

Gaining Insights, Gaining Access

**USING NEW DATA TO INFORM LAND ACCESS AND
FARM TRANSFER STRATEGIES
NOVEMBER 23, 2015**



Gaining Insights Research Project

A seven-state (New York and New England) project done in collaboration with



and a 10-member Advisory Committee that includes Cooperative Extension, Farm Credit, Farm Bureau, land trusts, young farmer orgs, and a state Department of Agriculture.

Gaining Insights Research Project

Objective: To improve our understanding of senior farmers—what they are farming, and with whom; their motivations; and their concerns about their future—in order to keep land in farms and farmers on the land as these seniors exit farming.

- Special tabulation of 2012 Census of Agriculture data
- Senior farmer focus groups
- State profiles

Research Context

- About half of US farmland is estimated to change hands and up to 25% of farmers will retire during the next two decades (USDA)
- No national data on farmers without successors; use of proxies in our research
- Only 1/3 of retiring Iowa farmers had an identified successor (Baker et al. 2000)
- “The family succession pattern may be shrinking” (Lipton 2000)

Overview

- ❖ Trends (2002, 2007, 2012 Census of Agriculture)
 - *Farmland*
 - *Farmer demographics*

- ❖ Farm operator insights (2012 Census of Agriculture special tabulation)
 - *Seniors (age 65+)*
 - *Beginning (<10 years on current farm)*
 - *Young (age <45)*

- ❖ Landowner insights (TOTAL survey)

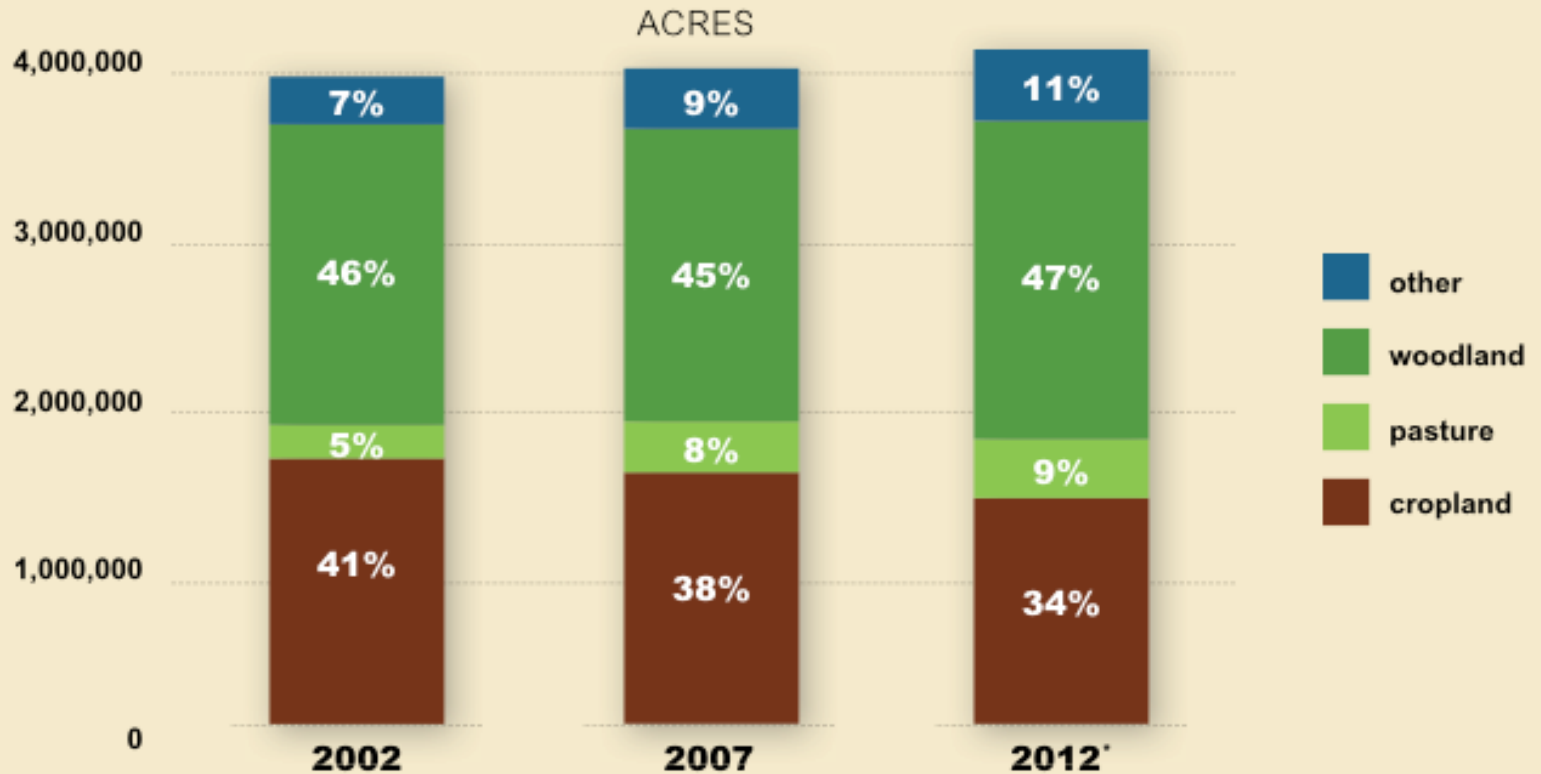
- ❖ Implications for programing & policies around land access and farm transfer and succession planning

Trends Land Use and Farmer Demographics 2002-2012



Trends: Land in Farms 2002–2012

NEW ENGLAND



* Rhode Island data not available for all land uses in 2012

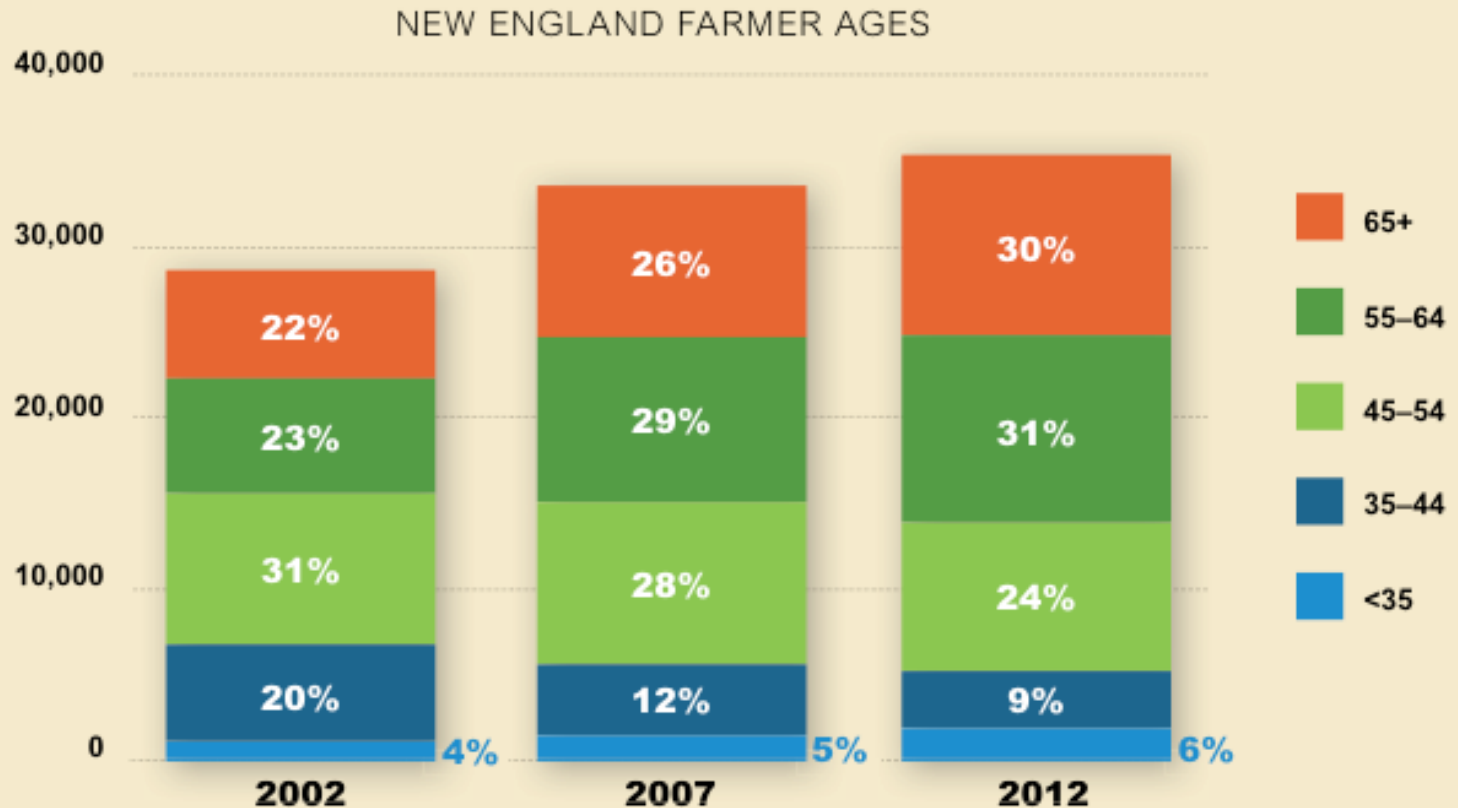
Trends: Land in Farms 2002–2012

NEW YORK



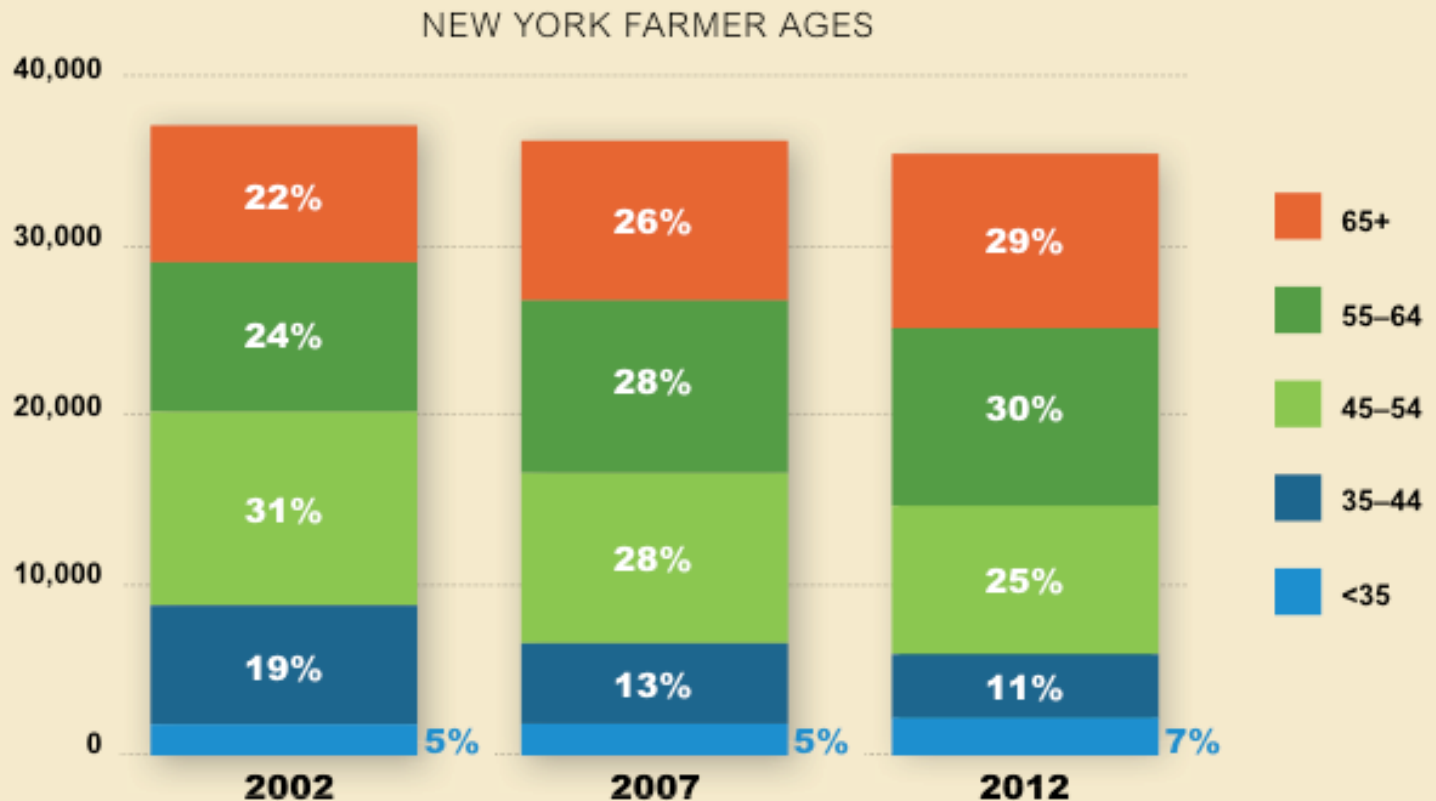
Trends: Principal Farm Operator Ages 2002–2012

NEW ENGLAND



Trends: Principal Farm Operator Ages 2002–2012

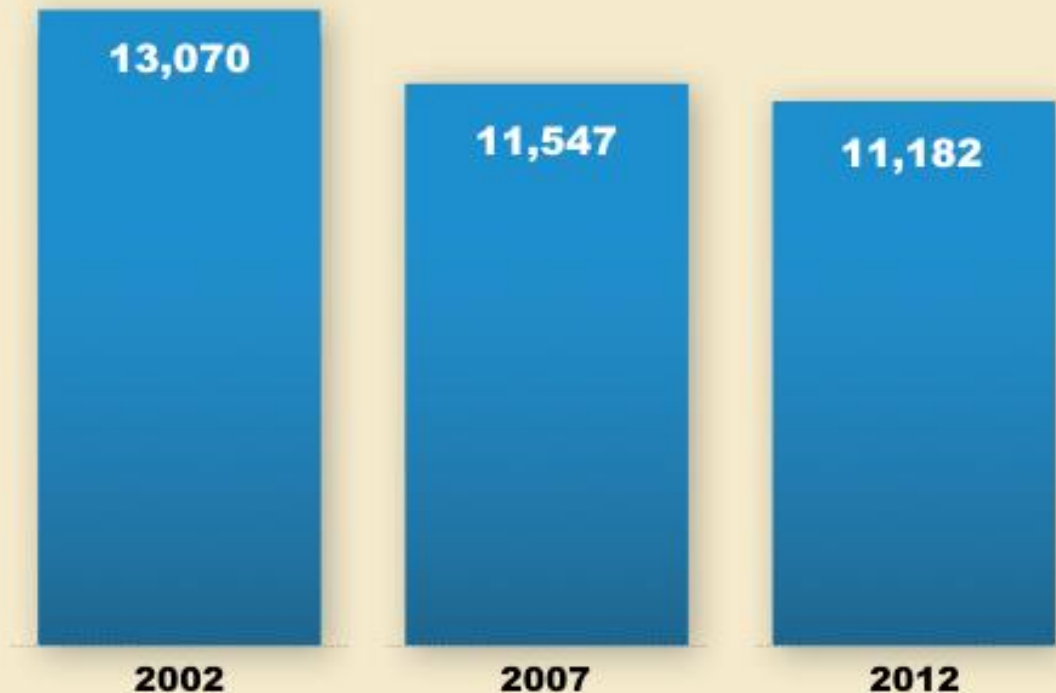
NEW YORK



Trends: Young Farm Operators 2002–2012

NEW ENGLAND

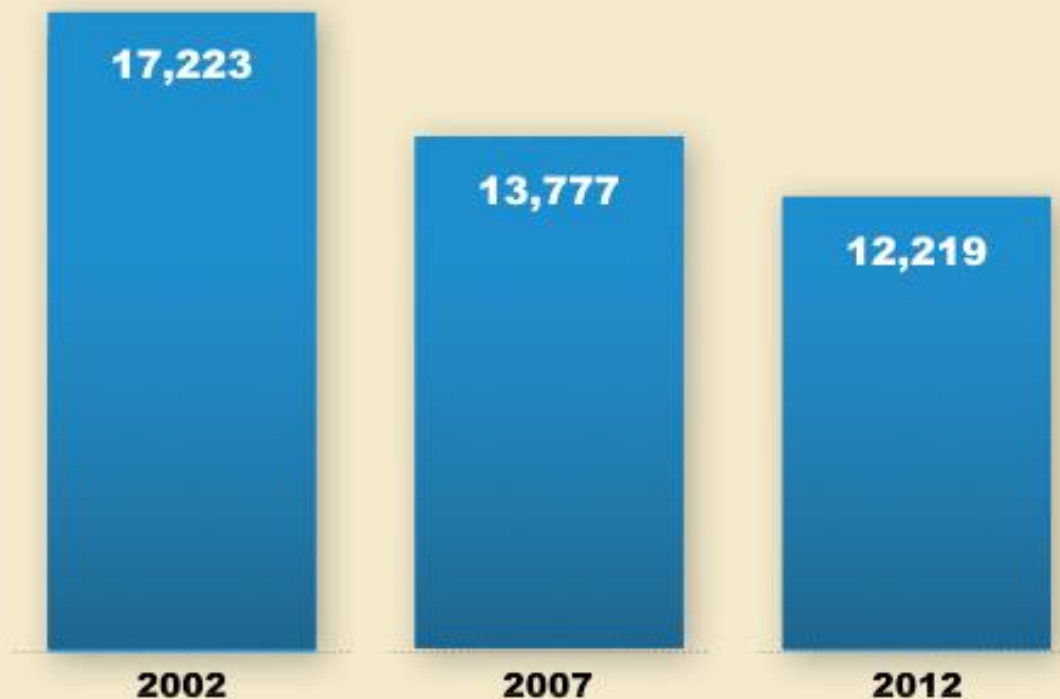
PRINCIPAL, SECONDARY & TERTIARY FARM OPERATORS UNDER AGE 45



Trends: Young Farm Operators 2002–2012

NEW YORK

PRINCIPAL, SECONDARY & TERTIARY FARM OPERATORS UNDER AGE 45



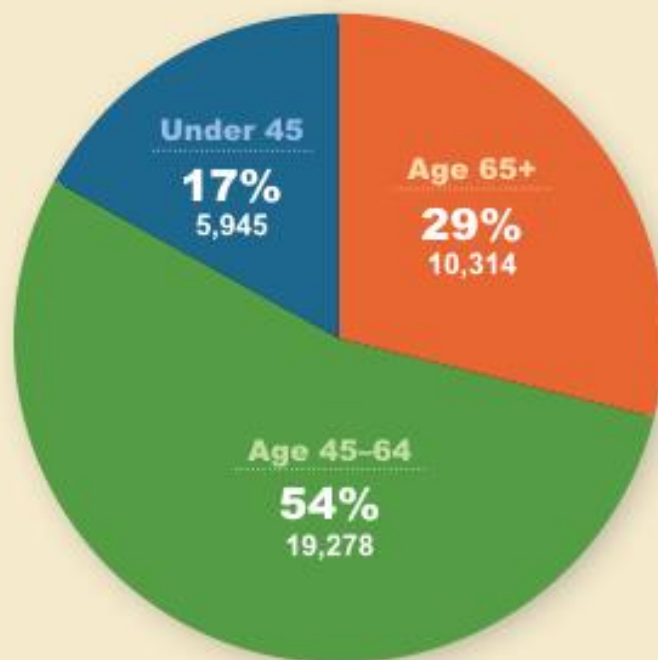
Farm Operator Insights

2012 Census of Agriculture Special Tabulation

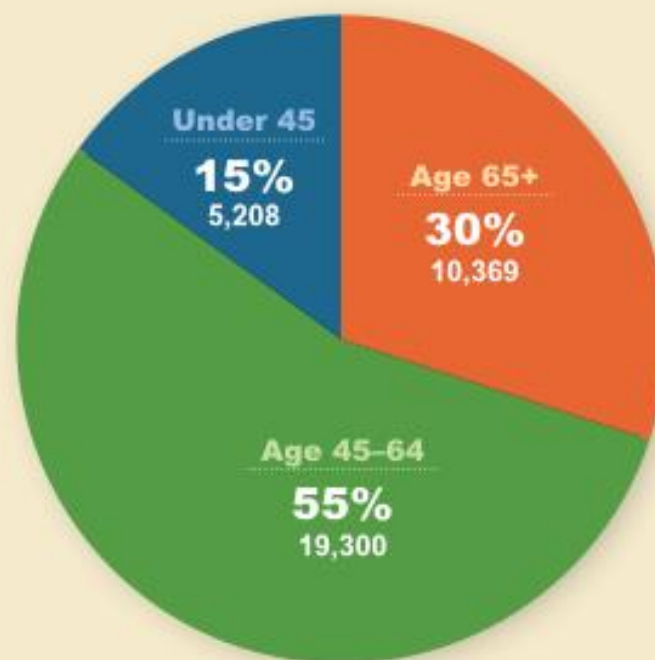


Principal Farm Operators by Age in 2012

NEW ENGLAND

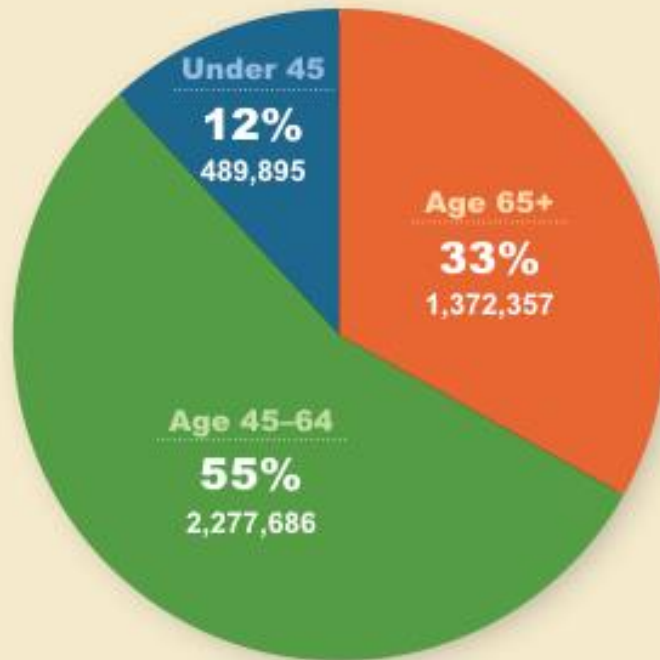


NEW YORK

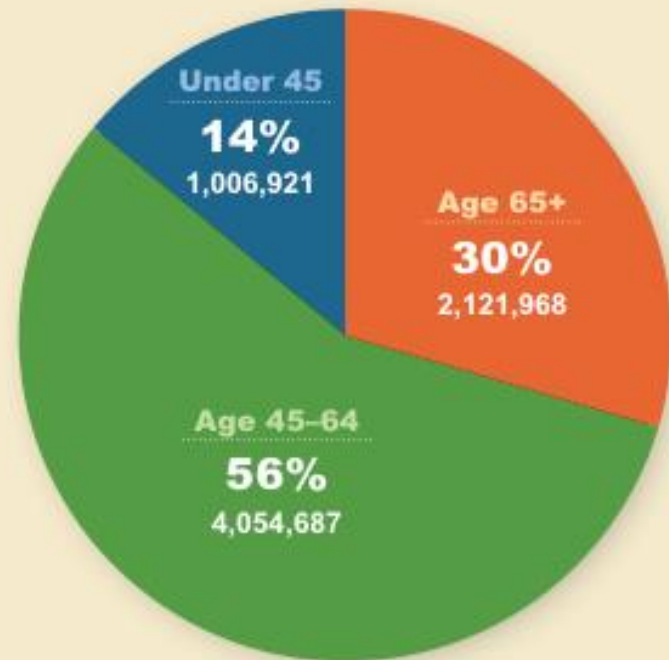


Acres Managed by Age in 2012

NEW ENGLAND*



NEW YORK



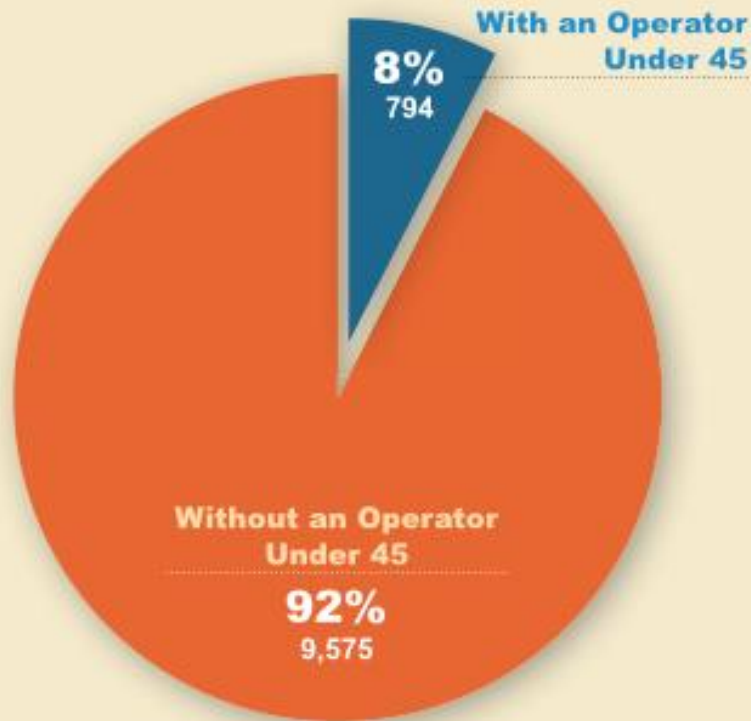
* Excluding Rhode Island

Source: U.S. Census of Agriculture

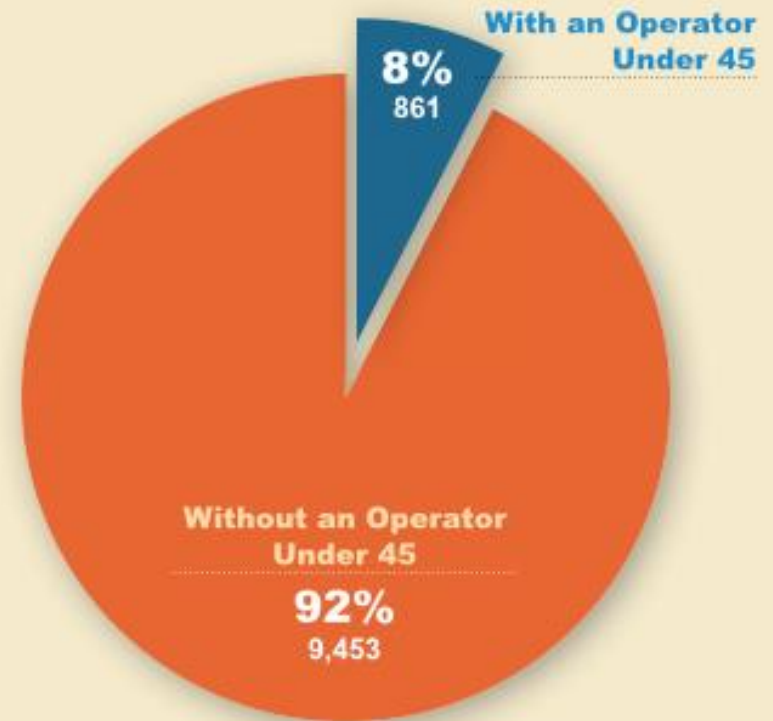
Senior Farm Operators

More Than 90% Have No Young Farm Operator Farming Alongside

NEW ENGLAND



NEW YORK



Land Use Footprint of Senior Farmers

NEW YORK

	With a 2nd or 3rd Operator Under 45	Without a 2nd or 3rd Operator Under 45
Farms	861	9,453
Land in Farms (acres)	378,232	1,743,736
Median	100 to 219	100 to 219
Average	439	184

Ownership

Owned	270,087	1,427,283
Rented	108,145	316,453
Renting to Others	9,970	118,845

By Farm Size

1 to 9 acres	32	664
10 to 99	253	4,036
100 to 219	185	2,596
220 to 999	303	1,940
More than 1,000	88	217

Land Use Footprint of Senior Farmers

NEW ENGLAND

	With a 2nd or 3rd Operator Under 45	Without a 2nd or 3rd Operator Under 45
Farms	794	9,575
Land in Farms (acres)	242,868	1,151,212
Median	10 to 99	10 to 99
Average	306	120

Ownership

Owned	198,179	1,013,548
Rented	44,689	137,664
Renting to Others	4,393	44,441

By Farm Size

1 to 9 acres	102	1,639
10 to 99	331	4,860
100 to 219	152	1,803
220 to 999	165	1,159
More than 1,000	44	114

Economic Footprint of Senior Farmers

NEW YORK

	With a 2nd or 3rd Operator Under 45	Without a 2nd or 3rd Operator Under 45
Farms	861	9,453
Value of Land and Buildings	\$1,053,007,000	\$4,299,483,000
Median	200,000 to 499,999	200,000 to 499,999
Average	\$1,223,005	\$454,827

Total Market Value	\$477,526,000	\$828,118,000
--------------------	---------------	---------------

Total Market Value by Economic Class

Less than 2,500	174	3,321
2,500 to 10,000	109	2,022
10,000 to 50,000	178	2,257
50,000 to 250,000	181	1,283
More than 250,000	219	570

Average Net Farm Income	\$109,079	\$19,584
-------------------------	-----------	----------

Economic Footprint of Senior Farmers

NEW ENGLAND

	With a 2nd or 3rd Operator Under 45	Without a 2nd or 3rd Operator Under 45
Farms	794	9,575
Value of Land and Buildings	\$856,197,096	\$5,593,935,504
Median	500,000 to 999,999	200,000 to 499,999
Average	\$1,078,334	\$584,223

Total Market Value	\$209,482,000	\$475,231,000
--------------------	---------------	---------------

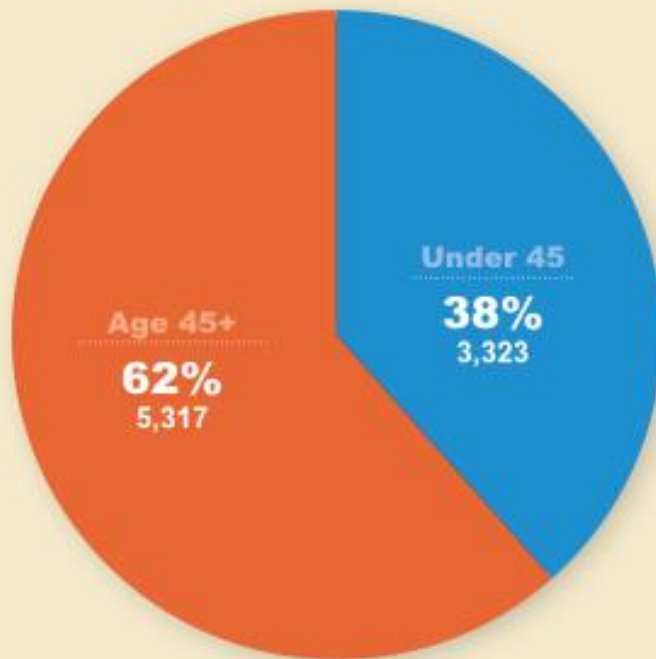
Total Market Value by Economic Class

Less than 2,500	234	4,300
2,500 to 10,000	130	2,431
10,000 to 50,000	202	1,815
50,000 to 250,000	107	710
More than 250,000	121	319

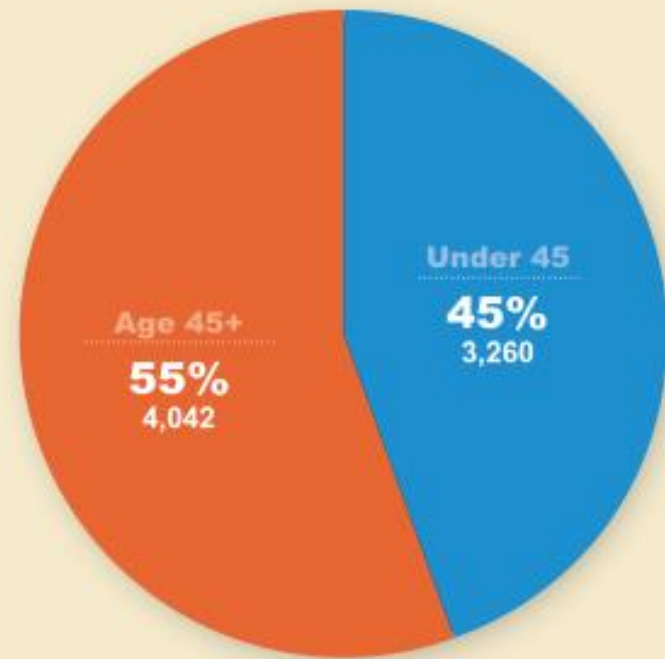
Average Net Farm Income	\$40,129	\$3,101
-------------------------	----------	---------

Beginning Farm Operators: A Majority of Them Are Age 45+

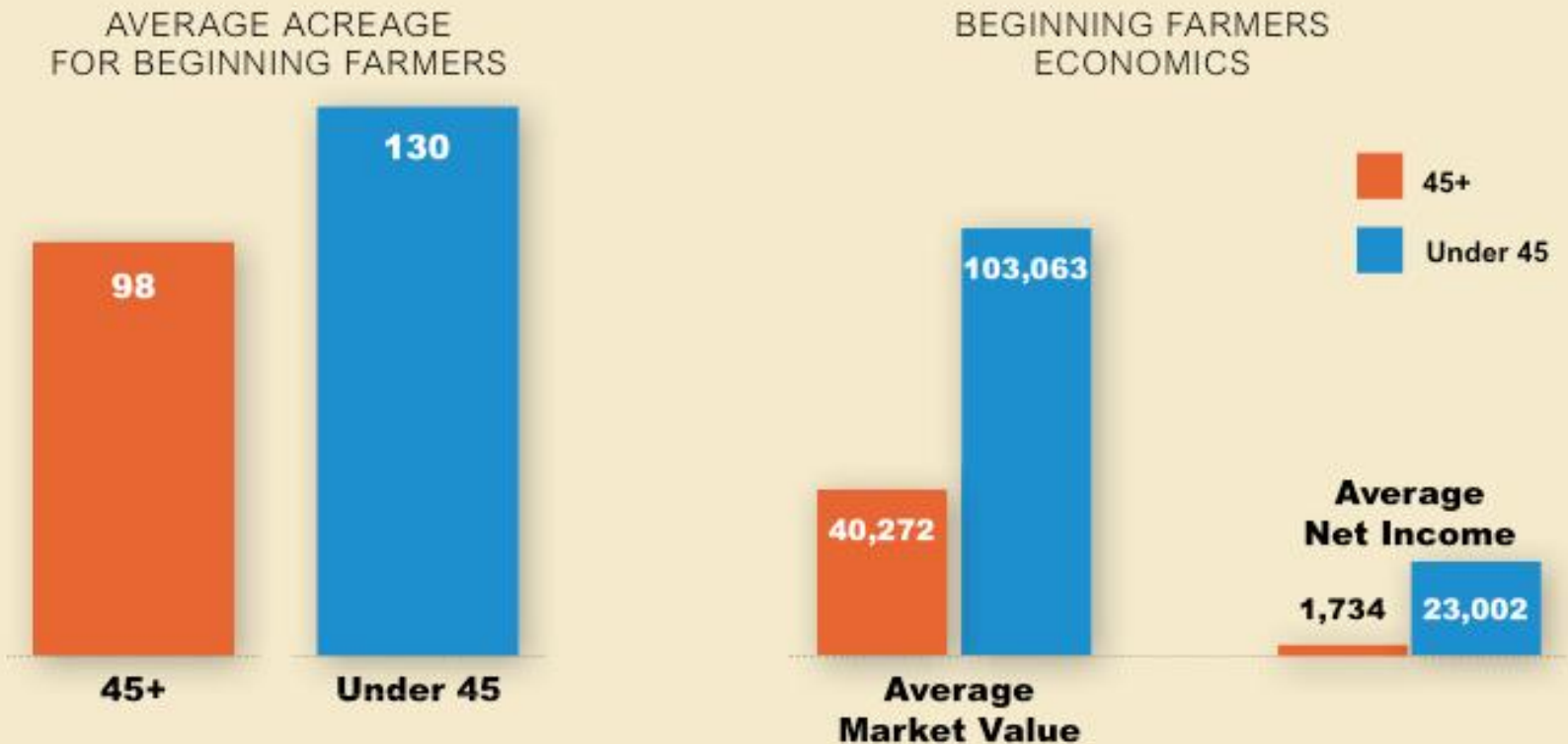
NEW ENGLAND



NEW YORK

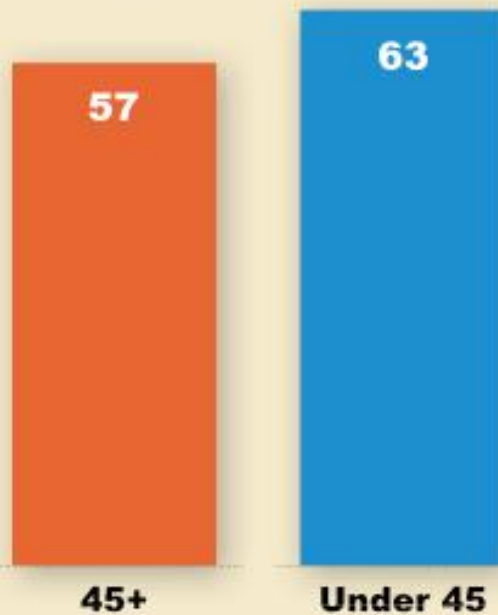


Older beginners farm less acreage and have smaller market value and net farm income IN NEW YORK

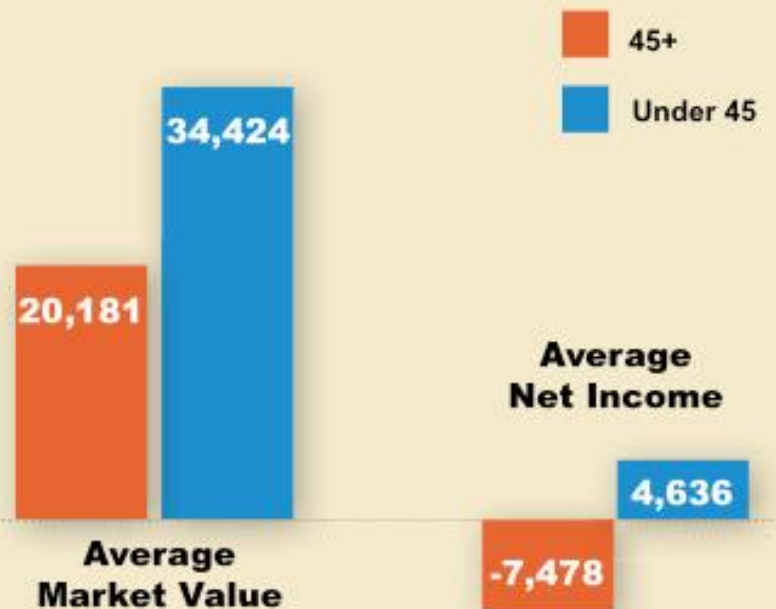


Older beginners farm less acreage and have smaller market value and negative net farm income IN NEW ENGLAND

AVERAGE ACREAGE
FOR BEGINNING FARMERS

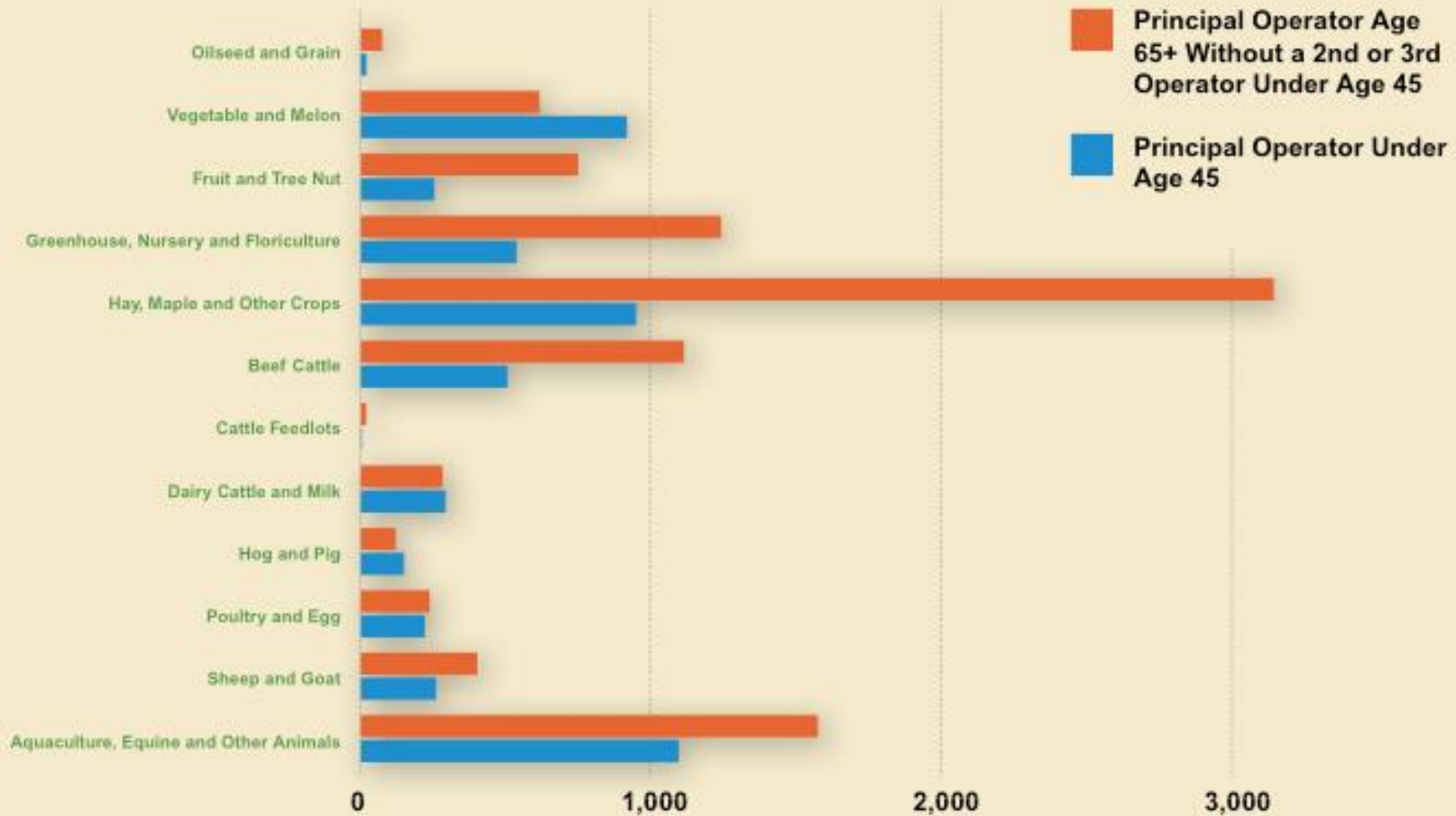


BEGINNING FARMERS
ECONOMICS



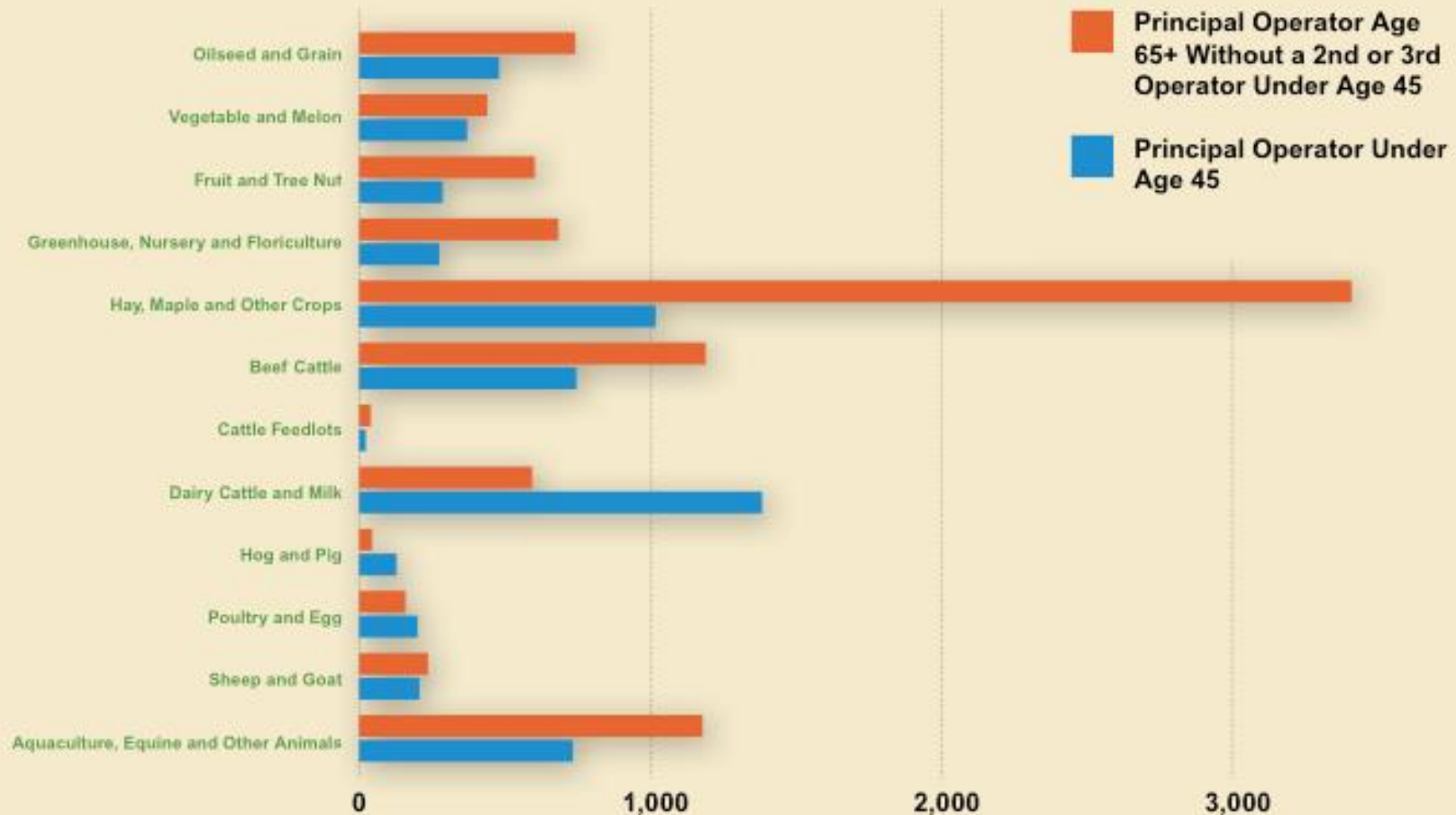
Farmers by Primary Commodity Type

NEW ENGLAND



Farmers by Primary Commodity Type

NEW YORK



Tenure, Ownership and Transition of Agricultural Land (TOTAL) Survey USDA, 2014



- Study of agricultural landlords—operators and non-operators conducted by USDA NASS and ERS
- Information collected in 2015 for calendar year 2014
- Data available at national and regional levels, and for 25 “core” states
- Northeast region includes 11 states and 21.6 million acres of farmland in 2014

Non-Operator Landlords in 2014

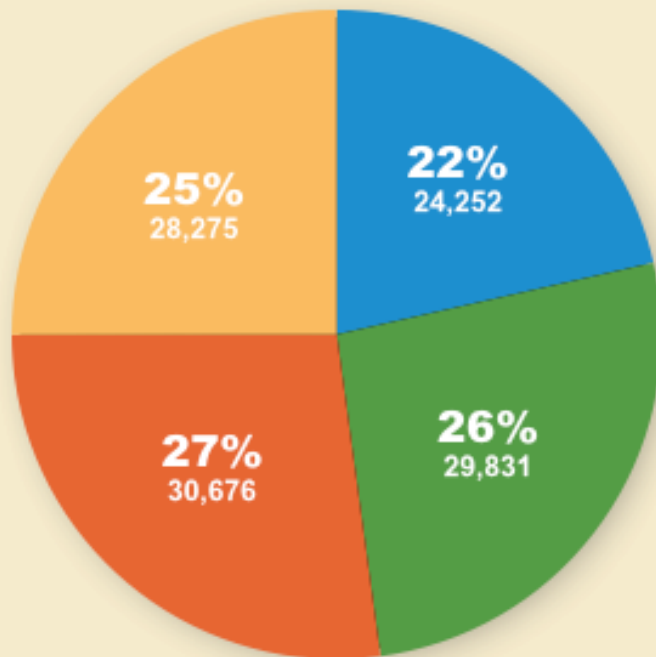
- 1.9 million non-operator landlords in the U.S.
 - ◆ Rent out 283 million acres
 - ◆ 80% of land rented for ag and 31% of farmland in 2014
 - ◆ There are 1.4 million “principal landlords”

- 130,000 non-operator landlords in the Northeast
 - ◆ Rent out 5.5 million acres
 - ◆ 87% of land rented for ag and 26% of farmland in 2014
 - ◆ There are 113,000 “principal landlords”

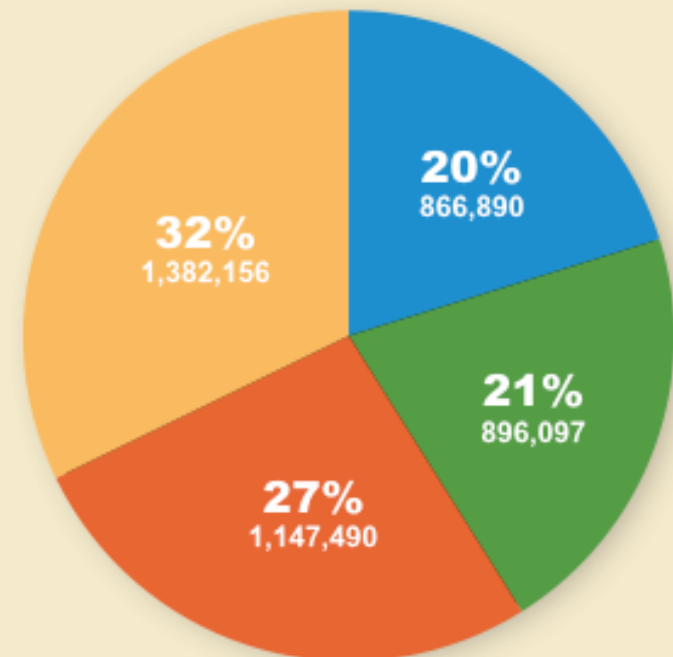
Non-operator Principal Landlords

Number and Acres Owned by Age

LANDLORDS



ACRES



■ age <55 ■ age 55-64 ■ age 65-74 ■ age 75+

Agricultural Landowners and Land Transfer

- Agricultural landowners plan to transfer 2.5 million acres in the next five years.
 - ◆ 12% of land used for agriculture in the Northeast
 - ◆ 2/3 is owned by operators
- Non-operator landlords plan to transfer 860,000 acres of the land *rented out* in the next 5 years
 - ◆ 16% of land rented out by non-operators for farming
 - ◆ 4% of land used for agriculture

How Might These Findings Inform Programing and Policies Around Land Access and Farm Transfer and Succession?



- How do we find and reach senior farmers who may not have an identified successor (secondary operator or other)?
- How do we support transitions to young farmers – first generation as well as those from farm families?
- Do we need to address the “growing” disconnect – in fruits and nursery/greenhouse especially?

- Policies and programs to encourage transition planning need to focus on large demographic of 45-64 year olds
- Of this demographic, what are the unique needs and contributions of older beginning farmers?
- Policies and services to support “beginning farmers” need to recognize the diversity of this group