Cropland values, cash rents both declining in area counties

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 2018-19 survey of Western Ohio Cropland Values and Cash Rents has been completed and is now available to the public.

Based upon the survey, cropland values and cash rents were projected to decrease slightly in 2019.

Bare cropland values in western Ohio are expected to decline by 1.3 to 2.9%, depending on the region and land class. Cash rents are projected to drop 0.5% to 2.5% — 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 lenders, OSU Extension educators, farmers, landowners, and Farm Service Agency personnel. The survey was conducted in early 2019.

One hundred sixty-two 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 also 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 2019. This is the sixth 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 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 showed that the average category land in northwestern Ohio had an estimated mean yield of 177.8 bushels per acre for corn and 54 bushels per acre for soybeans.

Top cropland had an estimated corn yield average of 215.4 bushels per acre and 65.8 bushels for soybeans. Land in the poor category had an estimated average yield of 142.5 bushels for corn and 41.3 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 $6,793 per acre in 2018. It was expected to be valued at $6,629 in 2019, a projected decrease of 2.4%.

Rental rates in 2018 for average land was estimated to be $184 per acre, and was projected to be $182 in 2019, a decrease of 0.9%.

For the top cropland category, the survey showed an average price in 2018 was $8,463 per acre. The same land was projected to be valued at $8,214 per acre in 2019, a 2.9% decrease.

Land rental rate average for top cropland was $234 per acre in 2018 and was expected to be $231 in 2019, a decrease of 1.0%.

The survey showed a projected drop of 2.9% in land prices in 2019 compared to 2018 for poor-performing land. Average value of “poor” land in 2018 was $5,312 and was projected to be $5,159 in 2019.

Land rental rate for poor land was $140 per acre in 2018 and was expected to be $139 in 2019, a 0.5% decrease.

This is only one tool an individual may use to establish a price agreement for farm 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 internet address: https://farmoffice.osu.edu/sites/aglaw/files/site-library/farmngtndt/ WesternOhioCroplandValues-CashRents2018-19.pdf

This survey was completed before this year’s crop disaster. Because of the severe economic loss from this year’s crops, actual land prices and rental rates may be less than was projected in the survey.

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