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Women Farm Landlords in the United States

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In this report. . . *Women who own and lease out farmland form a large proportion of farm landlords, yet their role in the farmland leasing market has been largely unexamined. Forty percent of private (that is, noncorporate and nonpublic) agricultural landlords are women, and they control 40 percent of the privately held farmland rented out. This report examines the extent of women's involvement in agricultural leasing, the characteristics of women landlords, and their participation in management decisions on their leased land. The report is based on the 1988 Agricultural Economics and Land Ownership Survey (AELOS), a follow-on to the 1987 Census of Agriculture and the latest data available.*

Since 1900, the percentage of agricultural land that is leased has consistently exceeded 30 percent. Leasing was previously viewed as a step toward full ownership. Since 1940, the importance of part ownership, combining owned and rented land in a farm operation, has increased. Farm operators use leasing to expand or contract the farm operation, to conserve limited capital for financing farm operations, to enhance management flexibility, and to reduce risk.

The continuing exodus from farming that began after the Depression has led to the aging of the farm population, as those leaving are not replaced by younger farm operators. And, because women often outlive their husbands, the number of women owning and leasing out farmland has been increasing.

The areas with the highest percentage of land leased out by women landlords are the traditional farming areas of the Midwest and the Plains. In the West South Central region, including Oklahoma, Texas, Louisiana, and Arkansas, women own 46 percent of all leased acres (table 1). In the New England region, including Maine, Vermont, New

Hampshire, Massachusetts, Rhode Island, and Connecticut, women landlords own only 22 percent of all leased-out farmland.

Female landlords are older and less involved in farming than male and joint ownership (usually a husband and wife) landlords. But women landlords depend more on farming and farm rent for their income. The average age for female landlords is 66 years, and 64 years for males. Thirty-four percent of women, compared with 31 percent of both men and joint ownership landlords, depend on farming and farm rent for more than a fourth of their income.

Most farm landlords lease out their land on a cash basis. But, women and joint ownership landlords are more likely than men landlords to share-lease their land. Thirty-one percent of women landlords lease their land under share or cash/share arrangements, compared with 27 percent of men landlords.

Table 1--Percentage of farmland leased out, by gender of landlord, 1988

Women landlords lease out twice as many acres as men in the West South Central region.

| Region | Women | Men | Joint |
|--------------------|---------|-----|-------|
| | Percent | | |
| Pacific | 33 | 27 | 40 |
| Mountain | 30 | 43 | 27 |
| West North Central | 40 | 28 | 32 |
| East North Central | 36 | 27 | 36 |
| West South Central | 46 | 23 | 31 |
| East South Central | 34 | 42 | 25 |
| New England | 22 | 40 | 39 |
| Middle Atlantic | 27 | 34 | 38 |
| South Atlantic | 38 | 40 | 22 |

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Importance of Agricultural Leasing

Land leasing plays a vital role in U.S. agriculture, allowing landlords to receive monetary returns from land they do not wish to operate, and allowing tenants to acquire use rights to land.

According to the Agricultural Economics and Land Ownership Survey (AELOS), a follow-on survey to the 1987 Census of Agriculture, 332 million acres of agricultural land were leased out to others by 1.5 million landowners under 1.9 million leases in 1988.

Leasing has always been an important part of U.S. agriculture. Since 1900, the percentage of agricultural land that is leased has consistently exceeded 30 percent (fig. 1). In 1988, 45 percent of agricultural land was leased, and 41 percent of all farmers operated at least some leased land.

The attitude toward leasing has changed over time. Before 1940, leasing was seen as a means of entering agriculture, a step on the ladder toward full farmland ownership. Most leasing involved full tenancy, in which farm operators leased all the land

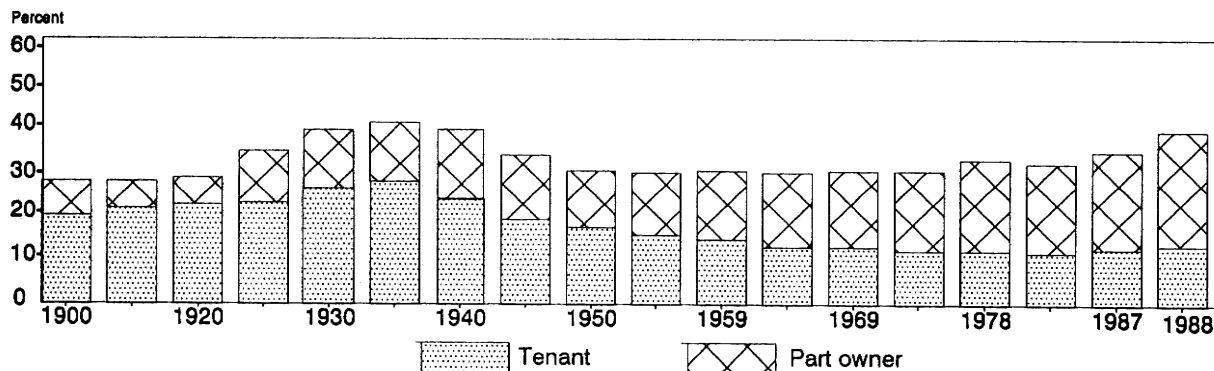
they operated. In 1940, full tenant operators made up 39 percent of all operators. By 1988, however, full tenants were only 12 percent of all operators and operated only 15 percent of the U.S. land in farms (fig. 2). Part owners, farmers who operate part and lease part of their land, have surpassed full tenants in terms of acres of land leased. In 1988, part owners operated 57 percent of all U.S. farmland, and 67 percent of leased farmland in the United States (figs. 1 and 2).

Leasing is no longer viewed only as a step toward full ownership, but is now perceived as an effective way to gain control of land resources. Leasing can be used to expand or contract the farm operation, to conserve limited capital for financing farm operations, to enhance management flexibility, and to reduce risk.

Figure 1

Total farmland leased, by tenure of operator, 1900-88

The share of farmland leased by tenant operators has been shrinking since 1935.

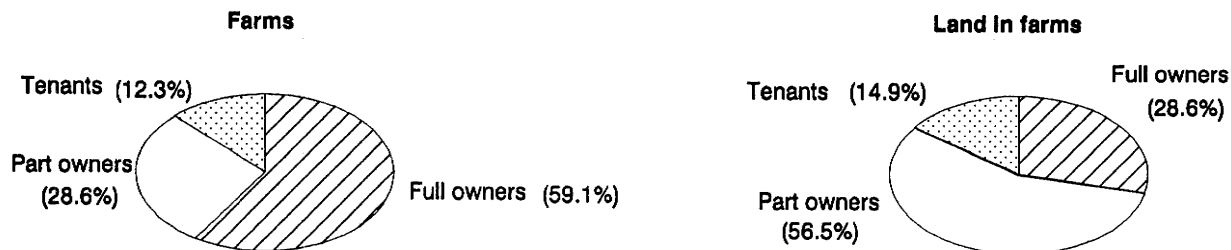


Sources: 1900-87: *Farmland Ownership and Renting in the United States, 1987*, Staff Report No. AGES 9130, U. S. Dept. Agr., Econ. Res. Serv.; 1988: 1987 Census of Agriculture Vol. 3, Part 2, AELOS, 1988.

Figure 2

Farms and land, by tenure of operator, 1988

Full owners operated more farms, but part owners operated most of the land in farms.



Agricultural Landlords

Farm landlords not actively engaged in farming own more than 90 percent of the 332 million acres of farmland leased out.

An agricultural landlord is defined as one who leases, or rents, farmland to others. Most of the farmland owners (85 percent) who lease land to others are individuals or families. These landowners lease out 68 percent of all acres and earn 73 percent of the total value of rent received (fig. 3). Nine percent of all landlords are partnerships. Corporations, both family- and nonfamily-held, make up only 4 percent of owners who lease out land to others. However, these corporations lease out 17 percent of all acres leased to others and earn 11 percent of the total value of rent received.

Other organization types that own and lease farmland include trust or estate forms of ownership, lawsuit judgements, and foreclosures. These other landowners constitute only about 3 percent of all owners and 5 percent of the acres leased to others.

AELOS classified landowners into individual/family, partnership, corporate, and others. The survey provides personal characteristics of individual/family and partnership owners, who constitute 94 percent of

all owners who lease out land. Forty percent of this group of landlords are women.

Excluding "other" owners, which are Federal and State, Indian reservations, railroad, and institutional, there are 2.95 million owners of agricultural land in the United States. One and a half million of these agricultural landowners lease 332 million acres of farmland to others under 1.9 million leases. More than 90 percent of this land is leased out by nonoperating owners.

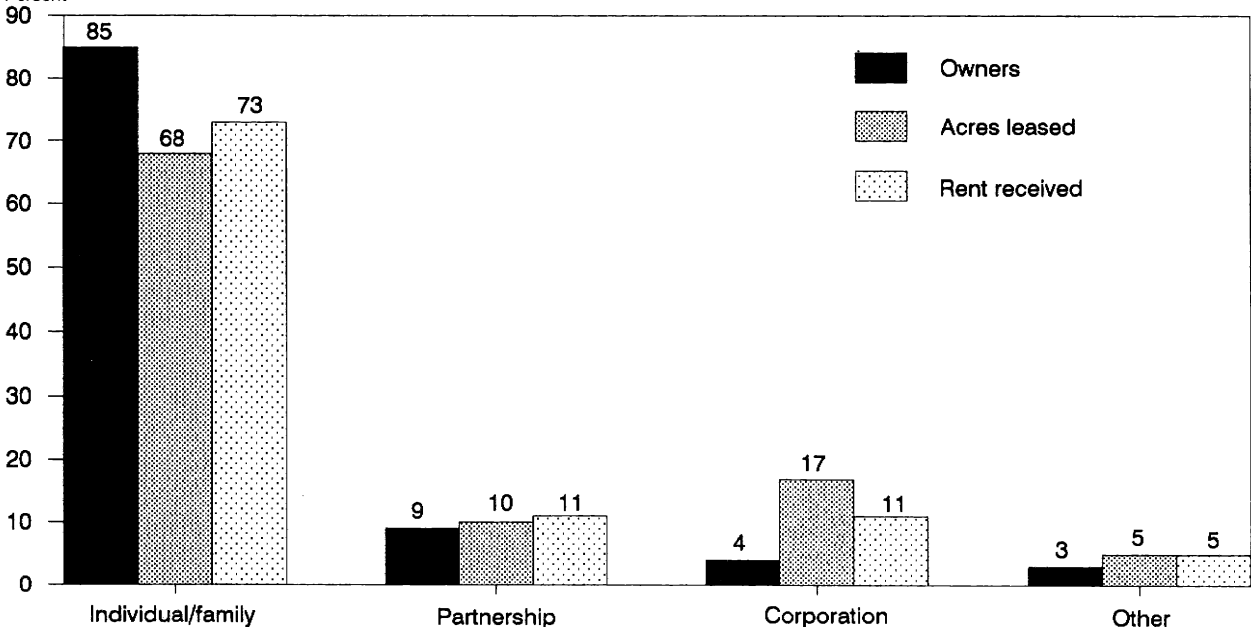
Nonoperator owners do not operate any of the land they own; they lease out all or part of this land. Nonoperator owners own 338 million acres, of which they lease out 229 million acres under 1.7 million leases to others. The difference (39 million acres, or 11 percent of leased U.S. farmland) between what is owned and what is rented out is used for nonagricultural purposes or simply held by the owner but not used. Owner operators own all the land they operate but may lease part of their land to others. They own 495 million acres, of which 33 million acres are leased to others.

Figure 3

Share of leased farmland, by ownership, acres leased, and rent received, 1988

Most farm owners who lease land to others are individuals or families.

Percent



Women Farm Landlords

Women constitute the largest group of agricultural landlords in the United States.

Until recently, lack of available data has limited research on women in agriculture. As a result, knowledge of women's contributions to the agricultural sector--as farmworkers, operators, managers, and landlords--is only recently being documented (Flora; Kalbacher; Bentley and Sachs).

The continuing exodus from farming that began after the Depression has resulted in the aging of the remaining farm population, as younger farm operators are not replacing those leaving. Because women often outlive their husbands, the number of women owning farmland keeps growing. Many of these women do not choose to operate this land.

As a result, women have become an increasingly important force in the farmland leasing market. Forty percent of individual/family and partnership landlords are women, 31 percent are men, and 29 percent are joint (male and female) landlords. Women control a large part of the land in the rental market--40 percent of the land rented to others by individual/family and partnership landlords (table 2). These numbers are expected to increase as the farm population continues to age.

Table 2--Individual/family and partnership landlords, by gender, 1988

Women constitute the largest group of U.S. agricultural landlords and own an equal share of all leased U.S. farmland.

| Gender | Landlord | Share of U.S. farmland leased |
|--------|----------|-------------------------------|
| | | <i>Percent</i> |
| Women | 40 | 40 |
| Men | 31 | 31 |
| Joint | 29 | 29 |

Regional Patterns

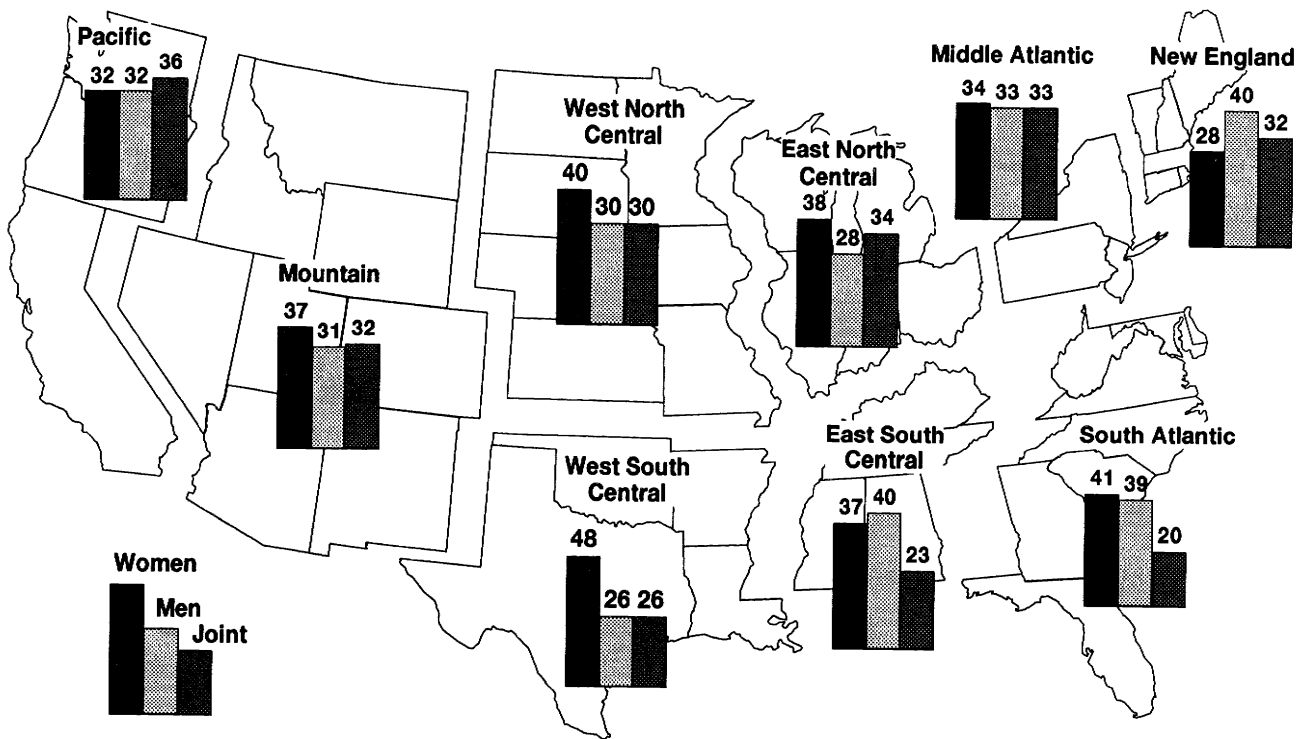
Though women landlords control a large part of the rented land in the United States, there is a great deal of variation by region.

The areas with the highest percentage of land leased out by women landlords are the traditional farming areas of the Midwest and Plains. The share of women landlords varies by region, from 28 percent in New England to 48 percent in the West

South Central region (fig. 4). The share of total acres leased out by women landlords ranges from 22 percent in New England to 46 percent in the West South Central region.

Figure 4
U.S. farm landlords, by gender, 1988

The percentage of women farm landlords varies by region.



Similarities and Differences Between Men and Women Farm Landlords

Female landlords are older and less involved in farming than male and joint landlords, but depend more on farming and farm rent for their income.

Most farm landlords, both male and female, are not farm operators. Nine percent of male farm landlords operate farms, compared with 7 percent of female landlords and 10 percent of joint landlords (most likely, in this group, the husband's occupational status is reported). Farm operators as a group are younger than farm landlords because many farm landlords are retired. More women than men are retired from farming, 29 percent for women, compared with 26 percent for men and 24 percent for joint landlords (fig. 5). Age appears to be the major factor explaining this difference. Female landlords are older on average (66 years) than male landlords (64 years) (table 3). More women than men or joint landlords are retired or out of the labor force, regardless of previous occupation.

Although equal proportions of women and other landlords have farm backgrounds, only 43 percent of women landlords live on a farm (fig. 6). Half of male and joint landlords live on a farm.

Although women landlords are more likely to be out of the labor force and are less involved in farming, they also depend more on farm income than do male or joint landlords (fig. 7). Twenty percent of all landlords receive more than half of their income from farming and farm rent. Thirty-four percent of women, compared with 31 percent each of male and joint landlords, depend on farming and farm rent for more than a quarter of their income.

The racial composition of the farm landlord population is overwhelmingly white, at more than 98 percent. African Americans are the largest racial minority among farm landlords. Their small numbers overall are a reflection of the very rapid decline in African American farmland ownership over the past 3 decades. Though they are a small percentage of the total number of farm landlords, there are twice as many African Americans among female landlords than among male landlords. A smaller number of joint landlords are African Americans.

Table 3 -- Farm landlord characteristics, 1988

Women farm landlords are older on average than their male counterparts.

| Characteristics | Women | Men | Joint |
|------------------|----------------|------|-------|
| | <i>Years</i> | | |
| Average age | 66 | 64 | 62 |
| | <i>Percent</i> | | |
| White | 97.9 | 98.5 | 98.9 |
| African American | 1.7 | 1.1 | .5 |
| Other | .4 | .4 | .6 |

Figure 5

Primary occupation of farm landlords, by gender, 1988

Most farm landlords are not farm operators.

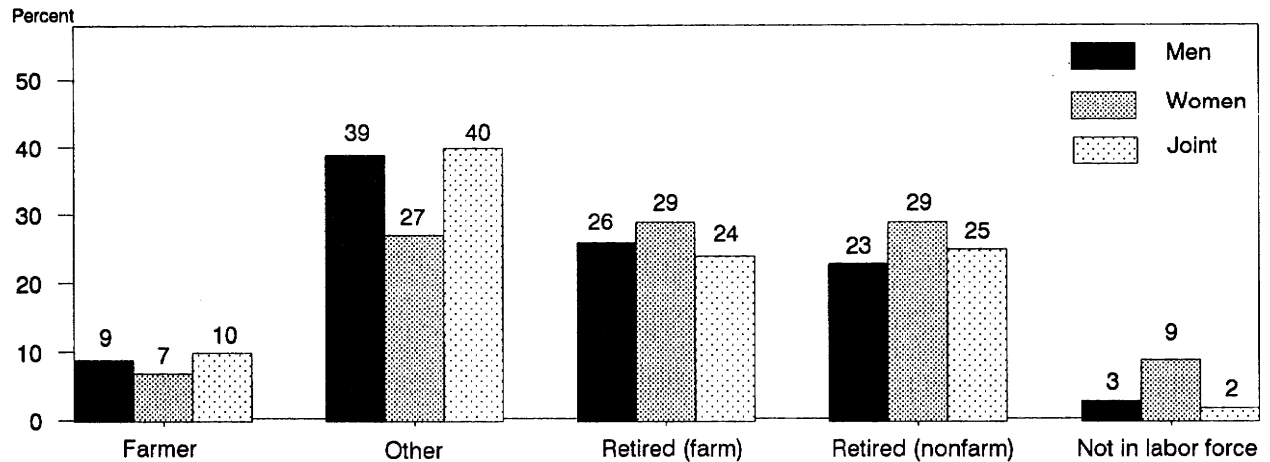


Figure 6

Residence of farm landlords, by gender, 1988

More women farm landlords live off the farm.

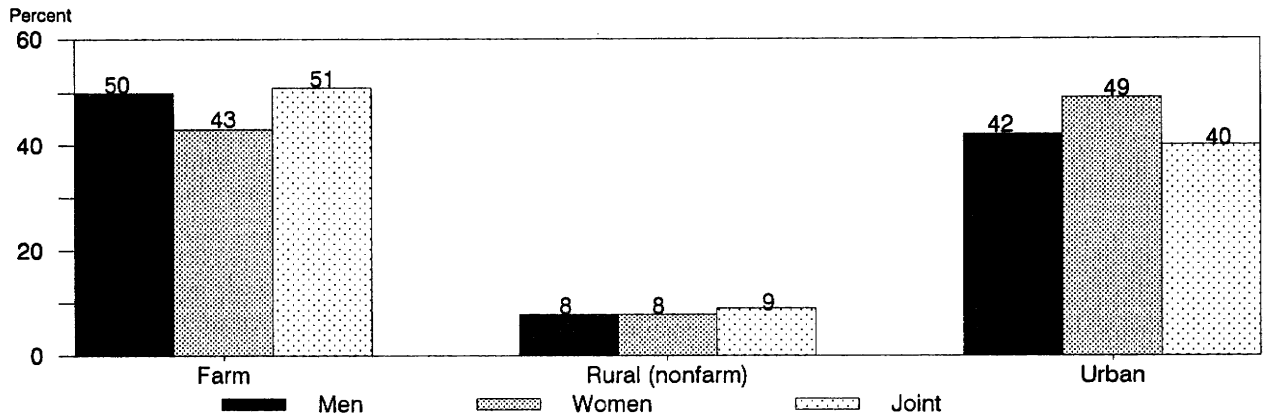
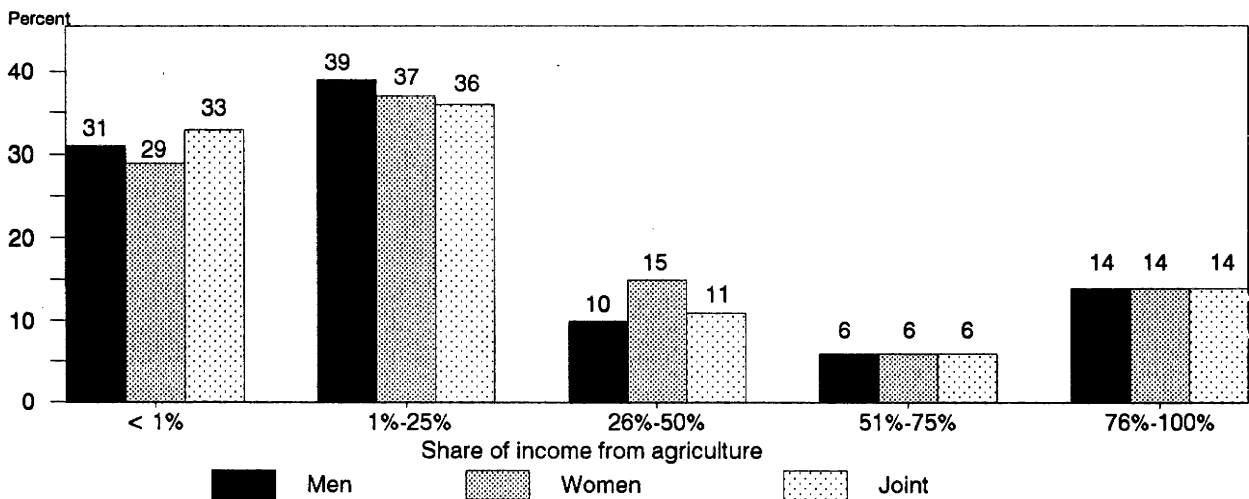


Figure 7

Farm landlords' income from agriculture, by gender of landlord, 1988

Women farm landlords are more likely than men to earn more than 25 percent of their income from agriculture.



Landlord Participation in Management Decisions

Women landlords are less likely to make management decisions, either alone or jointly with the tenant, than are male landlords.

Leasing can have long-term implications for land stewardship. Renters may be less willing than owners to make long-term land-improving or soil-conserving investments, especially if their future tenure is uncertain or if they are not compensated in some way for the cost of the improvements. Owners can encourage the maintenance of land productivity over the long term by requiring tenants to make investments, or by personally exercising control over the leased land by participating in farm management decisions.

Studies suggest that landlord participation in the management of the land they lease to others has declined in recent years (Baron). Nonoperator landlords, now almost 90 percent of all landlords, are more likely to have neither the experience nor the interest in farming that is necessary for active management participation.

AELOS asked landlords to indicate whether the following five management decisions were made by the landlord, the tenant, or were shared: selection of fertilizer and chemicals, cultivation practices, selection of crop variety or livestock breed, harvesting decisions, and marketing of agricultural products. There is little variation in the division of decisionmaking responsibility between the first four management decisions. These decisions were made in 7-8 percent of leasing arrangements by the

landlord alone, in 77-82 percent by the tenant alone, and in 11-15 percent jointly by the landlord and tenant. The division of decisionmaking responsibility for the marketing of agricultural products differs from other decisions. Marketing decisions were made with more participation by the landlord and less sole decisionmaking responsibility assumed by the tenant.

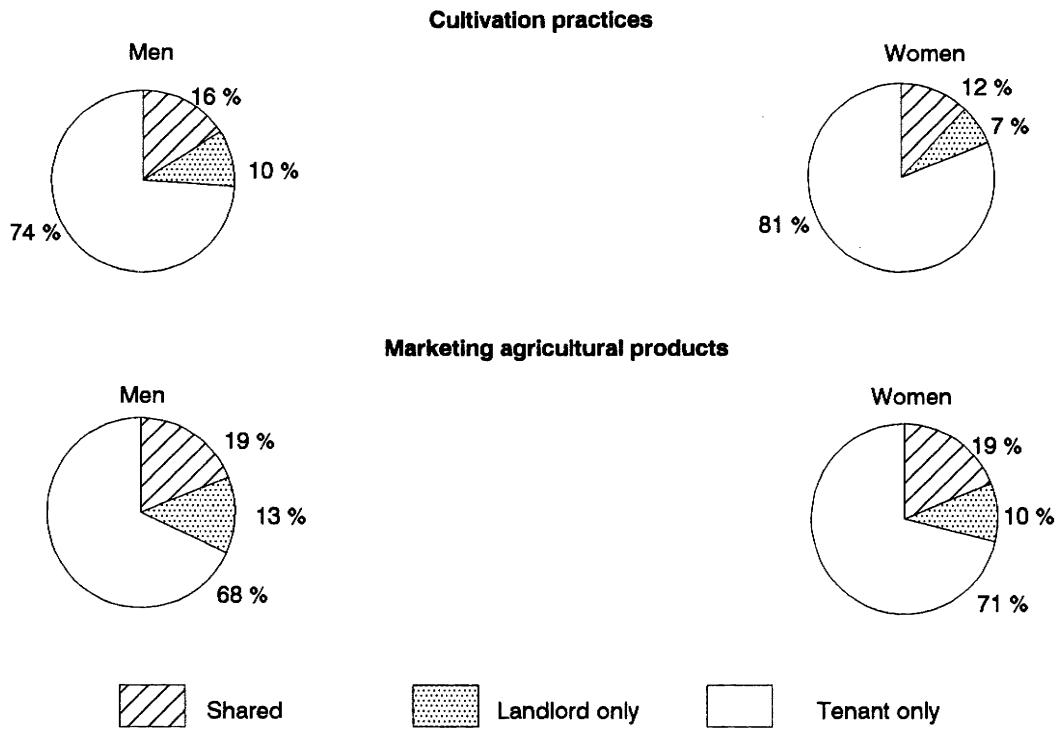
The level of landlord participation in management decisions varies by landlord characteristics. An important characteristic is gender. The data from AELOS indicate that women landlords are less likely to make management decisions, either alone or jointly with the tenant, than are male landlords (fig. 8). This apparent gender difference may be masking the effects of other factors, such as age and agricultural experience, that differ by gender.

Although differences between men and women landlords' involvement in management decisions have not been examined previously, similar studies of farm women's decisionmaking role on the farm have been conducted. These studies have found that farm women are less involved in management decisionmaking than are farm men, and that their level of involvement is a function of their work role on the farm (Jones and Rosenfeld; Sawyer; Wilkening and Bharadwaj). These differences between farm men and women cannot be explained by age or experience in agriculture.

Figure 8

Landlord participation in selected management decisions, by gender of landlord, 1988

Women landlords are less likely than men to make production management decisions on their farmland.



Types of Leasing Arrangements

Most farm landlords lease their land on a cash basis. The type of lease chosen differs between male and female landlords.

Average landholdings of women farm landlords are similar to those of men farm landlords--227 and 225 acres owned--and both male and female landowners who lease land to others lease out the majority of their land. Joint landlords own an average of 299 acres and lease out a smaller percentage of their land than do either male or female landlords.

Most farm landlords lease their land on a cash basis. Under a cash lease, the tenant makes a fixed cash payment per acre and assumes all the risk associated with fluctuations in the level of output and price. Share leases are also commonly used. In a share lease arrangement, the payment is made in kind; that is, the tenant pays the landlord a share of the crop. The landlord shares the risk because the rent varies directly with the level of price and output. Share leases typically allow for greater participation by the landlord in the management of the farm operation, and for the sharing of expenses between landlord and tenant.

There is some difference in the types of leases used by male and female landlords (fig. 9). Sixty-nine percent of male landlords lease out their land for cash, compared with 65 percent of female landlords

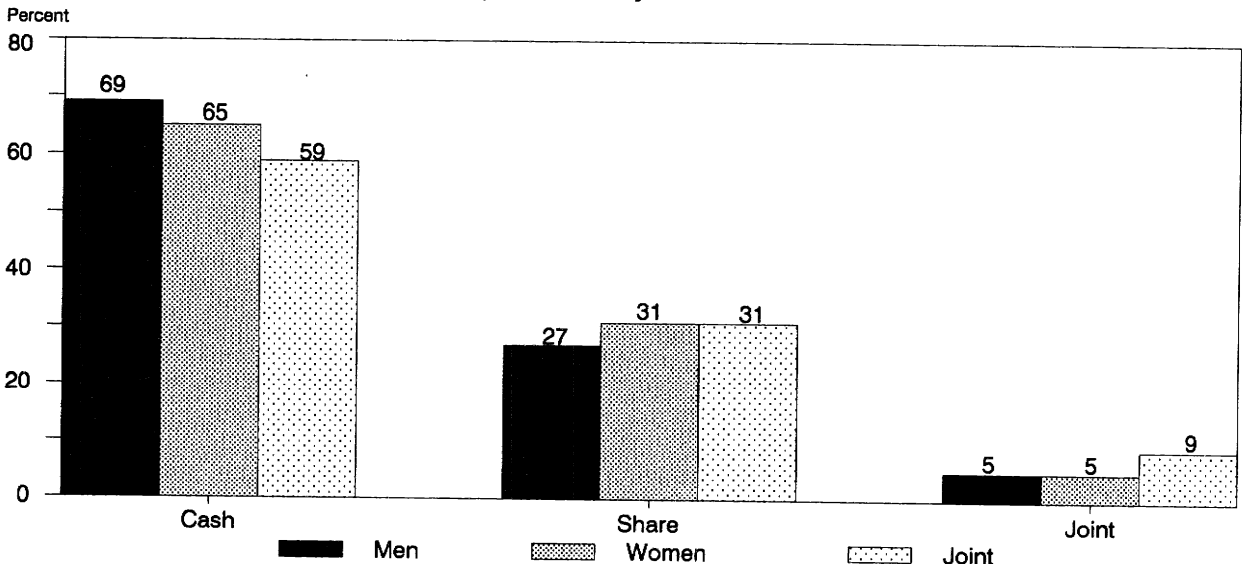
and 60 percent of joint landlords. Thirty-one percent of female and joint landlords and 27 percent of male landlords use share contracts or cash/share contracts. Joint landlords are more likely than male or female landlords to lease out their land under more than one type of lease or to lease under some other arrangement (rent-free or in exchange, for example).

Although the differences are small, it is somewhat surprising to find that more women than men lease out land on shares. One might expect female landlords to use cash leases more often, given that share leases generally involve more negotiation, owner supervision, and coordination than cash leasing. Women's reasons for using share leases may have more to do with sharing the risks of farming and ensuring that land stays within the family. Though AELOS did not include a question on the relationship of landlord to tenant, the 1979 Farm Finance Survey indicated that 31 percent of landlords are related to at least one of their renters. Use of a particular lease type may be more related to either the region, physical factors such as soil type, or the crop grown, rather than to the gender of the landlord.

Figure 9

Type of farmland lease, by gender of landlord, 1988

Both men and women farm landlords predominately use cash leases.



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For more information . . .

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