

2008 DAWSON COUNTY AREA PRICE & RENT SURVEY

January 24, 2008

Price & Rent Trend



Once again we had an excellent response to our survey and feel fairly comfortable the results reflect what is happening in Dawson County. As usual it's important to note that no two operations or rental agreements are exactly alike. Those rents on either end of the range may have some special circumstances. This relates to who is furnishing what inputs and equipment. Production potential may also vary greatly on these extremes. Factors like water availability, depth to water, type of power unit and the non-irrigated corners being priced in with the pivot ground may affect rents.

Summary

Nearly all respondents felt crop rents would be up. Guesses ranged from 0 to 33% higher. The average guess was up by just over 12.5%.

Corners were surveyed separately. Some were priced right in with the rest of the field (and probably lowered some reported rents) but when priced separately there was a huge range with the average rent of \$120.18. It seemed like quite a few of the higher corner rents had sub-irrigated alfalfa. Other corner crops were corn, beans, wheat, milo, cane and grass.

Three alternate pricing arrangements were offered by respondents. They were:

- 1) \$80 on March 1 + 25 bushels to landlord.
- 2) \$150/acre base rent + \$10/Acre for each 25¢ per bushel over \$3.00/bushel using the average of September & October cash price. A \$220.00 maximum was set.
- 3) Yield/Acre X Corn Price/Bushel at harvest. (i.e. $200 \times 25\% = 50 \text{ bu.} \times \$4.00 = \$200/\text{Acre}$)

Yearling and cow/calf pasture rates surprised me some and were down a little. Last year, the cow/calf rent per acre was down on the survey. This year it was back up. In most cases, the landlord took care of the fence in the spring and the thistles, or at least supplied the materials and chemicals. There did seem to be more cases of the tenant being responsible for everything.

Soybean stubble rent ranged from "the only value is as exercise for cattle" to \$10.00/acre.

Alternative crops being considered are: cane or oat hay, and then organic hay, corn and beans.

In addition to the price survey, we also keep a list of producers who do custom operations. It is available at the Extension Office on the Fairgrounds.

Sincerely,

Bruce Treffer
Extension Educator

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CORN GROUND

Good Dawson County gravity irrigated corn ground with average corn base.

	<u>Average</u>	<u>Range</u>
Cash Rent/Acre	\$153.17	\$125 - \$180
Bushels Rent/Acre	51.25	45 - 55
Crop Share	Tenant:Landlord (most common) 60:40	Tenant:Landlord 40:60 to 70:30

Good Dawson County pivot irrigated corn ground with average corn base.

	<u>Average</u>	<u>Range</u>
Cash Rent/Acre	\$168.66	\$125 - \$256
Bushels Rent/Acre	52.1	45 - 60
Crop Share (most common)	Tenant:Landlord 50:50	Tenant:Landlord 50:50 to 70:30
Tenant-owned power unit adjustment	\$10.83	\$5.00 - \$20.00
Tenant-owned pivot adjustment	\$28.21	\$10.00 - \$50.00
Corner rents	\$120.18	\$15 - \$200 (See comments on front)

ALFALFA GROUND

	<u>Average</u>	<u>Range</u>
Cash Rent	\$143.96	\$65 - \$210
Crop Share (put up) (by far the most common is)	Tenant:Landlord 50:50	50:50

PASTURE RENT

	<u>Average</u>	<u>Range</u>
Cow-Calf/month	\$28.75/month	\$25.00 - \$35.00
Cow-Calf/acre	\$26.00/acre	\$20.00 - \$38.00
Yearling Steer/month	\$18.67/month	\$15.00 - \$20.00
Yearling Steer/acre	\$22.50/acre	\$15.00 - \$38.00
Stocking Rate	6.6 acres/cow-calf	3.4 acres/yearling

CORN STALKS

	<u>Average</u>	<u>Range</u>
Head/Day (landowner fences)	\$.23 (2 responses)	\$.15 - \$.30
Per Acre (landowner fences)	\$8.50	\$7.00 - \$12.00
Head/Day (renter fences)	\$0.25	\$.20 - \$.30 (1 response)
Per Acre (renter fences)	\$8.48	\$6.00 - \$12.00

SOYBEAN STUBBLE

	<u>Average</u>	<u>Range</u>
Head/Day (landowner fences)		(No responses)
Per Acre (landowner fences)	\$5.17	\$0.00 - \$8.00 (3 responses)
Head/Day (renter fences)	\$0.09	0 - \$.18 (2 responses)
Per Acre (renter fences)	\$3.82	\$0.00 - \$10.00

OTHER

\$60.00/acre for irrigated grass
\$10.00 - \$20.00/acre for stalks to bale