

# Survey of Texas Agricultural Producers and Landowners

TIFFANY DOWELL LASHMET, TEXAS A&M AGRILIFE EXTENSION LEGAL SPECIALIST AND JUSTIN BENAVIDEZ, TEXAS A&M AGRILIFE EXTENSION ECONOMIST, DISTRICT 1

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It is no secret that the lack of estate planning for farm and ranch families is a problem across the United States. The United States Department of Agriculture (USDA) National Agricultural Statistics Service reports that while 97 percent of farms in the United States are family-owned, only 30 percent of those farms survive transfer to the second generation, and only 12 percent are still operating by the third generation (USDA NASS, 2015; Baker, 2020). Further, while 69 percent of farms responding to the NASS survey reported expected ownership in the next generation, only 23 percent had a plan in place to do so. These statistics are particularly concerning given the fact that in the next 20 years, 70 percent of the farmland in the U.S. will change hands (Bigelow, Borchers, & Hubbs, 2016). This expected transfer means that an asset valued collectively at approximately \$2,434 billion will soon change hands and that roughly \$1,874 billion of that transfer is not currently subject to a written plan for transfer (USDA NASS, 2022).

## PROJECT DESCRIPTION AND METHODOLOGY

The goal of this project was to determine the status of Texas producers regarding business, estate, and succession planning. Specifically, we set out to address four main criteria: (1) Determine the current estate planning status of Texas farmers, including information related to the existence of wills, knowledge of Transfer on Death Deeds, and understanding of applicable legal issues; (2) Determine the current transition planning status of Texas farmers, including identification of potential heirs, selection of business entities, and plan for transferring ownership; (3) Determine the current business structure and operation of Texas farms, including ownership structure, operator status, and utilization of risk management tools; and (4) Determine the current knowledge of Texas farmers related to these issues, including knowledge of potential tax liabilities related to estate planning, documents needed, and professionals to engage.

The primary survey instrument was developed in Qualtrics for delivery through digital means. A copy of the paper version of the survey instrument is included as Appendix A. Upon release, the survey link was widely published on Facebook, LinkedIn, Twitter, in various Texas A&M AgriLife Extension outlets, external websites, and other forms of media. To capitalize on Extension audiences, a QR code directing meeting attendees to the survey was provided on slide shows to display at county, regional, and statewide meetings. Physical copies were also provided to attendees of Extension meetings upon request.

The survey was available digitally from January 15, 2022, to April 1, 2022. During that time, 646 respondents submitted responses to the survey, though response rates varied by question. In total, the respondents represented roughly 2.75 million acres in the State of Texas. Any reported survey statistic or graphic detailing the result of a question is documented with the associated response volume.

Where possible, this report draws on representative data from larger survey efforts, primarily conducted by USDA, with the goal of determining the representative value of the reported data. The cross-section of data collected in this survey is made more valuable by its representative nature, as more detailed financial and planning information was collected. These factors, when combined, will allow for conclusions to be drawn about the population of producers and landowners in the State of Texas and, potentially, the United States at large.

## SUMMARY OF RESULTS

The remainder of this report summarizes the survey results, analyzes several key findings, draws limited conclusions on the shared stakeholder pool of Texas Corn Producers and Texas A&M AgriLife Extension, and offers suggestions on the types of educational programming and materials that might be helpful for Texas producers in the estate and transition planning process, drawing on the data provided from survey respondents.



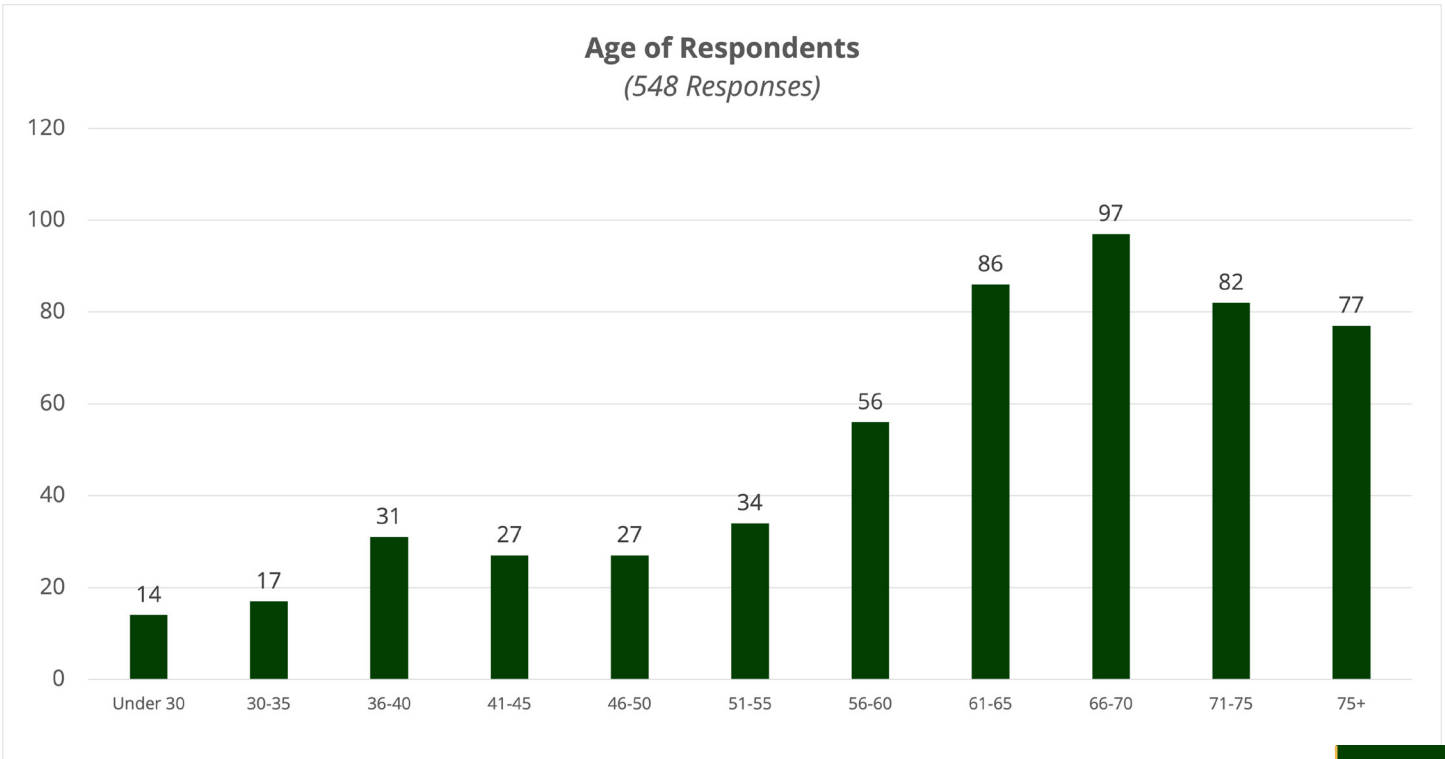


Figure 1.

# Section 1: Demographics

## Question 1: How old are you?

While the ages of respondents ranged from less than 30 years old to over 75 years old, nearly two-thirds of the respondents were over 61 years old (Fig. 1). The weighted average age of respondents was 61 years old. This is only slightly older than the nationwide average age of agricultural producers. In 2017, the USDA Census of Agriculture reported an average age of 57.5 for U.S. producers (USDA NASS, 2019).

## Question 2: What is your gender?

Of 545 respondents, 63 percent listed male and 37 percent listed female (Fig. 2). These data correlate exactly with data from the 2017 Census of Agriculture. That survey, conducted roughly seven years prior to this publication, reported the exact same makeup by gender, with males representing 63 percent of U.S. producers and females representing 37 percent of U.S. producers.

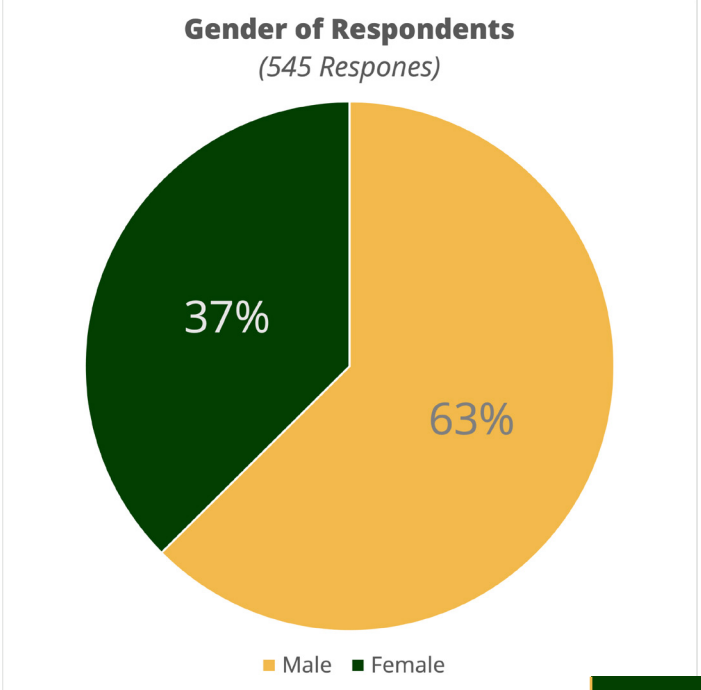


Figure 2.



### Are you married or widowed?

(544 Responses)

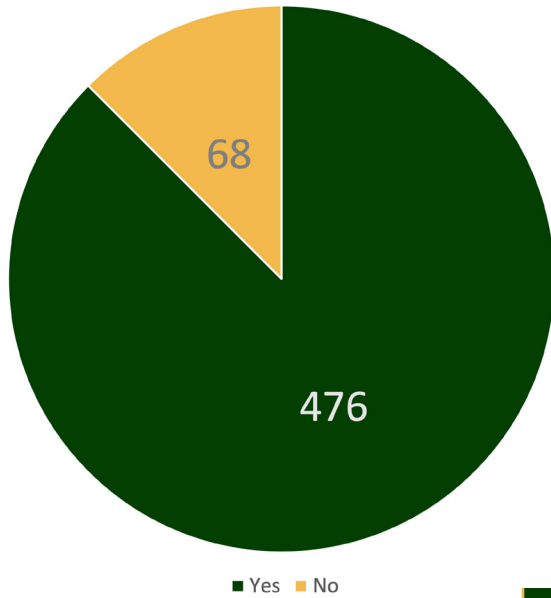


Figure 3.

### Question 3: Are you married or widowed?

The vast majority of respondents, 88 percent, reported being either married or widowed (Fig. 3).

*The prevalence of both estate plans and succession plans among respondents with a living spouse differed from those reporting a deceased spouse, with a greater share of those with a deceased spouse reporting a plan.*

*There may be educational opportunities for spouses who are not the primary operator in the form of estate/business/production planning. Additionally, seeking widowed partners who have dealt with these issues to be part of a panel to share their insights may be particularly effective.*

### Age of respondents' spouse

(446 Responses)

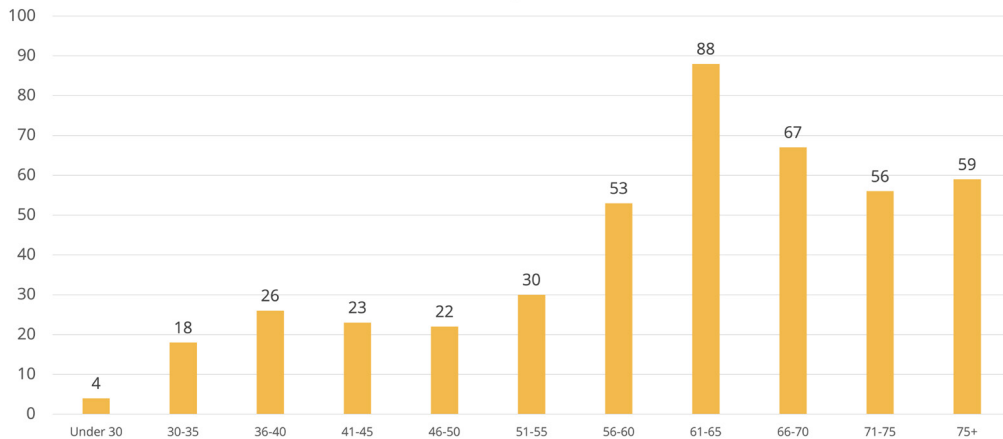


Figure 4.

### Question 4: If married or widowed, what is the age of your spouse?

Again, although there was a range of spousal ages from less than 30 years old to over 75 years old, the majority of respondents' spouses, 61 percent, were over 61 years old (Fig. 4). The average age of respondents' spouses currently living was 60.5 years old. There were 26 respondents who reported their spouses deceased.

### Question 5: How many children do you have?

Respondents reported a weighted average of 2.05 children (Fig. 5). The vast majority, 88 percent, have one or more children. At the opposite end of the spectrum, 66 respondents (approximately 12 percent of all respondents) indicated no children. In both circumstances (multiple children and no children), the complexity of a succession and estate plan is likely to increase, but both plans also become all the more valuable.

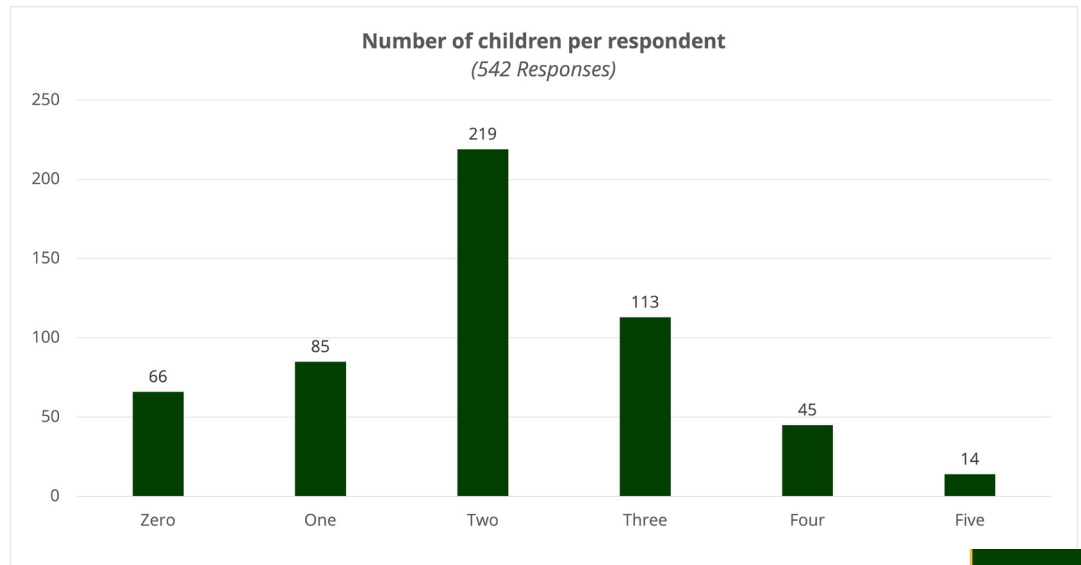


Figure 5.

### Question 6: If you have children, what are their ages?

Again, there was a wide age range among respondents' children. The majority of children are in the 31–50 age groups (Fig. 6). The average age of respondents' children was 35.4 years old. With respondents reporting an average age of 61 years old, there is roughly a 26-year generational gap between the respondent and their children.

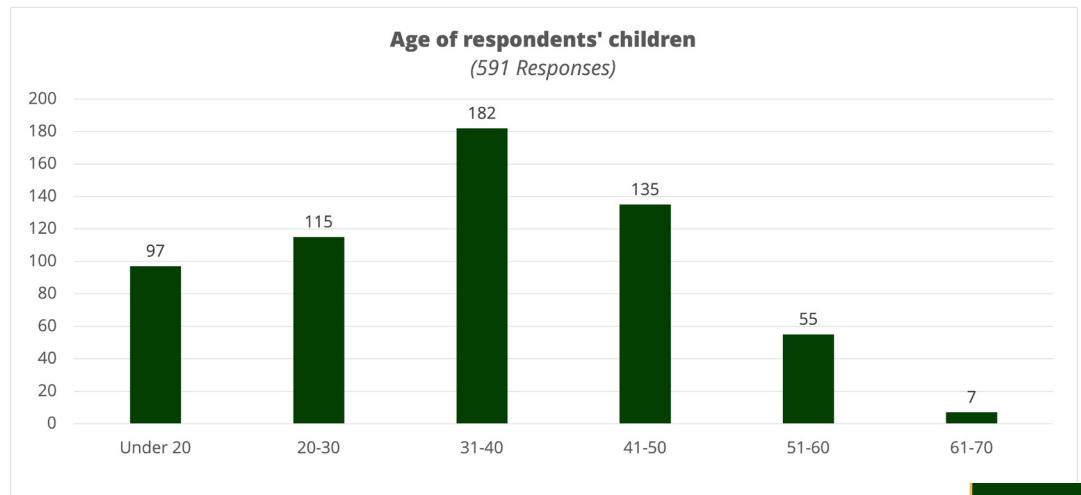


Figure 6.



**Farm engagement status of respondents' children**  
(422 Responses)

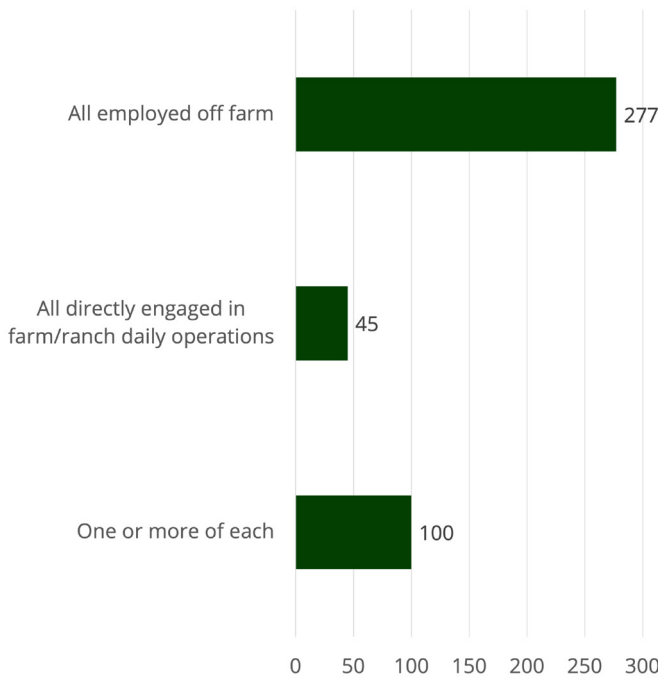


Figure 7.

With 66 percent of respondents indicating that all their children are employed off-farm, there is significant need to engage with constituents between the ages of 25 and 45 regarding all aspects of production agriculture.

**Question 7: Are your children directly engaged in farm/ranch operations, all employed off farm, or a combination of each?**

Two-thirds of the respondents' children are employed off the farm (Fig. 7). Only 45 respondents indicated that all of their children are engaged in the daily operation of the farm or ranch enterprise. There may be overlap between response categories in this question, as a child could be directly engaged in the operation daily, while also having an off-farm job. In an optimal scenario, the respondent would have categorized this child in the "One or more of each" category. However, it is possible certain families fit multiple criteria in this question.

The overarching takeaway is that more than half of families have children who all have at least some off-farm incomes. Only 11 percent of respondents have children who are all engaged in the day-to-day operation of the farm or ranch.

**How many generations are actively engaged in day-to-day management of the agricultural enterprise**  
(475 Responses)

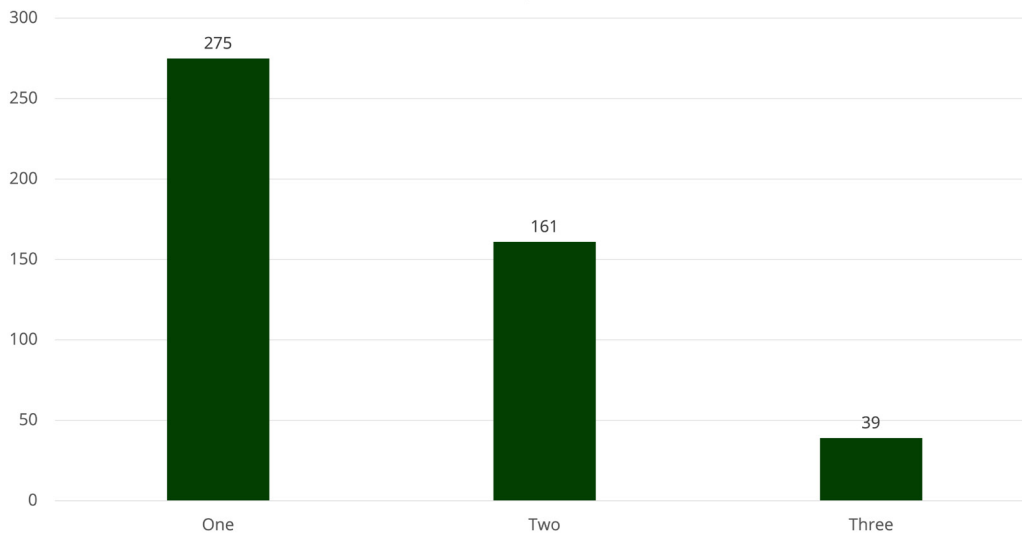


Figure 8.

**Question 8: How many generations are actively engaged in the day-to-day management of the farm/ranch/agribusiness?**

For over half of the respondents (58 percent), only one generation was actively engaged in the day-to-day management of the operation (Fig. 8). Only 8 percent reported three or more generations engaged in the daily operations of the farm, ranch, or agribusiness. The survey instrument did not define the parameters of "actively engaged" and instead left the determination to the respondent. The responses to Question 8 match well with Question 7, with responses to Question 7 indicating that 65 percent of respondents' children had at least some off-farm employment.

# Section 2: Characteristics of Operator/Owner and Property/Operation

## Question 1: Are you a farmer, rancher, landowner (who does not farm/ranch), agribusiness owner, or agricultural employee?

Of the 561 respondents, 208 (37 percent) were ranchers, 62 (11 percent) were farmers, and 34 (6 percent) were both farmers and ranchers (Fig. 9). A large number—125 (22 percent)—of landowners who are not operating the land responded to the survey. A small number (31) reported being an agribusiness owner, though almost all of those respondents were also participating in farming or ranching. The smallest category represented in the sample was agricultural employees, with only 25 responses. Agribusiness owners and employees were left out of the graphic representing this question for clarity. The cross-sectional data collected via the survey can be categorized by respondent type. This categorization will allow analysis of individual producer/landowner types, with different issues facing each type.

## Question 2: Region where respondent owns/operates land

Responses were recorded from all seven Land Market Regions across the state (Kiella, 2018; Fig. 10). The largest percentage of respondents, 25 percent, own and/or operate land in the Austin-Waco-Hill Country region (Fig. 11). The fewest number of respondents, 5 percent, own or operate land in far West Texas.

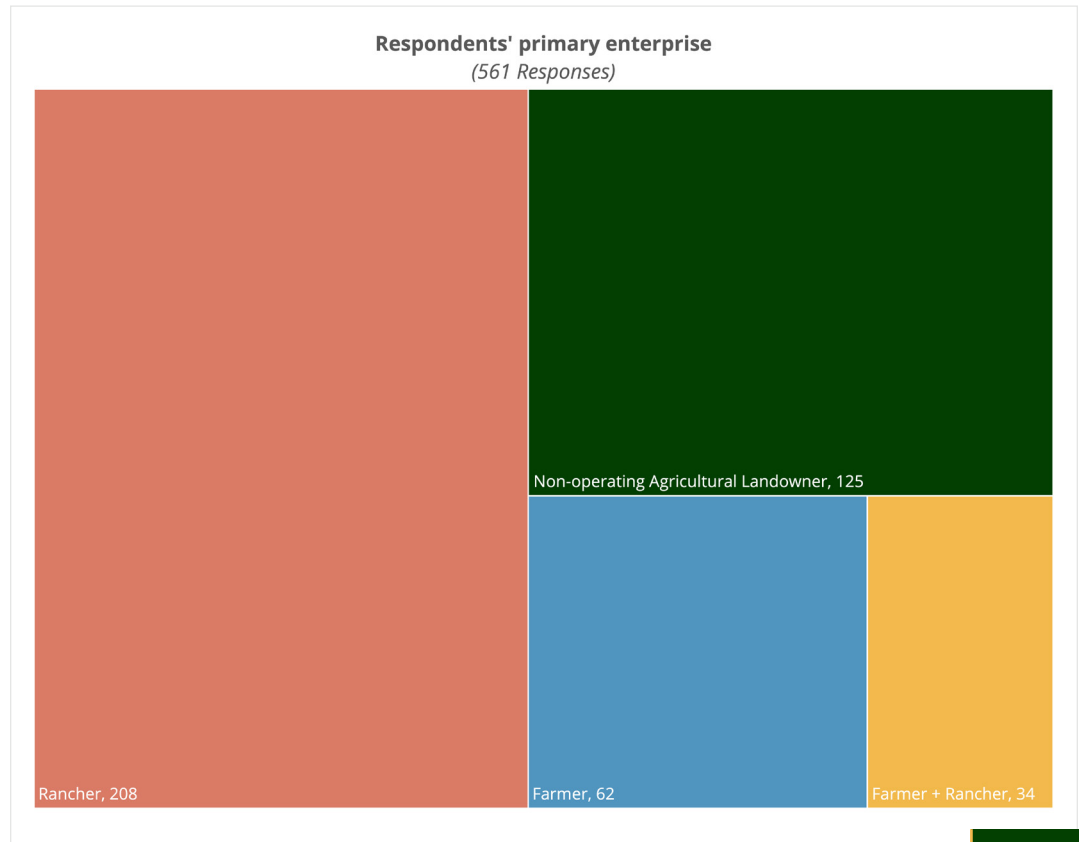


Figure 9.

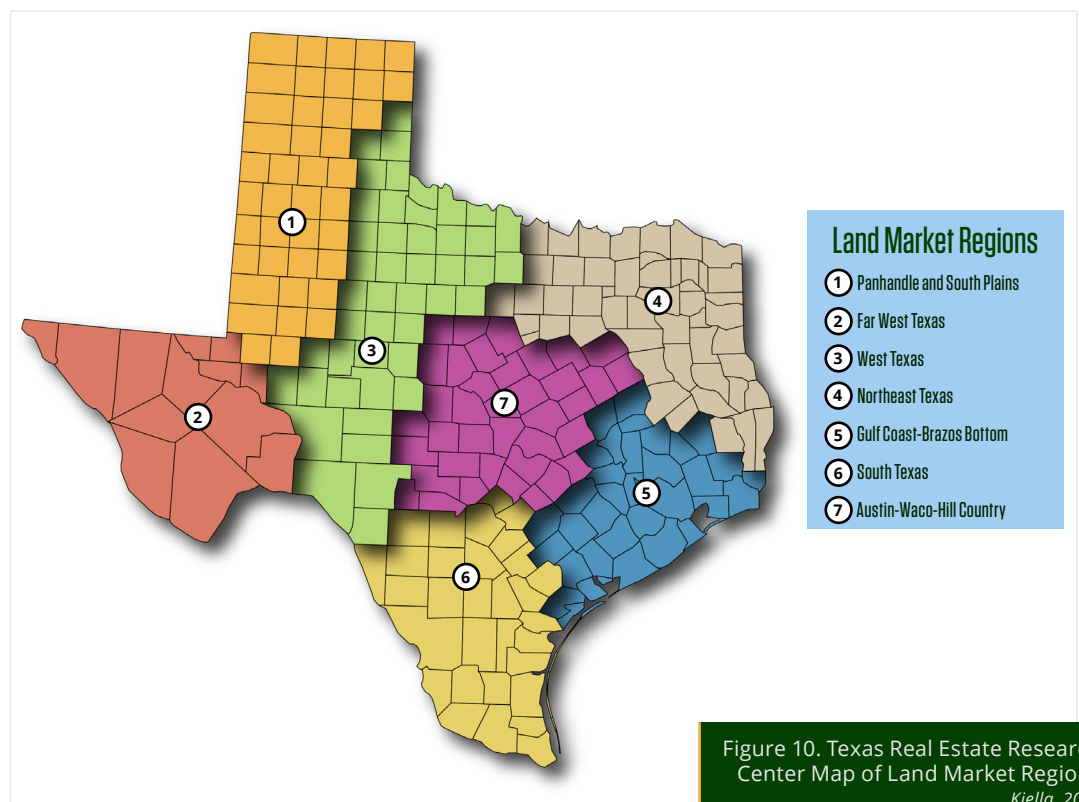


Figure 10. Texas Real Estate Research Center Map of Land Market Regions  
Kiella, 2018



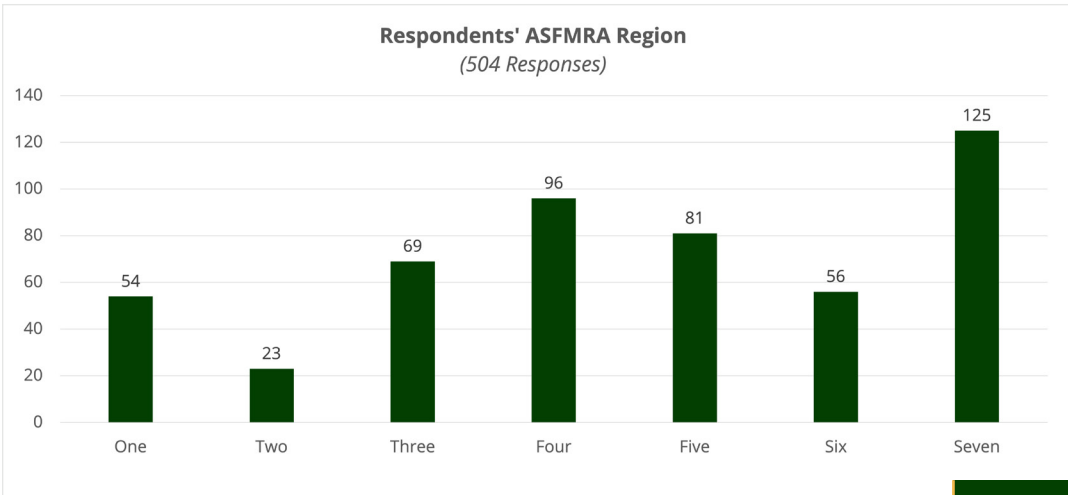


Figure 11.

Though more respondents owned or leased land in Region 7 than any other region, the greatest share of acres represented by respondents was in Region 1 (945,009 operated and 92,121 owned but not operated; Fig. 12). In fact, more than two-thirds of the land represented by respondents was in Regions 1, 2, and 3. Of the operated land, 68 percent is leased from another party, though the share of owned versus leased land varies regionally.

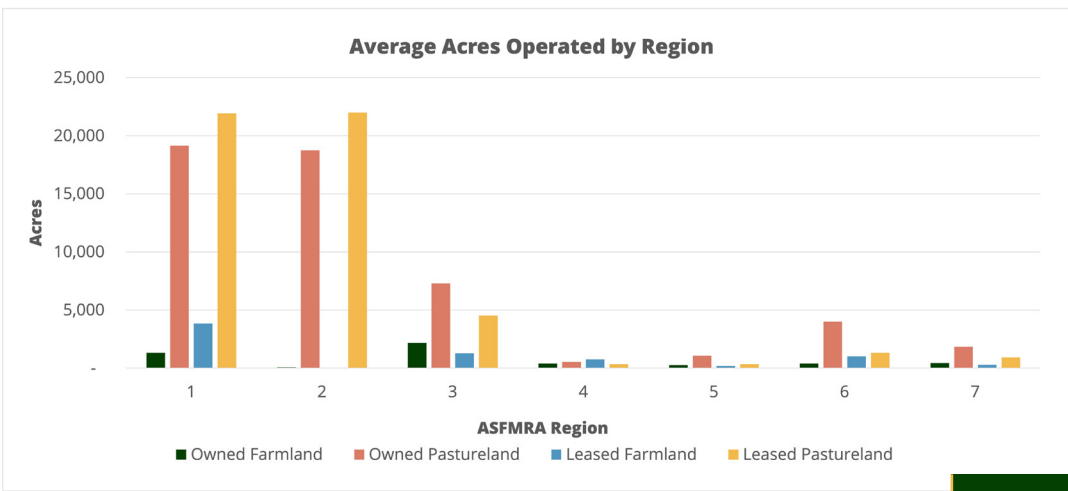


Figure 12.

Figure 12 represents the "average operation" in terms of acres operated in different classes. The large operations are located in the Panhandle and West Texas. The average operation leases substantially more land than it owns. This figure does not include one operation in Region 2 (West Texas), which listed 40,000 acres of owned pasture and 200,000 acres of leased pasture. The large values coupled with the small response rate for Region 2 substantially skews the "representative" size calculation.

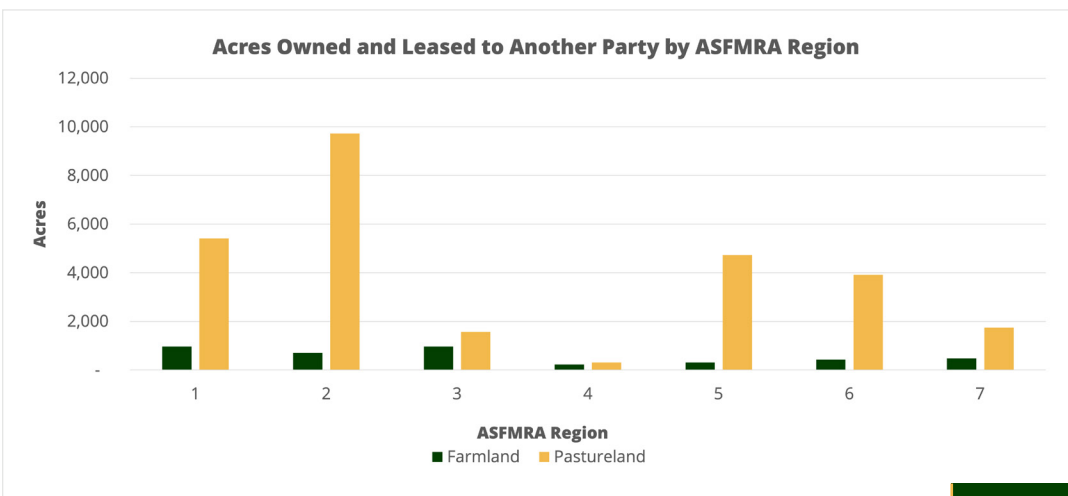


Figure 13.

Figure 13 represents acres that are owned but not operated by class and region across the state. The results of the survey represented in this figure suggest that far more acres available for lease are in pasture rather than in farmland. Note that aggregate acre figures across the study may not add to the approximately 3 million acres represented, as respondents may have listed their land holdings but not provided their region.

### Question 3: How many acres of land operated over the last 5 years?

Survey respondents represented approximately 2.3 million operated acres. This included 1.59 million owned acres and 746 thousand leased acres. In keeping with Section 2 findings regarding the farmer/rancher makeup of our responses, there was significantly more operated pastureland represented (2.1 million acres) than operated farmland (219 thousand acres).

Looking at recent data from the USDA National Statistics Service (USDA NASS, 2022), Texas cropland is valued an average of \$2,420/acre. Using this value, our respondents' cropland value would be approximately \$529 million. NASS reports pastureland value for Texas averages \$2,050/acre. Again, using this value, the value of respondents' pastureland would be approximately \$5.1 billion. In total, utilizing NASS data, survey respondents represented approximately \$5.6 billion in land value.

Table 1. Operated acres of land owned or leased over the last 5 years.				
	Farmland Owned	Pasture Owned	Farmland Leased	Pasture Leased
	(Acres)			
Average	918	4,018	1,481	4,873
Max	45,000	300,000	12,000	200,000
Min	-	-	-	-
Sum	136,757	1,201,329	88,833	550,634

\*All figures are for "if owned at all" (i.e., Average does not include responses of zero acres).

### Question 4: Use of risk management in marketing crops

Of the respondents who are involved in the sale of crops, only a third use risk management tools when marketing (Fig. 14). The overwhelming response rate of producers not marketing crops at all ties into the farmer/rancher makeup of responses.

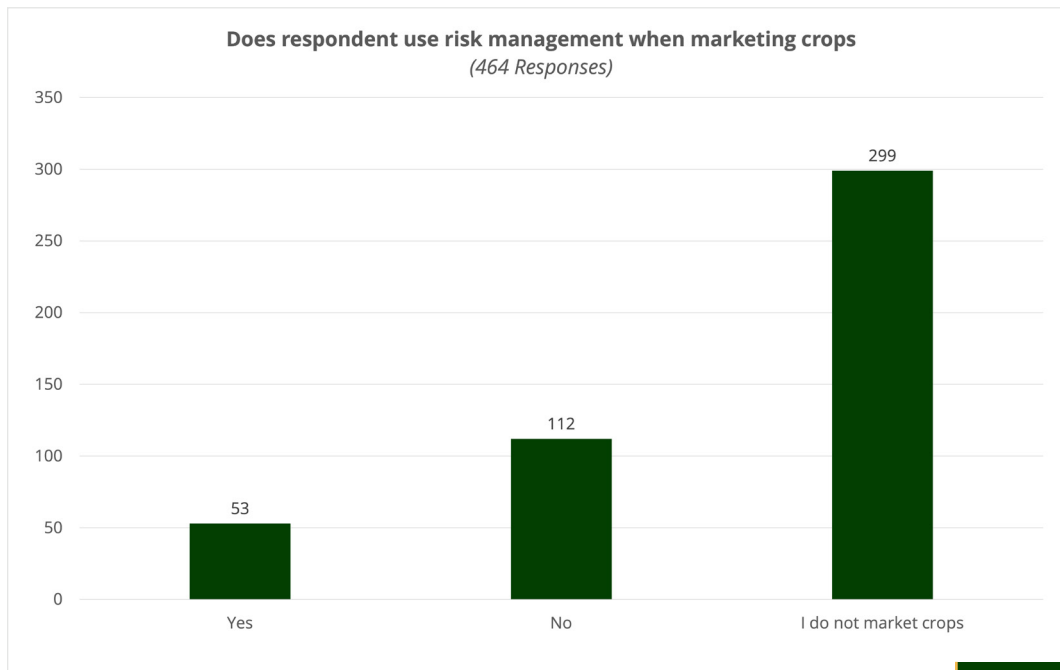
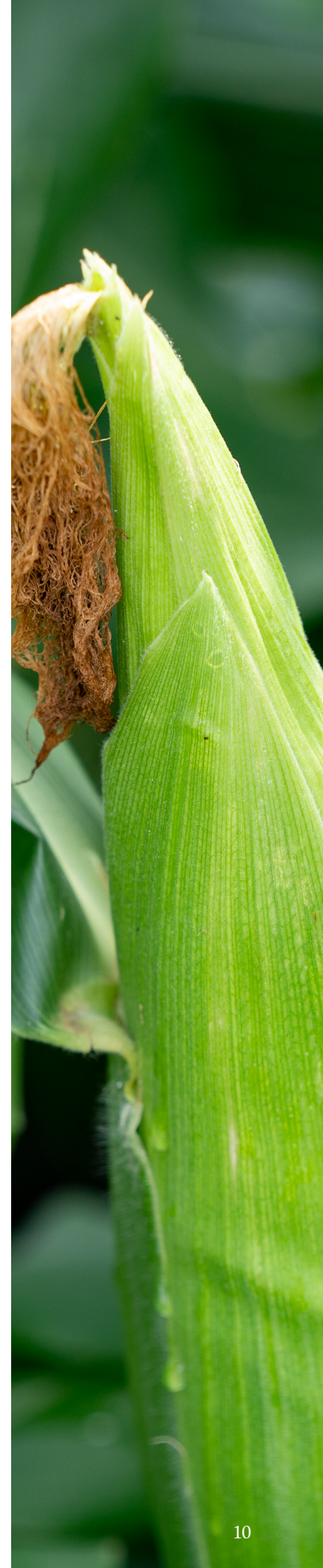


Figure 14.

With only 53 respondents suggesting that they use risk management when marketing crops, despite 96 listing some element of "farming" in their occupation, approximately 45 percent of farmers responding to the survey are not using any form of what they consider risk management.



### Question 5: For crop producers using risk management to market crops, percent of crops marketed using futures or options?

Of the 53 respondents who market their crops using risk management, 43 percent do so using futures and 35 percent do so by options (Fig. 15). These shares may overlap, in that producers were able to reply that they used both futures and options to mitigate risk when marketing crops. Alternatively, it may mean that exactly 43 percent of respondents that use risk management tools use futures exclusively and that 35 percent of respondents that use risk management tools use options exclusively. This suggests that, at minimum, 22 percent of producers who use risk management when marketing crops use something other than futures and options to do so.

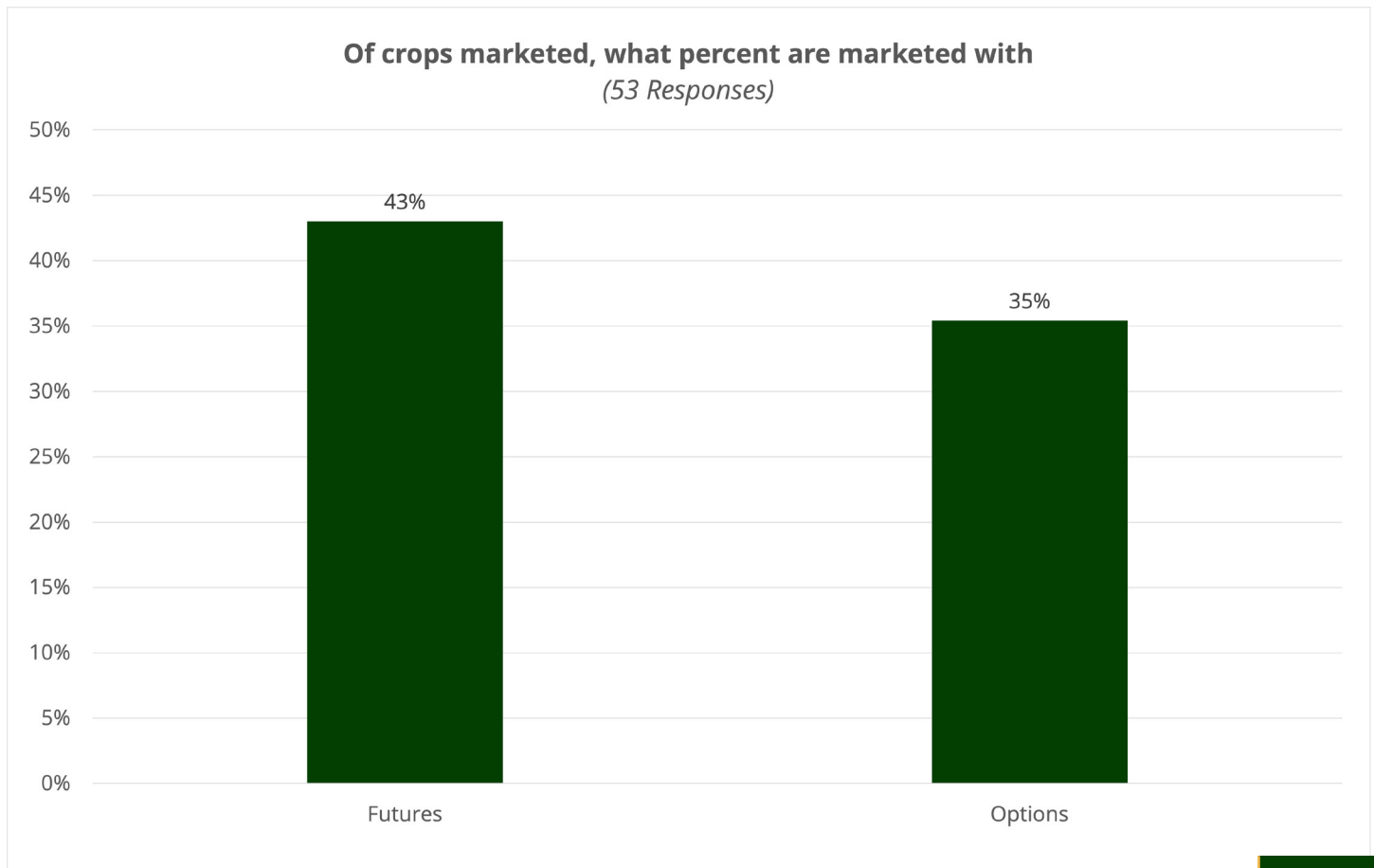


Figure 15.

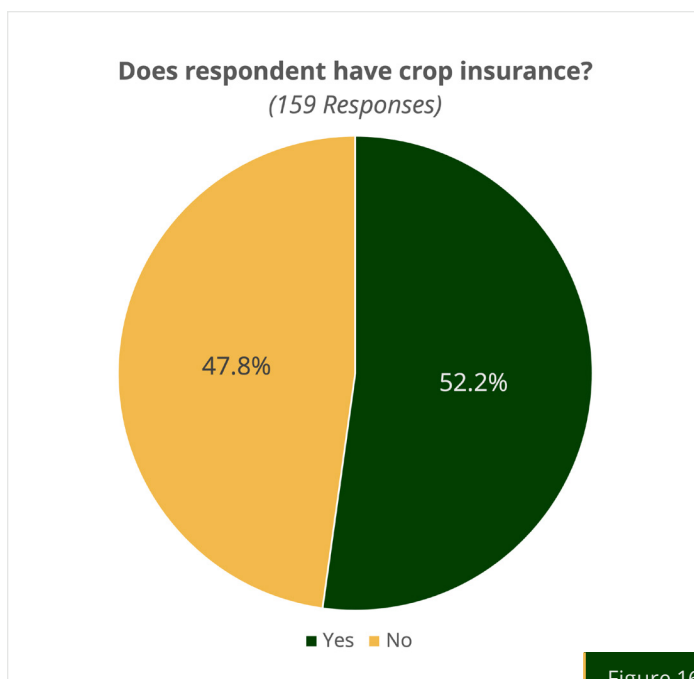


Figure 16.

### Question 6: Use of crop insurance

Only 52 percent of respondents who “raise crops” indicated that they had crop insurance (Fig. 16). This means that roughly half of respondents in this sample do not use crop insurance products to protect their production. This finding suggests that there is room for expanded educational efforts regarding crop insurance.

*Coupled with the responses to Questions 4 and 5, this means that a significant share of those raising crops do not use any form of risk management. Summarizing the findings of row crop insurance responses, 45 percent of those raising crops indicate that they are using no risk management, at least 22 percent are not using futures and/or options, and 48 percent are not using crop insurance.*

### Question 7: If you have pastureland, do you utilize Pasture Range & Forage (PRF or “rainfall”) insurance?

Less than a quarter of respondents indicated that they use PRF insurance in most years (Fig. 17). This represents approximately 598 thousand acres protected with PRF insurance in a given year.

*Anecdotal studies of PRF in grids across the state suggest that for regions roughly approximating Regions 1, 2, and 3 in this study, there are net positive returns to an overwhelming majority of PRF policies over time.*

*Accordingly, 80 percent of acres in Region 1 and 76 percent of acres in Region 2 are covered by PRF, while Region 3 shows a lower-than-expected enrollment in PRF at only 38 percent of acres.*

**If respondent owns/operates pastureland is PRF utilized most years**  
(400 Responses)

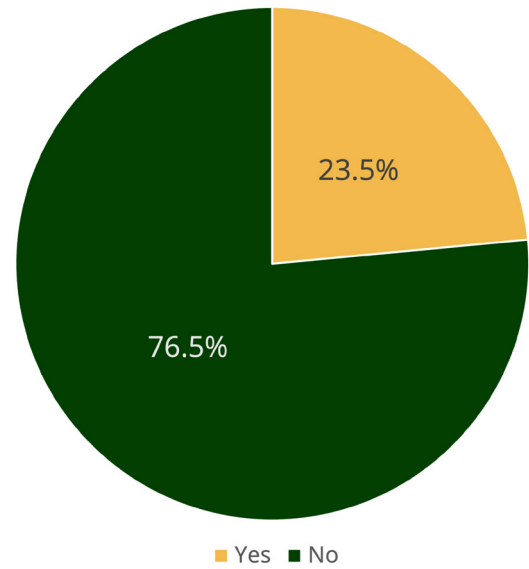


Figure 17.

### Question 8: If you have agricultural lease agreements, are they in writing?

Of 314 respondents who have lease agreements, 57 percent have all such agreements in writing, 20 percent have none of those agreements in writing, and 23 percent have some leases in writing and some not (Fig. 18). At least 43 percent of respondents have at least one lease agreement that is not in writing.

*The fact that nearly half of the lease agreements reported are not in writing indicates an additional opportunity to educate producers regarding lease agreements.*

**If respondent has lease agreement do they have lease in writing?**  
(458 Responses)

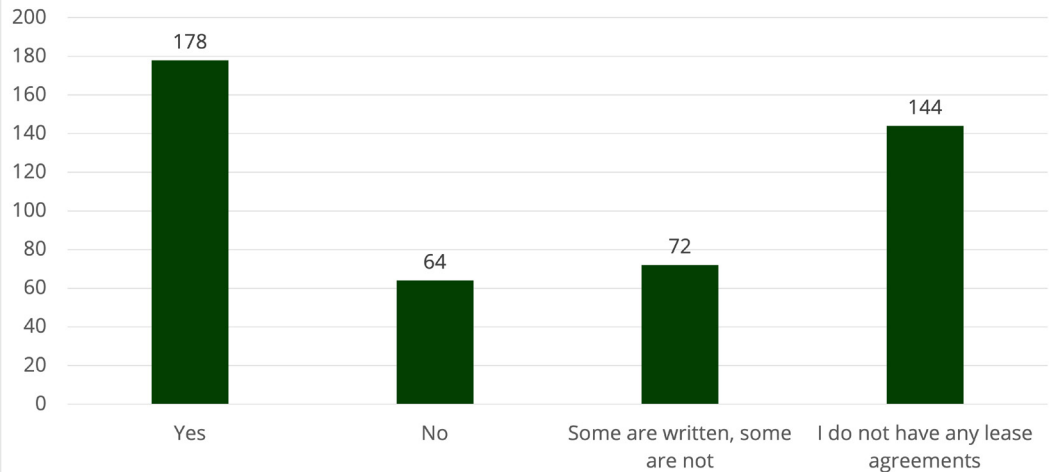


Figure 18.

**Table 2. Agricultural lease types held by non-operating landowners.**

	Grazing	Farming	Hunting	Farming and Hunting
Grazing	63	24	45	23
Farming	-	18	29	-
Hunting	-	-	17	-

**Table 3. Energy lease types held by non-operating landowners.**

	Wind	Solar	Oil and Gas	Solar and Oil and Gas
Wind	3	1	10	3
Solar	-	0	4	-
Oil and Gas	-	-	28	-

**Question 9: If you have lease agreements as the landowner, which types do you have?**

For landowners who lease their land, there were a variety of lease types and mixes of lease types. The “Agricultural leases” table (Table 2) and the “Energy leases” table (Table 3) are presented left to right, with combinations of leases associated with the row plus the column. For example, 63 non-operator landowners have only grazing leases, while 24 non-operator landowners have some combination of grazing and farming leases, 45 have some combination of grazing and hunting leases, and 23 have some combination of all three lease types. Each category is exclusive, with 219 total unique responses detailing agricultural leases and 49 unique responses detailing energy leases.

*The mix of lease types highlights the need for continued emphasis on interactions between landowners and their tenants. It is not uncommon for one landowner to have multiple lease types, and in certain cases, multiple tenants, on the same land with different objectives (e.g., a tenant who is farming and a different tenant who is hunting).*

*In fact, existing curricula in Texas largely focus on the interactions between landowners and those leasing pastureland, where this research suggests an opportunity for programs supporting the interaction of farmland owners and tenant producers or tenant hunters.*

**Table 4. Agricultural leases as the tenant.**

Lease	Grazing	Farming	Hunting	Farming and Hunting
Grazing	72	22	13	7
Farming	-	20	8	-
Hunting	-	-	1	-

**Question 10: If you have lease agreements as the tenant, which types do you have?**

A number of respondents lease land as tenants as well. The “Agricultural leases as the tenant” table (Table 4) is presented left to right, with combinations of leases associated with the row plus the column. For example, 72 tenants have only grazing leases, while 22 have some combination of grazing and farming leases, 13 have some combination of grazing and hunting leases, and 7 have some combination of all three lease types. Each category is exclusive, with 143 total unique responses.

# Section 3: Financial Information

## Question 1: Estimated total debt?

Producers were able to provide information on their total debt held. Of 290 responses, almost half (137) reported having zero debt. The 153 remaining responses are displayed in Figure 19. A plurality of respondents (44) with at least some debt reported holding less than \$100,000 in debt. Approximately two-thirds of respondents (100) with some debt reported holding less than \$500,000 in debt.

Respondents reporting some debt less than \$100,000 are further disaggregated and reported in Figure 20. Of those respondents, more than half (28) reported less than \$50,000 in debt.

When respondents reporting no debt are included, 81 percent of respondents had less than \$500,000 in debt. Including respondents holding no debt, average debt across respondents was approximately \$808,000. When respondents holding no debt were excluded, average total debt was \$813,000. The maximum debt reported was \$13.2 million.

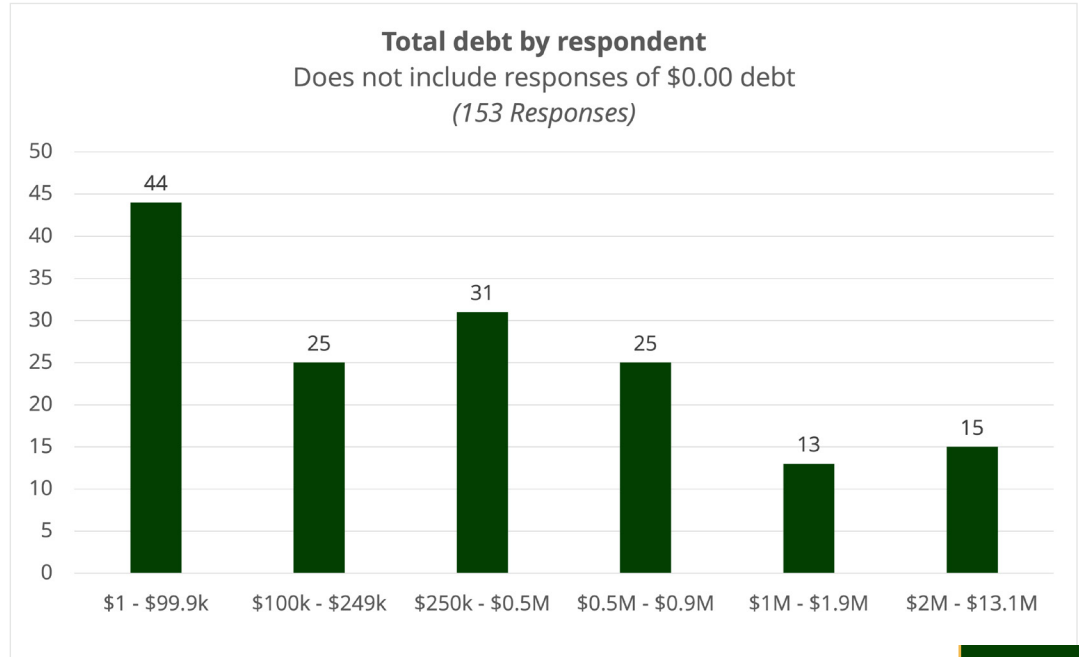


Figure 19.

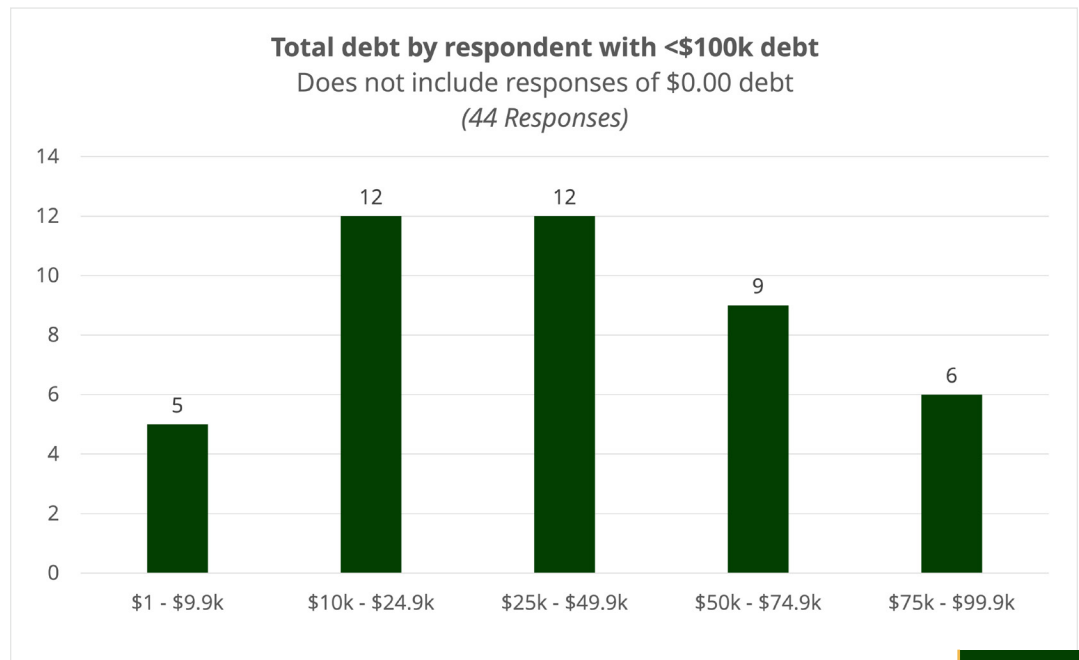


Figure 20.

## Question 2: Estimated total assets?

Certainly, the total assets held is an important consideration when it comes to the federal estate tax. Currently, assuming assets here are owned by the individual, 33 potentially face estate tax liability. Under current law, in 2026, the estate tax exemption will be cut to \$5 million per person. Were that the case today, one-third (89) of respondents would have potential estate tax liability.

Including respondents holding no assets, average assets held across respondents was approximately \$5.5 million (Fig. 21). When respondents holding no debt were excluded, average total assets were \$5.8 million. The maximum assets reported were \$95 million.

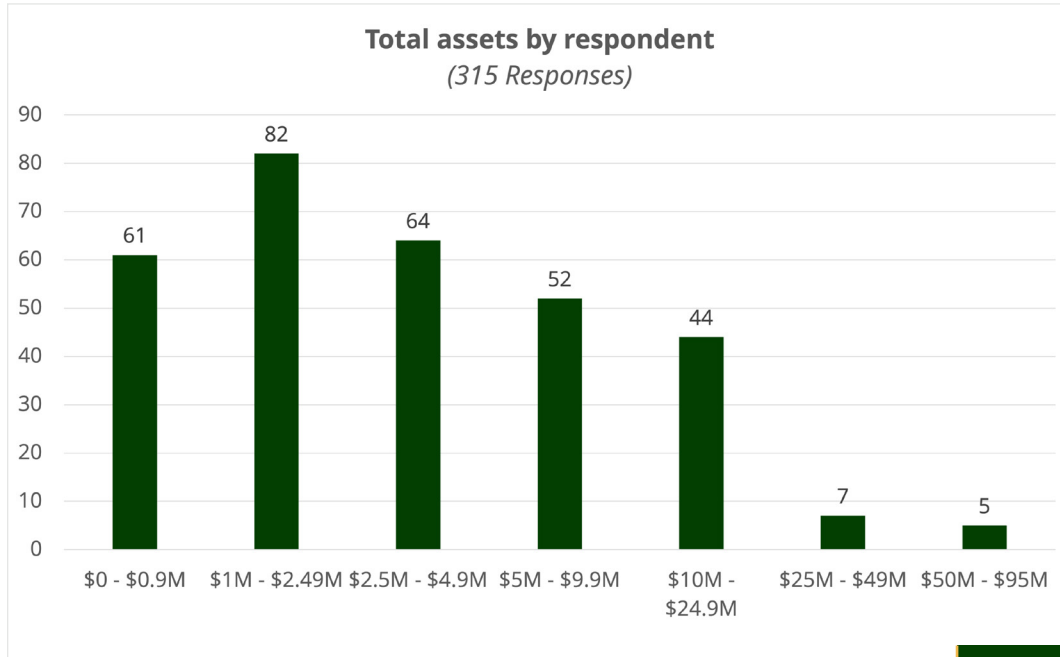


Figure 21.

*Considering the responses detailing total debt and total assets, the sample is relatively representative, though it holds slightly more debt relative to assets than the average U.S. producer.*

*Nationwide, the Economic Research Service (ERS) reports a national average farm debt-to-asset ratio of 13.6 percent for 2021. The respondents to this survey report an average farm debt-to-asset ratio of 14.0 percent.*

## Question 3: Number of individuals dependent on income generated solely on farm.

In a result that makes sense given the high percentage of respondents with off-farm income, over half of respondents (64 percent) have no individuals dependent solely on farm income (Fig. 22).

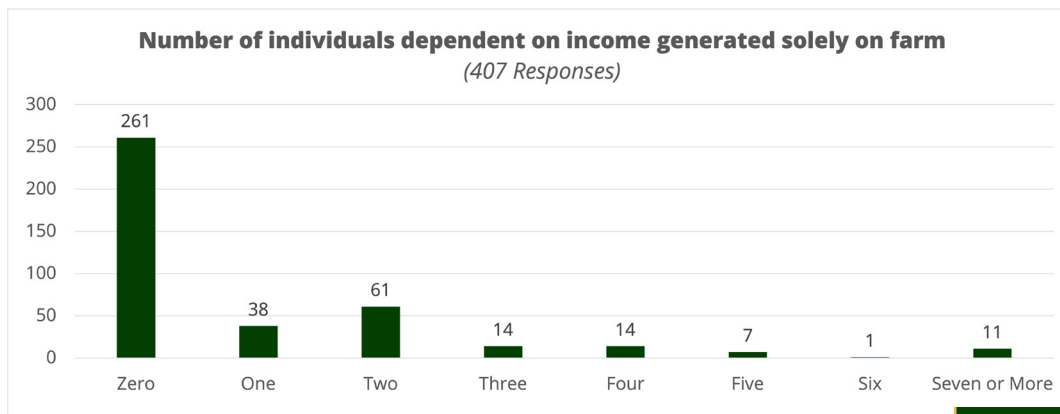


Figure 22.

*These findings suggest very few farms/ranches provide 100 percent of income for operators. In fact, despite survey respondents representing roughly \$5.6 billion in land holdings alone, only 146 operations (36 percent of responses) support at least one person.*

**Question 4: Considering all land you own, how long has it been since the initial purchase of the property? (If there are multiple purchase dates, respond with the earliest)**

Aggregate data on tenure of land ownership is not readily available at the national, state, or local levels. This survey sought to collect some information on that subject, requesting information on duration of land ownership since date of initial purchase of continually owned land.

Just over one-fifth (21 percent) of the respondents reported the land being continuously held in-family close to or for more than 100 years (Fig. 23). Of the 400 responses recorded, 84 reported having land initially purchased prior to 1925. On the opposite end of the spectrum, just over one-third of the respondents (37 percent) indicated land was initially purchased since 1996

**Question 5: For any land you inherited, was the land inherited at the person's death or prior to their death?**

Though inherited land is a significant resource for beginning producers, 43 percent of respondents reported never inheriting land (Fig. 24). Of those who did inherit land, 34 percent inherited the land prior to the death of the prior owner, 46 percent inherited land at the death of the prior owner, and 19 percent inherited the land after the person's death.

The 2016 report, "U.S. Farmland Ownership, Tenure, and Transfer," reports that the average U.S. operator landowner purchased 50

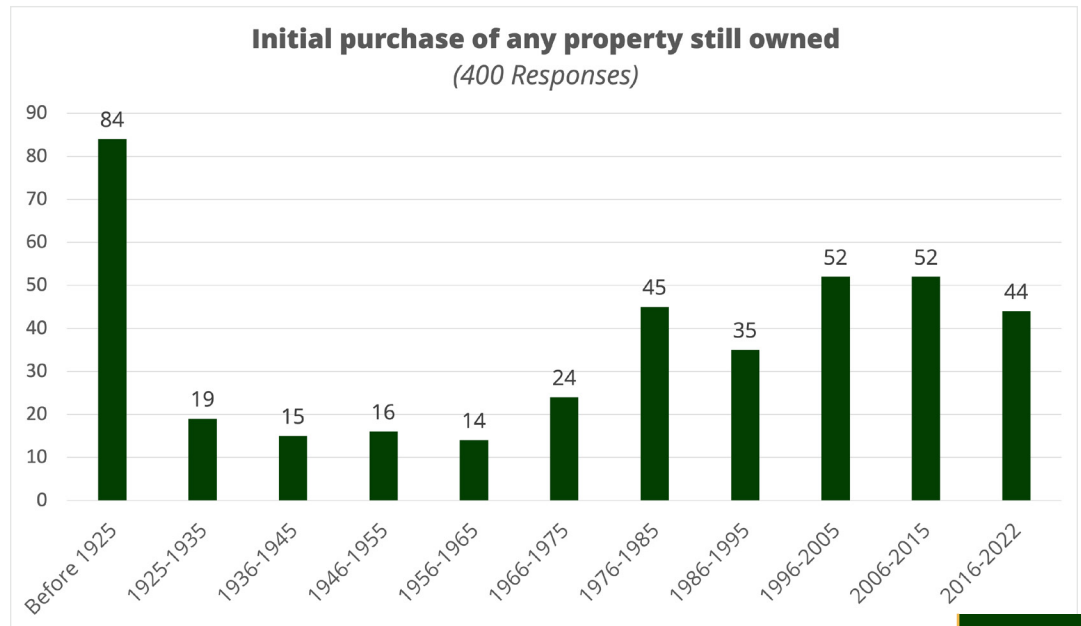


Figure 23.

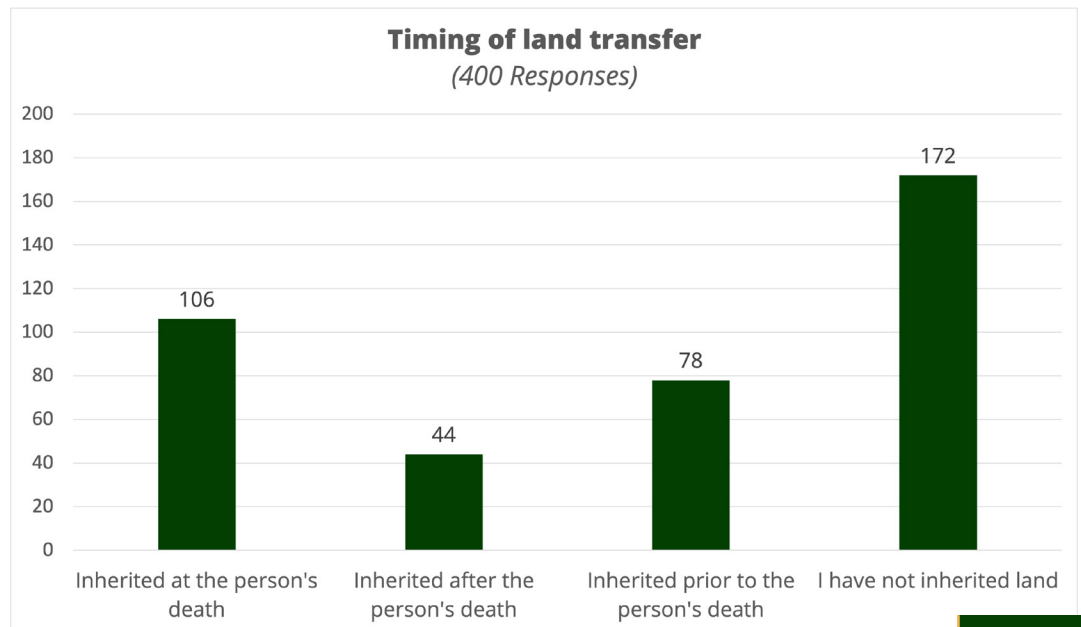


Figure 24.

percent of their land from a non-relative and purchased 4 percent of their land in an auction (Bigelow, Borchers, & Hubbs, 2016). The same group reported purchasing 19 percent of their land from a relative and inheriting 27 percent of their land or receiving it as a gift. For non-operator landowners, the majority (54 percent) were gifted their land or inherited it.

*With one-third of those inheriting land doing so prior to the death of the previous owner, there is the potential for issues with capital gains taxes if the land is sold in the future. Because this land was not inherited at or after death (at least for the transfer to the respondent), there would be no stepped-up basis under current law allowed for the property.*





Photos courtesy Jourdan Bell, Ph.D.

### Have family-owned assets ever been subject to the federal estate tax

(406 Responses)

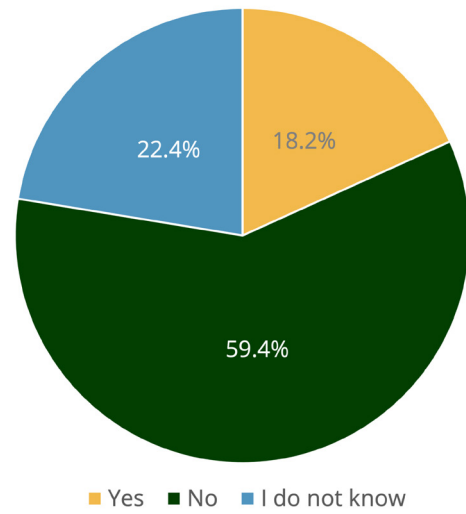


Figure 25.

### Question 6: To your knowledge, has your family ever paid the federal estate tax when someone died in the past 50 years?

Respondents indicate that of those who knew whether their family had paid the federal estate tax in the past 50 years, just over three-quarters reported that their family has not incurred estate tax liability in the last 50 years (Fig. 25). The remaining one-quarter of respondents, approximately 79 people, reported their family had faced federal estate tax liability

### Increase in land value from acquisition to present

(379 Responses)

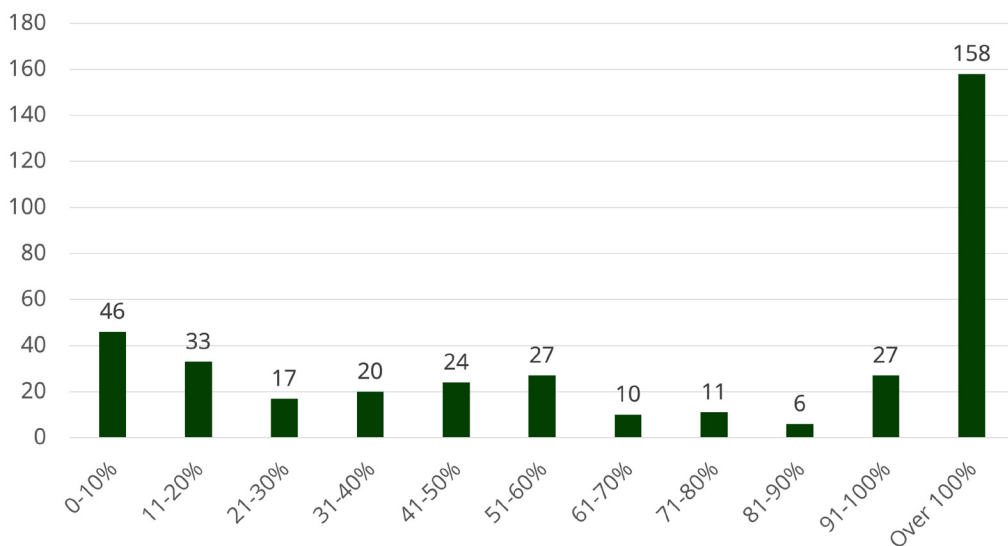


Figure 26.

### Question 7: For land owned, what is the percent increase in value from the time you purchased or inherited until present?

Again, in a result corroborated by previous findings, many respondents report significant increases in the value of land from the time of purchase/ inheritance until the present (Fig. 26). Of 379 responses, 42 percent indicated the value of their land has at least doubled in that timeframe. For 63 percent of respondents, there was at least a 50 percent increase in land values during this period.

**Question 8: Do you or your spouse have life insurance?**

Nearly three-quarters of respondents report that they or their spouse have life insurance in place (Fig. 27). This is significantly higher than the national average of 52 percent (Gambhir & Shoenthal, 2022), though that statistic is economy-wide and does not account for differences in region or employment status.

**Question 9: How is your operation currently held?**

Exactly half of the respondents indicate their operation is structured as a sole proprietorship. This was followed by limited liability companies which are utilized by 13 percent of respondents (Fig. 28). Approximately 21 percent report using a mix of entities or a sole proprietorship in combination with another entity for their asset ownership structure.

*In what serves as a primary takeaway of this survey, half of respondents in the sample have no entity shielding their personal assets from their assets attached to their farm and/or ranch business. For example, were a lawsuit filed against a producer because of injury sustained on their farm property, not only would their farm and agricultural assets be at risk in the suit, their personal assets with no connection to the farm business would also be at risk. In the case of a producer holding their assets in an LLC, only the business-related assets would be at risk in the suit.*

*This finding suggests that an opportunity exists for business entity structure. What are the financial benefits of each entity type? What are the legal ramifications? Is there a decision tree to be developed that can assist in self-determining the appropriate entity structure?*

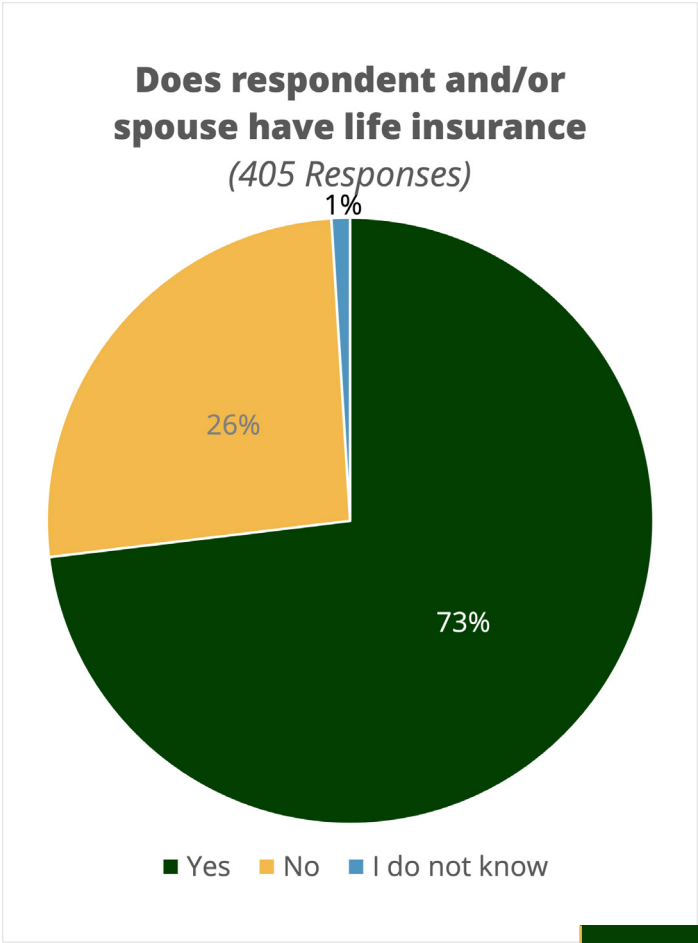


Figure 27.

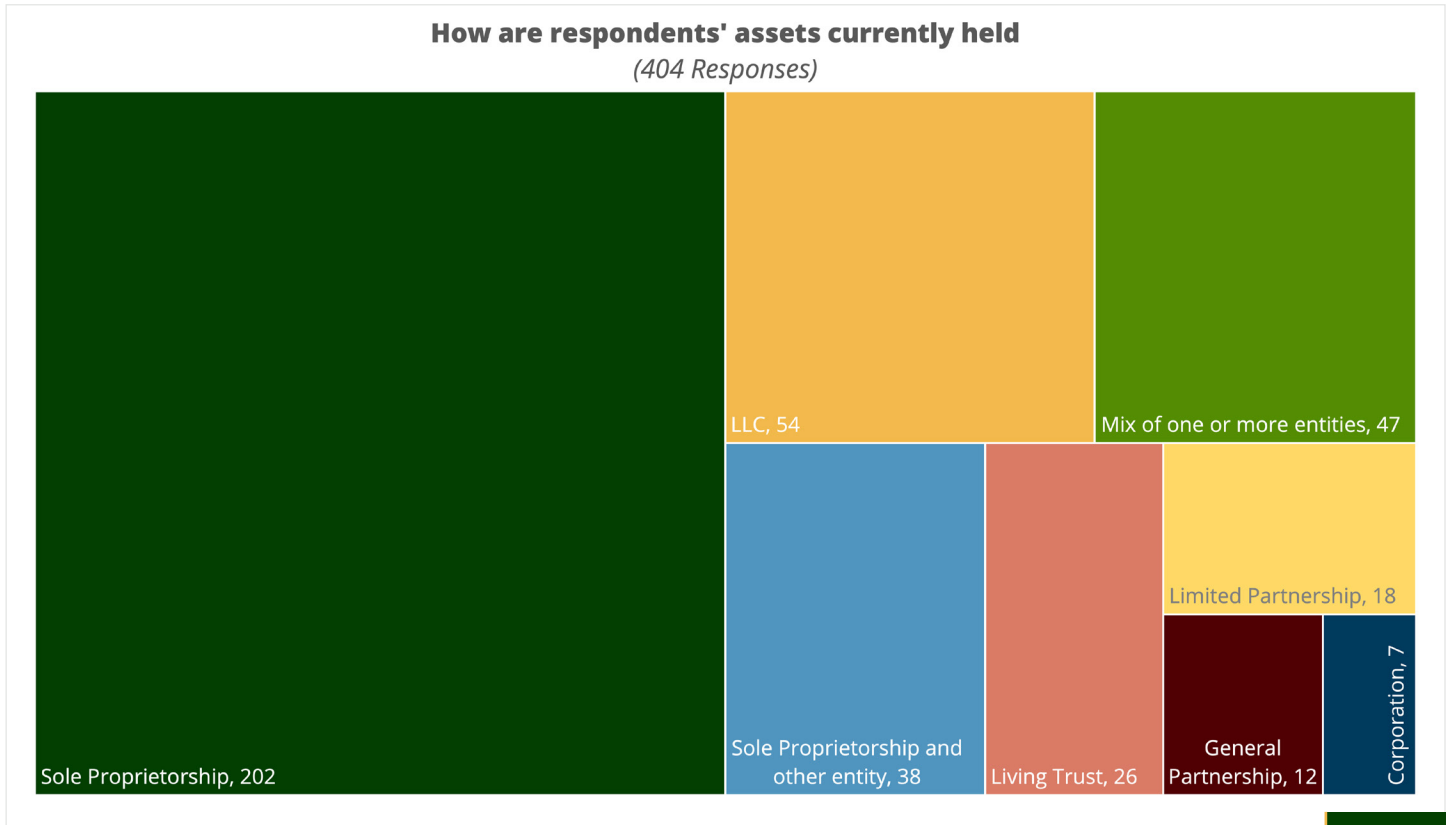


Figure 28.

# Section 4: Succession Planning

## Question 1: Has the respondent identified an heir?

When asked whether they have identified an heir, 71 percent of respondents indicate they have done so (Fig. 29).

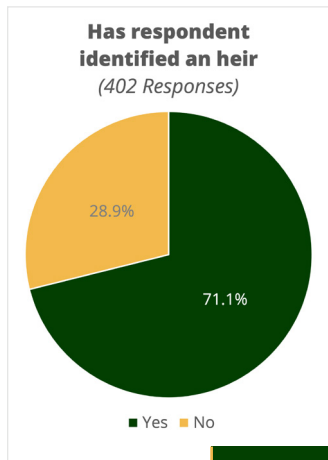


Figure 29.

## Question 2: If you have identified an heir for your operation, is the heir a blood relative?

The vast majority of respondents who have identified an heir report that the identified heir is a blood relative (Fig. 30). In fact, only 15 respondents of the entire sample indicated that their identified heir is someone not of blood relation.

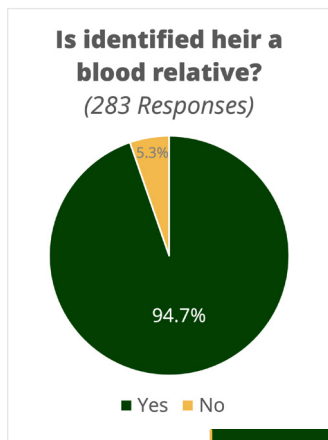


Figure 30.

## Question 3: If you have identified an heir for your operation, is the heir currently engaged in the day-to-day management of the operation?

Approximately two-thirds of the respondents who have identified an heir report that heir is not currently engaged in the day-to-day management of the operation (Fig. 31). As discussed below, this appears to be an area with significant future educational potential.

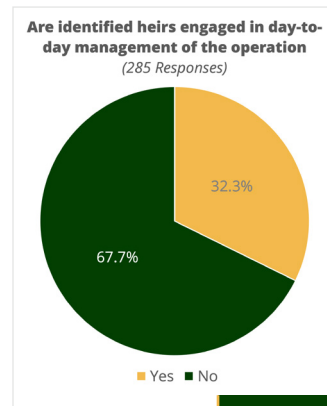


Figure 31.

## Question 4: If you have identified an heir for your operation, do you believe the heir will operate the farm/ranch personally, or either hire someone to operate or lease to someone to operate?

Further, considering only those respondents who have identified an heir, nearly half believe the heir will personally manage the operation (Fig. 32). Just over one-quarter of respondents were unsure if their identified heir would personally manage the property.

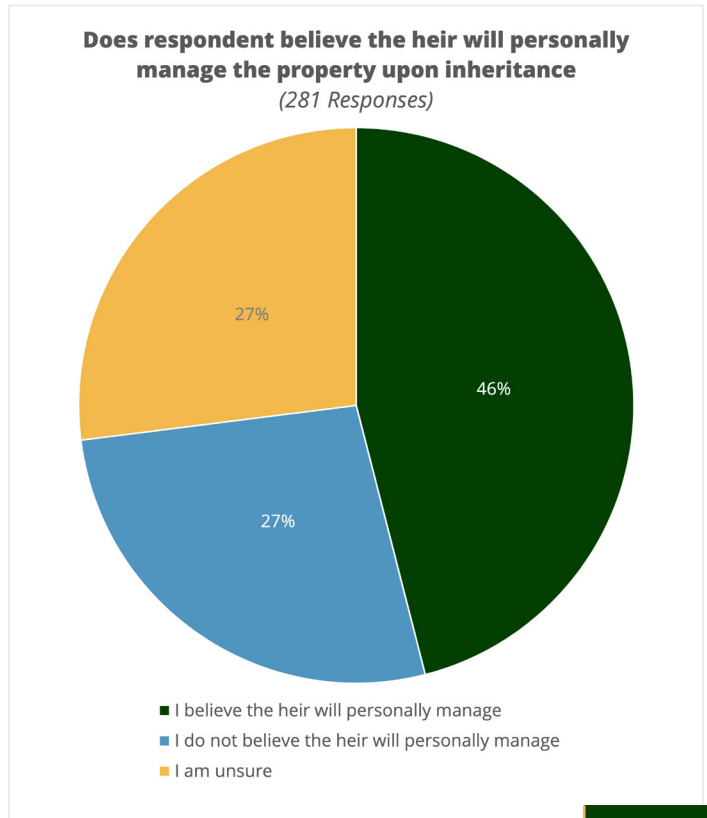


Figure 32.

A second significant finding of this survey effort is the ongoing need for heir education. Consider Questions 1–4 of this section. Though 71 percent of respondents indicated that they have identified an heir and that the overwhelming majority are blood relatives, a significant gap in management and agricultural production experience may exist.

Consider that roughly 286 respondents have identified an heir. The responses to Question 3 (Fig. 31) would suggest that only 92 of the identified heirs are currently engaged in the day-to-day operation of the agricultural business. Further, the responses to Question 4 (Fig. 32) would suggest that between 130 and 205 respondents either expect their identified heir to personally manage the agricultural enterprise or are unsure. Therefore, in this sample, 38 to 113 respondents have an heir that may operate their agricultural enterprise upon transfer, though the heir is not engaged in the day-to-day operation of the agricultural enterprise. If this sample is indeed representative of the larger agricultural economy, it suggests that, of all identified heirs, anywhere from 29 percent to 69 percent of identified heirs are not currently engaged in the agricultural enterprise they stand to inherit.

Coupling this finding with concerns about the heirs reported by 23 percent of respondents to Question 8 (Fig. 35), discussed later in this section, it is clear that significant opportunity for heir education remains in the Texas agricultural sector. These opportunities for heirs may include, but are certainly not limited to, farm and ranch production practices, agricultural business management, marketing, inheritance planning, and more.

**Question 5: Have you discussed a farm succession plan with your immediate family?**

**Question 6: Do you have a succession plan in place?**

We combined into one graphic the responses related to having had a discussion of a succession plan with immediate family and actually having a succession plan in place. Right at half of the respondents report having a succession plan in place (Fig. 33). Slightly more—approximately two-thirds—said they have had succession planning discussions with their immediate family.

**Question 7: If you do not have a succession plan in place, what is the biggest roadblock keeping you from doing so?**

Question 7 provided the opportunity for free responses, which were then reviewed and aggregated by Dowell Lashmet. For approximately one-quarter of respondents, a lack of time was the biggest roadblock to having a succession plan in place. One-fifth of respondents say their biggest roadblock is not knowing where to start or what to do. Slightly fewer, 13 percent, indicated that family dynamics were the biggest roadblock. Roughly 10 percent of respondents indicated that they believed either they or their children were too young to need a plan. Roughly 7 percent said that the inability to find an attorney was their biggest roadblock.

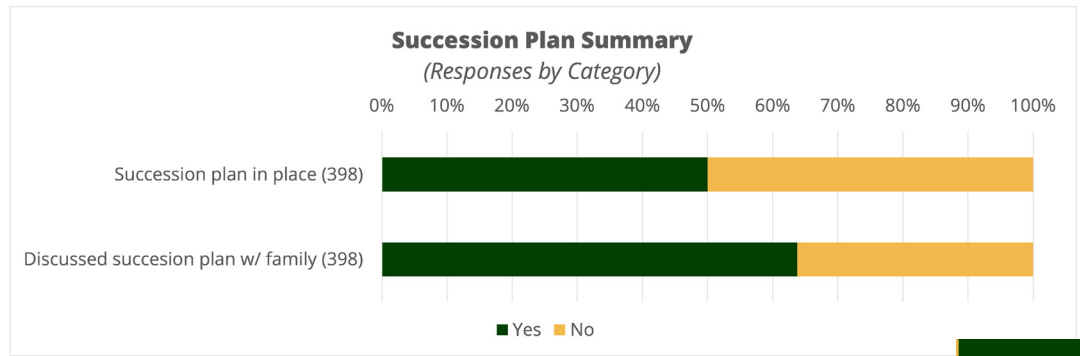


Figure 33.

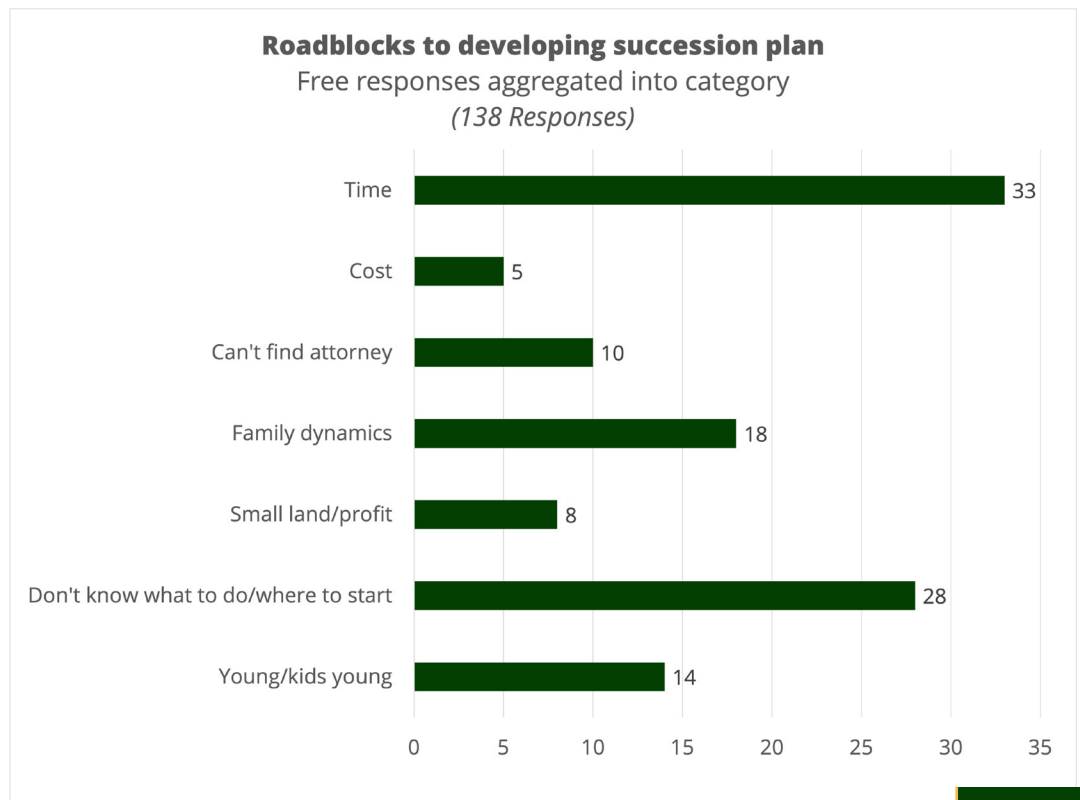


Figure 34.

*A future resource to be developed as a result of this survey's findings is a list of attorneys who practice in the area of agricultural estate planning. No such list currently exists.*

### Concern for succession plan/future

Free responses aggregated into categories  
(265 Responses)

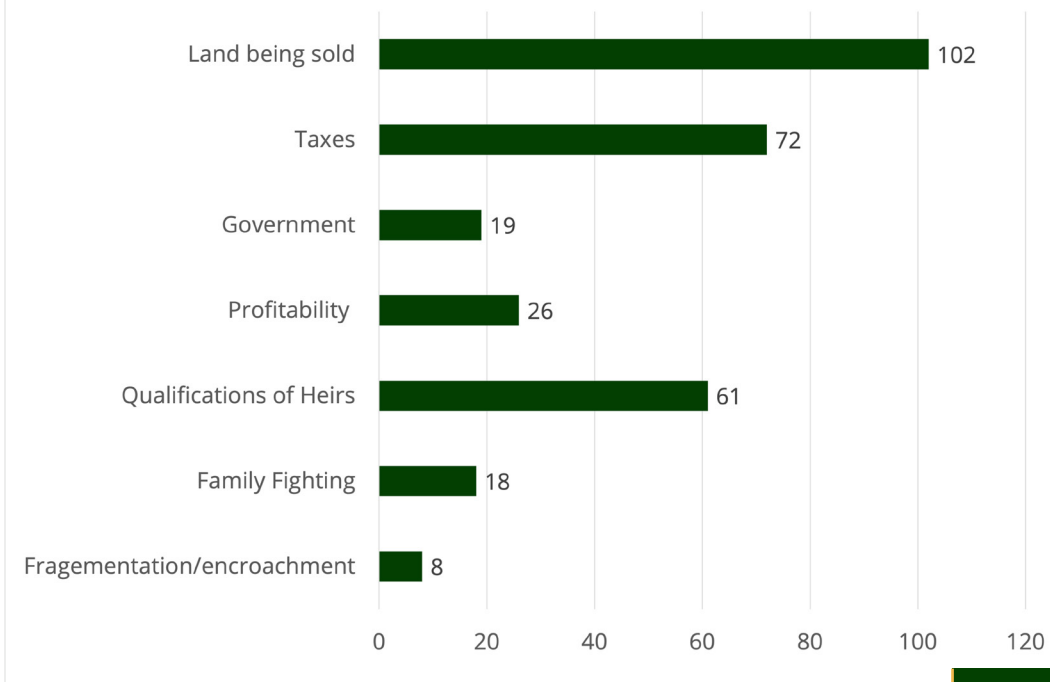


Figure 35.

### Question 8: What is your biggest concern about a succession plan/ the future of your operation after you are gone?

Question 8 provided the opportunity for free responses, which were then reviewed and aggregated by Dowell Lashmet. Roughly 38 percent indicated their land being sold as their greatest concern (Fig. 35). Land sales were followed by 27 percent reporting concerns over taxes (estate, capital gains, and property taxes), and 23 percent worried about the qualifications of their heirs. Other concerns included profitability (10 percent), government (7 percent), fighting amongst family members (7 percent), and fragmentation/urban encroachment (3 percent).



# Section 5: Estate Planning

Question 1: Do you have a will?

Question 2: If you have a will, was it drafted by an attorney?

Question 3: Do you have an Advanced Directive?

Question 4: Do you have a Medical Power of Attorney?

Question 5: Do you have a Durable Power of Attorney?

Question 6: Do you have a Transfer on Death Deed or Enhanced Life Estate Deed (Lady Bird Deed) on file?

Responses to questions related to estate planning documents (Section 5, Questions 1–6) are aggregated into one graphic, Figure 36. Roughly three-quarters of respondents report having the basic estate planning documents in place. In fact, an overwhelming majority indicated that they have a will and that it was drafted by an attorney, a far greater share than the national average (Jones, 2021).

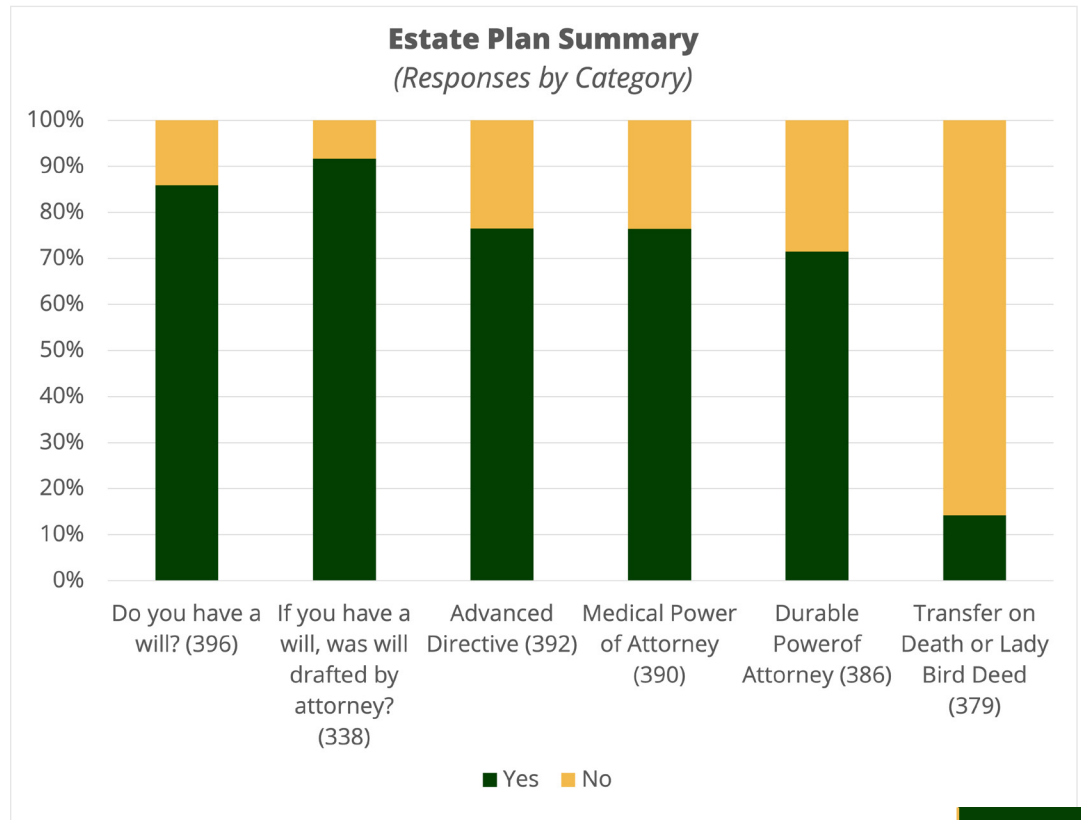


Figure 36.

*These data suggest that agricultural producers and landowners may in fact be “ahead of the curve” in terms of estate planning. A 2021 survey conducted by Gallup indicated that less than half of U.S. adults have a will in place, a figure that has remained static since the 1990s.*

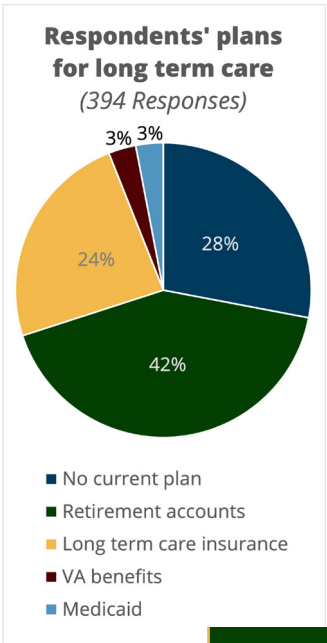


Figure 37.

**Question 7: Which of the following plans of paying for long term care do you have in place, if needed?**

The majority of respondents, 72 percent, do have a plan for how to pay for long term care if needed (Fig. 37). Of those with a plan, the majority intend to rely on retirement accounts. Just over one-third of the respondents with a plan reported having long term care insurance.

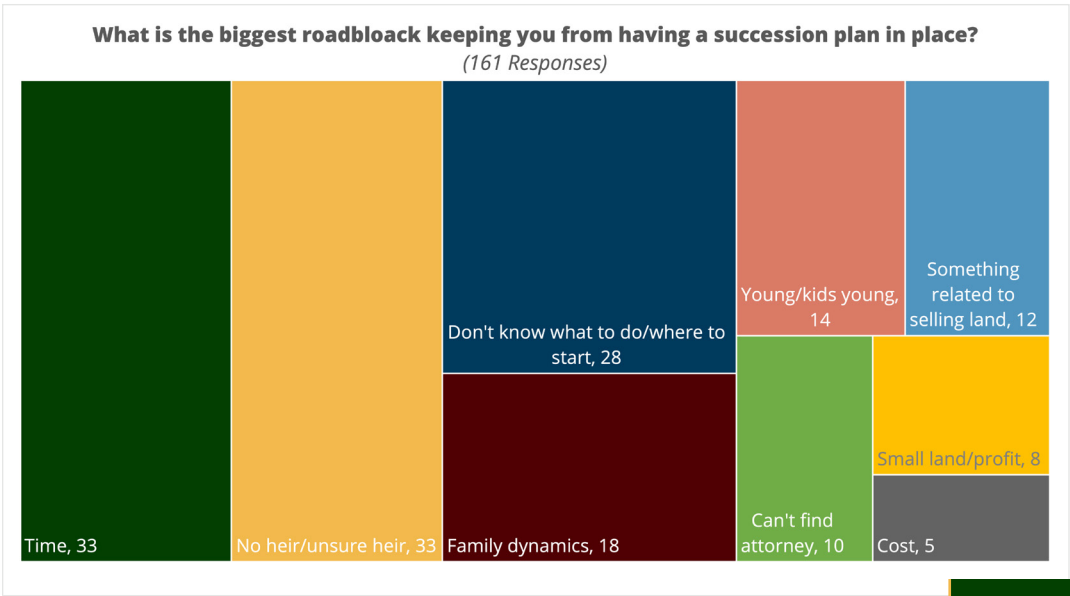


Figure 38.

**Question 8: If you do not have an estate plan, what is the biggest roadblock keeping you from doing so?**

Question 8 provided the opportunity for free responses, which were then reviewed and aggregated by Dowell Lashmet (Fig. 38). Over half of respondents indicated that the roadblock preventing them from developing an estate plan fell into one of three categories: not enough time, something to do with their heirs or lack of heirs, or not knowing what to do. An even number of respondents indicated that the greatest roadblock to establishing an estate plan was either time or that they had not identified an heir/ were unsure of their heir's qualifications. Note that at least 14 respondents indicated that they were either too young or that their children were too young to warrant an estate plan, suggesting that the 33 respondents with no heir or who were unsure of their heir's qualifications see themselves as needing an estate plan despite not having one in place. Almost 20 percent of respondents indicated that they did not know what to do or how to start developing an estate plan.

### Question 9: Rank the following potential educational topics in order of importance:

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Of the participating respondents, 287 ranked educational topics in the order of which they would prefer to see more educational opportunities. The options were estate planning, succession planning, risk management tools, business entities, and personal finance. The rankings were:

1. Estate planning
2. Succession planning
3. Business entities
4. Personal finance
5. Risk management tools

Despite most respondents (upwards of three-quarters) having at least the basic estate planning tools in place, they believed estate planning was the topic for which the most education is needed. Meanwhile, although few respondents are using risk management tools like crop insurance, PRF insurance, or futures and options, respondents found this to be the area with the least need for additional educational opportunities.

### Question 10: Any additional comments or suggestions?

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Respondents were given the opportunity to provide free response feedback. A selection of those responses is included.

- ▶ *Thank you for this survey. It has helped me really start thinking about the financial and estate planning I need to do.*
- ▶ *I think we older farmers/ranchers are hesitant to succession plan because we hope that a plan will just work itself out (hope for the best), which is probably more of an emotional approach, or an avoidance, rather than actively planning for succession and dealing with the practicalities, issues, and personalities, of a logical approach to succession planning. The sooner we realize that an emotional approach is a poor approach, the better.*
- ▶ *I'm 51 and already handing the reins to the next generation. There have been a lot of things that made me nervous during this transition, but I'm glad I have started early. Too many farmers don't transition until death and they leave the next generation in a mess.*
- ▶ *It would be most helpful to have a list of recommended Texas Estate Attorneys who are competent in dealing with farm & ranch generational succession.*
- ▶ *I would like to see a program for older farmers in local counties that allows them to partner with local younger farmers and landowners. Where we give them info locally, not online to form partnerships for continued land use need.*

## Conclusions

The primary goal of this endeavor was to determine the need for new and/or increased focus on programming from organizations serving Texas agriculture, including Texas Corn Producers and Texas A&M AgriLife Extension. The survey was intended to reach at least 100 producers and/or landowners—a threshold that was met and surpassed through the use of social media delivery and an existing network of producers engaged with both entities involved in the survey. In fact, all but a small handful of questions had over 200 responses. Additionally, initial comparison with existing literature suggests that this sample is roughly representative of the Texas agricultural economy for many of the questions.

At least two conclusions can be drawn from these data regarding the need for further education among those engaged with agriculture or landownership in Texas. First, there was a stated need for business entity education in Section 5, Question 9. Responses to Section 3, Question 9 suggest that finding is accurate, with a significant share of respondents holding their business assets in a sole proprietorship, putting personal assets at risk through liabilities in their business holdings.

Secondly, there appears to be a significant need for heir education. In response to Questions 1–4 of Section 4, the respondents make clear that a significant share of heirs stand to inherit assets they are currently not engaged with on a day-to-day basis. Further, respondents explicitly state that one of their most significant concerns regarding their land in the long term is the qualification of their heirs. These concerns are not limited to business management, but also agricultural production.

Finally, the lack of participation in risk management programs by crop producers, and the respondents as a whole, warrants further investigation. If truly less than half of crop producers are using risk management for their production, a significant educational opportunity remains. It is possible that updating the delivery methods for standing programs like Texas A&M AgriLife Extension's Master Marketer could change the participation rate in risk management. There may also be opportunity for new programs. Further analysis of the demographics of producers participating in risk management versus those who are not may yield insight into effective "next steps."

Many more conclusions can be drawn from cross-referencing different data points and by conducting more advanced statistical analysis. The overwhelming response rate, coupled with the richness of the data collected, will yield many more findings over time, as more questions become apparent through reviews of the responses.



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# Appendix A: Print Version of Survey Instrument

## Farm and Ranch Estate and Succession Planning Survey Sponsored by Texas Corn Producers

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### Who should complete this survey?

Anyone who is involved in agricultural production in Texas. This includes farmers, ranchers, agricultural landowners, agricultural employees, and agribusiness owners.

### What is the purpose of this survey?

Tiffany Dowell Lashmet and Dr. Justin Benavidez received grant funding from Texas Corn Producers to analyze current estate and business planning needs for agricultural producers in Texas. This survey will take approximately 15 minutes and will provide the data needed to conduct that analysis and complete the report that will be provided to Texas Corn Producers.

The raw data—that provided by individuals completing the survey—will not be shared. Only Lashmet and Benavidez will see the individual surveys. Results will be compiled and only the aggregate data will be shared. There are no sensitive questions in this survey that should cause discomfort. We have drafted this survey in a manner intended to protect a respondent's identity. If there are questions you do not wish to answer, you are free to skip those questions.

Questions? If you have any questions, please feel free to contact Tiffany Dowell Lashmet (tdowell@tamu.edu) or Dr. Justin Benavidez (benavidezjustin@tamu.edu) for more information.

**You may also contact the Human Research Protection Program at Texas A&M University (which is a group of people who review the research to protect your rights) by phone at 1-979-458-4067, toll free at 1-855-795-8636, or by email at irb@tamu.edu for additional help with any questions about the research, concerns or complaints about the research, obtaining answers to questions about your rights as a research participant, concerns in the event the research staff could not be reached, the desire to talk to someone other than the research staff.**

## SECTION 1 - RESPONDENT DEMOGRAPHICS

1. How old are you?

- Under 30     30-35     36-40     41-45     46-50  
 51-55     56-60     61-65     66-70     71-75  
 75+

2. What is your gender?

- Male     Female

3. Are you married or widowed?

- Yes     No

4. If you are you married or widowed, what is the age of your spouse?

- Under 30     30-35     36-40  
 41-45     46-50     51-55  
 56-60     61-65     66-70  
 71-75     75+     Deceased

5. How many children do you have?

- None     1     2     3     4     5 or more

6. If you have children, what are their ages? Select all that apply.

- Under 20     20-30     31-40  
 41-50     51-60     61-70     70+

7. If you have children, are they:

- All directly engaged in farm/ranch daily operations  
 All employed off farm  
 One or more of each

8. How many generations are actively engaged in the day-to-day management/operation of your farm/ranch/agribusiness?

- 1     2     3     4 or more

## SECTION 2 - OPERATION DEMOGRAPHICS

1. Are you a:

- Farmer  
 Rancher  
 Agricultural landowner (who does not personally farm/ranch)  
 Agribusiness owner  
 Agricultural employee  
 None of the above

2. Looking at the “County Guide” below, in which numbered region(s) do you own or operate agricultural land? Select all that apply.

- Region 1     Region 2     Region 3     Region 4     Region 5     Region 6     Region 7

## COUNTY GUIDE

Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7
Andrews Armstrong Bailey Borden Briscoe Carson Castro Cochran Crosby Dallam Dawson Deaf Smith Ector Floyd Gaines Garza Gray Hale Hansford Hartley Hemphill Hockley Howard Hutchinson Lamb Lipscomb Lubbock Lynn Martin Midland Moore Ochiltree Oldham Parmer Potter Randall Roberts Sherman Swisher Terry Yoakum	Brewster Crane Culberson El Paso Hudspeth Jeff Davis Loving Pecos Presidio Reeves Terrell Ward Winkler	Archer Baylor Childress Clay Coke Collingsworth Concho Cottle Crockett Dickens Donley Edwards Fisher Foard Glasscock Hall Hardeman Haskell Irion Jack Jones Kent King Kinney Knox Mitchell Motley Nolan Reagan Runnels Schleicher Scurry Shackelford Stephens Sterling Stonewall Sutton Taylor Throckmorton Tom Green Upton Val Verde Wheeler Wichita Wilbarger Young	Anderson Angelina Bowie Camp Cass Cherokee Collin Cooke Dallas Delta Denton Ellis Fannin Franklin Grayson Gregg Harrison Henderson Hood Hopkins Houston Hunt Jasper Johnson Kaufman Lamar Marion Montague Morris Nacogdoches Newton Palo Pinto Panola Parker Polk Rains Red River Rockwall Rusk Sabine San Augustine Shelby Smith Somervell Tarrant Titus Trinity Tyler Upshur Van Zandt Wise Wood	Austin Brazoria Brazos Burlleson Calhoun Chambers Colorado DeWitt Fayette Fort Bend Galveston Gonzales Grimes Hardin Harris Jackson Jefferson Lavaca Leon Liberty Madison Matagorda Montgomery Orange Robertson San Jacinto Victoria Walker Waller Washington Wharton	Aransas Atascosa Bee Bexar Brooks Cameron Comal Dimmit Duval Frio Goliad Guadalupe Hidalgo Jim Hogg Jim Wells Karnes Kenedy Kleberg La Salle Maverick McMullen Medina Nueces Refugio San Patricio Starr Uvalde Webb Willacy Wilson Zapata Zavala	Bandera Bastrop Bell Blanco Bosque Brown Burnet Caldwell Callahan Coleman Comanche Coryell Eastland Erath Falls Freestone Gillespie Hamilton Hays Hill Kendall Kerr Kimble Lampasas Lee Limestone Llano Mason McCulloch McLennan Menard Milam Mills Navarro Real San Saba Travis Williamson

3. On average, over the past 5 years, how many acres of land have you operated each year?

\_\_\_\_\_ Owned acres of farmland you farmed

\_\_\_\_\_ Owned acres of pastureland  
you grazed or otherwise managed

\_\_\_\_\_ Leased acres of farmland you farmed

\_\_\_\_\_ Leased acres of pastureland you grazed

\_\_\_\_\_ Acres of farmland you leased to someone else

\_\_\_\_\_ Acres of pastureland you leased to someone else

4. Do you traditionally use risk management in marketing crops?

Yes       No       I do not market crops

5. If you do traditionally use risk management in marketing crops, what percentage of total production across all crops do you protect with:

Futures (%)

\_\_\_\_\_

Options (%)

\_\_\_\_\_

6. If you raise crops, do you have crop insurance most years?

Yes       No       I do not raise crops

7. If you have pastureland, do you have Pasture, Range & Forage (aka "PRF" or "rainfall") insurance most years?

Yes       No       I do not have pastureland

8. If you have agricultural lease agreements, are they in writing?

Yes       No       Some are written, some are not

I do not have any lease agreements

9. If you have lease agreements as the landowner, what types (select all that apply):

Grazing       Farming       Hunting       Wind

Solar       Oil and Gas       None of these (please list):

\_\_\_\_\_

10. If you have lease agreements as the tenant, what types (select all that apply):

Grazing       Farming       Hunting

None of these (please list):

\_\_\_\_\_

## SECTION 3 - FINANCIAL DEMOGRAPHICS

1. What is your estimated total debt (including land debt):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. What is your estimated total asset value (including land, retirement accounts, investments, on and off farm assets, etc.):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Number of individuals dependent on income generated solely on farm:

None       1       2       3

4       5       6       7 or more

4. Considering all land you own, how long has it been since the initial purchase of the property? (If there are multiple purchase dates, respond with the earliest)

Before 1925       1925-1935       1936-1945

1946-1955       1956-1965       1966-1975

1976-1985       1986-1995       1996-2005

2006-2015       2016-2022       I do not own land

5. For any land you inherited, was the land inherited at the person's death or prior to their death?

All inherited at the person's death

All inherited after the person's death

Some of each

I have not inherited land

6. To your knowledge, has your family ever paid the federal estate tax when someone died in the past 50 years?

Yes       No       I do not know

7. For land you currently own, what estimated % increase in value has occurred from when you purchased or inherited at someone's death until now?

0-10%       11-20%       21-30%

31-40%       41-50%       51-60%

61-70%       71-80%       81-90%

91-100%       Over 100%

8. Do you or your spouse have life insurance?

Yes       No       I do not know

9. How is your operation currently held?

- Sole Proprietorship (No entity, just personal ownership)
- General Partnership     LLC     Corporation
- Limited Partnership     Living Trust
- A mix of sole proprietorship and some other entity
- A mix of one or more entities

## SECTION 4 - SUCCESSION PLANNING

*A succession plan involves determining how the farm business will be transferred to the heirs in order to ensure successful continued operation. The focus here is less on asset ownership--although that does play a part--but more on the plan for the continued operation of the business in having a plan to transfer knowledge and management skills to an eventual heir.*

1. Have you identified an heir for your operation?  
 Yes     No     I have not identified an heir
2. If you have identified an heir for your operation, is the heir a blood relative?  
 Yes     No     I have not identified an heir
3. If you have identified an heir for your operation, is the heir currently engaged in the day-to-day management of the operation?  
 Yes     No     I have not identified an heir
4. If you have identified an heir for your operation, do you believe the heir will operate the farm/ranch, or will the heir hire someone to manage and/or lease the land to someone else?  
 I believe the heir will personally manage  
 I do not believe the heir will personally manage  
 I am unsure  
 I have not identified an heir
5. Have you discussed a farm succession plan with your immediate family?  
 Yes     No
6. Do you have a succession plan in place?  
 Yes     No
7. If you don't have a succession plan in place, what is the biggest roadblock keeping you from having a succession plan in place?  
\_\_\_\_\_  
\_\_\_\_\_

8. What is your biggest concern about a succession plan/the future of the operation after you are gone?  
\_\_\_\_\_  
\_\_\_\_\_

## SECTION 5 – ESTATE PLANNING

*An estate plan involves a plan to leave assets to certain people and focuses primarily on ownership of assets at one's death and end of life documents.*

1. Do you have a will?  
 Yes     No
2. If you have a will, was the will drafted by an attorney?  
 Yes     No     I do not have a will
3. Do you have a Directive to Physicians and Family or Surrogates (aka Advanced Healthcare Directive)?  
 Yes     No
4. Do you have a medical power of attorney?  
 Yes     No
5. Do you have a durable power of attorney?  
 Yes     No
6. Do you have a Transfer on Death Deed or Enhanced Life Estate Deed (aka Lady Bird Deed) on file?  
 Yes     No
7. Which of the following plans of paying for long term care if needed do you have in place?  
 No current plan                       Retirement accounts  
 Long term care insurance             VA benefits  
 Medicaid
8. If you do not have an estate plan, what is the biggest roadblock keeping you from doing so?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. Rank the topics in order of which you find additional education to be most useful. (1=Most Useful, 6=Least Useful)  
\_\_\_\_\_ Estate planning  
\_\_\_\_\_ Succession planning  
\_\_\_\_\_ Business entities  
\_\_\_\_\_ Risk management tools  
\_\_\_\_\_ Personal finance  
\_\_\_\_\_ Other





# TEXAS A&M AGRI LIFE EXTENSION

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