2014

PIERCE COUNTY FARMLAND

**CASH RENT STUDY**

# Greg Andrews 1

## Explanation Cash Rent Study

Pierce County Farmers will spend nearly $9.8 million in 2014 on 65,000 acres of rented cropland (2014 estimate derived from most recent census). As a percentage of all county cropland, 38 percent is rented. The Pierce County UW-Extension Office annually receives over 300 inquiries about cropland rental rates. This study is intended to provide accurate information for landlords and tenants who negotiate leases.

In December 2014, approximately 500 landlords and tenants were randomly selected and sent a mail questionnaire. This sample consisted of 215 parcels and represented 15 of the 17 Pierce County Towns. The overall response rate to the survey was 43 percent. Among the respondents, 49% were tenants, 41% were landlords and 10% identified both roles.

The rental rate study should be used as a guide rather than an absolute. Rental rates are reflective of competition for the land, commodity prices, input costs, land ownership costs, productivity of the soil types, existing soil fertility, field size, and slope of the land. Since grain yield is the leading variable in farmland rental rates, a ratio of rent price paid per bushel of corn yield is provided on the opposite page.

The 2014 Pierce County Farmland Cash Rent Survey found a range in rental rates of $50 to $421 per acre. The median farmland rental value for Pierce County was $146 per acre, down 3% from 2013 yet still 45% above 2012. Of the towns with sufficient reports, Rock Elm posted the highest median rental rate in Pierce County ($206 per acre). River Falls had the lowest median rental rate in Pierce County ($84 per acre).

## Educational Resources and Lease Forms for Leasing Farmland

In many states you must have a written lease. A written lease offers opportunity for discussion between landlords and tenants, creates a way to iron out details in the lease, provides a way for dealing with the unexpected and assures conservation expectations are contained in the lease.

The North Central Farm Management Extension Committee released their new leasing educational materials and lease forms in December 2012. These resources are very useful when negotiating leasing of farmland and other farm assets. The Ag Lease 101 website contains all of these newly developed forms and resources. The lease forms and resources can be obtained from the Pierce County UW-Extension Agriculture website at: <http://pierce.uwex.edu/agriculture/> or by contacting Greg Andrews at 715-273-6781 or by email at: greg.andrews@ces.uwex.edu

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| **Pierce County Land Rent Summary****January 2014** |
| **Township** | **Number of****Parcels****Reported** | **Median Cash****Rent ($/Acre)** | **Range of Cash Rentals****Reported ($/Acre)** | **Average Corn Yield in Bushels Per Acre****2013 info** | **Ratio****Price Paid****per** **Bushel of Corn Yield** |
| Clifton | 20 | 139.84 | 65-250 | 156.65  | 0.89 |
| Diamond Bluff | 0 |  |  |  |  |
| El Paso | 22 | 117.18 | 75-230 | 158.57 | 0.74 |
| Ellsworth | 20 | 154.18 | 65-421 | 151.39 | 1.02 |
| Gilman | 24 | 107.87 | 60-200 | 140.11 | 0.77 |
| Hartland | 17 | 196.27 | 75-421 | 156.10 | 1.26 |
| Isabelle | 0 |  |  |  |  |
| Maiden Rock | 9 | 166.76 | 125-200 | 162.13 | 1.03 |
| Martell | 3 | 123.15 | 85-130 | 133.33 | 0.92 |
| Oak Grove | 6 | 137.63 | 70-180 | 156.67 | 0.87 |
| River Falls | 10 | 84.22 | 50-125 | 131.50 | 0.64 |
| Rock Elm | 12 | 206.43 | 60-345 | 164.67 | 1.25 |
| Salem | 8 | 169.44 | 70-421 | 150 | 1.12 |
| Spring Lake | 25 | 101.94 | 50-150 | 153.22 | 0.67 |
| Trenton | 9 | 155.66 | 55-225 | 175.75 | 0.89 |
| Trimbelle | 12 | 169.57 | 70-350 | 190.30 | 0.89 |
| Union | 18 | 165.67 | 90-275 | 169.13 | 0.98 |
| County Totals/Avg. | 215 | $146.39 | $50-421 | 157 | .91 |

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| **Cash Rent Survey of Cropland by Corn Yield Potential** |
| **Corn Yield****Bushels/Acre** | **Range in Rental Rate****$/Acre** | **Median Cash Rent****$/Acre** |
| >200 bu. | 70-200 | 135.85 |
| 185-199 | 75-350 | 172.17 |
| 170-184 | 55-421 | 172.95 |
| 155-169 | 60-325 | 154.43 |
| 140-154 | 40-250 | 132.30 |
| 125-139 | 50-145 | 111.08 |
| 110-124 | 65-125 | 94.97 |
| <110bu | 70-160 | 118.71 |

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