

2015 Cash Rental Rates in Missouri

In the summer of 2015, 228 Missourians responded to a mailed survey and provided information on their cash rental arrangements for farm property. A summary of their rates for Missouri cropland, pasture, farm buildings and fee hunting is shown in the following tables. As expected, most rates had increased since our last survey.

This guide should not be used as the sole basis for determining your rent, but it may provide a reference as you consider the factors unique to your situation. The acres of land available for rent (supply) and the number of tenants wanting to rent for cash (demand), as well as production costs and market prices, can affect the amount of rent negotiated.

Table 1. Cash rent paid for Missouri crop and pasture land in 2015.

	Average rent per acre per year	Range in rents			Normal yield per acre	Number of responses
		Low	Mid	High		
Cropland						
Corn, dryland	\$145.50	50	135	300	150 bushels	196
Soybeans	148.74	22	135	300	44 bushels	186
Wheat	92.05	35	95	150	48 bushels	18
Wheat/beans, double crop	125.12	58	108	180	wheat 72 bushels beans 34 bushels	13
Grain sorghum	102.44	40	70	135	3,577 pounds	6
Alfalfa hay	60.53	35	45	100	4 tons	5
Grass hay	32.33	10	30	70	2.41 tons	38
Pasture and grazing land						
Good	\$38.41	\$10	\$35	\$100	less than 4 acres per 1,000-pound cow per year	144
Fair/poor	30.56	18	30	65	more than 4 acres per 1,000-pound cow per year	42
Timber pasture	17.96	3	15	50		13

Notes: Average rents and yields are weighted based on the number of acres rented. The mid rent in the range has an equal number of responses below and above it.

Written by
Ronald L. Plain, MU Extension Economist, Department of Agricultural and Applied Economics
Joyce White, Project Coordinator, Department of Agricultural and Applied Economics

Table 2. Cash rent paid for Missouri cropland in 2015 by yield and acreage.

Average yield per acre	Average rent per acre per year	Average size (acres)	Number of responses	Average yield per acre	Average rent per acre per year	Average size (acres)	Number of responses				
Corn											
Under 100 bushels	\$114	96	4	Under 35 bushels	\$125	158	12				
100 to 110 bushels	113	95	12	35 to 39 bushels	132	206	21				
111 to 120 bushels	138	151	18	40 to 44 bushels	138	276	63				
121 to 130 bushels	152	191	20	45 to 49 bushels	143	136	45				
131 to 140 bushels	131	163	37	50 to 54 bushels	143	133	28				
141 to 150 bushels	147	292	44	55 or more bushels	165	264	17				
151 to 160 bushels	148	235	16	Soybeans							
161 to 170 bushels	160	160	7	Under 35 bushels	\$88	89	6				
171 to 180 bushels	143	159	16	35 to 65 bushels	94	76	9				
181 to 190 bushels	169	223	7	Wheat							
191 or more bushels	170	130	13	25 to 49 bushels	\$88	89	6				

Notes: Average rents are weighted by number of acres rented. Size is a simple average of the acreage of the parcels reported.

Table 3. Charge for pasturing cattle in Missouri by stocking rate in 2015.

	Average charge	Range in charges		Average stocking rate (animal units per acre)	Average months on pasture	Number of responses
		Low	High			
Per cow-calf pair per month	\$11.91	\$1.15	\$17.50	0.52	7.3	22
Per heifer per month	11.34	1.17	21.00	0.31	8.2	8
Per yearling per month	8.80	3.50	18.00	0.46	8.6	5

Table 4. Rental rates for Missouri farm buildings in 2015.

Type of structure	Basis of charge	Average charge	Range in charges		Number of responses
			Low	High	
Grain bin	per bushel per month	\$0.039	\$0.01	\$0.12	6
	per bushel per year	0.145	0.05	0.20	19
	flat rate per year (rate × maximum capacity of bin)	0.098	0.05	0.20	11
Machine storage building	per square foot per year	0.35	0.18	0.63	5

Table 5. Multiyear comparison of Missouri cash rental rates.

Type of land	Average rates per acre per year				
	2008	2010	2011	2014	2015
Cropland					
Corn, dryland	\$97.95	\$111.99	\$121.75	\$146.83	\$145.50
Soybeans	96.91	105.67	113.88	143.83	148.74
Wheat	86.52	83.29	68.69	95.25	92.05
Wheat/beans, double crop	104.69	88.64	90.19	122.98	125.12
Grain sorghum	—	—	—	89.37	102.44
Alfalfa hay	61.82	63.69	63.69	62.30	60.53
Grass hay	30.31	30.95	32.91	30.81	32.33
Pasture					
Good	\$29.95	\$29.88	\$31.43	\$35.91	\$38.41
Fair/Poor	22.34	23.57	24.01	29.98	30.56
Timber pasture	7.03	15.59	16.63	17.98	17.96

Table 6. Hunting leases in Missouri in 2015.

Animals to be hunted	Total acres in leases reported	Averages				
		Acres per lease	Rent per acre (annual)	Number hunters per lease	Acres per hunter	Number of responses
Any wildlife	1,964	327	\$10.20	4	59	7
Range in rates		160 to 700	\$0.13 to \$30	1 to 6		
Deer only	667	222	\$13.64	3	74	3
Range in rates		67 to 500	\$1.50 to \$40	2 to 5		
Deer and turkey	3,855	385	\$8.91	5.1	68	10
Range in rates		100 to 855	\$1.11 to \$23.39	1 to 8		
Ducks and geese	492	123	\$32.93	9	11	4
Range in rates		8 to 244	\$7.50 to \$300	1 to 12		

This year's survey included an attempt to determine charges for lease hunting (Table 6). The number of responses was small, so the averages may not be an accurate reflection of Missouri rates. Several landlords indicated they do not charge for hunting and therefore were not included in the averages.

“Cash renting” defined

In a cash rental agreement, a tenant pays a landowner a fixed amount of money per acre (or other unit of measure) for the use of land or buildings. No nonmonetary payment or share of production is involved. The rates are commonly expressed as annual rates per acre for cropland and pasture. However, pasture may also be cash rented by charging a fixed rate per animal placed on the pasture for a specific period of time.

Storage facilities such as grain bins and equipment storage structures are also rented for cash. Rates are usually based on size or capacity for a specific use and time period, such as grain bins by capacity or a storage

rate per bushel per month or per year. Use or availability of auxiliary equipment and utilities may also affect the rate.

A written lease that describes the terms of the agreement is recommended. A cash lease usually includes restrictions on use, such as which crops can or cannot be grown on specific fields and the degree of fertility that must be maintained. Pasture or livestock facilities may specify the number of animal units allowed. Storage facilities may specify type of crop to be stored or payment for utility costs. All cash leases should specify the amount of rent due, the time and method of payment and the duration of the lease. Apart from these terms, the tenant has complete freedom in planning production or use of facilities.

It is common practice for the tenant to pay all costs involved in raising the specified crops during the period of the lease. Landowners normally pay for improvements expected to endure beyond the period of the lease, as well as expenses related to property ownership.

Pros (+) and cons (-) of cash renting

The tenant

- + Is relatively free to make management decisions and develop a business unit.
- + Receives all profit resulting from higher yields or higher commodity prices, which adds an incentive for higher production.
- + May enroll in government programs and receive entire payment.
- Has increased risk, because rent is fixed regardless of production.
- Can have large capital requirements for production expenses.
- Can have rent raised for doing a good job. As revenue increases, the landowner might attempt to negotiate a higher rent.

The landowner

- + Is assured of a specific level of income.
- + Is not required to tie up cash in the production process.
- + Has no worries about storing or marketing crops.
- In good years, does not receive as much money as he or she would in a crop-share arrangement.
- Worries that the tenant will not maintain the property.
- Has little chance to do income tax management.

High rents increase the tenant's risks but benefit the landowner. A variable or flexible cash rent based on yields or prices, or both, can help distribute risk. It is suggested that you have a proposed flexible agreement reviewed by the local U.S. Department of Agriculture (USDA) Farm Services Agency office for classification before finalizing it.

Additional resources

For information on other types of rental arrangements and lease forms, contact the agricultural business specialist at your local MU Extension center. Additional information and forms are also available from Ag Lease 101, a website of the North Central Farm Management Extension Committee, at <http://www.aglease101.org>.

ALSO FROM MU EXTENSION PUBLICATIONS

- | | |
|------|---|
| G423 | <i>Flexible Cash Rental Agreement</i> |
| G424 | <i>Missouri Crop-Share Leasing Patterns</i> |
| G426 | <i>Farm Lease Agreement</i> |
| G428 | <i>Customary Farm Rental Arrangements</i> |
| G520 | <i>Verbal Farm Rental Agreements Under Missouri Law</i> |

extension.missouri.edu | 800-292-0969