

Iowa Farmland Ownership: A Thirty-five Year Perspective

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Peoples Company recently attended a press conference regarding the 2017 Iowa Farmland Ownership and Tenure Survey. The press conference covered topics including ownership type, popular land transfer methods, age correlation with land ownership, reasons to own farmland, and popular farm leases throughout the state. The Iowa farmland ownership survey is the oldest and most consistent land survey in the nation and is conducted by randomly selecting 40-acre parcels across the state and interviewing the owner via telephone.

The 2017 survey was sponsored by the Iowa State University College of Agriculture and Life Sciences, and conducted by assistant professors Wendong Zhang, Alejandro Plastina, and Wendiam Sawadgo. Additional funding was provided by the ISU Extension and outreach, the Center for Agricultural and Rural Development, and the ISU Department of Economics. In 1989, it was mandated by Iowa code that the survey be conducted every 5 years.

The state of Iowa is 90% farmland, which comes out to around 30 million acres of arable land.

According to the survey, nearly 60% of Iowa's farmland is owned by individuals who don't farm, and another third of farmland owners have no farming experience at all.

The survey included a lot of interesting statistics regarding changes and trends in Iowa farmland ownership.

60% of farmland is owned by individuals 65 years of age or older, which is 5% higher than levels in 2007.

Cash rent remains the most popular form of farm lease in Iowa at 80%, the second most popular lease is crop share at 18%. 53% of Iowa farmland is leased.

The majority of farmland continues to stay in the family, with less than 10% of all land sold to someone outside the family. The most common form of land transfer in the state is willing it to family at 40% of transfers, over 20% is put into trusts, and 12% is gifted to family.

Nearly a quarter of farmland in the state has been owned by the same owner for over 50 years, making it challenging for young farmers (<34yrs old) who account for less than 5% of farmland ownership.

Iowa farmland values have only dropped 16% from their all-time high in 2013, meanwhile farm profits have fallen nearly 75% in the past four years. Long term ownership and land scarcity allow values to remain high.

Land amongst families, farming or not, is still sentimental with nearly 30% of farmland owned for primarily family or sentimental reasons which has increased 7% since 2012.

One of the most astonishing statistics was that 82% of Iowa farmland is owned debt free. In 1982, only 62% of farmland was owned free of debt which shows a substantial increase.

Farmland values continue to increase along with the average age of the American farmer, further driving land prices and the percentage of debt free land ownership. 61% of Iowa landowners do not anticipate transferring land in the next 5 years and 15% of owners already have it placed in a trust.

In 5 years a new survey will be released, and trends will change. It seems most landowners planning to transfer land in the next 5 years plan to sell or will it to family members, or not sell their land at all. The family farm is part of Iowa's past as well as the future, and generations will continue to make a living off the land for many years to come.

For more information and complete survey results, you can visit

<https://www.card.iastate.edu/products/presentations/>