

# Cash Rental Rates for Iowa 2014 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, agricultural lenders, 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 include 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 1,674 responses was 50 percent from farmers, 25 percent from landowners, 15 percent from agricultural lenders, 7 percent from professional farm managers, and 3 percent from other professions.

## Determining Cash Rents

The information in this summary can be used as a reference point for determining an appropriate cash rental rate for a particular farm. Circumstances such as the following may justify a higher or lower than average 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

Additional survey information about cash rental rates by county is available from the National Agricultural Statistics Service (NASS) at the following website: [www.nass.usda.gov/Statistics\\_by\\_State/Iowa/Publications/County\\_Estimates/index.asp](http://www.nass.usda.gov/Statistics_by_State/Iowa/Publications/County_Estimates/index.asp).

Details about setting a fair cash rent can be found in the following **Ag Decision Maker** Information Files, located under **Whole Farm, Leasing**, at the following website: [www.extension.iastate.edu/agdm/](http://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 typical rental rates for each county.

2009-2013 average yields – based on farm level data collected by National Agricultural Statistics Service (NASS) for each county.

Average row crop CSR2 index – average corn suitability rating 2 (CSR2) 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. **Note: values were converted to the CSR2 system in 2014.**

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 within the county.

Typical corn yields – average yields for the high third, medium third, and low third productivity farms in each county as reported to NASS.

Average rents per unit – overall average rent for corn/soybean land in each county, divided by the five-year average corn yield, the five-year average soybean yield, and the average row crop CSR2 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 or renovation.

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

Cornstalk grazing – includes grazing of cornstalks in fall or winter, but not mechanical harvesting.

Hunting rights – rent charged to allow hunting on land, per year.

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## 2014 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*	265	12	19	17	16	16	23	28	18	14	60	23	19
2009 - 2013 Avg. Corn Yield	178	172	182	177	172	175	186	186	185	176	170	175	183
2009 - 2013 Avg. Bean Yield	50	48	53	50	48	47	54	53	51	47	50	47	55
Avg. Row Crop CSR2 Index	87	90	91	88	89	85	80	95	88	84	83	84	89
<b><u>Typical Cash Rent for Corn and Soybeans, \$ per tillable acre</u></b>													
Overall average	\$270	\$298	\$294	\$258	\$240	\$234	\$266	\$269	\$281	\$259	\$280	\$271	\$289
Irrigated land average	\$375										\$379		
High quality third													
Average response	\$324	\$370	\$334	\$305	\$293	\$275	\$339	\$334	\$351	\$302	\$332	\$303	\$352
Range of responses		320 - 425	230 - 425	250 - 365	265 - 325	225 - 350	220 - 425	195 - 525	260 - 450	200 - 400	200 - 500	200 - 400	290 - 450
Medium quality third													
Average response	\$271	\$286	\$308	\$259	\$234	\$232	\$273	\$265	\$291	\$256	\$278	\$279	\$292
Range of responses		200 - 374	200 - 400	190 - 307	175 - 305	170 - 275	185 - 380	145 - 350	240 - 365	175 - 325	150 - 385	167 - 361	225 - 350
Low quality third													
Average response	\$215	\$238	\$239	\$208	\$193	\$196	\$188	\$210	\$201	\$220	\$230	\$230	\$224
Range of responses		145 - 300	150 - 320	145 - 270	160 - 225	140 - 250	150 - 250	145 - 250	125 - 275	150 - 300	120 - 320	150 - 275	150 - 300
<b><u>Typical Corn Yield, bu. per acre</u></b>													
High third	194	191	202	195	185	187	198	200	197	190	189	192	203
Middle third	178	175	183	178	171	172	183	186	182	173	168	177	182
Low third	156	153	161	150	155	158	158	166	165	153	143	157	157
<b><u>Average Rents per 5 Year Average Yield or CSR2</u></b>													
Rent per bu. of corn yield	\$1.51	\$1.73	\$1.62	\$1.46	\$1.40	\$1.34	\$1.43	\$1.45	\$1.52	\$1.47	\$1.65	\$1.55	\$1.58
Rent per bu. of soybean yield	\$5.38	\$6.21	\$5.55	\$5.16	\$5.00	\$4.98	\$4.93	\$5.08	\$5.51	\$5.51	\$5.60	\$5.77	\$5.25
Rent per CSR2 index point	\$3.10	\$3.31	\$3.23	\$2.93	\$2.70	\$2.75	\$3.33	\$2.83	\$3.19	\$3.08	\$3.37	\$3.23	\$3.25
<b><u>Typical Cash Rent for Oats, Hay, and Pasture, \$ per acre**</u></b>													
Alfalfa hay, established	\$219						\$183	\$257			\$233		
Grass hay, established	\$163							\$178			\$146		
Oats	\$223							\$247			\$220		
Improved permanent pasture	\$82			\$59			\$108	\$108			\$89		
Unimproved perm. pasture	\$57			\$50			\$63	\$71			\$61		
Pasture, \$/AUM	NA												
Cornstalk grazing	\$11										\$8		
Hunting rights	\$27												

\* 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.

\*\* No values are reported if fewer than 5 responses were received.