FarmLand Access, Succession, Tenure and Stewardship

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Changing Lands, Changing Hands Conference
Denver, CO
June 10, 2009
Outline

- Aging land owners
- Farm succession planning
- Decreasing labor
- Increasing concentration in production
- Discussion
Percent of Farmland Based on Primary Reason for Owning Land

- Income: 45%
- Investment: 25%
- Family: 20%
- Home, hunting, etc: 5%
Primary Reason for Owning Farmland Based on Place of Residence

- Current Income: 50% (Lives in Iowa), 28% (Does not live in Iowa)
- LT Investment: 40% (Lives in Iowa), 36% (Does not live in Iowa)
- Family/Sentimental: 14% (Lives in Iowa), 15% (Does not live in Iowa)
- Home/Way of life: 3% (Lives in Iowa), 3% (Does not live in Iowa)
- Recreation: 1% (Lives in Iowa), 1% (Does not live in Iowa)
Percent of Farms with a Successor Identified

- All Farms: 25%
- Sales > $250,000: 40%
Percent of Iowa Farms by Inheritance Plans

- Estate: 40%
- Will: 80%
Percentage of Farmland by Anticipated Transfer Method

- Will Family
- Will Others
- Give Family
- Give Others
- Sell Family
- Sell Others
- Trust
- Do Else
Hours per Acre for Corn and Soybeans

- **Corn**
- **Soybeans**
Hours per 100 Bushels for Corn and Soybeans

- **Corn**
- **Soybeans**
Observations

- Farmland ownership is undergoing a major change led primarily by the increasing age of land owners.
- Farm land in the future will be more concentrated in terms of management and more dispersed in terms of ownership.
- Trends have been toward larger farms with tighter margins.
- Serious lack of planning with respect to farm succession.
Observations

• There are opportunities for beginning farmers

• Short run; niche marketing, niche production, capitalizing on societal concerns, being nimble

• Long run; energy, environmental concerns
Final Thoughts

• There are some significant issues facing beginning farmers and ranchers over the next few years. Some of these are structural and some are related to the current situation.

• Beginning farmers and ranchers face a different situation than in the past but this adds a lot of options.

• Credit will be helpful but it will not guarantee success. The beginning farmer and rancher will have to work based on their goals and the resources available.
THANK YOU