

# 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 October of 2015, 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	Median Slope on Parcels	Avg Corn Yield (Bu/Acre)
Albion	144	138	5	100-200	146	0/1	0-6%	155
Berry	132	120	15	74 -210	2,014	0/15	6-12%	175
Blue Mounds	146	150	4	110-175	3,156	1/2	6-12%	175
Bristol	212	188	8	110-310	599	1/6	0-12%	179
Burke	175	173	5	118-225	190	0/3	6-12%	174
Christiana	163	180	9	50-275	333	3/5	0-6%	175
Cottage Grove	114	110	7	50-180	228	2/4	0-6%	170
Cross Plains	163	175	10	85-225	3,178	1/8	6-12%	180
Dane	168	178	17	50-300	4,304	1/8	6-12%	173
Deerfield	169	168	14	95-280	1,204	4/7	0-6%	188
Dunkirk	179	180	7	100-275	670	0/4	0-6%	173
Dunn	172	163	6	125-220	175	2/3	6-12%	179
Fitchburg	148	150	5	110-200	317	1/3	0-6%	154
Mazomanie	111	110	13	35-180	1,154	4/8	0-6%	138
Medina	125	125	15	55-240	698	5/7	0-6%	163
Montrose	128	145	11	76-150	804	1/9	0-6%	168
Oregon	100	90	5	62-160	224	0/4	6-12%	163
Perry	139	145	4	90-175	3,225	0/1	0-12%	119
Pleasant Springs	180	200	9	100-230	301	1/5	6-12%	176
Primrose	107	100	6	0-200	141	2/3	6-12%	144
Roxbury	163	175	7	105-200	392	1/4	6-12%	181
Rutland	139	140	7	125-160	208	4/2	6-12%	156
Springdale	118	115	6	50-175	3,284	0/3	12-20%	166
Springfield	189	200	6	100-200	710	0/5	6-12%	181
Sun Prairie	226	238	10	120-300	392	4/2	0-12%	189
Vermont	136	135	6	100-175	3,195	1/3	6-12%	171
Vienna	242	200	6	180-400	548	2/2	0-6%	182
Windsor	220	250	7	80-340	402	1/4	6-12%	187
York	192	180	17	120-300	1,020	2/11	0-6%	190
Unknown*	142	150	24	1-300	3,757	2/13	6-12%	169
	<b>\$158</b>	<b>\$156</b>	<b>271</b>	<b>0-400</b>	<b>36,968</b>	<b>48/139</b>	<b>6-12%</b>	<b>170</b>

## ***How was the survey conducted and results compiled?***

- 1300 landlords and renters were mailed the land rent survey
- 204 parcels were reported
- Averages were not compiled for townships with fewer than 5 survey responses
- 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.

## ***Additional findings from the survey***

### ***Average Rent Based on Soil Type***

- Sand had an average rent per acre of \$106.64 (11 parcels).
- Clay was \$155.10 (68 parcels).
- Silt based cropland averaged \$165.34 (114 parcels).
- Silt-clay mix averaged \$159.02 per acre (35 parcels).
- Sand-clay mix averaged \$128.25 per acre (4 parcels).
- Sand-silt soil type land averaged \$129.17 per acre (4 parcels).
- Cropland reported as having a mix of sand-silt-clay averaged \$172.22 per acre (12 parcels).
- Muck or peat soils had an average land rent of \$117.14 (7 parcels).

### ***Pasture Rental Rate Values***

- 17 parcels of pasture, totaling 626.25 acres, were reported.
- 4 landlords and 11 renters responded.
- The average rental rate for pasture reported in Dane County was \$100.50 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 52% of the pasture land reported was established 100% grass stand.
- The average rent for a 100% grass pasture was \$75.00 per acre.
- The average rent per acre for a grass-legume mix pasture was \$114.41.

## ***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:

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**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.

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The 2015 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 Chelsey Hribar, Dane County Dairy & Livestock Program Intern, for compiling and analyzing the data.