

# Iowa Farmland Ownership and Tenure: A 40-Year Perspective from 1982–2022

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**Funding Sources:** ISU College of Agriculture and Life Sciences, Iowa Nutrient Research Center, Leopold Center for Sustainable Agriculture, ISU Extension and Outreach, ISU Department of Economics, ISU Center for Agricultural and Rural Development (CARD)

# A Quick Introduction: Dr. Wendong Zhang

- Grew up in a rural county in Shandong Province, China
- Attended college in Shanghai and Hong Kong
- Ph.D. in Ag Econ from Ohio State in 2015
- Worked at Iowa State for 7 years, leading the Iowa Land Value Survey 15–22
- Moved to Cornell University Dyson School of Applied Economics & Mgmt in July 2022 (50% extension appointment)
- **New hire: Dr. Rabail Chandio (Ohio State Ag Econ)** <https://rabailchandio.com/>
- 2022 Iowa Farmland Ownership and Tenure Survey released in early June at <https://www.card.iastate.edu/farmland/ownership/>
- Research and extension interests:
  - Iowa land value and ownership** <https://www.card.iastate.edu/farmland>
  - ISU China Ag Center** <https://www.card.iastate.edu/china>
  - Cornell Institute for China Economic Research (CICER) <http://china.dyson.cornell.edu/>

# Iowa Farmland Ownership and Tenure Survey — History

- **The first and only consistent data collection of land ownership & tenure in the nation:**
  - 1949, 1958, 1970, 1976, 1982, 1992, 1997, 2002, 2007, 2012, 2017, and **2022**.
- **Statistically representative of all owners & all land in Iowa**
- **Telephone survey (sole owners + joint tenants could answer online too)**
- Widely used and best available information
- Mandated by Iowa Code since 1989 to be conducted every 5 years
- USDA data: AELOS 1999, TOTAL 2014

# Statistical Methodology

- Sampling design, sample size and response rate (Appendix A, B)
  - Step 1: 705 statistically selected, randomly chosen 40-acre parcels (used since 1988)
  - Step 2: Identify ag parcels and landowners with help from county auditors—801 landowners for ag parcels
  - Telephone interviews by trained specialists at ISU Center for Survey Statistics and Methodology
  - 45% response rate (359 owners completed surveys)
  - One owner randomly selected for parcels with multiple owners

**Data is mainly presented in percent of land, but could also be percent of owners**

As of **July 1, 2022**, how many acres of Iowa farmland were owned by [OWNER] (as a **[OWNERSHIP TYPE THE SAME AS THE 40-ACRE PARCEL IDENTIFIED IN STEP 1]**)?

# Where to find the full report and slides?

- **When:** June 8 Thursday afternoon
- **What:** the full report, press release, slides, presentation recordings
- **Where to find**

**ISU CARD Farmland Portal:** [www.card.iastate.edu/farmland/ownership/](http://www.card.iastate.edu/farmland/ownership/)

**ISU CARD Ag Policy Review:** [https://www.card.iastate.edu/ag\\_policy\\_review/](https://www.card.iastate.edu/ag_policy_review/)

**Ag Decision Maker:** [www.extension.iastate.edu/agdm/](http://www.extension.iastate.edu/agdm/)

**ISU Extension Store PM1983:** <https://store.extension.iastate.edu/Product/6492>

- **Who to contact:** Wendong Zhang [wendongz@cornell.edu](mailto:wendongz@cornell.edu)
- **Funding Sources:** ISU College of Agriculture and Life Sciences, Iowa Nutrient Research Center, Leopold Center for Sustainable Agriculture, ISU Extension and Outreach, ISU Department of Economics, ISU Center for Agricultural and Rural Development

# Trends in Land Ownership

# Iowa land ownership shifts more to trusts, corporations & LLCs (% of land)

	1982	1992	2002	2007	2012	2017	2022
<b>Sole owner</b>	41%	38%	28%	29%	25%	22%	23%
<b>Joint tenancy</b>	39%	38%	37%	35%	32%	28%	29%
<b>Tenancy in common</b>	7%	7%	12%	10%	8%	8%	5%
<b>Partnership</b>	<1%	2%	2%	3%	3%	3%	2%
<b>Estates</b>	4%	3%	4%	3%	3%	4%	2%
<b>Trusts</b>	1%	5%	8%	10%	17%	20%	23%
<b>Corporations</b>	8%	8%	7%	9%	7%	10%	6%
<b>LLC</b>	N/A	N/A	1%	1%	5%	5%	9%
<b>Government/institution</b>	N/A	N/A	1%	1%	<1%	N/A	<1%

# Land Ownership Type by District, 2022

Ownership Type	NW	NC	NE	WC	C	EC	SW	SC	SE	STATE
<b>Sole owner</b>	26%	16%	30%	32%	26%	22%	12%	14%	23%	23%
<b>Joint tenancy</b>	33%	31%	37%	15%	23%	23%	38%	36%	32%	29%
<b>Tenancy in common</b>	0%	11%	2%	0%	16%	11%	0%	3%	3%	5%
<b>Partnership</b>	3%	0%	5%	0%	4%	0%	0%	5%	7%	2%
<b>Estates</b>	2%	3%	3%	2%	2%	0%	0%	3%	0%	2%
<b>Trusts</b>	21%	24%	8%	32%	19%	26%	35%	27%	12%	23%
<b>Corporations</b>	8%	4%	7%	5%	8%	6%	4%	2%	12%	6%
<b>LLC</b>	7%	11%	9%	14%	2%	11%	12%	10%	11%	9%
<b>% of Land in District</b>	13%	12%	12%	14%	13%	11%	9%	8%	9%	100%



# 84% of Iowa Land is Owned Debt-free

	1982	1992	2002	2007	2012	2017	2022
<b>Free of debt</b>	62%	70%	74%	75%	78%	82%	84%
<b>Under contract</b>	18%	11%	4%	4%	3%	2%	2%
<b>Mortgaged</b>	20%	19%	22%	21%	19%	16%	14%

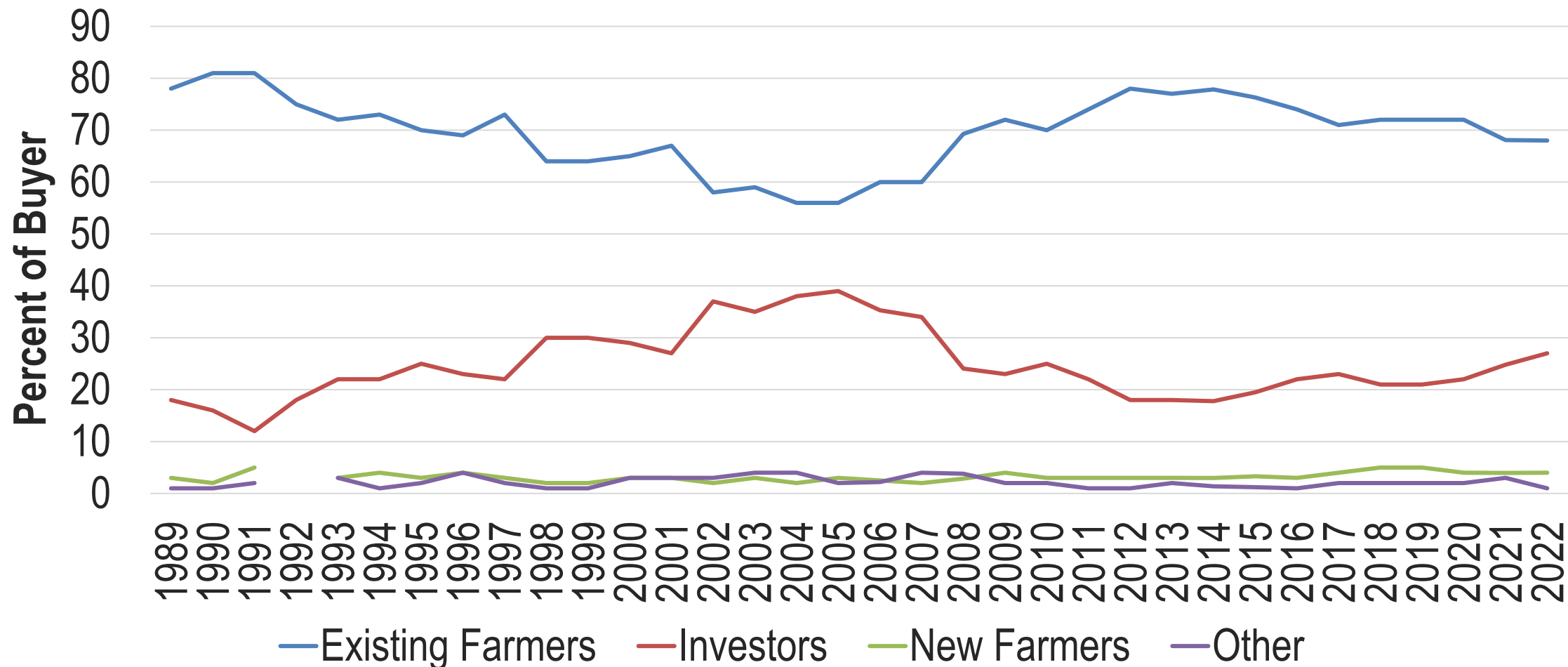
2022 Iowa Farmland Ownership and Tenure Survey;  
[www.card.iastate.edu/farmland/ownership](http://www.card.iastate.edu/farmland/ownership)

# >50% of Iowa farmland is owned by the same owner 20+ years

	<35	35–64	65–80	>80
<b>Free of debt</b>	17%	70%	90%	95%
<b>Under contract</b>	21%	2%	1%	0%
<b>Mortgaged</b>	62%	28%	9%	5%

	2012	2017	2022
<b>&gt; 50 Years</b>	20%	8%	10%
<b>40–50 Years</b>		12%	9%
<b>30–40 Years</b>	15%	13%	15%
<b>20–30 Years</b>	19%	20%	21%
<b>10–20 Years</b>	21%	24%	22%
<b>&lt; 10 Years</b>	24%	24%	22%

# Existing farmers is the dominant buyer of Iowa land & investor interest is rising



# Trends in Land Leasing

# Distribution of Iowa Farmland by Control, 2017 and 2022

## The rising popularity of cash rent

	2017	2022
<b>Owner Controlled:</b>	47%	42%
Owner operated	<b>37%</b>	<b>32%</b>
Custom farmed	2%	3%
Government programs and other uses	8%	8%
<b>Leased:</b>	53%	58%
Cash rent (fixed)	<b>35%</b>	<b>42%</b>
Cash rent (flexible)	9%	9%
Crop share	<b>9%</b>	<b>7%</b>
Other types of leases	<1%	<1%
<b>Total:</b>	100%	100%

# Evolution of Iowa Land Tenure, 1982–2022

**Cash rent on 56% of IA land, especially fixed**

	1982	1992	2002	2007	2012	2017	2022
<b>Owner-operated</b>	55%	50%	41%	40%	40%	41%	35%
<b>Cash rent lease</b>	21%	27%	40%	46%	46%	49%	56%
<b>Crop share lease</b>	21%	22%	18%	13%	13%	10%	8%
<b>Other type of lease</b>	1%	1%	1%	1%	1%	< 1%	1%

# Leasing Arrangement by Type, 2022

**Fixed cash rent is clearly the predominant type**

	Owners	Acres
Fixed cash rent	73%	72%
Flexible cash rent – yield	1%	1%
Flexible cash rent – price	1%	2%
Flexible cash rent – yield and price	10%	10%
Crop share	12%	12%

# Leased Land by Iowa Residency, Farming Status

**owners of most leased land do not farm**

Iowa Residency	Cash Rent	Crop Share	All Leased Land
Live in Iowa full time	71%	63%	70%
Live in Iowa part time	8%	4%	7%
Do not live in Iowa	22%	33%	23%

Farming Status	Cash Rent	Crop Share	All Leased Acres
Full time	9%	4%	8%
Part time	12%	19%	13%
Do not farm	79%	77%	79%



# Leasing Status by District, 2022

high soil quality → fixed cash rent, livestock & flexible cash rent?

	NW	NC	NE	WC	C	EC	SW	SC	SE	STATE
<b>Crop share</b>	21%	10%	0%	12%	16%	13%	14%	7%	7%	12%
<b>Cash rent</b>	79%	90%	100%	88%	84%	87%	86%	93%	93%	87%
<b>Flexible cash rent</b>	29%	16%	32%	9%	15%	0%	20%	3%	0%	15%
<b>Percent of district farmland leased</b>	69%	64%	38%	53%	61%	51%	60%	49%	48%	58%

# Percent of Land by Age, Leasing Relationship, 2022

Age of Owner	Cash Rent	Crop Share	All Leased Acres
< 25	<1%	0%	<1%
25–34	1%	0%	1%
35–44	1%	4%	2%
45–54	7%	7%	7%
55–64	14%	15%	14%
65–74	30%	21%	29%
> 74	46%	53%	47%

# Percent of Land by Length of Owner-Tenant Leasing Relationship

**typically a long-term relationship**

Years	Cash Rent	Crop Share	All Leased Land
1	2%	25%	5%
2–5	34%	20%	32%
6–10	3%	14%	4%
>10 or indefinite	62%	41%	59%
Average length of owner-tenant relationship	11.5	8.9	11.1

# Demographics of Landowners

# Percent of Iowa Farmland by Age, 2022

**% land owned by 65+: 30% in 1982, 66% in 2022**

	1982	1992	2002	2007	2012	2017	2022
<b>Early stage</b>							
< 25	1%	1%	<1%	<1%	1%	<1%	<1%
25–34	<b>10%</b>	6%	3%	2%	3%	1%	1%
<b>Mid-stage</b>							
35–44	<b>14%</b>	11%	10%	6%	5%	4%	3%
45–54	23%	18%	16%	15%	14%	11%	<b>9%</b>
55–64	22%	21%	23%	22%	22%	25%	<b>20%</b>
<b>Late stage</b>							
65–74	17%	23%	24%	27%	26%	26%	<b>29%</b>
> 74	12%	19%	24%	28%	30%	34%	<b>37%</b>

# Iowa Farmland Owners are Getting Older & More Live Outside Iowa

	Owners	Acres
<b>Early stage</b>		
< 25	<1%	<1%
25–34	2%	1%
<b>Mid-stage</b>		
35–44	3%	3%
45–54	8%	9%
55–64	21%	20%
<b>Late stage</b>		
65–74	31%	<b>29%</b>
> 74	34%	<b>37%</b>

	Owners	Acres
<b>Full-time Iowa resident</b>	80%	75%
<b>Part-time Iowa resident</b>	6%	5%
<b>Not an Iowa resident</b>	<b>14%</b>	<b>20%</b>

Percent of land owned by part-time or non-residents jumped from 20% in 2017 to 25% in 2022

# Percent of Iowa Farmland by Education, 2022

	1982	1992	2002	2007	2012	2017	2022
< High school	17%	16%	7%	7%	4%	2%	2%
High school	48%	42%	42%	38%	34%	33%	30%
Some post high school	18%	24%	26%	27%	29%	25%	29%
BS, BA, etc.	10%	9%	18%	19%	22%	27%	27%
Graduate degree	7%	6%	7%	8%	11%	12%	12%

# Percent of Land Ownership by Gender and Age, 2022

	1982	1992	2002	2007	2012	2017	2022
<b>Male</b>	53%	51%	53%	53%	53%	53%	54%
<b>Female</b>	47%	49%	47%	47%	47%	47%	46%

	< 35	35–64	65–80	> 80
<b>Male</b>	1%	21%	24%	8%
<b>Female</b>	1%	11%	21%	13%



# Percent of Farmland by Farming Status, 2002–2022

	<b>2002</b>	<b>2007</b>	<b>2012</b>	<b>2017</b>	<b>2022</b>
Full-time farmer	23%	21%	23%	27%	28%
Part-time farmer	21%	19%	15%	16%	17%
Do not farm	55%	60%	62%	57%	55%

# Percent of Landowners by Farming Status and Landowner's Farming Experience, 2022

	Do not farm		Part-time farmer	Full-time farmer	Total
	Past experience	No experience			
Full-time resident	20%	15%	26%	17%	79%
Part-time resident	2%	2%	2%	1%	6%
Non-resident	2%	10%	1%	2%	15%
<b>Total</b>	24%	27%	29%	20%	100%

# Percent of Land by Age and Farming Status, 2022

	Full-time farmer	Part-time farmer	Do not farm	Total
< 35	<1%	<1%	1%	2%
35–64	12%	6%	14%	33%
65–80	13%	8%	25%	45%
> 80	3%	3%	15%	20%
<b>Total</b>	28%	17%	55%	100%

# Percent of Landowners by Gender, Marital status, 2022

	Married	Divorced	Widowed	Single
<b>Male</b>				
< 35	1%	0%	0%	<1%
35–64	18%	1%	<1%	1%
65–80	21%	1%	1%	1%
> 80	6%	<1%	2%	0%
<b>Female</b>				
< 35	1%	0%	0%	<1%
35–64	12%	1%	0%	<1%
65–80	17%	1%	4%	<1%
> 80	6%	1%	5%	0%

# Anticipated Land Transfer or Transition

# Iowa Landowners are not Eager to Sell Their Land, Especially to Non-family Members

	1982	1992	2002	2007	2012	2017	2022
Will to family	48%	49%	39%	43%	63%	40%	35%
Will to others	<1%	1%	2%	1%	1%	2%	1%
Give to family	5%	4%	12%	10%	9%	14%	12%
Give to others	<1%	<1%	1%	1%	1%	1%	1%
Sell to family	12%	7%	12%	10%	8%	11%	8%
Sell to others	13%	10%	9%	8%	7%	7%	4%
Put in trust	6%	14%	13%	18%	10%	26%	26%
Put in business entity	NA	NA	NA	NA	NA	NA	12%
Other	16%	16%	12%	10%	1%	0%	1%

<https://www.card.iastate.edu/farmland/ownership/>

# Primary Reason for Owning Farmland, 2022

## 37% of IA land primarily for family & sentimental reasons

	2012	2017	2022
Current income	56%	49%	38%
Long-term investment	19%	19%	23%
Family or sentimental	22%	29%	37%
Home	1%	2%	2%
Recreation	1%	1%	<1%

# **% of Land with Land Transfer in Next 5 Years**

## **Not much, and only 4% of land is planned to be sold to others**

### **Will land transfer happen in next 5 years:**

<b>Yes</b>	<b>11%</b>
<b>No</b>	<b>26%</b>
<b>Already in revocable living trust</b>	<b>29%</b>
<b>Already in irrevocable living trust</b>	<b>&lt;1%</b>
<b>Already in business entity</b>	<b>2%</b>
<b>NA, not going to transfer land</b>	<b>20%</b>
<b>Don't know/refuse to answer</b>	<b>13%</b>



# Percent of Landowners Willing to Sell Land to Beginning Farmers

Federal tax credit	74%
State tax credit	75%
Hardworking but <b>below</b> fair market value	<b>40%</b>
Hardworking and <b>at</b> fair market value	<b>75%</b>
Family, friend, or neighbor	76%
Overall	82%

# Percent of Landowners Expressing Concerns about Selling Land to Beginning Farmers

<b>Beginners' ability to pay top price</b>	<b>57%</b>
<b>Difficulty finding quality beginning farmers</b>	<b>58%</b>
Beginners' affordability for large parcels and land integrity	46%
Success prospects of beginning farmers	11%

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# Percent of Iowa Farmland with Potential Successor for Ownership or Management

**80% has ownership successor, 58% for management**

## OWNERSHIP OF FARMLAND

MANAGEMENT OF FARMLAND	Total	Have a potential successor	Do not have a potential successor	Don't know/refuse to answer
Total	100%	80%	19%	<1%
Have a potential successor	58%	56%	2%	0%
Do not have a potential successor	37%	20%	17%	0%
Don't know/refuse to answer	5%	4%	<1%	<1%

# Conservation Practices & Conservation Programs

# Conservation Practice Adoption, 2017 & 2022

Cover crops on 7% of land, No-till on 30% of land

	2017		2022	
	Owners	Acres	Owners	Acres
<b>No-till</b>	21%	27%	29%	30%
<b>Cover crops</b>	5%	4%	7%	7%
<b>Buffer strips</b>	3%	3%	3%	2%
<b>Saturated buffers</b>	NA	NA	<1%	<1%
<b>Bioreactor</b>	NA	NA	<1%	<1%
<b>Nutrient removal wetland</b>	NA	NA	<1%	<1%
<b>Reduced tillage</b>	NA	NA	36%	40%
<b>Grassed waterway</b>	NA	NA	62%	NA

# Conservation Practice by District, 2022

grazing possibilities → cover crops; loess hill → less tillage

	NW	NC	NE	WC	C	EC	SW	SC	SE	State
<b>No till</b>	25%	18%	25%	31%	29%	35%	56%	20%	34%	30%
<b>Cover crops</b>	10%	4%	15%	1%	8%	4%	6%	4%	11%	7%
<b>Buffer strips</b>	1%	<1%	6%	1%	3%	4%	2%	2%	3%	2%
<b>Saturated buffers</b>	0%	<1%	<1%	<1%	2%	<1%	2%	0%	0%	<1%
<b>Bioreactor</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	<1%
<b>Nutrient removal wetland</b>	0%	<1%	1%	1%	<1%	0%	<1%	<1%	<1%	<1%
<b>Reduced tillage</b>	62%	33%	45%	37%	32%	69%	24%	13%	36%	40%
<b>Grassed waterway</b>	46%	36%	71%	54%	68%	85%	47%	72%	72%	62%

# Landowners' Familiarity with Carbon Credits Programs, 2022

FAMILIARITY WITH CARBON CREDITS	OWNERS	ACRES
Already signed up to participate	2%	2%
Are currently considering participation	3%	3%
Have heard of and are interested	19%	20%
Have heard of them and are not interested	46%	45%
Have never heard of them	30%	31%

# Who Makes Conservation Decisions

**owners matter a lot, especially for permanent practices**

	Single season practices	Permanent practices	Government programs
Owner	10%	39%	35%
Tenant	44%	13%	18%
Both owner and tenant	46%	48%	47%



# Key Takeaways

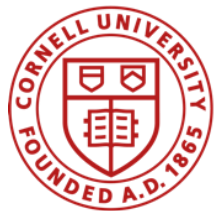
- 84% of Iowa farmland is owned free of debt
- 2/3 of farmland is owned by people 65 years or above and 37% of farmland is owned by people aged 75 and above
- 46% of farmland is owned by women. 13% is owned by female landowners over 80.
- 58% of farmland is leased, with the majority of farmland leases being cash rental arrangements
- 37% of Iowa farmland is primarily owned for family or sentimental reasons, which represents a significant increase from 29% in 2017.
- 55% of Iowa farmland is owned by someone who does not currently farm
- Cover crops are grown on 7% of Iowa farmland, and no-till is used on 30% of Iowa land
- 2% of Iowa landowners have already participated in the carbon credits program and another 3% are considering.

# Thank You!

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