

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.

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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 | | | | Soybeans | | | |
| 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 | Wheat | | | |
| 161 to 170 bushels | 160 | 160 | 7 | 25 to 49 bushels | \$88 | 89 | 6 |
| 171 to 180 bushels | 143 | 159 | 16 | 50 to 65 bushels | 94 | 76 | 9 |
| 181 to 190 bushels | 169 | 223 | 7 | Grass hay | | | |
| 191 or more bushels | 170 | 130 | 13 | Less than 2 tons | \$23 | 42 | 4 |
| | | | | 2 to 2.9 tons | 29 | 100 | 15 |
| | | | | 3 or more tons | 42 | 78 | 10 |

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 *Flexible Cash Rental Agreement*
- G424 *Missouri Crop-Share Leasing Patterns*
- G426 *Farm Lease Agreement*
- G428 *Customary Farm Rental Arrangements*
- G520 *Verbal Farm Rental Agreements Under Missouri Law*

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