



## Landlord Characteristics in the USA and in Illinois

**Todd Kuethe and Jennifer Ifft**

**Economic Research Service (ERS/USDA)  
United States Department of Agriculture**

**January 25, 2013**

***farmdoc daily* (3):14**

---

Recommended citation format: Kuethe, T. and J. Ifft. "[Landlord Characteristics in the USA and in Illinois.](#)" *farmdoc daily* (3):14, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, January 25, 2013.

Permalink: <http://farmdocdaily.illinois.edu/2013/01/landlord-characteristics-in-the-usa-and-in-illinois.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](#).

### **Do landlords participate in decision making?**

One question asked whether landlords participate in "management decisions regarding land use and/or crop/livestock production." According to the survey, very few landlords participate in management decisions. Approximately 93% of respondents across the United States 90% of respondents in Illinois stated that landlords did not participate in such decisions.

### **Are landlords farmers or retired farmers?**

Farmers and ranchers rent in a small share of their land from other farmers, active or retired. Across the United States, farmers reported renting approximately 8.7% of their land from landlords who are actively engaged in farming or retired from farming on average in 2010. In the state of Illinois, the average was

---

*We request all readers, electronic media and others follow our citation guidelines when re-posting articles from farmdoc daily. Guidelines are available [here](#). The farmdoc daily website falls under University of Illinois copyright and intellectual property rights. For a detailed statement, please see the University of Illinois Copyright Information and Policies [here](#).*

11.6%.

### Are landlords related to their tenants?

Similarly, farmers and ranchers rent in a small share of their land from relatives. US operators rent an average of 7.9% of the acres they operate from relatives, and in Illinois, farms rent a greater share of their acreage from relatives, at 13.2%.

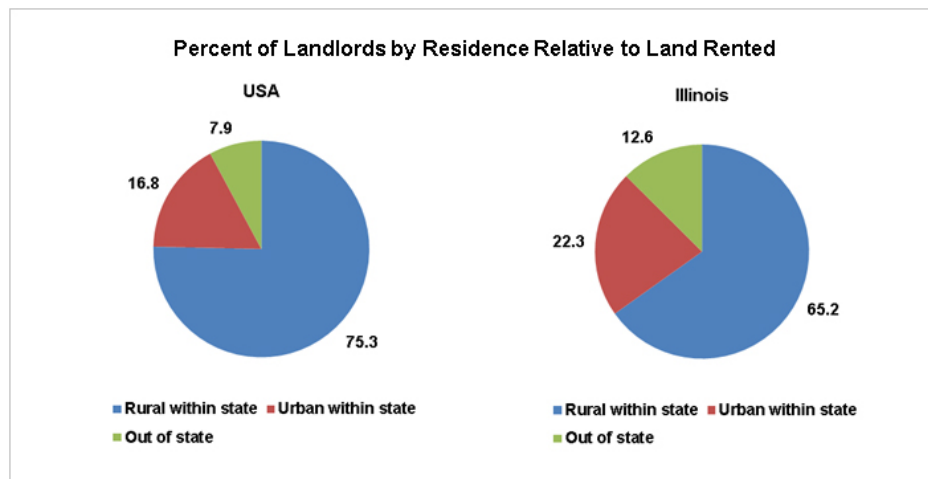
### Where do landlords live?

A popular notion is that a large portion of landlords are located in distant and urban areas. However, survey results show that most landlords live in rural areas within the state in which the farm is located.

Respondents were asked if land was rented in, where their landlord lives relative to land rented. If the respondent had more than one landlord, they reported the residence of the landlord from whom the most land is rented. Respondents were provided three categories:

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

The survey suggests that 75% of landlords live within the state and in a rural area, and a mere 8% of landlords live outside of the state. A higher percentage of landlords for farms in Illinois live outside of the state at 12.6%, and a larger portion of landlords live in urban areas within the state at 22.3%. However, the remaining 65.2% of landlords live in rural Illinois. While these landlords may live in a distant rural area, this indicates that the majority of landlords likely live in close proximity to farming and the local community.



*The views expressed are those of the authors and should not be attributed to ERS or USDA.*