



Farmland Tenure in the USA and in Illinois

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United States Department of Agriculture

January 17, 2013

farmdoc daily (3):9

Recommended citation format: Kuethe, T. and J. Ifft. "Farmland Tenure in the USA and in Illinois." *farmdoc daily* (3):9, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, January 17, 2013.

Permalink: <http://farmdocdaily.illinois.edu/2013/01/farmland-tenure-in-the-usa.html>

The USDA collects a large amount of information directly from farmers and ranchers across the United States. Farmers and ranchers own the majority of the land dedicated to the production of agricultural products, yet a significant portion of our nation's farmland is rented or leased from non-operating landlords. In 2010, the USDA collected detailed information on land tenure, ownership patterns, and rental agreements through supplemental questions in the Agricultural Resource Management Survey. The goal was to provide more detailed information on land rental agreements and address important questions about landlord characteristics.

USDA's Agricultural Resource Management Survey

The annual Agricultural Resource and Management Survey (ARMS) is the USDA's primary source of information on the status of farm finances, production practices, and resource use, as well as the wellbeing of America's farm households. The survey is sponsored jointly by the Economic Research Service (ERS) and the National Agricultural Statistics Service (NASS). It is the only national survey that annually provides observations of field-level farm practices, the economics of the farm operating the field, and the characteristics of farm operators and their households. Farm operations are the primary sampling unit and include all establishments that sold, or normally would have sold, at least \$1,000 of agricultural products during the year. More information on the survey is available [here](#).

The majority of US farm and ranch land is owner-operated

The 2010 ARMS suggests that agricultural production accounted for approximately 853 billion acres in the United States, of which approximately 480 billion was owned by the farm or ranch. Farms rented in an additional 292 billion through fixed or flexible cash rent agreements, 61 billion through share rent agreements, and 19 billion acres for free. Thus, the majority of acreage in the United States is owner-operated, at approximately 56%.

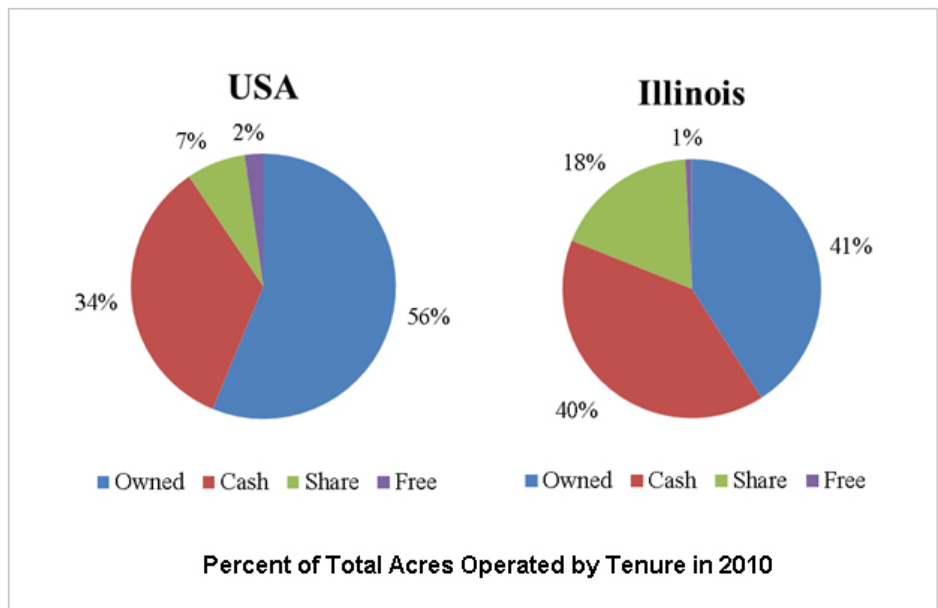
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Total Acres Operated by Tenure in 2010, Millions of Acres

	USA	Illinois
Owned by the operation	480	7
Fixed or flexible <u>cash rent</u> agreement	292	6.9
<u>Share</u> of crop or livestock production	61	3.1
For free	19	0.1
Total	853	17.1

The majority of Illinois farmland is rented through cash or share agreements

In contrast, only 41% of farmland acreage in Illinois is owner-operated. This is roughly the same amount of land that is rented under fixed or flexible cash agreement at 40%. In addition, share rental agreements account for a larger portion of Illinois farmland acreage (18%) than for United States as a whole (7%).



Land tenure patterns vary by farm type

Although the majority of agricultural lands in the United States are owner-operated, the proportion of land rented in varies substantially across farms. The 2010 ARMS survey suggests that smaller farmers own a larger share of the land they operate. The Economic Research Service (ERS) Combined Farm Typology classifies farm operations in three groups by the primary occupation of the principle operator and farm sales.

1. Rural residence: Farms whose operators report they are retired or they had a major occupation other than farming
2. Intermediate: Farms with sales less than \$250,000 whose operators report farming as their major occupation.
3. Commercial: Farms with sales greater than \$250,000 and farms organized as nonfamily corporations or cooperatives.

Rural residence farms across the US and in Illinois own a very large portion of the acres they operate, at 75% and 86% respectively. However, larger farms rent in a majority of their acreage. For example, in Illinois 74% of acres operated by commercial farms are rented.

	Rural Residence		Intermediate		Commercial	
	USA	IL	USA	IL	USA	IL
<u>Owned</u> by the operation	75	86	63	55	44	26
Fixed or flexible <u>cash rent</u> agreement	17	11	31	25	44	52
<u>Share</u> of crop or livestock production	3	1	3	17	11	22
<u>For free</u>	5	1	3	3	1	0

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