

STUDY FINDS THREE TIMES MORE HOUSING NEEDED THAN IS OFFERED

# Entering farmers and ranchers face a shortage of on-farm housing in the Midwest and Plains

## Project team

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## The data and approach

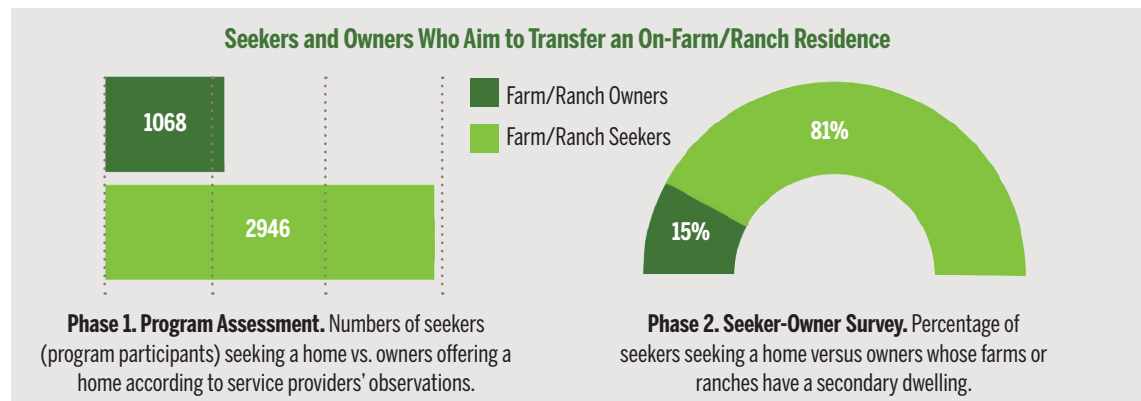
**Phase 1:** Survey of farm link service providers in 12 states (IL, IN, IA, KS, MI, MN, MO, ND, NE, OH, SD, WI). Thirty-eight providers received the online questionnaire; 24 estimated patterns among the 3,800 seeker and 2,300 owner participants in their services.

**Phase 2:** Survey of a wider population of owners and seekers (only 13% of whom have used a farm link service). Phase 1 providers and 10 others distributed an online survey to their networks. We compare responses from 178 seekers with those of 183 owners who might transfer out of family.

## HOUSING SHORTFALL CALLS FOR POLICY RESPONSES

Our study aimed to elicit how the land needs of incoming farm/ranch seekers align with what retiring farm/ranch owners are offering across 12 Midwest and Plains states. We focused on owners who expect to transfer real estate and other farm/ranch assets out of the family, as opposed to within family. Non-family transfers are becoming more prevalent, and most incoming farmers/ranchers need to go outside of family to secure land.

There is strong consensus about the difficulties entering farmers and ranchers face in securing access to land, whether purchasing or renting. Housing is a critical part of the equation. Housing is often the most expensive aspect of farm access, and, as we demonstrate, under-available. This makes access to farm/ranch land not just an affordable farmland issue, but an affordable housing issue as well.



- Living on the farm is customary and efficient; 74% of producers live on-farm/ranch.
- But few owners preparing to transfer a farm or ranch offer an on-farm residence, which is a top need of seekers. In our study, seeker demand for housing is three times what is offered by owners.
- Over 80% of these seekers are looking for a farm/ranch that comes with housing. But 74% of owners have only their primary residence on the farm/ranch, and 12% have no residence at all on their land. Only 15% of owners have a secondary residence on their property. We did not test, but do assume, that owners intend to live in their primary farm residence in retirement.
- These findings spotlight the need for research and innovation into policies and options that enable incoming farmers and ranchers to reside on the farm/ranch.



## Future research should examine the role of the home in farm/ranch transfers

Accessing on-farm housing is part of seekers' land access challenge. In a National Young Farmers Coalition survey of current, former, and aspiring farmers under 40 years of age (n=3,500), access to affordable housing ranked in the top five most common challenges. Lack of access to housing was a top reason farmers stopped farming, and aspiring farmers are not yet farming. American Farmland Trust also found housing to be part of "the most conspicuous gap" faced by beginning farmers and ranchers.

## Policy responses to support affordable on-farm housing

The literature suggests the following policy reforms to build agricultural housing and make existing on-farm housing more accessible and affordable for incoming farmers.

### At the state, county, and local levels:

- Incorporate housing considerations into farmland preservation programs, or purchase of development rights. Currently, Agricultural Conservation Easements do not allow subdividing or non-agricultural structures.
- Reform zoning to allow second residences on a farm. Well-intentioned rules to protect agricultural land from residential development sometimes prevent a second house from being built on an area of a certain size. Those areas can be as large as 20 to even 80 acres.
- Allow "alternative" housing such as an accessory dwelling (in-law apartment), adapted farm structure (e.g., barn loft into an apartment), converted single home to duplex, mobile home or other temporary structure, tiny house (mobile or fixed), or off-grid dwelling.
- Consider deed riders that link residential and agricultural parcels to ensure affordable housing adjacent to agricultural activities.

### At the federal level:

- Strengthen seekers' access to affordable rural housing by supporting the USDA Rural Development Rural Housing Service and expanding its Community Facilities Direct Loan and Grant Program, to include purchases of on-farm housing infrastructure.

## Data source

Valliant, J. C. D., Ruhf, K. Z., Dickinson, S. L., Zhang, Y., Golzarri-Arroyo, L., & Farmer, J. R. (2020). Farm seeker needs versus farm owner offers: A comparison and analysis in the U.S. Midwest and Plains. *Journal of Agriculture, Food Systems, and Community Development*. Forthcoming.

## Acknowledgements

Many thanks to the Indiana University Biostatistics Consulting Center (Stephanie Dickinson, Lilian Golzarri-Arroyo, and Yijia Zhang), to Mary Fund and Dave Welsch for contributing to the research process, and to the leaders of linking services and farm/ranch seekers and owners for sharing their knowledge.

## Funding

This material is based upon work that is supported by the National Institute of Food and Agriculture, U.S. Department of Agriculture, under award number 2016-38640-25381 through the North Central Region SARE program under project number LNC16-377. USDA is an equal opportunity employer and service provider. Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily reflect the view of the U.S. Department of Agriculture.

