

OSU Extension Clinton County

Agriculture and Natural Resources

Weekly Article

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Farmland Cash Rent Considerations

One of the most frequent calls I get in the office is about farmland cash rent. The question always is, how much should I be charging per acre? My reply is always that I cannot tell you what to charge, but I can provide you with data that could help you find the right figure for you and the farmer. I am supplied annually with Ohio cropland values and cash rents, and data from the USDA containing averages, although everybody's land is different, therefore we must look beyond the averages. The primary factor in determining cash values for crop land is supply and demand, but it is important to consider secondary factors.

Here are some factors/questions to consider that affect land values and cash rental rates:

- Expected crop return, generally higher yielding land comes with a higher cash rent.
- Variability in crop return, highly variable yields perhaps due to poor drainage may be discounted in cash rent
- How many acres is the plot? There is a difference between 11 acres and 111 acres in the efficiency of farming, are the acres continuous and on the same plot? Or must the farmer pack up and drive down the road to get to the next field?
- Do you have drainage tile?
- Is the land easily accessible to the farmer and his equipment?
- Field border characteristics
- Wildlife damage potential

This is not an exhaustive list, there are more factors that impact expected crop return and how it correlates with cash rent values.

It is also important to consider the relationship between the farmer and landowner. Farmers who take care of the land by controlling noxious weeds, uses practices to reduce erosion, uses recommended nutrient applications, maintains waterways, and pay in a timely manner are great stewards to have rent your land.

To learn more about cash rents and farmland values, visit farmoffice.osu.edu or call my office at 937-382-0901