

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 2

County	District Average	Butler	Cerro Gordo	Floyd	Franklin	Hancock	Humboldt	Kossuth	Mitchell	Winne- bago	Worth	Wright
Number of responses*	215	17	12	19	20	20	26	23	14	22	11	31
2006 - 2010 Avg. Corn Yield	176	178	170	172	171	176	175	181	177	180	179	172
2006 - 2010 Avg. Bean Yield	50	51	49	50	50	51	51	52	50	51	48	49
Avg. Row Crop CSR Index	76	79	76	80	80	75	76	72	81	70	78	74
Typical Cash Rent for Corn and Soybeans, \$ per tillable acre												
Overall average	\$220	\$245	\$216	\$208	\$227	\$235	\$228	\$224	\$198	\$204	\$198	\$241
High quality third												
Average response	\$258	\$289	\$259	\$242	\$269	\$277	\$264	\$259	\$225	\$237	\$230	\$282
Range of responses		205 - 390	175 - 390	175 - 350	200 - 350	220 - 375	180 - 375	206 - 325	170 - 300	150 - 350	180 - 300	170 - 425
Medium quality third												
Average response	\$222	\$247	\$217	\$209	\$227	\$239	\$235	\$227	\$199	\$203	\$199	\$239
Range of responses		185 - 330	160 - 330	155 - 275	175 - 275	200 - 300	185 - 340	180 - 300	160 - 275	130 - 275	165 - 240	130 - 350
Low quality third												
Average response	\$182	\$200	\$172	\$172	\$186	\$190	\$186	\$187	\$171	\$172	\$165	\$203
Range of responses		175 - 250	100 - 250	145 - 210	150 - 220	150 - 250	150 - 240	150 - 225	140 - 210	125 - 250	140 - 195	150 - 275
Typical Corn Yield, bu. per acre (based on individual farm yields supplied to USDA, 2004-2008)												
High third	192	194	190	189	192	191	196	193	191	194	190	190
Middle third	175	177	171	169	176	176	180	178	173	175	170	178
Low third	150	145	146	144	155	155	160	157	141	153	138	157
Average Rents per 5 Year Average Yield or CSR												
Rent per bu. of corn yield	\$1.26	\$1.38	\$1.27	\$1.21	\$1.33	\$1.33	\$1.30	\$1.24	\$1.12	\$1.13	\$1.11	\$1.41
Rent per bu. of soybean yield	\$4.41	\$4.83	\$4.44	\$4.19	\$4.58	\$4.63	\$4.63	\$4.33	\$3.95	\$3.98	\$4.10	\$4.94
Rent per CSR index point	\$2.89	\$3.11	\$2.84	\$2.59	\$2.84	\$3.14	\$3.00	\$3.12	\$2.45	\$2.91	\$2.53	\$3.26
Typical Cash Rent for Oats, Hay, and Pasture, \$ per acre												
Alfalfa hay, established	\$155			\$176		\$184						
Grass hay, established	\$119											
Oats	NA											
Improved permanent pasture	\$57	\$56			\$51							
Unimproved perm. pasture	\$38	\$35			\$34							
Pasture, \$/AUM	NA											
Cornstalk grazing	NA											

* 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.