

Dane County Farmland Cash Rent Survey

The Dane County Extension office receives many questions every year from landlords and farmers about the “going rate” for cash farmland rent in the county. The National Agricultural Statistic Service annually reports the average cash rent per county but this does not include township level data or the range in rents. In the Fall of 2017, Dane Co UWEX conducted a survey of farmers and landlords.

Here are the results:

Township	Avg. Rent (\$/Acre)	Median Rent (\$/Acre)	Number of Parcels Reported	Range of Rents (\$/Acre)	Total Acres Reported	No. of Landlords /Renters	Avg. Corn Yield (Bu/Acre)
Berry	180	190	5	130-200	493	3/2	181
Blue Mounds /Vermont*	139	120	9	115-200	869	1/7	171
Burke	152	143	6	100-225	199	0/6	169
Cottage Grove /Blooming Grove*	138	150	6	90-150	176	2/5	194
Cross Plains	266	290	6	190-300	432	4/2	203
Dane / Roxbury*	200	200	15	130-300	1,306	1/11	178
Deerfield	164	173	8	100-200	720	0/8	188
Dunkirk / Albion*	175	180	9	102-240	469	1/8	175
Dunn	151	150	7	135-200	253	3/2	174
Mazomanie	115	100	8	85-180	679	1/5	173
Medina	150	150	12	125-200	536	2/9	187
Montrose	143	155	15	50-210	1,283	1/14	160
Oregon	147	140	16	75-250	767	6/8	176
Perry	122	125	7	100-155	467	1/5	170
Pleasant Springs /Christiana*	164	175	7	100-235	276	6/1	184
Primrose	146	145	10	80-200	657	3/6	144
Rutland	198	175	11	125-300	768	5/4	170
Springdale	149	150	9	125-180	759	0/7	180
Springfield	225	195	6	140-200	493	1/0	248
Sun Prairie	161	150	9	65-275	411	2/7	178
Verona /Fitchburg /Middleton*	141	138	10	60-225	616	3/8	177
Vienna	295	300	5	150-350	391	1/4	198
Windsor	164	198	8	140-290	314	0/8	191
York / Bristol*	194	190	10	100-300	871	0/9	192
Township not indicated	157	150	29	80-300	2,670	2/25	181
	\$168	\$150	255	50-460	17,414	49/185	179

*Townships are combined when there was insufficient data in a single township

Dane County Pasture Rental Rate Values

- 15 parcels of pasture, totaling 412 acres, were reported.
- There were not enough parcels reported from any one township to allow a township-level analysis.
- 2 landlords and 9 renters responded.
- 2 parcels were reported as being paid on a monthly basis, while the majority are on a per acre basis.
- The average rental rate for pasture reported in Dane County was \$78.84 per acre.
- The cash rent reported here is only a small portion of pastureland rented. Many parcels are not paid cash rents, but are share-cropped or have a barter arrangement for meat or services.
- Over 66% of the pasture land reported was an established grass-legume stand, with the majority being grass.
- The average rent for a 100% grass pasture was \$53.80 per acre (5 parcels).
- The average rent per acre for a grass-legume mix pasture was \$91.37 (10 parcels).

How was this survey conducted and results compiled?

- 1300 landlords and renters were mailed the land rent survey
- 255 parcels were reported
- Averages were not reported for townships with fewer than 5 survey responses, they were instead combined with the results of a neighboring township with similar topography and soil types
- The values for average rent noted above were based on actual cash rent exchanged and did not include values for crop-shares, barter agreements, or any other non-cash based transaction.

The importance of leases

It is important to have a written lease for all rental agreements. Verbal and handshake agreements are difficult to enforce and can result in misunderstandings between landlords and tenants.

A written lease provides the opportunity for landlords and tenants to have a meeting of the minds on the terms of the lease, including cropping practices, and to discuss the course of action in the case of the unexpected.

Most importantly, having a written lease protects both parties and helps both the landlord and tenant remember the details of the agreement.

The Dane County UW-Extension office has many resources available for landlords and tenants on renting farm assets and developing rental lease agreements. These can also be obtained from the Dane County UW-Extension office either in person or online at:

<http://fyi.uwex.edu/danecountyag/>

Factors to consider when setting cash rental rates

The data reported in this survey indicates trends but is not meant to establish, determine, or set rental rates. These survey results should only be used as a guideline when discussing land rental rates. The following factors all come into play when setting cash rents:

1. Ownership/ Production Costs– Landlords should be minimally covering the costs of owning the land with land rent and farmers should make sure the rental price they agree to will allow them to remain profitable by knowing their cost of production.

2. Land quality and Soil Fertility - Soil types and the potential productivity of the land are important factors in determining land rent but the current fertility and liming requirements of the field are also important. Land that is low in fertility or needs lime will not be as valuable as ground that has been maintained.

3. Conservation practices Fields that continuously lose top soil become less valuable over time. Farmers using appropriate production practices can help conserve the soil, which is a farm's most valuable natural resource. Working with a farmer that is willing to use production practices that conserve soil is valuable to the land owner and can be an important factor to determine rent.

4. Size of field and field access – Larger and more accessible fields are generally preferable and worth more to farmers.

5. Location, location, location – Competition for land may drive land rent prices beyond what other factors might suggest the land is worth. Dairy farms often need a minimum amount of acres to spread manure and may decide to pay more rent to secure those acres.

6. Relationships– The working relationship, previous experiences and trust between landlord and tenant are important factors for both parties to consider. Many rental agreements include side benefits for the land owner like snow removal or field edge maintenance. Also, it is important for the landlord to trust that they will receive their rental payment in a timely fashion.

8. The “Going Rate” –The average cash rental rates can be used as starting point when discussing land rental but other factors will ultimately help the land owner and farmer come to a final number.

The 2017 Dane County Farmland Cash Rent Survey was conducted by Heidi Johnson, Crops & Soils Educator, and Jennifer Blazek, Dairy & Livestock Educator. Thank you to the landowners and renters who responded to this survey. Also, thank you to Barbara Nuñez, Dane County Support Staff, for compiling the data.