

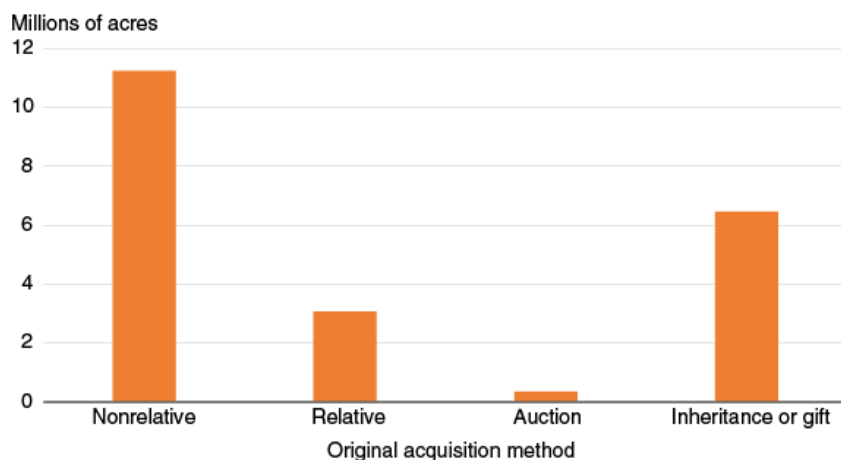
Land Access, Acquisition and Transfer



When talking about land, the accesses (availability) of land, and how to keep or sell land, it can get complicated, very quickly. Most people have a hard time understanding the details associated with these topics because they do not understand the vocabulary of the topic. The USDA, Economic Research Service <https://www.ers.usda.gov> has wonderful articles that explain Land Access, acquisition and transfer very well. Understanding the way current operators acquired land can provide knowledge about the challenges involved with beginning or expanding a farm operation through land ownership. For example, if most land was acquired through an outright purchase from a nonrelative or auction, it would mean more land availability than if most land were inherited.

Knowledge of the way current landowners plan to transfer their land in the future might also create opportunities, or barriers, to gaining access to farmland, particularly for beginning farmers and ranchers. Also, because of the necessity of land to farm and the fact that 81% of total farm asset value is the land (in 2014) understanding how much farmland is available and how available it is to purchase is incredibly important to beginning farmers and ranchers and the challenges they face.

Most farmland expected to be sold to nonrelatives in 2015-19 was originally acquired in the same manner



Note: Not shown is the small amount of land that is expected to be sold to a nonrelative and was originally acquired through "other" means. The y-axis measures acres that are expected to be transferred and that are in possession of a landowner who acquired a majority of his or her land in a purchase from a nonrelative.

Source: USDA, Economic Research Service and USDA, National Agricultural Statistics Service, 2014 Tenure, Ownership, and Transition of Agricultural Land survey.

Understanding the vocabulary;

3 Types of Landlords

- **Owner operator:** Farmers who own some or all of the land in their farm operation.
- **Operator landlords:** Farm operators who rent some of the farmland they own to one or more other farm operators.
- **Non-Operator landlords:** Agriculture landowners who rent land to one or more operators but are not, themselves, actively involved in a farm operation.

Note: In terms of a single landowner entity, the Owner Operator and Operator Landlord categories are not mutually exclusive: a single agricultural landowner can operate some of the land (i.e., owner-operator) in addition to renting out a portion to the other operators (i.e., operator landlord).

What does this mean?

Land Acquisition: How did you get your land? How easy is it for someone to get land?

Land transfer: What will happen to your / your family's land? Will you, sell to a relative, sell to a non-relative, gift, place in a trust, or include in a will?

Arm's—length transaction: A transaction in which the buyer and seller are NOT related

Total Farmland in the U.S. is 911 million acres.

- 61% (555,710,000 acres) owned by farm operators
- 31% (282,410,000 acres) owned by non-operating landlords
- 8% (72,880,000 acres) rented from one operator to another

- 83% - 94% of all farmland is owned by a person or entity with a current, former or familial connection to the agriculture sector.



The breakdown of land ownership is relevant to the topic of land accessibility because the manner in which landowners acquired and plan to transfer their land may vary across landowner entities. Specifically, non-operator landlords may have obtained their land through different channels than operators and may also have different objectives in terms of what they plan to do with their land in the future.

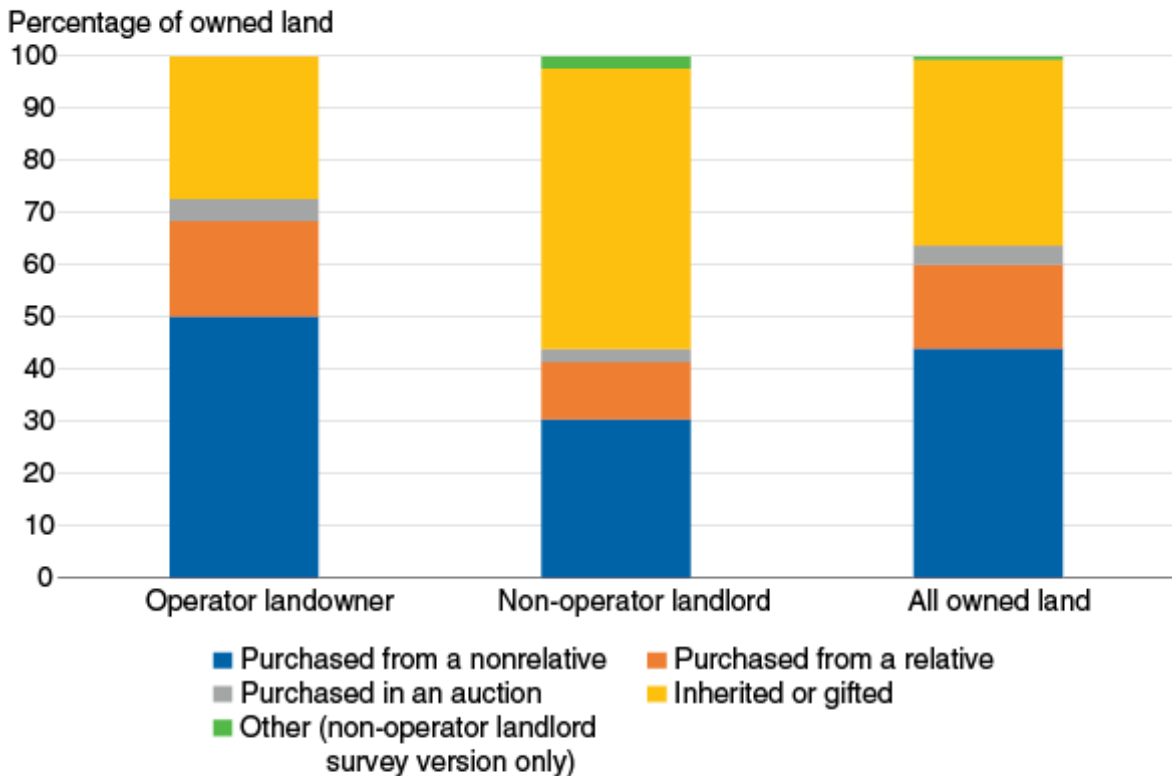
Between 2015—2019 just over 2% of farm land is expected to be sold in a manner in which the buyer and seller are not related.

Most land that will be sold to non-relatives in the next 5 years was originally acquired in an arm’s-length transaction suggesting that the supply of land available for purchase may not vary much overtime.

Tenure Ownership, and Transition of Land (TOTAL) survey,

While it is impossible to determine how all farmland will be transferred the TOTAL survey asked respondents how much of their land they anticipate transferring over the next five years using each of the following transfer methods: selling to a relative, sell to a non-relative, gift, place in a trust / will. Overall 10% (9,300,000 acres) of all farmland (93,000,000 acres) is expected to transfer between 2015 - 2019, 61% is owned by operator landowners.

In 2014, non-operators were more likely than operators to have inherited their farmland



Note: The “operator landowner” category includes owner operators and operator landlords.
 Source: USDA, Economic Research Service and USDA, National Agricultural Statistics Service, 2014 Tenure, Ownership, and Transition of Agricultural Land survey.

Sources: <https://www.ers.usda.gov/amber-waves/2016/august/land-acquisition-and-transfer-in-us-agriculture/>



Small Farms Research Center, Alabama A&M University

4900 Meridian Street

James I. Dawson Building, Room 219

Normal, AL 35762

Small Farms Research Center Background. The Small Farms Research Center was developed to assist small farmers with limited resources in Alabama's underserved communities. The center was first developed in 2000 to assist minorities, especially women, African Americans and underserved individuals improve their farm management practices, given ones condition and resources. The mission of the Center and the Small Farmers Outreach program is to assist all small and limited resources farms effectively deal with risk management and food safety issues and provide them with informational sessions. The Center has also expanded its outreach efforts to meet the needs of entrepreneurs and businessman. The center is located at Alabama A&M University in the Dawson Building. The center specializes in *following areas*

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| -Marketing and Business Plans | -Record keeping and Loan Application |
| -Identify alternative enterprises | -Personal Management |
| -Legal Issues | -Finances |
| -International Business and Procurement | -Accounting Issues |
| -Taxes | -Business Development |
| -Conducting seminars on Government programs and other issues | |

For more information about us give us a call at (256) 372-4970 and 1-866-858-4970.



USDA United States Department of Agriculture

National Institute of Food and Agriculture

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