

Farmland Ownership and Use

As noted earlier in the discussions of tenure and rental arrangements, farm operations do not necessarily own all the land that they use. Acres operated include land that farm operations own themselves, as well as land they rent from others. In addition, operations may rent out some of their land to others.

Acres operated in table 4 is actually a net amount, calculated as: acres owned, plus acres rented in, less acres rented out. The detailed items in table 4 do not sum to total acres operated, however, because the small number of acres rented in free-of-charge, acres rented out free-of-charge, and acres used part of the year and rented out another part of the year are not reported separately. These items are included in total acres operated, however.

Ninety-two percent of U.S. farm operations owned land in 1993, and this owned land accounted for about 63 percent of the land operated. About 38 percent of farms rented land from others. Average acres rented in per reporting farm was 485 acres, which was substantially greater than the 297-acre average of owned land per reporting farm.

Only 15 percent of farms reported renting land for a share of production, compared with 31 percent renting for cash. However, the average amount of land rented per reporting farm for cash rentals (425 acres) and share rentals (384 acres) did not differ by a statistically significant amount. Share-rented acres accounted for a particularly large percentage of land operated in the Corn Belt (26 percent).

About 267,000 farm operations reported renting a total of 66 million acres to others. This land made up only a fraction of the 384 million acres that farms reported renting from others. Nonfarm landlords made up the difference.

Many nonfarm landlords have a connection to farming. There are currently about 2.1 million farms in the United States—a considerable drop from the peak of 6.8 million in 1935. Among the people who have retired, exited farming, or inherited farmland, a number have retained ownership of some or all of their land (Hoppe et al., 1995).

Neither the FCRS nor the regular census of agriculture collects information about the characteristics of landlords. However, the Agricultural Economics and Land Ownership Survey (AELOS) of 1988, a special “follow-on” survey to the 1987 Census of Agriculture, reported selected characteristics of landlords in 1988 (U.S. Dept. Comm., Bur. Cen., 1990).

According to AELOS, 93 percent of the landlords were individuals/families or partnerships. Of these unincorporated landlords, most were retired. Twenty-six percent reported that they had retired from farming or from a farm-related job. Another 26 percent reported that they had retired from a nonfarm-related job. How many of the second group of retirees farmed before taking the nonfarm-related job is unknown. About 12 percent of landlords were still farming or holding a farm-related job. The remaining 36 percent held jobs unrelated to farming. Nearly half of landlords’ land was acquired through their families, by inheritance, gift, or purchase (Hoppe et al., 1995).

Table 4—Farms and acres operated, by land ownership and participation in government programs, 1993

Item	Farms reporting		Acres		Acres per reporting farm	
	<i>Number</i>	<i>RSE¹</i>	<i>1,000</i>	<i>RSE¹</i>	<i>Acres</i>	<i>RSE¹</i>
Acres operated	2,063,300	2.3	900,289	3.3	436	3.7
Owned	1,892,988	2.4	563,161	3.9	297	4.1
Rented in	791,531	2.8	383,858	5.5	485	5.8
Cash	629,652	3.2	267,410	7.8	425	8.0
Share	303,368	3.8	116,447	4.2	384	4.0
Rented out	266,739	6.3	65,674	16.7	246	16.4
Land in government programs	611,218	3.0	59,664	5.3	98	4.8
Set aside	429,467	2.8	18,566	4.7	43	4.3
Conservation Reserve Program	233,097	6.5	36,010	7.9	154	7.2
Other government programs	32,930	12.1	5,088	16.5	155	15.4

¹The relative standard error (RSE) provides the means of evaluating the survey results. A smaller RSE indicates greater reliability of the estimate. For more information, see the box on data sources or appendix B.

Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey.