

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

2011 CASH RENTAL SURVEY FOR CROP REPORTING DISTRICT 1

<u>County</u>	<u>District Average</u>	<u>Buena Vista</u>	<u>Cherokee</u>	<u>Clay</u>	<u>Dickinson</u>	<u>Emmet</u>	<u>Lyon</u>	<u>O'Brien</u>	<u>Osceola</u>	<u>Palo Alto</u>	<u>Plymouth</u>	<u>Pocahontas</u>	<u>Sioux</u>
Number of responses*	262	20	17	35	17	9	15	19	15	13	60	24	18
2006 - 2010 Avg. Corn Yield	177	171	179	172	172	177	181	184	180	175	173	175	183
2006 - 2010 Avg. Bean Yield	52	51	55	50	49	50	54	54	51	50	53	50	55
Avg. Row Crop CSR Index	70	75	68	73	71	69	64	74	68	72	62	75	66
<u>Typical Cash Rent for Corn and Soybeans, \$ per tillable acre</u>													
Overall average	\$224	\$248	\$255	\$221	\$210	\$190	\$219	\$239	\$228	\$216	\$215	\$225	\$226
High quality third													
Average response	\$262	\$295	\$305	\$264	\$248	\$213	\$260	\$275	\$266	\$254	\$247	\$255	\$264
Range of responses		190 - 350	210 - 388	195 - 350	175 - 297	185 - 250	200 - 320	195 - 330	175 - 350	195 - 300	165 - 400	155 - 350	200 - 325
Medium quality third													
Average response	\$224	\$240	\$248	\$219	\$209	\$189	\$219	\$240	\$227	\$225	\$212	\$231	\$224
Range of responses		160 - 300	175 - 310	160 - 300	135 - 265	160 - 225	160 - 275	185 - 300	160 - 300	160 - 255	110 - 300	170 - 300	170 - 300
Low quality third													
Average response	\$187	\$208	\$212	\$180	\$173	\$166	\$178	\$202	\$190	\$169	\$185	\$191	\$191
Range of responses		140 - 260	140 - 260	130 - 250	135 - 245	150 - 175	100 - 250	160 - 250	120 - 250	120 - 220	110 - 280	150 - 250	150 - 250
<u>Typical Corn Yield, bu. per acre</u> (based on individual farm yields supplied to USDA, 2004-2008)													
High third	192	189	195	191	182	189	197	197	196	191	186	191	198
Middle third	174	170	177	170	165	172	177	182	178	172	166	175	178
Low third	146	138	151	136	142	145	148	155	156	141	137	150	151
<u>Average Rents per 5 Year Average Yield or CSR</u>													
Rent per bu. of corn yield	\$1.27	\$1.45	\$1.42	\$1.29	\$1.22	\$1.07	\$1.21	\$1.30	\$1.27	\$1.24	\$1.24	\$1.29	\$1.24
Rent per bu. of soybean yield	\$4.33	\$4.86	\$4.63	\$4.41	\$4.32	\$3.81	\$4.07	\$4.40	\$4.42	\$4.35	\$4.08	\$4.48	\$4.09
Rent per CSR index point	\$3.22	\$3.31	\$3.75	\$3.03	\$2.96	\$2.75	\$3.42	\$3.23	\$3.35	\$3.00	\$3.46	\$3.00	\$3.43
<u>Typical Cash Rent for Oats, Hay, and Pasture, \$ per acre</u>													
Alfalfa hay, established	\$175			\$169	\$225						\$220		
Grass hay, established	\$138			\$115							\$159		
Oats	\$145												
Improved permanent pasture	\$65			\$55	\$59			\$56			\$78		
Unimproved perm. pasture	\$48		\$54	\$44	\$47			\$41			\$62		
Pasture, \$/AUM	\$13												
Cornstalk grazing	\$8												

* 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.