



VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

Virginia Cooperative Extension

Knowledge for the Commonwealth



VIRGINIA STATE UNIVERSITY

2005 LAND RENTAL GUIDE FOR THE SHENANDOAH VALLEY

(WEIGHTED AVERAGE)

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County	Pasture				
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
Augusta	49	22	\$21.73	\$5.00	\$50.00
Bath	3	10	\$17.13	\$13.00	\$20.00
Highland	16	15	\$17.67	\$5.00	\$51.71
Rockbridge	11	25	\$13.49	\$6.00	\$78.00
Rockingham	43	17	\$28.88	\$1.00	\$100.00
Clarke	9	17	\$19.93	\$6.25	\$40.00
Frederick	9	19	\$23.52	\$10.00	\$60.00
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Shenandoah	23	14	\$18.52	\$8.50	\$42.35
Warren	3	12	\$14.76	\$10.00	\$26.25
Alleghany	4	12	\$25.12	\$15.00	\$26.66
Botetourt	11	11	\$13.12	\$8.00	\$40.00
Craig	6	24	\$17.48	\$2.00	\$33.33
Total		Actual Range			
Valley Average	205	18	\$19.36	\$1.00	\$100.00

#	Good Crop Land				
	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre	
13	18	\$45.50	\$25.00	\$80.00	
6	12	\$34.43	\$6.00	\$60.00	
39	16	\$57.51	\$27.00	\$150.00	
6	12	\$22.66	\$11.66	\$30.00	
6	12	\$28.39	\$10.50	\$40.00	
5	12	\$31.33	\$20.00	\$40.00	
8	15	\$27.58	\$15.00	\$40.00	
8	12	\$30.75	\$12.00	\$40.00	
Total		Actual Range			
97	15	\$42.60	\$6.00	\$150.00	

#	Average Crop Land				
	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre	
19	12	\$31.34	\$1.00	\$40.00	
25	15	\$39.78	\$5.00	\$80.00	
15	14	\$21.23	\$8.00	\$35.00	
7	66	\$24.24	\$10.00	\$30.00	
Total		Actual Range			
72	19	\$29.86	\$1.00	\$80.00	

#	Whole Farm				
	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre	
31	20	\$25.31	\$10.00	\$70.00	
3	12	\$17.85	\$3.33	\$26.50	
11	16	\$12.78	\$4.00	\$25.00	
10	18	\$56.87	\$30.00	\$236.00	
6	16	\$16.33	\$3.33	\$28.74	
8	38	\$15.04	\$6.00	\$20.00	
6	29	\$13.98	\$12.36	\$16.36	
Total		Actual Range			
86	22	\$23.36	\$3.33	\$236.00	

#	Pasture Per Head				
	Average Length of Lease (Months)	Ave Cow/Calf Rate per Month	Low Rate per Month	High Rate per Month	
Shenandoah Valley	7	6.5	\$8.54	\$4.80	\$12.50

#	Valley Dairy Farms				
	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Average Rate Per Farm Per Month	Low per Month	High per Month
10	34	\$145.19	\$1,720.32	\$332.75	\$2,749.00

#	Pasture Per Head				
	Ave Length of Lease (Months)	Ave Stocker per Month	Low Rate per Month	High Rate per Month	
Shenandoah Valley	8	7.16	\$7.32	\$3.00	\$13.30

During late fall 2004, the Extension's Northwest District Farm Business Management staff in cooperation with Extension Agents-Agriculture and Natural Resources surveyed Shenandoah Valley farmers in 14 counties on land rental values. Information from past surveys has been widely used by Extension Agents, landowners, tenants, agricultural lenders, and others. This information is a starting point for determining fair market rental value for land.

The tables summarize the results of the 2005 survey. Averages are reported by county and the overall Valley region. All averages are Weighted Averages - larger tracts of land rented at a given rate have more influence on the overall average rate than a small parcel of land. Rental rates are reported for Pasture per Acre and per Head, Good and Average Cropland as determined by soil productivity groupings and farmer management in a typical year--these categories also contains hay land, whole farm leases and dairy farm leases. The reliability of the average figures reported increases as the number of responses increase. Within a rental category the very high rental rates were generally for smaller parcels of land and the very low rental rates often had other circumstances involved such as the desire by landowner to maintain Land Use Valuation on the parcel or a family relationship between landowner and tenant. Further results and explanation of the survey are on the back.

For more information on land leases contact a Farm Business Management Agent or the Extension Agent located in your county.

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The terms for leases vary tremendously from contract to contract. The tables on the front page provide the average rental rate and length of lease for a general type of rental. However, averages tell only part of the story. It is valuable to know the ranges involved with lease rates and length of lease that farmers and landowners have negotiated for leases. This information is also available from the tables on the front page. Even though many of the leases reported are for only one year it is important to note that many farmers are attempting to secure leases for several years to assure a known land base for their farming operations over time.

Crop Land: In certain counties the cropland was combined into one category because of few responses.

Whole Farm: Whole farm leases often contain a mix of pasture, cropland, and wooded land. Structures such as barns or shelters are often included.

Dairy Farms: Dairy farm leases include milking facilities and some land. Residences are occasionally included.

A total of 291 landowners and tenants representing 524 separate lease agreements responded to the survey. Below are results from the questions asked on the survey: It is important to remember that very few lease agreements are a pure exchange of cash. Most involve other inputs such as fertilizer, fence repair and weed control. Often non-land items such as plowing snow and mowing the yard are involved.

To the question that asked whether you owned the land or rented the land reported in the survey:

48.1% said they owned the land.

51.9% said they were the tenants.

Several individuals responded that they both owned land that was being rented and were renting other land

To the question that asked whether your lease agreements were oral or written:

39.3% said they had written leases.

60.7% said they had oral leases.

Many responded that they had both oral and written leases.

To the question that asked if the tenant supplied inputs in addition to cash rent:

47% said they supplied Fertilizer. This included lime on many leases.

45.4% said they supplied Weed Control. Weed control included spraying and bushhogging

52.9% said they supplied Minor Fence, Corral and/or Building Repair.

Other inputs supplied by the tenant that were mentioned several times were:

Bushhogging/Clipping/Pasture Mowing to keep the land looking good.

To the question that asked if the landowner supplied any inputs:

10% said they supplied Herbicides.

16.5% said they supplied Fence Building Supplies.

21% said they supplied Fertilizer. This included lime on many leases.

Other inputs supplied by the landowner that were mentioned several times included supplying water and a power supply.

15.8 % of the landowners and tenants (a total of 46 individuals) responded that they were involved in a barter situation. Barter situations are complex and difficult to compile as average and range because each barter is different. Though difficult to determine averages because of the complexity and individual characteristics of each barter, most barter rentals involved hay and pasture on small acreage, i.e. under 30 acres. Generally the tenant had to keep the land mowed and cleared of heavy brush, and often provide feed and sometimes care for a few horses or other livestock. In several instances year round caretaking responsibilities such as mowing the lawn, and snow removal were involved or the availability of hunting rights on other land. In several instances the desire to keep the land in Land-Use and to keep it productive appeared to be the primary factors for the barter.