

2011 LAND RENTAL GUIDE FOR THE SHENANDOAH VALLEY

(WEIGHTED AVERAGE)

County	Pasture				
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
Augusta	40	22	\$27.69	\$15.00	\$50.00
Bath	+		+	+	+
Highland	15	12	\$16.81	\$9.30	\$40.00
Rockbridge	17	13	\$18.77	\$10.00	\$37.50
Rockingham	37	16	\$38.87	\$18.00	\$200.00
Clarke	5	12	\$13.89	\$10.50	\$26.00
Frederick	*		\$23.60	*	*
Page	10	25	\$22.86	\$20.00	\$60.00
Shenandoah	17	17	\$20.82	\$10.00	\$35.00
Warren	*		*	*	*
Alleghany	+		+	+	+
Botetourt	5	12	\$14.21	\$12.00	\$15.00

	Good Crop Land				
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
16	18	\$46.35	\$20.00	\$110.00	
+		+	+	+	
*		\$23.52	*	*	
7	12	\$19.34	\$10.00	\$35.00	
29	25	\$75.22	\$30.00	\$170.00	
*		\$25.83	*	*	
6	12	\$45.91	\$35.00	\$50.00	
16	12	\$30.25	\$7.00	\$50.00	
*		*	*	*	
+		+	+	+	
*		\$41.19	*	*	

	Average Crop Land				
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre
20	12	\$32.05	\$12.50	\$50.00	
+		+	+	+	
+		+	+	+	
*		\$19.07	\$17.00	\$31.00	
23	23	\$72.77	\$20.00	\$120.00	
+		+	+	+	
*		\$15.00	*	*	
*		*	*	*	
60	12	\$25.01	\$15.00	\$30.00	
*		*	*	*	
+		+	+	+	
*		\$21.05	*	*	

Total	159	18	\$23.28	\$5.00	\$200.00
Actual Range					

Total	86	17	\$46.79	\$7.00	\$170.00
Actual Range					

Total	67	24	\$37.24	\$7.30	\$120.00
Actual Range					

* astrisk indicates only 3 - 4 respondents, high and low values not presented to protect confidentiality; + indicates only 1 or 2 respondents, these values were incorporated into the Valley-region average. 29 out of 438 reported leases did not have a county identification, these were compiled and incorporated into the region average values.

County	Whole Farm					Avg No. Bldgs	Avg Acres Pasture	Avg Acres Crop
	#	Average Length of Lease (Months)	Average Rate Per Acre Per Year	Low Rate per Acre	High Rate per Acre			
Augusta	9	12	\$27.70	\$13.60	\$60.00	0.9	195	36
Highland	*	11	\$22.70	\$24.29	\$39.96	*	*	*
Rockbridge	9	29	\$20.60	\$6.00	\$45.00	1	126	40
Rockingham	12	63	\$45.56	\$4.77	\$235.70	1.3	83	49
Page	9	17	\$31.32	\$12.66	\$49.92	0.6	73	3
Shenandoah	6	12	\$20.64	\$15.00	\$25.00	1.5	85	22
Valley Average	60	33	\$27.69	\$4.77	\$235.00	1.2	105	42

	Pasture per Head: Cow-Calf				
	#	Average Length of Lease (Months)	Avg Cow/Calf Rate per Month	Low Rate per Month	High Rate per Month
Highlands	15	14	\$9.00	\$5.00	\$24.13

	Pasture per Head: Stocker Cattle				
	#	Average Length of Lease	Avg Stocker Rate per Month	Low Rate per Month	High Rate per Month
Valley and Highlands	13	8	\$7.77	\$2.66	\$12.50

Clarke, Frederick, Warren also contributed data on rental of a few whole farms, but confidentiality concerns do not allow the numbers to be presented here. Some whole farm lease data did not have the county identified.

During the winter of 2010-11, Virginia Cooperative Extension sent a survey of land rental values to farmers in 12 counties of the Shenandoah Valley and Alleghany Highlands. Information from past surveys has been widely used by Extension Agents, landowners, tenants, agricultural lenders, and others. **This information can serve as a starting point for determining fair market rental value for land.**

The tables summarize the results of the 2011 survey. 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 & Average Cropland as categorized by the person responding to the survey, and Whole Farms. Cropland also contains land rented exclusively for hay. The "#" symbol indicates the number of respondents in that particular category. A "*" indicates there were 3 or 4 respondents, the high and low numbers are not reported but the average is presented. A "+" indicates there were only one or two respondents, the data contributes to the overall average but is not presented for the county. There were some responses that did not have the county identified. These data contributed to the region average only. **The reliability of the average figures to accurately portray the market for farmland rental 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. **It is critical to remember non-cash caretaking arrangements are a component of virtually all the leases reported here, impacting rates.** 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.

Prepared by: Tom Stanley; Extension Agent for Farm Business Management

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The terms for leases vary tremendously from contract to contract. The tables on the front page provide the averages and ranges for rental rates and length of leases reported by respondents. However, rental rates tell only part of the story. Typically, there are land, fence, or building repair & maintenance activities that are provided by either landlord or tenant and the value of this work is usually taken into account when parties are negotiating particular leases. It is difficult to express these arrangements in this report format but suffice it to say such arrangements impact the rental rates reported on the front page of this report. An attempt to summarize these arrangements is below .

Whole Farm Whole farm leases often contain a mix of pasture , cropland, and wooded land. Structures such as barns or shelters are often included. None of the whole farm rental arrangements reported here include housing for a farm operator or other tenant.

Dairy and Poultry Farms: Data for leased dairy and poultry farms was collected for this survey but the limited number of responses dictate that we not report the results in order to protect the confidentiality of individual responses. If you would like assistance in developing a lease arrangement that involves dairy or poultry facilities, please contact your Farm Business Management Agent through your local Extension Office.

A total of 201 landowners and tenants representing 438 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 lawn maintenance are involved.

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

45.3% said they owned the land.
54.7% said they were the tenants.

7% of Survey Respondents indicated hunting and fishing rights were incorporated into their land rental agreement. The vast majority of cases (93%) indicating the landowner retained all hunting and fishing rights.

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

29.4% of all the reported leases were written
71.6% all the reported leases were verbal agreements
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:

45% said they supplied Fertilizer. This included lime on many leases.
41% said they supplied Weed Control. Weed control included spraying and bushhogging
55% 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:

6.5% said they supplied Herbicides.
29% said they supplied Fence Building Supplies.
5% 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.

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13 % of the landowners and tenants (a total of 31 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.