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How much can you afford to pay for pasture? Several factors in addition to value of forage will influence the value of fair rental rate for pasture. Some of those issues are: Who is responsible for fertilization program? Who is responsible for maintaining the fence? Who will provide weed control? Are there restrictions on stocking rate?

It is more difficult to set a rental rate for pasture than for corn ground. With crop land, you look at the soil type and past yields to determine a fair rental rate. Pasture rent should be based on a number of items ranging from supply and demand factors, to location and quality of pasture, type of grass, condition of fencing and availability of water. Most rental agreements do not take into consideration the variability of these items.

Pasture Rent		
	Average	Median
Cash Rent/head/acre	\$8.5	\$8.5
Cash Rent/acre	\$34	\$19.80
Cash Rent/head/day	\$0.50	\$0.50

According to USDA survey data pasture rent averages \$29 in Illinois.

A 1995 state-wide leasing survey was conducted by the University of Illinois.

Several factors will influence the amount of pasture rental rate. Who will pay for the fertilizer and fence repair and is hay harvested from pasture? Sixty-one percent of respondents of the leasing survey reported paying 100 percent of fertilizer applied to pastures, with only thirty-one

percent reporting fertilizing the pasture every year. Seventy-six percent of respondents said the owner furnished the fencing, but only twenty-four percent said the owner furnished the repairs on the fence. From the survey, it seems that it is typical for the owner to rent the fenced pasture, but it would be the responsibility of the renter for fence repairs and fertilizer. Forty-one percent of the respondents reported that they harvested hay from the pasture.

Another method is using a formula which takes into consideration the value of hay and the quality of the pasture. Below are the animal units and pasture quality factors from Cooperative Extension Service circulars.

Per Head Per Month

To use this method, you must know the animal unit values, pasture quality, and hay prices.

Class of Livestock	No. of Animal Units
Cows (1000 lbs.)	1.0
Cow & Falf pairs	1.3
Two-year-old steers	.9
Yearling cattle (18-24 mo.)	.8
Yearling cattle (12-17 mo.)	.65
Calves (under 12 mo.)	.5
Bulls (mature)	1.4
Saddle horses (mature)	1.25
Sheep	.2

Description	Factor
Excellent grass/legume pasture	.275
Good pasture*	.225
Fair pasture*	.175
Poor grasses, weedy growth*	.125

Pasture Quality Factors* *

* Quality factors modified for Illinois conditions.

** Pasture Leases BC-623, Purdue University, Cooperative Extension Service.

Example of a formula for estimating pasture rent:

Animal units X price of grass hay/ton X pasture quality factor = **rate per head per month**

Sometimes, landowners and cattle owners are interested in working out a share arrangement. This type of agreement divides the production and price risk between the two parties. The landowner contributes land taxes, interest on pasture land, depreciation, and repairs on fences and water systems. The livestock owner contributes interest on livestock and labor. The value of livestock gains should be calculated on the basis of net increase in value. This would require a determination of the value of animals pastured at the beginning and at the end of the pasture season. A variation on this arrangement is to take the weight gained and pay the landowner an agreed upon price per pound of gain. The range in Illinois is \$.20 to \$.40 per pound of gain.

Each of these methods can be used to estimate pasture rental rates; the going market rate cannot be ignored. The estimated livestock numbers, prices, and weather conditions are factors that will influence the going pasture rental rates.