

2018 Farm Rental Rates

by Kenneth J. Eck

Extension Educator, Agricultural & Natural Resources

Purdue Extension – Dubois County

As a plentiful grain harvest continues across Indiana and bins continue to fill, landowners and the farmers renting ground are reminded to review rental contracts where working agreements are in need of updating or renewal, including items such as rental rates.

Written contracts are strongly recommended to add clarity to any owner-renter agreement and to add a much firmer business

foundation for both parties involved, especially when farming challenges or questions of responsibilities might arise. For written contracts the expiration date should be clearly stated as part of the contract, allowing for a set ending time when both parties might regularly re-examine their business arrangement.

For verbal agreements, the partners involved must formally (and, preferably in writing) notify the other party by December 1 if one or both parties are no longer interested in working together.

Termination of a verbal lease or rental agreement may be necessary for a number of

reasons, the most common reasons being to make the land available for another tenant or for the sale or transfer of the property. Indiana law (IC 32-31-1-3) says a three-month notice may be required. When a lease agreement does not otherwise specify, the end of the lease year is likely to be the last day of February. This implies that the lease notice must be delivered before December 1 of the prior year.

In regards to average sale and rental prices for local farmland, Purdue surveys conducted in June 2018 found that on a state-wide basis, year to year comparisons of Indiana farmland indicated that top, average, and poor quality farmland sale prices all increased slightly with modest gains of 1.6, 2.1% and 2.4%, respectively. Average 2018 sale prices for Indiana were \$8,668 for top farmland (204 bu. corn/acre average), \$7,072 for average farmland (173 bu. corn/acre average), and \$5,407 for poor farmland (141 bu. corn/acre average).

For the southwest Indiana region (which includes Dubois County and counties west), top (212 bu. corn/year average) and average (172 bu. corn/year average) categories of farmland sale prices continued to drop with declines in prices of 1.2% and 3.0%, respectively, while the poor (130 bu. corn/

year average) category showed a slight increase of 1.3%. Farmland average prices for southwest Indiana found top farmland at \$8,874, average farmland at \$6,084, and poor farmland at \$4,032.

Similarly for farmland rental rates, commodity grain prices continued to drive caution in pricing across Indiana with average rental rates showing slight increases statewide by 3.2% for the top category, as well as slight increases for average (2.4%) and poor (3.1%) categories. Average rental rates for these land classes were \$261/acre, \$210/acre, and \$168/acre, respectively.

Southwest Indiana rental rates turned around for all categories, with top, average, and poor categories showing average increases of 2.3%, 1.0%, and 2.1%, respectively. Rental rates for our region averaged at \$263/acre for top farmland, \$196/acre for average farmland, and \$143/acre for poor farmland.

For the complete report on 2018 farmland sale and rental averages (including rates for pasture and hay fields), check out the free Purdue publication “Purdue Agricultural Economics Report – August 2018” at https://ag.purdue.edu/agecon/Documents/PAER%20August%202018_final.pdf.

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9:00 AM EST

JASPER HIGH SCHOOL
COMMUNITY ROOM
1600 ST CHARLES ST, JASPER, IN

BUFFET BREAKFAST
SAUSAGE, POTATO, EGG, BISCUITS, FRUIT
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\$5 PAYABLE AT DOOR WITH RSVP

RSVP BY NOVEMBER 2:

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or

812-482-1782



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LEE BILDERBACK
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Kids having fun at Sparks Club

