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FIELD RENTAL RATES

in Michigan

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Michigan farmland renters and owners face a continuing problem in negotiating satisfactory rental arrangements. Contracts and rates negotiated vary from area to area and depend upon such factors as the amount of land for rent, the number of potential renters, the quality of the land, type of crops grown, historical rental arrangements, and other alternatives.

To assist renters and owners in negotiating satisfactory agreements, a questionnaire survey of Michigan Telfarm farm records cooperators was conducted to determine current field rental arrangements. Four hundred fifty-seven cooperators returned questionnaires. This publication presents a summary of the results of the survey. The results are shown by major areas of the state (see Figure 1). These areas were delineated on the basis of major soil resources, type of farming, and nearness to major urban centers.

The rental rates contained herein are not set forth as those which *should* be charged for renting Michigan farmland, but are intended to serve as a guide to renters and owners in negotiating field rental arrangements.

CASH RENTAL RATES

Tables 1 and 2 contain the rate range and most common rate or rates for cash rental arrangements on untilled and tilled land in Michigan by major areas. No rates are shown for crops in some areas because they are not commonly grown in the area, or there was an insufficient number of responses to establish rates. A wide variation in rates was noted both between areas

and within areas for many crops. Differences in rates for some crops are due to tiling of land. A comparison of Tables 1 and 2 indicates that tilled land generally commands a higher rate than untilled land.

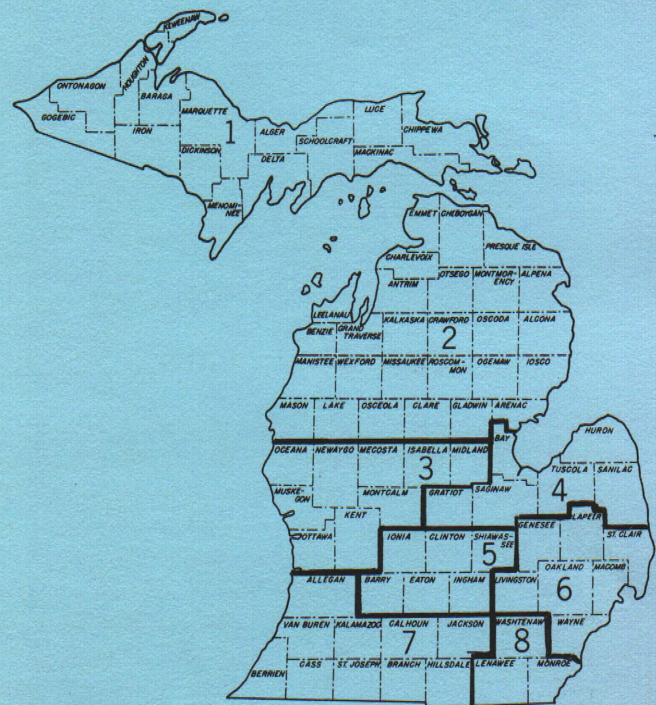


Figure 1. Major Areas of Michigan

Table 1. (a)

FIELD CASH RENTAL RATES FOR UNTILED LAND IN MICHIGAN

Crop or Land	Area of State ^{a/}							
	1 Upper Peninsula		2 North		3 West Central		4 Saginaw Valley and Thumb	
	(Dollars Per Acre)							
	Most Common	Range	Most Common	Range	Most Common	Range	Most Common	Range
Pasture Land: Native Seeded	1.00 N.A. ^{b/}	1.00-3.00 2.00-5.00	2.00 N.A.	2.00- 7.00 3.50-10.00	N.A. N.A.	N.A. 5.00-10.00	N.A. N.A.	N.A. N.A.
Corn	N.A.	N.A.	10.00	5.00-20.00	10.00	7.00-25.00	15.00	8.00-31.00
Soybeans	N.A.	N.A.	N.A.	N.A.	15.00	10.00-17.50	12.00, 15.00, 20.00	11.00-25.00
Field Beans	N.A.	N.A.	N.A.	8.00-20.00	15.00	10.00-15.00	15.00 & 20.00	11.00-35.00
Hay	4.00	2.50-5.00	10.00	5.50-13.00	10.00	10.00-25.00	20.00	10.00-25.00
Wheat	N.A.	N.A.	8.00	8.00-10.00	15.00	10.00-15.00	15.00	10.00-25.00
Sugar Beets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	20.00 & 25.00	11.00-35.00
Potatoes	N.A.	N.A.	20.00	15.00-20.00	20.00	17.50-35.00	20.00	11.00-50.00

^{a/} See Figure 1 for location of areas.

^{b/} Figures not available.

SHARE RENTAL RATES

Tables 3 and 4 contain the rate range and most common rate or rates reported for share rental arrangements in untilled and tilled land in Michigan by major areas. Again, no rates are shown for crops in some areas because they are not commonly grown, or there was an inadequate number of responses. The 50-50 share basis was most common for hay, and for crops in Southern Michigan and the Thumb area (Areas 4, 7 and 8). The $\frac{2}{3}$ - $\frac{1}{3}$ share basis was most common for crops in other areas of the state. In general, there was no difference in the share basis for tilled versus untilled land.

The renters share of costs raised according to the share arrangement for the crop. The following discussion summarizes the usual sharing arrangements reported for various cost items.

$\frac{2}{3}$ - $\frac{1}{3}$ Share Basis

In this share lease, the renter receives two-thirds of the crop. He commonly furnishes the labor, power, machinery, seed, hauling, harvesting, and weed and insect control and two-thirds of the fertilizer. The owner usually furnishes one-third of the fertilizer. On several cases, however, insect and weed control was also shared on a $\frac{2}{3}$ - $\frac{1}{3}$ basis.

50 - 50 Share Basis

In this share lease, the renter receives half of the crop. He commonly furnishes the labor, power, ma-

Table 1. (b)

FIELD CASH RENTAL RATES FOR UNTILED LAND IN MICHIGAN

Crop or Land	Area of State ^{a/}							
	5 Central		6 East Central		7 Southwest		8 Southeast	
	(Dollars Per Acre)							
	Most Common	Range	Most Common	Range	Most Common	Range	Most Common	Range
Pasture Land:								
Native	5.00	5.00-10.00	N.A.	4.00- 5.00	5.00, 15.00	5.00-15.00	N.A.	N.A.
Seeded	N.A.	N.A.	N.A.	11.00-15.00	15.00, 20.00	8.00-20.00	N.A.	N.A.
Corn	14.00	8.00-25.00	15.00	6.00-16.00	15.00	5.00-40.00	20.00	15.00-37.50
Soybeans	15.00 & 20.00	10.00-23.00	15.00	8.50-15.00	15.00	10.00-20.00	N.A.	10.00-37.50
Field Beans	10.00	10.00-25.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Hay	10.00	10.00-30.00	10.00	6.00-22.50	20.00	10.00-25.00	N.A.	15.00-25.00
Wheat	12.00	10.00-20.00	10.00, 15.00	7.00-15.00	15.00	10.00-20.00	20.00	10.00-35.00
Sugar Beets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Potatoes	N.A.	N.A.	N.A.	N.A.	40.00	37.50-60.00	N.A.	N.A.

^{a/} See Figure 1 for location of areas.

^{b/} Figures not available.

chinery and half of the seed, fertilizer, weed and insect control and harvesting and hauling expenses. The owner receives half of the crop and furnishes the other half of the expense items previously listed.

Hay

Hay was usually reported as being harvested on a 50 - 50 basis. The renter receives half of the hay and usually pays for all the harvesting and hauling expenses.

Sugar Beets

Some variation was noted in usual share rates for sugar beets. The most common share arrangements were an 80 - 20 basis and a 20 - 80 basis. Under the 80 -

20 basis the renter is responsible for all expense items (other than land) and receives 80 percent of the crop. But, with the 20 - 80 basis the renter is responsible for only labor, power, and machinery expenses. The owner is responsible for all other expenses.

SHARING GOVERNMENT PAYMENTS

Field rental arrangements may occasionally stipulate sharing provisions of government payments among renters and owners. One-third of the farmers responding reported sharing government program payments for corn, wheat, and sugar beets under cash rental arrangements. Eighty percent of the farmers responding reported sharing these payments under crop share arrangements. The manner in which the payments were shared varied according to the various renting arrangements. Of course, rental arrangements involving government payments must conform to any program regulations.

Table 2. (a)

FIELD CASH RENTAL RATES FOR TILED LAND IN MICHIGAN

Crop or Land	Area of State ^{a/}							
	1 Upper Peninsula		2 North		3 West Central		4 Saginaw Valley and Thumb	
	Most Common	Range	Most Common	Range	Most Common	Range	Most Common	Range
	(Dollars Per Acre)							
Pasture Land: Native Seeded	N.A. ^{b/} N.A.	N.A. N.A.	N.A. N.A.	N.A. 10.00-20.00	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. N.A.
Corn	N.A.	N.A.	10.00	10.00-25.00	18.00	10.00-30.00	35.00	15.00-45.00
Soybeans	N.A.	N.A.	N.A.	N.A.	N.A.	25.00-30.00	25.00	15.00-45.00
Field Beans	N.A.	N.A.	N.A.	13.50-30.00	N.A.	12.50-30.00	35.00	20.00-50.00
Hay	N.A.	2.75-7.00	10.00	10.00-30.00	12.00	10.00-18.00	35.00	20.00-35.00
Wheat	N.A.	N.A.	N.A.	N.A.	N.A.	12.50-20.00	30.00	20.00-45.00
Sugar Beets	N.A.	N.A.	30.00	N.A.	30.00	30.00-40.00	40.00	20.00-55.00
Potatoes	10.00	N.A.	N.A.	N.A.	N.A.	17.50-20.00	50.00	22.50-60.00

^{a/} See Figure 1 for location of areas.^{b/} Figures not available.

Table 2. (b)

FIELD CASH RENTAL RATES FOR TILED LAND IN MICHIGAN

Crop or Land	Area of State ^{a/}							
	5 Central		6 East Central		7 Southwest		8 Southeast	
	Most Common	Range	Most Common	Range	Most Common	Range	Most Common	Range
	(Dollars Per Acre)							
Pasture Land: Native Seeded	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. N.A.	N.A. 10.00	6.00-15.00 N.A.	N.A. N.A.	N.A. N.A.
Corn	20.00	15.00-30.00	25.00	11.00-25.00	25.00	10.00-30.00	35.00	10.00-45.00
Soybeans	25.00, 30.00	17.50-30.00	N.A.	10.00-25.00	20.00	12.50-30.00	35.00	10.00-40.00
Field Beans	20.00	20.00-30.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Hay	25.00	10.00-25.00	N.A.	17.50-25.00	15.00	5.00-20.00	20.00	15.00-25.00
Wheat	20.00	10.00-30.00	N.A.	11.00-16.00	10.00, 15.00	10.00-25.00	25.00	15.00-40.00
Sugar Beets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	50.00	40.00-50.00
Potatoes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	50.00	38.00-65.00

^{a/} See Figure 1 for location of areas.^{b/} Figures not available.

Table 3. (a)

TENANT'S SHARE UNDER CROPLAND SHARE RENTAL ARRANGEMENTS ON UNTILED LAND IN MICHIGAN

Crop	Area of State ^{a/}							
	1 Upper Peninsula		2 North		3 West Central		4 Saginaw Valley and Thumb	
	Most Common	Range	Most Common	Range	Most Common	Range	Most Common	Range
Corn	N.A. ^{b/}	N.A.	1/4	1/4 - 4/5	2/3	1/4 - 3/4	1/3, 1/2	1/3 - 2/3
Field Beans	N.A.	N.A.	1/3	N.A.	1/2, 2/3	1/3 - 3/4	1/3	1/3 - 2/3
Soy Beans	N.A.	N.A.	N.A.	N.A.	1/2	1/3 - 1/2	1/3, 1/2	1/3 - 2/3
Wheat	N.A.	N.A.	N.A.	N.A.	2/3	1/3 - 2/3	1/3	1/3 - 2/3
Hay	N.A.	N.A.	1/3	1/3 - 1/2	1/2	1/3 - 1/2	1/2	1/3 - 2/3
Sugar Beets	N.A.	N.A.	N.A.	N.A.	1/2	1/3 - 2/3	1/5	1/5 - 4/5
Potatoes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

^{a/} See Figure 1 for location of areas.^{b/} Figures not available.

Table 3. (b)

TENANT'S SHARE UNDER CROPLAND SHARE RENTAL ARRANGEMENTS ON UNTILED LAND IN MICHIGAN

Crop	Area of State ^{a/}							
	5 Central		6 East Central		7 Southwest		8 Southeast	
	Most Common	Range	Most Common	Range	Most Common	Range	Most Common	Range
Corn	2/3	1/4 - 3/4	2/3	1/3 - 2/3	1/2	1/3 - 2/3	1/2	1/3 - 2/3
Field Beans	1/2	1/3 - 2/3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Soy Beans	1/2	1/2 - 2/3	N.A.	N.A.	1/2	1/3 - 2/3	1/2	1/3 - 2/3
Wheat	1/2, 2/3	1/4 - 2/3	2/3	N.A.	1/2	1/3 - 2/3	1/2	1/2 - 2/3
Hay	1/2	1/2 - 2/3	N.A.	1/3 - 2/3	1/2	1/3 - 2/3	2/3	N.A.
Sugar Beets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Potatoes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

^{a/} See Figure 1 for location of areas.^{b/} Figures not available.

Table 4.

TENANT'S SHARE UNDER CROPLAND SHARE RENTAL ARRANGEMENTS ON TILED LAND IN MICHIGAN^{a/}

Crop	Area of State ^{b/}							
	4 Saginaw Valley and Thumb		5 Central		7 Southwest		8 Southeast	
	Most Common	Range	Most Common	Range	Most Common	Range	Most Common	Range
Corn	2/3	1/3 - 2/3	1/3, 2/3	1/3 - 2/3	1/2	1/2 - 3/4	1/2	1/2 - 2/3
Field Beans	2/3	1/3 - 2/3	N.A.	1/3 - 1/2	N.A.	N.A.	1/2	N.A.
Soy Beans	1/3, 2/3	1/3 - 2/3	N.A.	N.A.	1/2	1/2 - 2/3	1/2	1/2 - 2/3
Wheat	2/3	1/3 - 2/3	N.A.	1/3 - 2/3	1/2	1/2 - 3/4	1/2	1/2 - 2/3
Hay	N.A.	1/3 - 2/3	1/2	1/3 - 2/3	1/2	1/2 - 2/3	N.A.	N.A.
Sugar Beets	4/5	1/5 - 4/5	N.A.	N.A.	N.A.	N.A.	1/2	N.A.
Potatoes	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

^{a/} No figures available for the Upper Peninsula, North, West Central and East Central areas.

^{b/} See Figure 1 for location of area.