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AGRICULTURE



Liz Martin/The Gazette

Mark Farrington of Mechanicsville plants soybean seeds on a field that he and Brad Lieser of Tipton rent on June 4 east of Tipton. Farrington and Lieser planted earlier this year on a field west of Tipton that is owned by Barbara Zielinski of Chanhassen, Minn.

Non-farmers own most farmland

Iowa farm ownership changes part of continuing trend

By George C. Ford, The Gazette

As you travel through the Iowa countryside this spring, the farmer you see driving a tractor pulling a planter may not own the land.

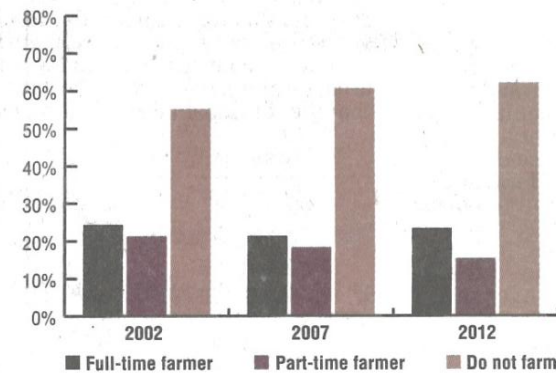
The 2012 Iowa Farmland Ownership Survey from Iowa State University Extension shows 62 percent of Iowa farmland was owned by non-farmers last year, up from 60 percent in 2007 and 55 percent in 2002.

The survey, compiled every five years by ISU Extension, is mandated by the Iowa Legislature.

While the high percentage of farmland ownership by non-farmers might appear to be unusual, the cost of land, equipment, seed,

Ownership of Iowa farmland

Distribution of Iowa farmland based on farming status of owner.



Source: 2012 Iowa Farmland Ownership Survey

Gazette graphic

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Farmers/Land stays in family

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fertilizer, crop insurance and other expenses related to planting and harvesting a crop is a major contributing factor.

"With the amount of capital required today for a farming operation, we need the partnership with the landowners to bring that capital to the table," said Kirk Weih, vice president of Hertz Farm Management in Mount Vernon.

"About 40 percent of Iowa farmland is cash-rented, where the landowner gives up control of the farm, but receives rent by the acre. The farm operator makes all the decisions regarding what will be planted and provides all the capital required for the crops."

Weih said Hertz Farm Management, which manages farmland for non-farmer owners, also sees about 40 percent that is custom-operated. In that case, the landowner hires a neighboring farmer to do the planting and harvesting, but the landowner makes the capital investment for everything from seed to tiling.

"There's also a crop-share arrangement where the farm operator receives 20 percent to 25 percent of the crop for his contribution of labor and equipment," Weih said.

FAMILY LEGACY

Through a combination of inheritance and purchase, Richard Gar-

berson of Cedar Rapids owns farmland in Buena Vista, Cedar, Dickinson and Osceola counties.

Garberson, 64, an attorney and senior vice president of Shuttleworth & Ingersoll in Cedar Rapids, enjoys visiting the farms he owns, but contracts the farming operations to others.

"The majority of our family farmland was inherited from my father, an attorney who was born and raised in Osceola County," Garberson said. "When my parents died, we sold some things to pay the inheritance tax, but we did not sell any farmland."

"We're going to keep it, hopefully make it better, and pass it on the next generation."

Garberson said some of the farmland is custom-operated, a smaller percentage is cash-rented and there also are 50-50 crop share arrangements.

Similarly, Barbara Zielinski and her husband, Marty, fully expect to pass the farm they own west of Tipton to their children and grandchildren.

"My parents, Don and Miriam Williams, bought the farm when I was 3 years old," said Barbara Zielinski, 65, who lives in Chanhassen, Minn.

"We cannot farm it ourselves. Marty grew up in the Pittsburgh area, so he knows nothing about farming."

The ISU survey found

"willing to family members" was the preferred (58 percent) anticipated method of farmland distribution in 2012. Giving or selling land to family also ranked high among respondents.

NEXT GENERATION

Larry Greiner of Farmers National Co. in Iowa City said the transfer of farmland from the World War II generation to the baby boomer generation sometimes leads to land being sold to nonfamily members.

Mike Duffy, ISU Extension economics professor who coordinated the survey, said it produced some interesting results in terms of demographics.

"We have 30 percent of the land, three in every 10 acres, owned by somebody over the age of 75," Duffy said. "I was surprised that number was not higher."

"At the other end of the spectrum, we are seeing more young people buying land, while the percentage of land owned by the midcareer age group has declined slightly."

Overall, 78 percent of Iowa farmland was owned without debt in 2012, up from 75 percent in 2007 and 62 percent in 1982. The amount of farmland held with a mortgage has remained fairly steady since 1982 while the percentage of land acquired on contract has steadily declined.

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