Land Tenure and Transition: Insights Gained Through Extension Programming

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Frequently requested information...

- Leasing practices
- Estate planning
- Land values
Land ownership is often a goal

US and OK Land Values

Source: USDA-NASS
Financing farmland from farm cash flow can be problematic

Source: Michael Swanson, Wells Fargo, ABA Conference, October, 2015
Generating farm profits may be easier with rented land

Source: USDA-NASS and ERS
Land is an investment

US and OK Cropland and Pasture Rent to Value Ratios

Source: USDA-NASS
Percent of U.S. Farmland Rented or Leased, by County, 2012

U.S. = 38.8%

Farmland rental markets are important

• Low cost alternative for controlling farmland asset
• Can be an entrée to future ownership
• Allows producers to reach a scale that allows for efficiencies
• Share rental arrangements offer opportunities for sharing risks, costs, management
Farmers attitudes about retirement

Source: Iowa Farmers Business and Transfer Plans, 2006
Farmers hold onto land

• Home
• Retirement income
• Problems identifying a successor
• Family legacy
Possible implications for farmland tenure and transition

- Lower rates of turnover
- Costly startups
- Eventual heirs are farther removed from agriculture
- Fractionalization of ownership
- Information, communication, educational opportunities will be important
Land tenure and transition, farm succession

- Complex issue
- Every story is unique