

## 2009 LAND RENTAL GUIDE FOR THE SHENANDOAH VALLEY

(WEIGHTED AVERAGE)

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County	Pasture			
	#	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
Augusta	42	\$27.46	\$3.00	\$150.00
Bath	5	\$14.91	\$8.00	\$26.00
Highland	7	\$17.37	\$8.49	\$22.40
Rockbridge	7	\$15.23	\$8.57	\$35.00
Rockingham	52	\$34.96	\$10.00	\$65.00
Clarke	17	\$23.59	\$4.00	\$45.00
Frederick	15	\$17.11	\$9.60	\$30.00
Page	6	\$27.07	\$21.00	\$36.00
Shenandoah	25	\$16.62	\$6.15	\$40.81
Warren	3	\$10.98	\$10.00	\$15.00
Alleghany	3	\$24.28	\$5.33	\$26.66
Botetourt	11	\$22.01	\$15.00	\$30.00
Craig	5	\$12.30	\$1.00	\$20.00
Roanoke				

#	Good Crop Land		
	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
19	\$45.14	\$15.00	\$250.00
3	\$30.44	\$10.00	\$40.00
5	\$26.73	\$23.33	\$34.00
38	\$73.59	\$23.00	\$140.00
6	\$30.49	\$14.00	\$40.00
5	\$20.14	\$17.00	\$35.00
5	\$48.19	\$36.00	\$50.00
23	\$27.20	\$7.81	\$50.00
7	\$33.63	\$30.00	\$50.00

#	Average Crop Land		
	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
26	\$42.32	\$8.00	\$100.00
27	\$45.15	\$10.00	\$80.00
7	\$16.67	\$10.00	\$25.00
7	\$28.28	\$13.00	\$40.00
3	\$37.86	\$25.00	\$45.00
28	\$27.67	\$15.00	\$45.00
5	\$24.93	\$13.00	\$45.55
3	\$16.84	\$5.00	\$25.00

#	Average Length of Lease (Months)	Whole Farm: No Family Dwelling				
		Total Acres	% Crop land	Average Rate Per Acre Per Year	Low Rate per Acre per Year	High Rate per Acre per Year
30	13	169	28.0%	\$20.10	\$5.66	\$277.50
5	12	151	14.7%	\$14.30	\$5.33	\$22.73
4	27	150	3.2%	\$23.54	\$18.75	\$36.73
22	17	127	47.6%	\$46.61	\$6.00	\$230.23
6	38	224	26.2%	\$26.01	\$16.67	\$46.67
4	24	87	65.6%	\$27.41	\$13.32	\$40.91
25	21	113	32.6%	\$28.50	\$14.87	\$50.00
5	15	122	38.8%	\$25.72	\$14.29	\$141.18
3	36	257	27.3%	\$14.95	\$10.50	\$19.97
6	34	161	14.6%	\$22.61	\$17.82	\$33.60
3	12	58	31.4%	\$25.14	\$17.14	\$33.33

Total	198	\$22.85	\$1.00	\$150.00
Actual Range				

Total	113	\$46.33	\$7.81	\$250.00
Actual Range				

Total	106	\$35.84	\$5.00	\$100.00
Actual Range				

Total	116	20	148	30.1%	\$26.50	\$5.33	\$277.50
Actual Range							

	Pasture Per Head				
	Cow-Calf				
#	Ave Length of Lease (Months)	Ave Cow/Calf Rate per Month	Low Rate per Month	High Rate per Month	
Shenandoah Valley	17	7	\$8.48	\$2.00	\$12.00

	Pasture Per Head				
	Stocker				
#	Ave Length of Lease (Months)	Ave Stocker per Month	Low Rate per Month	High Rate per Month	
Shenandoah Valley	10	7	\$7.36	\$5.00	\$11.75

Valley Dairy Farms: Includes Dairy Facilities & Family Dwelling							
#	Ave Length of Lease (Months)	Average Total Acres	Average % Crop Land	Average \$ Rate per Farm per Month	Average \$ Rate per Acre per Year	Low \$ Rate per Acre per Month	High \$ Rate per Acre per Month
5	90	189	47.5%	\$1,945.00	\$123.36	\$84.55	\$337.50

During late fall 2008, the Extension's Northwest District Farm Business Management staff in cooperation with agents 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 2009 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 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 so that proper negotiations for leases can occur. This information is also available from the tables on the front page. Except for Whole Farm, Dairy, and per Head leases, the length of lease is not identified. Oral leases are only legal for one year but many have been renewed for many years. It is important to note that many farmers are attempting to secure multi-year leases to assure a known land base for their farming operations over time. The only viable way to accomplish this is to have a written lease agreement.

**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. Family dwellings are not included in the information provided.

**Dairy Farms:** Dairy farm leases include milking facilities and both crop land and pasture. The family dwellings are included.

A total of 436 landowners and tenants representing 605 separate usable 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:

33.5 % said they owned the land.

33.3 % said they were the tenants.

Several individuals responded that they both owned land that was being rented and were renting other land. Unfortunately many respondents chose not to answer this question.

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

30.2 % said they had written leases.

69.3 % 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:

30.7 % said they supplied Weed Control. Weed control included spraying and/or bush hogging.

30.5 % said they supplied Fertilizer. This included lime on many leases.

36.2 % said they supplied Minor Fence, Corral and/or Building Repair.

Other inputs supplied by the tenant that were mentioned several times were: Bush hogging, Clipping or Pasture Mowing to keep the land looking good.

Unfortunately many respondents chose not to answer this question

To the question that asked if the Landowner supplied any inputs for the upkeep of the property:

8.0 % said they supplied Herbicides.

5.5 % said they supplied Fertilizer. This included lime on many leases.

13.8 % said they supplied Fence Building Supplies.

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

**Crop-Share Leases:** Several lease agreements 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. The specifics of these leases vary tremendously so therefore are difficult to quantify and report in this type of guide.

**Barter:** Numerous landowners and tenants responded that they were involved in a barter situation. Several barter arrangements appeared to actually be cost share arrangements instead. 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.

**Hunting Leases:** 14.2 % of the over 200 respondents who answered this question responded that they had some type of Hunting Lease. Many of these agreements appeared to be separate from the farm land lease agreements, though it may cover the same land. Rate per acre ranged from \$2.66/acre to \$16.40/acre. Species allowed to be taken ranged from deer only to all species when in season. In addition to cash, the tenant often agreed to post the property, to protect the property from trespassers and help keep the land productive for wildlife.