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ECONOMICS
INFORMATION
REPORT

NORTH CAROLINA LANDOWNERSHIP DATA

LEON E. DANIELSON

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NORTH CAROLINA LANDOWNERSHIP DATA

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Department of Economics and Business
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ABSTRACT

This publication presents selected data from the 1978 ESCS Landownership Survey on the structure of agriculture in the United States, the South and North Carolina in cases where the pattern of landownership is closely intertwined with land use and land-use policy. Comparisons are made between geographical regions and major differences are noted. One of the most striking differences is the large percentage of farmland that is owned by nonfarmers in North Carolina and the South relative to the rest of the United States.

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NORTH CAROLINA LANDOWNERSHIP DATA

INTRODUCTION

Since the early 1970's when prices of grain, food and land began to rise rapidly, there has been concern over land-use issues such as adequacy of the food supply, foreign ownership of farmland, whether the United States is running out of farmland, and whether nonfarm development in rural areas poses a threat to farm operators. Policies that have been developed across the United States at the state and local level to address these concerns include use-value taxation, exclusive agricultural zoning, tax circuit breakers, agricultural districts, purchase of development rights and the requirement that foreign-owned farmland be registered.

The purpose of this publication is to present recently available data on farmland ownership in the United States, the South and North Carolina. The data selected for inclusion are especially relevant for evaluating land-use issues and policies.

DATA SOURCE

The source of most of the data presented in this report is the 1978 Landownership Survey conducted by the Economics, Statistics and Cooperatives Service (ESCS)[1] of the United States Department of

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[1]Now called the Economics and Statistics Service.

Agriculture. The Landownership Survey was the second part of the Resource Economics Survey, a 12-part package designed to obtain a wide variety of information on land resources in the United States. The first part of the Resource Economics Survey, called the 1977 National Resource Inventory, concentrated on the use and quality of the land. The 1978 Landownership Survey focused upon characteristics of the landowners such as age, occupation, income and education.

It is important to note that the data for the Landownership Survey were obtained by first defining the land use, such as farming, residential or commercial, and then determining the landowner and landowner characteristics. In contrast, the Census of Agriculture, which provides similar information, starts with and asks questions of all farm operators. Hence, the two data sets provide information which are not directly comparable and which may not agree. Lack of agreement does not indicate incorrectness but rather the different procedures used.

General results of the Landownership Survey are available for the United States and for regional groupings by farm production region in J. Lewis [1980], and for the South (as defined by the U.S. Census) in D. Lewis [1980]. However, for this study, states were grouped differently to provide more meaningful comparisons with state data for North Carolina. States included in the"South" category are: Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana and Arkansas. Florida, Texas and Oklahoma, normally included in definitions of "South," are excluded here because their agriculture differs greatly and would therefore provide less meaningful comparisons.

LANDOWNERSHIP DATA

The land area of the United States contains about 2.3 billion acres. In 1978, about 40 percent of this land was owned by federal, state and local governments for uses such as roads, parks, forests, western rangelands and public buildings (Figure 1). The federal government held 762 million acres and state and local governments held 136 million acres (J. Lewis, 1980, p. 3). Two percent is owned by, or held in trust for, American Indians. The remaining 58 percent

is privately owned. It is this latter category, the 1.35 billion acres of privately held land, that is the focus of the national landownership survey. The survey found that of all land held privately, 938 million acres are farm and ranch land, while the remainder is in residential, commercial, industrial, forest and similar nonfarm uses.

The 1977 National Resource Inventory estimated that the land area of North Carolina contains about 31.3 million acres. Of this, 2.0 million acres are owned by the federal government, 0.1 million acres are owned by Indian tribes, 0.5 million acres are owned by state and local governments, and 25.7 million acres are privately owned. Ownership was unknown for 3.0 million acres (Figure 2). The ESCS Landownership Survey was concerned with a total land area of 29.1 million acres in North Carolina which closely approximates the sum of private and unknown acreage (28.7 million acres) of the 1977 National Resource Inventory for North Carolina.

Form of Ownership: All Private Land[2]

Individuals and individual family units (sole owner, family ownership, family partnership and family corporation categories) comprise 31.8 million (94 percent) of the 33.7 million ownership units in the United States and own 82 percent of all private land (Table 1). Many of these tracts are homesites on small lots in cities, suburbs and rural areas. Their average size (farm and nonfarm tracts combined) is 40 acres for the United States, 30 acres for the South, and slightly under 17 acres for North Carolina. A lesser percentage of private land is owned by individuals and individual family units in the South and in North Carolina than in the nation. These groups own 78 and 80 percent of all private land in these regions, respectively, compared to 82 percent for the nation as a whole. Large corporate forestry firms are attracted to the South because of the rapid growth of pine for pulpwood. Perhaps

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[2]This section, the section on acreage by type use (Table 3) and the section on land value per acre (Table 4) include data on nonfarm use of land. All remaining sections provide data only for farmland.

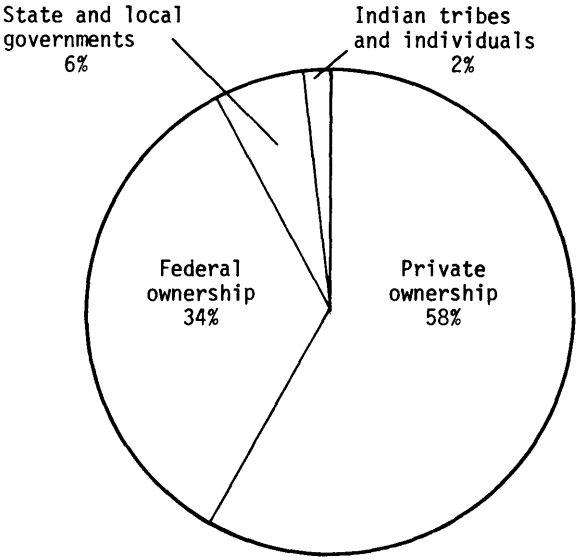

Figure 1. Ownership of U.S. Land, 1978: United States

Source: J. Lewis (1980).

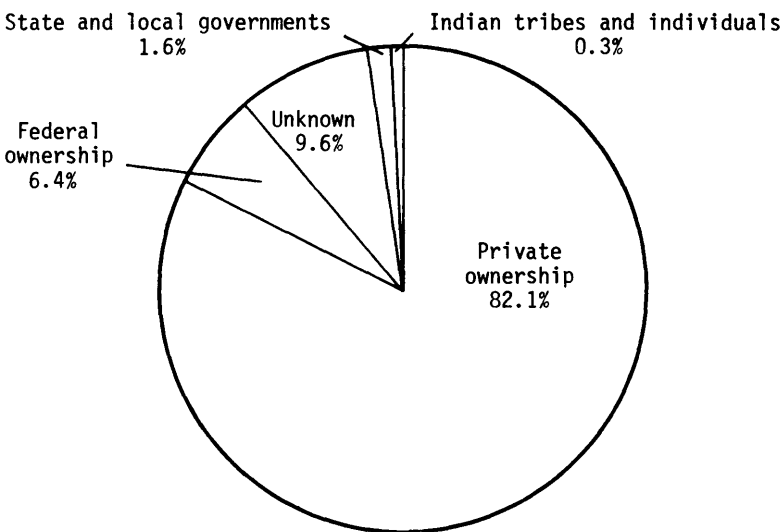

Figure 2. Ownership of Land, 1977: North Carolina

Source: 1977 North Carolina National Resource Inventory, Soil Conservation Service, USDA, Washington, D.C.

Table 1. Type of Ownership: All land; United States,[a] South,[b] and North Carolina

Type of owner	United States			South	North Carolina
	Ownership units	Acres owned		Acres owned	Acres owned
	Millions	Millions	Percent	Percent	Percent
Individuals, family units	31.8	1,113	82.6	77.9	79.6
Sole owner	15.0	458	34.0	39.6	33.3
Family ownership	15.4	435	32.3	24.4	33.8
Family partnership	1.1	143	10.6	10.3	9.9
Family corporation	0.3	77	5.7	3.6	2.6
Nonfamily units	1.9	235	17.4	22.1	20.4
Nonfamily partnership	0.3	30	2.2	1.8	2.2
Nonfamily corporation	0.9	151	11.2	16.2	13.6
Miscellaneous	0.7	54	4.0	4.1	4.6
Total	33.7	1,348	100.0	100.0	100.0

[a]Excludes Alaska.

[b]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana and Arkansas.

Source: 1978 ESCS Landownership Survey.

reflecting the importance of corporate forestry, nonfamily corporations own 16 percent of the private land in the South, nearly 14 percent in North Carolina and only 11 percent in the United States (Table 1).

Form of Ownership: All Farm and Ranch Land

Individuals and individual family units comprise 6.5 million (94 percent) of the nation's 6.9 million farm and ranch land ownership units and they own over 90 percent of the farm and ranch land in the United States (Table 2). Nonfamily groups constitute the remaining 6 percent of farm and ranch land ownership units and they hold nearly 10 percent of the nation's farm and ranch land. In North Carolina and the South individuals and family units hold slightly more farm and ranch land than in the nation as a whole (92 percent). Nonfamily groups hold a lesser percentage of farm and ranch land than all land, probably due to large holdings of forest land that is not included in farm and ranch land.

Size of Farmland Holdings

In 1978, 6.9 million owner-units held 938 million acres of farm and ranch land in the United States (Table 2) for an average size holding of 136 acres. The average size holding of farm and ranch land in the South was 65 acres (147 million acres farmland divided by 2,243,000 ownership units) and in North Carolina it was 42 acres (18,240 acres farmland divided by 428,000 ownership units). The high average-sized farm in the United States is mainly due to large farms in the West. In North Carolina diversified agriculture and the historic importance of labor intensive enterprises such as tobacco contribute to smaller farms.

The 1978 U.S. Census of Agriculture estimated the average size farm to be 416 acres in the United States and 127 acres in North Carolina [U.S. Department of Commerce, 1980]. These estimates are above those of the Landownership Survey because the Census of Agriculture defines a farm in terms of the operating unit (owned plus rented land) and not as an ownership unit.

Table 2. Type of Ownership: Farm and Ranch Land; United States,[a] South,[b] and North Carolina

Type of owner	United States			South	North Carolina
	Ownership units	Acres owned		Acres owned	Acres owned
	Millions	Millions	Percent	Percent	Percent
Individuals, family units	6.5	847	90.3	91.9	91.8
Sole owner	3.0	336	35.8	46.3	37.5
Family ownership	3.0	335	35.7	29.9	40.1
Family partnership	0.4	114	12.2	12.3	12.5
Family corporation	0.1	62	6.7	3.4	1.7
Nonfamily units	.4	91	9.7	8.1	8.2
Nonfamily partnership	0.1	18	1.9	2.0	1.8
Nonfamily corporation	0.1	37	3.9	2.7	1.7
Miscellaneous	0.2	36	3.8	3.4	4.7
Total	6.9	938	100.0	100.0	100.0

[a]Excludes Alaska.

[b]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana and Arkansas.

Source: 1978 ESCS Landownership Survey.

Figure 3 and Appendix Table A-1 provide additional data on size of farmland holdings. Nearly one-half (44 percent) of the farmland ownership units in North Carolina hold less than 10 acres, this being much above that for the United States (29 percent) and the South (37 percent). In terms of farmland acreage, 42 percent is in units less than 100 acres in size in North Carolina, whereas comparable figures for the United States and the South are 13 percent and 29 percent, respectively.

Size of holdings can also be looked at from the standpoint of concentration of ownership. For the United States, the top 5 percent of landowners own 53 percent of the farmland [J. Lewis, 1980]. In North Carolina and the South, farmland ownership is spread more broadly over the population as shown in Figure 3 and Appendix Table A-1. In North Carolina the largest 5 percent of farmland owners own over 43 percent of the farmland [D. Lewis, 1980].

USE AND VALUE OF LAND

As discussed earlier, the category "all land" includes all private land used for both farm and nonfarm purposes. Table 3 shows the proportion of land in farm and nonfarm use for the United States, the South and North Carolina. Most of the land is in farm use: 82 percent, 69 percent and 72 percent for the three regions, respectively. And, because of the large number of owners of small parcels used for home and business sites, most ownership units are residential-commercial: 69 percent, 64 percent and 65 percent in the three regions, respectively. Relative to the United States, North Carolina, and to a lesser degree the South, has a larger percentage of its land in residential-commercial use, even though the percentage of ownership units is nearly identical for the three regions. Apparently, average lot size for residences and commercial establishments is greater in North Carolina, a statistic that seems consistent with casual observation of North Carolina land-use patterns and lifestyle.

Value of land as reported by land-use category is shown in Table 4. Farmland was valued by respondents at $554, $559, and $1,256 per acre in the United States, the South and North Carolina, respectively. These estimates are higher than the values reported by USDA (1981) in

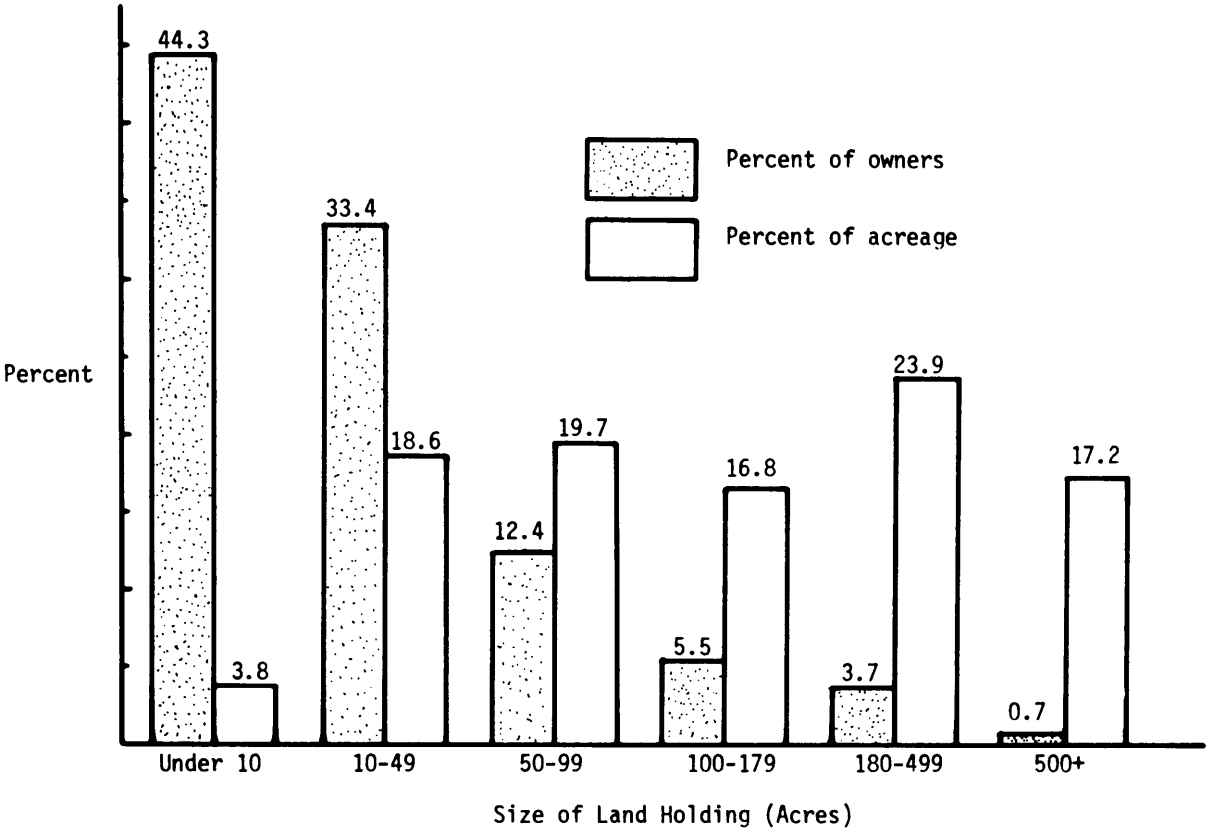

Figure 3. Size of Holding: North Carolina

Source: Appendix Table A-1.

Table 3. Acreage in Farms, Commercial and Residential, Other: United States,[a] South,[b] and North Carolina

Land-use type	U.S.				South				North Carolina			
	Ownership units		Acres owned		Ownership units		Acres owned		Ownership units		Acres owned	
	Thous.	Percent	Millions	Percent	Thous.	Percent	Millions	Percent	Thous.	Percent	Millions	Percent
Farms[c]	6,876	22.4	938	82.1	2,243	27.7	147	69.0	428	27.5	18	72.0
Residential-commercial[d]	21,214	69.3	48	4.2	5,182	64.1	12	5.6	1,016	65.4	2	8.0
Other[e]	2,538	8.3	157	13.7	660	8.2	54	25.4	110	7.1	5	20.0
Total	30,628	100.0	1,143	100.0	8,085	100.0	213	100.0	1,554	100.0	25	100.0

[a]Excludes Alaska.

[b]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana and Arkansas.

[c]Includes cropland, pasture, woodland, wasteland, and farmstead.

[d]Residential, commercial, and similar urban-type land.

[e]Nonfarm forest, idle or wasteland.

Source: 1978 ESCS Landownership Survey.

Table 4. Value per Acre of Land by Type Use: United States,[a] South[b] and North Carolina

Land-use type	U.S.		South		North Carolina	
	Value	Acreage	Value	Acreage	Value	Acreage
	Dols.	Percent	Dols.	Percent	Dols.	Percent
Farms	554	82.1	599	69.0	1,256	72.0
Residential-commercial	20,491	4.2	9,757	5.6	10,247	8.0
Other[c]	321	13.7	241	25.4	408	20.0
		100.0		100.0		100.0

[a]Excludes Alaska.

[b]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana, and Arkansas.

[c]Nonfarm, forest, idle or wasteland.

Source: 1978 ESCS Landownership Survey.

their publication Farm Real Estate Market Developments. For example, the values of farmland reported for February 1978, the period comparable to the January 1978 date of the national survey, were $533 per acre in the United States and $835 per acre in North Carolina. J. Lewis [1980, p. 11] suggests this variation is caused by the Farm Real Estate data series reflecting the value of farmland used for farming whereas the Landownership Survey asked owners to place a value on the farmland irrespective of whether value is influenced by nonfarm factors. Since farmland often has residential or commercial potential, the latter was expected to provide higher estimates. It is likely that the high value of North Carolina farmland in the national survey is due at least in part to the high density of population in rural areas and a higher than average proportion of land in residential and commercial use. The percentage of land used for residential and commercial purposes in North Carolina (8 percent) is nearly double the percentage at the national level (4.2 percent), (Table 4). In addition, the distribution of population in rural areas of North Carolina is mostly nonfarm. The 1970 U.S. Census showed that approximately 87 percent of the rural population in North Carolina was nonfarm. The 1980 Census is expected to show that migration of nonfarm residents into North Carolina rural areas continued in the decade of the 70's.

METHOD OF ACQUISITION: FARMLAND

Most farmland is acquired through purchase from nonrelatives (Table 5). However, in North Carolina the percentage purchased is below that of the United States and rest of the South, while the percentage acquired through inheritance is greater. One-third (33.9 percent) of all farmland was acquired through inheritance in North Carolina, while at the national level, only 19.9 percent of all farmland was inherited. In North Carolina, 43 percent was purchased from nonrelatives while in the United States and South, it was 57 and 54 percent, respectively. The percentage purchased from relatives or received as gifts did not vary greatly between regions. Other things equal, a higher rate of transfer through inheritance might be expected to lead to idling of farmland and

Table 5. Method of Acquisition: Farmland; United States,[a] South,[b] and North Carolina

Method of acquisition	Acreage owned		
	U.S.	South	North Carolina
	Percent of acres		
Purchased from nonrelative	57.5	54.2	43.5
Purchased from relative	18.1	19.0	19.6
Inherited	19.9	23.8	33.9
Gift	2.5	1.9	2.1
Other	2.0	1.1	.9
Total	100.0	100.0	100.0

[a]Excludes Alaska.

[b]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana, and Arkansas.

Source: 1978 ESCS Landownership Survey.

perhaps to reduced or at least delayed rates of conversion to nonfarm use because of the lack of income needed to meet debt repayments usually associated with purchase and development of land. However, other factors, such as whether the person inheriting the farm is farming or living nearby, and whether the farm must be sold or split to satisfy inheritance conditions, also influence how the land will be used in the future.

RESIDENCE, AGE AND CITIZENSHIP: FARMLAND OWNERS

Residence and Citizenship

In recent years, national concern has arisen regarding purchase of farmland by "outsiders," whether nonlocal, out-of-state or foreigners. At the national level, the chief concern has been with foreign purchase of farmland because of fears that the nation's food supply might be in jeopardy, that land prices might be driven up greatly, and that there might be adverse social or economic effects upon local communities.

In 1978, Congress passed the Agricultural Foreign Investment Disclosure Act requiring foreign owners of farmland to report their holdings to the Secretary of Agriculture. As of February 1, 1980, foreigners reported owning 5.6 million acres, 0.4 percent of total United States agricultural land [DeBraal, 1980]. Foreign ownership is reported in all states, and, except for Maine, is concentrated in the South. Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and Texas account for 32 percent of all foreign owned acreage. As of April 10, 1981, preliminary data indicate 246,503 acres of agricultural land are foreign owned in North Carolina, about 1 percent of total rural non-federal land in the state.[3] Of this, 16 percent is cropland, 3 percent is pasture, 78 percent is forest or timber, 1 percent is in other agricultural usage and 2 percent is classified as other nonagricultural. Nationally, about one-half of foreign-owned agricultural land is cropland, pastureland or other agricultural land, while about 46 percent is forest land.

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[3]Personal conversation with N.C. Department of Agriculture personnel.

The 1978 ESCS National Landownership Survey, from which most of the data in this report were obtained, provided estimates of farmland held by foreigners. One million acres were owned by foreigners in the United States, but little was reported in the South and North Carolina. This discrepancy may be due to the high "no response" rate on the ownership question in the landownership survey which would allow foreign-held land to be hidden in that category.

At the local and state levels, purchase of farmland by owners from outside the county or outside the state may be of as much interest and concern as is foreign purchase at the national level. For example, the mountains of western North Carolina are popular as second-home and retirement sites for people from outside North Carolina. Without making a value judgment as to the local advantages of such development, it is safe to say that, at the local level, the changes are noticeable. Undoubtedly, some individuals are affected positively, some negatively. But, whatever the impact, it may or may not be different from development involving only local or North Carolina residents, except that the rapidity with which change occurs may be accelerated relative to a situation where the demand for farms as potential homesites was limited to North Carolina residents.

Most farmland owners reside in the county in which they own land; 84 percent in the United States, 88 percent in the South, and 82 percent in North Carolina. In terms of acreage, more land is owned by those residing in the same county for North Carolina (86 percent), than in the United States (76 percent), or the South (82 percent) (Table 6). Ownership of farmland by those residing in other states or another country is much lower in North Carolina than in the South or the United States. Thus, for farmland, at least on the average, demand in North Carolina is much more highly composed of residents than is the case for the United States or the South.

Age

Farmland in the United States is held mostly by owners 45 years of age or over (Table 7). In North Carolina, 83 percent of the farmland owners fall in that age category and they own nearly 86 percent of the farmland. This is a slightly older age distribution

Table 6. Residence of Owner in Relation to Farmland Landholding:[a] United States,[b] South,[c] and North Carolina

Residence	U.S.		South		North Carolina	
	Ownership units	Acres owned	Ownership units	Acres owned	Ownership units	Acres owned
	Percent					
In same county	83.7	75.9	87.6	81.6	82.1	85.8
Same state, different county	11.3	16.3	9.6	12.3	17.3	12.7
Another state	3.9	6.3	2.2	5.4	0.2	0.8
Another country	*	*	--	--	--	--
Other	1.1	1.5	0.6	0.7	0.5	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

[a]Sole owner or principal partner.

[b]Excludes Alaska.

[c]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana, and Arkansas.

*Denotes Less than .05.

--Denotes none reported.

Source: 1978 ESCS Landownership Survey.

Table 7. Owners by Age Category:[a] Farmland; United States,[b] South,[c] and North Carolina

Age	U.S.		South		North Carolina	
	Ownership units	Acres owned	Ownership units	Acres owned	Ownership units	Acres owned
			Percent			
Under 25	0.6	0.5	0.7	0.8	0.2	0.3
26-34	9.5	5.3	10.9	4.7	5.1	3.9
35-44	18.2	14.1	16.3	13.3	11.3	10.3
45-54	22.8	24.0	25.0	24.2	34.9	23.6
55-64	21.3	26.3	17.6	25.8	19.8	30.1
65 and over	27.6	29.8	29.5	31.2	28.7	31.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

[a]Sole owner or principal partner.

[b]Excludes Alaska.

[c]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana, and Arkansas.

Source: 1978 ESCS Landownership Survey.

than for the United States and the South. Over 28 percent of the owners in North Carolina are 65 or over and they own nearly 32 percent of the farmland.

OCCUPATION

The family farm and ownership of land farmed has long been a focal point of United States farm policy. In the decade of the 70's, the rapid rise of farmland values has made it more difficult to acquire farmland to establish a farming operation. Expanding farmers have been a major force in the demand for farmland, but the high year-to year appreciation of land value provides many current owners of farmland with incentive to hold onto it in order to capture future appreciation. These and other factors have made renting farmland a more common method of operation than it has been in the past.

Table 8 shows the occupation of farmland owners for the United States, the South and North Carolina. Over the entire United States, farmers own nearly 51 percent of all farmland in the United States and white-collar, blue-collar and other nonfarm workers own 24 percent. However, farmers own less than 35 percent of farmland in the South and 36 percent in North Carolina while the nonfarm categories own an equal amount. Retired individuals own more farmland in North Carolina and the South (22 percent) than they do on the average in the United States (15 percent). Overall, in North Carolina, farmers as owners of farmland are less numerous than either retired persons, white-collar workers or blue-collar workers and they own only 36 percent of the farmland compared to over 50 percent for the other three groups. Clearly, farmland is owned by a much different group of people in North Carolina and the South than in the rest of the United States.

FARM AND OFF-FARM INCOME

Data in Table 9 present the distribution of off-farm income for North Carolina, the South and the United States. Off-farm employment for owners of farmland is more common in the South and in North Carolina than it is across the rest of the United States. Twelve percent, 8 percent and 9 percent of the farmland owners responded they had no

Table 8. Occupation of Farmland Owners;[a] United States,[b] South,[c] and North Carolina

Occupation	U.S.		South		North Carolina	
	Ownership units	Acreage	Ownership units	Acreage	Ownership units	Acreage
			Percent			
Farmer[d]	24.7	50.7	17.0	34.5	16.7	35.7
Nonfarm	48.5	23.7	54.4	34.6	57.2	35.9
White-collar	20.9	12.7	19.3	17.3	29.9	19.0
Blue-collar	22.0	7.1	29.1	13.0	18.1	10.9
Other	5.6	3.9	6.0	4.3	9.2	6.0
Retired	23.1	14.9	26.1	22.3	25.2	22.5
Corporations, estates, etc.	3.7	10.7	2.5	8.6	0.9	5.9
Total	100.0	100.0	100.0	100.0	100.0	100.0

[a]Sole owner or principal partner.

[b]Excludes Alaska.

[c]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana and Arkansas.

[d]Includes farm managers and farm laborers.

Source: 1978 ESCS Landownership Survey.

Table 9. Off-farm Family Income:[a] Farmland, United States,[b] South,[c] and North Carolina

Income[d]	U.S.		South		North Carolina	
	Ownership units	Acreage	Ownership units	Acreage	Ownership units	Acreage
			Percent			
Negative	1.4	1.5	1.3	1.8	1.6	2.7
$10,000 or greater loss	.2	.3	.1	*	.3	.5
$3,001-$9,999 loss	.6	.7	.7	.9	.8	1.1
$1-$3,000 loss	.6	.5	.5	.9	.5	1.1
Under $10,000	44.9	37.1	56.0	45.1	52.7	50.5
$0-$2,999	14.0	13.8	16.8	15.3	22.8	22.9
$3,000-$6,999	18.2	15.0	23.5	19.0	13.7	17.7
$7,000-$9,999	12.7	8.3	15.7	10.8	16.2	9.9
$10,000-$24,999	32.1	20.7	29.7	25.2	32.5	22.1
$10,000-$14,999	13.1	9.5	12.6	11.7	10.7	10.5
$15,000-$19,999	12.2	6.6	11.5	8.1	12.2	6.5
$20,000-$24,999	6.8	4.6	5.6	5.4	9.6	5.1
$25,000 and above	9.3	12.3	5.2	12.6	4.1	8.6
$25,000-$49,999	6.8	6.6	4.0	7.2	2.3	4.8
$50,000 & over	2.5	5.7	1.2	5.4	1.8	3.8
No Off-farm income	12.3	28.4	7.8	15.3	9.1	16.1
Total	100.0	100.0	100.0	100.0	100.0	100.0

[a]Sole owner or principal partner.

[b]Excludes Alaska.

[c]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana, and Arkansas.

[d]Excludes corporations and other business entities.

*Denotes less than .05.

off-farm income in the United States, the South and North Carolina, respectively. Further, of those responding, nearly twice as large a proportion of the farmland acreage is owned by the full-time farmers in the United States (28.4 percent) as compared to the South (15.3 percent) or North Carolina (16.1 percent).

SPECIAL ASSESSMENT AND PARTITIONED RIGHTS PROGRAMS: FARMLAND

Purchase of land involves the acquisition of a bundle of property rights--for example, the right to sell, build upon, develop or in some other manner modify your property. Many of these rights can be separated and sold. Mineral rights are a common example in oil and natural gas areas. Easements modify property rights and can be acquired to ensure access to your property through another's property, or sold to allow others access through your property, to provide sites for power line construction, or for a variety of other uses. The right to develop your property is sometimes traded away either permanently or for a shorter term.

In each of these cases it is in the landowner's interest to give up part of the bundle of property rights attached to his property only if compensation is given in return. This might be in the form of a cash payment or, as is common today, in reduced taxes because the land is kept in "preferred" use. Agricultural use-value assessment is an example of preferred use for which most states in the nation offer reduced taxes to program participants when land is kept undeveloped. As such, it is an example of a land-use policy implemented through the offering of incentives. Wetland preservation in the upper Midwest is another example.

Some tools for implementing land-use policies do not involve compensation for restriction of property rights. Zoning is one example. However, in recent years, several states have attempted to implement new land-use policies by combining zoning, contracts or preservation plans with incentive programs.

The Landownership Survey provides information on the extent of participation in various programs that affect property rights and how land is used (Table 10). Over 75 percent of all landowners in the United States, the South and in North Carolina indicate they do

Table 10. Special Assessment and Partitioned Rights Program: Farmland; United States,[a] South,[b] and North Carolina

Program/Participants	U.S.		South		North Carolina	
	Ownership units	Acreage	Ownership units	Acreage	Ownership units	Acreage
			Percent			
Participate	15.2	28.2	9.1	17.6	5.2	9.4
Use-value assessment	2.9	3.9	1.8	3.0	2.1	2.2
Partitioned rights	5.4	12.2	3.4	6.5	.2	.9
Easement	6.9	12.1	3.9	8.1	2.9	6.3
Do not participate	75.5	61.8	83.4	73.7	88.2	83.2
No use-value assessment	24.5	22.8	26.7	23.9	27.3	25.3
No partition	26.0	19.4	28.2	25.7	32.9	32.2
No easement	25.0	19.6	28.5	24.1	28.0	25.7
Don't know	9.3	10.0	7.5	8.7	6.6	7.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

[a]Excludes Alaska.

[b]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana, and Arkansas.

Source: 1978 ESCS Landownership Survey.

not participate in such programs. Participants constitute 15 percent, 9 percent, and 5 percent of all farmland owners in the three areas, respectively. However, it is the larger landowners that are participating in the program. Thus, percentage of all farmland acreage in the easements, use-value assessment or other partitioned rights programs is about double the percentage of owners: 28 percent in the United States, 17 percent in the South and 9 percent in North Carolina. Landowner participation in use-value assessment programs is higher in North Carolina than in the South, although that is not the case for farmland acreage.

SUMMARY

Data concerning farmland ownership in North Carolina provide information about current land use and the characteristics of owners who make decisions concerning future use of the land. Among other factors, the 1978 ESCS Landownership Survey found that: (1) the average size of farmland holding per ownership unit in North Carolina is smaller than the average in the United States; (2) a relatively small percentage of North Carolina farmland is owned by foreigners although their purchases of farmland in the retirement and resort areas of the state is probably common; (3) North Carolina farmland ownership is more concentrated among the elderly than for the nation; (4) North Carolina farmers own a small percentage of the state's farmland relative to white-collar, blue-collar, retired and similar nonfarm occupation groups, and (5) North Carolina farmland owners are more apt to have off-farm income than are owners in the rest of the United States.

Considered together, these characteristics suggest that North Carolina farmland is owned to a greater degree by nonfarmers than is farmland in the rest of the United States. Whether this bodes well for the future of North Carolina agriculture remains to be seen. However, further analysis of issues raised by the North Carolina landownership data in the 1978 survey would appear to be in order.

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APPENDIX

Table A-1. Size of Holding: Distribution of Ownership Units and Acres Owned, Farm and Ranch Land, by Size of Holding; United States,[a] South,[b] and North Carolina

Size of holding (acres)	U.S.				South				North Carolina			
	Ownership units		Acres owned		Ownership units		Acres owned		Ownership units		Acres owned	
	Thous.	Percent	Millions	Percent	Thous.	Percent	Millions	Percent	Thous.	Percent	Thous.	Percent
Less than 10	2,015	29.3	7	0.8	827	36.9	2	1.9	190	44.3	697	3.8
10-49	1,926	28.0	48	5.1	720	32.1	17	12.1	143	33.4	3,385	18.6
50-69	403	5.9	23	2.5	162	7.2	9	6.4	30	7.1	1,713	9.4
70-99	586	8.5	47	5.1	158	7.0	13	8.8	23	5.3	1,878	10.3
100-139	436	6.3	50	5.3	119	5.3	13	9.4	14	3.3	1,617	8.9
140-179	444	6.5	70	7.5	76	3.4	11	8.1	9	2.2	1,443	7.9
180-259	363	5.3	78	8.3	77	3.4	16	11.2	8	2.0	1,829	10.0
260-499	407	5.9	143	15.3	67	3.0	23	15.7	7	1.7	2,534	13.9
500-999	182	2.6	124	13.3	26	1.1	17	11.7	3	0.6	1,702	9.3
1,000-1,999	70	1.0	93	9.9	8	0.4	10	7.4	1	0.1	701	3.9
2,000-2,999	19	0.3	44	4.8	2	0.1	3	2.4	**	*	291	1.6
3,000-4,999	13	0.2	47	5.1	1	*	2	2.0	**	*	187	1.0
5,000-9,999	8	0.1	52	5.6	**	*	2	1.4	**	*	127	0.7
10,000 and over	5	0.1	107	11.4	**	*	2	1.5	**	*	135	0.7
Total	6,877	100.0	938	100.0	2,243	100.0	145	100.0	428	100.0	18,239	100.0

[a]Excludes Alaska.

[b]Includes Kentucky, Virginia, North Carolina, South Carolina, Tennessee, Georgia, Alabama, Mississippi, Louisiana, and Arkansas.

*Denotes less than .05 percent.

**Denotes less than 500.

Source: 1978 ESCS Landownership Survey.

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