



Tenure Characteristics of Illinois Farmland

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May 21, 2021

farmdoc daily (11): 83

Recommended citation format: Zwilling, B. "Tenure Characteristics of Illinois Farmland." *farmdoc daily* (11): 83, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, May 21, 2021.

Permalink: <https://farmdocdaily.illinois.edu/2021/05/tenure-characteristics-of-illinois-farmland-3.html>

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 500 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 2020, farm operators enrolled in FBFM owned 23 percent of the land they farmed, crop shared 30 percent, and cash rented 46 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 2016 to 2020, the amount of land crop shared decreased from 33 percent to 30 percent while the amount of land cash rented increased from 43 percent to 46 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 2020, farmers in northern Illinois cash rented 63 percent of their land and crop shared 19 percent while central Illinois farmers cash rented 45 percent and crop shared 40 percent. Farmers in the southern part of the state cash rented 42 percent of their land and crop shared 36 percent.

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Table 1. Percentage of Land Owned, Crop Shared and Cash Rented for Illinois Farms					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Northern Illinois Pure Grain Farms					
% owned	21	20	19	20	18
% crop shared	21	21	21	19	19
% cash rented	58	59	60	61	63
Central Illinois Pure Grain Farms (High SPR)					
% owned	15	15	15	14	15
% crop shared	45	44	42	42	40
% cash rented	40	41	43	44	45
Southern Illinois Pure Grain Farms					
% owned	23	23	24	22	22
% crop shared	38	37	36	36	36
% cash rented	39	40	40	42	42
State of Illinois (All Farms)					
% owned	24	24	23	23	23
% crop shared	33	33	33	32	30
% cash rented	43	43	44	45	46

Source: Illinois FBFM Association and the University of Illinois

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The amount of land owned by farm operators also varies by geographic region in the state. Southern Illinois farm operators own 23 percent of their land while central Illinois operators own only 15 percent. Operators in northern Illinois own 18 percent. From 2016 to 2020, the amount of land owned by operators has stayed the same. On a statewide basis, operators owned 23 percent of their land in 2020. 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 author would like to acknowledge that data used in this study comes from the local Farm Business Farm Management (FBFM) Associations across the State of Illinois. Without their cooperation, information as comprehensive and accurate as this would not be available for educational purposes. FBFM, which consists of 5,500 plus farmers and 60 plus professional field staff, is a not-for-profit organization available to all farm operators in Illinois. FBFM field staff provide on-farm counsel with computerized recordkeeping, farm financial management, business entity planning and income tax management. For more information, please contact the State FBFM Office located at the University of Illinois Department of Agricultural and Consumer Economics at 217-333-8346 or visit the FBFM website at www.fbfm.org.