Cropland values & cash rents slip

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 2017-18 survey of Western Ohio Cropland Values and Cash Rents has been completed and is available to the public.

Based upon the survey, cropland values are expected to decrease from 1.7 percent to 3.6 percent in 2018, depending on local markets and land class.

The survey also projects cash rents will decline from 1.2 to 3.0 percent — a smaller decrease than in previous years.

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

One hundred eight 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 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 2018. This is the fifth year in a row that cropland values and cash rents have been projected to decline from the previous year.

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

Survey results show that the average category land in northwestern Ohio had an estimated mean yield of 172.3 bushels per acre for corn and 51.2 bushels per acre for soybeans.

Top cropland had an estimated corn yield average of 208.3 bushels per acre and 64.0 bushels for soybeans.

Land in the poor category had an estimated average yield of 140.3 bushels for corn and 37.9 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 $6,922 per acre in 2017. It was expected to be valued at $6,691 in 2018, a projected decrease of 3.3 percent.

Rental rates in 2017 for average land were estimated to be $178 per acre, and were projected to be $175 in 2018, a decrease of 1.8 percent.

For the top cropland category, the survey showed an average price in 2017 was $8,710 per acre. The same land was projected to be valued at $8,460 per acre in 2018, a 2.9 percent price drop from 2017.

Land rental rate average for top cropland was $227 per acre in 2017 and was expected to be $223 in 2018, a decrease of 1.8 percent.

The survey shows a projected drop of 3.6 percent in land prices in 2018 compared to 2017 for poor-performing land. Average value of “poor” land in 2017 was $3,365 and was projected to be $3,173 in 2018.

Land rental rate for “poor” land was $137 per acre in 2017 and was expected to be $134 in 2018, a 2.2 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 Service, 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 internet address: https://farmoffice.osu.edu/farm-management-tools/farm-management-publications/cash-rents

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