

CASH RENTS PAID FOR GEORGIA FARMLAND IN 2004

Survey Conducted and Summary by
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This report presents a tabulation of the results of a survey on cash rents paid for farmland in Georgia in 2004. The survey was conducted among County Extension Agents in February this year.

The cash rent data collected will be summarized by farming activity using two geographical classification systems. The first classifies the counties into nine (9) Statistical Reporting Districts as defined by the Georgia Statistical Reporting Service (Georgia Agricultural Statistics Service, GASS). The other defines regional boundaries using the four (4) extension districts as defined by the university's Cooperative Extension Service.

STATE SUMMARY

The following table presents a state-level summary of the cash rental rates in 2004 according to types of farming activity.

Table 1. Cash Rent Reported per Acre, Georgia, 2004 (dollars)			
Farming Activity/Type of Farmland	High	Low	Average
<i>Dry Land, No Specific Crop</i>	100.00	15.00	39.07
<i>Irrigated Land, No Specific Crop</i>	175.00	25.00	108.96
<i>Dry Land, Cotton</i>	100.00	15.00	45.50
<i>Irrigated Land, Cotton</i>	170.00	65.00	111.53
<i>Dry Land, Peanuts</i>	150.00	25.00	50.73
<i>Irrigated Land, Peanuts</i>	170.00	40.00	113.01
<i>Irrigated Land, Vegetables</i>	200.00	25.00	125.67
<i>Dry Land, Pecan</i>	75.00	20.00	51.11
<i>Irrigated Land, Pecan</i>	150.00	50.00	85.83
<i>Pasture</i>	50.00	10.00	25.79

In general, the 2004 cash rental rates reported were higher than the 2002 rental rates. Average rental rates per acre of dry and irrigated land for any type of farming activity in 2004 were calculated at \$39.07 and \$108.96, representing increases of 19.99% and 32.07%, respectively, over the 2002 averages obtained from a similar survey (Givan, 2002)

The overall incremental trend in the bi-annual rental rates is true for most of the farming activities considered in the survey. For instance, rental rates for farmland intended for cotton farming increased from per-acre rates of \$39.17 (dry land) and \$95.77 (irrigated land) in 2002 to \$45.50 and \$111.53, respectively, in 2004. These derived 2004 rental rates represent increases of 16.16% and 16.46% for dry and irrigated land, respectively, over the bi-annual period. Improved pasture rental rates per acre in 2004 averaged \$25.79, representing a 6.48% increase over the average rate of \$24.22 per acre in 2002.

The only crop enterprise activity that deviated from the general trend was pecan production in an irrigated farmland where this survey produced an average rental rate per acre of \$85.73, compared to the average rate of \$88.67 obtained in 2002.

Caution must be observed in making comparisons of average rental rates in the bi-annual surveys since the varying geographical composition of the respondents in the 2002 and 2004 surveys could have influenced the determination of average rates. The noted general trend of increasing average rental rates from 2002 to 2004, however, is consistent with the results of annual surveys reported by the National Agricultural Statistics Service (NASS) of the United States Department of Agriculture (USDA). The NASS survey figures, which were obtained from a sample of farmland owners interviewed around June of each year, indicate that Georgia's average rental rates per acre of dry and irrigated land, regardless of crop farming operations, increased from \$39 and \$103 in 2002 to \$42 and \$110, respectively, in 2004. Pasture rental rates per acre also increased from \$23 in 2002 to \$24 in 2004.

As before, the average rental rates in this report can only serve as a guide in making land rental decisions. Producers contemplating on renting land to be used for certain farming activities as well as farmland owners who are planning to lease out some acres of their property should both carefully evaluate the potential for generating business profits entering into leasing contracts. The determination of the level of rental rate should ensure that such rate is "fair" to both contracting parties (the farmland owner and the prospective farmer-tenant/lessee). An extension publication "What Can You Pay or Charge for Land Rent?" that deals with the determination of best, "fair" leasing rates is available at the Agricultural Economics extension website at the following link: <http://www.ces.uga.edu/Agriculture/agecon/pubs/paychargerent.htm> for further reference.

The subsequent sections present detailed summaries of the survey results by geographical region and farming activity.

**Table 2. Cash Rent Reported per Acre for Cropland
NO SPECIFIC CROP, Dryland and Irrigated, Georgia, 2004 (dollars)**

<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One	33.33	45.00	20.00	NR	NR	NR
Two	25.63	35.00	15.00	NR	NR	NR
Three	20.00	20.00	20.00	**	**	**
Four	35.00	50.00	25.00	81.00	100.00	60.00
Five	27.89	35.00	15.00	77.50	100.00	25.00
Six	32.50	50.00	15.00	87.00	100.00	50.00
Seven	43.86	75.00	25.00	128.86	170.00	80.00
Eight	67.79	100.00	30.00	125.00	175.00	75.00
Nine	43.50	70.00	30.00	106.88	125.00	75.00

NR = None Reported

** = Insufficient Number of Replies

**Table 3. Cash Rent Reported per Acre for Cropland
TO GROW COTTON, Dryland and Irrigated, Georgia, 2004 (dollars)**

<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One through Two	NR	NR	NR	NR	NR	NR
Three	22.50	25.00	20.00	NR	NR	NR
Four	37.50	50.00	30.00	86.25	100.00	80.00
Five	30.63	45.00	15.00	84.17	125.00	25.00
Six	36.07	50.00	20.00	91.25	100.00.	65.00
Seven	46.14	75.00	25.00	133.41	170.00	100.00
Eight	69.29	100.00	30.00	127.50	175.00	75.00
Nine	53.00	70.00	42.00	96.67	115.00	75.00

NR = None Reported

**Table 4. Cash Rent Reported per Acre for Cropland
TO GROW PEANUTS, Dryland and Irrigated, Georgia, 2004 (dollars)**

<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One through Three	NR	NR	NR	NR	NR	NR
Four	38.75	50.00	30.00	91.25	100.00	80.00
Five	35.00	45.00	25.00	100.00	125.00	75.00
Six	41.00	45.00	35.00	91.00	100.00.	65.00
Seven	47.50	75.00	25.00	134.55	170.00	80.00
Eight	68.07	100.00	30.00	126.79	175.00	75.00
Nine	61.25	70.00	40.00	88.75	115.00	40.00

NR = None Reported

**Table 5. Cash Rent Reported per Acre FOR PECAN ORCHARD,
Dryland and Irrigated, Georgia, 2004 (dollars)**

<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One through Four	NR	NR	NR	**	**	**
Five	62.50	75.00	50.00	112.50	125.00	100.00
Six	41.25	50.00	20.00	**	**	**
Seven	50.00	50.00	50.00	100.00	100.00	100.00
Eight	45.00	65.00	25.00	**	**	**
Nine	**	**	**	65.00	70.00	60.00

NR = None Reported

** = Insufficient Number of Replies

Table 6. Cash Rent Reported per Acre for Irrigated Cropland TO GROW VEGETABLES, Georgia, 2004 (dollars)

<u>Statistical Reporting District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One Through Three	**	**	**
Four	77.50	100.00	55.00
Five	125.00	150.00	100.00
Six	87.50	125.00	50.00
Seven	152.14	175.00	100.00
Eight	156.25	200.00	75.00
Nine	127.50	150.00	85.00

** = Insufficient Number of Replies

Table 7. Cash Rent Reported per Acre for PASTURE Georgia, 2004 (dollars)

<u>Statistical Reporting District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One	27.50	40.00	20.00
Two	28.67	45.00	15.00
Three	25.44	50.00	15.00
Four	21.00	25.00	20.00
Five	20.69	25.00	10.00
Six	21.00	28.00	10.00
Seven	28.33	40.00	20.00
Eight	32.14	40.00	15.00
Nine	27.50	40.00	10.00

SUMMARY BY EXTENSION DISTRICT

The following map presents the four geographical regions (extension districts) being used by the Cooperative Extension Service.

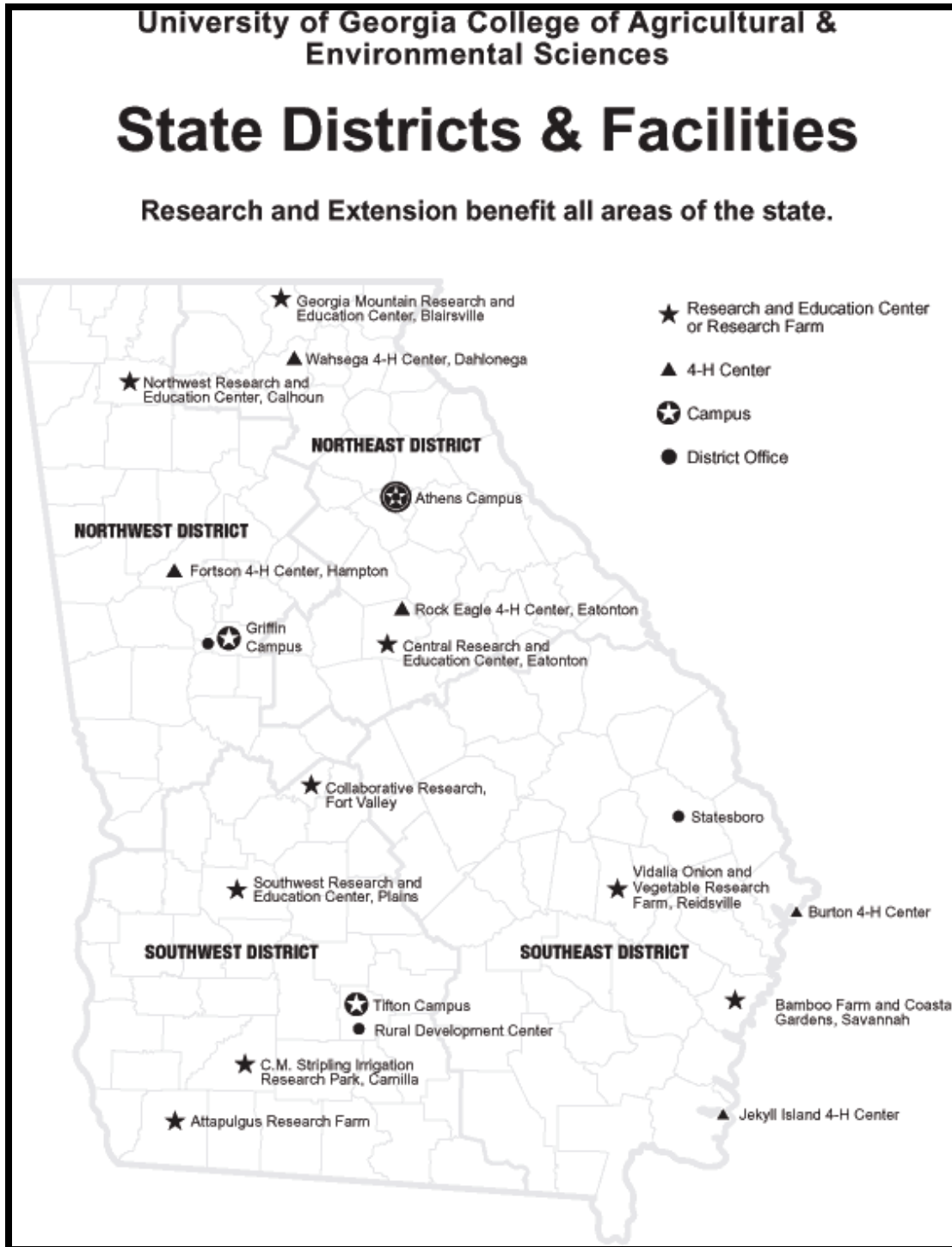


Table 8. Cash Rent Reported per Acre for Cropland NO SPECIFIC CROP, Dryland and Irrigated, Georgia, 2004 (dollars)						
<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	24.36	30.00	15.00	73.13	100.00	25.00
Northwest	32.00	45.00	20.00	70.00	80.00	60.00
Southeast	43.75	75.00	25.00	100.25	125.00	50.00
Southwest	47.48	100.00	25.00	118.45	170.00	80.00

Table 9. Cash Rent Reported per Acre for Cropland TO GROW COTTON, Dryland and Irrigated, Georgia, 2004 (dollars)						
<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	24.58	35.00	20.00	NR	NR	NR
Northwest	NR	NR	NR	**	**	**
Southeast	48.82	75.00	25.00	97.78	125.00	65.00
Southwest	49.55	100.00	25.00	122.74	170.00	85.00

NR = None Reported

** = Insufficient Number of Replies

Table 10. Cash Rent Reported per Acre for Cropland TO GROW PEANUTS, Dryland and Irrigated, Georgia, 2004 (dollars)						
<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	**	**	**	**	**	**
Northwest	NR	NR	NR	NR	NR	NR
Southeast	51.59	75.00	25.00	98.41	150.00	40.00
Southwest	50.79	100.00	25.00	121.36	170.00	75.00

NR = None Reported

** = Insufficient Number of Replies

Table 11. Cash Rent Reported per Acre FOR PECAN ORCHARD, Dryland and Irrigated, Georgia, 2004 (dollars)						
<u>Statistical Reporting District</u>	<u>Dryland</u>			<u>Irrigated</u>		
	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	32.50	45.00	20.00	**	**	**
Northwest	NR	NR	NR	NR	NR	NR
Southeast	**	**	**	57.50	70.00	50.00
Southwest	52.14	75.00	25.00	114.29	150.00	100.00

NR = None Reported

** = Insufficient Number of Replies

Table 12. Cash Rent Reported per Acre for Irrigated Cropland TO GROW VEGETABLES, Georgia, 2004 (dollars)			
<u>Statistical Reporting District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	62.50	100.00	25.00
Northwest	**	**	**
Southeast	115.31	150.00	50.00
Southwest	144.67	200.00	55.00

** = Insufficient Number of Replies

Table 13. Cash Rent Reported per Acre for PASTURE Georgia, 2004 (dollars)			
<u>Statistical Reporting District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	22.77	35.00	15.00
Northwest	30.10	45.00	20.00
Southeast	27.32	40.00	10.00
Southwest	27.36	40.00	15.00

References:

Givan, W. *Cash Rents Paid for Georgia Farmland in 2002*. University of Georgia College of Agricultural and Environmental Sciences, Cooperative Extension Service. Available online at <http://www.ces.uga.edu/Agriculture/agecon/pubs/land02.htm>.

National Agricultural Statistics Service – United States Department of Agriculture. *Land Values and Cash Rents 2004 Summary*. August 2004. Available online at: <http://usda.mannlib.cornell.edu/reports/nassr/other/plr-bb/land0804.pdf>.

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AGECON-05-99
April 2005

Issued in furtherance of Cooperative Extension, Acts of May 8 and June 30, 1914, the University of Georgia, College of Agricultural and Environmental Sciences and Fort Valley State University, and the U.S. Department of Agriculture Cooperating.

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