

FARMLAND LEASE PATTERNS IN 1982

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The cash lease was the most frequently used type of farmland lease in North Dakota in 1982.

Information in this report was obtained from 126 reporters asked about farmland rental arrangements and rates in their service areas. Reporters included farmland brokers and county supervisors of the Farmers Home Administration. Information obtained from reporters documents trends in each farming area and not specific farm leases.

Cash leasing continues as the dominant type of farmland lease in most farming areas. The relative importance of each lease type is presented in Figure 1. Cash/crop share leases continue at only 5 percent of all lease types. Cash leases made up 59 percent of all lease types. Crop share leases accounted for about 36 percent of leases by types in 1982.

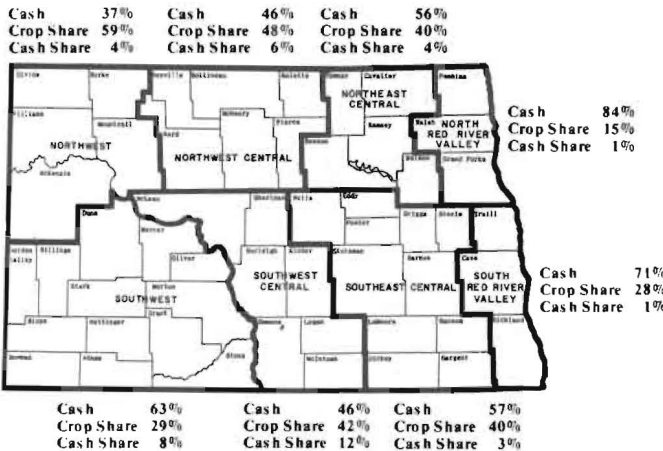


Figure 1. Percent of Leases by Type of Use, 1982.

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The percentages presented in Figure 1 indicate that cash leases dominate most strongly in the Red River Valley and the farming areas to the immediate west and in the Southwest farming area. The ratios reported for the state in Figure 1 for 1982 are similar to leases reported in recent years.

The most widely followed crop sharing arrangement for wheat and barley continues to be the one-third/two-thirds lease (see Figure 2). This sharing arrangement was the only one reported in the Northwest, Southwest, and Northwest Central farming areas. This ratio dominates in all farming areas, but reporters indicate that changing farm costs and returns is introducing change in these leasing arrangements.

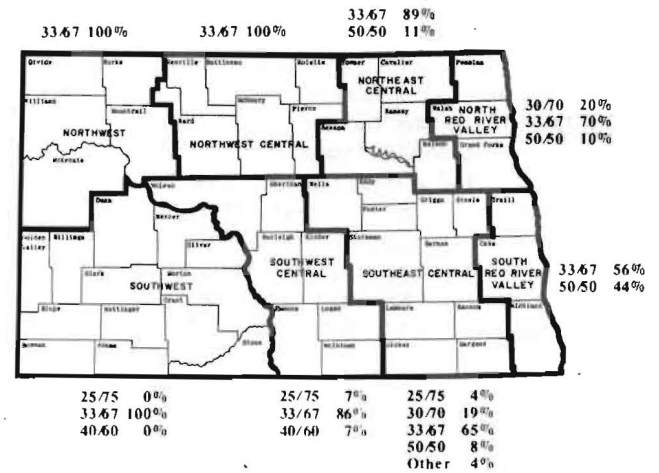
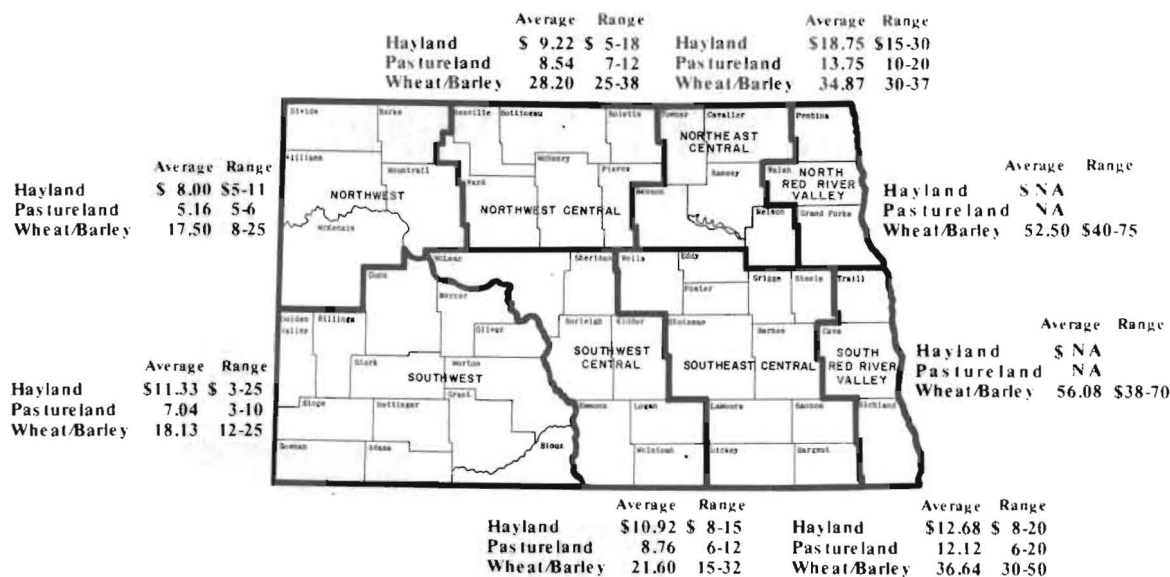


Figure 2. Percent of Crop Share Leases Reported for Wheat for 1982.

Specialty crop areas of the North and South Red River Valley farming areas traditionally reflect more variations in the wheat and barley crop sharing arrangements. Yields are higher and competition from potatoes, sugarbeets, and other crops introduces more competition in the lease market. Landlords alter the traditional sharing ratio, either sharing less in the 30/70 arrangement or sharing more via the 50/50 lease.

The most variation in wheat and barley crop sharing arrangements in 1982 was reported in the Southeast



State: Hayland \$12.62 Pastureland \$10.15 Wheat/Barley \$32.97

Figure 3. Cash Rents Per Acre Reported for Hayland, Pastureland, and Wheat/Barley Land in 1982, with Computed Simple Averages and Ranges in Estimates for Eight Farming Areas.

Central farming area. Leasing arrangements ranged from a one-fourth/three-fourths to a 50/50 sharing. Landlords and tenants have changed items being shared, changing both the items and amounts of landlord contribution in the face of lower crop and livestock returns.

Average Cash Rentals

Average cash rentals per acre were calculated for wheat/barley, hayland, and pastureland. These cash rentals are reported in Figure 3. Additionally, the range in rental rates is reported according to the eight farming areas in the state.

Average statewide cash rental for wheat and barley cropland was \$32.97 in 1982, up from the 1981 average of \$32.30 and the 1980 figure of \$29.68 an acre. Average cash rentals rose in all but two farming areas. Increases were reported as up from \$54.58 in 1981 to \$56.08 in 1982 in the South Red River Valley, up from \$49.62 in 1981 to \$52.50 in 1982 in the North Red River Valley, and lesser increases in other farming areas. Declines in wheat/barley cropland cash rentals occurred in the Northwest farming area with no change in the Southwest farming area.

State average cash rental per acre calculated for hayland in 1982 was \$12.62, showing no real change from the 1981 average of \$12.67 per acre. Farming area averages rose from \$15.75 in 1981 to an average of

\$18.75 an acre in 1982 in the Northeast Central area, up from \$8.33 to \$9.22 in the Northwest Central area, and up from \$7.20 to \$8.00 an acre in 1982 in the Northwest farming area. Lower hayland average rentals were reported in the Southeast Central area, being down from \$14.27 in 1981 to an average of \$12.68 an acre in 1982. Average rentals for both hayland and pastureland in the two Red River Valley farming areas are weak figures because these areas have few acres in these uses.

Calculated state average cash rental per acre of pastureland was \$10.15 in 1982, compared to \$8.94 in 1981 and \$7.73 in 1980. Average rentals were up in all of the farming areas except for the Southwest Central area. The decline in the Southwest Central farming area was from \$8.94 an acre in 1981 down to \$8.76 in 1982. The Southwest area average for pastureland rose from \$6.61 in 1981 to \$9.42 in 1982. Calculated averages in the other farming areas reflected smaller but some increases since 1981.

Only 32 reports on cash leases on cropland used for sunflower were received. The average cash lease was \$35.00 per acre for the state. Eleven reports for the Southeast Central farming area indicated an average of \$37.18 an acre for sunflower. Only nine reports on cash rented potato land were received, all in the North Red River Valley farming area, where the computed average was \$75.77 an acre. The six sugarbeet land cash rentals reported for the North Red River Valley farming area averaged \$77.50 an acre in 1982.