

FIELD RENTAL RATES in Michigan

Extension Bulletin E-683 — Revised May 1974

By R. L. Meekhof, L. J. Connor and S. B. Nott
Department of Agricultural Economics

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. Three hundred twenty-three 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.

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 those crops are not commonly grown, or there was an inadequate number of responses.

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.

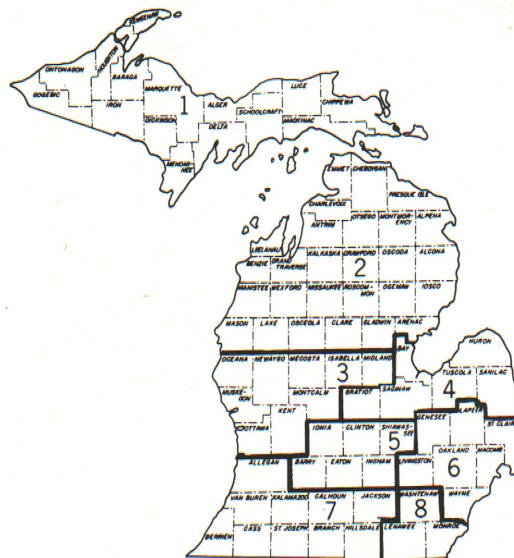


Figure 1. Major Areas of Michigan

$\frac{2}{3}$ - $\frac{1}{3}$ 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, machinery 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 $\frac{2}{3}$ - $\frac{1}{3}$ basis and a 50 - 50 basis. The renter usually pays for all the harvesting and hauling expenses and receives two-thirds or one-half of the hay.

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.

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)							
	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent
Pasture Land: Native Seeded	1.00-5.00 n.a. ^{b/}	2.50 n.a.	1.50-8.00 10.00	5.00 10.00	n.a. n.a.	n.a. n.a.	n.a. n.a.	n.a. n.a.
Corn	5.00-22.50	5.00 & 10.00	6.00-25.00	10.00	10.00-25.00	10.00 & 15.00	8.00-38.00	25.00 & 30.00
Soybeans	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.00-35.00	10.00 & 35.00
Field Beans	n.a.	n.a.	n.a.	n.a.	15.00	15.00	15.00-40.00	20.00, 30.00 & 35.00
Hay	3.00-30.00	5.00 & 10.00	6.00-25.00	12.00	10.00-22.00	10.00, 15.00 & 20.00	10.00-25.00	25.00
Sugar Beets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	20.00-40.00	30.00 & 40.00
Potatoes	n.a.	n.a.	n.a.	n.a.	20.00-45.00	30.00	n.a.	n.a.

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

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)							
	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent
Pasture Land: Native Seeded	5.00-15.00 10.00-20.00	5.00 & 10.00 15.00	n.a. n.a.	n.a. n.a.	n.a. 12.00-22.00	n.a. 22.00	n.a. n.a.	n.a. n.a.
Corn	10.00-21.00	15.00 & 20.00	8.00-30.00	10.00, 12.00 & 15.00	6.00-30.00	15.00 & 25.00	11.00-40.00	20.00 & 25.00
Soybeans	10.00-21.00	10.00	10.00-30.00	15.00	13.00-20.00	15.00 & 17.50	11.00-40.00	15.00, 25.00 & 35.00
Field Beans	n.a. ^{b/}	n.a.	10.00-20.00	10.00	n.a.	n.a.	n.a.	n.a.
Hay	10.00-28.00	20.00	8.00-30.00	10.00, 15.00 & 20.00	10.00-20.00	15.00	15.00-50.00	15.00 & 20.00
Sugar Beets	n.a.	n.a.	15.00-25.00	20.00	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 2. (a)

FIELD CASH RENTAL RATES FOR TILED LAND IN MICHIGAN

Area of State ^{a/}						
Crop or Land	2 North		3 West Central		4 Saginaw Valley and Thumb	
	(Dollars Per Acre)					
	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent
Corn	n.a. ^{b/}	n.a.	9.00-30.00	15.00, 20.00 & 30.00	15.00-70.00	35.00, 40.00 & 45.00
Soybeans	n.a.	n.a.	n.a.	n.a.	15.00-50.00	25.00 & 40.00
Field Beans	n.a.	n.a.	12.00-22.00	n.a.	20.00-70.00	35.00, 40.00 & 45.00
Hay	n.a.	n.a.	12.00-22.00	12.00 & 15.00	10.00-40.00	25.00 & 40.00
Sugar Beets	n.a.	n.a.	n.a.	n.a.	25.00-70.00	45.00 & 50.00
Potatoes	n.a.	n.a.	n.a.	n.a.	45.00-80.00	50.00

^{a/} See Figure 1 for location of areas. No figures available for Upper Peninsula.

^{b/} Figures not available.

Table 2. (b)

FIELD CASH RENTAL RATES FOR TILED LAND IN MICHIGAN

Area of State ^{a/}								
Crop or Land	5 Central		6 East Central		7 Southwest		8 Southeast	
	(Dollars Per Acre)							
	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent
Corn	12.00-55.00	15.00-25.00	12.50-30.00	15.00 & 25.00	9.00-30.00	15.00 & 20.00	12.00-50.00	20.00, 30.00 & 50.00
Soybeans	14.00-55.00	30.00	10.00-30.00	20.00	15.00-30.00	22.00	20.00-55.00	20.00, 30.00 & 35.00
Field Beans	n.a. ^{b/}	n.a.	20.00-30.00	20.00	n.a.	n.a.	n.a.	n.a.
Hay	n.a.	n.a.	10.00-40.00	25.00	n.a.	n.a.	12.00-50.00	30.00 & 50.00
Sugar Beets	n.a.	n.a.	20.00-35.00	20.00 & 35.00	n.a.	n.a.	n.a.	n.a.
Potatoes	n.a.	n.a.	n.a.	n.a.	25.00-50.00	n.a.	52.50-70.00	n.a.

^{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/}					
	2 North		3 West Central		4 Saginaw Valley and Thumb	
	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent
Corn	n.a.	n.a.	1/3 - 3/4	2/3 & 3/4	1/3 - 2/3	2/3
Field Beans	n.a.	n.a.	n.a.	n.a.	1/3 - 2/3	1/3 - 2/3
Soybeans	n.a.	n.a.	n.a.	n.a.	1/3 - 2/3	1/2 & 2/3
Wheat	n.a.	n.a.	1/3 - 1	2/3	1/3 - 2/3	2/3
Hay	1/3 - 1	2/3 & 1	n.a.	n.a.	1/2 - 2/3	2/3
Sugar Beets	n.a.	n.a.	n.a.	n.a.	1/5 - 4/5	1/2 & 4/5
Potatoes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

^{a/} See Figure 1 for location of areas. No figures available for Upper Peninsula.

^{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	
	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent
Corn	1/3 - 2/3	1/2 & 2/3	1/3 - 2/3	1/2	1/4 - 3/4	2/3 & 1/2	1/3 - 3/4	1/2
Field Beans	n.a. ^{b/}	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Soybeans	1/2 - 2/3	1/2	n.a.	n.a.	1/2 - 3/4	1/2	1/2 - 3/4	1/2 & 2/3
Wheat	1/3 - 2/3	1/2	n.a.	n.a.	1/2 - 3/4	1/2 - 2/3	1/3 - 3/4	1/2 & 2/3
Hay	1/3 - 2/3	1/2 & 2/3	n.a.	n.a.	1/3 - 2/3	2/3	1/3 - 2/3	1/3
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	
	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent	Range	Most Frequent
Corn	1/3 - 2/3	1/3 & 2/3	1/3 - 2/3	1/2 & 2/3	1/2 - 3/4	1/2	1/2 - 3/4	1/2
Field Beans	1/3 - 2/3	1/3 & 2/3	1/2 - 2/3	n.a. ^{c/}	n.a.	n.a.	n.a.	n.a.
Soybeans	1/3 - 2/3	2/3	1/2 - 2/3	1/2	1/2 - 3/4	n.a.	1/2 - 3/4	1/2
Wheat	1/2 - 2/3	1/3 & 2/3	n.a.	n.a.	1/2 - 3/4	n.a.	1/2 - 3/4	1/2
Sugar Beets	1/5 - 4/5	1/5 & 4/5	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/}No figures available for the Upper Peninsula, North, West Central and East Central areas.^{b/}See Figure 1 for location of area.^{c/}Figures not available.

—CALCULATIONS—

—CALCULATIONS—

Issued in furtherance of cooperative extension work in agriculture and home economics, acts of May 8, and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Gordon E. Guyer, Director, Cooperative Extension Service, Michigan State University, E. Lansing, Mich. 1P-2R-5:74-LO