

Cash Rental Rates for Iowa 2011 Survey

Ag Decision Maker

File C2-10

The cash rental rate information presented in this publication is the result of a survey of farmers, landowners, lenders, real estate brokers, and professional farm managers. They supplied information based on their best judgments about typical cash rental rates for high, medium, and low quality cropland in their counties, as well as for land devoted to production of hay, oats, and pasture. Information about rents for individual farms was not collected. The rental rates summarized in this bulletin do not reflect the value of any buildings or storage structures, manure application contracts, or seed production contracts.

The cooperation and assistance of the landowners, farmers, and agribusiness people who responded to this survey are greatly appreciated. The distribution of the 1,567 responses was 33 percent farmers, 24 percent landowners, 22 percent professional managers, 14 percent lenders, and 7 percent other professions.

Circumstances such as the following may justify a higher or lower rent in specific cases:

- Small size or unusual shape of fields
- Presence of terraces or creeks that affect the time it takes to plant and harvest crops
- Difficult or restricted access to fields
- High or low fertility levels or Ph index
- Existence of contracts for growing seed or specialty grains, or application of manure
- Above average local grain prices due to proximity to biofuel plants or feed mills
- USDA program variables, such as crop bases and assigned yields
- Longevity of the lease
- Other services performed by the tenant

More Information About Setting Cash Rents

Additional information about cash rental rates by county is available from NASS at the following website: www.nass.usda.gov/Statistics_by_State/Iowa/Publications/Prices/reports/Cash%20Rent%2009-10.pdf.

Details about setting a fair cash rent can be found in the following **Ag Decision Maker** facts sheets, located under **Whole Farm, Leasing**, at the following website: www.extension.iastate.edu/agdm/.

- Computing a Cropland Cash Rental Rate (File C2-20)
- Computing a Pasture Rental Rate (File C2-23)
- Flexible Farm Lease Agreements (File C2-21)

Definitions

Number of responses – number of individuals who reported a typical rental rate for each county

2006-2010 average yields – based on farm level data collected by National Agricultural Statistics Service (NASS) for each county

Average row crop CSR index – average corn suitability rating (CSR) for the highest rated acres in each county, up to 110 percent of the number of acres planted to corn and soybeans in that county

High, medium and low quality third land – quality of land planted to corn and soybeans, using typical corn yields as a reference for land quality

Typical corn yields – average yields for the high, medium and low third farms in each county reporting yields to NASS from 2004 through 2008

Average rents per unit – overall average rent for corn/soybean land in each county divided by the 5-year average corn yield, the 5-year average soybean yield, and the average row crop CSR index value for each county

Improved permanent pasture – pasture that contains both grasses and legumes and is regularly fertilized

Unimproved pasture – pasture with mainly bluegrass that receives little fertilizer

Pasture, \$/AUM – rent charged per animal unit month. One AUM is equal to a beef cow and calf grazing for one month

Cornstalk grazing – includes grazing of cornstalks but not mechanical harvesting

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2011 CASH RENTAL SURVEY FOR CROP REPORTING DISTRICT 9

County	District Average	Davis	Des Moines	Henry	Jefferson	Keokuk	Lee	Louisa	Mahaska	Van Buren	Wapello	Wash- ington
Number of responses*	103	7	6	15	10	7	10	9	10	9	4	16
2006 - 2010 Avg. Corn Yield	155	138	165	159	149	156	153	161	165	142	146	169
2006 - 2010 Avg. Bean Yield	48	43	50	50	47	49	47	48	51	46	46	50
Avg. Row Crop CSR Index	76	66	82	79	78	77	71	79	81	69	76	81
Typical Cash Rent for Corn and Soybeans, \$ per tillable acre												
Overall average	\$198	\$186	\$219	\$209	\$198	\$205	\$183	\$199	\$205	\$167	\$185	\$223
High quality third												
Average response	\$247	\$236	\$263	\$258	\$249	\$243	\$226	\$248	\$259	\$220	\$245	\$274
Range of responses		210 - 270	250 - 325	200 - 325	165 - 375	195 - 275	180 - 260	200 - 310	175 - 325	165 - 275	185 - 275	195 - 350
Medium quality third												
Average response	\$194	\$183	\$210	\$207	\$200	\$214	\$180	\$191	\$193	\$156	\$181	\$225
Range of responses		150 - 200	200 - 220	145 - 275	135 - 275	170 - 250	135 - 200	120 - 240	155 - 265	100 - 200	130 - 240	170 - 275
Low quality third												
Average response	\$153	\$140	\$184	\$164	\$146	\$160	\$144	\$159	\$163	\$124	\$128	\$171
Range of responses		100 - 175	150 - 260	100 - 200	110 - 175	135 - 200	120 - 160	125 - 175	125 - 235	100 - 150	100 - 175	130 - 210
Typical Corn Yield, bu. per acre (based on individual farm yields supplied to USDA, 2004-2008)												
High third	182	163	195	189	183	181	185	192	191	165	175	187
Middle third	157	135	170	162	153	160	154	168	169	139	154	158
Low third	119	94	137	117	110	131	112	136	134	102	116	120
Average Rents per 5 Year Average Yield or CSR												
Rent per bu. of corn yield	\$1.28	\$1.35	\$1.33	\$1.32	\$1.33	\$1.32	\$1.19	\$1.24	\$1.24	\$1.17	\$1.27	\$1.32
Rent per bu. of soybean yield	\$4.14	\$4.31	\$4.42	\$4.18	\$4.25	\$4.22	\$3.92	\$4.13	\$3.99	\$3.66	\$4.06	\$4.46
Rent per CSR index point	\$2.60	\$2.82	\$2.67	\$2.65	\$2.54	\$2.67	\$2.58	\$2.52	\$2.53	\$2.42	\$2.43	\$2.76
Typical Cash Rent for Oats, Hay, and Pasture, \$ per acre												
Alfalfa hay, established	\$116									\$85		
Grass hay, established	\$99											
Oats	\$136											
Improved permanent pasture	\$53				\$52					\$56		\$58
Unimproved perm. pasture	\$35				\$35					\$44		\$33
Pasture, \$/AUM	\$18											
Cornstalk grazing	\$14											

* Number of responses is the number of individuals who provided information about typical rental rates in the county. Rental data was not collected by individual farm.