

Land Ownership in the Grasslands Study Area

Final Report
submitted to

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by

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LAND OWNERSHIP IN THE GRASSLANDS STUDY AREA

This report describes a detailed examination of the ownership of non-urban land in the greater Grasslands Study Area of the western San Joaquin Valley. The Grasslands Study Area is generally described elsewhere in the San Joaquin Valley Drainage Program as lying westerly of the San Joaquin River channel and containing only a portion of northwestern Fresno county. For purposes of determining the pattern of land ownership we have modified this definition only slightly to include all land lying within the boundaries defined below:

- Western : Merced County boundary line with Santa Clara or San Benito counties; Fresno County boundary line with San Benito or Monterey counties; or the western boundary line of the Westlands Water District (south of T14S).
- Northern: County boundary line between Merced and Stanislaus counties to the Merced River; then south along the north-south line dividing Ranges 10E and 11E; then east along the east-west line dividing Townships 6S and 7S; then south along the north-south line dividing Ranges 11E and 12E to the mid-line of T7SR12E; then east to the north-south line dividing Ranges 12E and 13E; then south to the east-west line dividing Townships 7S and 8S; then east to the north-south line dividing Ranges 13E and 14E.
- Eastern : In Merced County, the north-south line dividing Ranges 13E and 14E; in Madera County, the north-south line dividing Ranges 13E and 14E (north of T11S), or the north-south line dividing Ranges 14E and 15E (in T11S), or the north-south line dividing Ranges 15E and 16E (south of T11S); in Fresno County, the north-south line dividing Ranges 15E and 16E or the eastern boundary of the Westlands Water District, whichever is easterly; in Kings County, the eastern boundary of the Westlands Water District.
- Southern: The southern boundary of the Westlands Water District.

This modified definition includes all or portions of 48 USGS Quad maps (1:24000 scale). The total land area represented is about 1.5 million acres. A complete listing of the USGA Quad maps covered in this modified study are available as Appendix I of this report.

Individual parcels were identified by reference to current parcel maps maintained by the Assessors of the appropriate counties. By consulting Assessor parcel maps it was possible to determine the current Assessor's Parcel Number corresponding to all parcels within the modified study area defined above. A complete list of all such Assessor's Parcel Numbers was generated together with the precise acreage of each such parcel as shown on the parcel maps.

Current land use maps prepared by the California Department of Water resources were consulted to determine land use patterns. By comparison with Assessor parcel maps it was possible to identify all parcels in agricultural or other non-urban use. DWR land use maps for Fresno County refer to the 1986 crop year, those for Kings and Madera Counties refer to the 1981 crop year, and those for Merced County refer to the 1980 crop year. It is expected that changes in land use since those dates have been relatively minor for most of the area we have examined. However, DWR land use maps are prepared for each county on a seven year cycle so that more recent maps will not become available until 1988, at the earliest.

Only those individual Assessor's Land Parcels not in residential, industrial or urban commercial use are included in the universe of parcels we have studied.¹ On this basis some

13,085 individual Assessor's parcels were included.

Land Use and Identification of Wetlands

A large portion of the area included for study is valley bottom land, mostly in Merced County and adjacent to the San Joaquin River. Historically wetlands, portions of this sub-area have been drained and are used for pasture. But significant portions remain wetlands. Wildlife refuges and duck clubs depend upon this wetland.

We have identified all parcels within the 1.5 million acre area chosen for study according to whether the land is in natural vegetation (designated NV in Department of Water Resource land use maps)². In some cases the vegetation is native plants but in many cases it is man-introduced grasses. We have excluded upland pasture in the mountains on the west from this total since such lands are not past or current wetlands even though they are designated as NV.

The total acreage we find to be in this land use category is 150,093 acres. This total represents about 10% of all of the land in the study area, a significant fraction.

It is important to realize that the 150,000 acres of past or current wetlands is an upper bound to the true amount of land that is presently wetlands. We have not distinguished natural vegetation or uncultivated vegetation from true wetlands.

We have also identified land that is in pasture (land use code P in the DWR land use code). The total of such land is about 164,864 acres. However, this figure should be used with some degree of caution since land planted to alfalfa and harvested as hay is also included in this category. Thus, the

figure quoted must be regarded as an upper limit to the true total of bottom-land pasture.

These data are summarized in Table 1 below.

TABLE 1

Wetlands and Pasture in the Modified Study Area	
Estimated wetlands (maximum)	150,093 acres
Estimated pasture (maximum)	164,864 acres
Total modified study area	1,499,285 acres

Identification of current landowners

Landownership information was sought for each of the roughly 13,000 individual land parcels identified in the process of consultation of Assessor's parcel maps described in detail above. Owing to the large number of parcels involved it was important to find a rapid and accurate method of data accumulation. Data was obtained in electronic form and processed using standard data base management techniques.

A commercial real estate data service company was located. This firm sells current Assessor's Roll information and can transfer the desired material in electronic form via modem to a remote computer system.³ It is relatively straightforward to transfer just those parcels that are needed. The detailed procedure has been fully described elsewhere.⁴

In what follows an "ownership unit" refers to a unique set of names that may occur on a Grant Deed that documents the transfer of title to specific real property. Thus, a husband and wife who each separately own property as individuals and who also hold property as joint tenants are counted as three ownership

units. On the other hand a group of seven individuals holding a single parcel as tenants in common are counted as a single unit.⁵ The basis for this definition has been discussed elsewhere.

This definition of ownership unit is of special importance in the treatment of tenancy in common. Consider, for example, a hypothetical ownership of 80 acres by two individuals as joint tenants. One might regard this situation as reflecting two individuals each of whom owns 40 acres. However, in so doing there is a critical fact concerning joint tenancy that is lost in making such an arbitrary division. All rights to the use of property must be granted by the unanimous action of all of the joint owners in the case of tenancy in common. Whether lease, easement or sale, all owners must act in unison. Standard real estate reference manuals support the use of a single "ownership unit" in describing a tenancy in common.

"There is a unity of possession in tenancy in common, meaning each owner has a right to possession and none can exclude the other nor claim any specific portion for himself or herself alone." (6)

It is this "unity of possession" that is reflected in the term "ownership unit." The term itself was introduced in the early work of E. Wilson and M. Clawson concerning land ownership in the southern San Joaquin Valley.⁷

Recent regulations promulgated to enforce the hammer clause of Federal Reclamation Law recognize the inappropriateness of making an artificial division of property held by a tenancy in common. In determining the threshold acreage that will trigger full-cost pricing, all cases of tenancy in common (up to twenty-five persons) will be treated as single units and no claim to

rights for Federal water can be based on division of property
 8
 rights among the tenants in common.

This principal result of this research is shown in Table 2.

TABLE 2

Size Distribution of Land Ownership
 Grasslands Study Area

<u>Size Class</u>	<u>Number</u>	<u>Total Land</u>
80 acres or less	3,037	77,426 acres
81-160 acres	917	123,959
161-320	627	151,828
321-480	242	96,440
481-640	191	92,840
641-960	133	105,812
961-1,280	61	67,767
1,281-2,560	91	160,805
2,561-5,120	40	139,254
5,121 acres or more	28	483,153
Total	5,367	1,499,285

Average = 279.35 acres/owner unit

As is evident from the table we find that this land is held by about 5,400 owner units, with an average holding of about 279 acres each. However, this average is quite misleading in that more than 3,000 of the owner units (56%) hold less than 80 acres each, and nearly 4,000 of the owner units (74% of the total) hold less than 160 acres each.

The largest size class (5,121 acres or more) comprises just 28 owner units (0.5% of the total), but they hold an aggregate of some 483,153 acres representing roughly one-third of all of the land in the study area. This high degree of concentration of land ownership is even more evident if we consider just those owner units with more than 1,280 acres each. There are 159 such ownership units, or 3% of the total. But they hold a total of 783,212 acres, an actual majority of all of the land (52%). This

is comparable to the high degree of concentration of rural land ownership found in other parts of the San Joaquin Valley by other authors.⁹ The 28 largest owners are listed in Appendix II.

Characteristics of Landowners

We have examined the name and address of each owner unit to determine a number of characteristics of owners: public or private, local or absentee, corporate/business or individual. In each case we have used carefully constructed criteria to insure that our determinations shall be within well-accepted limits. For example, we consider an owner unit to be absentee only if the address is outside the range of adjacent counties, not merely out of the county where the property is located. Similarly, property held in trust is not considered a corporate/business property unless the trustee is such a business.

We find that 110,204 acres of the land included for study are held by federal, state, county or municipal government agencies. This includes wildlife refuges as well as a major military installation. Thus, public land comprises only about 7% of the total land of the region. If one considers the fact that public lands comprise a major portion of the state, this relatively small fraction of public land in this region reflects the fact that private landowners dominate this region.

Absentee owners comprise 1,479 of the 5,367 owner units, or roughly 28% of the total. However, they hold an aggregate of 33% of the land of the entire region. The average holding of an absentee owner is 337.34 acres, larger than the average holding of a local landowner. Absentee holdings become more important as one considers larger owner size classes. Thus, 13 of the 28

largest owners are absentee owners.

Corporate/business owner units are much less numerous than absentee owners. The term "corporate/business" refers to all instances in which the owner is an identifiable corporation or other business legal entity (general or limited partnership, sole proprietorship, unincorporated association other than a partnership). It is likely that the narrowness of this definition will understate the number and share of total acreage held by such owners. This follows from the fact that a joint tenancy of several individuals will be counted as a "corporate/business" owner only if the business name itself appears in the Assessor's Roll. If the names of the individuals, but not the business name, appears then we treat this as a case of ownership by individuals.

In all, we find only 557 corporate/business owners (10.7% of the total). However, they hold an aggregate of 591,064 acres (39.4% of the total). The average holding of owner units in this category is 1,061 acres. This should be compared with the average holding of individuals as owner units. By just considering individuals we find 4,810 owner units with a total of some 908,221 acres. This is an average of 188.81 acres/unit. In contrast, the average business/corporate holding is more than five and one-half times larger.

The owner characteristics described above are summarized in Table 3. It is important to realize that these data likely understate the holdings of corporate/business owner units and, correspondingly, overstate the holdings of individuals. It is also likely that holdings of absentee owners are understated.

TABLE 3

Characteristics of Landowner Units
Grasslands Study Area

<u>Type of owner</u>	<u>Average holding</u>	<u>% of land</u>
Absentee owners	337.34 acres	33.26%
Individuals	188.81	60.58%
Corporate/business	1,061.15	39.42%

In the context of discussing owner characteristics it is important to recall the finding reported earlier that the largest 3% of owner units hold 52% of the land. Fully 22 of the 28 owner units holding at least 5,121 acres are corporate/business and 13 of these 22 are absentee owners. Thus, the characterization of landownership patterns in this part of the state as "absentee corporate" is seen to have a substantial basis in fact.

Historical Review of Grasslands Landownership Data

The main portions of the area under study are located in Fresno and Merced Counties. Less than 10% of the land is located in Kings or Madera Counties. For this reason it is of some value to review the long term trend in land use in the former two counties. Contrary to the widely held view that agricultural land is experiencing contraction owing to urban expansion and other competing land uses, the available data demonstrate that in these two counties the amount of irrigated cropland has increased substantially.

Between the years 1944 and 1982, the total of irrigated land in the two counties increased from 886,015 acres to 1,634,534 acres. This net increase of 748,519 acres (+84.5%) was the direct result of public policy. The Central Valley Project, and

especially the San Luis Unit, was the core of this expansion. By providing a virtually unlimited supply of irrigation water land that had been used primarily for pasture or forage crops was converted to intensive crop farming.

The only historical data on land ownership patterns in the region is that compiled by the Bureau of Reclamation. And that data is limited to a district-by-district summary. No data has been previously compiled for the region as a whole. Table 4 shows summary data as of December 31, 1975 for the Westlands Water District.

TABLE 4

Size Distribution of Land Ownership
Westlands Water District, December 31, 1975

<u>Size Class</u>	<u>Number of Owners</u>	<u>Total Acreage</u>
160 acres or less	3,786	123,479 acres
161-320	1,092	100,486
321-640	82	26,961
641-1,280	71	38,397
1,281-2,560	65	55,664
2,561-5,120	16	50,126
5,121 acres or more	43	178,062
Total	5,155	573,175 acres

Average = 111.19 acres/owner

Source: Bureau of Reclamation, Land Ownership Form 7-1781
Unpublished records, Copies in the files of the
California Institute for Rural Studies, Inc.

These data must be interpreted with great care. First, they are based on a different set of definitions than those used in the present study. In particular, they refer to a division of jointly held property among the tenants in common. That is, instead of using the "ownership unit" as is now conventional, property held jointly by several individuals is divided among them in proportion to their ownership share. For this reason,

there are many more "owners" than "ownership units." This tends to reduce the average size holding by a large factor. Second, the data refer only to a portion of the area included for study in the present report.

Despite these shortcomings it is apparent that the 124 owners of 1,281 acres or more (2.4% of the owners) hold 283,852 acres (49.5% of the land). This degree of concentration of land ownership is quite comparable to the results of the present study, albeit for the smaller area of the Westlands District. We find that the largest 3% of the ownership units hold 52% of the land of the entire greater Grasslands Study Area.

As an additional, independent test of the historical trend of concentration of land ownership we have combined data from a number of districts within the greater Grasslands Study Area for 1975. Those districts of significant size for which 1975 data is available and which are located within the present study area are as follows: Broadview W.D., James I.D., Panoche W.D., San Luis W.D., and Westlands W.D. By combining data for each of the five districts we generate the results shown in Table 5.

TABLE 5

Size Distribution of Land Ownership, 1975
Five Western Fresno and Merced Water Districts

<u>Size Class</u>	<u>Number of Owners</u>	<u>Total Acreage</u>
160 acres or less	4,416	161,672 acres
161-320	1,253	121,112
321-640	219	50,066
641-1,280	153	57,309
1,281-2,560	148	75,700
2,561-5,120	16	50,126
5,121 acres or more	43	178,062
Total	6,248	694,047 acres

Average = 111.08 acres/owner

As in the previous case the bulk of the holdings are owned by small owners but the larger owners have the largest share of the land. Just 3.3% of the landowners hold 43.6% of the land. This must be regarded as a lower limit on the true extent of land owner concentration since we have not taken account of multi-district landowners in this analysis. That is, a particular owner may have holdings in two or more districts and appear more than once in the data of Table 5 as a result. This has the effect of increasing the apparent number of owners and reducing the extent of concentration of land holdings. It has been shown elsewhere that this effect is especially important for the larger¹² landowners.

Future Prospects of Changes in Landownership Patterns

Adoption of acreage limitation regulations in early 1987 holds the promise of reducing the extent of concentration of land ownership in water districts receiving Federally subsidized water.¹³ The new rules raise water rates for land holdings that exceed certain thresholds. Already, there has been a considerable impact on the number of farms in the Westlands Water District.¹⁴ And the region's largest landowner has indicated¹⁵ that it plans to sell all of its holdings. While it is not possible to be certain as to the extent of the impact of these new regulations it is clear that diffusion of land holdings will occur.

REFERENCES

1. We have referred to Land Use Maps produced by the California Department of Water Resources to make determinations of land use where none is provided in county assessment records. The maps used were: Fresno County (1986), Kings County (1981), Madera (1981) and Merced (1980). While considerable changes are being currently noted in rural/urban fringes of California it is not expected that the maps referring to earlier years are seriously in error. Parcels identified as U, UR, UC, UI, UV and SR have been omitted.
2. *ibid.* Parcels identified as NV and NR are included.
3. Damar Corporation, 3550 W. Temple Street, Los Angeles, CA 90004.
4. D. Villarejo, How Much Is Enough?, California Institute for Rural Studies, P.O. Box 530, Davis, CA 95617, 1986, 115 pp. See the discussion on p. 23ff.
5. *ibid.* See p. 25ff.
6. California Department of Real Estate, Reference Book, 1979-80 Edition, Sacramento, CA 95814, pp. 85-86.
7. Edwin E. Wilson and Marion Clawson, U.S. Department of Agriculture, Bureau of Agricultural Economics, Agricultural Land Ownership and Operation in the Southern San Joaquin Valley, Berkeley, CA, June 1945, p. 97.
8. Federal Register, April 13, 1987, Sec. 426.4 (bb), Definition of "qualified recipient," p. 11956.
9. How Much is Enough?, *op. cit.*, see especially Chap. 4.
10. U.S. Department of Commerce, Bureau of the Census, Census of Agriculture, California, State and County Data, 1950 and 1982.
11. Bureau of Reclamation, Land Ownership Form 7-1781, Unpublished records, Copies in the files of the California Institute for Rural Studies, Davis office.
12. How Much is Enough?, *op. cit.*, p. 30.
13. Federal Register, *op. cit.*
14. Westlands Water District, News Release, July 31, 1987.
15. Sacramento Bee, August 9, 1987, p. C1, SP to Sell Huge Westlands Tracts.

APPENDIX I

Greater Grasslands Study Area, USGS 7.5' Quad Maps

Mendota Dam
Firebaugh
Broadview Farms
Hammonds Ranch
Laguna Seca Ranch
Tranquillity
Coit Ranch
Chaney Ranch
Cantua Creek
Levis
Monocline Ridge
Poso Farms
Oxalis
Dos Palos
Charleston School
Santa Rita Bridge
Delta Ranch
Los Banos
Volta
Sandy Mush
Turner Ranch
San Luis Ranch
Ingomar
Arena
Stevinson
Gustine
Kettleman City
La Cima
Avenal
Coalinga
Guijarral Hills
Huron
Westhaven
Vanguard
Califlax
Harris Ranch
Domengine Ranch
Lillis Ranch
Tres Pecos Farms
Westside
Five Points
Burrel
Helm
San Joaquin
Newman
Howard Ranch
San Luis Dam
Ortigalita Peak

APPENDIX II

28 Largest Landowner Units

Air Way Farms Inc.	6,055.82	acres
Bidart Bros., a Corp.	34,627.18	
Borel Bank & Trust Co.	5,333.79	
Boston Ranch Co., a Corp.	23,975.96	
Britz, Inc.	7,222.36	
Chevron USA, Inc.	22,998.49	
Dominick Enterprises	7,380.29	
Anna Freitas	5,597.50	
Gallo Cattle Company	12,017.80	
Joseph E. Gallo	5,293.10	
Sam Hamburg Farms	5,237.06	
Hammonds Ranch Inc.	7,572.94	
Gerald K. Hoyt, et al	8,501.60	
New Stone Corp. NV	6,873.19	
Newhall Land & Farming Company	29,165.68	
Redfern Ranches	10,101.81	
San Felipe Ranch	6,967.00	
Security Pacific National Bank, As Trustee	5,744.78	
Simon Newman Inc.	8,552.50	
South Lake Farms	8,415.76	
Southern Pacific Land Co.	105,924.08	
State of California	17,834.13	
Triangle T Ranch Inc.	13,986.89	
United States of America	86,965.74	
Westhaven Farming Co.	10,899.40	
Westlake Farms Inc.	6,290.35	
Wolfsen Land & Cattle Co.	7,525.13	
Albert Yparraguirre	6,062.84	