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Tenure Characteristics of Illinois Farmland

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Data from the Illinois Farm Business Farm Management (FBFM) Association provides insights into leasing arrangements in Illinois. Table 1 contains data summarized from Illinois grain farms enrolled in FBFM. These farms receive the majority of their farming income from grain operations and farm at least 260 acres. Although this data is representative of commercial grain farms in Illinois, it is not a statistical sample of all commercial grain farms in the state.

For the year 2018, farm operators enrolled in FBFM owned 23 percent of the land they farmed, crop shared 33 percent, and cash rented 44 percent (Table 1). For crop share arrangements, farmers and landowners share in the revenue and expenses associated with farming. For cash rent arrangements, farmers pay landowners a cash payment and receive all the revenue and pay all the operating expenses from farming the land. Variable cash rent leases would be classified as land cash rented in this analysis.

There has been a small but continual shift in types of leases from crop share leases to cash rent leases. From 2013 to 2018, the amount of land crop shared decreased from 35 percent to 33 percent while the amount of land cash rented increased from 41 percent to 44 percent. There has been the perception that the most of the land not owned by farmers is cash rented. While there is more land cash rented than crop shared, there is still a significant amount of farmland leased under a crop share arrangement. The last year where a larger amount of the farmland was crop shared compared to cash rent was in 2006. Since then, there has been more land cash rented than crop shared.

The amount of land leased under a crop share or cash rent basis varies by geographic region in the state. For example, in 2018, farmers in northern Illinois cash rented 60 percent of their land and crop shared 21 percent while central Illinois farmers cash rented 43 percent and crop shared 42 percent. Farmers in the southern part of the state cash rented 40 percent of their land and crop shared 36 percent.

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	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Northern Illinois Pure Grain Farms						
% owned	20	21	20	21	20	19
% crop shared	22	21	21	21	21	21
% cash rented	58	58	59	58	59	60
Central Illinois Pure Grain Farms (High SPR)						
% owned	14	14	15	15	15	15
% crop shared	49	47	46	45	44	42
% cash rented	37	39	39	40	41	43
Southern Illinois Pure Grain Farms						
% owned	21	24	22	23	23	24
% crop shared	42	37	37	38	37	36
% cash rented	37	39	41	39	40	40
State of Illinois (All Farms)						
% owned	24	24	23	24	24	23
% crop shared	35	34	34	33	33	33
% cash rented	41	42	43	43	43	44

Source: Illinois FBFM Association and the University of Illinois

The amount of land owned by farm operators also varies by geographic region in the state. Southern Illinois farm operators own 24 percent of their land while central Illinois operators own only 15 percent. Operators in northern Illinois own 19 percent. From 2013 to 2018, the amount of land owned by operators has stayed the same. On a statewide basis, operators owned 23 percent of their land in 2018. Farms continue to grow in size and farm operators are a significant percentage of the farmland buyers but the relationship of the amount of land owned by farm operators to the total amount of land farmed has not really changed.

The authors would like to acknowledge that data used in this study comes from the Illinois Farm Business Farm Management (FBFM) Association. Without Illinois FBFM, information as comprehensive and accurate as this would not be available for educational purposes. FBFM, which consists of 5,500+ farmers and 68 professional field staff, is a not-for-profit organization available to all farm operators in Illinois. FBFM field staff provide on-farm counsel along with recordkeeping, farm financial management, business entity planning and income tax management. For more information, please contact our office located on the campus of the University of Illinois in Mumford Hall at 217-333-5511 or visit the FBFM website at www.fbfm.org.