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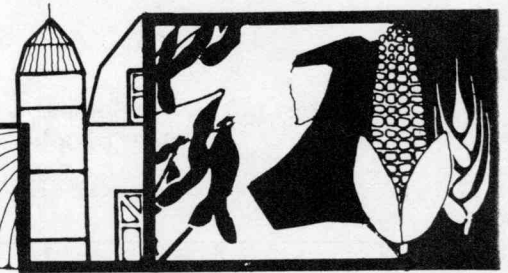
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NEW INSIGHT INTO LAND OWNERSHIP was released recently in a USDA report entitled *Who Owns the Land*. The report summarizes the preliminary findings from a 1978 survey of over 37,000 individuals, partnerships, and corporations on land ownership in both rural and—with some qualifications—urban areas. The report notes that about 40 percent of the U.S. land area of 2.3 billion acres is owned by some form of government. The remaining 60 percent is privately owned.

About 70 percent of all privately held land (excluding that in Alaska, where land is virtually all government-owned) represents farm and ranch land. About 37 percent of the farm and ranch land is owned by sole proprietors. Another 37 percent of the land is owned jointly by a husband and wife. Family partnerships and family corporations owned an additional 18 percent of farm and ranch land. Other corporations and partnerships own a little over 4 percent, as do other miscellaneous forms of ownership. In the Corn Belt and Great Lakes states, a greater proportion of the farm and ranch land is owned jointly by husbands and wives—about 50 percent—and a smaller proportion—about 10 percent—is owned by family partnerships and corporations.

The privately held farm and ranch land is distributed among 6.2 million ownership units. A few units with large holdings, however, account for the bulk of the land. Nationwide, a little over half the farm and ranch land is owned by the largest 5 percent of the ownership units. The minimum holdings among these units is just under 500 acres. At the other extreme, owners of less than 100 acres of farm and ranch land account for 72 percent of the ownership units but only 14 percent of the farm and ranch land. In the Lake states and Corn Belt, about a fourth of the farmland is owned by the largest 5 percent of the ownership units. In the other eight geographic regions, the proportion of acreage held by the largest 5 percent of the owners ranges from 32 percent in the Northern Plains to 70 percent in the Pacific states.

Of the farm and ranch land not owned by corporations and large partnerships, 56 percent is owned by individuals or principals whose main occupation is farming. Another 17 percent is owned by retired people. Individuals and principals employed in white collar oc-

Distribution of privately held land by type of owner

	All land	Farm and ranch land		
		United States	Corn Belt*	Lake states**
(percent of acres)				
Sole proprietor	34.6	36.6	35.2	36.7
Husband-wife	33.6	37.3	47.3	51.4
Family partnership	10.8	12.2	9.1	7.1
Family corporation	5.1	6.1	2.8	1.8
Nonfamily partnership	2.2	1.9	1.1	.6
Nonfamily corporation	9.5	2.4	1.0	1.2
Miscellaneous	4.2	3.5	3.5	1.2
	100.0	100.0	100.0	100.0

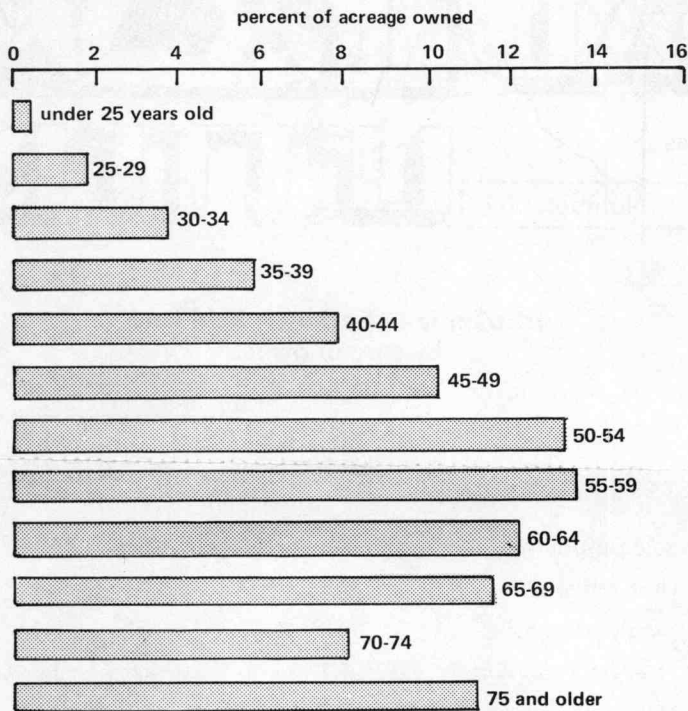
* Illinois, Indiana, Iowa, Missouri, and Ohio.

** Michigan, Minnesota, and Wisconsin.

cupations own 14 percent of the farm and ranch land, while landowners with blue collar jobs account for 8 percent. In Lake states, almost 60 percent of the farm land is owned by farmers, but in the Corn Belt, farmers own less than half of the farm land. Retired people own nearly 23 percent of the farmland in the Corn Belt and about 16 percent of the farmland in the Lake states.

The report also discloses other characteristics of landowners—including age, method and timing of acquisition, and residence—but the preliminary findings focus on all privately held land rather than a breakdown for farm and ranch land. Individuals and principal owners 65 or older account for 23 percent of all landowners and own 31 percent of the privately held land not owned by corporations and large partnerships. Those 50 to 64 years old account for another 34 percent of the ownership units and own 39 percent of the land. At the other extreme, people under 35 represent 16 percent of the landowners and own just 6 percent of the land. The distribution of acres owned by age of owner in the Corn Belt closely parallels that for the entire United States, but in the Lake states, younger owners account for a slightly larger proportion of the land.

Most privately held land is owned by older people



SOURCE: USDA Landownership Survey.

Three-fifths of the privately held land was purchased from someone other than a relative. Inheritances and purchases from relatives, in about equal proportions, together accounted for another 35 percent of the acreage. About 29 percent of the privately held land was purchased in the past nine years and another 26 percent was purchased during the sixties. About 18 percent was purchased during the fifties, 13 percent during the forties, and 15 percent was purchased before 1940. A slightly larger proportion of the privately held land in the Corn Belt and Lake states (59 percent against 54 percent nationwide) has been owned by the present owner since the beginning of the sixties.

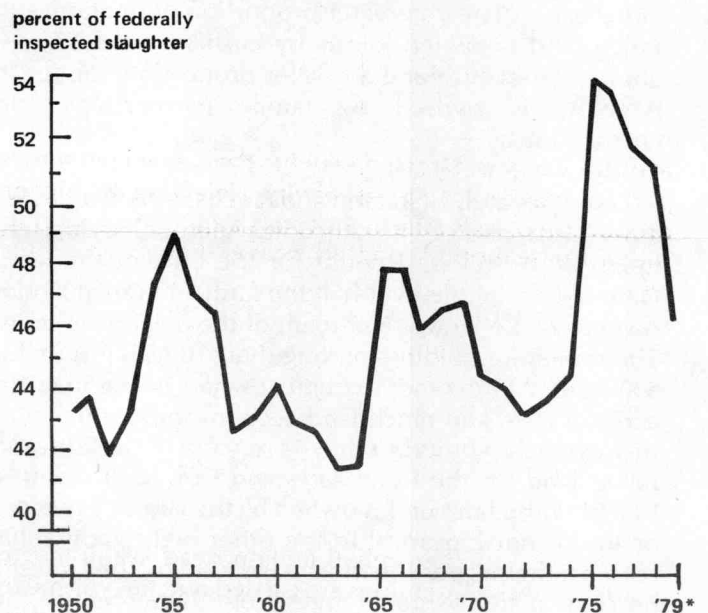
Individuals and principals with eight or fewer years of education own a fifth of the privately held land and represent a fifth of the land ownership units. Those with some high school education own 44 percent of the land and represent a like proportion of the ownership units. At the other extreme, those with 16 years or more of education own a fifth of the privately held land and represent about the same proportion of ownership units. In general, landowners in the Corn Belt and Lake states have had less education than their counterparts in other areas of the country.

Gary L. Benjamin
Agricultural Economist

CATTLE ON FEED INVENTORIES remain below the year-earlier level, continuing the downtrend begun in last year's fourth quarter. According to the USDA, cattle on feed in the 23 major feeding states numbered 9.9 million head on October 1. Down 12.5 percent from a year earlier, that was the smallest number on feed in two years. Reduced supplies of feeder cattle and retention of heifers for herd rebuilding have contributed to the decline in feedlot activity. Last year marked the fourth consecutive year of a reduced calf crop. At 43.8 million head, that was the smallest crop since 1967. Estimates of this year's crop indicate a further drop of 1 percent is expected. This, coupled with the rebuilding of breeding herds suggests feedlot inventories may continue below year-earlier levels for the next several months.

Substantial declines in inventories were evident for most categories of cattle on feed, with the exception of heavier weight cattle. The inventory of steers on October 1 was down 11 percent from a year ago. The inventory of steers 900 pounds and over, however, was down only 1 percent, while the inventory of steers under 700 pounds was down 23 percent. The number of heifers and cows in feedlots on October 1 was 16 percent below a year earlier and 21 percent below the record level on July 1, 1978. However, as was the case with steers, the inventory of heifers 900 pounds and over was down 1 percent while those in the 700 pounds and under category were down 23 percent.

Cow and heifer slaughter sharply below levels of recent years

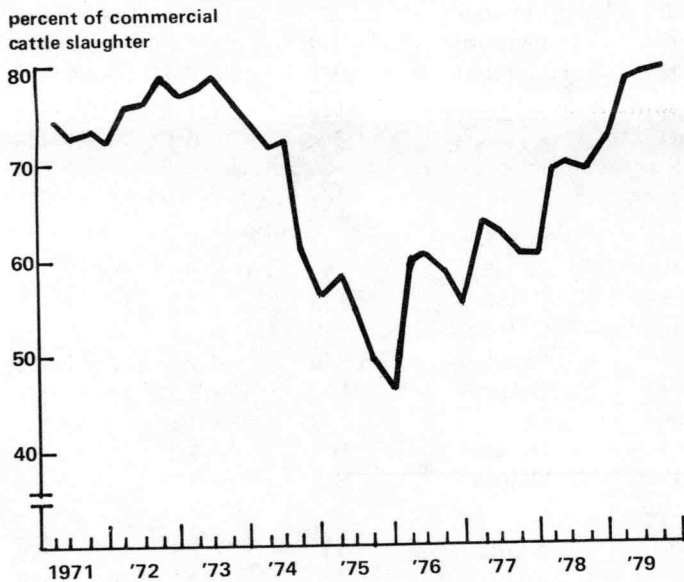


*Estimate based on data for nine months.

Placements of cattle on feed in the third quarter totaled just under 6 million head, down 19 percent from the same period last year. The three biggest cattle feeding states (Texas, Nebraska, and Kansas) accounted

for more than half the decline. Seventh District states generally followed the cutback nationwide with July-September placements down 15 percent. Wisconsin and Michigan, the two smallest feeding states in the district, however, deviated sharply from the district's overall performance. Wisconsin was the only district state—and one of only two among the 23 major states—to have placements higher than in the third quarter last year. Michigan, on the other hand, paced the reduction in district states, cutting placements nearly a third.

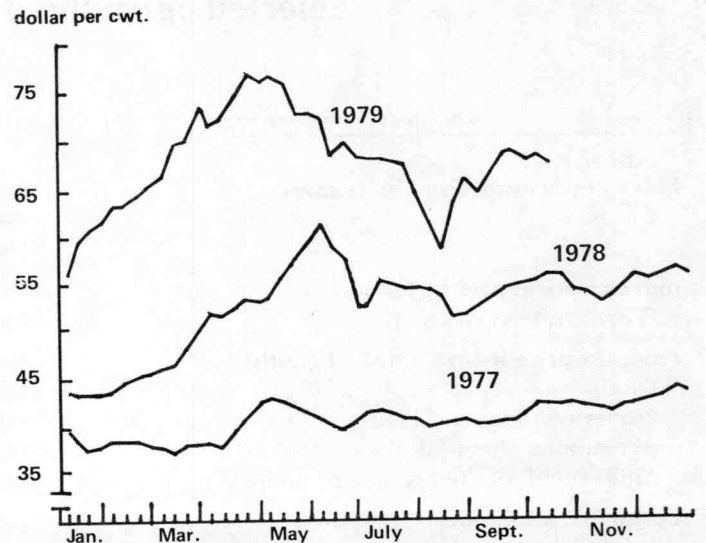
Fed cattle will account for record share of total slaughter in 1979



Cattle slaughter in the first nine months of 1979 was down 16 percent from last year. Total beef supplies, however, were down only 12 percent due to the heavier average weights. Dressed weights have averaged 4 to 5 percent heavier than a year earlier, reflecting the higher proportion of fed cattle in the total slaughter mix. During the first nine months, nonfed steer and heifer slaughter was down more than 75 percent from the year-earlier level and cow slaughter was down more than a third. Fed cattle slaughter was down only 5 percent. For all of this year, fed cattle will account for a record 79 to 80 percent of total commercial slaughter.

In light of the smaller feedlot inventories, marketings of fed cattle are likely to average below year-earlier levels for some time yet. Cattle feeders reported intentions to market only 6 million head in the fourth quarter. If these intentions are carried out, this will mean an 11 percent drop from a year ago and the smallest October-December marketings in three years. The USDA projects fourth-quarter beef production will average 16-18 percent below a year earlier. Most observers expect fed cattle marketings to continue below year-ago levels during the early months of 1980. Despite the seasonal increase from the fourth-quarter

Choice steer prices at Omaha



level, the USDA expects a year-to-year decline of 3 percent in the January-March beef supplies.

Choice steer prices at Omaha averaged \$66 per hundredweight this summer, well below this year's peak of \$75 per hundredweight in April. While this was still more than a fifth higher than a year earlier, some cattle feeders were suffering losses on recent marketings. Moreover, many of the 650-pound feeder cattle bought at the high April prices are just now reaching the finishing stage. If prices average in the mid to upper \$60s, losses will continue to mount on fourth-quarter marketings.

Prospects for higher cattle prices appear reasonably good because of the likelihood of continued large year-to-year declines in beef production. Many analysts expect cattle prices will move to the high \$60s by the end of this year and to the low \$70s early next year. However, large pork and poultry supplies, a high rate of general price inflation and the possibility of a recessionary downturn may undermine consumer beef demand and limit any further gains in cattle prices.

The outlook for cattle feeders is somewhat pessimistic if higher cattle prices fail to materialize. Feed supplies are plentiful, but feed costs are not expected to fall sharply because of the grain reserve program and prospects for heavy domestic feed utilization and increased exports of grains and soybeans. Tight credit availability and record interest rates will no doubt temper some feedlot activity as it increases operating costs. There have been wider-than-normal basis differences in regional prices of cattle and grains this year. This suggests that there could be some regional differences in feedlot activity in coming months aside from the variation that normally occurs because of differing costs associated with individual operations.

Don A. Langford
Agricultural Economist

Selected agricultural economic developments

Subject	Unit	Latest period	Value	Percent change from	
				Prior period	Year ago
Index of prices received by farmers	1967=100	October	236	- 2.1	+ 8
Crops	1967=100	October	222	- 1.3	+10
Livestock	1967=100	October	248	- 2.7	+ 7
Index of prices paid by farmers	1967=100	October	256	+ 0.8	+14
Production items	1967=100	October	255	+ 0.8	+15
Producer price index* (finished goods)	1967=100	October	224	+ 1.5	+12
Foods	1967=100	October	227	- 0.5	+ 7
Processed foods and feeds	1967=100	October	225	- 0.4	+ 8
Agricultural chemicals	1967=100	October	224	+ 2.7	+10
Agricultural machinery and equipment	1967=100	October	239	+ 0.9	+ 9
Consumer price index** (all items)	1967=100	September	223	+ 1.0	+12
Food at home	1967=100	September	235	+ 0.3	+10
Cash prices received by farmers					
Corn	dol. per bu.	October	2.42	- 3.6	+23
Soybeans	dol. per bu.	October	6.21	- 8.8	- 8
Wheat	dol. per bu.	October	3.90	+ 0.8	+30
Sorghum	dol. per cwt.	October	4.03	- 5.0	+20
Oats	dol. per bu.	October	1.30	- 0.8	+20
Steers and heifers	dol. per cwt.	October	68.70	- 2.8	+22
Hogs	dol. per cwt.	October	34.00	- 9.3	-33
Milk, all sold to plants	dol. per cwt.	October	12.60	+ 1.6	+12
Broilers	cents per lb.	October	21.1	- 9.8	-14
Eggs	cents per doz.	October	52.2	- 4.7	- 1
Income (seasonally adjusted annual rate)					
Cash receipts from farm marketings	bil. dol.	3rd Quarter	130	- 0.8	+19
Net realized farm income	bil. dol.	3rd Quarter	27	-19.7	+ 8
Nonagricultural personal income	bil. dol.	September	1,909	+ 0.7	+11

*Formerly called wholesale price index.

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