

2013 LAND RENTAL GUIDE FOR THE CENTRAL SHENANDOAH VALLEY AND ALLEGHANY HIGHLANDS

(WEIGHTED AVERAGE)

County	Pasture				
	#	Average Length of Lease (Years)	Low Rate per Acre	High Rate per Acre	Average Rate per Acre
Rockingham	18	2	\$12.00	\$50.00	\$34.48
Southwest Rockingham*	+		+	+	\$36.61
Augusta	32	1.27	\$8.92	\$75.00	\$33.17
Highland/Bath	19	2.3	\$5.00	\$28.44	\$15.91
Rockbridge / Botetourt	16	2.6	\$8.00	\$38.50	\$17.34

#	Average Length of Lease (Years)	Low Rate Per Acre Per Year	High Rate per Acre	Average Rate per Acre
+		+	+	\$104.11
13	1.9	\$14.30	\$200.00	\$104.11
+		+	+	
13	2.6	\$20.00	\$50.00	\$38.61

#	Average Length of Lease (Years)	Low Rate Per Acre Per Year	High Rate per Acre	Average Rate per Acre
+		+	+	\$63.30
16	1.2	\$15.00	\$75.00	\$41.91
8	1	\$20.00	\$50.00	\$35.92
11	1.36	\$20.00	\$48.00	\$30.68

* some respondents provided the town or village nearest to the rented farm. This enabled the author to compile some observations specific to southwestern Rockingham County.

County	Whole Farm, 2013 Survey					Avg No. Bldgs	Avg Acres Pasture	Avg Acres Crop
	#	Average Length of Lease (Years)	Low Rate Per Acre Per Year	High Rate per Acre	Average Rate per Acre			
Rockingham	10	3	\$46.15	\$97.71	\$53.24	1.4	35	45
Augusta	14	2.4	\$24.10	\$60.00	\$37.70	2.4	76	57
Rockbridge	7	3.1	\$7.06	\$25.54	\$16.69	1.1	127.1	19.6
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 2013 Survey				
	Average Length of Lease (Months)	Avg Cow/Calf Rate per Month	Low Rate per Month	High Rate per Month	
Highlands	5	8	\$9.37	\$8.50	\$14.00

Have Rental Rates Gone Up? Here are some reported land rental rates from our previous survey in 2011

County	Pasture, 2011 Survey				
	#	Average Length of Lease (Years)	Low Rate per Acre	High Rate per Acre	Average Rate per Acre
Rockingham	37	1.4	\$18.00	\$200.00	\$38.87
Augusta	40	1.8	\$15.00	\$50.00	\$27.69
Highland/Bath	15	1	\$9.30	\$40.00	\$16.81
Rockbridge	17	1.1	\$10.00	\$37.50	\$18.77

#	Average Length of Lease (Years)	Low Rate Per Acre Per Year	High Rate per Acre	Average Rate per Acre
16	1.5	\$20.00	\$46.35	\$110.00
+		+	+	
7	12	\$10.00	\$35.00	\$19.34

#	Average Length of Lease (Years)	Low Rate Per Acre Per Year	High Rate per Acre	Average Rate per Acre
20	1	\$12.50	\$50.00	\$32.05
+	+	+	+	+
+	1.8	\$17.00	\$31.00	\$19.07

During the spring of 2013, Virginia Cooperative Extension sent a survey of land rental values to farmers in 6 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 2013 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. Good and Average Cropland weres categorized by the person responding to the survey. Cropland also contains land rented exclusively for hay. The "#" symbol indicates the number of respondents in that particular category. A "+" indicates there were a limited number of respondents, the high and low numbers are not reported but the average is presented. **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 a family relationship between landowner and tenant. **Land stewardship arrangements (fence repair, annual mowing, etc) are a component of virtually all the cash leases reported here, impacting rates. Further results and explanation of the survey are on the back. For more information on land leases contact your local office of Virginia Cooperative Extension.**

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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 reponses 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 Mangement Agent through your local Extension Office.

A total of 56 landowners and 75 tenants representing 209 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:

42% said they owned the land.
58% 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% of all the reported leases were written
71% 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:

39% said they supplied Fertilizer. This included lime on many leases.
38% said they supplied Weed Control. Weed control included spraying and bushhogging
52% 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:

4% said they supplied Herbicides.
32% said they supplied Fence Building Supplies.
8% 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.

Prepared by Tom Stanley; Extension Agent for Barm Business Management

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.