

## Cash Rental Rates for Farmland Increase

The Barron County UW-Extension Office is often looked to by landlords, tenants, and ag professionals for advice and information about land rental rates. To get more accurate cash rent data for Barron County, the Barron County UW-Extension Office conducts a cash rent survey each year. Results of the 2008 survey indicate that the average cash rental rates for cropland in Barron County increased \$44 per acre in 2007 to \$50 per acre in 2008.

The survey indicated that cropland rent in Almena, Barron, Clinton, and Stanfold townships tended to be higher than the county average during 2008. Cash rents were generally below the county average in Arland, Prairie Farm, Stanley, and Vance Creek townships.

<b>Table 1. Farmland Rental Rates, Barron County, Wisconsin - 2008</b>						
Township	Average	Responses	Median	Mode	Low	High
Almena	\$62	14	\$65	\$50	\$44	\$75
Arland	\$38	11	\$40	\$35	\$35	\$45
Barron	\$57	26	\$57	\$50	\$32	\$130
Bear Lake		2				
Cedar Lake		4				
Chetek		6				
Clinton	\$57	26	\$53	\$50	\$30	\$100
Crystal Lake		6				
Cumberland	\$51	21	\$50	\$50	\$35	\$97
Dallas		8				
Dovre		2				
Doyle		4				
Lakeland		0				
Maple Grove	\$48	28	\$45	\$35	\$25	\$80
Maple Plain		6				
Oak Grove	\$42	14	\$40	\$40	\$29	\$62
Prairie Farm	\$36	12	\$50	\$40	\$20	\$50
Prairie Lake	\$46	10	\$50	\$58	\$18	\$58
Rice Lake	\$48	10	\$50	\$50	\$35	\$65
Sioux Creek	\$50	18	\$50	\$50	\$20	\$100
Stanfold	\$54	19	\$53	\$45	\$30	\$75
Stanley	\$46	19	\$45	\$45	\$30	\$65
Sumner		2				
Turtle Lake		9				
Vance Creek	\$37	20	\$39	\$30	\$13	\$50
<b>Barron County</b>	<b>\$50</b>	<b>297</b>	<b>\$50</b>	<b>\$50</b>	<b>\$13</b>	<b>\$130</b>

Nearly 300 responses were received for the 2008 farmland rent survey. Averages were not reported for townships with fewer than 10 survey responses because the data can be heavily influenced by one or two very low or very high responses. Median is the number in the middle of a range of responses or the mid-point. Mode is most frequently occurring, or repetitive, rent per acre reported in the survey. The closer the average (medium), median, and the mode are in value, the higher the confidence level in a data set.

The data reported in the survey indicates trends and are not meant to establish, determine, or set rental rates. These survey results should be used only as a guideline when discussing land rental rates. Actual cash rental rates should be based on projected returns, soil quality, and other factors such as those listed in the following Table 2.

<b>Table 2. Factors to Consider for Cash Rental Rates</b>
1. <u>Crop Returns</u> – the potential profit or net return from crop production should be considered in cash rental rate determination. (Know your cost of production)
2. <u>Land Quality</u> – know the soil types on a farm and what the productive capability of that land is.
3. <u>Drainage</u> – it is important to know the drainage capabilities on a farm. It is also important to determine if the farm includes “wetlands” or “highly erodible” land, as designated by the National Resources Conservation Service. This could affect future drainage and cropping practices.
4. <u>Previous Crops, Herbicides, and Fertility</u> – cropping history and past herbicide usage can limit your crop options in the coming year. Soil fertility levels are often overlooked. Farms with high soil test levels for phosphorus and potassium will require considerable less fertilizer for crop production, and this may have more rental value.
5. <u>Previous History</u> – the working relationship and previous experiences between landlord and tenant are often an important factor in determining final cash rental rates.
6. <u>The “Going Rate”</u> – the typical or average cash rental rates in an area is also used to determine final rental rates. The Cash Rental Survey conducted by the Barron County UW-Extension Office should be helpful when studying rent trends and background information.

Barron County farmers spend over \$5.7 million each year on cash rent for farmland. As the trend toward fewer, but larger farms continues, rented cropland becomes an increasingly important component of the local economy. Table 3 below provides a summary of cash rent trends in recent years.

**Table 3. Cash Farmland Rental Rates for Barron County and Wisconsin—2002-2008.**

Year	Barron County			Wisconsin
	Average	Hi	Lo	Average
2008	\$50	\$130	\$13	\$85
2007	\$44	\$120	\$10	\$72
2006	No Data Available			
2005	\$40	\$75	\$10	\$70
2004	\$40	\$70	\$10	\$70
2003	\$35	\$100	\$10	\$68
2002	\$33	\$100	\$10	\$67

For more information about the farmland cash rent survey, examples of cash leases, or other information related to renting farmland, contact Tim Jergenson, Agricultural/Natural Resources/Horticultural Agent at 715-537-6250 or [tim.jergenson@ces.uwex.edu](mailto:tim.jergenson@ces.uwex.edu).