

## 2007 LAND RENTAL GUIDE FOR THE SHENANDOAH VALLEY

(WEIGHTED AVERAGE)

Prepared by:

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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	37	15	\$17.61	\$6.47	\$40.00
Bath	6	7	\$23.27	\$9.00	\$50.00
Highland	13	14	\$15.05	\$5.55	\$30.00
Rockbridge	20	21	\$12.14	\$2.00	\$37.50
Rockingham	62	19	\$35.69	\$5.00	\$200.00
Clarke	21	22	\$23.95	\$10.00	\$70.00
Frederick	13	28	\$16.57	\$6.67	\$42.00
Page	13	22	\$22.47	\$10.00	\$35.00
Shenandoah	23	16	\$19.43	\$10.00	\$40.00
Warren	4	12	\$15.33	\$13.00	\$18.00
Alleghany	7	15	\$24.55	\$19.50	\$40.00
Botetourt	9	18	\$18.14	\$2.86	\$40.00
Craig					
Roanoke	4	12	\$12.81	\$10.00	\$33.00
<b>Valley Average</b>	<b>238</b>	<b>18</b>	<b>\$20.96</b>	<b>\$2.00</b>	<b>\$200.00</b>

	Good Crop Land				
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
	13	12	\$41.31	\$12.00	\$80.00
	3	36	\$17.45	\$9.00	\$33.00
	6	20	\$29.61	\$5.00	\$45.00
	61	17	\$53.93	\$33.00	\$200.00
	14	60	\$29.82	\$15.75	\$40.00
	6		\$36.88	\$30.00	\$45.00
	21	12	\$29.95	\$20.00	\$44.00
	3	24	\$15.96	\$13.00	\$25.00
	6	28	\$25.86	\$15.00	\$30.00
	7	48	\$32.16	\$12.00	\$50.00
	6	12	\$10.18	\$5.26	\$15.00
<b>Valley Average</b>	<b>149</b>	<b>19</b>	<b>\$36.72</b>	<b>\$5.00</b>	<b>\$200.00</b>

	Average Crop Land				
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
	22		\$34.59	\$8.00	\$80.00
	46	22	\$46.44	\$11.00	\$200.00
	4		\$22.24	\$15.00	\$30.00
	6	24	\$20.94	\$16.00	\$30.00
	7		\$34.70	\$20.00	\$45.00
	16	12	\$24.23	\$14.00	\$30.00
<b>Valley Average</b>	<b>105</b>	<b>20</b>	<b>\$33.25</b>	<b>\$6.00</b>	<b>\$200.00</b>

	Whole Farm				
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
	25	20	\$26.08	\$5.20	\$54.45
	4	12	\$18.43	\$8.81	\$42.86
	24	21	\$24.96	\$12.00	\$89.00
	35	18	\$39.62	\$12.00	\$220.00
	11	49	\$29.93	\$20.00	\$60.00
	9	17	\$23.32	\$13.33	\$40.00
	3	44	\$15.59	\$6.32	\$27.27
	4	44	\$12.00	\$7.50	\$28.57
<b>Valley Average</b>	<b>123</b>	<b>23</b>	<b>\$26.89</b>	<b>\$5.20</b>	<b>\$220.00</b>

	Pasture Per Head				
	Cow-Calf				
#	Average Length of Lease (Months)	Ave Cow/Calf Rate per Month	Low Rate per Month	High Rate per Month	
Shenandoah Valley	20	14	\$7.50	\$2.00	\$14.00

Valley Dairy Farms						
#	Average Length of Lease (Months)	Average Acres per Farm	Average Rate Per Acre Per Year	Average Rate Per Farm Per Month	Low Rate per Farm per Month	High Rate per Farm per Month
9	19	180	\$121.22	\$1,814.00	\$917.00	\$3,000.00

	Pasture Per Head				
	Stocker				
#	Ave Length of Lease (Months)	Ave Stocker per Month	Low Rate per Month	High Rate per Month	
Shenandoah Valley	13	10	\$6.54	\$3.50	\$11.00

During late fall 2006, 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 not intended to be a specific recommendation for rental rates, but a starting point for negotiations to determine fair market rental value for land.

The tables summarize the results of the 2007 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 contain 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, a family relationship between landowner and tenant, or specific extra non-monetary compensation such as maintaining acceptable appearances. 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 in most cases land. Residences are occasionally included.

A total of 311 landowners and tenants representing 663 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.

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

56.9 % said they owned the land.  
46.6 % 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:

37.7 % said they had written leases.  
62.3 % said they had oral leases.  
Many responded that they had both oral and written leases depending on specific relationships.

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

53.1 % said they supplied Fertilizer. This included lime on many leases.  
49.8 % said they supplied Weed Control. Weed control included spraying and bush hogging  
58.8 % said they supplied Minor Fence, Corral and/or Building Repair.  
Other inputs supplied by the tenant that were mentioned several times were: Bushhogging, Clipping or Pasture Mowing to keep the land looking good.

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

7.4 % said they supplied Herbicides.  
28.9 % said they supplied Fence Building Supplies.  
6.8 % 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.

**Crop-Share Leases:** 11.3 % of the lease agreement reported were based on the Landlord and the Tenant sharing in the expenses, risk of production, and harvest of the crop. Hay was the primary cost-share lease crop but there were leases that involved grain and silage

**Barter:** 15.4 % of the landowners and tenants (a total of 48 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 their complexity most barter rentals involved hay and pasture on small acreages, i.e. under 30 acres. Generally the tenant has to keep the land mowed and cleared of brush and often provides feed and sometimes care for a few horses or other livestock. In several instances year round caretaking responsibilities such as mowing the lawn, snow removal and lane maintenance are involved while other tenants provide beef to the landowner. There are situations where hunting rights on other land was part of the arrangement. The two primary reasons that were given for participating in a barter agreement was to keep the land maintained in a productive state and to be eligible for land-use taxation rates.