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Ohio Cropland Values and Cash Rents 2006–07

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Introduction

Landowners, prospective buyers, farmers, and lenders often seek baseline data and trend data with which to base their buy/sell and rental decisions upon. This survey draws on the expertise of numerous professional groups that are knowledgeable of Ohio's cropland markets. Surveyed groups include farm managers, rural appraisers, agricultural lenders, OSU Extension educators, farmers, and Farm Service Agency personnel.

Surveying these agricultural professionals is an attempt to capture unbiased data for evaluating cropland value and cash rents. One hundred twenty-four surveys were completed, analyzed, and summarized. Thirty-five percent of the surveys (44 total) were collected from professionals in northwest Ohio while 47% of the respondents (58 total) were from southwest Ohio. Fourteen percent of the surveys (17 total) were returned from professionals in northeast Ohio and the remainder were from southeast Ohio. (Because there were so few responses from southeast Ohio, data for that area are not included in this fact sheet.) Respondents were asked to give responses based on three classes of land in their area: "top" producing land, "average" producing land, and "poor" producing land. The survey results are summarized in Tables 1 and 2.

This survey found that in 2006, Ohio cropland averaged \$4001.79 per acre for top land, \$3371.17 for

average land, and \$2759.81 for poor land. Top land averages 177.75 bushels of corn per acre, 58.85 bushels of soybeans per acre, and rents for \$131.88 per acre. Average land yields on average 145.70 bushels of corn per acre, 46.47 bushels of soybeans per acre, and rents for \$104.19 per acre. Poor cropland averages 116.96 bushels of corn per acre, 35.72 bushels of soybeans per acre, and rents for \$80.98 per acre. The survey found that cash rents are expected to increase 6.27% in 2007.

Ohio Results

Top Cropland

Survey results indicate that "top" performing cropland in Ohio averages 177.75 bushels of corn per acre. Results also show that average value of "top" cropland is \$4001.79 per acre. According to this survey, "top" producing cropland in Ohio is expected to be valued at \$4167.71 in 2007. This is a projected increase of 4.15%.

"Top" cropland in Ohio rents for an average of \$131.88 per acre according to survey results. This equates to a cash rent of \$0.74 per bushel of corn produced or \$2.24 per bushel of soybean production. Rents in the "top" cropland category equal 3.30% of land value.

Average Cropland

Survey results for "average" production cropland show an average yield to be 145.7 bushels of corn per

acre. Results show that the value of “average” cropland in Ohio is \$3371.17 per acre. According to survey data, this “average” producing cropland is expected to be valued at \$3532.22 per acre in 2007. This is a projected increase of 4.78%.

“Average” cropland rents for an average of \$104.19 per acre according to survey results. This equates to a cash rent of \$0.72 per bushel of corn produced or \$2.24 per bushel of soybean production. Rents in the “average” cropland category equal 3.09% of land value.

Poor Cropland

The survey summary shows the average yield for “poor” performing cropland equals 116.96 bushels of corn per acre. Results also show that the average value of “poor” cropland is \$2759.81 per acre. According to survey data, this “poor” producing cropland is expected to be valued at \$2891.46 by July 2007. This is an increase of 4.77%.

“Poor” cropland rents for an average of \$80.98 per acre according to survey results. This equates to a cash rent of \$0.69 per bushel of corn produced or \$2.27 per bushel of soybean production. Rents in the “poor” cropland category equal 2.93% of land value.

Surveyed professionals see cropland values increasing 11.18% the next five years. Survey responses varied greatly for cropland value change over a five-year time horizon ranging from +50% to -35%.

Cash Rent

Measures such as “rent as a percent of land value” and “cash rent per bushel of corn production” are valuable in many rental negotiations as many use these measures as “rules of thumb” when negotiating cash rental rates. In this study, rent as a percent of land value ranges from 3.30% for top cropland to 2.93% for poor cropland.

Rent per bushel of corn production is \$0.74 for top cropland, \$0.72 for average cropland, and \$0.69 for poor cropland. Comparing rent per bushel to other north central states such as Indiana and Iowa show Ohio values to be lower per bushel than these comparable states. For example, the Purdue Land Value Survey, June 2006, finds rent per bushel on “average” land to be \$0.91 per bushel of corn production.

Rent per bushel of soybean production is \$2.24 for “top” cropland, \$2.24 for “average” cropland, and \$2.27 for “poor” cropland.

According to survey results, cash rents are expected to increase 6.27% from 2006 to 2007. Pasture rents average \$42.13 per acre according to the survey results. Pasture quality farmland has an average value of \$2430.19 per acre.

Northwest Ohio Results

Top Cropland

Survey results indicate that “top” performing cropland in northwest Ohio averages 177.98 bushels of corn per acre or 57.56 bushels of soybeans per acre. Results also show that the average value of “top” cropland is \$3494.19 per acre. According to this survey, “top” producing cropland in northwest Ohio is expected to be valued at \$3589.53 in 2007. This is a projected increase of 2.73%.

“Top” cropland in northwest Ohio rents for an average of \$128.53 per acre according to survey results which equals \$0.72 per bushel of corn produced or \$2.23 per bushel of soybean production. Rents in the “top” cropland category equal 3.68% of land value.

Average Cropland

Yields for “average” production cropland are 147.51 bushels of corn per acre or 45.76 bushels of soybeans per acre. Results show that the value of “average” cropland in northwest Ohio is \$2984.88 per acre. According to survey data, this “average” producing cropland is expected to be valued at \$3105.81 per acre in 2007. This is a projected increase of 4.05%.

“Average” cropland rents for an average of \$104.53 per acre according to survey results which equals \$0.71 per bushel of corn produced or \$2.28 per bushel of soybean production. Rents in the “average” cropland category equal 3.50% of land value.

Poor Cropland

The survey summary shows the average yield for “poor” performing cropland in northwest Ohio equals 119.42 bushels of corn per acre or 35.56 bushels of soybeans per acre. Results also show that the average value of “poor” cropland is \$2469.77 per acre. According to survey data, this “poor” producing

cropland is expected to be valued at \$2564.53 by 2007. This is an increase of 3.84%.

“Poor” cropland rents for an average of \$83.49 per acre according to survey results which equals \$0.70 per bushel of corn produced. Rents in the “poor” cropland category equal 3.38% of land value.

Cash Rent

In northwest Ohio, rent as a percent of land value is 3.68% for top cropland, 3.50% for average cropland, and 3.38% for poor cropland.

Rent per bushel of corn is \$0.72 for top cropland, \$0.71 for average cropland, and \$0.70 for poor cropland. Rent per bushel of soybean production is \$2.23 for top cropland, \$2.28 for average cropland, and \$2.35 for poor cropland.

The northwest region for the purposes of this survey includes the following counties: Williams, Fulton, Lucas, Ottawa, Defiance, Henry, Wood, Sandusky, Paulding, Putnam, Hancock, Seneca, Van Wert, Allen, Hardin, Wyandot, Crawford, Marion, and Morrow.

Southwest Ohio Results

Top Cropland

Survey results indicate that “top” performing cropland in southwest Ohio averages 179.93 bushels of corn per acre. Results also show that average value of “top” cropland is \$4372.55 per acre. According to this survey, “top” producing cropland in southwest Ohio is expected to be valued at \$4616.35 in 2007. This is a projected increase of 5.58%.

“Top” cropland in southwest Ohio rents for an average of \$145.21 per acre according to survey results which equals \$0.81 per bushel of corn produced or \$2.47 per bushel of soybean production. Rents in the “top” cropland category are 3.32% of land value.

Average Cropland

Yields for “average” production cropland equal 148.45 bushels of corn per acre. Results show that the value of “average” cropland in southwest Ohio is \$3652.00 per acre. According to survey data, this “average” producing cropland is expected to be valued at \$3845.52 per acre in 2007. This is a projected increase of 5.30%.

“Average” cropland rents for an average of \$117.53 per acre according to survey results which equals \$0.79 per bushel of corn produced. Rents in the “average” cropland category are 3.22% of land value.

Poor Cropland

The survey summary shows the average yield for “poor” performing cropland in southwest Ohio equals 120.89 bushels of corn per acre. Results also show that the average value of “poor” cropland is \$2953.19 per acre. According to survey data, this “poor” producing cropland is expected to be valued at \$3120.45 by 2007. This is an increase of 5.66%.

“Poor” cropland rents for an average of \$91.52 per acre according to survey results which equals \$0.76 per bushel of corn produced. Rents in the “poor” cropland category equal 3.10% of land value.

Cash Rent

In southwest Ohio, rent as a percent of land value is 3.32% for top cropland, 3.22% for average cropland, and 3.10% for poor cropland.

Rent per bushel of corn is \$0.81 for top cropland, \$0.79 for average cropland and \$0.76 for poor cropland. Rent per bushel of soybean production is \$2.47 for top cropland, \$2.46 for average cropland, and \$2.43 for poor cropland.

The southwest region for the purposes of this survey includes the following counties: Mercer, Auglaize, Shelby, Logan, Union, Delaware, Darke, Miami, Champaign, Clark, Madison, Franklin, Preble, Montgomery, Greene, Butler, Warren, Hamilton, Clermont, Clinton, Fayette, and Pickaway.

Northeast Ohio Results

Top Cropland

Survey results indicate that “top” performing cropland in northeast Ohio averages 170 bushels of corn per acre. Results also show that average value of “top” cropland is \$4630.77 per acre. According to this survey, “top” producing cropland in northeast Ohio is expected to be valued at \$4761.54 in 2007. This is a projected increase of 2.82%.

“Top” cropland in northeast Ohio rents for an average of \$95.33 per acre according to survey results

Table 1. Average estimated Ohio land value per acre (tillable, bare land), per bushel corn and soybean yields, by geographical area and land class, Ohio Cropland Values and Cash Rents Survey 2006–07.

Area	Land Class	Corn bu/A	Soy bu/A	Land Value			Land Value/	Land Value/
				Dollars Per Acre			Bushel Corn	Bushel Soy
				2006 \$/A	2007* \$/A	% Increase 2006 to 2007	2006 \$/Bu	2006 \$/Bu
Northwest	Top	177.98	57.56	\$3,494.19	\$3,589.53	2.73%	\$19.63	\$60.70
	Average	147.51	45.76	\$2,984.88	\$3,105.81	4.05%	\$20.23	\$65.23
	Poor	119.42	35.56	\$2,469.77	\$2,564.53	3.84%	\$20.68	\$69.45
Southwest	Top	179.93	58.85	\$4,372.55	\$4,616.35	5.58%	\$24.30	\$74.30
	Average	148.45	47.72	\$3,652.00	\$3,845.52	5.30%	\$24.60	\$76.53
	Poor	120.89	37.63	\$2,953.19	\$3,120.45	5.66%	\$24.43	\$78.47
Northeast	Top	170.00	61.00	\$4,630.77	\$4,761.54	2.82%	\$27.24	\$75.91
	Average	134.33	44.20	\$3,753.85	\$3,961.54	5.53%	\$27.94	\$84.93
	Poor	103.00	31.13	\$3,100.00	\$3,250.00	4.84%	\$30.10	\$99.57
Ohio	Top	177.75	58.85	\$4,001.79	\$4,167.71	4.15%	\$22.51	\$68.00
	Average	145.70	46.47	\$3,371.17	\$3,532.22	4.78%	\$23.14	\$72.54
	Poor	116.96	35.72	\$2,759.81	\$2,891.46	4.77%	\$23.60	\$77.27
	Transition	XXX	XXX	\$7,500.94	\$8,034.91			

* Projected Land Value

Table 2. Average estimated Ohio cash rent per acre (tillable, bare land), per bushel corn and soybean yields, by geographical area and land class, Ohio Cropland Values and Cash Rents Survey 2006–07.

Area	Land Class	Corn bu/A	Soy bu/A	Rent per	Rent per	Rent as % of	
				Rent Per Acre	Bushel Corn	Bushel Soy	Land Value
				2006 \$/A	2006 \$/Bu	2006 \$/Bu	2006 %
Northwest	Top	177.98	57.56	128.53	\$0.72	\$2.23	3.68%
	Average	147.51	45.76	104.53	\$0.71	\$2.28	3.50%
	Poor	119.42	35.56	83.49	\$0.70	\$2.35	3.38%
Southwest	Top	179.93	58.85	145.21	\$0.81	\$2.47	3.32%
	Average	148.45	47.72	117.53	\$0.79	\$2.46	3.22%
	Poor	120.89	37.63	91.52	\$0.76	\$2.43	3.10%
Northeast	Top	170.00	61.00	95.33	\$0.56	\$1.56	2.06%
	Average	134.33	44.20	68.00	\$0.51	\$1.54	1.81%
	Poor	103.00	31.13	48.71	\$0.47	\$1.56	1.57%
Ohio	Top	177.75	58.85	131.88	\$0.74	\$2.24	3.30%
	Average	145.70	46.47	104.19	\$0.72	\$2.24	3.09%
	Poor	116.96	35.72	80.98	\$0.69	\$2.27	2.93%

which equals \$0.56 per bushel of corn produced or \$1.56 per bushel of soybean production. Rents in the “top” cropland category equal 2.06% of land value.

Average Cropland

Yields for “average” production cropland equal 134.33 bushels of corn per acre. Results show that the value of “average” cropland in northeast Ohio is \$3753.85 per acre. According to survey data, this “average” producing cropland is expected to be valued at \$3961.54 per acre in 2007. This is a projected increase of 5.53%.

“Average” cropland rents for an average of \$68.00 per acre according to survey results which equals \$0.51 per bushel of corn produced. Rents in the “average” cropland category equal 1.81 % of land value.

Poor Cropland

The survey summary shows the average yield for “poor” performing cropland in northeast Ohio equals 103 bushels of corn per acre. Results also show that the average value of “poor” cropland is \$3100.00 per acre. According to survey data, this “poor” producing cropland is expected to be valued at \$3250.00 by 2007. This is an increase of 4.84%.

“Poor” cropland rents for an average of \$48.71 per acre according to survey results which equals \$0.47 per bushel of corn produced. Rents in the “poor” cropland category equal 1.57% of land value.

Cash Rent

In northeast Ohio, rent as a percent of land value is 2.06% for top cropland, 1.81% for average cropland, and 1.57% for poor cropland.

Rent per bushel of corn is \$0.56 for top cropland, \$0.51 for average cropland, and \$0.47 for poor cropland. Rent per bushel of soybean production is \$1.56 for top cropland, \$1.54 for average cropland, and \$1.56 for poor cropland.

The northeast region for the purposes of this survey includes the following counties: Erie, Lorain, Cuyahoga, Lake, Ashtabula, Huron, Richland, Ashland, Medina, Summit, Portage, Geauga, Trumbull, Wayne, Stark, Mahoning, and Columbiana.

Summary

This study will add to existing research on Ohio farmland values and cash rents that can assist producers and landowners with purchase and rental decisions. Existing research includes:

Ohio Cropland Values and Cash Rents 2005–06 at:
<http://aede.osu.edu/resources/docs/pdf/D8QOMB09-77MY-IDPZ-DST14X1-DMQ007PS6.pdf>

Ohio Farm Real Estate Markets at:
<http://aede.osu.edu/resources/docs/pdf/C2V16S20-H8CG-UEFY-JGL2H3JPU7Y1PO5J.pdf>

Land Rental Rates: Survey Results and Summary at:
<http://vanwert.osu.edu/ag/landrentalrates.pdf> and companion *Cash Rent Calculator* at:
<http://vanwert.osu.edu/ag/calculator.htm>

Also, check with your local OSU Extension office for local land value/rental survey summaries.

For additional information on farmland lease issues see the Department of Agricultural, Environmental, and Development Economics (AEDE) Farm Management webpage at:
<http://aede.osu.edu/Programs/FarmManagement/MgtPublications.htm>

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