Rented Land in Iowa: Social and Environmental Dimensions

Changing Lands, Changing Hands Conference
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Rented Land: Major Issues

• Ownership is control, access to farmland critical to success in farming

• Smaller-scale farmers, especially beginning farmers, may be disproportionately vulnerable

• Rented land barrier to more sustainable agricultural practices
  – Non-operator landowners not as focused on conservation, not as accepting of sustainable systems

• Dominant leasing paradigm narrowly focused
  – Economic variables: Cash rent per acre
  – Social and environmental dimensions not incorporated
Ratio of rented farmland to all farmland by age group - Iowa principal occupation farmers

Source: 2007 Census of Agriculture
Percent Farmland Rented - 2007

Statewide: 53% farmland rented

Source: 2007 Census of Agriculture
Rented Land in Iowa: Iowa Farm and Rural Life Poll

• Survey questions focused on...
  – Landlord geographic relationship to land
  – Landlord connection to farming
  – Landlord-tenant relationships
  – Perceptions of landlord conservation ethics

• Research questions:
  – 1) What influence do distance and connection to farming have on
     a) tenant-landlord relationships and b) perceived landowner
     stewardship ethics?
  – 2) Are relationships durable enough to withstand introduction of
     social and environmental decision criteria?

Source: 2008 Iowa Farm and Rural Life Poll

Photo by USDA-NRCS
Where do landlords live? (top four landlords combined)

- A person who lives in the county: 54%
- A person who lives outside the state: 21%
- A person who lives in an adjacent county: 12%
- A person who lives somewhere else in Iowa: 10%
- An Iowa corporation: 2%
- A corporation whose headquarters is outside of Iowa: 0.8%
- A foreign investor: 0.1%

Source: 2008 Iowa Farm and Rural Life Poll
Landlord connection to farming, the land?

- Heirs of a farm estate, 36%
- A former farmer, 41%
- Spouse of a former farmer, 13%
- Investor with no family ties to the land, 9%
Tenure relations

• Average number of landlords: 2.8
• Average years rented from primary landlord: 18, 80% more than five
• Average annual communication about farming practices: 8 times, but 50% three or less
• Average annual communication about conservation: 3.3 times, but 57% one or less

Source: 2008 Iowa Farm and Rural Life Poll

Photo by USDA-NRCS
My landlord is committed to my continuation as tenant: Percent agreement

- Agree: 78%
- Disagree: 4%
- Uncertain: 18%

Source: 2008 Iowa Farm and Rural Life Poll
Confidence in landlord commitment to continuation as tenant, by connection to farming (percent agreement)

- **Former farmer**: 82.7%
- **Spouse of former farmer**: 84.5%
- **Heirs of farm estate**: 71.5%
- **Investor with no family ties to land**: 69.8%

Source: 2008 Iowa Farm and Rural Life Poll
<table>
<thead>
<tr>
<th>Geography and Entity</th>
<th>Confidence (Percent Agreement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person who lives in county</td>
<td>83.1%</td>
</tr>
<tr>
<td>Person lives in adjacent county</td>
<td>86.4%</td>
</tr>
<tr>
<td>Person lives elsewhere in Iowa</td>
<td>70.2%</td>
</tr>
<tr>
<td>Person lives outside of Iowa</td>
<td>66.7%</td>
</tr>
<tr>
<td>Iowa Corporation</td>
<td>53.3%</td>
</tr>
<tr>
<td>Corporation outside Iowa</td>
<td>44.4%</td>
</tr>
</tbody>
</table>

Source: 2008 Iowa Farm and Rural Life Poll
Annual communication about farming practices, by connection to farming (number of times)

- Former farmer: 10.94
- Spouse of former farmer: 7.86
- Heirs of farm estate: 5.45
- Investor with no family ties to land: 4.98

Source: 2008 Iowa Farm and Rural Life Poll
Annual communication about farming practices, by geography and entity (number of times)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Annual Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation outside Iowa</td>
<td>9.90</td>
</tr>
<tr>
<td>Person who lives in county</td>
<td>9.90</td>
</tr>
<tr>
<td>Person lives in adjacent county</td>
<td>7.90</td>
</tr>
<tr>
<td>Person lives elsewhere in Iowa</td>
<td>5.64</td>
</tr>
<tr>
<td>Person lives outside of Iowa</td>
<td>4.74</td>
</tr>
<tr>
<td>Iowa Corporation</td>
<td>3.00</td>
</tr>
</tbody>
</table>

Source: 2008 Iowa Farm and Rural Life Poll
Tenure relations

- Long-term, stable relationships
- Fairly regular communication about farming practices, but major differences by geography, type of landlord
- Resilient enough to withstand increased focus on conservation, sustainability?

Source: 2008 Iowa Farm and Rural Life Poll
Rented land and stewardship

Questions

• How is responsibility for establishing conservation practices shared?
• Communication about conservation?
• What are landlords’ stewardship ethics?
If conservation practices are needed on the land I rent, it is my responsibility to address the need.

Source: 2008 Iowa Farm and Rural Life Poll
If conservation practices are needed on the land I rent, it is my landlord's responsibility to address the need.

- 38% Agree
- 39% Disagree
- 22% Uncertain

Source: 2008 Iowa Farm and Rural Life Poll
<table>
<thead>
<tr>
<th>Connection to Farming</th>
<th>Annual Communication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse of former farmer</td>
<td>5.43</td>
</tr>
<tr>
<td>Former farmer</td>
<td>3.90</td>
</tr>
<tr>
<td>Heirs of a farm estate</td>
<td>2.21</td>
</tr>
<tr>
<td>Investor with no family ties to land</td>
<td>2.16</td>
</tr>
</tbody>
</table>

Source: 2008 Iowa Farm and Rural Life Poll
Annual communication about conservation practices, by geography and entity (number of times)

<table>
<thead>
<tr>
<th>Entity</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person lives in adjacent county</td>
<td>4.40</td>
</tr>
<tr>
<td>Person who lives in county</td>
<td>4.16</td>
</tr>
<tr>
<td>Person lives outside of Iowa</td>
<td>1.61</td>
</tr>
<tr>
<td>Person lives elsewhere in Iowa</td>
<td>1.50</td>
</tr>
<tr>
<td>Iowa Corporation</td>
<td>1.23</td>
</tr>
<tr>
<td>Corporation outside Iowa</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Source: 2008 Iowa Farm and Rural Life Poll
Conservation values scale*

- My landlord...
  - Places land stewardship goals ahead of income goals
  - Cares about how my farming practices impact soil and water quality
  - Is more interested in maintaining soil and water quality than maximizing profits
  - Requires me to minimize impacts on soil and water quality
  - Participates substantially in conservation decisions

*Cronbach’s Alpha = .78

Source: 2008 Iowa Farm and Rural Life Poll
Score on conservation values scale (out of 30), by connection to farming

- Former farmer: 19.9
- Spouse of former farmer: 19.6
- Heirs of a farm estate: 18.9
- Investor with no family ties to land: 18.8

Source: 2008 Iowa Farm and Rural Life Poll
Score on conservation values scale (out of 30)

- Person lives in adjacent county: 19.9
- Person who lives in county: 19.6
- Person lives outside of Iowa: 19.5
- Person lives elsewhere in Iowa: 19.3
- Iowa Corporation: 18.7
- Corporation outside Iowa: 18.4

Source: 2008 Iowa Farm and Rural Life Poll
Discussion

• Farm Poll results encouraging
  – Long-term relationships imply trust, stability
  – Perceived stewardship levels high
  – Relationships could probably withstand discussions about conservation, sustainability

• Cultural and geographic distance from farming, land potentially problematic

• Potential solution—insert social and environmental criteria in leases
  – Lease critical nexus point where change can be effected
Outreach needs

Especially to absentee landowners:

• Landownership entails responsibilities
  – Help landowners cultivate social and environmental ethics, incorporate non-economic criteria into leases

• Help operators more effectively market their conservation farming skills, social characteristics to gain and maintain access

• Encourage holistic, sustainable long-term partnerships between landowners and operators
Thank you!

Photo by Nick Vanberkum