Survey: Area cropland values, cash rents projected to decrease

Each year, the Ohio State University Department of Agricultural, Environmental, and Development Economics completes a survey to estimate current and future trends of cropland values and cash rents. The 2016-17 survey of Western Ohio Cropland Values and Cash Rents has been completed and is available to the public.

Based upon the survey, cropland values and cash rents were projected to decrease in 2017. Bare cropland values were expected to decrease from 4.4 percent to 8.2 percent in western Ohio, depending on the region and land class. The survey also projected cash rents would drop 1.4 percent to 4.2 percent—a smaller decrease than previous years.

Surveys were completed by individuals knowledgeable about cropland values and rental rates, such as farm managers, rural appraisers, agricultural lenders, OSU Extension educators, farmers, landowners, and Farm Service Agency personnel. The survey was conducted the first half of this year.

One hundred twenty surveys were completed, analyzed and summarized. Individuals were asked to give responses based on three classes of land in their area: average yielding, top yielding and poor yielding.

They were asked to estimate five-year corn and soybean yields for each land class based on typical farming practices. Individuals also were asked to estimate current bare cropland values and cash rents negotiated in the current or recent year for each land class.

Ohio cropland values and cash rental rates were projected to decrease in 2017. This is the fourth year in a row that cropland values and cash rents have been projected to decrease from the previous year.

Survey results are not available for individual counties, but by region. Hancock, Putnam, Hardin and Wyandot are part of the 19 counties included in the Northwest Ohio section.

Survey results showed that the average category land in northwestern Ohio had an estimated mean yield of 164.9 bushels per acre for corn and 51.4 bushels per acre for soybeans.

Top cropland had an estimated corn yield average of 197.2 bushels per acre and 60.9 bushels for soybeans. Land in the poor category had an estimated average yield of 136 bushels for corn and 40.5 bushels for soybeans.

Yield values were larger than the previous survey for all cropland classes.

The survey showed that cropland that is considered in the average category was valued at $6,834 per acre in 2016. It was expected to be valued at $6,485 in 2017, a projected decrease of 5.2 percent.

Rental rates in 2016 for average land were estimated to be $180 per acre, and were projected to be $177 in 2017, a decrease of 1.4 percent.

For the top cropland category, the survey showed an average price in 2016 was $8,357 per acre. The same land was projected to be valued at $8,023 per acre in 2017, a 4 percent price drop from 2016. The average land rental rate for top cropland was $228 per acre in 2016 and was expected to be $223 in 2017, a decrease of 2.2 percent.

The survey shows a projected drop of 8.2 percent in land prices in 2017 compared to 2016 for poor-performing land. Average value of poor land in 2016 was $5,253 an acre and was projected to be $4,821 in 2017.

Land rental rate for poor land was $139 per acre in 2016 and was expected to be $137 in 2017, a 1.6 percent decrease.

This survey is only one tool an individual may use to establish a price agreement for farmland sales and rental rates. Markets are often localized and based on many factors that a survey cannot measure.

Other sources for average cash rental rates may be found in the Ohio State University Crop Budgets and the National Agricultural Statistics Services. However, these may be state averages.

The cash rental rate should be available upon request for public-owned farmland that is leased by a county government.

The Western Ohio Cropland Values and Cash Rents survey results and summary may be found at the following web address: https://ohiolink.osu.edu/factsheet/aede-16-17

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