Cropland Rental Rates for Minnesota Counties

Prepared by:
Gary Hachfeld, Extension Educator, Extension Regional Office Mankato
William Lazarus, University of Minnesota Extension Economist, Farm Management
Dale Nordquist and Rann Loppnow - Center for Farm Financial Management

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Introduction

Land rental rates continue to be of interest to landowners and operators. It is a challenge to determine what rents might be or should be. This publication provides some historical perspective on rental rates actually paid by a group of farms and rental trends over the past five years. This information is meant as a guide and starting point. **The information and data is not meant to establish, determine, set, fix, or even hint at what actual rents should be.** It is simply a reporting of historical land rental rates in Minnesota.

Historical rental data is included for years 2008 through 2012. Weighted average rental rates are listed by county for each year. The 2012 data also includes the median cash rent and the 10th and 90th percentile range.

There is really no way to statistically project future rental rates. Keep in mind the numbers listed are weighted averages. That means there are rents both above and below the numbers listed. Again, these numbers are merely a starting point.

Also included is the 2012 county rental data gathered by the USDA National Ag Statistical Service (NASS) in cooperation with the Minnesota Department of Agriculture. The NASS data is collected by mail-out survey in February and March, with later telephone follow-up. You will notice that some of the numbers align closely with many of the rental numbers in the preceding average column while others do not.

The 2014 column in the document is included so you can list your anticipated 2014 land rent.

Data Source

The land rental data shown in the data tables is extracted from FINBIN, a database of farm record summaries of over 2,300 Minnesota farms. The farmers participate in the Minnesota State Colleges and Universities (MnSCU) Farm Business Management program as well the Southwestern Minnesota Farm Business Management Association. The rental rates reported are association member actual rents paid for the years listed.

Analysis Method

Staff from the Center for Farm Financial Management used FINBIN data to compile the rent data for the years 2008 through 2012.

All row crop acres, small grain acres, canning crop acres, etc. are included in the data analysis. Not included in the analysis are acres allocated to pasture, aftermath grazing, all hay and haylage acres, CRP acres, fallow, and prevented planted acres. All normal farming practices for the regions were included in the analysis. The NASS numbers are for row crops only.

Data was analyzed by county. Counties with a minimum of 10 farms reporting land rent data for FINBIN are included in the analysis. If a given county does not have rent data listed for 2008-2012, there were not enough farms reporting data. Counties with only partial FINBIN data for 2008-2012 and a NASS number have been included because they now meet the 10 farm minimum criteria. Counties with only a NASS number have less than 10 farmers reporting FINBIN data.

Data Results

The following two pages show the county data arranged in eight regions consistent with the Minnesota Department of Agriculture, Agricultural Statistics Service districts.

Minnesota Cropland Rental Rates Per Acre

	Average				2012				2012	2014
	2008	2009	2010	2011	Avg	Median	10th Pctile	90th Pctile	NASS Est.	Est.
Northwest										
Becker	n/a	n/a	n/a	62	82	33	7	69	87	_____
Clay	83	87	92	108	120	121	86	163	111	_____
Clearwater	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	22	_____
Kittson	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	64	_____
Mahnomen	59	61	64	75	83	55	23	98	88	_____
Marshall	45	46	51	48	58	53	26	80	71	_____
Norman	73	79	85	93	97	92	64	126	118	_____
Pennington	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56	_____
Polk	62	61	63	70	81	81	44	120	92	_____
Red Lake	n/a	n/a	42	n/a	n/a	n/a	n/a	n/a	58	_____
Roseau	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	41	_____
West Central										
Big Stone	81	87	98	102	130	124	70	210	126	_____
Chippewa	125	140	149	159	188	173	112	233	170	_____
Douglas	76	70	76	85	112	96	29	151	95	_____
Grant	102	117	120	132	146	118	70	156	121	_____
Lac qui Parle	97	110	112	127	150	134	79	180	140	_____
Otter Tail	60	68	82	80	98	63	25	140	83	_____
Pope	n/a	n/a	94	103	116	112	64	150	105	_____
Stevens	90	98	104	121	135	122	79	188	129	_____
Swift	98	106	105	118	135	160	100	200	146	_____
Traverse	n/a	n/a	100	n/a	171	141	109	259	133	_____
Wilkin	87	87	94	100	123	116	78	166	112	_____
Yellow Med.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	179	_____
Central										
Benton	39	44	49	n/a	n/a	n/a	n/a	n/a	65	_____
Carver	131	144	161	179	206	189	104	237	197	_____
Kandiyohi	126	142	149	175	206	199	139	300	176	_____
McLeod	135	152	155	185	196	200	125	279	213	_____
Meeker	n/a	n/a	128	150	159	159	45	221	169	_____
Morrison	43	35	52	63	68	60	23	137	65	_____
Renville	152	164	157	191	209	200	143	278	194	_____
Scott	131	148	140	160	198	149	98	221	165	_____
Sherburne	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	51	_____
Sibley	149	172	192	203	245	235	125	309	230	_____
Stearns	89	105	93	126	157	108	48	212	121	_____
Todd	43	46	49	52	54	52	23	81	53	_____
Wadena	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	28	_____
Wright	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	135	_____

	Average				2012				2012	2014
	2008	2009	2010	2011	Avg	Median	10th Pctile	90th Pctile	NASS Est.	Est.
East Central										
Aitkin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18	_____
Anoka	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	52	_____
Carlton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11	_____
Chisago	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	55	_____
Crow Wing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	22	_____
Hennepin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	112	_____
Isanti	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	58	_____
Kanabec	31	35	37	37	44	41	24	69	36	_____
Mille Lacs	n/a	n/a	39	n/a	n/a	n/a	n/a	n/a	58	_____
Pine	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	34	_____
Washington	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	102	_____
Southwest										
Cottonwood	143	139	148	164	174	170	90	226	204	_____
Jackson	146	145	157	167	209	200	117	275	178	_____
Lincoln	120	152	n/a	n/a	168	170	87	206	149	_____
Lyon	119	137	140	168	185	173	100	253	174	_____
Murray	120	143	154	168	237	184	123	251	205	_____
Nobles	132	140	146	168	182	180	129	275	185	_____
Pipestone	n/a	n/a	n/a	n/a	223	206	78	309	156	_____
Redwood	122	140	158	173	187	185	112	242	184	_____
Rock	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	213	_____
South Central										
Blue Earth	163	171	174	194	222	201	112	300	209	_____
Brown	133	148	154	173	207	200	150	272	171	_____
Faribault	152	168	173	194	221	222	149	273	214	_____
Freeborn	143	171	192	216	242	275	125	349	237	_____
Le Sueur	149	153	169	179	233	195	108	279	221	_____
Martin	158	177	181	210	254	239	163	303	227	_____
Nicollet	150	161	169	197	223	216	142	297	234	_____
Rice	145	156	167	188	225	198	106	291	215	_____
Steele	146	158	166	170	198	192	150	273	208	_____
Waseca	136	145	160	175	216	176	101	301	207	_____
Watonwan	148	146	165	177	218	193	151	278	219	_____
South East										
Dakota	121	125	185	n/a	215	157	137	257	173	_____
Dodge	142	155	167	187	231	182	86	314	205	_____
Fillmore	153	157	150	198	212	174	120	265	186	_____
Goodhue	144	154	163	186	229	200	101	315	209	_____
Houston	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	163	_____
Mower	153	165	178	201	241	233	128	325	201	_____
Olmsted	143	145	164	171	211	200	133	258	188	_____
Wabasha	n/a	n/a	162	163	216	202	80	250	180	_____
Winona	154	152	148	178	183	160	99	282	177	_____

Under the 2008-2011 "Average" data columns, there is historical rent data for those four years. The land rental data listed is a weighted average of all the farms reporting land rent for a specific county and year.

Under the 2012 crop year columns, the weighted average rent is listed. The median or 50th percentile is also presented with half of the rent for the county listed being less than this amount and half the rents being greater than this amount. In addition to these numbers, the 10th and 90th percentile are included to reflect the range of cash rents. Ten percent of the farmers reporting rents paid less than the rent number listed in the 10th percentile column. Similarly, ten percent of the farmers reporting rents paid more than the rent listed in the 90th percentile column.

The 2012 NASS Estimate data for each county listed is included as a comparison. Every Minnesota county is listed except Ramsey County and the counties in the North Central and Northeast Regions.

Average Annual Change in Rent 2008-12

Following is a table showing average annual changes in land rental rates for the years 2008 through and including 2012 and the one-year change from 2011 to 2012. The calculations are weighted averages to compensate for differences in acres and rental rates from the various counties in each region. The land rental numbers used to calculate the percent change values are also from FINBIN. They are from the same data set used to calculate the county-level average land rental rates for 2008-2012 shown on the previous pages, but they also include farms in all counties in each region. Also included is a state-wide average increase by category.

The 2011-2012 annual change data shows a greater increase than in past years in all regions. There is no definitive way of determining the cause for this. Therefore, the land rental rates listed are again merely a starting point or guide and not an absolute rental rate. The percentage figures are not meant to predict future increases but are merely to document how regional and state rental rates have changed over the years.

Please note that the land rental rates shown here may not align with rents being paid for new land coming on the market.

These rates are the average amounts actually paid and no doubt include various family and long-term rental relationships.

Average Annual Change in Land Rental Rates	2008-2012	2011-2012
Northwest	7.5%	8.9%
West Central	11.2%	18.4%
Central	12.0%	13.4%
East Central	5.0%	13.0%
Southwest	12.1%	18.0%
South Central	11.4%	19.9%
Southeast	11.2%	18.6%
State	10.8%	17.8%

Summary

The land rental rates listed in the data tables are not meant to dictate or determine actual land rental rates. They are simply a listing of the historical land rental data from years 2008-2012 as reported in FINBIN.

Keep in mind that these rental rates include both family as well as un-related party land rental contracts as well as long-term rental contracts. Rental rates between family members can be lower than those between un-related parties. Long-term rental contracts generally do not change dramatically during the length of the contract and therefore may affect the weighted average numbers used in the data calculations.

Those who wish to search FINBIN for land rental data specific to a county or region (assuming there are enough farmers reporting rent values) as well as other farm data can do so by going to the following website: www.finbin.umn.edu. Once there, click on the green bar on the left side of the page titled "Crops". A page will appear giving you choices. Select the crop you want under #1 Crops. Next select county or region under #2 Locations. Under #3 Columns you can search by selecting different years. Make sure "crop tenure type" under #4 Farm Characteristics shows "cash rents". Click #5 Click Here to Generate Report and your data will appear if there are a sufficient number of farms reporting data.

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