

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 7

County	District Average	Adair	Adams	Cass	Fremont	Mills	Montgomery	Page	Pottawat- tamie	Taylor
Number of responses*	133	21	9	13	13	18	12	17	19	11
2006 - 2010 Avg. Corn Yield	159	163	153	168	157	163	164	151	174	138
2006 - 2010 Avg. Bean Yield	49	50	47	51	49	50	49	48	50	43
Avg. Row Crop CSR Index	71	68	71	71	75	73	71	71	69	72
Typical Cash Rent for Corn and Soybeans, \$ per tillable acre										
Overall average	\$213	\$192	\$228	\$219	\$197	\$217	\$207	\$210	\$225	\$227
High quality third										
Average response	\$262	\$233	\$281	\$265	\$236	\$270	\$258	\$269	\$269	\$276
Range of responses		180 - 325	230 - 310	200 - 357	160 - 310	200 - 300	200 - 350	210 - 320	179 - 370	225 - 310
Medium quality third										
Average response	\$212	\$193	\$231	\$222	\$195	\$213	\$209	\$197	\$220	\$227
Range of responses		150 - 300	175 - 275	170 - 300	140 - 245	150 - 275	165 - 275	160 - 240	153 - 300	150 - 275
Low quality third										
Average response	\$167	\$150	\$173	\$169	\$159	\$168	\$154	\$164	\$185	\$179
Range of responses		100 - 250	120 - 250	140 - 200	115 - 210	100 - 210	100 - 200	125 - 195	140 - 250	105 - 240
Typical Corn Yield, bu. per acre (based on individual farm yields supplied to USDA, 2004-2008)										
High third	178	182	172	189	176	176	178	172	189	166
Middle third	156	161	149	168	157	158	158	147	171	139
Low third	127	134	117	138	129	135	131	113	143	107
Average Rents per 5 Year Average Yield or CSR										
Rent per bu. of corn yield	\$1.35	\$1.18	\$1.49	\$1.30	\$1.25	\$1.33	\$1.26	\$1.39	\$1.29	\$1.65
Rent per bu. of soybean yield	\$4.41	\$3.84	\$4.86	\$4.26	\$4.03	\$4.35	\$4.20	\$4.40	\$4.46	\$5.32
Rent per CSR index point	\$3.00	\$2.82	\$3.21	\$3.08	\$2.62	\$2.97	\$2.92	\$2.95	\$3.26	\$3.16
Typical Cash Rent for Oats, Hay, and Pasture, \$ per acre										
Alfalfa hay, established	\$109	\$120						\$87		\$105
Grass hay, established	\$88	\$84						\$78	\$121	
Oats	\$109									
Improved permanent pasture	\$67	\$71	\$70	\$65	\$58	\$68	\$63	\$66	\$70	\$66
Unimproved perm. pasture	\$51	\$53	\$51	\$55		\$50	\$48	\$50	\$56	\$49
Pasture, \$/AUM	\$21									
Cornstalk grazing	\$10	\$6						\$16	\$7	

* 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.