

How Much Is Pasture Renting For?

MU Extension Has The Answer

MT. VERNON, MO.

Eldon Cole, a University of Missouri Extension livestock specialist, says the question people ask him most often is about the going rate for pasture rentals.

Fortunately, Cole can refer people to data on cash rental rates compiled every couple years by the MU Extension agricultural economics staff.

The data comes from a statewide survey of land and cattle owners to determine the range and average of pasture rentals. The most recent report, by Ron Plain and Joyce White, is based on more than 200 survey responses collected in 2008.

Rates reported by people who rated their pasture as "good"-requiring less than four acres per 1,000-pound cow per year-averaged \$29.95 per acre per year. Reported values ranged from \$10 to \$65 per acre.

The average rate for fair/poor pasture, which requires more than four acres per cow per year, was \$22.34. Rates ranged from \$7.50 to \$40 per acre per year. Only a few reported timber pasture, which averaged \$7.03 per acre.

A few respondents indicated that they rent pasture on a per head per month basis. The average for that was \$9.44 per cow-calf per month. Rents ranged from \$4 to \$27 and the av-

erage time on the pasture was 7.1 months.

A 2009 review of nine Great Plains states shows the average monthly charge per cow-calf was \$16.80. The 11 states west of the Great Plains ran slightly higher at \$17.40 per unit.

"Those prices indicate why Missouri continues to have a comparative advantage for running beef cows," Cole said.

Missouri did drop from second to third place in the ranking for beef cows as of January 1, 2009. Oklahoma squeezed into second place by about 40,000 cows.

"Part of Missouri's reduction in number likely can be attributed to favorable corn and soybean prices, which resulted in land being taken out of pasture. Don't be surprised if Missouri doesn't move back into second behind Texas in a couple of years," Cole said.

Complete information about farmland rental rates can be found online at <http://agebb.missouri.edu/mgt/bull8b.htm>.

The report should not be used as the sole basis for determining your rent, Cole said. "But it may provide a reference as you consider the factors unique to your situation. The acres of land available for rent and the number of tenants wanting to rent for cash, as well as production costs and market prices, can affect the amount of rent negotiated." △



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