

TENURE CHARACTERISTICS

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 2007, farm operators enrolled in FBFM owned 23 percent of the land they farmed, crop shared 38 percent, and cash rented 39 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.

Table 1. Percentage of land owned, crop shared and cash rented for Illinois farms.

	2002	2003	2004	2005	2006	2007
Northern Illinois Pure Grain Farms						
% owned	22	22	22	17	18	18
% crop shared	33	30	29	30	29	28
% cash rented	45	48	49	53	53	54
Central Illinois Pure Grain Farms						
% owned	14	15	15	14	13	13
% crop shared	62	59	56	56	55	53
% cash rented	24	26	29	30	32	34
Southern Illinois Pure Grain Farms						
% owned	24	23	22	19	20	20
% crop shared	51	49	50	47	46	43
% cash rented	25	28	28	34	34	37
State of Illinois						
% owned	24	24	24	23	23	23
% crop shared	44	43	41	40	40	38
% cash rented	32	33	35	37	37	39

Source: Illinois FBFM Association and the University of Illinois

While there sometimes seems to be the perception that the majority of land leased in Illinois is on a cash rent basis, this data indicates that of the land leased, it is almost evenly divided between crop share and cash rent leases. Actually, until 2007, there was more land with crop share leases than cash rent leases. However, there has been a slight but steady trend toward cash rental arrangements, with the percentage of farmland cash rented increasing from 32 percent in 2002 to 39 percent in 2007.

The amount of land leased under a crop share or cash rent basis varies by geographic region in the state. For example, in 2007, farmers in northern Illinois cash rented 54 percent of their land and crop shared 28 percent while central Illinois farmers cash rented 34 percent and crop shared 53 percent. Farmers in the southern part of the state cash rented 37 percent of their land and crop shared 43 percent.

The amount of land owned by farm operators also varies by geographic region in the state. Southern Illinois farm operators own 20 percent of their land while central Illinois operators own only 13 percent. Operators in northern Illinois own 18 percent. There seems to be a slight trend in farm operators owning less of the land they farm. On a statewide basis, operators owned 24 percent of their land in 2004 and 23 percent in 2005, 2006 and 2007. This is probably due to the fact that farms are increasing in size and most of the additional land being farmed is leased rather than purchased.

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