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General Comment

See attached file(s)

Attachments

RC Federal Comment on TOTAL Survey Final

For more information on Federal Register Notice:
<https://www.regulations.gov/document/NASS-2024-0003-0001>

May 6, 2024

The Honorable Joseph L. Parsons
Associate Administrator
National Agricultural Statistics Service
United States Department of Agriculture
1400 Independence Ave, SW
Washington, D.C. 20250

Response to Agency Information Collection Activities; Proposals, Submissions, and Approvals on the 2024 Tenure, Ownership, and Transition of Agricultural Land (TOTAL) survey (Docket ID: NASS-2024-0003)

Dear Associate Administrator Parsons,

Rural Coalition appreciates the opportunity to submit the following comments on the 2024 Tenure, Ownership, and Transition of Agricultural Land (TOTAL) survey. For over 45 years Rural Coalition members and allies have worked to assure that diverse organizations from all regions, ethnic and racial groups, and genders have the opportunity to work in solidarity on the issues that affect us all. The foundation of this work is strong local, regional, and national organizations that work to assure the representation and involvement of every sector of this diverse fabric of rural peoples.

We recognize that the TOTAL survey is vital to better understanding and addressing the realities and challenges faced by farmers and ranchers across the United States' food and agriculture system, specifically around the issue of farmland ownership. In the upcoming TOTAL survey we urge NASS to include the study required under Sec. 12607 of the 2018 Farm Bill that covers land tenure, land transitions, barriers to entry for socially disadvantaged (SDA) and beginning farmers, and farm profitability and viability. The 2024 TOTAL survey coupled with the Access to Farmland report can provide valuable data on the degree to which land is held in absentee ownership, or in undivided interests with no administrative authority (heirs property). The analysis of the impact of these farmland ownership trends will provide to USDA, policy makers and producers a critical baseline on changes in land tenure and the impact of these changes on the economic wellbeing of rural communities. The TOTAL survey will help farmers, ranchers, forest owners, policy makers and the Department better understand the impact of changes in farm and forest programs and policies on the successful entry and viability of beginning farmers and ranchers.

As a coalition of organizations and allies, we are dedicated to working with socially disadvantaged farmers, ranchers, and rural communities to build shared capacities to operate viable farms and ranches that bolster rural economies, strengthen food security, and offer secure pathways to land ownership and tenure for generations to come. We recognize the data to be collected and analyzed through the TOTAL survey and the Land Tenure Study is critically important to understanding how policies and programs can be constructed to support producers and rural communities and their economies, and which policies and programs have the opposite effect. Decades of research have found that the concentration of land ownership correlates with increased poverty and need for federal support.¹ (See [Taking Goldschmidt to the Woods](#) which examines over 14 million acres of forestland in Alabama)

The focus of this comment on collection of data for the TOTAL survey and answers two of the four questions from Federal Register notice (*Docket ID: NASS-2024-0003*) : (c) *ways to enhance the quality, utility, and clarity of the information to be collected*; and (d) *ways to minimize the burden of the collection of information on those who are to respond, through the use of appropriate automated, electronic, mechanical, technological or other forms of information technology collection methods*.

Thank you again for your consideration and the data gathered thus far from the TOTAL survey from 2015 and 2022.

Introduction

Access to land and secure land tenure is a critical factor for producers seeking to begin and maintain successful business operations, and to pass those operations on to future generations. Further, access to land makes it possible for producers to plant, grow, and harvest crops, to raise livestock, to care for their local ecosystem, to support their local and rural economies, to build community, and to make a living and support their families.

Yet there are some actors who do not value land for these qualities. Over the next decade, it is predicted that approximately 400 million acres of land will change hands in the United States.² With such a large amount of land in transition, it raises the question of who will be buying up so much of that land and what are the consequences of such concentration on our food, agriculture and rural systems? Unbeknownst to many policy makers and the public at large—unaware since the 2008 financial crisis, Wall Street investors, hedge funds, investment groups, pension funds, and other financiers have invested vast amounts to buy up large tracts of land across the United States.³ Interest in farmland from institutional investors, as well as publicly traded real estate investment trusts, highlights an organized effort to develop retail or equity markets based on

¹ Connor Bailey, et. al. "[Taking Goldschmidt to the Woods](#)." Rural Sociology, 86 (1). 2020.

² National Family Farm Coalition. "[Tracking Speculative Farmland Ownership: Good Data is Hard to Find](#)." Center for Agriculture and Food Systems: Vermont School of Law. 2022.

³ Ibid.

agricultural investments. This trend has taken off over the past decade⁴, with farmland assets attracting investment groups seeking both short- and long-term portfolio holdings.⁵

As our next generation of farmers and heirs property owners transition onto the farmland the trends of corporate and investment groups takeover of arable land will impact the future of American agriculture. Their reasoning from a financial perspective: the farm real estate is even less leveraged than the sector in total—farmland makes up more than 80% of the total assets and only represents 56% of total debt.⁶ Which has led to additional interest by investors in adding a level of debt that might be more rational given the returns, especially as interest rates available to re-leverage the sector are perceived as low.⁷ The price of farmland will continue to skyrocket due to this Wall Street mentality over ownership of the land and be out of reach for beginning farmers and limited resource producers. In 2018, farmland value has been steadily rising since the last farm crisis to an average of \$3,140 per acre.⁸

Data and Findings From Previous TOTAL Surveys

Over the last three decades, there have only been three surveys conducted on land ownership in the United States: The *1999 Agricultural Economics and Land Ownership Survey*; the *2015 United States Farmland, Ownership, Tenure, and Transfer Survey*, and the *2022 Access to Farmland by Beginning and Socially Disadvantaged Farmers: Issues and Opportunities—Report to Congress*. Since the 1999 report was conducted prior to the official authorization of the TOTAL survey in the 2014 Farm Bill, the 2015 and the 2022 reports are technically the first two TOTAL Surveys conducted by NASS, providing data, graphs, and statistics on land ownership in the 25 largest agricultural producing states. Together, these three surveys provided comprehensive data that illuminates how land ownership in the United States has changed over time.

The 1999 Agricultural Economics and Land Ownership Survey found that socially disadvantaged farmers and ranchers owned over 25 million acres of agricultural land, valued at over \$44 billion.⁹ The 2015 TOTAL Survey expanded the focus of the 1999 survey, accounting for all agricultural land, held by both operator and non-operator landowners, in the contiguous 48 states.¹⁰ This 2015 survey provided a descriptive baseline analysis of land ownership in the United States—with a focus on more detailed aspects of land tenure, including non-operator landlords, rental agreements, the acquisition and transfer of land, and how decision making is

⁴ Bruce J. Sherrick. "[Issue Report: Farmland Ownership: Trends and Future Implications](#)." September 2017.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Tara Ritter. "[Land Tenure—Crisis by Design](#)." Institute for Agriculture and Trade Policy. Minneapolis, Minnesota. April 2020.

⁹ Jess Gilbert et al. "[Who Owns Land? Agricultural Land Ownership by Race/Ethnicity](#)." Rural America, Vol.17 (4). Winter 2002.

¹⁰ Daniel Bigelow, Allison Borchers, and Todd Hubbs. "[U.S. Farmland Ownership, Tenure, and Transfer](#)." United States Department of Agriculture. Economic Research Service. August 2016.

shared by landlords and their tenants.¹¹ Further, the survey was designed to support broader policy-driven discussions related to agricultural land ownership and to provide a starting point for more detailed statistical analysis.¹²

The results of the 2015 survey found that approximately 39 percent of the 911 million acres of farmland in the continuous 48 states was rented.¹³ Around 80% of this rented farmland (283 million acres or 30% of all farmland) was owned by non-operator landlords. Non-operator landlords were considered those that own land used in agricultural production but who are not actively involved in farming themselves. The remaining 20% of rented land (70 million acres) was owned by other farm operators.¹⁴ In terms of smaller family farm operators, it was and is often the case that the farmers are full owners of the land they operate.¹⁵

When we look at older generations of farmers, the retired non-operator landlords made up 38% of farmland.¹⁶ The landlord input on farm management decisions for operations on rented land varied by the type of decision being made – eg. short term vs. long term farm management practices like participation in conservation programs by NRCS.¹⁷ Most landlords had long-term relationships with their tenants, suggesting that access to new land through retirement may be limited.¹⁸ Further, non-operator landlords were more likely than operator landlords to acquire land through inheritance. Approximately 10% (93 million acres) of all land in farms was expected to be transferred during the 2015-2019 period, most of which (6 percent) changed hands through gifts, trusts, or wills.¹⁹ It should also be noted farmland tenants often rented from multiple landlords.

Further, data from the 2015 TOTAL survey found that non-operator landlords represented 87% of recorded entities, owning 80% of rented farmland, while the remaining 13% were operator landlords who owned 20% of rented land.²⁰ Of the total farmland held by non-operator landlords, the majority of land was held by individuals (138 million acres). Partnerships (53 million acres) and trusts (51 million acres) also owned a considerable share of the land rented to farm operators.²¹ On non-operator individual and partnership arrangements, 38% of landlords classified themselves as retired farmers.²²

Corporate land ownership and involvement in farmland throughout the United States is not a cookie cutter approach for every region. For corporate entities, which included both family and nonfamily corporations, said entities owned only 3% of all farmland (and 9% of rented land), and

¹¹Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Ibid.

²¹ Ibid.

²² Ibid.

that corporate involvement in the agricultural sector generally came in more indirect forms.²³ Geographically, in terms of total corporate land ownership (family and nonfamily combined), the West and South had regional shares of 19% and 16%, respectively, while the Midwest and Plains regions had corporate ownership shares of just 8% each.²⁴ The Plains and Midwest regions also had the highest shares of farmland under trust ownership.²⁵

Although corporate landlord entities and trusts might consist of multiple landlords, the 2015 survey counts these groups of landlords as one entity.²⁶ Many people of varied backgrounds and identities can make up corporations and trusts, yet these ownership arrangements are necessarily excluded from the demographic data calculations in the survey.²⁷ Based on this data, almost half of the land rented out by non-operator landlords was owned by individuals and the remaining half was split between corporations, trusts, partnerships, and other ownership arrangements.²⁸

The report on the 2015 TOTAL survey did not go into the financial aspects of farmland ownership and tenancy. The report instead provided a contemporary overview of who owned farmland, where it was owned, how much was owned, rental agreement terms, land acquisition methods, and land transfer plans. This information was and still is critical to understanding and addressing land accessibility for current and aspiring future farmers.²⁹

The issues around land ownership are significant, though a number of gaps remain in the data, the makeup of corporate entities being one of them. These gaps raise other questions such as: what is the degree of non-operator landlord involvement in the farm sector? What barriers exist to accessing land in the rental market? Do operators and non-operators plan to transfer their land (when not through sales) through channels such as wills, trusts, or gifts?³⁰ To address these issues, the 2015 survey provided information that was useful both for farmers and for policymakers aiming to promote land access. The next TOTAL survey data will be improved with a wider range of definitions and categories included to better understand the various types of corporate or real estate trust farmland ownership.³¹ We recommend this data break be collected and analyzed in a way that makes clear the diversified kinds of land holdings of all non-farm operator entities.

The 2022 TOTAL survey put significant emphasis on socially disadvantaged farmers and ranchers and beginning farmers and ranchers. The survey found that average sizes of leased operations were negatively correlated with the percentage of socially disadvantaged and beginning operations. This supports the conclusion that counties with larger lease sizes, on

²³ Ibid.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

³¹ Ibid.

average, had a lower percentage of socially disadvantaged and beginning farming and ranching operations.³² Counties with a higher percentage of rented farmland acres showed a positive correlation with a higher percentage of SDA and beginning operations, suggesting that SDA and beginning operations were more likely to rely on farmland rental markets than land purchase markets to gain access to farmland.³³ The percentage of cropland acreage as a portion of farmland acreage is negatively correlated with SDA operations.³⁴ Based on a 2020 report, between 2001 and 2016 approximately 11 million acres (or 2,000 acres per day) of farm and ranch land were converted to either urban, highly developed land use (4.1 million acres) or low-density residential land use (about 7 million acres), which raised cost for farmland due to the decrease in availability and creates a barrier for SDA operations and beginning farmers and ranchers.³⁵

Current Survey and Guides

As noted earlier in these comments, there have been two TOTAL surveys completed since the 2014 Farm Bill authorization. The data for the 2015 TOTAL survey was collected through a two pronged approach. For operators, personal interviews will be conducted during early 2015.³⁶ For landlords, mailed and electronic surveys were distributed to gather the data and a followup phone call was made to landowners who did not fill out and mail in the survey sent to them.³⁷

The instruction guide for the TOTAL Landlord survey in 2015 had twelve (12) sections for landlords to fill out.³⁸ Each section covered the different existing types of land ownership and the agreements: Land Ownership, Acres and Use, Rental Agreements, Land Transactions, Landlord Farm Income, Landlord Farm Assets, Landlord Capital Expenses, Landlord Operating Expenses, Landlord Farm Debt, Individual and Partnership Ownership, Corporate Ownership, and Other Ownership.³⁹

The 2022 TOTAL survey used a regression analysis correlating the share of farming operations classified as socially disadvantaged or beginning operations by county with several measures of land access, federal program participation, and USDA loan program participation, including the

³²Scott Callahan and Daniel Hellerstein. "[Access to Farmland by Beginning and Socially Disadvantaged Farmers: Issues and Opportunities](#)." United States Department of Agriculture. Economic Research Service. December 2022.

³³Ibid.

³⁴ Ibid.

³⁵ Freedgood, J., M. Hunger, J. Dempsey, and A. Sorensen. "Farms Under Thread: The State of the States," American Farmland Trust, Washington, DC. 2020.

³⁶ United States Department of Agriculture, National Agricultural Statistics Service. [Tenure, Ownership, and Transitional of Agricultural Land](#). Powerpoint presentation.

³⁷ Ibid.

³⁸ United States Department of Agriculture, National Agricultural Statistics Service. [Tenure, Ownership, and Transition of Agricultural Land Information Guide](#).

³⁹ United States Department of Agriculture, National Agricultural Statistics Service. [Survey forms from 2015 TOTAL survey](#).

Direct Loan Program and Guaranteed Loan Program.⁴⁰ Target populations for the operator version of TOTAL were all agricultural establishments with at least \$1,000 in agricultural sales (or potential sales). The target population for the TOTAL non-operator version was all landowners who rented out land actively used for agriculture but who did not operate the land themselves.⁴¹

While both versions surveyed landowners and operators in all 48 States, the top 25 cash-receipt states were surveyed more extensively to allow for state-level estimates.⁴² The top 25 estimate states for the 2014 TOTAL survey were: Alabama, Arkansas, California, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, Washington, and Wisconsin.⁴³ These 25 states were selected to represent over 85% of all farm cash receipts in the United States, representing 70% of all agricultural land and 78% of all rented land in 2014. The remaining 23 states in the contiguous United States were combined at a regional level so that regional estimates could be published.⁴⁴

As we have noted, although corporate landlord entities and trusts might consist of multiple landlords, the 2015 survey counted these landlord entities as one entity.⁴⁵ Many people and genders make up corporations and trusts, these entities cannot be assigned to a group of individuals, these types of ownership arrangements are necessarily excluded from the demographic data calculations.⁴⁶ Revisions to the data collection process for corporations, trusts, hedge fund firms, and investment firms is necessary to ensure they are counted separately and with no exclusions.

Current Register Notice Summary

In 2025, NASS will conduct the TOTAL survey in two phases: the first phase will be the creation of a list of landowners who rent out land for agricultural purposes and any landlords who are active in farm or ranch operations will be excluded from the first phase of sampling and included in the second phase of sampling.⁴⁷ Next NASS will review the land inside area segments used in the June Area Survey (OMB #0535-0213) as target areas and compare the land inside these segments with land ownership data from the Farm Service Agency (FSA) along with property

⁴⁰ Scott Callahan and Daniel Hellerstein. "[Access to Farmland by Beginning and Socially Disadvantaged Farmers: Issues and Opportunities](#)." United States Department of Agriculture. Economic Research Service. December 2022.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Ibid.

⁴⁵ Daniel Bigelow, Allison Borchers, and Todd Hubbs. "[U.S. Farmland Ownership, Tenure, and Transfer](#)." United States Department of Agriculture. Economic Research Service. August 2016.

⁴⁶ Ibid.

⁴⁷ Joseph Parsons. "[Agency Collection Information Activities: Proposals, Submissions, and Approvals. Intent to Seek Reinstatement of an Information Collection](#)." United States Department of Agriculture, National Agricultural Statistics Service. Federal Register Notice. March 2024.

tax information purchased from CoreLogic, a private company.⁴⁸ Any duplicative data will be removed from the list and the current NASS list frame of known farmers and ranchers will be used to create the sample for the Operator version of the survey.⁴⁹

The second phase of the TOTAL survey will include data collection and reporting using two versions of the TOTAL questionnaires.⁵⁰ First version of the survey will focus on farm and ranch operators in all 50 states—listing all known farming operations that sold at least \$1,000 in agricultural products in 2024; similar to the 2022 TOTAL survey.⁵¹ The farm operator population will be a stratified sample and will be large enough to encompass 25 of the largest agricultural producing states based on value of sales—this second phase of the survey will target individuals who own and rent land in all 50 states, which should be large enough to publish state level data for the 25 core states and the remaining 25 will have their state level data combined in “all other states category.”⁵² We strongly recommend the use of a comprehensive data collection process for all corporate-owned farmland to help policy makers understand the various types of land ownership be they a trust, an investment group, hedge fund firm, or individual or entity landlords.landlords whether individual or entity.

State Example of Land Ownership Data

One of the longest standing and most comprehensive surveys on farmland ownership is done in the state of Iowa. The Iowa Farmland Ownership and Tenure survey started in the 1940s and, since 1989, has been conducted every five years as mandated by Iowa Code.⁵³ The survey is the first of its kind in the nation and the only consistent information on the ownership, tenure, and transitions of farmland at the state level.⁵⁴

The data compiled by the Iowa Farmland Ownership and Tenure Survey is compelling. There is a continuous shift away from sole ownership and joint tenancy towards trusts, corporations, and LLCs, which in July, 2022 accounted for 23%, 6%, and 9% of land ownership, respectively.⁵⁵ Further, 55% percent of Iowa farmland is owned by individuals or entities who do not currently farm, and 53% of these non-farming owners have no farming experience to speak of.⁵⁶ When it comes to non-state resident landowners, 20% of Iowa farmland is owned by individuals or entities who are not Iowa residents - an increase from 13% in 2017. Of non-resident landowners, 70% do not have farming experience.⁵⁷

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² Ibid.

⁵³ Jingyi Tong and Wendong Zhang. “Iowa Farmland Ownership and Tenure Survey, 1982-2022: A Forty-Year Perspective.” Iowa State University Extension and Outreach. March 2024.

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

When it came to supporting future generations of beginning farmers and ranchers, three of every four landowners in Iowa expressed an interest in selling land to beginning farmers when incentivized with federal and state tax credits.⁵⁸ Additionally, over half of Iowa landowners expressed concerns about having difficulty finding quality beginning farmers to transition their land to and concerns about beginning farmers' ability to pay top prices to acquire the land.⁵⁹

In terms of corporate ownership of farmland, throughout the 1980's, 1990's, and early 2000's, the predominant forms of land ownership were sole ownership and joint tenancy.⁶⁰ However, an increasing trend toward trust-based ownership has emerged. Trusts held a mere 1% of Iowa farmland in 1982 but today hold 23% of Iowa farmland, accounting for the second largest form of land ownership in the state behind sole ownership.⁶¹ It should be noted, the Iowa Farmland Ownership and Tenure survey recognizes corporations as a general group, instead of being broken down into different categories of corporations.⁶²

Conclusion

Our coalition and allies support and encourage the National Agricultural Statistics Service (NASS) to complete the TOTAL Land Survey and the Land Tenure Study authorized in Section 12607 of the 2018 Farm Bill. We further urge USDA to request full funding for the TOTAL Survey and of the authorized funds to conduct the Section 12607 Land Tenure Study. We further recommend that NASS collect data that will allow better understanding of the types of entities that are investing in land whether by farmland ownership by corporate, trust, partnership, hedge fund, and or other investment and that also examine the degree to which land that is held in undivided interests moves to absentee ownership. We further urge NASS to continue to employ the analysis begun in the 2022 study that analyzed variations including by race, ethnicity and gender.

We look forward to working with NASS to provide guidance on the TOTAL survey and make sure the collection of data is comprehensive of landowners.

Sincerely,

Rural Coalition

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid.

⁶² Ibid.