



Cash Rents Survey Overview

Below you will find links to a PowerPoint presentation, survey information sheet, and practice interviews for NASS's Cash Rents Survey. The practice interviews can be used to enter data in CATI or CAPI to get familiar with those data collection instruments.

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Strategic Planning and Business Services Division
Strategic Planning Branch
Workforce Performance and Staff Development Section

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NASS Survey Training

Cash Rents and Leases



United States Department of Agriculture
National Agricultural Statistics Service

Workforce Performance and Staff Development Section



Who Uses the Data

- Directed by the National Farm Bill for use by FSA in program administration.
- USDA relies on average cash rental rates at the county level to develop and administer programs that benefit farmers and rural communities.
- Farmers and ranchers can use the information to negotiate their future rental agreements and other business decisions.



Screening

- Does this operation currently rent or lease land?
 - If “No”, the operation screens out of the survey
 - If “Yes”, the operation qualifies for the survey



Determine Total Acres Operated

Acres owned



Acres rented/leased from others



Acres rented to others



Total acres operated

Be sure to include all land (farmstead, all cropland, woodland, pastureland, wasteland, and government program land.)

Screening for Cash Rent Paid

- Will this operation rent or lease any cropland or pasture from others for cash?
 - ONLY cropland or pasture rented/leased for cash. Exclude any:
 - Acres used rent free
 - Land rented on a share basis (sharecropping)
 - Land used per head or on a AUM basis
 - BLM and Forest Service land
 - Acreage rented with buildings/barns
 - ALSO *exclude* any Flex/Hybrid/Conditional leases*

The Basics



- What do we mean by “Cash Rent”?
 - Did they actually have to pay with cash? (No)
- For acres to be reported in this survey we must be able to determine how many dollars were/will be paid per acre for each type of land (a straight cash basis).
 - Examples:
 - I paid \$250 per acre for 360 acres of irrigated cropland.
 - I paid a total of \$90,000 for 360 acres of irrigated cropland.

Cash Rent Paid

- How many acres of (rented for cash):
 - Non-irrigated cropland
 - Irrigated cropland
 - Permanent pasture, grazing land, or grassland
- Dollars per acre OR total dollars paid.
- Any acres rented/leased for cash from relatives?
 - If Yes, how many acres?





**Non-Irrigated
Cropland**



Irrigated Cropland



Pasture/Grassland



Examples

Description of Rental Agreement	Correct Way to Report
Op pays \$100 an acre up front and will pay an additional amount based upon the yield.	Exclude
Op pays \$10,000 per year for 200 acres of non-irrigated wheat ground.	Include
Op rents irrigated cropland and pastureland for \$40,000 per year. It is not broken out by land type in the rental agreement.	Exclude
Op rents his parents place including the house, barn and grain bin for \$8,000 per year.	Exclude
Op pays \$80 per acre for 300 acres of irrigated cropland, \$50 per acre for 100 acres of non-irrigated cropland, and \$15 per acre for 20 acres of pastureland.	Include
Op pays \$20 per acre for irrigated cropland leased from his father.	Include*
Op pays \$2.50 per head on private pastureland in the summer.	Exclude
Op has a 60/40 crop share agreement with the landlord. He pays a guaranteed \$25 per acre plus 40% of the crop to the landlord.	Exclude
Op pays a flat \$5,000 for the use of 1,200 acres for summer pasture.	Include



Things to Watch Out For

- High/low price paid
- Rent per acre for irrigated cropland less than rent for non-irrigated cropland
- Rent per acre for cropland less than rent per acre for pasture
- Cash rented acres of cropland/pastureland exceeds total acres rented from others



Reluctant Responses

- “The government knows too much about my business already”
 - I understand how you might feel that way. When you are making important business decisions, wouldn't it be helpful to be knowledgeable about what people are paying for rents in your county or in adjacent counties?
- “I get a lower rate than most of my neighbors and I don't want them to know it”
 - You're right to be concerned about your privacy. That's why we have very strict disclosure policies which won't allow us to publish any information that could be traced back to any one individual operation.

Conclusion

- If you encounter anything odd or unexpected, make notes
- Get familiar with the survey before contacting producers
- Contact your supervisor or local office for any questions
- Thanks, and have a great survey!



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Cash Rents Survey Information

General Info:

Project Code: **921** – Cash Rents CE

Overview and Purpose:

The Cash Rents Survey obtains basic economic data from farmers and ranchers across the Nation. This survey provides the basis for estimates of the current year's Cash Rents paid for Irrigated Cropland, Non-Irrigated Cropland, and Permanent Pasture.

Estimates derived from this survey supply basic information needed by farmers to make decisions for both short term and long-term planning. The Cash Rent estimates may also be used by individual producers in planning expenses for their agricultural operation or by Extension or University Staff in developing operating budgets for agricultural operations in their locale.



Cash Rents Survey: Included/Excluded Examples

Example 1: Operation that rents the whole farm. "The operator rents 9 acres of hay and 25 acres of pasture land for a flat fee of \$500/yr. There is an additional 49 acres of woods included in that yearly fee. Total acres rented = 83."

Action: This is rent for the whole farm and should be excluded.

Example 2: The operator reports renting 100 acres of non-irrigated cropland for \$125/ac and an additional 200 acres of non-irrigated cropland for \$130/ac.

Action: The entry should be 300 acres of non-irrigated cropland for a total of \$38,500. Also, please write descriptive comments on the questionnaire describing this cash rental arrangement.

Example 3: The operator reports renting 100 acres of apple trees. He pays 5 cents a pound to the landlord for all the apples harvested on rented land.

Action: This is not a cash rent per acre and should be excluded.

Example 4: The operator rents 100 acres of pasture. He pays \$400 a month rent to run cattle on the land.

Action: Verify with the farmer that this is the only rental arrangement in place on the 100 acres and then determine how many months he is paying the \$400. Enter \$400 times the number of months as the total rent paid for the 100 acres.

Example 5: The operator reports renting 300 acres of pasture. He pays \$10 a head per cow & calf.

Action: This is not cash rent per acre. Rent is based on number of head pastured.

Example 6: The operator uses 40 acres of non-irrigated cropland rent free. He also rents 100 acres of non-irrigated cropland for \$275 per month for 12 months.

Action: Enter 100 acres in non-irrigated cropland and enter \$3,300 in for the cash rent. ($\$275 \text{ times } 12 = \$3,300$).

Example 7: The operator reports renting 75 acres for producing tobacco at \$550/ac.

Action: This rent is high. Please verify the rent does not include barns for curing tobacco or materials to help harvest the crop, etc.

Example 8: The operator rents 500 acres for row crop production at \$150 per acre and 15 percent of the crop produced. He also rents 200 acres of pastureland at \$30 per acre.

Action: Record 200 acres in pasture rent and enter \$30 per acre for cash rent. Do not record the 500 acres of cropland as it includes part of the crop as payment.

Unusually low rental arrangements may indicate that the farmer also has a non-cash arrangement for payment in addition to the cash rent, such as a percentage of the crop grown. These “partial share rent” arrangements are to *be excluded*.

Exclude all share cropping, percentage of the crop, etc arrangements. Do not include monetary values of the share even if known. For example, the arrangement involves paying 10% of the gross field price received for crops (in cash) harvested from the rented land. This is still to be excluded.

Exclude any rental agreements that include buildings or facilities with the land rents (such as greenhouses, dairy barns, tobacco sheds, etc.)

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Cash Rents & Leases Practice Interviews - CAPI

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Practice Interview 1:

Name, address, and phone number/s are all correct

Does this operation currently rent or lease land? **Yes**

In (current year), how many acres will this operation own? **200**

In (current year), how many acres will this operation rent or lease from others or use rent free? **800**

In (current year), how many acres will this operation rent to others? **0**

Then the total acres operated during (current year) will be 1,000? **Yes** (*Remember to verify that this included the farmstead, all cropland, woodland, pastureland, wasteland, and government program land*)

In (current year), for the total rented or leased from others, will any cropland or pasture acres be rented or leased for cash? **Yes**



How many acres of non-irrigated cropland will be rented or leased from others for cash? **250**

What will be the cash/rent lease per acre or total dollars on the non-irrigated cropland? **\$120/ac**

How many acres of irrigated cropland will be rented or leased for cash? **400**

What will be the cash rent/lease per acre or total dollars paid on the irrigated cropland? **\$20,000 total**

How many acres of permanent pasture, grazing or grassland will be rented or leased for cash? **150**

What will be the cash rent/lease per acre or total dollars paid on the permanent pasture, grazing or grassland? **\$12.50/ac**

In (current year), for the cropland and pasture acres rented or leased from others for cash, were any acres rented or leased from relatives? **No**

To have a brief summary emailed to you at a later date..... **Doesn't want results.**



Practice Interview 2:

Name, address, and phone number/s are all correct

Does this operation currently rent or lease land? **Yes**

In (current year), how many acres will this operation own? **250**

In (current year), how many acres will this operation rent or lease from others or use rent free? **400**

In (current year), how many acres will this operation rent to others? **20**

Then the total acres operated during (current year) will be 630? **Yes** (*Remember to verify that this included the farmstead, all cropland, woodland, pastureland, wasteland, and government program land*)

In (current year), for the total rented or leased acres, will any cropland or pasture acres be rented or leased for cash? **Yes**

How many acres of non-irrigated cropland will be rented or leased from others for cash? **0**

How many acres of irrigated cropland will be rented or leased for cash? **100**



What will be the cash rent/lease per acres or total dollars paid on the irrigated cropland? **\$8,000 (leave a note stating “his dad gives him a really good deal on these irrigated acres”)**

How many acres of permanent pasture, grazing or grassland will be rented or leased for cash? **300**

What will be the cash rent/lease per acre or total dollars paid on the permanent pasture, grazing or grassland? **\$5/ac**

In (current year), for the cropland and pasture acres rented or leased from others for cash, were any acres rented or leased from relatives? **Yes, I rent my pasture from my parents.**

How many acres rented or leased from other for cash were from relatives? **300**

To have a brief summary emailed to you at a later date..... **Doesn't want results.**

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