Trends in Agricultural Land Use Over Time in Ontario & Canada

Alfons Weersink
Dept of Food, Agricultural & Resource Economics (FARE)

Exploring Rural Land Use:
Issues, Institutions and Change

May 14, 2013
Topics Covered

- Focus is on the supply side

1. Amount of farmland

2. Turnover rate

3. Ownership pattern

4. Land rental market
Total Farmland in Canada, 1921-2012

Year

Millions

Land Area (acres)

Land Use in Canada, 1976-2011

- Land in Crops
- Summerfallow Land
- Tame or Seeded Pasture
- All Other Land

Land area (in millions of acres)
Land Share by Province, 2011

- Newfoundland and Labrador: 0%
- Prince Edward Island: 0%
- Nova Scotia: 1%
- New Brunswick: 1%
- Quebec: 5%
- Ontario: 8%
- Manitoba: 11%
- Saskatchewan: 32%
- Alberta: 38%
Land Use in Saskatchewan, 1976-2011

- Land in crops
- Summerfallow land
- Tame or seeded pasture
- All other land

Graph showing the change in land area (in millions of acres) from 1976 to 2011.
Land Use in Ontario, 1976-2011

- **Land in crops**
- **Summerfallow land**
- **Tame or seeded pasture**
- **All other land**

The chart shows the change in land area (in millions of acres) from 1976 to 2011.
Population Density and % Change in Farmland by County, 2006-2011
Turnover Rate?

- Is the available supply being reduced by fewer properties coming on the market?
- Anecdotal evidence
- Associated with value of farmland?
Ownership Patterns

- Investment Companies: 16%
- Retired Farmers: 24%
- Widow(er)s: 8%
- Active Farmers: 24%
- Government: 2%
- Families on Land: 13%
- Owner Investors: 9%
- Other Owners: 4%
Location of Farmland Owners

- 60% On Land
- 19% County
- 18% Domestic
- 3% Foreign
Farmland Rental Arrangements

- 80% are fixed cash rent
- Majority are oral, one-year contracts
- Average length of rental arrangement is over 10 years.
Cash Rental Rate by Location of Landlord

<table>
<thead>
<tr>
<th>Location</th>
<th>Rental Rate ($/Acre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Land</td>
<td>16%</td>
</tr>
<tr>
<td>County</td>
<td>67%</td>
</tr>
<tr>
<td>Domestic</td>
<td>14%</td>
</tr>
<tr>
<td>Foreign</td>
<td>3%</td>
</tr>
</tbody>
</table>
Cash Rental Rate by Landowner Type

- **Investment Companies**: 105
- **Retired Farmers**: 110
- **Widow(er)'s**: 140
- **Active Farmers**: 120
- **Government**: 60
- **Families on Laidi**: 110
- **Owner Investors**: 100
- **Other Owners**: 100

Rental Rate ($/Acre)
Cash Rental Rates by Relationship between Landlord and Tenant

- Family: $120/acre
- Close Friend: $100/acre
- Friend: $110/acre
- Acquaintance: $130/acre
- No Relation: $100/acre
Summary

- Decline in total amount of farmland
  - Not necessarily total amount of cropland

- Farmland owners are becoming more diverse
  - Still dominated by local, former operators

- Relationships affect type of crop rental arrangement but not rental rate