



United States Department of Agriculture

Tenure, Ownership and Transition of Agricultural Lands (TOTAL):

An integrated survey of farm finance and land ownership

PREPARED FOR AFT'S NATIONAL CONFERENCE
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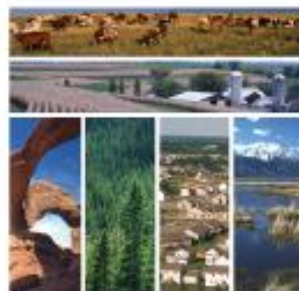
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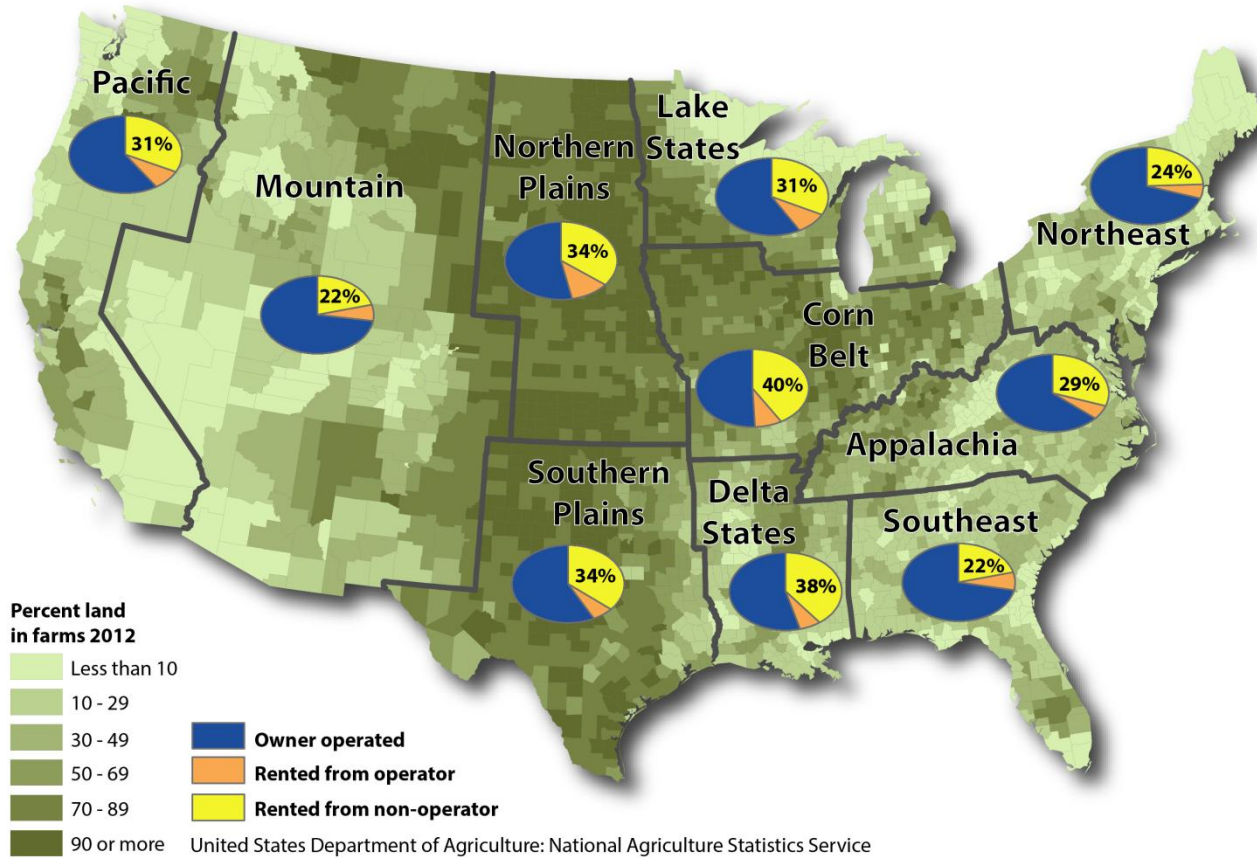
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Agricultural Land Ownership



AELOS 1999

Agricultural Economics and Land Ownership Survey (1979, 1989)

- Estimation of several key components of the farm sector national accounts that represent non-farming landlords contribution to production agriculture.
- Estimation of real estate ratios for U.S. agricultural productivity accounts.
- Provides a more comprehensive picture (state-level) of farm financial conditions for ERS estimates, agricultural lenders, investors, policy-makers and other stakeholders.
- Used by researchers and policy makers as most recent national account of land ownership.



TOTAL 2014

Tenure, Ownership and Transition of Agricultural Land

- An integrated survey of farm finance and land ownership.
- The TOTAL survey covers land ownership income, expense, debt, asset, demographic and other landlord characteristics to provide detailed information from all agricultural land owners.



Goals and Purpose of TOTAL

- **Profile Landlords**
 - Not covered in existing surveys. Their contribution is often captured indirectly by asking farm operators. Landlord attributes are not fully known.
- **Provide more extensive picture of financial position**
 - More state coverage. ARMS routinely provides statistically reliable financial information for 15 states, TOTAL extends this to an additional 10 states.
 - More information, for example ERS discontinued state balance sheets in 2003, so this will provide a broader picture of assets and debt than otherwise would occur.
- **Maintain comparability to AELOS and other USDA surveys when feasible**
 - Design and methodology of TOTAL is unique but comparability of individual questions offers ability for data series, quality checks and comparative statistics.



ERS Estimates: Farm Sector Accounts

- TOTAL will provide an important update for the estimation of several key components.
 - Including net rent to non-operating landlords, capital consumption, property taxes, and miscellaneous expenses.
 - See www.ers.usda.gov/data-products/farm-income-and-wealth-statistics



ERS Estimates: U.S. Agricultural Productivity Accounts

- TOTAL will provide a breakdown of the individual values making up farm real estate, allowing an updated benchmark.
 - AELOS 1999 was used (currently ARMS is used as a substitute) to partition the value of land and structures into its component parts to better reflect input categories.
 - See www.ers.usda.gov/data-products/agricultural-productivity-in-the-us



Research and Policy: Land Owner Characteristics

- TOTAL is the only comprehensive source of information on agricultural land owners in the United States. Data will us help understand how costs and benefits of land based issues are distributed across farmers and non-farmers as well as spatially (rural and non-rural; in-state and out-of-state).



Research and Policy: Lease Structure and Management Decisions

- Land is an input to farm operators and an asset to landlords. The TOTAL data may help to better understand factors motivating farmland lease arrangements, allocation of risk, and division of management decisions.



Research and Policy: Land Transfers

- TOTAL is critical for understanding the characteristics of farmland owners/sellers and developing policies and programs that address ways to enhance farmer access to agricultural land, land and farm housing affordability, and security of tenure.



Topic Emphasis

- **Farming landlord activities**
 - Allows summary of farming landlord
- **New programs authorized under the Agricultural Act of 2014 and crop insurance (Sections H, 5)**
 - Timely information on changing policy landscape
- **Credit access and use (Section K, 9)**
 - Land is largest asset for most farms – large implications for credit
- **Lease Structure and Arrangements (Section A, 3)**
- **Succession Plan and Easements (Section L, 4)**
 - Help to understand trends and impacts of land transfers
 - Oil and gas, easements, and other land rights
- **Risk preference (Section M)**
 - Increasing volatility in commodity markets; crop insurance changes
- **Direct Sales (Section L)**
 - Potentially large and growing revenue stream for some farms



Expect Significant Contribution of TOTAL Survey

- Understand the relationship of farmland owners to the land being farmed;
- Identify who is impacted by changes in farmland asset values, land rents, and debt-related finance problems;
- Illustrate distribution of benefits and costs associated with land-based programs across farmer and non-farmer land owners, and rural and non-rural areas;
- Inform on landlord components of Farm Sector Accounts.



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Thank You

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