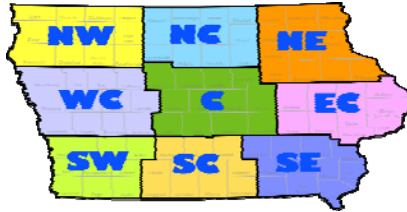


# *Iowa 2011 Cash Rental Rate Survey & Leasing Overview*



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[www.extension.iastate.edu/polk/farmmanagement.htm](http://www.extension.iastate.edu/polk/farmmanagement.htm)

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## **Presentation Objectives**

- **Overview of the 2011 Iowa Cash Rental Rate Survey**
- **Trends in Iowa Cash Rent Rates**
- **Farmland Fact Finding**
  - Farmland Market Value
  - Tillable Acres
  - Corn Suitability Rating (CSR)
  - Drainage and Field Layout
  - Yield History
- **Potential for Flexible Cash Farm Leases**
- **ISU Extension Resources & Program Planning**

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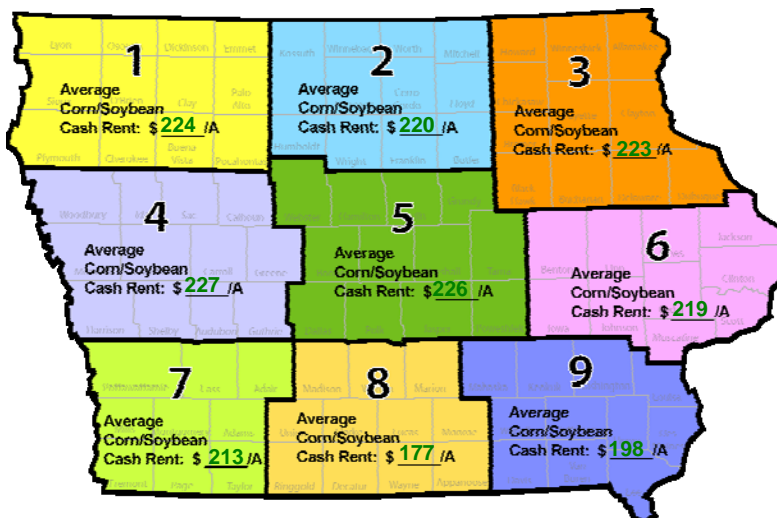
## Iowa Cash Rent Survey Overview

- **Compiled every year since 1994**
- **2011 survey respondents totaled 1,567**
  - 33 % came from farmers
  - 24 % from landowners
  - 22 % from professional farm managers
  - 14 % from lenders
  - 7 % from other professionals
- **Reports compiled by county and crop reporting district**
- **Survey includes hay and pasture rental rates.**

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Source: Cash Rental Rates for Iowa – 2011 Survey

## 2011 Iowa Cash Rent Survey

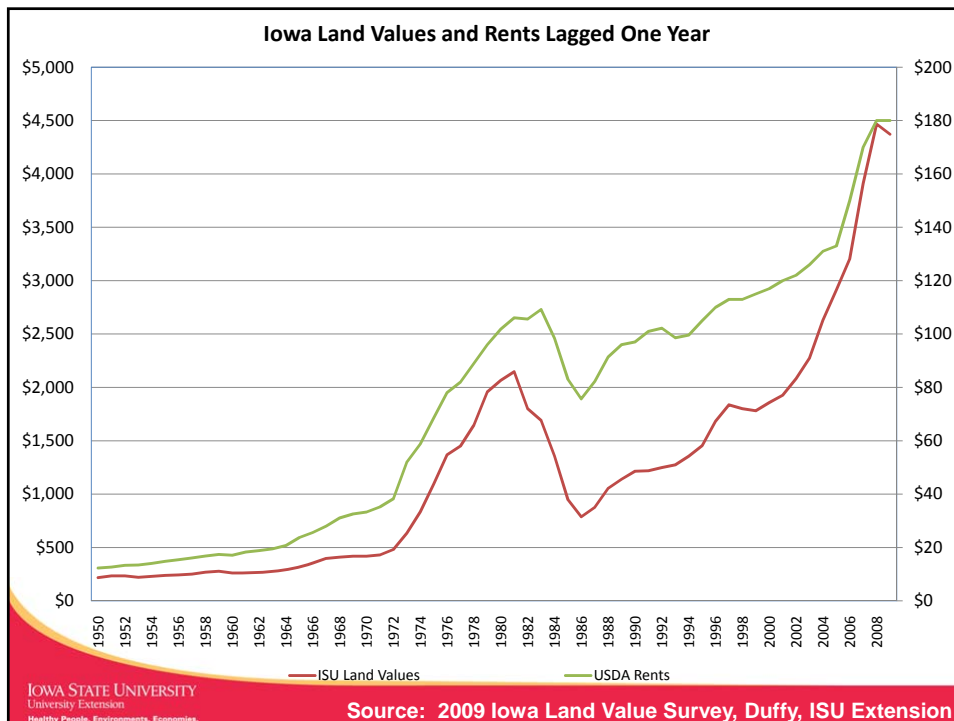


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Source: Cash Rental Rates for Iowa – 2011 Survey

## 2011 Cash Rent Survey Findings

- **Average Cash Rent on tillable land increased 16% Statewide**
- **Average Cash Rent estimated at \$214 per acre**
  - increase of \$30 per acre or 16% over 2011
- **Average rents were higher in all 9 crop reporting districts**
  - East Central increased \$23 per acre (12%)
  - Southwest increased \$37 per acre (21%).



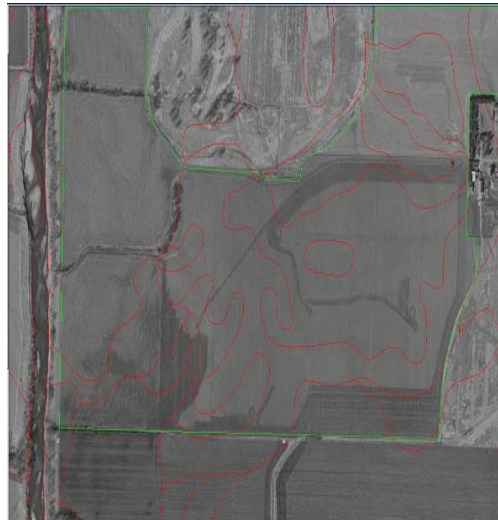


## Farmland Fact Finding

1. Farmland value estimate for tillable acres (\$ per Acre)
2. Number of Tillable Acres (found at County USDA FSA Office: Form 578 completed annually)
3. Corn Suitability Rating (CSR) found at County Assessor's Office or NRCS Soil Survey
4. Drainage Issues and Irregular Shapes of Fields (Tile and Terrace Maps, Aerial Photos)
5. Most recent 5-Year Actual Yields on that Farm (Corn & Soybeans).

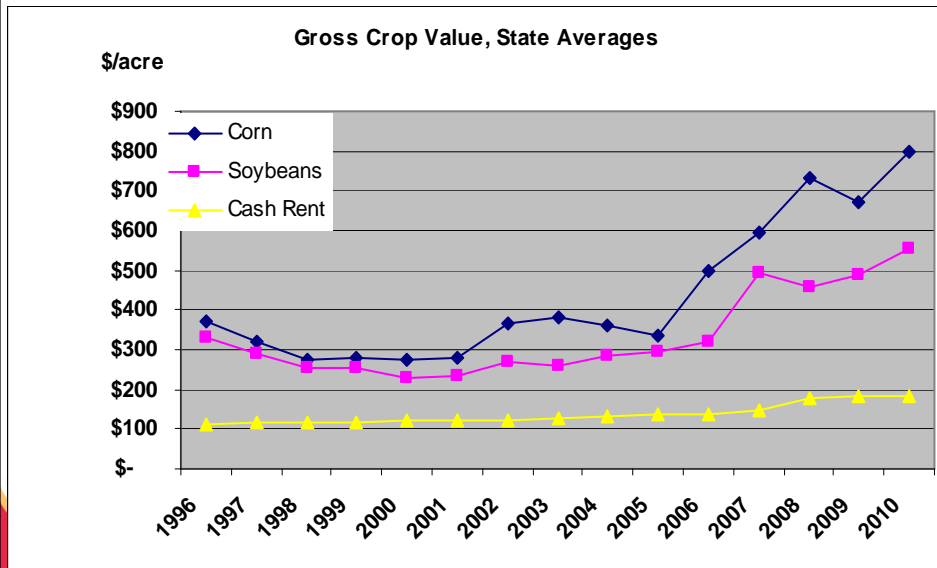
## Corn Suitability Rating (CSR) Weighted Average Calculation

<u>Soil Type</u>	<u>Acres</u>	<u>Percent</u>	<u>CSR</u>
T370B	61.47	23.2%	85
248	17.72	6.7%	60
T368	16.70	6.3%	90
212	11.71	4.4%	91
T369	87.78	33.1%	85
133	9.69	3.7%	80
220	60.11	22.7%	85
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Total	265.19	100.0%	83.73



Source: Your County Assessor or County Soil Survey

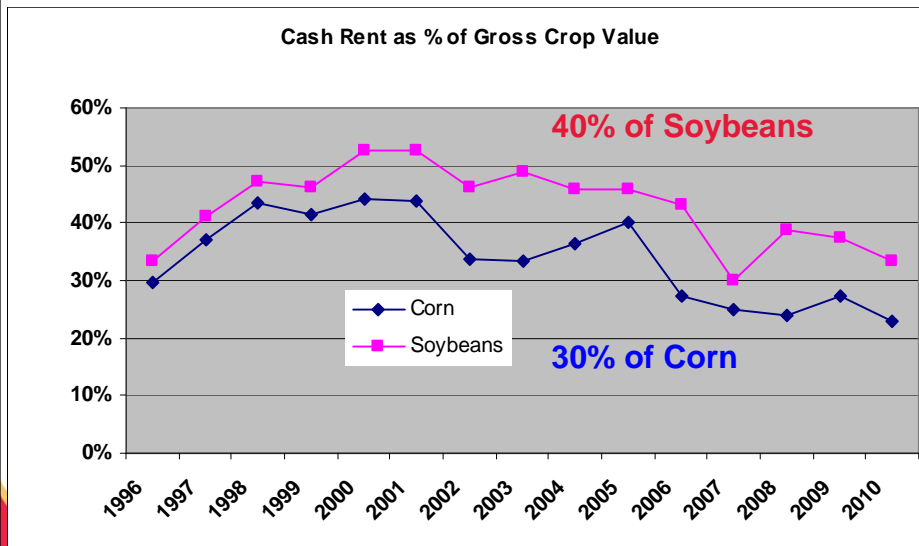
## Crop Value vs. Cash Rent (\$/Acre)



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Source: Edwards, ISU Extension Economics, May, 2011

## Cash Rent as a % of Gross Revenue



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Source: Edwards, ISU Extension Economics, May, 2011

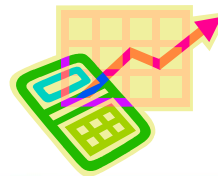
## Flexible Cash Leases

- Option A: Rent = % of gross revenue
- Option B : Rent = base rent + bonus  
– Bonus = (gross revenue – base revenue) x %

“Profit-Sharing”

## ISU Extension Rental Rate Sources

- ISU Ag Decision Maker Web Site  
– [www.iastate.edu/agdm](http://www.iastate.edu/agdm)
- Cash Rental Rates for Iowa – 2011 Survey
- Computing a Cropland Cash Rental Rate
- Flexible Farm Lease Agreements
- Computing a Pasture Rental Rate



## Farmland Leasing Programs Planned

- Newspaper and Magazine Articles
- Newsletters
- Website Postings
- Statewide Meetings in July and August
- 2011 Farmland Leasing Books
- Webinars and Webcasts
- Extension Farm Management Field Specialists available Statewide

