

# 2011 Cash Rental Rates in Missouri

In the summer of 2011, 226 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 2011.**

	Average rent per acre per year	Range in rents			Normal yield per acre	Number of responses
		Low	Mid	High		
<b>Cropland</b>						
Corn, dryland	\$121.75	\$35	\$110	\$250	139 bushels	181
Soybeans	113.88	30	100	230	45 bushels	174
Wheat	68.69	30	65	125	44 bushels	10
Wheat/beans, double crop	90.19	30	68	230	wheat 50 bushels beans 35 bushels	18
Alfalfa hay	63.69	40	—	75	4.67 tons	4
Grass hay	32.91	13	30	60	2.66 tons	36
<b>Pasture and grazing land</b>						
Good	31.43	8	30	75	less than 4 acres per 1,000-pound cow per year	111
Fair/poor	24.01	4	25	60	more than 4 acres per 1,000-pound cow per year	52
Timber pasture	16.63	9	15	35		11

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.

**Table 2. Cash rent paid for Missouri cropland in 2011 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
<b>Corn</b>				<b>Soybeans</b>			
100 to 120 bushels	\$89	137	24	35 to 39 bushels	\$83	216	31
121 to 130 bushels	96	185	33	40 to 44 bushels	113	198	54
131 to 140 bushels	115	216	34	45 to 49 bushels	114	249	28
141 to 150 bushels	130	218	35	50 to 54 bushels	140	241	26
151 to 160 bushels	147	296	21	55 or more bushels	135	277	15
161 or more bushels	169	218	13				

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

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**Table 2. Cash rent paid for Missouri cropland in 2011 by yield and acreage (continued).**

Average yield per acre	Average rent per acre per year	Average size (acres)	Number of responses
<b>Wheat</b>			
30 to 49 bushels	\$42	63	3
50 to 60 bushels	85	45	7

Average yield per acre	Average rent per acre per year	Average size (acres)	Number of responses
<b>Grass Hay</b>			
Less than 2 tons	\$27	54	10
2 to 2.9 tons	33	81	12
3 or more tons	37	80	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 2011.**

	Average charge	Range in charges		Average stocking rate (animal units per acre)	Average time on pasture	Number of responses
		Low	High			
Per cow-calf per month	\$9.69	\$5.00	\$15.00	0.44	7.4 months	12
Per heifer per month	11.00	6.50	18.00	0.47	6.5 months	6
Per yearling per month	9.50	6.00	18.00	0.53	6.5 months	7

**Table 4. Rental rates for Missouri farm buildings in 2011.**

Type of structure	Basis of charge	Average charge	Range in charges		Number of responses
			Low	High	
Grain bin	per bushel per month	\$0.022	\$0.01	\$0.03	10
	per bushel per year	0.150	0.10	0.30	19
	flat rate per year (rate x maximum capacity of bin)	0.126	0.04	0.20	12
Machine storage building	per square foot per year	0.39	0.167	0.51	9

**Table 5. Multiyear comparison of Missouri cash rental rates.**

Type of land	Average rates per acre per year		
	2008	2010	2011
<b>Cropland</b>			
Corn, dryland	\$97.95	\$111.99	\$121.75
Soybeans	96.91	105.67	113.88
Wheat	86.52	83.29	68.69
Wheat/beans, double crop	104.69	88.64	90.19
Alfalfa hay	61.82	63.69	63.69
Grass hay	30.31	30.95	32.91
<b>Pasture</b>			
Good	29.95	29.88	31.43
Fair/poor	22.34	23.57	24.01
Timber pasture	7.03	15.59	16.63

**Table 6. Hunting leases in Missouri, 2010 to 2011.**

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
<b>Any wildlife</b>	3,215	536	\$10.77	2.43	189	6
Range in rates		40 to 1,500	\$2.50 to \$15.00	1 to 6		
<b>Deer only</b>	453	113	\$14.81	2.75	41	4
Range in rates		30 to 165	\$4.55 to \$45.92	2 to 4		
<b>Deer and turkey</b>	5,315	443	\$13.69	3.75	118	11
Range in rates		25 to 1,240	\$1.00 to \$33.33	1 to 8		

This year's survey included our first 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 resources, such as land or improvements. 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 and payment for utility usage. 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 is free to plan 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 increased for doing a good job because as revenue increases, landowner may 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, prices or both can help distribute risk. It is suggested that a proposed flexible agreement be reviewed by the local USDA Farm Services Agency office for classification before it is finalized.

For information on other types of rental arrangements and lease forms, contact the agriculture business management specialist at your local MU Extension center.

#### 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*
- NCR75 *Fixed and Flexible Cash Rental Arrangements for Your Farm*
- NCR105 *Crop-Share or Crop-Share/Cash Rental Arrangements for Your Farm*
- NCR107 *Livestock-Share Rental Arrangements for Your Farm*
- NCR148 *Irrigation Crop-Share and Cash Rental Arrangements for Your Farm*
- NCR149 *Pasture Rental Arrangements for Your Farm*

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