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2009 Land Rental Rate Survey Results

University of California Cooperative Extension Farm Advisors in Yolo County periodically collect data on agricultural land lease rates. In November 2009, we surveyed growers and landowners who were on our mailing lists for Yolo, Solano, and Sacramento counties in an effort to update lease rate trends in the tri-county area. The last survey was conducted in year 2000, which projected rates for 2001.

Survey Demographics In our most recent survey, we received 55 survey responses (60% growers; 40% landowners). Geographically, respondents represented a very broad area within our local region. The distribution was 37 from Yolo County, 15 from Solano County and 3 from Sacramento County. The highest concentration of responses came from the Esparto-Winters and the Woodland areas in Yolo County. Davis, Dixon and Knights Landing were also well represented. Respondents self-identified their farming practices as either conventional (87%) or organic (9%) while 4% did not choose a category. Farm size was heavily distributed to either small or large farms, with 33% of respondents farming less than 100 acres and 38% of the respondents farming over 1,000 acres. The remaining 29% were distributed among 5 categories of intermediate-sized farms from 101 to 1,000 acres. The survey included an extensive list of crops. We only reported rates on crops with 3 or more responses. Respondents provided rental rates as either a percent share of gross revenue (Table 1) or on a cash basis (Table 2).

Summary: From year 2000 to 2001, share rental rates were lowered in a response to poor farm economies. By 2009, share rental rates were either fairly stable or rebounding to year 2000 levels with modest variation seen among some commodities (Table 3). Some of the minor variations may be a result of several different participants between the survey years. We did not attempt to compare scale of producer to rental rate. While only a few organic producers responded, there was not a clear or substantial difference in rental rate between conventional and organic production method.

For 2009 as an example, tomato share rents ranged from 10 to 15%, with the most leases set at 12% while the weighted average was 12.6%.

We speculate that variations in annual cash rental rates would occur to adjust to uncertainty in commodity prices, expenses and crop yields. The tendency for wide divergence in cash rental rates in our current survey may be associated with differences in expected yield capacity of the land or other factors not captured in the survey.

We hope the survey will help guide land rental rate negotiations. In the end, the agreement needs to satisfy both the landowner and the producer.

Sincerely,

Kent Brittan
County Director

Table 1. Ag Land Lease Rates, Yolo, Solano, and Sacramento counties, 2009
 (% of gross revenue)

CROP	LOW	HIGH	MODE*	WEIGHTED MEAN	# of RESPONSES
Alfalfa	15	25	20	19.3	18
Almonds	8	25	8	12.8	8
Barley	20	33	25	24.7	7
Corn	15	20	20	18.6	12
Dry Beans, Double Crop	15	20	15	16.7	3
Dry Beans, Single Crop	20	20	20	20.0	4
Milo/Sorghum	20	25	20	21.3	4
Oat Hay	18	25	20	21.0	9
Peppers	7	12	-	9.0	3
Safflower	15	25	20	19.8	11
Sudan Hay	18	25	-	21.0	4
Sunflower Seed	15	20	15	16.8	14
Tomatoes, Processing	10	15	12	12.6	16
Walnuts	6	25	25	16.5	4
Wheat	20	33	25	24.3	19

*Mode = most frequent occurrence

Table 2. Ag Land Lease Rates, Yolo, Solano, and Sacramento counties, 2009
 (cash rent, \$/acre)

CROP	LOW	HIGH	MODE*	WEIGHTED MEAN	# of RESPONSES
Alfalfa	100	200	-	145	4
Almonds	100	150	100	117	3
Melons	200	260	200	215	4
Onion Seed	100	105	100	102	3
Pasture Land	10	90	-	48	5
Peppers	130	500	200	269	7
Rice	225	400	400	342	3
Tomatoes, Processing	100	323	-	168	6
Wheat	100	200	-	134	4

*Mode = most frequent occurrence

Table 3. Comparison with recent historical land rental rates in Yolo-Solano counties
(% of gross revenue)

CROP	1989 ¹ Range of % shares	2000 ¹ Weighted Mean	2001 ¹ Weighted Mean	2009 ² Weighted Mean
Alfalfa	18-25	20.7	19.2	19.3
Barley	25-30	24.3	22.7	24.7
Corn	18-25	19.8	17.5	18.6
Dry Beans, Double Crop	15	15.0	14.3	16.7
Dry Beans, Single Crop	18-20	19.5	17.0	20.0
Oat Hay	-	22.5	19.4	21.0
Peppers	-	8.0	7.0	9.0
Safflower	20-25	22.6	20.8	19.8
Sudan Hay	-	18.9	17.5	21.0
Sunflower Seed	16-18	18.1	15.5	16.8
Tomatoes, Processing	14-15	14.2	12.6	12.6
Wheat	20-33	25.7	21.2	24.3

¹ yr 1989, 2000 and 2001 data from Yolo and Solano only

² yr 2009 includes data from Yolo, Solano, and Sacramento counties

Survey Notes:

- Commodities with 2 or fewer responses were omitted from the report.
- Rent provided by a respondent as a range was converted to a single averaged value.
- Survey was conducted as a web-based, online survey.



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