

FAQ 12

Cropland Cash Rent: How Much?

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The best source of cropland cash rent information for Indiana is the Purdue Land Value Survey. This survey collects land value and cash rent estimates from approximately 350 respondents across the state. The cash rent data is summarized by area of the state and land quality (as measured by corn yield). Results are expressed on a \$/acre, \$/bu., and rent as a % of June land value basis. On the surface, Extension Educators could simply provide the data from the Average Estimated Indiana Cash Rent Per Acre table. However, it's important for Extension Educators to discuss the historical average yield for the cropland in question as well as other attributes such as drainage, field size, and storage facilities or other buildings. If the client wants a rent for a specific yield, this may be calculated by using the rent/bu. figure.

If a client doesn't know the yield, help him or her refer to the County Soil Survey. The yields shown are out of date but are still a good reference with respect to the relative yield differentials between soil types. Another cash rent reference is the Indiana Agricultural Statistics publication that reports statewide values. The Purdue Land Value Survey does not and is not intended to "make" the cropland cash rent market. Rather, it is a reflection of the market and thus must be considered as a benchmark or point of reference only. It is not a systematic survey of ALL cropland lease values. Many of those surveyed are lenders, realtors, and farm managers whose responses reflect the "current" or "active segment" of the cropland cash rent market.

In most cases, Extension Educators will not know all the facts about a particular parcel or lease situation. Many older leases may be at lower rent levels and have several mutually beneficial considerations negotiated into them. The negotiated considerations may include minor tile repair by the tenant, roadside or field border mowing, fence line brush eradication, storage or other building facilities, lime or lime application, and so forth. Finally, Extension Educators are challenged to be consistent in their advice to clients. They should be sure to cite the same reference to each client and realize, as well, that there are costs and risks when changing landlords or tenants.

Resources for Cropland Cash Rent

Resources	Sources
<i>Indiana Cash Farm Lease (EC-257).</i> Many use the form virtually word-for-word.	http://www.ces.purdue.edu/extmedia/EC/EC-257.pdf
Purdue Land Value Survey	Published annually in September issue of PAER.
<i>Purdue Agricultural Economics Report (PAER)</i>	http://www.agecon.purdue.edu/extensio/paer/
<i>Indiana Agricultural Statistics.</i> Indiana Agricultural Statistics Service (NASS).	http://www.nass.usda.gov/in/

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