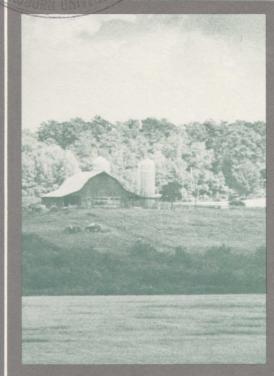
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Private Landownership in Alabama



FOREWORD

This publication examines data describing landownership patterns in Alabama. Analyses of the nature and extent of land ownership are concentrated in three areas: privately held land, farm and ranch land, and foreign interest in agricultural land. Discussion focuses on Alabama with national and/or regional data used as a basis for comparisons.

Two separate data sources were used. Landownership data were drawn from aggregated regional and Alabama data collected as part of the 1978 Resource Economics Survey conducted by the Natural Resources Economics Division (NRED), Economics, Statistics, and Cooperatives Service (ESCS, now Economics and Statistics Service—ESS), United States Department of Agriculture (USDA). Appreciation is expressed to Douglas G. Lewis, Agricultural Economist, NRED, ERS, USDA, for provision of data from the overall survey relevant to the region and Alabama. Leon E. Danielson provided invaluable assistance in securing these data and in providing the land ownership totals for the United States (2).

Analyses of foreign interests in agricultural land were conducted using forms submitted to the USDA in compliance with the Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978. Appreciation is expressed to the Agricultural Stabilization and Conservation Service (ASCS), USDA, and the Alabama Department of Agriculture and Industries for providing copies of the forms submitted by foreign entities.

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Information contained herein is available to all persons without regard to race, color, sex, or national origin.

Private Landownership in Alabama

J. L. Adrian and J. E. Dunkelberger¹

INTRODUCTION

O INPUT is more basic to the agricultural industry than land. Food and fiber production for both domestic and foreign markets is dependent on the viability, use, and maintenance of the land base. Considerable change has occurred recently in the pattern of farmland ownership and use in the United States. The nature and impact of these changes have not been adequately documented and understood, especially at the state level.

Market forces coupled with governmental prescriptions and interventions are generally assumed to guide allocation of the land base toward efficient utilization consistent with societal needs. Such an assumption is not unreasonable when policy decisions are formulated using timely and accurate information. By providing a compilation of previously unavailable landownership information for Alabama, this report should prove widely beneficial to persons charged with responsibility for policy formulation.

Information defining the extent of absentee, foreign, and family ownership plus the characterization of owners by age, sex, race, income, education, and occupation should be useful in the design of programs to facilitate greater efficiency in agriculture. Other potential uses involve the design of programs in such areas as technical and economic aid, taxation, land use, conservation, and rural zoning and urban encroachment. Policy areas such as these should be approached more efficiently by public officials possessing this type of information.

OBJECTIVES

The general objective of this report is to examine private ownership of farmland in Alabama. Specific objectives are to analyze

¹Associate Professor and Professor, respectively, Department of Agricultural Economics and Rural Sociology.

the nature and extent of: (1) private ownership of land in Alabama and provide comparisons made with ownership patterns for the United States and region, (2) farm and ranch land ownership in Alabama and provide comparisons with ownership patterns at national and regional levels, and (3) foreign ownership of agricultural land in Alabama and provide comparisons with national patterns.

DATA AND METHOD

Data used in this report were derived from two sources. Objectives 1 and 2 were addressed with data collected as part of the 1978 Landownership Survey conducted by the Economics, Statistics, and Cooperatives Service (ESCS or now ESS, Economics and Statistics Service) of the USDA. The Landownership Survey comprised the second part of the 1978 Resource Economics Survey, a 12-part effort developed to secure information concerning total private land and farmland resources in the United States. The first component of the Resource Economics Survey, called the 1977 National Resource Inventory, emphasized identification of the quality and use of land while the second part, the 1978 Landownership Survey, concentrated on identifying the nature of landownership and characteristics of owners. Data summaries from the 1978 Landownership Survey were compiled by the Natural Resources Economics Division, Economic Research Service. United States Department of Agriculture (NRED, ERS, USDA) for Alabama and the region and were provided to the Alabama Agricultural Experiment Station. U.S. totals presented in this publication were excerpted from an earlier report utilizing this data source (2).

The 1978 Landownership Survey was conducted on a land area sample basis with expansion factors used to generalize for the United States. Data were initially obtained by defining land use (farming, residential, and commercial) and then ascertaining the identity of the owner and relevant ownership characteristics.² Data defining ownership of privately held farm and ranch land

²This approach resulted in area estimates somewhat more precise than previous estimates gained from U.S. Census data using general population characteristics and numbers of owners. Estimates of farmland ownership parameters are believed to be more accurate than those for nonfarmland because most of the privately owned land throughout the United States is associated with agriculture. Also, greater credence should be given to percentage distributions reported than to numerical values for particular categories. Other details of the methodology used in the survey are described by Lewis (7, pp. 33-91).

are presented for the United States, the South, and Alabama. Emphasis is given to analyzing ownership patterns for Alabama noting important deviations from national and regional characteristics. To facilitate the comparison of state characteristics, nine states most similar to Alabama in terms of agriculture are grouped with Alabama and defined as the South (Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia). Privately held land is discussed with respect to use and estimated value, while farm and ranch land is evaluated in terms of size, time of acquisition, tenure status, net farm income generated, and characteristics of owners, such as sex, race, residence, age, education, occupation, and non-farm family income.

Objective 3 was addressed with data provided by the Agricultural Foreign Investment Disclosure Act (AFIDA) reports filed for Alabama by foreign entities between February 1, 1979, and December 31, 1981. Of the 271 reports filed during the reporting period, 91 reported land holdings, 168 reported land acquisitions, and 12 reported land dispositions within the State. Eleven of these reports were judged to be duplicates and were eliminated from the study giving a total of 260 ownership units reporting. Foreign activity as represented by these units was evaluated in terms of holdings and acquisitions.

Since some of the material required by the AFIDA Act necessitates legal clarification and technical description, legal requirements of AFIDA and definitions of terms used in the Act and in this report are included in Appendix B. This material was excerpted primarily from the report made to Congress by the Economic Research Service of the USDA concerning foreign ownership of agricultural land in the United States (10, pp. 2-6). Areas emphasized in the analysis include specification of foreign activity, characteristics of foreign entities, interests held, date and method of acquisition, land use, and tenure status.

NATURE AND EXTENT OF LANDOWNERSHIP

Who owns the land? In a country consisting of approximately 2.3 billion acres, this is a significant question. In 1978, the federal government was the largest landowner, holding about 762 million acres, or one-third of all land (7). Much of this federal land is located in national forests and preserves located in the Western States. In addition, a sizeable amount is used for high-

ways, recreational areas, and public buildings. Also, American Indians either own or hold trust rights to 2.3 percent, or 56 million acres. State and local governments hold almost 6 percent of the land, or 136 million acres. Private landownership accounts for the remaining 1.35 billion acres, representing 59 percent of the land area.

PRIVATE LAND

Ownership

Alabama has approximately 30.2 million acres of privately owned land subdivided into more than 1.04 million ownership units, Appendix A table 1.3 Individuals and families hold 99 percent of these land parcels, representing 79 percent or 24 million acres, figure 1. Little difference in the distribution of ownership units or acreage is noted for individual and family units between Alabama and either the United States or the South. They hold 94 percent of the ownership units in both the United States and the South and 83 and 78 percent of the acreage in these areas. Average size of these units is 35, 25, and 23 acres in the United States, the South, and Alabama, respectively. This includes farm tracts as well as home and commercial acreages.

Nonfamily owners account for 9,000, or 1 percent, of the land parcels and 6.2 million acres in Alabama. Corporations are the most common nonfamily owners, holding 1,000 units. These units have an average size of 4,200 acres. Nonfamily corporations account for 14 percent of the private land in the State.

Individual proprietors represent 66 percent of the ownership units and own 40 percent of the State's privately held land. They account for 12 million acres and 688,000 land parcels, Appendix A table 1. Much smaller percentages of private land are owned by family members as joint tenants or in partnership. Twenty-six percent of the private land or 255,000 units are held jointly by family members. Even fewer acres, amounting to 11 percent, are in family partnerships and only 2 percent are held by family corporations.

Landownership patterns in Alabama are generally consistent with those observed throughout the United States and the region, especially in terms of acreage. For ownership units, Alabama

³Land units refer to parcels of land involving legal acquisition of any unit from less than an acre to large acreages.

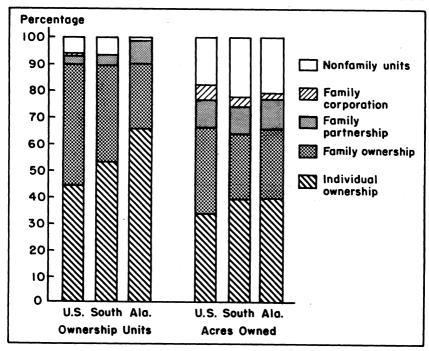


FIG. 1. Ownership of privately held land by owner type: United States, South, and Alabama, 1978.

tends to have more individual owners and family partnerships and fewer family ownerships (husband-wife), figure 1. Ownership units are dominated by family ownership and individual owners in the United States, with the distribution being about equal at 46 and 44 percent, respectively. As in Alabama, individual owners are dominant throughout the South, accounting for 54 percent of the units.

Land Use

There are four primary categories of land use: farm and ranch, commercial, residential, and other (nonfarm, forest, and wasteland). Appendix À table 2 shows the distribution of ownership units and acres across these different uses of private lands. Commercial and residential uses are combined in this discussion.

Farm and ranch lands account for the major portion of privately owned land for all political subdivisions and about one-fourth of the ownership units, figure 2. In the United States, some 82 percent of all land is in farms and ranches as compared

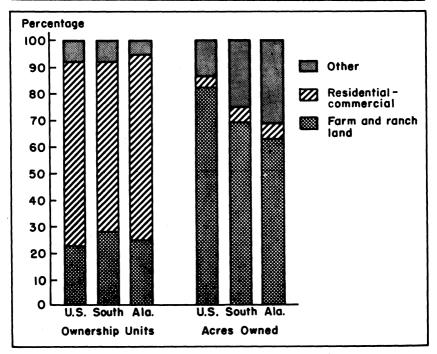


FIG. 2. Use of privately held land: United States, South, and Alabama, 1978.

with 69 percent in the South and 63 percent in Alabama. The reason for this difference is the high proportion of "other" (nonfarm forest, idle land, and wasteland) in both Alabama and the South. Alabama has almost 32 percent of its private land in this category, while 25 percent of the private land in the South is so classified.

The majority of privately owned land parcels is devoted to commercial and residential uses. Across both Alabama and the United States, about 70 percent of the units are used for these purposes with a somewhat smaller proportion in the South allocated in this manner.

Land Value

Table 1 shows the estimated dollar value of land per acre for each land use category. As discussed in the previous section, farm and ranch land represents the major portion of all private land. The estimated value Alabama owners assigned to their land in 1978 was \$391 per acre, considerably below the \$599 estimated

	United States ¹		uth2	Alabama		
Land-use type Value	Acreage	Value	Acreage	Value	Acreage	
Dol.	Pct.	Dol.	Pct.	Dol.	Pct.	
Farm and ranch land 554	82.1	599	69.0	391	62.8	
Residential-commercial 20,491	4.2	9,757	5.6	9,468	5.6	
Other ³ 321	13.7	241	25.4	138	31.6	
Total	100.0		100.0		100.0	

TABLE 1. ESTIMATED VALUE PER ACRE OF PRIVATELY HELD LAND BY TYPE USE: UNITED STATES, SOUTH, AND ALABAMA, 1978

3Nonfarm, forest, idle or wasteland.

Source: 1978 ESCS Landownership Survey.

for the South or the \$554 estimated for the United States. Values reported for the State are well below the figure of \$530 per acre provided by the USDA (5). A factor affecting this differential may be that landowners were asked to place a value on farmland irrespective of alternative uses. Potential nonagricultural use of farmland would be reflected only when recent land sales had occurred. Also, much of the privately owned farmland in Alabama lies in relatively sparsely populated areas where residential and commercial land use alternatives are limited. Only a few rural areas in the State have experienced the population turnaround occurring in some rural areas throughout the South and the United States, although declines in population have slackened in most rural areas (1).

Alabama has a larger proportion of its land in the nonfarm, forest, idle, or wasteland category. Owners of this land report a value of \$138 per acre, which is about \$100 and \$185 below similar land throughout the South and the United States, respectively.

Values for residential and commercial lands in Alabama and the South are more nearly comparable. Although this category of land in Alabama is valued at \$300 per acre less than that for the region, the estimated value of \$9,468 per acre is consistent with the fact that the State is less industrialized and urbanized than most states in the region.

FARM AND RANCH LAND Ownership

Major differences in ownership patterns for privately held farm and ranch land are not evident for the geographic areas examined.

¹Excludes Alaska and Hawaii.

²Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

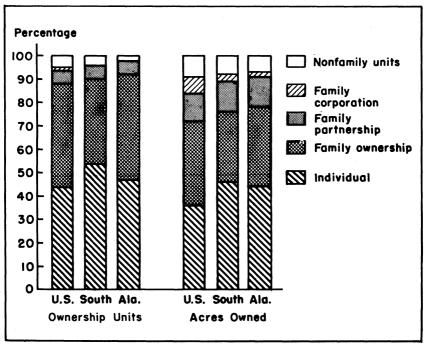


FIG. 3. Ownership of privately held farm and ranch land by type of owner: United States, South, and Alabama, 1978.

Comparatively, only slightly more ownership units and a somewhat larger proportion of the acreage are held by individuals and families in Alabama than in the United States, figure 3. Alabama conforms more to the national than regional pattern with regard to the distribution of individual and family ownership. Similar proportions of ownership units are held by individual owners (47 percent) and family owners (45 percent). However, the amount of acreage held by individual owners is larger than that held by families in the State. Individuals own 44 percent of the farm acreage with an average unit size of 60 acres, Appendix A table 3. Family ownership units involve only 34 percent of the farmland, averaging 47 acres per unit. Family partnerships account for an additional 13 percent of the land held in 13,000 ownership units. Average size of these units is 150 acres. Separate parcels of farmland held by family corporations are considerably smaller than those existing in either the region or the United States, 310 acres versus 430 and 620 acres, respectively.

Only 2 percent of the farmland units in the State are not owned by individuals or families, figure 3. These units involve 7 percent of the acreage and have an average size of 258 acres. Nonfamily partnerships account for most of these parcels (3,000), averaging 100 acres; nonfamily corporations account for the largest portion of the acreage with an average size of 1,300 acres on 300 units.

Size of Units

Land units, as defined in this study, represent parcels of variable sizes depending on the number of acres involved at the last transfer of ownership. The relationship between number of land units and size of the units is inverse. Fewer units of large acreage exist but such units account for a large portion of farm and ranch lands.

In the United States, about 30 percent of the land units are smaller than 10 acres and represent less than 1 percent of the farm acreage, figure 4 and Appendix A table 4. Conversely, approximately 5,000 land units as large as 10,000 acres represent 11 percent of all farmland. The majority of land units are small. More than 71 percent of the land units represent tracts of fewer than 100 acres. Such units account for only 13 percent of the land acreage.

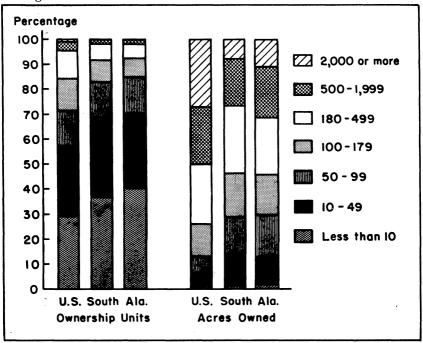


FIG. 4. Size of farm and ranch land holdings: United States, South, and Alabama, 1978.

The pattern of land holdings by size for the United States and the South reveals only slight differences, whereas the distribution of acreage shows considerable difference. Both land holdings and acreage are more highly concentrated in small land parcels in both the South and Alabama than in the United States. Thirty-seven and 41 percent of the land units in the South and Alabama are smaller than 10 acres, respectively. These units represent about 2 percent of the farmland in both areas. Farm and ranch units of less than 100 acres account for about 85 percent of all units and 30 percent of the acreage in these areas. Relatively little farmland in Alabama is in large parcels with only 10 percent exceeding 2,000 acres per unit. This partially reflects the concentration of large forest holdings owned by timber and pulpwood firms in the State.

Acquisition

Two points about farmland ownership are of particular interest. One relates to when the land was acquired or the period of time that an owner has held the land. A second relates to how the land was obtained or the nature of the acquisition process. Consideration is given to kinship involvement in land transfer. In this section, only data for the South and Alabama are presented.

When Acquired

Thirty-seven percent of all farmland units in the South had been acquired in the 9 years from 1970 through 1978, table 2. Alabama has experienced a slower rate of turnover than the South with 5 percent fewer units changing hands during this period.

TABLE 2. TIME OF F	ARM AND RANCH LAND	Acquisition in	NUMBER AND PERCENT
of Ownership	Units and Acres Own	NED: SOUTH AND	Alabama, 1978

		South	11	Alabama				
Date acquired	Ownership units		Acres owned		Ownership units		Acres owned	
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.
1970-78	832	37.1	39.3	27.0	75	32.0	3.0	20.1
1960-69	512	22.6	32.3	22.2	54	22.9	2.7	18.1
1950-59		14.3	27.1	18.6	44	18.9	2.9	19.5
1940-49		13.2	20.9	14.4	24	10.0	2.8	18.8
Before 1940		10.7	21.2	14.6	29	12.3	2.5	16.8
Not reported		2.1	4.6	3.2	9	3.9	.9	6.7
Total	. 2,242	100.0	145.4	100.0	235	100.0	14.8	100.0

¹Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia. Source: 1978 ESCS Landownership Survey.

Moreover, the proportion of the farm acreage changing hands was 7 percent less for Alabama than for the South.

Differences are reflected in the larger number of land units in Alabama acquired during the 1950 through 1959 period or before 1940. Compared to the South as a whole, 55 percent of Alabama farmland was obtained before 1960 versus 48 percent for the region. It is clear that the transfer of farmland in the State has not been as active as in most other Southern States.

How Acquired

One can legally obtain land through direct purchase or some form of nonpurchase transfer. The primary form of transfer is through direct purchase; however, the nature of this transfer is often influenced by a kin relationship between purchaser and seller. Both dimensions of the transfer process are considered.

In the South, 76 percent of the ownership units were obtained by purchase and 22 percent by a nonpurchase means, table 3. Nonpurchase units account for 38 percent of the acreage transferred. Inheritance is the primary transfer mechanism for both nonpurchased units and acreage. Similarly, kinship plays some part in the transfer of a sizeable portion of purchased acquisitions. Almost one-fourth of farmland parcels were purchased from relatives. These units tend to be smaller than those purchased from nonrelatives, averaging 50 versus 65 acres per unit.

Alabama differs considerably from the South with regard to the proportion of ownership units purchased and nonpurchased. Purchased units account for 14 percent fewer units. The acreage involved in these units, however, totals a similar proportion.

TABLE 3. METHOD OF FARM AND RANCH	LAND ACQUISITION IN NUMBER AND PERCENT
OF OWNERSHIP UNITS AND ACRES	OWNED: SOUTH AND ALABAMA, 1978

Acquisition		South	1	Alabama					
method	Ownership units		Acres owned		Ownersh	Ownership units		Acres owned	
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	
Purchased:									
Nonrelative .	1,170	52.2	75.6	52.0	105	44.5	7,6	51.1	
Relative	528	23.5	26.3	18.1	40	17.0	2.7	18.2	
Nonpurchased:									
Inherited	451	20.1	33.2	22.8	79	33.8	3.1	21.0	
Gift	28	1.2	2.8	1.9	2	1.0	.3	2.2	
Other	12	.6	1.7	1.2	1	.4	.2	1.6	
Not reported	53	2.4	5.8	4.0	8	3.3	.9	5.9	
Total	2,242	100.0	145.4	100.0	235	100.0	14.8	100.0	

¹Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

Source: 1978 ESCS Landownership Survey.

Farmland units purchased from relatives occurred less often in Alabama than in the South. Evidently, land transfer practices differ in the timing and procedures used for conveying farmland from one generation to the next. In Alabama, the transfer is more likely to be delayed until death of the owner rather than at some prior time, such as at retirement from farming.

Tenure Status

Three aspects of land tenure include whether the land is operated by the owner, a renter, or a lessor, table 4. Data interpretation for Alabama must be viewed as tentative because tenure status was not reported for about one-fourth of the farm acreage. This represented 16 percent more unreported acreage than for the region.

Table 4. Tenure Status of Farm and Ranch Land in Number and Percent of Ownership Units and Acres Owned: South and Alabama, 1978

T . 1.		South	į1		Alabama				
Land tenure	Ownership units		Acres owned		Ownership units		Acres owned		
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	
Owner operated	984	43.9	66.8	45.9	111	47.1	5.9	39.6	
Rented out	525	23.4	33.0	22.7	62	26.1	2.7	18.1	
Leased out:									
Cash	294	13.1	19.3	13.3	26	11.2	2.0	13.4	
Share	178	7.9	12.6	8.7	9	3.9	.6	4.0	
Other		1.4	1.6	1.1	2	.9	.l	.7	
Not reported .	229	10.3	12.1	8.3	25	10.8	3.5	24.2	
Total	2,242	100.0	145.4	100.0	235	100.0	14.8	100.0	

¹Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia. Source: 1978 ESCS Landownership Survey.

The proportions of ownership units in the various tenure statuses are relatively similar for Alabama and the South. Slightly more farm units in the State are owner operated and rented out to others. Leased units, on the other hand, are less common in Alabama. Leases involving share arrangements in lieu of cash payment apply to only 4 percent of all units in Alabama, but to 8 percent of units in the region.

Net Farm Income

Virtually all reports that deal with farm income consider the farm operation as a whole rather than in terms of the various parcels of land that comprise it. However, here the data represented reflect estimates of income derived from each land parcel separately.

TABLE 5. NET FARM INCOME OF FARM AND RANCH LAND OWNERS BY OWNERSHIP UNITS AND ACRES OWNED: SOUTH AND ALABAMA, 1977

•		Sout	h²		Alabama			
Income ¹	Ownership units		Acres	Acres owned		Ownership units		owned
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.
Net loss	227	10.1	22	15.3	16	7.3	2.4	16.3
\$10,000 or more		1.2		3.2		1.3		6.1
\$3,001 to \$9,999		2.2		7.6		1.9		3.4
\$1 to \$3,000		6.7		4.5		4.1		6.8
No net farm income	883	39.4	23	15.9	119	54.9	3.9	26.2
Below \$10,000	762	34.0	51	35.1	76	35.1	4.5	30.4
\$1 to \$2,999		26.4		20.7		31.1		19.6
\$3,000 to \$9,999		7.6		14.0		4.0		10.8
\$10,000 to \$24,999	56	2.5	11	7.6	5	1.8	.9	6.1
\$10,000 to \$14,999		1.2		3.5	-	1.3		2.7
\$15,000 to \$19,999		.9		2.2		.4		2.0
\$20,000 to \$24,999		.4		1.9		.1		1.4
\$25,000 and above		1.6	8	5.5	2	.1	.5	3.4
Not reported		12.4	30	20.6	$1\overline{7}$.8	2.6	17.5
Total		100.0	145.4	100.0	235	100.0	14.8	100.0

¹Excludes corporations and other business organizations. ²Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Ten nessee, and Virginia.
Source: 1978 ESCS Landownership Survey.

A considerable proportion of the land units analyzed produced no net farm income in 1977, table 5. Almost 40 percent of all units in the South reported no income and 10 percent reported losses. Of the units showing net gain, 26 percent reported income of less than \$3,000 annually.

The situation for Alabama farmland is distinct from the region as more than one-half of the units reported no net farm income in 1977. The fact that 10 percent more farm acreage in Alabama produces no net income probably results from more of the non-income producing units in other states being classified as not reported. Just over one-fourth of the farmland in Alabama had no net farm income in 1977 and an additional 16 percent generated a loss of income.

Owner Characteristics

This section reviews survey data profiling owners of farm and ranch land in Alabama and the South. Characteristics considered include the owner's or principal owner's sex, race, residence, age, education, occupation, and nonfarm family income. Information concerning individuals who control farmland is important for a better understanding of who is making decisions relative to the use of the land resource.

Sex

The vast majority of ownership units in both the South and Alabama are controlled by men, table 6. Eleven percent of Alabama's land units and 14 percent of the acreage are held by women as either an individual or principal owner. However, this figure may conceal the influence women exert on decisions affecting farmland use in joint husband-wife ownership situations and partnerships.

Race

Whites own 84 percent of the farmland units in Alabama and control 87 percent of the acreage, table 6. Black landowners account for virtually all of the remaining units and 5 percent of the acreage.

Throughout the South, the pattern of landownership by blacks is consistent with that for Alabama. Blacks own 10 percent of the land units and about 4 percent of the farmland. Other minorities, such as American Indians and Hispanics, own about 10,000 land units involving a small number of acres.

TABLE 6. SELECTED CHARACTERISTICS OF FARM AND RANCH LAND OWNERS BY OWNERSHIP UNITS AND ACRES OWNED: SOUTH AND ALABAMA, 1978

Chti-ti-		South	1 ¹			Alabai	ma	
Characteristic	Ownersh	ip units	Acres	owned	Ownersh	ip units	Acres	owned
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.
Sex								
Male	1,776	79.2	109.3	75.2	204	86.9	11.7	79.1
Female	390	17.4	22.4	15.4	27	11.3	2.0	13.5
Not reported	76	3.4	13.7	9.4	4	1.8	1.1	7.4
Total	2,242	100.0	145.4	100.0	235	100.0	14.8	100.0
Race					.,			
White	1.934	86.2	125.5	86.4	198	84.2	12.9	.86.6
Black	212	9.5	5.0	3.5	30	12.7	1.0	4.7
Other	10	.4	.4	.1				-
Not reported	86	3.9	14.5	10.0	7	3.1	1.2	8.7
Total	2,242	100.0	145.4	100.0	235	100.0	14.8	100.0
Age	-,					200.0		
Younger than 30	55.3	2.5	2.8	1.9	.5	.1	.1	.1
30-39	392.4	17.5	11.3	7.8	44.0	18.7	1.1	7.4
40-49	407.6	18.2	23.3	16.0	34.2	14.5	2.4	16.1
50-59	469.0	20.9	33.3	22.9	72.5	30.8	3.5	23.5
60-69	409.7	18.3	31.3	21.5	30.4	12.9	3.1	20.8
70 and older	397.2	17.7	25.9	17.8	45.8	19.6	3.1	20.8
Not reported	111.3	4.9	17.5	12.1	7.7	3.4	1.6	11.3
Total	2.242.5	100.0	145.4	100.0	235.1	100.0	14.9	100.0
Education	4,4 14.0	100.0	110.1	100.0	40012	20000		
8 or less years	695	31.0	30.3	20.8	62	26.6	2.9	19.5
9-11 years	406	18.1	20.6	14.2	66	28.0	2.3	15.4
	493	22.0	31.9	21.9	68	29.2	3.6	24.2
12 years	188	8.4	17.2	11.8	15	6.2	1.8	12.1
	295	13.2	23.8	16.4	13	5.3	2.4	16.1
16 or more years	165	7.3	21.6	14.9	îĭ	4.7	1.8	12.7
Not reported	2,242	100.0	145.4	100.0	235	100.0	14.8	100.0

¹Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.
Source: 1978 ESCS Landownership Survey.

Age

Farmland in Alabama is controlled by older owners, table 6. Almost two-thirds of the ownership units and 65 percent of the acreage are held by individuals 50 years of age or older. Average size of units held by those over 50 is 65 acres. Conversely, owners younger than 30 years of age hold about 500 ownership units totaling less than 100,000 acres or 0.1 percent of the State's farmland. Ownership of farmland parcels increases considerably among people 30 to 39 years of age; however, the average size of these parcels is only about 25 acres.

Farmland owners are somewhat older in Alabama than in the South. A larger portion of the South's owners are younger than 30 years of age and hold more of the farmland. Conversely, the elderly in the region, 70 years of age and older, hold somewhat fewer ownership units and 3 percent less land than comparable individuals in Alabama.

Education

Owners of Alabama farmland are not highly educated, table 6. More than half have not finished high school and one-fourth completed 8 years or less of schooling. Average size of ownership units held by the less educated is 47 acres. Size increases markedly with educational attainment beyond high school. Owners who completed some college held land units averaging 120 acres, while those units owned by persons who completed college had an average size of 185 acres. Although the better educated are more likely to own large units, they account for only 12 percent of all parcels and 28 percent of the acreage.

Compared to the South, Alabama landowners are somewhat more likely to have a high school education or less. In the State, 84 percent of the landowners are at this educational level versus only 71 percent of owners in the region. Acres owned by these individuals represent about the same proportion of the farmland, however.

Residence

All but 3 percent of the farmland units in Alabama are owned by in-State individuals or partnerships, figure 5 and Appendix A table 5. The vast majority of the owners reside in the same county as the parcel. Land ownership by noncitizens of the United States is minimal.⁴

⁴Detailed consideration of foreign ownership of Alabama farmland is analyzed in the following major section.

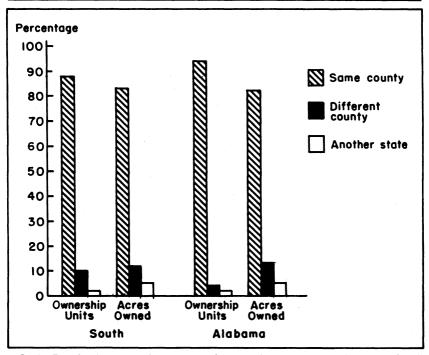


FIG. 5. Farmland units and acres owned by residence of principal owners: South and Alabama, 1978.

Occupation

Persons identifying their principal occupation as being a farmer or farm manager represent a small segment of farmland owners, table 7. Only 14 percent of the ownership units are held by farmers in Alabama. They account for 26 percent of the farm acreage, with the likelihood that some additional units are owned by part-time farmers and people retired from farming. Owners in blue collar occupations hold 43 percent of all farmland units and are the most prevalent owner type. Units owned by blue collar workers are small, averaging 27 acres. Retired persons hold another one-fourth of the land units, averaging 61 acres in size. White collar workers in the State own 9 percent of the farm parcels involving 18 percent of the farmland. Farmers and retired persons control more than half of the farm acreage in the State.

Across the South, 9 percent more ownership units are held by persons in white collar occupations and 15 percent fewer by those in blue collar occupations than is true in Alabama. But, because of the small size of many of these ownership units, people in white collar occupations control a similar portion of the farmland. An-

Occupational		South	11		Alabama				
type	Ownership units		Acres owned		Ownership units		Acres owned		
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	
Farmer ²	362.7	16.2	47.8	32.9	32.9	14.0	3.9	26.4	
Nonfarm:								-1	
White collar ³ .	412.1	18.4	24.3	16.7	21.3	9.0	2.6	17.6	
Blue collar4	620.3	27.6	17.9	12.3	101.8	43.3	2.7	18.2	
Other ⁵		5.7	6.3	4.3	8.9	3.8	.4	2.7	
Retired	2221	24.8	30.5	21.0	60.3	25.7	3.7	25.0	
Not reported		7.3	18.6	12.8	9.8	4.2	1.5	10.1	
Total	0.040	100.0	145.4	100.0	235	100.0	14.8	100,0	

TABLE 7. NUMBER AND PERCENT OF FARMLAND UNITS AND ACRES OWNED BY OCCUPATION OF THE PRINCIPAL OWNER: SOUTH AND ALABAMA, 1978

²Includes farm managers, laborers, and foremen.

4Includes craftsmen, operatives, laborers, and service workers.

Source: 1978 ESCS Landownership Survey.

other difference is the somewhat larger proportion of land in the region held by individuals giving farming as their principal occupation.

Nonfarm Family Income

Relatively few owners of Alabama farmland represent families with no nonfarm income, table 8. Only 11 percent of the ownership units and 14 percent of the acreage are held by such individuals. However, many owners have limited or low nonfarm incomes. About 44 percent have incomes of less than \$10,000, with 15 percent of these having incomes of less than \$3,000. These owners account for one-third and almost a tenth of the acreage, respectively. Few owners have nonfarm incomes above \$25,000.

Nonfarm family income information was reported somewhat less frequently across the South than in Alabama. No report was available for 16 percent of the ownership parcels involving almost one-fourth of the farm acreage. Also, a smaller proportion of the land ownership units regionally is held by persons with nonfarm incomes above \$10,000 annually. Most importantly, the vast majority of persons throughout the South who own parcels of farmland have nonfarm family income either from their own nonfarm sources or from wives or other family members.

¹Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

³Includes professionals, technicians, managers, administrators, and sales and clerical workers.

⁵Includes military personnel, housewives, unemployed workers, and those not specified.

TABLE 8. NUMBER AND PERCENT OF FARMLAND UNITS AND ACRES OWNED BY ANNUAL NONFARM FAMILY INCOME OF THE PRINCIPAL OWNER: SOUTH AND ALABAMA, 1978

T.,		Sout	.h1		Alabama				
Income in dollars	Ownership units		Acres	Acres owned		p units	Acres	owned	
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	
No nonfarm income	172.3	7.6	19.6	13.5	25.5	10.9	2.0	13.5	
Less than \$10,000	1,057.8	47.2	50.4	34.7	103.8	44.3	4.8	33.3	
\$1-\$2,999		14.2		11.8		14.6		9.4	
\$3,000-\$6,999		19.8		14.7		22.3		14.2	
\$7,000-\$9,999		13.2		8.2		7.2		8.7	
\$10,000-\$24,999	562.0	25.1	27.1	18.6	79.6	33.9	3.6	24.4	
\$10,000-\$14,999		10.6	-,,,-	8.9		17.8		12.2	
\$15,000-\$19,999		9.7		5.9		5.6		6.8	
\$20,000-\$24,999		4.7		3.8		10.5		5.4	
\$25,000 and above	99.4	4.4	13.3	9.1	4.7	2.0	1.5	10.1	
\$25,000 to \$49,999		3.4		5.3		2.0		5.4	
\$50,000 and more		1.0		3.8		-		4.7	
Not reported	351.0	15.7	35.0	24.1	20.9	8.9	2.9	19.7	
Total		100.0	145.4	100.0	235	100.0	14.8	100.0	

¹Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.
Source: 1978 ESCS Landownership Survey.

FOREIGN INTERESTS IN AGRICULTURAL LAND

Foreign ownership of agricultural land is an issue that received much attention in the mid- and late 1970's. Grave concern was expressed by many individuals and groups relative to the invasion of foreign interests and suspicion of their motivations and intentions. Factual information was scarce, however, on which to evaluate the nature and extent of foreign ownership of agricultural land and to make appropriate policy decisions. Congress attempted to remedy this situation with passage of the Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978.5

Patterns of Foreign Ownership

United States

Nationally, 12,587 disclosure reports had been filed by foreign individuals or entities as of December 31, 1981 (10). These reports applied to approximately 12.7 million acres of agricultural land in the United States. This represents slightly less than 1 percent of the privately owned land (both farm and nonfarm) and 0.6 percent of all public and private land in the United States. Foreign ownership of farmland increased about 4.9 million acres from the prior year's total. This increase can be partially attributed to the under-reporting of foreign land ownership in 1980, when 2.3 million acres acquired that year were not reported until 1981. In addition, 2.1 million acres were reclassified as foreign owned in 1981, when a major U.S. corporation became 20 percent foreign owned.

⁵Regulations prescribed by the Act became effective February 2, 1979. Briefly stated, all foreign persons holding agricultural land as of February 1, 1979, were required to submit a report of such holdings to the Secretary of Agriculture by August 1, 1979. Also, all foreign persons who acquired or disposed of agricultural land after February 1, 1979, were required to report such activity within 90 days of the transfer. Any foreign person who possesses land or any who holds agricultural land and who subsequently becomes a foreign person also must submit a report within 90 days of such change in ownership status.

of the transfer. Any foreign person who possesses land or any who holds agricultural land and who subsequently becomes a foreign person also must submit a report within 90 days of such change in ownership status.

Information to be supplied by foreign persons is specified by the Act. The Secretary of Agriculture was empowered to obtain such information relative to foreign holdings as deemed necessary. Information requested included legal name and address of the foreign person, country of citizenship, nature of the legal entity (including country of origin and principal place of business), type interest held, legal description, acreage, purchase price or other consideration given, current and intended use in the case of a land holding, and intended land use in cases involving acquisitions. With respect to dispositions, the seller was required to provide the legal name and address of the purchaser and the individual's country of citizenship. If the purchaser was not an individual or government, the nature of the entity, country of creation, and principal place of business were ascertained. Non-compliance with requirements of AFIDA results in the foreign owner being subject to a civil penalty of up to 25 percent of the fair market value of the interest held in the land parcel.

Foreign entities hold only partial interests in several parcels of U.S. agricultural property. Thus, when holdings are adjusted accordingly, total holdings are reduced to 11.3 million acres across the United States. Foreign persons and entities from Canada, France, the United Kingdom, West Germany, and the Netherlands Antilles account for 78 percent of this foreign held acreage.

Excluding Maine, which has the largest foreign held acreage, foreign ownership is concentrated in the Southern and Western regions (10). Alabama, Florida, Georgia, South Carolina, and Texas account for 25 percent of all such holdings. Reports filed on holdings in California, Colorado, New Mexico, Oregon, and Washington include another 22 percent. Rhode Island is the only state for which no AFIDA reports have been filed.

Corporations have interests in 85 percent of the foreign held acreage, while partnerships and individuals account for 8 and 6 percent, respectively. The remaining percentage is held by estates, trusts, associations, institutions, and other entities. Sixty-four percent of all foreign holdings are owned by U.S. corporations in which foreign ownership represents 5 percent or more of the capital stock. Other acreage is held by foreign individuals or entities not affiliated with any U.S. corporation.

Forestland is the dominant use to which foreign held agricultural land is allocated, accounting for 56 percent of the total foreign acreage. An additional 13 percent of foreign ownership involves cropland, while pasture and other agricultural uses such as orchards and vineyards represent 26 percent. The remaining 5 percent includes nonagricultural and unreported uses.

Alabama

Reports filed between February 1, 1979, and December 31, 1981, show the extent to which foreign individuals and entities have involvement with agricultural land in Alabama. Land evidencing foreign involvement totals 572,036 acres, table 9. The majority of this activity, 461,144 acres or 81 percent of the total, involves land held prior to 1979. Acquisitions during the reporting period included 101,102 acres and dispositions amounted to 9,790 acres for a net increase in foreign interests of 91,312 acres. Thus, as of December 31, 1981, foreign individuals and entities owned or partially controlled 552,456 acres of agricultural land in the State. This represents 1.83 percent of the privately owned land and 1.69 percent of the total land area, table 10. Much of

Table 9. Agricultural Land Transactions Reported by Foreign Entities by County, Alabama, February 1, 1979-December 31, 1981

County ¹	County ¹ Transactions					
204110)	Holdings	Disposition	Acquisition	Total	foreign interests ²	
	Acres	Acres	Acres	Acres	Acres	
Autauga	4,830		496	5,326	5,326	
Baldwin	100		841	941	941	
Barbour			813	813	813	
Bibb	320		, - -	320	320	
Blount	12,403		315	12.718	12,718	
Butler	7,411		1,300	8,711	8,711	
Cherokee	9,093	5,895	-,	14,988	3,198	
Chilton	16,112	0,		16,112	16,112	
Choctaw	38,466	140	1,479	40,085	39,805	
Clarke	16,462		2,503	18,965	18,965	
Cleburne	10,104		413	413	413	
Colbert	230			230	230	
Conecuh	2,159		96	2,255	2,255	
Coosa	4,100		7.488	7,488	7,488	
Covington	3,199		7,100	3,269	3,269	
Crenshaw	9,440		48	9,488	9,488	
Cullman	12,684	106	10	12,790	12,578	
Dale	230	100		230	230	
Dallas	34,471	108	345	34,924	34,708	
DeKalb	8,630	100	40	8,670	8,670	
Etowah	796		10	796	796	
**	14,173		681	14,854	14.854	
Greene	1,819		2,544	4,363	4,363	
1	8,781		305	9,086	9,086	
	2,993		20,465	23,458	23,458	
Jackson	430		40,400	430	430	
Jefferson	460			460	460	
Lawrence	400		7,900	7,900	7,900	
Lee			418	418	418	
Limestone	F 4C1					
Lowndes	5,461		1,925	7,386	7,386	
Macon			2,268	2,268	2,268	
Madison	00.000	015	2,495	2,495	2,495	
Marengo		917	8,292	35,847	34,013	
Marion	903		485	1,388	1,388	
Marshall			3,358	4,540	4,540	
Monroe			7,016	42,338 1.180	42,338 1,180	
Morgan		1 000	690	,		
Perry	47,005	1,828	632	49,465	45,809	
Pickens			APH.	4,700	4,700	
Pike			957	5,274	5,274	
Randolph			6,810	6,810	6,810	
Russell			12,192	12,192	12,192	
St. Clair	3,535		22	3,535	3,535	
Shelby	2,575		38	2,613	2,613	
Sumter	. 3,075		1,118	4,193	4,193	
Talladega	. 517			517	517	
Tuscaloosa	. 6,509			6,509	6,509	
Walker			40	6,697	6,697	
Washington	. 19,583			19,583	19,583	
Wilcox	. 85,049	796	4,916	90,761	89,169	
Winston	. 1,244			1,244	1,244	
STATE	. 461,144	9,790	101,102	572,036	552,456	
		no foreign	activity reported.			

¹Counties not included had no foreign activity reported. ²Holdings plus acquisitions less dispositions.

Table 10. Foreign Interests in Agricultural Land by County, Alabama, February 1, 1979-December 31, 1981

County ¹	Ownership units ²	Current foreign interests	Total foreign interests	Total land area	Interests in total land area
	No.	Acres	Pct.	Acres	Pct.
Autauga	5	5,326	0.96	391,100	1.36
Baldwin		941	.17	1,234,950	.08
Barbour	_	813	.15	583,400	.14
Bibb		320	.06	399,500	.08
Blount		12.718	2.30	417,850	3.04
Butler		8,711	1.58	497,900	1.75
Cherokee		3,198	.58	386,500	.83
Chilton		16,112	2.92	453,200	3.56
Choctaw	- 0	39,085	7.21	583,600	6.82
		18,965	3.43	834,340	2.27
Clarke		413	.07	361,270	.11
Cleburne		230	.04	395,600	.06
Colbert		2,255	.41	524,850	.43
Conecuh		7,488	1.36	430,950	1.74
Coosa		3,269	.59	675,600	.48
Covington		9,488	1.72	392,900	2.41
Crenshaw		12,578	2.28	480,850	2.62
Cullman		230	.04	344,300	.07
Dale		34,708	6.28	637,000	5.45
Dallas		8,670	1.57	495,700	1.75
DeKalb		796	.14	358,300	.22
Etowah	0	790 14.854	2.69	402,000	3.70
Fayette	^	. ,	.79	421,300	1.04
Greene		4,363	1.64	418,350	2.17
Hale		9,086	4.25	720,350	3.26
Jackson		23,458	.08	717,500	.06
Jefferson		430	.08	459,370	.10
Lawrence		460		•	
Lee		7,900	1.43	396,360	1.99
Limestone		418	.08	383,500	.11
Lowndes		7,386	1.34	462,500	1.60 .57
Macon		2,268	.41	399,500	
Madison		2,495	.45	487,400	.51
Marengo		34,013	6.16	621,000	5.48
Marion		1,388	.25	479,400	.29 1.17
Marshall		14,540	.82	389,400	6.27
Monroe		42,338	7.66 .21	675,000 388,200	.30
Morgan		1,180			9.73
Perry		45,809	8.29	471,000	9.73 4.82
Pickens		4,700	.85	570,500	1.25
Pike		5,274	.95	422,550	1.23
Randolph		6,810	1.23	371,900	
Russell		12,192	2.21	418,500	2.91 .85
St. Clair		3,535	.64	417,850	
Shelby		2,613	.47	515,700	.51
Sumter		4,193	.76	582,700	.72
Talladega		517	.09	481,100	.11
Tuscaloosa	3	6,509	1.18	855,700	.76
Walker		6,697	1,21	516,500	1.30
Washington	4	19,583	3.54	678,800	2.88
Wilcox		89,169	16.14	575,500	15.49
Winston		1,244	.23	401,550	.31
STATE	260	552, 4 56	100.00	32,651,850	1.69

¹Counties not included had no foreign activity reported. ²Represents the number of reports filed.

the farmland held by foreign owners is in the form of long term timber management and cutting contracts.⁶

Parcels held by foreign interests are distributed throughout 51 of Alabama's 67 counties, figure 6. No foreign activity was reported in Bullock, Calhoun, Chambers, Clay, Coffee, Elmore, Escambia, Franklin, Geneva, Henry, Houston, Lamar, Lauderdale, Mobile, Montgomery, and Tallapoosa counties. The largest concentration of foreign interests is located in the southwestern portion of the State. Wilcox County has the most foreign interests reported with 16 percent of the total land area of the county accounting for a like percentage of the foreign interests for the State. Foreign ownership is also relatively prominent in five other counties: Perry, Monroe, Choctaw, Dallas, and Marengo. Each of these counties accounts for between 6.2 and 8.3 percent of the foreign ownership in the State. In total, they account for 52 percent of the foreign acreage and 45 percent of the ownership units.

Organizations are the most common entities having interests in agricultural land in Alabama, table 11. Of the 260 ownership units filing reports, 252 were submitted by organizations. Average size of parcels held by these entities is 2,229 acres with a range from 5 to 66,289 acres. All but one of the organizations, a partnership, are corporations.

Ownership units held by organizations indicate that 91 percent are U.S. corporations with foreign interests. More than two-thirds of these indicate that their organization was created under Alabama law. Of the non-domestic organizations having interests in Alabama's agricultural land, eight were created under the laws of the Netherland Antilles, seven by the United Kingdom, and two each by the Caymen Islands and Luxemburg.

Ninety-two percent of the organizations identifying their principal place of business noted domestic activity. Of these, 82 percent or 197 firms identified Alabama as their primary business location. The Netherland Antilles (7), Caymen Islands (2), and Luxemburg (2) were specified as principal places of business by firms identifying their business as primarily non-domestic.

Land parcels owned by foreign individuals are small, averaging 67 acres with a range from 38 to 163 acres, table 11. The United Kingdom (3), Canada (2), Egypt (1), Iran (1), and Syria (1) were identified as countries where individual owners held citizenship.

⁶As indicated in Appendix B, foreign ownership or interest is defined to mean at least a 5 percent or larger interest in the entity. Also, leaseholds of less than 10 years duration are exempt under the regulation.

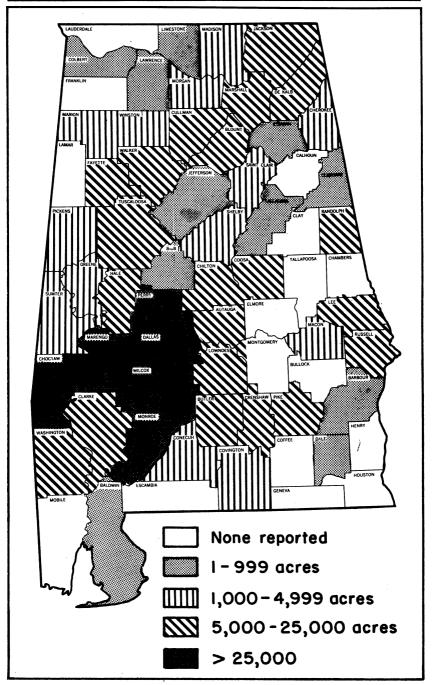


FIG. 6. Foreign interests in agricultural land in Alabama, December 31, 1981.

Type	Ownership	Land-	A	Range	
owner	units1	holdings	Av. size	Low	High
		Acres	Acres	Acres	Acres
Individual	. 8	538	67	38	163
Organizations:	. 252	561.708	2,229	5	66,289
Corporation		561,278	2,236	5	66,289
Partnership		430	430	430	430
Total		562,246	2,162	5	66,289

Table 11. Foreign Interests in Agricultural Land by Type of Owner, Alabama, February 1, 1979-December 31, 1981

Almost three-fourths of the foreigners having interests in Alabama agricultural land hold a whole fee interest in the property (that is, the owner holds the estate in its entirety) while another 2 percent possess a partial fee interest, table 12. Entities holding whole fee interests account for 45 percent of the acreage. A purchase contract, an option, and "other interests held" account for the remaining ownership units. The "other" interest category is comprised primarily of long term leases or long term timber cutting and management contracts. These account for 24 percent of the ownership units and slightly over half the acreage. Average size of these parcels is almost 5,000 acres.

Disregarding the 64 ownership units failing to report acquisition date, 1979 was the year of greatest foreign activity in the State with 68 reports filed, table 13. However, in terms of acreage involved, 1980 was the most active year with 12 percent of the total. It must be noted that it is difficult to adequately define the degree of activity because 71 percent of the acreage was represented by reports lacking specification of acquisition date. Perhaps this was because many foreign entities only acquired an interest in the property rather than fee ownership.

Cash is the dominant means by which foreign entities acquire interests in agricultural landholdings in Alabama, figure 7 and Appendix A table 6. One-half of the acquisitions were by this method. Other methods, primarily long term timber management and cutting contracts, and credit or installment transactions, account for another 22 and 13 percent of the ownership units, respectively. On an acreage basis, the "other" methods category is most important, accounting for 55 percent of the total.

¹Represents the number of reports filed.

⁷AFIDA regulations require only leases of 10 years or more to be reported.

TABLE 12.	FOREIGN-OWNED AGRICULTURAL LANDHOLDINGS BY TYPE OF INT	EREST
	Held, Alabama, February 1, 1979-December 31, 1981	

Type of	Ownership	Land-	A:	Range	
interests	units1	holdings	Av. size	Low	High
		Acres	Acres	Acres	Acres
Fee Interest:					
Whole	. 190	251,912	1,326	5	21,374
Partial ²	. 6	483	81	40	163
Option		253	253	253	253
Purchase Contract		2,635	2,635	2,635	2,635
Other	. 61	304,497	4,992	8	66,289
No report	. 1	2,466	2,466	2,466	2,466
Total		562,246	_	-	_

¹Represents the number of reports filed.

²Fee interest partial is used for parcels owned only in part by the foreign investor; that is, a percentage interest of less than 100 percent.

Table 13. Characteristics of Acquisitions of Agricultural Landholdings by Foreign Entities, Alabama, February 1, 1979-December 31, 1981

Acquisition	Ownership	Land-	.	Range	
date	units1 1	holdings	Av. size	Low	High
		Acres	Acres	Acres	Acres
1981	47	19,272	410	6	3,084
1980		69,323	1,284	5	15,075
1979		14.377	211	9	2,463
Pre-1979		61,213	2,267	40	16,000
No report		398,061	6,220	150	66,289
Total		562,246	2,162	5	66,289

¹Represents the number of reports filed.

Forestry is the dominant use to which foreign entities allocate agricultural land in Alabama, table 14. At least part of the parcel is allocated to forest use in 95 percent of the cases. Average size of these units is 2,224 acres with a range from 4 to 66,289 acres. In terms of acreage, land allocated to timber or forest uses accounts for 98 percent of the acreage held by foreign interests.

Multiple land uses are noted for 42 percent of the parcels. In terms of acreage, 70 percent is allocated to a single use while 27 percent involves two uses. Three percent involves three and four uses per parcel.

Some concern has been expressed relative to the shift of land to nonagricultural uses by foreign interests. Indications are that important changes in the use of land held by foreign interests are not anticipated in the short run. More than 90 percent of the respondents noted no plans to change present use. Seven percent indicate a change to other agricultural uses while 2 percent intend to shift out of agriculture.

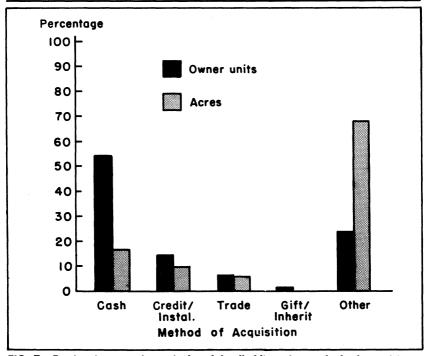


FIG. 7. Foreign interests in agricultural landholdings by method of acquisition, February 1, 1979 - December 31, 1981.

Table 14. Use of Agricultural Land Held by Foreign Interests, Alabama, February 1, 1979-December 31, 1981

TI	Ownership	Land- holdings	Av. size	Range	
Use	units ¹			Low	High
		Acres	Acres	Acres	Acres
Cropland	12	3,776	315	12	1,200
Pastureland		1,104	100	8	500
Timberland or					
forestland	. 247	549,391	2,224	4	66,289
Other agriculture		982	70	1	256
Nonagriculture	. 84	3,261	39	1	441
No report		3,732	13,732		

¹Represents the number of reports filed.

Direct control of land is exercised by 93 percent of the foreign owners completing this section of the AFIDA form, table 15. This includes 79 percent of the acreage involving foreign interests. Managers and tenants directly operate the remaining 3 and 4 percent of the ownership units, respectively, or 2 and 5 percent of the total reported acreage. Cash or fixed rental agreements are the only rental arrangements identified with 21 percent of the

Tenure	Ownership	Total	A	Range	
1 enure	units ¹	1 otai	Av. size	Low Acres 5 163 48 11 8 5	High
		Acres	Acres	Acres	Acres
Current					
Foreign owner	200	445,394	2,227	5	66,289
Manager		9,989	3,332	163	12,635
Tenant		22,428	2,803	48	16,000
No report		84,435	1,386	11	21,374
Rental agreement		•	•		
Cash or fixed rent	. 55	289,915	5,271	8	66,289
No report	. 205	272,331	1,377	5	21,374
Intended change		•	•		
None	. 51	235,950	4,823	21.	66.289
New		234,071	1.436	5	16,000
No report		92,225	2,005	11	21,374

Table 15. Tenure Arrangements on Agricultural Land Held by Foreign Interests, Alabama, February 1, 1979-December 31, 1981

¹Represents the number of reports filed.

ownership units involving this type use. These account for 52 percent of the acreage.

New tenure arrangements are expected for 63 percent of the ownership units which represent 42 percent of the acreage. No changes in tenure are noted for 20 percent of the parcels or 42 percent of the acreage. This high percentage of tenure changes can be attributed to large timber corporations since they are considered new managers when they acquire an interest in the land.

SUMMARY AND IMPLICATIONS

The nature of ownership and control of agricultural land, coupled with societal decisions about land allocation and use, can substantially influence the ability to produce food and fiber. The purpose of this report is to define and analyze the nature of land ownership with emphasis given to privately held land, farm and ranch land, and foreign interests in agricultural land. Selected national and regional characteristics of land ownership are presented to provide comparisons with Alabama.

The more than 30 million acres of privately held land in Alabama, 93 percent of the total land area, are estimated to be owned by slightly more than a million individuals and entities. Ownership is highly concentrated in the hands of individual and family owners with 99 percent of the ownership units and 79 percent of the acreage represented by this group. Of the two groups, individual owners are most prevalent with 66 percent of the ownership units and 40 percent of the acreage. Average size of individual

and family parcels is 23 acres while nonfamily parcels average 693 acres. Nonfamily corporations are the dominant nonfamily owners in terms of acreage with 14 percent of the total and an average size of 4.190 acres.

Almost two-thirds of the privately held land in Alabama is used for farming despite the fact that only a fourth of the owners hold farmland. Virtually all the remaining privately held land is allocated to "other" (nonfarm forest, idle, or wasteland) uses. Average sizes of farm and ranch, residential-commercial, and "other" parcels are 64 acres, 1.5 acres, and 135 acres, respectively. Individual and family (husband-wife) owners are dominant owner types for Alabama's farm and ranch land with control of 47 and 45 percent of the ownership units, respectively, and 44 and 34 percent of the acreage. Farm and ranch parcels owned by individual and family units are a fourth the size of nonfamily units, 60 versus 257 acres. Relative to privately held land, ownership of farm and ranch acreage by nonfamily corporations is not as prominent.

Generally, owners of farm and ranch land parcels in Alabama can be classified as white, male, over 50 years of age, with a nonfarm occupation, and residing in the same county as the land. Although the specific percentages differ when the distribution by acreage is evaluated, the same profile of characteristics appears. Farm and ranch land ownership patterns in Alabama differ little from those for the South. Notable exceptions include the fact that owners in the region are less frequently males and generally younger in terms of ownership units and less frequently hold nonfarm occupations in terms of acreage.

More farmland ownership units and a larger portion of the acreage are controlled by individuals and families in Alabama than in the Nation or South. Landholdings in the South and Alabama are more concentrated in small land parcels than is true for the United States.

In terms of ownership units, purchase of farm and ranch land is a more common method of acquisition in the South than in Alabama. Relatively, inheritance is the more frequent means of transfer in Alabama. However, by acreage, method of acquisition differs little between the two areas.

Foreign interests in Alabama farmland involve less than 2 percent of the privately held land and even less of the total land area. While these portions are small, the importance of foreign

ownership to traditional agriculture in the State is lessened further because of the fact that most foreign owned land is devoted to the production of timber and is concentrated in the southwestern section of the State where production agriculture is less important. Organizations are the most common type entities holding interests in land, with corporations comprising the largest portion. The majority of these firms are chartered under Alabama law. Ninety percent of the organizations specify their principal place of business as the United States and 82 percent identify Alabama as their primary business location. This situation should not result in complacency, however. Foreign ownership should continue to be monitored, especially at the county level and in areas where foreign ownership is relatively extensive.

While foreign ownership does not seem to be extensive in Alabama and thus may not justify great concern, several other issues do merit attention. The concept of the "family farm" is alive and prominent in the State with 98 percent of the ownership units and 93 percent of the acreage of privately held farm and ranch land controlled by individuals and family related organizations. What about the nature of this ownership? What does the future hold?

Insight was gained relative to these questions by evaluating the age, occupational status, and income (farm and nonfarm) of farmland owners. Almost three-fourths of the individuals reporting their age are more than 50 years old. Forty-six percent are over 60 and 23 percent are over 70 years of age. In addition, only 14 percent of the ownership units and 26 percent of the acreage are held by individuals listing farming as their occupation, and 26 percent of the ownership units and 25 percent of the acreage are included in the "retired" grouping. Taken together, these facts about the ownership of agricultural land in the State suggest a changed situation from that existing in the past and one that merits serious attention in future years.

Do these circumstances foretell major shifts in the ownership of the primary agricultural resource? Or, will farmers continue to be the prime purchasers of rural property? Certainly, farmers will not be major purchasers of farmland when net farm income is low. For example, data from 1977 indicate that 55 percent of the ownership units and 26 percent of the acreage evidenced no net farm income, and 7 percent of the units and 16 percent of the acreage experienced losses.

Indications are that farmers are coping with low returns to agriculture through nonfarm employment. Owners of 56 percent of the ownership units and 39 percent of the acreage indicated nonfarm occupations, most commonly of a "blue collar" nature. Only 11 percent of the ownership units and 14 percent of the acreage was owned by persons or families who received no nonfarm income. Off farm employment is important to the livelihood of the majority of owners.

About half of the ownership units and 40 percent of the farmland acreage in Alabama are owner operated. Even further increases in nonfarm ownership of the land resource seem probable. Coupled with this shift will be more rental and lease arrangements for those who will actually farm Alabama's agricultural land. This will result in larger farm operating units and the potential for more distinct segments within the agricultural sector. That is, the gap between the many small, part-time farms and the larger units will become greater as the latter group expands to improve efficiency.

Both governmental and private agencies serving agriculture should be conscious of these potential shifts. Consideration should be given to programs which will reduce problems created by these changes, lessen the exodus of land from agricultural uses, and maintain the viability of Alabama agriculture. While surpluses and low prices are a problem today, indications are that these problems will not persist. Governmental programs dealing with such areas as credit, supply management, technical assistance, conservation, land use, and taxation (preferential treatment) should be beneficial in maintaining the further development of the agricultural sector. These are issues which will gain importance in the future.

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APPENDIX A TABLES 1-6

APPENDIX A TABLE 1. OWNERSHIP OF PRIVATELY HELD LAND BY OWNER TYPE: UNITED STATES, SOUTH, AND ALABAMA, 1978

	United States ¹					Sou	th2		Alabama			
Type of owner	Ownership units		Acres owned		Ownership units		Acres owned		Ownership units		Acres owned	
	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.
Individual ownership Family ownership:	15.0	44	458	34	4.88	54	107.4	40	0.688	66	12.01	40
Husband-wife	15.4	46	435	32	3.30	36	66.4	24	.255	24	7.85	26
Partnership	1.1	3	143	11	.35	4	27.6	10	.089	9	3.42	11
Corporation	.3	1	77	6	.04	3	9.7	· 4	.001	_	.69	2
Subtotal	31.8	94	1,113	83	8.57	94	211.1	78	1.033	99	23.97	79
Partnership	.3	1	30	2	.06		5.1	2	.004	·	.46	2
Corporation	.9	3	151	11	.17	2	43.7	16	.001		4.19	$1\overline{4}$
Miscellaneous	.7	2	54	4	.32	4	11.0	4	.004	_	1.59	5
Subtotal	1.9	6	235	17	.55	6	59.8	22	.009	1	6.24	21
Total	33.7	100	1,348	100	9.12	100	270.9	100	1.042	100	30.21	100

¹Excludes Alaska and Hawaii.

²Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

³Unreported percentages (—) indicate a value of less than 1 percent. Source: 1978 ESCS Land Ownership Survey.

APPENDIX A TABLE 2. USE OF PRIVATELY HELD LAND: UNITED STATES, SOUTH, AND ALABAMA, 1978

		United States ¹				South2				Alabama			
Land-use type	Ownership units		Acres owned		Ownership units		Acres owned		Ownership units		Acres owned		
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	
Farm and ranch land ³	6,876	22.4	938	82.1	2,243	27.7	147	69.0	235	24.7	14.9	62.8	
Residential-commercial4	21,214	69.3	48	4.2	5,182	64.1	12	5.6	663	69.8	1.3	5.6	
Other ⁵	2,538	8.3	157	13.7	660	8.2	54	25.4	52	5.5	7.5	31.6	
Sub-total	30,627	100.0	1,143	100.0	8,085	100.0	213	100.0	739	100.0	23.7	100.0	
Not reported	3.100		205		1,035		57.9	_	303	_	6.5	_	
Total	33,727		1,348		9,120	_	270.9		1,042	_	30.2	_	

¹Excludes Alaska and Hawaii.

²Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

³Includes cropland, pasture, woodland, wasteland, and farmstead.

⁴Residential, commercial and similar urban type land.

⁵Nonfarm forest, idle, or wasteland.

Source: 1978 ESCS Land Ownership Survey.

APPENDIX A TABLE 3. OWNERSHIP OF PRIVATELY HELD FARM AND RANCH LAND BY TYPE OF OWNER, UNITED STATES. SOUTH, AND ALABAMA, 1978

	United States ¹					Sout	th2		Alabama			
Type of owner	Ownership units		Acres owned		Ownership units		Acres owned		Ownership units		Acres owned	
	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.	Mil.	Pct.
Individual ownership Family ownership:	3.0	44	336	36	1.21	54	67.9	46	0.110	47	6.62	44
Husband-wife	3.0	44	335	36	.82	36	44.5	30	.107	45	5.00	34
Partnership	.4	6	114	12	.14	6	18.3	13	.013	6	1.91	13
Corporation	.1	1	62	7	.01	_3	4.3	3	.001	_	.31	2
Subtotal	6.5	95	847	90	2.18	96	135.0	92	.231	98	13.84	93
Partnership	.1	1	18	2	.02	1	2.6	2	.003	1	.31	2
Corporation	.1	1	37	4	.01		4.0	3	_	_	.39	3
Miscellaneous	.2	3	36	4	.04	2	5.0	3	.001		.33	2
Subtotal	.4	5	91	10	.07	$\frac{1}{4}$	11.6	8	.004	2	1.03	7
Total	6.9	100	938	100	2.25	100	146.6	100	.235	100	14.87	100

¹Excludes Alaska and Hawaii.

²Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

3Unreported percentages (-) indicate a value of less than 1 percent.
Source: 1978 ESCS Land Ownership Survey.

APPENDIX A TABLE 4. SIZE OF FARM AND RANCH LAND HOLDINGS IN NUMBER AND PERCENT OF OWNERSHIP UNITS AND ACRES OWNED:
UNITED STATES, SOUTH, AND ALABAMA, 1978

C: C b -1 J:	United States ¹				South ²					Alabama			
Size of holdings (acres)	Ownership units		Acres owned		Ownership units		Acres owned		Ownership units		Acres owned		
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.	
Less than 10	2,015	29.3	7	0.8	827	36.9	2	1.9	95	40.6	0.3	2.3	
10-49	1,926	28.0	48	5.1	720	32.1	17	12.1	70	29.9	1.7	11.3	
50-99	989	14.4	120	7.6	320	14.2	22	15.2	34	14.5	2.4	16.4	
100-179	880	12.8	120	12.8	195	8.7	24	17.5	19	7.7	2.4	16.3	
180-499	770	11.2	221	23.8	144	6.4	39	26.9	13	5.6	3.4	22.7	
500-1.999	252	3.6	217	23.2	34	1.5	27	19.1	4	1.7	3.1	20.7	
2,000-9,999	40	6	143	15.5	3	.1	7	5.8			1.2	8.0	
10,000 or more	5	.1	107	11.4	3	_	2	1.5	· · · <u>-</u>		.3	2.3	
Total	6,877	100.0	938	100.0	2,242	100.0	145	100.0	235	100.0	14.8	100.0	

¹Excludes Alaska and Hawaii.

²Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

³Missing information (-) indicates the number of units or acres was less than .05 percent. Source: 1978 ESCS Land Ownership Survey.

APPENDIX A TABLE 5. NUMBER AND PERCENT OF FARMLAND UNITS AND ACRES OWNED BY THE RESIDENCE OF PRINCIPAL OWNER: SOUTH AND ALABAMA, 1978

Residence of owner		Sou	ıth¹		Alabama					
	Ownership units		Acres owned		Ownership units		Acres owned			
	Thou.	Pct.	Mil.	Pct.	Thou.	Pct.	Mil.	Pct.		
Same county	1,964	87.6	119.6	82.3	219	93.2	12.0	81.1		
(different county) Another state	216 49	9.6 2.2	17.5 7.3	12.0 5.0	9 4	3.8 1.7	1.9 .7	12.8 4.7		
Another country Not reported	$\frac{-2}{13}$.6	1.0	- 7	3	1.3	<u> </u>	1.4		
Total	2,242	100.0	145.4	100.0	235	100.0	14.8	100.0		

¹Ten Southern states including Alabama, Arkansas, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

²Missing information (-) indicates the number of units or acres was less than .05 percent. Source: 1978 ESCS Landownership Survey.

Appendix A Table 6. Foreign-owned Agricultural Landholdings by Method of Acquisition, Alabama, February 1, 1979-December 31, 1981

Method of	Ownership Land-		A	Range		
acquisition	units ¹	holdings	Av. size	Low	High	
		Acres	Acres	Acres	Acres	
Cash	131	76,502	584	11	8,630	
Credit or installment	35	44,829	1,281	40	15,075	
Trade	. 15	25,539	1,703	5	7,900	
Gift or inheritance	_	150	50	40	70	
Other		312,120	5,476	8	66,289	
No report		113,106	5,953	338	21,374	
Total		562,246	2,201	5	66,289	

¹Represents the number of reports filed.

APPENDIX B

LEGAL REQUIREMENTS, DEFINITIONS, AND TERMINOLOGY RELATED TO AFIDA

This section was excerpted primarily from De Braal and Majchrowicz (3, pp. 2-5). It is intended to specify the legal requirements of AFIDA and provide an explanation of particular definitions and terminology inherent with AFIDA.

Legal Requirements

Each foreign entity holding land is required to file a report. Therefore, if two individuals own land as a partnership, the partnership is to file one report as a partnership, with the partners' names and citizenships listed on the back of the form. Occasionally, however, two people will file as individuals, each filing a separate report on the same land with a partial interest of, for example, 50 percent listed on each form. Because there is no way to accurately identify land by location, two individuals such as these cannot be distinguished from one partnership. This can occur when there is no legal partnership but individuals own the land as tenants in common. If they file together on one form, they are automatically considered a partnership. If they file separately, they are generally considered individuals. Therefore, the data on individuals and partnerships and the number of reported parcels should be used with caution.

The Act is designed to impute foreign person status to certain U.S. entities holding direct and indirect interests in U.S. agricultural land. For purposes of the Act, this is accomplished by defining each successive link in a chain of U.S. entities containing foreign interests as a "foreign person." However, only the "foreign person" who actually holds the direct interest in the land, the first layer or tier, is considered the reporting entity.

This entity may not actually be foreign, but under the Act it is deemed a "foreign person" because another "foreign person" holds a significant interest or substantial control" in it. In some instances, that second tier also may not actually be foreign but may be deemed "foreign" under the Act for the same reason. The indirect "foreign" owner of the real estate may be at the end of a string of U.S. entities, each of which is owned at least 5 percent by the preceding U.S. entity defined to be a "foreign person." Under the regulations, the reporting entity is required to disclose,

in addition to information about the land held, acquired, or transferred, certain information about the second-tier interest. The regulations also provide that the second-tier entity may be asked to disclose information about the third tier.

According to the regulations, the reporting entity, whether U.S. or foreign, must, if such entity is a person other than an individual or government, provide information (names, addresses, citizenship, and the nature of the entity) on all foreign persons individually holding a 5-percent or more interest in the entity. This 5-percent standard differs from the standard for determining whether an entity is required to file at all. In the latter instance, if several foreign persons cumulatively own 5 percent or more of the entity, and no single individual owns a 5-percent interest, the entity is defined as a "foreign person" and is required to file a report. However, such an entity may not be required to list the names (and so forth) of the foreign holders individually holding less than 5 percent of the entity.

AFIDA requires reporting "any interest" other than a security interest (a mortgage or other debt-securing instrument). The regulations exempt leaseholds of less than 10 years duration, contingent future interests, and those noncontingent future interests that do not become possessory upon termination of the present estate. In addition, nonagricultural easements and rights-of-way are exempt. In an interpretation issued by the U.S. Department of Agriculture (USDA), an interest solely in mineral rights is also exempt.

U.S. agricultural land owned by a U.S. entity deemed a "foreign person" under the Act (the party legally responsible for providing the information required by the Act) is reported from the standpoint of the U.S. entity rather than that of the foreign shareholder.

The AFIDA procedures provide for land to be reported by parcels. All land held in the same manner (type of interest), located in one county, and acquired at the same time is considered a parcel and is to be reported on a single form. Land does not have to be adjacent to be considered part of one parcel. This parcel concept is intended to ease the reporting burden.

Data deficiencies are noted and highlighted as appropriate. The "Not Reported" category in the tables means that no response was provided to the particular question. Note, too, that the acreage figures reported do not necessarily mean that they are wholly

owned by foreign investors; that is, numerous parcels are held by U.S. entities considered foreign persons under the Act and a number of parcels are owned only in part by foreign investors.

Definitions and Terminology

"Holdings" is applied to those lands held by foreign persons or entities as of February 1, 1979.

"Acquisitions" and "dispositions" refer to land acquired and disposed of, respectively, by foreign persons or entities on or after February 2, 1979.

"Foreign person," as defined in the Act, includes any individual who (1) is not a U.S. citizen or national, (2) is not a citizen of the Northern Mariana Islands or the Trust Territories of the Pacific Islands, or (3) is not lawfully admitted into the United States for permanent residence. Any person who holds an Immigration and Naturalization Service Form I-151, I-155, or I-551 (green card) is considered lawfully admitted for permanent residence and is exempt from the requirements of the Act. Foreign governments, entities which are created under the laws of or have their principal place of business in a foreign country, and U.S. entities in which there is a significant foreign interest or substantial control are also defined as foreign persons under the Act.

"Individuals" are defined to include one person or a husband and wife.

"Partnerships" include all legally defined partnerships, joint ventures, and tenancies in common which include two or more persons who are not married. The term "partnership" does not differentiate between joint tenancies and tenancies in common.

"Agricultural land" is defined in the Act as all land used for agricultural, forestry, or timber production purposes. The regulations further refine this definition by including idle land if its last use within the past 5 years was for agricultural, forestry, or timber production purposes. The Act exempts all land, however, that is held in parcels of less than 1 acre and that does not produce agricultural, forestry, or timber products for personal use generating more than \$1,000 in annual gross sales.

"Significant foreign interest or substantial control" means at least a 5 percent or more interest in the entity.

Alabama's Agricultural Experiment Station System **AUBURN UNIVERSITY**

With an agricultural research unit in every major soil area. Auburn University serves the needs of field crop, livestock, forestry, and horticultural producers in each region in Alabama. Every citizen of the State has a stake in this research program, since any advantage from new and more economical ways of producing and handling farm products directly benefits the consuming public.



Research Unit Identification

- Main Agricultural Experiment Station, Auburn. ☆ E. V. Smith Research Center, Shorter.
 - Tennessee Valley Substation, Belle Mina.
 Sand Mountain Substation, Crossville.
 North Alabama Horticulture Substation, Cullman.
- 4. Upper Coastal Plain Substation, Winfield.
- 5. Forestry Unit, Fayette County.
 6. Chilton Area Horticulture Substation, Clanton.
- 7. Forestry Unit, Coosa County.
- 8. Piedmont Substation, Camp Hill. 9. Plant Breeding Unit, Tallassee. 10. Forestry Unit, Autauga County.
- 11. Prattville Experiment Field, Prattville.
- 12. Black Belt Substation, Marion Junction.
- 13. The Turnipseed-Ikenberry Place, Union Springs.
- 14. Lower Coastal Plain Substation, Camden.
- 15. Forestry Unit, Barbour County.16. Monroeville Experiment Field, Monroeville.
- 17. Wiregrass Substation, Headland.18. Brewton Experiment Field, Brewton.
- 19. Solon Dixon Forestry Education Center, Covington and Escambia counties.
- 20. Ornamental Horticulture Field Station, Spring Hill.
- 21. Gulf Coast Substation, Fairhope.