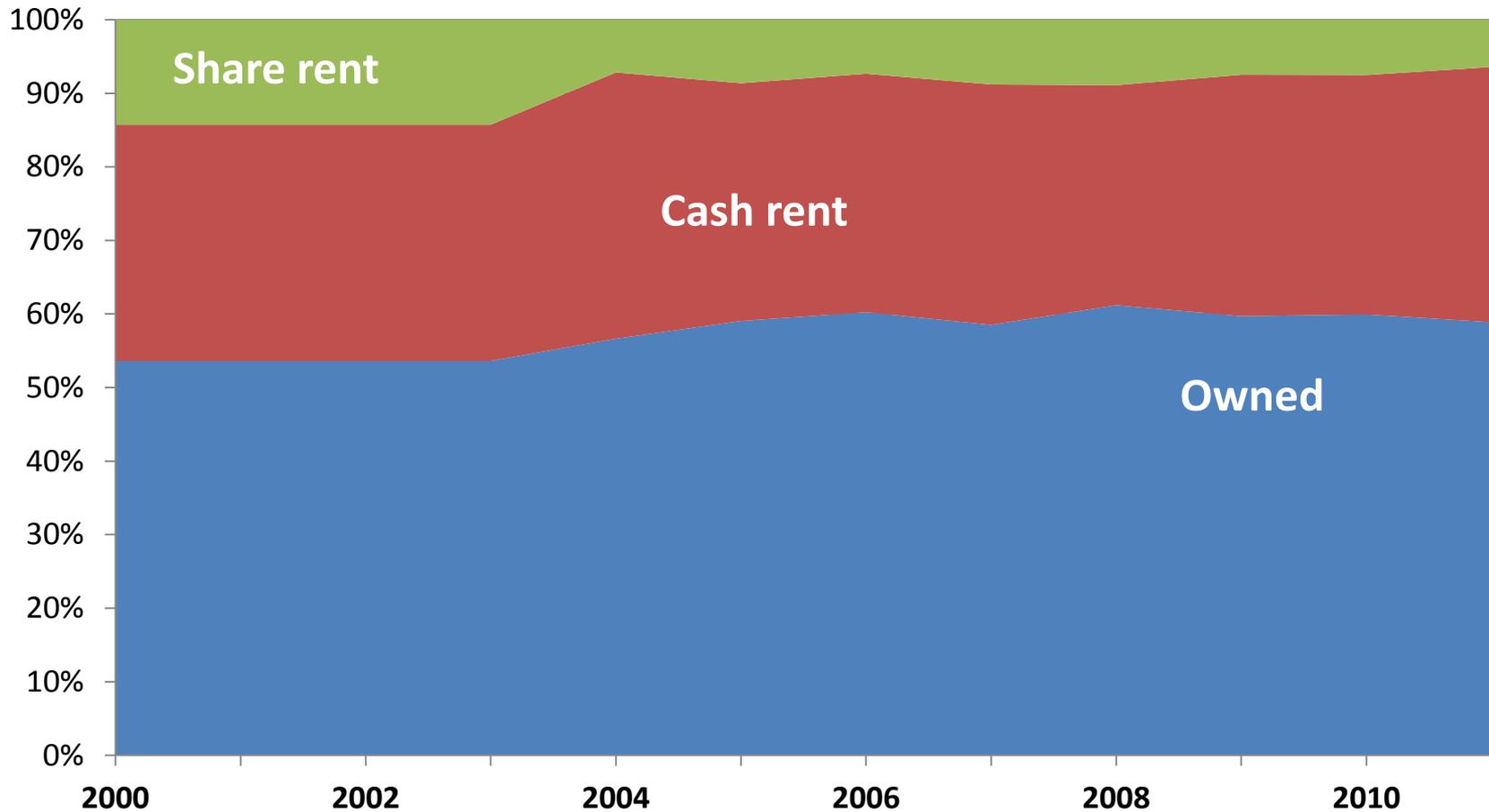
# The **BIG** numbers (2011)

	USA	Seventh District
	<i>Millions of acres</i>	
Total acres owned	529	41
Total acres cash rented	312	32
Total acres share rented	58	11
	<i>Billions of dollars</i>	
Total value of acres owned	1,200	215
Total value of acres rented IN	1,004	276

Source: USDA Agricultural Resource Management Survey

The views presented here are those of the authors and do not necessarily reflect official policy of ERS or USDA.

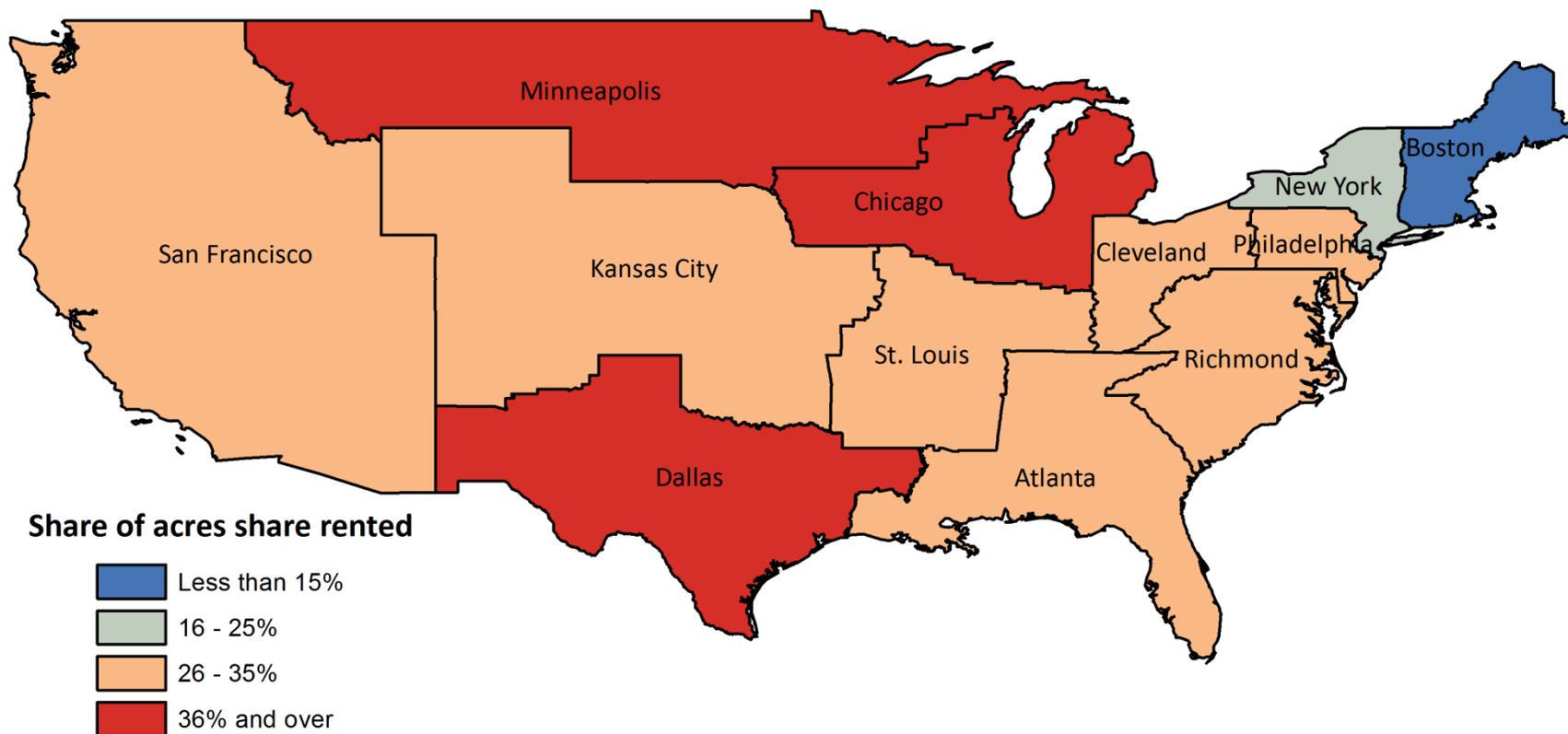
# Share of acres operated in USA by tenure



Source: USDA Agricultural Resource Management Survey

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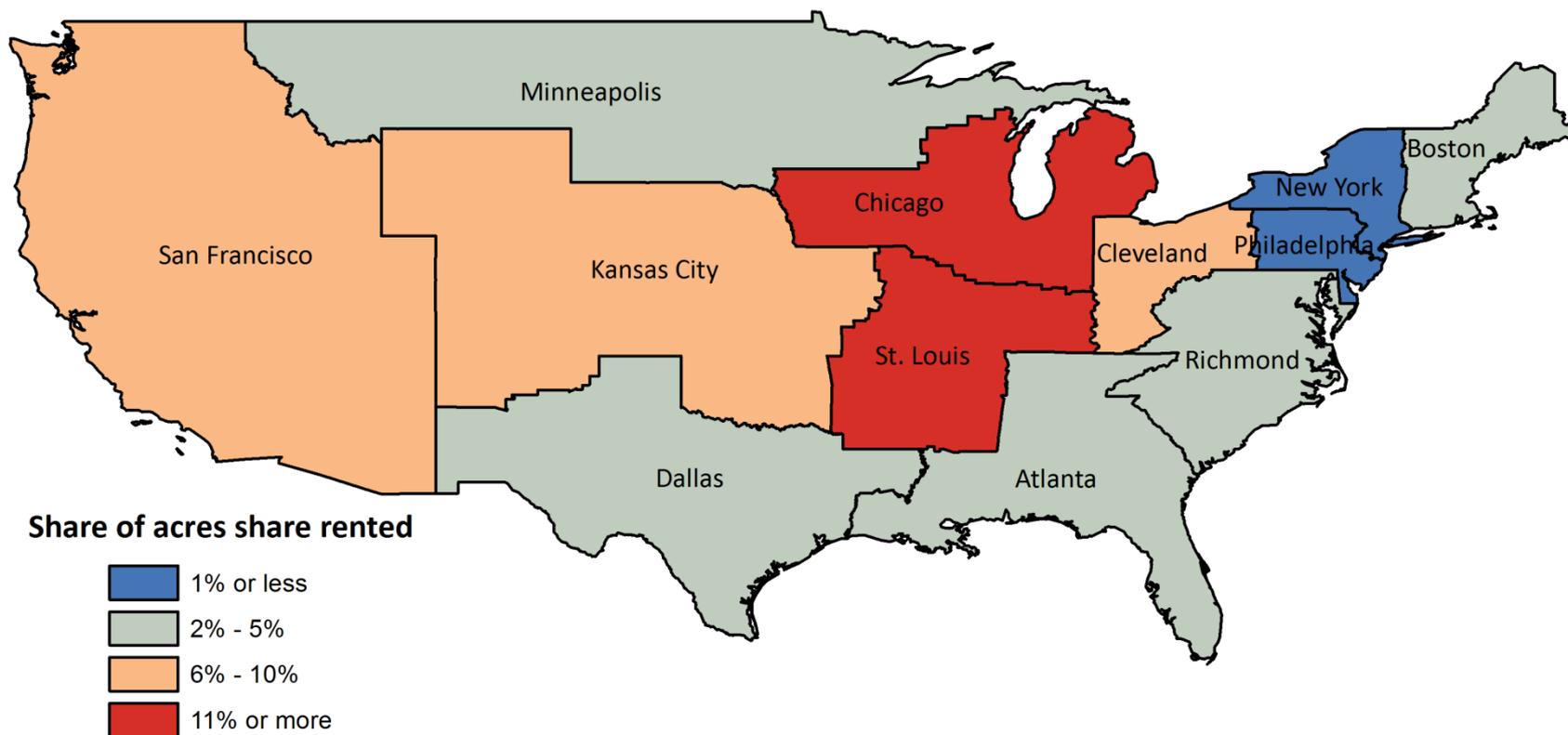
# Share of acres cash rented by District (2011)



Source: USDA Agricultural Resource Management Survey

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# Share of acres share rented by District (2011)



Source: USDA Agricultural Resource Management Survey

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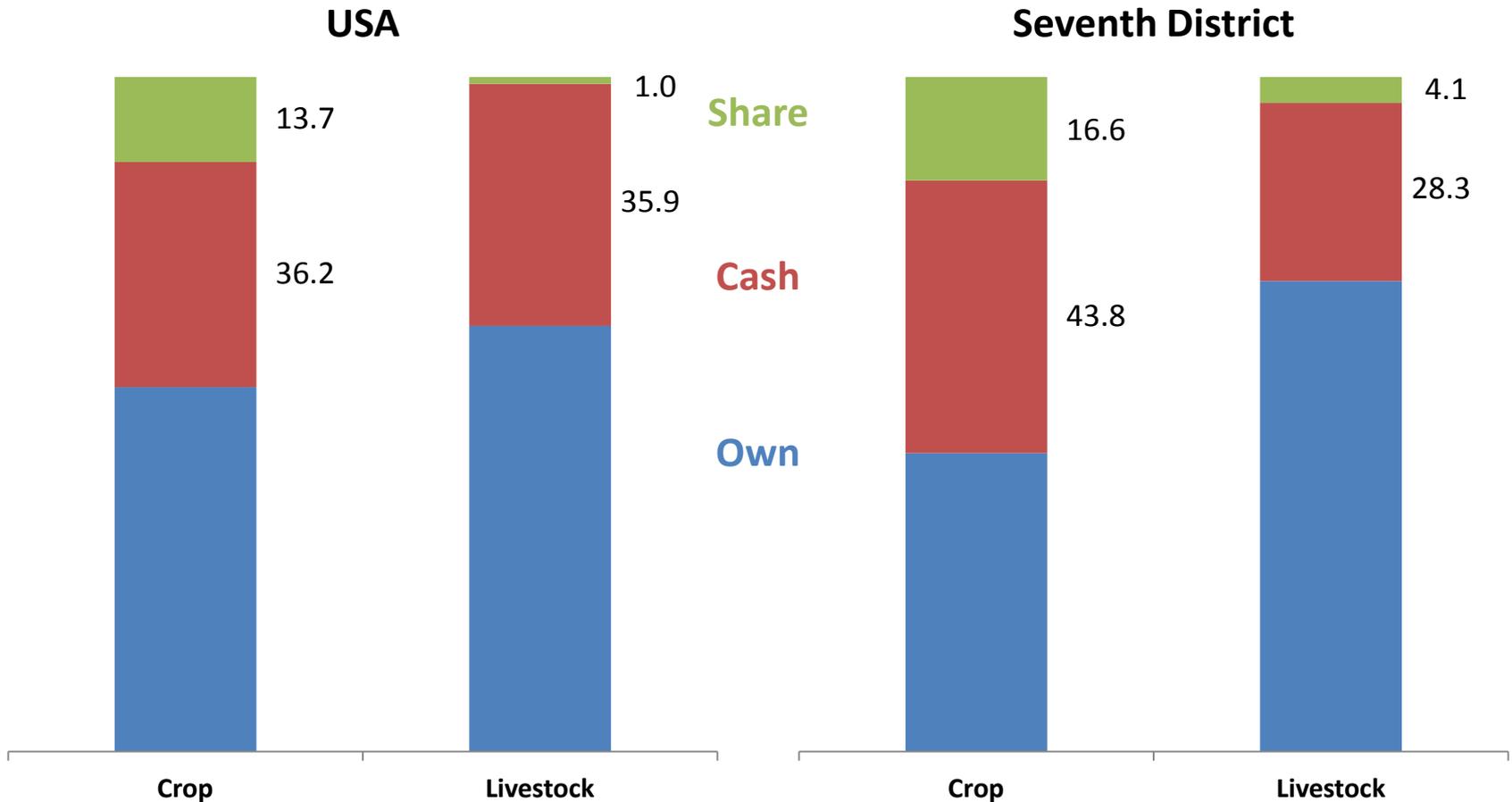
# Variation by farm type

- Crop vs. livestock producers

## “Combined” Farm typology

- Rural residence farms
  - Limited-resources, retirement, residential/lifestyle
- Intermediate farms
  - Farming occupation (lower and higher sales)
- Commercial farms
  - Large, very large, nonfamily

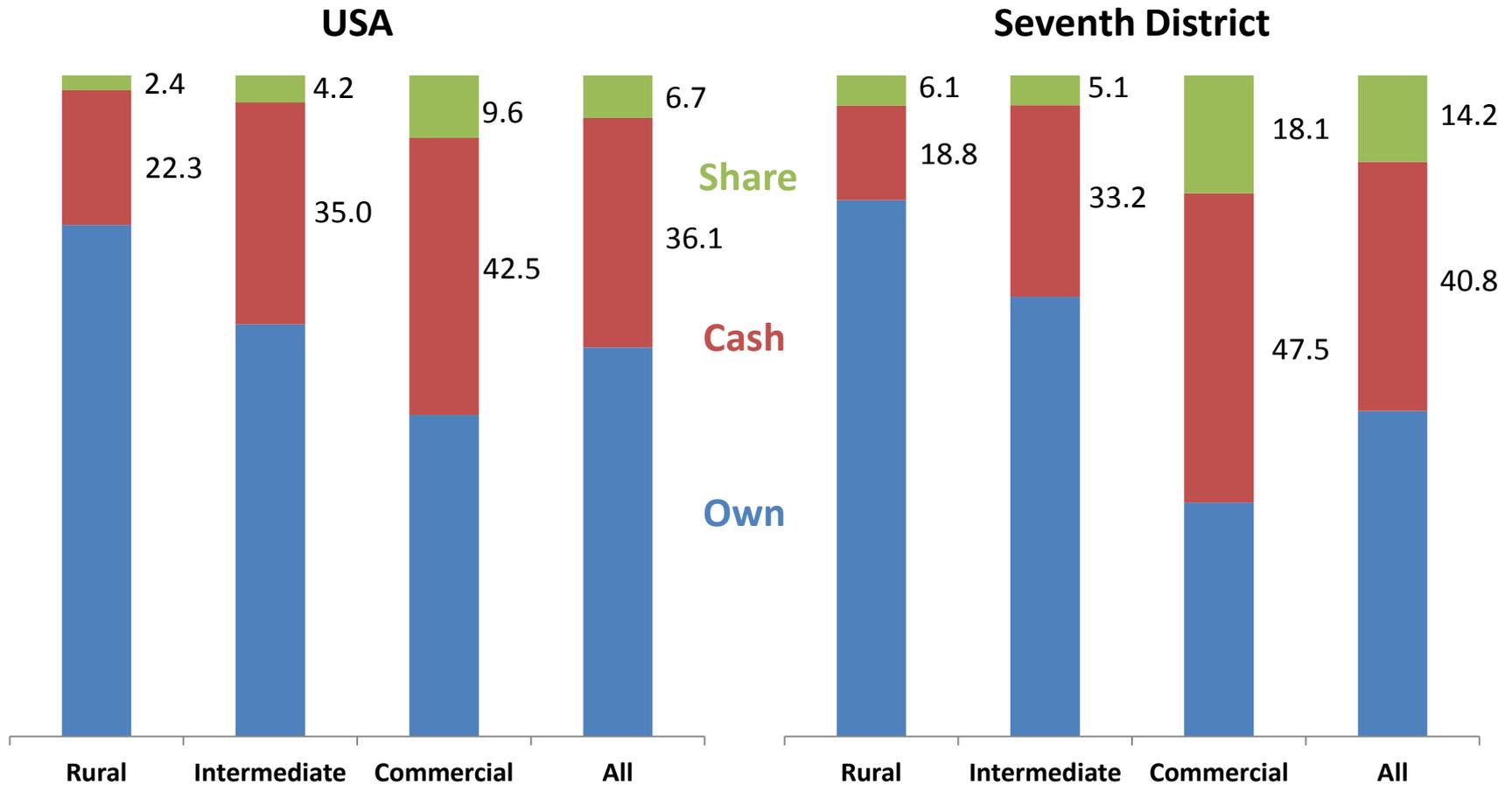
# Tenure by farm type (2011)



Source: USDA Agricultural Resource Management Survey

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# Tenure by farm type (2011)



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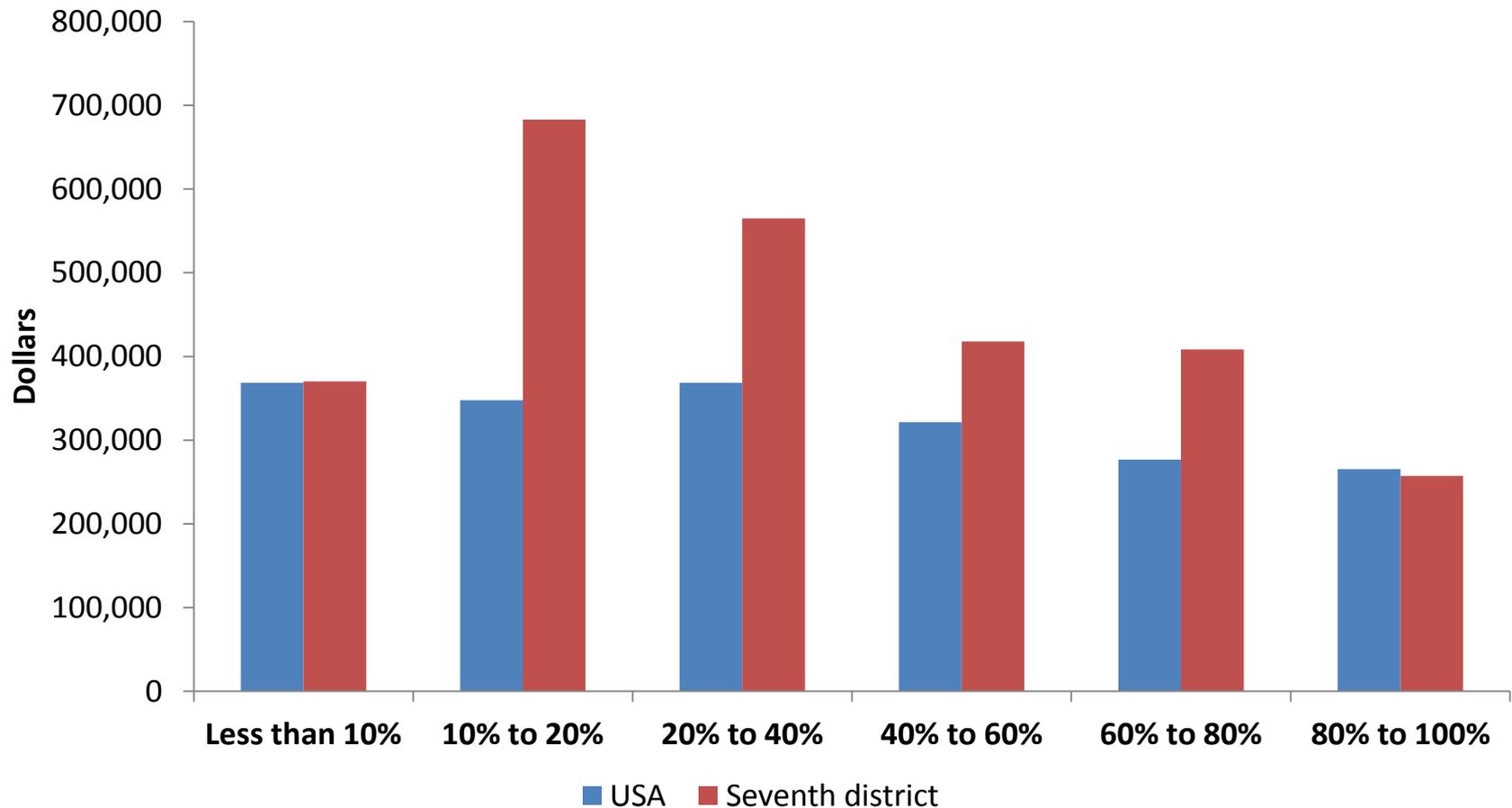


# Tenure class

## Acres owned/acres operated

- Less than 10%
- 10% to 20%
- 20% to 40%
- 40% to 60%
- 60% to 80%
- 80% to 100%

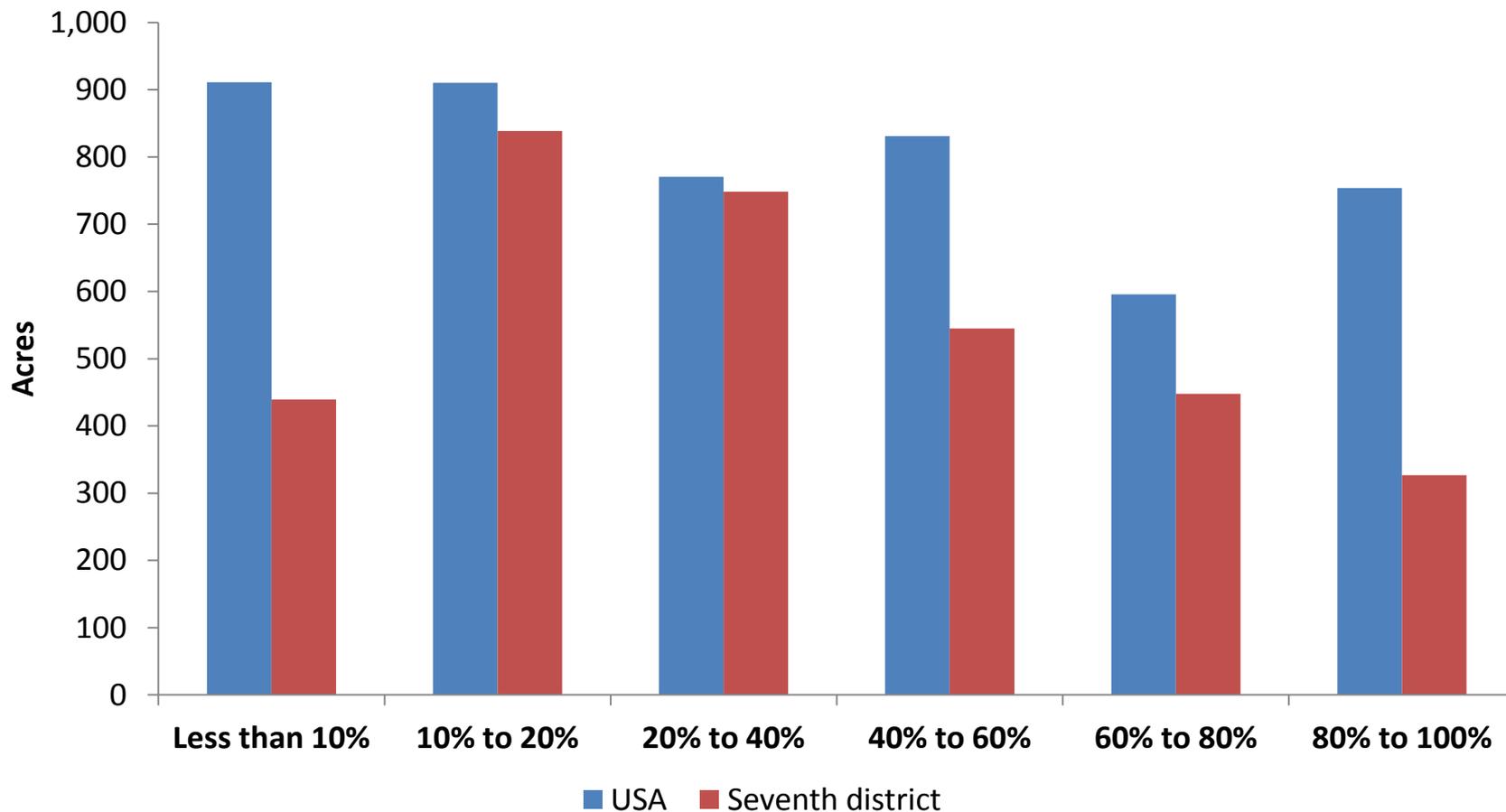
# Average gross farm income by tenure class (2011)



Source: USDA Agricultural Resource Management Survey

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# Average acres operated by tenure class (2011)



Source: USDA Agricultural Resource Management Survey

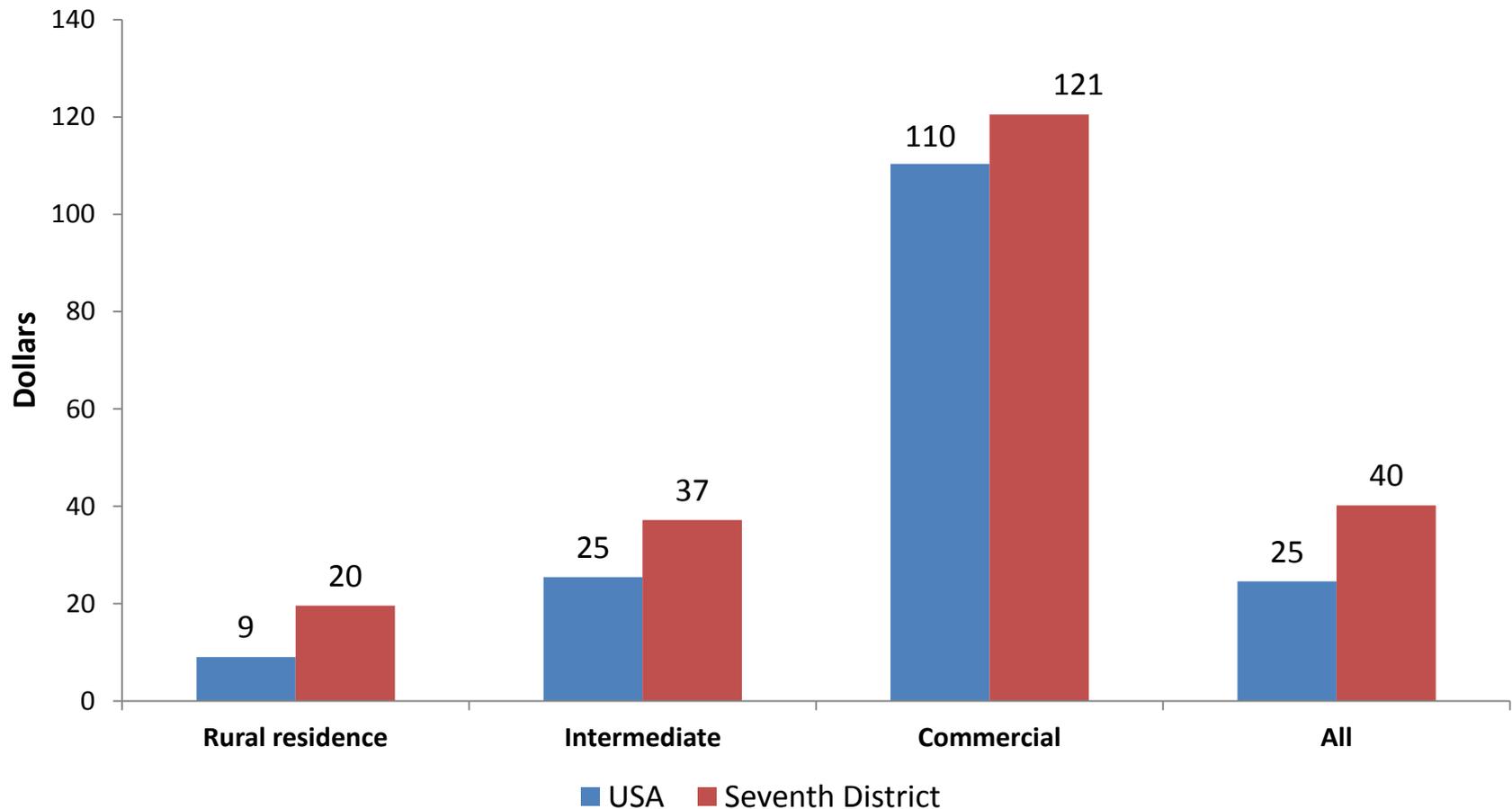
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# Special questions in 2010

- More detailed questions on types of leases, landlord characteristics and involvement
- Important issues last addressed in 1999  
Agricultural Economics and Land Ownership Survey (AELOS)

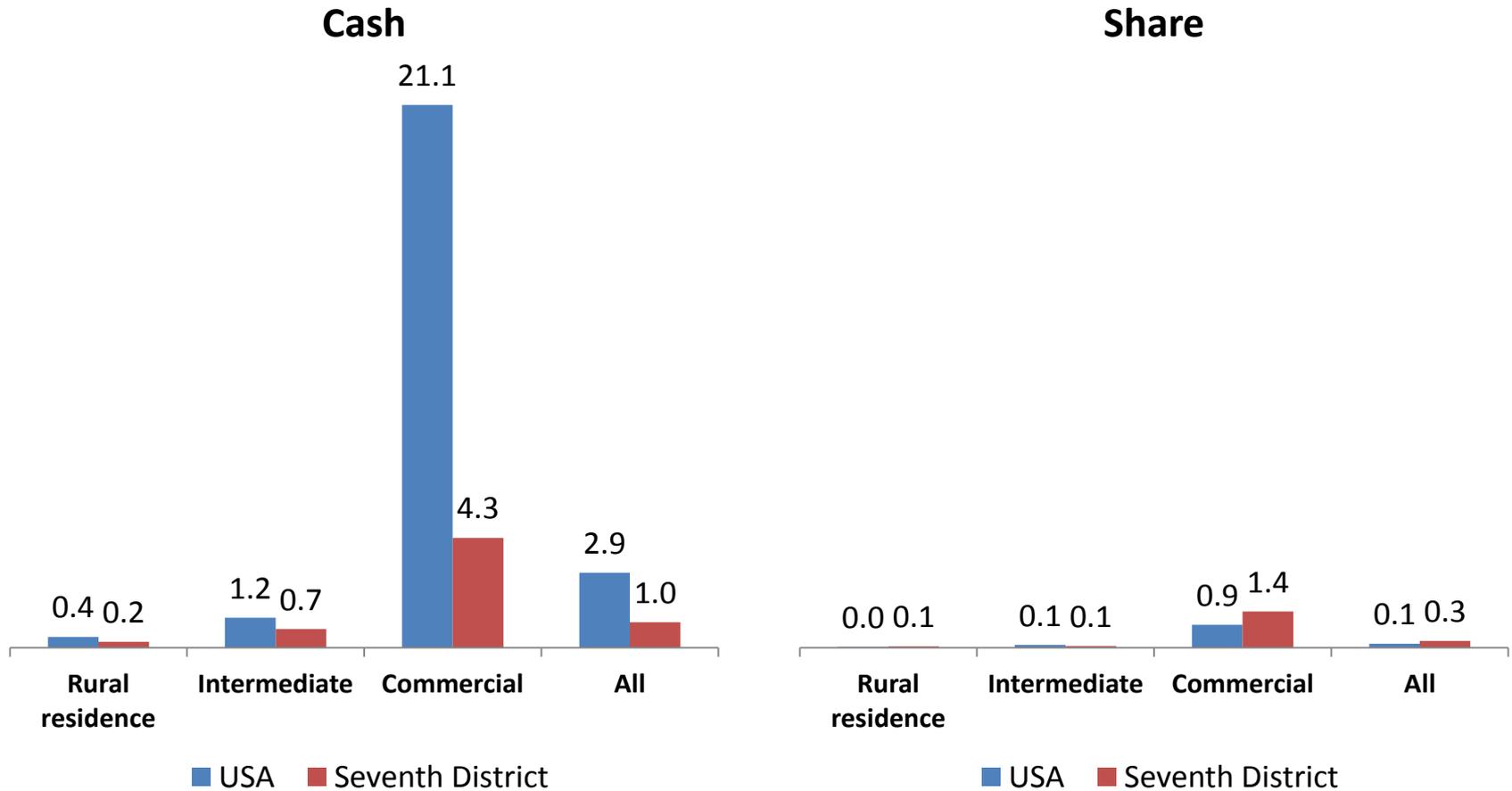
# Average cash rent paid per acre



Source: USDA Agricultural Resource Management Survey

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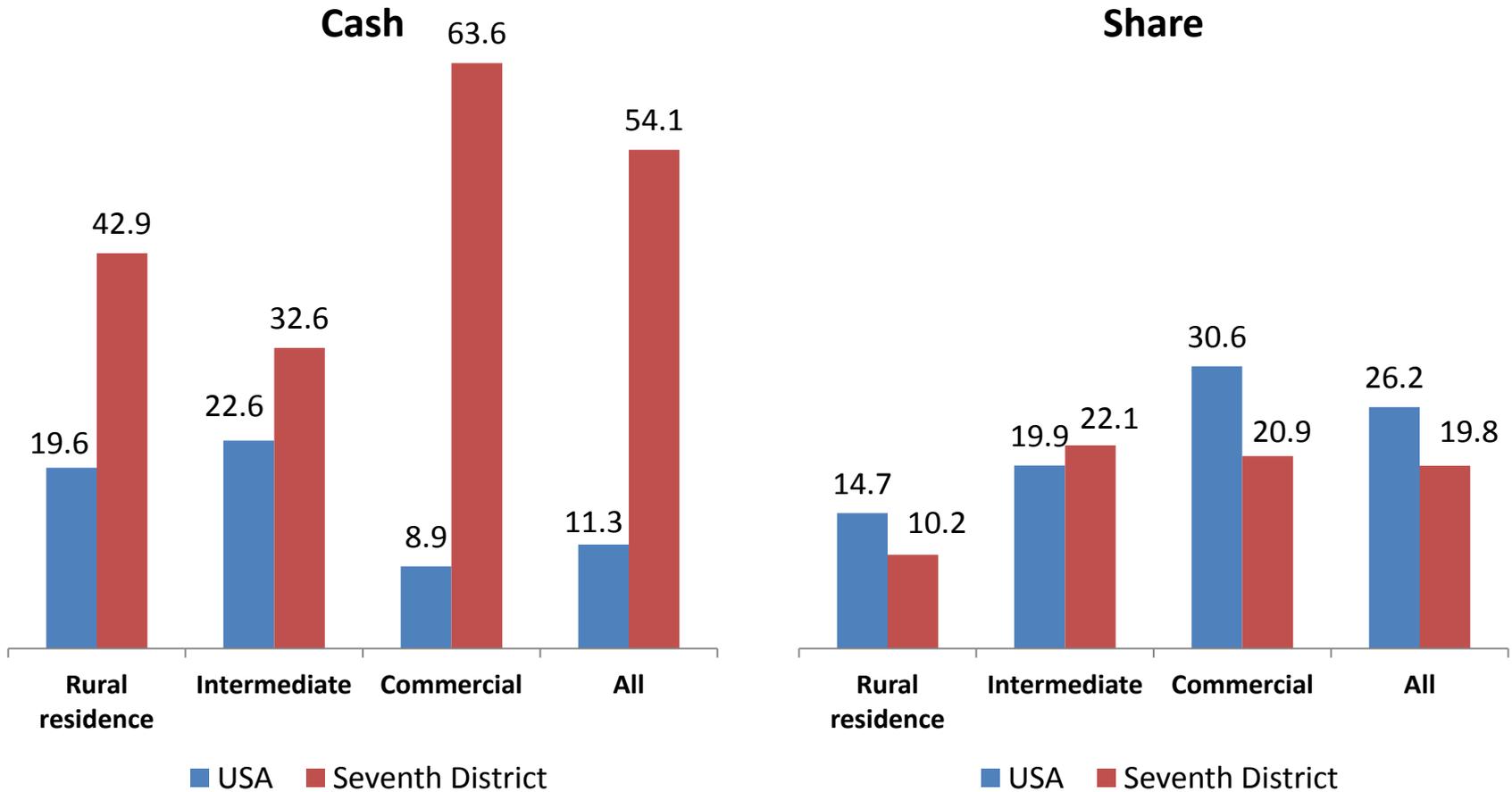
# Number of leases per farm



Source: USDA Agricultural Resource Management Survey

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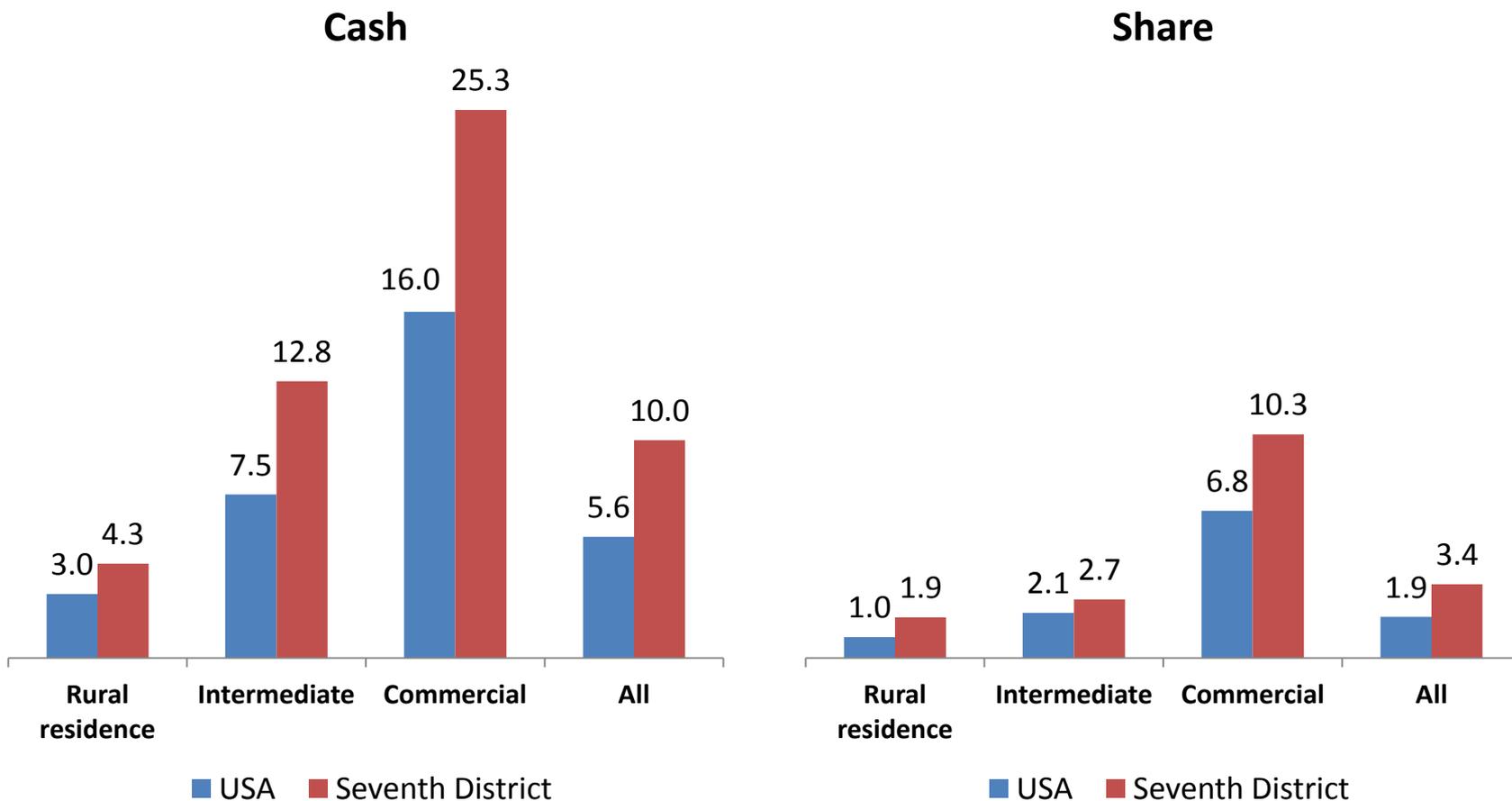
# Share of written leases



Source: USDA Agricultural Resource Management Survey

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# Percent of landlords related to tenants



Source: USDA Agricultural Resource Management Survey

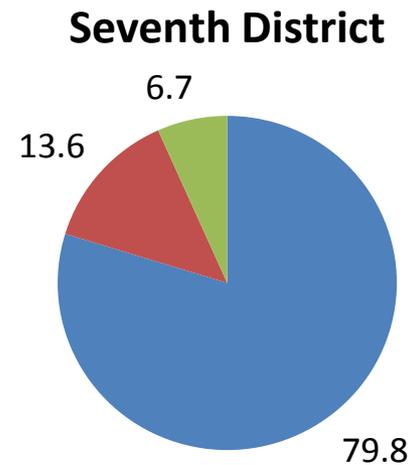
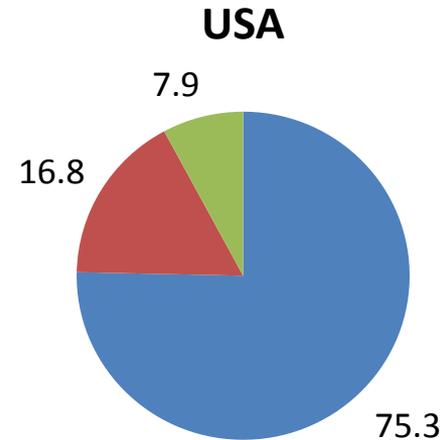
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# Where do landlords live?

- If land was rented in 2010, where does the landlord live relative to land rented?

*(If more than one landlord, consider the landlord from whom the most land is rented.)*

1. Rural area within the state
2. Urban area (population of over 10,000 people) within the state
3. Out of state



■ Rural within state ■ Urban within state  
■ Out of state



# What do landlords do?

- Did you landlord(s) participate in management decisions regarding land use and/or crop/livestock production?
  - USA: 7% yes, 93% no
  - Seventh District: 8% yes, 92% no
- What percentage of the land rented to this operation is rented from landlords who are actively engaged in farming or retired from farming?
  - USA: 8.71%
  - Seventh District: 10.92%

Source: USDA Agricultural Resource Management Survey

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# The takeaway...

- The share of acres owned and rented under cash or share agreements has remained relatively stable
- Larger farms rent a greater share of the acres they operate
- Farmers have multiple rental agreements
- Landlords:
  - Mostly live in state, in rural areas (75%)
  - Few related to tenants (5.6% cash, 1.9% share)
  - Few are retired or active farmers (8.71%)
  - Few participate in management decisions (7%)



# Thank you!

Questions?

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