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Acre by Acre
MICHIGAN FARMLAND RENTAL MARKETS

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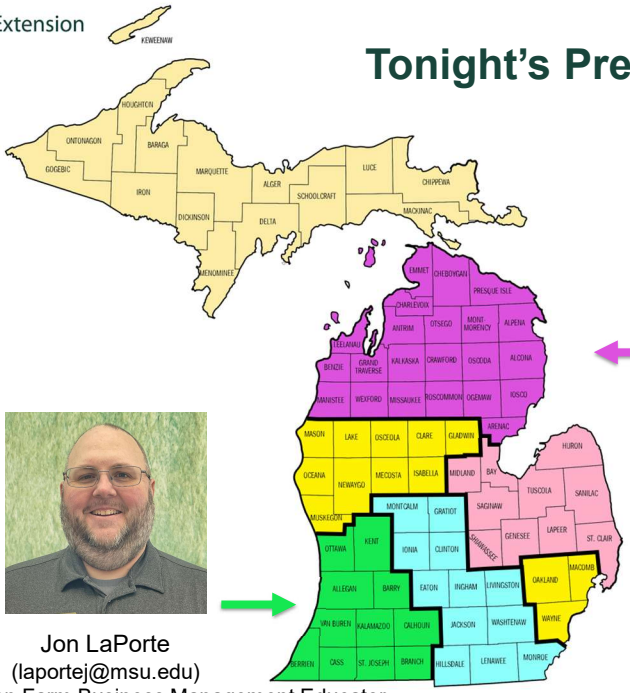
Tonight's Presenters





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Northern Michigan
Farm Business Management Educator

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Southwest Michigan Farm Business Management Educator



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Lease Structures

Verbal Leases *(most common)*

- Determines rent amount
- Relies on both parties recalling same details
- Transaction-oriented

Written leases *(recommended)*

- Determines rent amount
- Outlines mutual expectations (property care, renewal, etc.)
- Can include guidance on resolving conflicts
- Relationship-oriented



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Length of Agreements



Most leases are one-year leases

- Some may be year-to-year leases
  - With option to renew already included in lease agreement

Less common to have a lease over 2 or 3 years

- Multi-year leases usually involve "farmer paid" capital investments
  - Irrigation, tiling, etc.

Benefits of multi-year leases

- More likely to make investments in land and soil health improvements
  - *Lime applications, conservation practices, drainage tiles, irrigation, etc.*
- Stability of income/cost: Income for landowners and costs for farmers
  - *Depending on type of lease arrangement*

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Common Types of Lease Arrangements



Cash Rent

- Fixed rent value
- Farmer receives all revenue and pays all production expenses
- Dominant lease type



Flexible Rent

- Like cash rent
- Rent amount varies with crop revenue
- Gaining popularity in some areas/states

i.e., 2026 Illinois survey indicates 35% of leases are variable (flexible) rent agreements



Crop Share

- Farmer and landowner share in revenue and direct costs
- Revenue often includes crop and gov't programs
- Less common lease type



Custom Farming

- Landowner covers all costs and receives all revenues
- Landowner pays farmer for field operations
- Limited use lease type

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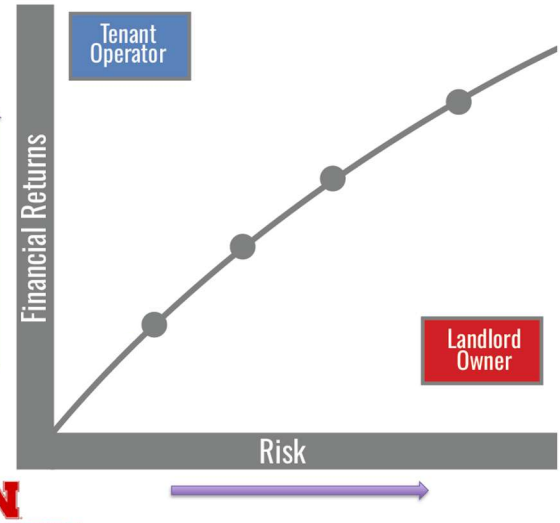
Risk & Financial Return of each Lease Arrangement Type



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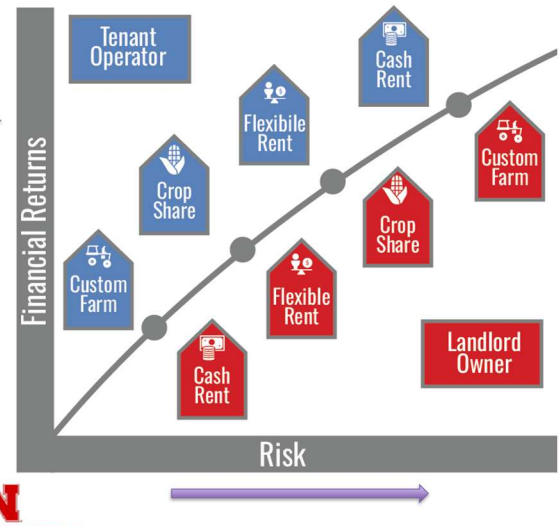
Risk & Financial Return of each Lease Arrangement Type



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Land Ownership Costs vs. Land Rent

The DIRTI-5 Formula	
Type of Ownership Cost	**Relevance to Type of Asset**
Depreciation	Equipment, Buildings, Infrastructure
Insurance	Land, Equipment, Buildings, Infrastructure
Repairs and Maintenance	Equipment, Buildings, Infrastructure
Taxes	Land, Buildings
Interest and Opportunity Cost	Land, Equipment, Buildings, Infrastructure

Use **Caution** when seeking Average Rent Values

USDA NASS is a good "starting point", but not final authority on price

Landowners

- DIRTI-5 are minimum costs
  - Can be prorated *(field vs. home costs)*
- May have additional costs rent needs to cover *(i.e., home costs, medical, etc.)*

Renters

- Land rent covers minimum landowner costs
  - Dirti-5
  - Any desired additional costs, if possible
- Farm must also balance land rent against production costs



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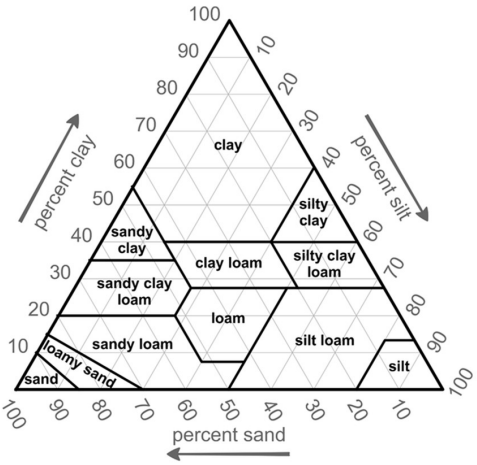
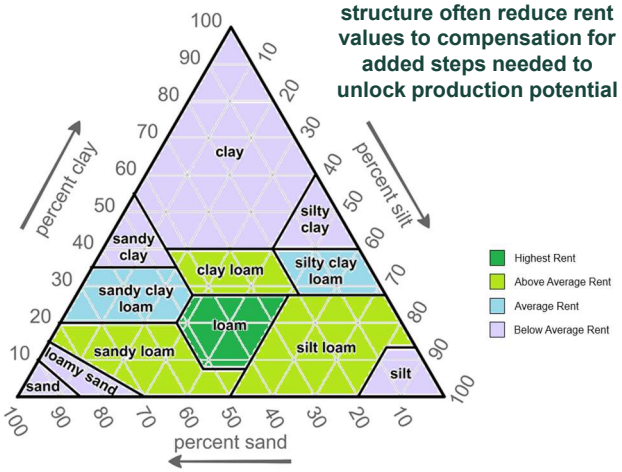
Importance of Soil Structure to Rent Values



Challenges from soil structure often reduce rent values to compensation for added steps needed to unlock production potential





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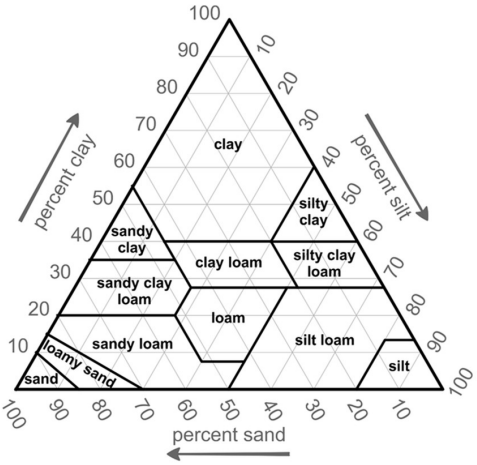
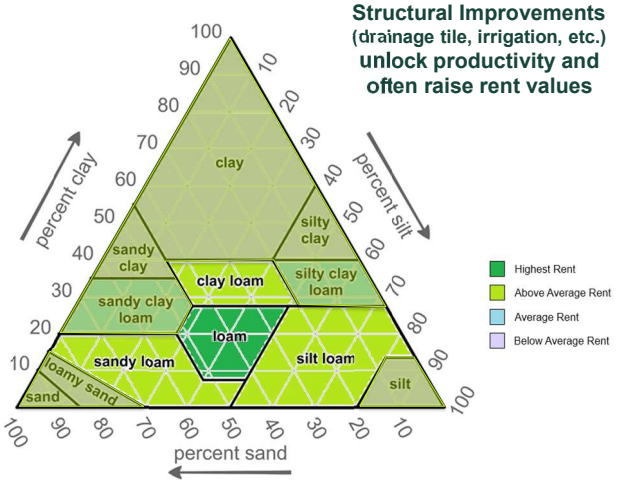
Importance of Soil Structure to Rent Values



Structural Improvements (drainage tile, irrigation, etc.) unlock productivity and often raise rent values





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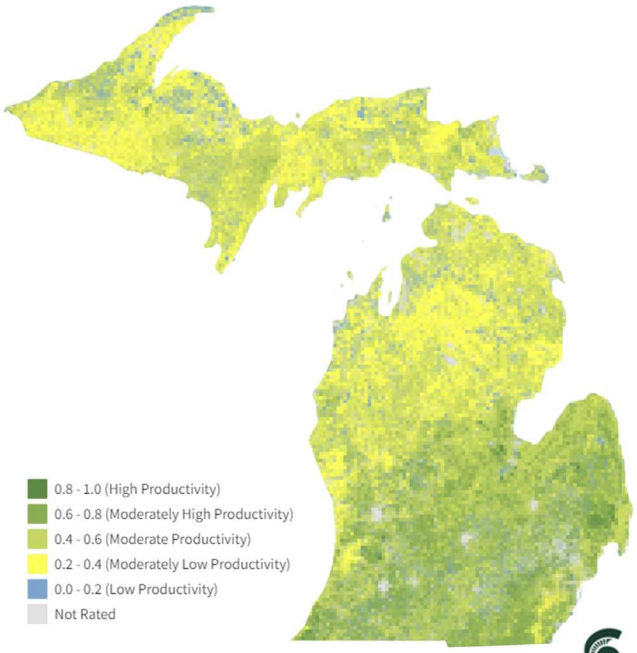
Crop Productivity Index



National Commodity Crop Productivity Index

- Produced by USDA Natural Resources Conservation Service (NRCS), the NCCPI ranks the inherent capacity of soils to produce non-irrigated (dryland) commodity crops based on soil, landscape, and climate factors

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Field Characteristics Driving Rent Value

Crop Production
(yields)

Improvements
(drainage tile, irrigation, etc.)

History
(crop types, pesticides, tillage practices, etc.)

Field Size
(farm growth goals, machinery logistics, etc.)

Physical Limitations
(property access or barriers, wildlife, etc.)

Location
(proximity to farm, city limits, etc.)

Soil Health
(pH and nutrient balances)

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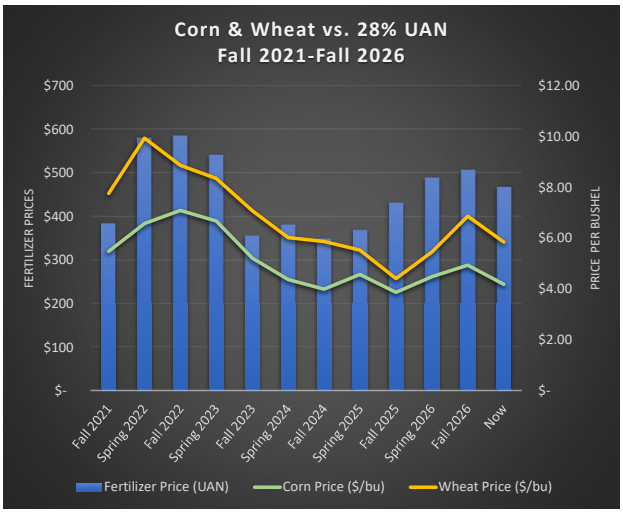
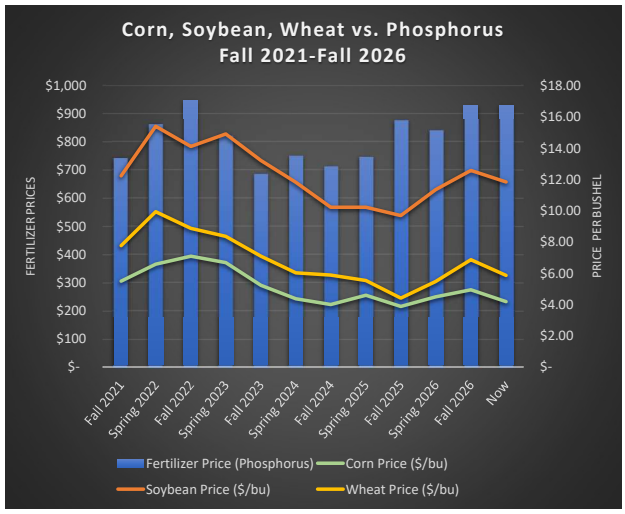
Commodity & Input Markets





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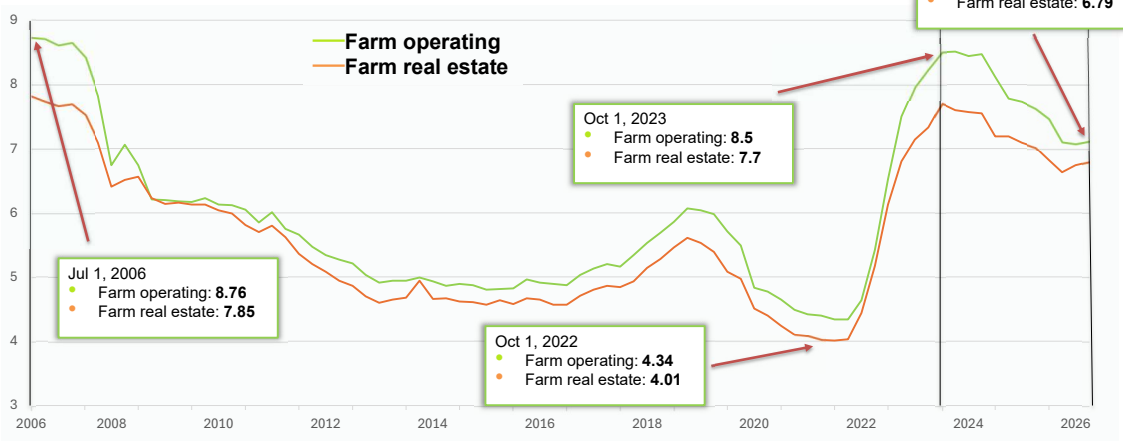
Interest Rates on New Farm Loans in 7th District

(IL, IN, IA, MI, and WI)



Source: Chicago Federal Reserve, July 1, 2026.

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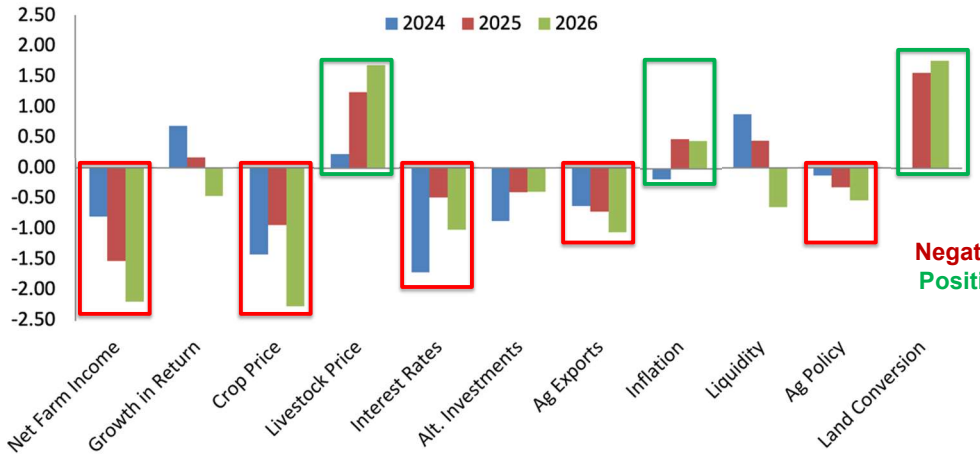
Influence of Drivers on Farmland Values (& Cash Rents?)



Source: Indiana Farmland Values Survey, August 2026

Center for Commercial Agriculture

Respondents rate each market force on a scale of -5 to +5, with -5 being the most negative influence.



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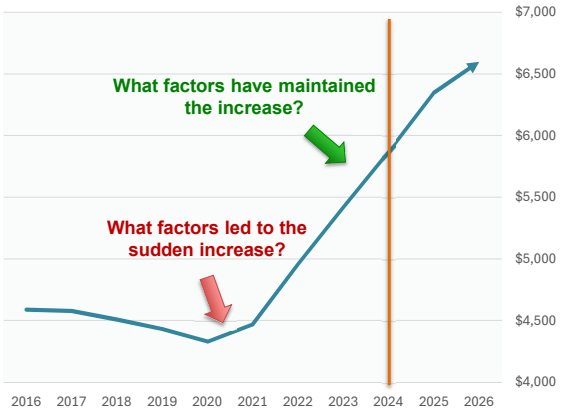
USDA NASS

Trends in Land Value vs. Land Rent

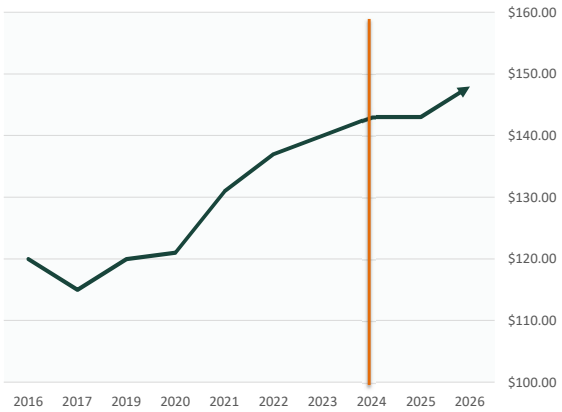
2016-2026 Michigan Farmland Value
(All Types)



Rising Inflation
Strong Net Farm Incomes
High Crop Prices

Inflation
High Interest Rates
High Livestock Prices

2016-2026 Michigan Farmland Cash Rent
(Non-Irrigated)



Correlation between land value and rent, but it's not perfect

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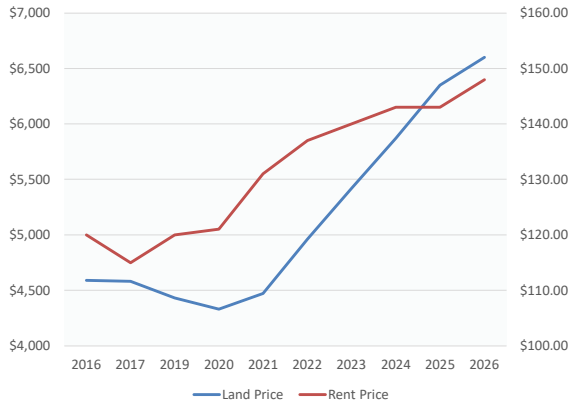
USDA NASS

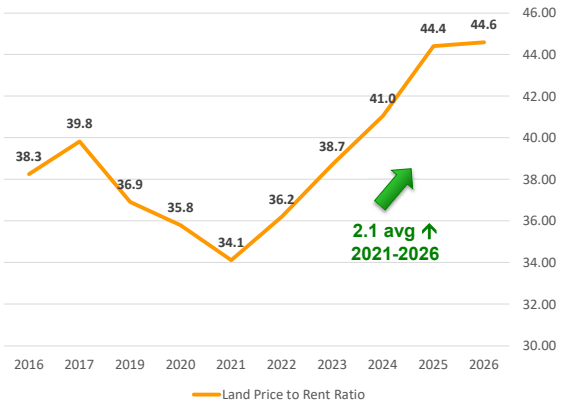
Trends in Land Value vs. Land Rent

Farmland Value and Non-Irrigated Rent Price



Land Price Rising Faster Than Rent

Land Price to Rent Ratio
(Non-Irrigated)



$$Land\ Price\ to\ Rent\ Ratio = \frac{Per\ Acre\ Price}{Per\ Acre\ Rent}$$

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USDA NASS

Trends in Land Value vs. Land Rent

2016-2026 Michigan Farmland Value
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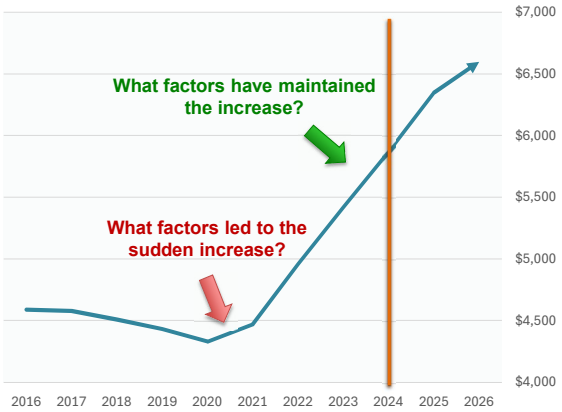
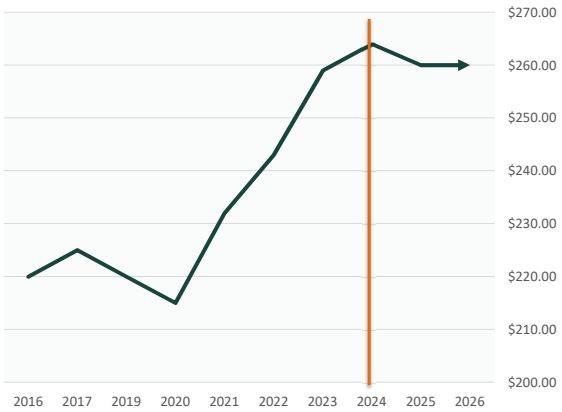


Rising Inflation
Strong Net Farm Incomes
High Crop Prices

Inflation
Interest Rates
High Livestock Prices

2016-2026 Michigan Farmland Cash Rent
(Irrigated)



Correlation between land value and rent, but it's not perfect

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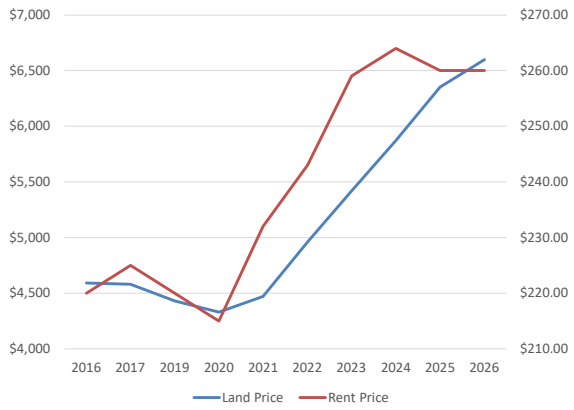
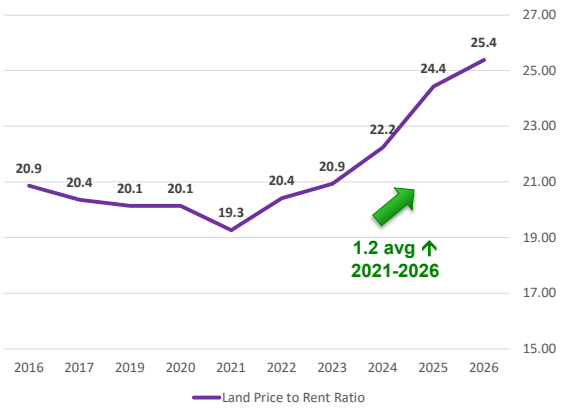
Trends in Land Value vs. Land Rent

Farmland Value and Irrigated Rent Price



Rent Rising Faster Than Land Price

Land Price to Rent Ratio
(Irrigated)



$$Land\ Price\ to\ Rent\ Ratio = \frac{Per\ Acre\ Price}{Per\ Acre\ Rent}$$

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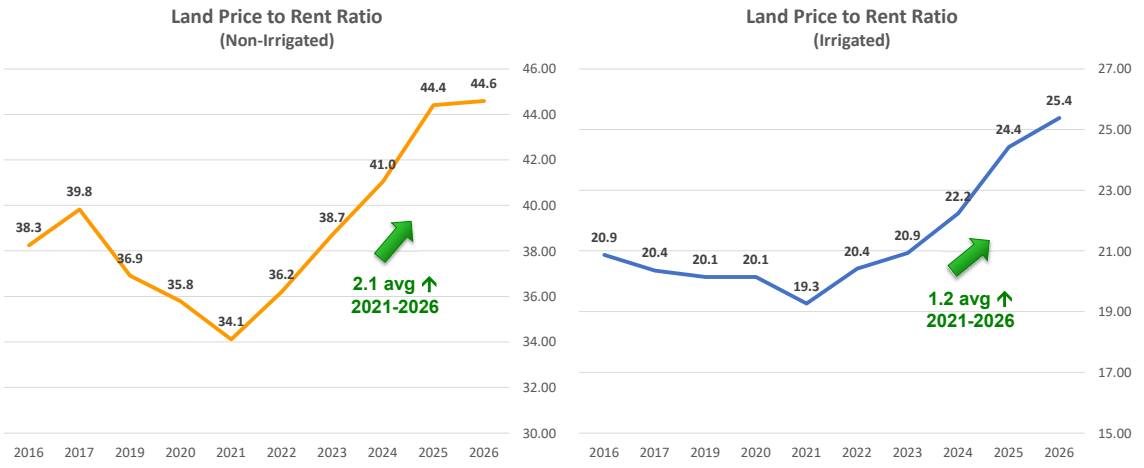
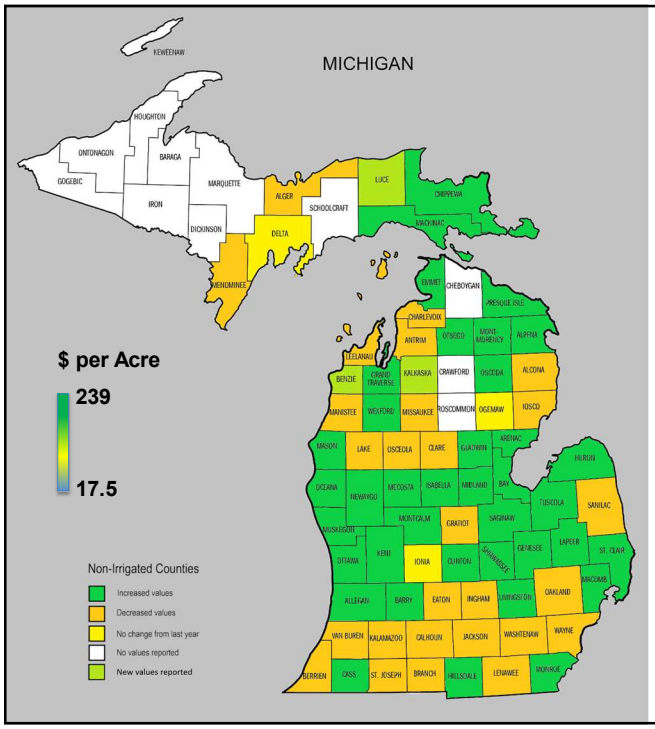
Land Price to Rent Ratio



To learn more about ***Land Price to Rent Ratio***:
https://farmdocdaily.illinois.edu/2022/03/land-price-to-rent-ratio-and-interest-rates.html





2026 Michigan Cash Rent County Estimates Non-Irrigated Cropland

Michigan State Average

$148/acre

+3.0%

Summary

High: $239/acre (Huron)

Low: $17.5/acre (Luce)

Source: Cash Rents Survey, USDA-NASS, August 2026

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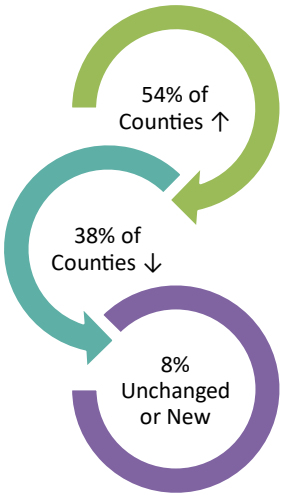
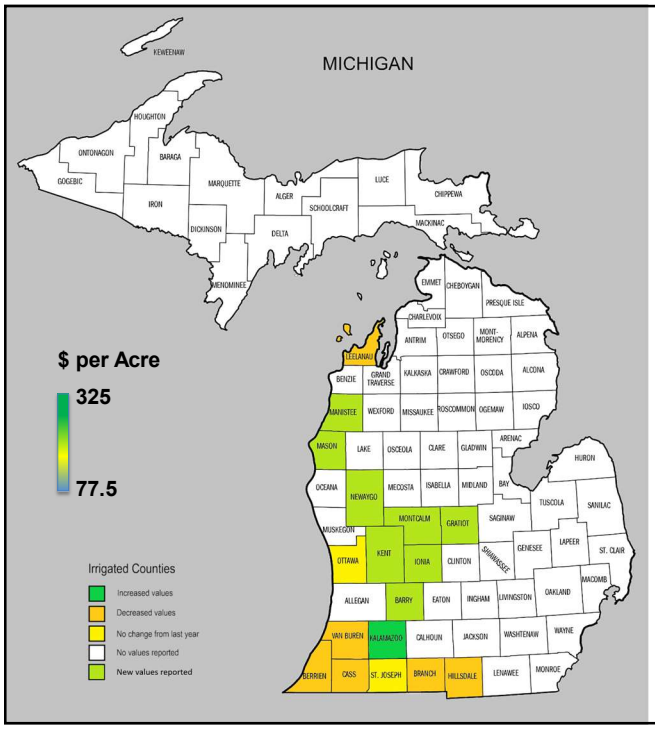
Changes between 2025 to 2026 (Non-Irrigated)

- Reporting Counties = 71
  - 38 counties saw rate increases
  - 27 counties saw rate decreases
  - 3 counties saw no change
  - 3 counties reported for the first time in several years







2026 Michigan Cash Rent County Estimates Irrigated Cropland

Michigan State Average

$260/acre

No change from 2025

Summary

High: $325/acre (Barry, Kalamazoo)

Low: $77.5/acre (Manistee)

Source: Cash Rents Survey, USDA-NASS, August 2026

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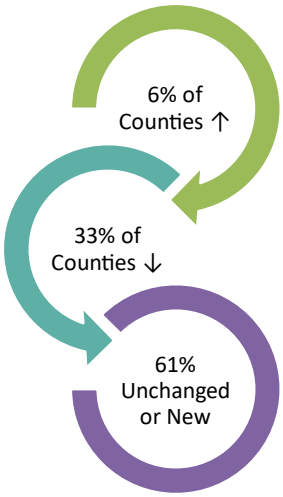
Changes between 2025 to 2026 (Irrigated)

- Reporting Counties = 18
  - 1 county saw rate increase
  - 6 counties saw rate decreases
  - 2 counties saw no change
  - 8 counties reported for the first time in several years





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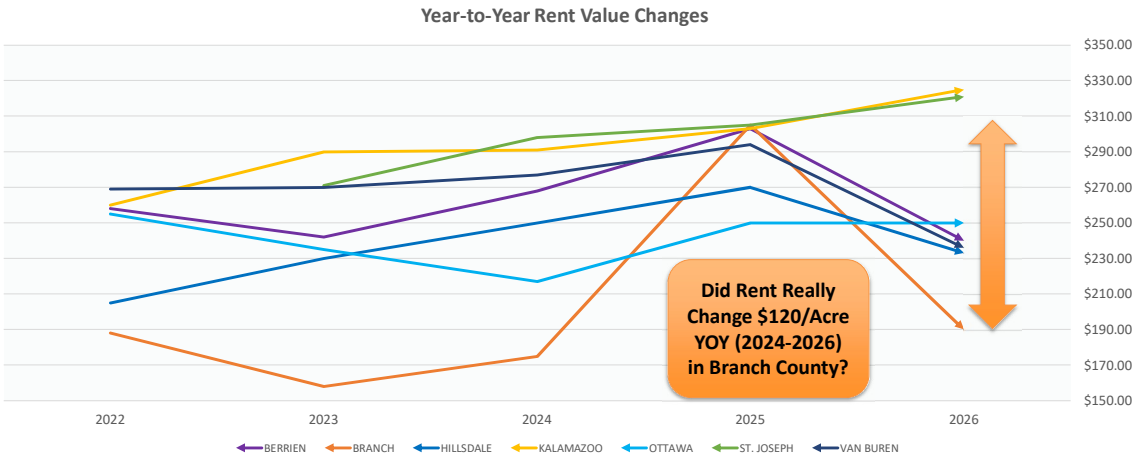
Importance of Survey Responses



Many Factors (number of responses, new vs. old leases, types of leases, etc.) can affect USDA Cash Rent Survey results



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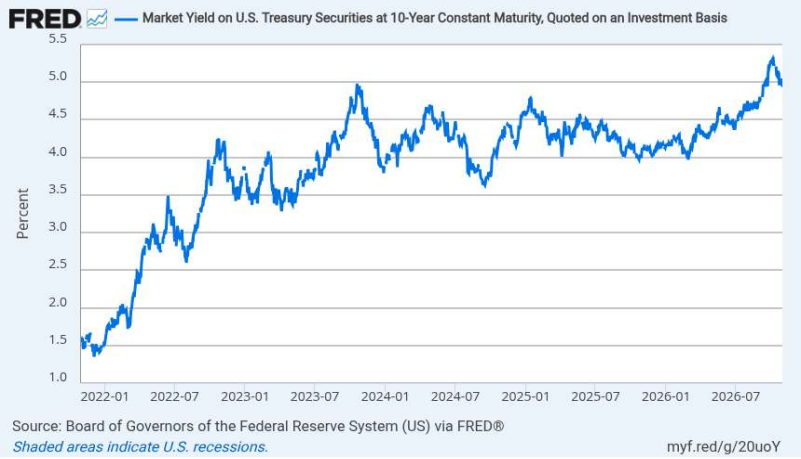
U.S. Treasury 10-Year Yield Rate

The 10-year U.S. Treasury rate is commonly used as a baseline for land price and cash rent comparisons



Calculation	
Land Value	$6,600/ac.
U.S. Treasury 10-Year Rate	x 4.94%
Rent Per Acre	= $326/ac.

Caution:
Farm must be able to support this rate!

https://fred.stlouisfed.org/series/dgs10

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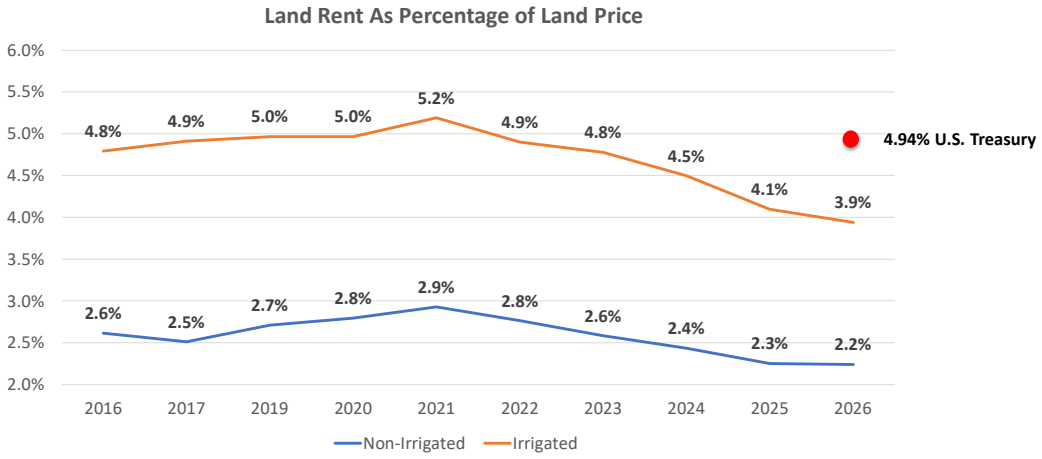
U.S. Treasury 10-Year Rate vs. Historical Price/Rent



U.S. Treasury 10-Year Rate may work as a starting point for irrigated acres at county or township level, but some adjustment will likely be needed

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Estimating Cash Rental Rates Using Survey Data

- Michigan's USDA Farmland Cash Rental Rates report website:
  https://www.canr.msu.edu/resources/usda-farmland-cash-rental-rates

RENT, CASH, CROPLAND, IRRIGATED											Note: values are annual payment rates per acre
County	% Change 2025 → 2026	2026 $/Acre	2025 $/Acre	2024 $/Acre	2023 $/Acre	2022 $/Acre	2021 $/Acre	2020 $/Acre	2019 $/Acre	2017 $/Acre	2016 $/Acre
BARRY	----	$325.00	----	----	$228.00	----	----	----	----	----	----
BERRIEN	-21%	$240.00	$303.00	$268.00	$242.00	$258.00	$195.00	$240.00	$241.00	----	$220.00
BRANCH	-38%	$190.00	$305.00	$175.00	$158.00	$188.00	$195.00	$195.00	$207.00	$206.00	$207.00
CASS	-5%	$280.00	$296.00	----	$301.00	$287.00	$312.00	$312.00	$263.00	$290.00	$297.00
GRATIOT	----	$264.00	----	----	----	----	----	----	----	----	$185.00
HILLSDALE	-14%	$233.00	$270.00	$250.00	$230.00	$205.00	$176.00	$175.00	$193.00	$190.00	$185.00
IONIA	----	$235.00	----	----	----	----	----	----	----	----	----
KALAMAZOO	7%	$325.00	$303.00	$291.00	$290.00	$260.00	$240.00	----	----	$250.00	$270.00
KENT	----	$247.00	----	----	----	$196.00	----	----	----	----	$185.00
LEELANAU	-15%	$252.00	$296.00	----	----	$176.00	$111.00	----	----	----	----
MANISTEE	----	$77.50	----	----	$85.00	----	----	----	----	----	----
MASON	----	$100.00	----	----	----	----	----	----	----	----	----
MECOSTA	----	$155.00	----	----	$201.00	$117.00	----	----	$150.00	----	----
MONTCALM	----	$241.00	----	$230.00	----	$245.00	$144.00	$192.00	$186.00	$185.00	----
NEWAYGO	----	$130.00	----	----	----	----	$156.00	----	----	----	----
OTTAWA	0%	$250.00	$250.00	$217.00	$235.00	$255.00	$170.00	$170.00	----	----	$185.00
ST. JOSEPH	0%	$321.00	$321.00	$305.00	$298.00	$271.00	$246.00	$236.00	$241.00	$260.00	$251.00
VAN BUREN	-20%	$236.00	$294.00	$277.00	$270.00	$269.00	$236.00	----	$226.00	----	$198.00
State Average	0%	$260.00	$260.00	$264.00	$259.00	$243.00	$232.00	$215.00	$220.00	$225.00	$220.00
RENT, CASH, PASTURELAND											Note: values are annual payment rates per acre

Source: Cash Rents Survey, USDA-NASS, August 2026

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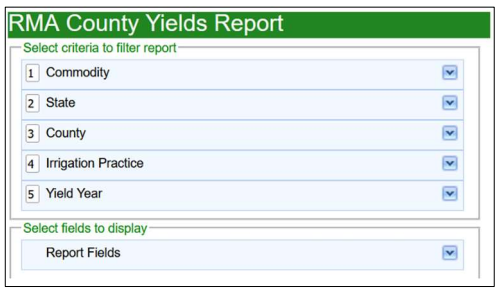
Estimating Cash Rental Rates Using Survey Data

- USDA Risk Management Agency County Yield Reports:
  - https://webapp.rma.usda.gov/apps/RIRS/
    - Select "RMA County Yields Report"



Yield Year	County Name	Corn Yield (Irrigated)
2021	St. Joseph, MI	169.8
2022	St. Joseph, MI	196.5
2023	St. Joseph, MI	201.6
2024	St. Joseph, MI	193.6
2025	St. Joseph, MI	200.6
	Average	192.36

Note: Final county yields for a crop year is targeted for release in May of the following year (i.e., 2025 yields released in May of 2026)

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Estimating Cash Rental Rates Using Survey Data

- (Step 1) Evaluate land rent value from USDA Survey Data
  - $321/acre for St. Joseph County
- (Step 2) Identify County Yield
  - 192.36 bushels/acre
- (Step 3) Calculate County Rent/Bushel
- Calculation:

$$\frac{County\ Rental\ Rate}{County\ Corn\ Yield} = County\ Rent/Bushel$$

St. Joseph, MI	
County	**Value**
Step 1: County Rental Rate	$321/ac.
Step 2: County Corn Yield	÷ 192.36 bu./ac.
Step 3: County Rent/Bushel	$1.67/bu.



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Estimating Cash Rental Rates Using Survey Data

- (Step 4) Evaluate Your Farm's Yield History
  - Average past five years of actual production history (APH) for your farm *(or use crop insurance yields)*
- (Step 5) Adjust proposed rent value based on survey data's county rent per bushel factor
- Calculation:

$$\begin{aligned} &County\ Rent/Bushel \\ &\times Your\ Farm's\ APH\ \ Yield \\ &= Farm\ Level\ Rent\ \$\$ \end{aligned}$$

St. Joseph, MI	
Farm	**Value**
County Rent/Bushel	$1.67/bu.
Step 4: Your Farm's APH Yield	x 194 bu./ac.
Step 5: Farm Level Rent	**$323.74/ac.**



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Estimating Cash Rental Rates Using Survey Data

St. Joseph, MI	
County	**Value**
Step 1: County Rental Rate	$321/ac.
Step 2: County Corn Yield	÷ 192.36 bu./ac.
Step 3: County Rent/Bushel	$1.67/bu.



St. Joseph, MI	
Farm	**Value**
County Rent/Bushel	$1.67/bu.
Step 4: Your Farm's APH Yield	x 194 bu./ac.
Step 5: Farm Level Rent	**$323.74/ac.**

Survey Value: $321.00 VS. Farm Value: $323.74

Reminder: Estimating rates based on survey data is a good "starting point", but should not be the final authority on price



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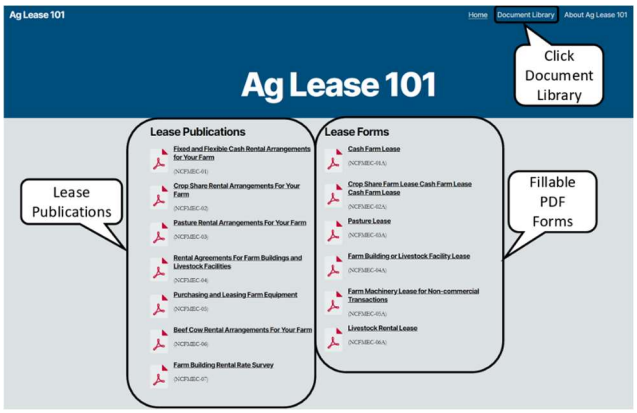
Land Rent Resources



Fillable PDF Leases – AgLease101.org

EXTENSION RISK MANAGEMENT EDUCATION
NORTH CENTRAL CENTER



Research Results & Educational Videos
https://www.youtube.com/@MIFarmLink

List a Farm. Find a Farm. **Make a Farm Link.**
https://mifarmlink.org/

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Farmland Leasing Resources
Available at: www.canr.msu.edu/farm_management/
Land Rent Calculator
DEMaND
Developing and Educating Managers and New Decision-makers
Introduction to Renting
Jonathan LaPorte, Michigan State University
MICHIGAN FARMLAND LEASE
USDA Farm Land Cash Rental Information 2026-2016


Planning for Profit:
A Production Economics and Farm Marketing Workshop
Friday, December 4 from 8:30 AM to 4:00 PM
Montcalm Community College, Sidney, MI
Register today at:
https://pears.io/events/msuext/11246/

FREE Farm Accounting Software Office Hours

Get Answers to Your Recordkeeping & Accounting Software Questions

December 2
10:00-11:00 AM

January 6
10:00-11:00 AM

February 3
10:00-11:00 AM

Topics Include
- Moving beyond spreadsheets
- Comparing accounting software
- Farm recordkeeping best practices
- Live Q&A with MSU Extension educators

MSU Extension to hold free office hours for farm financial recordkeeping software questions and consultations - Farm Management

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REGISTER TODAY!

Free virtual sessions
Advance registration required

Questions?
Cheri Burk
989-895-4026
burkcher@msu.edu

Demystifying the Succession Planning Process

Key questions, tools, and resources to build your plan

GREAT LAKES EXPO

Tuesday, December 8, 2026

2:00 – 4:00 PM

Grand Gallery Overlook C

What we'll cover

- **Orientation to Farm Succession Planning**
- **Questions to Consider & Overview of Instruments**
- **Fair May Not Be Equal… And That's OK**
- **Q&A and Networking**

PRESENTED BY

Corey Clark & Chris Bardenhagen

Michigan State University Extension