



## Ohio Cropland Values and Cash Rents 2007-08

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**Abstract:** Ohio cropland values and cash rents continue to increase and projections are for cropland values and cash rents to be higher in 2008. Ohio cropland values are expected to increase from 5.1% to 6.5 % in 2008 while cash rents are expected to increase between 10.8% and 11%.

Landowners, prospective buyers, farmers and lenders often seek baseline data and trend data with which to base their buy/sell and rental decisions upon. The “Ohio Cropland Values and Cash Rents” survey is conducted annually drawing on the expertise of numerous professionals 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.

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### **Introduction**

Ohio cropland values and cash rents continue to increase and projections are for cropland values and cash rents to be higher in 2008. Ohio cropland values are expected to increase from 5.1% to 6.5 % in 2008 while cash rents are expected to increase between 10.8% and 11%.

Landowners, prospective buyers, farmers and lenders often seek baseline data and trend data with which to base their buy/sell and rental decisions upon. The "Ohio Cropland Values and Cash Rents" survey is conducted annually drawing on the expertise of numerous professionals 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-nine surveys were completed, analyzed and summarized. Respondents were asked to give responses based on 3 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 2007, Ohio cropland averaged \$4,457 per acre for top land, \$3,704 for average land and \$2,934 for poor land. Top land averaged 183.9 bushels of corn per acre, 60 bushels of soybeans per acre and rented for \$141 per acre. Average land yielded, on average, 149.8 bushels of corn per acre, 47.5 bushels of soybeans per acre and rented for \$111 per acre. Poor cropland averaged 117.9 bushels of corn per acre, 35.4 bushels of soybeans per acre and rented for \$85 per acre.

Respondents were also asked to give their projections of land values and cash rents for 2008. Cropland values in Ohio in 2008 are projected to average \$4,685, \$3,922 and \$3,123 per acre for "Top", "Average", and "Poor" land, respectively.

### **Ohio Results**

#### **Top Cropland**

Survey results indicate that "top" performing cropland in Ohio averages 183.9 bushels of corn per acre. Results also show that average value of "top" cropland in 2007 was \$4,457 per acre. According to this survey "top" producing cropland in Ohio is expected to be valued at \$4,685 in 2008. This is a projected increase of 5.1%.

"Top" cropland in Ohio rented for an average of \$141 per acre in 2007 according to survey results. "Top" cropland is expected to rent for \$157 in 2008. This equates to a cash rent of \$0.85 per bushel of corn produced. Rents in the "top" cropland category are expected to equal 3.3% of land value in 2008.

#### **Average Cropland**

Survey results for "average" production cropland show an average yield to be 149.8 bushels of corn per acre. Results show that the value of "average" cropland in Ohio was \$3,704 per acre in 2007. According to survey data this "average" producing cropland is expected to be valued at \$3,922 per acre in 2008. This is a projected increase of 5.9%.

"Average" cropland rented for an average of \$111 per acre in 2007 according to survey results. "Average" cropland is expected to rent for \$124 per acre in 2008. This equates to a cash

rent of \$0.82 per bushel of corn produced. Rents in the “average” cropland category are expected to equal 3.1% of land value in 2008.

### **Poor Cropland**

The survey summary shows the average yield for “poor” performing cropland equals 117.9 bushels of corn per acre. Results also show that the average value of “poor” cropland was \$2,934 per acre in 2007. According to survey data this “poor” producing cropland is expected to be valued at \$3,123 in 2008. This is an increase of 6.5%.

“Poor” cropland rented for an average of \$85 per acre in 2007 according to survey results. Cash Rent for “Poor” cropland is expected to average \$95 per acre in 2008. This equates to a cash rent of \$0.80 per bushel of corn produced in 2008. Rents in the “poor” cropland category are expected to equal 3.0% of land value in 2008.

## **Northwest Ohio Results**

### **Top Cropland**

Survey results indicate that “top” performing cropland in northwest Ohio averages 182.2 bushels of corn per acre or 60.0 bushels of soybeans per acre. Results also show that the average value of “top” cropland was \$4,041 per acre in 2007. According to this survey “top” producing cropland in northwest Ohio is expected to be valued at \$4,251 in 2008. This is a projected increase of 5.2%.

“Top” cropland in northwest Ohio rented for an average of \$141 per acre in 2007 and is expected to rent for \$156 in 2008 according to survey results, which equals \$0.86 per bushel of corn produced. Rents in the “top” cropland category are expected to equal 3.7% of land value.

### **Average Cropland**

Yields for “average” production cropland are 149.1 bushels of corn per acre or 47.6 bushels of soybeans per acre. Results show that the value of “average” cropland in northwest Ohio was \$3,418 per acre in 2007. According to survey data this “average” producing cropland is expected to be valued at \$3,637 per acre in 2008. This is a projected increase of 6.4%.

“Average” cropland rented for an average of \$111 per acre in 2007 according to survey results and is expected to rent for \$126 in 2008 which equals \$0.84 per bushel of corn produced. Rents in the “average” cropland category are expected to equal 3.5 % of land value in 2008.

### **Poor Cropland**

The survey summary shows the average yield for “poor” performing cropland in northwestern Ohio equals 117.8 bushels of corn per acre or 35.3 bushels of soybeans per acre. Results also show that the average value of “poor” cropland was \$2,761 per acre in 2007 and is expected to average \$2,947 per acre in 2008. This is an increase of 6.7%.

“Poor” cropland rented for an average of \$87 per acre in 2007 and is expected to average \$98 per acre in 2008 according to survey results which equals \$0.83 per bushel of corn produced. Rents in the “poor” cropland category are expected to equal 3.3% of land value in 2008.

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

## **Southwest Ohio Results**

### **Top Cropland**

Survey results indicate that “top” performing cropland in southwest Ohio averages 185.5 bushels of corn per acre or 60.4 bushels of soybeans per acre. Results also show that average value of “top” cropland was \$4,962 per acre in 2007. According to this survey “top” producing cropland in southwest Ohio is expected to be valued at \$5,214 in 2008. This is a projected increase of 5.1%.

“Top” cropland in southwest Ohio rented for an average of \$156 per acre in 2007 and is expected to rent for \$175 per acre in 2008 according to survey results which equals \$0.94 per bushel of corn produced. Rents in the “top” cropland category are expected to equal 3.4% of land value in 2008.

### **Average Cropland**

Yields for “average” production cropland equal 152.8 bushels of corn per acre. Results show that the value of “average” cropland in southwest Ohio was \$4,092 per acre. According to survey data this “average” producing cropland is expected to be valued at \$4,297 per acre in 2008. This is a projected increase of 5.0%.

“Average” cropland rented for an average of \$126 per acre in 2007 and is expected to rent for \$138 per acre in 2008 according to survey results which equals \$0.90 per bushel of corn produced. Rents in the “average” cropland category are expected to equal 3.2 % of land value in 2008.

### **Poor Cropland**

The survey summary shows the average yield for “poor” performing cropland in southwestern Ohio equals 122.6 bushels of corn per acre. Results also show that the average value of “poor” cropland was \$3,158 per acre. According to survey data this “poor” producing cropland is expected to be valued at \$3,351 per acre in 2008. This is an increase of 6.1%.

“Poor” cropland rented for an average of \$98 per acre in 2007 and is expected to average \$106 per acre in 2008 according to survey results which equals \$0.87 per bushel of corn produced. Rents in the “poor” cropland category are expected to equal 3.2% of land value in 2008.

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

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 2007-08.

Area	Land Class	Corn bu/A	Soy bu/A	Land Value			Land Value/	Land Value/
				Dollars Per Acre			Bushel Corn	Bushel Soy.
				2007	2008*	% Increase	2007	2007
				\$/A	\$/A	07 to '08	\$/Bu	\$/Bu
Northwest	Top	182.2	60.0	\$4,041	\$4,251	5.2%	\$22.17	\$67.34
	Average	149.1	47.6	\$3,418	\$3,637	6.4%	\$22.92	\$71.87
	Poor	117.8	35.3	\$2,761	\$2,947	6.7%	\$23.44	\$78.16
Southwest	Top	185.5	60.4	\$4,962	\$5,214	5.1%	\$26.75	\$82.21
	Average	152.8	48.1	\$4,092	\$4,297	5.0%	\$26.78	\$85.15
	Poor	122.6	37.2	\$3,158	\$3,351	6.1%	\$25.76	\$84.93
Ohio	Top	183.9	60.0	\$4,457	\$4,685	5.1%	\$24.23	\$74.30
	Average	149.8	47.5	\$3,704	\$3,922	5.9%	\$24.72	\$78.04
	Poor	117.9	35.4	\$2,934	\$3,123	6.5%	\$24.88	\$82.99
	Transition	XXX	XXX	\$8,988	\$9,910			

\* 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 2007-08.

Area	Land Class	Corn bu/A	Soy bu/A	Rent Per Acre		Rent per	Rent per	Rent as % of	Rent as % of
				2007	2008*	Bushel Corn	Bushel Corn	Land Value	Land Value
				\$/A	\$/A	\$/Bu	\$/Bu	%	%
Northwest	Top	182.2	60.0	\$141	\$156	\$0.77	\$0.86	3.5%	3.7%
	Average	149.1	47.6	\$111	\$126	\$0.75	\$0.84	3.3%	3.5%
	Poor	117.8	35.3	\$87	\$98	\$0.74	\$0.83	3.1%	3.3%
Southwest	Top	185.5	60.4	\$156	\$175	\$0.84	\$0.94	3.2%	3.4%
	Average	152.8	48.1	\$126	\$138	\$0.83	\$0.90	3.1%	3.2%
	Poor	122.6	37.2	\$98	\$106	\$0.80	\$0.87	3.1%	3.2%
Ohio	Top	183.9	60.0	\$141	\$157	\$0.77	\$0.85	3.2%	3.3%
	Average	149.8	47.5	\$111	\$124	\$0.74	\$0.82	3.0%	3.1%
	Poor	117.9	35.4	\$85	\$95	\$0.72	\$0.80	2.9%	3.0%

\* Projected Rental Rate

**Table 3. Average estimated Ohio land value per acre, 2006 - 2008**

Area	Land Class	2006	2007	2008*	% Increase	% Increase	% Increase
		\$/A	\$/A	\$/A	06 to '07	07 to '08	06 to '08
Northwest	Top	\$3,494	\$4,041	\$4,251	15.6%	5.2%	21.7%
	Average	\$2,985	\$3,418	\$3,637	14.5%	6.4%	21.8%
	Poor	\$2,470	\$2,761	\$2,947	11.8%	6.7%	19.3%
Southwest	Top	\$4,373	\$4,962	\$5,214	13.5%	5.1%	19.2%
	Average	\$3,652	\$4,092	\$4,297	12.1%	5.0%	16.2%
	Poor	\$2,953	\$3,158	\$3,351	6.9%	6.1%	13.5%
Ohio	Top	\$4,002	\$4,457	\$4,685	11.4%	5.1%	16.9%
	Average	\$3,371	\$3,704	\$3,922	9.9%	5.9%	15.6%
	Poor	\$2,760	\$2,934	\$3,123	6.3%	6.5%	13.2%
	Transition	\$7,501	\$8,988	\$9,910	18.7%	10.3%	26.3%

**Table 4. Average estimated Ohio cash rent per acre, 2006 - 2008**

Area	Land Class	2006	2007	2008*	% Increase	% Increase	% Increase
		\$/A	\$/A	\$/A	06 to '07	07 to '08	06 to '08
Northwest	Top	\$129	\$141	\$156	9.7%	10.7%	21.5%
	Average	\$105	\$111	\$126	6.6%	12.8%	20.2%
	Poor	\$83	\$87	\$98	3.9%	12.4%	16.8%
Southwest	Top	\$145	\$156	\$175	7.7%	11.8%	20.5%
	Average	\$118	\$126	\$138	7.6%	8.8%	17.0%
	Poor	\$92	\$98	\$106	6.8%	8.7%	16.2%
Ohio	Top	\$132	\$141	\$157	7.2%	11.0%	19.0%
	Average	\$104	\$111	\$124	7.0%	10.8%	18.5%
	Poor	\$81	\$85	\$95	5.5%	11.0%	17.1%

### 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 2006-07 at:

<http://ohioline.osu.edu/ae-fact/pdf/cropland.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>