

## CASH RENTS PAID FOR GEORGIA FARMLAND IN 2007

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 the first half of 2007. The survey was conducted among County Extension Agents from February to April 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 the first half of 2007 according to types of farming activity.

**Table 1. Cash Rent Reported per Acre, Georgia, 2007 (dollars)**

Farming Activity/Type of Farmland	High	Low	Average
<i>Dry Land, No Specific Crop</i>	75.00	19.00	42.27
<i>Irrigated Land, No Specific Crop</i>	160.00	45.00	108.00
<i>Dry Land, Cotton</i>	75.00	25.00	47.58
<i>Irrigated Land, Cotton</i>	160.00	50.00	113.02
<i>Dry Land, Peanuts</i>	75.00	30.00	49.26
<i>Irrigated Land, Peanuts</i>	160.00	50.00	107.60
<i>Irrigated Land, Vegetables</i>	250.00	40.00	123.81
<i>Pecan Orchard</i>	204.00	50.00	93.97
<i>Pasture</i>	50.00	10.00	28.49

In general, only 4 of the 9 statewide average cash rental rates calculated in 2007 were higher than the rental rates reported in the last survey conducted in 2004. Average rental rate per acre of dry land for any type of farming activity in early 2007 was calculated at \$42.27, representing an increase of 8.19% over the 2002 average rate of \$39.07 (Escalante, 2005). On the other hand, the average rental rate for irrigated land dropped slightly from \$108.96 in 2004 to \$108.00 in 2007.

The other average rental rates that increased from their 2004 levels include the rental rates for dry and irrigated farmland devoted to cotton production. The per-acre rental rates increased from \$45.50 (dry land) and \$111.53 (irrigated land) in 2004 to \$47.58 and \$113.02, respectively, in early 2007. The 2007 rental rates represent increases of 4.57% and 1.34% for dry and irrigated land, respectively, over the three-year period. Improved pasture rental rates per acre in early 2007 averaged \$28.49, representing a 10.47% increase over the average rate of \$25.79 per acre in 2004. Notably, pasture rents posted the largest percentage increase between 2004 and 2007 rental rates.

The average rental rates for farmland used for peanut and vegetable production declined slightly over the three-year period. Specifically, the average rental rates in early 2007 for dry and irrigated farmland for peanut farming were calculated at \$49.26 and \$107.26 per acre, representing a 2.90% and 4.79% decrease in their 2004 rates of \$50.73 and \$113.01, respectively. Farmland for vegetable farming has been rented on average at \$123.81 per acre, which declined by 1.48% from its 2004 rate of \$125.67 per acre.

Caution must be observed in making comparisons of average rental rates in the 2004 and 2007 surveys since the varying geographical composition of the respondents in these two surveys could have influenced the determination of average rates. The trends of increasing average rental rates from 2004 to 2007 reported here for certain farming situations are 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 \$42 and \$110 in 2004 to \$43 and \$117, respectively, in 2006 (the latest survey results available at this time). Pasture rental rates per acre also increased from \$24 in 2004 to \$25 in 2006.

In absolute terms, this survey's statewide average for renting dry land for any farming activity (\$42.27 per acre) is close to the figure obtained in the NASS survey (\$43 per acre). However, the NASS average rate for irrigated farmland rent of \$117.00 significantly exceeds the \$108.00 average rent obtained in this survey. On the other hand, this survey's average pasture rent of \$28.49 is higher than the NASS rate of \$25.00 per acre.

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. In these summaries, improvements (increments) in average cash rental rates from their previous (2004) levels are highlighted using red-colored, bold-faced fonts. Direct comparisons between the 2004 and 2007 rental rates for pecan orchards cannot be made in this report since the 2007 survey instrument did not make a distinction between dry and irrigated pecan orchards in the same way that the 2004 survey did.

## SUMMARY BY GASS STATISTICAL REPORTING DISTRICTS

The following map presents the nine geographical regions (statistical reporting districts) as defined by the GASS:



**Table 2. Cash Rent Reported per Acre for Cropland  
NO SPECIFIC CROP, Dryland and Irrigated, Georgia, 2007 (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	33.17	50.00	19.00	**	**	**
Two	<b>41.88</b>	50.00	30.00	NR	NR	NR
Three	**	**	**	NR	NR	NR
Four	<b>40.83</b>	50.00	30.00	<b>83.33</b>	125.00	50.00
Five	<b>31.43</b>	45.00	20.00	<b>101.25</b>	125.00	80.00
Six	38.21	50.00	25.00	<b>94.38</b>	105.00	85.00
Seven	<b>50.71</b>	100.00	30.00	<b>138.57</b>	160.00	125.00
Eight	60.00	75.00	40.00	124.64	150.00	82.50
Nine	<b>43.75</b>	50.00	35.00	90.00	100.00	85.00

\*\* = Insufficient Number of Replies

NR = None Reported

**Table 3. Cash Rent Reported per Acre for Cropland  
TO GROW COTTON, Dryland and Irrigated, Georgia, 2007 (dollars)**

<u>Statistical Reporting</u>	<u>Dryland</u>			<u>Irrigated</u>		
<u>District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One through Four	**	**	**	**	**	**
Five	<b>37.50</b>	45.00	30.00	<b>101.25</b>	125.00	80.00
Six	<b>40.83</b>	50.00	25.00	<b>93.33</b>	115.00	65.00
Seven	<b>52.00</b>	70.00	35.00	<b>140.00</b>	160.00	100.00
Eight	62.14	75.00	40.00	127.50	150.00	82.50
Nine	49.00	60.00	35.00	<b>103.33</b>	125.00	85.00

\*\* = Insufficient Number of Replies

**Table 4. Cash Rent Reported per Acre for Cropland  
TO GROW PEANUTS, Dryland and Irrigated, Georgia, 2007 (dollars)**

<u>Statistical Reporting</u>	<u>Dryland</u>			<u>Irrigated</u>		
<u>District</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	**	**	**	**	**	**
Five	<b>38.75</b>	50.00	30.00	<b>101.25</b>	125.00	80.00
Six	<b>47.50</b>	50.00	40.00	<b>96.67</b>	115.00	75.00
Seven	<b>51.50</b>	70.00	32.50	<b>138.00</b>	160.00	125.00
Eight	60.00	75.00	50.00	122.14	150.00	82.50
Nine	49.00	70.00	35.00	<b>90.50</b>	100.00	75.00

NR = None Reported

\*\* = Insufficient Number of Replies

**Table 5. Cash Rent Reported per Acre FOR PECAN ORCHARD, Georgia, 2007 (dollars)**

<u>Statistical Reporting District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One through Four	NR	NR	NR
Five	**	**	**
Six	72.50	100.00	50.00
Seven	112.88	204.00	60.00
Eight	126.67	200.00	55.00
Nine	**	**	**

NR = None Reported

\*\* = Insufficient Number of Replies

**Table 6. Cash Rent Reported per Acre for Irrigated Cropland  
TO GROW VEGETABLES, Georgia, 2007(dollars)**

<u>Statistical Reporting District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One Through Four	**	**	**
Five	101.25	125.00	80.00
Six	<b>111.67</b>	135.00	100.00
Seven	<b>158.75</b>	175.00	150.00
Eight	<b>168.13</b>	162.50	110.00
Nine	106.25	125.00	75.00

\*\* = Insufficient Number of Replies

**Table 7. Cash Rent Reported per Acre for PASTURE  
Georgia, 2007(dollars)**

<u>Statistical Reporting</u> <u>District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
One	22.30	25.00	14.00
Two	<b>38.40</b>	50.00	25.00
Three	21.25	25.00	20.00
Four	<b>24.50</b>	27.50	20.00
Five	<b>23.33</b>	30.00	20.00
Six	<b>27.75</b>	35.00	20.00
Seven	<b>30.42</b>	47.50	30.00
Eight	<b>34.64</b>	50.00	25.00
Nine	<b>31.00</b>	50.00	25.00

## SUMMARY BY EXTENSION DISTRICT

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

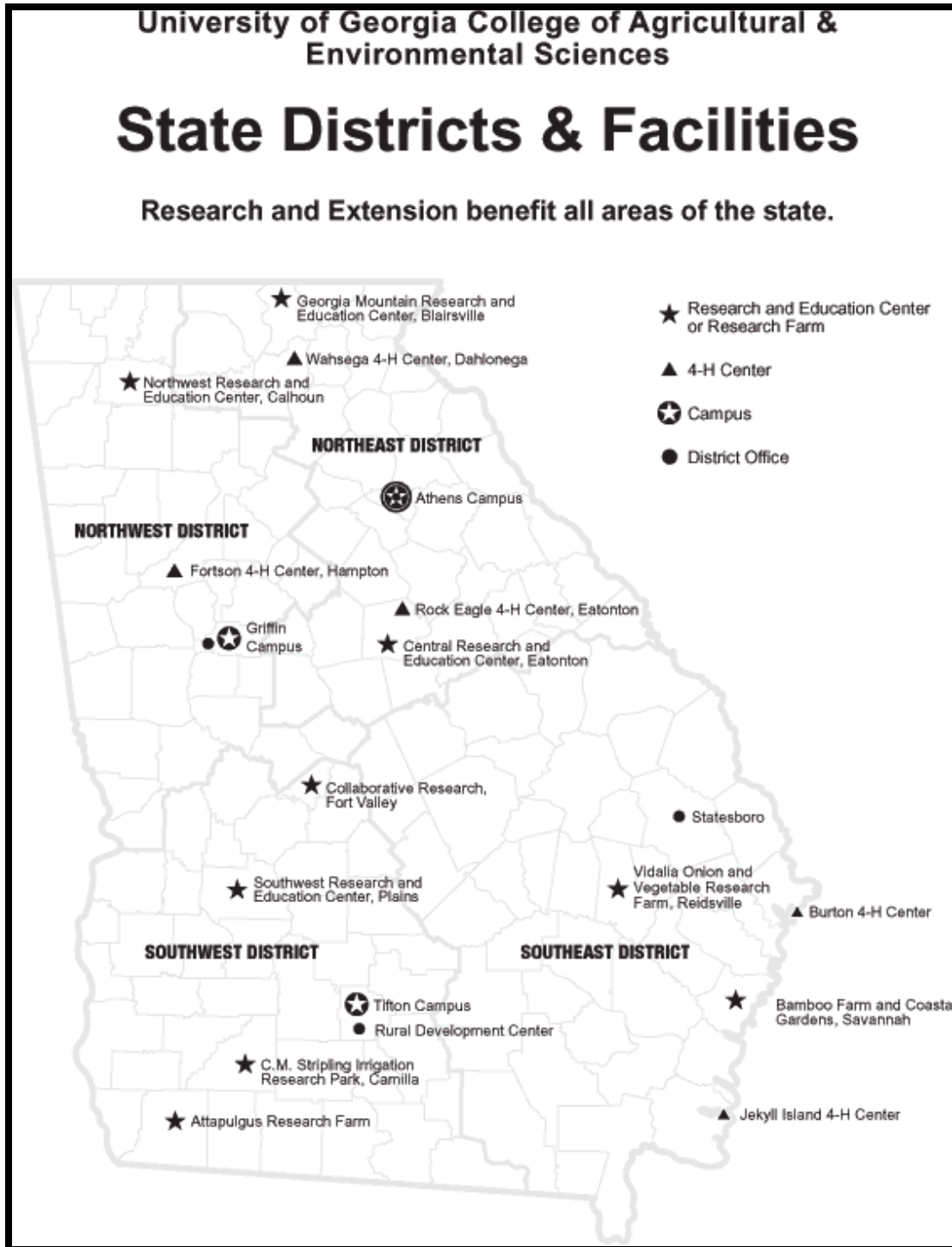


Table 8. Cash Rent Reported per Acre for Cropland NO SPECIFIC CROP, Dryland and Irrigated, Georgia, 2007(dollars)						
<u>Extension</u>	<u>Dryland</u>			<u>Irrigated</u>		
<u>District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	<b>33.41</b>	47.50	20.00	**	**	**
Northwest	32.00	50.00	19.00	**	**	**
Southeast	<b>44.04</b>	75.00	27.50	97.73	150.00	80.00
Southwest	<b>51.41</b>	100.00	30.00	<b>124.06</b>	160.00	50.00

\*\* = Insufficient Number of Replies

Table 9. Cash Rent Reported per Acre for Cropland TO GROW COTTON, Dryland and Irrigated, Georgia, 2007(dollars)						
<u>Extension</u>	<u>Dryland</u>			<u>Irrigated</u>		
<u>District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	<b>34.50</b>	47.50	25.00	**	**	**
Northwest	**	**	**	**	**	**
Southeast	<b>47.69</b>	75.00	30.00	<b>100.23</b>	150.00	65.00
Southwest	<b>54.23</b>	75.00	35.00	<b>123.85</b>	160.00	50.00

\*\* = Insufficient Number of Replies

Table 10. Cash Rent Reported per Acre for Cropland TO GROW PEANUTS, Dryland and Irrigated, Georgia, 2007(dollars)						
<u>Extension</u>	<u>Dryland</u>			<u>Irrigated</u>		
<u>District</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	48.08	75.00	30.00	96.54	150.00	75.00
Southwest	<b>51.15</b>	75.00	30.00	118.65	160.00	50.00

\*\* = Insufficient Number of Replies

NR = None Reported

Table 11. Cash Rent Reported per Acre FOR PECAN ORCHARD, Georgia, 2007(dollars)			
<u>Extension</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
<u>District</u>			
Northeast	NR	NR	NR
Northwest	**	**	**
Southeast	75.71	100.00	50.00
Southwest	108.90	204.00	55.00

NR = None Reported

\*\* = Insufficient Number of Replies

Table 12. Cash Rent Reported per Acre for Irrigated Cropland TO GROW VEGETABLES, Georgia, 2007(dollars)			
<u>Extension</u>			
<u>District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	**	**	**
Northwest	NR	NR	NR
Southeast	104.00	135.00	75.00
Southwest	<b>152.00</b>	250.00	87.50

\*\* = Insufficient Number of Replies

NR = None Reported

Table 13. Cash Rent Reported per Acre for PASTURE Georgia, 2007(dollars)			
<u>Extension</u>			
<u>District</u>	<u>Average</u>	<u>High</u>	<u>Low</u>
Northeast	<b>26.44</b>	50.00	20.00
Northwest	23.43	27.50	14.00
Southeast	<b>29.54</b>	50.00	10.00
Southwest	<b>32.32</b>	50.00	20.00

References:

Escalante, C.L. *Cash Rents Paid for Georgia Farmland in 2004*. University of Georgia College of Agricultural and Environmental Sciences, Cooperative Extension Service. Available online at <http://www.ces.uga.edu/Agriculture/agecon/pubs/Farm%20and%20financial/land04.pdf>.

National Agricultural Statistics Service – United States Department of Agriculture. *Land Values and Cash Rents 2006 Summary*. August 2006. Available online at: <http://usda.mannlib.cornell.edu/usda/current/AgriLandVa/AgriLandVa-08-04-2006.pdf>.

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