

# NORTH DAKOTA FARM

## LEASING IN 1975

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**Renting land continues to become more important in North Dakota as trends to larger farm sizes and fewer land sales continue. Crop-share leases are the most widely used lease, with the 2/3-1/3 lease as the most popular arrangement. Cash rental rates rose 29 per cent over the 1974 average.**

The crop-share lease continues as the most widely used lease type in North Dakota, according to information reported to the 1975 Farmland Market Survey conducted by the Department of Agricultural Economics. The crop-share lease was the most popular lease in five of the seven State Economic Areas (Map 1), although the cash lease has grown in use.

The most common crop-share lease again in 1975 was the 2/3-1/3 arrangement, where returns are divided 1/3 to the landlord and 2/3 received by the tenant (Map 2). The range in reported use of this lease type varied from nearly 100 per cent in area 3C to a low of 31 per cent in area 3B. Area 3B was the only area in the state where the 2/3-1/3 lease made up less than half of the crop-share leases. This area used a close variation of the 2/3-1/3 lease in the 70-30 lease.

Cash leases continued to become more popular in North Dakota. The percentage of cash leases to all leases ranged from 57 per cent in Economic

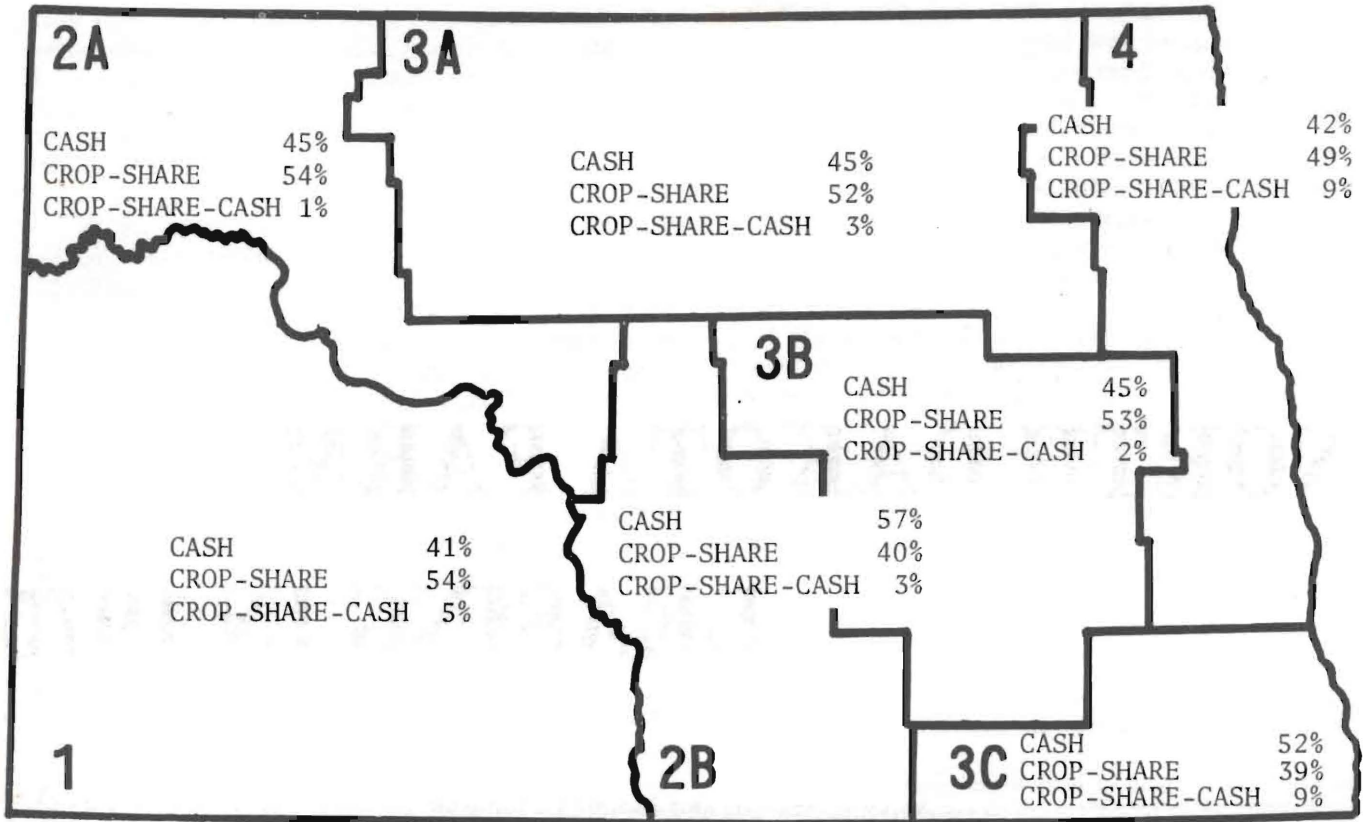
Area 2B to a low of 41 per cent in area 1. The range in 1974 was from 57 per cent to 24 per cent. Average rents and the range in rents reported by areas are given in Maps 3 and 4. The North Dakota average cash rent for wheat or barley acres increased to \$25.58 from the \$19.81 average in 1974.

Average cash rent increased more slowly than land values in 1975. The state average land value increased 39 per cent, from \$205 to \$285, while the cash rent increased by 29 per cent from the 1974 average. The percentage of cash rent to land value decreased in 1975 to 8.98 per cent from the 1974 average of 9.66 per cent. Traditionally, this value has ranged from 7.5-8.5 per cent.

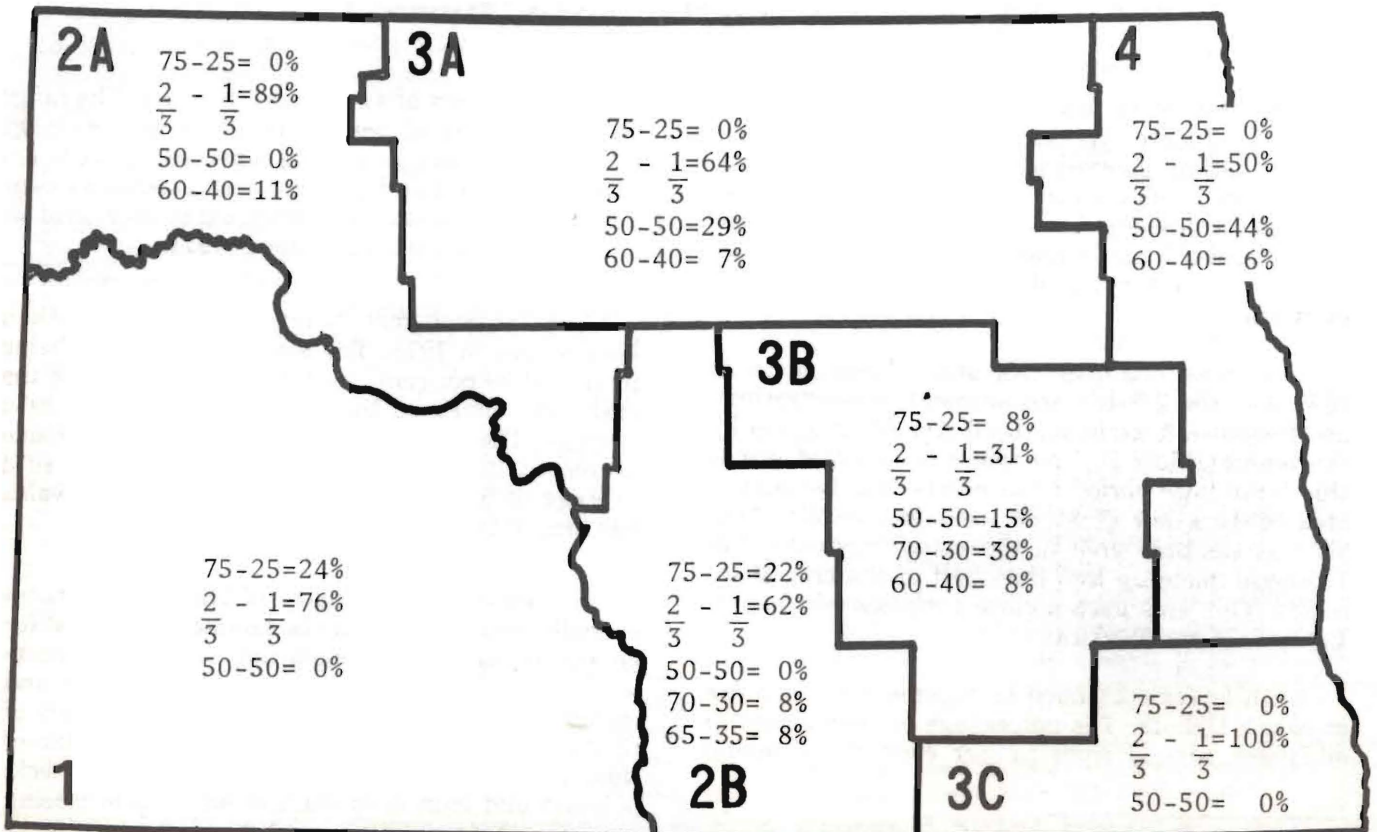
The agricultural industry of the United States is challenged to assist in the production of food for an increasing world population. Given the incentive, farmers will respond to the challenge and continue to add new and more efficient methods of production. They will have to increase the size of their operations to take advantage of new technologies and gain economies of size. Farm leasing provides the flexibility needed to adapt to ever-present technological advancements in farming.

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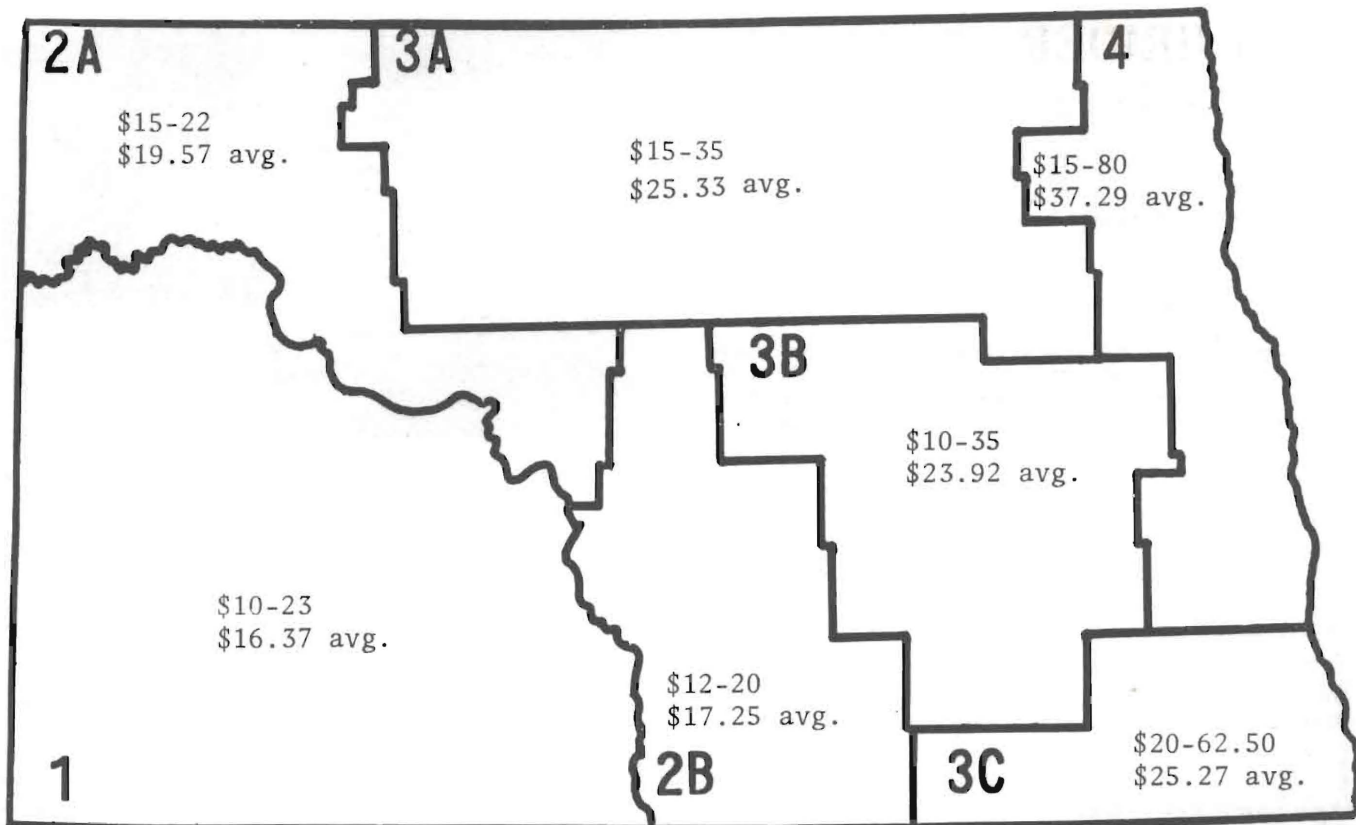
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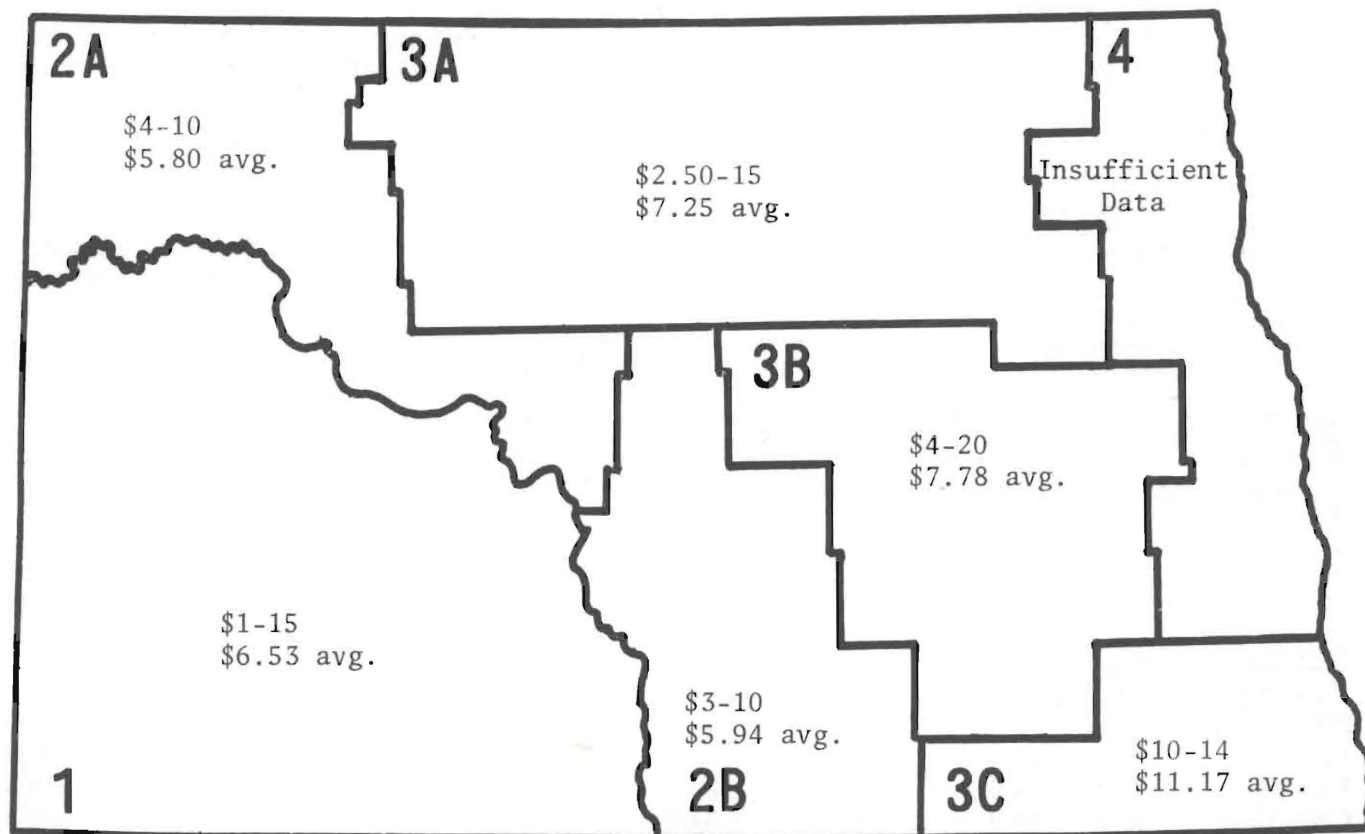
Map 1. Per cent of lease by types in use in 1975.



Map 2. Per cent of crop-share leases in use in 1975.



Map 3. Cash rent per acre — wheat or barley land, 1975.



Map 4. Cash rent per acre — pastureland, 1975.