



How much can I lease my farm land for?

By Teagan Moran, OSU Small Farms Program, <http://smallfarms.oregonstate.edu/south-valley>



Often landowners are seeking the current rental rate for farm land in their area. They want a \$/Acre range. Unfortunately the answer is not as simple as the question. Reliable data collection related to current lease prices is a challenge. Some people wish to keep their arrangements private and neighboring properties can have wildly different lease rates. The reason for the variance is that lease agreements are often personal.

Leases are not just about the land, they are a part of a relationship. The value of the land is only one part of the asking price, often for a land owner the management practices and personalities of the farmers using the land are just as important. The motivations for leasing land can range from a need for income to a desire to see the land stewarded.

Some items for consideration in a rate negotiation:

- Length of lease
- Size of parcel
- Who will carry insurance on the property and/or crops?
- What is the soil type/quality? drainage?
- Are there water rights?
- Is the land certified organic?
- What infrastructure is included? Fencing?
- Current weed pressure
- Proximity to market or distribution channels for the farmer or proximity to other land farmed

The USDA National Agricultural Statistics Service (NASS) compiles county-level statistics for per-acre cash rental rates for irrigated farmland, non-irrigated farmland, and pasture. NASS has [maps of average lease rates](#) by

state. However, it is not recommended that you base rental rates solely on such benchmark data. The rates are averages that don't consider the differences in land rental rates across a county. Actual rates vary from these statistics, as there is no standard for determining a rental rate. One of the best methods for getting data in your local area is to talk with your neighbors.

The 'word of mouth' data that we have collected shows a range of \$67/Acre - \$350+/Acre (some even lease for free). Longer term leases for berries and nursery crops and land for certified organic production are on the higher end of the spectrum while non irrigated land with poor soil quality is on the lower. Pasture rental rates can be figured by animal size or weight, condition of the pasture (forage quality and quantity), and labor offered by both parties. For more information on pasture rental rates check out:

- <http://smallfarms.oregonstate.edu/additional-livestock-resources>
- <https://extension.oregonstate.edu/produce-forage/pastures-forages/pasture-rental-rate-revised>

The most common way that land in the Willamette Valley is leased is with annual cash rent. Another model is crop share agreements, where the owner can receive up to 25-33% of gross sales in exchange for sharing in expenses related to the operation. Others exchange farmland use for services the farm operator may be able to provide, like plowing or mowing. Farm products are also used as currency for rental. For additional reading see:

- <http://cceeontario.org/resources/how-much-should-you-charge-for-renting-farmland>

Banner Photo Credit: Lynn Ketchum, Copyright Oregon State University