

# Cropland Rental Rates for Minnesota Counties

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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 2007 through 2011. Average rental rates are listed by county for each year. The 2011 data also includes the median cash rent and the 10<sup>th</sup> and 90<sup>th</sup> percentile range.

There is really no way to statistically project future rental rates. Keep in mind the numbers listed are 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 2011 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 survey in February and March, with later telephone follow-up. You will notice that most of the numbers align closely with many of the rental numbers in the preceding average column.

The 2013 column in the document is included so you can list your anticipated 2013 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 2,400 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 their 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 2007 through 2011.

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 2007-2011, there were not enough farms reporting data. Counties with only partial FINBIN data for 2007-2011 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				2011				2011	2013
	2007	2008	2009	2010	Avg	Median	10 <sup>th</sup> Pctile	90 <sup>th</sup> Pctile	NASS Est.	Est.
<b>Northwest</b>										
Becker	n/a	n/a	n/a	n/a	62	30	10	78	93	_____
Clay	79	83	87	92	108	110	80	138	112	_____
Clearwater	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	_____
Kittson	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	61	_____
Mahnomen	56	59	61	64	75	50	25	86	89	_____
Marshall	43	45	46	51	48	46	25	66	62	_____
Norman	69	73	79	85	93	85	63	115	89	_____
Pennington	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48	_____
Polk	58	62	61	63	70	70	44	105	87	_____
Red Lake	n/a	n/a	n/a	42	n/a	n/a	n/a	n/a	50	_____
Roseau	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	42	_____
<b>West Central</b>										
Big Stone	78	81	87	98	102	100	59	133	105	_____
Chippewa	108	125	140	149	159	130	102	190	150	_____
Douglas	n/a	76	70	76	85	71	31	113	80	_____
Grant	90	102	117	120	132	91	70	140	115	_____
Lac qui Parle	92	97	110	112	127	126	75	178	127	_____
Otter Tail	65	60	68	82	80	56	25	113	61	_____
Pope	n/a	n/a	n/a	94	103	93	68	129	102	_____
Stevens	85	90	98	104	121	115	72	160	121	_____
Swift	84	98	106	105	118	100	75	176	139	_____
Traverse	n/a	n/a	n/a	100	n/a	n/a	n/a	n/a	117	_____
Wilkin	77	87	87	94	100	100	68	129	112	_____
Yellow Med.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	154	_____
<b>Central</b>										
Benton	n/a	39	44	49	n/a	n/a	n/a	n/a	64	_____
Carver	n/a	131	144	161	179	154	100	213	166	_____
Kandiyohi	n/a	126	142	149	175	167	102	224	168	_____
McLeod	124	135	152	155	185	187	110	259	195	_____
Meeker	n/a	n/a	n/a	128	150	123	44	206	145	_____
Morrison	44	43	35	52	63	56	20	80	50	_____
Renville	121	152	164	157	191	190	134	234	197	_____
Scott	109	131	148	140	160	132	71	192	152	_____
Sherburne	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	42	_____
Sibley	130	149	172	192	203	177	93	256	193	_____
Stearns	79	89	105	93	126	109	35	186	85	_____
Todd	n/a	43	46	49	52	48	23	73	54	_____
Wadena	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25	_____
Wright	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	117	_____

	Average				2011				2011	2013
	2007	2008	2009	2010	Avg	Median	10 <sup>th</sup> Pctile	90 <sup>th</sup> Pctile	NASS Est.	Est.
<b>East Central</b>										
Aitkin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	21	_____
Anoka	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	61	_____
Carlton	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10	_____
Chisago	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	65	_____
Crow Wing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24	_____
Hennepin	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	115	_____
Isanti	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	53	_____
Kanabec	34	31	35	37	37	34	19	54	46	_____
Mille Lacs	n/a	n/a	n/a	39	n/a	n/a	n/a	n/a	68	_____
Pine	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	37	_____
Washington	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	105	_____
<b>Southwest</b>										
Cottonwood	108	143	139	148	164	152	116	207	160	_____
Jackson	119	146	145	157	167	171	117	208	155	_____
Lincoln	107	120	152	n/a	n/a	n/a	n/a	n/a	141	_____
Lyon	100	119	137	140	168	154	101	207	146	_____
Murray	100	120	143	154	168	169	100	207	159	_____
Nobles	117	132	140	146	168	156	108	237	170	_____
Pipestone	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	140	_____
Redwood	104	122	140	158	173	175	113	222	178	_____
Rock	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	182	_____
<b>South Central</b>										
Blue Earth	136	163	171	174	194	175	125	246	173	_____
Brown	119	133	148	154	173	165	105	229	163	_____
Faribault	134	152	168	173	194	185	116	235	198	_____
Freeborn	n/a	143	171	192	216	205	122	274	197	_____
Le Sueur	121	149	153	169	179	162	102	214	178	_____
Martin	133	158	177	181	210	189	137	242	190	_____
Nicollet	127	150	161	169	197	197	131	250	183	_____
Rice	120	145	156	167	188	174	87	236	166	_____
Steele	129	146	158	166	170	170	135	245	176	_____
Waseca	126	136	145	160	175	153	78	237	173	_____
Watonwan	122	148	146	165	177	162	136	222	176	_____
<b>South East</b>										
Dakota	n/a	121	125	185	n/a	n/a	n/a	n/a	147	_____
Dodge	128	142	155	167	187	175	93	224	195	_____
Fillmore	130	153	157	150	198	183	101	262	176	_____
Goodhue	127	144	154	163	186	174	90	238	179	_____
Houston	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	143	_____
Mower	130	153	165	178	201	202	134	275	185	_____
Olmsted	121	143	145	164	171	180	90	237	161	_____
Wabasha	n/a	n/a	n/a	162	163	148	46	177	169	_____
Winona	137	154	152	148	178	155	112	216	163	_____

Under the 2007-2010 “Average” data columns, there is historical rent data for those four years. The land rental data listed is an average of all the farms reporting land rent for a specific county and year.

Under the 2011 crop year columns, the average rent is listed. The median or 50<sup>th</sup> 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 10<sup>th</sup> and 90<sup>th</sup> 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 10<sup>th</sup> percentile column. Similarly, ten percent of the farmers reporting rents paid more than the rent listed in the 90<sup>th</sup> percentile column.

The 2011 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 2007-11**

Following is a table showing average annual changes in land rental rates for the years 2007 through and including 2011 and the one-year change from 2010 to 2011. 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 2007-2011 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 2010-2011 annual change data shows a greater increase than in past years in all but one region. 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 relationships.

Average Annual Change in Land Rental Rates	2007-2011	2010-2011
Northwest	7.3%	13.3%
West Central	8.6%	10.9%
Central	12.1%	15.2%
East Central	n/a	n/a
Southwest	11.9%	11.1%
South Central	10.8%	12.8%
Southeast	10.3%	13.7%
State	10.2%	13.1%

### **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 2007-2011 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 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](http://www.finbin.umn.edu). Once there, select one of the data categories on the left side of the page for whole farm, crop, or livestock information. Simply select the data you want to retrieve by using the drop-down menus. There are a number of help buttons across the top of the page as well. Once your data choices are selected, click on “Generate Report” and await your results. If a sufficient number of farms meet your criteria, you will receive a report.

