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## "I" States Top Cash Rent Battleground

Rumors that some Corn Belt farmers are paying \$500 cash rents in 2012 sound like that imaginary rabbit friend named Harvey in the Jimmy Stewart movie to me. In other words, they may exist but nobody in the know can confirm it.

More reliable are surveys of average cash rents—and they remain at much more reasonable levels (see table below).

Once again, Illinois takes the prize for most extreme cash rent but Iowa isn't far behind. According to data released by the National Agricultural Statistics Service last week, Illinois's Macon County tops the list with an average cash rent of \$260 an acre in 2011. Iowa's top county—Hamilton—weighed in at seventh place with an average of \$235.

In fact, Illinois claims 19 of the top 25 most expensive farmland rental counties in the U.S., all topping \$200 an acre. Most of them are located in northern and central Illinois. Iowa fielded the remaining six counties on the top hit list. In fact, no other state made the list until Faribault County, Minn. (No. 64).

The NASS averages represent a blend of all land types and both family and arms-length lease terms from professional farm managers. It's not unusual for rents to vary \$100 lower or higher than the farms in the same county, notes University of Illinois economist Gary Schnitkey. Ironically, some of the most competitive Illinois counties seem high relative to other counties with similar quality land," he says—something he attributes to a handful of 10,000- to 15,000-acre-and-up farmers who are willing to bid aggressively to expand.

"Chances are next year will be a good year for prices," says Schnitkey. But the danger for renters is that crop insurance guarantees won't be set for another six months. Much can happen in the interim both to commodity prices or input costs like fertilizer.

"One of these years, prices will break," Schnitkey says. "It's hard to say when. But it will be interesting to see what happens to high-end rents when the revenues aren't there."

For more commentary on Illinois rents, see Schnitkey's post at <http://www.farmdocdaily.illinois.edu/...>

### TOP 2011 COUNTY AVERAGE CASH RENTS

(Source: NASS/USDA surveys)

1. Macon, IL \$260
2. Sangamon, IL \$252
3. Logan, IL \$246
4. Macon, IL \$242
5. Piatt, IL \$241
6. Christian, IL \$237
7. Hamilton, IA \$235
8. Grundy, IA \$234
9. McLean, IL \$233
10. Champaign, IL \$233
11. Moultrie, IL \$233
12. Logan, IL \$232
13. DeWitt, IL \$226
14. Carroll, IA \$226
15. Webster, IA \$225
16. Warren, IL \$224
17. Cedar, IA \$224
18. Douglas, IL \$221
19. Cass, IL \$221
20. Story, IA \$221
21. Cherokee, IA \$220
22. Franklin, IA \$217
23. Humboldt, IA \$217
24. DeKalb, IL \$216
25. Whiteside, IL \$216

