Fall 2006

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LAND USE AND TRANSFER PLANS IN THE U.S. GREAT PLAINS

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ABSTRACT—In the next decades, aging farmers in the United States will make decisions that affect almost 1 billion acres of land. The future of this land will become more uncertain as farm transfer becomes more difficult, potentially changing the structure of agriculture through farm consolidation, changes in farm ownership and management, or taking land out of production. The Great Plains Population and Environment Project interviewed farmers and their spouses between 1997 and 1999. Farm Family Survey participants were ambiguous about their plans to leave farming, transfer land to others, and even long-term land use, largely due to concerns about the continued economic viability of farming. Participants living far from metropolitan areas expected to sell or rent to other farmers, while those near residential real-estate markets expected to sell to developers. Delays in planning for retirement and succession were common, further threatening the success of intergenerational transitions.

Key Words: land use, land transfer, farm succession, farm exit, agriculture, retirement

INTRODUCTION

In nations as widely scattered as Finland, Australia, Japan, and the United States, farmland transfer is an increasingly important issue (e.g., Baker et al. n.d.; Keating 1996; Pesquin et al. 1999; Duffy et al. 2002; Pietola et al. 2003; Alston 2004; Tevis 2004; Hildenbrand and Hennon 2005). The use of almost 1 billion acres of land in the United States is at issue. Most of that land forms a broad swath through the middle of the nation in the Midwest and Great Plains (Vesterby and Krupa 2001). Land transfer, aging, and retirement are inseparable issues for farmers (Kimhi and Lopez 1999), and the farm population in the developed world is steadily aging. The average age of farmers in the United States rose from 48 in 1940 to 55.3 in 2002, with over one quarter aged 65 and older (compared to 2.4% in the general labor force) (USDA 2002; USDA 2004). Farmers’ retirement plans have implications for the future use of land in large portions of the United States and for rural residents and communities.

The continuing trend for increasing age of farm operators over the past several decades is underlain by cohort aging, lower exit rates among older operators, and fewer young entrants (Gale 1996, 2003). Older operators may continue beyond retirement age because they can, due to better technology and better health into older ages, or because they must, due to lack of a successor (Gale 2003). Younger farmers may fail to enter because of demographics (the pool of farm-raised persons has been steadily shrink­ing), entry barriers (high costs of land and capital), and better prospects in nonfarm occupations for themselves and potential farm labor (Gale 2003). Exit rates among pre-retirement-age operators are cyclical and follow the agricultural economy and farm earning prospects (Gale 2003). Entries by older farmers (over 35) are also cyclic­al and actually increased between 1992 and 1997 during the rural rebound (see Johnson and Beale 1998), but only among those whose principal occupation was off the farm. Off-farm occupational opportunities also slow structural change in agriculture by reducing the rate of exits from farming and retaining farmers in the United States and many other developed countries (e.g., Goetz and Debertin 1996, 2001—U.S.; Kimhi and Bollman 1999—Canada and Israel; Glauben et al. 2003—Germany; Hildenbrand and Hennon 2005—Europe). Off-farm income is increas­ingly key to remaining in agriculture and maintaining a decent standard of living (Jackson-Smith 1999; Jackson-Smith and Barham 2000; Hoppe 2001a; Gardner 2002; Mishra et al. 2005 Nehring 2005). Even though older farmers are staying at work longer, they exit at a slower rate than young farmers enter, and both groups tend to have smaller operations (Jackson-Smith and Barham 2000). Along with the steady increase in the age of farm operators, the number of farms in the United States continues to decline,
with differing trends for exit and entry rates by age and size, contributing to a structural shift toward fewer and larger farms (Jackson-Smith 1999; Jackson-Smith and Barham 2000; Gale 2003). As the share of farmers at or past retirement age increases, more land will change hands. Whether it will stay in family hands depends on the opportunities and plans of both exiting older farmers and entering younger farmers.

Handing over the farm to family is still the preferred method of transfer (Taylor and Norris 2000; Devaney 2001; Hoppe 2001b; Duffy and Smith 2004). Almost all farms in the United States are in family ownership—98% in 1998 and 97% in 2001 (Hoppe 2001b; Banker and MacDonald 2005). Family farms account for the majority of the value of farm products—87% in 1998 (Hoppe 2001b). Small family farms (with sales of less than $250,000) account for over 90% of all U.S. farms, produced only 33% of the value of agricultural products, and yet controlled 68% of U.S. farmland in 1998 (Hoppe 2001b). Those shares fell in three years to 28% of the value of products and 60% of the agricultural land (Banker and MacDonald 2005), reflecting entry and exit trends. The hardest decision faced by agricultural families is how to secure the future of their farm. The decision-making process is often clouded by unstated desires and expectations (Stover and Helling 1996; Haigh et al. 1998; Devaney 2002) and exacerbated by conflicts if one party has a traditional, conservative, or cautious management style and the other party an entrepreneurial, expansive, or ambitious management style (e.g., Salamon 1985, 1987, 1993; Dudley 1996, 2003; Taylor et al. 1998; Hildenbrand and Hennon 2005). In recent years, the farm press, backed by the USDA Extension Service and land-grant universities, has been urging operators to make decisions about the future of the farm transparent by involving all relevant family members in the planning process and by realizing that not all goals are compatible (e.g., Stover and Helling 1996; Tevis 1997, 2003; Haigh et al. 1998; Devaney 2001, 2002; Freese 2001; Gale 2002; Gorham and Daniels 2002; Mishra et al. 2005; Beginning Farmers Center 2006). Choice of the mode and timing of transfer is affected by income, off-farm income, education level, age of operator, number and sex of children, location of the farm, type of farming activity, and altruistic feelings toward children (Miljikovic 2000). Sale of the farm out of the family and out of agriculture is the last resort (Zollinger and Krunnich 2002).

Farmers want to preserve their farm in the family, to pass the farm down as a financially viable business, to remain somewhat active, and to use the farm as a retirement package including a place to live (Baker et al. n.d.; Keating 1996; Stover and Helling 1996; Kimhi and Lopez, 1999; Devaney 2001, 2002; Freese 2001; Tevis 2003). Some farmers do retire relying on savings, investments, or their accumulated equity in the farm operation, and complete retirement is often precipitated by failing health. Most farmers never truly retire; instead they shift into less labor-intensive agricultural activity, especially if the operation is going to be passed down in the family (Keating and Munro 1989). Typically, older farmers phase out of heavy work and livestock operations, begin to turn over short-term management decisions, surrender control over long-term financial decisions, and finally turn over assets in a gradual process (Baker et al. n.d.; Keating and Munro 1989; Devaney 2002; Gorham and Daniels 2002).

In order to keep the farm in the family, transfer an economically viable business, and have a retirement income, an aging farmer minimally needs a successor and a farm operation that can support two families. The heavy reliance in today’s farm households on off-farm income noted by agricultural economists and rural sociologists puts more remote areas at a disadvantage because they have fewer nonfarm opportunities and the opportunity costs are higher (Rowley 1998; Gardner 2002). The Great Plains economy is particularly reliant on federal spending (Cordes and Van der Sluis 2001). However, government payments to counties losing farmers appear to accelerate the rate of exit from farming (Goetz and Debertin 2001) and heavy reliance on farm programs is associated with population loss (Goetz and Debertin 1996). Uncertainty about government programs and other economic factors affecting farm income increase the likelihood that farmers will exit (Gale 2003; Foltz 2004). Farm bankruptcies reflect the difficulties of farming and have historically been the highest in Great Plains states, where regional disparities in bankruptcies have increased since the farm debt crisis of the 1980s (Stam and Dixon 2004). These indicators suggest that meeting the requirements for family farm transfer is more difficult in the Great Plains than in other regions of the United States.

The Farm Family Survey of the Great Plains Population and Environment Project puts a face on the transfer process by asking farmers and ranchers about their future and the future of their farms. In the remainder of this paper, we use the Farm Family Survey responses to understand how agriculturalists in this region face land use and land transfer, and to assess their prospects of realizing the future they envision. We explore the
extent to which demographic, historical, occupational, environmental, and economic factors continue to influence operators’ expectations regarding the future of their farmland, and we suggest how farmers’ succession and retirement plans could affect future land use in the Great Plains.

**METHODOLOGY AND SAMPLE DESCRIPTION**

Structured interviews of farmers and their spouses in five Great Plains states were conducted between 1997 and 1999. A major premise of the Great Plains Population and Environment Project is that population processes, which are aggregations of the actions of individuals, must be understood within environmental contexts. The sites of the Great Plains Farm Family Survey were chosen to represent significant environmental variation (Fig. 1).

Historically, these areas differ in terms of their predominant agricultural use and distance from metropolitan areas. Weld County in Colorado and Osage County in Oklahoma are small metropolitan counties. Saunders County, Nebraska, is adjacent to a small metropolitan area but does not have a sizeable city within its boundaries. Kit Carson County in Colorado and Stutsman County in North Dakota are not adjacent to metropolitan areas, yet both contain small cities. The major land uses represented are range and irrigated cropland at the Colorado sites, range and spring wheat cultivation in Stutsman County, and feed grain cultivation and livestock in Saunders and Osage counties.

Participants were initially recruited by random selection from lists provided by the local cooperative extension agent. These participants were asked to provide contacts to other area agriculturalists, forming a snowball, or chain referral, sample (see Kish 1965 for a discussion of methods for sampling rare populations). One hundred fifty-one completed surveys spread evenly across the five sites are used in this paper. Interviews were conducted on the farm using a survey instrument with 114 questions of the interviews assisted by NUD*IST software. Closed questions and short answers to open-ended questions were coded directly into an SPSS database.

Due to the sample design, Farm Family Survey participants are not necessarily representative of farmers in the Great Plains. Nonetheless, the Farm Family Survey is one of the most comprehensive recent surveys of farm operators and their spouses. The participant group is similar to U.S. farmers in terms of age, race, sex, and marital status, but is somewhat younger and contains fewer women and minorities (Sommer 2001; USDA 2002). The typical farmer in the survey was a middle-aged white married father from an agricultural family who had gotten into farming because he wanted to, but who did not have a child who was likely to succeed him. The Oklahoma site stands out from the rest for having older survey participants with fewer family ties to agriculture. About half of the Kit Carson, Colorado, participants had an adult child who was farming, but for most survey participants it seems unlikely that a family farming tradition will continue, based solely on demographics.

Table 1 summarizes some of the key differences among the farming operations of survey participants by the age of the operator and county where the operation was located. (All information in Table 1 is based on survey responses).

Table 1: Some Key Differences Among Farming Operations of Survey Participants

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Saunders County</th>
<th>Stutsman County</th>
<th>North Dakota</th>
<th>Oklahoma</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;50</td>
<td>34%</td>
<td>32%</td>
<td>46%</td>
<td>31%</td>
</tr>
<tr>
<td>21-49</td>
<td>66%</td>
<td>68%</td>
<td>54%</td>
<td>69%</td>
</tr>
</tbody>
</table>

The typical operation in the survey was roughly 1,500 acres of land used for dryland cropping and ranching, mostly owned and solely operated by the farm couple, producing some profits supplemented by off-farm income, and carrying moderate debt. However, there was diversity across the sites, mostly in ways that are expected from the county land-use patterns described earlier. The Nebraska and Oklahoma sites had the greatest number of small farms. Average farm size was considerably smaller in Saunders County, Nebraska, and Weld County, Colorado (370 and 650 acres, respectively), than at the other three sites, where average farm size was over 1,000 acres. Farm operations in Kit Carson County tended to be larger and were the most diverse and the least dependent on off-farm income. Weld County farms were smaller and more dominated by irrigated cropping. North Dakota had the most large-sized ranching operations, fewer under corporate ownership, and more in an unfavorable debt position based on debt-asset ratios reported in the survey. Survey participants in North Dakota and Oklahoma were the least reliant on farm income, but for different reasons. In North Dakota over half the participants had spouses working off the farm. In Oklahoma many had pensions and investments that supplemented or even subsidized their farms. We

See Leonard and Gutmann Appendix I in data repository at [http://www.unl.edu/plains/publications/GPR/gpdrdatarep.html](http://www.unl.edu/plains/publications/GPR/gpdrdatarep.html)
Figure 1. Interview sites of the Great Plains Farm Family Survey, 1997-99.
### TABLE 1
SELECTED CHARACTERISTICS BY LOCATION AND AGE OF OPERATOR

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Stutsman County</th>
<th>Saunders County</th>
<th>Kit Carson County</th>
<th>Weld County</th>
<th>Osage County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>97%</td>
<td>100%</td>
<td>100%</td>
<td>96.7%</td>
<td>89.7%</td>
<td></td>
</tr>
<tr>
<td>Age (mean)</td>
<td>53.1</td>
<td>50.3</td>
<td>50.3</td>
<td>56.5</td>
<td>50.8</td>
<td>57.2</td>
</tr>
<tr>
<td>Number aged &lt;45</td>
<td>47</td>
<td>12</td>
<td>10</td>
<td>9</td>
<td>11</td>
<td>5</td>
</tr>
<tr>
<td>Number aged 45-60</td>
<td>61</td>
<td>12</td>
<td>14</td>
<td>9</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Number aged 60+</td>
<td>42</td>
<td>6</td>
<td>6</td>
<td>13</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>30</td>
<td>30</td>
<td>31</td>
<td>30</td>
<td>29</td>
</tr>
</tbody>
</table>

**Farm size (mean)**

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Stutsman County</th>
<th>Saunders County</th>
<th>Kit Carson County</th>
<th>Weld County</th>
<th>Osage County</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;600 acres</td>
<td>24</td>
<td>0</td>
<td>48</td>
<td>0</td>
<td>23</td>
<td>52</td>
</tr>
<tr>
<td>≥600 acres but &lt;4,000</td>
<td>50</td>
<td>73</td>
<td>48</td>
<td>52</td>
<td>50</td>
<td>24</td>
</tr>
<tr>
<td>4,000 acres or larger</td>
<td>26</td>
<td>27</td>
<td>3</td>
<td>48</td>
<td>27</td>
<td>24</td>
</tr>
</tbody>
</table>

**Operation activity***

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Stutsman County</th>
<th>Saunders County</th>
<th>Kit Carson County</th>
<th>Weld County</th>
<th>Osage County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irrigated farming</td>
<td>36</td>
<td>13</td>
<td>42</td>
<td>65</td>
<td>57</td>
<td>3</td>
</tr>
<tr>
<td>Dryland farming</td>
<td>76</td>
<td>93</td>
<td>97</td>
<td>97</td>
<td>40</td>
<td>52</td>
</tr>
<tr>
<td>Ranching</td>
<td>66</td>
<td>83</td>
<td>42</td>
<td>81</td>
<td>40</td>
<td>83</td>
</tr>
</tbody>
</table>

**Income source**

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Stutsman County</th>
<th>Saunders County</th>
<th>Kit Carson County</th>
<th>Weld County</th>
<th>Osage County</th>
</tr>
</thead>
<tbody>
<tr>
<td>No off-farm income</td>
<td>24</td>
<td>14</td>
<td>30</td>
<td>37</td>
<td>27</td>
<td>14</td>
</tr>
<tr>
<td>Off-farm income &lt;50% of total</td>
<td>47</td>
<td>69</td>
<td>53</td>
<td>37</td>
<td>57</td>
<td>17</td>
</tr>
<tr>
<td>Half or more income off-farm</td>
<td>29</td>
<td>17</td>
<td>17</td>
<td>27</td>
<td>27</td>
<td>69</td>
</tr>
</tbody>
</table>

**Debt***

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Stutsman County</th>
<th>Saunders County</th>
<th>Kit Carson County</th>
<th>Weld County</th>
<th>Osage County</th>
</tr>
</thead>
<tbody>
<tr>
<td>No debt</td>
<td>26</td>
<td>17</td>
<td>28</td>
<td>29</td>
<td>20</td>
<td>38</td>
</tr>
<tr>
<td>Moderate debt</td>
<td>38</td>
<td>20</td>
<td>56</td>
<td>29</td>
<td>60</td>
<td>28</td>
</tr>
<tr>
<td>Substantial debt</td>
<td>18</td>
<td>33</td>
<td>12</td>
<td>21</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Serious debt</td>
<td>18</td>
<td>30</td>
<td>4</td>
<td>21</td>
<td>7</td>
<td>28</td>
</tr>
</tbody>
</table>

**Profitability**

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Stutsman County</th>
<th>Saunders County</th>
<th>Kit Carson County</th>
<th>Weld County</th>
<th>Osage County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss</td>
<td>19</td>
<td>27</td>
<td>3</td>
<td>3</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>Break even</td>
<td>15</td>
<td>7</td>
<td>10</td>
<td>7</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td>Some profits</td>
<td>45</td>
<td>47</td>
<td>48</td>
<td>70</td>
<td>23</td>
<td>35</td>
</tr>
<tr>
<td>Quite profitable</td>
<td>22</td>
<td>20</td>
<td>38</td>
<td>20</td>
<td>27</td>
<td>3</td>
</tr>
</tbody>
</table>

* Percentages do not add up to 100, as more than one type of activity could be undertaken.

** Percentages based on participant-reported debt-to-asset ratios. Debt is defined as follows: moderate, debt-asset ratio above 0 but <.50; substantial, debt-asset ratio between .5 and 1; and serious, debt-asset ratios above 1, which indicates negative net worth. Farmers with substantial or serious debt (as defined here) have trouble obtaining further credit (Hoppe 2001a).
now turn to farmers’ plans as expressed in the survey responses, and how they differed by demographic characteristics and location.

**RESULTS: FUTURE PLANS IN THE FARM FAMILY SURVEY**

The experiences and goals of farmers captured in the Farm Family Survey illuminate something of the difficulty and ambiguity surrounding land-use and land-transfer plans of an aging farm-operator population. Specifically, we can look at how the availability of a successor to the farm, the financial soundness of the operation, and attitudes about retirement affect plans for the future of land. This survey also presents a unique opportunity to see how subregional variation in elevation, rainfall, irrigation, and proximity to urban and suburban markets may affect the future of farming as seen through the eyes of farm operators.

**Plans for Land Use**

Plans for land use and transfer were approached in three different ways in the Farm Family Survey. Participants were asked to look to the future and express how they planned to use their land, what goals they had for their operation, and who they thought would manage the land and how the land would be used after they were no longer in charge. In terms of specific land-use plans, operators were asked how likely they were to engage in several activities that imply expansion or contraction of farm operations (top and bottom panels of Table 2, respectively).
TABLE 3
GOALS FROM FARM FAMILY SURVEY

<table>
<thead>
<tr>
<th>Goal</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain current operation</td>
<td>56</td>
<td>37.1</td>
</tr>
<tr>
<td>Hand over farm</td>
<td>34</td>
<td>22.5</td>
</tr>
<tr>
<td>Grow or expand</td>
<td>32</td>
<td>21.2</td>
</tr>
<tr>
<td>Lessen debt</td>
<td>26</td>
<td>17.2</td>
</tr>
<tr>
<td>Make a living</td>
<td>26</td>
<td>17.2</td>
</tr>
<tr>
<td>Retirement mentioned in goals</td>
<td>25</td>
<td>16.6</td>
</tr>
<tr>
<td>Improve operation</td>
<td>22</td>
<td>14.6</td>
</tr>
<tr>
<td>Reduce operation</td>
<td>7</td>
<td>4.6</td>
</tr>
<tr>
<td>No goals stated</td>
<td>7</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Responses were less favorable to the contraction questions than to the expansion questions. Expansion was cited in this survey and others as a long-term strategy to ensure that there would be enough savings, income, or equity for retirement, and that is borne out in the responses to the land-use questions. Young operators (under 45) answered the most positively to the growth or expansion questions, and middle-aged operators were more likely than older operators to plan expansion through buying or renting land or adding livestock. There were also differences by location. No one site had participants that were consistently more disposed to growth or contraction, on average. However, the tendency at the Nebraska site was to plan for expansion—a greater proportion thought they would rent land in the future and fewer expected to farm more intensively. At the Colorado sites more operators looked forward to expanding by buying equipment. In Weld County, Colorado, and in Oklahoma, the sites nearest to residential real-estate markets, more participants saw the likelihood that in the future they might sell land for development.

Goals for the Farm

The most frequent goal given by participants was to maintain the farm operation (Table 3). “Keep it going,” “continue farming,” and “hang on to it” were typical answers of this type, and for some that was the only stated goal. “Hand over the farm” and grow or expand were the next most frequent goals. Consistent with the responses discussed above, growth or improvement in some respect, such as purchasing more land or livestock and improving soil quality, equipment, and buildings, far outweighed plans to contract operations. And contraction plans at times involved a change in focus or location rather than a move toward exiting farming.

Nearly one-fifth of the surveyed farmers listed retirement when asked what their goals were for the farm or ranch. No participant under the age of 40 had this goal, and several participants whose goal was to retire were already 60 or older. Recognition of the tension between the needs of farm operators and future generations was evident in the way retirement goals were expressed. One participant stated his goals simply and in direct opposition to each other: “Mine’s retirement. No, I suppose pass it on to the kids.”

Participants in Nebraska and Kit Carson County, Colorado, were more likely to have “maintaining” as a goal than were farmers or ranchers at the other sites, despite Nebraskans’ expansion plans discussed above. The North Dakota participants were more likely to plan to hand their operation over to family members. The likelihood of positive or forward-looking goals decreased with the age of participants, the same pattern as found for plans to expand. Middle-aged participants were more likely than older farmers to look forward to a combination of growth, improvement, and paying off debt. The youngest operators were the most likely to plan to hand over operations to family members.

Plans for Land Transfer

Handing over the farm or ranch to a family member was a stated goal of almost a quarter of the participants,
and several had this as their only goal. Participants were also specifically asked whether it was important for their children to stay in agriculture, who would manage the land, and how the land would be used after he or she was no longer in charge. Ambiguity about future plans is revealed when goals are compared with plans for future ownership. When we look at those who planned to hand their operation over to a family member, only about 30% listed keeping the farm in the family as one of their goals. Despite uncertainty about who would be using the land, most thought their land would remain in agriculture and a minority thought that some or all of the land would be developed (Table 4).

Many more participants felt it was important for their children to continue farming or ranching their land than said that it was important for their children to continue as agriculturalists (top panel of Table 4). While roughly half of the respondents thought they would hand their land over to their children (bottom panel of Table 4), they were not the same 50% who wanted their children to continue the family farm. Additionally, not all who had answered that it was important that their children continue at the home place planned to hand over the farm to their children. The ambiguities were clearly stated by one dryland farmer in his late forties who said that his children “[w]on’t be farmers. [I]t’s important that they don’t. Firstly, it’s not practical. The farm is too small and by God they have no interest.” However, he also wished that farm would stay in the family because of his “emotional attachment.” Many respondents explicitly put their children’s welfare ahead of their own desires, for example, “what I think is important to me is that they choose a career that they feel comfortable with and that they’re happy with and that’s a challenge to them. That they enjoy and I’d support them. But I would be happy if one of them decides to stay home and farm.”

Even more striking are the apparent disjunctions between children’s future prospects in agriculture and parents’ desire to keep the farm in the family. A participant running a diversified operation said that it was not important that his children continue farming but that he would like to see them continue to work the home place because it would be their only opportunity to stay in agriculture. A young participant running a dryland farming operation he described as “quite profitable” was much blunter about the past and future of the farming life. He similarly did not find it important that his young children stay in farming, yet he still wanted them to continue on the family farm. When asked to whom he planned to hand over the farm, he replied, “That’s a very difficult question because . . . I don’t see a future in agriculture. . . . I’m a fourth generation . . . but I do not see a future and I do not want my children to suffer and that’s what it is. Difficult, unfair, onerous struggle.” These answers demonstrate a common desire to pass down the legacy of a family operation and lifestyle as well as deep reluctance to push children into an occupation many saw as both demanding and economically marginal.

Plans about future ownership of their farms and ranches, as well as beliefs about future land use, varied across research sites. Osage County participants had shallower roots in agriculture and fewer said it was important to them that their children continue to farm the home place. Weld County, home of the city of Greeley and not far from Denver, mentioned development as a future land use more often than participants from all the other research sites combined. Middle-aged participants were less likely than younger or older farmers to plan to hand over their operation to their children, and younger farmers were less likely to believe that their land would continue solely in
agricultural use. As expected, those who already had an adult child working in agriculture more often felt it was important that their children continue farming or continue the family farm and more often intended to hand over their farm to their children. A financially healthy operation also made it more likely that a participant would plan to keep the farm in the family.

Several participants were already involved in or moving toward family transfers. Many mentioned joint decision-making with successors, sometimes as part of a pre-retirement strategy that meant an increased workload in the short term. Participants involved in land transfer made up 20% of the total with family-owned operations. These participants reported joint ownership with fathers, sons, siblings, uncles, or grandparents. Ownership for others implied transfer from an older generation either through outright sale, previous partnership, or family corporation. Nearly half of the total were or had most likely been involved in land transfer with an older or younger generation. Retirement was explicit or implicit in many of these instances.

**Plans for Retirement**

As noted in our introduction, retirement is an ambiguous concept for agriculturalists. This is reflected in the way that farmers and ranchers in the Farm Family Survey spoke—or did not speak—on the subject. Nearly half of the participants did not mention retirement at any point in the interview. While many farmers do not plan to retire, and discussion of retirement and succession are often avoided, when agriculturalists do plan for retirement they specifically mention plans to expand landholdings for future rental, to pay off debts against the land, and to liquidate assets (DeVaney 2001). Respondents to the Farm Family Survey mentioned these preparations, and also expressed that ranching, as opposed to cropping, would be a retirement activity. Perhaps in keeping with these sentiments, as DeVaney and others have noted, a common retirement scheme is to expand first. “I don’t think I have any short-term goals. Long term, I’d say I’d like to add to the land that I’ve got. Not necessarily for farming but for the land. Hopefully when I get ready to retire in the future it will be something that will sustain some income.”

Many of those who did mention retirement used the word as a euphemism for “old age” rather than for stopping work. For example, a participant who said his goal was for his farm to “provide for our retirement” also had productive plans that would span his 60s or even 70s. Others saw full retirement as an unwelcome but not inevitable consequence of aging. A participant nearing 60 expressed it this way: “I’d like to have some more ground and run more cattle. I’m close to retiring which a farmer never does. I hope I keep my health so I don’t have to sell it to retire.” Two dozen Farm Family Survey participants had something of a retirement plan and eight others simply expressed retirement as a vague goal without outlining a plan for reaching that goal. Four participants who gave retiring as a goal immediately retracted the statement in favor of goals that would increase the chances their children could take over the farm. For other Farm Family Survey ranchers and farmers, retirement plans included continuing in agriculture but perhaps slowing down a bit, renting their land, or keeping land in government programs that preclude working it (such as the Conservation Reserve Program, or CRP).

The men who described themselves as retired ranged in age from early 50s to late 70s, and most were still farming or ranching. Many of these men had retired from a nonfarm job. Some had held a job while running their farm or ranch, but for five, retirement had allowed them to begin their operation, all on 600 acres or less. Over half the retired participants had wives with full- or part-time jobs. Older participants who did not describe themselves as retired often had a retired spouse. As an added benefit of off-farm employment, a spouse’s retirement benefits were a welcome source of steady cash income. Of the participants aged 65 and over, only a handful referred to themselves as retired. Older but not retired operators owned larger farms, some had expansion plans, and most were still actively involved in farming, usually with their sons. However, fewer than two-thirds of the farmers in the Farm Family Survey who were typical retirement age had fully retired and passed on the farm, that is, had slowed down, handed decision-making over to their sons or sons-in-law, and transferred or made plans to transfer land to their children who intended to keep the farm operation going.

**MATCHING DESIRES TO REALITIES**

Retirement for farmers involves a lengthy transfer process beginning with a reduction in workload, transferring the farm to the next generation, and ending with semi-retirement. This expectation has not changed substantially in at least the last 40 years. In order to realize these plans, a farmer needs a successor and an operation that will support two families. The older generation must be supported with income generated from the farming activities of the younger generation, earlier investments made from surplus income, or realized equity in landholdings not
needed to keep the farm business economically viable. Social, economic, and demographic changes over the last few decades have increased the difficulty of combining farm retirement with a continuing family operation. Now the older generation lives longer, wants to be economically active longer, and needs more resources. With a longer period of adulthood before parental retirement, offspring are unwilling to remain as subordinate members of the family farm into their middle age. Agriculture at the scale of most family farms has become a less viable way to make a living, as inputs have become more expensive and outputs not worth commensurately more. Most family farms are now supported by dual-career couples, with one or both holding down off-farm jobs. Decreases in relative income, shrinking communities, and expanding employment opportunities elsewhere make children altogether less likely to choose agriculture as an occupation.

In the Farm Family Survey, some farmers and ranchers had followed the traditional and preferred path to an active agricultural retirement: slow down but keep working, share decision making, and gradually transfer assets. Others should be able to follow in their footsteps, eventually handing their operations over to the next generation and keeping the land in family ownership. These ranchers and farmers had already established a successor and were already in partnership with their adult children. In many cases, they had transferred some land to their successor and planned to transfer more in the future. More of these operators lived in Kit Carson County than in the other study areas and only one lived in Saunders County, Nebraska. For the most part, they were dryland farming and raising livestock, generating most of their income from livestock. Their operations were mid- to large-sized, moderately to quite profitable, and carried no debt or were only moderately indebted. There is evidence in the Farm Family Survey for other viable, large-sized, moderately to quite profitable, and carried

perceptions of an uncertain economic future for agriculture, concern over their own economic future, desire to keep the farm in the family, and conflicts between the needs or desires of parents and children. Most family farms cannot simultaneously be transferred to a successor and provide for parents’ retirement, or be divided equally among children and remain financially viable businesses, and this seems particularly true among the North Dakotans. Many ranchers and farmers in the survey had fallen into a state of hopeful procrastination, putting off making any decision in the hope that the conditions of agriculture would improve or that one of their children would reconsider taking over the farm. In the meantime, they put their land into CRP or moved into less labor-intensive activities. Barring a change that would keep the family farm operating, they imagined renting or selling their land to non-family farmers or, less commonly, selling out to real-estate developers. Delay in succession planning and implementation keeps in doubt the future of all those involved. In addition, the future of the land itself is more uncertain. In remoter areas, such as Stutsman County, North Dakota, land stays in farms even if it does not stay in the family. The loss is a personal one. However, in areas with a residential or commercial real-estate market, such as Weld County, Colorado, agricultural land can more easily be lost to development. If there is no succession plan, the land is perhaps even less likely to remain in agricultural use.

These scenarios are being replicated across the farm-lands of the United States and in many other nations. We have long relied on intergenerational succession to keep land in agriculture. The combination of economic uncertainty, uneven population distribution, human longevity, and conflicting needs have made transfer of this way of life difficult. We see no evidence in the Great Plains Farm Family Survey for a change in that trajectory. The necessary conditions, and the impediments to meeting those conditions, are clearly recognized by agriculturalists but are largely outside their control. From the vantage of the Great Plains, the future of farmland will be further bifurcation into suburban housing developments and larger nonfarm rural populations near the metropolitan areas along the outer edges of the region, and ever-larger farms and smaller rural populations in an increasingly isolated interior.

ACKNOWLEDGMENTS

The authors acknowledge the efforts of the team that conducted the interviews, especially Kathy Galvin, Lenora
Bohren, Jill Lackett, and Betsy Guzman. An earlier version of this paper was presented at the 2003 Annual Meeting of the Social Science History Association; the authors extend their thanks for comments from that session. Funding for this research was provided by the National Institutes of Health Grant no. R01-HD33554. Dr. Leonard’s work was in part supported by a National Institutes of Health Ruth L. Kirschstein National Research Service Award Postdoctoral Fellowship.

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Manuscript received for review, April 2006; accepted for publication, September 2006.