



Access to Farmland by Beginning and Socially Disadvantaged Farmers: Issues and Opportunities

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What Is the Issue?

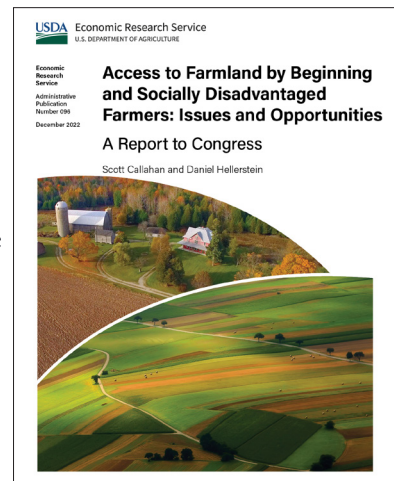
This report is in response to Section 12607 of the Agriculture Improvement Act of 2018 (the 2018 Farm Bill)¹, wherein the U.S. Congress tasked the U.S. Department of Agriculture (USDA) with analyzing the barriers preventing or hindering the ability of beginning and socially disadvantaged (SDA) farmers and ranchers to acquire or access farmland, and what USDA is doing to address these concerns.

Several factors may contribute to the challenges of accessing land for farming through purchase or rental, including the aging of the population of U.S. farmers, the increasing concentration of farmland ownership, credit constraints, and competition for land from urban and environmental uses. Beginning farms—those operated by farmers who have operated a farm or ranch for 10 years or less—as well as farms managed by operators defined by USDA as SDA—based on race, ethnicity, or gender—may have fewer financial resources and those that do face additional constraints when buying or raising capital for expansion. Due to significant gaps in available data, a robust analysis accurately measuring barriers to land access outcomes is not possible. Hence, this study uses regression analysis to measure the correlation between the share of farming operations classified as SDA or beginning operations by county and several measures of land access, federal program participation, and several USDA loan programs, including the Direct Loan Program and Guaranteed Loan Program.

What Did the Study Find?

This study assessed the relationship between county share of SDA farmers and ranchers and possible influencing variables for the 25 states collected using the 2014 Tenure, Ownership and Transition of Agricultural Land (TOTAL) survey. These variables include indicators of the ease of land access, participation in Federal programs that directly or indirectly support beginning and SDA farm operations, and measures of county land use characteristics. The study also examined the correlation between the share of these farmers and the average age of farmers in the county, measures of agricultural land rental markets, and population growth as a proxy for local economic development.

¹ SEC. 12607 of the Agriculture Improvement Act of 2018 requests the Secretary of Agriculture to make publicly available a report on farmland access.



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The share of SDA and beginning farming operations is correlated with some measures of land availability, participation in USDA programs, and land use metrics.

- The percentage of SDA and beginning farming operations is negatively correlated with average lease size. The percentage of SDA operations is also negatively correlated with the percentage of cropland acreage. However, the percentage of rented farmland is positively correlated with the percentage of SDA and beginning farming operations.
- The percentage of SDA operations was positively correlated with the percentage of successful applications to the Farm Service Agency's (FSA) Direct and Guaranteed Loan Programs. When defining SDA operations to include race, ethnicity, and gender (REG), these are positively correlated with Conservation Reserve Program (CRP) acreage. However, the percentage of SDA-REG and beginning operations were negatively correlated with per-acre crop insurance premiums by county.

How Was the Study Conducted?

This study examined the geographic distribution of beginning and socially disadvantaged (SDA) farmers and ranchers across counties in the United States. The county share of farm operations that identifies as the beginning or socially disadvantaged is used as a measure of the ease or difficulty of establishing or expanding farm enterprises for these groups. This study used data from the 2017 Census of Agriculture on farm demographics and beginning-farm numbers at the county level, as well as county-level data on land use and land tenure. To characterize the state of land ownership, tenure, and land availability, this research used USDA's Tenure, Ownership, and Transition of Agricultural Land (TOTAL) Survey from 2014. In addition, the study used USDA administrative data from 2012 to 2017 from USDA's Farm Service Agency (FSA), Risk Management Agency (RMA), and Natural Resources Conservation Service (NRCS). Data on participation in the FSA Direct and Guaranteed Farm Loan Programs came from the USDA Race, Ethnicity, and Gender Program Statistics (REGStats) site. Descriptive statistics were presented for the 48 contiguous States, but regression models using the entire data complement were restricted to 25 States—the extent of TOTAL Survey data coverage. Results from the fractional probit model indicated the factors correlated with variations in a county's share of beginning and SDA farms.