



FOR IMMEDIATE RELEASE

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Headline: Agriculture Leases

WARSAW, Mo. – Fall is generally a time when farmers and ranchers begin thinking about next year’s business decisions. During the fall, farmland and pasture leases are typically agreed to for the following year. We generally field several questions on this topic so a discussion on some resources to help with the decision making process is in order.

One of the most common questions is “What does crop or pasture land rent for?” Unfortunately, there is no short answer to this question, other than the standard reply of “It depends.” Pasture leases can be extremely variable, depending on what different parties bring to the table. If the landlord basically provides a place for animals to roam around during the summer, rental rate should be relatively low. The more the landlord provides, such as fertilizer, working facilities, high quality pasture, high quality fencing, multiple water sources, management or labor assistance, etc., the higher the rental rate should be.

Dr. Ray Massey, Extension Professor and agriculture economist at the University of Missouri, recently completed a statewide survey of rental rates. The information is contained in MU Guide G427 entitled “2018 Cash Rental Rates in Missouri”. Rental rates for cropland as well as pastureland are reported in this publication.

Dr. Massey has also recently completed the 2018 Missouri Farm Land Values Opinion Survey. Survey respondents included ag lenders, rural appraisers, and farmers.

A third source of information that may be helpful in developing ag leases is the “MU Custom Rate Survey”, MU Guide G302. The most recent survey was completed in 2016.

These publications can be accessed on the following MU websites: crops.missouri.edu, beef.missouri.edu, or agebb.missouri.edu.

Once some idea of prices is obtained, the next step is to get the lease written down. AgLease101.org is a website that was developed by the North Central Farm

Management Extension Committee and contains information on lease agreements as well as sample lease forms. The North Central Farm Management Extension Committee is comprised of 16 Extension Educators located at universities from the North Central Region of the United States, including the University of Missouri.

The bottom line is that agriculture leases are extremely situation specific. The above resources can help you formulate the lease to the benefit of both parties. Finally, be sure to get the lease agreement in writing. If you need additional assistance, refer to the above publications or call your local University of Missouri Extension office.

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