

Trends in Ownership Size

Texas Land Trends

Introduction

By the end of 2007, the USDA Census of Agriculture accounted for over 247,000 farming and ranching operations in the state. This represents an 8% increase since the census of 1997. In other words, Texas has been gaining about 1,900 new working farms and ranches per year over the past decade. However, the land base for Texas agriculture has decreased by as much as 2% during the same period. As a result, average ownership size has declined from 585 acres in 1997 to 527 acres in 2007 (Figure 1).

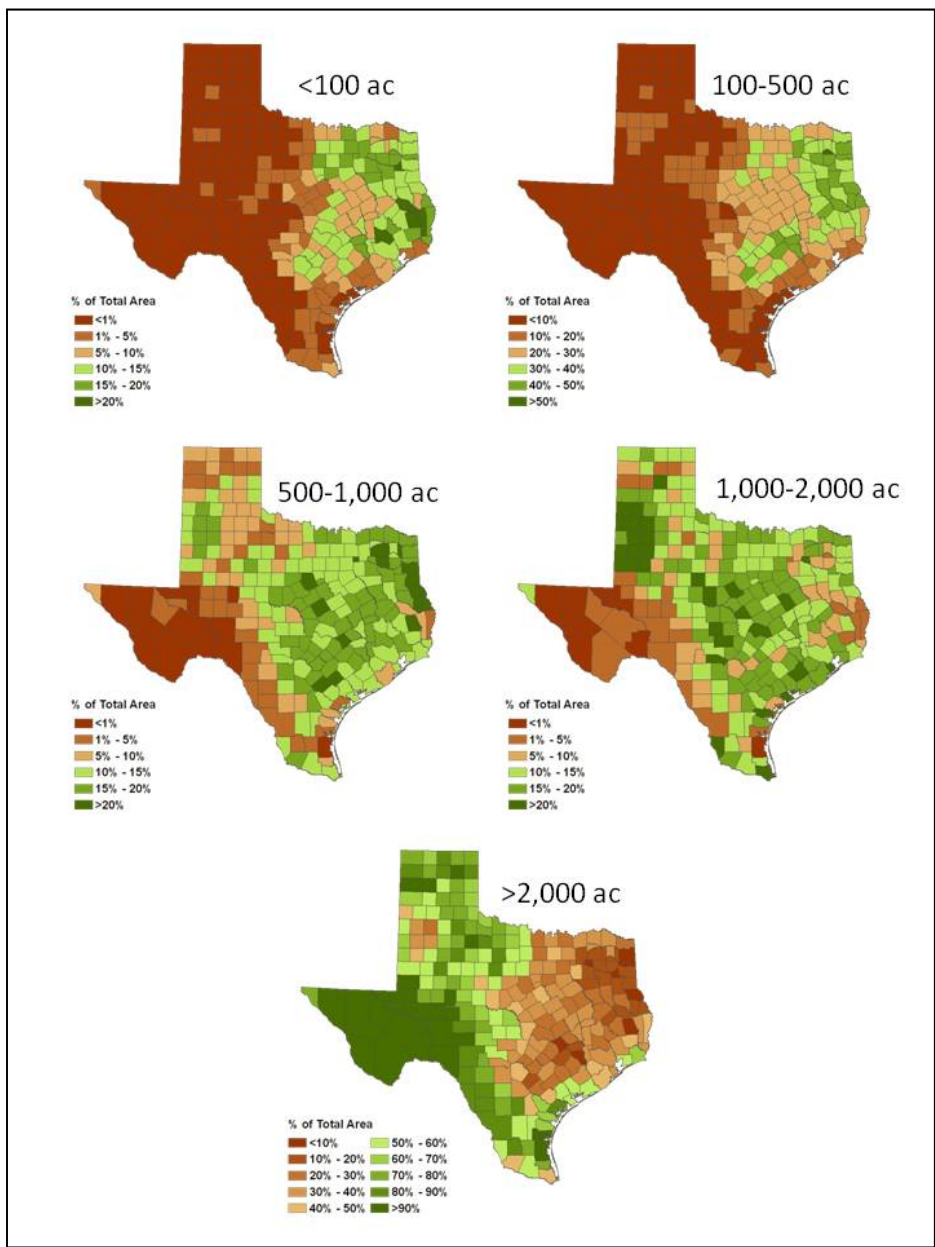


Figure 1. Ownership size distribution by county for 5 ownership size classes in Texas, 2007. Data Source: USDA Census of Agriculture.

- By 2007, smaller operations – those less than 100 acres in size – accounted for over 50% the state’s total farming and ranching operations, while occupying only 3% of the land area. This class of smaller operations increased by 22% since 1997, and was the only ownership size class showing an overall net increase in land area across the state.
- The amount of land in mid-sized farms and ranches (500 to 2,000 acres) has continued to decline at the rate of about 250,000 acres per year.
- Large ownerships – those greater than 2,000 acres in size – account for about 4% of all farms and ranches, but occupy about 62% of the state’s total farm and ranchland. While larger operations have slightly increased in total number since 1997, they have decreased in land area by 461,000 acres. These statewide numbers, however, mask some of the differing patterns among regions of the state.
- Changes in area represented by large operations varied according to ecological region. For example, since 1997 over 2.8 million acres of larger farms and ranches in the Trans Pecos, Edwards Plateau and South Texas were fragmented into mid-sized and smaller ownerships. In other regions – the High Plains, Rolling Plains, Coastal Sand Plains, Oak Woods and Prairies, and Blackland Prairies – about 2.5 million acres of mid-sized properties were consolidated into larger operations.

In Texas, the trends in ownership size distribution have differed across the state – and these appear to be largely associated with ecological region. Ownership size is associated with profitability. When considered statewide, the proportion of farms and ranches that reported positive net proceeds exceeded 50% for those operations greater than 500 acres in size (Figure 2). Thus, the loss of larger ownerships through fragmentation has obvious implications for profitability and continued stability of agricultural operations. Likewise, consolidation into larger operations would tend to be associated with more profitable agricultural operations.

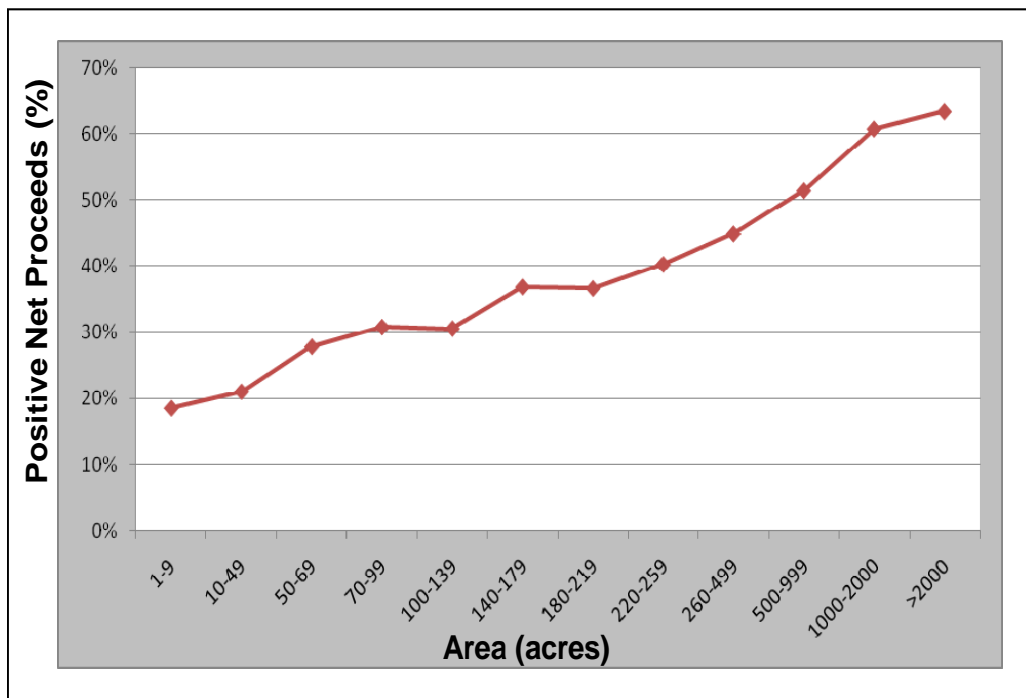


Figure 2. Statewide proportion of agricultural operations reporting positive net proceeds during 2007, Texas. Data Source: USDA Census of Agriculture.

Fragmentation

Ownership fragmentation is a regional trend whereby larger farms and ranches are divided into smaller ownerships. The outcome is usually a shift in land use and a trend toward lesser economic suitability for some traditional agricultural operations. In addition, fragmented ownerships provide a challenge in maintaining an effective operational scale for wildlife conservation and management.

In the 10-year period from 1997 to 2007 there were relatively high rates of ownership fragmentation throughout the southern and western border regions of the state (Figures 3 and 4). The fragmentation rates were highest in South Texas, Trans Pecos, and the western Edwards Plateau where a total of 2.8 million acres of large operations were divided into smaller farms and ranches (Figures 5 and 6). These numbers represent a 7.2% loss in the area represented by larger farms and ranches in those regions. By 2007, the combined area of the Trans Pecos and Edwards Plateau lost a total of 10% of farms and ranches that were greater than 2,000 acres in 1997. Areas susceptible to fragmentation are primarily associated with ranching and rangeland use.



Figure 3. Texas ecological regions with overall trends toward “fragmentation” (red) versus consolidation” (green), 1997 to 2007. Fragmentation indicated by an overall loss in area of large ownerships (>2,000 acres), while consolidation indicated by an overall gain in area of large ownerships. *Data Source: USDA Census of Agriculture.*

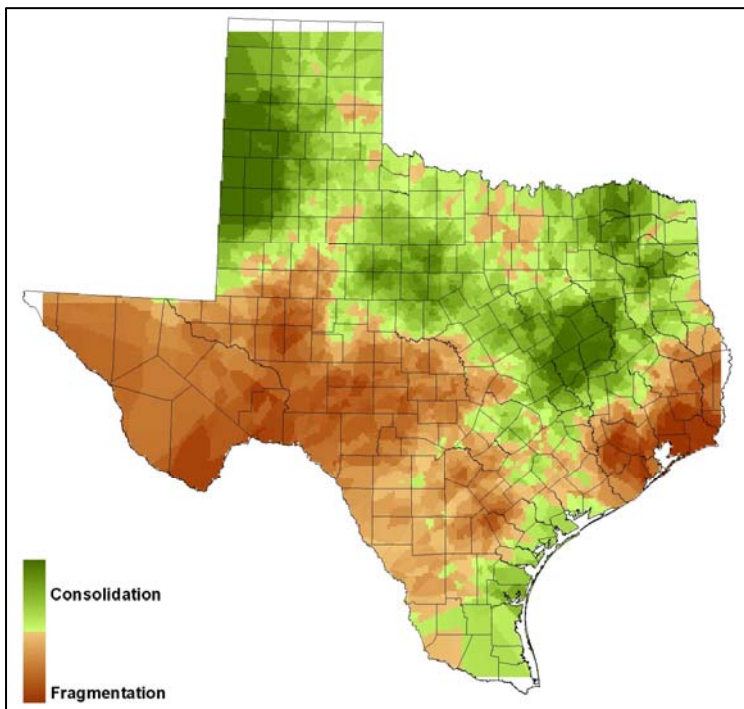


Figure 4. Generalized pattern of regional trends in fragmentation and consolidation (see Figure 3 for definitions) from 1997 to 2007. *Data Source: USDA Census of Agriculture.*

Consolidation

The consolidation of smaller properties into larger ownerships was prevalent throughout much of north and east-central Texas. Overall, the 5 ecological regions with increased area of large ownerships gained about 2.5 million acres through consolidation over the 10-year period. Consolidation rates were highest in the High Plains and Rolling Plains, where our data suggest almost 1.5 million acres of smaller ownerships were consolidated into operations greater than 2,000 acres (Figure 6). By 2007, the numbers of larger operations had increased by 9.3% in those regions that had net overall consolidation since 1997. Land Consolidation occurs in areas traditionally dominated by commodity row crops.

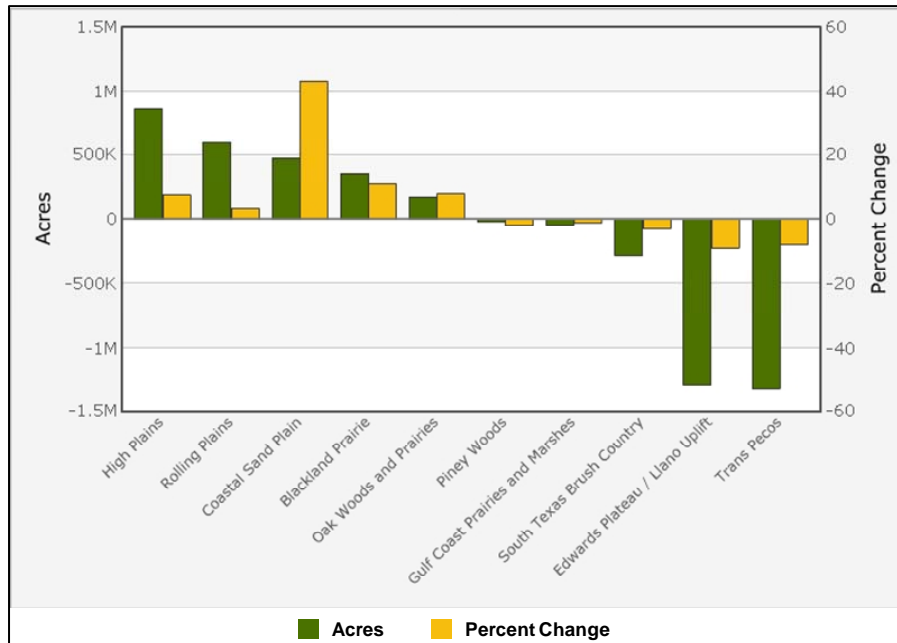


Figure 5. Change in area and percent change in large farms and ranches (>2,000 acres), 1997-2007. *Data Source: USDA Census of Agriculture.*

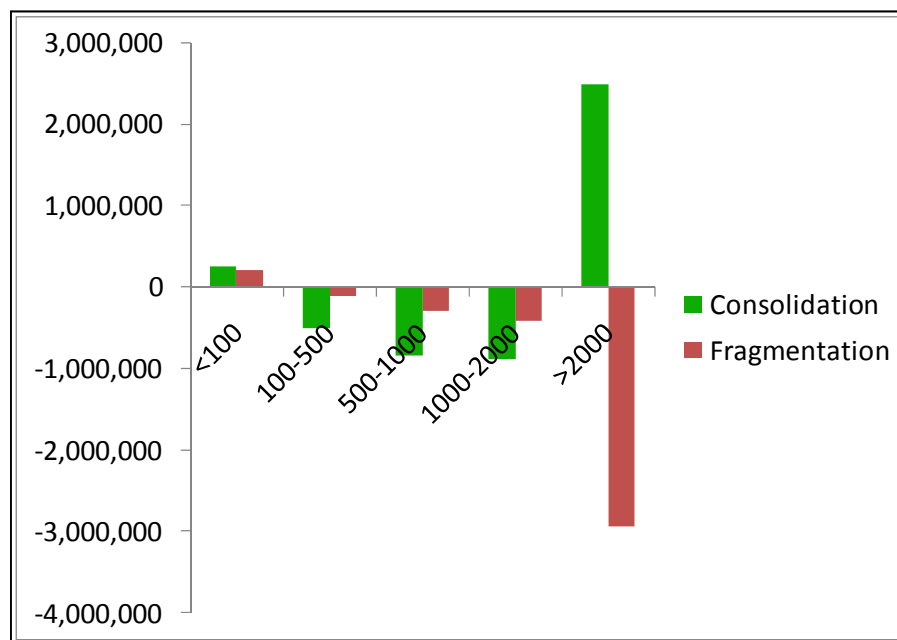


Figure 6. Change in area by ownership size class for regions of fragmentation versus regions of consolidation in Texas (reference Figures 3 and 4). *Data Source: USDA Census of Agriculture.*